



# Pegasus Entrepreneurial Acquisition Company Europe B.V. Annual Report 2021

For the period 16 June 2021 up to and including 31 December  
2021



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## About Pegasus Entrepreneurial Acquisition Company Europe B.V.

Pegasus Entrepreneurial Acquisition Company Europe B.V. (hereinafter referred to as “Pegasus Entrepreneurs” or the “Company”) is a special purpose acquisition company seeking to enter into a business combination with an operating business in Europe, founded by Tikehau Capital, Financière Agache, Pierre Cuilleret and two of Europe’s most experienced bankers.

Pierre Cuilleret is Sponsor and CEO, combining his unparalleled entrepreneurial, operational and investment expertise.

Pegasus Entrepreneurs draws upon the deep resources of Tikehau Capital and Financière Agache, which both bring extensive investment, due diligence, operational, regulatory and capital raising experience to support our Business Combination target and help it to achieve long-term success as a public company.

More information about the Company, including the Company's Initial Public Offering (“IPO”) Prospectus<sup>1</sup> dated 10 December 2021 (the “Prospectus”), which was approved by the Dutch Authority for the Financial Markets, (the “AFM”), can be found on the Pegasus website – <https://www.pegasuseurope.com/investor-relations/peace>.

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<sup>1</sup> Capitalised terms not define herein have the meaning ascribed to such terms in the Prospectus



## Statutory Directors' Report

Pegasus Entrepreneurs is a special purpose acquisition company seeking to enter into a business combination with an operating business in Europe (the "Business Combination").

No Business Combination has occurred as of the moment of this board report. Pegasus Entrepreneurs has suffered an after-tax loss of € 9,638,666 over the period of 16 June 2021 through 31 December 2021 as Pegasus Entrepreneurs has not recorded any operational revenues and has incurred IPO costs and operational costs.

The money held in escrow on the bank account of the Company's escrow foundation, Stichting Pegasus Entrepreneurial Europe Escrow, amounted € 210,000,000 at 31 December 2021.

### Members of the Statutory Board

As at the date of this annual report 2021 (the "Annual Report"), the Statutory Board of Directors (the "Board" or the "Statutory Board") is composed of the following Statutory Directors (the "Directors" or "Statutory Directors"):

<b><u>Name</u></b>	<b><u>Age</u></b>	<b><u>Position</u></b>	<b><u>Date of initial appointment</u></b>	<b><u>Nationality</u></b>	<b><u>Current term</u></b>
Pierre Cuilleret	55	Sponsor and CEO	10 December 2021	French	AGM 2024
Charles-Eduard van Rossum	47	Non-Executive Director and Chairman	10 December 2021	French and Dutch	AGM 2024
Domitille Méheut	48	Non-Executive Director	10 December 2021	French	AGM 2024
Cécile Lévi	56	Non-Executive Director	10 December 2021	French	AGM 2024
Anne-Laure Navéos	41	Non-Executive Director	10 December 2021	French	AGM 2024

### Relevant experience and curricula vitae of the Board

#### ***Pierre Cuilleret***

Pierre Cuilleret is the Sponsor and CEO of the Company. Pierre has 30 years of professional experience growing companies and creating value for shareholders as a serial entrepreneur, investor and board member. After studying in France, Sweden and California (US), Pierre started his career in strategy and change management/business transformation consulting. Advising companies such as Disney and Orange, his focus was on value creation, growth acceleration, digitalisation, organisation, improving customer



experience, brand building and corporate culture. Pierre then created and successfully ran two fast-growing specialist retailers which quickly became market leaders: The Phone House in mobile phones, and Micromania in video games. Surrounded by executive teams, he turned both companies into disruptive leading retail and e-tail brands. As a CEO, Pierre experienced a full range of financing phases, from selling his car in 1996 to start up The Phone House, all the way to the IPO of The Carphone Warehouse Group on the London Stock Exchange in 2000, and subsequently from minority to majority LBO of Micromania with L-Catterton in 2005 to refinancing in 2007, then selling to GameStop in 2008.

As a shareholder, Pierre has also been an early investor in innovative platforms like Facebook (FB), Uber (UBER), Royalty Pharma (RPRX) and Moderna (MRNA). As a non-executive board member, Pierre served on listed and private companies from 2011 to 2021 including DIA and Desigual in Spain and Boohoo Group Plc in the UK.

### ***Charles-Eduard van Rossum***

Charles-Eduard van Rossum is an independent Non-Executive Director of the Company and Chairman of the Statutory Board. Charles-Eduard van Rossum has over 25 years of experience in the investment banking industry. Charles-Eduard van Rossum is currently President of Ravel & Co., an independent investment banking firm based in Paris that he founded in 2017. Prior to that, Charles-Eduard spent twenty years at Goldman Sachs, during which he developed significant transaction origination and execution experience within the firm's M&A/strategic advisory practice in London, New York and Paris. He became a Managing Director in 2008 and while a member of the senior leadership team of Goldman Sachs' Paris office, he co-managed the firm's Energy & Natural Resources group in EMEA as its Chief Operating Officer from 2011 until his retirement from the firm. Charles-Eduard is also non-executive director and chairman of the Audit Committee of MET Holding AG, a Switzerland-based integrated energy company. In addition, Charles-Eduard actively supports the Philharmonie de Paris as a donator.

### ***Cécile Lévi***

Cécile Lévi is a non-independent Non-Executive Director of the Company. Cécile Lévi is employed by Tikehau Investment Management, a wholly-owned subsidiary of Tikehau Capital. She is appointed as Statutory Director to represent both Financière Agache and Tikehau Capital. Cécile Lévi serves as Head of Private Debt activity of Tikehau since 2013. Previously, Cécile was head of Private Debt at Ardian (previously AXA Private Equity) that she joined in 2005. Cécile began her career in 1988 in Corporate Finance and M&A at Merrill Lynch in Paris and New York. In 1991, she joined Elig, a pioneer private equity fund in France. She has originated and led the execution of numerous complex financing transactions across Europe.

### ***Domitille Méheut***

Domitille Méheut is an independent Non-Executive Director of the Company. Domitille Méheut has over 25 years of experience in the financial services and investment industry. She serves as investment director of Phison Capital since 2008. Previously, she worked as proprietary trader at Exane in 2007 and 2008 and as investment banker at HSBC where she was investment director at Nobel (principal investment arm in France focusing on both listed and private companies) from 2002 until 2006. She began her career in 1996 in the transaction services department of Arthur Andersen and moved as mergers and acquisition manager to Natixis in 1999 and HSBC in 2000. Since 2014, Domitille is a member of the supervisory board of Company IDI, a French Private equity listed player focusing on SMEs and is part of the audit committee since 2021.



### **Anne-Laure Navéos**

Anne-Laure Navéos is an independent Non-Executive Director of the Company. Anne-Laure Navéos has more than 15 years of experience in the financial services industry, most recently at Crédit Mutuel Arkéa where she served as Managing Director in charge of mergers and acquisitions, strategic investments and digital until June 2021. She joined Crédit Mutuel Arkéa in 2008 from Fortuneo Banque where she served as Chief Financial Officer. Prior to its merger with Fortuneo in 2007, Anne-Laure was CFO of Symphonis since 2005. Anne-Laure also held various non-executive board positions at Tikehau Capital, Leetchi.com, Yomoni or Younited. In addition, Anne-Laure was a member of the investment committee of Groupe Primonial from 2017 until 2019 and was a national referent Fintech of La French Tech network for five years until June 2021.

### Structure of the Company

Pegasus Entrepreneurial Acquisition Company Europe B.V. is a SPAC incorporated under the laws of the Netherlands as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*).

The Company maintains a one-tier board structure consisting of one Executive Director and four Non-Executive Directors (as defined in the Prospectus).

In addition to the Board, the Company has an Audit Committee. The Board has not installed any standing committees, other than the Audit Committee.

The terms of office of the Statutory Directors shall expire at the end of the annual general meeting to be held in 2024 (the "AGM 2024") or upon completion of a Business Combination or dissolution (ontbinding) of the Company.

Under Dutch law, the Board as a collective is responsible for the Company's management, strategy, policy and operations. The Executive Director manages the Company's day-to-day business and operations and implements its strategy. The Company's investment strategy intends to aim at creating sustainable long-term value for all of the Company's stakeholders, while making sure the Company, and any target for a Business Combination adhere to sound principles of sustainability, from both an environmental as well as a social point of view.

As of 31 December 2021, the Company's shareholder structure consists of 21,000,000 Units (Class A Ordinary Shares with (cum) a right to receive one-third (1/3) of a Warrant)<sup>2</sup>, 5,150,000 Founder Shares (held by the Sponsors) and 5,250,000 Founder Warrants (as described in the Prospectus). In addition, the following Founder Shares, Class A Ordinary Shares and Warrants are held in treasury by the Company:

- 100,000 Founder Shares in order to award each of the three independent Non-Executive Directors and the CFO 25,000 Founder Shares subject to completion of a Business Combination;

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<sup>2</sup> On January 18th 2022, the Company distributed one-third (1/3) Warrant on each Class A Ordinary Share (except Class A Ordinary Shares held by the Company), whereby (i) each three (3) Class A Ordinary Shares held by a holder of Class A Ordinary Shares entitled such holder to receive one (1) Warrant and (ii) no fractional Warrants were delivered upon distribution of the Warrants. Each whole Warrant entitles the Warrant Holder to purchase one Class A Ordinary Share at a price of €11.50 at any time commencing five business days after the Business Combination Date and for a period of five years.



- 10,250,000 Class A Ordinary Shares (for Founder shares conversion and potential use of the Forward Purchase Agreement);
- 13,916,666 Warrants (for Unit Shares conversion and potential use of the Forward Purchase Agreement);

### Interests of the Directors

As at the date of this Annual Report, the interests in the share capital of the Company of the Statutory Directors are:

Name	Position	Number of Units	Number of Class A Ord. Shares	Number of Founder Shares	Percent. of voting rights*
Pierre Cuilleret**	Sponsor and CEO	600,000	0	858,334	5.58%
Charles-Eduard van Rossum	Non-Executive Director	25,000	0	0	0.10%
Cécile Levi	Non-Executive Director	0	0	0	0.00%
Domitille Méheut	Non-Executive Director	0	0	0	0.00%
Anne-Laure Navéos	Non-Executive Director	0	0	0	0.00%

\* Calculation excludes 25,000 Founder Shares as awarded to each of the three independent Non-Executive Directors and to Baptiste Desplats subject to completion of the Business Combination. Percentages are excluding any Shares held in treasury.

\*\* The investment of Pierre Cuilleret in the Founder Shares and the Units will be made exclusively through Pegasus Acquisition Partners Holding. Pegasus Acquisition Partners Holding is jointly controlled by Pierre Cuilleret, Diego De Giorgi and Jean Pierre Mustier.

Each Founder Share, as long as it is not held in treasury, carries one vote at the general meeting of the Company.

In addition to the Unit Shares, Class A Ordinary Shares and Founder Shares, Pierre Cuilleret also owns directly 875,000 Founder Warrants. The Founder Warrants have substantially the same terms as the Warrants and will not be transferable, assignable, saleable or converted until 30 days after the completion of a Business Combination Deadline, subject to certain limited exceptions as described in the Prospectus.

With a view to the respective shareholdings held by the Non-Executive Directors, which in each case is below 10%, the Non-Executive Directors do qualify as 'independent' within the meaning of the Dutch Corporate Governance Code (with the exception of Cécile Lévi who has been appointed on the Board to represent both Tikehau Capital and Financière Agache).



## Background and Strategy

Pegasus Entrepreneurial Acquisition Company Europe B.V. is a special purpose acquisition company seeking to enter into a Business Combination with an operating business in Europe.

Once a target business has been identified, the Company will enter into negotiations with the target business' current owners for the purpose of agreeing a transaction. The Board will then convene an Extraordinary General Meeting ('EGM') and propose the Business Combination to the shareholders. This means that shareholders of Pegasus Entrepreneurs, will have a say in respect of the Business Combination proposed by the Board, as the affirmative vote of the general meeting is subject to a simple majority. In the context of the EGM, Pegasus Entrepreneurs shall prepare and publish a shareholder circular which will include the information required to facilitate a proper investment decision on the Business Combination. No company has yet been acquired at this stage; the target business remains unchanged from the definition as outlined in the Prospectus. Following completion of a Business Combination, it is anticipated that the holders of Ordinary Shares in Pegasus Entrepreneurs become shareholders in the target business directly and that Pegasus Entrepreneurs and the target business will consolidate.

The consolidation of the Company and its target business is one of the key features of the special purpose acquisition company and considered an attractive element for the shareholders in the target business that may be approached to form the Business Combination. If a Business Combination is not proposed within 18 months after the IPO, invested funds deposited in the escrow account will be returned to shareholders.

The invested funds deposited in the escrow are subject to an annual negative interest rate equal to 9.5 bps negative interest that will be covered by the Company. Since the listing, the Company focus on the selection of a potential target company to bring a proposed Business Combination to Pegasus Entrepreneurs' EGM.

Since the listing, the Company focuses on the selection of a potential target company to bring to the Pegasus Entrepreneurs' EGM a proposed Business Combination.

## Process

The Company is evaluating acquisition opportunities using its acquisition criteria and guidelines as described in the Prospectus.

Since its IPO, the Company has assessed a wide variety of companies in multiple sectors in Europe. The Company sources leads to potential target companies from its own network, the Statutory Board, investment banks, inbounds and the broader advisory network. The Company has identified a "long-list" of potential target companies. From time to time the Company may perform due diligence on or approach companies it has identified. It may also modify its long-list on an ongoing basis. The focus of the Company remains on entrepreneur-led growing companies and it will always seek to form a Business Combination with a target company at an acceptable valuation for its shareholders.



## Financial developments 2021 – investments and financing

Pegasus Entrepreneurs was successfully listed at Euronext Amsterdam on 10 December 2021 raising € 210,000,000 from a broad range of investors to acquire a significant minority stake to realize a Business Combination within 18 months. The initial offering consisted of 21,000,000 Units at a price per unit of € 10.00. Since the listing the Company focuses on the selection of a potential target company to bring to the Pegasus Entrepreneurs EGM a proposed Business Combination.

### Financial highlights as per 31 December 2021

- Escrow account plus bank account balance: € 215,304,465
- Shareholder's equity: € 206,845,124
- Unit (Share) Price: € 10.00 (closing price)
- Warrant Price: N.A. (before the conversion trading date)

The Company did not generate any revenues in the financial year 2021. The expenses incurred by the Company in the financial year 2021 include amongst others transaction costs, audit and advisory cost, management fee, bank costs and negative interest. This has resulted in an after-tax loss of € 9,638,666 over the period from 16 June 2021 (date of incorporation of the Company) until 31 December 2021. The result is attributable among other things, to large portion to the fair value recognition of the Warrants liabilities on The Company's balance sheet, which is expensed through the profit and loss. This Warrants expense is a non-cash item.

## Corporate Social Responsibility

Out of the eight acquisition criteria set by the Company at the time of the IPO, Pegasus Entrepreneurs intends to enter into a Business Combination with a company or business that is meeting environmental, social and governance ("ESG") criteria, and / or has a sustainability focus in its main business and operations, and / or is contributing to the objectives of one or more Sustainable Development Goals as defined by the United Nations Assembly in 2015 (UN SDGs).

As a consequence, Pegasus Entrepreneurs takes into account sustainability and corporate social responsibility factors when evaluating potential target businesses.

## Risks and Uncertainties

Below is a summary of the risks, particularly as a special purpose acquisition company prior to the completion of a Business Combination, the risk appetite, the likelihood and potential impact thereof. Further reference is made to the description of risks relating to the Company included in the Prospectus, particularly



risks that may be of relevance to the Company after the completion of a Business Combination and risks relating to the securities. Additional risks not known to the Company, or currently believed not to be material, could later turn out to have a material impact on our business, revenue, assets, liquidity, capital resources or net income. The Company's risk management objectives and policies are consistent with those disclosed in the Prospectus.

Risk category	Risk description	Risk appetite	Likelihood	Potential impact
<b>Strategic</b>	The Company may face significant competition for Business Combination opportunities	High	High	High
<b>Strategic</b>	There is no assurance that the Company will identify suitable Business Combination opportunities by the Business Combination Deadline	Low	Medium	Medium
<b>Strategic</b>	The ability of the Company to negotiate a Business Combination on favorable terms could be affected by the limited time to complete the Business Combination	Low	Medium	Medium
<b>Financial</b>	The Company will be constrained by the potential need to finance repurchases of Ordinary Shares in connection with a Business Combination	Low	Medium	Medium
<b>Financial</b>	The Company may need to arrange third-party financing and there can be no assurance that it will be able to obtain such financing, which could compel the Company to restructure or abandon a particular proposed Business Combination	Low	Low	Medium

<b>Financial</b>	If the proceeds from the Capital at Risk is insufficient to allow the Company to operate for at least until the Business Combination Deadline, it could limit the amount available to fund the Company's search for a target business and the Company may be unable to complete a Business Combination	Low	Low	Medium
<b>Operational</b>	The Company's success is dependent upon a small group of individuals and other key personnel	High	High	Low
<b>Operational</b>	The Company's search for a target business may be materially adversely affected by the coronavirus (COVID-19) pandemic as well as other adverse global health events	Medium	Medium	Medium
<b>Operational</b>	The Company's search for a target business may be materially adversely affected by macroeconomic events as well as other adverse conditions on the public financial markets	High	Medium	Medium
<b>Operational</b>	Harm to the reputation of the Company, the Sponsor (or any of its affiliates) or the Directors may materially adversely affect the Company	Low	Low	High

In addition, the Company may not be successful in deploying some or all of these mitigating actions effectively as described in the Prospectus. If circumstances occur or are not sufficiently mitigated, the business, financial condition, results of operations and prospects could be material adversely affected. In



addition, risks and uncertainties could cause actual results to vary from those described, which may include forward-looking statements, or could impact the Company's ability to meet its objectives or be detrimental to our financial condition or reputation.

### Internal control system and in control statement

The Board is ultimately responsible for maintaining effective risk management, which includes the Company's risk governance structure, the Company's system of internal controls and the Company's internal audit approach. The Company has in place a risk management and an internal control system in relation to its financial reporting process and the process of preparing the financial statements. The Board reviews the effectiveness of the system of internal financial, operational and compliance controls and the risk management. The Board examines whether the system of internal controls operated effectively throughout the year and will make recommendations when appropriate.

In accordance with best practice provision 1.4.3 of the Dutch Corporate Governance Code of December 2016 the Board is of the opinion that, to the best of its knowledge:

- the report provides sufficient insights into any deficiencies in the effectiveness of the internal risk and control systems; no deficiencies in the effectiveness of the internal risk and control systems have been identified;
- the internal risk management and control systems of the Company provide reasonable assurance that the financial reporting as included in the financial statements do not contain any material inaccuracies;
- there is a reasonable expectation that Pegasus Entrepreneurs will be able to continue its operations and meet its liabilities as set out in the Prospectus, therefore, it is appropriate to adopt the going concern basis in preparing the financial reporting.

As set out in the Prospectus, Pegasus Entrepreneurs is established for a period of 18 months with the possibility to extend this period for a period of 6 months. No matter how comprehensive a risk management and control system may be, it cannot be assumed to be exhaustive, nor can it provide certainty that it will prevent negative developments from occurring in the Company's business and business environment or that response to risk will be fully effective. The Company's risk management framework is designed to avoid or mitigate rather than to eliminate the risks associated with the accomplishment of the Company's strategic objectives. It provides reasonable assurance but not absolute assurance against material misstatement or loss. In the period 16 June to 31 December 2021, the Company has not identified any major failings in its internal risk management and control system.

### Outlook

At the end of the financial year ending on 31 December 2021, the Company has not proposed a specific target company to the EGM. Pegasus Entrepreneurs will continue its search for a proposed Business Combination with a target company to be completed before the Business Combination Deadline. Pegasus Entrepreneurs will pursue a sound investment for its shareholders.



## Non-Executive Directors' Report

### Introduction

Following the IPO, the Non-Executive Directors of Pegasus Entrepreneurs supervised and advised the Sponsor and CEO of Pegasus Entrepreneurs, being Mr. Pierre Cuilleret. The Non-Executive Directors positively assessed the pre-determined set of investment criteria set up by the Sponsors that met the preferred characteristics for the target business. Furthermore, the detailed pre-agreed set of the desired qualitative and quantitative requirements defined for a potential target company were also approved by the Non- Executive Directors. Going forward the Non-Executive Directors envisage to supervise and advise the Sponsor and CEO of Pegasus Entrepreneurs in the same manner as this has been positively assessed and approved by all Non-Executive Directors of Pegasus Entrepreneurs.

### Composition of the Non-Executive Directors

As at the date of this Annual Report 2021, the Company has the following Non-Executive Directors:

<b>Name</b>	<b>Age</b>	<b>Position</b>	<b>Date of initial appointment</b>	<b>Nationality</b>	<b>Current term</b>
Charles-Eduard van Rossum	47	Non-Executive Director and Chairman	10 December 2021	French and Dutch	AGM 2024
Domitille Méheut	48	Non-Executive Director	10 December 2021	French	AGM 2024
Cécile Lévi	56	Non-Executive Director	10 December 2021	French	AGM 2024
Anne-Laure Navéos	41	Non-Executive Director	10 December 2021	French	AGM 2024

### Meetings and Attendance in 2021

Following the IPO, the Non-Executive Directors held 1 meeting on 16 December 2021. All Non-Executive Directors were present either in person or via conference call. During this meeting a first list of potential Business Combination operations were tested and challenged by the Non-Executive Directors in order to ensure that decisions reached underpin Pegasus Entrepreneurs' strategy and investment criteria and are aligned with the long-term value creation pursued by the Company. Since the IPO, the management maintained contact with the Chairman of the Board and other Non-Executive Directors on a regular basis. The main topic discussed in the various contact moments was the progress of the target search and status of ongoing discussions with potential targets.

Furthermore, the Non-Executive Directors were kept informed of Pegasus Entrepreneurs' strategic, financial, operational, legal and compliance risks, of the internal control and management systems in place, and of the actions taken to manage the risks.



In addition, the Non-Executive Directors discussed applicable IFRS standards, the implications of Corporate Governance Code for Pegasus Entrepreneurs and the preparation of the Annual General Meeting of Shareholders.

## Evaluation

The Non-Executive Directors reviewed and discussed the Board and Audit Committee functioning during the 2021 financial period. Overall, the functioning of the Board and the Audit Committee were assessed positively. The composition and functioning of the Board and the Audit Committee as well as the performance of its individual members were also positively assessed and discussed.

## Audit Committee

Under the Corporate Governance Charter, the Company shall have an Audit Committee, consisting of at least three Non-Executive Directors. The members of the Audit Committee shall be appointed, suspended and dismissed by the Board. Executive Directors shall not be members of the Audit Committee. The Corporate Governance Charter includes the Audit Committee Charter that governs the Audit Committee which has been adopted by the Board and is available on the Company's website ([www.pegasuseurope.com/investor-relations/peace](http://www.pegasuseurope.com/investor-relations/peace)).

The Audit Committee comprises three members, all of whom are Non-Executive Directors. Appointments to the Audit Committee have been made by the Board. The Statutory Board has satisfied itself that the Audit Committee's membership includes Directors with recent and relevant financial experience.

The members of the Audit Committee are:

- Domitille Méheut (Non-Executive Director and Chairwoman of the Audit Committee)
- Anne-Laure Navéos (Non-Executive Director)
- Cécile Lévi (Non-Executive Director)

In 2021, the Audit Committee did not meet following the IPO.

## Audit Committee activities

The tasks of the Audit Committee include:

- monitoring the Board with respect to:
  - the relations with, and the compliance with recommendations and follow-up of comments made by the external auditor;
  - the Company's funding;
  - the application of information and communication technology by the Company, including risks relating to cybersecurity; and
  - the Company's tax policy.
- reviewing and discussing the Company's audit plan, including with the external auditor;

- providing the external audit results in relation to the Company's annual accounts and annual report to the Board, indicating how the audit has contributed to the integrity of such financial reporting and which role the Audit Committee had in that process;
- reviewing and discussing the essence of the audit results;
- reviewing and discussing with the external auditor, at least annually:
  - the scope and materiality of the Company's audit plan and the principal risks of the Company's annual financial reporting identified in such audit plan; and
  - the findings and outcome of the external auditor's audit of the Company's financial statements and its management letter;
- monitoring the audit of the Company's annual accounts and annual report and the Company's financial reporting processes, and making proposals to safeguard the integrity of such processes;
- determining whether and, if so, how the external auditor should be involved in the content and publication of financial reports other than the Company's financial statements;
- reviewing and discussing the effectiveness of the design and operation of the Company's internal risk management and control systems with the Board and the CEO and the CFO, including:
  - identified material failings in the Company's internal risk management and control systems; and
  - material changes made to, and material improvements planned for, the Company's internal risk management and control systems;
- reviewing and monitoring the independence of the external auditor, also considering any non-audit services rendered by the external auditor;
- determining the procedure for selecting the external auditor and for proposing the appointment of the external auditor to the Company's general meeting;
- advising the Board regarding the external auditor's nomination for (re)appointment or dismissal and preparing the selection of the external auditor for such purpose, as relevant; and
- submitting proposals to the Board concerning the external auditor's engagement to audit the Company's financial statements, including the scope of the audit, the materiality standard to be applied and the external auditor's compensation.

## External Auditor

The Company's external auditor, Mazars Accountants N.V. ("Mazars" or "External Auditor"), was appointed as of the incorporation of the Company. The External Auditor reports to the Audit Committee on the actions taken to comply with professional and regulatory requirements and with best practice designed to ensure its independence. The performance of the External Auditor is reviewed by the Audit Committee on an annual basis through a qualitative assessment of the services provided against the agreed audit plan and taking account of feedback received from management. Following this review, the Audit Committee is satisfied that the external audit process operates effectively.



## 2021 Financial Statements

The Non-Executive Directors have reviewed and discussed the 2021 annual report and financial statements. The 2021 financial statements, as prepared by the Board, have been audited by Mazars, whose auditor's report is included in this report, and were extensively discussed by the Audit Committee and the Board.

The Non-Executive Directors believe the 2021 financial statements of Pegasus Entrepreneurs meet all requirements for correctness and transparency. All Directors have signed the 2021 Financial Statements pursuant to the statutory obligations under article 2:101 (2) of the Dutch Civil Code. The Board will present the financial statements for 2021 and its report at the Annual General Meeting of Shareholders. The Non-Executive Directors recommend that the Annual General Meeting of Shareholders adopt the 2021 Financial Statements and discharge the Directors from liability for their management and supervision in the year under review.

On behalf of the Non-Executive Directors  
Amsterdam, 27 April 2022

Mr. Charles-Eduard van Rossum  
Chairman



## Remuneration report

### Remuneration for the Executive Director

Pegasus Acquisition Partners (controlled indirectly by Pierre Cuilleret – Sponsor and CEO) is entitled to an annual advisory fee of €270,000 (no variable bonus).

The remuneration of Pierre Cuilleret or the fee paid to Pegasus Acquisition Partners following a Business Combination, if any, shall be disclosed in the shareholder circular published in connection with the Business Combination EGM.

The Executive Director does not receive variable remuneration and given the nature of the Company's principal business, there is no employee share option scheme in place. Moreover, there is no reduction or claw back of the remuneration.

In addition, the fee of the Executive Director is consistent with the Compensation Policy available on the Company's website and contributes to the Company's identity, strategy, long-term interests and sustainability.

### Remuneration for the Non-Executive Directors

From the Company's perspective, it should especially be in the Non-Executive Directors' interest to focus on the Company's sustainable and long-term successful development. As such, the Company believes that Equity based compensation for the Non-Executive Directors is effective. Regardless of their remuneration, all Non-Executive Directors are entitled to reimbursement for their travel expenses.

As such and immediately following the Settlement Date, the Company has allocated 25,000 Founder Shares to each of the independent Non-Executive Directors mentioned below, each to be delivered subject to completion of the Business Combination (except for Cécile Lévi who does not receive compensation):

<b><u>Name</u></b>	<b><u>Position</u></b>	<b><u>Compensation in Founder Shares</u></b>
Charles-Eduard van Rossum	Non-Executive Director and Chairman	25,000
Domitille Méheut	Non-Executive Director	25,000
Anne-Laure Navéos	Non-Executive Director	25,000
Cécile Lévi	Non-Executive Director	0

The Non-Executive Directors do not receive variable remuneration and given the nature of the Company's principal business, there is no employee share option scheme in place. Moreover, there is no reduction or claw back of the remuneration.



In accordance with IFRS 2, the share-based payments amount expensed during 2021 in relation to the Founder Shares granted to the Non-Executive Directors is € 5,312 (€ 1,771 for Charles-Eduard van Rossum, Domitille Méheut and Anne-Laure Navéos).

In addition, the remuneration of the Non-Executive Directors is consistent with the Compensation Policy available on the Company's website and contributes to the Company's identity, strategy, long-term interests and sustainability.

#### Remuneration for the CFO (not being Statutory Director)

Baptiste Desplats as the CFO is entitled to a yearly cash remuneration or cash compensation prior to completion of a Business Combination of €250,000. The company has also allocated 25,000 Founder Shares to Baptiste Desplats, to be delivered subject to the Business Combination. The amount expensed during 2021 in relation to the founder shares granted to the CFO is € 1,771.

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

In addition, the remuneration of the Chief Financial Officer is consistent with the Compensation Policy available on the Company's website and contributes to the Company's identity, strategy, long-term interests and sustainability.

#### Pay ratio

Based on best practice provision 3.4.1 of the Dutch Corporate Governance Code ("DCGC"), the Company shall disclose the pay ratio between the remuneration of the Executive Directors and that of a representative reference group of employees of the Company and, if applicable, comment on any important variation in the pay ratios in comparison with the previous financial year (not applicable in the case of Pegasus Entrepreneurs).

The calculation of the pay ratio is based on the average of the remuneration received by the employees of the reference group and is made in accordance with the following rules:

- the remuneration of the employees of the reference group taken into account was the remuneration received during the year concerned (i.e. if a bonus was paid in 2022 relating to activities performed in 2021, the bonus was taken into account when calculating the pay ratio of the financial year 2021);
- if all or part of the remuneration was paid in a foreign currency, the exchange rate which was used was the average exchange rate of the relevant currency into euros for the year ended December 31, 2021;

Considering that the Company has only 1 employee to date, the calculation of the pay ratio is not applicable and not relevant in the case of Pegasus Entrepreneurs.



## Corporate Governance

The Company maintains a one-tier board structure consisting of one Executive Director and four Non-Executive Directors. In addition to the Statutory Board, the Company has an audit committee. The Statutory Board has not installed any standing committees, other than the audit committee.

### Members of the Statutory Board

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

<b>Name</b>	<b>Age</b>	<b>Gender</b>	<b>Position</b>	<b>Date of initial appointment</b>	<b>Nationality</b>	<b>Current term</b>
Pierre Cuilleret	55	M	Sponsor and CEO	10 December 2021	French	AGM 2024
Charles-Eduard van Rossum	47	M	Non-Executive Director and Chairman	10 December 2021	French and Dutch	AGM 2024
Domitille Méheut	48	V	Non-Executive Director	10 December 2021	French	AGM 2024
Cécile Lévi	56	V	Non-Executive Director	10 December 2021	French	AGM 2024
Anne-Laure Navéos	41	V	Non-Executive Director	10 December 2021	French	AGM 2024

In respect of the Company, the business address of each of the Statutory Directors is Hoogoorddreef 15, 1101 BA Amsterdam, the Netherlands.

### Takeover Directive

#### Powers, Responsibilities and Functioning

Under Dutch law, the Board as a collective is responsible for the Company's management, strategy, policy and operations. The Executive Director manages the Company's day-to-day business and operations and implements its strategy. The Non-Executive Directors focus on the supervision on the policy and functioning of the performance of the duties of all Directors and the general state of affairs. Each Director has a statutory duty to act in the corporate interest of the Company and its business. Under Dutch law, the corporate interest extends to the interests of all corporate stakeholders, such as shareholders, creditors, employees, customers and suppliers. The duty to act in the corporate interest of the Company also applies in the event of a proposed sale or break-up of the Company, provided that the circumstances generally dictate how such duty is to be applied and how the respective interests of various groups of stakeholders should be



weighed. Pursuant to the Articles of Association, any resolution of the Board regarding a material change in the Company's identity or character requires approval of Shareholders at a general meeting.

In accordance with the Articles of Association and Corporate Governance Charter, the Board has adopted rules governing the Board's principles and best practices (the Board Rules). The Board Rules describe the duties, tasks, composition, procedures and decision making of the Board.

#### Amendment of Articles of Association

The General Meeting may pass a resolution to amend the Articles of Association, with an absolute majority of the votes cast, but only at the proposal of the Board. Any such proposal must be stated in the notice of the General Meeting.

A resolution of the General Meeting to amend the Articles of Association which has the effect of reducing the rights attributable to holders of shares of a particular class, is subject to approval of the meeting of holders of shares of that class.

#### Certain mandatory disclosures with respect to members of the Board

Except as disclosed in the Prospectus, at the date of this annual report, none of the Statutory Directors nor the CFO at any time within the last five years:

- (1) has had any convictions in relation to fraudulent offences;
- (2) has been or is a member of the administrative, management or supervisory bodies or partner, director or senior manager (who is relevant in establishing that a company has the appropriate expertise and experience for management of that company) of any company at the time of any bankruptcy, receivership, liquidation or administration of such company; or
- (3) has received any official public incrimination and/or sanction by any statutory or regulatory authorities (including designated professional bodies) or has ever been disqualified by a court from acting as a director or member of the administrative, management or supervisory bodies of any company or from acting in the management or conduct of the affairs of any company.

#### Dutch Corporate Governance Code

The Company is subject to the DCGC. The DCGC contains both principles and best practice provisions for Boards of Directors, shareholders and general meetings, auditors, disclosure, compliance and enforcement standards. A copy of the DCGC can be found on <https://www.mccg.nl>. As a Dutch company listed on a stock exchange, the Company is subject to the DCGC and is required to disclose in its Annual Report to what extent it complies with the principles and best practice provisions of the DCGC, and where it does not, it must state why and to what extent it deviates from the DCGC. The Company's most substantial deviations from the DCGC are summarised below. Prior to completing the Business Combination, the Company has



not and will not be involved in any activities other than preparation for the Offering and the Business Combination. The Company intends to tailor its compliance with the DCGC to the situation after the Business Combination Date and will, until such time, not comply with a number of best practice provisions. To the extent the Company will deviate from the DCGC following the Business Combination, such deviations will be disclosed in the Company's Annual Report in accordance with Dutch market practice. To the extent best practice provisions relate to the Board and its committees, deviations of the DCGC are summarised below.

#### Audit Function (principle 1.3)

The Company has not established an internal audit department. The Non-Executive Directors and the Audit Committee will remain involved in the execution of the internal audit function as stipulated in best practice provisions 1.3.1 to 1.3.5. The Board is of the opinion that adequate alternative measures have been taken in the form of the Company's risk management and control systems, as outlined elsewhere in this report, and that it is presently not necessary to establish an internal audit function considering the nature of the Company.

#### Appointment and Dismissal (best practice provision 1.3.1)

The Company has not established an internal audit department nor appointed a senior internal auditor. Please refer to the explanation under principle 1.3.

#### Assessment of the internal audit function (best practice provision 1.3.2)

The Company has not established an internal audit department. Please refer to the explanation under principle 1.3.

#### Internal audit plan (best practice provision 1.3.3)

The Company has not established an internal audit department. Please refer to the explanation under principle 1.3.

#### Performance of work (best practice provision 1.3.4)

The Company has not established an internal audit department. Please refer to the explanation under principle 1.3.

#### Reports of findings (best practice provision 1.3.5)

The Company has not established an internal audit department. Please refer to the explanation under principle 1.3.



#### Committees (best practice provision 2.3.2)

With a view to the number of Non-Executive Directors, the Dutch Corporate Governance Code prescribes that the Board installs a selection- and appointment committee and a remuneration committee. As the Company will not conduct any business prior to a Business Combination and the Board does not intend to hire any employees, the Board has no need for a selection- and appointment or remuneration committee.

The Statutory Board has appointed from among its Non-Executive Directors an Audit Committee. The Audit Committee consists of Domitille Méheut (chairwoman), Anne-Laure Navéos and Cécile Lévi. The composition of the Audit Committee is consistent with the best practice provisions of the DCGC.

#### Vice Chairman (best practice provision 2.3.7)

Given the current organization of the Company, no Vice Chairman has been appointed.

#### Company secretary (best practice provision 2.3.10)

Given its limited size and as the lines of communication between the Directors are short and the procedures of the Board are fairly straight forward, during the financial year to which this report relates, the Board has decided not to appoint a Company secretary.

#### Equity based compensation Non-Executive Directors (best practice provision 3.3.2)

The DCGC recommends against granting equity awards as part of the compensation of a Non-Executive Director. However, the Company does wish to grant equity awards to its independent Non-Executive Directors immediately following the Settlement Date in the form of 25,000 Founder Shares, each to be delivered subject to completion of the Business Combination. The Non-Executive Directors do not receive any other remuneration or compensation.

#### Shares held by a Non-Executive Directors in the Company should be long-term investments (best practice provision 3.3.3)

The securities of the Company held by the Non-Executive Directors, are not necessarily held as long-term investments as their investment horizon shall be determined following completion of the Business Combination. This is partly inherent to the fact that it is uncertain that the Non-Executive Directors will remain in position after completion of the Business Combination. Furthermore, the Company considers the fact that the Non-Executive Directors held securities which do not have a strict long-term investment horizon is in line with market practice for SPACs.



Majority requirements for dismissal and overruling binding nominations (best practice provision 4.3.3)

The Directors are appointed by the general meeting upon the binding nomination of the Board. The general meeting may only overrule the binding nomination by a resolution passed by a two-thirds majority of votes cast, provided such majority represents more than half of the Company's issued share capital. In addition, except if proposed by the Board, the Directors may be suspended or dismissed by the general meeting at any time by a resolution passed by a two-thirds majority of votes cast, provided such majority represents more than half of the Company's issued share capital. The possibility to convene a new general meeting as referred to in Section 2:230(3) DCGC in respect of these matters has been excluded in the Articles of Association. The Company believes that these provisions support the continuity of the Company and its business and that those provisions, therefore, are in the best interests of the Shareholders and other stakeholders.

Remuneration Committee's proposal (best practice provision 3.2.1)

Since no remuneration committee has been installed, the Board determines a Director's compensation (if any) within the boundaries of the Remuneration Policy as adopted by the General Meeting, without a remuneration committee recommendation.

## **Committees of the Board**

The Board has not installed any standing committees, other than the Audit Committee appointed by the Board.

## **Limitation on liability and indemnification matters**

### Indemnification

Under Dutch law, the Statutory Directors may be held liable for damages in the event of improper or negligent performance of their duties. They may be held jointly and severally liable for damages to the Company and to third parties for infringement of the Articles of Association or of certain provisions of Dutch law. In certain circumstances, they may also incur additional specific civil and criminal liabilities. Subject to certain exceptions, the Articles of Association provide for indemnification of current directors (and other current and former officers and employees as designated by the Statutory Board). No indemnification shall be given to an indemnified person:

- if a competent court or arbitral tribunal has established, without having (or no longer having) the possibility for appeal, that the acts or omissions of such indemnified person that led to the financial losses, damages, expenses, suit, claim, action or legal proceedings as described above are of an unlawful nature (including acts or omissions which are considered to constitute malice, gross



- negligence, intentional recklessness and/or serious culpability attributable to such indemnified person);
- to the extent that his or her financial losses, damages and expenses are covered under insurance and the relevant insurer has settled, or has provided reimbursement for, these financial losses, damages and expenses (or has irrevocably undertaken to do so);
  - in relation to proceedings brought by such indemnified person against the Company, except for proceedings brought to enforce indemnification to which he is entitled pursuant to the Articles of Association, pursuant to an agreement between such indemnified person and the Company which has been approved by the Statutory Board or pursuant to insurance taken out by the Company for the benefit of such indemnified person; or
  - for any financial losses, damages or expenses incurred in connection with a settlement of any proceedings effected without the Company's prior consent.

Under the Articles of Association, the Board may stipulate additional terms, conditions and restrictions in relation to the indemnification described above but as of the date of this report has not done so.

The Statutory Directors and CFO of the Company are insured under an insurance policy against damages resulting from their conduct when acting in their capacities as such directors or officers.

#### Limitation of supervisory positions

Pursuant to Dutch law, there are limitations to the number of positions persons can hold on the boards of large Dutch companies. Presently, the Company does not qualify as a large company for purposes of these provisions, as it has not yet prepared annual accounts over two years, which is a requirement under Dutch law.

#### Conflicts of interest, other information

Under Dutch law and the Articles of Association, the Statutory Directors shall not take part in any discussion or decision-making that involves a subject or transaction in relation to which such Statutory Director has a conflict of interest with the Company. The Articles of Association provide that if as a result of these rules, no resolution of the Statutory Board can be adopted, the resolution can nonetheless be adopted by the Statutory Board as if none of the Statutory Directors had a conflict of interest. In that case, each Statutory Director is entitled to participate in the discussion and decision-making process and to cast a vote. These rules apply equally with respect to decision-making relating to related party transactions (as defined by Dutch law) in which a Statutory Director is involved.

The DCGC provides the following best practice recommendations in relation to conflicts of interests:

- a director should report any potential conflict of interest in a transaction that is of material significance to the company and/or to such director to the other directors without delay, providing all relevant information in relation to the conflict;
- the board of directors should then decide, outside the presence of the director concerned, whether there is a conflict of interest;



- transactions in which there is a conflict of interest with a director should be agreed on arms' length terms; and
- a decision to enter into such a transaction in which there is a conflict of interest with a director that is of material significance to the company and/or to such director shall require the approval of the board of directors, and such transactions should be disclosed in the company's annual board report.

Certain of the Statutory Directors and the CFO have fiduciary and contractual duties to certain companies in which they have invested, such as the Sponsors. If these entities decide to pursue any such opportunity, the Company may be precluded from pursuing such opportunities. None of the Statutory Directors have any obligation to present the Company with any opportunity for a potential Business Combination of which they become aware, subject to their fiduciary duties under Dutch law. The Sponsors and their affiliates and the Statutory Directors are also not prohibited from sponsoring, investing in or otherwise becoming involved with, any other special purpose acquisition companies, including in connection with their business combinations, prior to the Company completing a Business Combination. The Statutory Directors and CFO, in their capacities as directors, officers or employees of the Sponsors or their affiliates (to the extent applicable) or in their other endeavours, may choose to present potential business combination opportunities to the related entities described above, current or future entities affiliated with or managed by the Sponsors, or any other third parties, before they present such opportunities to the Company, subject to their fiduciary duties under Dutch law and any other applicable fiduciary duties. Further, the Company is not prohibited from pursuing a Business Combination with a target company or business that is affiliated with the Sponsors, any of their affiliates or any of the Statutory Directors or Operating Partners. Until the completion of the Business Combination, (i) Tikehau Capital and Financière Agache SA may provide services to the Company; and (ii) Pegasus Acquisition Partners or Pierre Cuilleret may provide services to Tikehau Capital or Financière Agache SA outside of activities of the Company. Furthermore, one Statutory Director, Cécile Lévi, is employed by Tikehau Investment Management, a wholly-owned subsidiary of Tikehau Capital, but is appointed as Statutory Director to represent both Financière Agache and Tikehau Capital. Certain of the Statutory Directors presently have, and any or all of them in the future may have, additional, fiduciary or contractual obligations to other entities pursuant to which such Statutory Director is or will be required to present a Business Combination opportunity to such entity. Accordingly, if any of the Statutory Directors become aware of a Business Combination target that is suitable for an entity to which they have then-current fiduciary or contractual obligations, they may need to honour these fiduciary or contractual obligations to present such business combination opportunity to such entity, subject to their fiduciary duties under Dutch law. The Statutory Directors are also not required to commit any specified amount of time to the affairs of the Company, and, accordingly, will have conflicts of interest in allocating management time among various business activities, including identifying potential Business Combinations and monitoring the related due diligence. As disclosed in the "Risk Factors" section in the Prospectus —"*Certain of the Statutory Directors are now, and all of them may in the future become, affiliated with entities engaged in business activities similar to those intended to be conducted by the Company and, accordingly, may have conflicts of interest in determining to which entity a particular business opportunity should be presented.*"

The Company does not believe, however, that the fiduciary duties or contractual obligations of the Statutory Directors will materially affect its ability to identify and pursue Business Combination opportunities or complete a Business Combination. Investors should not rely on the historical performance record of the



Sponsors, any of their affiliates or the Statutory Directors performance as indicative of the Company's future performance. As disclosed in the "Risk Factors" section in the Prospectus — *"Past performance by the Sponsors and their affiliates and/or any of the Statutory Directors may not be indicative of future performance of an investment in the Company."*

Current shareholders and potential investors should also be aware of the following potential conflicts of interest:

- None of the Statutory Directors is required to commit their full time to the Company's affairs and, accordingly, may have conflicts of interest in allocating their time among various business activities.
- In the course of their other business activities, the Statutory Directors may become aware of investment and business opportunities that may be appropriate for presentation to the Company as well as the other entities with which they are affiliated, including Cécile Lévi's position at Tikehau Capital or its affiliates. The Statutory Directors may have conflicts of interest in determining to which entity a particular business opportunity should be presented.
- The Sponsors and Statutory Directors have agreed to waive their redemption rights in connection with the consummation of the Business Combination with respect to any Founder Shares held by them. In accordance with the Articles of Association the Founder Shares will not receive any distributions or liquidation proceeds from the Escrow Accounts if the Company fails to complete a Business Combination. However, if a Sponsor (or any of its affiliates) acquires any other Units or Class A Ordinary Shares, it will be entitled to liquidating distributions from the Escrow Accounts with respect to such Units or Class A Ordinary Shares if the Company fails to consummate a Business Combination by the Business Combination Deadline. If the Company does not complete a Business Combination by the Business Combination Deadline, the funds held in the Escrow Accounts will be used to fund the redemption of the Class A Ordinary Shares and Units, and any outstanding Warrants will expire worthless. The Sponsors and Statutory Directors may cause the Company to propose a Business Combination that would mitigate their own potential financial losses but cause the investment of other investors to (initially) be worth less than they would get in the event of a (potential) liquidation. Such investors could of course redeem their Class A Ordinary Shares if they believed this was the case.
- The Statutory Directors may negotiate employment or consulting agreements with a target company or business in connection with a particular Business Combination. These agreements may provide for them to receive compensation following a Business Combination and as a result, may cause them to have conflicts of interest in determining whether to proceed with a particular Business Combination.
- The Statutory Directors may have a conflict of interest with respect to evaluating a particular Business Combination if the retention or resignation of any such Statutory Directors was included by a target company or business as a condition to any agreement with respect to a Business Combination.
- Furthermore, one Statutory Director, Cécile Lévi, is employed by Tikehau Investment Management, a wholly-owned subsidiary of Tikehau Capital.

The Company is not prohibited from pursuing a Business Combination with a target company or business that is affiliated with a Sponsor, any of the Sponsors' affiliates or any of the Statutory Directors. In the event



the Company seeks to complete a Business Combination with such a company, the Company, or a committee of independent and disinterested directors, would elect to obtain an opinion, from an independent investment banking firm or another valuation or appraisal firm that regularly renders fairness opinions on the type of target company or business that the Company is seeking to combine with, that such a Business Combination is fair to the Company from a financial point of view.

In addition, the Sponsors or any of their affiliates may make additional investments in the Company in connection with the Business Combination, although the Sponsors and their affiliates have no obligation or current intention to do so. If a Sponsor or any of their affiliates elects to make additional investments, such proposed investments could influence the relevant Sponsor's motivation to complete a Business Combination.

In the event that the Company submits a Business Combination to the Shareholders for a vote, the Sponsors and Statutory Directors have agreed, pursuant to the terms of a Letter Agreement entered into with the Company, to vote any Class A Ordinary Shares held by them in favour of a Business Combination.

#### Employees matters

As at the date of this Report, the Company has one employee: Baptiste Desplats who is the CFO of the Company.

## Statement of Directors' responsibilities

The Directors are responsible for preparing the Company's Annual Report. The Company's Annual Report comprises the Statutory Directors' Report, the Governance Report, the Company's Financial Statements and some other information. The Directors are responsible for preparing the Annual Report in accordance with applicable law and regulations. The Directors are required by law to prepare the Annual Report for each financial year. The Directors have prepared the Annual Report in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and the relevant provisions of the Dutch Civil Code. The Directors must not approve the Annual Report unless they are satisfied that it gives 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 the Annual Report, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRS as adopted by the European Union and the relevant provisions of the Dutch Civil Code have been followed, subject to any material departures disclosed and explained in the Annual Report; and
- prepare the Annual Report on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose, with reasonable accuracy at any time, the financial position of the Company and enable them to ensure that the Annual Report complies with applicable law. The Directors have assessed whether the risk assessment executed showed any material failings in the effectiveness of the Company's internal risk management and control systems. Though such systems are designed to manage and control risks, they can provide reasonable, but not absolute, assurance against material misstatements. Based on this assessment, to the best of our knowledge and belief, no material failings of the effectiveness of the Company's internal risk management and control systems occurred and the internal risk and control systems provides reasonable assurance that the 2021 financial statements do not contain any errors of material importance.

With reference to section 5.25c paragraph 2c of the Dutch Act on Financial Supervision, each of the Directors, whose names and functions are listed in the Governance section, confirm that, to the best of their knowledge:

- the Company's financial statements and the consolidated financial statements, which have been prepared in accordance with IFRS as adopted by the European Union and the relevant provisions of the Dutch Civil Code, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- the Directors' Report gives a true and fair view on the situation on the balance sheet date, the development and performance of the business and the position of the Company of which the financial information is included in the Directors' Report and includes a description of the principal risks and uncertainties that the Company faces; and



- having taken all matters considered by the Board and brought to the attention of the Board during the financial year into account, the Directors consider that the Annual Report, taken as a whole is fair, balanced and understandable. The Directors believe that the disclosures set out in the Annual Report provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

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

On behalf of Pegasus Entrepreneurs

Amsterdam, 27 April 2022

Pierre Cuilleret, Sponsor & CEO

Charles Eduard van Rossum, Chairman & Non-executive Director

Cécile Lévi, Non-executive Director

Domitille Méheut, Non-executive Director

Anne-Laure Navéos, Non-executive Director

## Financial Statements 2021

Statement of profit and loss and other comprehensive income for the period from 16 June 2021 up to and including 31 December 2021

		<b>31 December 2021 (6 months and 15 days) EUR 1,000</b>
<b>Operations</b>		
Revenues		-
<b>Expenses</b>		
Staff costs		(123)
Other expenses	4	(2,533)
		<hr/>
<b>Operating result</b>		<b>(2,656)</b>
Interest expense	5	-
Other gains and losses	6	(6,983)
		<hr/>
<b>Result before tax</b>		<b>(9,639)</b>
Income tax expense	7	-
		<hr/>
<b>Result for the period</b>		<b>(9,639)</b>
		<hr/> <hr/>
<b>Other comprehensive income, net of income tax</b>		
Other items		-
		<hr/>
<b>Total comprehensive income/(loss) for the period</b>		<b>(9,639)</b>
		<hr/> <hr/>
<b>Earnings per share</b>		
<b>From continuing and discontinued operations</b>		
Basic (cents per share)	8	(0,46)
		<hr/>
Diluted (cents per share)		<b>(0,46)</b>
<b>From continuing operations</b>		
Basic (cents per share)	8	(0,46)
		<hr/>
Diluted (cents per share)		<b>(0,46)</b>



## Statement of financial position as at 31 December 2021

		<b>31 December 2021</b>	<b>16 June 2021</b>
		<b>EUR 1,000</b>	<b>EUR 1,000</b>
<b>Assets</b>			
Property, plant and equipment		-	-
Financial assets	9	210,000	-
		<hr/>	<hr/>
<b>Non-current assets</b>		<b>210,000</b>	-
Trade and other receivables		-	-
Prepaid expenses		527	-
Cash and cash equivalents	10	5,304	-
		<hr/>	<hr/>
<b>Current assets</b>		<b>5,831</b>	-
		<hr/>	<hr/>
<b>Total assets</b>		<b>215,831</b>	-
		<hr/> <hr/>	<hr/> <hr/>



		<b>31 December 2021</b>	<b>16 June 2021</b>
		<b>EUR 1,000</b>	<b>EUR 1,000</b>
<b>Equity</b>			
Share capital	12	263	-
Share premium	12	216,215	-
Reserve stock option plan	12	7	-
Reserves		-1	-
Retained earnings		-	-
Net Profit (Loss) for the period		(9,639)	-
<b>Total equity</b>		<b>206,845</b>	<b>-</b>
<b>Liabilities</b>			
Founder Warrants	15.2.2	3,150	-
Warrants	15.2.2	4,200	-
<b>Non-current liabilities</b>		<b>7,350</b>	<b>-</b>
Trade and other payables	13.1	1,557	-
Taxes and social security contributions payable	13.1	79	-
<b>Current liabilities</b>		<b>1,636</b>	<b>-</b>
<b>Total liabilities</b>		<b>8,986</b>	<b>-</b>
<b>Total equity and liabilities</b>		<b>215,831</b>	<b>-</b>

## Statement of changes in equity for the period 16 June 2021 up to and including 31 December 2021

	Share capital	Share premium	Reserve stock option plan	Reserves	Retained earnings	Net Profit (Loss) for the period	Total Equity
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Balance at 16 June 2021	-	-	-	-	-	-	-
<b>Total comprehensive income</b>							
Result for the period	-	-	-	-	-	(9,639)	(9,639)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	(9,639)	(9,639)
<b>Transactions with owners of the Company</b>							
Contributions and distributions:							
Shares issued	12	263	217,402	-	-	-	217,665
Repurchases of shares	12	-	-	-1	-	-	-1
Share-based payments	-	-	7	-	-	-	7
Transaction costs	-	(1,187)	-	-	-	-	(1,187)
Total contributions and distributions	263	216,215	7	-1	-	-	216,484
Total transactions with owners of the Company	-	-	-	-	-	-	-
Balance at 31 December 2021	263	216,215	7	-1	-	(9,639)	206,845



## Statement of cash flows for the period 16 June 2021 up to and including 31 December 2021

	<b>FY 2021 (6 months and 15 days) EUR 1,000</b>
Operating result	(2,656)
Changes in:	
Accruals	1,272
Taxes and social securities	79
Creditors	284
Prepaid expenses	(526)
Founder shares conditionally transferred	7
	<hr/>
<b>Cash flow from operating activities</b>	<b>(1,540)</b>
	<hr/>
Escrow accounts	<b>(210,000)</b>
	<hr/>
<b>Cash flows from investing activities</b>	<b>(210,000)</b>
	<hr/>
Repurchase of founder shares	(1)
Share capital increase from proceeds IPO	217,665
Transaction costs on issue of shares	(1,187)
Proceeds from warrants	367
	<hr/>
<b>Cash flow from financing activities</b>	<b>216,844</b>
	<hr/>
<b>Net cash flow at 31 December 2021</b>	<b>5,304</b>
	<hr/> <hr/>



# Notes to the financial statements

## 1. The company and its operations

Pegasus Entrepreneurial Acquisition Company Europe B.V. (hereinafter referred to as "PEACE" or the "Company") is a private limited liability company domiciled in the Netherlands. The Company was incorporated in the Netherlands. The Company's registered office is at Hoogoorddreef 15, 1101BA Amsterdam. The Company was founded on 16 June 2021 and is registered in the Trade Register at the Chamber of Commerce under number 83107878.

## 2. Basis of preparation

### 2.1 Going concern

The financial statements of the Company have been prepared on the basis of the going concern assumption.

The Company will have until the Business Combination Deadline to complete the Business Combination. If the Company fails to consummate a Business Combination by the Business Combination Deadline the Company intends to: (1) cease all operations except for the purpose of winding up; (2) on a date as soon as reasonably possible after the Business Combination Deadline, which date will be announced in a separate press release redeem the Unit Shares and Class A Ordinary Shares held by shareholders that wish to be redeemed at a per share price, payable in cash, equal to the aggregate amount then on deposit in the Escrow Accounts (less any amounts necessary to pay (a) dissolution expenses and (b) any unpaid claims of creditors entitled to payment thereof by the Company, to the extent such payments cannot be made out of the cash available to the Company in the current account and coming from the proceed of the Capital at Risk) divided by the number of then issued and outstanding Unit Shares and Class A Ordinary Shares (not held in treasury) (3) as promptly as reasonably possible, subject to the approval of its shareholders, resolve on the dissolution of the Company; (4) liquidate the Company's assets and liabilities in accordance with Dutch law and (5) declare a liquidation distribution at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Escrow Accounts (less any amounts necessary to pay dissolution expenses not met by the Costs Cover); divided by the number of then issued and outstanding Class A Ordinary Shares and Unit Shares (not held in treasury), which liquidation distribution will extinguish Shareholders' rights to receive further liquidating distributions, if any. There will be no liquidating distributions with respect to the Warrants, which will expire worthless if the Company fails to complete a Business Combination within the Business Combination Deadline. These conditions indicate the existence of a material uncertainty, which may cast significant doubt about the Company's ability to continue as a going concern. The (financial) risk for our shareholders is largely mitigated by the fact that the Company holds € 210 million in the Escrow Accounts as at 31 December 2021, which can be released upon meeting strict requirements.



Furthermore, the Company has € 5.3 million of cash available in the current account as at 31 December 2021, coming from the proceeds of the sale of the Founder Shares and Warrants at IPO (Capital at Risk), which is considered to be sufficient to cover working capital and other running costs and expenses. If no Business Combination is completed, the exposure of Class A Ordinary Shareholders is generally limited to the negative interests incurred by the Company over the amounts held in the Escrow Accounts and, if any, costs that are not covered by the remaining cash available in the current account.

## **2.2 Accounting standards and declaration of compliance**

The Financial Statements 2021 relate to the period from 16 June 2021 up to and including 31 December 2021, a 6 months and 15 days period.

The financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS"), as endorsed by the European Union and Part 9 of Book 2 of the Dutch Civil Code.

The standards are available at the European Commission website:

[http://ecc.europa.eu/finance/company-reporting/standardinterpretations/index\\_eu.htm](http://ecc.europa.eu/finance/company-reporting/standardinterpretations/index_eu.htm).

## **Standards published by the IASB and adopted by the European Union as at 31 December 2021**

The Company has not yet applied the new and revised IFRSs that have been issued but are not yet effective. Some standards, interpretations and amendments are adopted by the EU with an effective date later than that established by the IASB. Considering the current circumstances the Company is in, it is currently not possible to assess the impact of the changes on the future business combination. The effect will be assessed during this transaction.

## **2.3 Basis of measurement**

The financial statements are expressed in thousands of euros, rounded off to the closest thousand euros. Rounding gaps may result in minor differences regarding certain totals in the tables presented in the financial statements.

Financial and debt instruments are measured at fair value in accordance with IFRS 13. The methods used to measure fair value are disclosed in note 3.1 (Determining fair value). The other assets and liabilities items have been drawn up on the basis of the historical cost.

## 2.4 Use of estimates and judgements

In preparing this financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

The key judgement having a significant effect on the amounts recognized in the financial statements related to the equity or debt classification of the shares and warrants in accordance with IAS 32. When determining the fair value, the Directors use directly market observable data to the extend it is available. Directors belief that based on the current circumstances of the Company, the uncertainties in respect of the fair value assessments can be considered limited except for the valuation of the warrants.

Management has also exercised judgement in determining whether the cash held in the Escrow Accounts should be treated as Cash and Cash equivalents or Other / Financial Assets and concluded that the Escrow account will be treated as Financial Assets as the cash in the Escrow Accounts is to be held and not released until the completion of a Business Combination or the Business Combination Deadline (ie. not matching short-term cash commitments as defined under IAS 7.7.).

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

The grant-date fair value of equity-settled share-based payment awards granted is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. Management has exercised judgement in determining the grant date and concluded that the grant date should be the Business Combination date as only at that point in time there is clarity over the value of the awarded Founder Shares. As a result, no expense is recognized in the statement of comprehensive income over the period ending 31 December 2021 for the 5,150,000 Founder Shares owned by the Sponsors.

In accordance with IFRS 2, the Company has recognized an expense of € 7,083 as share-based payments specifically for the 100,000 Founder Shares granted to the Company's independent Non- Executive Directors and CFO as corresponding to services rendered during the 2021 financial period.

These Founder Shares are measured at an estimated fair value of €3.4 per share as at 31 December 2021.



On 10 December 2021, Pegasus Entrepreneurs signed an agreement with Citigroup Global Markets Europe, Goldman Sachs Bank Europe and BNP Paribas (the "Joint Global Coordinators") that provides for an €4.2 million back-end fee payable to the Joint Global Coordinators upon completion of the Business Combination ("Deferred Offering Commission"). Management exercised judgement to determine whether a liability has to be recognised for this commission and concluded that this is not required based on the criteria set out in IAS 37.

### **3. Accounting methods**

#### **3.1 Determining fair value**

The principles adopted for fair value of financial instruments are in accordance with IFRS 13 "Measurement of fair value" and may be summarised as follows:

##### ***Instruments classified as Level 1***

These instruments are listed on an active market and are measured on the basis of the latest quoted price as at closing.

##### ***Instruments classified as Level 2***

These instruments are not listed on an active market but their measurement pertains to directly or indirectly observable data. An adjustment to a Level 2 piece of data that is significant to the fair value, can result in a fair value classified in Level 3 if it uses significant unobservable data.

##### ***Instruments classified as Level 3***

These instruments are not listed on an active market and their measurement pertains to unobservable data. The Company can take into account multi-criteria approaches or external appraisers to determine the fair value of each instrument.

#### **3.2 Cash and cash equivalents**

Cash and cash equivalents include current accounts and deposits/escrow held, which meet the definition of easily convertible into a known amount of cash and subject to insignificant risk of change in value.

#### **3.3 Financial instruments**

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities that are within the scope of IFRS 9 are initially measured at fair value and subsequently at amortised cost or at fair value either through profit and loss or other comprehensive income depending on the classification of the instrument based on the purpose for which the instruments are held.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### **3.4 Classification of debt and equity instruments**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### **3.4.1 Debt instruments**

Debt instruments (Warrants) issued by the Company are initially recognised at fair value. Subsequent measurement is at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss.

#### **3.4.2 Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity.

### **3.5 Taxation**

#### ***VAT and corporate tax regime***

The Company is subject to corporate income tax and it is considered a VAT entrepreneur by the Dutch Tax Authorities.

#### ***Deferred taxes***

Deferred taxes are calculated on the latent gain or loss on the instruments recognised at the fair value, by applying tax rate applicable to the regime of each instrument. Deferred tax assets and liabilities are not discounted.

### **3.6 Cash flow Statement**

The cash flow statement is presented using the indirect method.

### **3.7 Segment information**

#### **3.7.1 Segment revenues and results**

The Company considers the current operation as one segment with a single exposure to the Dutch economy. Therefore, the Company does not have any (recognizable) revenues



for individual separate segments. The Company incurred bank costs of (€ 114), staff costs of (€ 123,163), operating costs of (€ 9,390,949) and IPO costs of (€ 124,440) resulting in a total result for the single segment as stated in (€ 9,638,666).

### 3.7.2 Segment assets and liabilities

The Company considers the current operation as one segment with a single exposure to the Dutch economy. Therefore, the Company does not have any (recognizable) revenues for individual separate segments. The assets consist of cash in an Escrow € 210,000,000, cash on the Company's bank account of € 5,304,465 and other receivables of € 526,062.

## 4. Other expenses

	<b>16 June 2021-31 December 2021</b>
	<b>EUR 1,000</b>
Listing expenses	(124)
Professional services	(2,156)
Service charges	(173)
Insurances	(15)
Other expenses	(65)
	<hr/>
	<b>(2,533)</b>
	<hr/> <hr/>

## 5. Interest expense paid

The negative annual weighted average interest rate on funds placed in Caisse d'Épargne Côte d'Azur escrow sub account and BNP Paribas escrow sub account is 0.0952%. The cost is immaterial as regards to the relevant period from 14 December 2021 up to and including 31 December 2021.

## 6. Other gains and losses

	<b>16 June 2021-31 December 2021</b>
	<b>EUR 1,000</b>
Net gain/(loss) arising on financial liabilities	<b>(6,983)</b>
	<hr/>
	<b>(6,983)</b>
	<hr/> <hr/>



The Warrant liabilities are measured at fair value with any gains or losses arising on changes in fair value recognised in profit or loss. This results in the above loss arising on financial liabilities mandatorily measured at fair value through profit or loss.

## 7. Taxes

The Company is subject to corporate income tax and it is considered VAT entrepreneur for the Dutch Tax Authorities.

The tax rate used for the 2021 reconciliations above is the corporate tax rate of 15% until €245,000 and 25% above that amount. These are the tax rates payable in the Netherlands on taxable profits under Dutch Law. As the Company has not made taxable profits no income tax has been recognized in the profit or loss. Furthermore, no deferred tax assets and/or liabilities are considered as well.

## 8. Earnings per share

	<b>31 December 2021</b> <b>EUR 1,000</b>
Profit for the year attributable to owners of the Company	<b>(9,639)</b>
Dividend paid	-
Earnings used in the calculation of basic earnings per share	<b>(9,639)</b>
Average number of ordinary shares	<b>21,000</b>
	<b>(0.46)</b>

**Diluted earnings per share are the same as the basic earnings per share at 31 December 2021**



## 9. Financial assets

Financial assets consist of the Escrow Accounts held at NP PARIBAS SA and Caisse d'Épargne Côte d'Azur.

	31 December 2021 EUR 1,000	16 June 2021 EUR 1,000
Escrow accounts	210,000	-
<b>Financial assets</b>	<b>210,000</b>	<b>-</b>

Escrow accounts are not considered cash equivalent due to not being short term in nature.

## 10. Cash and cash equivalents

Cash and cash equivalents consist of a current account held at ABN Amro Bank N.V.

	31 December 2021 EUR 1,000	16 June 2021 EUR 1,000
Bank	5,304	-
<b>Cash and cash equivalents in the statement of cash flows</b>	<b>5,304</b>	<b>-</b>

The amounts available to the Company in the current account are used to fund the operational costs related to the Offering, working capital and Business Combination.

## 11. Capital structure

The capital structure of the Company is composed of Units, Class A Ordinary Shares, Founder Shares, Warrants and Founder Warrants. In accordance with IAS 32 and considering the main characteristics of the instruments as detailed in the Prospectus, the following accounting treatments have been used:

- Class A Ordinary Share: accounted for as equity considering that the Company has no contractual obligation to pay cash to holders of Class A Ordinary Shares and controls the occurrence of such event
- Founder Share: accounted for as equity considering that the Company has no contractual obligation to pay cash to holders of Founder Shares (including no contractual redemption rights)



- Warrant: accounted for as derivative liability considering that the Company has the ability to redeem the outstanding Warrants in certain conditions and that Warrant holders will be able to exercise their Warrants on a cashless basis prior to the redemption (receiving then a variable number of Class A Ordinary Shares)
- Founder Warrant: accounted for as derivative liability considering that Founder Warrants can be exercised on a cashless basis

## 12. Issue of shares and warrants

On 9 December 2021 the General Meeting resolved to issue shares and warrants:

- 1) 5,250,000 founder shares with a nominal value of € 0.01 per share; and
- 2) 5,250,000 founder warrants

On 10 December 2021, the Company repurchased 100,000 Founder Shares which are held in treasury by the Company for the purpose of allocating them to its CFO and to each of its the independent Non-Executive Directors, on or around the Business Combination Date.

The Founder Shares were issued at an issue price of € 1.5 per share, amounting to € 7,875,000, of which an amount of € 7,822,500 was considered to be share premium and was added to the Company's general share premium reserve.

The Founder warrants were issue at the price of € 0.03 per warrant, amounting to € 157,500 received on the Company's bank account.

The Founder warrants was considered to be liability

On 9 December 2021 the General Meeting resolved to issue:

- 1) 31,250,000 Class A Ordinary Shares with a nominal value of € 0.01
- 2) 13,916,666 Warrants.

The Company offered 21,000,000 Units at a price per Unit of € 10.00, amounting to € 210,000,000 received on escrow accounts, of which an amount of € 209,580,000 was considered to be share premium and was added to the Company's general share premium reserve and € 210,000 as a liability. Each Unit consists of one Class A Ordinary Share in the capital of the Company with a nominal value of € 0.01 per share that entitles its holder to receive an additional 1/3 of a Warrant.



## 13. Liabilities

### 13.1 Current liabilities

	31 December 2021 EUR 1,000	16 June 2021 EUR 1,000
Trade payables	284	-
VAT payable	48	-
Wages tax and social securities	31	-
Accruals	1,273	-
	<hr/>	<hr/>
	<b>1,636</b>	<b>-</b>
	<hr/> <hr/>	<hr/> <hr/>

### 13.2 Warrants and Founder Warrants

The Warrants and Founder Warrants are accounted for as liabilities in accordance with IAS 32 and are measured at fair value as at each reporting period. Changes in the fair value of the Warrants and Founder Warrants are recorded in the statement of profit or loss for each period. Calculation of the Warrant liabilities of € 7,350,000 is the Warrant price (€ 0.60) times the current outstanding Warrants.

## 14. Share-based payments

The Company has issued Founder Shares to the Sponsors. The Sponsors performs services to the Company under services agreements (for Tikehau Capital SCA, Financière Agache SA and Pegasus Acquisition Partners) in relation to completing a Business Combination within the 18 month period. Management has exercised judgement in determining whether these instruments should be treated as financial instruments or share based payments (IFRS 2) and concluded that the instruments fall in scope of IFRS 2 as equity settled instruments, since there is an estimated difference in the fair value of the instruments issued and the amount paid.

The grant-date fair value of equity-settled share-based payment awards granted is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. Management has exercised judgement in determining the grant date and concluded that the grant date should be the Business Combination date as only at that point in time there is clarity over the value of the awarded Founder Shares. As a result, no expense is recognized in the statement of comprehensive income over the period ending 31 December 2021 for the 5,150,000 Founder Shares owned by the Sponsors.



At the time of the Business Combination, and subject to the final position of the regulators, the corresponding expense will be recognized in the statement of comprehensive income.

In addition, the Company repurchased 100,000 Founder Shares on 10 December 2021, which were then transferred to the Company's independent non-executive directors and Chief Financial Officer, subject to the condition precedent of (i) the Company publishing a press release by the Company announcing the entering into a Business Combination and (ii) the respective person still being a non-executive director of the Company or the Chief Financial Officer, respectively.

In accordance with IFRS 2 the Company has recognized an expense of € 7,083 as share-based payments specifically for these 100,000 Founder Shares as corresponding to services rendered during the 2021 financial period.

## 15. Financial Instruments

### 15.1 Capital management

The Company manages its capital to ensure the Company will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Company consists of net debt and equity of the Company.

The Company is not subject to any externally imposed capital requirements.

The Company's Board reviews the capital structure of the Company on a semi-annual basis. As part of this review, the Board considers the cost of capital and the risks associated with each class of capital.

### 15.2 Categories of financial instruments

#### 15.2.1 Financial assets

	31 December 2021 EUR 1,000	16 June 2021 EUR 1,000
<b>Financial assests:</b>		
Escrow accounts	210,000	-
	<hr/>	<hr/>
	210,000	-
	<hr/> <hr/>	<hr/> <hr/>



Escrow accounts have been treated as financial assets as this cash is to be held and not released until the completion of a Business Combination or the Business Combination Deadline, ie. not matching short-term cash commitments as defined under IAS 7.7

### **15.2.2 Financial liabilities**

	<b>31 December 2021</b> EUR 1,000	<b>16 June 2021</b> EUR 1,000
<b>Financial liabilities:</b>		
Public Warrants	4,200	-
Founder Warrants	3,150	-
Trade and other payables	1,557	-
	<hr/>	<hr/>
	<b>8,907</b>	<b>-</b>
	<hr/> <hr/>	<hr/> <hr/>

## **15.3 Market risks**

The Company manages the financial risks relating to its operations through internal risk controls and meetings which analyse exposures by degree and magnitude of risks. These financial risks might include principally market risk, liquidity risk and credit risk.

The Company's risk management objectives and policies are also consistent with those disclosed in the Prospectus.

### **15.3.1 Exposure to Market risk**

Pegasus Entrepreneurs is primarily exposed to the financial risk of changes to interest rates. During the Period, there has been no change to the Company's exposure to market risks or the manner in which these risks are managed and measured.

In addition, and as the Warrants are recognised at fair value and are liabilities on the balance sheet of the Company, the Company is also exposed to the volatility of the Warrants. The Company's liabilities may then deviate over time because Warrant prices can fluctuate due to changing market conditions. The Warrants are publicly traded at the Euronext Stock Exchange.

### **15.3.2 Exposure to Liquidity risk**

The Company's liquidity needs have been satisfied prior to the completion of the Offering through receipt of the € 8 million committed capital by the Sponsors.



As at 31 December 2021 and considering the Offering and other operational costs paid during the Period, the cash available in the current account amounts to approximately € 5.3 million.

While the Company expects that it will have enough funds available to operate until the Business Combination Deadline, the Sponsors may fund up to € 2.0 million of Excess Costs through the issuance of loan or debt instruments to the Company, such as promissory notes, which may be repaid in cash or converted at the Offer Price into up to 200,000 Units at the option of the Sponsors. The terms of such loans, if any, have not been determined and no written agreements exist with respect to such loans. If the Company completes a Business Combination, it may repay such loaned amounts out of the amounts released out of the Escrow Accounts. Otherwise, such loans may be repaid only out of funds held outside the Escrow Accounts. In the event that a Business Combination does not close, the Company may use a portion of the working capital held outside the Escrow Accounts to repay such loaned amounts but no proceeds from the Escrow Accounts should be used to repay such loaned amounts.

### **15.3.3 Exposure to Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

Following the Private Placement, 100% of the IPO Proceeds were put into the two Escrow Accounts opened by Stichting Pegasus Entrepreneurs Escrow and held with BNP Paribas and Caisse d'Epargne Côte d'Azur, respectively. The chance of default of these two banks is deemed very low based on the following credit ratings as at 31 December 2021:

- BNP Paribas has Aa3 (Moody's), A+ (S&P) and AA- (Fitch) long term credit ratings
- Caisse d'Epargne Cote d'Azur has A+ (Fitch) long term credit ratings

The Company has also entered into an Escrow Agreement with a professional escrow agent (Intertrust Escrow and Settlements B.V.) to monitor and manage the Escrow Accounts.

The cash used to fund the operational costs of Pegasus Entrepreneurs is held in a current account at ABN AMRO Bank N.V. which is also deemed to have a very low chance of default considering the bank has A1 (Moody's), A (S&P), and A (Fitch) long term credit ratings and P-1 (Moody's), A-1 (S&P), and F1 (Fitch) short term credit ratings as at 31 December 2021.

## **16. Dividends**

No dividends were paid or declared by the Company in the Period.

## **17. Current Shareholders and Related party transactions**

Transactions with persons or companies that are, inter alia, members of the same group as the Company or that are in control of or controlled by the Company must be disclosed unless they are already included as consolidated companies in the Company's consolidated financial statements. Control exists if a shareholder owns more than half of the voting rights in the Company or, by virtue of an agreement, has the power to control the financial and operating policies of the Company's management. This extends to



transactions with associated companies, including joint ventures, as well as transactions with persons who have significant influence over the Company's financial and operating policies, including close family members and intermediate entities. This includes the Sponsors, Statutory Directors, and CFO and close members of their families, as well as those entities over which the Sponsors, Statutory Directors, and CFO, respectively, or their close family members are able to exercise a significant influence or in which they hold a significant share of the voting rights.

The Company has entered into Services Agreements with Tikehau Capital SCA and Financière Agache SA, respectively to provide certain services in connection with the launch of the Offering and Admission, ongoing services after the Offering and Admission and in connection with an actual or potential Business Combination. In consideration for such services the Company has paid Tikehau Capital SCA €107,500 in fees and has agreed a further €107,500 at the earliest of the completion of the Business Combination and the liquidation of the Company. Similarly the Company has agreed to pay Financière Agache SA €65,000 to compensate for services in connection with the launch of the offering and Admission. In addition, the Company will pay an annual cash consideration to Pegasus Acquisition Partners and the CFO, which will be €520,000 (pro rata for the year 2021). Pursuant to the Services Agreements each of Tikehau Capital SCA and Financière Agache SA have agreed not to take any recourse on the Escrow Accounts for payment of any amount owed by the Company in connection with the Services Agreements.

In connection with the Offering, Tikehau Capital and Financière Agache shall enter into a Forward Purchase Agreement with the Company, pursuant to which each of Tikehau Capital and Financière Agache unconditionally commits to purchase from the Company up to 2,500,000 Class A Ordinary Shares and up to 833,333 Warrants, for an aggregate amount of €25,000,000 each (representing the number of Class A Ordinary Shares purchased under the Forward Purchase Agreement multiplied by €10.00), in a private placement that would close simultaneously with, and in such an amount as determined by the Statutory Board (acting unanimously) in connection with, the closing of the Business Combination. In addition, the Company and the Sponsors will enter into a Letter Agreement. The Sponsors have agreed to subscribe for an aggregate of 3,100,000 Units for an aggregate subscription price of €31,000,000 in the Offering on the same terms as those offered to investors pursuant to the Offering.

Charles-Eduard van Rossum as Statutory Director of the Company has agreed to subscribe for an aggregate of 25,000 Units for an aggregate subscription price of €250,000 in the Offering on the same terms as those offered to investors pursuant to the Offering.

The Company issued to the Sponsors and their affiliates and/or directors 5,250,000 Founder Shares. 100,000 of these Founder Shares were subsequently repurchased by the Company at their nominal value and held in treasury for the sole purpose of the granting of Founder Shares to the Company's independent Non-Executive Directors and Baptiste Desplats as CFO, on or around the Business Combination Date. The Company also issued 21,000,000 Units in connection with the Offering.

The Company also issued to, and immediately repurchased from, the Sponsors 10,250,000 Class A Ordinary Shares and 13,916,666 Warrants, all at the same value, for the purpose of holding these in treasury. Of these 10,250,000 Class A Ordinary Shares and 13,916,666 Warrants held in treasury (i) 7,000,000 Warrants are held in treasury for the purpose of effecting the distribution of the Warrants after the Conversion Trading Date,



(ii) 5,250,000 Class A Ordinary Shares are held in treasury for the purpose of effecting the exchange of the Founder Shares for Class A Ordinary Shares in accordance with the Promote Schedule, (iii) 5,000,000 Class A Ordinary Shares and 1,666,666 Warrants are held in treasury for the purchase of the Forward Purchase Securities by Tikehau Capital and Financière Agache from the Company pursuant to the Forward Purchase Agreement and (iv) 5,250,000 Warrants are held in treasury for the purpose of effecting the exchange of Founder Warrants held by each of Tikehau Capital, Financière Agache, Diego De Giorgi, Jean Pierre Mustier, as well as Pegasus Acquisition Partners Holding (which is jointly controlled by Pierre Cuilleret, Diego De Giorgi and Jean Pierre Mustier) and/or their respective affiliates and/or directors or their permitted transferees for listed Warrants at the earliest thirty (30) days after the completion of a Business Combination.

## 18. Key management personnel compensation and director’s remuneration

Pegasus Acquisition Partners (indirectly controlled by the Executive Director) is entitled to yearly fees prior to completion of a Business Combination of €270,000 which has been paid pro rata during the year 2021. The remuneration of the Executive Director following a Business Combination, if any, shall be disclosed in the shareholder circular published in connection with the Business Combination EGM.

The Non-Executive Directors did not receive any remuneration, other than the 25,000 Founder Shares allocated to each of the independent Non-Executive Directors (in total 75,000 Founder Shares were allocated to the independent Non-Executive Directors).

Key management personnel compensation comprised:

	<b>16 June 2021-31 December 2021</b>
	<b>EUR 1,000</b>
Short-term employee benefits	<b>192</b>
Post-employment benefits	<b>12</b>
Other long-term benefits	-
Termination benefits	-
Share-based payment	<b>7</b>
	<hr/>
	<b>211</b>
	<hr/> <hr/>

Baptiste Desplats as the CFO is entitled to a yearly cash remuneration or cash compensation prior to completion of a Business Combination of €250,000 which has been paid pro rata during the year 2021, with a bonus of 25,000 Founder Shares to be delivered subject to the Business Combination. The remuneration of the CFO following a Business Combination, if any, shall be disclosed in the shareholder circular published in connection with the Business Combination EGM.



In accordance with IFRS 2 and the note 14, the Company has recognized the corresponding expense as share-based payments.

The compensations, including pension costs as referred to in Section 2:383(1) of the Dutch Civil Code, charged in the financial year to the Company, amounted to € 114,212 for statutory directors (Executive Director and Non-Executive Directors).

## **19. External Auditor's remuneration**

In 2021 Mazars N.V. B.V. has been appointed as independent External Auditor of the Company. The auditor's remuneration for the audit of the Company's financial statements amounted to € 25,000.

## **20. Off balance-sheet commitments**

On 10 December 2021, Pegasus Entrepreneurs signed an agreement with Citigroup Global Markets Europe, Goldman Sachs Bank Europe and BNP Paribas (the "Joint Global Coordinators") that provides for an €4.2 million back-end fee payable to the Joint Global Coordinators upon completion of the Business Combination ("Deferred Offering Commission"). This Deferred Offering Commission will be deducted from the amount in the Escrow Accounts.

In addition, and as part of the IPO process and the search for a potential Business Combination target, the Company may potentially pay the following fees upon completion of the Business Combination:

- A project fee of €25 thousand to FinElk in respect of strategic communication support related to any potential Business Combination
- A success fee of €100 thousand to ABN AMRO Bank in respect of listing agency services
- A success fee of €120 thousand to Kinetics Capital in respect of advisory and M&A services provided to the Company

## **21. Events occurring after the reporting period**

Subsequent to 31/12/2021, no material event occurred.

## **22. Approval of financial statements**

The financial statements were approved by the board of directors and authorized for issue on XX XXXX 2022.



Signature page to the Annual Report of Pegasus Entrepreneurial Acquisition Company Europe B.V. for the financial year ended December 31, 2021.

By signing this signature page, the Annual Report of Pegasus Entrepreneurial Acquisition Company Europe B.V. for the financial year ended December 31, 2021, is approved.

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Signed : Pierre Cuilleret  
Title : Sponsor and CEO

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Signed : Charles-Eduard van Rossum  
Title : Non-executive director

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Signed : Domitille Méheut  
Title : Non-executive director

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Signed : Cécile Lévi  
Title : Non-executive director

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Signed : Anne-Laure Navéos  
Title : Non-executive director



## Other Information

### Provisions of Articles of Association concerning profit appropriation

The provisions regarding the reservation and distribution of profits are included in Article 33 of the Articles of Association. The following provisions have been mentioned in the aforementioned Article:

1. Subject to Articles 31.1 and 31.2, the profits shown in the Company's annual accounts in respect of a financial year shall be appropriated as follows, and in the following order of priority:
  - a. the Board shall determine which part of the profits shall be added to the Company's reserves; and
  - b. subject Article 27, the remaining profits shall be at the disposal of the General Meeting for distribution on the Class A Ordinary Shares and the Units Shares.
2. Subject to Articles 31.1 and 31.2, a distribution of profits shall be made after the adoption of the annual accounts that show that such distribution is allowed.
3. The Board may resolve to make interim distributions to holders of class A ordinary shares and unit shares, provided that the requirements referred to in Articles 31.1 and 31.2 have been met.

The Board proposes to add the current results over the period to the accumulated deficits. This proposal has not yet been reflected in the financial statements.



## Contact information

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## Independent Auditor's Report

## Independent auditor's report

To the shareholders and board of Pegasus Entrepreneurial Acquisition Company Europe B.V.

### **Report on the audit of the financial statements 2021 included in the annual report**

#### **Our opinion**

We have audited the financial statements 2021 of Pegasus Entrepreneurial Acquisition Company Europe B.V. in Amsterdam. The financial statements comprise the company financial statements.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Pegasus Entrepreneurial Acquisition Company Europe B.V. as at 31 December 2021 and of its result and its cash flows for 2021 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the statement of financial position as at 31 December 2021;
2. the following statements for the period from 16 June 2021 to 31 December 2021:  
the profit and loss and other comprehensive income, changes in equity and cash flows; and
3. the notes comprising a summary of the significant accounting policies and other explanatory information.

#### **Material uncertainty related to going concern**

We draw attention to note 2.1 Going concern of the financial statements which indicates that if the Company does not complete a business combination prior to the Business Combination Deadline, the company must be dissolved and liquidated and the Ordinary Shares and Market Warrants will be delisted. These conditions indicate the existence of a material uncertainty, which may cast significant doubt about the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter. The Business Combination Deadline is 18 months after the settlement date of 14 December 2021, with a possible extension of 6 months.

#### **Basis for our opinion**

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

We are independent of Pegasus Entrepreneurial Acquisition Company Europe B.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

### **Information in support of our opinion**

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

### **Materiality**

Based on our professional judgement we determined the materiality for the financial statements as a whole at € 2.1 million. The materiality is based on 1% of the total assets. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the supervisory board that misstatements in excess of € 64,000, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

### **Audit response to the risks of fraud and non-compliance with laws and regulations**

#### ***Our fraud risk assessment***

During our audit we obtained an understanding of the entity and its environment, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control and how the supervisory board exercises oversight, as well as the outcomes.

We refer to the Director's Report and Non-Executive Director's Report in which the board reflects on this risk assessment.

As in all our audits, we identified the risks of management override of controls. This risk is related to the areas of accounting estimates and manipulation of accounting records during the preparation of the financial statements.

### ***Our response to the identified and assessed fraud risks***

We performed the following specific procedures:

- we evaluated the design and implementation of relevant internal controls in the financial statement, such as segregation of duties and systems of authorisations;
- we made enquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments;
- we selected journal entries and other adjustments made during the year and at the end of the reporting period;
- we examined the underlying audit documentation of the selected journal entries;
- for significant transactions, such as the IPO during 2021, we evaluated the related management judgment and assumptions;
- we reviewed the accounting estimates for potential biases, such as the warrants. We evaluated whether the circumstance causing the bias, if any, represent a risk of material misstatement due to fraud.

In addition, we also performed the following more general procedures:

- we reviewed significant contracts, including the escrow agreement. We determined that the amount on the escrow account can only be released under very strict conditions;
- we evaluated whether (unusual) transactions with related parties have been identified and appropriately disclosed;
- we have incorporated an element of unpredictability in the selection of the nature, timing and extent of our audit procedures. We will not disclose these audit procedures here in detail, because we do not want that individuals within the entity become familiar with these audit procedures, because they can exploit this knowledge to conceal fraudulent financial reporting in the future.

## ***Our response to non-compliance with laws and regulations***

We obtained an understanding of the relevant laws and regulations. We identified the following laws and regulations that have an indirect effect on the financial statements: anti-bribery and corruption, competition and data privacy laws. We held enquiries with management and the audit committee as to whether the entity is in compliance with these laws and regulations. We remained alert to indications of (suspected) non-compliance throughout the audit, held enquiries with legal counsel, and obtained a written representation from management that all known instances of (suspected) non-compliance with laws and regulations were disclosed to us.

## ***Our observations***

Our audit procedures, including enquiries of management and the supervisory board, and other available information did not lead to indications of fraud resulting in material misstatements.

## ***Our key audit matter***

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the board. The key audit matters are not a comprehensive reflection of all matters discussed.

This matter was addressed in the context of the audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

## ***Classification as share-based payments and the determination of the grant date of the Founder Shares on behalf of the sponsors and the employees***

The Company issued Founder Shares to the sponsors. The Sponsors perform services to the Company under services agreements of Sponsors. In case of a completed business combination, the Founder Shares will convert into ordinary shares. Management has exercised judgement in determining the grant date and concluded that the grant date should be the Business Combination date as only at that point in time there is clarity over the value of the awarded Founder Shares. As a result, no expense is recognised in the statement of other comprehensive income over the period ending 31 December 2021.

The Company issued Founder Shares to employees. In accordance with IFRS 2 and note 15, the Company recognises the corresponding expense as share-based payments through equity. The employees received the Founder Shares as part of their compensation package. Based on this contractual agreement the service period starts when these arrangements have been agreed between the employees and the company. Therefore the Company recognised an expense of € 7,000 as share-based payments specifically for the 100,000 Founder Shares to employees as these relate to services rendered during the 2021 financial period.

## *Audit procedures and observation*

We performed the following procedures relating to the classification and valuation of the Founder Shares for sponsors and employees:

- We evaluated management's assumptions included in their position paper on the application of IFRS 2.
- We considered whether the application of the Business Combination date as grant date is in line with IFRS 2, considering that on Business Combination date there is clarity over the nature and value of the awards.
- We assessed the considerations of management for not recognising an expense in relation to the Founder Shares to Sponsors.
- We determined for the Founder shares to employees, that the arrangements with the employees are based on a contractual agreement with the Company as part of their compensation package, and therefore lead to a recognition as an expense in 2021.
- We assessed the fair value of the Founder Shares in relation to the non-executive directors and CFO are based on the considerations provided by management.

We believe management's assessment and considerations are properly substantiated and concur with the position taken by management.

## **Report on the other information included in the annual report**

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

- The statutory directors' report
- The non-executive directors' report
- The remuneration report
- The corporate governance report
- The statement of directors' responsibilities
- The other information pursuant to Part 9 of Book 2 of the Dutch Civil Code

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

- is consistent with the financial statements and does not contain material misstatements;
- contains all the information regarding the directors' report, the non-executive directors' report, remuneration report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

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

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

Management is responsible for the preparation of the other information, including the director's report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code,

## **Report on other legal and regulatory requirements and ESEF**

### **Engagement**

We were engaged by the board as auditor of Pegasus Entrepreneurial Acquisition Company Europe B.V. on 11 November 2021, for the audit for the year 2021 and have operated as statutory auditor ever since that financial year.

### **No prohibited non-audit services**

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

### **European Single Electronic Format (ESEF)**

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

In our opinion, the annual report prepared in XHTML format, including the financial statements as included in the reporting package by Pegasus Entrepreneurial Acquisition Company Europe B.V., complies in all material respects with the RTS on ESEF.

Management is responsible for preparing the annual report including the financial statements in accordance with the RTS on ESEF, whereby management combines the various components into a single reporting package. Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies the RTS on ESEF.

Our procedures taking into account Alert 43 of NBA (the Netherlands Institute of Chartered Accountants), included amongst others:

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the annual financial report in XHTML-format;
- Examining whether the annual financial report in XHTML-format is in accordance with the RTS on ESEF.

## Description of responsibilities regarding the financial statements

### Responsibilities of management and the board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting, unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The board is responsible for overseeing the company's financial reporting process.

### Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the

basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on the appropriateness of management'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 company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with the board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the audit committee in accordance

with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Rotterdam, 27 April 2022

Mazars Accountants N.V.

Original has been signed by: drs. J.J.W. Galas RA