



Pegasus Acquisition Company Europe B.V.

Annual Report 2021

For the period 2 February 2021 up to and including 31
December 2021



Contents

About Pegasus Acquisition Company Europe B.V.

Statutory Directors' Report

Non-Executive Directors' Report

Remuneration Report

Corporate Governance

Statement of Directors' responsibilities

Financial Statements

Statement of profit and loss and other comprehensive income

Statement of financial position

Statement of changes in equity

Statement of cash flows

Notes to the financial statements

Other Information

Contact Information

Independent Auditor's Report



About Pegasus Acquisition Company Europe B.V.

Pegasus Acquisition Company Europe B.V. (hereinafter referred to as "Pegasus Europe" or the "Company") is a Special Purpose Acquisition Company ("SPAC") focused on the European financial services sector, founded by Tikehau Capital, Financière Agache and two of Europe's most experienced bankers. Pegasus Europe is targeting businesses in the European financial services industry, with a primary focus on scalable platforms offering strong growth potential that could be accelerated with access to capital and strategic guidance.

Jean Pierre Mustier and Diego De Giorgi are Operating Partners and Sponsors, combining their unparalleled operational and deal making financial sector experience, as well as long-term managerial, risk and governance expertise.

Pegasus Europe draws upon the deep resources of Tikehau Capital and Financière Agache, who 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") Prospectus¹ dated 29 April 2021 (the "Prospectus"), which was approved by the Dutch Authority for the Financial Markets, the AFM, can be found on the Pegasus Europe website – <https://www.pegasuseurope.com/investor-relations>.

¹ Capitalised terms not defined herein have the meaning ascribed to such terms in the Prospectus



Statutory Directors' Report

Pegasus Europe is a SPAC seeking to enter into a business combination with an operating business in Europe (the "Business Combination").

No Business Combination has occurred yet.

Pegasus Europe has suffered an after-tax loss of € 19,407,176 over the period of 2 February 2021 through 31 December 2021 as Pegasus Europe has not recorded any operational revenues and has incurred IPO costs and operational costs. 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.

The money held in escrow on the Company's foundation bank accounts amounted € 481,915,426 at 31 December 2021.

Members of the Statutory Board

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

Name	Age	Position	Date of initial appointment	Nationality	Current term
Jean Pierre Mustier	61	Executive Director and Co-CEO	29 April 2021	French	29 April 2024
Carmen Alonso	50	Non-Executive Director	29 April 2021	Spanish	29 April 2024
Isabelle Ealet	59	Non-Executive Director and Chairwoman	29 April 2021	French	29 April 2024
Isabel Fernandez	53	Non-Executive Director	29 April 2021	Spanish	29 April 2024
Wassim Eric Sacre	46	Non-Executive Director	29 April 2021	French	29 April 2024

Relevant experience and curricula vitae of the Board

Jean Pierre Mustier

Jean Pierre Mustier is Executive Director of the Company and Co-Chief Executive Officer and has over 35 years of banking experience, operating across Europe, the U.S. and Asia in diverse roles including his most recent as CEO of European banking group UniCredit.



During his career to date, Jean Pierre has sat on the boards of numerous financial institutions, banks, traditional and alternative investment management companies and clearing houses. He is the outgoing chairman of the European Banking Federation (2019-2021), and has led multiple financial sector deals, most recently the merger of UniCredit's asset management entity Pioneer with Amundi, and the disposals of Fineco, UniCredit's online bank and Yapi Kredi.

Jean Pierre became CEO of UniCredit in 2016, and carried out a total transformation of the group, delivering a €13 billion rights issue, one of the largest in the European financial sector at the time. Under Jean Pierre's leadership, UniCredit met all the KPIs for the Transform 2019 plan including a €2.2 billion absolute cost reduction, the disposal of more than €50 billion of non-performing loans and a significant increase in underlying net income to reach more than 9% return on tangible equity, while reaching the then highest ever CET1 ratio for the group. Jean Pierre resigned as CEO from UniCredit in 2021.

Jean Pierre's appointment as CEO was his second term with UniCredit, having served as head of Corporate and Investment Banking for four years (2011-2015). In this role, Jean Pierre refocused and restructured the business on its key competitive activities, establishing an innovative equity brokerage and research partnership with Kepler, which later became Kepler Cheuvreux, an European equity platform.

Before his appointment as CEO of UniCredit, Jean Pierre was a partner at Tikehau Capital, where he was involved in the development of its London platform, as well as an alternative investment strategy, with a focus on direct lending, leverage loans, CLOs and private equity investments.

Jean Pierre started his career at Société Générale, as a derivative trader, going on to build the group's market leading equity derivatives business. Before becoming the global head of Corporate and Investment Banking, Jean Pierre was responsible for a variety of businesses including Global Fixed income, Global Equity, Equity Capital Market and Derivatives, as well as Structured Finance, Leverage Finance and Corporate Finance, where he acquired strong deal and risk expertise, overseeing hundreds of transactions. As Chairman and CEO of SG Asset Management, Jean Pierre was responsible for Private Banking, and developed a number of joint ventures to expand the business in Switzerland, India and China. Jean Pierre also restructured the Asset Management side in preparation for its merger with Credit Agricole Asset Management, to create Amundi, now Europe's largest asset manager by assets under management.

On 12 February 2020 the public prosecution office of Civitavecchia in Italy announced that various former board members and the auditors of Alitalia, including Jean Pierre, were under investigation for certain alleged crimes in connection to Alitalia's bankruptcy that allegedly took place between 2015 and 2017 while Jean Pierre was a non-executive board member of Alitalia. On 23 November 2020, the public prosecutor decided to dismiss the criminal charges raised against the auditors and the non-executive board members, including Jean Pierre, and to commit to trial other board members. Alitalia filed an opposition against this decision. After hearings took place in May and July 2021, the court decided on 27 August 2021 to uphold the decision of the public prosecutor. This means that no further criminal investigation or criminal charges will be possible against the non-executive board members, including Jean Pierre, unless on the basis of other facts.

Carmen Alonso

Carmen Alonso is a non-independent Non-Executive Director of the Company. Carmen Alonso is employed by Tikehau Investment Management, a wholly-owned subsidiary of Tikehau Capital. She has been appointed



as Director to represent both Financière Agache and Tikehau Capital. Carmen serves as Head of the United Kingdom and Head of Iberia of Tikehau since 2015. Previously, Carmen was Vice-President of Corporate Finance at GSK where she gained an exposure to financing as an issuer. Prior to joining GSK, she held the position of Managing Director at Morgan Stanley (European Leverage Finance). Carmen began her career in 1996 in Leverage Finance departments of UBS, Merrill Lynch and then HVB. She has originated and led the execution of numerous transactions across Europe in bank debt, mezzanine and high yield.

Isabelle Ealet

Isabelle Ealet is an independent Non-Executive Director and Chairwoman of the Company. Isabelle Ealet has over 30 years of investment banking experience, most recently as a partner at Goldman Sachs where she served as global co-head of the Securities Division until 2018. At Goldman Sachs, Isabelle was a member of the Management Committee, European Management Committee, Firmwide Risk Committee and EMEA Conduct Risk Committee, as well as co-chair of Securities Division ExecComm and chair of the EMEA Securities Division OpComm. She also served as an executive director on the Goldman Sachs International Board. Prior to that, Isabelle was global head of Commodities. She joined Goldman Sachs as a commodities trader in 1991 from Total Petroleum, was named Managing Director in 1997 and partner in 2000.

Isabelle is involved in various philanthropic organisations and became a member of the Board of the Francis Crick Institute in 2019. She was previously an advisor (Conseiller au Commerce Extérieur) to the French Embassy in the United Kingdom. In 2015 she was granted the insignia of Chevalier in the Ordre National de la Légion d'Honneur. Isabelle earned a BA from the Institute d'Études Politiques de Paris in 1986 and a BA from École Supérieure de Commerce de Marseille in 1984.

Isabel Fernandez

Isabel Fernandez is an independent Non-Executive Director of the Company. Isabel Fernandez has over 27 years of experience in the financial services industry most recently at ING Bank where she served as Global Head of its Wholesale Bank division until January 2021. Isabel also acted as a Management Board Member, and was the representative in charge of ING's global Sustainability Strategy. Prior to her career at ING, Isabel spent 16 years at GE Company and GE Capital, with postings both in Europe and the US. Isabel ran several business for GE, in roles ranging from structured and leveraged finance, GE Global Clients, Pan European sectors, Global Bank Loans, with her last roles as Chief Commercial Officer for GE Capital and Global CCO for GE Company. Isabel started her career at ABN AMRO Bank in the Netherlands.

Wassim Eric Sacre

Wassim Eric Sacre is an independent Non-Executive Director of the Company. Wassim serves since March 2020 as Chief Revenue Officer of SlimPay, a European payment Fintech. Since 2019, he is also president of Odin Partners. Previously, Wassim worked for Invus between 2006 and 2019 and was Managing Director since September 2012, an evergreen investment firm with over \$10 billion under management. At Invus, Wassim advised and led growth investments in the consumer and technology sectors. He also launched and led Invus public equities investments in Europe, focusing on secular growth assets and capital markets



opportunities. Prior to joining Invus, Wassim was an investment banker at Goldman Sachs where he advised on multiple acquisitions as well as PIPE and capital markets transactions. He began his career at Booz Allen & Hamilton as a management consultant. Wassim also held non-executive and chair board positions in multiple companies including as a non-executive director of KNIME AG from 2017 to 2019, non-executive board member of Tousfacteurs SAS, non-executive director of Bizagi Group Limited from 2017 to 2019, non-executive director of Jahia Solutions SA from 2015 to 2019, non-executive director and member of the audit committee of Flatfrog from 2010 to 2020 and non-executive director and member of the remuneration committee of ZenRobotics Limited from 2012 to 2019. In addition, he was president of Finaroses from 2008 to 2016.

Structure of the Company

Pegasus Europe 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 Directors shall expire on 29 April 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 implement 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 35,090,952 Unit Shares (each exchangeable for a Class A Ordinary Share and 1/3 of a Warrant), 13,264,589 Class A Ordinary Shares, 4,421,522 Warrants, 12,004,884 Founder Shares (held by the Sponsors) and 8,059,256 Founder Warrants. In addition, the following shares and warrants are held in treasury by the Company:

- 59,235,411 Class A Ordinary Shares (for Unit Shares conversion, Founder shares conversion and potential use of the Forward Purchase Agreement);
- 15,578,478 Warrants (for Unit Shares conversion and potential use of the Forward Purchase Agreement);



- 84,000 Founder Shares (to award 25,000 Founder Shares to each of the three independent Non-Executive Directors and 9,000 Founder Shares to the CFO, subject to completion of the Business Combination).

Interests of the Directors

As at the date of this Annual Report 2021, the interests in the share capital of the Company of the Directors are:

Name	Position	Number of Unit Shares	Number of Class A Ordinary Shares	Number of Founder Shares	Percentage of voting rights*
Jean Pierre Mustier.....	Executive Director and Co-CEO	250,000	0	2,000,814**	3.7%
Carmen Alonso	Non-Executive Director	0	0	25	0.0%
Isabelle Ealet	Non-Executive Director	250,000	0	0	0.4%
Isabel Fernandez	Non-Executive Director	0	0	0	0.0%
Wassim Eric Sacre	Non-Executive Director	10,000	0	0	0.02%

* Calculation excludes 25,000 Founder Shares as allocated to each of the three independent Non-Executive Directors and 9,000 Founder Shares as allocated to Mike Assouline to be delivered subject to completion of the Business Combination. Percentages are excluding any shares held in treasury. Founder Shares are held by the Operating Partners through Pegasus Operating Partners (which is jointly owned by Diego De Giorgi and Jean Pierre Mustier).

** The investment of Jean Pierre Mustier in the Founder Shares has been made indirectly through Pegasus Operating Partners.

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, Jean Pierre Mustier also owns directly 1,343,209 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 Carmen Alonso who has been appointed on the Board to represent both Tikehau Capital and Financière Agache).

Background and Strategy

Pegasus Europe is a SPAC seeking to enter into a Business Combination with a financial services company 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 of Pegasus Europe will then convene an Extraordinary General Meeting ("EGM") and propose the Business Combination to the ordinary shareholders. This means that shareholders of Pegasus Europe, 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 Europe 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 / combined at this stage; the target business remains unchanged from the definition as outlined in the Prospectus. Following completion of the Business Combination, it is anticipated that the holders of Ordinary Shares in Pegasus Europe become shareholders in the target business directly and that Pegasus Europe and the target business will consolidate.

The consolidation of the Company and its target business is one of the key features of the SPACs and considered as 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 24 months after the IPO, invested funds deposited into two escrow accounts opened by Stichting Pegasus Europe Escrow and held with Citibank Europe Plc, Netherlands Branch and J.P. Morgan Bank Luxembourg S.A., respectively (the "Escrow Accounts"), will be returned to shareholders.

The invested funds deposited in the Escrow Accounts are subject to an annual negative interest rate equal to (i) Euro short-term rate (ESTR) plus 3 bpts during the period ending 365 days after the settlement date, 03 May 2021, and (ii) ESTR minus 2 bpts for the period commencing the day after the end of the first year and ending 365 days thereafter and (iii) ESTR minus 8 bpts for any further period.

Since the listing, the Company focuses on the selection of a potential target company to bring to the Pegasus Europe' EGM as 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 the financial services sector in Europe. The Company sources leads to potential target companies from e.g. its own network, the 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 a ongoing basis. The focus of the Company remains on scalable platforms offering strong profit growth potential 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

During the period from 2 February up to and including 31 December 2021, Pegasus Europe successfully raised € 483.6 million in a Private Placement and was subsequently listed on Euronext Amsterdam on 29 April 2021. Pegasus Europe is now actively targeting a Business Combination in the European financial services sector and has 24 months from the settlement date, 3 May 2021, to complete the process, subject to a six-month extension period if approved by a shareholder vote.

Financial highlights as per 31 December 2021:

- Escrow Accounts balance: € 481,915,426
- Bank account balance: € 2,572,038
- Shareholder's equity: € 470,069,606
- Unit (Share) Price: € 9.90 (closing price)
- Class A Ordinary Share Price: € 10.00 (closing price)
- Warrant Price: € 1.25 (closing price)

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 IPO costs, staff costs, legal costs, advisory costs, corporate / accounting costs, negative interests and other operating expenses. This has resulted in an after-tax loss of € 19 million over the period from 2 February 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 acquisition criteria set by the Company at the time of the IPO, Pegasus Europe 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 Europe takes into account sustainability and corporate social responsibility factors when evaluating potential target businesses.

Risk and Uncertainties

Below is a summary of the risks, particularly as a SPAC 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 the business, revenue, assets, liquidity, capital resources or net income. The Company's risk management objectives and policies are consistent with those disclosed in the Prospectus.

Risk category	Risk description	Risk appetite	Likelihood	Potential impact
Strategic	The Company may face significant competition for Business Combination opportunities	High	High	High
Strategic	There is no assurance that the Company will identify suitable Business Combination opportunities by the Business Combination Deadline	Low	Medium	Medium
Strategic	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
Financial	The Company will be constrained by the potential need to finance repurchases of Ordinary Shares in connection with a Business Combination	Low	Medium	Medium
Financial	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	Low	Low	Medium

	compel the Company to restructure or abandon a particular proposed Business Combination			
Financial	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
Operational	The Company's success is dependent upon a small group of individuals and other key personnel	High	High	Low
Operational	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
Operational	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

Operational	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
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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 its 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 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 Europe 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 Europe is established for a period of 24 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 2 February 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 Business Combination EGM. Pegasus Europe will continue its search for a proposed Business Combination with a target company to be completed before the Business Combination Deadline. Pegasus Europe will pursue a sound investment for its shareholders.

Non-Executive Directors' Report

Introduction

Following the IPO, the Non-Executive Directors of Pegasus Europe supervised and advised the Executive Director of Pegasus Europe, being Mr. Jean-Pierre Mustier. 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 Executive Director of Pegasus Europe in the same manner as this has been positively assessed and approved by all Non-Executive Directors of Pegasus Europe.

Composition of the Non-Executive Directors

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

Name	Age	Position	Date of initial appointment	Nationality	Current term
Carmen Alonso	50	Non-Executive Director	29 April 2021	Spanish	29 April 2024
Isabelle Ealet	59	Non-Executive Director and Chairwoman	29 April 2021	French	29 April 2024
Isabel Fernandez	53	Non-Executive Director	29 April 2021	Spanish	29 April 2024
Wassim Eric Sacre	46	Non-Executive Director	29 April 2021	French	29 April 2024

Meetings and Attendance in 2021

Following the IPO, the Non-Executive Directors held 4 meetings, respectively on 14 June 2021, 29 July 2021, 20 October 2021 and 06 December 2021. All Non-Executive Directors were present at all meetings either in person or via conference call. During these meetings, potential Business Combination operations were tested and challenged by the Non-Executive Directors in order to ensure that decisions were reached that underpin Pegasus Europe's strategy and are aligned with the long-term value creation pursued by the Company. Between meetings, the Management maintained contact with the Chairwoman 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 Europe's 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 Europe 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 Articles of Association, the Company shall have an Audit Committee, consisting of a number of individuals, whether or not Non-Executive Directors. Their number is to be determined by the Non-Executive Directors. The members of the Audit Committee shall be appointed, suspended and dismissed by the Non-Executive Directors. Executive Directors shall not be members of the Audit Committee. The organisation, rules, decision-making and other internal matters of the Audit Committee have been adopted by the Board on the Corporate Governance Charter available on the Company's website (<https://www.pegasuseurope.com>).

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

The members of the Committee that served were:

- Isabel Fernandez (Non-Executive Director and Chairwoman of the Audit Committee)
- Wassim Eric Sacre (Non-Executive Director)
- Carmen Alonso (Non-Executive Director)

In 2021, the Audit Committee met on the following date:

- 27 July 2021 (review and validation of the semi-Annual Report)

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 internal audit function (if and when established) and the external auditor;
- monitoring the Company's funding;
- the application of information and communication technology by the Company, including risks relating to cybersecurity;
- formulating the Company's tax policy;
- issuing recommendations concerning the appointment and the dismissal of the head of the internal audit function, as relevant, and reviewing and discussing the performance of the internal audit function;
- reviewing and discussing the Company's audit plan, including with the internal audit function and 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, also with the internal audit function, including:
 - flaws in the effectiveness of the Company's internal risk management and control systems;
 - findings and observations with a material impact on the Company's risk profile; and
 - failings in the follow-up of recommendations made previously by the internal audit function;
- 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 Company's Chief Executive Officer, 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 Europe 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, 30 March 2022

Mrs. Isabelle Ealet
Chairwoman

Remuneration report

Remuneration for the Executive Director

The remuneration of Jean Pierre Mustier as Executive Director and Co-Chief Executive Officer is based on a yearly cash compensation of €130,000 and possibly also (optional) benefits for the capacity of Executive Director, such as medical insurance, life insurance, retirement benefits, travel expenses and/or representation allowances.

The amount of the yearly cash compensation depends on the Executive Director's function and responsibilities as well as on what is common in the industry and in the market, especially in comparison with similar SPACs.

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 remuneration 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 Carmen Alonso who does not receive compensation):

Name	Position	Compensation in Founder Shares
Isabelle Ealet	Non-Executive Director and Chairwoman	25,000
Isabel Fernandez	Non-Executive Director	25,000
Wassim Eric Sacre	Non-Executive Director	25,000
Carmen Alonso	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 € 125,000 (€ 41,667 for Isabelle Ealet, Isabel Fernandez and Wassim Eric Sacre).

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 Co-Chief Executive Officer and CFO (not being Statutory Directors)

The remuneration of Diego De Giorgi as Co-Chief Executive Officer is based on a yearly cash compensation of €130,000 and possibly also (optional) benefits for the capacity of Co-Chief Executive Officer, such as medical insurance, life insurance, retirement benefits, travel expenses and/or representation allowances.

The amount of the yearly cash compensation depends on the Co-Chief Executive Officer's function and responsibilities as well as on what is common in the industry and in the market, especially in comparison with similar SPAC companies.

The Co-Chief Executive Officer 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.

Mike Assouline as Chief Financial Officer is entitled to a yearly cash compensation of €110,000, with an indicative variable annual bonus for 2021 of €55,000 in cash as determined at the time of the IPO. The company has also allocated 9,000 Founder Shares to Mike Assouline, to be delivered subject to the Business Combination. The amount expensed during 2021 in relation to the founder shares granted to the CFO is € 15,000.

Due the SPAC nature of the Company, the variable remuneration of the Chief Financial Officer is mainly linked to the performance against a set of non-financial targets that is consistent with and supportive of the strategy and long-term interests of the Company.

At the beginning of the financial year 2022, the Board has assessed to what extent these non financial targets have been met and determined that over the financial year 2021, Mike Assouline is entitled to a bonus payment of €55,000.

In addition, the remuneration of the Co-Chief Executive Officer and 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 Europe).

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;

The Company used both fixed and variable remuneration components when determining the pay ratio for a given year. The pay ratio disclosed by the Company reflects the last financial year.

The average Executive Director to employee pay ratio stands at 0.88 in 2021. However, considering that the Company has only 3 employees to date and that the Co-CEOs are also Sponsors of the Company, this pay ratio is not relevant in the case of Pegasus Europe.

Corporate Governance

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

Members of the Board

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

Name	Age	Position	Date of initial appointment	Nationality	Current term
Jean Pierre Mustier	61	Executive Director and Co-CEO	29 April 2021	French	29 April 2024
Carmen Alonso	50	Non-Executive Director	29 April 2021	Spanish	29 April 2024
Isabelle Ealet	59	Non-Executive Director and Chairwoman	29 April 2021	French	29 April 2024
Isabel Fernandez	53	Non-Executive Director	29 April 2021	Spanish	29 April 2024
Wassim Eric Sacre	46	Non-Executive Director	29 April 2021	French	29 April 2024

In respect of the Company, the business address of each of the 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 on a proposal of or with the prior approval of the Board. Any such proposal or approval 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 this Prospectus, at the date of this Prospectus, none of the Directors nor the Operating Partners, 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 DCGC 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 Board has appointed from among its Non-Executive Directors an Audit Committee. The Audit Committee consists of Isabel Fernandez (Chairwoman), Wassim Eric Sacre and Carmen Alonso. 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 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 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 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 Prospectus has not done so.

The Directors, the Operating Partners 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 Directors shall not take part in any discussion or decision-making that involves a subject or transaction in relation to which such 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 Board can be adopted, the resolution can nonetheless be adopted by the Board as if none of the Directors had a conflict of interest. In that case, each Director is entitled to participate in the discussion and decision-making process and to cast a vote. These rules apply equally with respect to decision-making relating to related party transactions (as defined by Dutch law) in which a Director is involved.

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, and such transactions should be disclosed in the company's annual Board report.

Certain of the Directors, the Operating Partners 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 Directors and Operating Partners 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 Directors and Operating Partners 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 Directors, CFO and Operating Partners, 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 Directors or Operating Partners. Until the completion of the Business Combination, (i) Tikehau Capital and Financière Agache may provide services to the Company; and (ii) Diego De Giorgi and Jean Pierre Mustier may provide services to Tikehau Capital outside of activities of the Company. Furthermore, one Director, Carmen Alonso, is employed by Tikehau Investment Management, a wholly-owned subsidiary of Tikehau Capital, but is appointed as Director to represent both Financière Agache and Tikehau Capital. Also, a director on the Board of directors of an affiliate of Financière Agache is affiliated with Goldman Sachs as Regional Advisor. Certain of the 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 Director is or will be required to present a Business Combination opportunity to such entity. Accordingly, if any of the 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 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 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 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 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 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 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 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 Carmen Alonso's Position at Tikehau Capital or its affiliates and Wassim Eric Sacre's position at SlimPay. The Directors may have conflicts of interest in determining to which entity a particular business opportunity should be presented.
- The Sponsors and 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 Unit Shares or Class A Ordinary Shares, it will be entitled to liquidating distributions from the Escrow Accounts with respect to such Unit Shares 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 Unit Shares, and any outstanding Warrants will expire worthless. The Sponsors and 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 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 Directors may have a conflict of interest with respect to evaluating a particular Business Combination if the retention or resignation of any such Directors was included by a target company or business as a condition to any agreement with respect to a Business Combination.
- Furthermore, one Director, Carmen Alonso, 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 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 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 three employees: Diego De Giorgi and Jean Pierre Mustier are the Operating Partners and Co-Chief Executive Officers; Mike Assouline is the CFO.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Company's Annual Report. The Company's Annual Report comprises the 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 Statutory 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.

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

- the report provides sufficient insights into any failings in the effectiveness of the internal risk management and control systems;
- the aforementioned systems provide reasonable assurance that the financial reporting does not contain any material inaccuracies;
- based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis; and
- the report states those material risks and uncertainties that are relevant to the expectation of the company's continuity for the period of twelve months after the preparation of the report.

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 Europe

Amsterdam, 30 March 2022

Jean Pierre Mustier, Executive Director

Carmen Alonso Aranda, Non-executive Director

Isabelle Ealet, Non-executive Director

Isabel Fernández Niemann, Non-executive Director

Wassim Sacre, Non-executive Director

Financial Statements 2021

Statement of profit and loss and other comprehensive income for the period from 2 February 2021 up to and including 31 December 2021

31 December 2021
EUR 1,000

Operations

Revenues -

Expenses

Staff costs (586)

Other expenses 4 (3,400)

Operating result

(3,986)

Interest expense 5 (1,640)

Other gains and losses 6 (13,781)

Result before tax

(19,407)

Income tax expense 7 -

Result for the period

(19,407)

Other comprehensive income, net of income tax

Other items -

Total comprehensive income/(loss) for the period

(19,407)

Earnings per share

From continuing and discontinued operations

Basic (cents per share) 8 (0.23)

Diluted (cents per share)

(0.23)

From continuing operations

Basic (cents per share) 8 (0.23)

Diluted (cents per share)

(0.23)

Statement of financial position as at 31 December 2021

		31 December 2021 EUR 1,000	2 February 2021 EUR 1,000
Assets			
Property, plant and equipment		-	-
Financial assets	9	481,915	-
Non-current assets		481,915	-
Trade and other receivables	10	231	-
Prepaid expenses		128	-
Cash and cash equivalents	11	2,573	-
Current assets		2,932	
Total assets		484,847	

		31 December 2021 EUR 1,000	2 February 2021 EUR 1,000
Equity			
Share capital	13	604	-
Share premium	13	488,733	-
Reserve stock option plan	13	140	-
Reserves		-	-
Retained earnings		-	-
Net Profit (Loss) for the period		(19,407)	-
Total equity		470,070	-
Liabilities			
Founder Warrants	16.2.2	4,836	-
Warrants	16.2.2	9,671	-
Non-current liabilities		14,507	-
Trade and other payables	14.1	235	-
Other payables	14.1	12	-
Taxes and social security contributions payable	14.1	23	-
Current liabilities		270	-
Total liabilities		14,777	-
Total equity and liabilities		484,847	-

Statement of changes in equity for the period 2 February 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 2 February 2021	-	-	-	-	-	-	-
Total comprehensive income							
Result for the period	-	-	-	-	-	(19,407)	(19,407)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	(19,407)	(19,407)
Transactions with owners of the Company							
Contributions and distributions:							
Shares issued	13 604	494,556	-	-	-	-	495,160
Share-based payments	-	-	140	-	-	-	140
Transaction costs	-	(5,823)	-	-	-	-	(5,823)
Total contributions and distributions	604	488,733	140	-	-	-	489,477
Total transactions with owners of the Company	-	-	-	-	-	-	-
Balance at 31 December 2021	604	488,733	140	-	-	(19,407)	470,070

Statement of cash flows for the period 2 February 2021 up to and including 31 December 2021

	FY 2021 (10 months and 29 days) EUR 1,000
Operating result	(3,986)
Changes in:	
Accruals	224
Taxes and social securities	(195)
Creditors	11
Prepaid expenses	(128)
Founder shares conditionally transferred	140
Cash flow from operating activities	(3,934)
Cash flows from investing activities	-
Escrow accounts	(483,555)
Cash flows from investing activities	(483,555)
Share capital increase from proceeds IPO	495,160
Transaction costs on issue of shares	(5,823)
Proceeds from warrants	725
Cash flow from financing activities	490,062
Net cash flow at 31 December 2021	2,573

Notes to the financial statements

1. The Company and its operations

Pegasus Acquisition Company Europe B.V. (hereinafter referred to as “Pegasus” 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 Hoogpoorddreef 15, 1101BA Amsterdam. The Company was founded on 2 February 2021 and is registered in the Trade Register at the Dutch Chamber of Commerce under number 81769040.

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 € 481.9 million (less negative interest to be applied) in the Escrow Accounts as at 31 December 2021, which can be released upon meeting strict requirements. Furthermore, the Company has € 2.6 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 2 February 2021 up to and including 31 December 2021, a 10 months and 29 days.

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.

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 extent 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 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 12,004,884 Founder Shares owned by the Sponsors.

In accordance with IFRS 2, the Company has recognized an expense of € 140,000 as share-based payments specifically for the 84,000 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 €5.0 per share as at 31 December 2021.

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 a large extent 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 VAT entrepreneur for 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 (€ 1,639,995), staff costs of (€ 630,845), operating costs of (€ 14,968,210) and IPO costs of (€ 2,168,126) resulting in a total result for the single segment as stated in (€ 19,407,176).

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 € 481,915,426, cash on the Company's bank account of € 2,572,039 and other receivables of € 359,154

4. Other expenses

2 February 2021-31 December 2021
EUR 1,000

Listing expenses	(256)
Professional services	(2,377)
Travel expenses	(44)
Service charges	(345)
Insurances	(262)
Bank charges	(30)
Other expenses	(86)
	<hr/>
	(3,400) <hr/>

5. Interest expense paid

Following the Private Placement, 100% of the proceeds were put into two Escrow Accounts opened by Stichting Pegasus Europe Escrow and held with Citibank Europe Plc, Netherlands Branch and J.P. Morgan Bank Luxembourg S.A.. The proceeds of the Private Placement being distributed equally between the Escrow Accounts as described in the Prospectus.

The invested funds deposited in the escrow are subject to an annual negative interest rate equal to (i) Euro short-term rate (ESTR) plus 3 bpts during the period ending 365 days after the settlement date, 03 May

2021, and (ii) ESTR minus 2 bpts for the period commencing the day after the end of the first year and ending 365 days thereafter and (iii) ESTR minus 8 bpts for any further period.

	2 February 2021-31 December 2021 EUR 1,000
Interest expenses	(1,640)
	<hr/>
	(1,640)
	<hr/>

6. Other gains and losses

	2 February 2021-31 December 2021 EUR 1,000
Net gain/(loss) arising on financial liabilities	(13,781)
	<hr/>
	(13,781)
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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

	31 December 2021 EUR 1,000
Profit for the year attributable to owners of the Company	(19,407)
Dividend paid	-
Earnings used in the calculation of basic earnings per share	(19,407)
Average number of ordinary shares	85,765
	(0.23)

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 Citibank Europe Plc, Netherlands Branch and J.P. Morgan Bank Luxembourg S.A.

	31 December 2021 EUR 1,000	2 February 2021 EUR 1,000
Escrow accounts	481,915	-
Financial assets	481,915	-

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

10. Trade and other receivables

	31 December 2021 EUR 1,000	2 February 2021 EUR 1,000
Trade receivables	-	-
VAT	231	-
Trade and other receivables	231	-

11. 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	2 February 2021 EUR 1,000
Bank	2,573	-
Cash and cash equivalents in the statement of cash flows	2,573	-

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.

12. Capital structure

The capital structure of the Company is composed of Unit Shares, 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:

- Unit Share: accounted for directly as if they were already replaced by Class A Ordinary Shares and Warrants
- 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

13. Issue of shares and warrants

On 28 April 2021 the Board resolved to issue shares and warrants:

- 1) 12,500,001 Founder Shares with a nominal value of € 0.01
- 2) 8,333,334 Founder Warrants.

On 28 April 2021 the Board resolved to cancel 1 Founder Share.

The Founder Shares were issued at an issue price of € 1.00 per share, amounting to € 12,088,884 received on the Company's bank account, of which an amount of € 11,967,995 was considered to be share premium and was added to the Company's general share premium reserve.

The Founder warrants were issued at the price of € 0.03 per warrant, amounting to € 250,000 received on the Company's bank account.

The Founder warrants were considered to be liability.

On 3 May 2021, the Company repurchased 84,000 Founder Shares amounting € 840, paid from the Company's bank account, 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.

On 3 May 2021 the Board resolved to issue:

- 1) 50,000,000 Unit Shares with a nominal value € 0.01
- 2) 72,500,000 Class A Ordinary Shares with a nominal value of € 0.01
- 3) 20,000,000 Warrants.

On 3 May 2021, the Company repurchased 72,500,000 Class A Ordinary Shares.

The Unit Shares were issued at an issue price of € 10.00 per Unit, amounting to € 483,555,410 received on escrow accounts, of which an amount of € 482,588,299 was considered to be share premium and was added to the Company's general share premium reserve and € 483,555 as a liability. The Class A Ordinary Shares were issued at an issue price of € 0.01 per share, amounting to € 725,000.

On 5 May 2021 the Board resolved to cancel 411,116 Founder Shares and 274,078 Founder Warrants amounting € 8,222, paid from the Company's bank account.

On 5 May 2021, the Board resolved to cancel 1,644,459 Unit Shares.

In August 2021 11,210,019 Unit Shares have been converted into Ordinary shares and 1/3 Warrants.

In September 2021 249,000 Unit Shares have been converted into Ordinary shares and 1/3 Warrants.

In October 2021 608,822 Unit Shares have been converted into Ordinary shares and 1/3 Warrants.

In November 2021 1,196,748 Unit Shares have been converted into Ordinary shares and 1/3 Warrants.

14. Liabilities

14.1 Current liabilities

	31 December 2021 EUR 1,000	2 February 2021 EUR 1,000
Trade payables	11	-
Wages tax and social securities	23	-
Other payables	12	-
Accruals	224	-
	<hr/>	<hr/>
	270	-
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14.2 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 € 14,506,662 is the Warrant price (€ 0.60) times the current outstanding Warrants.

15. Share-based payments

The Company has issued Founder Shares to the Sponsors. The Sponsors perform services to the Company under services agreements (for Tikehau Capital SCA and Financière Agache SA) and employment contracts (for the Operating Partners), in relation to completing a Business Combination within the 24 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 12,004,884 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 84,000 Founder Shares on 3 May 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 € 140,000 as share-based payments specifically for these 84,000 Founder Shares as corresponding to services rendered during the 2021 financial period.

16. Financial Instruments

16.1 Capital management

The Company manages its capital to ensure the Company will be able to continue as 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 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.

16.2 Categories of financial instruments

16.2.1 Financial assets

	31 December 2021 EUR 1,000	2 February 2021 EUR 1,000
Financial assets:		
Escrow Accounts	481,915	-
Trade and other receivables	231	-
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	482,146	-
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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.

16.2.2 Financial liabilities

	31 December 2021 EUR 1,000	2 February 2021 EUR 1,000
Financial liabilities:		
Public Warrants	4,836	-
Founder Warrants	9,671	-
Trade and other payables	235	-
	<hr/>	<hr/>
	14,742	-
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16.3 Financial risk management objectives

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.

16.3.1 Exposure to Market risk

Pegasus 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 price can fluctuate due to changing market conditions. The Warrants are publicly traded at the Euronext Stock Exchange.

16.3.2 Exposure to Liquidity risk

The Company's liquidity needs have been satisfied prior to the completion of the Offering through receipt of the € 12.3 million committed capital by the Sponsors (final amount following the partial exercise of the Put Option by the Stabilisation Manager on 3 May 2021).

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 € 2.6 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 Unit Shares 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.

16.3.3 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 Europe Escrow and held with Citibank Europe Plc, Netherlands Branch and J.P. Morgan Bank Luxembourg S.A.. The chance of default of these two banks is deemed very low based on the following credit ratings as at 31 December 2021:

- Citibank Europe Plc has Aa3 (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
- J.P. Morgan Bank Luxembourg S.A. has Aa1 (Moody's), A+ (S&P) and AA (Fitch) long term credit ratings and P-1 (Moody's), A-1 (S&P) and F1+ (Fitch) short 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 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.

17. Dividends

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

18. 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, the Operating Partners, Statutory Directors, and CFO and close members of their families, as well as those entities over which the Sponsors, the Operating Partners, 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 €215,000 in fees and has agreed a further €215,000 at the earliest of the completion of the Business Combination and the liquidation of the Company. Similarly the Company has paid Financière Agache SA €130,000 to compensate for services in connection with the launch of the Offering and Admission. In addition, the Company will pay an annual cash remuneration to the Operating Partners and the CFO, which will be €370,000. 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 consummation of the Offering, Tikehau Capital and Financière Agache entered 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 5,000,000 Class A Ordinary Shares and up to 1,666,666 Warrants, for an aggregate amount of €50,000,000 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 Board (acting unanimously) in connection with, the closing of the Business Combination.

Following the partial exercise of the Put Option, the Sponsors subscribed for (i) 12,088,884 Founder Shares (of which 84,000 Founder Shares issued to the Sponsors at nominal value and subsequently repurchased



by the Company against payment at par value to be held in treasury for the sole purpose of granting these Founder Shares to the Company's independent Non-Executive Directors and Mike Assouline, subject to completion of the Business Combination) and (ii) 8,059,256 Founder Warrants at a price of €0.03 per Founder Warrant. Each Founder Warrant is exercisable to purchase one Class A Ordinary Share, in each case exercisable at a price of €11.50 per Class A Ordinary Share, subject to adjustment.

The Sponsors subscribed for an aggregate of 5,500,000 Unit Shares for an aggregate subscription price of €55,000,000 in the Offering on the same terms as those offered to investors pursuant to the Offering.

Isabelle Ealet as Statutory Director of the Company subscribed for an aggregate of 250,000 Unit Shares for an aggregate subscription price of €2,500,000 in the Offering on the same terms as those offered to investors pursuant to the Offering.

Wassim Sacre as Statutory Director of the Company subscribed for an aggregate of 10,000 Unit Shares for an aggregate subscription price of €100,000 in the Offering on the same terms as those offered to investors pursuant to the Offering.

Following the partial exercise of the Put Option, a total of 70,360,425 Class A Ordinary Shares, 27,511,104 Warrants and 84,000 Founder Shares have been issued to the Sponsors at nominal value and subsequently repurchased by the Company against payment at par value to be held in treasury for the purpose of effecting the (i) replacement of Unit Shares into Class A Ordinary Shares and Warrants (ii) replacement of Founder Shares and Founder Warrants into Class A Ordinary Shares (iii) purchase of the Forward Purchase Securities by Tikehau Capital and Financière Agache from the Company pursuant to the Forward Purchase Agreement and (iv) Founder Shares granted to the Company's independent Non-Executive Directors and Mike Assouline, subject to completion of the Business Combination.

19. Key management personnel compensation

The Executive Director (Jean Pierre Mustier) is entitled to a yearly cash compensation prior to completion of a Business Combination of €130,000 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 independent Non-Executive Directors (Isabel Fernandez, Wassim Eric Sacre, Isabelle Ealet) 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). Carmen Alonso, as Non-Executive Director (not independent) does not receive compensation but is part as well of the key management.

Diego De Giorgi as Co-Chief Executive Officer is entitled to a yearly cash compensation prior to completion of a Business Combination of €130,000 which has been paid pro rata during the year 2021.



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

Mike Assouline as the CFO is entitled to a yearly cash remuneration or cash compensation prior to completion of a Business Combination of €110,000 which has been paid pro rata during the year 2021, with an indicative variable annual bonus for 2021 of €55,000 in cash and a total bonus of 9,000 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.

Key management personnel compensation comprised:

	2 February 2021-31 December 2021
	EUR 1,000
Short-term employee benefits	305
Post-employment benefits	10
Other long-term benefits	-
Termination benefits	-
Share-based payment	140
	<hr/>
	455
	<hr/>

The Company repurchased 84,000 Founder Shares, 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 and the note 15, 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 € 212,657 for statutory directors (Executive Director and Non-Executive Directors).

20. 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 € 20,000.

21. Off balance-sheet commitments

On 25 April 2021, Pegasus Europe signed an agreement with Citigroup Global Markets Europe and J.P. Morgan (the "Joint Global Coordinators") that provides for an €15 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 €30 thousand to ABN AMRO Bank in respect of listing agency services
- A success fee of €380 thousand to Kinetics Capital in respect of advisory and M&A services provided to the Company
- A project fee of €2.6 million to Bain & Company in respect of strategic and due diligence services related to any potential Business Combination

22. Events occurring after the reporting period

Subsequent to 31 December 2021, no material event occurred that require disclosure.

23. Approval of financial statements

The financial statements were approved by the Board of directors and authorized for issue on 30 March 2022.



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

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

Signed : Jean-Pierre Mustier
Title : Executive director

Signed : Isabelle Ealet
Title : Non-executive director

Signed : Isabel Fernandez
Title : Non-executive director

Signed : Carmen Alonso
Title : Non-executive director

Signed : Wassim Eric Sacre
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.



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Independent Auditor's Report

Independent auditor's report

To the shareholders and board of Pegasus 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 2021 financial statements of Pegasus 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 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 2 February 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 24 months after the settlements date of 28 April 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 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 € 4.8 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 € 145 thousand, 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 responsibility

In accordance with Dutch Standards on Auditing, we are responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatements, whether due to fraud or error. Inherent to our responsibilities for the audit of the financial statements, there is an unavoidable risk that material misstatements are undetected, even though the audit is planned and performed in accordance with Dutch law. The risk of undetected material misstatements due to fraud is even higher, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Also, we are not responsible for the prevention and detection of fraud and non-compliance with all laws and regulations. Our audit procedures differ from a forensic or legal investigation, which often has a more in-depth character and conducted to resolve specific allegations.

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 and 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 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 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 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 € 140,000 as share-based payments specifically for the 84,000 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 and articles 2:135b and 2:145 paragraph 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, the remuneration report in accordance with articles 2:135b and 2:145 paragraph 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 Acquisition Company Europe B.V. on 23 March 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 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 partially marked-up financial statements as included in the reporting package by Pegasus 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 reporting package;
- obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files are prepared in accordance with the technical specifications as included in the RTS on ESEF;
- examining the information related to the financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are 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, 30 March 2022

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