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Admiral Acquisition Limited

22 August 2023

Interim Report and Financial Statements

Admiral Acquisition Limited (the "**Company**"), today announced the publication of its report and unaudited financial statements for the period from incorporation on 15 December 2022 to 31 May 2023 (the "**Interim Report and Financial Statements**"). Copies of the Interim Report and Financial Statements will be available on the Company's website at www.admiralacquisition.com and are set out in full below.

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About Admiral

Admiral (LSE: ADMR) is a British Virgin Islands company founded by Sir Martin E. Franklin, Ian G.H. Ashken, Desiree DeStefano, Michael E. Franklin, Robert A.E. Franklin, and James E. Lillie. The Company was created to pursue its objective of acquiring a target company or business (the "**Acquisition**"). There is no specific expected target value for the Acquisition and the Company expects that any funds not used for the Acquisition will be used for future acquisitions, internal or external growth and expansion, purchase of outstanding debt and/or working capital in relation to the acquired company or business. The Company's efforts in identifying a prospective target business will not be limited to a particular industry or geographic region.

Important Notices

This announcement does not contain or constitute an offer of, or the solicitation of an offer to buy or subscribe for, securities to any person in any jurisdiction including the United States, Australia, Canada, Japan or South Africa. The securities referred to herein have not been registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered, sold, transferred or delivered, directly or indirectly, in or into the United States absent registration under the Securities Act or an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There will be no public offer of the securities in the United States.

This announcement is an advertisement and not a prospectus and does not constitute or form part of, and should not be construed as, an offer to sell or issue, or a solicitation of any offer to buy or subscribe for, any securities, nor should it or any part of it form the basis of, or be relied on in connection with, any contract or commitment whatsoever. Investors should not subscribe for or purchase any securities referred to in this announcement except on the basis of information in the Prospectus published by the Company in connection with such securities. This announcement is only addressed to, and directed at, persons in member states of the European Economic Area and the United Kingdom who are "qualified investors" within the meaning of Article 2(e) of Regulation (EU) 2017/1129 as amended. In the United Kingdom, this announcement is directed only at "qualified investors" within the meaning of Article 2(e) of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended) who are also (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), or (ii) persons who are high net worth bodies corporate, unincorporated associations or partnerships or trustees of high value trusts as described in Article 49(2) of the Order; or (iii) other persons to whom it may lawfully be communicated. Under no circumstances should persons of any other description rely or act upon the contents of this announcement.

LEI: 213800ZDFRNC8QXEZ48

Chairman's Statement

It is with pleasure that I present to you, the shareholders, the report and unaudited financial statements of Admiral Acquisition Limited (the "Company") for the period from incorporation on 15 December 2022 to 31 May 2023.

The Company

The Company raised gross proceeds of US\$539.5 million in its initial public offering ("IPO"), through the placing of ordinary shares of no par value in the capital of the Company ("Ordinary Shares") (with matching ("Warrants") to subscribe for Ordinary Shares issued at a placing price of US\$10.00 per Ordinary Share and a further US\$10.5 million through the subscription of the founder preferred shares of no par value ("Founder Preferred Shares") (with Warrants being issued on the basis of one Warrant per Founder Preferred Share) at a price of US\$10.50 per Founder Preferred Share). The Company was admitted to the Official List of the FCA by way of a standard listing and to trading on the main market of the London Stock Exchange on 22 May 2023 ("Admission"). As at 18 August 2023, the Company had 53,975,000 Ordinary Shares and 54,975,000 Warrants in issue. The net proceeds from the IPO are easily accessible when required.

As set out in the Company's prospectus dated 17 May 2023 (the "Prospectus"), the Company was formed to undertake an acquisition of a target company or business. There is no specific expected target value for the acquisition and the Company expects that funds not used for the acquisition, if any, will be used for future acquisitions, internal or external growth and expansion, purchase of outstanding debt and/or working capital in relation to the acquired company or business. Following completion of the acquisition, the objective of the Company is expected to be to operate the acquired business and implement an operating strategy with the objective of building and growing the business and generating value for the Company's shareholders ("Shareholders") through operational improvements as well as potentially through additional complementary acquisitions.

The Board of Directors continues to review a number of acquisition targets and will remain disciplined in only proceeding with an acquisition that it believes it can produce attractive returns to its Shareholders.

Financial Results

During the period commenced 15 December 2022 and ended 31 May 2023, the Company has incurred operating costs of US\$248,000. These expenses were offset by investment income totalling approximately US\$659,000. Costs of Admission of US\$10.5 million were recorded as an offset to the gross proceeds from the IPO in the Company's Balance Sheet.

Principal Risks and Uncertainties

The Company set out in the Prospectus the principal risks and uncertainties that could impact its performance; the Directors consider that these principal risks and uncertainties remain unchanged since that document was published and apply for the period of the remaining six months of the financial year. Your attention is drawn to the Principal Risks and Uncertainties section on page 11 for a summary of these and to the Prospectus for the detailed assessment. A copy of the Prospectus is available on the Company's website (www.admiralacquisition.com) and was submitted to the National Storage Mechanism and is available for inspection at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

Related Parties

Related party disclosures are given in note 7 to these financial statements.

Rory Cullinan
Chairman
18 August 2023

Report of the Directors

The Directors have pleasure in submitting their Report and the unaudited financial statements for the period from 15 December 2022 through 31 May 2023.

Status and activities

The Company was incorporated with limited liability under the laws of the British Virgin Islands under the BVI Business Companies Act, 2004, on 15 December 2022. The address of the Company's registered office is Ritter House, Wickhams Cay II, Road Town, Tortola, VG 1110, British Virgin Islands. The Ordinary Shares and Warrants were admitted for trading on the main market of the London Stock Exchange on 22 May 2023. The Company raised gross proceeds of US\$539.5 million in its IPO and a further US\$10.5 million through the subscription of Founder Preferred Shares for a potential acquisition of a target company or business (which may be in the form of a merger, capital stock exchange, asset acquisition, stock purchase, scheme of arrangement, reorganization or similar business combination) of an interest in an operating company or business (an "Acquisition"). Costs of Admission of US\$10.5 million were paid in relation to the IPO, resulting in net proceeds of US\$539.5 million.

There is no specific expected target value for the Acquisition and the Company expects that funds not used for the Acquisition, if any, will be used for future acquisitions, internal or external growth and expansion, purchase of outstanding debt and/or working capital in relation to the acquired company or business. Following the completion of any Acquisition, the objective of the Company is expected to be to operate the acquired business and implement an operating strategy with the objective of building and growing the business and generating value for its Shareholders through operational improvements as well as potentially through additional complementary acquisitions. Following the Acquisition, the Company intends to seek re-admission of the enlarged group to such listing venue as is appropriate for it based on the industry, geographic focus and track record of the company or business acquired, subject to fulfilling the relevant eligibility criteria at the time. The Company expects to acquire a controlling interest in a target company or business. The Company (or its successor) may consider acquiring a controlling interest constituting less than the whole voting control or less than the entire equity interest in a target company or business if such opportunity is attractive; provided, the Company (or its successor) would acquire a sufficient portion of the target entity such that it could consolidate the operations of such entity for applicable financial reporting purposes (and, in any event, would not be required to register as an investment company under the U.S. Investment Company Act of 1940, as amended). In connection with an Acquisition, the Company may issue additional Ordinary Shares which could result in the Company's then existing Shareholders owning a minority interest in the Company following the Acquisition.

The Company's efforts in identifying a prospective target company or business will not be limited to a particular industry or geographic region. The Company may subsequently seek to raise further capital for the purposes of the Acquisition.

Unless required by applicable law or other regulatory process, no Shareholder approval will be sought by the Company in relation to the Acquisition. The Acquisition will be subject to Board approval, including by a majority of the Company's Board, including a majority of those Directors of the Board from time to time considered by the Board to be independent for the purposes of the UK Corporate Governance Code issued by the Financial Reporting Council (the "FRC") in the UK from time to time (the "Code") (or any other appropriate corporate governance regime complied with by the Company from time to time) together with the chairman of the Board provided that such person was considered by the Board to be independent on appointment for the purposes of the UK Corporate Governance Code (or any other appropriate corporate governance regime complied with by the Company from time to time).

The determination of the Company's post-Acquisition strategy and whether any of the Directors will remain with the combined company and on what terms will be made at or prior to the time of the Acquisition.

In the event that the Acquisition has not been announced by the second anniversary of Admission, the Board will recommend to Shareholders either that the Company be wound up (in order to return capital to Shareholders and holders of the Founder Preferred Shares, to the extent assets are available) or that the Company continue to pursue the Acquisition for a further 12 months from the second anniversary of Admission. The Board's recommendation will then be put to a Shareholder vote (from which the Directors, the Founders and Mariposa Acquisition IX, LLC (the "Founder Entity") will abstain).

Report of the Directors (Continued)

The Company has identified the following criteria and guidelines that it believes are important in evaluating potential acquisition opportunities. It will generally use these criteria and guidelines in evaluating acquisition opportunities but the Company may decide to complete an Acquisition that does not meet these criteria and guidelines:

- leading competitive industry position with a defensible moat;
- a company with strong underlying free cash flow characteristics;
- an established company or business with a proven track record;
- experienced management team; and
- diversified customer and supplier base.

In addition, the Company expects to consider a variety of factors with respect to potential acquisition opportunities, including, among others:

- financial condition and results of operations;
- growth potential;
- brand recognition and potential;
- experience and skill of management and availability of additional personnel;
- capital requirements;
- stage of development of the business and its products or services;
- existing distribution or other sales arrangements and the potential for expansion;
- degree of current or potential market acceptance of the products or services;
- proprietary aspects of products and the extent of intellectual property or other protection for products or formulas;
- impact of regulation and potential future regulation on the business;
- regulatory environment of the industry;
- seasonal sales fluctuations and the ability to offset these fluctuations through other acquisitions, introduction of new products, or product line extensions; and
- the amount of working capital available.

Results

For the period from incorporation on 15 December 2022 to 31 May 2023, the Company's net income was US\$411,000.

Share capital

General:

As at 31 May 2023, the Company had in issue 53,975,000 Ordinary Shares and 1,000,000 Founder Preferred Shares. In addition, the Company has 54,975,000 Warrants in issue.

1 Founder Preferred Share was issued on 21 December 2022 with a further 999,999 Founder Preferred Shares issued on 22 May 2023. There are no Founder Preferred Shares held in Treasury. Each Founder Preferred Share was issued at US\$10.50 per share with an associated Warrant as described in note 4.

Report of the Directors (Continued)

Share capital (Continued)

53,975,000 Ordinary Shares were issued on 22 May 2023 (53,950,000 were issued in the IPO at US\$10.00 per share and 25,000 were issued, in aggregate, to Rory Cullinan, Melanie Stack and Thomas V. Milroy (the "Independent Non-Founder Directors") in connection with the IPO. There are no Ordinary

Shares held in Treasury. Each Ordinary Share was issued with an associated Warrant as described in note 4.

Founder Preferred Shares:

Details of the Founder Preferred Shares can be found in note 4 to the financial statements and are incorporated into this Report by reference.

Securities carrying special rights:

Other than as disclosed above in relation to the Founder Preferred Shares, no person holds securities in the Company carrying special rights with regard to control of the Company.

Voting rights:

Holders of Ordinary Shares and Founder Preferred Shares have the right to receive notice of and to attend and vote at any meetings of members except, in relation to any Resolution of Members that the Directors, determine is (i) necessary or desirable in connection with a merger or consolidation in relation to, in connection with or resulting from the Acquisition (including at any time after the Acquisition has been made); or (ii) to approve matters in relation to, in connection with or resulting from the Acquisition (whether before or after the Acquisition has been made). Each Shareholder entitled to attend and being present in person or by proxy at a meeting will, upon a show of hands, have one vote and upon a poll each such Shareholder present in person or by proxy will have one vote for each share held by him.

In the case of joint holders of an Ordinary Share, if two or more persons hold an Ordinary Share jointly, each of them may be present in person or by proxy at a meeting of members and may speak as a member, and if one or more joint holders are present at a meeting of members, in person or by proxy, they must vote as one.

Restrictions on voting:

No member shall, if the Directors so determine, be entitled in respect of any share held by him to attend or vote (either personally or by proxy) at any meeting of members or separate class meeting of the Company or to exercise any other right conferred by membership in relation to any such meeting if he or any other person appearing to be interested in such shares has failed to comply with a notice requiring the disclosure of shareholder interests and given in accordance with the Company's articles of association (the "Articles") within 14 calendar days, in a case where the shares in question represent at least 0.25 per cent. of their class, or within seven days, in any other case, from the date of such notice. These restrictions will continue until the information required by the notice is supplied to the Company or until the shares in question are transferred or sold in circumstances specified for this purpose in the Articles.

Transfer of shares:

Subject to the BVI Business Companies Act, 2004 (as amended) (the "BVI Companies Act") and the terms of the Articles, any member may transfer all or any of his certificated shares by an instrument of transfer in any usual form or in any other form which the Directors may approve. The Directors may accept such evidence of title of the transfer of shares (or interests in shares) held in uncertificated form (including in the form of depository interests or similar interests, instruments or securities) as they shall in their discretion determine. The Directors may permit such shares or interests in shares held in uncertificated form to be transferred by means of a relevant system of holding and transferring shares (or interests in shares) in uncertificated form.

Report of the Directors (Continued)

Transfer of shares (Continued)

No transfer of shares will be registered if, in the reasonable determination of the Directors, the transferee is or may be a Prohibited Person (as defined in the Articles) or is or may be holding such shares on behalf of a beneficial owner who is or may be a Prohibited Person. The Directors shall have power to implement and/or approve any arrangements they may, think fit in relation to the evidencing of title to and transfer of interests in shares in the Company in uncertificated form (including in the form of depositary interests or similar interests, instruments or securities).

Rights to appoint and remove Directors

Subject to the BVI Companies Act and the Articles, the Directors shall have power from time to time, without sanction of the members, to appoint any person to be a Director, either to fill a casual vacancy or as an additional Director. Subject to the BVI Companies Act and the Articles, the members may by a Resolution of Members appoint any person as a Director and remove any person from office as a Director.

For so long as the initial holders of Founder Preferred Shares (being the Founder Entity together with its affiliates and permitted transferees) holds 20 per cent. or more of the Founder Preferred Shares in issue, such holders shall be entitled to nominate up to three persons as Directors of the Company and the Directors shall appoint such persons.

In the event such holders notify the Company to remove any Director nominated by them the other Directors shall remove such Director, and in the event of such a removal the relevant holders shall have the right to nominate a Director to fill such vacancy.

No Director has a service contract with the Company, nor are any such contracts proposed. There are no pension, retirement, benefits or other similar arrangements in place with the Directors nor are any such arrangements proposed.

Powers of the Directors

Subject to the provisions of the BVI Companies Act and the Articles, the business and affairs of the Company shall be managed by, or under the direction or supervision of, the Directors. The Directors have all the powers necessary for managing, and for directing and supervising, the business and affairs of the Company. The Directors may exercise all the powers of the Company to borrow or raise money (including the power to borrow for the purpose of redeeming shares) and secure any debt or obligation of or binding on the Company in any manner including by the issue of debentures (perpetual or otherwise) and to secure the repayment of any money borrowed, raised, or owing by mortgage, charge, pledge, or lien upon the whole or any part of the Company's undertaking property or assets (whether present or future) and also by a similar mortgage, charge, pledge, or lien to secure and guarantee the performance of any obligation or liability undertaken by the Company or any third party.

Directors and their interests

The Directors of the Company who served during the period and subsequent to the date of this Report are:

Name	Position	Date of appointment
Sir Martin E. Franklin	Founder and Non-Executive Director	15 December 2022
Robert A.E. Franklin	Founder and Non-Executive Director	4 May 2023
Melanie Stack	Independent Non-Executive Director	4 May 2023
Thomas V. Milroy	Independent Non-Executive Director	4 May 2023
Rory Cullinan	Chairman and Independent Non-Executive Director	4 May 2023

Report of the Directors (Continued)

Directors and their interests (Continued)

As of 18 August 2023, all of the Directors listed above continue to serve as Directors of the Company. As at 18 August 2023 (the latest practicable date prior to the publication of this Report), the Directors have the following interests in the Company's securities:

Director	No. of Ordinary Shares	Percentage of issued Ordinary Shares	No. of Warrants	No. of Founder Preferred Shares
Sir Martin E. Franklin ¹	8,950,000	16.60	9,950,000	1,000,000
Robert A.E. Franklin	-	-	-	-
Rory Cullinan	10,000	0.02	10,000	-
Melanie Stack	7,500	0.01	7,500	-
Thomas V. Milroy	7,500	0.01	7,500	-

¹ Represents an interest held by the Founder Entity. Sir Martin E. Franklin is the managing member of the Founder Entity and controls 100 per cent. of the voting and dispositive power of the Founder Entity. The Founders (as defined below), in aggregate, hold an indirect pecuniary interest of approximately 69 per cent in the Founder Entity.

Directors' remuneration

Each of the Directors entered into a Director's letter of appointment with the Company dated 17 May 2023. Under the Independent Non-Founder Directors' letters of appointment, Thomas V. Milroy and Melanie Stack are entitled to a fee of US\$75,000 per annum and Rory Cullinan, as Chairman, is entitled to receive a fee of US\$100,000 per annum. Fees are payable quarterly in arrears. During the period from 15 December 2022 to 31 May 2023, the Company issued 25,000 Ordinary Shares, in aggregate, to the Independent Non-Founder Directors in lieu of their first year's annual cash remuneration. The Ordinary Shares were valued at US\$10.00 per share and are being expensed over the one-year service period. Sir Martin E. Franklin and Robert A.E. Franklin do not receive a fee in connection with their appointment as Non-Executive Directors of the Company. In addition, all of the Directors are entitled to be reimbursed by the Company for travel, hotel and other expenses incurred by them in the course of their directors' duties relating to the Company.

Substantial shareholdings

As at 18 August 2023 (the latest practicable date prior to the publication of this Report), the following had disclosed an interest in the issued Ordinary Share capital of the Company (being 5% or more of the voting rights in the Company) in accordance with the requirements of the Disclosure and Transparency Rules (the "DTRs"):

Shareholder	Number of Ordinary Shares	Date of disclosure to Company	Notified percentage of voting rights ²
Viking Global Investors LP	10,000,000	23 May 2023	18.53%
Progeny 3, Inc.	10,000,000	25 May 2023	18.53%
Mariposa Acquisition IX, LLC	8,950,000	22 May 2023	16.58%

² Since the date of disclosures to the Company, the interest of any person listed above in Ordinary Shares may have increased or decreased without any obligation on the relevant person to make further notification to the Company pursuant to the DTRs.

Report of the Directors (Continued)

Change of control

The Company is not party to any significant contracts that are subject to change of control provisions in the event of a takeover bid. There are no agreements between the Company and its Directors or employees providing compensation for loss of office or employment that occurs because of a takeover bid.

Corporate Governance Statement

The Company is a British Virgin Islands registered company with a standard listing on the main market of the London Stock Exchange. For as long as the Company has a standard listing it is not required to comply or explain non-compliance with the Code. However, the Company is firmly committed to high standards of corporate governance and maintaining a sound framework through which the strategy and objectives of the Company are set and the means of attaining these objectives and monitoring performance are determined. At Admission, the Company therefore stated its intention to voluntarily observe the requirements of the Code. The Code is available on the FRC's website, www.frc.co.uk. The Company also complies with the corporate governance regime applicable to the Company pursuant to the laws of the British Virgin Islands.

As at the date of this Report, the Company is in compliance with the Code with the exception of the following:

- Given the wholly non-executive composition of the Board, certain provisions of the Code (in particular the provisions relating to the division of responsibilities between the Chairman and chief executive and executive compensation), are considered by the Board to be inapplicable to the Company. In addition, the Company does not comply with the requirements of the Code in relation to the requirement to have a senior independent director.
- The Code also recommends the submission of all directors for re-election at annual intervals. No Director will be required to submit for re-election until the first annual general meeting of the Company following the Company's first acquisition.
- Until completion of the Company's first acquisition, the Company will not have nomination, remuneration, audit or risk committees. The Board as a whole instead reviews its size, structure and composition, the scale and structure of the Directors' fees (taking into account the interests of Shareholders and the performance of the Company), takes responsibility for the appointment of auditors and payment of their audit fee, monitors and reviews the integrity of the Company's financial statements, including the Company's internal control and risk management arrangements in relation to its financial reporting process, and takes responsibility for any formal announcements on the Company's financial performance. Following the Company's first acquisition, the Board intends to put in place nomination, remuneration, audit and risk committees.

Share dealing

As at the date of this Report, the Board has voluntarily adopted a share dealing code which is consistent with the rules of the Market Abuse Regulation (596/2014/EU) as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended) (the "Market Abuse Regulation"). The Board is responsible for taking all proper and reasonable steps to ensure compliance with the Market Abuse Regulation by the Directors.

Relations with Shareholders

The Directors are always available for communication with shareholders and all shareholders will have the opportunity, and are encouraged, to attend and vote at the Annual General Meetings of the Company during which the Board will be available to discuss issues affecting the Company.

Statement of going concern

The Directors have considered the financial position of the Company, taking into account the current cash resources available and expected run rate expenses and have concluded that it is appropriate to prepare the financial statements on a going concern basis.

Report of the Directors (Continued)

Internal control

The Board is responsible for determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives. The Board maintains sound risk management and internal control systems. The Board has reviewed the Company's risk management and control systems and believes that the controls are satisfactory given the nature and size of the Company. Controls will be reviewed following completion of its first acquisition.

Financial Risk Profile

The Company's financial instruments comprise mainly of cash and cash equivalents, and various items such as payables and receivables that arise directly from the Company's operations.

Branches

At the date of this Report, the Company does not have any branches.

Interim Management Report

For the purposes of compliance with DTR 4.2.3 (2) and DTR 4.2.7 (2), the required content of the "Interim Management Report" can be found in this Report of Directors and the Principal Risks and Uncertainties section on page 11.

Directors' Responsibilities

The Directors of the Company (as listed in the Report) are responsible for preparing the Report and the financial statements in accordance with applicable law and regulations.

The Directors have prepared the Company's financial statements in accordance with United States of America generally accepted accounting principles (U.S. GAAP) and the DTRs. The Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, 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 U.S. GAAP have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

A copy of the interim financial statements is available on our website www.admiralacquisition.com. The Directors consider that the interim report accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

Each of the Directors, who are in office and whose names and functions are listed on page 25, confirms that, to the best of his or her knowledge:

the Company financial statements, which have been prepared in accordance with U.S. GAAP, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and the interim management report includes a fair review of the information required by:

DTR 4.2.7R, being: (i) an indication of important events that have occurred during the first six months of the financial year, and their impact on the condensed set of financial statements; and (ii) a description of the principal risks and uncertainties for the remaining six months of the financial year; and

DTR 4.2.8R, being: (i) related parties transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or the performance of the enterprise during that period; and (ii) any changes in the related parties transactions described in the last annual report that could have a material effect on the financial position or performance of the enterprise in the first six months of the current financial year.

Report of the Directors (Continued)

Directors' indemnities

As at the date of this Report, indemnities granted by the Company to the Directors are in force to the extent permitted under BVI law. The Company also maintains Directors' and Officers' liability insurance, the level of which is reviewed annually.

By order of the Board

Rory Cullinan

Chairman

18 August 2023

Principal Risks and Uncertainties

The Board has identified the following principal risks and uncertainties facing the Company as set out in the Prospectus. The risks referred to below do not purport to be exhaustive and are not set out in any particular order of priority. Additional risks and uncertainties not currently known to the Board or which the Board currently deem immaterial may also have an adverse effect on the Company's business. In particular, the Company's performance may be affected by changes in the market and/or economic conditions and in legal, regulatory and tax requirements.

Key information on the key risks that are specific to the issuer or its industry

Business Strategy

- The Company is a newly formed entity with no operating history and has not yet identified any potential target company or business for the Acquisition.
- The Company may acquire either less than whole voting control of, or less than a controlling equity interest in, a target, which may limit its operational strategies.
- The Company may be unable to complete the Acquisition in a timely manner or at all or to fund the operations of the target business if it does not obtain additional funding.

The Company's relationship with the Directors, the Founders and the Founder Entity and conflicts of interest

- The Company is dependent on its Directors and Mariposa Capital, LLC ("Mariposa Capital") to identify potential acquisition opportunities and to execute the Acquisition and the loss of the services of any of them could materially adversely affect it.
- Sir Martin E. Franklin, Robert A.E. Franklin, Michael E. Franklin, James E. Lillie, Ian G.H. Ashken and Desiree A. DeStefano (collectively, the "Founders"), the Founder Entity and Mariposa Capital are currently affiliated and the Founders, the Founder Entity, Mariposa Capital and the Directors, may in the future become affiliated with entities engaged in business activities similar to those intended to be conducted by the Company and may have conflicts of interest in allocating their time and business opportunities.
- The Directors will allocate a portion of their time to other businesses leading to the potential for conflicts of interest in their determination as to how much time to devote to the Company's affairs, which could have a negative impact on the Company's ability to complete the Acquisition.
- The Company may be required to issue additional Ordinary Shares pursuant to the terms of the Founder Preferred Shares, which could dilute the value of existing Ordinary Shares.

Taxation

- The Company may be a "passive foreign investment company" for U.S. federal income tax purposes and adverse tax consequences could apply to U.S. investors.

Key information on the key risks that are specific to the securities

The Ordinary Shares and Warrants

- The Standard Listing of the Ordinary Shares and Warrants will not afford Shareholders the opportunity to vote to approve the Acquisition.
- The Warrants can only be exercised during the Subscription Period and to the extent a Warrant holder has not exercised its Warrants before the end of the Subscription Period, those Warrants will lapse, resulting in the loss of a holder's entire investment in those Warrants.

Principal Risks and Uncertainties (Continued)

- The Warrants are subject to mandatory redemption and therefore the Company may redeem a Warrantholder's unexpired Warrants prior to their exercise at a time that is disadvantageous to a Warrantholder, thereby making those Warrants worthless.
- The issuance of Ordinary Shares pursuant to the exercise of the Warrants will dilute the value of a Shareholder's Ordinary Shares.

Admiral Acquisition Limited**Balance Sheet
As of 31 May 2023 (Unaudited)**

	31 May 2023
	US\$
	(in thousands, except share amounts)
ASSETS	
Current assets	
Cash and cash equivalents	138,018
Marketable securities at fair value	402,204
Prepayments and other assets	410
Total assets	540,632
LIABILITIES AND SHAREHOLDERS' EQUITY	
Current liabilities	
Accrued expenses	496
Total current liabilities	496
Total liabilities	496
Shareholders' equity	
Founder Preferred Shares, no par value; unlimited authorised shares; 1,000,000 shares issued and outstanding as of 31 May 2023	-
Ordinary Shares, no par value; unlimited authorised shares; 53,975,000 shares issued and outstanding as of 31 May 2023	-
54,975,000 Warrants issued and outstanding as of 31 May 2023	-
Additional paid-in capital (Net of costs)	539,725
Retained earnings	411
Total shareholders' equity	540,136
Total liabilities and shareholders' equity	540,632

The notes on pages 16 to 24 form an integral part of these unaudited financial statements.

Admiral Acquisition Limited

Statement of Income for the period ended from incorporation on 15 December 2022 to 31 May 2023 (Unaudited)

	For the period from incorporation on 15 December 2022 to 31 May 2023 US\$ (in thousands, except share and per share amounts)
Operating expenses:	
General and administrative	(249)
Loss from operations	<u>(249)</u>
Other income:	
Investment income	660
Total other income	<u>660</u>
Net income	<u><u>411</u></u>
Basic and diluted income per ordinary share	<u><u>0.0076</u></u>
Weighted average Ordinary Shares outstanding, basic	<u><u>53,975,000</u></u>
Weighted average Ordinary Shares outstanding, diluted	<u><u>54,975,000</u></u>

The notes on pages 16 to 24 form an integral part of these unaudited financial statements.

Admiral Acquisition Limited

Statement of Shareholders' Equity for the period from incorporation on 15 December 2022 to 31 May 2023 (Unaudited)

	Preferred Shares		Ordinary Shares		Warrants	
	No. of Shares	US\$	No. of Shares	US\$	No. of Warrants	US\$
Balance as of incorporation, 15 December 2022	1	-	-	-	-	-
Issue of shares	999,999	-	53,950,000	-	-	-
Issue of warrants	-	-	-	-	54,975,000	-
Issue costs	-	-	-	-	-	-
Share-based compensation - directors	-	-	25,000	-	-	-
Net income	-	-	-	-	-	-
Balance as at 31 May 2023	<u>1,000,000</u>	<u>-</u>	<u>53,975,000</u>	<u>-</u>	<u>54,975,000</u>	<u>-</u>

	Additional paid in capital	Retained earnings	Total Equity
	US\$ (in thousands, except share amounts)	US\$ (in thousands, except share amounts)	US\$ (in thousands, except share amounts)
Balance as of incorporation, 15 December 2022	-	-	-
Issue of shares	550,000	-	550,000
Issue of warrants	-	-	-
Issue costs	(10,525)	-	(10,525)
Share-based compensation - directors	250	-	250
Net income	-	411	411
Balance as at 31 May 2023	<u>539,725</u>	<u>411</u>	<u>540,136</u>

The notes on pages 16 to 24 form an integral part of these unaudited financial statements.

Admiral Acquisition Limited

Statement of Cash Flows for the period from incorporation on 15 December 2022 to 31 May 2023 (Unaudited)

	For the period from incorporation on 15 December 2022 to 31 May 2023 US\$ (in thousands)
Net income	411
Adjustments to reconcile net income to net cash provided by (used in) operating activities:	
Unrealised gain on marketable securities	(489)
Changes in operating assets and liabilities:	
Prepays and other assets	(410)
Accruals	496
Other	1
Net cash provided by operating activities	<u>9</u>
INVESTING ACTIVITIES:	
Purchase of marketable securities - short-term	(401,716)
Net cash used in investing activities	<u>(401,716)</u>
FINANCING ACTIVITIES:	
Proceeds from issuance of Founder Preferred Shares and Warrants	10,500
Proceeds from issuance of Ordinary Shares and Warrants, net	529,225
Net cash provided by financing activities	<u>539,725</u>
Net increase in cash and cash equivalents	138,018
Cash and cash equivalents at beginning of period	-
Cash and cash equivalents at end of period	<u><u>138,018</u></u>

The notes on pages 16 to 24 form an integral part of these unaudited financial statements.

Admiral Acquisition Limited

Notes to the unaudited financial statements for the period from incorporation on 15 December 2022 to ended 31 May 2023 US\$

1. Organisation

The Company was incorporated with limited liability under the laws of the British Virgin Islands under the BVI Business Companies Act, 2004, on 15 December 2022. The address of the Company's registered office is Ritter House, Wickhams Cay II, Road Town, Tortola, VG 1110, British Virgin Islands. The Ordinary Shares and Warrants were admitted for trading on the main market of the London Stock Exchange on 22 May 2023. The Company raised gross proceeds of US\$539.5 million in its initial public offering ("IPO"), through the placing of ordinary shares of no par value in the capital of the Company ("Ordinary Shares") (with matching warrants ("Warrants") to subscribe for Ordinary Shares issued) at a placing price of US\$10.00 per Ordinary Share and a further US\$10.5 million through the subscription of the founder preferred shares of no par value ("Founder Preferred Shares") (with Warrants being issued on the basis of one Warrant per Founder Preferred Share) at a price of US\$10.50 per Founder Preferred Share for a potential acquisition of a target company or business (which may be in the form of a merger, capital stock exchange, asset acquisition, stock purchase, scheme of arrangement, reorganization or similar business combination) of an interest in an operating company or business (an "Acquisition"). The Company was admitted to the Official List of the FCA by way of a standard listing and to trading on the main market of the London Stock Exchange on 22 May 2023 ("Admission"). Costs of Admission of US\$10.5 million were paid in relation to the IPO, resulting in net proceeds of US\$539.5 million.

2. Summary of significant Accounting Policies

Basis of preparation

The accompanying financial statements are presented in U.S. dollars rounded to the nearest thousand and have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), and pursuant to the accounting and disclosure rules and regulations of the London Stock Exchange.

As the Company was incorporated on 15 December 2022, there is no comparative information.

Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future given the cash funds available and the current forecast cash outflows. Thus, the Company continues to adopt the going concern basis of accounting in preparing the financial statements.

Use of Estimates

The preparation of the financial statements in conformity with U.S. GAAP requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

While cash held by financial institutions may at times exceed federally insured limits, the Company believes that no material credit or market risk exposure exists due to the high quality of the institutions. The Company has not experienced any losses on such accounts. The Company considers all highly liquid investments purchased with a maturity of three months or less from the date of purchase to be cash equivalents. The Company has US\$138.0 million of cash and cash equivalents as of 31 May 2023.

Admiral Acquisition Limited

Notes to the unaudited financial statements for the period from incorporation on 15 December 2022 to ended 31 May 2023 US\$

Investments in Marketable Securities

Marketable securities are stated at fair value as determined by the most recently traded price of each security at the balance sheet date. All unrealised gains and losses are reported in investment income in the statements of income.

Fair Value Measurements

Fair value is determined using the principles of ASC 820, *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 hierarchy prioritises and defines the inputs to valuation techniques as follows:

- Level 1—Observable quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2—Quoted prices for similar assets and liabilities in active markets, quoted prices in markets that are not active, or inputs which are observable, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3—Unobservable inputs that reflect the Company's own assumptions about the assumptions market participants would use in pricing the asset or liability in which there is little, if any, market activity for the asset or liability at the measurement date.

Marketable securities are recorded at fair value. The Company uses the Level 2 fair value hierarchy assumptions to measure the marketable securities as of 31 May 2023. The Company's cash and cash equivalents and accrued expenses are carried at cost, which approximates fair value due to the short-term nature of these instruments and are considered level 1 securities.

The inputs used to measure the fair value of an asset or a liability are categorised within levels of the fair value hierarchy. The fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the measurement. There have not been any transfers between the levels of the hierarchy for the period ended 31 May 2023.

Share-based Compensation

The Company expenses share-based compensation over the requisite service period of the awards (usually the vesting period) based on the grant date fair value of awards. For share option grants with performance-based milestones, the expense is recorded over the service period after the achievement of the milestone is probable or the performance condition is achieved. The Company estimates the fair value of share option grants using the Black-Scholes option pricing model. An offsetting increase to shareholders' equity will be recorded equal to the amount of the compensation expense charge. The Company recognises forfeitures as they occur as a reduction of expense. The Company does not have any forfeitures for the period ended 31 May 2023. See Note 4.

Founder Preferred Shares

In connection with the IPO, the Company issued 1,000,000 Founder Preferred Shares at US\$10.50 per share to Mariposa Acquisition IX, LLC (the "Founder Entity"), an entity controlled by Sir Martin E. Franklin. The Founder Preferred Shares are not mandatorily redeemable and do not embody an unconditional obligation to settle in a variable number of equity shares. As such, the Founder Preferred Shares are classified as permanent equity in the accompanying balance sheets. The Founder Preferred Shares are not unconditionally redeemable or conditionally puttable by the Holder for cash. The Founder Preferred Shares are considered an equity-like host for purposes of assessing embedded derivative features for potential bifurcation. The conversion features and participating dividends of the Founder Preferred Shares

Admiral Acquisition Limited

Notes to the unaudited financial statements for the period from incorporation on 15 December 2022 to ended 31 May 2023 **US\$**

Founder Preferred Shares (Continued)

are not bifurcated and are included in permanent equity as they are clearly and closely related to the host. The Founder Preferred Shares do not have a par value or stated value and thus the Founder Preferred Shares have been recorded in additional paid-in capital. See Note 4.

Warrants

The Company has Warrants issued with its ordinary shares and Founder Preferred Shares that were determined to be equity classified in accordance with ASC 815, *Derivatives and Hedging* (see Note 4). The Company also issued Warrants with shares issued to non-executive directors for compensation that were determined to be equity classified in accordance with ASC 718 – Compensation – Stock Compensation. The fair value of the Warrants was recorded as additional paid-in capital on the issuance date, and no further adjustments were made.

Earnings per Share

Basic earnings per ordinary share excludes dilution and is computed by dividing net income by the weighted average number of ordinary shares outstanding during the period. The Company has determined that its Founder Preferred Shares are participating securities as the Founder Preferred Shares participate in undistributed earnings on an as-if-converted basis. Accordingly, the Company used the two-class method of computing earnings per share, for ordinary shares and Founder Preferred Shares according to participation rights in undistributed earnings. Under this method, net income applicable to holders of ordinary shares is allocated on a pro rata basis to the holders of ordinary and Founder Preferred Shares to the extent that each class may share income for the period; whereas undistributed net loss is allocated to ordinary shares because Founder Preferred Shares are not contractually obligated to share the loss.

Income Taxes

Income taxes are recorded in accordance with ASC 740, Accounting for Income Taxes (ASC 740), which provides for deferred taxes using an asset and liability approach. The Company recognises deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. The Company determines its deferred tax assets and liabilities based on differences between financial reporting and tax bases of assets and liabilities, which are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. Valuation allowances are provided if, based upon the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realised. The Company does not have any deferred taxes.

The Company accounts for uncertain tax positions in accordance with the provisions of ASC 740. When uncertain tax positions exist, the Company recognises the tax benefit of tax positions to the extent that the benefit will more likely than not be realised. The determination as to whether the tax benefit will more likely than not be realised is based upon the technical merits of the tax position as well as consideration of the available facts and circumstances. The Company does not have any significant uncertain tax positions.

As a British Virgin Islands limited liability company, the Company is not subject to any income, withholding or capital gains taxes.

Comprehensive Income

Comprehensive income is the same as net income for all periods presented.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors as it is the body that makes strategic decisions. The Board is of the opinion that there is only a single operational segment being the investment in US Treasury Bills as disclosed in note 3. As a result no segment

Admiral Acquisition Limited

Notes to the unaudited financial statements for the period from incorporation on 15 December 2022 to ended 31 May 2023
US\$

Segment reporting (Continued)

information has been provided as the Company only accumulates its funds raised for investment in US Treasury Bills.

Recently Adopted Accounting Pronouncements

The Financial Accounting Standards Board (FASB) issued an Accounting Standards Update: **ASU No. 2022-02, Financial Instruments—Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosure (TDRs)s**. The amendments in this update eliminate the accounting guidance for troubled debt restructurings TDRs by creditors in Subtopic 310-40, Receivables—Troubled Debt Restructurings by Creditors, while enhancing disclosure requirements for certain loan refinancings and restructurings by creditors when a borrower is experiencing financial difficulty. Specifically, rather than applying the recognition and measurement guidance for TDRs, an entity must apply the loan refinancing and restructuring guidance in paragraphs 310-20-35-9 through 35-11 to determine whether a modification results in a new loan or a continuation of an existing loan.

For public business entities, the amendments in this Update require that an entity disclose current-period gross write-offs by year of origination for financing receivables and net investments in leases within the scope of Subtopic 326-20, Financial Instruments—Credit Losses—Measured at Amortised Cost.

Effective Date: Effective for fiscal years beginning after December 15, 2022, and interim periods within those fiscal years. The adoption of this update did not impact the Company's financial statements.

TH other standard update issued in the period by the FASB is: **ASU No. 2022-01, Derivatives and Hedging (Topic 815): Fair Value Hedging—Portfolio Layer Method**: These amendments clarify the accounting for and promote consistency in the reporting of hedge basis adjustments applicable to both a single hedged layer and multiple hedged layers as follows:

1. An entity is required to maintain basis adjustments in an existing hedge on a closed portfolio basis (that is, not allocated to individual assets).
2. An entity is required to immediately recognise and present the basis adjustment associated with the amount of the dedesignated layer that was breached in interest income. In addition, an entity is required to disclose that amount and the circumstances that led to the breach.
3. An entity is required to disclose the total amount of the basis adjustments in existing hedges as a reconciling amount if other areas of GAAP require the disaggregated disclosure of the amortised cost basis of assets included in the closed portfolio.
4. An entity is prohibited from considering basis adjustments in an existing hedge when determining credit losses.

Effective Date: effective for fiscal years beginning after December 15, 2022, and interim periods within those fiscal years. The adoption of this update did not impact the Company's financial statements.

Admiral Acquisition Limited

Notes to the unaudited financial statements for the period from incorporation on 15 December 2022 to ended 31 May 2023 US\$

Recent Accounting Pronouncements

The following pronouncements were issued by the FASB which are not yet effective.

ASU 2020-06 - Debt—Debt with Conversion and Other Options and Derivatives and Hedging—Contracts in Entity's Own Equity: Accounting for Convertible Instruments and Contracts in an Entity's Own Equity. Effective Fiscal years beginning after December 15, 2023, and interim periods within those fiscal years.

ASU 2022-03 - Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restriction. Effective Fiscal years beginning after December 15, 2023, and interim periods within those fiscal years.

The Company does not expect the adoption of these recent guidance pronouncements to have a material impact on its financial statements.

Note 3 – Marketable Securities

The Company's investment in marketable securities consists of U.S. Treasury Bills. Investment income is recorded as a realised investment income at the time the investment in U.S. Treasury Bills matures.

The change in the unrealised gains on these investments are included in the statements of Income as investment income. Unrealised gains on the U.S. Treasury Bills are summarised in thousands as follows:

	US\$ in thousands				
	Cost	Gross Unrealised Gain	Gross Unrealised Loss	Net Unrealised Gain	Fair Value
As of 31 May 2023					
U.S. Treasury Bills owned	535,671	660	-	660	536,331
Less amounts classified as cash equivalent	(133,955)	(172)	-	(172)	(134,127)
U.S. Treasury Bills classified as Marketable Securities	401,716	488	-	488	402,204

US Treasury Bills within the portfolio which have a maturity of 3 months or less from their transaction date or are due to mature within 3 months of the balance sheet date are classified as being cash or cash equivalent. At the 31 May 2023 US Treasury Bills of US\$134.0 million were recognised as being cash or cash equivalent with US\$172,000 being considered interest receivable on those US Treasury Bills. Associated income is reflected as investment income at the period end. The total investment income of US\$660,000 within the Statement of Income, comprises US\$488,000 in respect of fair value gains and losses and US\$172,000 in respect of interest income on the US Treasury Bills classified within cash and cash equivalents.

Note 4 – Shareholders' Equity

On 22 May 2023, the Company's IPO raised gross proceeds of US\$550.0 million, consisting of US\$539.5 million through the placement of ordinary shares at US\$10.00 per share, and US\$10.5 million through the subscription of 1,000,000 Founder Preferred Shares at US\$10.50 per share by the Founders through the Founder Entity. Costs of Admission of US\$10.5 million were paid in relation to the IPO, resulting in net

Admiral Acquisition Limited

Notes to the unaudited financial statements for the period from incorporation on 15 December 2022 to ended 31 May 2023 US\$

Note 4 – Shareholders' Equity (Continued)

proceeds of US\$539.5 million. In addition, 25,000 ordinary shares were issued, in aggregate, to the Independent Non-Founder Directors in lieu of cash totalling a combined value US\$250,000. Each ordinary share and Founder Preferred Share was issued with a Warrant as described below.

Founder Preferred Shares

After the closing of an Acquisition, and if the Average Price (as defined in the Articles) of the ordinary shares is at least US\$11.50 per share for any ten consecutive trading days, the holders of the Founder Preferred Shares will be entitled to receive a dividend in the form of ordinary shares or cash, at the option of the Company, equal to 20 per cent. of the appreciation of the market price of ordinary shares issued to ordinary shareholders in the IPO. In the first year an Annual Dividend Amount (as defined in the Articles) is payable (if any), the Annual Dividend Amount will be calculated at the end of the calendar year based on the Dividend Price, (as defined below) compared to the initial ordinary share offering price of US\$10.00 per ordinary share. In subsequent years, the Annual Dividend Amount will be calculated based on the appreciated Dividend Price compared to the highest Dividend Price previously used in calculating the Annual Dividend Amount. For the purposes of determining the Annual Dividend Amount, the Dividend Price is the Average Price per ordinary share for the last ten consecutive trading days in the relevant Dividend Year. Upon the liquidation of the Company, an Annual Dividend Amount shall be payable for the shortened Dividend Year and the holders of Founder Preferred Shares shall have the right to a pro rata share (together with holders of the ordinary shares) in the distribution of the surplus assets of the Company.

The Founder Preferred Shares will participate in any dividends on the ordinary shares on an as converted basis. In addition, commencing on and after consummation of the Acquisition, where the Company pays a dividend on its ordinary shares the Founder Preferred Shares will also receive an amount equal to 20 per cent of the dividend which would be distributable on such number of ordinary shares. All such dividends on the Founder Preferred Shares will be paid at the same time as the dividends on the ordinary shares. Dividends are paid for the term the Founder Preferred Shares are outstanding.

The Founder Preferred shares will be automatically converted into ordinary shares on a one for one basis upon the last day of the tenth full financial year following an Acquisition (the Conversion). Each Founder Preferred Share is convertible into one ordinary share at the option of the holder until the Conversion. If there is more than one holder of Founder Preferred Shares, a holder of Founder Preferred Shares may exercise its rights independently of any other holder of Founder Preferred Shares.

In accordance with ASC 718 – *Compensation – Stock Compensation*, the Annual Dividend Amount based on the market price of the Company's ordinary shares is akin to a market condition award settled in shares. As the right to the Annual Dividend Amount will only be triggered upon the Acquisition (which is not considered probable until consummated). The fair value of the any potential future Annual Dividend amounts to US\$72.8 million, which has been measured using a Monte Carlo method which takes into consideration different share price paths. Following are the assumptions used in calculating the issuance date fair value:

Number of securities issued	1,000,000
Vesting period	Immediate
Assumed price upon Acquisition	US\$10.00
Probability of winding-up	40.50%
Probability of Acquisition	59.50%
Time to Acquisition	1.17 years
Volatility (post-Acquisition)	46.47%
Risk free interest rate	3.54%

Admiral Acquisition Limited

Notes to the unaudited financial statements for the period from incorporation on 15 December 2022 to ended 31 May 2023 US\$

Founder Preferred Shares (Continued)

The Founder Preferred Shares carry the same voting rights as are attached to the Ordinary Shares being one vote per Founder Preferred Share. Additionally, the Founder Preferred Shares alone carry the right to vote on any Resolution of Members required, pursuant to BVI law, to approve any matter in connection with an Acquisition, or a merger or consolidation in connection with an Acquisition. Initial Founder Preferred Shareholders, that hold 20 per cent. of the Founder Preferred Shares, can nominate up to three people as directors of the Company.

Ordinary shares

In connection with the IPO on 22 May 2023, the Company issued 53,950,000 Ordinary Shares for gross proceeds of US\$539.5 million. In conjunction with the IPO, the Company also issued an aggregate of 25,000 Ordinary Shares to the Independent Non-Founder Directors for US\$10.00 per share in lieu of their cash directors' fees for one year. Each ordinary share was issued with a Warrant. Ordinary shares have voting rights and winding-up rights.

Warrants

The Company issued 54,975,000 Warrants to the purchasers of both Ordinary Shares and Founder Preferred Shares (including the 25,000 Warrants that were issued to the Independent Non-Founder Directors in connection with their fees). Each Warrant has a term of 3 years following an Acquisition and entitles a Warrant holder to purchase one-fourth of an ordinary share upon exercise. Warrants will be exercisable in multiples of three for one ordinary share at a price of US\$11.50 per whole ordinary share. The Warrants are mandatorily redeemable by the Company at a price of US\$0.01 should the average market price of an ordinary share exceed US\$18.00 for 10 consecutive trading days (subject to any prior adjustment in accordance with the terms of the Warrants).

Note 5 – Commitments and Contingencies

There were no known or threatened lawsuits or unasserted claims known at the balance sheet date up to date of signing these interim unaudited financial statements.

Note 6 – Share-based Compensation

On 17 May 2023, the Company issued its Independent Non-Founder Directors an aggregate of 125,000 share options (the "Share Options") to purchase Ordinary Shares of the Company that vest upon the Acquisition. The Independent Non-Founder Directors are required to have continued service until the time of the Acquisition to vest in the Share Options. The options expire on the 5th anniversary following the Acquisition and have an exercise price of US\$11.50 per Ordinary Share (subject to such adjustment as the Directors consider appropriate in accordance with the terms of the Option Deeds). The Share Options have a performance condition of vesting on an Acquisition (which is not considered probable until an Acquisition). Therefore, in accordance with ASC 718 – *Compensation – Stock Compensation*, the fair value of the awards, as determined on the grant date, will be recognised as an expense and an increase of additional paid-in capital upon consummation of an Acquisition.

Admiral Acquisition Limited

Notes to the unaudited financial statements for the period from incorporation on 15 December 2022 to ended 31 May 2023 US\$

Note 6 – Share-based Compensation (Continued)

The following table summarises the share option activity:

	<u>Number of Shares</u>	<u>Weighted Average Exercise Price</u>	<u>Aggregate Intrinsic Value</u>
Options outstanding at inception	-	\$ -	\$ -
Granted	<u>125,000</u>	\$ 11.50	\$ -
Options outstanding at 31 May 2023	<u>125,000</u>	\$ 11.50	\$ -
Options vested and exercisable	<u>-</u>	\$ -	\$ -

The fair value of each Share Option was estimated at US\$1.647 on the grant date using the Black-Scholes option pricing model with the following assumptions for the grant during the period from 17 May 2023 to 31 May 2023:

Share Price	\$10.00
Exercise Price	\$11.50
Risk-Free Rate	3.52%
Dividend Yield	-
Post-Acquisition Volatility	46.39%

On 22 May 2023, the Company issued 25,000 Ordinary Shares and Warrants, in aggregate, to Independent Non-Founder Directors for their first year's annual fees in lieu of cash. The US\$10.00 per share fair value of the Ordinary Shares and Warrants was based on the price paid by outside shareholders in the equity offering on 22 May 2023 (see Note 4). In accordance with ASC 718 – *Compensation – Stock Compensation*, as the shares and related Warrants were fully vested and have a non-substantive service period, the fair value of US\$10,000 was recorded as an expense on the grant date.

Note 7 – Related Parties

During the period ended 31 May 2023, 1,000,000 Founder Preferred Shares, 8,950,000 Ordinary Shares and 9,950,000 Warrants were issued to the Founder Entity. Sir Martin E. Franklin, a Founder and Director, is a beneficial owner and the managing member of the Founder Entity and, as such, may be considered to have beneficial ownership of all the Founder Entity's interests in the Company. The Founders, in aggregate, hold an indirect pecuniary interest of approximately 69 per cent. in the Founder Entity. Other directors were issued 25,000 Ordinary Shares and 25,000 Warrants along with 125,000 Share Options.

Admiral Acquisition Limited

Notes to the unaudited financial statements for the period from incorporation on 15 December 2022 to ended 31 May 2023 US\$

Note 7 – Related Parties (Continued)

Except as set forth herein, there were no other Ordinary Shares, Warrants and options issued to the directors of the Company for the period from inception ended 31 May 2023.

An entity owned by Sir Martin E. Franklin, Mariposa Capital, LLC, earned advisory fees of US\$10,000 for the period.

Note 8 – Earnings Per Share

Net income is allocated between the ordinary share and other participating securities based on their participation rights. The Founder Preferred Shares (see Note 4), represent participating securities. Earnings attributable to Founder Preferred Shares are not included in earnings attributable to Ordinary Shares in calculating earnings per ordinary share. For the period from 15 December 2022 to 31 May 2023, the Company excluded the Share Options to purchase 125,000 Ordinary Shares from the diluted earnings per ordinary share as the performance condition (see Note 6) for these Share Options was not considered probable until the time of the Acquisition. The Company has also excluded the Warrants in issue from such earnings on the basis they are non-dilutive.

The following table sets forth (in US\$ except share and per share amounts) the computation of basic and diluted earnings per ordinary share using the two-class method (see Note 2):

	For the period from incorporation on 15 December 2022 through 31 May 2023
Numerator:	
Net income	\$ 411
Adjustment for vested Founder Preferred Shares	-
Net income attributable to Ordinary Shares	<u>411</u>
Denominator:	
Weighted average shares outstanding - basic	<u>53,975,000</u>
Weighted average shares outstanding - diluted	<u>54,975,000</u>
Basic and diluted earnings per ordinary share	<u>\$ 0.0076</u>
Ordinary Shares issuable upon conversion of Founder Preferred Shares	<u>1,000,000</u>

Note 9 – Subsequent Events

There were no subsequent events for the period up to the date of signing the unaudited financial statements.

Directors

Sir Martin E. Franklin
Robert A.E. Franklin
Rory Cullinan (Chairman)
Thomas V. Milroy (Independent)
Melanie Stack (Independent)

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