



Pegasus Acquisition Company Europe B.V.

Interim Financial Report

For the period 2 February 2021 up to and including 30 June 2021



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About Pegasus Acquisition Company Europe B.V.

Pegasus Acquisition Company Europe B.V. (hereinafter referred to as "Pegasus" or the "Company") is a special purpose acquisition company focused on the European financial services sector, founded by Tikehau Capital, Financière Agache and two of Europe's most experienced bankers. Pegasus 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 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") Prospectus 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 website – www.pegasus-europe.com/investor-relations

Interim Board Report

OVERVIEW

During the period from 2 February up to and including 30 June 2021 (the "Period"), Pegasus successfully raised € 483.6 million in a Private Placement¹ and was subsequently listed on Euronext Amsterdam on 29 April 2021. Pegasus 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 AT 30 JUNE 2021

Escrow Accounts balance	€ 483.2m
Shareholders' equity	€ 486.6m
Class A Ordinary Share Price	€ 10.3
Unit Price	€ 9.93
Warrant Price	_- ²

COSTS

As part of the Private Placement and following the partial exercise of the Put Option by the Stabilisation Manager on 3 May 2021, the Sponsors have committed capital in aggregate of € 12.3 million to cover the costs related to the Private Placement and the search for a Business Combination target.

As at 30 June 2021, total operating costs since the inception of Pegasus amount to € 8.2 million, of which € 7.9 million are related to the Offering costs.

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 of € 10.0 into up to 200,000 Units at the option of the Sponsors.

ESCROW ACCOUNTS

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., respectively (the "Escrow Accounts"). The proceeds of the Private Placement being distributed equally between the Escrow Accounts as described in the Prospectus.

The amounts available to Pegasus from the Escrow Accounts (after giving effect to any redemptions of Class A Ordinary Shares, the payment of any pro rata interest on any amounts deposited in the Escrow Accounts and the payment of the Deferred Offering Commission due to the Joint Global Coordinators) will be used

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

² No trading activity on the Warrants as at 30 June 2021

to satisfy the cash requirements of the Business Combination, including funding the purchase price, paying related expenses and retaining specified amounts to be used by the post-Business Combination company for working capital or other purposes.

During the Period, due to the current negative interest rates applied to the Escrow Accounts as described in the Prospectus, the Escrow Accounts decreased by € 320,151, leaving a total of € 483.2 million in the Escrow Accounts as at 30 June 2021.

AUDITOR'S INVOLVEMENT

The condensed interim financial statements have not been audited by the Company's statutory auditor.

RISKS AND UNCERTAINTIES

Please refer to Part II (Risk Factors) of the Prospectus for the Company's principal risks and uncertainties, which in the Company's view remain essentially unchanged for the second half of 2021, and to pages 43 and 44 of the Prospectus for a cautionary note regarding forward-looking statements. The Company's risk management objectives and policies are consistent with those disclosed in the Prospectus.

Other risks, events, facts or circumstances not presently known to the Company, or that the Company currently deems to be immaterial could, individually or cumulatively, prove to be important and may have a significant negative impact on the Company's business, financial condition, results of operations and prospects.

RELATED PARTY TRANSACTIONS

The main related party transactions during the Period are those described on page 149 of the Prospectus.

RESPONSIBILITY STATEMENT

The board of directors of the Company (the "Board") hereby declares that to the best of its knowledge, the condensed interim financial statements, which have been prepared in accordance with IAS 34 (Interim Financial Reporting), give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and this interim Board report includes a fair review of the information required pursuant to section 5:25d(8) and (9) of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

Amsterdam, 29 July 2021

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

Condensed Interim Financial Statements

- Condensed statement of financial position
- Condensed statement of profit or loss
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Condensed statement of financial position as at 30 June 2021

		30 June 2021	at IPO	2 February 2021
		EUR 1,000	EUR 1,000	EUR 1,000
		Unaudited	Unaudited	Unaudited
Assets				
Property, plant and equipment		-	-	-
Non-current assets		-	-	-
Trade and other receivables		520	24	-
Cash and cash equivalents	7	487,251	12,750	-
Current assets		487,771	12,774	-
Total assets		487,771	12,774	-

		30 June 2021	at IPO	2 February 2021
		EUR 1,000 Unaudited	EUR 1,000 Unaudited	EUR 1,000 Unaudited
Equity				
Share capital	9,10	604	125	-
Share premium	9,10	494,626	12,375	-
Reserves		-		-
Retained earnings		-		-
Net Profit (Loss) for the period		(8,657)	(544)	-
Equity attributable to owners of the Company		486,573	11,956	-
Total equity		486,573	11,956	-
Liabilities				
Trade and other payables		75	545	-
Founder Warrants	11	242	250	-
Warrants	11	484	-	-
Other payables		2	1	-
Taxes and social security contributions payable		15	1	-
Accruals		380	21	-
Current liabilities		1,198	818	-
Total liabilities		1,198	818	-
Total equity and liabilities		487,771	12,774	-

Condensed statement of profit or loss for the period 2 February 2021 up to and including 30 June 2021

		30 June 2021	at IPO	2 February 2021
		EUR 1,000	EUR 1,000	EUR 1,000
		Unaudited	Unaudited	Unaudited
Operations				
Revenue		-	-	-
Cost of sales		-	-	-
Gross profit		<u>-</u>	<u>-</u>	<u>-</u>
Other income		-	-	-
Administrative expenses	13	1,864	477	-
Staff costs	13	215	2	-
Other expenses	13	6,152	65	-
Operating profit		<u>(8,231)</u>	<u>(544)</u>	<u>-</u>
Finance income		-	-	-
Finance costs		426	-	-
Net finance costs		<u>(426)</u>	<u>-</u>	<u>-</u>
Profit before tax		<u>(8,657)</u>	<u>-</u>	<u>-</u>
Income tax expense		-	-	-
Profit for the period		<u><u>(8,657)</u></u>	<u><u>(544)</u></u>	<u><u>-</u></u>

Condensed statement of comprehensive income for the period 2 February 2021 up to and including 30 June 2021

	H1 2021 EUR 1,000 Unaudited
Profit for the period	(8,657)
Other comprehensive income	
Other items that will never be reclassified to profit or loss	-
	-
Other items that are or may be reclassified to profit or loss	-
	-
Total other comprehensive income for the period, net of tax	-
Total comprehensive income for the period	(8,657)

Condensed statement of changes in equity for the period 2 February 2021 up to and including 30 June 2021

	Share capital	Share premium	Reserves	Retained earnings	Net Profit (Loss) for the period	Total Equity
	EUR 1,000 Unaudited	EUR 1,000 Unaudited	EUR 1,000 Unaudited	EUR 1,000 Unaudited	EUR 1,000 Unaudited	EUR 1,000 Unaudited
Balance at 2 February 2021	-	-	-	-	-	-
Total comprehensive income						
Result for the period	-	-	-	-	(8,657)	(8,657)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(8,657)	(8,657)
Transactions with owners of the Company						
Contributions and distributions:						
Shares issued 10	604	494,556	-	-	-	495,160
Share-based payments 12	-	70	-	-	-	70
Total contributions and distributions	604	494,626	-	-	-	495,230
Total transactions with owners of the Company	604	494,626	-	-	-	495,230

Balance at 30 June 2021

Share capital	Share premium	Reserves	Retained earnings	Net Profit (Loss) for the period	Total Equity
EUR 1,000 Unaudited	EUR 1,000 Unaudited	EUR 1,000 Unaudited	EUR 1,000 Unaudited	EUR 1,000 Unaudited	EUR 1,000 Unaudited
604	494,626	-	-	(8,657)	486,573

Condensed statement of cash flows for the period 2 February 2021 up to and including 30 June 2021

	H1 2021
	EUR 1,000
	Unaudited
Operating result	(8,231)
Changes in working capital	(83)
Interest paid (negative interest Escrow Accounts)	(320)
Cash flow from operating activities	(8,634)
Cash flows from investing activities	-
Share capital increase from proceeds IPO	495,885
Cash flow from financing activities	495,885
Net cash flow at 30 June 2021*	487,251

* Cash and cash equivalents includes funds held in the Escrow Accounts

Notes to the condensed interim 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 Hoogoorddreef 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.

The information in the condensed interim financial statements is unaudited.

2. Statement of compliance

The condensed interim financial statements have been prepared in accordance with IAS 34 (Interim Financial Reporting).

The condensed interim financial statements were authorised for issue by the Company's board of directors (the "Board") on 29 July 2021.

3. Significant accounting policies

The condensed interim financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS"), as endorsed by the European Union. This will also be used for the Company's annual report for the financial year 2021. Significant accounting policies are set out below as far as applicable to financial transactions over the period 2 February 2021 up to and including 30 June 2021 (the "Period").

4. Estimates

The preparation of the condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

5. Financial risk management

The Company manages the financial risks relating to the 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.

- Market risk management

Pegasus is primarily exposed to the financial risks 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.

- Liquidity risk management

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 30 June 2021 and considering the Offering and other operational costs paid during the Period, the cash available in the current account amounts to approximately € 4.0 million.

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

- Credit risk management

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., respectively. The chance of default of these two banks is deemed very low based on the following credit ratings as at 30 June 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 30 June 2021.

6. Acquisitions

Pegasus has made no acquisitions in the Period.

7. Cash and cash equivalents

Cash and cash equivalents consist of a current account held at ABN Amro Bank N.V. and the Escrow Accounts held at Citibank Europe Plc, Netherlands Branch and J.P. Morgan Bank Luxembourg S.A..

	30 June 2021 EUR 1,000 Unaudited	at IPO EUR 1,000 Unaudited	2 February 2021 EUR 1,000 Unaudited
Bank balance ABN AMRO	4,016	12,750	-
Balance Escrow Accounts	483,235	-	-
Cash and cash equivalents in the statement of cash flows	487,251	12,750	-

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

The amounts available to Pegasus from the Escrow Accounts (after giving effect to any redemptions of Class A Ordinary Shares, the payment of any pro rata interest on any amounts deposited in the Escrow Accounts and the payment of the Deferred Offering Commission due to the Joint Global Coordinators) will be used to satisfy the cash requirements of the Business Combination, including funding the purchase price, paying related expenses and retaining specified amounts to be used by the post-Business Combination company for working capital or other purposes.

8. Taxes

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

9. Capital structure

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

- Unit: accounted for directly as if they were already replaced by Class A Ordinary Shares and Warrants
- Class A Ordinary Share: accounted 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 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 as derivative liability considering that the Company has the ability to redeem the outstanding Warrants in certain conditions and that Warrants 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 as derivative liability considering that Founder Warrants can be exercised on a cashless basis

10. 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 3 May 2021, 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.

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

On 5 May 2021 the Board resolved to cancel 411,116 Founder Shares and 274,078 Founder Warrants.

The Founder Shares were issued at an issue price of € 1.00 per share, amounting to € 12,088,884, 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.

On 3 May 2021 the Board resolved to issue:

- 1) 50,000,000 Units 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.

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

The Units were issued at an issue price of € 10.00 per Unit, amounting to € 483,555,410, 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.

11. 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. As at 30 June 2021 and considering the absence of trading activity on the Warrants and the relative short period since the launch of the Private Placement, it has been considered that the fair value of the Warrants and Founder Warrants corresponds to the nominal value.

12. Share-based payments

On 3 May 2021, 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 the Company has recognized an expense of € 70,000 as share-based payments.

13. Operating costs

As at 30 June 2021, total operating costs since the inception of Pegasus amount to € 8.2 million and are split as follows:

- Offering costs: € 7.9 million (including € 5.8 million for the initial underwriting commission paid to Citigroup and J.P. Morgan)
- Operating costs: € 0.2 million
- Staff costs: € 0.2 million

14. Commitments

As part of the Offering process and the search of a Business Combination target, the Company entered into contracts with various parties and advisors. These contracts may give rise to an estimated expense of approximately EUR 21 million (excluding VAT) for the next period(s), which amount includes costs related to the Offering, working capital and Business Combination (subject to the completion of the operation) as identified as at 30 June 2021.

15. Dividends

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

16. Financial instruments

The fair value of financial assets and liabilities equals the carrying amounts as per 30 June 2021.

17. Related party transactions

Other than as disclosed on page 149 of the Prospectus, no related party transactions occurred in the Period.

18. Events occurring after the reporting period

Subsequent to 30 June 2021, no material events occurred that require disclosure.



Contact information

www.pegasuseurope.com

Hoogoorddreef 15

1101BA Amsterdam

The Netherlands

Phone: +31 20 3698107

Email: info@pegasuseurope.com