Annual Report Bynder Holding B.V.

Bynder Holding BV
Amsterdam

Registered at the Chamber of Commerce as number 64165183

Report on the consolidated
annual accounts 2020

17 January 2022

Deloitte Accountants B.V.
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Related to auditor's report
dated 17 January 2022

Index

Annual accounts 2020

- Management board's report
- Financial statements
- Other information

Bynder Holding B.V.
Amsterdam

Management board's report

Company Profile
The activities of Bynder Holding B.V. with its legal seat in Amsterdam (The Netherlands), primarily consist of the development and provision of a 'Software-as-a-Service' ('SaaS') platform for Digital Asset Management (DAM) - the simple solution to manage digital content.

Bynder gives organizations that are going through change a platform to manage brand, campaign, and product assets consistently and confidently. It provides all departments with one central location to store marketing, product, and brand assets—making them directly available for users across the world and reducing risk of incorrect assets and files being used. It simplifies everyday processes such as searching for images, establishing copyrights, and sharing large files, enabling customers to reduce time, risk, and hassle when working with media. With state-of-the-art security and compliance standards, two-factor authentication, user rights and access controls, the customer stays in full control of its brand, campaign, or product assets.

Strategy
The company is poised for further growth both organically and through acquisitions. With Insight Venture Partners as lead institutional investor, Bynder has a solid financial partner to support its growth initiatives. Insight Venture Partners is one of the world's leading private equity firms in growth-stage technology, software and internet businesses.

In 2020 Bynder strengthened its share in DAM-software on the US EMEA markets to be the dominant supplier to SME, Mid Market and Enterprise market. At the same time the company managed to grow the revenues from the Bynder platform, both leading to a solid and double-digit growth in revenues.

Furthermore, Bynder acuired 100% of the shares of the the Dutch company We Adapt, a SaaS solution for the creation, adaptation, management and distribution of video content. We Adapt is integrated into the Bynder platform as Video Brand Studio and is available as an optional add-on module and as a stand-alone to further stimulate the growth of the company.

Market development
The current situation in the world, as a result of the COVID-19 outbreak, is severely impacting the worldwide markets. The evident uncertainties of future developments till the day are rapidly changing as they are subject to (new) governmental policies and health of the people.

The market for Digital Asset Management is, even in the current market situation, on the rise, culminating in an increasing demand for our solutions. At the same time, we aim to expand our product offering with new features to be able to increase our share of wallet with existing customers as well as our Average Selling Price with new customers. COVID-19 has been the tipping point for digital business strategies. What many considered optional became imperative overnight.

It is Bynder's experience in the DAM's growing role in digital experience and the shift to the cloud that are the key growth drivers. Brands compete today in an online, visual economy powered by creative content. Bynder provides the system of records for creative content built for the enterprise, designed for the user. Our Platform manages the full content lifecycle protecting brand equity, boosting efficiency, and accelerating time to market.

As a result, we operate in a large and fast-growing addressable market.

Organizational Development
The Supervisory Board consists of three members, Mrs. Shelly Perry, Mr. Chris Hall (Chairman) and Mr. Jeff Horing. The Board exercises control over the Executive Team and supports it with advice.

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The Supervisory Board has delegated the executive management of the Company to the CEO and other members of the Executive Team. The Executive Team is primarily responsible for implementing and monitoring the company strategy as well as the financial and operational management. Mr. Bert van der Zwan fulfills the role of CEO and sole Director of the Company.
Other members of the Executive Team consist of Mrs. Marianne Spaans (HR Director), Mr. Bob Hickey (COO), Mr. Andrew Hally (CMO), Mr. Jorrit Achterberg (Legal Director) and Mr. Jean-Marie Arnould (CFO). As per 1 February 2021 Mr. Kevin Broom (CPO) left Bynder and was replaced by Mr. Paul Heiden.

The current percentage of gender deviation within the executive board is different than the expected spread. Within the values of Bynder Holding BV equal opportunities are provided regardless of gender, social/cultural backgrounds, or personal circumstances. The company recognises that diversity and inclusion make a business stronger by driving innovation, increasing performance, and improving the engagement of our stakeholders. As vacancies arise, the Executive Board will continuously strive for diverse and inclusive representation.

During the year the Company have further formalized their management policies in terms of approval policies. Further policies are being developed as the Company continuous grow.

Legal Structure

The legal form of Bynder Holding B.V. is a limited liability company with its registered office in Amsterdam. The Company is the ultimate holding Company of a group of Companies with subsidiaries in the Netherlands, Spain, United Kingdom, United States and Dubai.

Financial Information

The developments throughout the financial year

The financial year has been another remarkable year for the Company in terms of growth and market position. Key developments were the addition of new customers, leading to an overall portfolio over 2.000 customers, approximately 140 million of digital assets and more then 1.4 million users worldwide. Following these developments, the Company invested heavily in staff and software tooling to further scale the business.

The situation on the balance sheet date

Revenues in the financial year 2020 rose to Euro 59.5 million (2019: Euro 52.0 million) - an increase of 14%.

2020 was a successful year in terms of adding new customers to our portfolio. At the same time, we managed to expand our product portfolio with our existing customers. Number of new 'logo's' (customers) and 'net retention' are amongst the most critical drivers for the Company.

For the company to continue to growth, it spent significant amounts in marketing efforts. At the same time, it is increasing its expenditure in the development of the platform. These investments are made to derive future benefits.

Also, as Private-Equity firms make extensive use of debt to purchase companies, Bynder has Euro 40.6 million of debt on its balance sheet and therefore incur large interest expenses.

It is worth noting, though, that on a pure operational basis, Bynder broke even at the Earnings Before Interest Tax Depreciation and Amortization (EBITDA) level in 2019 and increased its operational profitability in 2020.

The current ratio (Current assets/Current liabilities) as of 31 December 2020 strengthened to 0.67 compared to 0.47 as per the prior year.

Bynder Holding B.V.
Amsterdam

The main cash flows and financing needs
As mentioned above, Bynder B.V. entered into a Senior Financing Agreement with Wells Fargo Capital Finance (UK) on 22 February 2019 to finance a large acquisition. However, the growth of Bynder is funded by the positive operational cashflows and no additional financing is needed to provide for the Company's goals.

Our initiatives to predict revenue and spend and maintain/contain them even in an economic downturn had a positive effect and the company even managed to produce positive cash flow in 2020.This confirms that we are in a position to manage our spend and adjust as and when required. Results in 2020 show positive EBITDA, further evidencing that investing heavily in Sales and Marketing and R&D is paying off.

In 2021, the company will pursue its marketing investments to expand its customer base. It will also invest in new features for its Bynder Flagship platform.

Personnel Development
The company maintained the levels of staffing over 2020 to support the growth strategy. The average number of FTE's amounts to 316,4 (311,6 in 2019) of which approximately 150 (144 in 2019) working abroad during the year.

Given our investments to maintain our leading position in the marketplace and further increase our customer base, we are expecting the number of employees to increase in 2021, especially in the area of Sales and Marketing and Engineering.

Bynder is an equal opportunity employer. We embrace diversity and are committed to creating an inclusive environment for all employees. In return, we expect our employees to act lawfully, honestly, ethically, and in the best interests of the company while performing duties on behalf of Bynder.

Risk profile and risk management
Risk approach
The company operates in a fast-changing environment whereby strategic advantages may be short-lived. The Board of Directors and Executive Team act to remain competitive in this environment by continuously responding to market needs. In doing so, it limits risks to the minimum possible and not to enter any substantial risks without being able to control these risks.

General
The following important elements can be distinguished in risk management and control:
- Strategic risks/market risks;
- Financial risks;
- Operational risks;
- Financial Reporting & Regulatory Risk

We are aware that our system of risk management does not provide absolute certainty.

Strategic risks / market risks
The success of our business depends on sustaining and even further improving our unique market position. Competitive advantages tend to be temporary. This is why the company is continuously investing in expanding its platform to develop new features that address the needs of our customers in the marketing area and beyond.

The COVID-19 pandemic has developed rapidly in 2020, with a significant number of cases. Measures taken by various governments to contain the virus have affected economic activity. We have taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for our people (such as social distancing and working from home) and securing the supply of materials that are essential to our production process. At this stage, the impact on our business and results has not been significant and based on our experience to date we expect this to remain the case.

We will continue to follow the various government policies and advice and, in parallel, we will do our utmost to continue our operations in the best and safest way possible without jeopardising the health of our people.

The company is of the opinion that the current addressable market in today's economic environment allows for significant autonomous growth of the company. Our expense pattern in e.g. sales and marketing and engineering is based on achieving this growth.

Another pillar of growth is acquisitions. Achieving this goal heavily depends on the availability of targets in the market, a successful acquisition process followed by a proper integration into the current business.

On April 24, 2020, Bynder acquired We Adapt, an Amsterdam-based company specialized in the creation and adaptation of advertising videos to any version and format to distribute them to all on-line channels. With this acquisition, Bynder adds a very relevant capability to its platform addressed to brand managers.

Our revenues primarily relate to subscription fees for our platform paid on an annual basis. In addition, we have revenues as a result of our professional services which primarily relate to the implementation of our platform. Our ability to attract more customers to our platform and renew contracts depends on maintaining our unique cutting-edge position of our platform in the DAM market. Once secured our revenues are negatively impacted by churn and contraction. We have been able to report a positive net retention over the past years, which means that our gross churn and down sells were more than fully compensated by the impact of upsells to our existing customers. It also is a reflection of the stickiness of our product in other words our customers tend to stay with us for the longer term.

If we do not achieve our revenue goals, we may need and can adjust our spend, in particular our marketing external spend.

Financial risks
The main financial risks the group is exposed to are the cash flow and liquidity risk, the credit risk, the currency risk and the interest rate risk.

In 2020 we have continued our efforts to closely monitor cash flow and liquidity position as our customer base became even more global and we were able to attract more reputable customers. As the current market is hit by the outbreak of the COVID-19 virus and current working conditions are impacted as well. We are very proud that with the support of all the departments we are able to monitor cashflows on a daily basis by amending our processes on an agile and flexible manner. This shows the company is ready to adapt to extreme situations. Today, the uncertainties of the future are higher than ever. However, thanks to our recurring subscription-based revenue and by being proactive and informed, we believe that we will have the necessary cashflow to continue to fund our expansion, even in these uncertain times.

As our business model has resulted in a year on year increase in revenues of our existing customer base, we are in a position to determine our cash spend and the related impact on our result today and in the future. As such we have the ability to adjust our spending as and when required.
Due to our widespread customer base we have no specific concentration of credit risk.

We are aware of our pricing and foreign currency risk considering the markets we are in, mainly Europe and US. 60% of our revenues are out of the US. As we operate both from Boston and San Mateo, we also have significant expenditure in US Dollar. In 2021, we will evaluate whether we need to reduce our risk e.g. through foreign exchange contracts. For the time being the USD-denominated activities are covered by a natural hedge whereby expenses offset revenue to a large extent.

The financing arrangement that we have with Wells Fargo entails an interest rate risk on any movements in the Euribor. On an annual basis, or even more frequently when needed we can adjust our activity level, should the interest rate risk materialize to a significant extent. In 2021 we will evaluate whether the use of financial derivatives may lower this risk.

Operational risks
Resources are scarce, and we may have to invest more resources in development than anticipated, which could negatively impact our operational result. If new competitors, technological advances by existing competitors and/or development of new technologies or other competitive factors require us to significantly invest more in resources for our development, our results might even be more impacted. Management is of the opinion that being unique is a significant factor in our successful operation and as such continued investments are required.

Being a true "Software as a Service" (SaaS) company, 94% of Bynder's revenue is recurring. The positive consequence of this business model is that the company can take measured risks in budgeting its investments and, in case of a downturn, can easily avoid costs by postponing investments without having to actually cut costs from its run rate.

The company has dedicated significant time and effort to information security resulting into ISO 27001 (Information Security) and ISO 27018 (Cloud Privacy) certification. Despite this, our business and operations could suffer in the event of a security breach. Attempts by others to gain unauthorized access to our platform are becoming more sophisticated. We seek to detect and investigate all security incidents and to prevent recurrence, but in some cases, we might be unaware of an incident or its magnitude and effects. While we have not identified any material incidents of unauthorized access to date, the theft, unauthorized use of our intellectual property and/or confidential business information could harm our competitive position and reputation, reduce the value of our platform and other strategic initiatives or otherwise adversely affect our business. To the extent that any future security breach results in appropriate disclosure of our customers confidential information, we may incur a liability e.g. under GDPR legislation.

A substantial portion of our revenue is derived from sources outside of the Netherlands and this revenue and our business are subject to risks related to international operations that are often beyond our control. We expect that future revenue derived from international sources will continue to represent a significant portion of our total revenue. However, management is of the view that while there is a risk of having international customers, the risk is spread over several geographical areas and as such is acceptable to the Company.

As the Company grows and attracts more international customers there is an inherent increased risk of litigation. To date the Company, from time to time, has been involved in certain cases, which have been rather limited. Management has considered these risks in terms of the continued growth of the Company and as a result legal involvement has increased in terms of involvement of the contract closure process as well as any disputes which may arise and deems the risk at an acceptable level. Management will continue to monitor the risk going forward.

Financial Reporting & Regulatory Risk
The Company is required to prepare financial statements for each reporting period which give a true and fair view of the state of affairs of the Company at the end of the reporting period and of the profit or loss and cash flows for that period. Financial statements for the reporting year are then submitted to the Supervisory Board for approval, before being disclosed to the public. The Executive Committee is responsible for the preparation of the financial statements which comply with Dutch GAAP.

Under Dutch GAAP the major financial reporting risk identified is related to revenue recognition including the completeness of such revenues. As the Company grows, continuous improvements are made to strengthen the control environment and ensure that all our contracts are billed, and we recognize all our revenues.

Bynder and its subsidiaries do not only need to comply with the local laws and regulations, but also with certain laws and regulations with worldwide application, including the EU's directive on data protection

(GDPR). If the Companies efforts to comply with laws, regulations and standards differ from the activities intended by regulatory bodies or these bodies may initiate legal and regulatory proceedings against Bynder. Although Bynder has policies and procedures that it believes are sufficient to comply with currently applicable anti-money laundering, anti-corruption and sanctions rules and regulations, it cannot guarantee that such policies and procedures completely prevent situations of money laundering or corruption, including actions by Bynder's employees, agents, merchants, third-party suppliers or other related persons for which Bynder might be held responsible. Such events may have severe consequences, including litigation, sanctions, administrative measures, fines, criminal penalties and reputational consequences.

Management is confident that the current measures and controls in place are appropriate to reduce the risk to an acceptable level.

Subsequent Events

The Company performed a review of events subsequent to the balance sheet date through the date the financial statements were issued and determined that there were no such events requiring recognition or disclosure in the financial statements.

Outlook

Management monitors spend and results from initiatives on a day-to-day basis in order to maintain a robust control over the results and performance. As and when required, cost avoidance plans are put into place to achieved budgeted financial goals. We expect our activities to grow further in the coming years, both through autonomous growth as through acquisitions. The market for Digital Asset Management and related services continues to grow. We believe we are well prepared and have the support from our investors to grow our market share through focused marketing activities in targeted markets.

Also, this year, we would like to thank all our employees, customers and our business partners for their commitment and enthusiasm. With their continued support we will remain a market leader for DAM.

Amsterdam, 17 January 2022

Bert van der Zwan, CEO

Financial statements

- Consolidated financial statements
- Company-only financial statements

Consolidated financial statements

- Consolidated balance sheet as of December 31, 2020
- Consolidated profit and loss account 2020
- Consolidated cash flow statement 2020
- Statement of changes in equity of the legal entity over 2020
- Notes to the consolidated financial statements

Consolidated balance sheet as at December 31, 2020

(after appropriation of result)	Note		31.12.2020		31.12.2019
			EUR		EUR
Assets					
Fixed assets					
Intangible fixed assets	1	26.830.386		32.775.875	
Tangible fixed assets	2	819.369		914.215	
			27.649.755		33.690.090
Current assets					
Receivables, prepayments and accrued income	3	9.956.060		4.611.258	
Cash	4	15.523.102		7.146.777	
			25.479.162		11.758.035
			53.128.917		45.448.125

	Note		31.12.2020		31.12.2019
			EUR		EUR
Equity and liabilities					
Group equity					
Share of the legal entity in the group equity	5	(24.182.027)		(17.897.345)	
			(24.182.027)		(17.897.345)
Long-term liabilities	6	39.683.951		38.361.591	
Provisions	7	509.160		-	
Current liabilities					
Debt to banks	8	935.700		492.500	
Debt to participants	8	0		0	
Current liabilities and accruals	8	10.898.948		7.191.883	
Deferred income	8	25.283.187		17.299.496	
			37.117.835		24.983.879
			53.128.917		45.448.125

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Amsterdam

Consolidated profit and loss account 2020

	Note		2020		2019
			EUR		EUR
Net turnover	9		59.512.629		52.045.917
Total Operating Income			**59.512.629**		**52.045.917**
Cost of sales		6.028.982		5.575.913	
Wages, salaries and social securities	10	35.820.399		31.854.257	
Amortization of intangible assets and depreciation of tangible fixed assets	1&2	7.223.306		7.139.951	
Other operating expenses	11	14.732.926		16.913.004	
Total Operating expenses			**63.805.613**		**61.483.125**
Operating result			**(4.292.984)**		**(9.437.208)**
Financial income and expense	12		(1.658.494)		(2.606.608)
Result before taxation			**(5.951.478)**		**(12.043.813)**
Taxation	13		(1.232.177)		(126.649)
Consolidated result after taxation			**(7.183.655)**		**(12.170.465)**
Result of the legal entity					
			(7.183.655)		**(12.170.465)**

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Consolidated cashflow statement 2020

(According to the direct method)		2020		2019
		EUR		EUR
Income from customers	62.431.166		55.357.396	
Payments to suppliers and personnel	(53.019.802)		(55.463.961)	
Cashflow from business activities		9.411.364		(106.565)
Corporate income tax paid on operating activities	(583.030)		0	
		(583.030)		0
Cashflow from operating activities		8.828.335		(106.565)
Investments in tangible fixed assets	(267.510)		(302.296)	
Cashflow from investment activities		(267.510)		(302.296)
Income from issuance of share capital	0		3.500.000	
Income from long-term liabilities	1.800.000		39.051.091	
Redemptions of long-term liabilities	(394.000)		(38.557.526)	
Interest paid after corporate income tax	(1.658.494)		(1.850.589)	
Cashflow from financing activities		(252.494)		2.142.976
Net cashflow		8.308.331		1.734.115
Exchange rate differences on cash		67.994		(254.497)
Movements in cash		8.376.325		1.479.618

Statement of changes in equity of the legal entity over 2020

		2020		2019
		EUR		EUR
Consolidated net result after taxation accruing to the legal entity		(7.183.655)		(12.170.465)
Exchange rate differences foreign associated companies	(440.110)		(148.350)	
		(440.110)		(148.350)
Total net result of the legal entity		**(7.623.765)**		**(12.318.815)**
Total amount of the direct equity movements of the legal entity as part of the group equity		1.339.081		3.961.315
Total changes in equity		**(6.284.684)**		**(8.357.500)**

Notes to the consolidated financial statements

General

Activities

The activities of Bynder Holding B.V., with its registered office at Amsterdam and its actual place of business in Amsterdam, Max Euweplein 46, 1017 MB and filed with the Trade Register at the Chamber of Commerce under number 64165183, and its group companies, primarily consist of:

- Developing, producing and publishing software related to Digital Asset Management.
- Developing, designing, managing, operating online image solutions as the case may on online platforms.

Group structure

Bynder Holding B.V. heads a group of companies. A summary of the information required under Articles 2:379 and 2:414 of the Dutch Civil Code is included below.

Name	*Registered office*	Share in issued share *capital*
Bynder B.V.	Rotterdam, NL	100%
Luma Marketing Technologies B.V.	Rotterdam, NL	100%
We Adapt B.V.	Amsterdam, NL	100%
Bynder LLC	Boston, USA	100%
Bynder Ltd**	London, UK	100%
Bynder Software S.L.	Barcelona, Spain	100%
Bynder Software FZ LLC	Dubai, UAE	100%
Stichting Administratiekantoor Bynder Option Plan*	Amsterdam	0%

*Consolidated company due to the control being held within Bynder.

** We note that Bynder Ltd (registered in the United Kingdom, with registration number 09160623) is a subsidiary of Bynder Holding B.V and that Bynder Ltd is exempt from an audit of accounts for the year ended 31 December 2020 under section 479A, according to the requirements of the Companies Act of 2006.

Aquisitions

On April 24, 2020, Bynder Holding BV has acquired 100% of the shares of the the Dutch company We Adapt, a SaaS solution for the creation, adaptation, management and distribution of video content. We Adapt is integrated into the Bynder platform as Video Brand Studio and is available as an optional add-on module and as a stand-alone.

As from April 24, 2020 Bynder Holding BV also effectively has the power of disposition in respect of We Adapt BV, as a result which the acquisition has been recognised according to the purchase accounting method as from that date.

The full purchase consideration of EUR 1.5 million will be paid in September 2021 as agreed in the Share Purchase Agreement.

The goodwill has been recorded in the statement of movements of the intangible fixed assets as "acquisition We Adapt". This has been determined as follows:

Purchase consideration	1.460.667
Less: fair value of assets and liabilities	616.701
Goodwill	843.966

Consolidation principles

Financial information relating to group companies and other legal entities controlled by Bynder Holding B.V. or where central management is conducted, has been consolidated in the financial statements of Bynder Holding B.V. The consolidated financial statements have been prepared in accordance with the accounting principles of Bynder Holding B.V.

The financial information relating to Bynder Holding B.V. is presented in the consolidated financial statements. Accordingly, in accordance with art. 2:402 of the Netherlands Civil Code, the company-only financial statements only contain an abridged profit and loss account.

Financial information relating to the group companies and the other legal entities and companies included in the consolidation is fully included in the consolidated financial statements, eliminating the intercompany relationships and transactions.

The results of newly acquired group companies and the other legal entities and companies included in the consolidation are consolidated from the acquisition date. On that date the assets and liabilities acquired are measured at the fair values. If the acquisition price exceeds the fair values of the acquired assets and liabilities this is goodwill, which is capitalised and amortised over the expected useful life.

General accounting principles for the preparation of the consolidated financial statements

The consolidated financial statements have been prepared in accordance with Title 9, Book 2 of the Netherlands Civil Code.

Valuation of assets and liabilities and determination of the result takes place under the historical cost convention, unless presented otherwise. Income and expenses are accounted for on accrual basis. Profit is only included when realised on balance sheet date. Liabilities and any losses originating before the end of the financial year are considered if they have become known before preparation of the financial statements.

Going concern

For the year ending December 31, 2020 the Company made a loss of Euro 7.138.655 and as a result a negative equity of Euro 24.182.027, this primarily as a result of the continued investment in new features and people in accordance with the growth strategy and scale-up lifecycle.

The management of Bynder Holding B.V. expects the activities to grow further in the coming years, both through internal and external expansion as well as the impact of the newly developed features. The market for DAM and related services continues to grow. Bynder believes it is well prepared and has the support from its investors to grow our market share through focused marketing activities in targeted markets as well as through acquisitions.

Within different scenarios of future events Bynder as a group is a healthy and growing company and the Company will continue to invest in developing new features and keeping the technology leading edge. We believe we have sufficient cash available to fund our further expansion. Together with the increase in revenues, the initiatives in predictability of the spend and the effect on the results have led to a better performance on an EBITDA basis, which confirms that Bynder is in a position to manage the spend and adjust as and when required. Management monitors spend and results from initiatives on a day-to-day basis to maintain a robust control over the results and performance. As and when required cost reduction plans are put into place to maintain financial performance.

The COVID-19 pandemic has developed rapidly in 2020, with a significant number of cases. Measures taken by various governments to contain the virus have affected economic activity. We have taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for our people (such as social distancing and working from home) and securing the supply of materials that are essential to our production process. At this stage, the impact on our business and results has not been significant and based on our experience to date we expect this to remain the case. We will continue to follow the various government policies and advice and, in parallel, we will do our utmost to continue our operations in the best and safest way possible without jeopardising the health of our people.

In conclusion, Bynder Holding B.V. has had another year with significant growth combined with improved cost control. This current revenue base, in combination with the growth potential and predictability of the spend has led management to conclude to prepare the financial statements on a going concern basis.

Change in accounting policies

The change in accounting policies also includes the change in presentation. As per 31 December 2020 the Company changed the allocation of accounts per subcategorie in the profit & loss statement for operational exenses and taxation to increase the readability and comparability of the Company's result for the year.

The requirement of consistency relates both to the interdependence between items in the annual accounts and to the ranking and valuation and thefore the comparing year is adjusted accordingly.

There is no impact on net income or equity.

Financial Instruments

Financial instruments are both primary financial instruments (such as receivables and debts) and derivative financial instruments (derivatives).

The notes to the specific items of the balance sheet disclose the fair value of the related instrument if this deviates from the carrying amount. If the financial instrument is not recorded in the balance sheet, the information on the fair value is disclosed in the notes to the 'Non-recognised assets and liabilities and contingent assets and liabilities'.

Primary financial instruments

For the principles of primary financial instruments, reference is made to the recognition per balance sheet item of the Principles for the valuation of assets and liabilities.

Translation of foreign currency

Receivables, liabilities, and obligations denominated in foreign currency are translated at the exchange rates prevailing as at balance sheet date. The exchange differences resulting from the translation as at balance sheet date, are recorded in the profit and loss account.

Transactions in foreign currency during the financial year are recognised in the financial statements at the exchange rates prevailing at transaction date. The exchange differences resulting from the translation as at balance sheet date, considering possible hedge transactions, are recorded in the profit and loss account.

Foreign group companies qualify as carrying on of business operations in a foreign country, with a functional currency different from that of the company. For the translation of the financial statements of these foreign entities the balance sheet items are translated at the exchange rate as at balance sheet date and the profit and loss account items at the exchange rate at transaction date. The exchange rate differences that arise are directly deducted from or added to group equity and recognied in the translation differences reserve. This likewise applies to the translation differences on loans that form part of the net investment in the business operations abroad.

If business operations in a foreign country with a different functional currency than that of the company are disposed of, the cumulative translation differences are recognised in the profit and loss account as part of the result from the disposal of the business operations abroad.

Share-based payments

For the recognition of personnel option plans reference is made to the item wages and salaries under the principles for the determination of the result.

Principles of valuation of assets and liabilities

Intangible fixed assets

Intangible fixed assets are presented at cost less accumulated amortisation and, if applicable, less impairments in value. Amortisation is charged as a fixed percentage of cost, as specified in more detail in the notes to the balance sheet. The expected useful life and the amortisation method are reassessed at the end of each financial year. For the development costs a statutory reserve is formed in the amount of the capitalised amount.

Tangible fixed assets

Tangible fixed assets are presented at cost less accumulated depreciation and, if applicable, less impairments in value. Depreciation is based on the expected future useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is provided from the date an asset comes into use.

Tangible fixed assets are capitalised if the economic ownership held by the company, and its group companies, is governed by a financial lease agreement. The commitment arising from the financial lease agreement is accounted for as a liability. The interest included in the future lease instalments is charged to the result over the term of the financial lease agreement.

Receivables

Upon initial recognition the receivables are valued at fair value and then valued at amortised cost. Provisions deemed necessary for possible bad debt losses are deducted. These provisions are determined by individual assessment of the receivables.

Cash

The cash is valued at face value. If cash is not freely disposable, then this has been considered upon valuation.

Long-term and short-term liabilities

Upon initial recognition, the loans and liabilities recorded are stated at fair value and then valued at amortised cost.

Provisions

Where the effect of the time value of money is material, the other provisions are valued at the present value of the expenditures expected to be required to settle the obligations and losses. The discount rate at which the present value is determined is a pre-tax discount rate that reflects current market interest rates and the risks specific to the liability.

Where the effect of the time value of money is not material, the other provisions are valued at face value.

Unless stated otherwise, the other provisions are valued at the present value.

Investment grants

Investment grants relating to the acquisition of (tangible) fixed assets are treated as deferred income and released to the profit and loss account over the expected useful lives of the assets concerned.

Principles for the determination of the result

Net turnover

Recurring SaaS revenues are recognised monthly in proportion to agreed contract. Professional service revenues are recognised based on percentage of project completion at reporting date. Other revenues are recognised in proportion to services delivered.

Cost of sales

The cost of sales consists of the cost of goods sold and delivered, consisting of direct use of hosting platforms, direct wages and other direct costs that can be attributed to the services provided.

Wages and salaries

Pension plans personnel

The group (Bynder Holding B.V.) has various pension plans. The Dutch plans are financed through contributions to pension providers, i.e., insurance companies and industry pension funds. The foreign pension plans can be compared to how the Dutch pension system has been designed and functions. The pension obligations of both the Dutch and the foreign plans are valued according to the 'valuation to pension fund approach'. This approach accounts for the contribution payable to the pension provider as an expense in the profit and loss account.

As at year-end 2020 no pension receivables and no obligations existed for the group in addition to the payment of the annual contribution due to the pension provider.

Bonus plans and profit-sharing plans

A liability is recorded for bonus plans and profit-sharing plans based on relevant performance plans. The liability is recorded as such under the current liabilities.

Equity-settled share option plan

The Company has a share option plan for all employees of the Group. In accordance with the terms of the plan, as approved by the shareholders, employees with more than one year's service with the Company may be granted options to purchase certificates of the STAK.

Each employee share option converts into one certificate of the STAK on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither right to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The number of options granted is calculated in accordance with the share option plan and is based on the annual salary of the employees. The Company calculates the value of the options granted using the intrinsic value method, the amounts are presented under Salary and Wages, with a corresponding entry in Equity. The Company does not enter into hedge transactions with regard to the share option plan.

Options are exercisable at a price equal to the market value of the Company's shares on the date of grant. The vesting period is three years. If the options remain unexercised after a period of five years from the date of grant the options expire. Options are forfeited if the employee leaves the Group before the options vest.

Detail of the number of share options outstanding for the year are as follows:

	Year ended 31-12-2020
Granted at the beginning of the year	16.224.794
Granted during the year	2.299.856
Cancelled during the year	(2.156.296)
Forfeited during the year	(615.536)
Exercised during the year	(378.755)
Total granted at the end of the year	15.374.063
Exercisable within the vesting period at the end of the year	7.136.621

With respect to employee share option plans - to the extent that the exercise price at the moment of granting is lower than the fair value of the related shares - the balance at the moment of granting (the intrinsic value of an option) is recognised directly in the profit and loss account under wages and salaries.

The intrinsic value of an option is furthermore determined on every balance sheet date and on the settlement date. Any change in the intrinsic value is recorded in the profit and loss account.

Taxation

Corporate income tax is calculated at the applicable rate on the result for the financial year, considering permanent differences between profit calculated according to the financial statements and profit calculated for taxation purposes. Deferred tax assets (if applicable) are recognised only to the extent that realisation is probable.

Principles for preparation of the consolidated cash flow statement

The cash flow statement is prepared according to the direct method.

The funds in the cash flow statement consist of cash and cash equivalents. Cash equivalents are considered to be highly liquid investments.

Cash flows in foreign currencies are translated at an estimated average rate. Exchange rate differences concerning finances are shown separately in the cash flow statement.

Corporate income taxes, issuance of share capital, interest received, and dividends received are presented under the cash flow from operating activities. Interest paid and dividends paid are presented under the cash flow from financing activities.

The cost of group companies acquired is presented under the cash flow from investment activities, as far as payment has been made with cash and cash equivalents. The cash and cash equivalents of the group companies acquired are deducted from the purchase cost.

Transactions that do not result in exchange of cash and cash equivalents, such as financial lease, are not presented in the cash flow statement. The payments of the lease installments on account of the financial lease contract are presented as redemptions of debts for the redemption component and as paid interest for the interest component.

Notes to the specific items of the consolidated balance sheet.

1) Intangible fixed assets

A summary of the movements of intangible fixed assets is given below:

	Development costs	Intellectual property rights	Goodwill	Customer relationships	Total
	EUR	EUR	EUR	EUR	EUR
Acquisition/Manufacturing cost as at January 1, 2020	597.340	8.527.229	23.793.717	12.811.381	45.729.667
Cumulative amortisations and other impairment in value as at January 1, 2020	(329.219)	(3.097.769)	(4.855.661)	(4.671.142)	(12.953.791)
Carrying amount as at January 1, 2020	268.121	5.429.460	18.938.056	8.140.239	32.775.875
Acquistion of We Adapt B.V.	616.701	0	843.966	0	1.460.667
Amortisations	(201.693)	(1.705.446)	(2.435.662)	(2.518.149)	(6.860.950)
Exchange rate differences	0	0	0	(545.206)	(545.206)
Carrying amount as at December 31, 2020	683.129	3.724.014	17.346.360	5.076.883	26.830.386
Acquisition/Manufacturing cost as at December 31, 2020	1.214.041	8.527.229	24.637.683	12.811.381	47.190.334
Cumulative amortisations and other impairment in value as at December 31, 2020	(530.912)	(4.803.215)	(7.291.323)	(7.734.498)	(20.359.947)
Carrying amount as at December 31, 2020	683.129	3.724.014	17.346.360	5.076.883	26.830.386
Amortisation percentages	20%	20%	10%	20%	

Of the goodwill EUR 16.5 million (2019: EUR 18 million) regards the acquisition of the shares in Webdam. The remaining life is 8 years.

Deloitte Accountants B.V.
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Related to auditor's report
dated 17 January 2022

2) Tangible fixed assets

The movements in the tangible fixed assets are as follows:

	Office Equipement
	EUR
Acquisition/Manufacturing cost as at January 1, 2020	2.063.515
Cumulative depreciation and other impairment in value as at January 1, 2020	(1.149.299)
Carrying amount as at January 1, 2020	914.215
Investments	267.510
Carrying amount of disposals	(0)
Depreciation	(362.356)
Exchange rate differences	0
Carrying amount as at December 31, 2020	819.369
Acquisition/Manufacturing cost as at December 31, 2020	2.331.025
Cumulative depreciation and other impairment in value as at December 31, 2020	(1.511.655)
Carrying amount as at December 31, 2020	819.369
Depreciation percentages	20%

3) Receivables, prepayments and accrued income

	31.12.2020	31.12.2019
	Total	Total
	EUR	EUR
Trade receivables	7.933.973	2.802.799
Doubtful debt reserve	(276.593)	(163.761)
	7.657.379	*2.639.038*
Other receivables	165.706	65.145
Deposits and Cash guarantees	1.225.415	945.767
Prepayments and accrued income	907.560	961.308
	9.956.060	4.611.258

The prepayments and accrued income comprise costs paid in advance related to the financial year 2021.

The deposits and cash guarantees have a remaining term above 1 year as they are connected to the lease agreements. Please refer to the contingent assets and liabilities as disclosed in the financial statements.

4) Cash

The total cash position is at the free disposal of the group and not subject to any transfer restrictions.

5) Group equity

Share of the legal entity in the group equity.

For a detailed explanation to the share of the legal entity in the group equity reference is made to the notes to the shareholders' equity in the company-only financial statements.

6) Long-term liabilities

	31.12.2020		31.12.2019	
		Interest rate		Interest rate
	EUR	%	EUR	%
Bank loans	39.683.951	EURIBOR + 4%	38.361.591	EURIBOR + 4%
	39.683.951		38.361.591	

The amount due as per balance sheet has an end term on February 25th, 2024.

Loans repayable within 12 months of the end of the financial year in the amount of EUR 935.700 (2019: EUR 492.500) are not included in the long-term liabilities but are included in the current liabilities.

As per 31 December 2020 no loan covenants were breached and both LTM recurring revenue covenant and the minimum liquidity covenant are met with more than sufficient headroom.

7) Provisions

The provision relates to onerous contracts in respect to the lease of officespace not in use. The provision for onerous contracts amounts to EUR 509.160 (2019: nil) and provides for a period less then 1 year after balance sheet date.

8) Current liabilities, accruals and deferred income

	12.31.2020	12.31.2019
	EUR	EUR
Current portion of long-term liabilities	935.700	492.500
Accounts payable	1.319.045	723.353
Taxes and social security charges	3.546.416	2.278.353
Holiday allowance and salaries payable	2.736.692	2.459.090
Accruals and other liabilities	3.296.795	1.731.087
Deferred income	25.283.187	17.299.496
	37.117.835	24.983.879

Financial instruments

For the notes on financial instruments reference is made to the specific item by item note. The group's policy in respect of financial risks is included below. In addition, the financial derivatives of the group and the related risks are disclosed.

- General

The main financial risks the group is exposed to are the currency risk, the interest rate risk, the liquidity risk and the credit risk. The group aims at mitigating the impact of currency and interest rate fluctuations on the result in the short term and to follow the market exchange rates and market interest rates in the long term. The group does not (yet) use financial derivatives to control financial risks linked to business operations at control. In case the company would use financial derivatives, the group would not take any speculative positions.

- Currency risk

The group does not yet have a policy to hedge the currency risks resulting from sales and purchases. The main currencies causing such risk are American dollars and British pound sterling. The risk is mitigated by the fact that the company aside from receipts in American dollars and British pound sterling also has presence (and therefore expenses) in the United Stated and the United Kingdom. Despite that there is a (net) cash inflow from the US and a (net) cash outflow for the UK. The company will consider financial derivatives in further mitigating foreign currency risk.

- Interest rate risk

In respect of interest rate risk, the company aims at mitigating the interest rate risks originating from the financing of the group and optimizing the net interest expenses at the same time. The interest rate from the loan with Wells Fargo is based on EURIBOR plus a margin. The company will consider using financial instruments to mitigate the risk in 2021.

- Liquidity risk and cash flow risk

Periodically, liquidity budgets are prepared. Liquidity risks are controlled through interim monitoring. The liquidity budgets take account of restricted availability of cash, among which bank guarantees. The group has committed credit facilities, since the refinancing with Wells Fargo National Bank, London Branch, on February 22, 2019, of EUR 39,400,000 as a term loan for a period of five (5) year and EUR 3,100,000 as revolving credit facility, of which currently EUR 2,400,000 is drawn. The agreement on the committed credit facilities includes financial covenants and adjustment clauses in the event of substantial negative changes in line with normal market conditions. Please refer to the subsequent events note where this is disclosed.

- Credit risk

The group mitigates the credit risk through credit limits for each financial institution and debtors by exclusively engaging financial institutions and debtors with a high creditworthiness. No significant concentrations of credit risk existed as at balance sheet date.

Non-recognised assets and liabilities and contingent assets and liabilities

As of 31 December 2020, the legal entities that are part of the Bynder-group have granted guarantees and mortgage securities amounting to EUR 878.748 (2019: EUR 812.772).

Bynder Holding B.V. is part of a fiscal unity for corporate income tax, in which capacity it is jointly and severally liable for the tax liability of the fiscal unity. A conditional right to tax loss set-off amounting to EUR 65 Million (2019: EUR 59 million) is not included as at balance sheet date as management assumes these will not be settled against future profits.

The total amount of long-term obligations for making payments to obtain rights of use or other contingent rights is EUR 1.272.560 (2019: EUR 1.737.440). From this obligation EUR 523.016 is due within one year (2019: EUR 1.326.971).

Annual lease obligations entered with third parties in respect of property are EUR 5.858.677 (2019: EUR 5.417.217) in total. The average remaining term of the lease contract is 3.6 years (2019: 3 years) because of extension of lease agreements.

Commitments

	< 1 year	1 - 5 years	> 5 years	Total
	EUR	EUR	EUR	EUR
Office leases and vehicle leases	1.855.743	4.002.934	-	5.858.677
Other commitments	523.016	749.544	-	1.272.560
	2.378.759	**4.752.478**	**-**	**7.131.237**

The legal entity is liable for the debts arising from the transactions of its subsidiaries. Bynder Holdings B.V has 100% ownership of all subsidiaries. A list of subsidiaries is disclosed in the notes to the consolidated financial statements.

Notes to the specific items of the consolidated profit and loss account

9) Net turnover

The net revenue comprises the following revenue categories:

	2020	2019
	€	€
Recurring SaaS Revenues	56.290.578	47.840.239
Professional Service Revenues	3.206.775	3.608.003
Other revenue	15.276	597.675
	59.512.629	52.045.917

10) Wages, salaries and social security charges

	2020	2019
	EUR	EUR
Wages and salaries	23.014.627	22.049.029
Comissions and bonuses	5.469.970	4.106.835
Payroll taxes & social securities	4.123.161	3.662.516
Pension premiums	1.097.844	913.809
Other employee related expenses	775.716	660.753
Share option plan	1.339.081	461.315
	35.820.399	31.854.257

The group has received operating grants during the financial year of EUR 160.000 (2019: EUR 100.000) for the development of software technologies. The operating grants have been fully recognised as deduction of the wages and salaries expensed in the financial year 2020, since the subsidised expenses for payroll expenses have also been incurred in this financial year.

The average number of employees of the group during the year, converted to full-time equivalents amounts to 316,4 (2019: 311,6). The average number of employees working abroad amounted 150 (2019: 144).

11) Other operating expenses

	2020	2019
	EUR	EUR
Sales & Marketing expenses	3.437.835	5.501.441
Other Personnel expenses	3.337.336	3.679.060
Building related expenses	2.698.656	2.301.066
General expenes	5.259.098	5.431.437
	14.732.926	16.913.004

Fees audit firm:

2020

	Deloitte Auditors	Other Deloitte advisors	Total Deloitte
	EUR	EUR	EUR
Audit of the financial statements	€ 225.000	€ -	€ 225.000
Other audit engagements			
Tax advisory services	€ -	€ 68.000	€ 68.000
Other non-audit services	€ 3.000	€ -	€ 3.000
	€ 228.000	€ 68.000	€ 296.000

2019

	Deloitte Auditors	Other Deloitte advisors	Total Deloitte
	EUR	EUR	EUR
Audit of the financial statements	€ 175.000	€ -	€ 175.000
Other audit engagements			
Tax advisory services	€ -	€ 111.400	€ 111.400
Other non-audit services	€ 9.300	€ 189.000	€ 198.300
	€ 184.300	€ 300.400	€ 484.700

12) Financial income and expense

	2020	2019
	Total	Total
	EUR	EUR
Interest on bank loans	1.705.947	1.415.098
Interest on participant loans	0	622.746
Bank charges and interest	138.109	37.918
Amortization of finance expenses	278.704	201.827
Foreign exchange variances	(464.266)	329.019
	1.658.494	2.606.608

13) Income taxes

	2020	2019
	Total	Total
	EUR	EUR
Corporate income tax	1.232.177	126.649
	1.232.177	126.649

Corporate income tax is charged to the other companies that form part of the fiscal unity for corporate income tax purposes, as if they were independently liable to pay tax.

The income taxes paid reflect the corporate income tax for the profitable subsidiaries of Bynder Holding B.V. and are for the majority American State and Federal Income tax related.

The effective tax rate to the recorded tax charge as per 31 December 2020 is 14%. There is a USD 0.6 million tax charge over the fiscal year 2019 recorded in 2020.

Other notes

Remuneration of (former) directors and supervisory directors

In 2020 an amount of EUR 0.3 million (2019: EUR 0.3 million) for the remuneration of directors and for benefits for former directors of the legal entity was charged to the company and its subsidiaries or group companies.

Subsequent events

The Company performed a review of events subsequent to the balance sheet date through the date the financial statements were issued and determined that there were no such events requiring recognition or disclosure in the financial statements.

Company-only financial statements

- Company-only balance sheet as at December 31, 2020
- *Company-only profit and loss account 2020*
- Notes to the company-only financial statements

Bynder Holding B.V.
Amsterdam

Company-only balance sheet as at December 31, 2020

(after appropriation of result)	Note	31.12.2020		31.12.2019	
			EUR		EUR
Assets					
Fixed assets					
Intangible fixed assets	1	18.471.402		18.938.056	
Financial fixed assets		0		0	
Receivables, prepayments and accrued income	2	14.469		38.198	
Cash	3	130.679		3.717	
			145.148		41.915
			18.616.550		18.979.971

	Note	31.12.2020		31.12.2019	
			EUR		EUR
Equity and liabilities					
Shareholders' equity	4				
Shareholders equity		(24.182.027)		(17.897.345)	
			(24.182.027)		(17.897.345)
Provisions	5	42.606.736		36.818.007	
Current Liabilities, accruals and deferred Income		191.841		59.309	
			42.798.557		36.877.316
			18.616.550		18.979.971

Company-only profit and loss account 2020

	2020	2019
	EUR	EUR
Share in result of associated companies	(5.714.715)	(10.852.170)
Other income and expense after taxation	(1.468.939)	(1.318.295)
Result after taxation	**(7.183.655)**	**(12.170.465)**

Notes to the company-only financial statements

General accounting principles for the preparation of the financial statements

The company-only financial statements have been prepared in accordance with Title 9, Book 2 of the Netherlands Civil Code.

For the general principles for the preparation of the financial statements, the principles for valuation of assets and liabilities and determination of the result, as well as for the notes to the specific assets and liabilities and the results, reference is made to the notes to the consolidated financial statements, if not presented otherwise hereinafter.

Participations in group companies

Participations in group companies in which significant influence is exercised on the business and financial policy, are valued under the net equity value, but not lower than nil. This net asset value is based on the same accounting principles as applied by Bynder Holding B.V. If the net asset value is negative, the participating interest is valued at nil. This likewise takes into account other long-term interests that should effectively be considered part of the net investment in the participating interest. If the company fully or partly guarantees the liabilities of the associated company concerned or has the effective obligation respectively to enable the associated company to pay its (share of the) liabilities, a provision is formed. Upon determining this provision, provisions for doubtful debts already deducted from receivables from the associated company are taken into account.

Legal reserve for associated companies

The legal reserve for associated companies is formed in the amount of the share of Bynder Holding B.V. in the results and direct increases of the associated companies since the initial valuation of these associated companies at net asset value, insofar as Bynder B.V. cannot realise a distribution without limitations. The statutory reserve for associated companies is determined individually.

Legal reserve for capitalized development costs

The company also forms a legal reserve for any capitalised development costs.

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For identification purposes only.
Related to auditor's report
dated 17 January 2022

Notes to the specific items of the balance sheet

1) Intangible fixed assets

A summary of the movements of intangible fixed assets is given below:

	Development costs	Goodwill	Total
	EUR	EUR	EUR
Acquisition/Manufacturing cost as at January 1, 2020	0	23.793.717	23.793.717
Cumulative amortisations and other impairment in value as at January 1, 2020	(0)	(4.855.661)	(4.855.661)
Carrying amount as at January 1, 2020	0	18.938.056	18.938.056
Acquistion of We Adapt B.V.	616.701	843.966	1.460.667
Amortisations	(82.500)	(1.844.821)	(1.927.321)
Carrying amount as at December 31, 2020	534.201	17.937.201	18.471.402
Acquisition/Manufacturing cost as at December 31, 2020	616.701	24.637.683	25.254.384
Cumulative amortisations and other impairment in value as at December 31, 2020	(82.500)	(6.700.482)	(6.782.982)
Carrying amount as at December 31, 2020	534.201	17.937.201	18.471.402
Amortisation percentages	20%	10%	

Of the goodwill EUR 16.5 million (2019: EUR 18 million) regards the acquisition of the shares in Webdam. The remaining life is 8 years.

On April 24, 2020, Bynder Holding BV has acquired 100% of the shares of the the Dutch company We Adapt, a SaaS solution for the creation, adaptation, management and distribution of video content. We Adapt is integrated into the Bynder platform as Video Brand Studio and is available as an optional add-on module and as a stand-alone.

As from April 24, 2020 Bynder Holding BV also effectively has the power of disposition in respect of We Adapt BV, as a result which the acquisition has been recognised according to the purchase accounting method as from that date.

Bynder Holding B.V.
Amsterdam

2) Receivables, prepayments and accrued income

	31.12.2020	31.12.2019
	Total	Total
	EUR	EUR
Other receivables	14.469	38.198
	14.469	38.198

3) Cash

The total cash position is at the free disposal of the group and not subject to any transfer restrictions.

4) Shareholders' equity

The issued share capital of the company amounts to EUR 29.297.416, divided into EUR 24.297.416 ordinary shares and EUR 5.000.000 preference shares. The total number of issued shares is 139.698.000.

Statutory reserves include a legal reserve for development costs of EUR 683.129 (2019: 268.121) and correction for unrealized translation reserve.

	Issued Capital	Share Premium	Statutory reserves	Retained Losses	Total
	EUR	EUR	EUR	EUR	EUR
Balance as at January 1, 2019	13.977	29.283.439	636.934	(39.474.195)	(9.539.845)
Share issue	0	3.500.000	0	0	3.500.000
Net result	0	0	0	(12.170.465)	(12.170.465)
Foreign exhange translation	0	0	(148.350)	0	(148.350)
Share option plan	0	0	0	461.315	461.315
Development reserve	0	0	(119.468)	119.468	0
Balance as at December 31, 2019	13.977	32.783.439	369.116	(51.063.877)	(17.897.345)
Balance as at January 1, 2020	13.977	32.783.439	369.116	(51.063.877)	(17.897.345)
Share issue	0	0	0	0	0
Net result	0	0	0	(7.076.401)	(7.183.655)
Foreign exchange translation	0	0	(440.110)	0	(440.110)
Share option plan	0	0	0	1.134.151	1.339.081
Development reserve	0	0	415.008	(415.008)	0
Balance as at December 31, 2020	13.977	32.783.439	344.014	(57.421.135)	(24.182.027)

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dated 17 January 2022

In accordance with the result of the year 2019, the result for the financial year 2020 amounting to the loss of EUR 7.183.655 is transferred to reserves without payment of dividend.

5) Provisions

Bynder Holding B.V. is jointly and severally liable for the rights & obligations of her 100% daughter company Bynder B.V. and therefore accounts for a mandatory provision of its subsidiary. Management considers Bynder a group in which all subsidiaries are crucial and contributing to Bynder's succes. Bynder Holding B.V. functions as the head of the group that attracts the funds and supports the operational companies. Bynder Holding B.V. considers itselves liable for the operations and debts of the subsidiaries, and as such records a provision for the full amount of negative equity value of the subsidiaries.

	31.12.2020
	EUR
Balance as at January 1, 2020	(36.818.007)
Share result in participation	(5.714.715)
Other equity movements of participations	(440.110)
Current account movements with Bynder B.V.	366.096
Balance as at December 31, 2020	(42.606.736)

The current account from Bynder B.V. bears interest at 4% per year.

Taxes

Corporate income tax is charged to the other companies that form part of the fiscal unity for corporate income tax purposes, as if they were independently liable to pay tax.

Deferred tax assets have been capitalised in the balance sheet of the company because deferred taxes are included in the valuation of the subsidiaries.

Other notes

Personnel share option schemes

The company operates a long-term incentive scheme ('the plan') for employees including the members of the board of directors. The purpose of the Plan is to assist the Company in attracting, retaining, motivating, and rewarding certain key employees, officers, directors, and consultants of the Company Group and promoting the creation of long-term value for shareholders of the Company by closely aligning the interests of such individuals with those of such shareholders. The Plan authorizes the award of Options to Eligible Persons to encourage such persons to expend maximum effort in the creation of shareholder value.

The share option plan reserves 8,854,000 depositary receipts (certificaten van aandelen) issued or to be issued through a Dutch Foundation (stichting administratiekantoor) in exchange for ordinary shares (gewoon aandeel) in the capital of the Company, with a nominal value of 0.0001 euro per share. The Foundation will be charged with the administration of the ordinary shares and issuance of corresponding depositary receipts to participants, subject to the terms of the Plan and the trust conditions (administratievoorwaarden) of the Foundation as established by the management board of the Trust Foundation. The Foundation will be entitled to vote on the ordinary shares and to exercise all other rights attached to the shares.

Each employee share option converts into one certificate of the STAK on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither right to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The number of options granted is calculated in accordance with the share option plan and is based on the annual salary of the employees. The Company calculates the value of the options granted using the intrinsic value method, the amounts are presented under Salary and Wages, with a corresponding entry in Equity. The Company does not enter hedge transactions with regard to the share option plan.

Options are exercisable at a price equal to the market value of the Company's shares on the date of grant. The vesting period is three years. If the options remain unexercised after a period of five years from the date of grant the options expire. Options are forfeited if the employee leaves the Group before the options vest.

Detail of the number of share options outstanding for the year are as follows:

	Year ended 31-12-2020
Granted at the beginning of the year	16.224.794
Granted during the year	2.299.856
Cancelled during the year	(2.156.296)
Forfeited during the year	(615.536)
Exercised during the year	(378.755)
Total granted at the end of the year	15.374.063
Exercisable within the vesting period at the end of the year	7.136.621

With respect to employee share option plans - to the extent that the exercise price at the moment of granting is lower than the fair value of the related shares - the balance at the moment of granting (the intrinsic value of an option) is recognised directly in the profit and loss account under wages and salaries.

The intrinsic value of an option is furthermore determined on every balance sheet date and on the settlement date. At December 31, 2020, the intrinsic value per share is determined EUR 1,13 (2019: EUR 0,97). The change in the intrinsic value is recorded in the profit and loss statement, please refer to note 9.

Subsequent events

Reference is made to the subsequent events in the notes to the consolidated financial statements for a description of the subsequent events relevant to the company.

Signing of the financial statements

Amsterdam, 17 January 2022

Management board:

Mr. Bert van der Zwan

Supervisory board:

Mrs. Shelly Perry

Mr. Jeff Horing

Mr. Chris Hall

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated 17 January 2022

Other information

Independent auditor's report

Reference is made to the auditor's report as included hereinafter.

Appropriation of result according to articles of association

The board of directors proposes, with the approval of the supervisory board, that the result for the financial year 2020 amounting to the loss of EUR 7.183.655 should be transferred to reserves without payment of dividend.

Special statutory voting rights

Pursuant to the articles of association of Bynder Holding B.V. rights are connected to preference shares for the appointment, suspension and dismissal of one supervisory director. The other supervisory directors are appointed, suspended and dismissed by the class meeting of holders of ordinary shares. In addition, the articles of association provide that certain resolutions of the general meeting are subject to the approval of the class meeting of holders of preference shares.

Bynder Holding B.V.
Amsterdam

Independent auditor's report