



STICHTING ADMINISTRATIEKANTOOR ETERGO II

(established in The Netherlands as a foundation, having its corporate seat in Amsterdam, The Netherlands)

Offering of up to 60,000,000 new depository receipts for ordinary shares with a nominal value of EUR 0,00001 each in ETERGO B.V.

(incorporated in The Netherlands as a private company with limited liability, having its corporate seat in Amsterdam, The Netherlands)

Etergo B.V. (**Etergo** or the **Company**) is offering through the Stichting Administratiekantoor Etergo II (the **Issuer** or the **Foundation**) up to 60,000,000 depository receipts in registered form with a nominal value of EUR 0.00001 each (the **Depository Receipts**) in respect of ordinary shares in registered form with a nominal value of EUR 0.00001 each (the **Shares**) in the capital of Etergo (the **Offering**). The Offering consists of a public offering being made to the general public in the United Kingdom, Netherlands, Germany, Portugal, Italy, Romania, Belgium, Spain, France, Ireland, Lithuania, Bulgaria, Greece, Sweden, Slovenia, Malta, Croatia, Austria, Norway, Cyprus and Finland. This document (the **Prospectus**) constitutes a prospectus for the purposes of Section 5.3 of the Directive 2003/71/EC as amended by Directive 2010/73/EC (the **Prospectus Directive**) and has been prepared in accordance with Section 5:9 of the Financial Supervision Act (*Wet op het financieel toezicht*, the **FSA**) and the rules thereunder. This Prospectus has been approved by and filed with the Dutch Authority for the Financial Markets (*Autoriteit Financiële Markten*, the **AFM**). Etergo has requested that the AFM provide a certificate of approval and a copy of this document to the relevant competent authority in the United Kingdom, Germany, Portugal, Italy, Romania, Belgium, Spain, France, Ireland, Lithuania, Bulgaria, Greece, Sweden, Slovenia, Malta, Croatia, Austria, Norway, Cyprus and Finland.

The Depository Receipts are not listed on a securities exchange. At the date of this Prospectus Etergo has no intention to apply for admission to trading of the Depository Receipts on a regulated market. The Depository Receipts are being offered only in those jurisdictions in which, and only to those persons to whom, offers and sales of the Depository Receipts may lawfully be made. For a description of restrictions on offers, sales and transfers of the Depository Receipts and the distribution of this Prospectus in other jurisdictions, see chapter 12 ‘Selling and transfer restrictions’.

The Depository Receipts and underlying Shares will be issued continually, under exclusion of the pre-emptive rights of the holders of Depository Receipts (**Depository Receipt Holders**) during the Offering. The issue price of the Depository Receipts (the **Issue Price**) may vary during the Offering and will be determined by the board of the Issuer. The Issue Price will be made public on the website of Etergo (www.etergo.com) (the **Etergo Website**). The board of the Issuer can refuse subscriptions on Depository Receipts and resolve at any time to limit, suspend or exclude the issue of Depository Receipts. Any resolution to close the issue will be announced on the Etergo Website. For a description of the Offering and the subscription, see chapter 11 ‘The Offering’.

The date of this Prospectus is 29 March 2019.

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1. SUMMARY

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| <p><i>Summaries are made up of disclosure requirements known as ‘elements’. These elements are numbered in sections A– E (A.1 – E.7).</i></p> <p><i>This summary contains all the elements required to be included in a summary for this type of securities and issuer. Because some elements are not required to be addressed, there may be gaps in the numbering sequence of the elements.</i></p> <p><i>Even though an element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the element. In this case a short description of the element is included in the summary together with an indication that such element is ‘not applicable’.</i></p> | | |
| <p>Section A – Introduction and Warnings</p> | | |
| <p>A.1</p> | <p>Introduction and warnings</p> | <p>This summary should be read as introduction to this Prospectus.</p> <p>Any decision to invest in the Depository Receipts should be based on consideration of this Prospectus as a whole by the investor.</p> <p>Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States of the European Economic Area, have to bear the costs of translating this Prospectus before the legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the Depository Receipts.</p> |
| <p>A.2</p> | <p>Consent, indication, conditions and notice</p> | <p>Not applicable. Neither Etergo nor the Issuer consents to the use of the Prospectus for the subsequent resale or final placements of the Depository Receipts by financial intermediaries.</p> |
| <p>Section B – The Issuer</p> | | |
| <p>B.1</p> | <p>Legal and commercial name of the issuer of the underlying Shares</p> | <p>Etergo B.V. The commercial name is Etergo. Etergo has no other trade names.</p> |
| <p>B.2</p> | <p>Domicile, legal form, legislation and country of incorporation</p> | <p>Etergo B.V. is a private company with limited liability (<i>besloten vennootschap met beperkte aansprakelijkheid</i>) under Dutch law and is domiciled in the Netherlands. The Company was incorporated in the Netherlands on 1 December 2014. The Company has its statutory seat (<i>statutaire zetel</i>) in</p> |

| | | | | | |
|------------|---|---|--------------------|--------------------|--------------------------------|
| | | Amsterdam, the Netherlands. | | | |
| B.3 | Key factors relating to the nature of the Etergo's operations and its principal activities | Etergo's main activities are the development, manufacturing, marketing and sales and service of electric vehicles. On the date of this Prospectus, it has only one product, which is AppScooter, a premium electric scooter. | | | |
| B.4 | Significant recent trends affecting Etergo and industries in which it operates | Etergo believes that the following trends may have a significant impact on the industry in which the Company operates, as well as on the Company's position therein. A combination of government policy support, decreasing lithium-ion battery costs, increased range and technological advancements, and more options on the market have created significant growth in the EV industry. Petrol scooter bans in Europe are pushing both consumers and producers away from combustion engine vehicles of all kinds. As governments continue to stimulate the transition to EV via growing fuel economy standards and financial incentives for potential EV buyers, cities have increased charging station infrastructure in urban areas in response, a formerly significant barrier to the EV market. | | | |
| B.5 | Description of the Group and Etergo's position within the Group | Not applicable, Etergo B.V. does not have any subsidiaries nor is part of a group. | | | |
| B.6 | Persons who, directly and indirectly, have a notifiable interest in Etergo's capital or voting rights, together with the amount | | # of Shares | % of Shares | of Beneficial Owner |
| | | M.L. Flipse Holding B.V. | 50,546,000 | 36.40% | Marijn Flipse |
| | | Rosier Holding B.V. | 41,354,000 | 29.78% | Bart Jacobsz Rosier |
| | | A.P. Kooi Beheer B.V. | 8,100,000 | 5.83% | Pieter Kooi |
| | | Stichting Administratiekantoor Etergo | 22,550,127 | 16.24% | 55 investors. (Not Leapfunder) |
| | | Seedrs Nominees Ltd. | 16,315,789 | 11.75% | 2.393 investors. (Not Seedrs) |
| | | Total | 138,865,916 | 100% | |
| | Different voting rights | The voting rights of each of the Shareholders are the same, except that, according to the Shareholders' Agreement, Seedrs Nominees Limited has veto | | | |

| | | rights to prevent changes to the Shareholders' Agreement that would prejudicially affect the interests of investors that it represent. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--------------------------------------|---|--|----------------|------|------|-----------|--------------------------------|---------|---------|---------|------------------------------|--------|--------|-------|-----------------------|-----------|--------|--------|------------------------------|---------|---------|---------|---------------------|------------------|----------------|----------------|-----------------------------|-----------|-----------|-----------|-----------------------|--------|--------|---------|----------------------------|---------|-----------|--------|--------------------------------------|------------------|----------------|----------------|--|---------------------------|---------------------------|--------------------------------|-----------|---------|------------------------------|---------|--------|-----------------------|---------|--------|------------------------------|-----------|-----------|---------------------|------------------|------------------|
| B.7 | Selected historical key financial information | <p><u>Summary audited P&L and balance statement (in EUR):</u></p> <table border="1"> <thead> <tr> <th></th> <th>2017</th> <th>2016</th> <th>2014/2015</th> </tr> </thead> <tbody> <tr> <td>Intangible fixed Assets</td> <td>935,456</td> <td>477,234</td> <td>112,718</td> </tr> <tr> <td>Tangible fixed Assets</td> <td>81,484</td> <td>29,747</td> <td>2,895</td> </tr> <tr> <td>Current Assets</td> <td>3,139,886</td> <td>54,723</td> <td>22,974</td> </tr> <tr> <td>Cash/cash equivalents</td> <td>487,970</td> <td>201,741</td> <td>145,203</td> </tr> <tr> <td>Total Assets</td> <td>4,644,796</td> <td>763,445</td> <td>283,790</td> </tr> <tr> <td>Shareholders' equity</td> <td>4,300,545</td> <td>(556.800)</td> <td>(104,506)</td> </tr> <tr> <td>Long-term debt</td> <td>33,301</td> <td>16,599</td> <td>294,500</td> </tr> <tr> <td>Current liabilities</td> <td>310,950</td> <td>1,303,646</td> <td>93,796</td> </tr> <tr> <td>Tot. Equity & Liabilities</td> <td>4,644,796</td> <td>763,445</td> <td>283,790</td> </tr> </tbody> </table> <p><u>Summary unaudited P&L and balance statement (in EUR):</u></p> <table border="1"> <thead> <tr> <th></th> <th>30-06-2018 (UNAUDITED)</th> <th>30-06-2017 (UNAUDITED)</th> </tr> </thead> <tbody> <tr> <td>Intangible fixed Assets</td> <td>1,752,286</td> <td>673,411</td> </tr> <tr> <td>Tangible fixed Assets</td> <td>152,369</td> <td>30,748</td> </tr> <tr> <td>Current Assets</td> <td>319,126</td> <td>85,356</td> </tr> <tr> <td>Cash/cash equivalents</td> <td>2,448,465</td> <td>1,347,956</td> </tr> <tr> <td>Total Assets</td> <td>4,672,246</td> <td>2,137,471</td> </tr> </tbody> </table> | | 2017 | 2016 | 2014/2015 | Intangible fixed Assets | 935,456 | 477,234 | 112,718 | Tangible fixed Assets | 81,484 | 29,747 | 2,895 | Current Assets | 3,139,886 | 54,723 | 22,974 | Cash/cash equivalents | 487,970 | 201,741 | 145,203 | Total Assets | 4,644,796 | 763,445 | 283,790 | Shareholders' equity | 4,300,545 | (556.800) | (104,506) | Long-term debt | 33,301 | 16,599 | 294,500 | Current liabilities | 310,950 | 1,303,646 | 93,796 | Tot. Equity & Liabilities | 4,644,796 | 763,445 | 283,790 | | 30-06-2018 (UNAUDITED) | 30-06-2017 (UNAUDITED) | Intangible fixed Assets | 1,752,286 | 673,411 | Tangible fixed Assets | 152,369 | 30,748 | Current Assets | 319,126 | 85,356 | Cash/cash equivalents | 2,448,465 | 1,347,956 | Total Assets | 4,672,246 | 2,137,471 |
| | 2017 | 2016 | 2014/2015 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Intangible fixed Assets | 935,456 | 477,234 | 112,718 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Tangible fixed Assets | 81,484 | 29,747 | 2,895 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Current Assets | 3,139,886 | 54,723 | 22,974 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash/cash equivalents | 487,970 | 201,741 | 145,203 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Assets | 4,644,796 | 763,445 | 283,790 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Shareholders' equity | 4,300,545 | (556.800) | (104,506) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Long-term debt | 33,301 | 16,599 | 294,500 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Current liabilities | 310,950 | 1,303,646 | 93,796 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Tot. Equity & Liabilities | 4,644,796 | 763,445 | 283,790 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 30-06-2018 (UNAUDITED) | 30-06-2017 (UNAUDITED) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Intangible fixed Assets | 1,752,286 | 673,411 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Tangible fixed Assets | 152,369 | 30,748 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Current Assets | 319,126 | 85,356 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash/cash equivalents | 2,448,465 | 1,347,956 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Assets | 4,672,246 | 2,137,471 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| | Shareholders' equity | 3,031,731 | 2,039,792 |
| | Long-term debt | 1,251,852 | 15,430 |
| | Current liabilities | 388,663 | 82,249 |
| | Tot. Equity & Liabilities | 4,672,246 | 2,137,471 |
| | | | |
| <u>Cash flow statement (in EUR):</u> | | | |
| | | 2017 | 2016 |
| | | 2014/2015 | |
| Cash flow from operating activities | (EUR 4,052,791) | (EUR 436,195) | (EUR 63,684) |
| Cash flow from investing activities | (EUR 591,204) | (EUR 429,265) | (EUR 115,613) |
| Cash flow from financing activities | EUR 4,930,224 | EUR 921,998 | EUR 324,500 |
| Movements in cash at bank and in hand (total cash flows) | <u>EUR 286,229</u> | <u>EUR 56,538</u> | <u>EUR 145,203</u> |
| | | | |
| <u>Un-audited cash flow statement (in EUR):</u> | | | |
| | | 30-06-2018 (UNAUDITED) | 30-06-2017 (UNAUDITED) |
| Cash flow from operating activities | EUR 1,703,609 | (EUR 499,352) | |
| Cash flow from investing activities | (EUR 887,715) | (EUR 197,178) | |
| Cash flow from | EUR 1,144,601 | EUR | |

| | | | | |
|-------------------------------|---|--|--|-----------------------------------|
| | | financing activities Movements in cash at bank and in hand (total cash flows) | 1,842,745 <hr/> <u>EUR 1,960,495</u> | <hr/> <u>EUR 1,146,215</u> |
| | | <u>Significant changes statement:</u> The only significant changes in the Company's financial position after the end of 2017 were the cash investments in March, April and June 2018 of EUR 1.2 million by three private investors by means of a convertible loan (processed in the unaudited figures as per 30 June 2018), and the investment of EUR 10 million by a German investor in December 2018. All significant changes have been processed in the unaudited capitalisation and indebtedness table as per 31 December 2018. No significant changes have taken place in the period from 31 December 2018 to the date of this Prospectus. | | |
| B.9 | Profit forecast | Not applicable. There are no profit forecasts in the Prospectus. | | |
| B.10 | Historical audit report qualifications | Not applicable. There are no qualifications in the independent auditor's report on the historical financial information for the years ended 31 December 2017, 2016 and 2014/2015. | | |
| B.11 | Working capital statement | In the opinion of the board of Etergo Etergo's working capital is sufficient to cover its present requirements for a period of at least 12 months from the date of this Prospectus. | | |
| B.31 | Information about the issuer of the underlying shares | Etergo was founded as a private limited company under Dutch law (<i>besloten vennootschap met beperkte aansprakelijkheid</i>) by deed of 1 December 2014, executed before a deputy of civil-law notary in the Netherlands. Etergo's registered seat is Amsterdam, the Netherlands. The address is Koningin Wilhelminaplein 33, 1062 HJ Amsterdam, the Netherlands and the telephone number is +31 (0)15-2023160. | | |
| B.32 | Information about the issuer of the depository receipts | Stichting Administratiekantoor Etergo II, a foundation (<i>stichting</i>) under Dutch law, was established by notarial deed of 15 November 2018. The Trust Conditions have been adopted by the Issuer by notarial deed on 15 November 2018. The Issuer is registered in the Trade Register with the Chamber of Commerce of the Netherlands under number 73113336. The registered seat of the Issuer is Amsterdam, the Netherlands. The address is Koningin Wilhelminaplein 33, 1062 HJ Amsterdam, the Netherlands, the telephone number is +31 (0)15-2023160 and the e-mail address is info@etergo.com. | | |
| Section C – Securities | | | | |
| C.1 | Type and class, security identification number | The Shares and Depository Receipts have been created under Dutch law and will be issued under Dutch law. The Issuer issues one Depository Receipt for each Share. The Depository Receipts cannot be converted into a Share. The Depository Receipts are registered in the name of the Depository Receipt Holder | | |

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| | | in the Depository Receipt Holders Register. There are no costs attached to registration. |
| C.2 | Currency | The Shares and Depository Receipts are denominated in euro (EUR). |
| C.3 | Number of Shares and Depository Receipts and nominal value | The issued capital of Etergo amounts to EUR 1,388.65916 divided into 138,865,916 Shares with a nominal value of EUR 0.00001 each. All outstanding Shares are fully paid up. Under this Offering up to 60,000,000 Depository Receipts are available for issue with a nominal value of EUR 0.00001 each. |
| C.4 | Rights attached to the Shares | The Shares give the right, pro rata, to the dividends made payable on the Shares, and to liquidation payments. In addition, each Share gives the right to cast one vote at the General Meeting. The Shareholders have pre-emptive rights proportionate to their shareholding. |
| | Rights attached to the Depository Receipts | <p>Each Depository Receipt gives the right to cast one vote at the Meeting of Depository Receipt Holders. The Depository Receipts give the right to distributions and payments becoming due and payable in respect of the underlying Shares. Depository Receipts Holders that are entitled to cast one fifth of the votes at the Meeting of Depository Receipt Holders can request a Meeting of Depository Receipts Holders. Upon request in writing of a number of Depository Receipt Holders entitled to cast not less than one fourth of the votes at the Meeting of Depository Receipt Holders, the board of the Issuer shall appoint one additional member of the board of the Issuer</p> <p>Depository Receipt Holders do not have the right to attend the General Meeting, the right to request the conversion of a Depository Receipt into a share, nor pre-emptive rights when new Depository Receipts are issued.</p> |
| C.5 | Restrictions on transferability of the Shares | The Shares are subject to transfer restrictions to the extent that a Shareholder who wishes to transfer Shares shall give notice of that intent to the board of Etergo, such notice should state the number of Shares intended to be transferred and the name of the proposed acquirer. The notice will be deemed to qualify as an offer of Shares to the existing shareholders on which they can reflect. |
| | Restrictions on transferability of the Depository Receipts | The Depository Receipt Holder who wishes to transfer one or more Depository Receipts shall require the approval of the board of the Issuer for the transfer to be valid. The transfer of Depository Receipts shall require a notarial deed intended for that that purpose, executed before a civil law notary practising in the Netherlands, the parties to which deed shall be the transferor, the transferee and the Issuer. The board of the Issuer may launch a procedure accessible through the Etergo Website for the transfer of Depository Receipts, provided that such procedure complies with Section 3:94 of the Dutch Civil Code. |
| C.6 | Listing and admission to trading of the Offer Depository Receipts | The Depository Receipts and Shares are not listed on a securities exchange. At the date of this Prospectus Etergo has no intention to apply for admission to trading of the Shares or Depository Receipts on a regulated market. |
| C.7 | Payments | The Company did not pay any dividend in respect of the financial years 2014/2015, 2016 and 2017. The Company does not intend to declare or pay dividends for the year ended 31 December 2018 or in the medium term. Cash |

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| | | generation will in the medium term most likely be used to fund growth opportunities. |
| C.1 4 | Guarantee | The obligations of the Issuer under the Depository Receipts are not guaranteed. |
| Section D – Risks | | |
| D.4 | Key information on the key risks that are specific to the issuer of the underlying shares | <p>Risks Relating to the Etergo's Industry, Business and Operations:</p> <ul style="list-style-type: none"> • A downturn in the markets in which Etergo operates (as well as other markets around the world) could adversely affect Etergo's business. • Etergo is active in a market in development. • Technological limitations of electric vehicles. • Market size of vehicle class dependent on legislation. • Scooters banned from certain cities or parts of cities. • Etergo may be unsuccessful in efforts to expand the international reach of its product. • Product recalls and warranty obligations may result in direct costs, and loss of scooter sales could have material adverse effects on Etergo's business. • Financial results may vary significantly from period-to-period due to the seasonality of Etergo's business and fluctuations in operating costs. • Etergo is dependent on its reputation for financing. • Third parties might accuse Etergo of infringing their intellectual property rights. • Etergo is active in a limited number of sectors. • Etergo depends heavily on the future success of the AppScooter and has no track record. • Etergo depends on its relationships with suppliers. |
| D.5 | Key information on the key risks that are specific to the issuer of the Depository Receipts | <p>Risks relating to the Etergo Depository Receipts and the Offering:</p> <ul style="list-style-type: none"> • Bart Jacobsz Rosier and Marijn Flipse are board members of the Issuer and Etergo. • Etergo may not be able to pay dividends in the future. • The transfer of the Depository Receipts is subject to restrictions. Investors may therefore not be able to sell or otherwise dispose of their Depository Receipts and/or to sell their Depository Receipts for the price paid for them. |
| Section E – Offering | | |
| E.1 | Net proceeds and estimated expenses | The total costs of the Offering are EUR 158,500, of which EUR 101,000 for this Prospectus and translations, EUR 20,000 for settings up the Issuer and registering all investors in the Issuer, EUR 15,000 for accountant costs, and EUR 22,500 AFM cost. The total amount of the proceeds depends on the number of Depository Receipts sold. The total net proceeds will be EUR 8,841,500, if the sum of EUR 9,000,000 is raised. |

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|----------|--|---|
| E.2 a | Reasons for the Offering and use of proceeds | <p>The Issuer intends to use the net proceeds from the Offering to take AppScooter into production, new product development, enter the market and set up a distribution and service network as well as aftersales.</p> <p>The Issuer may also use a portion of the net proceeds from this Offering for working capital and other general corporate purposes. Etergo may also use up to a maximum of EUR 1,000,000 of the net proceeds from the Offering to redeem Shares from the founders and members of the board of Etergo and the Issuer, Bart Jacobsz Rosier and Marijn Flipse. Approval of the General Meeting is required for the redemption of Shares above EUR 300,000.</p> |
| E.3 | Terms and conditions of the Offering | <p>Maximum number of Depository Receipts available for issue On the date of this Prospectus, 60,000,000 Shares are available for issue to the Issuer, with an aggregate nominal value of EUR 600. As one Depository Receipt is issued for one Share, the maximum number of Depository Receipts that could be issued on this date is also 60,000,000. The Depository Receipts and underlying Shares will be issued continually, under exclusion of the pre-emptive rights of Depository Receipt Holders.</p> <p>Issue price Etergo has set the initial Issue Price of the Depository Receipts at EUR 0.33 per Depository Receipt. The board of the Issuer maintains the right to change the Issue Price at any time based on current results, demand for Depository Receipts and/or significant changes in the valuation of Etergo due to specific developments.</p> <p>Allocation to the subscribers The Issuer shall verify by means of an automated electronic procedure, whether the name as filled out in the subscription form matches the name in which the bank account from which the subscription amount was received by the Company is registered. If there is no match, the subscriber shall be invited for a second identification procedure. The board of the Issuer shall at all times be authorised, at its sole discretion and without any obligation to give reasons, to refuse subscriptions regardless of the outcome of the identification procedures.</p> <p>The issue of Depository Receipts to investors shall take place in electronic form. A subscriber shall be deemed to have acquired the Depository Receipts he subscribed for if he successfully completed the identification procedure(s) and has not received a notification that his subscription has been refused by the board of the Issuer in accordance with the Trust Conditions.</p> <p>Depository Receipt Holders Register The Depository Receipts are registered in the Depository Receipt Holders Register, a register in electronic form, maintained by the board of the Issuer.</p> <p>Repayments Any excess funds which the Company has received in relation to a limitation or exclusion of allocation will be repaid to the bank account from which these funds were received. Repayments will not include interest.</p> <p>Intentions to subscribe So far as Etergo and the Issuer are aware, no members of the administrative or management bodies or major shareholders intend to subscribe in the Offering.</p> |

| | | |
|------------|---|---|
| | | <p>Acquisition of Depository Receipts Depository Receipts can be purchased on the Etergo Website. The subscription for Depository Receipts by investors shall take place by the completion of a subscription procedure accessible through the Etergo Website.</p> |
| E.4 | Interests material to the Offering (including conflicts of interests) | Both board members of Etergo and the Issuer and nearly all personnel of Etergo have an interest material to the Offering on the basis of their ownership of Shares of Etergo. Shareholder Seedrs Nominees Limited and warrant holder LeapFunder might have a potential conflict of interest as they offer similar services as the Issuer. In previous crowdfunding rounds friends and family, as well as people also somehow related to companies that are competitors of Etergo, have been allowed to invest in Etergo, which could give rise to a conflict of interest. |
| E.5 | Person or entity offering to sell the Etergo Depository Receipts | The offering entity is Stichting Administratiekantoor Etergo II. |
| E.6 | Dilution | The Depository Receipts and underlying Shares will be issued continually, under exclusion of the pre-emptive rights of the existing Depository Receipt Holders. The existing holdings of the Depository Receipt Holders will be diluted proportionate to the amount of the new Depository Receipts issued. In the event of issues up to the maximum issue, the immediate aggregate dilution based on 60,000,000 new Shares issued will be 30.171%. |
| E.7 | Estimated expenses charged to the investors by Etergo, Stichting Administratiekantoor Etergo II | Not applicable. No expenses will be charged to the investors by Etergo or, in respect of the Offering, by Stichting Administratiekantoor Etergo II. |

2. RISK FACTORS

Before investing in the Depository Receipts, prospective investors should consider carefully the following risks and uncertainties in addition to the other information presented in this Prospectus. The Issuer believes that the following risk factors are specific to the industry in which Etergo operates, to Etergo or to Etergo's business, as well as to the Depository Receipts. If any of the following risks actually occurs, Etergo's business, results of operations or financial condition could be materially adversely affected. In that event, the value of the Depository Receipts could decline, and an investor might lose part or all of the investor's investment. In addition, prospective investors should realise that in the event two or more risks and/or uncertainties materialise simultaneously or accumulate, Etergo's business, results of operations or financial condition could be even more adversely affected and the value of the Depository Receipts could further decline. Although the Issuer believes that the risks and uncertainties described below are Etergo's material risks and uncertainties, they are not the only ones Etergo faces. Additional risks and uncertainties not presently known to the Issuer or that the Issuer currently does not deem material may also have a material adverse effect on Etergo's business, results of operations or financial condition and could negatively affect the price of the Depository Receipts.

Prospective investors should read the detailed information set out elsewhere in this Prospectus and should reach their own views before making an investment decision with respect to any Depository Receipts. Furthermore, before making an investment decision with respect to any Depository Receipts, prospective investors should consult their own stockbroker, bank manager, lawyer, auditor or other financial, legal and tax advisers and carefully review the risks associated with an investment in the Depository Receipts and consider such an investment decision in light of the prospective investor's personal circumstances.

2.1 Risks relating to Etergo and the industry in which it operates in general

A downturn in the markets in which Etergo operates (as well as other markets around the world) could adversely affect Etergo's business

Sales of electric scooters are likely to benefit from positive economic conditions and could be slower in times of financial/economic slowdown or crisis. Electric scooters are a considerable investment and buyers have to be able and willing to make such an investment. Fewer (potential) buyers will be able to make this investment if economic conditions are bad. If this risk materializes, Etergo might suffer from it by decreased sales volumes and therefore decreased profits or losses. Which in turn might result in the business no longer having enough cash to be able to operate.

Etergo is active in a market in development

The market for electric scooters is still in early stages of development. The development of electric scooters is dependent on future battery improvements. With current battery technology and battery costs, it is challenging to address the lower segments of the market. In order to address the lower segments of the market, ideally, the battery cost should come down. The latter might be achieved by economies of scale and technology improvements, but could also be negatively influenced by scarcity of any elements in the supply chain of batteries and increasing demand in the market. An important part of the return on investment is based on the ability of Etergo and its new and existing competitors to implement new battery technology into the product. Looking this far into the future makes the business case uncertain and poses a significant risk to investors. If the risk materializes and it would take longer than expected for Etergo to implement new battery technologies, it can only address a smaller segment of the market, which might lead to decreased sales volumes and therefore lower profits and return on investments.

Technological limitations of electric vehicles

Electric vehicles have different properties than petrol vehicles that many people are used to. The most important differences are the way energy is stored and chemical energy is transformed into mechanical energy. Like most current electric vehicles, AppScooter stores energy in a lithium-ion battery. Current lithium-ion batteries have a limited operating temperature range. The result of this limited operating temperature range is that current electric vehicles have less range and/or reduced performance in very cold or very hot climates or areas with long stretches of steep inclination. With the current technologies, AppScooter is not able to resolve all of these shortcomings. This affects most vehicles using lithium-ion batteries and is not specific to AppScooter. The risk is that competitors may be able to significantly improve on this average performance by certain patented (or otherwise protected) technology improvements on e.g. cell chemistry, cell integration or cooling/heating solutions without significant additional costs, can negatively affect sales of AppScooter and the return on investment.

However, if alternative battery cell chemistry technologies come up that are generally available and significantly improve the performance of battery packs, Etergo might be able to switch to this new chemistry, as long as the physical form-factor and basic properties (such as heat generation) remain close to what they are currently. However, this would cost time, would result in extra development costs and likely negatively influence sales in the short term. There are many companies and institutions working on new types of cell chemistries, but as far as Etergo is aware, there have not been any new technologies that are mature enough and have significant performance improvements for a similar or lower price.

If alternative energy storage systems (for example, hydrogen or supercapacitors) win over lithium-ion technology, a significant change of the electric storage system of AppScooter may be necessary to keep up with competition.

However, currently, hydrogen systems are more complex and expensive, there is less infrastructure and the overall system efficiency is lower than for electric drivetrains. Supercapacitors are very well suited for high-power applications but are currently not as good as batteries in storing energy.

The concept of AppScooter is currently tied to (lithium-ion) batteries, as the product is designed for this technology. In case alternative technologies should win, and Etergo products have to be adapted to that, Etergo should redo part of its engineering, which will cost time and money to make this switch. Until the switch has been completed, this process will probably also have a negative impact on the sales volume and the return on investment will be negatively affected. However, lithium-ion is currently the most used technology for new electric scooters and seems to be the least risky choice for this application at this time.

Market size of vehicle class dependent on legislation

Regulations vary from country to country and there are different classes of vehicles. Sales volume, and thereby the return on investment, are sensitive to changes to these regulations. AppScooter is classified as a moped (L1) or motorcycle (L3) in case of the high power version). In the Netherlands, mopeds (L1) with a regulatory speed limit of 25 km/h are popular because in certain areas they are allowed to use bicycle lanes which enables mopeds to avoid car traffic jams. It is a risk that the popularity of the 25 km/h version drops if legislation were passed which bans mopeds from bicycle lanes and enforces them to wear a helmet. This is proposed by the Amsterdam Municipality, and is currently open for criticism from the general public. However, it is expected that the Municipality of Amsterdam will execute on this proposal.¹ The ban would affect all types of mopeds, including electric mopeds. Other differences between vehicle classes may exist, or be introduced, on a local or national level, both in the Netherlands and in other countries. Changes to legislation may negatively affect sales of vehicles affected by this legislation, including AppScooter, and this may have a negative impact on the return on investment.

Scooters banned from certain cities or parts of cities

In some cities the government may choose to ban motorized two-wheelers instead of, for example, improving traffic rules and strictly enforcing them. For example, in some cities in China, motorized two-wheelers of all types, including electric, have been banned from the city or parts of it. The reasons for this include amongst others: poor driving behaviour, drivers ignoring traffic rules and driving on sidewalks without regard for pedestrians. Currently, the

¹ Up-to-date information can be found at <http://www.amsterdam.nl/scooter>.

Issuer is not aware of any plans from cities of its initial target market, but when this occurs in a number of large cities it will likely have a negative impact on sales figures and thereby on the return on investment.

Possible introduction of regulation for noise generation

Electric vehicles are typically a lot more silent than the petrol vehicles that people are used to. The effect is that pedestrians are not always aware of an approaching electric vehicle. It is a risk that legislation is passed in the future that requires electric vehicles (including 2-wheelers) to produce some sound to warn the surrounding traffic. Currently, the proposed legislation (which can be found in ECE R136) has a scope limited to category M and N vehicles (“passenger cars” and “vans”), and there’s no indication that it will be extended towards category L vehicles (“2-wheelers”). However, if it would be extended to category L vehicles, AppScooter can be equipped with a drive sound generator, but this may have a negative impact on time to market, cost-price, revenue and thereby on the return on investment.

Etergo may be unsuccessful in efforts to expand the international reach of its product

Etergo's plans include commencing the sale of the AppScooter in the Europe and Asia region. This will require significant investments in its production facilities and in distribution networks in these markets. In addition, Etergo requires certain economies of scale to become profitable. It is expected that this requires an annual sales volume of between 5.000 – 15.000 units per year. To sell these volumes, European expansion is required (and will be partially funded by the proceeds from this round). If Etergo is unable to introduce a scooter that appeals to consumers in these European and/or Asian markets, Etergo may be unable to earn a sufficient return on these investments and this could have a material adverse effect on its financial condition and results of operations.

Product recalls and warranty obligations may result in direct costs, and loss of scooter sales could have material adverse effects on Etergo's business

Etergo may at some moment face recall activity to address performance, compliance or safety-related issues. The costs Etergo may incur to recall scooter typically include the cost of replacement parts and labor to remove and replace parts. However, the cost substantially depend on the nature of the remedy and the number of scooters affected, and may arise years after a scooter's sale. Product recalls may also harm Etergo's reputation and may cause consumers to question the safety or reliability of its products.

Any costs incurred, or lost scooter sales, resulting from product recalls could materially adversely affect Etergo's financial condition and results of operations. Moreover, if Etergo faces consumer complaints, or receives information from vehicle rating services that calls into question the safety or reliability of one of the AppScooters and Etergo does not issue a recall, or if it does not do so on a timely basis, Etergo's reputation may also be harmed and may lose

future scooter sales. In addition, Etergo may be subjected to (financial) claims from customers to accommodate for any damage that Etergo's products may have caused. Etergo is also obliged under the terms of its warranty agreements to make repairs or replace parts in its vehicles at its own expense for a specified period of time. Therefore, any failure rate that exceeds Etergo's assumptions may result in unanticipated losses.

Financial results may vary significantly from period-to-period due to the seasonality of Etergo's business and fluctuations in operating costs

The operating results of Etergo may vary significantly from period-to-period due to many factors, including seasonal factors that may have an effect on the demand for electric scooters. Etergo expects sales of the AppScooter to fluctuate on a seasonal basis with increased sales during the spring and summer months. However, Etergo's limited operating history makes it difficult to judge the exact nature or extent of the seasonality of its business. Also, any unusually severe weather conditions in some markets may impact demand for the AppScooter. Etergo's operating results could also suffer if it does not achieve revenue consistent with its expectations for this seasonal demand because many of Etergo's expenses are based on anticipated levels of annual revenue.

Etergo also expects its period-to-period operating results to vary based on its operating costs which it anticipates will increase significantly in future periods as Etergo, among other things, manufacture its products, incurs costs for warranty repairs or product recalls, if any, increases its sales and marketing activities, and increases its general and administrative functions to support its growing operations.

Etergo is sensitive to public opinion on electric vehicles

Electric vehicles are increasing in popularity and the business model assumes a continuation of this trend. In case that public opinion of electric vehicles should change for the worse, marketing and sales costs per vehicle will increase and/or revenue may be adversely affected.

Etergo is dependent on its reputation for financing

As Etergo is dependent on investors for new capital, damage to Etergo's reputation could affect future capital inflow and could therefore affect Etergo's ability to finance commitments and/or new projects for development. Factors that may have a negative impact on the reputation of Etergo are:

- (a) Disappointing or negative reviews of the AppScooter on the internet.
- (b) Persistent malfunction of AppScooter.
- (c) Slow delivery of the AppScooter.
- (d) Poor business performance resulting in a decreasing price per Depository Receipt.

It should be noted that this list does not encompass all possible events that could have a negative impact on the reputation of Etergo.

Any changes to marketing strategy tools and related terms of services could rank Etergo's website lower in search results and require raising marketing expenses

Etergo relies to a large extent on online marketing tools, including search engine advertising, social media advertising and search engine optimisation, to market its Appscooter. Etergo's current and future marketing strategy is to market and sell mainly online. Paid advertising on social media is a key element in this strategy, as well as search engine advertising and search engine optimisation. Currently, the majority of the leads and customers are found through the aforementioned sources. Any changes to the algorithms of these online marketing tools and services or terms of services could increase the cost of lead generation and/or exclude Etergo's websites from, or rank them lower in search results. This might raise marketing expenses dramatically, which would have a material adverse effect on Etergo's business, financial condition and results of operations.

Etergo may not be able to adequately protect its intellectual property rights

Etergo developed and anticipates that it will continue to develop patents and trademarks that might be of key importance to the successful functioning of its business. Currently, Etergo is in the process of an international patent application (publication number: WO 2018/056819 A1). This patent contains several inventions, including inventions related to:

- Active Safety
- Buttons and touchscreen
- Electric motor placement and cooling
- Baseplate for load introductions, cooling and locking
- The monocoque frame
- Battery position & removability
- Rear wheel locks

In addition, Etergo has a trademark on the "AppScooter" brand and is in the process of acquiring a trademark for the "Etergo" brand. More information on this can be found in paragraph 7.7.

Etergo might not be able to obtain effective intellectual property protection in every country in which it is active or in which such protection is relevant, and Etergo's efforts to protect its intellectual property could require the expenditure of significant financial, managerial and operational resources. Any of Etergo's intellectual property rights could be challenged or

invalidated through administrative processes or litigation, and Etergo cannot be certain that others will not independently develop or otherwise acquire equivalent or superior technology or intellectual property rights.

Etergo might be required to spend significant resources to monitor and protect its intellectual property rights. Etergo may not be able to discover or determine the extent of any infringement, misappropriation or other violation of its intellectual property rights and other proprietary rights. Etergo may initiate claims or litigation against others for infringement, misappropriation or violation of its intellectual property rights or proprietary rights or to establish the validity of such rights. Despite its efforts, Etergo may be unable to prevent third parties from infringing upon, misappropriating or otherwise violating its intellectual property rights and other proprietary rights. Any litigation, whether or not it is resolved in Etergo's favor, could result in significant expense to Etergo and divert the efforts of its technical and management personnel. The occurrence of any of such risks, individually or in the aggregate, could have a material adverse effect on Etergo's business, financial condition and results of operations.

Third parties might accuse Etergo of infringing their intellectual property rights

Companies, organizations or individuals, including our competitors, may hold or obtain patents, trademarks or other proprietary rights that would prevent, limit or interfere with Etergo's ability to make, use, develop or sell our vehicles or components, which could make it more difficult for us to operate our business. In addition, if we are determined to have infringed upon a third party's intellectual property rights, we may be required to cease selling, incorporating or using vehicles that incorporate the challenged intellectual property, pay substantial damages, obtain the relevant license or redesign our vehicles. Any litigation or claims could result in substantial costs which could have impact on the Company's profits and therefore result in decreased return on investments.

Market growth of electric vehicles influenced by legislation

Electric vehicles make up a small but growing part of the total market for vehicles. The business model assumes that Etergo can obtain a share of this growth. The growth is partially caused by local, regional and national legislation being put into place, banning existing petrol vehicles and creating incentives for replacing these by electric vehicles. For example, but not limited to:

- Amsterdam banning a selection of petrol scooters based on engine type and build year.²

² For up-to-date information, see: <https://www.amsterdam.nl/veelgevraagd/?productid=%7BB9B8F66D-0366-4082-A871-D3FBB789BC25%7D>.

- London to introduce an Ultra-Low-Emission-Zone in 2020, requiring every Euro3 scooter to pay a fee to enter.³
- Paris is banning scooters built before 2000 in some parts of the city.⁴

Other, general bans, that are announced:

| Country/Territory | Ban announced | Ban commences | Scope | Selectivity |
|-------------------|---------------|--------------------|--------------------------------|---------------------|
| United Kingdom | 2017 | 2040 | Gasoline and diesel | New vehicle sales |
| China | 2017 | in the near future | Gasoline and diesel | Production |
| China | 2017 | 2018 | Gasoline and diesel | 533 specific models |
| France | 2017 | 2040 | Gasoline and diesel | New vehicle sales |
| Germany | - | 2030 | Combustion engine | New vehicle sales |
| India | 2017 | 2030 | Gasoline and diesel | New vehicle sales |
| Ireland | 2018 | 2030 | Gasoline and diesel | New vehicle sales |
| Israel | 2018 | 2030 | Gasoline and diesel | New vehicle sales |
| Netherlands | 2017 | 2030 | All vehicles not emission free | New vehicle sales |
| Norway | 2016 | 2025 | Gasoline and diesel | New vehicle sales |
| Taiwan | 2018 | 2040 | Non-electric | New vehicle sales |
| Athens | 2016 | 2025 | Diesel | All vehicles |
| Brussels | 2018 | 2030 | Diesel | All vehicles |
| Madrid | 2016 | 2025 | Diesel | All vehicles |
| Mexico City | 2016 | 2025 | Diesel | All vehicles |
| Paris | 2016 | 2025 | Diesel | All vehicles |
| Rome | 2018 | 2024 | Diesel | All vehicles |
| Scotland | 2017 | 2032 | Gasoline or diesel | New vehicle sales |

This makes it difficult to make accurate predictions of sales figures and revenue and return on investment may be positively or negatively affected.

Etergo may be exposed to fiscal risk

³ For up-to-date information, see: <https://tfl.gov.uk/modes/driving/ultra-low-emission-zone/complying-with-ulez>.

⁴ For up-to-date information, see: https://www.paris.fr/stoppollution#le-plan-qualite-de-l-air-les-interdictions-de-circuler-les-derogations_15.

Etergo's tax liability may increase if tax laws and regulations change or become subject to adverse interpretations or inconsistent enforcement or may be greater than currently anticipated or change. Tax laws and regulations applicable to Etergo may be subject to change, varying interpretations and inconsistent enforcement which could have a material adverse effect on Etergo's profit and financial condition. Etergo currently receives a fiscal subsidy relating to research and development (WBSO). Given the nature of the work Etergo is doing and is expected to be doing in the next years, it is expected that it will keep having these WBSO benefits. In addition to WBSO, the Company also receives a tax subsidy in the form of "30% ruling" (for highly skilled migrants) and investments tax relief (*investeringsaftrek*) However, in the event that Etergo will no longer receive this subsidy, this could also have an adverse effect on Etergo's profit and financial condition.

2.2 **Risks relating to the business and circumstances of Etergo**

Etergo is active in a limited number of sectors

Etergo's success depends completely on the development of the AppScooter. The electronic scooter market is in very early stages of development. Etergo is not active in other sectors and therefore Etergo cannot fall back on activities in other sectors if it is not successful with its AppScooter operations.

Etergo depends heavily on the future success of the AppScooter and has no track record

Etergo has no track record and is planning to grow quickly in a short period of time. For this, Etergo has invested a significant portion of its efforts and financial resources in the development of its AppScooter. The growth of Etergo requires it to raise significant amounts of capital which could prove difficult because of the lack of a track record.

Etergo's products are stil under development and the Company is therefore exposed to technical and development risks.

At the date of this Prospectus, Etergo is still working on the development of AppScooter, and therefore there is the risk it will spend more time and money than initially expected. The Company will try to validate the design and most likely these tests will uncover technical issues that need to be solved before Etergo can take its products to market. Another risk is that the validation will likely not show all the variants of failures that could be found in the field.

Solving these technical difficulties may take more time to resolve than planned. This can result in stretched timeline to get to market and more money. If it takes longer for Etergo to get to market, it might also miss out on market opportunities.

Etergo is exposed to the risk of a loss of Etergo's management team and key employees

Etergo relies on a relatively small management team. Losing the services of one or more members of the management team could adversely affect Etergo. The implementation and execution of Etergo's strategic plans depend in part on the continued availability of key qualified personnel, throughout Etergo. No assurance can be given that Etergo will be successful in the future in attracting and retaining, on acceptable terms, such personnel.

Etergo depends on suppliers

Etergo's business depends heavily on a number of suppliers. The most critical suppliers (based on the difficulty, time and cost impact of finding alternatives currently) Etergo is dependent on, are suppliers in the categories of: battery cells, battery management system, motor, brake system, frame, power electronics, smart electronics and the light system. For the aforementioned parts, Etergo observes a concentration risk. Consequently, Etergo is exposed to the possibility that suppliers do not want to, or are not able to deliver due to difficulties, including those of a financial nature, experienced by those suppliers (whether caused by internal or external factors) could have a material adverse effect on Etergo's financial condition and results of operations

Risk of changes to cross-border trade conditions

Raw materials originate from, and production of parts of AppScooter happen in different parts of the world, including Europe, the United States of America and Asia. The Company does not see a material risk in the current Brexit situation and tariff wars between the United States and several other countries. In the event of changes affecting cross-border trade such as changes to trade regulations, to customs duties, changes to international shipping rates or changes to trade restrictions, it may be required to replace certain parts of AppScooter by alternatives from a different origin and/or cost price may increase. This may have a negative impact on the return on investment.

Etergo's business depends on raw materials

Etergo's production cost highly depends on raw material prices and the availability of these materials. In case these prices increase or Etergo might not be able to produce its products if the raw materials are not available, this may have a material negative impact on Etergo's financial condition and the return on investment.

Etergo depends on third parties for outsourcing parts of the development

Etergo relies on a number of third parties for the development of its product(s). For the majority of (AppScooter) components or software packages, suppliers are involved with the development and/or development has been partly or fully outsourced to a supplier or development company. In case a supplier goes bankrupt, experiences delays or has any other reason for not continuing or delaying its activities for Etergo, it can result in delayed timelines

and increased cost for Etergo to bring AppScooter to market, since new suppliers have to be found. For some development trajectories, finding a new supplier can be challenging because of scarcity of this type of supplier, knowledge that is hard to transfer, or other reasons. This is especially the case and forms a specific risk for the following development trajectories:

- Motor development
- Frame development
- Lighting development
- Battery development
- Electronics development

Every delay in going to market can increase the market risk as well, for example since competitors can enter the market and/or consumer preferences can change.

This risk could have a material adverse effect on Etergo's financial condition, return on investment and results of operations.

2.3 **Risks relating to the Depositary Receipts and the Offering**

Bart Jacobsz Rosier and Marijn Flipse are board members of the Issuer and Etergo

Bart Jacobsz Rosier and Marijn Flipse are the members of the board of the Issuer and via M.L. Flipse Holding B.V. and Rosier Holding B.V. the members of the board of Etergo, which might result in a conflict of interests. There is a risk that the interests of Etergo will not always be aligned with the interests of the Issuer and/or the Depositary Receipt Holders.

In the event that the Depositary Receipt Holders are of the opinion that the board of the Issuer does not sufficiently take into account the interests and affairs of the Depositary Receipt Holders in accordance with Article 11 of the Trust Conditions, the possibilities of the Depositary Receipt Holders will be limited. A Meeting of Depositary Receipt Holders can be convened as soon as a number of Depositary Receipt Holders entitled to cast not less than one fifth of the votes at the Meeting of Depositary Receipt Holders requests the board of the Issuer in writing to do so. A number of Depositary Receipt Holders entitled to cast not less than one fourth of the votes at the Meeting of Depositary Receipt Holders, can appoint one additional member of the board of the Issuer. Alternatively, the Depositary Receipt Holders could initiate court proceeding if they are of the opinion that the board of the Issuer does not sufficiently take into account their interests.

Etergo may not pay any dividends in the future

Given the high level of investment planned by Etergo, it is not expected that any dividends will be paid by Etergo for the year ended 31 December 2018 or in the medium term. Cash

generation will in the medium term most likely be used to fund growth opportunities, meaning either entering new markets Etergo, increasing market-share in current markets by increasing marketing activities and/or developing and introducing new products. Etergo has the ambition to produce the AppScooter and commence the sale of the AppScooter in the European and possibly in the Asian region. Etergo will allocate profits for the expansion and growth of its business. In any event, there is no obligation for Etergo to pay any dividends; the payment of dividends is the absolute and sole discretion of the General Meeting at all times. The payment of dividends is further subject to statutory, regulatory, legal and financial requirements and restrictions.

No market exists for the Depositary Receipts

The transfer of the Depositary Receipts is subject to restrictions as the Depositary Receipt Holder who wishes to transfer one or more Depositary Receipts shall require the approval of the board of the Issuer for the transfer to be valid. The transfer of Depositary Receipts shall require a notarial deed intended for that that purpose, executed before a civil law notary practising in the Netherlands, the parties to which deed shall be the transferor, the transferee and the Issuer. The Depositary Receipts are not listed on a securities exchange nor does a similar public market for Depositary Receipts exist. Investors may therefore not be able to sell or otherwise dispose of their Depositary Receipts and/or to sell their Depositary Receipts for the price paid for them.

3. IMPORTANT INFORMATION

3.1 Responsibility

Etergo, having its registered seat in Amsterdam, the Netherlands, accepts responsibility for the information contained in this Prospectus. In addition, the Issuer, having its registered seat in Amsterdam, accepts responsibility for the information contained in the paragraph 4.1 'Use of the proceeds', chapter 9 'Description of the Issuer and the Depository Receipts' and chapter 11 'The Offering'. Each of the Issuer and Etergo declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus for which it is responsible is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

No person is or has been authorised to give any information or to make any representation in connection with the Offering or sale of the Depository Receipts, other than as contained in this Prospectus, and, if given or made, any other information or representation must not be relied upon as having been authorised by the Issuer or Etergo.

Neither the delivery of this Prospectus nor the Offering, sale or delivery of any Depository Receipts shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the issue of the Depository Receipts is correct as of any time subsequent to the date indicated in the document containing the same. Investors should review, inter alia, the most recent financial statements of Etergo when deciding whether or not to purchase any Depository Receipts.

Neither this Prospectus nor any other information supplied in connection with the issue of the Depository Receipts should be considered as a recommendation by the Issuer that any recipient of this Prospectus or any other information supplied in connection with the issue of the Depository Receipts should purchase any Depository Receipts. Each investor contemplating purchasing any Depository Receipts should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and Etergo. Neither this Prospectus nor any other information supplied in connection with the issue of the Depository Receipts constitutes an offer or invitation by or on behalf of the Issuer to any person to subscribe for or to purchase any Depository Receipts in jurisdictions where it is unlawful to make such offer or invitation.

This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference, see paragraph 3.6 'Availability of Documents'. This Prospectus shall be read and construed on the basis that such documents are incorporated in and form part of this Prospectus.

3.2 **Presentation of financial and other information**

The financial statements of Etergo for the years 2014/2015, 2016 and 2017, as well as the half year financial statements until June 30 2018, were prepared in accordance with accounting principles generally accepted in the Netherlands as applied by Etergo (Dutch GAAP). The financial statements for the years 2014/2015, 2016 and 2017 have been audited by Ruitenburg adviseurs & accountants. The half year financial statements until June 30 2018 have not been audited. In making an investment decision, investors should rely upon their own examination of Etergo, the terms of the Offering and the financial information provided herein.

3.3 **Forward-looking statements**

This Prospectus contains unaudited forward-looking statements, including statements about the Issuer's and Etergo's beliefs, expectations, and targets. In particular the words "expect", "anticipate", "estimate", "may", "should", "believe", "intend", "plan", "aim", "could", "will", "potential", and similar expressions are intended to identify forward-looking statements. Forward-looking statements involve inherent risks and uncertainties and speak only as of the date they are made. Etergo and the Issuer undertake no duty to and will not necessarily update any of them in light of new information or future events, except to the extent required by applicable law. The Issuer and Etergo caution investors that a number of important factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements. These factors are described in chapter 2 'Risk Factors'.

3.4 **Restrictions**

The distribution of this Prospectus and the Offering of the Depository Receipts in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer to inform themselves about and to observe any such restrictions. This Prospectus does not constitute, and may not be used for purposes of, an offer, invitation or solicitation by anyone in any jurisdiction or in any circumstances in which such offer, invitation or solicitation is not authorised or to any person to whom it is unlawful to make such offer, invitation or solicitation.

The Depository Receipts have not been and will not be registered under the U.S. Securities Act of 1933, as amended from time to time (the **Securities Act**). Subject to certain exceptions, Depository Receipts may not be offered, sold or delivered within the United States or to U.S. persons. For a further description of certain restrictions on offers and sales of Depository Receipts and on distribution of this Prospectus, see chapter 12 'Selling and transfer restrictions'.

3.5 **Miscellaneous**

All references in this Prospectus to ‘euro’, ‘EUR’ or ‘€’ are to the currency introduced at the start of the third stage of the Economic and Monetary Union, pursuant to the Treaty establishing the European Economic Community, as amended by the Treaty on the EU.

3.6 **Availability of Documents**

Copies of the Prospectus (including all documents incorporated by reference into the Prospectus) are available on www.etergo.com/prospectus. In addition, copies of these documents will be available free of charge at the Company’s offices during normal business hours from the date of this Prospectus until at least end of the Offering.

The following documents, which have previously been published or are published simultaneously with this Prospectus and will be filed with the AFM, shall be deemed to be incorporated in, and to form part of, this Prospectus:

- (a) the articles of association of the Issuer;
- (b) the articles of association of Etergo;
- (c) the Trust Conditions; and
- (d) the audited annual accounts stated in the annual reports for the financial years ended 31 December 2014, 2015, 2016 and 2017 including the auditor's reports in respect of such financial statements, of Etergo.
- (e) The half year, non-audited financial figures for 30-06-2017 and 30-06-2018

This Prospectus shall be read and construed on the basis that such documents are incorporated in and form part of this Prospectus. Copies of the Prospectus (including all documents incorporated by reference into the Prospectus) are available on the Etergo Website, www.etergo.com.

3.7 **Information sourced from third parties**

Any information that has been sourced from a third party, has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

4. REASONS FOR THE OFFERING AND USE OF PROCEEDS

4.1 Use of the proceeds

Etergo intends to use the majority of the net proceeds from the Offering to progress towards: taking AppScooter into production, enter the market and set up a distribution and service network as well as aftersales and new product development. For this, the Company has estimated that it requires a total of EUR 9 million in the ideal case (EUR 5 million is estimated to be the minimum required). The Company expects to spend the proceeds roughly as follows:

- (a) For non-recurrent engineering and tooling for assembly and manufacturing, the Company estimates an investment of EUR 4 million is required;
- (b) An estimated EUR 2.7 million is needed for marketing and sales of the vehicles that are to be produced; and
- (c) An estimated EUR 2 million is needed to set up the distribution and service network, after sales and accessory line-up.

Etergo may also use up to a maximum of EUR 1,000,000 of the net proceeds from the Offering to redeem Shares from the founders and members of the board of Etergo and the Issuer, Bart Jacobsz Rosier and Marijn Flipse. Approval of the General Meeting is required for the redemption of Shares above EUR 300,000. Reference is made to paragraph 8.7 for further information on the redemption of Shares from the founders.

The redemption of the founder's shares will take place at the price that is applicable in the Offering at the moment of selling. For example, if the redemption takes place at a moment where the price of the Offering shares is EUR 0.33, the redeemed shares will also be bought for this price.

The redemption of shares does not have a specific priority over other purposes and will only be executed when, according to the articles of association of the Issuer, there are sufficient financial reserves within the Company as defined by the Dutch law.

Furthermore, Etergo may use a portion of the net proceeds from this Offering for working capital and other purposes. The proceeds may also be used for the acquisition of other companies or resolving debts (other than in the ordinary course of business, such as the lease of IT equipment, 3D printers, etcetera) in case the board of Etergo deems this necessary.

In case less than the desired sum is raised, Etergo has several scenarios available. The minimum funds required to enter into series production are estimated to be EUR 5 million. To lower the investment requirements, Etergo estimates it might be able to lower cost in the following areas. The production ramp-up and marketing and sales activities can be scaled down, which might lower the costs in some (but not all) areas. For example, to lower the

investment needs from EUR 9 million to EUR 5 million, it might be an option to use less ideal moulds in the beginning (these moulds tend to depreciate faster, have a higher product handling cost and thus might result in reduced net profits), and it might be an option to cut offline marketing expenses (and focus more on online marketing activities). However, the Company has not been able to validate all of these options, which are subject to many assumptions, as to be a viable solution in all cases and they should be perceived as potential ways of cutting costs.

In case we would not be able to raise at least EUR 5 million by the proposed investment round, Etergo sees potential possibilities for alternative sources of financing, which it could start to exploit in the future:

- (a) contract manufacturer or a bank provides working capital (estimated financing amount: EUR 100,000 - EUR 2 million);
- (b) financial leasing of Capex (estimated financing amount: EUR 50,000 - EUR 500,000);
- (c) raising capital from existing and new investors, including large informal investors, VCs and strategic investors (estimated financing amount: EUR 2.5 million - EUR 50 million);
- (d) raising capital from a larger group of smaller investors by launching another online crowdfund of securities, and/or to launch the current/new investment round in countries outside the EU. (estimated financing amount: EUR 1 million - EUR 5 million);
- (e) prepayments by business-to-business customers (estimated financing amount: EUR 50,000 - EUR 5 million); and
- (f) prepayments by business-to-consumer customers (estimated financing amount: EUR 50,000 - EUR 5 million).

In case the Company would raise more than the desired sum of EUR 9 million, the Company will invest more funds in engineering capacity to speed up new product developments, as well as in marketing & sales and production capacity. The additional funds for marketing & sales might, for example, go into: more (online) advertising, launching AppScooter in more areas (cities), opening more concept stores and hiring a bigger inside sales team than initially planned. This might result in more sales and therefore the Company has to invest more in production capacity in to ensure a timely delivery to our customers.

4.2 **Costs of issuing Depositary Receipts and expected total net proceeds**

The estimated total costs of the Offering are EUR 158,500, of which EUR 101,000 for this Prospectus and translations, EUR 20,000 for settings up the Issuer and registering all investors in the Issuer, EUR 15,000 for accountant costs, and EUR 22,500 AFM cost. The total amount

of the proceeds depends on the number of Depository Receipts sold. The total net proceeds will be EUR 8,841,500, if the sum of EUR 9,000,000 is raised.

5. SELECTED HISTORICAL FINANCIAL AND OPERATIONAL INFORMATION

5.1 Summary Profit and Loss and balance statement

| | 30-06-2018 (UNAUDITED) | 30-06-2017 (UNAUDITED) | 2017 | 2016 | 2014/2015 ⁵ |
|--------------------------------------|---------------------------|---------------------------|----------------------|--------------------|------------------------|
| 1. Intangible fixed Assets | EUR 1,752,286 | EUR 673,411 | EUR 935,456 | EUR 477,234 | EUR 112,718 |
| 2. Tangible fixed Assets | EUR 152,369 | EUR 30,748 | EUR 81,484 | EUR 29,747 | EUR 2,895 |
| 3. Current Assets | EUR 319,126 | EUR 85,356 | EUR 3,139,886 | EUR 54,723 | EUR 22,974 |
| 4. Cash/cash equivalents | EUR 2,448,465 | EUR 1,347,956 | EUR 487,970 | EUR 201,741 | EUR 145,203 |
| Total Assets | EUR 4,672,246 | EUR 2,137,471 | EUR 4,644,796 | EUR 763,445 | EUR 283,790 |
| 5. Shareholders' equity | EUR 3,031,731 | EUR 2,039,792 | EUR 4,300,545 | (EUR 556,800) | (EUR 104,506) |
| 6. Long-term debt | EUR 1,251,852 | EUR 15,430 | EUR 33,301 | EUR 16,599 | EUR 294,500 |
| 7. Current liabilities | EUR 388,663 | EUR 82,249 | EUR 310,950 | EUR 1,303,646 | EUR 93,796 |
| Tot. Equity & Liabilities | EUR 4,672,246 | EUR 2,137,471 | EUR 4,644,796 | EUR 763,445 | EUR 283,790 |

⁵ Etergo B.V. is incorporated at December 1, 2014. The first financial year of the company was an extended bookyear and runs from December 1, 2014 up until December 31, 2015.

| Profit and loss account | 30-06-2018 (UNAUDITED) | 30-06-2017 (UNAUDITED) | 2017 | 2016 | 2014/2015 |
|---|-----------------------------------|-----------------------------------|------------------------|----------------------|----------------------|
| Revenue | EUR 0 | EUR 0 | EUR 0 | EUR 0 | EUR 0 |
| Wages and salaries | EUR 570,935 | EUR 89,927 | EUR 296,043 | EUR 120,034 | EUR 17,235 |
| Social security premiums | EUR 130,328 | EUR 18,134 | EUR 40,594 | EUR 7,752 | EUR 1,968 |
| Pension costs | EUR 81,570 | EUR 20,178 | EUR 57,591 | EUR 17,552 | EUR 0 |
| Other staff costs in payroll | EUR 24,219 | EUR 4,063 | EUR 38,602 | EUR 2,440 | EUR 10,933 |
| Depreciation and amortization of intangible and tangible fixed assets | EUR 73,959 | EUR 32,028 | EUR 81,245 | EUR 37,897 | EUR 0 |
| Other staff costs | EUR 92,595 | EUR 41,144 | EUR 96,748 | EUR 10,159 | EUR 0 |
| Development costs | EUR 39,853 | EUR 6,356 | EUR 0 | EUR 0 | EUR 2,932 |
| Accommodation costs | EUR 68,186 | EUR 11,051 | EUR 55,027 | EUR 19,402 | EUR 1,503 |
| Office expenses | EUR 75,710 | EUR 19,465 | EUR 82,269 | EUR 60,841 | EUR 2,777 |
| Car expenses | EUR 5,452 | EUR 5,801 | EUR 9,211 | EUR 9,428 | EUR 737 |
| Selling expenses | EUR 29,086 | EUR 176,974 | EUR 372,817 | EUR 12,257 | EUR 68,683 |
| General expenses | EUR 52,894 | EUR 17,325 | EUR 89,625 | EUR 64,205 | EUR 23,999 |
| Total operating expenses | EUR 1,244,787 | EUR 442,446 | EUR 1,219,772 | EUR 361,967 | EUR 130,767 |
| Operating income | (EUR 1,244,787) | (EUR 442,446) | (EUR 1,219,772) | (EUR 361,967) | (EUR 130,767) |
| Financial income and expense | (EUR 24,037) | (EUR 36,728) | (EUR 30,755) | (EUR 90,402) | (EUR 4,664) |

| | | | | | |
|-----------------------------|------------------------|----------------------|------------------------|----------------------|----------------------|
| Loss before taxation | (EUR 1,268,824) | (EUR 479,174) | (EUR 1,250,527) | (EUR 452,369) | (EUR 135,431) |
| Income taxes | EUR 0 | EUR 0 | EUR 0 | EUR 0 | EUR 0 |
| Loss after taxation | (EUR 1,268,824) | (EUR 479,174) | (EUR 1,250,527) | (EUR 452,369) | (EUR 135,431) |

5.2 Historical Financial Information

The financial statements of Etergo for the years ended 31 December 2014/2015, 2016 and 2017 were audited by Ruitenburg adviseurs & accountants from The Hague. Etergo is not required to have an audit report included on the financial statements due to the fact that the Company meets the criteria for small sized company for the three aforementioned fiscal years. As a result of the intended new round of crowdfunding, audit reports are required for the last three fiscal years Ruitenburg adviseurs & accountants was asked to perform the audit regarding these years. This explains why the three audit opinions are dated 31 May 2018. The financial figures from 30-06-2017 and 30-06-2018 are not audited.

The financial statements have been prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code. Cashflow statements are not part of the financial statements as this is not required for the companies who meet the criteria of small sized companies. Please find the cash flow statement of Etergo in paragraph 6.4 of this Prospectus. The cash flow statements regarding fiscal year 2014/2015, 2016 and 2017 have been reviewed by Ruitenburg adviseurs & accountants and these are in accordance with the audited financial statements and the auditing standards applicable in the Netherlands.

5.3 Organisational structure

Etergo has no subsidiaries nor is part of a group. As a result of that there are no consolidated financial statements applicable.

5.4 Statutory Auditors

Auditors of Etergo:

Ruitenburg adviseurs & accountants
Drs. A.C. van den Burg RA
Oude Middenweg 75
2491 AC The Hague
The Netherlands

Ruitenburg adviseurs & accountants is a member of the NBA (*Nederlandse Beroepsorganisatie van Accountants*).

5.5 **Date of most recent financial statements**

The latest audited financial information relates to the fiscal year 2017. Etergo does not have financial interim reports that were published or audited.

6. OPERATING AND FINANCIAL REVIEW

6.1 Operating Results

Significant factors affecting the Company's operations

On the date of this Prospectus, Etergo is in the development phase of its first product, AppScooter, and therefore it has not yet generated any profits. Because of this, Etergo is not able to provide accurate numbers about the impact of the following factors, of which Etergo expects they may have a significant impact on the profit:

- (a) cost price of raw materials (most significantly lithium, which is used for the batteries, aluminum and plastics);
- (b) energy prices (fuel, electricity): this affects production and distribution costs, as well as the cost per km for the user;
- (c) too much human resources are needed to develop and bring to market new products which can have material impact on profitability;
- (d) wages in the countr(y)(ies) we will select for manufacturing and assembly;
- (e) import duties on parts we import from other countries; and
- (f) marketing and sales cost may increase, for example as a result of changing market dynamics and/or changes in algorithms of search engines or other advertising platforms.

Business results

No information can be provided regarding factors like uncommon events or new developments which affect the revenues, as there were no revenues during the past fiscal years 2018, 2017, 2016 and 2014/2015.

6.2 Trend information

Etergo believes that the following trends may have a significant impact on the industry in which the Company operates, as well as on the Company's position therein. A combination of government policy support, decreasing lithium-ion battery costs, increased range and technological advancements, and more options on the market have created significant growth in the EV industry. The start of Petrol scooter bans in some cities in Europe are pushing both consumers and producers away from combustion engine vehicles of all kinds.

On the date of this Prospectus, Etergo is not yet manufacturing any products nor has it in the past. This means there are no trends towards development of manufacturing or stock levels. Etergo did start selling options to buy AppScooter ("pre-orders") starting from July 2018. Given the short time frame between the start of selling pre-orders and the date of this prospectus, no significant trends could be derived in sales and selling prices.

6.3 Liquidity and capital

Capital

The majority of the current capital of the Company comes from outside investments. The Company has been financed by one direct angel investment, and multiple online funding rounds after that. In 2014, at the founding of the Company, EUR 30,000 has been invested in equity by A.P. Kooi Beheer B.V., making this holding company a direct Shareholder of the Company. In 2015, the Company launched an online angel funding round through the Leapfunder platform (www.leapfunder.com). In this funding round, 43 investors invested EUR 1,135,000 in return for convertible bonds.

Early 2017, the Company raised another round through the Leapfunder platform. The minimum ticket size during this round was EUR 100,000. In total, 12 investors invested EUR 1,900,000 in the Company in return for equity. As this equity round satisfied the conditions needed for the previous (convertible) round to convert, these convertibles got converted into Shares as well. Both the Leapfunder investors from 2015 and the Leapfunder investors from 2017 now hold their depositary receipts of Shares through the Stichting Administratiekantoor Etergo I. Stichting Administratiekantoor Etergo I is managed by a board consisting of Bart Jacobsz Rosier (chairman) and Marijn Flipse (member).

After the Leapfunder rounds, the Company launched another crowdfunding round through the UK based Seedrs platform. This round allowed small investors to join as well, as the minimum ticket was only EUR 10. During this round, 2393 investors invested a total of EUR 3,100,000 into the Company, in return for equity. The investors hold certificates of Shares in Seedrs Nominees Ltd, which is a shareholder in Etergo. Seedrs Nominees Ltd is managed by a board consisting of Jeff Lynn and Jeff Kelisky.

In March, April and June 2018 Etergo raised EUR 1.2 million from three private investors by means of a convertible loan. Etergo raised another round of EUR 10,000,000 from a German investor in December 2018 using a convertible loan structure. This investor prefers to remain undisclosed for now. The convertible loan bears a non-compounded interest of 5%. The qualifying event for conversion is the delivery of 200 “motorized 2-wheelers”. The convertible loan will convert to a fixed shareprice of EUR 0.2768 into a minimum of (depending on the amount of accrued interest) 36,126,168 Shares (i.e. 20% of the Shares as of Dec 2018). In case of the issuance of additional Shares in the meantime (for example, in relation to this Offering), in the convertible contract, the lender has been granted pre-emption rights like the lender was an ordinary Shareholder.

In the next years, the Company expects to need additional financing, dependent on the growth that the Company will realize and the strategy for achieving global production. The Company expects to be able to fulfill the existing commitments described in paragraph 6.8 'Investments'

and paragraph 6.7 'Property, plants and equipment' by its existing capital and expected cash flow from the sales of scooters and accessories, and will, for potential future investments in production facilities and marketing activities, mostly finance itself with cash flow from the sales of scooters and accessories and issuing equity. Wherever this is possible and fitting, the Company tries to seek additional financing from bank loans and supplier credits to minimize equity dilution. The only limitation on the use of the current capital is a EUR 34,969 bank guarantee for office rent.

With regards to alternatives sources of financing, the Company has been, still is or will be (also during the Offering) in contact with parties such as venture capitalists, angel investors, family offices and corporate investment funds and also banks. For general financing of the Company, the board of Etergo believes banks are not best suitable at the current stage of the Company after talks it had with banks, and therefore the Company did not go into such financing trajectory yet. However, for specific financing needs (such as acquiring assets) it could be a viable source of financing.

With other parties, the Company has been, still is or will be (also during the Offering) in (exploring) talks about investments. The dealstructure of these could e.g. include a direct acquisition of Shares of the Company or a convertible loan that could lead to the acquisition of Shares of the Company.

In the past, some contacts did not lead to entering a deal process for a variety of reasons, such as; strategical misalignment, not in the focus industry, disagreement about valuation, not in the right stage for the fund (ie. too early stage, or too late stage) etc. With others, the Company is still in contact and discussion about a potential investment.

| Working capital short-term: | 30-06-2018 (UNAUDITED) | 30-06-2017 (UNAUDITED) | 2017 | 2016 | 2014/2015 |
|------------------------------------|-----------------------------------|-----------------------------------|----------------------|------------------------|-------------------|
| Current receivables | EUR 319,126 | EUR 85,356 | EUR 3.139,886 | EUR 54,723 | EUR 22,974 |
| Cash | EUR 2,448,465 | EUR 1,347,956 | EUR 487,970 | EUR 201,741 | EUR 145,203 |
| Current liabilities | (EUR 388,663) | (EUR 82,249) | (EUR 310,950) | (EUR 1,303,646) | (EUR 93,796) |
| Working capital short-term | EUR 2,378,928 | EUR 1,351,063 | EUR 3,316,906 | (EUR 1,047,182) | EUR 74,381 |

Data regarding short-term and long-term capital

The current assets contain:

For 2017 the receivable of EUR 3,097,000 contains mainly the crowdfunding of Seedrs. This round was closed and finalized in December 2017. The formalization by the notary took place in January 2018.

As a result, the current receivables will be flattened in the following fiscal years, as shown in the unaudited data of 30-06-2018 and 30-6 2017. The other current receivables of the halfyear reports contain mainly refunds of VAT.

Cash equivalents contain the saving on the bank accounts, moneybookers and cash in transit. Although no revenues were realized up until 30-06-2018, Etergo received cash from convertible loans and investment rounds.

Current liabilities contain:

- (a) repayments/conversion on convertible long term loans (mainly 2016)
- (b) prepayments received on refundable pre-orders in 2015.
- (c) trade creditors
- (d) wage taxes and pension costs
- (e) other liabilities and accruals

The change in the current liabilities during 2017 are related to the conversion of the convertible loan into equity in May 2017. Other changes are due to higher wage taxes and pension costs as a result of a higher amount of employees during the years.

| Long-term capital: | 30-06-2018 (UNAUDITED) | 30-06-2017 (UNAUDITED) | 2017 | 2016 | 2014/2015 |
|---------------------------|-----------------------------------|-----------------------------------|------------------------|------------------------|--------------------------|
| Intangible fixed assets | EUR 1,752,286 | EUR 673,411 | EUR 935,456 | EUR 477,234 | EUR 112,718 |
| Tangible fixed assets | EUR 152,369 | EUR 30,748 | EUR 81,484 | EUR 29,747 | EUR 2,895 |
| Long term liabilities | (EUR 1,251,852) | (EUR 15,430) | (EUR 33,301) | (EUR 16,599) | (EUR 294,500) |
| Long-term capital | EUR 652,803 | EUR 688,729 | EUR 983,639 | EUR 490,382 | (EUR 178,887) |

The intangible fixed assets contain:

- (a) The internal and external costs for development of Appscooter. For the net book value of the development costs the company forms a legal reserve.
- (b) Capitalization of the website (as from 2016) contain the costs for the design of the website. These costs are recognized as intangible fixed assets due to the fact that part of sales will be made possible through the website.
- (c) Intellectual property. These costs are capitalized while Etergo applies for patents which will be used on a long term basis.

An increase of intangible fixed assets is expected in the next two years due to the finalization of the development of the AppScooter.

Tangible fixed assets contain machinery, equipment en tenant improvement which are depreciated. Depreciation will take place over five years. The increase during 2017 and the first months of 2018 is mainly a result of the relocation of the workshop and the new headquarter in Amsterdam. Investments in tangible fixed assets are expected for the following bookyears, but they have not yet been concretized.

Long-term debt contain:

- (a) liabilities as a consequence of financial lease contracts (2016 and further)
- (b) an accrual regarding a discount on the rent of the new building which is released over 5 years (2017)
- (c) convertible loan from LeapFunder (fiscal year 2014/2015) which converted to share premium and share capital in the course of 2017.
- (d) In (March, April and June) 2018 new convertible loans are received from several investors for a total amount of € 1,200,000.

In December 2018 a new convertible loan of € 10,000,000 was received from a German investor. This has an impact on the long-term capital as per 31 December 2018. The company will enter into new financial lease contracts because of the necessary investments for the development of the AppScooter.

The movement in funds during 2017

| <u>Long-term funds</u> | 2017 |
|--|----------------------|
| Source | |
| Net profit/(loss) after taxation | (EUR 1,250,527) |
| Depreciation and amortization | EUR 81,245 |
| Increase in share capital | EUR 388 |
| Increase in share premium account | EUR 6,108,653 |
| Increase in legal and statutory reserve | EUR 413,664 |
| Issue of convertible loans | EUR 1,928,917 |
| Release of repayment commitments for the next financial year | EUR 1,194,767 |
| Increase in other long-term liabilities | EUR 16,702 |
| Total (A) | EUR 8,493,809 |
| Used to finance | |
| Investment contribution tenant | (EUR 33,000) |
| Additions to intangible fixed assets | EUR 529,274 |

| | |
|---|----------------------|
| Additions to tangible fixed assets | EUR 94,930 |
| Addition to legal and statutory reserve | EUR 413,664 |
| Conversion loan | EUR 3,123,684 |
| Movements in other reserves | EUR 1,167 |
| Total (B) | EUR 4,129,719 |
| Movement in working capital | EUR 4,364,090 |

| <u>Short-term funds</u> | 2017 |
|--|--------------------|
| Source | |
| Increase in current liabilities | EUR 201,654 |
| Total (C) | EUR 201,654 |
| Used to finance | |
| Increase in other receivables and accrued income | EUR 3,085,163 |
| Decrease in bank amount | EUR 1,194,350 |

| | |
|--------------------------------------|----------------------|
| Total (D) | EUR 4,279,513 |
| Movements in balance of funds | EUR 286,231 |

6.4 Cash flow statement

| Cash flow from operating activities: | 30-06-2018 (UNAUDITED) | 30-06-2017 (UNAUDITED) | 2017 | 2016 | 2014/2015 |
|---|-----------------------------------|-----------------------------------|------------------------|----------------------|---------------------|
| Operating profit/(loss) | EUR (1,268,824) | EUR (479,174) | (EUR 1,250,527) | (EUR 452,369) | (EUR 135,431) |
| Adjustments for: | | | | | |
| Depreciation and amortization | EUR 73,959 | EUR 32,029 | EUR 81,245 | EUR 37,897 | EUR 0 |
| Changes in working capital: | | | | | |
| Movements in amounts receivable | EUR 2,820,760 | (EUR 30,633) | (EUR 3,085,163) | (EUR 31,749) | (EUR 22,049) |
| Movements in current liabilities (excluding amounts payable to credit institutions) | EUR 77,714 | (EUR 21,574) | EUR 201,654 | EUR 10,026 | EUR 93,796 |
| Cash flow from operating activities | EUR 1,703,609 | (EUR 499,352) | (EUR 4,052,791) | (EUR 436,195) | (EUR 63,684) |

The following items are an explanation of the change in the profit/(loss) which is stated above:

Ad. 1. Grossmargin

- (a) Up until 30-06-2018 no sales were realized while the Company was working on the development of AppScooter. The company expects to be up and running in 2019. Revenues will be generated from that moment on.

(b) There are no costs according to the activities for developing/prototyping. This because these costs are capitalized.

Ad. 2. Staff costs

During the years Etergo invested in the team (internal development) and in external development. This explains the increase of costs in wages and salaries, social security premiums, pension costs and other staff costs.

The average number of staff (in FTE's) employed by the company is as following:

30-06-2018 (unaudited): 40

2017: 11

2016: 6

2014/2015: 2

Ad. 3. Amortization and depreciation

As a result of the capitalization of development costs, amortization costs increased during the years. The vast part of development costs will be written off within 10 years. The regular depreciation period is 5 years.

Ad. 4. Other costs

The other costs are mainly due to investments in advertising and promotion. With these investments Etergo wants to gain more brand awareness, get subscriptions from potential customers and to attract investors for its investment rounds.

In the first months of 2018 these costs increased due to a further higher focus on developing.

The accommodation costs increased significantly in the fourth quarter of 2017. This as a result of the relocation of the company to Amsterdam. This also results in higher costs as of 30-06-2018 (unaudited) in relation to the figures of 2017.

At last the other costs contain staff costs for the relocation and housing of new hires from abroad. Etergo facilitates in housing for new hires for two weeks to the utmost.

Ad. 5. Financial expenses

The financial expenses during the years were caused by the interest regarding the convertible loans. As the loan was converted into equity in 2017, the financial expenses in 2017 decreased. It is expected that interest costs will increase due to the convertible loan of € 10,000,000 that will be issued in December 2018.

| Cash flow from investing activities | 30-06-2018 (UNAUDITED) | 30-06-2017 (UNAUDITED) | 2017 | 2016 | 2014/2015 |
|--|-----------------------------------|-----------------------------------|----------------------|----------------------|----------------------|
| Investment contribution tenant | EUR 0 | EUR 0 | EUR 33,000 | EUR 0 | EUR 0 |
| Additions to intangible fixed assets | (EUR 816,830) | (EUR 196,177) | (EUR 529,274) | (EUR 397,451) | (EUR 112,718) |
| Additions to tangible fixed assets | (EUR 70,885) | (EUR 1,001) | (EUR 94,930) | (EUR 31,814) | (EUR 2,895) |
| Cash flow from investing activities | (EUR 887,715) | (EUR 197,178) | (EUR 591,204) | (EUR 429,265) | (EUR 115,613) |

| Cash flow from financing activities | 30-06-2018 (UNAUDITED) | 30-06-2017 (UNAUDITED) | 2017 | 2016 | 2014/2015 |
|--|-----------------------------------|-----------------------------------|---------------------------|--------------------------|---------------------------|
| Movements in share capital | EUR 0 | EUR 225 | EUR 388 | EUR 75 | EUR 0 |
| Movement in share premium account | EUR 0 | EUR 3,069,099 | EUR 6,108,653 | EUR 0 | EUR 30,000 |
| Issue of convertible loans | EUR 0 | EUR 0 | EUR 1,928,917 | EUR 933,867 | EUR 294,500 |
| Increase in other long-term liabilities | EUR 1,208,294 | EUR 0 | EUR 21,007 | EUR 25,163 | EUR 0 |
| Conversion (commitment)/commission fee | (EUR 60,999) | (EUR 1,222,517) | (EUR 3,123,684) | (EUR 33,600) | EUR 0 |
| Decrease in other long-term liabilities | (EUR 2,694) | (EUR 4,062) | (EUR 5,057) | (EUR 3,507) | EUR 0 |
| Cash flow from financing activities | EUR 1,144,601 | EUR 1,842,745 | EUR 4,930,224 | EUR 921,998 | EUR 324,500 |
| Movements in cash at bank and in hand | <u>EUR 1,960,495</u> | <u>EUR 1,146,215</u> | <u>EUR 286,229</u> | <u>EUR 56,538</u> | <u>EUR 145,203</u> |

Changes in ‘cash flow from financing activities’ contains:

- (c) Share capital. Yearly a small increase due to issuing new Shares for holders of certificates as a consequences of converting loan from 2015, 2016 and 2017.
- (d) Share premium. Due to the conversion of loans the share premium increased between 2016 and 2017 from EUR 30,000 to EUR 6,139,000.
- (e) Legal and statutory reserves. For the net book value of the development costs the company forms a legal reserve.
- (f) Other reserves. In this account the losses of the fiscal years are accumulated. While Etergo did not generate revenues up until 30-06-2018 the other reserves became negative. In addition the legal reserves are formed out of the other reserves which leads to a more negative amount.

Accounting policies

The cash flow statement has been drawn up using the indirect method. The cash and cash equivalents in the cash flow statement consist of cash at bank and in hand. Cash flows denominated in foreign currencies are translated at estimated average exchange rates. Cash exchange differences are included separately in the cash flow statement. Interest received and paid, dividends received and profits tax are included in cash flow from operating activities.

Transactions for which no cash or cash equivalents are exchanged, including finance leases, are not included in the cash flow statement. Lease payments under finance lease contracts are considered to be cash outflows from financing activities to the extent that they relate to repayment installments and as cash outflows from operating activities to the extent that they relate to interest payments.

6.5 Working capital statement

In the opinion of the board of Etergo Etergo's working capital is sufficient to cover its present requirements for a period of at least 12 months from the date of this Prospectus. The working capital statement relates to all existing requirements such as the current and expected labor costs for the next 12 months as well as the following investments required to get into series production:

- (a) Investments in non-recurrent engineering and tooling for assembly and manufacturing.
- (b) Investments in marketing and sales of the vehicles that are to be produced; and
- (c) Investments to set up the distribution and service network, after sales and accessory line-up.

6.6 Capitalisation and Indebtedness

| Capitalisation | As at: | 31 December 2017 | 31 December 2018* |
|-----------------------------------|---------------|-------------------------|--------------------------|
| | | (in EUR '000) | (in EUR '000) |
| Total current debt | | | |
| Guaranteed | | - | - |
| Secured | | 5 | 14 |
| Unguaranteed/unsecured | | - | - |
| Total current debt | | 5 | 14 |
| Total non-current debt | | | |
| Guaranteed | | | |
| Secured | | 11 | 33 |
| Unguaranteed/unsecured | | - | 11.305 |
| Total non-current debt | | 11 | 11.338 |
| Shareholders' equity | | | |
| Share capital | | 1 | 1 |
| Legal reserves | | 823 | 2.302 |
| Other reserves | | -2.663 | -1.580 |
| Total shareholders' equity | | -1.838 | 723 |
| Total capitalisation | | -1.822 | 12.075 |

| Indebtedness | As at: | 31 December 2017 | 31 December 2018* |
|--|---------------|-------------------------|--------------------------|
| | | (in EUR '000) | (in EUR '000) |
| A. Cash | | 482 | 9.851 |
| B. Cash equivalents | | 6 | 4 |
| C. Trading securities | | - | - |
| D. Liquidity (A+B+C) | | 488 | 9.856 |
| E. Current financial receivables | | - | - |
| F. Current bank debt | | - | - |
| G. Current portion of non-current debt | | 5 | 14 |
| H. Other current financial debt | | - | 23 |
| I. Current financial debt (F+G+H) | | 5 | 37 |

| | | |
|--|-------------|---------------|
| J. Net current financial indebtedness (I-E-D) | -482 | -9.819 |
| K. Non current bank loans | - | - |
| L. Bonds issued | - | - |
| M. Other non-current loans | 11 | 11.338 |
| N. Non-current financial indebtedness (K+L+M) | 11 | 11.338 |
| O. Net financial indebtedness (J+N) | -471 | 1.519 |

*** Unaudited**

The debts as at 31 December 2017 and 2018 are financial leases. The security for these leases are the goods leased. These items are stated in paragraph 6.8 'Investments' of this prospectus.

Since 31 December 2017 material changes have taken place. The company obtained three new loans. One loan with a principal amount of EUR 1 million and two loans with a principal amount of EUR 100 thousand. The duration of these loans is 3 years. These loans will convert into equity if the company obtains new loans for a total amount of EUR 4 million. Additionally, in December 2018 the Company obtained a loan with a principal amount of EUR 10 million from a German investor. This loan will convert into equity once the Company has delivered 200 motorized 2-wheelers. The number of Shares that will be issued depends on the moment of conversion and will be at least 36,127,168 Shares plus any accrued interest. The interest on the convertible loan is 5% (non-compounded), will convert at a price of EUR 0.2768 per Share and started counting at 14-12-2018.

All material changes that have taken place in relation to the Capitalisation and Indebtedness of the Company since 31 December 2017 have been processed in the unaudited figures as per 31 December 2018. No material changes have taken place in the period from 31 December 2018 to the date of this Prospectus.

6.7 Property, plants and equipment

The Company has not acquired any material fixed assets other than the assets referred to in paragraph 6.8 'Investments'. In the future, the Company expects to acquire material fixed assets in the form of:

- (a) Moulds (expected to be a total of EUR 1.8 million, spread over time and depreciated in 1-5 years, depending on the mould and the production numbers).

- (b) Contract Manufacturer Production line investment (expected to be between EUR 500 thousand - EUR 3 million, of which roughly 10% will be material fixed assets owned by Etergo, and 90% will be non recurring engineering cost for the engineering of tools, processes and other parts needed for production and investments in assets which are required for production, but not owned by Etergo). The material fixed assets owned by Etergo will consist of production materials such as jigs, tools, etc. These will be depreciated in 1-5 years.

6.8 Investments

The most important investments the Company has made in fixed assets

| Year | Name | Description | Amount | Category |
|------|--|---|-------------|----------------------------------|
| 2016 | 3D Printer | This is a 3D printer which is used to 3d print large objects for prototyping. | EUR 20,964 | Machinery |
| | Office Printer | Printer/Scanner combination. | EUR 4,199 | Equipment |
| 2017 | Office Furniture | Desks, chairs, etc. | EUR 23,525 | Equipment |
| | Design Office Amsterdam | The cost of the design of the improvements we've made to the office. | EUR 17,540 | Investment contribution tenant |
| | Office floor | The new floor in the office. | EUR 22,900 | Investment contribution tenant |
| | Office sound absorbent ceiling | The new, sound absorbing, ceiling for in the office. | EUR 10,109 | Investment contribution tenant |
| | Contribution rebuilding office from Landlord | The contribution that the owner of the building made to finance office rebuildings. | -EUR 33,000 | Investment contribution landlord |

| | | | | |
|-------------------------|---------------------|---|------------|--------------------------------|
| 2018 (unaudited) | Dynometer | Machinery to validate prototypes | EUR 14,400 | Machinery |
| | Office furniture | The costs for creating workplaces in the office | EUR 25,832 | Equipment |
| | Rebuilding basement | Costs for upgrading the basement of the office | 31,536 | Investment contribution tenant |

The most important investments the Company has made in R&D costs

| Year | External development | Amount |
|-------------------|--|------------------------------|
| 2014/2015 | The main investments during this year were made to build a proof-of-concept prototype. This included outsourced development (design, engineering, software development) and outsourced prototype production. | EUR 109,090 |
| 2016 | In 2016, the majority of the outside development cost were spent on the development and manufacturing of the “Alpha prototype”. | EUR 227,983 |
| 2017 | In 2017, most of the external R&D investments were made in outsourced electronics development, lighting development and to buy moulds to build the null-series (i.e. pre-production prototypes). | EUR 202,433 |
| 2018 (Un-audited) | Test equipment, moulds, etc. | EUR 646,321 until 30-06-2018 |

| Year | Internal development | Amount |
|---------------------|---|------------------------------|
| 2016 | Internal development hours 2016 | EUR 71,091 |
| 2017 | Internal development hours 2017 | EUR 155,842 |
| 2018 (unaudited) | Internal development hours upon till 30-06-2018 | EUR 212,131 until 30-06-2018 |

| Year | Intellectual property | Amount |
|---------------------|--------------------------------------|-----------------------------|
| 2016 | Patent, trademarks and design rights | EUR 24,040 |
| 2017 | Patent, trademarks and design rights | EUR 44,558 |
| 2018 (unaudited) | Patent, trademarks and design rights | EUR 19,238 until 30-06-2018 |

Future investments

Up to the date of this Prospectus there are no significant investments to which the Company has already made commitments, other than the EUR 127,400 'minimum spend commitment' to the telecom provider (details described in paragraph 6.11 'Material contracts') which is due within 36 months after the first delivery of scooters.

In addition, though no commitments have been made surrounding this, the Company may, based on sales growth and expansion plans, invest significant amounts into new production locations

6.9 **Research and development**

| Year | Activities and policy | Amount spent on R&D incl. Wages |
|-------------|------------------------------|--|
|-------------|------------------------------|--|

| | | |
|-----------|---|-------------|
| 2014/2015 | These thirteen months were mainly spent on building the proof-of-concept prototype, creating the design concepts and mechanical architecture. At the time most development was outsourced as our internal engineering team was small. | EUR 112,718 |
| 2016 | 2016 was spent on building the Alpha prototype and validating and freezing the architecture of the product. This year we started insourcing the majority of the development | EUR 361,726 |
| 2017 | 2017 was spent on developing the null-series, which is a series of ten prototypes which are designed for manufacturing. Even more of the development got insourced during this year. | EUR 517,833 |

6.10 **Operating review**

The Company is working on the development of AppScooter. This means a significant amount has been invested in internal and external development, while not generating revenues yet. These activities are financed by several online investment rounds during 2015, 2016 and 2017. This led to an increase of the share capital, share premium and the capitalized development costs (intangible fixed assets). The convertible loan from 2016 was converted into equity in the course of 2017, resulting in a decrease of the current liabilities and the increase of shareholders equity (share premium). The 'current assets' in 2017 were high compared to the 'Cash & Cash Equivalents' because the accounts receivables contained the funds which the Company was going to receive from Seedrs (the investment of EUR 3,100,000 minus fees). These proceeds have now been received. Reference is made to chapter 5 'Selected Historical and Operational Information'.

6.11 **Material contracts**

The following are all of the contracts (not being contracts entered into in the ordinary course of business) that have been entered into by Etergo since its incorporation and which (i) are, or may be, material to Etergo; or (ii) have an obligation or entitlement which is, or may be, material to Etergo as at the date of this document.

Contract to supply data connection for scooters

The contract to supply data connection for scooters between Etergo and the Telecom Provider (Country: UK) covers the connectivity between the vehicles and a private backend system managed by Etergo necessary for software updates, sharing functionality and fleet monitoring. This is paid for by Etergo and a minimum spend commitment of EUR 127,400 that has to be

spent within 3 years after starting AppScooter deliveries is applicable. Furthermore, the contract covers a legal and technical framework for connectivity between the vehicles and the public internet. The geographical coverage arranged for by this contract is EU28+2, Australia, New Zealand and the USA.

Motor Development Contract

Etergo has signed a contract with Motor Development Company (Country:NL) for the development of the conceptual motor for the Appscooter.

Frame Development Contract

Etergo has signed a contract with Plastics Production Company (Country:NL) for the design, development and delivery of the final prototype frames.

Carrier Board Development

Etergo has signed a contract with a PCB engineering company (Country:NL) for the design, development and delivery of the final prototype PCB/ carrier board.

ECU Development

Etergo has signed a contract with a PCB/ ECU engineering company (Country: D) for the design, development and delivery of the final prototype PCB/ ECU.

Lighting Development

Etergo has signed a contract with Lighting production company (Country: CN) for the development and delivery of the final prototype and (optional) serial production for the integrated front, rear and turn signal lights.

Lighting Design

Etergo has signed a contract with and a conceptual design company (Country: NL) for the design and project management of a prototype of the integrated front, rear and turn signal lights.

Suspensions Development

Etergo has signed a contract with a suspension development company (Country: NL) for the design, development and delivery of the prototype front and rear suspension system.

Seat development

Etergo has signed a contract with a seat production company (Country: ES) for the development and delivery of the prototype seat system.

Rim development

Etergo has signed a contract with wheel production company (Country: CN) for the development of rims.

6.12 **Significant Change in the Company's Financial or Trading Position**

The only significant changes in the Company's financial position after the end of 2017 were the cash investments in March, April and June 2018 of EUR 1.2 million by three private investors by means of a convertible loan (processed in the unaudited figures as per 30 June 2018), and the investment of EUR 10 million by a German investor in December 2018. All significant changes have been processed in the unaudited capitalisation and indebtedness table as per 31 December 2018 (paragraph 6.6). No significant changes have taken place in the period from 31 December 2018 to the date of this Prospectus.

Please refer to paragraph 10.2 'Convertibles and other acquisition rights' for more information on the convertible loans.

6.13 **Legal and Arbitration Proceedings**

There are no or have not been any government interventions, lawsuits or arbitrations of significant influence on our financial position or profitability. As far as the Company is aware, there are also no such actions to be expected.

At the date of this Prospectus, the Company is in the registration procedure of the trade mark of its name "Etergo". Companies with similar trademarks might oppose to this.

6.14 **Holdings**

The Company does not hold shares nor interests in other entities.

7. BUSINESS

7.1 Brief history of the Company

Bolt Mobility B.V. (now Etergo) was founded in December 2014. At the founding of the Company, A.P. Kooi Beheer B.V. invested EUR 30,000 pre-seed capital into the Company. In the first year of its existence, the Company focused on market validation and building its first proof-of-concept prototype. As the Company employed only the founders, much of the design and development work was outsourced to development companies and self-employed engineers and designers. The market validation activities of the Company included both qualitative research (holding interviews with potential customers and scooter dealers) and quantitative research (online tests on our website). In spring 2015, the Company launched an online pre-order campaign to seek a stronger validation of the willingness from customers to buy electric scooters from a startup company. Customers paid down roughly 10% for their pre-order. In a few months, the Company sold about 75 pre-orders.

After getting these pre-orders and rough technical validation, the Company decided to launch an online funding campaign on the Leapfunder platform at the end of 2015. The funding round was successfully closed on December 16, 2015 (legal closing was finalised at a later date) when EUR 1,135,000 was raised by issuing convertible notes.

Early 2016, the Company hired its first five employees other than the founders, being Joris Koudijs, Adri Aarnoudse, Thomas Swart (initially self-employed), Martijn de Milliano and Daniel Muusers. Most of these people had experience with building vehicles due to the vehicle racing teams, such as Nuna Solar Team and Formula Student, they participated in. With this team of seven people, the Company took most development in-house and developed the Alpha prototype and a new website.

In 2017, the Company launched another online funding campaign on Leapfunder. During this round, the minimum investment was EUR 100,000, and twelve investors invested a total of EUR 1.9 million into the Company in return for Shares. This event also triggered the Leapfunder convertibles from 2015 to convert into Shares. To also give investors that were not able to invest EUR 100,000 a chance to join, the Company decided to launch another campaign on the UK based Seedrs platform. Seedrs allowed investors to join the round starting from EUR 10 only. During this round, the Company raised EUR 3,100,000 from 2393 investors. At the same time, the Company focused on getting its the development of the pre-production series.

At the end of 2017/ beginning 2018, the team scaled from about 10 people to almost 40 people in a timespan of a few months. The Company went from hiring mostly generalists to hiring more specialised people that can help finish development in each area.

In March, April and June 2018 the Company raised another investment of EUR 1.2 million

from three private investors by means of a convertible loan. The main purpose for this investment was to speed up the development towards series production. Please refer to paragraph 10.2 'Convertibles and other acquisition rights'.

In December 2018, the Company raised an investment of EUR 10 million by means of a convertible loan from a German investor that is experienced in the automotive industry.

7.2 **Business activities**

Etergo's main activities are the development, marketing and sales and service of electric vehicles. On the date of this Prospectus, Etergo has only one product, which is AppScooter, a premium electric scooter.

The development of AppScooter started in 2015. At the date of this Prospectus, the current state of the development of AppScooter is that testing of the pre-production null series is ongoing. In the period following the date of this Prospectus, preparations for series production will be done including mould building and setting up production for the vehicle at the contract manufacturer and for parts at tier-2 suppliers. In parallel, Etergo plans to set up the the distribution, service and after sales network for the first target markets.

7.3 **Problems with (e)scooters**

With AppScooter, we are trying to solve the following problems.

Pollution

Small combustion engines can be extremely harmful to the environment and have been largely unregulated in many markets. This is especially the case for two-stroke engines, which is still a significant part of the scooter market. These engines emit up to 2700x as many pollutants as a modern van. Even newer four-stroke engines often still emit more CO₂ per km than a modern car.⁶ Besides being a serious environmental risk, these pollutants can cause heart and lung diseases among humans and animals. Scooters like this are riding on the road next to where pedestrians are walking.

Short Range

A scooter is fundamentally a means of transportation built to get you from A to B. You need to be able to trust the scooter to get you to B, and back again.

Most of currently available electric scooters for consumers have a range of less than 100 km per charge, which is less than most petrol counterparts which can have a range of up to 200 km. This is often because of the concessions being made on the battery pack, vehicle weight and/or sub-optimal usage of available space inside the form factor of a scooter.

⁶ Source: <https://www.treehugger.com/cars/stop-slandering-scooters.html>.

Most use battery packs with a capacity that is quite small, which are then also put under a high strain, reducing lifespan and resulting in a shorter range. Range is further reduced by a number of factors; for example, when it gets cold, you lose around 1% per degree below 20°C. Also, since competitors usually do not use monocoque frames, they usually have less space for more batteries.

Another important factor is drivetrain efficiency. Many current electric scooters are driven by in-wheel hub motors, which are typically less efficient than the AppScooter motor. If they do not use hub motors, they usually use existing external motors together with a gearbox, which typically reduces efficiency by 1-5%.

Bad engineering & lack of style

In our opinion, the electric scooter market shows a lack of completely redesigned and optimized scooters from an electric drivetrain perspective.

Starting from with a clear electrical vision is in our opinion important to exploit the advantages of an electric drivetrain. In many cases, we believe that shortcuts have been taken at the cost of quality and design.

7.4 **Our solution: AppScooter**

AppScooter is an all-electric scooter that can accelerate from 0 to 45 km/h in 3.9 seconds (based on our simulations), has a big storage space and goes up to 240km (based on simulation with 20km/hr constant speed, no wind and no inclination). With a 7" touchscreen and handlebar controls, AppScooter safely runs Android apps in its cockpit (safely is based on the fact that if you have your phone in your hand, you cannot control your brakes. With AppScooter you can keep your hands on your handlebars while using apps).

We believe you should not just buy an electric scooter because it's 'green'. We believe in building a scooter that's better in every way. A product people can fall in love with, and it just happens to be electric. Because we tried designing and engineering AppScooter with the latest commercially available technologies, we aim to maximise the potential of an electric drivetrain within a scooter form-factor. This way, AppScooter can pack more batteries and luggage space than most other electric scooters, while maintaining a clean and aesthetic outer design

Apps in the cockpit

We designed AppScooter to be safer while using apps than a regular scooter. Our focus was to be able to keep your hands on the handlebars and your phone in your pocket. To do this, AppScooter comes with a 7-inch touchscreen and handlebar controls.

You can use it for navigation while driving. With the handlebar buttons you can select your recent locations and see a full screen turn by turn navigation, which is optimised for scooters.

You can also use it to run certain apps, such as music. It can be connected with Bluetooth to your Apple or Android phone and stream from your smartphone directly. To go to a next song or pause it simply use the buttons on your handlebar. Also, you can use the handlebar buttons to remotely control your phone. You can find your recent or favorite contacts quickly, and pick-up or drop a call with a click. This way, riders have two hands to brake. We have the intention to make more apps available later, but these will likely have to be developed/customised for AppScooter specific and tested to be safe to use while driving.

Battery - up to 240km of range

Since having a removable battery was a feature that was requested often via our website, we decided to go for a battery concept with 3 modules that are removable and easy to carry. To charge it, simply plug in the charger cable into your wallsocket, or take the battery and charger inside. Overnight it will be fully recharged. We are also considering making a fast charger available that can recharge it up to 80% in about 1.5 hours.

The range of our base model is currently simulated to be 80 kms at 20 km per hour without wind or inclination. According to our conversations with customers, that is enough for a lot of customers. But, if a customer wants more range or wants to go faster, he/she can get 2 or 3 modules to get up to 240 kms of range. This is practical for long commuters, businesses or people who simply prefer to charge less often. With this modular concept, people can start with 1 or 2 modules, and order more if they need more. For example, if they move places and their commuting distance changes.

Acceleration - 0-45 km/h in 3.9 seconds

AppScooter also accelerates faster than most petrol counterparts (also see paragraph 7.6). Our simulations show it can go from 0-45 km/h in about 3.9 seconds. For customers that like it a bit slower, it can be put in a slower acceleration mode as well.

Storage Space

With our architecture, we we are able to get about 2 to 3 times as much seat storage as most scooters (also see paragraph 7.6). It can fit two helmets, 2 grocery bags, an entire gymbag or full crate of beer.

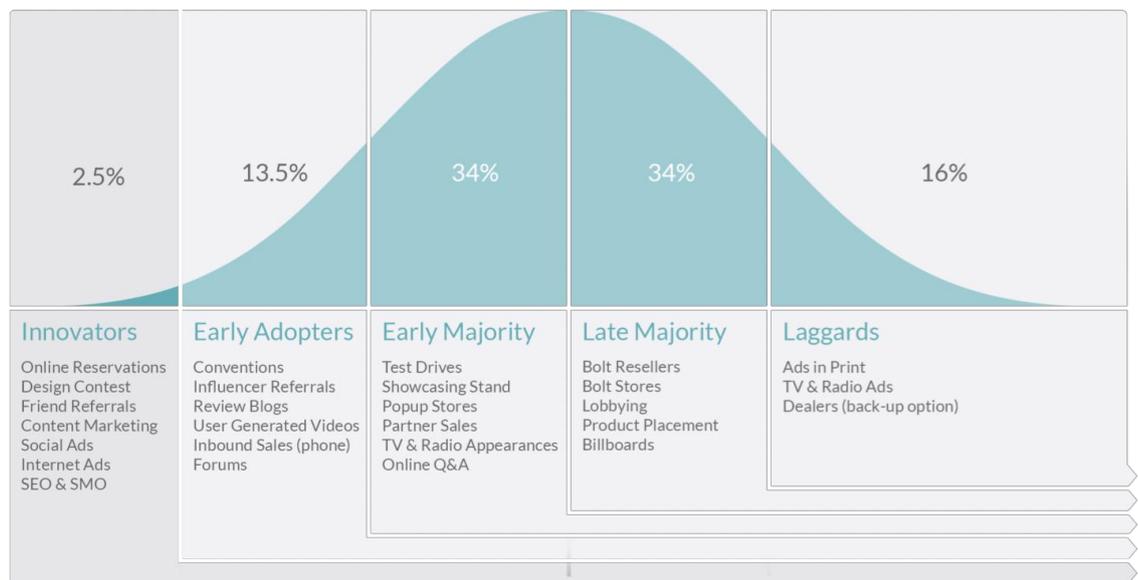
7.5 **Marketing**

Targetting

AppScooter is targeted at the premium segment of the scooter market. Initially, the plan is to target the European market, and to expand to other parts of the world after that. The target customer for AppScooter are mostly males between 25 and 55 who live in an urban or suburban area.

Marketing strategy

Etergo’s marketing strategy is mainly online, and is supported by offline activities. We find leads using social media and search engine advertising, seo, referral programs, content marketing, but also test drive events, Etergo stores and other offline activities and channels. Our website is our primary sales channel and is engineered for engagement & converting visitors into subscribers, and subscribers into ambassadors and/or buying customers. The entire flow from visit to (pre-)ordering AppScooter is being optimized for conversion for every step of the cycle. As we move further through the adoption cycle, we will add more offline activities such as inside sales, test drives, physical stores etc. to address a larger part of the market. Also see the below graph as a reference:



Market Overview

As Etergo started selling “Pre-orders”, i.e. options to buy AppScooter, it does in some way compete in the market, although this doesn’t include the sale and delivery of any scooter.

The market for powered two-wheelers is estimated to become a \$74B market in 2018.⁷ This also includes motorcycles. As mentioned, Etergo intends to start sales in Europe first, and then add (parts of) Asia. In Europe, there are about 348.000 mopeds (<50cc or <50cc equivalent) sold per year.⁸ The first market Etergo will serve is its domestic market: the Netherlands.

⁷ Source Marketline.

⁸ Source: Marketline.

Why start in the Netherlands?

Etergo is a Dutch company, and intends to start delivery in the Netherlands first, and then expand to other European countries. Etergo sees the Netherlands as an ideal country to start in, given that:

- The Netherlands has the highest density of scooters per 1000 people in Europe.⁹
- There are more than 1.2 Million mopeds (*bromfietsen en snorfietsen*) in the Netherlands. More than 60% of these were built before 2011 and are considered old.¹⁰
- Growing scooter market: The number of scooters in the Netherlands increased by 60% over the last decade. Now the second largest scooter market in Europe.¹¹
- In the first 4 months of 2018, there were 3x more electric scooters sold in the Netherlands as in 2017.¹²
- There are more electric scooters than electric cars in the Netherlands.¹³

Besides the high number of scooters the Netherlands is also an EV loving nation having the second highest EV adoption in the world.¹⁴ This makes the Dutch market a good starting point to build and start selling electric scooters.

Timing & Trends

The upcoming legislative changes in combination with expected technological advancements in battery pricing and charging speed make this a great time to launch an electric premium mass-market scooter.

Since January 2018 every scooter built before 2011 is banned from the streets of Amsterdam.¹⁵ There are many scooters that are likely to be replaced in Amsterdam alone. In addition, London and Paris are also considering or already introducing legislations:

- London to introduce an Ultra-Low-Emission-Zone in 2020, requiring every Euro3 scooter to pay a fee to enter. For up-to-date information reference is made to publicly available information on governmental websites.
- Paris is banning scooters built before 2000 in some parts of the city.¹⁶

Not only the market and legislation seems to be ready, but also electric drivetrain technology

⁹ Source: <http://statline.cbs.nl/StatWeb/publication/?VW=T&DM=SLNL&PA=81568NED&LA=NL>.

¹⁰ Source: <https://www.bovag.nl/BovagWebsite/media/BovagMediaFiles/Cijfers/2018/Kerncijfers-Tweewielers-2018.pdf?ext=.pdf>.

¹¹ Source: <https://www.bovag.nl/BovagWebsite/media/BovagMediaFiles/Cijfers/2018/Kerncijfers-Tweewielers-2018.pdf?ext=.pdf>.

¹² Source: <https://www.ad.nl/auto/run-op-elektrische-scooters-verkoop-verdrievoudigd~abdaa20a/>.

¹³ Source: <https://www.ad.nl/auto/run-op-elektrische-scooters-verkoop-verdrievoudigd~abdaa20a/>.

¹⁴ Source: <https://faculty.washington.edu/dwhm/2016/02/19/can-norway-save-the-electric-vehicle-market/>.

¹⁵ Source: <https://www.amsterdam.nl/veelgevraagd/?productid=%7BB9B8F66D-0366-4082-A871-D3FBB789BC25%7D> (retrieved on 5 September 2018).

¹⁶ For up-to-date information, see: https://www.paris.fr/stoppollution#le-plan-qualite-de-l-air-les-interdictions-de-circuler-les-derogations_15.

is nearing to a point where it becomes competitive with petrol technology from a cost perspective.

- "When the first mass-market EVs were introduced in 2010, their battery packs cost an estimated \$1,000 per kilowatt-hour (kWh). Today, Tesla's Model 3 battery pack costs \$190 per kWh, and General Motors' 2017 Chevrolet Bolt battery pack is estimated to cost about \$205 per kWh. That's a drop of more than 70% in the price per kWh in 6 years".¹⁷
- "If battery costs continue to decline as EV production increases, within several years they will reach the \$125–\$150 target that makes EVs competitive with conventional gasoline vehicles."¹⁸

There were no exceptional circumstances affecting the Company's activities so far. At the date of this Prospectus, the Company has not yet released detailed Information on other products and/or services has in public, other than the 'Etergo Masterplan' which describes the outline of the product strategy.

7.6 Competition

Etergo considers a few serious competitors in the electric scooter market, though every company has its own market segment it focuses on. These are the one we consider most important based on product, volume growth, strategic positioning and investors:

- NIU from China, mainly because of the high sales volume in a relatively short time, and presence in Europe;¹⁹
- Gogoro from Taiwan, mainly because of the technical sophistication of their products and potential lock-in effect of their charging infrastructure;
- Ather Energy from India, mainly because of the sophistication of their product at a low price-point and their investor, Hero Motor Corp, the largest powered two wheeler manufacturer in the world; and;
- Govecs from Germany, mainly because they have been on the market for a longer time than the other companies mentioned above, and their presence in Europe.²⁰

From these companies, to the knowledge of Etergo, only NIU and Govecs sell to consumers in Europe at the date of this Prospectus. Govecs focuses mainly on the B2B market. Gogoro has partnered with Coup to provide sharing concepts in European cities like Paris and Berlin.

In the petrol scooter market, Vespa (a brand by Piaggio, Italy) can be considered one of the

¹⁷ Source: <https://www.ucsusa.org/clean-vehicles/electric-vehicles/electric-cars-battery-life-materials-cost#.W4Oxtj7Rp8>.

¹⁸ Source <https://www.ucsusa.org/clean-vehicles/electric-vehicles/electric-cars-battery-life-materials-cost#.W403y5P7R-V>.

¹⁹ Source: Bloomberg Finance L.P. - <https://www.bloomberg.com/news/articles/2018-06-12/chinese-electric-scooter-startup-takes-aim-at-european-market>.

²⁰ Source: <https://en.wikipedia.org/wiki/GOVECS> (retrieved on 05 Sept 2019).

main competitor, as it owns a large part of the premium scooter market in Europe (also see the table below indicating market shares). However, looking at the developments in legislation changing in favor of electric vehicles, their current product might be nearing obsolescence. In response, Vespa has announced plans to bring an electric scooter to market.²¹

However, petrol scooters still dominate the market today. See the table below for an overview of the current market shares of competitors in Europe. Note that this data includes both mopeds (scooters) and motorcycles.²²

| Brand | Market share |
|---------|--------------|
| Piaggio | 15.00% |
| Yamaha | 14.90% |
| Honda | 14.40% |
| BMW | 5.70% |
| Other | 50.00% |
| Total | 100% |

We are trying to position Etergo as a premium brand by focusing on quality, design and service. Etergo tries to focus on products and services that add value to our customer's lifestyle and the additional use cases (gym bag fits in trunk, navigation for exploring cities, etc) our product directly unlocks through its various USPs, but also throughout the customer journey, from first contact to the delivery and service experience. The main USPs for its product AppScooter are:

- (a) longer range compared to most electric scooters (Etergo estimates to achieve a range of 240 km (at a constant speed of 20km/h) with 3 battery modules, this still needs to be validated in real life conditions). Compared to NIU N1s (80km); Gogoro 1 (100km (@40km/h) Ather S450 (75km, unknown at what avg speed), Govecs S2.6 (90-120km, unknown at what avg speed);
- (b) a large touch screen in the cockpit, capable of running one or more apps. The apps can also be controlled by handlebar buttons. As far as Etergo is aware, there are no other electric scooters in Europe that have a touchscreen in the cockpit that can be controlled by handlebar buttons. Etergo is aware that some scooters in Asia from e.g. Ather Energy also has a touch screen in the cockpit.

²¹ Source: http://www.vespa.com/en_EN/news-promo/vespa-elettrica-production.html.

²² Source: Marketline.

- (c) large storage (it carries more luggage than many competitors). For example, it's estimated to be more than three times as big as the storage space of a Vespa PrimaVera 125 and a NIU N1S, and more than 2x as much storage space as a Gogoro 2 and an Ather 450.
- (d) quick acceleration (about 3.9sec from 0-45km/h) compared to petrol scooters (typically in the range of 10-20sec).²³

7.7 Dependency

Dependency on patents

As far as the Company is aware at the date of this Prospectus, Etergo's viability or business model does not depend on any particular patent. Etergo has applied for patents to gain extra competitive advantage and to try to protect Etergo's intellectual property. The patents mentioned below (under status of the technical patents) have been filed: technical patents covering most of the potential inventions that were identified, and design patents that covers the aesthetic of its product AppScooter. The technical patents are broad in scope, and during the examination phase multiple inventions have been identified. Also see Paragraph 2.2 for a list of invention subjects. After the examination phase is over, Etergo has the possibility to split the patent. In that case, a patent can be filed for each invention that is deemed viable and useful.

The status of the most important design patents (one design patent protecting the design of entire AppScooter under reg. nr. 005328549-0001, one protecting specifically the buttons and speaker design under reg. nr. 005328549-0002, and one protecting the design of the battery under reg. nr. 005328028-0001) is that they have been granted in the EU. The aforementioned design patents can still be and will probably be extended to other countries claiming priority from the EU registration.

The status and history of the technical patent applications is:

On 21 September 2017, an international patent application with application number PCT/NL2017/050632 was filed, which claims priority of the following three Dutch filings: NL2017515, NL2017567 and NL2018466. The international patent application has been published on 29 March 2018 as publication number WO 2018/056819 A1. The international phase is still pending, and a total of 10 inventions have been identified by the European Patent Office, which acts as International Searching Authority. For a selection of these inventions, additional search fees have been paid. The international patent application can be converted to one or more than one national / regional phases. Most states have a due date for this conversion of 22 March 2019. These patents and protecting the inventions are important to the Company,

²³ Sources used in these paragraphs are publicly available sources containing information about our competitors and <http://www.scooterfile.com/oems/vespa/vespa-2014-primavera-details-specs-and-comparison-with-lx/> and http://www.scooterfocus.com/scooter_tuning.html.

but the Company does not fully depend on them.

The status of the trade marks is:

APPSCOOTER: Registered/granted in the EU, China, India and Vietnam. This trademark is important for the Company since its the brandname of its (only) product. However, the Company is not fully dependent on it.

ETERGO: Pending registration in the EU and can still be extended to other countries claiming priority from the EU registration. This trademark is important for the Company for the obvious reason that it is the name of the Company. However, the Company is not fully dependent on it.

Dependency on licenses

AppScooter contains at least one component for which a license agreement is required. It is currently known that the processor by Qualcomm that powers the infotainment system in the cockpit requires such license. Alternative solutions which are license-free are available, possibly at a higher cost and potentially reduced performance. Also, it would possibly stretch timelines if the Company would have to switch to such license-free solution.

Dependency on contracts with third parties

For the manufacturing and assembly of AppScooter, Etergo plans to sign a contract with a contract manufacturer. This will create a dependency on this party subject to the terms in that contract.

Another dependency is on supply of lithium-ion cells for the battery modules in AppScooter. With a growing electric vehicle market, battery cells are in high demand and there are just a few suppliers in the world.

Etergo also depends on third parties for a service that provides data for a good turn-by-turn navigation solution, which is used by the navigation app in the cockpit. At least two good quality options exist but in the end, but they do not cover the entire world, and there will be switching costs involved. In the end, only a few companies in the world own map data.

Finally, the design of the vehicle is adapted to fit manufacturer-specific parts. Changing supplier will incur additional costs and stretched timelines for redesign and retesting.

Dependency on new production techniques

For AppScooter: The monocoque frame is made out of a composite material. The material, and therefore production technique is new for the scooter market at this scale but it is already being applied in various automotive applications. Other AppScooter parts are mostly manufactured using widely available production techniques. The AppScooter final assembly will most likely use processes that will allow for flexibility with respect to both volume and

design.

7.8 Strategic objectives and key assumptions

The Company currently has several important strategic objectives. A selection of the most important ones can be found below:

Strategic objective:

- Start the series production of AppScooter.

The most important strategic objective on a short term is to start mass producing AppScooter, as it enables Etergo to enter the market, start generating significant revenues, acquire user data and feedback and establish its brand.

- Start deliveries of AppScooter in several countries across EU, and later Asia.

As discussed in this chapter, Etergo wants to start selling its products in Europe and eventually also most countries in Asia. Europe is a small market compared to Asia in terms of volumes, but average selling prices are higher. Therefore, it seems like an ideal first step for Etergo.

- Start the development of new products and services.

Within the next two years Etergo has planned to start the development of new products. These new products will likely include vehicles in the range between e-bikes and 250cc equivalent electric two-wheelers. In addition, since Etergo's current vehicles are connected to the internet, Etergo may also launch mobility related services.

Key Assumption in the business plan

Like most business plans, Etergo's plan is based on a set of assumptions. Below, the most important ones have been listed, including a short discussion about them.

1. *There's a need for new electric scooters such as AppScooter and there is a significant customer base for AppScooter and future products of Etergo*

Etergo's businessplan is based on the assumption that customers are actually in need for electric scooters such as AppScooter in such a strong way that they are willing to pay for it. The assumption is supported by the fact that there already many (petrol) scooters sold yearly over the past decades, also in the same price class as AppScooter. However, electric scooters are significantly different in some ways, so the volumes of petrol scooter sold doesn't per se guarantee the same for electric scooters. On the other hand, (expected) legislation changes force customers to make a decision moving away from petrol scooters. In addition, AppScooter has been designed to be similar or in many cases better than a typical petrol scooter in the same (price)class on metrics we assume are important for customers. This makes it in our opinion more likely that customers choose AppScooter, in case they need an electric

scooter and prefer a premium product.

2. *Etergo has or can acquire enough resources to execute its businessplan*

To execute Etergo's businessplan, there is a relatively high need for cash and employees with specific expertise that are not widely available, especially not in the Netherlands, where Etergo is based. However, the assumption that Etergo is able to acquire these resources may likely be valid, since:

- Etergo has proven to be quite successful in raising funds online from angel investors and retail investors. Therefore, it assumes it can continue this trend in the future as well.
- Also, significant funds have been invested recently in competitors of Etergo, which proves a certain investor's appetite for investing in this industry. Etergo has been approached a number of times by investors which would be able to fund Etergo for the next years. Therefore, it is not unlikely to assume that Etergo will be able to raise sufficient follow-up investments from big investors in case that's required for the execution of the business plan.
- Although there is not a huge workforce available in the Netherlands with specific expertise in automotive, Etergo has proven to be able to successfully hire this top-talent from abroad, even from companies like Tesla. Therefore it assumes it can continue doing this in the future, and potentially be even more successful in doing so when it assumes that the Etergo brand will get more established over time.

Sensitivity Analysis

If assumption I does not hold true, (e.g. there is only a small customer base that is in need for Etergo products), it would have significant impact on Etergo's business plan and financial results as selling its vehicles is on the mid-term the only way it can generate revenues. However, there are mitigation plans conceivable. For example, Etergo could focus itself on a luxury niche market at a much higher price; or it can change business model and start selling mobility services or maybe parts like the cockpit, drivetrain or even software instead of vehicles.

If assumption II does not hold true entirely, for example, because Etergo is not able to raise the cash it needs to execute on its business plan, it will have significant impact on the business plan. With less cash, the speed Etergo can introduce (new) products will go down, and therefore the market share it can capture, and gross margins it can achieve (because of decreasing economies of scale) will decrease. If Etergo is able to raise significant amounts of investments, it will likely have a positive impact on the long-term profitability of Etergo, since it could capture more market share in a shorter period.

If Etergo is not able to hire the talent it needs, it will also have impact on the speed it can introduce new products and services. Also, Etergo might be forced to outsource parts of its activities which leads to higher cost and less knowledge creation within the company. However, it would lead to more financial flexibility if Etergo would outsource more activities.

If Etergo is able to hire more and better skilled talent, it might be able to speed up its activities which can also lead to capturing more marketshare sooner.

8. DESCRIPTION OF ETERGO AND THE UNDERLYING SHARES

8.1 General

Etergo was founded as Bolt Mobility B.V. a private limited company under Dutch law (*besloten vennootschap met beperkte aansprakelijkheid*) by notarial deed of 1 December 2014, executed before a deputy of civil-law notary in the Netherlands. Etergo's commercial name is Etergo and Etergo has no other trade names.

Etergo's registered seat is Amsterdam, the Netherlands. The address is Koningin Wilhelminaplein 33, 1062 HJ Amsterdam, the Netherlands and the telephone number is +31 (0)15-2023160. The articles of association of Etergo were most recently amended by deed dated 14 November 2018. Etergo is registered in the Trade Register with the Chamber of Commerce of the Netherlands under number 62037285.

8.2 Corporate purposes of Etergo

Pursuant to article 2 of the articles of association of the Company, the corporate purposes of the Company are:

- (a) to design, develop, manufacture, maintain and sell electric vehicles and to develop and exploit related software and to render mobility services;
- (b) to acquire, hold and to dispose of participations in other companies and enterprises;
- (c) to finance such companies and enterprises, to borrow and lend money, to grant securities for the benefit of third parties, to provide undertakings and guarantees and to bind the company or the company's assets for the benefit of third parties, including companies with which the company is affiliated in a group;
- (d) to acquire, exploit, encumber and dispose of registered property and other property;
- (e) to provide administrative, clerical and other services to other companies and enterprises;
- (f) to acquire, alienate, hold, administer and/or exploit patents, trade names, trade marks, licences, know-how, copyrights, royalties and other rights of intellectual and/or industrial property, as well as to grant a licence to such rights and to acquire and exploit licences, both in the Netherlands and abroad;
- (g) to ensure pensions and to enter into and execute agreements regarding rights for periodical pay-out, life-annuity agreements and similar agreements;
- (h) to perform all that is related to the above in the widest sense or may be conducive thereto.

8.3 **Share Capital**

As per 31 December 2017 the issued share capital of the Company amounted EUR 1,225.50127 divided into 122,550,127 Shares with a nominal value of EUR 0.00001 per Share. The issued share capital of the Company as per 31 December 2016 amounted to EUR 1,000 divided into 100,000,000 Shares with a nominal value of EUR 0.00001 per Share. The Company does not have an authorized capital as this is not required by law. No Shares are held by the Company and all outstanding Shares are fully paid up.

History of share capital

The Company was incorporated on 1 December 2014 as Bolt Mobility B.V. After rectification of the notarial deed of incorporation of 3 December 2014, the Company's issued share capital amounted to EUR 92,500 divided into 92,500 Shares, each having a nominal value of EUR 1. Pursuant to a notarial deed of amendment of the articles of association of 9 September 2015, the nominal value of each Share has been reduced to EUR 0.01 as a result whereof the Company's issued share capital has been reduced to EUR 925 divided into 92,500 Shares. Pursuant to a notarial deed of issuance 7,500 Shares were issued on 28 September 2016 to A.P. Kooi Beheer B.V., M.L. Flipse Holding B.V. and Rosier Holding B.V. As a result of the issuance the Company's issued share capital amounted to EUR 1,000 divided into 100,000 Shares. Pursuant to a deed of amendment of the articles of association of 28 September 2016, each Share with a nominal value of EUR 0.01 has been split into Shares with a nominal value of EUR 0.00001 as a result whereof the Company's issued capital amounted to EUR 1,000 divided into 100,000,000 Shares. On 19 June 2017 22,550,127 Shares were issued to Stichting Administratiekantoor Bolt Mobility (now Stichting Administratiekantoor Etergo I) as a result of the issuance the issued share capital amounted EUR 1,225.50127 divided into 122,550,127 Shares. On 10 January 2018 16,315,789 Shares were issued to Seedrs Nominees Limited as a result the issued capital amounted to EUR 1,388.65916 divided into 138,865,916 Shares with a nominal value of EUR 0.00001 each. As per 14 November 2018 pursuant to a notarial deed of amendment of the articles of association the name of Bolt Mobility B.V. has been amended into Etergo B.V.

8.4 **Characteristics of the Shares**

The underlying Shares have been created under Dutch law and are denominated in euros. All Shares are in registered form and the register is kept at the head office of Etergo at Koningin Wilhelminaplein 33, 1062 HJ, Amsterdam, the Netherlands. The board of Etergo is in charge of keeping the records of the Shares in the register. The authority to issue new Shares lies with the General Meeting of Etergo. There are no provisions that require publication when a shareholder acquires a certain percentage of Shares.

The Shares give the right, pro rata, to dividends made payable on the Shares, and to liquidation

payments. The profits are at the disposal of the General Meeting. The board of Etergo should approve the distribution of profits. The claim of a Shareholder in respect of dividends shall lapse after a period of five years. Dividends are noncumulative.

In addition, each Share gives the right to cast one vote at the General Meeting. The articles of association of Etergo provide that shares can only be held by private persons and legal entities that are a party to the Shareholders Agreement, unless the General Meeting releases a shareholder from this requirement. The Shares are subject to transfer restrictions to the extent that a shareholder who wishes to transfer Shares shall give notice of that intent to the board of Etergo, such notice should state the number of Shares intended to be transferred and the name of the proposed acquirer. The notice will be deemed to qualify as an offer of Shares to the Shareholders on which they can reflect. Shareholders have a pre-emption right to acquire new Shares in proportion to the aggregate nominal amount of his Shares. The shareholders of Etergo have entered into a Shareholders Agreement that provides for certain restrictions. Reference is made to paragraph 6.11 'Material Contracts'.

8.5 **General Meeting**

At least one General Meeting will be held annually in accordance with the articles of association of Etergo. An extraordinary General Meeting can be requested by one or more shareholders together representing not less than 1% of the issued share capital. In the exercise of its voting rights, the Issuer will be guided by the interests and affairs of the Depository Receipt Holders, Etergo, the other Shareholders and those otherwise involved in the organisation of Etergo. The General Meeting can be called by written notice, with the consent of the person with meeting rights the notice can also be given electronically.

Resolutions of the General Meeting to;

- (a) issue shares in the Company's capital or to grant rights to subscribe for shares in the Company's capital;
- (b) decide on the allocation of profits as determined in the adopted annual accounts as well as upon distribution of profits;
- (c) grant approval to the board of Etergo to acquire shares in the Company's capital for consideration;
- (d) exclude or limit pre-emption rights in case of issuance of shares in the Company's capital or a grant of rights to subscribe for shares in the Company's capital;
- (e) reduce the issued share capital;
- (f) instruct the board to file a petition for bankruptcy;
- (g) amend the articles of association of etergo;

- (h) dissolve the Company;
- (i) a legal merger or demerger;
- (j) appoint and dismiss an auditor as referred to in the articles of association of Etergo;
- (k) decide on the remuneration and the further terms and conditions of employment for each of the managing directors;
- (l) adopt the Company's annual accounts;
- (m) approve the Company's budget as drawn up by the management board;
- (n) approve certain management board decisions as referred to in Article 14 paragraph 9 of these articles of association of Etergo;
- (o) release a shareholder from the quality requirement as referred to in the articles of association of Etergo,

require a qualified majority of at least sixty percent of the valid votes cast in a meeting in which the entire issued capital is represented. Reference is made to Article 20 of articles of association of Etergo for a complete description of the special resolutions.

8.6 **Board of Etergo**

The board of Etergo is responsible for the daily management of Etergo. The General Meeting can appoint, suspend and dismiss board members at any time, as well as determine their terms of employment. The board represents the Company. Representative authority shall also be vested in two managing directors acting jointly. At the date of this Prospectus, the board of Etergo consists of two directors that are jointly authorised to represent the Company.

The members of the board of Etergo are:

Marijn Flipse (1993)

- 2014 - present: Co-founder and Chief Financial Officer of Etergo (via M.L. Flipse Holding B.V.)
- 2017- present: board member of Stichting Administratiekantoor Etergo I
- 2014 - 2015: R&D Engineer at NOVEK Technical Solutions B.V.
- 2011 - 2015: Bachelor Mechanical Engineering at Delft University of Technology
- First appointment 1 December 2014 with no defined end date
- Nationality: Dutch
- Number of Shares: 50,546,000 Shares via M.L. Flipse Holding B.V.

Bart Jacobsz Rosier (1984)

- 2015—present: Co-founder and Chief Executive Officer of Etergo (via Rosier Holding B.V.)
- 2017- present: board member of Stichting Administratiekantoor Etergo I
- 2013—2016: Founder and Chief Executive Officer of Dwillo B.V. (dissolved in 2016)
- 2008—2014: Founder and owner of Rosier Webdesign.
- 2011—2012: Founder and partner of Honors Consultants.
- 2008—2011: Bachelor Mechanical Engineering at Eindhoven University of Technology.
- First appointment 15 April 2015 with no defined end date
- Nationality: Dutch.
- Number of Shares: 41,354,000 Shares via Rosier Holding B.V.

Marijn Flipse and Bart Jacobsz Rosier have their business address at Koningin Wilhelminaplein 33, 1062 HJ Amsterdam, the Netherlands.

In relation to the members of the board of Etergo, Etergo is not aware of (i) any convictions in relation to fraudulent offences in the last five years; (ii) any bankruptcies, receiverships or liquidations of any entities to which they were associated in the last five years; (iii) any official public incrimination and/or sanctions of such person by statutory or regulatory authorities (including designated professional bodies) or disqualification by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer in the last five years other than the aforementioned involvement of Bart Jacobsz Rosier in the dissolution of Dwillo B.V.

There are no family ties between the members of the board of Etergo.

Service contracts

There are no service contracts between the members of the board of Etergo providing for benefits upon termination of employment.

Remuneration

Marijn Flipse: A gross salary of EUR 91,800 per year on the basis of full-time employment. To limit the cash-out for the Company, the payout of the salary for Marijn Flipse will be limited to EUR 75,000 gross.

Bart Jacobsz Rosier: A gross salary of EUR 110,000 per year on the basis of full-time employment. To limit the cash-out for the Company, the payout of the salary for Bart Jacobsz Rosier will be limited to EUR 90,000 gross.

The remaining net amounts (i.e. gross salary minus paid-out gross salary) are converted into loans from the board members to the Company. The Company will only settle the loan to the

board members once the Company has reached a total revenue of EUR 10,000,000. To comply with Dutch law, a market competitive interest rate on the loan will be taken into account.

The General Meeting resolved that the members of the board of Etergo can decide in favor of annual increases of pay-out of a maximum of 10% annually.

Both Marijn Flipse and Bart Jacobsz Rosier get a telephone allowance of respectively EUR 72 and EUR 82. They also both have a NS Business Card for travel purposes. There are no other remuneration items (such as pensions). Etergo does not have a remuneration or audit committee. It might be required to raise the salaries of both Marijn Flipse and Bart Jacobsz Rosier in the future in order to comply with Dutch law.

On the date of this Prospectus Etergo does not set aside amounts to provide for pensions or similar benefits for the members of the board of Etergo. Etergo intends to provide for pensions as soon as the Company has reached a cumulative turnover of EUR 10,000,000. These pension arrangements will be in line with market practice for companies of the size of Etergo.

8.7 **Potential conflicts of interest**

The following arrangements can give rise to a potential conflict of interest of the board of Etergo and the Issuer:

- The fact that Bart Jacobsz Rosier and Marijn Flipse are the members of the board of Stichting Administratiekantoor Etergo I, the members of the board of the Issuer and via M.L. Flipse Holding B.V. and Rosier Holding B.V. the members of the board of Etergo may result in conflicts of interests.
- Bart Jacobsz Rosier and Marijn Flipse hold a large number of Shares and as such their interests may not always coincide with the interests of the other Depository Receipt Holders.
- Furthermore Etergo may also use up to a maximum of EUR 1,000,000 of the net proceeds from the Offering to redeem Shares from the founders and members of the board of Etergo and the Issuer, Bart Jacobsz Rosier and Marijn Flipse. These redemptions might give a potential conflict between the interests of the founders and members of the board and the Issuer.

In general, the interests of the Company and board of the Issuer will be aligned. If they are not fully aligned, 25% of the capital of the Depository Receipt Holders can call a meeting and add another board member to the board of the Issuer. In addition to this, given the (expected) large number of Depository Receipt Holders and the public nature of the Company, the public reputation of the the board of the Company and Issuer is at stake for every decision they make. If they make decisions which are not in favor of the interests of the Depository Receipt Holders, their public reputation as entrepreneurs may be harmed.

An example situation of when the interests may not be fully aligned: If the Company gets an acquisition offer from a third party which will liquidate all of the founders shares to a price that will make them personally wealthy but will not give the expected ROI for Depositary Receipt Holders. This is mitigated by allowing the founders to liquidate a very small portion of their shares early on. This releases them from the interest to liquidate all of their shares quickly and therefore dragging the other shareholders with them. Reference is made to paragraph 4.1 'Use of Proceeds'.

8.8 **Dividend policy**

The Company did not pay any dividend in respect of the financial years 2014/2015, 2016 and 2017. The Company does not intend to declare or pay dividends for the year ended 31 December 2018 or in the medium term. Cash generation will in the medium term most likely be used to fund growth opportunities.

Etergo has the ambition to expand beyond national borders, and intends to allocate profits to this end. Given the high level of investment planned by Etergo, it is not expected that any dividends will be paid by Etergo the coming years. The ability and intention of the Company to pay dividends in the future will depend on its financial position, results of operations, capital requirements, investment alternatives, the existence of distributable reserves, available liquidity, market developments, industry peers and other factors that the board of Etergo may deem relevant. The Company's intentions in relation to dividends are subject to numerous assumptions, risks and uncertainties, many of which may be beyond the Company's control.

8.9 **Corporate Governance**

The Dutch Corporate Governance Code does not apply directly to Etergo, as the Depositary Receipts and Shares are not listed on any regulated market. At the date of this Prospectus Etergo has also no intention to apply for admission to trading of the Depositary Receipts on a regulated market. As Etergo is a relatively small company it will not apply the Dutch Corporate Governance Code on a voluntary basis. Etergo does not comply with the Dutch Corporate Governance Code on inter alia the following topics:

- Etergo does not have a non-executive board as Etergo considers it premature at this stage of its development.
- To protect Etergo's mission and objectives as much as possible, Depositary Receipt Holders are not allowed to exercise voting rights on the underlying Shares, which are instead exercised by the Issuer.
- The term of office of the members of the board is not limited to a period of four years, as Etergo feels that this would not serve the long term development of the Company.
- Etergo does not have a remuneration committee for practical reasons, given the size of Etergo.

8.10 Employees

As at the date of this Prospectus, the Etergo team consists of 50 employees in the fields of, amongst others, engineering, operations, design, sourcing, marketing, IT and HR. All employees are located at the office in Amsterdam.

| | Employees | FTE |
|--|-----------|------|
| Number of employees/FTE at the date of this Prospectus | 56 | 55.1 |
| Number of employees/FTE at end of 2017 | 22 | 22 |
| Number of employees/FTE at end of 2016 | 7 | 7 |
| Number of employees/FTE at the end of 2015 | 2 | 2 |

At the date of this Prospectus the split in departments of the team of employees is as follows:

| <i>Department</i> | <i>Employees</i> | <i>FTE</i> | <i>%</i> |
|----------------------|------------------|-------------|-------------|
| Management & General | 8 | 7.6 | 14% |
| Operations | 13 | 13 | 23% |
| R&D | 25 | 24.7 | 45% |
| Sales & Marketing | 10 | 9.8 | 18% |
| Grand Total | 49 | 55.1 | 100% |

Key Employees

Currently, the business is dependent on the founders, Bart Jacobsz Rosier and Marijn Flipse.

9. DESCRIPTION OF THE ISSUER AND THE DEPOSITORY RECEIPTS

9.1 General

The Issuer – Stichting Administratiekantoor Etergo II, a foundation (*stichting*) under Dutch law, was established by notarial deed of 15 November 2018. The Trust Conditions have been adopted by the Issuer by notarial deed on 15 November 2018. The Issuer is registered in the Trade Register with the Chamber of Commerce of the Netherlands under number 73113336. The registered seat of the Issuer is Amsterdam, the Netherlands. The address is Koningin Wilhelminaplein 33, 1062 HJ Amsterdam, the Netherlands and the e-mail address is info@etergo.com.

Up to 60,000,000 Shares of Etergo can be issued to the Issuer under this Offering. The Issuer will issue one Depository Receipt for one Share. The Issuer will hold all Shares that will be issued under the Offering and all the voting rights on these Shares, in order to protect the mission of Etergo. Depository Receipt Holders are not entitled to request the conversion of a Depository Receipt into a Share.

The issue of the Depository Receipts and underlying Shares has been authorised in terms of a resolution of the General Meeting dated 30 November 2018 and a share placement agreement dated 30 November 2018 between the Issuer and Etergo.

9.2 Purpose of the Issuer

The objects of the articles of association of the Issuer read as follows, whereby several terms have been defined in the articles of association of the Issuer.

- (a) to acquire and to hold Shares and remaining assets and to hold underlying subscribed Shares and remaining assets in trust for the account and risk of investors;
- (b) to issue Depository Receipts for underlying subscribed Shares;
- (c) to exercise all rights attached to the Shares and remaining assets held in trust by the Issuer, such as control rights, pre-emption rights and rights to subscribe for Shares or remaining assets;
- (d) to receive all distributions and payments which become payable in respect of one or more of the Shares and remaining assets and to make available distributions or payments on the Depository Receipts or participations;
- (e) to enter into agreements with the Company and with other shareholders of the Company relating to, inter alia, the acquisition, holding and disposal of Shares;
- (f) to dispose and transfer Shares and remaining assets;

- (g) to perform any and all activities which are incidental to or which may be conducive to any of the foregoing in the broadest sense,

all with due observance of the Trust Conditions. The Issuer aims at safeguarding the continuity of the management and the policy of the Company.

9.3 **The board of the Issuer**

The board of the Issuer has the power to represent the Issuer. Members of the board of the Issuer shall be appointed by the board of the Issuer. There are no formal criteria for (future) members of the board of the Issuer. If all members of the board of the Issuer are failing, one or more board members shall be appointed by the board of Etergo. Upon request in writing of a number of Depositary Receipt Holders entitled to cast not less than one fourth of the votes at the Meeting of Depositary Receipt Holders, the board of the Issuer shall appoint one additional member of the board of the Issuer. This additional member of the board of the Issuer cannot be a conflicted person. Reference is made to the articles of association of the Issuer for a description of a conflicted person.

Members of the board of the Issuer will not receive any remuneration for their services as member of the board of the Issuer. There are no service contracts between the members of the board of the Issuer providing for benefits upon termination of employment. The members of the board of the Issuer are also members of the board of Etergo and shareholder of Etergo. A potential conflicts between any duties of the member of the board of the Issuer and their private interest and/or other duties therefore exists. Reference is made to paragraph 8.7 'Potential conflicts of interest'.

The members of the board of the Issuer are:

Marijn Flipse (1993)

- 2014 - present: Co-founder and Chief Financial Officer of Etergo (via M.L. Flipse Holding B.V.)
- 2017- present: board member of Stichting Administratiekantoor Etergo I
- 2014 - 2015: R&D Engineer at NOVEK Technical Solutions B.V.
- 2011 - 2015: Bachelor Mechanical Engineering at Delft University of Technology
- First appointment 15 November 2018 Stichting Administratiekantoor Etergo II with no defined end date
- Nationality: Dutch

Bart Jacobsz Rosier (1984)

- 2015—present: Co-founder and Chief Executive Officer of Etergo (via Rosier Holding B.V.)
- 2017- present: board member of Stichting Administratiekantoor Etergo I

- 2013—2016: Founder and Chief Executive Officer of Dwillo B.V. (dissolved in 2016)
- 2008—2014: Founder and owner of Rosier Webdesign.
- 2011—2012: Founder and partner of Honors Consultants.
- 2008—2011: Bachelor Mechanical Engineering at Eindhoven University of Technology.
- First appointment 15 November 2018 appointment stichting Administratiekantoor Etergo II with no defined end date
- Nationality: Dutch.

In relation to the members of the board of the Issuer, the Issuer is not aware of (i) any convictions in relation to fraudulent offences in the last five years; (ii) any bankruptcies, receiverships or liquidations of any entities to which they were associated in the last five years; (iii) any official public incrimination and/or sanctions of such person by statutory or regulatory authorities (including designated professional bodies) or disqualification by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer in the last five years other than the aforementioned involvement of Bart Jacobsz Rosier in the dissolvment of Dwillo B.V.

There are no family ties between the members of the board of the Issuer.

9.4 **The Depository Receipts**

The Depository Receipts have been created under Dutch law, are denominated in euros and will be issued under Dutch law with the cooperation of Etergo. The Depository Receipts shall be in registered form. The Issuer issues one Depository Receipt for each Share. The Depository Receipts are registered in the Depository Receipt Holders Register, maintained by the board of the Issuer (Koningin Wilhelminaplein 33, 1062 HJ Amsterdam, the Netherlands). There are no costs attached to registration.

9.5 **Information**

The board of the Issuer has designated the Etergo Website as the website through which the subscription procedure is accessible. This website forms a platform to share information with potential investors and the Depository Receipt Holders in respect of Etergo, the Issuer and the Depository Receipts. The board of the Issuer will also be able to share information with potential investors and Depository Receipt Holders through other means of (electronic) communications, such as email.

9.6 **Meeting of Depository Receipt Holders**

The board of the Issuer holds a Meeting of Depository Receipts Holders if pursuant to the articles of association of the Issuer or the Trust Conditions a resolution of the Meeting of

Depository Receipt Holders is required and furthermore whenever the board of the Issuer considers appropriate. In addition, a Meeting of Depository Receipt Holders shall be convened as soon as a number of Depository Receipt Holders entitled to cast not less than one fifth of the votes at the Meeting of Depository Receipt Holders so request the board of the Issuer in writing, accurately stating the matters to be discussed.

Notice of a Meeting of Depository Receipt Holders shall be given by e-mail to the addresses included in Depository Receipt Holders Register. The notice of meeting shall mention the matters to be discussed and the place and the time of the meeting. The meeting is called no later than on the eighth day prior to the date of the meeting. Each holder of Depository Receipts has the right to attend the meeting. Depository Receipts give the right to attend, address and vote at the Meeting of Depository Receipt Holders. Each Depository Receipt confers the right to cast one vote. All resolutions shall be adopted by an absolute majority of the votes cast.

The board of the Issuer can amend the Trust Conditions. A resolution to amend the Trust Conditions negatively affecting any right of the Depository Receipt Holders shall require the approval of the Meeting of Depository Receipt Holders. Depository Receipts cannot be encumbered with a right of usufruct or a right of pledge.

The Issuer shall collect all distributions and payments becoming due and payable in respect of the Shares it holds in trust, including dividend and any surplus in the event of liquidation. Immediately following receipt of a distribution or payment on an each Share that the Issuer holds in trust for the account of a Depository Receipt Holder, the Issuer shall make available an equal distribution or payment on the corresponding Depository Receipt. Distributions shall also be made available in the event that the Depository Receipts have been converted into participations. The claim of a Depository Receipt Holder vis-à-vis the Issuer in respect of a distribution or payment shall lapse five years after the distribution or payment was made available.

Depository Receipt Holders do not have the right to attend or vote at the General Meeting of Etergo, the right to request the conversion of a Depository Receipt into a Share, nor do Depository Receipt Holders have pre-emptive rights when new Depository Receipts are issued.

For a more comprehensive description of the rights attached to the Depository Receipts, reference is made to the articles of association of Etergo, the articles of association of the Issuer and the Trust Conditions.

9.7 Trading and transfer

There is no intention to request a listing of the Depository Receipts on any securities exchange. The Depository Receipt Holder who wishes to transfer one or more Depository Receipts shall require the approval of the board of the Issuer for the transfer to be valid. The board of the Issuer wants to prevent as much as possible that natural or legal persons that are on certain

watch lists, e.g. in the context of money laundering or terrorism, or are a competitor of Etergo to become a Depository Receipt Holder. Generally, the board of the Issuer will withhold their approval on the aforementioned grounds.

The transfer of Depository Receipts shall require a notarial deed intended for that that purpose, executed before a civil law notary practising in the Netherlands, the parties to which deed shall be the transferor, the transferee and the Issuer. The costs of the deed of transfer shall never be borne by the Issuer or the Company. The deed of transfer shall, amongst other things, mention the e-mail address of the transferee designated for communication with the Issuer. The board of the Issuer may launch a procedure accessible through the Etergo Website for the transfer of Depository Receipts, provided that such procedure complies with Section 3:94 of the Dutch Civil Code.

9.8 Conversion

The board of the Issuer shall be authorised to resolve that the Issuer enters into agreements with any or more of the other shareholders of Etergo (a **Conversion Shareholders Agreement**), against terms and conditions that, in the reasonable opinion of the board of the Issuer, may be regarded as in line with market practices. Drag and tag along arrangements to the effect that the Issuer shall be obliged or authorised to sell any or more of the Shares that the Issuer holds in trust for the account and risk of a Depository Receipt Holder, shall be deemed in line with market practices. Each Depository Receipt is automatically converted into a participation entitling to a proportional part of the set of assets and liabilities of the Issuer upon:

- (a) a transfer under any applicable Conversion Shareholders Agreement or otherwise allowed under or by virtue of the Trust Conditions of only a part of the the Shares that the Issuer holds in trust for the account and risk of a Depository Receipt Holder;
- (b) a transfer under any applicable Conversion Shareholders Agreement or otherwise allowed under or by virtue of the Trust Conditions of all Shares that the Issuer holds in trust for the account and risk of a Depository Receipt Holder against a consideration that consists, in whole or in part, of something else than cash;
- (c) a transfer of only a part of the Shares that the Issuer holds in trust for the account and risk of a Depository Receipt Holder after the listing of these Shares on a stock exchange.

A participation should therefore be considered as an economic entitlement (*economische gerechtigheid*) to any assets and liabilities of the Foundation after a transfer of (a part of) the Underlying Shares. For a complete description of the conversion of the Depository Receipts into participations reference is made to Article 15 of the Trust Conditions.

10. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

10.1 Current shareholders of Etergo

| Shareholder | # of Shares | % of Shares | Beneficial Owner | Nature of Control |
|---|--------------------|-------------|--------------------------------|---|
| M.L. Flipse holding B.V. | 50,546,000 | 36.40% | Marijn Flipse | M.L. Flipse is the sole shareholder and director of M.L. Flipse Holding B.V. |
| Rosier Holding B.V. | 41,354,000 | 29.78% | Bart Jacobsz Rosier | B. Jacobsz Rosier is the sole shareholder and director of Rosier Holding B.V. |
| A.P. Kooi Beheer B.V. | 8,100,000 | 5.83% | Pieter Kooi | A.P. Kooi is the sole shareholder and director of A.P. Kooi Beheer B.V. |
| Stichting Administratiekantoor Etergo I | 22,550,127 | 16.24% | 55 investors. (Not Leapfunder) | This entity is controlled by a board which consists of B. Jacobsz Rosier and M.L. Flipse. For some decisions a certificate holders meeting is required. |
| Seedrs Nominees Ltd. | 16,315,789 | 11.75% | 2.393 investors. (Not Seedrs) | This entity is controlled by Seedrs Limited, which is controlled by J. Lynn and J. Kelisky. |
| Total | 138,865,916 | 100% | | |

Voting rights

All Shareholders have the same voting rights in the General Meeting. However, according to the Shareholders Agreement, Seedrs Nominees Limited has veto rights to prevent most changes that would prejudicially affect the interest of the investors that they represent. Reference is made to paragraph 10.4 'Shareholders Agreement'.

For Stichting Administratiekantoor Etergo I, if a decision has to be taken, in some cases the board should consult the Meeting of Depositary Receipt Holders by letting them vote in order to make the decision. These type of decisions include:

- If we were to propose to adopt a Shareholders Agreement that contains certain terms and conditions that are not market conform.
- Decisions that prejudicially affect the rights of the Depositary Receipt Holders compared to other Shareholders in the Company

Also, similar to the conditions of Stichting Administratiekantoor Etergo II, the 25% of the capital of the Depositary Receipt Holders can request an additional board member.

Discrepancies in rights of the Shareholders

Other than the veto rights Seedrs has according to the Shareholders Agreement (reference is made to paragraph 10.4 “Shareholders Agreement”), there are a few other rights Seedrs has in contrast to other Shareholders. These rights include:

- Request a compliance certification Form (not more often than once every three months). This is a short update form to make sure Seedrs is up-to-date about the status of the Company.
- Receive any information from the Board of Directors reasonably requested by the Seedrs Nominee regarding the Company
- Receive an update on the progress of the business no less often than every three months, via the platform operated by the Seedrs Nominee at www.seedrs.com, and / or by email.
- The following transfers shall be permitted without any restrictions as to price, requirement to offer shares on a pre-emptive basis or otherwise:
 - o The beneficiary Owners (that are holding the economic interest on the Shares owned by Seedrs) may transfer his or her economic interest in any Shares to any person, without notice to the Company and at any time, so long as the Seedrs Nominee and the Seedrs Nominated Custodian remain the same in respect of such Shares immediately after such transfer.
 - o the Seedrs Nominee may, at any time and entirely at its discretion, appoint any other person as a replacement nominee (a “New Nominee”). If a transfer of the nominee role of the Seedrs Nominee is made pursuant to this paragraph, the New Nominee shall be deemed to be the Seedrs Nominee for the purposes of the Shareholders Agreement and the Shareholders Agreement shall be interpreted as granting to the New Nominee the same rights granted to the Seedrs Nominee and

the New Nominee may appoint its own nominated custodian to replace the Seedrs Nominated Custodian.

- The Seedrs Nominee may, at any time and entirely at its discretion, appoint any other person to replace the Seedrs Nominated Custodian (a “New Nominated Custodian”), and instruct the Seedrs Nominated Custodian to transfer the legal interest in the Shares held by the Seedrs Nominated Custodian to the New Nominated Custodian to hold as registered legal shareholder on behalf of the beneficial owners. If a transfer of the Seedrs Nominated Custodian’s role is made pursuant to this paragraph, the New Nominated Custodian shall be deemed the Nominated Custodian for the purposes of the Shareholders Agreement, and this Shareholders Agreement shall be interpreted as granting to the New Nominated Custodian the same rights granted to the Seedrs Nominated Custodian.

Other than the rights mentioned above, there are no discrepancies in rights between the Shareholders at the time of writing this prospectus.

10.2 **Convertibles and other acquisitions rights**

Leapfunder warrants

As a result of two previous crowdfunding campaigns that Etergo has run on the LeapFunder platform, LeapFunder has warrants that can be converted into a maximum of 588,195 Shares by buying Shares for the same price as the average price that was applicable during the investment rounds the Issuer did through Leapfunder (i.e. LF round 1 and LF round 2). The average price that LeapFunder has to pay for the 588,195 shares is EUR 0.15 per share. The Shares will be issued to Stichting Administratiekantoor Etergo I, and Leapfunder will receive the corresponding depositary receipts. On the date of this Prospectus Etergo is not aware of the intention of LeapFunder to convert the warrants into Shares.

Convertible loans

In March, April and June 2018 the Company raised investments of EUR 1.2 million from three private investors by means of convertible loans. Conversion of the loans into shares will trigger when the convertible loan of EUR 10,000,000 (described below) will convert as well. The number of Shares that will be issued to these investors will be a total of 5.651.280. These Shares will be issued to Stichting Administratiekantoor Etergo I, and the convertible loan holders will hold the same number of depositary receipts in that entity.

In December 2018, the Company entered into another convertible loan agreement for EUR 10 million. The convertible loan bears a non-compounded interest of 5%. The qualifying event for conversion is the delivery of 200 “motorized 2-wheelers”. The convertible loan will convert to a fixed shareprice of EUR 0.2768 into a minimum of (depending on the amount of accrued interest) 36,126,168 Shares (i.e. 20% of the Shares as of Dec 2018). In case of the issuance of additional Shares in the meantime (for example, in relation to this Offering), the lender has pre-emption rights.

10.3 **Employee Incentive Plan**

The board of Etergo has adopted an Employee Incentive Plan (**EIP**) in order to provide an increased incentive for the eligible employees, directors, officers, consultants and future members of the management of Etergo to make significant and extraordinary contributions to the performance and growth of Etergo. This is done by awarding Stock Appreciation Rights (**SAR**) to eligible employees. The SAR provide for virtual shares that function as share equivalents. The virtual shares provide for economic rights but do not have voting rights. The virtual shares are obligations for the Company to pay cash at the event of an exit (IPO or acquisition of more than 50% of the Shares). SAR holders are subject to a vesting scheme. The reservation for the EIP represents an equivalent of the value of a number of 10,000,000 Shares.

A SAR Holder (a person holding "virtual shares") has the right to receive a payment in cash by the Company upon the occurrence of an exit or a right to subscribe for Shares upon the occurrence of an IPO.

Upon the occurrence of an exit, the cash to be paid out shall be an amount equal to the part of the exit proceeds which the SAR Holder would receive if he/she would participate (on a pro rata basis) in the exit as actual holders of a number of ordinary shares equal to the number of virtual shares granted and vested pursuant to this EIP.

In case of an IPO, the SAR holder shall not be entitled to cash, but shall have a right to subscribe for a number of ordinary shares which shall be equal to (or in the proportion of) the total amount of vested virtual shares granted to the SAR Holder.

If an exit consists of a sale of more than 50% but less than 100% of the then outstanding shares in the capital of the Company, then the SAR Holder shall only be entitled to exercise his SAR on a pro rata basis (in the same proportion as the proportion of the issued and outstanding shares of the Company that are being transferred to the purchaser in the partial exit by the Shareholders bears to the total issued and outstanding shares of the Company at such time). If the SAR Holder cannot exercise his SAR in full as a result of a partial exit, the SAR Holder shall be entitled to exercise the unexercised part of the SAR in the exit or IPO following the partial exit.

On SARs, no dividends are paid and there is no entitlement to participate in the General Meeting. The maximum dilution based on the SAR can be seen in the table 10.3 A and is 4.07% in case the maximum number of shares is issued during this round (i.e. 60,000,000 shares) and if all convertible loans and outstanding Leapfunder warrants are converted into Shares.

Table 10.3 A. Maximal dilution SAR

| Fully Diluted Captable | Shares | % incl dilution from offering | % w/o dilution from offering | Dilution from offering |
|--|--------------------|--------------------------------------|-------------------------------------|-------------------------------|
| Shareholder | | | | |
| M.L. Flipse Holding B.V. | 50.546.000 | 20,58% | 27,24% | 6,65% |
| Rosier Holding B.V. | 41.354.000 | 16,84% | 22,28% | 5,44% |
| AP Kooi Beheer B.V. | 8.100.000 | 3,30% | 4,36% | 1,07% |
| Stichting Administratiekantoor Etergo I | 22.550.127 | 9,18% | 12,15% | 2,97% |
| Seedrs NC | 16.315.789 | 6,64% | 8,79% | 2,15% |
| German Investor* | 36.127.168 | 14,71% | 19,47% | 4,76% |
| Leapfunder 1 Warrants | 283.750 | 0,12% | 0,15% | 0,04% |
| Leapfunder 2 Warrants | 304.445 | 0,12% | 0,16% | 0,04% |
| EIP: Stock Appreciation Rights | 10.000.000 | 4,07% | 5,39% | 1,32% |
| Stichting Administratiekantoor Etergo II | 60.000.000 | 24,43% | | |
| Total: | 245.581.279 | 100,00% | 100,00% | 24,43% |

*The Shares of the German investor do not yet include the 5% accrued interest described in chapter 11.

10.4 Shareholders Agreement

The Shareholders Agreement regulates certain aspects of the affairs and governance between Etergo, M.L. Flipse holding B.V., Rosier Holding B.V., A.P. Kooi Beheer B.V., Stichting Administratiekantoor Etergo I, Seedrs Nominees Ltd, Seedrs Limited, Marijn Flipse and Bart Jacobsz Rosier. The Issuer will also become a party to the Shareholders Agreement. The main provisions of the Shareholders Agreement are summarised below:

- (a) In the event any of the shareholders wishes to sell and transfer all or part of its Shares to a third party, it shall first offer the Shares to the Company which shall have a first right of refusal.

- (b) The Shareholders Agreement includes tag and drag along arrangements.
- (c) Shares held by the founding entities (Rosier Holding B.V. and M.L. Flipse Holding B.V.) are subject to a vesting schedule.
- (d) In the event of an issue of new Shares, securities convertible into Shares or any other type of security, all Shareholders shall have pre-emptive rights to maintain their proportionate interest in the Company's share capital by way of subscription for the necessary percentage of any new issue of Shares or securities convertible into Shares in the Company.
- (e) In the event that any (dividend) distribution are to be made to any of the shareholders, any and all such distributions and/or payments to the Shareholder shall be distributed on the Shares, pro rata based on the number of Shares held by a shareholder on the determination date.
- (f) The board of directors of Etergo shall prepare and deliver to the General Meeting at least one month prior to the end of each financial year an annual financial plan.
- (g) Direct Shareholders are bound to several restrictive covenants. These include, directly or indirectly, for founders, direct Shareholders and the Company itself, for a duration of the Shareholders Agreement and a period of 2 years after the shareholder ceases to be a Shareholder (The Departure Date):
- conduct any business or activity that is comparable to, or competing with, the business or activities conducted by the Company at the Departure Date;
 - have any (financial) interest or share or be involved as advisor or otherwise in any person or organisation that conducts any business or activity comparable to, or competing with, the business or activities conducted by the Company at the Departure Date, other than an interest of less than five per cent (5%) in a listed company;
 - solicit or entice away or attempt to solicit or entice away any (identified prospective) customer, representative, agent or any other business relation of the company or accept business from any such person or organisation, in each case in a business that is comparable or competes with the business of the Company at the Departure Date;
 - employ, solicit or entice away or attempt to employ, solicit or entice away any person who at the Departure Date, or at any date within the two (2) years preceding the Departure Date, is or has been a key employee of the Company.

Any reference to the business of the company in the points above include a reference to any expansion or innovation of the business that has already commenced or have been fully developed but is not yet marketed by the Company at the Departure Date.

If a shareholder or founder breaches any of the aforementioned provisions, he can get a penalty of EUR 10,000 plus EUR 1,000 for every day that the breach continues commencing on the day of the breach, without prejudice to all other rights and remedies available the Company, including the right to claim statutory damages or performance.

A Shareholder or founder can be discharged from the aforementioned obligations by the General Meeting with qualified majority (60%).

Both Shareholders and founders are also bound to confidentiality

- (h) The qualified majority for Shareholders resolutions is sixty percent (60%) in a meeting in which at least hundred percent (100%) of the Shareholders is represented.
- (i) The Company cannot take any of the actions set forth below, without the prior permission of Seedrs Nominees Limited, which permission may not be unreasonably withheld:
 - make amendments to the articles of association of Etergo which would affect the rights of shareholders set out in them and prejudicially affect the rights of Seedrs Nominees Limited;
 - alter the rights attaching to any class of shares or create any new class of shares which would prejudicially affect the rights of Seedrs Nominees Limited; and
 - actions where the matter being consented to by the qualified majority would prejudicially affect Seedrs Nominees Limited, including (i) issuance of Shares or granting options over Shares, (ii) declaring dividends and other distribution, (iii) excluding or limiting pre-emption rights in case of issuance of Shares, (iv) amending the articles of association of Etergo, (v) appointing, suspending, discharging or dismissing any of member of the board of Etergo and (vi) approving the resolutions of the board of Etergo that require the prior written consent of the General Meeting.

Besides the Shareholders Agreement there are on the date of this Prospectus no other related party transactions.

As per the convertible loan agreement described in 10.2 'Convertibles and other acquisition rights', some amendments of the Shareholders Agreement are required. All current Shareholders have signed that convertible loan agreement, and by doing so irrevocably agreed to approve the amendments of the Shareholders Agreement as set out below:

- The Shareholders Agreement shall include a provision by which the Company shall install an advisory board. The advisory board shall assist the board of directors of the Company in a non-binding advisory capacity. The lender shall be granted the right to appoint one representative to join such advisory board. The board of directors and the advisory board shall agree on a regular meeting schedule.
- The rights of Seedrs Nominees Limited as set out in this paragraph 10.4 under (i) shall be extended to the lender.
- The Shareholders Agreement shall be amended in such way that that the exclusion of the lender's pre-emptive rights or limit of the lender's pre-emptive rights in case of issuance of ordinary shares shall require the approval of the lender.

The Shareholders Agreement shall be amended in such way that certain resolutions of the board of the Company contained in the Shareholders Agreement shall require the approval from the General Meeting with a qualified majority of at least 81% (instead of 60%) of the valid votes cast in a meeting in which at least hundred percent (100%) of the issued share capital is represented.

11. THE OFFERING

11.1 Maximum number of Depository Receipts available for issue

On the date of this Prospectus up to 60,000,000 Shares are available for issue to the Issuer, with an aggregate nominal value of EUR 600. As one Depository Receipt is issued for one Share, the maximum number of Depository Receipts that could be issued on this date is also 60,000,000.

The Depository Receipts and underlying Shares will be issued continuously. The number of Depository Receipts and the applicable price will be communicated via the Etergo Website. The board of the Issuer maintains the right to temporarily suspend the sale of Depository Receipts at any time and for any duration of time. The results of the offer will be published on the Etergo Website on a periodical basis. Depository Receipt Holders do not have pre-emptive rights.

11.2 Issue Price

Etergo has set the initial Issue Price of the Depository Receipts at EUR 0.33 per Depository Receipt.

The board of the Issuer maintains the right to change the Issue Price at any time based on current results, demand for Depository Receipts and/or significant changes in the valuation of Etergo due to specific developments. The applicable Issue Price and substantiation will be published on the Etergo Website.

11.3 Transaction fee

No expenses, transaction fees or taxes will be charged by the Company or the Issuer in respect of the Offering.

11.4 Offering period

The Offering will commence on the date that the Prospectus is published on the Etergo Website and will be valid until 29 March 2020, unless prior to that date a new prospectus in respect of Depository Receipts is published, which will replace the current Prospectus. The board of the Issuer can resolve at any time to limit, suspend, close or exclude the issue of Depository Receipts. Any such resolution will be announced on the Etergo Website.

11.5 Potential investors

The Depository Receipts are intended for to be offered to retail investors who:

- (a) are interested in start-ups and experience of investing in start-ups or products providing a similar exposure;

- (b) have the ability to make an informed investment decision through sufficient knowledge and understanding of the business of Etergo and the Depositary Receipts and its specific risks, with experience of investing in and/or holding a number of similar products providing a similar market exposure; and
- (c) understand that they might not be able to sell the Depositary Receipts.

11.6 Dilution

The Depositary Receipts and underlying Shares will be issued continually, under exclusion of the pre-emptive rights of the existing Depositary Receipt Holders. The existing holdings of the Depositary Receipt Holders will be diluted proportionate to the amount of the new Depositary Receipts issued. In the event of issues up to the maximum issue, the immediate aggregate dilution based on 60,000,000 new Shares issued will be 30.171%. Reference is made to the table below for the total maximum dilution per Shareholder. The Shareholders will not make use of their pre-emptive rights regarding the issue of Shares in connection with the Offering.

| Legal Captable | # of Shares | % incl dilution from offering | % w/o dilution from offering | Dilution from offering |
|--|--------------------|-------------------------------|------------------------------|------------------------|
| Shareholder | | | | |
| M.L. Flipse Holding B.V. | 50.546.000 | 25,42% | 36,40% | 10,98% |
| Rosier Holding B.V. | 41.354.000 | 20,79% | 29,78% | 8,98% |
| AP Kooi Beheer B.V. | 8.100.000 | 4,07% | 5,83% | 1,76% |
| Stichting Administratiekantoor Etergo I | 22.550.127 | 11,34% | 16,24% | 4,90% |
| Seedrs NC | 16.315.789 | 8,20% | 11,75% | 3,54% |
| Stichting Administratiekantoor Etergo II | 60.000.000 | 30,171% | | |
| Total: | 198.865.916 | 100,00% | 100,00% | 30,17% |

As a result of the Offering the convertible loans of EUR 1.2 million as described in paragraph 10.2 'Convertibles and other acquisition rights' will convert into Shares. Consequently, Shares will be offered to the holders of the convertible loans. The number of shares that will be issued to these investors will be a total of 5.651.280. These Shares will be issued to Stichting Administratiekantoor Etergo I, and the convertible loan holders will hold the same number of depositary receipts in that entity. These Shares will be issued once the convertible loan described in the next paragraph (amounting EUR 10,000,000 excl. accrued interest) will also convert into Shares.

As a result of the Offering the convertible loans of EUR 10 million as described in paragraph 10.2 'Convertibles and other acquisition rights' will convert into Shares. Consequently, Shares will be offered to the holder of this convertible loan. The number of Shares that will be issued depends on the moment of conversion and will be at least 36,127,168 Shares plus any accrued interest. The interest on the convertible loan is 5% (non-compounded), will convert at a price of EUR 0.2768 per Share and started counting at 14-12-2018. The conversion trigger of the convertible is the moment the Company has produced and sold (at the list price) 200 motorized two-wheelers.

As soon as all the convertibles mentioned above are converted into Shares and the issuance of this Offering is up to the maximum issue, the legal capitalization table (distribution of voting rights) would be as follows:

| Legal Captable | # of Shares | % incl dilution from offering | % w/o dilution from offering | Dilution from offering |
|--|--------------------|--------------------------------------|-------------------------------------|-------------------------------|
| Shareholder | | | | |
| M.L. Flipse Holding B.V. | 50.546.000 | 21,00% | 27,98% | 6,98% |
| Rosier Holding B.V. | 41.354.000 | 17,18% | 22,89% | 5,71% |
| AP Kooi Beheer B.V. | 8.100.000 | 3,37% | 4,48% | 1,12% |
| Stichting Administratiekantoor Etergo I | 28.201.407 | 11,72% | 15,61% | 3,89% |
| Seedrs NC | 16.315.789 | 6,78% | 9,03% | 2,25% |
| German Investor* | 36.127.168 | 15,01% | 20,00% | 4,99% |
| Stichting Administratiekantoor Etergo II | 60.000.000 | 24,933% | | |
| Total: | 240.644.364 | 100,00% | 100,00% | 24,93% |

The distribution of economic rights including the Leapfunder Warrants described in 10.2 (which are not yet exercised) would be as follows:

| Fully Diluted Captable | Shares | % incl dilution from offering | % w/o dilution from offering | Dilution from offering |
|-------------------------------|---------------|--------------------------------------|-------------------------------------|-------------------------------|
| Shareholder | | | | |
| M.L. Flipse Holding B.V. | 50.546.000 | 20,58% | 27,24% | 6,65% |
| Rosier Holding B.V. | 41.354.000 | 16,84% | 22,28% | 5,44% |

| | | | | |
|--|--------------------|----------------|----------------|---------------|
| AP Kooi Beheer B.V. | 8.100.000 | 3,30% | 4,36% | 1,07% |
| Stichting Administratiekantoor Etergo I | 22.550.127 | 9,18% | 12,15% | 2,97% |
| Seedrs NC | 16.315.789 | 6,64% | 8,79% | 2,15% |
| German Investor* | 36.127.168 | 14,71% | 19,47% | 4,76% |
| Leapfunder 1 Warrants | 283.750 | 0,12% | 0,15% | 0,04% |
| Leapfunder 2 Warrants | 304.445 | 0,12% | 0,16% | 0,04% |
| EIP: Stock Appreciation Rights | 10.000.000 | 4,07% | 5,39% | 1,32% |
| Stichting Administratiekantoor Etergo II | 60.000.000 | 24,43% | | |
| Total: | 245.581.279 | 100,00% | 100,00% | 24,43% |

*The Shares of the German investor do not yet include the 5% accrued interest described in this chapter.

11.7 Acquisition of Depository Receipts

Depository Receipts can be purchased on the Etergo Website. The subscription for Depository Receipts by investors shall take place by the completion of a subscription procedure accessible through the Etergo Website. As part of the subscription procedure, the subscriber pays the full subscription amount to be paid on the Depository Receipts through payment options as given on the Etergo Website. The subscription amount is equal to the number of Depository Receipts times the issue price per Depository Receipt. No transaction fees apply at issue. Multiple subscriptions are allowed.

The actual date of acquisition will depend on the completion of the identification procedure. In the event that the subscription was not refused, the subscriber will be deemed to have acquired the Depository Receipts ultimately 41 business days after the completion of the subscription procedure.

11.8 Allocation of Depository Receipts

The Issuer shall verify by means of an automated electronic procedure, whether the name as filled out in the subscription form matches the name in which the bank account from which the subscription amount was received by the Company, is registered. If there is no match, the subscriber shall be invited for a second identification procedure. The board of the Issuer shall at all times be authorised, at its sole discretion and without any obligation to give reasons, to refuse subscriptions regardless of the outcome of the identification procedures.

The issue of Depository Receipts to investors shall take place in electronic form. A subscriber shall be deemed to have acquired the Depository Receipts he subscribed for if he successfully completed the identification procedure(s) and has not received a timely notification that his

subscription has been refused by the board of the Issuer in accordance with the Trust Conditions. The Issuer shall confirm such acquisition to the subscriber by e-mail to the address as mentioned in the subscription form, mentioning inter alia the amount of Depositary Receipts, the date of acquisition of the Depositary Receipts and, if available, the personal login details. Reference is made to the Trust Conditions for a complete description of the subscription and allocation procedure.

There is no maximum to the number of Depositary Receipts that can be acquired and/or be held by any one. The minimum number of Depositary Receipts is one. Purchases cannot be made undone and/or reduced by investors after payment of the subscription amount.

11.9 Depositary Receipt Holders Register

The Depositary Receipts are registered in the Depositary Receipt Holders Register, a register in electronic form, maintained by the board of the Issuer. After allocation the subscriber will receive a confirmation of the acquisition of the Depositary Receipts in accordance with the Trust Conditions.

11.10 Repayment

Any excess funds which the Company has received in relation to a limitation or exclusion of allocation will be repaid to the bank account from which these funds were received. Repayments will not include interest. In the event that a repayment has been caused by the subscriber, the costs for this repayment, if any, will be charged to subscriber.

11.11 Listing

There is no intention to request a listing of the Depositary Receipts on any securities exchange.

11.12 Intentions to subscribe

So far as Etergo and the Issuer are aware, no members of the administrative or management bodies or major shareholders intend to subscribe in the Offering.

11.13 Material interests

The following interest could be material in respect of the Offering:

- Members of the board of Etergo and the Issuer might have a conflict of interest given their roles and shareholdings in Etergo. Reference is made to paragraph 8.7 'Potential conflict of interest'.
- Nearly all personnel of Etergo might have a material interest in respect of the Offering on the basis of their participation in the Employee Incentive Plan. Reference is made to paragraph 10.3 'Employee Incentive Plan'.
- Shareholder Seedrs Limited runs a crowdfunding platform on which crowdfunding campaigns may run for companies that may offer similar or partially similar products

and/or services as those offered by the Issuer. This might give rise to a potential conflict of interest. As a Shareholder, Seedrs Nominees Limited has veto rights to prevent certain changes. Reference is made to paragraph 10.4 'Shareholders Agreement'.

- As a result of two previous crowdfunding campaigns that Etergo has run on the LeapFunder platform, LeapFunder has warrants that can be converted to 588,195 Shares. Reference is made to paragraph 10.2 'Convertibles and other acquisition rights'. As a potential shareholder and running a crowdfunding platform on which crowdfunding campaigns may run for companies that may offer similar or partially similar products and/or services as those offered by the Issuer, there may be a conflict of interest.
- In the previous crowdfunding rounds, friends and family, as well as people also somehow related to companies that are competitors of Etergo, have been allowed to invest in Etergo, which could give rise to a conflict of interest.

So far as Etergo and the Issuer are aware no other persons involved in the issue of Depository Receipts have an interest material to the Offering and there are no other conflicting interests.

12. SELLING AND TRANSFER RESTRICTIONS

12.1 General

The offer of Depository Receipts to persons resident in, or who are citizens of, a particular jurisdiction may be affected by the laws of that jurisdiction. You should consult your professional advisers as to whether you require any governmental or other consents or need to observe any other formalities to enable you to purchase the Depository Receipts.

Receipt of this Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus will be sent for information purposes only and should not be copied or redistributed. Except as otherwise disclosed in this Prospectus, if you receive a copy of this Prospectus, you may not treat this Prospectus as constituting an invitation or offer to you of the Depository Receipts being offered in the Offering, unless, in the relevant jurisdiction, such an offer could lawfully be made to you, or the Depository Receipts could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements.

Accordingly, if you receive a copy of this Prospectus or any other offering materials or advertisements you should not distribute or send the same, to any person, in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If you forward this Prospectus or any other Offering materials or advertisements into any such territories (whether under a contractual or legal obligation or otherwise) you should draw the recipient's attention to the contents of this section.

Subject to the specific restrictions described below, if you (including, without limitation, your nominees and trustees) wish to subscribe for the Depository Receipts being offered in the Offering, you must satisfy yourself as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

The information set out in this section is intended as a general guideline only. If you are in any doubt as to whether you are eligible to subscribe for the Depository Receipts being offered in the Offering, you should consult your professional adviser without delay.

12.2 United States

The Shares and Depository Receipts have not been and will not be registered under the US Securities Act of 1933, as amended (the Securities Act) or with any securities regulatory authority of any state or other jurisdiction within the United States and may not be offered or sold in the United States or to or for the account of any U.S. person except in accordance with applicable laws. The purchaser understands that the Depository Receipts have not, and will not, be registered under the Securities Act or with any securities regulatory authority of any

state or other jurisdiction of the United States and may not be reoffered, resold, pledged or otherwise transferred.

12.3 **European Economic Area**

(a) In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**) an offer to the public of any depository receipts which are the subject of the Offering contemplated by this Prospectus (the Depository Receipts) may not be made in that relevant Member State other than the offers contemplated in this Prospectus (i) in The Netherlands, once the Prospectus has been approved by the competent authority and published and (ii) in the United Kingdom, Germany, Portugal, Italy, Romania, Belgium, Spain, France, Ireland, Lithuania, Bulgaria, Greece, Sweden, Slovenia, Malta, Croatia, Austria, Norway, Cyprus and Finland, once this Prospectus has been passported in accordance with the Prospectus Directive as implemented in the United Kingdom, Germany, Portugal, Italy, Romania, Belgium, Spain, France, Ireland, Lithuania, Bulgaria, Greece, Sweden, Slovenia, Malta, Croatia, Austria, Norway, Cyprus and Finland except that an offer to the public in that Relevant Member State of any Depository Receipts may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State: to legal entities which are qualified investors as defined under the Prospectus Directive; or

(b) to fewer than 100, or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of Etergo for any such offer;

(c) in any other circumstances falling within article 3(2) of the Prospectus Directive,

provided that no such offer of Depository Receipts shall result in a requirement for the Issuer or Etergo to publish a Prospectus pursuant to Article 3 of the Prospectus Directive or supplement a Prospectus pursuant to article 16 of the Prospectus Directive.

For the purpose of this provision, the expression an ‘offer to the public’ in relation to any Depository Receipts in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Depository Receipts to be offered so as to enable an investor to decide to purchase any Depository Receipts, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression ‘2010 PD Amending Directive’ means Directive 2010/73/EC.

13. TAXATION

13.1 Payment of dividends and withholding tax

The dividend policy of Etergo can be found in paragraph 8.8 'Dividend policy'. Etergo will withhold 15% (2018) Dutch dividend tax on the cash dividend. After receipt of the net dividend (after withholding tax), the Issuer will transfer the net dividend free of charge to a bank account specified by the Depository Receipt Holder.

In general, investors are invited to seek appropriate advice on their specific (local) tax situation. There are no dividend restrictions and procedures for non-resident holders. Dividends that have not been claimed within five years after they have been made payable will go to Etergo. The Issuer assumes responsibility for the withholding of taxes at the source for the Netherlands.

Herewith we present at a high level the consequences for Dutch taxes that generally apply. Please note this overview includes Dutch tax consequences only. We cannot be held responsible for changes of tax policies. Also not in case these changes have retroactive effect. We are not responsible for that.

The Depository Receipts will be sold to both natural persons (private individuals) and legal entities (for example a B.V.). Different taxes apply to individuals and legal entities.

This summary does not describe the Dutch tax consequences for:

- Depository Receipt Holders if these holders pursuant to the Personal Income Tax Act 2001 (PITA) (in)directly have a significant interest in Etergo. In general, a holder of shares in a company deems to have a substantial interest in that company if that holder is alone or, if it is a natural person, together with his / her partner (legally defined term), directly or indirectly (i) has an interest of 5% or more in the total issued share capital of that company; or (ii) has the right to acquire this interest directly or indirectly; or (iii) has profit shares in that company that relate 5% or more of the annual profit of that company and / or 5% or more of the liquidation proceeds of the company;
- Depository Receipt Holders that are natural persons and his or her partner or relatives by blood or by marriage pursuant to the PITA have (in)directly a substantial interest in Etergo;
- Depository Receipt Holders for which the certificates are assumed to be a subsidiary pursuant to the Corporate Income Tax act 1969 (CITA).
- pension funds, fiscal investment institutions, exempt investment institutions and other entities are exempted from corporate income tax in the Netherlands, as well as entities that are exempted from corporation income tax in the country of residence.

13.2 Tax liability

Definition 'dividend'

Under the name of “dividend withholding tax”, a direct tax is levied from those parties that, amongst others, — either directly or through depository receipts — are entitled to the proceeds from shares in private limited liability companies (*besloten vennootschappen*) and other companies with an equity wholly or partly divided into shares which are domiciled in the Netherlands.

Such proceeds include, but are not limited to:

- direct or indirect distributions of profit, under any name or in any form whatsoever, including payments made upon the redemption of shares, other than as a temporary investment, in excess of the average capital paid in for those shares;
- payments made on shares upon liquidation in excess of the average capital paid in for those shares;
- the par value of shares issued to stockholders to the extent that it is not evident that payment has been or will be made for those shares; increasing the par value of shares will be equated with the issue of shares;
- the partial repayment of the payment made for shares in the event and to the extent that clear profits are available, unless the general meeting of stockholders resolved to repay such payment in advance and the par value of the relevant issued shares has been reduced by an equal amount pursuant to an amendment to the Articles of Incorporation;
- any proceeds not received in cash will be taken into account for their fair market value.

Tax rate

The tax rate is 15% of the income.

Manner of taxation

The company that is liable for the proceedings will act as a withholding agent (hereinafter: ‘withholding agent’). Consequently, the tax will be levied by withholding part of the proceeds. The withholding agent must withhold the tax at the time at which the proceeds are made available and shall pay the withheld tax to the Dutch Tax Authorities via the filing of a tax return.

Etergo as a withholding agent

Etergo is a private limited liability company that domiciles in the Netherlands. Consequently, Etergo qualifies as a withholding agent in respect to the Dutch dividend withholding taxation and is in principle obligated to withhold 15% dividend withholding tax with respect to every distribution of dividend to depository recipient-holders.

Distribution of dividend by Etergo to a Dutch resident

Pursuant to the CITA and the PITA', the holder of depository receipts could in principle credit the levied dividend withholding tax as input tax on its CITA/PITA tax return.

Distribution of dividend by Etergo to a non-Dutch resident

A non-Dutch resident holder of depository receipts could in principle qualify to be exempt from- or could be subjected to limited Dutch dividend withholding taxation, in the circumstance that:

- i. there is a bilateral agreement – i.e. a Tax Treaty – in place, between the Netherlands and the jurisdiction where the non-Dutch resident domiciles, wherein a specific provision is included regarding dividends.

Consequently, an analyses based on the specific facts and circumstances of every depository recipient-holder is required to determine the applicability of a Tax Treaty.

Examples of conditions that must be met in order to evoke Tax Treaty benefits

We note that the applicability of a Tax Treaty- or a Dutch unilateral decree depends on the circumstance whether or not the conditions of that specific Tax Treaty is/are met. Such conditions are amongst others that:

- i. there is a Tax Treaty in place between the Netherlands and the jurisdictions where the recipient of the distribution of dividend domiciles;
- ii. the recipient qualifies for Tax Treaty purposes as resident of one of the jurisdictions which the Netherlands has entered into a Tax Treaty with;
- iii. the recipient meets the requirements as mentioned in the Tax Treaty provision regarding distribution of dividends, such as:
 - a. that the recipient is considered to be the 'beneficial owner' of the distribution of dividend. We note that Tax Treaties have their own definition of 'dividends' and that the definitions could differ depending on which Tax Treaty is applicable;
 - b. that the recipient holds a minimum amount of shares in the distributing entity.

Future plans September 2018

Please note that although there are plans to abolish Dutch dividend tax in 2019, the Dutch legislator will enforce anti-abuse provisions in the form of a 'conditional dividend withholding taxation' to prevent abuse situations. It is still not clear how the conditional dividend withholding taxations is going to be implemented.

14. DEFINITIONS

The following list of defined terms is not intended to be an exhaustive list of definitions, but provides a list of certain of the defined terms used in this Prospectus.

| | |
|--|--|
| AFM | means the Netherlands Authority for the Financial Markets (<i>Autoriteit Financiële Markten</i>) |
| AppScooter | means the electric scooter which stores energy in a lithium-ion battery and which is developed by Etergo |
| Company | means Etergo B.V. |
| Conversion Shareholders Agreement | Means a shareholders agreement as described in paragraph 9.8 of this Prospectus |
| Depository Receipt | means a depository receipt for a Share issued by the Issuer; |
| Depository Receipt Holder | means a holder of one or more Depository Receipts |
| Depository Receipt Holders Register | means the electronic register of Depository Receipt Holders which is maintained by the board of the Issuer in which the names, home or registered address, e-mail address and bank account details of all Depository Receipt Holders shall be recorded, stating the number and particulars of the Depository Receipts held by each of them as well as the date on which they acquired the Depository Receipts. |
| Dutch Civil Code | means the Dutch Civil Code (<i>Burgerlijk Wetboek</i>) and the rules promulgated thereunder |
| Dutch Corporate Governance Code | means the applicable Dutch corporate governance code as referred to in Section 2:391(5) of the Dutch Civil Code |
| EIP | means the Employee Incentive Plan adopted by Etergo as described in paragraph 10.3 'Employee Incentive Plan' of this Prospectus |

| | |
|---|--|
| Etergo | means Etergo B.V. |
| Etergo Website | means the website of Etergo www.etergo.com |
| EU | means the European Union |
| EUR or € | means the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty on the functioning of the European Community, as amended from time to time |
| EV | means an electric vehicle |
| Foundation | Means the Stichting Administratiekantoor Etergo II |
| FSA | means the Financial Supervision Act (<i>Wet op het financieel toezicht</i>) |
| General Meeting | means the general meeting (<i>algemene vergadering</i>) of the Company |
| Issue Price | means the issue price for the Depository Receipts |
| Issuer | means the Stichting Administratiekantoor Etergo II that offers the Depository Receipts |
| Meeting of Depository Receipt Holders | means the body of the Foundation consisting of the Depository Receipt Holders, or a meeting of Depository Receipt Holders |
| Offering | means the offer as described in this Prospectus |
| Prospectus | means this Prospectus dated 29 March 2019 |
| Prospectus Directive | means Directive 2003/71/EC of the European Union, and any amendments thereto, including those resulting from Directive 2010/73/EU |
| Ruitenburg adviseurs & accountants | Ruitenburg adviseurs & accountants, Oude Middenweg 75, 2491 AC The Hague, the Netherlands |

| | |
|-------------------------------|---|
| SAR | means the stock appreciation right described in paragraph 10.3 'Employee Incentive Plan' of this Prospectus |
| Shareholders | means a holder of one or more Shares |
| Shareholders Agreement | means the agreement between the Company and its Shareholders |
| Shares | means a share in the share capital of the Company |
| Trust Conditions | means the terms applicable to the offered Depository Receipts |