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**WeTransfer**

The Creative Productivity Group

# WeTransfer

## The Creative Productivity Group

### THE CREATIVE PRODUCTIVITY GROUP N.V.

(a public company with limited liability (naamloze vennootschap) incorporated under the laws of the Netherlands, currently named WeRock N.V. and to be renamed The Creative Productivity Group N.V. immediately prior to Settlement (as defined below))

#### Offering of up to 16,284,956 ordinary shares and admission to listing and trading on Euronext in Amsterdam

This prospectus (the **Prospectus**) has been prepared in connection with the Offer (as defined below) and the admission to listing and trading of the ordinary shares in the capital of The Creative Productivity Group N.V. (the **Company**), each with a nominal value of €0.01 (the **Ordinary Shares**) on Euronext Amsterdam (**Euronext Amsterdam**), a regulated market operated by Euronext Amsterdam N.V. (the **Admission**).

The Company is offering for subscription such number of newly issued Ordinary Shares (the **New Offer Shares**), as will raise gross proceeds of approximately €125.0 million. Certain shareholders named herein (the **Selling Shareholders**) (see “Shareholders and Related Party Transactions—Shareholder structure”) are offering for sale up to 7,552,696 existing Ordinary Shares (the **Existing Offer Shares**). In addition, current and former employees of the Company and its subsidiaries (the **Group**), two Supervisory Directors and a member of the senior leadership team are given the possibility to exercise part or all of their vested Options and sell part of the Ordinary Shares to be acquired upon such exercise via Stichting Administratiekantoor Optieplan Werock (**Foundation Option Plan**), resulting in an offering for sale of up to 1,589,402 existing Ordinary Shares (the **Employee Offer Shares**, and the Employee Offer Shares together with the Existing Offer Shares, the **New Offer Shares** and, unless the context indicates otherwise, the Over-Allotment Shares (as defined below), the **Offer Shares**). Assuming no exercise of the Over-Allotment Option (as defined below) and an Offer Price at the bottom of the Offer Price Range (all as defined below), the maximum number of Offer Shares will be 14,160,831 Ordinary Shares and will constitute approximately 37.8% of the issued share capital of the Company. Assuming the Over-Allotment Option is fully exercised and an Offer Price at the bottom of the Offer Price Range, the Offer Shares will be 16,284,956 Ordinary Shares and will constitute not more than approximately 43.5% of the issued share capital of the Company.

This offering of the Offer Shares (the **Offer**) consists solely of private placements to certain institutional investors in various jurisdictions, including the Netherlands. The Offer Shares are being offered and sold within the United States of America (the **United States** or **US**), to persons reasonably believed to be qualified institutional buyers (**QIBs**) as defined in Rule 144A (**Rule 144A**) under the U.S. Securities Act of 1933, as amended (the **U.S. Securities Act**) pursuant to Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable US state securities laws, and outside the United States, in compliance with Regulation S under the U.S. Securities Act (**Regulation S**). There will be no public offering in any jurisdiction.

Application has been made to admit all of the Ordinary Shares to listing and trading on Euronext Amsterdam, under the symbol “WT”. Trading on an as-if-and-when-issued/delivered basis in the Ordinary Shares on Euronext Amsterdam is expected to commence on Euronext Amsterdam at 09:00 (Central European Time (**CET**)) on or around 1 February 2022 (the **First Trading Date**).

**Investing in the Ordinary Shares involves risks. See “Risk Factors” for a description of the risk factors that should be carefully considered before investing in the Ordinary Shares.**

**The price per Offer Share (the Offer Price) is expected to be in the range of €17.50 and €20.50 (inclusive) (the Offer Price Range)**

The Offer will take place from 9:00 CET on 20 January 2022 until 14:00 CET on 27 January 2022 (the **Offer Period**), subject to acceleration or extension of the timetable for the Offer. The Offer Price Range is indicative only and may change during the course of the Offer, and the Offer Price may be set within, above or below the Offer Price Range. The initial Offer Price (in euro) and the exact number of Offer Shares offered in the Offer will be agreed between the Company, the Selling Shareholders and the Underwriters (as defined below), after the end of the Offer Period on the basis of the book-building process and taking into account the conditions and factors described in “The Offer”. Among the factors to be considered in determining the Offer Price, in addition to prevailing market conditions, will be the Company’s historical performance, estimates of its business potential and earnings prospects, an assessment of the Company’s management and consideration of the above factors in relation to the market valuation of companies in related businesses. The Offer Price may differ significantly from prices prevailing in over-the-counter transactions and price quotations that have historically been available. See “The Offer” for further information.

The Offer Price and the exact number of Offer Shares offered in the Offer will be set out in a pricing statement (the **Pricing Statement**) that will be filed with the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the **AFM**) and announced through a press release published and posted on the Company’s website (wetransfer.com/investors).

The Company and the Selling Shareholders, after consultation with the Joint Global Coordinators, reserve the right to increase or decrease the number of Offer Shares and to change the Offer Price Range prior to allocation of the Offer Shares (**Allocation**). Any change in the number of Offer Shares, the Offer Price Range and/or the Offer Period will be announced in a press release published and posted on the Company’s website (wetransfer.com/investors).

Morgan Stanley Europe SE (**Morgan Stanley**) and BofA Securities Europe SA (**BofA Securities**) are acting as joint global coordinators (in such and any other capacity, the **Joint Global Coordinators**) and, together with ABN AMRO Bank N.V. (**ABN AMRO**) and Barclays Bank Ireland PLC (**Barclays**) as the joint bookrunners for the Offer (the **Joint Bookrunners**, and the Joint Global Coordinators and the Joint Bookrunners, in their respective capacities, are together also referred to herein as the **Underwriters**).

The Selling Shareholders have granted the Underwriters an option (the **Over-Allotment Option**), exercisable within the period of 30 calendar days after the First Trading Date, pursuant to which Morgan Stanley, in its capacity as stabilisation manager (the **Stabilisation Manager**) (on behalf of the Underwriters), may require the Selling Shareholders to sell up to 2,124,125 additional Ordinary Shares (the **Over-Allotment Shares**) at the Offer Price, comprising up to 15% of the total number of Offer Shares sold in the Offer (excluding the Over-Allotment Shares) solely for the purposes of covering over-allotments and short positions, if any, in connection with the Offer or to facilitate stabilisation transactions, if any.

Subject to acceleration or extension of the timetable for the Offer, payment (in euro) for, and delivery of, the Offer Shares (**Settlement**) is expected to take place on 1 February 2022 (the **Settlement Date**) through the book-entry systems of the Netherlands Central Institute for Giro Securities Transactions (*Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.*) trading as Euroclear Nederland (**Euroclear Nederland**).

If Settlement does not take place on the Settlement Date as planned or at all, the Offer may be withdrawn, in which case all applications for Offer Shares will be disregarded, any allocations made will be deemed not to have been made and any payments made by investors for Offer Shares will be returned (in euro) without interest or other compensation and transactions in the Offer Shares on Euronext Amsterdam may be annulled. Any dealings in Offer Shares on Euronext Amsterdam prior to Settlement are at the sole risk of the parties concerned. The Company, the Selling Shareholders, Foundation Option Plan, the Underwriters, ABN AMRO, in its capacity as the Company’s listing agent (the **Listing Agent**), ABN AMRO, in its capacity as the Company’s paying agent (the **Paying Agent**) and Euronext Amsterdam N.V. do not accept any responsibility or liability towards any person as a result of the withdrawal of the Offer or the (related) annulment of any transactions in Ordinary Shares. For more information regarding the conditions to the Offer and the consequences of any termination or withdrawal of the Offer, see “The Offer”.

At the date of this Prospectus, the Company is named WeRock N.V. The Company will be renamed The Creative Productivity Group N.V. immediately prior to Settlement.

The Offer is only made in those jurisdictions in which, and only to those persons to whom, offers and sales of the Offer Shares may lawfully be made. The Offer and the distribution of this Prospectus, any related materials and the offer, acceptance, delivery, transfer, exercise, purchase of, subscription for, or trade in, Ordinary Shares may be restricted by law in certain jurisdictions and therefore persons into whose possession this Prospectus comes should inform themselves and observe any restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. The Offer Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, may only be offered or sold (i) within the United States to persons reasonably believed to be QIBs in reliance on Rule 144A under the U.S. Securities Act or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state and other securities laws or (ii) outside the United States in compliance with Regulation S. There will be no public offer of the Offer Shares in the United States. Prospective purchasers are hereby notified that sellers of the Offer Shares may be relying on the exemption from the registration requirements of Section 5 of the U.S. Securities Act provided by Rule 144A. Each purchaser of, and subscriber for, Offer Shares, in making a purchase or subscription, will be deemed to have made certain acknowledgments, representations and agreements as set out in “Selling and Transfer Restrictions”. Prospective investors in the Offer Shares should carefully read the restrictions described under “Important Information—Notice to prospective investors” and “Selling and Transfer Restrictions”. Neither the Company, any Selling Shareholder, Foundation Option Plan nor any Underwriter is taking any action to permit a public offering of the Offer Shares in any jurisdiction.

This Prospectus constitutes a prospectus for the purposes of, and has been prepared in accordance with, Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (including any relevant delegated regulations, the **Prospectus Regulation**). This Prospectus has been approved as a prospectus for the purposes of Article 3 of the Prospectus Regulation by, and filed with, the AFM as competent authority under the Prospectus Regulation. The AFM only approves this Prospectus as meeting the standard of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus and of the Company. Investors should make their own assessment as to the suitability of investing in the Ordinary Shares.

**The validity of this Prospectus will expire on the earlier of (i) the First Trading Date and (ii) 12 months from the date of this Prospectus. The obligation to supplement a prospectus in the event of significant new factors, material mistakes or material inaccuracies shall cease to apply when this Prospectus is no longer valid (see “Important Information—Supplements”).**

**Prospective investors should read the entire document and, in particular, the section headed “Risk Factors”, when considering an investment in the Company.**

**Joint Global Coordinators**

Morgan Stanley

BofA Securities

**Joint Bookrunners**

ABN AMRO

Barclays

This Prospectus is dated 20 January 2022

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## SUMMARY

### Introduction and warnings

#### Introduction

This summary should be read as an introduction to the prospectus (the **Prospectus**) prepared in connection with the offering (the **Offer**) by (i) The Creative Productivity Group N.V. (the **Company**) of newly issued Ordinary Shares (as defined below) (the **New Offer Shares**) to raise gross proceeds of approximately €125.0 million, (ii) by Highland Europe Technology Growth L.P. (**Highland**), Backpacket B.V. (**Backpocket**), HPE Institutional Fund II Holdco B.V. (**HPE Growth**), Hartwig Houdstermaatschappij B.V. (**Hartwig**) and Dutch Connection Group B.V. (**Dutch Connection Group**) (together, the **Selling Shareholders**) of up to 7,552,696 existing Ordinary Shares (the **Existing Offer Shares**) and (iii) by Stichting Administratiekantoor Optieplan Werock (**Foundation Option Plan**), on behalf of current and former employees of the Company and its subsidiaries (together, the **Group**), two supervisory directors and a member of the senior leadership team, of up to 1,589,402 existing Ordinary Shares (the **Employee Offer Shares**, and together with the Existing Offer Shares, the **New Offer Shares** and, unless the context indicates otherwise, the **Over-Allotment Shares** (as defined below), the **Offer Shares**), and the admission by the Company to listing and trading of the ordinary shares in the capital of the Company, each with a nominal value of €0.01 (the **Ordinary Shares**) on Euronext in Amsterdam (**Euronext Amsterdam**), a regulated market operated by Euronext Amsterdam N.V. (the **Admission**). The table below shows the offering of Existing Offer Shares by the Selling Shareholders assuming an Offer Price at the mid-point of the Offer Price Range.

	No Over-Allotment Option Exercise	Full Over-Allotment Option Exercise
	Number of Offer Shares Sold	Number of Offer Shares Sold
Highland . . . . .	2,625,451	3,697,631
Backpocket . . . . .	850,000	1,150,000
HPE Growth . . . . .	569,777	794,737
Hartwig . . . . .	472,487	659,034
Dutch Connection Group . . . . .	482,286	672,703
<b>Total . . . . .</b>	<b>5,000,000</b>	<b>6,974,105</b>

The Prospectus was approved as a prospectus for the purposes of Article 3 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (including any relevant delegated regulations, the **Prospectus Regulation**) by, and filed with, the Netherlands Authority for the Financial Markets (Stichting Autoriteit Financiële Markten, the **AFM**), as a competent authority under the Prospectus Regulation, on 20 January 2022. The AFM's registered office is at Vijzelgracht 50, 1017 HS Amsterdam, the Netherlands and its telephone number is +31 (0)20 797 2000.

#### Warnings

Any decision to invest in any Ordinary Shares should be based on a consideration of the Prospectus as a whole by the investor and not just the summary. An investor could lose all or part of the invested capital. Where a claim relating to the information contained in, or incorporated by reference into, the Prospectus is brought before a court, the plaintiff investor might, under the national law of the member states of the European Economic Area, have to bear the costs of translating the Prospectus and any documents incorporated by reference therein before the legal proceedings can be initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Ordinary Shares.

#### Key information on the Company

##### Who is the issuer of the Ordinary Shares?

**Domicile, legal form, LEI, legislation and country of incorporation.** The Company is a public company with limited liability (*naamloze vennootschap*) incorporated and operating under the laws of the Netherlands. The Company's statutory seat (*statutaire zetel*) is in Amsterdam, the Netherlands, and its registered office is at Willem Fenengastrat 19, 1096 BL Amsterdam, the Netherlands. The Company is registered with the Dutch trade register under number 34381002. The Company's telephone number is +31 (0)20 8100779. The Company's Legal Entity Identifier (**LEI**) is 724500LGEI49DEHI1T12. The Company will be renamed The Creative Productivity Group N.V. immediately prior to Settlement. The Company operates under the laws of the Netherlands.

**Principal activities.** The Group provides an ecosystem of creative productivity tools, combining a software-as-a-service (SaaS) solution with a premium advertising business. The Group's offering is specifically designed for creative professionals, to enable collaboration, co-creation and client management. The Group believes that it is seen as a trusted and authentic brand built for creatives by creatives, which fosters collaboration within the creative community, while sponsoring a wide range of initiatives to support artists and social causes. The Group is driven by a sense of purposefulness and believes that only sustainable and responsible businesses can stay relevant in the long-term. This core value permeates throughout the organisation and impacts every aspect of the Group's business practices. As a result, the Group believes that it is best placed to connect industry stakeholders with each other to help them bring their ideas to life. The Group offers its tools under its proven freemium model. The Group generates revenue from the sale of subscriptions through its paid pricing tiers—WeTransfer Pro and WeTransfer Premium (launched in January 2022). Depending on the pricing tier, users will have limited or unlimited access to the Group's integrated tools and capabilities: Transfer, Paste®, Collect, Teams, and Portals and Reviews. In addition, the Group is selling premium advertising on the Group's web-based Transfer tool, which is shown to non-paying users. This differentiated business model enables the Group to benefit from monetising its entire user base.

**Share capital.** As at the date of the Prospectus, the Company's share capital comprises Ordinary Shares and series A preference shares (*preferente aandelen*) (the **Preference Shares A**). As at the Settlement Date (as defined below), the Company's authorised share capital will comprise Ordinary Shares, each with a nominal value of €0.01. The Ordinary Shares' International Security Identification Number (**ISIN**) is NL0015000B29.

**Major shareholders.** As at the date of the Prospectus, Highland (holding 2,150,538 Ordinary Shares and 11,577,993 Preference Shares A), Foundation Werock (holding 4,532,157 Ordinary Shares), HPE Growth (holding 3,225,806 Ordinary Shares) and Hartwig (holding 2,242,308 Ordinary Shares) have a substantial shareholding in the Company within the meaning of Chapter 5.3 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*, the **Dutch FSA**). Immediately prior to Settlement, (a) as a result of the decertification of the depositary receipts issued by Foundation Werock, Backpacket (holding 3,567,585 Ordinary Shares) and Dutch Connection Group (holding 964,572 Ordinary Shares) will hold the Ordinary Shares currently held by Foundation Werock and also hold a substantial shareholding in the Company within the meaning of Chapter 5.3 of the Dutch FSA and (b) as a result of the exercise of options under the Company's option plan, Foundation Option Plan (holding 1,894,030 Ordinary Shares assuming the exercise of the maximum number of Options by current and former employees and management) will also hold a substantial shareholding in the Company within the meaning of Chapter 5.3 of the Dutch FSA.

**Managing directors.** Gordon Willoughby is the Chief Executive Officer of the Company and a member of the management board (*raad van bestuur*) of the Company (the **Management Board**). Melissa Nussbaum is the Chief Financial Officer of the Company and a member of the Management Board.

**Independent auditor.** Ernst & Young Accountants LLP is the independent auditor of the Company.

### What is the key financial information regarding the Company

**Selected financial information.** The following tables set forth the Group's selected consolidated statement of profit or loss, selected consolidated balance sheet and selected consolidated statement of cash flows and certain other financial data as at the dates and for the periods indicated. The (i) selected consolidated financial information as at and for the years ended 31 December 2020, 2019 and 2018 has been derived from the audited consolidated financial statements as at and for the years ended 31 December 2020, 2019 and 2018 and the notes thereto beginning on page F-1 of the Prospectus (the **Annual Financial Statements**) and (ii) the selected consolidated financial information as at and for the nine months ended 30 September 2021 has been derived from the unaudited interim condensed consolidated financial statements as at and for the nine months ended 30 September 2021 and the notes thereto beginning on page F-1 of the Prospectus (the **Interim Financial Statements**).

Ernst & Young Accountants LLP has audited the Annual Financial Statements and has issued an unqualified independent auditor's report thereon, with an emphasis of matter paragraph on the special purpose nature of the Annual Financial Statements disclosed in Note 1 of the Annual Financial Statements. The auditor's opinion is not modified in respect of this matter:

*Emphasis on the special purpose and restriction on use.* We draw attention to note 1, which describes the special purpose of these consolidated financial statements. These consolidated financial statements do not represent Werock B.V.'s financial statements in accordance with Section 2:361 of the Dutch Civil Code and its articles of association and are prepared for the purpose of including in the prospectus in order to comply with the requirements for historical financial information pursuant to Regulation (EU) 2017/1129. As a result, the special purpose consolidated financial statements may not be suitable for another purpose. Our independent auditor's report is required by the Commission Delegated Regulation (EU) 2019/980 and is issued for the purpose of complying with that Delegated Regulation. Therefore, our auditor's report should not be used for another purpose. Our opinion is not modified in respect of this matter.

### Consolidated statement of profit or loss

	Year ended 31 December			Nine months ended 30 September	
	2020	2019	2018	2021	2020
	<i>(in millions of euros)</i>				
Revenue from contracts with customers	65.0	52.1	37.8	72.0	44.0
Cost of revenue	(11.0)	(8.6)	(5.6)	(9.6)	(8.2)
<b>Gross profit</b>	<b>54.1</b>	<b>43.5</b>	<b>32.2</b>	<b>62.4</b>	<b>35.8</b>
Research and development expenses	(10.3)	(9.5)	(7.3)	(20.1)	(7.1)
Selling and marketing expenses	(18.0)	(14.7)	(11.7)	(29.3)	(12.1)
General and administrative expenses	(9.6)	(9.1)	(16.3)	(32.6)	(6.4)
<b>Operating profit / (loss)</b>	<b>16.1</b>	<b>10.3</b>	<b>(3.1)</b>	<b>(19.6)</b>	<b>10.2</b>
Other income / (expenses)	(2.4)	0.2	0.5	1.3	(1.3)
Finance expenses	(0.1)	(0.6)	(0.9)	(0.1)	—
<b>Profit / (loss) before income tax</b>	<b>13.6</b>	<b>9.9</b>	<b>(3.5)</b>	<b>(18.4)</b>	<b>8.9</b>
Income tax benefit / (expenses)	(2.8)	(2.0)	0.6	3.0	(1.7)
<b>Profit / (loss) for the period</b>	<b>10.8</b>	<b>7.8</b>	<b>(2.9)</b>	<b>(15.4)</b>	<b>7.2</b>

## Consolidated balance sheet

	As at 31 December			30 September
	2020	2019	2018	2021
<i>(in millions of euros)</i>				
Property, plant and equipment	1.7	1.7	1.6	1.8
Right-of-use assets	1.0	1.2	1.3	0.9
Deferred tax assets	1.1	1.3	1.6	2.1
Other non-current assets <sup>(1)</sup>	1.8	—	0.4	1.4
<b>Total non-current assets</b>	<b>5.6</b>	<b>4.2</b>	<b>4.9</b>	<b>6.2</b>
<b>Current assets</b>				
Contract assets	3.6	3.7	3.8	6.5
Trade and other receivables	13.8	10.5	8.4	19.9
Cash and cash equivalents (excluding bank overdrafts)	25.5	12.1	6.2	38.7
Current tax assets	—	—	—	3.7
<b>Total current assets</b>	<b>42.9</b>	<b>26.3</b>	<b>18.5</b>	<b>68.8</b>
<b>Total assets</b>	<b>48.5</b>	<b>30.5</b>	<b>23.4</b>	<b>75.0</b>
<b>Total non-current liabilities<sup>(2)</sup></b>	<b>0.7</b>	<b>0.9</b>	<b>1.0</b>	<b>0.5</b>
<b>Current liabilities</b>				
Preference shares	23.4	23.4	22.8	23.4
Trade and other payables	8.4	5.4	4.7	44.6
Contract liabilities	10.5	8.6	7.0	12.2
Current tax liabilities	0.8	1.0	0.2	0.1
Lease liabilities	0.4	0.4	0.3	0.5
<b>Total current liabilities</b>	<b>43.5</b>	<b>38.7</b>	<b>35.0</b>	<b>80.8</b>
<b>Total liabilities</b>	<b>44.1</b>	<b>39.5</b>	<b>36.0</b>	<b>81.3</b>
<b>Net assets / (liabilities)</b>	<b>4.4</b>	<b>(9.0)</b>	<b>(12.6)</b>	<b>(6.3)</b>
Share premium	7.2	7.2	7.2	7.0
Treasury shares	(5.4)	(5.4)	—	(5.4)
Share-based payments reserve	4.4	2.5	1.4	9.3
Retained earnings	(2.5)	(13.3)	(21.2)	(18.0)
Other equity <sup>(3)</sup>	0.7	—	—	0.8
<b>Total equity</b>	<b>4.4</b>	<b>(9.0)</b>	<b>(12.6)</b>	<b>(6.3)</b>

(1) Consists of intangible assets and other assets.

(2) Consists of lease liabilities.

(3) Consists of share capital and cumulative translation adjustments.

## Consolidated statement of cash flows

	Year ended 31 December			Nine months ended	
	2020	2019	2018	2021	2020
<i>(in millions of euros)</i>					
Net cash generated from operating activities	15.6	12.4	3.5	14.0	10.0
Net cash (outflow) from investing activities	(0.7)	(0.4)	(9.9)	(1.1)	(0.4)
Net cash (outflow) from financing activities	(0.5)	(6.0)	(0.2)	(0.5)	(0.4)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>14.5</b>	<b>6.0</b>	<b>(6.6)</b>	<b>12.4</b>	<b>9.3</b>

**Non-IFRS measures.** The non-IFRS financial measures (**Non-IFRS Measures**) set out in the table below are not recognised measures of financial performance under the International Financial Reporting Standards as adopted by the European Union (**IFRS**) and have not been audited or reviewed. These Non-IFRS Measures are presented because they are used by management to monitor the performance of the business and operations. These measures also provide additional information to investors to enhance their understanding of the Group's results.

	Year ended 31 December			Nine months ended	
	2020	2019	2018	2021	2020
<i>(in millions of euros unless otherwise indicated)</i>					
Adjusted EBITDA	19.2	12.1	6.9	21.3	12.2
Adjusted EBITDA margin	29.5%	23.2%	18.2%	29.6%	27.7%
Cash conversion (in %)	96.6%	96.8%	80.3%	95.0%	96.5%

**Adjusted EBITDA** is defined as operating profit/(loss), adjusted for depreciation and amortisation of tangible and intangible assets, impairment of intangible assets and goodwill, share-based payment expenses and related employer payroll taxes, and non-recurring costs such as IPO-related costs. The following table sets forth a reconciliation of operating profit / (loss) to Adjusted EBITDA:



	Year ended 31 December			Nine months ended 30 September	
	2020	2019	2018	2021	2020
	<i>(in millions of euros)</i>				
Operating profit / (loss)	16.1	10.3	(3.1)	(19.6)	10.2
Depreciation and amortisation <sup>(a)</sup>	0.9	0.7	0.7	1.0	0.7
Intangible assets and goodwill impairment <sup>(b)</sup>	—	—	8.6	—	—
Share-based payment expenses <sup>(c)</sup>	1.9	1.1	0.7	34.4	1.3
Non-recurring costs <sup>(d)</sup>	0.4	—	—	5.5	—
<b>Adjusted EBITDA</b>	<b>19.2</b>	<b>12.1</b>	<b>6.9</b>	<b>21.3</b>	<b>12.2</b>

(a) Depreciation and amortisation consists of depreciation of right-of-use assets, depreciation of property, plant and equipment and amortisation of intangible assets and is included in General and administrative expenses.

(b) Relates to the impairment of acquired technology and goodwill relating to FiftyThree Inc. and is included in General and administrative expenses.

(c) Share-based payments expenses consist of expenses relating to the Option Plan and management incentive plan (MIP), and related employer payroll taxes. As at 30 September 2021, an IPO was deemed by management to be probable and the portion of the fair value of the MIP relating to the nine months ended 30 September 2021 (€29.5 million) was expensed in the statement of profit or loss. This is allocated across the functional cost lines of the statement of profit and or loss in accordance with the job function of the participant.

(d) Non-recurring costs such as IPO-related expenses.

**Adjusted EBITDA margin** is defined as Adjusted EBITDA as a percentage of revenue from contracts with customers.

	Year ended 31 December			Nine months ended 30 September	
	2020	2019	2018	2021	2020
	<i>(in millions of euros unless otherwise indicated)</i>				
Adjusted EBITDA	19.2	12.1	6.9	21.3	12.2
Divided by: Revenue from contracts with customers	65.0	52.1	37.8	72.0	44.0
<b>Adjusted EBITDA margin (in %)</b>	<b>29.5%</b>	<b>23.2%</b>	<b>18.2%</b>	<b>29.6%</b>	<b>27.7%</b>

**Cash conversion** is defined as Adjusted EBITDA less CapEx (which the Group defines as payments for property, plant and equipment and intangible assets) divided by Adjusted EBITDA. See below, as well as in “Operating and Financial Review—Capital expenditure” and “Selected Financial and Other Information” for a reconciliation of cash conversion.

	Year ended 31 December			Nine months ended 30 September	
	2020	2019	2018	2021	2020
	<i>(in millions of euros)</i>				
Adjusted EBITDA	19.2	12.1	6.9	21.3	12.2
Less CapEx	(0.7)	(0.4)	(1.4)	(1.1)	(0.4)
Divided by Adjusted EBITDA	19.2	12.1	6.9	21.3	12.2
<b>Cash conversion (in %)</b>	<b>96.6%</b>	<b>96.8%</b>	<b>80.3%</b>	<b>95.0%</b>	<b>96.5%</b>

**Other metrics.** These non-financial measures are presented because they are used by management to monitor the performance of the business and operations. These measures also provide additional information to investors to enhance their understanding of the Group’s performance.

	Year ended 31 December			Nine months ended 30 September	
	2020	2019	2018	2021	2020
	<i>(in millions of euros unless otherwise indicated)</i>				
Subscribers (in thousands) <sup>(1)</sup>	326	240	181	387	308
Subscription ARPU (in euros) <sup>(2)</sup>	9.2	9.0	8.8	9.0	9.3
Monthly recurring revenue <sup>(3)</sup>	3.3	2.3	1.8	3.8	3.0

(1) A subscriber is defined as a user with access to a paid version of WeTransfer Pro. Subscribers are measured at the end of the respective period.

(2) Average revenue per subscriber, or Subscription ARPU, is defined as WeTransfer Pro subscription revenue for a period divided by the average number of subscribers in the period, which is then divided by the number of months in the period. The average number of subscribers in a period is calculated by adding the number of subscribers as at the end of each month in a given period and dividing by the number of months in the period

(3) Monthly recurring revenue is calculated as subscription revenue earned during the last month of the respective period.

**Other key financial information.** No pro forma financial information or profit forecast has been included in the Prospectus.

#### What are the key risks that are specific to the Company

Any investment in the Ordinary Shares is associated with risks. Prior to any investment decision, it is important to carefully analyse the risk factors considered relevant to the future development of the Group and the Ordinary Shares. The following is a summary of the key risks that, alone or in combination with other events or circumstances, could have a material adverse effect on the Group’s business, financial condition, results of operations and prospects. In making the selection, the Group has considered circumstances such as the probability of the risk materialising on the basis of the current state of affairs, the potential impact which the materialisation of the risk could have on the Group’s business, financial condition, results of operations and prospects, and the attention that management would, on the basis of current expectations, have to devote to these risks if they were to materialise:

- The Group's future growth could be harmed if it fails to attract new users, retain existing users or convert free users to paying subscribers.
- The Group's business, financial condition, results of operations and prospects could be damaged, and it could be subject to liability, if there is any unauthorised access to the Group's data or its customers' content, including through privacy and data security breaches.
- The Group's business depends on its well-known WeTransfer brand, and if it is not able to maintain and enhance its brand, its ability to expand its base of customers will be impaired and its business, financial condition, results of operations and prospects will be harmed.
- The Group may not be able to respond to rapid technological changes, extend its products, or develop new tools or capabilities.
- The Group operates in competitive markets.
- The Group generates a substantial part of its total revenue from sales of subscriptions to its products, and any decline in demand for its products or for creative productivity tools in general could harm its business, financial condition, results of operations and prospects.
- The Group generates a substantial part of its total revenue through advertising revenue, and any failure to attract new advertisers, the loss of advertisers or a reduction in advertisers' budgets with the Group could harm its business, financial condition, results of operations and prospects.
- The Group's culture has contributed to its success, and if it cannot maintain this culture as it grows, the Group could lose the high employee engagement fostered by its culture, which could harm its business, financial condition, results of operations and prospects.
- Technologies have been developed that can block the display of ads on one of the Group's tools, which could harm its business, financial condition, results of operations and prospects.
- The Group's business could be harmed by any significant disruption of its products or loss of content.
- The Group derives, and expects to continue to derive, a substantial majority of its revenue from a limited number of products and tools.
- The loss of one or more of its key personnel, or its failure to attract and retain other highly qualified personnel in the future, could harm the Group's business, financial condition, results of operations and prospects.

#### **Key information on the Ordinary Shares**

##### **What are the main features of the Ordinary Shares?**

**Type, class and ISIN.** The Ordinary Shares are ordinary shares in the share capital of the Company, each with a nominal value of €0.01. The Ordinary Shares are denominated in and will trade in euro on Euronext Amsterdam. The Ordinary Shares' ISIN is NL0015000B29.

**Rights attached to the Ordinary Shares.** The Ordinary Shares will, upon Admission, rank *pari passu* in all respects with each other. Holders of Ordinary Shares will be entitled to receive dividends or other distributions declared, made or paid on them. Each Ordinary Share carries distribution rights and entitles its holder to attend and to cast one vote at the general meeting (*algemene vergadering*) of the Company. There are no restrictions on voting rights attaching to the Ordinary Shares. Each holder of Ordinary Shares shall, subject to exceptions, have a pre-emptive right in respect of the Ordinary Shares to be issued in proportion to the number of Ordinary Shares already held by it. Such a pre-emptive right may, however, be excluded or limited and the Management Board, subject to the approval of the supervisory board (*raad van commissarissen*) of the Company, has been granted the authority to do so for up to a maximum of 10% of the Ordinary Shares issued immediately following Settlement and the issue of the Investment Shares. This authorisation expires after a period of 18 months following the Settlement Date.

**Dissolution and liquidation.** If the Company is dissolved or liquidated, the Company's assets shall be paid to secured creditors, preferential creditors (including tax and social security authorities) and unsecured creditors, in that order. The balance of the Company's assets remaining after all liabilities have been paid, if any, shall be transferred to the holders of Ordinary Shares in proportion to the nominal value of each shareholder's holding in Ordinary Shares.

**Restrictions on free transferability of the Ordinary Shares.** There are no restrictions under the Company's articles of association, including as they will be in effect following amendment effective as of the Settlement Date (immediately prior to Settlement), or under Dutch law that limit the right of shareholders to hold Ordinary Shares. The transfer of Ordinary Shares to persons who are located or resident in, or who are citizens of, or who have a registered address in jurisdictions other than the Netherlands may, however, be subject to specific regulations and/or restrictions according to their securities laws.

**Dividend policy.** The Company intends to retain any profits to expand the growth and development of the Group's business and, therefore, does not anticipate paying dividends to its shareholders in the foreseeable future. The ability and intention of the Company to declare and pay dividends in the future: (i) will mainly depend on its financial position, results of operations, capital requirements, investment prospects, the existence of distributable reserves and available liquidity and such other factors as the Management Board may deem relevant; and (ii) are subject to factors that are beyond the Company's control.

##### **Where will the Ordinary Shares be traded?**

**Application.** Application has been made to admit all Ordinary Shares to listing and trading on Euronext Amsterdam under the symbol "WT". Subject to acceleration or extension of the timetable for the Offer, trading in the Ordinary Shares on Euronext Amsterdam is expected to commence, on an as-if-and-when-issued/delivered basis, at 09:00 (Central European Time (CET)) on or around 1 February 2022 (the **First Trading Date**). Prior to being admitted to trading on Euronext Amsterdam, there has been no public trading market for the Ordinary Shares.

##### **What are the key risks that are specific to the Ordinary Shares?**

##### **The key risks relating to the Offer and the Ordinary Shares are:**

- Immediately after Settlement, our major shareholders will be in a position to exert substantial influence on the Company and the interests pursued by such major shareholders could differ from the interests of the Company's other shareholders.
- The Company does not intend to pay dividends for the foreseeable future.



## Key information on the Offer and the Admission

### Under which conditions and timetable can I invest in the Ordinary Shares?

**Offer.** The Company is offering such a number of New Offer Shares as will raise gross proceeds of approximately €125.0 million, the Selling Shareholders are offering up to 5,428,571 Existing Offer Shares (such Existing Offer Shares not including any Over-Allotment Shares) and Foundation Option Plan is offering up to 1,589,402 Employee Offer Shares (on behalf of current and former employees of the Company and its subsidiaries (together, the **Group**), two supervisory directors and a member of the senior leadership team).

**Over-Allotment Option.** The Selling Shareholders have granted the Underwriters (as defined below) an option (the **Over-Allotment Option**), exercisable within the period of 30 calendar days after the First Trading Date, pursuant to which the Stabilisation Manager (on behalf of the Underwriters) may require the Selling Shareholders to sell up to 2,124,125 Ordinary Shares (the **Over-Allotment Shares**) at the offer price per Offer Share (the **Offer Price**), comprising up to 15% of the aggregate number of Offer Shares sold in the Offer (excluding the Over-Allotment Shares), solely for the purposes of covering over-allotments or short positions, if any, in connection with the Offer. Assuming no exercise of the Over-Allotment Option and an Offer Price at the bottom of the Offer Price Range (all as defined below), the Offer Shares will constitute approximately 37.8% of the issued Ordinary Shares. Assuming the Over-Allotment Option is fully exercised and an Offer Price at the bottom of the Offer Price Range, the Offer Shares will constitute not more than approximately 43.5% of the issued Ordinary Shares.

**Jurisdictions.** The Offer consists solely of private placements to certain institutional investors in various jurisdictions, including the Netherlands. The Offer Shares are being offered and sold (i) within the United States of America (**United States** or **US**) to persons reasonably believed to be qualified institutional buyers as defined in Rule 144A (**Rule 144A**) under the U.S. Securities Act of 1933, as amended (the **U.S. Securities Act**), pursuant to Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable US state securities laws, and (ii) outside the United States, in compliance with Regulation S under the U.S. Securities Act. The Offer is made only in those jurisdictions in which, and only to those persons to whom, the Offer may be lawfully made. There will be no public offering in any jurisdiction.

**Timetable.** Subject to acceleration or extension of the timetable by the Company and the Selling Shareholders, after consultation with the Joint Global Coordinators (as defined below), for, or withdrawal of, the Offer, the timetable below lists the expected key dates for the Offer.

Event	Date (2022) (Time (CET))
Start of the offer period (the <b>Offer Period</b> )	20 January 2022 (9:00)
End of the Offer Period	27 January 2022 (14:00)
Expected pricing and expected allocation	27 January 2022
First Trading Date (trading on an ‘as-if-and-when-issued/delivered’ basis) on Euronext Amsterdam	28 January 2022
Settlement Date (payment and delivery)	1 February 2022

The Company and the Selling Shareholders, after consultation with the Joint Global Coordinators, reserve the right to accelerate or extend the Offer Period, pricing, allocation, admission and first trading of the Ordinary Shares, as well as payment (in euro) for and delivery of the Offer Shares may be advanced or extended accordingly.

**Offer Price, Offer Price Range and number of Offer Shares.** The Offer Price is expected to be in the range of €17.50 to €20.50 (inclusive) per Offer Share (the **Offer Price Range**). The Offer Price may be set within, above or below the Offer Price Range. The Offer Price Range is indicative only and may be changed during the course of the Offer, and the Offer Price may be set within, above or below the Offer Price Range. The maximum number of Offer Shares may be increased or decreased prior to the allocation of the Offer Shares. The Offer Price and the exact number of Offer Shares (including the maximum number of Over-Allotment Shares) will be determined after the end of the Offer Period by the Company and the Selling Shareholders, after consultation with the Joint Global Coordinators and on the basis of a book building process, and will be stated in the pricing statement that will be published through a press release that will also be posted on the Company’s website ([wetransfer.com/investors](http://wetransfer.com/investors)) and filed with the AFM.

**Allocation.** Allocation of the Offer Shares to investors is expected to take place after the closing of the Offer Period on or around 27 January 2022, subject to acceleration or extension of the timetable for the Offer. Full discretion will be exercised as to whether or not and how to allot the Offer Shares. There is no maximum or minimum number of Offer Shares for which prospective investors may apply and multiple applications to purchase, or subscribe for, Offer Shares are permitted. In the event that the Offer is over-subscribed, investors may receive fewer Offer Shares than they applied for.

**Payment and delivery.** Payment (in euro) for and delivery of the Offer Shares (**Settlement**) will take place on the date of settlement, which is expected to be 1 February 2022 (the **Settlement Date**). Taxes and expenses, if any, must be borne by the investor. Investors must pay the Offer Price in immediately available funds in full in euro on or before the Settlement Date (or earlier in the case of an early closing of the Offer Period and consequent acceleration of pricing, allocation, commencement of trading and Settlement). The Offer Shares will be delivered in book-entry form through the facilities of Netherlands Central Institute for Giro Securities Transactions (**Euroclear Nederland**). If Settlement does not take place on the Settlement Date as planned or at all, the Offer may be withdrawn, in which case all applications for Offer Shares will be disregarded, any allocations made will be deemed not to have been made and any payments made will be returned without interests or other compensation. Any dealings in Ordinary Shares prior to Settlement are the sole risk of the parties concerned.

**Joint Global Coordinators.** Morgan Stanley Europe SE (**Morgan Stanley**) and BofA Securities Europe SA are the joint global coordinators for the Offer (the **Joint Global Coordinators**).

**Joint Bookrunners.** ABN AMRO Bank N.V. (**ABN AMRO**) and Barclays Bank Ireland PLC, together with the Joint Global Coordinators, are the joint bookrunners for the Offer.

**Listing Agent and Paying Agent.** ABN AMRO is the listing agent and the paying agent with respect to the Ordinary Shares on Euronext Amsterdam.

**Stabilisation Manager.** Morgan Stanley is the stabilisation manager for the Offer (the **Stabilisation Manager**).

**Dilution.** The issue of the New Offer Shares will result in a maximum dilution of voting interests of shareholders of the Company of 43.5% (immediately following the issue of Ordinary Shares to, and the repurchase of Ordinary Shares from, Foundation Option Plan immediately prior to Settlement and assuming an Offer Price at the bottom of the Offer Price Range).

**Estimated expenses.** Assuming an Offer Price at the mid-point of the Offer Price Range and assuming the sale of the maximum number of Offer Shares and no exercise of the Over-Allotment Option, the expenses, commission and taxes related to the Offer payable by the Company are estimated at approximately €11 million (of which approximately €6 million has already been paid prior to Settlement).

**Who is the offeror and/or the person asking for Admission?**

The Company is offering the New Offer Shares. The Company is a public company with limited liability (*naamloze vennootschap*) with its statutory seat (*statutaire zetel*) in Amsterdam, the Netherlands and operating under the laws of the Netherlands. The Company will be renamed The Creative Productivity Group N.V. immediately prior to Settlement. The Company's LEI is 724500LGEI49DEHI1T12 and its trade register number is 34381002. The Existing Offer Shares are being offered by the Selling Shareholders. The Employee Offer Shares are offered by Foundation Option Plan on behalf of current and former employees of the Group, two supervisory directors and a member of the senior leadership team. Each of the Company, the Selling Shareholders, except for Highland, and Foundation Option Plan operate under the laws of the Netherlands. Highland operates under the laws of Jersey.

**Why is the Prospectus being produced?**

**Reasons for the Offer and Admission.** The Company believes that the Admission provides the Company with access to capital markets, which it may use to support and develop further growth of the Group and to finance acquisitions of, or investments in, businesses, creative and engineering teams, technologies, services, products, software, intellectual property rights and other assets in the future. The Admission will also further enhance the Company's profile and brand recognition and aims to permit the Group to incentivise the past, existing and future management and employees, and to continue to attract talented individuals to join the Group in the future. In addition, the Offer provides the Selling Shareholders and the holders of vested options with an opportunity to partially realise their interest in the Company.

**Net proceeds.** The Company will not receive any proceeds from the sale of the Existing Offer Shares and/or the sale of any Over-Allotment Shares by the Selling Shareholders and the sale of Employee Offer Shares by Foundation Option Plan, the proceeds of which will be received by the Selling Shareholders and Foundation Option Plan (on behalf of current and former employees of the Group, two supervisory directors and a member of the senior leadership team), respectively. The Company will receive proceeds from the sale of the New Offer Shares. The commissions due to the Underwriters will be borne by the Company, the Selling Shareholders and Foundation Option Plan (on behalf of current and former employees of the Group, two supervisory directors and a member of the senior leadership team) *pro rata* to the Offer Shares sold by them in the Offer. The Company expects the net proceeds from the Offer (assuming an Offer Price at the mid-point of the Offer Price Range), after deduction of expenses, commissions and taxes for the Offer payable by the Company (estimated to amount to approximately €11 million (of which approximately €6 million has already been paid prior to Settlement)), to amount to approximately €119.5 million. The Company intends to use €78.5 million of the net proceeds from the issue of the New Offer Shares to support and develop further growth of the Group, to finance acquisitions of, or investments in, businesses, creative and engineering teams, technologies, services, products, software, intellectual property rights and other assets in the future. In addition, assuming an Offer Price at the mid-point of the Offer Price Range, the Company intends to settle approximately €17.6 million in aggregate to satisfy the Company's obligations under the management incentive plan and to pay Highland €23.4 million in connection with the conversion of the Preference Shares A into Ordinary Shares.

**Underwriting agreement.** The Company, the Selling Shareholders, Foundation Option Plan and the Underwriters entered into an underwriting agreement 20 January 2022 with respect to the offer and sale of the Offer Shares in connection with the Offer. Pursuant to the terms of and subject to the conditions set forth in the underwriting agreement, the Company has agreed to issue the New Offer Shares, the Selling Shareholders have agreed to sell the Existing Offer Shares and Foundation Option Plan has agreed to sell the Employee Offer Shares at the Offer Price to subscribers and purchasers procured by the Underwriters or, failing which, to the Underwriters themselves.

The Underwriting Agreement provides that the obligations of the Underwriters to use reasonable endeavours to procure subscribers and purchasers for the Offer Shares (failing which to purchase or subscribe for the Offer Shares themselves) are subject to, among other things, the following conditions precedent: (i) receipt of opinions on certain legal matters from legal counsel, (ii) receipt of customary officers' certificates, (iii) the AFM's approval of the Prospectus being in full force and effect, (vi) the admission of the Ordinary Shares to listing and trading on Euronext Amsterdam occurring no later than 9:00 CET on the First Trading Date and (iv) certain other customary conditions, including in respect of the accuracy of representations and warranties by the Company, the Selling Shareholders and Foundation Option Plan and each of the Company, the Selling Shareholders and Foundation Option Plan having complied with the terms of the Underwriting Agreement. The Underwriters have the right to waive certain of such conditions in whole or part. Upon the occurrence of specific events, such as any of the conditions precedent not being satisfied or waived, the Underwriters may elect to terminate the Underwriting Agreement.

**Material conflicts of interest pertaining to the Offer and the Admission.** Certain of the Underwriters and/or their affiliates are, or have been, engaged and may in the future engage in commercial banking, investment banking and financial advisory and ancillary activities in the ordinary course of their business with the Group and/or the Selling Shareholders or any parties related to or competing with any of them, in respect of which they have received, and may in the future receive, customary fees and commissions. Additionally, the Underwriters may, in the ordinary course of their business, in the future hold the Company's securities for investment. As a result of acting in the capacities described above, the Underwriters and their affiliates may have interests that may not be aligned, or could potentially conflict, with the interests of investors or with the interests of the Company or the Group.

## RISK FACTORS

*Before investing in the Offer Shares, prospective investors should consider carefully the risks and uncertainties described below, together with the other information contained or incorporated by reference in this Prospectus. The occurrence of any of the events or circumstances described in these risk factors, individually or together with other circumstances, may have a significant negative impact on the Company and its subsidiaries' (together, the **Group**) business, financial condition, results of operations and prospects. The price of the Offer Shares could decline and an investor might lose part or all of their investment upon the occurrence of any such event.*

*All of these risk factors and events are contingencies which may or may not occur. The Group may face a number of these risks described below simultaneously and one or more of the risks described below may be interdependent. Although the most material risk factors have been presented first within each category, the order in which the remaining risks are presented is not necessarily an indication of the likelihood of the risks actually materialising, of the potential significance of the risks or of the scope of any potential negative impact to the Group's business, financial condition, results of operations and prospects. While the risk factors below have been divided into the most appropriate categories, some risk factors could belong in more than one category and prospective investors should carefully consider all of the risk factors set out in this section.*

*Although the Company believes that the risks and uncertainties described below are the material risks and uncertainties concerning the Group's business and industry, and the Offer Shares, they are not the only risks and uncertainties relating to the Group and the Offer Shares. Other risks, events, facts or circumstances not presently known to the Group, or that the Group currently deems to be immaterial could, individually or cumulatively, prove to be important and may have a significant negative impact on the Group's business, financial condition, results of operations and prospects.*

*Prospective investors should carefully read and review the entire Prospectus and should form their own views before making an investment decision with respect to any Offer Shares. Furthermore, before making an investment decision with respect to any Offer Shares, prospective investors should consult their own professional adviser and carefully review the risks associated with an investment in the Offer Shares and consider such an investment decision in light of their personal circumstances.*

### **Risks relating to the Group's business and industry**

***The Group's future growth could be harmed if it fails to attract new users, retain existing users or convert free users to paying subscribers.***

The Group must attract new users, retain existing users and convert free users to paying subscribers in order to grow its business and generate revenue. The Group must convince prospective users of the benefit of its services and its existing users of the continuing value of its services. The Group's ability to attract new users, retain existing users and convert free users to paying subscribers or paying subscribers into a higher subscription tier, depends in large part on its ability to (i) offer and develop leading technologies, products, tools, capabilities, features and functionality, (ii) produce compelling content, superior functionality and (iii) create an engaging user experience. Any decrease in user satisfaction with the Group's products or support could harm its brand, word-of-mouth referrals, and ability to grow.

The Group's ability to convert free users to paying subscribers, and to convert paying subscribers into a higher subscription tier, depends in particular on the commercial attractiveness of new offerings, such as WeTransfer Premium, which builds on the existing two-tier offering structure (see "*Business—Overview*"). There is no guarantee that users will upgrade or subscribe to a higher subscription tier, such as WeTransfer Premium. Even if users subscribe to these tiered offerings, there is no guarantee that they will renew their subscriptions after their existing subscriptions expire or not revert back to a lower subscription tier or to the free offering. The Group's subscription agreements typically last for a minimum term of one year and are renewable thereafter but users can choose month-to-month subscriptions. While the Group's subscriptions provide for automatic renewal, users may opt out of automatic renewal and customers have no obligation to renew a subscription after the expiration of the term. The Group's renewals and net retention rate may decline or fluctuate as a result of a number of factors, many of which are outside the Group's control, including the ability of users to quickly integrate the Group's products into their businesses.

In addition, the Group's user growth rate may slow in the future as its market penetration rates increase. As a result, both its revenue from the sale of subscriptions and its revenue from the sale of advertisements may decline

or grow more slowly than expected, which may materially and adversely affect the Group's business, financial condition, results of operations and prospects.

As of September 2021, the Group served 87 million monthly active users and approximately 387,000 paying subscribers. The Group has systems in place to frequently monitor the growth of its monthly active users and paying subscribers; see *“Business—The Group's competitive strengths—The Group's viral product adoption supports its business model”*. The Group strives to encourage free users to convert to paying subscribers through in-product prompts and notifications. However, a majority of its free users may never convert to a paid subscription of the Group's pricing tiers. Although the Group monetises its free users through its advertisement solutions, if the Group is not able to continue to convert its free users to paying subscribers, demand for its subscription tiers may grow more slowly than expected or decline, which the Group may not be able to offset against any increase in advertising revenue and, accordingly, may materially and adversely affect its business, financial condition, results of operations and prospects.

***The Group's business, financial condition, results of operations and prospects could be damaged, and it could be subject to liability, if there is any unauthorised access to the Group's data or its customers' content, including through privacy and data security breaches.***

The use of the Group's products involves the transmission, storage, and processing of customer content and personal data, some of which may be considered personally identifiable, confidential, or sensitive. While the Group has taken steps to protect the confidential information that it has access to, it faces security threats from malicious third parties that could obtain unauthorised access to the Group's systems and networks. See *“—The Group's business could be harmed by any significant disruption of its products or loss of content.”* Despite implementing network security measures, the Group's servers may be vulnerable to computer viruses, distributed denial of service attacks, phishing, spurious spam attacks, malware, ransomware and similar disruptions from unauthorised tampering with, or cyber-attacks on, such computer systems. The Group may be required to expend significant capital and other resources to protect its products and infrastructure against the threat of computer viruses and hackers and to alleviate any problems caused by them. Moreover, if a computer virus or cyber-attack affecting such a system is highly publicised, the Group's reputation or customers' trust in the Group's products and advertising solutions could be materially damaged and the customer base and utilisation of the products and advertising solutions may decrease. See *“—The Group's business could be adversely affected if its advertisers are not satisfied with the advertising solutions provided by the Group.”*

The Group anticipates that these threats will continue to grow in scope and complexity over time. For example, in June 2019, the Group learned that a hostile actor had obtained access to some of the Group's systems used to run its products, through a compromised virtual private network account. Consequently, access was obtained to the Group's file server and data-processor for email. Certain data was obtained, including certain transfers with links to uploaded material, password resets, invoices and email addresses. In response, the Group, to the extent required by law, notified the competent data protection authority and the customers involved. Since the event, the Group has, *inter alia*, increased the size of its security team fivefold, implemented new information security policies and taken steps to increase data privacy and security awareness of its employees. While the Group believes this will reduce the likelihood of similar incidents occurring in the future, third parties might nevertheless use techniques that the Group is unable to defend against to compromise and infiltrate the Group's systems and networks. The Group may fail to detect the existence of a breach of customer content and be unable to fully prevent unauthorised access to customer and company content. The techniques used to obtain unauthorised access, disable or degrade service, or sabotage systems, change frequently and are often not recognised until launched against a target.

The Group relies on third parties when deploying its infrastructure, which exposes it to security risks outside of its direct control. See *“—The Group depends on its infrastructure, third-party data centres and third-party service providers, and any disruption in the operation of these facilities or failure to renew the services could adversely affect its business, financial condition, results of operations and prospects.”* The Group relies on outside vendors and contractors to perform services necessary for the operation of the business, and they may fail to adequately secure the Group's customer and company content.

The Group has stringent security policies and systems in place to secure its assets whether employees are working from company offices or remotely. These measures include but are not limited to endpoint detection and response systems, fully managed devices, and a zero-trust network architecture. However, employees that work from home form an increased risk for security breaches as information stored on mobile devices may be lost or stolen, remote access in a public setting can expose sensitive information through eavesdropping or, network



hacking. In addition, other forms of unauthorised access and working from home expose the Group to an increased risk of phishing and other scams.

Regardless of the aforementioned policies and systems, third parties may also attempt to compromise the Group's employees and their privileged access to internal systems to gain access to accounts, the Group's information, its networks, or its systems. See *“—Legal, regulatory and compliance risks—The Group's failure to protect its intellectual property rights and proprietary information could diminish its brand and other intangible assets.”* Furthermore, employee error, malfeasance, or other errors in the storage, use, or transmission of personal information could result in an actual or perceived breach of security. The Group's customers may also disclose or lose control of their passwords, or use the same or similar passwords on third parties' systems, which could lead to unauthorised access to their accounts.

Any unauthorised or inadvertent access to, or an actual or perceived security breach could result in an actual or perceived loss of, or unauthorised access to, the Group's data, including personally identifiable, confidential or sensitive employee or customer data, or its customers' content, regulatory investigations and orders, litigation, indemnity obligations, damages, penalties, fines, costs in relation to a ransomware attack and other costs in connection with actual and alleged contractual breaches, violations of applicable laws and regulations, and other liabilities. See *“—Legal, regulatory and compliance risks—The Group is subject to various global data protection and security regulations, which could result in additional costs and liabilities to the Group.”* Any such incident could also materially and adversely affect the Group's reputation and harm its business, financial condition, results of operations and prospects, including reducing its revenue, causing it to issue credits to customers, eroding its customers' trust in its products and advertising solutions, subjecting the Group to costly customer notification or remediation, harming its ability to retain customers, harming its brand, or increasing its cost of acquiring new customers. Further, if a high-profile security breach occurs with respect to another creative productivity tools provider, the Group's customers and potential customers could lose trust in the security of creative productivity tools providers generally, which could adversely impact the Group's ability to retain customers or attract new customers which may materially and adversely affect its business, financial condition, results of operations and prospects.

***The Group's business depends on its well-known WeTransfer brand, and if it is not able to maintain and enhance its brand, its ability to expand its base of customers will be impaired and its business, financial condition, results of operations and prospects will be harmed.***

The Group believes that the WeTransfer brand is seen as a trusted and authentic brand built for creatives by creatives, which fosters deep collaboration within the creative community, while sponsoring a wide range of initiatives to support artists and social causes. The Group's online media platform WePresent allows creatives to showcase their work to approximately three million readers who draw inspiration from it each month and amplifies the Group's brand within the creative community. The Group believes that its brand identity and awareness, and its emotional appeal, have contributed to its success and have helped fuel its efficient go-to-market strategy. It also believes that maintaining and enhancing the WeTransfer brand is critical to expanding its customer base. The Group anticipates that, as its market becomes increasingly competitive, maintaining and enhancing its brand may become increasingly difficult and expensive. See *“—The Group operates in competitive markets.”* Any unfavourable publicity or consumer perception of the Group, its products or services, or the Group and its competitors generally, could adversely affect its reputation and its ability to attract and retain customers. Examples include events or developments that could have an adverse impact on the reputation of the Group such as:

- losing the status of “Certified B Corporation<sup>TM</sup>” (see *“Business—Environmental, social, and corporate governance”*);
- technical issues (e.g. with access to the products, with interoperability between the tools, or loss of user content);
- security issues (e.g. data breaches);
- actions or statements made by third-party advertisers or creatives who produce content in or for WePresent;
- actual or alleged employee misconduct; and
- third-party intellectual property rights' infringement claims.

Additionally, if the Group fails to promote and maintain the WeTransfer brand, including its trustworthiness and its authenticity, or if the Group incurs excessive expenses in this effort, its business, financial condition, results of operations and prospects will be materially and adversely affected.

***The Group may not be able to respond to rapid technological changes, extend its products, or develop new capabilities.***

The creative productivity market is characterised by rapid technological change and frequent new product and service introductions. The Group's ability to grow its customer base and increase revenue from existing customers will depend to a large extent on its ability to enhance and improve its existing products and advertising solutions, introduce new capabilities, tools and advertising solutions, and improve the compatibility of its product capabilities and advertising solutions with an increasing range of devices, operating systems, and third-party applications. Customers may require capabilities that the Group's current products and advertising solutions are not yet able to offer. The Group invests considerably in research and development (17% of its total revenue excluding share-based payments expenses and 28% including share-based payments expenses for the nine months ended 30 September 2021) to facilitate the layering of interoperability between capabilities of its products to further build and introduce WeTransfer Premium, and to allow for the interoperability of its products going forward. See "*—The Group's future growth could be harmed if it fails to attract new users, retain existing users or convert free users to paying subscribers.*"

The Group's goal is to focus its spending on measures that improve quality and ease of adoption and create organic customer demand for its products. There can be no assurance that enhancements to its existing products or advertising solutions, or its new product or advertising solution experiences, capabilities will be compelling to its customers or gain market acceptance. If the Group's research and development investments do not accurately anticipate customer demand, or if it fails to develop its products and advertising solutions in a manner that satisfies customer preferences in a timely and cost-effective manner, it may fail to retain its existing customers, attract new customers or increase demand for its products and advertising solutions.

The introduction of new products and advertising solutions by competitors or the development of entirely new technologies to replace existing offerings could render the Group's products and advertising solutions obsolete. The Group may experience difficulties with software development, design, or marketing that could delay or prevent the development, implementation or introduction of new product and advertising solution experiences or capabilities. Any delays could result in adverse publicity, or loss of market acceptance or revenue, each of which may have a material and adverse effect on the Group's reputation, business, financial condition, results of operations and prospects. Moreover, any new creative productivity tools may require substantial investment, and such investments may not be successful. If customers do not widely adopt the Group's new product and advertising solution experiences, tools and capabilities, it may not be able to realise a return on its investment. If the Group is unable to develop, licence, or add new features and capabilities to its products and advertising solutions on a timely and cost-effective basis, or if such enhancements do not achieve market acceptance, the Group's business, financial condition, results of operations and prospects could be materially and adversely affected.

***The Group operates in competitive markets.***

The markets for creative productivity tools and advertising solutions are competitive and rapidly changing. Certain features of the Group's products in the creative productivity market compete with products offered by public companies such as Adobe, Dropbox, Google, and Microsoft. The Group also competes with smaller private companies that offer point solutions in the creative productivity market. The Group believes the principal competitive factors in its markets include the following:

- ease of adoption and use—ability to intuitively use the products with minimal friction such as sign-ins and other intermittent steps such as opening new applications, including when receiving digital content as a non-user;
- brand authenticity—brand values, supported by actions, that users can identify with;
- user-centric design—a product that is designed to address specific use cases in an intuitive way that allows users to efficiently achieve their objectives;
- security and privacy—ensuring that digital content and personal data is securely stored and handled; and
- ability to offer a vertically-focused offering across the creative workflow.

With the introduction of new technologies and market entrants, the Group expects competition to intensify in the future. Many of its actual and potential competitors benefit from competitive advantages over the Group, such as greater name recognition, longer operating histories, more varied products and advertising solutions, larger marketing and research and development budgets, more established marketing relationships, more competitive



pricing, access to larger user bases, major distribution agreements with hardware manufacturers and resellers, and greater financial, technical, and other resources.

Some of its competitors may make acquisitions or enter into strategic relationships to offer a broader range of products and advertising solutions than the Group does. These combinations may make it more difficult for the Group to compete effectively. The Group expects these trends to continue as competitors attempt to strengthen or maintain their market positions.

Demand for the Group's products and advertising solutions is also sensitive to price. Many factors, including the Group's marketing, user acquisition and technology costs, and its current and future competitors' pricing and marketing strategies, can significantly affect the Group's pricing and packaging strategies. Certain of its competitors offer, or may in the future offer, lower-priced or free products or advertising solutions that compete with the Group's products and advertising solutions or may bundle and offer a broader range of products and advertising solutions. Similarly, certain competitors may use marketing strategies that enable them to acquire customers at a lower cost than the Group. There can be no assurance that the Group will not be forced to engage in price-cutting initiatives or to increase its marketing and other expenses to attract and retain customers in response to competitive pressures, either of which could materially and adversely affect the Group's business, financial condition, results of operations and prospects.

***The Group generates a substantial part of its total revenue from sales of subscriptions to its products, and any decline in demand for its products or for creative productivity tools in general could harm its business, financial condition, results of operations and prospects.***

For the year ended 31 December 2020, 53.3% of the Group's revenue from contracts with customers was generated from the sale of subscriptions, of which WeTransfer Pro contributed the vast majority, compared to 43.7% for the nine months ended 30 September 2021. As a result, widespread acceptance and use of creative productivity tools in general, and its products in particular, are critical to its future growth and success. If the creative productivity tools market fails to grow or grows more slowly than the Group currently anticipates, demand for its products and advertising solutions could be negatively affected.

Changes in user preferences for creative productivity tools may have a disproportionately greater impact on the Group than if it offered multiple platforms or disparate products. Demand for creative productivity tools in general, and the Group's products in particular, is affected by a number of factors, many of which are beyond the Group's control. Some of these potential factors include:

- awareness of the creative productivity category generally;
- availability of products and services that compete with the Group's products and services;
- ease of adoption and use;
- features and product experience;
- performance;
- brand;
- security and privacy;
- customer support; and
- pricing.

The creative productivity market is subject to rapidly changing user demand and trends in preferences. If the Group fails to successfully predict and address these changes and trends, meet customer demands, or achieve more widespread market acceptance of its products, this may materially and adversely affect its business, financial condition, results of operations and prospects.

***The Group generates a substantial part of its total revenue through advertising revenue, and any failure to attract new advertisers, the loss of advertisers or a reduction in advertisers' budgets with the Group could harm its business, financial condition, results of operations and prospects.***

For the year ended 31 December 2020, 46.7% of the Group's revenue from contracts with customers was generated from advertising compared to 56.3% for the nine months ended 30 September 2021. Most advertisers

do not have long-term advertising commitments with the Group. If advertisers believe that the Group's advertisements are not sufficiently effective in meeting their campaign goals, or if its advertisers do not believe that their investment in advertising with the Group will generate a competitive return compared to other alternatives, they may reduce their advertising budgets with the Group or choose to no longer use the Group's services. In order to retain its existing advertisers, increase the portion of the advertising budget that its existing advertisers spend with the Group and attract new advertisers, the Group may have to invest in new tools and expand its sales force, and there can be no assurance that those efforts will be successful.

For the year ended 31 December 2020, approximately 16% and 48% of the Group's advertising revenue was derived from the Group's top two and top 10 advertisers, respectively. For the nine months ended 30 September 2021, approximately 23% and 56% of the Group's advertising revenue was derived from the Group's top two and top 10 advertisers, respectively. The Group's advertising revenue is currently concentrated in certain verticals, in particular software, consumer electronics, and luxury fashion. If one or more of these 10 advertisers reduces its advertising budget with the Group or ceases to use the Group's services, this may have a disproportionate material adverse effect on the Group's advertising revenue. For example, the loss of the Group's top two advertisers could have resulted in a negative impact of up to 16% on the Group's advertising revenue for the year ended 31 December 2020 and up to 23% on the Group's advertising revenue for the nine months ended 30 September 2021. Any downturn in the software, consumer electronics, and luxury fashion industries may cause advertisers to reduce their advertising budgets with the Group, seek to terminate or renegotiate their contracts with the Group, or fail. Each of these events may have a material and adverse impact on the Group's business, financial condition, results of operations and prospects.

The Group either contracts directly with advertisers or with advertising agencies on behalf of advertisers. Many of these advertising agencies are owned by large media corporations that exercise varying degrees of control over the agencies. The Group's business, financial condition, results of operations and prospects could be harmed by the loss of, or a deterioration in its relationship with, any of its largest advertisers or with any advertising agencies or the large media corporations that control them.

In addition, advertising revenue is seasonal due to seasonality in supply (specifically, in usage of the products) and advertisers' demand during the year.

The Group's advertising revenue could be harmed by many other factors, including:

- the unwillingness of advertisers to pay the premium fee the Group charges for advertisements;
- the unwillingness of users to consent to the use of cookies or similar technologies, where this is required by law, which consent the Group needs in order to provide users with personalised advertisements (which are generally more valuable to advertisers than non-personalised advertisements);
- the use of 'ad blocking' technologies by its users (see "*Technologies have been developed that can block the display of ads on one of the Group's tools, which could harm its business, financial condition, results of operations and prospects.*");
- its inability to create new products that sustain or increase the value of its advertisements;
- its inability to maintain and expand access to valuable ad impressions;
- changes in user demographics that make the products less attractive to advertisers;
- changes and uncertainty in the legislative, regulatory and industry environment, particularly in the areas of data protection and consumer privacy, that affect the type or manner of advertising that it is able to provide (see "*Legal, regulatory and compliance risks—The Group is subject to a variety of laws that could subject it to claims, increase the cost of operations, or otherwise harm its business, financial condition, results of operations and prospects due to changes in the laws, changes in the interpretations of the laws, greater enforcement of the laws, or investigations into compliance with the laws.*");
- competitive developments or advertiser perception of the value of the Group's products that impact its ability to receive advertising spend or that reduce the volume of the advertising spend it receives (see "*If the Group is unable to compete effectively for advertisers, its business, financial condition, results of operations and prospects could be harmed.*");
- product changes or advertising inventory management decisions it makes that change the type, size or frequency of advertisements on its products;
- the impact of invalid clicks or click fraud on its advertisements;

- the macroeconomic climate and the status of the advertising industry in general (see “—*Global and regional economic and financial conditions could harm the Group’s business, financial condition, results of operations and prospects.*” and “—*The COVID-19 pandemic has affected how the Group and its customers operate and has adversely affected the global economy, and the duration and extent of such effects remain uncertain.*”)

These and other factors could reduce demand for the Group’s advertising solutions, which may reduce the amount that advertisers spend on the Group’s advertising solutions, or cause advertisers to stop advertising with the Group altogether. Any of these events could materially and adversely affect the Group’s business, financial condition, results of operations and prospects.

***The Group’s culture has contributed to its success, and if it cannot maintain this culture as it grows, the Group could lose the high employee engagement fostered by its culture, which could harm its business, financial condition, results of operations and prospects.***

The Group believes that a critical contributor to its success has been its differentiated culture, which it believes fosters innovation, teamwork and an emphasis on customer-focused results. In addition, the Group believes that its culture creates an environment that drives and perpetuates its product strategy. As the Group continues to grow and develop the infrastructure of a public company, it may find it difficult to maintain its corporate culture. Any failure to preserve its culture could harm its future success, including its ability to retain and recruit personnel, innovate and operate effectively and execute on its business strategy which, in turn, could harm its business, financial condition, results of operations and prospects.

***Technologies have been developed that can block the display of ads on one of the Group’s tools, which could harm its business, financial condition, results of operations and prospects.***

Technologies have been developed, and will likely continue to be developed, that can block the display of advertisements (‘ad blocking’) on the Group’s tool, Transfer. The Group generated 46.7% of its revenue for the year ended 31 December 2020 and 56.3% for the nine months ended 30 September 2021 from advertising, and ad blocking technologies may prevent the display of certain of its ads, which could materially and adversely affect its advertising revenue and, as a result, its business, financial conditions, results of operations and prospects. See “—*The Group generates a substantial part of its total revenue through advertising revenue, and any failure to attract new advertisers, the loss of advertisers or a reduction in advertisers’ budgets with the Group could harm its business, financial condition, results of operations and prospects.*” Existing ad blocking technologies that have not been effective on the Group’s tool, Transfer, may become effective as the Group makes certain changes to the tool, and new ad blocking technologies may be developed. The Group estimates that approximately 20% of users who access Transfer have ad-blocking software enabled, but this percentage has remained relatively stable in recent years. More users may choose to use technologies that block or obscure the display of the Group’s ads if it is unable to successfully balance the capabilities of its products and paid advertisements, or if users’ attitudes toward advertisements become more negative. Further, regardless of their effectiveness, ad blockers may generate concern regarding the health of the digital advertising industry, which could reduce the value of digital advertising and harm the Group’s business, financial condition, results of operations and prospects.

***The Group’s business could be harmed by any significant disruption of its products or loss of content.***

The Group’s brand, reputation, and ability to attract, retain, and serve its users is dependent upon the reliable performance of its products, including its underlying technical infrastructure. The Group’s users rely on its products to create, store and send digital copies of their valuable content, including photos, videos, music files, business information, and other important content. The Group’s technical infrastructure may not be adequately designed with sufficient reliability and redundancy to avoid performance delays or outages that could be harmful to its business. If any products are unavailable when users attempt to access them, or do not load as quickly as expected, users may not use the products as often in the future, or at all.

The Group relies on third-party data centres of Amazon Web Services located in the United States and Ireland. See “—*The Group depends on its infrastructure, third-party data centres and third-party service providers, and any disruption in the operation of these facilities or failure to renew the services could adversely affect its business, financial condition, results of operations and prospects.*” Such data centres are vulnerable to damage or interruption from human error, intentional bad acts, earthquakes, floods, fires, war, terrorist attacks, power losses, hardware failures, systems failures, telecommunications failures, and similar events, any of which could disrupt the Group’s products, destroy user content, or prevent it from being able to continuously back up or

record changes in its users' content. In the event of significant physical damage to one of these data centres, it may take a significant period of time to achieve full resumption of the Group's services, and its disaster recovery planning may not account for all eventualities. Although the Group has implemented measures to address these risks (including, for instance, by having each data centre serve as a back-up for a data centre used for the Group's operations in another region), such measures may not be effective, in which case damage or interruptions to these data centres may materially and adversely affect the Group's business, financial condition, results of operations and prospects.

***The Group derives, and expects to continue to derive, a substantial majority of its revenue from a limited number of products and tools.***

The Group derives, and expects to continue to derive, a substantial majority of its revenue from the use of its core product offering, WeTransfer, whether such use is monetised through subscription revenue (representing 53.3% of revenue from contracts with customers for the year ended 31 December 2020 and 43.7% of revenue from contracts with customers for the nine months ended 30 September 2021) or through advertising revenue relating to the free use of its Transfer tool (representing 46.7% of revenue from contracts with customers for the year ended 31 December 2020 and 56.3% of revenue from contracts with customers for the nine months ended 30 September 2021). In particular in the context of the introduction of WeTransfer Premium, the market acceptance of its tools is critical to the Group's success. Demand for its tools and key capabilities is affected by a number of factors, many of which are beyond the Group's control, such as continued market acceptance of its offering by customers for existing and new use cases, the timing and release of competitors' products, capabilities and functionality that are alternatives introduced by the Group's competitors, technological changes and developments within the markets the Group serves and growth or contraction in its addressable markets. If the Group is unable to continue to meet customer demands or to achieve more widespread market acceptance of its products, its business, financial condition, results of operations and prospects could be materially and adversely affected.

***The loss of one or more of its key personnel, or its failure to attract and retain other highly qualified personnel in the future, could harm the Group's business, financial condition, results of operations and prospects.***

The Group currently depends on the continued services and performance of its key personnel, including the members of the management board (*raad van bestuur*) (the **Management Board**) and the Company's senior leadership team (the **Senior Leadership Team**). In addition, much of the Group's key technology and systems are custom-made for its business by its personnel. The loss of key personnel, including key members of management as well as its key product development, creative and sales personnel, could disrupt its operations and harm its business. The Admission triggers payments under the Group's long-term management incentive plan and option plan (the **Option Plan**) to key personnel (see "*Management, Employees and Corporate Governance—Long term incentive plans*"). As a result of this payment, key personnel may no longer be incentivised by their remuneration package going forward, which could result in a loss of key personnel.

Furthermore, it is important to the Group's business to attract and retain highly talented and scarce personnel, particularly employees involved in research and development (comprising 41% of total headcount as at 31 December 2021) which include the Group's product engineers. There is a global shortage of suitable talent in relation to the Group's sectors and the technologies it utilises, particularly with respect to digital skills, including product engineers and designers, which could constrain the Group's ability to develop its business or achieve the desired scale for its operations. As the Group becomes more mature, it may find its recruiting and retention efforts more challenging because the marketplace for talent is highly competitive. The incentives provided by its grants under the Option Plan, grants under the Company's long-term incentive plan that it will introduce as from Settlement, other compensation arrangements, or having the Certified B Corporation status, may not be sufficiently effective to attract and retain employees. The Group may also be required to enhance wages, benefits and non-equity incentives, at an additional cost. Many key personnel work with the Group due to the company culture and if this were to change, the Group may experience difficulties attracting and retaining personnel. If it does not succeed in attracting and retaining highly qualified personnel or the financial resources required to do so increase, it may not be able to meet its business objectives, and its business, financial condition, results of operations and prospects could be materially and adversely affected.

***The Group may not successfully manage its growth or plan for future growth.***

Over the past years, the Group has experienced and expects to continue to experience steady high growth, which has placed, and may continue to place, significant demands on its management, operational and financial

resources. The Group has been growing steadily in recent periods at a compound annual growth rate of revenue of 31% from the year ended 31 December 2018 to the year ended 31 December 2020 and, accordingly, has a relatively short history operating its business at its current scale. The Group's headcount has grown from 145 employees as of 31 December 2018 to 293 employees as at 31 December 2021. The Group has also experienced significant growth in the number of users, transactions and data that its products and its associated infrastructure support. The Group will require the allocation of significant management resources to continue to grow in these areas. If the Group fails to successfully manage its anticipated growth, the quality of its products and advertising solutions may suffer, which could negatively affect its brand and reputation and harm its ability to retain and attract customers which may materially and adversely affect its business, financial condition, results of operations and prospects.

Furthermore, the Group operates in an industry that is characterised by rapid technological innovation, intense competition, changing customer needs, and frequent introductions of new products, technologies, and services. See “—*The Group may not be able to respond to rapid technological changes, extend its products, or develop new capabilities.*” In addition, the Group's future growth rate is subject to several uncertainties, such as general economic and market conditions, including those caused by the ongoing COVID-19 pandemic. See “—*The COVID-19 pandemic has affected how the Group and its customers operate and has adversely affected the global economy, and the duration and extent of such effects remain uncertain.*” If the Group's assumptions regarding these risks and uncertainties, which it uses to plan its business, are incorrect or change in reaction to changes in the market, or if the Group does not address these risks successfully, this may materially and adversely affect its business, financial condition, results of operations and prospects.

***If the Group is unable to compete effectively for advertisers, its business, financial condition, results of operations and prospects could be harmed.***

The Group faces significant competition for advertising revenue across a variety of formats. To compete effectively, it must create high quality creative content for its advertisers. In order to grow its revenue and improve its operating results, the Group must increase its share of advertising spend relative to its competitors, many of which are larger companies that offer more traditional and widely accepted advertising solutions.

Some of the Group's larger competitors have substantially broader product or service offerings and leverage their relationships based on other products or services to gain additional share of advertising spend. They have large, distributed sales forces and an increasing amount of control over internet and mobile distribution channels. These competitors' economies of scale allow them to have access to larger volumes of data and platforms that are used on a more frequent basis than the Group's, which may enable them to better understand their user base and develop and deliver targeted advertising. If the Group's advertising customers do not believe that its value proposition is as compelling as those of its competitors, the Group may not be able to attract new advertisers or retain existing ones, and its business, financial condition, results of operations and prospects may be materially and adversely affected.

The Group believes that its ability to compete for advertisers, which impacts the success of its business, depends upon many factors both within and beyond its control, including:

- sales, marketing, customer service and support efforts;
- availability of first-party data to the Group;
- the attractiveness of its in-house creative studio, producing curated advertisements of high creative quality standards; and
- the strength of its advertiser relationships and offerings (see “—*The Group generates a substantial part of its total revenue through advertising revenue, and any failure to attract new advertisers, the loss of advertisers or a reduction in advertisers' budgets with the Group could harm its business, financial condition, results of operations and prospects.*”).

If the Group is unable to compete effectively for advertisers, its business, financial condition, results of operations and prospects may be materially and adversely affected.

***Acquisitions of other businesses, products or technologies could disrupt the Group's business, and it may be unable to integrate acquired businesses and technologies successfully or achieve the expected benefits of such acquisitions.***

The Group acquired its Paper and Paste products in 2018, and intends to consider additional strategic transactions, including acquisitions of, or investments in, businesses, creative and engineering teams,



technologies, services, products, software, intellectual property rights and other assets in the future. The Group intends to apply a substantial portion of the net proceeds from the Offer for this purpose. See “*Use of Proceeds*”. It also may enter into relationships with other businesses to expand its products, which could involve preferred or exclusive licenses, additional channels of distribution, discount pricing or investments in other companies.

Negotiating these transactions can be time-consuming, challenging and expensive, and the Group’s ability to complete these transactions may often be subject to approvals that are beyond its control. Even if completed, any acquisition, investment or business relationship may result in unforeseen operating difficulties and expenditures. In particular, the Group may encounter difficulties assimilating or integrating acquired businesses, technologies, products, personnel or operations, particularly if the acquired team(s) or key personnel do not fit within the Group’s culture (see “—*The Group’s culture has contributed to its success, and if it cannot maintain this culture as it grows, the Group could lose the high employee engagement fostered by its culture, which could harm its business, financial condition, results of operations and prospects.*”) or choose not to work for the Group, the acquired software and services are not easily adapted to work with the Group’s products, or the Group has difficulty retaining the customers of any acquired business due to changes in ownership, management or otherwise. Acquisitions may also disrupt the Group’s business, divert its resources and require significant management attention that would otherwise be available for development of its existing business. It may not successfully evaluate or utilise the acquired technology or personnel, or accurately forecast the financial impact of an acquisition transaction, including accounting charges. Moreover, the anticipated benefits of any acquisition, investment or business relationship may not be realised or the Group may be exposed to unknown risks or liabilities.

In the future, the Group may not be able to find other suitable acquisition candidates, and it may not be able to complete acquisitions on favourable terms, if at all. Its previous and future acquisitions may not achieve its goals, and any future acquisitions the Group completes could be viewed negatively by its users, customers, employees or investors.

Any of these events could materially and adversely affect the Group’s business, financial condition, results of operations and prospects.

***Certain of the Group’s market opportunity estimates, growth forecasts and key metrics included in this Prospectus could prove to be inaccurate, and any real or perceived inaccuracies may harm its reputation and negatively affect its business, financial condition, results of operations and prospects.***

Market opportunity estimates and growth forecasts are subject to significant uncertainty and are based on assumptions and estimates that may prove to be inaccurate. The estimates and forecasts in this Prospectus relating to the size and expected growth of the Group’s target market may prove to be inaccurate. Even if the markets in which it competes meet the size estimates and growth forecasted in this Prospectus, its business could fail to grow at similar rates, if at all. The Group also relies on assumptions and estimates to calculate certain of its key metrics, such as subscribers and average subscription revenue per paying subscriber. The Group regularly reviews and adjusts its processes for calculating its key metrics to improve their accuracy. Its key metrics may differ from estimates published by third parties or from similarly titled metrics of its competitors due to differences in methodology. If investors or analysts do not perceive the Group’s metrics to be accurate representations of its business, or if the Group discovers material inaccuracies in its metrics, its reputation, business, financial condition, results of operations and prospects may be materially and adversely affected.

***The COVID-19 pandemic has affected how the Group and its customers operate and has adversely affected the global economy, and the duration and extent of such effects remain uncertain.***

In December 2019, COVID-19 was first reported to the World Health Organization (the **WHO**), and in January 2020, the WHO declared the outbreak to be a public health emergency. In March 2020, the WHO characterised COVID-19 as a pandemic. Since then, the COVID-19 pandemic and efforts to control its spread have significantly curtailed the movement of people, goods, and services worldwide. As a result, the Group temporarily closed its headquarters and its other offices, enabled its employees and contractors to work remotely, implemented travel restrictions, and shifted company events and meetings to virtual-only experiences. While some of these measures have been partially curtailed in 2021, some may continue for an indefinite amount of time, and some may recur, and represent a significant disruption in how the Group operates its business. The operations of its partners, vendors, and customers have likewise been disrupted.

While the duration and extent of the COVID-19 pandemic depends on future developments that cannot be accurately predicted at this time, such as the extent and effectiveness of containment and mitigation actions, it



has already had an adverse effect on the global economy, and the ultimate societal and economic impact of the COVID-19 pandemic remains unknown. In particular, the Group believes that the pandemic has had an adverse effect on its advertising revenue for the year ended 31 December 2020 and may continue to affect the rate of advertisement spending, which could adversely affect demand for the Group's advertising solutions. Further, the COVID-19 pandemic has caused the Group to experience, in some cases, longer sales cycles, and has limited the ability of the Group's direct sales force to travel to customers and potential customers. In addition, the COVID-19 pandemic could reduce the value or duration of subscriptions, reduce expected spending from its paying customers, cause some of its paying customers to go out of business, and affect contraction or attrition rates of its paying customers, all of which may materially and adversely affect its business, financial condition, results of operations and prospects. Additionally, concerns over the economic impact of COVID-19 have caused extreme volatility in financial and other capital markets, which may adversely affect the price of the Ordinary Shares and the Group's ability to access capital markets in the future.

While the Group has developed and continues to develop plans to help mitigate the potential negative impact of COVID-19, these efforts may not be effective, and any protracted economic downturn will likely limit the effectiveness of its efforts. Accordingly, it is not possible for the Group to predict the duration and extent to which this will affect its business, financial condition, results of operations and prospects at this time.

***The Group's periodic results may fluctuate significantly and may not fully reflect the underlying performance of its business.***

The Group's periodic results of operations, including its revenue, gross margin, Adjusted EBITDA margin, profitability, cash flow from operations, and deferred revenue, may vary significantly in the future and period-to-period comparisons of its results of operations may not be meaningful. Accordingly, the results of any one period should not be relied upon as an indication of future performance. The Group's periodic results of operations may fluctuate as a result of a variety of factors, many of which are outside of its control, and as a result, may not fully reflect the underlying performance of its business. One of the key factors that may cause such fluctuation is the Group's advertising revenue being seasonal due to seasonality in supply (specifically, in usage of the products) and advertisers' demand during the year (see "*Risks relating to the Group's business and industry—The Group generates a substantial part of its total revenue through advertising revenue, and any failure to attract new advertisers, the loss of advertisers or a reduction in advertisers' budgets with the Group could harm its business, financial condition, results of operations and prospects.*"). Additional factors that may cause fluctuations in the Group's periodic results of operations include, without limitation, those listed below:

- its ability to retain customers and attract new customers;
- its ability to convert free users to paying subscribers;
- the timing of expenses and recognition of revenue;
- the amount and timing of operating expenses related to the maintenance and expansion of its business, operations, and infrastructure, as well as entry into operating and capital leases;
- the timing of expenses related to acquisitions;
- the timing of grants or vesting of equity awards to employees or directors;
- changes in its pricing policies or those of its competitors;
- the timing and success of new product capabilities and service introductions by the Group or its competitors;
- network outages or actual or perceived security breaches;
- changes in the competitive dynamics of its industry, including consolidation among competitors;
- changes in laws, regulations and accounting standards that impact its business; and
- general economic and market conditions.

Fluctuation in periodic results may negatively impact the value of the Group's securities.

***The Group's results of operations, which are reported in euro, could be adversely affected if currency exchange rates fluctuate substantially in the future.***

The Group conducts its business in 190 countries around the world. As it continues to expand its international operations, it will become more exposed to the effects of fluctuations in currency exchange rates. This exposure

is the result of selling in multiple currencies and operating in foreign countries where the functional currency is the local currency. In the year ended 31 December 2020, 64% of the Group's revenue from contracts with customers was denominated in currencies other than euro. In particular, 57% of the Group's revenue from contracts with customers in the year ended 31 December 2020 were denominated in US dollars; accordingly, the Group's results of operations are primarily subject to fluctuations in the US dollar. The Group's expenses are primarily denominated in a combination of euro and US dollar. As a result, any increase in the value of the euro against these foreign currencies could cause the Group's revenue to decline relative to its costs, thereby decreasing its gross margins. Because it conducts business in currencies other than euro, but reports its results of operations in euro, the Group also faces remeasurement exposure to fluctuations in currency exchange rates, which could hinder its ability to predict its future results and earnings and could materially and adversely impact its results of operations. In addition, to the extent that fluctuations in currency exchange rates cause the Group's operating results to differ from its expectations or the expectations of its investors, the trading price of the Ordinary Shares could be lowered.

The Group does not currently maintain a program to hedge exposures to non-euro currencies. The Group has a partial natural hedge against the US dollar as an increasing share of its costs are paid in US dollars. However, this may prove to be inadequate. Any inability to manage its exposure to foreign exchange rate fluctuations, including from a liquidity and cash flow perspective, may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

***Global and regional economic and financial conditions could harm the Group's business, financial condition, results of operations and prospects.***

The Group has users in 190 countries across the globe and therefore its financial performance and business could be materially adversely affected by a deterioration of global or regional economic and financial conditions. See “—*The COVID-19 pandemic has affected how the Group and its customers operate and has adversely affected the global economy, and the duration and extent of such effects remain uncertain.*” In the year ended 31 December 2020, the Group generated 50.8% of its revenue from contracts with customers from Europe, 29.5% from the United States and 19.7% from the rest of the world. Such conditions may include higher inflation, higher interest rates, declining access to credit, lower or stagnating wages, increasing unemployment, weakness in housing and real estate markets, changes in government fiscal or tax policies, including changes in applicable tax rates and the adoption of new tax legislation, removal of subsidies, reduced public spending or credit crises affecting disposable incomes, increases in fuel prices or a loss of consumer confidence.

Changes in economic and financial conditions where the Group operates can negatively impact consumer confidence and consumer spending, which can result in a decline in the Group's subscription and advertising revenue or customers switching to lower price offerings. This may also limit the Group's ability to increase or maintain prices and may generate increased pressure to reduce product and advertising solution prices. Similarly, disruptions in financial and credit markets worldwide may impact the Group's ability to manage normal commercial relationships with customers, suppliers and creditors. These disruptions could have a negative impact on the ability of the Group's customers to timely pay their obligations, thus reducing the Group's cash flow.

Any of the foregoing may materially and adversely affect the Group's business, financial condition, results of operations and prospects.

***The Group's business could be adversely affected if its advertisers are not satisfied with the advertising solutions provided by the Group.***

The Group's business depends on its ability to offer satisfactory advertising solutions to its advertisers. If an advertiser is not satisfied with the quality of the advertising solutions provided by the Group, the Group could incur additional costs to address the situation. As a result, the profitability of that work might be impaired and the advertiser's dissatisfaction with the Group's advertising solutions could damage the Group's ability to expand the level of solutions subscribed to by that advertiser. Moreover, negative publicity related to its customer relationships, regardless of its accuracy, may further damage the Group's business by affecting its ability to compete for new business with current and prospective advertiser customers which may materially and adversely affect the Group's business, financial condition, results of operations and prospects.

***The Group depends on its infrastructure, third-party data centres and third-party service providers, and any disruption in the operation of these facilities or failure to renew the services could adversely affect its business, financial condition, results of operations and prospects.***

The Group depends on various third-party services, such as Amazon Web Services, Stripe and Sendgrid, to maintain its infrastructure, distribute its products and provide its services. Any disruptions in these third-party services, including as a result of actions outside of the Group's control, may materially and adversely impact the continued performance of its products and services.

The Group relies on outside vendors and contractors to perform services necessary for the operation of the business, and they may fail to adequately secure the Group's customer and company content. Amazon Web Services for example suffered several data breaches in 2021 whereby hackers leaked customer data to third parties. The Group could also become subject to such a data breach.

The Group hosts its services and serves all of its customers using infrastructure and data centre services provided by Amazon Web Services. The Group has no physical access or control over the services provided by Amazon Web Services. The data centre and other service agreements with Amazon Web Services expire on 31 October 2023, subject to renewal. The Group may be unable to renew its agreements with Amazon Web Services on commercially reasonable terms, or at all. Problems faced by data centres, with Amazon Web Services, with the telecommunications network providers with whom it or they contract, or with the systems by which the Group's telecommunications providers allocate capacity among their users, including the Group, could adversely affect the experience of its users. Amazon Web Services could decide to close its facilities or cease providing services without adequate notice, in particular in view of its contractual right to temporarily suspend its services for cause. In addition, any financial difficulties, such as bankruptcy, faced by Amazon Web Services or any of the service providers with whom they contract may materially and adversely affect the Group's business, financial condition, results of operations and prospects.

If Amazon Web Services, any of the other service providers that the Group uses, or any other of the data centres and service providers that the Group uses in the future are unable to keep up with its growing needs for capacity, or if it is unable to renew its agreements with data centres and service providers on commercially reasonable terms, the Group may be required to transfer servers or content to new data centres or engage new service providers, and it may incur significant costs, and possible service interruption in connection with doing so. Any changes in third-party service levels at data centres or third-party service providers, or any real or perceived errors, defects, disruptions, other performance problems with its products or failure to adequately secure the Group's customer and company content could harm the Group's reputation and may result in damage to, or loss or compromise of, its customers' content. Interruptions in its products may, among other things, reduce its revenue, cause it to issue refunds to customers, subject it to potential liability, harm its reputation, or decrease its renewal rates, each of which may materially and adversely affect its business, financial condition, results of operations and prospects.

***Real or perceived errors, failures, vulnerabilities or bugs in the Group's products could harm its business, financial condition, results of operations and prospects.***

The software technology underlying the Group's products is inherently complex and may contain material defects or errors, particularly when first introduced or when new features or capabilities are released. The Group has from time to time found defects or errors in its products, and new defects or errors in its existing products or new software may be detected in the future by the Group or its users. There can be no assurance that its existing products and new software will not contain defects. Any real or perceived errors, failures, vulnerabilities, or bugs in the Group's products could result in negative publicity or lead to data security, access, retention, or other performance issues, all of which could harm the Group's business. The costs incurred in correcting such defects or errors may be substantial and could harm the Group's results of operations and financial condition. Moreover, the harm to its reputation and legal liability related to such defects or errors may be substantial and may materially and adversely affect its business, financial condition, results of operations and prospects.

The Group also utilises hardware purchased or leased and software and services licenced from third parties to offer its products. See “*The Group depends on its infrastructure, third-party data centres and third-party service providers, and any disruption in the operation of these facilities or failure to renew the services could adversely affect its business, financial condition, results of operations and prospects.*” Any defects in, or unavailability of, its or third-party software, services, or hardware that cause interruptions to the availability of the Group's products, loss of data, or performance issues could, among other things:

- cause a reduction in revenue or delay in market acceptance of its products;

- require it to issue refunds to its customers or expose it to claims for damages;
- cause it to lose existing customers and make it more difficult to attract new customers;
- divert its development resources or require it to make extensive changes to its products, which would increase its expenses;
- increase its technical support costs; and
- harm its reputation and brand.

Any of these events could materially and adversely affect the Group's business, financial condition, results of operations and prospects.

***Catastrophic events may disrupt the Group's business.***

Natural disasters or other catastrophic events may cause damage or disruption to the Group's operations, international commerce, and the global economy, and thus could harm its business. In particular, the COVID-19 pandemic, including the reactions of governments, markets, and the general public, may result in a number of adverse consequences for the Group's business, operations, and results of operations, many of which are beyond its control. See “—*The COVID-19 pandemic has affected how the Group and its customers operate and has adversely affected the global economy, and the duration and extent of such effects remain uncertain.*” In the event of a cyber-attack, a ransomware attack, a major earthquake, a hurricane, or a catastrophic event such as fire, power loss, telecommunications failure, war, or terrorist attack, the Group may be unable to continue its operations and may endure system interruptions, reputational harm, delays in its product development, lengthy interruptions in its product and other services, breaches of data security, and loss of critical data. See “— *The Group's business could be harmed by any significant disruption of its products or loss of content.*” Acts of terrorism could also cause disruptions to the internet or the economy as a whole. In addition, the insurance the Group maintains would likely not be adequate to cover its losses resulting from disasters or other business interruptions. The Group's disaster recovery plan may not be sufficient to address all aspects or any unanticipated consequence or incident, and its insurance may not be sufficient to compensate it for the losses that could occur. Any of the foregoing may materially and adversely affect the Group's business, financial condition, results of operations and prospects.

**Legal, regulatory and compliance risks**

***The requirements of being a public company may strain the Group's resources and distract its management, which could make it difficult to manage its business.***

As a public company with Ordinary Shares traded on an exchange located in the Netherlands, the Company will incur legal, accounting and other expenses that it did not previously incur. It will become subject to the reporting requirements of the AFM, the listing requirements of Euronext Amsterdam, the Dutch corporate governance code (the **Dutch Code**) and other applicable securities rules and regulations. In addition, the Company will become subject to market abuse regulations relating to, *inter alia*, the prevention of insider dealing and market manipulation, the public disclosure of inside information, the use of insider lists and the regulation of manager's transactions. See “*Description of Share Capital and Corporate Structure—Obligations to disclose holdings.*”

Compliance with these rules and regulations will increase the Group's legal and financial compliance costs, make some activities, such as sales, marketing, and recruitment, more difficult, time-consuming or costly and increase demand on its systems and resources. The Dutch Financial Supervision Act (*Wet op het financieel toezicht*, the **Dutch FSA**) and the Dutch Civil Code (*Burgerlijk Wetboek*, the **Dutch Civil Code**) require that the Company files annual and semi-annual reports with respect to its business, financial condition and results of operations. The Dutch FSA and the Dutch Code require, among other things, that the Company establishes and maintains effective internal controls and procedures for financial reporting. Furthermore, the need to establish appropriate corporate infrastructure and a focus on the complex day-to-day operations of a growing public company may divert the Group's management's attention from implementing its growth strategy, which could prevent the Group from improving its business, financial condition and results of operations. The Group has made, and will continue to make, changes to its internal controls and procedures for financial reporting and accounting systems to meet its reporting obligations as a public company; however, the measures the Group takes may not be sufficient to satisfy the Company's obligations as a public company. In addition, these rules and regulations will increase the Group's legal and financial compliance costs and will make some activities more time-consuming and costly. For example, the Group expects these rules and regulations to make it more difficult and more



expensive for the Group to obtain director and officer liability insurance, and the Group may be required to incur substantial costs to maintain the same or similar coverage. These additional obligations could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as regulatory and governing bodies provide new guidance. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. The Group intends to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of its management's time and attention from revenue-generating activities to compliance activities. If the Group's efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against the Group and its business, financial condition, results of operations and prospects could be materially and adversely affected.

Most members of the Senior Leadership Team have limited experience managing a public company, interacting with public company investors and complying with the increasingly complex laws pertaining to public companies. The management team may not successfully or efficiently manage the transition to being a public company that is subject to significant regulatory oversight and reporting obligations under the Dutch and EU securities laws and the continuous scrutiny of securities analysts and investors, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

***The Group is subject to a variety of laws that could subject it to claims, increase the cost of operations, or otherwise harm its business, financial condition, results of operations and prospects due to changes in the laws, changes in the interpretations of the laws, greater enforcement of the laws, or investigations into compliance with the laws.***

The Group is subject to compliance with various laws, including those covering copyright, indecent content, child protection, consumer protection, and similar matters. There have been instances where improper or illegal content has been stored or processed on the Group's products without its knowledge. Although the Group continuously monitors the use of its products for any child sexual abuse content stored on it, it does not actively monitor the use of its products for any other improper or illegal content. To date it has not been subject to material legal or administrative actions as a result of this content. However, the laws relating to the Group's position as an intermediary are currently in a state of flux and may vary widely between jurisdictions. Accordingly, it may be possible that in the future the Group and its competitors may be subject to legal actions, along with the users who uploaded such content. In addition, regardless of any legal liability or fines the Group may face, its reputation could be harmed should there be an incident generating extensive negative publicity about the content stored on its products or the Group otherwise fails to comply with other laws and regulations. Such publicity could harm its business and results of operations.

The Group is also subject to consumer and data protection laws that may impact its user interface, subscription model(s), pricing strategies, communication, sales activities and marketing efforts, including laws related to unfair trade practices, general terms and conditions, electronic direct marketing, cookies and similar technologies, transparency and the use of personalised pricing and content. These laws, as well as any changes in these laws, could adversely affect its self-serve model and make it more difficult for the Group to retain paying customers and attract new paying customers. Additionally, the Group may from time to time in the future become the subject of inquiries and other actions by regulatory authorities as a result of its business practices, including its subscription, billing, and auto-renewal policies. Consumer protection and data protection laws may be interpreted or applied by regulatory authorities in a manner that could require the Group to make changes to its operations or incur fines, penalties or settlement expenses, which may result in harm to its business, results of operations, and brand.

Furthermore, there are forthcoming European legislative proposals, particularly with respect to the processing of personal data in the context of cookies and similar technologies, electronic communications and marketing. In the European Union and the United Kingdom, regulators are increasingly focusing on compliance with requirements in the online behavioural advertising ecosystem, and current national laws that implement the ePrivacy Directive are highly likely to be replaced by an EU regulation known as the ePrivacy Regulation, which would foresee more stringent enforcement actions, including fines. In the European Union and the United

Kingdom, a user's informed consent is required for the placement and analysis of certain types of cookies or similar technologies on a user's device, such as those used in the context of personalised advertising. Regulation (EU) 2016/679 (the **General Data Protection Regulation** or **GDPR**) also imposes conditions on obtaining valid consent, such as a prohibition on pre-checked consents, offering the possibility to easily withdraw consent and ensure that the purposes for which consent is sought are clearly explained. If third-party cookies are placed for which consent is required, the GDPR will require that the relevant third parties are disclosed to the data subject. While the text of the ePrivacy Regulation is still under development, a recent European court decision and regulators' recent guidance are driving increased attention to cookies and tracking technologies. Enforcement by regulators of the strict approach in recent guidance could lead to substantial costs, require significant systems changes, limit the effectiveness of the Group's marketing activities, adversely affect the Group's margins, increase costs and subject it to additional liabilities. Regulation of cookies and similar technologies, and any decline of cookies or similar online tracking technologies as a means to target users or offer personalised content, may lead to broader restrictions and impairments on the Group's marketing and personalisation activities and may negatively impact the Group's activities.

The Group is also subject to various Dutch, US and UK and other anti-bribery laws, economic sanctions regulations and other laws and regulations, such as the Dutch Criminal Code (*Wetboek van Strafrecht*), the US Foreign Corrupt Practices Act of 1977, the United Kingdom Bribery Act 2010, economic sanctions programmes, including those administered by the United Nations, the European Union and the Office of Foreign Asset Control in the United States, as well as other similar anti-bribery and sanctions laws and regulations. Violations of anti-bribery and economic sanctions laws and regulations are punishable by civil penalties, including fines, injunctions, asset seizures and revocations or restrictions of licences, as well as criminal fines and imprisonment. Although the Group takes precautions to prevent violations of these laws, its exposure for violating these laws increases as it continues to expand its international presence and any failure to comply with such laws may materially and adversely affect its reputation, business, financial condition, results of operations and prospects.

***The Group may be required or requested to assist law enforcement in a number of jurisdictions.***

The Group may be required or requested to assist law enforcement agencies in connection with users using its products as tools for illegal purposes or in connection with illegal activities. For example, the Indian government submitted a takedown request to the Group in 2020 in response to a malware attack whereby the Delhi Police Commissioner was impersonated. In compliance with its internal policies, the Group requested the Indian government to file a formal request with the Dutch International Legal Assistance Centre (*Internationaal Rechtshulp Centrum*) to verify the authenticity of the takedown request. In response, the Indian government blocked certain creative productivity tools of the Group in 2020. The block was lifted shortly thereafter as a result of collaboration between the Group and representatives of the Indian government. Furthermore, governmental law enforcement agencies in some countries have in the past asked, and may in the future ask, the Group to provide information on certain of its users which such enforcement agencies cannot otherwise access, related to ongoing investigations or otherwise. Compliance with requests from enforcement agencies may be perceived negatively in certain instances and may result in a material burden on the Group's operations, each of which may materially and adversely affect its business, financial condition, results of operations and prospects.

Additionally, while the Group seeks to comply with duly authorised requests from enforcement agencies wherever possible, it may be unable to comply in time or at all with such requests from governmental law enforcement agencies outside the jurisdiction of the European Union due to potential non-compliance with the GDPR. Such non-compliance with requests from governmental law enforcement agencies may be perceived negatively and may result in enforcement actions by such agencies and governments against the Group, its products and its services. This may materially and adversely affect the Group's business, financial condition, results of operations and prospects.

***The Group is subject to governmental export and import controls and economic sanctions laws that could impair its ability to offer its products and services in certain international markets or subject the Group to liability if it violates the controls.***

The Group's business activities are subject to various export, import, and trade and economic sanctions laws and regulations, including, among others, the U.S. Export Administration Regulations, administered by the U.S. Department of Commerce's Bureau of Industry and Security, economic and trade sanctions regulations maintained by the U.S. Department of the Treasury's Office of Foreign Assets Control (**OFAC**), and economic and trade sanctions regulations issued by the European Union (together, **Trade Controls**). These Trade Controls may restrict or prohibit altogether the sale or supply of certain of the Group's products and services to certain



governments, persons, entities, countries, and territories, including those that are the target of comprehensive sanctions, unless there are license exceptions that apply or specific licenses are obtained.

While the Group has implemented, and continues to further enhance, policies, procedures and controls designed to promote and achieve compliance with applicable Trade Controls, it has, in the past, provided products and services to customers located in countries and territories subject to U.S. sanctions programs. While there are license exceptions that may have been applicable, a certain limited number of transactions were in apparent violation of U.S. economic sanctions laws. In August and December 2021, the Group submitted initial and final notifications of voluntary self-disclosure to OFAC, respectively, concerning these apparent violations. This matter remains pending before OFAC.

The Group can provide no assurances that its policies and procedures relating to sanctions compliance will prevent violations in the future. Any failure to comply with applicable Trade Controls could harm the Group's reputation and/or have other negative consequences, including potentially government investigations, fines and penalties, and could be a factor considered by B Lab when it evaluates the Certified B Corporation status of Wetransfer B.V. in the future. In addition, future changes in Trade Controls may adversely impact the Group's ability to introduce its products and services in certain markets or, in some cases, prevent the export or import of the Group's products and services to certain countries, governments, or persons altogether, which could adversely affect our business, results of operations, and growth prospects.

***Changes in laws and regulations related to the internet or changes in the internet infrastructure itself may diminish the demand for the Group's products and could harm its business, financial condition, results of operations and prospects.***

The future success of the Group's business depends upon the continued use of the internet as a primary medium for commerce, communication, and business applications. Local or foreign government bodies or agencies have in the past adopted, and may in the future adopt, laws or regulations affecting the use of the internet as a commercial medium. Governments may potentially ban certain services from being provided online, limit the availability of internet access altogether, impose requirements on geographic data localisation or internet accessibility (for example, for visually impaired users) or subject online intermediaries to stringent liability regimes. Such laws or regulations could require the Group to modify its products or its systems and any non-compliance could result in claims against the Group. In addition, government agencies or private organisations have imposed and may impose additional taxes, fees, or other charges for accessing the internet or commerce conducted via the internet. These laws or charges could limit the growth of internet-related commerce or communications generally, or result in reductions in the demand for internet-based products such as the Group's. In addition, the use of the internet as a business tool could be harmed due to delays in the development or adoption of new standards and protocols to handle increased demands of internet activity, security, reliability, cost, ease-of-use, accessibility, and quality of service. The performance of the internet and its acceptance as a business tool has been harmed by "viruses", "worms", and similar malicious programs and the internet has experienced a variety of outages and other delays as a result of damage to portions of its infrastructure. If the use of the internet is adversely affected by these issues, demand for the Group's products and services could decline which may materially and adversely impact its business, financial condition, results of operations and prospects.

***The Group is subject to various global data protection and security regulations, which could result in additional costs and liabilities to the Group.***

The Group receives, stores, hosts, processes, and uses personal information and other customer content. The Group's business is subject to a variety of national and international laws, directives, regulations, policies and other legal obligations that apply to the collection, use, retention, protection, disclosure, transfer and other processing of personal data, and security of information, including, but not limited to, the GDPR, the UK Data Protection Act and the California Consumer Privacy Act. Other data protection laws or regulations are under consideration in other jurisdictions where the Group operates. Laws such as these give rise to an increasingly complex set of compliance obligations on the Group. These data protection rules continue to evolve and may result in ever-increasing regulatory and public scrutiny and escalating levels of enforcement and sanctions and increased costs of compliance.

The GDPR and UK Data Protection Act set out extensive compliance requirements, including providing detailed disclosures about how personal data is collected and processed, demonstrating that an appropriate legal basis is in place or otherwise exists to justify data processing activities; granting rights for data subjects in regard to their personal data (e.g. data subject access requests, and the right to be forgotten); imposing the obligation to notify

data protection regulators or supervisory authorities (and in certain cases, affected individuals) of significant data breaches; imposing limitations on retention of personal data; maintaining a record of data processing; and complying with the principle of accountability and the obligation to demonstrate compliance through the implementation of appropriate technical and organisational measures.

The Group maintains policies concerning the collection, processing, use and retention of information, including personal data and, where appropriate, it publicly posts documentation regarding its practices concerning the collection, processing, use and disclosure of data. Although the Group endeavours to comply with its policies, it may at times fail to do so or be subject to a claim alleging its failure to do so. The Group, for example, learned in November 2021 that one of their third-party vendors (a Hiring & recruiting SaaS company) suffered a cybersecurity incident through which an unauthorised third party gained access to data of recruitment candidates of the SaaS company's customers. Whilst the breach took place on the vendor's cloud environment, the third party gained access to data of the Group's recruitment candidates and employees. The Company notified the relevant privacy regulators in accordance with applicable data protection laws. Any such non-compliance or perceived non-compliance can subject the Group to potential governmental action or third-party claims. Certain of the Group's current or future data processing activities could be found by a government or regulatory authority to be noncompliant or become noncompliant in the future with one or more applicable data protection laws, even if the Group has implemented and maintained a strategy that it believes to be compliant.

Recent legal developments in Europe have created complexity and uncertainty regarding transfers of personal data from the European Economic Area to the United States. Most recently, on 16 July 2020, in a case known as *Schrems II*, the Court of Justice of the European Union invalidated the EU-US Privacy Shield Framework under which personal data could be transferred from the European Economic Area to US entities who had self-certified under the Privacy Shield scheme, due to concerns about the US legal framework related to governmental access to data, including the US Foreign Intelligence Surveillance Act's Section 702. While the Court of Justice upheld the adequacy of the standard contractual clauses (a standard form of contract approved by the European Commission as an adequate personal data transfer mechanism, and potential alternative to the Privacy Shield), it made clear that reliance on them alone may not necessarily be sufficient in all circumstances. Use of the standard contractual clauses must now be assessed on a case-by-case basis taking into account the legal regime applicable in the destination country, in particular applicable surveillance laws and rights of individuals and additional measures and/or contractual provisions may need to be put in place, however, the nature of these additional measures is currently uncertain. There are few viable alternatives to the Standard Contractual Clauses, and the interpretation of the law in this area remains dynamic. These recent developments will require the Group to review and may require it to amend the legal mechanisms by which it makes and/or receives personal data transfers to the recipients in countries outside of the European Economic Area. As supervisory authorities issue further guidance on personal data export mechanisms, including supplementary measures for standard contractual clauses to remain a valid data transfer mechanism circumstances where the standard contractual clauses cannot be used, and/or start taking enforcement action, the Group could suffer additional costs, complaints and/or regulatory investigations or fines, and/or if it is otherwise unable to transfer personal data between and among countries and regions in which it operates, the Group could affect the manner in which it provides its services, the geographical location or segregation of its relevant systems and operations, may reduce demand for its solutions from companies subject to European data protection laws and could adversely affect its financial results.

In particular, following the *Schrems II* judgment, important legal uncertainty exists with respect to transfer of personal data between the European Economic Area and the US. It is difficult to foresee at this stage whether any supplementary measures to the Standard Contractual Clauses would be considered sufficient to mitigate the risks associated with transfer of personal data to US companies subject to US Foreign Intelligence Surveillance Act's Section 702.

In the United States, the legal framework includes rules and regulations promulgated under the authority of the Federal Trade Commission and state breach notification laws. If there is a breach of the Group's systems and it knows or suspects that unencrypted personal customer information has been stolen, it may be required to inform the representative state attorney general or federal or country regulator, media and credit reporting agencies, and any customers whose information was stolen, which could harm its reputation and business. Other states and countries have enacted different requirements for protecting personal information collected and maintained electronically.

The Group expects that there will continue to be new proposed laws, regulations and industry standards concerning privacy, data protection and information security in the European Union, the United States and other

jurisdictions that it is subject to, and it cannot yet determine the impact such future laws, regulations and standards will have on its business or the businesses of its customers, which could require the Group to change its business practices, and significantly increases financial penalties for noncompliance.

Any failure or perceived failure by the Group to comply with its privacy policies, its privacy-related obligations to users or other third parties, or any of its other legal obligations concerning privacy, data protection or information security could result in claims by data subjects, governmental investigations and enforcement action against the Group, including fines, enforcement orders (that may require the Group to fundamentally change its business activities and practices), imprisonment of company officials and public censure, (individual and collective) claims for damages by customers and other affected individuals, damage to the Group's reputation and loss of goodwill (both in relation to existing customers and prospective customers), any of which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. Failure to comply with the requirements of the GDPR and the related national data protection laws of the member states of the European Union and the European Economic Area may result in fines of up to €20,000,000 or up to 4% of the total worldwide annual turnover of the preceding financial year, whichever is higher. Such penalties may be in addition to any civil litigation claims by users and data subjects. The Group may not be successful in avoiding potential liability or disruption of business resulting from the failure to comply with these laws and, even if the Group complies with laws, may be subject to liability because of a security incident. Furthermore, future interpretations of existing data protection laws or regulations could be inconsistent with the Group's current interpretations, increase its compliance burden, make it more difficult to comply, and/or increase its risk of regulatory investigations and fines. If the Group were required to pay any significant amount of money in satisfaction of claims under these laws, or any similar laws enacted by other jurisdictions, or if it were forced to cease its business operations for any length of time as a result of its inability to comply fully with any of these laws, its business, financial condition, results of operations and prospects could be adversely affected. Further, complying with the applicable notification requirements in the event of a security breach could result in significant costs. Privacy and data security concerns, whether valid or not valid, may also inhibit market adoption of the Group's products and services, particularly in certain industries and foreign countries.

Additionally, if third parties the Group works with, such as vendors or developers, violate applicable data privacy or data protection laws or regulations or the Group's policies, or are subject to security incidents, such violations or security incidents may also put the Group's users' content at risk and could in turn materially and adversely affect the Group's business, financial condition, results of operations and prospects. See “—*The Group's business could be harmed by any significant disruption of its products or loss of content*”.

The Group's business efficiencies and economies of scale depend on generally uniform solutions offerings and uniform treatment of customers across all jurisdictions in which it operates. Compliance requirements that vary significantly from jurisdiction to jurisdiction impose added costs on the Group's business and can increase liability for compliance deficiencies which may materially and adversely affect its business, financial condition, results of operations and prospects.

***Action by governments to restrict access to the Group's products in their countries could harm the Group's business, financial condition, results of operations and prospects.***

The Group's products could be blocked or restricted in some countries for various regulatory or other reasons. It is possible that governments of one or more foreign countries may seek to limit access to any of the Group's products in their countries, or impose other restrictions that may affect the availability of its products, or certain capabilities, in their countries for extended periods of time or indefinitely. See, “—*The Group may be required or requested to assist law enforcement in a number of jurisdictions*.” Any such restrictions imposed by a government on the Group's operations or any determination by a government that the Group does not comply with its laws and regulations could have a material adverse impact on the Group's business, financial condition, results of operations and prospects.

The Group currently relies on partnering with locally regulated service providers, including Amazon Web Services, Sendgrid, Stripe, Paypal, Heroku, Kevel, Google Workspace, Auth0 and Snowplow, to ensure adequate and reliable performance of its products and services in view of local restrictions on foreign internet companies. The Group may not be able to sustain such partnerships on reasonable terms, or at all, and may not be able to find suitable alternatives to maintain its position in such jurisdictions, which could substantially impact its ability to provide a competitive product offering and advertising solution in such jurisdictions. See “—*The Group depends on its infrastructure, third-party data centres and third-party service providers, and any disruption in the operation of these facilities or failure to renew the services could adversely affect its business, financial*

*condition, results of operations and prospects.”* In addition, further countries might implement similar restrictions. Such restrictions on access could adversely affect the usage of the Group’s products and its ability to offer reliable services and therefore result in increased implementation costs for the Group and result in a loss of existing customers and difficulty attracting new customers, which may materially and adversely affect its business, financial condition, results of operations and prospects.

***The Group may in the future be party to intellectual property rights claims and other litigation matters and, if resolved adversely, they could have a significant impact on its business, financial condition, results of operations and prospects.***

The Group owns a large number of copyrights, patents, trademarks, domain names, and trade secrets and, from time to time, is subject to litigation based on allegations of infringement, misappropriation or other violations of intellectual property, or other rights. As it faces increasing competition and gains an increasingly high profile, the possibility of intellectual property rights claims, commercial claims, and other assertions against it grows. Although the Group has not been in the past, and is not currently, a party to litigation or disputes related to its intellectual property, its business practices, and its products, it may from time to time in the future become party to such litigation and disputes. The costs of supporting litigation and dispute resolution proceedings are considerable, litigation may divert management and key personnel’s attention and resources, and there can be no assurances that a favourable outcome will be obtained. The Group may need to settle litigation and disputes on terms that are unfavourable to it, or it may be subject to an unfavourable judgment that may not be reversible upon appeal. The terms of any settlement or judgment may require it to cease some or all of its operations or pay substantial amounts to the other party. With respect to any intellectual property rights claims, designers of the Group might accidentally use images for wallpapers on its Transfer tool and on the WePresent platform of which the Group does not own intellectual property rights. Sometimes, such wallpapers, or wallpapers for which the Group did not acquire the right to sublicense the relevant third-party intellectual property rights, are then re-used by users of the products of the Group. In addition, during certain marketing campaigns, the advertisements also use images that closely resemble or are very similar to images from third parties that are protected with intellectual property rights. In such an event, the Group always includes an indemnity and excludes any liability for intellectual property rights infringement claims in the agreement with the customer of the relevant marketing campaign. The Group may have to seek a licence to continue practices found to be in violation of third-party rights, which may not be available on reasonable terms and may significantly increase the Group’s operating expenses. A licence to continue such practices may not be available to the Group at all, and it may be required to develop alternative non-infringing technology or practices or discontinue the practices. The development of alternative, non-infringing technology or practices could require significant effort and expense and may result in a loss of (current and potential) advertisement customers. The Group’s business, financial condition, results of operations and prospects could be materially and adversely affected as a result.

***The Group’s failure to protect its intellectual property rights and proprietary information could diminish its brand and other intangible assets.***

The Group relies and expects to continue to rely on a combination of copyright, trademark, patent, patent licenses, trade secret, and domain name protection laws, as well as confidentiality and licence agreements with its employees, consultants, and third parties, to protect its intellectual property and proprietary rights. The Group has 17 issued patents and 3 pending patent applications in the United States. However, third parties may knowingly or unknowingly infringe the Group’s proprietary rights, third parties may challenge its proprietary rights, pending and future patent, trademark, and copyright applications may not be approved, and the Group may not be able to prevent infringement without incurring substantial expense. In this respect, the Group is aware of one instance where one of its former employees was approached and offered cash by a third party in exchange for information (although the Group understands that the former employee refused and did not share any information). The Group has also devoted substantial resources to the development of its proprietary technologies and related processes. In order to protect its proprietary technologies and processes, it relies in part on trade secret laws and confidentiality agreements with its employees, consultants, and third parties. These agreements may not effectively prevent disclosure of confidential information and may not provide an adequate remedy in the event of unauthorised disclosure of confidential information. In addition, others may independently discover the Group’s trade secrets, in which case it would not be able to assert trade secret rights, or develop similar technologies and processes. Further, laws in certain jurisdictions may afford little or no trade secret protection, and any changes in, or unexpected interpretations of, the intellectual property laws in any country in which the Group operates may compromise its ability to enforce its intellectual property rights. Costly and time-consuming litigation could be necessary to enforce and determine the scope of the Group’s proprietary rights. If the protection of its proprietary rights is inadequate to prevent use or appropriation by third parties, the value of



the Group's products, advertising solutions, brand, and other intangible assets may be diminished and competitors may be able to more effectively replicate its products, advertising solutions and its capabilities. Any of these events could materially and adversely affect the Group's business, financial condition, results of operations and prospects.

***The Group may be subject to liability claims if it breaches its contracts and its insurance may be inadequate to cover its losses.***

The Group is subject to numerous obligations in its contracts with customers and its partners. Such obligations include, without limitation, confidentiality obligations *vis-à-vis* its customers that are intended to protect the confidentiality of sensitive information such as new product launches. Despite the procedures, systems and internal controls the Group has implemented to comply with its contracts, it may breach these commitments, whether through a weakness in these procedures, systems, and internal controls, negligence, or the wilful act of an employee or contractor. The Group's liability insurance policy may be inadequate to compensate the Group for the potentially significant losses that may result from claims arising from breaches of its contracts. In addition, such insurance may not be available to the Group in the future on economically reasonable terms, or at all. Further, the Group's insurance may not cover all claims made against it and defending a suit, regardless of its merit, could be costly and divert management's attention. Each of these events may have a material and adverse impact on the Group's business, financial condition, results of operations and prospects.

***Changes in tax laws or regulations could be enacted or existing tax laws or regulations could be applied to the Group or its customers in a manner that could increase the costs of its products and advertising solutions and harm its business, financial condition, results of operations and prospects.***

The Group is subject to taxation in several jurisdictions around the world in which it operates with increasingly complex tax laws, the application of which can be uncertain.

Tax laws, statutes, rules, regulations, and ordinances in these jurisdictions could be enacted or amended at any time (possibly with retroactive effect), and could be applied solely or disproportionately to products and services provided over the internet. In this respect, the European Commission adopted on 22 March 2021 amendments to the Council Directive 2011/16/EU, obliging digital platforms to provide tax information on their users (such as the revenue generated on these platforms) and requiring the exchange of this data between the tax authorities of member states of the European Union. Such developments, including the Organisation for Economic Co-operation and Development's (the **OECD**) plans for reaching a global approach to taxing digital services, might in the future lead to a tax on operations or sales on such platforms. In addition, existing tax laws, statutes, rules, regulations, or ordinances could be interpreted or applied adversely to the Group. See "*—Risks relating to the Group's business and industry—The Group may have exposure to greater than anticipated tax liabilities.*" Any of these events could reduce the Group's sales activity due to the inherent cost increase the taxes would represent or could require the Group and its customers to pay additional tax amounts, which may materially and adversely affect the Group's business, financial condition, results of operations and prospects.

Furthermore, the tax authorities in the jurisdictions in which the Group operates could review the Group's tax returns and impose additional tax, interest, and penalties, and the authorities could claim that various withholding requirements apply to it or its subsidiaries or assert that benefits of tax treaties are not available to it or its subsidiaries, any of which may materially and adversely affect the Group's business, financial condition, results of operations and prospects.

***The Group's global operations subject it to potentially adverse tax consequences.***

The Group has historically reported its taxable income in the Netherlands and the United States based upon its business operations in those jurisdictions. A change in its global operations could result in higher effective tax rates, reduced cash flows and lower overall profitability. In particular, the Group's intercompany relationships are subject to complex transfer pricing regulations administered by taxing authorities in various jurisdictions. See "*—The Group may have exposure to greater than anticipated tax liabilities.*" The relevant revenue and taxing authorities may disagree with positions the Group has taken generally, or its determinations as to the value of assets sold or acquired or income and expenses attributable to specific jurisdictions. If such a disagreement were to occur, and its position were not sustained, it could be required to pay additional taxes, interest and penalties, which could result in one-time tax charges, higher effective tax rates, reduced cash flows and lower overall profitability of its operations. This may materially and adversely affect the Group's business, financial condition, results of operations and prospects.

***The Group may have exposure to greater than anticipated tax liabilities.***

The Group is subject to many different forms of taxation in several jurisdictions in which it operates, including but not limited to income tax, withholding tax, property tax, value added tax, sales tax and social security and other payroll related taxes. Due to the complexity of tax laws it is possible that a tax authority may take a different interpretation or application of those laws to that taken by the Group, which may result in higher than anticipated tax liabilities.

Income tax payable may be assessed on the basis of transfer pricing rules or profit allocation rules, which may not be aligned between the various jurisdictions in which the Group operates, thereby potentially triggering double taxation. Tax law and administration is complex and often requires the Group to make subjective determinations. Changes in tax laws or their interpretation or application or changes in the amount of taxes imposed on the Group could increase its future tax burden. Any changes in tax laws or their interpretations could also decrease the amount of cash the Group receives or earns, the value of any possible future tax losses carry forward as well as possible future tax credits recorded on its balance sheet and the amount of its cash flow, and have a material adverse impact on its business, financial condition, results of operations and prospects. See “—Legal, regulatory and compliance risks—Changes in tax laws or regulations could be enacted or existing tax laws or regulations could be applied to the Group or its customers in a manner that could increase the costs of its products and advertising solutions and harm its business, financial condition, results of operations and prospects.”

Tax authorities around the world are increasingly rigorous in their scrutiny of transactions and may not agree with the determinations that are made by the Group with respect to the application of tax law. As a result of potential future tax audits or other review actions by the relevant financial or tax authorities, the Group’s internal tax assessments, including its interpretation and application of tax laws such as its tax positions with respect to certain material assets, could be challenged and, as a result, revised and additional taxes, including interest and penalty payments, could be assessed in relation to future or previous tax assessment periods.

In general, the Group’s effective tax rate could be adversely affected by several factors, many of which are outside of its control, including but not limited to:

- changes in the relative proportions of income before taxes in the various jurisdictions in which it operates that have differing statutory tax rates;
- changing tax laws, regulations and interpretations in the various jurisdictions in which it operates as well as the requirements of certain tax rulings;
- determinations by tax authorities that it has established a taxable presence in certain jurisdictions where it does not currently pay taxes on income or profit;
- successful challenges by tax authorities to its transfer pricing policies, including specific transactions; and
- tax assessments, or any related interest or penalties, which could significantly affect its income tax expense for the period in which the assessments take place.

Transfer pricing is a key tax challenge due to the Group’s global business and is subject to increased regulation, in part due to efforts by local tax authorities to increase revenue in the respective jurisdiction in which the revenue is deemed to be sourced. Transfer pricing rules may be inconsistently applied by tax authorities and successful transfer pricing challenges could materially increase the Group’s income tax expenses and cash tax payments. As a result of changes in the international tax regulations such as the OECD Base Erosion and Profit Shifting Action Plan and further initiatives for changes in taxation of digital businesses driven by the European Union, other taxing jurisdictions and the OECD, tax authorities are likely to be more focused on areas such as transfer pricing and the allocation of taxable income throughout the various jurisdictions in which the Group operates.

Most jurisdictions in which the Group operates have transfer pricing rules that require transactions involving associated companies to be made on arm’s length terms. It is the Group’s general policy that arrangements between Group companies aim at being carried out on an arm’s length basis. However, if the tax authorities in any relevant jurisdiction do not regard such arrangements as being made on an arm’s length basis or being properly documented and successfully challenge those arrangements, the amount of tax payable, in respect of both current and previous years, may increase materially and penalties or interest may be payable. Further, in some jurisdictions in which the Group operates, tax authorities could undertake extensive reviews of transfer pricing arrangements, meaning the Group’s tax positions in those jurisdictions remain open and subject to review for several years.



***The Group's business, financial condition, results of operations and prospects may be harmed if it is required to collect sales or other related taxes for its rendered services in jurisdictions where it has not historically done so.***

The Group collects and returns to the relevant tax authorities sales and value-added taxes as part of its rendered services in several jurisdictions. One or more jurisdictions may seek to impose incremental or new sales, use, or other tax collection obligations on the Group, including for past sales. Several jurisdictions have considered introducing new taxes specifically for digital services which could, if applicable (for instance, subject to turnover thresholds), materially increase the Group's tax expenses and cash tax payments. A successful assertion by a jurisdiction that the Group should have been or should be collecting additional sales, use, or other taxes on its services could, among other things, result in substantial tax liabilities for past sales, create significant administrative burdens for it, discourage users from purchasing its subscriptions, or otherwise materially and adversely affect its business, financial condition, results of operations and prospects.

### **Risks relating to the Ordinary Shares**

***Immediately after Settlement, the Company's major shareholders will be in a position to exert substantial influence on the Company and the interests pursued by such major shareholders could differ from the interests of the Company's other shareholders.***

Immediately after Settlement, the Company's four major shareholders will continue to be its largest shareholders and will on aggregate hold up to approximately 49.4% of the Company's issued and outstanding share capital (44.6% assuming full placement of the Offer Shares, an Offer Price at the mid-point of the Offer Price Range and full exercise of the Over-Allotment Option). Accordingly, the Company's major shareholders will continue to be able to influence substantially or control matters requiring approval by the Company's general meeting (*general meeting*) (the **General Meeting**), being the corporate body, or where the context so requires, the physical meeting of shareholders of the Company, and may vote their Ordinary Shares in a way with which other shareholders do not agree.

Therefore, in combination with their large shareholding, the Company's major shareholders will be in a position to exert substantial influence on the General Meeting and, consequently, on matters decided by the General Meeting, including the appointment of members of the supervisory board (*raad van commissarissen*) (the **Supervisory Board**), the distribution of any dividends, the amendment of the articles of association of the Company (the **Articles of Association**), or any proposed capital increase. This concentration of ownership could adversely affect the trading volume and market price of the Ordinary Shares.

The interests of the Company's major shareholders could deviate from the interests of its other shareholders. The Company's major shareholders may delay, postpone or prevent transactions that might be advantageous for investors or other shareholders. In addition, the Company's major shareholders and/or their respective affiliates may, in the future, own businesses that directly compete with the Group.

***The Company does not intend to pay dividends for the foreseeable future.***

The Company has never declared or paid any cash dividends on its Ordinary Shares, and it does not intend to pay any cash dividends in the foreseeable future. It expects to retain future earnings to fund the development and growth of the Group's business.

Furthermore, the ability and intention of the Company to declare and pay any dividends in the future: (i) will mainly depend on its financial position, results of operations, capital requirements, investment prospects, the existence of distributable reserves and available liquidity and such other factors as the Management Board may deem relevant; and (ii) are subject to factors that are beyond the Company's control.

If the Company decides to pay dividends in the future, a distribution of dividends may only take place after the adoption of the annual accounts by the General Meeting that show that the distribution is allowed, or, in the case of an interim dividend, it appears from an interim statement of assets signed by the Management Board that the Company's equity does not fall below the sum of called-up and paid-up share capital and any statutory reserves. The Company may only make distributions to its shareholders insofar as the Company's equity exceeds the sum of the paid-up and called-up share capital increased by the reserves as required to be maintained by Dutch law or by its Articles of Association. The Management Board may furthermore determine that any amount out of the profit, if any, will be added to the reserves. The Management Board determines whether the Company is able to make the distributions. The principal assets of the Company are the equity interests it directly or indirectly holds in its operating subsidiaries. As a result, the Company's ability to pay dividends will depend directly on

distributions and other payments from such subsidiaries to the Company. Any such distributions may be materially and adversely impacted if the Company's operating subsidiaries' profitability suffers. The amount and timing of such distributions will furthermore depend on the laws of such subsidiaries' respective jurisdictions. Any of these factors, individually or in combination, could restrict the Company's ability to pay dividends and therefore could negatively impact the market price of the Ordinary Shares. Given that the Ordinary Shares are, and any dividends to be paid in respect of them will be, denominated in euro, an investment in the Ordinary Shares by an investor whose principal currency is not the euro in addition exposes the investor to foreign currency exchange rate risk.

***Future equity offerings by the Company or offerings of a substantial number of Ordinary Shares by the Selling Shareholders and Foundation Option Plan, or the perception thereof, may adversely affect the market price of the Ordinary Shares and any future issuances may dilute investors' shareholdings.***

The Selling Shareholders, Foundation Option Plan and the Company have agreed with the Underwriters, pursuant to an underwriting agreement dated 20 January 2022 (the **Underwriting Agreement**), to restrictions on their ability to issue, sell or transfer Ordinary Shares for a period of 180 days after the Settlement Date. After the expiration of the applicable lock-up period, the Selling Shareholders and the holders of options under the Option Plan (**Options**) may sell their respective Ordinary Shares, subject to compliance with applicable securities laws, and the Company may sell (treasury) Ordinary Shares and issue new Ordinary Shares. In addition, the Joint Global Coordinators have full discretion to waive the lock-up restrictions in connection with the Selling Shareholders, Foundation Option Plan and the Company at any time before its expiry. This could also result in the Selling Shareholders and Foundation Option Plan selling, and the Company selling or issuing, Ordinary Shares in the public market before expiry of the applicable lock-up periods. In addition, there could also be a perception in the market that any such sale or issuance could occur due to the expiry of the relevant lock-up period or its waiver. See "*Plan of Distribution—Lock-up arrangements*". The market price of the Ordinary Shares could decline if, following the Offering and after the expiration of the lock-up period (or any waiver of lock-up restrictions by the Joint Global Coordinators), a substantial number of Ordinary Shares are sold by the Selling Shareholders or Foundation Option Plan or sold or issued by the Company, or if there is a perception that such a sale or issuance could occur. In addition, any sales of Ordinary Shares by Selling Shareholders or Foundation Option Plan could make it more difficult for the Company to raise capital through the issuance of equity securities in the future.

The Company may in the future, subject to the lock-up arrangements in the Underwriting Agreement, seek to raise capital through public or private equity financings by issuing additional Ordinary Shares, debt or equity securities convertible into Ordinary Shares or rights to acquire these securities and exclude the pre-emptive rights pertaining to the then outstanding Ordinary Shares. Any additional capital raised through the issue of additional Ordinary Shares may dilute an investor's shareholding interest in the Company. In the event of an increase in the Company's share capital, shareholders are generally entitled to full pre-emptive rights unless these rights are limited or excluded either by virtue of Dutch law, a resolution of the General Meeting upon the proposal of the Management Board, which is subject to the approval of the Supervisory Board, or by a resolution of the Management Board subject to the approval of the Supervisory Board if the Management Board has been designated by the General Meeting. The Management Board has been granted the authority by the General Meeting for a period of 18 months following Settlement, subject to the approval of the Supervisory Board, to exclude or limit pre-emptive rights subject to limits as set out in "*General Information—Corporate resolutions*". In addition, certain shareholders outside the Netherlands may not be able to exercise pre-emptive rights, and therefore suffer dilution, unless local securities laws have been complied with. In particular, US Holders (as defined in "*Taxation*") may not be able to exercise their pre-emptive rights or participate in a rights offer, as the case may be, unless a registration statement under the US Securities Act is effective with respect to such rights or an exemption from the registration requirements is available. The Company cannot assure investors that any registration statement would be filed so as to enable the exercise of such holders' pre-emptive rights or participation in a rights offer.

Furthermore, although the Group has funded its operations since inception primarily through its cash flow generation and is currently able to generate sufficient cash to fund its ongoing operations, there is no guarantee that the Group will be able to continue to do so in the future. In the future, the Group may require additional capital for potential acquisitions (see "*Reasons for the Offer and Use of Proceeds—Use of proceeds*") or to respond to business opportunities, refinancing needs, regulatory requirements, or unforeseen circumstances and may decide to engage in equity or debt financings or enter into credit facilities for other reasons, and the Group may not be able to secure any such debt or equity financing or refinancing on terms satisfactory to it, in a timely manner, or at all. Any debt financing obtained by the Group in the future could also involve restrictive covenants relating to the Group's capital-raising activities and other financial and operational matters, which may make it more difficult for the Group to obtain additional capital and to pursue business opportunities, including potential acquisitions.

***The price of the Ordinary Shares and trading volume could decline if securities or industry analysts do not publish research about the Group's business, or if they publish unfavourable research.***

Equity research analysts do not currently provide coverage of the Ordinary Shares, and the Group cannot assure that any equity research analysts will adequately provide research coverage of the Ordinary Shares after the admission to trading of the Ordinary Shares on Euronext Amsterdam. A lack of adequate research coverage may harm the liquidity and trading price of the Ordinary Shares. To the extent equity research analysts do provide research coverage of the Ordinary Shares, the Group will not have any control over the content and opinions included in their reports. The trading price of the Ordinary Shares could decline if one or more equity research analysts downgrade the Ordinary Shares or publish other unfavourable commentary or research. If one or more equity research analysts cease coverage of the Company, or fail to regularly publish reports on it, the demand for Ordinary Shares could decrease, which in turn could cause the trading price or trading volume of the Ordinary Shares to decline.

***Dividends distributed by the Company on the Ordinary Shares to certain related parties in low-tax jurisdictions might in the future become subject to an additional Dutch withholding tax on dividends.***

The Company has never declared or paid any cash dividends on its Ordinary Shares, and it does not intend to pay any cash dividends in the foreseeable future. See “—The Company does not intend to pay dividends for the foreseeable future.”

If the Company decides to pay dividends in the future, such dividends are in principle subject to Dutch dividend withholding tax at a rate of 15% under the Dutch Dividend Withholding Tax Act 1965 (*Wet op de dividendbelasting 1965*), unless a domestic or treaty exemption applies; see “Taxation”. In a letter to the Dutch parliament dated 29 May 2020, the Dutch State Secretary for Finance announced that the government intends to introduce an additional withholding tax on dividends paid (i) to group entities in jurisdictions that have a corporate income tax rate below 9%, (ii) to group entities in jurisdictions that are included on the EU’s blacklist of non-cooperative jurisdictions or (iii) in certain abusive situations, effective 1 January 2024. On 25 September 2020, the Dutch government launched an internet consultation to provide interested parties the opportunity to respond to the draft legislative proposal to introduce the conditional withholding tax on dividends. Pursuant to the proposal published for consultation purposes, the conditional withholding tax on dividend payments will be implemented in the form of an amendment to the recently passed conditional withholding tax on interest and royalty payments pursuant to the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*), which act became effective 1 January 2021. The proposal published for consultation purposes stipulates that the rate will be equal to the highest Dutch corporate income tax rate (currently 25%) at the time of the dividend payment. At the same time, the current Dutch dividend withholding tax regime is anticipated to remain in place. However, if the dividend withholding tax and the conditional withholding tax on dividends cumulate, the proposal published for consultation purposes stipulates that the conditional withholding tax will be reduced by the dividend withholding tax levied. As a result, if the shareholder being a related entity (i) is established or has a permanent establishment in a jurisdiction that has a corporate tax rate below 9% or in a jurisdiction included on the EU’s blacklist of non-cooperative jurisdictions, (ii) is a hybrid entity or a reverse hybrid entity or (ii) is interposed to avoid tax otherwise due by another entity, the tax rate on dividends may rise from 15% to the highest corporate income tax rate currently 25%. The internet consultation closed on 23 October 2020. The Dutch government aims to prepare the final legislative proposal in 2021. For these purposes, an entity is considered a related entity if such entity has a Qualifying Interest (as defined below) in the Company or if a third party has a Qualifying Interest in both such entity and in the Company. The term **Qualifying Interest** means a directly or indirectly held interest – either individually or jointly as part of a collaborating group (*samenwerkende groep*)—that confers a definite influence over the company’s decisions and allows the holder of such interest to determine its activities (within the meaning of case law of the European Court of Justice on the freedom of establishment (*vrijheid van vestiging*)).

***If the Company is a passive foreign investment company, there could be adverse US federal income tax consequences to US Holders.***

Under the Internal Revenue Code of 1986, as amended (the **Code**), the Company will be a passive foreign investment company (**PFIC**) for any taxable year in which (i) 75% or more of its gross income consists of passive income, or (ii) 50% or more of the average quarterly value of its assets consists of assets that produce, or are held for the production of, passive income (including cash). For purposes of these tests, passive income includes dividends, interest, gains from the sale or exchange of investment property and certain rents and royalties. In addition, for purposes of the above calculations, a non-US corporation that directly or indirectly owns at least 25% by value of the shares of another corporation is treated as if it held its proportionate share of the assets and received directly its proportionate share of the income of such other corporation. If the Company is

a PFIC for any taxable year during which a US Holder (as defined below under “*Taxation—Certain US federal income tax considerations*”) holds shares in the Company, the US Holder may be subject to adverse tax consequences regardless of whether the Company continues to qualify as a PFIC, including ineligibility for any preferred tax rates on capital gains or on actual or deemed dividends, interest charges on certain taxes treated as deferred, and additional reporting requirements.

Based on current estimates (and not final audited financials) of the composition of its assets, including goodwill, and sources of its income, the Company does not believe that it was a PFIC for the taxable year ended on 31 December 2021. However, the determination of whether the Company is a PFIC is a fact-intensive determination made on an annual basis and the applicable law is subject to varying interpretation. Accordingly, no assurances regarding the Company’s PFIC status can be provided for any past, current or future taxable year, and the Company’s US counsel expresses no opinion with respect to the Company’s PFIC status for any prior, current or future taxable year. If the Company was characterised as a PFIC in a taxable year, shareholders who are US Holders (as defined in “*Taxation—Certain US federal income tax considerations*”) may suffer adverse tax consequences, regardless of whether the Company continues to be a PFIC in subsequent taxable years, including the treatment of gains realised on the sale of the Company’s ordinary shares as ordinary income, rather than as capital gain, the loss of the preferential rate applicable to dividends received on the Company’s ordinary shares by individuals who are US Holders, the addition of interest charges to the tax on such gains and certain distributions, and additional reporting requirements.

For further discussion of the PFIC rules and the adverse US federal income tax consequences in the event the Company is classified as a PFIC, see “*Taxation—Certain US federal income tax considerations*”.

#### **Risks relating to the Offer and the Offer Shares**

***There is currently no public trading market for the Ordinary Shares and there is a risk that no active and liquid market for the Ordinary Shares will develop and that the price of the Ordinary Shares may be volatile.***

Until trading on Euronext Amsterdam commences on an “as-if-and-when-issued/delivered” basis, which is expected on 1 February 2022, subject to acceleration and extension of the timetable for the Offer, there is no public trading market for the Ordinary Shares. There can be no assurance that an active trading market for the Ordinary Shares will develop after the Offer is consummated or, if it does develop, that it will be sustained or liquid. If an active market fails to develop or be sustained, investors may not be in a position to sell their Ordinary Shares quickly or at the market price. In addition, an illiquid market for the Ordinary Shares may result in lower market prices and increased price volatility, which could materially adversely affect the value of an investment in the Ordinary Shares.

The Offer Price may not be indicative of the market price for the Ordinary Shares after the Offer has completed. The market price of the Ordinary Shares could also fluctuate substantially due to various factors, some of which could be specific to the Company and its operations and some of which could be related to the industry in which the Company operates or equity markets generally. As a result of these and other factors mentioned in this “*Risk Factors*” section, the Ordinary Shares may trade at prices significantly below the Offer Price. The Company cannot assure that the market price of the Ordinary Shares will not decline, or that the Ordinary Shares will not trade at prices significantly below the Offer Price, regardless of the Company’s actual performance.

***If Settlement does not take place, purchases of the Offer Shares will be disregarded and transactions effected in the Offer Shares will be annulled.***

Application has been made to list the Ordinary Shares on Euronext Amsterdam under the symbol “WT”. The Company expects that the Offer Shares will be admitted to listing and that trading in the Offer Shares will commence prior to the Settlement Date on the First Trading Date on an “as-if-and-when-issued/delivered” basis. Settlement may not take place on the Settlement Date or at all, if certain conditions of events referred to in the Underwriting Agreement are not satisfied or waived or occur on or prior to such date (see “*Plan of Distribution*”). Trading in the Offer Shares before Settlement will take place subject to the condition that, if Settlement does not take place, the Offer will be withdrawn, all applications for the Offer Shares will be disregarded, any allocations made will be deemed not to have been made, any subscription payments made will be returned without interest or other compensation and transactions on Euronext Amsterdam will be annulled. All dealings in the Offer Shares prior to Settlement and delivery are at the sole risk of the parties concerned. The Company, the Selling Shareholders, Foundation Option Plan, the Underwriters, the Listing Agent, the Paying Agent and Euronext Amsterdam N.V. do not accept any responsibility or liability for any loss incurred by any person as a result of a withdrawal of the Offer or the related annulment of any transaction on Euronext Amsterdam.



## IMPORTANT INFORMATION

### General

This Prospectus has been approved by the AFM, as competent authority under the Prospectus Regulation, on 20 January 2022. The AFM only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Ordinary Shares.

**The validity of this Prospectus will expire on the earlier of (i) the First Trading Date and (ii) 12 months from the date of this Prospectus. The obligation to supplement a prospectus in the event of significant new factors, material mistakes or material inaccuracies shall cease to apply when this Prospectus is no longer valid (see “—Supplements”).**

Prospective investors should only rely on the information contained in this Prospectus, the Pricing Statement and any supplement to this Prospectus within the meaning of Article 23 of the Prospectus Regulation. The Company does not undertake to update this Prospectus, unless required pursuant to Article 23 of the Prospectus Regulation, and therefore prospective investors should not assume that the information in this Prospectus is accurate as at any date other than the date of this Prospectus. No person is or has been authorised to give any information or to make any representation in connection with the Admission and the Offer, other than as contained in this Prospectus. If any information or representation not contained in this Prospectus is given or made, the information or representation must not be relied upon as having been authorised by the Company, the Selling Shareholders, Foundation Option Plan, the Underwriters, the Listing Agent, the Paying Agent or any of their respective affiliates or representatives. Neither the delivery of this Prospectus nor any issuance or sale of Ordinary Shares made hereunder at any time after the date of this Prospectus shall, under any circumstances, imply that there has been no change in the Company’s business or affairs since the date of this Prospectus or that the information set forth in this Prospectus is correct as of any date subsequent the date hereof.

Prospective investors are expressly advised that an investment in Ordinary Shares entails risks and that they should therefore carefully read and review the entire Prospectus. Prospective investors should not just rely on key information or information summarised within this Prospectus. Prospective investors should, in particular, read the section entitled “*Risk Factors*” when considering an investment in the Ordinary Shares. A prospective investor should not invest in Ordinary Shares unless it has the expertise (either alone or with a financial adviser) to evaluate how the Ordinary Shares will perform under changing conditions, the resulting effects on the value of the Ordinary Shares and the impact this investment will have on the prospective investor’s overall investment portfolio. Prospective investors should also consult their tax advisers as to the tax consequences of the purchase, subscription, ownership and disposal of the Ordinary Shares.

The content of this Prospectus should not be construed as business, legal or tax advice. This Prospectus should not be considered as a recommendation by any of the Company, any member of the Management Board (each a **Managing Director**), the Selling Shareholders, Foundation Option Plan, the Underwriters, the Listing Agent, the Paying Agent or any of their respective representatives that any recipient of this Prospectus should purchase, or subscribe for, any Ordinary Shares. None of the Company, the Selling Shareholders, Foundation Option Plan, the Underwriters, the Listing Agent, the Paying Agent or any of their respective representatives is making any representation to any offeree or purchaser of the Ordinary Shares regarding the legality of an investment in the Ordinary Shares by such offeree or purchaser under the laws and regulations applicable to such offeree or purchaser. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Ordinary Shares.

Prospective investors should consult their own professional advisers before making any investment decision with regard to the Ordinary Shares, among other things, to consider such an investment decision in light of their personal circumstances and in order to determine whether or not such prospective investor is eligible to purchase, or subscribe for, Ordinary Shares. In making an investment decision, each investor must rely on their own examination, analysis and enquiry of the Company and the terms of the Offer, including the merits and risks involved.

No representation or warranty, express or implied, is made or given, and no responsibility is accepted, by, or on behalf of, any of the Underwriters, the Listing Agent, the Paying Agent or any of their respective affiliates or representatives, or their respective directors, officers or employees or any other person, as to the accuracy,



fairness, reasonableness or completeness of the information or opinions contained in this Prospectus, or incorporated by reference in it, and nothing in this Prospectus, or incorporated by reference in it, is, or shall be relied upon as, a promise or representation in this respect by any of the Underwriters, the Listing Agent, the Paying Agent or any of their respective affiliates or representatives, or their respective directors, officers or employees or any other person, whether as to the past or future. None of the Underwriters, the Listing Agent, the Paying Agent or any of their respective affiliates or representatives, or their respective directors, officers or employees or any other person in any of their respective capacities in connection with the Admission and the Offer, accepts any responsibility whatsoever for the accuracy, fairness, completeness or reasonableness of the contents of this Prospectus or for any other statements made or purported to be made by either itself, or on its behalf, in connection with the Company, the Group, the Selling Shareholders, Foundation Option Plan, the Admission, the Offer or the Ordinary Shares. Accordingly, each of the Underwriters, the Listing Agent, the Paying Agent and their respective affiliates or representatives, or their respective directors, officers or employees or any other person disclaim, to the fullest extent permitted by applicable laws and regulations, all and any liability, whether arising in tort or contract or which they might otherwise be found to have in respect of this Prospectus and any such statement.

Although the Underwriters are party to various agreements pertaining to the Offer and each of the Underwriters has or might enter into a financing or other arrangement with the Company, this should not be considered as a recommendation by any of them to invest in Ordinary Shares.

Each of the Underwriters, the Listing Agent and the Paying Agent is acting exclusively for the Company and no one else in connection with the Admission and/or the Offer. None of them will regard any other person (whether or not a recipient of this Prospectus) as their respective client in relation to the Admission or the Offer and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients or for giving advice in relation to the Admission, the Offer or any transaction or arrangement referred to in this Prospectus.

The Offer and the distribution of this Prospectus, any related materials and the offer, acceptance, delivery, transfer, exercise, purchase of, subscription for, or trade in, Ordinary Shares may be restricted by law in jurisdictions and therefore persons into whose possession this Prospectus comes should inform themselves and observe any restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This Prospectus may not be used for, or in connection with, and does not constitute or form part of any offer or invitation to sell, or any solicitation of any offer to acquire Offer Shares in any jurisdiction in which such an offer or solicitation is unlawful or would result in the Company becoming subject to public company reporting obligations outside the Netherlands. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. No action has been taken or will be taken in any jurisdiction by the Company, the Selling Shareholders, Foundation Option Plan or the Underwriters that would permit a public offering of the Offer Shares, or the possession, circulation or distribution of this Prospectus or any other material relating to the Company or the Offer Shares, in any jurisdiction where action for that purpose is required. None of the Company, the Management Board, any of the Selling Shareholders, Foundation Option Plan or any of the Underwriters, the Listing Agent and the Paying Agent accepts any responsibility for any violation by any person, whether or not such person is a prospective investor in the Offer Shares, of any of these restrictions. See “*Selling and Transfer Restrictions*” for further information on these restrictions.

Each of the Company, the Selling Shareholders, Foundation Option Plan and the Underwriters reserves the right in their own absolute discretion to reject any application to purchase, or subscribe for, Offer Shares that the Company, the Selling Shareholders, Foundation Option Plan, the Underwriters or their respective agents believe may give rise to a breach or violation of any laws, rules or regulations.

Each person receiving this Prospectus acknowledges that: (i) such person has not relied on an Underwriter or any person affiliated with an Underwriter in connection with any investigation of the accuracy of any information contained in this Prospectus or its investment decision; (ii) it has relied only on the information contained in this Prospectus; and (iii) no person has been authorised to give any information or to make any representation concerning the Company or its subsidiaries or the Offer Shares (other than as contained in this Prospectus) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company, the Selling Shareholders, Foundation Option Plan or the Underwriters.

In connection with the Offer, each of the Underwriters and any of their respective affiliates may take up a portion of the Offer Shares in the Offer as a principal position and, in that capacity, may retain, purchase, subscribe for,

or sell for its own account such securities and Offer Shares or related investments and may offer or sell such Offer Shares or other investments otherwise than in connection with the Offer. Accordingly, references in this Prospectus to Offer Shares being offered or placed should be read as including any offering or placement of Offer Shares to any of the Underwriters or any of their respective affiliates acting in such capacity. In addition, each of the Underwriters and any of their affiliates may enter into financing arrangements (including contracts for differences, swaps or warrants) with investors in connection with which each of the Underwriters and any of their affiliates may from time to time acquire, hold or dispose of Offer Shares. None of the Underwriters or their affiliates intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

### **Responsibility statement**

This Prospectus is made available by the Company. The Company accepts full responsibility for the information contained in this Prospectus. The Company declares that, to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

### **Presentation of financial and other information**

#### ***Historical financial information***

This Prospectus contains (i) the audited consolidated financial statements as at and for the years ended 31 December 2020, 2019 and 2018 and the notes thereto beginning on page F-13 of this Prospectus (the **Annual Financial Statements**), and (ii) the unaudited interim condensed consolidated financial statements as at and for the nine months ended 30 September 2021 and the notes thereto beginning on page F-2 of this Prospectus (the **Interim Financial Statements** and together with the Annual Financial Statements, the **Financial Statements**).

Unless otherwise indicated, financial information contained in this Prospectus has been derived from the Financial Statements which have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (**IFRS**). The Interim Financial Statements have been prepared in accordance with Accounting Standard IAS 34, 'Interim Financial Reporting', as adopted by the European Union.

The Financial Statements should be read in conjunction with the accompanying notes thereto. The Financial Statements are prepared for the purposes of the Offer and present the historical financial information of the Group in the format that it intends to report its financial results in the future beginning with the publication of the Group's statutory consolidated financial statements as at and for the year ended 31 December 2021. There are no qualifications in the audit report provided by the independent auditor on the Annual Financial Statements.

The Annual Financial Statements have been audited by Ernst & Young Accountants LLP, whose principal place of business is at Boompjes 258, 3011 XZ Rotterdam, the Netherlands (**EY**). Ernst & Young Accountants LLP is registered with the Dutch trade register under number 24432944. The auditor signing the auditor's reports on behalf of EY is a member of the Royal Netherlands Institute of Chartered Accountants (*Koninklijke Nederlandse Beroepsorganisatie van Accountants*) (NBA). The NBA is the professional body for accountants in the Netherlands.

EY has issued an unqualified independent auditor's report, with an emphasis of matter paragraph on the special purpose nature of the Annual Financial Statements disclosed in Note 1 of the Annual Financial Statements. The auditor's opinion is not modified in respect of this matter:

*Emphasis on the special purpose and restriction on use.* We draw attention to note 1, which describes the special purpose of these consolidated financial statements. These consolidated financial statements do not represent Werock B.V.'s financial statements in accordance with Section 2:361 of the Dutch Civil Code and its articles of association and are prepared for the purpose of including in the prospectus in order to comply with the requirements for historical financial information pursuant to Regulation (EU) 2017/1129. As a result, the special purpose consolidated financial statements may not be suitable for another purpose. Our independent auditor's report is required by the Commission Delegated Regulation (EU) 2019/980 and is issued for the purpose of complying with that Delegated Regulation. Therefore, our auditor's report should not be used for another purpose. Our opinion is not modified in respect of this matter.

For further information on the presentation of financial information, see Note 1 of the Annual Financial Statements.

### ***Definitions of Non-IFRS Measures***

This Prospectus contains non-IFRS financial measures (**Non-IFRS Measures**), which are not liquidity or performance measures under IFRS, and which the Group considers to be alternative performance measures. These Non-IFRS Measures are presented in addition to the figures that are prepared in accordance with IFRS and include Adjusted EBITDA, Adjusted EBITDA margin, CapEx, cash conversion, adjusted gross margin and unlevered free cash flow (each as defined below).

The Group provides the Non-IFRS Measures because the Group believes that they provide investors with additional information to enhance their understanding of the Group's results. The Group's use of Non-IFRS Measures may vary significantly from the use of other companies in its industry. The measures used should not be considered as an alternative to profit (loss), revenue or any other performance measure derived in accordance with IFRS or to net cash provided by operating activities as a measure of liquidity. Non-IFRS Measures have limitations as analytical tools over and above the limitations of any IFRS performance measures and should not be considered in isolation or as substitutes for analysis of the Group's results as reported under IFRS. Such Non-IFRS Measures may include or exclude amounts that are included or excluded, as applicable, in the calculation of the most directly comparable measures in accordance with IFRS. Their usefulness is therefore subject to limitations, which are described below. In particular, other companies in the industry may define the Non-IFRS Measures used herein differently, which may make it difficult to compare the performance of these entities to the Group's performance based on similarly named measures. In addition, the exclusion of certain items from Non-IFRS Measures does not imply that these items are necessarily non-recurring. From time to time, the Group may exclude additional items if it believes doing so would result in a more transparent and comparable disclosure.

Non-IFRS Measures should be considered in conjunction with the Financial Statements prepared in accordance with IFRS. Although certain of these measures have been extracted or derived from the Financial Statements, this data has not been audited or reviewed by the Group's independent auditors. The following discussion provides definitions of Non-IFRS Measures.

#### ***Adjusted EBITDA and Adjusted EBITDA margin***

The Group defines Adjusted EBITDA as operating profit/(loss), adjusted for the following factors:

- depreciation and amortisation of tangible and intangible assets, which consists of depreciation of right-of-use assets, depreciation of property, plant and equipment and amortisation of intangible assets and is included in General and administrative expenses;
- impairment of intangible assets and goodwill, which relates to the impairment of acquired technology and goodwill relating to FiftyThree Inc. and is included in General and administrative expenses;
- share-based payment expenses, which consists of expenses relating to the Option Plan and management incentive plan (**MIP**), and related employer payroll taxes; and
- non-recurring costs such as IPO related costs.

The Group adjusts EBITDA for impairment of intangible assets and goodwill, share-based payment expense and non-recurring costs such as IPO related costs because it believes these costs do not reflect the ongoing performance of the Group's business. For example, impairments and non-recurring costs such as IPO related costs are deemed to be one-off in nature and could distort trends in the Group's underlying performance. Share-based payment expenses vary in amount from period to period and are affected by market conditions and other factors that are difficult to predict, and the Group believes these periodic variations do not reflect the Group's underlying operating result.

The Group defines Adjusted EBITDA margin as Adjusted EBITDA as a percentage of revenue from contracts with customers. The Group views Adjusted EBITDA and Adjusted EBITDA margin as useful measures of the Group's underlying operating result and recurring profitability. The Group understands that these measures are used by analysts and investors in assessing the Group's performance, and the Group also uses these measures internally to establish budgets and forecasts, and to monitor, evaluate and manage the business. For a reconciliation of operating profit / (loss) to Adjusted EBITDA, see "*Selected Financial and Other Information—Non-IFRS Measures and other metrics*".

#### ***CapEx***

The Group refers to payments for property, plant and equipment, and intangible assets as set forth in its consolidated statement of cash flows as capital expenditure or CapEx. See "*Operating and Financial Review—Capital expenditure*".

### Cash conversion

The Group defines cash conversion (in %) as Adjusted EBITDA less payments for property, plant and equipment, and intangible assets (which the Group defines as CapEx) divided by Adjusted EBITDA. The Group views Cash conversion as a helpful measure of the Group's operating performance and underlying cash generation, as it includes adjustments for costs that are one-off in nature and could distort trends in the Group's underlying performance. For a reconciliation of cash conversion, see "Selected Financial and Other Information—Non-IFRS Measures and other metrics".

### Adjusted gross margin

The Group defines adjusted gross margin as revenue from contracts with customers less cost of revenue (excluding share-based compensation) as a percentage of revenue from contracts with customers. The Group views adjusted gross margin as a useful measure of the Group's underlying operating result, as it excludes share-based payment expenses which are affected by market conditions and other factors that are difficult to predict. The following table sets forth a reconciliation of revenue from contracts with customers to adjusted gross margin:

	Nine months ended 30 September		Year ended 31 December		
	2021	2020	2020	2019	2018
	(in millions of euros unless otherwise indicated)				
Revenue from contracts with customers	72.0	44.0	65.0	52.1	37.8
Less cost of revenue	(9.6)	(8.2)	(11.0)	(8.6)	(5.6)
Less share-based compensation	0.2	0.2	0.3	0.1	0.1
Divided by Revenue from contracts with customers	72.0	44.0	65.0	52.1	37.8
<b>Adjusted gross margin (in %)</b>	<b>86.9%</b>	<b>81.8%</b>	<b>83.5%</b>	<b>83.7%</b>	<b>85.4%</b>

### Unlevered free cash flow

Unlevered free cash flow is defined as Adjusted EBITDA less CapEx less change in net working capital less cash taxes. The Group views Unlevered free cash flow as a helpful measure of the Group's operating performance and underlying cash generation, as it includes adjustments for costs that are one-off in nature and could distort trends in the Group's underlying performance. The following table sets forth a reconciliation of Adjusted EBITDA to unlevered free cash flow:

	Nine months ended 30 September		Year ended 31 December		
	2021	2020	2020	2019	2018
	(in millions of euros)				
Adjusted EBITDA	21.3	12.2	19.2	12.1	6.9
Less CapEx	(1.1)	(0.4)	(0.7)	(0.4)	(1.4)
Add Change in net working capital <sup>(1)</sup>	29.1	0.6	1.3	0.3	(3.3)
<b>Pre-tax cash flow</b>	<b>49.3</b>	<b>12.4</b>	<b>19.8</b>	<b>12.1</b>	<b>2.2</b>
Less Cash taxes	(2.3)	(2.7)	(2.7)	(1.0)	(0.9)
<b>Unlevered free cash flow</b>	<b>47.0</b>	<b>9.7</b>	<b>17.1</b>	<b>11.1</b>	<b>1.4</b>

<sup>(1)</sup> Excluding the impact of the MIP accrual (€29.5 million), change in net working capital for the nine months ended 30 September 2021 was €(0.4) million and unlevered free cash flow for the nine months ended 30 September 2021 was €17.5 million.

### Definitions of other operating measures

The Prospectus contains certain other operating measures, which the Group believes provide investors with additional information to enhance their understanding of the Group's results. These operating measures include monthly active users, monthly recurring revenue, re-occurring revenue, subscribers and subscription ARPU. The Group's definition of these operating measures may differ from those of other companies in its industry.

### Monthly active users

The Group defines a monthly active user as a user who has accessed the Company's Transfer tool in a 30-day period. Individuals can access the Transfer tool anonymously, without logging into a registered account. Due to data privacy considerations, individuals who access the tool anonymously multiple times in the relevant period may be counted as multiple users. Monthly active users are measured as at the end of the respective period. The Group improved its monthly active user tracking methodology from 2020 onwards, which the Group believes

allows it to better monitor the business opportunity in its user base. The Group views monthly active users as a helpful measure of the size of the Transfer tool's active user base, which is positively correlated with the number of advertising impressions the Group can sell to advertisers, as well as an indicator of the Group's paid subscriber conversion opportunity.

#### *Monthly recurring revenue*

The Group defines monthly recurring revenue as subscription revenue earned during the last month of the respective period. The Group views monthly recurring revenue as a helpful measure in providing visibility of subscription revenue in future periods. For a definition of subscription revenue, see “*Operating and Financial Review—Components of the Group's results of operations—Revenue from contracts with customers*”.

#### *Repeat advertising revenue*

The Group defines repeat advertising revenue as revenue generated from advertising customers (i) with a minimum yearly spend of €50,000 and (ii) who advertised in at least two quarters in the current and previous years. The Group views repeat advertising revenue as a helpful measure in providing visibility of advertising revenue in future periods, as well as the sustainability of advertising revenue growth.

#### *Re-occurring revenue*

The Group defines re-occurring revenue as the sum of (i) repeat advertising revenue and (ii) subscription revenue. The Group views re-occurring revenue as a helpful measure in providing revenue visibility into future periods.

#### *Subscribers*

The Group defines a subscriber as a user with access to a paid version of WeTransfer Pro. Subscribers are measured as at the end of the respective period. The Group views Subscribers as a helpful measure of the Group's total WeTransfer subscription sales volumes, which is the primary driver of the Group's subscription revenue.

#### *Subscription ARPU*

The Group defines average revenue per subscriber, or subscription ARPU, as WeTransfer Pro subscription revenue for a period divided by the average number of subscribers in the period, which is then divided by the number of months in the period. The average number of subscribers in a period is calculated by adding the number of subscribers as at the end of each month in a given period and dividing by the number of months in the period. The Group views Subscription ARPU as a helpful measure of monetisation across the WeTransfer subscription business, and a driver of the Group's subscription revenue.

#### *Rounding and negative amounts*

Certain figures in this Prospectus, including financial data, have been rounded. Accordingly, figures shown for the same category presented in different tables may vary slightly, and figures shown as totals in certain tables may not be an exact arithmetic aggregation of the figures which precede them.

In preparing the financial information included in this Prospectus, most numerical figures are presented in millions of euro. For the convenience of the reader of this Prospectus, certain numerical figures in this Prospectus are rounded to one decimal point. Accordingly, figures shown for the same category presented in different tables may vary slightly, and figures shown as totals in certain tables may not be an exact arithmetic aggregation of the figures which precede them.

The percentages (as a percentage of revenue or costs and period-on-period percentage changes) presented in the textual financial disclosure in this Prospectus are derived directly from the financial information included elsewhere in this Prospectus. Such percentages may be computed on the numerical figures expressed in millions of euro, rounded to the nearest hundred thousand. Therefore, such percentages are not calculated on the basis of the financial information in the textual disclosure that has been subjected to rounding adjustments in this Prospectus.

In tables, negative amounts are shown between brackets. Otherwise, negative amounts are shown by “-” or “negative” before the amount.

#### *Currency presentation*

In this Prospectus, all references to **EUR**, **euro** or **€** are references to the single currency introduced at the start of the third stage of European economic and monetary union, and as defined in Section 2 of Council Regulation



(EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended. All references in this Prospectus to **USD, US dollar** or **US\$** are references to the lawful currency of the United States.

### *Exchange rates*

The Company publishes its consolidated financial statements in euros. The exchange rates below are provided for information purposes only. The tables below show, for the periods indicated, the period end, average, high and low European Central Bank (**ECB**) exchange rate expressed as US dollar per €1.00. The average rate for a year means the average of the ECB exchange rates on the last day of each month during a year. The average rate for a month, or for any shorter period, means the average of the daily ECB exchange rates during that month, or shorter period, as the case may be.

The rates may differ from the actual rates used in the preparation of the financial information appearing in this Prospectus. No representation is made that euros could have been, or could be, converted into US dollars at any particular rate indicated or any other rate. To present constant currency period-over-period changes, current period results in currencies other than euro are converted to euro at the average exchange rate used in the prior period rather than the actual exchange rates in effect during the current period. A constant currency presentation provides information on the change in results assuming that foreign currency exchange rates had not changed between the prior and current period. For additional information on currency exchange rates, see “*Risk Factors—Risks relating to the Group’s business and industry—The Group’s results of operations, which are reported in euro, could be adversely affected if currency exchange rates fluctuate substantially in the future.*”

	<u>Period end</u>	<u>Average rate</u>	<u>High</u>	<u>Low</u>
		<i>USD per €1.00</i>		
FY 2018 .....	0.8734	0.8475	0.8880	0.8004
FY 2019 .....	0.8902	0.8933	0.9184	0.8669
FY 2020 .....	0.8149	0.8772	0.9340	0.8143
FY 2021 .....	0.8829	0.8456	0.8924	0.8105
1 January 2022 through 17 January 2022 .....	0.8770	0.8809	0.8866	0.8724

Additionally, the average ECB exchange rates for the nine months ended 30 September 2021 and 30 September 2020 were US\$0.8359 and US\$0.8898, respectively.

### *Constant currency (CC)*

This Prospectus contains certain financial measures presented on a constant currency basis, including period-on-period growth in revenue from contracts with customers, advertising revenue and subscription revenue. As used in this Prospectus, constant currency removes the impact of year-on-year foreign currency translation rate changes. The Group uses constant currency information because the Group believes it allows the Group to assess revenue performance on a like-for-like basis to better understand the underlying trends in the business.

The Group believes that constant currency measures have limitations. The Group does not evaluate the Group’s results and performance on a constant currency basis without also evaluating the Group’s financial information prepared at actual foreign exchange rates in accordance with IFRS. The measures presented on a constant currency basis should not be considered in isolation or as an alternative to the measures reported on the Group’s income statement or the notes thereto, and should not be construed as a representation that the relevant currency could be or was converted into Euro at that rate or at any other rate.

Financial measures in this Prospectus are presented on an actual basis except where noted as being presented on a constant currency basis.

### **Market and industry data**

All references to market share, market data, industry statistics and industry forecasts in this Prospectus consist of estimates compiled by analysts, competitors, industry professionals and organisations, of publicly available information or of the Group’s own assessment of its markets and sales. Certain statements made in this Prospectus are based on the Company’s own proprietary information, insights, opinions or estimates, and not on third party or independent sources; these statements contain words such as ‘the Company believes’ and ‘the Company expects’, and as such do not purport to cite, refer to or summarise any third party or independent source and should not be so read.

Industry publications and market studies generally state that their information is obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed and that the projections that they contain are based on a number of significant assumptions. Where third-party information has been sourced in this Prospectus, the source of such information has been identified. Although the Company believes that these sources are reliable, the Company does not have access to the information, methodology and other bases for such information and has not independently verified the information. The information in this Prospectus that has been sourced from third parties has been accurately reproduced with reference to these sources in the relevant paragraphs and, as far as the Company is aware and able to ascertain from the information published by that third party, no facts have been omitted that would render the reproduced information provided inaccurate or misleading.

In this Prospectus, certain statements are made regarding the Group's competitive and market position. The Company believes that such industry statistics and market data are true, but the Company has not independently verified the information. The Company cannot guarantee that a third-party using different methods to assemble, analyse or compute market data or public disclosure from competitors would obtain or generate the same results. In addition, the Group's competitors may define their markets and their own relative positions in these markets differently than the Group does and may also define various components of their business and operating results in a manner that makes such figures non-comparable with the Group's figures.

### **Supplements**

If a significant new factor, material mistake or inaccuracy relating to the information included in this Prospectus which is capable of affecting the assessment of the Offer Shares, arises or is noted between the date of this Prospectus and the Settlement Date, a supplement to this Prospectus will be published in accordance with relevant provisions under the Prospectus Regulation. Such a supplement will be subject to approval by the AFM in accordance with Article 23 of the Prospectus Regulation, and will be made public in accordance with the relevant provisions under the Prospectus Regulation. The summary shall also be supplemented, if necessary, to take into account the new information included in the supplement.

Statements contained in any such supplement (or contained in any document incorporated by reference in such supplement) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Prospectus or in a document that is incorporated by reference in this Prospectus. Any supplement shall specify which statement is so modified or superseded and shall specify that such statement shall, except as so modified or superseded, no longer constitute a part of this Prospectus. For the avoidance of doubt, references in this paragraph to any supplement being published by the Company do not include the Pricing Statement.

Investors should also be aware of their rights under Section 87Q(4) of the Financial Services and Markets Act 2000 (the **FSMA**).

### **Notice to prospective investors**

**EXCEPT AS OTHERWISE SET OUT IN THIS PROSPECTUS, THE OFFERING DESCRIBED IN THIS PROSPECTUS IS NOT BEING MADE TO INVESTORS IN THE UNITED STATES, CANADA, AUSTRALIA, SOUTH AFRICA OR JAPAN, AND THIS PROSPECTUS SHOULD NOT BE FORWARDED OR TRANSMITTED IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA, SOUTH AFRICA OR JAPAN.**

*Because of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Offer Shares.*

This Prospectus may not be used for, or in connection with, and does not constitute or form part of any offer or invitation to sell, or any solicitation of any offer to acquire Offer Shares in any jurisdiction in which such an offer or solicitation is unlawful or would result in the Company becoming subject to public company reporting obligations outside the Netherlands.

The Offer and the distribution of this Prospectus, any related materials and the offer, acceptance, delivery, transfer, exercise, purchase of, subscription for, or trade in, Ordinary Shares may be restricted by law in jurisdictions and therefore persons into whose possession this Prospectus comes should inform themselves and observe any restrictions. This Prospectus may only be used where it is legal to offer, solicit offers to purchase or sell, or subscribe for or issue, Offer Shares.

No action has been taken or will be taken in any jurisdiction by the Company, the Selling Shareholders, Foundation Option Plan or the Underwriters that would permit a public offering of the Offer Shares, or the possession, circulation or distribution of this Prospectus or any other material relating to the Company or the Offer Shares, in any jurisdiction where action for that purpose is required. Accordingly, no Offer Shares may be offered or sold directly or indirectly, and neither this Prospectus nor any other Offer material or advertisements in connection with the Offer Shares may be distributed or published, in or from any jurisdiction except in compliance with any applicable laws and regulations of any such jurisdiction. See “*Selling and Transfer Restrictions*”.

Subject to certain exceptions, this Prospectus should not be forwarded or transmitted in or into the United States, Canada, Australia, South Africa or Japan.

### ***United States***

The Offer Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States for offer or sale as part of their distribution and, subject to certain exceptions, may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with applicable state securities laws. The Offer Shares will be offered and sold inside the United States only to persons reasonably believed to be QIBs in reliance on Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act, and outside the United States in compliance with Regulation S. The Offer Shares are not transferable except in accordance with the restrictions described in the section titled “*Selling and Transfer Restrictions*”.

The Offer Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission (the **SEC**), any state securities commission in the United States or any other United States regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the Offer or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

For so long as any of the Offer Shares are “restricted securities” as defined in Rule 144(a)(3) under the U.S. Securities Act, the Company will, during any period in which the Company is neither subject to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the **U.S. Exchange Act**) nor exempt from reporting under the U.S. Exchange Act pursuant to Rule 12g3-2(b) thereunder, make available to any holder or beneficial owner of such restricted securities or to any prospective investor in such restricted securities designated by such holder or beneficial owner, upon the request of such holder, beneficial owner or prospective investor, the information required to be delivered pursuant Rule 144A(d)(4) under the U.S. Securities Act. In addition, until the end of the 40th calendar day after commencement of the Offer, an offering or sale of Ordinary Shares within the United States by a dealer (whether or not participating in the Offer) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another exemption from, or transaction not subject to, the registration requirements under the U.S. Securities Act.

In the United States, this Prospectus is being furnished on a confidential basis solely for the purpose of enabling a prospective purchaser to consider purchasing the particular securities described herein.

The information contained in this Prospectus has been provided by the Company and the other sources identified herein. Distribution of this Prospectus to any person other than the offeree specified by the Company and those persons, if any, retained to advise such offeree with respect thereto, is unauthorised, and any disclosure of its contents, without the Company’s prior written consent, is prohibited.

This Prospectus is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the securities described herein. Investors agree to the foregoing by accepting delivery of this Prospectus.

### ***European Economic Area***

In relation to each member state of the European Economic Area (each a **Member State**), no Offer Shares have been offered or will be offered pursuant to the Offer in that Member State prior to the publication of a prospectus in relation to the Offer Shares which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member

State, all in accordance with the Prospectus Regulation, except that the Offer Shares may be offered in that Member State to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation.

Each person in a Member State who acquires any Offer Shares in the Offer or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the Company, the Selling Shareholders, Foundation Option Plan and the Underwriters that it is a qualified investor within the meaning of the Prospectus Regulation.

The Company, the Selling Shareholders, Foundation Option Plan and the Underwriters and their affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

For the purposes of this provision, the expression an offer to the public in relation to any Offer Shares in any Member State means the communication in any form and by any means of sufficient information on the terms of the Offer and any Offer Shares to be offered so as to enable an investor to decide to purchase, or subscribe for, any Offer Shares.

### ***United Kingdom***

In relation to the United Kingdom, no Offer Shares have been offered or will be offered pursuant to the Offer to the public in the United Kingdom prior to the publication of a prospectus in relation to the Offer Shares which been approved by the Financial Conduct Authority, except that the Offer Shares may be offered in the United Kingdom to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an “offer to the public” in relation to any Offer Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the Offer and any Offer Shares to be offered so as to enable an investor to decide to purchase, or subscribe for, any Offer Shares and the expression **UK Prospectus Regulation** means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

Each person in the United Kingdom who acquires any Offer Shares in the Offer or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the Company, the Selling Shareholders, Foundation Option Plan and the Underwriters and their affiliates that it meets the criteria outlined in this section.

This Prospectus and any other material in relation to the Offer Shares described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this Prospectus relates is available only to, and will be engaged in only with persons in the United Kingdom who are qualified investors within the meaning of article 2(e) of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European (Withdrawal) Act 2018, that are also, who are (i) persons who have professional experience in matters relating to investments falling within the definition of “investment professionals” in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the **Order**); or (ii) high net worth bodies corporate, unincorporated associations and partnerships and the trustees of high value trusts, as described in Article 49(2)(a) to (d) of the Order or (iii) persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of any Offer Shares may otherwise lawfully be communicated or caused to be communicated (all such persons being together referred to in this paragraph as **Relevant Persons**). The Offer Shares are only available in the United Kingdom to, and any invitation, offer or agreement to purchase or otherwise acquire the Offer Shares will be engaged in only with the Relevant Persons. This Prospectus and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other person in the United Kingdom. Any person in the United Kingdom that is not a Relevant Person should not act or rely on this Prospectus or any of its content.

### **Information to distributors in the EEA**

Solely for the purposes of the product governance requirements contained within: (i) EU Directive 2014/65/EU on markets in financial instruments, as amended (**MiFID II**); (ii) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (iii) local implementing measures (together the **MiFID II Product Governance Requirements**), and disclaiming all and any liability, whether arising in tort, delict,

contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Ordinary Shares have been subject to a product approval process, which has determined that such Ordinary Shares are: (a) compatible with an end target market of investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (b) eligible for distribution through all distribution channels as are permitted by MiFID II (the **Target Market Assessment**). Notwithstanding the Target Market Assessment, “distributors” (for purposes of the MiFID II Product Governance Requirements) should note that the price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection, and an investment in the Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer, including the selling restrictions described in “*Selling and Transfer Restrictions*”. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Global Coordinators will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (i) an assessment of suitability or appropriateness for the purposes of MiFID II; or (ii) a recommendation to any investor or group of investors to invest in, purchase, subscribe for, or take any other action whatsoever with respect to the Ordinary Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Ordinary Shares and determining appropriate distribution channels.

#### **Enforceability of civil liabilities**

The ability of certain persons in jurisdictions other than the Netherlands, in particular the United States, to bring an action against the Company may be limited under applicable laws and regulations. At the date of this Prospectus, the Company is incorporated under the laws of the Netherlands and the Managing Directors, and most of the Group’s employees, are citizens or residents of countries other than the United States. Most of the assets of such persons and most of the assets of the Group are located outside the United States. As a result, it may be impossible or difficult for investors to effect service of process within the United States upon such persons or the Company or to enforce against them in United States courts a judgment obtained in such courts. In addition, in the Netherlands, there is doubt as to the enforceability of original actions or actions for enforcement based solely on the federal or state securities laws of the United States or judgments of United States courts, including judgments based on the civil liability provisions of the United States federal or state securities laws.

As at the date of this Prospectus, the United States and the Netherlands do not have a treaty providing for the reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. With respect to choice of court agreements in civil or commercial matters, it is noted that the Hague Convention on Choice of Court Agreements entered into force for the Netherlands, but has not entered into force for the United States. Consequently, a judgment rendered by a court in the United States, whether or not predicated solely upon US securities law, will not be enforceable in the Netherlands. However, if a person has obtained a final judgment without possibility of appeal rendered by a court in the United States which is enforceable in the United States and files their claim with the competent Dutch court, the Dutch court will generally recognise and give effect to such foreign judgment without substantive re-examination or re-litigation on the merits insofar as it finds that: (i) the jurisdiction of the United States court has been based on a ground of jurisdiction that is generally acceptable according to international standards; (ii) the judgment by the United States court was rendered in legal proceedings that comply with the Dutch standards of the proper administration of justice that includes sufficient safeguards (*behoorlijke rechtspleging*); (iii) the judgment by the United States court does not contravene Dutch public policy (*openbare orde*); and (iv) the judgment by the United States court is not irreconcilable with a judgment of a Dutch court or an earlier judgment of a foreign court between the same parties that is capable of being recognised in the Netherlands. Even if such foreign judgment is given binding effect, a claim based thereon may, however, still be rejected if the foreign judgment is not or no longer formally enforceable in the country of origin.

Enforcement of any foreign judgment in the Netherlands will be subject to the rules of Dutch Code of Civil Procedure (*Wetboek van Burgerlijke Rechtsvordering*). Judgments may be rendered in a foreign currency, but enforcement is executed in euro at the applicable rate of exchange. Under certain circumstances, a Dutch court has the power to stay proceedings (*aanhouden*) or to declare that it has no jurisdiction if concurrent proceedings are being brought elsewhere.



A Dutch court may reduce the amount of damages granted by a United States court and recognise damages only to the extent that they are necessary to compensate actual losses and damages.

### **Information regarding forward-looking statements**

This Prospectus includes forward-looking statements. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the Group's control and all of which are based on the Group's current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "aim", "annualised", "anticipate", "assume", "believe", "continue", "could", "estimate", "expect", "goal", "hope", "intend", "may", "objective", "plan", "position", "potential", "predict", "project", "risk", "seek", "should", "target", "will" or "would" or the highlights or the negatives thereof, other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements that reflect the Company's intentions, beliefs or current expectations and projections about the Group's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Group operates. In particular, the statements under the headings "*Summary*", "*Risk Factors*", "*Reasons for the Offer and Use of Proceeds*", "*Dividends and Dividend Policy*", "*Business*" and "*Operating and Financial Review*" regarding the Group's strategy, targets, expectations, objectives, future plans and other future events or prospects are forward-looking statements.

These forward-looking statements and other statements contained in this Prospectus regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the Group. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements. Important factors that could cause the Group's actual results to so vary include, but are not limited to:

- the Group's ability to attract new users, retain existing users and convert free users to paying subscribers;
- unauthorised access to the Group's data or its customers' content, including through privacy and data security breaches;
- any failure to maintain or improve, or any disruption in, the Group's technology infrastructure and the Group's ability to safeguard its data and the data of its users;
- any decline in demand for its creative productivity tools;
- any failure of the Group to attract new advertisers, the loss of advertisers or a reduction in advertisers' budgets; and
- competitive pressures and rapid technological changes, the Group's ability to extend its products or develop new capabilities for its products;
- the Group's ability to maintain, promote and enhance the WeTransfer brand;
- economic and financial conditions in the markets in which the Group operates;
- dependence on third-party data centres and third-party service providers; and
- the Group's ability to maintain its culture, and any loss of senior management and other key personnel.

### **Adverse legal or regulatory developments or changes in accounting standards**

Forward-looking statements in this Prospectus speak only as of the date of this Prospectus. Except as required by applicable laws and regulations, the Group expressly disclaims any obligation or undertaking to update or revise the forward-looking statements contained in this Prospectus to reflect any change in its expectations or any change in events, conditions or circumstances on which such statements are based.

### **Defined terms and language**

Defined terms used in this Prospectus are defined in "*Defined Terms*". This Prospectus is published in English only.

## REASONS FOR THE OFFER AND USE OF PROCEEDS

### Background and reasons for the Offer and the Admission

The Company believes that the Admission and the Offer are a logical next step in its development and that the timing of these steps is appropriate, given its current profile and level of maturity. The Admission provides the Company with access to the capital markets, which it may use to support and develop further growth of the Group and to finance acquisitions of, or investments in, businesses, creative and engineering teams, technologies, services, products, software, intellectual property rights and other assets in the future. The Admission will also further enhance the Company's profile and brand recognition and permit the Group to incentivise past, existing and future management and employees, and to continue to attract talented individuals to join the Group in the future. In addition, the Offer provides the Selling Shareholders and current and former employees of the Group with an opportunity to partially realise their interest in the Company.

### Use of proceeds

The Company will not receive any proceeds from the sale of the Existing Offer Shares and/or the sale of any Over-Allotment Shares by the Selling Shareholders and the sale of the Employee Offer Shares by Foundation Option Plan, the proceeds of which will be received by the Selling Shareholders and Foundation Option Plan (on behalf of current and former employees of the Group, two supervisory directors and a member of the Senior Leadership Team), respectively. The commissions due to the Underwriters will be borne by the Company, the Selling Shareholders and Foundation Option Plan (on behalf of current and former employees of the Group, two supervisory directors and a member of the Senior Leadership Team) *pro rata* to the Offer Shares sold by them in the Offer.

The Company will receive proceeds from the sale of the New Offer Shares. The Company expects that the net proceeds from the Offer (assuming an Offer Price at the mid-point of the Offer Price Range), after deduction of expenses, commissions and taxes for the Offer payable by the Company (estimated to amount to approximately €11 million (of which approximately €6 million has already been paid prior to Settlement)), will amount to approximately €119.5 million.

The Company intends to use €78.5 million of the net proceeds from the issue of the New Offer Shares to support and develop further growth of the Group and to finance acquisitions of, or investments in, businesses, creative and engineering teams, technologies, services, products, software, intellectual property rights and other assets in the future. In addition, assuming the mid-point of the Offer Price Range, the Company intends to settle approximately €17.6 million in aggregate to satisfy the Company's obligations under the management incentive plan of the Company (see "*Management, Employees and Corporate Governance—Long term incentive plans—Management incentive plan*") and to pay Highland €23.4 million in connection with the conversion of the preference shares A (*preferente aandelen*, the **Preference Shares A**) into Ordinary Shares (the **Preference Shares Payment**).

## **DIVIDENDS AND DIVIDEND POLICY**

The Company may only make distributions to its shareholders insofar its equity exceeds the amount of the paid-in and called-up part of the issued capital plus the reserves as required to be maintained by Dutch law. Because the Company is a holding company that conducts its business mainly through its subsidiaries, the Company's ability to pay dividends will depend directly on its subsidiaries' distributions to the Company. The amount and timing of such distributions will depend on the laws of such subsidiaries' respective jurisdictions.

The Management Board, with the approval of the Supervisory Board, determines which part of the profits will be added to reserves, taking into account the financial condition, earnings, cash needs, working capital developments, capital requirements (including requirements of its subsidiaries) and any other factors that the Management Board and the Supervisory Board deem relevant in making such a determination. The part of the profits remaining after the addition to reserves will be at the disposal of the General Meeting. The Management Board, with the approval of the Supervisory Board, makes a proposal for the remaining part of the profits that will be at the disposal of the General Meeting.

Dividend distribution is further summarised in “*Description of Share Capital and Corporate Structure—Shares and share capital—Dividend distributions*”.

### **Dividend history**

The Company was incorporated on 4 May 2010. The Company did not declare or pay any dividend in respect of the years ended 31 December 2020, 2019 and 2018.

### **Dividend policy**

The Company intends to retain any profits to expand the growth and development of the Group's business and, therefore, does not anticipate paying dividends to its shareholders in the foreseeable future.

### **Manner and time of dividend payments**

Payment of any dividend in cash will in principle be made in euro. The Company will, however, have the authority to make distributions in another currency than euro. Any dividends that are paid to shareholders through Euroclear Nederland will be automatically credited to the relevant shareholders' accounts without the need for the shareholders to present documentation proving their ownership of the Ordinary Shares. Payment of dividends on the Ordinary Shares not held through Euroclear Nederland will be made directly to the relevant shareholder using the information contained in the Company's shareholders' register and records.

See “*Description of Share Capital and Corporate Structure—Shares and share capital—Dividend distributions*” for information on the provisions of Dutch law and the Articles of Association on dividend distributions.

### **Uncollected dividends**

A shareholder's claim to payment of dividend lapses five years after the day on which the claim became payable. Any dividends that are not collected within this period revert to the Company.

### **Taxation**

The tax legislation of the shareholders' Member States or other relevant jurisdictions and of the Company's country of incorporation may have an impact on the income received from the Ordinary Shares. See “*Taxation*” for: (i) an overview of the material Dutch tax consequences of the acquisition, holding, settlement, redemption and disposal of Ordinary Shares; and (ii) certain United States federal income tax consequences of the ownership and disposal of the Ordinary Shares acquired in the Offer to US Holders and Non-US Holders (each as defined below).

Dividend payments are generally subject to withholding tax in the Netherlands. See “*Taxation—Taxation in the Netherlands—Dividend withholding tax*” for a discussion of certain aspects of taxation of dividends in the Netherlands.

## BUSINESS

### Overview

The Group provides a vertically-focused suite of creative productivity tools specifically designed to enable creative professionals to inspire, conceive, share and deliver their work, enabling collaboration, co-creation and client management along the creative process. The Group believes that it is seen as a trusted and authentic brand built for creatives by creatives, which fosters deep collaboration within the creative community, while sponsoring a wide range of initiatives to support artists and social causes. In addition to serving the creative industry, the Group's product suite is used across a variety of adjacent verticals, such as architecture, engineering and other verticals.

The creative process has evolved to become a highly collaborative endeavour requiring creative professionals and their clients to work together across the journey. This has led to an increasing amount of digital content, virtual collaboration, and freelance relationships shaping the future of creative work, which has been further accelerated by the COVID-19 pandemic. The Group believes that the tools used by the creative industry for productivity and collaboration are fragmented and lack interoperability. This causes friction across the creative workflow, leading to application sprawl for both individuals and businesses and making it challenging to effectively coordinate workflows, collaborate and share. The Group is aiming to address these challenges for creatives by enhancing its product offering across the creative workflow, focusing on productivity, collaboration, and sharing.

The Group has a differentiated freemium revenue model benefitting from monetising its entire user base. The Group offers its tools under a freemium model, with additional value-add capabilities included in the paid subscription. In addition, the Group generates revenue by selling advertising on the Group's web-based Transfer tool. This model has enabled the Group to combine growth with profitability at scale and with global brand recognition. The scale of its business is evidenced by the 87 million monthly active users, in 190 countries, and approximately 387,000 paying subscribers, who together transfer approximately 2 billion files per month (as at 30 September 2021). The Group generated total revenue in the year ended 31 December 2020 of €65 million, representing a compound annual growth rate between 2018 and 2020 of 31% (an increase of 31% at constant currency), an adjusted gross margin of 83.5% in the year ended 31 December 2020, and the Group has been profitable on an Adjusted EBITDA basis since 2013.

### Product Offering

The Group has one core product offering and two complementary products:

1. **WeTransfer** is an integrated ecosystem for creatives to seamlessly ideate, collaborate and share their work with both clients and co-creators across the creative workflow.
2. **WePresent** is an online media platform featuring work from creators across the globe, where readers find inspiration or share their ideas.
3. **Paper** allows users to sketch, collage, paint, and draw and bring their creative ideas to life.

The tools and key capabilities within the Group's core product offering, WeTransfer, include the following:

- **Transfer** enables users to send, store and track large files with ease in a simple and user-friendly way. The Group built Transfer, its core file sharing tool, specifically for creatives to share files with clients as well as with collaborators throughout the creative process. Users simply drag and drop files or folders into the Transfer desktop web application or the WeTransfer mobile application and share them with their clients or collaborators via a unique link or email.
- **Teams** allows users to collaborate across tools and helps teams to be in sync with one another, including for the delivery of creative ideas.
- **Portals and Reviews** enables creatives to organise their work by keeping track of all the creative work they deliver, and simplifies the client or collaborator review process. These capabilities allow creative professionals to manage multiple client projects and provide their clients with a single destination to view, and to give and receive feedback on iterations of creative work.
- **Collect** enables users to collect, store and share inspirational and rich media content in a variety of formats including images, music and videos. Designed for the creative professional, Collect is a tool that makes it easy to save, organise, and share inspiration in one place and enables users to visually

organise their ideas into mood boards and share links with teams for review and editing. Collect is a powerful, easy-to-use mobile and web reference repository.<sup>1</sup>

- **Paste** is a collaborative presentation tool with intelligent design features for modern, fast-moving, creative teams. Paste helps users create and format beautiful presentations by automating the slide design and formatting processes in real-time, enabling fast iterations and professional delivery. Users can easily drag and drop content into Paste's reactive slides and watch work snap into place as Paste automatically adjusts formatting. Paste also adopts the user's corporate brand – font, colours and watermarks – to generate sophisticated and on-brand templates for the team. Built-in collaboration features make it easy for users to collectively view, edit and comment on slides, enabling seamless collaboration throughout a project.<sup>2</sup>

Earlier in 2021, the Group took an important step on its journey towards a singular customer-centric creative suite by bringing its established tools, Collect, Paste, and WeTransfer closer together as a single commercial bundle in WeTransfer Pro.

In January 2022, the Group launched WeTransfer Premium, a new paid tier, which builds on the Group's existing product suite, WeTransfer Pro. WeTransfer Premium offers a series of additional capabilities, including Portals and Reviews, which were successfully rolled out under a beta label in October 2021. WeTransfer Premium represents the next step in the ongoing evolution of the Group's offering and offers an integrated ecosystem for creatives to seamlessly ideate, collaborate and share their work with both clients and co-creators across the creative workflow. It also enhances the Transfer offer with unlimited transfer size capability, removing the 200 GB constraint offered previously and currently on the WeTransfer Pro tier. Moreover, as an overall platform expansion of the Group's current Paste and Collect mobile offering, the Group launched WeTransfer mobile on iOS (an application for the WeTransfer product) in October 2021, which allows users to preview, send and receive assets, and grants access to the Portals and Reviews capabilities. The enhanced value proposition encapsulated in WeTransfer Premium provides the Group with a monetisation opportunity beyond the prior two-tier offering (WeTransfer Free and WeTransfer Pro). With the addition of WeTransfer Premium, the new three-tier offering provides a path to upsell new capabilities and additional utility to existing users, and to support retention through higher product engagement.

The Group's tools and key capabilities are offered through the three pricing tiers shown in the graphic below:

<b>Price Tiering to Drive Conversion &amp; Upsell</b>			
	<b>WeTransfer Free</b>	<b>WeTransfer Pro</b> €12 per user, per month €10 per user, per month, p.a.	<b>WeTransfer Premium</b> €23per user, per month €19per user, per month, p.a.
<b>Transfers</b>	2 GB limit per transfer No storage	200 GB limit per transfer 1 TB Storage	Uncapped transfer Unlimited Storage
<b>Teams</b>	None	Shared transfer list Centralised billing & account management	Shared transfer list Centralised billing & account management
<b>Portals &amp; Reviews</b>	None	1 Client Portal	Unlimited client portals
<b>Paste</b>	3 decks	3 decks	Unlimited decks
<b>Collect</b>	Device-only access	Device-only access	Syncing across all devices

<sup>1</sup> The Group intends to discontinue its current Collect mobile subscription as a stand-alone offering in the future.

<sup>2</sup> Paste is no longer sold individually, only through the Group's WeTransfer Pro and WeTransfer Premium tiers.



**WeTransfer Free** is available to users at no cost. Users have the ability to send up to 2 GB per transfer, and have device-only access to Collect boards and access to three presentation decks in Paste. Users can access WeTransfer Free either anonymously or by registering a free account.

**WeTransfer Pro** provides users with more capabilities and features including, but not limited to, the ability to send up to 200 GB per transfer—one hundred times the file size offered by the free service—and add personalised branding to each transfer. A WeTransfer Pro account provides users with 1 TB of storage and the flexibility of custom expiration dates of transfers. WeTransfer Pro subscribers can also track how many times transfers are downloaded and can store transfers so files can be re-sent, forwarded or deleted. Access can also be tightly controlled by setting passwords on transfers. WeTransfer Pro subscribers will be able to access the Teams capabilities, including a shared transfer overview and centralised billing and account management. WeTransfer Pro subscribers can create one client portal, as part of the new capability, Portals and Review. WeTransfer Pro subscribers also have device-only access to Collect boards and access to three presentation decks in Paste. Furthermore, users will be able to access WeTransfer mobile on iOS, allowing users to preview, send and receive assets, and granting access to the Portals and Reviews capabilities.

**WeTransfer Premium** gives users access to the full capabilities and functionality including everything offered in the WeTransfer Pro tier but without constrained access: uncapped transfers, unlimited storage, unlimited client portals in Portals and Reviews, unlimited Paste decks, unlimited Collect boards, and syncing across all devices.

The Group has benefited from primarily organic ecosystem growth since its inception. As users share content and collaborate through the Group's suite of tools, they introduce and invite new users, driving viral growth. The inherent virality of the Group's tools is one of its biggest strengths and has historically been the main driver of product adoption and low cost of user acquisition.

## **Fragmentation of the creative industry**

### ***Limitations of traditional approaches***

The creative industry value chain is inherently fragmented and often requires collaboration and alignment among multiple independent teams or individual professionals, who each may be responsible for different stages of a creative process. Due to the fragmentation in the current tools used by creative professionals, these teams and professionals, particularly freelancers, often lack a uniform working environment. They use tools that have grown to address each problem individually and lack operability, making it challenging to effectively coordinate workflows, collaborate and share content. This problem is amplified by the lack of integrated tools focused on the whole creative process. According to industry research, 53% of creators struggle to keep track of all the tools and platforms they use to align with stakeholders and 75% of creators believe their productivity would increase if they had access to the “right” tools. As a result, the tools currently used by creatives vary widely and lack interoperability, causing friction across the creative value chain, teams and stakeholders.

Creatives face an increasing number of challenges to frictionlessly prepare and share their work. Internal and external content sharing with traditional tools is tedious and time consuming and existing tools do not provide sufficient support for individuals and teams to collaborate throughout the creative journey. The fragmentation of creative tools means that there is currently no “one size fits all” solution. Further, most existing solutions lack interoperability and are not specifically designed for companies or creatives who need to make their brand stand out from the crowd and who may lack the resources of “large businesses” to do so.

### ***The WeTransfer solution***

The Group addresses challenges caused by a fragmented workflow for creatives. The Group operates in a differentiated space, providing a simple and intuitive ecosystem for creative professionals to inspire, conceive, share and deliver their work. While many of the Group's competitors serve only certain parts of the creative workflow or provide pinpoint solutions for various use cases, the Group's suite of creative solution tools allows users to organise, collaborate and share images, videos, documents, and photos at all times throughout the creative process and a unified way to collaborate with teams and stakeholders in the physical and/or virtual workplace.

## **The Group's competitive strengths**

### ***The Group's vertical focus is a strong and sustainable source of competitive advantage***

WeTransfer was conceived and founded by creative professionals for creative professionals over ten years ago. Since then, it has been developed further by creative professionals to provide a more comprehensive product offering specifically focused on creatives.

This clear focus on the creative vertical has allowed the Group to establish itself as a trusted, authentic brand, which is especially critical for freelance professionals and small and medium-sized businesses in the creative sector for whom the brands they use form part of their own identification and positioning.

Its vertical focus has also allowed the Group to develop its original WeTransfer offering into a leading creative delivery tool by focusing on the specific needs of creative professionals, such as impactful, smooth and frictionless delivery, which is critical when sharing creative assets and the Group believes significantly differentiates WeTransfer from alternative file transfer services.

Furthermore, this deep relationship with the creative vertical allows the Group to better understand—and anticipate changes in – the needs of creative professionals, and address those needs by continuously enhancing its proposition, as it has done with the development of WePresent and Collect, the acquisitions of Paste and Paper, and the introduction of the WeTransfer mobile application, and the addition of the Teams and Portals and Reviews capabilities to its offering to create an interoperable suite of tools that helps creatives manage various stages of the creative process.

As creative professionals recognise the Group's clear focus and trust its brand, they are more likely to try and utilise the tools and capabilities that the Group introduces. Furthermore, the Group believes that they are more likely to engage and provide feedback on new features, thus creating a positive feedback loop that allows the Group to continuously enhance its offering for creative professionals.

Lastly, its focus on the creative segment has allowed the Group to attract a distinguished customer base of premium brands to its advertising platform, which not only generates highly attractive and repeat revenues, but also serves to enhance the user experience of the Group's products, thus further strengthening its attractive and distinct position within the creative landscape.

The Group's focus on enabling and fostering creative productivity has resulted in the accumulation of a large and growing user base, with over 87 million monthly active users around the world, consisting of a wide variety of professionals in the creative and adjacent industries including visual and digital arts, marketing and multimedia environments, amongst others, creating massive potential for increasing conversion to paid subscribers.

### ***The Group has a large and growing market opportunity***

The Group benefits from multiple social, business and technological megatrends, which create a favourable market environment that supports its growth trajectory. These global megatrends impacting the global creative industry, which has a market size exceeding US\$2 trillion, include, amongst others:

- *fast digitalising industry*: the creative industry is constantly changing, creating new formats with deeper digitalisation, and developing new ways of collaboration;
- *creative content is exploding*: the digitalisation of the creative industry has led to an explosion of creative content, driving the need for collaboration tools for creators. The market for global digital content is expected to grow at a compound rate of 12%, reaching US\$38 billion by 2030; and
- *virtual collaboration and freelance shaping the future of work*: in addition to the rapid growth in freelance workers, COVID-19 has drastically accelerated the shift to remote work. This has resulted in greater digital collaboration needs with a focus on virtual workspaces and increasing emphasis on home office options for the future. As of 2020, approximately 47% of organisations are expected to allow working remotely full-time and 75% of workers stated a preference for a mixture of office and remote working.

Alongside the increasing need for collaboration software comes the rapidly increasing number of productivity applications. This fragmentation, combined with the lack of interoperability of current tools used by creative professionals, leads to friction in the creative workflow, between project collaborators, freelancers and clients. With an annual increase of 36% in productivity applications, representing an annualised 8% quarterly growth for

the Apple App Store as of the fourth quarter of 2020, the Group believes there is demand for an interoperable product suite that is cohesive across the creative process. 75% of creative professionals believe their productivity would increase if they had access to better tools and 86% want a cohesive solution to help them do their jobs. By addressing this need for cohesive creative collaboration and productivity tools, the Group's product offering presents a solution.

Management believes that the Group's ability to solve the needs of creative professionals positions the Group well to benefit from a large and growing market opportunity. The Group estimates that the global serviceable addressable market for the Group's suite of tools was approximately US\$66 billion in 2021, increasing to US\$77 billion by 2024 supported by an increase in the estimated free to paid conversion rate at a CAGR of approximately 21% between 2021 and 2024.

### ***The Group has a trusted, authentic brand instilling a sense of community***

The Group believes that among its users, especially in the creative community, it is seen as a trusted and authentic brand which is underpinned by three key elements: (1) the focus on creativity, (2) being a purposeful business and (3) instilling a sense of community among its users and employees.

The strength of the Group's brand is evidenced by its Net Promoter Score of 80, as at February 2021, scoring above several well-known consumer facing technology companies as well as many other companies which provide creative output or productivity improvement software tools. The Net Promoter Score is an index ranging from -100 to 100 that measures the willingness of customers to recommend a company's products or services to others. It is used as a proxy for gauging the customer's overall satisfaction with a company's product or service and the customer's loyalty to the brand. The Group also annually consults with thousands of people about their creative ideas and the creative environment to publish its Ideas Report, which provides a range of insights from all over the globe about the unpredictable nature of creativity.

The Group maintains a relationship with the creative community through WePresent, its online medium for the creative community with approximately three million monthly readers, which showcases curated content to inspire readers and provide them with a forum to connect and express themselves. Collaborating with emerging young talent and renowned artists, WePresent showcases art, photography, film, music, literature and more, and champions diversity. The appeal of the Group's brand to the creative community is evidenced by multiple testimonials from well-known creative celebrities who use the Group's tools. Furthermore, 46% of the Group's users perceive the Group's brand as creative, above many other companies that provide creative output or productivity improvement software tools, further highlighting the Group's focus on creativity.

The Group's business and brand are underpinned by the Group's commitment to the community and being a force for good—one of reasons the Company's subsidiary, Wetransfer B.V., became a Certified B Corporation and why environmental, social, and corporate governance issues are not only part of the Group's DNA but also drivers of success. This designation indicates high environmental, social and legal standards, verifying the Group's ambition to strengthen its values-driven approach to responsible technology and business.

The Group's employees are an important asset with approximately 50% of employees identifying as creatives. Additionally, the Group strives to foster a collaborative, inclusive, productive and fun work environment. The Group is proud to have a diverse workforce across its 293 employees as at 31 December 2021, with employees from over 40 different nationalities and more than 50% of employees made up of underrepresented groups in the tech industry.

### ***The Group has a differentiated vertically-focused offering across the creative process***

The Group's differentiated vertically-focused SaaS offering covers the key pillars of creative productivity: creative review, creative delivery, and creative project management. Its vertical focus differentiates the Group's offering from more general or horizontal productivity tools that the Group believes fail to address the specific needs of creative professionals. The Group's offering is also differentiated in that it focuses on solving numerous creative productivity needs, rather than just creating or designing an asset. Lastly, the Group's offering is format-agnostic, allowing it to work seamlessly with other software tools that creative professionals and their clients use.

Due to its distinct impactful delivery capabilities and strong user experience, as well as its well-recognised brand, the Group's core Transfer tool, which is part of its WeTransfer Pro offering, has been a leading creative delivery tool used by creative professionals for over a decade. The Group's WeTransfer Pro offering enables users to

deliver their creative assets in a unique branded environment. As a result, the number of paid subscribers for the Group's WeTransfer Pro pricing tier has grown at a compound annual growth rate of 32% from December 2018 to September 2021, and the Group has approximately 387,000 paying subscribers as of 30 September 2021. With the recent enhancement of its suite of tools by adding greater team collaboration options, the launch of Portals and Reviews, the launch of the WeTransfer mobile application and single sign-on across its tools, the Group has expanded its relationship with its user base, as evidenced by the fact that the new WeTransfer iOS mobile application was downloaded over 900,000 times in the first month following its launch in October 2021.

With the January 2022 launch of the WeTransfer Premium tier, which combines the Group's most comprehensive offering across its tools and capabilities in an integrated ecosystem, the Group will start monetising these additional features with a higher pricing tier. By offering users to move a larger part of their workflow to the Group's expanding ecosystem, its value proposition is further enhanced, resulting in a deeper and more frequent engagement with users, which in turn enables monetisation opportunities through higher conversion and increased upselling capabilities.

The Group is continuously iterating and improving its offering by adding additional features and functionalities for creative review, creative delivery, and creative project management to further strengthen its proposition for creative professionals. Furthermore, the Group intends to further expand its offering by adding further co-creator collaboration options as well as introducing tools and capabilities to support some of the common back-office tasks creators face today. This will open opportunities for further growth, even deeper user engagement and wider footprint across the creative ecosystem.

***The Group has a highly differentiated ad business that specifically reaches creative professionals and generates high quality revenue***

The Group's advertising proposition (WeTransfer Advertising) is centred around its differentiated wallpaper format, which offers a combination of exclusivity and brand security, which are important attributes for brands. Wallpapers are full-screen digital billboards, taking a 100% share of the page. This format offers advertisers a combination of exclusivity and brand safety—there is no risk of being associated with any unwanted content—while resonating exceptionally well with creative professionals. This differentiated format is further enhanced by a high level of advertising curation. The Group collaborates deeply with its advertising customers, and all wallpapers are created, and often conceptualised, by the Group's in-house creative studio design team, further enhancing its unique format.

The Group believes its key differentiators include its ability to reach creative professionals, an influential and highly sought-after audience by advertisers, that is hard to reach through other marketing channels. The WeTransfer brand resonates among creative professionals thanks to its strong association with creativity. The Group believes that the power of its brand, as evidenced in its Net Promoter Score of 80, is also one of the reasons brands partner with the Group.

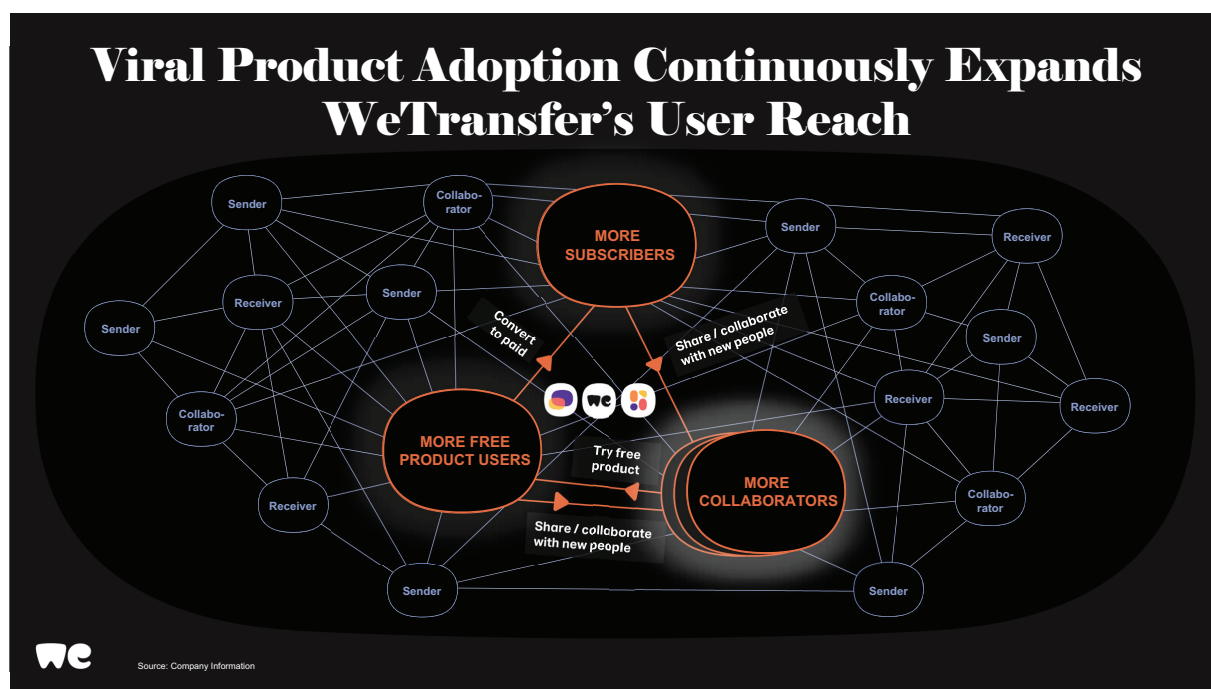
The combination of the differentiated advertising format, its creative and customised advertising content, and the Group's audience of creative professionals positively impacts user engagement with the Group's wallpapers and associated campaign metrics. The Group believes this format resonates well with the Group's audience of creative professionals as well as advertising brands. As such the unique and curated advertising format is an integral part of the impactful creative delivery solution, making the Group's proposition more attractive to creative professionals.

As a result, the Group observes a high degree of customer loyalty, resulting in a 65% repeat advertising revenue in the nine months ended 30 September 2021 as well as sustained above-market growth of its advertising revenue at a compound annual growth rate of 27% from 2018 to 2020. Resilience and diversification of the Group's advertising revenue is highlighted by its performance through the COVID-19 pandemic, with 8% growth in 2020 despite the impact of the COVID-19 pandemic on global advertising budgets and 113% growth in the nine months ending 30 September 2021, compared to the nine months ending 30 September 2020. For a definition of repeat advertising revenue, see "*Important Information—Definitions of other operating measures—Repeat advertising revenue*".



***Viral product adoption combined with revenue maximising business model resulting in highly profitable growth and vast potential for further growth***

The Group already has a significant user base of 87 million monthly active users as of 30 September 2021 and is among the 125 most visited websites in the world, primarily driven by the viral adoption of its products. Through its integrated suite of tools these users can share files or collaborate with third parties outside of the Group's ecosystem. These third parties, if unaware of the Group's offering, are then exposed to the Group's tools and may in turn become its users. These users can share further files or collaborate through the Group's tools with new third parties, who then potentially become part of the Group's product ecosystem. This viral model is further enhanced by the ease-of-use of the Group's tools and the word-of-mouth effect from social media endorsements of its users, including numerous celebrities in the creative community. The Group expects that the virality of its products will continue to drive future growth in the number of monthly active users over time. The viral product adoption of the Group's offering is illustrated in the graphic below:



Given its viral adoption model and its ability to organically convert free users to paid subscription users, the Group has historically realised a highly attractive LTV to CAC ratio. See “*Operating and Financial Review—Comparison of average customer acquisition cost and lifetime value*”. In addition, the Group monetises its user base through its advertising product.

The Group's 87 million monthly active users provide a massive pool of potential customers for the Group's paid subscription products. As of 30 September 2021, 25 million of its users are registered, allowing the Group to more effectively target these users to further enhance conversions.

***The Group has a strong track-record of delivering growth***

Over the three years, from 2018 to 2020, the Group has demonstrated consistent growth, with revenue growing at a compound annual growth rate of 31%. This growth was driven by increasing subscription revenue, which grew at a compound annual growth rate of 35% as well as increased advertising revenue which grew by 49% in 2019 and 8% in 2020, despite the impact of the COVID-19 pandemic on global advertising budgets. In the financial year ended 31 December 2020, 78% of the Group's revenue was re-occurring in nature, either stemming from open-ended subscription contracts or long-term advertising clients. The revenue growth from 2018 to 2020 was achieved by the Group with minimal investment into growth marketing initiatives. Total revenue was €72.0 million for the nine months ending 30 September 2021, representing an increase of 64% compared to the nine months ending 30 September 2020 (an increase of 68% at constant currency), and 80% of that revenue was re-occurring. Total revenue from subscriptions was €31.5 million for the nine months ending 30 September 2021, representing an increase of 26% compared to the nine months ending 30 September 2020 (an increase of 30% at constant currency).

***The Group has a high-calibre management team, instilling company culture and driving sustainable value creation***

The Group has attracted a high-calibre and highly experienced management team. The seven-person executive team has, collectively, over 100 years' experience in the creative and technology industries, including highly relevant experience in building and scaling subscription-based software businesses. The management team is supported by a highly experienced supervisory board with a diverse range of relevant expertise.

The management team has been instrumental in fostering the Group's creative, diverse and entrepreneurial culture and instilling a sense of community and purpose.

**The Group's growth strategy**

***Continue to develop the product ecosystem***

The Group intends to strengthen its current offer and further develop new creative productivity capabilities for teams and individual users across the broader spectrum of the creative journey. The Group will continue to improve its offer in the key pillars of creative productivity: creative review, creative delivery, and creative project management, and will naturally expand across the creative journey by enabling deeper co-creator collaboration options, as well as supporting some of the common back office tasks creators face today. Additionally, the Group may accelerate the development of its product suite offering by pursuing inorganic opportunities, including acquiring businesses which provide complementary products and capabilities. The Group has a proven track record of acquiring and integrating businesses, most recently Paper and Paste in 2018, and may opportunistically use bolt-on investments in businesses, creative and engineering teams, technologies, services, products, software, intellectual property rights and other assets in the future, to augment the team, accelerate product development and pursue opportunities for extended use case features in the future.

***Introduction of a WeTransfer Premium to drive conversion and upsell***

The Group aims to increase engagement and drive subscriber conversion, including from its existing 87 million monthly active user base, and upsell through the introduction of a new subscription offering, WeTransfer Premium. The Group believes that WeTransfer Premium significantly enhances the value proposition of the Group's offering as it provides an unlimited access to our product offering as an integrated, interoperable suite for creatives to seamlessly ideate, collaborate and share their work with both clients and co-creators across the creative workflow. The Group believes this will support increased user engagement, conversion, retention and upsell.

To maximise the adoption of the Premium tier amongst its existing Pro user base, the Group has made the strategic decision to offer full Premium tier functionality without any increase in price for a period of six months, after which users will be offered the option to either subscribe to the Premium tier or revert back to the Pro tier.

***Accelerate growth through increased marketing efforts***

The Group plans to supplement its organic customer acquisition with investments in various marketing initiatives, aimed primarily at driving higher conversion. The Group has a multi-pronged marketing strategy focused on further optimising profitable performance marketing to drive both acquisition of free users and conversion of free users to paying subscribers through paid marketing channels, cross promotion of the Group's pricing tiers via its owned digital billboard-style advertising inventory and email marketing to inform and engage users about the added functionality within these tiers. The Group intends to continue to invest in performance marketing initiatives.

***Expand, optimise and grow premium advertising platform***

The Group intends to continue to leverage and grow its premium advertising platform by expanding supply, optimising inventory utilisation and growing demand with both existing and new accounts. Near-term growth opportunities include, but are not limited to, optimisation of ad rotations, enhanced audience research and insights and the use of first-party data. Additional levers to sustain growth include new advertising products, introducing new models and expanding into new platforms such as mobile.

***Further penetrate and expand the target addressable market***

The Group defines its current addressable market around creative professionals and creative teams, including a wide range of stakeholders and collaborators. While the Group is on track to become an enabler for the creative community, over time it plans to further expand its addressable market by addressing adjacent user verticals,

such as architecture, construction, engineering, legal, education, coaching and sales amongst others. The Group also intends to expand its footprint across currently under-penetrated and under-monetised geographies, notably within Latin America and Asia Pacific.

### Medium-term financial objectives

The Group has established the medium-term financial objectives as set out below to measure its operational and managerial performance and which it aims to achieve by executing its strategy as set out under “—Strategy”. These financial objectives are the Group’s internal objectives for revenue growth, Adjusted EBITDA growth and cash conversion (in %) for the medium-term. Adjusted EBITDA and cash conversion (in %) are defined in “Important Information—Presentation of financial and other information—Definitions of Non-IFRS Measures and other operating measures”. The Group has not defined and does not intend to define “medium-term”.

The Group’s medium-term financial objectives should not be read as forecasts, projections or expected results and should not be read as indicating that the Group is targeting such metrics for any particular year, but are merely objectives that result from the Group’s pursuit of its strategy. The Group’s ability to achieve any of these financial targets is based, among on things, on the assumption that the Group will be successful in implementing its strategy (although the Subscription ARPU impact from WeTransfer Premium has not been taken into account) and is inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Group, and upon assumptions with respect to future business decisions that are subject to change. As a result, the Group’s actual results will vary from these financial targets, and those variations may be material. Many of these business, economic and competitive uncertainties and contingencies are described in the section of this Prospectus entitled “Risk Factors”. The Group does not intend to publish revised financial targets to reflect events or circumstances existing or arising after the date of this Prospectus or to reflect the occurrence of unanticipated events. The financial targets are forward-looking statements and should not be regarded as a representation by the Group or any other person that the Group will achieve these targets in any time period. Readers are cautioned not to place undue reliance on these financial targets. See “Information regarding forward-looking statements”.

Subject to the above, the Group is targeting the following for purposes of measuring operational and managerial performance:

- The Group is targeting the following for 2022:
  - In the first half of 2022, subscription revenue growth in the mid-teens, with the impact of its marketing efforts linked to WeTransfer Premium expected to be realised in the second half of 2022, resulting in full-year subscription revenue growth in the low- to mid-twenties.
  - Advertising revenue growth in 2022 in the mid-twenties, with year-on-year growth higher in the first half of the year. The Group expects growth in advertising revenue in the three months ended 31 March 2022 as compared to the three months ended 31 March 2021 to be in the high-fifties, which the Group expects to moderate during the rest of the year as compared to the higher results in the previous year.
- The Group is targeting the following medium-term objectives:
  - Annual revenue growth in the high-twenties in the medium-term, with the share of subscription revenue in the low-forties.
  - Adjusted EBITDA margin to increase gradually towards the mid-twenties over the medium-term, as the business benefits from operating leverage.
  - Cash conversion to be in line with historical levels in the medium-term.

### History

#### 2009—Founder story

- The Group is founded by Bas Beerens and Ronald Hans (also known as Nalden, (**Nalden**)) in 2009 in Amsterdam as a simple way to send big files around the world and pioneering a non-intrusive form of advertising designed as big, full-screen billboard-style advertisements, referred to as Wallpapers.
- WeTransfer is born out of design-driven businesses, including Oy, Bas Beerens’ design studio, and Present Plus, founded by Damian Bradfield and Nalden, which is later acquired by WeTransfer in 2016.

- The Group's file-sharing tool was first created as a fix to the problem the founders faced, as designers and creatives, of being able to send large, design-heavy files over the internet, before it is marketed externally. From day one, the business prioritised user experience and making its tools frictionless and unobtrusive.

## **2010—Growth**

- Within three months of launch, WeTransfer is used in 187 countries around the world.
- Damian Bradfield joins WeTransfer as Chief Strategic Officer and later becomes Chief Creative Officer.

## **2012—Introduction of WeTransfer Plus**

- WeTransfer Plus (rebranded to WeTransfer Pro in 2019)—a premium service for bigger files, extra storage, and personalisation features, giving subscribers the ability also to password-protect files.

## **2013—Profitability**

- The business reaches the milestone of two million daily transfers and becomes profitable (on an Adjusted EBITDA basis).

## **2014/2015—Series A and Transfers**

- In 2014, the Group raises a Series A funding round with, and grants a further investment option to Highland Europe in aggregate of approximately US\$25 million of primary and secondary capital. In 2015, the Group handles over a billion transfers annually—or, on average, 30 transfers per second.

## **2016—US expansion**

- The Group announces the acquisition of the digital design and innovation studio Present Plus, originally co-founded by Damian Bradfield and WeTransfer co-founder, Nalden. The Group expands into the US, opening an office in Los Angeles and giving US students WeTransfer Plus for free.

## **2017—New CEO is appointed**

- Gordon Willoughby joins WeTransfer to become Chief Executive Officer, leading the Group on the next stage of its growth as Bas Beerens steps back from day-to-day operations and becomes Executive Chairman.

## **2018—New tools, Growth of US presence**

- In 2018, WeTransfer adds two new tools to its portfolio by acquiring the popular creative apps Paper and Paste from New-York based FiftyThree Inc., expanding its presence in the United States to New York City.
- The Group launches bespoke editorial platform, WePresent, to tell unexpected stories about creativity.

## **2019—Funding round**

- The Group raises a Series B funding round with HPE Growth leading €35 million all-secondary round.
- Jonne de Leeuw, of HPE, replaces WeTransfer co-founder Nalden on the Supervisory Board, joining Bas Beerens (Founder), Irena Goldenberg (Highland Europe) and Tony Zappalà (Highland Europe).
- The Group is named by Fast Company as one of the most innovative design companies in the world.

## **2020—B Corp certification**

- The Company's subsidiary, Wetransfer B.V., becomes a Certified B Corporation, verifying the Group's track record of success in meeting the highest standards in balancing profit and purpose across social and environmental performance, transparency, governance, and accountability.
- Senior appointments—Martha Lane Fox, co-founder of lastminute.com is appointed Chair of the Company's Supervisory Board and Erik Huggers as member of the Supervisory Board. The Group announces two key additions to its executive leadership team with the appointment of Melissa Nussbaum as Chief Financial Officer and Alexandar Vassilev as Chief Product and Technology Officer.

## **2021—WeTransfer's Supporting Act Foundation**

- WeTransfer's Supporting Act Foundation (as defined below) is incorporated to develop and support education in the field of art and culture, as well as to develop and execute initiatives, activities and projects to support students, talented creators, organisations and institutions in the field of art and culture.

## **2022—Introduction of new-tiered subscription, WeTransfer Premium**

- The Group introduces WeTransfer Premium, a third pricing tier, which the Group believes will further support users as they create, collaborate and share ideas and content.

### **The creative ecosystem**

The Group provides a vertically-focused suite of creative productivity tools for creative professionals to inspire, conceive, share and deliver their work; streamlining the process with beautifully simple tools that give them time back to focus on their craft. The Group's product development roadmap supports this by focusing on developing new features specifically across three areas: creative project management, creator collaboration and the creative back office. While many of the Group's competitors and other members of the creative productivity ecosystem serve only certain parts of the value chain or provide point solutions for various use cases, the Group's offering allows users to save, organise, visualise, collaborate and share ideas and assets throughout the creative workflow, to collaborate with teams and stakeholders, and more effectively manage external client relationships.

The Group's integrated and interoperable ecosystem covers the creative workflow, from inspiration and conception, to co-creation, to delivery and storage and finally client management. Creators can save, organise and share content that inspires them, such as images, videos, songs or links with Collect. Paper can be used as an intuitive multi-function tool to easily sketch, collage, paint and draw, thereby bringing creative ideas to life. Paste offers a collaborative solution to simply turn ideas into beautiful presentations and get stakeholders on the same page. In addition, it allows creators to create, design and format presentations and collaborate on slides simultaneously. The Transfer tool provides an effortless and professional way to share content and deliverables with colleagues, clients or other users, thus enhancing collaboration between creators and their stakeholders. Finally, WePresent is an online medium platform for the creative community that showcases curated content to inspire readers and provides them with a forum to connect and express themselves, in addition to finding inspiration and sharing ideas.

### **Users: the creative professionals**

The Group has users of all sizes, ranging from individuals to teams at small businesses and Fortune 100 companies. The Group defines its current addressable market to include individual creative professionals and their teams, including a wide range of stakeholders and collaborators such as web and graphic designers, musicians, sound producers, videographers and photographers. While the Group is on track to become an enabler for the creative industry by building-out a value-add ecosystem that connects all creative stakeholders, it plans to expand its total addressable market to other industries with adjacent use cases, such as architecture, real estate, engineering, and to law or education. The Group categorises its users into three main groups: anonymous users, users with a free account, and paying subscribers. The Group defines subscribers as a user with access to a paid version of WeTransfer Pro.

The Group benefits from a viral network effect, as growth in the number of WeTransfer users drives further adoption of its products and has fuelled its growth on a global scale. The Group's users often come to its ecosystem through word-of-mouth recommendations and through receipt of file transfers, reflecting the quality of its offering and the viral distribution effect. Users often share and collaborate with third parties outside the Group's product ecosystem, attracting new signups and driving an increase in both free users and paying subscribers.

As at 30 September 2021, the Group had a significant user base of 87 million monthly active users, and approximately 387,000 paying subscribers globally (of which approximately half are on annual contractual terms). Since the Group introduced free accounts in March 2020, approximately 25 million free accounts have been registered, with an average monthly growth of 10% between September 2020 and September 2021, which indicates the depth of the potential conversion opportunity and potential subscriber base. For the year ended 31 December 2020, subscription revenues, of which WeTransfer Pro was the largest contributor, accounted for 53.3% of total revenue generated.

### **Advertisers and brands**

The Group provides advertisers with access to a user base of creative professionals, a valuable highly sought-after audience, through the Transfer desktop web application, available across the Group's three-tier offering. The Group believes that advertisers value members of the target audience for their appreciation of attractive



advertising, their reputation as “early adopters” of trends and brands and their ability to influence consumers more broadly as “trendsetters”. The Group’s focus on high value and high design advertisements with a differentiated and appealing full screen format enables it to distinguish itself from other digital advertisers who focus on a programmatic and performance-based model. This differentiated advertising format attracts high-quality brands and has resulted in steady retention among advertisers. WeTransfer’s total monthly impressions averaged 2.8 billion in the nine months ended 30 September 2021.

The Group carefully selects the artists and brands to which it offers advertising space and only displays advertisements that are aesthetically pleasing and aligned with the Group’s creative brand. The Group’s end-to-end design studio curates everything in-house as this allows for unique, high-quality content with a high-impact, guaranteed engagement with the target audience and the ability to price across different tiers. Visual advertisements, which can be formatted as still or interactive images, videos or games, are integrated into the Group’s website in a non-intrusive way. They are designed as large, full-screen Wallpaper advertisements, aligned with the Group’s brand and appealing to creative professionals. As only one Wallpaper advertisement is shown at a time, the Transfer desktop web application offers advertisers 100% share of the page, allowing advertisers to feel secure that their brands will not be linked by association with other brands, which can be a concern on other platforms where multiple advertisements are competing on-screen at the same time for the viewer’s attention. Advertisers also have the option of securing 24-hour exclusivity in a specific geography, which the Group calls a Takeover campaign. As part of the scope of its high-quality services offered to advertisers, the Group provides its advertising customers with extensive reporting metrics to better understand the value of their advertising on the Transfer desktop web application.

The Group’s advertiser base includes multiple premium brands and spans sectors such as fashion and accessories, software and services, consumer electronics and entertainment, automotive and food and beverage, consistent with the Group’s brand. The Group has long standing relationships with its top advertisers, who recognise the value the Group’s advertising platform brings and have been repeat advertising customers.

The advertisements are shown to all free users who access the Transfer desktop web application, and a free user will see time-based rotations of the advertisements, including throughout the duration of the file transfer upload or download. The Group’s free offering of its product suite drives brand awareness and referrals as users send files to new receivers and collaborators, who in turn often engage with the Group’s products. This viral product adoption leads to a large funnel of users for the subscription model, supporting conversion and driving more product use and engagement with new receivers and collaborators. Between 2018 and 2020, 55% of advertising revenue was generated from repeat advertising revenue. For the last twelve months ended 30 September 2021 65% of advertising revenue was generated from repeat advertising revenue.

The Group has the following categories of advertising impressions for which it charges different prices:

- **Platinum impression:** advertisements shown to a user with the highest campaign impact and which, accordingly, are priced at the highest rate.
- **Premium impression:** advertisements shown to a user with medium campaign impact and maximised reach.
- **Run of site impression:** advertisements shown to a user on lower valued positions offered in high volumes and frequency.
- **Takeover campaign:** 24-hour advertising exclusivity of all impressions in a specific geography.

For the year ended 31 December 2020, platinum and premium impressions accounted for approximately 40% of advertisements shown to users, and run of site impressions, which include takeover campaigns, accounted for approximately 60% of advertisements shown to users.

### ***Client segmentation***

To continue fostering client loyalty, the Group adopts a client and vertical segmentation funnel strategy of targeting, growing and nurturing advertising clients. The Group focuses on investing in, growing, managing, and retaining Key accounts through a dedicated account management strategy. Clients are classified as Key accounts when they generate predictable and consistent advertising revenue. Meanwhile, the Group also aims to nurture and grow clients in identified Growth verticals, which are verticals the Group has identified with high growth potential.

## **Focus on sustainability and social responsibility**

The Group's business and brand are underpinned by its commitment to the community and being a force for good—one of reasons the Group became a Certified B Corporation and why environmental, social, and corporate governance is not only part of the Group's DNA but also a driver of success. The Group is deeply committed to its global community of 87 million monthly active users and approximately 387,000 paying subscribers as at 30 September 2021. The Company's subsidiary, Wetransfer B.V., became one of the very few global technology organisations to achieve a B Corporation Certification in March 2020. This designation indicates high environmental, social and legal standards, verifying the Group's ambition to strengthen its values-driven approach to responsible technology and business. The Group strives to continue to support issues such as climate change by maintaining its climate neutral status and aims to reduce its carbon footprint by 30% by 2025. In 2020, the Group's total carbon emission, as calculated by the Greenhouse Gas Protocol, which takes into consideration Scope 1, 2 and 3 emissions, amounted to 2,701 tonnes, neutralised by the Group's support of carbon offset projects. The Group has supported three carbon offset projects from its 2020 emissions, which meet Gold Standard and Verified Carbon Standard certifications, and include building capacity for biogas in Uganda, wind energy in countries including India and preserving the Canadian hemlock spruce forest along an Alaskan coastline. The Group's investment in the Verified Carbon Standard or Gold Standard programs within the Climate Neutral Group are the highest standard of offset programs helping improve the lives of local populations and regions they live in. The Group anticipates that it will reach the goal of the certification of a 25% reduction by 2030 if an average of 2.4% of emissions is reduced annually. The Group is also focused on promoting diversity and inclusion through its commitment to approximately 30% of the senior leadership roles being held or continuing to be held by female executives and championing mental health. These actions and outcomes of the focus will contribute to the Sustainable Development Goals of diversity and gender equality, climate change, decent work and economic growth, and on track with the goals of the Paris Climate Agreement.

## ***Support of the creative community and social causes***

The Group's overall goal is to continue to provide a set of tools that can serve the needs of the creative community, regarding their income, by giving free access to essential work tools for anyone working with digital content. Additionally, the Group has maintained a commitment to the creative community through a wide spectrum of initiatives, including donating 30% of its advertising space to support artists and social causes; providing over €500,000 in grants and sponsorship opportunities to empower creative professionals and creative institutions; and partnering with more than 300 organisations that share the Group's values and commitments as a Certified B Corporation. In the financial year ended 31 December 2020, the Company donated 10 billion advertising impressions as part of the 30% pledge.

The Group's approach to social responsibility has led to partnerships with notable artists and organisations. In 2019, the Group contributed to the cancellation of US\$30 million of medical debt for residents in need in Los Angeles, California in the United States, which led to the Group being recognised in Fast Company's list of the 10 most innovative social good companies.

In response to the COVID-19 pandemic, the Group donated 500 million advertising impressions to support creative professionals and US\$1 million worth of advertising space to fight racial injustice. In 2016, the Group helped launch a Masters of the Arts programme in design thinking with the University of the Underground, offering a postgraduate curriculum encouraging students to use multidisciplinary design thinking to make a difference. The Group also partnered with broadcaster, Gilles Petersen, to launch online radio station Worldwide FM in 2016, and also launched the Group's editorial platform, which subsequently became WePresent in 2018. Between January and June 2021, WePresent and the Serpentine Galleries came together to present Groundwork: a content series that explored the research behind five artists' proposals for Back To Earth, Serpentine's multi-year project focused on instigating change in response to the climate crisis. WeTransfer raised €60,000 in donations pledged by audiences to the artists' chosen climate charities.

## ***WeTransfer's Supporting Act Foundation***

In 2021, the Company founded Stichting WeTransfer's Supporting Act, a foundation (*stichting*) for the public benefit incorporated under the laws of the Netherlands (**WeTransfer's Supporting Act Foundation**). The objects of WeTransfer's Supporting Act Foundation are to develop and support education in the field of art and culture, as well as to develop and execute initiatives, activities and projects to support students, talented creators, organisations and institutions in the field of art and culture. WeTransfer's Supporting Act Foundation will initially support underprivileged students, communities and organisations from the Company's key markets, the Netherlands, the United States, the United Kingdom, France, Germany and Italy, with the potential to expand to other countries in the future.

WeTransfer's Supporting Act Foundation aims to realise its objects by:

- awarding fellowships or bursaries to institutions and creators to enable them to study at home or abroad;
- allocating grants to creators, organisations and institutions;
- awarding an annual prize as determined by the foundation to creators, organisations and institutions; and
- all such things which are incidental or conducive to the above,

WeTransfer's Supporting Act Foundation will award up to 100 fellowships or bursaries ranging from €2,500 to €10,000 to aspiring creators and students to enable them to study at home or abroad. These fellowships are based upon past work to enable future development.

The Company will make an annual donation to WeTransfer's Supporting Act Foundation equal to a maximum of 1% of the Group's revenue from contracts with customers in the previous financial year. If the Group's profit in a financial year is lower than 1% of the Group's revenue from contracts with customers, the Management Board may, with the approval of the Supervisory Board, decide to contribute a lower amount to WeTransfer's Supporting Act Foundation for that year. The Company will make a contribution of €1 million to WeTransfer's Supporting Act Foundation in 2022 as a notional prepayment on the 1% of revenue from contracts with customers for the financial year ending 31 December 2022.

Furthermore, the MIP Participants have decided to contribute an aggregate amount of €0.8 million of the MIP Amount (net of irrecoverable taxes and assuming an Offer Price at the mid-point of the Offer Price Range) to WeTransfer's Supporting Act Foundation on or shortly after the Settlement Date. See "*Management, Employees and Corporate Governance—Long term incentive plans—Management incentive plan*".

WeTransfer's Supporting Act Foundation is a foundation for the public benefit (*algemeen nut beogende instelling*, an ANBI) as referred to in Article 5b of the Dutch General Law on State Taxes (*Algemene wet inzake rijksbelastingen*) and meets the requirements which are imposed by Dutch law and the Dutch tax authorities on an ANBI. This means that WeTransfer's Supporting Act Foundation does not need to pay inheritance tax or gift tax over inheritances and donations. In addition, donations made to organisations classified as ANBI's are eligible for tax benefits. In addition, WeTransfer's Supporting Act Foundation is recognised as a charity for UK tax purposes.

### **Environmental, social, and corporate governance**

The Group has elected to have its social and environmental performance, accountability and transparency assessed against the proprietary criteria established by B Lab, an independent non-profit organisation. As a result of this assessment, in March 2020, Wetransfer B.V., the Company's subsidiary, became one of the very few global technology organisations to achieve a B Corporation Certification, confirming the Group's ambition to strengthen its values-driven approach to responsible technology and business. The Group has adopted these Certified B Corporation standards in its articles of association.

In order to be designated as a Certified B Corporation, companies are required to take a comprehensive and objective assessment of their positive impact on society and the environment. The assessment evaluates how a company's operations and business model impacts its shareholders, workers, customers, suppliers, community and the environment using a 200-point scale; a company must meet the 80-point minimum bar to be certified as a B-corporation. Once certified, every Certified B Corporation must make its assessment score transparent on B Lab's website.

To maintain its certification, Wetransfer B.V. is required to update its assessment and verify its updated score with B Lab every three years. Wetransfer B.V. would have needed to update its current certification no later than March 2023 but the Offer and the Admission also trigger a new certification process and, subsequently, Wetransfer B.V. is required to commit to recertifying its updated score with B Lab within 90 days following the Settlement Date and to complete this recertification within one year following the Settlement Date. The next three-year cycle will then start on the date of completion of the recertification of Wetransfer B.V. as a B Corporation following the Settlement Date.

### **Platform and technology**

The technology infrastructure powering the Group's products is cloud native, modular and secure, offering users a customised experience that is easy to navigate while handling complex data management behind the scenes. The Group's strategy is to focus on interoperability between its products. Several key components to this strategy have already been delivered.

### ***Extensible, efficient technology platform***

The Group's cloud-native platform includes proprietary software services built on top of infrastructure provided by Amazon Web Services (AWS). These AWS data centres are located in the United States and Europe, which allows the Group to localise where content is stored and ensure low latency for users globally. The Group's technology infrastructure, combined with selected AWS resources, provides the Group with distributed and scalable architecture on a global scale. The Group has designed its platform with multiple layers of redundancy to guard against data loss and deliver high availability. The Group also partners with other locally regulated service providers, including but not limited to, Sendgrid, Stripe, Paypal, Heroku, Kevel, Google Workspace, Auth0 and Snowplow.

### ***Commitment to security and privacy***

The Group prioritises upholding the trust it has established with existing customers and gaining the trust of new customers. As a result, the Group has implemented robust safeguards to protect the security of customer data. The Group's security program includes conducting risk assessments of all systems and networks that process customer data; monitoring for security events; maintaining incident response, disaster recovery, and business continuity plans that explicitly address and provide guidance to its personnel in furtherance of the security, confidentiality, integrity, and availability of customer data; and having a qualified third party perform security assessments on a periodic basis to test against widely recognised security standards and practices.

The Group maintains a dedicated security team that monitors its devices networks and the code that its teams produce. Through its security team, and in coordination with external third parties, the Group biannually conducts penetration testing across the platform to holistically assess the strength of its security practices and vulnerabilities. The Group also has counter abuse measures in place for the removal of phishing and spam, malware, ransomware and abusive content.

In addition to security, the Group is committed to privacy and to protecting and honouring the privacy rights of its customers and users. The Group has established a privacy compliance program, aligning its practices with regulations such as the GDPR, including by delivering periodic training to employees on privacy best practices, reviewing and mapping the data the Group collects, uses, and shares. The Group also has internal controls in place around protecting personal identifying information and the Group strives to be transparent about its privacy practices. Through a partnership with Microsoft and the Internet Watch Foundation, the Group's security team is dedicated to actively scanning the content on its platform for child sexual abuse material, malware, ransomware, phishing and spam, and the Group works with law enforcement where any instances of illicit content have been found.

In 2019 and 2020, the Group experienced data breaches which led to certain data being obtained from its network. After conducting its own investigations, the Group reviewed its privacy and security procedures and implemented an extensive list of measures involving changes and improvements to policies and procedures. For further details of these data breaches and the steps that the Group took to mitigate the data breaches, please see *"Risk Factors—Risks relating to the Group's business and industry—The Group's business, financial condition, results of operations and prospects could be damaged, and it could be subject to liability if there is any unauthorised access to the Group's data or its customers' content, including through privacy and data security breaches"*.

### ***Culture and employees***

The Group's employees are an important asset, and the Group strives to foster a collaborative, inclusive, productive and fun work environment. The Group is proud to have a diverse workforce across its 293 employees as at 31 December 2021, with employees from over 40 different nationalities, with 46% of employees identifying as female, 47% as male and the remainder either preferring not to say, or identifying as non-binary. The Group has a majority diverse organisation as at the end of 2021, with more than 50% of employees made up of underrepresented groups (including but not limited to gender, age and ethnicity) in the tech industry.

### ***Sales and marketing***

The Group's strategy to support sustainable growth will include paid media on high-reach digital channels primarily across Europe, the United States and the United Kingdom to prospect and convert new users. The Group has also invested in customer relationship management (CRM) to accelerate user growth and conversion of free users to paid subscribers.

The Group has a differentiated revenue model designed to monetise its entire user base. The Group generates revenue through: (i) the sale of subscriptions to WeTransfer Pro, WeTransfer Premium (as of January 2022), Paste<sup>3</sup>, Collect<sup>4</sup> and Paper; and (ii) the sale of immersive digital billboard-style advertisements visible to free users of the Transfer desktop web application.

The Group generates revenue for its advertising business through display advertising delivered through advertising impressions. These advertising arrangements are typically sold on a cost-per-thousand basis. Revenue generated from the Group's advertising business is recognised upon delivery of impressions based on the number of impressions delivered. The Group's advertisers come from a wide range of industries, including tech and luxury fashion.

The Group's go-to-market approach is driven by the strength and innovation of its products, and organic user demand. Its model focuses on viral adoption and grassroots brand building, automated and low-touch customer service and a superior product offering. Its products are available for free online, which facilitates their rapid and widespread adoption. The Group's products are built for creative professionals, and thus have natural network effects that help them spread virally, including through word-of-mouth, across the creative industry. This word-of-mouth marketing increases as more individual users and teams discover the Group's products.

The Group's marketing efforts focus on growing its brand, building broader awareness and increasing demand for its suite of products. The Group intends to continue a focused investment strategy to increase revenue and scale operations to support growth. The Group plans to invest further in sales and marketing, including an increased investment in paid performance marketing channels through the acquisition of free and paid users outside the Group's ecosystem, through owned channels, and building out email marketing and CRM capabilities as well as via cross promotion, by leveraging advertising Wallpaper units. The Group also leverages insights gathered from its customers to improve targeting and, ultimately, the return-on-investment from its marketing activities. Data-driven marketing is an important part of its business model, which focuses on continuous product improvement and automation in customer engagement and service.

The Group's marketing team includes individuals focused on brand, corporate communications, product marketing, CRM, including email marketing, and content development, including social media, website design and development, and user experience. The Group's sales team is primarily focused on the sale of advertising space across the Group's relevant tools.

### **Customer support and services**

The Group's products are designed to be easy to set-up, adopt and use without support. The Group provides customer support, technological support and billing support services for its users. The Group operates traditional customer support functions and combines an internal team with additional outsourced capacity. In the financial year ended 31 December 2020, the Group's customer support, which holds a CSAT score of 90% for WeTransfer Pro and 85% for the free WeTransfer offering, resolved approximately 190,000 customer enquiries.

### **Product development**

Innovation is key to the Group's success. The Group's ability to customise its tools significantly improves its customer experience. The ease of use of the Group's product solutions attracts creative professionals and their clients, who may differ in their level of technical ability.

The Group has invested and intends to continue to invest in its product offering and enhancing the capabilities and functionality of its ecosystem and products, particularly in the areas of utility and interoperability of products and integrations, automation, infrastructure and security. The Group leverages the breadth of its customer base, and the diverse ways in which they use the Group's products for creation and collaboration, to recognise their needs quickly and guide future innovation.

As of 31 December 2021, the Group has 120 employees focused on research and development, representing 41% of total headcount. Of these employees, approximately 75% are located in the Netherlands. The majority of the

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<sup>3</sup> Paste is no longer sold individually, only through the Group's WeTransfer Pro and WeTransfer Premium tiers.

<sup>4</sup> The Group intends to discontinue its current Collect mobile subscription as a stand-alone offering in the future.



remaining research and development employees are located in the United States. The Group's research and development team is primarily responsible for the design, development, testing, and delivery of solutions for the Group's products. In the financial year ended 31 December 2020, the Group invested €10 million in research and development activities, representing 16% of the revenue generated over the same period and in the nine months ended 30 September 2021, the Group invested €20 million in research and development activities, representing 28% of the revenue generated over the same period.

The Group's research and development teams consist of flexible and dynamic teams that follow agile development methodologies to maintain the user and visual experience across its various bundled tools: WeTransfer, Paste and Collect.

## **Intellectual property**

The Group's intellectual property is an important aspect of its business. To establish and protect proprietary rights, the Group relies on a combination of trademarks, domain names, copyrights and patents, as well as contractual provisions and restrictions governing access to its proprietary intellectual property.

The Group registered "wetransfer" as a trademark in the United States, the European Union, Canada, Australia, Brazil, India and certain other jurisdictions. The Group has also filed other trademark applications in the United States, Australia, the European Union, Canada, India, and certain other jurisdictions, and will pursue additional trademark registrations to the extent the Group believes it would be beneficial and cost effective. The Group is the registered holder of a variety of domain names that include "wetransfer" and similar variations.

At the date of this Prospectus, the Group has 8 issued US patents and 3 US patent applications which are material to the Group. These patents and patent applications seek to protect proprietary technology and intellectual property relevant to its suite of solutions, including systems and methods for gesture-based formatting, methods and apparatus for providing and viewing digital content and illustrations, and semantic slide auto layouts. The Group intends to pursue additional patent protection to the extent it believes it would be beneficial and cost effective. The following material patents relate to Paper:

- systems and methods for gesture-based formatting:
  - US Patent No. 9,965,445 (issued), a user interface applies a one-finger horizontal swipe gesture to a touch screen to format text on the display;
  - US Patent No. 10,521,493 (issued), a user interface applies various two-finger and single-finger gestures to a touch screen to format text on the display; and
  - US Patent Application No. 16/693,073 (pending), the claims are broader than the parent applications in that they do not require limitations on the touch input device and do not require the specific finger gestures,
- computer-readable media and related methods for processing hand-drawn image elements: US Patent No. 10,168,899, (issued), the invention compares a hand-drawn image to image models in memory and replaces the hand-drawn image with a comparable image model;
- methods and apparatus for providing colour palette management within a graphical user interface: US Patent No. 9,563,972, (issued), on a touch screen, multiple colours are created by mixing two selected colours and inputting user finger movements;
- methods and apparatus for providing graphical view of digital content:
  - US Patent No. 9,454,296 (issued), a graphical user interface displays multiple pages as an accordion-folded sheet and a user may scroll through and select any one of the pages; and
  - US Patent No. 9,971,480 (issued), similar to the parent patent,
- methods and apparatus for providing a digital illustration system:
  - US Patent No. 9,529,486 (issued), the invention detects speed strokes of hand-drawn user inputs and adjusts the displayed drawing; and
  - continuation US Patent Application No. 15/353,363 (pending), similar to the parent patent,
- methods and apparatus for providing partial modification of a digital illustration: US Patent No. 9,542,093 (issued), a GUI modifies part of an illustration by applying a filter to a portion of an illustration layer.

The following material patent relates to Paste:

- semantic slide auto layouts: US Patent Application No. 16/650,808 (pending), presentation software displays a presentation slide with a text field and an asset field and automatically emphasises the text or asset based on determined intent.

## Competition

The markets in which the Group operates are competitive, fragmented and subject to rapidly changing technology, new market entrants and frequent introduction of new products and services. The following are some key vendors that provide competing products for each stage of the creative process. In addition to these vendors, there are many small vendors that offer point solutions across each of the stages.

- **Inspiration and conception**—Microsoft (Office), Google (Workspace) and Evernote.
- **Creation**—Adobe, Canva, Figma and Sketch.
- **Delivery and storage**—Adobe, Dropbox, Box, Microsoft (OneDrive), Google (Drive), Apple iCloud Drive and Hightail.
- **Client management**—Vimeo, Microsoft (Office), Google (Workspace), Slideshare and Prezi.

In most cases due to the flexibility and breadth of the Group's products, the Group co-exists alongside, and its products are even complementary to, many of the products offered by other providers, especially creative output products offered by vendors like Adobe, Canva and Figma.

The Group believes that the following factors most significantly impact competition and choice for users:

- ease of adoption and use—ability to intuitively use the products with minimal friction such as sign-ins and other intermittent steps such as opening new applications, including when receiving digital content as a non-user;
- brand authenticity—brand values, supported by actions, that users can identify with;
- user-centric design—a product that is designed to address specific use cases in an intuitive way that allows users to efficiently achieve their objectives;
- security and privacy—ensuring that digital content and personal data is securely stored and handled; and
- ability to offer a single set of tools or applications across the creative workflow.

The Group's product strategy, distribution model and culture allow it to compete favourably on all these factors. Through its focus on research and development, the Group is able to rapidly innovate, offer a breadth of products that are powerful and easy to use, are integrated and delivered through multiple deployment options from cloud, to on-premises software to highly scalable data centre solutions. The Group's organic growth has enabled it to reach customers globally without the need to invest in a traditional salesforce. The Group's culture enables it to focus on customer success through superior products, transparent pricing and excellent customer support. However, some of the Group's competitors may have greater name recognition, longer operating histories, more varied services, the ability to bundle a broader range of products and services, larger marketing budgets, established marketing relationships, access to larger user bases, major distribution agreements with hardware manufacturers and resellers, and greater financial, technical, and other resources. In order to compete effectively, the Group intends to focus on innovation, refining and scaling its user acquisition strategy, and preserving its culture.

## Property, plant and equipment

The Group leases approximately 5,528 square meters of space in Amsterdam, the Netherlands under a lease agreement that expires in 2023. The Group also leases (i) approximately 732 square meters of space in Los Angeles, USA under lease agreements that expire in July 2023, (ii) approximately 662 square meters of space in New York City, USA under lease agreements that expire on 31 December 2026, and (iii) 139 square meters of space in London, United Kingdom under lease agreements that expire on 31 March 2022. The Group is currently negotiating a new lease agreement for approximately 185 square meters of space in London. The Group expects to enter into that lease prior to the expiry of the Group's current lease which would enable employees based in the London office to work in the new office from 1 April 2022. If there are any delays in signing the new lease or being able to move into the new office before 1 April 2022, this is not expected to materially affect the Group's ability to operate, since the employees based in London will be able to work remotely.

As a result of the global pandemic of COVID-19, the Group has adopted a hybrid model of remote and office working but it may lease additional office space in future periods to support the growth of its business.

### **Material agreements**

There are no agreements (other than the Shareholders Agreement described under “*Shareholders and Related Party Transactions—Related party transactions—Shareholders Agreement*” and the Underwriting Agreement described under “*Plan of Distribution*” and agreements entered into in the ordinary course of business) that have been entered into by the Company or any of its subsidiaries within the two years immediately preceding the date of this Prospectus, which are material or which have been entered into by the Company or any of its subsidiaries at any other time and which contain provisions under which the Company or any of its subsidiaries has an obligation or entitlement that is material to the Group as at the date of this Prospectus.

### **Insurance**

The Group’s insurance coverage includes commercial general liability insurance and loss of property and earnings insurance. The Group has directors’ and officers’ liability insurance for the benefit of the members of the Management Board and the Supervisory Board. The Group believes that its current insurance coverage, including the maximum coverage amounts and terms and conditions of the policies, is appropriate for its business, in respect of its level and applicable excesses and deductibles. The Group does not have any outstanding insurance claims. The Group cannot, however, guarantee that it will not incur any losses or be the subject of claims that exceed the scope of the relevant insurance coverage or that its insurers would not dispute coverage due to any non-compliance with policy conditions.

### **Legal and arbitration proceedings**

The Group may from time to time be subject to governmental, regulatory and legal or arbitral proceedings in the Netherlands and other countries, arising in the ordinary course of its business. There are no, and during the 12 months preceding the date of this Prospectus there have not been, any governmental, regulatory or legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is currently aware) that may have, or have had in the recent past, significant effects on the Company and/or the Group’s financial position or profitability. The Group does not maintain provisions for litigation or arbitration claims because management believes, based on the advice of counsel, that material losses are not probable.

### **Regulatory**

#### ***Data protection and privacy***

The Group processes personal information (or **personal data**) as part of its business, in the following two areas:

- internal data processing activities relating to matters such as human resources, workforce management, planning, corporate housekeeping, M&A, contracting, product development, travel, employee monitoring; and
- data processing relating to the marketing, advertising, offering and operation, security and safety of the Group’s products and services.

The Group’s data protection and privacy compliance efforts, in particular, focus on the second area of data processing, as further explained in this paragraph. The Group offers products via which personal information may be processed. The Group qualifies as a ‘data controller’ under GDPR, to the extent that it determines the purposes and means of the processing of personal data. This is, for instance, the case where the Group collects user credentials and account information, email addresses, metadata, device data and data relating to recipients of uploaded content. The Group considers itself a ‘data processor’ to the extent that it merely hosts content (which may include personal data) uploaded or created by users, which it does not use or otherwise have any control over. As data processor, the Group is not responsible under the GDPR for the legitimacy of the personal information provided to it, but only processes such information for the customer’s purposes.

Although the Group generally does not enter into data processing agreements with its customers, the Group may do so if a customer so desires. By law, a data controller is required to make written arrangements with any data processors that it engages to process personal information on its behalf. The Group should therefore facilitate the customer, as data controller, in complying with this requirement.

The Group aims for a uniform approach with regard to privacy and data protection across all markets in which it operates. For most jurisdictions, this means that the GDPR will set the threshold for the Group's privacy and data protection efforts. For the US specifically, the Group may take local regulations into account, especially where these are less stringent on requirements for data processing in the context of online advertising. Please see "*—Cookies and similar technologies*". As part of the Group's approach to comply with the GDPR, it has appointed a Data Protection Officer (in accordance with Article 37 of the GDPR) and implemented technical and organisational measures, including policies (as required under Article 24 of the GDPR), in order to demonstrate compliance with the GDPR (as required under Articles 5(2) and 24 of the GDPR). Please see "*—Platform and technology—Commitment to security and privacy*" for more information about the security measures undertaken by the Group.

New data protection laws, regulations and other requirements are expected to be proposed and introduced which could have an impact on the Group's business. An example is the *Schrems II* judgment of the European Court of Justice dated 16 July 2020, which imposes extra requirements on EU-based parties storing personal information in countries outside of the EEA without adequacy decision from the European Commission, such as the United States. For this reason, and because of technical developments, compliance with applicable data laws and regulations is a continuing focus for the Group.

### ***Cookies and similar technologies***

To generate revenue from online advertising, as well as to market its products online, the Group uses, and allows third parties to use through its products and services, cookies and similar technologies ("cookies"). Cookies are used to recognise and keep track of users' personal preferences that may be incorporated in content (advertisements, mostly) shown outside of the Group's domain to market the products. In compliance with applicable laws and regulations relating to the use of cookies (such as EU Directive 2002/58/EC (e-Privacy Directive) and local transpositions thereof in *inter alia* Dutch law), the Group has implemented a cookie manager on its website [www.wetransfer.com](http://www.wetransfer.com) to obtain its users' consent for deploying cookies and extracting relevant information therefrom.

Under the Dutch Telecommunications Act, the use of certain types of 'tracking cookies' is deemed to involve the processing of personal data. Accordingly, the use of such cookies is subject to the GDPR and therefore part of the Group's compliance efforts in that regard. The Group has recognised, and may be subject to, an increased focus of data protection regulators, such as the Dutch Data Protection Authority, on the use of cookies by online platforms and publishers. Among other things, the Dutch Data Protection Authority has prohibited the use of a cookie wall (i.e. a "take it or leave it" approach requiring the user to either accept the cookies or leave the website). This has required the Group to implement a cookie manager that offers the user the ability to (actively) select the types of cookies it accepts to be placed on its device.

The Group plans to continue to closely monitor the developments and legal requirements in this area, such as the expected e-Privacy Regulation which is expected to replace the e-Privacy Directive and update the legal framework in the EU on the use of cookies.

### ***Platform and online services regulation***

Content that is uploaded or created by users can be stored on the Group's tools. In respect of such content storage, the Group acts as an intermediary given that it does not use the content generated or created by its users but merely facilitates the users' use thereof. Accordingly, and because the Group is of the view that it is not subject to enhanced copyright content filtering obligations as recently introduced under Directive 2019/790/EU (Copyright in the Single Market Directive), the Group's policy is to take a neutral position when it comes to the content uploaded or provided by users. Currently, the Group only actively monitors user content and keywords for illicit content, which, if found, once flagged by a member of the review team, the Group directly forwards the flagged content to the Dutch National Investigation Bureau (*Dienst Nationale Recherche*) in the case of a database match.

The Group has implemented a notice-and-take-down (NTD) procedure in accordance with Directive 2000/31/EC (eCommerce Directive) (and local transpositions thereof in *inter alia* Dutch law). Through this NTD procedure, users and third parties may notify the Group of any unlawful or illegal content that is stored on the Group's products. The content will be removed if the Group has assessed that it indeed is or is likely to be unlawful or illegal.

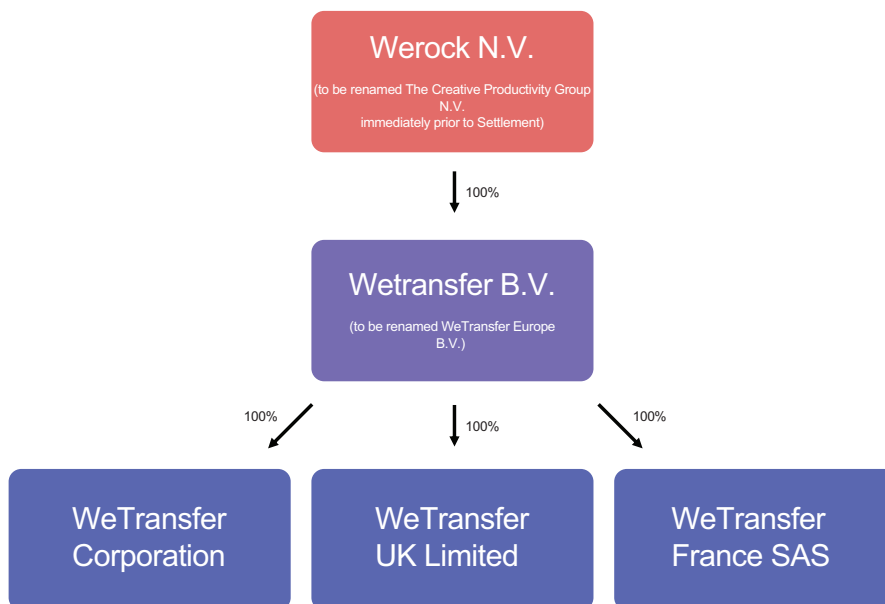
To the extent required by law, the Group complies with official requests for information or inquiries relating to content stored on the Group's products, which may include requests for users' personal data, from competent authorities such as the police, or in the case of requests by foreign authorities, the Group complies with official requests for information filed through the IRC.

### Group structure

The Group is organised under the Company, a holding company with no material, direct business operations. The principal assets of the Company are its 100% direct or indirect equity interests in:

- Wetransfer B.V. (to be renamed WeTransfer Europe B.V.), a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands;
- WeTransfer UK Limited, a limited liability company incorporated under the laws of England and Wales;
- WeTransfer France SAS, a limited liability company (*société par actions simplifiée*) incorporated under the laws of France; and
- WeTransfer Corporation, a private company with limited liability incorporated under the laws of California, United States.

The following chart shows the Group's structure as of the date of this Prospectus:





## CAPITALISATION AND INDEBTEDNESS

The tables below set out the Group's consolidated capitalisation and indebtedness as at 31 October 2021, on an actual basis, and as adjusted to reflect (i) the issue of Option Plan Shares and the Company's restricted share unit plan as approved by the General Meeting (the **RSU Plan**) to, and the repurchase of Option Plan Shares and RSU Plan Shares from, Foundation Option Plan, (ii) the exercise of Options, (iii) the issue of the New Offer Shares, (iv) the payment of the Preference Shares Payment and MIP and (v) the issue of the Investment Shares.

The information set forth in the table below should be read in conjunction with, and is qualified by reference to, "Operating and Financial Review" and the Financial Statements.

### Capitalisation

	As at 31 October 2021	Adjustments	As adjusted
<b>Total current debt (including current portion of non-current debt)</b>	<b>55.7</b>	<b>(54.9)</b>	<b>0.7</b>
Guaranteed	—	—	—
Secured	—	—	—
Unguaranteed/Unsecured <sup>(1)</sup>	55.7	(54.9)	0.7
<b>Total non-current debt (excluding current portion of non-current debt)</b>	<b>2.0</b>	<b>—</b>	<b>2.0</b>
Guaranteed	—	—	—
Secured	—	—	—
Unguaranteed/Unsecured <sup>(2)</sup>	2.0	—	2.0
<b>Shareholder equity</b>	<b>(6.2)</b>	<b>138.7</b>	<b>132.5</b>
Share capital	0.3	0.1	0.4
Legal reserve <sup>(3)</sup>	0.5	—	0.5
Other reserves <sup>(4)</sup>	(6.9)	138.6	131.6
<b>Total</b>	<b>51.4</b>	<b>83.7</b>	<b>135.2</b>

Notes:

- (1) Unguaranteed / Unsecured consists of current lease liabilities (€0.7 million); preference shares liability (€23.4 million) and the MIP accrual (€31.6 million). The adjustments impacting Unguaranteed/Unsecured debt can be summarised as follows
  - The Preference Shares Payment (€23.4 million) and the MIP payment (€20.5 million, assuming an Offer Price at the mid-point of the Offer Price Range).
- (2) Unguaranteed / Unsecured consists of non-current lease liabilities (€2.0 million).
- (3) Legal reserves include currency translation reserve (€0.5 million).
- (4) Other reserves include Share premium (€7.0 million); Treasury shares (€(5.4) million); Retained earnings (€(18.3) million) and Share-based payments reserve (€9.8 million). The adjustments impacting other reserves (and shareholder's equity) can be summarised as follows:
  - the issue of Option Plan Shares for an issue price of €0.01 each to Foundation Option Plan; the obligation of Foundation Option Plan to pay up the Option Plan Shares will be fulfilled from the Company's distributable reserves;
  - the exercise of 281,799 Options held by two Supervisory Directors, a Managing Director and a member of the Senior Leadership Team (70,000 by Martha Lane Fox, 60,000 by Erik Huggers, 44,999 by Melissa Nussbaum and 106,800 by Damian Bradfield) and 1,612,231 options as part of the Employee Offer (assuming for non-U.S. Option holders an exercise at Settlement of 50% of the Options vested at the Pre-ITF Date and a weighted average exercise price of €2.57 and assuming for U.S. Option holders an exercise of 100% of the Options vested at the Pre-ITF Date and a weighted average exercise price of €2.90);
  - the issue of RSU Plan Shares for an issue price of €0.01 each to Foundation Option Plan; the obligation of Foundation Option Plan to pay up the Option Plan Shares will be fulfilled from the Company's distributable reserves;
  - the repurchase of the Treasury Option Plan Shares by the Company from Foundation Option Plan for a purchase price of €0.01 each;
  - the repurchase of the Treasury RSU Plan Shares by the Company from Foundation Option Plan for a purchase price of €0.01 each;
  - the issue of New Offer Shares (assuming an Offer Price at the mid-point of the Offer Price Range and payment in full of the discretionary commission to the Underwriters and other IPO related expenses payable), amount to approximately €119.5 million;
  - the Preference Shares Payment (€23.4 million); and
  - the MIP payment and the issue of Investment Shares in the net amount of €17.6 million (assuming an Offer Price at the mid-point of the Offer Price Range).

The table below sets out the Group's indebtedness as at 31 October 2021.

## Indebtedness

	As at 31 October 2021	Adjustments	As adjusted
A. Cash <sup>(1)</sup>	37.3	83.8	121.1
B. Cash equivalents	—	—	—
C. Other current financial assets	—	—	—
<b>D. Liquidity (A + B + C)</b>	<b>37.3</b>	<b>83.8</b>	<b>121.1</b>
E. Current financial debt (including debt instruments, but excluding current portion of non-current financial debt) <sup>(2)</sup>	54.9	(54.9)	—
F. Current portion of non-current financial debt <sup>(3)</sup>	0.7	—	0.7
<b>G. Current financial indebtedness (E + F)</b>	<b>55.7</b>	<b>(54.9)</b>	<b>0.7</b>
<b>H. Net current financial indebtedness (G - D)</b>	<b>18.3</b>	<b>(138.7)</b>	<b>(120.3)</b>
I. Non-current financial debt (excluding current portion and debt instruments) <sup>(4)</sup>	2.0	—	2.0
J. Debt Instruments	—	—	—
K. Non-current trade and other payables	—	—	—
<b>L. Non-current financial indebtedness (I + J + K)</b>	<b>2.0</b>	<b>—</b>	<b>2.0</b>
<b>M. Total financial indebtedness (H + L)</b>	<b>20.3</b>	<b>(138.7)</b>	<b>(118.4)</b>

(1) Total cash in bank and on hand of €37.3 million. The adjustment impacting cash can be summarised as follows:

- the assumed net proceeds from the Offer (assuming a minimum Offer Price and payment in full of the discretionary commission to the Underwriters and other IPO related expenses payable), amount to approximately €119.5 million.
- the proceeds from the exercise of 281,799 Options held by two Supervisory Directors, a Managing Director and a member of the Senior Leadership Team (70,000 by Martha Lane Fox, 60,000 by Erik Huggers, 44,999 by Melissa Nussbaum and 106,800 by Damian Bradfield) and 1,612,231 options as part of the Employee Offer (assuming for non-U.S. Option holders an exercise at Settlement of 50% of the Options vested at the Pre-ITF Date and a weighted average exercise price of €2.57 and assuming for U.S. Option holders an exercise of 100% of the Options vested at the Pre-ITF Date and a weighted average exercise price of €2.90).
- the Preference Shares Payment in the amount of €23.4 million; and
- the MIP payment and the proceeds from the issue of Investment Shares in the net amount of €17.6 million (assuming an Offer Price at the mid-point of the Offer Price Range).

(2) Current financial debt (including debt instruments, but excluding current portion of non-current financial debt) consist of the preference shares liability (€23.4 million) and the MIP accrual (€31.6 million).

(3) Current portion of non-current financial debt consists of lease liabilities (€0.7 million).

(4) Non-current financial debt (excluding current portion and debt instruments) consists of lease liabilities (€2.0 million).

On the date of this prospectus, the Group does not have any indirect or contingent indebtedness.

There has been no material change in the Group's capitalisation or indebtedness since 31 October 2021.

## SELECTED FINANCIAL AND OTHER INFORMATION

The following tables set forth the Group's selected consolidated statement of profit or loss, selected consolidated balance sheet and selected consolidated statement of cash flows and certain other financial data as at the dates and for the periods indicated. The selected consolidated financial information as at and for the years ended 31 December 2020, 2019 and 2018 has been derived from the Annual Financial Statements, and the selected consolidated financial information as at and for the nine months ended 30 September 2021 and 30 September 2020 has been derived from the Interim Financial Statements. The selected consolidated financial information set out below may not contain all of the information that is important to prospective investors and, accordingly, should be read in conjunction with the Financial Statements, "Important Information" and "Operating and Financial Review".

The consolidated financial statements do not represent the Company's financial statements for the year ended 31 December 2020 in accordance with Section 2:361 of the Dutch Civil Code and its articles of association and are prepared for the purpose of including in this Prospectus in order to comply with the requirements for historical financial information pursuant to Regulation (EU) 2017/1129. As a result, the special purpose consolidated financial statements may not be suitable for another purpose.

### Consolidated statement of profit or loss

	Nine months ended 30 September		Year ended 31 December		
	2021	2020	2020	2019	2018
	<i>(in millions of euros)</i>				
Revenue from contracts with customers	72.0	44.0	65.0	52.1	37.8
Cost of revenue	(9.6)	(8.2)	(11.0)	(8.6)	(5.6)
<b>Gross profit</b>	<b>62.4</b>	<b>35.8</b>	<b>54.1</b>	<b>43.5</b>	<b>32.2</b>
Research and development expenses	(20.1)	(7.1)	(10.3)	(9.5)	(7.3)
Selling and marketing expenses	(29.3)	(12.1)	(18.0)	(14.7)	(11.7)
General and administrative expenses	(32.6)	(6.4)	(9.6)	(9.1)	(16.3)
<b>Operating profit / (loss)</b>	<b>(19.6)</b>	<b>10.2</b>	<b>16.1</b>	<b>10.3</b>	<b>(3.1)</b>
Other income / (expenses)	1.3	(1.3)	(2.4)	0.2	0.5
Finance expenses	(0.1)	—	(0.1)	(0.6)	(0.9)
<b>Profit / (loss) before income tax</b>	<b>(18.4)</b>	<b>8.9</b>	<b>13.6</b>	<b>9.9</b>	<b>(3.5)</b>
Income tax benefit / (expenses)	3.0	(1.7)	(2.8)	(2.0)	0.6
<b>Profit / (loss) for the period</b>	<b>(15.4)</b>	<b>7.2</b>	<b>10.8</b>	<b>7.8</b>	<b>(2.9)</b>

## Consolidated balance sheet

	As at 30 September	As at 31 December		
	2021	2020	2019	2018
	<i>(in millions of euros)</i>			
Property, plant and equipment	1.8	1.7	1.7	1.6
Right-of-use assets	0.9	1.0	1.2	1.3
Deferred tax assets	2.1	1.1	1.3	1.6
Other non-current assets <sup>(1)</sup>	1.4	1.8	—	0.4
<b>Total non-current assets</b>	<b>6.2</b>	<b>5.6</b>	<b>4.2</b>	<b>4.9</b>
<b>Current assets</b>				
Contract assets	6.5	3.6	3.7	3.8
Trade and other receivables	19.9	13.8	10.5	8.5
Cash and cash equivalents (excluding bank overdrafts)	38.7	25.5	12.1	6.2
Current tax assets	3.7	—	—	—
<b>Total current assets</b>	<b>68.8</b>	<b>42.9</b>	<b>26.3</b>	<b>18.5</b>
<b>Total assets</b>	<b>75.0</b>	<b>48.5</b>	<b>30.5</b>	<b>23.4</b>
<b>Total non-current liabilities<sup>(2)</sup></b>	<b>0.5</b>	<b>0.7</b>	<b>0.9</b>	<b>1.0</b>
<b>Current liabilities</b>				
Preference shares	23.4	23.4	23.4	22.8
Trade and other payables	44.6	8.4	5.4	4.7
Contract liabilities	12.2	10.5	8.6	7.0
Current tax liabilities	0.1	0.8	1.0	0.2
Lease liabilities	0.5	0.4	0.4	0.3
<b>Total current liabilities</b>	<b>80.8</b>	<b>43.5</b>	<b>38.7</b>	<b>35.0</b>
<b>Total liabilities</b>	<b>81.3</b>	<b>44.1</b>	<b>39.5</b>	<b>36.0</b>
<b>Net assets / (liabilities)</b>	<b>(6.3)</b>	<b>4.4</b>	<b>(9.0)</b>	<b>(12.6)</b>
Share premium	7.0	7.2	7.2	7.2
Treasury shares	(5.4)	(5.4)	(5.4)	—
Share-based payments reserve	9.3	4.4	2.5	1.4
Retained earnings	(18.0)	(2.5)	(13.3)	(21.2)
Other equity <sup>(3)</sup>	0.8	0.7	—	—
<b>Total equity</b>	<b>(6.3)</b>	<b>4.4</b>	<b>(9.0)</b>	<b>(12.6)</b>

(1) Consists of intangible assets and other assets.

(2) Consists of lease liabilities.

(3) Consists of share capital and cumulative translation adjustments.

## Consolidated statement of cash flows

	Nine months ended 30 September		Year ended 31 December		
	2021	2020	2020	2019	2018
	<i>(in millions of euros)</i>				
Net cash generated from operating activities	14.0	10.0	15.6	12.4	3.5
Net cash (outflow) from investing activities	(1.1)	(0.4)	(0.7)	(0.4)	(9.9)
Net cash (outflow) from financing activities	(0.5)	(0.4)	(0.5)	(6.0)	(0.2)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>12.4</b>	<b>9.2</b>	<b>14.5</b>	<b>6.0</b>	<b>(6.6)</b>

**Non-IFRS financial information.** The non-IFRS financial measures (**Non-IFRS Measures**) set out in the table below are not recognised measures of financial performance under the International Financial Reporting Standards as adopted by the European Union (**IFRS**) and have not been audited or reviewed. These Non-IFRS Measures are presented because they are used by management to monitor the performance of the business and operations. These measures also provide additional information to investors to enhance their understanding of the Group's results.

	Nine months ended 30 September		Year ended 31 December		
	2021	2020	2020	2019	2018
<i>(in millions of euros unless otherwise indicated)</i>					
Adjusted EBITDA	21.3	12.2	19.2	12.1	6.9
Adjusted EBITDA margin	29.6%	27.7%	29.5%	23.2%	18.2%
Cash conversion (in %)	95.0%	96.5%	96.6%	96.8%	80.3%

**Adjusted EBITDA** is defined as operating profit/(loss), adjusted for depreciation and amortisation of tangible and intangible assets, impairment intangible assets and goodwill, share-based payment expenses and related employer payroll taxes, and non-recurring costs such as IPO-related costs. The following table sets forth a reconciliation of operating profit / (loss) to Adjusted EBITDA:

	Nine months ended 30 September		Year ended 31 December		
	2021	2020	2020	2019	2018
<i>(in millions of euros)</i>					
Operating profit / (loss)	(19.6)	10.2	16.1	10.3	(3.1)
Depreciation and amortisation <sup>(a)</sup>	1.0	0.7	0.9	0.7	0.7
Intangible assets and goodwill impairment <sup>(b)</sup>	—	—	—	—	8.6
Share-based payment expense <sup>(c)</sup>	34.4	1.3	1.9	1.1	0.7
Non-recurring costs <sup>(d)</sup>	5.5	—	0.4	—	—
<b>Adjusted EBITDA</b>	<b>21.3</b>	<b>12.2</b>	<b>19.2</b>	<b>12.1</b>	<b>6.9</b>

- (a) Depreciation and amortisation consists of depreciation of right-of-use assets, depreciation of property, plant and equipment and amortisation of intangible assets and is included in General and administrative expenses.
- (b) Relates to the impairment of acquired technology and goodwill relating to FiftyThree Inc. and is included in General and administrative expenses.
- (c) Share-based payment expenses consist of expenses relating to the Option Plan and management incentive plan (MIP) and related employer payroll taxes. As of 30 September 2021, an IPO was deemed by management to be probable and the portion of the fair value of the MIP relating to the nine months ended 30 September 2021 (€29.5 million) was expensed in the statement of profit or loss. This is allocated across the functional cost lines of the statement of profit or and loss in accordance with the job function of the participant.
- (d) Non-recurring costs such as IPO-related expenses.

**Adjusted EBITDA margin** is defined as Adjusted EBITDA as a percentage of revenue from contracts with customers.

	Nine months ended 30 September		Year ended 31 December		
	2021	2020	2020	2019	2018
<i>(in millions of euros unless otherwise indicated)</i>					
Adjusted EBITDA	21.3	12.2	19.2	12.1	6.9
Divided by: Revenue from contracts with customers	72.0	44.0	65.0	52.1	37.8
<b>Adjusted EBITDA margin (in %)</b>	<b>29.6%</b>	<b>27.7%</b>	<b>29.5%</b>	<b>23.2%</b>	<b>18.2%</b>



**Cash conversion** is defined as Adjusted EBITDA less CapEx (which the Group defines as payments for property, plant and equipment and intangible assets) divided by Adjusted EBITDA. See below, as well as in “*Operating and Financial Review—Capital expenditure*” and “*Selected Financial and Other Information*” for a reconciliation of cash conversion.

	Nine months ended 30 September		Year ended 31 December		
	2021	2020	2020	2019	2018
	<i>(in millions of euros)</i>				
Adjusted EBITDA . . . . .	21.3	12.2	19.2	12.1	6.9
Less CapEx . . . . .	(1.1)	(0.4)	0.7	0.4	1.4
Divided by Adjusted EBITDA . . . . .	<u>21.3</u>	<u>12.2</u>	<u>19.2</u>	<u>12.1</u>	<u>6.9</u>
<b>Cash conversion (in %) . . . . .</b>	<b><u>95.0%</u></b>	<b><u>96.5%</u></b>	<b><u>96.6%</u></b>	<b><u>96.8%</u></b>	<b><u>80.3%</u></b>

**Other metrics.** These non-financial measures are presented because they are used by management to monitor the performance of the business and operations. These measures also provide additional information to investors to enhance their understanding of the Group’s performance.

	Nine months ended 30 September		Year ended 31 December		
	2021	2020	2020	2019	2018
	<i>(in millions of euros unless otherwise indicated)</i>				
Subscribers (in thousands) <sup>(1)</sup> . . . . .	387	308	326	240	181
Subscription ARPU (in euros) <sup>(2)</sup> . . . . .	9.0	9.3	9.2	9.0	8.8
Monthly recurring revenue <sup>(3)</sup> . . . . .	3.8	3.0	3.3	2.3	1.8

(1) A subscriber is defined as a user with access to a paid version of WeTransfer Pro. Subscribers are measured at the end of the respective period.

(2) Average revenue per subscriber, or Subscription ARPU, is defined as WeTransfer Pro subscription revenue for a period divided by the average number of subscribers in the period, which is then divided by the number of months in the period. The average number of subscribers in a period is calculated by adding the number of subscribers as at the end of each month in a given period and dividing by the number of months in the period.

(3) Monthly recurring revenue is calculated as subscription revenue earned during the last month of the respective period.

## OPERATING AND FINANCIAL REVIEW

The following is a discussion and analysis of the Group's results of operations and financial condition as at and for the nine months ended 30 September 2021 and 2020 and for the years ended 31 December 2020, 2019 and 2018. Except where otherwise noted below in "Key business metrics", the discussion of the Group's results of operations below is based on financial information extracted without material adjustment from the Financial Statements. The discussion in this section contains forward-looking statements that reflect the Group's plans, estimates and beliefs and involve risks and uncertainties. The Group's actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below and elsewhere in this Prospectus, particularly in "Risk Factors" and *"Important Information—Information regarding forward-looking statements"*.

### Overview

The Group provides a vertically-focused suite of digital solutions specifically designed to enable creative professionals to inspire, conceive, share and deliver their work, enabling collaboration, co-creation and client management along the creative workflow. The Group believes that it is seen as a trusted and authentic brand built for creatives by creatives, which fosters deep collaboration within the creative community, while sponsoring a wide range of initiatives to support artists and social causes. The Group is driven by a sense of purpose and believes that only sustainable and responsible businesses can stay relevant in the long-term. This core value permeates throughout the organisation and impacts every aspect of the Group's business practices. As a result, the Group believes that it is best placed to connect industry stakeholders with each other to help them bring their ideas to life.

The creative workflow has evolved to become a highly collaborative endeavour requiring creative professionals and their clients to work together at every step of their journey. The trend towards collaborative creativity has been supported by various macro drivers, including the digitalisation of content in various formats, leading to ever increasing file sizes, the significant expansion of the freelance creative workforce and a shift to remote working which has only been accelerated by the COVID-19 pandemic. The Group believes that many of the existing tools used within the industry for productivity and collaboration are fragmented and lack interoperability, causing friction across the creative workflow, leading to application sprawl for both individuals and businesses and making it challenging to effectively coordinate workflows, collaborate and share. Since its inception, the Group has been solving these challenges for creatives. The Group's products enable professionals to collaborate and co-create across the creative workflow and, as such, serve a distinct segment that sits at the intersection between creative output and productivity management.

The Group continues to enhance its product offering across the creative workflow, by focusing on: productivity, collaboration, and sharing. In 2021, the Group took an important step on its journey towards a singular customer-centric creative suite by bringing its established tools, Collect, Paste, and WeTransfer, closer together as a single commercial bundle named WeTransfer Pro.

In January 2022, the Group launched WeTransfer Premium, a new paid tier, which builds on the Group's existing product suite, WeTransfer Pro. WeTransfer Premium offers a series of additional capabilities, including unlimited Portals and Reviews, which were successfully rolled out under a beta label in October 2021. WeTransfer Premium represents the next step in the ongoing evolution of the Group's offering. These offerings enable creative professionals to manage multiple client projects and provide their clients with a single destination to view and give feedback on rounds of creative work. WeTransfer Premium offers an integrated ecosystem for creatives to seamlessly ideate, collaborate and share their work with both clients and co-creators across the creative workflow. Moreover, as an overall platform expansion of the Group's current Paste and Collect mobile offering, the Group launched WeTransfer mobile (an application for the WeTransfer product) on iOS in October 2021, which allows users to preview, send and receive assets, and grants access to Portals and Reviews.

The enhanced value proposition encapsulated in WeTransfer Premium provides the Group with a monetisation opportunity beyond the prior two-tier offering (WeTransfer Free and WeTransfer Pro). With the addition of WeTransfer Premium, the new three-tier offering provides a path to upsell new capabilities and additional utility to existing users, and to support retention through higher product engagement. The new capabilities and additional utility include unlimited storage, file size for WeTransfer, unlimited presentation decks in Paste, and syncing of Collect across devices. The Group focuses on driving growth in users and subscribers, targeting freelancers and small and medium-sized businesses (SMBs). The Group's self-service, low-friction model makes it easy for users to try, adopt and use its products. With its beautiful, functional and affordable suite of tools, the

Group generates demand and drives brand awareness due to the inherently viral nature of its products, and sustains demand and keeps users in the ecosystem due to its positive user experience.

As of 31 December 2018, 2019 and 2020, the Group had approximately 49 million, 61 million and 84 million monthly active users, respectively. As of 31 December 2020 the Group had approximately 13 million users registered with free accounts and approximately 326,000 paying subscribers. These users include creative content producers and other creative professionals, including in verticals such as advertising, design, fashion, film, music and photography (totalling approximately 60% of the Group's free users), as well as users in verticals adjacent to the creative ecosystem, such as architecture and journalism (totalling approximately 40% of the Group's free users). No single user contributed more than 1% of subscription revenue during the year ended 31 December 2020.

The Group generated total revenue in the year ended 31 December 2020 of €65.0 million, representing a compound annual growth rate between 2018 and 2020 of 31% and an Adjusted EBITDA margin of 30%. This was a significant increase in profitability, due in part to decisions management made to delay certain planned hiring and other cost control measures following the outbreak of the COVID-19 pandemic, which resulted in operating expenses declining as a percentage of revenue, beginning in the second quarter of 2020. Management expects these costs generally to return to historical levels in the short to medium term. In the years ended 31 December 2018, 2019, and 2020, the Group had €1.4 million, €11.1 million and €17.1 million, respectively, of unlevered free cash flow, which the Group defines as Adjusted EBITDA less CapEx less change in net working capital and less cash taxes. In the nine months ended 30 September 2021, the Group had €47.0 million of unlevered free cash flow (excluding the impact of the MIP accrual (€29.5 million) in net working capital, unlevered free cash flow for the nine months ended 30 September 2021 is €17.5 million).

### **Business model**

The Group has a differentiated revenue model and benefits from the ability to monetise its entire user base. The Group generates revenue by the: (i) sale of subscriptions to WeTransfer Pro, WeTransfer Premium (from January 2022), Paste, Collect and Paper; and (ii) sale of immersive billboard-style advertisements visible to free users of WeTransfer. In the years ended 31 December 2018, 2019, and 2020, 78%, 76% and 78%, respectively, of revenue from contracts with customers was re-occurring revenue, which the Group defines as (i) revenue from advertising accounts (with a minimum yearly spend of €50,000) with at least two quarters of revenue inflows in the current and previous year and (ii) subscription revenue.

### **Subscribers**

Growth in the number of users has accelerated as a result of the inherently viral nature of the Group's products. This viral loop has fuelled the Group's growth globally and is expected to continue driving growth in the future. WeTransfer's users are often introduced to the ecosystem when receiving a file transfer as users frequently transfer files to and collaborate with users new to the ecosystem. This virtuous circle drives brand recognition and organic traffic to the Group's website and suite of tools, which are also available on a freemium model.

The WeTransfer sending experience is crucial to converting new users, non-registered users, and users with free accounts into paying subscribers of WeTransfer Pro and WeTransfer Premium (launched in January 2022 as a third pricing tier). The number of subscribers of WeTransfer Pro has increased significantly during the periods under review. Currently, WeTransfer Pro users purchase automatically renewing monthly or annual subscriptions, primarily available at €12 or US\$12 per month (or €120 or US\$120 per year). WeTransfer Premium users purchase automatically renewing monthly or annual subscriptions, available at €23 or US\$23 per month (or €228 or US\$228 per year). The Group's subscribers are roughly evenly split between monthly and annual subscriptions. Following the introduction of the WeTransfer Premium pricing tier, all existing WeTransfer Pro users have been automatically upgraded to WeTransfer Premium for a six-month trial period at no additional costs. At the end of this period, these users will have the option to stay on WeTransfer Premium at its higher price point, or revert back to WeTransfer Pro. For the year ended 31 December 2020, subscription revenue, of which WeTransfer Pro was the largest contributor, accounted for 53% of total revenue generated.

The Group has a strategic focus on retaining and growing its subscriber base and WeTransfer Premium is designed to drive higher user engagement supported by investments in growth marketing.

### **Advertisers**

The Group's advertising customer base consists of high-end, recognisable brands in numerous industries, including technology and luxury fashion. Advertisements are shown to all free users who access the Transfer

desktop web application. The advertisements, which can be formatted as still or interactive images, videos or games, are full-screen and immersive, making them high-impact. They are subject to time-based rotation starting when a user visits the WeTransfer website, through to the beginning of an upload or download, and continuing for the duration of the file transfer upload or download. Advertisers also have the option of securing 24-hour exclusivity in a specific geography, which the Group calls a Takeover campaign. As only one billboard-style advertisement, referred to as Wallpapers, is shown at a time, Transfer offers advertisers 100% share of the page, allowing advertisers to feel secure that their brands will not be linked by association with other brands, and access to a valuable audience: the creative community. This differentiated digital format has resulted in high retention among advertisers. Between 2018 and 2020, 55% of advertising revenue was generated from repeat advertising revenue. For the last twelve months ended 30 September 2021 65% of advertising revenue was generated from repeat advertising revenue.

The Group has the following categories of advertising impressions for which it charges different prices:

- **Platinum impression:** advertisements shown to a user with the highest campaign impact and which, accordingly, are priced at the highest rate.
- **Premium impression:** advertisements shown to a user with medium campaign impact and maximised reach.
- **Run of site impression:** advertisements shown to a user on lower valued positions offered in high volumes and frequency.
- **Takeover campaign:** 24-hour advertising exclusivity of all impressions in a specific geography.

For the year ended 31 December 2020, platinum and premium impressions accounted for approximately 40% of advertisements shown to users, and run of site impressions, which include takeover campaigns, accounted for approximately 60% of advertisements shown to users. For the year ended 31 December 2020, the Group generated €30.3 million in advertising revenue, representing 46.7% of total revenue from contracts with customers, of which a majority was denominated in US dollars.

### Current trading and recent developments

The information below relating to the Group's revenue from contracts with customers, advertising revenue and subscription revenue is based on the Group's unaudited internal management accounts, which are prepared in accordance with IFRS, and other operating records and represents the Group's preliminary expectations with respect to its results for the three months ended 31 December 2021. While the Group believes these estimates to be reasonable, the Group's actual results could vary from these estimates and the differences could be material. These estimates have been prepared by and are the responsibility of management and have not been reviewed or audited by an auditor. Accordingly, investors should not place undue reliance on these estimates. See "*Important Information—Information regarding forward-looking statements*".

The Group currently expects total revenue from contracts with customers of between €32.4 million and €33.5 million for the three months ending 31 December 2021 with year-on-year growth in subscription revenue of between 25-27% (23-26% at constant currency) and year-on-year growth in advertising revenue of between 79-87% (73-80% at constant currency) compared to the same period last year. This results in total revenues from contracts with customers of between €104.3 million and €105.4 million for the financial year ending December 2021, an increase of 60-62% (62-64% at constant currency) compared to €65.0 million for the financial year ended 31 December 2020.

In addition, the Group has incurred or approved sales and marketing expenses, largely in connection with the launch of WeTransfer Premium, of at least €14 million in aggregate since 30 September 2021, a portion of which has been incurred in the three months ended 31 December 2021. As a result, management of the Group expects to achieve an Adjusted EBITDA margin for the year ended 31 December 2021 in line with pre-COVID levels.

### Key factors affecting the Group's performance

#### *Expanding and deepening user relationships*

The Group's results of operations are impacted significantly by its ability to deepen user engagement and increase the use of its products across its user base, as net subscriber growth is a key driver of the Group's financial performance. The Group's user base continuously expands through its viral product adoption model, as users invite others to share content, collaborate and co-create along the creative process. The Group generates

additional revenue as more users join and additional subscriptions are sold. To support further user engagement, in January 2022, the Group introduced a third pricing tier, WeTransfer Premium, to complement its existing offering, which will enable users to more easily collaborate, share and deliver their work to their clients, particularly through Portals and Reviews, a capability designed to help creatives organise their work by keeping track of all the creative work they share, and simplifying the client review process. By removing friction points between tools as well as implementing new capabilities and deepening the Group's relationship with subscribers, the Group expects this to contribute to higher frequency of usage, sharing and collaboration, thus enabling further growth and supporting user retention and conversions.

#### ***Continuing to invest in product development and functionality***

The Group intends to continue improving its suite of tools by expanding the functionality of existing tools, developing and enhancing new products and offering bundled solutions to improve ease of use and interoperability. Since the initial release of WeTransfer, the Group has developed a variety of improvements and additional capabilities to increase functionality and improve user experience. The Group believes that integration and bundling increase the value of its products to users, who can use the WeTransfer suite throughout the entire creative process. The Group intends to expend additional resources in the future to introduce new tools, capabilities and functionality to ultimately enable horizontal expansion of individual product utility, product interoperability and integrations to own the creative process. The Group also plans to invest further in research and development as it hires employees in engineering, product and design to enhance its products and support the future needs of its growing user base.

#### ***Capitalise on the continued expansion and density of digital content***

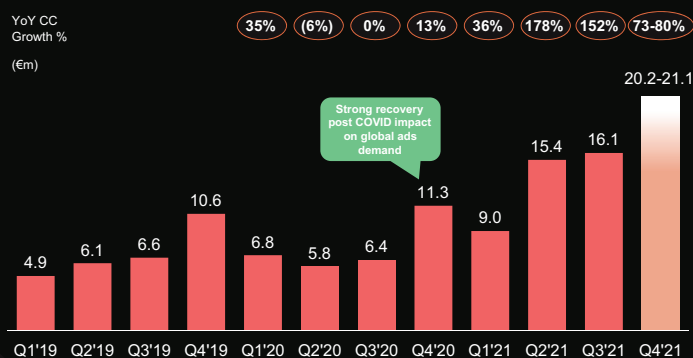
The Group's business model has benefitted from the trends of continued expansion of digital content and content creators. The Group has benefitted from the wave of content generators, which has expanded its user and technology base. In recent years an increasing number of individuals globally have maintained roles as freelancers and more companies have employees who work like freelancers, individually or in teams spread out across different geographic locations. While the Group has seen this trend increase steadily in recent years, the COVID-19 pandemic has rapidly accelerated this trend, thereby accelerating the Group's growth as individuals and teams need more convenient ways to share content quickly and easily.

#### ***Seasonality***

The Group experiences seasonality in advertising revenue, with an increase in revenue from advertising customers in the fourth quarter as advertisers typically increase their advertising spend in the holiday season and seek to fully deploy existing advertising budgets. Conversely, the Group typically experiences lower revenue from advertising customers over the summer holidays in the third quarter when fewer users have historically used the platform and demand from advertisers is lower. Despite the impact of COVID-19, the Group's advertising revenue increased in the last quarter of 2020 achieving year on year growth. The following graphic presents the development of the Group's advertising revenue in the quarters indicated.



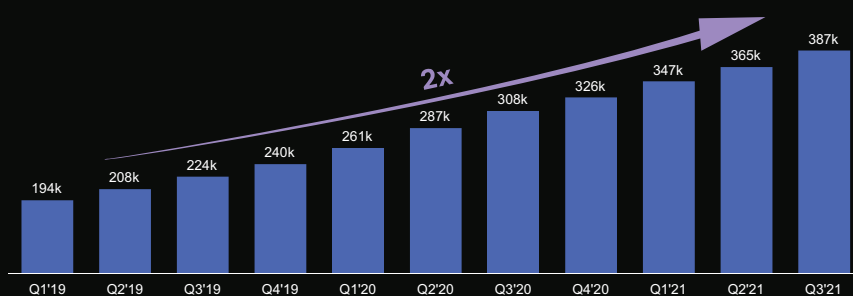
## Advertising Revenue by Quarter



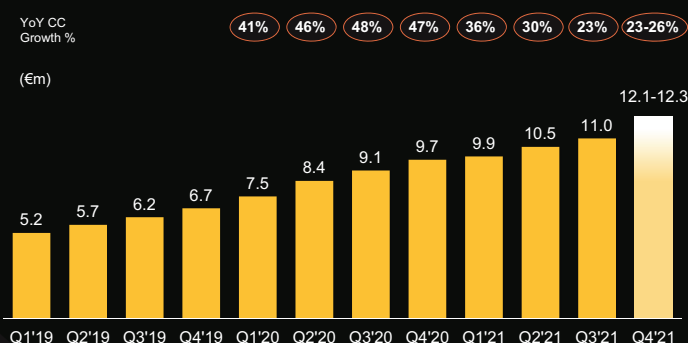
Note: Q4'21 advertising revenue is based on the Company's estimated year-on-year growth range of between 73-87% (73-80% at constant currency).

The Group's subscription business experiences low levels of seasonality largely linked to the key holiday seasons. Historically, subscriber growth is slowest during the summer months and the last weeks of the calendar year, as existing users use the platform less frequently than during other periods and fewer new users start using or subscribing to the pricing tiers. Subscriber growth and subscription revenue growth both accelerated in the first two quarters of 2020 due to an acceleration of the trends towards remote collaboration with the COVID-19 pandemic as well as the launch of free accounts in March 2020. Following the first two quarters of 2020, the Group's subscription revenue growth returned to its historical levels. The following graphics present the development of the Group's paid subscribers for the WeTransfer Pro pricing tier and subscription revenue as of the end of the quarters indicated.

## Evolution of Subscribers



## Subscription Revenue by Quarter



Note: Q4'21 subscription revenue is based on the Company's estimated year-on-year growth range of between 25-27% (23-26% at constant currency).

### COVID-19

In December 2019, an outbreak of the COVID-19 disease was first identified and began to spread across the globe. In March 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic, impacting many countries around the world, including where the Group's users and advertisers are located and where the Group has large business operations, including the Netherlands and the United States. As a result of the COVID-19 pandemic, government authorities around the world have ordered schools and businesses to close, imposed restrictions on non-essential activities and encouraged people to remain at home while instilling significant limitations on traveling and social gatherings.

In response to the pandemic, in the first quarter of 2020, the Group temporarily closed its offices, enabled the entire work force to work remotely and implemented travel restrictions for non-essential business. The Amsterdam office reopened for a limited number of people between 2020 and 2021, however most employees continue to work remotely. The changes implemented to enable remote working to date have not materially affected, and are not expected to materially affect, the Group's ability to operate.

As a result of the global travel restrictions and stay-at-home or similar orders in effect due to the COVID-19 pandemic, sales and marketing, research and development, and general and administrative expenses declined as a percentage of revenue beginning in the second quarter of 2020. The Group also took the deliberate decision to delay certain planned hiring on other cost control measures. As a result of these cost savings, the Group's profitability increased significantly in 2020. Management expects these costs generally to return to historical levels in the medium term.

Prior to the pandemic, market demand for the Group's products was growing at a robust rate, with numerous opportunities for long-term growth. While COVID-19 led to a decrease in advertising demand globally, adversely impacting Advertising revenue, particularly in the second and third quarters of 2020, the Advertising revenue growth trajectory resumed later in the year. COVID-19 favourably impacted subscription revenue, as the pandemic and the resultant travel restrictions and stay-at-home orders increased demand for remote collaboration tools and accelerated the trend towards collaborative creativity. For more information, see *"Risk Factors—Risks relating to the Group's business and industry—The COVID-19 pandemic has affected how the Group and its customers operate and has adversely affected the global economy, and the duration and extent of such effects remain uncertain"*.

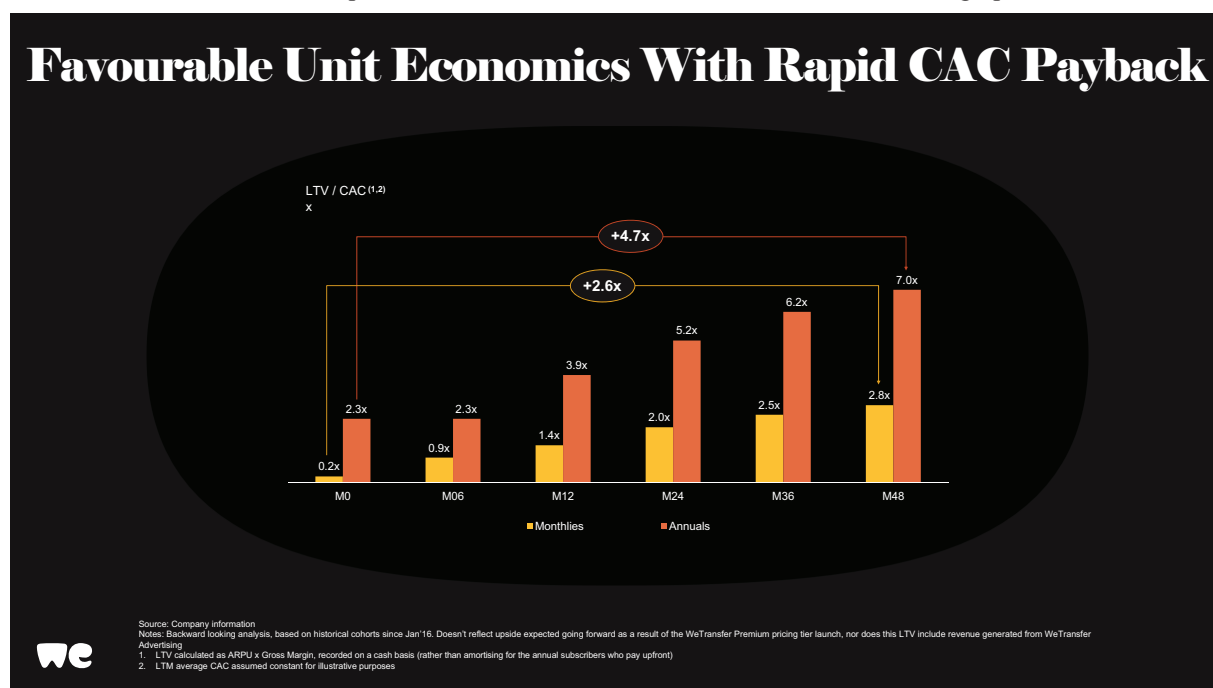
### COMPARISON OF AVERAGE CUSTOMER ACQUISITION COST AND LIFETIME VALUE

The Group has historically incurred limited marketing expenses and benefits from a viral adoption model. See *"Business—The Group's competitive strengths—Viral product adoption combined with revenue maximising business model resulting in highly profitable growth"*. This has resulted in the Group having a low historic average customer acquisition cost (CAC), which is defined as performance marketing plus general marketing expenses, divided by total number of new subscribers for the period and has been calculated as a monthly average over the past twelve months. For annual subscriptions, the Group has historically generated 2.3x our

CAC at the time of the initial annual subscription. This historically has increased to a lifetime value (LTV) ratio to CAC of 3.9x by the time of the renewal for the second year, and by month 48, when the subscriber renews for a fifth year, the LTV to CAC ratio has increased to 7.0x.

Historically, monthly subscriber retention has been impacted by “dip-in-dip-out” dynamics as some users engaged with the paid transfer utility on a project basis. As a result, the Group has historically earned 1.4x its average CAC by the end of the first year, and the Group has historically been able to generate LTV of 2.8x average CAC after 48 months. The Group has experienced similar retention trajectories across the historical cohorts analysed, improving modestly from 2016 to 2021 cohorts. While the Group is focused on improving LTV, driving user engagement and increasing subscriber retention, further supported by the introduction of the WeTransfer Premium tier in January 2021, there can be no assurances that the Group will be successful implementing related strategic initiatives or that future cohorts will continue to exhibit the historical behaviour profile. See “Risk Factors—Risks relating to the Group’s business and industry—The Group’s future growth could be harmed if it fails to attract new users, retain existing users or convert free users to paying subscribers”.

The Group calculates LTV as subscription ARPU multiplied by gross margin recorded on a cash basis. For further information on the Group’s calculation of LTV and CAC see the footnotes to the graphic below.



## Selected key business metrics

The table below presents the Group’s non-IFRS financial measures and other metrics as at and for the periods indicated (see “Selected Financial and Other Information—Non-IFRS measures and other metrics” for further information as to how these non-IFRS financial measures and other metrics have been defined).

	Nine months ended 30 September		Year ended 31 December		
	2021	2020	2020	2019	2018
	(in millions of euros unless otherwise indicated)				
Adjusted EBITDA <sup>(1)</sup>	21.3	12.2	19.2	12.1	6.9
Adjusted EBITDA margin	29.6%	27.7%	29.5%	23.2%	18.2%
Cash conversion (in %)	95.0%	96.5%	96.6%	96.8%	80.3%
Subscribers (in thousands)	387	308	326	240	181
Subscription ARPU <sup>(2)</sup>	9.0	9.3	9.2	9.0	8.8
Monthly recurring revenue	3.8	3.0	3.3	2.3	1.8

- (1) As explained in the reconciliation of Adjusted EBITDA (please see “Selected Financial and Other Information—Non-IFRS measures and other metrics”) share-based payment expenses are excluded from Adjusted EBITDA. In the nine months ended 30 September 2021, share-based payment expenses included MIP expenses of €29.5 million.
- (2) Historically, the Group’s Subscription ARPU has been broadly stable and any variations are driven by foreign exchange movements (USD/EUR movements) and/or a shift in mix towards monthly vs. annual subscriptions (which has a positive impact on ARPU). The decrease in Subscription ARPU for the nine months ended 30 September 2021 as compared to the nine months ended 30 September 2020 was primarily the result of USD/EUR movements.

## COMPONENTS OF THE GROUP'S RESULTS OF OPERATIONS

### Revenue from contracts with customers

The Group primarily derives its revenue from contracts with customers from (i) subscribers and (ii) advertisers.

#### *Subscription revenue*

For the year ended 31 December 2020, 53% of the Group's revenue from contracts with customers was generated from the sale of subscriptions, of which WeTransfer Pro was the largest contributor. Additionally, from January 2022, the Group will generate subscription revenue from users with access to a paid version of WeTransfer Premium and paid versions of its other products and tools. The Group offers three pricing tiers to users: (i) free basic versions of the Group's tools through WeTransfer Free; and paid subscriptions for enhanced access to its tools and key capabilities through (ii) WeTransfer Pro or (iii) WeTransfer Premium. The new three-tier offering provides a path to upsell new capabilities and additional utility to existing users and boost retention through higher product engagement.

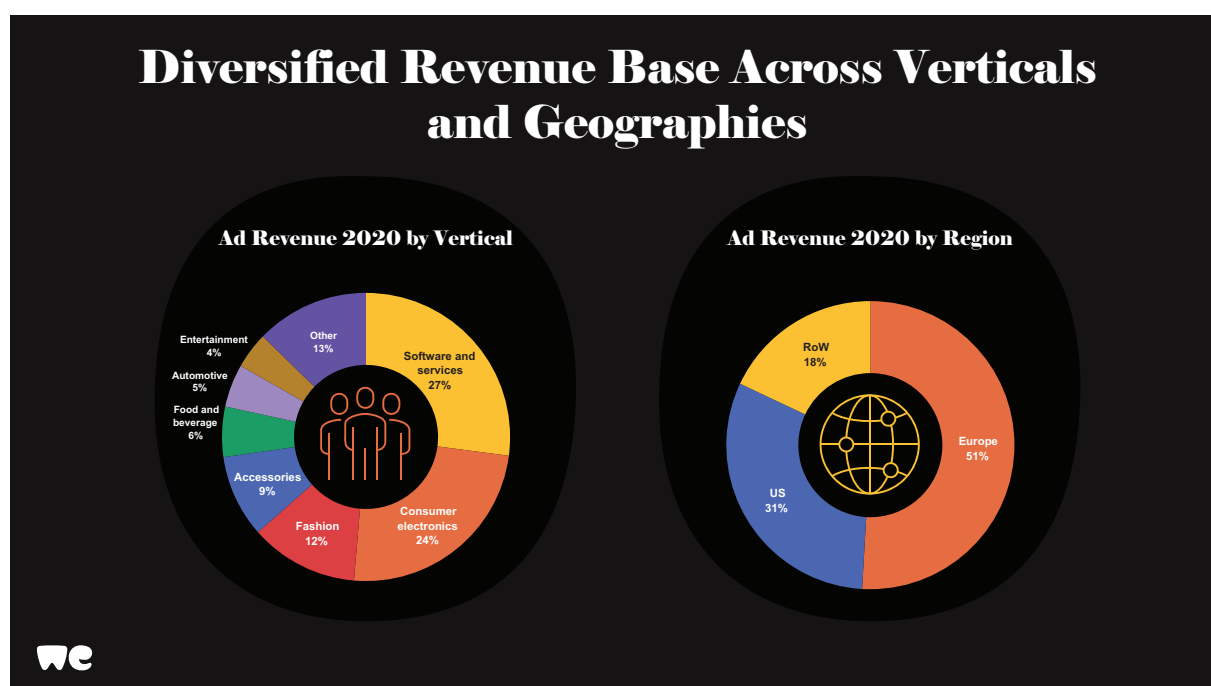
Subscription revenue is recognised ratably over the related contractual term, generally beginning on the date that a subscription for a pricing tier commences. The Group's subscription agreements typically have monthly or annual contractual terms and these agreements are renewed automatically. Payments received in advance of services being rendered are recorded as deferred revenue (now referred to as a contract liability) in the Group's consolidated balance sheet.

The subscription revenue is driven primarily by the number of paying subscribers and the price the Group charges for access to its pricing tier, which varies based on the duration of the plan to which a customer subscribes. The Group's results of operations may not immediately reflect downturns or upturns in subscription sales because it recognises revenue from its subscription users over the term of their subscriptions with the Group.

#### *Advertising revenue*

The Group generates revenue from the sale of advertising. The Group generates advertising revenue through display advertising delivered through advertising impressions. These advertising arrangements are typically sold on a cost-per-thousand basis. Advertising revenue is recognised upon delivery of impressions based on the number of impressions delivered. The Group's advertisers come from a wide range of industries, including tech and luxury fashion.

The table below presents the Group's advertising revenue by vertical and by geographical region for the financial year ended 31 December 2020:



**Cost of revenue**

Cost of revenue consists primarily of expenses associated with the storage, delivery, and distribution of files for both paying subscribers and free users. These costs include payments to third-party data centre service providers for storage and transfer of files, transaction payment service providers, or PSPs, network and bandwidth costs, and support and maintenance costs for infrastructure equipment. Cost of revenue also includes costs, such as salaries, bonuses, benefits and share-based compensation for employees whose primary responsibilities relate to delivering user support.

**Gross profit (and gross profit margin)**

Gross profit is revenue from contracts with customers less cost of revenue, and gross margin is gross profit as a percentage of revenue from contracts with customers. Gross profit has been and will continue to be affected by a variety of factors, including the average sales price of the Group's subscriptions and the price of advertisements, volume growth, and the Group's ability to leverage its costs for hosting data and traffic as it expands its user base.

**Operating expenses**

The Group's operating expenses consist of research and development, sales and marketing and general and administrative expenses. Employee-related costs are the most significant component of operating expenses and consist of salaries, benefits, bonuses and share-based compensation costs. Operating expenses also include depreciation expenses and an allocation of overhead costs for facilities and shared IT-related expenses.

***Research and development expenses***

The Group invests heavily in research and development in order to drive user engagement and customer satisfaction with its product offering. Management believes this helps increase growth of both free users and paid subscribers, as well as enabling the Group to maximise its advertising opportunities. The Group's research and development expenses consist primarily of employee-related costs for the Group's engineering, product, and design teams, and related other operational expenses. The Group has expensed almost all of the Group's research and development costs as they were incurred. The Group plans to continue to hire employees for its engineering, product, and design teams to support its research and development efforts. The Group expects that product and engineering personnel will represent a significant portion of its research and development employees for the foreseeable future.

***Selling and marketing expenses***

The Group's selling and marketing expenses consist primarily of brand campaign fees, employee-related costs for marketing, sales and related functions and user acquisition costs. This also includes expenses related to creating content for the Group's online media platform, WePresent. Management plans to continue to invest in sales and marketing to grow the Group's user base, including subscribers, and to increase brand awareness.

***General and administrative expenses***

The Group's general and administrative expenses consist primarily of employee-related costs for the executive, finance, human resources, facilities, information technology and legal functions. In addition, general and administrative expenses include external advisory fees, non-income-based taxes, depreciation and amortisation of tangible and intangible assets, as well as operating costs including facility and equipment cost. The Group expects general and administrative expenses to increase in absolute terms for the foreseeable future as the Group continues to increase investments to support its product strategy growth and as a result of becoming a public company. The Group expects general and administrative expenses as a percentage of revenue to increase in 2021 and then modestly decrease thereafter, as the Group expects to realise operating leverage in its business.

**Other income / (expenses), net**

Other income (expenses), net consists of other non-operating gains or losses, including foreign currency transaction gains and losses.

**Finance expenses**

Finance expenses consist primarily of interest costs related to the Preference Shares A financial liability.



## Income tax expense

The Group is subject to income taxes, primarily in the Netherlands and the United States. The Group has recorded deferred tax assets, which primarily consist of unutilised tax losses carried forward and the difference in accounting treatment for tax purposes relating to acquired intangible assets in the past. The Group considers all available evidence, both positive and negative, in assessing the extent to which a valuation allowance should be applied against its deferred tax assets. Realisation of the Group's deferred tax assets depends on future earnings, the timing and amount of which are uncertain, however currently the realisation is considered to be likely. The Group's effective tax rate is affected by tax rates in the Netherlands (the highest statutory rate being 25%) and the United States, the relative amounts of income the Group earns in those jurisdictions, specific exemptions in the jurisdictions, and as well as, but not limited to, non-deductible expenses, such as share-based compensation, and changes in the Group's valuation allowance. The Group expects a consistent effective tax rate of approximately 30% in the medium term.

## Results of operations

The following table sets forth the Group's results of operations for the periods indicated.

	Nine months ended 30 September		Year ended 31 December		
	2021	2020	2020	2019	2018
	<i>(in millions of euros)</i>				
Revenue from contracts with customers	72.0	44.0	65.0	52.1	37.8
Cost of revenue	(9.6)	(8.2)	(11.0)	(8.6)	(5.6)
<b>Gross profit</b>	<b>62.4</b>	<b>35.8</b>	<b>54.1</b>	<b>43.5</b>	<b>32.2</b>
Research and development expenses	(20.1)	(7.1)	(10.3)	(9.5)	(7.3)
Selling and marketing expenses	(29.3)	(12.1)	(18.0)	(14.7)	(11.7)
General and administrative expenses	(32.6)	(6.4)	(9.6)	(9.1)	(16.3) <sup>(2)</sup>
<b>Operating profit / (loss)</b>	<b>(19.6)<sup>(1)</sup></b>	<b>10.2</b>	<b>16.1</b>	<b>10.3</b>	<b>(3.1)</b>
Other income / (expenses)	1.3	(1.3)	(2.4)	0.2	0.5
Finance expenses	(0.1)	—	(0.1)	(0.6)	(0.9)
<b>Profit / (loss) before income tax</b>	<b>(18.4)</b>	<b>8.9</b>	<b>13.6</b>	<b>9.9</b>	<b>(3.5)</b>
Income tax expenses	3.0	(1.7)	(2.8)	(2.0)	0.6
<b>Profit/(loss) for the period</b>	<b>(15.4)</b>	<b>7.2</b>	<b>10.8</b>	<b>7.8</b>	<b>(2.9)</b>

(1) Includes a portion of the MIP and equity settled share-based payments in the nine months ended 30 September 2021, as detailed further in the table below.

(2) Includes a one-off impairment charge of €8.6 million taken in 2018 related to acquired technology and goodwill relating to FiftyThree Inc. Excluding this one-off charge general and administrative expenses are €7.7 million.

The following table presents the Group's total share-based payment expenses and related employer payroll taxes for the periods indicated allocated by the Group function.

	Nine months ended 30 September		Year ended 31 December		
	2021	2020	2020	2019	2018
	<i>(in millions of euros)</i>				
Costs of revenue	0.2	0.2	0.3	0.1	0.1
Research and development expenses	7.7	0.4	0.6	0.5	0.3
Selling and marketing expenses	8.7	0.4	0.5	0.2	0.1
General and administrative expenses	17.8	0.3	0.5	0.2	0.2
<b>Total share-based payment expenses<sup>(2)</sup></b>	<b>34.4<sup>(1)</sup></b>	<b>1.3</b>	<b>1.9</b>	<b>1.1</b>	<b>0.7</b>

(1) Total share-based payment expenses in the nine months ended 30 September 2021 includes the MIP (€29.5 million) and equity settled share-based payments of €4.9 million (nine months ended 30 September 2020 equity settled share-based payments of: €1.3 million). The increase in equity settled share-based payments between the comparative periods is due to both an increase in the number of Options granted under the Option Plan and increase in the fair value of the Options granted. As from Settlement, no new Options will be granted under the Option Plan. Expenses for Options granted prior to Settlement will be expenses over the vesting period, which is a period of four years from the date of acceptance.

(2) The Group's share-based payment expenses for the year ending 31 December 2021 includes the cash-settled MIP, which will materially impact share-based payment expenses as a percentage of revenue for the year ending 31 December 2021 on a reported basis, and will no longer be relevant following the Offering.

## COMPARISON OF THE NINE MONTHS ENDED 30 SEPTEMBER 2021 AND 2020

### Revenue from contracts with customers

Revenue from contracts with customers for the nine months ended 30 September 2021 increased by €28 million, or 63.6%, from €44.0 million for the nine months ended 30 September 2020 to €72.0 million, primarily as a result of an increase in advertising revenue, which was driven by strong advertising spend growth across verticals. At constant currency, revenue for the nine months ended 30 September 2021 increased by 68.4% from the nine months ended 30 September 2020. The following table summarises the Group's revenue from contracts with customers for the periods indicated.

	Nine months ended 30 September	
	2021	2020
	<i>(in millions of euros)</i>	
Advertising .....	40.5	19.0
Subscription .....	31.5	25.0
<b>Total revenue from contracts with customers .....</b>	<b>72.0</b>	<b>44.0</b>

Advertising revenue for the nine months ended 30 September 2021 increased by €21.5 million, or 113.2%, from €19.0 million nine months ended 30 September 2020 to €40.5 million. Advertising revenue in the nine months ended 30 September 2020 reflected the decrease in advertising demand globally, particularly in the second and third quarters, as a result of the COVID-19 pandemic. The Group's growth in advertising revenue in the nine months ended 30 September 2021 reflects a broad increase in advertiser demand. Other drivers of the growth in advertising include higher average spend per client and the implementation of price increases. At constant currency, advertising revenue for the nine months ended 30 September 2021 increased by 119.5% from the nine months ended 30 September 2020. The growth in advertising revenue was achieved across all geographical segments, although growing at a faster rate in the rest of the world. The increase in advertising revenue also resulted in an increase in contract assets on the balance sheet, which represent advertisements that have been served but have not yet been invoiced.

Subscription revenue for the nine months ended 30 September 2021 increased by €6.5 million, or 26.0%, from €25.0 million nine months ended 30 September 2020 to €31.5 million. At constant currency, subscription revenue for the nine months ended 30 September 2021 increased by 29.6% from the nine months ended 30 September 2020. The increase was primarily as a result of an increase in paying subscribers, which increased by 25.6%. The increase in paying subscribers was driven by WeTransfer Pro's viral adoption model, as well as positive impacts from continuous product optimisations and marketing investments. The increase in subscription revenue was achieved across all geographical segments, although growing at a faster rate in the United States.

The following table presents a geographical breakdown of the Group's revenue.

	Nine months ended 30 September	
	2021	2020
	<i>(in millions of euros)</i>	
United States .....	21.6	12.9
Europe .....	35.7	22.3
Rest of the world .....	14.7	8.8
<b>Total revenue .....</b>	<b>72.0</b>	<b>44.0</b>

### Cost of revenue

Total cost of revenue for the nine months ended 30 September 2021 increased by €1.4 million, or 17.1%, from €8.2 million for the nine months ended 30 September 2020 to €9.6 million. Excluding share-based payment expenses, cost of revenue increased by 17.5%. This increase was primarily a result of an increase in hosting costs and transaction fees, which decreased compared to the prior year as a percentage of revenue despite the increased traffic volume, reflecting revenue mix effects and favourable contractual terms. The Group's adjusted gross margin increased from 81.8% for the nine months ended 30 September 2020 to 86.9% for the nine months ended 30 September 2021.

## Operating expenses

The following table presents the Group's operating expenses for the periods indicated, both as reported and as a percentage of revenue from contracts with customers.

	<b>Nine months ended 30 September</b>	
	<b>2021</b>	<b>2020</b>
	<i>(in millions of euros except as otherwise indicated)</i>	
Research and development .....	20.1	7.1
<i>As a % of revenue</i> .....	27.9%	16.1%
Selling and marketing .....	29.3	12.1
<i>As a % of revenue</i> .....	40.7%	27.5%
General and administrative .....	32.6	6.4
<i>As a % of revenue</i> .....	45.3%	14.5%
<b>Operating expenses</b> .....	<b>82.0</b>	<b>25.6</b>
<i>As a % of revenue</i> .....	113.9%	35.5%

### *Research and development*

Research and development expenses for the nine months ended 30 September 2021 increased by €13.0 million, or 183.1%, from €7.1 million for the nine months ended 30 September 2020 to €20.1 million. Excluding share-based payment expenses, research and development expenses increased by €5.7 million, or 85.1%. The increase in research and development expenses was primarily a result of an increase in headcount and other related expenses to support the Group's product development efforts and growth strategy.

### *Selling and marketing*

Selling and marketing expenses for the nine months ended 30 September 2021 increased by €17.2 million, or 142.1%, from €12.1 million for the nine months ended 30 September 2020 to €29.3 million. Excluding share-based payment expenses, selling and marketing expenses increased by €8.9 million, or 76.1%. The increase in selling and marketing expenses was driven by increased investment in performance marketing and headcount to support revenue growth.

### *General and administrative*

General and administrative expenses for the nine months ended 30 September 2021 increased by €26.2 million, or 409.4%, from €6.4 million for the nine months ended 30 September 2020 to €32.6 million. Excluding share-based payment expenses, and depreciation and amortisation of €1.0 million and €0.7 million in the nine months ended 30 September 2021 and 30 September 2020, respectively, general and administrative increased by 155.6% from €5.4 million to €13.8 million. The increase in general and administrative expenses was primarily due to an increase in non-recurring IPO-related costs, as well as due to an increase in headcount and other related expenses incurred as part of the Group's preparation to become a public company.

### **Other expenses / (income)**

Other expenses for the nine months ended 30 September 2021 decreased by €2.6 million, primarily as a result of foreign exchange gains of €1.4 million in the nine months ended 30 September 2021 compared to a foreign exchange losses of €1.3 million for the nine months ended 30 September 2020. Foreign exchange gains and losses in both periods primarily resulted from USD/EUR movements.

### **Finance expenses**

Finance expenses for the nine months ended 30 September 2021 were €0.1 million, an increase of €0.1 million compared to nil for the nine months ended 30 September 2020. This increase in finance expenses was primarily due to the negative interest charged on cash balances in the first nine months of 2021.

### **Income taxes**

Income tax expenses for the nine months ended 30 September 2021 decreased by €4.7 million from an expense of €1.7 million for the nine months ended 30 September 2020 to an income tax benefit of €3.0 million, as a result of increased pre-tax expenses in the nine months ended 30 September 2021.

## Profit for the period

Profit for the nine months ended 30 September 2021 decreased by €22.6 million from a gain of €7.2 million for the nine months ended 30 September 2020 to a loss of €15.4 million, primarily as a result of the increase in share-based payments expenses (nine months ended 30 September 2021: €34.4 million; nine months ended 30 September 2020: €1.3 million). Excluding these expenses, profit for the period increased by €10.5 million (nine months ended 30 September 2021: €19.0 million; nine months ended 30 September 2020: €8.5 million) due to increased revenue and an income tax benefit, which offset the increased operational expenses in the period.

## COMPARISON OF THE YEARS ENDED 31 DECEMBER 2020 AND 2019

### Revenue from contracts with customers

Revenue from contracts with customers for the year ended 31 December 2020 increased by €12.9 million, or 24.7%, from €52.1 million for the year ended 31 December 2019 to €65.0 million, primarily as a result of an increase in subscription revenue, which was driven by growth in the number of subscribers. At constant currency, revenue for the financial year ended 31 December 2020 increased by 26% from the financial year ended 31 December 2019.

The following table summarises the Group's revenue from contracts with customers for the years indicated.

	Year ended 31 December	
	2020	2019
	<i>(in millions of euros)</i>	
Advertising .....	30.3	28.2
Subscription .....	34.7	24.0
<b>Total revenue from contracts with customers .....</b>	<b>65.0</b>	<b>52.1</b>

Advertising revenue for the year ended 31 December 2020 increased by €2.2 million, or 7.7%, from €28.2 million for the year ended 31 December 2019 to €30.3 million. At constant currency, advertising revenue for the year ended 31 December 2020 increased by 9% from the year ended 31 December 2019. This increase was primarily as a result of growth in average spend per advertiser, particularly in key accounts. The increase in revenue was achieved despite a decrease in advertising demand globally, particularly in the second and third quarters of 2020, as a result of the COVID-19 pandemic. The increase in advertising revenue was primarily in Europe and the United States, partially offset by a decrease in the rest of the world.

Subscription revenue for the year ended 31 December 2020 increased by €10.7 million, or 44.8%, from €24.0 million for the year ended 31 December 2019 to €34.7 million. At constant currency, subscription revenue for the year ended 31 December 2020 increased by 45% from the year ended 31 December 2019. The increase was primarily a result of increased growth in the number of subscribers, with monthly subscriptions increasing as a proportion of total subscriptions. The increase in subscription revenue was achieved across all geographical segments, although growing at a faster rate in the United States.

The following table presents a geographical breakdown of the Group's revenue.

	Year ended 31 December	
	2020	2019
	<i>(in millions of euros)</i>	
United States .....	19.2	13.9
Europe .....	33.0	27.1
Rest of the world .....	12.8	11.1
<b>Total revenue .....</b>	<b>65.0</b>	<b>52.1</b>

For the year ended 31 December 2020, 64% of the Group's revenue was denominated in currencies other than the euro, with 57% of revenue from contracts with customers in the year ended 31 December 2020 denominated in US dollars.

## Cost of revenue

Total cost of revenue for the year ended 31 December 2020 increased by €2.4 million, or 27.6%, from €8.6 million for the year ended 31 December 2019 to €11.0 million. This increase was primarily as a result of an increase in hosting costs and transaction fees, which remained relatively stable compared to the prior year as a percentage of revenue despite the increased traffic volume thanks to favourable contractual terms. Excluding share-based payment expenses, cost of revenue increased by 26.5%. The Group's adjusted gross margin was 83.7% for the year ended 31 December 2019 and 83.5% for the year ended 31 December 2020.

## Operating expenses

The following table presents the Group's operating expenses for the periods indicated, both as reported and as a percentage of revenue from contracts with customers.

	Year ended 31 December	
	2020	2019
<i>(in millions of euros except as otherwise indicated)</i>		
Research and development .....	10.3	9.5
<i>As a % of revenue</i> .....	15.9%	18.2%
Selling and marketing .....	18.0	14.7
<i>As a % of revenue</i> .....	27.7%	28.2%
General and administrative .....	9.6	9.1
<i>As a % of revenue</i> .....	14.8%	17.5%
<b>Operating expenses</b> .....	<b>38.0</b>	<b>33.3</b>
<i>As a % of revenue</i> .....	58.5%	63.9%

### Research and development

Research and development expenses for the year ended 31 December 2020 increased by €0.9 million, or 9.3%, from €9.5 million for the year ended 31 December 2019 to €10.3 million. The increase in research and development expenses was primarily a result of an increase in headcount and other related expenses to support the Group's growing product development efforts. Excluding share-based payment expenses, research and development expenses increased by 9.4%. As a percentage of revenue, research and development expenses decreased from 18.2% to 15.9%, which was due in part to cost control measures implemented following the onset of the COVID-19 pandemic.

### Selling and marketing

Selling and marketing expenses for the year ended 31 December 2020 increased by €3.3 million, or 22.4%, from €14.7 million for the year ended 31 December 2019 to €18.0 million. The increase in selling and marketing expenses was primarily as a result of increasing headcount and other related expenses, and to a lesser extent an increase in marketing expenses to support the growth of the business. Excluding share-based payment expenses, selling and marketing expenses increased by 20.6%. As a percentage of revenue, selling and marketing expenses decreased from 28.2% to 27.7%, which was due in part to cost control measures implemented following the onset of the COVID-19 pandemic.

### General and administrative

General and administrative expenses for the year ended 31 December 2020 increased by €0.6 million, or 6.3%, from €9.1 million for the year ended 31 December 2019 to €9.6 million. The increase in general and administrative expenses was due primarily to increasing headcount and other related expenses. General and administrative expenses include IPO related costs, which in 2020 totalled €0.4 million. Excluding share-based payment expenses and depreciation and amortisation of €1.4 million and €0.9 million in the years ended 31 December 2020 and 2019, respectively, general and administrative expenses increased by 1.5% from €8.1 million to €8.3 million. As a percentage of revenue, underlying general and administrative expenses (adjusted to exclude the items set forth above) decreased from 15.6% to 12.7%, due in part to cost control measures implemented following the onset of the COVID-19 pandemic.



### Other expenses / (income)

Other expenses for the year ended 31 December 2020 increased by €2.6 million as a result of foreign exchange losses of €2.4 million in 2020 compared to a foreign exchange gain of €0.2 million for the year ended 31 December 2019. The increase in foreign exchange losses was due to movements in the USD/EUR exchange rates in 2020.

### Finance expenses

Finance expenses for the year ended 31 December 2020 decreased by €0.5 million, or 90.8%, from €0.6 million for the year ended 31 December 2019 to €0.1 million. In both years, finance expenses primarily relate to interest on the Preference Shares A.

### Income taxes

Income tax expenses for the year ended 31 December 2020 increased by €0.7 million, or 34.6%, from €2.0 million for the year ended 31 December 2019 to €2.8 million, primarily as a result of the increase in income before income taxes.

### Profit for the period

Profit for the year ended 31 December 2020 increased by €3 million, or 37.9%, from €7.8 million for the year ended 31 December 2019 to €10.8 million, primarily as a result of increased revenue from contracts with customers and improved cost efficiency, which was due in part to cost control measures implemented following the onset of the COVID-19 pandemic, resulting in expenses in aggregate increasing less year-on-year than revenue.

## COMPARISON OF THE YEARS ENDED 31 DECEMBER 2019 AND 2018

### Revenue from contracts with customers

Revenue from contracts with customers for the year ended 31 December 2019 increased by €14.3 million, or 37.9%, from €37.8 million for the year ended 31 December 2018 to €52.1 million, primarily as a result of an increase in advertising revenue. At constant currency, revenue for the financial year ended 31 December 2019 increased by 36% from the financial year ended 31 December 2018.

The following table summarises the Group's revenue from contracts with customers for the years indicated.

	Year ended 31 December	
	2019	2018
	<i>(in millions of euros)</i>	
Advertising .....	28.2	18.9
Subscription .....	24.0	18.9
<b>Total revenue from contracts with customers .....</b>	<b>52.1</b>	<b>37.8</b>

Advertising revenue for the year ended 31 December 2019 increased by €9.3 million, or 49.5%, from €18.9 million for the year ended 31 December 2018 to €28.2 million. At constant currency, advertising revenue for the year ended 31 December 2019 increased by 45% from the year ended 31 December 2018. This increase was primarily due to growth in average spend per advertiser, particularly in key accounts. The increase in advertising revenue was across all geographic segments, although primarily in Europe and the United States.

Subscription revenue for the year ended 31 December 2019 increased by €5.0 million, or 26.3%, from €18.9 million for the year ended 31 December 2018 to €23.9 million. At constant currency, subscription revenue for the year ended 31 December 2019 increased by 26% from the year ended 31 December 2018. The increase was primarily as a result of increased growth in the number of subscribers, with monthly subscriptions increasing as a proportion of total subscriptions. The increase in subscription revenue was achieved across all geographic segments, although growing at a faster rate in the United States.

The following table presents a geographical breakdown of the Group's revenue.

	Year ended 31 December	
	2019	2018
	<i>(in millions of euros)</i>	
United States .....	13.9	8.9
Europe .....	27.1	20.7
Rest of the world .....	11.1	8.2
<b>Total revenue .....</b>	<b>52.1</b>	<b>37.8</b>

### Cost of revenue

Total cost of revenue for the year ended 31 December 2019 increased by €3.0 million, or 53.2%, from €5.6 million for the year ended 31 December 2018 to €8.6 million. This increase was primarily as a result of an increase in hosting costs due to new functionalities and increased storage requirements, which remained relatively consistent with the prior year as a percentage of revenue. Excluding share-based payment expenses, costs of revenue increased by 52.4%. The Group's adjusted gross margin was 85.4% for the year ended 31 December 2018 and 83.7% for the year ended 31 December 2019.

### Operating expenses

The following table presents the Group's operating expenses for the periods indicated, both as reported and as a percentage of revenue from contracts with customers.

	Year ended 31 December	
	2019	2018
	<i>(in millions of euros except as otherwise indicated)</i>	
Research and development .....	9.5	7.3
<i>As a % of revenue .....</i>	<i>18.2%</i>	<i>19.3%</i>
Selling and marketing .....	14.7	11.7
<i>As a % of revenue .....</i>	<i>28.2%</i>	<i>31.0%</i>
General and administrative .....	9.1	16.3 <sup>(1)</sup>
<i>As a % of revenue .....</i>	<i>17.5%</i>	<i>43.1%<sup>(1)</sup></i>
<b>Operating Expenses .....</b>	<b>33.3</b>	<b>35.3<sup>(1)</sup></b>
<i>As a % of revenue .....</i>	<i>63.9%</i>	<i>93.4%<sup>(1)</sup></i>

(1) Includes a one-off impairment expense of €8.6 million taken in 2018 linked to acquired technology and goodwill related to FiftyThree Inc. Excluding this one-off expense general and administrative expenses would have been €7.7 million, which as a percentage of revenue was 20.4%. Excluding this one-off charge, total operating expenses as a percentage of revenue was 70.5%.

### Research and development

Research and development expenses for the year ended 31 December 2019 increased by €2.2 million, or 30.4%, from €7.3 million for the year ended 31 December 2018 to €9.5 million. The increase in research and development expenses was primarily a result of an increase in headcount and other related expenses to support the Group's growing product development efforts. Excluding share-based payment expenses, research and development expenses increased by 28.1%.

### Selling and marketing

Selling and marketing expenses for the year ended 31 December 2019 increased by €3.0 million, or 25.8%, from €11.7 million for the year ended 31 December 2018 to €14.7 million. The increase in selling and marketing expenses was primarily as a result of increasing sales staff and investments in marketing initiatives, including the launch of the 10-year anniversary brand campaign in the fourth quarter of 2019. Excluding share-based payment expenses, selling and marketing expenses increased by 25.1%.

### **General and administrative**

General and administrative expenses for the year ended 31 December 2019 decreased by €7.2 million, or 44.4%, from €16.3 million for the year ended 31 December 2018 to €9.1 million. This decrease was primarily as a result of a one-off impairment charge of €8.6 million taken in 2018 linked to acquired technology and goodwill related to FiftyThree Inc. Excluding this one-off impairment charge, general and administrative expenses increased by 17.4% between 2018 and 2019. The increase in underlying general and administrative expenses was due to an increase in employee-related expenses due to headcount growth and other overhead-related costs primarily due to increased professional fees for legal and accounting services. Excluding share-based payment expenses, depreciation and amortisation, impairment of intangible assets and goodwill (including the one-off impairment discussed above, of €0.9 million and €9.5 million in the years ended 31 December 2019 and 2018, respectively, underlying general and administrative expenses increased by 19.4% from €6.8 million to €8.1 million.

### **Other expenses / (income)**

Other expenses / (income) for the years ended 31 December 2018 and 2019 remained largely flat, representing foreign exchange gains of €0.5 million for the year ended 31 December 2018 compared to €0.2 million for the year ended 31 December 2019.

### **Finance expenses**

Finance expenses for the year ended 31 December 2019 decreased by €0.3 million, or 35.5%, from €0.9 million for the year ended 31 December 2018 to €0.6 million.

### **Income taxes**

Income tax expenses for the year ended 31 December 2019 increased by €2.6 million from an income tax gain of €0.6 million for the year ended 31 December 2018 to an income tax expense of €2.0 million for the year ended 31 December 2019, primarily due to the recognition of deferred tax assets related to intangible assets acquired from FiftyThree Inc. in 2018.

### **Profit for the period**

Profit for the year ended 31 December 2019 increased to €7.8 million from a loss of €2.9 million for the year ended 31 December 2018. Excluding the impact of the one-off impairment charge in 2018, profit for the year ended 31 December 2019 would have increased by €2.2 million, or 38.5%, due largely to the increase in revenue from contracts with customers and improved operating leverage.

## **LIQUIDITY AND CAPITAL RESOURCES**

### **Overview**

As at 30 September 2021 and 31 December 2020, the Group had cash and cash equivalents of €38.7 million and €25.5 million, respectively. The Group's cash and cash equivalents consist primarily of cash. As of 30 September 2021, the Group had €0.6 million of its cash and cash equivalents held by its foreign subsidiaries, compared to €1.1 million as at 31 December 2020. The Group would not expect to incur material taxes in the event any of these amounts are repatriated.

Since the Group's inception, it has financed its operations primarily through cash generated from its operations. The Group's principal uses of cash in recent periods has been in relation to funding its operations.

The Group is predominately equity-financed and, excluding the contractual obligations for the Preference Shares A, did not have any indebtedness as at 30 September 2021. See "*Capitalisation and Indebtedness*". The Group's future capital requirements will depend on many factors including its revenue growth rate, subscription renewal activity, billing frequency, the timing and extent of spending to support further infrastructure development and research and development efforts, the timing and extent of additional capital expenditures to invest in existing and new office spaces, the expansion of sales and marketing and international operation activities, the introduction of new product capabilities and enhancement of the Group's products. The Group may in the future enter into arrangements to acquire or invest in complementary businesses, services, and technologies, including intellectual property rights. The Group may be required to seek additional equity or debt financing. In the event that additional financing is required from outside sources, the Group may not be able to raise it on terms

acceptable to it or at all. If the Group is unable to raise additional capital when desired, its business, results of operations, and financial condition would be materially and adversely affected. For further information on the risks affecting the Group's financial position, see "*Risk Factors—Risks relating to the Group's business and industry*".

### Working capital statement

The working capital available to the Group (excluding the net proceeds from the Offer) is, in the opinion of the Company, sufficient for the Group's present requirements; that is for at least 12 months following the date of this Prospectus.

### Cash flows

The following table presents a summary of cash flows from operating, investing and financing activities for the nine months ended 30 September 2021 and 2020 and the years ended 31 December 2020, 2019 and 2018.

	Nine months ended 30 September		Year ended 31 December		
	2021	2020	2020	2019	2018
	<i>(in millions of euros)</i>				
Net cash generated from operating activities . . . . .	14.0	10.0	15.6	12.4	3.5
Net cash (outflow) from investing activities . . . . .	(1.1)	(0.4)	(0.7)	(0.4)	(9.9)
Net cash (outflow) from financing activities . . . . .	(0.5)	(0.4)	(0.5)	(6.0)	(0.2)
<b>Net increase/(decrease) in cash and cash equivalents . . . . .</b>	<b><u>12.4</u></b>	<b><u>9.2</u></b>	<b><u>14.5</u></b>	<b><u>6.0</u></b>	<b><u>(6.6)</u></b>

### Net cash generated from operating activities

The Group's largest source of net cash generated from operating activities is cash collected from subscribers for its suite of products as well as from advertisers. The Group's primary uses of cash from operating activities are for employee-related expenditures, infrastructure-related costs, and marketing expenses. Net cash provided by operating activities is impacted by the Group's net loss adjusted for certain non-cash items, including depreciation and amortisation expenses, foreign exchange gains/(losses), finance expenses and share-based compensation expenses, as well as the effect of changes in operating assets and liabilities.

The Group's working capital accounts consist of trade and other receivables and prepaid expenses. Claims against working capital include trade payables and accrued expenses and other current liabilities. The Group's working capital may be impacted by various factors in future periods, such as billings to customers for subscriptions, licenses and maintenance services and the subsequent collection of those billings or the amount and timing of certain expenditures. The Group's working capital is primarily driven by 90-day payment terms on advertising sales.

For the nine months ended 30 September 2021, net cash generated from operating activities was €14.0 million, an increase of €4.0 million compared to €10.0 million for the nine months ended 30 September 2020. This increase was primarily driven by improved business performance. Excluding the impact of the MIP accrual of €29.5 million, changes in working capital resulted in a cash outflow of €0.4 million in nine months ended 30 September 2021 compared to a cash inflow of €0.6 million in nine months ended 30 September 2020. This was offset by a higher cash inflow from other non-current assets amounting to €0.7 million for the nine months ended 30 September 2021 compared to nil for the nine months ended 30 September 2020, and a lower cash outflow of €2.3 million on income tax paid as less cash taxes were paid in the nine months ended 30 September 2021, compared to €2.7 million in the nine months ended 30 September 2020. The MIP accrual will continue to affect cash flow until it is paid out at Settlement. The payment of the MIP will reduce cash and payables since the MIP represents a cash settled share-based payment.

For the year ended 31 December 2020, net cash provided by operating activities was €15.6 million, which mostly consisted of the Group's net profit of €10.8 million, adjusted for non-cash expenses of €7.8 million in aggregate, net working capital inflow of €1.3 million, as well as an outflow from other non-current assets of €1.6 million and cash taxes paid of €2.7 million. The increase in net cash provided by operating activities during the year ended 31 December 2020, compared to the year ended 31 December 2019, was primarily due to an increase of €1.9 million in deferred revenue (contract liabilities) from increased subscription sales, as a majority of the Group's paying subscribers are invoiced in advance.

This year-on-year increase was driven by cash inflow from working capital of €1.3 million in the year ended 31 December 2020 compared to €0.3 million in the year ended 31 December 2019. Despite a challenging global economy in 2020, the Group experienced steady cash collections from advertising receivables. However, these operating cash inflows were offset by higher income taxes paid in the year ended 31 December 2020 of €2.7 million compared to €1.0 million in the year ended 31 December 2019.

For the year ended 31 December 2019, net cash provided by operating activities was €12.4 million, which mostly consisted of the Group's net profit of €7.8 million, adjusted for non-cash expenses of €4.8 million, net working capital inflow of €0.3 million, as well as an inflow from other non-current assets of €0.4 million and cash taxes paid of €1.0 million. The increase in net cash provided by operating activities during the year ended 31 December 2019, compared to the year ended 31 December 2018, was primarily due to improvements in working capital cash flows. In the year ended 31 December 2019, cash inflow from working capital was €0.3 million compared to an outflow of €3.3 million in the year ended 31 December 2018. This year-on-year cash flow increase was mainly due to higher accrued revenue (contract assets) relating to advertisements in 2018, which contributed to the cash outflow in 2018. The 2019 inflow from operating activities was also impacted by an increase of €1.6 million due to deferred revenue (contract liabilities) from increased subscription sales, as a majority of the Group's paying subscribers are invoiced in advance.

### **Net cash used in investing activities**

Net cash used in investing activities is primarily impacted by payments related to property, plant and equipment.

For the nine months ended 30 September 2021, net cash used in investing activities was €1.1 million (nine months ended 30 September 2020: €0.4 million), which consisted of capital expenditures related to property, plant and equipment and intangible assets.

For the year ended 31 December 2020, net cash used in investing activities was €0.7 million, which consisted of capital expenditures related to property, plant and equipment, and intangible assets (expenditures relating to software). The increase in cash used in investing activities during the year ended 31 December 2020, compared to the year ended 31 December 2019, was primarily due to increases in capital expenditures for software.

For the year ended 31 December 2019, net cash used in investing activities was €0.4 million, which consisted of capital expenditures related to property, plant and equipment. The significant decrease in cash used in investing activities in 2019 (cash outflow of €0.4 million) compared to 2018 (cash outflow of €9.9 million) was primarily due to a cash outflow in 2018 of €8.6 million for the acquisition of FiftyThree Inc.

### **Net cash used in financing activities**

For the nine months ended 30 September 2021, net cash used in financing activities was €0.5 million (nine months ended 30 September 2020: €0.4 million), which mostly consisted of principal repayments on leases in both years.

For the year ended 31 December 2020, net cash used in financing activities was €0.5 million, which primarily consisted of principal repayments on leases. The decrease in cash used in financing activities during the year ended 31 December 2020, compared to the year ended 31 December 2019, was primarily due to the Series B share buy-back and repurchase of employee share options together totalling €5.6 million in 2019. Excluding these buy-backs, net cash used in financing activities increased in 2020 compared to 2019 due to higher lease repayments.

For the year ended 31 December 2019, net cash used in financing activities was €6.0 million, which primarily consisted of the Series B share buy-back and repurchase employee share options together totalling €5.6 million and principal repayments on leases of €0.4 million. Excluding these buy-backs the remaining increase in cash used in financing activities during 2019 compared to 2018 was due to increases in principal repayments on leases.

For the year ended 31 December 2018, net cash used in financing activities was €0.2 million, which consisted of €0.2 million in principal repayments on leases.



## Contractual obligations and commitments

As at 30 September 2021, the Group was not liable for any contractual commitments besides short- and long-term lease liabilities recognised on the balance sheet. At 30 September 2021, the future non-cancellable lease payments under lease liabilities were as follows:

	Payment Due by Period			
	Total	1-3 Years	3-5 Years	5 Years +
	<i>(in millions of euros)</i>			
Operating lease obligations .....	1.0	1.0	—	—
<b>Total</b> .....	<b>1.0</b>	<b>1.0</b>	—	—

## Capital expenditure

The Group's capital expenditure, or CapEx, consists of additions to property, plant and equipment as well as intangible assets. Capital expenditures are not recognised as a financial measure under IFRS and should not be considered as a substitute of an analysis of the Group's balance sheet and cash flow statement prepared in accordance with IFRS. In addition, the definition of capital expenditures used herein may differ from the similarly-titled information provided by other companies.

The following table presents the Group's capital expenditures for the periods indicated.

	Nine months ended 30 September		Year ended 31 December		
	2021	2020	2020	2019	2018
	<i>(in millions of euros)</i>				
Additions to property, plant and equipment .....	0.7	0.2	0.5	0.4	1.4
Additions to intangible assets .....	0.4	0.2	0.2	—	—
<b>Capital expenditures</b> .....	<b>1.1</b>	<b>0.4</b>	<b>0.7</b>	<b>0.4</b>	<b>1.4</b>

As of the date of this Prospectus, the management of the Group has made no additional firm commitments to incur significant capital expenditures in the three months ended 31 December 2021.

In the nine months ended 30 September 2021, our capital expenditures amounted to €1.1 million, relating primarily to renovation and improvements of our Amsterdam office and additions to software and other intangible assets.

Capital expenditures in the years ended 31 December 2020, 2019 and 2018 amounted to €0.7 million, €0.4 million and €1.4 million, respectively, and related primarily in each year to leasehold improvements in the Amsterdam office.

## Significant and critical accounting policies, judgments, estimates and assumptions

The preparation of the Group's consolidated historical financial information requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. However, the historical information presented is based on conditions that existed at the reporting date. The estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

For a discussion of the Group's significant and critical accounting policies, see "Significant Accounting Policies" and "Critical Accounting Policies" in the Notes to the audited consolidated financial statements as at and for the years ended 31 December 2020, 2019 and 2018.

## MANAGEMENT, EMPLOYEES AND CORPORATE GOVERNANCE

### GENERAL

This section gives an overview of the material information concerning the Management Board, the Supervisory Board, the Group's employees and its corporate governance. It is based on and discusses relevant provisions of Dutch law as in effect on the date of this Prospectus, the Articles of Association, the Management Board rules and the Supervisory Board rules as these will be in effect immediately prior to Settlement. The full text of the Articles of Association (in Dutch, and an unofficial English translation thereof) are available free of charge on the Company's website ([wettransfer.com/investors](http://wettransfer.com/investors)) and the full text of the Management Board rules and the Supervisory Board rules will be available free of charge on the Company's website ([wettransfer.com/investors](http://wettransfer.com/investors)).

### MANAGEMENT STRUCTURE

The Company has a two-tier board structure consisting of the Management Board and the Supervisory Board. The Management Board is the executive body (*bestuur*) and is responsible for the day-to-day management of the Company, which includes, among other things, formulating its strategies and policies and setting and achieving its objectives. The Supervisory Board (*raad van commissarissen*) supervises and advises the Management Board.

At the date of this Prospectus, the provisions in Dutch law which are commonly referred to as the 'large company regime' (*structuurregime*), do not apply to the Company. The Company does not intend to voluntarily apply the 'large company regime'. The Company may meet the requirements of the 'large company regime' in the future, which will have an impact on the governance described below.

### MANAGEMENT BOARD

#### Powers, responsibilities and functioning

The Management Board is entrusted with the management of the Company and responsible for the continuity of the Company under the supervision of the Supervisory Board.

The Management Board's responsibilities include, among other things, setting the Company's management agenda, developing a view on long-term value creation by the Company, enhancing the performance of the Company, developing a strategy, identifying, analysing and managing the risks associated with the Company's strategy and activities and establishing and implementing internal procedures, which safeguard that all relevant information is known to the Management Board and the Supervisory Board in a timely manner. The Management Board may perform all acts necessary or useful for achieving the Company's corporate purposes, except for those expressly attributed to the General Meeting or the Supervisory Board as a matter of Dutch law or pursuant to the Articles of Association (see "—Meetings and decisions"). Pursuant to the Articles of Association, the Management Board may delegate duties and powers to individual Managing Directors and may establish committees consisting of one or more Managing Directors, whether or not assisted by staff officers. In fulfilling their responsibilities, the Managing Directors must act in the interest of the Company and give specific attention to the relevant interests of the Company's employees, Shareholders, lenders, customers, suppliers and other stakeholders of the Company.

The Management Board shall timely provide the Supervisory Board with the information necessary for the performance of the Supervisory Board's duties. The Management Board is required to keep the Supervisory Board informed and to consult with the Supervisory Board on important matters. The Management Board shall inform the Supervisory Board, in writing, and at least once a year, of the main outlines of the Company's strategic policy, the general and financial risks, and the management and control systems.

The Management Board as a whole is authorised to represent the Company. Additionally, each Managing Director is solely authorised to represent the Company. Pursuant to the Articles of Association, the Management Board may grant one or more persons, whether or not in the Company's employ, a power of attorney or other form of continuing authority to represent the Company or to grant one or more persons such titles as it sees fit.

#### Management Board rules

Pursuant to the Articles of Association, the Management Board may adopt rules and regulations that allocate duties to one or more Managing Directors and regulate such subjects as the Management Board deems necessary or appropriate. The Management Board rules will be in effect immediately prior to Settlement.

## **Composition, appointment, dismissal and suspension**

The Articles of Association and the Management Board rules provide that the number of Managing Directors shall be determined by the Supervisory Board, after consultation with the Management Board. At the date of this Prospectus, the Management Board comprises two Managing Directors.

If a Managing Director is to be appointed, the Supervisory Board shall nominate one or more candidates. A resolution of the General Meeting to appoint a Managing Director in accordance with a nomination by the Supervisory Board shall be adopted by an absolute majority of the votes cast. A resolution of the General Meeting to appoint a Managing Director other than in accordance with a nomination by the Supervisory Board requires an absolute majority of the votes cast representing at least one third of the Company's issued capital.

The Articles of Association provide that a Managing Director may be suspended or dismissed as a Managing Director by the General Meeting at any time. In addition, a Managing Director may be suspended by the Supervisory Board at any time. A suspension by the Supervisory Board or the General Meeting can be ended by the General Meeting at any time. A suspension may be extended one or more times, but may not last longer than three months in aggregate. If, at the end of that period, no decision has been taken on termination of the suspension or on dismissal of the Managing Director, the suspension shall end.

A resolution of the General Meeting to suspend or dismiss a Managing Director, other than on the proposal of the Supervisory Board, requires an absolute majority of the votes cast representing at least one-third of the Company's issued capital.

## **Term of appointment**

In line with the Dutch Code, the Articles of Association provide that Managing Directors can be appointed for a maximum period of four years ending at the end of the annual General Meeting which is held in the fourth year after the calendar year in which the Managing Director was appointed. A Managing Director may be reappointed for a term of not more than four years at a time, which reappointment should be prepared in a timely fashion. The Company's diversity policy drawn up in accordance with the Supervisory Board rules will be considered in the preparation of the appointment or reappointment.

## **Meetings and decisions**

Pursuant to the Articles of Association, resolutions of the Management Board are adopted by an absolute majority of the votes cast. Each Managing Director has one vote. If the vote is tied, the proposal shall be deemed to have been rejected.

The Management Board may also adopt resolutions without convening a meeting, provided that all Managing Directors entitled to vote have been consulted and none of them have raised an objection to adopt resolutions in this manner.

Pursuant to the Articles of Association and the Managing Board Rules, when adopting resolutions, the Managing Directors shall also consider the social, economic, legal or any other consequences of the operations of the Company regarding (i) the employees, the subsidiaries and the suppliers, (ii) the interests of the customers of the Company and its subsidiaries, (iii) the communities and the society in which the Company, its subsidiaries and suppliers operate their business, (iv) the local and global environment, and (v) the short-term and long-term interests of the Company.

Dutch law and the Articles of Association provide that resolutions of the Management Board involving major changes in the Company's identity or character are subject to the approval of the General Meeting. Such changes include:

- the transfer of all or a substantial portion of the business and/or assets of the Company to a third party;
- entering into or terminating a long-term cooperation between the Company or a subsidiary (*dochtermaatschappij*) and another legal entity or company or as a fully liable partner in a limited partnership or general partnership, if such cooperation or termination is of fundamental importance for the Company; and
- acquiring or disposing of a participation in the capital of a company if the value of such participation is at least one-third of the sum of the assets of the Company according to its consolidated balance sheet and explanatory notes set out in the last adopted annual accounts of the Company, by the Company or a subsidiary (*dochtermaatschappij*).

In addition, certain resolutions of the Management Board identified in the Articles of Association and the Management Board rules or identified pursuant to a resolution of the Supervisory Board from time to time require the approval of the Supervisory Board.

In each of the above-mentioned situations, the absence of approval (from the Supervisory Board or the General Meeting) does not affect the authority of the Management Board or the Managing Directors to represent the Company.

### Conflicts of interest

Dutch law provides that a member of the management board of a Dutch public limited liability company, such as the Company (under its governance effective immediately prior to Settlement), may not participate in the adoption of resolutions (including deliberations in respect of these) if he or she has a direct or indirect personal interest conflicting with the interests of the company. Such a conflict of interest in any event exists if in the situation at hand the managing director is deemed to be unable to serve the interests of the company and the business connected with it with the required level of integrity and objectivity.

Pursuant to the Articles of Association, any Managing Director shall immediately report any (potential) conflict of interest to the other Managing Directors and the chair of the Supervisory Board and shall provide all information relevant to the (potential) conflict. A Managing Director may not participate in the discussions and decision-making on a subject or transaction in relation to which such Managing Director has a direct or indirect personal conflict of interest. If no resolution can be adopted by the Management Board as a consequence of such a conflict of interest, the resolution concerned will be adopted by the Supervisory Board.

In addition, if a Managing Director does not comply with the provisions on conflicts of interest, the resolution concerned is subject to nullification (*vernietigbaar*) and such Director may be held liable toward the Company. As a general rule, the existence of a (potential) conflict of interest does not affect the authority to represent the Company. Furthermore, as a general rule, agreements and transactions entered into by a company cannot be annulled on the grounds that a decision of its management board was adopted with the participation of conflicted Managing Director(s). However, under certain circumstances, a company may annul such an agreement or transaction if the counterparty misused the relevant conflict of interest.

### Related party transactions policy

The Management Board rules provide for a related party transactions policy in accordance with Dutch law. Related party transactions include transactions between the Group and “related parties” as defined in the related party transactions policy (including, one or more shareholders representing 10% of the issued share capital in the Company, a Managing Director, a Supervisory Director, the Senior Leadership Team and any parties qualifying as such in accordance with IFRS (IAS 24—Related Party Disclosures)). See “*Description of Share Capital and Corporate Structure—Related party transactions regime*” for further information on the Dutch related party transactions regime.

The related party transactions policy provides procedures for Managing Directors and Supervisory Directors to notify a potential related party transaction. Potential related party transactions shall be subject to review by the Supervisory Board. The related party transactions policy stipulates when a transaction qualifies as a related party transaction. No such related party transactions shall be undertaken without the approval of the Supervisory Board. Any Managing Director or Supervisory Director who has a direct or indirect personal interest in the transaction, or who is considered to be conflicted with respect to the transaction, cannot participate in the deliberations or decision-making with respect to the related party transaction concerned.

The Supervisory Board may approve the related party transaction only if it determines that it is in the interests of the Company and its affiliated business.

### Managing Directors

As at the date of this Prospectus, the Management Board comprises the following Managing Directors:

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Managing Director since</u>	<u>Term</u>
Gordon Willoughby .....	59	Chief Executive Officer	2017	2026
Melissa Nussbaum .....	42	Chief Financial Officer	2021	2025

## **Biographies**

**Gordon Willoughby** is the Group's Chief Executive Officer and has been a Managing Director since January 2017. In 2018 Gordon led the acquisition of Paper® and Paste® from New-York based FiftyThree Inc., in 2019 he led a successful US\$40 million series B raise and in 2020, led WeTransfer to become an officially Certified B Corporation. Prior to joining the Company, Gordon spent over eight years at Amazon, holding a range of director positions. From 2006 to 2008, he was Vice President of European Operations and Customer Support at eBay. Before this, he was managing director at Cityspace, and from 1998 to 2003 served as Global Marketing and Content Sales Director at the Financial Times. He holds an MBA from INSEAD and an MA in Politics, Philosophy and Economics from the University of Oxford.

**Melissa Nussbaum** is the Group's Chief Financial Officer since 21 September 2020 and has been a Managing Director since 1 May 2021. She joined as the Group's Chief Financial Officer in September 2020, having spent seven years at King Digital Entertainment where she headed up the Finance function for the last three years and before that had a leading role during its initial public offering in 2014 and eventual sale to Activision Blizzard for US\$5.9 billion. Before this, Melissa worked at PwC for over twelve years, serving as a director working across its Audit, Risk, and Capital Markets departments in Belgium, France, Canada and the United Kingdom. Melissa is a Chartered Accountant and holds a degree in Commerce, Accounting and Finance from Concordia University in Canada.

## **SUPERVISORY BOARD**

### **Powers, responsibility and functioning**

The Supervisory Board supervises the manner in which the Management Board implements the long-term value creation strategy of the Company and the general course of affairs in the Company and its affiliated business. The Supervisory Board is accountable for these matters to the General Meeting. The Supervisory Board also provides advice to the Management Board. In performing their duties, the members of the Supervisory Board (the **Supervisory Directors**) are required to focus on the effectiveness of the Company's internal risk management and control systems and the integrity and quality of the financial reporting. The Supervisory Directors assist the Management Board with advice. In the fulfilment of their duty, the Supervisory Directors shall orient themselves according to the interests of the Company and its affiliated business.

### **Supervisory Board rules**

Pursuant to the Articles of Association, the Supervisory Board may adopt rules and regulations, allocating duties to one or more Supervisory Directors and regulating any such subjects as the Supervisory Board deems necessary or appropriate. The Supervisory Board rules will be in effect immediately prior to Settlement.

### **Composition, appointment and removal**

The Articles of Association and the Supervisory Board rules provide that the Supervisory Board consists of at least three Supervisory Directors. The Supervisory Board determines the number of Supervisory Directors. As of the Settlement Date, the Supervisory Board will comprise six Supervisory Directors. Only natural persons may be appointed as Supervisory Directors.

If a Supervisory Director is to be appointed, the Supervisory Board shall nominate one or more candidates. A resolution of the General Meeting to appoint a Supervisory Director in accordance with a nomination by the Supervisory Board shall be adopted by an absolute majority of the votes cast. A resolution of the General Meeting to appoint a Supervisory Director other than in accordance with a nomination by the Supervisory Board requires an absolute majority of the votes cast representing at least one third of the Company's issued capital.

According to the Articles of Association, the Supervisory Board must prepare a profile (*profielschets*) for its size and composition, taking account of the nature and activities of the business, the desired expertise and background of the Supervisory Directors, the desired mixed composition and the size of the Supervisory Board and the independence of the Supervisory Directors. The Supervisory Board shall discuss the profile at the occasion of each amendment thereof in the General Meeting and with the works council.

### **Term of appointment**

The Articles of Association provide that Supervisory Directors will retire at the end of the annual General Meeting which is held in the fourth year after the calendar year in which the Supervisory Director was appointed.



In line with the Dutch Code, a Supervisory Director may be reappointed for a period of four years and then subsequently again for a period of two years, which appointment may be extended by at most two years. For a reappointment after an eight-year period, reasons must be provided in the report of the Supervisory Board. Supervisory Directors shall retire periodically in accordance with a retirement schedule to be drawn up by the Supervisory Board in order to avoid, as far as possible, a situation in which many Supervisory Directors retire at the same time.

## **Diversity**

The Company recognises the benefits of having a diverse Supervisory Board and sees diversity at Supervisory Board level as an important element in maintaining a competitive advantage. As such, the Supervisory Board has adopted a diversity and inclusion policy. The diversity and inclusion policy will be taken into account when considering the appointment and reappointment of Supervisory Directors. The diversity and inclusion policy will provide that a diverse Supervisory Board will include, and make use of, differences in the background, gender, geographical and industry experience, skills and other distinctions between Supervisory Directors. These differences will be considered in determining the composition of the Supervisory Board and, when possible, will be balanced appropriately. Supervisory Director appointments are made on merit, in the context of the diversity, experience, independence, knowledge and skills the Supervisory Board as a whole requires to be effective. The Supervisory Board is satisfied that its composition reflects the appropriate mix of diversity, experience, independence, knowledge and skills.

On 1 January 2022, a new law entered into force which provides that all Dutch listed companies must have a supervisory board composition in which at least one-third of the members are men and at least one-third are women. (in each case rounded up to the nearest integer). This requirement will apply to any appointment or re-appointment of a supervisory director following the enactment of these new measures, except if (i) it concerns a re-appointment of an incumbent supervisory director during his or her first eight years in office or (i) the appointment or re-appointment is necessary to safeguard the long-term interests and the sustainability of the Company or its viability. In addition, all Dutch 'large' companies, like the Company, must set appropriate and ambitious targets for gender diversity in their management and supervisory boards (excluding the supervisory boards of listed companies) and senior management. In this context, 'appropriate' means that the target depends on the size of the management board, the supervisory board and senior management, and on the existing ratio between men and women, and 'ambitious' means that the target should aim to make the male-female ratio more balanced than the existing composition. Dutch 'large' companies must also develop a plan on how to reach their gender diversity targets. There are no legal consequences for failure to meet the self-imposed gender diversity targets. However, Dutch 'large' companies must report annually on the progress they make to the Dutch Social and Economic Council within ten months after the end of the financial year, including, the plan to reach such target and, should the target not have been achieved, the reasons for not meeting such target.

As at the Settlement Date, the Supervisory Board will comprise six members, of which two men (33.3%) and four women (66.7%).

## **Meetings and decisions**

Pursuant to the Articles of Association, resolutions of the Supervisory Board are adopted by an absolute majority of the votes cast in a meeting in which at least the majority of the Supervisory Directors entitled to vote are present or represented. Each Supervisory Director has one vote.

The Supervisory Board may also adopt resolutions without convening a meeting, provided that all Supervisory Directors entitled to vote have been consulted and none of them have raised an objection to adopt resolutions in this manner.

Pursuant to the Supervisory Board Rules, when adopting resolutions, the Supervisory Directors shall also consider the social, economic, legal or any other consequences of the operations of the Company regarding (i) the employees, the subsidiaries and the suppliers, (ii) the interests of the customers of the Company and its subsidiaries, (iii) the communities and the society in which the Company, its subsidiaries and suppliers operate their business, (iv) the local and global environment, and (v) the short-term and long-term interests of the Company.

The Supervisory Board meets at least four times a year. Meetings of the Supervisory Board are attended by the Managing Directors and the company secretary, unless the Supervisory Board decides otherwise and save for certain meetings as described in the Supervisory Board rules.

## Conflicts of interest

Similar to the rules that apply to managing directors as described above, Dutch law also provides that a supervisory director of a Dutch public limited liability company, such as the Company (under its governance effective immediately prior to Settlement), may not participate in the adoption of resolutions (including deliberations in respect of these) if he or she has a direct or indirect personal interest conflicting with the interests of the company.

Each Supervisory Director (other than the chair of the Supervisory Board) shall immediately report any (potential) conflict of interest, as described above or in the meaning of the Dutch Code, to the chair of the Supervisory Board and must provide him with all information relevant to the (potential) conflict. In case the chair of the Supervisory Board has a (potential) conflict of interest he shall immediately report such (potential) conflict to the other Supervisory Directors and shall provide all information relevant to the (potential) conflict of interest.

If no resolution can be adopted by the Supervisory Board as a consequence of personal conflicts of interests of all Supervisory Directors, the relevant resolution will be referred to the General Meeting. All transactions in which there are conflicts of interests with Supervisory Directors will be agreed on terms that are customary in the sector concerned and disclosed in the Company's annual report.

## Supervisory Directors

As at the Settlement Date, the Supervisory Board will be composed of the following Supervisory Directors:

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Supervisory Director since</u>	<u>Term</u>
Martha Lane Fox . . . . .	48	Chair	2020	2024
Alexandra Schaapveld . . . . .	63	Vice-chair	2022	2026
Nadja Bellan-White . . . . .	53	Member	2022	2026
Bradford Brooks . . . . .	54	Member	2022	2026
Irena Goldenberg . . . . .	42	Member	2019	2025
Erik Huggers . . . . .	48	Member	2020	2025

## Biographies

**Martha Lane Fox** is the chair and an independent member of the Supervisory Board. She co-founded lastminute.com and the charitable foundation, Antigone. Martha was appointed as a crossbench peer in the House of Lords and Chancellor of the Open University in 2014. She is also the founder of DotEveryone, a think tank focused on championing responsible technology. Martha sits on the Boards of Twitter and Chanel and is recognised globally for her services to the digital economy and charity.

**Alexandra Schaapveld** is an independent member of the Supervisory Board who has extensive experience in global, corporate and investment banking. Alexandra has held several directorships at ABN AMRO and was a member of the supervisory board of FMO. She is currently serving as a non-executive director on the boards of Société Générale S.A., where she chairs the audit committee, 3i PLC and Bumi Armada Berhad, where she chairs the remuneration committee.

**Nadja Bellan-White** is an independent member of the Supervisory Board with a background in digital, brand and consulting. Nadja has been Global Chief Marketing Officer at Vice Media Group since October 2020 where she leads the marketing, brand and communications team internationally across its businesses. Prior to Vice Media Group, she was executive partner for Ogilvy & Mather Worldwide Inc. and vice president of marketing at Publicis Modem. Nadja also sits on the board of The Advertising Council and serves as non-executive director of Roundhouse Trust.

**Bradford Brooks** is an independent member of the Supervisory Board who has gained extensive functional experience in product, engineering and marketing at Docusign and was very involved in getting it ready for the IPO. He is currently serving as the lead independent director on ARC Document Solutions.

**Irena Goldenberg** is a co-founder and has served as a general partner of Highland Europe, a growth-stage technology fund, since November 2012. Irena currently represents Highland Europe on the boards of a number of privately held companies. Prior to Highland Europe, Irena was an investor with Flybridge Capital Partners and a consultant with Bain & Company.

**Erik Huggers** is an independent member of the Supervisory Board with an extensive track record in scaling up subscription-based companies. As the former chief executive officer of VEVO, Erik has in-depth expertise in digital media and online services. Erik Huggers is currently a member of the board of Hexagon AB and a supervisory board member of ProSiebenSat.1 Media SE.

### **Supervisory Board committees**

Pursuant to the Articles of Association, if the Supervisory Board comprises more than four Supervisory Directors, the Supervisory Board shall establish from its midst an audit committee, a remuneration committee and a selection and appointment committee or one or more of each of these committees or a combination thereof. The committees' task shall be to prepare the Supervisory Board's decision-making and to render advice to the Supervisory Board. As at the Settlement Date, the Supervisory Board shall have constituted three committees from among the Supervisory Directors: an audit committee (the **Audit Committee**), a remuneration committee (the **Remuneration Committee**) and a selection and appointment committee (the **Selection and Appointment Committee**).

#### ***Audit Committee***

According to the Audit Committee rules, the Audit Committee is charged in particular with: (i) the monitoring of the financial-accounting process and preparation of proposals to safeguard the integrity of said process; (ii) the monitoring of the efficiency of the internal management system, the internal audit system and the risk management system with respect to financial reporting; (iii) the monitoring of the statutory audit of the annual accounts and consolidated accounts, and in particular the process of such audit (taking into account the review of the AFM in accordance with Section 26 of EU Regulation 537/2014); (iv) the review and monitoring of the independence of the external auditor, with a special focus on other services provided to the Company, in accordance with the Company's external auditor independence policy; and (v) the adoption of a procedure for the selection of the external auditor and the nomination for appointment of the external auditor with respect to the statutory audit of the annual accounts and consolidated accounts. The Audit Committee rules will be available free of charge on the Company's website ([wetransfer.com/investors](http://wetransfer.com/investors)).

The Audit Committee shall meet whenever one or more of its members have requested such a meeting and at least four times a year. Other meetings will be held if this is deemed necessary by a member of the Audit Committee. The external auditor may, under special circumstances, request a special meeting with the Audit Committee to be held.

On the Settlement Date, the Audit Committee will comprise three Supervisory Directors: Alexandra Schaapveld (chair), Martha Lane Fox and Bradford Brooks.

#### ***Remuneration Committee***

According to the Remuneration Committee rules, the Remuneration Committee is charged in particular with the preparation of: (i) the remuneration policy for the Management Board and the Supervisory Board; (ii) proposals for the remuneration of the Managing Directors; and (iii) the remuneration report on the execution of the remuneration policy during the respective year.

The Remuneration Committee shall meet whenever one or more of its members have requested such a meeting and at least twice a year.

On the Settlement Date, the Remuneration Committee will comprise three Supervisory Directors: Erik Huggers (chair), Irena Goldenberg and Nadja Bellan-White.

#### ***Selection and Appointment Committee***

According to the Selection and Appointment Committee rules, the Selection and Appointment Committee is charged in particular with (i) preparing the selection criteria and appointment procedures for Managing Directors and Supervisory Directors; (ii) periodically assessing the functioning of the individual Managing Directors and Supervisory Directors and reporting on this to the Supervisory Board; (iv) drawing up a plan for the succession of Managing Directors and Supervisory Directors; and (v) proposing appointments and reappointments of Managing Directors and Supervisory Directors.

The Selection and Appointment Committee shall meet whenever one or more of its members have requested such a meeting and at least twice a year.

On the Settlement Date, the Selection and Appointment Committee will comprise three Supervisory Directors: Martha Lane Fox (chair), Alexandra Schaapveld and Irena Goldenberg.

## SENIOR LEADERSHIP TEAM

The following persons comprise the Senior Leadership Team:

Name	Age	Position	Member since
Damian Bradfield	44	Chief Creative Officer	2010
Gwen Burbidge	51	Chief HR Officer	2020
Natascha Chamuleau	46	Chief Advertising Officer	2020
Adam Mitton <sup>(1)</sup>	43	General Counsel	2022
Alexandar Vassilev	37	Chief Product and Technology Officer	2020

(1) Adam Mitton is not a MIP Participant. Any references to the Senior Leadership Team in relation to the MIP, the Investment Shares and the lock-up arrangements do not include Adam Mitton.

## Biographies

**Damian Bradfield** is the Group's Chief Creative Officer and co-founder. He joined the Group in 2010 as Chief Strategy Officer, set up the US offices of the Group and created WePresent. He was the co-founder of digital design studio, Present Plus, which the Group acquired in 2015. Damian started his career at Stella McCartney before joining ad agencies AMV and later, J Walter Thompson. Damian is a published author of a book titled 'The Trust Manifesto', which debates online privacy, trust and big data. He holds a degree from the London School of Economics and Political Science.

**Gwen Burbidge** is the Group's Chief HR Officer, a position she has held since July 2020, having joined the Group in 2019. Previously Gwen spent five years at Fortune 500 healthcare provider DaVita. Prior to this, Gwen was a freelance talent consultant with Google focusing on HR and coaching. She also consulted for Xerox, and, before this, held roles at RELX Group, Excerpta Medica and NV Organon. Gwen holds a Masters degree from Vrije Universiteit Amsterdam and is qualified from the Harvard Business School in Leading Change and Organisational Renewal.

**Natascha Chamuleau** is the Group's Chief Advertising Officer, a position she has held since July 2020, having joined as Vice President of Sales in 2017. Before joining the Group, Natascha spent three years at Facebook as Head of Sales and Client Solutions for Benelux and Central Europe. Prior to this, she worked in a variety of leadership roles including eBay Classified and Marktplaats, ranging from Sales to Growth and Product Innovation.

**Adam Mitton** is the Group's General Counsel. He joined WeTransfer in January 2022 having previously been at King Digital Entertainment for 8 years. At King, Adam held a range of senior positions in the legal department both at King, where he was Deputy Chief Legal Officer, and more recently at Activision Blizzard where he held the position of Vice President in Activision Blizzard's EMEA legal team. Before King, Adam was a partner at UK media and entertainment law firm Harbottle & Lewis advising clients across a range of industries including ecommerce, digital technology, advertising and interactive entertainment.

**Alexandar Vassilev** is the Group's Chief Product and Technology Officer. He joined the Company in September 2020, and, prior to this, served as Chief Executive Officer and Managing Director of Joyn, a German entertainment streaming platform, from 2018. Before Joyn, Alexandar spent a decade at Google working on various monetisation products (including DoubleClick products and Adwords for Video), YouTube and Google Search. Alexandar holds a Master of Business Administration from Harvard Business School, alongside a CIS degree from Missouri Southern State University.

## GENERAL INFORMATION ABOUT THE MANAGING DIRECTORS, THE SUPERVISORY DIRECTORS AND THE SENIOR LEADERSHIP TEAM

The table below sets out the names of all companies and partnerships of which a Managing Director, a Supervisory Director or member of the Senior Leadership Team has been a member of the administrative,

management or supervisory bodies or partner at any time in the previous five years, indicating whether or not the individual is still a member of the administrative, management or supervisory bodies or partner, as at the date of this Prospectus, other than a subsidiary of the Company.

Name	Company	Active/resigned
<b>Managing Directors</b>		
Gordon Willoughby	Amazon Inc.	Resigned
	KPMG Lighthouse	Resigned
Melissa Nussbaum	King Digital Entertainment	Resigned
<b>Supervisory Directors</b>		
Martha Lane Fox	Twitter, Inc.	Active
	Chanel Limited	Active
	The Open University	Active
	The Queen's Commonwealth Trust	Active
	Joint Committee for National Security Strategy	Active
	House of Lords	Active
	Doteveryone	Resigned
	Donmar Warehouse Projects Limited	Resigned
Alexandra Schaapveld	3i PLC	Active
	Société Générale S.A.	Active
	Bumi Armada Berhad	Active
	Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.	Resigned
	Vallourec S.A.	Resigned
	Stage Entertainment B.V.	Resigned
	Holland Casino N.V.	Resigned
Nadja Bellan-White	Vice Media Group, LLC	Active
	Ogilvy Group Inc.	Resigned
	Roundhouse Trust Ltd.	Active
	The Advertising Council, Inc.	Active
Bradford Brooks	ARC Document Solutions, Inc.	Active
	OneLogin, Inc.	Resigned
	DocuSign, Inc.	Resigned
Irena Goldenberg	Supermetrics Oy	Active
	eGym GmbH	Active
	Lifeline SPAC I Plc	Active
	Wolt Enterprises Oy	Active
	Kollwitz Internet GmbH (Junique)	Resigned
	Smartly.io Solutions Oy	Resigned
	Jampp (Ireland) Limited	Resigned
Erik Huggers	ProsiebenSat.1 Media SE	Active
	Hexagon AB	Active
	Vevo LLC	Resigned
<b>Senior Leadership Team</b>		
Damian Bradfield	Everpress	Active
	University of the Underground	Active
	Sarabande	Active
	Song-Tradr	Active
Gwen Burbidge	N/A	N/A
Natascha Chamuleau	Chamuleau VOF	Active



Name	Company	Active/resigned
Adam Mitton	King Digital Entertainment	Resigned
	Swedish Chamber of Commerce for the United Kingdom	Resigned
Alexandar Vassilev	Joyn, GmbH (formerly 7TV Joint Venture, GmbH)	Resigned

The business address of the Managing Directors, the Supervisory Directors and the members of the Senior Leadership Team is c/o WeRock N.V. (to be renamed The Creative Productivity Group N.V. immediately prior to Settlement), Willem Fenengastraat 19, 1096 BL Amsterdam, the Netherlands.

## REMUNERATION INFORMATION MANAGEMENT BOARD

### Management Board remuneration policy

The General Meeting has adopted a remuneration policy for the Managing Directors, upon a proposal of the Supervisory Board. The remuneration policy will be available free of charge on the Company's website ([wetransfer.com/investors](http://wetransfer.com/investors)). The remuneration policy is expected to contribute to the Group's business strategy and enable it to achieve its business objectives.

The objective of the remuneration policy is to attract, reward and retain the best talent worldwide, by offering competitive payment structures that take account of our long term strategy, while balancing people, planet and profit as a sustainable and responsible tech company. The Company has the long-term ambition to have a positive impact on its environment, its community, its employees and the wider world.

For every change to the remuneration policy and, in any event, at least every four years, the General Meeting will be requested to vote on the remuneration policy. A proposal to adopt or amend the remuneration policy shall only be submitted to the General Meeting after the works council has been timely granted the opportunity to render its advice to the Supervisory Board. The advice of the works council shall be submitted to the General Meeting at the same time as the proposal to adopt or amend the remuneration policy. Pursuant to the Articles of Association, the resolution of the General Meeting to adopt (amendments to) the remuneration policy requires an absolute majority of the votes cast. The Supervisory Directors are responsible for the implementation and monitoring of the remuneration policy.

Any revised remuneration policy, together with the date and the results of the vote at the General Meeting, will be available free of charge on the Company's website ([wetransfer.com/investors](http://wetransfer.com/investors)) and the remuneration policy will remain publicly available while it is applicable. If the General Meeting does not adopt the proposed amendments to the remuneration policy, the Company shall continue to remunerate in accordance with the existing adopted remuneration policy and shall submit a revised policy for approval at the following General Meeting.

In exceptional circumstances only, the Supervisory Directors, upon recommendation of the Remuneration Committee, may decide to temporarily derogate from the remuneration policy. Exceptional circumstances only cover situations in which the derogation from the remuneration policy is necessary to serve the long-term interests and sustainability of the Company as a whole or to assure its viability, such as the appointment of an interim Managing Director or the appointment of a new Managing Director. The rationale and detail of any such deviation will be disclosed in the annual remuneration report.

### Management Board remuneration

The remuneration of the individual Managing Directors has been established in accordance with the Company's remuneration policy as adopted by the General Meeting upon a proposal of the Supervisory Board. Any subsequent amendments to this remuneration policy are subject to adoption by the General Meeting. The remuneration of, and other agreements with, the Managing Directors are required to be determined by the Supervisory Board, with due observance of the remuneration policy.

The objective of the remuneration policy is to attract, reward and retain the best talent worldwide, by offering competitive payment structures that take account of the Company's long-term strategy, while balancing people, planet and profit as a sustainable and responsible tech company. The Company has the long-term ambition to have a positive impact on its environment, its community, its employees and the wider world.

Based on the remuneration policy, the remuneration of the Managing Directors consists of the following components:

- annual base salary;
- short-term incentive;
- long-term incentive; and
- pensions and other benefits.

#### ***Annual base salary***

The annual base salary, including holiday allowance and other local statutory requirements per country, provides the main fixed element of the remuneration package and is set at a market competitive level to attract and retain the calibre of the Managing Directors required to devise and execute the Company's strategy.

The amount of annual base salary is reviewed annually and in the event of the appointment of a new Managing Director by the Remuneration Committee. Various factors may be considered when determining any annual base salary changes, including, but not limited to, salary increases of the Company's global workforce, business performance, personal performance, the scope and nature of the role, relevant market benchmark data and local economic indicators, such as inflation and cost-of-living changes, to ensure that the remuneration is fair, sensible and market competitive. The actual annual base salary and any annual increases will be disclosed in the annual remuneration report.

In preparation of the annual review process, the Remuneration Committee also considers data from comparable companies, from other tech companies or from other relevant sectors, bearing in mind the size of the business, its complexity and the geographic footprint of the Company.

#### ***Short-term incentive***

The Management Board is eligible to participate in an annual performance-related short-term incentive scheme. These short-term incentives are linked to a percentage of their annual base salary with a maximum short-term incentive opportunity of 150% of the annual base salary.

The purpose of the short-term incentives is to ensure executive alignment with and focus on the annual business plan as set by the Management Board. Performance measures and targets for those measures are set by the Supervisory Board on an annual basis. The measures may include a balance of financial measures, key operational measures and non-financial measures including specific ESG measures aligned to the strategic objectives of the Company. The financial measures are key performance indicators to measure the successful execution of the Company's strategy which can relate to annual recurring revenue growth and similar financial metrics, whereby the non-financial measures reflect performance on the key strategic objectives of the Company. With respect to non-financial measures, the Supervisory Board will select indicators that are derived from, or linked to, the business plan of the Company, reflecting the Company's long-term strategy. Through the combination of both financial and non-financial measures, the short-term incentive will contribute to the long-term interests, shareholder value and sustainability of the Company. Details of performance measures for each year and how they support the business strategy will be disclosed in the annual remuneration report.

After the end of each year the Supervisory Directors review the actual performance against the set performance targets to determine to which extent each of the targets have been achieved, in order to determine the final pay-out level to the Managing Directors. A statement on the applied performance targets, the achievement of the targets and pay-out levels will be disclosed in the annual remuneration report.

The short-term incentive is in principle settled in cash but, in order to encourage ownership and proprietary interest in the Company, the Supervisory Board has the possibility to determine that any short-term incentive awards are settled in Ordinary Shares.

After the end of each year the Supervisory Board reviews the actual performance against the set performance targets to determine the extent to which each of the targets has been achieved, in order to determine the final pay-out level. A statement on the applied performance targets, the achievement of the targets and pay-out levels will be reported in the annual remuneration report.

### ***Long-term incentive***

The Managing Directors are eligible for grants under the RSU Plan.

The purpose of the RSU Plan is to recognise and reward the Management Board and other individuals for their contributions to the long-term success of the Company, creating an ownership culture, aligning their interests to those of the Company's shareholders, strengthening their long-term commitment to the Company and providing them with the opportunity to become shareholders of the Company. The main purpose of the awards of restricted share units of the Company, conditional rights to receive ordinary shares in the capital of the Company pursuant to the RSU Plan, (**RSUs**) under the RSU Plan is to continue to attract, reward and retain qualified and experienced industry professionals in an international labour market.

The long-term incentive awards under the RSU Plan are made available annually in the form of RSUs, conditional rights to receive Ordinary Shares, generally subject to continued engagement during the applicable vesting period. Other conditions may also be determined by the Supervisory Board for each annual grant. Subject to approval of the Supervisory Board, the maximum award value of RSUs is equal to 400% of the Managing Director's annual base salary. The actual grant value of a RSU is determined annually by the Supervisory Board for each grant in line with Company's remuneration policy and considering the Company's and the individual performance, relevant market practice, external benchmark data and other factors. The actual long-term incentive award, the applicable vesting period and a summary of any additional material conditions attached to each grant will be disclosed in the annual remuneration report.

Performance measures and targets for those measures may be set by the Supervisory Board. The measures may include a balance of financial measures, key operational measures, and non-financial measures aligned to the strategic objectives of the Company. The financial measures shall be key performance indicators to measure the successful execution of the Company's strategy and the non-financial measures reflect performance on the key strategic objectives of the Company. With respect to non-financial measures, the Supervisory Board will select indicators that are derived from or linked to the business plan of the Company, reflecting the Company's long-term strategy. In case of performance conditions, after the end of the relevant performance period, the Supervisory Directors will review the actual performance against the set performance targets to determine the extent to which each of the targets has been achieved, in order to determine the final pay-out level. A statement on the applied performance targets (if any), the achievement of the targets and pay-out levels will be reported in the annual remuneration report.

In addition to the LTIP, the Managing Directors currently hold a number of Options to purchase Ordinary Shares under the Company's Option Plan. They will not be awarded any new Options in the future. See also "*—Long term incentive plans—Employee share option plan*".

### ***Pension and other benefits***

Pension and other benefits for which the Management Board are eligible are intended to be competitive in the relevant market and may evolve from year to year. The Management Board may be eligible for benefits such as health insurance, disability and life insurance, a directors' and officers' liability insurance, mobility allowance or travel expenses, and to participate in whatever all-employee benefits plans may be offered at any given point.

Additional benefits and allowances may be offered to the Management Directors in case of a relocation or an international assignment, such as relocation support, storage costs, expatriation allowance, housing support, reimbursement of flight costs, reimbursement of costs of temporary living arrangements and other benefits which reflect local market practice, all in accordance with the applicable mobility policy.

### ***Share ownership requirement***

The Chief Executive Officer is expected to hold an investment position of Ordinary Shares, Options and/or RSUs equal to or greater than twice his annual base salary and the Chief Financial Officer is expected to hold an investment position of Ordinary Shares, Options and/or RSUs equal to or greater than her annual salary. New Managing Directors are granted a three-year period to comply.

### ***Claw-back and discretion***

In accordance with Dutch law, the Supervisory Board may adjust the outcome of variable compensation if the pay-out would, in its view, be unacceptable based on reasonability and fairness criteria. The Company can claim

back variable payments (in whole or in part) if the pay-out was based on incorrect information about the achievement of the targets. The Supervisory Board also has the authority to adjust the value of variable remuneration components in the event of an unfair result based on reasonability and fairness criteria. This may include adjustments for changes in accounting principles during the performance period and other adjustments to account for events that were not planned when targets were set or were outside management's control. Any application of claw-back or discretion will be disclosed and explained in the annual remuneration report.

### Service agreements and severance payments

In line with the Dutch Corporate Governance Code, Managing Directors will be appointed for four-year terms. With respect to terminating the management agreement of the Chief Executive Officer, a notice period of up to twelve months applies for the Company and the Chief Executive Officer. With respect to terminating the management agreement of the Chief Financial Officer, a notice period of six months applies for the Company and three months apply for the Chief Financial Officer. If the management agreement is terminated by the Company other than for urgent cause or serious misconduct, currently, the Managing Director is entitled to a one-off severance payment of maximum one annual base salary.

The treatment of incentive awards upon termination of the employment agreement will depend on the circumstances of departure in accordance with the applicable incentive plan rules.

### Management Board remuneration over the year ended 31 December 2020

The remuneration for the Managing Directors expensed by the Group for the year ended 31 December 2020 is set out below:

<u>Name</u>	<u>Base salary</u>	<u>Social security contributions</u> (in €)	<u>Share based payment expenses</u>	<u>Bonus</u>	<u>Total</u>
Gordon Willoughby .....	300,000	10,029	16,410	302,500	628,939
Melissa Nussbaum <sup>(1)</sup> .....	68,372	9,219	109,465	46,152	233,208

(1) Melissa Nussbaum started on 21 September 2020.

As at 31 December 2020, €2,883 was set aside or accrued by the Company to provide for pension, retirement or similar benefits of the Managing Directors.

## REMUNERATION INFORMATION SUPERVISORY BOARD

### Supervisory Board remuneration policy

The General Meeting has adopted a remuneration policy for the Supervisory Directors, upon a proposal of the Supervisory Board. The remuneration policy will be available free of charge on the Company's website ([wetransfer.com/investors](http://wetransfer.com/investors)).

The remuneration policy is expected to contribute to the Group's business strategy and enable it to achieve its business objectives. In addition, the remuneration policy enables the Company to recruit and retain diverse Supervisory Directors with the right balance of personal skills, competences and experience required to oversee the (execution of the) Company's strategy and performance.

For every change to the remuneration policy and, in any event, at least every four years, the General Meeting will be requested to vote on the remuneration policy. A proposal to adopt or amend the remuneration policy shall only be submitted to the General Meeting after the works council has been timely granted the opportunity to render its advice to the Supervisory Board. The advice of the works council shall be submitted to the General Meeting at the same time as the proposal to adopt or amend the remuneration policy. Pursuant to the Articles of Association, the resolution of the General Meeting to adopt (amendments to) the remuneration policy requires an absolute majority of the votes cast. The Supervisory Directors are responsible for the implementation and monitoring of the remuneration policy.

Any revised remuneration policy, together with the date and the results of the vote at the General Meeting, will be available free of charge on the Company's website ([wetransfer.com/investors](http://wetransfer.com/investors)) and the remuneration policy

will remain publicly available while it is applicable. If the General Meeting does not adopt the proposed amendments to the remuneration policy, the Company shall continue to remunerate in accordance with the existing adopted remuneration policy and shall submit a revised policy for approval at the following General Meeting.

In exceptional circumstances only, the Supervisory Directors, upon recommendation of the Remuneration Committee, may decide to temporarily derogate from the remuneration policy. Exceptional circumstances only cover situations in which the derogation from the remuneration policy is necessary to serve the long-term interests and sustainability of the Company as a whole or to assure its viability.

### **Supervisory Board remuneration**

The General Meeting determines the remuneration of the Supervisory Directors. The Supervisory Board periodically submits proposals to the General Meeting in respect of the remuneration of the Supervisory Directors. The remuneration of the Supervisory Directors intends to reward Supervisory Directors for utilising their skills and competences to the maximum extent possible to execute the tasks delegated to them including but not limited to tasks and responsibilities imposed by the Dutch Civil Code, Dutch Code and the Articles of Association. The remuneration of the Supervisory Directors reflects the Company's size, as well as the responsibilities of the role and the time spent.

Given the nature of the responsibilities of the Supervisory Board as an independent body, the remuneration of the Supervisory Directors is not tied to the performance of the Company and therefore includes fixed compensations only. In line with the Dutch Code, Supervisory Directors will not be rewarded any equity-based compensation. Payment of the remuneration is done in euro. Currency conversion risks are not covered by the Company.

As from Settlement, Supervisory Directors will not receive Ordinary Shares or any rights to Ordinary Shares as remuneration, but are encouraged to reinvest 20% of their gross annual remuneration in (privately acquired) Ordinary Shares, which should be held as a long-term investment and comply with the Company's insider trading policy.

Supervisory Directors shall not be eligible to participate in any benefits programs offered by the Company to its employees. The Company and its subsidiaries do not grant personal loans, guarantees or the like to Supervisory Directors. Loans are not remitted.

The remuneration of the Supervisory Board is benchmarked to market practice, predominantly against AMX companies and other tech companies. As a guiding principle the total fixed remuneration of a Supervisory Board member should approach the third quartile of the market reference.

The chair of the Supervisory Board receives an annual fixed fee of €115,000. The other Supervisory Directors will each receive an annual fixed fee of €100,000. The chair and the members of the Supervisory Board's committees are provided with a supplementary committee fee for the additional responsibilities. The chair of the Audit Committee receives a committee fee of €13,000 and the other members of the Audit Committee receive a committee fee of €9,000. The chair of the Remuneration Committee and the Selection and Appointment Committee receives a committee fee of €10,000 and other members of the Remuneration Committee and the Selection and Appointment Committee receive a committee fee of €7,000.

Supervisory Directors will be reimbursed for all reasonable business expenses incurred in the course of performing their duties. No notice period or termination fees are applicable when Supervisory Directors resign in accordance with the retirement schedule.



### ***Supervisory Board remuneration over the year ended 31 December 2020***

Until Settlement, the Supervisory Directors nominated by shareholders of the Company do not receive any remuneration for their supervision of the Company. The remuneration for the Supervisory Directors paid by the Group for the year ended 31 December 2020 and the Options held by the Supervisory Directors as at 31 December 2020 are set out below:

<u>Name</u>	<u>Fee</u>	<u>Number of Options</u>
Martha Lane Fox <sup>(1)</sup>	50,000	70,000 <sup>(3)</sup>
Bas Beerens <sup>(2)</sup>	—	—
Irena Goldenberg	—	—
Erik Huggers	40,000	60,000 <sup>(3)</sup>
Jonne de Leeuw <sup>(2)</sup>	—	—
Tony Zappalà <sup>(2)</sup>	—	—

(1) Martha Lane Fox started on 1 July 2020.

(2) Bas Beerens, Tony Zappalà and Jonne de Leeuw will resign as Supervisory Directors with effect from Settlement.

(3) All Options of Martha Lane Fox and Erik Huggers shall automatically vest and will be exercised at Settlement.

At the date of this Prospectus, the Company has not provided any personal loans, advances or guarantees to members of the Supervisory Board.

As at 31 December 2020, no amount was set aside or accrued by the Company to provide for pension, retirement or similar benefits of the Supervisory Directors.

### **REMUNERATION INFORMATION SENIOR LEADERSHIP TEAM**

The total of remuneration expensed for the members of the Senior Leadership Team (see “—*Senior Leadership Team*”) (other than the Managing Directors) by the Group in the year ended 31 December 2020 amounted to €1,114,079, comprising base salary of €473,400, short-term incentives and other benefits of €391,524 and share-based payment expenses of €249,155.

As at 31 December 2020, €4,797 was set aside or accrued by the Company to provide for pension, retirement or similar benefits of the members of the Senior Leadership Team (other than the Managing Directors).

### **LONG TERM INCENTIVE PLANS**

#### **Employee share option plan**

In 2016, the Company established an Option Plan, which has been amended and restated on 1 October 2021, pursuant to which the Company provided some of the employees of the Company and its subsidiaries with an opportunity to obtain options (the **Options**) to acquire depositary receipts for Ordinary Shares (the **Depositary Receipts**) through Foundation Option Plan. Foundation Option Plan is entitled to exercise the voting rights and other rights pertaining to the Ordinary Shares held by Foundation Option Plan (see also “*Shareholders and Related Party Transactions—Shareholders at the date of this Prospectus*”).

The Option Plan was designed to retain employees and as a tool to encourage employees to participate in the long-term growth of the Company and its subsidiaries. The Management Board administers the Option Plan and the Options awarded under it.

The Options may be exercised in the following exit events: (i) any sale of all or substantially all of the assets of the Company; (ii) any other transaction or series of transactions pursuant to, or as a result of, which a person (or group of affiliated persons) acquires (from the Company or directly from the Shareholders) or holds share capital in the Company representing a majority of the voting rights in the share capital of the Company other than as a result of an internal restructuring but including a take-over of the Company after a Qualifying IPO (as defined below); (iii) a sale (or series of related sales) of one or more subsidiaries (whether by way of merger, consolidation, reorganisation or sale of all or substantially all assets or securities) or assets held by such subsidiaries which constitute all or substantially all of the consolidated assets of the Company other than as a

result of an internal restructuring; and (iv) an initial public offering in which a certain net aggregate amount is raised in respect of the shares to be listed at the time of the initial public offering (**Qualifying IPO**). The Offer and Admission qualify as an exit event under the Option Plan.

Under the terms of the Option Plan, the Options will vest over a period of four years and the vesting period starts on the date specified in the applicable award notice. Vested Options can be exercised at any time after an exit from the vesting date during an exercise period and will lapse after a period of five years following the Settlement Date or on 31 December 2030 at the latest, if no exit event has occurred prior to such date. Under the terms of the Option Plan, the first 25% of the Options vest immediately after the end of the first year after the vesting start date. The remaining 75% of the Options then vest per the number of months that the employee is employed by the Company or its subsidiaries during the second, third and fourth year after the vesting start date.

An Option may not be transferred, assigned or otherwise encumbered without the prior written approval by the Company. All applicable personal tax, employee social security levies and other taxes and levies as a result of or in respect of an Option, its exercise and the issue, holding, sale and transfer of Depositary Receipts, shall be borne by the employees under the Option Plan.

As from Settlement, no new Options will be granted under the Option Plan. Unvested Options will continue to vest in accordance with the terms of the Option Plan, vested Options may be exercised during a period of five years following the Settlement Date; or for a Good Leaver (as specified in the Option Plan) 60 days following the later of: date of termination of the employment agreement, the Settlement Date, or any applicable lock-up period in connection with the Settlement. Vested Options will entitle the Option holders to acquire Ordinary Shares instead of Depositary Receipts.

The Management Board may, subject to the approval of the Supervisory Board, determine that U.S. employees shall be subject to additional rules, procedures and restrictions. For example, instead of Depositary Receipts, certain U.S. employees may receive Ordinary Shares to accommodate the tax treatment of Options under U.S. tax rules.

#### ***Sale of existing Ordinary Shares by current and former employees of the Group***

As at Pre-ITF Date, 297 employees of the Group other than the Managing Directors and the members of the Senior Leadership Team will hold a total of 2,338,450 Options, of which approximately 60% have vested (see “—*Participation of the Managing Directors, Supervisory Directors and Senior Leadership Team in the Option Plan*” for the participation of Managing Directors and the members of the Senior Leadership Team in the Option Plan). Former employees of the Group hold a total of 977,849 vested Options. To give Option holders, other than the Managing Directors and the members of the Senior Leadership Team (see “—*Management incentive plan—Managing Directors and Senior Leadership Team investment and continued holding of Ordinary Shares*”), the opportunity to monetise their Options in connection with the Offer, Option holders may exercise up to 50% of their Options vested at the Pre-ITF Date and request Foundation Option Plan to sell all of the underlying Ordinary Shares of the Depositary Receipts they will receive upon such exercise in the Offer on their behalf as part of the Employee Offer Shares. Any sale of Depositary Receipts or the underlying Ordinary Shares by the Option holders requires the approval of Foundation Option Plan. Subject to Settlement taking place, Foundation Option Plan will approve the sale of Ordinary Shares upon exercise of vested Options who already elect to do so during the Offer Period prior to Settlement.

Certain modifications to these arrangements apply in respect of Options granted to US taxpayers in order to comply with U.S. tax rules. U.S. Option holders may (i) exercise up to 50% of their Options vested at the Pre-ITF Date and request Foundation Option Plan to sell all of the underlying Ordinary Shares of the Depositary Receipts they will receive upon such exercise in the Offer on their behalf as part of the Employee Offer Shares and (ii) exercise up to 50% of their remaining Options vested at the Pre-ITF Date and request Foundation Option Plan to sell sufficient underlying Ordinary Shares of the Depositary Receipts they will receive upon exercise in the Offer on their behalf as part of the Employee Offer Shares to cover the exercise price and applicable taxes and retain the balance.

Damian Bradfield will exercise all of his vested Options from the 2016 and 2018 grants (see “—*Participation of the Managing Directors, Supervisory Directors and Senior Leadership Team in the Option Plan*”) and sell part of the Ordinary Shares to be acquired upon such exercise in the Offer in order to fund part of the exercise price and taxes. The Chief Financial Officer will exercise all of her Options vested at the Pre-ITF Date and will hold the Ordinary Shares to be acquired upon such exercise in the Offer.

As at Settlement and assuming the exercise of 50% of the Options vested at the Pre-ITF Date by non-U.S. Option holders and the exercise of 100% of the Options vested at the Pre-ITF Date by U.S. Option holders, employees of the Group other than the Managing Directors and the members of the Senior Leadership Team will hold 468,033 vested Options and 916,046 unvested Options and former employees of the Group will hold 319,990 vested Options.

As from the Settlement Date, all Options not exercised and sold in the Offer held by the Option holders are subject to a lock-up period of 180 days during which they may not exercise their Options. After this lock-up period, Option holders may exercise their Options and sell all of the Ordinary Shares they will receive upon exercise or sell sufficient Ordinary Shares to cover the exercise price and applicable taxes and retain the balance. They will have a period of five years following the Settlement Date or, for a Good Leaver (as defined in the Option Plan) and whether before or after the Settlement Date, a period of 60 days after (i) termination of the employment agreement of the relevant Option holder, (ii) Settlement Date or (iii) the 180 days lock-up period.

### **Management incentive plan**

The Company introduced a long-term management incentive plan (the **MIP**) in 2019 for eligible employees which entitles the participants to receive bonuses in cash from the Company upon an Exit (as defined below) based on the enterprise value of the Company at the date of the Exit. The Managing Directors, the members of the Senior Leadership Team and an employee of the Group, seven employees in total, (the **MIP Participants**) have been selected by the shareholders of the Company to participate in the MIP. In the event of (a) completion of a transaction (whether through a single transaction or a series of transactions) as a result of which (i) any person other than Highland acquires a controlling interest in the Company or (ii) more than 50% of the assets of the Company or the Group are acquired by a person other than the Company or a person controlled by the Company (a “**Sale**”) or (b) an initial public offering in respect of the shares to be listed at the time of the initial public offering (each an **Exit**), the MIP Participants are entitled to a bonus paid by the Company (the **MIP Amount**) provided that settlement of an initial public offering is achieved, or a binding offer in relating to a Sale is received, before 31 December 2023 and the relevant MIP Participant is still employed, or operationally active, at the Company in his or her full capacity at the time of the (closing of the) Exit. The Offer and Admission qualify as an Exit under the MIP. Based on the Offer Price at the bottom-end of the Offer Price Range, the gross MIP Amount will be equal to €17.6 million and based on the Offer Price at the top of the Offer Price Range, the gross MIP Amount will be equal to €23.8 million.

### ***Contribution to WeTransfer’s Supporting Act Foundation***

Reflecting their commitment to the community, the Managing Directors and members of the Senior Leadership Team have decided to contribute an aggregate amount estimated at €0.8 million of the MIP Amount (net of irrecoverable taxes and assuming an Offer Price at the mid-point of the Offer Price Range) to WeTransfer’s Supporting Act Foundation on or shortly after the Settlement Date. See “*Business—Focus on sustainability and social responsibility—WeTransfer’s Supporting Act Foundation*”.

### ***Managing Directors and Senior Leadership Team investment and continued holding of Options and Ordinary Shares***

Managing Directors and the members of the Senior Leadership Team have each decided to hold Ordinary Shares and vested Options equal to approximately 70% of their aggregate net MIP Amount (less applicable taxes and contribution to WeTransfer’s Supporting Act Foundation) and the value of their vested Options and Ordinary Shares.

At Settlement, Gordon Willoughby will already hold vested Options equal to approximately 80%, and Damian Bradfield will already hold Ordinary Shares and vested Options equal to approximately 70%, of the aggregate of his net MIP Amount (less applicable taxes and contribution to WeTransfer’s Supporting Act Foundation) and the value of his vested Options and Ordinary Shares. Gordon Willoughby will be subject to a lock-up period of two years from the Settlement Date and Damian Bradfield will be subject to a lock-up period of 180 days from the Settlement Date.

Melissa Nussbaum and the members of the Senior Leadership Team participating in the MIP (other than Damian Bradfield) will further invest in the Company by subscribing to new Ordinary Shares at Settlement (the **Investment Shares**) so they will also hold, at the Settlement Date, Ordinary Shares and vested Options equal to approximately 70% of their aggregate net MIP Amount (less applicable taxes and the contribution to

WeTransfer's Supporting Act Foundation) and the value of their vested Options and Ordinary Shares based on the Offer Price. The Ordinary Shares and Options held by Melissa Nussbaum and the members of the Senior Leadership Team (other than Damian Bradfield) on the Settlement Date will be subject to a lock-up period of one year from the Settlement Date. On that basis, the Investment Shares will be acquired in accordance with the application of the policy rule for the application of the Wage Tax Act 1964 (*Wet LB 1964*) of the State Secretary for downward revaluation in the case of a lock-up for listed shares, resulting in a discount of 5.5% in the price of such Ordinary Shares.

## **RSU Plan**

The Company will introduce a RSU Plan as from the Settlement. The purpose of the RSU Plan is to recognise and reward certain individuals and the Management Board for their contributions to the long-term success of the Company, creating an ownership culture, aligning their interests to those of the Company's shareholders, strengthening their long-term commitment to the Company and providing them with the opportunity to become shareholders of the Company. The main purpose of the awards of RSUs under the RSU Plan is to continue to attract, reward and retain qualified and experienced industry professionals in an international labour market.

Awards under the RSU Plan will be made, on a fully discretionary basis, in a consistent manner relating to frequency and timing. The RSUs represent conditional rights to receive a number of Ordinary Shares, generally subject to continued engagement during the vesting period and other conditions as may be determined by the Supervisory Board for each annual grant.

Under the terms of the RSU Plan, RSUs will typically vest over a period of four years and the vesting period starts on the vesting commencement date. If a participant remains employed with the Company, the RSUs will typically vest as follows: 25% of RSUs awarded vesting nine months following the quarter end in which a participant joins the Group; and 75% on a quarterly basis over a three-year period (6.25% per quarter) until 100% on the fourth anniversary of the vesting commencement date.

The grant value of a RSU is determined annually by the Supervisory Board and considering the Company's and the individual performance, relevant market practice, external benchmark data and other factors.

Performance measures and targets for those measures may be set by the Supervisory Board for each annual grant. The measures may include a balance of financial measures, key operational measures, and non-financial measures aligned to the strategic objectives of the Company. The financial measures shall be key performance indicators to measure the successful execution of the Company's strategy and the non-financial measures reflect performance on the key strategic objectives of the Company. With respect to non-financial measures, the Supervisory Board will select indicators that are derived from or linked to the business plan of the Company, reflecting the Company long-term strategy. In case of performance conditions, after the end of the relevant performance period, the Supervisory Directors will review the actual performance against the set performance targets to determine the extent to which each of the targets has been achieved, in order to determine the final pay-out level.

## Participation of the Managing Directors, Supervisory Directors and Senior Leadership Team in the Option Plan

The table below provides an overview of the Options per the date of this Prospectus that have been granted to the Managing Directors, Supervisory Directors and members of the Senior Leadership Team as part of their share-based compensation and the vested Options at the Settlement Date

<u>Name</u>	<u>Grant date</u>	<u>Number of vested Options at the date of this Prospectus</u>	<u>Number of unvested Options at the date of this Prospectus</u>	<u>Number of vested Options at the Settlement Date</u>
<b>Managing Directors</b>				
Gordon Willoughby .....	2017	800,880	—	800,880
Melissa Nussbaum .....	2020	42,187	92,813	44,999 <sup>(1)</sup>
<b>Supervisory Directors</b>				
Martha Lane Fox <sup>(2)</sup> .....	2020	26,249	43,751	70,000
Bas Beerens <sup>(4)</sup> .....	—	—	—	—
Irena Goldenberg .....	—	—	—	—
Erik Huggers <sup>(2)</sup> .....	2020	30,000	30,000	60,000
Jonne de Leeuw <sup>(4)</sup> .....	—	—	—	—
Tony Zappalà <sup>(4)</sup> .....	—	—	—	—
<b>Senior Leadership Team</b>				
Damian Bradfield <sup>(3)</sup> .....	2016	66,750	—	66,750
	2018	40,050	—	40,050
	2020	12,499	12,501	13,020
Gwen Burbidge .....	2019	13,787	6,895	14,218
	2020	3,749	6,251	3,958
Natascha Chamuleau .....	2017	60,000	—	60,000
	2020	3,749	6,251	3,958
Adam Mitton .....	2021	0	40,000	0
Alexandar Vassilev .....	2020	50,000	100,000	50,000

(1) Melissa Nussbaum will exercise all of her vested Options at Settlement and will hold the Ordinary Shares to be acquired upon such exercise.

(2) Martha Lane Fox and Erik Huggers will exercise all their vested Options at Settlement and sell part of the Ordinary Shares to be acquired upon such exercise to cover the exercise price and applicable taxes on the exercise of their Options.

(3) Damian Bradfield will exercise all his vested Options at Settlement from the 2016 and 2018 grants and sell part of the Ordinary Shares to be acquired upon such exercise in the Offer in order to fund part of the exercise price and taxes.

(4) Bas Beerens, Tony Zappalà and Jonne de Leeuw will resign as Supervisory Directors with effect from Settlement.



## Interests of the Managing Directors, Supervisory Directors and Senior Leadership Team

The table below provides an overview of the equity position directly or indirectly held by the Managing Directors, Supervisory Directors and the members of the Senior Leadership Team at the date of this Prospectus.

Name	Shareholding (aggregate number of Ordinary Shares or Depositary Receipts)
<b>Managing Directors</b>	
Gordon Willoughby .....	—
Melissa Nussbaum .....	—
<b>Supervisory Directors</b>	
Martha Lane Fox .....	—
Bas Beerens <sup>(1)</sup> .....	3,567,585 <sup>(2)</sup>
Irena Goldenberg .....	—
Erik Huggers .....	—
Jonne de Leeuw <sup>(1)</sup> .....	—
Tony Zappalà <sup>(1)</sup> .....	—
<b>Senior Leadership Team</b>	
Damian Bradfield .....	79,331 <sup>(3)</sup>
Gwen Burbidge .....	—
Natascha Chamuleau .....	—
Alexandar Vassilev .....	—

(1) Bas Beerens, Tony Zappalà and Jonne de Leeuw will resign as Supervisory Directors with effect from Settlement.

(2) Held in the form of Depositary Receipts via Foundation Werock and the use of a personal holding company, Backpacket. Immediately prior to Settlement, this interest will be held by Backpacket in the form of 3,567,585 Ordinary Shares.

(3) Held in the form of Ordinary Shares.

## OTHER INFORMATION

### Service agreement and notice period of the Managing Director and Supervisory Directors

As at the Settlement Date, none of the employment and management agreements of the Managing Director and the Supervisory Directors enjoy contractual severance provisions, save that if the Managing Director's agreement is terminated at the initiative of the Company, he or she shall, subject to certain conditions, be entitled to a one-off severance up to one year's base compensation. The contractual severance amount will replace or be subtracted from any statutory or other severance payments. The notice period on the side of the employer is up to twelve months for the Chief Executive Officer and six months for the Chief Finance Officer.

### Potential conflicts of interest and other information

Save as disclosed below with respect to the Supervisory Director who is a representative of Highland, there are no potential conflicts of interests between the personal interests or other duties of Managing Directors, Supervisory Directors and members of the Senior Leadership Team on the one hand and their duties to the Company on the other hand. There is no family relationship between any Managing Director, any Supervisory Director and any member of the Senior Leadership Team.

As at the Settlement Date, one Supervisory Director will be a representative of Highland. In addition, this representative of Highland may, from time to time, hold investments and board positions in Highland or other members of their group of companies (other than the Group). As a result hereof, the one Supervisory Director owes fiduciary duties to such entities.

Highland, HPE Growth and their affiliates are in the business of making investments in companies and may, from time to time, acquire and hold interests in businesses that compete with the Group. Highland, HPE Growth and its affiliates may also pursue acquisition opportunities that are complementary to the Group's business and,

as a result, these acquisition opportunities may not be available to the Group. Since the interests of the Selling Shareholders and Foundation Option Plan may not be aligned with the interests of the Company, a conflict of interest might arise. See “—*Management Board—Related party transactions policy*” for further information on the Company’s related party transactions policy and “*Description of Share Capital and Corporate Structure—Related party transactions regime*” for further information on the Dutch related party transactions regime.

The Company does not expect that the circumstances described above will cause any of the Managing Directors or the Supervisory Directors to have a conflict with the duties they have towards the Company. The Articles of Association, the Management Board rules and the Supervisory Board rules, however, include arrangements to ensure that the Management Board and the Supervisory Board will in each relevant situation handle and decide on any (potential) conflict of interest, also in this respect. A Managing Director or Supervisory Director shall not participate in the deliberation and decision-making process if he or she has a conflict of interest. Other than these circumstances, the Company is not aware of any other circumstance that may lead to a (potential) conflict of interest between the private interests or other duties of Managing Directors and Supervisory Directors and their duties towards the Company.

During the five years preceding the date of this Prospectus, none of the Managing Director, the Supervisory Directors or the members of the Senior Leadership Team: (i) has been convicted of fraudulent offenses; (ii) has served as a director or officer of any entity subject to bankruptcy proceedings, receivership or liquidation; or (iii) has been subject to any official public incrimination and/or sanctions 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 body of an issuer, or from acting in the management or conduct of the affairs of any issuer.

There are no arrangements or understandings with the Selling Shareholders, Foundation Option Plan, customers, suppliers or others, pursuant to which any Managing Director or Supervisory Director was selected as a member of a management body of the Company.

### **Liability of Managing Directors and Supervisory Directors**

Under Dutch law, Managing Directors and Supervisory Directors may be liable towards the Company for damages in the event of improper or negligent performance of their duties. They may be jointly and severally liable for damages towards the Company for infringement of the Articles of Association or of certain provisions of the Dutch Civil Code. In addition, they may be liable towards third parties for infringement of certain provisions of the Dutch Civil Code. In certain circumstances, they may also incur additional specific civil, administrative and criminal liabilities.

### **Insurance**

Managing Directors and Supervisory Directors are insured under an insurance policy taken out by the Company against damages resulting from their conduct when acting in their capacities as Managing Directors or Supervisory Directors.

### **Indemnification**

The Articles of Association include provisions regarding the indemnification, to the extent permissible by the rules and regulations applicable to the Company, of current and former Managing Directors and Supervisory Directors against: (i) the reasonable costs of conducting a defence against claims for damages or of conducting defence in other legal proceedings; (ii) any damages payable by them; and (iii) the reasonable costs of appearing in other legal proceedings in which they are involved as current or former Managing Directors or the Supervisory Board, except proceedings primarily aimed at pursuing a claim on their own behalf.

There shall, however, be no entitlement to reimbursement and any person concerned will have to repay the reimbursed amount if and to the extent that: (i) a Dutch court, or in the case of arbitration, an arbitrator, has established in a final and conclusive decision that the act or failure to act of the person concerned may be characterised as wilful (*opzettelijk*), intentionally reckless (*bewust roekeloos*) or seriously culpable (*ernstig verwijtbaar*) conduct, unless Dutch law provides otherwise or this would, in view of the circumstances of the case, be unacceptable according to standards of reasonableness and fairness; (ii) the costs or damages directly relate to or arise from legal proceedings between a current or former Managing Director or the Supervisory Board and the Company or its Group, with the exception of legal proceedings that have been brought by one or more Shareholders, according to Dutch law or otherwise, on behalf of the Company; or (iii) the costs or financial loss of the person concerned are covered by an insurance and the insurer has paid out the costs or financial loss.

## EMPLOYEES AND WORKS COUNCIL

### Employees

The table below provides an overview of the numbers of employees the Group employed at the end of the period, subdivided per region. These numbers are measured in the number of employees.

Region	FY 2021	FY 2020	FY 2019	FY 2018
The Netherlands	216	159	146	121
United States	51	34	29	23
United Kingdom	24	9	3	1
Other countries (remote)	2			
<b>Total</b>	<b>293</b>	<b>202</b>	<b>178</b>	<b>145</b>

The tables below provide an overview of the numbers of employees the Group employed at the end of the period, subdivided per segment. These numbers are measured in the number of employees.

Segment	FY 2021	FY 2020	FY 2019	FY 2018
Cost of revenue (user support)	17	15	10	10
Research and development	120	89	77	73
Selling and marketing	109	71	60	45
General and administrative	47	27	31	17
<b>Total</b>	<b>293</b>	<b>202</b>	<b>178</b>	<b>145</b>

### Works council

A works council is a body regulated by applicable laws and regulations comprising employee representatives whose members have been elected by the employees. The Group has established a works council (*ondernemingsraad*) at the level of its subsidiary Wetransfer B.V. (to be renamed WeTransfer Europe B.V.).

Pursuant to Dutch law and the Articles of Association, any proposal (i) to appoint, suspend or dismiss a Managing Director or a Supervisory Director; (ii) to determine or modify the remuneration policy in relation to the Management Board or the Supervisory Board; or (iii) to approve a resolution entailing a significant change in the identity or character of the Company or its business (see “—*Management Board—Meetings and decision-making*”) shall only be submitted to the General Meeting after the works council has been timely granted the opportunity to determine his point of view before the date of the notice of such General Meeting, whereby the (chair of the) works council has the right to (further) explain the works council’s point of view during the General Meeting.

In addition, Dutch law and the regulations of the works council arranges the scope, functions and term of office of the works council. The works council has the right to advise on, among other things: (i) a transfer of control of the undertaking or any division thereof; (ii) the taking up of significant credit on behalf of the undertaking including the provision of security in that respect; (iii) the granting of significant credit and provision of security for major liabilities of another company, unless this is done within the normal conduct of activities of the undertaking; and (iv) the restructuring of the company through such actions as termination of one of its activities, a substantial change of the organisation and/or reduction of the work force, or expansion or other change in its activities. The advice must be requested at such time that it can still substantially influence the decision to be made. The company should provide reasons for the contemplated decision, set out anticipated consequences of the contemplated decision for the employees and explain the measures which the company intends to take to mitigate such consequences. The contemplated decision should be the subject of discussion in at least one consultation meeting. There is no statutory timeframe to render advice; the works council must be given a reasonable period to render its advice. In addition, a works council generally has the right to approve any contemplated decision in relation to the adoption, amendment or withdrawal of schemes and policies relating to collective secondary employment terms and conditions, such as a pension scheme, pay system (which could include a bonus scheme) or a sickness absence scheme. Finally, a works council has various rights to information, including (for companies with more than 100 employees) the right to be informed on the Management Board’s remuneration and the pay ratio. In general, the works council in principle determines which information he needs to be able to fulfil his tasks.

## **DUTCH CODE**

The Dutch Code dated 8 December 2016 became effective on 1 January 2017 and finds its statutory basis in Book 2 of the Dutch Civil Code. The Dutch Code applies to the Company as the Company has its seat in the Netherlands and its Ordinary Shares will be listed on Euronext Amsterdam.

The Dutch Code is based on a ‘comply or explain’ (*pas toe of leg uit*) principle. Accordingly, companies are required to disclose in their annual report whether or not they are complying with the various best practice provisions of the Dutch Code that are addressed to the management board or, if applicable, the supervisory board of the company. If a company deviates from a best practice provision in the Dutch Code, the reason for such deviation must be properly explained in its management report.

On the Settlement Date, the Company will fully comply with the best practice provisions of the Dutch Code.

## SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

### Shareholder structure

#### *Shareholders at the date of this Prospectus*

The following table sets out the Ordinary Shares and Preference Shares A held by each shareholder as at the date of this Prospectus:

	Ordinary Shares	Preference Shares A	Percentage of issued share capital
Highland <sup>(1)</sup> .....	2,150,538	11,577,993	54.9%
Foundation Werock <sup>(2)</sup> .....	4,532,157	—	18.1%
HPE Growth <sup>(3)</sup> .....	3,225,806	—	12.9%
Hartwig <sup>(4)</sup> .....	2,242,308	—	9.0%
The Company (treasury shares) .....	1,168,447	—	4.7%
Damian Bradfield .....	79,331	—	0.3%
David Forsey <sup>(5)</sup> .....	31,413	—	0.1%
<b>Total</b> .....	<b>13,430,000</b>	<b>11,577,993</b>	<b>100.0%</b>

- (1) Highland is a limited partnership managed and controlled by its general partner Highland Europe GPGP Limited on behalf of the limited partners of Highland Europe Technology Growth L.P.
- (2) The depositary receipts issued by Foundation Werock are held by Backpocket (78.7%), the personal holding company of Bas Beerens, and Dutch Connection Group (21.2%).
- (3) HPE Growth is indirectly controlled by Holland Private Equity B.V.
- (4) Hartwig is owned and controlled by Mr R. Defares.
- (5) David Forsey is not an employee or director of the Group and not a Selling Shareholder in the Offer; he will therefore not be bound by any lock-up restrictions.

#### *Shareholders immediately before Settlement*

On or before Settlement, the Company shall:

- (a) issue 4,804,661 Ordinary Shares (the **Option Plan Shares**) to Foundation Option Plan to cover:
- (i) the Ordinary Shares to be sold by Foundation Option Plan as part of the Employee Offer to allow (x) non-U.S. Option holders, other than the Supervisory Directors, Managing Directors and the members of the Senior Leadership Team, the opportunity to monetise up to 50% of their 1,477,534 total Options vested at the Pre-ITF Date in connection with the Offer and (y) U.S. Option holders, other than the Supervisory Directors, Managing Directors and the members of the Senior Leadership Team, in addition to (x), the opportunity to exercise the remaining 50% of their 873,464 total Options vested and sell part of the Ordinary Shares to be acquired upon such exercise to cover the exercise price and applicable taxes
  - (ii) the exercise of 70,000 Options by Martha Lane Fox and 60,000 Erik Huggers, who will exercise their vested Options at Settlement and sell part of the Ordinary Shares to be acquired upon such exercise to cover the exercise price and applicable taxes on the exercise of their Options via Foundation Option Plan as part of the Employee Offer;
  - (iii) the exercise of 44,999 Options by Melissa Nussbaum;
  - (iv) the exercise of 106,800 by Damian Bradfield all of his vested Options from his 2016 and 2018 grants and sale of part of the Ordinary Shares to be acquired upon such exercise via Foundation Option Plan as part of the Employee Offer; and
  - (v) the future exercise of Options that have been granted under the Option Plan, but will not be exercised at the Settlement Date (the **Treasury Option Plan Shares**); the number of Treasury Option Plan Shares will depend on the number of vested Options exercised and sold in accordance with (i) above;
- (b) repurchase the Treasury Option Plan Shares from Foundation Option Plan to hold these shares in treasury;
- (c) issue 350,000 Ordinary Shares (the **RSU Plan Shares**) and repurchase the same number of Ordinary Shares (the **Treasury RSU Plan Shares**) and hold these shares in treasury, together with the treasury shares already held by the Company, to cover future awards under the RSU Plan (see “*Management, Employees and Corporate Governance—Long term incentive plans —RSU Plan*”); and



- (d) execute the Deed of Amendment, whereby, among other things, the Preference Shares will be converted into Ordinary Shares.

In addition, immediately prior to Settlement, the indirect interest held by Backpacket and Dutch Connection Group via Foundation Werock will be converted into a direct interest in Ordinary Shares.

After the steps, the Ordinary Shares will be held as follows:

	Ordinary Shares	Percentage of issued share capital
Highland	13,728,531	45.5%
Backpocket	3,567,585	11.8%
HPE Growth	3,225,806	10.7%
Hartwig	2,242,308	7.4%
Dutch Connection Group	964,572	3.2%
The Company (treasury shares) <sup>(1)</sup>	4,429,078	14.7%
Damian Bradfield	79,331	0.3%
David Forsey <sup>(2)</sup>	31,413	0.1%
Foundation Option Plan <sup>(3)</sup>	1,894,030	6.3%
<b>Total</b>	<b>30,162,654</b>	<b>100.0%</b>

- (1) Consisting of the treasury shares held at the date of this Prospectus, the Treasury Option Plan Shares and the Treasury RSU Plan Shares.  
(2) David Forsey is not an employee or director of the Group and not a Selling Shareholder in the Offer; he will therefore not be bound by any lock-up restrictions.  
(3) Assuming the exercise of the maximum number of Options and sale of the relevant part of the Ordinary Shares to be acquired upon such exercise at Settlement (see “—Sale of existing Ordinary Shares by current and former employees of the Group”).

### Shareholders at the Settlement Date

The tables below reflect the number and percentage of issued and outstanding Ordinary Shares that the shareholders will offer and sell and continue to hold in the scenario with and Offer Price at the bottom of the Offer Price Range (i.e. €17.50), as well as in a scenario with an Offer Price at the top of the Offer Price Range (i.e. €20.50) and in each case for a scenario where the Over-Allotment Option is not exercised and a scenario where the Over-Allotment Option is fully exercised.

#### Bottom of the Offer Price Range

	No Over-Allotment Option Exercise		Full Over-Allotment Option Exercise	
	Number of Ordinary Shares post- Settlement	% of Ordinary Shares post- Settlement	Number of Ordinary Shares post-Settlement	% of Ordinary Shares post- Settlement
Highland	10,765,418	28.7%	9,573,399	25.6%
Backpocket	2,717,585	7.3%	2,417,585	6.5%
HPE Growth	2,605,619	7.0%	2,362,949	6.3%
Hartwig	1,729,323	4.6%	1,528,599	4.1%
Dutch Connection Group	482,286	1.3%	293,574	0.8%
Damian Bradfield	79,331	0.2%	79,331	0.2%
David Forsey	31,413	0.1%	31,413	0.1%
Foundation Option Plan	—	—	—	—
The Company (treasury shares)	4,429,078	11.8%	4,429,078	11.8%
<b>Existing Offer Shares</b>	<b>22,840,053</b>	<b>61.0%</b>	<b>20,715,928</b>	<b>55.3%</b>
New Offer Shares	14,160,831	37.8%	16,284,956	43.5%
Ordinary Shares held by management <sup>(1)</sup>	300,753	0.8%	300,753	0.8%
Ordinary Shares held by employees <sup>(2)</sup>	150,855	0.4%	150,855	0.4%
<b>Total issued Ordinary Shares</b>	<b>37,452,492</b>	<b>100.0%</b>	<b>37,452,492</b>	<b>100.0%</b>
Treasury shares <sup>(3)</sup>	(4,429,078)	(11.8)%	(4,429,078)	(11.8)%
<b>Total issued and outstanding Ordinary Shares</b>	<b>33,023,414</b>	<b>88.2%</b>	<b>33,023,414</b>	<b>88.2%</b>

- (1) Investment Shares and Ordinary Shares held by Martha Lane Fox, Erik Huggers, Melissa Nussbaum and Damian Bradfield following the exercise of Options (excluding the Ordinary Shares held by Damian as shareholder) and partial sale of the Ordinary Shares to be acquired upon such exercise in the Offer (see “—*Shareholders immediately before Settlement*”).
- (2) Ordinary Shares held by current and former U.S. employees following the exercise of 50% of their remaining Options vested at the Pre-ITF Date and sale of sufficient underlying Ordinary Shares of the Depositary Receipts they will receive upon exercise in the Offer to cover the exercise price and applicable taxes (see “—*Shareholders immediately before Settlement*”).
- (3) To cover (i) the future exercise of Options that have been granted under the Option Plan, but will not be exercised at the Settlement Date and (ii) future awards under the RSU Plan. Assuming the exercise of the maximum number of Options and sale of the relevant part the Ordinary Shares to be acquired upon such exercise at Settlement (see “—*Sale of existing Ordinary Shares by current and former employees of the Group*”).

#### Top of the Offer Price Range

	No Over-Allotment Option Exercise		Full Over-Allotment Option Exercise	
	Number of Ordinary Shares post- Settlement	% of Ordinary Shares post- Settlement	Number of Ordinary Shares post-Settlement	% of Ordinary Shares post- Settlement
Highland .....	11,391,353	31.3%	10,421,861	28.6%
Backpocket .....	2,717,585	7.5%	2,417,585	6.6%
HPE Growth .....	2,699,038	7.4%	2,489,221	6.8%
Hartwig .....	1,804,394	5.0%	1,629,967	4.5%
Dutch Connection Group .....	482,286	1.3%	290,186	0.8%
Damian Bradfield .....	79,331	0.2%	79,331	0.2%
David Forsey .....	31,413	0.1%	31,413	0.1%
Foundation Option Plan .....	—	—	—	—
The Company (treasury shares) .....	4,429,078	12.2%	4,429,078	12.2%
<b>Existing Offer Shares</b>	<b>23,634,478</b>	<b>64.9%</b>	<b>21,788,641</b>	<b>59.8%</b>
New Offer Shares .....	12,305,576	33.8%	14,151,412	38.8%
Ordinary Shares held by management <sup>(1)</sup> .....	343,751	0.9%	343,751	0.9%
Ordinary Shares held by employees <sup>(2)</sup> .....	155,679	0.4%	155,679	0.4%
<b>Total issued Ordinary Shares</b> .....	<b>36,439,483</b>	<b>100.0%</b>	<b>36,439,483</b>	<b>100.0%</b>
Treasury shares <sup>(3)</sup> .....	(4,429,078)	(12.2)%	(4,429,078)	(12.2)%
<b>Total issued and outstanding Ordinary Shares</b> ..	<b>32,010,405</b>	<b>87.8%</b>	<b>32,010,405</b>	<b>87.8%</b>

- (1) Investment Shares and Ordinary Shares held by Martha Lane Fox, Erik Huggers, Melissa Nussbaum and Damian Bradfield following the exercise of Options (excluding the Ordinary Shares held by Damian as shareholder) and partial sale of the Ordinary Shares to be acquired upon such exercise in the Offer (see “—*Shareholders immediately before Settlement*”).
- (2) Ordinary Shares held by current and former U.S. employees following the exercise of 50% of their remaining Options vested at the Pre-ITF Date and sale of sufficient underlying Ordinary Shares of the Depositary Receipts they will receive upon exercise in the Offer to cover the exercise price and applicable taxes (see “—*Shareholders immediately before Settlement*”).
- (3) To cover (i) the future exercise of Options that have been granted under the Option Plan, but will not be exercised at the Settlement Date and (ii) future awards under the RSU Plan. Assuming the exercise of the maximum number of Options and sale of the relevant part of the Ordinary Shares to be acquired upon such exercise at Settlement (see “—*Sale of existing Ordinary Shares by current and former employees of the Group*”).

The Offer Shares excluding the Over-Allotment Shares constitute 37.8% of the Ordinary Shares. Assuming the Over-Allotment Option is exercised in full, the Offer Shares and the Over-Allotment Shares will constitute not more than 43.5% of the Ordinary Shares.

The Company’s current shareholders do not on the date of this Prospectus, and will not on the Settlement Date, have different voting rights than other shareholders. As at the Settlement Date, one Supervisory Director will be a representative of a Selling Shareholder: Irena Goldenberg will be a representative of Highland.

The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company. The rights and obligations of shareholders, including minority shareholders, are governed by applicable laws and regulations. See, for example, “*Description of Share Capital and Corporate Structure—Obligations of shareholders to make a public offer*”. The Articles of Association do not provide for any specific provisions in addition to the provisions of the applicable laws and regulations that ensure control by the major or controlling shareholders is not abused.

### ***Business address Selling Shareholders and Foundation Option Plan***

The Selling Shareholders have the following business address:

- Highland Europe Technology Growth L.P: 11-15 Seaton Place St Helier Jersey, JE4 0QH, Jersey;
- Backpacket B.V.: Vlietweg 22, 1032 LG Amsterdam, the Netherlands;
- HPE Institutional Fund II Holdco B.V.: Jozef Israëlskade 46B, 1072 SB Amsterdam, the Netherlands;
- Hartwig Houdstermaatschappij B.V.: Amstelveenseweg 500, 1081 KL Amsterdam, the Netherlands; and
- Dutch Connection Group B.V.: Ter Haarstraat 25 F, 1053 LH Amsterdam, the Netherlands.

The business address of Foundation Option Plan is Willem Fenengastraat 19, 1096 BL Amsterdam, the Netherlands.

### **Related party transactions**

In the course of its ordinary business activities, members of the Group regularly enter into agreements with other companies within the Group. These agreements mainly relate to the rendering of intra-group services, such as the provision of support services, in among others, the areas of accounting, internal audit and risk, legal, company secretarial, data privacy, share scheme administration, human resources, tax, information technology, communications, software and treasury. The Group believes that all transactions with subsidiaries are negotiated and executed on an arm's length basis and that the terms of these transactions are comparable to those contracted with unrelated third-party suppliers and service providers. See "*Description of Share Capital and Corporate Structure—Related party transactions regime*" for further information on the Dutch related party transactions regime.

### ***Senior management remuneration***

The compensation of the Group's 'key management personnel' for purposes of IFRS must be disclosed as a related party transaction under IFRS. Accordingly, this has been disclosed as a related party transaction in Note 23 of the Annual Financial Statements. In addition, information on remuneration for the Senior Leadership Team, which forms part of the Group's 'key management personnel' for purposes of IFRS, can be found in the section "*Management, Employees and Corporate Governance—Remuneration information Senior Leadership Team*".

### ***Option Plan***

The Managing Directors, some Supervisory Directors and members of the Senior Leadership Team participate in the Option Plan and also receive other annual remuneration for their services.

### ***Shareholders Agreement***

The Company, Highland, HPE, Hartwig, Foundation Werock, Backpacket, Bas Beerens, Damian Bradfield, David Forsey and Foundation Option Plan entered into a shareholders' agreement on 2 August 2019, which was amended on 28 May 2021 to reflect the conversion of the Company into a public limited liability company (the **Shareholders Agreement**).

The Shareholders Agreement provides, among other things, for a payment to key personnel under the Group's long-term management incentive plan upon Settlement (see "*Management, Employees and Corporate Governance—Long term incentive plans*").

The Shareholders Agreement will – following the payment set out above – terminate upon Settlement and shall not be replaced by another agreement between the Selling Shareholders, Foundation Option Plan and the Company.

### ***Services provided by Backpacket***

Pursuant to a services agreement between Backpacket and the Company dated 24 September 2019, Bas Beerens, through Backpacket, provides consultancy services on operational and strategic matters to the Company and shall promote the Company in its capacity as founder for a fee of EUR 150,000 per year. This services agreement will be terminated on the Settlement Date.

Other than as set out above, the Group has not entered into related party transactions during the years ended 31 December 2020, 2019 and 2018 and up to the date of this Prospectus.

## DESCRIPTION OF SHARE CAPITAL AND CORPORATE STRUCTURE

Set out below is a summary of certain relevant information concerning the Company's share capital and a brief summary of certain significant provisions of Dutch law, as in effect on the date of this Prospectus, and the Articles of Association.

This summary does not purport to be complete and is qualified in its entirety by reference to, and should be read in conjunction with, the Articles of Association and the relevant provisions of Dutch law as in force on the date of this Prospectus. The Articles of Association are available in the governing Dutch language and an unofficial English translation thereof on the Company's website ([wetransfer.com/investors](http://wetransfer.com/investors)). In the event of any discrepancy between the Dutch version of the Articles of Association and the unofficial English translation, the Dutch version prevails. See also "Management, Employees and Corporate Governance" for a summary of certain material provisions of the Articles of Association and Dutch law relating to the Management Board and the Supervisory Board.

### General

The Company was incorporated as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of the Netherlands on 4 May 2010 as Werock B.V. The Company was converted into a public company with limited liability (*naamloze vennootschap*) and renamed WeRock N.V. on 28 May 2021. The Company will be renamed The Creative Productivity Group N.V. immediately prior to Settlement pursuant to a notarial deed of amendment of the articles of association in accordance with a resolution of the General Meeting adopted on 18 January 2022 (the **Deed of Amendment**). The Company's statutory seat (*statutaire zetel*) is in Amsterdam, the Netherlands and its registered office is at Willem Fenengastraat 19, 1096 BL Amsterdam, the Netherlands. The Company is registered with the Dutch trade register under number 34381002.

### Corporate purpose

Pursuant to Article 3 of the Articles of Association, the objects of the Company are:

- to operate as a holding company and to acquire and hold shares, stocks, debenture stock, bonds, mortgages, obligations and securities of any kind, and to vary, transpose, dispose of or otherwise deal with any of the Company's investments, as may be considered expedient;
- to finance other companies, including providing financing and financial investment, management and advisory services to such companies, granting or providing credit and financial accommodation, lending and making advances and lending to or depositing with any bank or financial institutions funds or other assets to provide security (by way of mortgage, charge, pledge, lien or otherwise) for loans or other forms of financing granted to a company by such bank or financial institution;
- to take up loans, lend and invest moneys and acquire, transfer and dispose of claims and assets in general;
- to, through its business and operations, create a material positive impact on society and the environment, taken as a whole;
- in accordance with the provisions of these articles of association and the law, to issue and allot securities of the Company for cash or in payment or part payment for any real or personal property purchased or otherwise acquired by the Company or as security for any obligation or amount or for any other purpose and to purchase its own shares;
- to provide guarantees, to bind the Company and to encumber the assets of the Company for the benefit of both group companies and third parties;
- to provide (financial) services to group companies and to third parties, to coordinate the administration, policies, management, supervision, control, research, planning, trading and any and all other activities of, and to act as financial advisers and consultants to, any group company or third party;
- to exploit patents, trademarks, trade names, licences, patents, industrial property rights, designs and comparable intellectual property rights;
- to buy, own, hold, lease, develop, sell and manage real estate situated in the Netherlands and elsewhere;
- in accordance with the provisions of the Articles of Association and the law, to sell, lease, exchange or otherwise dispose of the undertaking of the Company or any part thereof as an entirety or substantially as an entirety for such consideration as the Company deems fit; and

- to carry out other financial or industrial activities, as well as to participate in, to manage and to finance other enterprises and companies, to provide security for the debts of third parties,

as well as everything that can relate to or may be conducive to the foregoing, either in the Netherlands or abroad, either individually or in cooperation with third parties and at the Company's own expense or at the expense of third parties, all in the broadest sense.

## Shares and share capital

### *Authorised and issued share capital*

As at the date of this Prospectus, the issued share capital of the Company comprises 13,430,000 Ordinary Shares and 11,577,993 Preference Shares A, each with a nominal value of €0.01, and all issued shares are subject to, and have been created under, the laws of the Netherlands. The net asset value (total assets minus total liabilities) per Ordinary Share as at 30 September 2021, being the date of the Interim Financial Statements, and calculated using the 13,430,000 Ordinary Shares and 11,577,993 Preference Shares A issued and outstanding at that time, is €(0.25).

Immediately prior to Settlement, pursuant to the Deed of Amendment, the Company's authorised share capital will amount to €1,100,000, divided into 110,000,000 Ordinary Shares, each with a nominal value of €0.01. On or around Settlement, the Company will pay the Preference Shares Payments to Highland in accordance with the articles of association of the Company in force on the date of this Prospectus in connection with the conversion of the Preference Shares A into Ordinary Shares.

### *History of share capital*

Set out below is an overview of the amount of the Company's issued share capital for the years ended 31 December 2020, 2019 and 2018, during each of which the nominal value remained €0.001 per share.

### *Issued share capital*

	31 December 2020	31 December 2019	31 December 2018
Ordinary Shares .....	13,430.00 <sup>(1)</sup>	13,430.00 <sup>(1)</sup>	9,262.00
Preference Shares A .....	11,577.99	11,577.99	11,577.99
Founder Preferred Shares .....	0 <sup>(2)</sup>	0 <sup>(2)</sup>	4,168.00
<b>Total</b>	<b>25,007.99</b>	<b>25,007.99</b>	<b>25,007.99</b>

(1) Including 1,168,447 Ordinary Shares held by the Company in its own share capital.

(2) The 4,168,000 Founder Preferred Shares were converted into 4,168,000 Ordinary Shares by a notarial deed of amendment amending the articles of association of the Company dated 2 August 2019.

The Company was converted into a public company with limited liability (*naamloze vennootschap*) and the nominal value of the shares was changed to €0.01 on 28 May 2021. The number of Shares did not change as part of the conversion and the change of the nominal value.

### *Form of shares*

All Ordinary Shares are in registered form and are only available in the form of an entry in the shareholders' register and not in certificate form and shall at all times remain in dematerialised form. See also "*The Offer—Application and allocation—Allocation, payment and delivery*" in relation to the allocation, payment and delivery of Ordinary Shares.

### *Shareholders' register*

Pursuant to Dutch law and the Articles of Association, the Company must keep a shareholders' register. A copy of the shareholders' register will be kept by the Management Board at the offices of the Company in the Netherlands. In the shareholders' register, the names and addresses of all shareholders and other persons with meeting rights (being the right to be invited to and to attend General Meetings and to speak at such meetings and the other rights the Dutch Civil Code grants to persons holding depositary receipts (*certificaten*) for shares issued with the cooperation of the Company, as a shareholder or as a person to whom these rights have been attributed in accordance with the Articles of Association) must be recorded, as well as the paid-up amount on each Ordinary Share.



The shareholders' register also contains the names and addresses of usufructuaries (*vruchtgebruikers*) or pledgees (*pandhouders*) of shares, stating whether they hold the rights attached to such Ordinary Shares pursuant to Article 2:88 paragraphs 2, 3, and 4, as it relates to usufructuaries (*vruchtgebruikers*), and Article 2:89 paragraphs 2, 3, and 4, as it relates to pledgees (*pandhouders*), of the Dutch Civil Code and, if so, which rights have been conferred upon them. With regard to pledgees, the Company will deviate from the Dutch Civil Code such that neither the voting rights attached to the Ordinary Shares, nor meeting rights have been conferred upon them. The shareholders' register shall also state, with regard to each shareholder, pledgee, or usufructuary, the date on which they acquired the Ordinary Shares, their right of pledge or usufruct, as well as the date of acknowledgement thereof.

If requested, the Management Board will provide a shareholder, usufructuary or pledgee of Ordinary Shares with an extract from the shareholders' register relating to its title to an Ordinary Share free of charge. If the Ordinary Shares are encumbered with a right of usufruct, the extract will state who is entitled to exercise the voting rights attached to the Ordinary Shares and whether the usufructuary holds meeting rights.

If Ordinary Shares form part of (i) a collective depot as referred to in the Dutch Securities Giro Act (*Wet giraal effectenverkeer*) (the **Dutch Securities Giro Act**), kept by an intermediary, as referred to in the Dutch Securities Giro Act; or (ii) a giro depot as referred to in the Dutch Securities Giro Act, kept by a central institute as referred to in the Dutch Securities Giro Act, the name and address of the intermediary or the central institute shall be entered in the shareholders' register, stating the date on which those Ordinary Shares became part of the collective depot or the giro depot, the date of acknowledgement by or giving of notice to the Company, as well as the paid-up amount on each Ordinary Share.

A person who is entitled to and wishes to inspect the shareholders' register may do so only through the Company and in accordance with Dutch law.

### ***Issue of shares***

Resolutions to issue Ordinary Shares shall be adopted by the General Meeting or, if the General Meeting authorises the Management Board to do so, by the Management Board subject to the Supervisory Board's approval. A resolution of the General Meeting to issue Ordinary Shares or to designate the Management Board, subject to the Supervisory Board's approval, as the competent body to issue Ordinary Shares, can only be adopted with an absolute majority. The foregoing also applies to the granting of rights to subscribe for Ordinary Shares, such as options, but does not apply to the issue of Ordinary Shares to a person exercising a previously acquired right to subscribe for Ordinary Shares. The resolution authorising the Management Board must specify the number of Ordinary Shares which may be issued (which may be expressed as a percentage of the issued capital). An authorisation by the General Meeting to issue Ordinary Shares must state the term for which it is valid, which term may not be longer than five years. The authorisation may be renewed in each case for another maximum period of five years. Unless provided otherwise in the authorisation, it may not be withdrawn. The Company may not subscribe for its own Ordinary Shares on issue.

Pursuant to a resolution adopted by the General Meeting, the Management Board has been granted the authority for a period of 18 months following the Settlement Date, subject to the approval of the Supervisory Board, to resolve to issue Ordinary Shares (either in the form of stock dividend or otherwise) and/or grant rights to acquire Ordinary Shares up to a maximum of 10% of the Ordinary Shares issued immediately following Settlement and the issue of the Investment Shares.

### ***Pre-emptive rights***

Upon the issue of Ordinary Shares or the granting of rights to subscribe for Ordinary Shares, each holder of Ordinary Shares shall have a pre-emptive right in respect of the Ordinary Shares to be issued, in proportion to the number of Ordinary Shares held by it. Exceptions to these pre-emptive rights include: (i) the issue of Ordinary Shares against a contribution in kind, (ii) the issue of Ordinary Shares to employees of the Company or of a group company (*groepsmaatschappij*) pursuant to an employee share scheme or as an employee benefit, and (iii) the issue of Ordinary Shares to persons exercising a previously granted right to subscribe for Ordinary Shares.

Pursuant to the Articles of Association, the pre-emptive rights may be restricted or excluded pursuant to a resolution of the General Meeting. The proposal to this effect must explain in writing the reasons for the proposal and the intended issue price. Subject to the approval of the Supervisory Board, the pre-emptive right may also be

restricted or excluded by the Management Board if the Management Board has been authorised by a resolution of the General Meeting for a limited period of time of no longer than five years to restrict or exclude the pre-emptive right. Unless provided otherwise in the authorisation, it may not be withdrawn. A resolution of the General Meeting to restrict or exclude the pre-emptive right to Ordinary Shares or to issue an authorisation to restrict or exclude the pre-emptive right requires a majority of at least two-thirds of the votes validly cast if less than 50% of the issued share capital is represented at the General Meeting.

Pursuant to a resolution adopted by the General Meeting, the Management Board has been granted the authority for a period of 18 months following the Settlement Date, subject to the approval of the Supervisory Board, to resolve to restrict or exclude the pre-emptive rights of shareholders in relation to the issue of, or the grant of rights to subscribe for, Ordinary Shares for which the Management Board has been authorised by the General Meeting to resolve to issue, as described above.

### ***Acquisition of own shares***

Subject to the approval of the Supervisory Board, the Management Board is authorised to resolve that the Company shall acquire its own fully paid-up Ordinary Shares either gratuitously (*om niet*), under universal succession of title or if: (i) the Company's equity, less the payment required to make the acquisition, does not fall below the sum of called-up and paid-in share capital and any statutory reserves; (ii) the aggregate nominal value of the Ordinary Shares which the Company acquires, holds or holds as pledge or which are held by a subsidiary does not exceed 50% of the issued share capital; and (iii) the Management Board has been authorised by the General Meeting to repurchase Ordinary Shares. The Company may, without authorisation by the General Meeting, acquire its own Ordinary Shares for the purpose of transferring such Ordinary Shares to employees of the Company or of a group company under a scheme applicable to such employees, provided such Ordinary Shares are quoted on the price list of a stock exchange.

The General Meeting's authorisation is valid for a maximum of 18 months. As part of the authorisation, the General Meeting must determine the number of Ordinary Shares that may be acquired, the manner in which the Ordinary Shares may be acquired and the limits within which the price must be set. In addition, the approval of the Supervisory Board is required for any such acquisition.

Pursuant to a resolution adopted by the General Meeting, the Management Board has been granted the authority for a period of 18 months following the Settlement Date, subject to the approval of the Supervisory Board, to resolve that the Company shall acquire its own Ordinary Shares, up to a maximum of 10% of the Ordinary Shares issued immediately following Settlement and the issue of the Investment Shares, provided that the Company will hold no more Ordinary Shares in treasury than at maximum 50% of the issued share capital, either through purchase on a stock exchange or otherwise, at a price, excluding expenses, not lower than the nominal value of the Ordinary Shares and not higher than an amount equal to 10% above the average closing price over a period of five days preceding the day of the agreement of acquisition of the Ordinary Shares. Certain aspects of taxation of the acquisition by the Company of its Ordinary Shares are described in "*Taxation—Taxation in the Netherlands*".

The Company may not cast votes on Ordinary Shares held by it or by its subsidiaries nor will such Ordinary Shares be counted for the purpose of calculating a voting quorum. Votes may be cast on Ordinary Shares held by the Company if the Ordinary Shares are encumbered with a right of usufruct that benefits a party other than the Company or its subsidiaries, the voting right attached to those Ordinary Shares accrues to another party and the right of usufruct was established by a party other than the Company or a subsidiary before the Ordinary Shares belonged to the Company or its subsidiaries.

No dividend shall be paid on the Ordinary Shares held by the Company in its own capital, unless such Ordinary Shares are subject to a right of usufruct or pledge. For the purpose of determining the profit distribution, the Ordinary Shares held by the Company in its own capital shall not be included. The Management Board is authorised, subject to the approval of the Supervisory Board, to dispose of the Company's own Ordinary Shares held by it.

### ***Reduction of share capital***

Subject to the provisions of Dutch law and the Articles of Association, the General Meeting may, but only if proposed by the Management Board after approval by the Supervisory Board, and in compliance with Article 2:99 of the Dutch Civil Code, adopt resolutions to reduce the issued share capital by (i) cancelling Ordinary

Shares or (ii) reducing the nominal value of the Ordinary Shares by amendment of the Articles of Association. A resolution to cancel Ordinary Shares may only relate to Ordinary Shares held by the Company itself or of which the Company holds depositary receipts. A reduction of the nominal value of Ordinary Shares, whether without redemption or against partial repayment on the Ordinary Shares or upon release from the obligation to pay up the Ordinary Shares, must be made *pro rata* on all Ordinary Shares. This *pro rata* requirement may be waived if all shareholders concerned so agree. A resolution of the General Meeting to reduce the share capital requires a qualified majority of at least two-thirds of the votes cast if less than 50% of the issued and outstanding share capital is represented at the General Meeting. In addition, a resolution to reduce the share capital shall require the prior or simultaneous approval of each group of holders of shares of a similar class (if any) whose rights are prejudiced.

In addition, Dutch law contains detailed provisions regarding the reduction of capital. A resolution to reduce the issued share capital shall not take effect as long as creditors have legal recourse against the resolution.

Certain aspects of taxation of a reduction of share capital are described in “*Taxation—Taxation in the Netherlands*”.

### ***Transfer of Ordinary Shares***

A transfer of an Ordinary Share (not being, for the avoidance of doubt, an Ordinary Share held through the system of Euroclear Nederland) or of a restricted right (*beperkt recht*) thereto requires a deed of transfer drawn up for that purpose and acknowledgement of the transfer by the Company in writing. The latter condition is not required if the Company is party to the transfer.

If a registered Ordinary Share is transferred for inclusion in a collective deposit, the transfer will be accepted by the intermediary concerned. If a registered Ordinary Share is transferred for inclusion in a giro deposit, the transfer will be accepted by the central institute, being Euroclear Nederland. Upon issue of a new Ordinary Share to Euroclear Nederland or to an intermediary, the transfer and acceptance in order to include the Ordinary Share in the giro deposit or the collective deposit will be effectuated without the cooperation of the other participants in the collective deposit, central securities depository or the giro deposit, respectively. Deposit shareholders are not recorded in the shareholders’ register of the Company.

Ordinary Shares included in the collective deposit or giro deposit can only be delivered from a collective deposit or giro deposit with due observance of the related provisions of the Dutch Securities Giro Act. The transfer by a deposit shareholder of its book-entry rights representing such Ordinary Shares shall be effectuated in accordance with the provisions of the Dutch Securities Giro Act. The same applies to the establishment of a right of pledge and the establishment or transfer of a right of usufruct on these book-entry rights.

### ***Dividend distributions***

#### ***General***

The Company may only make distributions to its shareholders insofar its equity exceeds the amount of the paid-up and called-up part of the issued capital plus the reserves as required to be maintained by Dutch law. The dividend pay-out can be summarised as follows.

#### ***Annual profit distribution***

A distribution of profits other than an interim distribution is only allowed after the adoption of the Company’s annual accounts and the information in the annual accounts will determine if the distribution of profits is legally permitted for the respective financial year.

#### ***Right to reserve***

The Management Board, with the approval of the Supervisory Board, may decide that the profits realised during a financial year are fully or partially appropriated to increase and/or form reserves. The profits remaining after being allocated to the reserves shall be put at the disposal of the General Meeting. The Management Board, with the approval of the Supervisory Board, shall make a proposal for that purpose.

Furthermore, the Management Board may, with the approval of the Supervisory Board, decide that payments to the shareholders shall be at the expense of reserves.

### *Interim distribution*

Subject to Dutch law and the Articles of Association, the Management Board may, with the approval of the Supervisory Board, resolve to make an interim distribution of profits provided that it appears from an interim statement of assets signed by the Management Board that following the distribution the Company's equity does not fall below the sum of called-up and paid-up share capital and any statutory reserves.

### *Distribution in kind*

The Management Board may, with the approval of the Supervisory Board, decide that a distribution on Ordinary Shares be made not in cash but in Ordinary Shares, or decide that shareholders shall have the option to receive a distribution as a cash payment and/or as a payment in Ordinary Shares, provided that the Management Board is authorised by the General Meeting to issue Ordinary Shares.

### *Profit ranking of the Ordinary Shares*

Each Ordinary Shares issued and outstanding on the day following the Settlement Date will rank equally with, and will be eligible for any dividends that may be declared on, the Ordinary Shares.

### *Payment*

Payment of any distribution on Ordinary Shares to shareholders in cash will, in principle, be made in euro. The Company will, however, have the authority to make distributions in a currency other than euro.

Any distribution on Ordinary Shares that is paid to shareholders through Euroclear Nederland will be automatically credited to the relevant shareholders' accounts, without the need for the shareholders to present documentation providing their ownership of the Ordinary Shares. Payment of distributions on the Ordinary Shares not held through Euroclear Nederland will be made directly to the relevant shareholder using the information contained in the shareholders' register.

There are no restrictions in relation to the payment of distributions under Dutch law in respect of shareholders who are non-residents of the Netherlands. However, see "*Taxation—Taxation in the Netherlands—Dividend withholding tax*" for a discussion of the material aspects of taxation of dividends and refund procedures for non-tax residents of the Netherlands.

Payments of distributions are announced in a notice by the Company. A shareholder's claim to payments of distributions lapses five years after the day on which the distribution became payable. Any distributions that are not collected within this period revert to the Company.

### **Exchange controls**

Under Dutch law, subject to the 1977 Sanction Act (*Sanctiewet 1977*) or otherwise by international sanctions, there are no exchange control restrictions on investments in, or payments on, Ordinary Shares provided that the payment in a foreign currency for any Ordinary Shares issued, or to be issued, by the Company will only result in the performance of the obligation to pay up the Ordinary Shares, to the extent that the Company consents to payment in such foreign currency, the paid-up sum can be converted (exchanged) freely into euro and is equal to at least the euro nominal value of such Ordinary Shares.

There are no special restrictions in the Articles of Association or Dutch law that limit the right of the shareholders who are not citizens or residents of the Netherlands to hold or vote shares.

### **Meetings of shareholders and voting rights**

#### ***General Meetings***

According to the Articles of Association, General Meetings must be held in Amsterdam, Rotterdam, The Hague, Utrecht or Haarlemmermeer (Schiphol).

The annual General Meeting must be held within six months after the close of each financial year. An extraordinary General Meeting may be convened, whenever the Company's interests so require, by the Supervisory Board or the Management Board. In addition, shareholders representing alone or in aggregate at least one-tenth of the issued and outstanding share capital may, pursuant to the Dutch Civil Code, request that a General Meeting be convened. If no General Meeting has been held within eight weeks of the shareholders making such request, the shareholders making such request may, upon their request, be authorised by the district court in summary proceedings to convene a General Meeting.

The convocation of the General Meeting must be published through an announcement by electronic means. Notice of a General Meeting must be given by at least such number of days prior to the day of the meeting as required by Dutch law, which, at the date of this Prospectus, is 42 calendar days. The notice convening any General Meeting must include, among other items, the subjects to be dealt with, the venue and time of the General Meeting, the requirements for admittance to the General Meeting, the address of the Company's website, and such other information as may be required by Dutch law. The agenda for the annual General Meeting must contain specific subjects, including, among other things, the adoption of the annual accounts, the discussion of any substantial change in the corporate governance structure of the Company and the allocation of the profits, insofar as these are at the disposal of the General Meeting. In addition, the agenda must include such items as have been included therein by the Management Board, the Supervisory Board or the shareholders (with due observance of Dutch law as described below). If the agenda of the General Meeting contains the item of granting discharge to the Managing Directors and the Supervisory Directors concerning the performance of their duties in the financial year in question, the matter of the discharge must be mentioned on the agenda as separate items for the Management Board and the Supervisory Board respectively.

Shareholders holding at least 3% of the Company's issued and outstanding share capital may request, by a motivated request, that an item is added to the agenda. Such requests must be made in writing, must either be substantiated or include a proposal for a resolution, and must be received by the Company at least 60 days before the day of the General Meeting. No resolutions may be adopted on items other than those that have been included in the agenda (unless the resolution would be adopted unanimously during a meeting where the entire issued capital of the Company is present or represented).

A shareholder may request the inclusion of an item on the agenda only after consulting the Management Board in that respect.

Pursuant to the Dutch Code, if one or more shareholders intend to request that an item be put on the agenda for a General Meeting that may result in a change in the Company's strategy, for example as a result of a proposed dismissal of one or more Managing Directors or Supervisory Directors, the Management Board may invoke a reasonable response time that does not exceed 180 days from the moment the Management Board is informed by one or more shareholders of their intention to put an item on the agenda to the day of the General Meeting at which the item is to be dealt with. The relevant shareholder(s) should respect the response time invoked by the Management Board. The Management Board shall use the response time for further deliberation and constructive consultation, in any event with the relevant shareholder(s), and shall explore alternatives. At the end of the invoked response time, the Management Board shall report on the outcome of such deliberation and consultation to the General Meeting. The response time may only be invoked once for any given General Meeting and shall not apply to an item in respect of which the response time has previously been invoked, or to a General Meeting where a shareholder holds at least three-quarters of the issued capital as a consequence of a successful public offer.

Shareholders who, individually or with other shareholders, hold Ordinary Shares that represent at least one-hundredth of the issued and outstanding share capital or a market value of at least €250,000, may request the Company to disseminate information that is prepared by them in connection with an agenda item for a General Meeting, provided that the Company has done a so-called 'identification round' in accordance with the provisions of the Dutch Securities Giro Act. The Company can only refuse disseminating such information, if received less than seven business days prior to the day of the General Meeting, if the information gives or could give an incorrect or misleading signal or if, in light of the nature of the information, the Company cannot reasonably be required to disseminate it.

The General Meeting is chaired by the chair of the Supervisory Board. If the chair of the Supervisory Board wishes another person to chair the General Meeting, or if he/she is absent from the General Meeting, the Supervisory Directors present at the General Meeting shall appoint a chair from their midst. The chair of the General Meeting will have all powers necessary to ensure the proper and orderly functioning of the General



Meeting. Managing Directors and Supervisory Directors may attend a General Meeting. In these General Meetings, they have an advisory vote. The external auditor of the Company is also authorised to attend the General Meeting. The chair of the General Meeting may decide at its discretion to admit other persons to the General Meeting.

Each shareholder (as well as other persons with voting rights or meeting rights) may attend the General Meeting, address the General Meeting and, in so far as they have such right, exercise voting rights in accordance with the terms of the relevant Ordinary Shares, either in person or by proxy. Shareholders may exercise these rights, if they are the holders of Ordinary Shares on the registration date, which is, at the date of this Prospectus, the 28th day before the day of the General Meeting, and they or their proxy have notified the Company of their intention to attend the meeting in writing at the address and by the date specified in the notice of the meeting.

The Management Board may decide that persons entitled to attend and vote at General Meetings may, or to the extent allowed under Dutch law must, cast their vote electronically or by post in a manner to be decided by the Management Board. Votes validly cast electronically or by post rank as equal to votes validly cast at the General Meeting.

### ***Voting rights***

At General Meetings, each Ordinary Share confers a right to cast one vote. Pursuant to Dutch law, no votes may be cast at a General Meeting in respect of Ordinary Shares which are held by the Company. Resolutions of the General Meeting are passed by an absolute majority of the votes cast at the General Meeting, except where Dutch law or the Articles of Association prescribe a greater majority. The voting rights attached to the Ordinary Shares may only be amended by amendment to the Articles of Association.

### ***Amendment of Articles of Association***

The General Meeting may adopt a resolution to amend the Articles of Association, but only on a proposal of the Management Board that has been approved by the Supervisory Board and has been stated in the notice of the General Meeting.

A resolution by the General Meeting to amend the Articles of Association requires an absolute majority of the votes cast.

In the event of a proposal to the General Meeting to amend the Articles of Association, a copy of such proposal containing the verbatim text of the proposed amendment will be deposited at the Company's office, for inspection by shareholders and other persons with meeting rights, until the end of the meeting. Furthermore, a copy of the proposal will be made available free of charge to shareholders and other persons with meeting rights from the day it was deposited until the day of the meeting.

### ***Dissolution and liquidation***

The Company may be dissolved by a resolution of the General Meeting upon proposal by the Management Board. The proposal requires the approval of the Supervisory Board. When a proposal to dissolve the Company is to be made to the General Meeting, such proposal must be stated in the notice convening the General Meeting. In the event of the dissolution of the Company by resolution of the General Meeting, the Managing Directors will be charged with effecting the liquidation of the Company's affairs under supervision by the Supervisory Board, without prejudice to the provisions of Article 2:23 paragraph 2 of the Dutch Civil Code. During liquidation, the provisions of the Articles of Association will remain in force to the extent possible.

The balance of the Company's assets remaining after all liabilities have been paid shall, if possible, be transferred to the holders of Ordinary Shares in proportion to the nominal value of each shareholder's holding in Ordinary Shares. Once the liquidation has been completed, the books, records and other data carriers of the dissolved company will be held by the person or legal person appointed for that purpose by the General Meeting for the period prescribed by law (which as of the date of this Prospectus is seven years). Material tax aspects of liquidation proceeds are described in "*Taxation—Taxation in the Netherlands—Dividend withholding tax*".

### ***Annual and semi-annual financial reporting***

Annually, within four months after the end of the financial year, the Management Board must prepare the annual accounts and make them available for inspection by the shareholders at the office of the Company and on its

website. The annual accounts must be accompanied by an independent auditor's statement, a management report and certain other information required under Dutch law. Annually, the Supervisory Board must prepare a report, which will be enclosed with the annual accounts and the management report. All Managing Directors and Supervisory Directors must sign the annual accounts. If the signature of one or more of them is missing, this will be stated and reasons for this omission will be given. The annual accounts must be adopted by the General Meeting.

The annual accounts, the independent auditor's statement, the management report and the other information required under Dutch law must be made available to the shareholders for review as from the day of the notice convening the annual General Meeting. The Management Board must send the adopted annual accounts to the AFM within five days following adoption.

After the proposal to adopt the annual accounts has been discussed, a proposal shall be made to the General Meeting, in connection with the annual accounts and the statements made regarding them at the General Meeting, to discharge the Managing Directors for their management and the Supervisory Directors for their supervision in the last financial year.

Within three months after the end of the first six months of each financial year, the Management Board must prepare semi-annual financial statements and make them publicly available. If the semi-annual financial statements are audited or reviewed, the independent auditor's report must be made publicly available together with the semi-annual financial statements. If the semi-annual accounts are unaudited or unreviewed, they should state so.

### **Dutch Financial Reporting Supervision Act**

On the basis of the Dutch Financial Reporting Supervision Act (*Wet toezicht financiële verslaggeving*, the **Dutch FRSA**), the AFM supervises the application of financial reporting standards by, among others, companies whose corporate seat is in the Netherlands and whose securities are listed on a regulated Dutch or foreign stock exchange, such as the Company.

Pursuant to the Dutch FRSA, the AFM has an independent right to (i) request an explanation from the Company regarding its application of the applicable financial reporting standards and (ii) recommend the Company to make available further explanations. If the Company does not comply with such a request or recommendation, the AFM may request the Dutch Enterprise Chamber of the Amsterdam Court of Appeals (*Ondernemingskamer van het Gerechtshof te Amsterdam*, the **Enterprise Chamber**) to order the Company to (i) provide an explanation of the way it has applied the applicable financial reporting standards to its financial reports or (ii) prepare its financial reports in accordance with the Enterprise Chamber's instructions.

### **Dutch cooling-off period in face of shareholder activism or hostile take-over**

On 1 May 2021, a law entered into force which introduced a statutory cooling-off period of up to 250 days during which the General Meeting would not be able to dismiss, suspend or appoint members of the Management Board or of the Supervisory Board (or amend the provisions in the Articles of Association dealing with those matters) unless those matters are proposed by the Management Board. This cooling-off period could be invoked by the Management Board in case:

- (a) shareholders, using either their shareholder proposal right or their right to request the General Meeting, propose an agenda item for the General Meeting to dismiss, suspend or appoint a Managing Director or a Supervisory Director (or to amend any provision in the Articles of Association dealing with those matters); or
- (b) a public offer for the Company is made or announced without the Company's support, provided, in each case, that the Management Board believes that such proposal or offer materially conflicts with the interests of the Company and its business.

The cooling-off period, if invoked, ends upon the occurrence of the earlier of:

- (a) the expiration of 250 days from (i) in case of shareholders using their shareholder proposal right, the day after the expiry of the deadline for making such proposal; (ii) in case of shareholders using their right to request a General Meeting, the day when they obtain court authorisation to do so; or (iii) in case of a hostile offer being made, the first day thereafter;

- (b) the day after the hostile offer has been declared unconditional; or
- (c) the Management Board voluntarily terminating the cooling-off period.

In addition, shareholders representing at least 3% of the Company's issued share capital may request the Enterprise Chamber for early termination of the cooling-off period. The Enterprise Chamber must rule in favour of the request if the shareholders can demonstrate that:

- (a) the Management Board, in light of the circumstances at hand when the cooling-off period was invoked, could not reasonably have come to the conclusion that the relevant shareholder proposal or hostile offer constituted a material conflict with the interests of the Company and its business;
- (b) the Management Board cannot reasonably believe that a continuation of the cooling-off period would contribute to careful policy-making;
- (c) if other defensive measures have been activated during the cooling-off period and not terminated or suspended at the relevant shareholders' request within a reasonable period following the request (i.e., no 'stacking' of defensive measures).

During the cooling-off period, if invoked, the Management Board must gather all relevant information necessary for a careful decision-making process. In this context, the Management Board must at least consult with shareholders representing at least 3% of the Company's issued share capital at the time the cooling-off period was invoked and with the Group's works council. Formal statements expressed by these stakeholders during such consultations must be published on the Company's website to the extent these stakeholders have approved that publication.

Ultimately one week following the last day of the cooling-off period, the Management Board must publish a report in respect of its policy and conduct of affairs during the cooling-off period on the Company's website. This report must remain available for inspection by shareholders and others with meeting rights under Dutch law at the Company's office and must be tabled for discussion at the next General Meeting.

#### **No anti-takeover measures**

At Settlement, the Company will not have implemented any anti-takeover measures.

#### **Obligations of shareholders to make a public offer**

Pursuant to the Dutch FSA, and in accordance with European Directive 2004/25/EC, also known as the Takeover Directive, any shareholder who directly or indirectly obtains control of a Dutch listed company (on a regulated market within the meaning of the Dutch FSA), such as the Company after Settlement, is required to make a public offer for all issued and outstanding shares in that company's share capital. Such control is deemed present if a (legal) person is able to exercise, alone or acting in concert, at least 30% of the voting rights in the general meeting of shareholders of such listed company (subject to a grandfathering exemption for major shareholders who, acting alone or in concert, already had control at the time of the company's initial public offering).

In addition, it is prohibited to launch a public offer for shares of a listed company, such as the Ordinary Shares, unless an offer document has been approved by the AFM. Such a public offer may only be launched by way of publication of an approved offer document. The Dutch public offer rules are intended to ensure that in the event of a public offer, among others, sufficient information is made available to the holders of the shares, the holders of the shares are treated equally, that there is no abuse of inside information and that there is a proper and timely offer period.

#### **Squeeze-out proceedings**

Pursuant to Article 2:92a of the Dutch Civil Code, a shareholder who for its own account contributes at least 95% of the issued share capital of a public company with limited liability (*naamloze vennootschap*) under the laws of the Netherlands may institute proceedings against such company's minority shareholders jointly for the transfer of their shares to such shareholder. The proceedings are held before the Enterprise Chamber and can be instituted by means of a writ of summons served upon each of the minority shareholders in accordance with the provisions of the Dutch Code of Civil Procedure (*Wetboek van Burgerlijke Rechtsvordering*). The Enterprise Chamber may grant the claim for squeeze-out in relation to all minority shareholders and will determine the price to be paid for the shares, if necessary after appointment of one or three experts who will offer an opinion to the Enterprise

Chamber on the value to be paid for the shares of the minority shareholders. Once the order to transfer becomes final before the Enterprise Chamber, the person acquiring the shares must give written notice of the date and place of payment and the price to the holders of the shares to be acquired whose addresses are known to him. Unless the addresses of all of them are known to it, it is required to publish the same in a Dutch daily newspaper with nationwide circulation.

The offeror under a public offer is also entitled to start squeeze-out proceedings if, following the public offer, the offeror contributes at least 95% of the outstanding share capital and represents at least 95% of the total voting rights. The claim of a takeover squeeze-out needs to be filed with the Enterprise Chamber within three months following the expiry of the acceptance period of the offer. The Enterprise Chamber may grant the claim for squeeze-out in relation to all minority shareholders and will determine the price to be paid for the shares, if necessary after appointment of one or three experts who will offer an opinion to the Enterprise Chamber on the value to be paid for the shares of the minority shareholders. In principle, the offer price is considered reasonable if the offer was a mandatory offer or if at least 90% of the shares to which the offer related were received by way of voluntary offer.

The Dutch takeover provisions of the Dutch FSA also entitles those minority shareholders that have not previously tendered their shares under an offer the right to institute proceedings with the Enterprise Chamber for the transfer of their shares to the offeror, provided that the offeror has acquired at least 95% of the issued outstanding share capital and represents at least 95% of the total voting rights. With regard to the price, the same procedure as for takeover squeeze-out proceedings initiated by an offeror applies. The claim also needs to be filed with the Enterprise Chamber within three months following the expiry of the acceptance period of the offer.

There are no other specific statutory squeeze-out proceedings at a lower level of control, however, it is not uncommon for the offeror under a public offer and the target to agree on a post-offer restructuring transaction pursuant to which the offeror may require the target to sell its assets to the offeror against payment of a consideration equal to the offering price. Such a transaction is subject to the approval of the general meeting of shareholders of the target. The remaining minority shareholders will receive their relative portion of the purchase price of this sale through a liquidation distribution in cash as part of the liquidation process of the target. Such a transaction can usually be implemented if the offeror has acquired less than 95% of the issued and outstanding share capital.

### **Obligations to disclose holdings**

Holders of the Ordinary Shares may be subject to notification obligations under the Dutch FSA. Shareholders are advised to seek professional advice on these obligations.

### ***Shareholders***

Pursuant to the Dutch FSA, any person who, directly or indirectly, acquires or disposes of an actual or potential interest in the capital or voting rights of a Dutch listed company must immediately notify the AFM through a designated portal, if, as a result of such acquisition or disposal, the percentage of capital interest or voting rights held by such person in the company reaches, exceeds or falls below any of the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%.

A notification requirement also applies if a person's capital interest or voting rights reaches, exceeds or falls below the above-mentioned thresholds as a result of a change in the Company's total outstanding share capital or voting rights. Such notification must be made no later than the fourth trading day after the AFM has published the Company's notification of the change in its outstanding share capital.

The Company is required to notify the AFM immediately of the changes to its total share capital or voting rights if its issued share capital or voting rights changes by 1% or more since the Company's previous notification. The Company must furthermore notify the AFM within eight days after each quarter, in the event its share capital or voting rights changed by less than 1% in that relevant quarter since the Company's previous notification.

In addition, every holder of 3% or more of the Company's share capital or voting rights whose interest changes in respect of the previous notification to the AFM by reaching or crossing one of the thresholds mentioned above as a consequence of the interest being differently composed due to having acquired shares or voting rights through the exercise of a right to acquire such shares or voting rights, must notify the AFM of the changes within four trading days after the date on which the holder knows or should have known that their interest reaches or crosses a relevant threshold.

Controlled entities, within the meaning of the Dutch FSA, do not have notification obligations under the Dutch FSA, as their direct and indirect interests are attributed to their (ultimate) parent. Any person may qualify as a parent for purposes of the Dutch FSA, including a natural person. A person who has a 3% or larger interest in the Company's share capital or voting rights and who ceases to be a controlled entity for these purposes must immediately notify the AFM. As of that moment, all notification obligations under the Dutch FSA will become applicable to the former controlled entity.

For the purpose of calculating the percentage of capital interest or voting rights, the following interests must, inter alia, be taken into account: (i) shares and voting rights directly held (or acquired or disposed of) by any person; (ii) shares and voting rights held (or acquired or disposed of) by such person's controlled entity or by a third party for such person's account or by a third party with whom such person has concluded an oral or written voting agreement; (iii) voting rights acquired pursuant to an agreement providing for a temporary transfer of voting rights against a payment; (iv) shares which such person (directly or indirectly) or third party referred to above, may acquire pursuant to any option or other right to acquire shares; (v) shares that determine the value of certain cash-settled financial instruments such as contracts for difference and total return swaps; (vi) shares that must be acquired upon exercise of a put option by a counterparty; and (vii) shares that are the subject of another contract creating an economic position similar to a direct or indirect holding in those shares.

Special attribution rules apply to shares and voting rights that are part of the property of a partnership or other community of property. A holder of a pledge or right of usufruct in respect of shares can also be subject to the reporting obligations, if such person has, or can acquire, the right to vote the shares. The acquisition of (conditional) voting rights by a pledgee or beneficial owner may also trigger the reporting obligations as if the pledgee or beneficial owner were the legal holder of the shares.

For the same purpose, the following instruments qualify as shares: (i) shares; (ii) depositary receipts for shares (or negotiable instruments similar to such receipts); (iii) negotiable instruments for acquiring the instruments under (a) or (b) (such as convertible bonds); and (iv) options for acquiring the instruments under (a) or (b).

#### ***Notification of short positions***

Each person holding a gross short position in relation to the issued share capital of a Dutch listed company that reaches, exceeds or falls below any one of the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%, must immediately notify the AFM through a designated portal. If a person's gross short position reaches, exceeds or falls below one of the above-mentioned thresholds as a result of a change in the Company's issued share capital, such person must make a notification not later than the fourth trading day after the AFM has published the Company's notification in the public register of the AFM. Shareholders are advised to consult with their own legal advisers to determine whether the gross short selling notification obligation applies to them.

In addition, pursuant to Regulation (EU) No 236/2012 (the **Short Selling Regulation**), each person holding a net short position attaining 0.2% of the issued share capital of a Dutch listed company is required to notify such position to the AFM. Each subsequent increase of this position by 0.1% above 0.2% must also be notified. Each net short position equal to 0.5% of the issued share capital of a Dutch listed company and any subsequent increase of that position by 0.1% will be made public via the AFM short selling register. To calculate whether a natural person or legal person has a net short position, their short positions and long positions must be set off. A short transaction in a share can only be contracted if a reasonable case can be made that the shares sold can actually be delivered, which requires confirmation of a third party that the shares have been located. The notification shall be made no later than 15:30 CET on the following trading day. On 27 September 2021, the European Commission published a delegated regulation amending the Short Selling Regulation to lower the notification threshold for net short positions from 0.2% to 0.1% of the issued share capital of the listed company. The Delegated Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.

#### ***Managing Directors, Supervisory Directors and PDMRs***

Pursuant to the Dutch FSA, each Managing Director and Supervisory Director must notify the AFM: (i) immediately following Admission, of the number of Ordinary Shares he/she holds and the number of votes he/she is entitled to cast in respect of the Company's issued share capital; and (ii) subsequently, of each change in the number of Ordinary Shares he/she holds and of each change in the number of votes he/she is entitled to cast in respect of the Company's issued share capital, immediately after the relevant change. If a Managing Director



or Supervisory Director has notified a transaction to the AFM under the Dutch FSA as described under “*Description of Share Capital and Corporate Structure—Obligations to disclose holdings—Shareholders*” above, such notification is sufficient for purposes of the Dutch FSA as described in this paragraph.

Furthermore, pursuant to Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (including any relevant delegated regulations, the **Market Abuse Regulation**), which entered into force on 3 July 2016 and which is directly applicable in the Netherlands, persons discharging managerial responsibilities (each a **PDMR**) must notify the AFM and the Company of any transactions conducted for their own account relating to Ordinary Shares or any debt instruments of the Company or to derivatives or other financial instruments linked thereto.

PDMRs within the meaning of the Market Abuse Regulation include: (i) Managing Director and Supervisory Directors, or (ii) members of the senior management who have regular access to inside information relating directly or indirectly to that entity and the authority to take managerial decisions affecting the future developments and business prospects of the Company.

In addition, pursuant to the Market Abuse Regulation and the regulations promulgated thereunder, certain persons who are closely associated with PDMRs, are also required to notify the AFM and the Company of any transactions conducted for their own account relating to Ordinary Shares or any debt instruments of the Company or to derivatives or other financial instruments linked thereto. The Market Abuse Regulation and the regulations promulgated thereunder cover, *inter alia*, the following categories of persons: (i) the spouse or any partner considered by national law as equivalent to the spouse; (ii) dependent children; (iii) other relatives who have shared the same household for at least one year at the relevant transaction date; and (iv) any legal person, trust or partnership, the managerial responsibilities of which are discharged by a person discharging managerial responsibilities or by a person referred to under (i), (ii) or (iii) above, which is directly or indirectly controlled by such a person, which is set up for the benefit of such a person, or the economic interest of which are substantially equivalent to those of such a person.

These notification obligations under the Market Abuse Regulation apply when the total amount of the transactions conducted by a PDMR or a person closely associated to a PDMR reaches or exceeds the threshold of €5,000 within a calendar year (calculated without netting). The transactions carried out by a PDMR and by a closely associated person should not be aggregated. The first transaction reaching or exceeding the threshold must be notified as set out above. The notifications pursuant to the Market Abuse Regulation described above must be made to the AFM and the Company no later than the third business day following the relevant transaction date. Notwithstanding the foregoing, Managing Directors and Supervisory Directors need to notify the AFM of each change in the number of Ordinary Shares that they hold and of each change in the number of votes they are entitled to cast in respect of the Company’s issued share capital, immediately after the relevant change.

### ***Non-compliance***

Non-compliance with the notification obligations under the Market Abuse Regulation and the Dutch FSA, set out in the paragraphs above, is an economic offence (*economisch delict*) and could lead to the imposition of criminal fines, administrative fines, imprisonment or other sanctions. The AFM may impose administrative penalties or a cease-and-desist order under penalty for non-compliance. If criminal charges are pressed, the AFM is no longer allowed to impose administrative penalties and *vice versa*, the AFM is no longer allowed to seek criminal prosecution if administrative penalties have been imposed. Furthermore, a civil court can impose measures against any person who fails to notify or incorrectly notifies the AFM of matters required to be correctly notified. A claim requiring that such measures be imposed must be instituted by the Company and/or one or more shareholders who alone or together with others represent(s) at least 3% of the Company’s issued share capital or are able to exercise at least 3% of the voting rights. The measures that the civil court may impose, include: an order requiring the person violating the disclosure obligations under the Dutch FSA to make appropriate disclosure, suspension of the voting rights in respect of such person’s shares for a period of up to three years as determined by the court, voiding of a resolution adopted by the General Meeting, if the court determines that the resolution would not have been adopted but for the exercise of the voting rights of the person who is obliged to notify, or suspension of a resolution until the court makes a decision about such voiding and an order to the person violating the disclosure obligations under the Dutch FSA to refrain, during a period of up to five years as determined by the court, from acquiring the shares and/or voting rights in the shares.

### **Public registry**

The AFM does not issue separate public announcements of these notifications. It does, however, keep a public register of all notifications under the Dutch FSA on its website ([www.afm.nl/en/professionals/registers](http://www.afm.nl/en/professionals/registers)). Third parties can request to be notified automatically by email of changes to the public register in relation to a particular company's shares or a particular notifying party.

### **Identity of shareholders**

Dutch listed companies may, in accordance with Chapter 3A of the Dutch Securities Giro Act, request Euroclear Nederland, admitted institutions, intermediaries, institutions abroad, and managers of investment institutions, to provide certain information on the identity of their shareholders. No information will be given on shareholders with an interest of less than 0.5% of the issued share capital. A shareholder who, individually or together with other shareholders, holds an interest of at least 10% of the issued share capital may request the company to establish the identity of its shareholders. This request may only be made during a period of 60 days until (and not including) the 42nd day before the day on which the general meeting will be held.

### **Related party transactions regime**

Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement (the **Shareholder Rights Directive II**), establishes requirements in relation to the exercise of certain shareholder rights attached to voting shares in relation to general meetings of companies which have their registered office in a Member State and the shares of which are admitted to trading on a regulated market situated or operating within a Member State. The Dutch Act to implement the Shareholder Rights Directive II (*bevordering van de langetermijnbetrokkenheid van aandeelhouders*) (the **Dutch SRD Act**) entered into force on 1 December 2019. The Dutch SRD Act, among other things, added new rules on related party transactions to the Dutch Civil Code and provides that *material transactions* with *related parties* not entered into within the ordinary course of business or not concluded on normal market terms, will need to be approved by the supervisory board and be publicly announced at the time that the transaction is entered into. In addition, certain items in respect of any such related party transaction not concluded on normal market terms must be disclosed in the explanatory notes to the company's annual accounts. If information is required to be published at an earlier stage under the Market Abuse Regulation, that requirement prevails. The supervisory board will be required to establish an internal procedure to periodically assess whether transactions with related parties are concluded in the ordinary course of business and on normal market terms.

Any managing director, supervisory director or shareholder that has a direct or indirect personal interest in the transaction cannot participate in the deliberations or decision-making with respect to the related party transaction concerned. In this context: a *related party* is interpreted in accordance with IFRS (IAS 24 – Related Party Disclosures) and includes a party that has *control*, *joint control* or *significant influence* over the company or is a member of the company's key management personnel; and a transaction is considered *material* if it would constitute inside information within the meaning of the Market Abuse Regulation and is concluded between the company and a related party (which for this purpose, and in line with the Dutch Code, in any event includes one or more shareholders representing at least 10% of the issued share capital, a managing director or supervisory director). Not all transactions with a *related party* are subject to the approval and disclosure provisions of the Dutch SRD Act (for example, transactions concluded between a company and its subsidiary).

See “*Management, Employees and Corporate Governance—Management Board—Related party transactions policy*” for further information on the Company's related party transactions policy.

### **EU market abuse regime**

The regulatory framework on market abuse is laid down in the Market Abuse Regulation and the Market Abuse Directive (2014/57/EU), as implemented in Dutch law.

Pursuant to the Market Abuse Regulation, no natural or legal person is permitted to: (i) engage or attempt to engage in insider dealing in financial instruments listed on a regulated market or for which a listing has been requested, such as the Ordinary Shares; (ii) recommend that another person engages in insider dealing or induce another person to engage in insider dealing; or (iii) unlawfully disclose inside information relating to the Ordinary Shares or the Company.

Furthermore, no person may engage in or attempt to engage in market manipulation.

The Company is required to inform the public as soon as possible and in a manner that enables fast access and complete, correct and timely assessment of the information, of inside information which directly concerns the Company. Pursuant to the Market Abuse Regulation, inside information is information, of a precise nature, directly or indirectly relating to an issuer or one or more of its financial instruments, which has not yet been made public, and if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments (i.e. information a reasonable investor would be likely to use as part of the basis of his or her investment decision). An intermediate step in a protracted process can also deemed to be inside information. The Company is required to post and maintain on its website all inside information for at least five years. Under certain circumstances, the disclosure of inside information may be delayed, which needs to be notified to the AFM after the disclosure has been made. Upon request of the AFM, a written explanation needs to be provided setting out why a delay of the publication was considered permitted.

A PDMR is not permitted to (directly or indirectly) conduct any transactions on its own account or for the account of a third party, relating to Ordinary Shares or debt instruments of the Company or other financial instruments linked thereto, during a closed period of 30 calendar days before the announcement of a half-yearly report or an annual report of the Company.

### ***Non-compliance***

In accordance with the Market Abuse Regulation, the AFM has the power to take appropriate administrative sanctions, such as fines, and/or other administrative measures in relation to possible infringements. Non-compliance with the market abuse rules set out above could also constitute an economic offense (*economisch delict*) and/or a crime (*misdrif*) and could lead to the imposition of administrative fines by the AFM. The public prosecutor could press criminal charges resulting in fines or imprisonment. If criminal charges are pressed, it is no longer allowed to impose administrative penalties and *vice versa*.

The AFM shall in principle also publish any decision imposing an administrative sanction or measure in relation to an infringement of the Market Abuse Regulation.

### ***Insider trading***

The Company has adopted a code of conduct in respect of the reporting and regulation of transactions in the Company's securities by Managing Directors, Supervisory Directors and its employees, which will be effective as at the First Trading Date.

The Company and any person acting on its behalf or on its account is obligated to draw up an insiders' list, to promptly update the insider list and provide the insider list to the AFM upon its request. The Company and any person acting on its behalf or on its account is obligated to take all reasonable steps to ensure that any person on the insider list acknowledges in writing the legal and regulatory duties entailed and is aware of the sanctions applicable to insider dealing and unlawful disclosure of inside information.

### **Transparency Directive**

The Netherlands will be the Company's home Member State for the purposes of Directive 2004/109/EC (as amended by Directive 2013/50/EU), as a consequence of which the Company will be subject to the Dutch FSA in respect of certain ongoing transparency and disclosure obligations.

## THE OFFER

### Introduction

The Company is offering for subscription such number of New Ordinary Shares as will raise gross proceeds of approximately €125.0 million and the Selling Shareholders are offering for sale up to 7,552,696 Existing Offer Shares. In addition, (i) current and former employees of the Group are given the possibility to exercise up to 50% of their vested Options and sell the Ordinary Shares to be acquired upon such exercise, (ii) current and former employees of the Group who are U.S. Option holders are in addition to (i) given the possibility to exercise the remaining 50% of their vested Options and sell part of the Ordinary Shares to be acquired upon such exercise to cover the exercise price and applicable taxes, (iii) two Supervisory Directors will exercise their vested Options and sell part of the Ordinary Shares to be acquired upon such exercise to cover the exercise price and applicable taxes, and (iv) a member of the senior leadership team will exercise part of his vested Options and sell part of the Ordinary Shares to be acquired upon such exercise to cover part of the exercise price and applicable taxes, all via Foundation Option Plan, resulting in an offering for sale of up to 1,589,402 existing Ordinary Shares (the **Employee Offer Shares**).

Assuming no exercise of the Over-Allotment Option and the exercise of the maximum number of Options and sale of the relevant part of the Ordinary Shares to be acquired upon such exercise at Settlement (see “*Shareholders and Related Party Transactions—Sale of existing Ordinary Shares by current and former employees of the Group*”), the Offer Shares will constitute between approximately 33.8% and 37.8% (at the top and bottom of the Offer Price Range) of the issued and outstanding share capital of the Company. Assuming the Over-Allotment Option is fully exercised and the exercise of the maximum number of Options and sale of relevant part of the Ordinary Shares to be acquired upon such exercise at Settlement (see “*Shareholders and Related Party Transactions—Sale of existing Ordinary Shares by current and former employees of the Group*”), the Offer Shares will constitute between approximately 38.8% and 43.5% (at the top and bottom of the Offer Price Range) of the issued and outstanding share capital of the Company.

The Offer consists solely of private placements to certain institutional investors in various jurisdictions, including the Netherlands. The Offer Shares are being offered and sold (i) within the United States of America to persons reasonably believed to be QIBs as defined in, and in reliance on, Rule 144A under the U.S. Securities Act, or pursuant to another exemption from, or in a transaction not subject to, the registrations requirements under the U.S. Securities Act, and applicable state and other securities laws, and (ii) outside the US, where all offers and sales of the Offer Shares will be made in compliance with Regulation S. The Offer is made only in those jurisdictions in which, and only to those persons to whom, the Offer may be lawfully made. There will be no public offering in any jurisdiction.

The Selling Shareholders have granted the Underwriters, the Over-Allotment Option, exercisable within a period of 30 calendar days after the First Trading Date, pursuant to which the Underwriters, may require the Selling Shareholders to offer at the Offer Price up to 2,124,125 Over-Allotment Shares, comprising up to 15% of the total number of Offer Shares sold in the Offer, solely for the purpose of covering short positions resulting from any over-allotments made in connection with the Offer or stabilisation transactions, if any.

### Timetable

Subject to acceleration or extension of the timetable by the Company and the Selling Shareholders, after consultation with the Joint Global Coordinators, for, or withdrawal of, the Offer, the timetable below lists the expected key dates for the Offer.

Event	Date (2022) (Time (CET))
Start of Offer Period	20 January 2022 (9:00)
End of Offer Period	27 January 2022 (14:00)
Pricing and allocation	27 January 2022
First Trading Date (trading on an ‘as-if-and-when-issued/delivered’ basis)	28 January 2022
Settlement Date (payment and delivery)	1 February 2022

The Company and the Selling Shareholders, after consultation with the Joint Global Coordinators, reserve the right to accelerate or extend the Offer Period (see “*Acceleration or extension*”).

### Offer Period

Subject to acceleration or extension of the timetable for the Offer, prospective institutional investors may subscribe for Offer Shares during the period commencing at 9:00 CET on 20 January 2022 until 14:00 CET on

27 January 2022. In the event of an acceleration or extension of the Offer Period, pricing, allocation, admission and first trading of the Ordinary Shares, as well as payment (in euro) for and delivery of the Offer Shares in the Offer may be advanced or extended accordingly.

If a significant new factor, material mistake or inaccuracy relating to the information included in this Prospectus, which is capable of affecting the assessment of the Offer Shares arises or is noted before the final closing of the Offer, a supplement to this Prospectus will be published, and the Offer Period will be extended. Such a supplement will be subject to approval by the AFM in accordance with the Prospectus Regulation, and will be made public in accordance with the relevant provisions under the Prospectus Regulation. The summary shall also be supplemented, if necessary, to take into account the new information included in the supplement. See “*Important Information—Supplements*”.

### **Acceleration or extension**

The Company and the Selling Shareholders, after consultation with the Joint Global Coordinators, may adjust the dates, times and periods given in the timetable and throughout this Prospectus. In such case, the Company and the Selling Shareholders will issue a press release with respect to such changes, which will also be posted on the Company’s website ([wetransfer.com/investors](http://wetransfer.com/investors)). Any other material changes will be published through a press release that will also be posted on the Company’s website and (if required) in a supplement to this Prospectus that is subject to the approval of the AFM.

Any extension of the timetable for the Offer will be published in a press release and posted on the Company’s website ([wetransfer.com/investors](http://wetransfer.com/investors)) at least three hours before the end of the original Offer Period, for the duration of at least one full business day. Any acceleration of the timetable for the Offer will be published in a press release and posted on the Company’s website at least three hours before the proposed end of the accelerated Offer Period.

### **Offer Price and number of Offer Shares**

The Offer Price is expected to be in the range of €17.50 to €20.50 (inclusive) per Offer Share. This Offer Price may be set within, above or below the Offer Price Range. The Offer Price Range, which is an indicative price range, may be changed and/or the number of Offer Shares being offered may be increased or decreased. See “—*Change of the Offer Price Range or number of Offer Shares*” for further information on changes to the Offer Price Range or number of Offer Shares.

The Offer Price and the exact number of Offer Shares offered in the Offer will be determined by the Company and the Selling Shareholders, in agreement with the Joint Global Coordinators, after the Offer Period has ended. The Offer Price (in euro) and the exact number of Offer Shares offered in the Offer and the maximum number of Over-Allotment Shares will be set out in the Pricing Statement that will be filed with the AFM, published in a press release and posted on the Company’s website.

### **Change of the Offer Price Range or number of Offer Shares**

The Offer Price Range is indicative. The Company and the Selling Shareholders, after consultation with the Joint Global Coordinators, reserve the right to change the Offer Price Range and/or increase or decrease the number of Offer Shares being offered prior to the allocation of the Offer Shares. Any such change in the Offer Price Range and/or the number of Offer Shares being offered will be published in a press release to be posted on the Company’s website. Upon a change of the number of Offer Shares, references to Offer Shares in this Prospectus should be read as referring to the amended number of Offer Shares and references to Over-Allotment Shares should be read as referring to the amended number of Over-Allotment Shares.

### **Allocation, payment and delivery**

#### ***Allocation***

Allocation of the Offer Shares is expected to take place after the closing of the Offer Period on or around 27 January 2022, subject to acceleration or extension of the timetable for the Offer. Allotment to investors who applied to subscribe for Offer Shares will be determined by the Company and the Selling Shareholders, after consultation with the Joint Global Coordinators, and full discretion will be exercised as to whether or not and



how to allot the Offer Shares. There is no maximum or minimum number of Offer Shares which prospective investors may subscribe for or purchase and multiple applications to subscribe for, or purchase, Offer Shares are permitted. In the event that the Offer is over-subscribed, investors may receive fewer Offer Shares than they applied for.

The Company, the Selling Shareholders and the Joint Global Coordinators may, at their own discretion and without stating the grounds therefor, reject any applications wholly or partly. Following the allocation of the Offer Shares and prior to the start of the First Trading Date on 28 January 2022, the Joint Global Coordinators (on behalf of the Underwriters) will notify institutional investors of any allocation of Offer Shares made to them. Any monies received in respect of applications that are not accepted in whole or in part will be returned to the investors without interest or other compensation and at the investor's risk. Investors participating in the Offer will be deemed to have checked and confirmed that they meet the selling and transfer restrictions described in "*Selling and Transfer Restrictions*". Each investor should consult its own advisers as to the legal, tax, business, financial and related aspects of a purchase of, or a subscription for, Offer Shares.

### ***Payment***

Payment for the Offer Shares will take place on the Settlement Date. The Offer Price must be paid in full in euro and is exclusive of any taxes and expenses, if any, which must be borne by the investor (see "*Taxation*" for an overview of the material Dutch tax consequences of the acquisition of the Ordinary Shares).

### ***Delivery***

For purposes of Admission to Euronext Amsterdam, the Ordinary Shares are registered shares, which will be entered into the collective deposit (*verzameldepot*) and giro deposit (*girodepot*) on the basis of the Dutch Securities Giro Act. Application has been made for the Ordinary Shares to be accepted for delivery through the book-entry facilities of Euroclear Nederland. Euroclear Nederland is located at Herengracht 459-469, 1017 BS Amsterdam, the Netherlands.

Delivery of the Offer Shares, through the book-entry systems of Euroclear Nederland, will take place on the Settlement Date through the book-entry facilities of Euroclear Nederland in accordance with their respective normal settlement procedures applicable to equity securities and against payment for the Offer Shares in immediately available funds.

Subject to acceleration or extension of the timetable for the Offer, the Settlement Date is expected to be 1 February 2022, the second business day following the First Trading Date (T+2). The closing of the Offer may not take place on the Settlement Date, or at all, if the conditions referred to in the Underwriting Agreement are not satisfied or, where possible, waived on or prior to such date. See "*Plan of Distribution—Underwriting arrangements*" for further information on the conditions to the Underwriting Agreement.

If Settlement does not take place on the Settlement Date as planned or at all, the Offer may be withdrawn, in which case all applications for Offer Shares will be disregarded, any allocations made will be deemed not to have been made and any payments made by investors for Offer Shares will be returned without interest or other compensation. Any transactions in Ordinary Shares prior to Settlement are at the sole risk of the parties concerned. None of the Company, the Selling Shareholders, Foundation Option Plan, the Underwriters, the Listing Agent, the Paying Agent and Euronext Amsterdam N.V. accepts any responsibility or liability for any loss incurred by any person as a result of a withdrawal of the Offer or the (related) annulment of any transactions in Ordinary Shares on Euronext Amsterdam.

Restrictions on the transfer of Ordinary Shares are set out in "*Selling and Transfer Restrictions*".

### ***Listing and trading***

Application has been made to admit all of the Ordinary Shares to listing and trading on Euronext Amsterdam under the symbol "WT". The Ordinary Shares' ISIN is NL0015000B29.

Subject to acceleration or extension of the timetable for the Offer, trading in the Offer Shares on Euronext Amsterdam is expected to commence on 9:00 CET on the First Trading Date. The Ordinary Shares will trade in euro on Euronext Amsterdam.

Subject to acceleration or extension of the timetable for the Offer, unconditional trading in the Offer Shares on Euronext Amsterdam is expected to commence on the Settlement Date. Trading in the Offer Shares before the closing of the Offer will take place on an “as-if-and-when-issued/delivered” basis.

**Dilution**

The issue of the New Offer Shares will result in a maximum dilution of voting interests of shareholders of the Company of 43.5% (immediately following the issue of Ordinary Shares to, and the repurchase of Ordinary Shares from, Foundation Option Plan immediately prior to Settlement and assuming an Offer Price at the bottom of the Offer Price Range).

**Stabilisation Manager**

Morgan Stanley is the stabilisation manager (the **Stabilisation Manager**) with respect to the Offer Shares on Euronext Amsterdam.

**Listing Agent and Paying Agent**

ABN AMRO is the Listing Agent and the Paying Agent with respect to the Ordinary Shares on Euronext Amsterdam.

**Fees and expenses of the Offer**

No expenses or taxes will be charged by each of the Company, the Selling Shareholders or Foundation Option Plan in respect of the Offer.

## PLAN OF DISTRIBUTION

### Underwriting arrangements

The Company, the Selling Shareholders, Foundation Option Plan and the Underwriters entered into the Underwriting Agreement on 20 January 2022, with respect to the offer and sale of the Offer Shares in connection with the Offer.

Pursuant to the Underwriting Agreement, and on the terms and subject to the conditions set forth therein, (i) the Company has agreed to issue the New Offer Shares at the Offer Price, (ii) the Selling Shareholders have agreed to sell the Existing Offer Shares at the Offer Price and (iii) Foundation Option Plan has agreed to sell the Employee Offer Shares at the Offer Price to subscribers and purchasers procured by the Underwriters or, failing subscription or purchase by such procured subscribers or purchasers, to the Underwriters themselves. Correspondingly, each of the Underwriters has, severally but not jointly, agreed to use reasonable endeavours to procure subscribers or purchasers for the Offer Shares or, failing subscription or purchase by such procured subscribers or purchasers, to subscribe for, or purchase, the Offer Shares themselves at the Offer Price.

Subject to the satisfaction of conditions precedent as set out in the Underwriting Agreement, the proportion of total Offer Shares that each Underwriter may severally but not jointly be required to purchase and/or subscribe for is indicated below.

Underwriters	Underwriting commitment of Offer Shares
Morgan Stanley Europe SE .....	37.5%
BofA Securities Europe SA .....	37.5%
ABN AMRO Bank N.V. ....	12.5%
Barclays Bank Ireland PLC .....	12.5%
<b>Total</b> .....	<b><u>100%</u></b>

In the Underwriting Agreement, the Company, the Selling Shareholders and Foundation Option Plan have made customary representations and warranties and have given customary undertakings. In addition, the Company, the Selling Shareholders and Foundation Option Plan have agreed to indemnify the Underwriters against certain liabilities in connection with the Offer.

The Underwriting Agreement provides that the obligations of the Underwriters to use reasonable endeavours to procure subscribers and purchasers for the Offer Shares (failing which to purchase or subscribe for the Offer Shares themselves) are subject to the following conditions precedent: (i) the Company being renamed The Creative Productivity Group N.V. pursuant to the Deed of Amendment, (ii) receipt of customary comfort and bring down letters from EY as the Company's independent auditor, (iii) receipt of customary lock-up undertakings (see "*Plan of Distribution—Lock-up arrangement*"), (iv) receipt of opinions on certain legal matters from legal counsel and legal counsels having been furnished with all necessary documents in connection therewith, (v) receipt of customary officers' certificates, (vi) no material adverse change since 31 December 2020, (vii) the AFM's approval of this Prospectus being in full force and effect, (viii) the admission of the Ordinary Shares to listing and trading on Euronext Amsterdam occurring no later than 9:00 CET on the First Trading Date, (ix) the shares having been accepted for book-entry transfer by Euroclear Nederland, (x) the Share Lending Agreement and other relevant agreements being entered into, (xi) the pricing agreement having been entered into no later than 28 January 2022 (or such later date as may be agreed) and (xii) the accuracy of representations and warranties by the Company, the Selling Shareholders and Foundation Option Plan and each of the Company, the Selling Shareholders and Foundation Option Plan having complied with the terms of the Underwriting Agreement. The Underwriters have the right to waive certain of such conditions in whole or part, acting in good faith.

The Joint Global Coordinators (on behalf of the Underwriters) may terminate the Underwriting Agreement at any time upon the occurrence of: (i) a material adverse change in the business, financial position, results of operations or prospects of the Group taken as a whole since the date of the Underwriting Agreement; (ii) a material breach of any representation, warranty or covenants of the Underwriting Agreement; (iii) a statement in this Prospectus, the Pricing Statement and any supplement to this Prospectus being inaccurate or untrue or an omission which, in the good-faith judgement of the Joint Global Coordinators (on behalf of the Underwriters), is material in the context of the Offer; (iv) a significant new factor, material mistake or material inaccuracy relating to the information included in this Prospectus which may affect the assessment of the Offer Shares; (v) trading

having been generally suspended or materially limited on any of the New York Stock Exchange, the NASDAQ Global Market, the London Stock Exchange plc, Euronext Amsterdam or any over-the-counter market; (vi) suspension of trading of any securities issued or guaranteed by the Company on Euronext Amsterdam; (vii) declaration of a general banking moratorium or reasonable likelihood of being declared or the occurrence of a material disruption or securities settlement or clearance services, in the United States, the United Kingdom, the Netherlands or the EEA; (viii) any adverse change in the financial markets in the Netherlands, the United States, the United Kingdom, in any member state of the EEA or the international financial markets, any outbreak or escalation of hostilities, or currency exchange rates or controls or any calamity or crisis (including any act of terrorism or declaration of emergency or martial law) or (ix) the conditions in the Underwriting Agreement not having been fulfilled in due time and continuing to not be satisfied at the time of Admission. Following termination of the Underwriting Agreement, all applications to purchase, or subscribe for, Offer Shares will be disregarded, any allocations made will be deemed not to have been made and any payments made by investors will be returned without interest or other compensation and transactions in the Offer Shares on Euronext Amsterdam may be annulled. Any dealings in the Offer Shares prior to Settlement are at the sole risk of the parties concerned. See “*The Offer—Delivery, clearing and settlement*” for further information on a withdrawal of the Offer or the (related) annulment of any transactions in Ordinary Shares on Euronext Amsterdam.

In consideration of the agreement by the Underwriters to use reasonable endeavours to procure subscribers and purchasers for the Offer Shares (failing which to subscribe for or purchase the Offer Shares themselves) and subject to the Offer Shares being subscribed for or sold as provided for in the Underwriting Agreement, the Company, the Selling Shareholders and Foundation Option Plan have agreed to pay the Underwriters for the Offer a commission of 2% of the gross proceeds of the Offer and a maximum discretionary commission of up to 1% of the gross proceeds of the Offer. The commission due to the Underwriters will be borne by the Company, the Selling Shareholders and Foundation Option Plan in proportion to the Offer Shares issued or sold by them.

The Offer Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state of the United States. The Offer Shares are being offered and sold outside the United States in compliance with Regulation S and within the United States to persons reasonably believed to be QIBs pursuant to Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state and other securities laws. Any offer or sale of Offer Shares in the United States will be made by the Underwriters, their affiliates or agents, who are registered United States broker-dealers, pursuant to applicable United States securities laws.

#### **Underwriter’s potential conflicts of interest**

Each of the Underwriters is acting exclusively for the Company and no one else in connection with the Offer. None of them will regard any other person (whether or not a recipient of this Prospectus) as their respective client in relation to the Offer and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients or for giving advice in relation to the Offer or any transaction or arrangement referred to in this Prospectus.

Certain of the Underwriters and/or their respective affiliates, including their respective parent companies, have in the past engaged, and may in the future, from time to time, engage in commercial banking, investment banking and financial advisory and ancillary activities in the ordinary course of their business with the Company, the Selling Shareholders and Foundation Option Plan or any parties related to or competing with any of them, in respect of which they have received, and may in the future receive, customary fees and commissions. ABN AMRO, directly or through an affiliate, has entered and may in the future enter into arrangements to act as a lender to affiliates of HPE Growth and provides financial advisory services to a portfolio company of an affiliate of HPE Growth. In addition, the Underwriters and/or their respective affiliates may in the ordinary course of their business hold the Company’s and the Selling Shareholders’ securities for investment purposes for their own account and for the accounts of their customers. Morgan Stanley, directly or through an affiliate, currently holds an interest in a fund managed by an affiliate of HPE Growth. As a result, these parties may have interests that may not be aligned, or could possibly conflict with the interests of investors or of the Company or the Group. In respect hereof, the sharing of information is generally restricted for reasons of confidentiality, by internal procedures and by rules and regulations.

In connection with the Offer, each of the Underwriters and any of their respective affiliates acting as an investor for its own account, may take up Offer Shares in the Offer and in that capacity may retain, purchase, subscribe for or sell for its own account such securities and any Offer Shares or related investments and may offer or sell such Offer Shares or other investments otherwise than in connection with the Offer. Accordingly, references in

this Prospectus to Offer Shares being offered or placed should be read as including any offering or placement of Offer Shares to any of the Underwriters or any of their respective affiliates acting in such capacity. In addition, certain of the Underwriters or their affiliates may enter into financing arrangements (including swaps) with investors in connection with which such Underwriters (or their affiliates) may from time to time acquire, hold or dispose of Ordinary Shares. None of the Underwriters intends to disclose the extent of any such investment or transactions otherwise than pursuant to any legal or regulatory obligation to do so.

As a result of these transactions, the Underwriters may have interests that may not be aligned, or could potentially conflict, with the interests of (potential) holders of the Offer Shares, or with the Company's or Group's interests.

### **Lock-up arrangements**

The Joint Global Coordinators (on behalf of the Underwriters) may, in their sole discretion and at any time without prior public notice, waive in writing the restrictions, including those on sales, issues or transfers of Ordinary Shares, described below. If the consent of the Joint Global Coordinators (on behalf of the Underwriters) in respect of a lock-up arrangement is requested as described below, full discretion can be exercised by the Joint Global Coordinators as to whether or not such consent will be granted. As at the date of this Prospectus, the Joint Global Coordinators (on behalf of the Underwriters) have not waived, or agreed to waive, any of the lock-up restrictions described below.

### **Company lock-up**

Pursuant to the Underwriting Agreement, the Company has agreed that, without the prior written consent of the Joint Global Coordinators (on behalf of the Underwriters), it will not, and will not announce any intention to, during the period commencing on the date of the Underwriting Agreement and ending 180 from the Settlement Date, (i) issue, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any Ordinary Shares or any securities convertible into or exercisable or exchangeable for Ordinary Shares or any other similar instrument that would give and equity-like economic interest in the Company to its holders or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Ordinary Shares, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Ordinary Shares or such other securities, in cash or otherwise.

The foregoing restrictions shall not apply to: (i) the issuance or transfer of Ordinary Shares (or similar instrument that would give and equity-like economic interest in the Company to its holders) under any employee remuneration, incentive or saving plans of the Company as described in this Prospectus, (ii) the issuance of the New Offer Shares in the Offer, (iii) the sale of the Offer Shares under the Underwriting Agreement (iv) the sale, transfer or other disposal of any of the Ordinary Shares by way of acceptance of a public takeover offer, tender offer, merger, demerger, consolidation or similar business combination with a third party in respect of a 'change of control' that is recommended by the Management Board and Supervisory Board; and (v) the sale or disposal of Ordinary Shares where required by law, a court order or competent authority or in connection with an insolvency proceeding.

### **Selling Shareholders lock-up**

Pursuant to the Underwriting Agreement, each of the Selling Shareholders and Foundation Option Plan (on behalf of itself and the Option holders in relation to the Options, or the Ordinary Shares or the Depositary Receipts they will receive upon the exercise of Options, held by the Option holders) has agreed with the Underwriters that, without the prior written consent of the Joint Global Coordinators (on behalf of the Underwriters), it will not, and will not announce any intention to, during the period commencing on the date of the Underwriting Agreement and ending 180 days after the Settlement Date (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, cause the Company to issue, or otherwise transfer or dispose of, directly or indirectly, any Ordinary Shares or any securities convertible into or exercisable or exchangeable for Ordinary Shares or any other similar instrument that would give and equity-like economic interest in the Company to its holders or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Ordinary Shares, whether any such transaction described under (i) or (ii) above is to be settled by delivery of Ordinary Shares or such other securities, in cash or otherwise.

The foregoing restrictions shall not apply to: (i) the sale of the Offer Shares under the Underwriting Agreement, (ii) the lending of the Ordinary Shares under the Share Lending Agreement, (iii) transfers of Ordinary Shares by



a Selling Shareholder or Foundation Option Plan in favour of any entity within such Selling Shareholder's or Foundation Option Plan's control or under common control with such Selling Shareholder or Foundation Option Plan or to one or more persons, whether natural or legal, who are the ultimate beneficial owners of such Selling Shareholder or Foundation Option Plan, provided such transferee provides undertakings to the Joint Global Coordinators (on behalf of the Underwriters) equivalent to those agreed in the form of lock-up deed attached to the Underwriting Agreement, (iv) the sale, transfer or other disposal of any of the Ordinary Shares by way of acceptance of a public takeover offer, tender offer, merger, demerger, consolidation or similar business combination with a third party in respect of a 'change of control' that is recommended by the Management Board and Supervisory Board, (v) the sale or disposal of Ordinary Shares where required by law, a court order or competent authority or in connection with an insolvency proceeding, and (vi) the granting of security by a Selling Shareholder or Foundation Option Plan over its Ordinary Shares, provided the transferee or pledgee (in the event of enforcement) is or becomes bound by the same lock-up as the transferor.

### **Management lock-up**

Pursuant to separate lock-up deeds (i) two Supervisory Directors, the Chief Financial Officer and the members of the Senior Leadership Team (other than Damian Bradfield) have agreed with the Underwriters that, without the prior written consent of the Joint Global Coordinators (on behalf of the Underwriters), they will not, and will not announce any intention to, during the period commencing on the date of the Underwriting Agreement and ending one year after the Settlement Date, (ii) the Chief Executive Officer has agreed with the Underwriters that he will not, and will not announce any intention to, during the period commencing on the date of the Underwriting Agreement and ending two years after the Settlement Date and (iii) Damian Bradfield has agreed with the Underwriters that he will not, and will not announce any intention to, during the period commencing on the date of the Underwriting Agreement and ending 180 days after the Settlement Date, (a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, cause the Company to issue, or otherwise transfer or dispose of, directly or indirectly, any Ordinary Shares or any securities convertible into or exercisable or exchangeable for Ordinary Shares or any other similar instrument that would give and equity-like economic interest in the Company to its holders or (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Ordinary Shares, whether any such transaction described under (a) or (b) above is to be settled by delivery of Ordinary Shares or such other securities, in cash or otherwise.

The foregoing restrictions shall not apply to: (i) the sale of the Offer Shares under the Underwriting Agreement, (ii) the exercise of Options by two Supervisory Directors, the Chief Financial Officer and a member of the Senior Leadership Team as set out in this Prospectus, immediately prior to Settlement, and (iii) transfers of Ordinary Shares by a Supervisory Director, Managing Director or member of the Senior Leadership Team in favour of any entity within such Supervisory Director's, Managing Director's or member of the Senior Leadership Team's control for estate planning purposes provided such transferee provides undertakings to the Joint Global Coordinators (on behalf of the Underwriters) equivalent to those agreed in the form of lock-up deed attached to the Underwriting Agreement.

### **Over-Allotment and stabilisation**

In connection with the Offer, the Stabilisation Manager (or any of its agents) on behalf of the Underwriters, may (but will be under no obligation to), to the extent permitted by applicable laws and regulations, over-allot Ordinary Shares or effect other transactions with a view to supporting the market price of the Ordinary Shares or any options, warrants or rights with respect to, or other interest in, the Ordinary Shares, in each case at a higher level than that which might otherwise prevail in the open market. The Stabilisation Manager will not be required to enter into such transactions and such transactions may be effected on any securities market, over-the-counter market, stock exchange (including Euronext Amsterdam) or otherwise and may be undertaken at any time during the period commencing on the First Trading Date and ending no later than 30 calendar days thereafter. The Stabilisation Manager will not be obligated to effect stabilising transactions, and there will be no assurance that stabilising transactions will be undertaken. Such stabilising transactions, if commenced, may be discontinued at any time without prior notice. Save as required by law or regulation, neither the Stabilisation Manager nor any of its agents intends to disclose the extent of any over-allotments made and/or stabilisation transactions under the Offer. The Underwriting Agreement provides that the Stabilisation Manager may, for purposes of the stabilising transactions, over-allot Ordinary Shares of up to 15% of the aggregate number of Offer Shares sold in the Offer (excluding Over-Allotment Shares), or up to 2,124,125 Ordinary Shares assuming the maximum number of Offer Shares is offered and sold in the Offer.

In connection with the Over-Allotment Option, the Selling Shareholders will make available an additional number of Ordinary Shares, amounting to up to 15% of the total number of Offer Shares (excluding Over-Allotment Shares) to the Stabilisation Manager for the account of the Underwriters through a securities loan to be entered into prior to the First Trading Date between the Selling Shareholders and the Stabilisation Manager (the **Share Lending Agreement**).

None of the Company, the Selling Shareholders, Foundation Option Plan or any of the Underwriters makes any representation or prediction as to the direction or the magnitude of any effect that the transactions described above may have on the price of the Ordinary Shares or any other securities of the Company. In addition, none of the Company, the Selling Shareholders, Foundation Option Plan or any of the Underwriters makes any representation that the Stabilisation Manager will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

## SELLING AND TRANSFER RESTRICTIONS

No action has been taken or will be taken in any jurisdiction by the Company, the Selling Shareholders, Foundation Option Plan or the Underwriters that would permit a public offering of the Offer Shares, or the possession, circulation or distribution of this Prospectus or any other material relating to the Company or the Offer Shares, in any other country or jurisdiction than the Netherlands where action for that purpose is required. Accordingly, no Offer Shares may be offered or sold either directly or indirectly, and neither this Prospectus nor any other Offer material or advertisements in connection with the Offer Shares may be distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of any such country or jurisdiction. Persons into whose possession this Prospectus comes should inform themselves about and observe any restrictions, including those in the paragraphs that follow. Any failure to comply with these restrictions may constitute a violation of the securities laws or regulations of any such country or jurisdiction.

If an investor receives a copy of this Prospectus, the investor may not treat this Prospectus as constituting an invitation or offer to the investor of the Offer Shares, unless, in the relevant jurisdiction, such an offer could lawfully be made to the investor, or the Offer Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if the investor receives a copy of this Prospectus or any other Offer materials or advertisements, the investor should not distribute the same in or into, or send the same to any person in, any jurisdiction where to do so would or might contravene local securities laws or regulations.

If an investor forwards this Prospectus or any other Offer materials or advertisements into any such jurisdictions (whether under a contractual or legal obligation or otherwise) the investor should draw the recipient's attention to the contents of this section.

Subject to the specific restrictions described below, investors (including, without limitation, any investors' nominees and trustees) wishing to accept, sell, purchase, or subscribe for, Offer Shares must satisfy themselves as to full observance of the applicable laws and regulations 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.

Investors that are in any doubt as to whether they are eligible to purchase, or subscribe for, Offer Shares should consult their professional adviser without delay.

None of the Company, the Selling Shareholders, Foundation Option Plan or the Underwriters accepts any legal responsibility for any violation by any person, whether or not a prospective purchaser of any of the Offer Shares, of any such restrictions.

### United States

The Offer Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States for offer or sale as part of their distribution and, may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with applicable state securities laws. The Offer Shares will be offered and sold outside the United States in offshore transactions, as defined in and in compliance with, Regulation S. The Underwriting Agreement provides that the Underwriters may directly or through their broker-dealer affiliates, arrange for the offer and resale of Offer Shares within the United States only to QIBs in reliance on Rule 144A or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Prospective investors are hereby notified that any seller of the Offer Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. The Offer Shares are not transferable except in accordance with the restrictions described below.

The Offer Shares have not been approved or disapproved by the SEC, any state securities commission in the United States or any other United States regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the Offer or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

For so long as any of the Offer Shares are "restricted securities" as defined in Rule 144(a)(3) under the U.S. Securities Act, the Company will, during any period in which the Company is neither subject to Section 13 or 15(d) of the U.S. Exchange Act nor exempt from reporting under the U.S. Exchange Act pursuant to Rule 12g3-2(b) thereunder, make available to any holder or beneficial owner of such restricted securities or to any

prospective investor in such restricted securities designated by such holder or beneficial owner, upon the request of such holder, beneficial owner or prospective investor, the information required to be delivered pursuant Rule 144A(d)(4) under the U.S. Securities Act. The Company expects to be exempt from reporting under the U.S. Exchange Act pursuant to Rule 12g3-2(b) thereunder.

In addition, until the end of the 40th calendar day after commencement of the Offer, an offering or sale of Ordinary Shares within the United States by a dealer (whether or not participating in the Offer) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

Each purchaser of Offer Shares within the United States will be deemed to have represented and agreed as follows:

- (a) the purchaser (i) is and at the time of its purchase of the Ordinary Shares, will be, a qualified institutional buyer, or QIB, as defined in Rule 144A, or a broker-dealer acting for the account of a QIB, with respect to whom it has the authority to make, and does make, the representations and warranties set forth herein, (ii) is acquiring the securities for its own account or for the account of a QIB, and (iii) is aware that the securities are “restricted securities” within the meaning of the U.S. Securities Act and may not be deposited into any unrestricted depositary facility, unless at the time of such deposit the securities are no longer restricted;
- (b) the purchaser is aware, and each beneficial owner of the Ordinary Shares has been advised, that such securities have not been and will not be registered under the U.S. Securities Act and are being offered in the United States only to QIBs in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act;
- (c) the purchaser understands and agrees that such securities may not be offered, sold, pledged or otherwise transferred, except (i) to a person that the seller and any person acting on its behalf reasonably believe is another QIB purchasing for its own account or for the account of a QIB meeting the requirements of Rule 144A, or another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act, (ii) outside the United States in accordance with Regulation S, (iii) pursuant to an exemption from, or a transaction not subject to, the registration requirements of the U.S. Securities Act or (iv) pursuant to an effective registration statement under the U.S. Securities Act; the purchaser understands that the Ordinary Shares (to the extent they are in certificated form), unless otherwise determined by the Company in accordance with applicable law, will bear a legend substantially to the following effect:

**THE ORDINARY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE U.S. SECURITIES ACT) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON THAT THE SELLER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (2) IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), OR (4) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE U.S. SECURITIES ACT FOR REALES OF THE ORDINARY SHARES. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THE ORDINARY SHARES REPRESENTED HEREBY MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF THE ORDINARY SHARES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK. EACH HOLDER, BY ITS ACCEPTANCE OF ORDINARY SHARES, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING RESTRICTIONS; and**

- (d) it represents that if, in the future, it offers, resells, pledges or otherwise transfers such Ordinary Shares while they remain “restricted securities” within the meaning of Rule 144, it shall notify such subsequent transferee of the restrictions set out above.

## European Economic Area

In relation to each Member State, no Offer Shares have been offered or will be offered pursuant to the Offering to the public in that Member State prior to the publication of a prospectus in relation to the Offer Shares which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, all in accordance with the Prospectus Regulation, except that the Offer Shares may be offered in that Member State to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation.

Each person in a Member State who receives any communication in respect of, or who acquires any Offer Shares under, the Offer or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the Company, the Selling Shareholders, Foundation Option Plan and the Underwriters that it is a qualified investor within the meaning of the Prospectus Regulation.

The Company, the Selling Shareholders, Foundation Option Plan and the Underwriters and their affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

For the purposes of this provision, the expression an **offer to the public** in relation to any Offer Shares in any Member State means the communication in any form and by any means of sufficient information on the terms of the Offer and any Offer Shares to be offered so as to enable an investor to decide to purchase, or subscribe for, any Offer Shares and the expression **Prospectus Regulation** means Regulation (EU) 2017/1129 and includes any relevant delegated regulations.

## United Kingdom

In relation to the United Kingdom, no Offer Shares have been offered or will be offered pursuant to the Offer to the public in the United Kingdom prior to the publication of a prospectus in relation to the Offer Shares which has been approved by the Financial Conduct Authority, except that the Offer Shares may be offered in the United Kingdom to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an “offer to the public” in relation to any Offer Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the Offer and any Offer Shares to be offered so as to enable an investor to decide to purchase, or subscribe for, any Offer Shares and the expression **UK Prospectus Regulation** means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

Each person in the United Kingdom who acquires any Offer Shares in the Offer or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the Company, the Selling Shareholders, Foundation Option Plan and the Underwriters and their affiliates that it meets the criteria outlined in this section.

This Prospectus and any other material in relation to the Offer Shares described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this Prospectus relates is available only to, and will be engaged in only with Relevant Persons. The Offer Shares are only available in the United Kingdom to, and any invitation, offer or agreement to purchase or otherwise acquire the Offer Shares will be engaged in only with, the Relevant Persons. This Prospectus and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other person in the United Kingdom. Any person in the United Kingdom that is not a Relevant Person should not act or rely on this Prospectus or any of its contents.

## Australia

This Prospectus: (i) does not constitute a prospectus or a product disclosure statement under the Australian Corporations Act 2001 of the Commonwealth of Australia (Cth), as amended (the **Australian Corporations Act**); (ii) does not purport to include the information required of a prospectus under Part 6D.2 of the Australian Corporations Act or a product disclosure statement under Part 7.9 of the Australian Corporations Act; has not been, nor will it be, lodged as a disclosure document with the Australian Securities and Investments Commission, the Australian Securities Exchange operated by ASX Limited or any other regulatory body or agency in Australia; and (iii) may not be provided in Australia other than to select investors (**Exempt Investors**) who are



able to demonstrate that they: (a) fall within one or more of the categories of investors under Section 708 of the Australian Corporations Act to whom an offer may be made without disclosure under Part 6D.2 of the Australian Corporations Act; and (b) are “wholesale clients” for the purpose of Section 761G of the Australian Corporations Act.

The Offer Shares may not be directly or indirectly offered for subscription or purchase or sold, and no invitations to subscribe for, or buy, the Offer Shares may be issued, and no draft or definitive offering memorandum, advertisement or other offering material relating to any Offer Shares may be distributed, received or published in Australia, except where disclosure to investors is not required under Chapters 6D and 7 of the Australian Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the Offer Shares, each prospective investor in Offer Shares represents and warrants to the Company, the Selling Shareholder, Foundation Option Plan, the Underwriters and their affiliates that such prospective investor is an Exempt Investor.

## **Canada**

Any offer or sale of the Offer Shares in Canada will be made only to purchasers purchasing, or deemed to be purchasing, as principal that (i) are “accredited investors”, as defined in National Instrument 45-106—Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), as applicable, and (ii) are “permitted clients”, as defined in National Instrument 31-103—Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of Offer Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable Canadian securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (**NI 33-105**), any dealers or placement agents used in connection with this offering are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

## **South Africa**

This Prospectus does not, nor does it intend to, constitute a “registered prospectus” or “advertisement”, as contemplated by the South African Companies Act; and no prospectus has been filed with the South African Companies and Intellectual Property Commission (**CIPC**) in respect of the Offer. As a result, this Prospectus does not comply with the substance and form requirements for a prospectus as set out in the South African Companies Act, and has not been approved by, and/or registered with, CIPC or any other South African authority.

The information contained in this Prospectus constitutes factual information as contemplated in Section 1(3)(a) of the South African Financial Advisory and Intermediary Services Act, 37 of 2002, as amended (the **South African FAIS Act**) and should not be construed as an express or implied recommendation, guide or proposal that any particular transaction in respect of the Offer Shares or in relation to the business or future investments of the Company is appropriate to the particular investment objectives, financial situations or needs of a prospective investor, and nothing in this Prospectus should be construed as constituting the canvassing for, or marketing or advertising of, financial services in South Africa. The Company is not a financial services provider licensed as such under the South African FAIS Act.

## **Japan**

The Offer Shares have not been and will not be registered under the Financial Instruments and Exchange Law (Law No.25 of 1948, as amended) and, accordingly, will not be offered or sold, directly or indirectly, in Japan, or for the benefit of any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person, except in compliance with all applicable laws, regulations and ministerial guidelines promulgated by relevant Japanese governmental or regulatory authorities in effect at the relevant time. For the purposes of this paragraph, **Japanese Person** shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

## Switzerland

This Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Offer Shares in Switzerland. The offering of the Offer Shares is exempt from a requirement to prepare and publish a prospectus under the Swiss Financial Services Act (**FinSA**) because the Offer Shares are offered to less than 500 investors and the Offer Shares will not be admitted to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. This Prospectus does not constitute a prospectus or a similar document pursuant to the FinSA and no such Prospectus has been or will be prepared in connection with the offering of the Offer Shares.

## DIFC

This prospectus relates to an “Exempt Offer” in accordance with the Offered Securities Rules of the Dubai Financial Services Authority (**DFSA**). This Prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with “Exempt Offers”. The DFSA has not approved this Prospectus nor taken steps to verify the information set out in it and has no responsibility for this Prospectus. The shares to which this Prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of, or subscribers for, the Offer Shares should conduct their own due diligence on the Ordinary Shares. If you do not understand the contents of this Prospectus you should consult an authorised financial adviser.

## Singapore

This Prospectus or any other material relating to the Offer Shares has not been and will not be registered as a prospectus with the monetary authority of Singapore. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Offer Shares may not be circulated or distributed, nor may any Offer Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than:

- (a) to an institutional investor under Section 274 of the Securities and Futures Act Chapter 289, of Singapore (the **Singapore Securities and Futures Act**);
- (b) to a relevant person pursuant to Section 275(1A) of the Singapore Securities and Futures Act, and in accordance with the conditions specified in Section 275 of the Singapore Securities and Futures Act; or
- (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Singapore Securities and Futures Act.

Where Offer Shares are purchased, or subscribed for, under Section 275 by a relevant person that is:

- (a) a corporation (which is not an accredited investor) (as defined in Section 4A of the Singapore Securities and Futures Act) whose sole business is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (as defined in Section 2(1) of the Singapore Securities and Futures Act) of that corporation or the beneficiaries rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Offer Shares pursuant to an offer made under Section 275 except:

- (i) to an institutional investor or to a relevant person as defined in Section 275(2) of the Singapore Securities and Futures Act, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the Singapore Securities and Futures Act;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law; or
- (iv) as specified in Section 276(7) of the Singapore Securities and Futures Act.

*Singapore SFA Product Classification: In connection with Section 309B of the SFA and the CMP Regulations 2018, the Company has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Offer Shares are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).*

**Hong Kong**

No Offer Shares have been offered or sold or will be offered or sold in Hong Kong, by means of any document, other than: (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the Hong Kong Securities and Futures Ordinance) and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provision) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the Offer Shares has been issued or has been in the possession of any person for the purposes of issue, nor will any such advertisement, invitation or document be issued or be in the possession of any person for the purpose of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Offer Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Hong Kong Securities and Futures Ordinance and any rules made under the Hong Kong Securities and Futures Ordinance.

## TAXATION

### TAXATION IN THE NETHERLANDS

#### Tax Warning

Potential investors and sellers of Ordinary Shares should be aware that they may be required to pay stamp taxes or other documentary taxes or fiscal duties or charges in accordance with the laws and practices of the country where the Ordinary Shares are transferred or other jurisdictions. In addition, payments of dividends on the Ordinary Shares, or profits realised in respect of the Ordinary Shares, may be subject to taxation, including withholding taxes, in the jurisdiction of the Company, in the jurisdiction of the holder of Ordinary Shares, or in other jurisdictions in which the holder of Ordinary Shares is required to pay taxes. Any such tax consequences may have an impact on the income received from the Ordinary Shares. Prospective investors should carefully consider the tax consequences of investing in the Ordinary Shares and consult their own tax adviser about their own tax situation. Finally, potential investors should be aware that tax regulations and their application by the relevant taxation authorities change from time to time, with or without retroactive effect. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.

#### General

The following summary outlines certain material Dutch tax consequences of the acquisition, holding, redemption and disposal of Ordinary Shares, but does not purport to be a comprehensive description of all Dutch tax considerations that may be relevant. For purposes of Dutch tax law, a holder of Ordinary Shares may include an individual or entity who does not have the legal title of these Ordinary Shares, but to whom nevertheless the Ordinary Shares or the income thereof is attributed based on specific statutory provisions or on the basis of such individual or entity having an interest in the Ordinary Shares or the income thereof. This summary is intended as general information only and each prospective investor should consult a professional tax adviser with respect to the tax consequences of the acquisition, holding, redemption and disposal of Ordinary Shares.

This summary is based on tax legislation, published case law, treaties, regulations and published policy, in each case as in force as of the date of this Prospectus, and it does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

This summary does not address the Dutch corporate and individual income tax consequences for:

- (i) investment institutions (*fiscale beleggingsinstellingen*);
- (ii) pension funds, exempt investment institutions (*vrijgestelde beleggingsinstellingen*) or other Dutch tax resident entities that are not subject to or exempt from Dutch corporate income tax;
- (iii) corporate holders of Ordinary Shares which qualify for the participation exemption (*deelnemingsvrijstelling*) or would qualify for the participation exemption had the corporate holders of Ordinary Shares been resident in the Netherlands or which qualify for participation credit (*deelnemingsverrekening*). Generally speaking, a shareholding is considered to qualify as a participation for the participation exemption or participation credit if it represents an interest of 5% or more of the nominal paid-up share capital;
- (iv) holders of Ordinary Shares holding a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the Company and holders of Ordinary Shares of whom a certain related person holds a substantial interest in the Company. Generally speaking, a substantial interest in the Company arises if a person, alone or, where such person is an individual, together with his or her partner (statutory defined term), directly or indirectly, holds or is deemed to hold (a) an interest of 5% or more of the total issued capital of the Company or 5% or more of the issued capital of a certain class of shares of the Company, (b) rights to acquire, directly or indirectly, such interest or (c) certain profit-sharing rights in the Company;
- (v) persons to whom the Ordinary Shares and the income from the Ordinary Shares are attributed based on the separated private assets (*afgezonderd particulier vermogen*) provisions of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*) or the Dutch Gift and Inheritance Tax Act 1956 (*Successiewet 1956*);
- (vi) entities which are a resident of Aruba, Curacao or Sint Maarten that have an enterprise which is carried on through a permanent establishment or a permanent representative on Bonaire, Sint Eustatius or Saba and the Ordinary Shares are attributable to such permanent establishment or permanent representative;

- (vii) holders of Ordinary Shares which are not considered the beneficial owner (*uiteindelijk gerechtigde*) of these Ordinary Shares or the benefits derived from or realised in respect of these Ordinary Shares; and
- (viii) individuals to whom Ordinary Shares or the income therefrom are attributable to employment activities which are taxed as employment income in the Netherlands.

Where this summary refers to the Netherlands, or Dutch, such reference is restricted to the part of the Kingdom of the Netherlands that is situated in Europe and the legislation applicable in that part of the Kingdom.

## **Dividend withholding tax**

### ***Withholding requirement***

The Company is required to withhold 15% Dutch dividend withholding tax in respect of dividends paid on the Ordinary Shares. Generally, the Dutch dividend withholding tax will not be borne by the Company, but will be withheld from the gross dividends paid on the Ordinary Shares. In the Dutch Dividend Withholding Tax Act 1965 (*Wet op de dividendbelasting 1965*), dividends are defined as the proceeds from Ordinary Shares, which include:

- (i) direct or indirect distributions of profit, regardless of their name or form;
- (ii) liquidation proceeds, proceeds on redemption of the Ordinary Shares and, as a rule, the consideration for the repurchase of the Ordinary Shares by the Company in excess of its average paid-in capital recognised for Dutch dividend withholding tax purposes, unless a particular statutory exemption applies;
- (iii) the nominal value of Ordinary Shares issued to a holder of the Ordinary Shares or an increase of the nominal value of the Ordinary Shares, insofar as the (increase in the) nominal value of the Ordinary Shares is not funded out of the Company's paid-in capital as recognised for Dutch dividend withholding tax purposes; and
- (iv) partial repayments of paid-in capital recognised for Dutch dividend withholding tax purposes, if and to the extent there are qualifying profits (*zuivere winst*), unless the General Meeting has resolved in advance to make such repayment and provided that the nominal value of the Ordinary Shares concerned has been reduced by an equal amount by way of an amendment of the Articles of Association and the paid-in capital is recognised as capital for Dutch dividend withholding tax purposes. The term "qualifying profits" includes anticipated profits that have yet to be realised.

### ***Residents of the Netherlands***

If a holder of Ordinary Shares is a resident or deemed to be a resident of the Netherlands for Dutch corporate or individual income tax purposes, Dutch dividend withholding tax which is withheld with respect to proceeds from the Ordinary Shares will generally be creditable for Dutch corporate income tax or Dutch income tax purposes.

### ***Non-residents of the Netherlands***

If a holder of Ordinary Shares is a resident of a country other than the Netherlands and if a treaty for the avoidance of double taxation with respect to taxes on income is in effect between the Netherlands and that country (the **Tax Treaty**), and such holder is a resident for the purposes of such Tax Treaty, such holder may, depending on the terms of that particular treaty, qualify for full or partial relief at source or for a refund in whole or in part of the Dutch dividend withholding tax. In 2017 the Netherlands signed the Multilateral Instrument (**MLI**). Since the entry into force of the MLI in July 2019, the MLI applies to the Covered Tax Agreements concluded by the Netherlands. A Covered Tax Agreement is an agreement for the avoidance of double taxation that is in force between parties to the MLI and for which both parties have made a notification that they wish to modify the agreement using the MLI. The Principle Purpose Test (**PPT**) is part of the MLI in the majority of these Covered Tax Agreements. The PPT disallows treaty benefits if obtaining treaty benefits is the main reason or one of the main reasons for an arrangement or transaction, unless the granting of these treaty benefits is in line with the spirit and intent of the relevant treaty provision. For completeness ' sake, where a reference is made to a Tax Treaty, such Tax Treaty is assumed to include the MLI where applicable.

A refund of the Dutch dividend withholding tax is available to entities resident in another Member State, Norway, Iceland, or Liechtenstein provided (i) these entities are not subject to corporate income tax there and



(ii) these entities would not be subject to Dutch corporate income tax, if these entities would be tax resident in the Netherlands for corporate income tax purposes and (iii) these entities are not comparable to investment institutions (*fiscale beleggingsinstellingen*) or exempt investment institutions (*vrijgestelde beleggingsinstellingen*). Furthermore, a similar refund of Dutch dividend withholding tax may be available to entities resident in other countries, under the additional condition that (i) the Ordinary Shares are considered portfolio investments for purposes of Section 63 (taking into account Section 64) of the Treaty on the functioning of the European Union and (ii) the Netherlands can exchange information with this other country in line with the international standards for the exchange of information.

A (partial) refund of Dutch dividend withholding tax is available to a holder of Ordinary Shares resident in another EU member state, Norway, Iceland or Liechtenstein if (i) this holder of Ordinary Shares is not subject to Dutch individual income tax or Dutch corporate income tax with respect to the income from the Ordinary Shares and (ii) such Dutch dividend withholding tax is higher than the Dutch individual income tax or Dutch corporate income tax would have been had this holder of Ordinary Shares been tax resident in the Netherlands, after taking into account a possible refund based on the Dutch Dividend Withholding Tax Act 1965 (*Wet op de dividendbelasting 1965*) or a refund based on a treaty for the avoidance of double taxation with respect to taxes on income and (iii) no credit based on a treaty for the avoidance of double taxation with respect to taxes on income is granted in the state in which the holder of Ordinary Shares is tax resident, for the full amount of Dutch dividend withholding tax withheld and (iv) this holder of Ordinary Shares does not have a similar function as an investment institution (*fiscale beleggingsinstelling*) or exempt investment institution (*vrijgestelde beleggingsinstelling*). Furthermore, a similar refund of Dutch dividend withholding tax may be available to a holder of Ordinary Shares resident in another country, under the additional conditions that (A) the Ordinary Shares are considered portfolio investments for purposes of Section 63 (taking into account Section 64) of the Treaty on the functioning of the European Union and (B) the Netherlands can exchange information with this other country in line with the international standards for the exchange of information and (C) no credit based on a treaty for the avoidance of double taxation with respect to taxes on income is granted in the state in which the holder of Ordinary Shares is tax resident, for the full amount of Dutch dividend withholding tax withheld and (D) this holder of Ordinary Shares does not have a similar function as an investment institution (*fiscale beleggingsinstelling*) or exempt investment institution (*vrijgestelde beleggingsinstelling*).

#### ***Beneficial owner***

A recipient of proceeds from the Ordinary Shares will not be entitled to any exemption, reduction, refund or credit of Dutch dividend withholding tax if such recipient is not considered to be the beneficial owner of such proceeds. The recipient will not be considered the beneficial owner of these proceeds, if, in connection with such proceeds, the recipient has paid a consideration as part of a series of transactions in respect of which it is likely:

- (i) that the proceeds have in whole or in part accumulated, directly or indirectly, to a person or legal entity that would:
  - (A) as opposed to the recipient paying the consideration, not be entitled to an exemption from dividend withholding tax; or
  - (B) in comparison to the recipient paying the consideration, to a lesser extent be entitled to a reduction or refund of dividend withholding tax; and
- (ii) that such person or legal entity has, directly or indirectly, retained or acquired an interest in Ordinary Shares, profit-sharing certificates or loans, comparable to the interest it had in similar instruments prior to the series of transactions being initiated.

#### ***Dutch dividend withholding tax upon redistribution of foreign dividends***

The Company must pay to the Dutch tax authorities all Dutch dividend withholding tax it withholds on dividends it distributed with respect to the Ordinary Shares. Provided certain conditions are met, the Company may apply a reduction with respect to the dividend withholding tax that it has to pay to the Dutch tax authorities. This reduction can be applied if the Company distributes dividends that stem from dividends the Company itself has received from certain qualifying non-Dutch subsidiaries, provided these dividends the Company has received are exempt from Dutch corporate income tax and were subject to a withholding tax of at least 5% upon distribution to the Company. The reduction is applied to the Dutch dividend withholding tax that the Company must pay to the Dutch tax authorities and not to the amount of the Dutch dividend withholding tax that the Company must withhold. The reduction is equal to the lesser of:

- (i) 3% of the amount of the dividends distributed by the Company that are subject to Dutch dividend tax; and

- (ii) 3% of the gross amount of the dividends received during a certain period from the qualifying non-Dutch subsidiaries.

### ***Exempt entities***

A holder of Ordinary Shares who is a resident in the United States and is entitled to the benefits of the 1992 double tax treaty entered into by the United States and the Netherlands, as amended most recently by the Protocol signed on 8 March 2004 (**US-NL treaty**) will be entitled to a refund of the Dutch dividend withholding tax by way of an exemption or refund if the holder of Ordinary Shares is an exempt pension trust as described in Section 35 of the US-NL treaty, or an exempt organisation as described in Section 36 of the US-NL treaty.

### ***Conditional withholding tax (Wet bronbelasting 2021)***

As of 1 January 2024, the current conditional withholding tax on certain interest and royalty payments will be extended to dividends. The law aims at preventing (indirect) dividend flows from the Netherlands to related parties (as defined in the law), resident of jurisdictions with a statutory corporate income tax rate of less than 9%, and to countries included in the EU list of non-cooperative jurisdictions. The WHT rate is the highest CIT rate (25.8% in 2022). The new tax will also be levied even if the Netherlands has concluded a double tax treaty with the above jurisdictions. At the same time, the current Dutch dividend withholding tax regime remains in place. However, if the dividend withholding tax and the WHT on dividends cumulate, the WHT will be reduced by the dividend withholding tax levied.

### ***Law proposal Exit dividend withholding tax***

A private member's bill has been submitted by a Dutch member of Parliament for a Conditional Final Settlement of Dividend Withholding Tax Emergency Act. This bill provides for a final dividend withholding tax settlement obligation for cross-border relocations of the registered office, mergers, split-offs/divisions and share mergers, if as a result of these the (deferred) profit reserves of the withholding agent established in the Netherlands is transferred to (i) a jurisdiction that is not a member of the European Union (**EU**) or the European Economic Area (**EEA**), (ii) does not levy a comparable withholding tax on dividends or allows for a step-up of its contributed capital to fair market value for purposes of its withholding tax on dividends. The bill will have retroactive effect to 8 December 2021. In addition, exemptions may apply. It is still unclear whether the bill can count on a parliamentary majority.

## **Corporate and individual income tax**

### ***Residents of the Netherlands***

If a holder of Ordinary Shares is a resident of the Netherlands or deemed to be a resident of the Netherlands for Dutch corporate income tax purposes and is fully subject to Dutch corporate income tax or is only subject to Dutch corporate income tax in respect of an enterprise to which the Ordinary Shares are attributable, income derived from the Ordinary Shares and gains realised upon the redemption or disposal of the Ordinary Shares are generally taxable in the Netherlands (at up to a maximum rate of 25.8%).

If an individual is a resident of the Netherlands or deemed to be a resident of the Netherlands for Dutch individual income tax purposes, income derived from the Ordinary Shares and gains realised upon the redemption or disposal of the Ordinary Shares are taxable at the progressive rates (at up to a maximum rate of 49.5%) under the Dutch Income Tax Act 2001, if:

- (i) the individual is an entrepreneur (*ondernemer*) and has an enterprise to which the Ordinary Shares are attributable or the individual has, other than as a shareholder, a co-entitlement to the net worth of an enterprise (*medegerechtigde*), to which enterprise the Ordinary Shares are attributable; or
- (ii) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which includes activities with respect to the Ordinary Shares that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor condition (ii) above applies to the holder of the shares (and this person is not listed as excluded person in the list above), taxable income with regard to the Ordinary Shares will be determined on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return on income from savings and

investments is fixed at a percentage of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year (1 January), insofar as the individual's yield basis exceeds a certain threshold (*heffingvrij vermogen*). The individual's yield basis is determined as the fair market value of certain qualifying assets held by the individual less the fair market value of certain qualifying liabilities on 1 January. The fair market value of the Ordinary Shares will be included as an asset in the individual's yield basis. The deemed return percentage to be applied to the yield basis increases progressively depending on the amount of the yield basis. The deemed return on income from savings and investments is taxed at a rate of 31%.

### ***Non-residents of the Netherlands***

If a person is neither a resident of the Netherlands nor is deemed to be a resident of the Netherlands for Dutch corporate or individual income tax purposes, such person is not liable to Dutch income tax in respect of income derived from the Ordinary Shares and gains realised upon the redemption or disposal of the Ordinary Shares, unless:

- (i) The person is not an individual and such person (1) has an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or a permanent representative the Ordinary Shares are attributable, or (2) is, other than by way of securities, entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, which is effectively managed in the Netherlands and to which enterprise the Ordinary Shares are attributable.
- (ii) The person is an individual and such individual (1) has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Ordinary Shares are attributable, or (2) realises income or gains with respect to the Ordinary Shares that qualify as income from miscellaneous activities in the Netherlands which include activities with respect to the Ordinary Shares that exceed regular, active portfolio management, or (3) is, other than by way of securities, entitled to a share in the profits of an enterprise that is effectively managed in the Netherlands and to which enterprise the Ordinary Shares are attributable.

Income derived from the Ordinary Shares as specified under (i) is subject to Dutch corporate income tax at up to a maximum rate of 25.8%. Income derived from the Ordinary Shares as specified under (ii)(1) and (ii)(2) by an individual is subject to individual income tax at progressive rates up to a maximum rate of 49.5%. Income derived from a share in the profits of an enterprise as specified under (ii)(3) that is not already included under (1) or (2) will be taxed on the basis of a deemed return on income from savings and investments (as described above under “—*Dividend withholding tax—Residents of the Netherlands*”).

### ***Gift and inheritance tax***

Dutch gift or inheritance taxes will not be levied on the occasion of the transfer of the Ordinary Shares by way of gift by, or on the death of a holder of the Ordinary Shares, unless:

- (i) the holder of the Ordinary Shares is, or is deemed to be, resident in the Netherlands for the purpose of the relevant provisions; or
- (ii) the transfer is construed as an inheritance or gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in the Netherlands for the purpose of the relevant provisions.

### ***Value added tax***

No Dutch value added tax will arise in respect of payments in consideration for the issue of the Ordinary Shares or in respect of a cash payment made under the Ordinary Shares, or in respect of a transfer of Ordinary Shares.

### ***Other taxes and duties***

No registration tax, customs duty, transfer tax, stamp duty, capital tax or any other similar documentary tax or duty will be payable in the Netherlands by a holder of Ordinary Shares in respect of or in connection with the subscription, issue, placement, allocation, delivery or transfer of the Ordinary Shares.

## Residence

A holder of Ordinary Shares will not become or be deemed to become a resident of the Netherlands solely by reason of holding these Ordinary Shares.

## CERTAIN US FEDERAL INCOME TAX CONSIDERATIONS

This disclosure is limited to the US federal income tax issues addressed herein. Additional issues may exist that are not addressed in this disclosure and that could affect the US federal tax treatment of the Ordinary Shares. Prospective investors should seek advice based on their particular circumstances from independent tax advisers.

The following is a summary of certain US federal income tax considerations relevant to US Holders (as defined below) (and, to the extent set forth below under “—*Non-US Holders*” and “—*Information reporting and backup withholding tax*”) to Non-US Holders (as defined below)) of acquiring, holding and disposing of Ordinary Shares. This summary is based on the Code, final, temporary and proposed US Treasury regulations, and administrative and judicial interpretations, all of which are subject to change, possibly with retroactive effect, as well as on the income tax treaty between the United States and Netherlands as currently in force (the **Treaty**).

This summary does not discuss all aspects of US federal income taxation that may be relevant to investors in light of their particular circumstances, such as investors subject to special tax rules (including, without limitation: (i) financial institutions; (ii) insurance companies; (iii) traders or dealers in stocks, securities, or currencies or notional principal contracts; (iv) regulated investment companies; (v) real estate investment trusts; (vi) tax-exempt organisations; (vii) entities or arrangements that are treated as partnerships, or pass-through entities for US federal income tax purposes, or persons that hold Ordinary Shares through such entities; (ix) holders that own (directly, indirectly or constructively) 10% or more of the voting power or value of the stock of the Company; (x) investors that hold Ordinary Shares as part of a straddle, hedge, conversion, constructive sale or other integrated transaction for US federal income tax purposes; (xi) US Holders that have a functional currency other than the US dollar; and (xii) US expatriates and former long-term residents of the United States), all of whom may be subject to tax rules that differ significantly from those summarised below. This summary does not address tax consequences applicable to holders of equity interests in a holder of the Ordinary Shares, US federal estate, gift, or alternative minimum tax considerations, Medicare contribution tax considerations, special tax accounting rules as a result of any item of gross income with respect to the Ordinary Shares being taken into account in an applicable financial statement, or non-US, state or local tax considerations. This summary only addresses investors that will acquire Ordinary Shares in the Offer, and it assumes that investors will hold their Ordinary Shares as capital assets (generally, property held for investment).

For the purposes of this summary, a US Holder (**US Holder**) is a beneficial owner of Ordinary Shares that is or is treated as, for US federal income tax purposes, (i) an individual who is a citizen or resident of the United States, (ii) a corporation created in, or organised under the laws of, the United States or any state thereof, including the District of Columbia, (iii) an estate the income of which is includible in gross income for US federal income tax purposes regardless of its source or (iv) a trust that is subject to US tax on its worldwide income regardless of its source. A non-US Holder (**Non-US Holder**) is a beneficial owner of Ordinary Shares that is neither a US Holder nor an entity or arrangement treated as a partnership for US federal income tax purposes. If an entity or arrangement treated as a partnership holds Ordinary Shares, the tax treatment of a partner in such partnership generally will depend upon the status of the partner and the activities of the partnership. Any such partner or partnership should consult their tax advisors as to the US federal income tax consequences to them of the acquisition, ownership and disposition of Ordinary Shares.

## Distributions

As noted in the section titled “*Dividends and Dividend Policy—Dividend policy*” above, the Company intends to retain any profits to expand the growth and development of the Group’s business and, therefore, does not anticipate paying dividends to its shareholders in the foreseeable future. Subject to the passive foreign investment company (**PFIC**) rules discussed below, a distribution made by the Company on the Ordinary Shares (including any amounts withheld to reflect Dutch withholding taxes) generally will be treated as a dividend includible in the gross income of a US Holder as ordinary income to the extent of the Company’s current and accumulated earnings and profits as determined under US federal income tax principles. To the extent the amount of such distribution exceeds the Company’s current and accumulated earnings and profits as so computed, the distribution will be treated first as a non-taxable return of capital to the extent of such US Holder’s adjusted tax basis in the Ordinary Shares and, to the extent the amount of such distribution exceeds such adjusted tax basis,

will be treated as gain from the sale of such Ordinary Shares. The Company does not expect to maintain calculations of earnings and profits for US federal income tax purposes. Therefore, a US Holder should expect that such distribution will generally be treated as a dividend. Such dividends will not be eligible for the dividends received deduction allowed to corporations. The amount of any distribution of property other than cash will be the fair market value of the property on the date of the distribution.

“Qualified dividend income” received by individual and certain other non-corporate US Holders is currently subject to reduced rates applicable to long-term capital gain if (i) the Company is a “qualified foreign corporation” (as defined below) and (ii) such dividend is paid on Ordinary Shares that have been held by such US Holder for at least 61 days during the 121-day period beginning 60 days before the ex-dividend date and certain other requirements are met. The Company generally will be a “qualified foreign corporation” if (i) it is eligible for the benefits of the Treaty, which the Company believes it is, and (ii) it is not a PFIC with respect to the relevant US Holder in the taxable year of the distribution or the immediately preceding taxable year. No assurance can be given that the Company will be eligible for the benefits of the Treaty.

Subject to certain conditions and limitations, Dutch withholding taxes on dividends (not in excess of any applicable reduced rate under the Treaty) may be treated as foreign taxes eligible for credit against, or deduction in computing, United States federal income tax liability. Dividends on the Ordinary Shares generally will constitute income from sources outside the United States for foreign tax credit limitation purposes and will generally constitute passive category income. The rules governing the US foreign tax credit are complex and the application thereof depends in large part on the US Holder’s individual facts and circumstances. Accordingly, US Holders should consult their tax advisors regarding the availability of the US foreign tax credit in their particular circumstances.

The US dollar value of any distribution made by the Company in currency other than US dollars (for the purposes of this section “—*Certain US federal income tax considerations*” only, a foreign currency) must be calculated by reference to the exchange rate in effect on the date of receipt of such distribution by the US Holder, regardless of whether the foreign currency is in fact converted into US dollars. If the foreign currency so received is converted into US dollars on the date of receipt, such US Holder generally will not recognise foreign currency gain or loss on such conversion. If the foreign currency so received is not converted into US dollars on the date of receipt, such US Holder will have a basis in the foreign currency equal to its US dollar value on the date of receipt. Any gain or loss on a subsequent conversion or other disposition of the foreign currency generally will be treated as ordinary income or loss to such US Holder and generally will be income or loss from sources within the United States for foreign tax credit limitation purposes.

### ***Sale or other disposition***

Subject to the PFIC rules discussed below, a US Holder generally will recognise gain or loss for US federal income tax purposes upon a sale or other disposition of its Ordinary Shares in an amount equal to the difference between the amount realised from such sale or disposition and the US Holder’s adjusted tax basis in such Ordinary Shares, as determined in US dollars. Such gain or loss generally will be capital gain or loss and will be long-term capital gain (taxable at a reduced rate for non-corporate US Holders, such as individuals) or loss if, on the date of sale or disposition, such Ordinary Shares were held by such US Holder for more than one year. The deductibility of capital loss is subject to significant limitations. Such gain or loss realised generally will be treated as derived from US sources.

A US Holder that receives foreign currency from a sale or disposition of Ordinary Shares generally will realise an amount equal to the US dollar value of the foreign currency on the date of sale or disposition or, if such US Holder is a cash basis or electing accrual basis taxpayer and the Ordinary Shares are treated as being traded on an “established securities market” for this purpose, the settlement date. If the Ordinary Shares are so treated and the foreign currency received is converted into US dollars on the settlement date, a cash basis or electing accrual basis US Holder will not recognise foreign currency gain or loss on the conversion. An accrual basis US Holder that does not make the election referred to in the prior two sentences will recognise foreign currency gain or loss to the extent of any difference between the US dollar amount realised on the date of the sale or other taxable disposition and the US dollar value of the foreign currency received on the settlement date. If the foreign currency received is not converted into US dollars on the settlement date, the US Holder will have a basis in the foreign currency equal to the US dollar value on the settlement date. Any foreign currency gain or loss on a conversion or other disposition of the foreign currency generally will be treated as ordinary income or loss to such US Holder and generally will be income or loss from sources within the United States for foreign tax credit limitation purposes.



A US Holder's initial tax basis in its Ordinary Shares generally will equal the US dollar cost of such Ordinary Shares. If a US Holder uses foreign currency to purchase Ordinary Shares, the cost of the Ordinary Shares will be the US dollar value of the foreign currency purchase price determined by reference to the exchange rate on the date of purchase. However, if the Ordinary Shares are treated as traded on an established securities market and if such US Holder is a cash basis or electing accrual basis taxpayer, the US Holder will determine the US dollar value of the cost of such Ordinary Shares by translating the amount paid at the exchange rate on the settlement date of the purchase.

### ***Passive foreign investment company rules***

In general, a corporation organised or incorporated outside the United States is a PFIC in any taxable year in which, after taking into account the income and assets of certain subsidiaries, either (i) at least 75% of its gross income is classified as "passive income" or (ii) at least 50% of the average quarterly value attributable to its assets produce or are held for the production of passive income (including cash). Passive income for this purpose generally includes dividends, interest, royalties, rents and gains from commodities and securities transactions.

Based on current estimates of the composition of its assets, including goodwill, and sources of its income, the Company does not believe that it was a PFIC for the taxable year ended on 31 December 2021. However, the determination of whether the Company is a PFIC is a fact-intensive determination made on an annual basis and the applicable law is subject to varying interpretation. Accordingly, no assurances regarding the Company's PFIC status can be provided for any past, current or future taxable year, and the Company's US counsel expresses no opinion with respect to the Company's PFIC status for any prior, current or future taxable year.

If the Company is classified as a PFIC for any taxable year during which a US Holder holds Ordinary Shares, and unless the US Holder makes a mark-to-market election (as described below), the US Holder will generally be subject to special tax rules that have a penalising effect, regardless of whether the Company remains a PFIC, on (i) any excess distribution that the Company makes to the US Holder (which generally means any distribution paid during a taxable year to a US Holder that is greater than 125% of the average annual distributions paid in the three preceding taxable years or, if shorter, the US Holder's holding period for the Ordinary Shares), and (ii) any gain realised on the sale or other disposition of Ordinary Shares. Under the PFIC rules:

- (i) the excess distribution or gain will be allocated ratably over the US Holder's holding period for the Ordinary Shares;
- (ii) the amount allocated to the current taxable year and any taxable years in the US Holder's holding period prior to the first taxable year in which the Company is classified as a PFIC (each, a pre-PFIC year), will be taxable as ordinary income;
- (iii) the amount allocated to each prior taxable year, other than a pre-PFIC year, will be subject to tax at the highest tax rate in effect for individuals or corporations, as appropriate, for that year; and
- (iv) the interest charge generally applicable to underpayments of tax will be imposed on the tax attributable to each prior taxable year, other than a pre-PFIC year.

If the Company is a PFIC for any taxable year during which a US Holder holds Ordinary Shares and any of the Company's subsidiaries or other entities in which it holds a direct or indirect equity interest is also a PFIC, such US Holder would be treated as owning a proportionate amount (by value) of the shares of the lower-tier PFIC for purposes of the application of these rules and would be subject to US federal income tax under the PFIC excess distribution regime on certain distributions by the lower-tier PFIC and on gain from the disposition of shares of the lower-tier PFIC even though such US Holder would not receive the proceeds of those distributions or dispositions. US Holders are urged to consult their tax advisors regarding the application of the PFIC rules to any of the Company's subsidiaries.

As an alternative to the foregoing rules, a US Holder of "marketable stock" (as defined below) in a PFIC may make a mark-to-market election with respect to such stock. If a US Holder makes this election with respect to Ordinary Shares, the holder will generally (i) include as ordinary income for each taxable year that the Company is a PFIC the excess, if any, of the fair market value of Ordinary Shares held at the end of the taxable year over the adjusted tax basis of such Ordinary Shares, and (ii) deduct as an ordinary loss in each such taxable year the excess, if any, of the adjusted tax basis of the Ordinary Shares over the fair market value of such Ordinary Shares held at the end of the taxable year, but such deduction will only be allowed to the extent of the amount previously included in income as a result of the mark-to-market election. The US Holder's adjusted tax basis in the Ordinary Shares would be adjusted to reflect any income or loss resulting from the mark-to-market election. If a US

Holder makes a mark-to-market election in respect of Ordinary Shares and the Company ceases to be classified as a PFIC, the holder will not be required to take into account the gain or loss described above during any period that the Company is not classified as a PFIC. If a US Holder makes a mark-to-market election, any gain such US Holder recognises upon the sale or other disposition of Ordinary Shares in a year when the Company is a PFIC will be treated as ordinary income and any loss will be treated as ordinary loss, but such loss will only be treated as ordinary loss to the extent of the net amount previously included in income as a result of the mark-to-market election. The mark-to-market election is available only for “marketable stock”, which is stock that is regularly traded on a qualified exchange or other market as defined in applicable US Treasury regulations. There can be no guarantees that the Ordinary Shares will be treated as marketable stock for these purposes.

Because a mark-to-market election cannot technically be made for any lower-tier PFICs that the Company may own, a US Holder may continue to be subject to the PFIC rules with respect to such US Holder’s indirect interest in any investments held by the Company that are treated as an equity interest in a PFIC for US federal income tax purposes.

The Company does not intend to provide information necessary for US Holders to make qualified electing fund elections which, if available, would result in tax treatment different from (and generally less adverse than) the general tax treatment for PFICs described above.

If a US Holder owns Ordinary Shares during any year in which the Company is a PFIC, the US Holder generally will be required to file an IRS Form 8621 (Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund) or successor form with respect to the Company, generally with the US Holder’s federal income tax return for that year. US Holders should consult their tax adviser about the application of the PFIC rules.

#### ***Non-US Holders***

Subject to the discussion under “—*US information reporting and backup withholding tax*” below, a Non-US Holder generally should not be subject to US federal income or withholding tax on any distributions made on the Ordinary Shares or gain from the sale, redemption or other disposition of the Ordinary Shares unless: (i) that distribution and/or gain is effectively connected with the conduct by that Non-US Holder of a trade or business in the United States (and, if required by an applicable income tax treaty, the distributions or gain is attributable to a permanent establishment or fixed base that such holder maintains in the United States); or (ii) in the case of any gain realised on the sale or exchange of Ordinary Shares by an individual Non-US Holder, that Non-US Holder is present in the United States for 183 days or more in the taxable year of the sale, exchange or retirement and certain other conditions are met.

#### ***US information reporting and backup withholding tax***

Payments made through a US paying agent or US intermediary to a US Holder may be subject to information reporting unless the US Holder establishes that payments to it are exempt from these rules. Payments that are subject to information reporting may be subject to backup withholding if a US Holder does not provide its taxpayer identification number and otherwise comply with the backup withholding rules. Non-US Holders may be required to comply with applicable certification procedures to establish that they are not US Holders in order to avoid the application of such information reporting requirements and backup withholding.

Backup withholding is not an additional tax. Amounts withheld under the backup withholding rules are available to be credited against a US Holder’s US federal income tax liability and may be refunded to the extent they exceed such liability, provided the required information is timely provided to the IRS.

Certain US Holders that own “specified foreign financial assets” that meet certain US dollar value thresholds generally are required to file an information report with respect to such assets with their tax returns. The Ordinary Shares generally will constitute specified foreign financial assets subject to these reporting requirements unless the Ordinary Shares are held in an account at certain financial institutions. US Holders are urged to consult their tax advisors regarding the application of these disclosure requirements to their ownership of the Ordinary Shares.

## GENERAL INFORMATION

### Domicile, legal form and incorporation

The Company's legal and commercial name is WeRock N.V. The Company was incorporated as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of the Netherlands on 4 May 2010 as Werock B.V. The Company was converted into a public company with limited liability (*naamloze vennootschap*) and renamed WeRock N.V. on 28 May 2021. The Company will be renamed The Creative Productivity Group N.V. immediately prior to Settlement. The Company operates under the laws of the Netherlands.

The Company is domiciled in the Netherlands. The Company's statutory seat (*statutaire zetel*) is in Amsterdam, the Netherlands and its registered office is at Willem Fenengastraat 19, 1096 BL Amsterdam, the Netherlands. The Company is registered with the Dutch trade register under number 34381002. The Company's telephone number is +31 (0)20 810 0779. The Company's Legal Entity Identifier (LEI) is 724500LGEI49DEHI1T12. The Ordinary Shares' International Security Identification Number (ISIN) is NL0015000B29. The Company's website is [wetransfer.com/investors](http://wetransfer.com/investors).

### Corporate resolutions

Pursuant to a resolution adopted by the General Meeting, the Management Board has been granted the authority until 30 June 2022, subject to the approval of the Supervisory Board, (a) to issue New Offer Shares aimed at gross proceeds of €125.0 million, (b) to issue new Ordinary Shares immediately prior to Settlement to, and to repurchase Ordinary Shares from, Foundation Option Plan in connection with the Option Plan and the RSU Plan (see also "*Management, Employees and Corporate Governance—Long term incentive plans—Option Plan*" and "*Shareholders and Related Party Transactions—Shareholder structure—Shareholders immediately before Settlement*") and (c) to issue new Ordinary Shares at Settlement to Melissa Nussbaum and the members of the Senior Leadership Team in connection with their investment in the Company (see "*—Management incentive plan—Managing Directors and Senior Leadership Team investment and continued holding of Ordinary Shares*"), and to exclude all pre-emptive rights in relation to the issuances of these new Ordinary Shares.

Pursuant to a resolution adopted by the General Meeting, the Management Board has been granted the authority for a period of 18 months following the Settlement Date, subject to the approval of the Supervisory Board, to resolve to issue Ordinary Shares (either in the form of stock dividend or otherwise) and/or grant rights to acquire Ordinary Shares, and to limit or exclude pre-emptive rights relation thereto. This authorisation has been limited to a maximum of 10% of the Ordinary Shares issued immediately following Settlement and the issue of the Investment Shares.

In addition, pursuant to a resolution adopted by the General Meeting, the Management Board has been granted the authority for a period of 18 months following the Settlement Date, subject to the approval of the Supervisory Board, to resolve that the Company shall acquire its own Ordinary Shares, up to a maximum of 10% of the total number of Ordinary Shares issued immediately following Settlement and the issue of the Investment Shares, provided that the Company will hold no more Ordinary Shares in treasury than at maximum 50% of the issued share capital, either through purchase on a stock exchange or otherwise, at a price, excluding expenses, not lower than the nominal value of the Ordinary Shares and not higher than an amount equal to 10% above the average closing price over a period of five days preceding the day of the agreement of acquisition of the Ordinary Shares. The Company may, without authorisation by the General Meeting, acquire its own Ordinary Shares for the purpose of transferring such Ordinary Shares to its employees under a scheme applicable to such employees, provided such Ordinary Shares are quoted on the price list of a stock exchange.

### Independent auditors

The Annual Financial Statements have been audited by EY, whose principal place of business is at Boompjes 258, 3011 XZ Rotterdam, the Netherlands. Ernst & Young Accountants LLP is registered with the Dutch trade register under number 24432944. The auditor signing the auditor's reports on behalf of EY is a member of the Royal Netherlands Institute of Chartered Accountants (*Koninklijke Nederlandse Beroepsorganisatie van Accountants*) (NBA). The NBA is the professional body for accountants in the Netherlands.

EY has issued an unqualified independent auditor's reports on the Annual Financial Statements.

### **No significant change**

As at the date of this Prospectus, there has been no significant change in the financial performance, the financial position and the trading position of the Company since 30 September 2021. See “*Operating and Financial Review—Current trading and recent developments*” for further information on the Company’s current trading and recent developments.

### **Options or preferential rights in respect of Ordinary Shares**

Save as disclosed under “*Management, Employees and Corporate Governance—Long term incentive plans—Option Plan*”), or in the furtherance of, or related to, the Company is not party to any contract or arrangement (or proposed contract or arrangement), whereby an option or preferential right of any kind is (or is proposed to be) given to any person to subscribe for any securities in the Company.

### **Expenses**

Assuming an Offer Price at the mid-point of the Offer Price Range and assuming the sale of the maximum number of Offer Shares, full payment of discretionary commission and full exercise of the Over-Allotment Option, the expenses, commissions and taxes related to the Offer are estimated at approximately €11 million (of which approximately €6 million has already been paid prior to Settlement) and include, among other items, the fees due to AFM and Euronext Amsterdam, the commission for the Underwriters and legal and administrative expenses, as well as publication costs and applicable taxes, if any. The commissions due to the Underwriters will be borne by the Company, the Selling Shareholders and Foundation Option Plan (on behalf of current and former employees of the Group, two supervisory directors and a member of the Senior Leadership Team) *pro rata* to the Offer Shares sold by them in the Offer. See also “*Reasons for the Offer and Use of Proceeds*” and “*Plan of Distribution*”.

### **Available documents**

Subject to any applicable securities laws, copies of the following documents will be available and can be obtained free of charge from the Company’s website ([wetransfer.com/investors](http://wetransfer.com/investors)) from the date of this Prospectus (save for the Pricing Statement, which will be available after pricing of the Offer) until at least 12 months following the date of this Prospectus:

- this Prospectus;
- the Articles of Association (in Dutch, and an unofficial English translation);
- the Management Board rules and Supervisory Board rules (in English); and
- the Pricing Statement.

### **Incorporation by reference**

The Articles of Association (the official Dutch version and an English translation thereof) are incorporated in this Prospectus by reference and, as such, form part of this Prospectus. The Articles of Association can be obtained free of charge from the Company’s website through the following hyperlink: [wetransfer.com/investors/governance/aoadutch](http://wetransfer.com/investors/governance/aoadutch) for the official Dutch version and [wetransfer.com/investors/governance/aoaenglish](http://wetransfer.com/investors/governance/aoaenglish) for the English translation.

### **No incorporation of website**

Prospective investors should only rely on the information that is provided in this Prospectus or incorporated by reference into this Prospectus. No other documents or information, including the contents of the Company’s website ([wetransfer.com/investors](http://wetransfer.com/investors)), or of websites accessible from hyperlinks on that website, form part of, or are incorporated by reference, into this Prospectus. Other than this Prospectus, the Prospectus summary and the Articles of Association, the contents of the Company’s website ([wetransfer.com/investors](http://wetransfer.com/investors)), or of websites accessible from hyperlinks on that website, have not been scrutinised or approved by the AFM.

### **Provision of information**

For so long as Offer Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act, the Company will during any period in which the Company is neither subject to section 13 or 15(d) of the U.S. Exchange Act, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the U.S. Securities Act. The Company is not currently subject to the periodic reporting requirements of the U.S. Exchange Act.

## DEFINED TERMS

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.

<b>Admission</b>	the admission of the Ordinary Shares to listing and trading on Euronext Amsterdam
<b>ABN AMRO</b>	ABN AMRO Bank N.V., a public company with limited liability ( <i>naamloze vennootschap met beperkte aansprakelijkheid</i> ) incorporated under the laws of the Netherlands, registered with the Dutch trade register under number 34334259
<b>AFM</b>	the Netherlands Authority for the Financial Markets ( <i>Autoriteit Financiële Markten</i> )
<b>Allocation</b>	the allocation of the Offer Shares
<b>Annual Financial Statements</b>	the audited consolidated financial statements as at and for the years ended 31 December 2020, 2019 and 2018 and the notes thereto
<b>Articles of Association</b>	the articles of association of the Company that will become effective immediately prior to Settlement, as amended from time to time
<b>Audit Committee</b>	the audit committee of the Supervisory Board
<b>Backpocket</b>	Backpocket B.V., a private company with limited liability ( <i>besloten vennootschap met beperkte aansprakelijkheid</i> ) incorporated under the laws of the Netherlands, registered with the Dutch trade register under number 34153375
<b>Barclays</b>	Barclays Bank Ireland PLC, a public limited company incorporated under the laws of Ireland, registered with the Companies Register under number 396330
<b>BofA Securities</b>	BofA Securities Europe SA, a public company ( <i>société anonyme</i> ) incorporated under the laws of France, registered with the trade register under number 842.602.690
<b>Carbon Offsetting</b>	a form of trade; when a company buys or invests in a carbon offset, it is funding projects that reduce greenhouse gas emissions—mainly carbon dioxide (CO <sup>2</sup> )
<b>Chief Executive Officer</b>	the chief executive officer of the Company
<b>Chief Financial Officer</b>	the chief financial officer of the Company
<b>CET</b>	Central European Time
<b>Company</b>	WeRock N.V., a public company with limited liability ( <i>naamloze vennootschap</i> ) incorporated under the laws of the Netherlands, registered with the Dutch trade register under number 34381002, to be renamed to The Creative Productivity Group N.V. immediately prior to Settlement
<b>Deed of Amendment</b>	the notarial deed of amendment of the articles of association of the Company to be executed immediately prior to Settlement
<b>Dutch Code</b>	the Dutch corporate governance code dated 8 December 2016 as established under Articles 2:391, subsection 5 of the Dutch Civil Code



<b>Dutch Connection Group</b>	Dutch Connection Group B.V., a private company with limited liability ( <i>besloten vennootschap met beperkte aansprakelijkheid</i> ) incorporated under the laws of the Netherlands, registered with the Dutch trade register under number 34382482
<b>Dutch FSA</b>	the Dutch Financial Supervision Act ( <i>Wet op het financieel toezicht</i> ) and the rules promulgated thereunder
<b>Dutch Securities Giro Act</b>	the Dutch Securities giro act ( <i>Wet giraal effectenverkeer</i> )
<b>Employee Offer Shares</b>	up to 1,589,402 Ordinary Shares that will be offered by Foundation Option Plan in the Offer on behalf of current and former employees of the Group, two Supervisory Directors and a member of the Senior Leadership Team
<b>Enterprise Chamber</b>	the enterprise chamber of the court of appeal in Amsterdam ( <i>Ondernemingskamer van het Gerechtshof te Amsterdam</i> ), the Netherlands
<b>EUR, euro or €</b>	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
<b>Euroclear Nederland</b>	the Netherlands Central Institute for Giro Securities Transactions ( <i>Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.</i> ), a private company with limited liability ( <i>besloten vennootschap met beperkte aansprakelijkheid</i> ) incorporated under the laws of the Netherlands, registered with the Dutch trade register under number 33149445, trading as Euroclear Nederland
<b>Euronext Amsterdam</b>	Euronext Amsterdam, a regulated market operated by Euronext Amsterdam N.V., a public company with limited liability ( <i>naamloze vennootschap</i> ) incorporated under the laws of the Netherlands, registered with the Dutch trade register under number 34138585
<b>Existing Offer Shares</b>	up to 7,552,696 Ordinary Shares that will be offered by the Selling Shareholders in the Offer
<b>EY</b>	Ernst & Young Accountants LLP, a limited liability partnership incorporated under the laws of England and Wales, registered with the Dutch trade register under number 24432944
<b>Financial Statements</b>	the Annual Financial Statements and the Interim Financial Statements
<b>First Trading Date</b>	the date on which trading in the Ordinary Shares on an “as-if-and-when-issued/delivered” basis on Euronext Amsterdam commences which, subject to acceleration or extension of the timetable for the Offer, is expected to be on or around 1 February 2022
<b>Foundation Werock</b>	Stichting Administratiekantoor Werock, a foundation ( <i>stichting</i> ) incorporated under the laws of the Netherlands, registered with the Dutch trade register under number 51124270
<b>Foundation Option Plan</b>	Stichting Administratiekantoor Optieplan Werock, a foundation ( <i>stichting</i> ) incorporated under the laws of the Netherlands, registered with the Dutch trade register under number 65128400
<b>FSMA</b>	Financial Services and Markets Act 2000

<b>GDPR</b>	Regulation (EU) 2016/678 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data
<b>General Meeting</b>	the general meeting ( <i>algemene vergadering</i> ) of the Company, being the corporate body, or where the context so requires, the physical meeting of shareholders
<b>Greenhouse Gas Protocol</b>	a set of global standards for measuring and managing GHG emissions. The standards offer different ways for a company to measure, verify and report its direct and indirect emissions, depending on its industry
<b>Group</b>	the Company and its subsidiaries
<b>Hartwig</b>	Hartwig Houdstermaatschappij B.V., a private company with limited liability ( <i>besloten vennootschap met beperkte aansprakelijkheid</i> ) incorporated under the laws of the Netherlands, registered with the Dutch trade register under number 33267044
<b>Highland</b>	Highland Europe Technology Growth LP, a limited partnership incorporated under the laws of Jersey, having its official seat in St. Helier, Jersey and its registered with the JFSC Companies Registry under number LP1524
<b>HPE Growth</b>	HPE Institutional Fund II Holdco B.V., a private company with limited liability ( <i>besloten vennootschap met beperkte aansprakelijkheid</i> ) incorporated under the laws of the Netherlands, registered with the Dutch trade register under number 64193691
<b>Interim Financial Statements</b>	the unaudited interim condensed consolidated financial statements as at and for the nine months ended 30 September 2021 and the notes thereto
<b>Investment Shares</b>	Ordinary Shares to be subscribed for by Melissa Nussbaum and the members of the Senior Leadership Team (other than Damian Bradfield) at Settlement by investing in the Company, as a result of which they will hold Ordinary Shares equal to approximately 70% of their aggregate MIP Amount, after payment of applicable taxes and the contribution to WeTransfer's Supporting Act Foundation, and the value of their vested Options and Ordinary Shares at Settlement
<b>IFRS</b>	the International Financial Reporting Standards as adopted by the European Union
<b>ISIN</b>	International Security Identification Number
<b>Joint Bookrunners</b>	each of the Joint Global Coordinators, ABN AMRO and Barclays
<b>Joint Global Coordinators</b>	Morgan Stanley Europe SE and BofA Securities Europe SA
<b>LEI</b>	Legal Entity Identifier
<b>Listing Agent</b>	ABN AMRO
<b>Management Board</b>	the management board ( <i>raad van bestuur</i> ) of the Company
<b>Managing Director</b>	a member of the Management Board

<b>Market Abuse Regulation</b>	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, including any relevant delegated regulations
<b>Member State</b>	a member state of the European Economic Area
<b>MiFID II</b>	EU Directive 2014/65/EU on markets in financial instruments, as amended
<b>MiFID II Product Governance Requirements</b>	the product governance requirements contained within MiFID II, Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II and local implementing measures
<b>MIP</b>	the management incentive plan of the Group
<b>Morgan Stanley</b>	Morgan Stanley Europe SE, a public company ( <i>societas europaea</i> ) incorporated under the laws of France, registered with the trade register under number 843.526.534
<b>New Offer Shares</b>	such number of newly issued Ordinary Shares to be issued and offered by the Company in the Offer as will raise gross proceeds of approximately €125.0 million
<b>Non-IFRS Measures</b>	non-IFRS financial measures, which are not liquidity or performance measures under IFRS, and which the Group considers to be alternative performance measures
<b>Offer</b>	private placements of the Offer Shares with certain investors in various jurisdictions, including the Netherlands
<b>Offer Period</b>	subject to acceleration or extension of the timetable for the Offer, the period during which the offer will take place, from 9:00 CET on 20 January 2022 until 14:00 CET on 27 January 2022
<b>Offer Price</b>	the price per Offer Shares, which is to be determined after the Offer Period has ended
<b>Offer Price Range</b>	the expected price range of €17.50 to €20.50 (inclusive) per Offer Share
<b>Offer Shares</b>	together, the Existing Offer Shares, the New Offer Shares and, unless the context indicates otherwise, the Over-Allotment Shares
<b>Ordinary Shares</b>	the ordinary shares in the capital of the Company, each with a nominal value of €0.01 following the execution of the Deed of Amendment
<b>Option Plan</b>	the option plan of the Group
<b>Option Plan Shares</b>	Ordinary Shares to cover Options that have been granted to current and former employees of the Group under the Option Plan before Settlement
<b>Options</b>	options to acquire Ordinary Shares or depositary receipts for Ordinary Shares
<b>Over-Allotment Option</b>	the option granted to the Stabilisation Manager (on behalf of the Underwriters), exercisable within 30 calendar days after the First Trading Date, pursuant to which the Stabilisation Manager (on behalf of the Underwriters), may require the Selling Shareholders to sell the Over-Allotment Shares at the Offer Price

<b>Over-Allotment Shares</b>	the additional Ordinary Shares that are made available by the Selling Shareholders to be sold pursuant to the Over-Allotment Option
<b>Order</b>	the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended
<b>Paying Agent</b>	ABN AMRO
<b>PDMR</b>	persons discharging managerial responsibilities within the meaning of the Market Abuse Regulation
<b>PFIC</b>	a passive foreign investment company
<b>Preference Shares A</b>	the series A preference shares in the capital of the Company
<b>Preference Shares Payment</b>	the paying of an amount of €19,852,500 and €3,505,769.10 to Highland in accordance with the articles of association of the Company and the Shareholders Agreement relating to the Company, both as in force on the date of this Prospectus, in connection with the conversion of the Preference Shares A into Ordinary Shares
<b>Pre-ITF Date</b>	the day before the date on which the Company announced its intention to float, being 11 January 2022
<b>Pricing Statement</b>	the press release in which the offer price, the exact number of Offer Shares offered in the Offer and the maximum number of Over-Allotment Shares will be set out
<b>Prospectus</b>	this prospectus dated 20 January 2022
<b>Prospectus Regulation</b>	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 and includes any relevant delegated regulations, as amended
<b>QIBs</b>	qualified institutional buyers, as defined in Rule 144A
<b>Regulation S</b>	Regulation S under the U.S. Securities Act
<b>Relevant Persons</b>	persons who are “qualified investors” within the meaning of Article 2(e) of the Prospectus Regulation as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 and who: (i) have professional experience in matters relating to investments falling within the definition of “investment professionals” in Article 19(5) of the Order; (ii) are high net worth bodies corporate, unincorporated associations and partnerships and the trustees of high value trusts, as described in Article 49(2) of the Order; (iii) the Company believes on reasonable grounds to be persons to whom Article 43(2) of the Order applies for these purposes; or (iv) are other persons to whom it may lawfully be communicated
<b>Remuneration Committee</b>	the remuneration committee of the Supervisory Board
<b>RSUs</b>	restricted share units of the Company, conditional rights to receive Ordinary Shares
<b>RSU Plan</b>	the long term incentive plan of the Group as from Settlement
<b>Rule 144A</b>	Rule 144A under the U.S. Securities Act
<b>SEC</b>	the US Securities and Exchange Commission
<b>Securities and Futures Act</b>	the Securities and Futures Act of Singapore

<b>Securities and Futures Ordinance</b>	the Securities and Futures Ordinance (Cap. 571) of Hong Kong
<b>Selection and Appointment Committee</b>	the selection and appointment committee of the Supervisory Board
<b>Selling Shareholders</b>	Highland, Backpacket, HPE Growth, Hartwig and Dutch Connection Group
<b>Senior Leadership Team</b>	the senior leadership team of the Company; any references to the senior leadership team in relation to the MIP, the Investment Shares and the lock-up arrangements do not include Adam Mitton
<b>Settlement</b>	the payment (in euro) for and delivery of the Ordinary Shares under the Offer
<b>Settlement Date</b>	the date on which Settlement occurs, which is expected to be on or around 1 February 2022, subject to acceleration or extension of the timetable of the Offer
<b>Shareholder Rights Directive II</b>	Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement
<b>Shareholders Agreement</b>	the shareholders' agreement between the Company, Highland, HPE, Hartwig, Foundation Werock, Backpacket, Bas Beerens, Damian Bradfield, David Forsey and Foundation Option Plan dated 2 August 2019, as amended from time to time
<b>Share Lending Agreement</b>	the share lending agreement dated on or around the date of the Pricing Statement between the Selling Shareholders and the Stabilisation Manager
<b>Stabilisation Manager</b>	Morgan Stanley
<b>Supervisory Board</b>	the supervisory board ( <i>raad van commissarissen</i> ) of the Company
<b>Supervisory Director</b>	a member of the Supervisory Board
<b>Treasury RSU Plan Shares</b>	Ordinary Shares held by the Company to cover future awards under the RSU Plan
<b>Treasury Option Plan Shares</b>	Option Plan Shares held by the Company to cover the future exercise of Options that have been granted under the Option Plan, but which will not be exercised at the Settlement Date
<b>Treaty</b>	the income tax treaty between the United States and the Netherlands as currently in force
<b>Underwriters</b>	each of the Joint Global Coordinators and the Joint Bookrunners
<b>Underwriting Agreement</b>	the underwriting agreement with respect to the offer and sale of the Offer Shares in connection with the Offer between the Company, the Selling Shareholders and the Underwriters dated 20 January 2022
<b>United States or US</b>	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
<b>United Kingdom or UK</b>	the United Kingdom of Great Britain and Northern Ireland
<b>U.S. Exchange Act</b>	the United States Securities Exchange Act of 1934, as amended
<b>U.S. Internal Revenue Code</b>	the U.S. Internal Revenue Code of 1986, as amended
<b>U.S. Securities Act</b>	the U.S. Securities Act of 1933, as amended



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# **WeRock N.V. Interim Condensed Consolidated Financial Statements**

For the interim period ended 30 September 2021

## Consolidated statement of profit or loss

		9 months ended 30 September 2021 (€'000) (unaudited)	9 months ended 30 September 2020 (€'000) (unaudited)
	Notes		
Revenue from contracts with customers	3	71,980	44,012
Cost of revenue		(9,634)	(8,182)
<b>Gross profit</b>		<b>62,346</b>	<b>35,830</b>
Research and development costs	7	(20,049)	(7,125)
Selling and marketing expenses	7	(29,293)	(12,065)
General and administrative expenses	7	(32,620)	(6,374)
<b>Operating profit/(loss)</b>		<b>(19,616)</b>	<b>10,266</b>
Other income / (expenses)		1,306	(1,337)
Finance expenses		(118)	(31)
<b>Profit/(loss) before income tax</b>		<b>(18,428)</b>	<b>8,898</b>
Income tax benefit / (expense)	5	3,008	(1,674)
<b>Profit/(loss) for the period</b>		<b>(15,420)</b>	<b>7,224</b>
		(€)	(€)
<b>Profit/(loss) for the period attributable to equity holders of the parent: . . .</b>		<b>(15,420)</b>	<b>7,224</b>
Basic earnings per share	8	(0.65)	0.30
Diluted earnings per share	8	(0.65)	0.30

All activities relate to continuing activities.

The accompanying notes are an integral part of these financial statements.

# **Consolidated statement of comprehensive income**

	9 months ended 30 September 2021 (€'000) (unaudited)	9 months ended 30 September 2020 (€'000) (unaudited)
<b>Profit/(loss) for the period</b> .....	<b>(15,420)</b>	<b>7,224</b>
<b>Other comprehensive income</b>		
<i>Items that may be reclassified to profit or loss in subsequent periods (net of tax)</i>		
Exchange differences on translation of foreign operations .....	(168)	271
<b>Other comprehensive income for the period, net of tax</b> .....	<b>(168)</b>	<b>271</b>
<b>Total comprehensive income for the period, net of tax</b> .....	<b><u>(15,588)</u></b>	<b><u>7,495</u></b>

## Consolidated Balance Sheet

		9 months ended 30 September 2021 (€'000) (unaudited)	Year ended 31 December 2020 (€'000) (audited)
	Notes		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		1,843	1,740
Right-of-use assets		905	978
Intangible assets		545	207
Deferred tax assets		2,101	1,131
Other assets		897	1,580
<b>Total non-current assets</b>		<b>6,291</b>	<b>5,636</b>
<b>Current assets</b>			
Contract assets	3	6,479	3,564
Trade and other receivables		19,877	13,782
Current tax assets		3,654	—
Cash and cash equivalents (excluding bank overdrafts)		38,703	25,544
<b>Total current assets</b>		<b>68,713</b>	<b>42,890</b>
<b>Total assets</b>		<b>75,004</b>	<b>48,526</b>
<b>LIABILITIES</b>			
<b>Non-Current liabilities</b>			
Lease liabilities		471	666
<b>Total non-current liabilities</b>		<b>471</b>	<b>666</b>
<b>Current liabilities</b>			
Preference shares		23,358	23,358
Trade and other payables	7	44,616	8,378
Contract liabilities	3	12,228	10,488
Current tax liabilities		123	817
Lease liabilities		541	419
<b>Total Current liabilities</b>		<b>80,866</b>	<b>43,460</b>
<b>Total liabilities</b>		<b>81,337</b>	<b>44,126</b>
<b>Net assets / (liabilities)</b>		<b>(6,333)</b>	<b>4,400</b>
<b>EQUITY</b>			
Share capital – ordinary shares		134	13
Share capital – preference shares		116	12
Share premium		6,971	7,196
Treasury shares		(5,433)	(5,433)
Share-based payments reserve	7	9,293	4,438
Cumulative translation adjustments		537	705
Retained earnings		(17,951)	(2,531)
<b>Total equity</b>		<b>(6,333)</b>	<b>4,400</b>



# **Consolidated statement of changes in equity**

	Share capital – ordinary shares (€'000)	Share capital – preference shares (€'000)	Share premium (€'000)	Treasury shares reserve (€'000)	Share- based payments reserve (€'000)	Cumulative translation adjustments (€'000)	Retained earnings (€'000)	Total (€'000)
<b>Balance at 1 January 2020 . .</b>	<b>13</b>	<b>12</b>	<b>7,196</b>	<b>(5,433)</b>	<b>2,542</b>	<b>—</b>	<b>(13,343)</b>	<b>(9,013)</b>
Profit for the period . . . . .	—	—	—	—	—	—	7,224	7,224
Changes during the period . . .	—	—	—	—	—	271	—	271
<b>Total comprehensive income for the period . . . . .</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>271</b>	<b>7,224</b>	<b>7,495</b>
<b>Transactions with owners in their capacity as owners:</b>								
Employee share schemes – value of employee services . . . . .	—	—	—	—	1,309	—	—	1,309
<b>Unaudited balance at 30 September 2020 . . . . .</b>	<b>13</b>	<b>12</b>	<b>7,196</b>	<b>(5,433)</b>	<b>3,851</b>	<b>271</b>	<b>(6,119)</b>	<b>(209)</b>
<b>Balance at 31 December 2020 . . . . .</b>	<b>13</b>	<b>12</b>	<b>7,196</b>	<b>(5,433)</b>	<b>4,438</b>	<b>705</b>	<b>(2,531)</b>	<b>4,400</b>
Loss for the period . . . . .	—	—	—	—	—	—	(15,420)	(15,420)
Changes during the period . . .	—	—	—	—	—	(168)	—	(168)
<b>Total comprehensive income for the period . . . . .</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(168)</b>	<b>(15,420)</b>	<b>(15,588)</b>
<b>Transactions with owners in their capacity as owners:</b>								
Employee share schemes – value of employee services . . . . .	—	—	—	—	4,855	—	—	4,855
Changes in share capital due to conversion . . . . .	121	104	(225)	—	—	—	—	—
<b>Unaudited balance at 30 September 2021 . . . . .</b>	<b>134</b>	<b>116</b>	<b>6,971</b>	<b>(5,433)</b>	<b>9,293</b>	<b>537</b>	<b>(17,951)</b>	<b>(6,333)</b>

## Consolidated statement of cash flows

		9 months ended 30 September 2021 (€'000) (unaudited)	9 months ended 30 September 2020 (€'000) (unaudited)
	Notes		
<b>Cash flows from operating activities</b>			
Profit/(loss) for the period		(15,420)	7,224
<b>Adjustment to reconcile profit before tax to net cash flows</b>			
Income tax expense/(benefit)	5	(3,008)	1,674
Finance expense		118	31
Other expense/(income)		109	78
Depreciation and amortization		988	631
Foreign exchange (gain)/loss, net		(1,189)	1,148
Share-based payment expense	7	4,855	1,309
Changes in other non-current assets		683	21
<b>Changes in working capital:</b>			
Trade and other receivables		(5,597)	(439)
Contract assets	3	(2,915)	462
Trade and other payables		6,391	(1,133)
Management incentive plan accrual	7	29,530	—
Contract liabilities	3	1,740	1,689
<b>Cash generated from operating activities before tax</b>		<b>16,285</b>	<b>12,695</b>
Income taxes paid		(2,292)	(2,650)
<b>Net cash generated from operating activities</b>		<b>13,993</b>	<b>10,045</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment and intangible assets		(1,055)	(433)
<b>Net cash (outflow) from investing activities</b>		<b>(1,055)</b>	<b>(433)</b>
<b>Cash flows from financing activities</b>			
Principal elements of lease payments		(376)	(325)
Interest element of lease payments		(5)	(7)
Other interest paid		(113)	(23)
<b>Net cash (outflow) from financing activities</b>		<b>(494)</b>	<b>(355)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>12,444</b>	<b>9,257</b>
Net foreign exchange difference		715	(792)
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>25,544</b>	<b>12,119</b>
<b>Cash and cash equivalents at end of the period</b>		<b>38,703</b>	<b>20,584</b>

## Notes to the interim condensed consolidated financial statements

### 1 Corporate information

On 28 May 2021 WeRock N.V. (the ‘Company’) was incorporated as a public company with limited liability in the Netherlands (previously it was a private limited liability company called Werock B.V.). The registered and actual address of WeRock N.V. (COC file 34381002) is Willem Fenengastraat 19 in Amsterdam, the Netherlands. WeRock N.V. is the ultimate parent company of Wetransfer B.V. and WeTransfer Corporation (together called the ‘Group’).

The principal activities of WeRock N.V. and its group holdings are distributing data packages via internet, webhosting and related activities.

### 2 Basis of preparation and changes to the Group’s accounting policies

The condensed consolidated financial statements for the interim period ended 30 September 2021 have been prepared in accordance with Accounting Standard IAS 34, ‘Interim Financial Reporting’, as adopted by the European Union.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s special purpose consolidated financial statements for the years ended 2018, 2019 and 2020.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2020, except for the adoption of new standards effective as of 1 January 2021 and for the estimation of income tax as set out below. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Some amendments and interpretations apply for the first time in 2021, but do not have an impact on the interim condensed consolidated financial statements of the Group.

#### *Going concern*

In adopting the going concern basis for preparing the interim financial statements, the Directors have considered the business activities and the Group’s principal risks and uncertainties in the context of the current operating environment.

The Group highlights that it reports an equity deficit of €6.3 million as of 30 September 2021. This may raise concerns as to whether the Company will be able to continue as a going concern. As explained in Note 7, because an Exit event is deemed to be probable as of 30 September 2021 the Group recognized expenses of €29.5 million related to the Management Incentive Plan (“MIP”), which will be settled with proceeds to be received from an Exit event. Additionally, the Directors of the Group, consider that a cash outflow in respect of the Series A Preference Shares prior to an Exit event is very unlikely to happen. Furthermore, the Directors believe that the Group is able generate sufficient financial resources from operations to continue as a going concern.

#### *Conversion to a public company with limited liability*

Werock B.V. was a private company with limited liability incorporated in the Netherlands on 4 May 2010. On 28 May 2021 it was converted into a public company with limited liability (‘Naamloze vennootschap’) and renamed WeRock N.V (the ‘Company’). According to the deed of conversion, existing ordinary shares are converted into 13,430,000 ordinary shares and existing preference shares are converted into 11,577,993 series A Preference shares with a nominal value of one eurocent (€0.01). The difference in nominal value per share in the amount of nine/tenth eurocent (€ 0.009) resulted in an increase of the total nominal value of the issued share capital of the Company of € 225,072 is paid up out of the share premium reserve maintained by the Company for all shares in the Company’s capital.

The majority of the share premium relates to the preference shares. Under IFRS, the preference shares are presented as a liability in the balance sheet. Therefore, the reserves for Share capital – preference shares and the Share premium related to the preference shares are offset by an opposite entry in Retained earnings.

#### *Income taxes*

Income tax expenses are recognised based on management’s estimate of the weighted average effective annual income tax rate expected for the full financial year.

The financial information in these Interim Consolidated Financial Statements is presented in Euro(€) and has been rounded off to the nearest thousand Euros unless otherwise stated.

### 3 Revenue

The following table presents the Group's revenue, disaggregated by primary geographical market, timing of revenue recognition and major revenues streams categories. All revenue is generated from the Group's single operating segment.

	9 months ended 30 September 2021 (€'000) (unaudited)	9 months ended 30 September 2020 (€'000) (unaudited)
<b>Type of service</b>		
Advertisements .....	40,522	19,050
Subscriptions .....	31,458	24,962
<b>Total revenue from contracts with customers .....</b>	<b>71,980</b>	<b>44,012</b>
<b>Geographical markets</b>		
United States .....	21,591	12,863
Europe .....	35,682	22,321
Rest of the world .....	14,707	8,828
<b>Total revenue from contracts with customers .....</b>	<b>71,980</b>	<b>44,012</b>
<b>Timing of revenue recognition</b>		
Services transferred at a point in time .....	40,522	19,050
Services transferred over time .....	31,458	24,962
<b>Total revenue from contracts with customers .....</b>	<b>71,980</b>	<b>44,012</b>

The Group experiences seasonality in advertising sales revenue, with an increase in revenue from advertising customers in the fourth quarter as advertisers typically increase their advertising spend in the holiday season and seek to fully deploy existing advertising budgets. Conversely, the Group typically experiences lower revenue from advertising customers over the summer holidays in the third quarter when fewer users have historically used the platform and demand from advertisers is lower. In terms of subscription revenue, the Group experiences low levels of seasonality largely linked to the key holiday seasons. Historically, subscription revenue growth is slowest during the summer months and the last weeks of the calendar year, as existing users use the platform less frequently than during other periods and fewer new users start using or subscribing to the platform.

Contract balances are as below:

	9 months ended 30 September 2021 (€'000) (unaudited)	Year ended 31 December 2020 (€'000) (audited)
<b>Current balances</b>		
Trade receivables .....	15,427	10,488
Contract assets .....	6,479	3,564
Contract liabilities .....	(12,228)	(10,488)
	<b>9,678</b>	<b>3,564</b>

The Group recognised impairment losses on receivables and contract assets arising from contracts with customers, included under General and administrative expenses in the statement of profit or loss, amounting to €0.5 million for the nine months ended 30 September 2021 (nine months ended 30 September 2020: nil).

#### 4 Staff costs

Staff costs relating to employees (including Directors of the Group) are shown below:

	9 months ended 30 September 2021 (€'000) (unaudited)	9 months ended 30 September 2020 (€'000) (unaudited)
Wages and salaries .....	17,977	11,683
Benefits, insurance, and payroll taxes .....	8,466	4,414
Cost of employee share option plan (Note 7, Share-based payments) .....	4,855	1,309
Management incentive plan (Note 7, Share-based payments) .....	29,530	—
	<u>60,828</u>	<u>17,406</u>

#### 5 Income tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the interim condensed consolidated statement of profit or loss are:

	9 months ended 30 September 2021 (€'000) (unaudited)	9 months ended 30 September 2020 (€'000) (unaudited)
<b>Income taxes</b>		
Current income tax income/(expense) .....	2,038	(1,516)
Deferred income tax income/(expense) relating to origination and reversal of temporary differences .....	970	(158)
<b>Income tax income/(expense) recognised in statement of profit or loss .....</b>	<u><b>3,008</b></u>	<u><b>(1,674)</b></u>

#### 6 Related party transactions

Transactions between WeRock N.V. and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

##### a) Key management personnel compensation

Key management personnel is defined as “those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity”. The term ‘key management personnel’ includes both Directors of the Group and persons who are not appointed directors, but whose activities encompass duties normally carried out by directors.

Payroll and other costs of key management personnel is shown below:

	9 months ended 30 September 2021 (€'000) (unaudited)	9 months ended 30 September 2020 (€'000) (unaudited)
Short-term employee benefits .....	1,932	1,456
Post-employment benefits .....	28	18
Share-based payments .....	659	140
Management Incentive Plan expenses .....	27,894	—
	<u>30,513</u>	<u>1,614</u>

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.



## b) Transactions with other related parties

	9 months ended 30 September 2021 (€'000) (unaudited)	9 months ended 30 September 2020 (€'000) (unaudited)
The following transactions occurred with related parties:		
Purchases of goods and services .....	—	3
	—	3

The purchase of goods and services relates to management fees charged to the Group by Highland Europe Technology Growth LP. Highland Europe Technology Growth LP has a 57.59% stake in WeRock N.V. therefore this is considered a related party transaction. The purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Highland Europe Technology Growth LP is also the holder of 100% of the Series A Preferred shares. As at 30 September 2021, the liability due to Highland Europe Technology Growth LP in respect of the Series A Preferred shares was €23.4 million (year ended 31 December 2020: €23.4 million).

## 7 Share-based payments

### *Employee Share Option Plan*

Under the employee share option plan, WeRock N.V. grants options on ordinary shares, which can only be exercised in the case of an Exit event. In general, every option grant has a 4-year vesting period with a one-year cliff, so after one year 25% will have vested and the remainder vests monthly for 1/36 over a period of 3 years. If an employee leaves the Company on good terms, the vested options remain with the employee.

During the nine months ended 30 September 2021, the Company granted 403,100 options with a weighted average grant date fair value of €22.07 per option. The fair value is expensed on a straight-line basis over the estimated vesting period, based on the vesting period, the management's estimated timing of a future Exit date (being 28 January 2022) and number of options that will eventually vest. The total share-based payment expense recognized for the equity-settled options during the nine months ended 30 September 2021 amounted to €4.9 million (nine months ended 30 September 2020: €1.3 million).

### *Management Incentive Plan*

The Company introduced a MIP in 2020 for eligible and selected employees. This MIP is accounted for as a cash-settled share-based payment since the Company has an obligation to make cash payments to the MIP participants if an Exit occurs, subject to the participants being employed at the time of an Exit and depending on the shareholders' return on their investments in the Group.

As of 30 September 2021, the total estimated fair value of the MIP liability for the awards allocated to eligible participants amounts to €37.5 million. This total fair value has been determined using a Monte Carlo simulation model, taking into account the estimated fair value of the Company's underlying shares as of 30 September 2021, the possible MIP bonus range (between €0 and €74.5 million) and an expected remaining life of 0.3 years. The incentive amount payable is based on a prescribed range of MIP payouts between nil and €74.5 million. The amount realised at Exit will depend on the share price at an Exit and the fully diluted share capital, representing an adjusted equity value of the Group at an Exit.

An Exit event was not deemed to be probable as of 31 December 2020, and therefore no expenses or liabilities were recognised for the MIP in the financial statements for 2020. As an Exit event is deemed to be probable as of 30 September 2021, the calculation of the MIP liability has been determined based on management's estimate of an expected Exit date of 28 January 2022. The total fair value of the MIP awards will be expensed in the income statement until the expected Exit date based on the period occurred between (i) a participant's service commencement date and (ii) the estimated Exit date. The share-based payment expense recognised during the period ended 30 September 2021 and the corresponding liability for the cash-settled MIP as of this date amounted to €29.5 million. The MIP expenses are considered to be tax deductible.

The total MIP expense for the nine months ended 30 September 2021 is allocated across the P&L cost lines as follows:

	9 months ended 30 September 2021 (€'000) (unaudited)
Research and development costs	5,814
Selling and marketing expenses	7,979
General and administrative expenses	15,737
	<b>29,530</b>

The corresponding MIP liability is included within Trade and Other Payables on the Consolidated Balance Sheet.

## 8 Earnings per share

The calculation of the basic earnings per share has been based on the earnings attributable to owners of the parent and the weighted average number of shares for each period.

Diluted earnings per ordinary share is calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period plus the weighted average number of ordinary shares that would have been issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	9 months ended 30 September 2021 (€'000) (unaudited)	9 months ended 30 September 2020 (€'000) (unaudited)
<i>Earnings used in computation:</i>		
Net profit/(loss) for the year	(15,420)	7,224
Adjustments for calculation of basic earnings attributable to ordinary shareholders of the parent:		
Apportionment of earnings attributable to convertible preference shareholders	(7,489)	3,508
<b>Net profit/(loss) attributable to ordinary shareholders of the parent for basic earnings and adjusted for the effect of dilution</b>	<b>(7,931)</b>	<b>3,716</b>
<i>Shares used in computation:</i>		
Weighted-average ordinary shares outstanding	12,261,553	12,261,553
<b>Basic and diluted earnings per share</b>	<b>(0.65)</b>	<b>0.30</b>

The weighted average number of shares takes into account the weighted average effect of changes in treasury shares.

The Series A Preference Shares have been excluded from the calculation of diluted earnings per share as these are anti-dilutive. Options granted to employees under the employee share option are treated as contingently issuable shares because their issue is contingent upon satisfying specified conditions in addition to the passage of time (an Exit event). The contingently issuable potential ordinary shares related to employee share options plans have been excluded from the calculation as the conditions are not satisfied at the balance sheet date. These options could potentially dilute basic earnings per share in the future. Further details relating to the options are set out in note 24 of the Group's special purpose consolidated financial statements for the years ended 2018, 2019 and 2020.

## 9 Fair value

WeRock N.V. considers the carrying amount of trade and other receivables, cash and cash equivalents, trade and other payables, preference shares and lease liabilities to be a reasonable approximation of their fair value.

## 10 Events after the reporting period

The Group and its shareholders are evaluating different strategic options to support the Group's further development and growth, including an initial public offering. However, no decisions have been made yet. Any such decision will depend on a range of factors, including, amongst others, the prevailing market conditions.

# **Werock B.V. Special Purpose Consolidated Financial Statements**

For the years ended:  
31 December 2018  
31 December 2019  
31 December 2020

**Consolidated statement of profit or loss**

	Notes	2020 (€'000)	2019 (€'000)	2018 (€'000)
Revenue from contracts with customers	4	65,021	52,133	37,814
Cost of revenue		(10,960)	(8,589)	(5,605)
<b>Gross profit</b>		<b>54,061</b>	<b>43,544</b>	<b>32,209</b>
Research and development costs		(10,343)	(9,464)	(7,260)
Selling and marketing expenses		(18,025)	(14,727)	(11,709)
General and administrative expenses		(9,637)	(9,063)	(16,298)
<b>Operating profit/(loss)</b>		<b>16,056</b>	<b>10,290</b>	<b>(3,058)</b>
Other income / (expenses)	6	(2,437)	183	471
Finance expenses	7	(54)	(586)	(909)
<b>Profit/(loss) before income tax</b>		<b>13,565</b>	<b>9,887</b>	<b>(3,496)</b>
Income tax expense	9	(2,751)	(2,044)	560
<b>Profit/(loss) for the period</b>		<b>10,814</b>	<b>7,843</b>	<b>(2,936)</b>
		(€)	(€)	(€)
<b>Profit/loss for the period attributable to equity holders of the parent:</b>				
Basic earnings per share	25	0.45	0.32	(0.12)
Diluted earnings per share	25	0.45	0.32	(0.12)

All activities relate to continuing activities.

The accompanying notes are an integral part of these financial statements.

**Consolidated statement of comprehensive income**

	2020 (€'000)	2019 (€'000)	2018 (€'000)
<b>Profit for the period</b> .....	<b>10,814</b>	<b>7,843</b>	<b>(2,936)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss in subsequent periods (net of tax)</i>			
Exchange differences on translation of foreign operations .....	705	—	—
<b>Other comprehensive income for the period, net of tax</b> .....	<u>—</u>	<u>—</u>	<u>—</u>
<b>Total comprehensive income for the period, net of tax</b> .....	<u><b>11,519</b></u>	<u><b>7,843</b></u>	<u><b>(2,936)</b></u>



**Consolidated Balance Sheet**

	Notes	2020 (€'000)	2019 (€'000)	2018 (€'000)	1 January 2018 (€'000)
<b>ASSETS</b>					
<b>Non-current assets</b>					
Goodwill	10	—	—	—	—
Property, plant and equipment	12	1,740	1,688	1,599	736
Right-of-use assets	19	978	1,174	1,288	190
Intangible assets	11	207	—	—	—
Deferred tax assets	20	1,131	1,343	1,617	—
Other assets	14	1,580	21	428	929
<b>Total non-current assets</b>		<b>5,636</b>	<b>4,226</b>	<b>4,932</b>	<b>1,855</b>
<b>Current assets</b>					
Contract assets	4	3,564	3,697	3,832	1,134
Trade and other receivables	15	13,782	10,460	8,442	5,344
Cash and cash equivalents (excluding bank overdrafts)	16	25,544	12,119	6,241	12,865
Current tax assets		—	—	—	166
<b>Total current assets</b>		<b>42,890</b>	<b>26,276</b>	<b>18,515</b>	<b>19,509</b>
<b>Total assets</b>		<b>48,526</b>	<b>30,502</b>	<b>23,447</b>	<b>21,364</b>
<b>LIABILITIES</b>					
<b>Non-Current liabilities</b>					
Lease liabilities	19	666	852	992	—
<b>Total non-current liabilities</b>		<b>666</b>	<b>852</b>	<b>992</b>	<b>—</b>
<b>Current liabilities</b>					
Preference shares	18	23,358	23,358	22,826	21,948
Trade and other payables	17	8,378	5,356	4,676	3,441
Contract liabilities	4	10,488	8,584	6,966	6,084
Current tax liabilities		817	990	209	—
Lease liabilities	19	419	375	332	190
<b>Total Current liabilities</b>		<b>43,460</b>	<b>38,663</b>	<b>35,009</b>	<b>31,663</b>
<b>Total liabilities</b>		<b>44,126</b>	<b>39,515</b>	<b>36,001</b>	<b>31,663</b>
<b>Net assets / (liabilities)</b>		<b>4,400</b>	<b>(9,013)</b>	<b>(12,554)</b>	<b>(10,299)</b>
<b>EQUITY</b>					
Share capital – ordinary shares	21	13	13	9	9
Share capital – preference shares	21	12	12	16	16
Share premium	21	7,196	7,196	7,196	7,196
Treasury shares	21	(5,433)	(5,433)	—	—
Share-based payments reserve	21	4,438	2,542	1,414	733
Cumulative translation adjustments	21	705	—	—	—
Retained earnings		(2,531)	(13,343)	(21,189)	(18,253)
<b>Total equity</b>		<b>4,400</b>	<b>(9,013)</b>	<b>(12,554)</b>	<b>(10,299)</b>

**Consolidated statement of changes in equity**

	Share capital – ordinary shares (€'000)	Share capital – preference shares (€'000)	Share premium (€'000)	Treasury shares (€'000)	Share-based payments reserve (€'000)	Cumulative translation adjustments (€'000)	Retained earnings (€'000)	Total (€'000)
<b>Balance at 1 January 2018</b>	<b>9</b>	<b>16</b>	<b>7,196</b>	<b>—</b>	<b>733</b>	<b>—</b>	<b>(18,253)</b>	<b>(10,299)</b>
Loss for the year . . . . .	—	—	—	—	—	—	(2,936)	(2,936)
<b>Total comprehensive income for the period . . . . .</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(2,936)</b>	<b>(2,936)</b>
<b>Transactions with owners in their capacity as owners:</b>								
Employee share schemes – value of employee services . .	—	—	—	—	681	—	—	681
<b>Balance at 31 December 2018 . . . . .</b>	<b>9</b>	<b>16</b>	<b>7,196</b>	<b>—</b>	<b>1,414</b>	<b>—</b>	<b>(21,189)</b>	<b>(12,554)</b>
Profit for the year . . . . .	—	—	—	—	—	—	7,843	7,843
Changes during 2019 . . . . .	—	—	—	—	—	—	3	3
<b>Total comprehensive income for the period . . . . .</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>7,846</b>	<b>7,846</b>
<b>Transactions with owners in their capacity as owners:</b>								
Preference shares . . . . .	4	(4)	—	—	—	—	—	—
Acquisition of treasury shares . . . . .	—	—	—	(5,433)	—	—	—	(5,433)
Employee share schemes – value of employee services . .	—	—	—	—	1,128	—	—	1,128
<b>Balance at 31 December 2019 . . . . .</b>	<b>13</b>	<b>12</b>	<b>7,196</b>	<b>(5,433)</b>	<b>2,542</b>	<b>—</b>	<b>(13,343)</b>	<b>(9,013)</b>
Profit for the year . . . . .	—	—	—	—	—	—	10,814	10,814
Changes during 2020 . . . . .	—	—	—	—	—	705	(2)	703
<b>Total comprehensive income for the period . . . . .</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>705</b>	<b>10,812</b>	<b>11,517</b>
<b>Transactions with owners in their capacity as owners:</b>								
Employee share schemes – value of employee services . .	—	—	—	—	1,896	—	—	1,896
<b>Balance at 31 December 2020 . . . . .</b>	<b>13</b>	<b>12</b>	<b>7,196</b>	<b>(5,433)</b>	<b>4,438</b>	<b>705</b>	<b>(2,531)</b>	<b>4,400</b>

**Consolidated statement of cash flows**

	Notes	2020 (€'000)	2019 (€'000)	2018 (€'000)
<b>Cash flows from operating activities</b>				
Profit/(loss) for the year		10,814	7,843	(2,936)
<b>Adjustment to reconcile profit before tax to net cash flows</b>				
Income tax expense	9	2,751	2,044	(560)
Finance expense	7	54	586	909
Other income / expenses	6	(9)	—	—
Impairment expense	10	—	—	8,576
Depreciation and amortisation	11/12/19	859	692	690
Gain / loss on disposal of property, plant and equipment	12	1	(1)	(24)
Foreign exchange gain / loss, net	6	2,202	(183)	(471)
Net impairment loss on financial assets		—	537	301
Share-based payment expense	24	1,896	1,128	681
Changes in other non-current assets	14	(1,559)	407	502
<b>Changes in working capital:</b>				
Trade and other receivables	15	(3,322)	(2,018)	(2,932)
Contract assets		133	135	(2,698)
Trade and other payables	17	2,583	596	1,442
Contract liabilities		1,904	1,618	882
Cash generated from operating activities before tax		<b>18,307</b>	<b>13,384</b>	<b>4,362</b>
Income taxes paid		(2,712)	(970)	(868)
<b>Net cash generated from operating activities</b>		<b>15,595</b>	<b>12,414</b>	<b>3,494</b>
<b>Cash flows from investing activities</b>				
Payment for acquisition of subsidiary/business, net of cash acquired	10	—	—	(8,576)
Payments for property, plant and equipment and intangible assets	11/12	(656)	(388)	(1,360)
Proceeds from sale of property, plant and equipment	12	—	1	41
<b>Net cash (outflow) from investing activities</b>		<b>(656)</b>	<b>(387)</b>	<b>(9,895)</b>
<b>Cash flows from financing activities</b>				
Payments for shares bought back	21	—	(5,433)	—
Payments for options bought back		—	(143)	—
Principal elements of lease payments	19	(418)	(378)	(171)
Interest element of lease payment	19	(9)	(7)	(4)
Other interest paid	6	(44)	(47)	(28)
<b>Net cash (outflow) from financing activities</b>		<b>(471)</b>	<b>(6,008)</b>	<b>(203)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>14,468</b>	<b>6,019</b>	<b>(6,604)</b>
Net foreign exchange difference		(1,043)	(141)	(20)
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>12,119</b>	<b>6,241</b>	<b>12,865</b>
<b>Cash and cash equivalents at end of year</b>		<b>25,544</b>	<b>12,119</b>	<b>6,241</b>

## **Notes to the consolidated financial statements**

### **1 Corporate information**

Werock B.V. (the ‘Company’) is a private limited liability company incorporated in the Netherlands. The registered and actual address of Werock B.V. (C0C file 34381002) is Willem Fenengastrat 19 in Amsterdam, the Netherlands. Werock B.V. is the ultimate parent company of Wetransfer B.V. and WeTransfer Corporation (together called the ‘Group’, or ‘WeRock’).

The principal activities of Werock B.V. and its group holdings are distributing datapackages via internet, webhosting and related activities.

These Special Purpose Consolidated Financial Statements were prepared for the purpose of inclusion into the prospectus and were authorised for issue by the Board of Directors on 27 May 2021.

### **2 Key accounting policies**

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of Werock B.V. and its subsidiaries.

#### **a) Basis of preparation**

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The Group has adopted IFRS in 2020 with an IFRS transition date of 1 January 2018. The transitional disclosures required under IFRS are included in Note 28.

The consolidated financial statements have been prepared on a historical cost basis. The preparation of the consolidated financial statements in conformity with IFRS requires the application of certain critical accounting estimates and assumptions. It also requires management to exercise its judgment in the process of applying the accounting policies. The areas involving a greater degree of judgment or complexity, or areas in which assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 3.

#### *Going concern and COVID-19*

In adopting the going concern basis for preparing the financial statements, the Directors have considered the business activities and the Group’s principal risks and uncertainties in the context of the current operating environment. This includes possible impacts of the COVID-19 which emerged globally in December 2019 and was declared a pandemic in March 2020. The extent to which COVID-19 will impact the Group’s customers, business, results and financial condition will depend on current and future developments, which are highly uncertain and cannot be predicted at this time. While the Group’s day-to-day operations since have been impacted, the Group has suffered less immediate impact as most staff can work remotely and can continue to develop our offerings.

As a result of the global travel restrictions and stay-at-home or similar orders in effect due to the COVID-19 pandemic, sales and marketing, research and development, and general and administrative expenses declined as a percentage of revenue beginning in the second quarter of 2020. The Company also took the deliberate decision to delay certain planned hiring. As a result of these cost savings and delayed hiring initiatives, the Company’s profitability increased significantly in 2020. Management expects these costs to return to historical levels in 2021. As such, WeRock does not believe the COVID-19 outbreak has a significant impact on its ability to continue as a going concern.

The Company highlights that it reports an equity deficit as at 31 December 2019, 31 December 2018 and 1 January 2018 amounting to €9.0 million, €12.6 million, and €10.3 million, respectively. This may raise concerns as to whether the Company will be able to continue as a going concern. However, the Directors of the Group, considered that a cash outflow in respect of the preference shares (refer to Note 18) prior to an exit event is very unlikely to happen. Further it believes, that it is able generate sufficient financial resources from operations to continue as a going concern.

*New standards and interpretations not yet effective*

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards and interpretations, if applicable, when they become effective.

- Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current, effective 1 January 2023
- Amendments to IAS 16 Property, plant and equipment – Proceeds before intended use, effective 1 January 2022
- Amendments to IAS 37 Provisions, contingent liabilities and contingent assets – onerous contracts – cost of fulfilling a contract, effective 1 January 2022
- Amendments to IFRS 3 Business combinations – References to the conceptual framework, effective 1 January 2022
- Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9, effective 1 January 2021
- Amendments to IFRS 9 Financial Instruments, IFRS 7 Financial Instruments: Disclosures, IAS 39 Financial Instruments: Recognition and measurement, IFRS 4 Insurance contracts and IFRS 16 Leases-Interest Rate Benchmark Reform – Phase 2, effective 1 January 2021
- IFRS 17 Insurance Contracts, effective 1 January 2023
- Annual Improvements Cycle – 2018-2020, effective 1 January 2022
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 – Disclosure of Accounting policies, effective 1 January 2023
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates, effective 1 January 2023.
- Amendment to IFRS 16 Lease – Covid-19-Related Rent Concessions beyond 30 June 2021

The standards and amendments are not expected to impact the consolidated financial statements of the Group.

**b) Principles of consolidation and equity accounting**

Subsidiaries are all entities over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of newly acquired subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

**c) Foreign currency translation**

*Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Euro(€), which is Werock B.V.'s functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from



the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss. They are deferred in equity if they are attributable to part of the net investment in a foreign operation.

#### *Group companies*

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

#### **d) Revenue from contracts with customers**

The Group derives revenue from the provision of Subscriptions and Advertisements. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements.

#### *Subscriptions*

The Group generates subscription revenue from the sale of the premium subscription services called Transfer Pro for desktop and Collect Pro for mobile, and also from the Paper and Paste subscriptions services. Subscriptions are sold directly to end users and through partners who collect payment for the stand-alone subscriptions from the end user. The Group recognises revenues from sales of subscriptions to end-users upon firm evidence of an arrangement and determination that collection of a fee is reasonably assured. Subscriptions sold directly to end users are typically paid in advance. The Group satisfies the performance obligation, and revenue from these services is recognised, on a straight-line basis over the subscription period.

#### *Advertisements*

The Group generates revenue for Advertisements through display advertising delivered through advertising impressions. These advertising arrangements are typically sold on a cost-per-thousand basis and are evidenced by an Insertion Order ("IO") which specifies the terms of the arrangement such as pricing, insertion dates, and number of impressions in a stated period. Revenue generated from Advertisements is recognised upon delivery of impressions based on the number of impressions delivered. IOs typically include one distinct performance obligations as they generally contain a single advertising product.

#### *Contract balances*

A contract asset is initially recognised for revenue earned from Advertisements because the receipt of consideration occurs after the services have been delivered. Upon completion of the services and acceptance by the customer, the amount recognised as contract assets is reclassified to trade receivables. Contract assets are subject to impairment assessment.

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due).

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related services to the customer).

The Group applies the practical expedient for short-term advances received from customers. That is, the promised amount of consideration is not adjusted for the effects of a significant financing component if the period between the transfer of the promised good or service and the payment is one year or less.

**e) Cost of revenue**

Cost of revenue consists primarily of expenses associated with the storage, delivery, and distribution of files for both paying users and free users. These costs include payments to third-party data centre service providers for storage and transfer of files, transaction payment service providers, or PSPs, network and bandwidth costs, and support and maintenance costs for infrastructure equipment. Cost of revenue also includes costs, such as salaries, bonuses, benefits and share-based compensation for employees whose primary responsibilities relate to delivering user support

**f) Research and development expenses**

Research and development expenses consist primarily of employee-related costs for the Group's engineering, product, and design teams, and related other operational expenses. The Group expenses almost all of these costs as they are incurred.

**g) Business combinations**

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or a set of activities and assets are acquired. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

#### **h) Income tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty, if acceptance is considered not probable.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

*i. Investment allowances and similar tax incentives*

Companies within the Group may be entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure (e.g. the Research and Development Tax Incentive regime or other investment allowances). The Group accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that are carried forward as deferred tax assets.

**i) Leases**

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities representing obligations to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Group early adopted the 2020 Amendment to IFRS 16 (Covid-19-Related Rent Concessions), however it did not impact the consolidated financial statements of the Group.

**Right-of-use assets**

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date that the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the initial amount of the respective lease liability adjusted for lease payments made before the commencement date of the lease, plus initial direct costs incurred and estimated costs to bring the underlying asset back to its original state, less lease incentives received where applicable. Unless The Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term, as follows:

- Leased office space is depreciated over 10 years.

Right-of-use assets are subject to impairment review.

**Lease liabilities**

At the commencement date of the lease, the Group also recognises lease liabilities. Lease liabilities are measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.”

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset. The carrying amount of right-of-use assets are also remeasured to reflect this change in lease liabilities.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group and makes adjustments specific to the lease (e.g. term, country, currency and security).

#### **Short-term leases and leases of low-value assets**

The Group applies the recognition exemption for short-term leases (lease that have a lease term of 12 months or less) and leases of low-value assets. Low-value assets comprise storage leases and IT equipment and small items of office furniture. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group has elected to not separate lease and non-lease components, these components were accounted for as a single lease component.

The Group's leases do not impose covenants.

#### **j) Property, plant and equipment**

Property and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

After assets are placed into service, depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives. Property, plant and equipment are depreciated on a straight-line basis over their estimated useful economic lives, taking into account the residual value, as follows:

- Leasehold improvements are depreciated in 10 years.
- Fixture & Fittings are depreciated in 5 years
- IT equipment is depreciated in 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is Group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

**k) Intangible assets**

Acquired intangible assets other than goodwill comprise acquired developed technology and purchased brand and trademarks. At initial recognition, intangible assets acquired in a business combination are recognized at their fair value as of the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and impairment losses.

The Group recognises internal development costs as intangible assets only when the following criteria are met: the technical feasibility of completing the intangible asset exists, there is an intent to complete and an ability to use or sell the intangible asset, the intangible asset will generate probable future economic benefits, there are adequate resources available to complete the development and to use or sell the intangible asset, and there is the ability to reliably measure the expenditure attributable to the intangible asset during its development. Research expenditure and development expenditure that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Intangible assets with finite lives are typically amortised on a straight-line basis over their estimated useful lives, typically 5 years for technology and 5 to 10 years for acquired brands and trademarks, and are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least annually.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

**l) Goodwill**

Goodwill is the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed. Goodwill is tested annually for impairment, or more regularly if certain indicators are present. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or Groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes. If the recoverable amount is less than the carrying amount an impairment charge is determined. The Group believes reasonable estimates and judgments have been used in assessing the recoverable amounts.

**m) Segment information**

Operating segments are defined as components of the Group about which separate financial information is available that is evaluated regularly by the chief operating decision-maker, or decision-making Group, in deciding how to allocate resources and in assessing performance. The chief operating decision-maker is considered to be the Senior Leadership Team. The Group allocates resources and assesses performance on a consolidated basis and does not disaggregate its operations on either a product or geographical basis. the Group has concluded therefore that only one operating segment exists.

The Group's non-current assets are located primarily in the Netherlands.

**n) Impairment of non-financial assets**

The carrying values of property, plant and equipment and intangible assets other than goodwill are reviewed for impairment when events or changes in circumstance indicate the carrying value may be impaired. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or CGUs are written down to their recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are Grouped at the lowest levels for which there are largely independent cash inflows. Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal each reporting period.



**o) Trade receivables**

Trade receivables are recognized if the amount of consideration is unconditional. Trade receivables that contain significant financing components are initially measured at fair value plus transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price. Trade receivables are subsequently measured at amortized cost using the effective interest method, less any provision for impairment. See note 15 for further information about the Group's accounting for trade receivables for a description of the Group's impairment policies.

**p) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets**

*Initial recognition and measurement*

The Group classifies its financial assets, at initial recognition, in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when 1) the rights to receive cash flows from the financial assets have expired, or 2) the rights to receive cash flows from the financial assets have been transferred and the Group has transferred substantially all the risks and rewards of ownership or has transferred control of the asset.

The Group's financial assets are comprised of cash and cash equivalents and trade and other receivables and are held at amortised costs. Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

*Impairment of financial assets*

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where the Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

### **Financial liabilities**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, lease liabilities, and other liabilities, including preference shares. All financial liabilities except lease liabilities are recognised initially at fair value.

Trade and other payables amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value minus transaction costs and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### *Fair value measurements*

For financial assets and liabilities measured at fair value on a recurring basis, fair value is the price the Group would receive to sell an asset or pay to transfer a liability in an orderly transaction with a market participant at the measurement date. In the absence of active markets for identical assets or liabilities, such measurements involve developing assumptions based on market observable data and, in the absence of such data, internal information that is consistent with what market participants would use in a hypothetical transaction that occurs at the measurement date. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Group's market assumptions. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, are described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which inputs are based on quoted prices for identical or similar instruments in markets that are not active, quoted prices for similar instruments in active markets, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the asset or liability;
- Level 3: techniques which use inputs that have a significant effect on the recognized fair value that require the Group to use its own assumptions about market participant assumptions

The Group maintains policies and procedures to determine the fair value of financial assets and liabilities using what it considers to be the most relevant and reliable market participant data available. It is the Group's policy to maximise the use of observable inputs in the measurement of its Level 3 fair value measurements. To the extent observable inputs are not available, the Group utilises unobservable inputs based upon the assumptions market participants would use in valuing the asset or liability. In determining the fair value of financial assets and liabilities employing Level 3 inputs, the Group considers such factors as the current interest rate, equity market, currency and credit environments, expected future cash flows, the probability of certain future events occurring, and other published data. The Group performs a variety of procedures to assess the reasonableness of its fair value determinations including the use of third parties.

**q) Cash and cash equivalents**

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

**r) Preference shares**

Convertible preference shares are principally classified as compound financial instruments and separated into liability and equity components based on the terms of the contract. The Series A preference shares contain a demand feature, as a result of which the fair value of the liability component at initial recognition is the amount payable on demand. This amount was equal to the consideration received for the respective shares. As a result, no portion of the consideration received is allocated to the equity component.

Until August 2019, the preference shares were entitled to a preferred dividend of 4%, which was accrued over time to the liability component. As from August 2019, no preferred dividend accretes to the instruments.

Related transaction costs are expensed.

**s) Share capital**

Ordinary shares are classified as equity.

Equity instruments are initially measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

Upon any purchases of the company's equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the owners of WeRock as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of WeRock.

**t) Earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares (note 25).

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

**u) Share-based compensation**

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

#### *Equity-settled transactions*

The Group operates an equity-settled share-based payment plan, under which Group companies receive services from directors, employees and others providing similar services as consideration for equity instruments of the Company.

The total amount to be expensed for services received is determined by reference to the grant date fair value of the options granted under the plan. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the Group's best estimate of the number of options that will eventually vest, with a corresponding credit to equity. For options with graded-vesting features, each instalment of the award is treated as a separate grant, which means that each instalment is separately expensed over the related vesting period. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

#### *Cash-settled transactions*

A liability is recognised for the fair value of cash-settled transactions. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised in employee benefits expense. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The fair value is determined using a Monte Carlo Simulation model, further details of which are given in Note 24. The approach used to account for vesting conditions when measuring equity-settled transactions also applies to cash-settled transactions.

Information relating to the Group's equity-settled and cash-settled share-based payment plans are set out in Note 24.

### **v) Employee benefits**

#### *Short-term obligations*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

#### *Bonus plans*

The Group recognises a liability and an expense for bonuses based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

#### *Pension obligations*

The Group operates a defined contribution pension scheme. A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as a personnel expense in profit or loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

#### **w) Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand currency units unless otherwise stated.

### **3 Critical accounting estimates and judgments**

The preparation of the consolidated financial statements requires management to make judgments, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, and equity in the consolidated financial statements and the accompanying disclosures. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The areas where assumptions and estimates are significant to the consolidated financial statements are:

- (i) The Group measures the cost of equity-settled and cash-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. For cash settled plans a liability is recognised for the fair value of the cash-settled transactions, which is remeasured at each reporting date up. Fair value has been estimated using a model, which requires the determination of the appropriate inputs, specifically ordinary share price. The assumptions and models used for estimating the fair value of share-based compensation transactions are disclosed in Note 24.
- (ii) The Company has a long-term incentive plan for selected employees (refer to Notes 24 and 27). The awards will vest upon the completion of an Exit event. As at 31 December 2020, the Company did not consider it probable that an Exit event would take place, as a result no expenses or liabilities have been recognised for this long-term incentive plan in the financial statements for 2020.
- (iii) The Group issued Series A preferred shares which are convertible at any time into a fixed number of ordinary shares and also entitle the holders to distributions on an as converted basis similar to ordinary shareholders. The Series A preferred shares are convertible into ordinary shares on the basis of one ordinary share for each Series A preferred share held. Upon conversion, the Group has an obligation to pay the remaining unpaid Series A Base amount and the Series A preferred return to the concerned series A preferred shareholders, to the extent sufficient reserves are available. The preference shares contain a demand feature, as a result the fair value of the liability component is the amount payable on demand, which is equal to the consideration received. As a result, no portion of the consideration received is allocated to the equity component. The Group has measured the liability component at inception at fair value. Following initial recognition, the liability component is subsequently measured at amortised cost. See Note 18.
- (iv) Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from budgets and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group.

- (v) In business combinations, the Group allocates the fair value of purchase consideration to the tangible assets acquired, liabilities assumed, and intangible assets acquired based on their estimated fair values. The excess of the fair value of purchase consideration over the fair values of these identified assets and liabilities is recorded as goodwill. Such valuations require management to make significant estimates, assumptions, and judgments, especially with respect to intangible assets and contingent consideration. See Note 10.
- (vi) The Group has recognized deferred tax assets. See Note 20.
- (vii) In 2018, the Company acquired the net assets and activities of FiftyThree Inc (refer to Note 10). The Group subsequently performed an impairment test as at 31 December 2018, concluding that the fair value of the goodwill and intangibles assets acquired were below the carrying value, indicating an impairment of goodwill and other assets acquired. The revenues generated in relation to Paper and Paste were not as significant as initially anticipated by management and the overall objective of providing customers with an expanded suite of services had not come to fruition.
- (viii) The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation as no observable rates are available (as the Group did not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the entity's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the Group's credit rating).
- (ix) The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset). See Note 19.
- (x) The Group expenses research and development costs incurred based on management's judgement that the criteria for capitalisation as prescribed by IAS 38 Intangible Assets have not been met.
- (xi) The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.



#### 4 Revenue

The following table presents the Group's revenue, disaggregated by primary geographical market, timing of revenue recognition and major revenues streams categories. All revenue is generated from the Group's single operating segment.

	2020 (€'000)	2019 (€'000)	2018 (€'000)
<b>Type of service</b>			
Advertisements .....	30,341	28,176	18,852
Subscriptions .....	34,680	23,957	18,962
<b>Total revenue from contracts with customers .....</b>	<b>65,021</b>	<b>52,133</b>	<b>37,814</b>
<b>Geographical markets</b>			
United States .....	19,180	13,891	8,898
Europe .....	33,042	27,112	20,680
Rest of the world .....	12,799	11,130	8,236
<b>Total revenue from contracts with customers .....</b>	<b>65,021</b>	<b>52,133</b>	<b>37,814</b>
<b>Timing of revenue recognition</b>			
Services transferred at a point in time .....	30,341	28,176	18,852
Services transferred over time .....	34,680	23,957	18,962
<b>Total revenue from contracts with customers .....</b>	<b>65,021</b>	<b>52,133</b>	<b>37,814</b>

Contract balances are as below:

Revenue generated in the Netherlands for the year ended 31 December 2020 was €3.1 million (2019: €2.4 million, 2018: €1.6 million).

	2020 (€'000)	2019 (€'000)	2018 (€'000)	As at 1 January 2018 (€'000)
<b>Current balances</b>				
Trade receivables .....	10,488	7,708	4,608	3,885
Contract assets .....	3,564	3,697	3,832	1,134
Contract liabilities .....	(10,488)	(8,584)	(6,966)	(6,084)
	<b>3,564</b>	<b>2,821</b>	<b>1,474</b>	<b>(1,065)</b>

The Group presents contract assets and contract liabilities separately. Contract assets includes the accrued income Related to Advertisements. Accrued income represents services rendered which have not fully been processed and invoiced. This is short term in nature and is recognised as revenue in current year.

Contract liabilities mainly includes deferred revenue related to monthly and annual subscriptions invoiced in advance which are not fully completed per period end. The contract liabilities are recognised as revenue once the services are completed, usually within one to twelve months following the period end. The movement in contract liabilities in the period mainly results from new amounts being deferred, where the billing is advance of satisfaction of the related performance obligation, and amounts being recognised as revenue, where performance obligations have been satisfied. Revenue for the year ended 31 December 2020 includes €8.6 million (31 December 2019: €7.0 million, 2018: €6.1 million) which was included in contract liabilities at the beginning of the year. Contract liabilities increases for the year ended 31 December 2020 due to a rise in subscription customers.

Revenue allocated to remaining performance obligations represents contracted revenue will be recognised in future periods. The remaining revenue allocated to future performance obligations for the year ended 31 December 2020 was €10.7 million (2019: €8.7 million, 2018: €7.9 million). All revenue allocated to remaining performance obligations is expected to be recognised over the next 12 months.

**5 Breakdown of expenses by nature**

Profit from operations stated after charging:

	Notes	2020 (€'000)	2019 (€'000)	2018 (€'000)
Impairment of goodwill and intangible assets	10	—	—	8,576
Amortisation of intangible assets	11	32	—	—
Depreciation of right-of-use assets	19	473	394	207
Depreciation of property, plant and equipment	12	354	298	483
		<b>859</b>	<b>692</b>	<b>9,266</b>

The impairment of goodwill and intangible assets is included in General and administrative expenses.

**6 Other income / expenses**

An analysis of other income / (expenses) is set out below:

	2020 (€'000)	2019 (€'000)	2018 (€'000)
Other income / (expenses)	(2,437)	183	471
	<b>(2,437)</b>	<b>183</b>	<b>471</b>

Other income / (expenses) consists of other non-operating gains or losses, including those related to foreign currency transaction gains and losses. Other expenses increased during the year ended 31 December 2020, as compared to the years ended 31 December 2019 and 2018, primarily due to foreign currency transaction losses.

**7 Finance expense**

An analysis of finance expense is set out below:

	2020 (€'000)	2019 (€'000)	2018 (€'000)
Interest expense	45	47	28
Interest on lease liabilities	9	7	4
Interest on preference shares	—	532	877
	<b>54</b>	<b>586</b>	<b>909</b>

**8 Staff costs**

Staff costs relating to employees (including Executive Directors) are shown below:

	2020 (€'000)	2019 (€'000)	2018 (€'000)
Wages and salaries	16,813	13,992	9,723
Benefits, insurance, and payroll taxes	6,580	5,074	4,766
Pension costs	178	179	29
Cost of employee share schemes (Share-based payments section)	1,896	1,128	681
	<b>25,467</b>	<b>20,373</b>	<b>15,199</b>

The number of persons (including Executive Directors) employed by the Group at each year end was as follows:

	2020	2019	2018
Delivery of user support	15	10	10
Research and development	89	77	73
Selling and marketing	71	60	45
General and administrative	27	31	17
	<b>202</b>	<b>178</b>	<b>145</b>

## 9 Income tax expense

This note provides an analysis of the Group's income tax expense, and shows what amounts are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Group's tax position.

	2020 (€'000)	2019 (€'000)	2018 (€'000)
<b>a) Income Tax Expenses</b>			
Current tax			
Current tax on profits for the year	2,539	1,770	1,057
<b>Total current tax expense</b>	<b>2,539</b>	<b>1,770</b>	<b>1,057</b>
Deferred income tax			
Decrease/(increase) in deferred tax assets	212	274	(1,617)
<b>Total deferred tax expense/(benefit)</b>	<b>212</b>	<b>274</b>	<b>(1,617)</b>
<b>Income tax expense</b>	<b>2,751</b>	<b>2,044</b>	<b>(560)</b>

## b) Reconciliation of the total tax charge

	2020 (€'000)	2019 (€'000)	2018 (€'000)
Profit before income tax expense	<b>13,565</b>	<b>9,887</b>	<b>(3,496)</b>
Tax at tax rate of 25% (2019 – 25%, 2018 – 25%)	3,391	2,472	(874)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:			
Non-deductible expenses	504	460	399
Adjustments in respect of prior years	11	(30)	—
Innovation incentives	(1,121)	(734)	(424)
Differing tax rates	(28)	(235)	367
Sundry items	(6)	111	(28)
<b>Income tax expense</b>	<b>2,751</b>	<b>2,044</b>	<b>(560)</b>

Non-deductible expenses relate primarily to the impact of the Company's employee share option plan and interest accrued in connection with the Series A preference shares.

## 10 Business combinations

On 28 July 2018 the Group acquired the trade and assets of FiftyThree Inc. This represented the software assets of the creative apps Paper (an immersive sketching app) and Paste (a presentation tool for fast-moving teams). With this acquisition, the Group expanded its suite of tools for creatives and provided added focus on the Group's vision of creating tools to move ideas.

The fair values of the identifiable assets and liabilities of FiftyThree Inc as at the date of acquisition were:

	Fair value recognised on acquisition (€'000)
Technology	3,544
Brand and trademarks	92
Trade and other receivables	9
<b>Total identifiable net assets at fair value</b>	<b>3,645</b>
Goodwill arising on acquisition	4,941
<b>Purchase consideration transferred</b>	<b>8,586</b>

The goodwill recognised is primarily attributed to the expected benefits from the combined assets and activities of FiftyThree Inc.

The net consideration of €8.6 million was settled in cash. The immaterial associated transaction costs were expensed and are included in General and administrative expenses.

The Group subsequently performed an impairment test in the year ended 31 December 2018. As at 31 December 2018, the fair value of the goodwill and intangibles assets acquired were concluded to be below carrying value, indicating a potential impairment of goodwill and impairment of the assets. The revenues generated in relation to Paper and Paste were not as significant as initially anticipated by management and the overall objective of providing customers with an expanded suite of services had not come to fruition.

The recoverable amount of the goodwill and acquired intangible assets were determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management. As a result of the analysis, the goodwill and acquired intangible assets were impaired to nil for the year ended 31 December 2018.

## 11 Intangible assets

	Acquired technology (€'000)	Purchased brand and trademarks (€'000)	Goodwill (€'000)	Software (€'000)	Total (€'000)
<b>Cost</b>					
<b>At January 2018</b> .....	—	—	—	—	—
Acquired through business combinations .....	3,544	92	4,941	—	8,577
<b>At 31 December 2018</b> .....	<b>3,544</b>	<b>92</b>	<b>4,941</b>	—	<b>8,577</b>
Additions .....	—	—	—	—	—
<b>At 31 December 2019</b> .....	<b>3,544</b>	<b>92</b>	<b>4,941</b>	—	<b>8,577</b>
Additions .....	—	—	—	238	238
<b>At 31 December 2020</b> .....	<b>3,544</b>	<b>92</b>	<b>4,941</b>	<b>238</b>	<b>8,815</b>
<b>Amortisation</b>					
<b>At January 2018</b> .....	—	—	—	—	—
Impairment .....	(3,544)	(92)	(4,941)	—	(8,577)
<b>At 31 December 2018</b> .....	<b>(3,544)</b>	<b>(92)</b>	<b>(4,941)</b>	—	<b>(8,577)</b>
Charge for the year .....	—	—	—	—	—
<b>At 31 December 2019</b> .....	<b>(3,544)</b>	<b>(92)</b>	<b>(4,941)</b>	—	<b>(8,577)</b>
Charge for the year .....	—	—	—	(31)	(31)
<b>At 31 December 2020</b> .....	<b>(3,544)</b>	<b>(92)</b>	<b>(4,941)</b>	<b>(31)</b>	<b>(8,608)</b>
<b>Net book value as at 1 January 2018</b> .....	—	—	—	—	—
<b>Net book value as at 31 December 2018</b> .....	—	—	—	—	—
<b>Net book value as at 31 December 2019</b> .....	—	—	—	—	—
<b>Net book value as at 31 December 2020</b> .....	—	—	—	<b>207</b>	<b>207</b>

Software is depreciated on a straight-line basis over estimated useful economic life of 5 years. If the expected amortisation method or useful economic life are subject to changes over time, they are treated as a change in accounting estimate.

**12 Property, plant and equipment**

	Machinery (€'000)	Fixtures and fittings (€'000)	Leasehold improvements (€'000)	Hardware (€'000)	Assets under construction (€'000)	Total (€'000)
<b>Cost</b>						
<b>At January 2018</b> .....	<b>12</b>	<b>315</b>	<b>511</b>	<b>317</b>	—	<b>1,156</b>
Additions .....	—	138	1,073	149	—	1,360
Acquired through business combinations .....	—	—	—	—	—	—
Foreign exchange differences .....	—	5	—	1	—	6
Disposals .....	—	(49)	—	(2)	—	(51)
<b>At 31 December 2018</b> .....	<b>12</b>	<b>409</b>	<b>1,584</b>	<b>465</b>	—	<b>2,470</b>
Additions .....	—	42	92	188	65	388
Foreign exchange differences .....	—	3	(1)	1	—	4
Disposals .....	(12)	(1)	(3)	(5)	—	(21)
<b>At 31 December 2019</b> .....	—	<b>453</b>	<b>1,673</b>	<b>649</b>	<b>65</b>	<b>2,840</b>
Additions .....	—	68	219	196	—	483
Foreign exchange differences .....	—	(13)	10	(11)	—	(14)
Disposals .....	—	—	—	(3)	(65)	(69)
<b>At 31 December 2020</b> .....	—	<b>508</b>	<b>1,902</b>	<b>831</b>	—	<b>3,241</b>
<b>Depreciation</b>						
<b>At January 2018</b> .....	<b>(3)</b>	<b>(85)</b>	<b>(228)</b>	<b>(104)</b>	—	<b>(420)</b>
Charge for the year .....	(9)	(79)	(324)	(71)	—	(483)
Impairment .....	—	(1)	—	—	—	(1)
Foreign exchange differences .....	—	—	—	—	—	—
Released on disposal .....	—	32	—	1	—	33
<b>At 31 December 2018</b> .....	<b>(12)</b>	<b>(133)</b>	<b>(552)</b>	<b>(174)</b>	—	<b>(871)</b>
Charge for the year .....	—	(84)	(110)	(103)	—	(298)
Impairment .....	—	(1)	—	—	—	(1)
Foreign exchange differences .....	—	—	—	—	—	—
Released on disposal .....	12	1	—	5	—	18
<b>At 31 December 2019</b> .....	—	<b>(217)</b>	<b>(663)</b>	<b>(273)</b>	—	<b>(1,153)</b>
Charge for the year .....	—	(89)	(131)	(132)	—	(352)
Foreign exchange differences .....	—	7	—	(6)	—	1
Released on disposal .....	—	—	—	3	—	3
<b>At 31 December 2020</b> .....	—	<b>(298)</b>	<b>(793)</b>	<b>(408)</b>	—	<b>(1,500)</b>
<b>Net book value as at 1 January 2018</b> ....	<b>9</b>	<b>231</b>	<b>283</b>	<b>214</b>	—	<b>736</b>
<b>Net book value as at 31 December 2018</b> .....	—	<b>276</b>	<b>1,032</b>	<b>291</b>	—	<b>1,599</b>
<b>Net book value as at 31 December 2019</b> .....	—	<b>236</b>	<b>1,010</b>	<b>376</b>	<b>65</b>	<b>1,688</b>
<b>Net book value as at 31 December 2020</b> .....	—	<b>210</b>	<b>1,107</b>	<b>422</b>	—	<b>1,740</b>

**13 Investments**

The Group's principal subsidiaries as at 31 December 2020 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business/ country of incorporation	Ownership interest held by the Group		
		2020	2019	2018
Wetransfer B.V. ....	Amsterdam	100%	100%	100%
WeTransferCorporated .....	Los Angeles	100%	100%	100%

**14 Other non-current assets**

An analysis of other non-current assets is set out below:

	2020 (€'000)	2019 (€'000)	2018 (€'000)	As at 1 January 2018 (€'000)
Amazon prepayments cloud . . . . .	1,580	21	428	929
	<b>1,580</b>	<b>21</b>	<b>428</b>	<b>929</b>

The prepayment relating to Amazon cloud has a maturity of 31 October 2023.

**15 Trade and other receivables**

An analysis of trade and other receivables is set out below:

	2020 (€'000)	2019 (€'000)	2018 (€'000)	As at 1 January 2018 (€'000)
<b>Current</b>				
Trade receivables . . . . .	10,488	7,708	4,608	3,885
Prepayments and other receivables . . . . .	3,294	2,752	3,834	1,459
	<b>13,782</b>	<b>10,460</b>	<b>8,442</b>	<b>5,344</b>

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 45 days and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional. Management considers that the carrying amount of trade and other receivables approximates their fair value.

As at 31 December 2020, the provision for impairment of receivables was €0.1million (2019: €1.0 million, 2018: €0.5 million). Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 180 days past due.

Impairment losses on trade receivables are presented within general and administrative expenses. Subsequent recoveries of amounts previously written off are credited against the same line item.

**16 Cash and cash equivalents**

An analysis of the Group's cash and cash equivalents balances is set out below:

	2020 (€'000)	2019 (€'000)	2018 (€'000)	As at 1 January 2018 (€'000)
<b>Current assets</b>				
Cash at bank . . . . .	25,544	12,119	6,241	12,865
	<b>25,544</b>	<b>12,119</b>	<b>6,241</b>	<b>12,865</b>

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours' notice with no loss of interest.



**17 Trade and other payables**

	2020 (€'000)	2019 (€'000)	2018 (€'000)	As at 1 January 2018 (€'000)
<b>Current liabilities</b>				
Trade payables	3,506	2,155	1,081	2,059
Social security, employee taxes and sales taxes	1,082	613	265	547
Accruals	3,787	2,344	926	644
Other payables	3	244	2,404	191
	<b>8,378</b>	<b>5,356</b>	<b>4,676</b>	<b>3,441</b>

Trade payables are non-interest bearing and are normally settled on terms of between 30 and 60 days. Social security, employee taxes and sales taxes are non-interest bearing and are normally settled on terms of 30 days. Management considers that the carrying amount of trade and other payables approximates their fair value.

Accruals balance primarily relates to various payroll-related items such as accrued payroll and bonuses, accrued commissions, and accrued vacation. Trade payables are unsecured and are usually paid within 30 days of recognition.

**18 Preference shares**

At 31 December 2020, 2019 and 2018, there were 11,577,993 Series A preference shares in issue. Each share has a par value of €0.001 and is convertible at the option of the shareholders into ordinary shares of the parent of the Group either at notice of the shareholder or at the event of a Listing or a Sale ('Exit event' or 'Exit') on the basis of one ordinary share for each preference share held. The shares were entitled to dividends at the rate of 4% per annum, until August 2019 when the preferred return was amended to a fixed return amount of €3.5 million. The preference shares rank ahead of the ordinary shares in the event of a liquidation.

The Series A preference shares contain a demand feature and as a result the fair value of the liability component is the amount payable on demand, which is equal to the consideration received. Therefore, no portion of the consideration received is allocated to the equity component.

The Group initially measured the liability component at inception at fair value. Following initial recognition, the liability is subsequently measured at amortised cost, with an expense recognised within finance costs. Following the modification of the Series A Preference shares in August 2019, no additional interest has been accrued in respect of the liability.

	2020 (€'000)	2019 (€'000)	2018 (€'000)	As at 1 January 2018 (€'000)
Series A preference shares liability	23,358	23,358	22,826	21,948
	<b>23,358</b>	<b>23,358</b>	<b>22,826</b>	<b>21,948</b>

**19 Leases****a) Background**

The Group has lease contracts for office space. Leases of office space have lease terms between 3 and 5 years. As at 31 December 2020, the Group had entered into lease contracts as a lessee for offices in the Netherlands, United Kingdom and United States of America, storage units and service printers. The Group applies the optional exemptions under IFRS 1 (refer to note 27) and therefore the storage units and services printers are included in the operating expenses as straight-lined lease expenses, as there are low-value leases. One office lease in the Netherlands is a short-term lease and is also included in the operating expenses. The Group does not have any lease contracts that include variable payments.

**b) Right-of-use assets**

Set out below are the carrying amounts of the Group's right-of-use assets and the movements during the period:

	<u>Buildings</u>
<b>As at 1 January 2018</b> .....	<b>190</b>
Additions .....	1,305
Modification .....	—
Depreciation expense .....	(207)
<b>As at 31 December 2018</b> .....	<b>1,288</b>
Additions .....	—
Modification .....	280
Depreciation expense .....	(394)
<b>As at 31 December 2019</b> .....	<b>1,174</b>
Additions .....	277
Modification .....	—
Depreciation expense .....	(473)
<b>As at 31 December 2020</b> .....	<b>978</b>

The right-of-use asset comprises of leasehold buildings used as office premises. The additions and modifications to right-of-use asset is on account of new leases or exercise of lease extension option by the Group.

**c) Lease liabilities**

Set out below are the Group's lease liabilities are the carrying amounts and movements during the period:

	<u>Buildings</u>
<b>As at 1 January 2018</b> .....	<b>190</b>
Additions .....	1,305
Accretion of interest .....	4
Payments .....	(175)
Modification .....	—
Exchange adjustment .....	—
<b>As at 31 December 2018</b> .....	<b>1,324</b>
Additions .....	—
Accretion of interest .....	7
Payments .....	(386)
Modification .....	281
Exchange adjustment .....	—
<b>As at 31 December 2019</b> .....	<b>1,226</b>
Additions .....	278
Accretion of interest .....	9
Payments .....	(428)
Modification .....	—
Exchange adjustment .....	—
<b>As at 31 December 2020</b> .....	<b>1,085</b>

Lease liabilities are remeasured when a change to future contractual cash flows is identified.

**d) Income statement impact**

The following are the amounts recognised in profit or loss for the property leases:

	2020 (€'000)	2019 (€'000)	2018 (€'000)
Low-value lease expense	7	7	7
Short-term lease expense	—	—	45
Depreciation expense on right-of-use assets	473	394	207
Interest on lease liabilities	9	7	4
Total amount recognised in statement of comprehensive income	<u>489</u>	<u>408</u>	<u>263</u>

The Group had total cash outflows for leases of €0.4 million in the year ended 31 December 2020 (2019: €0.3 million, 2018: €0.2 million).

**20 Deferred tax**

Movements	Intangible assets (€'000)	Lease liabilities (€'000)	Right-of-use assets (€'000)	Total (€'000)
<b>At 1 January 2018</b>	—	<b>40</b>	<b>(40)</b>	—
(Charged)/credited to income statement	1,610	232	(224)	1,617
<b>At 31 December 2018</b>	<u><b>1,610</b></u>	<u><b>272</b></u>	<u><b>(264)</b></u>	<u><b>1,617</b></u>
(Charged)/credited to income statement	(278)	(7)	11	(274)
<b>At 31 December 2019</b>	<u><b>1,332</b></u>	<u><b>265</b></u>	<u><b>(253)</b></u>	<u><b>1,343</b></u>
(Charged)/credited to income statement	(226)	(10)	24	(212)
<b>At 31 December 2020</b>	<u><b>1,106</b></u>	<u><b>254</b></u>	<u><b>(229)</b></u>	<u><b>1,131</b></u>

	2020 (€'000)	2019 (€'000)	2018 (€'000)
Deferred tax assets	<u>1,131</u>	<u>1,343</u>	<u>1,617</u>

Deferred tax assets have been recognised because it is probable that these assets will be recovered. Each of these assets are reviewed to ensure there is sufficient evidence to support their recognition.

Deferred tax assets and liabilities are only offset where there is a legally enforceable right of offset and there is an intention to settle the balances net.

In 2018, the Dutch government substantively enacted a law reducing the tax rate from 25% in phases to 20.5% from 1 January 2021. In 2019, a law was substantively enacted which changed the rate from 1 January 2021 to 21.7%; and in 2020, a law was substantively enacted cancelling the previously enacted reductions and restoring the rate for 2021 to 25%. The deferred tax balances have been recorded at the substantively enacted rate at each balance sheet date.

**21 Share capital and reserves**

	2020 (€'000)	2019 (€'000)	2018 (€'000)
<b>Share Capital</b>			
Allotted, called-up and fully paid	13	13	9
Founder preference shares	—	—	4
Series A preference shares	<u>12</u>	<u>12</u>	<u>12</u>
<b>Total share capital</b>	<u><b>25</b></u>	<u><b>25</b></u>	<u><b>25</b></u>

*Movement in ordinary shares*

	Number of shares	Par value (€'000)
<b>As at January 1, 2018</b> .....	9,262,000	9
Changes in ordinary shares during the year .....	—	—
<b>As at December 31, 2018</b> .....	<b>9,262,000</b>	<b>9</b>
Conversion of founder preference shares to ordinary shares .....	4,168,000	4
<b>As at December 31, 2019</b> .....	<b>13,430,000</b>	<b>13</b>
Changes in ordinary shares during the year .....	—	—
<b>As at December 31, 2020</b> .....	<b>13,430,000</b>	<b>13</b>

Ordinary shares have a par value of € 0.001. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held. These rights are subject to the prior entitlements of the Series A preference shares and Founder preference shares. The Series A preference shares are classified as compound financial instruments. For more details refer to note 18.

Share premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with Dutch law.

The company held 1,168,447 treasury shares with a total value of €5,433,279 at the balance sheet date. Movements in treasury shares or treasury depository receipts for shares held by, or on behalf of, the company or its subsidiaries for its own account. These treasury shares or depository receipts thereof have been acquired in 2019 from minority shareholders.

*Movement in preference shares*

	Founder preference shares	Series A preference shares	Par value (€'000)
<b>As at January 1, 2018</b> .....	4,168,000	11,577,993	16
Changes in ordinary shares during the year .....	—	—	—
<b>As at December 31, 2018</b> .....	<b>4,168,000</b>	<b>11,577,993</b>	16
Conversion of founder preference shares to ordinary shares .....	4,168,000	—	(4)
<b>As at December 31, 2019</b> .....	—	<b>11,577,993</b>	<b>12</b>
Changes in ordinary shares during the year .....	—	—	—
<b>As at December 31, 2020</b> .....	—	<b>11,577,993</b>	<b>12</b>

The Founder preference shares ('FPS') were entitled to repayment of Founder preference shares base amount and Founder preferred return of 4%. The repayment of FPS base amount and preferred return had priority over distribution of profits over ordinary shares and Series A preference shares ('SAPS'). The FPS base amount and preferred return was repaid in April 2016. Following the repayment, FPS had the same rights as ordinary shares. In August 2019 outstanding FPS were converted into ordinary shares.

The SAPS are entitled to repayment of SAPS base amount (€19,852,500) and SAPS preferred return (€3,505,769) and are fully convertible into ordinary shares at the holder's discretion as well as upon certain events. As a result, SAPS qualify as compound financial instruments. For more details refer to note 18. The SAPS preferred return was 4% until August 2019, when this was amended to a fixed amount of €3.5 million. The repayment of SAPS base amount and preferred return has priority over distribution of profits after dues of Founder preference shareholder have been repaid. In addition to the priority in payments, the Series A preference shares are entitled to dividend on an as converted basis.

Other reserves consist of the following:

*Share-based payments*

The share-based payments reserve is used to recognise:

- the grant date fair value of options issued to employees but not exercised
- the grant date fair value of shares issued to employees
- the grant date fair value of deferred shares granted to employees but not yet vested
- the issue of shares to employees.

Information relating to the Employee Share Option plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 24.

*Foreign currency translation*

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

## 22 Financial risk management

The Group's risk management is controlled centrally under policies approved by the Senior Leadership Team. The Group identifies, evaluates and manages financial risks with reference to written principles for overall risk management as provided by the Senior Leadership Team. Specific policies are also in place covering areas such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

The Group's principal financial instruments comprise cash and short-term deposits. The Group has various other financial assets and liabilities primarily trade receivables and trade payables, which arise directly from its operations. The Group holds the following financial instruments:

	2020 (€'000)	2019 (€'000)	2018 (€'000)	As at 1 January 2018 (€'000)
<b>Financial Assets</b>				
Trade receivables	10,488	7,708	4,608	3,885
Other receivables	238	210	566	608
Cash and cash equivalents	25,544	12,119	6,241	12,865
<b>Financial Liabilities</b>				
Trade payables	3,506	2,155	1,081	2,059
Other payables	3	244	2,404	191
Lease liabilities	1,085	1,226	1,324	190
Preference shares	23,358	23,358	22,826	21,948

The fair value of the trade receivables and payables approximates to their carrying value due to the short-term nature of the financial instruments. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

*Fair value hierarchy*

There were no transfers between levels. The Group's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

**Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

It is, and has been throughout the period under review, the Group's policy that no speculative trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are market risk, credit risk and liquidity risk. The Senior Leadership Team reviews and agrees policies for managing such risks on a regular basis as summarised below:

**a) Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, will affect the Group's future cash flows or the fair value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

*Foreign exchange risk*

Foreign currency risk management occurs at a transactional level on purchases in foreign currencies and at a translational level in relation to the translation of overseas operations. The Group operates internationally and is exposed to foreign exchange risk, primarily the US dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant Group entity. All transactional risks are reviewed by the management, at least quarterly, to monitor foreign exchange rates and review exposures to foreign exchange risk. The total net foreign exchange gains/losses recognised in other income / (expenses) during the period was a loss of €2.4 million (2019: gain of €0.2 million; 2018: gain of €0.5 million).

*Exposure*

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Euros, was as follows:

	€ €'000	2020 USD €'000	Other €'000	€ €'000	2019 USD €'000	Other €'000	€ €'000	2018 USD €'000	Other €'000
Trade receivables . . . . .	3,849	4,407	2,232	3,131	4,100	477	2,172	2,160	277
Cash and cash equivalents . . . . .	12,015	11,421	2,108	4,948	5,235	1,936	2,763	3,209	269
Trade payables . . . . .	113	3,361	32	1,085	981	88	329	537	214
Lease liabilities . . . . .	772	90	223	1,002	224	—	1,255	70	—

*Sensitivity*

The group is primarily exposed to changes in EUR/USD exchange rates. In the period, the US dollar strengthened against the Euro by 9.68% with the closing rate at 1:0.81 as at 31 December 2020 compared with 1:0.89 as at 31 December 2019 and 1:0.87 as at 31 December 2018. The sensitivity of profit or loss to changes in the exchange rates arises mainly from US dollar-denominated financial instruments.

	Impact on post-tax profit (€'000)		
	2020 (€'000)	2019 (€'000)	2018 (€'000)
US/EUR exchange rate – increase 5% . . . . .	393	199	145
US/EUR exchange rate – decrease 5% . . . . .	(436)	(313)	(162)

**b) Credit risk**

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables.



Credit risk is managed on a Group basis. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

The Group trades only with recognised, creditworthy third parties and provides credit to customers in the normal course of business. The amounts presented in the consolidated balance sheet are net of allowances for doubtful receivables. Expected credit loss allowances are made against trade receivables based on credit risk characteristics. The Group has credit control functions to monitor receivable balances on an ongoing basis. Credit checks are performed before credit is granted to new customers. Due to the credit control procedures in place, the Group believes all the receivables are of good quality. The Group has no significant concentration of credit risk, with exposure spread over a large number of customers. The maximum exposure to credit risk is represented by the carrying amount of each financial asset. The exposure to credit risk is mitigated where necessary by either letters of credit or payments in advance. No single customer accounts for 10% or more of the Company's revenues

The Group does not require collateral in respect of its financial assets.

The Group holds trade receivables and contracts assets, which are subject to the expected credit loss model. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

**c) *Liquidity risk***

The Group manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecast and actual cash flows and matching the maturity of financial assets and liabilities. At the end of the reporting period, the Group held cash and cash equivalents of €25.5 million (2019: €12.1 million; 2018: €6.2 million) can be used to manage short-term liquidity risk.

The table below analyses the Group's financial liabilities, which will be settled on a net basis, into relevant maturity Groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows, so balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year €'000	Between 1 and 3 years €'000	Over 3 years €'000	Total €'000
<b>Contractual maturities of financial liabilities At 31 December 2020</b>				
Preference shares liability	23,358	—	—	23,358
Other amounts payable	3	—	—	3
Trade and other payables	3,506	—	—	3,506
Lease liabilities	414	654	—	1,068
	<u>27,281</u>	<u>654</u>	<u>—</u>	<u>27,935</u>
	Less than 1 year €'000	Between 1 and 3 years €'000	Over 3 years €'000	Total €'000
<b>Contractual maturities of financial liabilities At 31 December 2019</b>				
Preference shares liability	23,358	—	—	23,358
Other amounts payable	244	—	—	244
Trade and other payables	2,155	—	—	2,155
Lease liabilities	379	855	—	1,234
	<u>26,136</u>	<u>855</u>	<u>—</u>	<u>26,991</u>
	Less than 1 year €'000	Between 1 and 3 years €'000	Over 3 years €'000	Total €'000
<b>Contractual maturities of financial liabilities At 31 December 2018</b>				
Preference shares liability	22,826	—	—	22,826
Other amounts payable	2,404	—	—	2,404
Trade and other payables	1,081	—	—	1,081
Lease liabilities	332	789	214	1,335
	<u>26,643</u>	<u>789</u>	<u>214</u>	<u>27,646</u>
	Less than 1 year €'000	Between 1 and 3 years €'000	Over 3 years €'000	Total €'000
<b>Contractual maturities of financial liabilities At 1 January 2018</b>				
Preference shares liability	21,948	—	—	21,948
Other amounts payable	35	—	—	35
Trade and other payables	2,059	—	—	2,059
Lease liabilities	122	71	—	193
	<u>24,164</u>	<u>71</u>	<u>—</u>	<u>24,235</u>

#### d) Capital management

The Company's objective when managing capital is to maintain a flexible capital structure that optimizes the cost and availability of capital at acceptable risk. For the purpose of the Group's capital management, capital includes shareholders' equity, preference shares, credit facilities and cash. The terms of the preference shares which are presented as financial liabilities in the consolidated balance sheet, enable to Company to manage its financing cash outflows in line with the growth of the operations of the Company, while maintaining an acceptable risk for the Company's stakeholders.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure for make it fit for the anticipated growth of the Company, the Group may issue new shares.

#### e) Interest rate risk

The Group has an exposure to interest rate risk arising from financial liabilities. Where possible, the Group seeks to fix these rates. As at the year ended 31 December 2020, 2019 and 2018 all of the Group's financial liabilities

were held at fixed rates and so there is limited exposure to interest rate risk arising as a result of an unexpected interest rate changes on variable rate instruments which could negatively affect the Group's results, cash flows and equity.

## 23 Related party transactions

Transactions between Werock B.V. and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

### a) Key management personnel compensation

Payroll and other costs of key management personnel is shown below:

	2020 (€'000)	2019 (€'000)	2018 (€'000)
Short-term employee benefits . . . . .	2,638	1,830	1,163
Post-employment benefits . . . . .	10	8	2
Management fees . . . . .	—	529	1,243
Share-based payments . . . . .	371	198	232
	<b>3,019</b>	<b>2,565</b>	<b>2,639</b>

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

Key management personnel is defined as “those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity”. The term ‘key management personnel’ includes both directors and persons who are not appointed directors, but whose activities encompass duties normally carried out by directors. Where management commentary refers to managers by name, management should consider whether this indicates that they are key managers.

In the years ended 31 December 2019 and 2018, management fees represent salary payments to key management personnel paid via intermediary companies. During the year ended 31 December 2019 the Group changed their key management compensation policy and moved all key management personnel onto the main payroll.

### b) Transactions with other related parties

The following transactions occurred with related parties:	2020 (€'000)	2019 (€'000)	2018 (€'000)
Purchases of goods and services . . . . .	2	8	9
Interest on preference shares . . . . .	—	532	878
	<b>2</b>	<b>540</b>	<b>887</b>

The purchase of goods and services relates to management fees charged to the Group by Highland Europe Technology Growth LP. Highland Europe Technology Growth LP have a 57.59% stake in Werock B.V. therefore this is considered a related party transaction. The purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Highland Europe Technology Growth LP is also the holder of 100% of the Series A Preference shares. As at the year ended 31 December 2020, the liability due to Highland Europe Technology Growth LP in respect of the Series A Preference shares was €23.4 million (2019: €23.4 million, 2018: €22.8 million).

## 24 Share-based payments

The Company introduced an employee share option plan for employees in 2016. Under this plan, the Company grants options on ordinary shares, which can only be exercised in the case of an Exit event. In general, every option grant has a 4-year vesting period with a one-year cliff. So after one year 25% will have vested and the

remainder vests monthly for 1/36 over a period of 3 years. If an employee leaves the Company on good terms, the vested options remain with the employee.

In total 4,765,276 options can be granted under the Company's stock option pool. The movements in the number of options outstanding and their related weighted average exercise prices are as follows:

	2020		2019		2018	
	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price	Number of Options
Outstanding at 1 January	2.40	3,642,628	2.32	3,183,302	1.84	1,860,565
Granted during the year	3.72	1,074,227	2.89	664,662	2.89	1,511,897
Forfeited during the year	2.81	373,928	2.82	205,336	2.14	189,160
Outstanding at 31 December	<b>2.69</b>	<b>4,342,927</b>	<b>2.40</b>	<b>3,642,628</b>	<b>2.32</b>	<b>3,183,302</b>

As of 31 December 2020, none of the vested options are exercisable since an option cannot be exercised until the occurrence of an Exit event.

Options outstanding at the end of the period have the following expiry dates and exercise prices:

	2020		2019		2018	
Expiry date	Exercise Price	Number of Options	Exercise Price	Number of Options	Exercise Price	Number of Options
31 December 2030	1.84	1,674,448	1.84	1,711,620	1.84	1,725,590
31 December 2030	2.89	1,603,708	2.89	1,931,008	2.89	1,457,712
31 December 2030	3.72	1,064,771	—	—	—	—
Outstanding at 31 December		<b>4,342,927</b>		<b>3,642,628</b>		<b>3,183,302</b>

The options outstanding as of 31 December 2020 have a remaining contractual life of 10 years (2019: 11 years).

#### *Fair value of options granted*

Based on the essential features of the options granted and the essential parameters, the Black Scholes option pricing formula has been applied for measuring the fair value of the options. The weighted average fair values and the inputs (ranges) used in the measurement of the fair values of these equity-settled options at the date of grant are summarized below:

	2020	2019	2018
Share value (€)	6.57 – 8.73	3.32 – 5.17	2.12 – 2.72
Option exercise price (€)	3.72	2.89	1.84
Volatility (%)	48% – 59%	46% – 49%	42% – 44%
Expected life (years)	0.5 – 2.0	2.4 – 3.0	3.4 – 4.0
Dividend yield	0%	0%	0%
Risk-free rate	(0.65%) – (0.77%)	(0.55%) – (0.78%)	(0.33%) – (0.42%)
Fair value per option (€)	4.39	2.07	0.83

The fair values and the inputs used in the measurement of the fair values of these equity-settled options at each date of grant are summarized below:

<b>Grant date</b>	<b>30/05/2016</b>	<b>01/01/2017</b>	<b>01/07/2017</b>	<b>01/01/2018</b>	<b>31/07/2018</b>
Share value (€) . . . . .	€ 1.57	€ 1.44	€ 1.76	€ 2.12	€ 2.72
Option exercise price (€) . . . . .	€ 1.84	€ 1.84	€ 1.84	€ 2.89	€ 2.89
Volatility (%) . . . . .	42.0%	44.0%	43.0%	42.0%	44.0%
Expected life (years) . . . . .	5.58	5.00	4.50	4.00	3.42
Dividend yield . . . . .	0.00%	0.00%	0.00%	0.00%	0.00%
Risk-free rate . . . . .	-0.23%	-0.48%	-0.21%	-0.33%	-0.42%
Fair value per option (€) . . . . .	€ 0.59	€ 0.55	€ 0.69	€ 0.62	€ 0.90

<b>Grant date</b>	<b>01/01/2019</b>	<b>01/08/2019</b>	<b>01/01/2020</b>	<b>30/09/2020</b>	<b>31/12/2020</b>
Share value (€) . . . . .	€ 3.32	€ 5.17	€ 6.57	€ 8.18	€ 8.73
Option exercise price (€) . . . . .	€ 2.89	€ 2.89	€ 3.72	€ 3.72	€ 3.72
Volatility (%) . . . . .	49.0%	46.0%	48.0%	59.0%	49.0%
Expected life (years) . . . . .	3.00	2.41	2.00	1.25	0.50
Dividend yield . . . . .	0.00%	0.00%	0.00%	0.00%	0.00%
Risk-free rate . . . . .	-0.55%	-0.78%	-0.65%	-0.65%	-0.77%
Fair value per option (€) . . . . .	€ 1.32	€ 2.55	€ 3.26	€ 4.65	€ 4.96

For options that are expected to vest prior to an Exit, the fair value per option incorporates a discount to reflect the lack of marketability during the expected period of illiquidity between vesting and the Exit date or end of the post-IPO lock-up period.

Expected volatility is estimated by considering historical average share price volatility of a Group of comparable companies. Since the options can only be exercised in the case of an Exit, management estimated the expected option life based on the most likely timing of an Exit. The expected dividend rate is zero as the Company currently has no history or expectation of declaring dividends on its ordinary shares prior to an Exit. The risk-free interest rate is estimated based on the risk-free rate on zero-coupon Germany government bonds with a maturity commensurate to the expected term of the options.

The absence of a public market for the Company's equity instruments requires the Company's Senior Leadership Team to estimate the fair value of equity instruments granted to employees for the purposes of determining share-based payment expense.

The fair value of the equity instruments may reflect various objective and subjective factors, including third-party valuations, actual and forecasted operating and financial results, market conditions and performance of comparable publicly traded companies, developments and milestones in the Company, the rights and preferences of different classes of stock, and transactions involving the Company's shares.

The Options have been valued by using a Black Scholes Option Pricing Methodology ("BSOPM") model to apportion the total equity value between different classes of securities within the Company's capital structure at each valuation date. The BSOPM captures the current value of each security class with reference to its expected value at a future exit date under different exit scenarios.

The total equity value has been estimated using a market approach based on the financial results of the Company as at each of the five historic balance sheet dates from 2016 to 2020. The Company has calibrated the valuation multiple used in the market approach to the value of the equity implied by price at which the investment in the Series A Preference shares took place in December 2014 and a secondary transaction in Ordinary Shares which took place in August 2019, as well as considering the performance of quoted comparable companies over the range of valuation dates.

The equity value as at the various grant dates of the Options has been estimated based on a linear interpolation between the values as at the balance sheet and transaction dates, in order to reflect the ongoing development of the business at each point.

*Share-based payment expenses recognised for options granted*

The fair value is expensed on a straight-line basis over the estimated vesting period, based on the vesting period, the management's estimated timing of a future Exit date and number of options that will eventually vest. In 2020, the total share-based payment expense recognized for the equity-settled options amounted to €1.9 million (2019: €1.1 million, and 2018: €0.7 million).

*Management Incentive Plan*

The Company introduced a Management Incentive Plan ("MIP") in 2020 for eligible and selected employees, which entitle the participants to an Exit bonus in cash from the Company based on the shareholders' return on their investments in the Group.

This MIP is accounted for as a cash-settled share-based payment since the Company has an obligation to make cash payments to the employees if an Exit occurs, subject to the participants being employed at the time of an Exit and depending on the shareholders' return on their investments in the Group.

Since the MIP will only vest upon the completion of an Exit, an expense is only recognised if an Exit event is probable and the MIP can be measured reliably.

As an Exit event is not deemed to be probable as of 31 December 2020, no portion of the estimated MIP liability is expensed in the income statement for 2020 or recognised as a liability as of year-end. In Q1 2021 the Exit event was determined as probable and an expense and liability of €27.9 million was recorded as further explained in note 27 'Events after the reporting period'. The liability of €27.9 million, as of 31 March 2021, is determined based on a fair value calculated using a Monte Carlo simulation model, with the following main input parameters:

- the fair value of the Company's underlying shares (€730 million total equity value);
- the possible MIP bonus range (€0 – €74.5 million);
- the expected volatility (48%);
- the risk-free rate (-0.70%);
- the expected dividend yield (0%); and
- the expected life (0.2 years).

If the Exit event had been assessed as probable on 31 December 2020 the estimated expense and liability, using the same valuation basis as of Q1 2021, would have been approximately €21 million.

Please refer to note 27 'Events after the reporting period' for an explanation of the accounting treatment of the MIP at 31 March 2021.

## **25 Earnings per share**

The calculation of the basic earnings per share has been based on the earnings attributable to owners of the parent and the weighted average number of shares for each period.

Diluted earnings per ordinary share is calculated by dividing the profit attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares in issue during the period/year plus the weighted average number of ordinary shares that would have been issued on the conversion of all dilutive potential ordinary shares into ordinary shares.



The following table reflects the income and share data used in the basic and diluted EPS calculations:

	2020 (€'000)	2019 (€'000)	2018 (€'000)
<i>Earnings used in computation:</i>			
Net profit/(loss) for the year .....	10,814	7,843	(2,936)
Adjustments for calculation of basic earnings attributable to ordinary shareholders of the parent:			
Apportionment of earnings attributable to convertible preference shareholders .....	(5,252)	(4,484)	1,848
<b>Net profit/(loss) attributable to ordinary shareholders of the parent for basic earnings and adjusted for the effect of dilution .....</b>	<b>5,562</b>	<b>3,359</b>	<b>(1,088)</b>
<i>Shares used in computation:</i>			
Weighted-average ordinary shares outstanding .....	12,261,553	10,502,911	9,262,000
<b>Basic and diluted earnings per share .....</b>	<b>0.45</b>	<b>0.32</b>	<b>(0.12)</b>

The weighted average number of shares takes into account the weighted average effect of changes in treasury shares and conversion of founder preference shares during the year ended 31 December 2019 as set out in note 21.

The Series A Preference Shares have been excluded from the calculation of diluted earnings per share as these are anti-dilutive. Options granted to employees under the employee share option are treated as contingently issuable shares because their issue is contingent upon satisfying specified conditions in addition to the passage of time (an Exit event). The contingently issuable potential ordinary shares related to employee stock options plans have been excluded from the calculation as the conditions are not satisfied at the balance sheet date. These options could potentially dilute basic earnings per share in the future. Further details relating to the options are set out in note 24.

## 26 Contingent liabilities

At the end of the reporting period, management has evaluated positions taken in connection with sales taxes, value added taxes, corporate income tax and payroll relates taxes with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities. For certain items no reliable estimates can be made and as such no provisions are recognized as uncertain and deemed contingent.

In 2018, WeTransfer B.V. (a 100% owned subsidiary of the Company) entered into a credit facility of €3.5 million with ABN AMRO Bank B.V. in relation to the asset acquisition of FiftyThree Inc. As of 31 December 2018, 31 December 2019 and 31 December 2020 no use had been made of this facility.

## 27 Events after the reporting period

The Group and its shareholders are evaluating different strategic options to support the Group's further development and growth, including an initial public offering. However, no decisions have been made yet. Any such decision will depend on a range of factors, including, amongst others, the prevailing market conditions.

As explained in Note 24 'share-based payments', an Exit event was not deemed to be probable as of 31 December 2020, and therefore no expenses or liabilities were recognised for the MIP in the financial statements for 2020. As at 31 March 2021 an Exit event is deemed to be probable and for the period ended 31 March 2021, the calculation of the MIP liability has been determined based on management's estimate of an expected Exit date of 31 May 2021. The total fair value of the MIP awards is expensed in the income statement for the three months ended 31 March 2021 based on the period occurred between (i) a participant's service commencement date and (ii) the estimated Exit date. The share-based payment expense recognised during the period ended 31 March 2021 and the corresponding liability for the cash-settled MIP as of this date amounted to €27.9 million. The MIP is considered tax deductible.

## 28 First-time adoption of IFRS

### a) *Introduction*

The consolidated financial statements Werock B.V. for the year ended 31 December 2020 have been prepared using accounting policies compliant with (“IFRS”) for the first time. The transition date for the adoption of IFRS is 1 January 2018. The comparative information in the consolidated financial statements has been consistently applied in accordance with IFRS. This note explains the principal adjustments made by the Group in restating its Dutch GAAP financial statements, including the statement of financial position as at 1 January 2018 and the financial statements as of, and for, 31 December 2018, and 31 December 2019.

In preparing its opening IFRS Statement of Financial Position, the Group has adjusted the amounts previously reported in its financial statements prepared in accordance with Dutch GAAP. An explanation of how the transition from Dutch GAAP to IFRSs has affected the Group’s financial position and financial performance is set out in the following tables and notes.

IFRS 1, First-time Adoption of International Financial Reporting Standards (as amended in 2008), allows companies adopting IFRS for the first time to take certain exemptions and exceptions from the full requirements of IFRS on the date of transition (i.e., 1 January 2018). The Group has elected the exemptions detailed below.

The statement of cash flow reflects disclosures required in accordance with IFRS 16. Operating and financing cash flows were impacted by the adoption of IFRS 16 due to the reversal of rent expense and recording principal and interest lease payments. Payments of interest and principal related to lease liabilities are reflected within financing section of the statement of cash flows. Non-cash activity for depreciation of the right-of-use asset is shown as an adjustment within the operating section of the cash flow statement. Under IFRS 16, the Group had total cash outflows related to lease liabilities of €0.4million for the year ended 31 December 2020 (2019: €0.4million, 2018: €0.2million).

### **Exemptions applied**

IFRS 1 also requires first-time adopters to apply certain mandatory exceptions from the general requirements contained in IFRS. The Group has applied the following exceptions. All other mandatory exceptions not referenced were not applicable to the Group.

- Estimates under IFRS at 1 January 2018 and for the years ended 31 December 2018, 2019 and 2020 were consistent with estimates made as at the same dates under Dutch GAAP. There is no evidence that those estimates were made in error.
- The Group assessed all contracts existing at 1 January 2018 to determine whether a contract contains a lease based upon the conditions in place as at 1 January 2018.
- Lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate at 1 January 2018. Right-of-use assets were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before 1 January 2018. The lease payments associated with leases for which the lease term ends within 12 months of the date of transition to IFRS and leases for which the underlying asset is of low value have been recognised as an expense on either a straight-line basis over the lease term or another systematic basis.
- Financial assets and financial liabilities derecognised before 1 January 2018 were not re-recognised under IFRS. The application of this exception did not have a significant impact for the years ended 31 December 2018, 2019 and 2020.
- IFRS 2 Share-based Payment has not been applied to equity instruments in share-based payment transactions that were granted on or before 7 November 2002, nor has it been applied to equity instruments granted after 7 November 2002 that vested before 1 January 2018. For cash-settled share-based payment transactions, the Group has not applied IFRS 2 to liabilities that were settled before 1 January 2018.

**Consolidated Balance Sheet reconciliation as at the comparative date of 1 January 2018 (date of transition to IFRS)**

	<b>Dutch GAAP</b>	<b>Correction of error (€'000)</b>	<b>Correction of error (€'000)</b>	<b>(€'000)</b>	<b>(€'000)</b>	<b>IFRS as at 1 January 2018 (€'000)</b>
		<b>(i)</b>	<b>(ii)</b>	<b>(iii)</b>	<b>(iv)</b>	
<b>ASSETS</b>						
Non-current assets						
Goodwill	—	—	—	—	—	—
Property, plant and equipment	736	—	—	—	—	736
Right-of-use assets	—	—	—	190	—	190
Intangible assets	—	—	—	—	—	—
Deferred tax assets	—	—	—	—	—	—
Other assets	929	—	—	—	—	929
<b>Total non-current assets</b>	<b>1,665</b>	<b>—</b>	<b>—</b>	<b>190</b>	<b>—</b>	<b>1,855</b>
<b>Current assets</b>						
Contract assets	1,134	—	—	—	—	1,134
Trade and other receivables	5,344	—	—	—	—	5,344
Cash and cash equivalents (excluding bank overdrafts)	12,865	—	—	—	—	12,865
Current tax assets	166	—	—	—	—	166
<b>Total current assets</b>	<b>19,509</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>19,509</b>
<b>Total assets</b>	<b>21,174</b>	<b>—</b>	<b>—</b>	<b>190</b>	<b>—</b>	<b>21,364</b>
<b>LIABILITIES</b>						
<b>Non-current liabilities</b>						
Lease liabilities	—	—	—	—	—	—
<b>Total non-current liabilities</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Current liabilities</b>						
Preference shares	—	21,948	—	—	—	21,948
Trade and other payables	3,441	—	—	—	—	3,441
Contract liabilities	6,084	—	—	—	—	6,084
Current tax liabilities	—	—	—	—	—	—
Lease liabilities	—	—	—	190	—	190
<b>Total current liabilities</b>	<b>9,525</b>	<b>21,948</b>	<b>—</b>	<b>190</b>	<b>—</b>	<b>31,663</b>
<b>Total liabilities</b>	<b>9,525</b>	<b>21,948</b>	<b>—</b>	<b>190</b>	<b>—</b>	<b>31,663</b>
<b>Net Assets</b>	<b>11,649</b>	<b>(21,948)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(10,299)</b>
<b>Equity</b>						
Share capital – ordinary shares	9	—	—	—	—	9
Share capital – preference shares	16	—	—	—	—	16
Share premium	7,196	—	—	—	—	7,196
Treasury shares	—	—	—	—	—	—
Cumulative translation adjustments	—	—	—	—	—	—
Share-based payments reserve	—	—	—	—	733	733
Retained earnings	4,428	(21,948)	—	—	(733)	(18,253)
<b>Total equity</b>	<b>11,649</b>	<b>(21,948)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(10,299)</b>

**Consolidated Balance Sheet reconciliation as at the comparative date of 31 December 2018**

	<b>Dutch GAAP</b>	<b>Correction of error (€'000)</b>	<b>Correction of error (€'000)</b>	<b>(€'000)</b>	<b>(€'000)</b>	<b>IFRS as at 31 December 2018 (€'000)</b>
		<b>(i)</b>	<b>(ii)</b>	<b>(iii)</b>	<b>(iv)</b>	
<b>ASSETS</b>						
<b>Non-current assets</b>						
Goodwill . . . . .	—	—	—	—	—	—
Property, plant and equipment . . . . .	1,599	—	—	—	—	1,599
Right-of-use assets . . . . .	—	—	—	1,288	—	1,288
Intangible assets . . . . .	—	—	—	—	—	—
Deferred tax assets . . . . .	—	—	1,617	—	—	1,617
Other assets . . . . .	428	—	—	—	—	428
<b>Total non-current assets . . . . .</b>	<b>2,027</b>	<b>—</b>	<b>1,617</b>	<b>1,288</b>	<b>—</b>	<b>4,932</b>
<b>Current assets</b>						
Contract assets . . . . .	3,832	—	—	—	—	3,832
Trade and other receivables . . . . .	8,442	—	—	—	—	8,442
Cash and cash equivalents (excluding bank overdrafts) . . . . .	6,241	—	—	—	—	6,241
Current tax assets . . . . .	—	—	—	—	—	—
<b>Total current assets . . . . .</b>	<b>18,515</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>18,515</b>
<b>Total assets . . . . .</b>	<b>20,542</b>	<b>—</b>	<b>1,617</b>	<b>1,288</b>	<b>—</b>	<b>23,447</b>
<b>LIABILITIES</b>						
<b>Non-current liabilities</b>						
Lease liabilities . . . . .	—	—	—	992	—	992
<b>Total non-current liabilities . . . . .</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>992</b>	<b>—</b>	<b>992</b>
<b>Current liabilities</b>						
Preference shares . . . . .	—	22,826	—	—	—	22,826
Trade and other payables . . . . .	4,676	—	—	—	—	4,676
Contract liabilities . . . . .	6,966	—	—	—	—	6,966
Current tax liabilities . . . . .	209	—	—	—	—	209
Lease liabilities . . . . .	—	—	—	332	—	332
<b>Total current liabilities . . . . .</b>	<b>11,851</b>	<b>22,826</b>	<b>—</b>	<b>332</b>	<b>—</b>	<b>35,009</b>
<b>Total liabilities . . . . .</b>	<b>11,851</b>	<b>22,826</b>	<b>—</b>	<b>1,324</b>	<b>—</b>	<b>36,001</b>
<b>Net Assets . . . . .</b>	<b>8,691</b>	<b>(22,826)</b>	<b>1,617</b>	<b>(36)</b>	<b>—</b>	<b>(12,554)</b>
<b>Equity</b>						
Share capital – ordinary shares . . . . .	9	—	—	—	—	9
Share capital – preference shares . . . . .	16	—	—	—	—	16
Share premium . . . . .	7,196	—	—	—	—	7,196
Treasury shares . . . . .	—	—	—	—	—	—
Cumulative translation adjustments . . . . .	—	—	—	—	—	—
Share-based payments reserve . . . . .	—	—	—	—	1,414	1,414
Retained earnings . . . . .	1,471	(22,826)	1,617	(36)	(1,414)	(21,189)
<b>Total equity . . . . .</b>	<b>8,691</b>	<b>(22,826)</b>	<b>1,617</b>	<b>(36)</b>	<b>—</b>	<b>(12,554)</b>

**Consolidated Balance Sheet reconciliation as at the comparative date of 31 December 2019**

	<b>Dutch GAAP</b>	<b>Correction of error (€'000)</b>	<b>Correction of error (€'000)</b>	<b>(€'000)</b>	<b>(€'000)</b>	<b>IFRS as at 31 December 2019 (€'000)</b>
		<b>(i)</b>	<b>(ii)</b>	<b>(iii)</b>	<b>(iii)</b>	
<b>ASSETS</b>						
<b>Non-current assets</b>						
Goodwill . . . . .	—	—	—	—	—	—
Property, plant and equipment . . . . .	1,688	—	—	—	—	1,688
Right-of-use assets . . . . .	—	—	—	1,174	—	1,174
Intangible assets . . . . .	—	—	—	—	—	—
Deferred tax assets . . . . .	—	—	1,343	—	—	1,343
Other assets . . . . .	21	—	—	—	—	21
<b>Total non-current assets . . . . .</b>	<b>1,709</b>	<b>—</b>	<b>1,343</b>	<b>1,174</b>	<b>—</b>	<b>4,226</b>
<b>Current assets</b>						
Contract assets . . . . .	3,697	—	—	—	—	3,697
Trade and other receivables . . . . .	10,460	—	—	—	—	10,460
Cash and cash equivalents (excluding bank overdrafts) . . . . .	12,119	—	—	—	—	12,119
Current tax assets . . . . .	—	—	—	—	—	—
<b>Total current assets . . . . .</b>	<b>26,276</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>26,276</b>
<b>Total assets . . . . .</b>	<b>27,985</b>	<b>—</b>	<b>1,343</b>	<b>1,174</b>	<b>—</b>	<b>30,502</b>
<b>LIABILITIES</b>						
<b>Non-current liabilities</b>						
Lease liabilities . . . . .	—	—	—	852	—	852
<b>Total non-current liabilities . . . . .</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>852</b>	<b>—</b>	<b>852</b>
<b>Current liabilities</b>						
Preference shares . . . . .	—	23,358	—	—	—	23,358
Trade and other payables . . . . .	5,356	—	—	—	—	5,356
Contract liabilities . . . . .	8,584	—	—	—	—	8,584
Current tax liabilities . . . . .	990	—	—	—	—	990
Lease liabilities . . . . .	—	—	—	375	—	375
<b>Total current liabilities . . . . .</b>	<b>14,931</b>	<b>23,358</b>	<b>—</b>	<b>375</b>	<b>—</b>	<b>38,663</b>
<b>Total liabilities . . . . .</b>	<b>14,931</b>	<b>23,358</b>	<b>—</b>	<b>1,226</b>	<b>—</b>	<b>39,515</b>
<b>Net Assets . . . . .</b>	<b>13,053</b>	<b>(23,358)</b>	<b>1,343</b>	<b>(52)</b>	<b>—</b>	<b>(9,013)</b>
<b>Equity</b>						
Share capital – ordinary shares . . . . .	13	—	—	—	—	13
Share capital – preference shares . . . . .	12	—	—	—	—	12
Share premium . . . . .	7,196	—	—	—	—	7,196
Treasury shares . . . . .	(5,433)	—	—	—	—	(5,433)
Cumulative translation adjustments . . . . .	—	—	—	—	—	—
Share-based payments reserve . . . . .	—	—	—	—	2,542	2,542
Retained earnings . . . . .	11,266	(23,358)	1,343	(52)	(2,542)	(13,343)
<b>Total equity . . . . .</b>	<b>13,053</b>	<b>(23,358)</b>	<b>1,343</b>	<b>(52)</b>	<b>—</b>	<b>(9,013)</b>

**Consolidated statement of profit or loss reconciliation as at 31 December 2018**

	<b>Dutch GAAP</b>	<b>Correction of error (€'000)</b>	<b>Correction of error (€'000)</b>	<b>(€'000)</b>	<b>(€'000)</b>	<b>IFRS at 31 December 2018 (€'000)</b>
		<b>(i)</b>	<b>(ii)</b>	<b>(iii)</b>	<b>(iv)</b>	
Revenue from contracts with customers . . . . .	37,814	—	—	—	—	37,814
Cost of revenue . . . . .	(5,549)	—	—	—	(56)	(5,605)
<b>Gross profit . . . . .</b>	<b>32,265</b>	—	—	—	<b>(56)</b>	<b>32,209</b>
Research and development costs . . . . .	(6,971)	—	—	—	(289)	(7,260)
Selling and marketing expenses . . . . .	(11,586)	—	—	—	(123)	(11,709)
General and administrative expenses . . . . .	(16,053)	—	—	(32)	(213)	(16,298)
<b>Operating profit/(loss) . . . . .</b>	<b>(2,345)</b>	—	—	<b>(32)</b>	<b>(681)</b>	<b>(3,058)</b>
Other income / (expenses) . . . . .	471	—	—	—	—	471
Finance costs – net . . . . .	(28)	(877)	—	(4)	—	(909)
<b>Profit/(loss) before income tax . . . . .</b>	<b>(1,902)</b>	<b>(877)</b>	—	<b>(36)</b>	<b>(681)</b>	<b>(3,496)</b>
Income tax expense . . . . .	(1,057)	—	1,617	—	—	560
<b>Profit for the period . . . . .</b>	<b>(2,959)</b>	<b>(877)</b>	<b>1,617</b>	<b>(36)</b>	<b>(681)</b>	<b>(2,936)</b>



**Consolidated statement of profit or loss reconciliation as at 31 December 2019**

	<b>Dutch GAAP</b>	<b>Correction of error (€'000)</b>	<b>Correction of error (€'000)</b>	<b>(€'000)</b>	<b>(€'000)</b>	<b>IFRS at 31 December 2019 (€'000)</b>
		<b>(i)</b>	<b>(ii)</b>	<b>(iii)</b>	<b>(iii)</b>	
Revenue from contracts with customers . . . . .	52,133	—	—	—	—	52,133
Cost of revenue . . . . .	(8,458)	—	—	—	(131)	(8,589)
<b>Gross profit . . . . .</b>	<b>43,675</b>	—	—	—	<b>(131)</b>	<b>43,544</b>
Research and development costs . . . . .	(8,932)	—	—	—	(532)	(9,464)
Selling and marketing expenses . . . . .	(14,491)	—	—	—	(236)	(14,727)
General and administrative expenses . . . . .	(8,826)	—	—	(8)	(229)	(9,063)
<b>Operating profit/(loss) . . . . .</b>	<b>11,426</b>	—	—	<b>(8)</b>	<b>(1,128)</b>	<b>10,290</b>
Other income / (expenses) . . . . .	183	—	—	—	—	183
Finance costs – net . . . . .	(47)	(532)	—	(7)	—	(586)
<b>Profit/(loss) before income tax . . . . .</b>	<b>11,563</b>	<b>(532)</b>	—	<b>(16)</b>	<b>(1,128)</b>	<b>9,887</b>
Income tax expense . . . . .	(1,770)	—	(274)	—	—	(2,044)
<b>Profit for the period . . . . .</b>	<b>9,793</b>	<b>(532)</b>	<b>(274)</b>	<b>(16)</b>	<b>(1,128)</b>	<b>7,843</b>

**Notes to the reconciliation of equity as at 1 January 2018, 31 December 2018 and 31 December 2019 and total comprehensive income for the year ended 31 December 2018 and 31 December 2019**

**(i) Adjustment related to correction of prior year error for preference shares**

The Groups issued Series A preference shares which are convertible at any time into a fixed number of ordinary shares. Holders of the Series A preferred shares are also entitled to dividend distribution on an as converted basis similar to ordinary shareholders. Therefore, these preference shares have equity components because of fixed conversion ratio and discretion by the Group to pay distributions to preferred shares on an as-converted basis. Upon conversion, the Group has an obligation to pay the remaining unpaid Series A Base amount and the Series A preferred return to the concerned series A preference shareholders, to the extent sufficient reserves are available. Where the redemption of principal is mandatorily redeemable at a fixed or determinable amount at a fixed or future date, and the payment of dividends are discretionary, an instrument is concluded to be a compound financial instrument in accordance with IAS 32 Financial Instruments.

Since the Series A preference shares contain a demand feature, the fair value of the liability component is the amount payable on demand, which is equal to the consideration received. As a result, no portion of the consideration received is allocated to the equity component.

The liability recognised at inception is equal to the consideration received. Following initial recognition, the liability is subsequently measured under IFRS 9 i.e. at amortised cost.

The amounts disclosed relates to the restatement for the correction of an error under Dutch GAAP. Under Dutch GAAP, the liability and equity components relating to the series A preferred shares were not measured at fair value and held on the Group's balance sheet. As a consequence, the liabilities and finance costs of the Group were understated. The error has been corrected by restating each of the affected financial statement line items for the prior periods, as presented within the reconciliations for the years ended 31 December 2020, 2019, and 2018.

**(ii) Adjustment related to correction of prior year error for deferred tax**

The various transitional adjustments resulted in various temporary differences. The Group must recognise the tax effects of such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

The amounts disclosed relate primarily to the restatement for the correction of an error under Dutch GAAP in connection with a deferred tax asset arising on the impairment of the intangible assets acquired relating to FiftyThree Inc in the year ended 31 December 2018 for €1.6million. Under Dutch GAAP a deferred tax asset should have been recognised in relation to the timing difference, however this was not recognised by the Group. As a consequence, the assets of the Group were understated. The error has been corrected by restating each of the affected financial statement line items for the prior periods, as presented within the reconciliations for the years ended 31 December 2020, 2019, and 2018.

**(iii) Adjustment related to adoption of IFRS 16**

The Group assessed all contracts existing at 1 January 2018 to determine whether a contract contains a lease based upon the conditions in place as at 1 January 2018. At the date of transition, the Group applied the transitional provision and measured lease liabilities at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of transition to IFRS. Right-of-use assets were measured at the amount equal to the lease liabilities adjusted by the amount of any prepaid or accrued lease payments. As a result, the Group recognised an increase of €1.1 million (31 December 2019: €1.2 million, 31 December 2018: €1.2 million) of lease liabilities included under interest-bearing loans and borrowings and €0.9 million (31 December 2019: €1.1 million, 31 December 2018: €1.2 million) of right-of-use assets. The impact on profit and loss is €0.4 million (31 December 2019: €0.3 million, 31 December 2018: €0.2 million) less operating expenses, increase of €0.5 million (31 December 2019: €0.4 million, 31 December 2018: €0.2 million) for depreciation and an increase €0.01 million (31 December 2019: €0.01 million, 31 December 2018: €0.01 million) for the interest. Impact on cash-flow statement relates to a reclass from the operating activities to financing activities for the interest and principal payment of the leases. The depreciation charge is included in the operating activities of the cash flow statement. Prior to transition to IFRS all of the lease expenses were included

in the operating activities within the cash flow statement. The Group has applied the following practical expedients provided by IFRS 1:

- The Group assessed whether a contract contains a lease at Transition date rather than at inception of the lease.
- The Group has elected to measure the lease liability and right-of-use asset at the date of transition to IFRSs and applied a modified retrospective approach.
- The Group has excluded initial direct costs from the measurement of right-of-use assets as at 1 January 2018.
- The Group has applied hindsight in determining the lease terms for contracts that contain extension and termination options
- The Group has elected not to recognise right-of-use assets and lease liabilities for low-value leases. Lease payments are expensed on a straight-line basis for these leases.
- The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a remaining lease term of 12 months or less from Transition date. Lease payments are expensed on a straight-line basis for these leases.

**(iv) Adjustment related to adoption of IFRS 2 Share-based payments**

Under Dutch GAAP, the long-term incentive plan was included in the financial statements for disclosure purposes only. The equivalent Dutch GAAP standard does not define the concept of non-vesting conditions and expenses for share-based payments are only recognised from the date when an Exit event is concluded to be probable

Under IFRS 2, the total amount to be expensed for services received is determined by reference to the grant date fair value of the options granted under the plan. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of options that will eventually vest, with a corresponding credit to equity. In the year ended 31 December 2020 €1.9 million (2019: €1.1 million and 2018: €0.7 million) was recognised as a separate component of equity against retained earnings.

Werock B.V. Special Purpose Consolidated Financial Statements

These Special Purpose Consolidated Financial Statements were authorised for issue by:

Gordon Willoughby  
Chief Executive Officer  
27 May 2021

Melissa Sabah-Nussbaum  
Chief Financial Officer  
27 May 2021

## **Independent auditor's report**

To: the shareholders and the supervisory board of Werock B.V.

### **Our opinion**

We have audited the special purpose consolidated financial statements 2018, 2019 and 2020 of Werock B.V., based in Amsterdam.

In our opinion the accompanying special purpose consolidated financial statements 2018, 2019 and 2020 (consolidated financial statements) give a true and fair view of the financial position of Werock B.V. as at 31 December 2020, 31 December 2019 and 31 December 2018, and of its result and its cash flows for the years ended 31 December 2020, 31 December 2019 and 31 December 2018 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS).

The consolidated financial statements comprise:

- The consolidated balance sheet as at 31 December 2020, 31 December 2019 and 31 December 2018
- The following statements for the years ended 31 December 2020, 31 December 2019 and 31 December 2018: the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows
- The notes, comprising a summary of the significant accounting policies and other explanatory information

### **Basis for our opinion**

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

We are independent of Werock B.V. (hereinafter: the company) in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

### **Emphasis on the special purpose and restriction on use**

We draw attention to note 1, which describes the special purpose of these consolidated financial statements. These consolidated financial statements do not represent Werock B.V.'s financial statements in accordance with Section 2:361 of the Dutch Civil Code and its articles of association and are prepared for the purpose of including in the prospectus in order to comply with the requirements for historical financial information pursuant to Regulation (EU) 2017/1129. As a result, the special purpose consolidated financial statements may not be suitable for another purpose. Our independent auditor's report is required by the Commission Delegated Regulation (EU) 2019/980 and is issued for the purpose of complying with that Delegated Regulation.

Therefore, our auditor's report should not be used for another purpose. Our opinion is not modified in respect of this matter.

### **Responsibilities of management and the supervisory board for the special purpose consolidated financial statements**

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

As part of the preparation of the consolidated financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the consolidated financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the consolidated financial statements.

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

Our responsibilities for the audit of the special purpose consolidated financial statements

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

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose consolidated financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

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

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





We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Amsterdam, 27 May 2021

Ernst & Young Accountants LLP

signed by G.M.J. Bloetjes

## THE COMPANY

### **The Creative Productivity Group N.V.**

Willem Fenengastraat 19  
1096 BL Amsterdam  
The Netherlands

## LEGAL ADVISORS TO THE COMPANY

*in respect of Dutch law*

### **Houthoff Coöperatief U.A.**

Gustav Mahlerplein 50  
1082 MA Amsterdam  
The Netherlands

*in respect of English and U.S. law*

### **Cooley (UK) LLP**

22 Bishopsgate  
London EC2N 4BQ  
United Kingdom

## JOINT GLOBAL COORDINATORS

### **Morgan Stanley Europe SE**

Große Gallusstraße 18  
60311 Frankfurt am Main  
Germany

### **BofA Securities Europe SA**

51 rue La Boétie  
75008 Paris  
France

## JOINT BOOKRUNNERS

### **ABN AMRO Bank N.V.**

Gustav Mahlerlaan 10  
1082 PP Amsterdam  
The Netherlands

### **Barclays Bank Ireland PLC**

One Molesworth Pl, 2  
Dublin, D02 RF29  
Ireland

## LEGAL ADVISERS TO THE UNDERWRITERS

*in respect of Dutch law*

### **NautaDutilh N.V.**

Beethovenstraat 400  
1082 PR Amsterdam  
The Netherlands

*in respect of English and U.S. law*

### **Latham & Watkins LLP**

99 Bishopsgate  
London EC2M 3XF  
United Kingdom

## INDEPENDENT AUDITORS TO THE COMPANY

### **Ernst & Young Accountants LLP**

Antonio Vivaldistraat 150  
1083 HP Amsterdam  
The Netherlands

## LISTING AGENT AND PAYING AGENT

### **ABN AMRO Bank N.V.**

Gustav Mahlerlaan 10  
1082 PP Amsterdam  
The Netherlands



The **Creative Productivity** Group