



(a limited company incorporated under the laws of England and Wales)

Offering of up to 23,551,368 ordinary shares and admission to listing and trading of all ordinary shares on Euronext Amsterdam

This prospectus (the “**Prospectus**”) of MotorK Ltd. (to be re-registered as a public company limited by shares under the laws of England and Wales and renamed MotorK plc prior to Admission (as defined below)) (the “**Company**”) relates to the offering and admission to listing and trading of ordinary shares with a nominal value of €0.01 each in the share capital of the Company (the “**Shares**”). All of the pre-Offering (as defined below) shareholders of the Company, (i.e., 83 North III Limited Partnership, Andrew John Biggart, Assaf Topaz, Fabio Gurgone, Guillaume Bugault, Marco De Michele, Marco Marlia, Mauro Pretolani, Tassaka Invest AB, Tommaso Parisi, Zobito 2 AB, Zobito AB (together with Zobito 2 AB (“**Zobito 1 and 2**”), Real Web Ventures Ltd, 212 Investments S.r.l., La Pineta S.r.l., IBIS S.r.l. and Amir Rosentuler (the “**Selling Shareholders**”)) and the Company are offering (i) up to newly issued ordinary shares with a nominal value of €0.01 each (the “**New Shares**”), (ii) subject to the exercise of an irrevocable and unconditional option granted to the Sole Global Coordinator (as defined below) acting on behalf of the Underwriters (as defined below) by the Company to increase the number of Shares to be offered (i.e., the New Shares) by up to 15% (the “**Increase Option**”), up to 2,671,232 newly issued ordinary shares with a nominal value of €0.01 each (the “**Increase Option Shares**”) and (iii) up to 3,071,917 Shares (i.e., up to 15% sum of the of the New Shares and the Increase Option Shares), from the holdings of the Selling Shareholders to cover any over-allotments (the “**Over-Allotment Shares**” and, collectively with the New Shares and the Increase Option Shares, the “**Offer Shares**”). Assuming no allocation of the Over-Allotment Shares, but the exercise of the Increase Option, the Offer Shares will constitute not more than approximately 41.7% of the Company’s issued and outstanding share capital. Assuming full allocation of the Over-Allotment Shares but no exercise of the Increase Option, the Offer Shares will constitute not more than approximately 44.1% of the Company’s issued and outstanding share capital. Assuming full allocation of the Over-Allotment Shares, the exercise of the Greenshoe Option (as defined below) and the Increase Option, the Offer Shares will constitute not more than approximately 48.0% of the Company’s issued and outstanding share capital. The Company will not receive any proceeds from the sale of the Greenshoe Shares (as defined below), if any, the net proceeds of which will be received by the Selling Shareholders. Capitalised terms used but not otherwise defined in this Prospectus are defined in Section 19 (*Definitions and Glossary*).

The offering of the Offer Shares (the “**Offering**”) consists solely of private placements to a range of institutional investors in various jurisdictions. The Offer Shares are being offered to: (i) persons in EEA Member States, including the Netherlands, who are Qualified Investors within the meaning of the Prospectus Regulation, (ii) persons in the United Kingdom (“**UK**”) who are qualified investors within the meaning of Article 2(e) of the Prospectus Regulation as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 who are persons having professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (“**FPO**”), or high net worth entities falling within Article 49(2)(a) to (d) of the FPO or 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, and (iii) certain institutional investors in various jurisdictions outside the EEA exempt from the obligation to approve and passport a prospectus. The Offer Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the “**US Securities Act**”). The Offer Shares are being offered (i) within the United States to persons reasonably believed to be qualified institutional buyers (“**QIBs**”) as defined in, and in reliance on, Rule 144A (“**Rule 144A**”) under the US Securities Act or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the US Securities Act (“**Regulation S**”). The Offer Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state of the US, and may not be offered or sold within the US unless the Offer Shares are registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act is available. There will be no public offering in any jurisdiction.

Investing in the Offer Shares involves substantial risks and uncertainties. An investor is exposed to the risk to lose all or part of his or her investment. Before any investment in the Offer Shares, an investor must read this entire document and in particular Section 1 (Risk Factors).

The price of the Offer Shares (the “Offer Price”) is expected to be between €7.30 and €9.70 (inclusive) per Offer Share (the “Offer Price Range”).

The Offering will begin on October 27, 2021 at 9:00 Central European Time (“**CET**”) and is expected to end at 14:00 CET on November 2, 2021 (the “**Offering Period**”), subject to acceleration or extension of the timetable for the Offering. The Company and the Selling Shareholders, together with the Sole Global Coordinator (as defined below), may adjust the dates, times and periods given in the timetable and throughout this Prospectus. In such event, the Company will make this public through a press release, which will also be posted on the Company’s website (www.motork.io). Any other material alterations will be published through a press release that will also be posted on the Company’s website (www.motork.io) and (if required) in a supplement to this Prospectus that is subject to the approval of the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the “**AFM**”). If a supplement to the Prospectus is published, investors will have the right to withdraw their orders made prior to the publication of the supplement. Any extension of the timetable for the Offering will be published in a press release at least three hours before the end of the original Offering Period, *provided that* any extension will be for a minimum of one full day on which banks are generally open for business in the Netherlands. Any acceleration of the timetable for the Offering will be published in a press release at least three hours before the proposed end of the accelerated Offering Period.

The Offer Price Range is an indicative price range. The Company and the Selling Shareholders, in agreement with the Sole Global Coordinator, reserve the right to change the Offer Price Range and/or increase or decrease the total number of Offer Shares prior to allocation of the Offer Shares (the “**Allocation**”). Any change in the number of Offer Shares and/or the Offer Price Range will be announced through a press release, which will also be posted on the Company’s website (www.motork.io) and which will be also filed with the AFM. The Offer Price and the exact number of Offer Shares offered in the Offering will be determined by the Company and the Selling Shareholders, in agreement with the Underwriters (as defined herein), prior to Allocation on the basis of the book-building process and taking into account the considerations set out in Section 14 (*The Offering*). The Offer Price, the exact number of Offer Shares offered in the Offering and the maximum number of Shares will be stated in a pricing statement (the “**Pricing Statement**”) which will be published in a press release that will also be posted on the Company’s website (www.motork.io) and filed with the AFM. The Offer Price may be set within, above or below the Offer Price Range. Upon a change of the number of New Shares, Increase Option Shares and/or the Over-Allotment Shares, references to New Shares and Increase Option Shares in the Prospectus should be read as referring to the amended number of New Shares and Increase Option Shares and references to Over-Allotment Shares should be read as referring to the amended number of Over-Allotment Shares (as defined below).

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On October 12, 2021, one or more funds or accounts managed by Capital International Investors (the “**Pre-Committed Investor**”) have irrevocably committed itself *vis-à-vis* the Company to subscribe for Offer Shares in the Offering at the Offer Price (up to a specific maximum Offer Price), in exchange for a guaranteed allocation, for an aggregate amount of approximately €26 million upon completion of the Offering (the “**Pre-Commitment**”), subject to the following conditions, amongst others: (a) entry into force of, *inter alia*, the Underwriting Agreement, (b) approval and publication of this Prospectus, and (c) trading of the shares on Euronext Amsterdam (as defined below), which subject to acceleration or extension of the timetable for the Offering, is expected to commence on the First Trading Date (as defined below) falling on or prior November 30, 2021. In the event the Offering is oversubscribed, the Pre-Commitment will not be reduced but will be entirely allocated with priority to the Pre-Committed Investor. The Pre-Committed Investor is not bound by any contractual lock-up restriction.

Prior to the Offering there has not been a public market for the Shares. Application has been made for the admission to listing and trading (“**Admission**”) of all Shares (including the New Shares) under the ticker symbol “MTRK” on Euronext Amsterdam, a regulated market operated by Euronext Amsterdam N.V. (“**Euronext Amsterdam**”). Subject to acceleration or extension of the timetable for the Offering, trading of the Shares on Euronext Amsterdam is expected to commence at 9:00 a.m. CET on or about November 3, 2021 (the “**First Trading Date**”) on an “as-if-and-when-delivered” basis.

Joh. Berenberg, Gossler & Co. KG (“**Berenberg**”) is acting as sole global coordinator for the Offering (the “**Sole Global Coordinator**”), and, together with ABN AMRO Bank N.V. (“**ABN AMRO**”), as joint bookrunner for the Offering (together with the Sole Global Coordinator, the “**Joint Bookrunners**” or “**Underwriters**”). The Underwriters and the Listing and Paying Agent (as defined herein) are acting exclusively for the Company and/or the Selling Shareholders and no one else in connection with the Offering. They will not regard any other person (whether or not a recipient of this document) as their respective clients in relation to the Offering and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients nor for giving advice in relation to the Offering or any transaction or arrangement referred to herein.

With regard to potential stabilization measures and to the extent permitted by law, investors may, in addition to the New Shares and the Increase Option Shares, be allocated up to 3,071,917 Over-Allotment Shares in the Offering (the “**Over-Allotment**”). In connection with a potential Over-Allotment, Berenberg, acting on behalf of the Underwriters, will be provided with up to 3,071,917 Shares from the holdings of the Selling Shareholders in the form of a securities loan without charge; this number of Shares may not exceed 15% of the sum of the New Shares and the Increase Option Shares. In this context, the Selling Shareholders have granted an option (the “**Greenshoe Option**”) to Berenberg (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 acquire from the Selling Shareholders additional Shares (the “**Greenshoe Shares**”), comprising up to 15% of the total number of New Shares sold in the Offering (in any case not higher than the number of Over-Allotment Shares), thus satisfying the retransfer obligation under the securities loan.

The Offering is and will only be made in those jurisdictions in which, and only to those persons to whom, the Offering may be lawfully made. No action has been or will be taken to permit a public offering of the Offer Shares in any jurisdiction. The distribution of this Prospectus and the offer and sale of the Offer Shares in certain jurisdictions may be restricted by law and therefore persons into whose possession this document 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 approved or disapproved by the US Securities and Exchange Commission or any securities commission or other regulatory authority of any state or other jurisdiction of the United States, nor have any of the foregoing passed upon or endorsed the merits of the Offering or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States. Each purchaser of Offer Shares is deemed to have made certain representations and statements as described in Section 16 (*Selling and Transfer Restrictions*) and each potential investor should carefully read and comply with the contents of Sections 2 (*Important Information*) and 16 (*Selling and Transfer Restrictions*).

Subject to acceleration or extension of the timetable for the Offering, payment (in Euro) for, and delivery of, the Offer Shares (“**Settlement**”) is expected to take place on November 5, 2021 (the “**Settlement Date**”) through the book entry facilities of the Netherlands Central Institute for Giro Securities Transactions (*Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.* trading as Euroclear Nederland) (“**Euroclear Nederland**”) in accordance with Euroclear Nederland’s normal procedures applicable to equity securities and against payment in full for the Offer Shares in immediately available funds. If Settlement does not take place on the Settlement Date or at all, the Offering may be withdrawn. In such case, all applications for Offer Shares will be disregarded and any allocations of Offer Shares will be deemed not to have been made and any payments made will be returned without interest or other compensation and transactions in the Offer Shares on Euronext Amsterdam may be annulled. Prior to Settlement all dealings in the Offer Shares are at the sole risk of the parties concerned. None of the Company, the Selling Shareholders, the Underwriters, the Listing and Paying Agent or Euronext Amsterdam N.V. accepts any responsibility or liability for any loss or damage incurred by any party as a result of the withdrawal of the Offering or the (related) annulment of any transactions in Offer Shares on Euronext Amsterdam. For more information regarding the conditions to the Offering and the consequences of any termination or withdrawal of the Offering, see Section 14 (*The Offering*) and 15.1 (*Underwriting Agreement*).

This Prospectus constitutes a prospectus for the purposes of Article 3 of Regulation 2017/1129/EU of the European Parliament and of the Council of June 14, 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the “**Prospectus Regulation**”) and has been prepared in accordance with the Prospectus Regulation. This Prospectus has been approved by the AFM, as competent authority under the Prospectus Regulation. The AFM has only approved 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 Company that it is 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 Shares. The validity of this Prospectus shall expire on the First Trading Date or 12 months after its approval by the AFM on [●], 2021, whichever occurs earlier. The obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies shall cease to apply upon the expiry of the validity period of this Prospectus.

Prospectus dated [●], 2021

Sole Global Coordinator and Joint Bookrunner

Joh. Berenberg, Gossler & Co. KG

Joint Bookrunners
ABN AMRO

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SUMMARY OF THE PROSPECTUS

INTRODUCTION AND WARNINGS

Warning. The summary has been prepared in accordance with Article 7 of Regulation (EU) 2017/1129 and should be read as an introduction to the prospectus (the “**Prospectus**”) prepared in connection with the offering (the “**Offering**”) of ordinary shares (“**Shares**”) expected to be issued in the range of €7.30 to €9.70 (inclusive) each in the share capital of MotorK plc (the “**Company**”) and the admission to listing and trading (“**Admission**”) of all Shares on Euronext Amsterdam, a Regulated Market operated by Euronext Amsterdam N.V. Any decision to invest in the Shares offered hereby should be based on a consideration of the Prospectus as a whole by the investor. Any investor could lose all or part of their invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are 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 Shares. The Company is currently a private limited company with the name MotorK Limited. The commercial name is “MotorK”. As part of the terms of the Offering and in accordance with applicable law, the Company has undertaken to re-register as a public limited company with the name MotorK plc prior to Admission (as defined below). The registered office address of the Company is Kemp House, 152 City Road, EC1V 2NX, London, UK. The Company is registered with the trade register of the Registrar of Companies of England and Wales under number 09259000. The international securities identification number of the Shares is GB00BMXH3352. The issuer of the Shares is the Company. The Company’s legal and commercial name is MotorK Ltd., its telephone number is +39 02 3675 8637 and its website is www.motork.io. The legal entity identifier (“**LEI**”) of the Company is 984500E0A1C4DLBA3878.

The Prospectus has been approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the “**AFM**”), as competent authority under Regulation (EU) 2017/1129, with its head office at Vijzelgracht 50 1017 HS, Amsterdam, and telephone number: +31(0)20-797 2000. The Prospectus was approved by the AFM on [●], 2021.

KEY INFORMATION ON THE ISSUER

Who is the issuer of the securities?

Domicile and legal form. The Company is currently a private limited company with the name MotorK Limited. The commercial name is “MotorK”. As part of the terms of the Offering and in accordance with applicable law, it has undertaken to re-register as a public limited company with the name MotorK plc prior to Admission. The principal laws and legislation under which the Company operates is the UK Companies Act and regulations made thereunder. The registered office address of the Company is Kemp House, 152 City Road, EC1V 2NX, London, UK. The Company is registered with the trade register of the Registrar of Companies of England and Wales under number 09259000. Its LEI is 984500E0A1C4DLBA3878.

Principal Activities. The Group is a leading software as a service (“**SaaS**”) provider for the automotive retail industry in the EMEA region, with over 250 employees and eight offices in seven countries (Italy, Spain, Portugal, France, UK, Germany, and Israel) at the date of this Prospectus. The Group offers a cloud-based SaaS platform spanning a comprehensive suite of products to optimize the sales and marketing functions of a network of over 660 dealer groups and 13 original equipment manufacturers (“**OEMs**”) in the EMEA region. The core products the Group offers through its SaaS platform are a lead management and customer relationship management system, a digital showroom, as well as an inventory management system, all of which are designed to allow customers to meet the challenges of an increasingly omni-channel market in need of digitalization.

Share Capital and Major Shareholders. As of the date of this Prospectus, the Company’s share capital comprises 28,613,574 Shares for which application has been made for listing and admission to trading on Euronext Amsterdam. As of the date of this Prospectus, 83 North III Limited Partnership, Marco Marlia, Fabio Gurgone, Marco De Michele, Zobito 1 and 2, Real Web Ventures Ltd. and Tommaso Parisi are the only shareholders who hold (either directly or indirectly) a substantial interest (*i.e.*, a holding of at least 3 per cent. of the share capital or voting rights) in the Company.

Prior to the First Trading Date, (a) the series A-1 preferred shares, series A-2 preferred shares and series A-3 preferred shares held by certain shareholders of the Company will be converted into ordinary shares; and (b) Amir Rosentuler will convert No. 120,000 of its vested options under the EMI Plan (as defined below) and subscribe No. 120,000 newly issued shares of the Company, equal to approximately 0.4% prior to the Offering of the issued share capital of the Company. The following table sets forth information with respect to the size of the shareholdings of the Selling Shareholders holding more than 3% of the share capital, both immediately prior to Settlement and immediately after Settlement, assuming (a) no exercise of the Greenshoe Option and of the Increase Option, (b) no exercise of the Greenshoe Option but full exercise of the Increase Option, (c) no exercise of the Increase Option but full exercise of the Greenshoe Option, and (d) exercise of the Greenshoe Option and of the Increase Option in full, in each case assuming the issue and sale of the maximum number of Offer Shares and that the Selling Shareholders do not subscribe for any New Shares or Increase Option Shares pursuant to the Offering.

	Shares following Admission assuming the maximum number of Offer Shares are purchased									
	Shares prior to Admission		Without exercise of the Greenshoe Option and the Increase Option		Without exercise of the Greenshoe Option but with full exercise of the Increase Option		With full exercise of the Greenshoe Option but without the exercise of the Increase Option		With full exercise of the Greenshoe Option and the Increase Option	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Existing Shareholders	6,941,579	24.3%	6,941,579	15.0%	6,941,579	14.1%	6,320,050	13.6%	6,222,436	12.7%
83 North III Limited Partnership .	5,481,580	19.2%	5,481,580	11.8%	5,481,580	11.2%	4,990,775	10.8%	4,913,692	10.0%
Marco Marlia .	5,285,080	18.5%	5,285,080	11.4%	5,285,080	10.8%	4,811,869	10.4%	4,737,549	9.7%
Fabio Gurgone	5,285,080	18.5%	5,285,080	11.4%	5,285,080	10.8%	4,811,869	10.4%	4,737,549	9.7%
Marco De Michele.....	1,832,566	6.4%	1,832,566	3.9%	1,832,566	3.7%	1,578,169	3.4%	1,538,199	3.1%
Zobito AB	1,009,798	3.5%	1,009,798	2.2%	1,009,798	2.1%	1,009,698	2.2%	1,009,698	2.1%
Zobito 2 AB...	1,068,928	3.7%	1,068,928	2.3%	1,068,928	2.2%	973,219	2.1%	958,188	2.0%
Real Web Ventures Ltd.	865,000	3.0%	865,000	1.9%	865,000	1.8%	787,550	1.7%	775,387	1.6%
Tommaso Parisi.....										

Key managing directors. The members of the board of the Company will as of the Settlement Date be Amir Rosentuler, Marco Marlia, Mans Hultman, Laurel Charmaine Bowden and Mauro Pretolani (jointly, the “**Board**” and each a “**Director**”). Marco Marlia is the chief executive officer (“**CEO**”) of the Company and Andrea Servo is the chief financial officer of the Company (“**CFO**”).

Identity of statutory auditors. BDO LLP are the independent auditors of the Company.

What is the key financial information regarding the issuer?

With regard to the financial information as of and for the financial years ended December 31, 2018, 2019 and 2020 and for the six-month period ended June 30, 2021, presented in the Prospectus, references to MotorK, the Company or the Group refer to the Company (and each of its subsidiaries from time to time, if the context requires), unless otherwise indicated. The Prospectus includes the audited consolidated financial statements of the Group as of and for the years ended December 31, 2018, 2019 and 2020 (the “**2018-2020 Consolidated Financial Statements**”) and the unaudited interim condensed consolidated financial statements of the Group as of and for the six-month period ended June 30, 2021 (the “**2021 Interim Condensed Consolidated Financial Statements**”). There are no qualifications in the auditor’s report on the 2018-2020 Consolidated Financial Statements included in the Prospectus. The 2018-2020 Consolidated Financial Statements and 2021 Interim Condensed Consolidated Financial Statements were prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board (“**IASB**”) and as endorsed by the EU. On December 31, 2020, the EU-adopted IFRS was brought into UK law and became UK-adopted international accounting standards, with future changes to IFRS being subject to endorsement by the UK Endorsement Board. In 2020 the Company started the process for the disposal of its “DriveK” lead generation business (the “**DriveK Business**”) and the Board has taken actions in order to complete the sale. Therefore, in accordance with IFRS 5, the DriveK Business was classified as discontinued operations in the statement of profit and loss for the year ended as of December 31, 2020, the results of which are presented, net of taxation, as a separate line item in the income statement, together with related comparatives for the previous years. Again, in accordance with IFRS 5, the relevant assets and liabilities relating to the DriveK Business at December 31, 2020 have been included within separate statement of financial position categories whilst the comparatives for 2019 and 2018 have not been reclassified. Cash flows attributable to the discontinued operations are disclosed separately in the notes to the 2018-2020 Consolidated Financial Statements and the 2021 Interim Condensed Consolidated Financial Statements. Particular reference should be made to Note 2 to the 2018-2020 Consolidated Financial Statements, which describes the basis of accounting in the preparation of the 2018-2020 Consolidated Financial Statements. The 2018-2020 Consolidated Financial Statements have been prepared to be included in the Prospectus for the Admission. As a result, the 2018-2020 Consolidated Financial Statements may not be suitable for another purpose.

Selected consolidated statement of profit and loss and other comprehensive income information

	Six-month period ended June 30	
	2021	2020
	(in € thousands)	
Revenue	12,781	9,188
Costs for marketing and call center services	3,619	2,993
Personnel costs	8,279	6,346
R&D Capitalization	(1,410)	(1,307)
Other operating costs	2,835	2,338
Amortization & Depreciation	1,858	1,680

Total costs	15,181	12,050
Operating loss	(2,400)	(2,862)
Finance expense	(968)	(856)
Finance income	3	6
Loss before tax	(3,365)	(3,712)
Corporate income tax	341	297
Loss from continuing operations	(3,024)	(3,415)
Profit after income tax of discontinued operation	470	22
(Loss)/profit for the period	(2,554)	(3,393)
Attributable to:		
Owners of the parent	(2,554)	(3,393)

Selected consolidated statement of financial position information

	Year ended December 31		
	2020	2019	2018
	<i>(in € thousands)</i>		
Revenue	19,329	27,940	12,210
Costs for marketing and call center services	6,029	6,583	4,493
Personnel costs	12,474	15,910	13,836
R&D Capitalization	(2,661)	(3,033)	(2,724)
Other operating costs	4,831	7,258	7,302
Amortization & Depreciation	3,186	2,316	1,050
Total costs	23,859	29,034	23,957
Operating loss	(4,530)	(1,094)	(11,747)
Finance expense	(1,820)	(1,436)	(327)
Finance income	16	11	2
Loss before tax	(6,334)	(2,519)	(12,072)
Corporate income tax	925	1,131	1,367
Loss from continuing operations	(5,409)	(1,388)	(10,705)
Profit from discontinued operation	42	1,601	3,853
(Loss)/profit for the period	(5,367)	213	(6,852)
Attributable to:	-	-	-
Owners of the parent	(5,367)	213	(6,852)

	As of June 30	
	2021	2020
	<i>(in € thousands)</i>	
Intangible assets	9,811	9,862
Property, plant and equipment	1,667	1,693
Non-current assets – security deposits	259	262
Non-current contract assets	2,900	4,289
Deferred tax assets	1,117	698
Non-current assets	15,754	16,804
Trade and other receivables	8,150	5,632
Contract assets	7,672	5,915
Cash and cash equivalents	10,146	11,824
Assets classified as held for sale	5,436	4,943
Current assets	31,404	28,314
Total assets	47,158	45,118
Trade and other payables	9,059	6,128
Current financial liabilities	2,872	6,263
Current lease liabilities	631	802
Liabilities directly associated with assets classified as held for sale	1,699	1,294
Current liabilities	14,261	14,487
Employees benefits liability	1,971	1,818
Deferred tax liabilities	242	245
Non-current financial liabilities	24,603	24,832
Other non-current liabilities	846	816
Non-current lease liabilities	944	786
Non-current liabilities	28,606	28,497
Total liabilities	42,867	42,984
Share capital	283	273
Share premium reserve	16,156	12,166
Retained earnings	(12,148)	(10,305)
Total equity	4,291	2,134
Total liabilities and equity	47,158	45,118

	As of December 31		
	2020	2019 (in € thousands)	2018
Intangible assets	9,862	11,186	6,634
Property, plant and equipment	1,693	1,582	394
Non-current assets – security deposits	262	382	289
Non-current contract assets	4,289	9,681	1,852
Deferred tax assets	698	-	-
Non-current assets	16,804	22,831	9,169
Trade and other receivables	5,632	14,437	13,601
Contract assets	5,915	1,543	2,013
Cash and cash equivalents	11,824	9,406	6,832
Assets classified as held for sale	4,943	-	-
Current assets	28,314	25,386	22,446
Total assets	45,118	48,217	31,615
Trade and other payables	6,128	11,067	10,523
Current financial liabilities	6,263	1,742	6,256
Current lease liabilities	802	746	-
Liabilities directly associated with assets classified as held for sale	1,294	-	-
Current liabilities	14,487	13,555	16,779
Employees benefits liability	1,818	1,584	1,252
Deferred tax liabilities	245	315	151
Non-current financial liabilities	24,832	22,833	9,110
Other non-current liabilities	816	1,759	366
Non-current lease liabilities	786	639	-
Non-current liabilities	28,497	27,130	10,879
Total liabilities	42,984	40,685	27,658
Share capital	273	273	261
Share premium reserve	12,166	12,166	8,978
Retained earnings	(10,305)	(4,907)	(5,282)
Total equity	2,134	7,532	3,957
Total liabilities and equity	45,118	48,217	31,615

Recent Developments

Acquisition of DAPDA Media, S.L. and PDA DAPDA, S.L.

On October 6, 2021, the Company entered into a binding letter of intent with the shareholders of PDA DAPDA, S.L. and DAPDA Media, S.L., companies incorporated under Spanish law and operating in the same sector as the Group, for the purchase of all of the stock of the companies. For further information regarding this acquisition, see “General Information on the Company – Material Contracts – Acquisitions and sale of equity investments – Acquisition of Spanish and French Companies in October 2021 – DAPDA Media, S.L. and PDA DAPDA, S.L.”.

Acquisition of Fidcar SAS and Liotey SAS

On October 6, 2021, the Company entered into a binding letter of intent with the shareholders of Fidcar SAS and Liotey SAS, companies incorporated under French law and operating in the same sector as the Group, for the purchase of all of the stock of the companies. For further information regarding this acquisition, see “General Information on the Company – Material Contracts – Acquisitions and sale of equity investments – Acquisition of Spanish and French Companies in October 2021 – Acquisition of Fidcar SAS and Liotey SAS”.

Acquisition of Francepronet SAS

On October 6, 2021, the Company entered into a binding letter of intent with the shareholders of Francepronet SAS, a company incorporated under French law and operating in the same sector as the Group, for the purchase of 85% of the stock of the company. For further information regarding this acquisition, see “General Information on the Company – Material Contracts – Acquisitions and sale of equity investments – Acquisition of Spanish and French Companies in October 2021 – Acquisition of Francepronet SAS”.

What are the key risks that are specific to the issuer?

Any investment in the Shares entails risk. 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 Shares. The following is a brief description of the most material risk factors specific to the Company and its Group contained in this Prospectus. 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 business and financial performance depends on the development of the automotive distribution market, which is highly sensitive to geo-political and macroeconomic conditions and is subject to a high level of fluctuation.
- The Group’s sales and profitability have been seriously impacted by the macroeconomic downturn resulting from the COVID-19 pandemic and there may be further negative effects if the pandemic continues.
- Global trends affecting the automotive distribution market could lead to reduced demand for the Group’s products and services.
- The Group faces a high level of competition in the markets where it operates.

- The Group may fail to maintain existing customers, attract new customers or sustain its growth rate.
- The Group may fail to successfully complete acquisitions as part of its growth strategy.
- The Group may be unable to successfully complete the intended sale of its DriveK Business and, even if such sale is successfully completed, the Group may be unable to benefit from efficiencies generated by the sale as anticipated.
- The Group's research and development ("R&D") resources may not be adequate.
- Certain services that the Group offers to its customers depend on a limited number of third party providers.
- The Group could suffer losses and be subject to fines or damage claims in the event of any unauthorized disclosures of confidential information and use of personal data in the Group's products or breaches in the Group's security or that of third party service providers.
- The Group may be unable to integrate its digital solutions with third party applications used by customers.
- The Group's business performance depends on sufficient traffic being generated on its customers' websites, which is subject to a number of factors outside of the Group's control.
- The Group's internal IT systems, or those of its partners, contractors or consultants, may fail or suffer cyber-attacks, security breaches and system outages and other incidents, which could result in a material disruption of the Group's product development programs and subsequent losses.

KEY INFORMATION ON THE SECURITIES

What are the main features of the securities?

Type, class and ISIN. The Shares are ordinary shares, created under and in accordance with the UK Companies Act, with a nominal value of €0.01 each in the share capital of the Company. Application has been made to list all Shares under the ticker symbol "MTRK" on Euronext Amsterdam under ISIN Code GB00BMXH3352 ("**ISIN**").

Currency, denomination, par value and number of securities issued. The Company and the Selling Shareholders are offering: (i) up to 17,808,219 newly issued Shares (the "**New Shares**"), (ii) subject to the exercise of an irrevocable and unconditional option granted to the Sole Global Coordinator (acting on behalf of the Underwriters) by the Company to increase the number of Shares to be offered (*i.e.*, the New Shares) by up to 15% (the "**Increase Option**"), up to 2,671,232 newly issued ordinary shares with a nominal value of €0.01 each (the "**Increase Option Shares**"), and (ii) up to 3,071,917 Shares (*i.e.*, up to 15% of the sum of the New Shares and the Increase Option Shares) from the holdings of the Selling Shareholders to cover any over-allotments (the "**Over-Allotment Shares**" and, collectively with the New Shares and the Increase Option Shares, the "**Offer Shares**"). The Offer Shares are denominated in and will trade in Euro. Immediately after payment (in Euro) for, and delivery of, the Offer Shares ("**Settlement**"), the issued share capital of the Company will amount to €462,018 (assuming the Offer Price is set at the mid-point of the Offer Price Range (between €7.30 and €9.70 (inclusive) per Offer Share), divided into 46,201,808 Shares with a nominal value of €0.01 - each (assuming the Offer Price is set at the mid-point of the Offer Price Range (between €7.30 and €9.70 (inclusive) per Offer Share). The Articles of Association (as defined below) do not specify an authorised share capital.

Rights attached to the Shares. The Articles of Association will be amended and fully restated effective from Admission. Reference to the "**Articles of Association**" hereafter will be to the Company's articles of association adopted with effect from Admission. Shares traded on Euronext Amsterdam will be transferred through book-entry on the accounts of investors with intermediaries that are participants in Euroclear Nederland or intermediaries that hold, directly or indirectly, accounts with participants in Euroclear Nederland. Each Share confers its holder the right to cast one vote at the Company's general meeting, being the corporate body or, where the context so requires, the physical meeting (the "**General Meeting**"). There are no restrictions on voting rights. The Shares carry dividend rights for the financial year starting January 1, 2021.

Rank of securities in the issuer's capital structure in the event of insolvency. The Shares do not carry any rights in respect to capital to participate in a distribution (including on a winding-up) other than those that exist as a matter of law. The Shares will rank *pari passu* in all respects.

Restrictions on the free transferability of the securities. There are no restrictions on the transferability of the Shares in the Articles of Association or under English law. However, the Offering to persons located or resident in, or who are citizens of, or who have a registered address in certain countries, and the transfer of Shares into certain jurisdictions, may be subject to specific regulations or restrictions.

Dividend or pay-out policy. As of the date of this Prospectus, the Group has not adopted a dividend distribution policy.

Where will the securities be traded?

Application has been made for the admission to listing and trading of all of the Shares ("**Admission**") under the symbol "MTRK" on Euronext Amsterdam. Trading on an "as-if-and-when-delivered" basis in the Shares on Euronext Amsterdam is expected to commence at 9:00 CET on or around November 3, 2021 (the "**First Trading Date**"). Prior to the First Trading Date, there has been no public trading market for the Shares.

What are the key risks that are specific to the securities?

The following is a brief description of the most material risk factors specific to the Shares and to the Offering:

- The Sole Global Coordinator and the Joint Bookrunners have conflicts of interest with respect to the Offering, which may influence their actions with respect to the Offering.
- The Shares may be relatively illiquid and the Share price may be volatile following the completion of the Offering and the listing of the Shares on Euronext Amsterdam.

- Persons acquiring Shares through this Offering may be unable to affect the Company's management as the Relevant Shareholders (as defined below) may retain control over the Company after the Offering is complete pursuant to certain changes in voting rights set to take effect as of the First Trading Date.

KEY INFORMATION ON THE ADMISSION TO TRADING ON A REGULATED MARKET

Under which conditions and timetable can I invest in this security?

Offering. The offering of the Offer Shares (the “**Offering**”) consists of private placements to a range of institutional investors in various jurisdictions. The Offer Shares are being offered to: (i) persons in EEA Member States who are Qualified Investors within the meaning of the Prospectus Regulation, (ii) persons in the UK who are qualified investors within the meaning of Article 2(e) of the Prospectus Regulation as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 who are persons having professional experience in matters relating to investments falling within Article 19(5) of the FPO, or high net worth entities falling within Article 49(2)(a) to (d) of the FPO or 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, and (iii) certain institutional investors in Canada, Australia, New Zealand and any other jurisdictions outside the EEA exempt from the obligation to approve and passport a prospectus. The Offer Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the “**US Securities Act**”). The Offer Shares are being offered (i) within the United States to persons reasonably believed to be qualified institutional buyers (“**QIBs**”) as defined in, and in reliance on, Rule 144A (“**Rule 144A**”) under the US Securities Act or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act, and (ii) outside the United States in compliance with Regulation S under the US Securities Act (“**Regulation S**”). The Offer Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state of the US, and may not be offered or sold within the US unless the Offer Shares are registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act is available. There will be no public offering in any jurisdiction. With regard to potential stabilization measures and to the extent permitted by law, investors may, in addition to the New Shares and the Increase Option Shares, be allocated up to 3,071,917 Over-Allotment Shares in the Offering (the “**Over-Allotment**”). In connection with a potential Over-Allotment, Berenberg, acting on behalf of the Underwriters, will be provided with up to 3,071,917 Shares from the holdings of the Selling Shareholders in the form of a securities loan without charge; this number of Shares may not exceed 15% of the sum of the New Shares and the Increase Option Shares. Any Over-Allotment Shares made available pursuant to the Over-Allotment will be made available on the same terms and conditions as the Offer Shares being offered pursuant to the Offering, will rank *pari passu* in all respects with all other Shares (including with respect to pre-emption rights) and will form a single class with all other Shares for all purposes, including with respect to voting and for all dividends and distributions thereafter declared, made or paid on the share capital of the Company. Any stabilization measures shall be conducted in accordance with Regulation (EU) 596/2014 (“**MAR**”) and Commission Delegated Regulation (EU) 2016/1052. If such stabilization occurs, it may be undertaken on Euronext Amsterdam, in the over-the-counter markets or otherwise. In this context, the Selling Shareholders have granted an option (the “**Greenshoe Option**”) to Berenberg (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 acquire from the Selling Shareholders additional Shares (the “**Greenshoe Shares**”), comprising up to 13% of the total number of Offer Shares sold in the Offering (in any case not higher than the number of Over-Allotment Shares), thus satisfying the retransfer obligation under the securities loan.

Timetable. Subject to acceleration or extension of the timetable by the Company and the Selling Shareholders, in consultation with the Sole Global Coordinator for, or withdrawal of, the Offering, the timetable below lists the expected key days for the Offering:

Event	Date (Time (CEI))
Start of Offering Period.....	October 27, 2021 at 9:00
End of Offering Period.....	November 2, 2021 at 14:00
Expected pricing.....	November 2, 2021
Publications of the results of the Offering and expected allocation.....	November 2, 2021
First Trading Date (on an “as-if-and-when-delivered” basis).....	November 3, 2021
Settlement Date (payment and delivery).....	November 5, 2021

The Company and the Selling Shareholders together with the Sole Global Coordinator, reserve the right to adjust the dates, times and periods given in the timetable and throughout the Prospectus.

Offer Price, Offer Price Range and number of Offer Shares. The price of the Offer Shares (the “**Offer Price**”) is expected to be in the range of €7.30 to €9.70 (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 and may be changed. 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 will be determined by the Company, based on close consultation with the Sole Global Coordinator, after the end of the Offering Period by the Company and the Selling Shareholders in agreement with the Underwriters and on the basis of a book building process, and taking into account economic and market conditions, a qualitative and quantitative assessment of demand for the Offer Shares and other factors deemed appropriate, and will be stated in a pricing statement (the “**Pricing Statement**”) that will be published through a press release that will also be posted on the Company's website (www.motork.io) and filed with the AFM.

Allocation. Allocation of the Offer Shares to investors is expected to take place after closing of the Offering Period on or about November 3, 2021, subject to acceleration or extension of the timetable for the Offering. Full discretion will be exercised as to whether or not and how to allot the Offer Shares. There is no minimum or maximum number of Offer Shares for which prospective investors may apply and multiple applications to purchase Offer Shares are permitted. In the event that the Offering is over-subscribed, investors may receive fewer Offer Shares than they applied for. The Company and the Selling Shareholders may, in consultation with the Sole Global Coordinator, at their own discretion and without stating the grounds therefor, reject any subscriptions wholly or partly. On the day that Allocation occurs, the Underwriters will notify the investors of any Allocation of Offer Shares made to them. On October 12, 2021, one or more funds or accounts managed by Capital International Investors (the “**Pre-Committed Investor**”) have irrevocably committed itself *vis-à-vis* the Company to subscribe for Offer Shares in the Offering at the Offer Price (up to a specific maximum Offer Price), in

exchange for a guaranteed allocation, for an aggregate amount of approximately €26 million upon completion of the Offering (the “**Pre-Commitment**”), subject to the following conditions, amongst others: (a) entry into force of, *inter alia*, the Underwriting Agreement, (b) approval and publication of this Prospectus, and (c) trading of the shares on Euronext Amsterdam, which subject to acceleration or extension of the timetable for the Offering, is expected to commence on the First Trading Date (as defined below) falling on or prior November 30, 2021. In the event the Offering is oversubscribed, the Pre-Commitment will not be reduced but will be entirely allocated with priority to the Pre-Committed Investor. The Pre-Committed Investor is not bound by any contractual lock-up restrictions.

Payment. Payment (in Euro) for and delivery of the Offer Shares (“**Settlement**”) will take place on the settlement date, which is expected to be on or about November 5, the second business day following the Allocation (as defined below), subject to acceleration or extension of the timetable for the Offering (the “**Settlement Date**”). Taxes and expenses, if any, must be borne by the investor. No expenses will be charged to investors by the Company or the Selling Shareholders. Investors must pay the Offer Price in immediately available funds in full in Euro on the Settlement Date, in cash upon remittance of their subscription or, alternatively, by authorizing their financial intermediary to debit their bank account with such amount on or about the Settlement Date (or earlier in the case of an early closing of the Offering Period and consequent acceleration of pricing, Allocation, first trading and payment and delivery).

Delivery of Shares. The Offer Shares will be delivered in book-entry form through the facilities of Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. (“**Euroclear Nederland**”). Settlement may not take place on the Settlement Date or at all if certain conditions or events referred to in the Underwriting Agreement (as defined below) are not satisfied or waived or occur on or prior to such date. If Settlement does not take place on the Settlement Date as planned or at all, the Offering may be withdrawn, in which case all subscriptions for Offer Shares will be disregarded, any allotments made will be deemed not to have been made and any subscription payments made will be returned without interest or other compensation and transactions in the Offer Shares on Euronext Amsterdam may be annulled. Any transactions in Offer Shares prior to Settlement are at the sole risk of the parties concerned. The Company, the Selling Shareholders, the Underwriters (as defined below) and Euronext Amsterdam do not accept responsibility or liability towards any person as a result of the withdrawal of the Offering or the (related) annulment of any transactions in Offer Shares.

Sole Global Coordinator and Joint Bookrunners. Berenberg is acting as Sole Global Coordinator. ABN AMRO, together with the Sole Global Coordinator, are acting as joint bookrunners (the “**Joint Bookrunners**”) (the “**Underwriters**”).

Listing and Paying Agent. ABN AMRO is acting as listing agent for the Admission and the paying agent for the Shares.

Stabilisation Manager. Berenberg is acting as stabilisation manager for the Offering.

Dilution. The Offer Shares will represent a maximum of 48.0% of the issued share capital of the Company at Admission. Existing shareholders will experience a maximum dilution of 38.4% in connection with the Offering due to the issuance of New Shares.

Estimated expenses. The expenses related to the Offering and the Admission consist of the fees for the Underwriters, the fees due to Euronext Amsterdam, as well as legal and administrative expenses, financial adviser fees, publication costs and applicable taxes, if any. The Company estimates that its total expenses related to the Admission are approximately 9.64 million (assuming the maximum number of Offer Shares are issued and sold by the Company and the Selling Shareholders and that all such Offer Shares are sold at an Offer Price set at the mid-point of the Offer Price Range). The expenses, commissions and taxes related to the Greenshoe Option payable by the Selling Shareholders are estimated to amount to approximately €1.01 million (assuming that (i) the maximum number of New Shares and Increase Option Shares are issued and sold by the Company, (ii) all such New Shares and Increase Option Shares are sold at an Offer Price set at the mid-point of the Offer Price Range and (iii) the Greenshoe Option is exercised in full). No commissions, fees or expenses in connection with the Offering will be charged to investors by the Company. Investors will have to bear customary transaction and handling fees charged by their brokers or other financial institutions through which they hold their securities.

Why is this prospectus being produced?

Reasons for the Offering and Admission. The Company believes that the Offering and Admission will raise the Company’s profile with the international investment community and its customers and OEMs, enhance brand recognition and credibility and promote trust towards the Group with an aim at supporting its growth strategy. In addition, the Offering will provide further financial flexibility and diversity to the Company through access to a wider range of capital-raising options and the Admission will create a market in the Shares for the future shareholders of the Company and will enhance employee and manager retention through the ability to offer easily exercisable equity-based incentive plans. The sale of Offer Shares by the Selling Shareholders will provide the Selling Shareholders with an opportunity for a partial realisation of their shareholding in the Company.

Gross proceeds. Through the sale of Offer Shares pursuant to the Offering, the Company expects to raise gross proceeds of approximately €130.0 million (assuming the Offer Price is set at the mid-point of the Offer Price Range (between €7.30 and €9.70 (inclusive) per Offer Share) before taking into account commissions and certain expenses associated with the Offering. On that basis, the aggregate underwriting commissions payable by the Company and the Selling Shareholders in connection with the Offering are estimated to be approximately €5.85 million.

Underwriting Agreement. The Company, the Selling Shareholders and the Underwriters will enter into an underwriting agreement (the “**Underwriting Agreement**”) on October 27, 2021 with respect to the offer and sale of the Offer Shares in the Offering. The Underwriting Agreement provides that the obligations of the Underwriters to use their respective reasonable endeavours to procure subscribers for or, failing which, to subscribe for themselves (on a several and not a joint or joint and several basis) the number of Offer Shares set forth in the Pricing Agreement, are subject to certain customary closing conditions. In addition, upon the occurrence of specific events, such as conditions precedent not being satisfied or waived, the Underwriting Agreement may cease to have effect immediately at any time prior to Settlement and/or the Underwriters may elect to terminate the Underwriting Agreement at any time prior to Settlement (or thereafter, in respect of the Greenshoe Option only). After the entering into of the Pricing Agreement between the Company, the Selling Shareholders and the Underwriters, which is a condition for the obligations of the Underwriters under the Underwriting Agreement, and the terms of and subject to the conditions set forth in the Underwriting Agreement, the Underwriters will, severally but not jointly, agree to use reasonable endeavours to procure purchasers for the Offer Shares at the Offer Price. To the extent that the

Underwriters fail to procure such purchasers, the Underwriters will themselves, severally but not jointly, purchase such Offer Shares at the Offer Price. The Selling Shareholders will agree to sell the Offer Shares at the Offer Price.

Material conflicts of interest pertaining to the Offering and 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 and/or the Selling Shareholders' 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.

1. RISK FACTORS

Any investment in the Shares is subject to a number of risks. Prior to investing in the Shares, prospective investors should carefully consider the risks and uncertainties described below, together with all other information contained in this Prospectus. 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 Shares. Furthermore, before making an investment decision with respect to any Shares, prospective investors should consult their own professional adviser and should consider carefully whether an investment in the Shares is suitable for them in the light of the information in this Prospectus and their personal circumstances.

A1.3.1

A11.2.1

Prospective investors should note that the risks relating to the Group, its industry and the Shares summarised in the Section of this Prospectus headed “Summary” are the risks that the Company believes to be the most material to an assessment by a prospective investor of whether to consider an investment in the Shares. However, as the risks which the Group faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the Section of this Prospectus headed “Summary” but also, among other things, the risks and uncertainties described below. This Prospectus also contains forward-looking statements that involve risks and uncertainties. Actual results could differ materially from those anticipated in such forward-looking statements as a result of certain factors, including the risks faced by us, described below and elsewhere in this Prospectus (see “Important Information” and “Forward-looking Statements” in particular).

The Company believes that the risks and uncertainties described below are the material risks and uncertainties to the Group’s business, industry and the Shares. However, they are not the only risks and uncertainties relating to the Group and the Shares. Additional risks and uncertainties relating to the Group that are not currently known to the Group, or that the Group currently deems immaterial, may individually or cumulatively also have a significant negative impact on the Group’s business, results of operations financial condition and/or prospects and may also cause the price of the Shares to decline and cause investors to lose all or part of their investment. An investment in the Shares involves complex financial risks and is suitable only for investors 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 Group may face a number of the risk factors described below simultaneously and some risks described below may be interdependent, indicated in cross-references where appropriate. 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, results of operations, financial condition and prospects. While the risk factors below have been divided into 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.

RISKS RELATING TO THE INDUSTRY AND TO THE MARKET IN WHICH THE GROUP OPERATES

A1.3.1

A1.10.2

The Group’s business and financial performance depends on the development of the automotive distribution market, which is highly sensitive to geo-political and macroeconomic conditions and is subject to a high level of fluctuation.

The Group derives substantially all of its revenue from the automotive distribution market, which is part of the overall automotive industry and is thus highly dependent on geo-political and macroeconomic conditions.

The automotive industry is particularly sensitive to macroeconomic issues, such as staginations or contractions of (parts of) the economy, interest rate fluctuations, increases in inflation, as well as global supply chain challenges, changes to trade policies and relations (including tariff rates and customs duties), trade relations, increases in the cost of energy and gasoline, availability and cost increases of

credit, reductions in business and consumer confidence, stock market volatility and increased unemployment.

For example, semi-conductor chips are key for automotive manufacturing as they represent a fundamental component for various car systems, ranging from computer management of engines for better fuel economy to driver assistance features such as emergency breaking. As a result of the COVID-19 pandemic which caused an increase in the demand for electronic devices and of the worsening of the commercial relationships between the U.S. and China (where most of the chips are produced), a global shortage of chips and semi-conductors occurred at the beginning of 2021. Such shortage has curtailed production for a number of major automakers, some of which had to shut down a number of their plants for limited periods of time due to the shortage of chips and semi-conductors. This has had and could continue to have a material negative impact on the Group's revenues, as the Group's customers, in particular automotive retailers, have reduced their spending on the Group's products and services given that they do not have sufficient vehicles to sell.

The Group is active in various markets in the EMEA region and is particularly dependent on macroeconomic conditions in Italy, France, Spain and Germany, which have been severely impacted by the COVID-19 pandemic. A slower than expected recovery of the economy in these countries could materially and negatively influence the demand for the Group's products and services, since the Group's customers, such as automotive retailers, may experience a decline in sales and may no longer consider investment in the Group's digital solutions and services as a necessity, or may elect to reduce or defer their expenditure on digital solutions. Purchases of vehicles generally decline during recessionary periods and when disposable income is adversely affected, this could cause overall reductions in expenditure in general, including in the sector of digital automotive advertising and solutions, where the Group operates.

All of these factors individually, or combined together, could have a material adverse effect on the Group's revenue and profits and, therefore, the Group's business, financial condition and results of operations.

The Group's sales and profitability have been seriously impacted by the macroeconomic downturn resulting from the COVID-19 pandemic and there may be further negative effects if the pandemic continues.

The COVID-19 pandemic and related governmental measures have resulted in a slowdown in manufacturing activity globally in the markets in which the Group operates due to severe disruptions to supply chain operations and a decline in overall customer demand. During the early stages of the COVID-19 crisis, the majority of car manufacturers' plants were temporarily closed at some stage during the first quarter of 2020, due to compliance with restrictions announced by governments or due to prudent health and safety precautions. In particular, since the start of the COVID-19 pandemic, sales of vehicles recorded a sharp decline with the overall automotive market declining by 23.7% from 2019 to 2020 as a result of the COVID-19 pandemic according to National Automobile Manufacturers Association. This, in turn, significantly affected, and may continue to affect in the future, the results of operations of the Group.

The pandemic and related countermeasures have affected and continue to affect some of the Group's customers and suppliers adversely. In some cases, this may be material and could, in turn, have an adverse impact on the Group (for example, through deteriorations in credit quality and higher impairments). Moreover, the ability of the Group's customers and suppliers to serve their contractual obligations may also be materially affected due to liquidity constraints or other financial difficulties. In the jurisdictions in which the Group operates, schemes have been initiated by national governments to provide financial support to parts of the economy most impacted by the COVID-19 outbreaks. The actual impact on the Group's customers and suppliers and, therefore, the impact on the Group remain uncertain at this stage. The full economic impact of COVID-19 is outside of the Group's control and will depend in particular on the further spread of the virus and the response of the local authorities and the global community.

The degree to which COVID-19 impacts the Group's results of operations, liquidity, and access to funding and financial position will depend on future developments, which are highly uncertain and

cannot be predicted. These developments may include, but are not limited to, the duration and spread of COVID-19, its severity, actions taken to contain the virus or treat its impact, the extent and effectiveness of economic stimulus taken to contain the virus or treat its impact and how quickly, to what extent normal economic and business activity can resume and the possibility of an additional or extended lockdown. The government assistance and support measures which the Group has applied for in the countries in which the Group operates may terminate or cease to be applicable after the outbreak of the COVID-19 pandemic. Moreover, even after the outbreak of the COVID-19 pandemic has subsided, the Group may continue to face material adverse effects on its business as a result of its global economic impact, including the depth and duration of any recession or increases in unemployment levels that have occurred or may occur in the future. Any future pandemics or health crises may also have similar, or even more severe, effects on global economic activity and on the Group's business, results of operations, or financial conditions.

Any of these developments could have a material and adverse effect on the Group's revenue and profit and, therefore, the Group's business, financial condition and results of operations.

Global trends affecting the automotive distribution market could lead to reduced demand for the Group's products and services.

In recent years the market for motor vehicles has experienced rapid changes in consumer demands. The industrial market is characterized by megatrends, such as energy efficiency, renewable energies, mechatronic systems, electric mobility, digitalization, autonomous vehicles and change in ownership model to an increase in leasing vehicles rather than purchasing.

Self-driving technology, autonomous vehicles, ride sharing, transportation networks, and other fundamental changes in transportation, as well as regulatory changes could impact consumer demand for the purchase of automobiles. A reduction in the number of vehicles purchased by consumers could adversely affect dealers and car manufacturers and lead to a reduction in other spending by these groups, including digital automotive solutions offered by the Group. Over the period 2018-2020, there has been a decrease of number of vehicles purchased in the EU and the European Free Trade Association from 15,624,486 to 11,961,182, which has affected the revenue and, consequently the availability of financial resources, of car dealerships, which are the main customers of the Group.

Moreover, consolidation of dealerships or dealer groups and the possible shift by the OEMs of some or all of their sales to direct online sales (*i.e.* without the involvement of any dealerships) could reduce the overall number of dealer groups in the automotive distribution market, which could in turn reduce the customer base and the number of agreements entered into by the Group and, thus, affect the sales volume and profitability of the Group.

The Group may be unable to successfully respond to these changes and adjust its cost structure in the event of contraction of demand, which could have a material and adverse effect on the Group's revenue and profit margins and, therefore, the Group's business, financial condition and results of operations.

The Group may be unable to adapt to technological changes.

The market for digital automotive services is subject to rapid technological change. The future success of the Group depends on its ability to recognize technological changes and to develop and bring to the market new and improved products in a timely manner. The automotive market, in particular, is characterized by rapid technological change, high capital expenditures and continuous advancements in technologies.

The Group may not be successful in developing new products or systems or in bringing them to market in a timely manner, or at all. Should the Group fail to enhance existing products, develop new products or keep pace with developing technology, growth opportunities could be lost or the Group could lose existing customers. Furthermore, if the Group devotes resources to the pursuit of new technologies and products that fail to be accepted in the marketplace or that fail to be commercially viable, all or part of these R&D expenses may be lost and its business may suffer as it may factually turn out that the Group did not spend R&D expenses in the succeeding technologies.

Moreover, the Group's competitors may develop and market new technologies that render the Group's existing or future products and services less competitive, unmarketable or obsolete. In addition, if competitors develop products or services with similar or superior functionality to the Group's solutions, the Group may need to decrease prices for its solutions to remain competitive or even stop offering selected products or functionalities. If the Group is unable to maintain its current pricing structure due to competitive pressures, revenue may be reduced and its operating results may be negatively affected. Some of the Group's larger competitors may be better able to respond more quickly with new technologies and to undertake more extensive marketing or promotional campaigns.

The occurrence of the events described in the paragraphs above individually, or combined together, could have a material and adverse effect on the Group's revenue and profit margins and, therefore, the Group's business, financial condition and results of operations.

The Group faces a high level of competition in the markets where it operates.

The Group operates in a highly fragmented market and faces significant competition from companies that provide listings, information, lead generation, websites, marketing and car-buying services designed to reach consumers and enable dealers to reach these consumers. Its competitors offer various products and services that compete, including online automotive sites, sites operated by automobile sellers (traditional and digital) and by OEMs, providers of offline, membership-based car-buying services and website platform and solution providers. With respect to its SaaS platform, the Group believes that the most significant competitors are a large and fragmented group of small and local providers of automotive SaaS products. With respect to Digital Marketing (as defined below), competition is vast and includes some of the companies mentioned above as well as many advertising agencies that manage ad budgets for the automotive industry. These competitors may have superior technological expertise or more financial flexibility than the Group, thus negatively affecting the Group's competitive positioning.

To the extent that dealers view alternative digital automotive solutions to be superior, the Group may not be able to maintain or grow the number of dealers in its network. In addition, new competitors may enter the online automotive distribution industry with competing products and services.

Moreover, to the extent that any of the Group's competitors have or may develop more extensive relationships with dealers or OEMs for marketing or data analytics solutions, longer operating histories, and greater name recognition, those dealers and automobile manufacturers may be unwilling to partner or continue to partner with the Group.

In addition, if any of the Group's competitors were to merge or partner with another of its competitors, the change in the competitive landscape could materially and adversely affect the Group's ability to maintain existing and acquire new customers because of reduced market share and pricing pressure on the Group's products. The Group's competitors may also establish or strengthen cooperative relationships with its current or future third-party data providers, technology partners, or other parties with whom it has relationships, thereby limiting the ability to develop, improve and promote solutions. These competitors may be able to respond more quickly with technological advances or have greater financial means to undertake more extensive marketing or promotional campaigns. The Group may not be able to compete successfully against current or future competitors, which could have a material and adverse effect on the Group's revenue and profit margins and, therefore, the Group's business, financial condition and results of operations.

RISKS RELATING TO THE GROUP'S BUSINESS OPERATIONS

The Group may fail to maintain existing customers, attract new customers or sustain its growth rate.

A1.3.1

A1.10.2

Since its incorporation in 2010, the Group has grown substantially. The Group had 2 full-time employees as of December 31, 2010, as compared with 266 as of the date of this Prospectus and the Group has opened 7 international offices (including Italy) since 2010. This growth has placed, and will continue to place, a significant strain on the Group's management, administrative, operational and financial infrastructure.

Success to reach further growth will depend on several factors, including the Group's ability to implement its business strategy effectively, which depends on the ability of the Group to retain revenue from existing customers, to attract new customers or to increase revenue from existing customers and to acquire and successfully integrate acquired companies. The Group may not be able to retain its customers or to attract new ones, including for reasons outside of the control of the Group. Factors that may affect the ability of the Group to attract new customers, retain revenue from existing customers or increase sales to both new and existing customers include:

- a decline in the customers' level of satisfaction with the Group's platform and customers' usage of the Group's platform, given that many of the Group's customers will be able to switch to a competitor product without incurring significant costs or service interruptions,
- changes in the Group's relationships with third parties, including partners, app developers, referral sources and other software providers for automotive distributors, and
- timelines and success of new products and services the Group may offer in the future.

If the Group fails to successfully grow its business, this could have a material and adverse effect on the Group's revenue and profit margins and, therefore, the Group's business, financial condition and results of operations.

The Group may fail to successfully complete acquisitions as part of its growth strategy.

The Group's strategy is built around growing its business through strategic acquisitions. The Group may fail to realize the anticipated benefits from, or may incur unanticipated costs associated with, future acquisitions, any of which may be unsuccessful or divert its management's attention.

The Group has recently signed three binding letters of intent for the acquisition of the entire share capital of companies operating within the Group's industry in France and Spain and may consider targeted and strategic acquisitions in the future. Acquisitions can involve significant risks such as:

- higher than expected integration and restructuring costs, both one-off and on-going;
- failing to successfully integrate target companies into the business of the Group;
- failing to retain existing clients and management teams;
- developing and maintaining sufficient controls, policies and procedures;
- diversion of management's attention from on-going business operations;
- failing to establish new informational, operational and financial systems to meet the needs of the Group's business;
- failing to achieve anticipated synergies, including with respect to complementary products or services;
- exposure to litigation or other potential liabilities and (maybe undetected) risks, including, but not limited to, environmental liabilities related to entities that the Group acquires, or that were previously acquired or divested by such acquired entities; and
- unanticipated and unknown liabilities.

For further information relating to the recently signed binding letters of intent, see "*General Information on the Company – Material Contracts – Acquisitions and sale of equity investments.*"

The assets acquired by the Group may be overvalued and also be subject to hidden material defects, or other unknown facts and circumstances that were not apparent or discovered or otherwise considered by the Group at the time of acquisition. To the extent the Group or other third parties underestimated or failed to identify risks and liabilities associated with the acquisition of a new business or asset, the Group may incur, directly or indirectly, unexpected liabilities, such as defects in title, an inability to

obtain authorization approvals or licenses enabling the Group to use the underlying infrastructure as intended, environmental, structural or operational defects or liabilities requiring remediation. Failure to identify any defects, liabilities or risks could result in the Group acquiring assets which are not consistent with its investment strategy, which are difficult to integrate with the rest of the Group's businesses or which fail to perform in accordance with expectations, and/or adversely affect the Group's reputation.

The Group also may incur substantial expenses and devote significant management time and resources in seeking to complete such transactions. In addition, the Group could use substantial portions of its available cash or debt capacity to pay all or a portion of the purchase price of future acquisitions. If the Group does not achieve the anticipated benefits of its transactions as rapidly or to the extent anticipated by its management, its business, results of operations and financial condition could be adversely affected.

Even where the Group is dedicating substantial expenses and devotes significant management resources in seeking to complete transactions, it may be unsuccessful in completing the transactions for a variety of reasons, many of which are outside of management's control. This risk exists even once a letter of intent or similar agreement has been reached between the parties as it has in relation to the Group's planned acquisitions of Fidcar SAS, Liotey SAS, Francepronet SAS, DAPDA Media, S.L., and PDA DAPDA, S.L. For further information concerning such planned acquisitions, including a brief description of the requirements for successfully completing the acquisitions, see "*General Information on the Company – Material Contracts – Acquisitions and sale of equity investments*".

The occurrence of the events described in the paragraphs above individually, or combined together, could have a material and adverse effect on the Group's revenue and profit margins and, therefore, the Group's business, financial condition and results of operations.

The Group faces risk in connection with the intended sale of its DriveK Business, which it may be unable to complete and, even if completed, the Group may be unable to benefit from efficiencies from this sale.

During the year 2021, the Group has moved forward with plans to sell the DriveK Business in order to focus its activities and financial resources on the most significant and valuable portion of the Group's business (*i.e.*, the SaaS business) and fully convert the Group into a digital partner of the main automotive retail industry (the "**DriveK Carve-Out**"). The Board has taken actions in order to complete the DriveK Carve-Out. Therefore, in accordance with IFRS 5, the DriveK Business was classified as a discontinued operation as of December 31, 2020, the results of which are presented, net of taxation, as a separate line item in the income statement for the year ended December 31, 2020 together with related comparatives for the year ended December 31, 2019 and December 31, 2018, respectively.

As of the date of this Prospectus, the Group has not entered into binding documentation relating to the sale of the DriveK Business. While the Group is in discussions with several interested parties, there can be no assurance that these discussions will ultimately result in a successful sale of the DriveK Business. Failure to consummate the DriveK Carve-Out in a timely manner or at all could negatively impact the Group's future business, results of operations or financial condition.

Also, the DriveK Carve-Out may require significant amounts of time and effort which could divert management's attention from operating and growing the business of the Group. Further, the Company may incur significant non-recurring costs in connection with the DriveK Carve-Out, including financial, legal, accounting, consulting and other advisory fees and expenses, as well as reorganization and restructuring costs and other related charges some of which would be payable by the Company regardless of whether the DriveK Carve-Out is ultimately consummated. Any of the foregoing could adversely affect the Group's business, financial condition and results of operations.

Further, until the DriveK Carve-Out is completed, the Group will remain subject to the underlying risks relating to the DriveK Business. Such underlying risks include those associated with businesses focused on the generation of qualified leads (*i.e.* interactions with prospective customers who have already expressed an intention to buy a car) that are sold to car manufacturers and dealers in Italy, Spain and

France, such as risks related to competition, failing to develop improved technology and systems, and a lack of geographic diversity.

Even if the DriveK Carve-Out is completed, there can be no assurance that the Company will be able to realize the envisaged efficiencies in its business model.

Any of the events described above could have a material and adverse effect on the Group's revenue and profit margins and, therefore, the Group's business, financial condition and results of operations.

The Group is active in a variety of markets in EMEA and intends to expand into further international markets, thus exposing it to multiple risks.

While the Group's main markets are Italy, Spain, France and Germany, the Group sells its products and services to direct customers in approximately 10 countries, mainly in EMEA. Revenue generated outside of Italy represented 19% and 10% of the Group's total revenues for the years ended December 31, 2020 and 2019, respectively. The Group's business and future prospects depend on the increase of its international revenue as a percentage of total revenue. However, operating in international markets requires significant investment and management attention and subjects the Group to different regulatory, political and economic risks from those in the countries where the Group currently operates. The Group has made, and will continue to make, investments to build and develop cloud computing infrastructure, sales, marketing, partnership arrangements, personnel and facilities as it enters and expands in new geographic markets. In particular, the Group considers expansion first to countries which are close to the geographic area in which it currently operates, such as the DACH area (Germany, Austria and Switzerland), France and Benelux and subsequently to other countries in the EMEA region in order to achieve complete coverage in Europe (e.g. including the Nordics and CEE regions). When the Group makes these investments, it is typically unclear whether, and when, sales in the new market will justify its investments. The Group may significantly underestimate the level of investment and time required to be successful, or whether the Group will be successful. The Group may experience difficulties in some of its investments in geographic expansion, including hiring qualified sales management personnel, penetrating the target market, anticipating and ensuring compliance with regulatory developments, and managing foreign operations in such locations.

Risks inherent with making products and services available in international markets include without limitation:

- compliance with multiple, conflicting and changing governmental laws and regulations, including employment, tax, competition, bribery and anti-corruption requirements to have local partner(s), local entity ownership limitations, technology transfer or sharing requirements, data residency and transfer laws and regulations, privacy and data protection laws and regulations;
- the risk that illegal or unethical activities of the Group's local employees or business partners will be attributed to or result in the Group's liability or damage to its reputation;
- the risk that the Group will fail to meet the requirements of the rules and regulations relating to government or other public sector contracting;
- longer and potentially more complex sales and accounts receivable payment cycles and other collection difficulties;
- tax treatment of revenue from international sources and changes to tax codes, including being subject to foreign tax laws and being liable for paying withholding, income or other taxes in foreign jurisdictions;
- foreign currency fluctuations, which may cause transactional and translational re-measurement losses;
- potential changes in international trade policies, tariffs, agreements and practices, including the adoption and expansion of formal or informal trade restrictions or regulatory frameworks favoring local competitors;

- potential threatening state-sponsored actions, including cybersecurity threats directed at local data centres, customers or end-users;
- local business practices and cultural norms that may favor local competitors;
- localization of services, including translation into foreign languages and associated expenses; and
- natural disasters, acts of war, terrorism or pandemics.

If the Group is unable to manage these risks, if the required investments in the international markets are greater than anticipated or fail, or if the Group is unsuccessful in increasing sales in emerging markets, this could have a material and adverse effect on the Group's revenue and profit margins and, therefore, the Group's business, financial condition and results of operations.

The Group's risk relating to the adequacy of the Group's R&D resources.

The Group develops most of its technology and applications in-house. To remain competitive, the Group must continue to develop new product offerings, applications, features and enhancements to its existing digital services and solutions. Maintaining adequate R&D personnel and resources to meet the demands of the market is essential.

As of December 31, 2020 the Group employed over 86 employees in the Group's R&D centers mainly located in Italy. The Group's R&D efforts are focused on software application development and product innovation. The R&D expenses of the Group (comprising in particular expenses for the product development process and software implementation) amounted to €1,915 thousand in the six-month period ended June 30, 2021, €2,241 thousand in the year ended December 31, 2020, €2,026 thousand in the year ended December 31, 2019 and €1,397 thousand in the year ended December 31, 2018, accounting for an aggregate spending of 24% of total revenues over 2018-2020.

If the Group is unable to develop its SaaS platform internally due to certain constraints, such as high employee turnover, lack of management ability or a lack of other R&D resources, it may miss market opportunities.

Further, many of the Group's competitors expend a considerably greater amount of funds on their R&D programs, and those that do not may be acquired by larger companies that allocate greater resources to R&D. Failure to maintain adequate R&D resources or to compete effectively with the R&D programs of competitors could materially adversely affect the Group's business.

The occurrence of the events described in the paragraphs above individually, or combined together, could have a material and adverse effect on the Group's revenue and profit margins and, therefore, the Group's business, financial condition and results of operations.

Certain services that the Group offers to its customers depend on a limited number of third party providers.

Besides its SaaS platform, the Group offers to its customers' digital marketing advertising, such as ad campaign management and traffic generation, that depend on a limited number of third party providers (mainly Facebook, Google and Amazon). As of and for the year ended December 31, 2020 and for the six-month period ended June 30, 2021, the Group's two largest third party providers accounted for 56% and 67%, respectively, of the Group's total purchases.

The Group is subject to the risk that any or all of these services may be unavailable, because the third-party provider has not collected or is not able, due to regulatory or other restrictions, to deliver the relevant data, or the services may be unavailable at affordable costs. In addition, in order to comply with new laws and regulations, web and mobile browser developers have implemented and may continue to implement changes and restrictions that limit the use of cookies, or that limit the Group's ability to communicate with, or understand the identity of, the Group's customers, including requiring additional user permissions, in their browser or device operating system that impair the Group's ability to measure and improve the effectiveness of its services and solutions. Such changes may include,

limiting the use of first-party and third-party cookies and related tracking technologies and other changes that limit the Group's ability to collect information which allows to attribute user actions on customers' websites. Moreover, relationships with such providers are generally governed by terms and conditions imposed by the third-party provider, which has the unilateral right to amend them and/or propose new terms (including in certain agreements, the applicable fees for the services provided). Furthermore, the Group's suppliers or procurement teams may experience delays, cancellations, strikes, insufficient quantities or inadequate quality which could result in interruptions in delivery of services, which in turn may cause delays in the delivery of the Group's services to its customers and result in loss of business, damage claims and reputational damage to the Group.

Developers may release additional technology (e.g. technologies that restrict data caching, cookies collections, tracking, etc.) that further inhibits the Group's ability to collect data that allows to measure the effectiveness of digital services and solutions. Any other restriction, whether by law, regulation, policy (including third-party policies) or otherwise, on the Group's ability to collect and share data which customers find useful and failure of the Group to identify and/or develop permitted services or tools which sufficiently circumvent these issues, the Group's ability to use or benefit from tracking and measurement technologies, including cookies, or that further reduces the Group's ability to measure the effectiveness of its digital services and solutions could impede the Group's ability to attract, grow and retain customers. In addition, customers and other third parties who provide data that help the Group deliver personalized, relevant digital services and solutions may restrict or stop sharing this data. If they stop sharing this data with the Group, it may not be possible for the Group to collect this data within the product or from another source.

Finally, the Group heavily relies on the cloud infrastructure provided by Amazon. Such relationship also includes (i) the use of data and information collected by Amazon through different web platforms and other devices and (ii) the supply of certain hardware appliances, equipment and digital services, each regulated by its own terms and conditions. Therefore, the Group is subject to the risk of any failure or shutdown of the cloud infrastructure and that a replacement of its third party provider may be unavailable or unavailable at affordable costs, which in turn may cause delays in the delivery of the Group's services to its customers and result in loss of business and reputational damage to the Group.

The occurrence of the events described in the paragraphs above individually, or combined together, could have a material and adverse effect on the Group's revenue and profit margins and, therefore, the Group's business, financial condition and results of operations.

The Group's internal IT systems, or those of its partners, contractors or consultants, may fail or suffer cyber-attacks, security breaches and system outages and other incidents, which could result in a material disruption of the Group's product development programs and subsequent losses.

Despite the implementation of security measures, the Group's internal systems and those of its current or future partners, contractors and consultants have been subject to attacks (e.g., malwares, phishing, etc.) by, and may be vulnerable to damage from, various methods, including cybersecurity attacks, breaches, intentional or accidental mistakes or errors, or other technological failures which can include, among other things, computer viruses, malicious codes, employee theft or misuse, unauthorized copying of its website or its content, unauthorized access attempts including third parties gaining access to systems using stolen or inferred credentials, denial-of-service attacks, phishing attempts, service disruptions, natural disasters, fire, terrorism, war, telecommunication and electrical failures.

Events that may lead to any such material disruption include the following:

- cyber-attacks on the Group's internally built infrastructure on which many of its service offerings operate;
- vulnerabilities resulting from enhancements and updates to the Group's existing service offerings;
- vulnerabilities in the products or components across the broad ecosystem that the Group's services operate in conjunction with and are dependent on;

- vulnerabilities existing within new technologies and infrastructures, including those from acquired companies;
- attacks on, or vulnerabilities in, the many different underlying networks and services that power the internet that the Group's products depend on, most of which are not under the Group's control or the control of the Group's vendors, partners, or customers; and
- employee or contractor errors or intentional acts that compromise the Group's security systems.

As the cyber-threat landscape evolves, these attacks are growing in frequency, sophistication and intensity, and are becoming increasingly difficult to detect.

If a failure, accident or security breach were to occur and cause interruptions in the Group's activities, or its partners' operations, it could result in misappropriation of confidential information, including its intellectual property or financial information, a material disruption of its programs and/or significant monetary losses. Any breach, loss or compromise of customer data may also subject the Group to civil fines and penalties. To the extent that any disruption or security breach results in a loss of or damage to the Group's servers or applications or other servers or applications relating to the Group's technology, the Group's reputation could be harmed and the Group could incur significant liabilities and the further development of new technologies and solutions could be disrupted, which could have a material adverse effect on its business, results of operations or financial condition.

The Group could suffer losses and be subject to fines or damage claims in the event of any unauthorized disclosures of confidential information and use of personal data in the Group's products or breaches in the Group's security or that of third party service providers.

The Group is exposed to incidents regarding unauthorized disclosure of confidential and internal information in connection with the Group's business – such as information related to the Group's strategy, new technologies, mergers and acquisitions, unpublished financial results, intellectual property or other confidential information – or personal data of the Group's customers. Although the Group has developed systems and processes designed to protect its customers' personal data, such measures may fail and cannot provide absolute security or that a material breach will not occur. Such risks are particularly relevant due to the changes in the Group's work environment (such as remote working) as a result of the COVID-19 pandemic, which could adversely affect the Group's security measures, as well as the ability to address and respond to incidents quickly.

The Group's ability to mitigate these risks may be impacted by frequent changes to, and growth in complexity of, the techniques used to breach, obtain unauthorized access to, or sabotage IT systems and infrastructure, the continued evolution of the Group's internal IT systems as the Group early adopts new technologies, authorization by the Group's customers to third-party technology providers to access their customer data, or the Group's limited control over its customers or third-party technology providers, or the processing of data by third-party technology providers.

Events that may lead to any such material security breach include the following:

- third-party attempts to fraudulently induce employees or customers into disclosing sensitive information such as user names, passwords or other information to gain access to the Group's customers' data or IT systems, or the Group's data or IT systems;
- efforts by individuals or groups of hackers and sophisticated organizations, such as state-sponsored organizations or nation-states, to launch coordinated attacks, including distributed denial of service attacks; and
- third-party attempts to abuse the Group's marketing, advertising or social platforms to impersonate other people or organizations and disseminate information that is false or misleading.

Incidents regarding unauthorized disclosure of confidential and internal information in connection with the Group or the Group's or customers' personal data could lead to fines and penalties or lawsuits from third parties (including affected customers) seeking compensation for damages. Any such lawsuits

against the Group, with or without merit, could result in substantial costs and the diversion of management's attention and resources, resulting in a decline in the Group's results of operations and future sales. In addition, this could have an adverse effect on the Group's business, reputation, share price, financial position and profit, as it may imply additional direct and indirect costs, such as increases in insurance premiums, additional infrastructure capacity spending to mitigate any system degradation and the reallocation of resources from development activities.

The occurrence of the events described in the paragraphs above individually, or combined together, could have a material and adverse effect on the Group's revenue and profit margins and, therefore, the Group's business, financial condition and results of operations.

Errors or defects in, or relating to, the Group's platforms and software applications could result in damage claims and reputational loss.

Because the services offered by the Group are complex and incorporate a variety of proprietary and third-party software and applications, its services may be exposed to errors or defects that could result in unanticipated downtime for the Group's subscribers, and hence, cause harm to its reputation and its business. In addition, customers may use the Group's services in unanticipated (and/or non-permitted) ways that may cause a disruption in services for other customers attempting to access their data. Such defects could be the result of employee, contractor or other third party acts or inaction, and could negatively affect the Group's brand and reputation. Additionally, such defects could create vulnerabilities that could inadvertently permit access to protected customer data.

Since the Group's customers use its services for important aspects of their business, any errors, defects, disruptions in service or other performance problems could negatively affect, or even damage, its customers' businesses. As a result, customers could elect to not renew the Group's services or delay or withhold payment to the Group. The Group could also lose future sales or customers may make warranty or other claims against it, which could result in an increase in its allowance for doubtful accounts, an increase in collection cycles for accounts receivable or the expense and risk of litigation.

Further, as usage of the Group's digital solutions grows, the Group will need to devote additional resources to improving its application architecture, integrating with third-party systems and maintaining infrastructure performance. Similarly, as the Group may acquire companies and/or businesses from time to time, it may encounter difficulties in incorporating the acquired technologies into its services and in augmenting the technologies to meet the quality standards that are consistent with the Group's brand and reputation.

In addition, the Group will need to appropriately scale its internal business systems and its services organization, including customer support and professional services, to serve its growing customer base. Any failure of or delay in these efforts could lead to impaired system performance and reduced customer satisfaction. These issues could reduce the attractiveness of the Group's digital solutions to customers, resulting in decreased sales to new customers, lower renewal rates by existing customers, the issuance of service vouchers, or requested refunds, which could reduce revenue and harm the Group's reputation. Even if the Group is able to upgrade its systems and expand its staff, any such expansion will be expensive and complex, requiring management's time and attention. The Group could also face inefficiencies or operational failures as a result of its efforts to scale the infrastructure. Moreover, there are inherent risks associated with upgrading, improving and expanding the Group's information technology systems (e.g., the CRM internal system), as the expansion and improvements to its infrastructure and systems will be fully or effectively implemented on a timely basis, if at all.

The occurrence of the events described in the paragraphs above individually, or combined together, could have a material and adverse effect on the Group's revenue and profit margins and, therefore, the Group's business, financial condition and results of operations.

The Group may be unable to integrate its digital solutions with third party applications used by customers.

A significant percentage of the Group's customers choose to integrate the Group's digital solutions with certain capabilities provided by third-party application providers using application programming

interfaces (or APIs) published by these providers. The functionality and popularity of the Group's digital solutions depends, mostly with respect to publishing stock to online classified boards, importing stock from DMSs and receiving data from financial providers, on the Group's ability to integrate them with third-party applications and platforms that customers use. Third-party providers of applications and APIs, required by the Group to develop its own platforms and applications, may change the features of their applications and platforms, restrict the Group's access to their applications and platforms, or alter the terms governing use of their applications and APIs and access to those applications and platforms in an adverse manner. Such changes could functionally limit or terminate the Group's ability to use these third-party applications and platforms in conjunction with the Group's platform, which could negatively impact the Group's product offerings and harm its business. If the Group fails to integrate the Group's platform with new third-party applications and platforms that the Group's customers use for marketing, sales or services purposes, or if the Group fails to renew existing relationships pursuant to which the Group currently provides such integration, the Group may not be able to offer the functionality that the Group's customers need, which would negatively impact its ability to generate new revenue or maintain existing revenue and adversely impact its business.

The occurrence of the events described in the paragraphs above individually, or combined together, could have a material and adverse effect on the Group's revenue and profit margins and, therefore, the Group's business, financial condition and results of operations.

The Group's business performance depends on sufficient traffic being generated on its customers' websites, which is subject to a number of factors outside of the Group's control.

Many of the end-users of the websites of the Group's customers locate such websites through internet search engines, such as Google, and advertisements on social networking sites, such as Facebook. The prominence of the Group's customers' respective websites in response to internet searches is a critical factor in attracting potential customers to the Group's platform and its customers' websites. If the Group's customers are listed less prominently or fail to appear in search results for any reason, including periodical revisions of the algorithms by the relevant search engine's or social network's providers, visits to its and their respective websites could decline significantly and they may not be able to replace this traffic, and the Group's ability to maintain or increase the number of customers to pay for its solutions may be affected accordingly.

Additionally, search engines or social networking sites may change their advertising policies from time to time (*e.g.*, to reflect changes in the applicable regulatory framework, to update privacy settings, etc.). If any change to these policies delays or prevents the Group's customers from advertising through these channels, it could result in reduced traffic to their respective websites. New search engines or social networking sites may develop, particularly in specific jurisdictions, solutions that reduce traffic on existing search engines and social networking sites and, if the Group's customers are not able to achieve awareness through advertising or otherwise, the Group may not achieve significant traffic to their website through these new platforms.

If the Group's customers are unable to continue to successfully promote and maintain their websites, or if they incur excessive expenses to do so and as a consequence, as they are short in cash, reduce volume of services offered by the Group, it could have a material and adverse effect on their revenue and profit margins and, therefore, indirectly on the Group's business, financial condition and results of operations.

The Group's business may suffer if it fails to maintain, protect and enhance the Group's brand.

The Group believes that maintaining and increasing the strong recognition of the MotorK brands is critical to the Group's future success. The Group's brand is known for attracting a large base of dealerships and drives traffic to its websites and applications. In addition, to grow the business, the Group must maintain, protect and enhance its brands. Otherwise, it may be unable to expand its base of customers or increase revenue from existing customers. Expanding the business will depend, in part, on the Group's ability to maintain the trust that consumers, customers and advertisers place in the Group's services and the quality and integrity of the content found on the MotorK sites and applications. In addition, any negative publicity about the Group, including about its solutions, technologies, sales practices, personnel or customer service, could diminish confidence in and the use of the Group's

services. Moreover, the Group may not be able to prevent use of any of its unregistered brands (*i.e.* DealerK, WebSparK, LeadSparK, CarPark, and AdSparK) by third parties.

If the Group experiences negative publicity, or if customers otherwise perceive that content on the MotorK sites or applications is not reliable, the Group's reputation, the value of its brands and traffic to its sites and applications could decline, which could have a material and adverse effect on the Group's revenue and profit margins and, therefore, the Group's business, financial condition and results of operations.

The Group's operations depend on its ability to attract and retain qualified executives, key employees and skilled personnel.

The Group's success depends on attracting and retaining managing directors, executive officers, senior management, key employees and other skilled personnel, and in particular its CEO Marco Marlia, together with the Group's CFO and chief product and innovations officer. The loss of executives, key employees and other skilled personnel could have a material adverse effect on the Group's market position and ability to devise and implement a successful strategy. Due to intense competition within the industry, there is a risk of losing qualified employees to competitors or being unable to find a sufficient number of appropriate new employees at all, or within a reasonable timeframe. Considerable expertise could be lost or access thereto gained by competitors. Additionally, under the terms of the EIB Facility Agreement and the Illimity Facility Agreement, the banks may accelerate the facilities and terminate the agreement in the event Marco Marlia ceases to be the CEO of the Company or the managing director of MotorK Italia.

Although the Group tries to retain the commitment of its qualified executives and key employees through performance-based remuneration systems, there is a risk that any such individuals will leave the Group.

Furthermore, because the Group is engaged in the production of highly technical products, it is dependent on the skills of designers, software engineers and programmers to maintain the Group's high quality standards and implementing the Group's standardized process and quality management globally. Thus, the success of the Group's operations and growth strategy will also depend on attracting such personnel (including the need to identify, recruit, train and integrate additional employees). The demand for such individuals is generally higher than the ready supply, and finding individuals with the requisite skills can be time-consuming and costly.

Accordingly, the loss of personnel with these valuable skills may have a material and adverse effect on the Group's revenue and profit margins and, therefore, the Group's business, financial condition and results of operations.

The Group could be subject to litigation risk because of its use of open source software.

A portion of the Group's cloud-based SaaS platform incorporates so-called "open source" software, and the Group may incorporate additional open source software in the future.

Open source software is generally made available to users under licenses that allow each user to access, use and, to the extent applicable, implement changes to the software architecture / source code free of charge *vis-à-vis* the original developer. Certain open source licenses may, in certain circumstances, require the Group to offer the components of its platform that incorporate the open source software for no cost, that the Group makes available source code for modifications or derivative works it creates based upon, incorporating or using the open source software and that it licenses such modifications or derivative works under the terms of the particular open source license.

If an author or other third party that distributes open source software that the Group uses were to allege that it had not complied with the conditions of one or more of these licenses, the Group could be required to incur significant legal expenses defending against such allegations and could be subject to significant damages, including being enjoined from the offering of the components of its platform that contained the open source software and being required to comply with the foregoing conditions, which could disrupt its ability to offer the affected software.

The Group could also be subject to law suits by parties claiming ownership of what it believes to be open source software. Litigation could be costly for the Group to defend, have a negative effect on its operating results and financial condition and require it to devote additional R&D resources to change its products.

The occurrence of the events described in the paragraphs above individually, or combined together, could have a material and adverse effect on the Group's revenue and profit margins and, therefore, the Group's business, financial condition and results of operations.

RISKS RELATING TO THE GROUP'S FINANCIAL POSITION

A1.3.1

The Group may be unable to obtain financing at acceptable terms or at all.

The Group's cash from operating activities, current cash resources, and existing sources of external financing could be insufficient to meet its further capital needs, especially if the Group's sales decrease significantly. Furthermore, future disruptions in the financial markets, including the bankruptcy, insolvency or restructuring of a number of financial institutions, global economic downturns, and the generally restricted availability of liquidity could adversely impact the availability and cost of additional financing for the Group and could adversely affect the availability of financing already arranged or committed. The Group's liquidity could also be adversely impacted if the Group's suppliers tighten terms of payment as a result of any decline in the Group's financial condition, or if the Group's customers were to extend their normal payment terms or by the natural delay in the collection of fees for the Group's subscription products.

The occurrence of the events described in the paragraph above individually, or combined together, could have a material and adverse effect on the Group's revenue and profit margins and, therefore, the Group's business, financial condition and results of operations.

Risk relating to the seasonality of the Group's operating results.

The Group's results of operations are also affected by seasonal factors in the automotive market. The automotive industry normally encounters two peak seasons with the demand for motor vehicles increasing in the spring and autumn months, because car manufacturers introduce new models of automotive inventory stock at those times of the year. Such fluctuations in the sales for dealerships result in a change in their cash and cash equivalents mainly due to seasonal effects on the working capital cycle, which in turn lead to lower sales volumes for the Group in specific months during summer and winter.

Western European markets tend to be impacted by summer and winter holidays and summer and winter shutdowns of automotive suppliers, which may have a significant seasonal impact on the financial results, including revenues, working capital and cash flows of the Group's customers and potential customers.

Sales in the automotive industry have been cyclical in the past and this cyclicity may continue. This could have a material and adverse effect on the Group's revenue and profit margins and, therefore, the Group's business, financial condition and results of operations.

The Group may experience a substantial decrease in its revenues during certain quarters when its customers and potential customers have less cash to commit to purchasing the Group's products and services, the revenue from which is generally recognized immediately pursuant to IFRS 15 even though the products and services will be delivered over the life of the contract. To a lesser degree, due to its non-subscription based revenue, the Group's working capital and cash flows may also be impacted by seasonality. This could have a material adverse impact on the Group's financial performance, and the terms on which the Group finances its working capital and capital and product development expenditures and investment requirements.

Risk relating to the terms of the Group's financing arrangements.

Certain of the Group's existing financing arrangements, including the EIB Facility Agreement, EIB Warrants, Credimi Facility Agreement and the Illimity Facility Agreement, as well as future financing

arrangements, contain or will contain a number of restrictive covenants that impose significant operating and financial restrictions on the Group and may limit its ability to engage in acts, strategies, business decisions, etc., which may be in the Group's long-term best interest, including restrictions on its ability to:

- incur or guarantee additional indebtedness and issue certain preferred stock;
- make certain payments, including dividends or other distributions, with respect to the shares of such entity;
- create or incur certain liens;
- prepay or redeem subordinated debt or equity;
- make certain investments;
- sell, lease or transfer certain assets, including shares in subsidiaries;
- create encumbrances or restrictions on the payment of dividends or other distributions, loans or advances to, and on the transfer of, assets to such entity;
- engage in certain transactions with affiliates;
- enter into transactions with affiliates; and
- consolidate, merge or transfer all or substantially all of the Group's assets and the assets of the Group's subsidiaries on a consolidated basis.

These restrictions may limit the Group's ability to react to market conditions or take advantage of potential business opportunities as they arise. Additionally, the Group's ability to comply with these covenants and restrictions may be affected by events beyond the Group's control.

If the Group fails to comply with any of these covenants or representations under such existing financing arrangements or if a change of control occurs, and it is unable to obtain a waiver from the respective creditors, a default or a mandatory prepayment event could result under the relevant debt instrument or contract, which then could be accelerated by the lending banks and declared to be immediately due and payable and/or would become immediately due and payable.

The occurrence of the events described in the paragraphs above individually, or combined together, could have a material and adverse effect on the Group's revenue and profit margins and, therefore, the Group's business, financial condition and results of operations.

Risk relating to interest rate changes.

The Group is exposed to risks associated with changes in variable interest rates, as certain of its credit facilities may bear interest at a floating rate. An increase or decrease in interest rates would affect the Group's current interest expenses and the Group's refinancing costs. Although the Group may enter into certain hedging arrangements in the future, there can be no assurance that hedging will be available or continue to be available on commercially reasonable terms. In addition, if the Group was to use any hedging transactions in the future in the form of derivative financial instruments, such transactions may result in mark- to-market losses.

The occurrence of the events described in the paragraph above individually, or combined together, could have a material and adverse effect on the Group's revenue and profit margins and, therefore, the Group's business, financial condition and results of operations.

The Group's financial results are subject to unexpected adjustments because most of its revenues are recognized prior to receipt of payment.

The Group mainly generates subscription revenues, which are fully recognized in accordance with IFRS 15 at the time the product is delivered to the customer, even though the Group is only entitled to receive

payments at a later time. Many of the agreements call for periodic payments over the term of the agreement and, in any event, after the revenue has already been recognized.

The Group's revenue recognition is therefore subject to risk and uncertainty, as it assumes that each party will satisfy all of its respective obligations under such agreement and that payments to the Group under the agreement will be made on a timely basis and consistent with the relevant payment conditions of each agreement. Furthermore, the Group's customers may have the right to terminate the agreement under certain limited conditions. If the Group's customers terminate their agreements with the Group or refuse to fulfill their obligations under their agreements with the Group, the Group's results of operations would be adversely affected and adjustments to its financial statements may be required. Such failure could have a material adverse effect on the revenues the Group has reported.

In addition, although the Group's recognition of revenue as described is performed according to IFRS, it is subject to several assumptions which may prove to be inaccurate or incorrectly applied. If the assumptions are inaccurate or incorrectly applied, adjustments to the Group's financial statements may be necessary.

All of these factors could have a material adverse effect on the Group's revenue and profits and, therefore, the Group's business, financial condition and results of operations.

The financial results presented for Fidcar SAS, Liotey SAS, Francepronet SAS, DAPDA Media, S.L., and PDA DAPDA, S.L. were calculated according to GAAP for the local jurisdictions of the targets and the financial statements from which they were drawn have not been audited.

The Group has entered into binding letters of intent with the shareholders of Fidcar SAS, Liotey SAS, Francepronet SAS, DAPDA Media, S.L., and PDA DAPDA, S.L., whereby the Company seeks to acquire all of the stock or, in the case of Francepronet SAS, 85%, of those companies. In describing the acquisitions of those targets and how the acquisitions will impact the Group, the Group has presented certain financial results for your consideration (*i.e.*, revenues, total assets, and EBITDA). The financial statements from which those figures were drawn were prepared using GAAP for the relevant local jurisdictions and have not been audited. Accordingly, the figures may be inaccurate or may be different than they would be if prepared under IFRS.

RISKS RELATING TO LEGAL AND TAXATION MATTERS

A1.3.1

Risk relating to a breach of applicable data protection laws and regulations.

As a software and service provider, the Group is required to comply with local laws wherever the Group does business, including in particular the European General Data Protection Regulation ("GDPR"). International data transfers to third countries that do not provide for an adequate level of data protection require additional safeguards to justify a transfer from the EU to a third country based on the standard contractual clauses.

Furthermore, evolving regulations and laws globally (such as the EU's proposed e-Privacy Regulation including data localization requirements) regarding data protection and privacy or other standards increasingly aimed at the use of personal data, such as for marketing purposes and the tracking of individuals' online activities, may impose additional burdens for the Group due to increasing compliance standards that could restrict the use and adoption of the Group's products and services (in particular advertising services) and make it more challenging and complex to meet customer expectations. This refers in particular to a compliant use of new technology, such as machine learning and AI for product development and deployment of intelligent applications. Any such developments could harm the Group's business and limit the Group's growth.

Non-compliance with applicable data protection and privacy laws by the Group or any of the sub-processors engaged by the Group within the processing of personal data could also lead to financial risks, such as administrative fines and damages.

The occurrence of the events described in the paragraphs above individually, or combined together, could have a material and adverse effect on the Group's revenue and profit margins and, therefore, the Group's business, financial condition and results of operations.

Risk relating to the Group's ability to secure and protect its intellectual property and to infringement of the intellectual property of others.

The Group expects that internet technologies and software products and services may be increasingly subject to third-party infringement claims as the number of competitors in the Group's industry segment grows and the functionality of products in different industry segments overlaps. The Group's ability to compete depends upon the Group's proprietary systems and technology. While the Group relies on intellectual property laws, confidentiality agreements and technical measures to protect the Group's proprietary rights, it believes that the technical and creative skills of the Group's personnel, continued development of the Group's proprietary systems and technology, brand name recognition and reliable website maintenance are essential in establishing and maintaining a leadership position and strengthening the Group's brands. Unauthorized parties may however attempt to copy aspects of the Group's services or obtain and use information that is regarded as proprietary. Policing unauthorized use of the Group's proprietary rights is difficult and may be expensive. See also "*The Group could be subject to litigation risk because of its use of open source software*".

The steps the Group takes with a view to preventing misappropriation of technology, or the agreements entered into for that purpose by the Group, may not be enforceable. Effective copyright protection may not be available when the Group's products and services are made available online. In addition, if litigation becomes necessary to enforce or protect the Group's intellectual property rights or to defend against claims of infringement or invalidity, such litigation, even if successful, could result in substantial costs and diversion of resources and management attention. The Group also cannot provide any assurance that the Group's products and services do not infringe on the intellectual property rights of third parties. Claims of infringement, even if unsuccessful, could result in substantial costs and diversion of resources and management attention. If unsuccessful, the Group may be subject to preliminary and permanent injunctive relief and monetary damages, which may be trebled in the case of wilful infringements, which could in turn have a material and adverse effect on the Group's revenue and profit margins and, therefore, the Group's business, financial condition and results of operations.

Risk relating to adverse results from litigation or governmental investigations.

The Group may face potential liability and expense for legal claims relating to the information that it publishes on its sites and applications, including claims for defamation, libel, negligence and copyright or trademark infringement. The Group may be subject to claims based on the advertising of its business. Any such claims the Group may face in the future could divert management time and attention away from its business and result in significant costs to investigate and defend, regardless of the merits of the claims. In some instances, the Group may elect or be compelled to remove content or may be forced to pay substantial damages if it is unsuccessful in the Group's efforts to defend against these claims. If the Group elects or is compelled to remove valuable content from its sites or applications, its platforms may become less useful to consumers and the Group's traffic may decline.

The occurrence of the events described in the paragraphs above individually, or combined together, could have a material and adverse effect on the Group's revenue and profit margins and, therefore, the Group's business, financial condition and results of operations.

Risk relating to fraud or other illegal activity or to unethical behavior and noncompliance with policies by employees, other individuals, partners, or associated entities.

Due to the international nature of the Group's activities and the scattered legal framework that characterizes the digital services field, the Group is exposed to potential fraudulent and illegal activity in the countries in which it operates. The measures the Group has in place to detect and limit the occurrence of such fraudulent and illegal activity may not always be effective, or may not account for all types of fraudulent or other illegal activity. Further, the measures that the Group uses to detect and limit the occurrence of fraudulent and illegal activity must be dynamic, as technologies and ways to commit fraud and illegal activity are continually evolving. Failure to limit the impact of fraudulent and illegal activity on the Group's websites could lead to potential legal liability, harm the Group's business, cause the Group to lose paying dealer customers and adversely affect the Group's reputation, business, financial condition and results of operations.

Moreover, the Group's competitive position is founded on the long-term and sustainable trust of its stakeholders, which could be materially damaged by the occurrence of fraudulent, illegal or unethical activity. The Group is subject to risks and associated consequences in the following areas, among others:

- non-compliance by any customers, employees or third parties with the Group's policies and violation of compliance related rules, regulations, and legal requirements including, but not limited to, anticorruption and anti-bribery legislation in the EU and Italy and other local laws prohibiting corrupt conduct;
- unethical and fraudulent behavior by individual employees, other individuals, partners, or entities associated with the Group leading to criminal charges, fines, and claims by affected parties;
- collusion by the Group's employees with external third parties, for example, by aiding in securing business; and
- fraud and corruption, especially in countries with a low Transparency International Corruption Perceptions Index score and particularly in emerging markets.

The occurrence of the events described in the paragraphs above individually, or combined together, could have a material and adverse effect on the Group's revenue and profit margins and, therefore, the Group's business, financial condition and results of operations.

Risk relating to changes in the effective tax rate or rejection of tax positions.

The Group is subject to income taxes in Italy and various foreign jurisdictions, the ultimate tax outcome of which may differ from the amounts recorded in its consolidated financial statements and may materially affect its financial results in the period or periods in which such outcome is determined. The Group's effective tax rate could be adversely affected by changes in the mix of earnings and losses in countries with differing statutory tax rates, certain non-deductible expenses, the valuation of deferred tax assets and liabilities and the effects of acquisitions. Increases in the Group's effective tax rate would reduce profitability or in some cases increase losses.

Additionally, the Group's future effective tax rate could be impacted by changes in accounting principles or changes in federal, state or international tax laws or tax rulings. Any changes in federal, state or international tax laws or tax rulings may increase the Group's worldwide effective tax rate and harm its financial position and results of operations.

An adverse resolution of one or more uncertain tax positions in any period could have a material impact on its results of operations for that period. In the event that its position was to be successfully challenged by taxing authorities in other jurisdictions, it may become subject to significant tax liabilities, which could have a material and adverse effect on the Group's revenue and profit margins and, therefore, the Group's business, financial condition and results of operations.

RISKS RELATING TO THE OFFERING AND THE SHARES

A11.2.1

The Sole Global Coordinator and the Joint Bookrunners have conflicts of interest with respect to the Offering, which may influence their actions with respect to the Offering.

A11.3.3

A11.5.3.4

Berenberg, as Sole Global Coordinator and Joint Bookrunner, and ABN AMRO, as Joint Bookrunner, are in a situation of potential conflict of interest as it is expected that they will enter into the Underwriting Agreement pursuant to which they will place or, failing which, underwrite the Offer Shares.

The Sole Global Coordinator and Joint Bookrunners will receive a commission in relation to these services provided in relation to the Offering. In addition, ABN AMRO will receive a commission in relation to services provided as a listing agent.

The aforementioned financial institutions and/or the other companies belonging to their banking groups, in the normal exercise of their activities, have provided in the past and/or could provide in the future on an ongoing basis, as appropriate, (i) lending, advisory, investment banking and corporate finance to the

Group, the existing shareholders, and/or their respective groups and (ii) investment and negotiation services, both on their own behalf and on behalf of their customers, which they could relate to the Group's financial instruments or other instruments connected and/or related to the latter.

The Shares may be relatively illiquid and the Share price may be volatile following the completion of the Offering and the listing of the Shares on Euronext Amsterdam.

Following the completion of the Offering, the Shares will be traded on Euronext Amsterdam, and their holders will be able to liquidate their investment by means of their sale on Euronext Amsterdam, which could lead to a significant decrease of the Share price shortly after listing of the Shares. Following the completion of the Offering, the Shares will present risk elements of an investment in listed financial instruments of the same nature. A liquid market for the Shares may not be formed or maintained. Therefore, investors could lose all or part of their investment.

The Shares may be illiquid due to factors beyond the Company's control, and those wanting to sell Shares may be unable to find a ready buyer at what the seller believes is a reasonable price, with the consequence that the prices of the Shares may be subject to fluctuations, which could be significant. The fluctuations could be due to a number of factors, some of which are beyond the Group's control (e.g., macro-economic and political events and circumstances), and therefore would not necessarily reflect the Group's operating results.

In addition, equity markets have experienced somewhat unstable trends in recent months as regards pricing and volumes traded, due also to the impact of COVID-19 pandemic. The continuation of such trends could negatively affect the market price of the Shares in the future, regardless of the assets, economic, and financial values that the Group may achieve.

Finally, the Company may decide to not fully allocate the Shares. As a result, outstanding Shares may be relatively less illiquid.

For further information about the securities market on which the Shares will trade, please refer to "*The Offering - Listing and Trading*".

The Stabilization Manager may fail to perform its role as anticipated or, if it does, the cessation of stabilizing activities may cause the value of the Shares to decline.

Berenberg may carry out activities to stabilize the price of the Shares on Euronext Amsterdam in the 30 days following the First Trading Date. The stabilization activity could lead to a market price that is higher than the price that would otherwise prevail or, once concluded, could lead to a decline in the market price of the Shares.

There is no guarantee that the stabilization activity will actually be carried out, or that, even if carried out, it will not be interrupted at any time. It is also possible that the market price of the Shares will decrease, perhaps significantly, once Berenberg ceases its stabilization activity.

The actions or inaction of Berenberg in the role of Stabilization Manager could have negative effects on the market price of Shares.

For further information about the role of the Stabilization Manager, please refer to "*Sale and Distribution – Stabilization Manager*".

Certain changes in the Company's governing documents, corporate governance practices, and governing bodies will only be effective as of the First Trading Date. A1.14.
5

The Company has introduced some corporate governance provisions in its new Articles of Association, in accordance with UK and Dutch law, which will come into force only from the First Trading Date. The Company will adopt its new Articles of Association and corporate governance system to the provisions for purposes of listing its Shares on Euronext Amsterdam. Prior to the Admission, the extraordinary shareholders' meeting will approve the new Articles of Association, which will enter into force as of the First Trading Date.

The Board, as constituted on the First Trading Date, will remain in office until the shareholders' meeting, which will be called to approve the financial statements for the year ended December 31, 2021.

The new Articles of Association contain provisions that provide that the director elections be carried by ordinary resolution of the shareholders' meeting. These provisions will be applied upon the first renewal of the Board, following the First Trading Date.

Consequently, investors will first have the opportunity to present and vote for their candidates for the office of director upon the next renewal of the Board, which will take place with the adoption of the financial statements for the year ended December 31, 2021 (each date on which annual financial statements are adopted will be a "renewal date" on which shareholders may have an opportunity to present and vote for their candidates for the office of director. During the period between the First Trading Date and the renewal date, the Board will be constituted as elected at the shareholders' meeting. The only current director whose term will end and be up for reappointment at the first applicable renewal date is Marco Marlia, who, as an executive director, is eligible to be reappointed for an unlimited number of four-year terms under the new Articles of Association. For further information relating to the terms of the current directors of the Company, see "*Management and Employees – The Board – Composition of the Board*".

The changes in the Company's governing documents, corporate governance practices, and governing bodies as described above may require additional costs to be borne and changes made to the internal decision-making processes and procedures. Additionally, non-compliance with such governance rules may prevent third-parties from investing in the Company or require additional disclosure to the market and administrative burdens.

The occurrence of any of the risks listed above could have a material and adverse effect on the Group's revenue and profit margins and, therefore, the Group's business, financial condition and results of operations.

For further information about changes to the Group's governing documents, governance practices, and governing bodies, please refer to "*Description of Shares and Share Capital*."

Persons acquiring Shares through this Offering may be unable to affect the Company's management as the Relevant Shareholders may retain control over the Company after the Offering is complete.

The Offering will include up to 48.0% of the Company's share capital (assuming the exercise in full of the Greenshoe Option and of the Increase Option).

Therefore, following the First Trading Date, 83 North, Marco Marlia, Fabio Gurgone, Marco De Michele, Zobito 1 and 2 and Assaf Topaz (the "**Relevant Shareholders**") will continue to control the Company by virtue of holding an overall amount of not less than approximately 55.9% (assuming no exercise of the Greenshoe Option and the Increase Option) of the Company's share capital (or 47.4% assuming the exercise in full of the Greenshoe Option and the Increase Option), corresponding to 55.9% of the Company's voting rights. In addition, the Relevant Shareholders have entered into a shareholders' agreement whereby they have agreed to an allocation of certain rights and obligations with respect to control of the Company. Accordingly, other shareholders will not be able to prevent, delay, or discourage certain corporate actions (including a potential change of control) that is supported by the Relevant Shareholders. For further information regarding the Relevant Shareholders and their ownership of the Company's share capital immediately preceding and following the Offering, see "*The Offering – Shareholders*" and further information regarding the shareholders' agreement to which the Relevant Shareholders are parties, see "*Management and Employees – Shareholders Agreement*".

Those entering into lock-up commitments may sell their Shares after such commitments expire or in the event that the Sole Global Coordinator waives such restrictions.

The Company is exposed to the risk that, after the lock-up period (as provided for in the Underwriting Agreement) has elapsed, any placement on the market of the temporarily restricted shares will lead to a greater offer of Shares and a potential negative impact on the price of the Shares themselves.

As part of the commitments entered into in the context of the Offering, the Company and the Selling Shareholders (including certain members of the management) will undertake lock-up commitments to the Sole Global Coordinator and Joint Bookrunners for 180 days from the First Trading Date for the Company and 360 days for the shareholders, respectively. Upon expiration of the aforementioned lock-up commitments or in the event that the Sole Global Coordinator (acting on behalf of the Underwriters), in its sole discretion and at any time without prior public notice, waives the restrictions, including those on sales, issues or transfers of Shares, there is no guarantee that the Company or the Relevant Shareholders will not proceed with the sale of the respective Shares, with a consequent negative effect on the performance of the stock price.

Any significant sales of the Shares, or the mere perception that such sales may occur, could have a material adverse effect on the price of the Shares.

For further information about the lock-up commitments, please refer to “*Sale and Distribution – Lock-Up Agreements.*”

Investors from countries that do not use the Euro as their currency may face an additional risk due to changes in currency exchange rates.

The Shares are denominated in Euros, and should any dividends on the Shares be distributed in the future, they will be paid only in Euros. The Euro has depreciated recently with respect to principal world currencies, including the U.S. Dollar. Any amount received by the Group in U.S. Dollars or any other currency as a result of payment of dividends or the sale of the Shares can be adversely affected by variations in the rate of exchange.

U.S. shareholders may not be able to exercise pre-emptive rights, and as a result may experience substantial dilution upon future issuances of Shares.

U.S. shareholders may not be able to exercise any pre-emptive or preferential rights, to the extent such rights exist, with respect to their Shares unless a registration statement under the Securities Act is effective with respect to such rights or an exemption from the registration requirements thereunder is available. The Company currently does not intend to file such a registration statement. In the future, the Company may sell Shares or other securities to persons other than the Company’s existing shareholders (potentially at a lower price than the Shares), and, as a result, U.S. shareholders may experience substantial dilution of their interests.

The Shares will not be freely transferable in the United States.

Any Shares offered and sold to investors located in the United States will be “restricted securities” (as defined in Rule 144 under the Securities Act) and such Shares may not be reoffered, resold, pledged or otherwise transferred, except: (i) to a person reasonably believed to be a QIB, (ii) in an offshore transaction outside the United States in accordance with Rule 903 or Rule 904 under Regulation S or (iii) pursuant to an exemption from registration under the Securities Act provided by Rule 144, in each case in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. No representation can be made as to the availability of the exemption provided by Rule 144 under the Securities Act for resale of the Shares.

2. Important Information

2.1 General

This Prospectus has been approved by the AFM, as competent authority under the Prospectus Regulation. 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 Company or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment of the suitability of investing in the Shares.

A1.1.5

A11.1.5

The validity of this Prospectus shall expire on the First Trading Date or 12 months after its approval by the AFM on [●], 2021, whichever occurs earlier. The obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies shall cease to apply upon the expiry of the validity period of this Prospectus.

Prospective investors should only rely on the information contained in this Prospectus 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 of any date other than the date of this Prospectus. No person has been authorised to give any information or to make any representations in connection with the Offering, other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Company, the Selling Shareholders, any of the Underwriters, ABN AMRO as the listing and paying agent for the Shares (the “**Listing and Paying Agent**”) or any of their respective affiliates or representatives. Neither the delivery of this Prospectus nor any issuance or sale of Shares made under it at any time after the date of this Prospectus shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company since the date of this Prospectus or that the information contained in this Prospectus is correct as of any time since such date.

The content of this Prospectus is not to be considered or interpreted as legal, financial or tax advice. This Prospectus should not be considered as a recommendation by the Company, the Selling Shareholders, the Underwriters, the Listing and Paying Agent or any of their respective affiliates or representatives that any recipient of this Prospectus should invest in the Offer Shares. None of the Company, the Selling Shareholders, the Underwriters, the Listing and Paying Agent or any of their respective affiliates or representatives is making any representation to any prospective investor regarding the legality of an investment in the Offer Shares by such prospective investor under the laws and regulations applicable to such prospective investor. Prior to making any decision to purchase the Offer Shares, prospective investors should read the whole of this Prospectus and, in particular, Section 1 (*Risk Factors*), and not just rely on key information or information summarised within it. Each prospective investor should consult his own stockbroker, bank manager, lawyer, auditor or other financial, legal or tax advisers before making any investment decision with regard to the Offer Shares, to consider such investment decision in light of the prospective investor’s personal circumstances, and in order to determine whether or not such prospective investor is eligible to purchase the Offer Shares.

Prospective investors are expressly advised that an investment in the Offer Shares entails certain risks and that they should therefore read and carefully review the content of this Prospectus, and any supplement to this Prospectus within the meaning of Article 23 of the Prospectus Regulation, including all information incorporated by reference in this Prospectus. A prospective investor should not invest in the Offer Shares unless it has the expertise (either alone or with a financial adviser) to evaluate how the Offer Shares will perform under changing conditions, the resulting effects on the value of the Offer Shares and the impact this investment will have on its overall investment portfolio. Prospective investors should also consult their own tax advisers as to the tax consequences of the purchase, ownership and disposal of the Offer Shares.

In making an investment decision, prospective investors must rely on their own assessment of the Company, the Offer Shares and the terms of the Offering, the information contained in, or incorporated by reference into, terms of this Prospectus, the Pricing Statement and any supplement to this Prospectus, should such supplement be published, within the meaning of Article 23 of the Prospectus Regulation,

including the merits and risks involved, and the risk factors described in this Prospectus. Any decision to purchase Offer Shares should be based on the assessments that the investor in question may deem necessary, including the legal basis and consequences of the Offering, and including possible tax consequences that may apply, before deciding whether or not to invest in the Offer Shares.

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

The Underwriters are acting exclusively for the Company and/or the Selling Shareholders and no one else in connection with the Admission and/or the Offering. They will not regard any other person (whether or not a recipient of this Prospectus) as their respective clients in relation to the Offering and will not be responsible to anyone other than the Company and/or the Selling Shareholders for providing the protections afforded to their respective clients nor for giving advice in relation to the Admission, the Offering or any transaction or arrangement referred to in this Prospectus.

Each person receiving this Prospectus acknowledges that (i) such person has not relied on the Underwriters or any person affiliated with the Underwriters in connection with any investigation of the accuracy of any information contained in this Prospectus or its investment decision; and (ii) it has relied only on the information in this Prospectus, and (iii) no person has been authorised to give any information or to make any representation concerning the Company or the Offer Shares (other than as contained herein and information given by the Company's duly authorised officers and employees in connection with investors' examination of the Company and the terms of the Offering) 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, the Listing and Paying Agent or the Underwriters.

2.2 Supplements

If a significant new factor or a 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 end of the Offering Period, a supplement to this Prospectus will be published. Any such supplement will be subject to approval by the AFM and will be made public in accordance with the relevant rules 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 therein) 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 which is incorporated by reference in this Prospectus. Any such 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 who have already agreed to subscribe for the Offer Shares before the supplement is published will have the right to withdraw their orders, exercisable within at least two business days after the publication of the supplement.

2.3 Responsibility Statement

The Company accepts 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 this Prospectus makes no omission likely to affect its import.

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A1.1.2

None of the Underwriters nor any of their respective affiliates or respective directors, personally liable partners, officers or employees or any other person makes any representation or warranty, express or implied, as to, or assumes any responsibility for, the accuracy or completeness, fairness or verification of the information or opinions in this Prospectus or incorporated by reference herein, and nothing in this Prospectus or incorporated herein by reference is, or shall be relied upon as, a promise or

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A11.1.2

representation by the Underwriters or any of their respective affiliates or respective directors, personally liable partners, officers or employees or any other person, whether as to the past or the future.

None of the Underwriters nor any of their respective affiliates or respective directors, personally liable partners, officers or employees or any other person in their respective capacities in connection with the Admission and/or Offering accepts any responsibility whatsoever for 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, the Admission, the Offering, or the Offer Shares. Accordingly, each of the Underwriters and their respective affiliates or respective directors, personally liable partners, officers or employees or any other person disclaims, to the fullest extent permitted by applicable laws and regulations, any and all liability, whether arising in tort, contract or otherwise, which they might otherwise be found to have in respect of this Prospectus and/or any such statement.

2.4 Information to Distributors

Solely for the purposes of the product governance requirements contained within: (a) MiFID II; (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in delict, tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that the Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “**Target Market Assessment**”). Notwithstanding the Target Market Assessment, “distributors” (for the purposes of the MiFID II Product Governance Requirements) should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the 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 advisor) 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 Offering.

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

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Shares and determining appropriate distribution channels.

2.5 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, JAPAN OR SOUTH AFRICA AND THIS PROSPECTUS SHOULD NOT BE FORWARDED OR TRANSMITTED IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, JAPAN OR SOUTH AFRICA OR ANY OTHER JURISDICTIONS IN WHICH IT IS UNLAWFUL TO DO SO.

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In making an investment decision, prospective investors must rely on their own examination of the Group and the terms of the Offering, including the merits and risks involved. Any decision to purchase the Offer Shares should be based solely on this Prospectus and any supplement to this Prospectus, should such supplement be published, within the meaning of Article 23 of the Prospectus Regulation.

The Offer Shares may not be a suitable investment for all investors. Each prospective investor in the Offer Shares must determine the suitability of that investment in light of its own circumstances. In particular, each prospective investor (either alone or with a financial adviser) should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Offer Shares, the merits and risks of investing in the Offer Shares and the information contained or incorporated by reference in this Prospectus, including the financial risks and other risks described in Section 1 (*Risk Factors*); and
- (ii) have the expertise to evaluate how the Offer Shares will perform under changing conditions, the resulting effects of changing conditions on the value of the Offer Shares and the impact this investment will have on the prospective investor's overall investment portfolio.

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

This Prospectus 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 distribution of this Prospectus, any related materials and the Offering may, in certain jurisdictions, be restricted by law, and this Prospectus may not be used for the purpose of, or in connection with, any offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. This Prospectus may not be used for, or in connection with, and does not constitute an offer or an invitation to purchase any Offer Shares in any jurisdiction in which such offer or invitation would be unlawful. The Company and the Underwriters require persons into whose possession this Prospectus comes to inform themselves of and observe all such restrictions. None of the Company, the Selling Shareholders, the Listing and Paying Agent or any of the Underwriters accepts any legal responsibility for any violation by any person, whether or not a purchaser of Offer Shares, of any such restrictions. The Company, the Selling Shareholders, the Listing and Paying Agent and the Underwriters each reserve the right in their own absolute discretion to reject any offer to purchase Offer Shares that the Company, the Selling Shareholders, the Underwriters or their respective agents believe may give rise to a breach or violation of any laws, rules or regulations.

No action has been or will be taken in any jurisdiction by the Company, the Selling Shareholders, the Listing and Paying Agent or the Underwriters to permit a public offer or sale of Offer Shares, or the possession, circulation or distribution of this Prospectus or any other material in relation to the Company or the Offering in any jurisdiction where action may be required for such purpose. Accordingly, no Offer Shares may be offered or sold directly or indirectly, and neither this Prospectus nor any advertisement or any other related material in connection with the Offering or the Offer Shares may be distributed or published in or from any jurisdiction in compliance with any applicable laws and regulations of any such jurisdiction.

Prospective investors and any person (including, without limitation, agents, custodians, nominees and trustees) who has a contractual or other legal obligation to forward this Prospectus should read Section 16 (*Selling and Transfer Restrictions*). Each purchaser of any Offer Shares will be deemed to have given certain representations and warranties as described in Section 16 (*Selling and Transfer Restrictions*).

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

2.6 Notice to Prospective Investors in the United States

The Offer Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority or any state or other jurisdiction in the United States, and may not be offered, sold, pledged or otherwise transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable state securities laws. Accordingly, the Offer Shares will only be offered (i) within the United States to persons reasonably believed to be QIBs as defined in, and in reliance on, Rule 144A under the US Securities Act or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act, and (ii) outside the United States in compliance with Regulation S under the US Securities Act. The offering of the Offer Shares is being made in the United States through US broker-dealer affiliates of the Underwriters. Transfers of the Offer Shares will be restricted and each purchaser will be deemed to have made acknowledgements, representations and agreements as described in Section 16 (*Selling and Transfer Restrictions*). The Offer Shares have not been recommended by any United States federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

The Company is currently not subject to the periodic reporting requirements under Section 13 or 15(d) of the US Securities Exchange Act of 1934, as amended (the “**US Exchange Act**”), nor will it become subject to such requirements as a result of the Offering. At any time during this Offering and for so long as any Offer Shares are outstanding during any period in which the Company is not subject to Section 13 or 15(d) of the US Exchange Act, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, the Company will, upon request, provide to any prospective purchaser of Offer Shares, any holder or beneficial owner of the Offer Shares or to any prospective purchaser of Offer Shares designated by any such holder or beneficial owner, the information required to be delivered pursuant to Rule 144A(d)(4) under the US Securities Act in order to permit compliance with Rule 144A in connection with resales of the Offered Shares for so long as any of the Offered Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the US Securities Act. Any such request should be addressed to the Company.

2.7 Notice to Prospective Investors in the European Economic Area

In relation to each Member State of the European Economic Area (“**Member State**”), including the Netherlands, no Offer Shares have been offered or will be offered pursuant to the Offering to the public in that Member State, except that offers of Offer Shares may be made to the public in that Member State at any time under the following exemptions from the Prospectus Regulation:

- to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation; or
- to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation) per Member State, subject to obtaining prior consent of the Sole Global Coordinator for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Offer Shares shall result in a requirement for the Company or the Underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement to a prospectus pursuant to Article 23 of the Prospectus Regulation.

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 Offering and any Offer Shares to be offered so as to enable an investor to decide to purchase any Offer Shares and the expression “*Prospectus Regulation*” means Regulation (EU) 2017/1129 and includes any relevant delegated regulations.

2.8 Notice to Prospective Investors in the UK

This Prospectus and any other material in relation to the Offer Shares described herein is directed at and for distribution in the UK only to persons in the UK that are qualified investors within the meaning of Article 21 of the UK Prospectus Regulation that are also (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000, as amended (the “**FSMA**”), (Financial Promotion) Order 2005 (the “**Order**”), or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons being together referred to as “relevant persons”).

No Offer Shares have been offered or will be offered pursuant to the Offering to the public in the UK, except that offers of Offer Shares may be made to the public in the UK at any time under the following exemptions from the UK Prospectus Regulation:

- to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation; or
- to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining prior consent of the Sole Global Coordinator for any such offer; or
- in any other circumstances falling within Section 86 of the FSMA,

provided that no such offer of Offer Shares shall result in a requirement for the Company or the Underwriters to publish a prospectus pursuant to Section 85 of the FSMA or supplement to a prospectus pursuant to Article 23 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 UK means the communication in any form and by any means of sufficient information on the terms of the Offering and any Offer Shares to be offered so as to enable an investor to decide to purchase any Offer Shares and the expression “*UK Prospectus Regulation*” means Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018.

2.9 Presentation of Financial and Other Information

- (a) Financial information for the years ended December 31, 2020, 2019 and 2018 and for the six-month period ended June 30, 2021

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With regard to the historical financial information as of and for the financial years ended December 31, 2018, 2019 and 2020 and for the six-month period ended June 30, 2021 presented in this Prospectus, references to MotorK, the Company or the Group refer to the Company (and each of its subsidiaries from time to time, if the context requires), unless otherwise indicated.

A11.1.3

The historical financial information as of and for the years ended December 31, 2020, 2019 and 2018 included in this Prospectus has been derived from the Group’s audited consolidated financial statements for the same periods (the “**2018-2020 Consolidated Financial Statements**”) prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. On December 31, 2020, the EU-adopted IFRS was brought into UK law and became UK-adopted international accounting standards, with future changes to IFRS being subject to endorsement by the UK Endorsement Board.

A11.10.2

The interim financial information for the six-month period ended June 30, 2021 and for the six-month period ended June 30, 2020 included in this Prospectus has been derived from the

Group's unaudited interim condensed consolidated financial statements as of and for the six-month period ended June 30, 2021 (the "**2021 Interim Condensed Consolidated Financial Statements**") prepared in accordance with IFRS. Interim results are not necessarily indicative of the results of operations that may be expected for any other period or for a full year. The 2021 Interim Condensed Consolidated Financial Statements have not been audited, but have only been subject to a limited-scope review and are therefore not accompanied by any opinion or conclusion of the independent auditor. Prospective investors are thus cautioned against placing undue reliance on the interim financial data included in this Prospectus.

In accordance with IFRS 5, the DriveK Business was classified as discontinued operation as of and for the financial year ended December 31, 2020 and reclassified as discontinued operation as of and for the financial years ended December 31, 2019 and 2018. Therefore, in the 2018-2020 Consolidated Financial Statements, income relating to the DriveK Business is presented, net of taxation, as a separate line item in the income statement, while balances relating to the DriveK Business at December 31, 2020, 2019 and 2018 are included within the relevant statement of financial position categories and only disclosed separately with respect to December 31, 2020. Cash flows attributable to the discontinued operations are included within the relevant cash flow statement, but also disclosed separately for each of the three years. In the 2021 Interim Condensed Financial Statements, the DriveK Business is also classified as a separate line in the income statement for the six-month periods ended June 30, 2021 and 2020 and the relevant statement of financial position items are disclosed separately at June 30, 2021 and December 31, 2020. For a description of risks relating to the contemplated sale of DriveK, see "*Risk Factors – Risks Relating to the Group's Business Operations - The Group faces risk in connection with the intended sale of its DriveK Business, which it may be unable to complete and, even if completed, the Group may be unable to benefit from efficiencies from this sale*".

The 2018-2020 Consolidated Financial Statements and the related auditor's report, as well as the 2021 Interim Condensed Consolidated Financial Statements are included in this Prospectus in Section 20 beginning on page F-1. Prospective investors are advised to consult their professional advisors for an understanding of: (i) the differences between accounting principles adopted by the Group and other generally accepted accounting principles and how those differences might affect the financial information included in this Prospectus and (ii) the impact that future additions to, or amendments of, accounting principles may have on the Group's results of operations and/or financial condition, as well as on the comparability of the prior periods. In addition, prospective investors should note that interim results are not necessarily indicative of the results that may be expected for any other interim period or for a full year.

Financial information presented in parentheses in the tables in this Prospectus denotes the negative of such number presented. In respect of financial data set out in this Prospectus, a dash ("–") signifies that the relevant figure is not available, while a zero ("0") signifies that the relevant figure is available but has been rounded to zero.

(b) ***Non-IFRS financial information***

A1.18.3.3

This Prospectus contains certain financial measures that are not defined or recognised under IFRS, including separately disclosed items, Recurring Revenue, EBITDA, and Adjusted EBITDA. Definitions of these measures, along with reconciliations of the measures, as applicable, to the Group's historical financial information appears in Section 8 (*Management Discussion And Analysis And Operating And Financial Review*).

These metrics are the non-IFRS financial measures used by the Group to help evaluate growth trends, establish budgets and assess operational performance and efficiencies. The Group believes that these non-IFRS performance measures, in addition to IFRS measures, provide an enhanced understanding of the Group's results and related trends, therefore increasing transparency and clarity into the core results of the business. There are no generally accepted principles governing the calculation of these measures and the criteria upon which these measures are based can vary from company to company. These measures, by themselves, do not provide a sufficient basis to compare the Group's performance with that of other companies

and should not be considered in isolation or as a substitute for profit or loss after tax or any other measure as an indicator of the Group's performance, or as an alternative to cash generated from operating activities as a measure of liquidity. Further explanation of the relevance of each of the non-IFRS measures, a reconciliation of the non-IFRS measures to the most directly comparable measures calculated and presented in accordance with IFRS and a discussion of their limitations is set out in Section 7 (*Selected Consolidated Financial Information*). The Group does not regard these non-IFRS measures as a substitute for, or superior to, the equivalent measures calculated and presented in accordance with IFRS or those calculated using financial measures that are calculated in accordance with IFRS. The non-IFRS measures may not be comparable to other similarly titled measures used by other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of the Group's results as reported under IFRS. Although certain of these non-IFRS measures have been extracted or derived from the 2018-2020 Consolidated Financial Statements and 2021 Interim Condensed Consolidated Financial Statements, this data has not been audited or reviewed by the Group's independent auditors.

(c) ***Outlook of 2021-2022 and 2026***

The Group's outlook of revenue as of and for the years ending December 31, 2021, 2022 and 2026, as presented in the Section "*Business Description—Outlook of 2021-2022 and 2026 revenues*" does not constitute a profit forecast as set out in Section 11 of Annex I of Commission Delegated Regulation (EU) No. 2019/980 (the "**Delegated Regulation**"). As such, it does not meet the requirements set forth by the Delegated Regulation for profit forecasts and may be less accurate or have lower predictive value to investors. In addition, the revenue outlook constitutes forward-looking statements and the Group's actual revenue may materially differ from this outlook (see "*Important Information—Forward-Looking Statements*" for more information).

(d) ***Currency Presentation***

Unless otherwise indicated, all references in this Prospectus to "€", "Euro", "EUR" or "cents" are to the currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the treaty establishing the European Community, as amended. All references to "sterling", "pounds sterling", "GBP", "£", or "pence" are to the lawful currency of the UK. All references to "\$", "US\$", "USD" or "US dollars" are to the lawful currency of the United States.

(e) ***Rounding***

Certain data in this Prospectus, including financial, statistical, and operating information has been rounded. As a result of the rounding, the totals of data presented in this Prospectus may vary slightly from the actual arithmetic totals of such data. Percentages have been rounded and accordingly may not add up to 100%.

2.10 **Market, Economic and Industry Data**

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A1.5.6

This Prospectus contains market, economic and industry data relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Company's business and markets. Such market, economic and industry data in this Prospectus constitute the Company's estimates, using underlying data from independent third parties, including information otherwise obtained from Accenture, Capgemini, ICDP, McKinsey, Orbis reports, Statista and Sophus 3 (such market, economic and industry data collectively referred to in this Prospectus as the "**Market Data**").

A11.1.4

In this Prospectus, certain statements are made regarding the Company's estimates in respect of the Group's competitive and market position. These statements are based on industry statistics and the Market Data. 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 incomparable with the Group's figures.

The Company confirms that all third-party data contained in this Prospectus (which, for the avoidance of doubt, does include the Market Data) has been accurately reproduced and, so far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading. Industry publications or reports generally state that the information they contain has been 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. Neither the Company nor the Underwriters have independently verified any third-party data included in this Prospectus.

2.11 Incorporated by Reference

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The Articles of Association are incorporated in this Prospectus by reference and, as such, form part of this Prospectus. Copies of the Articles of Association can be obtained at the offices of the Company during business hours and in electronic form from the Company's website (<https://www.motork.io/wp-content/uploads/2021/10/MotorK-Articles-of-Association-1.pdf>). Prospective investors should only rely on the information that is provided in this Prospectus or incorporated by reference into this Prospectus.

A1.21.1

No other documents or information, including the contents of the Company's website (www.motork.io) or of websites accessible from hyperlinks on that website, form part of, or are incorporated by reference into, this Prospectus. Other than the information incorporated by reference into this Prospectus, the contents of the Company's website (www.motork.io), the Company's website or of websites accessible from hyperlinks on those websites, or hyperlinks in this Prospectus that refer to websites (not being hyperlinks to a document incorporated by reference into this Prospectus) have not been scrutinised or approved by the AFM.

2.12 Definitions and Glossary

Certain terms used in this Prospectus, including all capitalised terms and certain technical and other items, are defined and explained in Section 19 (*Definitions and Glossary*).

2.13 Enforceability of Judgments

The ability of Shareholders in certain countries outside of the UK, in particular in the United States, to bring an action against the Company may be limited under applicable laws and regulations. The Company is a public limited liability company under the laws of England and Wales and has its registered office in London, UK. The majority of the Directors and executive officers are resident of countries other than the United States. All or a substantial proportion of the assets of these individuals are located outside the United States. The vast majority of the Group's assets are located outside the United States. As a result, it may not be possible or it may be difficult for investors to effect service of process within the United States upon the Group or such persons, or to enforce against them in US courts a judgment obtained in such courts, including judgments predicated on the civil liability provisions of US federal securities laws or the securities laws of any state or territory within the United States.

3. FORWARD-LOOKING STATEMENTS

Certain statements in this Prospectus constitute forward-looking statements. Forward-looking statements appear in a number of places in this Prospectus, including, without limitation, under Section 8 (*Management Discussion And Analysis And Operating And Financial Review*) and Section 10 (*Business Description*). Forward-looking statements are sometimes identified by the use of forward-looking terminology such as “aim”, “anticipate”, “believe”, “estimate”, “expect”, “intend”, “may”, “plan”, “predict”, “project”, “target”, “potential”, “would”, “could”, “should”, “continue”, or the negative thereof, other variations thereon or similar expressions. Other forward-looking statements can be identified by the context in which the statements are made.

Although management believes that the expectations reflected in these forward-looking statements are reasonable, such forward-looking statements are based on management’s current views and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of the Company and are difficult to predict, that may cause actual results, performance, achievements or developments to differ materially from any future results, performance, achievements or developments expressed or implied from the forward-looking statements. Some of the factors that could cause actual results to differ materially from those contemplated by the forward-looking statements include, but are not limited to, those discussed in Section 1 (*Risk Factors*) and include, among others:

- The Group’s business and financial performance depends on the development of the automotive distribution market, which is highly sensitive to geo-political and macroeconomic conditions and is subject to a high level of fluctuation.
- The Group’s sales and profitability have been seriously impacted by the macroeconomic downturn resulting from the COVID-19 pandemic and there may be further negative effects if the pandemic continues.
- Global trends affecting the automotive distribution market could lead to reduced demand for the Group’s products and services.
- The Group may be unable to adapt to technological changes.
- The Group faces a high level of competition in the markets where it operates.
- The Group may fail to maintain existing customers, attract new customers or sustain its growth rate.
- The Group may fail to successfully complete acquisitions as part of its growth strategy.
- Risk relating to the DriveK Carve-Out.
- The Group is active in a variety of markets in EMEA and intends to expand into further international markets, thus exposing it to multiple risks.
- The Group’s risk relating to the adequacy of the Group’s R&D resources.
- Certain services that the Group offers to its customers depend on a limited number of third party providers.
- The Group could suffer losses and be subject to fines or damage claims in the event of any unauthorized disclosures of confidential information and use of personal data in the Group’s products or breaches in the Group’s security or that of third party service providers.
- Errors or defects in, or relating to, the Group’s platforms and software applications could result in damage claims and reputational loss.

- The Group may be unable to integrate its digital solutions with third party applications used by customers. The Group's business performance depends on sufficient traffic being generated on its customers' websites, which is subject to a number of factors outside of the Group's control.
- The Group's business may suffer if it fails to maintain, protect and enhance the Group's brand.
- The Group's operations depend on its ability to attract and retain qualified executives, key employees and skilled personnel.
- Information in this Prospectus about the Group's industry, market share and relative competitive position may not be accurate.
- The Group could be subject to litigation risk because of its use of open source software.

Should one or more of these risks or uncertainties materialise, or should any underlying assumptions prove to be incorrect, the Company's actual financial condition, cash flows or results of operations could differ materially from what is described herein as anticipated, believed, estimated or expected. Investors are urged to read the Sections of this Prospectus entitled Section 1 (*Risk Factors*), Section 8 (*Management Discussion And Analysis And Operating And Financial Review*) and Section 10 (*Business Description*) for a more complete discussion of the factors that could affect the Company's future performance and the industry in which it operates.

Such forward-looking statements contained in this Prospectus speak only as of the date of this Prospectus and are expressly qualified in their entirety by the cautionary statements included in this Prospectus. Without prejudice to its obligations under Dutch law and English law in relation to disclosure and on-going information, the Company and the Selling Shareholders undertake no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

4. REASONS FOR THE OFFERING AND USE OF PROCEEDS

4.1 Reasons for the Offering

A11.3.4

The Company believes that the Offering and Admission will raise the Company's profile with the international investment community and its customers and OEMs, enhance brand recognition and credibility and promote trust towards the Group with an aim at supporting its growth strategy.

In addition, the Offering will provide further financial flexibility and diversity to the Company through access to a wider range of capital-raising options, and the Admission will create a market in the Shares for the future shareholders of the Company and will enhance employee and manager retention through the ability to offer easily exercisable equity-based incentive plans. The Offering will also provide a financial platform for the international expansion of the Group, the acquisition of new customers and the increase of its market positioning through M&A deals.

The sale of Offer Shares by the Selling Shareholders will provide the Selling Shareholders with an opportunity for a partial realisation of their shareholding in the Company.

4.2 Proceeds and Expenses of the Offering

A11.8.5

Through the sale of Offer Shares pursuant to the Offering, the Company expects to raise in aggregate gross proceeds of approximately €171,924,987, of which gross proceeds of approximately €22,424,998 will be allocated to the Selling Shareholders, assuming (i) the Offer Price is set at the mid-point of the Offer Price Range (between €7.30 and €9.70 (inclusive) per Offer Share), (ii) the execution of the Increase Option and (iii) full exercise of the Greenshoe Option. The aggregate underwriting commissions payable by the Company and the Selling Shareholders in connection with the Offering are estimated to be approximately €7.74 million (assuming the exercise in full of the Greenshoe Option and of the Increase Option), based on the aforementioned assumptions.

The aggregate expenses (excluding underwriting commissions) of, or incidental to, Admission and the Offering to be borne by the Company are estimated to be approximately €1.91 million.

No expenses or fees will be charged by the Company, the Selling Shareholders, the Listing and Paying Agent or the Underwriters to investors in relation to the Offering.

4.3 Use of Proceeds

The Company will be receiving net proceeds of approximately €140,864,698 (assuming the exercise in full of the Increase Option) from the Offering, which the Company intends to use to increase R&D spending, invest in sales and marketing, support its bolt-on acquisition strategy, and reimburse EIB under the terms of the EIB Facility Agreement. For further information related to the credit facility provided by the European Investment Bank ("**EIB**"), see "*General Information on the Company – Material Contracts – Financing Agreements – €15 million EIB Facility Agreement*".

The Company intends to use approximately 20% of the proceeds in R&D spending to strengthen its existing product suite and accelerate new product development; with another 20% intended to support the expansion of the Company's sales teams to accelerate new customer wins and expand its existing customer base. The Company expects the remaining 60% of the proceeds to be allocated to M&A activities, as the Company is looking to leverage its position as a leading player to further consolidate a fragmented market in order to gain market share and continue to enter new geographies.

5. DIVIDEND POLICY

5.1 General

A11.4.5

Pursuant to English law and the Articles of Association, the distribution of profits will take place following the adoption of the Company's annual accounts by the General Meeting, from which the Company will determine whether such distribution is permitted. The General Meeting may approve distributions to the shareholders, whether from profits or from its freely distributable reserves, only insofar as its shareholders' equity exceeds the sum of the paid-up and called-up share capital *plus* the reserves required to be maintained by English law or pursuant to the Articles of Association. See Section 13.3 (*Description of Share Capital and Corporate Governance*) for a more detailed description of the dividend and other distribution provisions in the Articles of Association.

5.2 Entitlement to Dividends

All Shares, including the Offer Shares, are equally entitled to dividends and other distributions, if and when declared.

5.3 Dividend Policy and History

A1.18.5

The Group did not pay cash dividends in 2018, 2019 or 2020. As of and for the year ended December 31, 2020, the Group reported net losses equal to €(5,532) thousands, and therefore it did not distribute dividends to its shareholders.

The Company may not be able to pay dividends to its shareholders in the future. The declaration and payment of dividends, if any, and the amounts thereof, will be subject to the availability of distributable profits. Even if such profits are available, the declaration and payment of dividends will be at the discretion of its Board and shareholders, and will depend upon, among other things, the amount of its earnings, financial condition, results of the Group companies and dividends distributed by such companies, general business conditions and any other factors that the Board may deem relevant.

As of the date of this Prospectus, the Group has not adopted a dividend distribution policy.

5.4 Ranking

All Shares, including the Offer Shares, rank equally in all respects and will be eligible for any dividend distribution that may be declared on the Shares in the future.

5.5 Manner and Time of Dividend Payments

Payment of any dividend on the Shares in cash will be made in Euro. Any dividends on the Shares that are paid to the Shareholders through Euroclear Netherlands, the Dutch centralised securities custody and administration system, will be credited automatically to the Shareholders' accounts without the need for the Shareholder to present documentation proving ownership of the Shares. The Board may set a record date for dividend and other distributions. In relation to dividend distributions, there are no restrictions under English law in respect of holders of Shares who are non-residents of the UK or the Netherlands. However, see Section 17 (*Taxation*) for a discussion of certain aspects of taxation of dividends and refund procedures for non-residents of the Netherlands.

Payment of dividends on the Shares not held through Euroclear Netherlands will be made directly to the relevant Shareholder using the information contained in the Company's shareholders' register and records.

Payments of dividends will be announced in a press release published by the Company on the investor relations area of its website.

5.6 Uncollected Dividends

An entitlement to any dividend distribution shall be barred six years after the date on which those dividends were released for payment. Any dividend that is not collected within this period reverts to the Company and is allocated to its general reserves.

5.7 Taxation of Dividends

See Section 17 (*Taxation*) for a discussion of certain aspects of taxation of dividends paid on the Shares.

6. CAPITALIZATION, INDEBTEDNESS AND WORKING CAPITAL

The tables below set out the Group's capitalization and indebtedness as of August 31, 2021. The information in the tables below has been derived from the Group's unaudited management accounts as of June 30, 2021 and should be read in conjunction with, and is qualified by reference to, Section 7 (*Selected Consolidated Financial Information*) and Section 8 (*Management Discussion And Analysis And Operating And Financial Review*). A1.8.1 A1.8.2 A1.8.3 A1.18.3.3

6.1 Capitalization

The table below sets out the capitalisation of the Company as of August 31, 2021.

	As of August 31, 2021
	<i>(in € thousands)</i>
Total current debt	2,349
Guaranteed	2,266
Secured	83
Unguaranteed/unsecured	-
Total non-current debt	24,102
Guaranteed	24,102
Secured	-
Unguaranteed/unsecured	-
Shareholder's equity	4,291
Share capital	283
Legal reserve	-
Other reserves (1).....	4,008
Capitalization (2)	30,742

(1) In accordance with the recommendations contained in ESMA 32-382-1138 "Guidelines on disclosure requirements under the Prospectus Regulation" issued in 2021, other reserves do not include the net profit (loss) for the period from June 30, 2021 to August 31, 2021.

(2) Capitalization is calculated as the sum of total current and non-current debt and total shareholder's equity.

There has been no material change in the Company's capitalisation since August 31, 2021.

6.2 Indebtedness

The table below sets out the net indebtedness of the Company as of August 31, 2021.

	As of August 31, 2021
	<i>in € thousands</i>
A Cash	7,826
B Cash equivalents	-
C Other current financial assets	-
D Liquidity (A + B + C)	7,826
E Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	(1,397)
F Current portion of non-current financial debt ⁽¹⁾	(2,349)
G Current financial indebtedness (E + F)	(3,746)
H Net current financial indebtedness (G - D)	4,080
I Non-current financial debt (excluding current portion and debt instruments)	(1,023)
J Debt instruments	(24,102)
K Non-current trade and other payables	-
L Non-current financial indebtedness (I + J + K)	(25,125)
M Net financial position (H + L)	(21,045)

Notes:

- (1) Current bank debt includes financial liabilities at amortised cost, which is predominately made up of balances due to credit institutions and customers that have deposited funds with the Company.

There has been no material change in the Group's net indebtedness since August 31, 2021.

6.3 Indirect and Contingent Indebtedness

The Company's indirect and contingent indebtedness as of August 31, 2021 is as follows:

	As of <u>August 31, 2021</u> <i>(in € thousands)</i>
Committed capital expenditures.....	-
Committed lease payments.....	1,709.0
Contingent liabilities.....	-

6.4 Statement on Working Capital

In the opinion of the Company, the Group has sufficient working capital for its present requirements that is for at least the next 12 months following the date of this Prospectus.

7. SELECTED CONSOLIDATED FINANCIAL INFORMATION

Prospective investors should read this Section 7 (*Selected Consolidated Financial Information*) in conjunction with Section 8 (*Management Discussion And Analysis And Operating And Financial Review*) and the 2018-2020 Consolidated Financial Statements and the 2021 Interim Condensed Consolidated Financial Statements, as well as additional financial information contained elsewhere in this Prospectus. Prospective investors should read the entire Prospectus and not just rely on the information contained in this Section.

A1.18.1.1
A1.18.1.5
A1.18.1.6

Selected consolidated statement of profit and loss and other comprehensive income information

	Six-month period ended June 30	
	2021	2020
	(in € thousands)	
Revenue	12,781	9,188
Costs for marketing and call center services	3,619	2,993
Personnel costs	8,279	6,346
R&D Capitalization	(1,410)	(1,307)
Other operating costs	2,835	2,338
Amortization & Depreciation	1,858	1,680
Total costs	15,181	12,050
Operating loss	(2,400)	(2,862)
Finance expense	(968)	(856)
Finance income	3	6
Loss before tax	(3,365)	(3,712)
Corporate income tax	341	297
Loss from continuing operations	(3,024)	(3,415)
Profit after income tax of discontinued operation	470	22
Loss for the period	(2,554)	(3,393)
Attributable to:		
<i>Owners of the parent</i>	(2,554)	(3,393)

	Year ended December 31		
	2020	2019	2018
	(in € thousands)		
Revenue	19,329	27,940	12,210
Costs for marketing and call center services	6,029	6,583	4,493
Personnel costs	12,474	15,910	13,836
R&D Capitalization	(2,661)	(3,033)	(2,724)
Other operating costs	4,831	7,258	7,302
Amortization & Depreciation	3,186	2,316	1,050
Total costs	23,859	29,034	23,957
Operating loss	(4,530)	(1,094)	(11,747)
Finance expense	(1,820)	(1,436)	(327)
Finance income	16	11	2
Loss before tax	(6,334)	(2,519)	(12,072)
Corporate income tax	925	1,131	1,367
Loss from continuing operations	(5,409)	(1,388)	(10,705)
Profit from discontinued operation	42	1,601	3,853
(Loss)/profit for the period	(5,367)	213	(6,852)
Attributable to:	-	-	-
<i>Owners of the parent</i>	(5,367)	213	(6,852)

Selected consolidated statement of financial position information

	As of June 30	
	2021	2020
	<i>(in € thousands)</i>	
Intangible assets	9,811	9,862
Property, plant and equipment	1,667	1,693
Non-current assets – security deposits	259	262
Non-current contract assets	2,900	4,289
Deferred tax assets	1,117	698
Non-current assets	15,754	16,804
Trade and other receivables	8,150	5,632
Contract assets	7,672	5,915
Cash and cash equivalents	10,146	11,824
Assets classified as held for sale	5,436	4,943
Current assets	31,404	28,314
Total assets	47,158	45,118
Trade and other payables	9,059	6,128
Current financial liabilities	2,872	6,263
Current lease liabilities	631	802
Liabilities directly associated with assets classified as held for sale	1,699	1,294
Current liabilities	14,261	14,487
Employees benefits liability	1,971	1,818
Deferred tax liabilities	242	245
Non-current financial liabilities	24,603	24,832
Other non-current liabilities	846	816
Non-current lease liabilities	944	786
Non-current liabilities	28,606	28,497
Total liabilities	42,867	42,984
Share capital	283	273
Share premium reserve	16,156	12,166
Retained earnings	(12,148)	(10,305)
Total equity	4,291	2,134
Total liabilities and equity	47,158	45,118

	As of December 31		
	2020	2019	2018
	<i>(in € thousands)</i>		
Intangible assets	9,862	11,186	6,634
Property, plant and equipment	1,693	1,582	394
Non-current assets – security deposits	262	382	289
Non-current contract assets	4,289	9,681	1,852
Deferred tax assets	698	-	-
Non-current assets	16,804	22,831	9,169
Trade and other receivables	5,632	14,437	13,601
Contract assets	5,915	1,543	2,013
Cash and cash equivalents	11,824	9,406	6,832
Assets classified as held for sale	4,943	-	-
Current assets	28,314	25,386	22,446
Total assets	45,118	48,217	31,615
Trade and other payables	6,128	11,067	10,523
Current financial liabilities	6,263	1,742	6,256
Current lease liabilities	802	746	-
Liabilities directly associated with assets classified as held for sale	1,294	-	-
Current liabilities	14,487	13,555	16,779
Employees benefits	1,818	1,584	1,252
Deferred tax liabilities	245	315	151
Non-current financial liabilities	24,832	22,833	9,110
Other non-current liabilities	816	1,759	366
Non-current lease liabilities	786	639	-
Non-current liabilities	28,497	27,130	10,879
Total liabilities	42,984	40,685	27,658

Share capital	273	273	261
Share premium reserve	12,166	12,166	8,978
Retained earnings	(10,305)	(4,907)	(5,282)
Total equity	2,134	7,532	3,957
Total liabilities and equity	45,118	48,217	31,615

Selected consolidated statement of cash flow information

	Six-month period ended June 30	
	2021	2020
	<i>(in € thousands)</i>	
Loss from continuing operations	(3,024)	(3,415)
Profit from discontinued operations	470	22
Adjustments for:		
Depreciation of property, plant and equipment - continuing operations	364	622
Amortisation of intangible fixed assets - continuing operations	1,494	1,058
Amortisation of intangible fixed assets - discontinued operations	-	265
Finance expense	966	850
Income tax expense	(341)	(297)
Share based payment expense	794	(34)
Cash (outflow)/inflow from operating activities before changes in net working capital	723	(929)
Decrease/(increase) in trade and other receivables	(3,193)	5,100
(Decrease)/increase in trade and other payables	3,349	(3,507)
Increase in provisions and employee benefits	77	71
Income taxes (paid)/reimbursed	-	(166)
Net cash flows from/(used in) operating activities	956	569
Investing activities		
Capitalised development costs	(1,620)	(1,433)
Purchases of property, plant and equipment	(138)	(87)
Purchases of /Proceeds from non-current assets – security deposits	3	8
Net cash from/(used in) investing activities	(1,755)	(1,512)
Financing activities		
Bank loans repaid	(404)	(156)
New bank and other loans	-	6,650
(Decrease)/increase in factoring finance	-	(966)
Capital element of lease liabilities repaid	(180)	(477)
Interest paid on bank and other loans	(253)	(188)
Interest paid on lease liabilities	(32)	(32)
Net cash from/(used in) financing activities	(869)	4,831
Net increase/(decrease) in cash and cash equivalents	(1,668)	3,888
Cash and cash equivalents at beginning of year	11,824	9,406
Cash and cash equivalents at end of year	10,156	13,294

	For the years ended December 31		
	2020	2019	2018
	<i>(in € thousands)</i>		
Loss from continuing operations	(5,409)	(1,388)	(10,705)
Profit from discontinued operations	42	1,601	3,853
Adjustments for:	-	-	-
Depreciation of property, plant and equipment - continuing operations	963	1,156	123
Amortisation of intangible fixed assets - continuing operations	2,223	1,204	809
Amortisation of intangible fixed assets - discontinued operations	532	328	388
Profit on disposal of property, plant and equipment	-	(16)	-
Finance income	-	-	(1)
Finance expense	1,804	1,428	332
Income tax expense	(925)	(1,133)	(1,367)

Share based payment expense	134	196	344
Cash (outflow)/inflow from operating activities before changes in net working capital	(636)	3,376	(6,224)
Decrease/(increase) in trade and other receivables	6,630	(7,929)	(3,288)
(Decrease)/increase in trade and other payables	(4,310)	281	3,657
Increase in provisions and employee benefits	197	298	294
Income taxes (paid)/reimbursed	(250)	1,000	1,157
Net cash flows from/(used in) operating activities	1,631	(2,974)	(4,404)
Investing activities			
Acquisition of subsidiaries, net of cash acquired	-	(647)	-
Capitalised development costs	(3,179)	(3,586)	(3,806)
Purchases of property, plant and equipment	(17)	(13)	(56)
Purchases of /Proceeds from non-current assets – security deposits	120	(93)	(170)
Sale of property, plant and equipment	-	30	16
Interest received	-	-	1
Net cash from/(used in) investing activities	(3,076)	(4,309)	(4,015)
Financing activities			
Bank loans repaid	(341)	(618)	(442)
New bank and other loans	6,650	13,500	13,000
(Decrease)/increase in factoring finance	(1,114)	(1,448)	1,452
Capital element of lease liabilities repaid	(785)	(1,050)	(45)
Interest paid on bank and other loans	(477)	(443)	(281)
Interest paid on lease liabilities	(70)	(84)	-
Debt issue costs	-	-	(99)
Net cash from/(used in) financing activities	3,863	9,857	13,585
Net increase in cash and cash equivalents	2,418	2,574	5,166
Cash and cash equivalents at beginning of year	9,406	6,832	1,666
Cash and cash equivalents at end of year	11,824	9,406	6,832

8. MANAGEMENT DISCUSSION AND ANALYSIS AND OPERATING AND FINANCIAL REVIEW

The following is a discussion and analysis of the Group's results of operations and financial condition as of and for the six-month periods ended June 30, 2021 and 2020, as derived from the 2021 Interim Condensed Consolidated Financial Statements and as of and for the years ended December 31, 2020, 2019 and 2018, as derived from the 2018-2020 Consolidated Financial Statements.

The 2021 Interim Condensed Consolidated Financial Statements and the 2018-2020 Consolidated Financial Statements present the consolidated financial position of the Group as of June 30, 2021 and as of December 31, 2020, 2019, and 2018, respectively, and the results of operations of the Group for the six-month periods ended June 30, 2021 and 2020 and for the years ended December 31, 2020, 2019 and 2018, respectively. The historical results of the operations of DriveK are recorded as discontinued operations in a separate line item in such financial statements. In accordance with IFRS 5, the relevant assets and liabilities relating to the DriveK Business as of December 31, 2020 have been included within separate statement of financial position categories whilst the comparatives for 2019 and 2018 have not been reclassified. The cash flows related to DriveK have not been segregated and are included, as applicable, in the Consolidated Statements of Cash Flows for all periods presented but are disclosed separately in the notes thereto. Unless otherwise indicated, the information included in this Section refers only to the Group's continuing operations and does not include discussion of balances or activity of DriveK. For further information related to the presentation of financial information within this Prospectus, see "Important Information – Presentation of Financial and Other Information". For a description of risks relating to the contemplated sale of DriveK, see "Risk Factors – Risks Relating to the Group's Business Operations - The Group faces risk in connection with the intended sale of its DriveK Business, which it may be unable to complete and, even if completed, the Group may be unable to benefit from efficiencies from this sale."

The following discussion of the financial conditions, results of operations and cash flows of the Group contains forward-looking statements that involve risks and uncertainties. The actual results of the Group could differ materially from those that are discussed in these forward-looking statements. Investors should read this discussion in conjunction with the sections entitled "Important Information – Presentation of Financial and Other Information", "Selected Consolidated Financial Information", "Forward-Looking Statements" and "Risk Factors" in this Prospectus.

Overview

The Group is a leading SaaS provider for the automotive retail industry in the EMEA region, with over 250 employees, several OEM customers and eight offices in seven countries (Italy, Spain, France, Germany, Portugal, the UK, and Israel), which the Group believes are its main competitive advantages compared to a very fragmented competitive landscape. The Group mainly offers a cloud-based SaaS platform ("**SparK**") spanning a comprehensive suite of products to support the full vehicle lifecycle and the entire customer journey. SparK can be used to manage the digital presence of a small single showroom dealer as well as support the sales and marketing functions of a regional network of franchise dealerships for an automotive OEM across EMEA. As of the date of this Prospectus, SparK is used by over 660 dealer groups and 13 OEM.

The customer journey to acquire (buy, rent, lease, finance) a new vehicle (electric or traditional) is a long process (a few weeks to a few months for traditional vehicles, slightly longer for electric cars) with multiple relevant touchpoints that need an omni-channel support. Omni-channel describes a system where the buyer can shift across multiple channels and touchpoints, online and offline in a seamless way. SparK is intended to allow customers to deal with the challenges of the vehicle-buying journey in the most convenient but also meaningful way, to support a great customer experience.

The main modules currently offered by the Group through SparK are: a digital experience website platform to provide automotive retailers with online visibility and improve their lead generation performance (the "**Web Module**"), a lead management and customer relationship management system to optimize the efficiency of the sales process (the "**CRM Module**"), and a solution to manage the

vehicle stock and inventory and import them to online platforms like classifieds, Google, Facebook, etc. (the “**Stock Module**”). In 2020, the Group’s customers managed 1.4 million vehicles through the Group’s solutions and had over 50 million unique users, considering the sum of unique users on each dealers’ website with active users, *i.e.*, users who have interacted with the platform at least once, in several countries across EMEA. Additionally, during the second quarter of 2021 more than 145,000 cars were sold by dealers using the platform’s CRM Module.

The Group also offers ancillary services such as online marketing (“**Digital Marketing**”), training and setup services.

Key Factors Affecting the Group’s Results of Operations

Macroeconomic Conditions and Automobile Sales and the Impact of the COVID-19 Pandemic

A1.7.1.1

A1.7.2.1

A1.10.1

The automotive industry to which the Group offers its products and services is sensitive to changes in global economic conditions. The demand for the Group’s products and services depends to a large extent on general economic conditions in the countries, regions and localities in which the Group’s customers operate, as well as the economic conditions that affect the ultimate purchasers of automobiles. For example, during periods of strong economic growth, the ultimate purchasers of automobiles may have more disposable income and therefore be more likely to purchase new automobiles, which may, in turn, lead the Group’s customers to pursue additional automobile sales and purchase more of the Group’s products and services to help generate and manage those sales. Furthermore, during periods of strong economic growth or high consumer confidence, the Group’s customers may be more likely to purchase the Group’s most advanced products and services with the goal of using those tools to win sales over other OEMs or dealerships. Conversely, the Group’s customers may be less likely to purchase the Group’s products or may elect to purchase the Group’s less sophisticated products and services during periods of slow economic growth or economic contraction.

Fluctuations in interest rates, exchange rates and inflation rates may have a material effect on the cost of financing for the ultimate purchasers of automobiles, which could affect automobile sales volumes, and, in turn, demand for the Group’s products and services. Other key macroeconomic drivers that have historically affected the automotive industry and which can therefore impact the Group’s results of operations include increasing urbanization, industrialization, increasing industrial and infrastructure construction, changes in *per capita* disposable income, growing environmental awareness and demand for alternative energy. These factors have been significantly affected by the COVID-19 pandemic.

The COVID-19 pandemic has resulted in authorities, including those in the countries in which the Group operates, implementing numerous measures to try to contain the virus, such as travel bans and restrictions, curfews, lockdowns, quarantines and shutdowns of businesses and workplaces, which, together with other direct and indirect effects of the COVID-19 pandemic, led to a reduction in the demand for vehicles. Trends in the automotive industry were generally positive, albeit modestly so, prior to the COVID-19 pandemic, but turned sharply negative in 2020 due to, among other things, governmental restrictions on travel and personal decisions to limit mobility during the pandemic. With mobility limited, individuals were less likely to shop for or purchase an automobile. Experiencing a sharp decline in sales and seeking ways to limit expenses, some OEMs and automotive dealerships limited their expenditures, including those related to the types of products and services that the Group provides. Moreover, the outbreak of COVID-19 resulted in a slowdown in manufacturing activity globally in the automotive markets due to severe disruptions to supply chain operations, which had the effect of limiting the volume of products and services required by OEMs and automotive dealerships.

Due to the direct and indirect effects of the COVID-19 pandemic, global automotive light vehicle production decreased by 16.7% to 74.1 million units from 2019 to 2020 (compared to a decrease of 5.9% to 88.9 million units from 2018 to 2019) (*Source: HIS Markit, March 2021*). The negative effects of the COVID-19 pandemic on the overall automotive industry and the Group’s business overshadowed the positive effects of increased digitalization of the automotive sales process that benefits the Group. For further information regarding trends in the Group’s industry, see “*Overview of Industry and Competition*”.

For further information related to the relationship between macroeconomic conditions and the automotive market that the Group serves and the Group's results, see "*Risk Factors – Risks Relating to the Industry and to the Market in which the Group Operates – The Group's business and financial performance depends on the development of the automotive distribution market, which is highly sensitive to geo-political and macroeconomic conditions and is subject to a high level of fluctuation*".

Effects of the COVID-19 Pandemic on the Group's Operating Results

The impact of the COVID-19 pandemic has been particularly significant to the Group's business, as the Group relies on demand for automobiles to encourage its existing and potential clients in the automotive industry to seek the Group's products and services. As a result, the Group's revenue experienced a sharp decline of 30.8% from 2019 to 2020 (compared to an increase of 128.8% from 2018 to 2019). In addition, the Group experienced a sharp reduction in its pipeline, which is a measure of all open opportunities in its CRM created in the preceding five months, from a high of €2.1 million just prior to the outbreak of the pandemic to a low of €0.9 million in the third quarter of 2020. Bookings, which is a measure of all signed contracts, including those yet to be delivered, decreased sharply from €0.7 million in the second quarter of 2020 to €0.5 million and €0.6 million in the third and fourth quarters of 2020, respectively. In the six-month period ended June 30, 2021, the negative trends within the automotive industry have reversed as restrictions have gradually been removed and economic activity has increased, which has led to an increase in revenue of 39.1% for the Group in the six-month period ended June 30, 2021 compared to the same period in the prior year.

The table below sets forth the consolidated revenue of the Group broken down by product family for the six-month periods ended June 30, 2021 and 2020 and the years ended December 31, 2020, 2019 and 2018.

	Six month-period ended June 30				Year ended December 31					
	2021	% of revenue	2020	% of revenue	2020	% of revenue	2019	% of revenue	2018	% of revenue
<i>(in € thousands, except percentages)</i>										
SaaS platform ⁽¹⁾	6,556	51.3%	4,727	51.4%	9,766	50.5%	15,963	57.1%	5,702	46.7%
Digital Marketing	4,041	31.6%	3,469	37.8%	6,805	35.2%	7,822	28.0%	4,829	39.5%
Other revenue	2,184	17.1%	992	10.8%	2,758	14.3%	4,155	14.9%	1,679	13.8%
Total revenues	12,781	100.0%	9,188	100.0%	19,329	100.0%	27,940	100.0%	12,210	100.0%

⁽¹⁾ Includes the Web Module, the CRM Module and the Stock Module.

The Group took steps to mitigate the direct and indirect effects of the COVID-19 pandemic on the Group's results by reducing certain expenses and utilizing certain shock absorbers (*i.e.*, a set of regulatory provisions aimed at supporting the income of those who find themselves involuntarily in a situation of unemployment) offered in the jurisdictions in which the Group operates. These shock absorbers included: (i) in Italy, the *Cassa Integrazione Guadagni Ordinaria COVID-19*, a measure designed to allow employers to require employees to suspend their work activity in full or in part; and (ii) in Germany, the *Kurzarbeit* social insurance program designed to allow employers to reduce their employees' working hours instead of laying them off while the government provides an income replacement rate of 60%. For further information related to such steps, see "*Results of Operations – Results of Operations for the years ended December 31, 2020 and 2019*". However, such measures did not fully offset the reduction in revenue. As a consequence, the Group's operating loss and (loss)/profit for the period were negatively impacted. Operating loss increased significantly in 2020 after decreasing significantly in 2019. Similarly, the Group's loss in 2020 increased significantly after decreasing significantly in 2019. In the six-month period ended June 30, 2021, the steps taken by the Group led to improved results as the Group's operating loss decreased and the loss for the period narrowed significantly. Set forth below are the operating loss and (loss)/profit for the period of the Group for the six-month periods ended June 30, 2021 and 2020 and the years ended December 31, 2020, 2019 and 2018.

	Six-month period ended June 30		Year ended December 31		
	2021	2020	2020	2019	2018
			(in € thousands)		
Operating loss	(2,400)	(2,862)	(4,530)	(1,094)	(11,747)
(Loss)/Profit for the period	(2,554)	(3,393)	(5,367)	213	(6,852)

For further information related to the effect of the COVID-19 pandemic on the Group's operating results, see *“Risk Factors – Risks Relating to the Industry and to the Market in which the Group Operates – The Group's sales and profitability have been seriously impacted by the macroeconomic downturn resulting from the COVID-19 pandemic and there may be further negative effects if the pandemic continues”*.

Growing Strength of the Group's SaaS Platform Business

The Group has significantly increased the number of customer relationships that it maintains with OEMs and automotive dealerships, increasing from 406 (including 202 new customers against 25 churned) in 2018, to 584 (including 88 new customers against 72 churned) in 2019 and then to more than 600 (including 54 new customers against 27 churned) in 2020 and 627 as of June 30, 2021. These automotive dealerships sell automobiles manufactured by leading European and global brands in Europe and acquire SaaS platform products from the Group to help generate and manage their sales. The Group's SaaS platform products are generally offered to dealerships under subscription agreements with terms of between 12 and 36 months (with certain agreements even longer in duration). These subscription agreements generate Recurring Revenue, which is defined as revenue from SaaS platform subscriptions excluding the portion of revenue related to contract start-up and ancillary revenues. Such revenue was €8,868 thousand, €15,009 thousand, and €4,707 thousand for the years ended December 31, 2020, 2019, and 2018 respectively and €5,538 thousand and €4,248 thousand for the six-month periods ended June 30, 2021 and 2020 respectively. Cash flows from Recurring Revenue are highly visible, which allows the Group to more confidently plan its investments and operations. The high visibility of the revenue is due to the terms of the subscription agreements, but also the difficulty of replacing the Group's solutions, given that dealers would be forced to find suitable competing solutions and retrain their employees to use the competing solutions in order to replace the Group as their provider of SaaS solutions. For further information related to Recurring Revenue and the percentage of revenue derived from the SaaS platform that is Recurring Revenue, see *“Key Performance Indicators”*.

In addition, the Group's SaaS platform products typically deliver higher profit margins and are less susceptible to seasonality because, in accordance with IFRS 15, the Group recognizes the revenue from the applicable subscription agreement, regardless of its duration, at the time of its delivery. On the other hand, due to their longer durations, contracts for the Group's SaaS platform products may be less attractive to some potential customers, particularly during an economic slowdown or recession when many potential customers reduce their investments.

Although revenue from the Group's SaaS platform fell sharply as a result of the COVID-19 pandemic in 2020, the Group's revenue from its SaaS platform has grown significantly over the entire reference period (*i.e.*, since January 1, 2018) in both absolute and relative terms.

Set forth below is the Group's revenue from the SaaS platform and the percentage of the Group's total revenues attributable to the SaaS platform for the six-month periods ended June 30, 2021 and 2020 and for the years ended December 31, 2020, 2019, and 2018:

	Six-month period ended June 30		Years ended December 31		
	2021	2020	2020	2019	2018
			(in € thousands, except percentages)		
SaaS platform ⁽¹⁾	6,556	4,727	9,766	15,963	5,702
Group total revenue	12,781	9,188	19,329	27,940	12,210
Percentage of Group total revenues attributable to SaaS platform	51.3%	51.4%	50.5%	57.1%	46.7%

(1) Includes the Web Module, the CRM Module and the Stock Module.

Research and Development

The Group's R&D processes are dedicated to creating and commercializing products that are both innovative and responsive to potential or current market demand. Constant innovation by operators in the sector can quickly render a competitive advantage obsolete quickly. Accordingly, the Group dedicates significant resources to R&D to help defend against this risk.

A1.7.1.2

Although the Group reduced the number of employees dedicated primarily to R&D activities in the year ended December 31, 2020 as part of a broader initiative to reduce costs during the COVID-19 pandemic, for the years ended December 31, 2020, 2019, and 2018, the Group employed 86, 103, and 100 individuals dedicated primarily to R&D activities. Those employees were located primarily in the Group's R&D center in Italy, which was supplemented by a second R&D center in Portugal in 2021. The Group's R&D employees are primarily tasked with improving the Group's existing products and expanding its product offerings. Recent R&D initiatives were designed to enhance e-commerce and visit-to-order experiences and strengthen the Group's artificial intelligence and machine learning capabilities. Each year, the Group's total R&D expenses have been substantial and represented 25.4%, 18.1% and 33.8% of the Group's total revenues for the years ended December 31, 2020, 2019, and 2018, respectively and 26.0% and 25.8% of the Group's total revenues for the six-month periods ended June 30, 2021 and 2020 respectively.

Set forth below are the breakdown of Group's total R&D expenses and the total R&D expenses as a percentage of the Group's total revenues for the six-month periods ended June 30, 2021 and 2020 and for the years ended December 31, 2020, 2019, and 2018:

	Six-month period ended June 30		Year ended December 31		
	2021	2020	2020	2019	2018
	<i>(in € thousands, except percentages)</i>				
Total R&D expenses	3,325	2,368	4,902	5,059	4,121
- of which capitalised	(1,410)	(1,307)	(2,661)	(3,033)	(2,724)
- of which expensed in the income statement	1,915	1,061	2,241	2,026	1,397
Total R&D expenses as a percentage of Group total revenue	26.0%	25.8%	25.4%	18.1%	33.8%

For further information about the importance of R&D activities to the Group's operations and the risks associated therewith, see "*Business – Business Model – research and development*" and "*Risk Factors – Risks Relating to the Group's Business Operations – The Group's risks relating to the adequacy of the Group's research and development resources*".

Increased Geographic Diversification

The Group has achieved increased geographic diversification of its revenue both through acquisitions and organic growth. The Group's increase in revenue from operations in France, for example, was largely attributable to the 3W Net acquisition, while the increase in revenue from operations in Germany was organic following the opening of the Group's first office there in 2018. As the Group's revenue from those countries has increased, the percentage of the Group's revenue coming from both Italy and Spain has declined, even though revenue from Italy is up on an absolute basis and the revenue from Spain is down only slightly on an absolute basis. Such geographic diversification benefits the Group by: (i) reducing volatility of the Group's results by making its results less dependent on the results of operations in Italy and Spain; (ii) diversifying the Group's business by connecting it to markets where OEMs and dealerships desire solutions with varied levels of sophistication to target the ultimate purchasers of automobiles in their markets who have unique familiarity with and access to online platforms; and (iii) helping the Group build a broader geographic presence that is appealing to OEMs with a pan-European or global presence (the number of the Group's OEM clients has increased from 10 in 2018 to 11 in 2019 and 2020, to 13 in June 2021).

The table below sets forth the consolidated revenue of the Group broken down by country for the six-month periods ended June 30, 2021 and 2020 and the years ended December 31, 2020, 2019 and 2018. The breakdown by geography is based on the location of the relevant Group entity that signed the

contract with the customer (regardless of the customer's actual location). Historically, the Group's Italian subsidiary has served customers in multiple countries (*i.e.*, Germany, France, Spain, Switzerland, etc.), while its subsidiaries in other countries have mainly served customers in their local market.

	Six-month period ended June 30				Year ended December 31					
	2021		2020		2020		2019		2018	
	(in € thousands, except percentages)									
Italy	10,844	84.8%	6,962	75.8%	15,604	80.7%	25,042	89.6%	10,470	85.7%
Spain	676	5.3%	928	10.1%	1,444	7.5%	1,708	6.1%	1,591	13.0%
France	746	5.8%	1,034	11.3%	1,671	8.6%	650	2.3%	28	0.2%
Germany	515	4.0%	264	2.9%	507	2.6%	539	1.9%	119	1.0%
UK	-	0.0%	-	0.0%	103	0.5%	1	0.0%	2	0.0%
Total revenues	12,781	100.0%	9,188	100.0%	19,329	100.0%	27,940	100.0%	12,210	100.0%

Impact of adoption of IFRS 16 Leases on comparability

IFRS 16 Leases was applied from January 1, 2019 using the modified retrospective approach and, therefore, 2018 was not restated and was reported under IAS 17 Leases. On January 1, 2019, the Group recognized right-of-use assets and lease liabilities totaling €2 million. For the purposes of the consolidated statement of comprehensive income, the depreciation of the right-of-use assets was recognized as "amortization and depreciation", totaling €1.0 million and the finance costs were recognized under "finance expense" totaling €0.1 million. In the 2018 financial information, rental costs were recognized under "other operating costs" totaling €1.1 million.

Key Performance Indicators

The Group monitors and evaluates its operating and financial performance using the non-IFRS financial measures: Recurring Revenue, EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin. The Group believes that these non-IFRS financial measures provide useful and relevant information regarding the Group's performance and improve its ability to assess its financial performance.

Recurring Revenue, EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin are not measurements of performance under IFRS and should not be considered as alternatives to revenue, operating income or consolidated profit or as a measure of the Group's operating performance, cash flows from operating, investing and financing activities, as a measure of its ability to meet its cash needs or any other measures of performance under generally accepted accounting principles. The Group believes that Recurring Revenue is useful to monitor the stability of revenue stream while EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin are useful indicators of its ability to incur and service its indebtedness. The Group believes that such measures are important as they adjust for items which inherently are not indicative of the underlying performance of the business and therefore these non-IFRS financial measures enhance comparability across the periods and are useful for securities analysts, investors and other parties to evaluate the Group's performance. Recurring Revenue, EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin and similar measures may be used by different companies for different purposes and are often calculate in ways that reflect the circumstances of those companies. Recurring Revenue, EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin may not be indicative of the Group's historical operating results, nor are they meant to be predictive of potential future results. In analyzing the Group's future performance, investors should consider these non-IFRS key performance indicators together with the presentation of the financial condition, results of operations and cash flow of the Group under IFRS, rather than as an alternative to IFRS financial measures. See "*Important Information - Presentation of Financial and Other Information - Non-IFRS Financial Measures*" and "*Selected Consolidated Financial Information - Non-IFRS Financial Measures*".

Recurring Revenue

Recurring Revenue is defined as revenue from SaaS platform subscriptions excluding the portion of revenue related to contract start-up and ancillary revenues. The following table sets forth a reconciliation of Recurring Revenue.

	Six-month period ended June 30		Year ended December 31		
	2021	2020	2020	2019	2018
	<i>(in € thousands)</i>				
SaaS platform revenue ⁽¹⁾	6,556	4,727	9,766	15,963	5,702
Contract start-up revenues	933	409	748	757	880
Ancillary revenues	85	70	150	197	115
Recurring Revenue	5,538	4,248	8,868	15,009	4,707
Recurring Revenue as % of SaaS platform revenue	84.5%	89.9%	90.8%	94.0%	82.5%
Recurring Revenue as % of total revenue	43.3%	46.2%	45.9%	53.7%	38.6%

(1) See Note 9 to the 2018-2020 Consolidated Financial Statements and Note 8 to the 2021 Interim Condensed Consolidated Financial Statements

EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin

EBITDA is defined as profit or loss from continuing operations before corporate income tax, finance income, finance expenses and amortization and depreciation. Adjusted EBITDA is defined as EBITDA as adjusted for stock option costs and certain income and costs, which are expected to occur infrequently, and that management considers not reflective of ongoing operational activities. Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by Revenue. The following table sets forth the calculation of EBITDA, Adjusted EBITDA and EBITDA Margin for the years ended December 31, 2018, 2019 and 2020 and for the six-month periods ended June 30, 2020 and 2021 and provides a reconciliation of these non-IFRS measures to loss from continuing operations.

	Six-month period ended June 30		Year ended December 31		
	2021	2020	2020	2019	2018
	<i>(in € thousands)</i>				
Loss from continuing operations	(3,024)	(3,415)	(5,409)	(1,388)	(10,705)
Corporate income tax	(341)	(297)	(925)	(1,131)	(1,367)
Finance expense	968	856	1,820	1,436	327
Finance income	(3)	(6)	(16)	(11)	(2)
Amortization & Depreciation	1,858	1,680	3,186	2,316	1,050
EBITDA	(542)	(1,182)	(1,344)	1,222	(10,697)
Exceptional costs ⁽¹⁾	85	13	77	49	87
Stock Option Plan	794	(34)	134	196	344
Adjusted EBITDA	337	(1,203)	(1,133)	1,467	(10,266)
Adjusted EBITDA Margin	2.6%	(13.1%)	(5.9%)	5.3%	(84.1%)

(1) Exceptional costs for the relevant periods mainly include costs related to M&A transactions and legal and consultancy costs related to group structuring, the issuance of convertible equity notes and the financing with Illimity, and severance payment indemnities for employees who left the Group and have not been replaced.

Results of Operations

Result of operations for the six-month period ended June 30, 2021 and 2020

The following table sets forth the consolidated statement of profit and loss and other comprehensive income for the six-month period ended June 30, 2021 compared to the six-month period ended June 30, 2020.

	Six-month period ended June 30				Change	
	2021	% of revenue	2020	% of revenue	2021-2020	%
	<i>(in € thousands, except percentages)</i>					
Revenue	12,781	100.0%	9,188	100.0%	3,593	39.1%
Costs for marketing and call center services	3,619	28.3%	2,993	32.6%	626	20.9%
Personnel costs	8,279	64.8%	6,346	69.1%	1,933	30.5%
R&D Capitalization	(1,410)	(11.0%)	(1,307)	(14.2%)	(103)	7.9%
Other operating costs	2,835	22.2%	2,338	25.4%	497	21.3%
Amortization & Depreciation	1,858	14.5%	1,680	18.3%	178	10.6%
Total costs	15,181	>100.0%	12,050	>100.0%	3,131	26.0%
Operating loss	(2,400)	(18.8%)	(2,862)	(31.1%)	462	(16.1%)
Finance expense	(968)	(7.6%)	(856)	(9.3%)	(112)	13.1%

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A1.7.2.1

A1.7.2.2

Finance income	3	0.0%	6	0.1%	(3)	(50.0%)
Loss before tax	(3,365)	(26.3%)	(3,712)	(40.4%)	347	(9.3%)
Corporate income tax	341	2.7%	297	3.2%	44	14.8%
Loss from continuing operations	(3,024)	(23.7%)	(3,415)	(37.2%)	391	(11.4%)
Profit from discontinued operation	470	3.7%	22	0.2%	448	>100.0%
Loss for the period	(2,554)	(20.0%)	(3,393)	(36.9%)	839	(24.7%)

Revenue

Revenue amounted to €12,781 thousand for the six-month period ended June 30, 2021, an increase of €3,593 thousand, or 39.1%, compared to €9,188 thousand for the six-month period ended June 30, 2020. This change was primarily due to the increase in revenue from the Group's SaaS platform products in Italy following the rebound in the business after the COVID-19 pandemic, and the signing of new contracts.

Revenue by country

The table below shows the revenue of the Group broken down by country for the six-month periods ended June 30, 2021 and 2020.

	Six-month period ended June 30				Change	
	2021	% of revenue	2020	% of revenue	2021-2020	%
<i>(in € thousands, except percentages)</i>						
Italy	10,844	84.8%	6,962	75.8%	3,882	55.8%
Spain	676	5.3%	928	10.1%	(252)	(27.2%)
France	746	5.8%	1,034	11.3%	(288)	(27.9%)
Germany	515	4.0%	264	2.9%	251	95.1%
Total revenues	12,781	100.0%	9,188	100.0%	3,593	39.1%

With respect to the countries in which the Group operates, the majority of the Group's revenue is derived from Italy. Revenue from Italy amounted to €10,844 thousand for the six-month period ended June 30, 2021, an increase of €3,882 thousand, or 55.8%, compared to €6,962 thousand for the six-month period ended June 30, 2020. This increase was primarily attributable to an increase in SaaS platform revenue from €2,782 thousand for the six-month period ended June 30, 2020 to €4,838 thousand for the same period of 2021 following the signing of new contracts as a result of the post COVID-19 rebound.

Revenue from Spain amounted to €676 thousand for the six-month period ended June 30, 2021, a decrease of €252 thousand, or 27.2%, compared to €928 thousand for the six-month period ended June 30, 2020. This change was primarily attributable to a decrease in SaaS platform revenues.

Revenue from France amounted to €746 thousand for the six-month period ended June 30, 2021, a decrease of €288 thousand, or 27.9%, compared to €1,034 thousand for the six-month period ended June 30, 2020. This change was primarily attributable to a decrease in SaaS platform revenues.

Revenue by product and service line

The table below shows the revenue of the Group broken down by product and service line for the six-month periods ended June 30, 2021 and 2020.

	Six-month period ended June 30				Change	
	2021	% of revenue	2020	% of revenue	2021-2020	%
<i>(in € thousands, except percentages)</i>						
SaaS platform ⁽¹⁾	6,556	51.3%	4,727	51.4%	1,829	38.7%
Digital Marketing	4,041	31.6%	3,469	37.8%	572	16.5%
Other revenue	2,184	17.1%	992	10.8%	1,192	>100.0%
Total revenues	12,781	100.0%	9,188	100.0%	3,593	39.1%

(1) Includes the Web Module, the CRM Module and the Stock Module

With respect to the product and service lines of the Group's business, the Group's revenue is derived primarily from SaaS platform and Digital Marketing. Revenue from SaaS platform amounted to €6,556 thousand for the six-month period ended June 30, 2021, an increase of €1,829 thousand, or 38.7%, compared to €4,727 thousand for the six-month period ended June 30, 2020. This increase was primarily attributable to a general increase in the overall amount of agreements executed in the period by the Group.

Revenue from Digital Marketing amounted to €4,041 thousand for the six-month period ended June 30, 2021, an increase of €572 thousand, or 16.5%, compared to €3,469 thousand for the six-month period ended June 30, 2020. This increase was primarily attributable to the growth in sales of marketing solutions due to the increasing popularity of this service among dealers.

Costs for marketing and call center services

Costs for marketing and call center services amounted to €3,619 thousand for the six-month period ended June 30, 2021, an increase of €626 thousand, or 20.9%, compared to €2,993 thousand for the six-month period ended June 30, 2020. This increase is primarily attributable to the growth of sales volumes. As a percentage of revenue, costs for marketing and call center services decreased from 32.6% to 28.3% over the same period.

Personnel costs

Personnel costs amounted to €8,279 thousand for the six-month period ended June 30, 2021, an increase of €1,933 thousand, or 30.5%, compared to €6,346 thousand for the six-month period ended June 30, 2020. As a percentage of revenue, personnel costs decreased from 69.1% to 64.8% over the same period. The average number of employees decreased from 277 for the six-month period ended June 30, 2020 to 262 for the six-month period ended June 30, 2021.

R&D Capitalization

R&D Capitalization amounted to €1,410 thousand for the six-month period ended June 30, 2021, an increase of €103 thousand, or 7.9%, compared to €1,307 thousand for the six-month period ended June 30, 2020. As a percentage of revenue, R&D Capitalization decreased from 14.2% to 11.0% over the same period.

Other operating costs

Other operating costs amounted to €2,835 thousand for the six-month period ended June 30, 2021, an increase of €497 thousand, or 21.3%, compared to €2,338 thousand for the six-month period ended June 30, 2020. This increase is primarily due to the relaxation of the cost-cutting measures adopted in 2020 in order to face the decline in revenue caused by the COVID -19 pandemic. As a percentage of revenue, other operating costs decreased from 25.4% to 22.2% over the same period.

Amortization & Depreciation

Amortization & Depreciation expenses amounted to €1,858 thousand for the six-month period ended June 30, 2021, an increase of €178 thousand, or 10.6%, compared to €1,680 thousand for the six-month period ended June 30, 2020. Amortization & Depreciation expenses includes amortization of intangible assets and depreciation of tangible assets, amounting to €1.5 million and €0.3 million, respectively, for the six-month period ended June 30, 2021. As a percentage of revenue, Amortization & Depreciation decreased from 18.3% to 14.5% over the same period.

Operating loss

Operating loss amounted to €2,400 thousand for the six-month period ended June 30, 2021, a decrease of €462 thousand, or 16.1%, compared to an operating loss of €2,862 thousand for the six-month period ended June 30, 2020, as a result of the factors described above. As a percentage of revenue, operating loss decreased from 31.1% to 18.8% over the same period.

Finance expense

Finance expense amounted to €968 thousand for the six-month period ended June 30, 2021, an increase of €112 thousand, or 13.1%, compared to €856 thousand for the six-month period ended June 30, 2020. This increase was primarily attributable to the higher interest expenses on bank loans due to the increase in debt resulting from the new financing agreement in which the Group entered in the second half of 2020 for an amount of €6 million. As a percentage of revenue, finance expense decreased from 9.3% to 7.6% over the same period.

Corporate income tax

Income tax expenses were recognized on the basis of the estimate made by management of the expected weighted average of the effective annual tax rate for the entire year. The estimated average annual tax rate used for the six-month period ended June 30, 2021 is calculated as the incidence of corporate income tax on the profit before tax at the end of the year and is the following: Spain 26%, Germany 16%, France 28%, Italy 20%. Same percentages were applied as of June 30, 2020. An accurate calculation was done to estimate the deferred tax assets as of June 30, 2021 and 2020.

Result of operations for the years ended December 31, 2020 and 2019

The following table sets forth the consolidated statement of profit and loss and other comprehensive income for the year ended December 31, 2020 compared to the year ended December 31, 2019.

	Year ended December 31				Change	
	2020	% of revenue	2019	% of revenue	2020-2019	%
<i>(in € thousands, except percentages)</i>						
Revenue	19,329	100.0%	27,940	100.0%	(8,611)	(30.8%)
Costs for marketing and call center services	6,029	31.2%	6,583	23.6%	(554)	(8.4%)
Personnel costs	12,474	64.5%	15,910	56.9%	(3,436)	(21.6%)
R&D Capitalization	(2,661)	(13.8%)	(3,033)	(10.9%)	372	(12.3%)
Other operating costs	4,831	25.0%	7,258	26.0%	(2,427)	(33.4%)
Amortization & Depreciation	3,186	16.5%	2,316	8.3%	870	37.6%
Total costs	23,859	>100.0%	29,034	>100.0%	(5,175)	(17.8%)
Operating loss	(4,530)	(23.4%)	(1,094)	(3.9%)	(3,436)	>100.0%
Finance expense	(1,820)	(9.4%)	(1,436)	(5.1%)	(384)	26.7%
Finance income	16	0.1%	11	0.0%	5	45.5%
Loss before tax	(6,334)	(32.8%)	(2,519)	(9.0%)	(3,815)	>100.0%
Corporate income tax	925	4.8%	1,131	4.0%	(206)	(18.2%)
Loss from continuing operations	(5,409)	(28.0%)	(1,388)	(5.0%)	(4,021)	>100.0%
Profit from discontinued operation	42	0.2%	1,601	5.7%	(1,559)	(97.4%)
(Loss)/profit for the period	(5,367)	(27.8%)	213	0.8%	(5,580)	<(100)%

Revenue

Revenue amounted to €19,329 thousand for year ended December 31, 2020, a decrease of €8,611 thousand, or 30.8%, compared to €27,940 thousand for the year ended December 31, 2019. This decrease was primarily attributable to the effects of the COVID-19 pandemic, which depressed automotive sales and resulted in reduced marketing spend by the Group's customers.

Revenue by country

The table below shows the revenue of the Group broken down by country for the years ended December 31, 2020 and 2019.

	Year ended December 31				Change	
	2020	% of revenue	2019	% of revenue	2020-2019	%
<i>(in € thousands, except percentages)</i>						
Italy	15,604	80.7%	25,042	89.6%	(9,438)	(37.7%)
Spain	1,444	7.5%	1,708	6.1%	(264)	(15.5%)
France	1,671	8.6%	650	2.3%	1,021	>100%

Germany	507	2.6%	539	1.9%	(32)	(5.9%)
UK	103	0.5%	1	0.0%	102	>100%
Total revenues	19,329	100.0%	27,940	100.0%	(8,611)	(30.8%)

The majority of the Group's revenue in 2020 and 2019 was derived from its operations in Italy. Revenue from Italy amounted to €15,604 thousand for the year ended December 31, 2020, a decrease of €9,438 thousand, or 37.7%, compared to €25,042 thousand for the year ended December 31, 2019. This decrease was primarily attributable to a decrease in SaaS platform revenue from €13,964 thousand for the year ended December 31, 2019 to €6,705 thousand for the year ended December 31, 2020, due to the effects of the COVID-19 pandemic, which were particularly pronounced in Italy, which depressed automotive sales and caused the Group's customers to reduce their marketing expenses. Digital Marketing revenue in Italy decreased from €7,048 thousand in 2019 to €6,322 thousand in 2020.

Revenue from Spain amounted to €1,444 thousand for the year ended December 31, 2020, a decrease of €264 thousand, or 15.5%, compared to €1,708 thousand for the year ended December 31, 2019. This decrease was smaller compared to the decrease in revenue experienced by the Italian market, partially attributable to the lower exposure to the Digital Marketing product and service line. SaaS platform revenue in Spain was substantially unchanged, amounting to €1,043 thousand in 2019 and €1,104 thousand in 2020 while Digital Marketing revenue decreased from €617 thousand in 2019 to €290 thousand in 2020.

Revenue from France amounted to €1,671 thousand for the year ended December 31, 2020, an increase of €1,021 thousand, compared to €650 thousand for the year ended December 31, 2019. This increase was primarily attributable to benefitting from a full year of operations through 3W Net in 2020 after the acquisition was completed in 2019. For further information related to the 3W Net acquisition, see *"General Information on the Company – Material Contracts – Acquisitions and sale of equity investments – Acquisition of 3W Net S.à r.l."*

Revenue by product and service line

The table below shows the revenue of the Group broken down by product and service line for the years ended December 31, 2020 and 2019.

	Year ended December 31				Change	
	2020	% of revenue	2019	% of revenue	2020-2019	%
	<i>(in € thousands, except percentages)</i>					
SaaS platform ⁽¹⁾	9,766	50.5%	15,963	57.1%	(6,197)	(38.8%)
Digital Marketing	6,805	35.2%	7,822	28.0%	(1,017)	(13.0%)
Other revenue	2,758	14.3%	4,155	14.9%	(1,397)	(33.6%)
Total revenues	19,329	100.0%	27,940	100.0%	(8,611)	(30.8%)

(1) Includes the Web Module, the CRM Module and the Stock Module

Revenue from SaaS platform amounted to €9,766 thousand for the year ended December 31, 2020, a decrease of €6,197 thousand, or 38.8%, compared to €15,963 thousand for the year ended December 31, 2019. COVID-19 negatively impacted SaaS platform revenue in the following ways:

- access to dealerships was significantly reduced resulting in a deceleration in new contracts;
- Churn rate increased due to some customers going bankrupt; and
- setup fees decreased due to the reduction of new contracts with customers.

Revenue from Digital Marketing amounted to €6,805 thousand for the year ended December 31, 2020, a decrease of €1,017 thousand, or 13.0%, compared to €7,822 thousand for the year ended December 31, 2019. This decrease was primarily attributable to COVID-19, as the initial response of the Group's customers, and particularly its dealership customers, to the pandemic was to halt all discretionary spending including digital advertising spending. Other revenue was mainly generated from training activities.

Costs for marketing and call center services

Costs for marketing and call center services amounted to €6,029 thousand for the year ended December 31, 2020, a reduction of €554 thousand, or 8.4%, compared to €6,583 thousand for the year ended December 31, 2019. This decrease is primarily attributable to the reduction of activities following the outbreak of the COVID-19 pandemic and the related regional lockdowns. As a percentage of revenue, however, costs for marketing and call center services increased from 23.6% to 31.2% over the same period.

Personnel costs

Personnel costs amounted to €12,474 thousand for the year ended December 31, 2020, a reduction of €3,436 thousand, or 21.6%, compared to €15,910 thousand for the year ended December 31, 2019. This decrease was primarily attributable to the reduction of the average number of employees compared to the previous year as well as the use of shock absorbers (*i.e.*, a set of regulatory provisions aimed at supporting the income of those who find themselves involuntarily in a situation of unemployment) available in Italy, France, and Germany. The average number of employees decreased from 288 in 2019 to 261 in 2020. The reduction in the average number of employees during the period did not translate into an equal reduction in personnel expenses primarily due to a grant of share-based payments to employees. As a percentage of revenue, personnel costs increased from 56.9% to 64.5% over the same period.

R&D Capitalization

R&D Capitalization amounted to €2,661 thousand for the year ended December 31, 2020, a decrease of €372 thousand, or 12.3%, compared to €3,033 thousand for the year ended December 31, 2019. As a percentage of revenue, R&D Capitalization increased from 10.9% to 13.8% over the same period.

Other operating costs

Other operating costs amounted to €4,831 thousand for the year ended December 31, 2020, a reduction of €2,427 thousand, or 33.4%, compared to €7,258 thousand for the year ended December 31, 2019. This reduction is primarily attributable to the decrease in travel and event related expenses due to the spread of the COVID-19 pandemic. As a percentage of revenue, other operating costs decreased from 26.0% to 25.0% over the same period.

Amortization & Depreciation

Amortization & Depreciation expenses amounted to €3,186 thousand for the year ended December 31, 2020, an increase of €870 thousand compared to €2,316 thousand for the year ended December 31, 2019. As a percentage of revenue, Amortization & Depreciation increased from 8.3% to 16.5% over the same period.

Operating loss

Operating loss amounted to €4,530 thousand for the year ended December 31, 2020, an increase of €3,436 thousand, compared to an operating loss of €1,094 thousand for year ended December 31, 2019, as a result of the factors described above. As a percentage of revenue, operating loss increased from 3.9% to 23.4% over the same period.

Finance expense

Finance expense amounted to €1,820 thousand for the year ended December 31, 2020, an increase of €384 thousand, or 26.7%, compared to €1,436 thousand for the year ended December 31, 2019. This increase was primarily attributable to the higher interest expenses on bank loans due to the increase in debt resulting from the second drawdown of the credit facility provided by the EIB in 2018. As a percentage of revenue, finance expense increased from 5.1% to 9.4% over the same period. For further information related to the credit facility provided by the EIB, see “*General Information on the Company – Material Contracts – Financing Agreements – €15 million EIB Facility Agreement*”.

Corporate income tax

The Group recorded a corporate income tax benefit amounting to €925 thousand for the year ended December 31, 2020, a decrease of €206 thousand, or 18.2%, compared to the income tax benefit of €1,131 thousand for the year ended December 31, 2019. This decrease was primarily attributable to the reduction in R&D tax grants recognised by Italian tax authorities in relation to the R&D expenditures of the Italian company, due to the change of criteria used by the Italian tax authorities to calculate such grant.

Result of operations for the years ended December 31, 2019 and 2018

The following table sets forth certain items from the consolidated statement of profit and loss and other comprehensive income for the year ended December 31, 2019 compared to the year ended December 31, 2018.

	Year ended December 31				Change	
	2019	% of revenue	2018	% of revenue	2019-2018	%
<i>(in € thousands, except percentages)</i>						
Revenue	27,940	100.0%	12,210	100.0%	15,730	128.8%
Costs for marketing and call center services	6,583	23.6%	4,493	36.8%	2,090	46.5%
Personnel costs	15,910	56.9%	13,836	>100.0%	2,074	15.0%
R&D Capitalization	(3,033)	(10.9%)	(2,724)	(22.3%)	(309)	11.3%
Other operating costs	7,258	26.0%	7,302	59.8%	(44)	(0.6%)
Amortization & Depreciation	2,316	8.3%	1,050	8.6%	1,266	>100.0%
Total costs	29,034	>100.0%	23,957	>100.0%	5,077	21.2%
Operating loss	(1,094)	(3.9%)	(11,747)	(96.2%)	10,653	(90.7%)
Finance expense	(1,436)	(5.1%)	(327)	(2.7%)	(1,109)	>100.0%
Finance income	11	0.0%	2	0.0%	9	>100.0%
Loss before tax	(2,519)	(9.0%)	(12,072)	(98.9%)	9,553	(79.1%)
Corporate income tax	1,131	4.0%	1,367	11.2%	(236)	(17.3%)
Loss from continuing operations	(1,388)	(5.0%)	(10,705)	(87.7%)	9,317	(87.0%)
Profit from discontinued operation	1,601	5.7%	3,853	31.6%	(2,252)	(58.4%)
(Loss)/profit for the period	213	0.8%	(6,852)	(56.1%)	7,065	>100.0%

Revenue

Revenue amounted to €27,940 thousand for year ended December 31, 2019, an increase of €15,730 thousand, or 128.8%, compared to €12,210 thousand for the year ended December 31, 2018. This increase was primarily attributable to an increase in revenue from the Group's SaaS platform products.

Revenue by country

The table below shows the revenue of the Group broken down by country for the years ended December 31, 2019 and 2018.

	Year ended December 31				Change	
	2019	% of revenue	2018	% of revenue	2019-2018	%
<i>(in € thousands, except percentages)</i>						
Italy	25,042	89.6%	10,470	85.7%	14,572	>100.0%
Spain	1,708	6.1%	1,591	13.0%	117	7.4%
France	650	2.3%	28	0.2%	622	>100.0%
Germany	539	1.9%	119	1.0%	420	>100.0%
UK	1	0.0%	2	0.0%	(1)	(50.0%)
Total revenues	27,940	100.0%	12,210	100.0%	15,730	128.8%

The Group's revenue was derived primarily from Italy in the year ended December 31, 2019, with increasing revenue contribution from the Group's operations in Spain, France and Germany. Revenue from Italy amounted to €25,042 thousand for the year ended December 31, 2019, an increase of €14,572

thousand, compared to €10,470 thousand for the year ended December 31, 2018, mainly due to an increase in SaaS platform revenue from €4,860 thousand in 2018 to €13,964 thousand in 2019 and, to a lesser extent, an increase in Digital Marketing revenue from €4,066 thousand in 2018 to €7,048 thousand in 2019.

Revenue from Spain amounted to €1,708 thousand for the year ended December 31, 2019, an increase of €117 thousand, or 7.4%, compared to €1,591 thousand for the year ended December 31, 2018, primarily attributable to an increase in SaaS platform revenues.

Revenue from France amounted to €650 thousand for the year ended December 31, 2019, an increase of €622 thousand, compared to €28 thousand for the year ended December 31, 2018. This increase was primarily attributable to the acquisition of 3W Net that was completed in 2019.

Revenue by product and service line

The table below shows the revenue of the Group broken down by product and service line for the years ended December 31, 2019 and 2018.

	Year ended December 31				Change	
	2019	% of revenue	2018	% of revenue	2019-2018	%
	<i>(in € thousands, except percentages)</i>					
SaaS platform ⁽¹⁾	15,963	57.1%	5,702	46.7%	10,261	>100.0%
Digital Marketing	7,822	28.0%	4,829	39.5%	2,993	62.0%
Other revenue	4,155	14.9%	1,679	13.8%	2,476	>100.0%
Total revenues	27,940	100.0%	12,210	100.0%	15,730	128.8%

(1) Includes the Web Module, the CRM Module and the Stock Module

Revenue from SaaS platform amounted to €15,963 thousand for the year ended December 31, 2019, an increase of €10,261 thousand compared to €5,702 thousand for the year ended December 31, 2018. This increase was primarily attributable to the signing of new long-term contracts mainly with OEM customers and a general increase in the overall amount of agreements executed by the Group's sales team. Revenue from Digital Marketing amounted to €7,822 thousand for the year ended December 31, 2019, an increase of €2,993 thousand, or 62.0%, compared to €4,829 thousand for the year ended December 31, 2018. Other revenue was mainly generated from training activities.

Costs for marketing and call center services

Costs for marketing and call center services amounted to €6,583 thousand for the year ended December 31, 2019, an increase of €2,090 thousand or 46.5% compared to €4,493 thousand for the year ended December 31, 2018. This increase, linked to the growth in Digital Marketing revenue, is mainly due to the higher marketing expenses incurred to obtain greater visibility on online search engines. As a percentage of revenue, costs for marketing and call center services decreased from 36.8% to 23.6% over the same period.

Personnel costs

Personnel costs amounted to €15,910 thousand for the year ended December 31, 2019, an increase of €2,074 thousand, or 15.0%, compared to €13,836 thousand for the year ended December 31, 2018. The increase was mainly related to the increase in the number of employees. The average number of employees decreased from 308 in 2018 to 288 in 2019.

R&D Capitalization

R&D Capitalization amounted to €3,033 thousand for the year ended December 31, 2019, an increase of €309 thousand, or 11.3%, compared to €2,724 thousand for the year ended December 31, 2018. As a percentage of revenue, R&D Capitalization decreased from 22.3% to 10.9% over the same period.

Other operating costs

Other operating costs amounted to €7,258 thousand for the year ended December 31, 2019, a reduction of €44 thousand, or 0.6%, compared to €7,302 thousand for the year ended December 31, 2018, primarily attributable to rental costs that are no longer classified in this line item following the adoption of IFRS 16 with effect as of January 1, 2019. As a percentage of revenue, other operating costs decreased from 59.8% to 26.0% over the same period.

Amortization & Depreciation

Amortization & Depreciation expenses amounted to €2,316 thousand for the year ended December 31, 2019, an increase of €1,266 thousand, compared to €1,050 thousand for the year ended December 31, 2018. This increase is primarily attributable to the depreciation of right of use assets as a result of the adoption of IFRS 16 with effect as of January 1, 2019. As a percentage of revenue, Amortization & Depreciation decreased from 8.6% to 8.3% over the same period.

Operating loss

Operating loss amounted to €1,094 thousand for the year ended December 31, 2019, a decrease of €10,653 thousand compared to an operating loss of €11,747 thousand for year ended December 31, 2018, as a result of the strong growth in revenue described above. As a percentage of revenue, operating loss decreased from 96.2% to 3.9% over the same period.

Finance expense

Finance expense amounted to €1,436 thousand for the year ended December 31, 2019, an increase of €1,109 thousand compared to €327 thousand for the year ended December 31, 2018. This increase was primarily attributable to the higher interest expenses on bank loans due to the first drawdown of the credit facility provided by the EIB in 2018. As a percentage of revenue, finance expense increased from 2.7% to 5.1% over the same period. For further information related to the credit facility provided by the EIB, see “*General Information on the Company – Material Contracts – Financing Agreements – €15 million EIB Facility Agreement*”.

Corporate income tax

The Group recorded a corporate income tax benefit of €1,131 thousand for the year ended December 31, 2019, a decrease of €236 thousand, or 17.3%, compared to an income tax benefit of €1,367 thousand for the year ended December 31, 2018. This decrease was primarily attributable to the decrease in loss before tax. As a percentage of revenue, corporate income tax benefit decreased from 11.2% to 4.0% over the same period.

Liquidity and Capital Resources

The Group periodically verifies the forecast financial requirements on the basis of its needs, in order to act in a timely manner to find the necessary additional resources and to implement any required actions. The Group seeks to maintain an adequate makeup of capital resources in terms of deadlines, tools and level of availability.

A1.8.1

A1.8.2

A1.8.3

As of June 30, 2021, and as of December 31, 2020, 2019 and 2018, in addition to cash and cash equivalents totaling €10,146 thousand, €11,824 thousand, €9,406 thousand and €6,832 thousand, respectively, the Group had available and undrawn lines of credit amounting to €3,500 thousand, €2,500 thousand, €2,136 thousand and €688 thousand, respectively.

The Group believes that the credit lines and medium-term loans, together with the cash flows that will be generated by current operations, will enable it to meet the financial requirements for investment, working capital management and repayment of financial payables when due for the next twelve months.

Cash and funding sources

The Group defines the net financial position as the sum of current and non-current financial liabilities and current and non-current lease liabilities less cash and cash equivalents.

The table below sets forth the Group's net financial position as of June 30, 2021 and as of December 31, 2020, 2019 and 2018.

	Six-month period ended June 30	Year ended December 31		
	2021	2020	2019	2018
		<i>(in € thousands)</i>		
Cash and cash equivalents	10,146	11,824	9,406	6,832
Current financial liabilities	(2,872)	(6,263)	(1,742)	(6,256)
Current lease liabilities	(631)	(802)	(746)	-
Short term net financial position	6,643	4,759	6,918	576
Non-current financial liabilities	(24,603)	(24,832)	(22,833)	(9,110)
Non-current lease liabilities	(944)	(786)	(639)	-
Long term net financial position	(25,547)	(25,618)	(23,472)	(9,110)
Net financial position	(18,904)	(20,859)	(16,554)	(8,534)

As of June 30, 2021, the Group's net financial position amounted to €18,904 thousand, a change of €1,955 thousand or 9.4% compared to the €20,859 thousand as of December 31, 2020. This change was primarily attributable to the decrease of current financial liabilities due to the conversion into equity of the first tranche of the convertible equity notes for an amount of €4.0 million.

As of December 31, 2020, the Group's net financial position amounted to €20,859 thousand, a change of €4,305 thousand or 26.0% compared to a net financial position of €16,554 thousand as of December 31, 2019. This change was primarily attributable to the new financing agreement the Group entered into during 2020 for an amount of €6.0 million, partially offset by the increase in cash and cash equivalents of €2,418 thousand (for further details on the movements of cash and cash equivalents, please refer to the Section below "Cash flows").

As of December 31, 2019, the Group's net financial position amounted to €16,554 thousand, a change of €8,020 thousand or 94.0% compared to a net financial position of €8,534 thousand as of December 31, 2018. This change was primarily attributable to the increase of bank and other loans of €13.5 million, partially offset by the increase in cash and cash equivalents of €2.6 million and the conversion into equity shares of the convertible notes in the nominal amounts of €3.0 million (for further details on the movements of cash and cash equivalents, please refer to the Section below "Cash flows").

The following table sets forth the breakdown of bank loans by counterparty for periods indicated.

	As of June 30, 2021		As of December 31					
			2020		2019		2018	
<i>(in € thousands)</i>	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Financial institution								
BNL	167	-	333	-	333	167	333	500
Creval	307	426	302	581	295	782	284	1,110
Credimi	458	1,454	359	1,641	-	2,000	-	-
EIB	-	17,923	-	17,210	-	15,884	-	7,436
Illimity Bank	1,200	4,800	600	5,400	-	-	-	-
Total	2,132	24,603	1,594	24,832	628	18,833	617	9,046

The following table provides details of the main bank borrowings in place.

Financial institution	Issuance date	Nominal amount (in €)	Repayment conditions	Interest rate	Facility Length
BNL	May 21, 2018	1,000,000	Quarterly	Variable – EURIBOR 3 MONTHS+1.7%	3 years
Creval	June 5, 2018	1,500,000	Monthly	Variable – EURIBOR 3 MONTHS+3.5%	5 years

Credimi	March 18, 2019	2,000,000	Quarterly starting from March 2021	Variable – EURIBOR 3 MONTHS+5.3%	4 years
EIB- I tranche	December 14, 2018	7,500,000	Bullet	Fixed – 10%	5 years
EIB- II tranche	June 26, 2019	7,500,000	Bullet	Fixed -9%	5 years
Illimity Bank	August 1, 2021	6,000,000	Quarterly starting from August 2021	Fixed -3.5%	5 years

The table below provides an analysis of the Group's financial indebtedness by due date as of June 30, 2021:

(in € thousands)	Carrying amount as of June 30, 2021	Due date				Total contractual amount
		Within 1 year	1 to 2 years	3 to 5 years	Over 5 years	
Total financial indebtedness	29,050	3,946	3,165	27,220	-	34,331

Financial indebtedness secured

The table below provides an analysis of the Group's financial indebtedness as of June 30, 2021 and as of December 31, 2020, 2019 and 2018, indicating the portion backed by collateral and the unguaranteed/unsecured financial debt.

(in € thousands, except percentages)	As of June 30		As of December 31					
	2021	In % on total	2020	In % on total	2019	In % on total	2018	In % on total
Amount guaranteed	26,569	91.5%	26,094	79.8%	18,961	73.0%	8,830	57.5%
Amount secured	167	0.6%	332	1.0%	500	1.9%	833	5.4%
Amount unguaranteed/unsecured	2,314	8.0%	6,257	19.1%	6,499	25.0%	5,703	37.1%
Total financial indebtedness	29,050	100.0%	32,683	100.0%	25,960	100.0%	15,366	100.0%

Financial indebtedness by applicable interest rate

The table below provides an analysis of the Group's financial indebtedness as of June 30, 2021 and as of December 31, 2020, 2019 and 2018, based on the type of interest rate applicable.

(in € thousands, except percentages)	As of June 30		As of December 31					
	2021	In % on total	2020	In % on total	2019	In % on total	2018	In % on total
Fixed rate	26,238	90.3%	29,467	90.2%	22,383	86.2%	13,139	85.5%
Variable rate	2,812	9.7%	3,216	9.8%	3,577	13.8%	2,227	14.5%
Total financial indebtedness	29,050	100.0%	32,683	100.0%	25,960	100.0%	15,366	100.0%

Current borrowings from banks

Current borrowings from banks mainly refer to payables to credit institutions in relation to commercial credit lines.

The tables below show the amount, utilization and residual available amount of these credit lines that the Group utilizes, broken down by counterparty, as of June 30, 2021 and as of December 31, 2020, 2019 and 2018 respectively.

			As of June 30, 2021		
	Maturity	Effective interest rate	Facility amount	Drawn down	Available amount
			(in € thousands)		
Advances for invoices BNL	n.a.	1.85%	500	-	500
Non-recourse factoring Illimity	n.a.	2.78%	3,000	-	3,000

Total credit lines	3,500	-	3,500
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			As of December 31, 2020		
	Maturity	Effective interest rate	Facility amount	Drawn down	Available amount
			(in € thousands)		
Advances for invoices BNL	n.a.	1.85%	500	-	500
Advances for invoices Credimi	March 2021	2.96%	2,000	-	2,000
Total credit lines			2,500	-	2,500

			As of December 31, 2019		
	Maturity	Effective interest rate	Facility amount	Drawn down	Available amount
			(in € thousands)		
Advances for invoices BNL	n.a.	1.85%	500	63	437
Advances for invoices BPS	September 2020	2.92%	150	-	150
Advances for invoices BPER ⁽¹⁾	September 2020	4.05% - 4.30%	600	118	482
Advances for invoices Credimi	March 2021	2.96%	2,000	933	1,067
Total creditlines			3,250	1,114	2,136

(1) As of December 31, 2019, the BPER advances for invoices credit line was composed of two plafonds: the first one, for a facility amount of €200 thousand at 4.30% interest rate was used for advances on invoices from OEMs, the second one, for a facility amount of €400 thousand at 4.05% interest rate was used for advances on invoices of smaller amounts.

			As of December 31, 2018		
	Maturity	Effective interest rate	Facility amount	Drawn down	Available amount
			(in € thousands)		
Advances for invoices BNL	n.a.	1.85%	500	464	36
Advances for invoices BPS	September 2020	2.92%	150	-	150
Advances for invoices BPER ⁽²⁾	September 2020	4.05% - 4.30%	600	534	66
Advances for invoices Credimi	March 2021	2.96%	2,000	1,564	436
Total credit lines			3,250	2,562	688

(2) As of December 31, 2018, the BPER advances for invoices credit line was composed of two plafonds: the first one, for a facility amount of €200 thousand at 4.30% interest rate was used for advances on invoices from OEMs, the second one, for a facility amount of €400 thousand at 4.05% interest rate was used for advances on invoices of smaller amounts.

Cash flows

The table below provides a summary of the Group's statement of cash flows for the six-month periods ended June 30, 2021 and 2020 and for the years ended December 31, 2020, 2019 and 2018.

	Six-month period ended June 30		Year ended December 31		
	2021	2020	2020	2019	2018
(in € thousands)					
Net cash flow from/ (used in) operating activities	956	569	1,631	(2,974)	(4,404)
Net cash flow from/ (used in) investing activities	(1,755)	(1,512)	(3,076)	(4,309)	(4,015)
Net cash flow from/ (used in) financing activities	(869)	4,831	3,863	9,857	13,585
Total cash flow from/ (used in) the year	(1,668)	3,888	2,418	2,574	5,166
Cash and cash equivalents at the beginning of the period	11,824	9,406	9,406	6,832	1,666
Total cash flow from/ (used in) the year	(1,668)	3,888	2,418	2,574	5,166
Cash and cash equivalents at the end of the period	10,156	13,294	11,824	9,406	6,832

The main events that have influenced the cash flows in the periods under review are briefly described below.

Net cash from operating activities

The table below summarizes the cash flows from operating activities for the six-month periods ended June 30, 2021 and 2020 and for the years ended December 31, 2020, 2019 and 2018.

	Six-month period ended June 30		Year ended December 31		
	2021	2020	2020	2019	2018
<i>(in € thousands)</i>					
Cash flow from operating activities before changes in net working capital	723	(929)	(636)	3,376	(6,224)
Decrease/(increase) in trade and other receivables	(3,193)	5,100	6,630	(7,929)	(3,288)
Increase/(decrease) in trade and other payables	3,349	(3,507)	(4,310)	281	3,657
Increase in provisions and employee benefits	77	71	197	298	294
Income taxes (paid)/reimbursed	-	(166)	(250)	1,000	1,157
Net cash from operating activities	956	569	1,631	(2,974)	(4,404)

Comparison between six-month periods ended June 30, 2021 and 2020

Net cash flow from operating activities generated cash of €956 thousand for the six-month period ended June 30, 2021 compared to net cash generated from operating activities of €569 thousand for the six-month period ended June 30, 2020. The increase of €387 thousand in cash generated by operating activities was primarily attributable to the combined effect of:

- an increase in cash flow from operating activities before changes in net working capital, which generated cash of €723 thousand for the six-month period ended June 30, 2021, compared to the cash absorbed of €929 thousand for the same period of 2020, mainly due to the improvement in the operating performance of the Group;
- an increase in trade and other receivables, which absorbed cash of €3,193 thousand for the six-month period ended June 30, 2021 compared to cash generated of €5,100 thousand for the same period of 2020, mainly due to the increase in revenue; and
- an increase in trade and other payables, which generated cash of €3,349 thousand for the six-month period ended June 30, 2021 compared to cash absorbed of €3,507 thousand for the same period of 2020 mainly due to the increase in sales volume.

Comparison between 2020 and 2019

Net cash flow from operating activities generated cash of €1,631 thousand for the year ended December 31, 2020 compared to net cash used in operating activities of €2,974 thousand for the year ended December 31, 2019. The increase of €4,605 thousand in cash generated by operating activities was primarily attributable to the combined effect of:

- a decrease in cash flow from operating activities before changes in net working capital, which absorbed cash of €636 thousand for the year ended December 31, 2020, compared to the cash generated of €3,376 thousand in 2019, mainly due to the negative effect relating to the COVID-19 pandemic;
- a decrease in trade and other receivables, which generated cash of €6,630 thousand for the year ended December 31, 2020 compared to cash absorbed of €7,929 thousand for the year ended December 31, 2019, mainly due to the combined effect of the reduction in revenue and the application of an updated standard credit collection procedure in order to reduce the receivables exposure; and
- a decrease in trade and other payables, which absorbed cash of €4,310 thousand for the year ended December 31, 2020 compared to cash generated of €281 thousand for the year ended December 31, 2019. Trade and other payables were substantially lower than those of the prior year as a result of the reduction of discretionary expenses to a minimum, the suspension of non-essential investments and the alignment of procurement from external suppliers with the market demand, in order to contain the negative financial effects of the COVID-19 pandemic.

Comparison between 2019 and 2018

Net cash flow used in operating activities was €2,974 thousand for the year ended December 31, 2019 compared to €4,404 thousand for the year ended December 31, 2018. The decrease of €1,430 thousand in net cash used in operating activities was primarily attributable to the combined effect of:

- an increase in cash flow from operating activities before changes in net working capital, which generated cash of €3,376 thousand for the year ended December 31, 2019, compared to the cash absorbed of €6,224 thousand for the year ended December 31, 2018, primarily attributed to the improvement in the operating performance of the Group;
- an increase in trade and other receivables, which absorbed cash of €7,929 thousand in 2019, compared to cash absorbed of €3,288 thousand in 2018, mainly due to the increase in revenue in 2019 compared to the previous year; and
- an increase in trade and other payables, which generated cash of €281 thousand in 2019, compared to cash generated of €3,657 thousand in 2018, mainly due to the increase in sales volume in 2019 compared to the previous year.

Net cash from investing activities

The table below provides a summary of the cash flows from investing activities for the six-month periods ended June 30, 2021 and 2020 and for the years ended December 31, 2020, 2019 and 2018.

(in € thousands)	Six-month period ended June 30		Year ended December 31		
	2021	2020	2020	2019	2018
Acquisition of subsidiaries, net of cash acquired	-	-	-	(647)	-
Capitalised development costs	(1,620)	(1,433)	(3,179)	(3,586)	(3,806)
Purchases of property, plant and equipment	(138)	(87)	(17)	(13)	(56)
Purchases of/ Proceeds from non-current assets – security deposits	3	8	120	(93)	(170)
Sale of property, plant and equipment	-	-	-	30	16
Interest received	-	-	-	-	1
Net cash from/ (used in) investing activities	(1,755)	(1,512)	(3,076)	(4,309)	(4,015)

Comparison between six-month periods ended June 30, 2021 and 2010

For the six-month period ended June 30, 2021 net cash flow used in investing activities was €1,755 thousand, compared to €1,512 thousand for the six-month period ended June 30, 2020.

For further details on investments in property, plant and equipment and in intangible assets, please refer to the Section below “*Capital Expenditures*”.

Comparison between 2020 and 2019

For the year ended December 31, 2020, net cash flow used in investing activities was €3,076 thousand, compared to €4,309 thousand for the year ended December 31, 2019.

In 2019, the Group acquired 3W Net with a cash outflow amounting to €647 thousand, net of the cash acquired.

For further details on investments in property, plant and equipment and in intangible assets, please refer to the Section below “*Capital Expenditures*”.

Comparison between 2019 and 2018

For the year ended December 31, 2019, net cash flow used in investing activities was €4,309 thousand, compared to €4,015 thousand for the year ended December 31, 2018.

For further details on investments in property, plant and equipment and in intangible assets, please refer to the Section below “*Capital Expenditures*”.

Net cash from financing activities

The table below provides a summary of the cash flows from financing activities for the six-month periods ended June 30, 2021 and 2020 and for the years ended December 31, 2020, 2019 and 2018.

	Six-month period ended June 30		Year ended December 31		
	2021	2020	2020	2019	2018
(in € thousands)					
Bank loans repaid	(404)	(156)	(341)	(618)	(442)
New bank and other loans	-	6,650	6,650	13,500	13,000
(Decrease)/increase in factoring finance	-	(966)	(1,114)	(1,448)	1,452
Capital element of lease liabilities repaid	(180)	(477)	(785)	(1,050)	(45)
Interest paid on bank and other loans	(253)	(188)	(477)	(443)	(281)
Interest paid on lease liabilities	(32)	(32)	(70)	(84)	-
Debt issue costs	-	-	-	-	(99)
Net cash from/ (used in) financing activities	(869)	4,831	3,863	9,857	13,585

Comparison between six-month periods ended June 30, 2021 vs 2020

For the six-month period ended June 30, 2021 net cash flow absorbed by financing activities was €869 thousand, compared to cash generated for €4,831 thousand for the six-month period ended June 30, 2020. The change was primarily attributable to the combined effect of:

- the underwriting of a new loan and draw down in the amount of €6,000 thousand with Illimity Bank in the first half of 2020;
- the repayments of bank loans for an amount of €404 thousand for the six-month period ended June 30, 2021 compared to €156 thousand for the six-month period ended June 30, 2020;
- the repayment of the capital element of lease liabilities for an amount of €180 thousand compared to the €477 thousand for the six-month period ended June 30, 2020; and
- the interest paid on bank and other loans of €253 thousand for the six-month period ended June 30, 2021 compared to €188 thousand for the six-month period ended June 30, 2020.

Comparison between 2020 vs 2019

For the year ended December 31, 2020, net cash flow from financing activities was €3,863 thousand, compared to €9,857 thousand for the year ended December 31, 2019. The change was primarily attributable to the combined effect of:

- the underwriting of new bank loans. During 2020, the Group entered into a new financial loan with Illimity Bank in the amount drawn of €6 million. With reference to the year ended December 31, 2019, the cash generated from financing activities was mainly related to the utilization of a loan facility granted by the EIB in 2018 for an amount drawn of €7.5 million, to the new loan agreement entered with Credimi for an amount drawn of €2.0 million, and to the convertible notes advanced in the year for an amount of €4.0 million;
- the repayments of bank loans for an amount of €341 thousand for the year 2020, compared to €618 thousand for the year 2019;
- the repayment of the capital element of lease liabilities for an amount of €785 thousand, compared to €1,050 thousand for the year 2019; and
- the interest paid on bank and other loans of €477 thousand for the year 2020, compared to €443 thousand for the year 2019.

Comparison between 2019 vs 2018

For the year ended December 31, 2019, net cash flow from financing activities was €9,857 thousand, compared to €13,585 thousand for the year ended December 31, 2018. The decrease was primarily attributable to the combined effect of:

- the repayments of bank loans for an amount of €618 thousand for the year 2020, compared to €442 thousand for the year 2019;
- the subscription of new bank and other loans. During 2019, the cash generated from financing activities was mainly related to the utilization of a loan facility granted by the EIB in 2018 for an amount drawn of €7.5 million, to the new loan agreement entered with Credimi for an amount drawn of €2.0 million, and to the convertible notes advanced in the year for an amount drawn of €4.0 million. With reference to the year ended December 31, 2018, cash from financing activities generated cash of €13.0 million, of which €7.5 million was related to the utilization of a loan facility granted by the EIB;
- the repayment of the capital element of lease liabilities for an amount of €1,050 thousand, compared to €45 thousand for the year 2018; and
- the interest paid on bank and other loans of €443 thousand for the year 2020, compared to €281 thousand for the year 2018.

Contractual Obligations and Commitments

The following table summarizes, as of June 30, 2021, on an amortized basis in accordance with IFRS, the Group's contractual obligations and commercial commitments (including principal payments the Group is obligated to make) under the Group's debt instruments, capital and operating leases and other agreements. For further information related to the Group's material financial agreements, see "Business – Material Contracts – Loan agreements".

	Within 1 year	2 - 5 years	over 5 years	Contract value	Carrying amount
			(in € thousands)		
Financial liabilities	3,245	29,386	-	32,631	27,475
Lease liabilities	701	999	-	1,700	1,575
Trade and other payables	9,059	-	-	9,059	9,059
Other non-current liabilities	-	846	-	-	846

Capital Expenditures

The Group defines capital expenditures as investments in intangible assets and investments in property, plant and equipment. Capital expenditures amounted to €1,479 thousand for the six-month period ended June 30, 2021 and to €3,245 thousand, €3,599 thousand, and €3,872 thousand for the years ended December 31, 2020, 2019 and 2018, respectively.

A1.5.7.1

A1.5.7.2

A1.8.5

Expressed as a percentage of revenue, such investments amounted to 11.6% for the six-month period ended June 30, 2021, and to 16.8%, 12.9%, and 31.7% for the years ended December 31, 2020, 2019 and 2018, respectively.

Historical capital expenditures

The table below sets forth the Group's capital expenditures for the six-month period ended June 30, 2021 and for the years ended December 31, 2020, 2019 and 2018.

	Six-month period ended June 30, 2021	Year ended December 31		
(in € thousands)		2020	2019	2018
Leasehold Land and Buildings	-	-	4	8

Fixtures and Fittings	6	-	6	10
Computer Equipment	30	6	3	48
Capital expenditures in property, plant and equipment	36	6	13	66
Customer relationships	-	-	-	52
Development costs	1,443	3,239	3,586	3,754
Capital expenditures in intangible assets	1,443	3,239	3,586	3,806
Total capital expenditures	1,479	3,245	3,599	3,872

Capital expenditures for property, plant and equipment for the periods indicated primarily relate to the purchase of computers and IT equipment. Capital expenditures for intangible assets for the periods indicated primarily relate to the capitalization of personnel costs related to the development of new products.

Main capital expenditures since December 31, 2020

Since January 1, 2021 to the date of this Prospectus, the Group has made capital expenditures of €1,505 thousand, primarily related to development costs for €1,443 thousand. The Group's capital expenditures have been financed through its available financial resources.

Main capital expenditures in progress

As of the date of this Prospectus, the Group does not have significant capital expenditures in progress.

Main planned capital expenditures

At the beginning of each year, the Group produces forecasts for capital expenditures for the year based on existing contracts and known opportunities. For 2021, the Group's capital expenditures will be principally related to capitalized R&D expenses. The total amount for 2021 is projected to be approximately €4,300 thousand.

The Group plans to finance its capital expenditures in the current fiscal year from its available financial resources.

Contingent and other Off-Balance Sheet Liabilities

The Group is not a party to any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on the Group's financial condition, results of operations, liquidity, capital expenditure or capital resources.

Financial Risk Management

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantial changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods.

Capital risk management

The Group defines capital as the total equity of the Group. The Group's capital is made up of share capital, share premium and retained earnings totaling €2,134 thousand as of December 31, 2020 and €7,532 thousand as of December 31, 2019.

The Group funds its expenditures on commitments from existing cash and cash equivalent balances, primarily received from operating cash flow and issuance of shareholders' equity and borrowings. There are no externally imposed capital requirements.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to optimize the Group's cost of capital. In order to maintain or adjust the capital structure, the Group may in the future adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group ensures that the distributions to shareholders do not exceed working capital requirements.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales. It is Group policy, implemented locally, to assess the credit risk of new customers before entering contracts. Such credit assessments are taken into account by local business practices.

The credit risk profile of the Group is sensitive to a select few clients only, with additional resources specifically allocated to manage this.

With regard to trade receivables, the insolvency risk is monitored centrally by the Group's finance department, which constantly monitors the Group's credit exposure, the collections of trade receivables and the adequacy of bad debt provisions on a monthly basis.

It is worth mentioning that, during 2020, the Group has implemented a specific team within the finance function managing credit collection and a standard procedure, based on relevant frameworks applicable, to be followed by all the Group companies.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for impairment, represents the Group's maximum exposure to credit risk (except for any related enforcement and other costs).

Foreign exchange risk

Exchange rate fluctuation risk is not considered significant. Even if the parent company is based in the UK, all the other subsidiaries are based in Europe and the most significant transactions of the Group are made in Euros, the functional currency of the Group.

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of at least 45 days. The Group also seeks to reduce liquidity risk by fixing interest rates (and hence cash flows) on its long-term borrowings. Of the long-term bank borrowings, as set out in note 15, one is fixed at 1.7% above EURIBOR, another is fixed at 3.5% above EURIBOR, and the third is fixed at 5.3% above EURIBOR. The other loan is fixed at 9-10%.

Critical Accounting Policies

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are regularly evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ materially from such estimates and assumptions. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Judgements

- Share based payments - Determining the fair value of share-based payments at the balance sheet date represents a significant accounting estimate. There is inherent judgement in the key inputs into the valuation, such as the valuation of the company and the risk-free rate applied.
- Capitalization of development costs - Expenditure on R&D is recognized as an expense and charged to the consolidated statement of comprehensive income in the year in which it is incurred.
- Development expenditure relating to specific projects intended for commercial exploitation is capitalized as an intangible fixed asset where the following conditions are met:
 - It is technically feasible to complete the intangible asset so that it will be available for use or sale;
 - It is the intention of the Group to complete the intangible asset and use or sell it;
 - The Group has the ability to use or sell the intangible asset;
 - The intangible asset will generate probable future economic benefits;
 - The technical, financial and other resources needed to complete the development and to use or sell the intangible asset are available to the Group; and
 - The expenditure attributable to the intangible asset during its development can be measured reliably.

Estimates and assumptions

- Revenue recognition – The provision for rights to return goods if customers are dissatisfied reflects the Directors' estimate of the volume of such returns.
- Impairment of goodwill – The Directors estimate future cash flows and the appropriate discount rate to apply to such cash flows.
- Income taxes – The provisions for income taxes in various jurisdictions reflect the Directors' estimate of such income tax liabilities.
- Employee benefits liabilities – The provision for employee benefits liabilities reflects actuarial assumptions made by the Directors.
- Deferred tax assets – The value of deferred tax assets are based on Directors' forecasts of future taxable income. The estimation of future taxable income for the purpose of accounting for deferred tax assets depends on factors that may change over time and have a significant effect on the recoverability of deferred tax assets.
- Provision for bad debt – The bad debt provision for trade receivables reflects the Directors' best estimate of the likely losses relating to the client receivables portfolio. This estimate is based on the Group's forecast losses, calculated based on past experience for similar receivables, current and historical past due, careful monitoring of credit quality and projections of economic and market conditions.
- Useful life of capitalised development costs: management has estimated that the useful life of capitalised development costs is 3 years, representative of the time horizon for which the products developed are expected to generate net cash inflows for the Group.

9. OVERVIEW OF INDUSTRY AND COMPETITION

Certain information set forth in this section has been derived from external sources, including industry publications and reports, industry reports prepared by consultants and internal surveys. Industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. While the Group believes that these industry publications, surveys and forecasts are reliable, the Group has not independently verified them and cannot guarantee their accuracy or completeness. Certain information in this section has also been based on internal management analysis and in some cases combined with the aforementioned external sources. See “Market and Industry Data.”

A1.5.2

A1.5.6

The market projections and other forward-looking statements in this section are not guarantees of future performance and actual events and circumstances could differ materially from current expectations. Numerous factors could cause or contribute to such differences. See “Risk Factors” and “Forward-Looking Statements”. Unless otherwise indicated, information in this section is based on the analysis of multiple sources carried out by the Group.

Overview of the global automotive distribution market

The automotive industry represents one of the largest industries in the world, with a total market size expected to reach €6.7 trillion globally by 2025 (*Source: McKinsey – Unlocking the full life-cycle value from connected-car data – 2021*). It is also at the heart of a number of global trends which are shaping the future of the industry, such as the shift to the ACES paradigm (Autonomous, Connected, Electrified and Shared), as well as a change in consumer habits and new market entrants. The spread of the COVID-19 pandemic has further accelerated this transformation, in particular regarding online sales and digitally enabled car buying.

OEMs and dealers have encountered several challenges to adapt to new processes and technologies. Traditionally, dealerships have been used to attract customers solely through their brick and mortar stores. However, the traditional model is no longer suited to new consumer habits. Consumers are now increasingly looking for an omni-channel experience, where they are able to conduct research, compare models, configure their vehicle and set up payment online whilst still having a physical touch point at the offline store to get advice, test, and pick-up their vehicle.

In recent years, the industry has seen the rise of online marketplaces (*e.g.*, Carvana, Vroom, Meinauto, Autohero, Cazoo, AramisAuto) which enable customers to buy used vehicles digitally. With customer expectations remaining omni-channel when it comes to car buying, these platforms have actively been opening physical outlets to provide customers with a physical touchpoint. For instance, Cazoo acquired brick and click retailer Imperial Car Supermarkets in 2020 (*Source: Cazoo Website - Cazoo acquires Imperial Car Supermarkets - 2020*). Similarly, as of today, players such as Auto1 Group, AramisAuto, Cazoo, and Carvana have opened more than 400 (*Source: Auto1 Group website - 2021*), 60 (*Source: Euronext – Aramis lists on Euronext Paris – 2021*), 18 (*Source: Cazoo website - 2021*) and 24 (*Source: Carvana Website - 2021*) physical stores, respectively. As of today, these online platforms represent less than 0.5% of the total used car market (*Source: Roland Berger – The online boom in used car sales - 2021*).

Traditional players, namely OEMs and dealers, represent the entire new car market as well as approximately 99% of the used car market (with respect to B2C transactions), mostly justified by the large number of trade-in transactions which they facilitate (*Source: Roland Berger – The online boom in used car sales - 2021*). OEMs and dealers see significant benefit from increased digitalization of their activities. The Company believes that whilst such a shift has already been widely implemented across the industry with regards to operations through Enterprise Resource Planning (“ERP”) systems - called “Dealer Management Systems” in the industry -, traditional players are still lagging digitalization with regards to sales and marketing processes.

Key drivers and trends of the global automotive distribution market

The key trends driving the growth of the global automotive distribution market and, more specifically, of the addressable market of the Group, are summarized below.

Omni-channel revolution in the automotive distribution market

Even beyond the COVID-19 pandemic, an overhaul of the traditional automotive sales model has long been discussed due to underlying constraints that affect customers, dealers and OEMs:

- (a) from a customer perspective, the traditional retail model cannot fully accommodate the diverse set of realities in terms of customer expectations, needs and behaviours;
- (b) from a dealer perspective, innovative mobility concepts, digitalized retail formats and new market entrants drive deterioration of dealer margins; and
- (c) from an OEM perspective, the traditional retail model equates to spending up to 30% of potential gross revenue on vehicle distribution in the form of wholesales, structural and tactical costs of retail (*Source: McKinsey, “Disruption in Automotive Retail”, November 2020*).

In particular, the global automotive distribution market is undergoing a deep transformation both in terms of demand of products and services and of supply.

(i) *Demand transformation*

Consumer expectations and behaviours have recently shown an important shift towards an omni-channel experience in the purchase of automotive vehicles.

In particular, consumer demand has been increasingly focused on buying vehicles through online channels, with consumers spending more time searching for cars online, but expecting and requesting their purchase experience to be offered through different channels, thus allowing for offline touch points with dealers. For example, consumers are interested in having the possibility to schedule test drives online, but they still require an offline visit to the dealer for physical test drives.

As shown in the chart below, in 2020 72% of consumers expect to be able to purchase their next car online, but 92% of consumers consider a personal touchpoint with the dealer to be an essential component of their experience.

(1) Source: Capgemini Invent: Automotive Agency Sales Model, 2020.



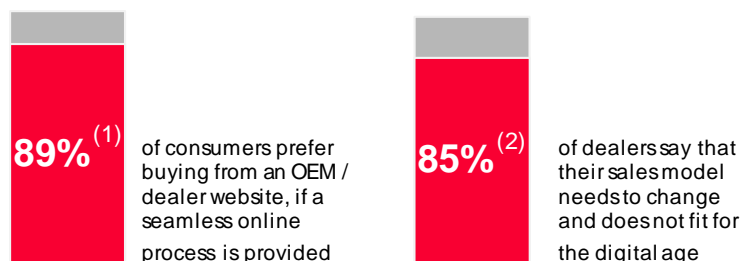
(ii) *Supply transformation*

Consumer habits have shown an important shift towards online purchase of automotive vehicles and, also due to the new needs resulting from the spread of the COVID-19 pandemic and the restrictive measures imposed by local authorities, OEMs and dealers are now required to quickly adapt to the overall market digitalization trend.

In particular, consumer demand has been increasingly focused on buying vehicles from OEMs and dealers through their own websites, as long as they can rely on a seamless online experience. However, dealers are not entirely ready to adequately face consumers' requests and meet their expectations through online channels. This is, among other reasons, due to the fact

that the sales and business models of most dealers are not ready for such swift change, along with the fact that the OEMs typically control the model through which their cars are sold to consumers.

As shown in the chart below, in 2020 89% of consumers prefer buying from an OEM / dealer website, if a seamless online process is provided, but in 2021 85% of dealers say that their sales model needs to change and is not fit for the digital age.



(1) Source: Capgemini Invent: Automotive Agency Sales Model, 2020; (2) Source: Accenture – The Future of Automotive Sales, 2021.

Dealers losing out due to the lack of digitalization

The overall customer experience, as currently offered by most dealers, still shows a number of potential weaknesses when addressing the evolving customer needs. In particular, due to the lack of digitalization, dealers are often unable to offer a seamless omni-channel experience, which may result in some of them losing customers or not being able to ensure a better retention rate.

The typical customer process, whose length usually ranges between a few weeks and a few months, can be broken down into the following stages: (i) research, (ii) experience, and (iii) purchase.

(i) Research

Customers often start their car-buying process through online research. Lack of digitalization or an uncomfortable experience with dealers' websites may lead users to leak to different OEMs or dealers.

(ii) Experience

Customers may from time to time visit online platforms exclusively to get a general overview of the market and product offering (with an "only come to see" approach), which may result in the same customers carrying out an online research before actually purchasing the car offline at the dealership.

(iii) Purchase

Following an online search and visit to the digital platforms of the dealers, customers may also decide to look for a better deal through a different channel which simultaneously provides also financing sources or options.

Also, following the purchase, lack of digitalization or adequate digital support or an unsatisfactory experience may lead customers to turn to different dealers, which would cause a decrease in loyalty and a subsequent increase in the Churn rate.

Increasing penetration of electric vehicles and autonomous driving

Electric vehicles (EVs) have been slowly but steadily penetrating the automotive market. They might prove, according to Roland Berger, to be a key disrupting factor for the industry in the next years. Deloitte (Source: Deloitte – Electric vehicles: setting a course for 2030- 2020) expects the number of new EVs sold to grow at a 29% CAGR over the next 10 years, reaching 32% of new car sales in 2030, up from 2.5% in 2019. Roland Berger (Source: Roland Berger – Automotive Disruption radar #9 –

2021) claims that this growth will be driven by all OEMs and not just a few players, as traditional automakers are also making potentially game-changing advances and investment.

The increasing adoption of electric vehicles has a considerable impact on production costs (*Source: CapGemini – Agency Sales model -2021*), putting OEMs under pressure to find efficiencies along the value chain. Indeed, a recent analysis of McKinsey (*Source: McKinsey – Making electric vehicle profitable- 2019*) states that EVs often cost \$12,000 more to produce than comparable vehicles which are powered by internal-combustion engines in the small- to midsize car segment and the small-utility-vehicle segment.

Equally, electric vehicles require less maintenance than fossil-fuel powered cars, thus threatening dealers' margins as aftersales and services revenues shrink.

The Company believes that the increasing penetration of electric vehicles and autonomous driving creates opportunities for sales and marketing software vendors:

- Both OEMs and dealers are under pressure to shift to an increasingly online model in order to boost revenue and generate cost savings.
- The increasing penetration of electric vehicles and autonomous driving pushes dealers and OEMs to shift towards a leaner and more customer-centric sales model in order to maintain customers' loyalty and engagement.

Custom mobility solutions

The shared-mobility ecosystem encompasses e-hailing, car sharing, and all other shared transportation services, and changes the way people travel. According to McKinsey, the shared mobility market now exceeds \$60 billion in value across the three largest markets: China, Europe and the United States, and is expected to grow at a CAGR of more than 20% until 2030 (*Source: McKinsey Center for Future Mobility – Shared mobility*).

As driving activity intensifies and consumers tend to prefer custom mobility solutions including different and more complex products, maintenance needs are expected to increase. According to Ridecell, the utilization of shared cars will be 3 to 10 times that of a single consumer vehicle (*Source: Ridecell, Auto dealerships can accelerate autonomous and shared mobility (Reality Check)*). Hence, dealerships are very well positioned to add the upkeep of autonomous fleets to their portfolio. Therefore, the Company believes that having performant digital tools to keep track of customer interactions and help improve retention will be essential, as dealers' most profitable activities are aftersales and services, rather than vehicle sales.

The ongoing proliferation of alternative transportation models are changing the way people choose to get from one place to another. This will likely also require OEMs and dealers to enhance the vehicle ownership experience if they are to tap into consumers' increasing desire to use transportation models outside of simply owning or leasing a vehicle. The Company believes that this creates a clear opportunity for software vendors, such as MotorK, to support OEMs, dealers and end users in bundling an increasingly complex portfolio in mobility solutions.

Connectivity

Connected cars are vehicles which have access to the internet through an inbuilt connectivity system. The number of connected cars represent today around 50% of new vehicles sold globally, and should increase significantly to reach about 95% by 2030 (*Source: McKinsey – Unlocking the full life-cycle value from connected-car data – 2021*).

The increase in the number of vehicles equipped with integrated connectivity services is expected to drive important benefits for dealers, such as participation in connected services revenues, additional insights on driving behaviors and increased transparency into maintenance needs through connected vehicle sensors (*Source: McKinsey – Competing for the connected Customer – 2015*). Overall vehicles are constantly increasing in complexity, and as a result physical touchpoints with dealers will remain an essential part of the sales process.

However, the Company believes that increasing connectivity will also push dealers and OEMs to improve their digital sales process. With consumers looking up every available vehicle information online, customizable online features such as detailed product descriptions or car configurator are becoming all the more relevant for connected vehicles which have a whole suite of additional services and characteristics. For instance, MotorK's product suite is beneficial to dealers who can better describe their stock and therefore better market it to potential customers.

Equally, the proliferation of data increases the need for digital tools to process, analyze and leverage this data to improve, for example, the customer experience throughout the vehicle ownership life cycle. According to McKinsey (*Source: McKinsey – Driving the automotive customer experience toward the age of mobility – 2019*), connected cars provide a unique opportunity for mobility players such as OEMs and dealers to monetize data from these vehicles.

The diffusion of the agent model

According to a number of studies from Accenture (*Source: The Future of Automotive sales, 2020*) and Capgemini (*Source: Automotive Agency Sales model, 2020*), the Automotive Retail industry is experiencing a shift towards the so-called “agent model”, whereby the OEM directly interacts with the customer and takes responsibility for the sale transaction, while the dealer acts as an agent. The experience is completely omni-channel as both online and offline sales channels are leveraged in order to comply with customers' experience expectations. This model enables OEMs to regain control over the sales channels, gain direct customer access, ensure price transparency, and increase sales efficiency. Dealers are therefore expected to retain a central role within the sale process, as they facilitate the transaction by offering a physical touchpoint to consumers.

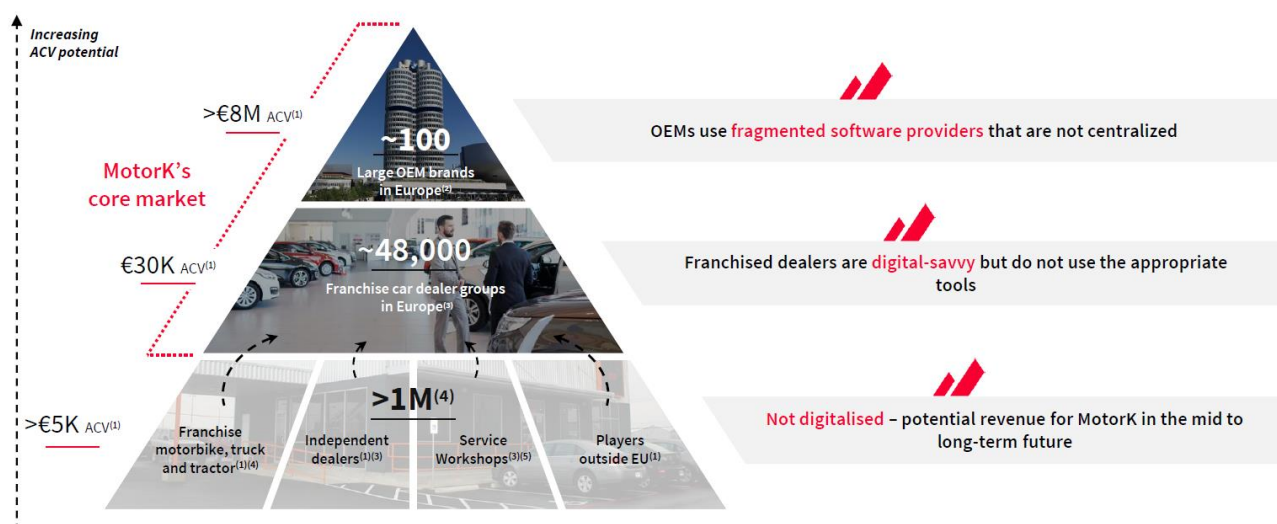
Capgemini claims that this transition towards an agent model (and therefore towards a more customer-centric business) requires large amounts of investments both in IT and in the organization, but is expected to pay off quickly as it improves efficiency. Capgemini projects the OEM/dealers who will adopt this model to witness a 4% increase in revenues, and between 6% to 8% decrease in operational costs.

At the center of a customer centric business model is a holistic CRM system which collects, processes and analyses customer data across channels and sources, providing valuable insights to the OEMs and dealers in order to improve their sales and marketing process.

Current market structure and competitive positioning of the Group

In the context of the overall global automotive distribution market, the Group operates exclusively in the automotive retail software market within the EMEA region. The structure of the reference market for the products and digital solutions offered by the Group consists of the following automotive retail players:

- (i) approximately 100 OEMs in the automotive manufacturing industry in Europe (including trucks, tractors, motorbikes) (*Source: Sophus3: The Digital Car Buyers in Numbers, 2018*);
- (ii) over 48,000 automotive dealer groups in Europe (*Source: ICDP European Car Distribution Handbook 2020, 1.5 showrooms per dealer group assumption*); and
- (iii) approximately one million other players in the EMEA region (such as independent dealers, franchise trucks and tractors, service workshops and players outside the European Union).



Source: (1) Management assumptions based on forecasted pricing of existing product suite; (2) Sophus3: *The Digital Car Buyers in Numbers, 2018, Includes tractors, trucks, and motorbikes – Cars OEMs brands*; (3) ICDP *European Car Distribution Handbook 2020, 1.5 showrooms per dealer group assumption*; (4) Management estimates based on publicly available information for EU (CLIMNAR 2020); (5) GIPA - 2020 *Declarations enseigne / presse*

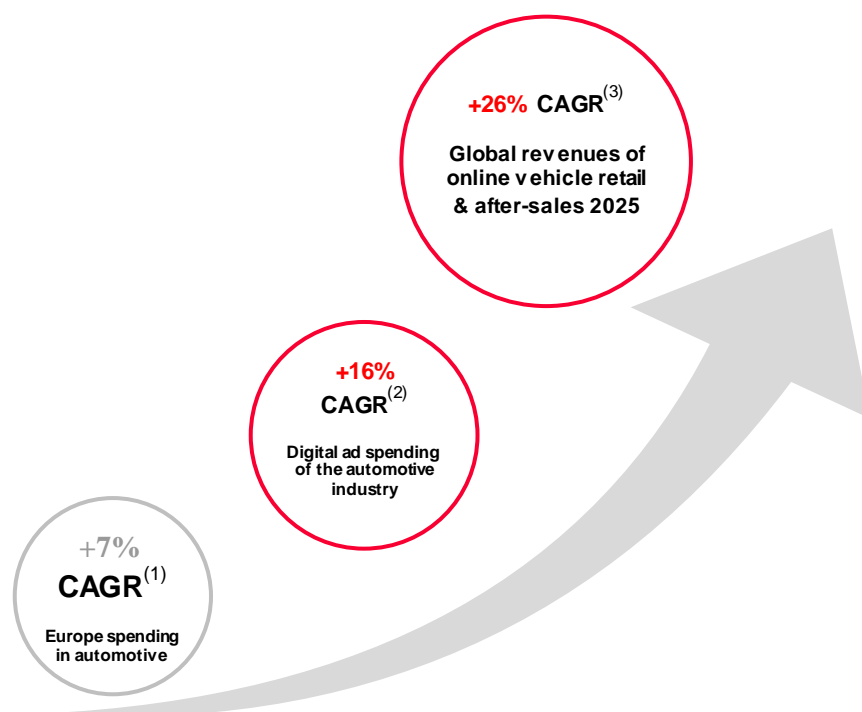
According to ICDP (Source: *European Car Distribution Handbook 2020*), approximately 48,000 franchise car dealer groups in Europe are more digital-savvy, but still provide a good margin for the Group's growth, which based on the Company's estimates, may have an increasing annual contractual value potential for the Group up to €30,000, as they do not use appropriate tools yet.

Also, According to Sophus3 (Source: *The Digital Car Buyers in Numbers, 2018*), approximately 100 OEM brands in Europe use fragmented software providers that are not centralized and therefore, based on the Company's estimates (based on publicly available information for EU from CLIMNAR, 2020), may have an increasing annual contractual value potential addressable by the Group up to €8,000,000 (for all the OEMs).

Lastly, over one million companies in the EMEA region, including independent dealers and franchises for motorbikes, trucks and tractors, service workshops and other companies outside the European Union are not digitalized yet and are currently outside the Group's core market. Therefore, such entities represent potential for growth for the Group in the mid to long-term future, with an increasing annual contractual value potential for the Group up to €5,000, based on the Company's estimates.

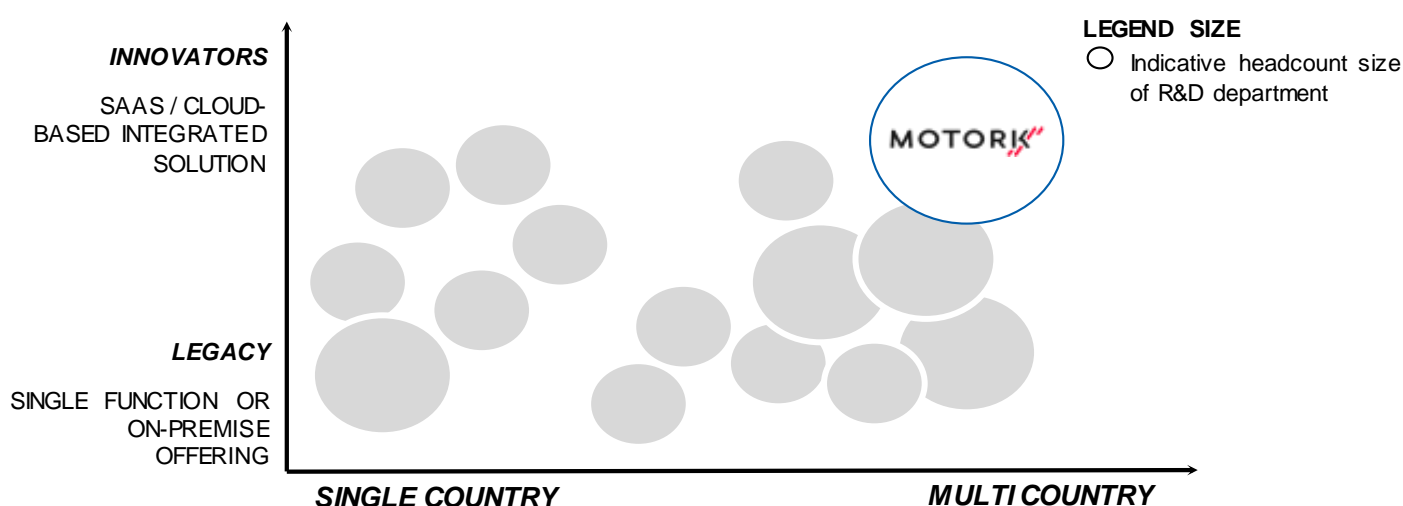
Based on the Company's estimates prepared on the basis of the annual contract value ("ACV") of existing customers, the addressable market of the Group as of the date of this Prospectus consists of Italy, France, Germany, Spain and the UK in terms of geographies and 11,307,877 in terms of new passenger cars sold in 2019, but the Group aims to expand to the entire EMEA region and to cover all kinds of vehicles over the next years.

According to ICDP (Source: *ICDP - European Car Distribution Handbook, 2020*), the key directly addressable market (automotive OEM and franchised dealers in the top 5 countries in the European Union) of the Group was approximately €1.4 billion, which increases up to €4.8 billion for the entire European area (Source: *ICDP - European Car Distribution Handbook, 2020; press releases*) and up to €5.4 billion for all kind of vehicles in the entire European area (Source: *ICDP - European Car Distribution Handbook, 2020; Climnar, 2020*). For further information regarding the Group's addressable market, see "Overview of Industry and Competition – Total addressable market".



Source: (1) As proxy for Spending in SaaS tools in the automotive sector. Source: Automotive online advertising market – Forecast (2020-2025); (2) Statista – Global revenue from online vehicle retail, aftersales, and services between 2018 and 2025 (Forecast) - 2020; (3) Dispatch Report Europe Automobile Dealer Software Market Research Report.

The global automotive retail software market in the EMEA region, where the Group operates, is highly fragmented, and the Group estimates that no player has a market share exceeding approximately 0.5% of the overall market, as shown in the chart below. The Group's competitive positioning within its market is supported by the Group's belief that following the effects of the COVID-19 pandemic, a SaaS platform is now perceived as essential by most of the players in the market, whereas in the past it may have been considered as a nice-to-have product by less digitally savvy dealers, because of the ongoing digitalization of the industry, which has been further accelerated by the COVID-19 pandemic.



Source: based on Company's estimates.

The Company believes that it is well positioned in the competitive environment due to its scale, international presence and ability to anticipate and adapt to fast-moving trends in the automotive distribution industry.

The above diagram stands as a representation of the Company's European competitive landscape, by comparing the Company with competitors in terms of size of R&D capabilities, regional footprint and approach to technology. In SaaS platform, the Group believes that the most significant competitors are a large and fragmented group of small and local providers of vertical automotive SaaS products. With respect to Digital Marketing, competition is vast and includes some of the companies mentioned above as well as many advertising agencies that manage ad budgets for the automotive industry. The company strongly differentiates itself in its approach to technology, having chosen to develop a full SaaS solution from the start, whereas most competitors, and especially the largest, tend to have on-site, non-integrated solutions. The Company's regional footprint is also among the largest in the automotive retail software market, enabling it to address the needs of OEMs across multiples countries.

With a view to developing a comprehensive suite of products and becoming a one-stop-shop for digital dealers and OEMs, the Group has historically been investing a sizeable share of its revenue in R&D. As of the date of this Prospectus, the Company believes that it has the largest R&D team in Europe, when compared to cloud native competitors.

Total addressable market

The Group estimates that its total addressable market ("**TAM**") is approximately €5.4 billion, reflecting a substantial opportunity for MotorK to capitalize on and continue to drive growth in the long run within a relatively undeveloped market. The TAM is derived from the following calculations:

The current addressable market has been calculated by adding the franchised dealers market size in France, Germany, Italy, Spain, and the UK ("**EU5**") to the automotive OEM market size in EU5 ("**Current Addressable Market**"), as explained below:

- For the franchised dealers market size in EU5:
 - Dividing the average ACV for franchised dealers (€30 thousand as per management assumptions) by the 1.5x ratio of locations per franchised dealers (*Source: ICDP European Car Distribution Handbook 2020*); and
 - Multiplying the result by the number of 45,000 franchised car dealer showrooms in EU5 (*Source: ICDP European Car Distribution Handbook 2020*).
- For the automotive OEMs market size in EU5:
 - Multiplying the number of OEMs (cars, tractors, trucks and motorbikes) in European countries (<50 to account for smaller countries) by the average ACV that the Group can expect from an OEM client (which is much larger than the expected ACV from a franchised dealer); and
 - Applying to the result the ratio of showrooms in EU5 over the 70,000 showrooms in Europe (*Source: ICDP European Car Distribution Handbook 2020*), as the number of franchised dealers showrooms in a country is a good proxy of OEMs revenues within this country.
- The Group estimates that its total addressable market is comprised of the Current Addressable Market as well as:
- Franchised service agents, whose market size is derived as follows:
 - 90,000 agents (*Source: ICDP European Car Distribution Handbook 2020*); and
 - Multiplied by a €5 thousand ACV (as per management assumptions based on forecasted pricing of existing product suite).
- Independent automotive dealers, whose market size is derived as follows:
 - Estimating a 2.0x ratio of independent dealers over the number of franchised dealer showrooms (using the few countries on which data points were available); and

- Deriving the potential additional market size by applying this ratio to the number of franchised dealer showrooms in Europe, using a €5 thousand ACV (as per management assumptions based on forecasted pricing of existing product suite) for those additional independent dealers.
- Independent service automotive agents, whose market size is derived as follows:
 - Estimating a 3.0x ratio of independent service car agents over the number of franchised service agents (using the few countries on which data points were available); and
 - Deriving the potential additional market size by applying this ratio to the numbers of franchised service agents in Europe, using a €5 thousand ACV (as per management assumptions based on forecasted pricing of existing product suite) for those additional independent service car agents.
- Franchised tractors dealers, whose market size is derived as follows:
 - Number of franchised tractor dealers in Europe multiplied by a 1.2x ratio (as per management assumption); and
 - Multiplying the result by an ACV between €5 thousand and €20 thousand (as per management assumptions based on forecasted pricing of existing product suite).
- Franchised truck dealers, whose market size is derived as follows:
 - Derived by considering the number of franchised truck dealers as being identical to the number of franchised tractors dealers; and
 - Multiplied by a potential ACV considered to be slightly larger, as the market for trucks is larger than that of tractors.

10. BUSINESS DESCRIPTION

Investors should read this Section 10 (Business Description) in conjunction with the more detailed information contained in this Prospectus including the financial and other information appearing in Section 8 (Management Discussion And Analysis And Operating And Financial Review). Where stated, financial information in this section has been extracted from Section 20 (Historic Financial Information).

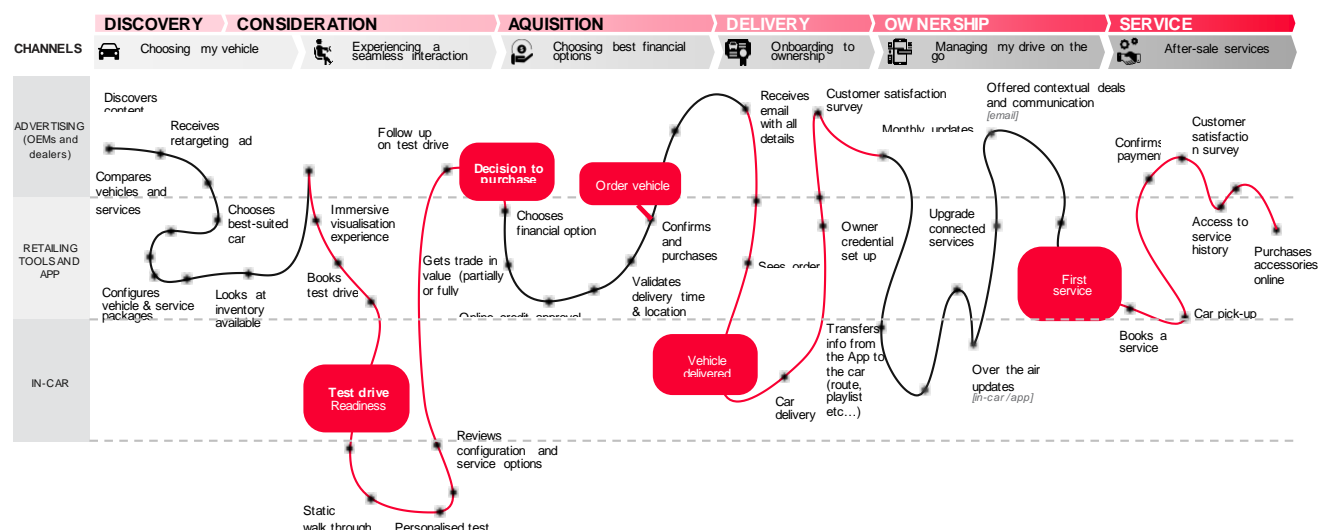
This Section 10 (Business Description) includes certain technical terms that are commonly used in the Group's industry. See Section 19 (Definitions and Glossary) for a detailed explanation of these terms.

Overview

The Group is a leading SaaS provider for the automotive retail industry in the EMEA region, with over 250 employees and eight offices in seven countries (Italy, Spain, France, Germany, Portugal, the UK and Israel). A1.5.1.1
A1.5.2

The Group offers a cloud-based holistic SaaS platform (named “**SparK**”) to support the full vehicle lifecycle and the entire customer journey. SparK can be used to manage the digital presence of a small single showroom dealer as well as support the sales and marketing functions of a regional network of franchise dealerships for an automotive OEM across EMEA. As of the date of this Prospectus, SparK is used by over 627 dealer groups and 13 OEMs.

The customer journey to acquire (buy, rent, lease, finance) a new vehicle (electric or traditional) is a long process (a few weeks to a few months for traditional vehicles, slightly longer for electric cars) with multiple relevant touchpoints that need an omni-channel support. Omni-channel describes a system where the buyer can shift across multiple channels and touchpoints, online and offline in a seamless way. SparK is intended to act as an “agent” of the dealer and allow end customers to deal with the challenges of the vehicle-buying journey in the most convenient but also meaningful way and thus support a positive customer experience.



The main modules currently offered by the Group through SparK are: (i) a digital experience website platform to provide automotive retailers with online visibility and improve their lead generation performance (the “**Web Module**”), (ii) a lead management and customer relationship management system to optimize the efficiency of the sales process (the “**CRM Module**”), and (iii) a solution to manage the vehicle stock and inventory and import it to online platforms like classifieds, Google, Facebook, etc. (the “**Stock Module**”). In 2020, the Group's customers managed 1.4 million vehicles through the Group's solutions and had over 50 million unique users, considering the sum of unique users on each dealers' website with active users, i.e., users who have interacted with the platform at least once, in several countries across EMEA. Additionally, during the second quarter of 2021 more than 145,000 cars were sold by dealers using the platform's CRM Module.

The Group also offers ancillary services such as online marketing (“**Digital Marketing**”), training and setup services. Part of this service is currently in transition to become part of the SparK platform as a

recurring SaaS advertising module called “AdSpark”. AdSpark is targeted to become part of Spark in the first half of 2022.

The table below shows selected restated consolidated financial data of the Group (excluding the DriveK Business) for the years ended December 31, 2020, 2019 and 2018 and for the six-month periods ended June 30, 2021 and 2020.

	For the years ended December 31,			For the six-month periods ended June 30,	
	2020	2019	2018	2021	2020
	<i>(in € thousands, except percentages)</i>				
Revenues.....	19,329	27,940	12,210	12,781	9,188
EBITDA ⁽¹⁾	(1,344)	1,222	(10,697)	(542)	(1,182)
Adjusted EBITDA ⁽¹⁾	(1,133)	1,467	(10,697)	337	(1,203)
Adjusted EBITDA Margin ⁽¹⁾	(5.9%)	5.3%	(84.1%)	2.6%	(13.1%)
(Loss)/Profit for the period.....	(5,367)	213	(6,852)	(2,554)	(3,393)

(1) For further information regarding EBITDA, Adjusted EBITDA, and Adjusted EBITDA Margin, including a reconciliation to Revenues, see “Management Discussion and Analysis and Operating Financial Review – Key Performance Indicators – EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin”.

The tables below show the restated consolidated revenue of the Group broken down by product family (excluding the DriveK Business) for the years ended December 31, 2020, 2019 and 2018 and for the six-month periods ended June 30, 2021 and 2020.

	For the years ended December 31,					
	2020		2019		2018	
	(in € thousands, except percentages)					
SaaS platform ⁽¹⁾	9,766	50.5%	15,963	57.1%	5,702	46.7%
Digital marketing.....	6,805	35.2%	7,822	28.0%	4,829	39.5%
Other revenues.....	2,758	14.3%	4,155	14.9%	1,679	13.8%
Total revenues.....	19,329	100.0%	27,940	100.0%	12,210	100.0%

(1) Includes the Web Module, the CRM Module and the Stock Module.

	For the six-month periods ended June 30,			
	2021		2020	
	(in € thousands, except percentages)			
SaaS platform ⁽¹⁾	6,556	51.3%	4,727	51.4%
Digital marketing.....	4,041	31.6%	3,469	37.8%
Other revenues.....	2,184	17.1%	992	10.8%
Total revenues	12,781	100.0%	9,188	100.0%

(1) Includes the Web Module, the CRM Module and the Stock Module.

The Group generates revenues in five countries: the UK, Italy, Spain, France and Germany. The tables below show the restated consolidated revenue of the Group broken down by country for the years ended December 31, 2020, 2019 and 2018 and for the six-month periods ended June 30, 2021 and 2020. The breakdown by geography is based on the Group’s legal party that signed the contract with the customer (regardless of the customer’s actual location). Historically, the Group’s Italian subsidiary has served customers in multiple countries (*i.e.*, Germany, France, Spain, Switzerland, etc.), while its subsidiaries in other countries have mainly served customers in their local market.

	Year ended December 31					
	2020		2019		2018	
	(in € thousands, except percentages)					
Italy ⁽¹⁾	15,604	80.7%	25,042	89.6%	10,470	85.7%
Spain	1,444	7.5%	1,708	6.1%	1,591	13.0%
France	1,671	8.6%	650	2.3%	28	0.2%
Germany	507	2.6%	539	1.9%	119	1.0%
UK	103	0.5%	1	0.0%	2	0.0%
Total revenues	19,329	100.0%	27,940	100.0%	12,210	100.0%

	Six-month period ended June 30			
	2021		2020	
	(in € thousands, except percentages)			
Italy ⁽¹⁾	10,844	84.8%	6,962	75.8%
Spain	676	5.3%	928	10.1%
France	746	5.8%	1,034	11.3%
Germany	515	4.0%	264	2.9%
Total revenues	12,781	100.0%	9,188	100.0%

(1) Based on the Company's estimates, the revenue concentration in Italy would be slightly lower if the breakdown by geography was determined based on the customer's location (rather than on the legal party that signed the contract).

The business model of the Group is based on offering innovative digital solutions that meet the customer-specific needs of OEMs and dealers. These needs include managing the full process of selling new and stock vehicles online (*i.e.*, creating a digital presence of a dealership, publishing and making the stock visibility in numerous digital outlets, promoting and collecting leads for new and stock cars and managing the process through to the car purchase by the end customers) and managing customer loyalty and aftersales relationships. In pursuit of such innovative solutions, the Group dedicates a substantial part of its resources to R&D. In the years ended December 31, 2020, 2019 and 2018, the Group spent 25.4%, 18.1% and 33.8%, respectively, of its revenues on R&D costs. See “*Management Discussion And Analysis And Operating And Financial Review - Research and Development*”. In support of its R&D activities, the Group maintains R&D centers in Italy and Portugal, and as of December 31, 2020, 86 of its 261 employees were dedicated exclusively to R&D.

The Group's Key Strengths

The Group believes that it benefits from the following competitive strengths.

The Group is well positioned relative to its key competitors to benefit from structural growth in a large market primed for digital disruption

The automotive industry represents one of the largest industries in the world, with a total market size expected to reach €6.7 trillion globally by 2025 (*Source: McKinsey – Unlocking the full life-cycle value from connected-car data – 2021*). The Group estimates that the market that it addresses, namely the EMEA automotive distribution software market, is a large, underserved market with positive tailwinds. The Company estimates that the total addressable market's size is approximately €5.4 billion in Europe, supported by long-term trends of reference markets such as the digital ad spending of the automotive industry and global online revenue of vehicle retail. For an explanation of this market, see “*Overview of Industry and Competition – Total addressable market and competitive positioning of the Group*”. In particular, according to ICDP (*Source: ICDP - European Car Distribution Handbook, 2020*), the key directly addressable market (automotive OEM and franchised dealers in the top 5 countries in the European Union) of the Group was approximately €1.4 billion, which increase to €4.8 billion for the entire European area (*Source: ICDP - European Car Distribution Handbook, 2020; press releases*) and up to €5.4 billion for all kind of vehicles in the entire European area (*Source: ICDP - European Car Distribution Handbook, 2020; Climnar, 2020*). For further information regarding the Group's addressable market, see “*Overview of Industry and Competition – Total addressable market*”.

Additionally, revenues from online purchases of cars and after-sales products are expected to grow at a CAGR of 26% from 2018 to 2025, while the general spending in digital advertisement for the automotive sector is expected to reach a CAGR of 16% from 2020 to 2025 (*Source: Statista*).

The global automotive retail software market in the EMEA region, where the Group operates, is highly fragmented, with the Group estimating that no player has a market share exceeding approximately 0.5% of the overall market. The Group's competitive positioning within its market is supported by the Group's belief that following the effects of the COVID-19 pandemic, a SaaS platform is now perceived as essential by the key players in the market, whereas in the past it may have been considered as a non-essential product.

The Group has adopted strategic plans designed to support growth that is higher than the general trend of the reference market and believes it is well positioned relative to its key competitors in terms of scale, product suite and regional exposure.

The Group offers a first at-scale one-stop-shop SaaS platform for automotive retail

The Group offers a comprehensive product offering built on state-of-the-art technology.

Thanks to its R&D activities and the integration of its products with applications of third party providers, the Group's product suite integrates advanced functionalities which can be (i) easily customized, by adding and implementing different modules and platform architectures, to meet the needs of each customer; and (ii) promptly upgraded from time to time.

Through its deep knowledge of the automotive industry, the Group acts as partner of choice for the key automotive brands and dealerships in EMEA through its one-stop-shop SaaS platform. Through its comprehensive suite of modules, the Group's platform supports customers throughout the entire vehicle life cycle and customer journey with more than 100 automotive-specific features, providing a clear competitive advantage. Additionally, the Group differentiates itself from its competitors thanks to its access to approximately 200 third party APIs across various types of services including: online classified board listings, marketing channels, loans and financing, trade-in platforms, 360° virtual visualisation, OEM systems and Dealer Management Systems. Given the number of APIs the Group has access to and the amount of time it takes for each API integration (6-12 weeks required for each API integration), if any new competitor wanted to replicate the Group's access to APIs, it would require a significant investment of financial resources and time (*i.e.*, several years) by the competitor and the Group believes it would be able to respond effectively to the emerging threat. The Group's response would be supported by the more efficient process the Group has developed with respect to API integrations, which has reduced the time it takes to complete an integration from approximately five months to between two and three months.

Additionally, the Group's scale and regional presence provide a clear competitive advantage in a fragmented market. As a market leader in EMEA, the Company is increasingly well positioned to service OEMs region-wide, as it is able to cover a larger geographical footprint with one single platform, technology and dataset (instead of having multiple providers). Scale is also beneficial to the Group in that it can leverage the large amount of transactions going through its systems (approximately 145,000 during the second quarter of 2021) to constantly improve its product and the customer experience.

Attractive value proposition driven by state-of-the-art technology and product features with substantial benefits

As of the date of this Prospectus, the Group maintains two R&D centers in Italy and Portugal, dedicating substantial resources to R&D spend annually in order to continuously develop and upgrade its product suite, continue to provide advanced technology to customers and, more broadly, support its sustained growth.

As of December 31, 2020, the Group had over 86 employees in its R&D centers. The Group's R&D spend (comprising in particular expenses for the product development process and software implementation) amounted to €1,915 thousand in the six-month period ended June 30, 2021, €2,241 thousand in the year ended December 31, 2020, €2,026 thousand in the year ended December 31, 2019 and €1,397 thousand in the year ended December 31, 2018, representing an average spending of 24% of total revenues over 2018-2020.

Through this focus on R&D, the Group has developed a highly efficient product suite built on state-of-the-art technology, as evidenced by the improvement in the performance indicators recorded by customers who have implemented the SaaS platform for the first time. Following the implementation of the SparK platform, the Group's customers tend to register an increase in the appointments booked, in the click to lead conversion rate and in the lead to sales conversion rate. For instance, those customers that are more tech savvy and know how the relevant metrics changed since they implemented the SaaS platform, have seen: a 60% improvement in appointment ratio, a 50% increase in click-to-lead conversion rate, and a 120% rise in lead-to-sale conversion. Customers also benefit from a decrease in

the marketing costs per car sold (a 50% decrease in some instances) and per qualified lead generated (up to 40% reduction).

Highly efficient go-to-market strategy resulting in fast-growing and loyal customer base

Once implemented, the SparK platform quickly provides critical value for the Group's customers, who tend to see a strong improvement in sales and marketing performance indicators. However, the Group's product only represents 0.1% of its customers' revenue on average, according to management's estimate based on the average ACV of customers and publicly available information. As a result, MotorK is able to generate strong interest from potential customers, in particular through proof of value ("PoV") demonstrations, leading to 75% of appointments converting into contracts, according to a pipeline analysis in Italy in 2020 that included upsell and cross-sell opportunities.

MotorK has a well-structured sales team of 67 employees covering the entire sales cycle in respect of both retail- and enterprise-focused sales through business development representatives and customer success managers. This, together with an impactful PoV, has enabled the Group to establish a highly effective go-to-market strategy with a proven track record of constant new customer wins, strong client retention and successful upsell.

The Group has consistently grown its customer base, with the total number of customers more than doubling since 2017. As of the date of the Prospectus, the Group's customer base includes more than 600 dealers and 13 OEMs, with an average contract duration of approximately two years for retail customers and one year for dealers and OEMs, respectively, and annual contract values (computed as the sum of Recurring Revenue in 2020 divided by the number of customers as of the end of the year) of approximately €14,000 and €100,000 for dealers and OEMs, respectively. MotorK has also demonstrated a strong ability to retain customers, having registered only a 3.6% average Churn rate in 2018 and 2019 (before the impact of COVID-19), as well as a track record of continuously increasing customer value, with a 1.4x increase in ARR / customer over 2017 - 2020. Overall, this resulted in a Net Revenue Retention Rate of 114% before the impact of COVID-19. For the year ended December 31, 2020, the Group's Net Revenue Retention Rate was 90% (compared to 117% for the year ended December 31, 2019 and 111% for the year ended December 31, 2018), and 103% for the six-month period ended June 30, 2021. For further information regarding the calculation of Churn rate and Net Revenue Retention Rate, see "*Definitions and Glossary*".

The Group's sales strategy has proven effective in producing a high lifetime value ("LTV") relative to a comparatively low customer acquisition cost ("CAC"), resulting in a strong LTV:CAC ratio of approximately sixteen times (16x) for the year ended December 31, 2020, calculated as (i) average yearly profit per retail customer multiplied by the expected lifetime (which is computed as one over the average 2018-2020 annualized Churn rate) divided by (ii) the cost of acquisition. This represents a short payback period of 13 months, meaning it takes 13 months for the Group to recover the cost of the acquisition of a retail client.

Attractive financial profile combining top-line growth, revenue visibility and strong margin potential

The Group has a track record of rapid growth, having delivered a 46% Sales CAGR over 2016 - 2020 (based on 2018-2020 Consolidated Financial Statements and unaudited management accounts for the years 2016 and 2017 with IFRS 15 being adopted in 2018). In addition, the Group has a high level of revenue visibility driven by the subscription-based nature of its SaaS platform. For the fiscal years ended December 31, 2018, 2019 and 2020 and the six-month period ended June 30, 2021, 38.6%, 53.7% 45.9% and 43.3%, respectively, of Group revenue was Recurring Revenue. Increasing the share of revenue derived from subscription-based contracts is a key priority of the Group. For further information regarding the significance of the SaaS platform to our performance, see "*Management Discussion and Analysis and Operating and Financial Review – Key Factors Affecting the Group's Results of Operations – Growing Strength of the Group's SaaS platform Business*". For further information regarding Recurring Revenue, see "*Management Discussion and Analysis and Operating and Financial Review – Key Performance Indicators – Recurring Revenue*".

The Group's SaaS platform products typically generate attractive gross profit margins and is less susceptible to seasonality. As revenue continues to grow, the Group believes that it can reach a healthy

level of Adjusted EBITDA Margin, benefiting from relatively low variable costs and benefitting from natural operational leverage. Additionally, the Group has historically demonstrated operational excellence, enabling the Group to record a positive Adjusted EBITDA for the six-month period ended June 30, 2021.

Highly experienced management team with technological expertise and an impressive track record of growing businesses

The Group is led by its co-founder and a team of highly committed and experienced executives from well-established digital-led global businesses. Its management team has a proven track record of creating value for shareholders through developing powerful consumer insights, designing value enhancing products for customers and building scalable global operations, all while preserving the same visionary spirit that drove the business of the Group from the start. The Group has a clear and well-defined strategy of pursuing organic and inorganic growth through market share gains, customer base expansion and continued geographic roll out.

In particular, the Group's CEO, Marco Marlia who co-founded MotorK in 2010, brings deep market experience to the Group. The management team of the Group is also supported by the Board with experience in successfully investing in, building and running high-growth global companies.

The Group's Strategy

The growth strategy that the Group intends to pursue is described as follows.

A1.5.4

A1.7.1.2

Continued focus on innovation to further strengthen the value proposition of the Group

The Group aims at leading industry innovation through its continued focus on R&D activities, which allows it to provide customers with solutions that the Group believes are at the forefront of innovation. As of December 31, 2020, the Group employed 86 people in R&D (mainly in its R&D center in Italy), and during 2021 opened a second R&D center in Portugal. The Group aims to respond to emerging trends by continuously strengthening its existing technology (*e.g.*, artificial intelligence and machine learning capabilities) and upgrading existing products and expanding its product offering.

The Group intends to improve existing products by introducing new functions, such as OEM show room and support of all sales methods for the Web Module, advanced appointment booking and centralisation of all the touch points for the CRM Module and new marketing tools and automations for the Media Agency. With regards to new products, the Group expects to focus its efforts on developing an online B2B sales and auctions tool as well as a mobile application for sales.

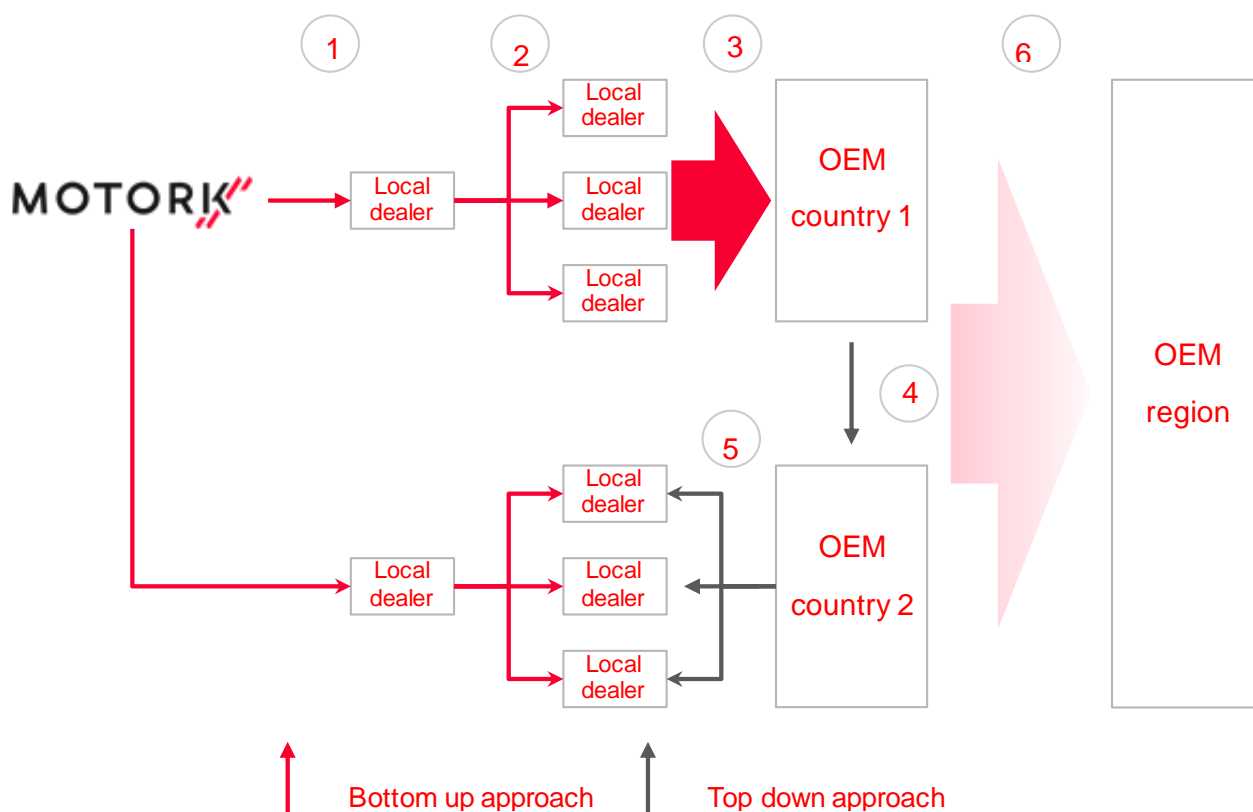
In addition, the Group is considering the expansion of its product offering into new verticals and introducing new types of services, as well as the potential development of new processes such as aftersales customer engagement and loyalty, asynchronous communication, fully-online sales process, customisation of workflows, etc.

Leverage effective go-to-market strategy to win new customers

Building on its successful track record of growing its number of customers, the Group will continue to win new OEMs and dealers by leveraging the strength of its product, a highly effective go-to-market strategy and increasing brand visibility, which the Group expects will be enhanced by the listing of the Group's shares on Euronext Amsterdam. For further information about the growth of the Group's customer base in recent years, see "*Business Description – History*". As of and for the year ended December 31, 2020, 39.3% of the Group's revenue came from customers that have been working with the Group for over four years and 72.2% came from customers that have been working with the Group for over two years.

The Group strategy for penetrating a target market focuses firstly on winning local dealers (see step 1 in the graphic below). After the Group has gained a sufficient number of local dealers as customers (see step 2 in the graphic below), its strategy consists in leveraging its experience and the network offered by the local dealers to approach OEMs first on a national basis (see step 3 in the graphic below), then also in other countries through a "snowball effect" (see step 4 in the graphic below). Once the Group

reaches a new geography through the OEM's network, it will focus again on local dealers to reinforce and secure its position (see step 5 in the graphic below), so that the Group eventually becomes the brand's partner of choice in the EMEA region (see step 6 in the graphic below).



Historically, the Company recorded a relatively low annual digital marketing spend, as evidenced by its industry leading LTV:CAC ratio. As a result, the Group believes that it has significant room to increase digital marketing spend to accelerate new customer wins.

Additionally, the Group expects to increase the spending on and the size of its sales team to reach more customers and to acquire market share inorganically. To support the expected level of revenue growth, the Group is targeting a doubling of the number of sales persons by 2026. Sales and marketing spend represents approximately 20% of the intended use of proceeds from the Offering.

Expand SaaS offering

The Group's customers must adapt to handling a fast changing technological environment without neglecting their core businesses. This need leads them to select operators who can offer more complete solutions and advanced technologies. The Company believes that it is well positioned to support the transition of OEMs and dealers towards fully digitalized sales and marketing processes, through its integrated SaaS platform.

The Group's strategy is to focus its activities and financial resources exclusively on the SaaS business for B2B customers, in order to benefit from the higher margins and stronger revenue visibility. In line with this strategy, the Group is currently in the process of selling its DriveK Business (see "General Information on the Company - Material Contracts - Acquisitions and sale of equity investments - DriveK Carve-Out"). To further support the shift towards a SaaS platform focused business, the Group aims to also provide Digital Marketing services as an advertising module of the SparK platform (*i.e.*, AdSparK).

Within its SaaS platform, the Group intends to continue to leverage expertise acquired in the development of ready-to-use systems for the automotive sector to develop and directly market - under the "SparK" brand - new modules covering a wider range of functions, to properly meet the evolving needs of the customers and of the market.

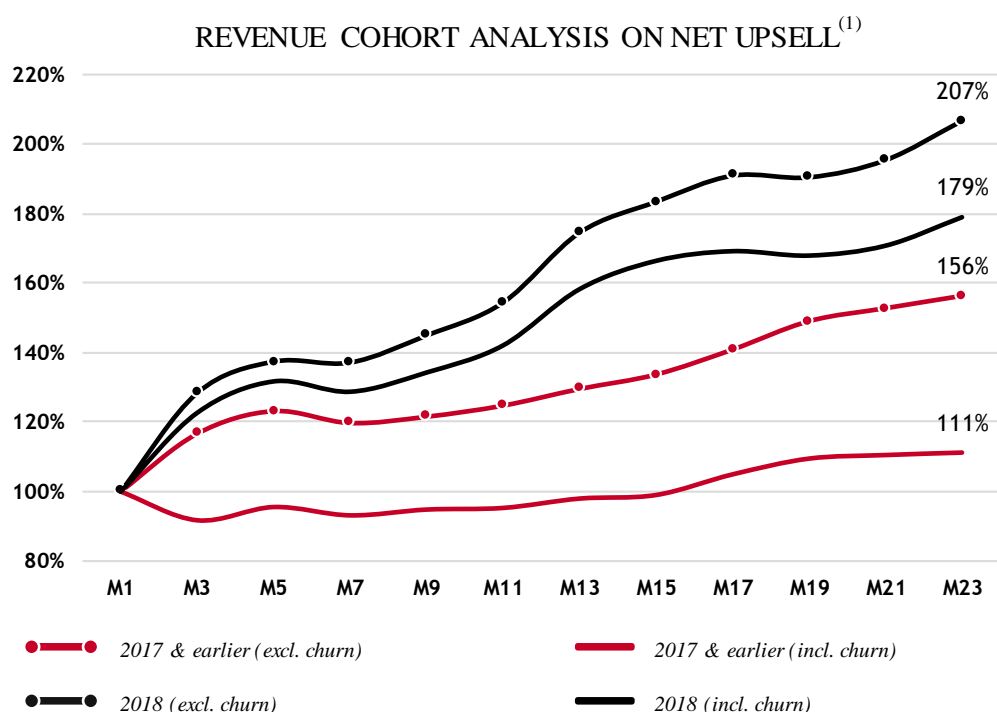
Continue to grow existing customer base

Over the time, the Group has developed strong relationships with its customers and has managed to steadily increase its ratio between annual recurring revenue and number of customers, implying that customers over the years have chosen to increase the number or the value of services purchased from the Group.

The Group intends to leverage its SaaS platform to further expand its existing customer base through dedicated sales and customer success teams implementing cross-selling and upselling strategies that utilize existing modules to cross-sell, new products developed or acquired, new features available for upsell, as well as to expand to more users.

Typically, relationships with customers start with the purchase of the core offering of a module, which provides for a limited number of users. Over time, customers purchase additional users or add additional locations to their core subscription. If customers wish to introduce additional features, they have to migrate to the advanced or even premium models (which results in an increase of the subscription price).

The Group has historically been successful at growing existing customers with average revenue per account (“ARPA”) per retail customer growing from December 31, 2018 to December 31, 2020 at a 26% CAGR, and premium subscribers increasing from 35% of the aggregate number of clients to 39%, while both core and advanced decreased respectively from 41% to 39% and from 24% to 22% from December 31, 2018 to December 31, 2020. In addition, the Group has grown the number of retail customers with at least two products from 34% on December 31, 2018 to 44% on December 31, 2020.



Note(s): The calculations above exclude clients paying a monthly fee below €250; (1) Revenue cohort analysis on companies which were still clients respectively 3y and 2y after the considered date («2017 and earlier» cohort is different as November 2017 was the last data available for older clients).

As shown in the chart above, this strategy has led to a 2.9x increase in the ARR and a 1.4x increase ARR per client from 2017 to 2020, with the ARR connected to the largest client accounting for only 2.6% of the revenues in 2020.

Roll out offering into new markets and countries

The Group is a market leader in Italy, and has a strong market presence in France, Spain and Germany. The Group aims to replicate its existing business model in order to expand its presence in countries where it currently operates and into new countries within the EMEA region where it has complementary business and/or potential scale synergies. In particular, the Group considers expansion first to countries

which are close to the geographic area in which it currently operates, such as the DACH area (Germany, Austria and Switzerland), France and Benelux and subsequently to other countries in the EMEA region in order to achieve complete coverage in Europe (e.g., the Nordics and CEE regions).

To support its expansion, the Group plans to leverage the lessons learned during its recent roll out in France and Spain, including the importance of a clear analysis of the client base and use of the acquisitions to migrate clients; the use of synergies between countries, taking into account the peculiarities of each country; the offer of high quality support to its main clients; and the implementation of faster API plans to secure product completion.

For example, MotorK's success in expanding into France, which is the second biggest European market for cars sold (*Source: AECA, new passenger car registration in the European Union*) was based on (i) a well-planned acquisition and well-executed integration; (ii) strong leverage on software integration and lead generation activities to enhance local competition; (iii) strategic positioning in the local network of dealers due to the automotive background of the team and the experience of the country manager; and (iv) lead generation activities covering the entire purchase funnel. Therefore, MotorK's success was based on a clear customer expansion strategy, with a focus on building a strong local network of clients and a targeted integration policy of local third-party portals (which featured only basic codes and functions).

Build on previous M&A track record to consolidate the market

The Group operates in a highly fragmented market, in which it believes it has a strong track record of successfully executing acquisitions integrating targets (6 deals since inception). The Group's M&A strategy is based on identifying targets which:

- offer products similar to those of the Group (thus adding additional market share or enhancing the recurring revenue model),
- offer similar products to those of the Group (thus adding an additional customer base and offering cross-sell opportunities for the Group's existing products), and/or
- offer or develop products which are complementary to the Group's existing products (thus adding innovative products to the Group's existing product suite).

The Group strives to integrate targets in the Group as quickly as possible after acquisition by integrating their customer base with the Group's existing customer base and SaaS platform users and aligning their strategy, financial performance and key performance indicators ("KPIs") to those of the Group. Finally, the Group focuses on the growth of the newly acquired business by implementing revenue and cost synergies, optimizing sales and unifying the product offering (with a view to achieving an almost full SaaS-based model).

Since its founding in 2010, the Group expanded its presence in France and Spain through the acquisition of established businesses, and constantly monitors new opportunities for expansion. In 2016, the Group acquired Eflow for its automotive vertical CRM offering which has since been cross-sold across the Group's customer base, after MotorK integrated the product offered by Eflow to its CRM Module (at the time of the acquisition branded as LeadSpark). In 2017, the Group acquired Punsset, a Spanish company specializing in online strategies and software developing for car dealership businesses, to expand its market share and develop its presence in Spain, which led to a significant increase in the number of customers. At the time of the acquisition, Punsset had relationships with approximately 400 dealerships and 28 OEMs across Spain and Portugal. More recently, the Group also acquired a French company specializing in digital web solutions for car dealership businesses, 3W Net, to penetrate the French market, and the Group envisages revenue in France to grow organically over the next few years, given that almost all former 3W Net customers have migrated to the SparK SaaS platform since the acquisition. At the time of the acquisition, 3W Net had relationships with approximately 800 active websites and approximately 300 clients. Each of the three acquisitions completed since 2020 involved the acquisition of a mature business (*i.e.*, a business with approximately 20 years of operational history) with a modest number of employees (*i.e.*, between 10 and 20 employees).

The success of the Group's M&A strategy is evidenced by the financial results recorded in recent deals. Integrated revenues recorded in 2020 (defined as total revenues of the acquired entities after applying non-cash IFRS 15 treatment) were substantially higher than independent revenues (defined as revenues recorded in the standalone financials of the target company) recorded at the time of the acquisition. For example, Eflow, Punsset and 3W Net had recorded €0.4 million (*Source: Eflow 2016 company's account*), €0.8 (*Source: Punsset 2016 company's account*) and €0.9 million (*Source: 3W Net 2018 company's account*) in 2016 and 2018, respectively, compared to €4.0 million, €1.4 million and €1.7 million in 2020, while revenue grew 10.0x, 1.8x and 1.9x, respectively since the acquisition.

The Group aims at sustaining and further enhancing its growth through selective acquisitions in order to accelerate customer acquisitions, increase its product offering and expand its footprint into new geographical areas.

In particular, the Group is currently tracking approximately 68 acquisition targets and is in conversations with approximately 10 companies within the EMEA region with an aggregate revenue of nearly €20 million. For further information regarding acquisitions currently under binding letters of intent, see "*General Information on the Company—Material Contracts—Acquisitions and sale of equity investments*".

Targets for 2021-2022 and 2026

A1.5.4

This section provides information on certain key metrics the Group aims to achieve as of the date of this Prospectus. Any of the statements below are not guarantees of future performance and actual results could differ materially from current expectations. Numerous factors could cause or contribute to such differences. Please see "*Important Information—Forward-Looking Statements*" for more information.

A1.7.1.2

Based on the Company's estimates as of the date of this Prospectus, the Group targets to report:

- revenues driven by organic growth of between approximately €25 million and €27 million as of and for the year ending December 31, 2021 due to the impact of the COVID-19 pandemic;
- revenues driven by organic growth of between approximately €45 million and €47 million (of which €9 million relates to the planned acquisitions of the Spanish Targets, the French Targets and Francepronet) as of and for the year ending December 31, 2022, with 2020-2022 CAGR at approximately 34%;
- Adjusted EBITDA Margin of approximately 20% for the year ending December 31, 2021;
- capital expenditures (excluding M&A) of approximately 15% of the revenues recorded the year ending December 31, 2021; and
- a positive working capital slightly outgrowing revenue in line with a shift to Recurring Revenue for the year ending December 31, 2021.

Also, based on the Company's estimates, the Group targets to have approximately 70% of Recurring Revenue as a percentage of aggregate sales as of and for the year ending December 31, 2022, including the effects of M&A. Recurring Revenue of the Group as a percentage of total revenues were equal to 45.9%, 53.7% and 38.6%, respectively, as of and for the years ended December 31, 2020, 2019 and 2018, and 43.3% and 46.2%, respectively, as of and for the six-month periods ended June 30, 2021 and 2020.

While the Group's outlook for 2021 and 2022 is still affected by the ongoing effects of the Covid-19 pandemic, which reduced the Group's key metrics to levels from which they are now recovering, the material effects of the pandemic are historical.

Also, in the mid-term, based on the Company's strategy as of the date of this Prospectus, the Group targets to report as of and for the year ended December 31, 2026:

- revenues driven by organic growth of approximately €110 million;
- Adjusted EBITDA Margin of greater than 40%;

- capital expenditures (excluding M&A) slightly above 10% of revenues;
- a positive working capital slightly outgrowing revenues in line with a shift to Recurring Revenue; and
- additional revenues of approximately €70 million due to M&A. For further information regarding risks associated with M&A activity, see “*Risk Factors – Risks relating to the Group’s Business Operations – The Group may fail to successfully complete acquisitions as part of its growth strategy*”.

The targets disclosed above as of and for the years ending December 31, 2021 and 2022 and 2026 do not constitute a profit forecast as set out in Section 11 of Annex I of Commission Delegated Regulation (EU) No. 2019/980 (the “**Delegated Regulation**”). As such, the Group’s disclosure around these targets does not meet the requirements set forth by the Delegated Regulation for profit forecasts and may be less accurate or have lower predictive value to investors. In addition, these targets constitute forward-looking statements and the Group’s actual results may materially differ from these targets (see “*Important Information—Forward-Looking Statements*” for more information).

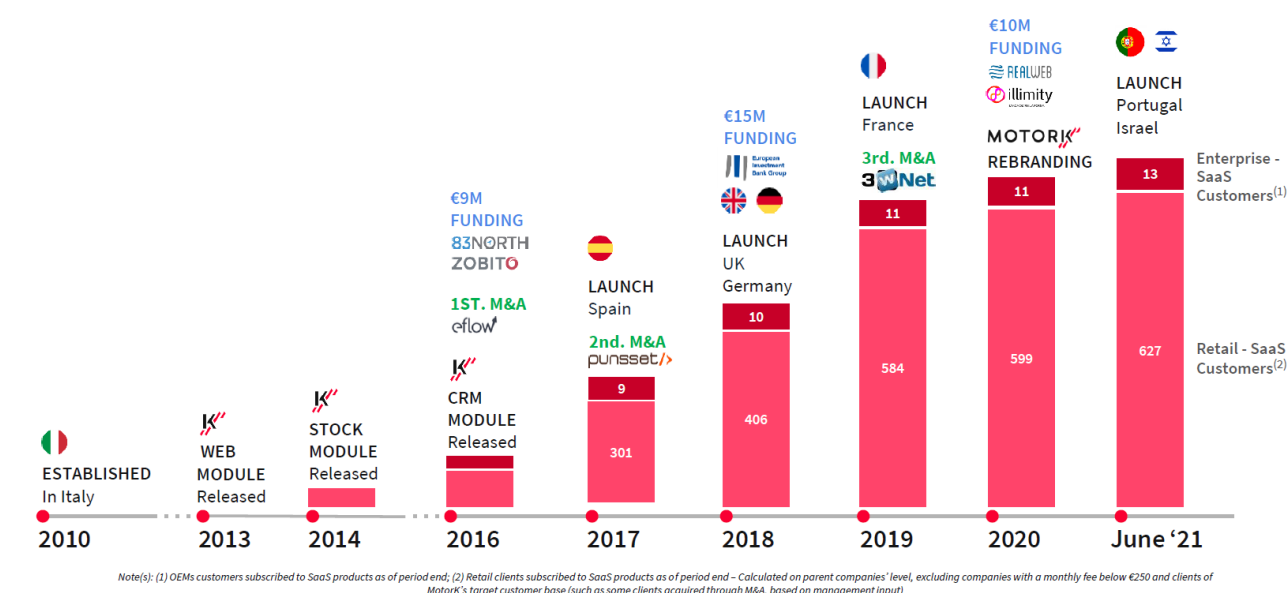
Industry

For further information regarding trends in the Group’s industry, competitors and Group’s positioning see “*Overview of Industry and Competition*”.

History

The key events and milestones in the ten years of the Group’s activities are summarized below:

A1.5.3



Founded in 2010 in Milan (Italy) as a marketplace to bring prospective purchasers closer to the car that meets their needs, the Group rapidly expanded its product offering and its geographical footprint into Spain, France and Germany and, in 2016, it moved its headquarters to London.

Upon its founding in 2010, the Group launched DriveK as a new car comparison online marketplace. The Group launched the Web Module of its SaaS product SparK in 2013 and its stock management product CarSparK (which was later renamed StockSparK) in 2014.

In 2015 and 2016, the Group was acknowledged in the Deloitte Technology Fast500 EMEA ranking and in 2016 it was included in Inc.'s 5000 List of Europe's Fastest-Growing Companies. Moreover, in

2019 the Group was selected for the Euronext TechShare program and for the Tech Tour Growth 50, featuring the most promising European super scale-up tech companies.

In 2016, the Group went through a general reorganization, whereby its founders (*i.e.* Marco Marlia, Marco De Michele and Fabio Gurgone) transferred their respective shares of MotorK Italia to the Company in exchange for shares of the Company. Following such transaction, the Company became the holding company of the Group.

In 2016, the Group received an aggregate amount of \$10 million (equal to approximately €9 million) in equity funding jointly from the venture capital companies 83 North and Zobito as well as from Assaf Topaz in the context of a series A investment round.

In the same year, the Group completed the acquisition of Eflow S.r.l. (subsequently merged into MotorK Italia), a leading verticalized automotive CRM provider in the Italian market (which subsequently became the CRM Module in the Group's Spark SaaS platform) from Tommaso Parisi, in exchange for shares of the Company.

Between 2017 and 2018, the Group focused on its expansion in Europe through openings in Spain, Germany and the UK and the acquisition of the Spanish entity Punsset Asociados 21, S.L. (subsequently merged into MotorK Spain).

In 2018, 83 North, Zobito 1 and 2, Tassaka Invest, Assaf Topaz and Andrew Biggart invested in the Company by purchasing shares from Marco Marlia, Marco De Michele and Fabio Gurgone. In the same year, the Group raised an additional €3 million by 83 North, Zobito 1 and 2 and Tassaka Invest by means of a convertible loan, which later in 2019 was converted into equity (see "*Convertible Loans*").

On July 1 2019, the Group's subsidiary MotorK France S.à r.l. purchased the entire share capital of 3W NET S.à r.l., a French entity working with a number of automotive dealers through designing and building websites in order to gain access to its customer base and expand the Group's footprint in the French market (see "*Acquisition of 3W Net S.à r.l.*"). 3W Net S.à r.l. was subsequently merged by incorporation into MotorK France, effective as of June 1, 2021 in order to improve the efficiency of the administrative structure in France and reduce fixed costs. In the context of the acquisition of 3W NET S.à r.l., Guillaume Bugault, as seller, received a portion of the consideration in shares of the Company (see "*Acquisition of 3W NET S.à r.l.*").

In 2019, the Group also won a European CRM project with Same Deutz-Fahr and started a multi-country roll-out and in 2020 it launched a new branding to convey a dedicated focus on growing its B2B SaaS business in the EMEA region.

In 2020, the Group was further funded by Real Web Ventures Ltd., 212 Investments S.r.l., La Pineta S.r.l. and IBIS S.r.l., all having subscribed convertible loan notes for an aggregate amount of €4.65 million (see "*Convertible Loans*").

Between 2018 and 2020, the Group grew its base of customers significantly. The overall number of retail SaaS customers of the Group increased from 411 in 2018 to 585 in 2019 and continued to grow to 600 in 2020 as of December 31, despite the impact of the COVID-19 pandemic on the automotive market. As of June 30, 2021 the Company had 627 retail SaaS customers.

The overall number of enterprise SaaS customers of the Group as of December 31 increased from 10 in 2018 and in 2019 to 11 in 2020 for all years: at December 31 at a CAGR of 10% for the 2018-2020 period. As of June 30, 2021 the company had 13 enterprise SaaS customers.

Between 2020 and 2021, in the context of a general reorganization of the Group (the "**2020 Reorganization**") aimed at reinforcing its structure and efficiency and implementing a new transfer pricing model, the Company transferred all the equity investments and related net receivables and debts of MotorK France, MotorK Germany, MotorK Spain and For Business to MotorK Italia, for an overall consideration of €4.6 million, of which €1.5 million related to equity investments and €3.1 million related to net receivables. The payment was made by offsetting receivables due by the Company to MotorK Italia. Following the 2020 Reorganization, the management and coordination activities of the Group were moved from the Company to MotorK Italia. In March 2021, the Group set up a new entity

in Portugal, DealerK Technology Solutions, Unipessoal LDA, in order to expand its geographical footprint in the EMEA region and build a new R&D structure to assist the Italian R&D structure. Moreover, in April 2021, the Group set up another entity in Israel, MotorK Israel Ltd., aimed at hiring qualified personnel with significant technological expertise.

In June 2021, the Group set up a new entity in Italy, named DriveK Italia S.r.l., for the purposes of facilitating the DriveK Carve-Out.

The Group has decided to sell the DriveK Business, previously operated by MotorK Italia, MotorK Spain and MotorK France. No binding documentation has been entered into as of the date of this Prospectus. For further information regarding the DriveK Carve-out, see “*Business Description – Material Contracts – Acquisitions and sale of equity investments – DriveK Carve-Out*”.

In the context of the DriveK Carve-Out, in April 2021, the Group rebranded its main SaaS platform as “Spark”, with the aim of conveying the Group’s dedicated focus on growing its B2B SaaS product offering in the EMEA region and reflecting the strong growth of the Group’s technological expertise since its foundation.

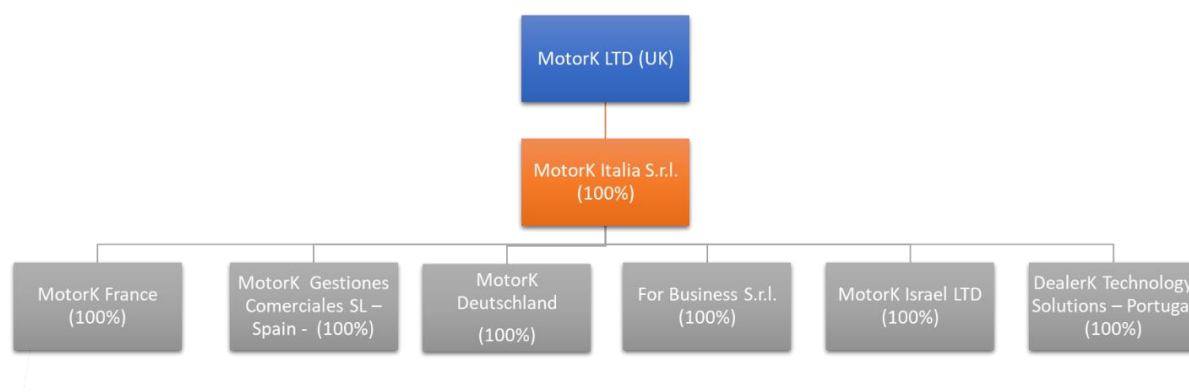
In October 2021, the Company entered into binding letters of intent to purchase (i) in France, all of the share capital of Fidcar SAS and Liotey SAS; (ii) in Spain, all of the share capital of DPA DAPDA, S.L. and DAPDA Media, S.L.; and (iii) in France, 85% of the share capital of Francepronet SAS. Each of the target companies currently operates in the same industry as the Group. These acquisitions are targeted to leverage the targets’ products, R&D resources, customers and management with the Group’s product offerings, scale, and geographic footprint. For further information regarding these acquisitions, see “*General Information on the Company – Material Contracts – Acquisitions and sale of equity investments*”.

Group Structure

The structure chart below sets out the Group’s structure as of the date of this Prospectus.

A1.6.1

A1.6.2



Note: The chart above does not include DriveK Italia S.r.l., as the operations of DriveK are recorded as discontinued operations in the financial statements.

The table below is a brief description of the activities carried out by each of the Group companies as of the date of this Prospectus.

Company	Jurisdiction of incorporation	Main business	Direct or indirect ownership
MotorK Ltd.	UK	Holding company	–
MotorK Italia S.r.l.	Italy	Sub holding company(1)	100%
MotorK France S.à.r.l.	France	Sales distributor	100%
MotorK Gestiones Comerciales S.L.	Spain	Sales distributor	100%
MotorK Deutschland GmbH	Germany	Sales distributor	100%
For Business S.r.l.	Italy	Call center for the Italian market	100%
MotorK Israel Ltd.	Israel	Talent hub	100%
DealerK Technology Solutions	Portugal	R&D center of excellence	100%

(1) Distributing IP, R&D, procurement, operation, finance and sales services.

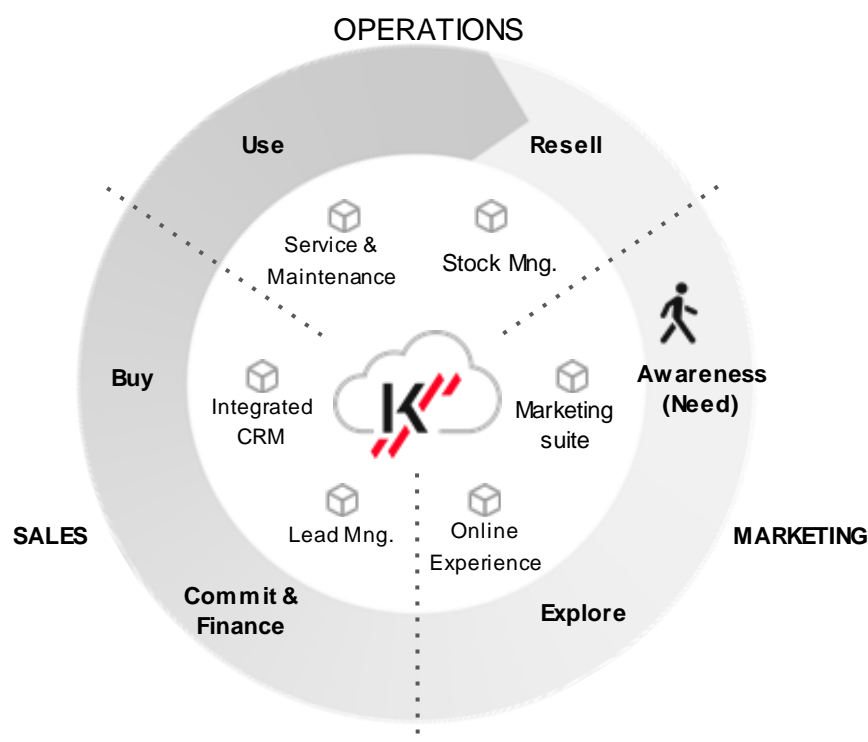
The Group's Principal Business Activities

As of the date of this Prospectus, the Group provides specialized digital solutions through its cloud-based SaaS platform, CRM services and stock management solutions.

A1.5.1.1

(i) *SaaS platform: Spark*

The core product of the Group is SparK, a cloud-based web platform, which supports automotive retailers by offering a range of automotive-specific features with respect to operations, marketing and sales, as represented in the chart below. SparK can be adapted to the needs of each customer by providing different configurations through the combination of its main modules.



The Group's customers who have implemented SparK have registered an increase in the appointments booked, in the click to lead conversion rate and in the lead to sales conversion rate (based on the Company's elaboration of the data recorded before and after implementing the SparK platform, customers recorded up to 60% of users booked an appointment, 50% of the clicks registered converted to effective leads, and 120% of the leads generated converted into a sale, in the two most successful cases) and benefited from a decrease in the marketing costs per car sold and per qualified lead generated (based on the Company's elaboration of the data recorded before and after implementing the SparK platform, figures went down to 50% and 40%, respectively, from the period before implementing the SparK platform in the two most successful cases).

Additionally, SparK and its modules are integrated with around 200 different third-party software providers ranging from publishing services (over 100 integrations for publishing stock to classified boards, social networks, websites and other destinations) to tools for pulling and using various sources of real time financing information and payments, data for enrichment, trade-in information and after-sale services, while each new integration requires approximately 6 to 12 weeks to be implemented. Finally, SparK stock management module (the Stock Module) operates a fully automated rule system, which interacts with more than 40 DMSs.

(a) Marketing (Web Module)

The Web Module (also known as “WebSparK”), with high technical and design standards and 138 functionalities specifically developed for the automotive sector, is a digital showroom which provides fully customizable layout, user interface (UI) and content, including widgets, color palettes, more than 240 user interface options and more than 34 third party technological add-ons such as financial and trade-in simulators (i.e., a system that allows a user of the Group’s platform to enter a license plate number of a car-buyer and receive the value of the car), search engine optimization (SEO) and digital media marketing campaigns, and is optimized to be compatible with all digital channels and services.

The Web Module is an online automotive module that allows official dealers and independent multi-brand car dealers to increase digital traffic acquisition and lead generation performance (*i.e.* contact with a potential customer) in order to identify and attract new prospective customers through different digital touchpoints and an innovative, integrated and appealing user experience oriented to increase conversion rates.

The Web Module helps dealers reduce costs for each lead acquisition, thanks to a targeted strategy that drives a high click to lead conversion rate and allows them to be within the most visible results in the web search engines thanks to its search engine optimization system.

Revenue generated by the Group through the Web Module consists of fees paid by the dealers for the creation and maintenance of their websites, which are collected, depending on the relevant services, upon delivery of the relevant services and/or on a periodical basis.

As of the date of this Prospectus, the Web Module has supported the creation of 1,200 website in more than 30 countries and generated around 758 thousand leads in 2020, corresponding to 114 million of sessions on all the websites supported.

(b) Sales (the Stock Module)

The Stock Module (also known as StockSparK) is a stock management module created to manage and import stock (*i.e.* a set of information data, images, etc.) from multiple sources and export it online to maximize visibility for prospective purchasers through the integration of external channels. In particular, the Stock Module can support dealers in updating promotions on their websites or launching campaigns through the creation of a connection between dealers’ car inventory to Facebook, Google Ads, Criteo and many other channels. Among its main features, the Stock Module helps users:

- (i) import stock from multiple sources through an application programming interface (API) or a file transfer protocol (FTP) using a proprietary file format, or more than 20 different import formats specific for Dealer Management Systems;
- (ii) enrich the imported stock with required technical information, for new and used cars, using tools and data made available from four third-party databases (Eurotax, Jato, Infocar or Autovista), enabling compliance with legal requirements per country, improving customer experience and conversion rates;
- (iii) engage in multi-publication on the web by supporting 91 integrations that dealers can use to publish easily, using a rules system, to classified portals (AutoScout24, Subito, Coches.net, Mobile DE, etc.), main social networks and advertising companies (Google Ads, Criteo, etc.), and OEM or dealers own classified portals;

- (iv) integrate external databases to get loan quotations, rental, promotion, images and dealership details to be sent to the network of publication outlets, or export data to other platforms, such as OEM's CRM; and
- (v) create and manage stock offers and promos, creating striked price, discounts campaigns based on non-economic benefits (extended warranty, gadgets, etc.) enabling a dynamic marketing strategy for major milestone dates (e.g. Black Friday) during the year.

Thanks to its fully automated rules system, the Stock Module interacts with more than 91 car classified portals and more than 40 major Dealer Management Systems (or DMS), *i.e.*, those management information systems created specifically for car dealerships or large equipment manufacturers in the automotive industry, and is seamlessly integrated with the StockSparK App, the Group's mobile photo app, which allows customers to photograph stock and get professional quality 360° panoramic photos.

Revenue generated by the Group through the Stock Module platform consists of fees paid by the dealers for the services offered by the Stock Module in order to manage stock and launch campaigns. As of the date of this Prospectus, the Stock Module platform services are often provided in bundle with the Web Module, with the relevant fees paid by the customer upon delivery of the relevant services and/or on a periodical basis, together with the fees due for the Web Module.

As of the date of this Prospectus, the Stock Module serves more than 2,300 active profiles and on average, over 400,000 vehicles and over 1,000,000 vehicle publications are managed daily through the Stock Module. In the six-month period ended June 30, 2021, more than 874,000 new vehicles were imported by the Group.

(c) Operations (the CRM Module)

The CRM Module (formerly branded as LeadSparK) is a customizable lead management, CRM and marketing automation system module, specifically developed to help users (dealerships and car manufacturers) with:

- (i) lead management, thanks to its integration with several leads generating systems specific to the automotive industry and email and communications tools, which offer dealers the possibility to track their interactions (thanks also to an integration with the dealer's phone system), generate reports and centralise all their leads into one single platform;
- (ii) deal management, with tools designed to make offers and send them to the customer, as well as generating contract formats with the possibility to insert trade-in valuation information, as well as structured data about financial offers (leasing, etc.), even if sourced from third-parties;
- (iii) support in the after-sales and service, with automatic future maintenance alerts, generating leads based on data collected on owned vehicles (number of kilometers, last maintenance date, telemetry system's data);
- (iv) marketing and development of relationships with buyers (so called "nurturing") by arranging mass campaigns (email or SMS) based the elaboration of criteria collected from dealers' customer database. It supports OEM campaigns (vehicle offers), as well as after sales campaigns (recall, new offers), and
- (v) report production and business intelligence based on the data collected during the whole sales process.

The CRM Module can adapt to different sale models and manages the entire process, from leads generated from hundreds of different channels to after-sale services, through a single system which collects and centralizes data. The integration with the main automotive Dealer Management Systems (or DMS) and in-cloud computer telephony integration systems (or CTI) allows the CRM Module to use such data to automate the general management processes. The CRM Module has advanced analytics and reporting widgets (about staff performance, operational processes efficiency, marketing efficiency, targets achievement, etc.), which are user-friendly, fully customizable and are able to display all relevant KPIs for each dealership, daily activities and deadlines through a single click.

Additionally, thanks to the integration with more than 100 third-party tools and the main automotive Dealer Management System and computer telephony integration systems, by API or SMTP or XML, the CRM Module automatizes the general management processes of the dealers.

The Group can rely on access to several third party APIs, connected to different kind of services such as: enabling dealers to sell their stocks on digital platforms, offering marketing channels, allowing end customers to compute their loan ability and making online payment through global players, offering 360° automotive virtual visualisation and trade-in visualisation platform.

Revenue generated by the Group through the CRM Module platform consists of fees paid by the dealers for the customer relationship management services offered by the CRM Module, which are collected, depending on the relevant services, upon delivery of the relevant services and/or on a periodical basis.

As of the date of this Prospectus, in 2021 the CRM Module has approximately 328 active dealers (*i.e.* with at least one login in 2021) and approximately 5,000 active users and has processed approximately an average of 4,000 leads per client in 2020, 61% of which are converted into negotiation, with 5.9% of leads transformed into sales (corresponding to approximately 600,000 cars sold) and 10% of sales closed from marketing activities.

(ii) ***Digital Marketing: AdSpark***

“AdSpark” is an online marketing platform that uses the Group’s data processing capabilities and technology to generate more leads and provide scalable, customizable, automated, high-performance digital campaigns, which are specifically designed for the needs of the automotive retail industry.

The “AdSpark” platform automatically generates campaigns that intercept customers throughout their buying journey, proposing the relevant advertisements at the right time in order to foster a higher sales conversion rate. Thanks to the integration with the CRM Module, the “AdSpark” platform ensures that targeted campaigns are activated through an adaptive strategy every 24 hours (changes are applied in 2 hours, corresponding to a 5 days saving for the campaign to go live and, on average, 83% time saving on a campaign managed through “AdSpark” as compared to a campaign managed manually), while the integration with the major social-networks (*e.g.* Google, Facebook, Instagram, etc.) ensures a relevant number of users is reached for each targeted campaign.

Revenue generated by the Group through the “AdSpark” platform consists of fees paid by the dealers for the services offered by “AdSpark” in order to acquire enhanced online traffic, which are recognized and collected on a monthly basis, as the marketing campaigns progress. However, as part of the shift towards a SaaS platform focused business, the Group aims to also provide “AdSpark” services as a module of SparK, moving to a fully recurring revenue model.

In the first half of 2021, “AdSparK” engaged over 200 accounts, and managed 1,500 monthly campaigns in 5 different marketing channels, corresponding to approximately €3.3 million of marketing budget spending by customers.

(iii) ***Training and coaching***

The Group developed training and coaching programs and internet motors events, where the automotive distribution industry can learn about best practice and current trends in online sales and digital marketing and obtain certifications for several roles within dealers and car manufacturers (e.g., digital manager, BDC operators, etc.).

Revenue generated by the Group through the training services and events consists of fees paid by the dealers for the services offered by the Group, which are collected on a one-off basis after the trainer has completed the scheduled training program.

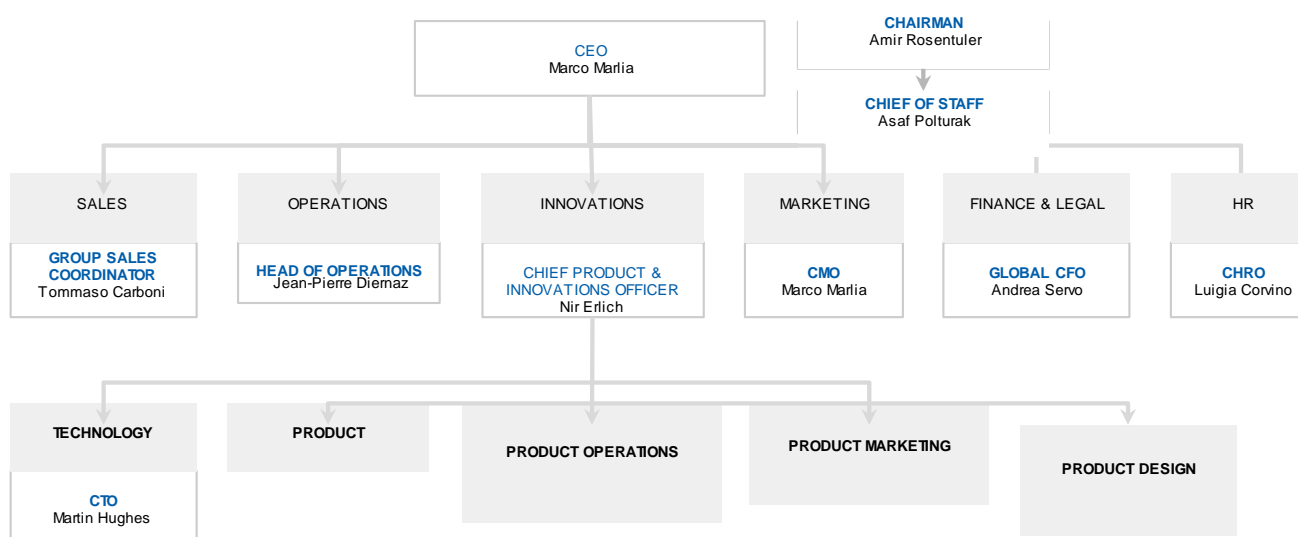
Organizational Structure & Employees

As of December 31, 2020, the Group had 261 employees, of which 2% are employed in the UK, 82% in Italy, 4% in France, 2.5% in Germany and 9.5% in Spain.

As of June 30, 2021, the Group had 259 employees, of which 0% are employed in the UK, 81% in Italy, 6% in France, 2% in Germany, 8.5% in Spain, 2% in Portugal and 0.5% in Israel.

For further information, please see Section 12.15 (*Employees*).

Set out below is the Group’s organizational chart.



Business model

The Group focuses on constant R&D of SaaS solutions in order to provide customized products and related applications to the dealers’ needs as well as the sales and marketing activities of those products, resulting in a highly innovative business model. The Group has a significant R&D department and innovation team that concentrates on continuous improvement of existing products as well as the development of new products. The entire process (including management of the relevant IP rights) is managed internally, from the new product concept, to product development phase in collaboration with the end customer to the ideation, testing and deployment of the software and its applications.

The Group’s business model is generally divided into the following phases, as shown in the chart below:

- R&D;
- quality assurance;

- delivery;
- traffic acquisition (only AdSparK);
- marketing and distribution; and
- sales and customer management.



R&D

The Group considers R&D to be the backbone of its business. The Group constantly monitors for new commercial opportunities, to meet evolving customer demands and to expand its product suite. Through the dialogue with the Group's customers, the Group receives useful information directly from market operators, which allows it to identify new areas of need for the customers and the reference market.

The Group conducts R&D activities with a focus on implementing technologies which support growth in each of its products and applications. The Group develops its technology and applications in-house, which ensures continuous process improvement, increased efficiency and support with the most recent and innovative quality standards.

As of December 31, 2020 the Group employed over 86 employees in the Group's R&D centers, located mainly in Italy. The Group's R&D efforts are focused on software application development and product innovation.

The R&D expenses of the Group (comprising in particular expenses for the product development process and software implementation) amounted to €1,915 thousand in the six-month period ended June 30, 2021, €2,241 thousand in the year ended December 31, 2020, €2,026 thousand in the year ended December 31, 2019 and €1,397 thousand in the year ended December 31, 2018.

In the three most recent years ended December 31, 2020, 2019 and 2018 and for the six-month period ended June 30, 2021, the total expenditure incurred by the Group in R&D activities, including costs and investments, was €4,902 thousand, €5,059 thousand, €4,121 thousand and €3,325 thousand, respectively.

Quality assurance

The Group's quality assurance team consists of nine people and is led by the Head of Quality Assurance, who reports to the chief technical officer. At least one engineer of the quality assurance team cooperates with one of the eight teams involved in the management of the software cycle ("scrum"), so that the quality assurance process is embedded within the agile software development cycle that is used at MotorK. Quality assurance engineers undertake both manual testing activities, managed by a third-party tool called "TestRail" and automation activities using tools including, but not limited to Cypress.io, WebdriverIO, TestProject.io, SeleniumGrid and K6 performance and load testing.

Delivery

The Group releases the products to its customers in a process entirely controlled by the Company's development platform and its agile project management platform. After the agreement is entered into, the delivery team opens a task on the platform. Through this platform, the delivery team also engages and manages other internal teams, when customers require upgrades or further developments of their platforms.

The product customizations are developed in partnership with certain suppliers, whose engagement is managed by the delivery team through the same process and tools that grant control and quality of the delivery, assuring the scalability of activities according to the growth of the business.

The configuration of StockSparK, the CRM Module and Web Module is made internally by the delivery team with the contribution of the integration team. Each milestone of the delivery workflow is recorded on the CRM. At the end of the configuration procedure for each product, the delivery team carries out its final quality check and closes the task on the CRM, which automatically sends the invoice to the customer. The same delivery process is used in each country.

Traffic acquisition

For the purposes of delivering its media and marketing services through “AdSparK”, the Group purchases from commercial sources third-party data, such as demographic, financial, point-of-sale and inventory data across a multitude of industry segments and products, in order to identify the link between consumer interests (as indicated by web page views) and their demand for particular products.

The algorithms for the Group’s traffic acquisition services enable the server to programmatically analyze, consider and weigh a large number of data attributes from each of these data sources to generate a more tailored prediction of the target audience.

The Group’s customers often share their sales and marketing data, such as point-of-sale, supply chain and customer relationship management data, which allows the Group to analyze such individual customer’s enterprise information together with proprietary data and third-party data.

The traffic acquisitions services of the Group aim to attract unique visitors and enhance engagement of prospective customers.

Marketing and distribution

The Group’s marketing initiatives aim to drive awareness and engagement among car manufacturers and dealers and to position the Group as a trusted partner in the automotive marketplace.

The Group’s marketing team educates dealers and manufacturers on the trends in the automotive industry, the Group’s capability to create and enhance user engagement, and the large number of connections that the Group facilitates through its platforms.

The Group’s marketing team also highlights to dealers and manufacturers how unique features of MotorK’s platforms, such as intuitive user interface, proprietary technology and data analytics, can yield consumers that are more informed and better prepared to purchase, which can lead to higher returns for marketing spend.

The Group aims to generate insightful content on market trends and best practices in digital advertising that are shared through webinars, dealer forums, dealer advisory councils, and the Group’s participation in industry conferences and events.

Sales and customer management

Sales

The Group’s sales division is composed of approximately 67 employees (of which: 20 success specialists; 10 people engaged in training activities; 15 sales persons dedicated to dealers; 8 sales persons dedicated to enterprise customers; 6 people engaged in outreach, prospecting, and lead qualification activities; and 8 people engaged in other activities) located in Italy (36 employees), Spain (16 people), France (10 people) and Germany (4 people). Customers can purchase Web Module services from the Group for a mixed monthly fee through different subscription formats (*i.e.*, core, advanced, premium and enterprise) based on the product and the location or the number of locations involved and extra add-ons for an additional monthly fee. The number of features included in each subscription format vary between modules (*e.g.*, the core offering for the Web Module includes 22 features compared to the 10 features included in the core offering for the CRM Module). Customers can also obtain a Web Module subscription for a variable monthly fee related to the number of dealership location and brands

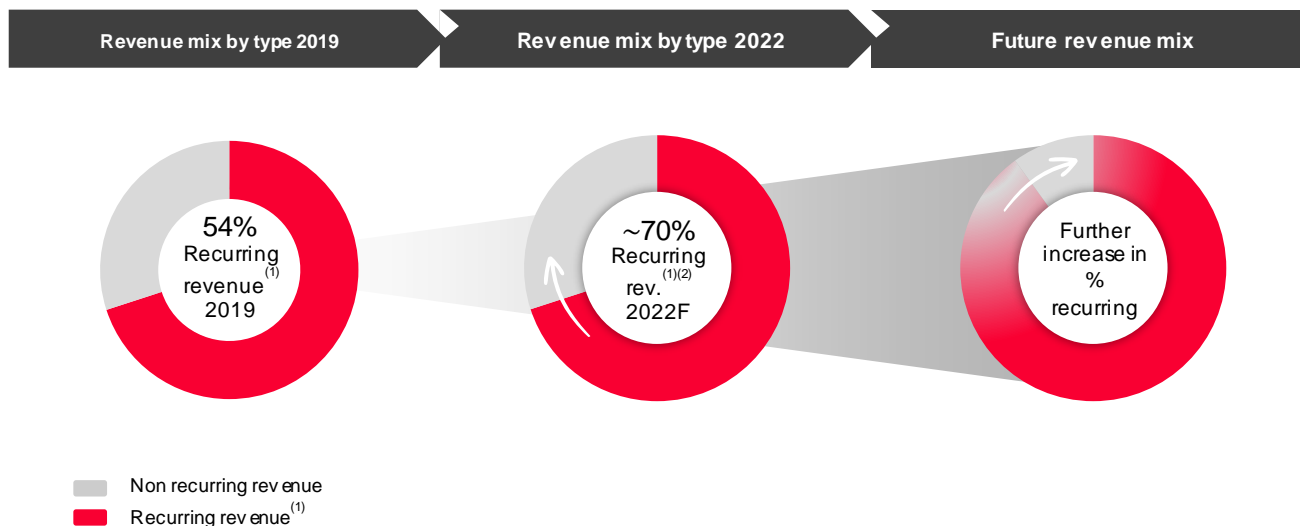
(“dealership coefficient”) multiplied by a fixed price per unit. Customers can purchase CRM Module services from the Group for a monthly fee based on the number of seats where the price per seat depends on the subscription format (core, advanced or premium) and extra add-ons for an additional monthly fee. On average, the Group’s sales cycle lasts approximately one quarter for retail customers (dealerships) and approximately three / four quarters for OEM customers. The average sales process takes 3 months to enter into the agreement and additional 3 months for delivering the product for retail customers, while it can take from 9 to 12 months to enter into the agreement and additional 6 months for delivering the product for OEM customers.

The Group’s customer contracts are individually negotiated with each dealer, but generally follow a standard MotorK format which provides for, *inter alia*, the customer and MotorK’s obligations and responsibilities in both phases of (i) implementation/delivery; and (ii) supply/use of the product; terms for the automatic renewal; and each party’s respective rights of earlier termination. The agreement also governs MotorK’s limitation of liability and compliance with data protection regulations. Under the provisions in the MotorK standard agreement and to the extent permitted by law, MotorK’s contractual liability cannot exceed: (i) the amount of a monthly fee, for services rendered on a periodical basis; or (ii) the aggregate amount of the overall fees due for the product to which the potential claim refers.

The current version of the standard MotorK format does not provide for a customer’s right to termination without cause, although a limited number of customers have entered into an earlier version of the standard MotorK format, which provided for termination without cause, subject to a 2 months prior written notice and the payment of a penalty equal to (i) 6 monthly fees, for agreements relating to the Web Module and The CRM Module, (ii) the management fee for the remaining contractual months, for agreements relating to marketing services and (iii) the fee for the remaining purchased training sessions, for agreements relating to training services.

The most relevant relationships with OEM customers are governed by tailor-made framework agreements, based either on the customer’s or MotorK’s proposal, which may deviate from the Group’s format. Such framework agreements generally regulate the main rights and obligations between MotorK and the OEM, while the single products and services provided by the Group under the framework agreement are regulated by separate individual agreements, as they are generally addressed also to the OEM’s dealer network, which is not party to the main framework agreement.

As of the date of this Prospectus, the Group’s revenue model is partly based on recurring fees (through its SaaS offering) and partly on one-off fees (mainly connected to the marketing and other ancillary services the Group provides). For further information regarding our recurring revenue, see “*Management Discussion And Analysis And Operating And Financial Review – Key Performance Indicators – Recurring Revenue*”. As of June 2021, the average annual recurring revenue (“ARR”), calculated as the monthly fee received multiplied per twelve times (*i.e.*, showing revenue as if it were received over the life of the contract rather than at the signing of the contract pursuant to IFRS 15), from ten OEM clients in Europe were €191 thousand, while weighted average ARR expansion since the contract inception was 155%. Through the DriveK Carve-Out and the integration of AdSparK into the SaaS-based SparK suite, the Group aims to shift its revenue mix towards a new model based mainly on recurring revenue rather than one-off fees.



Note(s): (1) Recurring Revenue; (2) Management targets, which include forward-looking statements that involve risks and uncertainties. Actual results could differ materially from those anticipated in such forward-looking statements as a result of certain factor (see “Important Information” and “Forward-looking Statements” in particular); (3) Other revenues encompass set-up fees, training & events and any other non-recurring for MotorK products, alongside special projects.

Customers

The main customers of the Group are automotive official dealers and independent multi-brand car dealers and OEMs in the EMEA region. As of the date of this Prospectus, the Group has relationships with more than 600 dealerships and OEMs.

Client retention is a key part of the Group’s business. Generally speaking, the Group’s contracts have a duration of approximately two years for retail customers and one year for dealers and OEMs. However, the Group has long-term relationships with its customers, several of which date back more than eight years and for the year ended December 31, 2020, 44% of the Group’s customers had subscribed at least two products (compared to 39% for the year ended December 31, 2019 and 34% for the year ended December 31, 2018, corresponding to a 14% CAGR over the 2018-2020).

For the year ended December 31, 2020, 39.3% of the Group’s revenue was generated from customers that have been working with the Group for over four years and 72.2% comes from customers that have been working with the Group for over two years, and Churn rate was 3.6% on average in the same period, before the impact of COVID-19. For the year ended December 31, 2020, the Group’s Churn rate was 8.5% (compared to 4.2% for the year ended December 31, 2019 and 3.0% for the year ended December 31, 2018), 2.5% for the three-month period ended March 31, 2021 and 0.7% for the three-month period ended June 30, 2021.

At the same time, the Group constantly works to expand its customer base. As a result of its sales model, for each new retail customer, the Group takes on average 13 months to recover its investments to engage such client. On the other hand, the average yearly revenues per retail customer multiplied by its expected lifetime is estimated to be equal to sixteen times (16.0x) the cost of acquisition (LTV:CAC ratio). As of and for the year ended December 31, 2020, the average retail / dealer ACV was €13.9 thousand (compared to €10.9 thousand for the year ended December 31, 2019 and €8.7 thousand for the year ended December 31, 2018, corresponding to a 26% CAGR over the 2018-2020). By contrast, for the year ended December 31, 2020, the Enterprise/OEM ACV was approximately €100 thousand.

IT & Technology Platform

The Group has standardized its business processes in order to meet the needs of its customers and maintain efficiency. The Group relies on an internal team of specialists in management processes and IT solutions to automate them, which are responsible for designing and supporting business processes

through process improvement activities, the development of IT solutions, implementation, and on-the-job training.

In particular, the Group's offering consists of internally managed SaaS platforms, which requires a deep integration between the internal IT infrastructure supporting the internal and external operations of the Group, and the production IT infrastructure supporting the Group's product offering.

Internal IT infrastructure

The internal IT infrastructure of the Group is based on industry standard software products licensed by major providers.

The Group uses a CRM platform that manages the Group's B2B customer's lifecycle, including lead qualification, sales process and contract renewal. The platform fully integrates the service delivery workflow and is the unique source of customer information.

The Group has also progressively customized this platform with specific dashboards with vertical navigation tools to provide its internal departments with tailored reporting. Such infrastructure includes a customer support platform that uses different channels of communications ("**multichannel**"), to act as a link between customers and support, and gives customers access to a product knowledge base. Such platform is operated by a team distributed across four countries that manages customer support and provides support SLA monitoring and periodic customer satisfaction surveys.

In addition, an enterprise resource planning ("**ERP**") platform manages the accounting and financial status of the Group. The ERP platform exchanges information with the abovementioned CRM platform. The flow of data is automated and bidirectional, in order to ensure that customer data is aligned and up to date between the two systems.

An internal HR management system ensures effective interaction between the Group and the employees distributed in the eight offices located in seven countries of the Group. This HR management system supports companywide communication, performance management and salary review processes, and allows the Group to execute the HR activities in a timely manner and in compliance with applicable requirements (including data protection standards).

All the above-mentioned products integrate with a project and task management system that ensures proper tracking and distribution of all technical and/or operative activities inside the Group.

Furthermore, the Group uses cross systems Business Intelligence dashboards, to provide stakeholders with proper information on the relevant and applicable KPIs. Such information relates to customer site performance, internal delivery activities and customer support and customer satisfaction indicators, as well as anything related to the sales and financial performance of the customer based on the Group's products.

Finally, the Group adopts an infrastructure aimed at supporting the continuous development of product features, which entails, amongst others, software version and configuration management, automated testing and software building pipelines. The Group continuously updates its IT infrastructure to ensure the best performance. As of the date of this Prospectus, the Group has completed a general update to the Web Module and envisages the release of a new version of the CRM Module in the next year.

Production IT infrastructure

The production IT infrastructure of the Group consists of a complex technology system aimed at ensuring performance, security, stability and scalability of the Group's SaaS products, which integrate with the internal IT infrastructure of the Group in order to provide a high level of customer service.

The production IT infrastructure's efficiency is achieved due to the implementation of the following solutions:

- an external layer of anti-bot and anti-intrusion system, which analyses in real time the requests made to the customers' websites hosted on the Group's infrastructure, in order to filter out malicious requests that may compromise system performance and integrity;

- a set of specific servers designed to distribute the users traffic on websites (“balanced servers”) aimed at balancing the system load and ensuring that any failure of a server does not result in a general service failure, rather than merely a temporary degradation of the servers’ performance;
- cloud based systems, which automatically scale as the system load varies;
- a monitoring and alerting system, constantly tracking several status and performance indicators and, in the event of any issue, triggering proper alerts to the teams in charge of managing IT infrastructure incidents;
- a centralized user and system configuration, on which the Group’s performance of customer services relies;
- a system collecting KPIs relating to the Group’s products usage, which are then elaborated by the abovementioned internal BI system in the context of the internal IT infrastructure;
- a system securing centralized logging of all data access activities;
- staging and test environments, made available to the tech team to dry run new features in protected environments;
- automated software update systems, supporting the rollout of new features and their implementation on a daily basis (multiple times per day, if needed), without service disruption; and
- an overall infrastructure architecture that supports the setting up of the services needed to timely run the Group’s products in any new market.

Real Estate

The Group’s headquarters are located in London (UK). As of June 30, 2021, the Group leased all its eight offices, with the exception of London offices, which are made available by 83 North. In the years ended December 31, 2020, 2019, and 2018, the Group spent €0.73 million, €0.39 million and €1.96 million, respectively, in ordinary capital expenditures for new offices and upgrades to its existing offices. For the six-month periods ended June 30, 2021 and 2020, the Group had €0.3 million and €0.6 million, respectively, in ordinary capital expenditures for new offices and upgrades to its existing offices.

The following table provides an overview of the Group’s locations and maturity dates of the relevant leases (expiring lease contracts are in talks for renewal) as of June 30, 2021. Each location is an office unless otherwise indicated.

Location	Expiry date
Milan (Italy)	Leased – June 30, 2026 ⁽¹⁾
	Leased – July 4, 2022 ⁽²⁾
	Leased – February 22, 2022 ⁽¹⁾
Agrigento (Italy)	Leased – July 25, 2022
Peschiera Borromeo (Italy)	Leased – October 15, 2023 ⁽³⁾
Madrid (Spain)	Leased – June 30, 2021
Santander (Spain)	Leased – August 11, 2024
Paris (France)	Leased – September 26, 2026
Herzliya (Israel)	Leased – October 1, 2022
Lisbon (Portugal)	Leased – May 31, 2022
Dusseldorf (Germany)	Leased/ shared office - no expiry date, three months notice period

(1) Lease for office space covers two floors of an office building. The portion of the lease related to the ground floor expires on February 22, 2022 and June 30, 2026.

(2) Lease relates to an apartment in Milan maintained for individuals visiting the Milan office.

(3) Lease relates to facility use to produce marketing videos for the Group

Insurance

The Group maintains a comprehensive insurance portfolio for its business and operations. The Group obtains insurance either in the form of group insurance policies or individual insurance policies, in each case to cover identified risks and meet applicable legal requirements.

The Group believes that it maintains insurance coverage in a manner consistent with customary practice in its industry and the geographic regions in which it operates. The Group analyses its insurance portfolio yearly to optimize its insurance structure taking into account, amongst other things, the insurance market conditions and the expansion of its business.

The Group provides directors' and officers' liability insurance for all Directors and for its key officers. See "*Management and Employees - Director's Indemnification and Insurance*".

Intellectual Property

A1.5.5

The Group has not obtained any patents to protect its products, their design and development processes.

As of the date of this Prospectus, the Group has a registered trademark ("MotorK"), which was registered in 2018 to be used in the European Union.

Moreover, the Group owns the source codes for the Web Module, the CRM Module, the Stock Module, as well as for the Digital Marketing platform, the website and SparK mobile app, and has the copyright on such software.

The Group considers its software and the related copyright a competitive advantage of the business and devotes significant resources to monitoring of its intellectual property rights, to the prosecution of infringements thereof and to the protection of its proprietary information. Please see "*Risk factors - Risks relating to adverse results from litigation or governmental investigations*".

Material Contracts

For a description of the contracts (not being contracts entered into in the ordinary course of business) that have been entered into by the Company or another member of the Group: (a) within two years immediately preceding the date of this Prospectus which are, or may be, material to the Company or any member of the Group, and (b) at any time and contain provisions under which the Company or any member of the Group has an obligation or entitlement which is, or may be, material to the Company or any member of the Group as of the date of this Prospectus, please see Section 18.5 (*Material Contracts*).

Related Party Transactions

A1.17.1

In the ordinary course of its business, from time to time, members of the Group enter into agreements with other companies within the Group relating to the rendering of intra-group services. These agreements are negotiated and executed on an arm's length basis and on the basis that the terms of these transactions are comparable to those contracted with unrelated third-party suppliers and service providers. Details of related party transactions entered into by members of the Group during the period covered by the financial information included in this Prospectus and up to the date of this Prospectus include those described in Note 27 to the 2018-2020 Consolidated Financial Statements.

Risk Management

Organizational, Management and Control Model regarding Anti-corruption

The Company's risk management policies, procedures and practices are integrated into those of the Group. Accordingly, a discussion of the Group's risk management policies, procedures, and practices begins with an overview of the Group's organizational structure and the individuals with oversight responsibility with respect to the various divisions within the Group.

The Company has also adopted a code of conduct in respect, *inter alia*, of the reporting and regulation of anti-corruption and anti-money laundering obligations of Directors and the Company's employees, which will be effective as of the First Trading Date.

11. REGULATORY

A1.9.1

11.1 Introduction

The Company is the sole shareholder of MotorK Italia, which is the parent company of the MotorK Group, a group with subsidiaries, branches and representative offices across several jurisdictions, whose activities include, among others, supporting automotive retailers throughout the entire sale process and providing marketing and advertisements services.

The MotorK Group is mainly affected by software and data protection legislation. Additionally, in connection with certain aspects of its business, statutory rules require the MotorK Group (among other things) to disclose specific information, provide selected data and metrics to customers, and comply with certain formal standards.

The following provides a brief description of the main regulations that govern the Group's activities in Italy and, to the extent applicable, other jurisdictions where it has a presence or provides services. Although the following brief description contains the principal information concerning such regulations that the Group considers material, it is not an exhaustive account of all applicable laws and regulations. References and discussions to treaties, laws, regulations and other administrative and regulatory documents are entirely qualified by the full text of such treaties, laws, regulations and other administrative and regulatory documents themselves.

11.2 Software protection: Overview of regulatory environment

The Group's main software is subject to Italian law. Under Italian law, software is subject to the general rules on the intangible assets (*beni immateriali*) set forth in the Italian civil code. Additionally, computer programs are protected by the Copyright Law (Law April 22, 1941, No. 633, Protection of copyright and other rights related to its exercise (*Protezione del diritto d'autore e di altri diritti connessi al suo esercizio*)) as literary works, "in any form expressed, *provided that* they are original as a result of the author's intellectual creation". The object of protection is the program both with respect to the source code and the final intangible asset, but also "the preparatory material for the design of the program itself" (art. 2, par. 8, Copyright Law). On the other hand, the ideas and principles underlying any element of a program, including those underlying its interfaces, are generally excluded from the protection.

As a consequence, the author of a software is granted both "moral" and economic rights over the software, starting from the moment of the creation of the work.

With respect to moral rights, the author has (i) the right to claim at any time its authorship; (ii) the right to prevent any use of the software which may affect its honour and reputation; (iii) the right to unpublished works, which grants the author the possibility to choose whether or not to publish the software (artt. 20-24, Copyright Law).

These rights cannot be transferred to third parties (*inalienabili*) and belong to the author in spite of any contract and/or agreement for the transfer of the economic rights or for the use of the software (e.g., licenses).

With respect to economic rights, the author is allowed to exploit the work economically, both in its original form and in derivative uses and applications, and, thus, to receive a compensation for any kind of use of the same, including: (i) software commissioning/development; (ii) lease; (iii) user license (as provided for by art. 12, Copyright Law).

Pursuant to article 12-*bis* of the Copyright Law, and unless differently agreed, the employer is granted an exclusive right of use over the software developed by its employees while executing their tasks or upon request of the employer itself.

Protection is granted during the life of the author and for an additional 70 years from the death of the author or, in case of several authors, of the last of them.

The Copyright Law has provided for some exceptions (artt. 64-*bis* to 64-*quater*, Copyright Law) to the exclusive rights granted to the software author, with particular reference to: (i) reproduction and

processing activities (including error correction), which are not subject to the authorization of the rights holder if such activities are necessary to use the software in accordance with its intended purpose; (ii) the right of the assignee to make a backup copy of the software, if it is necessary for its use (this specific provision cannot be waived under the terms of the relevant agreement); (iii) the right to use a copy of the software, within the limit of the use that the assignee is entitled to perform, to observe, study or test the operation of the program, in order to identify the ideas and principles on which each element that constitutes it is based and the right to correct any issues in the program itself; (iv) the so called “reverse engineering” (*decompilazione*), i.e., the operation by which the source code is extracted from the software, which is allowed in case it is carried out for the sole purpose of allowing interoperability between programs, *provided that* such operations are carried out: (a) only with respect to the parts of the original program necessary to achieve interoperability; (b) by the person who has the right to use a copy of the software and (c) that the information necessary to achieve interoperability is not already easily and quickly accessible. However, information collected by way of the reverse engineering cannot be used to develop, produce and market a software similar to the original one, or any other activity which may violate copyright law, and cannot be disclosed to third parties, unless necessary to allow interoperability between programs.

11.3 Data Protection: Overview of regulatory environment

Because the activities carried out by the Group require processing, storage, use and disclosure of a large volume of personal data, MotorK and the Group are subject to European rules related to the protection of data privacy and security. To oversee the Group’s compliance, a data protection officer (“**Data Protection Officer**”) has been appointed and a data privacy committee has been established.

In April 2016 the European Union adopted the GDPR, which took full effect on May 25, 2018. The GDPR regulates the collection, use, disclosure, transfer, and/or other processing of personal data of identified or identifiable individuals located in the European Economic Area, including the European Union.

The GDPR imposes numerous requirements on companies that process personal data, including requirements relating to processing sensitive data, obtaining consent of the individuals to whom the personal data relates for processing (with some exceptions), allowing individuals to revoke consents granted, enabling individuals the right to have their data erased (with some exceptions), amended, or transferred to another data controller (known as “data portability”), providing information to individuals regarding data processing activities, implementing safeguards to protect the security and confidentiality of personal data, limiting the transfer of data to countries outside of the EU, providing notification of data breaches, and taking certain measures when engaging third-parties who may also use or process the data.

If a company is found to be non-compliant with the GDPR, the penalties include administrative fines that can reach either Euros 20,000,000.00, or 4% of the company’s global annual turnover - whichever amount is greater.

The GDPR applies also to electronic marketing activities, as these will involve some use of personal data (e.g., an email address which includes the recipient’s name). Such activities will be subject to the strict standards for consent under the GDPR, and marketing consent forms shall incorporate clearly worded opt-in mechanisms. Additionally, the GDPR grants each individual an unconditional right to object to (and therefore prevent) any form of direct marketing (including electronic marketing) at any time (Article 21(3)).

Italy

In Italy, Legislative Decree No. 196 of June 30, 2003 (“**Privacy Code**”) includes the rules relating to the protection of personal data. The Privacy Code was approved in implementation of the Directive 95/46/EC of the European Parliament and of the Council, of October 24, 1995, on the protection of individuals with regard to the processing of personal data and the free movement of data circulation of data and Directive 2002/58/EC of the European Parliament and of the Council, of July 12, 2002 concerning the processing of personal data and the protection of privacy in the electronic communications sector of electronic communications. On September 19, 2018, Legislative Decree

No. 101 of August 10, 2018 came into force, enacting the provisions to adapt national legislation to the provisions of the GDPR. This decree largely amended the Privacy Code, introducing and updating also criminal sanctions, other than those provided for by the GDPR.

The GDPR identifies the principles to be and the conditions that must be met in order for the processing to be considered legitimate. These include, by way of example and without limitation, the obligation to provide interested parties with information on the processing of their personal data and to request and obtain their prior consent. Different conditions of legitimacy are provided in relation to the processing of particular categories of personal data (for example, data disclosing health, judicial data, data relating to geographical location, etc.). The national legislation also regulates the processing of personal data in the context of electronic communications.

The Privacy Code (Section 130) does not prohibit the use of personal data for the purpose of electronic marketing, but it requires the prior informed consent (opt-in) from the recipient of the communication. The use of automated calling or communications systems without human intervention for the purposes of direct marketing or for sending advertising materials, or else for carrying out market surveys or interactive business communication, as well as electronic communications shall only be allowed with the contracting party's or user's consent. Such consent shall be recorded with reference to its date and the person giving it in order to be used as evidence of the consent.

Separate consents shall be required for different data processing purposes (such as for the registration to a website and the opt-in to the delivery of marketing communications), however the data subjects may be required to provide a unique marketing consent covering the different marketing practices (e.g., marketing via SMS, email, telephone, market surveys, etc.) performed through the collected data, *provided that* such practices are outlined in the information notice provided to data subjects.

An additional separate consent shall be required for the transfer of collected personal data to third parties for marketing purposes. Said third party shall also be identified at least on the basis of its category of operation and provide an information notice to data subjects before the delivery of marketing communications.

Where a data controller uses, for direct marketing of his own products or services, electronic contact details for electronic mail supplied by a data subject in the context of the sale of a product or service, said data controller may fail to request the data subject's consent, on condition that the services are similar to those that have been the subject of the sale and the data subject, after being adequately informed, does not object to said use either initially or in connection with subsequent communications. The data subject shall be informed of the possibility to object to the processing at any time, using simple means and free of charge, both at the time of collecting the data and when sending any communications for the purposes here referred.

Electronic marketing communications shall clearly identify the sender and provide to the recipient all necessary information in order for him/her to eventually refuse the delivery of the direct marketing material (*opt-out*). The possibility for the recipient to opt-out from marketing communication services must be guaranteed both during the first contact with the recipient and during any following communications.

11.4 Advertisements: Overview of regulatory environment

The Group owns "AdSpark", an online marketing platform which automatically generates campaigns specifically designed for the automotive retail industry. "AdSpark" services are offered mainly in Italy, Spain and France. In providing such services, the Group is required to comply with the principles and rules on electronic advertisement and marketing set forth in each national legislation.

Italy

Besides the rules mentioned above under the GDPR and the Privacy Code, in Italy, the e-commerce sector is mainly regulated by Legislative Decree No. 70/2003 and by Legislative Decree No. 206/2005 (the "**Consumer Code**"). The Consumer Code implements EU Directive No. 2011/83 on consumer rights. The Consumer Code aims at protecting consumers against professionals within the sale of goods and services. The provisions contained in the Consumer Code also apply to e-commerce

contracts, *i.e.*, contracts negotiated and executed by electronic means. Pursuant to Article 51 of the Consumer Code, each professional has a pre-contractual duty of information towards the consumer. More specifically, the professional must provide to the consumer, clearly and by appropriate means, information listed in Article 49, paragraph 1 of the Consumer Code including, among others, an indication of the main characteristics of the goods or services, information on the supplier's ID details, etc.

Additionally, whoever carries out an e-commerce activity through an internet site must make certain information easily accessible to the recipients of the service and to the competent authorities (in a direct and permanent manner, ensuring timely updating) Pursuant to article 7 of Legislative Decree No. 70/2003, such information include, *inter alia*: corporate information and details and a clear and unambiguous indication of the prices and tariffs of the various services provided, indicating whether they include taxes, delivery costs and other additional elements to be specified.

Additional requirements apply for commercial communication (*i.e.*, any communication intended, directly or indirectly, to promote goods, services or the image of a company, an organization or a person exercising an agricultural, commercial, industrial, artisan or free profession activity). In particular, all commercial communications must specify clearly and unequivocally (Legislative Decree 70/2003, art. 8):

- that it is a commercial communication
- who is the natural or legal person on whose behalf the commercial communication is made
- whether it is a promotional offer such as discounts, prizes, or gifts, and the conditions for accessing it
- whether it is a promotional contest or game (if permitted) and the conditions for participation.

Breaches may be punished with administrative fines be between Euro 103.00 and Euro 10,000.00. However, fines can be doubled in the most severe cases.

France

In France, electronic marketing is regulated by Law n° 2004-575 of June 21, 2004 for confidence in the digital economy (*Loi n° 2004-575 du 21 juin 2004 pour la confiance dans l'économie numérique*) (the "LCEN") and by the French Consumer Code (Articles L. 121-15-1 to L. 121-15-3). Electronic marketing activities are authorised *provided that* the recipient has given consent at the time of collection of his / her email address. This principle does not apply when:

- the concerned individual is already a customer of the company and if the marketing messages sent pertain to products or services similar to those already provided by the company, or
- the marketing messages are not commercial in nature.
- Relevant provision cover all remote economic relationships executed by electronic means, including any commercial activities taking place on the Internet, and apply to all advertisements and promotional offers, whether they are aimed at consumers or professionals. In particular, in order to avoid misleading or fraudulent commercial messages:
- any advertisement comprising, in any form whatsoever, false or misleading allegations, indications or presentations is prohibited, when these relate to one or more elements such as substantial qualities, method and date of manufacture, price and conditions of sale of goods or services which are the subject of the advertisement, conditions of their use, results that can be expected from their use, resellers, or service providers;
- each advertisement broadcasted online must be clearly identifiable, as well as the advertiser. In addition, promotional offers such as discounts, premiums, gifts or contests, sent by e-mail, must be identifiable as soon as they are received by the recipient;

- the conditions to which promotional offers are subject must also be clearly specified and easily accessible (Article 21 of the LCEN).

Breaches may be punished with administrative fines. Additionally, authorities may require the advertiser to provide them with all the elements necessary to justify the advertising claims, indications or presentations, while the court may order a halt of the advertisement activities.

Spain

In Spain, electronic marketing is regulated by the Spanish Act on the Information Society Services and e-Commerce (*Ley 34/2002, de 11 de julio de Servicios de la Sociedad de Información y Comercio Electrónico*). Electronic advertisement shall:

- be clearly marked as such;
- clearly identify the sponsor of the delivery (indeed, under Spanish law, it is the sponsor of the delivery, not the electronic publicity company that shall be held liable in case of enforcement);
- allow the recipient to opt-out at all times, at the time of registration as well as of the time of each of the commercial communications; and
- include opt-out options, which are easily accessible and free.

Breaches may be punished with administrative fines that shall be classified as: (i) low (fine up to Euro 30,000); (ii) medium (fine be between Euro 30,000 and Euro 150,000) and (iii) high (fine between Euro 150,001 and Euro 600,000).

The general principle is that deliveries of electronic marketing materials are lawful only if they have been explicitly authorised in advance by the recipients (authorisation that is required not just for individuals, but also where the recipient is a legal entity). An exception to this general principle applies to deliveries to clients when there is a pre-existing contractual relationship and when the materials refer to products/services that are equal or similar to the ones sold to them in the past by the company sponsoring the advertisement.

11.5 Other mandatory disclosure in the automotive industry

The Group provides services to entities engaged in the marketing of new motor-vehicles to end consumers. Therefore, with respect to these services, and in particular in the architecture of web pages and marketing activities, the Group is required to comply with Directive 1999/94/EC of the European Parliament and of the Council of December 13, 1999 (“**Directive 1999/94/EC**”), relating to the availability of consumer information on fuel economy and CO₂ emissions in respect of the marketing of new passenger cars.

Directive 1999/94/EC, which was implemented in Italy by Presidential Decree No. 84 of February 17, 2003, requires that:

- those who display and offer for sale and/or lease passenger cars must visibly display on each car model a label relating to fuel consumption and CO₂ emissions and must display a poster or display screen containing a list of official figures relating to the fuel consumption and specific CO₂ emissions of all new passenger cars displayed or offered for sale or lease;
- promotional material must contain the official values relating to fuel consumption and specific CO₂ emissions of the vehicle models to which it refers and must comply with the requirements of Decree Law 84/2003 and must show the official values relating to fuel consumption and CO₂ emissions of the vehicle models to which it refers.

At the same time, on the basis of data provided by dealers, the Italian Ministry for Transportation publishes an annual guide on fuel economy and CO₂ emissions of cars in order to provide consumers with useful information for an informed purchase of new cars, with the aim of contributing to the reduction of greenhouse gas emissions and energy saving.

12. MANAGEMENT AND EMPLOYEES

12.1 General

Set out below is a summary of relevant information concerning the Board, the Executive Management Team and the Group's employees and a brief summary of certain provisions of English law, the Dutch Corporate Governance Code (the "**Dutch Governance Code**"), the Articles of Association and the Board Rules (as defined below) in respect of the Board and the Executive Management Team, in each case as they will be constituted and in force prior to and following Settlement.

A1.14.4

This summary does not purport to give a complete overview and is qualified in its entirety by English, Dutch and Italian law and regulations as in force on the date of this Prospectus, the Articles of Association and the Board Rules (as defined below) as they will be in effect on the Settlement Date. This summary does not constitute legal advice regarding those matters and should not be regarded as such. The full text of the Articles of Association is incorporated by reference in this Prospectus and will be available free of charge in the governing English language thereof at the offices of the Company during business hours and in electronic form on the Company's website (<https://www.motork.io/wp-content/uploads/2021/10/MotorK-Articles-of-Association-1.pdf>). The full text of the Board Rules (as defined below) in the English language will be available in electronic form on the Company's website (www.motork.io). For further information regarding the Board Rules, see "*– The Board – Board Rules*".

12.2 Management Structure

The Company has a one-tier board structure consisting of one executive Director (the "**Executive Director**") and four non-executive Directors (the "**Non-Executive Directors**"). The Board is responsible for the continuity of the Company and the businesses of the Group. The Directors are responsible for the Company's general affairs and are in charge of oversight of the day-to-day management, formulating a strategy and policies, and setting and achieving the Company's objectives. The Directors focus on long-term value creation for the Company and the businesses of its Group thereby considering the interests of all its subsidiaries and how group-wide strategies and policies contribute to the interest of each subsidiary and the interest of the Group as a whole over the long-term. The Executive Director is responsible for the Company's day-to-day management. The Non-Executive Directors supervise the Executive Directors' policy and performance of duties and the Company's general affairs and business, and advise the Executive Directors.

A1.12.1

Under the Dutch Governance Code, the Board is responsible for focusing on the continuity of the company and its affiliated enterprises, taking into account the interests of the various stakeholders of the company (shareholders, creditors, employees, and other stakeholders such as suppliers, customers etc.) that are relevant in this context. Under the Dutch Governance Code, the Board is also responsible for developing a view on at long-term value creation by the Company and its affiliated enterprises and should formulate a strategy in line with this (e.g., through a code of conduct, consultations with employee representatives, procedures for reporting irregularities and misconduct).

The Dutch Governance Code also requires that the Non-Executive Directors shall in particular have regard to and supervise the manner in which the Executive Director implements the long-term value creation strategy and regularly discuss the strategy, the implementation of the strategy and the principal risks associated with it.

The Directors will need to act in accordance with their duties under the UK Companies Act to promote the success of the Company. This means the Directors must act in the best interests of the Company and the Shareholders as a whole, considering the likely consequences of any decision in the long-term, the interests of the Company's employees, the need to foster the Company's business relationships, the impact of such operations on the community and the environment, the desirability of the Company maintaining a reputation for high standard business conduct and the need to act fairly as between members of the Company.

In accordance with best practice provision 4.2.2 of the Dutch Governance Code and as of the First Trading Date, the Company has adopted a bilateral contacts policy in respect, *inter alia*, of information

to be delivered equally, simultaneously, clearly and accurately to the investors about the Company's strategy, performance, developments and other matters that could be relevant to their decisions.

12.3 The Board

(a) *Powers, Responsibility and Function*

A1.12.1

The principal duties of the Board are to provide the Company's strategic leadership, to determine the fundamental management policies of the Company and to oversee the performance of the Company's business. The Board is the principal decision-making body for all matters that are significant to the Company, whether in terms of their strategic, financial or reputational implications. The Board has final authority to decide on all issues save for those which are specifically reserved to the General Meeting of shareholders by law or by the Company's Articles of Association.

(b) *Board Rules*

Prior to Admission, the Board will adopt rules governing its principles and best practices, division of tasks and responsibilities between the members of the Board, description of specific responsibilities for the chair of the Board and further details on procedures for holding meetings, decision making and overall functioning of the Board, including maintaining internal governance arrangements, processes and mechanisms that are consistent, well-integrated and conducive to the alignment of the respective business objectives, strategies and risk management framework of the Company and its Group (the "**Board Rules**").

(c) *Term of Appointment of the Board*

A1.14.1

Members of the Board are appointed by the shareholders for four-year terms. The Executive Director may serve any number of consecutive terms. Non-Executive Directors may be reappointed once for an additional four-year term and thereafter, the Non-Executive Director may again be reappointed but for not more than two consecutive terms of not more than two years each.

(d) *Composition of the Board*

On the Settlement Date, the Board will comprise the following five Directors:

A1.14.1

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Date of first Appointment</u>	<u>End of current term</u>
Amir Rosentuler	55	Non-Executive Chairman / Independent Director	June 11, 2021	2025 Annual General Meeting
Marco Marlia	42	CEO	October 10, 2014	2022 Annual General Meeting
Mans Hultman	60	Non-Executive Director / Independent Director	August 22, 2016	2024 Annual General Meeting
Laurel Charmaine Bowden	57	Non-Executive Director	January 14, 2019	2023 Annual General Meeting
Mauro Pretolani	56	Non-Executive / Independent Director	August 22, 2016	2024 Annual General Meeting

The next renewal of the Board will take place with the adoption of the financial statements for the year ending December 31, 2021. During the period between the First Trading Date and such date, the Board will be constituted as it is as of the date of this Prospectus. The only current director whose term will end and be up for reappointment at such time is Marco Marlia, who, as an executive director, is eligible to be reappointed for an unlimited number of four-year terms under the new Articles of Association.

(e) *Biographical Details of the Directors*

A1.12.1

Amir Rosentuler.

Mr. Rosentuler, who currently serves as the non-executive chairman of the Company, joined the Group in 2020. Mr. Rosentuler has 25 years of executive management and entrepreneurial experience in leading technology companies, including more than 15 years of experience in NASDAQ and NYSE listed companies. Mr. Rosentuler is currently the chairman and board member of several companies. Previously, Mr. Rosentuler was the co-chief executive officer of Deutsche Telekom HBS Inc., a subsidiary of Deutsche Telekom AG, based in Silicon Valley, California. Mr. Rosentuler completed the Executive Leadership, Business Administration, Management and Operations Program at Babson College.

Marco Marlia.

Mr. Marlia, who is currently the CEO of the Company, joined the Group in 2010 as a co-founder. Mr. Marlia is a serial entrepreneur experienced in running digital companies. In addition to the Group, Mr. Marlia has co-founded several other companies (Nextre Engineering, Biquadra and Nomesia), a web design agency and a search engine optimization agency. Mr. Marlia holds a bachelor's and master's degree in Economics from Bocconi University and he is author of various books such as "Il Metodo DealerK" and "Wikis: Tools for Information Work and Collaboration". Further, Mr. Marlia earned a bachelor's degree in Institutions and Financial Markets from Bocconi University.

Måns Hultman.

Mr. Hultman has over 30 years of experience in the technology industry. He was chief executive officer of Qlik and a member of the board of directors of Hybris (since acquired by SAP). Since 2012, he has been partner at Zobito, which is a shareholder of the Company. In addition to serving as a Director of the Company, Mr. Hultman currently serves as a director for Ikano Group, Musikborsen AB, Zobito 1 and 2, Zobito 3 AB and Crossbow AB and an owner of Tassaka AB. Previously, Mr. Hultman served in various leadership positions for other companies. For further information regarding those leadership positions, see "*General information about the Directors and the Executive Management Team*".

Laurel Charmaine Bowden.

Ms. Bowden is a partner at 83 North. She has over 15 years of investment experience and has led investments in and been on the boards of many leading European technology companies, including iZettle (acquired by PayPal), Just Eat (LSE: JE), Ebury (50% acquired by Santander), Hybris (acquired by SAP), and Qliktech (NASDAQ: QLIK). Some of Ms. Bowden's current company boards and investments include BlueVine, Critizr, Celonis, Exotec, Form3, Holidu, HungryPanda, Lendbuzz, Mirakl, MotorK, Paddle, SellerX, Wolt and Workable. Ms. Bowden was previously on the boards of Investec PLC and Ltd and at JVP and GE Capital in London.. For further information regarding leadership positions held by Ms. Bowden, see "*General information about the Directors and the Executive Management Team*". Further, Ms. Bowden earned a BSc in Electrical & Electronic Engineering from the University of Cape Town and a MBA from INSEAD.

Mauro Pretolani.

Mr. Pretolani is senior partner at Fondo Italiano d'investimento SGR, a venture capital fund mainly acting in the Italian market, a position he has held since 2017. In addition, Mr. Pretolani currently serves as a director for Termo, Healthware Group, Everli (formerly Supermercato24), and BeMyEye. For further information regarding leadership positions held by Mr. Pretolani, see "*General information about the Directors and the Executive Management Team*". Further, Mr. Pretolani earned a bachelor's degree in Business and Economics from Sapienza Università di Roma and a MBA from Harvard Business School.

(f) ***Further Information Relating to the Directors***

At the date of this Prospectus, the Directors have not, in the previous five years:

- been convicted of any fraudulent offences;
- acted as a member of the administrative, management or supervisory body at any company, or as partner, founder or senior manager at any company, been associated with any bankruptcy, receivership or liquidation (other than voluntary liquidation) of such company;
- acted as a member of the administrative, management, or supervisory body at any company, or as partner, founder or senior manager at any company, been associated with that company being put into administration;
- been subject to any official public incriminations and/or sanctions by any statutory or regulatory authority (including any designated professional body); or
- been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

12.4 Executive Management

The Group is managed by an executive management team (the “*Executive Management Team*”). The current Executive Management Team consists of nine key members, including the CEO, each of whom oversees a specific aspect of the business. The persons set forth below are the current members of the Executive Management Team.

A1.12.1

Name	Age	Position	End of current term
Marco Marlia	42	CEO	N/A
Andrea Servo	53	CFO	N/A
Nir Ehrlich	44	CPO	N/A
Martin Hughes	42	CTO	N/A
		Head of Global Sales	N/A
Tommaso Carboni	50	Head of Operations	N/A
Jean Pierre Diernaz	52	CHRO	N/A
Luigia Corvino	49	Chief of Staff	N/A
Asaf Polturak	36		

For information in respect of the members of the Executive Management Team who will also be members of the Board, including Marco Marlia, see Section 12.3(e) (*Biographical Details of the Directors*).

Set out below are brief summaries of the biographies of the members of the Executive Management Team:

Andrea Servo.

Mr. Servo, currently the global CFO of the Company, joined the Group in 2021. Prior to joining the Group, Mr. Servo served as chief financial officer of DentalPro, Italy’s leading dental services provider and a portfolio company of BC Partners, where he led the company through various extraordinary transactions. Between 2013 and 2016, Mr. Servo was chief financial officer of publicly traded SEAT Pagine Gialle, a company engaged in digital advertising. He joined Seat Pagine Gialle in 2000 as group tax manager before serving as the company’s chief accounting officer from 2008 to 2013. Mr. Servo earned a bachelor’s degree in Economics & Business from the University of Turin and is a chartered auditor and accountant in Italy.

Nir Ehrlich.

Mr. Ehrlich, currently the chief product officer (“CPO”) of the Company, joined the Group in 2020. With over 20 years’ of professional experience in the tech sector, Mr. Ehrlich has a vast experience leading SaaS product offerings and has led different companies as founder and chief executive officer. Most recently, he was head of product at Moteefe and chief executive officer (and founder) at Craft.io.

Martin Hughes.

Mr. Hughes, currently the chief technology officer (“CTO”) of the Company, joined the Group in 2021. With over 15 years of professional experience in software engineering, Mr. Hughes has significant R&D experience in hyper growth companies. From 2019 to 2021 he served as CTO at Moteefe, and, previously, he served in various roles, including as director of technology at Freesat and head of development and development director at Simplify Digital. Mr. Hughes earned a bachelor’s degree in Computer Science from the University of Hertfordshire.

Tommaso Carboni.

Mr. Carboni, currently the head of global sales and country manager Italy of the Company, joined the Group in 2018. Mr. Carboni has 20 years of experience in sales, marketing and communications across different companies and industries. He joined the Group in 2018 as the country director for Italy and, in 2020, became the head of global sales. Previously, he was employed by Google and was responsible for strategic digital consultancy to some of Google’s top global partners (e.g., automotive sector clients) and their agencies at the EMEA level. Mr. Carboni also spent 15 years at Ford Motor Company, where he served in various roles, the last one being marketing director. Mr. Carboni earned a master’s degree in Management Engineering from the Tor Vergata University of Rome.

Jean Pierre Diernaz.

Mr. Diernaz, currently the senior vice-president brand and communication and country director France of the Company, joined the Group in 2019. With over 25 years of experience in automotive digital marketing, Mr. Diernaz has a wide knowledge of the industry and of its problems within the digital transformation. After more than 10 years at Ford, where he has covered the position of advertising and marketing services manager, he landed at Nissan in 2005 as general marketing communications for Europe. In May 2010, he started covering the position of marketing director EMEA of Infiniti, the premium brand of Nissan group. In 2014, he became managing director of the electric cars business unit for Europe. Mr. Diernaz then became vice president marketing & digital Europe and thus, responsible for product launching, price strategy, communications and digitalization. Mr. Diernaz earned a MBA from ISG (Paris) and completed the Executive Leadership Program at IESE (Spain).

Luigia Corvino.

Ms. Corvino, currently the chief human resources officer (“CHRO”) of the Company, joined the Group in 2021. Ms. Corvino has over 20 years of experience across e-business services, web development management, digital consulting and human resources. Before joining the Group, she was head of organization & people development and human resources director at ePrice and senior account executive at Banzai Consulting. Ms. Corvino has also served as general coordinator and head of IT and web projects at O.R.P. (Vatican City State) and senior account executive at Interactive Thinking S.r.l. Ms. Corvino earned a bachelor’s and a master’s degree in Economics from Bocconi University.

Asaf Polturak.

Mr. Polturak, currently the chief of staff of the Company, joined the Group in 2020. Mr. Polturak has over 10 years of experience across consultancy, private equity and hedge funds. Before joining the Group in 2020, he was the chief investment officer of Adir Capital, a boutique Hedge Fund & Family Office. Mr. Polturak earned a bachelor’s degree in Economics from Tel Aviv University and a MBA from Harvard Business School.

12.5 General information about the Directors and the Executive Management Team

A1.12.1

The following table sets out the names of all companies and partnerships of which a Director or member of the Executive Management Team has been a member of the administrative, management or

supervisory bodies or partner at any time in the previous five years, other than a subsidiary of the Company.

Name	Current directorships / partnerships	Past directorships / partnerships
Amir Rosentuler	Radix Technologies, enterprise software Quantum Hub, Innovation Hub and Startup Accelerator Compit Craft.io	Deutsche Telekom HBS Inc. Nostromo Energy Emaze Openvalley Israel, eTribez Igentify, Washé TestFairy Galor vBrand Namogoo Nextre Engineering Kerios Group Nomesia Biquadra 11880 AG Telegate Holding GmbH Cliniodent Holding AG Clinio Dent AG Cliniodent Luzerne AG Cliniodent Thun AG Cliniodent Zug AG Cliniodent ZH AG Craft IO Ltd.
Marco Marlia	-	
Andrea Servo		
Nir Erlich	Execute Apps Ltd. Paperboat Ltd.	
Martin Hughes	-	-
Tommaso Carboni	-	-
Jean-Pierre Diernaz	-	-
Luigia Corvino	-	Installo S.r.l.
Asaf Polturak	A. Adirim capital Ltd.	Adir Capital, LP
Laurel Charmaine Bowden	83North UK LLP	Wonga (Quickbridge (UK))
	83North II Limited Partnership	Lenses.IO Ltd.
	83North II Manager, Ltd. 83North II GP LP 83North III Limited Partnership 83North III GP, L.P. 83North Management Ltd (Management Company) 83North III Manager, Ltd. 83North 2017 Ltd. (Management Company) 83North IV Limited Partnership 83North IV GP, L.P. 83North Manager IV, Ltd. (GP of GP) 83North III Opportunity Limited Partnership 83North V Limited partnership 83North FXV Limited Partnership 83North 2019 GP LP 83North 2019 Manager, Ltd. 83North III GP, L.P. 83North Management Ltd (Management Company) 83North III Manager, Ltd.	iZettle

	83North FXV III Limited Partnership	
	83North FXV III GP LP	
	83NorthFXV Manager, Ltd.	
	83North VI	
	Limited Partnership	
	83North FXV IV Limited Partnership	
	83North Exotec, L.P.	
	Investec Ltd	
	G&T VENTURES LIMITED	
	BlueVine Inc.	
	Celonis SE	
	Workable Technology Limited	
	Wolt Enterprises Oy	
	Treasury Intelligence Solutions GmbH	
	MXP Prime Platform GmbH (SellerX)	
	Paddle.com Market Limited	
	Mirakl SAS	
	Critizr SAS	
	Form3	
	Ebury Partners Limited	
	Customs4Trade NV	
	Holidu GmbH	
	Hungry Panda Ltd.	
Mans Hultman	Tassaka Invest AB	IFS AB
	Nisutaka AB	Automic (Austria)
	Bergtungan Fastighets AB	iZettle AB
	Crossbow AB	Its learning AS (Norway)
	Ikano Group (Luxemburg)	
	Musikbörsen AB	
	Zobito AB	
	Zobito 2 AB	
	Zobito 3 AB	
Mauro Pretolani	Fondo Italiano d'Investimento SRG	Beintoo China JV
	S.p.A	IM3D s.r.l
	Termo S.p.A	
	Healthware Group S.r.l	
	Everli S.p.A	
	Bemyeye Holdings Ltd	

At the date of this Prospectus, none of the members of the Executive Management Team has, in the previous five years:

- been convicted of any fraudulent offences;
- acted as a member of the administrative, management or supervisory body at any company, or as partner, founder or senior manager at any company, been associated with any bankruptcy, receivership or liquidation (other than voluntary liquidation) of such company;
- acted as a member of the administrative, management, or supervisory body at any company, or as partner, founder or senior manager at any company, been associated with that company being put into administration;
- been subject to any official public incriminations and/or sanctions by any statutory or regulatory authority (including any designated professional body); or
- been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

12.6 Board Committees

(a) *Audit committee*

A1.14.3

The audit committee's role is to assist the Board with the discharge of its responsibilities in relation to financial reporting, including reviewing the Group's annual financial statements and accounting policies, internal and external audits and controls, reviewing and monitoring the scope of the annual audit and the extent of the non-audit work undertaken by external auditors, advising on the nomination for appointment of external auditors and completing the preparatory work for the Non-Executive Directors' decision-making regarding the supervision of the integrity and quality of the Company's financial reporting and the effectiveness of the Company's internal risk management and control systems.

Prior to the First Trading Date, the Board will adopt terms of reference for the functioning of the audit committee. The terms of reference of the audit committee is published on the Company's website (www.motork.io). In addition to setting out the duties and responsibilities of the audit committee as described above, the terms of reference provide, *inter alia*, that:

- the audit committee will meet as often as is required for its proper functioning, but at least four times each year to coincide with key dates in the financial reporting and audit cycle;
- the audit committee shall consist of no less than two members and no more than four. All members of the audit committee must be Non-Executive Directors. At least one member of the audit committee shall have competence in accounting or auditing. The members as a whole shall have competence relevant to the sector in which the Company is operating;
- more than half of the members of the audit committee (including the chair of the audit committee) shall be independent in accordance with best practice and provision 2.1.8 of the Dutch Governance Code; and
- the audit committee may not be chaired by the chairman of the Board or by a former Executive Director.

The audit committee will comprise of two Non-Executive Directors: Mauro Pretolani, as chair of the audit committee, and Amir Rosentuler. All members, including the chairman of the audit committee, meet the requirements of members of the committee pursuant to the terms of reference, as further described above. In addition, Mauro Pretolani has competence in accounting and auditing.

In accordance with best practice provision 2.6.1. of the Dutch Governance Code and as of the First Trading Date, the Company has adopted a whistleblowing policy in respect, *inter alia*, of reporting actual or suspicion of irregularities within the Company and its affiliated enterprises. Under this policy, the audit committee shall be immediately notified of incident reports regarding accounting, internal accounting controls or auditing matters and the audit committee is tasked with addressing all such reports concerning incidents and issues needing immediate attention.

(b) *Remuneration committee*

A1.14.3

The remuneration committee advises the Board in relation to its responsibilities regarding the determination of the remuneration of Board members. The remuneration committee is tasked with submitting a clear and understandable proposal to the Board concerning the remuneration policy to be pursued. The remuneration report should describe, in a transparent manner, *inter alia*: (i) how the remuneration policy has been implemented in the previous financial year; (ii) how the implementation of the remuneration policy contributes to long-term value creation of the Company; and (iii) the pay ratios within the Company and its business and, if applicable, any changes in these ratios in comparison with the previous financial year.

Prior to Settlement, the Board will adopt terms of reference for the functioning of the remuneration committee. Besides setting out the duties and responsibilities of the remuneration committee as described above, the terms of reference provide, *inter alia*, that:

- the remuneration committee shall meet as often as it considers necessary, but at least once a year;
- more than half of the members of the remuneration committee (including the chair of the remuneration committee) shall be independent in accordance with best practice and provision 2.1.8 of the Dutch Governance Code; and
- the remuneration committee shall not be chaired by the chair of the Board or by a former Executive Director of the Company.

The remuneration committee is chaired by Mans Hultman and its member is Amir Rosentuler. All members, including the chairman of the remuneration committee, meet the requirements of members of the committee pursuant to the terms of reference, as further described above.

Shareholders have two means of overseeing remuneration. First, the annual report on remuneration produced by the remuneration committee is subject to an annual advisory vote of the shareholders. Further, the remuneration policy will be subject to a binding shareholder vote (by way of ordinary resolution) at least every three years.

(c) ***Selection and nomination committee***

A1.14.3

The selection and nomination committee assists the Board in reviewing the size and composition of the Board and proposes appointments and reappointments. It periodically assesses the functioning of individual Directors and is also responsible for drawing up plans for the succession of Directors.

Prior to Settlement, the Board will adopt terms of reference for the functioning of the selection and nomination committee. Besides setting out duties and responsibilities of the selection and nomination committee as described above, the terms of reference provide, *inter alia*, that:

- the selection and nomination committee shall meet as often as it considers necessary, but at least once a year;
- the selection and nomination committee shall consist of at least two members. All members of the selection and nomination committee must be Non-Executive Directors;
- more than half of the members of the selection and nomination committee (including the chair of the selection and nomination committee) shall be independent within the meaning of best practice and provision 2.1.8 of the Dutch Governance Code; and
- the selection and nomination committee has the authority to retain and terminate any advisors, including search firms to identify candidates for the Board or for executive positions, compensation consultants as to those individuals and legal counsel, including authority to approve all such advisers' reasonable fees and other retention terms.

The selection and nomination committee is chaired by Amir Rosentuler and its member is Mauro Pretolani. All members, including the chairman of the selection and nomination committee, meet the requirements of members of the committee pursuant to the terms of reference, as further described above.

The Company has also adopted a diversity policy in respect, *inter alia*, of specific diversity targets to promote diversity within the Board, including maintaining gender diversity within the Board such that at least 20% of the Board will consist of women. The English version of the diversity policy will be available in electronic form on the Company's website (www.motork.io).

12.7 Equity Holdings

As of the date of this Prospectus and immediately prior to Admission, other than as disclosed below, none of the Directors nor the Executive Management Team have a direct interest in the issued ordinary share capital of the Company (including beneficial interests and interests of persons connected with the Directors or members of the Executive Management Team):

A1.12.2
A1.15.2

- (i) Marco Marlia holds 5,481,580 Shares, equal to 19.16% of the share capital of the Company;
- (ii) Mauro Pretolani holds 138,400 Shares, equal to 0.48% of the share capital of the Company;
- (iii) Mans Hultman has indirect interests in the Company in his capacity as shareholder of Zobito 1 and 2 and Tassaka Invest AB which directly hold 1,832,566, 1,009,798 and 195,392 Shares, equal to 6.47%, 3.57% and 0.69% of the share capital of the Company, respectively; and
- (iv) Laurel Charmaine Bowden has indirect non-controlling interests in the Company in her capacity as partner of 83 North which directly holds 6,941,579 Shares, equal to 24.4% of the share capital of the Company.

None of the Directors nor the Executive Management Team will purchase or subscribe for any Shares in the Offering, and therefore will not have a direct interest in the issued ordinary share capital of the Company immediately following Admission (including beneficial interests and interests of persons connected with the Directors or members of the Executive Management Team), other than as disclosed below:

- (i) immediately following Admission, assuming full exercise of the Over-Allotment Option and the Increase Option, Marco Marlia will hold 4,913,692 Shares, equal to 10.0% of the share capital of the Company;
- (ii) immediately following Admission, assuming full exercise of the Over-Allotment Option and the Increase Option, Mauro Pretolani will hold 124,062 Shares, equal to 0.3% of the share capital of the Company;
- (iii) immediately following Admission, assuming full exercise of the Over-Allotment Option and the Increase Option, Mans Hultman will have indirect interests in the Company in his capacity as shareholder of Zobito 1 and 2 and Tassaka Invest AB which will directly hold 1,538,199, 1,009,698 and 175,150 Shares, equal to 3.1%, 2.1%, 0.4% of the share capital of the Company, respectively; and
- (iv) immediately following Admission, assuming full exercise of the Over-Allotment Option and the Increase Option, Laurel Charmaine Bowden will have indirect interests in the Company in her capacity as partner of 83 North which will directly hold 6,222,436, Shares, equal to 12.7% of the share capital of the Company.

The Company's intention is to introduce a share-based long-term incentive plan effective as of the Admission (see also Section 13.9 (*Variation of Rights*) below).

In addition, Tommaso Carboni, Martin Hughes, Andrea Servo, Jean Pierre Diernaz, Luigia Corvino, Mauro Pretolani, Asaf Polturak, Amir Rosentuler and certain members of the Executive Management Team have indirect interests in the Company as they are beneficiary of a management equity plan, further details of which are set forth in Section 12.8 (*Remuneration*) below.

On October 14, 2021, the Board of Directors of the Company resolved upon the anticipation of the vesting period of No. 120,000 options granted pursuant to the EMI Plan to the director of the Company, Amir Rosentuler, effective immediately. Therefore, prior to the First Trading Date, Amir Rosentuler will exercise his vested options and subscribe No. 120,000 new shares of the Company, equal to approximately 0.4% of the issued share capital of the Company prior to the Admission. Such newly subscribed shares will be sold in the context of the Offering as part of the Over-Allotment Option.

12.8 Remuneration

(a) ***Board Remuneration***

A1.13.1

A1.13.2

In anticipation of Admission, the Company has considered the remuneration principles that it should apply to Directors to ensure these are appropriate for the listed company and regulatory environment. The Company's remuneration policy will be designed to provide a remuneration framework that will:

- deliver fair, responsible and transparent remuneration, contributing to creating long-term value by the Company for its stakeholders;
- attract, motivate and retain highly qualified individuals and reward them with a market competitive remuneration package that focuses on achieving sustainable financial results aligned with the long-term business strategy of the Company;
- align the interests of the Directors with the Company's shareholders and other stakeholders;
- adhere to principles of good corporate governance and appropriate risk management whilst ensuring compliance with competitive market trends and statutory requirements in the respect of the societal context around remuneration and the interests of the Company's shareholders and other stakeholders.

Consistent with overarching regulatory requirements, the Company's remuneration and appointments committee has agreed the post-Admission aspects of its remuneration policy for its Executive Directors and Non-Executive Directors set out in Section 12.8(b) (*Remuneration components for the Directors*) (further details of which will be provided in the policy that will be submitted for Shareholder approval).

Following the First Trading Date, the annual report on remuneration of the Company will be subject to an annual advisory vote and the remuneration policy of the Company will be subject to the binding vote of the ordinary shareholders' meeting at least every three years.

The remuneration of the individual members of the Board as per the date of the Prospectus is set out in Section 12.8(c) (*Current terms of Board members*).

(b) ***Remuneration components for the Directors***

Pursuant to the Company's intended remuneration policy, the remuneration of the Executive Director will consist of a fixed base salary. The base salaries of the CEO and CFO are referred to in Section 12.8(c) (*Current terms of Board members*). Base salaries are reviewed annually in the context of both Company and individual performance, and pay and conditions of the broader employee population more generally.

Section 12.8(c) (*Current terms of Board members*) contains a summary of the terms and conditions of the members of the Board as per the date of the Prospectus.

(c) ***Current terms of Board members***

Non-Executive Directors

On and from Admission, each independent Non-Executive Director shall be entitled to a gross annual fee of €30,000. The Non-Executive Directors will not receive any variable remuneration such as (rights to) performance shares.

Non-Executive Directors will not be entitled to a severance payment and are not eligible to participate in a pension scheme or other pension related benefits, such as old-age and life insurance.

Non-Executive Directors shall be reimbursed for all reasonable costs incurred with the consent of the Board as a whole.

The Company will arrange for and pay a directors and officers (D&O) liability insurance for the Non-Executive Directors.

The members of the audit committee, the remuneration committee, the selection and nomination committee will be awarded an emolument equal to €5,000 per annum and their respective chairmen will be awarded an emolument equal to €7,500 per annum.

Following the Admission, the non-executive chairman of the Company, Mr. Rosentuler will be awarded (i) a gross annual compensation of €324,000 to be paid by MotorK Israel; and (ii) stock option that will vest subject to the Admission and certain lock-up provisions.

Executive Directors

On and from Admission, Executive Directors will receive a fixed base salary (including holiday allowance) in cash, to be paid on a monthly basis. The executive directors will not receive any variable remuneration such as (rights to) performance shares.

Executive Directors will not be entitled to a severance payment and are not eligible to participate in a pension scheme or other pension related benefits, such as old-age and life insurance.

Executive Directors shall be reimbursed for all reasonable costs incurred with the consent of the Board as a whole.

The Company will arrange for and pay a directors and officers (D&O) liability insurance for the Executive Directors.

Following the Admission, the CEO will be awarded (i) a fixed gross annual compensation of €200,000; and (ii) a variable compensation of €150,000 subject to the achievement of certain targets relating to both revenues and Adjusted EBITDA.

(d) ***Board Remuneration for the financial year ended December 31, 2020***

The compensation described below relates to the individual's service as members of the Board. The following table sets out the remuneration for the Board for the financial year ended December 31, 2020.

A1.14.2

	<u>Base salary</u>	<u>Cash bonus</u>	<u>Pension contributions</u>	<u>Fringe benefits</u>	<u>Total</u>
			(€)		
Amir Rosentuler ^(*)	-	-	-	-	-
Marco Marlia ^(**)	134,000	-	-	2,237	136,237
Mans Hultman	-	-	-	-	-
Laurel Charmaine Bowden	-	-	-	-	-
Mauro Pretolani ^(***)	-	-	-	-	-

(*) In 2021, Amir Rosentuler has been appointed as member of the Board and entered into a new agreement with the recently established MotorK Israel Ltd. The new agreement provides for a base salary of NIS 50,000 per month with standard pension contributions. In 2020, Amir Rosentuler received €15,000 as a compensation for his services as a consultant.

(**) Starting from January 1, 2021, Marco Marlia received an annual gross remuneration of €200,000 in addition to €3,881.76 as fringe benefits (i.e., a company's car).

(***) In 2020, Mauro Pretolani did not receive any compensation for his services aside from the stock options. See “—Potential Conflicts of Interest”.

As of the date of this Prospectus, none of the members of the Board has entered agreements providing for benefits upon termination of employment with the Company or its subsidiaries.

(e) **Executive Management Team Remuneration for the financial year ended December 31, 2020** A1.14.2

The following table describes the aggregate remuneration for the members of the Executive Management Team (other than the members of the Board) for their services as members of the management of the Company and its subsidiaries for the year ended December 31, 2020.

	<u>Base salary</u>	<u>Cash bonus</u>	<u>Pension contributions</u> (€)	<u>Fringe benefits</u>	<u>Total</u>
Executive Management Team	1,215,000	380,000	-	21,007	1,616,007

Due to the structure of executive management compensation, 25% to 35% of compensation paid to executive management in a given year is variable and linked to various KPIs.

As of the date of this Prospectus, none of the members of the Executive Management Team have entered into agreements providing for benefits upon termination of employment, save for the provisions included in the applicable national collective bargain agreement with the Company or its subsidiaries.

12.9 Employees' Stock Option Plan

A1.15.2

A1.15.3

On October 7 2021, the Company adopted an amended and restated equity-based remuneration plan in favor of its employees, named “*Enterprise Management (EMI) Share Option Plan*” (the “**EMI Plan**”) as part of the remuneration arrangements effective following Admission.

Certain employees within the Group, including the Executive Director and the Executive Management Team, will be eligible to participate in the EMI Plan. The purpose of the EMI Plan is to align the interests of participating employees with those of shareholders, in the creation of long-term sustainable value.

Awards under the EMI Plan will be subject to applicable regulatory remuneration rules.

For further information regarding the EMI Plan, including plan rule and vesting terms, see “*Employees – Employees' Stock Option Plan*”.

12.10 Board Liability, Insurance and Indemnity

Under the UK Companies Act, the Directors may be liable to the Company for breaches of the duties owed by them to the Company, as well as for negligence, default or breach of trust. They may also be liable to the Company and to Shareholders for breaches of the Articles of Association and to third-parties in respect of civil damages. In certain circumstances, they may also incur additional specific civil and criminal liabilities.

Subject to the provisions of the UK Companies Act, but without prejudice to any indemnity to which the person concerned may otherwise be entitled, every Director or other officer of the Company (other than any person (whether an officer or not) engaged by the Company as auditor) shall be indemnified out of the assets of the Company against any liability incurred by him or her for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company, *provided that* the Articles of Association shall be deemed not to provide for, or entitle any such person to, indemnification to the extent that it would cause the Articles of Association, or any element of them, to be treated as void under the UK Companies Act.

The Directors and officers of the Company are insured under a director's and officer's liability insurance policy with coverage and terms customary for a publicly listed company of the size of the Company.

12.11 Shareholders' Agreements

A1.12.2

On August 22, 2016, Marco Marlia, Fabio Gurgone, Marco De Michele and Tommaso Parisi, as original founders of the Group, 83 North, Zobito and Assaf Topaz, as investors, and the Company entered into a subscription and shareholders' agreement relating to the Company and its subsidiaries

(the “**2016 Shareholders Agreement**”). With respect to the parties of the 2016 Shareholders Agreement, immediately following Admission:

- (i) assuming full exercise of the Over-Allotment Option and the Increase Option, Marco Marlia will hold 4,913,692 Shares, equal to 10.0% of the share capital of the Company;
- (ii) assuming full exercise of the Over-Allotment Option and the Increase Option, Fabio Gurgone will hold 4,737,549 Shares, equal to 9.7% of the share capital of the Company;
- (iii) assuming full exercise of the Over-Allotment Option and the Increase Option, Marco De Michele will hold 4,737,549 Shares, equal to 9.7% of the share capital of the Company;
- (iv) assuming full exercise of the Over-Allotment Option and the Increase Option, Tommaso Parisi will hold 775,387 Shares, equal to 1.6% of the share capital of the Company;
- (v) assuming full exercise of the Over-Allotment Option and the Increase Option, 83 North will hold 6,222,436 Shares, equal to 12.7% of the share capital of the Company;
- (vi) assuming full exercise of the Over-Allotment Option and the Increase Option, Zobito and Zobito 2 AB will hold 1,538,199 and 1,009,698 Shares, equal to 3.1% and 2.1% of the share capital of the Company; and
- (vii) assuming full exercise of the Over-Allotment Option and the Increase Option, Assaf Topaz will hold 121,051 Shares, equal to 0.2% of the share capital of the Company.

Pursuant to the 2016 Shareholders Agreement, the Board shall be composed of up to six members. An increase or decrease in the number of the Company’s Directors or change the shareholders or persons having the right to designate the Company’s Directors shall not be made without the approval of holders of a majority of the shares from time to time, including 83 North (“**Preferred Majority**”) and the CEO.

Pursuant to the 2016 Shareholders Agreement, each of 83 North and Zobito has the right to designate for appointment and maintain in office one (1) natural person as they may from time to time nominate as a Director of the Company (each Director so appointed, an “**Investor Director**”) (and in each case as a member of each and any committee of the Board) and to remove any Director so appointed and, upon his removal whether by 83 North, Zobito or otherwise, to designate another person for appointment as a Director in his place. At the date of this Prospectus, Laurel Charmaine Bowden is an Investor Director for 83 North and Mans Hultman is an Investor Director for Zobito. See “—*Potential Conflicts of Interest*”.

According to the 2016 Shareholders Agreement, the Company’s CEO from time to time shall be entitled to be appointed as a Director of the Company for so long as such CEO remains in office (the “**CEO Director**”), provided in all cases, however, that upon the resignation or removal from office of the CEO any such appointment will be deemed to be rescinded and such CEO Director shall be removed from serving as a Director with immediate effect upon the termination of such CEO’s service as the CEO and, upon his removal for any reason, the Directors (acting by a majority then in office, which shall not include the CEO Director, if any) shall appoint the successor CEO as CEO Director in his place.

The Company’s CEO from time to time will have the right to appoint and maintain in office an industry expert as he may nominate as a Director of the Company (the “**Industry Expert Director**”) and to remove any Industry Expert Director so appointed, and upon the removal of any such appointee to appoint another Industry Expert Director in his place.

According to the 2016 Shareholders Agreement, all and any of the provisions of the 2016 Shareholders Agreement may be deleted, varied, supplemented, restated or otherwise changed in any way at any time with the prior written consent of the Company, and the parties thereto holding a majority of the shares of the Company from time to time, in which event such change shall be binding against all of the parties hereto provided that if such change would impose any new obligations on a party or increase any existing obligation, the consent of the affected party to such change shall be specifically required.

The 2016 Shareholders Agreement may be terminated with the prior written consent of the Company and the parties thereto holding a majority of the shares of the Company, in which event such termination shall be binding against all of the parties hereto.

12.12 Conflicts of Interest

Conflicts of interest are governed by both the UK Companies Act and the Dutch Governance Code. The Articles of Association in combination with the Board Rules provide for rules and measures applicable to the Board to ensure compliance with both sets of rules and to prevent conflicts of interest between the Directors and the Company.

Each of the Directors has a statutory duty under the UK Companies Act (Sections 175 to 177 and section 182) to avoid conflicts of interest with the Company and to disclose the nature and extent of any such interest to the Board. This applies in particular to the exploitation of any property, information or opportunity (and it is immaterial whether the company could take advantage of the property, information or opportunity). If a situation (a “**Relevant Situation**”) arises in which a Director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company but which does not arise in relation to a transaction or arrangement with the Company, the Director must declare the nature and extent of his or her interest to the other Directors and the Directors (other than the Director, and any other Director with a similar interest, who shall not be counted in the quorum at the meeting and shall not vote on the resolution) or a committee thereof may: (i) if the Relevant Situation arises from the appointment or proposed appointment of a person as a Director of the Company, resolve to authorise the appointment of the Director and the Relevant Situation on such terms as they may determine; and (ii) if the Relevant Situation arises in other circumstances, resolve to authorise the Relevant Situation and the continuing performance by the Director of his or her duties on such terms as they may determine. Any terms of such authorisation may be imposed at the time of the authorisation or may be imposed or varied subsequently and may include (without limitation):

- (i) whether the interested Directors may vote (or be counted in the quorum at a meeting) in relation to any resolution relating to the Relevant Situation;
- (ii) the exclusion of the interested Directors from all information and discussion by the Company of the Relevant Situation; and
- (iii) (without prejudice to the general obligations of confidentiality) the application to the interested Directors of a strict duty of confidentiality to the Company for any confidential information of the Company in relation to the Relevant Situation.

Any authorisation of a Relevant Situation may provide that, where the interested Director obtains (other than through his or her position as a Director of the Company) information that is confidential to a third party, he or she will not be obliged to disclose it to the Company or to use it in relation to the Company's affairs in circumstances where to do so would amount to a breach of that confidence.

If a Director is in any way, directly or indirectly, interested in a proposed or an existing transaction or arrangement with the Company, he or she must declare the nature and extent of that interest to the other Directors.

Subject to any applicable statutory provisions and to having declared his or her interest to the other Directors, a Director may:

- (i) enter into or be interested in any transaction or arrangement with the Company, either with regard to his or her tenure of any office or position in the management, administration or conduct of the business of the Company, or as vendor, purchaser or otherwise;
- (ii) hold and be remunerated in respect of any other office or place of profit with the Company (except that of auditor) in conjunction with his or her office of Director;
- (iii) act by himself or herself or his or her firm in a professional capacity for the Company (except as auditor) and be entitled to remuneration for professional services as if he or she were not a Director;

- (iv) be or become a member or Director of, or hold any other office or place of profit under, or otherwise be interested in, any holding company or subsidiary undertaking of that holding company or any other company in which the Company may be interested; and
- (v) be or become a Director of any other company in which the Company does not have an interest if that cannot reasonably be regarded as likely to give rise to a conflict of interest at the time of his or her appointment as a Director of that other company.

Similarly, the Dutch Governance Code requires the Directors to avoid any form of conflict of interest with the Company and the Directors and to immediately report any (potential) conflict of interest to the Chair under provision of all relevant information.

In furtherance to best practice provision 2.7.3 of the Dutch Governance Code, the Board Rules provide that the Board shall determine whether there is a conflict of interest in respect of the Directors outside the presence of the relevant Director. A conflict of interest in relation to such Director exists in any event if the Company intends to enter into a transaction with a legal entity (i) in which such Director personally has a material financial interest, (ii) which has an executive Director or a member of the management board who is related under family law to such Director; or (iii) in which such Director has an executive or non-executive position. Each of the Directors has a statutory duty under the UK Companies Act to avoid conflicts of interest with the Company and to disclose the nature and extent of any such interest to the Board.

Best practice provision 2.7.4 of the Dutch Governance Code provides that all transactions in which there are conflicts of interest with Directors should be agreed on terms that are customary in the market. Decisions to enter into transactions in which there are conflicts of interest with Directors that are of material significance to the Company and/or to the relevant Director require the approval of the Non-Executive Directors. Such transactions should be published in the Company's annual board report. As permitted by the UK Companies Act, the Board may authorise any matter which would otherwise involve a Director breaching this duty to avoid conflicts of interest.

Best practice provision 2.75 of the Dutch Governance Code provides that all transactions between the Company and legal or natural persons who hold at least 10% of the Shares should be agreed on terms that are customary in the market. The Non-Executive Directors are required to approve such transactions that are of material significance to the Company and/or to such persons. Such transactions should be published in the Company's annual board report.

Best practice provision 2.7.6 of the Dutch Governance Code provides that the Company should not grant Directors any personal loans, guarantees or the like unless in the normal course of business and on terms applicable to the Group's personnel as a whole, and after approval of the Non-Executive Directors. No remission of loans should be granted.

12.13 Potential Conflicts of Interest

Other than as disclosed below, no Director has a conflict of interest (actual or potential) between his or her duties to the Company and his or her private interests and/or duties. A1.12.2
A1.15.2

- (i) prior to the Admission, Marco Marlia holds 5,481,580 Shares, equal to 19.2% of the share capital of the Company; A11.3.3
- (ii) prior to the Admission, Mauro Pretolani holds 138,400 Shares, equal to 0.5% of the share capital of the Company;
- (iii) prior to the Admission, Mans Hultman has indirect non-controlling interests in the Company in his capacity as shareholder of Zobito AB, Zobito 2 AB and Tassaka Invest AB which directly hold 1,832,566, 1,009,798 and 195,392 Shares, equal to 6.4%, 3.5% and 0.7% of the share capital of the Company, respectively; and
- (iv) prior to the Admission, Laurel Charmaine Bowden has indirect non-controlling interests in the Company in her capacity as partner of 83 North which directly holds 6,941,579 Shares, equal to 24.3% of the share capital of the Company.

Furthermore, the following Directors and members of the Executive Management Team own stock options in the Company prior to the Admission: (i) Tommaso Carboni (100,136 stock option and 27,880 vested stock options); (ii) Martin Hughes (83,628 stock options); (iii) Andrea Servo (99,120 stock options); (iv) Jean Pierre Diernaz (97,566 stock options granted on November 18, 2019, 42,093 stock options granted on January 1, 2021 and 3,120 stock options granted on June 21, 2021); (iv) Luigia Corvino (41,814 stock options); (v) Mauro Pretolani (135,000 stock options); (vi) Asaf Polturak (14,000 stock options with an option to receive additional 3,000 options subject to the Admission); and (vii) Amir Rosentuler (1,383,979 stock options).

On October 14, 2021, the Board of Directors of the Company resolved upon the anticipation of the vesting period of No. 120,000 options granted pursuant to the EMI Plan to the director of the Company, Amir Rosentuler, effective immediately. Therefore, prior to the First Trading Date, Amir Rosentuler will exercise his vested options and subscribe No. 120,000 new shares of the Company, equal to approximately 0.4% of the issued share capital of the Company prior to the Admission. Such newly subscribed shares will be sold in the context of the Offering as part of the Over-Allotment Option.

In the context of the Listing, certain beneficiaries of the EMI Plan will undertake towards the Underwriters customary lock-up commitments for 365 days following the First Trading Date. No member of the Executive Management Team has a conflict of interest (actual or potential) between his or her duties to the Company and his or her private interests and/or other duties.

12.14 Related party transactions

Neither the Dutch nor the UK rules on related party transactions will mandatorily apply to the Company. As of the First Trading Date, the Company has adopted a written related party transaction policy. The related party transaction policy, in the governing English language as well as the Board Rules in the governing English language, are available on the Company's website (www.motork.io).

12.15 Employees

AI.15.1

As of June 30, 2021, MotorK employed approximately 228 permanent employees, with headcount of 305 including agency, temporary and trainee employees. As of December 31, 2020, the Group had 261 employees. The tables below shows the total number of employees working for the Group in the years ended December 31, 2020, December 31, 2019 and December 31, 2018 and for the six-month period ended June 30, 2021, by category.

	For the years ended December 31,		
	2020	2019	2018
Employees			
Managers and Executives.....	33	33	26
Employees.....	198	219	247
Total employees of the Group	231	252	273
Total temporary employees of the Group	30	36	35
Total	261	288	308

The Group also engaged 73 temporary agents in 2019 and 46 in 2020.

	For the six-month periods ended June 30,	
	2021	2020
Employees		
Managers and Executives.....	35	30
Employees.....	201	219
Total employees of the Group	236	249
Total temporary employees of the Group	26	28
Total	262	277

The group also engaged 77 temporary agents for the six-month period ended June 30, 2020 and 42 for the six-month period ended June 30, 2021.

The following tables show the breakdown by geographical area of the total number of employees working for the Group as of December 31, 2020, December 31, 2019 and December 31, 2018 and for the six-month period ended June 30, 2021.

	For the years ended December 31,		
	2020	2019	2018
Italy.....	219	237	247
Germany.....	6	9	5
France	9	8	8
Spain	24	9	33
UK	3	5	15
Total employees of the Group.....	261	288	308

	For the six-month periods ended June 30,	
	2021	2020
Italy.....	206	230
Germany.....	4	6
France	16	10
Spain	22	27
Israel	2	0
Portugal.....	6	0
UK	3	4
Total employees of the Group.....	259	277

Since June 30, 2021, the Group has hired 7 new employees.

The Group's management team estimates that its employee turnover rate is 26%. The average employee turnover rate for a Martech/SaaS company, by contrast, is 15%.

Employees' Stock Option Plan

The Company adopted a share-based incentive plan named "MotorK Ltd EMI Share Option Plan" (the "**EMI Plan**") for the grant of share options to eligible UK-resident full-time employees of the Group, as amended and restated, subject and conditional upon listing, on October 18, 2021.

Under the EMI Plan, the Company may grant a right to acquire shares of the Company (the "**Options**") in the form of either options in order to reward the option holder for the achieving of a listing of the Company's shares on a recognized investment exchange ("**Bonus Options**") or options outside of the context of a listing ("**Ordinary Options**").

The Company may grant an Ordinary Option or a Bonus Option to (i) any eligible employee it chooses, as long as such options are tax advantaged enterprise management incentive options (the "**EMI Options**") overseen by the UK tax authorities (HMRC) and, provided specific legislative requirements are met which are set out in Schedule 5 of the Income Tax (Earnings and Pensions) Act 2003 (the "**EMI Code**"); or (ii) to any employee it chooses, as long as such options are not intended to be EMI Options.

Total shares under option

Options have been granted in relation to 3,241,599 Shares in total.

On October 14, 2021, the Board of Directors of the Company resolved upon the anticipation of the vesting period of No. 120,000 options granted pursuant to the EMI Plan to the director of the Company, Amir Rosentuler, effective immediately. Therefore, prior to the First Trading Date, Amir Rosentuler will exercise his vested options and subscribe No. 120,000 new shares of the Company, equal to approximately 0.4% of the issued share capital of the Company prior to the Admission. Such newly subscribed shares will be sold in the context of the Offering as part of the Over-Allotment Option.

General terms applicable to all of the Existing Share Plans

Exercise price

The Options granted under the EMI Plan have a fixed exercise price determined by the Company and set forth in the option agreement entered into as a deed in a form approved by the Board. If shares are

to be newly issued to satisfy the exercise of the Option, the exercise price may not be less than the nominal value of the Shares.

Vesting

Some Options granted may be subject to time-based or performance-based vesting arrangements. Such conditions are set by the Board, in its discretion, and set forth in the option agreement entered into at the time the Options are granted.

Ordinary Options will generally vest according to the following schedule:

<u>Schedule</u>	<u>Percentage of Option Shares over which the Ordinary Option may be exercised</u>
From the Grant Date up to the first anniversary of the Grant Date.....	0%
From the first anniversary of the Grant Date up to the second anniversary of the Grant Date.....	25%
From the second anniversary of the Grant Date up to the third anniversary of the Grant Date.....	50%
From the third anniversary of the Grant Date up to the fourth anniversary of the Grant Date.....	75%
From the fourth anniversary of the Grant Date onwards ⁽¹⁾	100%

(1) Ordinary Options will generally expire on the tenth anniversary of the Grant Date.

For the avoidance of doubt, no Option can be exercised earlier than the first business day of the 13th month after the First Trading Date, unless the Board allows early exercise for non-EMI Option holders who cease to be employees in the 12 months following the Admission.

Bonus Options will generally vest according to the following schedule:

<u>Schedule</u>	<u>Percentage of Option Shares over which the Bonus Option may be exercised</u>
From the Grant Date up to the first anniversary of Admission.....	0%
.....	
From the first anniversary of Admission up to the second anniversary of Admission.....	50%
.....	
From the second anniversary of Admission up to the third anniversary of Admission.....	75%
From the third anniversary of Admission up to the fourth anniversary of Admission.....	100%

(1) Long Stop Date is the 30th calendar day following the fourth anniversary of the date of Listing.

The Board may allow an early exercise for Option holders who cease to be employees in the 12 months following the Admission.

Individual Limit

At any time, the total market value, as determined by the Board in accordance with English law (the “**Market Value**”) as of the relevant Grant Dates (as defined below) of the shares that an eligible employee can acquire on the exercise of EMI Options granted by reason of employment with: (i) any member of the Group; or (ii) any two or more members of the Group, may not exceed £249,999 (or any other amount as may be specified by the EMI Code at the relevant time minus £1). No Option shall be an EMI Option if, immediately before it is granted, the total Market Value as of the relevant Grant Date

of the shares that can be acquired on the exercise of all EMI Options held by the relevant eligible employee equals £250,000 (or any other amount as may be specified by the EMI Code at the relevant time).

If an employee eligible to participate in the EMI Plan according to its terms (an “**Eligible Employee**”) has been granted EMI Options over shares with a total Market Value of £250,000 (or any other amount as may be specified by the EMI Code at the relevant time) by reason of employment with: (i) any member of the Group; or (ii) any two or more members of the Group, whether or not those EMI Options have been exercised or released, any Option granted to that eligible employee shall not be an EMI Option if the Grant Date of that Option falls within the period of three years after the Grant Date of the last EMI Option to be granted to the Eligible Employee that falls within this provision.

Timing of exercise

An Option holder may only exercise: (i) an Ordinary Option between the first business day of the 13th month following the First Trading Date and the tenth anniversary of the day the Option is granted (the “**Grant Date**”) and (ii) a Bonus Option between the first business day of the 13th month following the First Trading Date and the 30th calendar day following the fourth anniversary of the First Trading Date, unless the Board of Directors allows an early exercise for option holders who cease to be employees of the Group in the 12 months following the First Trading Date.

Lapse

An Option holder may not transfer or assign, or have any charge or other security interest created over an Option (or any right arising under it). An Option shall lapse if the relevant Option holder attempts to take any of those actions. However, the transfer of an Option to an Option holder’s personal representatives on the death of the Option holder is not restricted.

An Option shall also lapse on the earliest of the following events, inter alia: (i) the end of the 14-day period after the Grant Date if the Option holder has not signed and returned the option agreement; (ii) any attempted restricted transfer; (iii) when the Board decides that a condition to exercise has become wholly or partly incapable of being met; (iv) any specified date on which the Option shall lapse as specified in the relevant option agreement; (v) the first anniversary of the Option holder’s death; and (vi) the Option holder becomes bankrupt or insolvent.

Termination of employment

An Option holder who gives or receives notice of termination of employment (whether or not lawful) and an Option holder who ceases to be an employee (whether or not following notice) may not exercise an Option at any time while the notice remains effective or after ceasing to be an employee, except where: (i) the Board permits the exercise pursuant to the EMI Plan; or (ii) the employment terminates as a result of injury, illness, disability, retirement, the Option holder’s employer ceasing to be a member of the Group, the transfer of the business that employs the Option holder to a person that is not a member of the Group, or an exit occurs within twelve months of the Option holder ceasing to be an employee.

13. DESCRIPTION OF SHARE CAPITAL AND CORPORATE GOVERNANCE

Set out below is a summary of certain relevant information concerning the Company's share capital and of certain significant provisions of English, Dutch and EU laws and the Articles of Association. It is based on relevant provisions of English, Dutch and EU laws as in effect on the date of this Prospectus and the Articles of Association as these will be in effect ultimately on the Settlement Date.

This summary does not purport to give a complete overview and should be read in conjunction with, and is qualified in its entirety by reference to the relevant provisions of, English law and Dutch law as in effect on the date of this Prospectus, the Articles of Association and the Board Rules, in each case as they will be in effect ultimately on the Settlement Date. The Articles of Association in the governing English language as well as the Board Rules in the English language are available on the Company's website (www.motork.io). See also Section 12 (*Management and Employees*) for a summary of certain material provisions of the Board Rules and the laws of the UK relating to the Board.

13.1 General

The Company is currently a private limited company with the name MotorK Limited, incorporated under the laws of England and Wales. The commercial name is "MotorK". In accordance with section 755 of the Companies Act 2006 and as part of the terms of the Offering, the Company has undertaken to re-register as a public limited company with the name MotorK plc prior to Admission. The registered office address of the Company is 2 Kemp House, 152 City Road, EC1V 2NX, London (UK) and the telephone number is +39 02 3675 8637. The Company is registered with the trade register of the Registrar of Companies of England and Wales under number 09259000. Its LEI is 984500E0A1C4DLBA3878.

The principal laws and legislation under which the Company operates and the Shares have been created is the UK Companies Act and regulations made thereunder.

13.2 Authorised, Issued and Outstanding Share Capital

As of the date of this Prospectus, the issued share capital of the Company amounts to €286,135.74 and consists of 28,613,574 Existing shares with a nominal value of €0.01 each.

At the date of this Prospectus, there is no authorised capital and all Existing Shares are fully paid-up.

The net asset value per Share (*i.e.*, the total net assets of the Company divided by 28,613,574 Existing Shares) as of the date of the latest balance sheet (*i.e.*, December 31, 2020) before the Offering is €0.15. The Offer Price is expected to be set within the range of €7.30 to €9.70 (inclusive) per Offer Share.

As of the date of this Prospectus, no Shares are held by the Company. At the date of this Prospectus, all issued Shares are fully paid-up and are subject to, and have been issued under, UK law. The table below shows the expected number of issued and outstanding Shares: (i) immediately prior to Admission and (ii) immediately following Admission assuming the maximum number of Offer Shares are purchased, (a) without Greenshoe Option being exercised; (b) with full exercise of the Greenshoe Option; (c) without the Increase Option being exercised; and (d) with full exercise of the Increase Option.

	Shares prior to Admission	Shares following Admission assuming the maximum number of Offer Shares are purchased			
		Without exercise of the Increase Option and the Greenshoe Option	Without exercise of the Increase Option and with exercise of the Greenshoe Option in full	With exercise of the Increase Option and the Greenshoe Option in full	With exercise of the Increase Option in full and without exercise of the Greenshoe Option
Shares.....	28,613,574	46,421,793	46,421,793	49,093,025	49,093,025

At the date of this Prospectus the Company holds no Shares as treasury shares.

13.3 History of Share Capital

A1.19.1.7

Set out below is an overview of the amount of the Company's issued share capital for the years ended December 31, 2018, 2019 and 2020, during each of which the nominal value remained at €0.01 per Share.

	Year ended December 31		
	2020	2019	2018
(in € thousands)			
Share Capital	273	273	261
Shares	27,250,964	27,250,946	26,077,600

On October 18, 2021, the Company resolved to approve the conversion of all the pre-existing classes of shares into dematerialized Shares, with regular dividend rights, at an exchange ratio of one Share for each class of shares, with effects from the First Trading Date.

On the same date, the Company also resolved, among other things, to increase its share capital (i) for the purpose of the Offering; (ii) to service the EMI Plan (see "*Employees' Stock Option Plan*") and (iii) to service the payment of a portion of the purchase price for the acquisition of certain Spanish and French companies (see "*Acquisition of Spanish and French Companies in October 2021*").

13.4 Corporate Objects

Pursuant to the Articles of Association and in accordance with the UK Companies Act, the Company's corporate objects are unrestricted

A1.19.2.1

13.5 Form and Transfer of Shares

All Offer Shares will be delivered in book-entry form and will be credited on or about the Settlement Date to the securities accounts of the investors via Euroclear Nederland, the Dutch central securities depository with registered office at Herengracht 459-469, 1017 BS Amsterdam, the Netherlands.

Shares traded on Euronext Amsterdam will be transferred through book-entry on the accounts of investors with intermediaries that are participants in Euroclear Nederland or intermediaries that hold, directly or indirectly, accounts with participants in Euroclear Nederland. Any and all rights and obligations attaching to the shares of the Company held by Euroclear Nederland (as 'member', and in relation to which shares each EI Holder holds its interest) shall, to the extent legally permissible, accrue to, be exercisable by and against, and be enforced by and against, the relevant EI Holder in accordance with and pursuant to the Dutch Giro Securities Transfer Act. Such rights shall include the right to exercise voting rights and receive dividends in respect of the relevant shares, and such obligations shall include the obligation to make a mandatory bid in the circumstances described in Section 13.22 (*Applicable Bidding Rules*). Interests in Shares (voting securities) are held in accordance with the provisions of the Dutch Giro Securities Transfer Act (through the systems maintained by Euroclear Nederland). The Company expects to be able to exercise and enforce its rights to the fullest extent permitted by law against any person holding interests in the Company's shares traded and settled through Euroclear Nederland ("**EI Holder**") breaching the Articles of Association, and expects EI Holders to be able to enforce their rights to the fullest extent permitted by law against the Company. In this regard, references in the Articles of Association to "Shareholders" include those persons entered into the Company's register of members as 'members', and those persons holding interests in the Company's shares traded and settled through Euroclear Nederland as 'EI Holders'.

13.6 The Company's Shareholders' Register

All Shares will be held on Admission in a collective deposit or giro deposit as referred to in the Dutch Giro Securities Transfer Act as set out above, and so the name and address of the intermediary or the central institute, being Euroclear Nederland, shall be entered in the Shareholders' register, stating the date on which those Shares became part of a collective deposit or the giro deposit, the date of acknowledgement or service as well as the paid-up amount on each Shares.

Subject to the provisions of the UK Companies Act, and without prejudice to any rights attached to any existing shares or class of shares: (i) any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine or, subject to and in default of such determination, as the Board shall determine; and (ii) shares may be issued which are to be redeemed or are liable to be redeemed at the option of the Company or the holder and the Board may determine the terms, conditions and manner of redemption of such shares *provided that* it does so prior to the allotment of those shares.

The Company may from time to time pass an ordinary resolution authorising, in accordance with section 551 of the Companies Act 2006, the Board to exercise all the powers of the Company to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company up to the maximum nominal amount specified in the resolution. Prior to Admission, the Company expects to put the following member's written resolutions to the Selling Shareholders:

- A resolution (the “**Allotment Resolution**”) that the Board is authorised for the purposes of section 551 of the Companies Act 2006, without prejudice to the continuing authority of the Board to allot Shares or grant rights to subscribe for or convert any security into Shares pursuant to an offer or agreement by the Company before the expiry of the authority under which such offer or agreement was made to allot Shares and to grant rights to subscribe for or to convert any security into shares in the Company, for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) at the end of the next annual general meeting of the Company (or, if earlier, at the close of business on the date falling 15 months after the resolution conferring it is passed):
 - (a) up to approximately one-third of the aggregate nominal value of the share capital of the Company on the day following Admission, or
 - (b) up to approximately two-thirds of the aggregate nominal value of the share capital of the Company on the day following Admission in connection with an offer by way of a rights issue to holders of Shares in proportion (as nearly as practicable) to their existing holdings or to people who are holders of other equity securities if this is required by the rights of those equity securities, or if the Directors consider it necessary, as permitted by the rights of those equity securities,

in each case subject to such exclusions or other arrangements as the Board deems necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter.

Subject (other than in relation to the sale of treasury shares) to the Board being generally authorised to allot shares and grant rights to subscribe for or to convert any security into shares in the Company in accordance with section 551 of the Companies Act 2006, the Company may from time to time resolve, by special resolution, that the Board be given power to allot equity securities for cash as if section 561 of the Companies Act 2006 did not apply to the allotment but that power shall be limited: (A) to the allotment of equity securities in connection with a rights issue; and (B) to the allotment (other than in connection with a rights issue) of equity securities having a nominal amount not exceeding in aggregate the sum specified in the special resolution. The authority shall expire on the day specified in the resolution.

The Company intends to follow: (i) The Investment Association guidelines in relation to the maximum authority to be proposed at each annual general meeting of the Company for allotment of shares (including in relation to fully pre-emptive rights issues); and (ii) the Pre-Emption Group principles in relation to the maximum authority to be proposed at each annual general meeting of the Company in relation to disapplying pre-emption rights. Prior to Admission, the Company expects to put the following member's written resolutions to the Selling Shareholders:

- A resolution authorising the Board pursuant to sections 570 and 573 of the Companies Act 2006, in substitution for any prior authority conferred upon the Board, for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) at the end

of the next annual general meeting of the Company (or, if earlier, at the close of business on the date falling 15 months after the date of the general meeting at which the resolution was passed), but without prejudice to any allotments made pursuant to the terms of such authorities, to allot equity securities (as defined in the Companies Act 2006) for cash pursuant to the Allotment Resolution, as if section 561(1) of the Companies Act 2006 did not apply to such allotment, such power being limited to:

- (a) the allotment of equity securities in connection with an offer of equity securities to holders of Shares in proportion (or as nearly as may be practicable) to their existing holdings and to people who are holders of other equity securities if this is required by the rights of those securities, but in each case subject to such exclusions or other arrangements as the Board deems necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and
 - (b) the allotment of equity securities for cash (other than as described at paragraph (b) above) up to an aggregate nominal value of 5% of the issued share capital of the Company immediately following Admission.
- A resolution stating that, in addition to any authority granted pursuant to the Allotment Resolution, the Board is further authorised pursuant to section 570 and section 573 of the Companies Act 2006, for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) at the end of the next annual general meeting of the Company (or, if earlier, at the close of business on the date falling 15 months after the date of the general meeting at which the resolution was passed), to allot equity securities (within the meaning of section 560(1) of the Companies Act 2006) for cash pursuant to the Allotment Resolution as if section 561 of the Companies Act 2006 did not apply to such allotment, such power being:
 - (a) limited to the allotment of equity securities for cash up to an aggregate nominal value of 5% of the issued share capital of the Company immediately following Admission; and
 - (b) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Board determines to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of the notice in respect of such resolution.

13.8 Acquisition of Own Shares

The Articles of Association do not restrict the Company's ability to purchase its own shares. Therefore, subject to the UK Companies Act and without prejudice to any relevant special rights attached to any class of shares, the Company may purchase any of its own shares of any class in any way and at any price (whether at par or above or below par).

However, English law generally prohibits the Company from repurchasing its own shares by way of off market purchases without the prior approval of the shareholders by ordinary resolution. Such approval has not currently been sought or obtained. English law prohibits the Company from conducting on market purchases as its shares will not be traded on a recognised investment exchange in the UK. Therefore, the Company will not be able to effect any buy-back of its shares until a buy-back contract has been approved by ordinary resolution of the Company's relevant shareholders. Such approval may last for up to five years from the date of the ordinary resolution, and renewal of such approval for additional five year terms may be sought more frequently.

13.9 Variation of Rights

Rights attached to any class of shares may be varied or abrogated with the written consent of the holders of three-quarters in nominal value of the issued shares of the class, or the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class.

13.10 Lien and forfeiture

The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys payable to the Company (whether presently or not) in respect of that share. The Company may sell, in such manner as the Board determines, any share on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within 14 clear days after notice has been sent to the holder of the share demanding payment and stating that if the notice is not complied with the share may be sold.

Subject to the terms of the allotment, the Board may from time to time make calls on the members in respect of any moneys unpaid on their shares. Each member shall (subject to receiving at least 14 clear days' notice) pay to the Company the amount called on his or her shares. If a call or any instalment of a call remains unpaid in whole or in part after it has become due and payable, the Board may give the person from whom it is due not less than 14 clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued and any costs, charges and expenses incurred by the Company by reason of such non-payment. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.

13.11 Transfer of Shares

If a Share is transferred for inclusion in a collective deposit, the transfer will be accepted by the intermediary concerned. If a registered 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 Share to Euroclear Nederland or to an intermediary, the transfer and acceptance in order to include the Share in the giro deposit or the collective deposit will be effected without the cooperation of the other participants in the collective deposit or the giro deposit, respectively. Deposit shareholders are not recorded in the Company's shareholders register. Shares included in the collective deposit or giro deposit can only be delivered from a collective deposit or giro deposit in limited circumstances with due observance of the related provisions of the Dutch Giro Securities Transfer Act. The transfer by a deposit Shareholder of its book-entry rights representing such Shares shall be effected in accordance with the provisions of the Dutch Giro Securities Transfer Act. The same applies to the establishment or transfer of a right of pledge and the establishment or transfer of a usufruct on these book-entry rights.

13.12 Alteration of share capital

The Articles of Association do not restrict the Company's ability to increase, consolidate or sub-divide its share capital. Therefore, subject to the UK Companies Act, the Company may by ordinary resolution increase, consolidate or sub-divide its share capital.

13.13 Annual Accounts and Semi-Annual Accounts

Following the end of the EU withdrawal transitional period on January 1, 2021, the UK is a third country issuer and as such certain specific publication obligations under the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) ("**DFSA**") with regard to financial reporting will apply in addition to obligations under UK Company law. The AFM is the Company's competent authority with respect to the EU Transparency Directive obligations as implemented into Dutch law.

Following Admission, the Company must prepare its annual accounts in accordance with the relevant provisions of the DFSA and the Dutch Civil Code (*Burgerlijk Wetboek*) (the "**DCC**") subject to review and accompanied by an auditor's statement by a Dutch law accredited auditor. Furthermore, the Board must prepare a board report in accordance with article 2:391 DCC. The annual accounts, the board report, and other information required under Dutch law must be made publicly available for inspection by the Shareholders in the Netherlands by means of a press release within four months after the end of the relevant financial year and must simultaneously be filed with the AFM and be kept publicly available for at least 10 years. When the annual accounts have been adopted by the Company's annual general meeting, they must be filed with the AFM within five days following adoption.

Additionally, under the UK Companies Act, the Company is required to file its annual accounts with the UK Companies House within 6 months of the end of the relevant accounting year, which filings

shall include its annual accounts, a Directors' remuneration report, a strategic report and a Directors' report. The accounts to be filed must be prepared in accordance with either generally accepted accounting practice in the UK or IFRS. Additionally, the accounts must be audited and the auditor is required to produce an independent auditor's report on those accounts. Under the UK Companies Act, the annual accounts are required to be laid before the Shareholders at the relevant annual general meeting, after having been circulated to Shareholders in advance of the annual general meeting.

Accordingly, post Admission, the annual accounts of the Company will be prepared, filed and presented to the annual general meeting in compliance with both the Dutch and the UK requirements mentioned above, including with regard to standards applied and prescribed formalities.

Within three months after the end of the first six months of each financial year, the Board must prepare semi-annual financial accounts and a semi-annual board report and make them publicly available for inspection by the Shareholders by means of a press release and simultaneously file them with the AFM. The semi-annual accounts must remain publicly available for at least 10 years. If the semi-annual financial statements are audited or reviewed, the Dutch law accredited auditor's report must be made publicly available together with the semi-annual financial statements.

13.14 Dividend and Other Distributions

(a) *General*

Subject to the provisions of the UK Companies Act, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the Board. Dividends must be distributed out of profits available for the purpose. Except as otherwise provided by the rights and restrictions attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid, but no amount paid on a share in advance of the date on which a call is payable shall be treated for these purposes as paid on the share.

No dividend or other moneys payable in respect of a share shall bear interest against the Company unless otherwise provided by the rights attached to the share.

(b) *Interim distribution*

Subject to the provisions of the UK Companies Act, the Board may pay interim dividends if it appears to the Board that they are justified by the profits of the Company available for distribution.

(c) *Distribution in kind*

The Board may, if authorised by an ordinary resolution of the Company, offer any holder of shares the right to elect to receive shares, credited as fully paid, by way of scrip dividend instead of cash in respect of the whole (or some part, to be determined by the Board) of all or any dividend.

(d) *Profit ranking of the Shares*

If the share capital is divided into different classes, the Board may also pay, at intervals determined by it, any dividend payable at a fixed rate if it appears to the Board that the profits available for distribution justify the payment. If the Board acts in good faith it shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.

(e) *Payment*

Any dividend which has remained unclaimed for six years from the date when it became due for payment shall, if the Board so resolves, be forfeited and cease to remain owing by the Company.

13.15 The General Meeting

(a) ***Annual General Meetings***

The Board shall convene and the Company shall hold general meetings as annual general meetings in accordance with the requirements of the UK Companies Act.

(b) ***General Meetings***

The Company will be authorised, by a Shareholders' written resolution expected to be passed prior to Admission, until the Company's next annual general meeting, to call general meetings on at least 14 clear days' notice.

(c) ***Place of General Meetings***

General meetings will be held in whatever place the notice calling for such general meeting so specifies. The Company may hold hybrid meetings by accommodating its Shareholders in attending an annual general meeting virtually through electronic means, without the need to physically attend the respective annual general meeting.

(d) ***Convocation Notice and Agenda***

An annual general meeting shall be called by at least 21 clear days' notice. Subject to the provisions of the UK Companies Act, all other general meetings may be called by at least 14 clear days' notice. Subject to the provisions of the UK Companies Act and the Company's Articles of Association, the notice shall specify the time and date of the meeting and the general nature of the business to be dealt with.

(e) ***Admission and Registration***

Subject to the provisions of the UK Companies Act, to the provisions of the Articles of Association and to any restrictions imposed on any Shares, the notice shall be sent to every member and every Director. The auditors are entitled to receive all notices of, and other communications relating to, any general meeting which any member is entitled to receive.

(f) ***Voting Rights***

Subject to any rights or restrictions attached to any Shares, on a vote on a resolution on a show of hands:

- every member who is present in person shall have one vote;
- subject to paragraph (c), every proxy present who has been duly appointed by one or more members entitled to vote on the resolution has one vote;
 - a proxy has one vote for and one vote against the resolution if:
 - the proxy has been duly appointed by more than one member entitled to vote on the resolution, and
 - the proxy has been instructed by one or more of those members to vote for the resolution and by one or more other of those members to vote against it.

Subject to any rights or restrictions attached to any Shares, on a vote on a resolution on a poll every member present in person or by proxy shall have one vote for every Share of which the person is the holder.

Any reference in the Articles of Association to a vote of, voting by or voting in respect of, in each case, a share in the Company, class of shares and/or specified nominal value of a class of shares in the Company shall be deemed to include any votes cast by the EI Holder in respect of such share or shares in the Company, *provided that* in the event more than one vote is cast in

respect of the same share in the Company then only the vote of the member (and not of any associated EI Holder) shall be counted by the Company.

13.16 Redemption and conversion rights

The terms of the Shares do not provide the holder thereof with conversion or redemption rights in relation to the Shares. A11.4.5

13.17 Dissolution and Liquidation

A11.4.5

Except as provided by the rights and restrictions attached to any class of shares, the holders of the Company's shares will under general law be entitled to participate in any surplus assets in a winding up in proportion to their shareholdings. A liquidator may, with the sanction of a special resolution and any other sanction required by the Insolvency Act 1986, divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members.

13.18 Identity of Shareholders

While the Company does not fall under the scope of Chapter 3a of the Dutch Giro Securities Transfer Act (*Wet giraal effectenverkeer*) (which only concerns companies incorporated under the laws of the Netherlands or under the laws of another Member State), for the purpose of identifying the Shareholders, the Company may request Euroclear Nederland to apply (on a voluntary basis) the procedures in accordance with Chapter 3a of the Dutch Giro Securities Transfer Act and in turn request on a voluntary basis admitted institutions, intermediaries, institutions abroad, and managers of investment institutions, to provide under the conditions provided for by applicable laws and regulations, the identification of the Shareholders that have an immediate or future right to vote at General Meetings as well as the number of Shares held by each of the Shareholders and any restrictions applicable thereto. In line with rules under the Dutch Giro Securities Transfer Act, the request should only be made in relation to Shareholders with an interest of 0.5% or more of the issued share capital. The addressee of such request should send the information to the Company without delay. If the addressee does not have the requested information, the request should be passed on by it through the custody chain (i.e., to the next party for whom it holds the Shares) until it reaches the party who has the requested information, which party should then send such information to the Company without delay. 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 request Euroclear Nederland (on a voluntary basis) to apply the procedures set out above to establish the identity of the Shareholders. In line with the provisions of the Dutch Giro Securities Transfer Act, such request should 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.

13.19 Dutch Financial Reporting Supervision Act

Pursuant to the Dutch Financial Reporting Supervision Act (*Wet toezicht financiële verslaggeving*), the AFM supervises the application of financial reporting standards by, among others, companies whose corporate seat is in the Netherlands and companies whose securities are listed on a regulated market in the Netherlands, such as the Company.

Pursuant to the Dutch Financial Reporting Supervision Act, the AFM has an independent right to (i) request an explanation from the Company regarding its application of the applicable financial reporting standards and thereafter (ii) make informal arrangements with the Company that must be observed in the future or make a notification to the Company that its financial reports do not meet the applicable financial reporting standards, which notification may be accompanied by a recommendation to the Company to issue a press release on the subject matter. If the Company does not (adequately) comply with such a request or recommendation, the AFM may request the enterprise chamber of the court of appeal in Amsterdam (*Ondernemingskamer van het Gerechtshof te Amsterdam*) (the “**Enterprise Chamber**”) to order the Company to (a) provide an explanation regarding its application of the applicable financial reporting standards or (b) prepare its financial reports in accordance with the Enterprise Chamber's instructions.

13.20 Dutch Governance Code

In anticipation of Admission, the Company conducted a review of its corporate governance and sought to determine the most appropriate recognised governance code for it to report against going forward given that neither the UK Corporate Governance Code nor the Dutch Governance Code will mandatorily apply to the Company from Admission. Following this review, the Company determined to voluntarily adopt the Dutch Governance Code from Admission.

The Dutch Governance Code, as amended, was published on December 8, 2016 and entered into force on January 1, 2017. The Dutch Governance Code contains principles and best practice provisions for the Board, the Shareholders and General Meeting, financial reporting, auditors, disclosure, compliance and enforcement standards, and is based on a “comply or explain” principle. Accordingly, the Company will be required to disclose in its annual reports whether or not it is in compliance with the various principles and provisions of the Dutch Governance Code and, in the event that the Company deviates from a best practice provision in the Dutch Governance Code, the reason for such deviation must be properly explained in its annual report. A copy of the Dutch Governance Code can be found on www.mccg.nl.

The Company acknowledges the importance of good corporate governance. The Company fully endorses the underlying principles of the Dutch Governance Code and applies the Dutch Governance Code as the guiding principles for its corporate governance policy. The Company complies with relevant best practice provisions of the Dutch Governance Code. The deviations from the Dutch Governance Code are noted below (or in the case of any future deviation, subject to explanation thereof at the relevant time):

- (a) best practice provisions 2.1.7 (ii) and (iii) which provide that the total number of Non-Executive Directors that are independent according to the criteria of the Dutch Governance Code should account for more than half of the total number of Non-Executive Directors and that for each shareholder, or group of affiliated shareholders, who directly or indirectly hold more than ten percent of the shares in the company, there is at most one Non-Executive Director who can be considered to be affiliated with or representing them as stipulated in the meaning of the Dutch Governance Code. It is expected that at Admission, out of the four Non-Executive Directors three qualify as independent (*i.e.*, Amir Rosentuler, Mans Hultman and Mauro Pretolani) within the meaning of the Dutch Governance Code. The Company deviated from the best practice provisions 2.1.7 (ii) and (iii) in order to maintain its Directors, each of which has a deep understanding of the Company and the industry in which the Company operates. In particular, the Non-Executive Director, Laurel Charmaine Bowden (who does not qualify as independent) is a partner at 83 North (one of the Relevant Shareholders).
- (b) best practice provision 3.1.2 which provides that, *inter alia*, the following aspects should be taken into consideration when formulating the remuneration policy (a) if shares are being awarded, the terms and conditions governing this. Shares shall be held for at least five years after they are awarded; and (b) if share options are being awarded, the terms and conditions governing this and the terms and conditions subject to which the share options can be exercised. Share options cannot be exercised during the first three years after they are awarded. A number of the options granted under the EMI Plan will vest and be exercisable also within the first three years following the IPO. Also, the lock-up commitments agreed upon in connection with the shares resulting from the exercise of the options granted under the EMI Plan will expire prior to five years following the award of such shares. The Company deviated from the best practice provision 3.1.2 in order to maintain its Directors, each of which has a deep understanding of the Company and the industry in which the Company operates.

13.21 Significant transactions

The Articles of Association provide that, in relation to any of the transactions set out below, the Company is required to obtain the prior approval of the shareholders as set out below and ensure that any agreement effecting such transaction is conditional on such approval being obtained, unless such transaction is required or directed by any regulatory authority with jurisdiction over the Company. The relevant transactions and shareholder approval thresholds are:

- at least 75% of a general meeting of the Company for any transaction that would result in an important change in the Group's identity or character (unless such transaction falls within the scope of the 50% voting threshold below), including in any case:
- the transfer to a third party of the business of the Group or practically the entire business of the Group; or
- the disposal by the Company or a Group Company of an interest in the capital of a company with a value of at least one-third of the Company's assets according to the consolidated balance sheet with explanatory notes included in the last adopted annual accounts of the Company;
- at least 50% of a general meeting of the Company for any merger by the Company with, or acquisition by the Company or a Group Company of an interest in the capital of, a company with a value of at least one-third of the Company's assets (in aggregate) according to the consolidated balance sheet with explanatory notes included in the last adopted annual accounts of the Company; and
- at least 75% of a general meeting of the Company for the entry into any material joint venture or partnership arrangement (for these purposes "material" means with a value of at least one-third of the Company's assets according to the consolidated balance sheet with explanatory notes included in the last adopted annual accounts of the Company).

13.22 Applicable Bidding Rules

(a) *Dutch bidding rules*

The Directive on Takeover Bids (2004/25/EC) has been implemented in the DFSA and certain rules promulgated thereunder, including the Dutch Decree on Takeover Bids (*Besluit openbare biedingen Wft*).

A1.19.2.3

A11.4.9

In general, under the Dutch takeover provisions, it is prohibited to launch a public offer for securities that are admitted to trading on a Dutch regulated market, such as the Shares, unless an offer document has been approved by, in the case of the Company, the AFM and has subsequently been published. The Dutch takeover provisions are intended to ensure that, in the event of a public offer, sufficient information will be made available to the Shareholders, that the Shareholders will be treated equally, that there will be no abuse of inside information and that there will be a proper and timely offer period. Certain parts of the Dutch takeover provisions, matters relating to the consideration offered in the case of a bid, in particular the price, and matters relating to the bid procedure, in particular the information on the offeror's decision to make a bid, the contents of the offer document and the disclosure of the bid, are applicable to the Company as the Shares are admitted to trading on Euronext Amsterdam. However, the part of the Dutch takeover provisions regarding mandatory takeover bids, in terms of when a mandatory takeover bid is triggered (including as regards acting in concert related considerations), do not mandatorily apply to the Company, as the Company is not incorporated under the laws of the Netherlands. The Company will not be subject to the provisions of the UK City Code upon Admission as, for the purposes of the UK City Code, the Company's place of central management and control, upon Admission, will be outside of the UK, the Channel Islands or the Isle of Man. Therefore, as confirmed by the Takeover Panel, the Company will not be subject to the provisions of the UK City Code upon Admission.

However, to protect the minority shareholders of the Company in circumstances where any person acquires direct or indirect predominant control of the Company by obliging that person to make an offer to all the holders of the Company's voting securities for all their holdings at an equitable price, the part of the Dutch takeover provisions regarding mandatory takeover bids, in terms of when a mandatory takeover bid is triggered (including as regards acting in concert related considerations) will be made applicable to the Company by virtue of its inclusion in the Articles of Association. The Articles of Association will provide that the Company and each shareholder (which for these purposes includes EI Holders) submits to arbitration in relation to certain matters concerning the application of the Dutch takeover provisions, *provided that* if,

for any reason, the relevant arbitral tribunal decides that it has no jurisdiction, the matter shall be referred to the English courts for resolution.

By virtue of the Articles of Association, the relevant provisions of the DFSA regarding mandatory public offers apply through incorporation by reference. As such, in line with Section 5:70 of the DFSA, any person - whether acting alone or in concert with others - who, directly or indirectly, acquires a controlling interest in the Company will be obliged to launch a mandatory public offer for all outstanding shares in the share capital of the Company. Acquiring direct or indirect predominant control is deemed to exist if a (legal) person is able to exercise, alone or acting in concert, at least 30% of the voting rights in the General Meeting. An exception is made for, amongst others, Shareholders who - whether alone or acting in concert with others - (i) have an interest of at least 30% of the Company's voting rights before the Shares are first admitted to trading on Euronext Amsterdam and who still have such an interest after such first admittance to trading, and (ii) reduce their holding to below 30% of the voting rights within 30 days of the acquisition of the controlling interest *provided that* (a) the reduction of their holding was not effected by a transfer of Shares to an exempted party and (b) during such period such Shareholders or group of Shareholders did not exercise their voting rights.

The Articles of Association provide that if a shareholder (either alone or acting in concert) acquires direct or indirect predominant control of the Company and fails to make a mandatory bid as required by the Articles of Association and the Dutch takeover provisions, as incorporated into the Articles of Association, then (for so long as such breach remains unremedied) the voting and dividend rights attaching to the relevant shareholder's (and its concert parties) shares shall be suspended and the relevant shareholder (and its concert parties) shall be prohibited from participating (including voting) in any general meeting of the Company.

In addition, it is prohibited to launch a public takeover bid for shares of a listed company, such as the Shares, unless an offer document has been approved by the AFM. A public takeover bid may only be launched by way of publication of an approved offer document unless a company makes an offer for its shares. The Dutch takeover provisions are intended to ensure that in the event of a public takeover bid, among others, sufficient information will be made available to the holders of the shares, the holders of the shares will be treated equally, that there will be no abuse of inside information and that there will be a proper and timely offer period.

(b) ***UK City Code on Takeovers and Mergers***

For the purposes of the UK City Code, the Company's place of central management and control, upon Admission, will be outside of the UK, the Channel Islands or the Isle of Man. Therefore, as confirmed by the Takeover Panel, the Company will not be subject to the provisions of the UK City Code upon Admission.

In the event the Takeover Panel determines the Company's place of central management and control, for the purposes of the UK City Code, to be in the UK, the Channel Islands or the Isle of Man at some point after Admission, during any such period where the UK City Code applied to the Company, it would be for the offeror to agree the division of applicable rules with the AFM and the Takeover Panel. The Articles of Association contain provisions requiring the Board to manage its affairs (including succession planning) to ensure that a majority of Directors are resident outside of the UK, the Channel Islands or the Isle of Man so as to minimise the likelihood of the UK City Code applying to the Company, although a range of factors would be assessed by the Takeover Panel to determine the Company's place of central management and control for the purposes of the UK City Code.

(c) ***UK Companies Act***

i. Squeeze-out

Under the UK Companies Act, if an offeror were to make an offer to acquire all of the shares in the Company not already owned by it and were to acquire 90% of the shares to which such offer related, it could then compulsorily acquire the remaining 10%. The offeror would do so by sending a notice to outstanding members telling them that it will compulsorily acquire their shares and then, six weeks later, it would deliver a transfer of the outstanding shares in its favour to the Company which would execute the transfer on behalf of the relevant members, and pay the consideration to the Company which would hold the consideration on trust for outstanding members. The consideration offered to the members whose shares are compulsorily acquired under this procedure must, in general, be the same as the consideration that was available under the original offer unless a member can show that the offer value is unfair.

ii. Sell-out

The UK Companies Act also gives minority members a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer related to all the shares in the Company and, at any time before the end of the period within which the offer could be accepted, the offeror held or had agreed to acquire not less than 90% of the shares, any holder of shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those shares. The offeror would be required to give any member notice of his/her right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority members to be bought out, but that period cannot end less than three months after the end of the acceptance period or, if later, three months from the date on which notice is served on members notifying them of their sell-out rights. If a member exercises his/her rights, the offeror is entitled and bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

13.23 Obligations of Shareholders, the Company and Directors to Notify Holdings of Shares and Voting Rights

(a) Shareholders

Shareholders may be subject to notification obligations under the DFSA. Shareholders are advised to consult with their own legal advisors to determine whether the notification obligations apply to them.

Pursuant to chapter 5.3 of the DFSA, any person who, directly or indirectly, acquires or disposes of an actual or potential capital interest and/or voting rights in the Company must immediately give written notice to the AFM of such acquisition or disposal if, as a result of such acquisition or disposal, the percentage of capital interest and/or voting rights held by such person reaches, exceeds or falls below the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%.

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/or voting rights directly held (or acquired or disposed of) by any person; (ii) Shares and/or voting rights held (or acquired or disposed of) by such person's controlled entities or by a third party for such person's account; (iii) voting rights held (or acquired or disposed of) by a third party with whom such person has concluded an oral or written voting agreement; (iv) voting rights acquired pursuant to an agreement providing for a temporary transfer of voting rights in consideration for a payment; (v) Shares which such person (directly or indirectly), or any controlled entity or third party referred to above, may acquire pursuant to any option or other right to acquire Shares; (vi) Shares which determine the value of certain cash settled financial instruments such as contracts for difference and total return swaps; (vii) Shares that must be acquired upon exercise of a put option by a counterparty; and (viii) Shares which are the subject of another contract creating an economic position similar to a direct or indirect holding in those Shares.

Controlled entities (*gecontroleerde ondernemingen* within the meaning of the DFSA) do not themselves have notification obligations under the DFSA as their direct and indirect interests are attributed to their (ultimate) parent. Any person may qualify as a parent for purposes of the DFSA, including an individual. If a person who has a 3% or larger interest in the Company's share capital or voting rights ceases to be a controlled entity it must immediately notify the AFM and all notification obligations under the DFSA will become applicable to such former controlled entity.

Special attribution rules apply to the attribution of Shares and/or voting rights which are part of the property of a partnership or other form of joint ownership. A holder of a pledge or right of usufruct in respect of Shares can also be subject to notification obligations, if such person has, or can acquire, the right to vote on the Shares. The acquisition of (conditional) voting rights by a pledgee or beneficial owner may also trigger notification obligations as if the pledgee or beneficial owner were the legal holder of the Shares and/or voting rights.

For the same purpose, the following instruments qualify as "shares": (a) shares, (b) depositary receipts for shares (or negotiable instruments similar to such receipts), (c) negotiable instruments for acquiring the instruments under (a) or (b) (such as convertible bonds), and (d) options for acquiring the instruments under (a) or (b).

Furthermore, when calculating the percentage of capital interest a person is also considered to be in possession of Shares if (i) such person holds a financial instrument the value of which is (in part) determined by the value of the Shares or any distributions associated therewith and which does not entitle such person to acquire any Shares, (ii) such person may be obliged to subscribe for or purchase Shares on the basis of an option, or (iii) such person has concluded another contract whereby such person acquires an economic interest comparable to that of holding Shares.

If a person's capital interest and/or voting rights reaches, exceeds or falls below the above-mentioned thresholds as a result of a change in the Company's issued and outstanding share capital or voting rights, such person is required to make a notification not later than on the fourth trading day after the AFM has published the Company's notification in relation to the Company's issued and outstanding share capital or voting rights.

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 any of the above mentioned thresholds as a consequence of a different composition by means of an exchange or conversion into shares or the exercise of rights pursuant to an agreement to acquire voting rights, shall notify the AFM at the latest within four trading days after the date on which the holder knows or should have known that his interest reaches, exceeds or falls below a threshold.

(b) ***The Company***

Under the DFSA, the Company is required to notify the AFM promptly after Settlement of the Company's issued and outstanding share capital and voting rights. Thereafter the Company is required to notify the AFM promptly of any change of 1% or more in the Company's issued and outstanding share capital or voting rights since the previous notification. Other changes in the Company's issued and outstanding share capital or voting rights must be notified to the AFM within eight days after the end of the quarter in which the change occurred.

(c) ***Directors***

Furthermore, pursuant to the Market Abuse Regulation, persons discharging managerial responsibilities (each a "**PDMR**") must notify the AFM and the Company of any transactions conducted for his or her own account relating to 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: (a) Directors; or (b) members of the senior management who have regular access to inside information relating directly or indirectly to the Company

and who have 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 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 PDMR 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). When calculating whether the threshold is reached or exceeded, PDMRs must add any transactions conducted by persons closely associated with them to their own transactions and *vice versa*. The first transaction reaching or exceeding the threshold must be notified as set forth 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.

(d) ***Public registry***

The AFM does not issue separate public announcements of the notifications. It does, however, keep a public register of and publishes all notifications made pursuant to the DFSA and the Market Abuse Regulation at its website (www.afm.nl). 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.

13.24 Short Positions

(a) ***Net Short Position***

Pursuant to Regulation (EU) No 236/2012, each person holding a net short position attaining 0.2% of the issued share capital of the Company is required to notify such position to the AFM. Each subsequent increase of this position by 0.1% above 0.2% will also have to be reported. Each net short position equal to 0.5% of the issued share capital of the 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.

(b) ***Gross Short Position***

Furthermore, each person holding a gross short position in relation to the issued share capital of the Company that reaches, exceeds or falls below one of the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%, must immediately give written notice to the AFM.

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 is required to make a notification not later than on the fourth trading day after the AFM has published the Company's notification in the public register of the AFM.

The AFM keeps a public register of the short selling notifications. Shareholders are advised to consult with their own legal advisors to determine whether any of the above short selling notification obligations apply to them.

(c) ***Non-compliance with disclosure obligations***

Non-compliance with these notification obligations is an economic offence (*economisch delict*) and may lead to the imposition of criminal fines, administrative fines, imprisonment or other sanctions. The AFM may impose administrative sanctions or a cease-and-desist order under penalty for non-compliance, and the publication thereof. 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.

In addition, a civil court can impose measures against any person who fails to notify or incorrectly notifies the AFM of matters required to be notified. A claim requiring that such measures be imposed may be instituted by the Company, or by one or more Shareholders who alone or together with others represent at least 3% of the issued and outstanding share capital of the Company or voting rights. The measures that the civil court may impose include:

- an order requiring the person with a duty to disclose to make the appropriate disclosure;
- suspension of the right to exercise the voting rights by the person with a duty to disclose for a period of up to three years as determined by the court;
- voiding 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 with a duty to disclose, or suspension of a resolution adopted by the General Meeting until the court makes a decision about such voiding; and
- an order to the person with a duty to disclose to refrain, during a period of up to five years as determined by the court, from acquiring Shares or voting rights in the Company.

13.25 Market Abuse Rules

The regulatory framework on market abuse is laid down in the Market Abuse Directive (2014/57/EU) as implemented in Dutch law and the Market Abuse Regulation which is directly applicable in the Netherlands in respect of companies listed on Euronext Amsterdam. The provisions of the UK Market Abuse Regulation dealing with inside information, insider dealing, unlawful disclosure of inside information and market manipulation will also apply to the Shares given that the UK Market Abuse Regulation is directly applicable to financial instruments admitted to trading on a UK or an EU regulated market.

Pursuant to the Market Abuse Regulation and the UK Market Abuse Regulation, no natural or legal person is permitted to: (a) 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 Shares, (b) recommend that another person engages in insider dealing or induce another person to engage in insider dealing or (c) unlawfully disclose inside information relating to the Shares or the Company. Furthermore, no person may engage in or attempt to engage in market manipulation.

Inside information is any information of a precise nature relating (directly or indirectly) to the Company, or to the Shares or to other financial instruments, which information has not been made public and which, if it were made public, would be likely to have an effect on the price of the Shares or the other 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 be deemed to be inside information.

The Company will be under an obligation to make any inside information public as soon as possible and in a manner that enables fast access and complete, correct and timely assessment of the information. However, the Company may defer the publication of inside information if it can guarantee the

confidentiality of the information. Such deferral is only possible if the publication of the inside information is likely to damage the Company's legitimate interests and if the deferral does not risk misleading the market. If the Company makes use of this deferral right, it needs to inform the AFM thereof as soon as that information is made public. Upon request of the AFM, a written explanation needs to be provided setting out why a deferral was considered permitted. The Company is required to post and maintain on its website all inside information for a period of at least five years.

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 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.

13.26 Non-compliance with the Market Abuse Rules

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 offence (*economisch delict*) and/or a crime (*misdrijf*).

The public prosecutor could press criminal charges resulting in fines or imprisonment. If criminal charges are pressed, the public prosecutor 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.

The Company and any person acting on its behalf or on its account is obligated to draw up an insider 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.

As certain provisions of the UK Market Abuse Regulation are applicable to the Shares as set out in 15.26 above, the FCA also has the power to impose penalties in respect of a breach of those provisions, which may include a fine, public censure, an order to make restitution or a restraining injunction.

13.27 Insider Trading Policy

The Company has adopted an insider trading policy in relation to the Shares which is based on the requirements of the Market Abuse Regulation. The policy adopted will apply to all persons working, under a contract of employment or otherwise, for the Group, including independent contractors, Directors and other PDMRs.

13.28 Transparency Directive

The Netherlands is 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 DFSA in respect of certain on-going transparency and disclosure obligations.

14. THE OFFERING

14.1 Introduction

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A11.5.1.2

A11.5.2.1

A11.5.2.3

A11.7.2

The Company and the Selling Shareholders are offering (i) up to 17 million newly issued ordinary shares with a nominal value of €0.01 each in the Company's share capital (the "**New Shares**"), (ii) subject to the exercise of an irrevocable and unconditional option granted to the Sole Global Coordinator (as defined below) acting on behalf of the Underwriters (as defined below) by the Company to increase the number of Shares to be offered (*i.e.*, the New Shares) by up to 15% (the "**Increase Option**"), representing up to 2,671,232 Shares, newly issued ordinary shares with a nominal value of €0.01 each (the "**Increase Option Shares**") and (iii) up to 3,071,917 Shares from the holdings of the Selling Shareholders (*i.e.*, up to 15% of the sum of the New Shares and the Increase Option Shares) to cover any over-allotments (the "**Over-Allotment Shares**" and, collectively with the New Shares and the Increase Option Shares, the "**Offer Shares**"). In this context, the Selling Shareholders have granted an option (the "**Greenshoe Option**") to Berenberg (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 acquire from the Selling Shareholders additional Shares (the "**Greenshoe Shares**"), comprising up to 15% of the total number of New Shares sold in the Offering (in any case not higher than the number of Over-Allotment Shares), thus satisfying the retransfer obligation under the securities loan.

Assuming no Over-Allotment (as defined below), but the exercise of the Increase Option, the Offer Shares will constitute not more than 41.7% of the issued Shares. Assuming full Over-Allotment (as defined below) and the exercise of the Increase Option, the Offer Shares will constitute not more than 48.0% of the issued Shares.

The Offering consists of private placements to a range of institutional investors in various jurisdictions. The Offer Shares are being offered to: (i) persons in EEA Member States who are Qualified Investors within the meaning of the Prospectus Regulation; (ii) persons in the UK who are qualified investors within the meaning of Article 2(e) of the Prospectus Regulation as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 who are persons having professional experience in matters relating to investments falling within Article 19(5) of the FPO, or high net worth entities falling within Article 49(2)(a) to (d) of the FPO or 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; and (iii) certain institutional investors in Canada, Australia, New Zealand and any other jurisdictions outside the EEA exempt from the obligation to approve and passport a prospectus. The Offer Shares have not been and will not be registered under the US Securities Act. The Offer Shares are being offered (i) within the United States to persons reasonably believed to be QIBs as defined in, and in reliance on, Rule 144A under the US Securities Act or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act, and (ii) outside the United States in compliance with Regulation S. The Offer Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state of the US, and may not be offered or sold within the US unless the Offer Shares are registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act is available. There will be no public offering of Offer Shares in any jurisdiction.

Increase Option

The Company has granted to the Sole Global Coordinator, on behalf of itself and the Underwriters, an irrevocable and unconditional option to increase the number of offered Shares (*i.e.*, the New Shares) by up to 15% with up to 2,671,232 Increase Option Shares from their holdings. The Sole Global Coordinator may exercise the Increase Option at its sole discretion and will consider in making its decision, *inter alia*, the demand from investors during the Offering Period and general market conditions. Any decision to exercise the Increase Option will be communicated by means of a press release, at the latest, on the date of the announcement of the Offer Price.

Over-Allotment and Greenshoe Option

With regard to potential stabilization measures and to the extent permitted by law, investors may, in addition to the New Shares and the Increase Option Shares, be allocated up to 3,071,917 Over-Allotment Shares in the Offering (the “**Over-Allotment**”). In connection with a potential Over-Allotment, Berenberg, acting on behalf of the Underwriters, will be provided with up to 3,071,917 Shares from the holdings of the Selling Shareholders in the form of a securities loan without charge; this number of Shares may not exceed 15% of the sum of the New Shares and the Increase Option Shares. In this context, the Selling Shareholders have granted an option (the “**Greenshoe Option**”) to Berenberg (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 acquire from the Selling Shareholders additional Shares (the “**Greenshoe Shares**”), comprising up to 15% of the total number of Offer Shares sold in the Offering (in any case not higher than the number of Over-Allotment Shares), thus satisfying the retransfer obligation under the securities loan.

14.2 Shareholders

As of the date of this Prospectus, the key shareholders of the Company are 83 North III Limited Partnership, Marco Marlia, Fabio Gurgone, Marco De Michele, Zobito 1 and 2 and Tommaso Parisi, which together hold 93.3% of the Company’s issued ordinary share capital.

Prior to the First Trading Date, (a) the series A-1 preferred shares, series A-2 preferred shares and series A-3 preferred shares held by certain shareholders of the Company will be converted into ordinary shares; and (b) Amir Rosentuler will convert No. 120,000 of its vested options under the EMI Plan and subscribe No. 120,000 newly issued shares of the Company, equal to approximately 0.4% of the issued share capital of the Company.

The following table sets forth the shareholders of the Company which, to the Company’s knowledge, will directly or indirectly have a notifiable interest in the Company’s capital and voting rights within the meaning of the DFSA (i) immediately prior to Admission and (ii) immediately following Admission assuming the maximum number of Offer Shares are purchased, (a) without the Greenshoe Option and the Increase Option being exercised; (b) without the Greenshoe Option being exercised but with full exercise of the Increase Option, (c) without the Increase Option being exercised but with full exercise of the Greenshoe Option and (d) with full exercise of the Greenshoe Option and the Increase Option.

			Shares following Admission assuming the maximum number of Offer Shares are purchased							
			Without exercise of the Greenshoe Option and the Increase Option		Without exercise of the Greenshoe Option but with full exercise of the Increase Option		With full exercise of the Greenshoe Option but without the exercise of the Increase Option		With full exercise of the Greenshoe Option and the Increase Option	
Shares prior to Admission			Amount	%	Amount	%	Amount	%	Amount	%
Existing Shareholders										
83 North III Limited Partnership ⁽¹⁾	6,941,579	24.3%	6,941,579	15.0%	6,941,579	14.1%	6,320,050	13.6%	6,222,436	12.7%
Marco Marlia.....	5,481,580	19.2%	5,481,580	11.8%	5,481,580	11.2%	4,990,775	10.8%	4,913,692	10.0%
Fabio Gurgone.....	5,285,080	18.5%	5,285,080	11.4%	5,285,080	10.8%	4,811,869	10.4%	4,737,549	9.7%
	5,285,080	18.5%	5,285,080	11.4%	5,285,080	10.8%	4,853,711	10.4%	4,737,549	9.7%
Marco De Michele....										
Zobito AB ⁽²⁾	1,832,566	6.4%	1,832,566	3.9%	1,832,566	3.7%	1,578,169	3.4%	1,538,199	3.1%
Zobito 2 AB ⁽²⁾	1,009,798	3.5%	1,009,798	2.2%	1,009,798	2.1%	1,009,698	2.2%	1,009,698	2.1%
Real Web Ventures Ltd. ⁽³⁾	1,068,928	3.7%	1,068,928	2.3%	1,068,928	2.2%	973,219	2.1%	958,188	2.0%
Tommaso Parisi.....	865,000	3.0%	865,000	1.9%	865,000	1.8%	787,550	1.7%	775,387	1.6%
Amir Rosentuler.....	120,000	0.4%	120,000	0.3%	120,000	0.2%	-	0.0%	-	0.0%
Andrew John Biggart	29,430	0.1%	29,430	0.1%	29,430	0.1%	26,795	0.1%	26,381	0.1%
Assaf Topaz.....	135,041	0.5%	135,041	0.3%	135,041	0.3%	122,950	0.3%	121,051	0.2%
Guillaume Bugault....	52,000	0.2%	52,000	0.1%	52,000	0.1%	47,344	0.1%	46,613	0.1%
Mauro Pretolani.....	138,400	0.5%	138,400	0.3%	138,400	0.3%	126,008	0.3%	124,062	0.3%
Tassaka Invest AB....	195,392	0.7%	195,392	0.4%	195,392	0.4%	177,897	0.4%	175,150	0.4%
212 Investments S.r.l.	66,808	0.2%	66,808	0.1%	66,808	0.1%	60,826	0.1%	59,887	0.1%
La Pineta S.r.l.....	53,446	0.2%	53,446	0.1%	53,446	0.1%	48,661	0.1%	47,909	0.1%
IBIS S.r.l.	53,446	0.2%	53,446	0.1%	53,446	0.1%	49,084	0.1%	47,909	0.1%

The Offer Shares will represent a maximum of 48.0% of the issued share capital of the Company at Admission. Existing shareholders will experience a maximum dilution of 38.4% in connection with the Offering due to the issuance of New Shares and the Increase Option Shares.

(1) 83 North is a partnership whose general partner is 83North III GP, LP and its general partner is 83North III Manager Ltd. The ultimate beneficial owners of 83 North are: (i) Laurel Charmaine Bowden, (ii) Arnon Dinur, (iii) Yoram Snir, and (iv) Gil Goren.

(2) Zobito 1 and 2 are not controlled by any person or entity. The managing director of Zobito 1 and 2 is Lars Magnus.

(3) Real Web Ventures Ltd is controlled by Mr. Andrea Piccioni (owner of 54.56% of the share capital) and Mr. Silvio Pigliani (owner of 30% of the share capital of the company).

14.3 Expected Timetable

Subject to acceleration or extension of the timetable for, or withdrawal of, the Offering, the timetable below sets forth certain expected key dates for the Offering. See Section 14.5 (*Acceleration or Extension*).

Event	Time (CET) and date
Commencement of the Offering Period.....	October 27, 2021 at 9:00
End of the Offering Period for investors.....	November 2, 2021 at 14:00
Expected pricing.....	November 2, 2021
Publication of results of the Offering and expected Allocation.....	November 2, 2021
First Trading Date (commencement of trading on an ‘as-if-and-when-delivered’ basis on Euronext Amsterdam).....	November 3, 2021
Settlement Date (payment and delivery).....	November 5, 2021

A11.4.7
A11.5.1.3
A11.5.1.9
A11.5.2.3
A11.6.1

The Company and the Selling Shareholders, together with Sole Global Coordinator may adjust the dates, times and periods given in the timetable and throughout this Prospectus.

14.4 Offering Period

The Offering Period will begin on October 27, 2021 at 9:00 CET and is expected to end at 14:00 CET on November 2, 2021, subject to acceleration or extension of the timetable for the Offering. In the event of an acceleration or extension of the Offering Period, pricing, allotment, admission and first trading of the Offer Shares, as well as payment (in Euro) for and delivery of the Offer Shares may be advanced or extended accordingly.

A11.4.1
A11.5.1.1
A11.5.1.3
A11.5.1.9

If a significant new factor, material mistake or inaccuracy relating to the information included in this Prospectus that is capable of affecting the assessment of the Offer Shares arises or is noted between the date of this Prospectus and the end of the Offering Period, a supplement to this Prospectus will be published, the Offering Period will be extended, if so required by the Prospectus Regulation. A supplement to this Prospectus shall be subject to approval by the AFM 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. Investors who have already agreed to subscribe for the Offer Shares before the supplement is published will have the right to withdraw their orders, exercisable within at least two business days after the publication of the supplement. See also Section 2 (*Important Information*) - “Supplements”.

14.5 Acceleration or Extension

The Company and the Selling Shareholders, together with the Sole Global Coordinator, may adjust the dates, times and periods given in the timetable and throughout this Prospectus. If so decided, the Company will make this public through a press release, which will also be posted on the Company’s website (www.motork.io). Any other material alterations will also be published through a press release that will be posted on the Company’s website (www.motork.io), and which will also be filed with the AFM, 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 Offering will be published in a press release at least three hours before the end of the original Offering Period, *provided that* any extension will be for a minimum of one full day. Any acceleration of the timetable for the Offering will be published in a press release at least three hours before the proposed end of the accelerated Offering Period.

A11.5.1.4

14.6 Offer Price and Number of Offer Shares

The Offer Price Range is expected to be in the range of €7.30 to €9.70 (inclusive) per Offer Share. The 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, as described in more detail below in - “*Change of the Offer Price Range or Number of Offer Shares*”.

A11.5.1.2
A11.5.3.1
A11.5.3.2

The Offer Price and the exact number of Offer Shares offered in the Offering will be determined by the Company and the Selling Shareholders in agreement with the Underwriters, prior to Allocation on the basis of the book building process and taking into account economic and market conditions, a qualitative and quantitative assessment of demand for the Offer Shares, and other factors deemed appropriate.

The Offer Price (in Euro), the exact number of Offer Shares to be offered in the Offering and the maximum number of Greenshoe Shares will be stated in the Pricing Statement that will be published through a press release that will be filed with the AFM and will also be posted on the Company’s website (www.motork.io).

14.7 Change of the Offer Price Range or Number of Offer Shares

The Offer Price Range is an indicative price range. The Company and the Selling Shareholders, in agreement with the Sole Global Coordinator, reserve the right to change the Offer Price Range and to increase or decrease the total number of Offer Shares prior to Allocation. Any such change will be announced in a press release, that will also be posted on the Company’s website (www.motork.io). 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 Greenshoe Shares should be read as referring to the amended number of Greenshoe Shares.

14.8 Allocation

Allocation is expected to take place after the end of the Offering Period on or about November 3, 2021, subject to acceleration or extension of the timetable for the Offering.

A11.5.1.5
A11.5.1.6
A11.5.2.3
A11.5.2.4

Allocation to investors who applied to purchase Offer Shares will be made by the Company and the Selling Shareholders in agreement with the Underwriters, and full discretion will be exercised as to whether or not and how to allot the Offer Shares. Investors may not be allocated all of the Offer Shares for which they apply. There is no maximum or minimum number of Offer Shares for which prospective investors may apply to purchase and multiple applications are permitted. In the event that the Offering is oversubscribed, investors may receive fewer Offer Shares than they applied for. The Company, the Selling Shareholders and the Sole Global Coordinator may, at their own discretion and without stating the grounds therefor, reject any applications wholly or partly. On the day that Allocation occurs, the Underwriters will notify institutional investors or the relevant financial intermediary of any Allocation made to them or their clients. 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.

Each investor participating in the Offering will be deemed to have made certain representations and statements to the Underwriters as described in Section 16 (*Selling and Transfer Restrictions*). Furthermore, each investor is expected to have read, and complied with, certain selling and transfer restrictions described in Section 16 (*Selling and Transfer Restrictions*). Each prospective investor should seek advice from its own advisors in relation to the legal, tax, business, financial and other aspects of participating in the Offering.

14.9 Pre-Commitment

On October 12, 2021, the Pre-Committed Investor has irrevocably committed itself vis-à-vis the Company to subscribe for Offer Shares in the Offering at the Offer Price (up to a specific maximum Offer Price), in exchange for a guaranteed allocation, for an aggregate amount of approximately €26 million upon completion of the Offering, subject to the following conditions, amongst others: (a) entry into force of, inter alia, the Underwriting Agreement, (b) approval and publication of this Prospectus,

and (c) trading of the shares on Euronext Amsterdam, which subject to acceleration or extension of the timetable for the Offering, is expected to commence on the First Trading Date (as defined below) falling on or prior November 30, 2021. In the event the Offering is oversubscribed, the Pre-Commitment will not be reduced but will be entirely allocated with priority to the Pre-Committed Investor. The Pre-Committed Investor is not bound by any contractual lock-up restrictions.

14.10 Listing and Trading

Prior to the Offering, there has been no public market for the Shares. Application has been made to list and admit all the Shares to trading on Euronext Amsterdam under the symbol “MTRK”. The ISIN Code for the Shares is GB00BMXH3352.

A11.4.1
A11.5.1.1
A11.6.1

Subject to acceleration or extension of the timetable for the Offering, trading in the Offer Shares on Euronext Amsterdam is expected to commence at 9:00 am CET on the First Trading Date. Trading in the Offer Shares before Settlement will take place on an ‘as-if-and-when-delivered’ basis.

Subject to acceleration or extension of the timetable for the Offering, unconditional trading in the Offer Shares on Euronext Amsterdam is expected to commence on the Settlement Date.

The Shares will trade in Euro on Euronext Amsterdam.

14.11 Payment

Payment (in Euro) for, and delivery of, the Offer Shares will take place on the Settlement Date. Taxes and expenses, if any, must be borne by the investor (for more information see Section 17 (*Taxation*)). 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 Offering Period and consequent acceleration of pricing, Allocation, commencement of trading and Settlement). The Offer Price must be paid in cash by investors upon remittance of their application for Offer Shares or, alternatively, by investors authorising their financial intermediary to debit their bank account with such amount for value on or before the Settlement Date.

A11.4.4
A11.5.1.8

14.12 Delivery, Clearing and Settlement

For purposes of Admission to Euronext Amsterdam, the Shares are registered shares, which will be entered into the collection deposit (*verzameldepot*) and giro deposit (*girodepot*) on the basis of the Dutch Giro Securities Transfer Act. Application has been made for the 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.

A11.4.3
A11.5.1.1
A11.5.1.7
A11.5.2.3
A11.5.2.4
A11.6.1

Subject to acceleration or extension of the timetable for the Offering, the Settlement Date is expected to be November 5, 2021, the second business day following the First Trading Date (T+2). The closing of the Offering 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 Agreement*” 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 Offering 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 Shares prior to Settlement are at the sole risk of the parties concerned. None of the Company, the Selling Shareholders, the Listing and Paying Agent, the Underwriters 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 Offering or the (related) annulment of any transactions in Offer Shares on Euronext Amsterdam.

14.13 Voting Rights

Each Share confers the right to cast one vote in the General Meeting. All Shareholders have the same voting rights *pro rata* the number of Shares they hold. Major shareholders, including the Selling Shareholders, do not have different voting rights.

A1.16.2
A1.19.2.2

14.14 Ranking and Dividends

The Offer Shares will upon issue, rank *pari passu* in all respects with the, at that time, outstanding Shares. The Offer Shares will carry dividend rights as of the date of issue for the financial year starting January 1, 2021. See Section 5 (*Dividend Policy*).

A11.4.5

A11.4.5

14.15 Articles of Association

All investors participating in the Offering (and any future holder of the Offer Shares) shall hold their Shares pursuant to the terms of the Articles of Association in accordance with the provisions of the Dutch Giro Securities Transfer Act (through the systems maintained by Euroclear Nederland).

14.16 Listing and Paying Agent

ABN AMRO is the Listing and Paying Agent with respect to the Shares.

14.17 Stabilisation Manager

Berenberg is the stabilisation manager for the Offering.

A11.6.5.3

14.18 Expenses charged to investors

No expenses or fees will be charged by the Company or the Selling Shareholders to investors in relation to the Offering.

15. PLAN OF DISTRIBUTION

15.1 Underwriting Agreement

The Company, the Selling Shareholders and the Underwriters will enter into the Underwriting Agreement on October 27, 2021 with respect to the offer and sale of the Offer Shares in the Offering.

A1.20.1

After the entering into of the pricing agreement between the Company, the Selling Shareholders and the Underwriters (the “**Pricing Agreement**”), which is a condition for the obligations of the Underwriters under the Underwriting Agreement, and the terms of and subject to the conditions set forth in the Underwriting Agreement, the Underwriters will, severally but not jointly, agree to use reasonable endeavours to procure purchasers for the Offer Shares at the Offer Price. To the extent that the Underwriters fail to procure such purchasers, the Underwriters will themselves, severally but not jointly, purchase such Offer Shares at the Offer Price. The Company and the Selling Shareholders will agree to sell the Offer Shares at the Offer Price.

A11.3.3

A11.5.4.3

In the Underwriting Agreement, the Company and the Selling Shareholders have made certain representations and warranties and given certain undertakings. In addition, the Company and the Selling Shareholders have agreed to indemnify the Underwriters against certain liabilities in connection with the Offering.

The Underwriting Agreement provides that the obligations of the Underwriters to procure purchasers for the Offer Shares or, failing which, themselves to purchase such Offer Shares are subject to, among other things, the following conditions precedent:

- the approval of this Prospectus by the AFM pursuant to the Prospectus Regulation remaining in full force and effect,
- this Prospectus having been filed, published and made available in the manner specified in the Prospectus Regulation,
- receipt at closing of the Offering of opinions on certain legal matters from counsel,
- the entering into of the Pricing Agreement, and thereby the determination of the Offer Price and the exact number of Offer Shares (*i.e.*, underwriting of settlement risk only), it being understood that no party is under any obligation to enter into the Pricing Agreement
- the admission of the Shares to listing and trading on Euronext Amsterdam on or prior to the Settlement Date,
- immediately prior to Admission, there not having been, in the opinion of the Sole Global Coordinator, a material adverse change in the (financial, operational, legal or otherwise) operations, earnings, business affairs or prospects of the Company or the Group taken as a whole since the date of the Underwriting Agreement, which is so material and adverse as to make it impractical or inadvisable to proceed with the Offering or delivery of the Offer Shares as contemplated in the Prospectus, and
- certain other customary conditions, including in respect of the accuracy of representations and warranties by the Company and the Selling Shareholders, and the Company and the Selling Shareholders having complied in all material respects with the terms of the Underwriting Agreement.

Upon the occurrence of certain specified events, such as the occurrence of, in the opinion of Joh. Berenberg, Gossler & Co. KG (“**Berenberg**”) acting as sole global coordinator for the Offering (the “**Sole Global Coordinator**”), (i) any change in or affecting the business, condition (financial, operational, legal or otherwise), operations, earnings, assets or prospects, of the Company or the Group taken as a whole, whether or not arising in the ordinary course of business, (ii) any material breach by the Company or the Selling Shareholders of any undertaking in the Underwriting Agreement, (iii) a statement in this Prospectus, the Pricing Statement or any amendment or supplement to this Prospectus being untrue, or inaccurate in a material respect, misleading in any respect or any matter which would

constitute a material inaccuracy or omission therefrom, or (iv) a material adverse change in the financial markets in the Netherlands, the UK or the United States or international financial markets, any acts of government, declaration of a national or international emergency or war, calamity, crisis, epidemics, pandemics, outbreaks of diseases, economic sanction, strikes, lock-outs, fire, explosion, flooding, civil commotion, riot, public disorder, acts of war, outbreak or escalation of hostilities (whether or not war is declared), acts of God or acts of terrorism, the Underwriters may elect to terminate the Underwriting Agreement at any time prior to Admission (or thereafter, in respect of the Greenshoe Option only).

In consideration of the agreement by the Underwriters to procure purchasers for or, failing which, themselves to purchase such Offer Shares, at the Offer Price and subject to the Offer Shares being sold as provided for in the Underwriting Agreement, (i) the Company has 3% of an amount equal to the Offer Price per Share multiplied by the aggregate number of New Shares to be issued and delivered pursuant to this Agreement and the Pricing Agreement (together with an amount in respect of any VAT thereon, if applicable) and (ii) each of the Selling Shareholders agrees to pay the Underwriters, on the First Closing Date, a commission of 3% of an amount equal to the Offer Price per Share multiplied by the aggregate number of Increase Shares to be sold by such Selling Shareholder pursuant to this Agreement and the Pricing Agreement (together with an amount in respect of any VAT thereon, if applicable). In consideration of the satisfaction or waiver of conditions set forth in the Underwriting Agreement, (i) the Company may, at its discretion, pay an additional incentive fee of up to 1.5% of an amount equal to the Offer Price per Share multiplied by the number of New Shares set out in the Pricing Agreement (together with an amount in respect of any VAT thereon, if applicable); and (ii) each Selling Shareholder may, at its discretion, pay an additional incentive fee of up to 1.5% of an amount equal to the Offer Price per Share multiplied by the number of Increase Shares to be sold by it pursuant to this Agreement and the Pricing Agreement (together with an amount in respect of any VAT thereon, if applicable); and (iii) each Option Shareholder may, at its discretion, pay an additional incentive fee of up to 1.5% of an amount equal to the Offer Price per Share multiplied by the number of Option Shares to be sold by it pursuant to this Agreement and the Option Exercise Notice (together with an amount in respect of any VAT thereon, if applicable). Legal fees and certain expenses incurred by the Underwriters in connection with the Offering will be payable by the Company.

Following termination of the Underwriting Agreement, all applications to purchase 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 Section 14 (*The Offering*) - “*Delivery, Clearing and Settlement*” for further information on a withdrawal of the Offering or the (related) annulment of any transactions in Offer Shares on Euronext Amsterdam.

The Offer Shares have not been and will not be registered under the US Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Offer Shares are being offered (i) within the United States to persons reasonably believed to be QIBs as defined in, and in reliance on, Rule 144A under the US Securities Act or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act, and (ii) outside the United States in compliance with Regulation S. Any offer or sale of Offer Shares in the United States will be made by the Underwriters, their affiliates or agents, who are registered US broker-dealers, pursuant to applicable US securities laws.

15.2 Potential Conflicts of Interests

The Underwriters are acting exclusively for the Company and/or for the Selling Shareholders and for no one else and will not regard any other person (whether or not a recipient of this Prospectus) as their respective clients in relation to the Offering and will not be responsible to anyone other than the Company and/or the Selling Shareholders for providing the protections afforded to clients, giving advice in relation to the Offering and for the listing and trading of the Shares and/or any other transaction or arrangement referred to in this Prospectus.

A11.3.3

The Underwriters, in connection with the Offering, will receive commissions related to the roles played in the Offering.

The Underwriters and/or their respective affiliates may have in the past 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 Company and/or the Selling Shareholders (or any parties related to and competing with any of them) for which they have received or may in the future receive customary compensation, fees and/or commission.

In connection with the Offering, 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 Offering as a principal position and in that capacity may retain or purchase 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 Offering. 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 or contracts for difference) with investors in connection with which such Underwriters (or their affiliates) may from time to time acquire, hold or dispose of 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 acting in the capacities described above, 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 the Group's interests.

15.3 Lock-up Arrangements

A11.4.8

The Sole Global Coordinator (acting on behalf of the Underwriters) may, in its sole discretion and at any time without prior public notice, waive the restrictions, including those on sales, issues or transfers of Shares, described below. If the consent of the Sole Global Coordinator (acting on behalf of the Underwriters) in respect of a lock-up arrangement is requested as described below, full discretion can be exercised by the Sole Global Coordinator as to whether or not such consent will be granted.

A11.7.4

(a) *Company lock-up*

Pursuant to the Underwriting Agreement, the Company has agreed that, without the prior written consent of the Sole Global Coordinator (acting on behalf of the Underwriters) (such consent not to be unreasonably withheld or delayed), it will not, during the period commencing on the date of the Underwriting Agreement and ending 180 days after the Settlement Date, (a) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any ordinary shares of the Company or any other securities of the Company or other member of the Group exchangeable for or convertible into, or substantially similar to, ordinary shares of the Company; (b) enter into any swap or other arrangement or transaction that transfers, in whole or in part, any of the economic consequences of ownership of ordinary shares of the Company or any other securities of the Company or other member of the Group exchangeable for or convertible into, or substantially similar to, ordinary shares of the Company; (c) enter into or publicly announce an intention to effect, any transaction with the same economic effect as any transaction specified in (a) or (b) above; or (d) file or publish any prospectus or file any registration statement under the Securities Act with respect to any of the foregoing.

(b) *Selling Shareholders lock-up*

Pursuant to the Underwriting Agreement, the Selling Shareholders have agreed that, without the prior written consent of the Sole Global Coordinator (acting on behalf of the Underwriters) (such consent not to be unreasonably withheld or delayed), they will not, during the period commencing on the date of the Underwriting Agreement and ending 360 days after the

Settlement Date, effect any offer, sale, contract to sell, grant or sale of options over, purchase of any option or contract to sell, transfer, charge, pledge, grant any right or warrant to purchase or otherwise dispose, transfer or lend, directly or indirectly, any ordinary shares of the Company or any securities convertible into or exchangeable for or substantially similar to ordinary shares of the Company or any interest in ordinary shares of the Company or the entry into of any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of ordinary shares of the Company whether any such transaction described above is to be settled by the delivery of ordinary shares of the Company or such other securities, in cash or otherwise, or any other disposal or any agreement to dispose of any ordinary shares of the Company or any announcement or other publication of the intention to do any of the foregoing (each of the foregoing, a **“Disposal”**). Furthermore, each of the Selling Shareholders severally agrees not to vote in favour of a proposed increase of the share capital of the Company or issuance of financial instruments that carry conversion or option rights to shares in the Company. These restrictions shall not apply to (i) the sale of Shares in the Offering or sale of Shares pursuant to the Greenshoe Option, (ii) the lending of Shares to the Stabilisation Manager (acting on behalf of the Underwriters), (iii) accepting a general offer for the ordinary share capital of the Company made in accordance with the Dutch Financial Supervision Act and/or the Articles of Association, or the provision of an irrevocable undertaking to accept such an offer, or vote in favour of, or provide an irrevocable undertaking to vote in favour of, on a scheme of arrangement in relation to a takeover offer for the ordinary share capital of the Company, (iv) any Disposal of ordinary shares of the Company pursuant to a scheme of arrangement under Part 26 of the Companies Act providing for the acquisition by any person (or group of persons acting in concert) of 50% or more of the ordinary share capital of the Company; (v) any Disposal of ordinary shares of the Company pursuant to a scheme of reconstruction under section 110 of the Insolvency Act 1986 in relation to the Company; (vi) any Disposal by way of gift by any Selling Shareholder that is an individual: (a) to his or her spouse or civil partner, parent, widow, widower, cohabitee, adult sibling, child or grandchild (including such child or grandchild by adoption, or step-child) of such individual (each a **“Family Member”**); or (b) to any person or persons acting in the capacity of trustee or trustees of a trust created by such individual or, upon any change of trustees of a trust so created, to the new trustee or trustees, provided that the trust is established for charitable purposes only or there are no persons beneficially interested under the trust other than the individual and his Family Members, or any disposal by any such trustee or trustees to any person beneficially interested under such trust, provided that, prior to the making of any such Disposal, the relevant individual shall have satisfied the Sole Global Coordinator that the transferee is such a person; (vii) any Disposal to or by the personal representatives of an individual who dies during the Lock-Up Period, (viii) any disposal of Shares acquired following Admission.

15.4 Over-allotment and Stabilisation

In connection with the Offering, Berenberg as 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 Shares or effect other transactions with the view to supporting the market price of the Shares at a level higher 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 or any of its agents 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 and must be discontinued within 30 days after the commencement of conditional trading in the Offer Shares. 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 Offering. The Underwriting Agreement provides that the Stabilisation Manager may, for purposes of stabilising transactions, over-allot Shares up to a maximum of 15% of the sum of the New Shares and the Increase Option Shares sold in the Offering,

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or up to 3,071,917 Over-Allotment Shares assuming the maximum number of New Shares and Increase Option Shares is offered and sold in the Offering.

None of the Company, the Selling Shareholders, the Listing and Paying Agent 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 Shares or any other securities of the Company. In addition, none of the Company, the Selling Shareholders, the Listing and Paying Agent 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.

16. SELLING AND TRANSFER RESTRICTIONS

16.1 General

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In making an investment decision, prospective investors must rely on their own assessment of the Company and the terms of the Offering, including the merits and risks involved. Any decision to purchase Offer Shares should be based solely on this Prospectus, and any supplement to this Prospectus within the meaning of Article 23 of the Prospectus Regulation.

The Offering to persons resident in, or who are citizens of, a particular jurisdiction may be affected by the laws of that jurisdiction. Investors should consult their professional adviser as to whether they require any governmental or any other consent or need to observe any other formalities to enable the investor to accept, sell or purchase Offer Shares.

No action has been or will be taken by the Company, the Selling Shareholders, the Listing and Paying Agent or the Underwriters to permit a public offering of the Offer Shares in any jurisdiction, or 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 Offering 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. Receipt of this Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus will be sent for informational purposes only and should not be copied or redistributed. Persons into whose possession this Prospectus comes should inform themselves about and observe any such 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 jurisdictions.

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 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 may contravene local securities laws or regulations.

If an investor forwards this Prospectus or any other offering materials or advertisements into any such territories (whether under a contractual or legal obligation or otherwise) the investor should draw the recipient's attention to the contents of this Section 16 (*Selling and Transfer Restrictions*).

Subject to the specific restrictions described below, if investors (including, without limitation, any investor's nominees and trustees) wishing to accept, sell or purchase 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 jurisdictions.

The information set out in this Section 16 (*Selling and Transfer Restrictions*) is intended as a general guideline only. Investors that are in any doubt as to whether they are eligible to subscribe for or purchase Offer Shares should consult their professional advisor without delay.

None of the Company, the Selling Shareholders, the Listing and Paying Agent or the Underwriters accepts any legal responsibility for any violation by any person, whether or not a prospective investor in any of the Offer Shares, of any such restrictions.

16.2 Selling and Transfer Restrictions

(a) Notice to Investors in the United States

Due to 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.

(1) ***Restrictions under the US Securities Act***

The Offer Shares have not been, and will not be, registered under the US Securities Act or with any securities regulatory authority or any state or other jurisdiction in the United States, and may not be offered, sold, pledged or otherwise transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with applicable state securities laws. Accordingly, the Underwriters may offer Shares (i) in the United States only through their US registered broker affiliates to persons reasonably believed to be QIBs in reliance on Rule 144A and (ii) outside the United States in offshore transactions in reliance on Regulation S.

In addition, until the end of the 40th calendar day after commencement of the Offering, an offering or sale of Offer Shares within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the US Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another applicable exemption from registration under the US Securities Act.

(2) ***Purchasers in the United States***

Each purchaser of the Offer Shares within the United States will be deemed to have represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- the purchaser acknowledges that the Offer Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state of the United States and are subject to significant restrictions on transfer;
- the purchaser (i) is a QIB (as defined in Rule 144A), (ii) is aware, and each beneficial owner of such Offer Shares has been advised, that the sale to it is being made in reliance on Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and (iii) is purchasing such Offer Shares for its own account or for the account of a QIB;
- the purchaser is aware that the Offer Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the US Securities Act;
- if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Offer Shares, such Offer Shares may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, (ii) in accordance with Rule 903 or Rule 904 of Regulation S, or (iii) in accordance with Rule 144 (if available), in each case in accordance with any applicable securities laws of any state of the United States or any other jurisdiction;
- the Offer Shares are “restricted securities” within the meaning of Rule 144(a)(3) and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any such Offer Shares;
- the purchaser will not deposit or cause to be deposited such Offer Shares into any depository receipt facility established or maintained by a depository bank other than a Rule 144A restricted depository receipt facility, so long as such Offer Shares are “restricted securities” within the meaning of Rule 144(a)(3);

- the purchaser understands that such Offer 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:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US 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) IN ACCORDANCE WITH RULE 144A TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QIB WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE US SECURITIES ACT OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE US SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), 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 US SECURITIES ACT FOR RESALES OF THIS SECURITY;

- the Company, the Selling Shareholders, the Underwriters, the Listing and Paying Agent and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If the purchaser is purchasing any Offer Shares for the account of one or more QIBs, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account; and
- the Company shall not recognise any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above-stated restrictions.

Prospective purchasers are hereby notified that the sellers of the Offer Shares may be relying on the exemption from the provisions of Section 5 of the US Securities Act provided by Rule 144A.

(3) *Purchasers outside the United States*

Each purchaser of the Offer Shares outside the United States will, pursuant to Regulation S, be deemed to have represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- the purchaser acknowledges that the Offer Shares have not been and will not be registered under the US Securities Act, or with any securities regulatory authority of any state of the United States, and are subject to significant restrictions on transfer;
- the purchaser and the person, if any, for whose account or benefit the purchaser is purchasing the Offer Shares, were located outside the United States at the time the buy order for such Shares was originated and continue to be located outside the United States and has not purchased the Offer Shares for the benefit of any person in the United States or entered into any arrangement for the transfer of the Offer Shares to any person in the United States;
- the purchaser is aware of the restrictions on the offer and sale of the Offer Shares pursuant to Regulation S as described in this Prospectus;

- the Offer Shares have not been offered to it by means of any “directed selling efforts” as defined in Regulation S;
- the purchaser acknowledges that the Company, the Selling Shareholders, the Underwriters, the Listing and Paying Agent and their respective affiliates will rely upon the truth and accuracy of the acknowledgements, representations and agreements in the foregoing paragraphs; and
- the Company shall not recognise any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above-stated restrictions.

(b) ***Notice to Investors in the 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, except that offers of Offer Shares may be made to the public in that Member State at any time under the following exemptions from the Prospectus Regulation:

- to any legal entity which is a qualified investor as defined in under Article 2 of the Prospectus Regulation; or
- to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation) per Member State, subject to obtaining prior consent of the Sole Global Coordinator for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Offer Shares shall result in a requirement for the Company or the Underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement to a prospectus pursuant to Article 23 of the Prospectus Regulation.

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 Offering and any Offer Shares to be offered so as to enable an investor to decide to purchase any Offer Shares and the expression “*Prospectus Regulation*” means Regulation (EU) 2017/1129 and includes any relevant delegated regulations.

Each person in a Member State who receives any communication in respect of, or who acquires any Offer Shares under, the offers contemplated hereby will be deemed to have represented, warranted and agreed to and with the Underwriters, the Selling Shareholders and the Company that:

- it is a qualified investor within the meaning of Article 2 of the Prospectus Regulation; and
- in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 5(1) of the Prospectus Regulation, (i) the Offer Shares acquired by it in the Offering have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Member State other than qualified investors, as that term is defined in the Prospectus Regulation, or have been acquired in other circumstances falling within Article 1(4) of the Prospectus Regulation and the prior consent of the Sole Global Coordinator has been given to the offer or resale; or (ii) where the Offer Shares have been acquired by it on behalf of persons in any Member State other than qualified investors, the offer of those Offer Shares to it is not treated under the Prospectus Regulation as having been made to such persons.

The Company, the Selling Shareholders, the Underwriters and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and

agreement. Notwithstanding the above, a person who is not a qualified investor and who has notified the Sole Global Coordinator of such fact in writing may, with the prior consent of the Sole Global Coordinator, be permitted to acquire Offer Shares in the Offering.

(c) ***Notice to Investors in the UK***

This Prospectus and any other material in relation to the Offer Shares described herein is directed at and for distribution in the UK only to persons in the UK that are qualified investors within the meaning of Article 2(e) of the UK Prospectus Regulation that are also (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Order, or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons being together referred to as “relevant persons”).

No Offer Shares have been offered or will be offered pursuant to the Offering to the public in UK, except that offers of Offer Shares may be made to the public in the UK at any time under the following exemptions from the UK Prospectus Regulation:

- to any legal entity which is a qualified investor as defined in under Article 2 of the UK Prospectus Regulation; or
- to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining prior consent of the Sole Global Coordinator for any such offer; or
- in any other circumstances falling within Section 86 of the FSMA,

provided that no such offer of Offer Shares shall result in a requirement for the Company or the Underwriters to publish a prospectus pursuant to Section 85 of the FSMA or supplement to a prospectus pursuant to Article 23 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 UK means the communication in any form and by any means of sufficient information on the terms of the Offering and any Offer Shares to be offered so as to enable an investor to decide to purchase any Offer Shares and the expression “*UK Prospectus Regulation*” means Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018.

(d) ***Notice to Investors in Switzerland***

This document is not intended to constitute an offer or solicitation to purchase or invest in the Offer Shares. The Offer Shares may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act (“**FinSA**”) and no application has or will be made to admit the Offer Shares to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this document nor any other offering or marketing material relating to the Offer Shares constitutes a prospectus pursuant to the FinSA, and neither this document nor any other offering or marketing material relating to the Offer Shares may be publicly distributed or otherwise made publicly available in Switzerland.

(e) ***Notice to Investors in Canada***

The Offer Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Offer Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable 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 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with the Offering.

(f) ***Notice to Investors in Australia***

This document:

- (i) does not constitute a prospectus or a product disclosure statement under the Corporations Act 2001 of the Commonwealth of Australia ("**Corporations Act**");
- (ii) does not purport to include the information required of a prospectus under Part 6D.2 of the Corporations Act or a product disclosure statement under Part 7.9 of the Corporations Act;
- (iii) has not been, nor will it be, lodged as a disclosure document with the Australian Securities and Investments Commission ("**ASIC**"), the Australian Securities Exchange operated by ASX Limited or any other regulatory body or agency in Australia; and
- (iv) may not be provided in Australia other than to select investors ("**Exempt Investors**") who are able to demonstrate that they: (i) fall within one or more of the categories of investors under Section 708 of the Corporations Act to whom an offer may be made without disclosure under Part 6D.2 of the Corporations Act; and (ii) are "wholesale clients" for the purpose of Section 761G of the Corporations Act.

The Offer Shares may not be directly or indirectly offered for subscription or purchased 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 Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the Offer Shares, each subscriber or purchaser of Offer Shares represents and warrants to the Company, the Selling Shareholders, the Underwriters, the Listing and Paying Agent and their affiliates that such subscriber or purchaser is an Exempt Investor.

As any offer of Offer Shares under this document, any supplement or the accompanying prospectus or any other document will be made without disclosure in Australia under Parts 6D.2 and 7.9 of the Corporations Act, the offer of those Offer Shares for resale in Australia within 12 months may, under the Corporations Act, require disclosure to investors if none of the exemptions in the Corporations Act applies to that resale. By applying for the Offer Shares, each subscriber or purchaser of Offer Shares undertakes to the Company, the Selling Shareholders, the Listing and Paying Agent and the Underwriters that such subscriber or purchaser will not, for a period of 12 months from the date of issue or purchase of the Offer Shares, offer, transfer, assign or otherwise alienate those Offer Shares to investors in Australia except in circumstances where disclosure to investors is not required under the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

(g) ***Notice to investors in New Zealand***

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the “**FMC Act**”). The Offer Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act;
or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

17. TAXATION

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The statements summarise the current position and are intended as a general guide only. Prospective investors should be warned that the tax legislation of their country of citizenship, domicile or residency may have an impact on the income received from the Shares. Prospective investors who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the UK, the Netherlands or the US are strongly recommended to consult their own professional advisers.

17.1 UK Taxation Considerations

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The following statements are intended only as a general guide to certain UK tax considerations and do not purport to be a complete analysis of all potential UK tax consequences of acquiring, holding or disposing of Shares. They are based on current UK law and what is understood to be the current practice of HM Revenue and Customs (“HMRC”) as of the date of this Prospectus, both of which may change, possibly with retroactive effect. They apply only to Shareholders who are resident and, in the case of individuals, domiciled for tax purposes in (and only in) the UK, who hold their Shares as an investment (generally other than where a tax exemption applies, for example where the Shares are held in an individual savings account or pension arrangement) and who are the absolute beneficial owner of both the Shares and any dividends paid on them. The tax position of certain categories of Shareholders who are subject to special rules is not generally considered and it should be noted that they may incur liabilities to UK tax on a different basis to that described below. This includes persons acquiring their Shares in connection with employment, dealers in securities, insurance companies, collective investment schemes, charities, exempt pension funds, temporary non-residents and non-residents carrying on a trade, profession or vocation in the UK. Shares held through an ISA or a SIPP are normally excluded from the scope of UK taxation.

THE STATEMENTS SUMMARISE THE CURRENT POSITION AND ARE INTENDED AS A GENERAL GUIDE ONLY. PROSPECTIVE INVESTORS WHO ARE IN ANY DOUBT AS TO THEIR TAX POSITION OR WHO MAY BE SUBJECT TO TAX IN A JURISDICTION OTHER THAN THE UK ARE STRONGLY RECOMMENDED TO CONSULT THEIR OWN PROFESSIONAL ADVISERS.

(a) *Taxation of dividends*

The Company is not required to withhold UK tax when paying a dividend. Liability to tax on dividends will depend upon the individual circumstances of a Shareholder.

UK resident individual Shareholders

Under current UK tax rules, specific rates of tax apply to dividend income. These include a nil rate of tax (the “nil rate band”) for the first GBP 2,000 of non-exempt dividend income in any tax year and different rates of tax for dividend income that exceeds the nil rate band. No tax credit attaches to dividend income. For these purposes “dividend income” includes UK and non-UK source dividends and certain other distributions in respect of shares.

An individual shareholder who is resident for tax purposes in the UK and who receives a dividend from the Company will not be liable to UK tax on the dividend to the extent that (taking account of any other non-exempt dividend income received by the shareholder in the same tax year) that dividend falls within the nil rate band.

To the extent that (taking account of any other non-exempt dividend income received by the shareholder in the same tax year) the dividend exceeds the nil rate band, it will be subject to income tax at 7.5% (increasing to 8.75% from April 2022) to the extent that it falls below the threshold for higher rate income tax. To the extent that (taking account of other non-exempt dividend income received in the same tax year) it falls above the threshold for higher rate income tax then the dividend will be taxed at 32.5% (increasing to 33.75% from April 2022) to the extent that it is within the higher rate band, or 38.1% (increasing to 39.35% from April 2022) to the extent that it is within the additional rate band. For the purposes of determining into which taxable band dividend income falls, dividend income is treated as the last part of a

shareholder's income. In addition, dividends within the nil rate band which would (if there was no nil rate band) have fallen within the basic or higher rate bands will use up those bands respectively for the purposes of determining whether the threshold for higher rate or additional rate income tax is exceeded.

UK resident corporate shareholders

Shareholders within the charge to UK corporation tax which are "small companies" for the purposes of the UK taxation of dividends legislation in Part 9A of the Corporation Tax Act 2009 will generally not be subject to UK corporation tax on any dividend received, provided certain conditions are met (including an anti-avoidance condition).

A UK resident corporate shareholder (which is not a "small company" for the purposes of Part 9A of the Corporation Tax Act 2009) will be liable to UK corporation tax (currently at a rate of 19%, increasing to 25% from April 1, 2023) unless the dividend falls within an exempt class set out in Chapter 3 of Part 9A. Examples of exempt classes include dividends paid on "ordinary shares" which are not "redeemable", and dividends paid to a person holding less than 10% of the issued share capital of the payer (or of any class of that share capital in respect of which the distribution is made). However, the exemptions are not comprehensive and are subject to anti-avoidance conditions.

(b) *Taxation of disposals*

UK resident individual shareholders

For an individual shareholder within the charge to UK capital gains tax, a disposal (or deemed disposal) of shares may give rise to a chargeable gain or an allowable loss for the purposes of capital gains tax. The rate of capital gains tax on disposal of shares is 10% (for the 2021/22 tax year) for individuals who are subject to income tax at the basic rate and 20% (for the 2021/22 tax year) for individuals who are subject to income tax at the higher or additional rates. An individual shareholder is entitled to realise an annual exempt amount of gains (GBP 12,300 for the 2021/22 tax year) without being liable to capital gains tax.

UK resident corporate shareholders

For a corporate shareholder within the charge to UK corporation tax, a disposal (or deemed disposal) of shares may give rise to a chargeable gain which is subject to corporation tax (currently at the rate of 19%, increasing to 25% with effect from April 2023) or an allowable loss for the purposes of corporation tax.

A gain accruing to a corporate shareholder on a disposal of shares in the Company may qualify for the substantial shareholding exemption if certain conditions are fulfilled. If the substantial shareholding exemption applies, gains are exempt from corporation tax and losses do not accrue for corporation tax purposes.

Non-resident shareholders

A shareholder who is not resident in the UK for tax purposes is generally not subject to UK capital gains tax, unless such a shareholder carries on a trade, profession or vocation in the UK through a branch or agency or, in the case of a non-UK resident corporate shareholder, a permanent establishment to which the shares are attributable.

Individual Shareholders who are not UK tax resident will not be subject to UK capital gains tax in respect of gains arising on disposals of shares. However, an individual Shareholder who has previously been UK tax resident may in some cases be subject to UK capital gains tax in respect of a disposal of shares in the event that they re-establish UK tax residence.

(c) *Stamp Duty and Stamp Duty Reserve Tax (SDRT)*

Transfers - general

Except in relation to clearance services and depositary receipt arrangements (to which special rules outlined below apply), UK stamp duty at the rate of 0.5% (rounded up to the next multiple of GBP 5) of the amount or value of the consideration given is generally payable on an instrument transferring Shares. A charge to SDRT will also arise on an unconditional agreement to transfer Shares (at the rate of 0.5% of the amount or value of the consideration payable). However, if within six years of the date of the agreement becoming unconditional an instrument of transfer is executed pursuant to the agreement, and stamp duty is paid on that instrument, any SDRT already paid will be refunded (generally, but not necessarily, with interest) *provided that* a claim for repayment is made, and any outstanding liability to SDRT will be cancelled. The liability to pay stamp duty or SDRT is generally satisfied by the purchaser or transferee. An exemption from stamp duty is available on an instrument transferring Shares where the amount or value of the consideration is GBP 1,000 or less, and it is certified on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions for which the aggregate consideration exceeds GBP 1,000.

Transfers of Shares to and within Euroclear Nederland and other clearance services or depositary receipt arrangements

1.5% Regime

Special rules apply where Shares are issued or transferred to, or to a nominee or agent for, a person whose business is or includes providing clearance services (including Euroclear Nederland)) or issuing depositary receipts. Stamp duty or SDRT may be charged at a rate of 1.5% of the amount or value of the consideration given or of the value of the Shares, with subsequent agreements to transfer Shares within the clearance service or agreements to transfer depositary receipts then being free from stamp duty and SDRT. HMRC issued a statement in light of CJEU case law accepting that the 1.5% charge is in breach of EU law insofar as it applies to issues of shares and (by implication) transfers that are an integral part of a capital raising. Notwithstanding the UK's exit from the EU, HMRC's current published practice is that the 1.5% charge will remain disappplied in the case of issues of shares to a clearance service (although is silent on transfers of shares to a clearance service). In Autumn Budget 2017, it was announced that the UK government will not reintroduce the stamp duty and SDRT 1.5% charge on the issue of shares (and transfers integral to capital raising) into overseas clearance services or depositary receipt systems following the UK's exit from the EU. However, it would appear that HMRC's policy is that the 1.5% stamp or SDRT duty charge continues to apply to transfers of shares into a clearance service or depositary receipt arrangement which are not integral to capital raising. There is no HMRC guidance on the meaning of "integral part of an issue of share capital" and this creates uncertainty in understanding the stamp duty and SDRT position with regard to the transfer of shares to a clearance service.

IN VIEW OF THE CONTINUING UNCERTAINTY, SPECIFIC PROFESSIONAL ADVICE SHOULD BE SOUGHT BEFORE INCURRING A 1.5% STAMP DUTY OR SDRT CHARGE IN ANY CIRCUMSTANCES ALTHOUGH SEE FURTHER BELOW REGARDING ANY COST HERE TO BE BORNE BY THE SELLING SHAREHOLDERS OR COMPANY.

Section 97A Election Regime

The UK rules provide a statutory basis for disapplying the 1.5% charge where a clearance services provider makes an election under Section 97A(1) of the Finance Act 1986 which is approved by HMRC. In those circumstances, SDRT at the rate of 0.5% of the amount or value of the consideration payable for the transfer or the value of the Shares will instead arise on any transfer of Shares into the clearance service and on subsequent agreements to transfer such Shares within the clearance service, in accordance with the general rules. The Company understands that no such election has been made by Euroclear Nederland. However, the Company is seeking confirmation from HMRC that no 1.5% stamp duty or SDRT charge should arise on the issue or transfer of Shares to Euroclear Nederland in connection with the Offering.

General

Any liability for stamp duty or SDRT in respect of a transfer or issue of Shares into Euroclear Nederland will, in practice, be borne by the Selling Shareholders and/or Company and not the investors that participate in the Offering.

THE STATEMENTS IN THIS SECTION 17.1(c) APPLY TO ANY HOLDERS OF SHARES IRRESPECTIVE OF THEIR RESIDENCE, SUMMARISE THE CURRENT POSITION AND ARE INTENDED AS A GENERAL GUIDE ONLY. SPECIAL RULES APPLY TO AGREEMENTS MADE BY, AMONGST OTHERS, INTERMEDIARIES.

17.2 Material Dutch Taxation Considerations

A11.4.11

The following summary outlines certain material Dutch tax consequences in connection with the acquisition, ownership and disposal of the Offer Shares. All references in this summary to the Netherlands and Dutch law are to the European part of the Kingdom of the Netherlands and its law, respectively, only. The summary does not purport to present a comprehensive or complete picture of all Dutch tax aspects that could be of relevance to the acquisition, ownership and disposal of the Offer Shares by a (prospective) holder of the Offer Shares who may be subject to special tax treatment under applicable law. Unless explicitly stated otherwise, the summary is based on the tax laws and practice of the Netherlands as in effect on the date of this Prospectus, which are subject to changes that could prospectively or retrospectively affect the Dutch tax consequences.

For purposes of Dutch income and corporate income tax, shares, or certain other assets, which may include depositary receipts in respect of shares, legally owned by a third party such as a trustee, foundation or similar entity or arrangement, (a “**Third Party**”), may under certain circumstances have to be allocated to the (deemed) settlor, grantor or similar originator (the “**Settlor**”), or, upon the death of the Settlor, such Settlor’s beneficiaries (the “**Beneficiaries**”), in proportion to their entitlement to the estate of the Settlor of such trust or similar arrangement (the “**Separated Private Assets**”).

The summary does not address the Dutch tax consequences for a holder of the Offer Shares who is an individual and who has a substantial interest (*aanmerkelijk belang*) in the Company. Generally, a holder of the Offer Shares will have a substantial interest in the Company if such holder of the Offer Shares, whether alone or together with such holder’s spouse or partner and/or certain other close relatives, holds directly or indirectly, or as Settlor or Beneficiary of Separated Private Assets (i) (x) the ownership of, (y) certain other rights, such as usufruct, over, or (z) rights to acquire (whether or not already issued), shares (including the Offer Shares) representing 5% or more of the total issued and outstanding capital (or the issued and outstanding capital of any class of shares) of the Company or (ii) (x) the ownership of, or (y) certain other rights, such as usufruct over, profit participating certificates (*winstbewijzen*) that relate to 5% or more of the annual profit of the Company or to 5% or more of the liquidation proceeds of the Company.

In addition, a holder of the Offer Shares has a substantial interest in the Company if such holder, whether alone or together with such holder’s spouse or partner and/or certain other close relatives, has the ownership of, or other rights over, shares, or depositary receipts in respect of shares, in, or profit certificates issued by, the Company that represent less than 5% of the relevant aggregate that either (a) qualified as part of a substantial interest as set forth above and where shares, or depositary receipts in respect of shares, profit certificates and/or rights there over have been, or are deemed to have been, partially disposed of, or (b) have been acquired as part of a transaction that qualified for non-recognition of gain treatment.

PROSPECTIVE HOLDERS OF OFFER SHARES SHOULD CONSULT THEIR OWN PROFESSIONAL ADVISER WITH RESPECT TO THE DUTCH TAX CONSEQUENCES OF ANY ACQUISITION, OWNERSHIP OR DISPOSAL OF OFFER SHARES IN THEIR INDIVIDUAL CIRCUMSTANCES.

(a) Dividend Withholding Tax

Distributions made by the Company in respect of the Offer Shares are not subject to Dutch dividend withholding tax.

(b) ***Taxes on Income and Capital Gains***

Holders of the Offer Shares Resident in the Netherlands: Individuals

A holder of the Offer Shares, who is an individual resident or deemed to be resident in the Netherlands for Dutch tax purposes will be subject to regular Dutch income tax on the income derived from the Offer Shares and the gains realised upon the acquisition, redemption and/or disposal of the Offer Shares, if:

- (i) such holder of the Offer Shares has an enterprise or an interest in an enterprise, to which enterprise the Offer Shares are attributable; and/or
- (ii) such income or capital gain forms “a benefit from miscellaneous activities” (“*resultaat uit overige werkzaamheden*”) which, for instance, would be the case if the activities with respect to the Offer Shares exceed “normal active asset management” (“*normaal, actief vermogensbeheer*”) or if income and gains are derived from the holding, whether directly or indirectly, of (a combination of) shares, debt claims or other rights (together, a “lucrative interest” (“*lucratief belang*”)) that the holder thereof has acquired under such circumstances that such income and gains are intended to be remuneration for work or services performed by such holder (or a related person), whether within or outside an employment relation, where such lucrative interest provides the holder thereof, economically speaking, with certain benefits that have a relation to the relevant work or services.

If either of the above-mentioned conditions (a) or (b) applies, income derived from the Offer Shares and the gains realised upon the acquisition, redemption and/or disposal of the Offer Shares will in general be subject to Dutch income tax at the progressive rates up to 49.5%.

If the above mentioned conditions (a) and (b) do not apply, a holder of the Offer Shares who is an individual, resident or deemed to be resident in the Netherlands for Dutch tax purposes will not be subject to taxes in the Netherlands on income derived from the Offer Shares and the gains realised upon the acquisition, redemption and/or disposal of the Offer Shares. Instead, such individual is generally taxed at a flat rate of 31% on deemed income from “savings and investments” (“*sparen en beleggen*”), which deemed income is determined on the basis of the amount included in the individual’s “yield basis” (“*rendementsgrondslag*”) at the beginning of the calendar year (minus a tax-free threshold). For the 2021 tax year, the deemed income derived from savings and investments will amount to 1.898% of the individual’s yield basis up to €50,000, 4.501% of the individual’s yield basis exceeding €50,000 up to and including €950,000 and 5.690% of the individual’s yield basis in excess of €950,000. The tax-free threshold for 2021 is €50,000. The tax-free threshold, the aforementioned brackets and the percentages to determine the deemed income may be amended annually.

Holders of the Offer Shares Resident in the Netherlands: Corporate Entities

A holder of the Offer Shares that is resident or deemed to be resident in the Netherlands for Dutch corporate income tax purposes, and that is:

- a corporation;
- another entity with a capital divided into shares;
- a cooperative (association);
- or another legal entity that has an enterprise or an interest in an enterprise to which the Offer Shares are attributable,

but which is not:

- a qualifying pension fund;
- a qualifying investment institution (*fiscale beleggingsinstelling*) or a qualifying exempt investment institution (*vrijgestelde beleggingsinstelling*); or
- another entity exempt from Dutch corporate income tax,

will in general be subject to regular Dutch corporate income tax, generally levied at a rate of 25% (15% on profits up to €245,000) over income derived from the Offer Shares and the gains realised upon the acquisition, redemption and/or disposal of the Offer Shares, unless, and to the extent that, the participation exemption (*deelnemingsvrijstelling*) applies.

Holders of the Offer Shares Resident Outside the Netherlands: Individuals

A holder of the Offer Shares who is an individual, not resident or deemed to be resident in the Netherlands will not be subject to any Dutch taxes on income derived from the Offer Shares and the gains realised upon the acquisition, redemption and/or disposal of the Offer Shares, unless:

- (i) such holder has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in the Netherlands and to which enterprise or part of an enterprise, as the case may be, the Offer Shares are attributable; or
- (ii) such income or capital gain forms a “benefit from miscellaneous activities in the Netherlands” (“*resultaat uit overige werkzaamheden in Nederland*”) which would for instance be the case if the activities in the Netherlands with respect to the Offer Shares exceed “normal active asset management” (“*normaal, actief vermogensbeheer*”) or if such income and gains are derived from the holding, whether directly or indirectly, of (a combination of) shares, debt claims or other rights (together, a “lucrative interest” (“*lucratief belang*”)) that the holder thereof has acquired under such circumstances that such income and gains are intended to be remuneration for work or services performed by such holder (or a related person), in whole or in part, in the Netherlands, whether within or outside an employment relation, where such lucrative interest provides the holder thereof, economically speaking, with certain benefits that have a relation to the relevant work or services.

If either of the above mentioned conditions (a) or (b) applies, income or capital gains in respect of dividends distributed by the Company or in respect of any gains realised upon the acquisition, redemption and/or disposal of the Offer Shares will in general be subject to Dutch income tax at the progressive rates up to 49.5%.

Holders of the Offer Shares Resident Outside the Netherlands: Legal and Other Entities

A holder of the Offer Shares, that is a legal entity, another entity with a capital divided into shares, an association, a foundation or a fund or trust, not resident or deemed to be resident in the Netherlands for corporate income tax purposes, will not be subject to any Dutch taxes on income derived from the Offer Shares and the gains realised upon the acquisition, redemption and/or disposal of the Offer Shares, unless such holder has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in the Netherlands and to which enterprise or part of an enterprise, as the case may be, the Offer Shares are attributable.

If the above mentioned exception applies, income derived from the Offer Shares and the gains realised upon the acquisition, redemption and/or disposal of the Offer Shares will, in general, be subject to Dutch regular corporate income tax, levied at a rate of 25% (15% over profits up to €245,000), unless, and to the extent that, the participation exemption (*deelnemingsvrijstelling*) applies.

(c) ***Gift, Estate and Inheritance Taxes***

Holders of the Offer Shares Resident in the Netherlands

Gift tax may be due in the Netherlands with respect to an acquisition of the Offer Shares by way of a gift by a holder of the Offer Shares who is resident or deemed to be resident of the Netherlands at the time of the gift.

Inheritance tax may be due in the Netherlands with respect to an acquisition or deemed acquisition of the Offer Shares by way of an inheritance or bequest on the death of a holder of the Offer Shares who is resident or deemed to be resident of the Netherlands, or in case of a gift by an individual who at the date of the gift was neither resident nor deemed to be resident in the Netherlands, such individual dies within 180 days after the date of the gift, while being resident or deemed to be resident in the Netherlands.

For purposes of Dutch gift and inheritance tax, an individual with the Dutch nationality will be deemed to be resident in the Netherlands if such individual has been resident in the Netherlands at any time during the ten years preceding the date of the gift or such individual's death. For purposes of Dutch gift tax, an individual not holding the Dutch nationality will be deemed to be resident of the Netherlands if such individual has been resident in the Netherlands at any time during the twelve months preceding the date of the gift.

Holders of the Offer Shares Resident Outside the Netherlands

No gift, estate or inheritance taxes will arise in the Netherlands with respect to an acquisition of the Offer Shares by way of a gift by, or on the death of, a holder of the Offer Shares who is neither resident nor deemed to be resident of the Netherlands, unless, in the case of a gift of the Offer Shares by an individual who at the date of the gift was neither resident nor deemed to be resident in the Netherlands, such individual dies within 180 days after the date of the gift, while being resident or deemed to be resident in the Netherlands.

Certain Special Situations

For purposes of Dutch gift, estate and inheritance tax, (i) a gift by a Third Party will be construed as a gift by the Settlor, and (ii) upon the death of the Settlor, as a rule such the Beneficiaries will be deemed to have inherited directly from the Settlor. Subsequently, such Beneficiaries will be deemed the settlor, grantor or similar originator of the Separated Private Assets for purposes of Dutch gift, estate and inheritance tax in case of subsequent gifts or inheritances.

For the purposes of Dutch gift and inheritance tax, a gift that is made under a condition precedent is deemed to have been made at the moment such condition precedent is satisfied. If the condition precedent is fulfilled after the death of the donor, the gift is deemed to be made upon the death of the donor.

(d) *Value Added Tax*

No Dutch value added tax will arise in respect of or in connection with the subscription, issue, placement, allotment or delivery of the Offer Shares.

(e) *Other Taxes and Duties*

No Dutch registration tax, capital tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty, other than court fees, will be payable in the Netherlands in respect of or in connection with the subscription, issue, placement, allotment or delivery of the Offer Shares.

17.3 Certain US Federal Income Tax Considerations

A11.4.11

The following is a discussion of certain US federal income tax consequences to US Holders (defined below) of acquiring, owning and disposing of the Offer Shares, but it does not purport to be a comprehensive discussion of all tax considerations that may be relevant to a particular person's decision to acquire Offer Shares. This discussion applies only to a US Holder that owns Offer Shares as capital

assets for US federal income tax purposes. This discussion is based on the Internal Revenue Code of 1986, as amended (the “**Code**”), US Treasury regulations promulgated thereunder, and administrative rulings and judicial interpretations thereof, in each case as in effect of the date of this Offering memorandum. All of the foregoing authorities are subject to change, which change could apply retroactively and could affect the tax consequences described below. No ruling will be sought from the Internal Revenue Service (the “**IRS**”) with respect to any statement or conclusion in this discussion, and there can be no assurance that the IRS will not challenge such statement or conclusion in the following discussion or, if challenged, that a court will uphold such statement or conclusion.

In addition, this discussion does not describe all of the tax consequences that may be relevant in light of a US Holder’s particular circumstances, including any US state, local or non-US tax law, the Medicare tax on net investment income, and any estate or gift tax laws, and it does not describe differing tax consequences applicable to US Holders subject to special rules, such as:

- certain banks or financial institutions;
- regulated investment companies and real estate investment trusts;
- dealers or traders in securities that use a mark-to-market method of tax accounting;
- insurance companies;
- persons holding Offer Shares as part of a hedge, straddle, conversion, constructive sale, integrated transaction or similar transaction;
- persons liable for the alternative minimum tax;
- persons required for US federal income tax purposes to accelerate the recognition of any item of gross income with respect to the Offer Shares as a result of such income being recognized on an applicable financial statement;
- persons whose functional currency for US federal income tax purposes is not the US dollar;
- entities or arrangements classified as partnerships or pass-through entities for US federal income tax purposes or holders of equity interests therein;
- tax-exempt entities, “individual retirement accounts” or “Roth IRAs”;
- certain US expatriates;
- persons that own, directly, indirectly or constructively, ten percent (10%) or more of the total voting power or value of all of the Company’s outstanding stock; or
- persons owning Offer Shares in connection with a trade or business conducted outside the United States.

US Holders should consult their tax advisors concerning the US federal, state, local and non-US tax consequences of acquiring, owning and disposing of Offer Shares in their particular circumstances.

For purposes of this discussion, a “US Holder” is a person that, for US federal income tax purposes, is a beneficial owner of Offer Shares and is:

- an individual citizen or resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia;
- an estate, the income of which is subject to US federal income taxation regardless of its source; or

- a trust if a court within the United States is able to exercise primary supervision over its administration and one or more United States persons have the authority to control all substantial decisions of the trust or otherwise if the trust has a valid election in effect under current Treasury regulations to be treated as a United States person.

If an entity or arrangement that is classified as a partnership for US federal income tax purposes owns Offer Shares, the US federal income tax treatment of a partner will generally depend on the status of the partner and the status and activities of the partnership. Partnerships owning Offer Shares and partners in such partnerships should consult their tax advisors as to the particular US federal income tax consequences of owning and disposing of the Offer Shares.

THE DISCUSSION OF US FEDERAL INCOME TAX CONSIDERATIONS SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS CONCERNING THE TAX CONSEQUENCES OF THE ACQUISITION, OWNERSHIP, OR DISPOSITION OF OFFER SHARES IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES, INCLUDING THE APPLICABILITY AND EFFECT OF OTHER FEDERAL, STATE, LOCAL, NON-US AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

(a) *Distributions*

Subject to the discussion below under “—*Passive Foreign Investment Company Rules*,” the gross amount of any distribution of cash or property (other than certain *pro rata* distributions of Offer Shares) made by the Company with respect to the Offer Shares will be included in a US Holder’s gross income as dividend income to the extent such distribution is paid out of the Company’s current or accumulated earnings and profits (as determined under US federal income tax principles). Distributions in excess of the Company’s current and accumulated earnings and profits will be treated first as a non-taxable return of capital, thereby reducing the US Holder’s adjusted tax basis in the Offer Shares (but not below zero), and thereafter as either long-term or short-term capital gain depending upon whether the US Holder held the Offer Shares for more than one year as of the time such distribution is actually or constructively received. Because the Company does not prepare calculations of its earnings and profits using US federal income tax principles, it is expected that distributions generally will be taxable to US Holders as dividends, and taxable at ordinary income tax rates.

As used below, the term “dividend” means a distribution that constitutes a dividend for US federal income tax purposes. Dividends will not be eligible for the dividends-received deduction generally available to US corporations in respect of dividends received from other US corporations. Dividends received by eligible non-corporate US Holders that satisfy a minimum holding period and certain other requirements generally will be taxed at the preferential rate under current law applicable to qualified dividend income provided the Company is eligible for benefits of an applicable comprehensive income tax treaty with the United States (including the income tax treaty between the United States and the UK) and is not a passive foreign investment company (“**PFIC**”) in the taxable year of distribution or the preceding taxable year.

Dividends paid in a currency other than US dollars will be includable in income in a US dollar amount based on the exchange rate in effect on the date of receipt whether or not the currency is converted into US dollars or otherwise disposed of at that time. A US Holder’s tax basis in the non-US currency will equal the US dollar amount included in income. Any gain or loss realised on a subsequent conversion or other disposition of the non-US currency for a different US dollar amount generally will be US source ordinary income or loss. If dividends paid in a currency other than US dollars are converted into US dollars on the day they are received, the US Holder generally will not be required to recognise foreign currency gain or loss in respect of the dividend income.

A US Holder generally will be entitled, subject to certain limitations, to a credit against its US federal income tax liability, or to a deduction, if elected, in computing its US federal taxable income, for any non-US taxes withheld from dividends. For purposes of the foreign tax credit

limitation, dividends paid by the Company generally will constitute foreign source income in the “passive category income” basket. The foreign tax credit rules are complex and US Holders should consult their tax advisors concerning the availability of the US foreign tax credit in their particular circumstances.

(b) ***Sale or other Disposition***

Subject to the discussion below under “—*Passive Foreign Investment Company Rules*” a US Holder generally will recognise capital gain or loss on the sale or other disposition of Offer Shares in an amount equal to the difference, if any, between the US dollar value of the amount realised from the sale or other disposition and the US Holder’s adjusted tax basis in the Offer Shares. Any gain or loss generally will be treated as arising from US sources for foreign tax credit limitation purposes and will be long-term capital gain or loss if the US Holder’s holding period exceeds one year. Long-term capital gains of certain non-corporate US Holders (including individuals) are generally eligible for reduced rates of taxation under current law. The deductibility of capital losses is subject to certain limitations.

The initial tax basis of a US Holder’s Offer Shares generally will be the US dollar value of the non-US currency paid in the Offering determined on the date of purchase. If the Offer Shares are treated as traded on an “established securities market” at the time of the Offering, a cash basis US Holder (or, if it elects, an accrual basis US Holder) will determine the US dollar value of the cost of such Offer Shares by translating the amount paid at the spot rate of exchange on the settlement date of the purchase. A US Holder that receives a currency other than US dollars on the sale or other disposition of the Offer Shares will realise an amount equal to the US dollar value of the currency received at the spot rate on the date of sale or other disposition (or, if the Offer Shares are traded on an “established securities market” at the time of disposition, in the case of cash basis and electing accrual basis US Holders, the settlement date). A US Holder that does not determine the amount realised using the spot rate on the settlement date will recognise currency gain or loss if the US dollar value of the currency received at the spot rate on the settlement date differs from the amount realised. A US Holder will have a tax basis in the currency received equal to its US dollar value at the spot rate on the settlement date. Any currency gain or loss realised on the settlement date or on a subsequent conversion of the non-US currency for a different US dollar amount generally will be US source ordinary income or loss for foreign tax credit limitation purposes.

If any non-US tax is imposed on the sale or other disposition of the Offer Shares, a US Holder’s amount realised will include the gross amount of the proceeds of the sale or other disposition before deduction of such tax. Because capital gain or loss, if any, will generally be US source gain or loss for foreign tax credit purposes and a US Holder may use foreign tax credits to offset only the portion of US federal income tax liability that is attributable to foreign-source income, a US Holder may not be able to claim a foreign tax credit for any non-US income tax imposed on such gains unless the US Holder has other taxable income from foreign sources in the appropriate foreign tax credit basket. US Holders should consult their own tax advisors concerning the creditability or deductibility of any non-US taxes imposed on the disposition of Offer Shares in their particular circumstances.

(c) ***Passive Foreign Investment Company Rules***

In general, a corporation organized outside the United States will be treated as a PFIC for US federal income tax purposes in any taxable year in which (a) 75% or more of its gross income is passive income (the “income test”) or (b) 50% or more of its assets by value either produce passive income or are held for the production of passive income, based on the quarterly average of the fair market value of such assets (the “asset test”). For this purpose, “gross income” generally includes all sales revenues less the cost of goods sold, *plus* income from investments and from incidental or outside operations or sources, and “passive income” generally includes, for example, dividends, interest, certain rents and royalties, certain gains from the sale of stock and securities, and certain gains from commodities transactions. Cash (including net proceeds from the Offering) is generally treated as an asset that produces passive income. For purposes

of the PFIC income test and asset test described above, if the Company owns, directly or indirectly, 25% or more of the total value of the outstanding shares of another corporation, the Company will be treated as if it (a) held a proportionate share of the assets of such other corporation and (b) received directly a proportionate share of the income of such other corporation. Under the PFIC rules, if the Company were considered a PFIC at any time that a US Holder holds Offer Shares, the Company would continue to be treated as a PFIC with respect to such US Holder's investment unless (i) the Company ceases to be a PFIC, and (ii) the US Holder makes a "deemed sale" election under the PFIC rules.

Based on the nature of the Company's business, the intended use of the proceeds from the Offering and the expected price of the Offer Shares, the Company does not believe that it was a PFIC for the 2020 taxable year, or expect that it will be a PFIC for its current taxable year or in the foreseeable future. However, because a determination of whether a company is a PFIC must be made annually after the end of each taxable year and the Company's PFIC status for each taxable year will depend on facts, including the composition of Company's income and assets, the manner and rate at which the Company utilizes the proceeds of the Offering, and the value of Company's assets (which may be determined in part by reference to the market value of the Offer Shares) at such time, there can be no assurance that the Company will not be a PFIC for the current or any future taxable year. If the Company is a PFIC for any taxable year during which a US Holder holds Offer Shares and any of the Company's non-US subsidiaries is also a PFIC, such US Holder will 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. US Holders are urged to consult their tax advisors about the application of the PFIC rules to any of the Company's subsidiaries.

If the Company were a PFIC for any taxable year during which a US Holder held the Offer Shares (whether or not the Company continued to be a PFIC), gain recognised by a US Holder on a sale or other taxable disposition (including certain pledges) of the Offer Shares would be allocated ratably over the US Holder's holding period for the Offer Shares. The amounts allocated to the taxable year of the sale or other taxable disposition and to any year before the Company became a PFIC would be taxed as ordinary income in the year of sale or other taxable disposition. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations for that year, as appropriate, and an interest charge would be imposed. Further, to the extent that any distribution received by a US Holder on its Offer Shares exceeds 125% of the average of the annual distributions on the Offer Shares received during the preceding three years or the US Holder's holding period, whichever is shorter, that distribution would be subject to taxation in the same manner as gain, as described immediately above and would not be eligible for the reduced rate of tax on qualified dividend income of certain non-corporate US Holders described above under "*Dividends*."

A US Holder may be able to avoid some of the adverse impacts of the PFIC rules described above by electing to mark the Offer Shares to market annually. However, the election will generally not be available unless the Offer Shares are considered "marketable stock," which generally includes stock that is regularly traded in more than *de minimis* quantities on a qualifying exchange and, further, would not mitigate the adverse implications of PFIC status with respect to any subsidiaries of the Company. If a US Holder makes the mark-to-market election, any gain from marking the Offer Shares to market or from disposing of them would be ordinary income. Any loss from marking the Offer Shares to market would be recognised only to the extent of unreversed gains previously included in income. Loss from marking the Offer Shares to market would be ordinary, but loss on disposing of them would be capital loss except to the extent of mark-to-market gains previously included in income. No assurance can be given that the Offer Shares will be traded in sufficient frequency and quantity to be considered "marketable stock" or whether the Euronext Amsterdam is or will continue to be considered a qualifying exchange for purposes of the PFIC mark-to-market election. A valid mark-to-market election cannot be revoked without the consent of the IRS unless the Offer Shares cease to be marketable stock.

A US Holder would not be able to avoid the tax consequences described above by electing to treat the Company as a qualified electing fund (“**QEF**”) because the Company does not intend to provide US Holders with the information that would be necessary to make a QEF election with respect to the Offer Shares.

US Holders should consult their own tax advisors concerning the Company’s possible PFIC status and the consequences to them if the Company were classified as a PFIC for any taxable year.

(d) ***Information Reporting and Backup Withholding***

Dividends on the Offer Shares and proceeds from the sale or other disposition of Offer Shares that are made within the United States or through certain US-related financial intermediaries are generally subject to information reporting to the IRS and may be subject to backup withholding, unless (i) the US Holder is a corporation or other exempt recipient, or (ii) in the case of backup withholding, the US Holder provides its correct taxpayer identification number and certifies that it is not subject to backup withholding. US Holders who are required to establish their exempt status may be required to provide such certification on IRS Form W-9. Any amount withheld may be credited against a US Holder’s US federal income tax liability or refunded to the extent it exceeds the holder’s liability, provided the required information is timely furnished to the IRS.

Certain non-corporate US Holders are required to report information with respect to Offer Shares not held through an account with a US financial institution to the IRS. Investors who fail to report required information could become subject to substantial penalties. Potential investors are encouraged to consult with their own tax advisors about these and any other reporting obligations arising from their investment in Offer Shares.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR INVESTOR. EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES TO IT OF AN INVESTMENT IN THE OFFER SHARES IN LIGHT OF THE INVESTOR’S OWN CIRCUMSTANCES.

18. GENERAL INFORMATION ON THE COMPANY

18.1 General Information on the Company and its subsidiaries

A1.4.1

A1.4.2

A1.4.3

A1.4.4

A1.6.1

A1.6.2

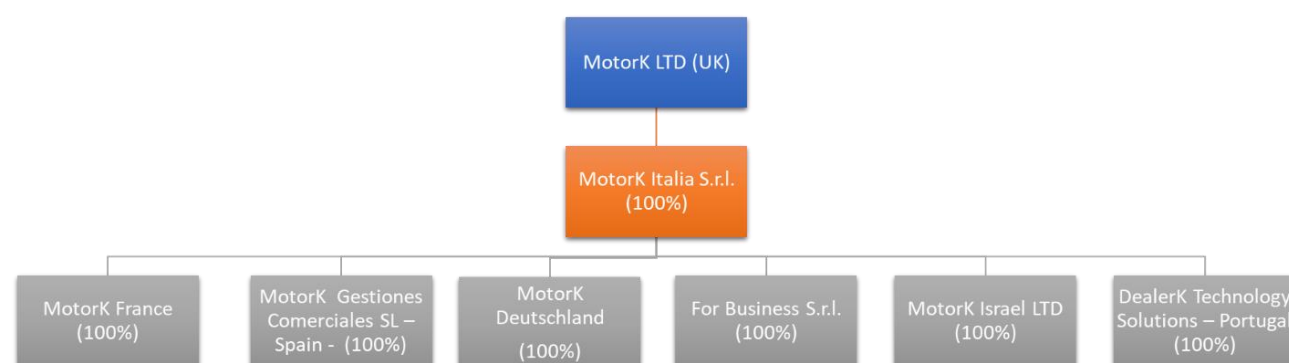
MotorK Ltd. was incorporated on October 10, 2014, its legal and commercial name is MotorK Ltd., it operates under the laws of England and Wales, it is registered with the Companies House under number 09259000 and its legal entity identifier (LEI) is 984500E0A1C4DLBA3878. As of the Settlement Date, the key shareholders of the Company are 83 North III Limited Partnership, Marco Marlia, Fabio Gurgone, Marco De Michele, Zobito 1 and 2 and Tommaso Parisi, which together hold 97.10% of the Company's issued ordinary share capital. Also, prior to the First Trading Date, Amir Rosentuler will convert No. 120,000 of its vested options under the EMI Plan and subscribe No. 120,000 newly issued shares of the Company, equal to approximately 0.4% of the issued share capital of the Company. The Company is the holding company of the Group. The following is a list of material subsidiaries, based on their contribution to the consolidated financial performance and/or position of the Group for the year ended December 31, 2020.

Company	Jurisdiction of incorporation	Main business	Direct or indirect ownership	% of 2020 revenues
MotorK Italia S.r.l.	Italy	Sub holding company(1)	100%	81%
MotorK France S.à r.l.	France	Sales distributor	100%	9%
MotorK Gestiones Comerciales S.L.	Spain	Sales distributor	100%	7%
MotorK Deutschland GmbH	Germany	Sales distributor	100%	3%
For Business S.r.l.	Italy	Call center for the Italian market	100%	—
MotorK Israel Ltd.	Israel	Talent hub	100%	—
DealerK Technology Solutions	Portugal	R&D center of excellence	100%	—

(1) Distributing IP, procurement, operation, finance and sales services.

The Group does not have any subsidiaries with non-controlling interests held by third parties.

The following structure chart illustrates the structure of the Group as of the date of the Prospectus.



Note: The chart above does not include DriveK Italia S.r.l., as the operations of DriveK are recorded as discontinued operations in such financial statements

18.2 Independent Auditors

The 2018-2020 Consolidated Financial Statements included in this prospectus have been audited by BDO, independent auditor, in accordance with International Standards on Auditing (UK) and applicable law. BDO issued an independent auditor's report on the 2018-2020 Consolidated Financial Statements. The 2021 Interim Condensed Consolidated Financial Statements included in this prospectus have been subject to limited review by BDO, independent auditor, in accordance with International Standards on Auditing (UK) and applicable law.

A1.1.3

A1.2.1

A11.1.3

The Company's independent auditor is BDO LLP, an independent audit firm with its address at 2 City Place, Beehive Ring Road, Gatwick, RH6 0PA, UK. BDO is registered to carry out audit work by the Institute of Chartered Accountants in England and Wales.

18.3 Properties

The Group's primary office is in Kemp House, 152 City Road, EC1V 2NX, London, UK and the Company's registered address is in London, UK. The Group operates in seven countries: the UK, Italy, Spain, France, Germany, Portugal and Israel. The Group's headquarters are located in London (UK). As of June 30, 2021, the Group used eight offices, all of which are leased from the relevant landlords.

18.4 Environment

The Company believes that the Group does not have any material environmental compliance costs or environmental liabilities. A1.5.7.4

18.5 Material Contracts

In addition to the agreements referred to in "*Plan of Distribution*", within the two years immediately preceding the date of this Prospectus the Group has entered into the following agreements that are material and/or contain provisions under which it has an obligation or entitlement that is material to it as of the date of this Prospectus. A1.20.1

Financing Agreements

€15 million EIB Facility Agreement

On November 30, 2018, MotorK Italia, as borrower, entered into a facility agreement (the "**EIB Facility Agreement**") with the EIB, as lender, for an aggregate maximum amount of €30,000,000 to be granted in three tranches available for release until November 30, 2020. As of the date of this Prospectus, two out of three tranches have been released: a €7,500,000 tranche A and a €7,500,000 tranche B, both maturing and to be repaid in a single instalment on December 13, 2021 and June 25, 2024 respectively. The EIB Facility Agreement bears interest rate of 10% per annum on the outstanding balance of the €7,500,000 tranche A and 9% per annum on the outstanding balance of the €7,500,000 tranche B.

The EIB Facility Agreement was entered into by MotorK Italia in the context of a €74,784,000 investment plan for the development of integrated digital products and services (the "**R&D Investment Plan**"). The R&D Investment Plan in the EIB Facility Agreement was not fulfilled due to various reasons including the COVID-19 pandemic impact. MotorK Italia intends to reimburse EIB with the net proceeds from the Offering.

The EIB Facility Agreement is secured by a first demand guarantee issued by the Company, as guarantor, to EIB, as guarantee, for an amount up to €40,000,000 pursuant to a first demand guarantee agreement entered into on November 30, 2018.

Warrant

Pursuant to the EIB Facility Agreement, EIB shall be entitled to receive any amounts due in connection with the Warrants and pursuant to the EIB Warrant Agreement. See "*EIB Warrant Agreement*".

Prepayment

Subject to the payment of a prepayment fee ranging from 1% to 2.5% of the prepaid amount (the "**Prepayment Fee**"), MotorK Italia may voluntarily prepay all or part of any tranche together with accrued interest and indemnities.

EIB may request the prepayment of the outstanding amount of the facility, together with any accrued interest and outstanding payment, upon the occurrence of any of:

- (i) a change of control in respect of the Company, MotorK Italia or any material subsidiary of the Group (excluding MotorK Italia, the "**Material Subsidiaries**");

- (ii) any change in or amendment to any law, rule or regulation which would materially impair the ability of the Company, MotorK Italia or any Material Subsidiary to perform its obligations under the EIB Facility Agreement and the related documentation (including the EIB Warrant Agreement (see “-EIB Warrant Agreement”));
- (iii) Mr. Marco Marlia ceases to be the CEO of the Company and/or managing director (*amministratore delegato*) of MotorK Italia;
- (iv) Certain institutional investor cease to own at least 20% of the shares, other than as a result of the listing of the Company, subject to certain exceptions.

Further, subject to certain exceptions and conditions, if MotorK Italia disposes of assets included in the R&D Investment Plan or shares in subsidiaries holding any such assets, MotorK Italia shall promptly use any proceeds received from such disposal to prepay the corresponding amount of the facility, together with accrued interest.

In the event of a mandatory prepayment, MotorK Italia shall pay the Prepayment Fee. No Prepayment Fee is due if the facility is prepaid in the context of an initial public offering on a regulated market or an acquisition by any third party of the control over the shares of the Company or MotorK Italia.

Moreover, EIB may also request the prepayment of the facility if the €74,784,000 overall amount required for the purpose of the R&D Investment Plan (the “**Investment Plan Amount**”) is reduced so that the €30 million aggregate amount of the facility exceeds 50% of the Investment Plan Amount (as subsequently reduced). No Prepayment Fee shall be due upon occurrence of this prepayment event.

No repaid or prepaid amounts may be reborrowed.

Events of default

The EIB Facility Agreement contains customary events of default, which would entitle EIB to immediately accelerate the repayment by MotorK Italia of the outstanding amount of the facility, including, by way of example, but not limited to, breach of the representation and warranties, commencement of enforcement proceedings against the borrower and any event or change of condition with a material adverse effect on the activities of the Company, MotorK Italia or any Material Subsidiary jointly, or its obligations under the EIB Facility Agreement and the related documentation (including the EIB Warrant Agreement).

Upon occurrence of any default by MotorK Italia, a Prepayment Fee shall be paid by MotorK Italia.

Borrower’s undertakings

General undertakings in connection with the R&D Investment Plan: MotorK Italia shall use all amounts borrowed under the EIB Facility Agreement exclusively for the purposes of the R&D Investment Plan.

Assets disposals and control over Material Subsidiaries: MotorK Italia and any of the companies of the Group shall not dispose of all or any part of their business, undertaking or assets other than with respect to permitted disposals under the EIB Facility Agreement. In addition, the Company and MotorK Italia shall in aggregate maintain more than 50% of the share capital, directly or indirectly, of their respective Material Subsidiaries, unless prior written consent of EIB is received by MotorK Italia.

Acquisitions and extraordinary transactions: MotorK Italia and any of the companies of the Group shall not enter into any business combination, demerger, merger or corporate reorganization unless certain conditions are met. In addition, MotorK Italia shall immediately notify EIB if it acquires more than 50% of a new entity. MotorK Italia and any of the companies of the Group shall not carry out any new investments or acquisitions without EIB’s prior written consent unless explicitly exempted in the EIB Facility Agreement (*e.g.*, acquisitions of entities or businesses within the EU or the UK).

Indebtedness: subject to the exceptions specified in the EIB Facility Agreement, MotorK Italia and the companies of the Group shall not incur any indebtedness without EIB’s prior written consent.

Distributions: MotorK Italia and any of the companies of the Group shall not declare or distribute dividends, or return or purchase shares without EIB's prior written consent, save for any dividend payments made by any subsidiary of MotorK Italia.

Intercompany loans: MotorK Italia and any of the companies of the Group shall not make any payment in respect of any intercompany loan save for, amongst others, loans whose aggregate principal amount does not exceed €1 million.

Guarantees and Negative pledge: MotorK Italia and the companies of the Group shall not, subject to the exceptions specified in the EIB Facility Agreement, issue or allow any guarantees to remain outstanding in respect of any liability or obligation of any person without EIB's prior written consent. Further, MotorK Italia and any of the companies of the Group shall not create any encumbrance over any of its assets, subject to the exceptions specified in the EIB Facility Agreement.

Governing Law

The EIB Facility Agreement is governed by Italian law.

On May 7, 2021, EIB provided its written consent to the DriveK Carve-Out and an intragroup reorganization consisting of the merger of two French entities and the subsequent sale of the participation in certain subsidiaries from the Company to MotorK Italia (the "**Reorganization**"), subject to:

- (a) the Company entering into an amendment to the EIB Warrant Agreement (see "-EIB Warrant Agreement") to ensure that a number of warrants corresponding to the EIB's consent fee are issued by the Company in favor of EIB by no later than the day before the DriveK Carve-Out or the closing of the Reorganization; and
- (b) the DriveK Carve-Out being based upon an enterprise value of at least €7 million and at least €5 million of the purchase price being paid on the closing date of the sale, with balance being paid within 12 months therefrom.

EIB Warrant Agreement

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A1.19.1.6

On November 30, 2018, the Company entered into a warrant agreement with EIB, partially amended and restated on June 8, 2021 (the "**EIB Warrant Agreement**"), pursuant to which, in connection with the EIB Facility Agreement, the Company undertook to issue warrants (the "**Warrants**") entitling EIB to subscribe for a corresponding number of shares (the "**Warrant Shares**"), for a strike price of €0.01 per Warrant Share. The Warrant Shares bear the same rights as the ordinary shares of the Company (including ranking *pari passu* with the ordinary shares and having the same dividends and distributions rights). In accordance with the EIB Warrant Agreement, upon disbursement of any tranche under the EIB Facility Agreement, the Company issued in favor of EIB a number of Warrants as follows: (i) in relation to €7,500,000 tranche A, a number of Warrants over Warrant Shares representing 0.4% of the issued share capital of the Company; (ii) in relation to €7,500,000 tranche B, a number of Warrants over Warrant Shares representing 0.4% of the issued share capital of the Company; and (iii) in relation to €15,000,000 tranche C, a number of Warrants over Warrant Shares representing 0.7% of the issued share capital of the Company. An additional 15,820 Warrants were issued on June 8, 2021, pursuant to the abovementioned amendment and restatement of the EIB Warrant Agreement entered into on the same date. As of the Date of this Prospectus, EIB warrants represent 0.8% of the Company's share capital on a fully-diluted basis.

Given that only tranches A and B of the EIB Facility Agreement have been disbursed (see "*EIB Facility Agreement*"), EIB was granted with 254,991 Warrants, entitling to 254,991 Warrant Shares.

In connection with a consent letter to the DriveK Carve-Out and the Reorganization, on May 7, 2021, the Company undertook to perform the DriveK Carve-Out based on an enterprise value of at least €7 million and at least €5 million of the purchase price being paid on the closing date of the sale, with balance being paid within 12 months therefrom.

The EIB Warrant Agreement is governed by English law.

Anti-dilution

The Company shall notify EIB or any transferee of the Warrants (the “**Warrantholder**”) of any anti-dilution events, among others, the reorganization or reclassification of the shares, any capitalization issue in favor of the shareholders of the Company, the change of the nominal value of the shares, any other allotment or issue of shares.

Upon any such event, the number of Warrants shall be adjusted so that the corresponding Warrant Shares, if redeemed, would entitle the Warrantholder to the same proportion of voting rights and the same participation to profits and assets of the Company as it would have had immediately before the occurrence of the adjustment event, if no such event had occurred. As a result of the Admission, the number of Warrants granted to the EIB will be adjusted in order to take into consideration the dilutive effect of the Offering.

Such anti-dilution rules shall not apply in certain cases, for example when at the time of the relevant event, the Company has a pre-money valuation of €600,000,000 or higher prior to the issue of the new shares.

Exercise of the Warrants

The Company shall promptly inform of – and keep the Warrantholder updated on events as such (i) a sale, assignment, transfer or other disposal of assets and undertakings of the Group, or issued share capital in the Company; or (ii) a change of control under the EIB Facility Agreement.

On the occurrence of any such event, the Warrantholder may sell, assign, transfer or in any way dispose the Warrants in favor of any third party.

Listing

In the event of listing of the shares of the Company, such listing may occur only if, as part of the related terms, all shares underlying the Warrants issued shall be listed and shall rank *pari passu* with the most preferential shares issued by the Company

Put option

The Warrantholder enjoys a put option right over the Warrants, which may be exercised until the end of a six-month period following the maturity date of the last tranche drawn down by the Company (*i.e.* as of the date of this Prospectus, on December 25, 2024, that is six months after the maturity date of tranche B): (i) upon the occurrence of certain events, such as (i) a sale, assignment, transfer or other disposal of assets and undertakings of the Group, or issued share capital in the Company; or (ii) a change of control under the EIB Facility Agreement; (ii) on tranche A maturity date, however only with respect to certain Warrants; or (iii) on tranche B maturity date, again only with respect to certain Warrants, *provided that* the put option may be exercised only to the extent the relevant put option price (as detailed below) may be covered with distributable cash reserves of the Company arising from its operations and the Group’s net profit after tax.

Upon the exercise of the put option right, the put option price shall be the higher of:

- (i) the fair market value of the transferring Warrants and the relevant Warrant Shares (calculated in accordance with the EIB Warrant Agreement),
- (ii) where the Company is listed on a recognized stock exchange, the average price per share in the preceding three months, multiplied by the number of Warrant Shares, and
- (iii) the price per share obtained in the context of any share sale made in relation to the Company, multiplied by the number of Warrant Shares,

provided that it shall not exceed the value of the facility, in the amount it was actually disbursed under the EIB Facility Agreement *plus* the value of the Warrants issued upon signing of the amendment to the EIB Warrant Agreement of June 8, 2021 (*i.e.* €15,063,500). Where the price of the Warrants under the

put option results in an amount higher than €15,063,500, the number of transferring Warrants shall be reduced accordingly.

The payment of the put option price may be delayed by the Company in case the event triggering the put option exercise consists of or in an Event which takes place in connection with an equity investment into the Company by one or a series of new or existing investors which results in or is made in connection with (i) a change of control event within the meaning of the EIB Facility Agreement, (ii) the repayment of any principal amount due under the EIB Facility Agreement, and (iii) the servicing by EIB of a repayment request due to an event of default under the EIB Facility Agreement. In such case, the put option payment date shall be the earliest of (a) 12 months from the date of the relevant equity investment, or (b) the maturity date of the EIB Facility Agreement.

In case of delay of the put option payment date in accordance with the terms above, the put option price shall be the higher of:

- (i) the highest price per share paid as part of the relevant equity investment, multiplied by the number of Warrants which are subject of the put option; and
- (ii) the put option price calculated in accordance with the general rule described above.

As of the date of this Prospectus, the EIB is considering the possibility to exercise the put option granted to it pursuant to the Warrant Agreement at the price set out above. Based on the Company's calculations, the impact of the exercise of the put option by the EIB will offset the impact of the dilution that would result from the exercise of the Warrants.

Call option

The Company enjoys a call option right over all (but not part) of the Warrants, which may be exercised:

- (i) in respect of the Warrants issued in the context of the €7,500,000 tranche A disbursement, until six months prior to the tranche A maturity date; and
- (ii) in respect of the Warrants issued in the context of the €7,500,000 tranche B disbursement, until six months prior to the tranche B maturity date,

provided that the call option may be exercised only to the extent that no put option has already been exercised by the Warrantholder.

Upon the exercise of the put option right, the put option price shall be the higher of:

- (i) the fair market value of the transferring Warrants and the relevant Warrant Shares (calculated in accordance with the EIB Warrant Agreement),
- (ii) where the Company is listed on a recognized stock exchange, the average price per share in the preceding three months, multiplied by the number of Warrant Shares, and
- (iii) the price per share obtained in the context of any share sale made in relation to the Company, multiplied by the number of Warrant Shares,

provided that it shall be no less than certain minimum amount (corresponding to the ratio between the aggregate percentage of Warrant Shares in issue to each Warrantholder and 1.5%, times €15,000,000).

Tag along

In the event that any of Marco Marlia, Marco De Michele, Fabio Gurgone and Tommaso Parisi intends to sell, assign, transfer or otherwise dispose of its shares and/or respective rights to third parties, such shareholder shall also notify the Warrantholder. Within 15 days following receipt of said notice, the Warrantholder may opt to sell all or part of its Warrants in the context of said disposal.

Drag along

In the event of any sale, assignment, transfer or other disposal of all or substantially all of the issued share capital in the Company, the Company may request the Warrantholder to take all steps and sign all documents such that, all then in issue Warrants are exercised and the corresponding Warrant Shares are issued directly to the relevant third party purchase.

In particular, the Warrantholder shall be obliged to perform such transaction only if certain conditions are met, which include, among others, the following requirements: (i) the terms of the share disposal are made on an arm's length basis; and (ii) on completion and upon exercise of the Warrants, the Warrantholder received a cash payment equal to the same consideration it would be entitled to receive had it held the Warrant Shares, after deducting the strike price (*i.e.* €0.01 per Warrant Share) in relation to such Warrant Shares.

Transfer of the majority of the share capital

In the event the shareholders of the Company receive an offer for more than 50% of the share capital of the Company, the Company shall immediately inform the Warrantholder and ensure that the Warrantholder is treated as a shareholder as if it had exercised the Warrants then outstanding and exercisable.

General undertakings

The EIB Warrant Agreement includes certain positive undertakings, including, among others, the obligation to notify the Warrantholder of any amendments to the Articles of Association that do not require its prior approval and certain negative undertakings, unless with the prior consent of the Warrantholder, including, among others, the obligations (i) not to alter or amend the rights attached to the shares or to amend the Subscription and Shareholders' Agreement or the Articles of Association in such a way which has, or is likely to have, an adverse effect on the value of the Warrant Shares, (ii) not to create any new class of shares, (iii) not to issue shares other than the shares issued pursuant to the convertible notes issued by the Company or to any share option scheme of the Company up to 3,543,370 shares, (iv) not to convert the Company into an entity of another form under any jurisdiction other than for the purposes of any in preparation for a listing, and (v) not to make any issue, grant or distribution or take any other action if, on the exercise of the Warrants or the issue of the Warrant Shares, as a result, the Warrant Shares would be issued in a manner different from that contemplated under the EIB Warrant Agreement.

Dissolution

In the event of a winding up or any form of dissolution of the Company, the Warrantholder may - subject to certain exceptions - elect to be treated as if he had been a shareholder as of the time immediately prior to the making of the order or the passing of the resolution.

Convertible Loans

Since 2018, the Company has been granted with certain convertible loans, entitling the relevant lenders – at certain terms and conditions agreed with the Company – to convert their credits into equity of the Company upon the occurrence of certain events.

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On June 15, 2018, a convertible loan agreement for an aggregate principal amount drawn of €3,000,000 was entered into among the Company, Zobito (for a portion of €200,000), Zobito AB 2 (for a portion of €643,066), Tassaka Invest (for a portion of €57,954), 83 North (for a portion of €2,058,925) and Assaf Topaz (for a portion of €40,054) (the “**Convertible Loan Agreement**”). On December 11, 2019, the relevant lenders entered into a loan conversion agreement with the Company (the “**Loan Conversion Agreement**”) to convert their respective portions of the loan into series A-2 preferred shares in the share capital of the Company, for a conversion price equal to €2.68 per share.

In 2019 and 2020, the Company issued certain convertible loan notes (the “**Convertible Loan Notes**”), for €4,000,000 and €650,000 respectively, for an aggregate principal amount of €4,650,000, which as of the date of this Prospectus have not been converted into equity yet.

The Convertible Loan Notes are all subject to the same terms and conditions, including automatic conversion conditions, with certain exceptions expressly indicated herein.

In particular, the Convertible Loan Notes shall automatically convert upon completion of any equity-based financing round, where any investor subscribed for shares of the Company. In such event, the amount invested through the Convertible Loan Notes by the relevant noteholder shall automatically convert into new shares (i) of the same type and class as the most senior class of securities received by the investor by means of the investment round, (ii) on the same terms and conditions applicable to the investor, and (iii) at a price per share of at least 20% discount on the lowest price per share pursuant to which the investment is consummated, *provided that* such price per share shall not exceed the price per share of the Company assuming a pre-money fully diluted valuation of the latter of €160,000,000.

Conversion events

In addition, the Convertible Loan Notes shall automatically convert upon the listing of the Company or consummation of the following extraordinary transactions, subject to certain exceptions:

- (i) any corporate reorganization (including merger) of the Company, where all shareholders of the Company, immediately prior to the transaction, hold as a group less than 50% of the voting power on equity interest of the surviving entity immediately after the transaction;
- (ii) any sale, lease, transfer, exclusive license or other disposition of all or substantially all of the assets of the Group taken as a whole, in one or more transactions;
- (iii) a sale of a majority of the share capital of the Company pursuant to which, following such transaction(s), all shareholders of the Company immediately prior to transaction(s), as the case may be, as a group, own less than 50% of the voting power or equity interests of the Company.

In such events, the amount invested through the Convertible Loan Note by the relevant noteholder shall automatically convert into a number of series A-3 preferred shares at a price per share representing a 20% discount on the ratio between the aggregate proceeds in connection with the transaction and the number of outstanding shares of the Company, on a fully diluted basis, as of immediately prior to the transaction, and not exceeding the price per share of the Company assuming a pre-money fully diluted valuation of the latter of €160,000,000.

Further, the Convertible Loan Notes shall automatically convert:

- (i) upon, with certain exceptions, the voluntary or involuntary liquidation, dissolution or winding up of the Company or such subsidiaries the assets of which constitute all or substantially all of the assets of the business of the Group, taken as a whole; or
- (ii) on the date that is 18 months following the date of transfer by the relevant noteholder of the funds at the basis of the Convertible Loan Note.

In such events, the amount invested through the Convertible Loan Note by the relevant noteholder shall automatically convert into series A-3 preferred shares in the capital of the Company.

The rights and obligations in connection with the Convertible Loan Notes may not be assigned or transferred, without the prior written consent of the respective other party.

In addition, with respect to the Convertible Loan Note issued in favor of Real Web Ventures Ltd., it is *provided that*, prior to the conversion of the loan amount, the Company shall not modify the rights relating to nor the nominal value of the existing and allotted share capital of the Company as of December 17, 2019. Further, again with respect to the Convertible Loan Note issued in favor of Real Web Ventures Ltd., the Company undertook, prior to conversion of the loan, not to issue or allot any shares in the capital of the Company without the approval of the shareholders holding the majority of the preferred shares of the Company.

The Convertible Loan Notes are governed by English law.

€6 million Illimity Facility Agreement

On May 26, 2020, MotorK Italia, as borrower, entered into a facility agreement (the “**Illimity Facility Agreement**”) with Illimity Bank S.p.A. (“**Illimity**”), as lender, for an aggregate principal amount drawn of €6,000,000. The Illimity Facility Agreement shall be repaid in 20 instalments of €300,000 each, with interests to be repaid in separate quarterly instalments, maturing on May 26, 2026. The Illimity Facility Agreement bears interest rate of EURIBOR 3 months plus 3.50% per annum, subject to variations upon the occurrence of certain circumstances.

The Illimity Facility Agreement is secured by a first demand guarantee issued by the Company, as guarantor, to Illimity, as guarantee, for an amount up to €8,000,000 pursuant to a first demand guarantee agreement entered into on May 26, 2020.

Prepayment

With a prior 10-day notice and starting from January 1, 2022, MotorK Italia may prepay the loan, together with accrued interest. In addition, MotorK Italia shall pay a prepayment fee which, depending on the relevant circumstances, ranges from 0.5% to 1% of the prepaid amount.

In addition, MotorK Italia shall promptly use to prepay the loan and any accrued interest - with prior deduction of certain costs related thereto - (i) any proceeds collected in the context of any sale, lease, license, transfer, loan or other disposal of any asset, undertaking or business made by any member of the MotorK Group, with the exclusion of certain disposal proceeds which are explicitly excluded in the Illimity Facility Agreement (e.g. the proceeds of any disposal made in the ordinary course of trading of the disposing entity), (ii) any proceeds collected in the context of any claim against the sellers or any of its affiliates (or any employee, officer or adviser) in relation to the acquisition documents of any acquisition which are permitted under the Illimity Facility Agreement (e.g. acquisitions which relate to entities engaged in substantially similar, related or complementary business to that of the Group and in the jurisdictions of Italy, Germany, France, Spain, UK) (“**Permitted Acquisition**”) or against the provider of any report, with the exclusion of the proceeds collected in the context of any claim against the sellers or any of its affiliates (or any employee, officer or adviser) in relation to the acquisition documents of any Permitted Acquisition, and (iii) any proceeds collected in the context of any insurance claim under any insurance maintained by MotorK Italia, with the exclusion of the proceeds collected in the context of any insurance claim under any insurance maintained by MotorK Italia.

Illimity may request the prepayment of the outstanding amount of the facility, together with any accrued interest, among others, upon the occurrence of a Change of Ownership of MotorK Italia. Events constituting a “**Change of Ownership**” include (a) any circumstances in which any of 83 North, Zobito, Tassaka Invest AB and Marco Marlia cease to hold, jointly or severally, any direct or indirect participation in the share capital and voting rights of MotorK Italia, and (b) the event that Marco Marlia ceases to be employed as CEO of MotorK Italia.

Events of default

The Illimity Facility Agreement contains customary events of default, which would entitle Illimity, depending on the relevant circumstances, to immediately withdraw from or terminate the Illimity Facility Agreement and/or accelerate the repayment by MotorK Italia of the outstanding amount of the facility, together with a default interest of 2% per annum, including, by way of example, but not limited to, breach of the representation and warranties, commencement of enforcement proceedings against the borrower and unlawfulness for MotorK Italia to perform any of its obligations under the agreement or invalidity for MotorK Italia of any obligation of the latter under the agreement capable of materially and adversely affecting the interest of Illimity.

In addition, an event of default shall occur when (i) certain events which entail the actual or potential cross default of MotorK Italia happen; (ii) any expropriation, attachment, sequestration, distress or execution affects any assets of MotorK Italia with an aggregate value of €300,000; (iii) MotorK Italia suspends or ceases to carry on all or a material part of its business; and (iv) due to any event or circumstance with a potential or actual material adverse effect, also due to any litigation, arbitration, administrative, governmental, regulatory or other investigation, proceeding or dispute or due any

circumstance which is so qualified by the auditors of MotorK Italia and/or the Group in the context of the audited annual financial statements of MotorK Italia or the audited consolidated financial statements of the Group.

Borrower's undertakings

Indemnities: Under the Illimity Facility Agreement, MotorK Italia has certain indemnification obligations in favor of Illimity, including in relation to costs, losses or liabilities due to certain tax aspects, increased costs on Illimity due to certain changes in the applicable laws or regulations, currency changes, events of default (as described above) or in any case failure to pay certain amounts due under the Illimity Facility Agreement.

Information: MotorK Italia shall provide Illimity with certain information, including (i) periodical financial information; (ii) information regarding any material litigation, arbitration or administrative proceedings which are current, threatened in writing or pending against MotorK Italia; (iii) any information regarding the financial condition, business and operations of MotorK Italia as Illimity may reasonably request, except to information whose disclosure would breach any law, regulation, stock exchange requirement or duty of confidentiality applicable to MotorK Italia subject to exceptions; (iv) within December 31, 2022, a report showing that, following any Permitted Acquisition to be carried out or committed to within the financial year ending on December 31, 2023, all scheduled repayment of any Existing Loans will be complied with; and (v) promptly, the intention of incurring into any additional financial indebtedness permitted under any Existing Loans up to a maximum aggregate amount of €6,000,000 over the life of the facility.

Negative pledge: MotorK Italia shall - not subject to exceptions - create or permit to subsist any mortgage, charge, pledge, lien or other security interest over any of its assets.

Transactions: MotorK Italia shall not enter into any material transaction with any third party or with any shareholder or affiliate of the latter (unless it is a member of the Group), except on arm's length terms. In addition, without the prior consent of Illimity, MotorK Italia shall not - not subject to exceptions - enter into any transaction or series of transactions, make any investment or assume any obligations not expressly provided under the financial model relating to MotorK Italia and attached to the Illimity Facility Agreement for amounts exceeding (i) €2,000,000 in each financial year, and (ii) €5,000,000 over the life of the facility.

Disposals and extraordinary transactions: MotorK Italia shall not, and shall procure that the Company shall not dispose of all or any part of the business, undertakings or assets of the Group, unless certain conditions are met. Further, without the prior consent of Illimity, MotorK Italia shall not perform (i) any amalgamation, reorganization, merger or demerger, and (ii) any acquisition of a company, a business, assets or undertaking, unless it is a Permitted Acquisition and *provided that*, following the Permitted Acquisition, MotorK Italia shall in any case comply with any scheduled repayment under the Existing Loans.

Financial indebtedness: Unless with the consent of Illimity, MotorK Italia shall not incur or allow to remain outstanding any financial indebtedness other than, among others, financial indebtedness which refers to (i) the Existing Loans, (ii) any additional financial indebtedness permitted under any Existing Loans and with a maximum aggregate amount of €6,000,000 over the life of the facility, (iii) any cash pooling or similar agreement implemented within the Group. In addition, unless with the prior consent of Illimity, MotorK Italia shall not act as creditor in respect of any financial indebtedness. MotorK Italia shall also ensure that any unsecured or unsubordinated claims of Illimity under the Illimity Facility Agreement and the legal documentation related thereto rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors, to the extent permitted by the applicable law.

Shareholder injections: Prior to performing any shareholder injections, MotorK Italia shall ensure that an equity subordination agreement is entered into at terms and conditions acceptable for Illimity among 83 North, Zobito, Tassaka Invest AB and Mr. Marco Marlia, MotorK Italia and Illimity. Such shareholder injections include, among others, (i) capital contributions and/or non-cash pay shareholder loans made available to MotorK Italia by 83 North, Zobito, Tassaka Invest AB and Mr. Marco Marlia, (ii) fully paid ordinary shares or fully paid redeemable shares (with redemption date after the final

maturity date of the Illimity Facility Agreement) in MotorK Italia issued to any direct shareholders for cash after May 26, 2020, and (iii) non-cash pay loans made by 83 North, Zobito, Tassaka Invest AB and Mr. Marco Marlia, directly or indirectly, to MotorK Italia after May 26, 2020 with a final maturity date after the final maturity date of the Illimity Facility Agreement.

Dividends and distributions: MotorK Italia shall not (i) declare, make or pay any dividend, charge, fee or other distribution (or interest on any unpaid dividend, charge, fee or other distribution), (ii) repay or distribute any dividend or share premium reserve, (iii) make any payments under or in respect of any equity documents or shareholder injections subject to exception, and (iv) redeem, repurchase, retire or repay any of its share capital or shareholder injections or resolve to do so.

Change of business

MotorK Italia shall procure that no material change is made to the general nature of its business.

Governing Law

The Illimity Facility Agreement is governed by Italian law.

On April 20, 2021, Illimity provided its written consent to the DriveK Carve-Out and an intragroup reorganization consisting of the merger of two French entities, subject to:

- (a) MotorK Italia's undertaking to replace the Illimity Facility Agreement with a new financing to be granted by Illimity for an aggregate amount of up to €7.25 million within three months following completion of the DriveK Carve-Out, which will have a duration of 72 months and will be guaranteed by SACE for 90% of the facility; and
- (b) the purchase price for the DriveK Carve-Out being no lower than €8 million.

€2 million Credimi Facility Agreement

On March 18, 2019, MotorK Italia, as borrower, entered into a facility agreement (the “**Credimi Facility Agreement**”) with Credimi S.p.A. (“**Credim**”), as lender, for an aggregate principal amount drawn of €2,000,000 granted in a single instalment. The Credimi Facility Agreement shall be repaid in quarterly instalments ranging from €1,737.70 to €114,475.25, maturing on December 31, 2025. The Credimi Facility Agreement bears a floating interest rate of EURIBOR 3 months *plus* 5.3% per annum.

The Credimi Facility Agreement was entered into by MotorK Italia in the context of an agreement between MotorK Italia and Elite S.p.A. for the supply of a lounge program promoted by Elite S.p.A.

The Credimi Facility Agreement is secured by a guarantee issued on March 14, 2019 by Fondo di Garanzia in favor of MotorK Italia for an amount up to €1,600,000.

Prepayment

With a prior 30-day notice, MotorK Italia may prepay in whole or in part the loan, *plus* a prepayment fee equal to 2% of the prepaid amount. Prepayments may only be in amounts of €50,000 or greater and only in multiples of €50,000.

Events of default and withdrawal

Credimi may terminate the Credimi Facility Agreement upon the occurrence of certain customary events, including (i) breach by MotorK Italia of certain undertakings regarding changes in the corporate structure, organization and business, extraordinary transactions, financial indebtedness, insurance and guarantees, (ii) non-remedied breaches by MotorK Italia of its payment obligation, (iii) inconsistencies between the actual legal, economic, financial or asset situation of MotorK Italia and the situation resulting from the documentation periodically delivered to Credimi, (iv) occurrence of any circumstance which may materially affect the economic, financial or asset situation of MotorK Italia or its operations, thus its ability to regularly and timely repay the loan, and (v) breach of the representation and warranties affecting MotorK Italia's ability to regularly and timely repay the loan. In case of a termination due to

any such event, MotorK Italia shall repay in full the loan within 15 days from the date of receipt of the relevant communication by Credimi, together with any accrued interests.

Further, Credimi may withdraw from the Credimi Facility Agreement upon the occurrence of certain events, including, by way of example, (i) MotorK Italia allocates the funds received from the loan to purposes other than the permitted purpose, (ii) of any commencement of enforcement proceedings against MotorK Italia, (iii) termination for any reason of the guarantee issued by Fondo di Garanzia, (iv) in the context of a contractual relationship between MotorK Italia and Credimi regarding factoring transactions on credits in favor of MotorK Italia, 5% of the amounts to be repaid (such percentage determined on the overall amount of *in bonis* credits) are overdue by more than 90 days, (v) the ratio between the instalment due under the agreement and EBITDA is higher than 50%, (vi) the ratio between the amount used and the amount granted is higher than 100% for three subsequent months (based on the information made available by the Risk Central of the Bank of Italy), and (vii) the net assets become negative. In case of a withdrawal due to any such event, MotorK Italia shall repay in full the loan within 15 days from the date of receipt of the relevant communication by Credimi, together with any accrued interests.

Undertakings

Change in business

MotorK Italia shall not amend its Articles of Association in any way having the effect of substantially modifying the corporate purpose of the company. If any such amendment is made without the prior consent of Credimi, the latter may terminate the Credimi Facility Agreement.

Extraordinary transactions

Unless with the prior consent of Credimi, MotorK Italia shall not resolve nor perform any extraordinary or in any case significant transaction, including, for example, any merger, demerger, spin-off, capital contribution, transformation, issue of debt securities, transfer abroad of the registered office, creation of assets intended for specific business (*patrimoni destinati ad uno specifico affare*) or financing intended for a specific business (*finanziamenti destinati ad uno specifico affare*). The performance of any such transactions without the prior consent of Credimi entitles the latter to terminate the Credimi Facility Agreement.

Financial indebtedness and guarantees

MotorK Italia shall inform Credimi in advance of the intention to request further medium-long term loans. In case of breach by MotorK Italia of such obligation, Credimi may terminate the Credimi Facility Agreement.

In the context of any other loan, MotorK Italia shall not issue for the benefit of any third party any real guarantee (*garanzia reale*) in respect of any of its assets, unless with the prior consent of Credimi. In case of breach by MotorK Italia of such obligation, Credimi may terminate the Credimi Facility Agreement.

Financial covenants

For the entire duration of the Credimi Facility Agreement, MotorK Italia shall comply with certain financial covenants which are based on EBITDA and the net financial position of MotorK Italia. Upon the occurrence of variations of such ratios, provided certain thresholds are passed, the interest rate shall vary accordingly.

Governing law

The Credimi Facility Agreement is governed by Italian law.

€1.5 million Creval Facility Agreement

On June 5, 2018, MotorK Italia, as borrower, entered into a facility agreement (the “**Creval Facility Agreement**”) with Credito Valtellinese S.p.A. (“**Creval**”), as lender, for an aggregate principal amount

drawn of €1,500,000, granted in a single instalment. The Creval Facility Agreement shall be repaid in 60 monthly instalments, maturing on May 10, 2023. The Creval Facility Agreement bears interest rate of EURIBOR 3 months *plus* 3.50 points per annum.

According to the Creval Facility Agreement, for the entire duration of the agreement, MotorK Italia shall not perform any extraordinary transaction (including, for example, acquisitions or disposals of business units, mergers, demergers and other transactions with equivalent economic effects), unless with the prior written consent of Creval.

In addition, Creval may immediately accelerate the repayment by MotorK Italia of the outstanding amount of the facility, among others, upon the occurrence of any change or event capable of modifying the legal and administrative structure of MotorK Italia or in any case capable of substantially impacting its asset, corporate, financial, economic or technical situation and that, based on Creval's opinion, may affect the loan.

The Creval Facility Agreement is governed by Italian law.

Acquisitions and sale of equity investments

Acquisition of Spanish and French Companies in October 2021

In October 2021, the Company entered into three separate binding letters of intent with the shareholders of several Spanish and French companies operating in the same industry as the Company. In aggregate, under the binding letters of intent, the Company would pay a total consideration of around €9.6 million to the shareholders with respect to the acquisitions (subject to certain adjustments), plus earn out consideration of up to around €4.2 million if the acquired companies meet certain performance metrics specified in the binding letters of intent. The financial statements of the Spanish Targets, French Targets and Francepronet (all as defined below) are based on unaudited Spanish and French GAAP.

Given the size of the Spanish Targets, French Targets and Francepronet (in isolation and in aggregated) relative to the Group and the difficulty of preparing pro forma financial statements that include income statements and balance sheets giving effect to the acquisition, the Group has not prepared pro forma financial statements for inclusion in this Prospectus. The relevant IFRS adjustments would not have a material impact on the Group's results. For additional information on the differences between the Spanish and French GAAP and the IFRS see below “*-Summary of Certain Differences of French GAAP and Spanish GAAP Compared to IFRS*”.

Set forth below are details regarding each of the acquisitions.

DAPDA Media, S.L. and PDA DAPDA, S.L.

On October 6, 2021, the Company entered into a binding letter of intent with the shareholders Juan Afan Munoz, Rosa Maria Escun Guasp, Juan Carlos Afan Escuin, Sara Afan Escuin, Jose Angel Lopez Morote, and Maria del Rosario Gil Molano (the “**Spanish Sellers**”) of DAPDA Media, S.L. and PDA DAPDA, S.L. (the “**Spanish Targets**”), companies incorporated under Spanish law, for the purchase of all of the stock of the Spanish Targets (the “**Spanish Purchase Agreement**”).

The Spanish Targets operate in Spain in the same sector as the Group. They offer their products, which are websites, online CRM tools called AutoNET and BDCNet, a lead manager called LeadIn, and a quality and reputation manager called Trikomer, primarily to auto dealerships. The Spanish Targets have internal R&D capabilities, including approximately 30 developers. The acquisition of the Spanish Targets is intended to drive value by leveraging the Spanish Targets' team, products, and customers with the Group's product offerings, scale, and geographic footprint.

Under the terms of the Spanish Purchase Agreement, the parties agreed that neither the Spanish Sellers, the Spanish Targets, nor their respective representatives would enter into or solicit an agreement related to the sale of the Spanish Targets' shares other than with the Company from the date of the Spanish Purchase Agreement until December 31, 2021.

The acquisition is set to be completed upon satisfaction of certain conditions precedent including, among other things, entering into long form documentation and the approval of a capital increase of at least €100.0 thousand no later than December 31, 2021.

The parties have agreed to close the transaction no later than November 20, 2021.

The Spanish Targets do not have audited financial statements and the latest financial statements (full year 2020) are prepared under Spanish GAAP. For further information regarding the risk associated with the use of unaudited financial statements not prepared in accordance with IFRS, see “*Risk Factors – Risks Relating to the Group’s Financial Position – The financial results presented for Fidcar SAS, Liotey SAS, Francepronet SAS, DAPDA Media, S.L., and PDA DAPDA, S.L. were calculated according to GAAP for the local jurisdictions of the targets and the financial statements from which they were drawn have not been audited*”.

In terms of revenues, the Spanish Targets generated (unaudited Spanish GAAP) aggregate revenues for the year ended December 31, 2020 of €2,947 thousand (equal to 15.2% of the Group’s total revenues for the same period). In 2020, the Spanish Targets had a positive EBITDA and recorded net profits, based on unaudited Spanish GAAP financial statements of the Spanish Targets.

As of December 31, 2020, the net assets acquired through the acquisition of the Spanish Targets were €1,299 thousand (equal to 2.9% of the Group’s net assets as of December 31, 2020).

Consideration paid under the Spanish Purchase Agreement will have both cash and stock components and will be subject to certain adjustments relating to the level of recurring revenue reached in 2023 and other net financial position adjustments. In addition, the Company may pay to the Spanish Sellers an earn-out, with both cash and stock components, which is subject to certain mutually agreed upon performance metrics being achieved following the successful closing of the acquisition and will have the following components: customer migration, revenue retention and churn, and retention of revenues from a specified OEM customer of the Spanish Targets.

The stock component of the consideration will be paid in shares of the Company, at a valuation which will be equal to the underlying value that will be set as IPO price.

In addition to the Spanish Purchase Agreement, at the closing of the acquisition, the Group expects to enter into employment agreements with key employees of the Spanish Targets, including certain of the Spanish Sellers, under which the employees will be employed on an exclusive basis for an agreed period.

The acquisition of the Spanish Targets will subject the Group to the risks commonly associated with the acquisition and integration of another business. For further information regarding these risks, see “*Risk Factors – Risks Relating to the Group’s Business Operations – The Group may fail to successfully complete acquisitions as part of its growth strategy*”.

Acquisition of Fidcar SAS and Liotey SAS

On October 6, 2021, the Company entered into a binding letter of intent with the shareholders Henry Thibault, Fabrice Caltagirone and ESF Conseil (the “**French Sellers**”) of Fidcar SAS and Liotey SAS (the “**French Targets**”), companies incorporated under French law, for the purchase of all of the stock of the French Targets (the “**French Purchase Agreement**”).

The French Targets operate in France in the same sector as the Group. They offer their online reputation products and predictive maintenance tools to garages, dealerships, and rental car companies among others seeking to repair and/or sell cars, motorcycles, trucks or camper vans. The French Targets are a growing business in France with some unique features in their product offerings, namely in Fidcar Predict and other products. The acquisition of the French Targets is intended to drive value by leveraging the French Targets’ products, which would be complimentary to the Group’s Spark platform, with the Group’s scale and geographic footprint.

Under the terms of the French Purchase Agreement, the parties agreed that neither the French Sellers, the French Targets, nor their respective representatives would enter into or solicit an agreement related

to the sale of the French Targets' shares other than with the Company from the date of the French Purchase Agreement until December 31, 2021.

The Spanish Purchase Agreement, the acquisition is set to be completed upon satisfaction of certain conditions precedent including, among other things, entering into long form documentation and the approval of a capital increase of at least €100.0 thousand no later than December 31, 2021.

The parties have agreed to close the transaction no later than November 20, 2021.

The French Targets do not have audited financial statements and the latest financial statements (full year 2020) are prepared under French GAAP. For further information regarding this risk associated with the use of unaudited financial statements not prepared in accordance with IFRS, see "*Risk Factors – Risks Relating to the Group's Financial Position – The financial results presented for Fidcar SAS, Liotey SAS, Francepronet SAS, DAPDA Media, S.L., and PDA DAPDA, S.L. were calculated according to GAAP for the local jurisdictions of the targets and the financial statements from which they were drawn have not been audited*".

In terms of revenues, the French Targets generated (unaudited French GAAP) aggregate revenues for the year ended December 31, 2020 of €550 thousand (equal to 2.9% of the Group's total revenues for the same period). In 2020, the French Targets had a positive EBITDA and recorded net profits, based on unaudited French GAAP financial statements of the French Targets.

As of December 31, 2020, the net assets acquired through the acquisition of the French Targets were €320 thousand (equal to 0.8% of the Group's net assets as of December 31, 2020).

Consideration paid under the French Purchase Agreement at closing will have both cash and stock components. The stock component of the consideration will be subject to restrictions on transferability, which will be removed from shares according to a schedule set forth in the French Purchase Agreement. In addition, the Company may pay to the French Sellers an earn-out with only a stock component, which is subject to certain mutually agreed upon performance metrics being achieved following the successful closing of the acquisition.

The stock component of the consideration paid at closing will be paid in shares of the Company, at a valuation which will be equal to the underlying value that will be set as IPO price.

In addition to the French Purchase Agreement, the Group expects to enter into employment agreements with key employees of the French Targets, including certain of the French Sellers, under which the employees will be employed on an exclusive basis for an agreed period.

The acquisition of the French Targets will subject the Group to risks commonly associated with the acquisition and integration of another business. For further information regarding these risks, see "*Risk Factors – Risks Relating to the Group's Business Operations – The Group may fail to successfully complete acquisitions as part of its growth strategy*".

Acquisition of Francepronet SAS

On October 6, 2021, the Company entered into a binding letter of intent with the shareholders (the "**Francepronet Sellers**") of Francepronet SAS ("**Francepronet**"), a company incorporated under French law, for the purchase of 85% of the stock of Francepronet (the "**Francepronet Purchase Agreement**").

Francepronet operates in France in the same sector as the Group. It offers web-based marketing solutions for dealerships similar to the solutions offered by the Group. Francepronet is a growing business in France with some unique features in their product offerings, namely the provision of SaaS products in the French automotive industry. The acquisition of Francepronet is intended to drive value by leveraging the Francepronet' team, products, and customers with the Group's product offerings, scale, and geographic footprint.

Under the terms of the Francepronet Purchase Agreement, the parties agreed that neither the Francepronet Sellers, the Francepronet Target, nor their respective representatives would enter into or

solicit an agreement related to the sale of the Francepronet shares other than with the Company for a period of 120 days from the date of the Francepronet Agreement.

The acquisition is set to be completed upon satisfaction of certain conditions precedent including, among other things, entering into long form documentation and the successful closing of a capital increase of at least €100.0 thousand no later than December 31, 2021.

The parties have agreed to close the transaction no later than December 31, 2021.

Francepronet does not have audited financial statements and the latest financial statements (full year 2020) are prepared under French GAAP. For further information regarding this risk associated with the use of unaudited financial statements not prepared in accordance with IFRS, see “*Risk Factors – Risks Relating to the Group’s Financial Position – The financial results presented for Fidcar SAS, Liotey SAS, Francepronet SAS, DAPDA Media, S.L., and PDA DAPDA, S.L. were calculated according to GAAP for the local jurisdictions of the targets and the financial statements from which they were drawn have not been audited*”.

In terms of revenues, Francepronet generated (unaudited French GAAP) aggregate revenues for the year ended December 31, 2020 of €1,367 thousand on an aggregate basis excluding intercompany transactions and revenues from the Auto Selection website (equal to 7.1% of the Group’s total revenues for the same period). In 2020, Francepronet had a positive EBITDA and recorded net profits, based on unaudited French GAAP financial statements of Francepronet.

As of December 31, 2020, the net assets acquired through the acquisition of Francepronet were €2,571 thousand (equal to 6.4% of the Group’s net assets as of December 31, 2020).

Consideration paid under the Francepronet Purchase Agreement at closing will have both cash and stock components. In addition, the Company may pay to the Francepronet Sellers an earn-out with only a cash component, which is subject to certain mutually agreed performance metrics being achieved following the successful closing of the acquisition.

The stock component of the consideration paid at closing will be paid in shares of the Company, at a valuation which will be equal to the underlying value that will be set as IPO price.

In addition to the Francepronet Purchase Agreement, the Group expects to enter into employment agreements with key employees of Francepronet under which the employees will be employed on an exclusive basis for an agreed period.

The acquisition of Francepronet will subject the Group to the risks commonly associated with the acquisition and integration of another business. For further information regarding these risks, see “*Risk Factors – Risks Relating to the Group’s Business Operations – The Group may fail to successfully complete acquisitions as part of its growth strategy*”.

Summary of Certain Differences of French GAAP and Spanish GAAP Compared to IFRS

The differences highlighted below reflect a high level analysis of the potential difference with IFRS compared to French GAAP and Spanish GAAP. It should be noted that the French Targets, Francepronet, and the Spanish Targets have not yet been acquired and therefore an IFRS transition has not yet been performed. Further differences could be identified when the IFRS transition is performed. The analysis considers those differences in accounting policies in force at the time of the preparation of this Prospectus. No attempt has been made to identify future differences between French GAAP and IFRS and between Spanish GAAP and IFRS, as the result of prescribed changes in accounting standards, transactions or events that may occur in the future.

Revenue recognition

IFRS

Contracts with customers are accounted for only when all the following criteria are met:

- the parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations;
- the entity can identify each party's rights regarding the goods or services to be transferred;
- the entity can identify the payment terms for the goods or services to be transferred;
- the contract has commercial substance (*i.e.*, the risk, timing or amount of the entity's future cash flows is expected to change because of the contract); and
- it is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity shall consider only the customer's ability and intention to pay that amount of consideration when it is due. The amount of consideration to which the entity will be entitled may be less than the price stated in the contract if the consideration is variable because the entity may offer the customer a price concession.

An entity shall recognize revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (*i.e.*, an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

An entity transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs;
- the entity's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or
- the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

French Targets and Francepronet

From a preliminary analysis certain revenues of the French Targets and Francepronet are recognized over the duration of the contract as permitted by French GAAP. The activities of the French Targets and Francepronet primarily relate to cloud-based SaaS platforms and in accordance with the IFRS accounting policy applied by the Group, such revenues would be recognized when the performance obligation is satisfied which is at the inception of each relevant contract. The revenues of the French Targets and Francepronet pursuant to French GAAP amounted to €1,917 thousand on an aggregate basis for the year ended December 31, 2020. It is not expected that the application of IFRS 15 would have resulted in a material adjustment to the French GAAP revenues.

Spanish Targets

From a preliminary analysis certain revenues of the Spanish Targets are recognized over the duration of the contract, as permitted by Spanish GAAP, whilst applying the IFRS 15 policy implemented by the Company such revenues, which relate to cloud-based SaaS platforms, would be recognized at the inception of the relevant contract. The revenues of the Spanish Targets pursuant to Spanish GAAP amounted to €2,947 thousand for the year ended December 31, 2020. However, the majority of contracts of the Spanish Targets are short term in nature and therefore it is not expected that the application of IFRS 15 would have resulted in a material adjustment to the Spanish GAAP revenues.

Intangible assets

Initial recognition and measurement

IFRS

Following IFRS, intangible assets are initially measured at cost, but this general rule may vary according to the way intangible assets are generated:

- Goodwill can only be recognized in case of business combination and it is measured as a residual rather than cost as the general rule suggests;
- Internal development expenditures and all internally developed intangible assets are capitalized when certain criteria are met;
- Internal research expenditure is expensed as it is incurred;
- Internally generated goodwill, customer lists, start-up costs, training costs, advertising and promotional activities and reorganization's expenses are recognized as they incurred;
- Advertising and promotional expenses are expensed when the benefit of those goods or services is available for the entity.

French Targets, Francepronet, and Spanish Targets

In general, pursuant to French GAAP and Spanish GAAP the criteria for classifying intangible assets are less stringent compared to IFRS. For example pursuant to French GAAP start-up and similar costs can be expensed or capitalized, internal developments costs can also be capitalized when certain criteria are met and costs related to advertising and promotional activities can be recorded as prepayments and in addition pursuant to Spanish GAAP research costs can be capitalized when certain criteria are classified. As a result there are certain intangible assets under French GAAP and Spanish GAAP which would not meet the IFRS recognition criteria. Total intangible assets of the French Targets and of the Spanish Targets amounted respectively to Euro 54,016 thousand and € 94,670 thousand as of December 31, 2020 and therefore any alignment to IFRS would not have had a material impact for the Group.

Leases

IFRS

"IFRS 16—Leases" is the applicable reporting standard for fiscal years beginning on or after January 1, 2019.

Under IFRS 16, lessees will record all leases within the scope of the standard, regardless of classification, on the balance sheet as a right-of-use asset and lease liability at the lease commencement. The initial right-of-use asset and lease liability will be measured based on the present value of the lease payments using the interest rate implicit in the lease (unless the rate cannot be readily determined, in which case the incremental borrowing rate of the lessee will be used). The incremental borrowing rate requires use of a borrowing rate for a similar security with a similar value to the right-of-use asset. For lessees, IFRS no longer differentiates between finance and operating leases.

Under IFRS, the income statement recognition for lessees will consist of an amortization of the right-of-use asset and interest expense related to the lease liability.

Under IFRS, lessees can elect not to recognize the right-of-use asset and the related lease liability when the value of the underlying asset is low and in case of short-term leases.

French Targets, Francepronet, and Spanish Targets

Lease contracts where the risk and rewards are not transferred to the lessee are recorded as operating leases and the lease payments are recognized on a straight-line basis. The implementation of the IFRS accounting policy would not have had an adverse effect on the Group's EBITDA or a material adverse effect on the Group's net income.

DriveK Carve-Out

As of the date of this Prospectus, the Group also operates the DriveK Business, which is active in the generation of qualified leads (*i.e.*, interactions with prospective customers who have already expressed an intention to buy a car (“**in-market buyers**”)) which the Group sells to car manufacturers and dealers in Italy, Spain and France. Advisors acting in the DriveK Business offer customized support to prospective buyers based on their individual needs and prepare them for the actual meeting with the dealership.

In 2021, the Group took certain steps relating to DriveK Carve-Out in order to focus its activities and financial resources exclusively on the SaaS business and fully convert the Group into a digital partner of the main automakers. Through the DriveK Carve-Out the Group plans to focus its activities and financial resources exclusively on the SaaS business for B2B customers, in order to benefit from the higher margins and lower seasonality of this business. While the Group is in discussions with several interested parties, as of the date of this Prospectus, the Group has not entered into any binding agreement relating to the DriveK Carve-Out. For a description of risks associated with the DriveK Carve-Out, see “*Risk Factors - Risks Relating to the Group’s Business Operations – The Group faces risk in connection with the intended sale of its DriveK Business, which it may be unable to complete and, even if completed, the Group may be unable to benefit from efficiencies from this sale*”.

Acquisition of 3W Net S.à r.l.

On April 30, 2019, MotorK France, as purchaser, and the Company, as guarantor, entered into a share sale and purchase agreement (the “**3W NET SPA**”) with Guillaume Bugault (“**GB**”), as seller, in relation to the acquisition by MotorK France of 4,000 shares – corresponding to the entire share capital – of 3W NET S.à r.l. (“**3W NET**”), a company incorporated under the laws of France. The share transfer became effective on July 1, 2019 and, in 2021, 3W NET was merged into MotorK France.

According to the 3W NET SPA, the consideration due by MotorK France for the transfer of the shares includes both cash consideration, for an aggregate amount of €2.3 million and an equity consideration consisting of 52,000 ordinary shares of the Company which, as of the time of the transaction, had an agreed value of €200,000 and corresponded to 0.2% of the share capital of the Company (excluding any options, warrants, company back options, ESOP shares and any other non-issued securities), subscribed by GB on completion date (*i.e.* on July 1, 2019). Following the granting to GB of the equity consideration, the latter entered into a deed of adherence to the Subscription and Shareholders’ Agreement.

Further, as the 3W NET SPA includes the obligation for MotorK France to employ GB as Head of Strategy France, in accordance with the terms and conditions of an employment agreement attached thereto. Accordingly, the 3W NET SPA also contains the undertaking of the Company to provide MotorK France with the necessary financial resources to pay any undisputed remuneration due to GB. Such obligation shall be effective for a four-year period starting from completion date (*i.e.* until July 1, 2023). In the event that the employment relationship of GB with the Group (as described below) ceases for any reason, the latter shall be entitled to be immediately paid 75% of the outstanding consideration (equal to €360,000 as of the date of this Prospectus, subject to adjustment).

Any such amount due by MotorK France under the 3W NET SPA is guaranteed by MotorK Italia pursuant to a first demand guarantee agreement entered into between the Company and 3W NET pursuant to and in accordance with the 3W NET SPA.

The 3W NET SPA is governed by French law.

18.6 Significant Change since June 30, 2021

There has been no significant change in the financial position or financial performance of the Group since June 30, 2021 (being the end of the last financial period for which interim consolidated financial statements of the Group have been included in this Prospectus).

A1.18.7

A1.18.6

18.7 Litigation and Arbitration Proceedings

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company, or the Group, is aware) during the 12 months preceding the date of this Prospectus which may have, or have had in the past, significant effects on the Company and/or the Group's financial position or profitability.

18.8 Corporate Resolutions.

The Company will prior to Settlement obtain all necessary consents, approvals and authorisation in the UK and the Netherlands in connection with the Offering and Admission. A11.4.6

18.9 Options or Preferential Rights in respect of Shares

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.

18.10 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, or of websites accessible from hyperlinks on that website, form part of, or are incorporated by reference into, this Prospectus.

18.11 Availability of Documents and Available Information

Copies of the Articles of Association, the 2018-2020 Consolidated Financial Statements and the 2021 Interim Condensed Consolidated Financial Statements, in English, are available at the offices of the Company during business hours and can be obtained free of charge from the Company's website (www.motork.io). A1.19.2.1 A1.21.1

Subject to any applicable selling and transfer restrictions (see Section 16 (*Selling and Transfer Restrictions*)), copies of this Prospectus, any supplement to this Prospectus, the Articles of Association, the Board Rules and the Pricing Statement may be obtained free of charge from the Company's website (www.motork.io) for a period of 12 months following the date of this Prospectus.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Offer Shares to or from any person in any jurisdiction in which it is unlawful to make such offer or solicitation to such person. The electronic version may not be copied, made available or printed for distribution.

19. DEFINITIONS AND GLOSSARY

The following definitions apply throughout this Prospectus unless the context requires otherwise:

“2018-2020 Consolidated Financial Statements”	the audited consolidated financial statements of the Group as of and for the years ended December 31, 2018, 2019 and 2020
“2021 Interim Condensed Consolidated Financial Statements”	the consolidated financial report of the Group as of and for the six-month period ended June 30, 2021 and 2020
“83 North”	83 North III Limited Partnership
“Admission”	the admission to listing and trading of all the Shares on Euronext Amsterdam
“AFM”	<i>Stichting Autoriteit Financiële Markten</i> , the Dutch Authority for the Financial Markets
“Allocation”	the allocation of the Offer Shares
“Annual General Meeting” ..	an annual General Meeting of the Company
“API”	an application programming interface (API) is a type of software interface, offering a service to other pieces of software.
“ARPA”	is the average revenue per account
“ARR”	is average annual recurring revenue, which is calculated as the monthly fee received from SaaS platform subscriptions multiplied by 12.
“Articles of Association”	the articles of association of the Company as they shall read as of the Settlement Date
“ASIC”	the Australian Securities and Investments Commission
“BDO”	BDO LLP
“Berenberg”	Joh. Berenberg, Gossler & Co. KG
“Board”	the board of directors of the Company
“CEO”	the Chief Executive Officer of the Company
“CET”	Central European Time
“Churn rate”	the annual percentage rate at which customers terminate subscriptions of the Group’s services, excluding companies with a monthly fee below €250 and clients beyond of MotorK’s target customer base (revenues considered for the churn are only monthly fees of SaaS products attributable to the Web Module, the CRM Module and the Stock Module) is calculated as follows: the customers paying a monthly fee in December are compared to those customers who are paying a monthly fee in the following December. For the number of customers in December, a double check is performed on the following January to see whether the customer really churned, as December is sometimes a period of adjustments.
“CIPC”	Companies and Intellectual Property Commission
“CISA”	the Swiss Federal Act on Collective Investment Schemes

“Company”	MotorK Ltd.
“Corporations Act”	the Corporations Act 2001 of the Commonwealth of Australia
“CRS”	the Common Reporting Standards as developed by the OECD
“DAC 2”	the Council Directive 2014/107/EU amending Directive 2011/16/EU
“DAC 6 or MDRs”	the mandatory disclosure rules for cross-border tax arrangements as included in Council Directive 2011/16/EU
“DACH”	stands for Germany, Austria and Switzerland
“Dealer Management System or DMS”	a management information system created specifically for car dealerships or large equipment manufacturers in the automotive industry
“Director”	each member of the Board
“DriveK Carve-Out”	The sale of the DriveK Business in order to focus its activities and financial resources on the most significant and valuable portion of the Group’s business (<i>i.e.</i> , the SaaS business) and fully convert the Group into a digital partner of the main automotive retail industry.
“Dutch Resident Entity”	a holder of Shares that is an entity and that is resident or deemed to be resident in the Netherlands for purposes of Dutch taxation
“Dutch Resident Individual”	a holder of Shares who is an individual and who is resident or deemed to be resident in the Netherlands for purposes of Dutch taxation
“EEA”	European Economic Area
“EEA Member States”	member states of the EEA
“ESMA”	the European Securities and Markets Authority
“EU”	European Union
“EU Member State”	a member state of the EU
“Euro, EUR or €”	the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty on the functioning of the European Community, as amended from time to time
“Euroclear Nederland”	<i>Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.</i> , the Dutch Central Institute for Giro Securities Transactions
“Euronext Amsterdam”	the Regulated Market operated by Euronext Amsterdam N.V.
“Executive Committee”	the executive committee of the Company, constituted by the Executive Director
“Executive Director”	the executive Director
“Executive Committee Members”	the members of the Executive Committee
“Exempt Investors”	select 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 Corporations Act; and

	(b) are “wholesale clients” for the purpose of section 761G of the Corporations Act
“Existing Shares”	all ordinary shares, with a nominal value of €0.01 each, in the share capital of the Company as of the date of this Prospectus
“FinSA”	the Swiss Financial Services Act
“First Trading Date”	November 3, 2021
“FPO”	the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended
“FSMA”	the UK Financial Services and Markets Act 2000, as amended
“FTEs”	full time employee equivalents
“GDPR”	the European Union’s General Data Protection Regulation
“General Meeting”	the general meeting of Shareholders of the Company
“Greenshoe Option”	an option, exercisable within 30 calendar days after the First Trading Date, pursuant to which the Stabilization Manager, on behalf of the Underwriters, may require the Selling Shareholders to sell to the Underwriters, at the Offer Price, up to 3,071,917 Over-Allotment Shares, to cover over-allotments, if any, in connection with the Offering
“Group”	the Company and its subsidiaries
“Group Company”	each subsidiary of the Company
“IFRS”	International Financial Reporting Standards as adopted by the EU
“Increase Option”	the irrevocable and unconditional option granted to the Sole Global Coordinator acting on behalf of the Underwriters by the Company to increase the number of Shares to be offered (<i>i.e.</i> , the New Shares) by up to 15%, up to 2,671,232 newly issued ordinary shares with a nominal value of €0.01 each
“IRS”	the United States Internal Revenue Service
“ISIN”	the international securities identification number
“Joint Bookrunners”	the Sole Global Coordinator together with ABN AMRO as joint bookrunners for the Offering
“Lead”	a potential customer that has already shown interest in completing a purchase
“Lead generation”	the capacity of generating contact with a potential customer
“LEI”	legal entity identifier
“Listing and Paying Agent”	ABN AMRO
“LTIP”	the long-term incentive plan of the Company
“LTV:CAC Ratio”	represents the high lifetime value / customer acquisition cost ratio, calculated quarterly as follows: the annual contract value (ACV) from new clients with monthly fees above €250 is divided by the number of clients acquired each quarter to get an average ACV per quarter. Subsequently, an average contract cost equal to 5.3%

of the average contract value, which represents the cost of the support team, is calculated. Retrieving the average contract cost to the average ACV gives an average contract profit. Dividing this profit by the Churn rate calculated for 2018-2019 (*i.e.*, 3.6%) gives the lifetime value of a contract. Finally dividing this lifetime value by the cost of acquisition of a client gives us the LTV:CAC ratio. Set-up fees are not included in the calculation as those are one-off fees which should not be taken into account in the computation of those metrics.

“MAR”	the Market Abuse Regulation ((EU) No 596/2014)
“Market Reports”	the information obtained from reports issued by Accenture, Capgemini, ICDP, McKinsey, Orbis reports, Statista and Sophus 3
“MiFID II”	the EU Directive 2014/65/EU on markets in financial instruments, as amended
“Net Financial Debt”	the sum of loans and borrowings and other financial liabilities <i>minus</i> cash and cash equivalents
“Net Revenue Retention Rate”	the percentage of Recurring Revenue retained from existing customers in a defined time period, excluding customers with a monthly fee below €250 and clients beyond MotorK’s target customer base (only revenue recognised as invoice or journal has been considered for the calculation).
“New Shares”	up to 17,808,219 newly issued ordinary shares of the Company with a nominal value of €0.01 each
“Non-Dutch Resident”	a holder of Shares who is not, nor deemed to be, a Dutch Resident Individual or a Dutch Resident Entity
“Non-Executive Directors” ..	The non-executive Directors
“Non-IFRS Financial Measures”	non-IFRS financial measures and ratios, including EBITDA, Adjusted EBITDA and Recurring Revenue
“OECD”	Organization for Economic Co-operation and Development
“Offering Period”	the period commencing on October 27, 2021 at 9:00 CET and end on November 2, 2021 at 14:00 CET during which prospective investors may subscribe for the Offer Shares, subject to acceleration or extension of the timetable for the Offering
“Offer Price”	the price of the Offer Shares, as determined on the basis of the bookbuilding process and taking into account economic and market conditions, a qualitative and quantitative assessment of demand for the Offer Shares and other factors deemed appropriate
“Offer Price Range”	the indicative price range for the Offer Shares between €7.30 to €9.70 (inclusive) per Offer Share as of the date of this Prospectus
“Offer Shares”	the Shares that will be collectively offered by the Company and the Selling Shareholders in the Offering with a nominal value of €0.01 each which includes the New Shares and, unless the context indicates otherwise, the Over-Allotment Shares
“Offering”	the offering of Offer Shares as described in this Prospectus

“Order”	the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005
“Over-Allotment Shares”	up to 3,071,917 additional Shares, equalling up to 13.0% of the total number of Offer Shares, which the Selling Shareholders may be required to sell to the Underwriters pursuant to the Greenshoe Option
“PDMRs”	persons discharging managerial responsibilities within the Company (including the members of the Board)
“PFIC”	passive foreign investment company
“Pricing Agreement”	the pricing agreement among the Company, the Selling Shareholders and the Underwriters following the completion of the bookbuilding of the Offering to be signed pursuant to the Underwriting Agreement and in connection with the Offering
“Pricing Statement”	the pricing statement in which the Offer Price, the exact number of Offer Shares and the maximum number of Over-Allotment Shares will be stated
“Product Governance Requirements”	MiFID II, Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II and local implementing measures
“Prospectus”	this prospectus dated [●]
“Prospectus Regulation”	the Regulation EU No. 2017/1129 of June 14, 2017, on the prospectus to be published when securities are offered to the public or admitted to trading on a Regulated Market, and repealing Directive 2003/71/EC, as amended
“QIBs”	qualified institutional buyers, as defined in, and in reliance on, Rule 144A
“Qualified Investors”	qualified investors, as defined in the Prospectus Regulation
“Real Web”	Real Web Ventures Ltd.
“Recurring Revenue”	revenue from SaaS platform subscriptions excluding the portion of revenue related to contract start-up and ancillary revenues
“Regulated Market”	a regulated market within the meaning of EU Directive 2014/65/EU on markets in financial instruments, as amended
“Regulation S”	Regulation S under the US Securities Act
“Relevant Member State”	an EEA Member State
“Rule 144A”	Rule 144A under the US Securities Act
“SCA”	the UAE Securities and Commodities Authority
“Selling Shareholders”	All the pre-Offering shareholders of the Company (<i>i.e.</i> , 83 North III Limited Partnership, Andrew John Biggart, Assaf Topaz, Fabio Gurgone, Guillaume Bugault, Marco De Michele, Marco Marlia, Mauro Pretolani, Tassaka Invest AB, Tommaso Parisi, Zobito 2 AB, Zobito AB, Real Web Ventures Ltd, 212 Investments S.r.l., La Pineta S.r.l., IBIS S.r.l. and Amir Rosentuler)
“Settlement”	payment (in Euro) for, and delivery of, the Offer Shares

“Settlement Date”	on or about November 5, 2021 subject to acceleration or extension of the timetable for the Offering
“Shareholder”	each holder of Shares
“Shares”	the ordinary shares in the share capital of the Company with a nominal value of 0.01 each, including the Existing Shares and the New Shares
“Shock-Absorbers”	a set of regulatory provisions aimed at supporting the income of those who find themselves involuntarily in a situation of unemployment, offered in the jurisdictions in which the Group operates
“Sole Global Coordinator” ..	Berenberg as sole global coordinator for the Offering
“Stabilization Manager”	Berenberg
“Substantial Interest”	the ownership of, or certain other rights over, shares representing 5% or more of the Company’s total issued and outstanding capital (or the issued and outstanding capital of any class of shares), or rights to acquire shares, whether or not already issued, that represent at any time 5% or more of the Company’s total issued and outstanding capital (or the issued and outstanding capital of any class of shares), or the ownership of certain profit participating certificates that relate to 5% or more of the annual profit or to 5% or more of the Company’s liquidation proceeds
“Takeover Directive”	the European Directive on Takeover Bids (2004/25/EC)
“Target Market Assessment”	a product approval process, which has determined that the Offer Shares are: (i) 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 paragraph 3 of the FCA Handbook Conduct of Business Sourcebook (as applicable) and eligible for distribution through all distribution channels as are permitted by MiFID II
“Trade-in simulator”	is a system that allows a user of the Group’s platform to enter a license plate number of a car-buyer and receive the value of the car
“Transactions”	the DriveK Carve-Out and the Pending Acquisition
“Transparency Directive”	Directive 2004/109/EC, as amended
“UK”	the United Kingdom
“UK MiFIR”	Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018
“UK Product Governance Requirements”	FCA Handbook Product Intervention and Product Governance Sourcebook
“Underwriters”	the Joint Bookrunners
“Underwriting Agreement” .	the underwriting agreement that will be entered into on October 27, 2021 among the Company, the Selling Shareholders and the Underwriters with respect to the Offering

“United States or US”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
“USD, US dollars or \$”	US dollars, the lawful currency of the United States
“US Exchange Act”	the United States Securities Exchange Act of 1934, as amended
“US Securities Act”	the US Securities Act of 1933, as amended
“VAT”	Value Added Tax
“WHT”	withholding tax
“Zobito”	Zobito AB
“Zobito 1 and 2”	Zobito AB and Zobito 2 AB

20. INDEX TO FINANCIAL INFORMATION

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INDEPENDENT REVIEW REPORT TO MOTORK LIMITED

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2021 which comprises the consolidated statement of profit and loss, the consolidated statement of financial position, the consolidated statement of cash flows and the consolidated statement of changes in equity.

Directors' responsibilities

The half-yearly financial report is the responsibility of and has been approved by the directors. The directors are responsible for preparing the half-yearly financial report in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting,"

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2021 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting,".

Use of our report

Our report has been prepared in accordance with the terms of our engagement to assist the Company and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability

Gatwick, 20 September 2021

BDO LLP

Original has been signed by N J Harker on behalf of BDO LLP

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



MOTORIK LTD

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2021

Motor K Limited
Consolidated Statement of Profit and Loss and Other Comprehensive Income
For the six months ended 30 June 2021 and 2020

€'000	Note	For the six months ended 30 June	
		2021	2020
Continuing operations			
Revenue	8	12,781	9,188
Costs for marketing and call center services	9	(3,619)	(2,993)
Personnel costs	9	(8,279)	(6,346)
R&D Capitalization	9	1,410	1,307
Other operating costs	9	(2,835)	(2,338)
Amortization & Depreciation	9	(1,858)	(1,680)
Total costs		(15,181)	(12,050)
Operating loss		(2,400)	(2,862)
Finance expense	10	(968)	(856)
Finance income	10	3	6
Loss before tax		(3,365)	(3,712)
Corporate income tax	11	341	297
Loss from continuing operations		(3,024)	(3,415)
Profit after income tax of discontinued operation	20	470	22
Loss for the period		(2,554)	(3,393)
<i>Attributable to:</i>			
<i>Owners of the parent</i>		<i>(2,554)</i>	<i>(3,393)</i>
Other comprehensive income/(loss):			
Actuarial losses arising from re-measurement of liabilities for employee benefits that will not be subsequently remeasured to the income statement		(83)	(83)
Total comprehensive income/(loss)		(2,637)	(3,476)
<i>Attributable to:</i>			
<i>Owners of the parent</i>		<i>(2,637)</i>	<i>(3,476)</i>
Total comprehensive income/(loss) for the period attributable to owners of the Parent arises from:			
<i>Continuing operations</i>		<i>(3,107)</i>	<i>(3,498)</i>
<i>Discontinued operations</i>	20	<i>470</i>	<i>22</i>
Basic and diluted EPS	21		
- Profit (loss) for the period attributable to the owners of the parent		(0.10)	(0.13)
- Profit (loss) from continuing operations attributable to the owners of the parent		(0.11)	(0.13)
- Profit (loss) from continuing operations attributable to the owners of the parent		0.02	-

The notes on pages 6 to 16 form part of these interim condensed consolidated financial statements

Motor K Limited
Consolidated Statement of Financial Position
As of 30 June 2021 and 31 December 2020

€'000	Note	As of	
		30 June 2021	31 December 2020
Intangible assets	12	9,811	9,862
Property, plant and equipment	13	1,667	1,693
Non-current assets - security deposits	14	259	262
Non-current contract assets	15	2,900	4,289
Deferred tax assets		1,117	698
Non-current assets		15,754	16,804
Trade and other receivables	15	8,150	5,632
Contract assets	15	7,672	5,915
Cash and cash equivalents		10,146	11,824
Assets classified as held for sale	20	5,436	4,943
Current assets		31,404	28,314
Total assets		47,158	45,118
Trade and other payables	16	9,059	6,128
Current financial liabilities	17	2,872	6,263
Current lease liabilities	17	631	802
Liabilities directly associated with assets classified as held for sale	20	1,699	1,294
Current liabilities		14,261	14,487
Employees benefits liability		1,971	1,818
Deferred tax liabilities		242	245
Non-current financial liabilities	17	24,603	24,832
Other non-current liabilities	18	846	816
Non-current lease liabilities	17	944	786
Non-current liabilities		28,606	28,497
Total liabilities		42,867	42,984
Share capital	19	283	273
Share premium reserve	19	16,156	12,166
Retained earnings	19	(12,148)	(10,305)
Total equity		4,291	2,134
Total liabilities and equity		47,158	45,118

The notes on pages 6 to 16 form part of these interim condensed consolidated financial statements.

Motor K Limited
Consolidated Statement of Cash Flows
For the six months ended 30 June 2021 and 2020

€'000	Note	For the six months ended 30 June(*)	
		2021	2020
Loss from continuing operations		(3,024)	(3,415)
Profit from discontinued operations	20	470	22
Adjustments for:			
Depreciation of property, plant and equipment - continuing operations	13	364	622
Amortisation of intangible fixed assets - continuing operations	12	1,494	1,058
Amortisation of intangible fixed assets - discontinued operations	12	-	265
Finance expense	10	966	850
Income tax expense	11	(341)	(297)
Share based payment expense		794	(34)
Cash (outflow)/inflow from operating activities before changes in net working capital		723	(929)
Decrease/(increase) in trade and other receivables	15	(3,193)	5,100
(Decrease)/increase in trade and other payables	16	3,349	(3,507)
Increase in provisions and employee benefits		77	71
Income taxes paid/(reimbursed)	11	-	(166)
Net cash flows from/(used in) operating activities		956	569
Investing activities			
Capitalised development costs		(1,620)	(1,433)
Purchases of property, plant and equipment		(138)	(87)
Purchases of/ Proceeds from non-current assets - security deposits		3	8
Net cash from/(used in) investing activities		(1,755)	(1,512)
Financing activities			
Bank loans repaid	17	(404)	(156)
New bank and other loans	17	-	6,650
(Decrease)/increase in factoring finance	17	-	(966)
Capital element of lease liabilities repaid	17	(180)	(477)
Interest paid on bank and other loans	17	(253)	(188)
Interest paid on lease liabilities	17	(32)	(32)
Net cash from/(used in) financing activities		(869)	4,831
Net increase/(decrease) in cash and cash equivalents		(1,668)	3,888
Cash and cash equivalents at beginning of period		11,824	9,406
Cash and cash equivalents at end of period		10,156	13,294

(*) For cash flow of discontinued operations please refer to Note 20

The notes on pages 6 to 16 form part of these interim condensed consolidated financial statements

Motor K Limited
Consolidated Statement of Changes in Equity
As of and for the six months ended 30 June 2021 and 2020

€'000	Share capital	Share premium	Retained Earnings	Total attributable to equity holders of parent
1 January 2021	273	12,166	(10,305)	2,134
<i>Comprehensive income for the period</i>				
Loss for the period	-	-	(2,554)	(2,554)
<i>Other comprehensive Income</i>				
Defined benefit pension scheme	-	-	(83)	(83)
Total comprehensive income for the period	-	-	(2,637)	(2,637)
<i>Contributions by and distributions to owners</i>				
Issue of shares	10	3,990		4,000
Share based payment	-	-	794	794
Total contributions by and distributions to owners	10	3,990	794	4,794
30 June 2021	283	16,156	(12,148)	4,291

€'000	Share capital	Share premium	Retained Earnings	Total attributable to equity holders of parent
1 January 2020	273	12,166	(4,907)	7,532
<i>Comprehensive income for the period</i>				
Loss for the period	-	-	(3,393)	(3,393)
<i>Other comprehensive Income</i>				
Defined benefit pension scheme	-	-	(83)	(83)
Total comprehensive income for the period	-	-	(3,476)	(3,476)
<i>Contributions by and distributions to owners</i>				
Issue of shares	-	-	-	-
Share based payment	-	-	(34)	(34)
Total contributions by and distributions to owners	-	-	(34)	(34)
30 June 2020	273	12,166	(8,417)	4,022

The notes on pages 6 to 16 form part of these interim condensed consolidated financial statements.

1. General information

MotorK Limited (the “Company” or the “Parent Company”) is a company incorporated in UK with registered office is Kemp House, 152 City Road, London, EC1V 2NX.

The Company and its subsidiaries (the “Group” or “MotorK Group”) offer digital services in the automotive sectors.

As of 30 June 2021 the main shareholders of the Parent Company are Marco Marlia, original founder and CEO of the Group, Fabio Gurgone, original founder and Product Architect of the Group and Marco De Michele, original founder and Senior Technology Advisor of the Group, who directly hold approximately 57% of the share capital.

These interim condensed consolidated financial statements as of 30 June 2021 and for the six months ended 30 June 2021 and 2020 together with the notes thereto (hereafter, also referred to as the “Interim Condensed Consolidated Financial Statements”) have been prepared in accordance with international accounting policies reported below. Such accounting policies are line up with international accounting standards. On 31 December 2020, the EU-adopted IFRS was brought into UK law and became UK-adopted international accounting standards, with future changes to IFRS being subject to endorsement by the UK Endorsement Board. The Interim Condensed Consolidated Financial Statements have transitioned to UK-adopted international accounting standards from financial period beginning 1 January 2021.

References are made within these interim financial statements to the Special Purpose Financial Statements for the 3 years ended 31 December 2020. These are not statutory accounts. The statutory consolidated financial statements for the year ended 31 December 2020, have not yet been filed with Companies House.

The main events of the first months of 2021 are the following:

- in the first months of 2021, MotorK Italia Srl has incorporated three new subsidiaries in Portugal (DealerK Technology Solutions, Unipessoal LDA) and in Israel (MotorK Israel LTD) and in Italy (DriveK Italia Srl). DealerK Technology Solutions, Unipessoal LDA has the aim to build a new R&D structure to assist the one already in place in Italy, MotorK Israel LTD has the target to hire new talents in the digital sector. DriveK Italia Srl will be the vehicle where the Italian DriveK business will be contributed for the selling to the potential investors;
- in the first few months of 2021, the Board of Directors approved the merger between the two French entities: MotorK France and 3WNET. The merger was effective from 1 June 2021 with the goal to improve the efficiency of the administrative structure in France and reduce fixed costs;
- in June 2021 the first tranche of Euro 4 million of the Convertible Equity Notes classified in the consolidated financial statements as of 31 December 2020 as current financial liabilities has been converted to equity. The second tranche of Euro 0.6 million will be converted into equity in September 2021. This conversion improves the financial structure of MotorK Group and is the confirmation of investors’ belief in the strategic view of MotorK management.

The Interim Condensed Consolidated Financial Statements were approved for issuance by [●] on [●].

2. Summary of the accounting standards used

The Interim Condensed Consolidated Financial Statements have been prepared in accordance with IAS 34 – Interim financial reporting. The Interim Condensed Consolidated Financial Statements should be read in conjunction with the Group’s consolidated financial statements at and for the 3-year period ended 31 December 2020 (the “Special Purpose Financial Statements”), which have been prepared in accordance with IFRS. The designation IFRS also includes International Accounting Standards (“IAS”) as well as all the interpretations of the International Financial Reporting Interpretations Committee (“IFRIC” and “SIC”). The accounting policies adopted are consistent with those used 31 December 2020, except as described in the following paragraph – New standards and amendments effective from January 1, 2021.

Accounting for listing-related costs

IAS 32 requires that listing-related costs relating to an offer of new shares are accounted for as a deduction from equity, whereas costs relating to an offer of existing shares are recognized directly in the income statement. In the event the listing takes place, the ratio between the number of new shares and the number of post-listing shares will determine the percentage of costs that will be accounted for as a direct deduction from equity. In the event that the listing does not occur, these costs must instead be charged to the income statement. It should be noted that in these Interim Condensed Consolidated Financial Statements, the listing costs incurred up to 30 June 2021, attributable to the public offer of new shares, have been recorded as a prepaid expense, net of the related tax effect.

2.1 Form and content of the Interim Condensed Consolidated Financial Statements

The format of the Interim Condensed Consolidated Financial Statements and related classification criteria adopted by the Group (among the options available under IAS 1- Presentation of financial statements) are as follows:

- the consolidated statement of financial position shows current and non-current assets separately, and current and non-current liabilities in the same way;
- the consolidated statement of profit and loss and other comprehensive income shows a classification of costs and revenues by nature;
- the consolidated statement of cash flow, on the other hand, was prepared using the indirect method.

The Company has chosen to prepare a comprehensive income statement that includes, in addition to the result for the period, other amounts that, in accordance with the international accounting standards, are recognized directly in equity separately from those relating to operations with the Company's shareholders

The templates used, as specified above, are those that best represent the Group's economic, equity, and financial situation.

The Interim Condensed Consolidated Financial Statements are presented in Euro, which is the Group's functional and presentation currency.

All amounts disclosed in the Interim Condensed Consolidated Financial Statements have been rounded to the nearest thousand currency units unless otherwise stated.

2.2 Basis of preparation

The preparation of the Interim Condensed Consolidated Financial Statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and disclosure of contingent liabilities. If in the future such estimates and assumptions, which are based on management's best judgment at the date of these Interim Condensed Consolidated Financial Statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change. Reference should be made to the section - Use of estimates in the Special Purpose Financial Statements for the 3-year period ended 31 December 2020 for a detailed description of the more significant valuation procedures used by the Group.

Moreover, certain valuation procedures, in particular those of a more complex nature regarding matters such as any impairment of non-current assets, are only carried out in full during the preparation of the annual financial statements, when all the information required is available, other than in the event that there are indications of impairment, when an immediate assessment is necessary. In the same way, the actuarial valuations that are required for the determination of employee benefit provisions are also usually carried out during the preparation of the annual consolidated financial statements, unless in the event of significant market fluctuation, plan amendments or curtailments and settlements.

The recognition of income taxes is based upon the best estimate of the actual tax rate expected for the full financial year for each entity included in the scope of consolidation.

2.3 Scope of consolidation

The Interim Condensed Consolidated Financial Statements include the financial statements of the Parent Company and its subsidiaries. Where necessary, specific adjustments were made at the consolidated level to standardise the Group's financial statements to the IFRSs.

Below we report the list of companies included in the Interim Condensed Consolidated Financial Statements prepared by the Parent Company as of 30 June 2021, indicating the share capital held by the Group.

Name	Country of incorporation and principal place of business	Proportion of ownership interest as of	
		30 June 2021	31 December 2020
MotorK Italia Srl	Italy	100%	100%
MotorK Spain Gestiones Comerciales	Spain	100%	100%
MotorK Deutschland GmbH	Germany	100%	100%
MotorK France Sarl	France	100%	100%
For Business Srl	Italy	100%	100%
3W Net Sarl*	France	0%	100%
DealerK Technology Solutions Unipessoal LDA	Portugal	100%	0%
MotorK Israel LTD	Israel	100%	0%
DriveK Italia Srl	Italy	100%	0%

*merged into MotorK France since 1 June 2021.

During the first six months of 2021, the changes in the scope of consolidation referred to the incorporation of DriveK Italia Srl, MotorK Israel Ltd and DealerK Technology Solutions Unipessoal LDA incorporated in the first months of 2021.

3. *Going concern*

The Interim Condensed Consolidated Financial Statements have been prepared on a going concern basis which assumes that the Group will have sufficient funds available to enable it to continue to trade for a period of not less than 12 months from the date of approval of these interim condensed financial statements. Elements for the preparation on a going concern basis are reported below:

- despite the market being strongly impacted in 2020 by the spread of COVID-19 with a decrease of car registrations of 24.3% compared to 2019, market trends of the first months of 2021 are positive;
- regional lockdowns have accelerated the need of digital solutions in the market: Group has a unique structure in the market covering the entire customer journey of customers and there are no strong competitors offering the same solutions;
- short term financial position is positive.

4. *Recently issued accounting standards*

4.1 *New and amended standards adopted by the Group*

A number of new or amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

4.2 *Future financial reporting standards and interpretations*

It was assessed by management that the future adoption principles and interpretations approved by the IASB and not yet applicable will not have material impact on the valuation of assets, liabilities, revenues and costs of the Group. Management will assess any future impacts of principles and interpretations not yet endorsed.

5. *Seasonality*

The interim financial statements as of 30 June 2021 is not influenced significantly by seasonality.

6. *Operating segments*

The Group has determined that it has one operating and reportable segment based on the information reviewed by its CODM in making decisions regarding allocation of resources and to assess performance.

Non-current assets, which consist of property, plant and equipment and intangible assets, excluding goodwill, are substantially located in Italy

7. *Financial instruments - Risk Management*

The Group is exposed to various operational financial risks, including credit risk, liquidity risk, financial market risk (relating mainly to exchange rates, interest rates). The Interim Condensed Consolidated Financial Statements do not include all the information and notes on financial risk management required in the preparation of the annual consolidated financial statements. For a detailed description of this information for the Group, reference should be made to Note 8 to the Special Purpose Financial Statements for the 3-year period ended 31 December 2020.

Financial assets

The following table shows financial assets by category, as defined by IFRS 9, as of 30 June 2021 and 31 December 2020:

€'000	As of	
	30 June 2021	31 December 2020
Financial assets at amortized cost		
Non-current assets - security deposit	259	262
Trade and other receivables	5,790	5,362
Cash and cash equivalents	10,146	11,824
Total	16,195	17,448

The carrying value of trade and other receivables classified as loans and receivables approximates fair value.

Trade receivables are stated net of provision for impairment.

Financial liabilities

The following table shows financial liabilities by category, as defined by IFRS 9, as of 30 June 2021 and 31 December 2020:

€'000	As of	
	30 June 2021	31 December 2020
Financial liabilities at amortized cost		
Trade and other payables	8,416	5,443
Current financial liabilities	2,872	6,263
Current lease liabilities	631	802
Non-current financial liabilities	24,603	24,832
Non-current lease liabilities	944	786
Total	37,466	38,126

Fair value measurement hierarchy

The financial instruments measured at fair value are presented on the basis of the fair value hierarchy, described below:

- Level 1 - quoted (unadjusted) prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 - valuation techniques for which the inputs are unobservable for the asset or liability.

In the periods under review the Group did not own any financial instruments measured at fair value.

8. Revenue

Disaggregation of Revenue

The Group has disaggregated revenue into various categories in the following tables.

For the six months ended 30 June 2021				
Primary geographic markets	SaaS platform	Digital Marketing	Other revenues	Total
€'000				
Italy	4,838	3,879	2,127	10,844
Spain	557	89	30	676
France	723	-	23	746
Germany	438	73	4	515
Total	6,556	4,041	2,184	12,781

For the six months ended 30 June 2020				
Primary geographic markets	SaaS platform	Digital Marketing	Other revenues	Total
€'000				
Italy	2,782	3,197	983	6,962
Spain	748	179	1	928
France	1,034	-	-	1,034
Germany	163	93	8	264
Total	4,727	3,469	992	9,188

SaaS Platform revenues are recognised on signing the contract. All other revenues are recognised on delivery of the service.

Digital Marketing revenues are services for the dealer in order to acquire enhanced online traffic. Other revenues mainly include revenues for "white label" integrations on other lead generation sites such as classified sites.

Revenues for SaaS Platforms consist of fees for the creation and maintenance of the dealers' websites ("WebSpark") and CRM services ("LeadSpark"). As reported above such revenues are booked as per IFRS 15 requirements at inception date when the performance obligation is satisfied.

Contract assets booked in the consolidated statement of financial position are related to the IFRS 15 application on the DealerK SaaS business (services performed but not yet invoiced) totalling Euro 10.6 million (Euro 10.2 million as of 31 December 2020) are included within current assets and non-current assets in the statement of financial position. They arise from contracts internally defined as "recurring", or based on multi-year contracts (12, 24 or 36 months) and whose existence is based on "delivery" of a platform (a website in the case of revenues from "WebSpark" activities and a CRM in the case of revenues from "LeadSpark" activities) for which the costs necessary for the development, use and basic operation of the product have already been incurred.

9. Group operating loss

Group operating loss is stated after charging/(crediting):

€'000	For the six months ended 30 June	
	2021	2020
Costs for marketing services	(3,467)	(2,930)
Costs for call center services	(152)	(63)
Personnel costs	(8,279)	(6,346)
R&D Capitalization	1,410	1,307
Other operating costs	(2,835)	(2,338)
Amortization & Depreciation	(1,858)	(1,680)
Total costs	(15,181)	(12,050)

Personnel costs, excluding directors' remuneration, are shown in the following table:

€'000	For the six months ended 30 June	
	2021	2020
Wages and salaries	5,336	4,568
Social security costs	1,575	1,303
Employee benefit pension cost	294	262
Share based payments	794	(34)
Total	7,999	6,099

The detail of directors' remuneration is shown in the following table:

Directors' remuneration (€'000)	For the six months ended 30 June	
	2021	2020
Emoluments	280	247
Total	280	247

Amortization and depreciation expenses includes:

- Amortization of intangible assets for Euro 1.5 million;
- Depreciation of tangible assets for Euro 0.3 million.

10. Finance income and expense

Finance income and expense are shown in the following tables:

€'000	For the six months ended 30 June	
	2021	2020
Interest received on bank deposits	3	6
Total finance income	3	6
Bank loans and overdrafts	153	21
Other loans	721	663
Net interest expense on employment benefit liability	8	8
Interest expenses on lease liabilities	33	32
Other interest	53	132
Total finance expense	968	856

Finance expense includes the interest paid for the loans in place and the interest accrued for other loans in accordance with IFRS 9. For details of financial liabilities please refer to the information provided in note 17.

11. Corporate income tax

Corporate income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the six months ended 30 June 2021 is calculated as the incidence of corporate income tax on the profit before tax at the end of the year and is the following: Spain 26%, Germany 16%, France 28%, Italy 20%. Same percentages were applied as of 30 June 2020. An accurate calculation was done to estimate the deferred tax assets as of 30 June 2021 and 30 June 2020.

Notes to the consolidated statement of financial position

12. Intangible assets

Details of intangible assets increase and decrease for the six months ended 30 June 2021 are provided in the following table:

€'000	Customer relationships	Development costs	Goodwill	Total
<i>Cost or valuation</i>				
At 1 January 2021	1,520	10,784	1,943	14,247
Additions - internally generated	-	1,443	-	1,443
At 30 June 2021	1,520	12,227	1,943	15,690
<i>Accumulated amortisation and impairment</i>				
At 1 January 2021	357	4,028	-	4,385
Charge for the period	54	1,440	-	1,494
At 30 June 2021	411	5,468	-	5,879
<i>Net book value</i>				
At 1 January 2021	1,163	6,756	1,943	9,862
At 30 June 2021	1,109	6,759	1,943	9,811

The Group, in accordance with the requirements of IAS 36, proceeded to verify the absence of impairment indicators as of 30 June 2021 with reference to the goodwill recorded in intangible assets. As of the date of these Interim Condensed Consolidated Financial Statements, as there were no indicators for impairment of the CGU, management has not updated the impairment calculation.

The main assumptions for the determination of the recoverable amount, as well as the results of the impairment test carried out as of 31 December 2020, are illustrated in the Special Purpose Financial Statements for the 3 year-period ended 31 December 2020, to which reference is made.

13. Property plant and equipment

Details of property plant and equipment increase and decrease for the six months ended 30 June 2021 are provided in the following table:

€'000	Leasehold Land and Buildings	Fixtures and Fittings	Computer Equipment	Right-of-use Assets	Total
<i>Cost or valuation</i>					
At 1 January 2021	316	77	209	3,432	4,034
Additions	-	6	30	338	374
Disposals	-	-	-	(138)	(138)
At 30 June 2021	316	83	239	3,632	4,270
<i>Accumulated depreciation</i>					
At 1 January 2021	244	66	150	1,881	2,341
Charge for the period	20	4	24	316	364
Disposal	-	-	-	(102)	(102)
At 30 June 2021	264	70	174	2,095	2,603
<i>Net book value</i>					
At 1 January 2021	72	11	59	1,551	1,693
At 30 June 2021	52	13	65	1,537	1,667

Right of use assets amounting to Euro 1.5 million as of 30 June 2021 are related to the application of IFRS 16 to the lease of the offices of the Group subsidiaries and the lease of cars assigned to the employees.

14. Non-current assets - security deposit

The caption non-current assets - security deposit, substantially in line compared to 31 December 2020, includes Euro 259 thousand of deposit made by the Group mainly for the rental of the offices of the subsidiaries.

15. Contract assets and trade and other receivables

Contract assets and trade and other receivables are shown in the following table:

€'000	At 30 June 2021	At 31 December 2020
Non-current contract assets	2,900	4,289
Contract assets	7,672	5,915
Total contract assets	10,572	10,204
Trade receivables	5,742	5,045
Prepayments	2,105	307
Other receivables	48	10
Tax receivables	255	270
Total trade and other receivables	8,150	5,632

As mentioned already in note 8 the caption contract assets is related to the application of IFRS 15 on DealerK SaaS revenues.

As of 30 June 2021 trade receivables of Euro 0.7 million (as of 31 December 2020: Euro 0.6 million) were past due but not impaired. They relate to customers with no default history.

The bad debt provision is a specific provision against a number of customers where, in the view of the directors, there is potential credit risk, and as a consequence, it is necessary to accrue a bad debt provision as per IFRS 9.

Movements in the impairment allowance for trade receivables are as follows:

€'000	Changes
At 1 January 2021	268
Increase during the year	40
Receivables written off during the year	(48)
At 30 June 2021	260

16. Trade and other payables

Trade and other payables are shown in the following table:

€'000	As of 30 June 2021	As of 31 December 2020
Trade payables	2,367	1,761
Accruals	2,341	788
Total trade payables	4,708	2,549
Other payables including tax and social security payments	3,708	2,894
Tax liabilities	643	685
Total current trade and other payables	9,059	6,128

17. Current and non-current financial liabilities

Current and non-current financial liabilities include:

€'000	As of 30 June 2021	As of 31 December 2020
Bank loan	2,132	1,594
Convertible equity notes	650	4,650
Other financial liabilities	90	19
Total current financial liabilities	2,872	6,263
Current lease liabilities	631	802
Bank loan	24,603	24,832
Other non-current financial liabilities	-	-
Total non-current financial liabilities	24,603	24,832
Non-current lease liabilities	944	786

During the six months ended 30 June 2021, the first tranche of the convertible equity notes issued in 2019 for an amount of Euro 4.0 million was converted into equity.

In the six months ended 30 June 2021 the Group has not entered into any new bank loan. The increase for the period mainly refers to the amortized cost of the EIB loan. For further details regarding the bank loans of the Group, reference is made to the relative note of the Special Purpose Financial Statements for the 3-year period ended 31 December 2020.

18. Other non-current liabilities

The financial statement caption other non-current liabilities as of 30 June 2021 includes only the provision accrued in relation to for risks and warranties on DealerK SaaS business as already detailed before in such Notes.

19. Shareholders' Equity

Share capital

The share capital is composed as follows:

€'000	As of 30 June 2021	As of 31 December 2020
17,352,000 Ordinary shares of €0.01	174	174
196,500 Deferred shares of €0.01	2	2
2,779,100 Preferred A-1 shares of €0.01	28	28
6,923,346 Preferred A-2 shares of €0.01	69	69
1,068,928 Preferred A-3 shares of € 0.01	10	-
Total	283	273

The share premium reserve amounts to Euro 16,156 thousand as of 30 June 2021 (Euro 12,166 thousand as of 31 December 2020).

The Company has the following classes of shares:

Ordinary shares - These shares give the holders the right to dividends after payment of any preference dividends, as declared from time to time, and full voting rights. The Ordinary shares carry rights to the return of capital on sale or winding up after the Preference shareholders.

Deferred shares - These shares give the holders no right to dividends or voting rights. The deferred shares carry rights to the return of capital on sale or winding up after the preference and ordinary shareholders.

Preference A-1, A-2, A-3 shares - These shares give the holders the right to dividends as declared from time to time (and rank ahead of the ordinary shares), and full voting rights. The preference shares carry rights to the return of capital on sale or winding up ahead of the other classes of shares.

20. Discontinued operations

During the year 2020 management of the Group has reviewed the strategic view of MotorK focusing on the DealerK business unit, which has already demonstrated scalability by building on investments made over recent years in R&D, hiring and acquisitions. An important step in this regard is the decision to sell to a third party the business unit DriveK. This operation may give the chance to focus all the strength on one business unit, maximise the value of the Company and complete the technological transformation. In this regard the board of directors of the Company have taken proper action engaging advisors and take relevant decision to complete such transaction in 2021. Due to the commitment of the Board of Directors and in accordance with IFRS 5 management has decided to classify such business unit as discontinued operation in the Interim Condensed Consolidated Financial Statements. In accordance with IFRS 5 the results of operations have been reclassified in the comparable periods. The cash flows attributable to the discontinued operations are disclosed separately in this note.

The business is reported in the current period as discontinued operation. Financial information relating to the discontinued operation is set out below.

Financial performance and cash flow information

The financial performance and cash flow information presented are for the six months ended 30 June 2021 and 2020.

€'000	For the six months ended 30 June	
	2021	2020
Revenue	3,688	3,067
Costs for marketing and call center services	(2,072)	(1,691)
Personnel costs	(1,093)	(1,169)
R&D Capitalization	177	310
Other operating costs	(230)	(233)
Amortization & Depreciation	-	(265)
Total costs	(3,218)	(3,048)
Operating profit	470	19
Finance expense	-	3
Profit before tax	470	22
Corporate income tax	-	-
Profit after income tax of discontinued operation	470	22

€'000	For the six months ended 30 June	
	2021	2020
Net cash flows from /(used in) operating activities	537	2,008
Net cash from /(used in) investing activities	(177)	(619)
Net cash from /(used in) financing activities	-	-
Net increase in cash generated by the business	360	1,389

Assets and liabilities of disposal group as held for sale

The following assets and liabilities were reclassified as held for sale in relation to the discontinued operation as of 31 December 2020 and 30 June 2021:

€'000	As of 30 June 2021	As of 31 December 2020
Intangible assets	1,925	1,748
Trade and other receivables	3,501	3,195
Cash and cash equivalents	10	-
Total assets	5,436	4,943
Trade and other payables	1,564	1,166
Employees benefits	135	128
Total liabilities	1,699	1,294
Net assets	3,737	3,649

21. Earnings per share

The following table shows earnings per share, calculated by dividing the result for the period by the weighted average number of ordinary shares outstanding during the period.

	For the six months ended 30 June	
	2021	2020
Loss for the period attributable to the owners of the parent (in thousands)	(2,637)	(3,476)
Loss from continuing operations attributable to the owners of the parent (in thousands)	(3,024)	(3,415)
Weighted average number of shares	27,363,777	27,250,946
Earnings per share	(0.10)	(0.13)
Earnings per share from continuing operations	(0.11)	(0.13)

It should be noted that share based payments and convertible notes are instruments that could potentially dilute basic earnings per share in the future. However, considering that in periods analyzed a loss from continuing operations was registered, potential ordinary shares were not dilutive, in accordance with paragraph 41 of IAS 33. Consequently, diluted earnings per share is equal to basic earnings per share.

In June 2021 the first tranche of Euro 4 million of the convertible notes has been converted to equity.

22. Related party transactions

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including all the directors of the company.

Total compensation paid to key management personnel for services provided to the Group was Euro 280 thousand (Six months ended 30 June 2020: Euro 247 thousand).

€'000	2021	2020
CEO	100	73
CTO Innovation	60	57
CTO Production	60	57
EVP	60	60
Total	280	247

23. Post balance sheet events

During July 2021, MotorK France has incorporated a new subsidiary in France (DriveK France SaS). This new subsidiary will be vehicle where the French DriveK business will be contributed for the selling of DriveK business unit.

It is worth mentioning that MotorK management has started the formal procedure to list the parent company MotorK LTD to Euronext Amsterdam. During July 2021 the first documents requested by the quotation procedure were presented to the regulator body.

[disclosure on debt conversion]

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF MOTORK LTD

Opinion on the financial statements

In our opinion, the special purpose financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 December 2018, 2019 and 2020 and of its results for the three years then ended; and
- have been properly prepared in accordance with IFRSs as adopted by the European Union;

We have audited the special purpose financial statements of MotorK Ltd (the 'Parent Company') and its subsidiaries (the 'Group'), which comprise the consolidated Balance Sheets as at 31 December 2018, 31 December 2019 and 31 December 2020, and the Consolidated Statements of Profit and Loss and Other Comprehensive Income, Consolidated Statements of Changes in Equity and Consolidated Cash Flow Statements for the years then ended, and notes to the special purpose financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), including ISA (UK) 800. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the special purpose financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the special purpose financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the special purpose financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the special purpose financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern for a period of at least twelve months from when the special purpose financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Emphasis of matter - basis of accounting and restriction on distribution and use

We draw attention to Note 2 to the special purpose consolidated financial statements, which describes the basis of accounting. The special purpose financial statements are prepared to be included in the Prospectus for the listing of MotorK Limited on Euronext Amsterdam. As a result, the special purpose financial statements may not be suitable for another purpose. Our report is intended solely for the Directors of the Parent Company and should not be distributed to or used

by parties other than the Directors of the Parent Company. Our opinion is not modified in respect of this matter.

Responsibilities of Directors

The Directors are responsible for the preparation of these special purpose financial statements in accordance with accounting policies as detailed in note 2 to the special purpose consolidated financial statements and for such internal control as the Directors determine is necessary to enable the preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the special purpose financial statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. 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 financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Discussing among the engagement team including significant component audit teams how and where fraud might occur in the special purpose financial statements and any potential indicators of fraud;
- Reviewing the special purpose financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the special purpose financial statements;
- Testing the appropriateness of journal entries and other adjustments, assessing whether the judgements made in making accounting estimates are indicative of a potential bias, and evaluating the business rational of any significant transactions that are unusual or outside the normal course of business.

Our audit procedures were designed to respond to risks of material misstatement in the special purpose financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the special purpose financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent Company's Directors, as a body, in accordance with the terms of our engagement letter dated 25 August 2021. Our audit work has been undertaken so that we might state to the Parent Company's Directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's Directors as a body, for our audit work, for this report, or for the opinions we have formed.

Gatwick, 15 October 2021

BDO LLP

Original has been signed by N J Harker on behalf of BDO LLP

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Motor K Limited
Consolidated Statement of Cash Flows
for the years ended 31 December 2020, 2019 and 2018

MOTORK LTD

SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2020, 2019 AND 2018

Motor K Limited
Consolidated Statement of Profit and Loss and Other Comprehensive Income
For the years ended 31 December 2020, 2019 and 2018

€'000	Note	For the year ended 31 December		
		2020	2019	2018
Revenue	9	19,329	27,940	12,210
Costs for marketing and call center services	10	6,029	6,583	4,493
Personnel costs	10	12,474	15,910	13,836
R&D Capitalization	10	(2,661)	(3,033)	(2,724)
Other operating costs	10	4,831	7,258	7,302
Amortization & Depreciation	10	3,186	2,316	1,050
Total costs	10	23,859	29,034	23,957
Operating loss		(4,530)	(1,094)	(11,747)
Finance expense	11	(1,820)	(1,436)	(327)
Finance income	11	16	11	2
Loss before tax		(6,334)	(2,519)	(12,072)
Corporate income tax	12	925	1,131	1,367
Loss from continuing operations		(5,409)	(1,388)	(10,705)
(Loss)/profit after income tax of discontinued operation	24	42	1,601	3,853
(Loss)/profit for the period		(5,367)	213	(6,852)
<i>Attributable to:</i>				
<i>Owners of the parent</i>		(5,367)	213	(6,852)
<i>Non-controlling interests</i>		-	-	-
Other comprehensive income/(loss):				
Actuarial losses arising from re-measurement of liabilities for employee benefits that will not be subsequently remeasured to the income statement	20	(165)	(34)	(150)
Total comprehensive income/(loss)		(5,532)	179	(7,002)
<i>Attributable to:</i>				
<i>Owners of the parent</i>		(5,532)	179	(7,002)
Total comprehensive income/(loss) for the period attributable to owners of the Parent arises from:				
<i>Continuing operations</i>		(5,574)	(1,422)	(10,855)
<i>Discontinued operations</i>	24	42	1,601	3,853
Basic and diluted EPS	26			
- Profit (loss) for the period attributable to the owners of the parent		(0.20)	0.01	(0.26)
- Profit (loss) from continuing operations attributable to the owners of the parent		(0.20)	(0.05)	(0.41)
- Profit (loss) from discontinued operations attributable to the owners of the parent		-	0.06	0.15

The notes on pages 6 to 37 form part of these financial statements.

Motor K Limited
Consolidated Statement of Financial Position
As at 31 December 2020, 2019 and 2018

€'000	Note	As at 31 December		
		2020	2019	2018
Intangible assets	13	9,862	11,186	6,634
Property, plant and equipment	14	1,693	1,582	394
Non-current assets - security deposits	15	262	382	289
Non-current contract assets	16	4,289	9,681	1,852
Deferred tax assets	21	698	-	-
Non-current assets		16,804	22,831	9,169
Trade and other receivables	16	5,632	14,437	13,601
Contract assets	16	5,915	1,543	2,013
Cash and cash equivalents	17	11,824	9,406	6,832
Assets classified as held for sale	24	4,943	-	-
Current assets		28,314	25,386	22,446
Total assets		45,118	48,217	31,615
Trade and other payables	18	6,128	11,067	10,523
Current financial liabilities	19	6,263	1,742	6,256
Current lease liabilities	19	802	746	-
Liabilities directly associated with assets classified as held for sale	24	1,294	-	-
Current liabilities		14,487	13,555	16,779
Employees benefit liability	20	1,818	1,584	1,252
Deferred tax liabilities	21	245	315	151
Non-current financial liabilities	19	24,832	22,833	9,110
Other non-current liabilities	22	816	1,759	366
Non-current lease liabilities	19	786	639	-
Non-current liabilities		28,497	27,130	10,879
Total liabilities		42,984	40,685	27,658
Share capital	23	273	273	261
Share premium reserve	23	12,166	12,166	8,978
Retained earnings		(10,305)	(4,907)	(5,282)
Total equity		2,134	7,532	3,957
Total liabilities and equity		45,118	48,217	31,615

The notes on pages 6 to 37 form part of these financial statements

€'000		For the year ended 31 December(*)		
		2020	2019	2018
Loss from continuing operations		(5,409)	(1,388)	(10,705)
Profit/(loss) after income tax of discontinued operations	24	42	1,601	3,853
Adjustments for:				
Depreciation of property, plant and equipment - continuing operations	10	963	1,156	123
Amortisation of intangible fixed assets - continuing operations	10	2,223	1,204	809
Amortisation of intangible fixed assets - discontinued operations	24	532	328	388
Profit on disposal of property, plant and equipment		-	(16)	-
Finance income	11	-	-	(1)
Finance expense	11	1,804	1,428	332
Income tax expense	12	(925)	(1,133)	(1,367)
Share based payment expense	23	134	196	344
Cash (outflow)/inflow from operating activities before changes in net working capital		(636)	3,376	(6,224)
Decrease/(increase) in trade and other receivables	16	6,630	(7,929)	(3,288)
(Decrease)/increase in trade and other payables	18	(4,310)	281	3,657
Increase in provisions and employee benefits	20	197	298	294
Income taxes (paid)/reimbursed	12	(250)	1,000	1,157
Net cash flows from/(used in) operating activities		1,631	(2,974)	(4,404)
Investing activities				
Acquisition of subsidiaries, net of cash acquired	25	-	(647)	-
Capitalised development costs	13	(3,179)	(3,586)	(3,806)
Purchases of property, plant and equipment	14	(17)	(13)	(56)
Purchases of/Proceeds from non-current assets - security deposits	15	120	(93)	(170)
Sale of property, plant and equipment		-	30	16
Interest received	11	-	-	1
Net cash from/(used in) investing activities		(3,076)	(4,309)	(4,015)
Financing activities				
Bank loans repaid	19	(341)	(618)	(442)
New bank and other loans	19	6,650	13,500	13,000
(Decrease)/increase in factoring finance	19	(1,114)	(1,448)	1,452
Capital element of lease liabilities repaid	19	(785)	(1,050)	(45)
Interest paid on bank and other loans	19	(478)	(443)	(281)
Interest paid on lease liabilities	19	(69)	(84)	-
Debt issue costs	19	-	-	(99)
Net cash from/(used in) financing activities		3,863	9,857	13,585
Net increase in cash and cash equivalents		2,418	2,574	5,167
Cash and cash equivalents at beginning of year	17	9,406	6,832	1,666
Cash and cash equivalents at end of year	17	11,824	9,406	6,832

(*) In conformity with the provisions of paragraph 33 of IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the net financial flows attributable to operations, investment, and financing of discontinued operations can be presented alternatively in the Notes or in the financial statements. MotorK chose to represent the Group total cash flows in the statement of cash flow, including both continuing and discontinued operations. The additional information on the cash flows of discontinued operations is provided in note 24.

The notes on pages 6 to 37 form part of these financial statements

Motor K Limited
Consolidated Statement of Cash Flows
for the years ended 31 December 2020, 2019 and 2018

€'000	Share capital	Share premium	Retained Earnings	Total attributable to equity holders of parent
1 January 2018	261	8,978	1,376	10,615
<i>Comprehensive income for the year</i>				
Loss for the period	-	-	(6,852)	(6,852)
<i>Other comprehensive Income</i>				
Defined benefit pension scheme	-	-	(150)	(150)
Total comprehensive income for the year	-	-	(7,002)	(7,002)
<i>Contributions by and distributions to owners</i>				-
Share based payment	-	-	344	344
Total contributions by and distributions to owners	-	-	344	344
31 December 2018	261	8,978	(5,282)	3,957
<i>Comprehensive income for the year</i>				
Profit for the period	-	-	213	213
<i>Other comprehensive income</i>				
Defined benefit pension scheme	-	-	(34)	(34)
Total comprehensive Income for the year	-	-	179	179
<i>Contributions by and distributions to owners</i>				
Issue of shares	12	3,188	-	3,200
Share based payment	-	-	196	196
Total contributions by and distributions to owners	12	3,188	196	3,396
31 December 2019	273	12,166	(4,907)	7,532
<i>Comprehensive income for the year</i>				
Loss for the period	-	-	(5,367)	(5,367)
<i>Other comprehensive income</i>				
Defined benefit pension scheme			(165)	(165)
Total comprehensive income for the year	-	-	(5,532)	(5,532)
<i>Contributions by and distributions to owners</i>				
Issue of shares				-
Share based payment	-	-	134	134
Total contributions by and distributions to owners	-	-	134	134
31 December 2020	273	12,166	(10,305)	2,134

The notes on pages 6 to 37 form part of these financial statements.

1. Background and basis of preparation

MotorK Limited (the “Company” or the “Parent Company”) is a company incorporated in UK with registered office is Kemp House, 152 City Road, London, EC1V 2NX.

The Company and its subsidiaries (the “Group” or “MotorK Group”) offer digital services in the automotive sectors.

As of 31 December 2020 the main shareholders of the Parent Company are Marco Marlia, original founder and CEO of the Group, Fabio Gurgone, original founder and Product Architect of the Group and Marco De Michele, original founder and Senior Technology Advisor of the Group, who directly hold approximately 57% of the share capital, and 83 North, who directly holds 24.5% of the share capital.

These consolidated financial statements as of and for the years ended 31 December 2020, 2019 and 2018 together with the notes thereto (hereafter, also referred to as the “**Special Purpose Consolidated Financial Statements**”) have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

On 31 December 2020, the EU-adopted IFRS was brought into UK law and became UK-adopted international accounting standards, with future changes to IFRS being subject to endorsement by the UK Endorsement Board.

The Special Purpose Consolidated Financial Statements have been prepared solely for the purpose to be included in the offering memorandum for the listing of MotorK Limited on Euronext Amsterdam and should not be used for any other purpose.

The Special Purpose Consolidated Financial Statements were approved for issuance by Board of Directors on 31 August 2021

2. Accounting policies

The most significant accounting policies and measurement criteria used in the preparation of the Special Purpose Consolidated Financial Statements are described below in note 5. With the exception of IFRS 16, for which 2019 was the first year of adoption, accounting policies and measurement criteria have been applied consistently during each of the years reported and are those in place as of 31 December 2020.

2.1 Form and content of the Special Purpose Consolidated Financial Statements

The format of the Special Purpose Consolidated Financial Statements and related classification criteria adopted by the Group (among the options available under IAS 1—Presentation of financial statements) are as follows:

- the consolidated statement of financial position shows current and non-current assets separately, and current and non-current liabilities in the same way;
- the consolidated statement of profit and loss and other comprehensive income shows a classification of costs and revenues by nature;
- the consolidated statement of cash flow, on the other hand, was prepared using the indirect method.

The Company has chosen to prepare a comprehensive income statement that includes, in addition to the result for the period, other amounts that, in accordance with the international accounting standards, are recognized directly in equity separately from those relating to operations with the Company’s shareholders.

The templates used, as specified above, are those that best represent the Group’s economic, equity, and financial situation.

The Special Purpose Consolidated Financial Statements are presented in Euro, which is the Group’s functional and presentation currency.

All amounts disclosed in the Special Purpose Consolidated Financial Statements have been rounded to the nearest thousand currency units unless otherwise stated.

2.2 Scope of consolidation

The Special Purpose Consolidated Financial Statements include the financial statements of the Parent Company and its subsidiaries. Where necessary, specific adjustments were made at the consolidated level to standardise the Group’s financial statements to the IFRSs.

Below we report the list of companies included in the Special Purpose Consolidated Financial Statements prepared by the Parent Company as at 31 December 2020, 2019 and 2018, indicating the share capital held by the Group.

Name	Country of incorporation and principal place of business	Proportion of ownership interest as at 31 December		
		2020	2019	2018
MotorK Italia Srl	Italy	100%	100%	100%
Punsset Asocidos 21, SL	Spain	0%	0%	100%
MotorK Spain Gestiones Comerciales	Spain	100%	100%	100%
MotorK Deutschland GmbH	Germany	100%	100%	100%
MotorK France Sarl	France	100%	100%	100%
DriveK Servizi Srl	Italy	0%	100%	100%
For Business Srl	Italy	100%	100%	0%
3W Net Sarl	France	100%	100%	0%

During 2020 the only change in the scope of consolidation was the liquidation of DriveK Servizi Srl.

During 2019 the changes in the scope of consolidation were the following: (i) acquisition of the company 3W Net Sarl, (ii) acquisition of the company For Business Srl and (iii) the merger of Punsset Asociados 21, SL with MotorK Spain Gestiones Comerciales.

2.3 Basis for consolidation

The criteria used by the Group to define the consolidation area and the relative consolidation principles are shown below.

Subsidiaries

The subsidiary companies are those companies that the Group controls. The Group controls a company when it is exposed to the variability of the company's results and has the power to influence these results through its power over the company. Generally, it is assumed that control exists when the company directly or indirectly holds more than half of the voting rights, taking into account the potential exercised or converted voting rights.

All subsidiaries are consolidated using the integral method from the date on which control is transferred to the Group. On the other hand, they are excluded from consolidation starting from the date on which this control is terminated.

Associated companies

Associates are companies over which the Group has significant influence, which is presumed to exist when the investment represents 20% to 50% of the voting rights.

Investments in associated companies are valued according to the equity method. This evaluation criterion can be described as follows:

- i) the profits and losses are accounted for from the date in which the significant influence or joint control started and until the date when it ended; if, as a result of losses, the investee shows negative equity, the carrying amount of the investment is reduced to zero and any additional losses are provided for and a liability is recognized only to the extent that the Group has legal or constructive obligations, or is otherwise required to settle the losses;
- ii) unrealised gains and losses generated on transactions between the Parent Company and the company valued using the equity method are eliminated based on the value of the Group's investment in the company; unrealised losses are eliminated, with the exception of cases in which they are representative of impairment.

Joint arrangements

The Group applies IFRS 11 in the assessment of joint arrangements. In accordance with the provisions of IFRS 11, a joint arrangement can be classified either as a joint operation or as a joint venture on the basis of a substantial analysis of the rights and obligations of the parties. Joint ventures are joint control agreements in which the parties, joint venturers, who hold joint control, have, among other things, rights to the net assets of the agreement. Joint operations are joint control agreements that give participants the rights to the assets and obligations on the liabilities relating to the agreement. Joint ventures are accounted for using the equity method, while investments in a joint operation involve the recognition of assets/liabilities and costs/revenues related to the agreement on the basis of the rights/obligations, due regardless of the ownership interest held.

Assets held for disposal

Non-current assets or disposal groups whose book value will be recovered mainly through sale rather than through their continuous use are classified as held for sale and are shown separately from other assets and liabilities in the consolidated statement of financial position.

Non-current assets or disposal groups classified as held for sale are first recognised in accordance with the specific reference IFRS applicable to each asset and liability, and subsequently recognised at the lower of the carrying amount and the related fair value, net of sale costs. Any subsequent losses in value are recognised directly as an adjustment to current assets or disposal groups classified as held for sale with a balancing entry in the income statement. On the other hand, a reversal is recorded for each subsequent increase in the fair value of an asset less sales costs, but only up to the amount of the impairment loss previously recognised. In accordance with the provisions of IFRS 5 (Non-current assets held for sale and discontinued operations), non-current assets classified as held for sale or part of a group held for sale are not amortised. Financial charges and other expenses attributable to the liabilities of a disposal group classified as held for sale must continue to be recognised.

Business combination

Business combinations are recorded according to the acquisition method.

According to this method:

- the amount transferred in a business combination is measured at fair value, calculated as the sum of the fair value of the assets transferred and of the liabilities assumed by the Group on the acquisition date and of the equity instruments issued in exchange for control of the acquired company. The charges ancillary to the transaction are recorded on the income statement at the time in which they are incurred.
- the identifiable assets and the liabilities acquired are recognised at fair value at the acquisition date; an exception is deferred tax assets and liabilities, assets and liabilities for employee benefits, liabilities or equity instruments relating to share-based payments of the acquired company or payments based on shares relating to the group issued to replace contracts for the company acquired, and assets (or groups of assets and liabilities) held for sale, which are instead valued according to their relevant principle;
- goodwill is calculated as the excess between the sum of the considerations transferred in the business combination, the value of the net equity pertaining to non-controlling interests and the fair value of any equity investment previously held in the company acquired compared to the fair value of the net assets acquired and liabilities assumed at the acquisition date. If the value of the net assets and liabilities acquired at the acquisition date exceeds the sum determined above, the excess is immediately recognised in the income statement as income deriving from the transaction;
- any considerations subject to conditions provided for by the business combination contract are valued at fair value on the acquisition date and included in the value of the amounts transferred in the business combination for the purpose of calculating the goodwill.

3. Going concern

The Special Purpose Consolidated Financial Statements have been prepared on a going concern basis which assumes that the Group will have sufficient funds available to enable it to continue to trade for the foreseeable future.

In particular, with reference to the year ended 31 December 2020, the following elements for the preparation on a going concern basis have been considered:

- despite the market being strongly impacted in 2020 by the spread of COVID-19 with a decrease of car registration of 24.3% compared to 2019, market trends of the first months of 2021 are positive;
- regional lockdowns have accelerated the need of digital solutions in the market: the Group has a unique structure in the market covering the entire customer journey of customers and there are no strong competitors offering the same solutions;
- during 2020 the Group has entered into a new financial loan with Illimity Bank for an amount of Euro 6 million, improving the cash available into bank accounts of the Group;
- short term financial position is positive.

4. Recently issued accounting standards

4.1 IFRS standards/interpretations approved by the IASB and endorsed in Europe in force from 1 January 2020

The following table lists the IFRS/interpretations approved by the IASB, endorsed in Europe and applied for the first time from 1 January 2020:

Description	Endorsement date	Publication	Effective date
Amendments to IFRS 3: "Business Combinations" (issued on 22 October 2018)	21 April 2020	22 April 2020	1 January 2020
Amendments to IFRS 9, IAS 39 and IFRS 7: "Interest Rate Benchmark Reform" (issued on 26 September 2019)	15 January 2020	16 January 2020	1 January 2020
Revised version of the IFRS Conceptual Framework (issued on 29 March 2018)	29 November 2019	6 December 2019	1 January 2020
Amendments to IAS 1 and IAS 8: "Definition of Materiality" (issued on 31 October 2018)	29 November 2019	10 December 2019	1 January 2020

The amendments to IFRS 3 "Business Combinations" issued on October 22, 2018, support the entities in determining whether they have acquired a business or a group of assets.

The amendment named "Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform" modifies some of the requirements for the hedge accounting application, providing temporary exemptions, in order to mitigate the impact caused by uncertainty of IBOR's reform on future cash flows in the period preceding its completion. The amendment also requires to the companies to provide in the financial statements additional information about their hedging relationship which are directly affected by uncertainties generated by the reform and to which the aforementioned exceptions apply, where applicable.

On March 29, 2019, IASB published an amendment to "References to the Conceptual Framework in IFRS Standards". The Conceptual Framework defines the fundamental concepts for financial information. The document helps ensuring that the Standard are conceptually coherent and that similar transactions are treated in the same way, in order to provide useful information to investors, lenders and other creditors.

The "Amendments to IAS 1 and IAS 8: Definition of Materiality" has the objective to clarify the definition of "materiality" in order to help societies to evaluate if an information is relevant and therefore needs to be included in the financial statements.

In particular, it is specified that an information is relevant if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

The adoption of the aforementioned principles and interpretations did not have material impact on the valuation of assets, liabilities, revenues and costs of the Group.

4.2 IFRS 16 adoption

The Group adopted IFRS 16 with a transition date of 1 January 2019. The Group has chosen not to restate comparatives on adoption and therefore the revised requirements are not reflected in the prior year financial statements and have been processed at their initial date of application at 1 January 2019.

IFRS 16 has replaced IAS 17 "Leases" and IFRIC 4 "Determining Whether an Arrangement Contains a Lease" and was effective 1 January 2019.

IFRS 16 provides a single lease accounting model, requiring the recognition of assets and liabilities for all leases, excluding leases with a term of less than twelve months or where the value of the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting in IAS 17, with the distinction between operating leases and finance leases being retained. The Group does not have any leases acting as a lessor.

Transition method

The Group adopted IFRS 16 using the modified retrospective approach, with the recognition of transitional adjustments

on the date of initial application (1 January 2019), without restatement of comparative figures.

At transition, for leases classified as operating leases under IAS 17 Leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 January 2019. Right-of-use assets were measured as an amount equal to the lease liability.

IFRS 16 provides for certain optional practical expedients, including those related to the initial adoption of the standard. The Group applied the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17:

- exclude initial direct costs from the measurement of right-of-use assets at the date of initial application for leases where the right-of-use asset was determined as if IFRS 16 had been applied since the commencement date; and
- reliance on previous assessments on whether leases are onerous as opposed to preparing an impairment review under IAS 36 as at the date of initial application.

The following table presents the impact of adopting IFRS 16 on the statement of financial position as at 1 January 2019:

€'000	As previously stated	IFRS 16 impact	1 January 2019
Right of use assets	-	1,965	1,965
Lease liabilities	-	(1,965)	(1,965)

The following table reconciles the minimum lease commitments as at 31 December 2018 to the amount of lease liabilities recognised on 1 January 2019:

€'000	
Minimum operating lease commitments as at 31 December 2018	1,848
Leases recognised under IFRS 16	218
Effect of discounting	(101)
Lease liabilities for leases classified as operating type under IFRS 16	1,965
Plus: leases previously classified as finance type under IAS 17	126
Lease liability as at 1 January 2019	2,091

Lease liability as at 1 January 2019 amounts to Euro 2,091 thousand, of which Euro 1,965 thousand are related to the adjustment following the application of IFRS 16, and Euro 126 thousand are related to the lease already accounted for as per IAS 17.

5. Accounting policies

Externally acquired intangible assets

Externally acquired intangible assets are initially recognised at cost and subsequently amortised on a straight-line basis over their useful economic lives.

Intangible assets are recognised on business combinations if they are separable from the acquired entity or give rise to other contractual/legal rights. The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques (see section related to critical estimates and judgements below).

The significant intangibles recognised by the Group, their useful economic lives and the methods used to determine the cost of intangibles acquired in a business combination are as follows:

Intangible asset	Useful economic life	Valuation method
Contractual relationships	15 years	Estimated discounted cash flow

Internally generated intangible assets (development costs)

Expenditure on internally developed products is capitalised if it can be demonstrated that:

- it is technically feasible to develop the product for it to be sold

- b. adequate resources are available to complete the development
- c. there is an intention to complete and sell the product
- d. the Group is able to sell the product
- e. sale of the product will generate future economic benefits, and
- f. expenditure on the project can be measured reliably.

Capitalised development costs are amortised over the periods the Group expects to benefit from selling the products developed (3 years). The amortisation expense is included within the administration expenses line in the consolidated statement of comprehensive income.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognised in the consolidated statement of comprehensive income as incurred.

Goodwill

Goodwill represents the excess of the cost of a business combination over the total acquisition date fair value of the identifiable assets, liabilities and contingent liabilities acquired.

Cost comprises the fair value of assets given, liabilities assumed and equity instruments issued, plus the amount of any non-controlling interests in the acquiree plus, if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree. Contingent consideration is included in cost at its acquisition date fair value and, in the case of contingent consideration classified as a financial liability, remeasured subsequently through profit or loss. Direct costs of acquisition are recognised immediately as an expense.

Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the consolidated statement of comprehensive income. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the consolidated statement of comprehensive income on the acquisition date.

Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs and the estimated present value of any future unavoidable costs of dismantling and removing items.

Depreciation is provided on all items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives. It is provided at the following rates:

Leasehold improvements	-	20% straight line
Fixtures & fittings	-	16% straight line
Motor vehicles	-	25% straight line
Computer equipment	-	20% straight line

Leases

Lease contracts until 31 December 2018 (IAS 17)

Under the previous IAS 17, assets held under finance leases are recognized as tangible assets against the related liability. The lease payment is broken down into a finance cost, recognized in the income statement, and repayment of principal, recognized as a reduction of the relevant financial liability. Leases in which the lessor does not transfer substantially all the risks and rewards incidental to legal ownership are classified as operating leases. Lease payments under operating leases are recognized in the income statement on a straight-line basis over the duration of the operating lease.

Right of use assets and lease liabilities from 1 January 2019 (IFRS 16)

All leases are accounted for by recognising a right-of-use asset and a lease liability except for leases with a duration of twelve months or less.

IFRS 16 was adopted 1 January 2019 without restatement of comparative figures. For an explanation of the transitional requirements that were applied as at 1 January 2019, see note 4.2. The following policies apply subsequent to the date of initial application, 1 January 2019.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes: amounts expected to be payable under any residual value guarantee; the exercise price of any purchase option granted in favour of the Group if it is reasonably certain to assess that option; and any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for: lease payments made at or before commencement of the lease; initial direct costs incurred; and the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

Impairment of property, plant and machinery and intangible assets with a finite useful life

At each balance sheet date, the Group assesses the existence of indicators reducing the value of property, plant and machinery and intangible assets with a finite useful life not fully amortised. If such indicators are found, the recoverable value of the assets is estimated, with any depreciation with respect to the relative book value being recorded on the income statement. Recoverable value is defined as the greater of either the fair value, less the disposal costs, or the relative value in use, understood as the actual value of the future cash flows for that asset. For an asset that does not generate largely independent cash flows, the value is determined in relation to the cash generating unit to which the asset belongs. When calculating the value in use, the expected future cash flows are discounted using a rate that reflects the current market assessments of the cost of money in relation to the period of the investment and risks specific to the asset. A reduction in value is recognised in the income statement when the carrying value of the asset is higher than the recoverable value. If the conditions for a write-down previously carried out no longer subsist, the carrying amount of the asset is restored through registration on the income statement, within the limits of the carrying value that the asset in question would have had if the write-down had never been done and the amortisations had been carried out.

Impairment of non-financial assets with indefinite useful economic lives

Impairment tests on goodwill and other intangible assets with indefinite useful economic lives are undertaken annually at the financial year end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units ('CGUs'). Goodwill is allocated on initial recognition to each of the Group's CGUs that are expected to benefit from a business combination that gives rise to the goodwill.

Foreign currency

The Group's functional currency is in Euros.

Transactions entered into by Group entities in a currency other than the currency of the primary economic environment in which they operate (their "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss.

All overseas operations transact in Euros. Therefore, no adjustment is required on consolidation.

Financial assets

The Group's Financial assets are classified on the basis of the business model adopted to manage them and the characteristics of the related cash flows.

a) Financial assets valued at amortised cost

Financial assets which have been verified to meet the following requirements are classified in this category:

- (i) the asset is held within a business model whose objective is possession of the asset to collect contractual financial flows; and
- (ii) the contractual terms of the asset include cash flows represented solely by payments of principal and interest on the principal amount to be repaid.

These are mainly receivables from customers, loans and other receivables.

Trade receivables that do not contain a significant financial component are recognised at the price defined for the related transaction (determined in accordance with the provisions of IFRS 15 Revenues from customer contracts).

Other receivables and loans are initially recognised in the financial statements at their fair value increased by any directly attributable accessory costs to the transactions that generated them. At the time of subsequent measurement, financial assets were shown at amortised cost, with the exception of loans that do not contain a significant financial component, using the effective interest rate. The effects of this measurement are recognised as a financial income component.

The Group values receivables by adopting an expected loss impairment model.

For trade receivables the Group adopts a simplified approach which does not require periodic changes to the credit risk to be reported, but rather an expected credit loss (ECL) calculated on the entire ECL lifetime to be recorded.

In particular, the policy implemented by the Group involves the stratification of receivables, which are broken down by homogeneous risk categories. Different write-down percentages are applied to these categories, which reflect the likelihood of them being recovered. These are based on historical percentages and on any forward-looking data, which may impact the reasonable likelihood of them being recovered. Trade receivables are written down in full if they are not reasonably likely to be recovered (e.g. overdue past a certain point, bankruptcy and/or start of legal action).

Write-downs carried out in accordance with IFRS 9 are recognised in the consolidated income statement net of any positive effects related to releases or restorations of value and are represented under operating costs.

b) Financial assets at fair value through profit or loss ("FVOCI")

Financial assets which have been verified to meet the following requirements are classified in this category:

- (i) the asset is held within the framework of a business model whose objective is achieved both by collecting contractual financial flows and by selling the asset itself; and
- (ii) the contractual terms of the asset include cash flows represented solely by payments of principal and interest on the principal amount to be repaid.

These assets are initially recognised in the financial statements at their fair value plus any additional costs directly attributable to the transactions that generated them. At the time of subsequent measurement, the measurement made at the time of recognition is updated and any changes in fair value are recognised in the statement of comprehensive income.

With reference to the impairment model, it follows what is described in paragraph a) detailed above.

c) Financial assets at fair value with a balancing entry in the consolidated income statement ("FVPL")

Financial assets that are not classified in any of the previous categories (i.e. residual category) are classified in this category. These are mainly derivative instruments.

Assets belonging to this category are recorded at fair value upon initial recognition.

Ancillary costs incurred on recognition of the asset are immediately recognised in the consolidated income statement. On subsequent measurement, FVPL financial assets are measured at fair value.

Gains and losses arising from changes in fair value are recognised in the consolidated income statement in the period in which they are recognised under "Gains (losses) from assets measured at fair value".

Purchases and disposals of financial assets are accounted for at the settlement date.

Financial assets are derecognised when the related contractual rights expire, or when the Group transfers all the risks and benefits of ownership of the financial asset.

Cash and cash balances

Cash and cash equivalents include cash, bank current accounts, deposits repayable on request and other short-term and highly liquid financial investments that are readily convertible into cash, or convertible into cash within 90 days of the original acquisition date, and are subject to a low risk of changes in value.

Financial liabilities

Financial liabilities include financial payables, payables for leases and trade payables.

Amounts due to banks and other lenders are initially recognised at fair value net of directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest rate method. If there is a change in the expected cash flows, the value of the liabilities is recalculated to reflect this change based on the current value of the new expected cash flows and the initially determined internal rate of return.

Trade payables are obligations to pay for goods or services acquired from suppliers in the ordinary course of business.

Trade payables are classified as current liabilities if they are paid within one year of the balance sheet date. Otherwise, these payables are classified as non-current liabilities.

Trade and other payables are initially recognised at fair value and subsequently measured using the amortised cost method.

Financial liabilities are eliminated from the financial statements when the obligation underlying the liability is extinguished, cancelled or fulfilled.

With reference to the derecognition of a financial liability, new records must be created for its extinction and the recognition of a new liability if the contractual terms are substantially different. The terms are considerably different if the actualised value of the financial flow under the new terms, including any fee paid net of the fee received and actualised using the original interest rate, are at least 10% different from the actualised value of the remaining financial flows of the original financial liability. If the exchange of debt instruments or the change in the terms are recognised as an extinction, any costs or fees paid are recorded as income or losses associated with the extinction. If the exchange or modification are not recognised as extinction, any costs or fees sustained will adjust the accounting value of the liability and will be amortised over the remaining term of the liability in question.

Employee benefits liabilities

Staff severance indemnity, mandatory pursuant to art. 2120 of the Italian civil code is a deferred compensation and is based on the years of service of the employee and on the compensation received during the year of service.

According to the national law, the deferred compensation to be paid when an employee leaves the entity is based on the years of service of the employees and on the taxable remuneration earned by the employee during the service year, i.e. the capital accumulated when the employment ends. The provisions are due in the event of retirement, death, invalidity or resignation. During 2020 there were no special events, such as restructuring plans, reductions or regulations during the reference period.

The current value of the fund is calculated using the Projected Unit Credit Method (present value of future performance). The obligations related to the staff severance indemnity are assessed annually by a qualified actuary. Costs for current services are recognised as "Personnel costs". The Group determines the financial charges by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the defined benefit obligation.

Measurement of the liabilities for employee benefits, which include income from the obligation for defined benefits are immediately recognised in other comprehensive income.

When the benefits of a plan are changed or when a plan is reduced, the resulting benefit in the benefit that relates to past service or the gain or loss on the reduction is immediately recognised as "Personnel costs".

Share based payments

The Group provides share-based payment arrangements to certain employees.

Where equity settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the consolidated statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the consolidated statement of comprehensive income over the remaining vesting period.

Revenue recognition

Revenues from cloud-based SaaS platforms (Webspark and Leadspark) are recognized in line with the IFRS 15 based on the five steps model provided by IFRS 15. The Group is providing "right to use IP" to the client and, as a consequence, the performance obligation is satisfied point in time (at "go-live" of the product).

Revenues from "lead generation" services are recognized when the leads are sent to the OEM (Original Equipment Manufacturer in Automotive Sector), or to the Dealer after the qualification of the lead.

Cloud-based SaaS platforms are invoiced periodically depending on the milestones and payment cadence agreed in the

contract (which may be from delivery/go-live and annually, quarterly or monthly respectively).

Other revenue mainly referred to training activities, that are recognized when the training has been delivered.

Earnings per share

Basic earnings per share is calculated by dividing the result for the year attributable to the owners of the parent by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares.

Diluted earnings per share is calculated by dividing the result for the year attributable to the owners of the parent by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares. For the purposes of the calculation of diluted earnings per share, the weighted average number of shares outstanding is adjusted assuming that rights having potential dilutive effects are exercised by all the grantees of such rights, and the result attributable to the owners of the parent is adjusted to take into account the effects, if any, net of tax, of the exercise of those rights.

Deferred taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated statement of financial position differs from its tax base, except for differences arising on:

- The initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit, and
- Investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/ (assets) are settled/ (recovered).

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- The same taxable group company, or
- Different group entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

6. Operating segments

Following the classification of the DriveK business as a discontinued operation, the Group has determined that it has one operating and reportable segment based on the information reviewed by its CODM in making decisions regarding allocation of resources and to assess performance.

Non-current assets, which consist of property, plant and equipment and intangible assets, excluding goodwill, are substantially located in Italy.

7. Critical accounting estimates and judgements

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Judgements

- *Share based payments* - Determining the fair value of share-based payments at the balance sheet date represents a significant accounting estimate. There is inherent judgement in the key inputs into the valuation, such as the valuation of the company and the risk-free rate applied.
- *Capitalisation of development costs* - Expenditure on Research is recognised as an expense and charged to the consolidated statement of comprehensive income in the year in which it is incurred.

Development expenditure relating to specific projects intended for commercial exploitation is capitalised as an

intangible fixed asset where the following conditions are met:

- It is technically feasible to complete the intangible asset so that it will be available for use or sale;
- It is the intention of the Company to complete the intangible asset and use or sell it;
- The Company has the ability to use or sell the intangible asset;
- The intangible asset will generate probable future economic benefits;
- The technical, financial and other resources needed to complete the development and to use or sell the intangible asset are available to the Company; and
- The expenditure attributable to the intangible asset during its development can be measured reliably.

Estimates and assumptions

- Revenue recognition - valuation of customer contracts (see note 9);
- Revenue recognition - provision of rights to return goods if customers are dissatisfied (see note 9)
- Impairment of goodwill - estimate of future cash flows and determination of the discount rate (see note 13).
- Income taxes - provisions for income taxes in various jurisdictions (see note 12).
- Employee benefits liabilities- actuarial assumptions (see note 20);
- Deferred tax assets: deferred tax assets are shown based on forecast future taxable income. The estimation of future taxable income for the purpose of accounting for deferred tax assets depends on factors that may change over time and have a significant effect on the recoverability of deferred tax assets.
- Provision for bad debt and contract assets: bad debt provision for trade receivables reflects the directors' best estimate of the losses relating to the client receivables portfolio and contract assets. This estimate is based on the Group's forecast losses, calculated based on past experience, current and historical past due, careful monitoring of credit quality and projections of economic and market conditions.
- Useful life of capitalised development costs: management has estimated that the useful life of capitalised development costs is 3 years, representative of the time horizon for which the products developed are expected to generate net cash inflows for the Group.

8. Financial instruments - Risk Management

MotorK Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods:

Capital risk management

The Group defines capital as the total equity of the Group. The Group's capital is made up of share capital, share premium, retained earnings and other reserves totalling Euro 2.1 million as at 31 December 2020 (Euro 7.5 million as at 31 December 2019 and Euro 4.0 million as at 31 December 2018).

The Group funds its expenditures on commitments from existing cash and cash equivalent balances, primarily received from operating cash flow and issuance of shareholders' equity and borrowings. There are no externally imposed capital requirements.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group ensures that the distributions to shareholders do not exceed working capital requirements.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales. It is Group policy, implemented locally, to assess the credit risk of new customers before entering contracts. Such credit ratings are taken into account by local business practices.

With regard to trade receivables, the insolvency risk is monitored centrally by the Group's finance department, which

constantly monitors the Group's credit exposure, the collections of trade receivables and the adequacy of bad debt provisions on a monthly basis.

It is worth mentioning that, during 2020, the Group has implemented a specific team within the finance function managing credit collection and a standard procedure, based on relevant frameworks applicable, to be followed by all the Group companies.

The carrying amount of financial assets recorded in the financial statements, net of bad debt provision, represents the Group's maximum exposure to credit risk.

The ageing analysis of trade receivables is shown in the following table:

€'000	Not overdue	Overdue by less than 1 month	Overdue by 1-2 month	Overdue by more than 2 months	Total
Gross trade receivables as at 31 December 2018	7,518	828	671	1,555	10,572
Allowance for doubtful receivables	-	-	-	(221)	(221)
Trade receivables as at 31 December 2018	7,518	828	671	1,334	10,351
Gross trade receivables as at 31 December 2019	9,306	725	318	1,811	12,160
Allowance for doubtful receivables	-	-	-	(234)	(234)
Trade receivables as at 31 December 2019	9,306	725	318	1,577	11,926
Gross trade receivables as at 31 December 2020	4,131	212	199	771	5,313
Allowance for doubtful receivables	-	-	-	(268)	(268)
Trade receivables as at 31 December 2020	4,131	212	199	503	5,045

Foreign exchange risk

Exchange rate fluctuation risk is not considered significant. Even if the parent company is based in UK, all the other subsidiaries are based in Europe and the most significant transactions of the Group are made in Euros, functional currency of the Group used for the preparation of the Special Purpose Consolidated Financial Statements.

Liquidity risk

Liquidity risk – this risk typically arises when an entity is experiencing difficulty finding sufficient funds to meet its obligations and includes the risk that the counterparties that have granted loans and/or lines of credit may request repayment. This risk became particularly significant in 2020 in the wake of the Covid-19 pandemic.

Toward this end, MotorK Group implemented a series of measures and actions which made it possible for the Group to better manage its financial position, further strengthening its structure and solidity. The Board of Directors receives cash flow projections on a regular basis as well as information regarding cash balances and cash forecast projections. At the end of 2020, these projections indicated that MotorK Group is expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

The following table provides an analysis of cash disbursements by due date related to financial liabilities, based on contractual repayment obligations, as at 31 December 2020, 2019 and 2018.

As at 31 December 2020					
€'000	Within 1 year	2 - 5 years	over 5 years	Contract value	Carrying amount
Financial liabilities	6,807	30,753	309	37,868	31,095
Lease liabilities	872	856	-	1,728	1,588
Trade and other payables	6,128	-	-	6,128	6,128
Other non-current liabilities	-	816	-	816	816

As at 31 December 2019					
€'000	Within 1 year	2 - 5 years	over 5 years	Contract value	Carrying amount
Financial liabilities	1,936	29,947	421	32,303	24,575
Lease liabilities	816	709	-	1,525	1,385

Trade and other payables	11,067	-	-	11,067	11,067
Other non-current liabilities	-	1,759	-	1,759	1,759

€'000	As at 31 December 2018				
	Within 1 year	2 - 5 years	over 5 years	Contract value	Carrying amount
Financial liabilities	6,453	14,518	74	21,046	15,366
Minimum lease commitments	932	871	-	1,803	-
Trade and other payables	10,523	-	-	10,523	10,523
Other non-current liabilities	-	366	-	366	366

Interest rate risk

The Group makes use of external debt resources and invests available liquidity in market instruments. Interest rate fluctuation risk is not considered significant by management considering that the Group seeks to reduce it by fixing interest rates (and hence cash flows) on its long-term borrowings.

Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Trade and other receivables;
- Cash and cash equivalents;
- Trade and other payables;
- Current and non-current financial liabilities;
- Current and non-current lease liabilities.

Financial assets

The following tables show financial assets by category, as defined by IFRS 9, as at 31 December 2020, 2019 and 2018:

€'000	As at 31 December		
	2020	2019	2018
Financial assets at amortized cost			
Non-current assets - security deposit	262	382	289
Trade and other receivables	5,362	12,792	11,741
Cash and cash equivalents	11,824	9,406	6,832
Total	17,448	22,580	18,862

The carrying value of trade and other receivables approximates fair value.

Trade receivables are stated net of provision for impairment. See note 16 for disclosure in respect of overdue trade receivables.

Financial liabilities

The following tables show financial liabilities by category, as defined by IFRS 9, as at 31 December 2020, 2019 and 2018:

€'000	As at 31 December		
	2020	2019	2018
Financial liabilities at amortized cost			
Trade and other payables	5,443	10,812	10,186
Current financial liabilities	6,263	1,742	6,256
Current lease liabilities	802	746	-
Non-current financial liabilities	24,832	22,833	9,110
Other non-current liabilities	-	841	57
Non-current lease liabilities	786	639	-
Total	38,126	37,613	25,609

Fair value measurement hierarchy

The financial instruments measured at fair value are presented on the basis of the fair value hierarchy, described below:

- Level 1 - quoted (unadjusted) prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 - valuation techniques for which the inputs are unobservable for the asset or liability.

In the periods under review the Group did not own any financial instruments measured at fair value.

9. Revenue

Group revenue for the year ended 31 December 2020 amounts to Euro 19.3 million compared to Euro 27.9 million for the year ended 31 December 2019 and Euro 12.2 million for the year ended 31 December 2018.

Disaggregation of Revenue

The Group has disaggregated revenue into various categories in the following tables.

For the year ended 31 December 2020				
Primary geographic markets	SaaS platform	Digital Marketing	Other revenues	Total
€'000				
UK	-	-	103	103
Italy	6,705	6,322	2,577	15,604
Spain	1,104	290	50	1,444
France	1,665	-	6	1,671
Germany	292	193	22	507
Total	9,766	6,805	2,758	19,329

For the year ended 31 December 2019				
Primary geographic markets	SaaS platform	Digital Marketing	Other revenues	Total
€'000				
UK	-	-	1	1
Italy	13,964	7,048	4,030	25,042
Spain	1,043	617	48	1,708
France	605	2	43	650
Germany	351	155	33	539
Total	15,963	7,822	4,155	27,940

For the year ended 31 December 2018				
Primary geographic markets	SaaS platform	Digital Marketing	Other revenues	Total
€'000				
UK	-	-	2	2
Italy	4,860	4,066	1,544	10,470
Spain	781	686	124	1,591
France	16	8	4	28
Germany	45	69	5	119
Total	5,702	4,829	1,679	12,210

SaaS Platform revenues are recognised on signing the contract. All other revenues are recognised on delivery of the service.

Digital Marketing revenues are services for the dealer in order to acquire enhanced online traffic. Other revenues mainly

include revenues for "white label" integrations on other lead generation sites such as classified sites.

Revenues for SaaS Platforms consist of fees for the creation and maintenance of the dealers' websites ("WebSpark") and CRM services ("LeadSpark"). As reported above such revenues are booked as per IFRS 15 requirements at inception date when the performance obligation is satisfied.

Contract assets booked in the consolidated statement of financial position are related to the IFRS 15 application on DealerK SaaS business (services performed but not yet invoiced) totalling Euro 10.2 million (Euro 11.2 million as at 31 December 2019 and Euro 3.9 million as at 31 December 2018) are included within current assets and non-current assets in the statement of financial position. They arise from contracts internally defined as "recurring", or based on multi-year contracts (12, 24 or 36 months) and whose existence is based on "delivery" of a platform (a website in the case of revenues from "WebSpark" activities and a CRM in the case of revenues from "LeadSpark" activities) for which the costs necessary for the development, use and basic operation of the product have already been incurred.

10. Group operating profit/(loss)

Group operating loss is stated after charging/(crediting):

<i>in € thousands</i>	For the year ended 31 December		
	2020	2019	2018
Costs for marketing services	5,834	6,553	4,434
Costs for call center services	195	30	59
Personnel costs	12,474	15,910	13,836
R&D Capitalization	(2,661)	(3,033)	(2,724)
Other operating costs	4,831	7,258	7,302
Amortization & Depreciation	3,186	2,316	1,050
Total costs	23,859	29,034	23,957

The fees of the Group's auditor for services provided are analysed below:

<i>€'000</i>	For the year ended 31 December		
	2020	2019	2018
Audit of the Group's financial statements	24	24	42
Audit of the Group's subsidiaries	17	17	17
Other non-audit services (taxation service)	5	5	-

The reduction of costs for marketing for the year ended 31 December 2020 compared to the previous year is attributable to the reduction of revenues due to the reduction of activities linked to the outbreak of Covid-19 and related regional lockdowns.

Other operating costs include professional fees of consultants and fixed costs incurred by the subsidiaries of the Group. Reduction for the year ended 31 December 2020 compared to the previous year is due to the effort made by all the organization to reduce fixed costs as much as possible during the hardest moment of lockdowns in the first month of 2020.

Personnel costs, excluding directors' remuneration, are shown in the following table:

<i>€'000</i>	For the year ended 31 December		
	2020	2019	2018
Wages and salaries	8,784	11,606	10,041
Social security costs	2,562	2,989	2,487
Employee benefit pension cost	517	554	398
Share based payments	134	196	344
Total	11,998	15,345	13,271

The detail of directors' remuneration is shown in the following table:

<i>Directors' remuneration (€'000)</i>	For the year ended 31 December		
	2020	2019	2018
Emoluments	476	565	565
Total	476	565	565

Reduction of personnel costs for the year ended 31 December 2020 compared to the previous year is related to the reduction of effective number of FTE and it is influenced by the use of all social shocks-absorber available in Italy, France, Spain and Germany.

Details regarding the increase of share-based payment costs are provided below in the note 23 to the Special Purpose Consolidated Financial Statements.

Amortization and depreciation expenses includes:

- Amortization of intangible assets for approximately Euro 2.2 million for the year ended 31 December 2020 (Euro1.2 million for the year ended 31 December 2019 and Euro 0.8 million for the year ended 31 December 2018);
- Depreciation of tangible assets for approximately Euro 0.9 million for the year ended 31 December 2020 (Euro 1.1 million for the year ended 31 December 2019 and Euro 0.1 million for the year ended 31 December 2018).

11. Finance income and expense

Finance income and expense are shown in the following tables:

€'000	For the year ended 31 December		
	2020	2019	2018
Interest received on bank deposits	16	11	2
Total finance income	16	11	2

€'000	For the year ended 31 December		
	2020	2019	2018
Bank loans and overdrafts	194	197	70
Other loans	1,345	1,043	114
Hire purchase interest	-	84	32
Net interest expense on defined benefit pension scheme	16	22	14
Interest expenses on lease liabilities	70	74	13
Other interest	195	16	84
Total finance expense	1,820	1,436	327

The item Other loans increased in 2019 and 2020 due to amortisation cost effect on the EIB loan.

Finance expenses includes the interest paid for the loans in place and the interest accrued for other loans in accordance with IFRS 9. For details of financial liabilities please refer to the information provided in note 19.

The item Other interest in 2020 mainly refers to bank fees and exchange losses.

12. Corporate income tax

Corporate income taxes are shown in the following table:

€'000	For the year ended 31 December		
	2020	2019	2018
Current tax on profits for the period	-	-	-
R&D tax grants	190	1,582	1,843
Foreign subsidiaries income taxes	(127)	(460)	(499)
Adjustment for other provision in prior periods	28	-	-
Total current tax	91	1,122	1,344
Origination and reversal of temporary differences	834	9	23
Total deferred tax	834	9	23
Corporate income tax	925	1,131	1,367

The increase of deferred tax assets for the year ended 31 December 2020 compared to the previous year is due to the deferred tax assets booked in MotorK Italia Srl related to the tax loss to carry forward generated during the year 2020. Such deferred tax assets are booked into the financial statements on the basis of the business plan 2021-2025 (the "Plan") approved by the Board of Directors of MotorK Italia Srl in March 2021 that forecasts future taxable income in the period 2021-2025.

The caption R&D tax grants is related to tax grants recognised by Italian tax authorities in relation to R&D expenditures of the Italian company. The reduction compared to last year is related to the change of criteria used by the Italian tax authorities to calculate such grant.

As at 31 December 2020 the Group has estimated trading losses carried forward from prior years totalling Euro 15.9 million (Euro 8.7 million as at 31 December 2019 and Euro 7.2 million as at 31 December 2018). The related deferred tax assets have not been recognised on the financial statements.

The income taxes for the year are reconciled with the theoretical tax burden in the following table:

€'000	For the year ended 31 December		
	2020	2019	2018
Profit/(loss) before tax (discontinued and continuing operations)	(6,292)	(918)	(8,216)
Tax using the Company's domestic tax rate of 19.0% (2018: 19.0%)	(1,195)	(174)	(1,561)
R&D expenditure credit	(190)	(1,582)	(1,843)
Foreign subsidiaries income taxes	127	460	499
Other movements	332	165	1,538
Total tax (credit)	(925)	(1,131)	(1,367)

The line item Other movements refers to not recognised deferred tax assets.

Notes to the consolidated statement of financial position

13. Intangible assets

Details of intangible assets increase and decrease for the years ended 31 December 2020, 2019 and 2018 are provided in the following table:

€'000	Customer relationships	Development costs	Goodwill	Total
<i>Cost</i>				
As at 1 January 2018	440	3,438	587	4,465
Additions - internally generated	-	3,754	-	3,754
Additions	52	-	-	52
As at 31 December 2018	492	7,192	587	8,271
Additions - internally generated	-	3,586	-	3,586
Acquired through business combinations	1,028	12	1,458	2,498
As at 31 December 2019	1,520	10,790	2,045	14,355
Additions - internally generated	-	3,239	-	3,239
Other changes	-	-	(102)	(102)
Assets classified as held for sale	-	(3,245)	-	(3,245)
As at 31 December 2020	1,520	10,784	1,943	14,247
<i>Accumulated amortisation and impairment</i>				
As at 1 January 2018	-	440	-	440
Charge for the year	73	1,124	-	1,197
As at 31 December 2018	73	1,564	-	1,637
Charge for the year	176	1,356	-	1,532
As at 31 December 2019	249	2,920	-	3,169
Charge for the year	108	2,605	-	2,713
Assets classified as held for sale	-	(1,497)	-	(1,497)
As at 31 December 2020	357	4,028	-	4,385
<i>Net book value</i>				
As at 1 January 2018	440	2,998	587	4,025
As at 31 December 2018	419	5,628	587	6,634
As at 31 December 2019	1,271	7,870	2,045	11,186
As at 31 December 2020	1,163	6,756	1,943	9,862

The Group holds goodwill in respect of the MotorK Italy acquisition in 2016 (Euro 142 thousand), the Punsset (merged in MotorK Spain) (Euro 396 thousand) and MotorK Deutschland acquisitions in 2017 (Euro 49 thousand), and the For Business (Euro 235 thousand) and 3W Net acquisitions in 2019 (Euro 1,121 thousand). Further details of the acquisitions in the years are provided in note 25.

In accordance with IAS 36, goodwill is not amortised and is tested for impairment annually or more frequently if facts or circumstances indicate that the asset may be impaired. Impairment testing is performed by comparing the carrying amount and the recoverable amount of the Cash Generating Unit ("CGU"). The recoverable amount of the CGU is the higher of its fair value less costs to sell and its value in use. To this end, for the purpose of verifying the recoverability of goodwill recorded under intangible assets, a single CGU has been identified, consisting of all the operating activities of the Group as a whole (the single CGU is equal to DelaerK business unit plus corporate costs as DriveK business unit was classified as discontinued operation).

The recoverable amount of the CGU is determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes in margins. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGU. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

As at 31 December 2020 goodwill was subjected to an impairment test taking into account past economic and financial performance and future expectations inferable from the Plan. Beyond that period operating cash flows are assumed to grow at 1% annually. The risk adjusted post-tax rate (WACC) used to discount the CGU cash flow forecasts is 11.1%. For the purposes of estimating the value in use of the CGU to which the goodwill is allocated, both internal and external sources of information were used.

The results of the impairment test on goodwill as at 31 December 2020 did not reveal any impairment loss.

In assessing the value in use of the CGU, management have considered the potential impact of possible changes in

the main assumptions used. A sensitivity analysis was carried out by determining the break-even point WACC, which, keeping the other parameters constant, would render the difference between the recoverable amount and the carrying amount of the CGU as nil. In these circumstances, the break-even point WACC is 35.6%.

As at 31 December 2019 and 2018 goodwill was subjected to an impairment test using cash flow forecasts derived from the most recent financial budgets approved by the Board, extending over the next 5 financial periods. The WACC used to discount the CGU cash flow forecasts was 12.0% and 15.0% respectively, and the growth rate (g) was assumed equal to 3% for both 2019 and 2018. The results of the impairment tests on goodwill as at 31 December 2019 and 2018 did not reveal any impairment loss. A sensitivity analysis was carried out to check the effects on the impairment test results of changes of the WACC and growth rate. Specifically, reasonable individual changes in these variables, with all other factors remaining the same, resulted in the recoverable amount of the CGU not being less than the carrying amount.

Euro 102 thousand, shown in other changes, refers to the difference between the earn-out estimated at inception date for the acquisition of 3WNET and the amount paid during 2020.

Regarding the customer relationship amounting to Euro 1,163 thousand as at 31 December 2020 (Euro 1,271 thousand as at 31 December 2019 and Euro 419 thousand as at 31 December 2018) and development costs amounting to Euro 6,756 thousand as at 31 December 2020 (Euro 7,870 thousand as at 31 December 2019 and Euro 5,628 thousand as at 31 December 2018), despite the loss of the year 2020, management has assessed that there are no impairment indicators and therefore it is not needed to prepare an impairment test. Reason underlying such assessment is related to the fact that the loss of the year is entirely related to the lockdowns related to the spread of Covid-19. Results of Q1 2021, better than budget in terms of revenues and EBITDA confirm such aspect.

Development costs includes respectively as of 31 December 2018, 2019 and 2020 Euro 732 thousand, 690 thousand and 2,358 thousand of development costs related to project in progress at the reporting date. Regarding the Euro 2,358 thousand of development costs in progress as at 31 December 2020.

14. Property plant and equipment

Details of property plant and equipment increase and decrease for the years ended 31 December 2020, 2019 and 2018 are provided in the following table:

€'000	Leasehold Land and Buildings	Fixtures and Fittings	Motor Vehicles	Computer Equipment	Right-of-use Assets	Total
<i>Cost</i>						
As at 1 January 2018	308	50	93	145	-	596
Additions	8	10		48		66
Disposals	-	-	(27)	(3)	-	(30)
As at 31 December 2018	316	60	66	190	-	632
Initial IFRS 16 application	-	-	-	-	1,965	1,965
As at 1 January 2019	316	60	66	190	1,965	2,597
Additions	4	6	-	3	389	402
Acquired through business combinations	9	16	-	11	-	36
Disposals	(3)	(5)	(66)	(1)	-	(75)
As at 31 December 2019	326	77	-	203	2,354	2,960
Additions	-	-	-	6	1,078	1,084
Reclassification to intangible assets	(10)	-	-	-	-	(10)
As at 31 December 2020	316	77	-	209	3,432	4,034
<i>Accumulated depreciation</i>						
As at 1 January 2018	68	16	15	30	-	129
Charge for the year	61	12	15	35	-	123
Depreciation on disposals	-		(14)	-	-	(14)
As at 31 December 2018	129	28	16	65	-	238
Charge for the year	62	16	-	42	1,036	1,156
Depreciation on disposals	(1)	-	(16)	(1)	-	(18)
Transfers	-	2	-	-	-	2
As at 31 December 2019	190	46	-	106	1,036	1,378
Charge for the year	54	20	-	44	845	963
As at 31 December 2020	244	66	-	150	1,881	2,341
<i>Net book value</i>						
As at 1 January 2018	240	34	78	115	-	467

As at 31 December 2018	187	32	50	125	-	394
As at 31 December 2019	136	31	-	97	1,318	1,582
As at 31 December 2020	72	11	-	59	1,551	1,693

Right of use assets amounting to Euro 1.6 million as at 31 December 2020 (Euro 1.3 million as at 31 December 2019) are related to the application of IFRS 16 to the lease of the offices of the Group subsidiaries and the lease of cars assigned to the employees. The additions of the year for Euro 1 million are related mainly to the renewal of the lease in place for the office of MotorK Italia Srl of Milan for 6 years.

Right of use by underlying asset mainly refers to (i) automobiles for Euro 0.4 million as of 31 December 2020 (Euro 0.3 million and Euro 0.5 as of 31 December 2019 and as of 1 January 2019, respectively), and to (ii) office rental for Euro 1.1 million as of 31 December 2020 (Euro 1 million and Euro 1 million as of 31 December 2019 and as of 1 January 2019, respectively).

15. Non-current assets - security deposit

The caption non-current assets - security deposit, amounting to Euro 262 thousand as at 31 December 2020 (Euro 382 thousand as at 31 December 2019 and Euro 289 thousand as at 31 December 2018) includes deposits made by the Group mainly for the rental of the offices of the subsidiaries.

16. Contract assets and trade and other receivables

Contract assets and trade and other receivables are shown in the following table:

€'000	As at 31 December		
	2020	2019	2018
Non-current contract assets	4,289	9,681	1,852
Contract assets - current portion	5,915	1,543	2,013
Total contract assets	10,204	11,224	3,865
Trade receivables	5,045	11,926	10,351
Prepayments	307	488	383
Other receivables	10	378	1,007
Tax receivables	270	1,645	1,860
Total trade and other receivables	5,632	14,437	13,601

As mentioned already in note 9 the caption Contract assets is related to the application of IFRS 15 on DealerK SaaS revenues.

Reduction of trade receivables as at 31 December 2020 compared to the previous year is due to the combined effect of the reduction in revenues and to the application of the standard credit collection procedure applied by the Group and already mentioned above to reduce the receivables exposure.

As at 31 December 2020 trade receivables of Euro 0.6 million (Euro 2.3 million as at 31 December 2019 and Euro 2.6 million as at 31 December 2018) were past due but not impaired. They relate to the customers with no default history. It is worth mentioning that during 2020 the introduction within the finance team of a dedicated credit collection team and the application of a Group standard procedure had a significant impact reducing overdue receivables, as shown in Section 8 *Financial instruments - Risk Management - Credit Risk*. The impairment allowance is a specific provision as provided by IFRS 9, when it is necessary to accrue a bad debt provision.

Movements in the impairment allowance for trade receivables are as follows:

€'000	2020	2019	2018
As at 1 January	234	221	186
Increase during the year	137	119	35

Receivables written off during the year as uncollectable	(13)	(106)	-
Impairment allowance for trade receivables classified as held for sale	(90)	-	-
As at 31 December	268	234	221

17. Cash and cash equivalent

The caption cash and cash equivalent amounting to Euro 11,824 thousand (Euro 9,406 thousand as at 31 December 2019 and Euro 6,832 thousand as at 31 December 2018) is related to cash available into bank accounts of the Group subsidiaries. For a detail of changes during the analysed periods please refer to the consolidated statement of cash flow.

Cash and cash equivalents are deposited with top rated banks.

18. Trade and other payables

Trade and other payables include:

€'000	As at 31 December		
	2020	2019	2018
Trade payables	1,761	5,071	4,582
Accruals	788	1,496	1,991
Total trade payables	2,549	6,567	6,573
Other payables including tax and social security payments	2,894	4,245	3,613
Tax liabilities	685	255	337
Total current trade and other payables	6,128	11,067	10,523

The carrying value of trade and other payables measured at amortised cost approximates fair value.

Trade payables reduction as at 31 December 2020 compared to the previous year is mainly related to the reduction of costs put in place by the organization to face the outbreak of Covid-19, and to the reclassification of assets classified as held for sale in accordance with IFRS 5 (see note 24).

Other payables include the liabilities toward employees at the end of the year for an amount of approximately Euro 1.5 million as at 31 December 2020 (Euro 2 million as at 31 December 2019 and Euro 2 million as at 31 December 2018), contract liabilities for an amount of approximately Euro 0.9 million as at 31 December 2020 (Euro 1.3 million as at 31 December 2019 and Euro 0.7 million as at 31 December 2018). As at 31 December 2020, other payables includes also the last tranche of the consideration to be paid in June 2021 for the acquisition of 3WNET for an amount of Euro 0.4 million.

19. Current and non-current financial liabilities

Current and non-current financial liabilities include:

€'000	As at 31 December		
	2020	2019	2018
Bank loan	1,594	628	617
Convertible notes	4,650	-	3,000
Factoring	-	1,114	2,562
Other financial liabilities	19	-	77
Total current financial liabilities	6,263	1,742	6,256
Current lease liabilities	802	746	-
Bank loan	24,832	18,833	9,046
Convertible notes	-	4,000	-
Other non-current financial liabilities	-	-	64
Total non-current financial liabilities	24,832	22,833	9,110
Non-current lease liabilities	786	639	-

In December 2019 a first tranche of convertible notes was issued to an investment fund, for an amount of Euro 4.0 million, convertible into shares starting from June 2021. A second tranche of the notes was issued in March 2020, for an amount of Euro 0.6 million to other investment funds, convertible into share starting from September 2021. This loan does not carry any interest and is not repayable and is convertible by the loan note holders at any time or within 18 months of the investment assuming an equity fund raise has been completed. If the loans have not been converted by this date the loan note holders can either extend the term or convert them into equity at that time.

During the year ended 31 December 2018 a convertible loan totalling Euro 3 million was advanced by 5 minority shareholders. This loan was convertible into shares capped at an aggregate nominal value predetermined in the agreement set out with the shareholders at 25% discount. This loan did not carry any interest and is not repayable and is convertible by the loan note holders at any time or within 18 months of the investment assuming an equity fund raise has been completed. This loan was converted into equity on 11 December 2019.

As at 31 December 2020 within non-current financial liabilities is classified the long-term portion of loans obtained by MotorK Italia Srl. In details:

- Long term portion of bank loan entered with Creval amounting to Euro 0.5 million.
- Long term portion of bank loan entered with Credimi amounting to Euro 1.6 million.
- Long term portion of bank loan entered with Illimity Bank amounting to Euro 5.4 million.
- Long term portion of loan entered into European Investment Banking amounting to Euro 17.2 million including the accrued interest as at 31 December 2020 calculated in accordance with IFRS 9.

The bank loan with Credimi foresees an increase in the interest rate based on changes between the granting date and the testing date of (i) the ratio Net financial position/EBITDA and (ii) equity, as defined by the loan agreement. The loan agreement also foresees an increase of 2% in the spread in case EBITDA is negative.

The loans entered by the Group do not require compliance with any financial covenants.

The following table sets forth the breakdown of bank loans by counterparty for the years ended December 31 2020, 2019 and 2018.

€'000	As at 31 December					
	2020		2019		2018	
	Current	Non-current	Current	Non-current	Current	Non-current
Financial institution						
BNL	333	-	333	167	333	500
Creval	302	581	295	782	284	1,110
Credimi	359	1,641	-	2,000	-	
European Investment Bank	-	17,210	-	15,884	-	7,436
Illimity Bank	600	5,400	-	-	-	
Total	1,594	24,832	628	18,833	617	9,046

The following table provides details of the main bank borrowing in place:

Financial institution	Issuance date	Nominal amount	Repayment conditions	Interest rate	Facility length
BNL	21 May 2018	1,000,000	Quarterly	Variable - EURIBOR 3 MONTHS+1.7%	3 years
Creval	05 June 2018	1,500,000	Monthly	Variable - EURIBOR 3 MONTHS+3.5%	5 years
Credimi	18 March 2019	2,000,000	Quarterly starting from March 2021	Variable - EURIBOR 3 MONTHS+5.3%	4 years
European Investment Bank I tranche	14 December 2018	7,500,000	Bullet	Fixed - 10%	5 years
European Investment Bank II tranche	26 June 2019	7,500,000	Bullet	Fixed -9%	5 years
Illimity Bank	1 August 2020	6,000,000	Quarterly starting from August 2021	Fixed -3.5%	5 years

The changes of financial liabilities, excluding lease liabilities, are shown below:

Financial liabilities at 1 January 2018	1,440
Drawdowns of new loan and CEN	13,000
Repayments of loan	(561)
Change in factoring	1,452
Cash changes	13,891
Amortised cost for the period	35
Remeasurement and early termination	-
Financial liabilities at 31 December 2018	15,366
Drawdowns of new loan and CEN	13,500
Repayments of loan	(618)
Change in factoring	(1,448)
Cash changes	11,434
Reclassification to equity of convertible loans	(3,000)
Amortised cost for the period	775
Remeasurement and early termination	-
Financial liabilities at 31 December 2019	24,575
Drawdowns of new loan and CEN	6,650
Repayments of loan	(342)
Change in factoring	(1,114)
Cash changes	5,194
Amortised cost for the period	1,326
Remeasurement and early termination	-
Financial liabilities at 31 December 2020	31,095

Changes during the 2020 are related to the repayment of short-term portion of such loans and the new financial resources obtained from Illimity Bank amounting to Euro 6 million to be repaid in quarterly instalments starting from August 21 for 60 months with an interest rate of 3.5%. Such loan has been secured by Banca del Mezzogiorno MedioCredito Centrale S.p.A. amounting to Euro 3.6 million in accordance with Italian law provision related to the spread of Covid 19.

On 11 December 2019 Euro 3 million of other loans were converted to equity as disclosed in note 23.

Finance lease liabilities are secured on the assets to which they relate and are related to the IFRS 16 application, starting from 1 January 2019, on lease agreement in place for offices of the Group subsidiaries and for car assigned to the employees.

The leases within the scope of IFRS 16 relate to properties and motor vehicles. In 2020 and 2019 the expense relating to low value assets leases amounted to Euro 0.5 million and Euro 0.3 million, respectively.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term with the discount rate determined by reference to the Group's incremental external borrowing rate for the particular asset and level of security. After the initial measurement lease liabilities are increased as a result of interest charged and reduced for lease payments made.

The Group leases office buildings where payments are fixed until the contracts expire. The Group also leases motor vehicles where payments can be increased if actual mileage is higher than the contracted rates. There is no other variability in respect of payments and there is not considered to be any significant judgement in relation to the lease terms.

The following table provides details of lease liabilities:

€'000	Land and buildings	Motor vehicles	Total
<i>Lease liabilities</i>			
As at 1 January 2019	1,504	542	2,046
<i>Cash items:</i>			
Lease payments	(808)	(326)	(1,134)
<i>Non-cash items:</i>			
New leases in the year	250	139	389
Interest expense	64	20	84
As at 31 December 2019	1,010	375	1,385
<i>Cash items:</i>			
Lease payments	(585)	(338)	(923)
<i>Non-cash items:</i>			
New leases in the year	740	317	1,057
Interest expense	47	22	69
As at 31 December 2020	1,212	376	1,588

The following table provides details of the Group's lease liabilities:

€'000	As at 31 December	
	2020	2019
<i>Repayables as follows:</i>		
Under 1 year	802	746
2-5 years	726	578
Greater than 5 years	60	61
Total	1,588	1,385

20. Employee benefits liabilities

Staff severance indemnity, mandatory pursuant to art. 2120 of the Italian civil code is a deferred compensation and is based on the years of service of the employee and on the compensation received during the period of service.

According to the national law, the deferred compensation to be paid when an employee leaves the entity is based on the years of service of the employees and on the taxable remuneration earned by the employee during the service period, i.e. the capital accumulated when the employment ends. The provisions are due in the event of retirement, death, invalidity or resignation. During the periods analysed there were no special events, such as restructuring plans, reductions or regulations.

The Employee benefit plan, included in the Italian employees' contracts only, increased by Euro 234 thousand as at 31 December 2020 compared to 31 December 2019, and by Euro 332 thousand as at 31 December 2019 compared to 31 December 2018, due to the increase in the number of employees. According to IAS 19, the liability was determined by an actuarial calculation. The effect of the actuarial loss, amounting to Euro 165 thousand for the year ended 31 December 2020, Euro 34 thousand for the year ended 31 December 2019 and Euro 150 thousand for the year ended 31 December 2018, has been recognised in the OCI.

The following table sets forth the maturity profile of the Defined Benefit Obligation:

Maturity Profile of Defined Benefit Obligation	
Years	€'000
Expected benefit payments during fiscal year ending 31-Dec-21	77
Expected benefit payments during fiscal year ending 31-Dec-22	73
Expected benefit payments during fiscal year ending 31-Dec-23	90
Expected benefit payments during fiscal year ending 31-Dec-24	106
Expected benefit payments during fiscal year ending 31-Dec-25	122
Expected benefit payments during fiscal years ending 31-Dec-26 through 31-Dec-30	1,350

The amounts recognised in the statement of financial position are as follows:

€'000	As at 31 December		
	2020	2019	2018
Present value of funded obligation	(1,818)	(1,584)	(1,252)
Fair value of scheme assets	-	-	-
Employee benefit liability	(1,818)	(1,584)	(1,252)

The amounts included within the statement of comprehensive income are as follows:

€'000	As at 31 December		
	2020	2019	2018
Current service costs	507	541	393
Amount included in administrative expenses	507	541	393
Interest on pension liabilities	16	22	14
Amount included in finance cost	16	22	14

The cumulative actuarial losses recognised in other comprehensive income as at 31 December 2020 is Euro 165 thousand (Euro 332 thousand as at 31 December 2019 and Euro 344 thousand as at 31 December 2018).

Analysis of the amount recognised in statement of total comprehensive income:

€'000	As at 31 December		
	2020	2019	2018
Experience loss on liabilities	(165)	(34)	(150)
Changes in assumptions	-	-	-
Net loss	(165)	(34)	(150)

Changes in the present value of the employee benefit obligation are as follows:

€'000	As at 31 December		
	2020	2019	2018
Opening employee benefit obligation	1,584	1,252	808
Service cost - continuing operation	507	541	393
Service cost - discontinued operation	87	-	-
Interest cost	16	22	14
Actuarial losses	165	34	150
Benefit paid	(416)	(289)	(113)
Reclassification as liabilities directly associated with assets classified as held for sale	(128)	-	-

Other movements	3	24	-
Closing employee benefit obligation	1,818	1,584	1,252

Expected payments for the year ending 31 December 2021 for the Group amount to Euro 77 thousand.

One of the main assumptions is the discount rate, which should be based on the returns available on high quality corporate bonds at the accounting date with a term corresponding to that of liabilities. The other assumptions should be chosen to reflect a better estimate of future long-term experience. IAS 19 does not define "high quality", but generally means a security rating of AA.

The financial assumptions used for this report at the end of the fiscal year are:

- Discount rate: corporate bonds of appropriate duration and quality should be considered in order to determine a discount rate appropriate for IAS purposes. The discount rates used for assessing current and previous assessments were chosen based on the Willis Towers Watson (scheme actuaries) rate;
- Inflation: the assumed rate of price inflation was assessed by reference to the inflation of the target price set by the European Central Bank over the medium term with a country-specific adjustment;
- Increase in remuneration: The hypothesis was selected in agreement with the Company.

Principal assumptions at the statement of financial position date (expressed as weighted averages) are as follows:

	As at 31 December		
	2020	2019	2018
Discount rate	0.70%	1.10%	1.80%
Rate of retail price inflation	1.75%	1.75%	1.75%
Rate of increase in salaries	2.75%	2.75%	2.75%
Plan participant rate	1/1/21	1/1/20	1/1/19

The amount for the current and previous periods are as follows:

€'000	As at 31 December		
	2020	2019	2018
Employee benefits obligation	(1,818)	(1,584)	(1,252)
Scheme assets	-	-	-
(Deficit)	(1,818)	(1,584)	(1,252)
Experience adjustments on scheme liabilities	(165)	(34)	(150)

Sensitivity analysis of the value of employee benefits liabilities is shown below:

€'000	As at 31 December		
	2020	2019	2018
Base case	1,818	1,584	1,252
Discount rate +0.5%	(212)	(147)	(97)
Discount rate -0.5%	112	3	111

21. Deferred tax assets and liabilities

Deferred tax assets and liabilities are calculated in full on temporary differences under the liability method using the tax rate of the country in which such differences arisen.
The movement of deferred tax assets is shown below:

€'000	2020	2019	2018
As at 1 January	0	0	0
Losses carried forward (MotorK Italia)	698	0	-
As at 31 December	698	0	0

Deferred tax assets have been recognised in respect of all tax losses and other temporary differences giving rise to deferred tax assets where the directors believe it is probable that these assets will be recovered.

Deferred tax assets amounting to Euro 698 thousand as at 31 December 2020 have been recognised in respect of MotorK Italia Srl 2020 tax losses on the basis of the 5 years MotorK Business Plan approved by the Board of Directors that forecasts taxable income for the period of the Plan. Due to the MotorK transfer pricing model, most of this taxable income will be taxed in Italy and, as a consequence, deferred tax assets will be recovered in accordance with the Plan. It is worth mentioning that the Group has estimated trading losses totalling Euro 14 million as at 31 December 2020 (Euro 8.7 million as at 31 December 2019 and Euro 7.2 million as at 31 December 2018). Related deferred tax asset has not been recognised on the losses due to the uncertainty as to when the losses will be utilised. The losses can be carried forward indefinitely and have no expiry date.

The movement of the deferred tax liabilities is shown below:

€'000	2020	2019	2018
As at 1 January	315	151	125
Business combination	-	175	-
Recognised in profit and loss	(70)	(11)	26
As at 31 December	245	315	151

Details of the deferred tax liability are shown below:

€'000	As at 31 December		
	2020	2019	2018
Other	47	56	67
Customer relationship	198	259	84
Total	245	315	151

22. Other non-current liabilities

The financial statement caption other non-current liabilities as at 31 December 2020 includes only the provision for risks and warranties on DealerK SaaS business as already detailed before in such Notes. Non-current other payables as at 31 December 2019 refers for Euro 842 thousand (Euro 57 thousand as at 31 December 2018) to the deferred consideration in relation to the acquisition of Punsset Asociados 21, SL and 3W Net Sarl. Changes as at 31 December 2020 compared to previous year are related to the payment of last tranches of consideration of acquisitions made in the previous years.

23. Shareholders' Equity

Share capital

The share capital is composed as follows:

€'000	As at 31 December		
	2020	2019	2018
17,352,000 Ordinary shares of €0.01	174	174	173
196,500 Deferred shares of €0.01	2	2	2
2,779,100 Preferred A-1 shares of €0.01	28	28	28
6,923,346 Preferred A-2 shares of €0.01	69	69	58
Total	273	273	261

On 1 July 2019 the company issued 52,000 Ordinary shares for a consideration of Euro 200 thousand. The Company

issued these shares as part of the business combination to acquire 3W Net Sarl. Further details of this transaction are included in note 25.

On 11 December 2019 the company issued 1,121,346 Preferred A-2 shares as a result of the conversion of Euro 3 million of other loans as noted in note 19.

The share premium reserve amounts to Euro 12,166 thousand as at 31 December 2020 (Euro 12,166 thousand as at 31 December 2019 and Euro 8,978 thousand as at 31 December 2018).

The Company has the following classes of shares:

Ordinary shares – These shares give the holders the right to dividends after payment of any preference dividends, as declared from time to time, and full voting rights. The Ordinary shares carry rights to the return of capital on sale or winding up after the preference shareholders.

Deferred shares – These shares give the holders no right to dividends or voting rights. The deferred shares carry rights to the return of capital on sale or winding up after the preference and ordinary shareholders.

Preference A-1 and A-2 shares – These shares give the holders the right to dividends as declared from time to time (and rank ahead of the ordinary shares), and full voting rights. The preference shares carry rights to the return of capital on sale or winding up ahead of the other classes of shares.

Share based payments

The Group operates an equity-settled share-based remuneration scheme for employees which comprises the Group Employee Share Option Plan.

During the year ended 31 December 2020 1,026,365 (432,274 in 2019 and 547,690 in 2018) options were granted to employees. These options all vest on a straight-line basis over four years, have an exercise price of Euro 0.34, and have a life of 10 years. The earliest date on which the option may be exercised shall be immediately prior to the date on which an exit, consisting in a share sale, an asset sale or a listing, occurs.

	2020		2019		2018	
	Weighted average exercise price (€ cents)	Number	Weighted average exercise price (€ cents)	Number	Weighted average exercise price (€ cents)	Number
Outstanding at 1 January	34	1,401,374	34	1,496,005	34	99,379
Subdivision of shares	-	-	34	-	34	894,411
Granted during the year	34	1,026,365	34	432,274	34	547,690
Lapsed during the year (*)	34	(741,780)	34	(526,905)	34	(45,475)
Outstanding at 31 December	34	1,685,959	34	1,401,374	34	1,496,005

(*) The options lapsed when the beneficiary left the Company.

The exercise price of options outstanding at 31 December 2020, 2019 and 2018 was Euro 0.34.

Of the total number of options outstanding as at 31 December 2020 1,002,699 (533,353 as at 31 December 2019 and 247,698 as at 31 December 2018) were capable of being exercised. The weighted average contractual life is 7.9 years, 8.4 years and 8.9 years respectively at 31 December 2020, 2019 and 2018.

The following information is relevant in the determination of the fair value of options granted during the year under the equity-settled share-based remuneration scheme operated by the Group:

	2020	2019	2018
Option pricing model used	Black-Scholes	Black-Scholes	Black-Scholes
Weighted average share price at grant date (€)	3.74	1.68	1.12
Exercise price (€)	0.337	0.337	0.34
Weighted average contractual life (years)	10.00	10.00	10.00
Volatility	32%	32%	32%

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information. Historic volatility is estimated looking at the five-year, 50-day median volatility of a sample of comparable companies operating in the software industry listed on the European stock market (Euronext).

The share-based remuneration expense comprises:

€'000	2020	2019	2018
Equity-settled scheme	134	196	344

24. Discontinued operations

During the year 2020 management of the Group has reviewed the strategic view of MotorK focusing on the DealerK business unit, which has already demonstrated scalability by building on investments made over recent years in R&D, hiring and acquisitions. An important step in this regard is the decision to sell to a third party the business unit DriveK. This operation may give the chance to focus all the strength on one business unit, maximise the value of the Company and complete the technological transformation. In this regard the board of directors of the Company have taken proper action engaging advisors and take relevant decision to complete such transaction in 2021. Due to the commitment of the Board of Directors and in accordance with IFRS 5 management has decided to classify such business unit as discontinued in the consolidated financial statements ended 31 December 2020 and in accordance with IFRS 5 the results of operations have been reclassified in the comparable periods. The cash flows attributable to the discontinued operations are disclosed separately in this note.

The business is reported in the current period as discontinued operation. Financial information relating to the discontinued operation is set out below.

Financial performance and cash flow information

The financial performance and cash flow information presented are for the years ended 31 December 2020, 2019 and 2018.

€'000	For the year ended 31 December		
	2020	2019	2018
Revenue	5,946	9,633	12,675
Costs for marketing and call center services	3,307	5,289	7,129
Personnel costs	2,136	2,566	1,738
R&D Capitalization	(574)	(556)	(1,030)
Other operating costs	503	405	594
Amortization and Depreciation	532	328	388
Total costs	5,904	8,032	8,819
Operating profit	42	1,601	3,856
Finance expense	-	-	-
Profit before tax	42	1,601	3,856
Corporate income tax	-	-	(3)
Profit/(loss) after income tax of discontinued operation	42	1,601	3,853

€'000	For the year ended 31 December		
	2020	2019	2018
Net cash flows from/(used in) operating activities	2,857	2,930	3,444
Net cash from/(used in) investing activities	42	250	631
Net cash from/(used in) financing activities	-	-	-
Net increase in cash generated by the business	2,899	3,180	4,075

Assets and liabilities of disposal group as held for sale

The following assets and liabilities were reclassified as held for sale in relation to the discontinued operation as at 31 December 2020:

€'000	As at 31 December 2020
Intangible assets	1,748
Trade and other receivables	3,195
Total assets classified as held for sale	4,943
Trade and other payables	1,166
Employees benefits	128
Total liabilities	1,294
Net assets	3,649

25. Business combinations

All of the acquisitions (described below) were made in the context of the Group's growth strategy.

3W Net Srl

On 1 July 2019 the Group purchased 100% of the share capital of 3W Net Srl for a consideration of Euro 2,413 thousand. The shares were acquired by MotorK France Srl. 3W Net Srl develops web solutions and online strategies for its clients, car dealerships and car manufacturers. The business combination was made in the context of the Group's growth strategy, in particular to reach new customers in new markets.

Details of the fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill are as follows:

€'000	Book value at acquisition date	Adjustment	Restated fair value
Customer related intangible assets	-	1,028	1,028
Development costs	8	-	8
Property, plant and equipment	14	-	14
Receivables	256	-	256
Cash at bank and in hand	294	-	294
Payables	(235)	-	(235)
Deferred tax	-	(175)	(175)
Total net assets (A)	337	853	1,190

Fair value of consideration

Cash	663
Deferred consideration	1,550
Equity	200
Total consideration (B)	2,413
Goodwill (B) - (A)	1,223

Customer relationships is the main asset acquired through the business combination. Goodwill is attributable to the ability of the acquired company to generate future economic benefits, in particular in relation to the generation of new business opportunities.

Deferred consideration consists of subsequent payments on January 2020, July 2020, January 2021 and July 2021, and includes the estimate of the earn-out which is based on specific parameters to be measured on each payment date. The total amount of actual payments of the deferred consideration in 2020 was Euro 720 thousand. At the date of this document, the total amount of actual payments of the deferred consideration in 2021 is Euro 360 thousand.

Since the acquisition date (from 1 July 2019 to 31 December 2019), the business has generated Euro 431 thousand of revenue and Euro 71 thousand of operating profit. If the acquisition had occurred on 1 January 2019, Group revenue would have increased by Euro 952 thousand and the operating profit would have increased by Euro 121 thousand.

For Business Srl

On 28 January 2019 the Group purchased 100% of the share capital of For Business Srl for a consideration of Euro 250 thousand. The shares were acquired by MotorK Limited.

Details of the (restated) fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill are as follows:

€'000	Book value at acquisition date	Adjustment	Restated fair value
Development costs	4	-	4
Property, plant and equipment	22	-	22
Receivables	225	-	225
Cash at bank and in hand	94	-	94
Payables	(330)	-	(330)
Total net assets (A)	15	-	15
<i>Fair value of consideration</i>			
Cash			250
Total consideration (B)			250
Goodwill (B) - (A)			235

26. Earnings per share

The following table shows earnings per share, calculated by dividing the result for the year by the weighted average number of ordinary shares outstanding during the year.

	For the year ended 31 December		
	2020	2019	2018
Loss for the period attributable to the owners of the parent (in thousands)	(5,367)	213	(6,852)
Loss from continuing operations attributable to the owners of the parent (in thousands)	(5,409)	(1,388)	(10,705)
Weighted average number of shares	27,250,946	26,316,491	26,077,600 (*)
Earnings per share	(0.20)	0.01	(0.26)
Earnings per share from continuing operations	(0.20)	(0.05)	(0.41)

(*) Determined as if the split of shares would be effective from 1 January 2018

It should be noted that share based payments and convertible notes are instruments that could potentially dilute basic earnings per share in the future (for more information on these instruments reference is made to note 23 and note 19 respectively). However, considering that in periods analyzed a loss from continuing operations was registered, potential ordinary shares were not dilutive, in accordance with paragraph 41 of IAS 33. Consequently, diluted earnings per share is equal to basic earnings per share.

In this regard, in June 2021 and September 2021 the two tranches of Euro 4,650 thousand of the convertible notes have been converted to equity (please refer to note 28).

27. Related party transactions

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including all the directors of the Company.

Total compensation paid to key management personnel for services provided to the Group was Euro 476 thousand for the year ended 31 December 2020 (Euro 565 thousand for the year ended 31 December 2019 and Euro 565 thousand for the year ended 31 December 2018).

€'000	2020	2019	2018
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CEO	134	143	143
CTO Innovation	111	143	143
CTO Production	111	143	143
EVP	120	136	136
Total	476	565	565

The total compensation equals short-term employee benefits.

28. Post balance sheet events

Incorporation of new entities

In the first months of 2021, MotorK Italia Srl has incorporated two new subsidiaries in Portugal (DealerK Technology Solutions, Unipessoal LDA) and in Israel (MotorK Israel LTD).

DealerK Technology Solutions, Unipessoal LDA has the aim to build a new R&D structure to assist the one already in place in Italy. MotorK Israel LTD has the target to hire new talents in the digital sector. Both companies will help the Group to pursue the strategic targets in the mid period.

Merger of the two French entities

In the first months of 2021 it was approved by the Board of Directors the merger between the two French entities: MotorK France and 3WNET. The merger will be effective starting from 1 June 2021 with the goal to improve the efficiency of the administrative structure in France and reduce fixed costs.

Convertible notes conversion

In June 2021 and September 2021 the first and second tranches of Euro 4,000 thousand and Euro 650 thousand respectively of the convertible notes have been converted to equity. This conversion improves the financial structure of MotorK Group and is the confirmation of how investors are believing in the strategic view of MotorK management. The actual number of shares as a result of conversion to shares is 1,242,628.

Binding letters of intent for acquisition of companies

On October 7, 2021, the Company entered into a binding letter of intent with the shareholders Juan Afan Munoz, Rosa Maria Escun Guasp, Juan Carlos Afan Escuin, Sara Afan Escuin, Jose Angel Lopez Morote, and Maria del Rosario Gil Molano of DAPDA Media, S.L. and PDA DAPDA, S.L., companies incorporated under Spanish law, for the purchase of all of the stock of the companies.

On October 7, 2021, the Company entered into a binding letter of intent with the shareholders Henry Thibault, Fabrice Caltagirone, and ESF Conseil of Fidcar SAS and Liotey SAS, companies incorporated under French law, for the purchase of all of the stock of the companies.

On October 7, 2021, the Company entered into a binding letter of intent with the shareholders of Francepronet SAS, a company incorporated under French law, for the purchase of 85% of the stock of the company

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