



Majorel Group Luxembourg S.A.

(a public limited liability company (société anonyme), incorporated and existing under the laws of the Grand Duchy of Luxembourg)

Seeking admission to listing and trading of the shares in the capital of Majorel Group Luxembourg S.A. on the regulated market operated by Euronext Amsterdam N.V.

This document (the “**Prospectus**”) relates to the seeking of admission to listing and trading (the “**Admission**”) of one hundred million (100,000,000) shares in registered form, representing the entire share capital of Majorel Group Luxembourg S.A., a public limited liability company (*société anonyme*) incorporated and existing under the laws of the Grand Duchy of Luxembourg (“**Luxembourg**”), having its registered office at 43, Boulevard Pierre Frieden, L-1543 Luxembourg, Luxembourg and registered with the Luxembourg Trade and Companies’ Register (*Registre de commerce et des sociétés, Luxembourg*) under number B 227626, legal entity identifier (“**LEI**”) 529900M90DFPXG97IJ03 (the “**Company**”, and with its subsidiaries, “**we**”, “**us**”, “**our**”, “**ourselves**”, “**Majorel**” or “**Majorel Group**”), with an accounting par value of one Eurocent (€0.01) each (the “**Shares**”), on the regulated market within the meaning of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, as amended (“**MiFID II**”), operated by Euronext Amsterdam N.V. (“**Euronext Amsterdam**”).

As at the date of this Prospectus there is no public market for the Shares. Application has been made to list and admit the Shares to trading on Euronext Amsterdam under the symbol “MAJ”. Subject to acceleration or extension of the timetable for the Private Placement (as defined below), trading on an “as-if-and-when-issued/delivered” basis in the Shares on Euronext Amsterdam is expected to commence on or about September 24, 2021 (the “**First Trading Day**”).

Prior to the First Trading Day, Bertelsmann Luxembourg S.à r.l., a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of Luxembourg, having its registered office at 43, Boulevard Pierre Frieden, L-1543 Luxembourg, Luxembourg and registered with the Luxembourg Register of Commerce and Companies (*Registre de commerce et des sociétés, Luxembourg*) under number B 187218 (“**Bertelsmann Luxembourg**”), Saham Customer Relationship Investments S.à r.l., a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of Luxembourg, having its registered office at 6, Rue Eugène Ruppert, L-2453 Luxembourg, Luxembourg and registered with the Luxembourg Register of Commerce and Companies (*Registre de commerce et des sociétés, Luxembourg*) under number B 239278 and Saham Outsourcing Luxembourg S.à r.l., a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of Luxembourg, having its registered office at 12 C, Rue Guillaume Kroll, L-1882 Luxembourg, Luxembourg and registered with the Luxembourg Register of Commerce and Companies (*Registre de commerce et des sociétés, Luxembourg*) under number B 229519 (“**Saham Outsourcing**”, and together with Saham Customer Relationship Investments S.à r.l. the “**Saham Shareholders**”, and collectively with Bertelsmann Luxembourg, the “**Selling Shareholders**”) will have collectively offered and sold 20,000,000 Shares (the “**Placement Shares**”), constituting 20.0% of the issued and outstanding shares in the capital of the Company, assuming no exercise of the Over-Allotment Option (as defined below). Assuming the Over-Allotment Option (as defined below) is exercised in full, the Placement Shares will constitute approximately 23.0% of the Shares. See “15. The Private Placement”. The Placement Shares include, unless the context indicates otherwise, the Over-Allotment Shares (as defined below).

The private placement of the Placement Shares consists of private placements to certain institutional investors in various jurisdictions (the “**Private Placement**”). As the Placement Shares are offered on a private placement basis to qualified investors as defined in Article (2)(e) of the Prospectus Regulation only, there is no obligation to approve and passport a prospectus under the Prospectus Regulation (as defined below). The Placement Shares are being offered and sold: (i) within the United States of America (the “**United States**” or “**U.S.**”), to persons reasonably believed to be “qualified institutional buyers” (“**QIBs**”) as defined in, and in reliance on, Rule 144A (“**Rule 144A**”) under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”), pursuant to Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws; and (ii) outside the United States, in accordance with Regulation S under the U.S. Securities Act (“**Regulation S**”). There will be no public offering in any jurisdiction that requires approval and/or passporting of the prospectus under the Prospectus Regulation (as defined below).

TRADING IN THE SHARES INVOLVES CERTAIN RISKS. PROSPECTIVE INVESTORS SHOULD READ THE ENTIRE DOCUMENT AND IN PARTICULAR THE SECTION HEADED “RISK FACTORS” FOR A DESCRIPTION OF RISK FACTORS THAT SHOULD BE CAREFULLY CONSIDERED BEFORE TRADING IN THE SHARES.

BNP PARIBAS (“**BNP PARIBAS**”), Citigroup Global Markets Limited (“**Citigroup**”) and J.P. Morgan AG (“**J.P. Morgan**”) are acting as joint global coordinators for the Private Placement (the “**Joint Global Coordinators**”), and, together with BofA Securities Europe SA (“**BofA Securities**”), Goldman Sachs Bank Europe SE (“**Goldman Sachs**”), and UBS AG, London Branch (“**UBS**”), as joint bookrunners for the Private Placement (the “**Joint Bookrunners**”). The Joint Global Coordinators and the Joint Bookrunners are together also referred to herein as the “**Underwriters**”.

Thomas Mackenbrock, CEO

Otmane Serraj, CFO

BNP PARIBAS (the “**Stabilization Manager**”), acting for the account of the Underwriters will place up to 3,000,000 Shares from a share loan facility provided by Bertelsmann Luxembourg and Saham Outsourcing (in this capacity, the “**Lending Shareholders**”) to cover potential over allotments (the “**Over Allotment Shares**”). In addition, the Lending Shareholders have granted the Stabilization Manager, an option (the “**Over-Allotment Option**”), exercisable within 30 calendar days after the First Trading Day, pursuant to which the Stabilization Manager, on behalf of the Underwriters, may require the Lending Shareholders to sell at the price of the Placement Shares (the “**Offer Price**”) a number of Shares equal to the number of Over-Allotment Shares to cover short positions resulting from any over-allotments made in connection with the Private Placement or to facilitate stabilization transactions.

All of the Placement Shares will be delivered through the book-entry systems of the Netherlands Central Institute for Giro Securities Transactions (*Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.*) trading as Euroclear Nederland (“**Euroclear Nederland**”).

THE PLACEMENT SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE U.S., AND MAY NOT BE OFFERED OR SOLD WITHIN THE U.S. UNLESS THE PLACEMENT SHARES ARE REGISTERED UNDER THE U.S. SECURITIES ACT OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT IS AVAILABLE. THE PLACEMENT SHARES ARE BEING OFFERED AND SOLD IN THE U.S. ONLY TO PERSONS REASONABLY BELIEVED TO BE QIBS AS DEFINED IN RULE 144A, PURSUANT TO RULE 144A OR ANOTHER EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, AND OUTSIDE THE U.S. IN RELIANCE ON REGULATION S UNDER THE U.S. SECURITIES ACT. THERE WILL BE NO PUBLIC OFFER OF THE PLACEMENT SHARES IN THE U.S. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE COMPANY AND OTHER SELLERS OF THE PLACEMENT SHARES MAY BE RELYING ON AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF SECTION 5 OF THE U.S. SECURITIES ACT, WHICH MAY INCLUDE RULE 144A OR REGULATION S THEREUNDER.

This Prospectus constitutes a prospectus for purposes of Articles 3 and 6 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 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 (the “**Prospectus Regulation**”) and has been prepared in accordance with the provisions of the Prospectus Regulation and the Luxembourg law of 16 July 2019 on prospectuses for securities (*Loi du 16 juillet 2019 relative aux prospectus pour valeurs mobilières*) (the “**Luxembourg Prospectus Law**”). This Prospectus has been approved by the Luxembourg Commission de Surveillance du Secteur Financier (the “**CSSF**”) on September 23, 2021, as the competent authority under the Prospectus Regulation. The CSSF 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. This approval cannot be considered as a judgment on, or any comment on, the merits of the transaction, nor on the situation of the Company, or by approving this Prospectus the CSSF gives no undertaking as to the economic and financial soundness of the transaction and the quality or solvency of the Company, in line with the provisions of Article 6(4) of the Luxembourg Prospectus Law. **The CSSF has neither reviewed nor approved any information in this Prospectus pertaining to the Private Placement.** Investors should make their own assessment as to the suitability of investing in the Placement Shares. The Company has requested the CSSF to notify its approval in accordance with Article 25(1) of the Prospectus Regulation to the competent authority in the Netherlands, the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) (the “**AFM**”), with a letter of approval attesting that this Prospectus has been prepared in accordance with the Prospectus Regulation.

THE VALIDITY OF THIS PROSPECTUS WILL EXPIRE ON SEPTEMBER 23, 2022, BEING TWELVE MONTHS AFTER THE DATE OF ITS APPROVAL. THE INFORMATION IN THIS PROSPECTUS SPEAKS ONLY AS OF THE DATE HEREOF AND ANY OBLIGATION TO SUPPLEMENT THIS PROSPECTUS IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES WILL NOT APPLY AFTER THE TIME WHEN TRADING OF THE SHARES ON EURONEXT AMSTERDAM BEGINS.

Joint Global Coordinators and Joint Bookrunners

BNP PARIBAS

Citigroup

J.P. Morgan

Joint Bookrunners

BofA Securities

**Goldman Sachs Bank
Europe SE**

UBS Investment Bank

This Prospectus is dated September 23, 2021 (the “**Publication Date**”)

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SUMMARY

A. – Introduction and Warnings

This prospectus (the “**Prospectus**”) relates to the seeking of admission to listing and trading of one hundred million (100,000,000) shares in registered form, representing the entire share capital of Majorel Group Luxembourg S.A. (the “**Company**”, and with its subsidiaries, “**we**”, “**us**”, “**our**” “**ourselves**” or “**Majorel Group**”), with its registered office at 43, Boulevard Pierre Frieden, L-1543 Luxembourg, the Grand Duchy of Luxembourg (“**Luxembourg**”), telephone +352 42142 5602, website: www.majorel.com, legal entity identifier (“**LEI**”) of the Company is 529900M90DFPXG97IJ03, each such share having the international securities identification number (“**ISIN**”) LU2382956378 (each share of the Company, a “**Share**” and collectively the “**Shares**”).

The Company and ABN AMRO Bank N.V., Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands (“**ABN AMRO**”) applied for admission of the Shares to trading on the regulated market operated by Euronext Amsterdam N.V. (“**Euronext Amsterdam**”).

This Prospectus has been approved by the *Luxembourg Commission de Surveillance du Secteur Financier* (the “**CSSF**”), as the competent authority under the Regulation (EU) 2017/1129 of the European Parliament and the Council of 14 June 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, on September 23, 2021. The CSSF has its registered office at 283, route d’Arlon, L-1150 Luxembourg, Grand Duchy of Luxembourg and telephone number +352 262511, fax number +352 26 25 1 2601 and e-mail address direction@cssf.lu.

This summary should be read as an introduction to this Prospectus. Investors should base any decision to invest in the Shares on the consideration of this Prospectus as a whole. Investors in the Shares could lose all or part of their invested capital. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled this summary, including any translation thereof, but only where this summary is misleading, inaccurate or inconsistent, when read together with the other parts of this Prospectus, or where it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the Shares.

B. – Key Information on the Issuer

B.1 – Who is the Issuer of the Securities?

Domicile and Legal Form. The issuer of the Shares is the Company. The Company is a public limited liability company (*société anonyme*) incorporated and existing under the laws of Luxembourg and registered with the Luxembourg Trade and Companies’ Register (*Registre de commerce et des sociétés, Luxembourg*) under number B 227626. The LEI of the Company is 529900M90DFPXG97IJ03.

Principal Activities. We are a leading global customer experience (“**CX**”) services provider that designs, builds and delivers next-generation end-to-end solutions for many of the world’s most respected digital-native and vertical leading brands. We offer our clients a differentiated portfolio of integrated services specifically designed to address the different needs across various industry verticals, with a particular focus on Internet and high-tech (“**Global Internet**”) and banking, financial services and insurance (“**BFSI**”) industries. With our offering, we aim to help our clients satisfy the needs of their end-customers, navigate an increasingly complex compliance landscape, and handle sensitive tasks such as reviewing user-generated content. We combine our sophisticated know-how of advanced technologies, expertise in industry-specific processes, as well as deep understanding of the challenges faced by our clients when engaging with their customers. Our services and solutions are delivered through a set of standardized best practices and advanced technologies by a highly-skilled multilingual workforce capable of supporting 60 languages across more than 120 locations in 31 countries. With our diversified geographical footprint, we were the fourth largest amongst truly global providers as of December 2020 (in terms of countries of operation) (*source: Company information*).

Technology and the Internet have fundamentally transformed the way consumers seek to engage with businesses. The expansion of mobile devices, social media platforms and other methods of digital interaction has enabled customers to access information 24/7 and engage with companies through various digital channels. Today’s customers expect to be able to make contact on the communication channel that is most convenient to them at a particular time and place and to receive personalized and immediate solutions. With the ongoing shift towards digital channels, CX has become a key driver of brand equity. As brands look to capitalize on digital solutions to manage brand experience, both established and digital-native vertical leaders rely on CX service providers to enable and manage a consistent, personalized and integrated CX across channels. With the impacts of the ongoing COVID-19 pandemic having accelerated the digital transformation agenda of many businesses, we believe that they will rely on hybrid approaches to customer experience through a combination of human interaction and digital solutions.

Our offering serves the needs of digital-native companies and vertical leaders across multiple segments of the outsourcing market and comprises the following services and solutions:

- **Customer Interaction Services:** We provide industry-leading end-to-end CX solutions, based on human expertise augmented through data and advanced technology. We have developed an individualized approach to building and managing customer interaction operations best suited to address the individual needs of our clients. We offer full-service omnichannel customer service, tech support, customer acquisition, retention and loyalty services. Our customer service offering spans the entire customer lifecycle and ranges from providing information, performing transactions such as travel and flight bookings, order management, management of account information, money transfer, complaint management, retention calls and other specialized services. With our marketing and sales services, we ensure that our clients' customer acquisition and revenue generation programs meet their sales goals and opportunities to cross-sell and up-sell are used to their advantage. Our customer interaction services aim to help our clients successfully retain and grow their customer base. In addition, we offer our clients technical support services that are designed to provide them with a high-quality and efficient service delivery platform to handle customer requests across multiple market segments.
- **Business Process Services:** Our business process services focus on providing next-generation end-to-end solutions for clients in different growth verticals. Our comprehensive content services, trust & safety offering supports social media platforms and digital retailers in regulating user-generated content and maintaining brand integrity by ensuring that user-generated content is safe and complies with applicable laws and standards. For clients in the other verticals, we have implemented industry-specific business process outsourcing ("BPO") services. The key element of our vertical BPO services is providing integrated, vertical specific services along the entire value chain, *i.e.*, delivering end-to-end processes, from front to back-office across all channels and from a single provider to increase customer experience and to enable our clients to focus on their core competencies. For example, we provide claims management for insurances, e-mobility services for automotive, and specialized back-office services for our utility and banking clients. These BPO services include a range of specialized operational processes and solutions as well as, depending on the individual set-up, proprietary digital tools that provide engaging CX for end customers, optimize our clients' operational costs and drive their revenue generation.
- **Tech & Expert Services:** Our tech & expert services are designed to offer digital and customer-centric services. We provide a variety of digital consumer engagement services, which include direct-to-consumer (D2C) digital marketing campaigns (Majorel D2C™) and various digital solutions to enable our clients to engage with their customers across multiple touchpoints. With our dedicated CX consulting practice, we help our clients in their digital transformation by providing customer experience strategy development, consumer journey optimization, process digitization, organization design and technology advisory. In addition, we have developed a portfolio of services specifically designed for start-ups (MajUp™) as well as vertical digital solutions, such as our Majorel digital banking platform (Majorel Digital Banking™) which offers an account and security account switching service (Majorel Switch™), an insurance navigator (Majorel Navigator™), and a form service to digitize banking forms (Majorel Form™).

We offer our differentiated services and solutions to clients across multiple industry verticals with a particular focus on Global Internet and BFSI, which together accounted for approximately 54% of our Net Revenues in 2020 and approximately 56% of Net Revenues in the first six months of 2021. We believe that our Global Internet clients value our comprehensive customer interaction services to improve the CX for their customers as well as our business process services such as our content services, trust & safety offering, which has become a rapidly growing and significant part of our global business. As a long-term partner for BFSI clients, we provide integrated front and back-office services, which are supported by our proprietary digital solutions to create seamless CX for our clients' customers, optimize our clients' operational costs and drive their revenue generation. Other industry verticals include utilities and telecommunications. In addition, in the automotive industry and consumer goods verticals, our digital consumer engagement offering enables our clients to navigate digital complexities through advanced direct-to-consumer (D2C) models, processes and campaigns. In addition, during the ongoing COVID-19 pandemic, we have supported public institutions in their fight against the pandemic, especially for COVID-19 hotlines and vaccination campaigns.

Building on the strong track record of our predecessor companies, we have established deep relationships with more than 400 clients across the globe and are a provider of choice for many industry leaders, including seven of the largest Internet companies globally (by revenues in 2020). With our top 20 clients in 2020 (by net revenues), we have an average client tenure of about 12 years. We provide our services and solutions through our agile delivery platform with a global scale spanning more than 120 locations across 31 countries on five continents where we provide services in 60 languages. Substantially all of our delivery locations are connected through a cloud-based infrastructure, enabling globally distributed and virtualized teams. We strategically select our delivery locations based on a number of factors, including access to diverse, skilled talent, market share of clients, benefit to clients, competitive density, convenience of location, and an ability to deliver our services over multiple time zones and in multiple languages. During the COVID-19 pandemic, we have enabled the majority of our more than 63,000 team members to work from home, while

continuing to meet our clients' quality and security expectations and providing even more flexibility to enable our customer needs. Leveraging our learnings from the COVID-19 pandemic, our global "Majorel Anywhere" platform serves to ensure consistency in cultural onboarding of new employees and allows our team members to work remotely while maintaining a consistent level of training, service quality and data security.

We believe that the following competitive strengths have been the primary drivers of our success in the past and will continue to set us apart from our competitors in the future:

- Large and structurally growing \$305 billion total addressable market with COVID-19 accelerating favorable digital megatrends;
- Next-generation CX category leader with truly global platform spanning from East to West;
- "Winning with the Winners": Partner of choice for global internet brands and vertical leaders;
- Comprehensive and innovative CX solutions enabled with best-in-class technology;
- Entrepreneurial and agile culture led by best-in-class management team with successful track record; and
- Attractive financial profile with strong growth, expanding margins and high cash conversion.

To achieve continued success, we pursue the following key strategic priorities:

- Increase our differentiated global footprint;
- Drive further growth with existing clients and win new clients;
- Leverage our strong expertise to innovate new solutions and drive improvements to digital tools, platforms and processes;
- Accelerate growth across regions, clients and services through strategic acquisitions; and
- Leverage our diverse corporate culture to further strengthen our market position.

Major Shareholders. As of the date of this Prospectus, Bertelsmann Luxembourg S.à r.l. directly holds 50,000,000 Shares, Saham Customer Relationship Investments S.à r.l. directly holds 25,000,000 Shares and Saham Outsourcing Luxembourg S.à r.l. directly holds 25,000,000 Shares (together the "**Selling Shareholders**"). Upon completion of the private placement (assuming full exercise of the over-allotment option) and the sale of existing shares to the members of the management board and selected other managers under the IPO Bonus with Equity Deferral (as defined below) at an assumed price at the mid-point of the price range of the offer price, Bertelsmann Luxembourg S.à r.l. will directly hold 38,077,465 Shares, Saham Customer Relationship Investments S.à r.l. will directly hold 19,788,732 Shares and Saham Outsourcing Luxembourg S.à r.l. will directly hold 18,288,733 Shares.

Management Board. The Company is managed by its management board, composed of Thomas Mackenbrock (Chief Executive Officer) and Otmane Serraj (Chief Financial and Shared Services Officer).

Upon the successful completion of the Private Placement, the members of the Management Board and six other managers will receive a one-time cash bonus in the aggregate amount of €120 million plus social security charges of approximately €8 million, a portion of which has to be re-invested in shares of the Company (the "**IPO Bonus with Equity Deferral**").

Independent Auditors. KPMG Luxembourg, Société coopérative ("**KPMG**") are the independent auditors (*réviseur d'entreprises agréé*) of the Company.

B.2 – What is the Key Financial Information Regarding the Issuer?

Unless indicated otherwise, all financial information presented in the tables below is shown in millions of Euro (in € million). Certain financial information, including percentages, has been rounded according to established commercial standards. As a result, rounded figures in the tables below may not add up to the aggregate amounts in such tables (sum totals or subtotals), which are calculated based on unrounded figures. Financial information presented in parentheses denotes the negative of such number presented. A dash ("–") signifies that the relevant figure is not available or zero, while a zero ("0.0") signifies that the relevant figure has been rounded to zero.

Selected Consolidated Financial Information of Majorel Group

Selected Data from the Consolidated Income Statement

	For the year ended December 31,		For the six months ended June 30,	
	2019	2020	2020	2021
	(audited)		(unaudited)	
	(in € million)		(in € million)	
Revenues	1,211	1,375	642	877
Other operating income	35	20	15	18
External expenses and cost of materials	(302)	(308)	(155)	(212)

	For the year ended December 31,		For the six months ended June 30,	
	2019	2020	2020	2021
	(audited) (in € million)		(unaudited) (in € million)	
Personnel costs	(828)	(894)	(432)	(529)
Amortization/depreciation, impairment and reversals on intangible assets, property, plant and equipment and right-of-use assets.....	(69)	(77)	(36)	(40)
Results from investments accounted for using the equity method.....	1	1	0	0
Results from disposals of investments.....	–	(1)	0	–
EBIT (earnings before interest and taxes)	48	116	34	114
Financial result	(10)	(9)	(4)	(2)
Earnings before tax	38	107	30	112
Income tax expense	(22)	(21)	(10)	(27)
Group profit or loss	16	86	20	85
<i>Earnings per share⁽¹⁾</i>	<i>38.94</i>	<i>212.98</i>	<i>48.54</i>	<i>210.03</i>

(1) Calculated on the basis of one share with a notional value of €1.00 in the Company's share capital based on 404,000 ordinary shares outstanding during 2019 and 2020.

Selected Data from the Consolidated Balance Sheet

	As of December 31,		As of June 30,	
	2019	2020	2021	
	(audited) (in € million)		(unaudited) (in € million)	
Total non-current assets.....	247	271	358	
Total current assets.....	479	568	669	
Total assets	726	839	1,027	
Majorel shareholders' equity	238	312	388	
Non-controlling interests	4	5	5	
Total equity	242	317	393	
Total non-current liabilities	145	134	214	
Total current liabilities.....	339	388	420	
Total liabilities	484	522	634	
Total equity and liabilities	726	839	1,027	

Selected Data from the Consolidated Cash Flow Statement

	For the year ended December 31,		For the six months ended June 30,	
	2019	2020	2020	2021
	(audited) (in € million)		(unaudited) (in € million)	
Cash flow from operating activities.....	50	223	139	123
Cash flow from investing activities	(100)	(45)	(17)	(90)
Cash flow from financing activities.....	(43)	(58)	10	(14)
Cash and cash equivalents at the end of the period.....	79	195	209	216

Key Financial and Operating Data

The following table provides an overview of certain key financial data relating to our performance for the dates and periods presented:

	As of and for the year ended December 31,		As of and for the six months ended June 30,	
	2019	2020	2020	2021
	(unaudited, unless otherwise specified) (in € million)		(unaudited) (in € million)	
Revenues ⁽¹⁾	1,211	1,375	642	877
Net revenues ⁽²⁾	1,172	1,340	626	842
% Growth.....	–	14.3%	–	34.5%
thereof Europe, Africa, South America.....	970	1,086	510	637

	As of and for the year ended December 31,		As of and for the six months ended June 30,	
	2019	2020	2020	2021
	(unaudited, unless otherwise specified) (in € million)		(unaudited) (in € million)	
thereof Global English, Middle East, Southeast Asia	203	253	116	163
thereof China, East Asia	–	–	–	42
Operating EBITDA ⁽¹⁾⁽³⁾	128	196	70	154
<i>% of Net Revenues</i>	10.9%	14.6%	11.2%	18.3%
EBIT (earnings before interest and taxes) ⁽¹⁾	48	116	34	114
<i>% of Net Revenues</i>	4.1%	8.7%	5.4%	13.5%
Group profit or loss ⁽¹⁾	16	86	20	85
<i>% of Net Revenues</i>	1.4%	6.4%	3.2%	10.1%
Capital expenditure ⁽⁴⁾	59	46	16	30
<i>% of Net Revenues</i>	5.0%	3.4%	2.6%	3.6%
Free cash flow ⁽⁵⁾	(7)	150	109	85
<i>% of Net Revenues</i>	(0.6)%	11.2%	17.4%	10.1%
<i>% of Operating EBITDA</i>	(5.5)%	76.5%	155.7%	55.2%
Net working capital ⁽⁶⁾	121	58	n/a	85
Economic debt ⁽⁷⁾	(127)	(5)	(27)	(29)

- (1) Audited for the years ended December 31, 2019 and 2020.
- (2) Net revenues for the group corresponds to revenues as reported in our consolidated income statement less (i) revenues from minor activities (primarily the Sonopress Business) outside the Majorel Group's core business which are reported in the column "consolidation / other" in the Company's segment reporting and (ii) certain direct, order-related external costs which are part of external expenses and costs of materials and consist mainly of cost of services purchased (subcontracted or outsourced services). The Sonopress Business is defined as certain non-core business activities historically carried out by Arvato de Mexico, S.A. de C.V., which is currently being wound down.
- (3) Operating EBITDA is defined as EBIT (earnings before interest and taxes) adjusted for amortization and depreciation, impairment and reversal on intangible assets, property, plant and equipment and right-of-use assets, adjusted for (i) impairment on goodwill and other intangible assets with indefinite useful life as well as gains from business combinations, (ii) carrying amounts on assets held for sale, (iii) impairment/reversals on other financial assets at amortized cost, (iv) impairment/reversals on investments accounted for using the equity method, (v) results from disposals of investments, (vi) fair value measurement of investments, and (vii) restructuring and other special items.
- (4) Capital expenditure is defined as investments in intangible assets and investments in property, plant and equipment.
- (5) Free cash flow is defined as Operating EBITDA less adjustments minus increase/plus decrease in net working capital less net cash out from pensions, payments from leases, investments (capex) and divestments of non-current tangible and intangible assets excluding net payments from acquisitions and disposals of financial assets. Free cash flow in 2019 was negatively impacted by one-off effects relating to the contribution of Bertelsmann's and Saham's CX businesses to create Majorel Group in 2019.
- (6) Net working capital is defined as inventories plus trade and other current accounts receivable, other current assets and prepaid expenses less trade and other current accounts payable, other current operating provisions and deferred income.
- (7) Economic debt is defined as financial debt less cash and cash equivalents plus provisions for pensions and similar obligations and lease liabilities.

Segment Data

	Europe, Africa, South America		Global English, Middle East, Southeast Asia		Total segments		Consolidation / Other		Total Group	
	For the year ended December 31,		For the year ended December 31,		For the year ended December 31,		For the year ended December 31,		For the year ended December 31,	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
	(audited, unless otherwise specified) (in € million)		(audited, unless otherwise specified) (in € million)		(audited, unless otherwise specified) (in € million)		(audited, unless otherwise specified) (in € million)		(audited, unless otherwise specified) (in € million)	
Revenues from external customers	1,001	1,132	202	239	1,203	1,371	8	4	1,211	1,375
Intersegment revenues	31	42	32	60	63	102	(63)	(102)	–	–
Segment revenues	1,032	1,174	234	299	1,266	1,473	(55)	(98)	1,211	1,375
Operating EBITDA	101	153	26	44	127	197	1	(1)	128	196
<i>as % of segment revenue</i>	9.8	13.0	11.1	14.7	10.0	13.4	–	–	10.6	14.3

	Europe, Africa, South America		Global English, Middle East, Southeast Asia		China, East Asia		Total segments		Consolidation / Other		Total Group	
	For the six months ended June 30,		For the six months ended June 30,		For the six months ended June 30,		For the six months ended June 30,		For the six months ended June 30,		For the six months ended June 30,	
	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
	(unaudited) (in € million)		(unaudited) (in € million)		(unaudited) (in € million)		(unaudited) (in € million)		(unaudited) (in € million)		(unaudited) (in € million)	
Revenues from external customers.....	523	700	117	128	–	48	640	876	2	1	642	877
Intersegment revenues	21	21	21	58	–	–	42	79	(42)	(79)	–	–
Segment revenues	544	721	138	186	–	48	682	955	(40)	(78)	642	877
Operating EBITDA	55	116	15	32	–	7	70	155	–	(1)	70	154
<i>as % of segment revenues</i>	<i>10.1</i>	<i>16.1</i>	<i>10.9</i>	<i>17.2</i>	<i>–</i>	<i>14.6</i>	<i>10.3</i>	<i>16.2</i>	<i>–</i>	<i>–</i>	<i>10.9</i>	<i>17.6</i>

B.3 – What are the Key Risks that are Specific to the Issuer?

- Our business is dependent on key clients, and the loss of one or more of these key clients could adversely affect our business.
- Our business has significant dependence on a few industry verticals and any decrease in demand for our services and solutions in these industries could reduce our revenue and seriously harm our business.
- Our client contracts do not contain any volume commitments and contain provisions, including termination for convenience, that could cause fluctuations in our revenue and have an adverse effect on our operations and financial results.
- We may fail to cost-effectively acquire new, high-growth clients, which would adversely affect our business, financial condition and results of operations.
- If we fail to maintain a consistently high level of service experience or cause disruptions in our clients' businesses, this could result in significant costs, the loss of our clients and harm to our reputation.
- Our success is dependent upon attracting, recruiting, training and retaining a sufficient number of qualified team members to support our operations.
- Our business may not develop in ways that we currently anticipate and demand for our services may be reduced due to negative reactions to offshore / nearshore outsourcing or automation from the public.
- We provide content services, trust & safety solutions to our clients. The long-term impacts on the mental health and well-being of our team members performing this work are unknown. This work is also subject to negative media coverage and regulatory scrutiny. As a result, we may be subject to negative publicity or liability, or face difficulties retaining and recruiting team members.
- Our results of operations and ability to grow could be materially affected if we cannot adapt our services and solutions to changes in technology and client expectations.
- We face intense competition from existing and emerging competitors and we may not be able to compete successfully.
- We are subject to economic and political instability and other risks of doing business in emerging markets.
- We may face difficulties as we expand our operations into countries in which we have no prior operating experience and in which we may be subject to increased business and economic risks that could impact our results of operations.
- We and our clients are subject to laws and regulations globally. Compliance with these laws requires significant resources and non-compliance may result in civil or criminal penalties and other remedial measures.

C. – Key Information on the Securities

C.1 – What are the Main Features of the Securities?

Type, Class and ISIN. The Shares are shares in registered form in the capital of the Company, with an accounting par value of one Eurocent (€0.01) each. As of the date of this Prospectus, all of the Shares have been fully paid up. The Shares are denominated in and will trade in Euro on Euronext Amsterdam. The Shares' ISIN is LU2382956378.

Rights Attached to the Shares, Relative Seniority and Transferability. All Shares carry full dividend rights from January 1, 2021. Each share carries one vote at the Company's general meetings. The shares are subordinated to all other securities and claims in case of an insolvency of the Company. There are no restrictions on the free transferability of the Shares.

Dividend Policy. The Company intends to pay an annual dividend in the ordinary course of business of 30% to 50% of its group profit for the prior financial year calculated in accordance with IFRS. The Company aims to have a sustainable dividend policy that focuses on dividend continuity. However, the Company can provide no assurance that it will pay dividends in 2022 or in future years. The Company's ability to pay dividends will depend on its financial position, its results of operations, capital requirements, contractual restrictions, investment alternatives and other factors that the Company's management board and supervisory board may deem relevant, including the Company's leverage ratio. Any proposals by the management board and supervisory board regarding dividend payments will be subject to the approval of the general meeting of shareholders.

C.2 – Where will the Securities be Traded?

Application has been made to list and admit the Shares (the “**Admission**”) to trading on Euronext Amsterdam under the symbol “MAJ”. Prior to the Admission, there has been no public market for the Shares.

C.3 – What are the Key Risks that are Specific to the Securities?

- Following the closing of the private placement, the Selling Shareholders will retain a significant interest in us and the interests of the Selling Shareholders may conflict with our interests or those of our other shareholders.
- We are subject to a number of risks in connection with our operation on a stand-alone business and the transitional services agreement entered into with Bertelsmann SE & Co. KGaA.

D. – Key Information on the Offer of Securities to the Public and/or the Admission to Trading on a Regulated Market

D.1 – Under which Conditions and Timetable can I invest in this Security?

No offer of the Shares to the public is being undertaken. Prior to the first trading day of the Shares, the Selling Shareholders will have offered and sold the placement shares in the private placement.

Listing and Closing. Listing approval is expected to be granted on September 23, 2021, and trading in the Shares is expected to commence, on an “as-if-and-when-issued/delivered” basis, on or about September 24, 2021.

Listing and Paying Agent. ABN AMRO.

Private Placement. On September 16, 2021, in anticipation of the expected admission to trading of the Shares on the regulated market of Euronext Amsterdam, the Company, together with BNP PARIBAS, 16 boulevard des Italiens, 75009 Paris, France, LEI R0MUWSFPU8MPRO8K5P83, Citigroup Global Markets Limited, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom, LEI XKZZ2JZF41MRHTR1V493 and J.P. Morgan AG, Taunustor 1 (TaunusTurm), 60310 Frankfurt am Main, Germany, LEI 549300ZK53CNGEEI6A29 (acting as joint global coordinators), together with the other bookrunners BofA Securities Europe SA, 51 rue La Boétie 75008 Paris, France, LEI 549300FH0WJAPEHTIQ77, Goldman Sachs Bank Europe SE, Marienturm, Taunusanlage 9-10, 60329 Frankfurt am Main, Germany, LEI 8IBZUGJ7JPLH368JE346 and UBS AG, London Branch, 5 Broadgate, London EC2M 2QS, United Kingdom, LEI BFM8T61CT2L1QCEMIK50, initiated a private placement of 23,000,000 placement shares (assuming full exercise of the over-allotment option) from the holdings of the Selling Shareholders.

Offer Price and Price Range. The offer price per placement share is expected to be in the range of €32.00 and €39.00 (inclusive). The price range is an indicative price range.

Estimated Expenses. The expenses related to the private placement and the Admission consist of the fees for the underwriters, the fees due to the CSSF and Euronext Amsterdam, as well as legal and administrative expenses, financial advisor fees, publication costs and applicable taxes, if any. The Company estimates that at the mid-point of the price range the total expenses related to the private placement and the Admission (assuming full exercise of the over-allotment option and payment of the discretionary fee in full) will amount to approximately €38.2 million.

D.2 – Who is the Offeror and the Person asking for Admission to Trading?

Admission to Trading. The Company, together with ABN AMRO, applied for the admission to trading.

D.3 – Why is this Prospectus being Produced?

Reasons for the Admission to Trading. The Company applied for the admission to trading to become a publicly listed company and achieve better access to the capital markets. The Company believes that being a public company will lead to increased visibility and transparency to its clients, enhance its visibility compared to competitors, help attract top talent in the market and lead to a better position in a consolidating market.

Use and Estimated Net Amount of the Proceeds. The Company will not receive any proceeds from the Admission and the private placement, the net proceeds of which will be received by the Selling Shareholders.

Conflicts of Interest. There are no conflicting interests with respect to the Admission.

1. RISK FACTORS

This prospectus (the “Prospectus”) relates to the initial listing of shares in Majorel Group Luxembourg S.A. (the “Company” and, together with its consolidated subsidiaries, “Majorel”, “Majorel Group”, “we”, “us” or “our”) with an accounting par value of one Eurocent (€0.01) on Euronext in Amsterdam (the “Shares”), a regulated market operated by Euronext Amsterdam N.V. (“Euronext Amsterdam”). An investment in the shares of the Company is subject to risks. According to Article 16 of Regulation (EU) 2017/1129 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, as amended, the risk factors featured in a prospectus must be limited to risks which are specific to the issuer and/or to the securities and which are material for taking an informed investment decision. Therefore, the following risks are only those risks that are specific to Majorel Group and to the Company’s shares and based on our current assessment material for making an informed investment decision. The market price of the Company’s shares could decline if any of these risks were to materialize, in which case investors could lose some or all of their investment.

The following risk factors are categorized into subcategories based on their respective nature. Within each such subcategory, the order of risk factors is based on our current assessment with respect to the probability of occurrence and expected magnitude of the adverse impact of such risk factors, with at least the two most material risk factors (i.e., those we believe are most likely to have a material adverse impact) mentioned at the beginning of each subcategory. Irrespective of the order of risk factors, however, any of the risks described below could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects as well as the price of the Company’s shares.

1.1 Risks Related to Our Business and Our Strategy

1.1.1 *Our business is dependent on key clients, and the loss of one or more of these key clients could adversely affect our business.*

We are a leading global customer experience (“CX”) services provider that designs, builds and delivers next-generation end-to-end CX services and solutions for some of the world’s most respected brands. We offer our clients a differentiated portfolio of integrated services and solutions specifically designed to address the different needs of our clients across various industry verticals. We derive a substantial portion of our revenue from a number of key clients who generally retain us across multiple service offerings. For the year ended December 31, 2020, our top ten clients accounted for 53% of our Net Revenues, with our top client accounting for 8% of our Net Revenues.

Our ability to maintain close relationships with these and other key clients is essential to the growth and profitability of our business. We, therefore, focus our ongoing sales and marketing activities on adding and generating new opportunities with and new value for our existing clients. However, the volume of work performed for a specific client is likely to vary from year to year, especially since our clients may decide to provide the services in-house, we generally are not our clients’ exclusive service provider and we do not have long-term commitments from any clients to purchase our services. A key client in one year may not provide the same level of revenue for us in any subsequent year. The services we provide to our clients, and the revenue and net income from those services, may decline or vary as the type and quantity of services we provide may change over time. Furthermore, our reliance on any individual client for a significant portion of our revenue may give that client a certain degree of pricing leverage against us when negotiating contracts and terms of service and solutions. See “1.1.3 *Our client contracts do not contain any volume commitments and contain provisions, including termination for convenience, that could cause fluctuations in our revenue and have an adverse effect on our operations and financial results.*”

In addition, a number of factors other than our performance could cause the loss of or reduction in business or revenue from a key client, and these factors are not predictable. For example, a key client may decide to reduce spending on services from us due to a challenging economic environment or other factors, both internal and external, relating to its business. These factors, among others, may include corporate restructuring, pricing pressure, changes to an outsourcing strategy, switching to another service provider or bringing work in-house.

The loss of all or a portion of our business with, or the failure to retain a significant amount of business with, any of our key clients could have a material adverse effect on our business, financial condition and results of operations.

1.1.2 Our business has significant dependence on a few industry verticals and any decrease in demand for our services and solutions in these industries could reduce our revenue and seriously harm our business.

We have a diverse base of clients across various industry verticals, including Internet and high-tech (“Global Internet”), banking, financial services and insurance (“BFSI”), utilities, telecommunication, automotive, consumer goods, public and government, media and entertainment, leisure, retail, healthcare and pharma, and services and logistics. We derive a significant portion of our revenues from clients in the Global Internet and BFSI industries, which accounted for 38% and 16% of our Net Revenues in 2020 and for 42% and 14% in the six months ended June 30, 2021, respectively. While Global Internet and BFSI may not be as sensitive to changing economic conditions as other verticals (such as consumer goods, media and entertainment, leisure and retail), all of our industry verticals are generally subject to the global economic environment. For example, the leisure and retail industries have been particularly impacted by the COVID-19 pandemic. The success of our business largely depends on continued demand for our services from clients across all industry verticals and other industries that we may target in the future, as well as on trends to outsource CX solutions rather than providing such services in-house. A downturn in any of our industry verticals, a slowdown or reversal of the trend to outsource CX solutions in any of these industries or the introduction of regulations that restrict or discourage companies from outsourcing could result in a decrease in the demand for our services, which in turn could materially harm our business, results of operations, financial condition and cash flows.

Other developments may also lead to a decline in the demand for our services in these industry verticals. For example, some of the industry verticals we primarily serve have experienced a significant level of consolidation in recent years. Consolidation in any of these industries or acquisitions, particularly involving our clients, may decrease the potential number of buyers of our services. Furthermore, many of our existing and potentially new clients have begun or plan to consolidate or reduce the number of service providers that they use for various services in various geographies. To the extent that we are not successful in becoming the recipient of the consolidation of services by these clients our business and revenues will suffer. Any significant reduction in, or the elimination of, the use of the services we provide within any of these industries would reduce our revenue and cause our profitability to decline. Additionally, our clients may experience rapid changes in their prospects, substantial price competition and pressure on their results of operations. This may result in increasing pressure on us from clients in these industries to lower our prices, which could negatively affect our business, results of operations, financial condition and cash flows.

1.1.3 Our client contracts do not contain any volume commitments and contain provisions, including termination for convenience, that could cause fluctuations in our revenue and have an adverse effect on our operations and financial results.

Our ability to maintain continuing relationships with our clients and successfully obtain payment for our services and solutions is essential to the growth and profitability of our business. We typically enter into master service agreements with our clients, which usually have a term of three to five years. Under such master service agreements, we typically enter into one or more so-called statements of work that contain the specific services to be provided to our client and typically have a duration of two to three years. Most of these statements of work may, however, be terminated by our clients for convenience with typically 60 to 180 days prior notice and without payment of a penalty or termination fee.

Under our contracts, our clients are generally not contractually committed to providing us with specific volumes. The volume of work performed for any specific client is likely to vary from year to year, as we are typically not our clients’ exclusive service provider and we generally do not have long-term commitments from clients to purchase our services and solutions. Our clients may also delay, postpone, change, cancel or remove certain of the services we provide without terminating the whole contract, which could adversely impact our revenue. We may not be able to replace any client that elects to terminate or not renew its contract with us, which would reduce our revenues. The loss of any client or a significant decrease in the volume of work they outsource to us or the price they are willing or able to pay us, if not replaced by new service engagements and revenue, could materially adversely affect our revenues and results of operations. For example, certain of our clients in our leisure industry vertical have experienced significant pressure on their businesses as a result of the COVID-19 pandemic and some of them have even initiated insolvency proceedings, which has affected the revenue we receive from these engagements.

The specific volume to be handled by us per month is determined on a rolling basis. For example, the specific volume of calls, services or other consumer requests to be handled by us is typically calculated in the mid

of every month for the following month. Depending on the current situation of our client, the specific volumes may decrease or increase. In the case of an increase, some of our contracts contain a cap on potential month-to-month increases of assigned volumes (e.g., a maximum of a 10% increase), which allows us to better plan and allocate our resources. However, most of our contracts do not contain such caps. Thus, if we experience a strong month-to-month increase, we may not be able to address such unexpected increase in assigned volumes if we do not have sufficient team members to perform the additional work (e.g., due to sickness of team members) or cannot hire sufficient additional, adequately qualified team members on short notice. If we fall below these thresholds or cannot fulfill the committed volumes repeatedly, our reputation may be harmed, our clients may reduce their service volumes under our contracts or may terminate our contractual relationship entirely.

Furthermore, most of our service agreements restrict our ability to perform similar services, on the same floor, on the same site or restrict us from assigning the same team members to provide similar services to different clients. A limited number of our contracts contain provisions that do not allow us to provide our services to competitors of a client. We may in the future enter into additional agreements with clients that restrict our ability to accept assignments from, or render similar services to, those clients' competitors, that require us to obtain our clients' prior written consent to provide services to their customers or that restrict our ability to compete with our clients, or bid for or accept any assignment for which those clients are bidding or negotiating.

1.1.4 We may fail to cost-effectively acquire new, high-growth clients, which would adversely affect our business, financial condition and results of operations.

Our continued growth depends on our ability to cost-effectively acquire new clients, particularly high-growth companies where there is a significant opportunity to expand our relationship in subsequent periods. Our ability to acquire new clients, in turn, depends on our ability to attract, train, retain and motivate sales and marketing personnel; our ability to remain competitive in our industry; our ability to anticipate and address the technological and geographic needs of our clients; and our ability to foster awareness of our services and our brand, among other factors. In addition, our ability to attract new clients in new industry verticals, new geographies and with respect to new services or solutions will depend on our ability to effectively train our sales and marketing personnel and develop effective strategies to communicate the value of our services to decision-makers at prospective clients in those industries and geographies. There is no assurance that we will continue to identify or attract new clients, including high-growth consumer technology companies.

Even when we do attract new clients, such new client wins may not result in significant revenue. Some clients start their relationship with us with a relatively small engagement, and there can be no assurance that we will be able to expand the scope of our business relationship or that the client will not terminate it. In addition, a significant portion of the revenue we recognize in each period is derived from agreements entered into in prior periods. Consequently, a decline in sales to new clients or a decline in renewals or up-sells with existing clients in any one period may not be immediately reflected in our results of operations for such period but could be reflected in future periods.

1.1.5 We may be unable to accurately forecast our pricing models or optimize the mix of products and services we provide to meet changing client demands, or we may be unable to adapt to changing pricing and procurement demands of our clients.

Our contracts generally use a pricing model that provides for per-productive-hour, per-productive-minute or per-transaction billing models. For example, in the case of a per-productive-minute pricing model, we typically agree on an average call handling time ("AHT") for answering a single customer inquiry by telephone with our client. In a large number of our contracts, the AHT serves as a price cap for our services. Thus, if we do not have all the necessary information to calculate our AHT beforehand or have miscalculated the AHT, we may misjudge the time it takes to handle the inquiry and, hence, due to the price cap, we will not be entirely paid for the tasks performed. Additionally, in the normal course of our business, AHT is mutually agreed upon between us and our client and is subject to negotiation. Furthermore, industry pricing models are evolving, and companies are increasingly requesting transaction- or outcome-based pricing or other alternative pricing models, which require us to accurately forecast the cost of performance of the contract against the compensation we expect to receive. In such case, we would only receive compensation for our services performed if we completed the customer inquiry, i.e., the matter is "closed."

Our forecasts are based on a number of assumptions relating to existing and potential contracts with existing and potential clients, including assumptions related to the team members, other resources and time required to perform the services and our clients' ultimate use of the contracted service. If we make inaccurate

assumptions in pricing our contracts, our profitability may be negatively affected. In addition, if the number of our clients that request alternative pricing models continues to increase in line with industry trends, we may be unable to maintain our historical levels of profitability under these evolving alternative pricing models and our financial performance may be adversely affected, or we may not be able to offer pricing that is attractive relative to our competitors.

In addition, the revenue and income generated from the services we provide to our clients may decline or vary due to the volatility in volumes among business lines, *i.e.*, the type and volume of services we provide under our contracts change over time, including as a result of a shift in the mix of products and services provided. For example, our lower-complexity interactions, such as voice-based interaction services, generally represent services with lower margins compared to our more complex, sensitive and localized content services, trust & safety solutions and digital services, and a shift in the mix of these two types of services by a client could cause a meaningful change in our revenue from that client and the profitability of the services we provide. Furthermore, our clients, some of which have experienced significant and adverse changes in their business, substantial price competition and pressures on their profitability, have in the past and may in the future demand price reductions, decrease the volume of work or complexity of the services we are providing to them, automate some or all of their processes or change their customer experience strategy by moving more work in-house or to other service providers, any of which could reduce our profitability.

Any inability to accurately forecast the pricing that we use for our contracts, or any significant reduction in or the elimination of the use of the services we provide to any of our clients or any requirement to lower our prices that, in each case, we fail to anticipate, would harm our business, financial performance, financial condition and cash flows.

1.1.6 If we fail to maintain a consistently high level of service experience or cause disruptions in our clients' businesses, this could result in significant costs, the loss of our clients and harm to our reputation.

Our clients' loyalty and the likelihood that our clients recommend us to others is dependent on our ability to provide a service experience that meets or exceeds our clients' expectations and that is differentiated from our competitors. Any failure to meet a client's expectations in the performance of our contracts could disrupt such client's business and result in harm to our reputation, a reduction in revenues or a claim for substantial damages against us, regardless of whether we are responsible for that failure.

Most of our contracts limit our liability for damages that arise from negligent acts, errors, mistakes or omissions in rendering services to our clients. However, there is no assurance that these contractual provisions will protect us from liability for damages in the event we are sued. In some circumstances, we have agreed to high liability limitations or unlimited liability for some claims, such as intellectual property infringement, gross negligence, or a data security breach. Certain liabilities, such as claims of third parties for intellectual property infringement and breaches of data protection and security requirements, for which we may be required to indemnify our clients, could be substantial. The successful assertion of one or more large claims against us in amounts greater than those covered by our current insurance policies could materially adversely affect our business, financial condition and results of operations. Even if such assertions against us are unsuccessful, we may incur reputational harm and substantial legal fees. In addition, a failure or inability to meet a contractual requirement could seriously damage our reputation and limit our ability to attract new business.

We guarantee our clients that we will maintain certain service levels. Such service level agreements may be reviewed and, if necessary, amended during the term of the contract, typically by mutual agreement between our clients and us. However, in those instances where our clients are entitled to unilaterally increase the service levels (*e.g.*, we have to handle and complete more calls within a specific time frame), we may not be able to address such unexpected increase in assigned volumes if we do not have sufficient team members to perform the additional work (*e.g.*, due to sickness of team members) or cannot sign sufficient additional, adequately qualified team members on short notice (see "*1.1.3 Our client contracts do not contain any volume commitments and contain provisions, including termination for convenience, that could cause fluctuations in our revenue and have an adverse effect on our operations and financial results.*"). If we fall below these thresholds or cannot fulfill the committed volumes repeatedly, our reputation may be harmed, our clients may reduce their service volumes under our contracts or may terminate our contractual relationship entirely.

Furthermore, we are generally not subject to monetary penalties for failing to complete projects by the scheduled date but may suffer the loss of future business and reputational harm if we do not meet our contractual

commitments. In addition, if a project experiences a performance problem, we may not be able to recover the additional costs we will incur, which could exceed revenue realized from a project. Under our managed service contracts, we may be required to pay liquidated damages if we are unable to maintain agreed-upon service levels.

In addition, our contracts require us to comply or facilitate our clients' compliance, with numerous and complex legal regimes on matters such as anti-corruption, internal and disclosure control obligations, data privacy and protection, our clients' policies on content services, trust & safety, wage-and-hour standards, and employment and labor relations. Almost all of our client contracts contain service level and performance requirements, including requirements relating to the quality of our services and solutions. Failure to meet service requirements or real or perceived errors made by our team members in the course of delivering our solutions could result in a reduction of revenue, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

1.1.7 Our business depends on a strong brand and reputation, and if we are not able to maintain and enhance our brand, our ability to expand our client base will be impaired.

Our corporate reputation is a significant factor in our existing and prospective clients' determination of whether to engage us. We believe the Majorel brand name and our reputation are important corporate assets that help distinguish our services from those of our competitors and also contribute to our efforts to recruit and retain talented team members. However, our corporate reputation is susceptible to damage by actions or statements made by current or former team members or clients, competitors, vendors, adversaries in legal proceedings and government regulators, as well as members of the investment community and the media. For example, negative reviews posted by current or former team members or clients on websites or social media (e.g., Glassdoor, LinkedIn) may harm our reputation and, thus, may adversely affect our competitive position. Our reputation could also be harmed by our association with certain clients with high visibility in the public. In addition, any negative publicity about one or more of our (direct or indirect) shareholders, even if unrelated to us and our business, could have a detrimental effect on our reputation. There is a risk that negative information about our company, even if based on false rumors or misunderstandings, could adversely affect our business. Damage to our reputation could be difficult and time-consuming to repair, could make potential or existing clients reluctant to select us for new engagements, resulting in a loss of business, and could adversely affect our recruitment and retention efforts. Damage to our reputation could also reduce the value and effectiveness of our Majorel brand name and investor confidence in us and result in a decline in the price of our shares.

1.1.8 If we cannot maintain our culture as we grow, our services, financial performance and business may be harmed.

We believe that our unique culture has led to our ability to attract and retain a highly-skilled, engaged and motivated workforce. This has driven our strong client retention and the high satisfaction scores we receive from our clients' customers, which has, in part, been responsible for our growth and differentiation in the marketplace. It may become more difficult for us to maintain a culture that supports our success if we continue to evolve our products and services, grow into new geographies, open new delivery locations, increase the number of team members and acquire new companies. If our unique culture is not maintained, our ability to attract and retain highly-skilled team members and clients across our core verticals may be adversely impacted, and our operational and financial results may be negatively affected.

1.1.9 Our success is dependent upon attracting, recruiting, training and retaining a sufficient number of qualified team members to support our operations.

Our business relies on large numbers of trained and skilled team members at our sites, and our continued growth depends to a significant extent on our ability to recruit, train and retain team members with technical skills and/or language capabilities at competitive cost levels. Our industry is characterized by high employee attrition rates and we face significant competition in recruiting and retaining motivated, talented and skilled leaders and team members with domain experience. The increased competition for these professionals increases our costs to recruit and retain team members and presents challenges for us in finding team members for our client programs, particularly in those countries where there is only a limited pool of potential professionals. If we are unable to recruit, train and retain qualified team members, in particular IT specialists, key sales and key account management executives, this may reduce our ability to maintain existing client relationships, gain new business, and protect and maintain our culture as we grow.

In addition, the failure to provide competitive salaries and an attractive work environment for our team members could decrease our competitiveness as an employer and adversely impact our ability to attract, recruit, train and retain a skilled workforce. To attract and retain highly skilled team members, we have had to offer, and believe we will need to continue to offer, differentiated compensation packages, specific to the geography and skill sets of the team members we are seeking to attract and hire. We have also had to invest in providing specialized services and amenities to our team members that impact the profitability of our business. We may need to make significant investments to attract and retain new team members and we may not realize sufficient returns on these investments. We constantly strive to improve the working environment for our employees. If we fail to offer an attractive work environment or are accused by employees or publicly of providing bad working conditions in certain countries or during certain periods of time, this may significantly harm our reputation and could decrease our competitiveness as an employer. At the same time, changing employee expectation with respect to an increase in hybrid or fully remote working models may not coincide with our client requirements, which in turn could lead to labor shortages and higher employee attrition. Any unplanned increase in the attrition rate among our team members, particularly among our higher-skilled workforce, would increase our recruiting and training costs and decrease our operating efficiency, productivity and profit margins.

Our 16 multi-lingual hubs bring together team members from many different nations in one location to serve clients that are in need of multi-lingual support from one location. Continued restrictions in workforce mobility from one country to another, in particular due to COVID-19 related travel limitations, could impact our recruitment capability for multi-lingual hubs resulting in an inability to meet client demands, which could negatively affect our ability to maintain existing client relationships as well as opportunities to gain new business.

If we are not able to effectively recruit, train and retain team members, we may see a decline in our ability to meet our clients' demands, which may impact the demand for our services and we may not be able to innovate or execute quickly on our strategy, and our ability to achieve our strategic objectives will be adversely impacted and our business will be harmed.

1.1.10 The success of our business depends on our key employees and the loss of one or more key employees could have a material adverse effect on our business.

Our success substantially depends on the continued services and performance of key employees possessing technical and business capabilities, including industry expertise, which is difficult to replace. In each of the industry verticals we serve, there is competition for key personnel with subject matter expertise. We may not be able to retain our key personnel or recruit skilled personnel with appropriate qualifications and experience.

If any of our key employees join a competitor, we may lose clients, suppliers, know-how and subject matter experts and staff members to them. Also, if any of our key sales or key account management executives, who generally maintain close relationships with our clients, join a competitor, we may lose clients to that company, and our revenue may be materially adversely affected. Additionally, there could be unauthorized disclosure or use of our know-how, business practices or procedures by such personnel. If one or more of our key employees are unable or unwilling to continue in their present positions, it could disrupt our business operations, and we may not be able to replace them, on a timely basis or at all. In addition, we may need to make significant investments to keep such key employees from joining a competitor, which may result in significantly higher costs. This also could have a negative influence on the overall compensation and benefits structure due to necessary adjustments of our remuneration structure.

The loss of any key team member, particularly to competitors, could have a material adverse effect on our business, financial condition, results of operations and prospects.

1.1.11 Increases in personnel expenses as well as changes to labor laws could reduce our profit margin.

We may not be successful in our attempt to control costs associated with salaries and benefits as we continue to add capacity in locations where we consider wage levels of skilled personnel to be satisfactory. For the year ended December 31, 2020, and for the six-month period ended June 30, 2021, personnel costs (including social security contributions, expenses for pensions and similar obligations as well as other employee benefits) accounted for €894 million and €529 million, respectively. Employee benefits expenses in each of the countries in which we operate are a function of the country's economic growth, level of employment and overall competition for qualified team members in the country. In addition, wage inflation, whether driven by competition for talent or ordinary course pay increases, may increase our cost of providing services and reduce our profitability if we are not able to pass those costs on to our clients or charge premium prices when justified by market demand. We

may also need to adjust salaries to keep a positive labor market reputation and to be considered as an attractive and reliable employer with comfortable salaries in relation to the work offered to our team members. We may need to increase employee compensation more than in previous periods to keep a positive reputation in the market and to remain competitive in attracting the quantity and quality of team members that our business requires, which may reduce our profit margins and have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

Wage costs in certain of the countries in which we operate (e.g., Morocco, Philippines) have historically been significantly lower than wage costs in more developed countries such as in Europe and the United States for comparably skilled professionals, which has been one of our competitive advantages. As economic growth increases in the countries where we benefit from lower wage costs, concurrent with increased demand by us and our competitors for skilled team members, wages for comparably skilled employees are increasing at a faster rate than in Europe and the United States, which may, over time, reduce this competitive advantage. In connection with potential future growth, we may need to increase the levels of team member compensation more rapidly than in the past to remain competitive in attracting and retaining the quality and number of team members that our business requires. To the extent that we are not able to control or share wage increases with our clients, wage increases may reduce our margins and cash flows. We may not be successful in our attempts to control such costs.

In addition, wage increases or other expenses related to the termination of our team members may reduce our profit margins and have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects. Personnel costs may also increase as we expand our operations and footprint, including by strategic acquisitions, which may result in an increase of our headcount and therefore could have a negative effect on our profit margin.

Furthermore, many of the countries in which we operate have labor protection laws, which may include statutorily mandated minimum annual wage increases, legislation that imposes financial obligations on employers and laws governing the employment and termination of workers. These labor laws in one or more of the key jurisdictions in which we operate may be modified in the future in a way that is detrimental to our business. For example, a number of countries in continental Europe have recently increased the minimum wage for employees with other such laws proposed, and there have been various proposals discussed to further increase the minimum wage in European countries and other regions in which we operate. If these labor laws become more stringent, or if there are increases in statutory minimum wages or higher labor costs in these jurisdictions, it may become more difficult for us to discharge team members, or cost-effectively downsize our operations as our level of activity fluctuates, both of which would likely reduce our profit margins and have a material adverse effect on our business, financial condition, results of operations and prospects.

Additionally, as we expand to other markets, some of those markets may have employment laws that provide greater job security, bargaining or other rights to employees than other countries in which we operate. Such employment rights require us to work collaboratively with the legal representatives of the employees to effect any changes to labor arrangements. For example, in Europe, employees may be represented by works councils that have co-determination rights on any changes in conditions of employment, including certain salaries and benefits and staff changes, and may impede efforts to restructure our workforce. A strike, work stoppage or slowdown by our team members or significant dispute with our team members, whether or not related to these negotiations, could result in a significant disruption of our operations or higher ongoing labor costs. In addition, our employees may in the future elect to form unions and seek to bargain collectively. If team members at any of our sites become unionized, we may be required to raise wage levels or grant other benefits that could result in an increase in our compensation expenses, in which case our profitability may be adversely affected.

Our clients often determine where the local site that serves their customers shall be located. There is no assurance that we will be able to find and secure locations suitable for operations in jurisdictions that meet our cost-effectiveness and security standards. Our inability to expand our operations to such locations, however, may impact our ability to secure new and additional business from clients, and could adversely affect our growth and results of operations.

1.1.12 In some of the countries in which we operate, the inelasticity of our labor costs relative to short-term movements in client demand could have a significant impact on our financial performance.

Our business depends on maintaining large numbers of team members to serve our clients' business needs. We seek not to terminate team members on short notice in response to temporary declines in demand in excess of agreed levels, as rehiring and retraining team members at a later date would force us to incur additional

expenses, and any termination of our team members would also involve significant additional costs in the form of severance payments to comply with applicable labor regulations since a significant portion of our team members are based in European countries. All of which would have an adverse impact on our operating profit margins. Additionally, the hiring and training of our team members in response to increased demand takes time and results in additional short-term expenses. Retaining team members for potentially new or other businesses in case of a reduction or termination of services may result in significant costs and higher training expenses to guarantee the transition to new roles. These factors limit our ability to adjust our labor costs for unexpected changes in client demand, which could have a material adverse effect on our financial condition.

1.1.13 Our business may not develop in ways that we currently anticipate and demand for our services may be reduced due to negative reactions to offshore / nearshore outsourcing or automation from the public.

We developed our strategy for future growth based on certain assumptions regarding our industry, future demand in the market for our services and how we would provide these services, including the assumption that a significant portion of the services will continue to be delivered through offshore / nearshore locations. We cannot, however, assure that the current trend of outsourcing key business processes to third parties with a presence in offshore / nearshore locations will continue in its current form; the trend may slow down or even reverse, in case our clients start developing or expand their insourcing activities and provide comparable services in-house caused by political pressure or for other reasons. Furthermore, we cannot accurately predict the impact that the COVID-19 pandemic might have on our clients' demands as some of our clients might decide to refrain from offshore / nearshore, outsourcing due to the pressures they face from increased domestic unemployment resulting from the COVID-19 pandemic.

The issue of domestic companies outsourcing services to organizations operating in other countries is a topic of political discussion in Europe, the United States, countries in the Asia-Pacific region and other regions where we have clients. Many organizations and public figures have publicly expressed concerns about a perceived association between offshore IT service providers and the loss of jobs in their home countries. Governments and industry organizations may also adopt new laws, regulations or requirements, or make changes to existing laws or regulations, that could impact the demand for, or value of, our services and solutions. If we are unable to adapt the services and solutions we deliver to our clients to changing legal and regulatory standards or other requirements in a timely manner, or if our solutions fail to allow our clients to comply with applicable laws and regulations, our clients may lose confidence in our services and could switch to services offered by our competitors, or threaten or bring legal actions against us. In addition, changes in laws and regulations concerning the transfer of personal information to other jurisdictions could limit our ability to engage in work that requires us to transfer data from one jurisdiction to another. Potential changes in tax laws may also increase the overall costs of business services or affect the balance of offshore and onshore business services.

We may also face negative public reactions to increased automation or reduction in employment positions through the use of artificial intelligence or the other technologies we use to provide our services, which could reduce the demand for many of our digital CX solutions. Increased negative public perception by public and private companies and related legislative efforts in economies around the world could have an adverse impact on the demand for our services.

1.1.14 We provide content services, trust & safety solutions to our clients. The long-term impacts on the mental health and well-being of our team members performing this work are unknown. This work is also subject to negative media coverage and regulatory scrutiny. As a result, we may be subject to negative publicity or liability, or face difficulties retaining and recruiting team members.

Some of our clients maintain platforms and websites that permit users to post content that is made generally available on these platforms and websites. These posts sometimes contain content that is defamatory, pornographic, hateful, violent, racist, scandalous, obscene, offensive, objectionable, or illegal, or that otherwise violates the policies of our clients ("**Prohibited Themes**"). As part of our content services, trust & safety, a specialized team is tasked with reviewing such Prohibited Themes in accordance with guidelines provided by our clients. While we believe that our content services, trust & safety solutions are a vital part of maintaining an open and safe Internet for everyone, team members exposed to Prohibited Themes on a regular basis are more likely to develop mental health issues, such as stress disorders, or experience other negative health impacts, and are more likely to resign from their employment. In addition, employers of employees that perform such content services, trust & safety, including us, have been subject to significant negative media coverage and other public relations challenges, as well as legal actions, including class-action lawsuits, by or on behalf of such employees claiming

significant damages for mental health issues allegedly developed while on the job. For example, in the United States, several class-action lawsuits have been filed by former content moderators against their employers, alleging mental health issues developed on the job. Some of these class-action lawsuits have been settled against a significant compensation to current and former moderators. Additionally, content services, trust & safety is subject to regulation in certain jurisdictions and we may receive inquiries from government authorities and regulators regarding our compliance with laws and regulations, many of which are evolving and subject to interpretation. The expansion of our content services, trust & safety offering on the Chinese market, subjects us to extensive regulation, opening up the risk of political influence.

We are dedicated to improving the efficiency and accuracy of our content services, trust & safety solutions while also mitigating their impact on the health and well-being of our team members (e.g., providing our moderators services such as psychological counseling, stress management). Despite these efforts, we could be subject to claims made by such team members. These claims could lead to liability and negative publicity, harm our reputation, and impact our ability to retain or recruit team members to work in the content services, trust & safety business. In some jurisdictions, our content services, trust & safety solutions team members may be enabled to make claims under workers' compensation programs or other public or private insurance programs in connection with their employment or applicable labor or other laws. Any such team member claims or demands could result in increased costs and could lead us to limit our content services, trust & safety offering entirely, any of which would adversely impact our business, financial condition and results of operations.

In addition, companies that are engaged in content services, trust & safety, including certain of our clients, are under increasing scrutiny by both the public and lawmakers to be more transparent about how decisions are made and about the guidelines they create. We also face scrutiny for the application of our client guidelines. Our content services, trust & safety team members may erroneously or deliberately make decisions, many of which may be subjective, that are inconsistent with client guidelines, which could fail to meet our clients' expectations or adverse publicity, either of which could impair our reputation and our ability to retain existing clients or attract new clients or expose us to liability to users of client platforms. In addition, the themes that our team members analyze are selected for review by our clients' systems and analyzed by our team members based on our clients' policies and rules. The tools used by our clients to identify themes may fail to identify such that violate relevant policy or community guidelines or, in certain jurisdictions, legal requirements. Although the methods employed to select themes for analysis are not within the scope of the services we provide, the failure to appropriately analyze objectionable themes on our clients' platforms, for whatever reason, could adversely impact our reputation and our ability to attract and retain clients.

1.1.15 Our results of operations and ability to grow could be materially affected if we cannot adapt our services and solutions to changes in technology and client expectations.

Our growth and profitability will depend on our ability to develop and adopt new services and solutions that expand our existing offerings by leveraging new technological trends and cost efficiencies in our operations while meeting rapidly evolving client expectations. As technology evolves, more tasks currently performed by our team members may be replaced by automation, robotics and other technological advances, which puts predominantly our lower-complexity customer interaction services at risk. Any such technological innovations could potentially reduce our business volumes and related revenues unless we are successful in adapting and deploying them profitably.

We further anticipate that it will be necessary to continue to invest in our technology and communications infrastructure to ensure reliability and maintain our competitiveness. This is likely to result in significant ongoing capital expenditures for maintenance as well as scale as we continue to grow our business. There can be no assurance that any of our information systems will be adequate to meet our future needs or that we will be able to incorporate new technology to enhance and develop our existing solutions. Moreover, investments in technology, including future investments in upgrades and enhancements to hardware or software, may not necessarily maintain our competitiveness. Our future success will also depend in part on our ability to anticipate and develop information technology solutions that keep pace with evolving industry standards and changing client demands.

We may not be successful in anticipating or responding to our client expectations and interests in adopting evolving technology solutions, and their integration in our offerings may not achieve the intended enhancements or cost reductions. Services and solutions offered by our competitors may make our services and solutions less competitive or even obsolete and may negatively impact our clients' interest in our solutions. Our failure to innovate, maintain technological advantages, or respond effectively and timely to transformational changes in technology could negatively affect our business and results of operations.

1.1.16 Our profitability will suffer if we are not able to manage our resource utilization levels, price appropriately and control our costs.

Our profitability is largely a function of the efficiency with which we utilize our resources, particularly our team members and our delivery locations and the pricing that we are able to obtain for our services. Our resource utilization levels (defined as amount of employee hours that are billed as compared to total billable hours) are affected by a number of factors, including our ability to attract, train, and retain team members, transition team members from completed projects to new assignments, forecast demand for our services (including potential client reductions in required resources or terminations) and maintain an appropriate number of team members in each of our delivery locations, as well as our need to dedicate resources to team member training and development. If we are unable to manage our utilization levels, there could be a material adverse effect on our business, financial condition and results of operations.

The pricing of our services and solutions is usually included in the statements of work we enter into with our clients. Our engagements are generally based on a pricing model that provides for per-productive-hour, per-productive-minute or per-transaction billing models (see “1.1.5 We may be unable to accurately forecast our pricing models or optimize the mix of products and services we provide to meet changing client demands, or we may be unable to adapt to changing pricing and procurement demands of our clients.”). We may not accurately price certain contracts to reflect the true cost of providing services. In certain cases, we have committed to pricing with limited to no sharing of risks regarding inflation and currency exchange rates. In addition, we are obligated under some of our contracts to deliver productivity benefits to our clients, such as a reduction of AHT or pricing based on successfully closed matters. The prices we are able to charge for our solutions are affected by a number of factors, including our clients’ perceptions of our ability to add value through our solutions, competition, the introduction of new services or solutions by us or our competitors, our ability to accurately estimate, attain and sustain revenues from client engagements, margins and cash flows over increasingly longer contract periods and general economic and political conditions. If we fail to accurately estimate future wage inflation rates, unhedged currency exchange rates or our costs, or if we fail to accurately estimate the productivity benefits we can achieve under a contract, it could have a material adverse effect on our business, financial condition and results of operations.

Our profitability is also a function of our ability to control our costs and improve our efficiency. As we increase the number of our team members and grow our business, we may not be able to manage a significantly larger and more geographically diverse workforce and our profitability may suffer. Our cost management strategies also include improving the alignment between the demand for our services and our resource capacity. If we are not effective in managing our operating and administrative costs in response to changes in demand and pricing for our services, or if we are unable to absorb or pass on to our clients the increases in our costs of operations, our results of operations could be materially adversely affected.

1.1.17 The potential inability or unwillingness of clients that represent a portion of our accounts receivable balance to pay such balances in a timely fashion could adversely affect our business.

We carry substantial accounts receivable balances from a number of clients. A client may become unable or unwilling to timely pay its balance due to a general economic slowdown, economic weakness in its industry, the financial solvency of its business or the filing for bankruptcy. While we closely monitor our accounts receivable balances, a client’s financial inability or unwillingness, for any reason, to pay a large accounts receivable balance or many clients’ inability or unwillingness to pay accounts receivable balances that are large in the aggregate would adversely impact our income and cash flow. If we are unable to collect our receivables from, or bill our unbilled services to, our clients, our financial condition and cash flows could be adversely affected.

1.1.18 Unauthorized or improper disclosure of personal or other sensitive information, or security breaches and incidents, whether inadvertent or purposeful, including as the result of a cyber-attack, could result in liability and harm our reputation.

Our business depends significantly upon our technology infrastructure, data, equipment, and systems. Our clients also typically provide data and systems that our team members use to provide services to those clients. Internal or external attacks on either us or our clients’ technology infrastructure, data, equipment, or systems could disrupt the normal operations of our and our clients’ businesses, including by impeding our ability to provide critical solutions to our clients. In addition, in the ordinary course of our business, we collect, use, store, process, and transmit information about our team members, our clients and their customers, including personal

information. While we believe we take reasonable measures to protect the security of, and against unauthorized or other improper access to, our technology infrastructure, data, equipment, and systems, our security controls and practices may not prevent any unauthorized or other improper access. For example, although no data was compromised, we were the target of a malware cyber-attack in 2020 with respect to our platforms in the Philippines, Ireland and the United States. In June 2021, two of our sites in Egypt became targets of another malware attack. While our internal investigation identified no evidence of data being exfiltrated, our servers had to be shut down for a number of hours as part of containment activities. In addition, we rely on systems provided by third parties, which may also in the future suffer security breaches or incidents. Such unauthorized or other improper access, disclosures, security breaches or incidents may be inadvertent or may come about due to intentional misconduct or other malfeasance or by human error or technical malfunctions, including those caused by hackers, team members, contractors, or vendors.

Cybersecurity threats and attacks may take on a variety of forms, ranging from inadvertent disclosures or acts by team members to purposeful attacks by individuals and groups of hackers and even sophisticated organizations, including state-sponsored actors. Cybersecurity risks may result from viruses, worms, and other malicious software programs, including phishing attacks, to hacking or other significant security incidents (e.g., ransomware attacks) targeted against information technology infrastructure and systems, any of which could result in (i) disclosure, unauthorized access to, or corruption of data, including personal information, confidential information and proprietary information, (ii) defective products, including as a result of system and production downtimes, and (iii) interruptions in the ability to operate our business. Any of the foregoing could subject us to liability or damage our reputation. In addition, as the techniques used to obtain unauthorized access or sabotage systems change frequently and may not be identified until they are first launched against a target, despite our efforts to secure our technology infrastructure, data, equipment, and systems, we may be unable to anticipate all attacks or to implement adequate preventative measures against them.

Any unauthorized access, extraction, use, or destruction of data we collect, store, process or transmit, the unavailability of such data, or other disruptions of our ability to provide services and solutions to our clients, regardless of whether it originates or occurs on our systems or those of third-party service providers or our clients, could expose us to significant liability under our contracts, regulatory actions, litigation, investigations, as well as damage to our reputation and brand. In addition, if a high-profile security breach occurs within our industry, our clients and potential clients may lose trust in the security of our systems and information even if we are not directly affected.

In addition, as we continue to evaluate new solutions and services for our clients, these new solutions or services, or the third-party components we use to provide such solutions, may contain or introduce cybersecurity threats or vulnerabilities to our clients' information technology networks, either intentionally or unintentionally. Our clients may maintain their proprietary, sensitive, regulated or confidential information that could be compromised in a cybersecurity attack or incident, or their systems may be disabled or disrupted as a result of such an attack or incident. Our clients, regulators, or other third parties may attempt to hold us liable, through contractual indemnification clauses or directly, for any such losses or damages resulting from such an attack.

1.1.19 As our work from home delivery grows, our operations are subject to new untested risks.

In connection with the COVID-19 pandemic, we expanded our work from home environment and transitioned a significant portion of our global workforce to work remotely from home. Currently, around 64% of our productive team members (*i.e.*, team members on active payroll) still work from home. While some of these team members will return to conventional delivery sites and offices once the pandemic is under control, many of our team members may continue to work remotely for the foreseeable future.

Our global remote working solutions deployed during the COVID-19 pandemic could result in heightened confidentiality risks on account of services being delivered in a physically unsupervised environment and via computer systems and networks outside of our control and management. Team members who work from home rely on residential communication networks and Internet providers that may not be as resilient as commercial networks and providers and may be more susceptible to service interruptions and cyberattacks than commercial systems, which may also make our enterprise information technology systems, when interfacing with these residential environments, vulnerable. In addition, if any person, including any of our team members, intentionally or inadvertently penetrates our perimeter or internal network security, computing infrastructure or otherwise mismanages or misappropriates sensitive data, or discloses or distributes any such data in an unauthorized manner, we could be subject to significant liability and litigation or other lawsuits from our clients

or their customers for breaching contractual confidentiality provisions or privacy laws, or investigations and penalties from regulators.

Our business continuity and disaster recovery plans, which have been developed and tested with a focus on centralized delivery locations, may not work effectively in a distributed work from home delivery model, where weather impacts, network and power grid downtime may be difficult to manage and where system redundancies are not possible. Over the years, we established strong operating and administrative controls over our business. Our controls, designed for a brick-and-mortar environment, may not always provide effective safeguards for a large-scale work from home delivery model. We may not be effective in the timely updating of our existing controls or implementing new controls, tailored to the work from home environment. For these and other reasons, our clients may be unwilling to continue to allow us to deliver our services remotely.

If we are unable to manage our work from home environment effectively to address these and other risks unique to remote service delivery or if we cannot maintain client confidence in our work from home environment, our reputation and results of operations may be impacted.

1.1.20 Our failure to detect and deter criminal or fraudulent activities or serious misconduct by our team members could result in loss of trust from our clients and negative publicity, which would have an adverse effect on our business and results of operations.

Our team members could engage in criminal, fraudulent or other conduct prohibited by applicable law, client contracts or internal policy. For example, team members may exfiltrate data from client systems by using cameras to photograph their computer screens or provide unauthorized users with access to our and clients' computer systems. Although we terminate team members when our investigations establish misconduct and have implemented measures designed to identify and deter such misconduct, such as fraud prevention training, there can be no assurance that such measures will prevent or detect further team member misconduct. If our team members use their access to our and our clients' systems as a conduit for criminal activity or serious misconduct, our clients and their customers may not consider our services and solutions safe and trustworthy, and we could receive negative press coverage or other public attention as a result. Such loss of trust and negative publicity could cause our existing clients to terminate or reduce the scope of their dealings with us and harm our ability to attract new clients, which would have an adverse effect on our business and the results of our operations. Furthermore, we may be subject to claims of liability by our clients or their customers based on the misconduct or malfeasance of our team members, and our insurance policies may not cover all potential claims to which we are exposed or indemnify us for all liability.

1.1.21 Our policies, procedures and programs to safeguard the health, safety and security of our team members and others may not be adequate.

As of June 30, 2021, we had more than 63,000 team members working in 31 countries. We have undertaken to implement what we believe to be the best practices to safeguard the health, safety and security of our team members, independent contractors, clients and others at our worksites. If these policies, procedures and programs are not adequate, or team members do not receive related adequate training or do not follow these policies, procedures and programs for any reason, the consequences may be harmful to us, which could impair our operations and cause us to incur significant legal liability or fines as well as reputational damage and negatively impact the engagement of our team members. Our insurance may not cover, or may be insufficient to cover, any legal liability or fines that we incur for health, safety or security incidents.

1.1.22 Our business relies heavily on owned and third-party technology and computer systems, which subjects us to various uncertainties.

We rely heavily on sophisticated and specialized communications and computer technology coupled with third-party telecommunications and bandwidth providers to provide high-quality and reliable real-time solutions on behalf of our clients through our sites. Our operations, therefore, depend on the proper functioning of our and third parties' equipment and systems, including hardware and software. We also rely on the data services provided by local communication companies in the countries in which we operate as well as domestic and international service providers.

We may in the future experience system disruptions, outages, and other performance problems. These problems may be caused by a variety of factors, including infrastructure changes, vendor issues, software defects, human error, viruses, worms, security attacks (internal or external), fraud, spikes in customer usage, or denial of

service attacks. In some instances, we may not be able to identify the cause or causes of these performance problems within an acceptable period of time. A significant number of the systems making up this infrastructure are not redundant, and our disaster recovery planning may not be sufficient for every eventuality. We may not carry adequate business interruption insurance sufficient to protect us from all direct and indirect losses that may result from interruptions in our services as a result of technology infrastructure failures or to cover all contingencies. Because of the large amount of data that we collect and process in our systems, these issues could result in data loss or corruption, or cause the data to be incomplete or contain inaccuracies that our clients, their customers and other users regard as significant. Furthermore, the availability or performance of our solutions could also be adversely affected by our clients' and their customers' and other users' inability to access the Internet. For example, our clients and their customers and other users access our solutions through their Internet service providers. If a service provider fails to provide sufficient capacity to support our applications or otherwise experiences service outages, such failure could interrupt our clients' and their customers' and other users' access to our applications, which could adversely affect their perception of our applications' reliability and our revenues.

We seek to maintain sufficient capacity in our operations infrastructure to meet the needs of all of our clients and users, as well as our own needs, and to ensure that our services and solutions are accessible, including backup and redundancy mechanisms. Despite our efforts, any disruptions in the delivery of our services due to the failure of our systems, hardware or software, whether provided and maintained by third parties or our in-house teams, or due to interruptions in our data services or those of third parties that adversely affect the quality or reliability (or perceived quality or reliability) of our solutions or render us unable to handle increased volumes of client interaction during periods of high demand, may result in a reduction in revenue, loss of clients, or require unexpected investments in new systems or technology to ensure that we can continue to provide high-quality and reliable solutions to our clients. These types of interruptions or failures could also adversely impact our timekeeping, scheduling, and workforce management applications, such as scheduling, forecasting and reporting applications and home build systems for employee timekeeping, scheduling and employee leave requests. The occurrence of any such interruption or unplanned investment could materially adversely affect our business, financial positions, operating results and prospects.

Furthermore, we depend upon the quality and reliability of the services and products of our clients which we help sell to their end customers. If the services and solutions we provide to our clients through their services and products experience technical difficulties or quality issues, our clients may face difficulties selling their services and products to their end customers and we may have a harder time selling services and solutions to our clients, which could have an adverse impact on our business and operating results. In addition, our solutions are, to a limited extent, based on open-source software. Open-source software is typically freely available but is licensed under various requirements that restrict the licensee as well. We cannot assure you that we comply with all obligations under these licenses and may be vulnerable to claims that we infringe third party intellectual property rights, including patents, copyrights, trademarks and trade secrets, because the software is comprised of components, many of which are developed by numerous independent parties.

1.1.23 We rely upon third-party providers of "cloud" computing services to operate certain aspects of our services.

We rely on a limited number of cloud computing providers for a distributed computing infrastructure platform for our business operations, or what is commonly referred to as a "cloud" computing service. We have architected our software and computer systems to utilize data processing, storage capabilities and other services provided by these providers. Degradation or disruption of, interference with, or loss of our use of such cloud services may adversely impact our provision of services, and consequently, such events may adversely affect our revenues, reputation, our relationships with our clients, our managers' ability to administer and supervise our business or may cause us to incur substantial additional expenditure to repair or replace damaged equipment or sites. We may also be liable to our clients for such disruptions in services. Prolonged disruption of our services could also entitle our clients to terminate their contracts with us or require us to pay penalties or damages to our clients. As a result of our reliance on these providers, including the complexity that a switch from one cloud provider to another would involve, increases in costs for these services may significantly increase our costs of operations. Any disruption of or interference with our use of these cloud providers or material changes in the price for such services would adversely impact our operations and our business.

1.1.24 *We are vulnerable to natural disasters, technical disruptions, pandemics, accidents and other events impacting our facilities that could severely disrupt the normal operation of our business.*

Some of our delivery locations and offices are located in countries that have experienced severe natural disasters and may also in the future be damaged or disrupted as a result of natural disasters or extreme weather events, including

- those resulting from or exacerbated by climate change, such as earthquakes, floods, volcano eruptions, heavy rains, winter storms, tsunamis and cyclones;
- epidemics or pandemics, including the COVID-19 pandemic;
- technical disruptions and infrastructure breakdowns including damage to, or interruption of, electrical grids, transportation systems, communication systems or telecommunication cables; issues with information technology systems and networks, including computer glitches, software vulnerabilities and electronic viruses or other malicious code;
- accidents and other events such as fires, floods, failures of fire suppression and detection, heating, ventilation or air conditioning systems or
- other events, such as protests, riots, labor unrest, security threats and terrorist attacks.

Any of these events may lead to the disruption of information systems and telecommunication services for sustained periods and may create delays and inefficiencies in providing services to clients and potentially result in the closure of our sites. They also may make it difficult or impossible for team members to reach or work in our business locations. Some locations may not be well-suited to work-from-home approaches to providing client services due to connectivity, infrastructure or other issues. Damage or destruction that interrupts our provision of services could adversely affect our reputation, our client relationships, our managers' ability to administer and supervise our business or may cause us to incur substantial additional expenditures to repair or replace damaged equipment or sites. We also may be liable to our clients for disruption in service resulting from such damage or destruction.

Our resiliency and disaster recovery plans may not be adequate to provide continuity and reliability of service during disruptions or reduce the duration and impact of service outages sufficiently or at all. While we currently have commercial liability insurance, our insurance coverage may be insufficient or may not provide coverage at all for certain events. Furthermore, we may be unable to secure such insurance coverage at premiums acceptable to us in the future, or such insurance may become unavailable. Prolonged disruption of our services could also entitle our clients to terminate their contracts with us or require us to pay penalties or damages to our clients. Any of the above factors may materially adversely affect our business, financial performance, financial condition and cash flows.

1.1.25 *We face intense competition from existing and emerging competitors and we may not be able to compete successfully.*

Our industry is highly competitive and fragmented. Our future performance is largely dependent on our ability to compete successfully in the markets we currently serve while expanding into new, profitable markets. We compete with a number of existing and emerging competitors, including large multinational service providers, offshore service providers from lower-cost jurisdictions, niche solution providers in specific geographic markets, industry verticals or service areas (e.g., consulting services), information technology companies with digital capabilities (including artificial intelligence-powered solutions) and in-house functions of existing and potential clients that use their own resources. In addition, the continued digital expansion of the services we offer and the markets we operate in will result in new and emerging competitors, as well as increased competition with existing competitors who are also expanding their services to cover digital capabilities.

Some of these existing and emerging competitors may have greater financial, human and other resources, greater technological expertise, longer operating histories, greater market recognition and more established relationships in the industry verticals that we currently serve or may expand to serve in the future. Furthermore, some of our competitors may enter into strategic or commercial relationships among themselves or with larger, more established companies in order to increase their ability to address client needs or enter into similar

arrangements with potential clients. Further, trends of consolidation in our industries and among competitors may result in new competitors with greater scale, a broader footprint, better technologies and price efficiencies attractive to our clients. We also face competition from service providers that operate in countries where we do not have delivery locations because our clients may, to diversify geographic risk and for other reasons, seek to reduce their dependence on any one country by shifting work to another country in which we do not operate. In addition, existing or potential clients may decide to provide the services that we currently offer in-house. As a result, we face the competitive pressure to continually offer our services in a manner that will be viewed by our clients as better and more cost-effective than what they could provide themselves. All of these factors present challenges for us in retaining and growing our business.

Increased competition, our inability to compete successfully, pricing pressure or loss of market share could result in reduced operating profit margins and diminished financial performance, which would have a material adverse effect on our business, financial condition, results of operations and prospects.

1.1.26 We are subject to economic and political instability and other risks of doing business in emerging markets.

We have operation facilities in certain emerging market economies, including Georgia, Armenia, Senegal, the Ivory Coast, Kenya and Togo, and our business strategy may involve expanding or developing our business in these or similar regions. Conducting business in emerging markets exposes us to certain risks such as adverse trade policies or trade barriers, inflation, hyperinflation and adverse economic effects, difficulties in enforcing agreements or judgments and collecting receivables in foreign jurisdictions, as well as inadequate infrastructure and logistics challenges. For example, Georgia is exposed to Russian influence which may cause political instability and Armenia has a challenging relationship with two of its four neighboring countries, Azerbaijan and Turkey. Furthermore, our African sites located in Senegal, the Ivory Coast and Togo are exposed to the risk of general terrorist attacks and the Ivory Coast and Togo are ranked in the bottom third of the 2020 indicator of corruption perception, which constitutes a challenging environment for our business operations.

Any materialization of one of the risks mentioned above in one or all of the named countries may impede our strategy by limiting the countries and regions in which we are able to conduct our business and expand our operations. Exposure to these risks may require us to incur additional costs to mitigate their impact on our business.

1.1.27 We may face difficulties as we expand our operations into countries in which we have no prior operating experience and in which we may be subject to increased business and economic risks that could impact our results of operations.

We expect to continue to expand our international operations in order to maintain an appropriate cost structure and meet our clients' needs, which may include opening sites in new jurisdictions and providing our services and solutions in additional languages. We expect our expansion efforts will include expanding into countries other than those in which we currently operate and where we have less familiarity with local procedures. It may involve expanding into less developed countries, which may have less political, social or economic stability and less developed infrastructure and legal systems. As we expand our business into new countries, we may encounter economic, regulatory, personnel, technological and other difficulties that increase our expenses or delay our ability to start up our operations or become profitable in such countries. Although some of these factors will influence our decision to establish operations in another country, there are inherent risks beyond our knowledge and control, including exposure to currency fluctuations, political and economic instability, unexpected changes in regulatory regimes and foreign exchange restrictions. We may also face difficulties integrating new facilities in different countries into our existing operations. This may affect our relationships with our clients and could have an adverse effect on our business.

Any new markets or countries into which we attempt to provide our services and solutions may not be receptive. In addition, our ability to manage our business and conduct our operations internationally requires considerable management attention and resources and is subject to the particular challenges of supporting a rapidly growing business in an environment of multiple languages, cultures, customs, legal and regulatory systems, alternative dispute systems, and commercial markets. International expansion has required, and will continue to require, the investment of significant funds and other resources.

Compliance with laws and regulations applicable to our international operations substantially increases our cost of doing business in international jurisdictions. We may be unable to keep up to date with changes in

laws and regulations. Although we have implemented policies and procedures designed to support compliance with these laws and regulations, there can be no assurance that we will always maintain compliance or that all of our team members, contractors, partners, and agents will comply. Any violations could result in enforcement actions, fines, civil and criminal penalties, damages, injunctions, or reputational harm.

If we are unable to comply with these laws and regulations or manage the complexity of our global operations successfully, we may experience significant impacts on our business and financial conditions.

1.1.28 Our inability to manage our rapid growth effectively could have an adverse effect on our business and financial results.

We have experienced rapid growth in recent years. As of the date of this Prospectus, we have more than 120 locations in 31 countries through which we provide our services to over 400 clients. In 2021, the number of our team members has increased significantly to more than 63,000. We expect to develop and improve our internal systems in the locations where we operate in order to address the anticipated continued growth of our business. We are also continuing to look for delivery locations outside of our current operating geographies to decrease the risks of operating from a limited number of countries. We may not, however, be able to effectively manage our infrastructure and team member expansion, open additional delivery locations or hire additional skilled team members as and when they are required to meet the ongoing needs of our clients and to meet our current growth trajectory, and we may not be able to develop and improve our internal systems. We also need to manage cultural differences between our team member populations and that may increase the risk for employment law claims. Our inability to execute our growth strategy, to ensure the continued adequacy of our current systems or to manage our expansion, capital and other resources effectively could have a material adverse effect on our business, financial performance, financial condition and cash flows and we may not be able to sustain our revenue growth rate or profitability in the future.

1.1.29 Our operating results may experience significant variability and, as a result, it may be difficult for us to make accurate financial forecasts.

Our growth has not been, and in the future is not expected to be, linear as our period-to-period results have been in the past and may, in the future, fluctuate due to certain factors, including client demand, a long selling cycle, delays or failures by our clients to provide anticipated business, losses or wins of key clients, variations in team member utilization rates resulting from changes in our clients' operations, delays or difficulties in expanding our delivery locations and infrastructure (including hiring new team members or constructing new delivery locations), capital investment amounts that may be inappropriate if our financial forecasts are inaccurate, changes to our pricing structure or that of our competitors, currency fluctuations, seasonal changes in the operations of our clients, failure to meet service delivery requirements as a result of technological disruptions, the timing of acquisitions and other events identified in this Prospectus, all of which may significantly impact our results and the accuracy of our forecasts from period to period. For example, the volume of business with some of our clients in our leisure industry vertical is significantly affected by seasonality, with our revenue being typically higher in the third and fourth quarters due to spending patterns of our clients with calendar financial years.

Our revenues are also affected by changes in pricing under our contracts at the time of renewal or by pricing under new contracts. In addition, while we seek to forecast the revenue we expect to receive with a client when we enter into a contract, all of our contracts do not commit our clients to provide us with a specific volume of business over a specific period and, therefore, the associated revenue from such a contract could decline, and such forecasts may not prove to be correct. We have experienced declines in revenues related to service programs we have with, for example, clients in our leisure industry vertical due to the COVID-19 pandemic. In addition, our clients are generally able to delay or postpone services for which we have been contracted to provide and, in many cases, terminate existing service contracts with us with limited notice, all of which could adversely impact revenue we expect to generate in any period.

1.1.30 Fluctuations in foreign currency exchange rates could harm our financial performance.

Our functional currency is the Euro, but we also generate revenue and incur expenses in other currencies, including the U.S. Dollar and the Indian Rupee. As we expand our operations to new countries, our exposure to fluctuations in these currencies may increase and we may incur expenses in other currencies. There may be fluctuations in currency exchange rates between the Euro and other currencies we transact in, which may adversely impact our financial results. In addition, the impact of the COVID-19 pandemic on macroeconomic conditions may impact the proper functioning of financial and capital markets and result in unpredictable fluctuations in foreign currency exchange rates.

Our financial performance could be adversely affected over time by certain movements in exchange rates, particularly if currencies in which we incur expenses appreciate against the Euro or if the currencies in which we receive revenues depreciate against the Euro. Although we take steps to hedge a portion of our foreign currency exposures, there is no assurance that our hedging strategy will be successful or that the hedging markets will have sufficient liquidity or depth for us to implement our strategy in a cost-effective manner. In addition, in some countries such as India and China, we are subject to legal restrictions on hedging activities, as well as convertibility of currencies, which could limit our ability to use the cash generated in one country to invest in another and could limit our ability to hedge our exposures. Finally, our hedging policies only provide near-term protection from exchange rate fluctuations. If currencies in which we incur expenses appreciate against the Euro, we may have to consider additional means of maintaining profitability, including by increasing pricing or reducing costs, which may or may not be achievable.

1.1.31 We may be unable to successfully identify, complete, integrate and realize the benefits of acquisitions or manage the associated risks.

As part of our business strategy, we regularly review potential strategic transactions, including potential acquisitions, consolidations, joint ventures or similar transactions, some of which may be material. Through the acquisitions we pursue, we may seek opportunities to add to or enhance the services and solutions we provide, to enter new geographic markets or expand our client base, or to scale our operations. There can be no assurance that we will successfully identify suitable candidates in the future for strategic transactions at acceptable prices or at all, have sufficient capital resources to finance potential acquisitions or be able to consummate any desired transactions. Our failure to complete potential acquisitions in which we have invested or may invest significant time and resources could have a negative impact on our financial condition.

Acquisitions involve a number of risks, including diversion of management's attention from operating our business, developing our relationships with key clients and seeking new revenue opportunities, failure to retain key personnel of acquired companies, legal risks and liabilities relating to the acquisition or the acquired entity's historic operations which may be unknown or undisclosed and for which we may not be indemnified fully or at all, failure to integrate the acquisition in a timely manner, and, in the case of our potential acquisitions, our ability to finance the acquisitions on attractive terms or at all, any of which could have a material adverse effect on our business, financial performance, financial condition and cash flows. Future acquisitions may also result in the incurrence of indebtedness or the issuance of additional equity securities.

We could also experience financial or other setbacks if transactions encounter unanticipated problems, including problems related to execution, integration or underperformance relative to prior expectations. Post-acquisition activities include the review and alignment of employee cultures, accounting policies, treasury policies, corporate policies such as ethics and privacy policies, employee transfers and moves, information systems integration, optimization of service offerings and the establishment of control over new operations. Such activities may not be conducted efficiently and effectively. Our management may not be able to successfully integrate any future acquired business into our operations and culture on our anticipated timeline or at all, or maintain our standards, controls and policies, which could negatively impact the experience of our clients, optimization of our service offerings and control over operations and otherwise have a material adverse effect on our business. As a result, any acquisition we complete may not result in anticipated or long-term benefits or synergies to us or we may not be able to further develop the acquired business in the manner we anticipated.

Following the completion of acquisitions, we may be required to rely on the seller to provide administrative and other support, including financial reporting and internal controls over financial reporting, and other transition services to the acquired business for a period of time. We may not have experience in working with the sellers of the business we have acquired to obtain the necessary support to operate a newly acquired business. There can be no assurance that the seller will do so in a manner that is acceptable to us.

1.1.32 We may decide to raise additional funds to pursue our growth strategy or continue our operations, and we may be unable to raise capital when needed or on acceptable terms.

From time to time, we may decide to raise additional funds to pursue our growth strategy, including additional acquisitions, or continue our operations, respond to competitive pressures or make acquisitions or other investments. If we should decide to raise additional funds in the future through further issuances of equity or convertible debt securities, our existing shareholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences, and privileges superior to those of holders of our ordinary shares. If we decide to use debt financing, if available, this will likely involve restrictive covenants limiting our flexibility in conducting future business activities, and, in the event of insolvency, debt holders would be repaid before holders of our equity securities receive any distribution of our corporate assets.

If we are unable to obtain adequate financing or financing on terms satisfactory to us, when we require it, our ability to continue to pursue our business objectives and to respond to business opportunities, challenges, or unforeseen circumstances could be significantly limited, and our business, financial condition and results of operations could be materially adversely affected.

1.1.33 We calculate certain operational metrics using internal systems and tools and do not independently verify such metrics. Certain metrics are subject to inherent challenges in measurement, and real or perceived inaccuracies in such metrics may harm our reputation and negatively affect our business.

We refer to a number of operational metrics herein, including our customer reporting and team member statistics, and other metrics. We calculate these metrics using internal systems and tools that are not independently verified by any third party. These metrics may differ from estimates or similar metrics published by third parties or other companies due to differences in sources, methodologies or the assumptions on which we rely. Our internal systems and tools have a number of limitations, and our methodologies for tracking these metrics may change over time, which could result in unexpected changes to our metrics, including the metrics we publicly disclose on an ongoing basis. If the internal systems and tools we use to track these metrics undercount or over count performance or contain algorithmic or other technical errors, the data we present may not be accurate. While these numbers are based on what we believe to be reasonable estimates of our metrics for the applicable period of measurement, there are inherent challenges in measuring savings, the use of our solutions, services and offerings and other metrics. In addition, limitations or errors with respect to how we measure data or with respect to the data that we measure may affect our understanding of certain details of our business, which would affect our long-term strategies. If our operating metrics or our estimates are not accurate representations of our business, or if investors do not perceive our operating metrics to be accurate, or if we discover material inaccuracies with respect to these figures, our reputation may be significantly harmed, and our operating and financial results could be adversely affected.

1.1.34 Our profit forecast for the year ending December 31, 2021, could differ materially from our actual results of operations.

On the basis of developments of the year ending December 31, 2021, we currently expect Operating EBITDA for the year ending December 31, 2021, to amount to between €280 million and €300 million (together with the respective explanatory notes, the “**Profit Forecast**”).

Our management has based the Profit Forecast on a number of assumptions, some of which are beyond our control, including unforeseen events such as force majeure, global economic and political developments, the impact of the COVID-19 pandemic, regulatory and legal environment, developments in the addressable market, client end markets and client structure, foreign currency exchange rates and inflation rates for labor costs. In addition, our management has based the Profit Forecast on various assumptions, which may be influenced by us to a certain extent, such as developments in the addressable market, service contracts with clients, employee retention, site level efficiency, shift in portfolio of services and vertical mix and changes in the scope of consolidations, as well as other assumptions, which may be influenced by us, such as net revenues, operating expenses, and profitability as measured by Operating EBITDA as a percentage of net revenues. Such assumptions are inherently subject to significant business, operational, economic and other risks and many of which are outside of our control. Accordingly, such assumptions may change or may not materialize at all. Should one or more of the assumptions underlying the Profit Forecast prove to be incorrect, our actual results of operations for the year ending December 31, 2021, could differ materially from such forecast and projections. As a result, investors should not place undue reliance on the Profit Forecast contained in this Prospectus.

1.2 Risks Relating to Regulatory, Legal and Tax Matters

1.2.1 *We and our clients are subject to laws and regulations globally. Compliance with these laws requires significant resources and non-compliance may result in civil or criminal penalties and other remedial measures.*

We service our clients' customers around the world. We are subject to numerous, complex and sometimes conflicting laws and regulations on matters as diverse as anti-corruption, content requirements, trade restrictions, tariffs, taxation, sanctions, immigration, internal and disclosure control obligations, securities regulation, anti-competition, data security, privacy, labor relations, wages and severance, and health care requirements.

Compliance with diverse legal requirements is costly, time-consuming and requires significant resources. Violations of one or more of these regulations in the conduct of our business could result in adverse regulatory or court actions as well as significant penalties and fines, criminal sanctions against us or our officers, prohibitions on doing business and damage to our reputation. Violations of these regulations in connection with the performance of our obligations to our clients also could result in liability for significant monetary damages, fines or criminal prosecution, unfavorable publicity and other reputational damage, restrictions on our ability to process information and allegations by our clients that we have not performed our contractual obligations. Due to the varying degrees of development of the legal systems of the countries in which we operate, local laws might be insufficient to protect our rights.

Although we take precautions to prevent our services from being provided or deployed in violation of such laws, our services could be provided inadvertently in violation of such laws despite the precautions we take, including usage by our clients in violation of our terms of service. We also cannot assure you that our team members will not take actions in violation of our policies and applicable law, for which we may be ultimately held responsible, including entering into contracts or agreements with third parties without our knowledge or consent that would result in such violation. Additionally, regulatory requirements may change, sometimes on short notice due to, among other factors, political reasons (e.g., illustrated by ByteDance's ban in India or Hong Kong's intended anti-doxing legislation). If we fail to comply with these laws, we and our team members could be subject to civil or criminal penalties, including the possible loss of export privileges, monetary penalties, and, in extreme cases, imprisonment of responsible team members for knowing and willful violations of these laws. We may also be adversely affected through penalties, reputational harm, loss of access to certain markets, or otherwise.

In addition, we are required under various laws to obtain and maintain accreditations, permits and/or licenses for the conduct of our business in all jurisdictions in which we have operations and, in some cases, where our clients receive our services, including Europe, the United States and, especially, China. If we do not maintain our accreditations, licenses or other qualifications to provide our services or if we do not adapt to changes in legislation or regulation, we may have to cease operations in the relevant jurisdictions and may not be able to provide services to existing clients or be able to attract new clients.

For example, foreign direct investments in China are subject to regulatory restrictions. Hence, our operations in China are conducted through two individuals based on so-called variable interest entities ("VIE") structure, which is standard market practice for investments in China. To comply with Chinese laws and regulations, our wholly foreign-owned enterprise ("WFOE"), Shanghai Bertelsmann Commercial Services Co. Ltd., which we acquired in January 2021, has entered into a series of contractual arrangements with a domestic entity that constitutes a VIE structure and its shareholders, which enable us to (i) exercise effective control over our VIE, (ii) receive substantially all of the economic benefits of such entity, and (iii) have an exclusive option to purchase all or part of the equity interests and assets in such entity when and to the extent permitted by Chinese law. As a result of these contractual arrangements, we have control over and are the primary beneficiary of such an entity and, thus, consolidate financial results into our consolidated financial statements.

While we believe that the ownership structure of the company embedded in the VIE and our WFOE in China comply with Chinese laws, there are uncertainties regarding the interpretation and application of current and future Chinese laws, regulations and rules. Accordingly, the Chinese regulatory authorities may take a view that is contrary to our opinion. Further, it is uncertain whether any new Chinese laws or regulations relating to VIE structures will be adopted or, if adopted, what they would provide. If we or the company embedded in the VIE are found to be in violation of any existing or future Chinese laws or regulations, or fail to obtain or maintain any of the required permits or approvals, the relevant Chinese regulatory authorities would have broad discretion to take action in dealing with such violations or failures, including, among others, revoking or suspending the business licenses or operating licenses of our WFOE or the company embedded in the VIE, requiring us to

restructure our ownership structure or operations or levying fines on, or confiscating our income or the income of our WFOE or the company embedded in the VIE. The imposition of any of these penalties could result in a material and adverse effect on our ability to conduct our business in China.

Any violations of these or other laws, regulations and procedures by our team members, independent contractors, subcontractors and agents, including third parties we associate with or companies we acquire, could expose us to administrative, civil or criminal penalties, fines or business restrictions, which could have a material adverse effect on our results of operations and financial condition.

1.2.2 From time to time, some of our team members spend significant amounts of time at our client's sites, often in foreign jurisdictions, which expose us to certain risks.

Some of our projects require a portion of the work to be undertaken at our clients' facilities, which are often located outside our team member's country of residence. The ability of our team members to work in locations around the world may depend on their ability to obtain the required visas and work permits, and this process can be lengthy and difficult. Immigration laws are subject to legislative change, as well as to variations in standards of application and enforcement due to political forces and economic conditions and international travel, which may be adversely affected by regional or global circumstances or travel restrictions also affects our team members' ability to work in foreign jurisdictions. In addition, we may become subject to taxation in jurisdictions where we would not otherwise be so subject as a result of the amount of time that our team members spend in any such jurisdiction in any given year. While we seek to monitor the number of days that our team members spend in each country to avoid subjecting ourselves to any such taxation, there can be no assurance that we will be successful in these efforts.

1.2.3 Our business is subject to a variety of laws and regulations relating to privacy and data security. The unauthorized disclosure of sensitive or confidential client and customer data could expose us to protracted and costly litigation, damage our reputation and cause us to lose clients.

We and our clients are subject to privacy- and data security-related laws and regulations that impose obligations in connection with the collection, use, storage, transfer, dissemination, security, and/or other processing of personal data and other sensitive or regulated data. Existing privacy- and information security-related laws and regulations are rapidly evolving and subject to potentially differing interpretations, and we expect that legislative and regulatory bodies will expand existing or enact new laws and regulations regarding privacy- and information security-related matters in the future. New laws, amendments to, or re-interpretations of existing laws and regulations, rules of self-regulatory bodies, industry standards and contractual obligations may each impact our business and practices, and we may be required to expend significant resources to adapt to these changes or stop offering our services and solutions in certain countries. In addition, because the scope of these laws is changing and may be subject to differing interpretations, and may be inconsistent among countries and jurisdictions in which we operate, or conflict with other rules, it may be costly for us to comply with these laws and regulations, and our attempts to comply with them may adversely affect our business, results of operations and financial condition.

Numerous countries and governmental bodies, including the EU member states, have laws and regulations concerning the collection, retention, storage, use, processing, sharing, and disclosing of personal data obtained from individuals located, or business operating, in such countries. For example, Regulation (EU) 2016/679 of the European Parliament and of the Council of April 27, 2016, on the protection of natural persons with regard to the processing of personal data and on the free movement of such data ("GDPR") became enforceable on May 25, 2018, and has resulted and will continue to result in significantly greater compliance burdens and costs for companies with customers, users, or operations in the European Union. Under GDPR, fines of up to €20 million or up to 4% of the total worldwide annual turnover of the preceding financial year of the infringer (calculated on a group level), whichever is greater, can be imposed for violations. The GDPR imposes several stringent requirements for organizations that control or process personal data and could make it more difficult or more costly for us to use and share personal data in the ordinary course of our business. In addition, the exit of the United Kingdom from the European Union has created two parallel data protection regimes, with the U.K. law mirroring the GDPR in many ways, including with respect to potential fines and penalties. The European Union is considering another draft data protection regulation, known as the Regulation on Privacy and Electronic Communications, or ePrivacy Regulation, which would replace the current ePrivacy Directive and address topics such as unsolicited marketing and cookies. Originally planned to be adopted and implemented at the same time as the GDPR, the ePrivacy Regulation has been delayed. On February 10, 2021, the Council of the European Union announced it adopted a consolidated version of the ePrivacy Regulation and therefore the trilogue

negotiations on the regulation between the Council, the European Parliament and the European Commission have begun. Implementation of the ePrivacy Regulation or other comparable laws and regulations could require us to expend additional time and effort to comply with such new laws and regulations, and we could be subject to new or increased fines, individual claims, commercial liabilities, or regulatory penalties.

In addition, the Court of Justice of the European Union (“CJEU”) issued a decision on July 16, 2020, invalidating the EU-US Privacy Shield Framework on which we and certain of our services providers relied to conduct data transfers in compliance with the GDPR. While the decision did not invalidate standard contractual clauses, another mechanism for making cross-border transfers, the decision has called the validity of standard contractual clauses into question under certain circumstances and has made the legality of transferring personal information from the EU to the United States more uncertain. Specifically, the CJEU stated that companies must now assess the validity of standard contractual clauses on a case by case basis, taking into consideration whether the standard contractual clauses provide sufficient protection in light of any access by the public authorities of the third country to where the personal information is transferred, and the relevant aspects of the legal system of such third country. Recently, the European Commission adopted modernized standard contractual clauses for international transfers of personal data on June 4, 2021, which take into consideration the decision of the CJEU. The final implementing decision of the European Commission was published in the Official Journal of the European Union on June 7, 2021, and the new standard contractual clauses can therefore be used from June 27, 2021, onwards. On June 27, 2021, a transition period of 18 months will also commence, during which all agreements using the former standard contractual clauses must be replaced by the new set of standard contractual clauses. The decision of the CJEU, the adoption of new standard contractual clauses by the European Commission and increased uncertainty surrounding data transfers from the EU to the United States, may increase our costs of compliance, impede our ability to transfer data and conduct our business, and may harm our business or results of operations.

Furthermore, the California Consumer Privacy Act of 2018 (“CCPA”), which went into effect on January 1, 2020, limits how we may collect and use personal data. The effects of the CCPA potentially are far-reaching and may require us to modify our data processing practices and policies and incur expenses and fines. Under the CCPA, in the event of a data breach affecting California residents’ personal information as a result of failure to maintain reasonable security procedures and practices can trigger a private right of action lawsuit, and as a result data breach litigation is likely to increase. Damages available for private rights of action range from \$100 to \$750 per violation or actual damages, whichever greater, with injunctive or declaratory relief also possible. In addition to the data breach private right of action, the California Attorney General may independently bring administrative actions for civil penalties of \$2,500 per violation, or up to \$7,500 per violation if intentional. Some observers have noted that the CCPA could mark the beginning of a trend toward more stringent privacy legislation in the United States, which could increase our potential liability related to privacy and data security under United States law, require us to change our business practices, and adversely affect our business.

In addition, California has passed new data privacy regulations in November 2020, known as the California Privacy Rights Act of 2020 (“CPRA”). The CPRA will amend the CCPA by creating additional privacy rights for California consumers and additional obligations on businesses and will take effect in most material respects on January 1, 2023 (with application to data collected beginning on January 1, 2022). Implementation of the CPRA could require us to expend additional time and effort to comply with these new regulations and laws, and we could be subject to new or increased fines, individual claims, commercial liabilities, or regulatory penalties.

In addition, other foreign governments are also taking steps to strengthen their data privacy laws and regulations. For example, India, the Philippines as well as some countries in Central America and Asia-Pacific and some U.S. states, have implemented or are considering GDPR-like data protection laws which could impact our engagements with existing and potential clients, vendors and team members in those countries. In the United States, the federal government, including the White House, the Federal Trade Commission, the Department of Commerce and Congress, and many state governments are reviewing the need for greater regulation of the collection, processing, storage, sharing, disclosure, use and security of information concerning consumer behavior with respect to online services, including regulations aimed at restricting certain targeted advertising practices and collection and use of data from mobile devices. This review may result in new laws or the promulgation of new regulations or guidelines.

Many jurisdictions also have enacted laws requiring companies to notify individuals and authorities of security breaches involving certain types of personal data. In addition, our agreements with our clients may obligate us to investigate and notify our clients of, and provide cooperation to our clients with respect to, such

breaches. Most of our agreements with our clients do not include any limitation on our liability to them with respect to breaches of our obligation to keep the information we receive from them confidential. A failure to comply with these notification requirements could expose us to liability.

1.2.4 Our team members, contractors, consultants or other associated parties may behave in contravention of our internal policies or laws and regulations applicable to us, or otherwise act unethically or illegally, which could harm our reputation or subject us to liability.

We have implemented and will continue to implement various internal policies, including a code of conduct and policies related to security, privacy, respectful behavior in the workplace, anti-bribery and anti-corruption, localized labor and employment regulations and health and safety in order to promote and enforce ethical conduct and compliance with laws and regulations applicable to us. Compliance with these policies requires awareness and understanding of the policies and any changes therein by the parties to whom they apply. We may fail to effectively or timely communicate internal policies or changes therein to our team members, contractors, consultants or other associates, and such persons may otherwise fail to follow our policies for reasons beyond our control. We are exposed to the risk that our team members, independent contractors, consultants or other associates may engage in activity that is unethical, illegal or otherwise contravenes our internal policies or the laws and regulations applicable to us, whether intentionally, recklessly or negligently. It may not always be possible to identify and deter misconduct, and the precautions we take to detect and prevent this activity may be ineffective in controlling unknown risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to comply with these laws or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including harm to our reputation and the imposition of significant fines or other sanctions.

1.2.5 Our business could be materially and adversely affected if we do not protect our intellectual property or if our services are found to infringe on the intellectual property of others.

Our business depends in part on certain methodologies, practices, tools and technical expertise we utilize in providing our services. We also engage, to a limited extent, in designing, developing, implementing and maintaining applications and other proprietary materials. To protect our rights, we rely on a combination of intellectual property rights, including trademarks, copyright, trade secrets, contractual restrictions and technical measures to establish and protect our intellectual property rights and proprietary information. However, the steps we take to protect our intellectual property rights and proprietary information may provide only limited protection and may not now or in the future provide us with a competitive advantage. We may not be able to protect our intellectual property rights, if, for example, we do not detect unauthorized use of our intellectual property or do not have the resources to enforce our intellectual property rights. Any of our intellectual property rights may be challenged by others and could be invalidated through administrative processes or litigation.

Legal standards relating to the validity, enforceability and scope of protection of intellectual property rights are uncertain. Despite our precautions, it may be possible for unauthorized third parties to copy our technology and use information that we regard as proprietary to create products and services that compete with our solutions, which may cause us to lose market share or render us unable to operate our business profitably. Our inability to protect our proprietary technology against unauthorized copying or use, as well as any costly litigation that we may enter into to protect and enforce our intellectual property rights, could make it more expensive for us to do business and adversely affect our operating results by delaying further sales or the implementation of our technologies, impairing the functionality of our solutions, delaying introductions of new features or applications or injuring our reputation. Furthermore, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims or countersuits attacking the validity and enforceability of our intellectual property rights. Such litigation could be costly, time-consuming and distracting to management. In addition, the laws of some countries do not protect intellectual property rights to the same extent as the laws in Europe, and, as a result, we may not be able to protect our technology and intellectual property in all jurisdictions in which we operate.

In addition, competitors or others may allege that our systems, processes, marketing, data usage or technologies infringe, misappropriate, or violate their intellectual property rights. Any such claims, whether or not they have merit or are successful, may result in substantial costs, divert management attention and other resources, cause us to alter our business practices, harm our reputation and prevent us from offering our solutions to clients. A successful infringement claim against us could materially and adversely affect our business, resulting in our being required to enter into license agreements (if available on commercially reasonable terms or at all),

substitute inferior or costlier technologies into our solutions, pay monetary damages or royalties and/or comply with an injunction against providing some or all of our solutions to clients.

1.2.6 *We may be subject to litigation and other disputes, which could result in significant liabilities and severe impacts on our business.*

From time to time, we have been and may in the future be a party to various claims and litigation proceedings, including class actions. These actions and proceedings may involve claims for, among other things, compensation for personal injury, workers' compensation, employment discrimination and other employment-related damages, damages related to breaches of privacy or data security, breach of contract, property damage, liquidated damages, consequential damages, punitive damages and civil penalties or other losses, or injunctive or declaratory relief. For example, one of our clients recently claimed that it lost revenue due to recurring interruptions of an online subscription program, which we operate, because of a specific Internet browser software upgrade that lead to performance interruptions. We evaluate these claims and litigation proceedings to assess the likelihood of unfavorable outcomes and to estimate, if possible, the amount of potential losses. Based on these assessments and estimates, we establish reserves, as appropriate. These assessments and estimates are based on the information available to management at the time and involve a significant amount of management judgment. Although we are not currently party to any litigation that we consider material, actual outcomes or losses may differ materially from our assessments and estimates.

Even when these claims are not meritorious, the defense of these claims may divert our management's attention and may result in significant expenses. The results of litigation and other legal proceedings are inherently uncertain, and adverse judgments or settlements in some of these legal disputes may result in adverse monetary damages, penalties or injunctive relief against us, which could have a material adverse effect on our financial position, cash flows or results of operations. Any claims or litigation, even if fully indemnified or insured, could damage our reputation and make it more difficult to compete effectively or to obtain adequate insurance in the future.

Furthermore, while we maintain insurance for certain potential liabilities, such insurance does not cover all types and amounts of potential liabilities and is subject to various exclusions as well as caps on amounts recoverable. Even if we believe a claim is covered by insurance, insurers may dispute our entitlement to recovery for a variety of potential reasons, which may affect the timing and, if the insurers prevail, the amount of our recovery.

1.2.7 *If the transfer pricing arrangements we have among our subsidiaries are determined to be inappropriate in one or more jurisdictions, our tax liability may increase.*

We organize our corporate structure and intercompany transactions so that we can achieve our business objectives in a tax-efficient manner and in compliance with applicable transfer pricing rules and regulations. If two or more affiliated companies are located in different countries or tax jurisdictions, the tax laws and regulations of each country generally will require that transfer prices be the same as those between unrelated companies dealing at arms' length and that appropriate documentation be maintained to support the transfer prices. To this end, we have recently implemented an intra-group transfer-pricing model for Majorel Group. While we believe that we operate in compliance with applicable transfer pricing laws and intend to continue to do so, our transfer pricing procedures are not binding on applicable tax authorities. If tax authorities in any of these countries were to successfully challenge our transfer prices as not reflecting arms' length transactions, they could require us to adjust our transfer prices and thereby reallocate our income to reflect these revised transfer prices, which could result in a higher tax liability to us. In addition, if the country from which the income is reallocated does not agree with the reallocation, both countries could tax the same income, potentially resulting in double taxation. If tax authorities were to allocate income to a higher tax jurisdiction, subject our income to double taxation or assess interest and penalties, it would increase our consolidated tax liability, which could adversely affect our financial condition, results of operations and cash flows.

1.2.8 *Our business is subject to the general tax environments in the countries in which we currently operate, and any changes to these tax environments may increase our tax burden.*

Our business is subject to the general tax environment in the countries in which we currently operate. Our ability to use tax loss carryforwards and other favorable tax provisions depends on national tax laws and their interpretation in these countries. Changes in tax legislation, administrative practices or case law could increase our tax burden and such changes might even occur retroactively. Furthermore, as we are operating in numerous

countries and taxing jurisdictions, tax laws may be interpreted differently by the competent tax authorities and courts, and their interpretation may change at any time, which could lead to an increase in our tax burden. For example, our Irish subsidiary is involved in a tax proceeding with Turkish tax authorities regarding the application of certain Turkish tax laws and regulations with respect to discontinued service activities for a client in Turkey. The Turkish tax court ruled in our favor. However, the Turkish tax authorities have appealed this decision.

Legislators and tax authorities also may change territoriality rules or their interpretation for the application of value-added tax (“VAT”) on cross-border services or in general, which may lead to significant additional payments for past and future periods. Furthermore, the documentation obligations under applicable VAT and VAT-related laws are considerable. Therefore, it cannot be ruled out that certain of our companies may not fully comply, or, as the case may be, may have not fully complied with applicable VAT regulations throughout all phases of their development. For example, we are currently involved in a tax dispute with the local tax authorities in Spain with respect to our VAT obligations under Spanish tax law. An appeal is currently pending with the Spanish Economic and Administrative Court. Court decisions are sometimes ignored by competent tax authorities or overruled by higher courts, which could lead to higher legal and tax advisory costs and create significant uncertainty. New taxes could also result in additional costs necessary to collect the data required to assess these taxes and to remit them to the relevant tax authorities.

Furthermore, due to the global nature of our business, it is possible that countries might attempt to impose additional or new regulation on our business or levy additional or new sales, income or other taxes relating to our activities. As part of the Organisation for Economic Co-operation and Development (“OECD”) base erosion and profit shifting (“BEPS”) project, new rules dealing *inter alia* with the abuse of double tax treaties, restriction on the deductibility of excessive interest payments or hybrid mismatch arrangements, have been or will be introduced into the respective domestic laws of jurisdictions which form part of the BEPS project, *via* European directives and a multilateral instrument. For example, the Council of the European Union (“EU”) adopted two Anti-Tax Avoidance Directives, namely Council Directive (EU) 2016/1164 of 12 July 2016 laying down rules against tax avoidance practices that directly affect the functioning of the internal market (“ATAD 1”) and Council Directive (EU) 2017/952 of 29 May 2017 amending ATAD 1 as regards hybrid mismatches with third countries (“ATAD 2”), that address many of the above-mentioned issues. The measures included in ATAD 1 and ATAD 2 have been implemented by the law of 21 December 2018 and the law of 20 December 2019 into Luxembourg domestic law. Most of these measures have been applicable since January 1, 2019 and January 1, 2020, the remaining being applicable as from tax year 2022. These measures (*e.g.*, denial of interest deduction in the presence of a hybrid mismatch) may significantly affect our returns and those of our investors.

Additionally, the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (the “MLI”) aims at updating international tax rules and lessen the opportunity for tax avoidance by transposing results from the BEPS project into more than 2,000 double tax treaties worldwide. A number of jurisdictions (including Luxembourg) have signed the MLI. The MLI entered into force in Luxembourg on August 1, 2019. Its application depends on the ratification by the other contracting state and on the type of tax concerned (to be analyzed on a case-by-case basis). The resulting changes and any other subsequent changes in tax treaties negotiated by Luxembourg may significantly affect our returns and those of our investors.

Furthermore, new or revised tax regulations may subject us or our customers to additional sales, income and other taxes. For example, our operations may be subject to a tax reform currently being discussed by the OECD and expected to be implemented by 2023, which is based on two pillars: Pillar one focuses on the implementation of a so-called “digital tax,” which would expand the taxing rights of market jurisdictions, wherein multinational enterprises with global turnover above 20 billion euros and profitability above 10% (*i.e.*, profit before tax/revenue) might or might not have a physical presence (or legal entity), thus requiring corporations to pay taxes and file tax returns not only at their place of incorporation, as it is the case right now, but also in the jurisdiction where they sell their products or services or solicit or collect data or contributions from users. The second pillar focuses on establishing a global minimum corporate tax in the amount of between 12.5% and 21%, subject to certain exceptions. According to the OECD proposal, each country would still have the sole and sovereign discretion to set its own corporate tax rate. However, the corporation’s home state would be entitled to “top up” the taxes paid in an overseas country to the agreed-on minimum level, thereby eliminating the gain from shifting profits to another, lower-tax country. On July 1, 2021, 130 countries and jurisdictions resolved on the OECD-level to implement the described two-pillar framework, with the minimum corporate tax rate to be set at 15%. It is currently anticipated that the remaining technicalities with respect to the two pillar approach and a detailed implementation plan will be finalized by October 2021. In addition, the relevant turnover threshold under pillar one may be reduced to €10 billion, subject to the successful implementation of the framework. As a truly multinational company, we will be impacted by the implementation of the OECD framework with regard to pillar

two, and potentially pillar one as well in the future, depending on our future growth and the regulatory development regarding the relevant thresholds. If implemented as currently discussed, any of these new or revised taxes as well as other new taxes, in particular, sales taxes, VAT and similar taxes, would likely increase the cost of doing our business.

The adoption of the Luxembourg law of 25 March 2020 (the “**DAC 6 Law**”) implementing Council Directive (EU) 2018/822 of 25 May 2018 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements (“**DAC 6**”) is an additional example of new tax regulation we should be complying with. The DAC 6 Law provides for certain intermediaries and, in certain cases, taxpayers the obligation to report to the Luxembourg tax authorities within a specific timeframe certain information on reportable cross-border arrangements. The reported information will be automatically exchanged by the Luxembourg tax authorities with the competent authorities of all other EU member states. As the case may be, we may take any action that we deem required, necessary, advisable, desirable or convenient to comply with the reporting obligations imposed on intermediaries and/or taxpayers pursuant to the DAC 6 Law. Failure to provide the necessary information under DAC 6 may result in the application of fines or penalties in the relevant EU jurisdiction(s) involved in the cross-border arrangement at stake. Under the DAC 6 Law, late, incomplete or inaccurate reporting, or non-reporting may be subject to a maximum fine of €250,000.

We are also regularly subject to tax audits and examinations in the jurisdictions in which we operate. While we believe that we have paid all material tax liabilities and filed all material tax returns as of the date of this Prospectus, and made provisions that we believe to be adequate with respect to material tax risks resulting from current or past tax audits, there can be no assurance that tax deficiencies will not be asserted against us or that the taxes assessed by the competent authorities pursuant to such tax audits will not exceed such provisions. All of the tax assessments issued for periods that were not yet finally audited may be subject to review. Future tax audits and other investigations may result in additional tax, interest payments and/or penalties, which would negatively affect our financial condition and results of operation.

Any of these events occurring could, alone or in combination, have a material adverse effect on our business, financial condition, results of operations and prospects.

1.2.9 *Our financial condition could be negatively affected if countries reduce or withdraw tax benefits and other incentives currently provided to companies within our industry or if we are no longer eligible for these benefits.*

Several of our sites benefit from tax incentives or concessional rates provided by local laws and regulations. For example, our sites in the Philippines are located within special economic zones, which provide a variety of preferential policies and are designated to encourage industry growth. These benefits vary from country to country and may include income tax holidays, reduced income taxes, or reduced VAT. While such benefits are typically granted for a limited period of time only, favorable tax treatment for certain sites may be renewed for subsequent periods provided we meet certain criteria. Any loss, due to expiration or other reasons, of such benefits may have a significant impact on our tax charges and, thus, may negatively impact our earnings and financial statements.

1.3 Risks Relating to the Private Placement, Admission to Trading and Our Shares

1.3.1 *If closing of the private placement does not take place, purchases of the placement shares will be disregarded and Euronext Amsterdam will annul transactions that have occurred.*

We have applied to list our Shares on the regulated market operated by Euronext under the symbol “MAJ”. We expect that our Shares will be admitted to the regulated market and that trading will commence prior to delivery of the placement shares (the “**Settlement**”), which is expected to take place on or about September 28, 2021 (the “**Settlement Date**”) on an “as-if-and-when-issued/delivered” basis. However, closing of the private placement may not take place on the Settlement Date or at all if certain conditions or events referred to in the underwriting agreement with respect to the private placement of the placement shares dated September 16, 2021, entered into by and between the Company, Bertelsmann Luxembourg S.à r.l. (“**Bertelsmann Luxembourg**”), Saham Customer Relationship Investments S.à r.l. and Saham Outsourcing Luxembourg S.à r.l. (together with Saham Customer Relationship Investments S.à r.l., the “**Saham Shareholders**”) and together with Bertelsmann Luxembourg, the “**Selling Shareholders**”) and the underwriters, are not satisfied or waived or occur on or prior to such date. Trading in the placement shares before closing of the private placement will take place subject to the

condition that, if closing of the private placement does not take place, the private placement will be withdrawn, in which case all applications for the placement shares will be disregarded, any allotments made will be deemed not to have been made, any application payments made will be returned without interest or other compensation and transactions in the placement shares on Euronext Amsterdam will be annulled. All dealings in the placement shares prior to Settlement and delivery are at the sole risk of the parties concerned. We, the Selling Shareholders, the underwriters, the listing and paying agent and Euronext Amsterdam do not accept any responsibility or liability for any loss incurred by any person as a result of a withdrawal of the private placement or the related annulment of any transaction on Euronext Amsterdam.

1.3.2 Following the closing of the private placement, the Selling Shareholders will retain a significant interest in us and the interests of the Selling Shareholders may conflict with our interests or those of our other shareholders.

Upon completion of the private placement (assuming full exercise of the over-allotment option) and the sale of existing shares to the members of the management board and selected other managers granted under the IPO bonus with equity deferral (assuming the offer price is set at the mid-point of the price range), the Selling Shareholders will continue to own 76.2% of our outstanding share capital. Prior to the private placement, Bertelsmann Luxembourg, the Saham Shareholders and their respective parent companies entered into a shareholders' agreement governing their cooperation as our shareholders. The interests of the Selling Shareholders may be different from our interests or those of other shareholders. In light of expected attendance at our general meetings, the size of their stake means that Bertelsmann Luxembourg will be in a position to pass shareholder resolutions, e.g., to determine the allocation of profit and, hence, our dividend policy, and also adopt certain resolutions on other significant matters such as the election of our management and supervisory board members, which is also the subject of the shareholders' agreement between Bertelsmann Luxembourg, the Saham Shareholders and their respective parent companies. The remaining stake of the Selling Shareholders may have the effect of making certain transactions more difficult or impossible without the support of the Selling Shareholders, and may have the effect of delaying, postponing or preventing certain major corporate actions, including a change of control in the Company, and could thus prevent mergers, consolidations, acquisitions or other forms of combination that might be advantageous for investors.

If any such conflict materializes this may have a material adverse effect on our business, financial condition, results of operations and prospects.

1.3.3 We will face additional administrative requirements as a result of the listing and we may have difficulty in meeting those requirements.

Our management team has limited experience managing a publicly traded company and complying with the increasingly complex laws pertaining to public companies. Our management team might not successfully or efficiently manage our transition to being a public company subject to significant regulatory oversight and reporting obligations under applicable laws and regulations. These new obligations will require substantial attention from our management team and could divert their attention away from the day-to-day management of our business.

As a public company, we will be subject to additional reporting and disclosure requirements. Compliance with these rules and regulations will increase our legal and financial compliance costs and may make some activities more time-consuming than they were previously. For example, our accounting, controlling, legal or other corporate administrative functions may not be capable of responding to the additional requirements without difficulties and inefficiencies that may cause us to incur significant additional expenditures and/or expose us to legal, regulatory or civil costs or penalties. As a result, management's attention may be diverted from other business concerns and we may be required to hire additional team members or engage outside consultants to comply with these requirements, which would increase our costs and expenses. Moreover, any non-compliance could result in significant fines or other penalties as well as harm our reputation.

1.3.4 We are subject to a number of risks in connection with our operation on a stand-alone business and the transitional services agreement entered into with Bertelsmann SE & Co. KGaA.

Certain business functions and administrative services are currently and will continue to be provided by Bertelsmann SE & Co. KGaA pursuant to a transitional services agreement (the "TSA"). The TSA has an indefinite term, but either party may terminate subject to six months' prior written notice with effect to the end of each calendar year. Under the TSA, we enter into specific statements of work, setting forth the specific business

functions and administrative services to be provided by Bertelsmann SE & Co. KGaA. Most statements of work under the TSA have an infinite term and can be terminated subject to three months' prior written notice with effect to the end of each calendar year. If a statement of work is subject to a definite term, either party may typically terminate such statement of work subject to six months' prior written notice. As of the date of this Prospectus, we have entered into several statements of work under the TSA, covering, among others, the following business functions and administrative services: administrative, payroll, human resources, financial audit support, financial transaction support, external and internal management reporting, tax accounting and reporting, other support services, IT systems and various other corporate services.

The TSA has been re-negotiated prior to the private placement, at a time when we are still a venture of the Selling Shareholders. The TSA has been entered into on arms-length terms similar to those that would be agreed with an unaffiliated third party such as a buyer in a sale transaction, but we cannot assure that we will succeed in obtaining the services to which they relate at the same or better levels, or at the same or lower costs, directly from third-party providers. The TSA is important to us, allowing us to construct business infrastructure that is appropriate to our needs as a stand-alone business without disrupting our business operations. Following the termination of the TSA, we will need to provide internally, or obtain from unaffiliated third parties, the services that we will no longer receive from Bertelsmann SE & Co. KGaA. We may, however not be able to replace these services at all, or to obtain these services at prices or on terms as favorable as the TSA provide.

If the services covered by the TSA are not provided as anticipated, or if we are unable to successfully implement plans to migrate from the TSA to stand-alone business functions on the timescale anticipated and on the costs projected, or at all, such developments could have a material adverse effect on our business, financial condition and results of operations. In addition, any failure or significant disruption to the delivery of the services provided by Bertelsmann SE & Co. KGaA during the transitional period could impact our ability to provide services and to perform administrative services on a timely basis, may result in service interruptions and divert management attention from other aspects of our operations or could result in weaknesses and deficiencies in our internal controls. Any such development could have a material adverse effect on our business, financial condition and results of operations.

1.3.5 We are incorporated under Luxembourg law and our shares will be admitted to trading on a regulated market operating in the Netherlands.

We are incorporated under Luxembourg law, while our shares will be admitted to trading on a regulated market operating in the Netherlands. As a result, our shareholders may be subject to multiple notification obligations. On the one hand, our shareholders may be subject to notification obligations under the Dutch financial supervision act (*Wet op het financieel toezicht*) and the rules promulgated thereunder (the “**Dutch Financial Supervision Act**”). Pursuant to chapter 5.3 of the Dutch Financial Supervision Act, any person who, directly or indirectly, acquires or disposes of an actual or potential capital interest and/or voting rights in us must immediately give notice to the Dutch Authority for the Financial Markets (*Autoriteit Financiële Markten*, “**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 one of the following thresholds: 5.0%, 10.0%, 15.0%, 20.0%, 25.0%, 30.0%, 50.0% and 75.0%. On the other hand, our shareholders may be subject to notification obligations pursuant to the Luxembourg law of 11 January 2008 on transparency requirements regarding information about issuers whose securities are admitted to trading on a regulated market, as amended (the “**Luxembourg Transparency Law**”). Pursuant to the Luxembourg Transparency Law, if a person acquires or disposes of a shareholding in us, and if following the acquisition or disposal the proportion of voting rights held by the person reaches, exceeds or falls below one of the thresholds of 5.0%, 10.0%, 15.0%, 20.0%, 25.0%, 33 1/3%, 50.0% and 66 2/3% of the total voting rights existing when the situation giving rise to a declaration occurs, such person must simultaneously notify us and the CSSF of the proportion of voting rights held by it further to such event. Shareholders are advised to consult with their legal advisers to determine whether any notification obligations with respect to their shareholdings in the Company apply to them.

1.3.6 The ability of our shareholders to bring actions or enforce judgments against us or members of our Management Board and/or members of our Supervisory Board may be limited.

The Company is a public limited liability company (*société anonyme*) incorporated under the laws of Luxembourg. The members of the Company's management board (the “**Management Board**”) are residents of Germany and The Netherlands. Consequently, it may be difficult or impossible for a shareholder to enforce a judgment issued outside Luxembourg against us or our members of our Management Board and/or members of our supervisory board (the “**Supervisory Board**”). This applies, among others, to shareholders located in the

United States. Even if such shareholders were successful in bringing an action of this kind, the laws of Luxembourg may render the shareholder unable to enforce a judgment against us. The recognition and enforcement of any judgments issued outside Luxembourg against us will be recognized and enforced specifically on the terms determined by private internal law applicable in Luxembourg.

Under the laws of Luxembourg, actions by investors against the directors of a company for management fault may only be taken by a decision of the company's shareholders acting at a general meeting. However, if a shareholder has suffered harm as a result of a director's violation of the law or the company's articles of association, or as a result of the negligence or fault of a director, such shareholder may bring an action against such director if the shareholder can demonstrate that three conditions necessary to enforce a civil liability claim have been fulfilled: (i) fault on the side of the director; (ii) special (*i.e.*, direct and personal) damage suffered by the shareholder; and (iii) causal link between the fault of the director and the damage suffered by the shareholder. Class actions and derivative actions are generally not available to shareholders under Luxembourg law. Minority shareholders holding securities entitled to vote at a general meeting that resolved on the granting of discharge to the directors, and holding at least 10% of the voting rights of a company may bring an action against the directors on behalf of a company.

1.3.7 The Company is a holding company with no direct cash-generating operations and relies on its operating subsidiaries to provide it with the funds necessary to meet its financial obligations and to pay dividends.

The Company is a holding company with no material, direct business operations. The Company's principal assets are the equity interests it directly or indirectly holds in its operating subsidiaries. As a result, the Company is dependent on loans, dividends and other payments from its subsidiaries as well as external funding to generate the funds necessary to meet its financial obligations, including the payment of dividends. The ability of our subsidiaries to make such distributions and other payments depends on their earnings and may be subject to contractual or statutory limitations or the legal requirement of having distributable profit or distributable reserves. As an equity investor in its subsidiaries, the Company's right to receive assets upon their liquidation or reorganization will be effectively subordinated to the claims of their creditors. To the extent that the Company is recognized as a creditor of its subsidiaries, its claims may still be subordinated to any security interest in or any other lien on their assets and to any of their debt or other (lease) obligations that are senior to the Company's claims.

The payment of future dividends, if any, and the amounts thereof, generally depend on a number of factors, including, among others, the amount of distributable profits and reserves, earnings, level of profitability and financial conditions, capital requirements, applicable restrictions on the payment of dividend under Luxembourg law, capital expenditure and investment plans, financial covenants, ratio of debt to equity, any credit ratings, applicable restrictions on the payment of dividends under applicable laws as well as contractual restrictions, the level of dividends paid by other comparable listed companies, general economic and market conditions and such other factors as the Management Board may deem relevant from time to time. There can be no assurance that the abovementioned factors will allow adherence to the Company's dividend policy or any payment of dividends. As a result, the Company's ability to pay dividends in the future may be limited and the Company's dividend policy may change.

1.3.8 There has been no public market for our shares prior to the admission to trading and we cannot assure that an active market in our shares will develop.

Prior to the listing, there has been no public trading market for our shares. The price per share placed in the private placement conducted in anticipation of the admission to trading of our shares was determined by way of a bookbuilding process. There is no guarantee that this offer price will correspond to the price at which our shares will be traded on the stock exchange after the listing or that, following the listing and taking into account the long-term intentions of the Selling Shareholders, as currently expressed to us, active trading in our shares will develop or be maintained.

The failure to develop or maintain active trading may affect the liquidity of our shares and we cannot assure you that the market price of our shares will not decline below the offer price in the private placement. Consequently, investors may not be in a position to sell their shares quickly or at or above the offer price and investors may lose all or part of their investment.

1.3.9 *The price of our shares may be volatile and affected by a number of factors, some of which are beyond our control.*

After the admission to trading, our share price may be subject to substantial fluctuations. This could in particular arise due to changes in actual or forecasted operating results, changes in profit forecasts or failure to meet profit expectations of investors and securities analysts. In addition, such fluctuations could occur should investors reassess our shares with regard to the success and the effects of the private placement and listing and our business strategy, or the related risks, changes in the general economic conditions, changes in our shareholder structure as well as other factors, which may not presently be known. Furthermore, external factors may affect our revenues and earnings and may lead to fluctuations in our share price. Such factors may include changing demand in the CX market, monetary or interest rate policy measures by central banks, regulatory changes, or other external factors outside of our control. There may be pressure on the price of our shares due to general fluctuations on the market, including for shares of other companies in the industry we operate in, or a general deterioration in capital markets. Such fluctuations are not necessarily based on our business operations or earnings prospects.

1.3.10 *If securities or industry analysts do not publish or cease to publish research reports on our business, or adversely change or make negative recommendations regarding our shares, the market price and trading volume of our shares could decline.*

Whether there is an active trading market for our shares will be influenced by, among other things, the availability and recommendations of research reports covering our business. MiFID II requires research to be priced and charged separately from execution. As a result of MiFID II, it is possible that research coverage will be reduced in general, and that the remaining coverage will be more focused on certain companies, industries or geographic markets. This may negatively affect the coverage by research analysts of our business. If one or more research analysts ceases to cover our business or fails to regularly publish reports on our business, we could lose visibility in the financial markets, which could cause the market price or trading volume of our shares to decline. In addition, if research analysts do not make positive recommendations regarding our shares, or if negative research is published on the industry or geographic markets we serve, the price and trading volume of our shares could decline.

1.3.11 *Future sales by the Selling Shareholders could depress the price of our shares.*

Sales of a substantial number of our shares in the public market following the listing, or the perception that such sales might occur, could depress the market price of our shares. If, for example, the Selling Shareholders or one or more of our other shareholders affect a sale or sales of a substantial number of our shares in the stock market, or if the market believes that such sales might take place, the market price of our shares could decline. The Selling Shareholders have agreed not to sell any shares for the period commencing on September 16, 2021 and ending 180 calendar days after the first day of trading of the Shares on Euronext Amsterdam. Once the lock-up ends, the likelihood that the Selling Shareholders may sell shares will increase. Additionally, speculation around such sales could negatively affect the stock price of our shares around the lock-up end date.

A depression of the market price of our shares could impair our ability to raise capital through the sale of additional equity securities, which could have a material adverse effect on our financial condition and implementation of our business strategy.

1.3.12 *Future offerings of debt or equity securities by us could adversely affect the market price of our shares, and future capitalization measures could substantially dilute the interests of our then existing shareholders.*

From time to time, we may require additional capital in the future to finance our business operations and growth. We may seek to raise capital through offerings of debt securities (potentially including convertible debt securities) or additional equity securities. Issuance of additional equity securities or securities containing a right to convert into equity, such as convertible debentures and option debentures, could potentially reduce the market price of our shares and would dilute the economic and voting rights of our then existing shareholders if made without granting subscription rights to our then existing shareholders. As the timing and nature of any future offering would depend on market conditions at the time of such an offering, we cannot predict or estimate the amount, timing or nature of future offerings. In addition, the acquisition of other companies or investments in companies in exchange for newly issued shares of us, as well as the exercise of stock options by our team members in the context of possible future stock option programs could lead to a dilution of the economic and voting rights of our then existing shareholders. Thus, our shareholders bear the risk that such future offerings could reduce the

market price of our shares and/or dilute their shareholdings, which may have a highly adverse effect on any dividend payments.

1.3.13 Shareholders outside of Luxembourg and the Netherlands may not be entitled to exercise, preferential subscription rights in future equity offerings.

We may undertake future equity offerings with or without preferential subscription rights. In the case of equity offerings with preferential subscription rights, our shareholders in certain jurisdictions may not be entitled to exercise such rights unless the rights and the related shares are registered or qualified for sale under the relevant legislation or regulatory framework in such jurisdictions. Our shareholders outside Luxembourg or the Netherlands may not be able to exercise preferential subscription rights unless local securities laws have been complied with. In addition, we may restrict or exclude preferential subscription rights by a resolution of our general meeting, if the Management Board is authorized to resolve upon such increase and our articles of association so permit, by a resolution of the Management Board.

If some of our shareholders are not be permitted to participate in future equity offerings with preferential subscription rights, they may suffer (significant) dilution of their shareholdings against their will.

2. GENERAL INFORMATION

2.1 General

This Prospectus has been approved by the CSSF, as competent authority under the Prospectus Regulation. The CSSF only approves this Prospectus as meeting the standard of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Company. Investors should make their own assessment as to the suitability of investing in the Placement Shares. This Prospectus is dated September 23, 2021.

Prospective investors are expressly advised that an investment in the Placement Shares entails certain risks and that they should therefore carefully review the entire contents of this Prospectus. Prospective investors should ensure that they read the whole of this Prospectus and not just rely on key information or information summarized within it. Furthermore, before making an investment decision with respect to the Placement Shares, prospective investors should consult their stock broker, bank manager, lawyer, auditor or other financial, legal and tax advisor and carefully review the risks associated with an investment in the Placement Shares. The contents of this Prospectus should not be construed as legal, business or tax advice. In making an investment decision, prospective investors must rely on their own examination, analysis and inquiry of us and the terms of the Private Placement, including the merits and risks involved, in light of their personal circumstances.

The Offer Price and the exact number of Placement Shares offered in the Private Placement will be set out in a pricing statement (the “**Pricing Statement**”) that will be filed with the CSSF and published through a press release on the Company’s website. Prospective investors should only rely on the information contained in this Prospectus, the Pricing Statement and any supplement to this Prospectus within the meaning of Article 23 of the Prospectus Regulation. 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 is or has been authorized to give any information or to make any representation in connection with the Private Placement, other than as contained in this Prospectus. If any information or representation not contained in this Prospectus is given or made, the information or representation must not be relied upon as having been authorized by the Company, the members of the Company’s management board (the “**Management Board**”), the members of the Company’s supervisory board (the “**Supervisory Board**”), the Selling Shareholders or the Underwriters, or any of their respective affiliates or representatives.

Pursuant to Article 23 of the Prospectus Regulation, the Company is obliged to publish a supplement to this Prospectus in the event of a significant new factor, material mistake or inaccuracy with respect to the information contained in this Prospectus which may affect the assessment of the Shares and which arises or is noticed between the date of this Prospectus and the start of trading of the Shares on Euronext Amsterdam. For the avoidance of doubt, references in this paragraph to any supplement being published by the Company do not include the Pricing Statement.

Without prejudice to any obligation of the Company to publish a supplement to this Prospectus pursuant to the Prospectus Regulation, neither the delivery of this Prospectus nor any subscription or sale of the Placement Shares pursuant to the Private Placement shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company and its subsidiaries since the date of this Prospectus or that the information contained herein is correct as at any time subsequent to its date. We do not undertake to update this Prospectus unless pursuant to Article 23 of the Prospectus Regulation. The delivery of this Prospectus at any time after the date hereof will not, under any circumstances, create any implication that there has been no change in our affairs since the date hereof or that the information set forth in this Prospectus is correct as of any time since its date. Prospective investors should therefore not assume that the information in this Prospectus is accurate as of any other date than the Publication Date.

No representation or warranty, express or implied, is made by, or on behalf of, the Underwriters or any of their respective affiliates or representatives, or their respective directors, officers or employees, as to the accuracy, fairness, completeness or verification of information or opinions contained in this Prospectus, or incorporated by reference herein, and nothing in this Prospectus, or incorporated by reference herein, is, or may be relied upon as, a promise or representation by the Underwriters or any of their respective affiliates or representatives, or their respective directors, officers or employees, as to the past or future. None of the Underwriters, in any of their respective capacities in connection with the Private Placement and/or the Admission, nor any of their respective affiliates or representatives, or their respective directors, officers or employees 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 Private Placement, the Placement Shares, or the Admission. Accordingly, the Underwriters disclaim, to the fullest extent permitted by applicable law, all and any liability, whether arising in tort or contract or which they might otherwise be found to have in respect of this Prospectus and/or any such statement. Although the Underwriters are party to various agreements pertaining to the Private Placement and/or the Admission and each of the Underwriters has or might enter into a financing arrangement with the Company, this should not be considered as a recommendation by any of them to invest in the Placement Shares.

The Underwriters are acting exclusively for the Company and the Selling Shareholders and no one else in connection with the Private Placement and/or the Admission. They will not regard any other person (whether or not a recipient of this Prospectus) as their respective clients in relation to the Private Placement and/or the Admission and will not be responsible to anyone other than the Company and the Selling Shareholders for providing the protections afforded to their respective clients or for giving advice in relation to, respectively, the Private Placement and the Admission or any transaction or arrangement referred to herein.

In relation to the Admission, we have engaged ABN AMRO Bank N.V., Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands (“**ABN AMRO**”) as listing and paying agent (the “**Listing and Paying Agent**”). The Listing and Paying Agent’s activities consist essentially of filing the application for listing of the Shares and paying the sums due on the Placement Shares.

No representation or warranty, express or implied, is made by, or on behalf of, the Listing and Paying Agent or any of its directors, officers or employees, as to the accuracy, fairness or completeness of information or opinions contained in this Prospectus, or incorporated by reference herein, and nothing in this Prospectus, or incorporated by reference herein, is, or may be relied upon as, a promise or representation by the Listing and Paying Agent or any of its directors, officers or employees, as to the past or future. Neither the Listing and Paying Agent nor any of its directors, officers, agents or employees 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 Private Placement or the Placement Shares. Accordingly, the Listing and Paying Agent disclaims, to the fullest extent permitted by applicable law, all and any liability, whether arising in tort or contract or which it might otherwise be found to have in respect of this Prospectus and/or any such statement.

The Listing and Paying Agent is acting exclusively for the Company and will not regard any other person as its client in relation to the Private Placement and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for giving advice in relation to the Private Placement and the listing of the Shares or any transaction or arrangement referred to herein.

2.2 Responsibility Statement

This Prospectus is made available by the Company. 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.

2.3 Purpose of this Prospectus

This Prospectus relates to the admission to trading on the regulated market segment of Euronext Amsterdam of one hundred million (100,000,000) Shares, each such Share having an accounting par value of one Eurocent (€0.01) and with full dividend rights from January 1, 2021.

2.4 Material Interests, including Conflicts of Interest

The Underwriters act for the Company and the Selling Shareholders on the Private Placement and coordinate the structuring and execution of the Private Placement. Upon successful closing of the Private Placement, which is conditional on the Admission, the Underwriters will receive a commission, and the size of this commission depends on the results of the Private Placement. Therefore, the Underwriters have a financial interest in the Admission.

Furthermore, in connection with the Private Placement, each of the Underwriters and any of their respective affiliates may take up a portion of the Placement Shares in the Private Placement as a principal position

and in that capacity may retain, purchase or sell for its own account such shares or related investments and may offer or sell such shares or other investments otherwise than in connection with the Private Placement. Accordingly, references in this Prospectus to Placement Shares being offered or placed should be read as including any offering or placement of Placement 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, warrants or contracts for differences) with investors in connection with which Underwriters (or their affiliates) may from time to time acquire, hold or dispose of shares in the Company. None of the Underwriters intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Some of the Underwriters or their affiliates have, and may from time to time in the future continue to have, business relations with us or may perform services for us in the ordinary course of business for which they have received or may receive customary fees and commissions.

The Selling Shareholders will receive the proceeds from the sale of the Placement Shares and the shares sold under the Over-Allotment Option (after deduction of fees and commissions). Accordingly, the Selling Shareholders have an interest in the success of the Admission and the Private Placement on the best possible terms.

Upon the successful completion of the Private Placement, the members of the Management Board and other selected managers are entitled to an IPO bonus with equity deferral under their respective service agreements, a part of which has to be re-invested in Shares (see “11.2.2.2.5 IPO Bonus with Equity Deferral”). Accordingly, these beneficiaries have an interest in the success of the Private Placement.

Other than the interests described above, there are no material interests. None of the aforementioned interests with respect to the Admission or the Private Placement constitute a conflict of interests or a potential conflict of interests. Consequently, there are no conflicts of interest with respect to the Admission and the Private Placement. See also “16.7 Interests of the Underwriters in the Private Placement”.

2.5 Presentation of Financial and Other Information

2.5.1 General

This Prospectus contains audited consolidated financial information of the Company as of and for the years ended December 31, 2020 and December 31, 2019, prepared in accordance with International Financial Reporting Standards (“IFRS”) of the International Accounting Standards Board (“IASB”) and the related interpretations (IFRIC) of the IFRS Interpretations Committee (IFRS IC) that are applicable in the European Union and included elsewhere in this Prospectus (the “**Financial Statements**”). KPMG Luxembourg (“KPMG”) has audited and issued an unqualified ISA audit opinion with respect to the Financial Statements, see also “13.7 Auditor”. As of and for the year ended December 31, 2018, no audited consolidated financial statements of the Company are available as the Company did not have any operating history until January 1, 2019.

This Prospectus also includes unaudited consolidated interim financial information of the Company as of and for the six months ended June 30, 2021, which has been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) as adopted by the EU and included elsewhere in this Prospectus (the “**Interim Financial Statements**”).

2.5.2 Non-IFRS Measures

Throughout this Prospectus, we present financial information and operating data that is not prepared in accordance with IFRS, or any other internationally accepted accounting principles, including Net Revenues, Operating EBITDA, Free Cash Flow, Net Working Capital and Leverage Ratio. We present these alternative performance measures because we use them to measure our operating performance and as a basis for our strategic planning, and because we believe that such alternative performance measures will be used by investors and analysts to assess our performance.

- “**Net Revenues**” for the group corresponds to revenues as reported in our consolidated income statement less (i) revenues from minor activities (primarily the Sonopress Business) outside the Majorel Group’s core business which are reported in the column “consolidation / other” in the Company’s segment reporting and (ii) certain direct, order-related external costs which are part of external expenses and costs

of materials and consist mainly of cost of services purchased (subcontracted or outsourced services). The “**Sonopress Business**” is defined as certain non-core business activities historically carried out by Arvato de Mexico, S.A. de C.V., which is currently being wound down. Segment revenues already excludes revenue reported as “consolidation / other” in the Company’s segment reporting. Net Revenues for each segment corresponds to the according segment revenues less certain direct, order-related intersegment and external costs.

- “**Operating EBITDA**” is defined as EBIT (earnings before interest and taxes) adjusted for depreciation / amortization, impairment and reversal on intangible assets, property, plant and equipment and right-of-use assets, adjusted for (i) impairment on goodwill and other intangible assets with indefinite useful life as well as gains from business combinations, (ii) adjustments to carrying amounts on assets held for sale, (iii) impairment/reversals on other financial assets at amortized cost, (iv) impairment/reversals on investments accounted for using the equity method, (v) results from disposals of investments, (vi) fair value measurement of investments, and (vii) restructuring and other special items. In previous years, special items included mainly restructuring expenses. For 2021 and going forward, special items may include the effects from the IPO Bonus with Equity Deferral (as defined below) and the LTI. We use Operating EBITDA to assess the operating performance of our business as Operating EBITDA shows our EBIT as adjusted for depreciation and amortization, which are non-cash effective charges, and one-off effects for the relevant period. When comparing Operating EBITDA with peer group data, it should be taken into account that the total adjustments in a given year do not represent the full amount of all special effects incurred in a given year, as rather only material non-recurring effects subject to certain thresholds will be considered for the purpose of calculating Operating EBITDA.
- “**Capital Expenditure**” is defined as investments in intangible assets and investments in property, plant and equipment.
- “**Free Cash Flow**” is defined as Operating EBITDA less adjustments minus increase/plus decrease in Net Working Capital after net cash out from pensions, payments from leases and net investments in non-current tangible and intangible assets excluding net payments from acquisitions and disposals of financial assets.
- “**Net Working Capital**” is defined as inventories plus trade and other current receivables, other current assets and deferred items (assets), less trade and other current payables, other current provisions and deferred items (liabilities). Current income tax receivables and payables and cash equivalents are not included in our definition of Net Working Capital. We use Net Working Capital to assess the capital requirements of our operating business.
- “**Leverage Ratio**” is defined as Economic Debt divided by Operating EBITDA.
- “**Economic Debt**” is defined as financial debt less cash and cash equivalents plus provisions for pensions and similar obligations and lease liabilities.

Such alternative performance measures should not be considered as alternatives or substitutes for Group profit or loss, EBIT or other data from the Company’s consolidated income statement, consolidated balance sheet or consolidated cash flow statement prepared in accordance with IFRS, or as measures of profitability or liquidity.

Alternative performance measures do not necessarily indicate whether cash flows will be sufficient for our cash requirements and may not be indicative of our future results. Furthermore, the alternative performance measures are not recognized under IFRS, should not be considered as substitutes for an analysis of our operating results prepared in accordance with IFRS, and may not be comparable to similarly titled information published by other companies, due to differences in the way our alternative performance measures are calculated. Even though the alternative performance measures are used by management to assess ongoing operating performance and though these types of measures are commonly used by investors, they have important limitations as analytical tools.

For more information on the alternative performance measures described above, including a reconciliation to IFRS measures, see “6.5 Key Performance Indicators”.

2.5.3 Rounding and Negative Amounts

Certain figures in this Prospectus, including financial data, have been rounded. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain

tables may not be an exact arithmetic aggregation of the figures which precede them. In tables, negative amounts are shown between parentheses. Otherwise, negative amounts are shown by “-” or “negative” before the amount. Some percentages in tables in the Prospectus have also been rounded and accordingly the totals in these tables may not add up to 100%.

2.5.4 Currency

The financial information in this Prospectus is presented in “Euro”, “EUR” or “€”, which refer to 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. All references to the “United States” or the “U.S.” are to the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia; all references to “USD”, “U.S. dollars” or “\$” are to the lawful currency of the United States.

2.6 Market and Industry Data

All references to market share, market data, industry statistics and industry forecasts in this Prospectus consist of estimates compiled by industry professionals, competitors, organizations or analysts, of publicly available information or of our own assessment of its sales and markets.

Industry publications and market studies generally state that their information is obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on a number of significant assumptions. Where third-party information has been sourced in this Prospectus, the source of such information has been identified. The Company has accurately reproduced such information and, as 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.

This Prospectus contains certain statements regarding our competitive and market position. We believe these statements to be true, based on market data and industry statistics, but we have not independently verified the information. We cannot guarantee that a third party using different methods to assemble, analyze or compute market data or public disclosure from competitors would obtain or generate the same results. In addition, our competitors may define their markets and their own relative positions in these markets differently than we do and may also define various components of their business and operating results in a manner that makes such figures non-comparable with our figures.

The following sources were used in the preparation of this Prospectus:

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- Deloitte, “Fintech – On the brink of further disruption”, December 2020, <https://www2.deloitte.com/content/dam/Deloitte/nl/Documents/financial-services/deloitte-nl-fsi-fintech-report-1.pdf> (“**Deloitte**”);
- Everest Group, “Trust and Safety – Content Moderation Services PEAK Matrix® Assessment 2021”, March 2021 (“**Everest Group, PEAK Matrix**”);
- Everest Group, “CXM & moderation market sizing 2020 – 2022”, May 2021 (“**Everest Group, May 2021**”);
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- International Monetary Fund, World Economic Outlook Database, April 2021, <https://www.imf.org/en/Publications/WEO/weo-database/2021/April> (“**IMF**”);

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- McKinsey & Company, “Omnichannel Strategy & Insights (OSI): Drive above-market growth with an omnichannel strategy for the digital world”, last accessed July 21, 2021 <https://www.mckinsey.com/~media/mckinsey/business%20functions/marketing%20and%20sales/how%20we%20help%20clients/expertise/sales%20and%20channel%20management/osi-brochure.ashx> (“**McKinsey**”);
- Nelson Hall, “Global BPS Market Forecast 2021-2025”, May 2021 (“**Nelson Hall 2021**”);
- PwC, “Experience is everything: Here’s how to get it right”, 2018, <https://www.pwc.com/us/en/zz-test/assets/pwc-consumer-intelligence-series-customer-experience.pdf> (“**PwC**”);
- Salesforce, “State of the Connected Customer Report Outlines Changing Standards for Customer Engagement”, June 12, 2019, <https://www.salesforce.com/news/stories/state-of-the-connected-customer-report-outlines-changing-standards-for-customer-engagement/> (“**Salesforce**”);
- The Business Research Company, “Online Travel Agent Market - By Service Type (Vacation Packages, Travel, Accommodation), By Platform (Mobile/Tablet Based, Desktop Based), And By Region, Opportunities And Strategies - Global Forecast To 2023”, October 2020, <https://www.thebusinessresearchcompany.com/report/online-travel-agent-market> (“**The Business Research Company, Travel**”); and
- The Business Research Company, “Social Media Global Market Report 2021 - By Type (Social Media Advertisement, Social Media Subscription), By Service (Social Networking, Micro Blogging And Instant Messaging, Photo Sharing Networks), By End-User Industry (Retail And Wholesale, Transportation Manufacturing, Food And Beverages, Financial Services, Information Technology, Electrical And Electronics Manufacturing, Media And Recreation, Transportation Services, Healthcare), COVID-19 Impact And Recovery”, December 2020, <https://www.thebusinessresearchcompany.com/report/social-media-global-market-report-2020-30-covid-19-impact-and-recovery> (“**The Business Research Company**”).

2.7 Available Information

Subject to any applicable selling and transfer restrictions, the following documents (or copies thereof) may be obtained free of charge from the Company’s website <https://www.majorel.com/>:

- this Prospectus;
- the Company’s articles of association (“**Articles of Association**”);
- the Supervisory Board Consent Matters (as defined below) included in the internal rules of procedure of the Supervisory Board, the corporate governance charter and the code of business ethics; and
- the Financial Statements and the Interim Financial Statements.

2.7.1 Provision of Information

We have agreed that, for so long as any of the Shares are outstanding and are ‘restricted securities’ within the meaning of Rule 144(a)(3) under the U.S. Securities Act, it will, during any period in which it is neither subject to Section 13 or 15(d) of the United States Securities Exchange Act of 1934, as amended (the “**U.S. Exchange Act**”) nor exempt from reporting pursuant to Rule 12g3- 2(b) thereunder, provide to any holder or beneficial owner of such restricted Placement Shares or to any prospective purchaser of such restricted Placement Shares designated by such holder or beneficial owner, upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the U.S. Securities Act.

We are not currently subject to the periodic reporting and other informational requirements of the U.S. Exchange Act.

2.7.2 No Incorporation of Websites

The contents of our websites and all other websites mentioned in this Prospectus, including any websites accessible from hyperlinks on our websites, do not form part of and are not incorporated by reference into this Prospectus. The information on such websites has not been scrutinized or approved by the CSSF.

2.8 Enforceability of Judgments

The Company is a public limited liability company (*société anonyme*), incorporated under the laws of the Grand Duchy of Luxembourg. The assets of the Company are principally situated outside of Luxembourg. Therefore, in matters that are not subject to the jurisdiction of the Luxembourg courts, it may be difficult for investors who are not subject to the Luxembourg jurisdiction to successfully deliver to the Company any letters or judgments issued in courts outside the EU in connection with any proceedings conducted against such persons with respect to the Private Placement or the Placement Shares.

In Luxembourg, being a member state of the European Economic Area (“EEA”), Regulation (EU) No 1215/2012 of the European Parliament and of the Council of 12 December 2012 on the jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (“**Regulation 1215/2012**”) is applied directly. Under Regulation 1215/2012, the recognition of judgments of courts of EEA member states in Luxembourg does not require any special procedure in order to be recognized. In addition, the enforcement of judgments of courts of EEA member states in Luxembourg does not require a declaration of enforceability in separate proceedings. The relevant court, at the request of the person against whom a motion was submitted for the recognition and enforcement of a judgment may refuse to recognize and enforce the judgment if any of the following occur: (i) the recognition is manifestly contrary to Luxembourg’s public policy (*ordre public*); (ii) where the judgment was given in default of appearance, if the defendant was not served with the document which instituted the proceedings or with an equivalent document in sufficient time and in such a way as to enable him to arrange for his defense, unless the defendant failed to commence proceedings to challenge the judgment when it was possible for him to do so; (iii) if the judgment is irreconcilable with the judgment given between the same parties in Luxembourg; (iv) if the judgment is irreconcilable with an earlier judgment given in another EEA member state or in a third state in a dispute involving the same cause of action and between the same parties, provided that the earlier judgment fulfils the conditions necessary for its recognition in Luxembourg; or (v) if the judgment contradicts (a) Sections 3, 4 or 5 of Chapter II of Regulation 1215/2012 regarding jurisdiction over matters concerning insurance, consumer agreements or individual contracts of employment where the defendant was the policyholder, the insured, the beneficiary of the insurance contract, the injured party, a consumer or the employee; or (b) Section 6 of Chapter II of Regulation 1215/2012 regarding exclusive jurisdiction. The Company cannot give any assurance that all of the conditions for the enforcement of foreign judgments in Luxembourg will be met or that any particular judgment will be enforceable in Luxembourg.

With respect to a judgment issued by courts of a state that is not party to any relevant bilateral or multilateral treaty with Luxembourg regarding the recognition of judgments (including the UK, as a consequence of its withdrawing from the EU under Article 50 of the Treaty on European Union and the termination of the withdrawal agreement setting out the terms of the UK’s exit from the European Union) and which is not a EEA member state, a judgment obtained against a Luxembourg company in such court in a dispute with respect to which the parties have validly agreed that such court is to have jurisdiction, such judgment will not be directly enforced by the courts in Luxembourg. In order to obtain a judgment that is enforceable in Luxembourg, enforcement proceedings must be initiated in Luxembourg (*exequatur*) before the Luxembourg District Court (*Tribunal d’Arrondissement*) subject to compliance with the relevant provisions of the Luxembourg New Code of Civil Procedure (*Nouveau Code de Procédure Civile*) and Luxembourg case law, being:

- the court awarding the judgment has personal and subject matter jurisdiction to adjudicate the respective matter according to its applicable laws and Luxembourg private international law rules on conflict of jurisdiction and the choice of venue was proper;
- the judgment rendered by the relevant foreign court is final and enforceable (*exécutoire*) in the jurisdiction in which the judgment was rendered;
- the foreign court awarding the judgment has applied to the dispute the substantive law which would have been applied by Luxembourg courts or, at least, the order must not contravene the principles underlying those rules (although based on case law and legal doctrine, it is not certain that this condition would still be required for an *exequatur* to be granted by a Luxembourg court);

- the judgment must have been granted in compliance with the rights of the defendant to appear in accordance with European Convention of Human Rights and European Court of Human Rights case law, and if the defendant appeared, to present its case;
- the court awarding the judgment has acted in accordance with its own procedural laws; and
- the decisions and considerations of the foreign order, as well as the judgment, do not contravene Luxembourg's public policy rules or have been given in proceedings of a tax or criminal nature (which would include awards of damages made under civil liability provisions of the US federal securities laws, or other laws, to the extent that the same would be classified by Luxembourg courts as being of a criminal punitive nature (for example, fines or punitive damages)) or rendered subsequent to an evasion of Luxembourg law (*fraude à la loi*). Typically an award of monetary damages would not be considered as a penalty, but if the monetary damages include punitive damages such punitive damages may be considered as a penalty.

If an original action is brought in Luxembourg, without prejudice to specific conflict of law rules, Luxembourg courts may refuse to apply the designated law if the choice of such foreign law was not made *bona fide* or if (i) the foreign law was not pleaded and proved or (ii) if pleaded and proved, such foreign law was contrary to mandatory Luxembourg laws or incompatible with Luxembourg public policy rules. Also, an exequatur may be refused in respect of a foreign judgment granting punitive damages. In practice, Luxembourg courts presently tend not to review the merits of a foreign judgment, although there is no clear statutory prohibition of such review. Further, in the event of any proceedings being brought in a Luxembourg court in respect of a monetary obligation expressed to be payable in a currency other than Euro, a Luxembourg court would have the power to give judgment expressed as an order to pay a currency other than Euro. However, enforcement of the judgment against any party in Luxembourg would be available only in Euro and for such purposes all claims or debts would be converted into Euro.

2.9 Information regarding Forward-Looking Statements

This Prospectus contains forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts or events or to facts or events as of the date of this Prospectus. This applies, in particular, to statements in this Prospectus containing information on Majorel Group's future earnings capacity, plans and expectations regarding its business growth and profitability, and the general economic conditions to which Majorel Group is exposed. Forward-looking statements are typically identified by the use of forward-looking terminology such as "believe", "expect", "may", "will", "seek", "would", "could", "should", "intend", "estimate", "plan", "assume", "predict", "anticipate", "annualized", "goal", "target", "potential" or "aim" or the negative thereof or other variations thereof or comparable terminology, or by discussions of our strategy, medium-term objectives and future plans that involve risks and uncertainties.

The forward-looking statements contained in this Prospectus are subject to opportunities, risks and uncertainties, as they relate to future events, and are based on estimates and assessments made to the best of the Company's present knowledge. These forward-looking statements are based on assumptions, uncertainties and other factors, the occurrence or non-occurrence of which could cause Majorel Group's actual results, including its financial condition and profitability, to differ materially from those expressed or implied in the forward-looking statements. These expressions can be found, in particular, in the Sections "1. Risk Factors", "4. Dividends and Dividend Policy", "6. Selected Financial Information", "7. Management's Discussion and Analysis of Net Assets, Financial Condition and Results of Operations", "8. Profit Forecast" and "9 Business Overview" and wherever information is contained in this Prospectus regarding the Company's plans, intentions, beliefs, or current expectations relating to Majorel Group's future financial condition and results of operations, plans, liquidity, business prospects, growth, strategy and profitability, investments and capital expenditure requirements, future growth in demand as well as the economic and regulatory environment which Majorel Group is subject to.

Forward-looking statements involve inherent risks and uncertainties and only speak as of the date of this Prospectus. Except as required by applicable law, we do not undertake and expressly disclaim any duty to update or revise publicly any forward-looking statement in this Prospectus, whether as a result of new information, future events or otherwise. Such forward-looking statements are based on current beliefs, assumptions, expectations, estimates and projections of the members of the Management Board and our management of, public statements made by it, present and future business strategies and the environment in which we will operate in the future. By their nature, they are subject to known and unknown risks and uncertainties, which could cause our actual results and future events to differ materially from those implied or expressed by forward-looking statements. Risks and

uncertainties that could cause actual results to vary materially from those anticipated in the forward-looking statements included in this Prospectus include those described under “*1. Risk Factors*”.

Although we believe the expectations reflected in such forward-looking statements are reasonable, forward-looking statements are based on the opinions, assumptions and estimates of the members of the Management Board and our management at the date the statements are made and are subject to a variety of risks and uncertainties and other factors.

Prospective investors are advised to read “*1. Risk Factors*”, “*4. Dividends and Dividend Policy*”, “*6. Selected Financial Information*”, “*7. Management’s Discussion and Analysis of Net Assets, Financial Condition and Results of Operations*”, and “*9 Business Overview*” for a more complete discussion of the factors that could affect our future performance and the industry in which it operates. Should one or more of these risks or uncertainties materialize, or should any of the assumptions underlying the above or other factors prove to be incorrect, our actual results of operations or future financial condition could differ materially from those described herein as currently anticipated, believed, estimated or expected. In light of the risks, uncertainties and assumptions underlying the above factors, the forward-looking events described in this Prospectus may not occur or be realized. Additional risks not known to us or that we do not currently consider material could also cause the forward-looking events discussed in this Prospectus not to occur.

3. REASONS FOR THE PRIVATE PLACEMENT AND USE OF PROCEEDS

3.1 Background and Reasons for the Private Placement and the Admission

The Selling Shareholders undertook the Private Placement to receive the net proceeds from the sale of their Shares and to diversify their investments. The Company, together with ABN AMRO, applied for admission of its shares to trading on the regulated market of Euronext Amsterdam to become a publicly listed company and achieve better access to the capital markets. The Company believes that being a public company will lead to increased visibility and transparency to its clients, enhance its visibility compared to competitors, help attract top talent in the market and lead to a better position in a consolidating market.

3.2 Use of Proceeds

The Company will not receive any proceeds from the Private Placement, the net proceeds of which will be received by the Selling Shareholders.

4. DIVIDENDS AND DIVIDEND POLICY

4.1 General

The Company may only make distributions of dividends on the Shares upon the approval of its annual accounts, subject to the mandatory allocation to the Legal Reserve (as defined in “14.2.11 Dividends and Other Distributions”). In accordance with the Luxembourg law of 10 August 1915 on commercial companies, as amended (the “1915 Law”), except in case of reduction of the Company’s issued capital, no distributions to shareholders may be made when, on the closing date of the last financial year, the net assets as set out in the Company’s annual accounts are, or following such a distribution would become, lower than the amount of the Company’s issued capital plus any reserves which may not be distributed under the law or the Company’s Articles of Association as they shall read as of the Settlement Date (as defined below). The amount of a dividend declared by the general meeting of shareholders of the Company (the “General Meeting”) upon approval of the Company’s annual accounts may not exceed the amount of the profits at the end of the last financial year plus any profits carried forward and any amounts drawn from reserves available for that purpose, minus any losses carried forward and sums to be placed in reserve in accordance with the law or the Articles of Association. Whether this test is met, will be determined by looking at the standalone financial statements of the Company as prepared under Luxembourg generally accepted accounting principles. See “14.2.11 Dividends and Other Distributions”.

Interim dividends may be declared and paid by the Management Board out of available net profits or other available reserves, provided that certain conditions as set out under the 1915 Law and the Articles of Association are met. Similar to dividends declared by the General Meeting, no interim dividends may be paid by the Management Board unless the test described above is met on the basis of standalone interim financial statements prepared at the level of the Company. See “14.2.11 Dividends and Other Distributions”.

4.2 Limitations on Dividend Payments

The Company is a holding company, which has no direct operations other than the holding of investments in other group companies. The only source of funds that the Company will have at its disposal for the payment of dividends (including interim dividends), if any, will be dividends and other payments received from its subsidiaries in the form of, *inter alia*, loans granted, notes purchased by its subsidiaries or repayments of capital. The ability of each subsidiary to pay dividends or make such other payments is determined individually and in accordance with applicable law, including the capital requirements to which such subsidiary is subject. See also “1 Risk Factors” and “2.9 Information regarding Forward-Looking Statements”.

4.3 Dividend Policy and Earnings per Share

The Company intends to pay an annual dividend in the ordinary course of business of 30% to 50% of its group profit for the prior financial year calculated in accordance with IFRS. The Company aims to have a sustainable dividend policy that focuses on dividend continuity. However, the Company can provide no assurance that it will pay dividends in 2022 or in future years.

The Company’s ability to pay dividends will depend on its financial position, its results of operations, capital requirements, contractual restrictions, investment alternatives and other factors that the Management Board and Supervisory Board may deem relevant, including the Company’s Leverage Ratio. The Company currently expects a Leverage Ratio of up to 2.5x of Operating EBITDA in the medium-term (for more information see “20. Recent Developments and Outlook”). Any proposals by the Management Board and Supervisory Board regarding dividend payments will be subject to the approval of the General Meeting. The Selling Shareholders may, on the basis of their remaining interest in the Company following the Private Placement, determine the Company’s dividend policy. In addition, the principal sources of funding for the payment of dividends by the Company will be dividends and other distributions received from the Company’s current and future subsidiaries. Such subsidiaries may only pay dividends in accordance with applicable laws and the Articles of Association.

For the year ended December 31, 2020, the Selling Shareholders resolved upon a disproportionate dividend in the amount of €19.4 million to be distributed to Bertelsmann Luxembourg. No distribution of profits or reserves was made to our shareholders for the year ended December 31, 2019.

The table below shows our group profit in accordance with IFRS for the years ended December 31, 2020 and 2019 and corresponding group profit per share for the period:

	For the year ended December 31,	
	2019	2020
Group profit attributable to Majorel shareholders (in € million)	15	86
<i>Per share⁽¹⁾, in €</i>	<i>38.94</i>	<i>212.98</i>

(1) Calculated on the basis of one share with a notional value of €1.00 in the Company's share capital based on 404,000 ordinary shares outstanding during 2019 and 2020. In 2019, the calculation does not add up due to rounding issues.

4.4 Dividend Declared on the Shares of the Company

The Company did not make any distributions of profits or reserves to its shareholders from its 2019 annual accounts. In June 2021, the General Meeting approved the payment of a disproportionate dividend to Bertelsmann from its 2020 annual accounts.

4.5 Dividend Ranking of the Shares

All of the Shares issued and outstanding on the day following the settlement date, which is expected to take place on or about September 28, 2021 (the "**Settlement Date**"), including the Placement Shares, will rank equally and will be eligible for any dividend payment that may be declared on the Shares in the future.

4.6 Manner and Time of Dividend Payments

Payment of any dividend in cash will be made in Euro. Any dividends that are paid to shareholders through Euroclear Nederland will be automatically credited to the relevant shareholders' accounts without the need for shareholders to present documentation proving their ownership of the Shares.

4.7 Taxation of Dividends

See "*17. Taxation*" for a discussion of certain aspects of the taxation of dividends on the Shares.

5. CAPITALIZATION AND INDEBTEDNESS

The following tables set forth the actual capitalization and indebtedness of Majorel Group (i) as of June 30, 2021 derived from the Company's Interim Financial Statements, (ii) the adjustments for a capital increase from the Company's own resources and (iii) total numbers of (i) adjusted for (ii).

Investors should read these tables in conjunction with the Interim Financial Statements and the related notes thereto, as well as the information under "6. Selected Financial Information" and "7. Management's Discussion and Analysis of Net Assets, Financial Condition and Results of Operations".

5.1 Capitalization

	As of June 30, 2021 (i)	Adjustments for the capital increase from own resources ⁽⁷⁾ (ii)	Total (iii)
		(unaudited) (in € million)	
Total current debt (including current portion of non-current debt)⁽¹⁾	420	–	420
Thereof guaranteed	–	–	–
Thereof secured	–	–	–
Thereof unguaranteed/ unsecured.....	420	–	420
Total non-current debt (excluding current portion of non-current debt)⁽²⁾	214	–	214
Thereof guaranteed	–	–	–
Thereof secured	–	–	–
Thereof unguaranteed/ unsecured.....	214	–	214
Shareholder equity⁽³⁾	393	–	393
Share capital ⁽⁴⁾	0	1 ⁽⁸⁾	1
Legal reserve(s) ⁽⁵⁾	256	(1) ⁽⁸⁾	255
Other reserves ⁽⁶⁾	137	–	137
Total	1,027	–	1,027

(1) Referred to as "Current liabilities" in the Interim Financial Statements. It reflects "Other provisions", "Financial debt", "Lease liabilities", "Trade and other payables", "Other non-financial liabilities" and "Current income tax payables".

(2) Referred to as "Non-current liabilities" in the Interim Financial Statements. It reflects "Provisions for pensions and similar obligations", "Other provisions", "Deferred tax liabilities", "Financial debt", "Lease liabilities", and "Other non-financial liabilities".

(3) Referred to as "Equity" in the Interim Financial Statements including "Non-controlling interests".

(4) Referred to as "Subscribed capital" in the Interim Financial Statements. As of June 30, 2021, the subscribed capital amounted to €404 thousand.

(5) Referred to as "Capital reserve" in the Interim Financial Statements.

(6) Referred to as "Retained earnings" and "Non-controlling interests" (€5 million) in the Interim Financial Statements.

(7) By resolution of the Company's shareholders' meeting held on September 6, 2021, the Company's share capital was increased from the Company's own resources by €596,000.00 from €404,000.00 to €1,000,000.00 and the value of the Company's shares was changed from a nominal value of € 1.00 (one Euro) to an accounting par value of €0.01 (one Eurocent) so that following the capital increase and the change in the share value the Company's share capital amounts to €1,000,000.00, represented by 100,000,000 Shares with an accounting par value of €0.01 (one Eurocent) each.

(8) The capital increase from the Company's own resources results in an increase in share capital of €596,000.00 and a decrease in share premium of €596,000.00.

5.2 Indebtedness

	As of June 30, 2021 (i)	Adjustments for the capital increase from own resources (ii) (unaudited) (in € million)	Total (iii)
A Cash ⁽¹⁾	216	–	216
B Cash equivalents ⁽²⁾	–	–	–
C Other current financial assets ⁽³⁾	7	–	7
D Liquidity (A + B + C)	223	–	223
E Current financial debt (including debt instruments, but excluding current portion of non-current financial debt) ⁽⁴⁾ ..	46	–	46
F Current portion of non-current financial debt	–	–	–
G Current financial indebtedness (E + F).....	46	–	46
H Net current financial indebtedness (G - D).....	(177)	–	(177)
I Non-current financial debt (excluding current portion and debt instruments) ⁽⁵⁾	153	–	153
J Debt instruments	–	–	–
K Non-current trade and other payables.....	–	–	–
L Non-current financial indebtedness (I + J + K)	153	–	153
M Total financial indebtedness (H + L).....	(24)	–	(24)

(1) Referred to as “Cash and cash equivalents” in the Interim Financial Statements.

(2) Cash equivalents are included in the position Cash (A) as it is presented in the Interim Financial Statements.

(3) Referred to as “Other financial assets” in the Interim Financial Statements.

(4) Includes current portion of “Financial debt” and “Lease liabilities” amounting to €44 million.

(5) Contains non-current portion of “Financial debt” and “Lease liabilities” amounting to €68 million.

5.3 Contingent and Indirect Liabilities

As of June 30, 2021, our indirect liabilities consisted of provisions for pensions and similar obligations of €46 million and other provisions of €7 million. We had no material contingent liabilities as of June 30, 2021.

5.4 Statement on Working Capital

In the Company’s opinion, Majorel Group’s working capital is sufficient to meet its present requirements over at least the next twelve months from the date of this Prospectus. The proceeds from the Private Placement have not been included in the calculation of Majorel Group’s working capital.

6. SELECTED FINANCIAL INFORMATION

The financial information contained in the following tables is taken or derived from the Company's Financial Statements as of and for the year ended December 31, 2020, the Interim Financial Statements as of and for the six months ended June 30, 2021, and the Company's accounting records or internal reporting systems. As of and for the year ended December 31, 2018, no audited consolidated financial statements of the Company are available as the Company did not have any operating history until January 1, 2019.

The Financial Statements of the Company have been prepared in accordance with IFRS. The Interim Financial Statements of the Company have been prepared in accordance with IFRS for interim financial reporting (IAS 34). KPMG has audited and issued unqualified independent auditor's reports with respect to the Company's Financial Statements. The aforementioned Financial Statements and the independent auditor report thereon are included in this Prospectus.

Where financial information in the following tables is labeled "audited", this means that it has been taken from the Financial Statements mentioned above. The label "unaudited" is used in the following tables to indicate financial information that has not been taken from the Financial Statements mentioned above but has been taken either from the Company's Interim Financial Statements mentioned above or the Company's accounting records or internal reporting systems, or has been calculated based on figures from the aforementioned sources.

Unless indicated otherwise, all financial information presented in the text and tables included in this Prospectus is shown in millions of Euro (in € million). Certain financial information, including percentages, has been rounded according to established commercial standards. As a result, rounded figures in the tables below may not add up to the aggregate amounts in such tables (sum totals or subtotals), which are calculated based on unrounded figures. Financial information presented in parentheses denotes the negative of such number presented. A dash ("–") signifies that the relevant figure is not available or zero, while a zero ("0.0") signifies that the relevant figure has been rounded to zero.

6.1 Consolidated Income Statement

	For the year ended December 31,		For the six months ended June 30,	
	2019	2020	2020	2021
	(audited) (in € million)		(unaudited) (in € million)	
Revenues	1,211	1,375	642	877
Other operating income	35	20	15	18
External expenses and cost of materials	(302)	(308)	(155)	(212)
Personnel costs	(828)	(894)	(432)	(529)
Amortization/depreciation, impairment and reversals on intangible assets, property, plant and equipment and right-of-use assets	(69)	(77)	(36)	(40)
Results from investments accounted for using the equity method	1	1	0	0
Results from disposals of investments	–	(1)	0	–
EBIT (earnings before interest and taxes)	48	116	34	114
Interest expenses	(2)	(2)	(1)	(1)
Other financial income	0	0	0	2
Other financial expenses	(8)	(7)	(3)	(3)
Financial result	(10)	(9)	(4)	(2)
Earnings before tax	38	107	30	112
Income tax expense	(22)	(21)	(10)	(27)
Group profit or loss	16	86	20	85
Attributable to:				
Majority shareholders	15	86	20	85
Non-controlling interests	1	0	0	0

6.2 Consolidated Balance Sheet

	As of December 31,		As of June 30,
	2019	2020	2021
	(audited) (in € million)		(unaudited) (in € million)
Assets			
Non-current assets			
Goodwill.....	53	53	91
Other intangible assets.....	6	8	22
Property, plant and equipment and right-of-use assets	177	190	219
Investments accounted for using the equity method	2	2	3
Trade and other receivables.....	1	1	0
Other non-financial assets	0	2	8
Deferred tax assets.....	8	15	15
Total non-current assets.....	247	271	358
Current assets			
Inventories.....	1	0	0
Trade and other receivables.....	316	307	380
Other financial assets.....	0	1	7
Other non-financial assets	66	56	55
Current income tax receivables	17	9	11
Cash and cash equivalents.....	79	195	216
Total current assets.....	479	568	669
Total assets.....	726	839	1,027
Equity and liabilities			
Equity			
Subscribed capital.....	0 ⁽¹⁾	0 ⁽¹⁾	0 ⁽¹⁾
Capital reserve.....	275	275	256
Retained earnings.....	(37)	37	132
Majorel shareholders' equity.....	238	312	388
Non-controlling interests.....	4	5	5
Total equity.....	242	317	393
Non-current liabilities			
Provisions for pensions and similar obligations	76	50	46
Other provisions	4	5	7
Deferred tax liabilities	1	0	2
Financial debt.....	20	20	85
Lease liabilities.....	43	58	68
Other non-financial liabilities.....	1	1	6
Total non-current liabilities.....	145	134	214
Current liabilities			
Other provisions.....	10	22	29
Financial debt.....	24	34	2
Lease liabilities.....	42	37	44
Trade and other payables.....	104	132	144
Other non-financial liabilities.....	148	153	177
Current income tax payables	11	10	24
Total current liabilities.....	339	388	420
Total equity and liabilities.....	726	839	1,027

(1) As of June 30, 2021, as of December 31, 2020, and as of December 31, 2019, the subscribed capital amounted to €404 thousand.

6.3 Consolidated Cash Flow Statement

	For the year ended December 31,		For the six months ended June 30,	
	2019	2020	2020	2021
	(audited) (in € million)		(unaudited) (in € million)	
Group earnings before interest and taxes.....	48	116	34	114
Taxes paid	(24)	(17)	(5)	(15)
Depreciation and write-up of non-current assets	69	77	36	40
Gains/losses from disposals of non-current assets	1	1	0	–
Change in provisions for pensions and similar obligations ..	(13)	(5)	(1)	0
Change in other provisions	(2)	13	6	9
Change in net working capital	(18)	39	70	(24)
Other effects	(11)	(1)	(1)	(1)
Cash flow from operating activities	50	223	139	123
Investments in:				
– intangible assets.....	(2)	(3)	(1)	(4)
– property, plant and equipment	(57)	(43)	(15)	(26)
– financial assets.....	0	0	0	(5)
– purchase prices for consolidated investments (net of acquired cash).....	(49)	(3)	(1)	(56)
Disposals of other fixed assets.....	8	4	0	1
Cash flow from investing activities	(100)	(45)	(17)	(90)
Proceeds from/redemption of other financial debt.....	(47)	(16)	32	34
Redemption of lease liabilities	(34)	(40)	(19)	(23)
Interest paid.....	(5)	(5)	(3)	(3)
Change in equity.....	43	2	0	–
Dividends to Majorel shareholders.....	–	–	–	(19)
Other effects	0	1	0	(3)
Cash flow from financing activities	(43)	(58)	10	(14)
Change in cash and cash equivalents.....	(93)	120	132	19
Exchange rate effects and other changes in cash and cash equivalents.....	3	(4)	(2)	2
Cash and cash equivalents at the beginning of the period ...	169	79	79	195
Cash and cash equivalents at the end of the period	79	195	209	216

6.4 Segment Information and Other Operating Segment Data

The following tables provide certain segment financial information and other operating segment data for our segments (i) Europe, Africa, South America and (ii) Global English, Middle East, Southeast Asia for the periods presented:

	Europe, Africa, South America		Global English, Middle East, Southeast Asia		Total segments		Consolidation / Other		Total Group	
	For the year ended December 31,		For the year ended December 31,		For the year ended December 31,		For the year ended December 31,		For the year ended December 31,	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
	(audited, unless otherwise specified) (in € million)		(audited, unless otherwise specified) (in € million)		(audited, unless otherwise specified) (in € million)		(audited, unless otherwise specified) (in € million)		(audited, unless otherwise specified) (in € million)	
Revenues from external customers.....	1,001	1,132	202	239	1,203	1,371	8	4	1,211	1,375
Intersegment revenues	31	42	32	60	63	102	(63)	(102)	–	–
Segment revenues	1,032	1,174	234	299	1,266	1,473	(55)	(98)	1,211	1,375
Operating EBITDA	101	153	26	44	127	197	1	(1)	128	196
<i>as % of segment revenues.....</i>	<i>9.8</i>	<i>13.0</i>	<i>11.1</i>	<i>14.7</i>	<i>10.0</i>	<i>13.4</i>	–	–	<i>10.6</i>	<i>14.3</i>

	Europe, Africa, South America		Global English, Middle East, Southeast Asia		Total segments		Consolidation / Other		Total Group	
	For the year ended December 31,		For the year ended December 31,		For the year ended December 31,		For the year ended December 31,		For the year ended December 31,	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
	(unaudited, unless otherwise specified) (in € million)		(unaudited, unless otherwise specified) (in € million)		(unaudited, unless otherwise specified) (in € million)		(unaudited, unless otherwise specified) (in € million)		(unaudited, unless otherwise specified) (in € million)	
Net Revenues.....	970	1,086	203	253	1,172	1,340	–	–	1,172	1,340
Operating EBITDA⁽¹⁾	101	153	26	44	127	197	1	(1)	128	196
<i>as % of Net Revenues</i>	<i>10.4</i>	<i>14.1</i>	<i>12.8</i>	<i>17.4</i>	<i>10.8</i>	<i>14.7</i>	–	–	<i>10.9</i>	<i>14.6</i>

(1) Audited.

The following tables provide certain segment financial information and other operating segment data for our segments (i) Europe, Africa, South America, (ii) Global English, Middle East, Southeast Asia and (iii) China, East Asia for the periods presented:

	Europe, Africa, South America		Global English, Middle East, Southeast Asia		China, East Asia		Total segments		Consolidation / Other		Total Group	
	For the six months ended June 30,		For the six months ended June 30,		For the six months ended June 30,		For the six months ended June 30,		For the six months ended June 30,		For the six months ended June 30,	
	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
	(unaudited) (in € million)		(unaudited) (in € million)		(unaudited) (in € million)		(unaudited) (in € million)		(unaudited) (in € million)		(unaudited) (in € million)	
Revenues from external customers.....	523	700	117	128	–	48	640	876	2	1	642	877
Intersegment revenues	21	21	21	58	–	–	42	79	(42)	(79)	–	–
Segment revenues	544	721	138	186	–	48	682	955	(40)	(78)	642	877
Operating EBITDA	55	116	15	32	–	7	70	155	0	(1)	70	154
<i>as % of segment revenues</i>	<i>10.1</i>	<i>16.1</i>	<i>10.9</i>	<i>17.2</i>	–	<i>14.6</i>	<i>10.3</i>	<i>16.2</i>	<i>0</i>	<i>1.2</i>	<i>10.9</i>	<i>17.6</i>

	Europe, Africa, South America		Global English, Middle East, Southeast Asia		China, East Asia		Total segments		Consolidation / Other		Total Group	
	For the six months ended June 30,		For the six months ended June 30,		For the six months ended June 30,		For the six months ended June 30,		For the six months ended June 30,		For the six months ended June 30,	
	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
	(unaudited) (in € million)		(unaudited) (in € million)		(unaudited) (in € million)		(unaudited) (in € million)		(unaudited) (in € million)		(unaudited) (in € million)	
Net Revenues.....	510	637	116	163	–	42	626	842	–	–	626	842
Operating EBITDA	55	116	15	32	–	7	70	155	0	(1)	70	154
<i>as % of Net Revenues</i>	<i>10.8</i>	<i>18.2</i>	<i>12.9</i>	<i>19.6</i>	–	<i>16.7</i>	<i>11.2</i>	<i>18.4</i>	–	–	<i>11.2</i>	<i>18.3</i>

6.5 Key Performance Indicators

We use revenues, Net Revenues, Operating EBITDA, EBIT, group profit or loss, Capital Expenditure, Free Cash Flow and Net Working Capital as key performance indicators in order to assess the success of our business. We believe that these indicators (for more information on certain of these key performance indicators, see “2.5.2 Non-IFRS Measures”) will be helpful for investors when assessing our performance.

The following table provides an overview of certain key financial data relating to our performance for the dates and periods presented:

	For the year ended December 31,		For the six months ended June 30,	
	2019	2020	2020	2021
	(unaudited unless otherwise specified) (in € million)		(unaudited) (in € million)	
Revenues ⁽¹⁾	1,211	1,375	642	877
Net Revenues.....	1,172	1,340	626	842
% Growth.....	–	14.3%	–	34.5%
thereof Europe, Africa, South America.....	970	1,086	510	637
thereof Global English, Middle East, Southeast Asia.....	203	253	116	163
thereof China, East Asia.....	–	–	–	42
Operating EBITDA ⁽¹⁾	128	196	70	154
% of Net Revenues.....	10.9%	14.6%	11.2%	18.3%
EBIT (earnings before interest and taxes) ⁽¹⁾	48	116	34	114
% of Net Revenues.....	4.1%	8.7%	5.4%	13.5%
Group profit or loss ⁽¹⁾	16	86	20	85
% of Net Revenues.....	1.4%	6.4%	3.2%	10.1%
Capital Expenditure.....	59	46	16	30
% of Net Revenues.....	5.0%	3.4%	2.6%	3.6%
Free Cash Flow.....	(7) ⁽²⁾	150	109	85
% of Net Revenues.....	(0.6)%	11.2%	17.4%	10.1%
% of Operating EBITDA.....	(5.5)%	76.5%	155.7%	55.2%
Net Working Capital.....	121	58	n/a	85
Economic Debt.....	(127)	(5)	(27)	(29)

(1) Audited for the years ended December 31, 2019 and 2020.

(2) Free Cash Flow in 2019 was negatively impacted by one-off effects relating to the contribution of Bertelsmann's and Saham's CX businesses to create Majorel Group in 2019.

6.5.1 Reconciliation of Net Revenues

The following table provides a reconciliation of Net Revenues for the periods presented:

	For the year ended December 31,		For the six months ended June 30,	
	2019	2020	2020	2021
	(unaudited, unless otherwise specified) (in € million)		(unaudited) (in € million)	
Revenues.....	1,211 ⁽¹⁾	1,375 ⁽¹⁾	642	877
Less: Revenues from minor activities ⁽²⁾	(8)	(4)	(2)	(1)
Less: Direct costs ⁽³⁾	(30)	(31)	(15)	(34)
Net Revenues.....	1,172	1,340	626	842

(1) Audited.

(2) Includes revenues from minor activities (primarily the Sonopress Business) outside the Majorel Group's core business which are reported in the column "consolidation / other" in the Company's segment reporting.

(3) Includes certain direct, order-related external costs which are part of external expenses and costs of materials and consist mainly of cost of services purchased (subcontracted or outsourced services).

6.5.2 Reconciliation of Operating EBITDA

The following table provides a reconciliation from group profit to Operating EBITDA for the periods presented:

	For the year ended December 31,		For the six months ended June 30,	
	2019	2020	2020	2021
	(audited) (in € million)		(unaudited) (in € million)	
Group profit or loss	16	86	20	85
Income tax expense	22	21	10	27
Financial result (losses)	10	9	4	2
EBIT (earnings before interest and taxes)	48	116	34	114
Special items				
– results from disposals of investments	–	1	0	0
– restructuring and other special items	11	2	0	0
Amortization/depreciation, impairment and reversals on intangible assets, property, plant and equipment and right-of-use assets	69	77	36	40
Operating EBITDA	128	196	70	154

6.5.3 Reconciliation of Free Cash Flow

The following table provides a reconciliation of Free Cash Flow for the periods presented:

	For the year ended December 31,		For the six months ended June 30,	
	2019	2020	2020	2021
	(unaudited, unless otherwise specified) (in € million)		(unaudited) (in € million)	
Cash flow from operating activities ⁽¹⁾	50	223	139	123
Add: Taxes paid ⁽¹⁾	24	17	5	15
Add: Other adjustments not included in Free Cash Flow ⁽²⁾	9	1	1	(1)
Less: Capital Expenditure	(59)	(46)	(16)	(30)
Less: Payments from leases	(37)	(43)	(21)	(25)
Add / (less): Scope and other effects ⁽³⁾	6	(2)	1	3
Free Cash Flow	(7)	150	109	85

(1) Audited for the years ended December 31, 2019 and 2020.

(2) Includes additional items other than taxes paid which are included in Cash flow from operating activities as defined by IAS 7, but not included in Free Cash Flow as used in the management reporting, such as cash flows from profit transfer agreements with Bertelsmann affiliates and other.

(3) Includes cash effects from scope differences and other simplifications used in management reporting.

6.5.4 Calculation of Net Working Capital

The following table provides a calculation of Net Working Capital as of the dates presented:

	As of December 31,		As of
	2019	2020	June 30, 2021
	(audited, unless otherwise specified) (in € million)		(unaudited) (in € million)
Inventories.....	1	0	0
Add: Trade receivables.....	301	291	363
Less: Trade payables.....	(76)	(104)	(121)
Trade working capital	226	187	242
Add: Other receivables and other current assets.....	70	60	57
Add: Deferred items (assets).....	11	12	14
Less: Other payables.....	(174)	(174)	(196)
Less: Deferred items (liabilities).....	(2)	(5)	(3)
Less: Other provisions.....	(10)	(22)	(29)
Other working capital	(105)	(129)	(157)
Net Working Capital⁽¹⁾	121	58	85

(1) Unaudited.

6.5.5 Calculation of Economic Debt

The following table provides a calculation of Economic Debt as of the dates presented:

	As of December 31,		As of
	2019	2020	June 30, 2021
	(audited, unless otherwise specified) (in € million)		(unaudited) (in € million)
Cash and cash equivalents.....	79	195	216
Liabilities to banks.....	(21)	(33)	(2)
Other financial debt.....	(23)	(21)	(85)
Net cash⁽¹⁾	34	141	128
Provisions for pensions and similar obligations.....	(76)	(50)	(46)
Lease liabilities.....	(85)	(95)	(112)
Economic Debt⁽¹⁾	(127)	(5)	(29)

(1) Unaudited.

7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF NET ASSETS, FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Investors should read the following management's discussion and analysis of net assets, financial condition and results of operations in conjunction with the Sections "1. Risk Factors" and "9 Business Overview." The financial information contained in the following text and tables is taken or derived from the Company's Consolidated Financial Statements as of and for the year ended December 31, 2020, and the Company's Interim Financial Statements as of and for the six months ended June 30, 2021, as well as the Company's accounting records or internal reporting systems. As of and for the year ended December 31, 2018, no audited consolidated financial statements of the Company are available as the Company did not have any operating history until January 1, 2019.

The Financial Statements of the Company have been prepared in accordance with IFRS. The Interim Financial Statements of the Company have been prepared in accordance with IFRS for interim financial reporting (IAS 34). KPMG has audited and issued unqualified independent auditor's reports with respect to the Company's Financial Statements. The aforementioned Financial Statements and the independent auditor report thereon are included in this Prospectus.

Where financial information in the following tables is labeled "audited", this means that it has been taken from the Financial Statements mentioned above. The label "unaudited" is used in the following tables to indicate financial information that has not been taken from the Financial Statements mentioned above, but has been taken either from the Company's Interim Financial Statements mentioned above or the Company's accounting records or internal reporting systems, or has been calculated based on figures from the aforementioned sources.

Unless indicated otherwise, all financial information presented in the text and tables included in this Prospectus is shown in millions of Euro (in € million). Certain financial information, including percentages, has been rounded according to established commercial standards. As a result, rounded figures in the tables below may not add up to the aggregate amounts in such tables (sum totals or subtotals), which are calculated based on unrounded figures.

Financial information presented in parentheses denotes the negative of such number presented. A dash ("–") signifies that the relevant figure is not available or zero, while a zero ("0.0") signifies that the relevant figure has been rounded to zero.

7.1 Overview

We are a leading global customer experience ("CX") services provider that designs, builds and delivers next-generation end-to-end solutions for many of the world's most respected digital-native and vertical leading brands. We offer our clients a differentiated portfolio of integrated services specifically designed to address the different needs across various industry verticals, with a particular focus on Internet and high-tech ("**Global Internet**") and banking, financial services and insurance ("**BFSI**") industries. With our offering, we aim to help our clients satisfy the needs of their end-customers, navigate an increasingly complex compliance landscape, and handle sensitive tasks such as reviewing user-generated content. We combine our sophisticated know-how of advanced technologies, expertise in industry-specific processes, as well as deep understanding of the challenges faced by our clients when engaging with their customers. Our services and solutions are delivered through a set of standardized best practices and advanced technologies by a highly-skilled multilingual workforce capable of supporting 60 languages across more than 120 locations in 31 countries. With our diversified geographical footprint, we were the fourth largest amongst truly global providers as of December 2020 (in terms of countries of operation) (*source: Company information*).

Technology and the Internet have fundamentally transformed the way consumers seek to engage with businesses. The expansion of mobile devices, social media platforms and other methods of digital interaction has enabled customers to access information 24/7 and engage with companies through various digital channels. Today's customers expect to be able to make contact on the communication channel that is most convenient to them at a particular time and place and to receive personalized and immediate solutions. With the ongoing shift towards digital channels, CX has become a key driver of brand equity. As brands look to capitalize on digital solutions to manage brand experience, both established and digital-native vertical leaders rely on CX service providers to enable and manage a consistent, personalized and integrated CX across channels. With the impacts of the ongoing COVID-19 pandemic having accelerated the digital transformation agenda of many businesses, we

believe that they will rely on hybrid approaches to customer experience through a combination of human interaction and digital solutions.

Our offering serves the needs of digital-native companies and vertical leaders across multiple segments of the outsourcing market and comprises the following services and solutions:

- **Customer Interaction Services:** We provide industry-leading end-to-end CX solutions, based on human expertise augmented through data and advanced technology. We have developed an individualized approach to building and managing customer interaction operations best suited to address the individual needs of our clients. We offer full-service omnichannel customer service, tech support, customer acquisition, retention and loyalty services. Our customer service offering spans the entire customer lifecycle and ranges from providing information, performing transactions such as travel and flight bookings, order management, management of account information, money transfer, complaint management, retention calls and other specialized services. With our marketing and sales services, we ensure that our clients' customer acquisition and revenue generation programs meet their sales goals and opportunities to cross-sell and up-sell are used to their advantage. Our customer interaction services aim to help our clients successfully retain and grow their customer base. In addition, we offer our clients technical support services that are designed to provide them with a high-quality and efficient service delivery platform to handle customer requests across multiple market segments.
- **Business Process Services:** Our business process services focus on providing next-generation end-to-end solutions for clients in different growth verticals. Our comprehensive content services, trust & safety offering supports social media platforms and digital retailers in regulating user-generated content and maintaining brand integrity by ensuring that user-generated content is safe and complies with applicable laws and standards. For clients in the other verticals, we have implemented industry-specific business process outsourcing (“BPO”) services. The key element of our vertical BPO services is providing integrated, vertical specific services along the entire value chain, *i.e.*, delivering end-to-end processes, from front to back-office across all channels and from a single provider to increase customer experience and to enable our clients to focus on their core competencies. For example, we provide claims management for insurances, e-mobility services for automotive, and specialized back-office services for our utility and banking clients. These BPO services include a range of specialized operational processes and solutions as well as, depending on the individual set-up, proprietary digital tools that provide engaging CX for end customers, optimize our clients' operational costs and drive their revenue generation.
- **Tech & Expert Services:** Our tech & expert services are designed to offer digital and customer-centric services. We provide a variety of digital consumer engagement services, which include direct-to-consumer (D2C) digital marketing campaigns (Majorel D2C™) and various digital solutions to enable our clients to engage with their customers across multiple touchpoints. With our dedicated CX consulting (“CX Consulting”) practice, we help our clients in their digital transformation by providing customer experience strategy development, consumer journey optimization, process digitization, organization design and technology advisory. In addition, we have developed a portfolio of services specifically designed for start-ups (MajUp™) as well as vertical digital solutions, such as our Majorel digital banking platform (Majorel Digital Banking™) which offers an account and security account switching service (Majorel Switch™), an insurance navigator (Majorel Navigator™), and a form service to digitize banking forms (Majorel Form™).

We offer our differentiated services and solutions to clients across multiple industry verticals with a particular focus on Global Internet and BFSI, which together accounted for approximately 54% of our Net Revenues in 2020 and approximately 56% of Net Revenues in the first six months of 2021. We believe that our Global Internet clients value our comprehensive customer interaction services to improve the CX for their customers as well as our business process services such as our content services, trust & safety offering, which has become a rapidly growing and significant part of our global business. As a long-term partner for BFSI clients, we provide integrated front and back-office services, which are supported by our proprietary digital solutions to create seamless CX for our clients' customers, optimize our clients' operational costs and drive their revenue generation. Other industry verticals include utilities and telecommunication (“Telco”). In addition, in the automotive industry and consumer goods verticals, our digital consumer engagement offering enables our clients to navigate digital complexities through advanced direct-to-consumer (D2C) models, processes and campaigns. In addition, during the ongoing COVID-19 pandemic, we have supported public institutions in their fight against the pandemic, especially for COVID-19 hotlines and vaccination campaigns (the “COVID-19 Business”).

Building on the strong track record of our predecessor companies, we have established deep relationships with more than 400 clients across the globe and are a provider of choice for many industry leaders, including seven of the largest Internet companies globally (by revenues in 2020). With our top 20 clients in 2020 (by Net Revenues), we have an average client tenure of about 12 years. We provide our services and solutions through our agile delivery platform with a global scale spanning more than 120 locations across 31 countries on five continents where we provide services in 60 languages. Substantially all of our delivery locations are connected through a cloud-based infrastructure, enabling globally distributed and virtualized teams. We strategically select our delivery locations based on a number of factors, including access to diverse, skilled talent, market share of clients, benefit to clients, competitive density, convenience of location, and an ability to deliver our services over multiple time zones and in multiple languages. During the COVID-19 pandemic, we have enabled the majority of our more than 63,000 team members to work from home, while continuing to meet our clients' quality and security expectations and providing even more flexibility to enable our customer needs. Leveraging our learnings from the COVID-19 pandemic, our global "Majorel Anywhere" platform serves to ensure consistency in cultural onboarding of new employees and allows our team members to work remotely while maintaining a consistent level of training, service quality and data security.

7.2 Segment Reporting

Since 2021, we have been managing our business based on three geographical segments, which are also our reportable segments in accordance with IFRS 8. Our three reportable segments include:

- Europe, Africa, South America, which currently comprises France, Germany, Spain, Netherlands, Poland, Portugal, Luxembourg, Romania, Italy, Morocco, Estonia, Peru, Ivory Coast, Georgia, Colombia, Senegal, Armenia and Togo;
- Global English, Middle East, Southeast Asia, which currently comprises the United States, Philippines, Egypt, Canada, Malaysia, Qatar, Mexico, India, Saudi Arabia, Ireland, Kenya and the United Kingdom; and
- China, East Asia, which currently comprises China.

We measure the performance of our segments on the basis of revenues, Operating EBITDA and Operating EBITDA as a percentage of revenues. We present such segment information for the first time retrospectively in the Financial Statements as of and for the year ended December 31, 2020. Since we acquired the China Business (as defined below) in early 2021, segment information for our third reportable segment "China, East Asia" is neither presented in our Financial Statements as of and for the year ended December 31, 2020, nor for the comparative period for the six months ended and as of June 30, 2020, in our Interim Financial Statements for the six months ended and as of June 30, 2021.

7.3 Factors Affecting Comparability

In January 2021, we acquired the arvato China customer relationship management business, which included the acquisition of all outstanding shares in each of the following Chinese companies: Shanghai Bertelsmann Commercial Services Co. Ltd, Shanghai Bertelsmann – arvato Information Services Co. Ltd. and Bertelsmann-Arvato Commercial Services (Shanghai) Co., Ltd. ("**China Business**"). Since the China Business was acquired on January 1, 2021, the first full-year contribution of this acquisition to our revenues and consolidated profit will only be reflected in 2021. Accordingly, the comparability of the figures as of and for the periods under review may be limited. To finance the acquisition of the China Business, we entered into a term loan agreement with Bertelsmann Business Support S.à.r.l., a subsidiary of Bertelsmann SE & Co. KGaA ("**Bertelsmann**"), with respect to an aggregate term loan amount of €65 million. For more information on the term loan, see "*12.3.1.3 Shareholder Loan*".

In addition, our subsidiary Arvato de Mexico, S.A. de C.V. ("**Arvato Mexico**") has historically engaged in Majorel's core business (*i.e.*, CX business) as well as in certain non-core business activities. Due to tax reasons, the Sonopress Business was not carved out from Arvato Mexico in connection with the foundation of Majorel Group. As a result, we fully consolidate Arvato Mexico, including the Sonopress Business, in our Financial Statements. On a group level, revenues from the Sonopress Business are not material. For management reporting purposes, the Sonopress Business is, however, excluded from the scope. Accordingly, our segment reporting will include any revenues and costs associated with the Sonopress Business as consolidation or other effects. Arvato Mexico is currently being wound down and any costs or benefits associated therewith are borne by Bertelsmann Group.

On October 20, 2020, Majorel Holding Deutschland GmbH, a fully-owned subsidiary of the Company, sold and transferred its interests in Majorel Schwerin GmbH, Majorel Stralsund GmbH, Majorel Chemnitz GmbH and Majorel Neubrandenburg GmbH (together, the “**Sold Companies**”) to MJR Luxembourg S.à r.l., a subsidiary of Bertelsmann, for an aggregate cash consideration of €2 million. Since the disposal of the Sold Companies was completed in October 2020, the Sold Companies do not contribute to revenues in 2021. Accordingly, the comparability of the figures as of and for the six months ended June 30, 2021 and the six months ended June 30, 2020 may be limited.

7.4 Key Factors Affecting our Results of Operations, Financial Condition and Cash Flows

The key factors discussed below have significantly affected our results of operations, financial condition and cash flows during the periods for which financial information is included in the Prospectus, and we believe that these factors will continue to affect us in the future:

7.4.1 Increasing Demand for CX Solutions

Technology and the Internet have fundamentally transformed the way consumers seek to engage with businesses. Coming from a single-point voice-based interaction, traditional CX has developed into omnichannel solutions comprising multiple touchpoints such as mobile apps, chat and instant messaging, email, social media and traditional voice interaction as customers today expect to be able to make contact on the communication channel that is most convenient to them at a particular time and place. With the increased shift towards digital channels, which has been further accelerated by the COVID-19 pandemic, CX has become a key driver of brand equity. This advanced CX environment in combination with constant technical developments has led to new service opportunities encompassing the entire brand experience, including CX Consulting, customer journey design, direct marketing automation, data annotation and data labeling as well as content services, trust & safety.

Demand for CX solutions is a key driver affecting our revenue and profitability. The total addressable market for CX solutions, comprising outsourced and insourced CX, reached a market size of approximately \$300 billion in 2020 (*source: Everest Group, May 2021*). The global outsourced CX market had a market size of \$89 to \$91 billion in 2020 and is expected to grow at a compound annual growth rate (“**CAGR**”) of 4% to 5% until 2022 (*source: Everest Group, May 2021*). With an outsourcing share of approximately 30%, the CX market is, however, still largely underpenetrated, leaving \$210 billion of the total addressable market serviced by in-house CX departments. The prevalent need to transform CX management and digitize processes in line with evolving consumer preferences also led to an increase in digital CX services, which combine digital concepts, tools and solutions with high-touch human intervention. With a market share of \$8 billion in 2020, digital CX is expected to grow at a CAGR of approximately 42% from 2020 to 2022 (*source: Everest Group, May 2021*).

In addition, fast-growing content services, trust & safety, which aim to protect brand perception and CX on digital platforms, reached a market size of \$4 to \$5 billion in 2020 (*source: Everest Group, May 2021*). Driven by the proliferation of user-generated content in digital platforms, increasing instances of account takeovers as well as fraud and growing government regulation, content services, trust & safety, are expected to continue their strong growth trajectory with a CAGR between 30% and 40% from 2020 to 2023 (*source: Everest Group, May 2021*). Content services, trust & safety, are in particularly high demand by the Global Internet segment, of which social media is growing at a CAGR of as high as 32% (*source: The Business Research Company*). As the segment grows, so does the need for our services.

We believe our end-to-end CX offering covering both front and back-office and leveraging an intelligent combination of human talent with process expertise and specialized technology, have made us a preferred CX solution provider for leading brands and will further drive demand for our CX services and solutions.

7.4.2 Expand and Retain Existing Client Relationships and Attract New Clients

We have a diverse base of digital-born and industry-leading clients across various industry verticals, including Global Internet, BFSI, Telco, utilities, automotive, and consumer goods. Through our commitment to customer experience and innovation, we have been able to sustain long-term partnerships with many clients, often expanding our relationship through multiple service offerings that we provide through a number of delivery locations. The average tenure of our top 20 clients is approximately 12 years and we benefit from a relatively stable Net Revenues contribution of our annual top 20 clients. Our strong market position is further evidenced by the fact that we generally have a low churn rate and have never lost a client in our Global Internet vertical. In 2020, we achieved a Net Revenues retention (*i.e.*, Net Revenues generated by clients in 2020 divided by Net Revenues generated by the same cohort of clients in 2019) of 113%. In the six months ended June 30, 2021, we achieved a Net Revenues retention (*i.e.*, Net Revenues generated by clients in the six months ended June 30, 2021 divided by Net Revenues generated by the same cohort of clients in the six months ended June 30, 2020 (excluding the China Business)) of 118%.

While we seek to expand our client base across all industry verticals, we focus on clients in Global Internet. Accordingly, the success of our business largely depends on continued demand for our services from clients in this industry. As part of our strategy, we have decided to focus on higher-margin, more complex services, to expand our global footprint focusing on attractive offshore regions and actively manage our client portfolio, including our Telco portfolio. As a result, our Net Revenues share with Global Internet clients increased from 32% in 2019 to 38% in 2020, with content services, trust & safety being a key growth driver within Global Internet, accounting for 12% and 17% of our Net Revenues in 2019 and in 2020, respectively. In the six months ended June 30, 2021, our Net Revenues share with Global Internet clients increased to 42% compared to 35% in the six months ended June 30, 2020. Content services, trust & safety also increased from 17% in the six months ended June 30, 2020 to 21% in the six months ended June 30, 2021. Excluding the COVID-19 Business, our Net Revenues share with Global Internet clients accounted for 45%. As we seek to continuously grow with existing as well as new clients, we expect Global Internet to account for more than 50% of Net Revenues in the medium term, while content services, trust & safety is expected to account for 20% to 25% of Net Revenues. On the other hand, our Net Revenues share from Telco clients decreased from 24% in 2019 to 19% in 2020, and we expect to further decrease our Telco share to around 10% of Net Revenues in the medium term.

In addition, we seek to increase the scope of service offerings we provide to our existing clients. Since our clients grow in size and the complexity of their outsourcing needs increases, we see significant opportunities to cross-sell and up-sell new specialized services. For example, we aim to bolster our portfolio of highly complementary service capabilities by strengthening and growing our tech & expert services, in particular our CX Consulting practice and vertical digital solutions, to further expand our value proposition to clients. One prominent example of our recent product expansion activities is the acquisition of junokai GmbH (“**junokai**”), a leading independent CX consultancy service provider in German speaking countries. While we expect our existing clients to remain a major source of growth, we aim to continue to successfully acquire new clients across all verticals with a focus on particularly attractive industries. For example, within tech & expert services, we have recently launched a customized CX service offering for start-ups to engage with potential future market leaders at an early growth stage. Our tech & expert services accounted for 5.5% and 5.3% of Net Revenues in 2019 and 2020, respectively. In the six months ended June 30, 2021, tech & expert services accounted for 9.3% of Net Revenues compared to 5.5% in the six months ended June 30, 2020. This significant increase was primarily driven by strategic acquisitions (including primarily the China Business) as well as, to a limited extent, the COVID-19 Business. Excluding the COVID-19 Business, tech & expert services accounted for approximately 8% of Net Revenues in the six months ended June 30, 2021. In the medium term, we expect tech & expert services to account for 10% to 15% of Net Revenues. In addition, we also seek to grow our business process services with a particular focus on content services, trust & safety.

Our ability to maintain and expand relationships with our clients, as well as to attract new clients, will depend on a number of factors, including our ability to maintain our level of innovation and expertise, retention of talented team members, ensuring a consistently high level of service experience, further leveraging the technological advantages we offer and our positive reputation being a result of our corporate social responsibility and related initiatives.

7.4.3 Increasing Shift from Onshore to Offshore Delivery

Through our global platform, we are able to offer our clients a variety of onshore, nearshore or offshore locations for the delivery of our services. While “onshore” locations are typically located within the same country or region in which the services are to be provided, “nearshore” refers to locations being in a neighboring country of the country to be served which is only a short distance away. “Offshore” locations are typically located in another country with a different time zone (e.g., Philippines, India). Our multi-lingual hubs, through which we serve our Global Internet and certain other large clients, may be part of our on-, near- or offshore delivery depending on the relevant client.

Our international operations and our ability to maintain and expand our offshore sites are an essential component of our business model, as the labor costs in certain of those jurisdictions are substantially lower than the cost of comparable labor in Europe, the United States and other developed countries, which allows us to competitively price our solutions and increase our margins. The decision whether a service is provided from an onshore, nearshore or offshore location is made by the client and depends on a number of factors such as budget, regulatory requirements, cultural mind-set and required service language.

Benefiting from our global platform and significant expertise in offshore delivery, we were able to increase Net Revenues from offshore locations (as defined below) to 35% in 2020 compared to 30% in 2019, with the remaining 65% and 70%, respectively, accounting for Net Revenues from onshore locations. In the six months ended June 30, 2021, Net Revenues from offshore locations (as defined below) increased to 37% compared to 33% in the six months ended June 30, 2020. Excluding the COVID-19 Business, Net Revenues from offshore locations accounted for 40% and excluding both the COVID-19 Business and the first time consolidation of the China Business (which is fully onshore), Net Revenues from offshore locations accounted for 42%. In the medium term, we expect to further increase our offshore Net Revenues share to 45% to 50%. We define Net Revenues from offshore locations as Net Revenues generated from the following countries, which include our nearshore locations and may also include certain onshore business carried out in these countries: Morocco, Ivory Coast, Senegal, Togo, Poland, Romania, Estonia, Georgia, Armenia, Mexico, Philippines, Malaysia, India, Kenya, Portugal, Peru, Colombia, and Egypt.

7.4.4 Further Geographical Expansion

Through the formation of Majorel in January 2019, Bertelsmann and Moroccan-based Saham Group (“Saham”) brought together their customer experience management businesses with a presence in 25 countries. As global presence and multilingual capabilities are essential to our multinational operations, we have since then expanded our footprint to six other countries, including Italy, Armenia and Kenya, and established our headquarters in Luxembourg. In addition, in January 2021, we acquired the China Business in early 2021 from Bertelsmann, which included several locations across China.

As of the date of this Prospectus, we have a truly global footprint with locations in 31 countries across five continents and plan to continue expanding our geographic footprint to other potentially attractive markets to further drive growth with both existing and new clients. When searching for a new location, we consider a number of factors, including access to diverse, skilled talent, market share of clients, benefit to clients, competitive density, convenience of location, and an ability to deliver our services over multiple time zones and in multiple languages. We currently prioritize our expansion to countries and regions in which there are few international CX solution providers as well as offshore delivery geographies such as Africa, South East Asia, Eastern Europe and Latin America. For example, in Africa, we believe we are well-positioned to generate further growth offering multiple languages in similar time zones to Europe given our strong existing footprint and awareness for local cultures. As we expand our geographic footprint and service offerings, we might incur moderate one-time costs that may impact our short-term profitability in some segments/geographies.

7.4.5 Hiring and Retaining Team Members and Key Employees

As of June 30, 2021, we had more than 63,000 team members, located across 31 countries in five continents, servicing clients in 60 languages. To provide high-quality services to our clients, we must be able to quickly hire, train and retain team members. We therefore make significant investments to attract and retain top talent across our service offering to meet our clients’ evolving needs. Personnel costs (including social security contributions, expenses for pensions and similar obligations as well as other employee benefits) in each of the countries in which we operate depend on the economic growth of the respective country, level of employment and overall competition for qualified team members in the country. In addition, wage inflation, whether driven by

competition for talent or ordinary course pay increases, may increase our cost of providing services and reduce our profitability if we are not able to pass those costs on to our clients or charge premium prices when justified by market demand. We may also need to adjust salaries to keep a positive labor market reputation and to be considered as an attractive and reliable employer with comfortable salaries in relation to the work expected from our team members. Personnel costs may also increase as we expand our operations and footprint, including by strategic acquisitions, which may result in an increase of our headcount. For the year ended December 31, 2020, and for the six-month period ended June 30, 2021, personnel costs accounted for €894 million and €529 million, respectively.

In addition to our team members, we rely on certain key employees, including our Management Board and certain other managers, possessing technical and business capabilities, including industry expertise, which is difficult to replace. In each of the industry verticals we serve, there is competition for key personnel with subject matter expertise. In connection with the Private Placement, the members of the Management Board and six other managers will receive an IPO Bonus with Equity Deferral (as defined below), a part of which has to be re-invested in Shares and which is expected to result in a cash expense in the aggregate amount of €120 million plus social security charges of approximately €8 million. While the full amount of the IPO Bonus with Equity Deferral will be expensed in 2021, the impact on cash flow from operating activities and Free Cash Flow will occur in November 2021 and January 2022. The IPO Bonus with Equity Deferral will not impact our Operating EBITDA as it will be adjusted as a special item.

7.5 Results of Operations

The following table provides our results of operations for the periods presented:

	For the year ended December 31,		For the six months ended June 30,	
	2019	2020	2020	2021
	(audited)		(unaudited)	
	(in € million)		(in € million)	
Revenues	1,211	1,375	642	877
Other operating income	35	20	15	18
External expenses and cost of materials	(302)	(308)	(155)	(212)
Personnel costs	(828)	(894)	(432)	(529)
Amortization/depreciation, impairment and reversals on intangible assets, property, plant and equipment and right-of-use assets.....	(69)	(77)	(36)	(40)
Results from investments accounted for using the equity method.....	1	1	0	0
Results from disposals of investments.....	–	(1)	0	–
EBIT (earnings before interest and taxes).....	48	116	34	114
Interest expenses.....	(2)	(2)	(1)	(1)
Other financial income	0	0	0	2
Other financial expenses.....	(8)	(7)	(3)	(3)
Financial result	(10)	(9)	(4)	(2)
Earnings before tax	38	107	30	112
Income tax expense	(22)	(21)	(10)	(27)
Group profit or loss	16	86	20	85

7.5.1 Revenues

The below tables show a breakdown of our revenues from contracts with clients broken down by segment for the periods presented.

	For the year ended December 31,		For the six months ended June 30,	
	2019	2020	2020	2021
	(audited)		(unaudited)	
	(in € million)		(in € million)	
Revenues by reportable segments				
Europe, Africa, South America	1,032	1,174	544	721
Global English, Middle East, Southeast Asia	234	299	138	186
China, East Asia	–	–	–	48

	For the year ended December 31,		For the six months ended June 30,	
	2019	2020	2020	2021
	(audited) (in € million)		(unaudited) (in € million)	
Consolidation / Other	(55)	(98)	(40)	(78)
Total	1,211	1,375	642	877

In addition to revenues, we measure the performance of our business based on Net Revenues. Net Revenues for the group corresponds to revenues as reported in our consolidated income statement less (i) revenues from minor activities (primarily the Sonopress Business) outside the Majorel Group's core business which is therefore reported in the column "consolidation / other" in the Company's segment reporting and (ii) certain direct, order-related external costs which are part of external expenses and costs of materials and consist mainly of cost of services purchased (subcontracted or outsourced services).

The below tables show a breakdown of our Net Revenues broken down by segment, industry vertical and location of client headquarters for the periods presented.

	For the year ended December 31,		For the six months ended June 30,	
	2019	2020	2020	2021
	(unaudited) (in € million)		(unaudited) (in € million)	
Net Revenues by reportable segments				
Europe, Africa, South America	970	1,086	510	637
Global English, Middle East, Southeast Asia	203	253	116	163
China, East Asia	—	—	—	42
Total	1,172	1,340	626	842
Net Revenues by industry vertical				
Global Internet.....	374	514	219	352
BFSI	173	218	105	121
Telco.....	282	260	131	113
Other verticals	343	347	170	255
Total	1,172	1,340	626	842
Net Revenues by location of client headquarters				
Europe, the Middle East and Africa (EMEA).....	718	767	378	452
North America.....	357	416	190	249
Asia Pacific	32	118	37	117
Others/not defined	66	38	20	24
Total	1,172	1,340	626	842

7.5.1.1 Comparison of the Six Months Ended June 30, 2021, and June 30, 2020

Revenues increased by 36.6% from €642 million in the six months ended June 30, 2020 to €877 million in the six months ended June 30, 2021, primarily due to the continued healthy growth with existing clients, in particular in the Global Internet vertical. In addition, revenues in the six months ended June 30, 2021 was driven by our COVID-19 Business and the first time consolidation of the China Business.

On a segment level, segment revenues of our Europe, Africa, South America segment increased by 32.5% from €544 million in the six months ended June 30, 2020 to €721 million in the six months ended June 30, 2021, primarily due to an increase in services provided to our existing clients, in particular in Global Internet and BFSI, and our COVID-19 Business. Segment revenues of our Global English, Middle East, Southeast Asia segment increased by 34.8% from €138 million in the first six months ended June 30, 2020 to €186 million in the first six months ended June 30, 2021, primarily due to an increase in services provided to our existing clients, in particular Global Internet clients, and the expansion of our services across multiple business lines. Segment revenues of our China, East Asia segment, which we reported for the first time in 2021, amounted to €48 million in the six months ended June 30, 2021.

Net Revenues increased by 34.5% from €626 million in the six months ended June 30, 2020 to €842 million in the six months ended June 30, 2021, primarily as a result of the above described growth in overall revenues. Net Revenues from clients in our Global Internet vertical increased by 60.7% as a result of increased volumes, driven by several existing clients across multiple business lines including Content Services, Trust & Safety. Driven by four new client wins in BFSI, Net Revenues from clients in the BFSI vertical increased by 15.2%. At the same time, Net Revenues from clients in the Telco vertical decreased by 13.7% mainly due to our active client portfolio management. Excluding the COVID-19 Business and the first time consolidation of the China Business, Net Revenues increased by 18.5% in the six months ended June 30, 2021 compared to the corresponding prior period.

7.5.1.2 Comparison of the Years Ended December 31, 2020, and December 31, 2019

Revenues increased by 13.5% from €1,211 million in 2019 to €1,375 million in 2020, primarily due to the increasing share of high margin Global Internet business, the general increase in services provided to our existing clients and the expansion of our services across multiple business lines. On a segment level, segment revenues of our Europe, Africa, South America segment increased by 13.8% from €1,032 million in 2019 to €1,174 million in 2020, primarily due to an increase in services provided to our existing clients and the expansion of our services across multiple business lines. Segment revenues of our Global English, Middle East, Southeast Asia segment increased by 27.8% from €234 million in 2019 to €299 million in 2020, primarily due to an increase in services provided to our existing clients and the expansion of our services across multiple business lines.

Net Revenues increased by 14.3% from €1,172 million in 2019 to €1,340 million in 2020. Net Revenues from clients in our Global Internet vertical increased by 38% as a result of increased volumes, driven by several existing clients and one new client from which we generated revenue for the first time in 2020. Driven by increased volumes across our BFSI portfolio and the expansion of our digital banking platform in France, Net Revenues from clients in the BFSI vertical increased by 26%. At the same time, Net Revenues from clients in the Telco vertical decreased by 8% mainly due to our active client portfolio management.

7.5.2 Other Operating Income

Other operating income consists of income from reimbursements, income from sideline operations and sundry operating income.

7.5.2.1 Comparison of the Six Months Ended June 30, 2021, and June 30, 2020

Other operating income increased by 20.0% from €15 million in the six months ended June 30, 2020, to €18 million in the six months ended June 30, 2021, primarily due to an increase in foreign exchange gains in the amount of €2 million.

7.5.2.2 Comparison of the Years Ended December 31, 2020, and December 31, 2019

Other operating income decreased by 42.9% from €35 million in 2019 to €20 million in 2020, primarily driven by a decrease in income from reimbursements and income from sideline operations mainly due to a reduction in intragroup activities with Bertelsmann.

7.5.3 External Expenses and Other Costs of Materials

External expenses and other costs of materials comprise cost of services purchased, other cost of material, rental and lease expenses, repairs and maintenance expenses, IT external expenses, other administration expenses, advertising costs, loss allowances on receivables, loans and non-financial assets, audit, legal and consulting fees, operating taxes, foreign exchange losses, losses on disposal of non-current assets and other sundry operating expenses.

The following table provides a breakdown of our external expenses and other costs of materials for the periods presented:

	For the year ended December 31,		For the six months ended June 30,	
	2019	2020	2020	2021
	(audited) (in € million)		(unaudited) (in € million)	
Cost of services purchased	131	136	60	98
Other cost of material	12	11	5	3
Rental and lease expenses	14	14	7	8
Repairs and maintenance expenses	8	8	4	4
IT external expenses	31	36	18	29
Other administration expenses	66	65	28	42
Advertising costs	2	1	1	0
Loss allowances on receivables, loans and non- financial assets	1	0	0	0
Audit, legal and consulting fees	11	13	7	6
Operating taxes	6	6	4	6
Foreign exchange losses	0	1	-	-
Losses on disposal of non-current assets	1	2	0	1
Other sundry operating expenses	19	15	21	15
Total	302	308	155	212

7.5.3.1 Comparison of the Six Months Ended June 30, 2021, and June 30, 2020

External expenses and other cost of materials increased by 36.8% from €155 million in the six months ended June 30, 2020 to €212 million in the six months ended June 30, 2021, mainly driven by the increase of cost of services purchased resulting from the growth of our business and the increase of other administration expenses due to increased expenses for recruitment, office supplies and services due to COVID-19 health protection measures. Furthermore, IT external expenses increased due to the growth and expansion of our business, increased cyber security measures and the COVID-19 related increase of working from home activity.

7.5.3.2 Comparison of the Years Ended December 31, 2020, and December 31, 2019

External expenses and other cost of materials increased by 2.0% from €302 million in 2019 to €308 million in 2020, primarily due to an increase in cost of services purchased and IT external expenses. Cost of services purchased mainly increased due to the growth of our business. The increase in IT external expenses was also primarily driven by the growth and expansion of our business, increased cyber security measures and a COVID-19 related increase of team members working from home, which required additional IT and infrastructure set-ups. The increase in external expenses and other cost of materials was partially offset by the reduction of other sundry operating expenses from €19 million in 2019 to €15 million in 2020.

7.5.4 Personnel Costs

Personnel costs relate to costs associated with our workforce and consist of wages and salaries, statutory social security contributions, expenses for pensions and similar obligations, profit sharing and other employee benefits.

The following table provides a breakdown of our personnel costs for the periods presented:

	For the year ended December 31,		For the six months ended June 30,	
	2019	2020	2020	2021
	(audited) (in € million)		(unaudited) (in € million)	
Wages and salaries	672	731	351	431
Statutory social security contributions	127	134	64	82
Expenses for pensions and similar obligations	4	5	3	3
Profit sharing	3	1	1	0
Other employee benefits	22	23	13	13
Total	828	894	432	529

7.5.4.1 Comparison of the Six Months Ended June 30, 2021, and June 30, 2020

Personnel costs increased by 22.5% from €432 million in the six months ended June 30, 2020, to €529 million in the six months ended June 30, 2021, primarily due to the increase in headcount required to accommodate additional growth. As a percentage of Net Revenues, personnel costs decreased from 69.0% in the first half of 2020 to 62.8% in the first half of 2021, largely driven by the increasing share of headcount in offshore locations.

7.5.4.2 Comparison of the Years Ended December 31, 2020, and December 31, 2019

Personnel costs increased by 8.0% from €828 million in 2019 to €894 million in 2020, primarily due to the overall increase in headcount, particularly in our offshore locations, which was partially offset by a decrease in costs driven by the optimization of certain shared services (e.g., finance and IT functions) between Majorel's headquarter and its subsidiaries. The increase in headcount was primarily due to the expansion of services provided mainly to existing clients. As a percentage of Net Revenues, personnel costs decreased from 70.6% in 2019 to 66.7% in 2020, which was primarily driven by a higher increase in headcount in offshore locations.

7.5.5 Amortization/Depreciation, Impairment and Reversals on Intangible Assets, Property, Plant and Equipment and Right-Of-Use Assets

Amortization/depreciation, impairment and reversals on intangible assets, property, plant and equipment and right-of-use assets comprises amortization of intangible assets as well as depreciation of property, plant and equipment and depreciation and impairment of right-of-use assets. Property, plant and equipment and right-of-use assets comprises property, plant and equipment owned by Majorel and right-of-use assets from leased property, plant and equipment. The vast majority of leases within the Majorel Group concern rental properties.

7.5.5.1 Comparison of the Six Months Ended June 30, 2021, and June 30, 2020

Amortization/depreciation, impairment and reversals on intangible assets, property, plant and equipment and right-of-use assets increased by 11.1% from €36 million in the six months ended June 30, 2020, to €40 million in the six months ended June 30, 2021, primarily due to the acquisition and integration of the China Business as well as further investments made in relation to the opening of new and expansion of existing sites.

7.5.5.2 Comparison of the Years Ended December 31, 2020, and December 31, 2019

Amortization/depreciation, impairment and reversals on intangible assets, property, plant and equipment and right-of-use assets increased by 11.6% from €69 million in 2019 to €77 million in 2020, primarily due to an increase in amortization/depreciation, impairment and reversals on property, plant and equipment and right-of-use assets by 13.8% from €65 million in 2019 to €74 million in 2020. The increase was due to investments made in relation to the opening of new sites, mainly in offshore locations, as well as the expansion of existing sites.

7.5.6 EBIT (Earnings Before Interest and Taxes)

7.5.6.1 Comparison of the Six Months Ended June 30, 2021, and June 30, 2020

EBIT increased significantly from €34 million in the six months ended June 30, 2020, to €114 million in the six months ended June 30, 2021. This was largely driven by the overall increasing share of offshore delivery and the accelerated growth in more complex, value-add services. The increase in EBIT was furthermore supported by our active management of our client portfolio, our continuing strong focus on operating leverage and positive effects from our COVID-19 Business.

Operating EBITDA increased significantly by 120.0% from €70 million in the six months ended June 30, 2020 to €154 million in the six months ended June 30, 2021. As a percentage of Net Revenues, Operating EBITDA increased from 11.2% in the six months ended June 30, 2020 to 18.3% in the six months ended June 30, 2021, primarily due to the significant increase in EBIT driven by the main profitability drivers.

7.5.6.2 Comparison of the Years Ended December 31, 2020, and December 31, 2019

EBIT increased significantly by 141.7% from €48 million in 2019 to €116 million in 2020. This was primarily the result of an increase in revenue by 13.5% from 2019 to 2020, primarily due to the increasing share

of higher-margin Global Internet business, the active management of our client portfolio as well as the increasing shift from onshore to offshore delivery. Furthermore, the increase in EBIT was supported by a continuous growth in higher margin digital products in tech & expert services and additional scale and operating efficiencies.

Operating EBITDA increased significantly by 53.1% from €128 million in 2019 to €196 million in 2020. As a percentage of Net Revenues, Operating EBITDA increased from 10.9% in 2019 to 14.6% in 2020, primarily due to the significant increase in EBIT driven by the main profitability drivers.

7.5.7 Financial Result

Financial result is the sum of (i) other financial income, (ii) interest expenses, which include interest expenses on financial debt and other interest expense, and (iii) other financial expenses, which include net interest on defined benefit plans, interest expenses on lease liabilities, non-operating foreign exchange losses and sundry financial expenses.

7.5.7.1 Comparison of the Six Months Ended June 30, 2021, and June 30, 2020

Financial result improved by 50.0% from negative €4 million in the six months ended June 30, 2020, to negative €2 million in the six months ended June 30, 2021, primarily due to foreign currency gains.

7.5.7.2 Comparison of the Years Ended December 31, 2020, and December 31, 2019

Our financial result improved by 10.0% from negative €10 million in 2019 to negative €9 million in 2020, primarily due to a decrease in other financial expenses from €8 million in 2019 to €7 million in 2020. This was mainly driven by the decrease of the financial component of other employee benefits, partially offset by an increase in foreign exchange losses, resulting from the revaluation of non-operating liabilities nominated in foreign currencies to the local reporting currency.

7.5.8 Income Tax Expense

Income tax expense is broken down into current and deferred income taxes. The income tax expenses of the Majorel Group reflect the regular share of income taxes based on the profits before income taxes and the respective national tax rates. Several countries perform a tax consolidation. All tax results within the tax group are consolidated on level of the tax group holding named as follows: France – ACR France SARL, Germany – Majorel Holding Deutschland GmbH, Netherlands – Majorel Holding Nederland B.V., Portugal – Majorel Corporate Portugal, SGPS, Lda. and Spain – Majorel Systems Spain, S.A.U.

7.5.8.1 Comparison of the Six Months Ended June 30, 2021, and June 30, 2020

Income tax expense increased substantially from €10 million in the six months ended June 30, 2020 to €27 million in the six months ended June 30, 2021, while earnings before tax increased by 273%. The effective tax rate of the group decreased in the six months ended June 30, 2021 compared to the first half of the previous year due to the effective utilization of net operating losses in certain countries.

7.5.8.2 Comparison of the Years Ended December 31, 2020, and December 31, 2019

Total income tax expense decreased by 4.5% from €22 million in 2019 to €21 million in 2020, primarily due to an increase in current income taxes from €18 million in 2019 to €26 million in 2020, which in turn, was offset by the movement of deferred income taxes from expenses of €4 million in 2019 to income of €5 million in 2020. The change in deferred income taxes mainly resulted from valuation allowances on deferred tax assets in relation to unused tax losses accounted for in 2019 in various countries which were reversed in the financial year 2020 as a result of the favorable development of taxable results.

7.5.9 Group Profit or Loss

7.5.9.1 Comparison of the Six Months Ended June 30, 2021, and June 30, 2020

Group profit increased significantly from €20 million in the six months ended June 30, 2020, to €85 million in the six months ended June 30, 2021, driven primarily by the significant increase in EBIT and supported by a low financial result and taxes.

7.5.9.2 Comparison of the Years Ended December 31, 2020, and December 31, 2019

Group profit increased significantly from a profit of €16 million in 2019 to a profit of €86 million in 2020, driven primarily by the significant increase in EBIT as a result of our increasing share of high margin business, the increasing shift from onshore to offshore delivery and additional scale and operating efficiency. Group profit further benefited from our low effective tax rate, which amounted to 20% in 2020.

7.6 Segment Discussion

We serve our clients in all key markets globally and locally in accordance with their evolving demands. Under IFRS 8, we have three reportable segments comprised of the regions (i) Europe, Africa, South America, (ii) Global English, Middle East, Southeast Asia and (iii) China, East Asia. For our reportable segments, we report revenues, Operating EBITDA and Operating EBITDA as a percentage of revenues, which is included in our segment reporting in accordance with IFRS 8. In addition, we measure Net Revenues and Operating EBITDA as a percentage of Net Revenues for each segment.

Segment revenues already excludes revenues reported as “consolidation / other” in the Company’s segment reporting. Net Revenues for each segment corresponds to the according segment revenues less certain direct, order-related intersegment and external costs.

7.6.1 Europe, Africa, South America

The following table shows the operating performance of our Europe, Africa, South America segment for the periods presented:

	For the year ended December 31,		For the six months ended June 30,	
	2019	2020	2020	2021
	(audited) (in € million)		(unaudited) (in € million)	
Revenues from external customers	1,001	1,132	523	700
Intersegment revenues	31	42	21	21
Segment revenues	1,032	1,174	544	721
Operating EBITDA	101	153	55	116
<i>as % of segment revenues</i>	<i>9.8</i>	<i>13.0</i>	<i>10.1</i>	<i>16.1</i>

	For the year ended December 31,		For the six months ended June 30,	
	2019	2020	2020	2021
	(unaudited, unless otherwise specified) (in € million)		(unaudited) (in € million)	
Net Revenues	970	1,086	510	637
Operating EBITDA⁽¹⁾	101	153	55	116
<i>as % of Net Revenues</i>	<i>10.4</i>	<i>14.1</i>	<i>10.8</i>	<i>18.2</i>

(1) Audited.

7.6.1.1 Segment Revenues

Segment revenues of our Europe, Africa, South America segment increased by 32.5% from €544 million in the six months ended June 30, 2020 to €721 million in the six months ended June 30, 2021, primarily due to an

increase in services provided to our existing clients, in particular in Global Internet and BFSI, and our COVID-19 Business.

Net Revenues of our Europe, Africa, South America segment increased by 24.9% from €510 million in the six months ended June 30, 2020 to €637 million in the six months ended June 30, 2021, primarily due to the same underlying drivers as for segment revenues. Net Revenues from clients in our Global Internet vertical increased by 44.7%, mainly due to increased volumes of existing clients. Net Revenues from clients in the BFSI vertical increased by 22.7% due to increasing volumes with existing clients and new clients. Net Revenues from clients in the Telco vertical decreased by 13.4% primarily due to our active client portfolio management. Excluding the COVID-19 Business, Net Revenues increased by 13.3%.

In 2020, segment revenues of our Europe, Africa, South America segment increased by 13.8% from €1,032 million in 2019 to €1,174 million in 2020 primarily due to an increase in services provided to our existing clients and the expansion of our services across multiple business lines.

Net Revenues of our Europe, Africa, South America segment increased by 12.0% from €970 million in 2019 to €1,086 million in 2020. Net Revenues from clients in our Global Internet vertical increased by 35.6%, mainly driven by increased volumes of existing clients. Net Revenues from clients in the BFSI vertical increased by 24.5% due to increased volumes and the expansion of our digital banking platform in France. Net Revenues from clients in the Telco vertical decreased by 7.8% due to our active client portfolio management.

7.6.1.2 Operating EBITDA

Operating EBITDA of our Europe, Africa, South America segment increased by 110.9% from €55 million in the six months ended June 30, 2020 to €116 million in the six months ended June 30, 2021, primarily due to a growth in offshore delivery, an increasing share of more complex and higher margin services, active client portfolio management across all verticals and our COVID-19 Business.

As a percentage of segment revenue, Operating EBITDA increased from 10.1% in the six months ended June 30, 2020 to 16.1% in the six months ended June 30, 2021 and as a percentage of Net Revenue, Operating EBITDA increased from 10.8% in the six months ended June 30, 2020 to 18.2% in the six months ended June 30, 2021.

In 2020, Operating EBITDA of our Europe, Africa, South America segment increased by 51.5% from €101 million in 2019 to €153 million in 2020, as a result of the increase of Net Revenues by 12.0% from 2019 to 2020, primarily due to our growth with existing clients, especially with profitable clients in Global Internet, the expansion of our business lines, cost compensation measures as well as from a COVID-19 related decrease in travel costs due to travel restrictions, quarantines and team members largely working from home.

As a percentage of segment revenue, Operating EBITDA increased from 9.8% in 2019 to 13.0% in 2020 and as a percentage of Net Revenue, Operating EBITDA increased from 10.4% in 2019 to 14.1% in 2020, primarily due to a continuous shift from onshore to offshore delivery, our active client portfolio management and the increase of higher-margin business such as Global Internet.

7.6.2 Global English, Middle East, Southeast Asia

The following table shows the operating performance of our Global English, Middle East, Southeast Asia segment for the periods presented:

	For the year ended December 31,		For the six months ended June 30,	
	2019	2020	2020	2021
	(audited) (in € million)		(unaudited) (in € million)	
Revenues from external customers.....	202	239	117	128
Intersegment revenues.....	32	60	21	58
Segment revenues	234	299	138	186
Operating EBITDA	26	44	15	32
<i>as % of segment revenues</i>	<i>11.1</i>	<i>14.7</i>	<i>10.9</i>	<i>17.2</i>

	For the year ended December 31,		For the six months ended June 30,	
	2019	2020	2020	2021
	(unaudited, unless otherwise specified) (in € million)		(unaudited) (in € million)	
Net Revenues.....	203	253	116	163
Operating EBITDA⁽¹⁾	26	44	15	32
<i>as % of Net Revenues</i>	<i>12.8</i>	<i>17.4</i>	<i>12.9</i>	<i>19.6</i>

(1) Audited.

7.6.2.1 Segment Revenues

Segment revenues of our Global English, Middle East, Southeast Asia segment increased by 34.8% from €138 million in the six months ended June 30, 2020 to €186 million in the six months ended June 30, 2021, primarily due to an increase in services provided to our existing clients, in particular Global Internet clients, and the expansion of our services across multiple business lines.

Net Revenues of our Global English, Middle East, Southeast Asia segment increased by 40.5% from €116 million in the six months ended June 30, 2020 to €163 million in the six months ended June 30, 2021, primarily due to increased volumes with Global Internet clients. As a result, Net Revenues from clients in our Global Internet vertical increased by 80.6%.

Segment revenues of our Global English, Middle East, Southeast Asia segment increased by 27.8% from €234 million in 2019 to €299 million in 2020, primarily due to an increase in services provided to our existing clients and the expansion of our services across multiple business lines.

Net Revenues of our Global English, Middle East, Southeast Asia segment increased by 24.6% from €203 million in 2019 to €253 million in 2020. Net Revenues from clients in our Global Internet vertical increased by 42.0% as a result of increased volumes. Net Revenues from clients in the BFSI vertical increased by 33.6% due to increased volumes across clients.

7.6.2.2 Operating EBITDA

Operating EBITDA of our Global English, Middle East, Southeast Asia segment increased by 113.3% from €15 million in the six months ended June 30, 2020 to €32 million in the six months ended June 30, 2021, mainly driven by accelerated growth in more complex, value-add services, increasing offshore leverage and growth with Global Internet clients.

As a percentage of segment revenue, Operating EBITDA increased from 10.9% in the six months ended June 30, 2020 to 17.2% in the six months ended June 30, 2021 and as a percentage of Net Revenue, Operating EBITDA increased from 12.9% in the six months ended June 30, 2020 to 19.6% in the six months ended June 30, 2021.

In 2020, Operating EBITDA of our Global English, Middle East, Southeast Asia segment increased by 69.2% from €26 million in 2019 to €44 million in 2020, as a result of an increase in Net Revenues by 24.6% from 2019 to 2020, primarily due to our growth with existing clients, especially with profitable clients in our Global Internet vertical, the expansion of our business lines, cost compensation measures as well as from the COVID-19 related decrease in travel costs due to travel restrictions, quarantines and team members largely working from home.

As a percentage of segment revenue, Operating EBITDA increased from 11.1% in 2019 to 14.7% in 2020 and as a percentage of Net Revenues, Operating EBITDA increased from 12.8% in 2019 to 17.4% in 2020, primarily due to a higher share of offshore delivery compared to our Europe, Africa, South America segment and a substantial and growing share of Global Internet clients.

7.6.3 China, East Asia

The following table shows the operating performance of our China, East Asia segment for the periods presented:

	For the year ended December 31,		For the six months ended June 30,	
	2019	2020	2020	2021
	(audited) (in € million)		(unaudited) (in € million)	
Revenues from external customers	–	–	–	48
Intersegment revenues	–	–	–	–
Segment revenues	–	–	–	48
Operating EBITDA	–	–	–	7
<i>as % of segment revenues</i>	–	–	–	<i>14.6</i>

	For the year ended December 31,		For the six months ended June 30,	
	2019	2020	2020	2021
	(unaudited, unless otherwise specified) (in € million)		(unaudited) (in € million)	
Net Revenues	–	–	–	42
Operating EBITDA⁽¹⁾	–	–	–	7
<i>as % of Net Revenues</i>	–	–	–	<i>16.7</i>

(1) Audited.

7.6.3.1 Segment Revenues

Segment revenues of our China, East Asia segment amounted to €48 million in the six months ended June 30, 2021. Net Revenues amounted to €42 million in the six months ended June 30, 2021. The client industry mix of this segment is made up by high shares of Global Internet, consumer goods and automotive clients.

7.6.3.2 Operating EBITDA

Operating EBITDA of our China, East Asia segment amounted to €7 million in the six months ended June 30, 2021. As a percentage of segment revenue, Operating EBITDA amounted to 14.6% and as a percentage of Net Revenue, Operating EBITDA amounted to 16.7% in the six months ended June 30, 2021.

7.7 Liquidity and Capital Resources

We have historically financed our Capital Expenditures and working capital requirements mainly through a combination of cash flows from operating activities, short- and long-term financing from our shareholders as well as, to a limited extent, third-party financing.

In January 2021, we entered into a fixed-interest term loan with an affiliate of Bertelsmann with an aggregate loan amount of €65 million to fund strategic M&A acquisitions, including our acquisition of the China Business in early 2021. In addition, in connection with our formation, we entered into a fixed-interest €20 million term loan agreement with an affiliate of Bertelsmann. For more information on the term loans, see “12.3.1.3 Shareholder Loan” and “12.3.1.2 Shareholder Loan 2021”. In addition, in 2019, we, as borrower, and Bertelsmann and Saham Outsourcing, as lenders, entered into a working capital facility agreement with an aggregate amount of €40.0 million. The working capital facility expired in December 2019. For more information on the working capital facility, see “12.3.4 Working Capital Facility Agreement”.

In the periods under review, liabilities to banks were mainly comprised of a fixed-interest €30 million bank loan provided by BNP PARIBAS that we repaid in June 2021. In addition, we have two undrawn short-term revolving credit facilities in the aggregate amount of €52 million, which both will mature in November 2022. For more information, see “9.15 Material Agreements”. For a summary of our non-derivative financial liabilities as of the dates indicated by their remaining contractual maturity based on contractually fixed undiscounted cash flows, see “7.8 Financial Liabilities”.

Our net cash, which we define as cash and cash equivalents less liabilities to banks and other financial debt, amounted to €141 million as of December 31, 2020 and to €128 million as of June 30, 2021. Our Economic Debt, which we define as financial debt less cash and cash equivalents plus provisions for pensions and similar obligations and lease liabilities, amounted to negative €5 million as of December 31, 2020 and to negative €29 million as of June 30, 2021. The decrease in our net cash position reflects investments in strategic M&A and a (disproportionate) dividend paid to Bertelsmann Luxembourg.

7.7.1 Cash Flows

The following table provides a breakdown of our cash flows for the periods indicated. There were no material changes to the cash flow of the Company since the June 30, 2021 subject to month-over-month fluctuations.

	For the year ended December 31,		For the six months ended June 30,	
	2019	2020	2020	2021
	(audited) (in € million)		(unaudited) (in € million)	
Group earnings before interest and taxes.....	48	116	34	114
Taxes paid	(24)	(17)	(5)	(15)
Depreciation and write-up of non-current assets	69	77	36	40
Gains/losses from disposals of non-current assets.....	1	1	0	–
Change in provisions for pensions and similar obligations .	(13)	(5)	(1)	0
Change in other provisions.....	(2)	13	6	9
Change in net working capital.....	(18)	39	70	(24)
Other effects.....	(11)	(1)	(1)	(1)
Cash flow from operating activities	50	223	139	123
Investments in:				
– intangible assets.....	(2)	(3)	(1)	(4)
– property, plant and equipment	(57)	(43)	(15)	(26)
– financial assets.....	0	0	0	(5)
– purchase prices for consolidated investments (net of acquired cash).....	(49)	(3)	(1)	(56)
Disposals of other fixed assets.....	8	4	0	1
Cash flow from investing activities	(100)	(45)	(17)	(90)
Proceeds from/redemption of other financial debt.....	(47)	(16)	32	34
Redemption of lease liabilities	(34)	(40)	(19)	(23)
Interest paid.....	(5)	(5)	(3)	(3)
Change in equity.....	43	2	0	–
Dividends to Majorel shareholders.....	–	–	–	(19)
Other effects.....	0	1	0	(3)
Cash flow from financing activities	(43)	(58)	10	(14)
Change in cash and cash equivalents.....	(93)	120	132	19
Exchange rate effects and other changes in cash and cash equivalents.....	3	(4)	(2)	2
Cash and cash equivalents at the beginning of the period ...	169	79	79	195
Cash and cash equivalents at the end of the period	79	195	209	216

7.7.1.1 Cash Flow from Operating Activities

7.7.1.1.1 Comparison of the Six Months Ended June 30, 2021, and June 30, 2020

Cash flow from operating activities decreased by 11.5% from €139 million in the six months ended June 30, 2020, to €123 million in the six months ended June 30, 2021. This was mainly driven by the increase of working capital resulting from our extraordinary collection efforts in the six months ended June 30, 2020, which were part of our COVID-19 liquidity preservation measures, which more than offset the significant increase of group earnings before interest and taxes.

7.7.1.1.2 Comparison of the Years Ended December 31, 2020, and December 31, 2019

Cash flow from operating activities increased from an inflow of €50 million in 2019 to an inflow of €223 million in 2020. This was primarily due to a significant increase in Group earnings before interest and taxes from €48 million in 2019 to €116 million in 2020 and a change in Net Working Capital from an outflow of

€18 million in 2019 to an inflow of €39 million in 2020, which was primarily due to our increased focus on the collection of receivables and the renegotiation of payment terms including, to a limited extent, the utilization of reverse factoring in Spain.

7.7.1.2 Cash Flow from Investing Activities

7.7.1.2.1 Comparison of the Six Months Ended June 30, 2021, and June 30, 2020

Cash flow from investing activities decreased significantly from an outflow of €17 million in the six months ended June 30, 2020, to an outflow of €90 million in the six months ended June 30, 2021, primarily due to the increase of purchase prices for consolidated investments resulting from the acquisition of the China Business and the customer experience consultancy junokai in Germany. Furthermore, investments in property, plant and equipment increased due to the normalization of Capital Expenditure following the implementation of certain liquidity preservation measures, in particular at the beginning of the COVID-19 pandemic in early 2020.

7.7.1.2.2 Comparison of the Years Ended December 31, 2020, and December 31, 2019

Cash flow from investing activities decreased from an outflow of €100 million in 2019 to an outflow of €45 million in 2020. This was primarily due to a decrease in investments in purchase prices for consolidated investments (net of acquired cash) from an outflow of €49 million in 2019 to an outflow of €3 million in 2020, mainly driven by the deferred acquisition of some international businesses contributed to Majorel by the shareholders in 2019. Furthermore, investments in property, plant and equipment decreased from an outflow of €57 million in 2019 to an outflow of €43 million in 2020, primarily due to extraordinary investments related to the formation of Majorel including the acquisition of real estate from Bertelsmann in connection with our formation in 2019 and reserved Capital Expenditures in the context of the COVID-19 crisis in 2020.

7.7.1.3 Cash Flow from Financing Activities

7.7.1.3.1 Comparison of the Six Months Ended June 30, 2021, and June 30, 2020

Cash flow from financing activities decreased significantly from an inflow of €10 million in the six months ended June 30, 2020, to an outflow of €14 million in the six months ended June 30, 2021, primarily due to the (disproportionate) dividend paid to Bertelsmann Luxembourg and the increase of the redemption of lease liabilities resulting from new lease agreements entered into in relation of the set-up of new and expansion of existing sites.

7.7.1.3.2 Comparison of the Years Ended December 31, 2020, and December 31, 2019

Cash flow from financing activities increased from an outflow of €43 million in 2019 to an outflow of €58 million in 2020. This was primarily due to the decrease of the inflow from the change in equity from €43 million in 2019 to €2 million in 2020, which was driven by equity injections by the shareholders when Majorel was founded in 2019, and an increase in the redemption of lease liabilities from an outflow of €34 million in 2019 to €40 million in 2020, which was primarily driven by the conclusion of new lease agreements. This increase was offset by the decrease in the proceeds from/redemption of other financial debt from an outflow of €47 million in 2019 to an outflow of €16 million in 2020.

7.7.2 Net Working Capital

We define Net Working Capital as operating current assets including inventories deducted by operating current liabilities.

The following table provides a calculation of Net Working Capital as of the dates presented:

	As of December 31,		As of June 30,
	2019	2020	2021
	(audited, unless otherwise specified)		(unaudited)
	(in € million)		(in € million)
Inventories.....	1	0	0
Add: Trade receivables.....	301	291	363
Less: Trade payables.....	(76)	(104)	(121)
Trade working capital	226	187	242
Add: Other receivables and other current assets.....	70	60	57
Add: Deferred items (assets).....	11	12	14
Less: Other payables.....	(174)	(174)	(196)
Less: Deferred items (liabilities).....	(2)	(5)	(3)
Less: Other provisions.....	(10)	(22)	(29)
Other working capital	(105)	(129)	(157)
Net Working Capital⁽¹⁾	121	58	85

(1) Unaudited.

Net Working Capital is not recognized as a measure under IFRS and should not be considered as a substitute for an analysis of our consolidated balance sheet prepared in accordance with IFRS. In addition, our definition of Net Working Capital may not be comparable to similarly titled information published by other companies.

7.7.2.1 Net Working Capital in the Six Months Ended June 30, 2021

Net Working Capital increased from €58 million as of December 31, 2020 to €85 million as of June 30, 2021, primarily due to the normalization of working capital management following the implementation of liquidity preservation measures in 2020 in the context of the COVID-19 pandemic.

7.7.2.2 Net Working Capital in the Years Ended December 31, 2020, and 2019

Net Working Capital decreased significantly from €121 million as of December 31, 2019 to €58 million as of December 31, 2020, primarily due to liquidity preservation measures including the increased focus on the reduction of overdues, the collection of receivables and the renegotiation of payment terms in the context of the COVID-19 pandemic as well as the utilization of reversed factoring in Spain.

7.7.3 Capital Expenditure

Our Capital Expenditure is defined as investments in intangible assets and investments in property, plant and equipment.

The following table provides a breakdown of Capital Expenditure for the periods presented:

	For the year ended December 31,		For the six months ended June 30,	
	2019	2020	2020	2021
	(audited, unless otherwise specified)		(unaudited)	
	(in € million)		(in € million)	
Investments in intangible assets.....	2	3	1	4
Investments in property, plant and equipment.....	57	43	15	26
Capital Expenditure⁽¹⁾	59	46	16	30

(1) Unaudited.

Capital Expenditure is not recognized as a measure under IFRS and should not be considered as a substitute for an analysis of our consolidated balance sheet and consolidated cash flow statement prepared in accordance with IFRS. In addition, our definition of Capital Expenditure may not be comparable to similarly titled information published by other companies.

7.7.3.1 Future and Planned Capital Expenditure

In the medium term, we expect Capital Expenditure to be in the range of 3.5% to 4.0% of Net Revenues. For the year ending December 31, 2021, we estimate Capital Expenditure to be at the upper end of this range, largely due to catch-up effects resulting from the liquidity preservation measures applied in the first half of 2020, in particular comprising investments in relation to the set-up of new sites and to the expansion and refurbishments of existing locations.

As of the date of this Prospectus, the Management Board has resolved on future Capital Expenditure relating to material ongoing projects in an aggregate amount of approximately €21 million, primarily relating to the expansion and refurbishments of existing locations and the set-up of new sites abroad.

We expect that our planned and future Capital Expenditure will predominantly be invested in further expansion of our global network of locations and plan to finance them from available cash and cash equivalents.

7.7.3.2 Capital Expenditure in the Six Months Ended June 30, 2020, and Ongoing Capital Expenditure

In the six months ended June 30, 2021, Capital Expenditure amounted to €30 million, with the majority relating to expansion measures in line with our growth strategy. Capital Expenditure for this period was financed from available cash and cash equivalents.

Between June 30, 2021 and the date of this Prospectus, our Capital Expenditure relating to material projects amounted to approximately €2 million and primarily comprised investments in the expansion and refurbishments of existing locations and the set-up of new sites, in particular in Africa and Eastern Europe. Capital Expenditure for this period was financed from available cash and cash equivalents.

In addition, we have ongoing Capital Expenditure regarding material projects in the aggregate amount of approximately €5 million relating to the expansion and refurbishments of existing locations and the set-up of new sites. Our ongoing Capital Expenditure is being invested abroad, in particular in Africa, and Eastern Europe and will be financed from available cash and cash equivalents.

7.7.3.3 Capital Expenditure in the Years Ended December 31, 2020, and 2019

Capital Expenditure in 2020 amounted to €46 million, primarily including payments for investment in property, plant and equipment relating to the set-up of new sites (*e.g.*, Armenia, Georgia, Togo, Morocco, Ivory Coast) to further increase offshore penetration and the expansion and refurbishment of existing sites (*e.g.*, Philippines, Malaysia, Eastern Europe, Africa). Capital Expenditure in 2020 was lower than initially planned as we implemented certain liquidity preservation measures in the first six months of 2020 due to the COVID-19 pandemic.

Capital Expenditure in 2019 amounted to €59 million, primarily including payments for investments in property, plant and equipment, reflecting the set-up of new sites, mainly in offshore locations, expansions and refurbishments of existing sites and extraordinary investments when Majorel was formed in 2019, including the acquisition of buildings in Germany from Bertelsmann.

All of our Capital Expenditure was financed from available cash and cash equivalents.

7.8 Financial Liabilities

The tables below summarize our non-derivative financial liabilities as of the dates indicated by their remaining contractual maturity based on contractually fixed undiscounted cash flows. The figures are based on undiscounted cash flows at the earliest date at which Majorel can be held liable for payment.

As of December 31, 2020				
Carrying amount	Up to 1 year	Undiscounted cash flows		Total
		1 to 5 years (audited) (in € million)	Over 5 years	
Liabilities to banks	33	33	–	33
Other financial debt	21	1	20	21
Trade payables	104	104	–	104
Other	28	28	–	28
Total non-derivative financial liabilities	186	166	20	186

As of December 31, 2019				
Carrying amount	Up to 1 year	Undiscounted cash flows		Total
		1 to 5 years (audited) (in € million)	Over 5 years	
Liabilities to banks	21	21	–	21
Other financial debt	23	3	20	23
Trade payables	76	76	–	76
Other	28	28	–	28
Total non-derivative financial liabilities	148	128	20	148

7.9 Equity

The following table provides an overview of our equity as of the dates presented:

	As of December 31,		As of June 30,
	2019	2020	2021
	(audited) (in € million)		(unaudited) (in € million)
Subscribed capital	0 ⁽¹⁾	0 ⁽¹⁾	0 ⁽¹⁾
Capital reserve	275	275	256
Retained earnings	(37)	37	132
Majorel shareholders' equity	238	312	388
Non-controlling interests	4	5	5
Total equity	242	317	393

(1) As of June 30, 2021, as of December 31, 2019, and as of December 31, 2020, the subscribed capital amounted to €404 thousand.

7.9.1.1 June 30, 2021, Compared to December 31, 2020

Total equity increased by 24.0% from €317 million as of December 31, 2020 to €393 million as of June 30, 2021, primarily due to the increase of retained earnings resulting from the favorable development of results in the first half of 2021.

7.9.1.2 December 31, 2020, Compared to December 31, 2019

Total equity increased by 31.0% from €242 million as of December 31, 2019, to €317 million as of December 31, 2020, primarily due to the group profit of €86 million, partly offset by effects in other comprehensive income caused by the re-measurement of defined benefit plans and the exchange rate differences from translation of results and financial positions.

7.10 Contingent Liabilities and Other Financial Obligations

Contingent liabilities are possible obligations that arise from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the control of the Group. Moreover, contingent liabilities can be present obligations that arise from past events but which are not recognized on the statement of financial position as it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. According to IAS 37, such contingent liabilities are not recorded in the statement of financial position but are disclosed in the Notes.

Contingent liabilities as of December 31, 2020, were immaterial (December 31, 2019: €1 million).

7.11 Financial Risk Management

Through our international operations, we are exposed to various forms of financial risk including changes in foreign exchange rates and interest rates. Our risk management activities are designed to effectively mitigate these risks. Our Management Board is responsible for establishing a basic risk management policy, outlining general procedures for hedging currency and interest rate risk and the utilization of derivative financial instruments. Our subsidiaries are advised, but not obliged, to hedge themselves against foreign currency risks in the local reporting currency by signing forward agreements with banks that have a high credit rating. Loans within the Majorel Group that are subject to currency risk are hedged using derivatives. The Majorel Group Treasury advises subsidiaries on operating risk and hedges risks using derivative financial instruments as necessary.

For more information on our financial risk management, please see the notes to our Financial Statements included in pages F-56 et seqq. For a description of risks which are specific to the Company and/or its shares and which are material for taking an informed investment decision, see “*I Risk Factors*”.

7.12 Financial Derivatives

We use standard market financial derivatives, usually unlisted (OTC) instruments. These include, in particular, forward agreements. Transactions are entered into solely with Bertelsmann or banks with a high credit rating. In general, the transactions with banks are only performed with banks approved by our Corporate Treasury.

7.13 Significant Accounting Judgments, Estimates and Assumptions

The preparation of our consolidated financial statements requires the use of accounting judgments, estimates and assumptions that may impact the carrying amounts of assets, liabilities, income and expenses recognized. Amounts actually realized may differ from estimated amounts. The following section presents accounting judgments, estimates and assumptions that are material to our consolidated financial statements for understanding the uncertainties associated with financial reporting.

- **Recognition of income and expense:** The transaction prices to be determined using the contract-based five-step model defined in IFRS 15 often include both fixed and variable considerations. The variable components are determined on the basis of estimates, which are made and updated in accordance with constraint conditions.
- **Trade and other receivables:** Calculation of loss allowance for accounts receivable is based on historical credit loss rates for groups of financial assets with similar credit risk characteristics and on forward-looking information, including customer-specific information and forecasts of future economic conditions.
- **Impairment:** Our management’s estimates of cash flow, on which impairment tests are based, are based on factors including assumptions of economic trends and the associated risks, the regulatory environment, the competitive environment, market share, investments, EBITDA margins and growth rates. A combination of long-term trends, industry forecasts and in-house knowledge, with special emphasis on recent experience, is used in forming the assumptions about the development of the various relevant markets in which we operate. The relevant markets are an area highly exposed to the general economic conditions. The development of the relevant markets is just one of the key operational drivers we use when assessing individual business models. The most important assumptions include estimated growth rates, the weighted average cost of capital and tax rates. All these different elements are variable, interrelated and difficult to isolate as the main driver of the various business models and respective

valuations. Changes to these estimates as a result of more recent information could have a material impact on the amount of the possible impairment. The growth rates applied are based on long-term real growth rates for the relevant economies, growth expectations for the relevant sectors and long-term inflation forecasts for the countries in which the cash-generating units operate. The values allocated to the key assumptions are in line with external sources of information. The figures obtained using the respective discount rates reflect the recoverable amount of the cash-generating units. Material changes in the market or competitive environment may impair the value of cash-generating units.

- **Pension obligations:** Pension obligations are measured using the projected unit credit method. Using this approach, biometric calculations, the prevailing long-term capital market interest rates and, in particular, assumptions about future salary and pension increases are taken into account. As a result of the decrease in the discount rate for measuring provisions for pensions, actuarial losses amounting to €7 million before related tax effects were recognized in the item “Remeasurement component of defined benefit plans.”
- **Provisions for onerous contracts are also based to a significant extent on management estimates with regard to their amount and probability of occurrence.** Assessments of whether there is a present obligation, whether an outflow of resources is probable and whether it is possible to reliably determine the amount of the obligation are generally based on the expertise of in-house or third-party specialists. More recent information could change the estimates and thus impact the Group’s financial position and financial performance. The legal and regulatory environment in which we operate does not bear significant litigation risks. With regard to risk provisioning, a provision for potential losses from litigation is recognized when the risks of a loss are considered probable and when a reliable estimate of the anticipated financial impact is possible. For significant contingent liabilities for which the possibility of a future loss is more than remote but less than probable, we estimate the possible loss where we believe that an estimate can be made. Contingent liabilities from litigation that were of subordinate significance from a Group perspective existed at the end of the reporting period. Management regularly reviews the recognition, measurement and use of provisions along with the disclosure requirements for contingent liabilities.
- **Leases:** Some real estate lease contracts include extension or termination options. Payments from these optional periods are included in the lease liability, provided it is reasonably certain that the lease will be extended beyond the non-cancellable lease period or that a termination option will not be exercised. In assessing whether an option to extend or terminate will be exercised, management considers all facts and circumstances for the respective lease object that are associated with an economic incentive to exercise the extension option or not to exercise the termination option. These include, in particular, the amount of lease payments compared to market prices in the optional period, completed or expected leasehold improvements, and the importance of the underlying asset to our operations. The assessment is carried out individually on a lease-by-lease basis.

In the case of purchase price allocations, assumptions are also made regarding the measurement of assets and liabilities assumed as part of business combinations. This applies in particular with regard to the acquired intangible assets, as measurements are based on fair value. As a rule, this is the present value of the future cash flows after taking into account the present value of the tax amortization benefit. In addition, the definition of uniform useful lives within our group is based on management’s assumptions.

The activities of our group companies are subject to the respective applicable tax laws and pronouncements. Assumptions and estimates also form the basis for judgments regarding the ability to realize uncertain tax positions and future tax benefits that may arise from the interpretation of tax regulations. Recognition of an asset or liability from an uncertain tax position is performed in accordance with IAS 12 if payment or refund in respect of the legal uncertainty is probable. Measurement of the uncertain tax assets and tax liabilities is at its most likely amount in accordance with IFRIC 23. Deferred tax assets are only carried to the extent that it is probable that they can be utilized against future taxable profits. When assessing the probability of the ability to use deferred tax assets in the future, various factors are taken into account, including past earnings, company forecasts, tax planning strategies and loss carryforward periods.

Estimates and the underlying assumptions are reviewed on an ongoing basis. As a rule, adjustments to estimates are taken into account in the period in which the change is made and in future periods.

7.14 Changes in Accounting Standards

Since 2019, the initial application of new financial reporting standards and interpretations had no material impact on us.

8. PROFIT FORECAST

Our forecast of Operating EBITDA (as defined below) of Majorel Group Luxembourg S.A., Luxembourg, (the “**Company**” and, together with its consolidated subsidiaries, “**Majorel**”, “**Majorel Group**”, “**we**”, “**us**” or “**our**”) and its consolidated subsidiaries for the period from January 1, 2021 to December 31, 2021 (herein referred to as “**Operating EBITDA Forecast 2021**” and together with the respective explanatory notes the “**Profit Forecast 2021**”) discussed in this section is not a statement of facts and should not be regarded as such by investors. Rather, it reflects the forward-looking expectations of the Company with respect to the Operating EBITDA Forecast 2021.

Any forward-looking statements, including the Profit Forecast 2021, are necessarily based on a number of assumptions and estimates about future events and actions including management’s assessment of opportunities and risks. Such assumptions and estimates are inherently subject to significant business, operational, economic and competitive uncertainties and contingencies, many of which are beyond our control, and upon assumptions with respect to future business decisions that are subject to change.

The Profit Forecast 2021 is based on assumptions made by the Management Board of the Company. These assumptions relate to (i) factors outside the Company’s influence, (ii) factors that can be influenced by the company to a certain extent and (iii) factors that can be influenced by the Company as set out below under “8.4.1 Factors Beyond Our Control and Related Assumptions”, “8.4.2 Factors That Can Be Influenced By Us To A Certain Extent and Related Assumptions” and “8.4.3 Factors That Can Be Influenced By Us and Related Assumptions”. Although we believe that if these assumptions and estimates are reasonable on the date as of which the Profit Forecast 2021 is published, they may subsequently prove to have been unjustified, inappropriate or incorrect. Should one or more of these assumptions and estimates prove to be inappropriate or incorrect, the Majorel Group’s actual Operating EBITDA for the period from January 1, 2021 to December 31, 2021 (the “**Financial Year 2021**”) could materially deviate from the Operating EBITDA Forecast 2021. Accordingly, prospective investors should treat this information with caution and should not place undue reliance on the Operating EBITDA Forecast 2021.

8.1 Definition of Key Performance Indicator

We use Operating EBITDA to manage our business, and we believe it to be indicative of our operating performance.

Operating EBITDA, as defined by us, may not be consistent with other similarly titled measures of other companies. Accordingly, it may not be comparable to these measures, similar measures or measures with similar names as presented by other companies. Operating EBITDA is not recognized as a generally accepted accounting principle (“**GAAP**”) measure under International Financial Reporting Standards, as adopted by the European Union (“**IFRS**”) and should not be considered in isolation or as a substitute for any other performance indicator reported under IFRS.

Operating EBITDA is defined as EBIT (earnings before interest and taxes) adjusted for depreciation / amortization, impairment and reversal on intangible assets, property, plant and equipment and right-of-use assets, adjusted for (i) impairment on goodwill and other intangible assets with indefinite useful life as well as gains from business combinations, (ii) adjustments to carrying amounts on assets held for sale, (iii) impairment/reversals on other financial assets at amortized cost, (iv) impairment/reversals on investments accounted for using the equity method, (v) results from disposals of investments, (vi) fair value measurement of investments, and (vii) restructuring and other special items (“**Operating EBITDA**”). In previous years, special items included mainly restructuring expenses. For Financial Year 2021 and going forward, special items may include the effects from the IPO Bonus with Equity Deferral (as defined below) and the long-term incentive (“**LTI**”).

We use Operating EBITDA to assess the operating performance of our business as Operating EBITDA shows our EBIT as adjusted for depreciation and amortization, which are non-cash effective charges, and one-off effects for the relevant period. When comparing Operating EBITDA with peer group data, it should be taken into account that the total adjustments in a given year do not represent the full amount of all special effects incurred in a given year, as rather only material non-recurring effects subject to certain thresholds will be considered for the purpose of calculating Operating EBITDA.

8.2 Operating EBITDA Forecast 2021

For the period from January 1, 2021 to December 31, 2021, we assume that Operating EBITDA of the Majorel Group will amount to between €280 million and €300 million.

8.3 Explanatory notes to the Operating EBITDA Forecast 2021

The Profit Forecast 2021 was prepared in accordance with Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of 14 June 2017 of the European Parliament and of the Council 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, of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004. Regulation (EU) 2017/1129. Furthermore, the Profit Forecast 2021 was prepared in accordance with the Accounting Practice Statement of the Institute of Public Auditors in Germany (*Institut der Wirtschaftsprüfer in Deutschland e.V.*, “IDW”) IDW Accounting Practice Statement: Preparation of Forecasts and Estimates in Accordance with the Specific Requirements of the Regulation on Prospectuses and Profit Estimates on the basis of Preliminary Figures (IDW AcPS AAB 2.003) (*IDW Rechnungslegungshinweis: Erstellung von Gewinnprognosen und -schätzungen nach den besonderen Anforderungen der Prospektverordnung sowie Gewinnanschätzungen auf Basis vorläufiger Zahlen (IDW RH HFA 2.003)*).

Although Operating EBITDA is not recognized as a GAAP measure under IFRS, the Profit Forecast 2021 was prepared on the basis of the IFRS. With respect to the accounting policies applied, reference is made to the selected explanatory notes to the condensed consolidated interim financial statements of the Company as of and for the six months ended June 30, 2021 and the notes to the consolidated financial statements of the Company as of and for the financial year ended December 31, 2020. The Profit Forecast 2021 has been compiled and prepared on a basis which is both (a) comparable with the historical financial information included in the Prospectus and (b) consistent with the issuer’s accounting policies.

The Profit Forecast 2021 has been prepared solely for inclusion in this Prospectus and represents our best estimates as of September 21, 2021. In preparing the Profit Forecast 2021, we have considered a number of factors to take into account the operational and financial performance of the Majorel Group in the period from January 1, 2021, up to the date of the Profit Forecast 2021. The development of these significant factors is based on specific assumptions made by our Management Board, which are set forth below.

8.4 Factors and Assumptions

8.4.1 Factors Beyond Our Control and Related Assumptions

The Profit Forecast 2021 is subject to factors beyond our control. These factors and the Management Board’s assumptions regarding their development and impact on the Majorel Group are as follows:

Factor 1. Unforeseen events such as force majeure

For the purpose of the Profit Forecast 2021, we assume that no material unforeseen events will occur that could result in material or lasting constraints on the ongoing operations of the entities of the Majorel Group, such as force majeure (e.g., fire, unreasonably weather conditions like floods, hurricanes, storms, nuclear disasters, earthquakes or terrorist attacks), major industrial action, extraordinary macroeconomic events, war or cyber-attacks, pandemics, except for the further course of the COVID-19 pandemic (see Factor 3).

Factor 2. Global economic and political development

Demand for the Majorel Group’s customer interaction, business process and tech & expert services depends indirectly on economic and political conditions globally and in the Majorel Group’s geographical segments (Europe, Africa, South America; Global English, Middle East, Southeast Asia; China, East Asia) as this directly affects the industries our clients operate in. While some verticals may not be as sensitive to changing economic conditions as other verticals (such as consumer goods, media and entertainment, leisure and retail), all of our verticals are generally dependent on the global economic environment. For example, the leisure and retail industries have been particularly impacted by the COVID-19 pandemic. For the purpose of the Profit Forecast 2021, we assume that after the economic downturn in 2020 the macroeconomic development in the above-

mentioned geographical segments of the Majorel Group will generally show a positive development in the Financial Year 2021 compared to the financial year ended December 31, 2020 as the vaccination coverage increases and restrictions taken to control the COVID-19 pandemic are lifted (see Factor 3).

We assume an increase in the global production of 6.1% in the Financial Year 2021 compared to the financial year ended December 31, 2020 based on the data from the Kiel Institute for the World Economy (*source: IfW*). The economic recovery in the Eurozone is assumed to progress consistently. We assume real economic growth of 4.9% in the Financial Year 2021 in the Eurozone. We assume GDP for Germany to grow by 3.1% in the Financial Year 2021 in real terms. The growth rate in France in the Financial Year 2021 is assumed to be 6.3% in real terms. In the United States, a return to positive growth rates is also assumed; the forecast for Financial Year 2021 is real economic growth of 3.7%, while in China we assume a real economic growth of 9.2%, all compared to the financial year ended December 31, 2020 based on the data from the IfW.

As our business strategy may involve expanding or developing our business in emerging markets, we are subject to economic and political instability and other risks of doing business. For the purpose of the Profit Forecast 2021, we also assume that the political environment in the countries most relevant to us, not limited to emerging markets, remains stable and therefore assume no particular impact on our Profit Forecast 2021.

Factor 3. COVID-19 pandemic

The global economy was severely impacted by the COVID-19 pandemic and the measures put in place to prevent infections. However, we assume that the COVID-19 pandemic will not permanently impact the global economy, as the rate of immunization increases and the measures for fighting the pandemic are lifted. Nevertheless, even though we assume that the countries most relevant for the Majorel Group will recover in the Financial Year 2021, strong uncertainty remains regarding the future course of the COVID-19 pandemic and the related macroeconomic recovery.

For the purpose of the Profit Forecast 2021, we assume positive effects on the global economy from a stabilization of the COVID-19 pandemic will only start to materialize slowly in the second half of the Financial Year 2021, which is already reflected in our assumptions regarding the global economic development in Factor 2.

Factor 4. Legal and regulatory environment

Our operations are located in several countries in Europe as well as in Africa, North and South America and Asia. Therefore, our business is subject to various regulatory requirements under regional laws and regulations, the applicable national laws of the countries in which we operate in as well as the applicable international technical and environmental standards. For the purpose of the Profit Forecast 2021, we do not assume material changes in the regulatory and legal environment and in international standards compared to the financial year ended December 31, 2020 and assume that we are in full compliance with applicable laws, regulations and standards, globally and regionally.

Factor 5. Addressable market

The global outsourced customer experience market is expected to grow at a compound annual growth rate (“CAGR”) of 4% to 5% between 2020 and 2022 (*source: Everest Group, May 2021*) and the content services, trust & safety market is expected to grow at a CAGR of 30% to 40% between 2020 and 2023 (*source: Everest Group, May 2021*). Furthermore, within the outsourced customer experience market, the market for digital customer experience is growing particularly fast.

For the purpose of the Profit Forecast 2021, we assume that we are well-positioned to serve the outsourced customer experience market and, as a result, we have a significant market opportunity due to the overall industry growth rate, low penetration to date and increasing share of high-growth digital customer experience services. We therefore assume that we are able to outperform the global outsourced customer experience market growth in Financial Year 2021, in particular, by focusing on the growth of our vertical internet and high-tech (“**Global Internet**”) and expanding our services for our vertical banking, financial services and insurance (“**BFSI**”).

Factor 6. Client end markets and client structure

Our clients use our customer interaction, business process and tech & expert services to engage with their end customers. As a result, our success depends in large part on the ability of our clients to market and sell their own products and services in their relevant end markets. For the purpose of the Profit Forecast 2021, we generally assume stability in our clients' end markets. We assume that due to the impact of the COVID-19 pandemic, the end markets of some of our verticals, such as Global Internet will continue to grow exponentially, while some of our other verticals, such as leisure, will only slowly recover to pre-pandemic-levels during the Financial Year 2021. As our clients are generally not contractually committed to providing us with specific volumes, this may have a direct impact on us (see Factor 10).

Furthermore, even though we have a diversified client base and are not dependent on individual contracts per client, a sizeable portion of our operations is concentrated on a certain number of clients and we are therefore largely dependent on the favourable development of a few industries (see Factor 13). The unexpected cancellation of contracts, or the insolvency of one or more clients can lead to significant losses. For the purpose of the Profit Forecast 2021, we do not assume any such material cancellations or insolvencies of any of our clients and assume that any material loss of key customers is being countered through contracts offering comprehensive service packages with simultaneously flexible cost structures.

Factor 7. Foreign currency exchange rates

Our functional currency is the EUR, but we are also exposed to fluctuations in other currencies, including the U.S. Dollar. Our subsidiaries are advised, but not obliged, to hedge themselves against foreign currency risks in the local reporting currency. For the purpose of the Profit Forecast 2021, we assume the following average foreign currency rates for the most significant foreign currencies of the Majorel Group for the translation into EUR based on our internal estimates. However, we do not assume a material impact from changes in such foreign currencies.

	<u>Financial Year ending December 31, 2021</u>
CNY/EUR	7.91
EGP/EUR	18.88
RON/EUR	4.88
SAR/EUR	4.52
USD/EUR	1.20

Factor 8. Inflation rates for labor costs

As we serve our clients from a variety of onshore, nearshore or offshore locations, our operations are located in several countries in Europe as well as in Africa, North and South America and Asia. A significant portion of our operating expenses are personnel costs and we are therefore in particular subject to wage inflation. For the purpose of the Profit Forecast 2021, we assume wage inflation to be in line with average compensation increases in the regions where we are located.

8.4.2 Factors That Can Be Influenced By Us To A Certain Extent and Related Assumptions

In addition to the factors and assumptions that are beyond our control, the Profit Forecast 2021 is subject to factors that can be influenced by us to a certain extent. These factors, and the Management Board's assumptions regarding their development and impact on the Majorel Group, are as follows:

Factor 9. Developments in the addressable market

Technology and the internet have fundamentally transformed the way consumers seek to engage with businesses. An advanced customer experience environment in combination with constant technical developments has led to new service opportunities encompassing the entire brand experience, including customer experience consulting, customer journey design, direct marketing automation, data annotation and data labelling as well as content services, trust & safety.

Furthermore, due to the large volume of customer end data handled by the service providers, data privacy and security breaches play an increasing role. We rely heavily on our own and third-party technology and computer systems, which subjects us to various uncertainties, and we rely upon third-party providers of “cloud” computing services to operate certain elements of our services. In addition, our solutions for a hybrid digital workplace could result in heightened confidentiality risks on account of services being delivered in physically unsupervised environments and via computer systems and networks outside of our control and management.

For the purpose of the Profit Forecast 2021, we assume that we are able to maintain our competitive position and expand our client relationships by improving the customer experience through innovative solutions and we assume that we are not subject to data leaks or security breaches, which may negatively impact our client relationships and our market position.

Factor 10. Service contracts

We have large long-term contracts with clients. However, under our contracts, our clients are generally not contractually committed to providing us with specific volumes. The volume of work performed for any specific client is likely to vary from year to year. Our clients may also delay, postpone, change, cancel or remove certain of the services we provide without terminating the whole contract. Furthermore, our contracts contain certain complexities, such as variable components to the contract value, that depend on us achieving the delivery of high-quality services (failure to do so may result in penalty payments or volume reduction) and monitoring of contract clauses as determined by the underlying billing models. Such cancellations and complexities can have a material impact, if not mitigated or managed. For the purpose of the Profit Forecast 2021, we assume that there will be no such material events that are not already covered by the assumed development of our client end markets and client structure in Factor 6.

Factor 11. Employee retention

Our business relies on large numbers of trained and skilled team members at our sites, and our continued growth depends to a significant extent on our ability to recruit, train and retain team members with technical skills and/ or language capabilities at competitive cost levels. In addition, our industry is characterized by high employee attrition rates and we face significant competition in recruiting, retaining and motivating talented and skilled leaders and team members with domain experience. During the course of the COVID-19 pandemic, we have seen our employee retention indicators improve, partly due to industries that compete for our workforce, experiencing unfavorable economic conditions.

For the purpose of the Profit Forecast 2021, we assume this trend to remain stable compared to the financial year ended December, 31, 2020 and that we will be able to retain and expand our workforce as required by client demands. However, strong uncertainty remains regarding the future course of the COVID-19 pandemic.

Factor 12. Site level efficiency

We serve our clients from all over the world across varying industries through our global delivery platform, consisting of a variety of onshore, nearshore and offshore locations, including our multilingual hubs, as well as through our digital workplace opportunities, for the delivery of our services. In general, we seek to move service volumes to offshore locations to adapt our costs to serve.

For the purpose of the Profit Forecast 2021, we assume that we are able to maintain our operational improvements, identify the best location to provide our services to our clients including further focus on attractive offshore locations, expand digital workplace opportunities and establish new multilingual hubs and therefore maintain our operating cost structure compared to the financial year ended December 31, 2020.

Factor 13. Shift in portfolio of services and vertical mix

Our strategy continues to focus on higher-margin specialized services, where increasingly complex, value-add and digital products are required, whereas our lower-complexity interactions, such as some voice-based interaction services, generate lower margins. For the purpose of the Profit Forecast 2021, we assume we will be able to actively manage our service portfolio towards higher-margin specialized services.

Furthermore, we continue to focus our growth on our verticals Global Internet and BFSI, which generally lead to higher margins through the complexity of the services required, while maintaining a stable customer base

in our other verticals. For the purpose of the Profit Forecast 2021, we assume that we are able to actively manage our client portfolio in such a way that enables us to maintain a stable customer base and grow our exposure towards clients from our Global Internet and BFSI verticals.

Factor 14. Changes in the scope of consolidation

The Majorel Group is currently transforming its service portfolio by development of digital solutions and new service lines. Besides that, the Majorel Group acquired and will potentially acquire other entities and may also increase its global footprint by expanding its service portfolio to new countries.

In January 2021, we acquired all outstanding shares in each of the following Chinese companies: Shanghai Bertelsmann Commercial Services Co. Ltd, Shanghai Bertelsmann – arvato Information Services Co. Ltd. and Bertelsmann-Arvato Commercial Services (Shanghai) Co., Ltd. (“**China Business**”). Since the acquisition of the China Business was consummated in Financial Year 2021, the contribution of this acquisition is not reflected in the financial year ended December 31, 2020. For the purpose of the Profit Forecast 2021 we assume that the China Business will contribute approximately 5% to 7% to Net Revenues (as defined in Factor 15) of the Majorel Group, in particular for our tech & expert services, and assume that Operating EBITDA as a percentage of Net Revenues of the China Business will be broadly in line with the Majorel Group.

In June 2021, we acquired junokai GmbH (“**junokai**”). Since the acquisition of junokai was consummated in Financial Year 2021, the contribution of this acquisition is not reflected in the financial year ended December 31, 2020. For the purpose of the Profit Forecast 2021, we assume a minor impact on Net Revenues (as defined in Factor 15) and Operating EBITDA of the Majorel Group.

Furthermore, we are preparing to expand our global footprint to two new countries (Croatia, North Macedonia) in the Financial Year 2021. However, for the purpose of the Profit Forecast 2021, we assume no material impact on Net Revenues (as defined in Factor 15) and Operating EBITDA of the Majorel Group either from delivery of services or set-up costs.

For the purpose of the Profit Forecast 2021, we have not assumed any other changes in the scope of consolidation that would have a material impact on the Operating EBITDA Forecast 2021.

8.4.3 Factors That Can Be Influenced By Us and Related Assumptions

In addition to the factors and assumptions that are beyond our control and factors and assumptions that can be influenced by us to a certain extent, the Profit Forecast 2021 is subject to factors that can be influenced by us. These factors, and the Management Board’s assumptions regarding their development and impact on the Majorel Group, are as follows:

Factor 15. Net Revenues

In addition to revenues, we use Net Revenues to measure the performance of our business.

Net Revenues for the Majorel Group corresponds to revenues as reported in our consolidated income statement less (i) revenues from minor activities (primarily the Sonopress Business) outside the Majorel Group’s core business which are reported in the column “consolidation / other” in the Company’s segment reporting and (ii) certain direct, order related external costs which are part of external expenses and costs of materials and consist mainly of cost of services purchased (subcontracted or outsourced services). The “Sonopress Business” is defined as certain non-core business activities historically carried out by Arvato de Mexico, S.A. de C.V. and which is currently being wound down. (“**Net Revenues**”). Net Revenues for each segment correspond to the according segment revenues less certain direct, order-related intersegment and external costs.

For the purpose of the Profit Forecast 2021, we assume that Net Revenues of the Majorel Group for the period from January 1, 2021 to December 31, 2021 will amount to between €1,650 million and €1,700 million.

From a segment perspective, we assume the following developments. Overall, we assume an increase of Net Revenues across all our segments due to the continued demand for our services. On the one hand we assume that Net Revenues in the Europe, Africa, South America segment will increase. This is partially driven by our COVID-19 pandemic related services even compensating the decrease in the telecommunications vertical. On the other hand, we assume Net Revenues in the Global English, Middle East, Southeast Asia segment to increase

more (in relative terms) compared to the Europe, Africa, South America segment, in particular because it is a key expansion market for our clients in the Global Internet vertical and the higher share of offshore delivery. Lastly, we assume that our China Business as part of our China, East Asia segment will contribute approximately 5% to 7% to Net Revenues due to the first full-year consideration, driven in particular by demand for tech & expert services.

Furthermore, we assume that Net Revenues will increase from our COVID-19 pandemic related services as we continue to support health authorities and public-sector institutions in dealing with the COVID-19 pandemic. However, the contribution is considered non-recurring, and we do not assume any contribution from COVID-19 pandemic related services during the fourth quarter of the Financial Year 2021. We assume that the majority of the contribution will have already occurred in the first half of the Financial Year 2021 and therefore we assume that the contribution from COVID-19 pandemic related services will slow down during the third quarter of the Financial Year 2021. For the avoidance of doubt, our COVID-19 pandemic related services are already considered as part of our increase in Net Revenues from a segment perspective described above and from a vertical perspective described below.

From a vertical perspective, we assume the following developments. On the one hand we assume that Net Revenues will increase from clients in our Global Internet vertical, driven by several existing clients and our continued investments in capacity expansions and client relationships. Despite continued adverse effects by the COVID-19 pandemic, we assume that Net Revenues from clients in the BFSI vertical to increase due to new client wins and increased volumes across the BFSI portfolio. On the other hand, we assume that Net Revenues from clients in the telecommunications vertical will decrease. Lastly, we assume Net Revenues from clients in our other verticals will increase due to recovery from the pandemic in challenging market environment as the vaccination coverage increases and restrictions taken to control the COVID-19 pandemic are lifted (see Factor 3).

Factor 16. Operating expenses (as adjusted)

Operating expenses comprise primarily (i) personnel costs and (ii) external expenses and cost of materials. For the purpose of the Profit Forecast 2021, we assume that operating expenses will increase substantially compared to the financial year ended December 31, 2020, in line with our growth in Net Revenues described in Factor 15, but to a lesser extent (see Factor 17).

A significant portion of our operating expenses are personnel costs. Personnel costs consist mainly of wages and salaries as well as statutory social security contributions. We assume the following underlying developments. On the one hand we assume that personnel costs will increase due to our ongoing increase in headcount driven by the growth and expansion of our business. On the other hand, we assume that we will be able to mitigate the increase by the optimization of certain shared services and efficiency gains through automation and acceleration of tech & expert services as well as stable employee retention (see Factor 11). Furthermore, we assume that we will hire the majority of our new employees in offshore regions with lower wages, whereas we assume that wages and salaries of our existing workforce will increase due to general wage increases as a result of inflation, but also due to labor protection laws and statutorily mandated minimum annual wage increases in certain regions.

For the residual portion of operating expenses, we assume the following underlying developments. We assume expenses to continue to increase driven by the growth and expansion of our business and, in particular in the second half of the Financial Year 2021, due to the return to site for parts of our workforce and the need to build additional capacities, mitigated by our global central organization to improve group-wide sourcing (notably purchasing, facilities and audit) and our on-going IT streamlining program.

Furthermore, for any other income and expenses, we do not assume a material impact on operating expenses. For the avoidance of doubt, despite the COVID-19 pandemic, we do not assume a material impact from loss allowances on receivables, loans, and non-financial assets.

Based on the definition of Operating EBITDA, certain adjustments and special items are not included in Operating EBITDA and therefore the development of operating expenses described above already excludes such adjustments and special items. For reference, see the definition of Operating EBITDA in “8.1 Definition of Key Performance Indicator” and clarifications in “8.5 Other Explanatory Notes.”

Factor 17. Profitability as measured by Operating EBITDA as a percentage of Net Revenues

The increase of our Net Revenues described in Factor 15 is proportionally higher than the increase of our operating expenses described in Factor 16, driving the increase of Operating EBITDA and therefore the expansion of our profitability as measured by Operating EBITDA as a percentage of Net Revenues.

For the purpose of the Profit Forecast 2021, we assume that Operating EBITDA as a percentage of Net Revenues of the Majorel Group for the period from January 1, 2021 to December 31, 2021 will amount to between 16.5% and 17.0%. We assume that the increase compared to the financial year ended December 31, 2020 will be mainly driven by (i) the active client portfolio management with growing exposure to higher margin verticals described in Factor 13, (ii) the increasing shift to offshore delivery described in Factor 12, (iii) the shift of our services portfolio towards more complex, value-add and digital products described in Factor 13 and (iv) the general scale and operating leverage of our business. Furthermore, as we assume a proportionally higher growth in our Global English, Middle East, Southeast Asia segment compared to our Europe, Africa, South America segment, with an already higher share of clients in our Global Internet vertical and a comparably higher share of offshore delivery, we assume this to contribute overall to our expansion of our profitability as measured by Operating EBITDA as a percentage of Net Revenues.

8.5 Other Explanatory Notes

The Profit Forecast 2021 does not include any extraordinary events, results due to non-recurring activities and extraordinary tax expenses within the meaning of the IDW Accounting Practice Statement 2.003 (IDW AcPS AAB 2.003), except where explicitly stated otherwise in the explanatory notes.

For clarification purposes we underline that for the purpose of the Profit Forecast 2021, the one-time cash bonus, which the members of the Management Board and six other managers will receive upon the successful completion of the private placement (the “**IPO Bonus with Equity Deferral**”) will be adjusted as special item and therefore does not impact the Operating EBITDA Forecast 2021.

For the avoidance of doubt, the selling shareholders will bear the majority of the costs related to the Private Placement and the admission to listing and trading of the shares. Therefore, remaining costs, if any, borne by Majorel Group will not have a material impact on the Operating EBITDA Forecast 2021.

As the Profit Forecast 2021 relates to a period not yet completed and is prepared on the basis of assumptions about future uncertain events and actions, it naturally entails substantial uncertainties. Because of these uncertainties, it is possible that the actual Operating EBITDA for the period from January 1, 2021 to December 31, 2021 may differ materially from the respective Operating EBITDA Forecast 2021.

The Profit Forecast 2021 was prepared on September 21, 2021.

9. BUSINESS OVERVIEW

9.1 Our Mission and our Vision

Our mission is to create amazing customer experiences that people value and that we are proud of. By combining talent, process, data and technology we deliver real impacts for our partners. We are driven to go further.

Our vision is to be our client's trusted long-term partner for customer engagement in a constantly changing world. Creativity, excellence and respect drive everything we do. This ensures success for our partners and allows us to thrive as one team.

Our core values driving our corporate culture and our everyday actions are creativity, excellence and respect.

9.2 Overview

We are a leading global CX services provider that designs, builds and delivers next-generation end-to-end solutions for many of the world's most respected digital-native and vertical leading brands. We offer our clients a differentiated portfolio of integrated services specifically designed to address the different needs across various industry verticals, with a particular focus on Global Internet and BFSI industries. With our offering, we aim to help our clients satisfy the needs of their end-customers, navigate an increasingly complex compliance landscape, and handle sensitive tasks such as reviewing user-generated content. We combine our sophisticated know-how of advanced technologies, expertise in industry-specific processes, as well as deep understanding of the challenges faced by our clients when engaging with their customers. Our services and solutions are delivered through a set of standardized best practices and advanced technologies by a highly-skilled multilingual workforce capable of supporting 60 languages across more than 120 locations in 31 countries. With our diversified geographical footprint, we were the fourth largest amongst truly global providers as of December 2020 (in terms of countries of operation) (*source: Company information*).

Technology and the Internet have fundamentally transformed the way consumers seek to engage with businesses. The expansion of mobile devices, social media platforms and other methods of digital interaction has enabled customers to access information 24/7 and engage with companies through various digital channels. Today's customers expect to be able to make contact on the communication channel that is most convenient to them at a particular time and place and to receive personalized and immediate solutions. With the ongoing shift towards digital channels, CX has become a key driver of brand equity. As brands look to capitalize on digital solutions to manage brand experience, both established and digital-native vertical leaders rely on CX service providers to enable and manage a consistent, personalized and integrated CX across channels. With the impacts of the ongoing COVID-19 pandemic having accelerated the digital transformation agenda of many businesses, we believe that they will rely on hybrid approaches to customer experience through a combination of human interaction and digital solutions.

Our offering serves the needs of digital-native companies and vertical leaders across multiple segments of the outsourcing market and comprises the following services and solutions:

- **Customer Interaction Services:** We provide industry-leading end-to-end CX solutions, based on human expertise augmented through data and advanced technology. We have developed an individualized approach to building and managing customer interaction operations best suited to address the individual needs of our clients. We offer full-service omnichannel customer service, tech support, customer acquisition, retention and loyalty services. Our customer service offering spans the entire customer lifecycle and ranges from providing information, performing transactions such as travel and flight bookings, order management, management of account information, money transfer, complaint management, retention calls and other specialized services. With our marketing and sales services, we ensure that our clients' customer acquisition and revenue generation programs meet their sales goals and opportunities to cross-sell and up-sell are used to their advantage. Our customer interaction services aim to help our clients successfully retain and grow their customer base. In addition, we offer our clients technical support services that are designed to provide them with a high-quality and efficient service delivery platform to handle customer requests across multiple market segments.

- **Business Process Services:** Our business process services focus on providing next-generation end-to-end solutions for clients in different growth verticals. Our comprehensive content services, trust & safety offering supports social media platforms and digital retailers in regulating user-generated content and maintaining brand integrity by ensuring that user-generated content is safe and complies with applicable laws and standards. For clients in the other verticals, we have implemented industry-specific BPO services. The key element of our vertical BPO services is providing integrated, vertical specific services along the entire value chain, *i.e.*, delivering end-to-end processes, from front to back-office across all channels and from a single provider to increase customer experience and to enable our clients to focus on their core competencies. For example, we provide claims management for insurances, e-mobility services for automotive, and specialized back-office services for our utility and banking clients. These BPO services include a range of specialized operational processes and solutions as well as, depending on the individual set-up, proprietary digital tools that provide engaging CX for end customers, optimize our clients' operational costs and drive their revenue generation.
- **Tech & Expert Services:** Our tech & expert services are designed to offer digital and customer-centric services. We provide a variety of digital consumer engagement services, which include direct-to-consumer (D2C) digital marketing campaigns (Majorel D2C™) and various digital solutions to enable our clients to engage with their customers across multiple touchpoints. With our dedicated CX Consulting practice, we help our clients in their digital transformation by providing customer experience strategy development, consumer journey optimization, process digitization, organization design and technology advisory. In addition, we have developed a portfolio of services specifically designed for start-ups (MajUp™) as well as vertical digital solutions, such as our Majorel digital banking platform (Majorel Digital Banking™) which offers an account and security account switching service (Majorel Switch™), an insurance navigator (Majorel Navigator™), and a form service to digitize banking forms (Majorel Form™).

We offer our differentiated services and solutions to clients across multiple industry verticals with a particular focus on Global Internet and BFSI, which together accounted for approximately 54% of our Net Revenues in 2020 and approximately 56% of Net Revenues in the first six months of 2021. We believe that our Global Internet clients value our comprehensive customer interaction services to improve the CX for their customers as well as our business process services such as our content services, trust & safety offering, which has become a rapidly growing and significant part of our global business. As a long-term partner for BFSI clients, we provide integrated front and back-office services, which are supported by our proprietary digital solutions to create seamless CX for our clients' customers, optimize our clients' operational costs and drive their revenue generation. Other industry verticals include utilities and Telco. In addition, in the automotive industry and consumer goods verticals, our digital consumer engagement offering enables our clients to navigate digital complexities through advanced direct-to-consumer (D2C) models, processes and campaigns. In addition, during the ongoing COVID-19 pandemic, we have supported public institutions in their fight against the pandemic, especially for COVID-19 hotlines and vaccination campaigns.

Building on the strong track record of our predecessor companies, we have established deep relationships with more than 400 clients across the globe and are a provider of choice for many industry leaders, including seven of the largest Internet companies globally (by revenues in 2020). With our top 20 clients in 2020 (by Net Revenues), we have an average client tenure of about 12 years. We provide our services and solutions through our agile delivery platform with a global scale spanning more than 120 locations across 31 countries on five continents where we provide services in 60 languages. Substantially all of our delivery locations are connected through a cloud-based infrastructure, enabling globally distributed and virtualized teams. We strategically select our delivery locations based on a number of factors, including access to diverse, skilled talent, market share of clients, benefit to clients, competitive density, convenience of location, and an ability to deliver our services over multiple time zones and in multiple languages. During the COVID-19 pandemic, we have enabled the majority of our more than 63,000 team members to work from home, while continuing to meet our clients' quality and security expectations and providing even more flexibility to enable our customer needs. Leveraging our learnings from the COVID-19 pandemic, our global "Majorel Anywhere" platform serves to ensure consistency in cultural onboarding of new employees and allows our team members to work remotely while maintaining a consistent level of training, service quality and data security.

Majorel was established in January 2019 when German-based Bertelsmann and Moroccan-based Saham brought together their long-standing venture Phone Group, which had been doing business since 2004, with their other customer experience management businesses to create an internationally leading CX organization. In addition to Phone Group, Bertelsmann contributed its Arvato customer relationship management business while

Saham contributed its customer relationship management business in Egypt, Saudi-Arabia and Qatar, ECCO Outsourcing and Pioneers Outsourcing. The transaction was agreed between Bertelsmann and Saham in September 2018, following which Bertelsmann contributed its respective business subsidiaries. On January 4, 2019, Saham added its business subsidiaries.

Our revenues increased by 13.5% from €1,211 million in 2019 to €1,375 million in 2020, driven by the increase in services provided to our existing clients and the expansion of our services across our different business lines. Net Revenues increased by 14.3% from €1,172 million in 2019 to €1,340 million in 2020, of which 53% were generated by our top ten clients. During the same period, our Operating EBITDA increased by 53.1% from €128 million in 2019 to €196 million in 2020. In the six months ended June 30, 2021, our revenues increased by 36.6% from €642 million in the six months ended June 30, 2020 to €877 million and our Net Revenues increased by 34.5% from €626 million to €842 million during the same period. Operating EBITDA increased significantly by 120.0% from €70 million in the six months ended June 30, 2020 to €154 million in the six months ended June 30, 2021. Since 2021, we have been managing our business based on three geographical segments, (i) Europe, Africa, South America, (ii) Global English, Middle East, Southeast Asia and (iii) China, East Asia, which are also our reportable segments.

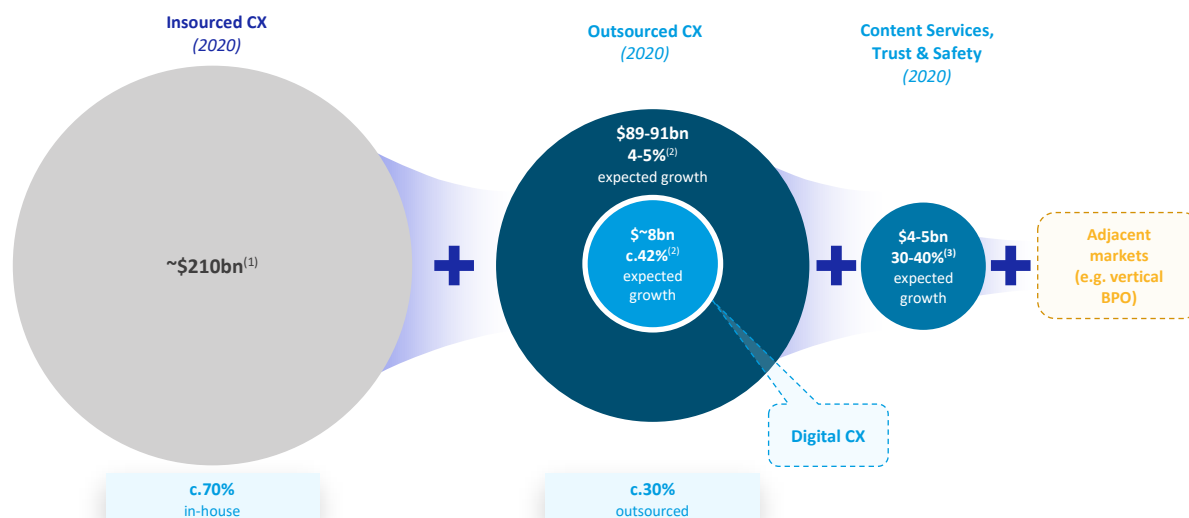
9.3 Our Market Opportunity

Technology and the Internet have fundamentally transformed the way consumers seek to engage with businesses. Coming from mostly voice-based interaction, traditional CX has developed into omnichannel solutions comprising multiple touchpoints such as mobile apps, chat and instant messaging, email, social media and traditional voice interaction as customers today expect to be able to make contact on the communication channel that is most convenient to them at a particular time and place. With the increased shift towards digital channels, which was further accelerated by the COVID-19 pandemic, CX has become a key driver of brand equity. This advanced CX environment combined with new technical developments has created new service opportunities that encompass the entire brand experience, including CX Consulting, customer journey design, direct marketing automation, data annotation and data labeling as well as content services, trust & safety. Augmenting talent with digital technologies and data has allowed CX players to support next-generation business processes such as human supervised machine learning (“ML”) processes and full-stack customer engagement. As brands look to capitalize on digital solutions to manage brand experience, both established and digital-native vertical leaders rely on CX service providers to enable and manage a consistent, personalized and integrated CX across channels.

The total addressable market for CX solutions, comprising outsourced and insourced CX, reached a market size of approximately \$300 billion in 2020. The global outsourced CX market had a market size of \$89 to \$91 billion in 2020 and is expected to grow at a CAGR of 4% to 5% from 2020 until 2022 (*source: Everest Group, May 2021*). With an outsourcing share of approximately 30%, the CX market is, however, still largely underpenetrated, leaving \$210 billion of the total addressable market serviced by in-house CX teams. Within the market, digital segments are growing particularly fast. The prevalent need to transform CX management and digitize processes in line with evolving consumer preferences has led to high demand for digital CX services, which combine digital concepts, tools and solutions with high-touch human intervention to deliver a fundamentally enhanced customer experience. With a market share of \$8 billion in 2020, digital CX is expected to grow at a CAGR of approximately 42% from 2020 to 2022 (*source: Everest Group, May 2021*).

In addition, fast-growing content services, trust & safety, which aim to protect brand perception and CX on digital platforms, reached a market size of \$4 to \$5 billion in 2020 (*source: Everest Group, May 2021*). Driven by the proliferation of user-generated content in digital platforms, increasing instances of account takeovers as well as fraud and growing government regulation, content services, trust & safety, are expected to continue their strong growth trajectory at a CAGR between 30% and 40%, reaching a market size of \$10 to \$12 billion by 2023 (*source: Everest Group, May 2021*). Content services, trust & safety are in particularly high demand among digital tech segments (*e.g.*, social media, mobility-as-a-service, retail e-commerce, online travel, fintech, software, consumer electronics), which are growing at a CAGR of as high as 30%. Social media with players like Facebook, Instagram, TikTok and Twitter, show the highest growth at an estimated CAGR of 32% between 2021 and 2023 (*source: The Business Research Company*), followed by mobility-as-a service with players like Uber, Bolt and Lyft at a CAGR of 17% (*source: BIS Research*), retail e-commerce and online travel at a CAGR of 15% (*source: eMarketer, The Business Research Company, Travel*) and fintech at a CAGR of 10% (*source: Deloitte*). In addition, CX leaders can further exploit continuously growing adjacent markets, such as vertical BPO.

The following graphic illustrates the insourced and outsourced CX market as well as the market for fast-growing content services, trust & safety, in 2020:



Source: Everest Group, May 2021

Note: (1) 70% of TAM \$305bn. (2) CAGR 2020-22E. (3) CAGR 2020-23E.

Driven by the impacts of the COVID-19 pandemic, digital transformation has picked up speed, creating additional momentum for CX. Digital ubiquity allows for CX and BPO processes to be re-architected at scale and the emergence of new business areas leads to a steady flow of new use cases. As the CX industry enters a new stage, companies will look for a strategic partner with global scale and a balanced combination of human talent, process know-how, deep vertical expertise and technology, especially as global delivery and complexity pose increasing barriers to entry. Both Global Internet and global brand clients are consolidating their CX vendors and focusing on digital CX partners who will support their global roll-outs and expansion of their digital capabilities, in particular as clients increasingly look for solutions that provide the flexibility to work remotely from anywhere. For vendors in the CX industry, work from anywhere improves the access to talent as it allows for location-independent sourcing and can serve as a strong recruiting selling-point.

In addition, the market is being reshaped through M&A. With the top ten providers in 2020 capturing approximately 27% of the market based on the estimated outsourcing market shares globally (*source: Nelson Hall 2021*), the CX landscape is still highly fragmented and provides for various growth opportunities through strategic acquisitions, which we aim to take advantage of. We believe with our increasing exposure to high-growth verticals such as Global Internet and BFSI, the breadth of our offering, our geographic coverage and the complexity of delivery, we are well-positioned to benefit from evolving trends in the market and to continue our winning trajectory.

9.4 Industry Trends

As a technology-enabled CX service provider with global reach and integrated solutions covering front and back-office operations, CX Consulting, technology and data services, we face several tailwinds as reflected by the following trends:

Elevated consumer expectations. Driven by advanced technology and a growing on-demand culture, consumers have more information, more choices and more influence than ever. Their journeys are non-linear, multi-dimensional, interconnected and driven by the expectation to engage with brands quickly and intuitively at any time. Brand perception is no longer determined by individual touchpoints, but rather by the entire consumer experience. Moreover, modern consumers are increasingly vocal about their experiences and the proliferation of social media platforms enables consumers to influence global sentiment in near real-time. Facing these new realities, incumbent companies across all industries engage solution providers with extensive expertise in designing and managing best-in-class customer experience processes.

Customer experience as key driver of brand equity. In today's competitive consumer markets, products and underlying design elements are quickly imitated and are no longer a source of sustainable differentiation. Instead, the experience with a brand across channels and time is paramount. As a result, customer experience has become a top priority on the C-level agenda across industries. Companies are under pressure to explore new ways of providing meaningful interactions that take into account the intentions and psychology of individual consumers at every stage of their journey. Brands that maintain a transactional approach are quickly losing value, while those managing experiences holistically across the consumer lifecycle can become an indispensable part of a consumer's life. As market conditions and consumer habits change rapidly, as was particularly evident during the COVID-19 pandemic, the need for flexible processes and the use of next-generation technologies has also increased.

Shift to CX Leaders. Businesses that are shifting their focus from engaging customers at individual touchpoints to managing customer experiences along the entire lifecycle have started to recognize that a fundamental change in their operating model may be required. Front and back end processes, whether human-centric or automated, need to be enabled by artificial intelligence ("AI") and integrated through advanced analytics technologies to help brands identify cross- and up-selling potentials, anticipate reasons for customer contacts and match them with the best-suited service representative or predict the optimal timing, channel and content to deliver personalized marketing campaigns. However, companies across all verticals often do not have sufficient in-house expertise to build and operate the necessary technology infrastructure and data architecture. As a result, clients are consolidating activities with integrated CX solution providers which combine consulting, IT development capabilities, vertical knowledge and deep expertise in managing sales, service and retention processes.

Fast growth of Internet and high-tech companies. Internet and high-tech companies, including fintechs, are expected to continue their trajectory of fast growth and international expansion, which makes capturing market share critical, especially for next-generation brands. Growth curves can be steep and focus needs to remain on developing core offerings across end consumer markets. Companies frequently lack the ability to establish flexible operational infrastructure in-house that enables holistic customer experience management at economically feasible costs. We believe this will continue to drive demand for reliable customer experience providers that are able to scale quickly, ensure quality standards across markets and act as long-term growth partners.

Tightening regulation of social media companies. In recent years, there has been a significant shift in the global regulatory and legislative landscape of social media companies. While enforcement of policy issues differs internationally, some underlying regulatory frameworks regard social media companies as publishers with full responsibility for content curated and disseminated on their platforms. For instance, some countries impose penalties of up to 10% of global annual revenues on companies failing to remove malicious content. The European Union recently passed a directive extending liabilities of social media platforms to content that infringes copyrights. We expect to see more multilateral dialogue and international collaboration in setting global standards for the regulation of social media platforms. Companies engaged in this business will have to ensure that harmful content is removed quickly and take steps to prevent its upload in the first place. Despite recent advancements in technology, especially in the field of automation and machine learning, we expect social media companies to continue to engage solution providers with the ability to deploy experts at scale.

9.5 Our Value Proposition

We work closely with our clients to optimize their CX services by offering end-to-end solutions through omnichannel delivery platforms, tailored to each client's needs. In addition, we provide our clients with comprehensive solutions to improve their operational efficiencies and reduce their overall cost of service. The flexibility of our solutions, comprised of a combination of human talent, advanced technology and data, combined with our extensive expertise in multiple industry verticals, allows us to provide our clients with a value-added offering.

We believe that clients value our services and solutions due to the following benefits we provide:

- **Digitizing and Optimizing CX:** Digitizing customer interactions not only saves time and reduces costs, but it has also become the new norm with the recently accelerated shift in digital consumer behavior. By combining our deep industry experience with our digital solutions, we are able to offer our clients tailored customer service transformation strategies, technology solutions and processes that fit their business case and improve the experience of their customers. Our analytical tools (Majorel Analytics™), enabling innovative sales solutions based on 360° customer intelligence, which help our clients better understand their customers' journeys and utilize that data to successfully acquire new or grow existing customers.

- **Comprehensive Business Process Services:** Our clients rely upon our solutions to manage their most important business processes. We have an extensive set of products and solutions that allow us to address many different aspects of our clients' vertical-specific business processes. We believe the functionality, performance and quality of our solutions are well recognized in the industry and are highly differentiated. We continuously develop services and solutions based on our deep industry expertise, new and evolving technology and market demand.
- **Leading Content Services, Trust & Safety Offering:** To help our clients enhance their brand protection, we offer extensive marketplace curation, account and advertisement reviews, policy checks and regulatory support services. In addition, supported by AI-based technology our expert content reviewers apply contextual understanding, cultural affinity and legal knowledge to screen and remove user-generated content that contravenes our clients' policies, community guidelines and applicable laws. Five large clients trust us with this critical work. Our content services, trust & safety offering has been recognized as globally leading by Everest Group (*sources: Everest Group 2021, PEAK Matrix; Everest Group, PEAK Matrix Majorel*).
- **Higher Flexibility and Global Footprint:** Outsourcing non-core business functions allows our clients to use their internal resources for core competencies and essential business functions and allocate more time and effort to the processes that distinguish them in the marketplace. Through our global delivery platform, we are able to help our clients make the best use of cost-effective locations and flexibly provide our services wherever they are needed. Our clients are able to decrease operating costs, to rely on scalable and agile CX operations and, ultimately, focus on improving efficiency.

9.6 Our Strengths

We believe that the following strengths have been the primary drivers of our success in the past and will continue to set us apart from our competitors in the future:

9.6.1 Large and Structurally Growing \$305 billion Total Addressable Market with COVID-19 Accelerating Favorable Digital Megatrends

We operate in a large and structurally growing market. In 2020, the total addressable market for CX solutions, comprising outsourced and insourced CX, reached a market size of approximately \$300 billion. With approximately \$210 billion generated in-house, the market size for outsourced CX solutions amounted to \$89 to \$91 billion in 2020 and is expected to grow at a CAGR of 4% to 5% until 2022 (*source: Everest Group, May 2021*). The prevalent need to transform CX management and digitize processes in line with evolving consumer preferences also led to an increase in digital CX services, which amounted to \$8 billion in 2020 and are expected to grow at a CAGR of approximately 42% between 2020 and 2022 (*source: Everest Group, May 2021*). We believe we are well-positioned to serve the CX market and, as a result, we have a significant market opportunity due to the overall industry growth rate, low penetration to date and increasing share of high-growth digital CX services.

In addition to the market for CX solutions, we serve markets that have experienced high growth in recent years, such as content services, trust & safety, which includes review and compliance services of customer-created content on digital platforms as well as regulatory support services and advertisement reviews. The necessity of reviewing content on digital platforms has prompted enterprises to seek the support of specialized experts to accommodate changes in an uncertain, highly regulated environment. The market size for content services, trust & safety, amounted to \$4 to \$5 billion in 2020 and is expected to continue its strong growth trajectory at a CAGR between 30% and 40% between 2020 and 2023 (*source: Everest Group, May 2021*). Content services, trust & safety solutions, are in particularly high demand among Global Internet segments, of which social media, for example, is growing at a CAGR of as high as 32% (*source: The Business Research Company*).

The underlying digital megatrends for digital transformation and customer experience have been further accelerated by the COVID-19 pandemic, creating additional momentum in the CX market. With the top ten providers in 2020 capturing approximately 27% of the market based on the estimated outsourcing market shares globally (*source: Nelson Hall 2021*), the CX landscape is still highly fragmented and provides for various growth opportunities through strategic acquisitions. In addition, clients are increasingly working with selective partners with proven capabilities who can help in global roll-outs and digital transformations. We believe with our omnichannel customer interaction services, digital solutions, deep domain expertise in front- and backend processes, as well as expert augmentation through technology and data, we are uniquely positioned to be a transformative partner for leading brands.

We believe future CX will be fueled by developments in the Chinese market creating a hyper-connected digital environment enabling next-generation digital consumer engagement services. With its GDP expected to grow at a CAGR of 7.8% between 2019 and 2024, China continues to be the fastest-growing economy ahead of the United States, whose GDP is expected to grow at a CAGR of 3.8% during the same period (*source: IMF*). It is further expected that China will outperform the United States with respect to its retail e-commerce share, which is expected to reach 52.1% of total retail in China in 2021 compared to 15.0% in the United States (*source: eMarketer*). This development is mainly driven by China's unique digital ecosystem, comprising various digital leaders with multiple brands, innovative digital payment systems, powerful social commerce and a cloud market dominated by local players. Building on the strong track record of our predecessor companies, we are one of the very few global players with scale in China, having been on the ground for 20 years. We therefore believe that we are well-positioned to take advantage of this unique and growing market environment.

9.6.2 Next-Generation CX Category Leader with Truly Global Platform Spanning from East to West

We are a leading, next-generation CX provider with deep vertical expertise established through the successful venture of four specialist CX service providers (*i.e.*, Arvato CRM, Phone Group, Ecco, Pioneers). By focusing on client proximity and operational excellence, we have been able to continuously improve our performance and establish a market-leading position. Only recently we were named a leader in Everest Group's Customer Experience Management (CXM) in EMEA - Services (PEAK Matrix® Assessment 2020), a leader in Everest Group's report "Trust and Safety – Content Moderation Services" (PEAK Matrix® Assessment 2021), a leader in Nelson Hall's NEAT Vendor evaluation of CX services in the global BFSI sector, a "Star Performer" in Everest Group's global Customer Experience Management (CXM) Services (PEAK Matrix® Assessment 2021) and awarded the Platinum Award for Best Customer Experience by Platinum Contact Center Awards in 2021.

We serve our clients in various industries with a truly global platform from East to West servicing 129 countries. Headquartered in Luxembourg, our platform spans more than 120 locations in 31 countries across Europe, the Americas, Africa and Asia. As of December 2020, we are the number four global CX player in terms of countries of operations (*source: Company information*). To provide seamless client support across the globe, our highly agile delivery model includes onshore and offshore locations, multilingual hubs and remote working based on our proprietary digital workplace solution. While the majority of our services were provided through onshore locations, we generated 35% of our Net Revenues in 2020 through in offshore geographies. In the six months ended June 30, 2021, we increased our offshore Net Revenues share to 37%. We will continue to further expand our near and offshore footprint, benefitting from high quality and lower cost offering. For our clients in need of multi-lingual support, we established 16 multi-lingual hubs enabling us to serve our clients in multiple languages from one location.

Driven by the COVID-19 pandemic, we have expanded our working from home, which allows our team members to work remotely while maintaining a consistent level of service quality and data security. As of June 2021, our work from home rate was 64%. Leveraging our advanced technological set-up, we have started to roll out our global "Majorel Anywhere" working solution with a view to creating a location-independent workplace and a new way of working. We believe that Majorel Anywhere will enable us to flexibly manage peak time demand and increase operational efficiencies. Additionally, our flexible work solution serves as a strong recruiting sell-point and has increased team member retention.

Leveraging our global footprint, our highly-skilled multilingual workforce supports clients from all over the world in 60 languages. While as of June 2021, most of our team members work from our European locations (36%), we have strong teams in Africa and the Middle East, where 32% of our team members are located. Our other team members work from locations in Asia (17%, excluding China), followed by the Americas (10%). With close to 5% of our team members working at our Chinese locations, we are one of the very few global CX providers with a strong presence and operations of scale in China. This allows us to act as a trusted partner for leading Western brands that want to explore opportunities in the growing Chinese market. We are also in a prime position to support our Chinese clients in their international expansion as Chinese businesses increasingly gain global market share, improve their local operations and focus more and more on customer experience as a differentiator.

9.6.3 “Winning with the Winners”: Partner of Choice for Global Internet Brands and Vertical Leaders

We serve a diversified client base of more than 400 clients across various industry verticals and geographic regions. While we generally benefit from a low client concentration, we aim to be the partner-of-choice for high-growth Global Internet brands and vertical leaders. We are among the leading players providing our services and solutions to seven of the ten largest Internet companies (by revenues in 2020). Our Global Internet client base includes leading streaming service providers, leading social networks, leading e-commerce players, leading ride-hailing platforms, leading online travel platforms as well as leading software/hardware companies. We benefit from our high client loyalty and our strong track record of delivering results for existing Global Internet clients. While we generally have a low churn rate, we have never lost a client in our Global Internet vertical to date but kept expanding our Global Internet client base consistently by winning new clients. With 38% and 42% of our Net Revenues generated by Global Internet clients in 2020 and in the six months ended June 30, 2021, respectively, we believe we have a strong competitive position an attractive market segment exhibiting significant growth potential.

Our comprehensive vertical offering, which is characterized by deep domain expertise, has attracted various industry leaders. In BFSI, which accounted for 16% of our Net Revenues in 2020 and 14% in the six months ended June 30, 2021, we provide services to two of the five leading global insurance companies as well as five of the top ten banking companies in Europe, the Middle East and Africa (based on the Fortune 500 ranking in 2020). In our other verticals, we are a trusted partner for vertical leaders, *e.g.*, in the automotive vertical we serve six of the top ten car manufacturers (based on number of vehicles sold in 2020) as well as a leading cosmetics company in the consumer goods vertical (based on the Fortune 500 ranking 2020).

Through our global platform spanning from East to West, we deliver our services through multiple locations and continents and typically across multiple lines of business. Out of our top 20 clients in 2020, we served our top eight Global Internet clients on average from about eight countries, ten sites, in 22 languages and across seven lines of business. To our other non-Global Internet clients within the top 20, which include five clients in BFSI and seven in other verticals, we provided our services on average from about three countries, six sites, in three languages and across eight lines of business.

9.6.4 Comprehensive and Innovative CX Solutions Enabled with Best-in-Class Technology

Our best-in-class technology enables us to offer a comprehensive suite of next-generation solutions, ranging from customer interaction services and business process services to tech & expert services.

Firstly, within the customer interaction services we are the global partner of choice for digital-native and key vertical leaders, providing a comprehensive set of critical customer care services, including lead generation, customer acquisition, loyalty and retention, cross and upsell services as well as technical support. Our offering is enabled by next generation tools allowing us to offer true omni-channel experience of human and bots creating optimum outcomes for our clients across all channels: social media, e-mail, video, fax, chat, app and telephone.

Secondly, within the business process services we have built a strong expertise focused on selected, high-growth segments – content services, trust & safety and vertical BPO services. We are a global leader in content services, trust & safety with over 12,000 moderators helping leading Global Internet platforms remove harmful content and reduce reputational risk, protecting their brands. Furthermore, we provide the full range of end-to-end vertical BPO services from relationship initiation to customer onboarding to contract and transaction management, facilitated and optimized by our state of art digital capabilities.

Thirdly, we offer a suite of tech & expert services with a clear goal of enhancing customer experience through specialized CXaaS services, CX Consulting, vertical digital solutions and digital consumer engagement services. Our deep process expertise allowed us to create a set of proprietary vertical digital solutions: “Majorel Digital Banking™” – a platform for digitizing and optimizing processes in financial services, “Majorel Acquire™” – a platform optimizing clients’ lead conversion cycle, “Majorel Perfect Match™” – solution to augment complex back office activities (*e.g.* claim management) and “Majorel Riester™” – a platform for managing government allowances to private pension plans. We believe that our tech & expert services add value for our business and clients alike as cross-selling these services increases our added value as a partner. At the same time, flexible pricing models such as price per switch and price per customer allow for cost-efficiency for our clients. We believe that we can add additional value by further scaling our vertical digital solutions by expanding to other geographies and by evolving the application of select solutions to other verticals. In order to

develop our existing vertical digital solutions further, to assure future relevance and to enhance our portfolio, we make targeted investments.

To enable our comprehensive offering, we rely on a range of in-house developed and third-party technology solutions. Our customer interaction services are supported by our proprietary customer engagement platform, which enables a 360-degree customer view, as well as voice- and chatbots, which automate basic conversational customer support for clients in different industries and across various lines of business. With our omni-language solution (Majorel Lingua™), we are able to bundle multilingual services in offshore locations and serve customers in rare languages. To streamline manual processes across both front and back-office operations, we deploy robotic process automation (“RPA”) technology, which leads to efficiency gains in our operations and cost optimization for our clients. By leveraging our deep client and process knowledge, we were able to develop a differentiated portfolio of innovative vertical digital solutions specifically designed to address the different needs of our clients across various industry verticals. Building on the strengths of China’s advanced technology, we were able to design a portfolio of proprietary technological solutions for clients in the Chinese market that we aim to also scale internationally.

Since inception, we have invested significantly in our cloud-first strategy, which helps us deliver our services globally and with consistent quality. Substantially all of our delivery locations are connected through our cloud-based infrastructure, allowing for seamless collaboration and enhancing our ability to pivot client solutions across multiple regions, time zones and channels. To constantly improve our services and to offer our clients state-of-the-art solutions, we have established multiple innovation hubs, which serve to augment our team members’ capabilities or to develop proprietary digital solutions. We have also implemented global measures to ensure our IT infrastructure and systems are following best-practices in terms of cybersecurity. For example, all critical assets are monitored across the globe by a global security operation team, especially from our security operations center in the Philippines.

9.6.5 Entrepreneurial and Agile Culture Led by Best-in-Class Management Team with Successful Track Record

Our success has been driven by our exceptional and highly experienced management team with a proven track record of leading innovation, integrating, optimizing and scaling businesses, expanding distribution, and managing global operations. Our management team not only possesses significant and diverse skills and experience but is committed to leading by example and living our corporate values. Our management team has far more than a century of combined experience, including extensive industry experience as well as related functional and cross-vertical experience.

Established through the venture of four specialist CX service providers in 2019, we have successfully mastered the challenges of integrating a large number of companies and businesses across the globe and learned to leverage our cultural heterogeneity, different heritages and labor markets to act as #OneTeam. We believe our strong corporate culture with an entrepreneurial focus empowers our team members and, together with our core values “creativity, excellence and respect”, drives our growth. Our diverse cultural heritage enables us to quickly adapt to cultural and local nuances. To nurture this strength, we offer an environment with processes and conditions that promote and celebrate diversity and allow our team members to be themselves. As part of our global approach to diversity and inclusion, we established our “We Are One” program through which we aim to create a sense of belonging for our team members and provide equal opportunities to everyone.

To further engage our team members and make them feel valued, we have created a global “feel good” program. As part of this program, we offer various events to support physical and mental wellbeing and an environment to help our team members improve, learn and develop both professionally and personally according to the needs and opportunities on the respective local level. Our inclusive and hands-on corporate culture has been recognized internationally, and we have won several industry and employer awards, including 2021 – Top “Mittelstands” Employer by FOCUS business magazine, 2021 Best Services Exporter by Cámara de Comercio de Bucaramanga and the Premios Excelencia Relación con Clientes Award 2020 for Best Strategic Model – Work at Home.

We created a calibrated, win-win team member lifecycle where our tech-enabled, automated and global-to-local recruitment approach ensures highly efficient hiring as well as developing, retaining and promoting the right talent whilst actively managing the workforce pyramid. Our global-to-local approach also extends to how we train our team members. We, therefore, founded Majorel University, the collective name for all training activities at Majorel with programs of very different content and length that are tailored to regions, lines of business and respective requirements serving the purpose of developing and retaining our talents.

9.6.6 Attractive Financial Profile with Strong Growth, Expanding Margins and High Cash Conversion

We have delivered strong revenue growth driven by favorable industry dynamics and our continued focus on client needs, outperforming current market growth. Net Revenues increased by 14.3% from €1,172 million in 2019 to €1,340 million in 2020, primarily due to the increase in services provided to our existing clients and the expansion of our services across our different business lines. Net Revenues from clients in our Global Internet vertical increased by 38% from 2019 to 2020 as a result of increased volumes from several of our existing clients. In the six-month period ended June 30, 2021, Net Revenues increased by 34.5% from €626 million in the six months ended June 30, 2020 to €842 million. Benefiting from our global platform and significant expertise in offshore delivery, we were able to increase our Net Revenues from offshore locations by 36% from 2019 to 2020, with offshore revenue accounting for 35% of our Net Revenues in 2020. In the six months ended June 30, 2021, Net Revenues from offshore locations increased to 37% compared to 33% in the six months ended June 30, 2020.

By focusing on operational excellence and increasing our offshore penetration, we have improved our profitability. As part of our strategy, we have decided to focus on higher-margin, more complex services, to expand our global footprint focusing on attractive offshore regions and actively manage our client portfolio. As a result, Operating EBITDA increased by 53.1% from €128 million in 2019 to €196 million in 2020. Our Operating EBITDA as a percentage of revenues amounted to 14.3% in 2020 compared to 10.6% in 2019 and as a percentage of Net Revenues to 14.6% in 2020 compared to 10.9% in 2019. Operating EBITDA in the six-month period ended June 30, 2021 increased by 120.0% from €70 million in the six months ended June 30, 2020 to €154 million in the six months ended June 30, 2021.

9.7 Our Strategy

As a next-generation CX leader with a truly global platform offering end-to-end solutions, we have established a strong position in the large and structurally growing market. As part of our growth strategy, we intend to continuously improve and execute our competitive advantages to remain the partner of choice for digital-native brands and vertical leaders. Supported by our entrepreneurial and agile culture, we aim to increase our differentiated global footprint, grow our business with existing as well as new clients, innovate and develop new solutions, and accelerate growth through strategic acquisitions. Protecting and leveraging our diverse corporate culture is another integral part of our strategy as it fuels our unique drive, our ability to quickly adapt to cultural and local nuances and enables us to grow as a company, as #One Team.

9.7.1 Increase Our Differentiated Global Footprint

With a differentiated footprint in Europe, Africa, the Middle East, Americas and China, we have built a truly global platform and in 2020 were the number four global CX player in terms of countries of operations (*source: Company information*). To further drive growth with both existing and new clients, we plan to continue to expand our geographic footprint to more than 40 countries in the medium term. We strategically select new locations based on a number of factors, including access to diverse, skilled talent, market share of clients, benefit to clients, competitive density, convenience of location, and an ability to deliver our services over multiple time zones and in multiple languages. Based on these factors, we have developed a well-balanced expansion strategy that prioritizes countries and regions in which there are few international CX solution providers as well as expanding our presence in offshore delivery geographies. While we typically look to partner with a client when entering a new country, we are also prepared to independently pursue strategic investments when expanding our footprint.

As an established leader in continental Europe, we plan to further increase our European language nearshore offering in South East Europe. To this end, we seek to grow our multi-lingual hubs in Poland, Romania, Georgia and Armenia as well as to enter new countries. We will also focus on expanding our global English and Asian languages offerings by growing in Asia. Benefiting from our large footprint in Africa (compared to competitors), we seek to leverage our strong platform to further drive growth. By opening new locations in Sub-Saharan Africa, we intend to expand our offshore offering to cover global English, French and African languages.

For example, we will focus on Egypt and Kenya, which we consider attractive alternatives to other strong English locations such as the Philippines and India. We furthermore seek to leverage our presence in Central and Latin America as a beachhead for U.S. nearshoring, Spanish language offering and global customer local markets. While we generally intend to expand our footprint organically, we will also consider favorable M&A opportunities.

While we primarily focus on expanding our near- and offshore presence, we are also constantly evaluating opportunities to increase our onshore presence in East Asia, in particular in China. Building on the strong track record of our predecessor companies, we are one of the very few global CX players with scale in China, having been active in the market for 20 years. We benefit from our differentiated positioning with sites in eight cities, with a strong presence in main Eastern cities as well as across inland regions and cities. We intend to further expand service centers from eastern to western regions to take advantage of cost efficiency and talent backflow for the local market. For example, we plan to open another location in Changzhou in the near future to further deepen market penetration.

9.7.2 Drive Further Growth with Existing Clients and Win New Clients

We have established business relationships with more than 400 clients across the globe and are a provider of choice for many industry leaders, including seven of the top ten largest Internet companies globally (based on revenue in 2020). In 2020, Net Revenues generated from our top ten clients accounted for 53% of our Net Revenues, while 8% of Net Revenues were generated with our top client. We believe we have a well-balanced and diversified client portfolio with low client concentration. While we generally seek to grow our client base across all industry verticals, we will continue to focus on growth segments, especially Global Internet and BFSI. Having increased our Net Revenues from clients in our Global Internet vertical by 38% from 2019 to 2020 and by 60.7% from the six months ended June 30, 2020 to the six months ended June 30, 2021, we target a Net Revenues share of more than 50% with clients in this vertical in the medium term.

We believe that we can continue our strong growth momentum with our existing clients, many of which are digital-native leaders showing double-digit growth. While we provide a broad scope of services to many of our clients, our share of wallet with certain existing clients is still relatively low. Therefore, we see upside potential by gaining additional share of wallet with such clients. To grow within our existing client base, we further seek to deepen and expand our existing relationships by systematically cross- and up-selling our services along our value chain, in particular our content services, trust & safety offering, our Vertical BPO services and our tech & expert services. For example, with some of our Global Internet clients, we started our relationship with reviewing user-generated content or providing omnichannel customer support services. Due to the high quality of our work and strength of our offering, we have expanded our services into further areas, such as data labelling.

We furthermore aim to support our clients in their business transformation plans, including by expanding into new geographies and via portfolio expansion. By leveraging our global presence, we are able to offer our clients a broad range of best-shoring opportunities including offshore locations across five continents as well as various multi-lingual hubs. A prime example of how we leverage our existing relationships is our growth with a leading e-commerce client starting in 2011, for which we currently service seven lines of business in eleven languages from 16 locations. Between 2011 and 2020, we were able to quadruple the number of team members servicing this client and expanded our service coverage from one to 15 countries.

In addition, we seek to leverage the deep insights and the expertise that we gain in strategic partnerships with existing clients, which allows us to identify opportunities to innovate and develop new business solutions catering to their evolving needs. We also pursue a digital-first approach aiming to increase our clients' business productivity and revenue growth. With some clients, we grow our relationship through co-innovation, one example being a Global Internet client, with which we developed a co-innovation hub to jointly design and test new customer processes and digital tools.

While we have focused on existing clients to grow our business, we have recently allocated additional resources for winning new clients. As part of our strategy, we have developed a clear and concise framework to identify target accounts. In terms of end markets, we will in particular focus on clients in Global Internet, BFSI, automotive and consumer goods industries. In these verticals, we target the respective vertical leaders as well as digital disruptors. To this end, our dedicated regional and global hunting teams will seek to generate new business with national companies and global accounts, respectively. To further diversify our client base, we have recently launched "MajUp," a tailored set of CX services catering to the evolving needs of start-ups, with a focus on fintechs and medium sized companies, which we believe will allow us to engage early with potential future market leaders. We intend to expand our "MajUp" offering across Europe until the end of 2021.

9.7.3 *Leverage Our Strong Expertise to Innovate New Solutions and Drive Improvements to Digital Tools, Platforms and Processes*

We strive to leverage our strong expertise and deep industry insights to innovate new solutions and to continuously improve our existing tools, platforms and processes. By combining human talent, process expertise, advanced technology and data, we aim to be a transformative and strategic partner for digital-native brands and vertical leaders across our portfolio.

For our customer interaction services, we intend to leverage our CX heritage to optimize existing and implement new tools in the area of omnichannel solutions and omni-language support. By further enhancing our sophisticated sales and marketing services, we seek to generate additional revenue for our clients. We currently aim to expand our customer interaction services primarily organically.

With respect to our business process services, we seek to continue to grow our content services, trust & safety, which accounted for 45% of our Net Revenues generated by Global Internet clients in 2020. Within content services, trust & safety, we will focus on strengthening our broad solutions scope, including enhancement of our data labeling and annotation offerings. We also intend to further expand our vertical BPO services, which serve to help our clients increase process efficiency and revenue while reducing operating costs. While we see many opportunities for further organic expansion in these business areas, we also plan to further accelerate the expansion of our services scope and client base in business process services through disciplined strategic M&A.

In line with the accelerating digitization, we will also increasingly focus on growing our tech & expert service offering, in particular our digital consumer engagement solutions and CX Consulting. We constantly work on enhancing and expanding our portfolio of vertical digital solutions, especially for our BFSI clients. We aim to broaden our portfolio of tech & expert services both organically and through value-accretive M&A transactions.

9.7.4 *Accelerate Growth across Regions, Clients and Services through Strategic Acquisitions*

While we will continue to focus on organic growth, we intend to enhance the depth of our CX capabilities and services and to further expand our regional footprint through strategic acquisitions that allow us to design, build and deliver exceptional CX solutions for our clients. Our M&A strategy playbook, which is characterized by a disciplined approach, focuses on creating value for our shareholders and further supporting transformative needs and growth of our clients.

Our recent acquisitions include junokai, a leading independent CX consultancy in German-speaking countries, in 2021, and the French digital services provider Société ISILIS (“ISILIS”) in 2020. Through these acquisitions, we were able to increase the scale and scope of our CX Consulting service offering and expand our digital BFSI solutions into France, respectively. Going forward, we believe that our new consulting unit will be well-positioned to support clients from a wide range of industries in all matters relating to the digital transformation of customer service. Complementing our recent acquisitions, we acquired the China Business from Bertelsmann in January 2021, thereby expanding our footprint to the Chinese market, which we believe offers significant growth potential.

With the top ten CX providers currently capturing approximately 27% of the market, the CX landscape is still highly fragmented providing various growth opportunities through strategic acquisitions. We plan to take an active part in the ongoing industry consolidation as the CX industry enters a new stage. As of the date of this Prospectus, we have a large and growing pipeline of 47 potential acquisition targets, of which 36 would further widen the scale and scope of our tech & expert services in areas such as CX consulting, technology implementation and development services. With the remaining eleven targets, we aim to further expand geographically and to gain additional domain expertise for our business process services, for example in data annotation, digital document management and machine learning (ML) training services. As part of our disciplined and strategic approach, we may enter into share deals or asset deals or a combination thereof, depending on the relevant acquisition target. Asset deals may include the acquisition of business units comprised of, among others, physical delivery locations and team members.

9.7.5 Leverage Our Diverse Corporate Culture to further Strengthen our Market Position

As we firmly believe that our corporate culture is one of our strengths and competitive advantage, we plan to nurture and leverage it to further strengthen our market position.

Our responsibility towards our people, society and the environment is the cornerstone of our business. We are driven by our core values “creativity”, which includes innovation, problem solving and agility, “excellence”, by constantly striving for the best, and “respect” for each other, partners and stakeholders. We are committed to creating conditions and processes that promote and celebrate diversity and inclusion. We know that having a more diverse workforce means that we are more competitive and better able to grow as a company, as #One Team. We want to be the employer-of-choice for top talents, an employer with positive impact on their lives and their communities.

As part of our global approach to diversity and inclusion, we launched impact sourcing initiatives across the globe and create jobs for those most in need, such as economically, socially or personally disadvantaged persons. We also recently launched our “We Are One” program, which is promoted and celebrated at all of our worldwide locations. Through the program, we aim to create a sense of belonging for our team members and provide equal opportunities to everyone. Furthermore, as of December 2020, 55% of our team members and 50% of our managers were female. Through trainings, coaching and mentoring we aim to empower our team members to develop their skills, improve their performance and try out new roles and responsibilities so they can reach their full potential.

As part of our talent management, we support our team members throughout their careers. To ensure a highly efficient hiring process as well as to develop, retain and promote the right talent, we are continuously working on enhancing our tech-enabled, automated and global to local employee lifecycle approach. For example, to continuously develop and retain talent, we developed “Majorel University”, a program encompassing all our training activities tailored to the individual regions, lines of businesses and respective requirements. Ensuring good working conditions as well as our employees’ well-being are key priorities of our people-strategy as they serve to drive engagement and performance. Through our global “feel good” program, team members from local sites organize regular leisure and well-being events and activities, gather personalized feedback from our team members and report on specific engagements and well-being needs.

In addition, we believe that giving back and community work is an indispensable pillar of becoming a home for talent across different geographies. It creates strong flywheel effects around attracting and retaining talent, employee corporate identification, value reinforcement and ultimately even performance vis-à-vis clients. We also believe that we have a responsibility to our wider society. As part of our corporate culture, we aim to continuously reduce our emissions (e.g., green electricity initiative) and to become climate neutral by 2030.

9.8 Our Operations

9.8.1 Our Geographic Footprint

Global presence and multilingual capabilities are of increasing importance to our existing and potential clients and have been a major growth driver for our business. Enabled by state-of-the-art technology, we have built a differentiated global delivery model with the scale and agility needed to best serve our clients. Due to our highly virtualized and cloud-based infrastructure, we are able to provide solutions across multiple regions, time zones and communication channels. Our focus is on both the internationalization of our business and our service offering by providing onshore, nearshore and offshore solutions.

Through the formation of Majorel in January 2019, Bertelsmann and Moroccan-based Saham brought together their customer experience management businesses with a presence in 25 countries. Since then, we have expanded our footprint to other countries, including Italy, Armenia and Kenya, and have established our headquarters in Luxembourg. While we generally seek to expand our footprint organically, we acquired the China Business in early 2021 from Bertelsmann, which included several locations across China. Our more than 63,000 team members are strategically located in over 120 locations, which are connected through an infrastructure with correspondingly high resiliency and security.

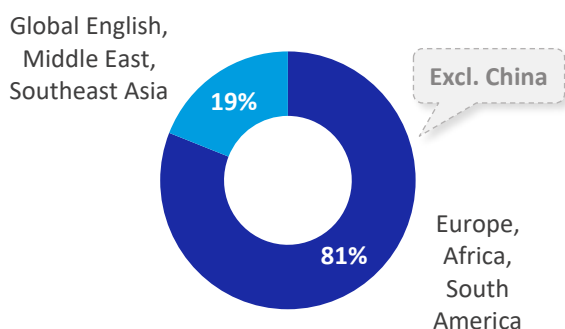
We have established a global presence in 31 countries across five continents and plan to continue expanding our geographic footprint to other attractive markets to further drive growth in both existing and new clients. When searching for a new location, we consider a number of factors, including access to diverse, skilled talent, market share of clients, benefit to clients, competitive density, convenience of location, and an ability to deliver our services over multiple time zones and in multiple languages. We currently prioritize expansion in countries and regions in which there are few international CX solution providers as well as offshore delivery geographies such as Africa, South East Asia, Eastern Europe and Latin America. While we generally intend to expand our footprint organically, we will also consider favorable M&A opportunities. The global reach and dispersal of our delivery locations enable us to adapt our delivery strategy to our clients' evolving needs and strategic considerations.

Our globally integrated organization comprises three geographical segments predominantly based on languages:

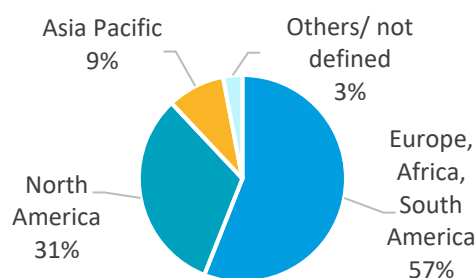
- Europe, Africa, South America, which currently comprises France, Germany, Spain, Netherlands, Poland, Portugal, Luxembourg, Romania, Italy, Morocco, Estonia, Peru, Ivory Coast, Georgia, Colombia, Senegal, Armenia and Togo;
- Global English, Middle East, Southeast Asia, which currently comprises the United States, Philippines, Egypt, Canada, Malaysia, Qatar, Mexico, India, Saudi Arabia, Ireland, Kenya and the United Kingdom; and
- China, East Asia, which currently comprises China.

The following graphics show the Net Revenues split for the year ended December 31, 2020, based on our geographic segments and based on where our clients' headquarters are located:

Net Revenues split by segments



Net Revenues split by location of client HQ



9.8.2 Our Clients

We partner with a diverse set of digital-native and industry-leading clients across various industry verticals, including Global Internet, BFSI, utilities, Telco, automotive, consumer goods, public and government, media and entertainment, leisure, retail, healthcare and pharma, and services and logistics. Within some of these industry verticals, we serve clients across several sub-sectors. For example, within BFSI, we serve both traditional and next-generation companies from small fintechs to large financial services institutions. In many cases, we service multiple customer touch points that may encompass several product and business lines and deliver services in a number of languages and from multiple locations.

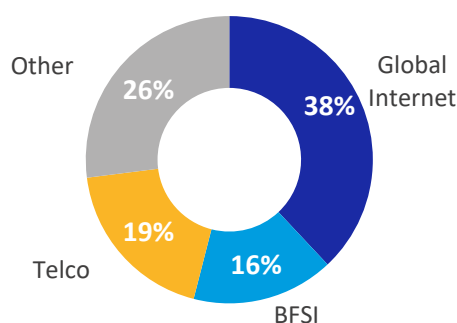
As of December 31, 2020, our client base consisted of more than 400 individual clients located all over the globe. For the year ended December 31, 2020, Net Revenues generated from our top ten clients accounted for 53% of our Net Revenues. With our largest client generating approximately 8% of our Net Revenues, we believe we have a balanced client portfolio with low client concentration. We generally perform our services under discrete, renewable, multi-year contracts that are individually negotiated and specify, among other things, the service level requirements, the tools and technology, the operating metrics, and various pricing grids depending on volume requirements. We typically bill our clients on a monthly basis either per productive minute, hour, or per transaction/outcome/case. In some cases our contracts contain additional fixed fees, especially with regard to business process services and tech & expert services, and some contracts include bonus or malus payments based

on quality and productivity. Fixed fee items are normally invoiced monthly and additional payments can range from monthly to quarterly payments.

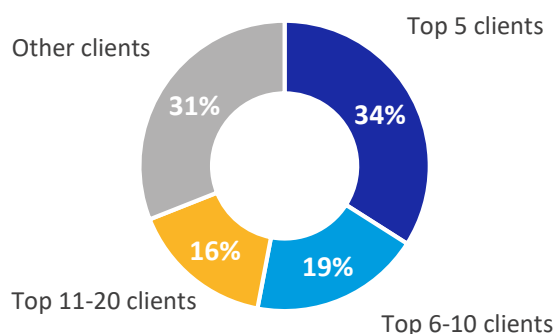
We focus on driving global service excellence and sustaining long-term relationships with our clients. By engaging our clients through multiple lines of business, we have rarely ever lost the entirety of a client business relationship. Rather, customers see us as a strategic partner-of-choice for their end-to-end-CX and digital transformation journeys and are increasingly shifting their business processes to us in the long term, leading to an average client tenure of our top 20 clients in 2020 (by Net Revenues) of about 12 years. While we have built strong partnerships and commercial relationships with each of our top clients, we focus particularly on clients in Global Internet and BFSI verticals, because of their growth potential, their tendency to outsource, their large and global customer bases, and their complex product and service offerings, which often require sophisticated customer interactions. Global Internet and BFSI accounted for approximately 54% of our Net Revenues in 2020 and for approximately 56% in the six months ended June 30, 2021.

The following graphics show our Net Revenues split per industry vertical and per top clients in the year ended December 31, 2020:

Net Revenues split by industry vertical



Net Revenues split by top client



9.8.2.1 Global Internet

The Internet and high-tech industry is constantly being disrupted by new technological innovations and market entries. The expansion of mobile devices, social media platforms and other methods of digital interaction has resulted in new benchmarks being set in efficiency and scope of CX delivery. To remain competitive, Internet and high-tech companies need to offer their customers easy access to information, omnichannel communication capabilities and a seamless and satisfying customer experience.

Having gathered experience in this industry since the 1990s, including supporting the world’s most valuable tech brands, we are able to offer our clients a variety of services and solutions to meet customer expectations, digitize CX journeys and manage operating costs, including customer service, process automation including AI-driven automation, content services, trust & safety, and CX Consulting. The products and services of these companies transcend geographic borders, with customers demanding seamless and consistent experiences regardless of where they are located. Our global footprint, global delivery models and local expertise enable us to partner with our clients across any market.

With a Net Revenues share of 32% in 2019, 38% in 2020 and 42% in the six months ended June 30, 2021, Global Internet accounts for a significant portion of our revenues. In 2020, 45% of our Net Revenues from Global Internet clients were generated through content services, trust & safety and the remaining 55% through customer interaction and tech & expert services. As of the date of this Prospectus, our client base in this industry vertical extends to 18 clients including seven of the largest Internet companies globally (by revenues in 2020 and including one BFSI client). We serve our Global Internet clients from 117 locations in more than 15 countries and offer them a total of 136 lines of business, 47 of which have been added since 2019. In addition, we provide our services in 55 languages.

9.8.2.2 *BFSI*

To meet the expectations of hyper-connected and well-informed customers, banks, financial services and insurance companies are increasing their investment in digital capabilities. New customer service models are emerging based on building more interactive, immediate and personalized relationships with customers. We believe this customer-centric approach to be essential to succeed in a market dominated by ongoing cost pressures, stringent regulatory requirements, and increasing competition between digital-native market entrants, like fintechs and digital banks, and established market leaders.

With more than 25 years of deep industry experience in the BFSI sector, we have developed a variety of end-to-end vertical BPO services and vertical digital solutions to streamline processes and elevate customer support. We offer a full range of services along the customer lifecycle including new customer acquisition, customer onboarding, customer service and customer retention, supported by our Majorel digital banking platform (Majorel Digital Banking™) and our claims management and customer acquisition platform (Majorel PerfectMatch™ and Majorel Acquire™), in addition to our customer interaction services.

With a Net Revenues share of 15% in 2019, 16% in 2020 and 14% in the six months ended June 30, 2021, BFSI continues to be a significant part of our business. In 2020, 88% of our Net Revenues from BFSI clients were generated through our vertical BPO offering and customer interaction services and 12% through tech & expert services. Our client base comprises more than 30 banking clients, more than 20 insurance clients and more than ten fintechs and digital banks. We serve our clients in more than 15 countries and across more than 200 lines of business.

9.8.2.3 *Clients in Other Industry Verticals*

Besides our focus on Global Internet and BFSI, which generated more than 50% of our revenues in 2020 and in the six months ended June 30, 2021, the following industry verticals play a significant role for our business strategy and development:

- **Telco:** From 2000 to 2010, the Telco vertical was the main growth driver for our industry due to the developments in mobile and the Internet. However, high penetration and consumer maturity, development of mobile virtual network operators and new market entries led to changes in the business model which resulted in cost pressure while large investments related to the 5G standard and fiber were required. As part of our strategy, we have decided to focus on higher-margin, more complex services, to expand our global footprint focusing on attractive offshore regions and actively manage our client portfolio. As a result, we reduced our Net Revenues share in Telco from 24% in 2019 to 19% in 2020 and to 13% in the six months ended June 30, 2021.
- **Utilities:** Growing consumer mobility due to increasing digitization making it much easier to compare prices and switch accounts, engaging and personalized CX has become more important than ever. As a result, we provide our clients in the utilities vertical, including some of the biggest European energy providers, with comprehensive customer services covering both front and back-office. Through customer relationship management, we are able to help our clients serve their customers with regard to any topic they might raise, such as invoice explanation, questions regarding new commercial offers and advise on the most fitting offer. In addition, we offer customer acquisition services, including recommendation engines, acquisition platforms, as well as digitization services, such as digital and mobile applications and business process management. For some clients we also provide business-to-business customer services, and, depending on our clients' needs and preferences, deliver our services from onshore as well as offshore locations.
- **Automotive:** In our automotive vertical, we are a reliable partner for more than 25 automotive clients with long-lasting relationships of over 30 years. We have established multi-country partnerships with six car manufacturers ranking among the top ten in the world based on vehicle sales in 2020. For one of these manufacturers, we offer 360° customer service in over 15 languages across five continents. In cooperation with the German Technical Inspection Agency (TÜV), we have established our own e-mobility training academy for our highly skilled experts allowing us to offer best-in-class services in the growing market of e-mobility. Leveraging our digital expertise, we seek to add digital components along the customer journey (e.g., contactless test drive booking, digital signature for short-term ownership models), aiming to shape the automotive experience of the future.

- **Consumer Goods:** With a leading position in China in serving cosmetics, luxury fashion and apparel businesses, we offer our clients services along the entire value chain, from upfront consulting and advice, to marketing program planning, through customer journey mapping, social channel support, multichannel customer support/sales and complete loyalty programs digital marketing. We also provide our clients in this vertical with specialized industry data analytics and AI modeling for their digital transformations. Our services are complemented by our proprietary digital marketing solution, Martech, and our proprietary omnichannel customer care platform.

9.8.3 Our Services and Capabilities

By combining our industry and technology expertise, we have built comprehensive and mission-critical end-to-end CX solutions to support a differentiated customer experience. To offer our clients the most suitable solutions, we constantly evaluate and effectively balance our clients' different requirements, approaches and near and long-term objectives. Our strategy addresses our clients' needs, in the order of priority that best suits their goals and with the flexibility to evolve with them as their needs develop.

Our highly skilled and empathetic team together with our extensive expertise in end-to-end CX processes, next-generation technologies and different industry verticals is core to our success. We combine talent, data and technology with the ability to discover, analyze and develop or acquire new digital technologies for continuously evolving and expanding our portfolio.

9.8.3.1 Customer Interaction Services

We believe that relationships are at the core of customer engagement, retention and loyalty. 84% of consumers feel that experiences are as important as the actual products or services and approximately 60% of consumers would switch suppliers after two or three instances of poor service (*sources: Salesforce, American Express Customer Service Barometer*). In addition, approximately 82% of consumers would like to have more customer interaction in the future (*source: PwC*). As customers expect to seamlessly shift from chat to voice or e-mail to chat, omnichannel has become the new normal and customer retention is 30% higher through omnichannel solutions versus non-omnichannel service (*source: McKinsey*).

To optimize customer interactions and build stronger relationships between our clients and their customers, we have developed comprehensive CX solutions to monitor, handle and manage every interaction between a customer and our client. Our broad critical customer care offering comprises lead generation solutions, cross- and up-selling, customer acquisition and retention support, customer loyalty programs and robust multi-site strategies per client and is enabled by next-generation tools (see "9.8.5 Our Technology and Enablers").

9.8.3.1.1 Omnichannel Customer Service

As a global leader in customer service, we design, deliver and differentiate customer service solutions for the world's leading brands integrating the right service channels. We service many demanding and complex customer care engagements that require a highly skilled workforce and specialized training. Our ability to resolve customer issues across all channels with first contact and with low effort for customers builds brand value for our clients and lays the foundation for future cross-selling and up-selling opportunities. Together with highly skilled technology partners, we offer our clients a full flexible omnichannel suite (Majorel Omnichannel™). In addition, we have developed a proprietary voice of the customer ("VoC") program to turn customer feedback into actionable insights. Our program systematically collects both direct and indirect feedback across all channels of communication, allowing our clients to gain valuable insights into customer perception, opinions and emotions at relevant touchpoints, anticipate trends to optimize their products, services and brand perception, and increase the satisfaction and loyalty of their customers by improving responses to customer requests.

9.8.3.1.2 Sales and Marketing

Having served our clients' constantly evolving customers for many years, we use our experience to create sales and marketing services that do not only drive revenue, but also enhance customer satisfaction, build engagement and long-lasting customer relationships. To do so, we combine specifically trained and empowered teams with optimized operational settings, advanced analytics tools, and innovative sales solutions that boost sales, e.g., by highlighting opportunities to cross-sell and up-sell in real-time and enabling our clients to create personalized customer journeys with our customer life-cycle analytics tool. Our offering further includes solutions for customer acquisition, cross-selling and up-selling.

9.8.3.1.3 Loyalty and Retention

Our customer retention programs are designed to help our clients build brand loyalty by utilizing the right techniques and tools to improve response rates and maximize revenues and profit. Retaining an existing customer is cheaper than winning a new one and existing customers are more likely to convert than new customers. To help our clients successfully retain their customers, we have developed hybrid end-to-end loyalty solutions combining technology and customer service. Our solutions address the broadest spectrum of loyalty requirements, which range from loyalty management to loyalty measurement and analytics (see “9.8.3.3.1 Digital Consumer Engagement”).

9.8.3.1.4 Tech Support

In addition to ongoing customer service and customer care, we offer our clients technical support services that are designed to provide them with a high-quality and efficient service delivery platform to handle customer requests across multiple market segments. With our omnichannel delivery options, we enable our clients to expand their current technical support service delivery platforms with cost-effective and robust solutions for consumers as well as business customers. Our technical support services include transactions executed by clients’ customers who contact a service center after having purchased a product and/or service and are looking for assistance with its operation or usage. To provide quality service, we integrate our service mediums so that end users can easily choose the channel that best meets their support needs, *i.e.*, voice, self-service, e-mail, callback or chat and implement voice- and chat bots (Majorel Bot™).

9.8.3.2 Business Process Services

With our business process services we focus on providing next-generation end-to-end services for our clients with a focus on our different growth verticals. With our comprehensive offering, we enable our clients to enhance profitability and increase efficiency and reliability, permitting them to reallocate time and resources to core competencies. We offer different partnership models through which we take over standard service contacts, entire process chains or complete service units.

9.8.3.2.1 Content Services, Trust & Safety

With millions of pieces of content uploaded every minute, keeping users safe, ensuring content is legal and maintaining a good reputation is an almost insurmountable task. To support our clients in accomplishing this task, we have developed a comprehensive portfolio of solutions comprising business integrity and commerce services, content moderation, ML training support and digital marketing optimization.

Our business integrity and commerce services are aimed to help our clients enhance their brand perception, attract new customers and ensure compliance with applicable regulations. To this end, we offer our clients extensive marketplace curation to ensure an elevated brand environment, policy checks and account reviews and provide support for SMEs which account for the majority of businesses worldwide. Additionally, our moderator teams review clients’ online advertisements against their policies and terms and conditions to ensure trust and safety for their online advertising offering. To make sure our clients comply with applicable laws and keep up with changes in the legal framework we offer regulatory support services with a particular focus on data protection, e-privacy, copyright and intellectual property. In addition, by analyzing and evaluating current trends for our clients through our digital trust and safety solutions, we help our clients boost their social media presence, increase their user base and attract more customers through different social media and e-commerce channels. We also provide digital advertising campaign support for clients’ customers to help our clients maximize revenues from online advertising.

As part of our content moderation services, we help our clients safeguard their user communities and protect their brand perception 24/7 by actively screening and removing illegal, discriminatory, threatening, offensive or otherwise inappropriate user-generated content that contravenes our clients’ policies, community guidelines and applicable laws. To ensure user safety, we also offer user profile checks and community moderation, account takeover detection and support and fraud protection. To further advance complimentary AI capabilities, we offer our clients data annotation services for ML training, which includes labeling, among other things, content, advertisement moderation, audio and video files, search prompts and translations. The labeled data is used to help ML models identify relevant objects, sounds or words and based thereon perform autonomous operations. With rising content volumes, the importance of data labeling solutions increases as well. In 2020, our

content services, trust & safety already accounted for 17% of our Net Revenues and in the six months ended June 30, 2021 for 21%.

Our content services, trust & safety team members are supported by advanced, automated AI and digital moderation tools, which are typically provided to us by our larger clients. To service our smaller clients, we rely on in-house developed AI solutions to complement our moderators. Spanning more than 20 locations and covering over 55 languages, our global team of about 12,000 moderators understands the importance of considering the different cultural, regional and sociopolitical nuances of local markets in their reviews. For our team members, who are involved with the psychologically more demanding part of our content services, we have developed an extensive team member wellbeing and resiliency framework as part of our corporate responsibility that includes specialist training to help manage stress and build resilience, a friendly work environment and psychological support on-site.

9.8.3.2.2 Vertical BPO Services

With our vertical BPO service offering, we aim to enable our clients to increase process efficiency, reduce operating costs and increase revenue in a way that is specifically tailored to the needs of their industry. As global businesses no longer utilize outsourcing only in an effort to achieve cost efficiencies and labor arbitrage, but also seek to increase agility and reduce complexity by replacing or complementing in-house resources with outsourced capabilities, we provide our clients with functional and vertical-focused delivery capabilities. Our portfolio of outsourced services covers the entire value chain and includes, among other things, the management of vertical-specific processes, specialized lead management and customer acquisition, *e.g.*, virtual showrooms substituting initial dealer visits in the automotive vertical as well as contracting and underwriting for insurance clients, account opening management and online banking support for banking clients, order support management in the consumer goods vertical and complaint management as well as other professional back-office services such as account and contract management processes.

Our vertical BPO services span all sectors with a particular focus on our different growth verticals such as BFSI and automotive. By combining our deep industry expertise with excellent operational capabilities and – depending on the specific set-up – with innovative solutions and technology, we offer end-to-end CX Services that create value for our clients by supporting them in reaching their goals and, ultimately, driving customer experience.

In more detail, we offer services such as claims management in insurance, where we support the entire process ranging from the declaration to the implementation of the compensation and work across all types of insurance – property and casualty, health, life and pension. For our banking clients we offer, *e.g.*, specialized back-office services like mortgage and personal credit processing, brand risk management and customer identification programs where we are responsible for fraud detection and prevention as well as reviewing, investigating and dealing with potential use policy violations. Moreover, we deal with name change requests, review documents for authenticity and verify that the customer is providing his or her real identity. Another example of a vertical BPO services are our specialized services around e-mobility, including our training academy in cooperation with the German Technical Inspection Agency (TÜV). These BPO services leverage our suite of proprietary digital tools (see “9.8.3.3.4 Vertical Digital Solutions” and “9.8.5 Our Technology and Enablers”) that seamlessly connect front and back-office services to provide engaging CX for customers, optimize our clients’ operational costs and drive their revenue generation.

To provide our clients with the quality, cost efficiency and reliability they expect and to continuously improve our operations, we rely on a proven set of standards and methods such as Six Sigma and COPC. Our dedicated departments, deep understanding and stringent handling of compliance and information security matters as well as our long-time experience in strongly regulated verticals such as BFSI guarantee that our clients’ outsourced activities are as compliant and safe as were their internal ones. To further optimize performance and efficiency for our clients, we use our operational capabilities and geographic footprint as well as our comprehensive set of tech & expert services and tech enablers by automating entire or partial processes as well as client interaction via, *e.g.*, RPA or voicebots, best shoring a specific activity (parts of our French claims management, *e.g.*, are rendered from Morocco) or working with our CX Consulting-unit (see “9.8.3.3.2 CX Consulting”) to provide additional value.

9.8.3.3 *Tech & Expert Services*

Digital customer experience is a key element on a company's digital transformation agenda; however, implementing a successful customer-centric digital transformation can be a challenge for any organization. To provide a seamless, consistent and personalized omnichannel customer experience our clients often need to re-build and re-design their existing CX operations. By combining our industry expertise and our deep understanding of digital technologies, we aim to help our clients develop advanced digital solutions to deliver the best possible experience for their customers at optimized costs. Our expertise allows us to test, deploy and continually enhance custom applications and integrate and implement CX solutions with other client applications. We aim to help our clients design next-generation business practices based not only on transforming technology but also on transforming processes and culture.

9.8.3.3.1 Digital Consumer Engagement

Our digital consumer engagement offering provides our clients with the technological tools to reach potential new customers, engage with existing customers, and drive conversion and customer loyalty. We believe each customer interaction provides an opportunity to enhance a customer's experience by addressing their individual needs and delivering solutions to their respective problems. By analyzing digital interactions, we help our clients understand the role they play in engaging their customers, use the information collected to develop future engagement strategies, and build long-lasting relationships with their customers. Our comprehensive digital consumer engagement offering connects customer experience and VoC with customer engagement services, such as social engagement, e-commerce store operations and digital customer care, technology solutions, such as our omni-channel communication platform and chatbot and trainer services, with industry-specific solutions.

For our Chinese market, we have developed a leading proprietary solution for digital marketing, Martech, as well as for end-to-end customer interaction that enables our clients to engage with their customers across multiple touchpoints for an enhanced and personalized digital customer experience and gain insights from customer interactions. Our solutions include an omnichannel contact center, proprietary chatbots, a VoC analytics solution and a remote sales center to advance sales-oriented customer engagement. Our Martech solution includes a brand health check to enable business decisions based on real time data of over 100 dimensions of the consumer-product-channel as well as a loyalty-engine that manages more than 350 million consumers and more than one billion transactions per year. Our integrated marketing automation tool triggers personalized communication. Our marketing activation allows for AI modeling for more than 40 brands with business key performance indicators (KPI) improvement ranging from 5% to 15%. Different modules of data and analytics generate consumer insights and identify business opportunities to fulfill the needs of multiple departments including marketing, products, sales, e-commerce and finance. While we currently offer our solutions primarily in China at scale, we plan to expand our digital consumer engagement offering into other attractive regions.

9.8.3.3.2 CX Consulting

Combining decades of operational expertise, deep technology know-how and first-class consulting methodology, our CX Consulting practice is optimally positioned to support clients across different industries in the digital transformation of customer experience. Our team is comprised of a group of CX enthusiasts consisting of process engineers, strategists and technology experts, who are working hand-in-hand to reimagine and elevate brand experiences. Driven by the ambition to create measurable impact, our consulting approach is customer-centric and implementation-oriented, meaning engagements typically pass the conceptual phase.

Our CX Consulting portfolio comprises strategy development, operational excellence and digital transformation, which includes:

- **CX strategy:** Definition of actionable CX priorities derived from business strategy and reflective of persona-specific journeys to boost customer experience.
- **CX technology strategy:** Roadmap for definition and selection of suitable technology solutions to drive touchpoint digitization and enable data-driven customer interaction.
- **Operational diagnostics:** Identifying untapped CX value levers to improve operational performance and / or enable personalized, context-sensitive customer service
- **Process optimization:** Improvement of processes and organization design of customer care operations.

- **Digitization / automation services:** Leveraging intelligent automation technology, such as conversational AI and RPA, to design self-service and automated dialogue flows. We are vendor-agnostic and use technologies of leading providers such as Automation Anywhere, UiPath or Blue Prism.
- **CX technology implementation:** Customization of leading omnichannel technologies, e.g., Genesys, Avaya, Medallia.

9.8.3.3.3 Start-Ups

We have recently launched “MajUp,” offering specialized CXaaS catering to the needs of fintechs and start-ups. MajUp supports start-ups when entering the growth phase by ensuring that CX processes are established and scaled across markets in parity with leading peers. Through partnering with MajUp, young companies can focus on product development, launching accompanying marketing programs and defining market entry strategies for geographies to be penetrated next. MajUp offers time-limited package deals and flexible bookings for customer service operations that can be adjusted on-demand. We are initially offering our MajUp services in Berlin, followed by Barcelona and Paris.

9.8.3.3.4 Vertical Digital Solutions

By leveraging our deep client and process knowledge we were able to develop a differentiated portfolio of innovative vertical digital solutions specifically designed to address the different needs of our clients across various industry verticals, the most prominent of which is our Majorel digital banking platform.

- **Majorel Digital Banking Platform:** Our digital banking platform is built to support financial service providers in digitizing and optimizing their processes and services to reduce operating expenses and drive revenues while providing value-added services to end customers. Our platform specifically focuses on innovative solutions based on accounts and account mining. Its most prominent features are the account switching service to optimize the switching process for customers and banks alike and the insurance navigator for next-generation insurance sales based on analysis of account information. New services are developed flexibly using the modular set-up of the platform including, for example, analytics capabilities, a transaction database and voice assistants. See also “9.8.4.2 Majorel Digital Banking Platform”.
- **Majorel Acquire:** Based on our customer engagement platform, we developed our platform to optimize our clients’ lead conversion cycle with a data-driven approach using advanced analytics. Our platform can be used along the entire customer lifecycle, such as for cross- and up-selling, retention and cash collection activities to improve sales conversion and customer activation. Based on ML, our platform predicts the best timeslots for contacting leads, the right channel to use and the most promising offer to make to increase sales for our clients. By evaluating actual results, our platform continuously adapts multichannel contact strategies, including calls, messaging services, email, voice SMS and rich communication services (RCS). To optimize production hours and costs for our clients, we leverage state-of-the-art outbound management systems and improve the use of human resources in the process.
- **Majorel Perfect Match:** Our platform, Majorel perfect match, serves to augment complex back-office activities such as managing insurance claims, thus supporting our clients in delivering fast and efficient issue resolution to their customers and providing for high customer satisfaction. Perfect Match includes workflow and business rules management, decision support and deadline management to help improve processing compliance and increase customer satisfaction. To decrease search time and improve process quality, the perfect match also provides for document management, full-text indexing and search.
- **Majorel Riester:** Our platform for managing government allowances to private pension plans is powered by an IT System for allowance management, which operates software-as-a-service including workflow management, interfaces to insurance core IT-system and authorities, actuarial modules to calculate individual allowances and document management. Complex and error-prone processes and constant changes in the governmental requirements make outsourcing and benefitting from the experience and the economies of scale of a specialized provider very attractive for the insurances.

9.8.4 Case Studies

The following case studies serve to illustrate our various services and solutions based on client or industry vertical examples.

9.8.4.1 Zalando

Zalando is a leading European online fashion platform serving customers in 20 countries with fashion and lifestyle products from more than 4,000 brands. The partnership with Zalando started back in 2011 with our predecessor when Zalando was still a start-up. While the initial team supporting Zalando comprised ten full-time team members, we have since then increased our support team to about 800 full-time team members. We currently provide services for Zalando in ten locations in 13 countries and ten languages. We support Zalando's customers through various contact channels such as a phone, chat, email and social media. In addition, we offer partner care services to Zalando to support merchants and Zalando's internal teams, among other things, with the onboarding of potential new partners on Zalando's platform as well as the onboarding of new articles, brand development and compliance checks with Zalando's cultural and social obligation standards.

As an international e-commerce company, Zalando faces several challenges. While operating in different countries with different languages, Zalando aims to communicate with its customers with "one face". Like many e-commerce players, Zalando is affected by seasonal fluctuations in consumer demand requiring it to quickly ramp up and down its services and deal with high volume peaks. In addition, Zalando faces cost pressure both from price-sensitive clients as well as strong competitors with lower-cost structures.

To address these challenges, we offer Zalando several solutions. Through our global account and operational structure, service quality is centrally managed, ensuring a consistent and high-quality customer experience, regardless of the team member's location. To create cost-efficiencies for markets with smaller volumes, we support these markets out of our multi-lingual hubs and from offshore sites with near-native level language proficiency. Due to our global footprint, we have transitioned our service offerings to nearshore and offshore locations to provide Zalando cost benefits without any service deterioration.

We believe our collaboration with Zalando is highly successful. We provide reliable high-quality operational performance while our global delivery model allows us to be consistent in how we manage the business to achieve key performance indicator targets. Due to the broad structure of our Zalando site network, recruiting capabilities and our workforce management framework, we are able to ramp up for the sales season quickly. We believe we are a strong partner for Zalando and foster a continuous improvement mind-set by implementing a strong quality framework and working together with Zalando on improving the services offered.

9.8.4.2 Majorel Digital Banking Platform

For financial service providers, digital banking offerings present several challenges. As customers have high expectations regarding digital CX, providing a satisfying experience is oftentimes a key differentiating factor. With fintechs and disruptors offering engaging digital experiences established institutes are challenged to optimize quickly and decisively. However, since banks' processes are oftentimes still analogous, costly and leave customer experience to be optimized, it is often not feasible to internally digitize the processes. Additionally, account information as a source of information for banks is often underutilized.

To help our clients face these challenges, we have developed a modular digital banking platform to support financial service providers in digitizing and optimizing their processes and services. One of our platform's core processes is the account switching service based on the PSD2 application programming interface ("API"). To use this API and thus access bank accounts we are registered as an account information service with BaFin, making us a payment service according to German law. By using the PSD2 standard users can inform their payment partners within minutes based on account information retrieved from their previous bank with very little effort, significantly improving activation rates. In addition, our platform includes a security account transfer service that transfers securities to a new bank account per eSignature. Furthermore, we offer an integrated pricing model that allows for both cost-effectiveness and profitability.

Having more than eight years of experience in account switching, we believe we have become experts in analyzing and understanding account information. We leverage our know-how to build data-driven solutions enabling banks to make full use of the information gathered in the course of their business. A product developed based on this expertise is the insurance navigator, which drives both cross-selling and customer loyalty and enables

banks to offer a service that is usually provided by fintechs. Integrated into the institute's webpage or used during a consultation, it analyzes a customer's personal life situation and highlights the individual insurance needs as well as gaps in the existing coverage and optimization potential.

With its comprehensive solutions, the Majorel digital banking platform helps our clients significantly improve conversion rates of new accounts, improve customer experience and increase revenue generation via optimized conversion rates, and cost savings, *e.g.*, by relieving the workload of employees in the branches or the back-office. We believe our banking platform is a vital part of both our expert services and vertical strategy as evidenced by six of Europe's ten largest banks already connected to our platform. Our digital banking platform is built to meet the current needs of banks and financial institutions and is constantly developed further in order to support them in evolving market conditions.

The recent acquisition of ISILIS, a leading French software-as-a-service (SaaS) platform dedicated to premium account switching processes, has further strengthened our digital banking offering. In addition to account switching, ISILIS' services include inheritance management and anti-fraud service. ISILIS's platform provides full compliance with regard to regulatory constraints and offers optimized banking processes and customer satisfaction through a high-quality monitoring service and a white-labeled specialized customer service.

9.8.4.3 Leading Cosmetics Group

Our client is a worldwide leading cosmetics group offering a wide array of personal care products like hair color, make-up, sun protection, skin care and hair care. We provide our services to this client primarily in China.

Driven by a rapid surge in digital consumer demand across a broad portfolio of brands, China is one of the fastest-growing cosmetics markets worldwide. Chinese tech platforms are, however, not optimally integrated into U.S. or EU tech platforms, requiring specialized and country native solutions. To appeal to a broad customer base, clients are required to cover multiple local client touchpoints such as WeChat, Tmall and TikTok. To address these challenges, we provide our client with several proprietary and country-native solutions. Through our data lake, a centralized, cloud-based platform for consumer data, we offer our client three solutions: (i) loyalty engine, (ii) marketing automation and (iii) AI modeling. Our loyalty engine is a real-time interface that provides for a seamless transition from offline stores to online e-commerce websites and measures consumer loyalty based on a points and tier system. Our marketing automation solution includes a campaign management tool for precise customer targeting. Through AI modeling, we provide our clients with a marketing simulation tool based on AI technology that is designed to test various campaign strategies.

We believe our cooperation with this client is a major success. Not only have we helped our client establish its market presence in China, but we were also able to export our proprietary solutions designed for the Chinese market to adjacent markets in Asia with similar features (*e.g.*, Japan, Hong Kong and Korea). In addition, we have generated recurring revenue streams due to license and maintenance fees and we have been able to leverage our solutions for other international clients in China as well.

9.8.4.4 Online Travel Platform

Another one of our clients is an online travel platform aiming to enhance the travelers' journey worldwide.

Our client's business model provides several opportunities and challenges for our services. Until 2015, our client had a fully insourced model. Our client's business is characterized by steep capacity surge in peak seasons leading to recurring peak demand for CX services. As our client offers its websites in different countries and languages, its diverse and multi-national end-customer base requires omni-language solutions. In addition, with increasing staffing costs in German-speaking regions, our client was looking to outsource some of its non-core business.

Our journey with this client started in 2015, when we implemented an English to German email support for low complexity / non-voice cases. During the course of 2019, our solutions evolved to an established "translation team" for low/medium non-voice cases and we implemented our omni-language solution (see also "9.8.5 Our Technology and Enablers") with real-time translation. As of the date of this Prospectus we provide our services for three lines of business (travelers, accommodation partners and transportation services), from

twelve sites in ten different countries. Our dedicated team members offer support in twelve different languages (Polish, Japanese, Portuguese, English, German, French, Dutch, Italian, Spanish, Chinese, Russian and Turkish).

We consider this cooperation a success story. Compared to in-house solutions, we achieved a cost reduction of 30%. Additionally, we improved customer satisfaction by up to 7% (German and Italian email support from our site in the Philippines). We have continuously expanded our relationships in the business-to-business and business-to-consumer sector. While our support team initially comprised 100 team members in 2015, we increased our support team to more than 2,000 team members in 2021. Furthermore, in 2021 we were able to add transportation business as an additional line of business.

9.8.4.5 E-Commerce Client

Our client is conducting business in e-commerce and serves as a good example for our success in this segment. Having partnered with this client for more than ten years, we have grown from one site in 2011 to 16 sites in 14 countries in 2021. As of today, we serve our client across seven lines of business with our team members providing support in eleven languages.

Over the course of the collaboration, we have become a truly trusted partner and have built long-term relationships with key client personnel. Our centralized client management team acting with one face to the customer provides for global alignment and agility. Our client values us for our investments and first mover attitude when it comes to expanding into new geographies. We believe that with this mindset, we have become the partner with one of the most diverse portfolios in terms of markets, languages, and supported lines of business within the vendor landscape of this global company.

9.8.5 Our Technology and Enablers

We have built our business with a deep understanding of the importance of technological reliability and availability and made sure that we have the tools required to provide high-quality service to our clients. While we also work on our clients' IT infrastructure, especially when delivering services to large and global clients, for other clients, we provide a balanced mix of third-party software and proprietary in-house solutions developed by our in-house IT specialists for different challenges. This way, we can offer our clients the right solution for their individual needs at high flexibility. We develop our own digital solutions in case our specific knowledge provides additional value and if the tools on the market do not fit the specific purpose. In the Chinese market, however, we develop the majority of our technological solutions in-house with our own development teams.

Based on our longstanding experience and deep expertise in CX management, we consider ourselves our clients' value-adding partner for digital transformation in this field. To ensure scalability and cost-efficiency, we follow a cloud-first strategy meaning that we evaluate and implement cloud-based solutions before considering other alternatives.

By combining cloud solutions with our fully developed tech stack, we are able to offer our clients CX as a service ("CXaaS") integrating planning, designing, and executing activities that constitute the customer experience. We aim to offer our clients an end-to-end managed service that is founded on our longstanding expertise and team member skills and combines CX strategy with constant innovation of technology, data integration and automation. CXaaS comprises unified contact center solutions, analytics and insight, smart engagement solutions and lean integration.

To generate value for our clients, enhance their customers' digital journeys and make CX processes more efficient, we complement our offering with the following technological solutions:

- **Omnichannel:** We use different partners' technology solutions that integrate all interaction channels such as phone, chat, social media and mail into one management system, enabling our team members to operate different channels in a central tool. Omnichannel allows customers to seamlessly shift from one channel to the other in the course of the customer journey – an aspect they increasingly expect today – resulting in an improved customer experience and retention. Omnichannel also optimizes operations by improving personnel deployment. The positive effects can be amplified when a fusion of human agents and bots is used to create optimum outcomes. Our omnichannel technology partners include Nice, Avaya, novomind and Genesys.

- ***Analytics***: Our proprietary customer engagement platform (Majorel Analytics™) provides a 360-degree view of a customer, including its profile, browsing activities, preferences and interactions. Building on predictive analytics, our customer engagement platform helps generate valuable insights to provide a more personalized and engaging customer experience, while, depending on our clients' goals, driving sales and the efficiency of service operations. For example, our platform analyzes in real-time past interactions and transactions to derive the next logical action (so-called next best action) to optimize customer experience and increase conversion. Our platform can be integrated into all communication channels (omnichannel) and third-party tools such as customer relationship management, enterprise resource planning and customer portals.
- ***Process Automation and Robotic Process Automation (RPA)***: We use RPA, a software technology that supports the automation of processes, to streamline manual processes operated across both the front and back-office operations. Majorel Automate™ is designed to automate repetitive rule-based tasks so that these tasks are performed in a more efficient, quicker and more accurate manner and team members can spend more time on value-adding activities (e.g., focus on solving complex problems that require human interaction), which increases productivity, optimizes operational costs and drives revenue generation. To optimize results for our clients, we have established our own "Majorel RPA Center of Excellence" with highly skilled experts that support our business units in evaluating, designing and implementing a wide range of RPA use cases.
- ***Automated Interactions and Bots***: Our highly scalable voice- and chatbots (Majorel Bot™) are designed to automate basic conversational customer support in different verticals and across a broad range of services and touchpoints. Chatbots can be integrated into a variety of channels, such as websites and social media where they can be used to automate standard requests, the visualization of products, or data transfer. Our platform is based on a conversational AI system that enables human-machine interactions that closely resemble human-to-human communication. Components such as automatic speech recognition as well as natural language understanding (NLU) enable end customers to describe their concerns in their own words, as the system recognizes even complex requests and is constantly learning. With the help of real-time monitoring, the human-machine interaction can be analyzed and the conversation can be taken over by a human customer service representative at any time in difficult cases.
- ***Omni-language Solution (Majorel Lingua)***: Our omni-language solution (Majorel Lingua™) facilitates the bundling of multilingual services in low-cost locations as well as serving customers in rare and expensive languages. To this end, written requests in certain languages are machine-translated (AI-assisted) in real-time into English, are then handled by an English-speaking team member and the response is then translated into the original language to be submitted to the customer. A review of the answer by team members with native speaker language skills is possible. Our omni-language solution combines machine translation, AI and crowd-based human quality control and currently covers approximately 50 languages.

9.8.6 ***Cybersecurity***

Operating a global CX delivery platform that deals with sensitive data on a daily basis, we are committed to protecting the confidentiality, integrity, availability and resilience of our data, our clients' and their customers' data and our systems. Our mission is to ensure the security of our key information assets while enabling our business processes and helping our teams achieve their goals. We aim to build a secure environment that manages security risks while enabling our people to work efficiently, share information effectively, and deliver the services that our clients require. To this end, we have built a structured cybersecurity global governance with a Central Information Security Officer ("CISO") responsible for implementing a global information security organization across Majorel Group and for enforcing the Majorel Information Security Management System guidelines across all countries. The CISO is also responsible for monitoring the effective execution of our ISO 27001 certification or compliance roadmap in our sites.

To ensure that our IT infrastructure and systems are best in class in terms of cybersecurity, we set up a global program of basic infrastructure measures that deals with our network, domains, identification and access control, IT security technologies and IT security processes. In addition, all critical assets are monitored across regions by a global security operations team, especially through our global security operations center ("SOC") in the Philippines. The global SOC's key functions include secure communication, incident response, threat hunting, security quality and vulnerability management, continuous proactive monitoring and root cause investigation. The scope monitored by the SOC ranges from firewalls, network components and intrusion detection agents, anti-virus solutions, security appliances, servers and cloud environments to PCs and laptops.

While an external assessment by BitSight Technologies in July 2021 confirmed an intermediate level of cyber-security at our organization with a score of 690, we constantly work on improving our security measures. One of our key initiatives for 2021 aims to improve the SOC, especially its threat hunting and intelligence capabilities and detection technology, which will allow our cyber-security team to focus more on strategy and client demands.

9.8.7 Our Delivery Models

We have built a next-generation global delivery model enabled by advanced technologies with the scale and agility needed to best serve our clients. Our differentiated delivery model is characterized by full-spectrum services, resilient operations, engaged team members and underlying best-in-class technology. Substantially all of our delivery locations are connected through our cloud-based infrastructure, which allows for seamless collaboration and enhances our ability to flexibly pivot client solutions across multiple regions, time zones and channels. We serve our largest consumer markets through onshore, nearshore and offshore locations by following a global to local approach. Our globally defined process tools are implemented taking into account local conditions and management culture. As we do not only have one but manifold cultural heritages, our management's focus is on preserving multicultural characteristics to allow us to quickly adapt to cultural and local nuances when serving our clients.

We have established globally scaled operations with a differentiated presence in China, large African operations and a leading position in continental Europe, where we had 61 locations, ten multilingual hubs and approximately 23,000 team members as of June 2021. With more than 20 years of experience, we are one of the most established leaders in the three markets of Germany, France and Spain. In addition, we have more than 2,000 team members supporting the European market out of Georgia and Armenia, where we have established five sites and two multilingual hubs. Our history in Africa dates back to 2000. Building on our predecessors' businesses, we believe with approximately 20,000 team members and eight countries in Africa and the Middle East, we have one of the largest footprints in the region compared to our competitors. Our 29 locations and two multilingual hubs in Africa and the Middle East serve as an attractive alternative to India and the Philippines and allow us to further diversify our offering into English-speaking locations. With 3,000 team members and nine locations as of June 2021, we are one of the very few players with scale in China. In addition, we are present in ten English-speaking countries, where approximately 12,000 team members serve clients from 21 locations and two multilingual hubs. We are currently preparing the launch of two new countries (Croatia and North Macedonia) and plan to be live until the end of this year.

We established our multi-lingual hubs to serve our multi-lingual clients in multiple different languages from one location. Our hubs cover an average of 13 languages each and are strategically located to allow our clients to offer the best possible services to their customers, based on our clients' needs and profiles. Our 16 multi-lingual hubs are located in Armenia, Canada, Egypt, Estonia, Georgia, Germany, Ireland, Italy, Malaysia, the Netherlands, Morocco, Poland, Portugal, Romania, and Spain. To ensure our business processes, organizational structure and quality standards are aligned globally and to guarantee consistent recruiting requirements and team member training across different regions, we standardized our workforce management for our key deliveries. To this end, we created a global workforce management hub which serves as a blueprint and can be adapted to specific client needs and requirements.

Our delivery model is supported by our relentless focus on operational excellence. To harmonize delivery across our locations, we divided our global operations according to core competencies, implemented a regular reporting schedule and defined common tools and processes. As customer satisfaction and quality are key to our delivery, we have dedicated our entire organization and culture to maintain certain standards and continuously work on optimizing our performance. Our operational excellence was proven during the COVID-19 pandemic. Despite the mandatory closure of many facilities we were able to continuously serve our clients' needs. We shifted work towards digital channels, re-deployed teams across different client accounts and geographies and within three months enabled more than 30,000 team members to work from home. To ensure the same level of training and quality service as out of the office, we developed various solutions within our regions and countries, including new guidelines for working from home and various online trainings related to remote work, and for managers, to remote leadership. Via virtual conferences our team members were able to take part in team meetings, engagement activities and digital wellness programs with other colleagues regardless of whether they worked from home or on-site.

Going forward, we intend to further enhance and invest in our cloud-based and scalable solution based on our learnings from the COVID-19 pandemic and which allows our team members to work remotely anywhere

and anytime while applying the same quality and IT security standards globally. Our solution, Majorel Anywhere, allows us to deploy a hybrid working model for our team members, combining work from home with work on-site. With almost no travel costs, less site infrastructure, higher productivity and retention, Majorel Anywhere bears significant cost savings potential. In addition, a global remote working solution enables us to flexibly meet peak time demands and cost-efficiently install pop-up sites wherever and whenever a client needs a specific type of service for only a limited period. Moreover, Majorel Anywhere allows for location-independent sourcing and can yield positive effects on absenteeism and attrition.

9.8.8 Our Marketing and Sales

We have a robust marketing and sales strategy focused on increasing revenues by expanding our market share from our existing clients and generating sales from new clients within our target industry verticals.

9.8.8.1 Corporate Marketing Relations

Our goal is to be the provider of choice for global and regional brands that value high-quality CX solutions. To further drive awareness of our brand and expertise, we deploy a comprehensive business-to-business digital marketing strategy encompassing targeted media articles and social media. We research emerging CX trends and focus areas in our industry verticals and periodically publish our findings in journals, blog articles and brochures. We also use these findings to identify opportunities for growth and innovation and improve our CX offering.

We have earned numerous industry recognitions and awards by participating in industry evaluation reports conducted by analyst research firms such as Everest Group, Frost & Sullivan and NelsonHall. Only recently we were named a leader in Everest Group's Customer Experience Management (CXM) in EMEA - Services (PEAK Matrix® Assessment 2020), a leader in Everest Group's report "Trust and Safety – Content Moderation Services" (PEAK Matrix® Assessment 2021), a leader in Nelson Hall's NEAT Vendor evaluation of CX services in the global BFSI sector, a "Star Performer" in Everest Group's global Customer Experience Management (CXM) Services (PEAK Matrix® Assessment 2021) and awarded the Platinum Award for Best Customer Experience by Platinum Contact Center Awards in 2021. We leverage this recognition to demonstrate our strengths and the success of our solutions to clients who seek industry-leading CX providers.

9.8.8.2 Global and Regional Go-To-Market Approach

We run a highly integrated sales and marketing organization based on the principle of collaboration between verticals, geographies and functions. To realize our full growth potential, we have developed a sophisticated approach that aims to serve the individual needs of existing and new customers across all verticals. Our approach consists of two complementing pillars: Our vertical-focused "hunter/farmer" sales model which includes differentiated growth strategies for existing as well as new clients and a customized approach for global and regional clients.

We believe that our long-term relationships with our clients, especially with Global Internet brands and vertical leaders, are one of our biggest assets and the basis for further growth. As we believe that there is vast untapped potential across all of our industry verticals, we have recently renewed our focus on winning new logos. In order to reconcile our continued focus on existing clients with the acquisition of new clients and to exploit our full growth potential, our "hunter/farmer" sales model leverages the individual strengths of our highly skilled sales and account management teams. Being experts in building new relationships and compiling relevant offers for the individual prospect, our hunters are focused on winning business with new clients. Our farmers, on the other hand, work with our more than 400 clients as account managers to foster long and trustful relationships with them. Our farmers are responsible for growing revenue generated with our clients by supporting them on their growth path (e.g., via geographic expansion and offshore delivery) and increasing the share of wallet by identifying client needs and seizing opportunities for cross-selling.

Through our customized approach for global and regional customers, we adapt the organization and growth strategy to the respective customer type. A dedicated global team, led by our Chief Customer Officer, handles account management and sales for global clients to create optimal conditions for maintaining and expanding relationships. The responsibility for the management and development of our regional clients, however, lies with regional teams that are specialized in the other verticals like BFSI, automotive and consumer goods. This focus allows our teams and especially our account managers to build deep domain expertise, enabling us to address

nuanced client demands and develop vertical-specific growth strategies. Global practices for selected verticals drive exchange, knowledge sharing across regions and provide impulses for growth.

Our sales and account management teams are supported by dedicated teams focusing on strategy, solutions, transformation and research, bid management, marketing and lead generation. Working on multiple opportunities, our sales support teams are able to provide valuable insight on how solutions can be applied to benefit multiple clients.

Our targeted approach in combination with an attractive offering, deep domain expertise and genuine client-centricity provides us with a continuously strong pipeline of opportunities for our sales organization. We believe, we are highly successful in converting opportunities into awarded business and have won more than 30% of our pitches within the last twelve months (existing and new clients). In addition, our services are deeply integrated into our client's overall customer experience and our ability to provide operational excellence, evolve our services and provide new solutions to enhance our clients' customer interactions has attributed to high client retention rates.

We believe that our sophisticated go-to-market approach allows us to successfully serve the nuanced demands of existing and new customers across all industry verticals. With our client-centric approach, global footprint, our drive and growth orientation, we consider ourselves to be in a strong position to continue to scale our business with global and regional, new and existing clients.

9.8.9 Our Corporate and Social Responsibility

As a successful global business, with a significant geographic footprint and a rapidly growing workforce, we are mindful of our responsibilities towards our people, society and the environment. These are captured in our four-pillar approach to corporate responsibility:

- **Diversity and Inclusion:** Our diversity is part of our DNA. We offer an environment with processes and conditions that promote and celebrate diversity and empower our team members to be themselves. We believe that having a more diverse workforce enables us to be more competitive and to grow as a company. As part of our global approach to diversity and inclusion, we established our “We Are One” program, which is promoted and celebrated at all of our worldwide locations. Through the program, we aim to create a sense of belonging for our team members, of which more than 60% are younger than 30 years, and provide equal opportunities to everyone. Furthermore, as of December 2020, 55% of our team members and 50% of our managers were female. Through trainings, coaching and mentoring we aim to empower our team members to develop their skills, improve their performance and try out new roles and responsibilities so they can reach their full potential.
- **Environment and Local Communities:** Any business has an impact on the environment, which is why it is important to conserve natural resources through local initiatives like recycling and clean energy. To this end, we are developing a company-wide environmental and energy policy. Among other things, we plan to exchange neon tubes with LED lights, use energy-efficient IT and optimize air-conditioning and heating. Our aim is to be climate neutral by 2030. To this end, we intend to switch to green electricity, install additional solar systems, improve energy efficiency and use alternative mobility concepts. We also have a responsibility to the local communities where we operate and our wider society – whether that includes getting involved with educational programs or supporting charities and good causes. With 19,000 team members and 21 sites as of June 2021, we are one of the largest employers in Africa and committed to make a positive impact. By contributing to training programs for young people and creating job opportunities at our locations, we seek to support local communities. An example of our strategic approach to supporting communities is through the work of “Phonedation”, our foundation in Africa which aims to have a positive social impact on the most vulnerable people. “Phonedation” was founded in 2016 with the objective of promoting projects with focus on environment, solidarity, children and education. Since its inception, 32 non-profit organizations have been supported and 4,400 volunteers have been mobilized.
- **Employee Rights and Fair Working Conditions:** Respecting and ensuring the rights of our team members, based upon respective local legal environments, is the natural basis of our approach to employee management. Our human resources management acts based on shared values like respect, dignity, fairness, equality, and independence. We aim to maintain a safe and healthy work place by caring for the working hours and physical aspects, establishing a code of conduct for our team members and ensuring compliance with legal rights, especially with regard to employee data protection. To encourage

our team members to raise compliance concerns, we set up central “speak up” channels, which allow for anonymity. Through our long-term partnership with BSR (Business for Social Responsibility), we actively champion the practice of targeting and providing career development opportunities to people who otherwise have limited prospects for formal employment.

- ***Wellbeing and Resiliency:*** We have a responsibility towards our team members to safeguard their wellbeing and to build resiliency. To this end, we established our global “feel good” program through which volunteering team members from local sites organize regular leisure and well-being events and activities, gather personalized feedback from our team members and report on specific engagements and wellbeing needs. An important focus of our wellbeing and resilience strategies is on the supervision and support of our team members working in content services, trust & safety. We provide an environment that proactively creates a sense of belonging, a place where our team members can share experiences in order to establish a support network and build resiliency.

9.9 Competition

We compete in a highly competitive, fragmented and rapidly evolving global market. We face competition primarily from:

- in-house CX management teams and technology;
- IT and outsourcing service providers such as Accenture, Cognizant and Genpact;
- digital consumer engagement providers such as Acxiom and oType;
- other CX providers such as Alorica, Atento, Concentrix, Konecra, Sitel, Sutherland, TaskUs, Teleperformance, Telus International, Transcom, TTEC, VXI and Webhelp.

We believe the principal competitive factors in our business include digital capabilities, quality and scope of offering, including CX adjacent services, flexibility and global footprint as well as an engaging corporate culture. We believe we compete strongly with respect to each of these factors.

9.10 Intellectual Property

9.10.1 Trademarks and Registered Designs

As of the date of this Prospectus, we have registered, or filed for registration of, approximately 75 trademarks, including combined word and/or figurative trademarks. We constantly monitor our trademarks in order to maintain and protect these key assets, including by pursuing any infringements by third parties.

As of the date of this Prospectus, there are three Moroccan basic marks that are in the process of being transferred to us. The trademarks were registered in 2018 by a Saham member. On June 15, 2021, we signed a trademark assignment agreement with the Saham member to transfer the ownership of the Moroccan basic marks to us. We expect to be able to submit the registration of the trademark assignment agreement to the Moroccan Trademark Office in September 2021. In addition, the international brand, which is based on the Moroccan basic brands, also needs to be transferred to us. We submitted the transfer application to the World Intellectual Property Organization (WIPO) on July 7, 2021.

9.10.2 Domains

We are the legal or beneficial owners of various domains, including the following domains that are essential to our business:

- Majorel.com
- Majorel.cn
- Majorel.co.uk
- Majorel.de

9.10.3 Proprietary Software

We utilize a broad range of proprietary software solutions, which we constantly update and improve by adding functionality and data.

9.11 Compliance Management

Our compliance team has established a compliance management system aimed at ensuring lawful conduct by our team members. This comprises, among other things, compliance guidelines offering an overview of our compliance regime and our mandatory compliance policies, regular training courses on relevant compliance risks and measures as well as adequate measures to allow team members to report potential compliance violations. Our compliance system is, among other things, aimed at limiting the risk of fraud, preventing bribery and corruption, and ensuring compliance with anti-money laundering and data protection laws and regulations as well as contractual requirements. Our strong, integrated risk and compliance system forms the back-bone of our globally scaled operations and provides high barriers to entry. This is built on three pillars: Anti-fraud operational management, compliance with customer requirements and IT security compliance & data. Our anti-fraud operational management includes risk mapping (e.g., quality, pay-back, delivery), central guidelines and methodology. With respect to compliance with client requirements, we have implemented a control management system and routines through central audit teams to ensure and prove compliance with contractual requirements. Our compliance management teams also conducts local and central reviews together with our key account management and global service delivery management teams. Through our control management system, we are able to check global account delivery against customer / contractual requirements. In terms of IT security compliance & data, we have built a structured cybersecurity global governance with a CISO responsible for implementing a global information security organization across Majorel Group. For more information on our cybersecurity measures, see “9.8.6 Cybersecurity”.

9.12 Employees

As of the date of this Prospectus, we employ a total of 66,797 team members (by headcount). The following table provides a breakdown of our team members by geographic segment as of the dates presented:

	As of December 31,		As of June 30
	2019 ⁽¹⁾	2020 ⁽²⁾	2021 ⁽²⁾
	(unaudited)		(unaudited)
Europe, Africa, South America	33,345	36,460	38,681
Global English, Middle East, Southeast Asia	14,786	19,420	21,988
China, East Asia	–	–	3,188
Total	48,131	55,880	63,857

(1) Includes all team members who had an employment contract with Majorel during the specified period, regardless of whether they received a salary.

(2) Excludes team members that did not receive a salary from Majorel during the specified period (e.g., due to parental leave or sickness).

9.13 Insurance Coverage

We have taken out a number of group insurance policies that are customary in our industry (e.g., property and loss of earnings insurance, business liability insurance, cybersecurity) and cover all entities of Majorel. Our insurance policies contain market-standard exclusions and deductibles. We regularly review the adequacy of our insurance coverage and consider our insurance coverage market-standard insurance coverage customary in our industry. There is, however, no guarantee that we will not suffer any losses for which no insurance coverage is available or that the losses will not exceed the amount of insurance coverage under existing insurance policies.

The past, current and future members of the Management Board and Supervisory Board as well as equivalent bodies of subsidiaries are covered by Bertelsmann’s directors and officers (“D&O”) insurance as the definition of subsidiaries includes all entities, Bertelsmann either directly or indirectly controls through one or more entities on or before the inception date of the D&O policy by having the right to consolidate the entity based on the rules of IFRS. The total coverage is adequate and reasonable for a peer group with a business and financial risk profile similar to Bertelsmann group. Insurance coverage is provided for claims against insured persons for an alleged financial loss caused by a wrongful act of the insured person. Legal defense is included. The main

exclusions, for which no indemnification is provided, include among others: (i) intentional or willful misconduct (preliminary defense costs, however, are covered); and (ii) fraud and violation of disclosure duties under the D&O insurance. The D&O-policy generally does not stipulate a retention for insured persons, unless required by mandatory law.

9.14 Litigation

In the course of our business activities, we are regularly exposed to numerous legal risks, particularly in the areas of product liability, competition, intellectual property disputes, labor disputes and tax matters (see “1.2 Risks Relating to Regulatory, Legal and Tax Matters”).

Since mid-2020, our French subsidiary Yzee Services SARL (“**Yzee**”) is involved in a pre-trial dispute with a French client. Pursuant to a subscription management services agreement, Yzee provides certain subscription management services to various newspaper titles of such client and manages online subscriptions for these titles. Between March and October 2020, our client’s websites, particularly its online subscription and payment services, were affected by recurring performance interruptions that were caused by compatibility issues with a new version of a widely used web browser. These technical incidents were resolved on October 1, 2020. Due to these incidents, our client claims with respect to five titles that our alleged failures caused a significant loss of potential subscriptions on its websites, claiming lost profits in the aggregate amount of approximately €3.2 million. We have conducted our own risk analysis and made a provision of approximately €600,000 for legal costs. The parties agreed to settle the dispute and signed a settlement agreement on July 22, 2021. As part of the negotiations, the renewal of our contract with such client, which would have expired on December 31, 2021, has been extended for three years up until the end of 2024 and we agreed to finance the optimization of the service provision under the new contract in an amount of approximately €200,000.

Apart from the above, we are not aware of any governmental, legal or arbitration proceedings, including pending or threatened proceedings, which may have, or have had, a significant effect on our financial position or profitability during the twelve-month period prior to the date of this Prospectus.

9.15 Material Agreements

From time to time, we may require third-party financing to fund our business operations and growth and have entered into the following material financing agreements.

9.15.1 Revolving Credit Facility Agreement with Deutsche Bank

On November 26, 2019, the Company as borrower and Deutsche Bank Luxembourg S.A. (“**Deutsche Bank**”) as lender entered into a €25.0 million revolving credit facility agreement (the “**DB Facility**”), which was amended for the first time on November 25, 2020 and for the second time on December 1, 2020. The amounts provided under the DB Facility may only be utilized for the purpose of financing working capital and general corporate purposes. The revolving credit facility may not be used for material acquisitions of the Company or any of its subsidiaries. The DB Facility will terminate on November 25, 2022, and all outstanding loans have to be repaid by this date at the latest. As of the date of this Prospectus, the DB Facility remains undrawn.

The DB Facility may be utilized by way of a Euro Interbank Offered Rate (“**EURIBOR**”)-fixed interest loan or a US-LIBOR-fixed interest loan. The interest rate per annum of the EURIBOR-fixed interest loan is the sum of the applicable EURIBOR for the agreed loan term and a margin of 0.475%. The interest rate per annum of the US-LIBOR-fixed interest loan is the sum of the applicable US-LIBOR for the agreed loan term and a margin of 0.675%. If EURIBOR or US-LIBOR is less than zero, it will be deemed zero. For holding available the unutilized part of the DB Facility for utilization, Deutsche Bank charges a commitment fee in the amount of 0.1666% per annum on the amounts not utilized.

The DB Facility contains a number of general undertakings by the Company, including certain information undertakings with respect to financial information, a negative pledge, an assurance of no financial indebtedness of its subsidiaries and certain repeating representations (e.g., no event of default has occurred, the Company is duly incorporated, the Company has the power to carry on its business, the factual information provided are true and correct and, especially, Bertelsmann owns the majority control in the Supervisory Board and the Company is fully consolidated into the consolidated financial statement of Bertelsmann).

Further, the DB Facility contains a termination right for cause without notice in the event of (i) non-compliance with the general undertakings mentioned above or other material obligations of the DB Facility or any collateral agreement entered into in connection therewith, (ii) Bertelsmann holding less than 50% of the voting rights in the Company without the parties of the DB Facility having reached an agreement on its continuation, or (iii) any other financial indebtedness of the Company not being paid when due, or in the applicable grace period, if any, in an amount of more than €5 million.

9.15.2 Revolving Credit Facility Agreement with Société Générale

On January 30, 2020, the Company and Société Générale Banque Offshore as lender entered into a €20.0 million revolving loan facility to cover Majorel's general financing need (the "**SocGen Facility**"). The facility is secured by 50% of the dividends received by Majorel Group to be registered in the lender's books and an ownership clause. The original interest rate was the aggregate of the applicable EURIBOR (floored at 0% per annum) and a margin of 1.37%. By an amendment entered into on December 12, 2020, the parties agreed to extend the initial term from November 30, 2020 to November 30, 2021 and increase the facility amount to €27.0 million (the "**Amendment**"). Under the Amendment the interest rate is currently the aggregate of the applicable EURIBOR (floored at 0% per annum) and a margin of 1.30%. The Amendment maintained the security interests consented to the lender.

Under the SocGen Facility the borrower represented and warranted that (i) Bertelsmann group would consolidate the Company within its perimeter, (ii) the Company would not distribute any dividend in 2020 and (iii) no security interests would be consented by the Company to another bank other than those given to the lender. The Amendment maintained these commitments and the Company further represented and warranted that (iv) the lender would be *pari passu* with any undisclosed security interests and (v) the loan facility could be used for acquisitions financing. In addition, the SocGen Facility contains customary covenants and termination rights and common change-of-control provisions.

9.15.3 Loan Agreement with BNP PARIBAS

On July 2, 2020, Majorel Business Developpement SAS as borrower ("**MBD**") and BNP PARIBAS as lender entered into a €30.0 million loan agreement for a one-year term. The loan was secured through the French State guarantee scheme, which implies a guarantee fee of 0.5% of the total facility amount. The loan was immediately available to MBD and was contemplated to finance its working capital. The interest rate for the one year-term was set at 0.00%. No security interests were granted under the loan agreement except the possibility that retained the bank to pledge, assign or otherwise transfer its interest. The Company repaid the loan entirely in June 2021.

10. REGULATION

We operate our business in 31 countries across five continents and have more than 63,000 team members. Our business activities are subject to various regulatory requirements in Europe, North America, Latin America, Africa, the Middle East and the Asia-Pacific area in which we operate. For purposes of the description below, we have mainly focused on the EU and U.S. regulatory framework, which provides for particularly high standards compared to the other jurisdictions in which we operate. We are, however, also subject to laws and regulations in other countries and regions that may provide for different obligations and standards than the regulations described below.

While the relevant laws and regulations are typically of a national scope, within the EU, a considerable degree of regulatory harmonization exists in a number of areas relevant to our business. The EU has created a common regulatory framework that applies not only in our most important markets of Germany and France but in all member states of the EU and comprises directives and regulations. Directives only become effective once they are transposed into national law in the respective member state of the EU and the implementation of directives may vary between member states. Regulations, however, do not require implementation into national law and apply directly and uniformly in all member states of the EU.

The regulatory requirements applicable to our business activities are subject to change, as they are continuously adapted at the national, European and international levels. If we fail to comply with any of these laws and regulations, we may be subject to civil liability, administrative orders, fines, or even criminal sanctions.

The following description provides a brief overview of selected laws and regulations applicable to our business.

10.1 Data Protection and Data Privacy in Europe

The collection, processing and other use of personal data is extensively regulated by EU as well as national legislation. At EU level, data protection is primarily governed by Regulation (EU) 2016/679 of the European Parliament and of the Council of April 27, 2016, on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (“**GDPR**”) and supplemented by national legislation. For example, in Germany and France, our most significant European markets, data protection regulations include the German Federal Data Protection Act (*Bundesdatenschutzgesetz*, “**BDSG**”) and the French Data Protection and Civil Liberties Act, as amended, (*la loi informatique et libertés*), respectively.

In general, European data protection and data privacy laws regulate when and how personal data may be collected, for which purposes and under which legal basis it may be processed, for how long such data may be stored and to whom and how they may be transferred. The GDPR contains strict requirements for obtaining the consent (as a legal basis) of data subjects (*i.e.*, the persons to whom personal data relates) to the use and processing of their personal data. Such consent may be withdrawn at any time and without cause, preventing the continued use of the affected data. In addition, a transfer of personal data to countries outside the European Economic Area is subject to specific requirements.

The GDPR also requires organizational measures, such as the installation of a data protection officer who, among other things, must monitor compliance with the GDPR. In addition, it may require so-called data privacy impact assessments, in cases where the data processing is likely to result in a high risk to the rights and freedoms of individuals. From a data security standpoint, the GDPR requires us to implement adequate technical and organizational measures to ensure a level of security appropriate to the organization’s processing requirements and risk.

In addition to the GDPR and the BDSG, various sector-specific statutes set forth rules, which apply to certain industries or businesses. In Germany, operators of online platforms have to comply with the specific requirements of the German Tele Media Act (*Telemediengesetz*, the “**Tele Media Act**”), which takes into consideration particular aspects of online communication. For example, the Tele Media Act provides for additional information obligations, which are stricter than the general requirements of the Data Protection Act (*e.g.*, a requirement to include an imprint on websites and apps). As regards the collection processing and use of personal data in connection with telemedia services the Tele Media Act will be partly replaced by the new Act on Data Protection and Privacy in Telecommunications and Telemedia (*Telekommunikations-Telemediendatenschutzgesetz*, “**TTDSG**”). The data protection provisions of the Tele Media Act and the German Telecommunications Act (*Telekommunikationsgesetz*), including the provisions on the protection of

telecommunications secrecy, have been adapted to standards of the GDPR and the Directive 2002/58/EC (the “**ePrivacy Directive**”) through the TTDSG. The TTDSG was adopted by the German parliament on June 23, 2021.

The following selected areas of data protection and data privacy are of particular relevance to our business:

10.1.1 Individual Rights of Data Subjects

Under the GDPR, data subjects have a right to inquire about what data may have been stored with respect to them, how their data is being processed, the right to data portability as well as the right to restrict certain processing of their data, to object to the processing and to rectify their personal data. Furthermore, the GDPR establishes a so-called “right to be forgotten.” Therefore, data subjects may require that data relating to such data subjects be deleted when there is a problem with the underlying legality of the processing or where the data subjects have withdrawn their consent to the use and storage of such data.

10.1.2 Web Analysis

Web analysis technology enables us to utilize traffic to our websites and apps to personalize our offering and marketing efforts to better match the interests of our clients. Even though most web analysis tools allow for the anonymization of data (*i.e.*, by collecting only a part of the users’ IP addresses) and do not allow for a subsequent allocation of such data to individual users, the use of such tools may still be subject to data privacy laws.

On May 28, 2020, the Federal Court of Germany (*Bundesgerichtshof*), based on a decision by the European Court of Justice of October 1, 2019, ruled that under German law, the use of certain cookies requires a clear affirmative act of the user and that a pre-activated checkbox does not fulfill this requirement. The use of cookies may be restricted further by a new regulation of the European Parliament and of the Council, which is currently undergoing the European legislative process. This legislation provides for an opt-in regime, pursuant to which the use of certain cookies requires a clear affirmative act establishing a freely given, specific, informed and unambiguous indication of users of websites and apps.

10.1.3 Profiling

The GDPR imposes various restrictions on profiling. Profiling can be defined as any form of automated processing of personal data intended to evaluate certain personal aspects relating to a natural person or to analyze or predict such person’s performance at work, economic situation, location, health, personal preferences, reliability or behavior.

10.1.4 Email Advertisements

Subject to certain exceptions, email advertisements (*e.g.*, newsletters) may only be sent to recipients who have given their explicit prior consent to receiving such communication. In Germany, case law demands that in certain cases consent must be obtained through a so-called double opt-in procedure. This procedure requires that recipients give their consent twice (*i.e.*, firstly, by filling out an online registration form and, secondly, by confirming their email address after they have registered).

When obtaining consent, the respective sender has to inform the recipients of the scope and consequences of their consent. For example, a declaration of consent may not be hidden in general terms and conditions but must be clearly highlighted. Consent may be withdrawn at any time without cause.

As an exception from the consent requirement, personalized product recommendations may be sent to customers by email without their explicit prior consent, provided that such recommendations only relate to products identical or similar to those previously purchased by these customers and that these customers have been duly informed about their right and, given the opportunity to object to receiving such recommendations.

10.1.5 Payment Processes

Directive (EU) 2015/2366 of the European Parliament and of the Council of November 25, 2015 on payment services in the internal market, among other things, covers online-based payment services, provides for uniform regulation of payments via Internet and mobile phones and increased customer protection and requirements for user authentication.

10.1.6 Consequences of Non-Compliance

Non-compliance with the GDPR may result in severe fines. Depending on the individual infringement, fines of up to 4% of the annual worldwide turnover for the last year (calculated on a group level) or €20.0 million may be imposed (whichever is higher). Additional penalties may apply, such as the deprivation of profits or an immediate prohibition of the data processing activity. Further adverse consequences of infringements of the GDPR may include civil claims for material and immaterial damages of the individuals affected by the infringement. Individual EU Member State implementation laws such as the BDSG also provide for criminal sanctions for specific violations. Finally, in addition to these regulatory risks, infringement of these laws can lead to reputational risk and significantly undermine customers' trust in our business.

10.1.7 Transfer of Personal Data into Third Countries

The transfer of personal data into third countries, *i.e.*, countries outside of the European Economic Area, is generally only possible under certain conditions, which aim to ensure that the level of protection of natural persons guaranteed by the GDPR is not undermined. Firstly, a transfer may take place where the European Commission has decided that the country in question ensures an adequate level of protection (so-called adequacy decision), in which case such a transfer shall not require any specific authorization. As of the date of this Prospectus, the European Commission has recognized Andorra, Argentina, Canada (commercial organizations), Faroe Islands, Guernsey, Israel, Isle of Man, Japan, Jersey, New Zealand, Switzerland, the United Kingdom and Uruguay as providing adequate protection. Secondly, in the absence of such an adequacy decision, personal data may be transferred to a third country only if the controller or processor has provided appropriate safeguards, and on condition that enforceable data rights and effective legal remedies are available (*e.g.*, by utilizing so-called standard contractual clauses). Lastly, in cases where the competent supervisory authority has approved binding corporate rules in accordance with the mechanism set out in the GDPR.

Specifically with regard to data transfers into the U.S., the Court of Justice of the European Union ("CJEU"), on July 16, 2020, issued a decision invalidating the EU-US Privacy Shield Framework on which we and some of our services providers relied to conduct data transfers in compliance with the GDPR. While the decision did not invalidate standard contractual clauses, the decision has called the validity of standard contractual clauses into question under certain circumstances and has made the legality of transferring personal information from the EU to the United States more uncertain. Specifically, the CJEU stated that companies must now assess the validity of standard contractual clauses on a case by case basis, taking into consideration whether the standard contractual clauses provide sufficient protection in light of any access by the public authorities of the third country to where the personal information is transferred, and the relevant aspects of the legal system of such third country. Recently, the European Commission adopted modernized standard contractual clauses for international transfers of personal data on June 4, 2021, which take into consideration the decision of the CJEU. The final implementing decision of the European Commission was published in the Official Journal of the European Union on June 7, 2021, and the new standard contractual clauses can therefore be used from June 27, 2021, onwards. On June 27, 2021, a transition period of 18 months has been commenced, during which all agreements using the former standard contractual clauses must be replaced by the new set of standard contractual clauses. These new standard contractual clauses provide a reliable way to conduct data transfers in compliance with the GDPR into the U.S. and other countries (*e.g.*, China, Egypt, India, Morocco). In addition to new standard contractual clauses, the European Data Protection Board (EDPB) announced, in June 2021 the final version of its recommendations on measures that supplement transfer tools (supplementary measures) to ensure compliance with the EU level of protection of personal data.

10.1.8 New Proposal for an ePrivacy Regulation

The European Union is considering another draft data protection regulation, known as the Regulation on Privacy and Electronic Communications, or ePrivacy Regulation, which would replace the current ePrivacy Directive and address topics such as unsolicited marketing and cookies. Originally planned to be adopted and implemented at the same time as the GDPR, the ePrivacy Regulation has been delayed. On February 10, 2021,

the Council of the European Union announced it adopted a consolidated version of the ePrivacy Regulation and therefore the trilogue negotiations on the regulation between the Council, the European Parliament and the European Commission have begun. Implementation of the ePrivacy Regulation or other comparable laws and regulations could require us to expend additional time and effort to comply with such new laws and regulations, and we could be subject to new or increased fines, individual claims, commercial liabilities, or regulatory penalties.

10.2 California Consumer Privacy Act

The California Consumer Privacy Act of 2018 (the “CCPA”), which went into effect on January 1, 2020, grants all California residents the right to know what information a business has collected from them and the sourcing and sharing of that information, as well as a right to have a business delete their personal information (with some exceptions). The CCPA’s definition of “personal information” is more expansive than those found in other privacy laws applicable to us. Under the CCPA, if a data breach affecting California residents’ personal information occurs as a result of a failure to maintain reasonable security procedures and practices, this can trigger a private right of action lawsuit. Possible damages available for private rights of action range from \$100 to \$750 per violation or actual damages (whichever is greater), with injunctive or declaratory relief as another possible option. In addition to the data breach private right of action, the California Attorney General may independently bring administrative actions for civil penalties of \$2,500 per violation, or up to \$7,500 per violation if intentional.

Additionally, on November 3, 2020, California voters passed a ballot initiative, known as the California Privacy Rights Act of 2020 (the “CPRA”), that adjusts and in some respects expands consumer rights and business obligations created by the CCPA. The CPRA imposes additional obligations on companies that collect California residents’ personal information, including providing a right to correct personal information, additional protections for certain uses of sensitive personal information and certain limitations on data use and on data sharing that does not involve a sale. The CPRA also creates a new California Privacy Protection Agency which will be charged with enforcing both the CCPA and the CPRA. The CPRA will take effect on January 1, 2023. It may require additional compliance investment as well as additional changes to policies, procedures and operations.

In addition, U.S. federal and other state laws also regulate disclosures of customer information. U.S. Congress and state legislatures are expected to consider additional regulations relating to privacy and other aspects of customer information.

10.3 Cybersecurity

We have to comply with various cybersecurity requirements. In particular, the GDPR stipulates that entities that collect and process personal data, including operators of online platforms, must implement certain technical and organizational measures to ensure that such data is processed and stored safely, remains confidential and can be restored and accessed again after interruptions. These measures may include physical security against unauthorized access and manipulation (e.g., secure storage and transportation of physical data carriers), password security, authorization concepts, logging of subsequent changes of data, separation of data that has been collected for different purposes, reasonable encryption and protection against accidental loss, destruction or damage of data. Furthermore, the effectiveness of such measures must be tested regularly. In addition, operators of online platforms must ensure that appropriate compliance measures cover the detection and control of technology-related risks.

In addition, operators of online platforms must ensure that appropriate compliance measures cover the detection and control of technology-related risks. In Germany, the German Act to Increase the Security of Information Technology Systems (*Gesetz zur Erhöhung der Sicherheit informationstechnischer Systeme*) amended several laws, including the Tele Media Act in 2015. German law requires operators of websites and apps to protect their technology, in particular any data they collect and store, against outside attacks in accordance with the current standards of technology. On May 18, 2021, the Second Act to Increase the Security of Information Technology Systems (*Zweites Gesetz zur Erhöhung der Sicherheit informationstechnischer Systeme*) was adopted. Based on this amendment act, the Federal Office for Information Security (*Bundesamt für Sicherheit in der Informationstechnik*) may now also issue orders against providers of tele media services in the event of certain threats to information security.

Directive (EU) 2016/1148 of the European Parliament and of the Council of July 6, 2016, concerning measures for a high common level of security of network and information systems, among other things, requires digital service providers, including online platforms, to:

- carefully review their existing network security mechanisms;
- implement state of the art security measures aimed at ensuring a level of security appropriate to the risk of the respective provider; and
- establish proper notification measures to promptly notify the competent authority of any incident which has a substantial impact on the services offered in the European Union.

Furthermore, the GDPR generally requires us to inform the competent supervisory authorities of any breach of personal data stored or processed by us within 72 hours of becoming aware of such breach. Where the relevant breach is likely to result in a high risk to the rights and freedoms of the affected data subjects, we are also required to inform these data subjects of the breach without undue delay.

10.4 Labor & Employment Laws

We operate our business in 31 countries across five continents and have more than 63,000 team members. Accordingly, our operations are subject to several different labor and employment laws worldwide. We employ a significant number of team members in Egypt, Morocco and the Philippines, but also in Germany, France, Spain and several other European countries, which are characterized by a high degree of employee protection. Consequently, we have to comply with several different labor laws, imposing different standards and levels of protection in terms of job security, protective health and safety measures, representation of our team members by works' councils, co-determination rights for our employees' representatives, strike laws as well as minimum wages law, which in particular differ significantly from country to country.

10.5 Regulation of Content Services, Trust & Safety

Several countries worldwide have identified the need to regulate content services, trust & safety. As one of the first countries, Germany passed the Act to Improve Law Enforcement in Social Networks (*Netzwerkdurchsetzungsgesetz*, the "**Network Enforcement Law**"), which obliges social network providers to delete material deemed "obviously illegal" (*i.e.*, hate speech, terror propaganda, and other designated forms of illegal and objectionable content) within 24 hours of it being flagged to the platform and implement a reporting system for illegal content, internal appeal mechanisms and transparency obligations. Similarly, the EU commission's proposal of the Digital Service Act contains several provisions regarding content services, trust & safety (*e.g.*, transparency and reporting obligations similar to those in the Network Enforcement Law). The Digital Services Act, proposed by the Commission, builds on Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market ("**eCommerce Directive**") to address new challenges online. The eCommerce Directive establishes harmonized rules on issues such as transparency and information requirements for online service providers as well as commercial communications and provides for protection from liability for hosting service providers. In addition, Directive 2010/13/EU of the European Parliament and of the Council of 10 March 2010 on the coordination of certain provisions laid down by law, regulation or administrative action in Member States concerning the provision of audiovisual media services (Audiovisual Media Services Directive) provides that video-sharing platforms take appropriate measures to protect (i) minors from programs, user-generated videos and audiovisual commercial communications which may impair their physical, mental or moral development and (ii) the general public from terrorist content, child sexual abuse material, racism and xenophobia as well as hate speech based on sex, race, color, ethnic or social origin, genetic features, language, religion or belief, political or any other opinion, membership of a national minority, property, birth, disability, age or sexual orientation.

In France, laws similar to the Network Enforcement Law have been passed (*e.g.*, a law against fighting hate on the Internet) (*lutte contre la haine sur internet*, the so-called "**Avia Law**"). The Avia Law, however, was declared unconstitutional by the French constitutional court as, among other things, it violated the freedom of expression clause of the French constitution. In the United States, similar laws and regulations are currently being discussed (*e.g.*, The Eliminating Abusive and Rampant Neglect of Interactive Technologies Act of 2019 (EARN IT)); however, due to concerns that any legislation may violate the First Amendment of the U.S. Constitution, no law or regulation has been passed by the U.S. Congress. Hence, in the United States, the Communications Decency Act of 1996 continues to apply, which provides that platform operators are generally not liable for user-generated content. However, its protection does not extend to federal criminal liability or intellectual property law. Overall, despite the fact that only a small number of countries have enacted legislation on content services, trust & safety so far, we expect more regulation mirroring the existing ones in the near future, as social media usage continues to grow.

Although we are not a social network provider or platform operator, we provide content services, trust & safety solutions for some of our clients. While performing our services, we are bound by our clients' trust and safety policies, which mirror and comply with the regulatory standard being set.

10.6 Regulation of Outsourcing of Banking and Insurance Operations

Our outsourcing services for clients providing banking operations are subject to higher scrutiny. For example, in Germany, outsourcing activities of banking operations are regulated by the German Banking Act (*Kreditwesengesetz*, “**KWG**”) with the primary goal to ensure that the competent regulator can still fulfill its statutorily described supervisory function. Thus, management bodies of companies regulated by the KWG have to maintain control over their outsourced activities at all times and ensure that the service provider complies with the applicable laws and regulations as if the service would be provided in-house if the service provider perceives activities or processes related to banking operations and if the services provided for are substantial for the banking operations. On the European Union level, the European Banking Authority (“**EBA**”) issued Guidelines on outsourcing arrangements that establish a similar framework as described pursuant to the KWG. The existing Luxembourg regulatory framework on outsourcing in the financial sector, mainly composed of CSSF Circulars, goes even beyond the requirements of the EBA Guidelines on outsourcing arrangements. Most of the member states of the European Union have passed laws and/or regulations complying with the EBA standard while the rest is in the process of resolving such standards.

Similar rules apply in the United States. For example, the Bureau of Consumer Financial Protection (“**BCFP**”), in a non-binding general statement of policy, issued a bulletin setting out its expectation and considerations relevant to the BCFP's exercise of its supervisory and enforcement authority regarding service providers for banking operations. These expectations and considerations are more or less similar to the ones described above.

Moreover, outsourcing services for clients providing insurance operations are subject to comparable standards. To take Germany as an example again, outsourcing activities of insurance activities are in particular regulated by Section 32 of the German Law on the Supervision of Insurance Companies (*Gesetz über die Beaufsichtigung der Versicherungsunternehmen*, VAG), which transfers Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) into national law. Besides, Article 274 of the Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) contains, among other things, specific requirements on the choice of an outsourcing service provider for any critical and important operational function or activity as well as on the content of the outsourcing agreement with the outsourcing service provider. Again, the primary goal is to ensure that the competent regulator can still fulfill its statutorily described supervisory function and that providers of insurance operations cannot evade regulatory requirements by outsourcing certain activities. Since the regulations are based on an EU Regulation and a Commission Delegated Regulation, similar requirements and regulations are applicable for our services for insurance companies in France and Luxembourg.

10.7 Payment Processes

Directive (EU) 2015/2366 of the European Parliament and of the Council of November 25, 2015, on payment services in the internal market, among other things, covers online-based payment services, provides for uniform regulation of payments via Internet and mobile phones and increased customer protection and requirements for user authentication. Payment services covered by the directive include account information services.

10.8 Anti-Bribery and Corruption Regulations

We are subject to worldwide and often extraterritorially applicable and enforceable anti-bribery laws, which generally prohibit companies and their intermediaries from engaging in bribery or making other improper payments to foreign officials for the purpose of obtaining or retaining business or gaining an unfair business advantage. Our team members are required to comply with these laws. Certain countries and regions in which we operate have experienced governmental and commercial corruption to some degree, and strict compliance with anti-bribery laws may conflict with local customs and practices. Foreign companies, including some that may compete with us, may follow local customs and practices. Accordingly, such companies may be more likely to engage in activities prohibited by the laws applicable to us.

Despite our commitment to legal compliance and corporate ethics, we cannot assure you that our policies and procedures will always protect us from intentional, reckless or negligent acts committed by team members. Future changes in anti-bribery or economic sanctions laws and enforcement could also result in increased compliance requirements.

10.9 Anti-Money Laundering Laws

Since we provide services to both foreign and domestic financial institutions, we are required to comply with certain anti-money laundering and terrorist financing laws and economic sanctions imposed on designated foreign countries, nationals and others. Specifically, to the extent their businesses relate to the U.S. market, we must adhere to the requirements of the Bank Secrecy Act regarding processing and facilitation of financial transactions.

A major focus of governmental policy in recent years has been aimed at combating money laundering and terrorist financing. Preventing and detecting money laundering, and other related suspicious activities at their earliest stages warrants careful monitoring. The Bank Secrecy Act, along with a number of other anti-money laundering laws, imposes various reporting and record-keeping requirements concerning currency and other types of monetary instruments. Actions, such as structuring transactions to avoid Bank Secrecy Act and anti-money laundering law reporting requirements, failing to prepare or file required reports, preparing inaccurate reports, money laundering, attempted money laundering, and advising customers in any of these activities are violations or potential violations of law. These laws and regulations impose obligations to maintain appropriate policies, procedures and controls to detect, prevent and report money laundering and terrorist financing and to verify the identity of their customers.

11. MANAGEMENT AND EMPLOYEES

11.1 Overview

The Company's governing bodies are the Management Board, the Supervisory Board and the General Meeting. The Company is managed by its Management Board under the supervision and control of the Supervisory Board. The powers of these governing bodies are determined by the 1915 Law, the Articles of Association of the Company and the internal rules of procedure of both the Management Board and the Supervisory Board, which are publicly available on the Company's website www.majorel.com (see "2.7 Available Information").

11.2 Management Board

The Management Board is responsible for managing the Company. All decisions of the Management Board shall require the prior approval of the Supervisory Board. The Supervisory Board may decide to authorize all management actions by the Management Board without approval to the extent such actions do not constitute a matter listed as a "Supervisory Board Consent Matter" in the rules of procedure of the Supervisory Board (the "**Supervisory Board Consent Matters**"). Within this limit, the Management Board is vested with the broadest powers to act in the name of the Company and to take any actions necessary or useful to fulfill the Company's corporate purpose. All powers not expressly attributed to the Supervisory Board or to the General Meeting by the 1915 Law, by the Articles of Association or the internal rules of procedure of the Supervisory Board shall be within the competence of the Management Board.

In accordance with the internal rules of procedure of the Supervisory Board, certain Supervisory Board Consent Matters shall require the prior approval of the Supervisory Board taken with a simple majority of the members present or represented at such meeting. These Supervisory Board Consent Matters include, among others, decisions with regard to:

- Annual budget / financial statements (including amendments/revisions);
- Distributions or dividends (without prejudice to the agreed dividend policy);
- Binding financial commitments in an amount between €10 million and €50 million;
- Litigation / arbitration / investigation in an amount between €5 million and €30 million.

In addition, certain Supervisory Board Consent Matters shall require the prior approval of the Supervisory Board taken with a simple majority of the members present or represented at such meeting, including the positive vote of one (1) Class B Member (as defined below). These Supervisory Board Consent Matters include, among others, decisions with regard to:

- Strategic business plan (including amendments and revisions);
- Conduct of other activities than the business;
- Adoption or modification of any material accounting practices and policies or the method of application thereof (other than as required to comply with any law or regulation) (including any change in the fiscal year);
- Binding financial commitments in excess of €50 million;
- Litigation / arbitration / investigation in excess of €30 million;
- Affiliate M&A transactions in excess of €3 million.

The consent for the Supervisory Board Consent Matters must be obtained from the Supervisory Board in writing prior to the execution of the respective transaction or measure. However, in exceptional cases, where the Management Board is required to act immediately in order to prevent significant harm to the Company, the Management Board may execute such transactions and measures without the prior written consent of the Supervisory Board but must obtain the written consent of the Supervisory Board as soon as possible after the execution of such transaction or measure. The Supervisory Board may also release the Management Board in advance from obtaining its prior written consent for certain individual or general business transactions or measures.

Notwithstanding the above, the Supervisory Board may include in the rules of procedure of the Supervisory Board and/or procure the inclusion in the rules of procedure of the Management Board an additional list of Supervisory Board Consent Matters that require the prior written consent of the Supervisory Board.

The members of the Management Board are appointed by the Supervisory Board following proposal by the nomination and compensation committee (“NCC”) (with the exception of the current members of the Management Board who, in the context of the implementation of the current two-tier governance structure, were appointed as members of the first Management Board of the Company by the Extraordinary General Meeting of the Company held on January 4, 2019). The Supervisory Board also determines the Management Board members’ remuneration and the terms of their office. Pursuant to the Articles of Association, the members of the Management Board are elected for a term of up to six (6) years. The members of the Management Board are eligible for re-appointment. A member of the Management Board may be removed with or without cause by a resolution adopted by the Supervisory Board. A member of the Management Board cannot be a member of the Supervisory Board at the same time.

Pursuant to the Articles of Association, the Management Board is composed of two (2) members, with one (1) chief executive officer (“CEO”) and one (1) chief financial and shared services officer (“CFSO”). Currently, the Management Board consists of two (2) members, with Thomas Mackenbrock being the CEO and Otmane Serraj being the CFSO. If a legal entity is appointed as member of the Management Board of the Company, such legal entity must designate a physical person as a permanent representative, who shall perform this role in the name and on behalf of the legal entity. The relevant legal entity may only remove its permanent representative if it appoints a successor at the same time. An individual may only be a permanent representative of one member of the Management Board and may not be a member of the Supervisory Board at the same time. An individual cannot be a permanent representative of a member of the Management Board of the Company and of a member of the Supervisory Board of the Company at the same time.

The members of the Management Board represent the Company in dealing with third parties. In accordance with Article 441-10 of the 1915 Law, the Company’s daily management and the Company’s representation in connection with such daily management may be delegated to one or several members of the Management Board, officers or other agents, but not to a member of the Supervisory Board (the “**Daily Managers**”).

Pursuant to the Articles of Association, the Company is bound towards third parties in all circumstances (i) by the joint signature of the CEO and the CFSO, (ii) by the joint signature of the CEO or the CFSO together with one of the Daily Managers, or (iii) by the individual or joint signature of any person(s) to whom such signatory power may have been delegated by the Management Board within the limits of such delegation. In accordance with the Articles of Association, the Company shall in respect of the daily management (*gestion journalière*) of the Company, be validly bound or represented towards third parties by the individual signature of any Daily Manager or, if more than one Daily Manager is appointed and the Management Board has determined that they shall form a collegiate body, by the joint signature of any two (2) members of such collegiate body.

Also pursuant to the Articles of Association, the Management Board shall meet as often as the business and interest of the Company so require. According to its internal rules of procedure, the Management Board shall meet at least once every calendar quarter. The Management Board shall meet upon call by the CEO or the CFSO. Decisions of the Management Board are adopted at meetings where all of its members are present or represented and resolutions are adopted by a majority vote of the members of the Management Board present at such meeting, unless other majorities are required by law, the Articles of Association or the internal rules of procedures. In case of a tie, the CEO shall have a casting vote.

Generally, the Management Board adopts resolutions in meetings. However, resolutions may also be adopted unanimously by circular means when expressing its approval in writing (by electronic mail or otherwise), it being understood that each member of the Management Board may express his/her/its consent separately, the entirety of the consents evidencing the adoption of the resolutions, and that the date of such resolutions shall be the date of the last consent.

At least once every calendar quarter, the Management Board must submit a written report to the Supervisory Board on the business of the Company and its foreseeable future development. In addition, the Management Board must inform the Supervisory Board without undue delay of any events likely to have an appreciable influence on the situation of the Company, and shall be required to keep the Supervisory Board fully

and regularly informed about all material facts and developments of the Company and its subsidiaries and their business operations.

11.2.1 Composition and Biographical Information of the Members of the Management Board

The table below lists the current members of the Management Board of the Company, which were appointed by the Extraordinary General Meeting of the Company held on January 4, 2019, in the context of the implementation of the two-tier governance structure and reconfirmed by the Extraordinary General Meeting of the Company held on August 30, 2019 in the context of the conversion of the form of the Company from a private limited liability company (*société à responsabilité limitée*) into a public limited company (*société anonyme*).

<u>Name</u>	<u>Age</u>	<u>Member since</u>	<u>Appointed until</u>	<u>Responsibilities</u>
Thomas Mackenbrock	45	2019 ⁽¹⁾	AGM 2025 ⁽²⁾	Chairman and Chief Executive Officer
Otmane Serraj	48	2019 ⁽¹⁾	AGM 2025 ⁽²⁾	Chief Financial and Shared Services Officer

(1) Previously members of the board of managers of the Company since 2019.

(2) Until the annual General Meeting to be held in the year 2025 which will resolve on the financial statements for the financial year ending on December 31, 2024.

The following description provides summaries of the *curricula vitae* of the current members of the Management Board and indicates their principal activities outside the Company to the extent those activities are significant with respect to the Company.

Thomas Mackenbrock was born in Steinheim, Germany, on March 11, 1976. He studied business administration and economics in Ingolstadt, Chicago and Leipzig and obtained his doctorate (Ph.D.) at the Martin Luther University of Halle-Wittenberg. In 2000, Mr. Mackenbrock started his professional career with McKinsey & Company where he supported clients across various industry sectors with a particular focus on the high-tech and telecom space. In 2006, Mr. Mackenbrock joined Bertelsmann as a Senior Director for Business Development. In 2008, he was promoted to Vice President Corporate Development. In this role, he worked on numerous strategy and corporate development projects across Bertelsmann's business portfolio in Europe, China and the Americas. Starting 2012, Mr. Mackenbrock became Managing Director of Bertelsmann Brazil, leading Bertelsmann's business development and investments in Brazil for the following four years. In 2016, Mr. Mackenbrock returned to Europe and worked as Executive Vice President for BMG. In 2017, Mr. Mackenbrock was appointed Chief Strategy Officer (CSO) at Arvato Group before he became Chief Executive Officer (CEO) of Arvato CRM Solutions. In 2019, Mr. Mackenbrock was appointed Chief Executive Officer of Majorel Group.

Alongside his office as a member of the Management Board, Mr. Mackenbrock is, or was within the last five years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside the Majorel Group:

Current:

- None.

Previous:

- BMG RIGHTS MANAGEMENT (Europe) GmbH (managing director);
- BMG RIGHTS MANAGEMENT GmbH (managing director);
- Chrysalis Music Holdings GmbH (managing director);
- COUNTDOWN MEDIA GmbH (managing director).

Other than listed above, Mr. Mackenbrock has not been a member of any administrative, management or supervisory body of any other company or partnership outside the Majorel Group within the last five years.

Otmane Serraj was born in Rabat, Morocco, on April 1, 1973. He studied mechanical engineering with a focus on mechanics, fluid mechanics and oceanography at the Ecole Polytechnique in Paris, France and MIT in Boston, USA. He also studied telecommunications at the École Nationale Supérieure des Telecommunications in Paris, France. Mr. Serraj started his career in 1996 as security product manager at France Telecom before joining Siris as IP networks design manager in 1997. After several positions in the technical and IT departments at Oreka, Firstream and Alphyra, Mr. Serraj became the head of the DELL offshore business center in Morocco in 2007, serving all French, Spanish, Italian speaking customers in Europe, the Middle East, Africa (EMEA) and Canada. From 2012 to 2014, Mr. Serraj served as the general manager at Bull in Mahgreb, supervising the Bull subsidiaries in Morocco, Algeria, Tunisia and Libya. He then joined Majorel's predecessor businesses in 2015, where he served as managing director of different group companies until the end of 2019 and as board member until the end of 2020. From January 4, 2019 until August 30, 2019, he was managing director of Majorel Group Luxembourg S.à r.l. Since September 2019, he has served as director of Majorel Holding Nederland B.V., as CFSO in the Majorel Group Luxembourg S.A. and as director in the Majorel Africa S.A. Besides his role as CFSO, he is responsible as the CIO of the Majorel Group.

Alongside his office as a member of the Management Board, Mr. Serraj is, or was within the last five years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside the Majorel Group:

Current:

- Saham Outsourcing Services Fund (director).

Previous:

- None.

Other than listed above, Mr. Serraj has not been a member of any administrative, management or supervisory body of any other company or partnership outside the Majorel Group within the last five years.

The members of the Management Board can be reached at the Company's offices at 43, Boulevard Pierre Frieden, L-1543 Luxembourg, Luxembourg (telephone +352 42142 5602).

11.2.2 Remuneration and Other Benefits of the Members of the Management Board

11.2.2.1 Management Service Agreements

The members of the Management Board entered into service agreements with the Company based on essentially similar terms. In addition to his service agreement with the Company, Thomas Mackenbrock entered into a service agreement with Majorel Holding Deutschland GmbH, which stipulates that he will perform 80% of his total working activities in Germany and the remaining 20% in Luxembourg. In addition to his service agreement with the Company, Otmane Serraj entered into a service agreement with Majorel Holding Nederland B.V., which stipulates that he will perform 70% of his total working activities in the Netherlands and the remaining 30% in Luxembourg. The remuneration is paid by the respective company according to the split in the different countries.

For the financial year 2020, the members of the Management Board received an aggregate total gross remuneration of approximately €1.7 million.

11.2.2.2 Remuneration System and Other Benefits

The remuneration of the members of the Management Board after the Private Placement will be based on amendments to their respective existing service agreements and new terms and conditions for the remuneration elements. The aim is, in particular, to align the Management Board members' remuneration with the long-term development and success of Majorel and to comply with the legal requirements for Management Board members' remuneration in listed companies while at the same time meeting investors' and proxy advisors' expectations. After the Private Placement, the remuneration of the members of the Management Board of the Company will generally consist of a fixed remuneration, variable remuneration elements (together with the fixed remuneration the "**Total Target Compensation**"), comprising a short-term and a long-term incentive, as well as additional fringe benefits (in the following referred to as "**Other Benefits**"). For an overview of the shareholdings of the

members of the Management Board, see “11.2.3 *Shareholdings of the Members of the Management Board in the Company*”.

11.2.2.2.1 Fixed Remuneration

Each member of the Management Board will receive a gross annual fixed remuneration in cash which is paid in twelve equal installments as a monthly salary (“**Fixed Remuneration**”). The gross annual Fixed Remuneration for the financial year 2022 amounts to €600,000 for the CEO and to €400,000 for the CSFO.

11.2.2.2.2 Variable Remuneration

In addition to the annual Fixed Remuneration, the members of the Management Board are entitled to variable remuneration elements, comprising a short-term incentive (“**STI**”) and a long-term incentive (“**LTI**”), which incorporate relevant financial and non-financial key performance indicators as well as the share price development of Majorel and which are oriented towards the long-term development of the Company. In order to incentivize the long-term development, the LTI accounts for the majority of the variable compensation. Moreover, the LTI is share-based and therefore creates a strong link between the interests of the Company’s shareholders and the Management Board. The Supervisory Board has set a compensation system consisting of 40% Fixed Remuneration and 60% variable remuneration, with the STI amounting to 20% and the LTI amounting to 40% of the Total Target Compensation. The first grant of the variable remuneration elements described below (STI and LTI) will take place for the year 2022.

11.2.2.2.2.1 Short-Term Incentive (STI)

The STI is designed as a target bonus with a one-year performance period. To meet capital market expectations, the STI includes both financial and business targets that are measured over a one-year period, based on the budget for the respective financial year. For each Management Board member, the Supervisory Board has determined a target amount (at 100% target achievement) for the STI. The gross target amount for the financial year 2022 is €300,000 for the CEO and €200,000 for the CSFO. The final payout of the STI will be made in cash at the end of the performance period and depends on the annual performance with regard to the financial and business targets determined by the Supervisory Board. The financial targets are based on the organic Net Revenues growth and Operating EBITDA as a percentage of Net Revenues, while the business targets are based on individual financial/operational targets that are quantitatively measurable, e.g., “working capital as a percentage of revenue” and “overhead as a percentage of revenue”. The financial targets have a weight of 2/3 (1/3 for each target), the business target(s) have a weight of 1/3 (100% in total). The target achievement of the financial and business targets can range from 0% to 150%. Consequently, the overall target achievement and therefore the final payout of the STI is capped at 150% of the target amount.

11.2.2.2.2.2 Long-Term Incentive (LTI)

The LTI is designed as a restricted stock plan (“**RSP**”) to incentivize the long-term development of Majorel through the achievement of financial and non-financial targets as well as the share price development. The LTI is granted annually and is subject to certain leaver provisions. The LTI has a total performance period of five years, starting at January 1 of every financial year, consisting of an initial target achievement period of one year and a subsequent lock-up period of four years until the end of the performance period. The individual gross target amount for the financial year 2022 is €600,000 for the CEO and €400,000 for the CSFO.

For the target achievement period, the financial and non-financial targets will be derived from the long-term planning of Majorel and measured over one financial year. The financial targets are based on net profit (weighted 70%), while the non-financial targets are based on environmental, social and governance (“ESG”) criteria (weighted 30%), which will be determined by the Supervisory Board at the beginning of each financial year on the basis of a predefined catalogue of ESG criteria. For the first tranche of the RSP, the employee net promoter score will be set as ESG target. The target achievement of the financial and non-financial targets can range from 0% to 200%. The gross payout after every target achievement period is capped at 200% of the target amount.

For each tranche of the LTI, the members of the Management Board are required to invest the net payout amount received under the LTI after the target achievement period in real shares in the Company that are subsequently subject to a lock-up period until the end of the performance period. After the lock-up period, the shares are at the free disposal of the members of the Management Board. Thus, the total performance period of

the LTI is five years. The LTI therefore not only provides for a sustainable approach by linking the remuneration of the members of the Management Board to relevant financial and non-financial (ESG) performance measures, which are derived from Majorel's long-term planning and thus aligned with Majorel's strategy; it also ensures an alignment of the interests of the Management Board members and the shareholders of the Company via the requirement to invest in real shares.

In case of a termination of the service agreement (or appointment) by the respective company for good cause or in case of a self-initiated termination of the service agreement (or appointment) by the Management Board member without good cause (and without consent of the respective company) (both a bad leaver event) during a financial year, the granted LTI amount for this financial year is forfeited. Ongoing lock-up periods from grants for previous financial years will remain unaffected. In all other cases of a termination of the service agreement or appointment (defined as a good leaver event) during a financial year, the granted LTI amount for the financial year in which the service agreement or appointment ends is reduced pro rata. Ongoing lock-up periods from grants for previous financial years will remain unaffected. If during a financial year a change of control occurs in case of an M&A transaction and the Company is delisted shortly thereafter, or the free float of the Shares falls below 20% for more than six consecutive months, or a mandatory public offer is made for the Shares, the payout of the granted LTI amount will be deferred until the end of the five-year performance period. Ongoing lock-up periods from grants for previous financial years will be canceled. In case of permanent invalidity or death of a Management Board member, the granted LTI amount will be paid out pro rata based on a 100% target achievement without any lock-up periods. Ongoing lock-up periods from grants for previous financial years will be canceled.

11.2.2.2.3 Malus/Clawback

The Supervisory Board has the right to reduce variable compensation that has not yet been paid out (malus) or to reclaim variable compensation that has already been paid out (clawback) for both the STI and LTI under certain circumstances. Accordingly, before determining the payout amount of the STI and LTI, respectively, the Supervisory Board will review if a predefined malus event justifies a reduction or even forfeiture of the variable remuneration amount as determined on the basis of the target achievement level and the respective plan terms. The set of events in which such an option applies, is defined in the amendments to the service agreements and comprises cases of deliberate breaches of duty (compliance malus/clawback) as well as cases of incorrect consolidated financial statements (performance clawback).

11.2.2.2.4 Severance Payment

In the event of a termination of the service agreement without good cause prior to the end of the applicable term, the members of the Management Board are entitled to a severance payment. The severance payment is calculated based on the monthly remuneration (sum of fixed remuneration and STI target amount divided by 12). For Thomas Mackenbrock, it shall amount to at least six months' remuneration and shall be subject to the following maximum limits, whichever is lower (severance payment cap): (a) value of 18 months' remuneration or (b) expected total cash remuneration (sum of fixed remuneration and STI target amount) up to the standard retirement age. In the event of termination by the respective company for good cause no severance payment will be due. For Otmane Serraj, the same maximum limits apply for the calculation of the severance payment cap.

11.2.2.2.3 Share Ownership Guidelines

The Supervisory Board will implement share ownership guidelines ("SOG") for the members of the Management Board. The purpose of the SOG is to further align the interests of the Management Board with those of the shareholders of the Company. According to the SOG, the members of the Management Board are obliged to invest 200% (for the CEO) and 150% (for the CFO) of their respective gross fixed remuneration in Shares. The required share ownership will be built up regularly through the obligatory investment in Shares within the framework of the LTI plan. Shares held to fulfill the share ownership obligation need to be held until the end of the Management Board membership. As long as the share ownership obligation is not met, Shares acquired within the framework of the LTI plan may not be sold, even if the lock-up period for the Shares has already expired.

11.2.2.2.4 Other Benefits of Members of the Management Board

In addition to the compensation set out above, the members of the Management Board receive certain other monetary and non-monetary benefits such as a car allowance, local pension benefits and contribution to

certain insurances. Furthermore, the members of the Management Board are covered by Bertelsmann's D&O insurance (see "9.13 Insurance Coverage").

In 2020, Other Benefits for the members of the Management Board amounted to approximately €100,000.

11.2.2.2.5 IPO Bonus with Equity Deferral

Upon the successful completion of the Private Placement, the members of the Management Board and six other managers will receive a one-time cash bonus in the aggregate gross amount of €120 million plus social security charges of approximately €8 million ("**IPO Bonus with Equity Deferral**"). The CEO and CFO are expected to receive gross amounts of €29 million and €19 million, respectively, before taxes. In order to meet investors' expectations for future alignment and retention, the members of the Management Board and the other selected managers are required to invest a portion of the IPO Bonus with Equity Deferral in Shares (see "11.2.3 Shareholdings of the Members of the Management Board in the Company").

11.2.3 Shareholdings of the Members of the Management Board in the Company

As of the date of this Prospectus, no member of the Management Board directly or indirectly holds any shares in the Company or call options over shares in the Company. Under the IPO Bonus with Equity Deferral, however, the members of the Management Board are required to invest 25% of the gross amount of the IPO Bonus with Equity Deferral in Shares ("**Deferral Shares**"). This means that the Management Board members are obliged to invest an amount of €12 million in Deferral Shares from their post-tax net payment.

Following determination of the Offer Price, the beneficiaries under the IPO Bonus with Equity Deferral will purchase Deferral Shares from the Selling Shareholders against payment of the Offer Price per share. Assuming the Offer Price is set at the mid-point of the price range, the CEO and the CFO will acquire 204,225 and 133,803 Deferral Shares, respectively. The Deferral Shares will then be deposited in the share deposit accounts of each of the beneficiaries. For each beneficiary under the IPO Bonus with Equity Deferral, a share deposit account will be set up with a financial services provider designated by the Company. The costs of such share deposit accounts shall be borne by the Company. For the acquisition of the Deferral Shares, the Company will grant each of the beneficiaries under the IPO Bonus with Equity Deferral an interest-free loan in an amount equal to the respective share of the purchase price. Upon request of the beneficiaries, the Company is entitled to pay out the loan on behalf of the members of the Management Board and six other managers to the Selling Shareholder to facilitate the settlement process. The loan amount under the interest-free loan will be offset against the IPO Bonus with Equity Deferral to be paid to the relevant beneficiary. Approximately 54% of the IPO Bonus with Equity Deferral will be paid out in November 2021 and the remaining 46% in January 2022.

In addition, the Deferral Shares will be subject to a three year lock-up following the first day of trading ("**Bonus Lock-Up Period**"). If one of the following three conditions occurs during the Bonus Lock-Up Period, the Deferral Shares will be released and be at the free disposal of the members of the Management Board and the other managers: (i) the completion of an M&A transaction and subsequent delisting of the Company, (ii) the free float of the Shares falling below 20% for more than six consecutive months, or (iii) a mandatory public offer being made for the Shares. The costs for the IPO Bonus with Equity Deferral and the share deposit accounts will be borne by the Company.

11.2.4 Independence of the Members of the Management Board

The Management Board believes that each of its members, Thomas Mackenbrock and Otmane Serraj, is independent in character and judgment and free from relationships or circumstances, which are likely to affect, or could appear to affect, their judgment.

11.3 Remuneration and Other Benefits of Certain Other Employees

Upon the successful completion of the Private Placement, certain selected managers below the level of the Management Board will receive a one-time cash bonus under the IPO Bonus with Equity Deferral based on the same terms and conditions as the Management Board (see "11.2.2.2.5 IPO Bonus with Equity Deferral"). Accordingly, these managers are required to invest 25% of the gross amount of the IPO Bonus with Equity Deferral in Shares (*i.e.*, Deferral Shares). This means that these managers are obliged to invest an amount of €18 million in Deferral Shares from their post-tax net payment. In addition, these selected managers will

participate in the LTI subject to different target amounts (see “11.2.2.2.2 Long-Term Incentive (LTI)”).

Following the Admission, we intend to implement a similar incentive program for a wider group of managers below the selected managers.

11.4 Supervisory Board

The Supervisory Board is responsible for carrying out the permanent supervision and control of the Management Board, without being authorized to interfere with such management. For this purpose, the Supervisory Board has an unlimited right of information regarding all operations of the Company and may inspect any of the Company’s documents. It may request the Management Board to provide any information necessary for exercising its functions and may directly or indirectly proceed to all verifications which it may deem useful in order to carry out its duties. The Supervisory Board shall have the right to examine all the activities of the Majorel Group. Its members shall have access to the Majorel Group’s employees, books, accounts, correspondence, minutes and in general, to any documents of the Company. At the request of the Supervisory Board, the Management Board shall provide any information that is necessary to enable the Supervisory Board to supervise the management of the Company. In addition, the Supervisory Board can proceed to or require any verifications in relation to its function. In addition, the Supervisory Board shall grant or deny the Management Board its consent to carry out the Supervisory Board Consent Matters.

The members of the Supervisory Board are appointed by the General Meeting by way of a simple majority vote of the shares present or represented. The General Meeting may decide to appoint Supervisory Board members of different classes, namely class A Supervisory Board members (the “**Class A Members**”) and class B Supervisory Board members (the “**Class B Members**”). Any reference made hereinafter to the “members of the Supervisory Board” shall be construed as a reference to the Class A Members and/or the Class B Members, depending on the context and as applicable. The General Meeting also determines the Supervisory Board members’ remuneration and the terms of their office. The members of the Supervisory Board are elected for a term not exceeding six (6) years. Members of the Supervisory Board may be re-appointed for successive terms. Any member of the Supervisory Board may be removed from office at any time, with or without cause by the General Meeting at a simple majority vote of the shares present or represented. In this case, the General Meeting shall immediately appoint a replacement in accordance with the Articles of Association and the shareholders’ agreement in relation to the Company entered into by the Selling Shareholders and their respective parent companies (see “12.2 Shareholders’ Agreement”).

According to the Articles of Association, the Supervisory Board is composed of nine (9) members. The General Meeting shall appoint (i) five (5) Class A Members out of a list of candidates proposed by Bertelsmann Luxembourg, (ii) two (2) Class B Members out of a list of candidates proposed by the Saham Shareholders and (iii) two (2) Class A Members out of a list of candidates proposed by the NCC (as defined below), which shall be independent members. The Supervisory Board shall elect among the Class B Members a chairman and may elect a secretary who does not need to be a shareholder or a member of the Supervisory Board. It is intended that the Supervisory Board will elect Moulay Mhamed Elalamy as chairman of the Supervisory Board. The CEO and the CFSO shall be non-voting permanent observers of the Supervisory Board.

If a legal entity is appointed as member of the Supervisory Board, such legal entity must designate an individual as permanent representative who shall perform this role in the name and on behalf of the legal entity. The relevant legal entity may only remove its permanent representative if it appoints a successor at the same time. An individual may only be a permanent representative of one member of the Supervisory Board and may not be a member of the Management Board at the same time. An individual cannot be a permanent representative of a member of the Supervisory Board and of a member of the Management Board at the same time. Pursuant to the Articles of Association and the rules of procedure of the Supervisory Board, the Supervisory Board shall hold at least four (4) regular meetings per calendar year (and at least one (1) meeting in each calendar quarter) at the registered office of the Company, on such date and at such time as may be determined from time to time by the chairman of the Supervisory Board. The Supervisory Board may also hold special meetings upon call by the chairman of the Supervisory Board or any other member. The Management Board can submit a written request with an indication of the agenda to the chairman of the Supervisory Board to call a meeting of the Supervisory Board as soon as reasonably practicable.

In accordance with the Articles of Association and the internal rules of procedure of the Supervisory Board, the Supervisory Board may deliberate or act validly only if at least three (3) Class A Members, two of which will be proposed by Bertelsmann Luxembourg, and two (2) Class B Members are present or represented at

a meeting of the Supervisory Board. If such quorum is not present at a meeting, the meeting shall be adjourned for ten (10) calendar days. Such adjourned meeting shall then be quorate if least five (5) members present or represented (regardless of the class of members). If a member at a meeting also represents one or more other members, for purposes of determining whether a quorum is present at such meeting, each member represented pursuant to such proxy shall be counted as present at such meeting.

Unless otherwise provided by mandatory law or its rules of procedure (and in particular the Supervisory Board Consent Matters, see “11.2 Management Board”), resolutions of the Supervisory Board are passed with a simple majority of the votes cast. In case of a tie, the chairman of the Supervisory Board shall not have a casting vote.

Generally, the Supervisory Board adopts resolutions in meetings. However, the Supervisory Board may also adopt resolutions by circular means when expressing its approval in writing (by electronic mail or otherwise), it being understood that each member of the Supervisory Board may express his/her/its consent separately, the entirety of the consents evidencing the adoption of the resolutions, and that the date of such resolutions shall be the date of the last consent.

11.4.1 Composition and Biographical Information of the members of the Supervisory Board

The table below lists the current members of the Company’s Supervisory Board of the Company, which were appointed (i) partially by the Extraordinary General Meeting of the Company held on January 4, 2019, in the context of the implementation of the two-tier governance structure and reconfirmed by the Extraordinary General Meeting of the Company held on August 30, 2019 in the context of the conversion of the form of the Company from a private limited liability company (*société à responsabilité limitée*) into a public limited company (*société anonyme*), and (ii) partially by the Extraordinary General Meeting of the Company held on September 17, 2021, at which certain Supervisory Board members already in place were reconfirmed and were assigned a class.

<u>Name</u>	<u>Class</u>	<u>Age</u>	<u>Member since</u>	<u>Appointed until</u>	<u>Responsibilities</u>
Moulay Mhamed Elalamy .	B	31	2019	AGM 2025 ⁽¹⁾	Chief Executive Officer of Saham Management Company
Pim Berendsen.....	A	48	2021	AGM 2025 ⁽¹⁾	Chief Financial Officer of PostNL N.V.
Jörn Caumanns	A	48	2019	AGM 2025 ⁽¹⁾	Divisional Chief Financial Officer of Bertelsmann
Rolf Hellermann	A	44	2021	AGM 2025 ⁽¹⁾	Chief Financial Officer of Bertelsmann
Laureen Kouassi-Olsson....	A	38	2021	AGM 2025 ⁽¹⁾	Founder and executive chair of Birimian Holding
Ghita Lahlou El Yacoubi...	B	54	2019	AGM 2025 ⁽¹⁾	Chairman and Chief Executive Officer of Saham Outsourcing Services Fund
Matthias Moeller	A	51	2021	AGM 2025 ⁽¹⁾	Chief Executive Officer Arvato Systems Group
Nina Weiden.....	A	46	2021	AGM 2025 ⁽¹⁾	Senior Vice President M&A at Bertelsmann
Bettina Wulf.....	A	59	2020	AGM 2025 ⁽¹⁾	Senior Vice President Corporate Legal Department at Bertelsmann

(1) Until the annual General Meeting to be held in the year 2025 which will resolve on the financial statements for the financial year ending on December 31, 2024.

The following description provides summaries of the *curricula vitae* of the current members of the Supervisory Board and indicates their principal activities outside the Company to the extent those activities are significant with respect to the Company.

Moulay Mhamed Elalamy was born in Casablanca, Morocco, on February 6, 1990. He graduated from the University of British Columbia, Vancouver, with a bachelor’s degree in commerce in 2012. Mr. Elalamy started his career in as an intern consultant for the Boston Consulting Group in Paris. He then worked as a private equity analyst with The Abraaj Group in Dubai and Istanbul, before joining SAHAM Assistance as general

manager in Casablanca, Morocco, in 2014. In 2015, he became chairman of SAHAM Assistance (until 2017), transforming SAHAM Assistance from a national player into a large multinational enterprise by expanding its presence to 17 African countries, where it delivered medical and road-side assistance. At the same time, Mr. Elalamy joined SAHAM SA (until 2016) as general secretary, and SAHAM Agri (an agriculture venture) as Chief Executive Officer. Between 2017 and 2019, Mr. Elalamy served as Chief Executive Officer of SAHAM Assurance, a Moroccan publicly traded insurance company. He conducted the digital transformation of the company by creating a digital factory, which delivered end to end customer journey transformation for the 800.000 auto policy holders, from lead generation to claims management. In 2018, Mr. Elalamy led the sale of Saham Finances, the insurance division of Saham SA, for a \$2 billion valuation. He is currently the Chief Executive Officer of the SAHAM Management Company (formerly SAHAM SA), where he was responsible for the creation of the Majorel partnership with Bertelsmann group.

Alongside his office as Chairman of the Supervisory Board of the Company, Moulay Mhamed Elalamy is, or was within the last five (5) years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies or partnerships outside Majorel Group:

Current:

- International Education Group – IEG (chairman);
- Medjool Star (chairman);
- Saham Immo (chairman);
- Saham Management Company (Chief Executive Officer);
- Saham Outsourcing Luxembourg (manager);
- Saham Outsourcing Services Fund (director); and
- Saham Customer Relationship Investments (manager).

Previous:

- Saham Assistance (Chief Executive Officer, chairman, director);
- Saham Finances (director);
- Saham Assurance (director, Chief Executive Officer);
- Saham Immo (Chief Executive Officer);
- Saham S.A. (director); and
- Saham Pharma (chairman).

In addition to the above, Mr. Elalamy is and was a member of the administrative, management or supervisory bodies of various, subordinate (current and former) Saham group companies.

Other than stated above, Moulay Mhamed Elalamy has not been a member of any administrative, management or supervisory body of any other company or partnership outside Majorel Group within the last five (5) years.

Pim Berendsen was born in 's-Hertogenbosch, the Netherlands, on May 12, 1973. Mr. Berendsen graduated from the University of Tilburg, the Netherlands, with a master's degree in economics in 1998. In 1997, he joined Arthur Andersen, where he worked as an international tax advisor until 2000. Mr. Berendsen joined PostNL N.V. and its legal predecessors in 2000 to hold various positions in the Netherlands, the United Kingdom, China, Czech Republic and Italy, including financial director and successively managing director of the Data and Document Management and member of the executive committee of PostNL N.V.. Between 2013 and 2015, he was director for corporate development at Van Gansewinkel Group and returned to PostNL N.V. in 2015 to become member of the executive committee, responsible for international, growth, M&A and strategic projects. In 2018, he was appointed Chief Financial Officer and a member of the board of management.

Alongside his office as member of the Supervisory Board of the Company, Mr. Berendsen is, or was within the last five (5) years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies or partnerships outside Majorel Group:

Current:

- Endeit Investment Fund (member of the advisory board);
- Johan Cruyff Foundation (chairman);
- PostNL N.V. (member of the board of management); and
- Whistl UK Ltd. (non-executive director).

Previous:

- PostNL N.V. (member of the executive committee).

Other than listed above, Mr. Berendsen has not been a member of any administrative, management or supervisory body of any other company or partnership outside Majorel Group within the last five (5) years.

Jörn Caumanns was born in Olpe, Germany, on May 3, 1973. Mr. Caumanns holds a degree in business administration (*Diplom-Kaufmann*) from the University of Cologne. Following his studies, Mr. Caumanns started working at J.P. Morgan in London in 1998 and Frankfurt in 2000. In October 2001, he began working in the group finance and treasury department at Bertelsmann AG in Gütersloh, Germany. In 2013, he was promoted to his current function of Executive Vice President M&A. When Bertelsmann Investments became a division of Bertelsmann in 2016, he also took over the function of Divisional Chief Financial Officer. In addition, he is also acting as CEO of a segment within Arvato called "CRM Other", which comprises various CRM activities (which did not become part of Majorel).

Alongside his office as member of the Supervisory Board of the Company, Mr. Caumanns is, or was within the last five (5) years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies or partnerships outside Majorel Group:

Current:

- arvato CRM Healthcare GmbH (managing director);
- arvato services Dresden GmbH (managing director);
- arvato services Gera GmbH (managing director);
- arvato services Leipzig GmbH (managing director);
- arvato services Suhl GmbH (managing director);
- BAI GmbH (managing director);
- BDMI GmbH (managing director);
- Bertelsmann China Holding GmbH (managing director);
- Erste TD Gütersloh GmbH (managing director);
- Erste WV Gütersloh GmbH (managing director); and

- Arvato Limited (non-executive director).

Previous:

- Jubii Europe N.V. (member of the supervisory board);
- Bertelsmann Nederland B.V. (managing director).

Other than listed above, Mr. Caumanns has not been a member of any administrative, management or supervisory body of any other company or partnership outside Majorel Group within the last five (5) years.

Rolf Hellermann was born in Freiburg, Germany, on October 1, 1976.

After studying business administration in Vallendar, Germany, Los Angeles, USA and Nancy, France, Mr. Hellermann received his doctorate from WHU – Otto Beisheim School of Management in Vallendar, Germany. Following his studies, Mr. Hellermann joined Bertelsmann SE & Co. KGaA at the Bertelsmann Corporate Centre in 2004. In 2012, Mr. Hellermann became head of Bertelsmann’s Corporate Controlling and Strategy department. From 2015 to 2018, he was Chief Financial Officer (CFO) of Arvato, the services division of Bertelsmann, and served as CEO of Arvato Financial Solutions from 2018 to 2020. Rolf Hellermann has been a member of Bertelsmann’s Group Management Committee since 2019 and also heads the Bertelsmann Tech and Data Advisory Board, which advises the executive board on technology issues and advances Bertelsmann’s evolution into a globally leading media, services, and education company in tech. Effective January 1, 2021, Mr. Hellermann has taken up the position as CFO and member of the executive board at Bertelsmann Management SE. He has been a member of RTL Group S.A.’s board of directors since January 1, 2021.

Alongside his office as member of the Supervisory Board of the Company, Mr. Hellermann is, or was within the last five (5) years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies or partnerships outside Majorel Group:

Current:

- Bertelsmann Management SE (member of the executive board);
- RTL Group S.A. (non-executive member of the board of directors); and
- Bertelsmann, Inc. (director and chairman of the board).

Previous:

- informa Solutions GmbH (advisory board);
- AZ Direct Beteiligungs GmbH (managing director);
- Deutsche Post Adress GmbH & Co. KG (chairman of the shareholder committee); and
- infoscore AG (chairman of the board of directors).

Other than listed above, Mr. Hellermann has not been a member of any administrative, management or supervisory body of any other company or partnership outside Majorel Group within the last five (5) years.

Laureen Kouassi-Olsson was born in Abidjan, Côte d’Ivoire, on March 5, 1983. Ms. Kouassi-Olsson holds a Master in Science of Management (MSc) with a specialization in Corporate Finance and Capital Markets from the EM Lyon Business School and is an alumna of Harvard Business School. Ms. Kouassi-Olsson is the founder and Executive Chair of Birimian Holding, an operational investment company dedicated to luxury and premium African heritage brands. She is a seasoned executive in the African financial services and private equity industries. She has over a decade of experience in investing in private companies and financial institutions on the African continent with positions at Lehman Brothers in London, Proparco, subsidiary of the French Development Agency and Amethis, leading French private equity fund dedicated to the African private sector and supported by the Edmond de Rothschild Group. Her professional achievements and commitments have gained significant recognition within the African financial services and private equity industries. Ms. Kouassi-Olsson has been recognized as one of the 100 most influential African Women and has been laureate of several Top 100 African Young Leader Rankings.

Alongside her office as member of the Supervisory Board of the Company, Ms. Kouassi-Olsson is, or was within the last five (5) years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies or partnerships outside Majorel Group:

Current:

- Birimian Holding Limited (founder and executive chair);
- ARISE Integrated Industrial Platforms (ARISE II P) (member of the advisory board);
- Union Bancaire pour le Commerce et l'Industrie (UBCI) (independent director); and
- Orange Abidjan Participations (independent director and chair of risk committee).

Previous:

- Amethis Africa Finance (financial institutions and West Africa office head);
- Amethis West Africa (executive director);
- Fidelity Bank Ghana Limited (non-executive director and chair of risk committee);
- Ciel Finance Limited (non-executive director);
- NSIA Participations SA (non-executive director); and
- Petro Ivoire SA (non-executive director).

Other than listed above, Ms. Kouassi-Olsson has not been a member of any administrative, management or supervisory body of any other company or partnership outside Majorel Group within the last five (5) years.

Ghita Lahlou El Yacoubi was born in Safi, Morocco, on February 9, 1967. She graduated from l'École Centrale de Paris, France, with a degree in engineering. Ms. Lahlou El Yacoubi started her career in 1991 as a finance and organizational consultant at Arthur Andersen, France. She joined Altair in Morocco as financial director in 1993 before moving to Groupe ONA in 1994, where she started as a project manager. In 1996, Ms. Lahlou El Yacoubi became director of human resources and communications at Groupe ONA and, in 1999, she became director of purchasing, human resources and marketing for Marjane, a group company of Group ONA. She joined Saham in 2001 as managing director for various subsidiaries, including Phone Group, Distribution Division, Saham Assurance Maroc, Saham Santé, Saham Education, Saham SA and the Saham Foundation for "equal opportunity". Since 2014, Ms. Lahlou El Yacoubi has been the director of SAHAM Group, Africa, as director, where she is in charge of the outsourced services division and the education division. She is also the Chief Executive Officer of GLENY, a financial and real estate investment company, and École Centrale Casablanca, Morocco. Additionally, Ms. Lahlou El Yacoubi has been a member of the General Confederation of Enterprises of Morocco (CGEM) since 2012. She is also the president and co-founder of the "Les citoyens" movement and administrator of the Orient Occident Foundation and administrator and member of the office of the Ali Zaoua Association for the Development of "les Etoiles" Cultural Centers.

Alongside her office as member of the Supervisory Board of the Company, Ms. Lahlou El Yacoubi is, or was within the last five (5) years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies or partnerships outside Majorel Group:

Current:

- Saham Outsourcing Services Fund (chairman and Chief Executive Officer);
- Saham Support Services (chairman of the board);
- Saham Education Fund (administrator);
- Fondation Saham (administrator);
- WITAMAX One (president of the supervisory board);
- Immorente Invest S.A. (member of the supervisory board);

- GLENY (Chief Executive Officer); and
- Société Générale Marocaine des Banques (member of the supervisory board).

Previous:

- Saham S.A. (director);
- Saham Management Company (director); and
- Saham Pharma (director).

In addition to the above, Ms. Lahlou El Yacoubi was a member of the administrative, management or supervisory bodies of various, subordinate (current and former) Saham group companies.

Other than stated above, Ms. Lahlou El Yacoubi has not been a member of any administrative, management or supervisory body of any other company or partnership outside Majorel Group within the last five (5) years.

Matthias Moeller was born in Hanover, Germany, on June 24, 1970. After studying computer science (*Informatik*) at the University of Hildesheim, Mr. Moeller started working at the Bertelsmann group in 1995. He has been the Chief Executive Officer of the Arvato Systems Group since April 1, 2016, and the Chief Information Officer of Bertelsmann since January 1, 2019.

Alongside his office as member of the Supervisory Board of the Company, Mr. Moeller is, or was within the last five (5) years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies or partnerships outside Majorel Group:

Current:

- Bitkom e.V. (executive board member (*Hauptvorstand*)); and
- German Federal Ministry of Defence (*Bundesministerium der Verteidigung*) (advisory board member of the Digital Council (*Digitalrat*)).

Previous:

- Arvato Systems Perdata GmbH (managing director).

Other than listed above, Mr. Moeller has not been a member of any administrative, management or supervisory body of any other company or partnership outside Majorel Group within the last five (5) years.

Nina Weiden was born in Cologne, Germany, on October 9, 1974. She holds a master's degree in business administration from WHU-Otto Beisheim School of Management, Vallendar, Germany, an MBA from INSEAD, Fontainebleau, France, and a doctoral degree from the University of St Gallen, Switzerland. Ms. Weiden has 20 years of experience in M&A and spent 12 years in London as a telecom and media sector banker working for Morgan Stanley, UBS and Credit Suisse/DLJ advising large multinationals, family-owned companies, sponsors and founders on M&A, IPOs and debt financings across Europe, the Middle East and Africa (EMEA). Ms. Weiden joined Bertelsmann in 2013 as Senior Vice President M&A focusing on buy-and sell side transactions for the group across all geographies.

Alongside her office as member of the Supervisory Board of the Company, Ms. Weiden is, or was within the last five (5) years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies or partnerships outside Majorel Group:

Current:

- None.

Previous:

- SecuredTouch Inc. (board member).

Other than listed above, Ms. Weiden has not been a member of any administrative, management or supervisory body of any other company or partnership outside Majorel Group within the last five (5) years.

Bettina Wulf was born in Gütersloh, Germany, on April 17, 1962. Ms. Wulf graduated from the University of Bielefeld, Germany, with a degree in law in 1988. After being admitted to the bar, she worked as an associate/freelancer at a law firm before joining the legal department of Siemens Nixdorf Informationssysteme AG from 1989 until 1993. Ms. Wulf has been a member of the corporate legal department of Bertelsmann SE & Co. KGaA since July 1993. Her experience covers in particular global M&A transactions. In 2014, she was honored by the International Law Office with the “European Counsel Award” for her prominent role in highly complex Merger and Acquisition transactions requiring levelheaded negotiation skills.

Alongside her office as member of the Supervisory Board of the Company, Bettina Wulf is, or was within the last five (5) years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies or partnerships outside Majorel Group:

Current:

- RTL Group S.A. (non-executive member board of directors);
- Arcadia Verlag AG (non-executive member board of directors);
- Erste WV Gütersloh GmbH (managing director);
- RM 9 Beteiligungsverwaltungs GmbH (managing director);
- Random House Audio GmbH (managing director);
- Erste TD Gütersloh GmbH (managing director);
- BAI GmbH (managing director);
- Bertelsmann China Holding GmbH (managing director); and
- BDMI GmbH (managing director).

Previous:

- Gruner + Jahr China Fashion Advertising Limited (director);
- Gruner + Jahr New York Network Media Advertising Corporation (director);
- Gruner+Jahr (Beijing) Advertising Co. Ltd. (director);
- Beijing Boda New Continent Advertising Company Limited (member of the board of directors);
- G+J - CLIP (Beijing) Publishing Consulting Co. Ltd. (director); and
- Bertelsmann Asia Investments AG (non-executive member of the board of directors).

Other than listed above, Bettina Wulf has not been a member of any administrative, management or supervisory body of any other company or partnership outside Majorel Group within the last five (5) years.

The members of the Management Board can be reached at the Company’s offices at 43, Boulevard Pierre Frieden, L-1543 Luxembourg, Luxembourg (telephone +352 42142 5602).

11.4.2 Committee(s) of the Supervisory Board

Audit Committee. The Supervisory Board has established an audit committee (the “**Audit Committee**”), which oversees the accounting and financial reporting processes of the Company, the integrity of the financial statements and publicly reported results, and the adequacy and effectiveness of the risk management and internal control frameworks as well as the choice, effectiveness, performance and independence of the internal and external

auditors. In this respect, the Audit Committee performs its duties in compliance with applicable laws and regulations, in particular Regulation (EU) No. 537/2014 of the European Parliament and the Council of April 16, 2014 on specific requirements regarding the statutory audit of public-interest entities, as amended, Article 52 paragraph (6) of the Luxembourg law dated 23 July 2016 concerning the audit profession, as amended, and the Articles of Association.

The role, authority and functioning of the Audit Committee are defined in the Charter of the Audit Committee included in the internal rules and governance of the Company.

On the date of this Prospectus, the members of the Audit Committee are Pim Berendsen (chairman), Rolf Hellermann, Jörn Caumans, Bettina Wulf and Ghita Lahlou.

Nomination and Compensation Committee. The Supervisory Board has established a nomination and compensation committee (the “NCC”), which will (i) assist the Supervisory Board in supervising the Management Board with respect to the Majorel Group’s compensation programs and compensation of the senior management and other personnel of the Majorel Group (including any long-term incentive and management incentive plan), (ii) advise the Supervisory Board on the remuneration of the individual members of the Management Board and the Supervisory Board within the scope of the remuneration policy adopted by the General Meeting, (iii) monitor the application of the Majorel Group’s remuneration policy, and (iv) assist the Supervisory Board with the selection and appointment procedures for the members of the Supervisory Board, the Management Board and other senior management. The NCC shall also be responsible for the preparation of the annual remuneration report of the Supervisory Board. Such report shall be published on the Company’s website.

The role, authority and functioning of the NCC are defined in the Charter of the NCC included in the internal rules and governance of the Company.

On the date of this Prospectus, the members of the NCC are Laureen Kouassi-Olsson (chairwoman), Rolf Hellermann, Jörn Caumans, Bettina Wulf and Moulay Mhamed Elalamy.

11.4.3 Contractual Arrangements with the Members of the Supervisory Board

The current members of the Supervisory Board have been appointed/reconfirmed by a resolution of the Extraordinary General Meeting of the Company held on September 17, 2021, in accordance with the Articles of Association and applicable law. The members of the Supervisory Board subsequently signed acceptance letters to confirm the appointment by the shareholders of the Company and the acceptance of such appointment by the respective Supervisory Board member. These acceptance letters are not meant to establish any separate service or employment relationship between the Company and the respective Supervisory Board member in addition to the office of the Supervisory Board of the Company.

Jörn Caumans, Matthias Moeller, Nina Weiden and Bettina Wulf, as Bertelsmann representatives, entered into separate indemnity agreements with Bertelsmann, according to which they will be indemnified against third party claims for damages asserted against them in conjunction with their function as Supervisory Board members as well as the incurred legal costs, unless they have intentionally breached their duties as a Supervisory Board member.

11.4.4 Compensation and Other Benefits of the Members of the Supervisory Board

The remuneration of the members of the Supervisory Board consists of fixed remuneration elements only. The chairperson of the Supervisory Board receives a fixed annual payment of €100,000. The members of the Supervisory Board receive a fixed annual payment of €50,000. The chairperson of a Supervisory Board committee additionally receives a fixed annual payment of €25,000, provided that the relevant committee has met at least once in the relevant financial year to perform its tasks. A member of the Supervisory Board who serves for only a portion of a given financial year will only be remunerated *pro rata*.

The members of the Supervisory Board will not receive any benefits upon the termination of their appointment.

Furthermore, the members of the Supervisory Board are covered by the D&O insurance policy of Bertelsmann (see “9.13 Insurance Coverage”).

11.4.5 Shareholdings of the Members of the Supervisory Board in the Company

Except for Mr. Moulay Mhamed Elalamy and Ms. Ghita Lahlou, no member of the Supervisory Board directly or indirectly holds any shares in the Company or call options over shares in the Company. Mr. Moulay Mhamed Elalamy holds a minority stake in an intermediate company that indirectly holds 25% in the Company and is ultimately controlled by Moulay Hafid Elalamy. Ms. Ghita Lahlou holds a minority stake in an intermediate company that indirectly holds 25% in the Company and is ultimately controlled by Moulay Hafid Elalamy.

11.5 Certain Additional Information regarding the Members of the Management Board and Supervisory Board; Conflicts of Interest

11.5.1 Certain Additional Information regarding the Members of the Management Board and the Supervisory Board

In the last five (5) years, no member of the Management Board or the Supervisory Board has been convicted of fraudulent offenses or has been associated with any bankruptcy, receiverships, liquidations or companies put into administration acting in its capacity as a member of any administrative, management or supervisory body. In the last five years, no official public incriminations and/or sanctions have been made by statutory or legal authorities (including designated professional bodies) against the members of the Management Board or Supervisory Board, nor have sanctions been imposed by the aforementioned authorities.

No court has ever disqualified any of the members of the Management Board from acting as a member of the administrative, management, or supervisory body of an issuer, or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

Other than as disclosed herein, no conflicts of interest or potential conflicts of interest exist between the members of the Management Board and/or the Supervisory Board as regards the Company on the one side and their private interests, membership in governing bodies of companies, or other obligations on the other side.

There are no family relationships between the members of the Management Board and the Supervisory Board, either among themselves or in relation to the members of the other body.

11.5.2 Conflicts of Interest

Save as otherwise provided by the 1915 Law, any member of the Management Board or the Supervisory Board who has, directly or indirectly, a financial interest conflicting with the interest of the Company in connection with a transaction falling within the competence of the Management Board and/or the Supervisory Board, must inform the Management Board (and the chairman of the Supervisory Board) or the Supervisory Board, respectively, of such conflict of interest and must have his declaration recorded in the minutes of the Management Board or the Supervisory Board meeting. The relevant member of the Management Board or of the Supervisory Board may not take part in the discussions relating to such transaction nor vote on such transaction. Any such conflict of interest must be reported to the next General Meeting prior to such meeting taking any resolution on any other item.

Where, because of conflicting interests, the number of members of the Management Board required to validly deliberate is not met, the Management Board may decide to submit the decision on this specific item to the Supervisory Board.

Where, because of conflicting interests, the number of members of the Supervisory Board required to validly deliberate is not met, the Supervisory Board may decide to submit the decision on this specific item to the General Meeting.

The conflict of interest rules shall not apply where the decision of the Management Board or the Supervisory Board relates to day-to-day transactions entered into under normal conditions.

11.5.2.1 Potential Conflicts of Interest

The members of the Management Board hold, directly or indirectly, equity-linked instruments relating to the Company. Conflicts of interest may arise between maximizing the value of these instruments and focusing on the interests of the Company. Moulay Mhamed Elalamy, Ghita Lahlou El Yacoubi, Jörn Caumanns, Rolf Hellermann, Matthias Moeller, Nina Weiden and Bettina Wulf have been elected as members of the Supervisory Board based on an arrangement concluded between the Selling Shareholders and their respective parent companies (see “12.2 Shareholders’ Agreement”).

There are no conflicts of interest or potential conflicts of interest between the members of the Management Board and the Supervisory Board with respect to their duties to the Company on the one hand and their private interests or other obligations on the other hand other than potential future conflicts of interest by virtue of the members of the Supervisory Board Moulay Mhamed Elalamy being the Chief Executive Officer of Saham Management Company, Ghita Lahlou El Yacoubi being the chairman and Chief Executive Officer of Saham Outsourcing Services Fund and Rolf Hellermann being Chief Financial Officer of Bertelsmann Management SE. Jörn Caumanns, Matthias Moeller, Nina Weiden and Bettina Wulf are currently employed by Bertelsmann group.

12. SHAREHOLDER INFORMATION AND RELATED PARTY TRANSACTIONS

12.1 Current Shareholders

The current shareholders of the Company, which are also the Selling Shareholders, are:

- Bertelsmann Luxembourg S.à r.l., a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of Luxembourg, having its registered office at 43, Boulevard Pierre Frieden, L-1543 Luxembourg, Luxembourg and registered with the Luxembourg Register of Commerce and Companies (*Registre de commerce et des sociétés, Luxembourg*) under number B 187218;
- Saham Customer Relationship Investments S.à r.l., a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of Luxembourg, having its registered office at 6, Rue Eugène Ruppert, L-2453 Luxembourg, Luxembourg and registered with the Luxembourg Register of Commerce and Companies (*Registre de commerce et des sociétés, Luxembourg*) under number B 239278; and
- Saham Outsourcing Luxembourg S.à r.l., a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of Luxembourg, having its registered office at 12 C, Rue Guillaume Kroll, L-1882 Luxembourg, Luxembourg and registered with the Luxembourg Register of Commerce and Companies (*Registre de commerce et des sociétés, Luxembourg*) under number B 229519.

The following table sets forth the direct and indirect shareholders of the Company immediately prior to the approval of this Prospectus, and their shareholding, together with the shareholding of the public float, upon completion of the Private Placement and the sale of the Deferral Shares under the IPO Bonus with Equity Deferral, both assuming no exercise and assuming full exercise of the Over-Allotment Option. Upon completion of the Private Placement, no persons other than the shareholders identified below will have major holdings within the meaning of Article 8 or Article 9 of the Luxembourg law of 11 January 2008 on transparency requirements regarding information about issuers whose securities are admitted to trading on a regulated market, as amended (the “**Luxembourg Transparency Law**”).

Ultimate Shareholder	Direct Shareholder	Ownership of the Company					
		Immediately prior to the Private Placement		Upon completion of the Private Placement and the sale of the Deferral Shares under the IPO Bonus with Equity Deferral ⁽⁴⁾			
		(No. of Shares)	(in %)	assuming no exercise of Over-Allotment Option		assuming full exercise of Over-Allotment Option	
		(No. of Shares)	(in %)	(No. of Shares)	(in %)	(No. of Shares)	(in %)
Christoph Mohn ⁽¹⁾	Bertelsmann Luxembourg S.à r.l. ⁽²⁾	50,000,000	50.0	39,577,465	39.6	38,077,465	38.1
Moulay Hafid Elalamy ⁽³⁾	Saham Customer Relationship Investments S.à r.l. ⁽²⁾ ..	25,000,000	25.0	19,788,732	19.8	19,788,732	19.8
Moulay Hafid Elalamy ⁽³⁾	Saham Outsourcing Luxembourg S.à r.l. ⁽²⁾	25,000,000	25.0	19,788,733	19.8	18,288,733	18.3
Public float		–	–	20,845,070	20.8	23,845,070	23.8
Total		100,000,000	100.00	100,000,000	100.00	100,000,000	100.00

- (1) The voting rights held by Bertelsmann Luxembourg S.à r.l. are indirectly controlled by Christoph Mohn through Bertelsmann SE & Co. KGaA and Bertelsmann Verwaltungsgesellschaft mbH. The shares in Bertelsmann SE & Co. KGaA are held by foundations (Bertelsmann Stiftung, Reinhard Mohn Stiftung, BVG-Stiftung) and the Mohn Family. All voting rights at the general meeting of Bertelsmann SE & Co. KGaA are controlled by Bertelsmann Verwaltungsgesellschaft mbH. Only Christoph Mohn indirectly has voting control of Bertelsmann Verwaltungsgesellschaft mbH through a veto right.
- (2) Any voting rights held by or attributed to Bertelsmann Luxembourg S.à r.l., Saham Customer Relationship Investments S.à r.l. and Saham Outsourcing Luxembourg S.à r.l., respectively, are the subject of a shareholders’ agreement.
- (3) The voting rights held by Saham Customer Relationship Investments S.à r.l. and Saham Outsourcing Luxembourg S.à r.l. are attributed indirectly to Moulay Hafid Elalamy.
- (4) Includes 845,070 Deferral Shares to be sold by the Selling Shareholders to the Management Board and the other selected managers under the IPO Bonus with Equity Deferral (see “11.2.2.2.5 IPO Bonus with Equity Deferral”) at an assumed price at the mid-point of the Price Range (as defined below).

12.2 Shareholders' Agreement

The Selling Shareholders and their respective parent companies (together the "**Parties**") have entered into a shareholders' agreement (the "**Shareholders' Agreement**"). The Shareholders' Agreement contains certain arrangements regarding the relationship between the Parties after the Private Placement. Below is an overview of the main elements of the Shareholders' Agreement.

12.2.1 *Composition of the Supervisory Board*

The Parties have agreed that the Supervisory Board shall be composed of two non-executive representatives (one of whom shall be the chairman of the Supervisory Board) proposed by the Saham Shareholders (referred to as Class B Members in this Prospectus), five non-executive representatives proposed by Bertelsmann Luxembourg and two independent members proposed by the NCC (referred to as Class A Members in this Prospectus). The candidates for the Supervisory Board shall be appointed by the General Meeting. The CEO and the CFSO shall be non-voting permanent observers of the Supervisory Board.

The Parties have further agreed that the Supervisory Board shall have a permanent chairman who shall be a member of the Supervisory Board that is appointed by a meeting of the Supervisory Board out of a list of candidates proposed by the Saham Shareholders and who shall preside over meetings of the Supervisory Board and oversee the administration of the Supervisory Board process, in each case consistent with the rules of procedure of the Supervisory Board and the Articles of Association. The chairman of the Supervisory Board shall not have a second or casting vote.

The Parties have agreed that, upon proposal of removal, with or without cause, at any time, by Bertelsmann Luxembourg of a representative nominated by Bertelsmann Luxembourg as Class A Member, the Selling Shareholders shall take such actions as shall be necessary to cause any such representative nominated by Bertelsmann Luxembourg to be removed by a resolution of the General Meeting. The Parties have further agreed that, upon proposal of removal, with or without cause, at any time, by the Saham Shareholders of a representative nominated by the Saham Shareholders as Class B Member, the Selling Shareholders shall take such actions as shall be necessary to cause any such representative nominated by the Saham Shareholders to be removed by a resolution of the General Meeting.

Provided no Transfer Trigger Event (as defined here below) has occurred, a vacancy in the total number of the non-executive representatives proposed by Bertelsmann Luxembourg shall be filled by persons proposed by Bertelsmann Luxembourg by a resolution of the General Meeting, and a vacancy in the total number of representatives proposed by the Saham Shareholders shall be filled by persons proposed by the Saham Shareholders by a resolution of the General Meeting, except that a representative who has previously been removed for cause may not be proposed to be appointed to the Supervisory Board, and provided that the remaining members of the Supervisory Board shall be entitled to fill in any such vacancy by person(s) proposed in accordance with the previous paragraph here above, in each case on a temporary basis until the next General Meeting. In connection with each appointment or removal of a representative, the Selling Shareholder proposing a representative or proposing a removal shall give prompt written notice thereof to all the representatives and the other Selling Shareholders.

If the aggregate amount of Shares held directly or indirectly by a parent company of a Selling Shareholder and its affiliates (as defined in the Shareholders' Agreement) (the "**Transferring Group**") falls below fifteen percent (15%) of the then total outstanding Shares (a "**Transfer Trigger Event**"), the Transferring Group shall cease to be entitled to exercise the right to nominate two or five (as applicable) non-executive representatives (including the chairman, if applicable) to the Supervisory Board, provided that, the Transferring Group shall be entitled to nominate one representative who shall be required for a quorum for the transaction of business at any meeting of the Supervisory Board in accordance with the Articles of Association and the rules of the Supervisory Board and further provided that any other representatives nominated by the Transferring Group shall be promptly removed in accordance with the Articles of Association and the rules of the Supervisory Board.

12.2.2 *Transactions and Measures Requiring Prior Consent of the Supervisory Board*

The Management Board requires the prior consent of the Supervisory Board for the transactions and measures for which a prior authorization has not been given by the Supervisory Board. These transactions and measures, which are referred to as "Supervisory Board Consent Matters" in this Prospectus and further described

under “11.2 Management Board”, are set out in the rules of procedure of the Supervisory Board, as published on the Company’s website from time to time.

12.2.3 Committees of the Supervisory Board

The Shareholders’ Agreement provides that the Supervisory Board may establish one or more committees in accordance with the Articles of Association and the rules of procedure of the Supervisory Board, having such composition and authority as the Supervisory Board shall determine, provided that any committee shall consist of at least one representative nominated by the Saham Shareholders and one representative nominated by Bertelsmann Luxembourg (see also “11.4.2 Committee(s) of the Supervisory Board”).

12.2.4 Composition of the Management Board

The Parties have agreed that the Management Board shall be composed of two members: (i) the CEO, who shall be proposed by Bertelsmann Luxembourg after consultation with the Saham Shareholders and appointed by the Supervisory Board, and (ii) the CFO, who shall be proposed by the Saham Shareholders after consultation with Bertelsmann Luxembourg and appointed by the Supervisory Board.

Provided no Transfer Trigger Event has occurred, Bertelsmann Luxembourg shall have the right to propose the removal of the CEO at any time, with or without cause, and the Saham Shareholders shall have the right to propose the removal of the CEO for cause (in which case, each Selling Shareholders shall take action to effect such removal by the Supervisory Board). Provided no Transfer Trigger Event has occurred, in the case of any vacancy in the position of the CEO of the Company, Bertelsmann Luxembourg shall have the right to nominate any successor CEO, except that Bertelsmann Luxembourg may not nominate a CEO who has previously been removed from the Company for cause and provided that any such vacancy may be filled by the Supervisory Board on a temporary basis with any representative nominated by Bertelsmann Luxembourg, in which case Bertelsmann Luxembourg shall be entitled to nominate a person to fill in a vacancy on the Supervisory Board.

Provided no Transfer Trigger Event has occurred, the Saham Shareholders shall have the right to propose the removal of the CFO at any time, with or without cause, and Bertelsmann Luxembourg shall have the right to propose the removal of the CFO for cause (in which case, each Selling Shareholders shall take action to effect such removal by the Supervisory Board). Provided no Transfer Trigger Event has occurred, in the case of any vacancy in the position of the CFO of the Company, the Saham Shareholders shall have the right to nominate any successor CFO, except that the Saham Shareholders may not nominate a CFO who has previously been removed from the Company for cause and provided that any such vacancy may be filled by the Supervisory Board on a temporary basis with any representative nominated by the Saham Shareholders, in which case the Saham Shareholders shall be entitled to nominate a person to fill in a vacancy on the Supervisory Board.

12.2.5 Private Sale to Third Party

The Shareholders’ Agreement provides for a right of first offer in case any Selling Shareholder or their parent company(ies) desires to transfer at least one percent (1%) of the Shares directly or indirectly held by it to any third party in a private sale.

12.2.6 Termination

The Shareholders’ Agreement:

- (i) may be terminated at any time by written agreement between all of the Parties;
- (ii) shall terminate upon all of the Shares being held by (a) one person; or (b) members of the same group to which one of the Selling Shareholders’ parent company belongs;
- (iii) shall terminate with immediate effect upon the expiry of a fifteen (15) year term.

If any of the Selling Shareholders or permitted affiliate transferee (as defined in the Shareholders’ Agreement) holds less than five (5) percent in the share capital of the Company as a consequence of the transfer thereof in accordance with the terms of the Shareholders’ Agreement and the Articles of Association, such Selling Shareholder or permitted affiliate transferee, as applicable, and its respective parent company (as defined in the Shareholders’ Agreement) or ultimate parent (as the case may be), shall cease to be a party for the purposes of the

Shareholders' Agreement; provided that if such parent company or ultimate parent is also the parent company or ultimate parent of another Selling Shareholder or permitted affiliate transferee, such parent company or ultimate parent will continue to be a party for the purposes of the Shareholders' Agreement for so long as that other Selling Shareholders or permitted affiliate transferee continues to hold five (5) percent or more in the share capital of the Company and the Shareholders' Agreement is not terminated in accordance with its terms.

12.2.7 Governing law

The Shareholders' Agreement is governed by and construed in accordance with the laws of Luxembourg.

12.3 Related Party Transactions

In accordance with International Accounting Standard 24 "Related Party Disclosures" ("IAS 24"), transactions with persons or companies that are members of the same group as the Company or that are in control of or controlled by the Company must be disclosed unless they are already included as consolidated companies in the Company's consolidated financial statements. Control exists if a shareholder owns more than half of the voting rights in the Company or, by virtue of an agreement, has the power to control the financial and operating policies of the Company's management. The disclosure requirements under IAS 24 also extend to transactions with associated companies, including joint ventures, as well as transactions with persons who have significant influence over the Company's financial and operating policies, including close family members and intermediate entities. This includes the members of the Management Board and the Supervisory Board and close members of their families, as well as those entities over which the members of the Management Board and the Supervisory Board or their close family members are able to exercise a significant influence or in which they hold a significant share of the voting rights.

Set forth below in is a detailed description of such transactions with related parties for the financial years ended December 31, 2019 and 2020 and up to and including the date of this Prospectus. Business relationships between companies of Majorel Group are not included. Further information with respect to related party transactions, including quantitative amounts, are contained in the notes to the audited consolidated financial statements of the Company as of and for the financial year ended December 31, 2020 as well as the unaudited condensed consolidated interim financial statements of the Company as of and for the six month period ended June 30, 2021, which are all included in this Prospectus in the Section "19. Financial Information" on pages F-1 et seq.

12.3.1 Transactions with Bertelsmann

Bertelsmann is the controlling shareholder of the Company. All entities controlled or jointly controlled by Bertelsmann and upon which Bertelsmann has a significant influence are classified as related parties of the Majorel Group.

We have ongoing commercial relationships and conduct transactions with Bertelsmann and its affiliates in the ordinary course of business on an arm's length basis. These relationships include, among other things, rental and lease contracts as well as advisory, financial and IT services.

12.3.1.1 Sale and Purchase Agreement regarding the Acquisition of the China Business

On January 1, 2021, our wholly owned subsidiary, Majorel Hong Kong Ltd. (as purchaser) ("**Majorel Hong Kong**"), Bertelsmann China Holding GmbH ("**Bertelsmann China**"), a subsidiary of Bertelsmann (as seller), and Bertelsmann (as warrantor) entered into an agreement for the sale and purchase of the China Business (the "**SPA**"), comprising the target companies Shanghai Bertelsmann Commercial Services Co. Ltd. ("**Shanghai Bertelsmann**"), Bertelsmann-Arvato Commercial Services (Shanghai) Co., Ltd., and Shanghai Bertelsmann-Arvato Information Services Co., Ltd (the "**Target Companies**"). The SPA was concluded to supplement three equity transfer agreements that Majorel Hong Kong and Bertelsmann China simultaneously entered into to each govern the sale and purchase of each of the Target Companies. Closing of the transactions took place on January 1, 2021.

Pursuant to the SPA, Majorel Hong Kong acquired all equity interests in the Target Companies, free from third party rights and with full legal and beneficial title and all rights attached to them, including the right to receive all distributions and dividends declared, paid or made in respect of the purchased equity interests. As part of the acquisition of all equity interests in Shanghai Bertelsmann, Majorel Hong Kong gained indirect control in

Shanghai Kaichang Information Technology Co. Limited (“**Kaichang**”), a company that is controlled by Shanghai Bertelsmann via different agreements between Shanghai Bertelsmann, Kaichang and its shareholders. Pursuant to the SPA, Majorel Hong Kong may, in its sole discretion, instruct Shanghai Bertelsmann to instruct the shareholders of Kaichang to transfer or assign their entire shareholdings to another person(s) in Kaichang designated by Majorel Hong Kong.

The SPA contains customary seller warranties by Bertelsmann as warrantor with regard to, among other things, authorizations, valid obligations, the Target Companies and their equity interest, absence of defaults, insolvency, licenses and absence of litigation as well as a number of tax warranties and covenants. As the tax warranties and covenants under the SPA explicitly do not extend to Kaichang, Bertelsmann signed a tax side letter, in which it gives and undertakes certain tax warranties and covenants for the benefit of Majorel Hong Kong. Customary purchaser warranties by Majorel Hong Kong include warranties with regard to, *inter alia*, authorizations, valid obligations, insolvency, available cash to pay the consideration and absence of litigation. In addition, the SPA contains a post-closing covenant with regard to certain customer contracts, obligating both parties to use their best efforts to obtain enforceable written consents for the equity transfer to be granted by the counterparties of the customer agreements that contain change-of-control and/or non-assignment or other provisions restricting the transferability of equity interests in the sold entities.

12.3.1.2 Shareholder Loan 2021

In January 2021, the Company (as borrower) entered into a shareholder loan agreement with Bertelsmann Business Support S.à r.l. (“**BBS**”) (as lender) for an aggregate loan amount of €65.4 million to fund the acquisition of the China Business in accordance with the share purchase agreement between Majorel Hong Kong Ltd. and Bertelsmann China Holding dated January 1, 2021 (the “**Shareholder Loan 2021**”). As of the date of this Prospectus, the Shareholder Loan 2021 has been fully drawn. The Shareholder Loan 2021 bears interest in the amount of 1.50% per annum, calculated on the basis of actual days and actual days elapsed.

The Shareholder Loan 2021 is unsecured. Under the Shareholder Loan 2021, the Company is neither allowed to create, or permit to subsist, any security over any of our present or future assets as security for any financial indebtedness, subject to certain customary exceptions, among other things, with regard to (i) securities arising by operation of law and in the ordinary course of trading, (ii) securities related to a conditional sale or retention of title arrangement entered into the ordinary course of business, (iii) securities arising under general business conditions in the ordinary course of business, and (iv) securities related to securities lending transactions entered into in the ordinary course of the Company’s treasury activities. Additionally, the Company may not give or issue any guarantee, indemnity, bond or letter of credit.

Furthermore, the Shareholder Loan 2021 provides for customary events of default, including, among others, failure to make payments under the contract when due and payable or any default or the occurrence of an event of default under any material indebtedness (*i.e.*, any financial indebtedness of the Company or its subsidiaries having an aggregate principal amount of more than €10 million). Material indebtedness under the Shareholder Loan 2021 does not include any indebtedness owed to any other member of Majorel Group, or any indebtedness for or in respect of lease contracts, which would, in accordance with IFRS, be treated as balance sheet liability. The Shareholder Loan 2021 also contains a number of covenants, including payment of taxes, compliance with laws, a negative pledge and *pari passu* ranking for the Company’s payment obligations under the loan with the claims of the Company’s other unsecured and unsubordinated creditors.

The maturity date of the Shareholder Loan 2021 is December 30, 2022. However, the Company may, subject to three business days’ prior written notice to BBS, prepay the Shareholder Loan 2021 in full or in part on any business day, in which case we are obliged to pay a break cost of 0.5% of the outstanding loan amount.

As of the date of this Prospectus, the outstanding loan amount under the Shareholder Loan 2021 amounts to €65.4 million.

12.3.1.3 Shareholder Loan

On December 19, 2018, the Company (as borrower), under its former name Reinhard Mohn Luxembourg S.à r.l., entered into a shareholder loan agreement with BBS (as lender), an affiliate of Bertelsmann, for an aggregate loan amount of €20 million to be used for general corporate purposes (the “**Shareholder Loan**”). As of the date of this Prospectus, the Shareholder Loan has been fully drawn. The Shareholder Loan bears interest in the amount of 2.60% per annum, calculated on the basis of actual days and actual days elapsed.

The Shareholder Loan is unsecured. Under the Shareholder Loan, the Company is neither allowed to create, or permit to subsist, any security over any of our present or future assets as security for any financial indebtedness, subject to certain customary exceptions, among other things, with regard to (i) securities arising by operation of law and in the ordinary course of trading, (ii) securities related to a conditional sale or retention of title arrangement entered into the ordinary course of business, (iii) securities arising under general business conditions in the ordinary course of business, and (iv) securities related to securities lending transactions entered into in the ordinary course of the Company's treasury activities. Additionally, the Company may not give or issue any guarantee, indemnity, bond or letter of credit. Furthermore, the Shareholder Loan provides for customary events of default, including failure to make due payments and any financial indebtedness of the Company or its subsidiaries having an aggregate principal amount of more than €10 million. The Shareholder Loan also contains a number of covenants, including payment of taxes, compliance with laws, a negative pledge and *pari passu* ranking for the Company's payment obligations under the loan with the claims of the Company's other unsecured and unsubordinated creditors.

The maturity date of the Shareholder Loan is December 19, 2022. However, the Company may, subject to three business days prior written notice to BBS, prepay the Shareholder Loan in full or in part on any business day, in which case we are obliged to pay a break cost of 0.5% of the outstanding loan amount. In addition, the Shareholder Loan contains a change-of-control provision. If 50% of the Company's issued share capital ceases to be held, directly or indirectly, by either (i) Bertelsmann (or a subsidiary) or (ii) the Saham Shareholders (or an affiliate), the Company has to promptly notify BBS, after which BBS is no longer obliged to fund the Shareholder Loan, and is entitled to cancel the commitment with immediate effect, declare the loan amount due and payable and call for immediate repayment.

As of the date of this Prospectus, the outstanding loan amount under the Shareholder Loan amounts to €20 million.

12.3.1.4 Sale and Transfer of Certain Subsidiaries

On October 20, 2020, Majorel Holding Deutschland GmbH, a fully-owned subsidiary of the Company, sold and transferred its interests in the Sold Companies to MJR Luxembourg S.à r.l., a subsidiary of Bertelsmann, for an aggregate cash consideration of €2 million. The transfer became effective as of October 31, 2020. Net of transaction-related costs, the sale resulted in a loss of a total of €1 million.

In addition, Majorel Holding Deutschland GmbH and MJR Luxembourg S.à r.l. entered into a transitional services agreement pursuant to which Majorel Holding Deutschland GmbH and its affiliates provide certain services to the Sold Companies. The transitional services agreement will terminate once the services under the transitional services agreement are no longer required, which is expected to occur by the end of September 2022.

12.3.1.5 Services Provided by Bertelsmann to Majorel Group

On January 1, 2020, the Company and Bertelsmann entered into a transitional services agreement ("TSA") pursuant to which Bertelsmann and its affiliates provide certain services to Majorel. The TSA is based on an earlier agreement between the Company and Bertelsmann, dated January 4, 2019, under which Bertelsmann and its affiliates provided certain transitional services to Majorel during the year 2019.

Under the TSA, the parties will enter into individual statements of work ("SOW") which will describe the deliverables and services to be provided under the TSA, the specifications, acceptance, criteria, prices, delivery locations, delivery lead-times, and other terms and conditions applicable to those services. The consideration to be paid for the services is to be agreed in the relevant SOW. The TSA merely specifies that the remuneration will be fixed and may generally not be adjusted to account for increases or decreases in the relevant service provider's costs of providing the applicable services.

The TSA has an indefinite term, but either party may terminate the TSA subject to six months' prior written notice with effect to the end of each calendar year. The SOW issued under the TSA generally have an indefinite period of time and can be terminated subject to three months' prior written notice with effect to the end of each calendar year, and, if a different termination date has been agreed, subject to six months' prior written notice to such termination date. If the TSA is terminated, any SOW that does not include a separate termination date will terminate simultaneously with the TSA. If an SOW provides for a separate termination date, such SOW will terminate at the respective next termination date without requiring a termination notice to be sent by either

party. In any case, the parties agreed to meet on an annual basis and discuss in good faith whether an SOW will be terminated by the end of the relevant year or on a specific termination date set forth in the applicable SOW. Generally, the TSA and each SOW may be terminated for cause prior to the expiration of any applicable term in case of in case of a breach of contract or bankruptcy. In addition, Bertelsmann may terminate the TSA if Bertelsmann, directly or indirectly, holds less than 50% of the capital and voting rights in the Company.

As of the date of this Prospectus, we entered into different SOW with Bertelsmann or its affiliates with respect to:

- **IT services**, which include, among others, group IT sourcing activities (*e.g.*, IT procurement for hardware, software, services and communication; conducting market analyses) and software asset management (*e.g.*, ensuring license compliance for Bertelsmann corporate contracts; SAP license governance and management);
- **Finance services**, which include, among others, the preparation of the Company's consolidated financial statements, accounting services and SAP application support, tax support (*e.g.*, tax governance, tax reporting, income tax returns and tax advice), FX (foreign exchange) management, banking and cash management, support with respect to reporting requirements as well as management, brokerage and placement of our insurance contracts; and
- **Business support services**, which include, among others, real estate management (*e.g.*, market and location analysis; area research; negotiation of leases and drafting or review of leases), procurement of energy and facility services, fleet management services, procurement of external personnel services, corporate audits for banking and insurance clients according to Section 25c of the German Banking Act (*Kreditwesengesetz*) and legal assistance (with regard to corporate law and anti-trust services).

In addition, we entered into different SOW with regard to IT services, legal assistance (other than described above), HR controlling, travel management and human resources procurement as well as information services that were either terminated prior to the Private Placement or will be terminated by the end of 2021. The SOW under the TSA are applied either at central level or locally in the regions we operate in.

Furthermore, we entered into a separate contract with Arvato Systems GmbH, a Bertelsmann affiliate, which provides certain IT services with regard to our COVID-19 Business. The main services under the contract with Arvato Systems GmbH will expire on December 31, 2021.

12.3.1.6 Services Provided by Majorel Group to Bertelsmann

On January 1, 2020, the Company and Bertelsmann entered into a transitional services agreement pursuant to which Majorel Group provides to Bertelsmann and its affiliates certain services from and after January 1, 2020. The content of the agreement is the same as the TSA, with an indefinite term, termination options subject to six months' notice with effect to the end of each year, and a right of Bertelsmann to terminate the agreement if Bertelsmann, directly or indirectly, holds less than 50% of the capital and voting rights within the Company.

As of the date of this Prospectus, we have entered into some SOW with Bertelsmann affiliates according to which we provide certain IT and cafeteria services to the Bertelsmann affiliates.

12.3.2 Transactions with Saham

We have ongoing commercial relationships and conduct transactions with Saham in the ordinary course of business on an arm's length basis. These relationships include, among other things, rental and lease contracts and advisory services.

In 2019, we paid back a bank guarantee in an amount equivalent to €1.6 million which we had received in prior years from Saham towards Pioneers Outsourcing Company Limited. In addition, we received guarantees from Saham towards one of our fully-owned subsidiaries in the amount of approximately €2 million during the financial year 2020.

In addition, the Company received a capital contribution in the amount of less than €1 million from Saham in the financial year 2020.

12.3.3 Cost Reimbursement Agreement

The Selling Shareholders, Bertelsmann and the Company entered into a cost reimbursement agreement (“**Cost Reimbursement Agreement**”) pursuant to which the Selling Shareholders, Bertelsmann and the Company will share and reimburse each other, as the case may be, for certain costs and expenses incurred in connection with the preparation of the Private Placement and Admission. According to the Cost Reimbursement Agreement, the Selling Shareholders will reimburse the Company for costs incurred by the Company in relation to the Private Placement and Admission. The Company agreed to reimburse Bertelsmann for costs borne by Bertelsmann for the benefit of the Company in relation to certain advisory services. The costs and expenses to be borne by the Selling Shareholders under the Cost Reimbursement Agreement will be split among the Selling Shareholders pro rata according to their respective shareholding in the Company.

The costs and expenses to be shared and reimbursed under the Cost Reimbursement Agreement on such basis include, in particular, certain fees of external advisors, costs and expenses of the Underwriters (excluding fees, costs and expenses charged by the Underwriters in connection with the Selling Shareholders’ selling of the Placement Shares, which will be borne by the Selling Shareholders), costs for the comfort letters and audit costs caused by the Private Placement and Admission. The cost reimbursement obligations under the Cost Reimbursement Agreement remain unaffected if the Private Placement and/or Admission is postponed or cancelled.

12.3.4 Working Capital Facility Agreement

On January 4, 2019, the Company, as borrower, and Bertelsmann and Saham Outsourcing, as lenders, entered into a working capital facility agreement (“**WC Facility**”). Under the WC Facility, Bertelsmann and Saham Outsourcing agreed to make available to the Company a working capital facility with an aggregate committed amount of €40.0 million. The interest rate per annum of loans granted under the WC Facility consisted of a margin of 2.30% (and 4.00% during an event of default) added to the relevant EURIBOR as defined in the WC Facility. In addition, the WC Facility provided for a commitment fee equal to 0.80% per annum of the actual daily unused portion of the aggregate committed amount payable by the Company to Bertelsmann and Saham Outsourcing on a pro rata basis.

The WC Facility contained customary warranties and representations made by the Company, including a representation that the loans under the WC Facility will be used solely for general corporate purposes. The WC Facility also included a number of covenants with respect to, among other things, certain reports to be made available by the Company to the lenders, payment of taxes, maintenance of properties, insurance and compliance with applicable laws as well as a negative pledge. Besides customary termination rights upon the occurrence of an event of default, each lender was granted the right to request the cancellation of all commitments and outstanding loans with immediate effect upon the occurrence of a change of the Company’s shareholder structure.

The WC Facility was valid until December 2019. The Company repaid the only draw from the Facility on December 31, 2019.

12.3.5 Transactions with Associates

In the financial year ended December 31, 2020, we provided a loan in the amount of US\$ 675,000 to Ecco Gulf WLL, a joint venture between the Company and Aamal Co. As of the date of this Prospectus, the loan has not been repaid.

12.3.6 Relationships with Members of the Management Board and Supervisory Board

For more information on the relationships with the members of the Management Board, see “11.2.2 Remuneration and Other Benefits of the Members of the Management Board” and “11.2.3 Shareholdings of the Members of the Management Board in the Company”.

For more information on the relationships with the members of the Supervisory Board, see “11.4.3 Contractual Arrangements with the Members of the Supervisory Board” and “11.4.4 Compensation and Other Benefits of the Members of the Supervisory Board”.

13. GENERAL INFORMATION ON THE COMPANY AND MAJOREL GROUP

13.1 Formation, Incorporation, Commercial Name and Registered Office

The Company was incorporated on September 12, 2018 in the form of a private limited liability company (*société à responsabilité limitée, S.à r.l.*) under the name Reinhard Mohn Luxembourg S.à r.l. Its legal and commercial name is Majorel Group Luxembourg S.A., it operates under the laws of Luxembourg, it is registered with the Luxembourg Register of Commerce and Companies (*Registre de commerce et des sociétés, Luxembourg*) under number B 227626 and LEI is 529900M90DFPXG97IJ03. The Company's registered office is at 43, Boulevard Pierre Frieden, L-1543 Luxembourg, Luxembourg, and its telephone number is +352 42142 5602. The Company's website is www.majorel.com.

On December 20, 2018, the Extraordinary General Meeting of the Company resolved to increase the Company's share capital through the issue of three thousand (3,000) shares with a nominal value of one Euro (€1.00) each, with effect as of December 31, 2018, at midnight, against contribution of certain Bertelsmann CRM entities. For further information on the contribution of the Selling Shareholders, see "13.2 Contribution of the CRM Businesses".

By resolution of the Extraordinary General Meeting of January 4, 2019, the Company's legal name was changed from Reinhard Mohn Luxembourg S.à r.l. to ACR – Advanced Customer Relation S.à r.l.

On August 30, 2019, the Extraordinary General Meeting of the Company resolved to adopt new articles of association, which included the conversion of the Company's legal form to that of a public limited company (*société anonyme, S.A.*), the adoption of a two-tier governance structure consisting of the Management Board and the Supervisory Board and the change of the Company's legal name to its current name "Majorel Group Luxembourg S.A.".

On September 17, 2021, the Extraordinary General Meeting of the Company eventually resolved to adopt the current Articles of Association of the Company. The minutes of the Extraordinary General Meeting of the Company held on September 17, 2021, including the Articles of Association in their current form are published in the Luxembourg legal electronic gazette (*Recueil Électronique des Sociétés et Associations*) ("RESA").

13.2 Contribution of the CRM Businesses

On January 4, 2019, Saham Outsourcing Services Fund S.A., Saham Outsourcing, Saham Real Estate Fund S.A., Saham International S.à r.l., Saham Customer Relationship Investments S.à r.l., Reinhard Mohn GmbH, Bertelsmann, Bertelsmann Luxembourg and the Company completed the combination of Saham's and Bertelsmann's CRM businesses and their venture Phone Group pursuant to a contribution agreement entered into in September 2018, which was subsequently amended several times (the "Contribution Agreement"). Under the Contribution Agreement, the parties agreed that the Company will act as the holding company of the new venture and that Bertelsmann and Saham each will hold a direct or indirect equity interest of 50% in the Company. The parties further agreed that the Company will be a fully consolidated subsidiary of Bertelsmann. In connection with the establishment of the venture, Bertelsmann carved out certain Bertelsmann (arvato) entities engaged in the CRM business and contributed the carved-out Bertelsmann CRM entities to the Company in consideration for shares in the Company. Saham also contributed its CRM business, including, among others, ECCO Outsourcing and Pioneers Outsourcing, to the Company in exchange for shares in the Company. In addition, Bertelsmann and Saham contributed their venture Phone Group to the Company. While the establishment of the new venture was completed as of January 2019, a number of minor steps, including the transfer of legal ownership of certain Bertelsmann and Saham entities, were carried out after January 2019 with one remaining transaction still required to be completed as of the date of this Prospectus.

The Contribution Agreement includes customary representations and warranties by the parties with regard to, among others, authorizations, valid obligations, consents, insolvency, financial matters, regulatory matters, litigation and proceedings, IP/IT, real estate, employment. In addition, the Contribution Agreement contains a number of tax warranties and covenants. Except for certain enhanced warranties (regarding compliance, pension plans, social security), fundamental warranties (regarding authorizations, no insolvency) and tax warranties, all warranties, representations and covenants under the Contribution Agreement have already expired to the extent legally possible. In August 2021, the Company sent three tax notices to the Saham Shareholders and two tax notices to Bertelsmann Luxembourg regarding potential tax indemnity claims under the Contribution Agreement; while the Company considers the prospects of success of such potential claims to be limited, the tax

notices were sent to meet the notice requirements under the Contribution Agreement. In addition, the Company notified Bertelsmann Luxembourg of a potential tax refund in favor of Bertelsmann.

13.3 Financial year and Duration

The Company's financial year is the calendar year. The Company has been established for an unlimited duration.

13.4 History of Majorel

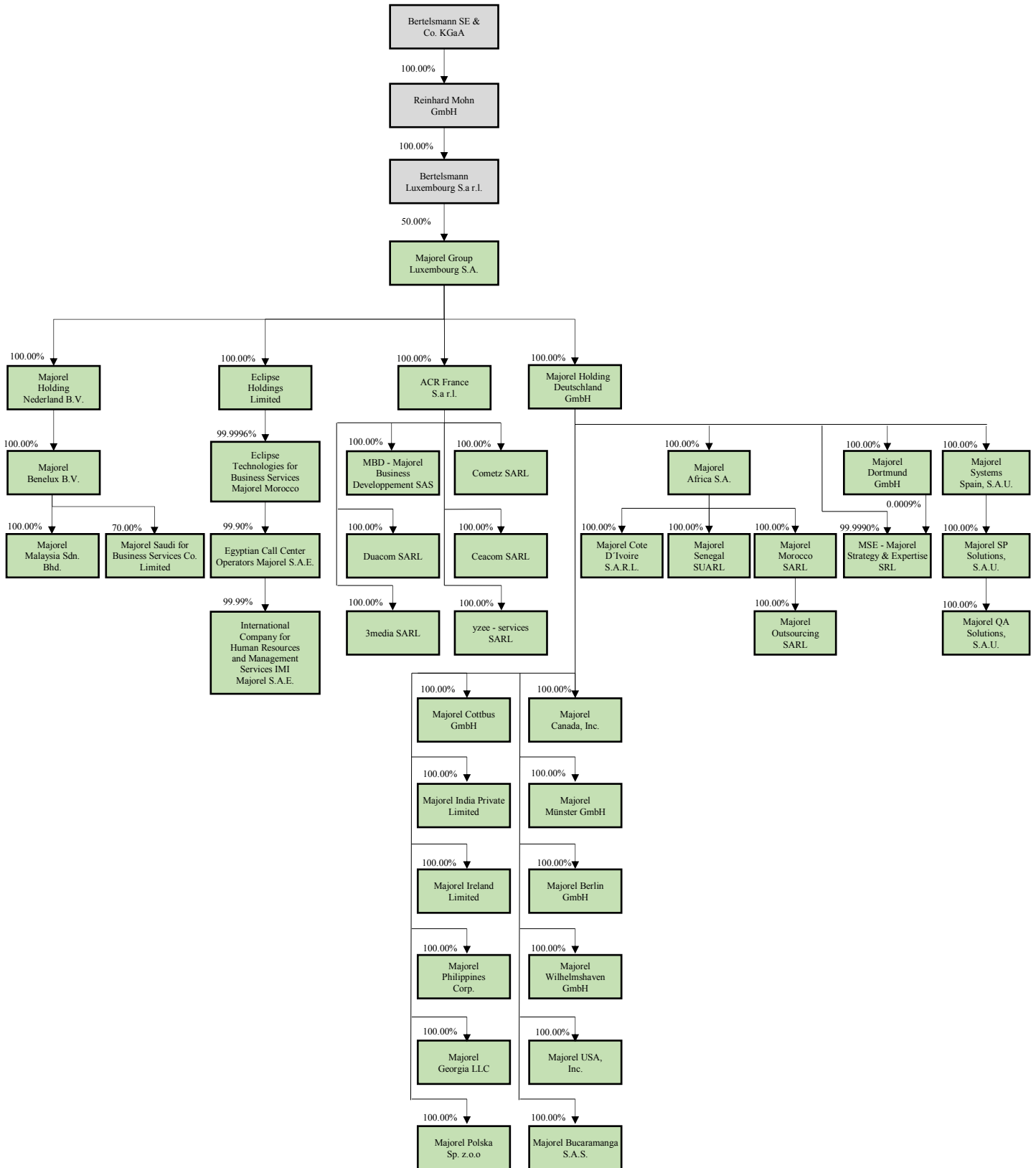
The history of Majorel Group dates back to September 12, 2018, when the Company was founded and at the beginning of 2019 established as a venture between Bertelsmann Luxembourg and the Saham Shareholders with their respective subsidiaries forming the Majorel Group and the Company serving as its parent holding company. Certain highlights of our history include the following:

January 2019	Appointment of Thomas Mackenbrock as CEO and Otmame Serraj as CFSO and launch of operations under the Company's legal name ACR – Advanced Customer Relation S.à r.l.
August 2019	Change of the Company's legal form to a public limited company (<i>société anonyme</i>), adoption of a two-tier governance structure (Management Board and Supervisory Board) and change of the legal name to Majorel Group Luxembourg S.A.
January 2021	Acquisition of the China Business.

13.5 Group Structure

The Company is the parent company of the Majorel Group. The Majorel Group's business is conducted by the Company and its various subsidiaries. The Majorel Group comprises all companies whose financial and business policy can be controlled by the Company, either directly or indirectly, and the equity interests of the Majorel Group whose financial and business policy can be influenced by the Company to a significant extent.

The following diagram provides an overview (in simplified form) of the Majorel Group's structure as of the date of this Prospectus:



13.6 Significant Subsidiaries

The following table presents an overview of the Company's significant subsidiaries:

As of June 30, 2021			
Country	Equity interest of the Group (in %) (unaudited)	Issued capital	
3media SARL	France	100	EUR 50,000.00
Ceacom SARL	France	100	EUR 100,000.00
Cometz SARL	France	100	EUR 1,268,000.00
Duacom SARL	France	100	EUR 10,000.00
Egyptian Call Center Operators Majorel S.A.E.	Egypt	100	EGP10,000,000.00
Majorel Berlin GmbH	Germany	100	EUR 25,000.00
Majorel Bucaramanga S.A.S.	Colombia	100	COP 721,625,000.00
Majorel Canada, Inc.	Canada	100	CAD 1,000.00
Majorel Cote D'Ivoire S.A.R.L.	Cote d'Ivoire	100	XOF 330,000,000.00
Majorel Cottbus GmbH	Germany	100	EUR 25,000.00
Majorel Dortmund GmbH	Germany	100	EUR 25,565.00
Majorel Georgia LLC	Georgia	100	GEL 1,810,270.00
Majorel Holding Deutschland GmbH	Germany	100	EUR 48,000.00
Majorel Holding Nederland B.V.	Netherlands	100	EUR 1.00
Majorel India Private Limited	India	100	INR 29,871,200.00
Majorel Ireland Limited	Ireland	100	EUR 9,129,840.20
Majorel Malaysia Sdn. Bhd.	Malaysia	100	MYR 1,500,000.00
Majorel Morocco SARL	Morocco	100	MAD 6,355,500.00
Majorel Münster GmbH	Germany	100	EUR 25,000.00
Majorel Outsourcing SARL	Morocco	100	MAD 3,000,000.00
Majorel Philippines Corp.	Philippines	100	PHP 9,045,500.00
Majorel Polska Sp. z o.o.	Poland	100	PLN 39,895,950.00
Majorel QA Solutions, S.A.U.	Spain	100	EUR 180,303.63
Majorel Real Estate GmbH	Germany	100	EUR 25,000.00
Majorel Saudi for Business Services Co. Limited	Saudi Arabia	70	SAR 15,000,000.00
Majorel Senegal SUARL	Senegal	100	XOF 330,000,000.00
Majorel SP Solutions, S.A.U.	Spain	100	EUR 628,628.64
Majorel USA, Inc.	USA	100	USD 1,000.00
Majorel Wilhelmshaven GmbH	Germany	100	EUR 25,565.00
MBD - Majorel Business Developpement SAS	France	100	EUR 320,000.00
MSE - Majorel Strategy & Expertise SRL	Romania	100	RON 1,040,010.00
yzee - services SARL	France	100	EUR 2,440,964.00

13.7 Auditor

KPMG Luxembourg, *Société coopérative*, located at 39, Avenue John F. Kennedy, L-1855 Luxembourg, Luxembourg has audited and issued an unqualified ISA audit opinion on the Financial Statements as of and for the years ended December 31, 2020 and December 31, 2019, as included elsewhere in this Prospectus. KPMG Luxembourg is a member of the *Luxembourg Institut Des Réviseurs d'Entreprises*.

14. DESCRIPTION OF THE SHARE CAPITAL AND CORPORATE GOVERNANCE

Set out below is an overview of certain information concerning the share capital of the Company and certain significant provisions of Luxembourg corporate law, and a brief overview of certain provisions of the Articles of Association (as they shall read as of the Settlement Date).

This overview does not purport to give a complete overview and should be read in conjunction with the Articles of Association, or with relevant provisions of Luxembourg law and Dutch law, and does not constitute legal advice regarding these matters and should not be considered as such. The full text of the Articles of Association is available, in English and German, at the Company's registered office in Luxembourg, Grand Duchy of Luxembourg during regular business hours as well as on the Company's website www.majorel.com (see "2.7 Available Information").

14.1 Corporate Purpose

The corporate purpose of the Company is as set out in full in Article 2 of the Articles of Association:

- The purpose of the Company is the acquisition, holding, management and disposal of participations and any interests, in Luxembourg or abroad, in any companies and/or enterprises in any form whatsoever. The Company may in particular acquire by subscription, purchase and exchange or in any other manner any stock, shares and other participation securities, bonds, debentures, certificates of deposit and other debt instruments and more generally, any securities and financial instruments issued by any public or private entity. It may participate in the creation, development, management and control of any company and/or enterprise. It may further invest in the acquisition and management of a portfolio of patents or other intellectual property rights of any nature or origin.
- The Company may borrow in any form. It may issue notes, bonds and any kind of debt and equity securities. The Company may lend funds, including without limitation, resulting from any borrowings of the Company and/or from the issue of any equity or debt securities of any kind, to its Subsidiaries or affiliated companies.
- The Company may further guarantee, grant security in favor of or otherwise assist the companies in which it holds a direct or indirect participation or which form part of the same group of companies as the Company. The Company may further give guarantees, pledge, transfer or encumber or otherwise create security over some or all of its assets to guarantee its own obligations and those of any other Subsidiary or affiliated company, and generally for its own benefit and that of any other Subsidiary or affiliated company. For the avoidance of doubt, the Company may not carry out any regulated activities of the financial sector without having obtained the required authorization.
- The Company may use any techniques and instruments to manage its investments efficiently and to protect itself against credit risks, currency exchange exposure, interest rate risks and other risks.
- The Company may, for its own account as well as for the account of third parties, carry out any commercial, financial or industrial operation (including, without limitation, transactions with respect to real estate or movable property) which may be useful or necessary to the accomplishment of its purpose or which are directly or indirectly related to its purpose.

14.2 Share Capital

14.2.1 History of Share Capital

The Company was incorporated under the laws of Luxembourg on September 12, 2018 with a share capital of three hundred thousand Euro (€300,000.00), represented by three hundred thousand (300,000) shares with a nominal value of one Euro (€1.00) each. The Shares have been created under the laws of Luxembourg.

The Company's share capital was increased on December 20, 2018, from its then-current amount of three hundred thousand Euro (€300,000.00) represented by three hundred thousand (300,000) shares with a nominal value of one Euro (€1.00) each up to three hundred three thousand Euro (€303,000.00) through the issue of three thousand (3,000) shares with a nominal value of one Euro (€1.00) each, with effect as of December 31, 2018, at midnight.

The Company increased its share capital on January 4, 2019, from its then-current amount of three hundred three thousand Euro (€303,000.00) represented by three hundred three thousand (303,000) shares with a nominal value of one Euro (€1.00) each up to four hundred four thousand Euro (€404,000.00) through the issue of one hundred one thousand (101,000) shares with a nominal value of one Euro (€1.00) each.

The number of shares outstanding on January 1, 2020 and on December 31, 2020 (*i.e.*, 404,000 registered shares, all fully paid up) remained unchanged.

The Company last increased its share capital on September 6, 2021, from its then-current amount of four hundred four thousand Euro (€404,000.00) represented by four hundred four thousand (404,000) shares with a nominal value of one Euro (€1.00) each up to one million Euro (€1,000,000.00) through the issue of five hundred ninety-six thousand (596,000) shares with a nominal value of one Euro (€1.00) each, and, on the same date, deleted the nominal value and increased the number of the shares forming its share capital, so that the latter, of an amount of one million Euro (€1,000,000.00) is now represented by one hundred million (100,000,000) Shares with an accounting par value of one Eurocent (€0.01) each. No additional Shares will be issued prior to Settlement.

The Shares have been created in registered form under the laws of Luxembourg. As of the date of this Prospectus, all of the Shares have been fully paid up.

14.2.2 Authorized Capital

As of the date of this Prospectus, pursuant to Article 6.1 of the Articles of the Association, the Company's authorized capital, excluding the issued share capital, is set at two million Euro (€2,000,000.00), represented by two hundred million (200,000,000) Shares having an accounting par value of one Eurocent (€0.01) each (the "**Authorized Capital**").

Pursuant to the Articles of Association, the Management Board is authorized, with the prior consent of the Supervisory Board (being a Supervisory Board Consent Matter requiring the positive vote of one (1) Class B Member), for a period starting on the date of publication in the RESA of the minutes of the Extraordinary General Meeting held on September 6, 2021) and ending on the fifth (5th) anniversary of the date of such publication, without prejudice to any renewals, to issue Shares within the limits of the Authorized Capital, it being understood, that any issuance of such instruments will reduce the available Authorized Capital accordingly.

Pursuant to Article 6.2 of the Articles of Association, the Authorized Capital may be increased or reduced by a resolution of the General Meeting adopted in the manner required for an amendment of the Articles of Association. The authorization given by the General Meeting to the Management Board may be renewed through a resolution of the General Meeting adopted in the manner required for an amendment of the Articles of Association and subject to the provisions of the 1915 Law, each time for a period not exceeding five (5) years.

The Management Board is authorized, subject to receiving the prior written approval of the Supervisory Board, to determine the conditions of any share capital increase including through contributions in cash or in kind, by the incorporation of reserves, issue premiums or retained earnings, with or without the issue of new Shares, or following the issue and the exercise of subordinated or non-subordinated bonds, convertible into or repayable by or exchangeable for Shares (whether provided in the terms at issue or subsequently provided), or following the issue of bonds with warrants or other rights to subscribe for Shares attached, or through the issue of stand-alone warrants or any other instrument carrying an entitlement to, or the right to subscribe for, Shares.

The Management Board is authorized, subject to receiving the prior written approval of the Supervisory Board, to set the subscription price, with or without issue premium, the date from which the Shares or other financial instruments will carry beneficial rights and, if applicable, the duration, amortization, other rights (including early repayment), interest rates, conversion rates and exchange rates of the aforesaid financial instruments as well as all the other conditions and terms of such financial instruments including as to their subscription, issue and payment, for which the Management Board may make use of Article 420-23 paragraph 3 of the 1915 Law.

The Management Board is authorized, subject to receiving the prior written approval of the Supervisory Board, to limit or exclude the preferential subscription rights of existing Shareholders set out in the 1915 Law.

14.2.3 Shareholders Register

The Shares are in registered form but may be converted into dematerialized form in accordance with the 1915 Law. The Shares will be in book-entry form and will be accepted for delivery through the book-entry facilities of Euroclear Nederland (see “15.8 Delivery, Clearing and Settlement”).

The Shares are indivisible and the Company recognizes only one owner per Share. A register of Shares is kept at the Company’s registered office and can be examined by any shareholder on request.

For shares as referred to in the Dutch Securities Giro Transactions Act (*Wet giraal effectenverkeer*), including the Shares, which belong to (i) a collective depot as referred to in that Act, of which shares form part, as being kept by an intermediary as referred to in that Act or (ii) a giro depot as referred to in that Act of which shares form part, as being kept by a central institute as referred to in the Act, the name and address of the intermediary or the central institute will be entered in the shareholders’ register, stating the date on which those Shares became part of such collective depot or giro depot, the date of acknowledgment by or giving of notice to, as well as the paid-up amount on each Share. The Company will permit the persons on whose behalf the Shares are recorded in the shareholders’ register in the name of the intermediary or the central institute to exercise the rights attached to the Shares corresponding to their book-entry interests, including admission to and voting at General Meetings.

14.2.4 Issuance of Shares and Pre-Emptive Rights

The General Meeting (or the Management Board within the limits of the Authorized Capital, subject to the prior approval of the Supervisory Board) may from time to time issue Shares.

The General Meeting may issue Shares by a resolution adopted by the General Meeting in the manner required for the amendment to the Articles of Association and accordingly amend the Articles of Association to reflect the increase of the issued share capital.

Subject to the provisions of the 1915 Law, each shareholder shall have a preferential right of subscription in the event of the issue of new shares in return for contributions in cash. Such preferential right of subscription shall be proportional to the fraction of the issued share capital represented by the Shares held by each shareholder.

The right to subscribe for Shares may be exercised within a period determined by the Management Board which, unless applicable law provides otherwise, may not be less than 14 days from opening of the subscription period, which will be announced in a notice setting such subscription period which will be published in the RESA as well as a newspaper published in Luxembourg. The Management Board may decide (i) that Shares corresponding to preferential subscription rights which remain unexercised at the end of the subscription period may be subscribed for by or placed with such person or persons as determined by the Management Board, or (ii) that such unexercised preferential rights may be exercised in priority in proportion to the issued share capital represented by their Shares, by the existing shareholders who already exercised their rights in full during the preferential subscription period. In each such case, the terms of the subscription by or placement with such person or the subscription terms of the existing shareholders shall be determined by the Management Board.

The preferential subscription right may be waived by the relevant shareholder and may as well be limited or excluded by a resolution of the General Meeting in accordance with applicable law.

The Management Board may, subject to the prior approval of the Supervisory Board, increase the share capital by the issue of Shares within the limits of the Authorized Capital and exclude or restrict the preferential subscription rights of the shareholders in relation to such increase to the extent such right was limited or suppressed by the Extraordinary General Meeting (as defined below). This authorization is valid for the period having started on the date of publication in the RESA of the notarial deed dated September 6, 2021 recording the resolutions of the Extraordinary General Meeting (as defined below) approving the amendment of provisions relating to the Authorized Capital and ending on the fifth (5th) anniversary of the date of publication of said notarial deed in the RESA. Any proposal to the Extraordinary General Meeting (as defined below) to limit or suppress the preferential subscription right must (i) be specifically announced in the convening notice and (ii) be justified in a written report of the Management Board to the Extraordinary General Meeting, indicating, in particular, the proposed subscription price for the new shares. This written report must be made available to the public at the Company’s registered office, and on its website.

Issuance of shares to banks or other financial institutions to be offered to the shareholders of the Company in accordance with the decision relating to the increase of the subscribed capital does not constitute an exclusion of the preferential subscription rights pursuant to the 1915 Law.

The Authorized Capital may be renewed, increased, reduced or revoked by a resolution of the General Meeting adopted in the manner required for an amendment to the Articles of Association, and in respect of a renewal or increase on each occasion for a period not exceeding five years (see “14.6 Amendment of the Articles of Association”).

14.2.5 Ranking and Dividends

The Shares (i) rank *pari passu* in all respects and (ii) are eligible for any dividends which the Company may declare on its Shares (see “4. Dividends and Dividend Policy”).

14.2.6 Currency of the Shares

The Shares are denominated in Euros.

14.2.7 Form and Certification of the Shares

All of the Shares are registered shares with an accounting par value of one Eurocent (€0.01). A register of registered shares shall be kept at the registered office of the Company, where it shall be available for inspection by any of the Company’s shareholders. This register shall contain all the information required by the Luxembourg law of 10 August 1915 on commercial companies, as amended from time to time. Ownership of Shares is established by registration in said share register. Certificates evidencing registrations made in the register with respect to a shareholder shall be issued upon request and at the expense of the relevant shareholder. All Shares provide holders thereof with the same rights and no shares provide any additional rights or advantages.

14.2.8 Transferability of Shares

There are no restrictions on the free transferability of the Shares. Except for the restrictions outlined in Section “16.3 Lock-up Arrangements”, there are no prohibitions on disposals or restrictions with respect to the transferability of the Shares.

14.2.9 Repurchase of Shares in the Capital of the Company

The Company does not currently hold any of its own Shares, nor does a third party on behalf of the Company. The Company has not issued any convertible securities, exchangeable securities or securities with warrants.

According to the 1915 Law and without prejudice to applicable laws on market abuse and the principle of equal treatment of shareholders, the Company and its subsidiaries as referred to in the 1915 Law may, directly or through a person acting in its own name but on the Company’s behalf, acquire its own Shares subject to the following conditions:

- an authorization to acquire the Shares shall be given by the General Meeting which shall determine the terms and conditions of the proposed acquisition and in particular the maximum number of shares to be acquired, the duration of the period for which the authorization is given and which may not exceed five years and, in case of acquisition for value, the maximum and the minimum consideration (this condition must not be respected in the case where the acquisition of its own Shares by the Company is necessary in order to prevent serious or imminent harm to the Company, or if the acquisition of its own Shares by the Company is made for the sole purpose of distributing these Shares to the staff of the Company);
- the acquisitions, including Shares previously acquired by the Company and held by it as well as shares acquired by a person acting in its own name but on behalf of the Company, must not have the effect of reducing the net assets below the aggregate of the issued capital and the reserves which may not be distributed under law or the Articles of Association; and
- only fully paid-up Shares may be included in the transaction.

The Management Board shall ensure that, at the time of each authorized acquisition, the conditions referred to in the second and third bullet are always complied with.

In principle, the Company has no obligation to sell or cancel the Shares so acquired and held by the Company in treasury. According to the 1915 Law, the Company may, under certain circumstances acquire its own Shares without respecting the conditions listed above, but such transaction may never have the effect of reducing the net assets below the aggregate of the subscribed capital and the reserves which may not be distributed under law.

Except where such Shares are repurchased pursuant to a decision to reduce the issued share capital of the Company or where such Shares are redeemable shares, such Shares shall either be sold or canceled after three years as from the date of their acquisition unless the accounting par value of the Shares acquired, including Shares which the Company may have acquired through a person acting in its own name, but on behalf of the Company, does not exceed 10% of the issued share capital.

The voting rights of Shares held in treasury are suspended and they are not taken into account in the determination of the quorum and majority for General Meetings. The Management Board is authorized to suspend the dividend rights attached to Shares held in treasury.

Subject to the provisions of the 1915 Law, redeemable Shares may be issued on terms that they are to be redeemed at the option of the Company or the holder, and the General Meeting may determine the terms, conditions and manner of redemption of any such Shares.

14.2.10 Reduction of Share Capital

The issued share capital of the Company may be reduced by a resolution of the Extraordinary General Meeting (as defined below), subject to compliance with the applicable rules for the amendment of the Articles of Association. See “*14.6 Amendment of the Articles of Association*”.

In case of a share capital decrease all shareholders have the right to participate pro-rata in the share capital reduction. If the Extraordinary General Meeting resolves to reduce the issued share capital by repaying shareholders or by waiving the shareholders’ obligation to pay up the Shares held by them, creditors whose claims predate the publication in the RESA of the minutes of the General Meeting may, within 30 days from such publication, apply for the constitution of security to the judge presiding the chamber of the local court dealing with commercial matters and sitting as in urgency matters. No repayment may be made or waiver given to the shareholders until the creditors have obtained satisfaction or until the judge presiding the chamber of the local court has dismissed their claims. No creditor protection rules apply in the case of a reduction in the subscribed capital for the purpose of offsetting losses incurred which are not capable of being covered by means of other own funds or to include sums in a reserve provided that such reserve does not exceed 10% of the reduced subscribed capital.

14.2.11 Dividends and Other Distributions

There are no fixed dates on which a shareholder is entitled to receive a dividend. The Company may declare and pay dividends in accordance with the 1915 Law. Dividends may be declared by the General Meeting upon approval of the annual financial statements for the immediately preceding financial year.

Dividends may be declared or paid in cash as well as in-kind including by way of issuance of Shares. The amount of a dividend declared by the General Meeting upon approval of the annual financial statements may not exceed the amount of the Company’s unconsolidated profits at the end of the last financial year plus any profits carried forward and any amounts drawn from reserves which are available for that purpose, less any losses carried forward and sums to be placed in reserve in accordance with the law or the Articles of Association.

The Articles of Association authorize the Management Board to declare and pay interim dividends out of the available unconsolidated net profits, premium or other available reserves of the Company, subject to complying with the conditions required by the 1915 Law.

The 1915 Law and the Articles of Association provide that from the annual net profits of the Company, annually at least 5% shall be allocated to the Company’s legal reserve (the “**Legal Reserve**”). The allocation to the Legal Reserve will cease to be required as soon and as long as the Legal Reserve amounts to 10% of the issued

share capital of the Company. In case of a share capital reduction, the Legal Reserve may be reduced in proportion so that it does not exceed 10% of the issued share capital of the Company.

After allocation to the Legal Reserve and upon recommendation of the Management Board, the General Meeting determines how the annual net profits will be disposed of. The General Meeting may decide to allocate the whole or part of the annual net profits to a reserve or to a provision reserve, to carry it forward to the next following financial year or to distribute it to the shareholders as a dividend.

No dividend or other amounts of money payable on or in respect of a Share shall bear interest required to be paid by the Company. If the Company declares dividends to its shareholders, each shareholder is entitled to receive a dividend in proportion to the amount of its shareholding in the Company. Any dividend unclaimed after a period of five years from the date on which such dividend was declared or became due for payment shall be forfeited and shall revert to the Company according to Article 2277 of the Luxembourg Civil Code. There are no specific dividend restrictions or procedures for non-resident shareholders.

The payment of the dividends to a depository operating principally with a settlement organization in relation to transactions on securities, dividends, interest, matured capital or other matured monies of securities or of other financial instruments being handled through the system of such depository discharges the Company. Said depository will distribute these funds to his depositors according to the number of securities or other financial instruments recorded in their name.

14.3 General Meeting

14.3.1 Ordinary General Meetings and Extraordinary General Meetings

As long as the Shares are admitted to trading on a Regulated Market, General Meetings will be convened in accordance with the provisions of the Luxembourg law of 24 May 2011 on the exercise of certain rights of shareholders in general meetings of listed companies, as amended by the law of 1 August 2019 implementing EU Directive 2017/828 of the European Parliament and of the Council amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement in listed companies (the “**Luxembourg Shareholder Rights Law**”) and the Articles of Association, and in the event that Shares of the Company are listed on a foreign stock exchange, in accordance with the publicity requirements of such foreign stock exchange applicable to the Company.

Luxembourg law distinguishes between ordinary General Meetings and extraordinary General Meetings (“**Extraordinary General Meetings**”) of shareholders. Extraordinary General Meetings are convened to vote on any amendment of the Articles of Association and certain other matters described below and are subject to the quorum and majority requirements described below. All other General Meetings are ordinary General Meetings, to be held at least once a year.

Ordinary General Meetings have no quorum requirements and resolutions can be adopted by a simple majority, irrespective of the number of shares represented.

Extraordinary General Meetings have a quorum requirement of at least 50% of the Company’s issued share capital to which voting rights are attached under the Articles of Association or Luxembourg law, unless otherwise provided by the Articles of Association or mandatorily required by law. If such quorum is not present, a second Extraordinary General Meeting may be convened at a later date with no quorum according to the appropriate notification procedures. Extraordinary resolutions must be adopted at an Extraordinary General Meeting by a two-thirds majority of the votes validly cast on such resolution. Abstentions are not considered votes. Except in case of a merger, a demerger or proceedings assimilated thereto under the 1915 Law, an amendment of the corporate objectives of the Company or its legal form requires in addition the approval by a general meeting of holders of bonds issued by the Company at the majority and quorum provided for by the 1915 Law.

Extraordinary General Meetings are convened to vote on the following matters:

- the exclusion or limitation of preferential subscription rights (to the extent this has not been delegated to the Management Board in respect of any Authorized Capital);
- approving a legal merger or demerger (to the extent required by law);

- the voluntary liquidation of the Company;
- changes to the registered office of the Company to another jurisdiction; or
- an amendment of the Articles of Association, including: (i) an increase or decrease of the Authorized Capital, (ii) an issuance of new shares and the corresponding increase of the share capital or (iii) a reduction of the share capital.

An annual General Meeting shall be held once per year to approve among other things the annual financial statements of the Company.

General Meetings may be convened by the Management Board, the Supervisory Board or the independent auditor(s) of the Company. A General Meeting must also be called upon written request, including an indication of the agenda for such meeting, made to the Management Board by one or more shareholders holding, in aggregate, at least 10% of the voting rights in the General Meeting. In such a case, a General Meeting must be convened and will be held as soon as possible in accordance with the requirements of the Luxembourg Shareholder Rights Law.

If following a request made under the preceding paragraph, a General Meeting is not held in due time, such shareholders may request the president of the district court (*Tribunal d'Arrondissement*) dealing with commercial matters and sitting as in urgency matters to appoint a delegate which will convene the General Meeting.

The annual General Meeting shall be held, in accordance with the Law, within six (6) months of the end of each financial year at the address of the registered office of the Company or at such other place in the Grand Duchy of Luxembourg as may be specified in the convening notice of the General Meeting. Other General Meetings may be held at such place and time as may be specified in the respective convening notices of the General Meeting.

The convening notice of the meeting must be published no later than thirty (30) days, or in case of convening a second meeting due to lack of quorum in the first meeting, seventeen (17) days (provided that (i) the first meeting was properly convened; and (ii) no new item has been added to the agenda), prior to the date of the meeting and must include the agenda for the meeting, including the voting items, the place and time of the meeting, the procedure for participating at the meeting by written proxy-holders, the address of the website of the Company and, if applicable, the procedure for participating at the meeting and exercising voting rights by electronic means of communication. Convening notices must be published in the RESA and in a Luxembourg newspaper and will be published on the website of the Company. Furthermore, the convening notice shall be published through financial media channels to ensure effective dissemination throughout the EEA (i.e. in such media which may reasonably be expected to be relied upon for the effective dissemination of information to the public throughout the EEA, and which are accessible rapidly and on a non-discriminatory basis).

In case the Shares are listed on a foreign stock exchange, the notices will, in addition be published in such other manner as may be required by laws, rules or regulations applicable to such stock exchange from time to time. Each shareholder is entitled to attend a General Meeting, to address such meeting and, to the extent applicable, to exercise its voting rights. Shareholders may vote by proxy or written voting forms as specified in the convening notice. The notice of the meeting may determine that the voting rights may be exercised by means of electronic communication.

Shareholders may only attend the General Meeting and participate in the voting in respect of shares that are registered in their name on the record date as specified in the notice of the meeting. The record date is midnight on the day falling fourteen (14) days prior to the date of the meeting (“**Record Date**”). Each shareholder must notify the Company of its intention to participate at the General Meeting, no later than on the date as set out in the notice of the meeting, which shall not be later than the Record Date. In the case of Shares held through a settlement organization or with a professional depository or sub-depository designated by such depository, a holder of Shares wishing to attend a General Meeting should receive from such operator or depository or sub-depository a certificate certifying the number of Shares recorded in the relevant account on the Record Date. The certificate should be submitted to the Company at its registered address no later than three (3) business days prior to the date of the relevant General Meeting. In the event that the shareholder votes through proxies, the proxy has to be deposited at the registered office of the Company at the same time or with any agent of the Company, duly authorized to receive such proxies. The board may set a shorter period for the submission of the certificate or the proxy.

Shareholders individually or jointly representing at least 5% of the issued share capital have the right to request the Management Board to place items on the agenda of the General Meeting and submit draft resolutions for items included or to be included in the agenda. Such request must be received at least twenty-two (22) days before the relevant General Meeting and be in compliance with the conditions under the 1915 Law and the Articles of Association. The Company shall acknowledge receipt of such requests within forty-eight (48) hours from receipt. In case such requests entail a modification of the agenda of the relevant General Meeting, the Company will make available a revised agenda at least fifteen (15) days prior to the date of the General Meeting.

14.3.2 Voting Rights

Each Share is entitled to one (1) vote at General Meetings. The Management Board may suspend the voting rights of any shareholder in breach of his/her/its obligations as described in the Articles of Association, its subscription agreement, deed of covenant or any relevant contractual arrangement entered into by such shareholder.

To vote at meetings, shareholders entitled to vote must duly evidence their shareholdings as of the Record Date determined in accordance with the Luxembourg Shareholder Rights Law. A shareholder may act at any General Meeting by appointing another person (who need not be a shareholder) as his, her or its proxy in accordance with the provisions of the Luxembourg Shareholder Rights Law.

14.3.3 Information rights

In accordance with the Luxembourg Shareholder Rights Law, the convening notice for the General Meeting and any documents that must be submitted to the General Meeting, such as the consolidated financial accounts, any auditor's reports and any management reports, shall be made available to the shareholders on the Company's website at least 30 days prior to the date of the General Meeting. Shareholders can obtain a copy of the documents upon request by electronic means or at the registered office of the Company.

In accordance with the Luxembourg Shareholder Rights Law, each shareholder has the right to ask questions at the General Meetings related to items on the agenda. The right to ask questions and the obligation of the Company to answer are subject to the measures taken by the Company to ensure the identification of shareholders, the good order of the General Meeting and its preparation as well as the protection of confidentiality and business interests of the Company.

One or more shareholders representing at least 10% of the share capital or 10% of the votes attached to all existing securities, either individually or by forming a group of any form whatsoever, may ask the Management Board questions in writing on the Company's management operations or those of other companies which it controls within the meaning of the 1915 Law. In the latter case, the request must be assessed with regard to the interests of the companies included in the consolidation requirements. A copy of the reply must be sent to the person responsible for auditing the accounts. Failing a reply within one month, those shareholders may request the president of the chamber of the Luxembourg district court dealing with commercial matters, ruling as in summary proceedings, to appoint one or more experts to prepare a report on the management operations referred to in the written request. If the request is accepted, the ruling will determine the experts' powers and the extent of their mission. It may charge the related costs to the Company. The court decides whether the report should be published.

14.4 X Principles of Corporate Governance of the Luxembourg Stock Exchange

As a Luxembourg public limited company (*société anonyme*) whose shares will be listed and admitted to trading on Euronext Amsterdam, the Company is not required to comply with the "Ten Principles of Corporate Governance" adopted by the Luxembourg Stock Exchange (www.bourse.lu/corporate-governance), as last revised in 2017 (the "**X Principles**"). However, the Company has chosen to apply the X Principles on a voluntary basis, subject to a certain interpretation of the X Principles given the Company's two-tier governance structure with a management board and a supervisory board.

The X Principles include three series of rules, namely (i) the principles (the "**Principles**"), (ii) the recommendations (the "**Recommendations**"), and (iii) the guidelines (the "**Guidelines**").

The Company confirms that it meets all the Principles set out in the X Principles.

The Recommendations describe the proper application of the Principles. Companies are asked to comply with the Recommendations or to explain why they are departing from them. In such cases, companies must determine which rules are most suited to their specific situation and provide an explanation for this in the statement on corporate governance included in their annual report. This flexible approach is based on the “comply or explain” principle. The Company acknowledges the importance of a good corporate governance and agrees with the general approach and with the majority of the Recommendations included in the X Principles, but believes that, considering the interests of the Majorel Group and the interest of its stakeholders, certain Recommendations included in the X Principles are not adapted to its specific situation and should be deviated from. The Recommendations included in the X Principles that the Company currently does not comply with are the following:

- **Recommendation 5.4.:** The Company does not fully comply with Recommendation 5.4., which provides that in the event of a declared conflict of interest, the operation or transaction concerned shall, once the chairman of the Supervisory Board has been informed, be submitted by the conflicted member of the Management Board or Supervisory Board to the audit committee or to the statutory auditor of the Company, if possible prior to the execution of that operation or transaction. The audit committee or the statutory auditor shall then communicate an opinion to the Supervisory Board. The Company deviates from this Recommendation as it has always been committed to maintaining proper compliance structure to strengthen the effectiveness and proper functioning of its compliance organization, and has established proper procedures for potential conflicts of interests and intercompany transactions (arm’s length). The Company therefore considers the requirement to request a prior opinion to be communicated by the audit committee or the statutory auditor of the Company dispensable in the context of the conflict of interest procedures that are already in place.

- **Recommendation 5.6.:** The Company does not fully comply with Recommendation 5.6., which provides that members of the Management Board and the Supervisory Board are required to keep the information received in their capacity as members of the Management Board or Supervisory Board confidential, and may not use it for any other purpose than for fulfilling their remit. The Company partly deviates from this Recommendation as regard the members of the Supervisory Board, who may exceptionally disclose confidential information to the shareholder who has proposed his/her appointment to the General Meeting on a strict need-to-know basis. Such disclosure shall only be allowed (i) to the extent that such confidential information is required as per the internal regulations of such shareholder, (ii) in order to allow the member of the Supervisory Board to exercise his/her mandate in the Company as best as possible, and (iii) provided always that the shareholder who receives such confidential information assures in turn appropriate confidentiality in accordance with applicable privacy laws.

- **Recommendation 5.8.:** The Company does not fully comply with Recommendation 5.8., which provides that the Supervisory Board shall draw up a set of rules regarding transactions in the company’s shares, covering behavior and statements relating to such transactions or other financial instruments performed by (i) the members of the Management Board and the members of the Supervisory Board, by persons exercising management responsibilities within the Company, (ii) persons closely related to the latter, and (iii) any other persons required to comply with the same obligations, on their own account. The rules relating to transactions in the Company’s shares shall specify which information regarding these securities must be disclosed to the market. The Company partly deviates from this Recommendation as it considers that the submission by the Company to Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation), and the procedure provided for in the internal rules of procedure of the Management Board and the rules of procedure of the Supervisory Board, according to which transactions by members of the Supervisory Board involving shares in the Company or involving related financial instruments, in particular derivatives, shall be notified to the Company, the AFM (*Autoriteit Financiële Markten*) and the Dutch National Bank without undue delay, are sufficient to prevent any violation to the Netherlands Act on Financial Supervision of 28 September 2006, as amended, and the Luxembourg law of 23 December 2016 on market abuse, as amended, which transposed the aforementioned Regulation (EU) No 596/2014 in Luxembourg.

- **Recommendation 8.3.:** The Company does not fully comply with Recommendation 8.3., which provides in its first paragraph that the audit committee of the Company shall consist exclusively of non-executive directors, of which at least half shall be independent directors. The Company deviates from this Recommendation as it considers that the appointment of one independent director (out of a total of five members of the audit committee) who moreover holds the position of chairman of the audit committee, takes adequate account of best-practice governance standards and is sufficient to ensure open discussion and an uninfluenced decision making process.

The Recommendations are supplemented by the Guidelines, which provide advice on the appropriate manner for a company to implement or interpret the Recommendations, and reflect “best practices”. The Guidelines are optional, and are therefore not subject to the obligation to “comply or explain.”

14.5 Dissolution and Liquidation

The General Meeting may at any time resolve with or without cause to dissolve and liquidate the Company in the manner required for an amendment to the Articles of Association. See “14.6 Amendment of the Articles of Association”.

If as a result of a loss, the net assets of the Company are reduced to an amount of less than half of the Company’s issued capital, the Management Board must convene an Extraordinary General Meeting within a period not exceeding two (2) months from the time at which the loss was or should have been ascertained by the Management Board. The Management Board must set out the reasons for this situation and justify its proposals in a special report made available to the shareholders at the registered office of the Company at least eight calendar days before the Extraordinary General Meeting. If the Management Board proposes the continuation of the Company’s activities, it must set out in the special report the measures which it proposes to implement in order to redress the financial situation of the Company. This special report must be mentioned in the agenda to the Extraordinary General Meeting. At the Extraordinary General Meeting, shareholders will resolve the possible dissolution of the Company. The quorum is at least half of all the Shares issued and outstanding. In the event the required quorum is not reached at the first Extraordinary General Meeting, a second Extraordinary General Meeting may be convened, through a new convening notice, at which shareholders can validly deliberate and decide regardless of the number of shares present or represented. A two-thirds majority of the votes cast by the shareholders present or represented is required at any such Extraordinary General Meeting. Where as a result of a loss, the net assets of the Company are reduced to an amount of less than a quarter of its issued capital, the same procedure must be followed, with the exception that the dissolution only requires the approval by 25% of the votes cast at such Extraordinary General Meeting.

In the event of a dissolution of the Company, the liquidation will be carried out by one or more liquidators, who do not need to be shareholders, appointed by a resolution of the General Meeting which will determine their number, powers and remuneration. If the General Meeting fails to appoint a liquidator, the members of the Management Board then in office will, *vis-à-vis* third parties, be deemed to be the liquidators of the Company.

In the event of liquidation of the Company, the net assets remaining after payment of all debts, charges and expenses shall be distributed to the shareholders in proportion to their respective shareholdings.

14.6 Amendment of the Articles of Association

Luxembourg law requires an Extraordinary General Meeting to vote on any amendment of the Articles of Association. The agenda of the Extraordinary General Meeting must indicate the proposed amendments to the Articles of Association. See “14.3.1 Ordinary General Meetings and Extraordinary General Meetings”.

14.7 Financial Information

The Company’s annual financial statements, the consolidated financial statements, the management report and the auditor’s reports must be available for inspection by shareholders on the Company’s website or at the registered office of the Company in Luxembourg at least thirty (30) days prior to the date of the annual General Meeting.

The Company is required to publish its annual accounts within four (4) months after the end of each financial year and its semi-annual accounts within three (3) months after the end of the first six (6) months of each financial year. After approval by the annual General Meeting, the financial statements and the consolidated financial statements are filed with the Luxembourg Register of Commerce and Companies (*Registre de commerce et des sociétés, Luxembourg*).

14.8 Public Offer Rules and Obligations of Shareholders to Make a Public Offer

Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids, as amended (the “**Takeover Directive**”) has been implemented in Luxembourg in the Luxembourg law of 19 May

2006 on takeover bids, as amended (the “**Luxembourg Takeover Law**”), and in Dutch legislation in the Financial Supervision Act and the Public Takeover Bids Decree.

Pursuant to the Takeover Directive, the competent authority for a takeover bid is the authority of the EU member state where the shares of the target company are admitted to trading. The competent authority with respect to a public bid on the Shares will therefore be the AFM.

The consideration offered in the case of a bid for all the remaining shares in a company, 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 governed by the laws of the EU member state of the competent authority. This means that in case of a public bid on the Shares, these subject matters will be governed by Dutch law. However, in matters relating to the information to be provided to the employees of a target company and in matters relating to company law, in particular the percentage of voting rights which confer control and any derogation from the obligation to launch a bid for all the remaining shares in the company, the applicable rules and the competent authority shall be those of the EU member state in which the target company has its registered office. This means that in case of a public bid on the Shares, these subject matters will be governed by Luxembourg law and are subject to the supervision of the CSSF.

The Luxembourg Takeover Law provides that if a person, acting alone or in concert, acquires shares in a company which, when added to any existing holdings of a company’s shares, result in such person having voting rights representing at least 33 1/3% of all of the voting rights attached to the issued and outstanding shares in a company, this person is obliged to make a public offer for the remaining shares in the company.

14.9 Squeeze-out and Sell-out Procedures

The Luxembourg Takeover Law provides that, when a mandatory or voluntary offer is made to all holders of voting shares in a company and after such offer the offeror holds at least 95% of the capital of that company carrying voting rights and 95% of the voting rights of the company, the offeror may require the holders of the remaining shares to sell those shares to the offeror. The price offered for such shares must be a fair price. The price offered in a voluntary offer would be considered a fair price in the squeeze-out proceedings if 90% of the shares of the company carrying voting rights were acquired in such a voluntary offer. The price paid in a mandatory offer is deemed to be a fair price. The consideration paid in the squeeze-out proceedings must take the same form as the consideration offered in the offer or consist solely of cash. Moreover, an all-cash option must be offered to the remaining shareholders of the company. Finally, the right to initiate squeeze-out proceedings must be exercised within three months following the expiration of the offer.

The Luxembourg Takeover Law provides that, when a mandatory or voluntary offer is made to all holders of voting shares in a company and if after such offer the offeror (together with any person acting in concert with the offeror) holds shares carrying more than 90% of the voting rights, the remaining shareholders may require that the offeror purchase the remaining shares. The price offered in a voluntary offer would be considered a fair price in the sell-out proceedings if 90% of the shares of the company carrying voting rights were acquired in such a voluntary offer. The price paid in a mandatory offer is deemed to be a fair price. The consideration paid in the sell-out proceedings must take the same form as the consideration offered in the offer or consist solely of cash. Moreover, an all-cash option must be offered to the remaining shareholders of the company. Finally, the right to initiate sell-out proceedings must be exercised within three months following the expiration of the acceptance period of the offer.

Where the offeree company has issued more than one class of shares, the right of squeeze-out and sell-out referred to above can be exercised only in the class in which the relevant threshold has been reached.

Even if there has not been an offer pursuant to the Luxembourg Takeover Law, the Luxembourg law of 21 July 2012 on the squeeze-out and sell-out of securities of companies admitted or having been admitted to trading on a regulated market or which have been subject to a public offer (the “**Luxembourg Mandatory Squeeze-Out and Sell-Out Law**”) provides that if any individual or legal entity, acting alone or in concert with another, becomes the direct or indirect holder (otherwise than by way of a voluntary or mandatory takeover bid pursuant to the Luxembourg Takeover Law) of shares or other voting securities representing at least 95% of the voting share capital and 95% of the voting rights of a company, (i) such shareholder may require the holders of the remaining shares or other voting securities to sell those remaining securities (the “**Mandatory Squeeze-Out**”); and (ii) the holders of the remaining shares or securities may require such shareholder to purchase those remaining shares or other voting securities (the “**Mandatory Sell-Out**”). The Mandatory Squeeze-Out and the Mandatory

Sell-Out must be exercised at a fair price according to objective and adequate methods applying to asset disposals. The procedures applicable to the Mandatory Squeeze-Out and the Mandatory Sell-Out are subject to further conditions provided for under and must be carried out in accordance with the Luxembourg Mandatory Squeeze-Out and Sell-Out Law and under the supervision of the CSSF. The Luxembourg Mandatory Squeeze-Out and Sell-Out Law do not apply to takeover bids made in accordance with the Takeover Directive until the expiry of any deadline laid down for any ensuing rights resulting from such a bid and for a period of six months as from the expiry of such deadline.

14.10 Obligations of Shareholders to Disclose Holdings

14.10.1 Transparency Directive

Luxembourg is the home member state of the Company for the purposes of Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonization of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market, as amended (the “**Transparency Directive**”). As a result, the Company will be subject to financial and other reporting obligations under the Luxembourg Transparency Law.

Because the Shares will be admitted to trading on a regulated market operating in the Netherlands, the Company and its shareholders will also be subject to the disclosure obligations described below. These rules are laid down in the Dutch Financial Supervision Act (*Wet op het financieel toezicht*), which implements the Transparency Directive in the Netherlands.

14.10.2 General

14.10.2.1 Luxembourg

Shareholders may be subject to notification obligations pursuant to the Luxembourg Transparency Law and the Luxembourg Grand-ducal regulation of 11 January 2008 on transparency requirements for issuers of securities, as amended (the “**Luxembourg Transparency Regulation**”). The following description summarizes these obligations. Shareholders are advised to consult with their own legal advisors to determine whether the notification obligations apply to them.

The Luxembourg Transparency Law and Luxembourg Transparency Regulation provide that, once the Shares are admitted to listing and trading on Euronext Amsterdam, if a person acquires or disposes of a shareholding in the Company, and if following the acquisition or disposal the proportion of voting rights held by the person reaches, exceeds or falls below one of the thresholds of 5%, 10%, 15%, 20%, 25%, 33 1/3%, 50% and 66 2/3% (each a “**Relevant Threshold**”) of the total voting rights existing when the situation giving rise to a declaration occurs, such person must simultaneously notify the Company and the CSSF of the proportion of voting rights held by it further to such event.

A person must also notify the Company and the CSSF of the proportion of his or her voting rights if that proportion reaches, exceeds or falls below a Relevant Threshold as a result of events changing the breakdown of voting rights and on the basis of the information disclosed by the Company.

The same notification requirements apply to a natural person or legal entity to the extent he/she/it is entitled to acquire, to dispose of, or to exercise voting rights in any of the following cases or a combination of them:

- voting rights held by a third party with whom that person or entity has concluded an agreement, which obliges them to adopt, by the concerted exercise of the voting rights they hold, a lasting common policy towards the management of the Company;
- voting rights held by a third party under an agreement concluded with that person or entity providing for the temporary transfer for consideration of the voting rights in question;
- voting rights attaching to shares which are lodged as collateral with that person or entity, provided the person or entity controls the voting rights and declares his/her/its intention of exercising them;
- voting rights attaching to shares in which that person or entity has the life interest (*usufruit*);

- voting rights which are held, or may be exercised within the meaning of the aforementioned points, by an undertaking controlled by that person or entity;
- voting rights attaching to shares deposited with that person or entity which the person or entity can exercise at his/her/its discretion in the absence of specific instructions from the shareholders;
- voting rights held by a third party in its own name on behalf of that person or entity; and/or
- voting rights which that person or entity may exercise as a proxy where the person or entity can exercise the voting rights at his/her/its discretion in the absence of specific instructions from the shareholders.

The notification requirements set out above also apply to a natural person or legal entity that holds, directly or indirectly:

- (i) financial instruments that, on maturity, give the holder, under a formal agreement, either the unconditional right to acquire or the discretion as to his or her right to acquire the Shares, to which voting rights are attached, already issued by the Company; or
- (ii) financial instruments which are not included in point (i) but which are referenced to the Shares referred to in that point and with an economic effect similar to that of the financial instruments referred to in that point, whether or not they confer a right to a physical settlement.

The notification required shall include the breakdown by type of financial instruments held in accordance with point (i) above and financial instruments held in accordance with point (ii) above, distinguishing between the financial instruments which confer a right to a physical settlement and the financial instruments which confer a right to a cash settlement.

The number of voting rights shall be calculated by reference to the full notional amount of shares underlying the financial instrument except where the financial instrument provides exclusively for a cash settlement, in which case the number of voting rights shall be calculated on a 'delta-adjusted' basis, by multiplying the notional amount of underlying shares by the delta of the instrument. For this purpose, the holder shall aggregate and notify all financial instruments relating to the same underlying company. Only long positions shall be taken into account for the calculation of voting rights. Long positions shall not be netted with short positions relating to the same underlying company.

For the purposes of the above, the following shall be considered to be financial instruments, provided they satisfy any of the conditions set out in points (i) or (ii) above: transferable securities, options, futures, swaps, forward rate agreements, contracts for differences and any other contracts or agreements with similar economic effects which may be settled physically or in cash.

The notification requirements described above shall also apply to a natural person or a legal entity when the number of voting rights held directly or indirectly by such person or entity aggregated with the number of voting rights relating to financial instruments held directly or indirectly reaches, exceeds or falls below a Relevant Threshold. Any such notification shall include a breakdown of the number of voting rights attached to securities and voting rights relating to financial instruments.

Voting rights relating to financial instruments that have already been notified to that effect shall be notified again when the natural person or the legal entity has acquired the underlying shares and such acquisition results in the total number of voting rights attached to shares issued by the same company reaching or exceeding a Relevant Threshold.

The notification to the Company and the CSSF must be effected promptly, but not later than four trading days after the date on which the shareholder, or the natural person or legal entity referred to above learns of the acquisition or disposal or of the possibility of exercising voting rights, or on which, having regard to the circumstances, should have learned of it, regardless of the date on which the acquisition, disposal or possibility of exercising voting rights takes effect, it is understood that pursuant to Article 10 of the Luxembourg Transparency Regulation, the shareholder, the natural person or legal entity referred to above should have knowledge no later than two days after the transaction, or within four trading days after it is informed of an event changing the breakdown of voting rights by the Company. Upon receipt of the notification, but not later than three trading days thereafter, the Company must make public all the information contained in the notification as regulated information within the meaning of the Luxembourg Transparency Law.

As long as the notifications have not been made to the Company in the manner prescribed, the exercise of voting rights relating to the shares exceeding the fraction that should have been notified is suspended. The suspension of the exercise of voting rights is lifted as of the moment the shareholder makes the notification.

Where within the fifteen days preceding the date for which the General Meeting has been convened, the Company receives a notification or becomes aware of the fact that a notification has to be or should have been made in accordance with the Luxembourg Transparency Law, the Management Board may postpone the General Meeting.

14.10.2.2 *The Netherlands*

Shareholders may be subject to notification obligations under the Dutch Financial Supervision Act (*Wet op het financieel toezicht*). Pursuant to chapter 5.3 of the Dutch Financial Supervision Act, 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 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 one of the following thresholds: 5%, 10%, 15%, 20%, 25%, 30%, 50% and 75%. In addition, any person whose capital interest and/or voting rights reaches, exceeds or falls below one of the abovementioned thresholds due to a change in the Company's outstanding share capital or in the votes that can be cast on the Shares, as notified to the AFM by the Company, should notify the AFM no later than on the fourth trading day after the AFM has published the Company's notification of the change in its outstanding share capital or in the votes that can be cast on the Shares. Furthermore, any person whose capital interest or voting rights reaches, exceeds or falls below one of the abovementioned thresholds due to a change in the composition of his or her capital interest or voting rights as a result of (i) exercising any option or other right to acquire shares or exchanging shares in depositary receipts for shares; and/or (ii) exercising any right to acquire voting rights, should notify the AFM no later than the fourth trading day after the date on which this person became aware, or should have become aware, of reaching, exceeding or falling below the abovementioned thresholds.

For the purpose of calculating the percentage of capital interest and/or voting rights, the following interests must, among others, 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; (iii) voting rights held (or acquired or disposed of) by a third party for such person's account or by a third party with whom such person has concluded an oral or written voting agreement; (iv) voting rights acquired pursuant to an agreement providing for a temporary transfer of voting rights in consideration for a payment; (v) shares and/or voting rights which such person, or any controlled entity or third party referred to above, may acquire pursuant to any option or other right to acquire shares and/or the attached voting rights, (vi) shares that 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 that are the subject of another contract creating an economic position similar to a direct or indirect holding in those shares.

Special rules apply to the attribution of shares and/or voting rights that 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 purpose of calculating the percentage of capital interest or voting rights, the following instruments qualify as "shares": (i) shares; (ii) depositary receipts for shares (or negotiable instruments similar to such receipts); (iii) negotiable instruments for acquiring the instruments under (i) or (ii) (such as convertible bonds); and (iv) options for acquiring the instruments under (i) or (ii).

The Company is required to notify the AFM promptly of any change of 1% or more in its issued share capital or voting rights since the previous notification. The AFM must be notified of other changes in the Company's issued and outstanding share capital or voting rights within eight days after the end of the quarter in which the change occurred. The AFM will publish all notifications provided by the Company of its issued and outstanding share capital and voting rights in a public register.

14.10.3 Short Positions

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 must report this 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.

Each person holding a gross short position in relation to the issued share capital of a Dutch listed company that reaches, exceeds or falls below any one of the following thresholds: 5%, 10%, 15%, 20%, 25%, 30%, 50% and 75%, must immediately notify the AFM through the designated portal. If a person's gross short position reaches, exceeds or falls below one of the above-mentioned thresholds as a result of a change in the company's issued share capital, such person must make a notification not later than the fourth trading day after the AFM has published the company's notification in the public register of the AFM. No set-off is permitted between a long position and a short position. Shareholders are advised to consult with their own legal advisers to determine whether the gross short-selling notification obligation applies to them.

The AFM keeps a public register of all notifications made pursuant to these disclosure obligations and publishes any notification received by it. The shareholder notifications referred to in this section should be made electronically through the notification system of the AFM.

14.11 Market Abuse Regime

14.11.1 General

The rules on preventing market abuse set out in Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, as amended ("**MAR**") and the Luxembourg law of 23 December 2016 on market abuse, as amended ("**Luxembourg Market Abuse Law**") are applicable to the Company, persons discharging managerial responsibilities within the Company (including the members of the Management Board and the Supervisory Board) (the "**PDMRs**"), persons closely associated with PDMRs, other insiders and persons performing or conducting transactions in the Company's financial instruments. Certain important market abuse rules set out in the MAR and the Luxembourg Market Abuse Law that are relevant for investors are described hereunder.

The Company is required to make inside information public. Pursuant to the MAR, inside information is information of a precise nature, which has not been made public, relating, directly or indirectly, to the Company or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments. Unless an exception applies, the Company must without delay publish the inside information by means of a press release and post and maintain it on its website for at least five years. The Company may not combine the disclosure of inside information to the public with the marketing of its activities. The Company must also provide the AFM and the CSSF with its press release that contains inside information at the time of publication.

It is prohibited for any person to make use of inside information by acquiring or disposing of, for its own account or for the account of a third party, directly or indirectly, financial instruments to which that information relates, as well as an attempt thereto (insider dealing). The use of inside information by canceling or amending an order concerning a financial instrument to which the information relates where the order was placed before the person concerned possessed the inside information also constitutes insider dealing. In addition, it is prohibited for any person to disclose inside information to anyone else (except where the disclosure is made in the normal exercise of an employment, profession or duties) or, whilst in possession of inside information, to recommend or induce anyone to acquire or dispose of financial instruments to which the information relates. Furthermore, it is prohibited for any person to engage in or attempt to engage in market manipulation, for instance by conducting transactions which give, or are likely to give, false or misleading signals as to the supply of, the demand for or the price of a financial instrument.

Non-compliance with the notification obligations under the Dutch Financial Supervision Act and the Market Abuse Regulation, set out in the paragraphs above, is an economic offense (*economisch delict*) and could lead to the imposition of criminal prosecution, administrative fines, imprisonment or other sanctions. The AFM may impose administrative penalties or a cease-and-desist order under penalty for non-compliance. If criminal charges are pressed, the AFM is no longer allowed to impose administrative penalties and vice versa, the AFM is no longer allowed to seek criminal prosecution if administrative penalties have been imposed.

14.11.2 Management

Pursuant to Article 19 of the MAR and the Luxembourg Market Abuse Law, PDMRs must notify the CSSF 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.

A PDMR within the Company shall not conduct any transactions on its own account or for the account of a third party, directly or indirectly, relating to the Shares or debt instruments of the Company or to derivatives or other financial instruments linked to them during a closed period of 30 calendar days before the announcement of an interim financial report or a year-end report which must be made publicly available. The MAR and the regulations promulgated thereunder cover, *inter alia*, the following categories of persons: a person who is (i) a member of the administrative, management or supervisory body of that entity, or (ii) a senior executive who is not a member of the bodies referred to in point (i), who has regular access to inside information relating directly or indirectly to that entity and power to take managerial decisions affecting the future developments and business prospects of that entity.

In addition, pursuant to the MAR and the regulations promulgated thereunder as well as the Luxembourg Market Abuse Law, certain persons who are closely associated with PDMRs, are also required to notify the CSSF 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 MAR 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, in accordance with national law; (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), 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.

The notifications pursuant to the MAR described above must be made to the CSSF and the Company promptly and no later than three business days following the relevant transaction date. The Company must ensure that any information on relevant transactions notified to it is made public promptly and no later than three business days after the transaction in a manner that enables fast access to this information on a non-discriminatory basis. These notifications may be postponed until the moment that the value of the transactions performed for that person's own account reaches or exceeds an amount of €5,000 in the calendar year in question, calculated by adding without netting all relevant transactions relating to the Shares.

15. THE PRIVATE PLACEMENT

15.1 Introduction

Prior to the First Trading Day, the Selling Shareholders will have collectively offered and sold 23,000,000 Placement Shares (assuming full exercise of the Over-Allotment Option) at the Offer Price. The Offer Price is expected to be in the range of €32.00 and €39.00 (inclusive) per Placement Share (the “**Price Range**”). In addition, the Lending Shareholders have granted the Stabilization Manager, on behalf of the Underwriters, the Over-Allotment Option, exercisable within 30 calendar days after the First Trading Day, pursuant to which the Stabilization Manager, on behalf of the Underwriters, may require the Lending Shareholders to sell at the Offer Price a number of Shares equal to the number of Over-Allotment Shares to cover short positions resulting from any over-allotments made in connection with the Private Placement or to facilitate stabilization transactions.

In connection with the Private Placement, BNP PARIBAS as the Stabilization Manager (or any person acting for the stabilizing manager), on behalf of the Underwriters, may, to the extent permitted by applicable law, over-allot Placement Shares or effect transactions that stabilize or that raise or maintain the market price of the Placement Shares or any options, warrants or rights with respect to, or other interest in, the Placement Shares or other securities of the Company, in each case at levels above those which might otherwise prevail in the open market or that prevent or retard a decline in the market price of the Placement Shares. Such stabilization transactions, if commenced, may be effected on Euronext Amsterdam, in the over-the-counter market or otherwise. The Stabilization Manager (or persons acting on its behalf) is not required to engage in such stabilization transactions, and, as such, there is no assurance that such stabilization transactions will be undertaken. If such stabilization transactions are undertaken, they may commence as early as the First Trading Day, may be discontinued at any time without prior notice and will end no later than 30 calendar days after the First Trading Day.

The rights of holders of the Placement Shares will rank *pari passu* with each other and all other Shares with respect to voting rights and distribution entitlements.

Assuming the Over-Allotment Option is not exercised, the Placement Shares will constitute 20.0% of the Shares. Assuming the Over-Allotment Option is exercised in full, the Placement Shares will constitute 23.0% of the Shares.

The Company and the Selling Shareholders, together with the Joint Global Coordinators, reserve the right to accelerate or extend the Offer Period.

15.2 Price Range

The Price Range is an indicative price range. The Offer Price and the exact number of Placement Shares offered in the Private Placement will be determined by the Company and the Selling Shareholders, in consultation with the Joint Global Coordinators after the end of the offer period for the Private Placement (the “**Offer Period**”) on the basis of the bookbuilding process and after taking into account the conditions described under “15. *The Private Placement*”. The Company and the Selling Shareholders, in consultation with the Joint Global Coordinators (on behalf of the Underwriters), reserve the right to increase or decrease the maximum number of Placement Shares and/or to change the Price Range prior to allocation of the Placement Shares (“**Allocation**”). Any change in the number of Placement Shares and/or the Price Range will be announced through a press release on the Company’s website, which will be filed with the CSSF. The Pricing Statement will be filed with the CSSF and published through a press release on the Company’s website.

15.3 Offer Period

Subject to acceleration or extension of the timetable for the Private Placement, prospective investors may subscribe for Placement Shares during the Offer Period expected to commence on September 16, 2021 at 9:00 Central European Summer Time (“**CEST**”) and end on September 23, 2021 at 14:00 CEST. The Offer Period may be accelerated or extended separately. In the event of an acceleration or extension of the Offer Period, pricing, Allocation, Admission and first trading of the Placement Shares, as well as payment (in Euros) for and delivery of the Placement Shares may be advanced or extended accordingly.

15.4 Offer Price and Number of Placement Shares

The Offer Price and the exact number of Placement Shares will be determined on the basis of a book-building process. The Offer Price may be set within, above or below the Price Range. The Price Range is between €32.00 and €39.00 (inclusive) per Placement Share. The Price Range is an indicative price range. The Offer Price and the exact number of Placement Shares offered in the Private Placement will be determined after the Offer Period has ended by the Selling Shareholders, in consultation with the Joint Global Coordinators, taking into account market conditions and other factors, including:

- the Price Range;
- a qualitative assessment of demand for the Placement Shares;
- our financial information;
- our history and prospects and the industry in which we compete;
- an assessment of our management, our past and present operations and prospects for, and timing of, our future revenue;
- the present state of our development;
- the above factors in relation to the market valuation of companies engaged in activities similar to ours;
- the economic and market conditions, including those in the debt and equity markets; and
- any other factors deemed appropriate.

The Offer Price and the exact number of Placement Shares offered in the Private Placement will be set out in the Pricing Statement that will be filed with the CSSF and published through a press release that will be posted on the Company's website. Printed copies of the Pricing Statement will be made available at the Company's registered office address.

15.5 Change of the Price Range or Number of Placement Shares

The Price Range is an indicative price range. The Company and the Selling Shareholders, in joint consultation with the Joint Global Coordinators, reserve the right to increase or decrease the maximum number of Placement Shares and/or to change the Price Range before the end of the Offer Period. Any change in the number of Placement Shares and/or the Price Range will be announced through a press release on the Company's website, which will be filed with the CSSF.

Upon a change of the number of Placement Shares, references to Placement Shares in this Prospectus should be read as referring to the amended number of Placement Shares and references to Over-Allotment Shares should be read as referring to the amended number of Over-Allotment Shares.

Reductions in the number of Placement Shares, changes to the Price Range or an extension or shortening of the Offer Period will not invalidate any offers to purchase Placement Shares that have already been submitted. If such changes require the publication of a supplement to this Prospectus, investors who submitted purchase orders prior to the publication of the supplement have the right to withdraw these offers to purchase within two working days following the publication of such supplement pursuant to Article 23 para. 1 of the Prospectus Regulation in conjunction with Article 21 para. 2 of the Prospectus Regulation, provided that the significant new factor, material mistake or material inaccuracy requiring the publication of a supplement to this Prospectus arose or was noted before the closing of the Offer Period or the delivery of the Placement Shares. Instead of withdrawing their offers to purchase placed prior to the publication of the supplement, investors may change their orders or place new limited or unlimited offers to purchase within two working days following the publication of the supplement.

15.6 Subscription and Allocation

Allocation of the Placement Shares is expected to take place on September 23, 2021. Allocations to investors who subscribed for Placement Shares will be made on a systematic basis, and the Company and the Selling Shareholders will, after consultation with the Joint Global Coordinators, exercise full discretion as to whether or not and how to allocate the Placement Shares subscribed for. Investors may not be allocated all or any

of the Placement Shares which they subscribed for. There is no maximum or minimum number of Placement Shares for which prospective investors may subscribe, and multiple subscriptions are permitted. In the event that the Private Placement is over-subscribed, investors may receive fewer Placement Shares than they subscribed for. The Company and the Selling Shareholders may, in consultation with the Joint Global Coordinators, at their own discretion and without stating the grounds therefore, reject any subscriptions wholly or partly. On the day that Allocation occurs, the Joint Global Coordinators, on behalf of the Underwriters, will notify the investors of any Allocation of Placement Shares made to them.

Investors participating in the Private Placement will be deemed to have checked and confirmed that they meet the selling and transfer restrictions. Each investor should consult its own advisors as to the legal, tax, business, financial and related aspects of a subscription for Placement Shares.

15.7 Listing and Trading

Prior to the Private Placement, 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 “MAJ”. The international security identification number (“**ISIN**”) is LU2382956378 and the common code is 238295637.

Subject to acceleration or extension of the timetable for the Private Placement, trading in the Shares, including the Placement Shares, on Euronext Amsterdam is expected to commence on the First Trading Day. Trading in the Shares before the closing of the Private Placement will take place on an “as-if-and-when-issued/delivered” basis.

15.8 Delivery, Clearing and Settlement

Application has been made for the Placement 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 Placement Shares is expected to take place on the Settlement Date through the book-entry facilities of Euroclear Nederland, in accordance with its normal settlement procedures applicable to equity securities and against payment (in Euros) for the Placement Shares in immediately available funds.

Subject to acceleration or extension of the timetable for the Private Placement, delivery of the Placement Shares (the “**Settlement**”) is expected to take place on or about September 28, 2021, the second business day following the Allocation. The Settlement of the Private Placement may not take place on the Settlement Date or at all if certain conditions or events referred to in the underwriting agreement entered into between the Company and the Underwriters on September 16, 2021 (the “**Underwriting Agreement**”) 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 Private Placement may be withdrawn, in which case all subscriptions for Placement Shares will be disregarded, any allotments made will be deemed not to have been made, any subscription payments made will be returned without interest or other compensation and transactions in the Placement Shares on Euronext Amsterdam will be annulled. Any dealings in Placement Shares prior to Settlement Date are at the sole risk of the parties concerned. Neither the Company, the Selling Shareholders, the Underwriters, the Listing and Paying Agent nor Euronext Amsterdam accepts any responsibility or liability for any loss incurred by any person as a result of a withdrawal of the Private Placement or the related annulment of any transactions in Placement Shares on Euronext Amsterdam.

15.9 Payment

Payment for the Placement Shares is expected to occur on or about the Settlement Date. The Offer Price must be paid in full in Euro and is exclusive of any taxes and expenses, if any, which must be borne by the investor. No expenses will be charged to investors by the Company or the Selling Shareholders. For more information on taxes, see “*17. Taxation*”. The Offer Price must be paid by the investors 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 Offer Period and consequent acceleration of pricing, Allocation, first trading and payment and delivery).

15.9.1 Costs of the Private Placement and the Admission

The total costs of the Company and the Selling Shareholders related to the Admission and the Private Placement, consisting of the fees and commissions for the underwriters (which will be borne solely by the Selling Shareholders), the fees due to the CSSF and Euronext Amsterdam, as well as legal and administrative expenses, financial advisor fees, publication costs and applicable taxes, if any, are, at the mid-point of the Price Range, expected to amount to approximately €38.2 million (assuming full exercise of the Over-Allotment Option and payment of the discretionary fee in full). Of the total costs, the Selling Shareholders would bear approximately €37.2 million and the Company would bear the remaining approximately €1.0 million.

Investors will not be charged expenses by the Company, the Selling Shareholders or the Underwriters. Investors will have to bear customary transaction and handling fees charged by their brokers or other financial institutions through which they hold their securities.

16. PLAN OF DISTRIBUTION

16.1 General

On September 16, 2021, the Company, the Selling Shareholders and the Underwriters entered into an Underwriting Agreement relating to the offer and sale of the Placement Shares in connection with the Private Placement.

Under the terms of and subject to the conditions set forth in the Underwriting Agreement and the pricing agreement to be signed in connection with the Private Placement, each Underwriter will be obliged to acquire such number of Placement Shares as will be specified in the pricing agreement, but in any event only up to the maximum number of Placement Shares set forth below opposite the Underwriter's name:

Joint Bookrunners	Maximum number of Placement Shares to be underwritten ⁽¹⁾	Percentage of maximum number of Placement Shares to be underwritten (in %)
BNP PARIBAS	5,750,000	25.0
Citigroup	5,750,001	25.0
J.P. Morgan	5,750,001	25.0
BofA Securities	1,916,666	8.3
Goldman Sachs.....	1,916,666	8.3
UBS.....	1,916,666	8.3
Total	23,000,000	100.0

(1) Assuming placement of all Placement Shares and full exercise of the Over-Allotment-Option.

In connection with the Private Placement, each of the Underwriters and any of their respective affiliates may take up a portion of the Placement Shares in the Private Placement as a principal position and in that capacity may retain, purchase or sell for its own account such securities and any Placement Shares or related investments and may offer or sell such Placement Shares or other investments otherwise than in connection with the Private Placement. Accordingly, references in this Prospectus to Placement Shares being offered or placed should be read as including any offering or placement of Placement 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, warrants or contracts for differences) with investors in connection with which such Underwriters (or their affiliates) may from time to time acquire, hold or dispose of Placement Shares. None of the Underwriters intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

16.2 Underwriting Agreement

In the Underwriting Agreement, the Underwriters agreed to underwrite and purchase the Placement Shares with a view to offering them to investors in this Private Placement. The Underwriters agreed to acquire the Placement Shares from the holdings of the Selling Shareholders and to sell such shares as part of the Private Placement; the Underwriters will remit the purchase price (less agreed-upon commissions and expenses) of the placed Placement Shares, if any, to the Selling Shareholders at the time the shares are delivered.

For the purpose of potential over-allotments, the Stabilization Manager, for the account of the Underwriters, was provided with up to 3,000,000 Over-Allotment Shares from the holdings of the Lending Shareholders in the form of a securities loan. The total number of Over-Allotment Shares will not exceed 15% of the final number of Placement Shares (excluding the Over-Allotment Shares). The Lending Shareholders have granted the Stabilization Manager, acting for the account of the Underwriters, an option to acquire a number of Shares equal to the number of Over-Allotment Shares at the Offer Price less agreed commissions. The Underwriters agreed to remit the purchase price (less agreed-upon commissions and expenses) of the Shares from the exercise of the Over-Allotment Option, if any, to the Lending Shareholders at the time the shares are delivered. The Over-Allotment Option will terminate no later than 30 calendar days after the First Trading Day. The exercise of the Over-Allotment Option is subject to market-standard closing conditions such as the delivery of certain documents.

The obligations of the Underwriters under the Underwriting Agreement are subject to various conditions, including:

- the agreement of the Underwriters, the Company and the Selling Shareholders on the Offer Price and the final number of Placement Shares to be purchased by the Underwriters;
- the absence of a material event;
- receipt of certain customary deliverables; and
- the admission of the Shares to trading on Euronext Amsterdam.

Some of the Underwriters or their affiliates have, and may from time to time in the future continue to have, business relations with the Company or Majorel Group or may perform services for with the Company or Majorel Group in the ordinary course of business for which they have received or may receive customary fees and commissions. For a more detailed description of the interests of the Underwriters in the Private Placement, see “16.7 *Interests of the Underwriters in the Private Placement*”.

16.3 Lock-up Arrangements

16.3.1 Lock-Up Agreements of the Company

In the Underwriting Agreement, the Company agreed with the Underwriters that, for the period commencing on September 16, 2021 and ending 180 calendar days after the First Trading Day, the Company will not without the prior written consent of the Joint Global Coordinators, which consent shall not be unreasonably withheld or delayed:

- (i) announce or effect any increase of the share capital of the Company from authorized or contingent capital, if any; or
- (ii) submit a proposal to its shareholders’ meeting for an increase of the share capital; or
- (iii) announce, effect or propose the issue of securities with conversion or option rights on Shares; or
- (iv) enter into a transaction or perform any action economically similar to those described in (i) through (iii) above.

The Company may, however, (i) issue or sell Shares or other securities (including but not limited to actual or virtual options) under current and future management participation plans to former, and future employees, supporters, former, current and future members of executive bodies, service providers and business partners of the Company or its subsidiaries or their respective investment vehicles and (ii) undertake any corporate action for purposes of entering into joint ventures or acquiring a company, provided that the parties to the joint venture or the selling shareholders of the company to be acquired (*i.e.*, the entities that will acquire any shares or other securities of the Company) assume towards the Joint Global Coordinators the obligation to comply with the restrictions applicable to the Selling Shareholders on the disposal of shares as set forth in the Underwriting Agreement for the then remaining part of the lock-up period.

For lock-ups of the members of the Management Board and other selected managers, see “11.2.2.2 *Remuneration System and Other Benefits*” and “11.4.5 *Shareholdings of the Members of the Supervisory Board in the Company*”.

16.3.2 Lock-Up Agreements of the Selling Shareholders

For the period commencing on September 16, 2021 and ending 180 calendar days after the First Trading Day, the Selling Shareholders, severally and not jointly, have agreed that they will not, without the prior written consent of the Joint Global Coordinators, which consent may not be unreasonably withheld or delayed:

- (i) offer, pledge, allot, distribute, sell, contract to sell, sell any option or contract to purchase, purchase any option to sell, grant any option, right or warrant to purchase, transfer or otherwise dispose of, directly or indirectly (including, but not limited to, the issuance or sale of any

securities exchangeable into shares of the Company), any Shares held by it;

- (ii) cause or approve, directly or indirectly, the announcement, execution or implementation of any increase in the share capital of the Company or a direct or indirect placement of shares of the Company;
- (iii) propose, directly or indirectly, any increase in the share capital of the Company to any meeting of the shareholders for resolution, or vote in favor of such a proposed increase;
- (iv) cause or approve, directly or indirectly, the announcement, execution or proposal of any issuance of financial instruments constituting options or warrants convertible into Shares;
- (v) enter into or perform any transaction economically equivalent to those described in (i) above, in particular enter into any swap or other agreement that transfers to another, in whole or in part, the economic risk of ownership of Shares, whether any such transaction is to be settled by delivery of Shares, in cash or otherwise.

The foregoing shall not apply to (i) transactions contemplated by the Underwriting Agreement, including, for the avoidance of doubt, any potential transfer of Shares between the Selling Shareholders in connection with the exercise of the Over-Allotment Option, (ii) the sale of any Placement Shares in the Private Placement, (iii) transfers to affiliates or direct or indirect shareholders or other securities holders of the Selling Shareholders, provided that the relevant transferee(s) has/have agreed in advance towards the Joint Global Coordinators to be bound by the same lock-up undertaking, (iv) a disposal in accordance with a court order or as required by law or regulation, (v) any disposal of shares pursuant to a general offer made to all holders of Shares made in accordance with takeover regulations on terms which treat all such holders alike, (vi) any disposal of Shares for the purposes of pledging, charging or otherwise granting any security interest over any shares or assigning any rights in relation to any Shares (a “**Security Interest**”) to or for the benefit of any margin loan lender(s) in connection with a margin loan, provided to the Selling Shareholder, (vii) any disposal of Shares for the purposes of selling, transferring and/or appropriating any Shares pursuant to and following any enforcement of any Security Interest over, or in relation to, Shares granted by the Selling Shareholders to or for the benefit of any margin loan lender, (viii) any disposal of Shares for the purposes of selling, transferring or granting a Security Interest over (or enforcing such Security Interest by way of transfer, sale and/or appropriation) any Shares that have previously been transferred, sold and/or appropriated to or by any person in accordance with (vii) above, provided that in the case of (vii) and (viii) (and in the case of (viii), other than in respect of the grant of a Security Interest), in relation to such Shares each transferee or purchaser has agreed in advance to be bound by the foregoing restrictions for the remaining lock-up period, by execution and delivery to the Joint Global Coordinators of a letter of adherence, which may only be waived with the consent of the Joint Global Coordinators and (ix) transfers or disposals of Shares acquired after the date of the Underwriting Agreement.

16.4 Commission

The Underwriters will offer the Placement Shares at the Offer Price.

The Selling Shareholders will pay, severally and not jointly, *pro rata temporis* to their respective share in the gross proceeds of the Private Placement, the Underwriters a commission of 2.0% of the gross proceeds from the Private Placement (the “**Base Fee**”). In addition to the Base Fee, the Selling Shareholders may, in their absolute and full discretion, pay the Underwriters based on their assessment of the Private Placement’s success an additional discretionary success fee of up to 1.5% of the gross proceeds from the Private Placement (the “**Discretionary Fee**”). The Discretionary Fee will be decided on by the Selling Shareholders within 35 days following pricing of the Private Placement. The Selling Shareholders also agreed to reimburse the Underwriters for certain expenses incurred by them in connection with the Private Placement.

The Selling Shareholders will bear any fees and commissions in connection with the sale of the Placement Shares, including the Over-Allotment Shares, to the extent the Over-Allotment Option is exercised. Assuming full exercise of the Over-Allotment Option and payment of the Discretionary Fee in full, the Company estimates that at the mid-point of the Price Range, the Underwriters would receive approximately €28.6 million in commissions for the sale of the Placement Shares.

16.5 Termination/Indemnification

The Underwriting Agreement provides that the Underwriters may, under certain circumstances, terminate the Underwriting Agreement, including after the Placement Shares have been allotted and listed, up to delivery and Settlement. Grounds for termination include, in particular, if:

- The Company or Majorel Group has sustained since the date of the latest audited financial statements included in this Prospectus a loss or interference with respect to its business from fire, explosion, flood or other calamity (whether or not covered by insurance), or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in this Prospectus and which is materially adverse for Majorel Group as a whole; or
- Since June 30, 2021, (A) there has been any material change or development reasonably likely to result in a material change to the share capital of the Company; (B) there has been any material change or development reasonably likely to result in a material change in the long-term debt of the Company or Majorel Group; (C) there has been any material adverse change, or any development involving a reasonably likely prospective material adverse change, in or affecting the condition, business, prospects, management, consolidated financial position, shareholders' equity or results of operations of the Company or Majorel Group or such as would prevent the Company from performing any of its obligations under the Underwriting Agreement; or (D) the Company or Majorel Group has incurred any liability or obligation, direct or contingent, or entered into any material transaction not in the ordinary course of business, otherwise in each of cases (A), (B), (C) and (D) than as set forth, described or contemplated in this Prospectus; or
- any of the following has occurred: (A) a suspension in trading (other than for technical reasons) in securities of the Company or in securities generally on Euronext Amsterdam, the Frankfurt Stock Exchange, the London Stock Exchange or the New York Stock Exchange; (B) a general moratorium on banking activities in Amsterdam, London or New York declared by the relevant authorities or a material disruption in commercial banking or securities settlement, payment or clearance services in Europe or the United States; (C) a material adverse change in national or international financial, political, or economic conditions or currency exchange rates or currency controls which have a material adverse impact on the financial markets in the Netherlands, Germany, the United Kingdom, or the United States; (D) the outbreak or escalation of hostilities, or the declaration of a national emergency or war which could have a material adverse impact on the financial markets in the Netherlands, Germany, the United Kingdom, or the United States; or (E) the occurrence of any acts of terrorism or any other calamity or crisis or any change in financial, political or economic conditions or currency exchange rates or currency control which have a material adverse impact on the financial markets in the Netherlands, Germany, the United Kingdom, or the United States.

If the Underwriting Agreement is terminated, the Private Placement will not take place, in which case any allotments already made to investors will be invalidated and investors will have no claim for delivery. Claims with respect to subscription fees already paid and costs incurred by an investor in connection with the subscription will be governed solely by the legal relationship between the investor and the financial intermediary to which the investor submitted its purchase order. Investors who engage in short-selling bear the risk of being unable to satisfy their delivery obligations.

The Company and the Selling Shareholders have agreed in the Underwriting Agreement to indemnify the Underwriters against certain liabilities that may arise in connection with the Private Placement, including liabilities under applicable securities laws.

16.6 Stabilization Measures, Over-Allotments and Over-Allotment Option

In connection with the Admission, the Underwriting Agreement provides that BNP PARIBAS, acting for the account of the Underwriters, is acting as Stabilization Manager and, as Stabilization Manager, may take stabilization measures in accordance with Article 5 paras. 4 and 5 MAR in conjunction with Articles 5 through 8 of Commission Delegated Regulation (EU) 2016/1052 of March 8, 2016 supplementing MAR.

Stabilization measures may be taken on any trading venue where the Company's shares are traded. Such measures aim at supporting the market price of the Company's shares during the Stabilization Period (as defined below), thereby alleviating selling pressure generated by short-term investors and maintaining an orderly market in the Company's shares. These measures may result in the market price of the Company's shares being higher

than would otherwise have been the case. Moreover, the market price may temporarily be at an unsustainable level.

The Stabilization Manager is under no obligation to take any stabilization measures. Therefore, stabilization may not necessarily occur and it may cease at any time without notice. Such measures may start from the First Trading Day and must end no later than 30 calendar days thereafter (the “**Stabilization Period**”).

In connection with these stabilization measures, investors may be allocated up to 3,000,000 Over-Allotment Shares as part of the Allocation of the Placement Shares. For the purpose of such potential over-allotment, the Stabilization Manager was provided with 3,000,000 Over-Allotment Shares from the holdings of the Lending Shareholders in the form of a securities loan. The total number of any Over-Allotment Shares will not exceed 15% of the final number of Placement Shares (excluding the Over-Allotment Shares).

The Lending Shareholders have granted the Stabilization Manager, acting for the account of the Underwriters, an option to acquire up to 3,000,000 Shares at the Offer Price, less agreed commissions. The Over-Allotment Option may only be exercised during the Stabilization Period.

The Stabilization Manager, acting for the account of the Underwriters, may exercise the Over-Allotment Option to the extent Over-Allotment Shares were allocated to investors in the Private Placement. The number of Over-Allotment Shares acquired under the Over-Allotment Option is to be reduced by any shares of the Company held by the Stabilization Manager when the Over-Allotment Option is exercised, if such shares were acquired by the Stabilization Manager in the context of stabilization measures. However, the Stabilization Manager is entitled to exercise the Over-Allotment Option during the Stabilization Period even if such exercise follows any sale of shares by the Stabilization Manager which the Stabilization Manager had previously acquired as part of any stabilization measures.

None of the Company, any of the Selling Shareholders 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 Placement Shares. In addition, none of the Company, any of the Selling Shareholders or any of the Underwriters makes any representation that the Stabilization Manager will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

16.7 Interests of the Underwriters in the Private Placement

The Underwriters act for the Company and the Selling Shareholders on the Private Placement and coordinate the structuring and execution of the Private Placement. Upon successful implementation of the Private Placement, the Underwriters will receive a commission. As a result of these contractual relationships, the Underwriters have a financial interest in the success of the Private Placement. In addition, some of the Underwriters or their affiliates have, and may from time to time in the future continue to have, business relations with our Group or may perform services for our Group in the ordinary course of business for which they have received or may receive customary fees and commissions.

Furthermore, in connection with the Private Placement, each of the Underwriters and any of their respective affiliates, acting as an investor for their own account, may acquire shares in the Private Placement and in that capacity may retain, purchase or sell for its own account such shares or related investments and may offer or sell such shares or other investments otherwise than in connection with the Private Placement.

Accordingly, references in this Prospectus to Placement Shares being offered or placed should be read as including any offering or placement of Placement Shares to any of the Underwriters or any of their respective affiliates acting in such capacity. 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. In addition, certain of the Underwriters or their affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which Underwriters (or their affiliates) may from time to time acquire, hold or dispose of shares in the Company.

Other than the interests described above, there are no material interests. None of the aforementioned interests with respect to the Admission or the Private Placement constitute a conflict of interests or a potential conflict of interests.

16.8 No Public Offering

No action has been taken or will be taken in any jurisdiction by us or the Underwriters that would permit a public offering of the Placement Shares requiring approval and/or passporting of the prospectus under the Prospectus Regulation, or the possession, circulation or distribution of this Prospectus or any other material relating to us or the Placement Shares, in any other country or jurisdiction than the Netherlands where action for that purpose is required.

Accordingly, no Placement Shares may be offered or sold either directly or indirectly, and neither this Prospectus nor any other offering material or advertisements in connection with the Placement Shares may be distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of any such country or jurisdiction.

17. TAXATION

17.1 Introduction

The income received from the Shares may be impacted by applicable tax legislation, in particular by the tax legislation of the country of residence of the investor. The discussions below summarize the relevant tax consequences under Luxembourg law (as the Company is resident in Luxembourg for tax purposes) and under Dutch law (as the Company is listed on Euronext Amsterdam). Prospective holders of Shares should consult their own tax advisors on the possible tax consequences of the acquisition, ownership and transfer of Shares.

17.2 Taxation in the Netherlands

The information set out below is a general overview of certain material Dutch tax consequences in connection with the acquisition, ownership and transfer of Shares. This overview is not a comprehensive or complete description of all the Dutch tax considerations that may be relevant for a particular holder of Shares and it does not address the tax consequences that may arise in any jurisdiction other than the Netherlands in connection with the acquisition, ownership and transfer of Shares. Holders of Shares may be subject to special tax treatment under any applicable law and this overview is not intended to be applicable in respect of all categories of holders of Shares. For Dutch tax purposes, a holder of Shares may include an individual who, or an entity that, does not have the legal title to the Shares, but to whom nevertheless Shares are attributed based either on such individual or entity holding beneficial interest in Shares or based on specific statutory provisions.

This overview is based on the tax laws of the Netherlands as in effect on the date of this Prospectus, including regulations, rulings and decisions of the Netherlands and its taxing and other authorities available in printed form on or before such date and now in effect, and as applied and interpreted by Dutch courts, without prejudice to any developments or amendments introduced at a later date and implemented with or without retroactive effect.

Any reference in this overview to the Netherlands and to the Netherlands or Dutch law is to the European part of the Kingdom of the Netherlands and its law, respectively, only.

This overview assumes that the Company is solely tax resident in Luxembourg and is not, nor will be, treated as a resident or deemed resident of the Netherlands for tax purposes or as having a presence in the Netherlands for tax purposes.

As this overview is intended as general information only, (prospective) holders of Shares should consult their own tax advisors as to the Dutch or other tax consequences of the acquisition, ownership and transfer of Shares, including, in particular, the application to their specific situations of the tax considerations discussed below.

17.2.1 Excluded Holders of Shares

This overview is not intended for any holder of Shares:

- who is an individual and for whom the income or capital gains derived from Shares are attributable to employment activities, the income from which is taxable in the Netherlands;
- who has, or that has, a Substantial Interest or a deemed Substantial Interest in the Company (as defined and explained below);
- that is an entity that is a resident or deemed to be a resident of the Netherlands and that is not subject to or is exempt, in whole or in part, from Dutch corporate income tax;
- that is an entity for which the income and/or capital gains derived in respect of the Shares are exempt under the participation exemption (*deelnemingsvrijstelling*) or are subject to the participation credit (*deelnemingsverrekening*) as set out in the Dutch Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*);
- that is an exempt investment institution (*vrijgestelde beleggingsinstelling*) or a fiscal investment institution (*fiscale beleggingsinstelling*) as meant in Articles 6a and 28 of the Dutch Corporate Income Tax Act 1969, respectively; or

- who is, or that is, is not considered the beneficial owner (*uiteindelijk gerechtigde*) of the Shares and/or the income and/or capital gains derived from the Shares.

Generally, a holder of Shares will have a substantial interest (*aanmerkelijk belang*) in the Company, if he holds, alone or, together with his partner (statutorily defined term in Dutch tax law), whether directly or indirectly, 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 (a "**Substantial Interest**").

A holder of Shares will also have a Substantial Interest in the Company if one of certain relatives of that holder or of his partner has a Substantial Interest in the Company. If a holder of Shares does not have a Substantial Interest, a deemed Substantial Interest will be present if (part of) a Substantial Interest has been disposed of, or is deemed to have been disposed of, without recognizing taxable gain.

17.2.2 Taxes on Income and Capital Gains

17.2.2.1 Dutch Resident Individuals

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 (a "**Dutch Resident Individual**"), will generally be subject to Dutch income tax on income or capital gains derived or deemed to be derived from the Shares at the progressive rates up to 49.5% (maximum rate for 2021) if:

- (i) the holder derives profits from an enterprise or deemed enterprise, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net worth of such enterprise (other than as an entrepreneur or a shareholder), to which enterprise the Shares are attributable or deemed to be attributable; or
- (ii) the holder derives income or capital gains from the Shares, as the case may be, that are taxable as benefits from 'miscellaneous activities' (*resultaat uit overige werkzaamheden*, as defined in the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*)), which include the performance of activities with respect to the Shares, that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*) and also include benefits resulting from a lucrative interest (*lucratief belang*).

If neither condition (i) nor condition (ii) mentioned above applies, a Dutch Resident Individual will generally be subject to Dutch income tax on a deemed return regardless of the actual income or capital gains derived from the Shares. This deemed return on income from savings and investments (*sparen en beleggen*) is calculated by applying the applicable deemed return percentage(s) to the individual's yield basis (*rendementsgrondslag*) insofar as this exceeds a certain threshold (*heffingvrij vermogen*). The individual's yield basis is determined as the fair market value of certain qualifying assets (including, as the case may be, the Shares) held by the Dutch Resident Individual less the fair market value of certain qualifying liabilities, both determined on January 1, of the relevant year. The deemed return percentages to be applied to the yield basis increase progressively from 1.90% to 5.69% (rates for 2021). The deemed return will be taxed at a rate of 31% (rate for 2021).

17.2.2.2 Dutch Resident Entities

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 (a "**Dutch Resident Entity**"), will generally be subject to Dutch corporate income tax with respect to income and capital gains derived or deemed to be derived from the Shares. The Dutch corporate income tax rate is 15% for the first €245,000 of the taxable amount and 25% for the taxable amount exceeding €245,000 (rates for 2021).

17.2.2.3 *Non-Dutch Residents*

A holder of Shares who is not, nor deemed to be, a Dutch Resident Individual or a Dutch Resident Entity (a “**Non-Dutch Resident**”), is generally not subject to Dutch income tax or corporate income tax with respect to the income and capital gains derived from the Shares, provided that:

- such Non-Dutch Resident does not derive profits from an enterprise or deemed enterprise, whether as an entrepreneur or pursuant to a co-entitlement to the net worth of such enterprise (other than as an entrepreneur or a shareholder) which enterprise 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 Shares are attributable or deemed attributable;
- in case of a Non-Dutch Resident who is an individual, such individual does not derive income or capital gains from the Shares, as the case may be, that are taxable as benefits from miscellaneous activities performed in the Netherlands (*resultaat uit overige werkzaamheden in Nederland*), which include the performance of activities in the Netherlands in respect of the Shares, that exceed regular, active portfolio management and also includes benefits resulting from a lucrative interest;
- in case of a Non-Dutch Resident who is an individual, such individual is not entitled to a share in the profits of an enterprise effectively managed in the Netherlands, other than by way of the holding of securities or through an employment relationship, to which enterprise the Shares or payments in respect of the Shares are attributable; and
- in case of a Non-Dutch Resident that is an entity, such entity is neither entitled to a share in the profits of an enterprise nor co-entitled to the net worth of such enterprise effectively managed in the Netherlands, other than by way of the holding of securities, to which enterprise the Shares, or payments in respect of the Shares, as the case may be, are attributable.

17.2.3 *Gift and Inheritance Taxes*

17.2.3.1 *Dutch Residents*

Generally, gift taxes (*schenkbelasting*) and inheritance taxes (*erfbelasting*) may arise in the Netherlands with respect to a transfer of the Shares by way of a gift by, or, on the death of, a holder of Shares who is resident or deemed to be resident in the Netherlands for the purpose of the Netherlands Gift and Inheritance Tax Act 1956 (*Successiewet 1956*) at the time of the gift or his or her death.

17.2.3.2 *Non-Dutch Residents*

No Dutch gift or inheritance taxes will be levied on the transfer of Shares by way of gift by or on the death of a holder, who is neither a resident nor deemed to be a resident of the Netherlands for the purpose of the relevant provisions, unless:

- (i) the transfer is construed as an inheritance or bequest or as a gift made by or on behalf of a person who, at the time of the gift or death, is or is deemed to be a resident of the Netherlands for the purpose of the relevant provisions;
- (ii) such holder dies while being a resident or deemed resident of the Netherlands within 180 days after the date of a gift of the Shares;
- (iii) the gift is made under a condition precedent and such holder is or is deemed to be resident in the Netherlands at the time the condition is fulfilled.

For purposes of the Dutch Gift and Inheritance Tax Act 1956, an individual who is of Dutch nationality will be deemed to be a resident of the Netherlands if he has been a resident of the Netherlands at any time during the 10 years preceding the date of the gift or his death. For purposes of Dutch gift tax, an individual will, irrespective of his nationality, be deemed to be a resident of the Netherlands if he has been a resident of the Netherlands at any time during the 12 months preceding the date of the gift. The same 12-month rule may apply to entities that have transferred their seat of residence out of the Netherlands. Applicable tax treaties may override such deemed residency.

17.2.4 Value Added Tax

In general, there is no Dutch value added tax (“VAT”) (omzetbelasting) payable by a holder of Shares in respect of the purchase of Shares pursuant to the Private Placement (other than value added tax on fees payable in respect of services not exempt from Dutch VAT).

17.2.5 Other Taxes and Duties

No Dutch registration tax, capital tax, customs duty, stamp duty or any other similar tax or duty will be payable in the Netherlands by a holder of Shares in respect of or in connection with the acquisition, ownership or transfer of Shares.

17.3 Taxation in Luxembourg

Where in this overview English terms and expressions are used to refer to Luxembourg concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Luxembourg concepts under Luxembourg tax law.

The following is a summary of certain material Luxembourg tax consequences of purchasing, owning and disposing of Shares. It does not purport to be a complete analysis of all possible tax situations that may be relevant to a decision to purchase, own or sell Shares. It is included herein solely for preliminary information purposes. It is not intended to be, nor should it be construed to be, legal or tax advice. This summary does not allow any conclusion to be drawn with respect to issues not specifically addressed. This overview is based on current Luxembourg legislation and regulation, existing administrative and judicial interpretations thereof and practice in force in Luxembourg on the date of this Prospectus, all of which are subject to change.

If there is a change in the legislation, the prevailing administrative or judicial interpretation thereof or in the practice, in each case including changes having a retroactive effect, the information included herein will need to be re-assessed in light of any such changes. The Company or its advisors are under no obligation to update this Prospectus for any such changes occurring after its date of issuance or to inform any person, of any changes of law, administrative or judicial interpretation thereof or practice or other matters coming to their knowledge and occurring after the date hereof, which may affect this Prospectus in any respect. Neither the Company nor its advisors are liable for any loss which may arise as a result of current, or changes in, applicable tax laws, administrative or judicial interpretation thereof or practice.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Any reference to Luxembourg income tax generally encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), the solidarity surcharge (contribution au fonds pour l’emploi), as well as personal income tax (*impôt sur le revenu des personnes physiques*). Corporate taxpayers may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax, net wealth tax, as well as the solidarity surcharge, apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may also apply.

Prospective purchasers of the Shares should consult their own tax advisors as to the particular tax consequences of purchasing, owning and disposing of the Shares, including the application and effect of any federal, state or local taxes under the tax laws of the Grand Duchy of Luxembourg and their countries of citizenship, residence, domicile or incorporation.

17.3.1 Taxation of the Company – Income Taxes

The Company being a Luxembourg resident fully-taxable company, its net taxable profit is as a rule subject to Luxembourg corporate income tax and municipal business tax at ordinary rates in Luxembourg. The taxable profit as determined for corporate income tax purposes is applicable, with minor adjustments, for municipal business tax purposes.

Corporate income tax is levied at a rate of 17% in 2021, where the taxable income exceeds €200,000 (plus the 7% thereof solidarity surcharge). Municipal business tax is levied at a variable rate according to the municipality in which the Company has its registered office (6.75% in Luxembourg, Grand Duchy of Luxembourg). The 2021 maximum aggregate corporate income tax and municipal business tax rate consequently amounts to 24.94% for companies established in Luxembourg, Grand Duchy of Luxembourg, with a taxable income exceeding €200,000. The use of carried-forward losses realized as from fiscal year 2017 are time-restricted to 17 years. The carry back of tax losses is however prohibited.

Under the participation exemption regime (the “**Participation Exemption Regime**”), dividends and liquidation proceeds received by the Company are exempt from corporate income tax and municipal business tax if (i) the distributing company is a qualified subsidiary (a “**Qualified Subsidiary**”) and (ii) at the time the dividend becomes available to the Company, the latter has held or commits itself to hold for an uninterrupted period of at least twelve months, a qualified shareholding (a “**Qualified Shareholding**”). A ‘Qualified Subsidiary’ is (a) a company covered by Article 2 of the amended Directive 2011/96/EU of the Council of 30 November 2011 on the common system of taxation applicable in the case of parent companies and subsidiaries of different member states (the “**EU Parent-Subsidiary Directive**”), (b) a Luxembourg resident company limited by share capital (*société de capitaux*), fully subject to tax, or (c) a non-resident company limited by share capital (*société de capitaux*) liable to a tax corresponding to Luxembourg corporate income tax. Based on Luxembourg Parliamentary preparatory work, a foreign corporate income tax with an effective rate of at least half of the Luxembourg corporate income tax, and levied under a set of rules similar to the ones applicable in Luxembourg is considered as corresponding to Luxembourg corporate income tax. A ‘Qualified Shareholding’ means shares representing a direct participation of at least 10% in the share capital of the Qualified Subsidiary or a direct participation in the Qualified Subsidiary having an acquisition price of at least €1.2 million. The Participation Exemption Regime may not apply to profit distributions by companies that (i) are tax-deductible for the distributing entity or (ii) are made in the framework of an arrangement which, having been put in place with the (or one of the) main purpose(s) of obtaining a tax advantage defeating the objects and purposes of the EU Parent-Subsidiary Directive, is not genuine having regard to all its relevant facts and circumstances.

Participations held through a tax transparent entity are considered to be held directly and proportionally to the percentage held in the net assets of the transparent entity.

Insofar as a dividend from a Qualified Shareholding is Luxembourg tax-exempt in a given fiscal year, is non-tax-deductible up to the dividend amount (a) any expenses incurred during the same fiscal year, in economic relation with this exempt income (*e.g.*, interest on debt financing the Qualified Shareholding, operating expenses, foreign withholding tax, write down), as well as (b) the potential write-down on the Qualified Shareholding, recorded after the distribution of the tax-exempt dividend. The amount of expenses exceeding the tax-exempt dividend or expenses related to the Qualified Shareholding and incurred in the absence of a dividend distribution are tax-deductible but subject to recapture upon the disposal of the Qualified Shareholding at a gain (see below). If the Participation Exemption Regime does not apply, 50% of the gross amount of dividends received by the Company may be exempt from income taxes, under certain conditions.

Capital gains (determined as the positive difference between the price for which shares have been disposed of, or their market value, and their cost or book value) realized by the Company on shares are subject to income taxes at ordinary rates, unless the conditions of the Participation Exemption Regime are satisfied: in that case, Qualified Shareholding means shares representing a direct participation of at least 10% in the share capital of the Qualified Subsidiary or a direct participation in the Qualified Subsidiary having an acquisition price of at least €6.0 million. If the company realizing the Luxembourg tax-exempt capital gain incurred in previous or current fiscal year(s) tax deductible expenses in economic relation with a Qualified Shareholding (*e.g.*, interest on debt financing the Qualified Shareholding, operating expenses, foreign withholding tax and write down, including write down on receivables held towards the Qualified Subsidiary), these expenses must be recaptured at the time of the sale of the participation, up to the amount of the gain. The capital gain will be subject to tax up to the amount of the expenses subject to recapture which have decreased the taxable basis of the company in any prior fiscal year, including the year of the sale. Carried forward tax losses can be deducted from the taxable basis of the company, against these expenses so-recaptured (bearing in mind that tax losses may be carried forward during a period of maximum 17 years, as mentioned above).

In certain circumstances, a group of Luxembourg resident fully-taxable companies may benefit from the tax unity regime. This allows us to combine or offset the respective taxable profit of each company in the group and to be taxed on the overall sum as if they were a single taxpayer. This means that losses incurred by some

consolidated companies are offset by the profits made by others. The tax unity regime is applicable for Luxembourg corporate income tax and municipal business tax purposes.

17.3.2 Taxation of the Company – Net Wealth Tax

The Company is as a rule subject to annual Luxembourg net wealth tax at the rate of 0.5% (and at a rate of 0.05% for the portion of the net wealth exceeding €500 million) on its net assets. The net wealth tax basis is the so-called “unitary value” (*valeur unitaire*), determined on January 1, of each year as the difference between: (i) assets, valued in accordance with Luxembourg valuation rules and (ii) liabilities (excluding the equity of the Company (e.g., share capital, share premium, legal reserve, freely distributable reserve(s), capital surplus etc.)). Under the Participation Exemption Regime (described above), a Qualified Shareholding held in a Qualified Subsidiary by the Company is exempt; the minimum holding period requirement is not relevant for net wealth tax purposes. Debts funding a Qualified Shareholding are non-deductible for net wealth tax purposes, up to the amount of the Qualified Shareholding.

Even if the Company is not subject to the regular annual net wealth tax, it is subject to the annual minimum net wealth tax (the “**Minimum Net Wealth Tax**”). The Minimum Net Wealth Tax amounted to €4,815 in 2021, for Luxembourg collective entities where the total of the company’s financial fixed assets, receivables held against affiliated companies and companies in which they hold a shareholding, transferable securities, cash at bank, cash in postal checking accounts, checks, and cash in hand (*i.e.*, assets booked under captions 23, 41, 50 and 51 of the Luxembourg Standard Chart of Accounts) exceeded 90% of the total balance sheet value and €350,000.

All other companies that did not meet the aforementioned conditions were subject in 2021 to the Minimum Net Wealth Tax on the basis of their total balance sheet value according to a progressive tax scale varying from €535 to €32,100. For companies subject to the regular annual net wealth tax, the annual liability will be the higher of the Minimum Net Wealth Tax and the annual Luxembourg net wealth tax.

The tax unity regime does not apply to the annual Luxembourg net wealth tax. Each group company, therefore, remains liable for the net wealth tax applicable to its own taxable wealth. The sum of the Minimum Net Wealth Tax in a tax unity is however capped at €32,100.

17.3.3 Taxation of the Company – Other Taxes

The issue of Shares against contributions in cash as well as amendments to the Articles of Association are currently subject to a €75 fixed registration duty.

17.3.4 Taxation of the Shareholders – Withholding Tax

Dividends (including deemed dividends) paid by the Company to its shareholders are, generally, subject to a 15% withholding tax in Luxembourg, if levied on the gross dividend amount, or 17.65% if levied on the net dividend amount put at the disposal of the beneficiary. A domestic withholding exemption may apply if, at the time the income is made available, (i) the receiving entity is an eligible parent that (ii) has held or commits itself to hold for an uninterrupted period of at least twelve months a direct participation of at least 10% of the share capital of the Company or a direct participation with an acquisition price of at least €1.2 million. Eligible parents include, *inter alia*, (a) companies covered by Article 2 of the EU Parent-Subsidiary Directive and Luxembourg permanent establishments thereof, (b) companies resident in States having a double tax treaty with Luxembourg and subject to a tax corresponding to Luxembourg corporate income tax, and Luxembourg permanent establishment thereof, (c) companies limited by share capital (*société de capitaux*) or cooperative companies (*société coopérative*) resident in an EEA member state other than an EU member state and liable to a tax corresponding to Luxembourg corporate income tax, and Luxembourg permanent establishment thereof and (d) Swiss companies limited by share capital (*société de capitaux*) that are effectively subject to corporate income tax in Switzerland without benefiting from an exemption. The exemption may not apply to profit distributions to EU companies that are made in the framework of an arrangement which, having been put in place with the (or one of the) main purpose(s) of obtaining a tax advantage defeating the objects and purposes of the EU Parent-Subsidiary Directive, is not genuine having regard to all its relevant facts and circumstances.

The 15% withholding tax, if applicable, may be reduced pursuant to the provisions of the relevant double tax treaty, if any.

Capital gains and liquidation proceeds are not subject to a withholding tax.

There is no withholding tax on ordinary arm's length interest payments (except for interest on certain profit-sharing bonds, hybrid instruments treated as equity and interest paid by thinly capitalized companies holding shares and interest paid to Luxembourg resident individuals as per the law of 23 December 2005 (as amended)).

No withholding tax applies upon repayment of the principal of a loan (except for hybrid instruments treated as equity under certain circumstances).

17.3.5 Directors' Fees - Withholding Tax

Directors' fees (*tantièmes*) paid by a Luxembourg company to its directors in consideration for their non-executive positions (i.e., not within the context of an employment agreement for the day-to-day management) and including any VAT, are non-deductible for corporate income tax and municipal business tax purposes at the level of the Luxembourg company and are subject to withholding tax at a rate of 20% on the gross amount of such fees (25% on the net amount).

17.3.6 Taxation of Luxembourg Resident Shareholders

17.3.6.1 Individual shareholders

Luxembourg resident individual shareholders, acting in the course of the management of either their private wealth or their professional / business activity, are subject to personal income tax at the progressive ordinary rate. A 50% exemption applies to the gross amount of dividends received by resident individuals from (i) a fully taxable Luxembourg resident company limited by share capital (*société de capitaux*), (ii) a company limited by share capital (*société de capitaux*) resident in a state having a double tax treaty in place with Luxembourg and subject to a tax corresponding to Luxembourg corporate income tax or (iii) a company resident in an EU member state and covered by Article 2 of the EU Parent-Subsidiary Directive. A total lump-sum of €1,500 (doubled for individual taxpayers who are jointly taxable) is also deductible from total investment income (dividends and interest) received during the tax year.

A tax credit is usually granted for the 15% withholding tax levied on dividends.

Capital gains realized on the disposal of the Shares by Luxembourg resident individual shareholders, acting in the course of the management of their private wealth, are not subject to personal income tax, unless said capital gains qualify either (i) as speculative gains or (ii) as gains on a substantial participation.

(i) Capital gains are deemed to be speculative gains and are subject to income tax at miscellaneous income ordinary rates for resident individuals (with a top marginal rate of 45.78% for the year 2021) if the Shares are disposed of within six months post-acquisition or if disposal precedes acquisition.

(ii) A participation is deemed to be substantial where a resident shareholder holds, either alone or together with his/her spouse/partner and/or minor children, directly or indirectly at any time within the five years preceding the disposal, more than 10% of the share capital of the Company. A shareholder is also deemed to alienate a substantial participation if he/she acquired free of charge, within the 5 years preceding the transfer, a participation that constituted a substantial participation in the hands of the alienator (or the alienators in case of successive transfers free of charge within the same 5-year period). Capital gains realized on a substantial participation more than six months after the acquisition thereof are subject to income tax as miscellaneous income according to the half-global rate method and may benefit from an allowance of up to €50,000 granted for a ten-year period (doubled for individual taxpayers who are jointly taxable).

Capital gains realized on the disposal of the Shares by resident individual shareholders, acting in the course of their professional / business activity, are subject to personal income tax at ordinary rates.

A disposal may include a sale, exchange, contribution or any other kind of alienation of the Shares. Taxable gains are determined as being the difference between the price for which the Shares have been disposed of and the lower of their cost or book value.

17.3.6.2 Corporate shareholders

Dividends and liquidation proceeds derived from, and capital gains realized on the Shares held by a Luxembourg fully taxable resident company are in principle subject to corporate income tax and municipal business tax, unless the conditions of the Participation Exemption Regime are satisfied. Should such conditions not be fulfilled, a 50% exemption of the gross dividends received by a Luxembourg fully taxable resident company may still apply for corporate income tax and municipal business tax purposes, under certain circumstances.

A tax credit is usually granted for the 15% withholding tax levied on dividends, if any applicable.

17.3.6.3 Shareholders benefitting from a special tax regime

Certain resident corporate shareholders benefitting from a special tax regime, such as entities governed by (a) the law of 11 May 2007 on family wealth management companies (as amended) or (b) the law of 13 February 2007 on specialized investment funds (as amended), or (c) the law of 17 December 2010 on undertakings for collective investments (as amended) or (d) the law of 23 July 2016 on reserved alternative investment funds (as amended) and treated as a specialized investment fund for Luxembourg tax purposes are exempt on income derived from, and capital gains realized on, the Shares for Luxembourg income tax purposes.

17.3.7 Taxation of Luxembourg Non-Resident Individual and Corporate Shareholders

A shareholder will not become resident, nor be deemed to be resident, in Luxembourg solely by virtue of holding and/or disposing of Shares or the execution, performance, delivery and/or enforcement of his/her rights thereunder.

Non-resident shareholders who have neither a permanent establishment nor a permanent representative in Luxembourg to which or to whom the Shares are allocable, are generally not liable for Luxembourg income tax on dividends received or on capital gains realized upon the sale of Shares.

As an exception, capital gains realized on a substantial participation (*i.e.*, more than 10% in the share capital of the Company) within the first six months after the acquisition thereof or in case of an alienation after six months or more by a shareholder who was a Luxembourg resident for more than 15 years and has become a non-resident for less than five years prior to the realization of the capital gain, are subject to income tax in Luxembourg at ordinary rates (*i.e.*, 18.19% for non-resident corporate shareholders in 2021 and at progressive rates for non-resident individual shareholders). Most double tax treaties in force prevent such capital gain taxation.

Dividends and liquidation proceeds received from, and capital gains (determined as the positive difference between the price for which the Shares have been disposed of, or their market value, and the lower of their cost or book value) realized on, Shares held by a Luxembourg permanent establishment of a non-resident shareholder are subject to Luxembourg income taxes, unless the conditions for the application of the Participation Exemption Regime are satisfied. In particular, a full exemption is available if cumulatively (i) the Shares are attributable to a qualified permanent establishment (“**Qualified Permanent Establishment**”) and (ii) at the time the dividend is put at the disposal of the Qualified Permanent Establishment, it has held or commits itself to hold for an uninterrupted period of at least twelve months a Qualified Shareholding. A Qualified Permanent Establishment means (a) a Luxembourg permanent establishment of a company covered by Article 2 of the EU Parent-Subsidiary Directive, (b) a Luxembourg permanent establishment of a company limited by shares (*société de capitaux*) resident in a State having a tax treaty with Luxembourg and (c) a Luxembourg permanent establishment of a company limited by shares (*société de capitaux*) or a cooperative company (*société coopérative*) resident in an EEA member state other than an EU member state. Qualified Shareholding means shares representing a direct participation of at least 10% in the share capital of the Qualified Subsidiary or a direct participation in the Qualified Subsidiary having an acquisition price of at least €1.2 million. If the Participation Exemption Regime does not apply, 50% of the gross amount of dividends received by a Luxembourg permanent establishment may be exempt from income taxes, under certain conditions. A tax credit is further granted for the 15% withholding tax levied on dividends, if any.

17.3.8 Other Taxes – Net Wealth Tax

Corporate shareholders resident in Luxembourg are subject to annual net wealth tax, levied at a rate of 0.5% (and at a rate of 0.05% for the portion of the net wealth exceeding €500 million) on their net assets, unless they are entities governed by (a) the law of 17 December 2010 on undertakings for collective investment (as

amended), or (b) the law of 22 March 2004 on securitization (as amended), or (c) the law of 15 June 2004 on venture capital vehicles (as amended), or (d) the law of 11 May 2007 on family wealth management companies (as amended) or (e) the law of 13 July 2005 on Luxembourg professional pension institutions (as amended) or (f) the law of 13 February 2007 on specialized investment funds (as amended) or (g) the law of 23 July 2016 on reserved alternative investment funds (as amended).

However, please note that (a) securitization companies governed by the law of 22 March 2004 (as amended), or (b) companies governed by the law of 15 June 2004 (as amended), or (c) Luxembourg professional pension institutions governed by the law of 13 July 2005 (as amended), or (d) opaque reserved alternative investment funds governed by the law of 23 July 2016 (as amended) and treated as a venture capital vehicle for Luxembourg tax purposes remain subject to Minimum Net Wealth Tax.

A Qualified Shareholding held in a Qualified Subsidiary is exempt; the minimum holding period requirement is not relevant for net wealth tax purposes.

Non-resident corporate shareholders are only subject to net wealth tax in Luxembourg in respect of the Shares if such holding is effectively connected to a permanent establishment or a permanent representative through which the holder carries on a business in Luxembourg, to which the Shares are allocable.

Individuals are not subject to Luxembourg's net wealth tax.

17.3.9 Inheritance and Gift Tax

Where an individual shareholder is a resident of Luxembourg for inheritance tax purposes at the time of his or her death, the Shares are included in his or her taxable basis for inheritance tax purposes. On the contrary, no inheritance tax is levied on the transfer of the Shares upon the death of an individual shareholder in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes at the time of his/her death.

Gift tax may be due on a gift or donation of the Shares, if the gift is embodied in a Luxembourg notarial deed or otherwise registered in Luxembourg, which is generally not required.

17.3.10 Other Taxes and Duties

The holding or disposal of the Shares is, in principle, not subject to a Luxembourg registration tax or stamp duty. A fixed or ad valorem registration duty may, however, apply upon voluntary registration of a document in relation to the Shares in Luxembourg or if such document is annexed to a document which is mandatorily subject to registration with the *Administration de l'Enregistrement, des Domaines et de la TVA*, or if it is deposited with the official records of the notary ("*déposé au rang des minutes d'un notaire*"), or is attached to a notarial deed.

17.4 Taxation in the United States

This section describes certain U.S. federal income tax consequences of owning and disposing of Shares. It applies to you only if you acquire Shares in this Private Placement and hold your Shares as capital assets for U.S. federal income tax purposes. This discussion addresses only U.S. federal income taxation and does not discuss all of the tax consequences that may be relevant to you in light of your individual circumstances, including foreign, state or local tax consequences, estate and gift tax consequences, and tax consequences arising under the Medicare contribution tax on net investment income or the alternative minimum tax. This section does not describe all of the tax consequences that may apply to you if you are a member of a special class of holders subject to special rules, including:

- a bank or other financial institution;
- a regulated investment company or real estate investment trust;
- a dealer in securities;
- a trader in securities that elects to use a mark-to-market method of accounting for securities holdings;
- a tax-exempt organization;
- partnerships and other pass-through entities, including S-corporations;

- an insurance company;
- a person that actually or constructively owns 10% or more of the combined voting power of the Company's voting stock or of the total value of the Company's stock;
- a person that holds Shares as part of a straddle or a hedging or conversion transaction;
- a person that purchases or sells Shares as part of a wash sale for tax purposes;
- a person that will hold the Shares as part of the business assets of a permanent establishment or a fixed base in Luxembourg or for which a permanent representative has been appointed in Luxembourg; or
- a U.S. holder (as defined below) whose functional currency is not the U.S. dollar.

This section is based on the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations, published rulings and court decisions, as well as on the Convention between the United States and Luxembourg (the "**Treaty**"), each as available and in effect on the date hereof. These authorities are subject to change, possibly on a retroactive basis.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds Shares, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the tax treatment of the partnership. Prospective purchasers that are entities or arrangements treated as partnerships for U.S. federal income tax purposes, or partners in such partnerships, should consult their tax advisors with regard to the U.S. federal income tax treatment of an investment in Shares.

You are a U.S. holder if you are a beneficial owner of Shares and you are, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or any other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States or any state thereof, including the District of Columbia;
- an estate whose income is subject to U.S. federal income tax regardless of its source; or
- a trust (i) that has a valid election in effect to be treated as a U.S. person for U.S. federal income tax purposes or (ii) if a U.S. court can exercise primary supervision over the trust's administration and one or more U.S. persons are authorized to control all substantial decisions of the trust.

A non-U.S. holder is a beneficial owner of Shares that is not a partnership or a U.S. holder for U.S. federal income tax purposes.

You should consult your own tax advisor regarding the U.S. federal, state and local and other tax consequences of owning and disposing of Shares in your particular circumstances.

17.4.1 U.S. Holders

The discussion in this subsection only applies to you if you are a U.S. holder.

The tax treatment of your Shares will depend in part on whether or not the Company is classified as a passive foreign investment company ("**PFIC**") for U.S. federal income tax purposes. Except as discussed below under "**PFIC Rules**", this discussion assumes that the Company is not, and will not be, classified as a PFIC for U.S. federal income tax purposes.

17.4.1.1 Distributions

The gross amount of any distribution the Company pays out of its current or accumulated earnings and profits (as determined for U.S. federal income tax purposes), other than certain pro-rata distributions of the Company's shares, will be treated as a dividend that is subject to U.S. federal income taxation. You must include any Luxembourg tax withheld from dividend payments in this gross amount even though you do not in fact receive it. The dividend is taxable to you when you receive the dividend, actually or constructively. Distributions in excess of current and accumulated earnings and profits, as determined for U.S. federal income tax purposes, will be

treated as non-taxable returns of capital to the extent of your basis in the Shares and thereafter as capital gains. The Company does not, however, expect to calculate earnings and profits in accordance with U.S. federal income tax principles. Accordingly, you should expect to generally treat distributions by the Company as dividends.

If you are a non-corporate U.S. holder, dividends that constitute qualified dividend income will be taxable to you at the preferential rates applicable to long-term capital gains, provided that you hold the Shares for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date and meet other holding period requirements. Dividends paid by the Company with respect to Shares generally will be qualified dividend income, provided that, in the year that you receive the dividend, the Company is eligible for the benefits of the Treaty. The Company currently expects that it will be eligible for the benefits of the Treaty and the Company therefore expects that dividends on the Shares will be qualified dividend income, but there can be no assurance that it will be eligible for the benefits of the Treaty in any particular taxable year. Dividends will not be eligible for the dividends-received deduction generally allowed to U.S. corporations in respect of dividends received from other U.S. corporations.

The amount of the dividend distribution that you must include in your income will be the U.S. dollar value of the Euro payments made, determined at the spot Euro/U.S. dollar rate on the date the dividend distribution is included in your income, regardless of whether the payment is in fact converted into U.S. dollars. Your tax basis in the Euro will equal the U.S. dollar amount included in income. If you convert the Euro into U.S. dollars on the day you receive the dividend, you will generally not recognize foreign currency gain or loss in respect of the dividend income. In general, any gain or loss resulting from currency exchange fluctuations during the period from the date you include the dividend payment in income to the date you convert the payment into U.S. dollars will be treated as ordinary income or loss and will not be eligible for the special tax rate applicable to qualified dividend income. The gain or loss generally will be income or loss from sources within the United States for foreign tax credit limitation purposes.

Subject to certain limitations, any Luxembourg tax withheld at the appropriate rate in accordance with the Treaty will be creditable or deductible against your U.S. federal income tax liability. Dividends will generally be income from sources outside the United States and will generally be “passive category” income for purposes of computing the foreign tax credit allowable to you. Special rules apply in determining the foreign tax credit limitation with respect to qualified dividends that are subject to the preferential tax rates for eligible non-corporate U.S. holders. To the extent a reduction or refund of the tax withheld is available to you under Luxembourg law or under the Treaty, the amount of tax withheld that could have been reduced or that is refundable will not be eligible for credit against your U.S. federal income tax liability. You may deduct Luxembourg tax withheld at the appropriate rate in accordance with the Treaty only for a taxable year in which you elect to do so with respect to all foreign income taxes paid or accrued in such taxable year.

17.4.1.2 Disposition of Shares

When you sell or otherwise dispose of your Shares, you will recognize a capital gain or loss equal to the difference between the amount that you realize and your tax basis in your Shares. Your tax basis in the Shares will generally equal the U.S. dollar value of the Euro purchase price for the Shares, determined on the date that you purchased such Shares. Any such capital gains will generally be taxed at preferential rates if you are a non-corporate U.S. holder and you hold the Shares for more than one year. The gain or loss will generally be income or loss from sources within the United States for foreign tax credit limitation purposes. The deductibility of capital losses is subject to significant limitations.

A U.S. holder that receives Euro on the disposition of Shares will realize an amount equal to the U.S. dollar value of the currency received at the spot rate on the date of sale or, in the case of cash basis and electing accrual basis U.S. holders, the settlement date. An accrual basis U.S. holder that does not elect to determine the amount realized using the spot rate on the settlement date will recognize a foreign currency gain or loss equal to the difference between the U.S. dollar value of the Euro received based on the spot exchange rates in effect on the date of sale or other disposal and the settlement date. A U.S. holder will have a tax basis in the currency received equal to the U.S. dollar value of the Euro received on the settlement date. Any gain or loss on a subsequent conversion of the Euro for a different amount will generally constitute a U.S. source ordinary income or loss.

17.4.1.3 PFIC Rules

The Company believes that it was not a PFIC for US federal income tax purposes for its most recent taxable year and it does not expect to become a PFIC in its current taxable year or in the foreseeable future. This conclusion is, however, a factual determination that is made annually and may thus be subject to change. It is therefore possible that the Company could become a PFIC in a future taxable year.

In general, the Company will be a PFIC with respect to you if for any taxable year in which you held Shares:

- at least 75% of the Company's gross income for the taxable year is passive income; or
- at least 50% of the value, determined on the basis of a quarterly average, of the Company's assets is attributable to assets that produce or are held for the production of passive income.

"Passive income" generally includes dividends, interest, gains from the sale or exchange of investment property, rents and royalties (other than certain rents and royalties derived in the active conduct of a trade or business), and certain other specified categories of income. If a foreign corporation owns at least 25% by value of the stock of another corporation, the foreign corporation is, for purposes of the PFIC tests, treated as owning its proportionate share of the assets of the other corporation, and as receiving directly its proportionate share of the other corporation's income.

If the Company is treated as a PFIC, and you did not make a mark-to-market election, as described below, you will generally be subject to special rules with respect to:

- any gain you realize on the sale or other disposition of your Shares; and
- any excess distribution that the Company makes to you (generally, any distributions to you during a single taxable year, other than the taxable year in which your holding period in the Shares begins, that are greater than 125% of the average annual distributions received by you in respect of the Shares during the three preceding taxable years or, if shorter, your holding period for the Shares that preceded the taxable year in which you receive the distribution).

Under these special rules:

- any gain or excess distribution will be allocated over your holding period for the Shares on a *pro rata* basis;
- the amount allocated to the taxable year in which you realized the gain or excess distribution, or to prior years before the first year in which the Company was a PFIC with respect to you, will be taxed as ordinary income;
- the amount allocated to each other prior year will be taxed at the highest tax rate for individuals or corporations, as appropriate, in effect for that year; and
- the interest charge generally applicable to underpayments of tax will be imposed in respect of the tax attributable to each such year.

Special rules apply for calculating the amount of the foreign tax credit with respect to excess distributions by a PFIC.

Your Shares will generally be treated as stock in a PFIC if the Company was a PFIC at any time during your holding period in your Shares, even if the Company is not currently a PFIC.

If the Company is a PFIC for any taxable year, to the extent any of the Company's subsidiaries are also PFICs, you will generally be deemed to own shares in such lower-tier PFICs that are directly or indirectly owned by the Company in the proportion which the value of the Shares you own bears to the value of all of the Company's equity interests, and you will generally be subject to the tax consequences described above (and the Internal Revenue Service ("IRS") Form 8621 reporting requirement described below) with respect to the shares of such lower-tier PFIC you would be deemed to own. As a result, if the Company receives any excess distribution from any lower-tier PFIC or sells shares in a lower-tier PFIC, you will generally be subject to taxation under the excess distribution rules described above in the same manner as if you had held your proportionate share of the lower-tier

PFIC stock directly, even if the Company does not distribute such amounts to you. If, however, you are treated as receiving an excess distribution or as recognizing a gain in respect of a lower-tier PFIC, you would increase your tax basis in your Shares by the amount of such distribution or gain. In addition, if the Company distributes such amount to you with respect to your Shares, you would not include the distribution in income, but would rather reduce your tax basis in your Shares by the amount of the distribution. The application of the PFIC rules to indirect ownership of any lower-tier PFIC that the Company holds is complex and uncertain, and you should therefore consult your own tax advisor regarding the application of such rules to your ownership of the Shares.

If the Company is a PFIC in a taxable year and the Shares are treated as “marketable stock” during such year, you may make a mark-to-market election with respect to your Shares. If you make this election, you will not be subject to the PFIC rules described above. Instead, in general, you will include as ordinary income each year that the Company is a PFIC the excess, if any, of the fair market value of your Shares at the end of the taxable year over your adjusted basis in your Shares. You will also be allowed to recognize an ordinary loss in respect of the excess, if any, of the adjusted basis of your Shares over their fair market value at the end of the taxable year (but only to the extent of the net amount of previously included income as a result of the mark-to-market election). Your basis in the Shares will be adjusted to reflect any such income or loss amounts. Any gain that you recognize on the sale or other disposition of your Shares in a year when the Company is a PFIC would be ordinary income and any loss would be an ordinary loss to the extent of the net amount of previously included income as a result of the mark-to-market election and, thereafter, a capital loss. Because a mark-to-market election cannot be made for equity interests in any lower-tier PFICs the Company owns, you would continue to be subject to the rules described in the preceding paragraph with respect to any excess distributions the Company receives from a subsidiary that is a PFIC, and any gain the Company realizes upon a sale of shares of a subsidiary that is a PFIC, even if you make a mark-to-market election with respect to your Shares. The interaction of the mark-to-market rules and the rules governing lower-tier PFICs is complex and uncertain, and you should therefore consult your own tax advisor regarding the application of such rules to your ownership of the Shares.

Notwithstanding any election you make with regard to the Shares, dividends that you receive from the Company will not constitute qualified dividend income to you if the Company is a PFIC (or treated as a PFIC with respect to you) either in the taxable year of the distribution or the preceding taxable year. Dividends you receive that do not constitute qualified dividend income are not eligible for taxation at the preferential rates applicable to qualified dividend income. Instead, you must include the gross amount of any such dividend paid by the Company out of the Company’s current or accumulated earnings and profits (as determined for U.S. federal income tax purposes) in your gross income, and it will be subject to tax at rates applicable to ordinary income.

If you own Shares during any year that the Company is a PFIC with respect to you, you may be required to file IRS Form 8621.

17.4.1.4 Shareholder Reporting

A U.S. holder that owns “specified foreign financial assets” with an aggregate value exceeding \$50,000 (and in some circumstances, a higher threshold) may be required to file an information report with respect to such assets with its tax return. “Specified foreign financial assets” may include financial accounts maintained by foreign financial institutions, as well as the following, but only if they are held for investment and not held in accounts maintained by financial institutions: (i) stocks and securities issued by non-U.S. persons, (ii) financial instruments and contracts that have non-U.S. issuers or counterparties, and (iii) interests in foreign entities. Significant penalties may apply for failing to satisfy this filing requirement. U.S. holders are urged to contact their tax advisors regarding the application of this filing requirement to their ownership of Shares.

17.4.2 Non-U.S. Holders

The discussion in this subsection only applies to you if you are a non-U.S. holder.

17.4.2.1 Dividends

Dividends paid to you in respect of Shares will not be subject to U.S. federal income tax, unless the dividends are “effectively connected” with your conduct of a trade or business within the United States, and the dividends are attributable to a permanent establishment that you maintain in the United States if that is required by an applicable income tax treaty as a condition for subjecting you to U.S. taxation on a net income basis. In such cases, you generally will be taxed in the same manner as a U.S. holder. If you are a corporate non-U.S. holder, “effectively connected” dividends may, under certain circumstances, be subject to an additional “branch

profits tax” at a rate of 30% or at a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate.

17.4.2.2 Capital Gains

You will not be subject to U.S. federal income tax on gains recognized on the sale or other disposal of Shares, unless:

- the gain is “effectively connected” with your conduct of a trade or business in the United States, and the gain is attributable to a permanent establishment that you maintain in the United States if that is required by an applicable income tax treaty as a condition for subjecting you to U.S. taxation on a net income basis; or
- you are an individual, you are present in the United States for 183 or more days in the taxable year of the sale and certain other conditions exist.

If you are a corporate non-U.S. holder, “effectively connected” gains that you recognize may also, under certain circumstances, be subject to an additional “branch profits tax” at a rate of 30% or at a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate.

17.4.3 Backup Withholding and Information Reporting

If you are a non-corporate U.S. holder, information reporting requirements, on IRS Form 1099, generally will apply to dividend payments or other taxable distributions made to you within the United States, and the payment of proceeds to you from the sale of Shares effected at a U.S. office of a broker.

In addition, backup withholding may apply to such payments if you fail to comply with applicable certification requirements or (in the case of dividend payments) are notified by the IRS that you have failed to report all interest and dividends required to be shown on your federal income tax returns.

If you are a non-U.S. holder, you are generally exempt from backup withholding and information reporting requirements with respect to dividend payments made to you outside the United States by the Company or another non-U.S. payor. You are also generally exempt from backup withholding and information reporting requirements in respect of dividend payments made within the United States and the payment of the proceeds from the sale of Shares effected at a U.S. office of a broker, as long as either (i) the payor or broker does not have actual knowledge or reason to know that you are a U.S. holder and you have furnished a valid IRS Form W-8 or other documentation upon which the payor or broker may rely to treat the payments as made to a non-U.S. holder, or (ii) you otherwise establish an exemption.

Payment of the proceeds from the sale of Shares effected at a foreign office of a broker generally will not be subject to information reporting or backup withholding. However, a sale effected at a foreign office of a broker could be subject to information reporting in the same manner as a sale within the United States (and in certain cases may be subject to backup withholding as well) if (i) the broker has certain connections to the United States, (ii) the proceeds or confirmation are sent to the United States or (iii) the sale has certain other specified connections with the United States.

You generally may obtain a refund of any amounts withheld under the backup withholding rules that exceed your income tax liability by timely filing a refund claim with the IRS and furnishing any required information.

18. DEFINED TERMS

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

1915 Law	The Luxembourg law of 10 August 1915 on commercial companies, as amended.
Admission	The admission to listing and trading of all the shares in the share capital of Majorel Group Luxembourg S.A.
AFM	The Authority for the Financial Markets (<i>Stichting Autoriteit Financiële Markten</i>) in the Netherlands.
AHT	The average call handling time.
AI	Artificial intelligence.
Allocation	The allocation of the Placement Shares.
API	Application programming interface.
Articles of Association	The articles of association (<i>statuts</i>) of the Company.
Arvato Mexico	Arvato de Mexico, S.A. de C.V.
Audit Committee	The audit committee of the Company, which oversees the accounting and financial reporting processes of the Company, the integrity of the financial statements and publicly reported results, and the adequacy and effectiveness of the risk management and internal control frameworks as well as the choice, effectiveness, performance and independence of the internal and external auditors.
Audit Law	The Luxembourg law dated 23 July 2016 concerning the audit profession, as amended.
Authorized Capital	The Company's authorized capital, including the issued share capital, is set at €3,000,000.00, represented by 300,000,000 Shares having an accounting par value of one Eurocent (€0.01) each.
Avia Law	The French law against fighting hate on the Internet (<i>lutte contre la haine sur internet</i>).
Base Fee	A commission of 2.0% of the gross proceeds from the Private Placement payable to the Underwriters by the Selling Shareholders.
BBS	Bertelsmann Business Support S.à r.l.
BCFP	The Bureau of Consumer Financial Protection.
BDSG	The German Federal Data Protection Act (<i>Bundesdatenschutzgesetz</i>).
Bertelsmann	Bertelsmann SE & Co. KGaA.

Bertelsmann Luxembourg	Bertelsmann Luxembourg S.à r.l., a private limited liability company (<i>société à responsabilité limitée</i>) incorporated under the laws of Luxembourg, having its registered office: 43, Boulevard Pierre Frieden, L-1543 Luxembourg, Luxembourg and registered with the Luxembourg Trade and Companies' Register (<i>Registre de commerce et des sociétés, Luxembourg</i>) under number B 187218.
BFSI	Refers to banking, financial services and insurance industries.
BIM	Basic infrastructure measures.
BNP PARIBAS	BNP PARIBAS, 16 boulevard des Italiens, 75009 Paris, France, LEI ROMUWSFPU8MPRO8K5P83.
BofA Securities	BofA Securities Europe SA, 51 rue La Boétie 75008 Paris, France, LEI 549300FH0WJAPEHTIQ77.
BPO	Business process outsourcing.
CAGR	Compound annual growth rate.
Capital Expenditure	Is defined as investments in intangible assets and investments in property, plant and equipment.
CCPA	The California Consumer Privacy Act of 2018.
CEST	Central European Summer Time.
China Business	Refers to Shanghai Bertelsmann Commercial Services Co. Ltd, Shanghai Bertelsmann – arvato Information Services Co. Ltd. and Bertelsmann-Arvato Commercial Services (Shanghai) Co., Ltd., in which we acquired all outstanding shares in January 2021.
CISO	Central Information Security Officer.
Citigroup	Citigroup Global Markets Limited, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom, LEI XKZZ2JZF41MRHTR1V493.
CJEU	The Court of Justice of the European Union.
Class A Member	Member of the Supervisory Board appointed as a class A Supervisory Board member by the General Meeting.
Class B Member	Member of the Supervisory Board appointed as a class B Supervisory Board member by the General Meeting.
Company	Majorel Group Luxembourg S.A., a public limited liability company (<i>société anonyme</i>) incorporated and existing under the laws of the Luxembourg, having its registered office at 43, Boulevard Pierre Frieden, L-1543 Luxembourg, Luxembourg and registered with the Luxembourg Trade and Companies Register (<i>Registre de commerce et des sociétés, Luxembourg</i>) under number B 227626.

Cost Reimbursement Agreement	Agreement between the Selling Shareholders, Bertelsmann and the Company pursuant to which the Selling Shareholders, Bertelsmann and the Company will share and reimburse each other, as the case may be, for certain costs and expenses incurred in connection with the preparation of the Private Placement and Admission.
CPRA	The California Privacy Rights Act.
CSSF	The Luxembourg <i>Commission de Surveillance du Secteur Financier</i> .
CX	Refers to customer experience.
CX Consulting	Our dedicated customer experience (CX) consulting practice through which we help clients in their digital transformation by providing customer experience strategy development, consumer journey optimization, process digitization, organization design and technology advisory
CXaaS	Refers to customer experience (CX) as a service. CXaaS comprises unified contact center solutions, analytics and insight, smart engagement solutions and lean integration.
Daily Managers	In accordance with Article 441-10 of the 1915 Law, the Company's daily management and the Company's representation in connection with such daily management may be delegated to one or several members of the Management Board, officers or other agents, but not to a member of the Supervisory Board
Discretionary Fee	A discretionary success fee of up to 1.5% of the gross proceeds from the Private Placement the Selling Shareholders may, in their absolute and full discretion, pay the Underwriters based on their assessment of the Private Placement's success.
D&O	Directors and officers.
Dutch Financial Supervision Act	The Dutch financial supervision act (<i>Wet op het financieel toezicht</i>).
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.
EBA	The European Banking Authority.
eCommerce Directive	Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000.
Economic Debt	Is defined as financial debt less cash and cash equivalents plus provisions for pensions and similar obligations and lease liabilities.
EEA	The European Economic Area.
ESG	Environmental, social and governance.
ePrivacy Directive	Directive 2002/58/EC.

EU Parent-Subsidiary Directive...	The amended Directive 2011/96/EU of the Council of 30 November 2011 on the common system of taxation applicable in the case of parent companies and subsidiaries of different Member States.
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	The Netherlands Central Institute for Giro Securities Transactions (<i>Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.</i>) trading as Euroclear Nederland.
Euronext Amsterdam	The regulated market operated by Euronext Amsterdam N.V.
Extraordinary General Meetings .	Extraordinary general meetings of shareholders of the Company
Financial Statements	The audited historical consolidated financial information of the Company as of and for the years ended December 31, 2020 and December 31, 2019, prepared in accordance with IFRS.
Free Cash Flow	Is defined as Operating EBITDA less adjustments minus increase/plus decrease in Net Working Capital after net cash out from pensions, payments from leases and net investments in non-current tangible and intangible assets excluding net payments from acquisitions and disposals of financial assets.
First Trading Day	September 24, 2021, <i>i.e.</i> , the date on which the Company’s shares commence trading on the regulated market segment of Euronext Amsterdam.
Fixed Remuneration	An annual fixed remuneration, which is paid in twelve equal installments as a monthly salary.
GDPR.....	Regulation (EU) 2016/679 of the European Parliament and of the Council of April 27, 2016, on the protection of natural persons with regard to the processing of personal data and on the free movement of such data.
General Meetings.....	General meetings of shareholders of the Company.
Global Internet	Refers to Internet and high-tech industries.
Goldman Sachs	Goldman Sachs Bank Europe SE, Marienturm, Taunusanlage 9-10, 60329 Frankfurt am Main, Germany, LEI 8IBZUGJ7JPLH368JE346.
IASB.....	The International Accounting Standards Board.
IAS 24	International Accounting Standard 24 “Related Party Disclosures”.
IAS 34	International Accounting Standard 34 “Interim Financial Reporting”.
IFRS	International Financial Reporting Standards as adopted by the EU.
ISILIS	Société ISILIS, a French digital services provider acquired in 2020.
Interim Financial Statements	The unaudited consolidated financial information of the Company of and for the six months ended June 30, 2021 and June 30, 2020, prepared in accordance IAS 34.

J.P. Morgan	J.P. Morgan AG, Taunustor 1 (TaunusTurm), 60310 Frankfurt am Main, Germany, LEI 549300ZK53CNGEEI6A29.
Joint Bookrunners	The Joint Global Coordinators together with BofA Securities, Goldman Sachs and UBS.
Joint Global Coordinators	BNP PARIBAS, Citigroup and J.P. Morgan.
junokai	junokai GmbH, a leading independent CX consultancy in German-speaking countries acquired in 2021.
KPMG	KPMG Luxembourg, Société coopérative.
KWG	The German Banking Act (<i>Kreditwesengesetz</i>).
Legal Reserve	5% of the annual net profits of the Company.
LEI	Legal entity identifier.
Lending Shareholders	Bertelsmann Luxembourg S.à r.l. and Saham Outsourcing S.à r.l.
Leverage Ratio	Is defined as Economic Debt divided by Operating EBITDA.
Listing and Paying Agent	ABN AMRO Bank N.V., Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands.
LTI	Long-term incentive with regard to variable remuneration.
Luxembourg	The Grand Duchy of Luxembourg.
Luxembourg Mandatory Squeeze-Out and Sell-Out Law	The Luxembourg law of 21 July 2012 on the squeeze-out and sell-out of securities of companies admitted or having been admitted to trading on a regulated market or which have been subject to a public offer.
Luxembourg Market Abuse Law	The Luxembourg law of 23 December 2016 on market abuse, as amended.
Luxembourg Prospectus Law	The Luxembourg law of 16 July 2019 on prospectuses for securities (<i>Loi du 16 juillet 2019 relative aux prospectus pour valeurs mobilières</i>).
Luxembourg Shareholder Rights Law	The Luxembourg law of 24 May 2011 on the exercise of certain rights of shareholders at general meetings of listed companies, as amended by the law of 1 August 2019 implementing EU Directive 2017/828 of the European Parliament and of the Council amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement in listed companies.
Luxembourg Takeover Law	The Luxembourg law of 19 May 2006 on takeover bids, as amended.
Luxembourg Transparency Law	The Luxembourg law of 11 January 2008 on transparency requirements regarding information about issuers whose securities are admitted to trading on a regulated market, as amended.
Luxembourg Transparency Regulation	The Luxembourg Grand-ducal regulation of 11 January 2008 on transparency requirements for issuers of securities, as amended.
Majorel Group	The Company together with its subsidiaries.

Management Board	The management board of the Company.
Mandatory Sell-Out	The mandatory purchase of shares of minority shareholders by one or more majority shareholders holding more than 95% of the share capital of a company, as provided in the Luxembourg Mandatory Squeeze-Out and Sell-Out Law.
Mandatory Squeeze-Out	The mandatory sale of shares by minority shareholders to one or more majority shareholders holding more than 95% of the share capital of a company, as provided in the Luxembourg Mandatory Squeeze-Out and Sell-Out Law.
MAR	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, as amended.
MiFID II	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, as amended.
Minimum Net Wealth Tax	The Luxembourg annual minimum net wealth tax.
ML	Machine learning.
NCC	The nomination and compensation committee of the Company, which assists the Supervisory Board in supervising the Management Board with respect to the Majorel Group’s compensation programs and compensation of the senior management and other personnel of the Majorel Group (including any long-term incentive and management incentive plan), (ii) advise the Supervisory Board on the remuneration of the individual members of the Management Board and the Supervisory Board within the scope of the remuneration policy adopted by the General Meeting, (iii) monitor the application of the Majorel Group’s remuneration policy and assisting the Supervisory Board with the selection and appointment procedures for the members of the Supervisory Board, the Management Board and other senior management.
Net Revenues	Correspond to revenues for the group as reported in our consolidated income statement less (i) revenues from minor activities (primarily the Sonopress Business) outside the Majorel Group’s core business which are reported in the column “consolidation / other” in the Company’s segment reporting and (ii) certain direct, order-related external costs which are part of external expenses and costs of materials and consist mainly of cost of services purchased (subcontracted or outsourced services).
Network Enforcement Law	The German Act to Improve Law Enforcement in Social Networks (<i>Netzwerkdurchsetzungsgesetz</i>).
Net Working Capital	Is defined as inventories plus trade and other current receivables, other current assets and deferred items (assets), less trade and other current payables, other current provisions and deferred items (liabilities). Current income tax receivables and payables and cash equivalents are not included in our definition of Net Working Capital. We use Net Working Capital to assess the capital requirements of our operating business.
Non-Dutch Resident	A holder of Shares who is not, nor deemed to be, a Dutch Resident Individual or a Dutch Resident Entity.

OECD	The Organisation for Economic Co-operation and Development
Offer Period	The period during which prospective investors may subscribe for the Placement Shares currently expected to commence on September 16, 2021 at 9.00 CEST and end on September 23, 2021 at 14.00, subject to acceleration or extension of the timetable for the Private Placement.
Offer Price	The price per Placement Share to be determined on the basis of a bookbuilding process.
Operating EBITDA	Is defined as EBIT (earnings before interest and taxes) adjusted for depreciation / amortization, impairment and reversal on intangible assets, property, plant and equipment and right-of-use assets, adjusted for (i) impairment on goodwill and other intangible assets with indefinite useful life as well as gains from business combinations, (ii) adjustments to carrying amounts on assets held for sale, (iii) impairment/reversals on other financial assets at amortized cost, (iv) impairment/reversals on investments accounted for using the equity method, (v) results from disposals of investments, (vi) fair value measurement of investments, and (vii) restructuring and other special items.
Over-Allotment Option	An option, exercisable within the Stabilization Period, pursuant to which the Stabilization Manager, on behalf of the Underwriters, may require the Selling Shareholders to sell at the Offer Price a number of Shares equal to the number of Over-Allotment Shares to cover short positions resulting from any over-allotments made in connection with the Private Placement or to facilitate stabilization transactions.
Over-Allotment Shares	Up to 3,000,000 Shares (equaling up to 15% of the total number of 20,000,000 Placement Shares) from a share loan facility provided by Bertelsmann Luxembourg and Saham Outsourcing to cover potential over allotments.
Participation Exemption Regime	The Luxembourg participation exemption regime.
PDMRs	Persons discharging managerial responsibilities within the Company (including the members of the Management Board and of the Supervisory Board).
Parties	The Company, the Selling Shareholders and their respective parent companies.
Placement Shares	The Shares that will be collectively offered by the Selling Shareholders in the Private Placement with an accounting par value of one Eurocent (€0.01) each including, unless the context indicates otherwise, the Over-Allotment Shares.
Price Range	The indicative price range for the Placement Shares between €32.00 to €39.00 (inclusive) per Placement Share as of the date of this Prospectus.
Pricing Statement	The statement that will be filed with the CSSF and published through a press release on the Company's website detailing the Offer Price and the exact number of Placement Shares offered in the Private Placement.
Private Placement	The private placements to certain institutional investors in various jurisdictions of the Placement Shares as described in this Prospectus.

Prospectus	This prospectus dated September 23, 2021.
Prospectus Regulation	Regulation (EU) 2017/1129 of 14 June 2017 of the European Parliament and of the Council 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.
Prohibited Themes	Content that is posted by users on platforms and websites maintained by our clients that is defamatory, pornographic, hateful, violent, racist, scandalous, obscene, offensive, objectionable, or illegal, or that otherwise violates the policies of our clients.
Publication Date	September 23, 2021.
QIBs	Qualified institutional buyers, as defined in, and in reliance on, Rule 144A.
Qualified Permanent Establishment	(a) A Luxembourg permanent establishment of a company covered by Article 2 of the EU Parent-Subsidiary Directive, (b) a Luxembourg permanent establishment of a company limited by shares (<i>société de capitaux</i>) resident in a State having a tax treaty with Luxembourg and (c) a Luxembourg permanent establishment of a company limited by shares (<i>société de capitaux</i>) or a cooperative company (<i>société coopérative</i>) resident in a member state of the EEA other than an EU member state.
Qualified Shareholding	Shares representing a direct participation of at least 10% in the share capital of the Qualified Subsidiary or a direct participation in the Qualified Subsidiary having an acquisition price of at least €1.2 million.
Qualified Subsidiary	(a) A company covered by Article 2 of the EU Parent-Subsidiary Directive, (b) a Luxembourg resident company limited by shares, fully subject to tax, and (c) a non-resident company limited by shares (<i>société de capitaux</i>) liable to a tax corresponding to Luxembourg corporate income tax.
RESA	The Luxembourg legal electronic gazette (<i>Recueil Électronique des Sociétés et Associations</i>).
Record Date	Midnight on the day falling 14 days prior to the date of the General Meeting.
Regulation 1215/2012	Regulation No. 1215/2012 of the European Parliament and of the Council of 12 December 2012 on the jurisdiction and the recognition and enforcement of judgments in civil and commercial matters.
Regulation S	The Regulation S under the U.S. Securities Act.
Relevant Threshold	Each of the thresholds of 5%, 10%, 15%, 20%, 25%, 33 1/3%, 50% and 66 2/3%.
RPA	Robotic process automation.
Rule 144A	Rule 144A under the U.S. Securities Act.
Saham	The Saham Group.

Saham Shareholders	Saham Customer Relationship Investments S.à r.l. and Saham Outsourcing Luxembourg S.à r.l.
Selling Shareholders	Bertelsmann Luxembourg S.à r.l., Saham Customer Relationship Investments S.à r.l. and Saham Outsourcing Luxembourg S.à r.l.
Settlement	The delivery of the placement shares, which takes place on the Settlement Date.
Settlement Date	September 28, 2021.
Shares	The shares in the share capital of the Company with an accounting par value of one Eurocent (€0.01) each.
Shareholder Loan	The Company (as borrower), under its former name Reinhard Mohn Luxembourg S.à r.l., entered into a shareholder loan agreement with Bertelsmann Business Support S.à r.l. (as lender), an affiliate of Bertelsmann, for an aggregate loan amount of €20 million to be used for general corporate purposes.
Shareholder Loan 2021	In January 2021, the Company (as borrower) entered into another shareholder loan agreement with Bertelsmann Business Support S.à r.l. (as lender) for an aggregate loan amount of €65.4 million to fund the acquisition of the arvato China CRM Business in accordance with the share purchase agreement between Majorel Hong Kong Ltd. and Bertelsmann China Holding dated January 1, 2021.
Shareholders' Agreement	The agreement the Company, the Selling Shareholders and their respective parent companies entered into regarding the relationship between the parties after the Private Placement.
SOC	Security operations center.
SOG	Share ownership guidelines that apply to the members of the Management Board.
Sonopress Business	Certain non-core business activities historically carried out by Arvato de Mexico, S.A. de C.V., which is currently being wound down.
STI	Short-term incentive with regard to variable remuneration.
Stabilization Manager	BNP PARIBAS
Stabilization Period	The period during which the Stabilization Manager may take stabilization measures, starting from the First Trading Day and ending no later than 30 calendar days thereafter.
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.
Supervisory Board	The supervisory board of the Company.

Supervisory Board Consent Matters	Certain matters that require prior written consent of the Supervisory Board.
Supervisory Board Mandate Agreements	Mandate agreements entered into between the Company and each member of the Supervisory Board. These agreements aim to confirm the appointment by the shareholders of the Company and the acceptance of such appointment by the respective Supervisory Board member, the responsibilities of the member pursuant to applicable laws and constitutional documents and internal regulations, and the remuneration associated with such role.
Takeover Directive	Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids, as amended.
Telco	Refers to telecommunication, one of our industry verticals.
Tele Media Act	The German Tele Media Act (<i>Telemediengesetz</i>).
Transferring Group	A parent company of a Selling Shareholder and its affiliates.
Transfer Trigger Event	If the aggregate amount of shares of the Company held directly or indirectly by the Transferring Group falls below fifteen percent (15%) of the then total outstanding shares of the Company.
Transparency Directive	Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonization of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market, as amended.
TSA	A transitional services agreement.
TTDSG	The new Act on Data Protection and Privacy in Telecommunications and Telemedia (<i>Telekommunikations-Telemedien-Datenschutzgesetz</i>).
U.S. Exchange Act	The United States Securities Exchange Act of 1934, as amended.
U.S. Securities Act	The U.S. Securities Act of 1933, as amended.
UBS	UBS AG, London Branch, 5 Broadgate, London EC2M 2QS, United Kingdom, LEI BFM8T61CT2L1QCEMIK50.
Underwriters	The Joint Global Coordinators and the Joint Bookrunners.
Underwriting Agreement	The underwriting agreement entered into between the Company and the Underwriters on September 16, 2021.
United States or U.S.	The United States of America, its territories and possessions, any state of the United States of America and the District of Columbia.
USD, U.S. dollars or \$	U.S. dollars, the lawful currency of the United States.
VAT	Value-added tax.
VIE	Variable interest entities. Operations that are conducted through two individuals based on a so-called variable interest entities structure, which is a standard market practice in China.
VoC	Voice of the customer.

We, us, our or ourselves	The Company together with its subsidiaries.
WFOE	Refers to a wholly foreign-owned enterprise.
X Principles	The “Ten Principles of Corporate Governance” adopted by the Luxembourg Stock Exchange (www.bourse.lu/corporate-governance), as last revised in 2017.
Yzee	Yzee Services SARL, our French subsidiary.

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19. Financial Information

Unaudited Condensed Interim Consolidated Financial Statements as of June 30, 2021, prepared in accordance with IFRS on interim filing reporting (IAS 34), of Majorel Group Luxembourg

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Consolidated Financial Statements as of December 31, 2020 (with comparative information for 2019), prepared in accordance with IFRS of the IASB and the related interpretations of the IFRS Interpretations Committee that are applicable in the European Union, of Majorel Group

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Condensed Interim Consolidated Financial Statements

Majorel Group Luxembourg S.A.

as of June 30, 2021



Status August 10, 2021

CONDENSED INTERIM CONSOLIDATED

FINANCIAL STATEMENTS

Condensed Interim Consolidated Income Statement

<u>in € millions</u>	<u>H1 2021</u>	<u>H1 2020</u>
Revenues	877	642
Other operating income	18	15
External expenses and cost of materials	(212)	(155)
Personnel costs	(529)	(432)
Amortization/depreciation, impairment and reversals on intangible assets, property, plant and equipment and right-of-use assets	(40)	(36)
EBIT (earnings before interest and taxes)	114	34
Interest expenses	(1)	(1)
Other financial income	2	—
Other financial expenses	(3)	(3)
Financial result	(2)	(4)
Earnings before taxes	112	30
Income tax expense	(27)	(10)
Group profit or loss	85	20
attributable to:		
Majorel shareholders	85	20
Non-controlling interests	—	—
Earnings per share (in €)		
– Basic	210.03	48.54
– Diluted	210.03	48.54

Condensed Interim Consolidated Statement of Comprehensive Income

<u>in € millions</u>	<u>H1 2021</u>	<u>H1 2020</u>
Group profit or loss	85	20
Items that will not be reclassified subsequently to profit or loss		
Remeasurement component of defined benefit plans	5	(2)
Items that will be reclassified subsequently to profit or loss when specific conditions are met		
Exchange differences		
– changes recognized in other comprehensive income	5	(4)
– reclassification adjustments to profit or loss	—	—
Other comprehensive income net of tax	10	(6)
Group total comprehensive income	95	14
attributable to:		
Majorel shareholders	95	14
Non-controlling interests	—	—

Condensed Interim Consolidated Balance Sheet

<u>in € millions</u>	<u>6/30/2021</u>	<u>12/31/2020</u>
Assets		
Non-current assets		
Goodwill	91	53
Other intangible assets	22	8
Property, plant and equipment and right-of-use assets	219	190
Investments accounted for using the equity method	3	2
Trade and other receivables	—	1
Other non-financial assets	8	2
Deferred tax assets	15	15
	<u>358</u>	<u>271</u>
Current assets		
Inventories	—	—
Trade and other receivables	380	307
Other financial assets	7	1
Other non-financial assets	55	56
Current income tax receivables	11	9
Cash and cash equivalents	216	195
	<u>669</u>	<u>568</u>
	<u>1,027</u>	<u>839</u>
Equity and liabilities		
Equity		
Subscribed capital ¹⁾	—	—
Capital reserve	256	275
Retained earnings	132	37
Majorel shareholders' equity	388	312
Non-controlling interests	5	5
	<u>393</u>	<u>317</u>
Non-current liabilities		
Provisions for pensions and similar obligations	46	50
Other provisions	7	5
Deferred tax liabilities	2	—
Financial debt	85	20
Lease liabilities	68	58
Other non-financial liabilities	6	1
	<u>214</u>	<u>134</u>
Current liabilities		
Other provisions	29	22
Financial debt	2	34
Lease liabilities	44	37
Trade and other payables	144	132
Other non-financial liabilities	177	153
Current income tax payables	24	10
	<u>420</u>	<u>388</u>
	<u>1,027</u>	<u>839</u>

1) As of June 30, 2021 and as of December 31, 2020 the subscribed capital amounts to €404 thousand.

Condensed Interim Consolidated Cash Flow Statement

<u>in € millions</u>	<u>H1 2021</u>	<u>H1 2020</u>
Group earnings before interest and taxes	114	34
Taxes paid	(15)	(5)
Depreciation and write-ups of non-current assets	40	36
Change in provisions for pensions and similar obligations	—	(1)
Change in other provisions	9	6
Change in net working capital	(24)	70
Other effects	(1)	(1)
Cash flow from operating activities	<u>123</u>	<u>139</u>
Investments in:		
– intangible assets	(4)	(1)
– property, plant and equipment	(26)	(15)
– financial assets	(5)	—
– purchase prices for consolidated investments (net of acquired cash)	(56)	(1)
Disposals of other fixed assets	1	—
Cash flow from investing activities	<u>(90)</u>	<u>(17)</u>
Proceeds from/redemption of other financial debt	34	32
Redemption of lease liabilities	(23)	(19)
Interest paid	(3)	(3)
Dividends to Majorel shareholders	(19)	—
Other effects	(3)	—
Cash flow from financing activities	<u>(14)</u>	<u>10</u>
Change in cash and cash equivalents	19	132
Exchange rate effects and other changes in cash and cash equivalents	2	(2)
Cash and cash equivalents as of 1/1	<u>195</u>	<u>79</u>
Cash and cash equivalents as of 6/30	<u>216</u>	<u>209</u>

Changes in Net Liabilities Arising from Financing Activities

<u>in € millions</u>	<u>H1 2021</u>	<u>H1 2020</u>
Net liabilities arising from financing activities as of 1/1	46	(50)
Cash flow from operating activities	123	139
Cash flow from investing activities	(90)	(17)
Interest, dividends and changes in equity	(22)	(3)
Exchange rate effects and other changes in net liabilities arising from financing activities	<u>(40)</u>	<u>(19)</u>
Net liabilities arising from financing activities as of 6/30	<u>17</u>	<u>50</u>

Net liabilities arising from financing activities are the balance of the balance sheet positions “Cash and cash equivalents,” “Financial debt” and “Lease liabilities.”

Condensed Interim Consolidated Statement of Changes in Equity

in € millions	Retained earnings										
	Accumulated other comprehensive income									Total	
	Subscribed capital ¹⁾	Capital reserve	Other retained earnings before Venture	Other retained earnings Venture	Exchange differences	Fair value reserve	Cash flow hedges	Share of other comprehensive income of investments accounted for using the equity method	Majority shareholders' equity		Non-controlling interests
Balance as of 1/1/2020	—	275	(43)	2	4	—	—	—	238	4	242
Group profit or loss	—	—	—	20	—	—	—	—	20	—	20
Other comprehensive income	—	—	—	(2)	(4)	—	—	—	(6)	—	(6)
Group total comprehensive income	—	—	—	18	(4)	—	—	—	14	—	14
Dividend distributions	—	—	—	—	—	—	—	—	—	—	—
Changes in ownership interests in subsidiaries that do not result in a loss of control and other transactions	—	—	—	—	—	—	—	—	—	—	—
Equity transactions with shareholders	—	—	—	—	—	—	—	—	—	—	—
Other changes	—	—	—	—	—	—	—	—	—	—	—
Balance as of 6/30/2020	—	275	(43)	20	—	—	—	—	252	4	256
Balance as of 1/1/2021	—	275	(43)	84	(4)	—	—	—	312	5	317
Group profit or loss	—	—	—	85	—	—	—	—	85	—	85
Other comprehensive income	—	—	—	5	5	—	—	—	10	—	10
Group total comprehensive income	—	—	—	90	5	—	—	—	95	—	95
Dividend distributions	—	(19)	—	—	—	—	—	—	(19)	—	(19)
Changes in ownership interests in subsidiaries that do not result in a loss of control and other transactions	—	—	—	—	—	—	—	—	—	—	—
Equity transactions with shareholders	—	(19)	—	—	—	—	—	—	(19)	—	(19)
Other changes	—	—	—	—	—	—	—	—	—	—	—
Balance as of 6/30/2021	—	256	(43)	174	1	—	—	—	388	5	393

1) The subscribed capital amounts unchanged to €404 thousand.

Segment information

in € millions	Europe, Africa, South America		Global English, Middle East, Southeast Asia		China, East Asia		Total segments		Consolidation /other		Total Group	
	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020
	Revenues from external customers	700	523	128	117	48	n/a	876	640	1	2	877
Intersegment revenues	21	21	58	21	–	n/a	79	42	(79)	(42)	—	—
Segment revenues	721	544	186	138	48	n/a	955	682	(78)	(40)	877	642
Operating EBITDA	116	55	32	15	7	n/a	155	70	(1)	–	154	70
EBITDA margin	16.1%	10.1%	17.2%	10.9%	14.6%	n/a	16.2%	10.3%	n/a	n/a	17.6%	10.9%
Impairment (-)/reversals (+) on intangible assets, property, plant and equipment and right-of-use assets	—	(1)	—	—	—	n/a	—	(1)	—	—	—	(1)
Results from investments accounted for using the equity method	—	—	—	—	—	n/a	—	—	—	—	—	—

Following the acquisition of three Chinese companies in January 2021, from the beginning of 2021, segment reporting consists of three reportable operating segments. Further details on segment reporting are presented in section “Segment Reporting.”

Reconciliation to Operating EBITDA

in € millions	H1 2021	H1 2020
EBIT	114	34
Amortization/depreciation, impairment and reversals on intangible assets, property, plant and equipment and right-of-use assets	40	36
Operating EBITDA	154	70

Selected Explanatory Notes

Majorel is a customer experience (CX) and Business-Process-Outsourcing (BPO) provider with more than 64,000 employees based in 31 countries in Europe, the Middle East, Africa, the Americas and Asia.

Majorel (hereafter also referred to as “Majorel Group” or “Group”) was established when the German-based Bertelsmann SE & Co. KGaA (hereafter referred to as “Bertelsmann” or “Bertelsmann Group”) and the Moroccan-based Saham Group (hereafter also referred to as “Saham”) merged their respective customer relationship management (CRM) businesses Arvato Customer Relationship Management and Phone Group, ECCO Outsourcing and Pioneers Outsourcing. The transaction was agreed upon between Bertelsmann and Saham in September 2018, following which Bertelsmann contributed its customer relationship management business subsidiaries. On January 4, 2019, Saham contributed its customer relationship management business subsidiaries. Since then, the Majorel Group has been operating as a venture between Bertelsmann and Saham.

Majorel Group Luxembourg S.A. is the parent company of the Majorel Group and domiciled in Boulevard Pierre Frieden 43, 1543 Luxembourg. The company is a stock company (société anonyme) registered in Luxembourg and entered in the trade register Registre de Commerce et des Sociétés under the number B227626.

As ultimate parent, Bertelsmann SE & Co. KGaA is consolidating Majorel Group Luxembourg S.A. and its subsidiaries in its consolidated financial statements. Bertelsmann SE & Co. KGaA is a company incorporated under German law whose registered office is established at Carl-Bertelsmann-Strasse 270, D-33311 Gütersloh, Germany. Consolidated financial statements for Bertelsmann SE & Co. KGaA can be obtained at its registered office; it is entered in the commercial register of the Gütersloh Local Court (Amtsgericht) under HRB 9194.

Majorel consists of Majorel Group Luxembourg S.A. and its direct and indirect subsidiaries and associates.

The Majorel Condensed Interim Consolidated Financial Statements as of June 30, 2021, comply with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) and the related interpretations (IFRIC) of the IFRS Interpretations Committee (IFRS IC) that are applicable in the European Union (IFRS-EU). They were prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all the information required for full annual financial statements and should be read in conjunction with the Consolidated Financial Statements of the Group as of December 31, 2020.

These Condensed Interim Consolidated Financial Statements were prepared – with the exception of the financial reporting standards and interpretations applied for the first time in the current financial period – using fundamentally the same accounting and measurement policies as in the Consolidated Financial Statements of December 31, 2020. A detailed description of these policies is presented in the notes to the Consolidated Financial Statements of December 31, 2020 (section “Accounting and Measurement Policies”). The first-time application of new financial reporting standards had no material impact on Majorel. Majorel has not opted for early adoption of any standards, interpretations or amendments that have been issued but are not yet effective. The Condensed Interim Consolidated Financial Statements were authorized for issue by Thomas Mackenbrock (CEO Majorel) and Otmane Serraj (CFSO Majorel) on August 16, 2021.

Effects of Coronavirus Pandemic on the Condensed Interim Consolidated Financial Statements

The coronavirus outbreak has continued to develop rapidly during the first half of 2021, with a significant number of infections. Measures taken by various governments to contain the virus have affected economic activity. Majorel Management has continuously been monitoring the business and financial performance of the Majorel Group and has taken various actions to shelter businesses, such as introducing health and safety measures for employees (like social distancing and working from home), implementing operating cost reduction measures and in-depth contract reviews, securing additional financing to ensure the continuity of Majorel operations and communicating with the key stakeholders.

During the ongoing coronavirus pandemic, accounting impacts continue to be evaluated for the particularly relevant areas of impairment testing for goodwill and individual assets, leasing, trade receivables, government grants, deferred tax assets, losses from onerous contracts and revenues. No significant issues have been noted. Due to the overall economic situation in 2021, which appears to be significantly more stable and is expected to remain more stable, no indication is seen for a necessary impairment test of goodwill during the period, despite the ongoing coronavirus pandemic. Overall, no negative effects on the Majorel Group’s financial position, performance and cash flows are currently expected. Furthermore, the information presented in the notes to the

Consolidated Financial Statements of December 31, 2020 in section “Significant Accounting Judgments, Estimates and Assumptions” applies. Management is of the opinion that the additional estimates and discretionary decisions required by the coronavirus pandemic take appropriate account of the currently foreseeable microeconomic and macroeconomic situation.

Scope of Consolidation

The Condensed Interim Consolidated Financial Statements as of June 30, 2021, include Majorel Group Luxembourg S.A. and all material subsidiaries over which Majorel Group Luxembourg S.A. is able to exercise control in accordance with IFRS 10. Associates are accounted for using the equity method in accordance with IAS 28. As of June 30, 2021, the scope of consolidation consists of 93 (December 31, 2020: 87) companies. This includes 92 (December 31, 2020: 86) fully consolidated companies. In addition, 1 immaterial associate (December 31, 2020: 1) is accounted for using the equity method in the Condensed Interim Consolidated Financial Statements. There were 2 companies without significant business operations which were excluded from the scope of consolidation due to their negligible importance for the financial position and financial performance of Majorel (December 31, 2020: nil).

As of June 30, 2021, the detailed list of fully consolidated subsidiaries (FC) and associates accounted for using the equity method (EM) is as follows:

<u>Name</u>	<u>Country</u>	<u>Share</u>	<u>Consolidation Method</u>
3media SARL	France	100	FC
ACR France SARL	France	100	FC
Administration Personnel Services Sp. z o.o.	Poland	100	FC
Anteles SARL	France	100	FC
AQUITEL SAS	France	100	FC
Arvalife SAS	France	100	FC
Arvato de Mexico, S.A. de C.V.	Mexico	100	FC
Arvato Services S.A.C.	Peru	100	FC
Bertelsmann-Arvato Commercial Services (Shanghai) Co. Ltd.	China	100	FC
Call Insurance SARL	France	100	FC
Camaris SARL	France	100	FC
Cap2Call SARL	France	100	FC
Capdune SARL	France	100	FC
Ceacom SARL	France	100	FC
Cometz SARL	France	100	FC
CRM Holding GmbH	Germany	100	FC
Document Channel SAS	France	100	FC
Duacom SARL	France	100	FC
Ecco Gulf WLL	Qatar	49	EM
Eclipse Holdings Limited	Malta	100	FC
Eclipse Technologies for Business Services Majorel S.A.E.	Egypt	100	FC
Egyptian Call Center Operators Majorel S.A.E.	Egypt	100	FC
EMEA CRM hub Netherlands B.V.	Netherlands	100	FC
Euracom SARL	France	100	FC
Hainan Mairui Information Technology Co., Ltd.	China	100	FC
International Company for Human Resources and Management Services IMI Majorel S.A.E.	Egypt	100	FC
Isilis SAS	France	100	FC
Junokai GmbH	Germany	100	FC
KWS Kontowechsel Service GmbH	Germany	100	FC
Majorel Academy SARL	Morocco	100	FC
Majorel Africa S.A.	Morocco	100	FC
Majorel Africa Services SARL	Morocco	100	FC
Majorel Armenia LLC	Armenia	100	FC
Majorel Benelux B.V.	Netherlands	100	FC
Majorel Berlin GmbH	Germany	100	FC
Majorel Brandenburg GmbH	Germany	100	FC
Majorel Bucaramanga S.A.S.	Colombia	100	FC
Majorel Canada, Inc.	Canada	100	FC

<u>Name</u>	<u>Country</u>	<u>Share</u>	<u>Consolidation Method</u>
Majorel Colombia S.A.S.	Colombia	100	FC
Majorel Consulting GmbH	Germany	100	FC
Majorel Corporate Portugal, SGPS, Lda.	Portugal	100	FC
Majorel Cote D'Ivoire S.A.R.L.	Cote d'Ivoire	100	FC
Majorel Cottbus GmbH	Germany	100	FC
Majorel Deutschland GmbH	Germany	100	FC
Majorel Dortmund GmbH	Germany	100	FC
Majorel Energy GmbH	Germany	100	FC
Majorel Erfurt GmbH	Germany	100	FC
Majorel Estonia OÜ	Estonia	100	FC
Majorel Georgia LLC	Georgia	100	FC
Majorel Group Luxembourg S.A.	Luxembourg	100	FC
Majorel Holding Deutschland GmbH	Germany	100	FC
Majorel Holding Nederland B.V.	Netherlands	100	FC
Majorel Hong Kong Limited	China	100	FC
Majorel Iberia, S.L.U.	Spain	100	FC
Majorel India Private Limited	India	100	FC
Majorel Ireland Limited	Ireland	100	FC
Majorel Italy S.r.l.	Italy	100	FC
Majorel Kenia Limited	Kenya	100	FC
Majorel Malaysia Sdn. Bhd.	Malaysia	100	FC
Majorel Morocco SARL	Morocco	100	FC
Majorel Münster GmbH	Germany	100	FC
Majorel Nordhorn GmbH	Germany	100	FC
Majorel Outsourcing SARL	Morocco	100	FC
Majorel Philippines Corp.	Philippines	100	FC
Majorel Polska Sp. z o.o.	Poland	100	FC
Majorel Portugal, Unipessoal, Lda.	Portugal	100	FC
Majorel QA Solutions, S.A.U.	Spain	100	FC
Majorel Real Estate GmbH	Germany	100	FC
Majorel Rostock I GmbH	Germany	100	FC
Majorel Rostock II GmbH	Germany	100	FC
Majorel Saarbrücken GmbH	Germany	100	FC
Majorel Saudi for Business Services Co. Limited	Saudi Arabia	70	FC
Majorel Senegal SUARL	Senegal	100	FC
Majorel SP Solutions, S.A.U.	Spain	100	FC
Majorel Systems Spain, S.A.U.	Spain	100	FC
Majorel Togo SARL	Togo	100	FC
Majorel Tria, S.L.U.	Spain	100	FC
Majorel UK Limited	Great Britain	100	FC
Majorel USA, Inc.	USA	100	FC
Majorel Wilhelmshaven GmbH	Germany	100	FC
MBD – Majorel Business Developpement SAS	France	100	FC
MSE – Majorel Strategie & Expertises SARL	France	100	FC
MSE – Majorel Strategy & Expertise SRL	Romania	100	FC
Nordcall SARL	France	100	FC
Ramyam Intelligence Lab Private Limited	India	100	FC
Shanghai Bertelsmann Commercial Services Co. Ltd.	China	100	FC
Shanghai Bertelsmann-arvato Information Services Co. Ltd.	China	100	FC
Shanghai Kaichang information technology Co. Ltd.	China	100	FC
Soneo SARL	France	100	FC
Tellis Telephone Limousin Services SARL	France	100	FC
Twin Trust SARL	Morocco	100	FC
Wuxi Kaize Information Technology Services Co. Ltd.	China	100	FC
yzee – services SARL	France	100	FC

Acquisitions and Disposals

In the first half of 2021, the cash flow from acquisition activities totaled €-56 million, which fully related to new acquisitions during the reporting period less cash and cash equivalents acquired. The consideration transferred amounted to €70 million.

In January 2021, Majorel acquired an interest of 100 percent in each of the Chinese companies Shanghai Bertelsmann Commercial Services Co. Ltd, Shanghai Bertelsmann – arvato Information Services Co. Ltd. and Bertelsmann-Arvato Commercial Services (Shanghai) Co., Ltd., all based in Shanghai, China. The consideration transferred amounted to €65 million and was paid in cash. To finance the acquisition of the Chinese business, Majorel entered into a term loan agreement with Bertelsmann Business Support S.à r.l., a subsidiary of Bertelsmann SE & Co. KGaA, with respect to an aggregate term loan amount of €65 million. The acquisition is accounted for as a transaction under common control. In selecting its accounting policy for the accounting of transactions under common control, Majorel opted to apply the methodology of IFRS 3, in particular identifying and measuring the consideration transferred, identifying and measuring the identifiable assets and liabilities, and recognising goodwill. Consistent with IFRS 3, Majorel as acquirer did not restate its comparatives when applying acquisition accounting to the transaction.

In June 2021, Majorel acquired an interest of 100 percent in Junokai, one of Germany's leading companies operating in customer experience consultancy services. Junokai complements Majorel's existing consultancy practice in the areas of process optimization, technology consulting and implementation, and organizational design. The consideration transferred amounted to €5 million and was paid in cash. The acquisition resulted in goodwill totaling €2 million, which reflects synergy potential and is not tax deductible. Transaction-related costs were insignificant in the first half of 2021 and have been recognized in profit or loss.

The purchase price allocation considers all the facts and circumstances prevailing as of the respective date of acquisition that were known prior to preparation of the Condensed Interim Consolidated Financial Statements. In accordance with IFRS 3, should further facts and circumstances become known within the 12-month measurement period, the purchase price allocation will be adjusted accordingly.

The following table shows the fair values of the assets and liabilities of the acquisition on the date of initial consolidation based on the purchase price allocation:

<u>in € millions</u>	<u>Chinese companies</u>	<u>Junokai</u>	<u>Total</u>
Non-current assets			
Other intangible assets	13	1	14
Property, plant and equipment and right-of-use assets	16	—	16
Other non-current assets	1	—	1
Current assets			
Trade and other receivables	33	1	34
Cash and cash equivalents	12	2	14
Liabilities			
Lease liabilities	(12)	—	(12)
Other financial and non-financial liabilities	(30)	(1)	(31)
Net assets acquired	33	3	36
Goodwill	32	2	34
Non-controlling interests	—	—	—
Consideration transferred according to IFRS 3	65	5	70
Consideration paid in cash	65	5	70
Cash and cash equivalents acquired	(12)	(2)	(14)
Cash outflow on acquisitions	53	3	56
Payments on prior year's acquisitions	—	—	—
Total cash flow from acquisition activities	—	—	56

Since initial consolidation, all new acquisitions in the first half of 2021 have contributed €48 million to revenue and €3 million to Group profit or loss. If consolidated as of January 1, 2021, these would have contributed €51 million to revenue and €3 million to Group profit or loss.

In the first half of 2021, Majorel disposed of no subsidiary or other business unit.

Currency Translation

The following euro exchange rates were used for currency translation purposes for the most significant foreign currencies for Majorel.

Foreign currency unit per €1	Average rates		Closing rates		
	H1 2021	H1 2020	6/30/2021	12/31/2020	
China renminbi	CNY	7.7972	7.7500	7.6742	8.0225
Egyptian pound	EGP	18.8725	17.4245	18.6106	19.2784
Indian rupee	INR	88.4151	81.7078	88.3240	89.6605
Polish zloty	PLN	4.5383	4.4138	4.5201	4.5597
Saudian riyal	SAR	4.5207	4.1370	4.4571	4.6037
US dollar	USD	1.2053	1.1020	1.1884	1.2271

Additional Disclosures on Revenues

In the first half of 2021, Group revenues of €877 million (H1 2020: €642 million) were generated from contracts with customers in accordance with IFRS 15 and primarily relate to the CX activities of the Group. The following table shows the revenues from contracts with customers in accordance with IFRS 15 by segment and broken down by revenue sources and timing of revenue recognition. Following the acquisition of Chinese companies in January 2021, from the beginning of 2021, segment reporting consists of three reportable operating segments. Minor activities presented as “other” in the tabular segment information are excluded. Further details on segment reporting are presented in the section “Segment Reporting.”

Revenue from Contracts with Customers

in € millions	H1 2021			
	Europe, Africa, South America	Global English, Middle East, Southeast Asia	China, East Asia	Total segments
Revenue Sources				
Revenue from providing CX services	690	86	30	806
Other revenue	10	42	18	70
	<u>700</u>	<u>128</u>	<u>48</u>	<u>876</u>
Timing				
Point in time	—	1	1	2
Over time	700	127	47	874
	<u>700</u>	<u>128</u>	<u>48</u>	<u>876</u>
in € millions	H1 2020			
	Europe, Africa, South America	Global English, Middle East, Southeast Asia	China, East Asia	Total segments
Revenue Sources				
Revenue from providing CX services	513	62	n/a	575
Other revenue	10	55	n/a	65
	<u>523</u>	<u>117</u>	<u>n/a</u>	<u>640</u>
Timing				
Point in time	—	—	n/a	—
Over time	523	117	n/a	640
	<u>523</u>	<u>117</u>	<u>n/a</u>	<u>640</u>

Income Taxes

The tax expense for the first half of 2021 was calculated in accordance with IAS 34 using the average annual tax rate expected for the whole of 2021, in relation to earnings before taxes, which is calculated at 24 percent

according to Majorel Group management's current estimation. In addition, special tax effects were included in earnings before taxes and in current and deferred taxes, which were not material in total, resulting in a reported tax rate in the income statement of 24 percent.

The reported tax rate for the first half of 2021 was lower than in the same reporting period 2020 (34 percent), mainly due to special tax effects from the measurement of deferred taxes and prior years' taxes in the first half year 2020.

Earnings Per Share

The calculation of basic earnings per share is based on the profit attributable to Majorel Group shareholders of €85 million (H1 2020: €20 million) and a weighted average number of ordinary shares outstanding during the period of 404,000 (H1 2020: 404,000), calculated as follows:

	<u>H1 2021</u>	<u>H1 2020</u>
Profit attributable to Majorel Group shareholders (in € million)	85	20
Weighted average number of ordinary shares	404,000	404,000
Basic earnings per share (in €)	210.03	48.54
Diluted earnings per share (in €)	210.03	48.54

Additional Disclosures on Financial Instruments

The principles and methods used for the fair value measurement remain unchanged compared to those used in the previous year. Only disclosures on financial instruments that are significant to an understanding of the changes in financial position and financial performance since the end of the last annual reporting period are explained below.

In the case of financial assets and financial liabilities measured at fair value, the valuation technique applied depends on the respective inputs present in each case. If listed prices can be identified for identical assets on active markets, they are used for measurement (level 1). If this is not possible, the fair values of comparable market transactions are applied, and financial methods that are based on observable market data are used (level 2). For measuring the fair value of unlisted derivatives (level 2), Majorel uses various financial methods reflecting the prevailing market conditions and risks at the respective balance sheet dates. Irrespective of the type of financial instrument, future cash flows are discounted at the end of the reporting period based on the respective market interest rates and yield curves at the end of the reporting period. If the fair values are not based on observable market data, they are identified using established financial methods or on the basis of observable prices obtained as part of the most recently implemented qualified financing rounds, taking into account the life and developmental cycle of the respective entity (level 3).

In January 2021, Majorel entered with Bertelsmann Business Support S.à r.l., a subsidiary of Bertelsmann SE & Co. KGaA, into a term loan agreement of €65 million, valid until December 2022. The term loan was used to cover funding requirements in connection with the acquisitions in China.

In June 2021, Majorel repaid a bank loan of €30 million prior to the original maturity in July 2021.

Except for the loans with Bertelsmann Business Support S.à r.l., a subsidiary of Bertelsmann SE & Co. KGaA, the fair value of each class of financial assets and liabilities is equivalent to its carrying amount. The fair value of the loan with Bertelsmann Business Support S.à r.l. with a carrying amount of €65 million amounts to €67 million; the fair value of the loan with Bertelsmann Business Support S.à r.l. with a carrying amount of €20 million amounts to €21 million. Both loans are included in the non-current balance sheet position "Financial debt."

Financial Assets Measured at Fair Value Categorized Using the Fair Value Measurement Hierarchy

<u>in € millions</u>	<u>Level 1: Quoted prices in active markets</u>	<u>Level 2: Observable market data</u>	<u>Level 3: Unobservable market data</u>	<u>Balance as of 6/30/2021</u>
Financial assets recognized at fair value	5	—	—	5
Primary and derivative financial assets held for trading	—	2	—	2
Derivatives with hedge relation	—	—	—	—
	<u>5</u>	<u>2</u>	<u>—</u>	<u>7</u>

The “Financial assets recognized at fair value”, which is assigned to level 1 of the fair value hierarchy, relates to a highly liquid investment fund acquired in the first half year of 2021. The total amount of €7 million is recognized in the balance sheet position “Other financial assets.”

As of June 30, 2021, financial liabilities measured at fair value were immaterial. There were no transfers between levels 1, 2 and 3 during the first half of 2021.

Additional Disclosures on Related Parties

Apart from the new transactions cited below that Majorel entered into with its shareholders and their subsidiaries, the nature and amounts of related party transactions are consistent with those previously reported.

In January 2021, Majorel entered with Bertelsmann Business Support S.à r.l., a subsidiary of Bertelsmann SE & Co. KGaA, into an unsecured term loan agreement of €65 million to fund the acquisition of the arvato China CRM Business, valid until December 2022. The term loan terminates on the earlier of (i) the consummation of any sale of a venture interest (except permitted transfers) in accordance with the venture agreement between shareholders, (ii) the consummation of an initial public offering or a joint sale in accordance with the venture agreement or (iii) any other between shareholders mutually agreed the sale of the venture or venture interests. Upon termination, the Company is required to immediately repay the outstanding amount to Bertelsmann Business Support S.à r.l. This term loan bears interest in the amount of 1.50 percent per annum. The interest expense for the period amounts to €1 million.

On June 24, 2021 the general meeting of shareholders resolved to declare and pay a dividend of €19 million exclusively to the shareholder Bertelsmann Luxembourg S.à r.l. pursuant to a separate agreement between the shareholders of the Company and the certain venture agreement entered into between the shareholders.

Other Information

Majorel Group’s core business might be subject to moderate seasonal fluctuations. Additionally in the current financial year, the core business is subject to macroeconomic effects of the coronavirus pandemic (further explanations are presented in the section “Effects of Coronavirus Pandemic on Condensed Interim Consolidated Financial Statements”). In a financial year unaffected by influences such as the coronavirus pandemic, the revenue is typically higher in the third and fourth quarters due to the spending patterns of Majorel Group’s business customers. The results for the first six months of the financial year 2021 are not necessarily predictive of future business performance.

In accordance with IAS 37, Majorel recognized additional provisions for restructuring relating to the discontinuation of several business activities in the amount of €5 million.

Within the “Cash flow from financing activities” in the Consolidated Cash Flow Statement, the item “Dividends” is attributable to a disproportionate distribution of dividends, which was paid to Bertelsmann Luxembourg S.à r.l. (further details are presented in the section “Additional Disclosures on Related Parties”). The item “Proceeds from/redemption of other financial debt” includes receipts in the amount of €67 million (H1 2020: €54 million), mainly of €65 million for the financing of the acquisition in China, and payments in the amount of €-33 million (H1 2020: €-22 million), mainly for repayment of a bank loan of €30 million prior to its maturity in June 2021.

Notes on Segment Reporting

The segment reporting is based on the internal organizational and management structure implemented in 2021, and on management and reporting indicators used internally. Following the acquisition of three Chinese companies in January 2021, from the beginning of 2021, segment reporting reflects three reportable operating segments (Europe, Africa, South America; Global English, Middle East, Southeast Asia; China, East Asia), differentiated according to the geographical region in which services are offered and which are reported by segment managers to the Board of Majorel Group Luxembourg S.A. in its role as the chief operating decision maker in accordance with IFRS 8. Minor activities in Mexico are included in the column “Consolidation/other.” This column comprises also intersegment eliminations. For segment reporting, intercompany leases are presented as operating leases with income and expenses recognized using the straight-line method in accordance with IFRS 8, in line with internal management.

Reconciliation of Segment Information to Group Profit or Loss

<u>in € millions</u>	<u>H1 2021</u>	<u>H1 2020</u>
Operating EBITDA	154	70
Amortization/depreciation, impairment and reversals on intangible assets, property, plant and equipment and right-of-use assets	40	36
EBIT	114	34
Financial result	(2)	(4)
Earnings before taxes	112	30
Income tax expense	(27)	(10)
Group profit or loss	85	20

Events after the Reporting Period

Subsequent to the balance sheet date, no events of special importance occurred that could have a material impact on the financial position and financial performance of Majorel Group.

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the Condensed Interim Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group.

Luxembourg, August 16, 2021

Majorel Group Luxembourg S.A.

Thomas Mackenbrock (Chief Executive Officer)

Otmane Serraj (Chief Financial & Shared Services Officer)

Consolidated Financial Statements
Majorel Group Luxembourg S.A.
as of December 31, 2020



CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Income Statement

<u>in € millions</u>	<u>Notes</u>	<u>2020</u>	<u>2019</u>
Revenues	1	1,375	1,211
Other operating income	2	20	35
External expenses and costs of materials	3	(308)	(302)
Personnel costs	4	(894)	(828)
Amortization/depreciation, impairment and reversals on intangible assets, property, plant and equipment and right-of-use assets	5	(77)	(69)
Results from investments accounted for using the equity method	12	1	1
Results from disposals of investments		(1)	–
EBIT (earnings before interest and taxes)		116	48
Interest expenses	6	(2)	(2)
Other financial expenses	7	(7)	(8)
Financial result		(9)	(10)
Earnings before taxes		107	38
Income tax expense	8	(21)	(22)
Group profit or loss		86	16
attributable to:			
Majorel shareholders		86	15
Non-controlling interests		—	1
Earnings per share (in €)			
– Basic		212.98	38.94
– Diluted		212.98	38.94

Consolidated Statement of Comprehensive Income

<u>in € millions</u>	<u>Notes</u>	<u>2020</u>	<u>2019</u>
Group profit or loss		86	16
Items that will not be reclassified subsequently to profit or loss			
Remeasurement component of defined benefit plans		(4)	(15)
Changes in fair value of equity instruments		—	—
Share of other comprehensive income of investments accounted for using the equity method		—	—
Items that will be reclassified subsequently to profit or loss when specific conditions are met			
Exchange differences			
– changes recognized in other comprehensive income		(8)	4
– reclassification adjustments to profit or loss		—	—
Other comprehensive income net of tax	17	(12)	(11)
Group total comprehensive income		74	5
attributable to:			
Majorel shareholders		74	4
Non-controlling interests		—	1

Consolidated Balance Sheet

in € millions	Notes	12/31/2020	12/31/2019
Assets			
Non-current assets			
Goodwill	10	53	53
Other intangible assets	10	8	6
Property, plant and equipment and right-of-use assets	11	190	177
Investments accounted for using the equity method	12	2	2
Trade and other receivables	14	1	1
Other non-financial assets	15	2	—
Deferred tax assets	8	15	8
		<u>271</u>	<u>247</u>
Current assets			
Inventories		—	1
Trade and other receivables	14	307	316
Other financial assets	13	1	—
Other non-financial assets	15	56	66
Current income tax receivables	8	9	17
Cash and cash equivalents	16	195	79
		<u>568</u>	<u>479</u>
		<u>839</u>	<u>726</u>
Equity and liabilities			
Equity			
Subscribed capital ¹⁾	17	—	—
Capital reserve		275	275
Retained earnings		37	(37)
Majorel shareholders' equity		312	238
Non-controlling interests		5	4
		<u>317</u>	<u>242</u>
Non-current liabilities			
Provisions for pensions and similar obligations	18	50	76
Other provisions	19	5	4
Deferred tax liabilities	8	—	1
Financial debt	20	20	20
Lease liabilities	21	58	43
Other non-financial liabilities	22	1	1
		<u>134</u>	<u>145</u>
Current liabilities			
Other provisions	19	22	10
Financial debt	20	34	24
Lease liabilities	21	37	42
Trade and other payables	22	132	104
Other non-financial liabilities	22	153	148
Current income tax payables	8	10	11
		<u>388</u>	<u>339</u>
		<u>839</u>	<u>726</u>

1) As of December 31, 2020, and as of December 31, 2019, the subscribed capital amounts to €404 thousand.

Consolidated Cash Flow Statement

in € millions	<u>2020</u>	<u>2019</u>
Group earnings before interest and taxes	116	48
Taxes paid	(17)	(24)
Depreciation and write-ups of non-current assets	77	69
Gains/losses from disposals of non-current assets	1	1
Change in provisions for pensions and similar obligations	(5)	(13)
Change in other provisions	13	(2)
Change in net working capital	39	(18)
Other effects	(1)	(11)
Cash flow from operating activities	<u>223</u>	<u>50</u>
Investments in:		
– intangible assets	(3)	(2)
– property, plant and equipment	(43)	(57)
– purchase prices for consolidated investments (net of acquired cash)	(3)	(49)
Disposals of other fixed assets	4	8
Cash flow from investing activities	<u>(45)</u>	<u>(100)</u>
Proceeds from/redemption of other financial debt	(16)	(47)
Redemption of lease liabilities	(40)	(34)
Interest paid	(5)	(5)
Change in equity	2	43
Other effects	1	–
Cash flow from financing activities	<u>(58)</u>	<u>(43)</u>
Change in cash and cash equivalents	120	(93)
Exchange rate effects and other changes in cash and cash equivalents	(4)	3
Cash and cash equivalents as of 1/1	79	169
Cash and cash equivalents as of 12/31	<u>195</u>	<u>79</u>

Changes in Net Liabilities Arising from Financing Activities

<u>in € millions</u>	<u>2020</u>	<u>2019</u>
Net liabilities arising from financing activities as of 1/1	(50)	(13)
Cash flow from operating activities	223	50
Cash flow from investing activities	(45)	(100)
Interest, dividends and changes in equity	(3)	38
Exchange rate effects and other changes in net liabilities arising from financing activities	(79)	(25)
Net liabilities arising from financing activities as of 12/31	<u>46</u>	<u>(50)</u>

Net liabilities arising from financing activities are the balance of the balance sheet positions “Cash and cash equivalents,” “Financial debt” and “Lease liabilities.”

Consolidated Statement of Changes in Equity

in € millions	Retained earnings										
	Accumulated other comprehensive income										
	Subscribed capital ¹⁾	Capital reserve	Other retained earnings before Venture	Other retained earnings Venture	Exchange differences	Fair value reserve	Cash flow hedges	Share of other comprehensive income of investments accounted for using the equity method	Majorel shareholders' equity	Non-controlling interests	Total
Balance as of 1/1/2019	—	275	(43)	—	—	—	—	—	232	3	235
Group profit or loss	—	—	—	15	—	—	—	—	15	1	16
Other comprehensive income	—	—	—	(15)	4	—	—	—	(11)	—	(11)
Group total comprehensive income	—	—	—	—	4	—	—	—	4	1	5
Dividend distributions	—	—	—	—	—	—	—	—	—	—	—
Changes in ownership interests in subsidiaries that do not result in a loss of control and other transactions	—	—	—	2	—	—	—	—	2	—	2
Equity transactions with shareholders	—	—	—	2	—	—	—	—	2	—	2
Other changes	—	—	—	—	—	—	—	—	—	—	—
Balance as of 12/31/2019	—	275	(43)	2	4	—	—	—	238	4	242
Balance as of 1/1/2020	—	275	(43)	2	4	—	—	—	238	4	242
Group profit or loss	—	—	—	86	—	—	—	—	86	—	86
Other comprehensive income	—	—	—	(4)	(8)	—	—	—	(12)	—	(12)
Group total comprehensive income	—	—	—	82	(8)	—	—	—	74	—	74
Dividend distributions	—	—	—	—	—	—	—	—	—	—	—
Changes in ownership interests in subsidiaries that do not result in a loss of control and other transactions	—	—	—	—	—	—	—	—	—	—	—
Equity transactions with shareholders	—	—	—	—	—	—	—	—	—	—	—
Other changes	—	—	—	—	—	—	—	—	—	1	1
Balance as of 12/31/2020	—	275	(43)	84	(4)	—	—	—	312	5	317

1) Starting from January 1, 2019, the subscribed capital amounts to €404 thousand and is unchanged.

Notes

Segment Information

in € millions	Europe, Africa, South America		Global English, Middle East, Southeast Asia		Total segments		Consolidation /other		Total Group	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenues from external customers	1,132	1,001	239	202	1,371	1,203	4	8	1,375	1,211
Intersegment revenues	42	31	60	32	102	63	(102)	(63)	—	—
Segment revenues	1,174	1,032	299	234	1,473	1,266	(98)	(55)	1,375	1,211
Operating EBITDA	153	101	44	26	197	127	(1)	1	196	128
EBITDA margin	13.0%	9.8%	14.7%	11.1%	13.4%	10.0%	n/a	n/a	14.3%	10.6%
Impairment (-)/reversals (+) on intangible assets, property, plant and equipment and right-of-use assets	(3)	(2)	(2)	—	(5)	(2)	—	—	(5)	(2)
Results from investments accounted for using the equity method	—	—	1	1	1	1	—	—	1	1
Invested capital	218	276	94	75	312	351	(3)	3	309	354

The current structure of the segment reporting is based on the structure of the internal management reporting implemented in 2021. Further details on segment reporting are presented in note 26 “Segment Reporting” and in note 28 “Events after the Reporting Period.”

Information by Geographical Area

in € millions	Germany		France		Ireland		Spain		Other European countries		Other countries		Total Group	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenues from external customers	301	279	337	331	194	189	147	148	126	103	270	161	1,375	1,211
Non-current assets ¹⁾	30	40	36	39	8	2	15	12	34	33	128	110	251	236

1) Non-current assets comprise intangible assets (including goodwill), property, plant and equipment, and right-of-use assets.

Details on segment reporting are presented in note 26 “Segment Reporting.”

Reconciliation to Operating EBITDA

in € millions	2020	2019
EBIT	116	48
Special items		
– results from disposals of investments	1	—
– restructuring and other special items	2	11
Amortization/depreciation, impairment and reversals on intangible assets, property, plant and equipment and right-of-use assets	77	69
Operating EBITDA	196	128

General Principles

Majorel is a customer experience (CX) and Business-Process-Outsourcing (BPO) provider with more than 55,000 employees based in 30 countries in Europe, the Middle East, Africa, Americas and Asia.

Majorel (hereafter also referred to as “Majorel Group” or “Group”) was established when the German-based Bertelsmann SE & Co. KGaA (hereafter referred to as “Bertelsmann” or “Bertelsmann Group”) and the Moroccan-based Saham Group (hereafter also referred to as “Saham”) merged their respective customer relationship management (CRM) businesses Arvato Customer Relationship Management and Phone Group,

ECCO Outsourcing and Pioneers Outsourcing. The transaction was agreed upon between Bertelsmann and Saham in September 2018, following which Bertelsmann contributed its customer relationship management business subsidiaries. On January 4, 2019, Saham contributed its customer relationship management business subsidiaries. Since then, the Majorel Group has been operating as a venture between Bertelsmann and Saham. Considering the overall economic sense of the contributions, Majorel Group has prepared its Consolidated Financial Statements for the financial year beginning January 1, 2019.

Majorel Group Luxembourg S.A. is the parent company of the Majorel Group and domiciled in Boulevard Pierre Frieden 43, 1543 Luxembourg. The company is a stock company (société anonyme) registered in Luxembourg and entered in the trade register Registre de Commerce et des Sociétés under the number B227626.

As ultimate parent, Bertelsmann SE & Co. KGaA is consolidating Majorel Group Luxembourg S.A. and its subsidiaries in its consolidated financial statements. Bertelsmann SE & Co. KGaA is a company incorporated under German law whose registered office is established at Carl-Bertelsmann-Strasse 270, D-33311 Gütersloh, Germany. Consolidated financial statements for Bertelsmann SE & Co. KGaA can be obtained at its registered office; it is entered in the commercial register of the Gütersloh Local Court (Amtsgericht) under HRB 9194.

Majorel consists of Majorel Group Luxembourg S.A. and its direct and indirect subsidiaries and associates.

The Majorel Consolidated Financial Statements as of December 31, 2020, were prepared in accordance with International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) and the related interpretations (IFRIC) of the IFRS Interpretations Committee (IFRS IC) that are applicable in the European Union (IFRS-EU).

The Majorel Group Financial Statements as of December 31, 2019, were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the related interpretations (IFRIC) of the IFRS Interpretations Committee (IFRS IC) and IFRS 1 was applied. However, the entity did not use any of the IFRS 1 exceptions or exemptions. While preparing the opening balance sheet as of January 1, 2019, the management applied the principle of predecessor accounting approach to carry forward the book values (including goodwill) recognized in the IFRS consolidated financial statements of Bertelsmann SE & Co. KGaA. Accordingly, Majorel Group has made use of the option of reporting the legal transfers of the business activities of Bertelsmann to Majorel as transactions under common control using the predecessor (book value) method. This implies that the IFRS values including goodwill recognized in the financial statements of the Bertelsmann Group are reflected unchanged. The contribution of customer relationship management business subsidiaries by Saham was accounted for as a business combination in accordance with IFRS 3 with a resulting non-cash consideration of €19 million representing the valuation of shares of Saham's entities. Based on the purchase price allocation this acquisition resulted in goodwill totaling €5 million and other intangibles assets totaling €1 million. Further, the transaction resulted in cash acquired totaling €3 million.

Majorel uses one set of global accounting policies, which are IFRS compliant. The principal accounting policies adopted in the preparation of the Consolidated Financial Statements are set out in the section "Accounting and Measurement Policies." These policies have been consistently applied to all the years and balance sheet dates presented, unless otherwise stated. The Consolidated Financial Statements as of December 31, 2020, were authorized for issue by Thomas Mackenbrock (CEO Majorel) and Otmane Serraj (CFSO Majorel) on July 16, 2021.

The Consolidated Financial Statements are prepared in euros. Unless otherwise stated, all amounts are given in millions of euros (€ million). For the sake of clarity, certain items are aggregated in the consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of cash flows and consolidated statement of changes in equity. These items are disclosed and explained in greater detail in the notes.

The Consolidated Financial Statements have been prepared under the historical cost convention except for the following material items in the consolidated balance sheet:

- Equity instruments at fair value through other comprehensive income are measured at fair value.
- Derivative financial instruments are measured at fair value.
- Non-derivative financial instruments at fair value through profit or loss (FVTPL) are measured at fair value.
- The defined benefit assets and liabilities are measured in accordance with IAS 19.

Impact of New Financial Reporting Standards

The initial application of new financial reporting standards and interpretations had no material impact on Majorel.

Impact of Issued Financial Reporting Standards that Are Not Yet Effective

The Majorel Group has not opted for early adoption of any additional standards, interpretations or amendments that have been issued by the IASB or the IFRS IC but are not yet mandatory. The expected impact from the issued financial reporting requirements that are not yet effective is not material to the Majorel Group.

Effects of Coronavirus Pandemic on the Consolidated Financial Statements

The coronavirus outbreak has developed rapidly in 2020, with a significant number of infections. Measures taken by various governments to contain the virus have affected economic activity. Majorel Management has continuously been monitoring the business and financial performance of the Majorel Group and has taken various actions to shelter businesses such as safety and health measures for employees (like social distancing and working from home), implementation of operating cost reduction measures and in-depth contract reviews, securing additional financing to ensure continuity of Majorel operations and communication to the key stakeholders. In addition to the implementation of extended procedures to monitor cash and receivables, in order to have rapid access to credit financing, measures were taken at the beginning of the looming coronavirus pandemic and its macroeconomic consequences. Furthermore, balance sheet effects were determined and evaluated for particularly relevant issues. These topics were the impairment of goodwill and individual assets, leasing, trade receivables, government grants, deferred tax assets, losses from onerous contracts and revenues. No significant issues have been noted. Despite the fact that the coronavirus pandemic was considered as a triggering event, the Group did not identify any CGU where its recoverable amounts were below the carrying amount of goodwill. Overall, no significant effects on the Majorel Group's financial position, performance and cash flows are currently expected. Furthermore, the information presented in section "Significant Accounting judgments, Estimates and Assumptions" applies. Management is of the opinion that the additional estimates and discretionary decisions required by the coronavirus pandemic take appropriate account of the currently foreseeable microeconomic and macroeconomic situation.

Consolidation

Principles of Consolidation

The Majorel Consolidated Financial Statements include the financial statements of the parent company and its subsidiaries and associates.

Subsidiaries are companies controlled by Majorel Group Luxembourg S.A. in accordance with IFRS 10. Consolidation begins on the date on which the ability to exercise control exists and ends when Majorel loses the ability to exercise control. Profit or loss and each component of total comprehensive income are attributed to the shareholders of the parent company and the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. In accordance with IFRS 3, business combinations are accounted for using the acquisition method. Non-controlling interests are measured at the proportionate fair value of the assets and liabilities. If the consideration transferred for the business combination or the fair values attributable to the identifiable assets and liabilities of the company acquired can only be provisionally identified on the date of initial accounting, the business combination is accounted for using these provisional values. Initial accounting is completed in accordance with IFRS 3.45, taking into account the one-year measurement period. Comparative information for reporting periods prior to the completion of initial accounting is presented as if it had already been completed on the acquisition date. Changes in the parent's ownership interest in a subsidiary that do not lead to a loss of control are accounted for as equity transactions. After the loss of control of a subsidiary, it is deconsolidated in accordance with the requirements of IFRS 10. Any investment retained in the former subsidiary as well as any amounts owed by or to the former subsidiary are accounted for in accordance with the applicable IFRSs from the date when control is lost.

Associates are included in the Consolidated Financial Statements using the equity method in accordance with IAS 28. Associates are companies over which Majorel exercises a significant influence. This is generally the case for voting rights between 20 percent and 50 percent. Smaller shareholdings are accounted for using the equity method if there is a significant influence in accordance with IAS 28.6. When changing the accounting treatment of investments to the equity method, IFRS 3 is applied correspondingly so that the fair value of the previously held interest is used in determining the cost of the investment accounted for using the equity method on the transition date. The difference between the fair value and the carrying amount of the previously held interest is recognized in profit or loss.

Majorel recognizes immaterial investments in accordance with IFRS 9.

Scope of Consolidation

The scope of consolidation consists of 87 (December 31, 2019: 85) companies. This includes 86 (December 31, 2019: 84) fully consolidated companies. In addition, 1 immaterial associate (December 31, 2019: 1) is accounted for using the equity method in the Consolidated Financial Statements. There were no companies without significant business operations which were excluded from the scope of consolidation due to their negligible importance for the financial position and financial performance of Majorel.

As of December 31, 2020, the detailed list of fully consolidated subsidiaries (FC) and associate accounted for using the equity method (EM) is as follows:

<u>Name</u>	<u>Country</u>	<u>Share</u>	<u>Consolidation Method</u>
3media SARL	France	100	FC
ACR France SARL	France	100	FC
Administration Personnel Services Sp. z o.o.	Poland	100	FC
Anteles SARL	France	100	FC
AQUITEL SAS	France	100	FC
Arvalife SAS	France	100	FC
Arvato de Mexico, S.A. de C.V.	Mexico	100	FC
Arvato Services S.A.C.	Peru	100	FC
Call Insurance SARL	France	100	FC
Camaris SARL	France	100	FC
Cap2Call SARL	France	100	FC
Capdune SARL	France	100	FC
Ceacom SARL	France	100	FC
Cometz SARL	France	100	FC
CRM Holding GmbH	Germany	100	FC
Document Channel SAS	France	100	FC
Duacom SARL	France	100	FC
Ecco Gulf WLL	Qatar	49	EM
Eclipse Holdings Limited	Malta	100	FC
Eclipse Technologies for Business Services Majorel S.A.E.	Egypt	100	FC
Egyptian Call Center Operators Majorel S.A.E.	Egypt	100	FC
EMEA CRM hub Netherlands B.V.	Netherlands	100	FC
Euracom SARL	France	100	FC
International Company for Human Resources and Management Services IMI Majorel S.A.E.	Egypt	100	FC
Isilis SAS	France	100	FC
KWS Kontowechsel Service GmbH	Germany	100	FC
Majorel Academy SARL	Morocco	100	FC
Majorel Africa S.A.	Morocco	100	FC
Majorel Africa Services SARL	Morocco	100	FC
Majorel Armenia LLC	Armenia	100	FC
Majorel Benelux B.V.	Netherlands	100	FC
Majorel Berlin GmbH	Germany	100	FC
Majorel Brandenburg GmbH	Germany	100	FC
Majorel Bucaramanga S.A.S.	Colombia	100	FC
Majorel Canada, Inc.	Canada	100	FC
Majorel Colombia S.A.S.	Colombia	100	FC
Majorel Consulting GmbH	Germany	100	FC
Majorel Corporate Portugal, SGPS, Lda.	Portugal	100	FC
Majorel Cote D'Ivoire S.A.R.L.	Cote d'Ivoire	100	FC
Majorel Cottbus GmbH	Germany	100	FC
Majorel Deutschland GmbH	Germany	100	FC
Majorel Dortmund GmbH	Germany	100	FC
Majorel Energy GmbH	Germany	100	FC
Majorel Erfurt GmbH	Germany	100	FC
Majorel Essen GmbH	Germany	100	FC
Majorel Estonia OÜ	Estonia	100	FC
Majorel Georgia LLC	Georgia	100	FC

<u>Name</u>	<u>Country</u>	<u>Share</u>	<u>Consolidation Method</u>
Majorel Group Luxembourg S.A.	Luxembourg	100	FC
Majorel Holding Deutschland GmbH	Germany	100	FC
Majorel Holding Nederland B.V.	Netherlands	100	FC
Majorel Hong Kong Limited	China	100	FC
Majorel Iberia, S.L.U.	Spain	100	FC
Majorel India Private Limited	India	100	FC
Majorel Ireland Limited	Ireland	100	FC
Majorel Italy S.r.l.	Italy	100	FC
Majorel Kenia Limited	Kenya	100	FC
Majorel Malaysia Sdn. Bhd.	Malaysia	100	FC
Majorel Morocco SARL	Morocco	100	FC
Majorel Münster GmbH	Germany	100	FC
Majorel Nordhorn GmbH	Germany	100	FC
Majorel Outsourcing SARL	Morocco	100	FC
Majorel Philippines Corp.	Philippines	100	FC
Majorel Polska Sp. z o.o.	Poland	100	FC
Majorel Portugal, Unipessoal, Lda.	Portugal	100	FC
Majorel QA Solutions, S.A.U.	Spain	100	FC
Majorel Real Estate GmbH	Germany	100	FC
Majorel Rostock I GmbH	Germany	100	FC
Majorel Rostock II GmbH	Germany	100	FC
Majorel Saarbrücken GmbH	Germany	100	FC
Majorel Senegal SUARL	Senegal	100	FC
Majorel SP Solutions, S.A.U.	Spain	100	FC
Majorel Systems Spain, S.A.U.	Spain	100	FC
Majorel Togo SARL	Togo	100	FC
Majorel Tria, S.L.U.	Spain	100	FC
Majorel UK Limited	Great Britain	100	FC
Majorel USA, Inc.	USA	100	FC
Majorel Wilhelmshaven GmbH	Germany	100	FC
MBD-Majorel Business Developpement SAS	France	100	FC
MSE-Majorel Strategie & Expertises SARL	France	100	FC
MSE-Majorel Strategy & Expertise SRL	Romania	100	FC
Nordcall SARL	France	100	FC
Pioneers Outsourcing Company Limited	Saudi Arabia	70	FC
Ramyam Intelligence Lab Private Limited	India	100	FC
Soneo SARL	France	100	FC
Tellis Telephone Limousin Services SARL	France	100	FC
Twin Trust SARL	Morocco	100	FC
yzee-services SARL	France	100	FC

As of December 31, 2019, the detailed list of fully consolidated subsidiaries (FC) and associate accounted for using the equity method (EM) is as follows:

<u>Name</u>	<u>Country</u>	<u>Share</u>	<u>Consolidation Method</u>
3media SARL	France	100	FC
ACR France SARL	France	100	FC
Administration Personnel Services Sp. z o.o.	Poland	100	FC
Anteles SARL	France	100	FC
AQUITEL SAS	France	100	FC
Arvalife SAS	France	100	FC
Arvato de Mexico, S.A. de C.V.	Mexico	100	FC
Arvato Services S.A.C.	Peru	100	FC
Call Insurance SARL	France	100	FC
Camaris SARL	France	100	FC
Cap2Call SARL	France	100	FC
Capdune SARL	France	100	FC
Ceacom SARL	France	100	FC
Cometz SARL	France	100	FC

<u>Name</u>	<u>Country</u>	<u>Share</u>	<u>Consolidation Method</u>
CRM Holding GmbH	Germany	100	FC
Document Channel SAS	France	100	FC
Duacom SARL	France	100	FC
Ecco Gulf WLL	Qatar	49	EM
Eclipse Holdings Limited	Malta	100	FC
Eclipse Technologies for Business Services S.A.E.	Egypt	100	FC
Egyptian Call Center Operators S.A.E.	Egypt	100	FC
EMEA CRM hub Netherlands B.V.	Netherlands	100	FC
Euracom SARL	France	100	FC
International Company for Administrative and Human Development S.A.E.	Egypt	100	FC
KWS Kontowechsel Service GmbH	Germany	100	FC
Majorel Academy SARL	Morocco	100	FC
Majorel Africa S.A.	Morocco	100	FC
Majorel Armenia LLC	Armenia	100	FC
Majorel Benelux B.V.	Netherlands	100	FC
Majorel Berlin GmbH	Germany	100	FC
Majorel Brandenburg GmbH	Germany	100	FC
Majorel Bucaramanga S.A.S.	Colombia	100	FC
Majorel Canada, Inc.	Canada	100	FC
Majorel Chemnitz GmbH	Germany	100	FC
Majorel Colombia S.A.S.	Colombia	100	FC
Majorel Corporate Portugal, SGPS, Lda.	Portugal	100	FC
Majorel Cote D'Ivoire S.A.R.L.	Cote d'Ivoire	100	FC
Majorel Cottbus GmbH	Germany	100	FC
Majorel Deutschland GmbH	Germany	100	FC
Majorel Dortmund GmbH	Germany	100	FC
Majorel Energy GmbH	Germany	100	FC
Majorel Erfurt GmbH	Germany	100	FC
Majorel Essen GmbH	Germany	100	FC
Majorel Estonia OÜ	Estonia	100	FC
Majorel Georgia LLC	Georgia	100	FC
Majorel Group Luxembourg S.A.	Luxembourg	100	FC
Majorel Holding Nederland B.V.	Netherlands	100	FC
Majorel Iberia, S.L.	Spain	100	FC
Majorel India Private Limited	India	100	FC
Majorel Ireland Limited	Ireland	100	FC
Majorel Italy S.r.l.	Italy	100	FC
Majorel Malaysia Sdn. Bhd.	Malaysia	100	FC
Majorel Münster GmbH	Germany	100	FC
Majorel Neubrandenburg GmbH	Germany	100	FC
Majorel Nordhorn GmbH	Germany	100	FC
Majorel Philippines Corp.	Philippines	100	FC
Majorel Polska Sp. z o.o.	Poland	100	FC
Majorel Portugal, Unipessoal, Lda.	Portugal	100	FC
Majorel QA Solutions, S.A.	Spain	100	FC
Majorel Real Estate GmbH	Germany	100	FC
Majorel Rostock I GmbH	Germany	100	FC
Majorel Rostock II GmbH	Germany	100	FC
Majorel Saarbrücken GmbH	Germany	100	FC
Majorel Schwerin GmbH	Germany	100	FC
Majorel Senegal SUARL	Senegal	100	FC
Majorel SP Solutions, S.A.	Spain	100	FC
Majorel Stralsund GmbH	Germany	100	FC
Majorel Systems Spain, S.A.U.	Spain	100	FC
Majorel Tria, S.L.	Spain	100	FC
Majorel UK Limited	Great Britain	100	FC
Majorel USA, Inc.	USA	100	FC
Majorel Wilhelmshaven GmbH	Germany	100	FC

<u>Name</u>	<u>Country</u>	<u>Share</u>	<u>Consolidation Method</u>
MBD – Majorel Business Developpement SAS	France	100	FC
MSE – Majorel Strategie & Expertises SARL	France	100	FC
MSE – Majorel Strategy & Expertise SRL	Romania	100	FC
Nordcall SARL	France	100	FC
Phone Active SARL	Morocco	100	FC
Phone Group Togo SARL	Togo	100	FC
Phone Outsourcing SARL	Morocco	100	FC
Pioneers Outsourcing Company Limited	Saudi Arabia	70	FC
Ramyam Intelligence Lab Private Limited	India	100	FC
RM Achte Beteiligungsverwaltungs GmbH	Germany	100	FC
Soneo SARL	France	100	FC
Tellis Telephone Limousin Services SARL	France	100	FC
yzee – services SARL	France	100	FC

Acquisitions and Disposals

In the financial year 2020, the cash flow from acquisition activities totaled €-3 million, of which €-2 million related to the new acquisition during the reporting period less cash and cash equivalents acquired. In July 2020, Majorel acquired an interest of 100 percent in the French digital services provider Isilis. The consideration transferred in accordance with IFRS 3 amounted to €-3 million and was fully paid in cash. The purchase price allocation resulted in goodwill of €1 million, which is not tax deductible, and customer relationship of €1 million. Majorel is thus expanding its digital solutions portfolio for clients in banking and financial services while also further consolidating its strong position in this rapidly changing industry. In the financial year 2020, transaction-related costs were immaterial and have been recognized in profit or loss.

The following table shows the fair values of the assets and liabilities of the acquisitions on their dates of initial consolidation based on the purchase price allocations:

<u>in € millions</u>	<u>Total</u>
Non-current assets	
Other intangible assets	1
Current assets	
Trade and other receivables	2
Cash and cash equivalents	<u>1</u>
Liabilities	
Other financial and non-financial liabilities	<u>(2)</u>
Net assets acquired	2
Goodwill	1
Consideration transferred according to IFRS 3	3
Consideration paid in cash	3
Cash and cash equivalents acquired	<u>(1)</u>
Cash outflow on acquisitions	<u>2</u>
Payments on prior year's acquisitions	<u>1</u>
Total cash flow from acquisition activities	<u>3</u>

Since initial consolidation, the new acquisition in accordance with IFRS 3 in the financial year 2020 has contributed €2 million to revenue and an insignificant amount to Group profit or loss. If consolidated as of January 1, 2020, this would have contributed €3 million to revenue and an insignificant amount to Group profit or loss. On the acquisition date, the fair value of the acquired receivables was €2 million. Of that amount, €1 million is attributable to trade receivables and €1 million to other receivables. Trade accounts receivable are impaired in an amount which is insignificant. The other accounts receivable are not impaired. Correspondingly, the fair values of both trade and other receivables are equal to their gross amounts.

In the financial year 2019, the cash flow from acquisition activities totaled €-49 million, of which €-50 million were paid for the ownership interests in subsidiaries acquired by Majorel at foundation date with the

corresponding assets and liabilities of these entities already being included in the opening balances as of January 1, 2019, and €1 million related to new acquisition during the reporting period net of cash acquired. The consideration transferred for this new acquisition amounted to €-2 million in accordance with IFRS 3, the cash acquired amounted to €3 million.

In accordance with IFRS 3, the fair values of the identifiable assets, liabilities and contingent liabilities acquired are measured primarily using the market price-oriented method. According to this method, assets and liabilities are measured at the prices observed in active markets. If measurement using the market price-oriented method is not feasible, as a rule the capital value-oriented method is to be applied. According to that method, the fair value of an asset or a liability corresponds to the present value of the future cash inflows or outflows (cash flows).

In October 2020, Majorel sold its interests held in Majorel Chemnitz GmbH, Majorel Neubrandenburg GmbH, Majorel Schwerin GmbH and Majorel Stralsund GmbH for a total of €2 million. Net of transaction-related costs, the sale resulted in a loss of a total €-1 million recognized in the item “Results from disposals of investments.”

The following table shows the impact on the Majorel Group’s assets and liabilities at the time of deconsolidation:

<u>in € millions</u>	<u>Total</u>
Non-current assets	
Property, plant and equipment and right-of-use assets	3
Current assets	
Other current assets	10
Liabilities	
Provisions for pensions and similar obligations	28
Lease liabilities	2
Other financial and non-financial liabilities	3

Foreign Currency Translation

Transactions denominated in a currency other than a subsidiary’s functional currency are recognized in the functional currency at the exchange rate applicable on the day of their initial accounting. At the end of the reporting period, monetary assets and liabilities denominated in foreign currency are revalued into the functional currency using the closing rate applicable at that time. As a rule, gains and losses from these foreign currency translations are recognized in profit or loss. Non-monetary balance sheet items in foreign currency are carried at the historical exchange rate.

The financial statements of subsidiaries and associates that were prepared in foreign currencies are translated into euros using the functional currency concept set out in IAS 21 before they are included in the Consolidated Financial Statements. Assets and liabilities are translated into the reporting currency at the closing rate at the end of the reporting period, while income statement items are translated at the average rate for the financial year. Foreign currency translation differences are recognized in other comprehensive income. Such differences arise from translating items in the balance sheet at a closing rate that differs from the previous closing rate and from using the average rate for the period and the closing rate at the end of the reporting period to translate the Group profit or loss. At the time of deconsolidation of Group companies, the respective accumulated exchange differences recognized in other comprehensive income and accumulated in a separate component of equity are reclassified from equity to profit or loss. The following euro exchange rates were used for currency translation purposes for the most significant foreign currencies for the Group.

Euro Exchange Rates for Significant Foreign Currencies

<u>Foreign currency unit per €1</u>	<u>Average rates</u>		<u>Closing rates</u>		
	<u>2020</u>	<u>2019</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	
Egyptian pound	EGP	18.0349	18.9168	19.2784	18.0096
Indian Rupee	INR	84.6462	78.8289	89.6605	80.1870
Polish Zloty	PLN	4.4491	4.2985	4.5597	4.2568
Saudi riyal	SAR	4.2859	4.2034	4.6037	4.2140
US dollar	USD	1.1422	1.1206	1.2271	1.1234

Recognition of Income and Expense

Revenues from contracts with customers are recognized in accordance with IFRS 15. Under this standard, a contract-based five-step model is used to first identify and distinguish the relevant contracts with customers. In a next step, the separate performance obligations explicitly or implicitly stipulated in the contract are identified. In the customer experience business (CX) typically, there is one integrated performance obligation in form of a stand-ready obligation; i.e., Majorel stands ready to provide a series of customer experience services, mainly customer interaction and care services via different mediums like voice, self-service, e-mail, callback or chat over a certain period of time. The volume of work performed are at the customers discretion. Thus a performance obligation in form of a stand-ready obligation as a series is identified. Subsequently the transaction price is determined. Usually contracts include a fixed consideration for the stand-ready obligation as well as a variable consideration, which depends on the number of requests by end-consumers. Revenue recognition occurs upon satisfaction of the performance obligation generally over time. As the service to stand ready is provided continuously over the contract term to the end consumers, a fixed consideration is recognized entirely on a linear basis. Basis of revenue recognition for the variable component is the amount of units of services provided to the end consumers in a given period, e.g. on a monthly basis. This is because, under the terms of the contract, the variable payment relates to the amount of customer services provided during a period of time and therefore the variable consideration is allocated only to the satisfied portion of the performance obligation.

Further, there are contracts for BPO (various types of commercial handling, among other claims management for insurances, e-mobility services for automotive, and specialized back-office services for utility and banking clients), marketing services or other services to be provided, which mostly contain one performance obligation and are rendered over a period of time. In determining the transaction price, fixed and variable consideration are taken into consideration by applying the constraint condition. Generally, revenue is recognized based on the underlying number of units of service provided in the period. BPO services are in structuring and growing phase.

IFRS 15 stipulates some practical expedients of which the following are generally applied in the Group:

- The value of consideration is not adjusted for the effects of a material financing component if the financing component pertains to a period of no more than 12 months.
- For contracts with an original duration of not more than 12 months and for contracts for which revenue can be recognized according to the amount invoiced for simplification purposes, no disclosure of the aggregated transaction price is provided.

Payments received before satisfaction of the corresponding performance obligation are recognized as contract liability. If contractual provisions make the invoicing of services completed to date causally dependent on the need to provide further goods or services, a contract asset is recognized. Receivables from contracts with customers are generally due in less than 12 months.

Goodwill

In accordance with IFRS 3, goodwill resulting from a business combination is initially recognized at acquisition cost, with subsequent recognition at cost less accumulated impairment losses. Goodwill is allocated to the lowest level at which it is monitored for internal management purposes. It is subject to impairment testing at least annually in accordance with IAS 36 and is tested for impairment as outlined in the section "Impairment."

Other Intangible Assets

Non-current, internally generated intangible assets are capitalized at cost in accordance with IAS 38 if the corresponding requirements have been met. Intangible assets acquired separately are carried at acquisition cost less accumulated amortization and accumulated impairment losses, also in accordance with IAS 38. Intangible assets acquired as part of a business combination are initially recognized at fair value on the acquisition date in accordance with IFRS 3. Intangible assets with finite useful life are amortized on a straight-line basis over their estimated useful life. Impairment and reversals are determined by applying the requirements for impairment testing in accordance with IAS 36. As a rule, capitalized software has a useful life of between three and five years. Acquired customer relationships are amortized over a period of two to 15 years, while the amortization period for trademarks is three to 25 years. Licenses are amortized on a straight-line basis over the term of the license agreement. Intangible assets with an indefinite useful life are not amortized. Instead, they are subject to at least annual impairment testing in accordance with IAS 36 and, if applicable, written down to their recoverable amount. No significant intangibles with indefinitely useful lives exist.

Property, Plant and Equipment

Items of property, plant and equipment are accounted for in accordance with IAS 16 and carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is determined on a straight-line basis over the estimated useful life of the asset. In the financial year 2020, depreciation was generally based on the following useful lives:

- buildings: 10 to 50 years
- technical equipment and machinery: four to 15 years
- other equipment, fixtures, furniture and office equipment: three to 15 years

Land is not subject to depreciation.

Impairment

Goodwill and intangible assets with indefinite useful life are tested for impairment in accordance with IAS 36 annually as of December 31 and if a triggering event occurs. Intangible assets with a finite useful life, property, plant and equipment and right-of-use assets are tested for impairment at the end of each reporting period in accordance with IAS 36 only if there are any indications of impairment. An impairment loss in accordance with IAS 36 has occurred when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs of disposal and value in use. Fair value less costs of disposal and value in use are generally determined using the discounted cash flow method, which is based on future cash flow forecasts, which are part of company forecasts. Corresponding to the consideration of the right-of-use assets recognized in the balance sheet for determining the carrying amount, the lease payments are not deducted when determining the recoverable amount. The model also takes reinvestment requirements in the right-of-use assets into account. In addition, there are effects on the cost of capital as a result of an IFRS 16-related change in the level of indebtedness of the peer companies used.

For determining the value in use, estimated future cash inflows or outflows from future restructurings or from improvement or enhancement of the cash-generating units' performance are excluded unless, as of the end of the reporting period, the cash-generating unit is committed to the restructuring and related provisions have been made. If an active market exists, the market price or, if applicable, the price in the most recent comparable transaction, is used for fair value measurement. If there is no active market, the fair value less costs of disposal is generally calculated using the discounted cash flow method. If it is not possible to allocate cash flows to assets, the relevant impairment losses are determined on the basis of cash flows attributable to the cash-generating unit to which the assets belong. Projected cash flows are based on internal estimates for three detailed planning periods. Generally, two further detailed planning periods are applied in addition. For periods beyond this detailed horizon, a perpetual annuity is recognized, taking into account individual business-specific growth rates. Discounting is generally based on the weighted average cost of capital (WACC) after tax. Specific WACCs are derived for cash-generating units with different risk profiles. Majorel performs sensitivity analyses on the cash-generating units, especially on those where the headroom between the recoverable amount and the carrying amount is low.

If the reasons for an impairment loss recognized in prior periods no longer exist, the impairment loss is reversed up to a maximum of the carrying amount of the respective asset if the impairment loss had not been recognized. The latter does not apply to goodwill. The impairment loss and reversals of impairment losses are both recognized immediately in profit or loss.

Leases

Generally, for all leases with Majorel as a lessee, the related contractual rights and obligations are recognized on the balance sheet as a right-of-use asset and a lease liability. On the date of initial accounting, lease liabilities are recognized at the present value of the outstanding lease payments. The lease payments include fixed payments less any lease incentives due from the lessor, variable lease payments linked to an index or a rate, amounts expected to be payable under residual value guarantees, the exercise price of a purchase option if the exercise is reasonably certain and penalty payments for terminating the lease, if the lease term reflects the exercise of the termination option. Variable lease payments linked to sales are recognized in profit or loss in the period when the conditions for the payments have been met. The present value is determined using maturity-, currency- and risk-specific incremental borrowing rates. Subsequent measurement of a lease liability includes the increase of the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease

payments made. Right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses. Cost comprises the amount of lease liabilities recognized, the initial direct costs and the lease payments made at or before the commencement date of the lease, less any lease incentives received. The right-of-use asset is depreciated on a straight-line basis over the shorter of the useful life or lease term. Short-term leases with a lease term of up to one year, and leases for low-value assets for which Majorel does not recognize right-of-use assets or lease liabilities, constitute an exception. For such leases, the payments are recognized on a straight-line basis as expenses in the income statement under “External expenses and costs of materials.”

Financial Assets

In accordance with the IFRS 9 classification and measurement approach for financial assets, there are three classification categories for financial assets:

- at amortized cost,
- at fair value with changes in fair value through other comprehensive income (FVOCI) and
- at fair value with changes in fair value through profit or loss (FVTPL).

The allocation to the respective classification categories is based on the following criteria:

- the entity’s business model for managing the financial assets and
- contractual cash flow characteristics of the financial asset.

Financial assets (with the exception of trade receivables without a significant financing component) are recognized initially at fair value, taking into account transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets recognized at fair value through profit or loss are immediately expensed in profit or loss. Trade receivables without a significant financing component are initially recognized at their transaction price. If not stated otherwise, financial assets and financial liabilities are recognized as of the settlement date.

Subsequent measurement of financial instruments depends on the classification categories:

- **At amortized cost:** Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest on the principal amount outstanding are measured at amortized cost. This category mainly comprises trade receivables and other financial receivables. Any gain or loss arising on derecognition and impairment losses are recognized directly in profit or loss.
- **FVOCI:** Financial assets that are held for collection of contractual cash flows and for selling, where the assets’ cash flows represent solely payments of principal and interest on the principal amount outstanding, are measured at fair value with changes in fair value through other comprehensive income. The Majorel Group held no debt instruments measured at fair value through other comprehensive income. Equity instruments measured at fair value through other comprehensive income are of minor importance for Majorel.
- **FVTPL:** Financial assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Financial assets measured at fair value through profit or loss are also of minor importance for the Group.

Impairment and measurement of expected credit losses:

Majorel applies the expected credit loss (ECL) model in accordance with IFRS 9. Accordingly, the amount of expected credit losses recognized as a loss allowance depends on the extent to which the default risk has increased since initial recognition.

According to the so-called general approach, a distinction is made between the following two measurement bases:

- **12-month ECL:** At initial recognition and if the default risk has not increased significantly from the initial recognition of the debt instrument, a loss allowance is recognized for expected credit losses within the next 12 months.
- **Lifetime ECL:** If the default risk has increased significantly, a loss allowance for expected credit losses is recognized for the entire life of the debt instrument.

Appropriate quantitative and qualitative information and analyses based on the experience of the Majorel Group as well as of the CRM business formerly held by Bertelsmann and by Saham and additionally, reasonable assessments including forward-looking information such as customer-specific information and forecasts of future economic conditions are taken into consideration when determining the credit risk. When a financial asset is more than 30 days past due, its credit risk is assumed to have increased significantly. A default of a financial asset is assumed at the latest when the counterparty fails to make contractual payments within 90 days of when they fall due, unless reasonable and supportable information is available that justifies a different time of overdue payment. The Group assesses whether a financial asset is credit-impaired at the end of each reporting period. This is the case when one or more events that have a detrimental impact on the expected future cash flows of that financial asset have occurred. A financial asset is written off when it is no longer reasonably expected to be fully or partially recoverable.

For trade receivables and contract assets, Majorel uses a simplified approach to measure expected credit losses. According to this, the loss allowance is measured using lifetime expected credit losses. For this purpose, impairment matrices based on historic bad debt losses, maturity bands and expected credit losses are prepared. The impairment matrices are created for business unit-specific groups of receivables, each with similar default patterns. In addition, separate risk assessments are performed. Contract assets have substantially the same risk characteristics as trade receivables for the same types of contracts, so the expected loss rates for trade receivables are a reasonable approximation of the loss rates for contract assets.

Measurement at Fair Value

In the case of financial assets and financial liabilities measured at fair value, the valuation technique applied depends on the respective inputs present in each case. If listed prices can be identified for identical assets on active markets, they are used for measurement (level 1). If this is not possible, the fair values of comparable market transactions are applied, and financial methods that are based on observable market data are used (level 2). If the fair values are not based on observable market data, they are identified using established financial methods or on the basis of observable prices obtained as part of the most recently implemented qualified financing rounds, taking into account the life and developmental cycle of the respective entity (level 3).

Inventories

Inventories are of minor relevance for the Majorel Group and mainly contain raw material and supplies.

Income Taxes

In accordance with IAS 12, income taxes include both current taxes on income and deferred taxes. Current income taxes are calculated on the taxable income of the financial year and on all adjustments to taxable income of previous financial years, taking into account the tax rates applicable in each case. For the calculation of current and deferred taxes, the applicable tax laws and tax jurisdictions of the respective country in which the consolidated Group companies are registered are considered.

In accordance with IAS 12, deferred tax assets and liabilities are recognized for temporary differences between the tax base and the carrying amounts shown on the IFRS consolidated balance sheet, and for as yet unused tax loss carryforwards and tax credits. Deferred tax assets are reviewed at each balance sheet date and recognized to the extent it is probable that taxable income will be available against which the deductible temporary differences, tax loss carryforwards and tax credits can be utilized. Deferred tax assets that are unlikely to be realized within a clearly predictable period are reduced by valuation allowances. Deferred tax liabilities are generally recognized for all taxable temporary differences.

Deferred taxes are not recognized for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither earnings before taxes nor taxable income
- temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future
- taxable temporary differences on initial recognition of goodwill.

The tax rates applied for computation are those expected as of the date of reversal of temporary differences and use of tax loss carryforwards or tax credits, respectively. As a rule, current and deferred taxes are recognized in profit or loss unless they relate to items recognized in other comprehensive income. In this case, current and deferred taxes are recognized in other comprehensive income. Current and deferred income tax items are offset if there is a legally enforceable right to set off current tax assets against current tax liabilities and the tax assets and tax liabilities relate to income taxes levied by the same taxation authority.

Accumulated Other Comprehensive Income

Accumulated other comprehensive income includes net exchange differences. In addition, in accordance with IAS 28.10, changes in other comprehensive income for entities accounted for using the equity method are recognized. Remeasurement effects of defined benefit pension plans (actuarial gains and losses on the defined benefit obligation, differences between actual investment returns and the returns implied by the net interest cost on the plan assets, and effects of the asset ceiling) are recognized in the other retained earnings in the year in which these gains and losses are incurred as part of the reconciliation of total comprehensive income for the period in the statement of changes in equity. Deferred taxes on the aforementioned items are also recognized in consistent way with the accounting for the related transaction or event.

Provisions

Provisions for pensions and similar obligations are calculated using the projected unit credit method in accordance with IAS 19. The net interest expense included in pension expense is recognized in the financial result. Remeasurement effects of defined benefit pension plans (actuarial gains and losses on the defined benefit obligation, differences between actual investment returns and the returns implied by the net interest cost on the plan assets, and effects of the asset ceiling) are recognized immediately in equity under other comprehensive income and are not reclassified to profit or loss in a subsequent period (recycled). With the exception of the other personnel-related provisions calculated in accordance with IAS 19, all other provisions are recognized in accordance with IAS 37. Provisions are measured in the amount of the most likely outcome. Non-current provisions are discounted. The discount rates take into account current market expectations and, if necessary, specific risks for the liability. As a rule, income from the reversal of provisions is generally included in the income statement line item to which the provision was previously charged.

Financial Liabilities

Trade payables and other primary financial liabilities are initially measured at their fair value less transaction costs. Subsequent measurement is based on amortized cost using the effective interest method.

Derivative Financial Instruments

As set out in IFRS 9, all derivative financial instruments are recognized at fair value on the balance sheet. Derivative financial instruments are recognized as of the transaction date. When a contract involving a derivative is entered into, it is initially determined whether it serves to hedge a balance sheet item (fair value hedge) or to hedge future cash flows (cash flow hedge). Some derivatives do not meet the requirements included in IFRS 9 for recognition as hedges, despite this being their economic purpose (stand-alone hedge). Changes in the fair value of derivatives that do not meet the criteria for recognition as hedges are recognized in profit or loss. In the financial year 2020, no hedge transactions were recognized with fair value hedges and cash flow hedges. Likewise, no hedge of net investment in foreign operations was made.

Earnings per Share

Basic earnings per share (EPS) is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Group and held as treasury shares and the shares held under the liquidity programme, if any. The diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. There is currently no category of dilutive potential ordinary shares.

Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Consolidated Financial Statements requires the use of accounting judgments, estimates and assumptions that may impact the carrying amounts of assets, liabilities, income and expenses recognized.

Amounts actually realized may differ from estimated amounts. The following section presents accounting judgments, estimates and assumptions that are material in the Majorel Consolidated Financial Statements for understanding the uncertainties associated with financial reporting.

- **Recognition of income and expense:** The transaction prices to be determined using the contract-based five-step model defined in IFRS 15 often include both fixed and variable consideration. The variable components are determined on the basis of estimates, which are made and updated in accordance with constraint conditions.
- **Trade and other receivables:** Calculation of loss allowance for accounts receivable is based on historical credit loss rates for groups of financial assets with similar credit risk characteristics and on forward-looking information, including customer-specific information and forecasts of future economic conditions.
- **Impairment:** The management's estimates of cash flow, on which impairment tests are based, are based on factors including assumptions of economic trends and the associated risks, the regulatory environment, the competitive environment, market share, investments, EBITDA margins and growth rates. A combination of long-term trends, industry forecasts and in-house knowledge, with special emphasis on recent experience, is used in forming the assumptions about the development of the various relevant markets in which Majorel operates. The relevant markets are an area highly exposed to the general economic conditions. The development of the relevant markets is just one of the key operational drivers Majorel uses when assessing individual business models. The most important assumptions include estimated growth rates, the weighted average cost of capital and tax rates. All these different elements are variable, interrelated and difficult to isolate as the main driver of the various business models and respective valuations. Changes to these estimates as a result of more recent information could have a material impact on the amount of the possible impairment. The growth rates applied are based on long-term real growth rates for the relevant economies, growth expectations for the relevant sectors and long-term inflation forecasts for the countries in which the cash-generating units operate. The values allocated to the key assumptions are in line with external sources of information. The figures obtained using the respective discount rates reflect the recoverable amount of the cash-generating units. Material changes in the market or competitive environment may impair the value of cash-generating units. Details on impairment testing for intangible assets (including goodwill) in the Group are presented in note 10 "Intangible Assets."
- **Pension obligations:** Pension obligations are measured using the projected unit credit method. Using this approach, biometric calculations, the prevailing long-term capital market interest rates and, in particular, assumptions about future salary and pension increases are taken into account. As a result of the decrease in the discount rate for measuring provisions for pensions, actuarial losses amounting to €7 million before related tax effects were recognized in the item "Remeasurement component of defined benefit plans." Details on the assumptions made in pension accounting are presented in note 18 "Provisions for Pensions and Similar Obligations."
- **Provisions for onerous contracts** are also based to a significant extent on management estimates with regard to their amount and probability of occurrence. Assessments of whether there is a present obligation, whether an outflow of resources is probable and whether it is possible to reliably determine the amount of the obligation are generally based on the expertise of in-house or third-party specialists. More recent information could change the estimates and thus impact the Group's financial position and financial performance. With regard to risk provisioning, a provision for potential losses from litigation is recognized when the risks of a loss are considered probable and when a reliable estimate of the anticipated financial impact is possible. For significant contingent liabilities for which the possibility of a future loss is more than remote but less than probable, Majorel estimates the possible loss where the Group believes that an estimate can be made. Contingent liabilities from litigation that were of subordinate significance from a Group perspective existed at the end of the reporting period. Management regularly reviews the recognition, measurement and use of provisions along with the disclosure requirements for contingent liabilities.
- **Leases:** Some real estate lease contracts include extension or termination options. Payments from these optional periods are included in the lease liability, provided it is reasonably certain that the lease will be extended beyond the non-cancellable lease period or that a termination option will not be exercised. In assessing whether an option to extend or terminate will be exercised, management considers all facts and circumstances for the respective lease object that are associated with an economic incentive to exercise the extension option or not to exercise the termination option. These include, in particular, the amount of lease payments compared to market prices in the optional period, completed or expected

leasehold improvements, and the importance of the underlying asset to Majorel's operations. The assessment is carried out individually on a lease-by-lease basis.

In the case of purchase price allocations, assumptions are also made regarding the measurement of assets and liabilities assumed as part of business combinations. This applies in particular with regard to the acquired intangible assets, as measurements are based on fair value. As a rule, this is the present value of the future cash flows after taking into account the present value of the tax amortization benefit. In addition, the definition of uniform useful lives within the Group is based on management's assumptions. General information on useful lives is presented in the sections "Other Intangible Assets" and "Property, Plant and Equipment."

The activities of the Group companies are subject to the respective applicable tax laws and pronouncements. Assumptions and estimates also form the basis for judgments regarding the ability to realize uncertain tax positions and future tax benefits that may arise from the interpretation of tax regulations. Recognition of an asset or liability from an uncertain tax position is performed in accordance with IAS 12 if payment or refund in respect of the legal uncertainty is probable. Measurement of the uncertain tax assets and tax liabilities is at its most likely amount in accordance with IFRIC 23. Deferred tax assets are only carried to the extent that it is probable that they can be utilized against future taxable profits. When assessing the probability of the ability to use deferred tax assets in the future, various factors are taken into account, including past earnings, company forecasts, tax planning strategies and loss carryforward periods.

Estimates and the underlying assumptions are reviewed on an ongoing basis. As a rule, adjustments to estimates are taken into account in the period in which the change is made and in future periods.

Notes to the Income Statement and the Balance Sheet

1 Revenues

In the financial year 2020, Group revenues of €1,375 million (previous year: €1,211 million) were generated from contracts with customers in accordance with IFRS 15 and primarily relate to the CX activities of the Group. The following table shows the revenues from contracts with customers in accordance with IFRS 15 by segment and broken down by revenue source and timing of revenue recognition. Minor activities presented as "other" in the tabular segment information are excluded (further information is presented in note 26 "Segment Reporting").

Revenue from Contracts with Customers

in € millions	2020		Total segments
	Europe, Africa, South America	Global English, Middle East, Southeast Asia	
Revenue Sources			
Revenue from providing CX services	1,113	162	1,275
Other revenue	19	77	96
	1,132	239	1,371
Timing			
Point in time	—	—	—
Over time	1,132	239	1,371
	1,132	239	1,371
2019			
in € millions	2019		Total segments
	Europe, Africa, South America	Global English, Middle East, Southeast Asia	
Revenue Sources			
Revenue from providing CX services	983	132	1,115
Other revenue	18	70	88
	1,001	202	1,203
Timing			
Point in time	—	4	4
Over time	1,001	198	1,199
	1,001	202	1,203

During the reporting period, the revenues from contracts with customers presented in the table above resulted from performance obligations fulfilled at a certain point in time of €nil million (previous year: €4 million) and from performance obligations fulfilled over a certain period of time in the amount of €1,371 million (previous year: €1,199 million). If revenue is recognized at a point in time, the respective timing of revenue recognition is determined by the contractually agreed terms of sale. As in the previous year, no revenues result from performance obligations already satisfied in previous periods. Majorel makes use of practical expedients set out in IFRS 15 and does not disclose any unsatisfied performance obligations for contracts with an original duration of no more than 12 months or for contracts for which revenue can be recognized according to the amount invoiced for simplification purposes. As of December 31, 2020, Majorel expects future revenues from existing long-term service level agreements of €9 million (previous year: €104 million), which will be attributable to unsatisfied (or partially unsatisfied) performance obligations as of the balance sheet date and is expected to be recognized in the amount of €7 million (previous year: €52 million) in the next financial year and in the amount of €2 million (previous year: €52 million) in the following years.

2 Other Operating Income

<u>in € millions</u>	<u>2020</u>	<u>2019</u>
Income from reimbursements	5	12
Income from sideline operations	1	5
Sundry operating income	14	18
	<u>20</u>	<u>35</u>

3 External Expenses and Costs of Materials

<u>in € millions</u>	<u>2020</u>	<u>2019</u>
Cost of services purchased	136	131
Other cost of material	11	12
Rental and lease expenses	14	14
Repairs and maintenance expenses	8	8
IT external expenses	36	31
Other administration expenses	65	66
Advertising costs	1	2
Loss allowances on receivables, loans and non-financial assets	—	1
Audit, legal and consulting fees	13	11
Operating taxes	6	6
Foreign exchange losses	1	—
Losses on disposal of non-current assets	2	1
Other sundry operating expenses	15	19
	<u>308</u>	<u>302</u>

In the financial years 2020 and 2019, no write-downs on and no reversals of write-downs on inventories were recognized. As of December 31, 2020, and as of December 31, 2019, no inventories were subject to restrictions on disposal. Expenses for raw materials and supplies amounting to €-6 million (previous year: €-7 million) were recognized, and the cost for merchandise amounted to €-6 million (previous year: €-5 million). Changes in inventories of work in progress and finished goods and own costs capitalized amounted to €1 million (previous year: below €1 million).

4 Personnel Costs

<u>in € millions</u>	<u>2020</u>	<u>2019</u>
Wages and salaries	731	672
Statutory social security contributions	134	127
Expenses for pensions and similar obligations	5	4
Profit sharing	1	3
Other employee benefits	23	22
	<u>894</u>	<u>828</u>

The contributions paid by the employer to state pension plans amounted to €62 million in the financial year 2020 (previous year: €70 million).

5 Amortization/Depreciation, Impairment and Reversals on Intangible Assets and Property, Plant and Equipment and Right-of-Use Assets

<u>in € millions</u>	<u>2020</u>	<u>2019</u>
Amortization/depreciation, impairment and reversals on		
– intangible assets	3	4
– property, plant and equipment and right-of-use assets	74	65
	<u>77</u>	<u>69</u>

Further details on amortization/depreciation, impairment and reversals shown are presented in note 10 “Intangible Assets” and note 11 “Property, Plant and Equipment and Right-of-Use Assets.”

6 Interest Expenses

<u>in € millions</u>	<u>2020</u>	<u>2019</u>
Interest expenses on financial debt	1	1
Other interest expenses	1	1
	<u>2</u>	<u>2</u>

7 Other Financial Expenses

<u>in € millions</u>	<u>2020</u>	<u>2019</u>
Net interest on defined benefit plans	1	1
Interest expenses on lease liabilities	3	3
Non-operating foreign exchange losses	3	1
Sundry financial expenses	—	3
	<u>7</u>	<u>8</u>

8 Income Taxes

Income taxes, broken down into current and deferred income taxes, are as follows:

Income Taxes

<u>in € millions</u>	<u>2020</u>	<u>2019</u>
Earnings before income taxes	107	38
Current income taxes	(26)	(18)
Deferred income taxes	5	(4)
Income taxes	<u>(21)</u>	<u>(22)</u>
Net income after income taxes	<u>86</u>	<u>16</u>

The amount of the tax benefit arising from a previously unrecognized tax loss that is used to reduce current tax expense amounts to €4 million (2019: €nil million). The recognition of previously unrecognized tax losses carryforward and deductible temporary differences led to a reduction in deferred tax expense of €7 million (previous year: €nil million). The deferred tax expense arising from a write-down of a deferred tax asset amounts to €3 million (previous year: €10 million).

Deferred tax assets and liabilities resulted from the following items and factors:

Deferred taxes

<u>in € millions</u>	<u>12/31/2020</u>			<u>12/31/2019</u>		
	<u>Assets</u>	<u>Liabilities</u>	<u>Recognized in profit or loss in the financial year</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Recognized in profit or loss in the financial year</u>
Property, plant and equipment and right-of-use assets	4	12	4	3	16	1
Other financial assets	1	—	—	—	—	1
Trade and other receivables	1	—	—	1	—	—
Provisions for pensions and similar obligations	11	6	1	10	8	(2)
Other provisions	7	4	1	5	3	(1)
Lease liabilities	11	2	(4)	14	—	(2)
Trade and other payables	1	1	—	—	1	—
Other non-financial liabilities	—	—	1	—	—	(1)
Loss carryforwards/tax credits	4	—	2	2	—	—
Total	40	25	5	35	28	(4)
Offset	(25)	(25)	—	(27)	(27)	—
Carrying amount	15	—	—	8	1	—

The item “Property, plant and equipment and right-of-use assets” includes deferred tax assets of €2 million (previous year: €1 million) and deferred tax liabilities of €11 million (previous year: €14 million) in connection with right-of-use assets in accordance with IFRS 16. No deferred tax liabilities were recognized for temporary

differences in connection with investments in subsidiaries in the amount of €59 million (previous year: €43 million) as Majorel can control their reversal, and it is probable that these temporary differences will not be reversed in the foreseeable future. Current and deferred tax assets and liabilities are offset against each other if they relate to the same tax authority and meet the criteria for offsetting. The term of the deferred taxes on temporary differences is mostly long-term.

Deferred tax assets in other comprehensive income amount to €2 million (previous year: €nil million).

Valuation allowances for deferred tax assets are recognized on temporary differences and tax loss carryforwards when it is unlikely that they can be utilized in the foreseeable future. The need to recognize valuation allowances is assessed primarily based on existing deferred tax liabilities from temporary differences and projected taxable income within a planning period.

Temporary differences and tax loss carryforwards for which no deferred taxes have been recognized can be carried forward as follows:

Expiration

<u>in € millions</u>	<u>12/31/2020</u>	<u>12/31/2019</u>
Temporary differences (unlimited carryforward period)	38	49
Tax loss carryforwards		
Unlimited carryforward period	40	41
To be carried forward for more than 5 years	10	18
To be carried forward for up to 5 years	4	1

A reconciliation of expected tax result to actual tax result is shown in the following table:

Reconciliation to Actual Tax Expense

<u>in € millions</u>	<u>2020</u>	<u>2019</u>
Earnings before income taxes	107	38
Income tax rate applicable to Majorel Group	24.94%	24.94%
Expected tax expense	(27)	(9)
The tax effects of the following items led to differences between the expected and actual tax expense:		
Adjustment to different national tax rates	3	1
Current income taxes for previous years	2	1
Deferred income taxes for previous years	(1)	—
Effects of measurements of deferred tax assets	5	(10)
Permanent differences	(1)	(2)
Other adjustments	(2)	(3)
Total of adjustments	6	(13)
Actual tax expense	(21)	(22)

The positive effects from tax rate differences mainly result from the Group companies in Morocco and the Philippines. The effects from the measurement of deferred tax assets result from adjustments to the planned utilization of tax loss carryforwards and temporary differences.

The effective tax rate of 24.94 percent is based on the tax rate of the Group parent entity Majorel Group S.A. In addition, the Group operates mainly in Germany with a tax rate of 31.10 percent, in France with a tax rate of 32.02 percent and in Morocco with a tax rate of 20.0 percent.

9 Earnings per Share

The calculation of basic earnings per share is based on the profit attributable to Majorel Group shareholders of €86 million (previous year: €15 million) and a weighted average number of ordinary shares outstanding during the year of 404,000 (previous year: 404,000), calculated as follows:

	2020	2019
Profit attributable to Majorel Group shareholders (in € million)	86	15
Weighted average number of ordinary shares	404,000	404,000
Basic earnings per share (in €)	212.98	38.94
Diluted earnings per share (in €)	212.98	38.94

10 Intangible Assets

in € millions	Other intangible assets					Total	Total
	Goodwill	Other rights and licenses	Internally generated intangible assets	Advance payments	Total		
Cost							
Balance as of 1/1/2019	51	47	1	—	48	99	
Exchange differences	1	—	—	—	—	1	
Acquisitions through business combinations ..	1	1	—	—	1	2	
Other additions	—	2	—	—	2	2	
Reductions through disposal of investments ...	—	—	—	—	—	—	
Other disposals	—	(3)	—	—	(3)	(3)	
Reclassifications in accordance with IFRS 5 ..	—	—	—	—	—	—	
Reclassifications and other changes	—	1	—	—	1	1	
Balance as of 12/31/2019	53	48	1	—	49	102	
Exchange differences	(1)	(1)	1	—	—	(1)	
Acquisitions through business combinations ..	1	1	—	—	1	2	
Other additions	—	3	—	1	4	4	
Other disposals	—	(3)	—	—	(3)	(3)	
Reclassifications and other changes	—	—	—	—	—	—	
Balance as of 12/31/2020	53	48	2	1	51	104	
Accumulated amortization							
Balance as of 1/1/2019	—	40	1	—	41	41	
Exchange differences	—	—	—	—	—	—	
Amortization	—	4	—	—	4	4	
Impairment losses	—	—	—	—	—	—	
Reversals of impairment losses	—	—	—	—	—	—	
Reductions through disposal of investments ...	—	—	—	—	—	—	
Other disposals	—	(3)	—	—	(3)	(3)	
Reclassifications in accordance with IFRS 5 ..	—	—	—	—	—	—	
Reclassifications and other changes	—	1	—	—	1	1	
Balance as of 12/31/2019	—	42	1	—	43	43	
Exchange differences	—	—	—	—	—	—	
Amortization	—	3	—	—	3	3	
Impairment losses	—	—	—	—	—	—	
Reversals of impairment losses	—	—	—	—	—	—	
Other disposals	—	(3)	—	—	(3)	(3)	
Reclassifications and other changes	—	—	—	—	—	—	
Balance as of 12/31/2020	—	42	1	—	43	43	
Carrying amount as of 12/31/2020	53	6	1	1	8	61	
Carrying amount as of 12/31/2019	53	6	—	—	6	59	

Other rights and licenses include trademarks and acquired customer relationships along with acquired software and other licenses. Internally generated intangible assets mostly include internally generated software. As in the previous year, no intangible assets were subject to restrictions on disposal at the end of the reporting period.

Majorel defined its reporting structure and established the composition of its cash-generating units to which goodwill has been allocated, on the basis of the main geographical areas. Goodwill is attributable to the following cash-generating units:

Goodwill by Cash-Generating Units

<u>in € millions</u>	<u>12/31/2020</u>	<u>12/31/2019</u>
France, Netherlands & Western Africa	45	45
Germany & Eastern Europe	2	2
Iberia, Italy & Latin America	—	—
North America, Ireland & Southeast Asia	—	—
UK, India, Egypt, Middle East & East Africa	<u>6</u>	<u>6</u>
	<u>53</u>	<u>53</u>

For the purpose of impairment testing in accordance with IAS 36, goodwill from a business combination is allocated to the cash-generating units that are expected to benefit from the synergies of the business combination.

The recoverable amount equals the fair value, which is derived from discounted cash flows less costs of disposal and which is based on level 3 of the fair value hierarchy. Projected cash flows were based on internal estimates for three detailed planning periods and, as a rule, two further detailed planning periods were applied. For periods after this detailed horizon, a perpetual annuity was applied, taking into account individual business-specific growth rates.

The cash flow forecasts underlying the impairment testing of the individual cash-generating units bearing material goodwill are based on the following assumptions relating to the market development for the beginning of the detailed planning period:

The revenue forecasts for 2021 underlying the impairment testing of the individual cash-generating units show two digit growth rates for the CGU North America, Ireland & Southeast Asia and the CGU UK, India, Egypt, Middle East & East Africa, while the assumptions with regards to revenue development of the remaining CGU are less dynamic. In addition, fair values based on discounted cash flows were measured using the following individual business-specific growth rates and discount rates for periods after the detailed planning period:

Overview of Growth and Discount Rates

<u>in € millions</u>	<u>Growth rate in % for the year</u>		<u>Discount rate in % for the year</u>	
	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2020</u>	<u>12/31/2019</u>
France, Netherlands & Western Africa	1.4	1.0	10.4	9.0
Germany & Eastern Europe	2.1	2.3	10.6	9.9
Iberia, Italy & Latin America	2.0	1.2	10.4	9.0
North America, Ireland & Southeast Asia	2.6	2.7	10.7	10.0
UK, India, Egypt, Middle East & East Africa	5.2	5.4	16.0	12.8

In the financial year 2020, no impairment losses on goodwill were recognized. For all cash-generating units goodwill was not subject to impairment even given the change by one of the two most important factors: discount rate (increase of 1.0 percentage point) and long-term growth rate (decrease of 1.0 percentage point).

11 Property, Plant and Equipment and Right-of-Use Assets

The balance sheet position “Property, plant and equipment and right-of-use assets” comprises property, plant and equipment owned by Majorel and right-of-use assets from leased property, plant and equipment.

Property, Plant and Equipment and Right-of-Use Assets

in € millions	2020	2019
Owned property, plant and equipment	102	95
Right-of-use assets from leased property, plant and equipment	88	82
	<u>190</u>	<u>177</u>

Property, Plant and Equipment

in € millions	Land and buildings	Technical equipment and machinery	Other equipment, fixtures, furniture and office equipment	Advance payments and construction in progress	Total
Cost					
Balance as of 1/1/2019	24	27	209	5	265
Exchange differences	—	1	2	—	3
Other additions	16	1	34	3	54
Other disposals	(3)	—	(16)	(1)	(20)
Reclassifications and other changes	—	2	7	(5)	4
Balance as of 12/31/2019	37	31	236	2	306
Exchange differences	—	(2)	(6)	(1)	(9)
Other additions	1	—	31	11	43
Reductions through disposal of investments	—	—	(8)	—	(8)
Other disposals	—	(2)	(17)	—	(19)
Reclassifications and other changes	(1)	1	4	(5)	(1)
Balance as of 12/31/2020	37	28	240	7	312
Accumulated depreciation					
Balance as of 1/1/2019	13	25	157	—	195
Exchange differences	—	1	1	—	2
Depreciation	2	1	23	—	26
Impairment losses	1	—	—	—	1
Reversals of impairment losses	—	—	—	—	—
Other disposals	(2)	—	(15)	—	(17)
Reclassifications and other changes	—	2	2	—	4
Balance as of 12/31/2019	14	29	168	—	211
Exchange differences	—	(2)	(3)	—	(5)
Depreciation	2	1	26	—	29
Impairment losses	—	—	1	—	1
Reversals of impairment losses	—	—	—	—	—
Reductions through disposal of investments	—	—	(7)	—	(7)
Other disposals	—	(2)	(15)	—	(17)
Reclassifications and other changes	(1)	—	(1)	—	(2)
Balance as of 12/31/2020	15	26	169	—	210
Carrying amount as of 12/31/2020	<u>22</u>	<u>2</u>	<u>71</u>	<u>7</u>	<u>102</u>
Carrying amount as of 12/31/2019	<u>23</u>	<u>2</u>	<u>68</u>	<u>2</u>	<u>95</u>

The position “Other equipment, fixtures, furniture and office equipment” mainly includes IT equipment used to provide customer experience services. As of December 31, 2020, property, plant and equipment totaling €1 million were subject to restrictions on disposals (December 31, 2019: €1 million). Impairment losses totaling €1 million were recognized for property, plant and equipment in the financial year 2020 (previous year: €1 million).

Right-of-Use Assets

The vast majority of leases within the Majorel Group concern rental properties. In addition, leases also exist for technical equipment and machinery, vehicles and other fixtures, and furniture and office equipment. The existing lease contracts have different terms and a number of property leases include extension or termination options, in order to maximize operational flexibility in terms of managing the assets used in the Group's operations. Details on the corresponding lease liabilities are presented in note 21 "Lease Liabilities."

The following table shows depreciation and impairment, additions and other changes to the right-of-use assets in the financial year as well as the carrying amounts of the right-of-use assets from leased property, plant and equipment at the end of the reporting period.

Change in Right-of-Use Assets

<u>in € millions</u>	<u>Land and buildings</u>	<u>Technical equipment and machinery</u>	<u>Other equipment, fixtures, furniture and office equipment</u>	<u>Total</u>
Carrying amount of leased property, plant and equipment as of				
1/1/2019	87	—	1	88
Additions	26	1	1	28
Depreciation and impairment	(37)	—	(1)	(38)
Other changes	4	—	—	4
Carrying amount of leased property, plant and equipment as of				
12/31/2019	80	1	1	82
Carrying amount of leased property, plant and equipment as of				
1/1/2020	80	1	1	82
Additions	48	—	3	51
Depreciation and impairment	(43)	—	(1)	(44)
Other changes	(1)	—	—	(1)
Carrying amount of leased property, plant and equipment as of				
12/31/2020	84	1	3	88

12 Interests in Other Entities

As of December 31, 2020, Majorel holds an investment in 1 (December 31, 2019: 1) associate (Ecco Gulf WLL, Qatar).

The following table shows summarized financial information on this associate, which management considers immaterial. The information given represents Majorel's interest.

Financial Information on the Immaterial Associate

<u>in € millions</u>	<u>2020</u>	<u>2019</u>
Earnings after taxes from continuing operations	1	1
Other comprehensive income	—	—
Total comprehensive income	<u>1</u>	<u>1</u>

At the end of the reporting period, the total carrying amount of the investment in this individually immaterial associate amounts to €2 million (December 31, 2019: €2 million).

13 Other Financial Assets

<u>in € millions</u>	<u>Current</u>		<u>Non-current</u>	
	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2020</u>	<u>12/31/2019</u>
Loans	<u>1</u>	—	—	—
	<u>1</u>	—	—	—
	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>

As in the previous year, no other financial assets were subject to restrictions on disposal as of the end of the reporting period.

14 Trade and Other Receivables

<u>in € millions</u>	<u>12/31/2020</u>	<u>12/31/2019</u>
Non-current		
Other receivables	1	1
Current		
Trade receivables	291	301
Contract assets	1	—
Other receivables	15	15

Trade receivables are due for payment generally within 12 months. The item “Contract assets” covers the conditional right to consideration for satisfied performance obligations in accordance with IFRS 15. As of January 1, 2019, this item amounted to €nil million. As of December 31, 2020, trade and other receivables totaling €3 million were subject to restrictions on disposals (December 31, 2019: €3 million).

15 Other Non-Financial Assets

<u>in € millions</u>	<u>12/31/2020</u>	<u>12/31/2019</u>
Non-current		
Other non-financial assets	2	—
Current		
Other non-financial assets	56	66
– advance payments	3	2
– deferred items	12	11
– other tax receivables	23	29
– sundry non-financial assets	18	24

16 Cash and Cash Equivalents

<u>in € millions</u>	<u>12/31/2020</u>	<u>12/31/2019</u>
Bank balances and cash on hand	<u>182</u>	<u>78</u>
Cash equivalents	<u>13</u>	<u>1</u>
	<u>195</u>	<u>79</u>

Cash equivalents include short-term, highly liquid securities with a term to maturity on acquisition of not more than three months. As in the previous year, no cash and cash equivalents were subject to restrictions on disposal at the end of the reporting period.

17 Equity

As of December 31, 2020, the subscribed capital amounts to €404 thousand (December 31, 2019: €404 thousand) and is represented by 404,000 (December 31, 2019: 404,000) fully paid-up ordinary shares, with nominal value of €1 each.

The change in other comprehensive income after taxes is derived as follows:

Changes to Components of Other Comprehensive Income after Taxes

in € millions	2020				
	Before-tax amount	Taxes	Net-of-tax amount	Attributable to Majorel shareholders	Attributable to non-controlling interests
Items that will not be reclassified subsequently to profit or loss					
Remeasurement component of defined benefit plans	(6)	2	(4)	(4)	—
Changes in fair value of equity instruments	—	—	—	—	—
Share of other comprehensive income of investments accounted for using the equity method	—	—	—	—	—
Items that will be reclassified subsequently to profit or loss when specific conditions are met					
Exchange differences	(8)	—	(8)	(8)	—
Cash flow hedges	—	—	—	—	—
Share of other comprehensive income of investments accounted for using the equity method	—	—	—	—	—
Other comprehensive income net of tax	(14)	2	(12)	(12)	—
in € millions	2019				
	Before-tax amount	Taxes	Net-of-tax amount	Attributable to Majorel shareholders	Attributable to non-controlling interests
Items that will not be reclassified subsequently to profit or loss					
Remeasurement component of defined benefit plans	(7)	(8)	(15)	(15)	—
Changes in fair value of equity instruments	—	—	—	—	—
Share of other comprehensive income of investments accounted for using the equity method	—	—	—	—	—
Items that will be reclassified subsequently to profit or loss when specific conditions are met					
Exchange differences	4	—	4	4	—
Cash flow hedges	—	—	—	—	—
Share of other comprehensive income of investments accounted for using the equity method	—	—	—	—	—
Other comprehensive income net of tax	(3)	(8)	(11)	(11)	—

Income taxes relating to other comprehensive income mainly reflect effects of measurement of deferred tax assets that have previously been recognized with respect to the remeasurement of defined benefit plans.

18 Provisions for Pensions and Similar Obligations

in € millions	12/31/2020	12/31/2019
Defined benefit obligation	48	65
Obligations similar to pensions	2	11
	<u>50</u>	<u>76</u>

Majorel operates various pension plans for current and former employees and their surviving dependents. The model of such plans varies according to the legal, fiscal and economic environment of the country concerned. These company pension plans include both defined contribution and defined benefit plans.

In the case of defined contribution plans, the company makes payments into an external pension fund or another welfare fund through a statutory, contractual or voluntary model. The company has no obligation to provide further benefits once it has made these payments, so no provisions are recognized. Expenses for defined contribution plans in the amount of €1 million were recognized in the financial year 2020 (previous year: €1 million).

All other pension plans are defined benefit plans. For all the retirement benefit plans, a distinction must be made as to whether or not these are financed through an external investment fund.

Net Defined Benefit Liability Recognized in the Balance Sheet

<u>in € millions</u>	<u>12/31/2020</u>	<u>12/31/2019</u>
Present value of defined benefit obligation of unfunded plans	34	65
Present value of defined benefit obligation of funded plans	42	29
Total present value of defined benefit obligation	76	94
Fair value of plan assets	(28)	(29)
Impact from asset ceiling	—	—
Net defined benefit liability recognized in the balance sheet	48	65
– thereof provisions for pensions	48	65

Provisions are recognized for these defined benefit plans. These are mostly flat salary plans and final salary plans.

Defined Benefit Plans

<u>in € millions</u>	<u>12/31/2020</u>	<u>12/31/2019</u>
Flat salary plans/plans with fixed amounts	30	30
Final salary plans	21	12
Career average plans	25	52
Present value of defined benefit obligation	76	94
– thereof capital commitments	27	45

The obligations and plan assets available for the existing pension plans are, in some cases, exposed to demographic, economic and legal risks. The demographic risks are primarily the longevity risk for pensioners. Economic risks include, in this respect, mostly unforeseeable developments on the capital markets and the associated impacts on plan assets and pension obligations. Legal risks can result from restrictions to investments and minimum funding requirements.

The provisions are determined using actuarial formulas in accordance with IAS 19. The amount of provisions depends on the employees' length of service with the company and their pensionable salary. Provisions are computed using the projected unit credit method, in which the benefit entitlement earned is allocated to each year of service, thus assuming an increasing cost of service in comparison to the entry age normal method. When identifying the present value of the pension obligation, the underlying interest rate is of material importance. For Majorel, this is based on the "Mercer Yield Curve Approach." With this approach, separate spot-rate yield curves are created for the eurozone on the basis of high-quality corporate bonds. In order to appropriately present the time value of money in accordance with IAS 19.84, the basis does not consider either spikes for which the risk estimate may be substantially higher or lower, or bonds with embedded options that distort interest rates. Biometric calculations of German plans are based on the 2018 G mortality tables of Heubeck-RichttafelN-GmbH. Comparable country-specific calculation methods are used for foreign plans.

Further significant actuarial assumptions were made as follows:

Actuarial Assumptions

	<u>12/31/2020</u>	<u>12/31/2019</u>
Discount rate	1.2%	1.5%
Rate of salary increase	2.3%	2.3%
Rate of pension increase	1.4%	1.4%

An increase or decrease in the assumptions set out above compared to the assumptions actually applied would have had the following effects on the present value of the defined benefit obligation as of December 31, 2020:

Effect of Actuarial Assumptions

<u>in € millions</u>	<u>Increase</u>	<u>Decrease</u>
Effect of 0.5 percentage point change in discount rate	(5)	6
Effect of 0.5 percentage point change in rate of salary increase	1	(1)
Effect of 0.5 percentage point change in rate of pension increase	2	(2)
Effect of change in average life expectancy by 1 year	2	(2)

In order to determine the sensitivity of the longevity, the mortality rates for all beneficiaries were reduced or increased evenly so that the life expectancy of a person of a country-specific retirement age increases or decreases by one year.

Changes in the present value of defined benefit obligations and plan assets in the reporting period were as follows:

Development of the Defined Benefit Plans

<u>in € millions</u>	Defined benefit obligation (I)		Fair value of plan assets (II)		Net defined benefit balance (I)-(II)	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Balance as of 1/1	94	87	29	17	65	70
Current service cost	2	2	—	—	2	2
Interest expenses	1	1	—	—	1	1
Income and expenses for defined benefit plans recognized in the consolidated income statement	3	3	—	—	3	3
Income/expense on plan assets excluding amounts included in net interest income and net interest expenses	—	—	(1)	—	1	—
Actuarial gains (-) and losses (+)						
– changes in financial assumptions	7	7	—	—	7	7
– experience adjustments	(2)	—	—	—	(2)	—
Remeasurements for defined benefit plans recognized in the consolidated statement of comprehensive income	5	7	(1)	—	6	7
Contributions to plan assets by employer	—	—	—	12	—	(12)
Pension payments	(4)	(4)	—	—	(4)	(4)
Change of consolidation scope	(28)	—	—	—	(28)	—
Other changes	6	1	—	—	6	1
Other reconciling items	(26)	(3)	—	12	(26)	(15)
Balance as of 12/31	76	94	28	29	48	65
thereof						—
Germany	67	93	28	28	39	65
Other countries	9	1	—	1	9	—

The contributions to plan assets fully pertain to Germany.

The expenses for defined benefit plans are broken down as follows:

Expenses for Defined Benefit Plans

<u>in € millions</u>	<u>2020</u>	<u>2019</u>
Current service cost	2	2
Net interest expenses	1	1
Net pension expenses	3	3

The portfolio structure of plan assets is composed as follows:

Portfolio Structure of Plan Assets

<u>in € millions</u>	<u>12/31/2020</u>	<u>12/31/2019</u>
Debt instruments ¹⁾	1	1
Cash and cash equivalents	26	27
Qualifying insurance policies	1	1
Fair value of plan assets	28	29

1) For almost all debt instruments, market prices are listed on an active market.

The plan assets are used exclusively for the fulfillment of benefit obligations. To avoid a concentration of risk, plan assets are invested in various classes of investments.

In the financial year 2020, assets of the pension trust in the amount of €nil million (previous year: €12 million) were transferred to Helaba Pension Trust e.V. In this way, Majorel Deutschland GmbH, a subsidiary of the Majorel Group, and Bertelsmann SE & Co. KGaA intend to ensure the pension obligations of Majorel Deutschland GmbH. The trust agreement between Majorel Deutschland GmbH and Helaba Pension Trust e.V. meets the requirements for plan assets in accordance with IAS 19.

The weighted average duration of the pension obligations on December 31, 2020, was 16 years (December 31, 2019: 14 years). The maturity profile of the anticipated undiscounted pension payments is presented in the following table:

Maturity Profile of Pension Payments

<u>in € millions</u>	<u>Expected pension payments</u>
2021	4
2022	3
2023	3
2024	3
2025	3
2026-2030	17

Obligations similar to pensions relate to provisions for bonuses for employee service anniversaries and severance payments at retirement. Severance payments at retirement are made when employees leave the company and are based on statutory obligations. Provisions for employee service anniversary bonuses and severance payments at retirement are recognized in the same way as defined benefit plans, but with actuarial gains and losses recognized in profit or loss.

The following table shows the breakdown in obligations similar to pensions:

Breakdown of Obligations Similar to Pensions

<u>in € millions</u>	<u>12/31/2020</u>	<u>12/31/2019</u>
Provisions for severance payments	1	9
Provisions for employee service anniversaries	1	2
Obligations similar to pensions	2	11

19 Other Provisions

in € millions . . .	12/31/2019		Additions	Reversal	Usage	Other effects	Change of consolidation scope	Accrued interest	12/31/2020	
	of which > 1 year								of which > 1 year	
Onerous contracts . .	1	—	3	—	(1)	—	—	—	3	1
Litigation . . .	2	2	2	(1)	—	—	—	—	3	2
Restructuring	5	—	4	(1)	(4)	—	—	—	4	—
Other employee benefits . . .	1	—	3	—	—	—	—	—	4	—
Other	5	2	10	(1)	(1)	—	—	—	13	2
	14	4	22	(3)	(6)	—	—	—	27	5

in € millions . . .	1/1/2019		Additions	Reversal	Usage	Other effects	Change of consolidation scope	Accrued interest	12/31/2019	
	of which > 1 year								of which > 1 year	
Onerous contracts . .	1	—	1	—	(1)	—	—	—	1	—
Litigation . . .	2	—	1	(1)	—	—	—	—	2	2
Restructuring	4	—	5	(1)	(6)	1	2	—	5	—
Other employee benefits . . .	2	—	—	—	—	(1)	—	—	1	—
Other	5	2	1	(1)	—	—	—	—	5	2
	14	2	8	(3)	(7)	—	2	—	14	4

In accordance with IAS 37, restructuring provisions include termination benefits and other costs relating to the discontinuation of business activities.

20 Financial Debt

Carrying amounts of financial debt are calculated as follows:

Current and Non-Current Financial Debt

in € millions	Current		Non-current	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Liabilities to banks	33	21	—	—
Other financial debt	1	3	20	20
	<u>34</u>	<u>24</u>	<u>20</u>	<u>20</u>

Majorel contracted a fixed-interest term loan agreement of €20 million with Bertelsmann Business Support S.à r.l., a subsidiary of Bertelsmann SE & Co. KGaA, valid until December 2022. As of December 31, 2020, the term loan balance amounts to €20 million, which was included in position “Other financial debt.” In November 2019, Majorel secured a bilateral committed short-term revolving credit facility of €20 million from a bank, valid until November 2020. This facility was renewed and extended with an amount of €25 million until November 2022. As of December 31, 2020, the facility was not drawn. In January 2020, Majorel secured a further bilateral committed short term revolving credit facility of €20 million from a bank, valid until November 2020. This facility was renewed and extended with an amount of €27 million until November 2021. As of December 31, 2020, the facility was not drawn. Furthermore, in July 2020, Majorel subscribed a fixed-interest loan of €30 million from a bank, valid until July 2021. As of December 31, 2020, the bank loan balance amounts to €30 million, which was included in position “Liabilities to banks.”

Financial debt is generally unsecured.

21 Lease Liabilities

The maturities of lease liabilities are presented in the table below.

Maturity Analysis for Lease Liabilities

in € millions	Carrying amount	Undiscounted cash flows			
		Up to 1 year	1 to 5 years	Over 5 years	Total
Balance as of 12/31/2020	95	44	60	2	106
Balance as of 12/31/2019	85	47	47	2	96

As of December 31, 2020, potential future cash outflows of €20 million were not included in the lease liabilities (December 31, 2019: €18 million), as it could not be assumed with reasonable certainty that the leases would be extended (or would not be terminated). Future payments arising from short-term leases and leases for low-value assets are not recognized as right-of-use assets and lease liabilities. For such leases, the payments are recognized on straight-line basis as expenses (further explanations are presented in note 3 "External Expenses and Costs of Materials"). Expenses from variable lease payments not included in the lease liability were immaterial (previous year: €3 million). The same applies for income from subleasing right-of-use assets and the resulting lease payments expected in the future. Details on the corresponding right-of-use assets are presented in note 11 "Property, Plant and Equipment and Right-of-Use Assets."

22 Liabilities

in € millions	12/31/2020	12/31/2019
Non-current		
Sundry non-financial payables	1	1
Current		
Trade payables	104	76
Derivative financial instruments	—	—
Sundry financial payables	28	28
Contract liabilities	4	5
Sundry non-financial payables	149	143
– personnel-related liabilities	74	58
– tax liabilities	28	45
– social security liabilities	26	22
– deferred items	5	2
– other	16	16

The item "Contract liabilities" includes payments received by Majorel in advance; that is, prior to satisfaction of the contractual obligations in accordance with IFRS 15. They are recognized as revenue as soon as the contractual obligation has been rendered. Accordingly, revenues amounting to €2 million were recognized in the financial year 2020, which were included in the balance of contract liabilities at the beginning of the financial year. As of January 1, 2019, contract liabilities amounted to €1 million. The item "Sundry financial payables" mainly contains debtors with a credit balance amounting to €9 million (previous year: €12 million), refund liabilities amounting to €4 million (previous year: €2 million) and payables resulting from acquisition of property, plant and equipment amounting to €2 million (previous year: €2 million).

23 Contingent Liabilities

Contingent liabilities as of December 31, 2020, were immaterial (December 31, 2019: €1 million).

24 Additional Disclosures on Financial Instruments

Both the following tables show the carrying amounts and measurement categories of financial assets and financial liabilities in accordance with IFRS 9:

Carrying Amounts and Measurement Categories of Financial Assets

<u>in € millions</u>	<u>12/31/2020</u>	<u>12/31/2019</u>
Financial assets measured at amortized cost		
– trade receivables	291	301
– sundry financial receivables	16	16
– other financial assets	1	—
– bank balances and cash on hand	182	78
– cash equivalents	13	1
	<u>503</u>	<u>396</u>

Carrying Amounts and Measurement Categories of Financial Liabilities

<u>in € millions</u>	<u>12/31/2020</u>	<u>12/31/2019</u>
Financial liabilities measured at amortized cost		
– liabilities to banks	33	21
– other financial debt	21	23
– trade payables	104	76
– other	28	28
	<u>186</u>	<u>148</u>

The carrying amounts of the financial assets and liabilities measured at amortized cost represent a reasonable approximation of fair value. Financial instruments including derivatives measured at fair value are immaterial.

As in the previous year, no on-balance-sheet offsetting of financial assets and financial liabilities were performed, nor were there any significant non-recognized offsetting potential as of December 31, 2020.

Credit Risk

In accordance with IFRS 9, Majorel uses a simplified approach to measure expected credit losses on trade receivables and contract assets. According to this, the loss allowance is measured using lifetime expected credit losses. For this purpose, impairment matrices based on historic bad debt losses, maturity bands and expected credit losses are prepared. The impairment matrices are created for business unit-specific groups of receivables, each with similar default patterns. In addition, separate risk assessments are performed. Majorel also considers other quantitative and qualitative information and analyses based on the experience of the Majorel Group as well as of the CRM business formerly held by Bertelsmann and by Saham. Additionally, reasonable assessments including forward-looking information such as customer-specific information and forecasts of future economic condition have been taken into consideration. Contract assets have substantially the same risk characteristics as trade receivables for the same types of contracts, so that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for contract assets.

Based on this, the loss allowance as of December 31, 2020, amounted to €-5 million for trade receivables (December 31, 2019: €-5 million). In the financial year 2020, an immaterial amount (previous year: €-1 million) of impairment losses and reversals were recognized on trade receivables and contract assets. The following table shows a reconciliation from the opening balance to the closing balance of loss allowances for trade receivables and contract assets in the financial year 2020.

Reconciliation of Loss Allowance for Trade Receivables and Contract Assets

<u>in € millions</u>	<u>2020</u>	<u>2019</u>
Balance as of 1/1	(5)	(4)
Additions	(2)	(2)
Usage	—	—
Reversal	2	1
Change of consolidation scope	—	—
Exchange rate effects	—	—
Balance as of 12/31	(5)	(5)

Expected credit losses for cash and cash equivalents as of December 31, 2020 and as of December 31, 2019, were immaterial. Majorel applies the general approach for all other financial assets that are subject to the expected credit loss model. Insignificant impairment losses were identified for these financial assets as of December 31, 2020, and December 31, 2019. As of December 31, 2020, and as of December 31, 2019, the carrying amount of all receivables, loans and securities constitutes Majorel's maximum default risk.

The following table presents the contractually fixed undiscounted cash flows of the financial liabilities for settlement. The figures are based on undiscounted cash flows at the earliest date at which Majorel can be held liable for payment.

Maturity Analysis for Non-Derivative Financial Liabilities

in € millions	Carrying amount	Undiscounted cash flows			Total
		Up to 1 year	1 to 5 years	Over 5 years	
Liabilities to banks	33	33	—	—	33
Other financial debt	21	1	20	—	21
Trade payables	104	104	—	—	104
Other	28	28	—	—	28
Balance as of 12/31/2020	186	166	20	—	186
Liabilities to banks	21	21	—	—	21
Other financial debt	23	3	20	—	23
Trade payables	76	76	—	—	76
Other	28	28	—	—	28
Balance as of 12/31/2019	148	128	20	—	148

Current cash outflows from financial liabilities are offset by planned cash inflows from receivables and other financial assets. To cover current cash flows, Majorel also has adequate financial reserves in the amount of the cash and cash equivalents in place at the end of the reporting period.

The maturity analysis for lease liabilities is presented in note 21 "Lease Liabilities."

Based on the remaining contractual terms of its financial liabilities at the end of the reporting period, Majorel will have to make the following future interest payments:

Future Interest Payments

in € millions	Undiscounted interest payments			
	Up to 1 year	1 to 5 years	Over 5 years	Total
Liabilities to banks	—	—	—	—
Other financial debt	1	1	—	2
Balance as of 12/31/2020	1	1	—	2
Liabilities to banks	—	—	—	—
Other financial debt	1	1	—	2
Balance as of 12/31/2019	1	1	—	2

Risk Management of Financial Instruments

Majorel is part of the Bertelsmann Group. The principles of the financial risk policy are described below.

Financial Risk Management

The Majorel Group is exposed to various forms of financial risk through its international business operations. Above all, this includes the effects of changes in foreign exchange rates and interest rates. Majorel's risk management activities are designed to effectively mitigate these risks. The Management Board establishes basic risk management policy, outlining general procedures for hedging currency and interest rate risk and the utilization of derivative financial instruments. The Majorel Group Treasury advises subsidiaries on operating risk and hedges risks using derivative financial instruments as necessary.

Currency Risk

Majorel is exposed to an exchange rate risk in various foreign currencies. Its subsidiaries are advised, but not obliged, to hedge themselves against foreign currency risks in the local reporting currency by signing forward agreements with banks that have a high credit rating. Loans within the Majorel Group that are subject to currency risk are hedged using derivatives.

Interest Rate Risk

Majorel's interest rate risk arises primarily from financing agreements with banks and Bertelsmann Business Support S.à r.l., a subsidiary of Bertelsmann SE & Co. KGaA., and from cash and cash equivalents. As in the previous year, a change of 100 basis points in interest rates would have no significant impact on the Group's interest result.

Liquidity Risk

Liquidity risks may arise through a lack of rollover financing (liquidity risk in a narrow sense), delayed receipt of payment and unforeseen expenditure (budgeting risk). Budgeting risk is determined by comparing deviations in actual spending with budget and reserve amounts. In a narrow sense, liquidity risk depends on the volume of debt due within a given period. Majorel Group's policy in respect of its financing is to maintain sufficient liquidity at all times to finance group assets, short-term cash requirements, and its development, both in terms of amount and duration, and at the lowest possible cost. Liquidity risk is monitored on an ongoing basis with reference to the budget for current and future years. New and unplanned transactions (e.g., acquisitions) are continuously tracked. The maturity profile of financial assets and liabilities is also reconciled on a regular basis. Budget risks are managed through effective cash management and constant monitoring of projected versus actual cash flows. Debt maturities are also diversified to ensure that rising financing costs do not have a short-term impact. Credit facilities with banks are also maintained for unplanned expenditures. Currently, the Group is implementing a centralized cash management policy when in conformity with local legislation applying to its subsidiaries. All medium- and long-term financing operations are authorized and overseen by the Group's financial management. The Group obtains its financing in the form of loans from shareholders and banks as well as revolving credit facilities with maturities ranging till November 2022 and until further notice as disclosed in note 20 "Financial Debt." Given the maturities of its borrowings and the Group's capacity to generate free cash flow, liquidity risk is considered to be low.

Financial Derivatives

Majorel uses standard market financial derivatives, usually unlisted (OTC) instruments. These include, in particular, forward agreements. Transactions are entered into solely with Bertelsmann Group Treasury or banks with a high credit rating. In general, the transactions with banks are only performed with banks approved by Majorel Corporate Treasury.

Capital Management

The financing guidelines adopted by the Majorel Group are designed to ensure a balance between financing security, return on equity and growth. Financial management at Majorel is conducted with a target to ensure the Group's independence and capacity to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. This objective is part of the overall planning process and regular monitoring.

25 Cash Flow Statement

The consolidated cash flow statement has been prepared in accordance with IAS 7 and is used to evaluate the Group's ability to generate cash and cash equivalents. Cash flows are divided into those relating to operating activities, investing activities and financing activities. Cash flows from operating activities are presented using the indirect method, whereby EBIT is adjusted for the effects of a non-cash nature, any deferrals or accruals of past or future operating receipts or payments, and items of income or expenses associated with investing cash flows. In addition, cash flows arising from income taxes are classified as cash flows from operating activities as well as other cash flows that are neither investing nor financing.

The management of Group operations of Majorel utilizes indicators that include operating EBITDA and is thus before interest, taxes, amortization/depreciation, impairment and reversals and special items. Operating results and the resulting cash flow from operating activities should therefore be consistent and comparable. Accordingly, the net balances of interest paid and interest received during the financial year are shown in the cash flow statement as part of financing activities.

The change in provisions for pensions and similar obligations represents the balance of personnel costs for pensions and similar obligations and company payments for these obligations. No contributions to pension plans were made in the financial year 2020 (previous year: €-12 million).

The consolidated cash flow statement includes the effects of changes in foreign currencies and changes in the scope of consolidation. Items in the consolidated cash flow statement thus cannot be reconciled with changes in items reported on the consolidated balance sheet. Investing activities include payments for investments in non-current assets and purchase price payments for acquisitions as well as proceeds from the disposal of non-current assets. Further explanations concerning acquisitions made during the financial year are presented in the section “Acquisitions and Disposals.”

Cash flow from financing activities includes changes in equity, financial debt, lease liabilities and interest paid and interest received (including interest paid due to leases). The item “Proceeds from/redemption of other financial debt” includes receipts in the amount of €57 million (previous year: €31 million) and payments in the amount of €-73 million (previous year: €-78 million). Total cash outflows from leases amounted to €-43 in the financial year 2020 (previous year: €-37 million). In 2019, the item “Changes in equity” included a working capital adjustment paid by Bertelsmann directly to Majorel pursuant to the regulations of the Majorel contribution agreement. The corresponding increase in capital reserves and receivable against Bertelsmann was recognized in the opening balance as of January 1, 2019.

The following table shows the cash changes and non-cash changes of liabilities arising from financing activities:

Changes in Liabilities Arising from Financing Activities

in € millions	1/1/2020	Cash changes	Non-cash changes		12/31/2020
			Exchange rate effects	Other changes	
Liabilities to banks	21	12	—	—	33
Lease liabilities	85	(43)	(3)	56	95
Other financial debt	23	(28)	—	26	21
Liabilities arising from financing activities	129	(59)	(3)	82	149

in € millions	1/1/2019	Cash changes	Non-cash changes		12/31/2019
			Exchange rate effects	Other changes	
Liabilities to banks	10	11	—	—	21
Lease liabilities	91	(37)	2	29	85
Other financial debt	81	(58)	—	—	23
Liabilities arising from financing activities	182	(84)	2	29	129

As of December 31, 2020, and as of December 31, 2019, the other non-cash changes in lease liabilities mainly relate to lease contracts newly concluded in the financial year 2020 and 2019, respectively.

26 Segment Reporting

IFRS 8 Operating Segments requires that external segment reporting must be based on the internal organizational and management structure, and on management and reporting indicators used internally. Please also refer to the segment information on page F-25 and note 28 “Events after the Reporting Period.” The Majorel Group comprises two reportable operating segments (Europe, Africa, South America and Global English, Middle East, Southeast Asia), differentiated according to the geographical region in which services are offered and which are reported by segment managers to the Board of Majorel Group Luxembourg S.A. in its role as the chief operating decision maker in accordance with IFRS 8. Minor activities in Mexico are included in the column “Consolidation/other.” This column also comprises intersegment eliminations.

Specific segment information is defined according to the definitions on which Group management is based. As a rule, accounting and measurement in the segment reporting uses the same IFRS principles as in the Consolidated Financial Statements. Invested capital is calculated on the basis of the Group’s operating assets less non-interest-bearing operating liabilities. Intercompany revenues are recognized using the same arm’s-length conditions applied to transactions with third parties.

Operating EBITDA serves as a key performance indicator for a sustainable determination of operating result. Assessment of the operating segments' performance is also based on this performance indicator. Operating EBITDA represents the operating earnings generated by the respective segment management before interest and taxes, as well as amortization/depreciation, impairment and reversals, and it is adjusted for special items. Elimination of these special items allows the determination of a normalized performance indicator, thus simplifying forecasting and comparability. Segment amortization/depreciation, impairment and reversals relate to property, plant and equipment and right-of-use assets, and to intangible assets as set out in notes 10 "Intangible Assets" and 11 "Property, Plant and Equipment and Right-of-Use Assets."

Each segment shows the investments accounted for using the equity method and their results, provided these companies can be clearly allocated to the segment concerned. Results from investments accounted for using the equity method are shown before impairment. In addition to the segment breakdown, revenues are broken down by customer location and revenue source. Non-current assets are also stated according to the location of the respective company.

The following table shows the reconciliation of segment information to the Consolidated Financial Statements:

Reconciliation of Segment Information to Group Profit or Loss

<u>in € millions</u>	<u>2020</u>	<u>2019</u>
Operating EBITDA	196	128
Amortization/depreciation, impairment and reversals on intangible assets, property, plant and equipment and right-of-use assets	77	69
Special items	3	11
EBIT	116	48
Financial result	(9)	(10)
Earnings before taxes	107	38
Income tax expense	(21)	(22)
Group profit or loss	86	16

27 Related Party Disclosures

For Majorel, related parties as defined in IAS 24 are those persons and entities that control or exercise a significant influence over Majorel, as well as those persons and entities controlled or jointly controlled by Majorel, or over which it exercises a significant influence. Accordingly, all legal entities controlled or jointly controlled by the ultimate parent company of Majorel preparing consolidated financial statements for public use Bertelsmann SE & Co. KGaA, or over which it exercises a significant influence, all legal entities controlled or jointly controlled by Saham parent entities and key management personnel of Majorel and all its parents including close members of their families and the companies that are controlled or jointly managed by them, are defined as related parties. Majorel Group Luxembourg S.A. is the parent company of the Majorel Group. Bertelsmann Verwaltungsgesellschaft mbH (BVG), Gütersloh, a holding company with no operating activities, has control of the Bertelsmann Group. Johannes Mohn GmbH has informed Bertelsmann SE & Co. KGaA that it directly owns more than 50 percent of the shares in Bertelsmann Management SE and of Bertelsmann SE & Co. KGaA. Reinhard Mohn Verwaltungsgesellschaft mbH continues to own more than one-quarter of the shares in Bertelsmann Management SE and in Bertelsmann SE & Co. KGaA, respectively.

Remuneration for key management personnel includes the following:

Remuneration for Key Management Personnel

<u>in € millions</u>	<u>2020</u>	<u>2019</u>
Short-term employee and termination benefits	1	1
Post-employment benefits	—	—
Other long-term benefits	—	—

The remuneration shown includes remuneration for activities by the members of the Management Board of Majorel Group Luxembourg S.A. The advisory services received from the members of the Supervisory Board of Majorel Group Luxembourg S.A. are included in the item "Other related parties" in the table below.

Transactions with subsidiaries included in the scope of consolidation are eliminated and are not further disclosed. In addition to transactions with consolidated subsidiaries, the following transactions with related parties and entities were conducted in the reporting period:

Transactions with Related Parties

<u>in € millions</u>	<u>Parent</u>	<u>Entities with significant influence</u>	<u>Key members of management</u>	<u>Associates</u>	<u>Other related parties</u>
Goods delivered and services provided in 2020	—	—	—	—	44
Goods and services received in 2020	—	—	—	—	(32)
Receivables against as of December 31, 2020	—	—	—	1	24
Amounts owed to as of December 31, 2020	—	—	—	—	32
Goods delivered and services provided in 2019	—	—	—	—	28
Goods and services received in 2019	—	—	—	—	(54)
Receivables against as of December 31, 2019	—	—	—	—	29
Amounts owed to as of December 31, 2019	—	—	—	—	36

Transactions with the parent company contain transactions with Bertelsmann Luxembourg S.à r.l. as this entity is the direct parent company of Majorel. Customer Relationship Investments S.à r.l. and Saham Outsourcing Luxembourg S.à r.l. are entities that have significant influence over Majorel. In the financial year 2020, no transactions have occurred with Bertelsmann Luxembourg S.à r.l. and transactions in 2019 were immaterial.

The transactions with related parties recognized in the position “Goods delivered and services provided” mainly include income from rental services and revenues from providing diverse services. The transactions with related parties recognized in the position “Goods and services received” primarily contain expenses for rental and lease expenses and expenses receiving sundry services and additionally in 2019 the purchase of real properties from Bertelsmann. The outstanding receivables against related parties mainly obtain trade receivables. Trade payables and loans payable from a revolving credit agreement and from a term loan agreement are the main content of the amounts owed payable to related parties at each balance sheet date.

Majorel contracted a fixed-interest term loan agreement of €20 million with Bertelsmann Business Support S.à r.l., a subsidiary of Bertelsmann SE & Co. KGaA, valid until December 2022. As of December 31, 2020, the term loan balance amounts to €20 million. The outstanding liability is part of the table concerning the transactions with related parties. As of December 31, 2019, and December 31, 2020, there is a revolving credit agreement with the minority shareholder of a Majorel subsidiary. The outstanding liability of €1 million is part of the table concerning the transactions with related parties. As of December 31, 2020, loans amounting to €1 million were granted to associates (previous year: €nil million).

Majorel received guarantees from Saham in the amount of €2 million during the financial year 2020 (previous year: €4 million of which €2 million were paid back during the year). In the financial year 2020, Majorel Group Luxembourg S.A. received a capital contribution in the amount of less than €1 million from Saham. No capital contributions were made in the financial year 2019. Expenses from lease contracts were recognized with other Bertelsmann companies in the amount of €1 million (previous year: €2 million).

28 Events after the Reporting Period

In January 2021, Majorel acquired an interest of 100 percent in each of the Chinese companies Shanghai Bertelsmann Commercial Services Co. Ltd, Shanghai Bertelsmann – arvato Information Services Co. Ltd. and Bertelsmann-Arvato Commercial Services (Shanghai) Co., Ltd., all based in Shanghai, China. The consideration transferred amounted to €65 million and was paid in cash. The acquisition will be accounted for as common control transaction. In selecting its accounting policy for the accounting of transactions under common control, Majorel will opt to apply the methodology of IFRS 3, in particular identifying and measuring the consideration transferred, identifying and measuring the identifiable assets and liabilities, and recognizing goodwill. At the time the Consolidated Financial Statements were authorized for issue, the purchase price allocation and the valuations had not been finalized yet. Based on the preliminary purchase price allocation the acquisition would result in goodwill totaling €32 million, and other intangible assets totaling €13 million.

Also in January 2021, Majorel entered with Bertelsmann Business Support S.à r.l., a subsidiary of Bertelsmann SE & Co. KGaA, into a term loan agreement of €65 million, valid until December 2022. The term loan was used to cover funding requirements in connection with the acquisitions in China.

In June 2021, Majorel announced the acquisition of an interest of 100 percent in Junokai, one of Germany's leading company operating in customer experience consultancy services. The preliminary consideration transferred amounted to €5 million and was paid in cash. The transaction will be accounted for as a business combination in accordance with IFRS 3. At the time the Consolidated Financial Statements were authorized for issue, the purchase price allocation and the valuations had not been finalized yet. Thus no further information is provided.

In June 2021, the general meeting of shareholders resolved to declare and pay a dividend of €19 million to the shareholder Bertelsmann Luxembourg S.à r.l.

The bank loan of €30 million maturing in July 2021 was repaid prior to maturity in June 2021.

Segment information on page F-25 as well as further segment information in note 26 "Segment Reporting" is provided voluntarily under the scope of IAS 10 as the segment reporting is based on the internal management structure implemented in 2021, which did not exist in 2019 and 2020.

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles, the Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group.

Luxembourg, July 16, 2021

Majorel Group Luxembourg S.A.

Thomas Mackenbrock (Chief Executive Officer)

Otmãne Serraj (Chief Financial & Shared Services Officer)

Independent auditor's report

To the Shareholders of
Majorel Group Luxembourg S.A.
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L-1543 Luxembourg
Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Opinion

We have audited the consolidated financial statements of Majorel Group Luxembourg S.A. and its subsidiaries (the "Group"), which comprise the consolidated balance sheet as at 31 December 2020 and 31 December 2019, and the consolidated income statement and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020 and 31 December 2019 and of its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "réviseur d'entreprises agréé" for the audit of the consolidated financial statements » section of our report. We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Management Board and Those Charged with Governance for the consolidated financial statements

The Management Board is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the Management Board determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Management Board is 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 Management Board either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Responsibilities of the réviseur d'entreprises agréé for the audit of the consolidated financial statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as

adopted for Luxembourg by the CSSF 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 consolidated financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board.
- Conclude on the appropriateness of the Management Board’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the “réviseur d’entreprises agréé” to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the “réviseur d’entreprises agréé”. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Luxembourg, 23 August 2021

KPMG Luxembourg
Société coopérative
Cabinet de révision agréé

Philippe Meyer
Partner

20. RECENT DEVELOPMENTS AND OUTLOOK

20.1 Recent Developments

By resolution of the Company's shareholders' meeting held on September 6, 2021, the Company's share capital was increased from the Company's own resources by €596,000.00 from €404,000.00 to €1,000,000.00 and the value of the Company's shares was changed from a nominal value of € 1.00 (one euro) to an accounting par value of €0.01 (one Eurocent) so that following the capital increase and the change in the share value the Company's share capital amounts to €1,000,000.00, represented by 100,000,000 Shares with an accounting par value of €0.01 (one Eurocent) each.

Certain Egyptian group entities held by Eclipse Technologies for Business Services Majorel S.A.E. are currently being transferred from the current Maltese shareholder Eclipse Holdings Limited to the new Moroccan shareholder Majorel Africa S.A. Following completion of the transfer, the former shareholder Eclipse Holdings Limited will be liquidated.

Except as described above, between June 30, 2021 and the date of the Prospectus, there have been no significant changes in our financial performance or financial position.

20.2 Outlook

On the basis of developments in the six months ended June 30, 2021, we expect that Operating EBITDA for the period from January 1, 2021 to December 31, 2021 will amount to between €280 million and €300 million and we currently expect to be in the upper half of this range. Additionally, we assume that Net Revenues for the period from January 1, 2021 to December 31, 2021 will be in the range between €1,650 million and €1,700 million. Furthermore, we assume that operating expenses for the financial year ended December 31, 2021 will increase substantially compared to the financial year ended December 31, 2020, in line with our growth in Net Revenues but to a lesser extent. We further expect that Operating EBITDA as a percentage of Net Revenues of the Majorel Group for the period from January 1, 2021 to December 31, 2021 will amount to between 16.5% and 17.0%. For additional information, see "8 Profit Forecast".

In the medium term, we target percentage growth of Net Revenues in the low teens. We expect this growth to be primarily driven by (i) our Global Internet and BFSI verticals, (ii) further geographical expansion, particularly in offshore delivery countries, (iii) growth with existing and new clients and (iv) a generally increasing demand for CX solutions. For Global Internet, we target a Net Revenues share of more than 50% in the medium term driven by the continuous growth with existing clients and new client wins as well as the increase in content services, trust & safety, which we expect to be a key driver and to be in the range of 20% to 25% of our group Net Revenues in the medium term. For our Telco vertical, we target a Net Revenues share of approximately 10% which we aim to achieve by actively managing our client portfolio. In terms of segments, we expect Global English, Middle East, Southeast Asia to grow at around double the rate as Europe, Africa, South America. Furthermore, we expect our China, East Asia segment to grow faster than Global English, Middle East, Southeast Asia.

In terms of profitability, in the medium term we target an increase of our Operating EBITDA as a percentage of Net Revenues of 30 to 50 bps per annum. We expect that the key drivers of Operating EBITDA margin improvement will include (i) our active client portfolio management, (ii) increasing offshore penetration, (iii) a shift towards more complex, value-add and digital products as well as (iv) further scale and operational efficiencies. In terms of segments, we expect Global English, Middle East, Southeast Asia to remain more profitable than Europe, Africa, South America. Furthermore, we expect our China, East Asia margin to be in line with group margin. For 2022, we expect our Operating EBITDA margin to be below the lower end of the expected range for 2021, as a result of the decrease of our COVID-19 Business and the cost impact from return-to-site and related capacity build-up as well as the opening of new countries.

We expect expenses related to the IPO Bonus with Equity Deferral of €120 million plus social security charges of approximately €8 million. The IPO Bonus with Equity Deferral will not impact our Operating EBITDA as it will be adjusted as a special item but it will impact cash flow from operating activities and Free Cash Flow in 2021 and 2022, depending on the individual payout date.

We expect our LTI to result in annual compensation expense starting in 2022 equal to approximately 4% of our Operating EBITDA. The LTI will assumingly not impact our Operating EBITDA as it will be adjusted as

a special item, but it will impact our Free Cash Flow.

In addition, we expect to record one-off costs in the amount of approximately €5 million, driven by the internalization of services currently provided by Bertelsmann.

Right-of-use depreciation amounted to negative €44 million, or 3.3% of Net Revenues, in 2020. We expect right-of-use depreciation to grow in line with Net Revenues in the medium term and to amount to just below 3% of (recurring) Net Revenues. Our asset depreciation is expected to grow in line with our Capital Expenditure but is expected to remain below our absolute Capital Expenditure in the medium-term. We expect total depreciation in the medium-term to be broadly in line with the 5.7% of Net Revenues recorded in 2020, of these approximately €1.6 million will be related to purchase price allocation amortization resulting from our recent acquisitions.

Our financial result, which comprises interest on financial debt, lease liabilities, pension liabilities and foreign exchange result, amounted to negative €9 million in 2020. While we do not foresee substantial changes to the latter items, interest on financial debt will be subject to our leverage in the medium term.

Our effective tax rate, which is a blended effective tax rate reflecting our geographic exposure, amounted to 20% of our earnings before taxes (EBT) and is expected to be in the range of 22% to 24% in the medium term.

Capital Expenditure amounted to €46 million, or 3.4% of Net Revenues, in 2020. Driven by further investments into offshore locations, we expect Capital Expenditure to be in the range of 3.5% to 4.0% of Net Revenues in the medium term. For 2021, we expect Capital Expenditure to be at the upper end of this range due to a catch up effect related to the liquidity perseverance measures in 2020.

Net Working Capital amounted to €57 million, or 4.3% of Net Revenues, in 2020. In the medium term, we expect Net Working Capital be in the range of 3.5% to 4.5% of Net Revenues whereby the increase from ramp-up of new clients / activities to be offset by further optimization of invoicing policies and expansion of factoring.

Free Cash Flow amounted to €150 million, or 77% of Operating EBITDA, in 2020. We expect that Free Cash Flow will be in the range of 51% to 56% of Operating EBITDA in the medium term, mainly driven by Operating EBITDA, Capital Expenditure and lease payments.

While we were net cash positive in 2020, we target a maximum Leverage Ratio of up to 2.5x to have sufficient flexibility in case of transformational M&A.

Certain statements in this section, including, in particular, the targets described above, constitute forward-looking statements. These forward-looking statements are not guarantees of future financial performance, and our actual results could differ materially from those expressed or implied by these forward-looking statements as a result of many factors, including but not limited to those described under “1 Risk Factors”, “2.9 Information regarding Forward-Looking Statements” and “9 Business Overview”. In particular, the financial and operational developments discussed in this section are only expectations or targets, as the case may be, and are not and should not be viewed as forecasts, projections or estimates of Majorel’s future performance. Investors are urged not to place undue reliance on any of the statements set forth above.

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