



QUARTERLY TRADING UPDATE

# STEEP VOLUME GROWTH IN Q1 DRIVES CM.COM CORE REVENUE UP 52%

BREDA, 14 APRIL 2020

## Q1 2020 Highlights

- Steep volume growth marked by a 77% increase year-on-year in number of messages to 867 million
- Payments volume processed increased 12% to € 166 million
- Total revenue<sup>1</sup> of € 29.3 million, with core revenue<sup>2</sup> growing by 52% to € 27.6 million
- Roll out of global expansion strategy on track, with new hubs opened in the USA and Kenya
- Strong financial position as a result of the Euronext Amsterdam listing on 21 February and the concurrent € 73 million raise of growth capital
- CM.com reiterates its mid-term guidance of revenue growth in excess of 30% annually

## KPIs

	Q1 2020	Q1 2019	Q1- Q1 Δ
Number of messages (millions)	867	489	+77%
Number of voice minutes (millions)	37	35	+6%
Total payments processed (€ millions)	166	148	+12%
Revenue <sup>1</sup> (€ millions)	29.3	21.0	+40%
Core revenue <sup>2</sup> (€ millions)	27.6	18.1	+52%

**Jeroen van Glabbeek, CEO CM.com:** *"In Q1 2020, we have seen a steep volume growth on our global communications and payments platform, by existing and new customers in areas such as logistics, home delivery, financial institutions and governments. This was partly caused by COVID-19 effects. Ticket sales were hampered in March by events cancellations and closures of cultural institutions as a result of COVID-19, which we expect to continue over the next months. We have benefited from an increase in the number of customers seeking to engage remotely with their customers, coupled with higher demand for Conversational Commerce through our capabilities as the world becomes more digitally engaged during this crisis.*

*Although we are facing challenges given the various lockdown regimes, we are confident that we can continue our global expansion strategy. Our financial position is strong, with no bank debt and a significant net cash position, as a result of the capital raised at our recent Euronext Amsterdam stock exchange listing in February of this year."*

<sup>1</sup> For Q1, revenue of Global Ticket is excluded

<sup>2</sup> Core revenue is revenue of the segments CPaaS, Payments, and Platform. Revenue of segment Other is excluded from Core revenue

## Volume growth and revenue development

CM.com sent a total of 867 million messages, up 77% versus Q1 2019. Next to messaging, Voice is gaining more traction in our CPaaS offering. The number of Voice minutes increased to 37 million in Q1. Also CM.com became a Dutch fixed telecom operator. This means we have eliminated a middleman in the supply chain and are able to service customers faster and more reliable with the delivery of new Dutch geographic numbers and the process of porting existing geographic numbers to our platform.

In addition, total payments processed increased by 12% and since the beginning of this year CM.com offers Apple Pay and Wechat Pay to its customers. Furthermore, we offer an integrated solution of Apple Pay in Apple Business Chat enriching our true Conversational Commerce proposition.

Our Platform business including subscriptions and features such as Ticketing, eSignature, Customer Contact, identity services and a Customer Data Platform demonstrated good performance in the quarter. The biggest growth was realized by subscriptions, including WhatsApp Business, and Ticketing. In Q1 ticket sales was up 39% to 454 thousand tickets, excluding tickets sold by Global Ticket, an acquisition we made in March (details below). This result was realized despite the last two weeks of March that showed a steep decline due to various COVID-19 lockdown regimes. In 2019 revenue from ticketing amounted to € 1.5 million, which was equal to approximately 1.6% of total 2019 revenue.

As a result of the steep growth in all three business segments, CM.com realized 52% growth in core revenue<sup>2</sup> amounting to € 27.6 million.

## Strategy roll out and global expansion

CM.com entered the North American market with a hub in Los Angeles, California, in January 2020. Since then we have focused on defining the go-to-market strategy and setting the foundations for successfully scaling up the business throughout the USA.

Additionally, CM.com opened a regional hub in Nairobi, Kenya. The hub acts as our gateway to East Africa and will cover, besides Kenya countries as Ethiopia, Tanzania, Uganda, Rwanda and Zambia. Of all East African countries, Kenya has the most mature mobile market with innovative solutions, a mobile phone penetration of more than 100%, and a smart phone penetration rate of just under 40%. The opening of this hub will strengthen our presence in Africa in combination with our South African hub, where CM.com is evolving with increased sales resources and strong demand especially for our OTT services, such as WhatsApp Business.

In early March, CM.com acquired Global Ticket B.V., a market leader in the field of ticket solutions in the Benelux. With this acquisition we enter the market of ticket sales for museums, attractions, and zoos in the Netherlands, Belgium, Spain and South Africa. Despite COVID-19 the acquisition is a great addition to our established position in ticket sales for festivals and sports events. CM.com will also process part of the payments for Global Tickets' customers and provide them with Conversational Commerce services to further enrich their customer journey.

In line with our accelerated growth strategy, CM.com hired 35 employees in the first three months of 2020. 23 of these new colleagues work in Sales & Marketing. Additionally, we hired 7 specialists in Research & Development to ensure we maintain our leading position in innovation. To cope with the influx of new colleagues and growth of the business we also hired 5 colleagues in General & Administration, including our earlier announced CFO, Jörg de Graaf. In addition to these 35 new hires CM.com also welcomed 15 new colleagues of the acquired Global Ticket B.V.

To assist companies during the COVID-19 crisis, CM.com launched the CM.com "Together Suite". We are offering several of our self-services like Sign, Pages, and Mobile Order, for free until 1 July. It supports companies in their business, by signing documents online, and communicating with their customers.

## Outlook

CM.com had a strong start in 2020. It is difficult to assess what the exact impact of COVID-19 will be on our business and financial performance in the coming months and for 2020 as a whole. So far the positive effects have outweighed the negative effects. We continue to monitor and adapt to the situation as it evolves across all of the countries in which we are active.

We will continue our global expansion strategy in the remainder of 2020, through opening of new hubs

<sup>2</sup> Core revenue is revenue of the segments CPaaS, Payments, and Platform. Revenue of segment Other is excluded from Core revenue

and additional recruitment, in particular in the field of sales & marketing.

CM.com reiterates its mid-term guidance of revenue growth in excess of 30% annually.

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**For more information, please contact Investor Relations:**

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**Financial calendar**

30 April Annual General Meeting

26 August H1 2020 Report

15 October Q3 2020 Trading update

**Forward Looking Statements**

Statements included in this press release that are not historical facts (including any statements concerning investment objectives, other plans and objectives of management for future operations or economic performance, or assumptions or forecasts related thereto) are forward-looking statements. These statements are only predictions and are not guarantees. Actual events or the results of our operations could differ materially from those expressed or implied in the forward-looking statements. Forward-looking statements are typically identified by the use of terms such as “may,” “will,” “should,” “expect,” “could,” “intend,” “plan,” “anticipate,” “estimate,” “believe,” “continue,” “predict,” “potential” or the negative of such terms and other comparable terminology. The forward-looking statements are based upon our current expectations, plans, estimates, assumptions and beliefs that involve numerous risks and uncertainties. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond our control. Although we believe that the expectations reflected in such forward-looking statements are based on reasonable assumptions, our actual results and performance could differ materially from those set forth in the forward-looking statements

**About CM.com**

CM.com is a listed company (Euronext Amsterdam: CMCOM) and provides Conversational Commerce services from its cloud platform that connects enterprises and brands to the mobile phones of billions of consumers worldwide. Conversational Commerce is the convergence of messaging and payments. CM.com provides messaging and voice channels, such as SMS, Over The Top (OTT) (e.g. WhatsApp Business, Apple Business Chat, Google RCS, Facebook Messenger, and Viber), Voice API and SIP. These messaging channels can be combined with cloud platform features, like Ticketing, eSignature, Customer Contact, identity services and a Customer Data Platform. CM.com is a licensed Payment Service Provider (PSP) offering card payments, domestic payment methods and integrated payment methods like WeChat Pay. CM.com has approximately 300 employees and 16 offices globally. The platform of CM.com delivers fully integrated solutions, based on a privately owned cloud and 100% in-house developed software. By doing so, CM.com can guarantee scalability, time-to market and global redundancy and delivery.