

Dutch Star Companies ONE N.V.

Annual Report 2019

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Letter from the Chairman of the Board

The purpose of Dutch Star Companies ONE N.V. is to acquire a significant minority stake in a Dutch ‘star company’ to realize a Business Combination. Since the listing, Dutch Star Companies ONE N.V. focuses on the selection of a potential target company to bring to the extraordinary general meeting as a proposed Business Combination. As disclosed on 18 December 2019 Dutch Star Companies ONE N.V. was in exclusive discussions and signed a non-binding heads of agreement with CM.com. These discussions were ongoing on 31 December 2019. On 9 January 2020 DSCO entered into a Business Combination Agreement with CM.com. This Business Combination Agreement is subject to final approval of the EGM on 20 February 2020.

Amsterdam, 18 February 2020

Mr. Joop van Caldenborgh, Chairman of the Board

Directors' Report

Dutch Star Companies ONE N.V. ("the Company" or "DSCO") has been focusing on the selection of a potential target company to bring to the DSCO extraordinary general meeting ("EGM") as a proposed Business Combination.

DSCO is a special purpose acquisition company ("SPAC") for the purpose of acquiring a significant minority stake in a business with principal business operation in Europe, preferably in the Netherlands. No company has yet been acquired, however on 9 January 2020 DSCO entered into a Business Combination Agreement with CM.com. This Business Combination Agreement is subject to final approval of the EGM on 20 February 2020 and certain customary approvals.

DSCO has suffered an after-tax loss of € 2,178,657 over the period of 1 January 2019 through 31 December 2019. DSCO has not recorded any operational revenues or cost. The result is attributable to the negative interest rates for large commercial deposits and for a large portion to the fair value recognition of the Warrant liabilities on DSCO's balance sheet, which is expensed through the profit and loss. This Warrant expense is a non-cash item. Due to the negative interest, the money held in escrow and on the Company's bank account marginally decreased towards € 55,039,075 at 31 December 2019.

Members of the Board

As per the date of this annual report 2019, the Executive Board is composed of the following members:

Name	Age	Position	Member since	Nationality
Mr. Niek Hoek	63	Executive Director	Incorporation	NL
Mr. Stephan Nanninga	62	Executive Director	Incorporation	NL

Relevant experience and curricula vitae of the Executive Directors of the Board

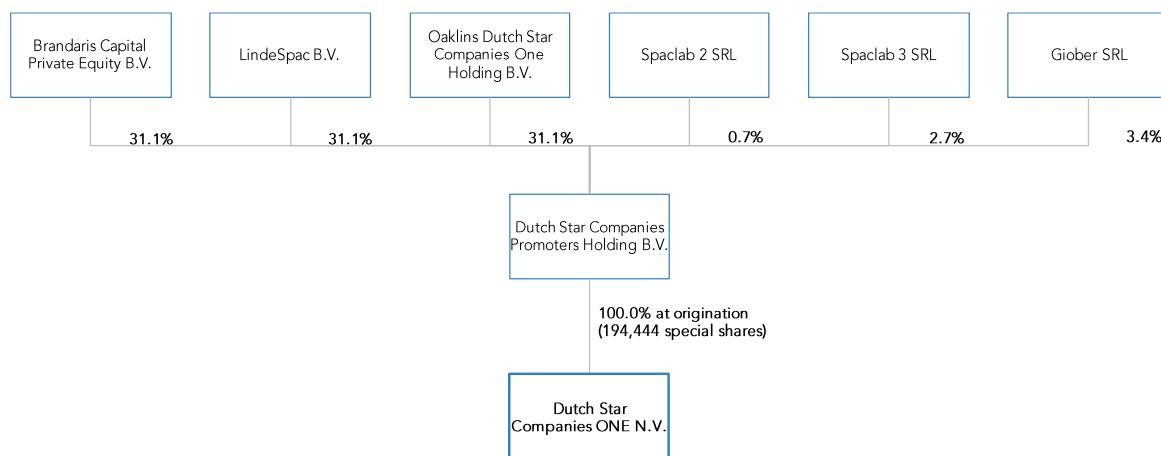
The relevant experience and curricula vitae of the Executive Directors of the Board are presented below:

Mr. Niek Hoek holds a master's degree in Economics from VU University Amsterdam. Before founding Brandaris Capital, he was CEO and CFO of Dutch listed insurance company Delta Lloyd, for 17 years. Previously, Mr. Niek Hoek held various financial and management positions (among others Chief Investment Officer of Shell Pension Fund) at Royal Dutch Shell in the Netherlands, Malaysia and Uruguay. Currently, Mr. Hoek is chairman of the supervisory board of Arcadis N.V. and Van Oord N.V. and is member of the supervisory board of BESI N.V.

Mr. Stephan Nanninga held executive functions at various companies, including Intergamma, Technische Unie, CRH and Royal Dutch Shell in the Netherlands and abroad. During the period between 2007 and 2016, Mr. Stephan Nanninga was member of the board of family company SHV Holdings N.V., and chief executive officer from 2014 to 2016. Currently, Mr. Nanninga is a member of the supervisory board of Bunzl Plc and IMCD N.V.

Structure of the Company

The structure of the Company is presented in the chart below. The Company maintains a one-tier board structure (the “Board”) consisting of Executive Directors and Non-Executive Directors (as defined in the prospectus). The Executive Directors are responsible for DSCO’s day-to-day management, which includes formulating strategies and policies and setting and achieving objectives. The Non-Executive Directors supervise and advise the Executive Directors. Each member of the Board has a responsibility to the Company to properly perform the duties assigned by each member and to act in the Company’s corporate interest. Under Dutch law, corporate interest extends to the interests of all DSCO’s stakeholders, including shareholders and holders of Warrants. In addition to the Board, the Company has an audit committee, which exercises the duties as prescribed in the Decree establishment audit committee in organisations of public interest (Besluit instelling auditcommissie bij organisaties van openbaar belang). Dutch Star Companies Promoters Holding B.V. has founded the Company and Mr. Niek Hoek and Mr. Stephan Nanninga are Executive Directors of the Board as of incorporation. Pursuant to resolution of the general meeting Mr. Aat Schouwenaar, Mr. Gerbrand ter Brugge, Mr. Joop van Caldenborgh (chairman), Mr. Pieter Maarten Feenstra and Mr. Rob ten Heggeler have been appointed as Non-Executive Directors of the Board with effect as of settlement of the initial public offering (“IPO”) on 26 February 2018. Mr. Niek Hoek and Mr. Stephan Nanninga have been appointed for an indefinite term, provided that they will in any event voluntarily step down within four years following their appointment. All other members of the Board are appointed for a period of four years. The Company deviates from provision 2.2.1. of the Dutch Corporate Governance Code, because Mr. Niek Hoek and Mr. Stephan Nanninga were appointed as Executive Directors of DSCO at the incorporation of the company for an indefinite term. The nature of DSCO is fundamentally different from other Dutch listed companies, for which the Dutch Corporate Governance Code was written. We seek to enter into a business combination (“Business Combination”) within two years following our listing on Euronext Amsterdam, and the appointments are expected to end around this time, following either termination of DSCO or as a result of consolidation with a target. For that reason, it was not deemed necessary to limit the appointment term to four years.



Special Shares and Ordinary Shares held by Board members

As of listing, the Company's shareholder structure consists of 5,536,500 ordinary shares ("Ordinary Shares") and 194,444 special shares ("Special Shares"). Ordinary Shares are held by shareholders and Special Shares are indirectly held by the Promoters of the Company, via Dutch Star Companies Promoters Holding B.V. (Ordinary Shares and Special Shares together referred as "Shares".) Special Shares may be converted into Ordinary Shares. Such conversion right provides for a right to shares which deviates from the mentioned best practice provision 3.3.3 as mentioned in the Dutch Corporate Governance Code as it does not serve necessarily as a long-term investment but is envisaged to be a short- or medium- term investment. The Company believes the Company's capital structure is designed to align the interest of the Promoters and the Ordinary Shareholders. The Promoters are defined as each of the following persons: Mr. Niek Hoek, Mr. Stephan Nanninga, Mr. Gerbrand ter Brugge, Mr. Attilio Arietti and Mr. Giovanni Cavallini (all indirectly own Special Shares). The Ordinary Shareholders are defined as the holders of one or more class A ordinary share(s). This alignment of interests is an important part of the proposition to Ordinary Shareholders as represented by special purpose acquisition companies such as DSCO and emphasises that the Promoters are subject to a lock-up undertaking that applies following conversion of their Special Shares into Ordinary Shares (See note 12 Current Shareholders and Related Party Transactions – Promoters' lock-up undertakings in the Company's listing prospectus). Furthermore, the Ordinary Shares indirectly held by the Non-Executive Directors Mr. Aat Schouwenaar, Mr. Gerbrand ter Brugge, Mr. Joop van Caldenborgh (chairman), Mr. Pieter Maarten Feenstra and Mr. Rob ten Heggeler, each Non-Executive Directors, are not necessarily held as long-term investments as their investment horizon shall be determined following completion of the Business Combination. With a view to the respective shareholdings held by the Non-Executive Directors, which in each case is below 10% (except for Mr. Joop van Caldenborgh), the Non-Executive Directors do qualify as 'independent' within the meaning of the Dutch Corporate Governance Code. Mr. Joop van Caldenborgh owns 10.87% of the shares. DSCO believes his shareholding aligns his interests with the interests of other members of the Board and shareholders in the Company.

Background and Strategy

The name Dutch Star Companies ONE refers to the objective of DSCO to raise capital and to acquire a significant minority stake in a single Dutch high performing 'star company' with principal business operations in Europe, preferably in the Netherlands (the "Business Combination").

Once a target business has been identified, DSCO will enter into negotiations with the target business' current owners for the purpose of agreeing a transaction. The board of DSCO will then convene an Extraordinary General Meeting ('EGM') and propose the Business Combination to the ordinary shareholders. This means that shareholders of DSCO, will have a say in respect of the Business Combination proposed by the Board, as the affirmative vote of the general meeting is subject to a required majority of at least 70% of the votes cast. In the context of the EGM, DSCO shall prepare and publish a shareholder circular which will include the information required to facilitate a proper investment decision on the Business Combination. No company has yet been acquired at this stage; the target business remains unchanged from the definition as outlined in the prospectus. Following completion of the Business Combination, it is anticipated that the holders of Ordinary Shares in DSCO become shareholders in the target business directly and that DSCO and the target business will consolidate.

The consolidation of the Company and its target business is one of the key features of the special purpose acquisition company and considered an attractive element for the shareholders in the target business that may be approached to form the Business Combination. DSCO aligns returns for shareholders, Promoters and the target company's shareholders aiming for a win-win-win. If a Business Combination is not proposed within 24 months after the IPO, invested funds deposited in the escrow account will be returned to shareholders. The invested funds deposited in the escrow are subject to an interest rate equal to the EONIA minus 4 basis points (€ OverNight Index Average minus 4 basis points, e.g. -39 bps - 4 bps = 43 bps negative interest). Currently the EONIA rate is negative, therefore the amount, if returned, will be lower than the invested amount. Since the listing the Promoters focus on the selection of a potential target company to bring to the DSCO EGM as a proposed Business Combination. At 18 December 2019, DSCO entered into a non-binding heads of agreement with CM.com. These discussions were ongoing on 31 December 2019. On 9 January 2020 DSCO entered into a Business Combination Agreement with CM.com. This Business Combination Agreement is subject to final approval of the EGM on 20 February 2020. The Business Combination Agreement materialized after the reporting period (the full year 2019) and does not affect the financial statements.

Process

After first assessing all companies to a pre-determined set of investment criteria matching the guidelines for the target business, a ‘long-list’ of approximately 200 companies remained. This group was further narrowed down based on an extensive pre-agreed set of desired qualitative and quantitative requirements. DSCO is now in exclusive discussions with CM.com and seeks to invest the full amount raised at the IPO (minus negative interest). DSCO believes it hence will pursue a sound investment for all stakeholders involved and meet the purpose of agreeing a transaction and propose a Business Combination on a dedicated DSCO extra ordinary general shareholders meeting (“DSCO EGM” or “EGM”) before the Business Combination Deadline (26 February 2020). At such EGM our shareholders will have a decisive vote in respect of the proposed Business Combination, as the affirmative vote of the general meeting is subject to a required majority of at least 70% of the votes cast.

Financial developments 2019 – investments and financing

DSCO was successfully listed at Euronext Amsterdam on 22 February 2018 raising € 55,365,000 from a broad range of initial investors to acquire a significant minority stake to realize a Business Combination within 24 months. The initial offering consisted of 2,768,250 units each consisting of two Ordinary Shares and two Warrants ('Warrants'), at a price per unit of € 20.00 representing a total value of € 55,365,000 on Euronext Amsterdam, in February 2019. The units themselves were not listed, but the shares and Warrants are listed under the respective symbols of DSC1 and DSC1W. Since the listing the Promoters focus on the selection of a potential target company to bring to the DSCO EGM as a proposed Business Combination.

Financial highlights as per 31 December 2019

- Escrow account plus bank account balance: € 55,039,075
- Shareholder's equity: € 53,077,561
- Share Price: € 9.80 (closing price)
- Warrant Price: € 0.70

DSCO being a special purpose acquisition company for the purpose of acquiring a significant minority stake in a business has resulted in the fact that € 0 sales have been generated in the period 1 January to 31 December 2019. Expenses incurred by DSCO in the period 1 January to 31 December 2019 include bank costs of (€ 3,226), interest expense of (€ 237,656) and Warrant expense of (€ 1,937,775). The reason for the high Warrant expense is the recognition of the Warrant liabilities on DSCO's statement of financial position which is expensed through the profit and loss. The Warrant expense is a non-cash item. Given the negative interest rates for large commercial deposits currently charged by Dutch system banks ('systeembanken') the escrow amount marginally decreased due to negative interest on the money in escrow. The money held in escrow and on the Company's bank account comprises a total of € 55,039,075 at 31 December 2019. This has resulted in an overall loss for the period 1 January to 31 December 2019 of € 2,178,657.

Corporate Social Responsibility

DSCO seeks to acquire a minority stake in a single target business with preferably a focus on sustainability. After first assessing all companies to a pre-determined set of investment criteria matching the preferred characteristics for the target business, a ‘long-list’ of approximately 200 companies remained. This group was further narrowed down based on a pre-agreed set of desired qualitative and quantitative requirements DSCO defined for a potential target company. Amongst these requirements are sustainability and corporate social responsibility factors. As a consequence,

DSCO takes into account sustainability and corporate social responsibility factors when evaluating potential target businesses.

Risk Management and Internal Control

A bottom up identification and assessment process was conducted for the first time after the closing of the IPO. The risk management and internal control activities are performed periodically by the representatives of the Dutch Star Companies Promoters Holding B.V. under supervision of the Board.

The Board is aware of the central importance of a formally approved risk policy and risk appetite specifying the nature and extent of the risks acceptable to the company. The risks as prescribed in the prospectus are analysed and translated to the current situation of the company. In addition, adequate internal control measures are implemented. These have been disclosed in the risk analysis table, the future design of such a risk policy for the Company and its alignment with the corporate strategy will be updated as soon as a proposed business combination will become effective.

Risks considered to be unacceptable because of their natures or their potential financial or qualitative impacts are being mitigated by appropriate strategies. The implementation and effectiveness of the defined mitigation measures are being reviewed continuously. For that purpose, the impacts of risks are considered before and after the implementation of those mitigation measures.

The risks identified below are those the Board considers to be the principal ones, and which may have a significant impact on the results of the Company and on its ability to achieve its strategic objectives. They may occur independently from each other or in combination. In case they occur in combination their impact may be reinforced. Also, the Company is facing other risks than the one mentioned here, some of them being currently unknown or not considered to be material.

Internal control system and in control statement

The Board is ultimately responsible for maintaining effective risk management, which includes the Company's risk governance structure, the Company's system of internal controls and the Company's internal audit approach. The Company has in place a risk management and an internal control system in relation to its financial reporting process and the process of preparing the financial statements. The Board reviews the effectiveness of the system of internal financial, operational and compliance controls and the risk management. The Board examines whether the system of internal controls operated effectively throughout the year and will make recommendations when appropriate.

In accordance with best practice 1.4.3 of the Dutch corporate governance code of December 2016 the Board is of the opinion that, to the best of its knowledge:

- the report provides sufficient insights into any deficiencies in the effectiveness of the internal risk and control systems; no deficiencies in the effectiveness of the internal risk and control systems have been identified;
- the internal risk management and control systems of the company provide reasonable assurance that the financial reporting as included in the financial statements do not contain any material inaccuracies;
- there is a reasonable expectation that DSCO will be able to continue its operations and meet its liabilities as set out in the Prospectus, therefore, it is appropriate to adopt the going concern basis in preparing the financial reporting.

As set out in the Prospectus, DSCO is established for a period of 24 months with the possibility to extend (the Extension Clause) this period for a period of 6 months. No matter how comprehensive a risk management and control system may be, it cannot be assumed to be exhaustive, nor can it provide certainty that it will prevent negative developments from occurring in the Company's business and business environment or that response to risk will be fully effective. The Company's risk management framework is designed to avoid or mitigate rather than to eliminate the risks associated with the accomplishment of the Company's strategic objectives. It provides reasonable assurance but not absolute assurance against material misstatement or loss. In the period 1 January to 31 December 2019, the Company has not identified any major failings in its internal risk management and control system.

On the following page the identified risks are disclosed in a separate table. In the table the risks have been grouped by Strategic Risks, Operational Risks, Financial Risks and Compliance Risks. In the same table the corresponding risk descriptions, risk appetites, risk measures and the impact of the risk with respect to the identified risks are also presented.

Table 1 Risk Analysis table	Risk Description	Risk Appetite (low; medium; high)	Risk Measures	Impact (low; medium; high)
Type of Risks				
Strategic Risk	1) DSCO's shareholder return is dependent on the performance of a single target business	1) Medium	1) As DSCO aims to complete the Business Combination with a single target business rather than with multiple target businesses. The prospects of the Company's success after the Business Combination will depend solely on the performance of a single business. Therefore, as described DSCO has rolled out a structured approach to seek the best possible Business Combination with a target company to realize long-term shareholder value creation.	1) High , a consequence of this is that returns for the shareholders of DSCO may be adversely affected if growth in the value of the target business is not achieved or if the value of the target business or any of its material assets subsequently is written down.
	2) Business Combination is likely to be formed via an acquisition of a minority stake, which could impact the Company's decision-making authority	2) Low	2) As the remaining ownership of the target business will likely be held by third parties the Company will face strategic risks as it will not obtain control over the target business. As a consequence, DSCO will thoroughly investigate and conduct due diligence on holders of the remaining ownership of the target business and negotiate shareholders' agreements and/or similar agreements if deemed necessary.	2) Low , additional costs and time for due diligence on third parties may be required.

Strategic Risk	3) Risk of not finding a Business Combination	3) Low	<p>3) DSCO set up a thorough process; pre-determined set of investment criteria matching the aforementioned guidelines for the target business, a 'long-list' of approximately 200 companies remained. This group was further narrowed down based on an extensive pre-agreed set of desired qualitative and quantitative requirements. DSCO believes it hence can pursue a sound investment for all stakeholders involved and meet the purpose of agreeing a transaction and propose a Business Combination on a dedicated DSCO EGM. If no Business Combination is completed, the exposure of Ordinary Shareholders is limited to (i) the negative interest incurred by the Company over the amounts held in the Escrow Account and (ii) a maximum of 1% of their investment (i.e. the Escape Hatch).</p>	<p>3) Low, due to DSCO's confidence in the process of finding a suitable target. As disclosed on 18 December 2019 DSCO has entered into a non-binding heads of agreement. These discussions were ongoing on 31 December 2019. On 9 January 2020 DSCO entered into a Business Combination Agreement with CM.com. This Business Combination Agreement is subject to final approval of the EGM on 20 February 2020. The Business Combination Agreement materialized after the reporting period (the full year 2019) and does not affect the financial statements.</p>
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Operational Risk	1) Dependency of a selective number of individuals.	1) Low	This risk is mitigated by the use of a Corporate Governance Structure and experienced Board members. We have chosen a (Corporate Governance) one-tier Board with two experienced Executive Directors (Mr. Niek Hoek and Mr. Stephan Nanninga) and experienced Non-Executive Directors (Mr. Aat Schouwenaar, Mr. Gerbrand ter Brugge, Mr. Joop van Caldenborgh (chairman), Mr. Pieter Maarten Feenstra and Mr. Rob ten Heggeler). Next to the experienced Board, DSCO is supported by a team of dedicated professionals (e.g. David van Ass; Derk Hoek and Felix Snoeck Henkemans).	1) Low , experienced Board consisting of executives and non-executives with complementary skills and a broad range of experience in companies and sectors that will help us to mitigate this risk.
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<p>Financial Risk</p>	<p>1) Costs exceeding offering expenses and initial working capital</p> <p>2) Money Market risk and concentration risk shareholders DSCO</p>	<p>1) Low</p> <p>2) Low</p>	<p>1) Promoters committed €1,750,000, if the costs exceed this amount the Company may use an amount of up to 1% of the gross proceeds from units offered in the offering (the 'Escape Hatch') to cover such additional costs. The Executive Directors currently do not expect the Escape Hatch to be triggered. The DSCO team has made a budget for the period until a potential Business Combination. Current expenses are lower than projected in the budget.</p> <p>2) 99% of offering proceeds are deposited in the Escrow Account. The Company has entered into an escrow agreement with Intertrust B.V., a private company with corporate seat in Amsterdam, the Netherlands, acting under its trade name Intertrust Escrow Services (the Escrow Agent or Intertrust) and Stichting Dutch Star Escrow, a foundation with corporate seat in Amsterdam, the Netherlands and having its corporate address at Prins Bernhardplein 200, 1097JB Amsterdam, The Netherlands (the Escrow Foundation) (The Escrow Agreement). These amounts will be released only as</p>	<p>1) Low, the Company currently doesn't expect to exceed the total commitment of the Promoters for the purpose of the offering expense and initial working capital. A solid budget has been made and the Company doesn't expect to deviate from the budget.</p> <p>2) Low, Offering proceeds DSCO are deposited in the Escrow account, monitored and managed by a professional escrow agent (Intertrust). Bankruptcy of our bankaccount provider (ABN AMRO, partly state owned and Dutch systembank) is currently low as well.</p>
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Financial risk	3) Negative interest rates	3) High	<p>described in the Escrow Agreement.</p> <p>3) Currently the escrow account is managed by escrow agent Intertrust, whilst the funds are deposited at Dutch system bank ABN AMRO, where DSCO is charged with negative interest. Current interest rate charged by ABN AMRO is the EONIA (€ OverNight Index Average) minus 4 basis points (e.g. -39 bps - 4 bps = 43 bps negative interest). DSCO deliberately choose to deposit the offering proceeds at a Dutch system bank. The Company closely monitors opportunities to deposit its money at system banks against better interest rates.</p>	<p>3) High, current interest rates at Dutch system banks are negative. The Company expects market rates to continue to be negative.</p>
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Compliance Risk	1) Comply with Dutch Financial reporting Supervision Act 2) Comply with IFRS standards 3) Third party claims	1) Low 2) Low 3) Low	1&2) Working closely together with professional and experienced advisers, with their expertise in the field of: <ul style="list-style-type: none"> - Compliance (external compliance officer) - Communication (external communication adviser) - Legal (external legal adviser) - Tax (external tax adviser) - Accounting (external licensed auditor) - Insider Trading Policy - Logbook 3) Currently the Company does not have any third-party claims. If in the future the Company will be confronted with a third-party claim, we will be assisted by our Legal Advisor Allen & Overy.	1) Low , due to the mitigation of risk by working closely together with our advisers in their field of expertise. 2) Low , due to the mitigation of risk by working closely together with our advisers in their field of expertise. 3) Low , no current third-party claim. Due to the structure and the business of the Company (investment in only one Target Company) we don't expect a third-party claim to arise in the near future.
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Outlook

DSCO believes it will pursue a sound investment for all stakeholders involved and meet the purpose of agreeing a transaction and propose a Business Combination on a dedicated DSCO EGM. At such EGM our shareholders will have a decisive vote in respect of the proposed Business Combination, as the affirmative vote of the general meeting is subject to a required majority of at least 70% of the votes cast. If at least the 70% majority has been met by DSCO, DSCO will invest its funds up to the amount that represents the percentage in favour of the proposed Business Combination. At 18 December 2019, DSCO entered into a non-binding heads of agreement with CM.com. These discussions were ongoing on 31 December 2019. On 9 January 2020 DSCO entered into a Business Combination Agreement with CM.com. This Business Combination Agreement is subject to final approval of the EGM on 20 February 2020. The Business Combination Agreement materialized after the reporting period (the full year 2019) and does not affect the financial statements.

Non-Executive Directors' report

In the financial period 2019 the Non-Executive Board of DSCO supervised and advised the Executive Board of DSCO, being Mr. Niek Hoek and Mr. Stephan Nanninga. The Non-Executive Directors positively assessed the pre-determined set of investment criteria set up by the Promotors that met the preferred characteristics for the target business. Furthermore, the detailed pre-agreed set of the desired qualitative and quantitative requirements DSCO defined for a potential target company were also approved by the Non-Executive Board. Going forward the Non-Executive Board envisages to supervise and advise the Executive Directors of DSCO in the same manner as this has been positively assessed and approved by all Non-Executive Directors of DSCO.

Composition of the Non-Executive Board

As at the date of this annual report 2019 the Non-Executive Board is composed of the following members:

Name	Age	Position	Member since	Nationality
Mr. Aat Schouwenaar	72	Non-Executive Director	Settlement	NL
Mr. Gerbrand ter Brugge	53	Non-Executive Director	Settlement	NL
Mr. Joop van Caldenborgh	78	Non-Executive Director and Chairman	Settlement	NL
Mr. Pieter Maarten Feenstra	62	Non-Executive Director	Settlement	NL
Mr. Rob ten Heggeler	55	Non-Executive Director	Settlement	NL

Mr. Aat Schouwenaar

Mr. Aat Schouwenaar is currently chairman of the supervisory board of Brunel International N.V., vice-chairman of Asito Diensten Groep and member of the supervisory board of Amsterdam Arena. Prior to his current positions, Mr. Aat Schouwenaar held executive and supervisory functions at various companies, including as member of the supervisory board of Docdata from 2009 to 2016, Stage Entertainment from 2009 to 2014, Endemol from 2004 to 2006 and chairman of the supervisory board of Talpa from 2004 to 2006. During his career, Mr. Aat Schouwenaar has gained extensive experience being chairman of several audit commissions, amongst others, at Brunel International N.V. (8 years), Holland Casino (7 years), Docdata (7 years), Stage Entertainment (5 years) and at Amsterdam Arena (4 years). In addition to his positions as audit commissioner Mr. Aat Schouwenaar held respective positions as chief executive officer, chief operational officer and chief financial officer of Endemol between 1994 and 2008. Mr. Aat Schouwenaar holds a Master of Business Economics from the Erasmus University in Rotterdam, the Netherlands.

Mr. Gerbrand ter Brugge

Mr. Gerbrand ter Brugge is the managing partner of Oaklins Equity & ECM Advisory B.V., which he co-founded in 2015. Prior to co-founding Oaklins Equity & ECM Advisory B.V., Mr. Gerbrand ter Brugge was responsible for the corporate finance services activities as managing partner at bank Oyens & Van Eeghen N.V., a bank, between 2010 and 2014. Between 2004 and 2010 Mr. Gerbrand ter Brugge held executive functions at the respective equity capital markets departments of ABN AMRO and ING, which allows him to leverage rich experience in equity capital markets transactions in structuring, progressing and completing the Offering as well as an extensive network.

Mr. Gerbrand ter Brugge was also Executive Director at Morgan Stanley and the joint venture between ABN AMRO Bank & ABN Amro Rothschild between 1998 and 2004.

[Mr. Joop van Caldenborgh](#)

Mr. Joop van Caldenborgh is currently chairman of the Museum Voorlinden. Mr. Joop van Caldenborgh is founder, former owner and former chief executive officer of Caldic B.V. Caldic is a distributor within the industrial, health and personal care and food sector. Mr. Joop van Caldenborgh owned and managed Caldic for over forty years and under his leadership, Caldic became a successful global player in its sector. Hence, Mr. Joop van Caldenborgh is a seasoned executive with extensive experience in managing a family owned company with an industrial focus, which fits perfectly into the profile of the target business profile.

[Mr. Pieter Maarten Feenstra](#)

Mr. Pieter Maarten Feenstra has more than twenty years of experience as an investment banker and is currently managing director of Aletra Capital Partners B.V., which he co-founded in 2005. Prior to co-founding Aletra Capital Partners B.V., Mr. Pieter Maarten Feenstra worked as an analyst and management consultant at McKinsey & Company (1982-1986) after which he was a partner and advisory director at Goldman Sachs International (1990-2008). Mr. Pieter Maarten Feenstra also founded Amsterdamse Investeringsbank where he was managing director (1986-1990). Mr. Pieter Maarten Feenstra is highly experienced in mergers and acquisition and analysing potential financial or management improvements to operational businesses.

[Mr. Rob ten Heggeler](#)

Mr. Rob ten Heggeler has more than 25 years of experience as a banker and currently is a partner at DM Equity Partners, which he co-founded in 2017. Prior to co-founding DM Equity Partners, Mr. Rob ten Heggeler was member of the managing board at NIBC Bank N.V., chairman of the supervisory boards of Beequip B.V. and NIBC AG between 2009 and 2016. Between 2006 and 2009 Mr. Rob ten Heggeler was responsible for wholesale banking Netherlands as member of the Managing Board of Rabobank International. Mr. Rob ten Heggeler also worked at Fortis Bank (Nederland) N.V. between 2001 and 2006 where his function was Global CEO Fortis Private Banking. Mr. Rob ten Heggeler holds Masters in Law-taxation from the University of Groningen and Business and Corporate Law from the University of Amsterdam and has attended executive courses at INSEAD, Columbia, Stanford, IMD and Northwestern.

The Non-Executive Board confirms that all its members, except for Mr. Joop van Caldenborgh, are independent as defined in best practice provisions 2.1.7 to 2.1.9. of the Dutch Corporate Governance Code. No member of the Non-Executive Board holds more than five directorships at Dutch 'large companies', in accordance with section 2:142a of the Dutch Civil Code.

Evaluation

The Non-Executive Board reviewed and discussed its own functioning during the 2019 financial period. Overall the functioning of the Non-Executive Board was assessed positively. The composition and functioning of the Board and the performance of its individual members were also positively assessed and discussed.

Meetings and Attendance in 2019

The Non-Executive Board held seven meetings, respectively on 31 January 2019, 14 March 2019, 30 April 2019, 14 June 2019, 01 October 2019, 28 October 2019 and 20 November 2019. All Non-Executive Board members, except for the meeting on 14 march 2019 where one Non-Executive Board member was unable to attend, were present at all meetings either in person or via conference call and were held at Oaklins' office on Beethovenstraat 500, 1082 PR in Amsterdam and in one occasion at Voorlinden Buurtweg 90, 2244 AG Wassenaar in the presence of the Board. During these meetings the Promoters' ideas were tested and challenged by the members of the Non-Executive Board in order to ensure that decisions were reached that underpin DSCO's strategy and are aligned with the long-term value creation pursued by the Company. Between meetings, Non-Executive Board chairman Mr. Joop van Caldenborgh maintained contact with the Board on a regular basis. The main topic discussed in the various contact moments was the progress of the target search and status of ongoing discussions with potential targets.

Furthermore, the Non-Executive Board was kept informed of DSCO's strategic, financial, operational, legal and compliance risks, of the internal control and management systems in place, and of the actions taken to manage the risks.

In addition, the Non-Executive Board discussed changes in regulation and applicable IFRS standards, the implications of Corporate Governance Code for DSCO and the preparation, evaluation and follow-up with respect to the Annual General Meeting of Shareholders.

Audit Committee

Under the Articles of Association, the Company shall have an Audit Committee, consisting of a number of individuals, whether or not Non-Executive Directors. Their number is to be determined by the Non-Executive Directors. The members of the Audit Committee shall be appointed, suspended and dismissed by the Non-Executive Directors. Executive Directors shall not be members of the audit committee. Separate By-Laws that govern the Audit Committee have been adopted by the Non-Executive Directors and are available on the Company's website (www.dutchstarcompanies.com).

The responsibilities of the Audit Committee focus on supervising the activities of the Board with respect to:

- the monitoring of the financial-accounting process and preparation of proposals to safeguard the integrity of said process;
- the monitoring of the statutory audit of the annual accounts and consolidated accounts, and in particular the process of such audit (taking into account the review of the Dutch Authority for the Financial Markets (Autoriteit Financiële Markten (AFM)) in accordance with Section 26 EU-Regulation 537/2014);
- the review and monitoring of the independence of the External Auditor; and
- the adoption of a procedure for the selection of the External Auditor and the nomination for appointment of the External Auditor with respect to the statutory audit of the annual accounts and consolidated accounts.

Working within the Board, the Audit Committee is furthermore charged with:

- the preparatory work for the Non-Executive Directors' decision-making regarding the supervision of the integrity and quality of the Company's financial reporting and the effectiveness of the Company's internal risk management and control systems. Among other things, it focuses on monitoring the Executive Directors with regard to:
 - relations with, and following up of comments by, the internal audit function and the External Auditor;
 - the financing of the Company;
 - the application of information and communication technology (ICT), including risks relating to cyber security; and
 - the Company's tax policy.
- the preparation of meetings of the Board where the report of the Board, the annual accounts and the interim figures of the Company are discussed. The Audit Committee maintains regular contact with and supervises the External Auditor.

The Audit Committee comprises two members, all of whom are Independent Non-Executive Directors. Appointments to the Committee are made by the Board. The Board has satisfied itself that the Committee's membership includes directors with recent and relevant financial experience.

The members of the Committee that served were:

1. Mr. Aat Schouwenaar (chairman of the Audit Committee)
2. Mr. Pieter Maarten Feenstra

In 2019, the Audit Committee met on the following dates:

- 25 July 2019 after markets closed (bring-down call 2019H1 press release).

Audit Committee activities

The main activities of the Audit Committee included the following:

- The critical review of the significant financial reporting issues in connection with the preparation of the Company's financial and related formal statements, with the assistance of reports received from the Board and the External Auditor;
- An assessment of the scope and effectiveness of the systems established to identify, assess, manage and monitor financial and non-financial risks;
- Review of the external auditor, its terms of engagement, findings of its work and at the end of the audit process reviewing its effectiveness;
- Review of the independence and objectivity of the external auditor;
- Review of treasury guidelines; and
- Review of financing options.

External Auditor

The Company's external auditor, Deloitte Accountants B.V. ("Deloitte" or "External Auditor"), was appointed as of incorporation of the Company. The External Auditor reports to the Committee on the actions taken to comply with professional and regulatory requirements and with best practice designed to ensure its independence. The performance of the external auditor is reviewed by the Audit Committee on an annual basis through a qualitative assessment of the services provided against the agreed audit plan and taking account of feedback received from management. Following this review, the Audit Committee is satisfied that the external audit process operates effectively.

2019 Financial Statements

The Non-Executive Board members have reviewed and discussed the 2019 annual report and financial statements. The 2019 financial statements, as prepared by the Board, have been audited by Deloitte, whose auditor's report is included in this report, and were extensively discussed on 18 February 2020 by the Non-Executive Board members and the external auditor in the presence of the Board.

The Non-Executive Board believes the 2019 financial statements of DSCO meet all requirements for correctness and transparency. All members of the Non-Executive Board and the Board have signed the 2019 Financial Statements pursuant to the statutory obligations under article 2:101 (2) of the Dutch Civil Code. The Board will present the financial statements for 2019 and its report at the scheduled Annual General Meeting of Shareholders on 2 April 2020. The Non-Executive Board recommends that the Annual General Meeting of Shareholders adopt the 2019 Financial Statements and its charge the Board and the Non-Executive Board from liability for their management and supervision in the year under review.

The members of the Non-Executive Board wish to thank the Board and the support team of DSCO for their continued dedication and commitment in aiming to realize a Business Combination prior to the Business Combination Deadline.

On behalf of the Non-Executive Board members

Amsterdam, 18 February 2020

Mr. Joop van Caldenborgh

Corporate Governance

Mr. Niek Hoek and Mr. Stephan Nanninga are Executive Directors of the Board of DSCO as of incorporation. Pursuant to resolution of the general meeting Mr. Gerbrand ter Brugge, Mr. Joop van Caldenborgh (chairman), Mr. Aat Schouwenaar, Mr. Pieter Maarten Feenstra and Mr. Rob ten Heggeler have been appointed as Non-Executive Directors of the Board with effect as of settlement. Mr. Niek Hoek and Mr. Stephan Nanninga have been appointed for an indefinite term, provided that they will in any event voluntarily step down within four years following their appointment. All other members of the Board are appointed for a period of four years.

Takeover Directive

Powers, Responsibilities and Functioning

The Articles of Association provide that the Board must consist of one or more Executive Directors and one or more Non-Executive Directors. The total number of members of the Board, as well as the number of Executive Directors and Non-Executive Directors, is determined by the general meeting. Only individuals can be Non-Executive Directors. Directors are appointed by the general meeting. The Board may nominate one or more candidates for each vacancy.

The general meeting can overrule a binding nomination by the Board by a majority vote of at least two-thirds of the votes cast, provided such majority represents at least one-third of our issued share capital. If the general meeting with an absolute majority of the votes cast overrules the binding nomination, but this majority does not represent at least one-third of our issued share capital, then a new meeting may be convened in which the nomination can be overruled by an absolute majority of the votes cast irrespective of the capital present or represented at the meeting. Each Director may be removed by the general meeting at any time. Each Director may be suspended by the general meeting at any time. An Executive Director may also be suspended by the Board.

Dutch law provides that resolutions of the Board involving major changes in our identity or character are subject to the approval of the general meeting. Such changes in any event include:

- the transfer of our business or practically our whole business to a third party;
- the entry into or termination of a long-term cooperation by us or by any of our subsidiaries with another legal entity or company or as fully liable partner in a limited partnership or a general partnership if this joint venture or termination of such a joint venture is of major significance to us; and
- the acquisition or disposal, by us or any of our subsidiaries, of a participating interest in the capital of a company valued at a minimum of one-third of our assets according to our most recently adopted consolidated annual balance sheet with explanatory notes thereto.

In accordance with our Articles of Association, our Board has adopted rules governing the Board's principles and best practices (the Board Rules). The Board Rules describe the duties, tasks, composition, procedures and decision making of the Board.

Amendment of Articles of Association

The General Meeting may pass a resolution to amend the Articles of Association, with an absolute majority of the votes cast, but only on a proposal of or with the prior approval of the Board. Any such proposal or approval must be stated in the notice of the General Meeting.

A resolution of the General Meeting to amend the Articles of Association which has the effect of reducing the rights attributable to holders of Shares of a particular class, is subject to approval of the meeting of holders of Shares of that class.

Financial Market Supervision

Under the Financial Market Supervision Act certain shareholders with a substantial shareholding that exceed 3% of the issued capital have notified the AFM and have registered their substantial shareholding. These shareholders are:

- Gooische Beleggingsmaatschappij B.V.
- Mr. D. van Vliet
- Mr. J.N.A. van Caldenborgh
- DM Equity Partners C.V.
- DSC Promoters Holding B.V.

Certain mandatory disclosures with respect to members of the Board

During the last five years, none of the members of the Board: (i) has been convicted of fraudulent offenses; or (ii) has been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies), or disqualification by a court from acting as a member of the administrative, management or supervisory body of an issuer, or from acting in the management or conduct of the affairs of any issuer.

Other than as disclosed in the paragraphs above the Company is not aware of any arrangement or understanding with any shareholders, customers, suppliers or others, pursuant to which any person was selected as a member of a corporate body of the Company.

Dutch Corporate Governance Code

Prior to completing the Business Combination, the Company is not involved in any other activities than the preparation of the Business Combination. After the Business Combination has been completed the Company intends to tailor its Dutch Corporate Governance Code compliance to the situation after the Business Combination Completion Date and will, until such time, not comply with a number of best practice provisions. To the extent, the Company will deviate from the Dutch Corporate Governance Code following the Business Combination, such deviations will be disclosed in the Company's annual report in accordance with Dutch market practice.

To the extent best practice provisions relate to the Board and its committees, deviations of the Dutch corporate governance code are summarised below:

Best practice provision 2.1.6: diversity

Although best efforts have been made to compose the Board in accordance with 2:166 DCC, the Board presently does not meet the prescribed ratio between male and female members. The Company keeps striving to meet the male/female ratio of 2:166 DCC and has every intention to again endeavour to meet the criteria when new members are selected.

Best practice provision 2.3.2: committees

With a view to the number of Non-Executive Directors, the Dutch Corporate Governance Code prescribes that the Board installs a selection- and appointment committee and a remuneration committee. As the Company will not conduct any business prior to a Business Combination and the Board does not intend to hire any employees, the Board has no need for a selection- and appointment or remuneration committee.

Best practise provision 2.3.10: secretary to the Board

Until a Business Combination is concluded, the Board has no need for a secretary to the Board.

Best practice provision 3.3.3: Shares held by a Non-Executive Board member in the Company should be long-term investments

Mr. Gerbrand ter Brugge, a Non-Executive Director, owns Special Shares that may be converted into Ordinary Shares. Such conversion right provides for a right to shares which deviates from the above-mentioned best practice provision as it does not serve necessarily as a long-term investment but is envisaged to be a short- or medium- term investment. The Company believes the Company's capital structure is designed to align the interest of the Promoters and the Ordinary Shareholders, which is an important part of the proposition to Ordinary Shareholders as represented by special acquisition companies such as DSCO and emphasises that the Promoters are subject to a lock-up undertaking that applies following conversion of their Special Shares into Ordinary Shares (See note 12 *Current Shareholders and Related Party Transactions – Promoters' lock-up undertakings in the prospectus*). Furthermore, the Ordinary Shares indirectly held by the Non-Executive Directors Mr. Aat Schouwenaar, Mr. Gerbrand ter Brugge, Mr. Joop van Caldenborgh (chairman), Mr. Pieter Maarten Feenstra and Mr. Rob ten Heggeler, each Non-Executive Directors, are not necessarily held as long-term investments as their investment horizon shall be determined following completion of the Business Combination. With a view to the respective shareholdings held by the Non-Executive Directors, which in each case is below 10%, the Non-Executive Directors do qualify as 'independent' within the meaning of the Dutch Corporate Governance Code. Mr. Van Caldenborgh owns 10.87% of the shares. DSCO believes his shareholding aligns his interests with the interests of other members of the Board and shareholders in the Company. One could argue that Mr. Joop van Caldenborgh's percentage of votes could substantially influence the chance the proposed Business Combination gets approved by the general meeting, which could result in a Business Combination that is unfavourable to the other shareholders of DSCO. However, the well-balanced Board that DSCO pursues, wherein decisions are taken on the basis of sufficient criteria and checks & balances, minimizes the risk of entering into such unfavourable Business Combination.

Remuneration

The members of the Board and the Promoters are not entitled to any remuneration or compensation prior to completion of a Business Combination. The remuneration of the members of the Board following a Business Combination, if any, shall be disclosed in the shareholder circular published in connection with the DSCO EGM and is expected to be in line with market practice for small to medium sized companies. The members of the Board have not entered into any type of employment or service agreement with the Company. As such, there are no severance arrangements between the members of the Board and the Company. Since the members of the Board will not be remunerated, there is no remuneration committee. For the same reason, we have not prepared a remuneration plan that normally would be required under the new Shareholder Rights Directive.

Committees of the Board

The Board has not installed any standing committees, other than the Audit Committee appointed by the Board of Non-Executive Directors.

Liability and Insurance

Under Dutch law, members of the Board may be liable to the Company for damages in the event of improper or negligent performance of their duties. They may be jointly and severally liable for damages to DSCO and to third parties for infringement of the Articles of Association or of certain provisions of the Dutch Civil Code. In certain circumstances, they may also incur additional specific civil and criminal liabilities. Members of the Board and the Audit Committee of the Company are insured under an insurance policy against damages resulting from their conduct when acting in their capacities as such members or officers.

Indemnification

The Articles of Association provide for an indemnity for the members of the Board. Subject to Dutch law and not in any case of wilful misconduct or gross negligence (*opzet of grove nalatigheid*), and without prejudice to an indemnity to which he may otherwise be entitled, every person who is or formerly was a member of the Board shall be indemnified out of the assets of the Company against all costs, charges, losses and liabilities incurred by such member in the proper execution of his duties or the proper exercise of his powers in any such capacities in the Company including, without limitation, a liability incurred in defending proceedings in which judgment is given in such member's favour or in which he is acquitted, or which are otherwise disposed of without a finding or admission of material breach of duty on his part.

Diversity

Pursuant to Dutch law, certain large Dutch companies must pursue a policy of having at least 30% of the seats on the board to be held by men and at least 30% of those seats to be held by women. This allocation of seats will be taken into account in connection with the appointment, or nomination for the appointment, of members of the Board and the drafting of the criteria for the size and composition of the Board, as well as the designation, appointment, recommendation and nomination for appointment of members of the Board. Currently DSCO does not meet some of the applicable gender diversity targets.

These targets together with the explanation why DSCO does not yet meet them are listed below:

- i. the seats are not allocated in a well-balanced manner:
 - o in the process of selecting suitable persons for DSCOs (Non-)Executive Board, DSCO offered seats to several larger shareholders with experience of investing in and/or having management experience with larger (listed) companies. The group of candidates consisted of both men and women. In the end only male shareholders showed willingness to obtain a Board seat;
- ii. The allocation is not well-balanced:
 - o our current (Non-)Executive Directors were only appointed at IPO (February 2019). Since then, the (Non-)Executive Board has not changed; and
- iii. the aim to achieve a well-balanced allocation in the future:
 - o considering the investment horizon of DSCO (two years from IPO), we do not expect to alter the current (Non-)Executive Board within the next year. After a successful Business Combination, we expect DSCO to dissolve into the Target Company, implying that the current (Non-)Executive Board also dissolves. However, it could be the case that one or two of DSCOs current Executive Directors will become part of the Target Company's governance structure as of Business Combination or shortly thereafter.

This legislation is temporary and will cease to have effect on 1 January 2020. The Dutch legislature is expected to evaluate the effectiveness of these rules after 1 January 2020, which may result in further legislation in this respect.

Limitation of supervisory positions

Pursuant to Dutch law, there are limitations to the number of positions persons can hold on the boards of large Dutch Companies. Presently, we do not qualify as a large company for purposes of these provisions, as we have not yet prepared annual accounts over two years, which is a requirement under Dutch law.

Conflicts of interest, other information

The following circumstances may lead to a potential conflict of interest for the Members of the Board (see Section *Risk Factors – Risks related to the Members of the Board and/or the Promoters*):

- Members of the Board may allocate their time to other businesses leading to potential conflicts of interest in their determination as to how much time to devote to the Company's affairs, which could have a negative impact on the Company's ability to complete the Business Combination;
- The Promoters may have a conflict of interest in deciding if a particular target business is a good candidate for the Business Combination;
 - o The Promoters are not obligated to provide the Company with a first review of all Business Combination opportunities that they or their Affiliates may identify, this is relevant in particular with a view to the investment activities some of the Promoters conduct for their own account, including Mr. Niek Hoek through Brandaris capital, Mr. Stephan Nanninga through LindeSpac and Mr. Gerbrand ter Brugge through Oaklins (or affiliates of Oaklins);

- The Company may engage in the Business Combination with a target business that has relationships with entities that may be affiliated with the members of the Board or the Promoters, which may raise potential conflicts of interest;
- Each member of the Board is also an indirect shareholder in the Company. This may cause them to focus on the financial performance of the Company rather than other stakeholder interests;
- One or more of the members of the Board may negotiate employment or consulting agreements with a target business in connection with a particular Business Combination. These agreements may provide for them to receive compensation following the Business Combination and as a result, may cause them to have conflicts of interest in determining whether a particular proposed Business Combination is the most advantageous;
- The Promoters, including Mr. Niek Hoek, Mr. Stephan Nanninga and Mr. Gerbrand ter Brugge who are also members of the Board, indirectly hold Special Shares which they will only be entitled to convert into Ordinary Shares if they succeed in completing a Business Combination, which may incentivize them to initially focus on completing a Business Combination rather than on critical selection of a feasible target business and the negotiation of favourable terms for the transaction. Provided that, on the long-term the Promoters are more likely to benefit from their Special Shares and related conversion rights if the acquired target business performs well and is integrated in the Company in a manner that is beneficial from a commercial, legal and tax perspective to the Company and all its shareholders. See the section Current Shareholders and Related Party Transactions in the prospectus); and
- Following completion of the Business Combination, one or more Promoters may have an advisory role (potentially as a member of the supervisory board or non-executive director of either the target business or the Company) whilst also maintaining his Special Shares. The ownership of Special Shares, and the potential financial upside of converting such Special Shares into Ordinary Shares may cause such Promoter / adviser of the target business to focus on (short-term) financial results rather than the (long-term) interests of all stakeholders.

We are not aware of any other circumstance that may lead to a potential conflict of interest between the private interests or other duties of members of the Board and the private interests or other duties of members of the Audit Committee vis-à-vis the interests of the Company. There is no family relationship between any members of the Board or the Audit Committee.

With respect to each of the members of the Board and the Audit Committee, we are not aware of:

- i. any convictions in relation to fraudulent offences in the last five years;
- ii. any bankruptcies, receiverships or liquidations of any entities in which such members held any office, directorships or senior management positions in the last five years; or
- iii. any official public incrimination or sanctions of such person by statutory or regulatory authorities (including designated professional bodies), or disqualification by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

Employees and SPAC-team

The Company currently has no employees and does not intend to hire any employees prior to the Business Combination. As mentioned in the annual report of 2018 Mr. David van Ass employed by Oaklins and Mr. Derk Hoek employed by Brandaris assist the Promoters in the ongoing process towards the Business Combination. In 2019 Mr. Felix Snoeck Henkemans employed by Oaklins joined Mr. David van Ass and Mr. Derk Hoek.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Company's Annual Report. The Company's Annual Report comprises the Directors' Report, the Governance Report, the Company's Financial Statements and some other information. The Directors are responsible for preparing the Annual Report in accordance with applicable law and regulations. The Directors are required by law to prepare the Annual Report for each financial year. The Directors have prepared the Annual Report in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and the relevant provisions of the Dutch Civil Code. The Directors must not approve the Annual Report unless they are satisfied that it gives a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the Annual Report, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRS as adopted by the European Union and the relevant provisions of the Dutch Civil Code have been followed, subject to any material departures disclosed and explained in the Annual Report; and
- prepare the Annual Report on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose, with reasonable accuracy at any time, the financial position of the Company and enable them to ensure that the Annual Report complies with applicable law. The Directors have assessed whether the risk assessment executed showed any material failings in the effectiveness of the Company's internal risk management and control systems. Though such systems are designed to manage and control risks, they can provide reasonable, but not absolute, assurance against material misstatements. Based on this assessment, to the best of our knowledge and belief, no material failings of the effectiveness of the Company's internal risk management and control systems occurred and the internal risk and control systems provides reasonable assurance that the 2019 financial statements do not contain any errors of material importance.

With reference to section 5.25c paragraph 2c of the Dutch Act on Supervision, each of the Directors, whose names and functions are listed in the Governance section, confirm that, to the best of their knowledge:

- the Company's financial statements and the consolidated financial statements, which have been prepared in accordance with IFRS as adopted by the European Union and the relevant provisions of the Dutch Civil Code, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- the Directors' Report gives a true and fair view on the situation on the balance sheet date, the development and performance of the business and the position of the Company of which the financial information is included in the Directors' Report and includes a description of the principal risks and uncertainties that the Company faces; and

- having taken all matters considered by the Board and brought to the attention of the Board during the financial year into account, the Directors consider that the Annual Report, taken as a whole is fair, balanced and understandable. The Directors believe that the disclosures set out in the Annual Report provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

After conducting a review of management analysis, the Directors have reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Directors consider it appropriate to adopt the going-concern basis in preparing the Annual Report.

On behalf of the Executive Board of
DSCO

Mr. Niek Hoek
Executive Director

Mr. Stephan Nanninga
Executive Director

Financial Statements 2019

Statement of profit and loss and other comprehensive income

	1 January 2019 - 31 December Note	3 January 2018 - 31 December 2019	2018
(all amounts in €)			
Expenses			
Bank costs	(3,226)	(2,519)	
Administration costs		(57)	
Operating Result	<hr/>	<hr/>	<hr/>
	(3,226)	(2,576)	
Interest expense	(4)	(237,656)	(187,872)
Other gains and losses	(5)	<hr/>	<hr/>
Result before taxes	<hr/>	(2,178,657)	(187,872)
Income Taxes	(6)	-	-
Result for the period	<hr/>	<hr/>	<hr/>
	(2,178,657)	(190,448)	
Other comprehensive income, net of income tax	<hr/>	<hr/>	<hr/>
Total comprehensive income/(loss) for the period	<hr/>	<hr/>	<hr/>
	(2,178,657)	(190,448)	

Earnings per share:

From continuing and discontinued operations

Basic (cents per share)	(7)	(0.38)	(0.03)
Diluted (cents per share)	<hr/>	(0.38)	(0.03)

From continuing operations

Basic (cents per share)	(7)	(0.38)	(0.03)
Diluted (cents per share)	<hr/>	(0.38)	(0.03)

Statement of financial position

(all amounts in €)

Assets

	Note	31 December 2019	31 December 2018
Cash and cash equivalents	(8)	€ 55,039,075	€ 55,275,440
Total current assets		€ 55,039,075	€ 55,275,440
Total assets		€ 55,039,075	€ 55,275,440

Equity

Issued and paid-up share capital	(9)	€ 413,856	€ 413,856
Share Premium	(9)	€ 55,032,810	€ 55,032,810
Accumulated deficits		€ (2,369,105)	€ (190,448)
Total Equity		€ 53,077,561	€ 55,256,218

Liabilities

Current liabilities	(10)	€ 23,738	€ 19,222
Warrant liabilities at fair value through profit or loss	(10)	€ 1,937,775	€ -
Total Liabilities		€ 1,961,513	€ 19,222
Total Equity plus Liabilities		€ 55,039,075	€ 55,275,440

Statement of changes in equity

(all amounts in €)

	Issued and paid-up share capital	Share premium	Accumulated deficits	Total equity
Balance of beginning of the period (as at 3 January 2018)	45,000	-	-	45,000
Profit/(loss) for the period	-	-	(190,448)	(190,448)
Total comprehensive income and expense for the period	-	-	(190,448)	(190,448)
Contributions by and distributions to owners				
Shares issued	368,856	55,032,810	-	55,401,666
Total contributions by and distributions to owners	368,856	55,032,810	-	55,401,666
Balance at 31 December 2018	413,856	55,032,810	(190,448)	55,256,218
Profit/(loss) for the period	-	-	(2,178,657)	(2,178,657)
Total comprehensive income and expense for the period	-	-	(2,178,657)	(2,178,657)
Contributions by and distributions to owners				
Shares issued	-	-	-	-
Total contributions by and distributions to owners	-	-	-	-
Balance at 31 December 2019	413,856	55,032,810	(2,369,105)	53,077,561

Statement of cash flows

(all amounts in €)

	1 January 2019 - Note	3 January 2018 - 31 December 2019	31 December 2019
Operating result	€ (3,226)	€ (2,576)	
Interest expense paid	(4) € (233,139)	€ (168,650)	
Cash flow from operating activities	€ (236,365)	€ (171,226)	
Share Capital increase (from proceeds IPO)	€ -	€ 55,401,666	
Cash flow from financing activities	€ -	€ 55,401,666	
Cash flow from investing activities	€ -	€ -	
Net cash flow	€ (236,365)	€ 55,230,440	
Begin amount cash and cash equivalents	55,275,440	45,000	
Ending amount cash and cash equivalents	55,039,075	55,275,440	

Notes to the financial statements

Note 1 General Information

We herewith present the Company and financial statements of DSCO for the year ending 31 December 2019. The company was incorporated in the Netherlands on 3 January 2018. It is registered, with its legal seat in Amsterdam, as a Public Limited Liability Company (N.V.) under the Chamber of Commerce registration number: 70523770.

The Company is a SPAC for the purpose of acquiring a significant minority stake in a business with principal business operations in Europe, preferably in the Netherlands. Further reference is made to the Directors' Report. No company has yet been acquired at this stage.

Note 2 Application of new and revised International Financial Reporting Standards (IFRSs)

Note 2.1 New and revised IFRSs in issue but not yet effective

The Company has not yet applied the following new and revised IFRSs that have been issued but are not yet effective. Some standards, interpretations and amendments are adopted by the EU with an effective date later than that established by the IASB. Therefore, the effective date of application in the EU is separately listed in the table below.

Considering the current circumstances, it is currently not possible to assess the impact of the changes on the future Business Combination. The effect will be assessed during this transaction. The amendments of standards have been included on the next page.

New standards such as IFRS 16, amendments to an existing standard and new interpretations with a date of initial application of 1 January 2019 have no material impact on DSCO.

New and revised IFRSs in issue but not yet effective

Standard	Title	Effective Date IFRS
amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32	Amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32 to update those pronouncements with regard to references to and quotes from the framework or to indicate where they refer to a different version of the Conceptual Framework	1 January 2020
IFRS 3	Amendments resulting from Annual Improvements 2015–2017 Cycle (remeasurement of previously held interest)	1 January 2019
IFRS 3	Amendments to clarify the definition of a business	1 January 2020
IFRS 9	Amendments regarding prepayment features with negative compensation and modifications of financial liabilities	1 January 2019
IFRS 11	Amendments resulting from Annual Improvements 2015–2017 Cycle (remeasurement of previously held interest)	1 January 2019
IFRS 16	Lease accounting	1 January 2019
IFRS 17	Insurance contracts	1 January 2021
IAS 1	Amendments regarding the definition of material	1 January 2020
IAS 8	Amendments regarding the definition of material	1 January 2020
IAS 12	Amendments resulting from Annual Improvements 2015–2017 Cycle (income tax consequences of dividends)	1 January 2019
IAS 19	Amendments regarding plan amendments, curtailments or settlements	1 January 2019
IAS 23	Amendments resulting from Annual Improvements 2015–2017 Cycle (borrowing costs eligible for capitalisation)	1 January 2019
IAS 28	Amendments regarding long-term interests in associates and joint ventures	1 January 2019
IFRIC 23	Uncertainty over Income Tax Treatments	1 January 2019

Note 3 Significant accounting policies

Note 3.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards as endorsed by the European Union and Part 9 of Book 2 of the Dutch Civil Code.

Note 3.2 Basis of preparation

The financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

As set out in the Prospectus, DSCO has 24 months from settlement date (26 February 2018) to complete a Business Combination, subject to a potential one-off six-month extension approved by the Company's general meeting. As of year-end 2019 the Company has 2 months to realize a Business Combination, with a possible extension of six months. Currently, DSCO has entered into a Business Combination Agreement with CM.com. This Business Combination Agreement is subject to final approval of the EGM on 20 February 2020. The Business Combination Agreement materialized after the reporting period (the full year 2019) and does not affect the financial statements.

Note 3.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Note 3.4 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Note 3.4.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss and other comprehensive income, because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Note 3.4.2 Current and deferred tax for the year

Current tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax is also recognised in other comprehensive income or directly in equity respectively. Where current tax arises from the initial accounting for a Business Combination, the tax effect is included in the accounting for the Business Combination.

Note 3.5 Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities that are within the scope of IFRS 9 are initially measured at fair value and subsequently at amortised cost or at fair value either through profit and loss or other comprehensive income depending on the classification of the instrument based on the purpose for which the instruments are held.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Note 3.5.1 Cash and cash equivalents

Cash and cash equivalents include current accounts and deposits/escrow held at call with banks and bank overdrafts. Bank overdrafts are shown separately within current liabilities on the statement of financial position. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Note 3.5.2 Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Note 3.5.3 Debt instruments

Debt instruments (Warrants) issued by the Company entity are initially recognised at fair value. Subsequent measurement is at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss.

Note 3.5.4 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Note 3.6 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the Directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key judgement having a significant effect on the amounts recognized in the financial statements related to the equity or debt classification of the shares. DSCO's Directors consider the shares to be equity instruments and not debt instruments in accordance with IAS 32.

DSCO's Directors believe that although the Warrants are listed at the Euronext Amsterdam, the aspect of an Active Market as prescribed requirement under level 1 (see earlier), has not been met. This is due to the fact that there is no sufficient 'liquidity' with respect to the Warrants. In 2019 a relatively small number of transactions took place, too small to meet the criteria of an Active Market. As a consequence, the fair value measurement of the Warrants cannot be considered a Fair Value measurement based on level 1, as the quoted price of the Warrants cannot be used in this case.

However, Directors are convinced that a level 2 measurement is applicable. From the paragraph's introduction in this paragraph comes forward that quoted prices for identical or similar assets or liabilities in markets that are not active, can be used to derive the fair value of a particular instruments. Directors believe that this is currently the case for the Warrants. As level 2 input, directors are convinced that the Warrant Price from the Amsterdam Stock Exchange as per 31 December 2019, can be used to meet the criteria of an identical or similar assets or liability in markets that are not active. Directors are also of the opinion that the price is based on an orderly transaction between market participants at the measurement date and under current market conditions.

Note 3.7 Cash flow Statement

The cash flow statement is presented using the indirect method. [Cashflows from interest payments are presented as operating cashflows. Further reference is made to note 8 on page 44.](#) The movement in the value of the warrants are non-cashflow movements.

Note 3.8 Segment information

Note 3.8.1 Products and services from which reportable segments derive their revenues

The Company is a ‘special purpose acquisition Company’ (“SPAC”). At the period-end 31 December 2019 no acquisition has yet been completed. Given the nature of the Company the sole product/service from which reportable segments derive their revenue arises from the acquisition of other entities. As a consequence, no operating segments have been aggregated in arriving at the reportable segments of the Company.

Note 3.8.2 Segment revenues and results

The Company considers the current operation as one segment with a single exposure to the Dutch economy. Therefore, the Company does not have any (recognizable) revenues for individual separate segments. The Company incurred bank costs of (€ 3,226) interest expense of (€ 237,656) and Warrant expense of (€ 1,937,775) resulting in a total result for the single segment as stated in (€ 2,178,657).

Note 3.8.3 Segment assets and liabilities

The Company considers the current operation as one segment with a single exposure to the Dutch economy. Therefore, the Company does not have any (recognizable) revenues for individual separate segments. The assets consist of cash in an Escrow and on the Company’s bank account of € 55,039,075.

Note 4 Interest expense paid

(all amounts in €)	<u>1 January 2019 - 31 December 2019</u>	<u>3 January 2018 - 31 December 2018</u>
Interest expense	(237,656)	(187,872)
	(237,656)	(187,872)

The weighted average interest rate on funds placed in escrow is (0.43%) per annum. For 2019 the total interest charged on funds placed in escrow and interest charged on funds on the Company's bank account is (0.43%). The weighted average interest rate on funds placed in escrow and interest charged on funds on the Company's bank account in 2018 was (0.34%).

Note 5 Other gains and losses

(all amounts in €)	<u>1 January 2019 - 31 December 2019</u>	<u>3 January 2018 - 31 December 2018</u>
Net gain/(loss) arising on financial liabilities	(1,937,775)	-
	(1,937,775)	-

The Warrant liabilities are measured at fair value with any gains or losses arising on changes in fair value recognised in profit or loss. This results in the above loss arising on financial liabilities mandatorily measured at FVTPL.

Note 6 Income tax recognized in profit or loss

The tax rate used for the 2019 reconciliations above is the corporate tax rate of 20% until €200,000 and 25% above that amount. These are the tax rates payable in the Netherlands on taxable profits under Dutch Law. As the Company has not made taxable profits no income tax has been recognized in the profit or loss. Furthermore, no deferred tax assets and/or liabilities are considered as well. Not recognized losses amount to EUR 431,330.

Note 7 Earnings per share

Note 7.1 Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows.

(all amounts in €)	<u>1 January 2019- 31 December 2019</u>
Profit for the year attributable to owners of the Company	(2,178,657)
Dividends paid	-
Earnings used in the calculation of basic earnings per share	(2,178,657)
Weighted average number of ordinary shares for the purposes of basic earnings per share	5,730,944
	(0.38)

For 2018, loss amounted to EUR 190,448 or EUR 0,03 per share.

Note 7.2 Diluted earnings per share

(all amounts in €)

1 January 2019 - 31 December 2019

Profit for the year attributable to owners of the Company	(2,178,657)
Dividends paid	-
Earnings used in the calculation of basic earnings per share	(2,178,657)
Effects of dilution warrants (# of shares)	0
Earnings used in the calculation of diluted earnings per share	(2,178,657)
Weighted diluted average number of ordinary shares for the purposes of basic earnings per share	5,730,944
	(0.38)

For 2018, loss amounted to EUR 190,448 or EUR 0,03 per share.

Diluted earnings per share are the same as the basic earnings per share at 31 December 2019

Share price at year end is € 9.80 and the Warrant price at year end is € 0.70. Since we consider the Warrant to have a fair value level 2 measurement, we use the quoted prices for identical or similar assets or liabilities in markets that are not active. This means we use the Warrant price at year end, which is € 0.70, to calculate the fair value of the Warrant. Since DSCO entered into a non-binding heads of agreement with CM.com on 18 December 2019 the Warrant is valued to its Warrant price on the market. This means that of the 18th of December the Warrants if exercised will convert into 195,735 ordinary shares. As this has no dilutive effect on the earnings per share the diluted earnings per share are the same as the basic earnings per share at 31 December 2019.

Note 8 Cash and cash equivalents

Cash and cash equivalents consist of a current and an escrow account held at ABN Amro Bank N.V. The funds that have been deposited in the escrow account will be held in escrow until at least 70% of the General Meeting will approve the investment in a Business Combination (the Target company). Thereafter, DSCO will seek to fully consolidate with the target company and the SPAC will continue the business activities under the name of the target company (at which point DSCO shareholders will still hold listed shares). If a Business Combination is not proposed within 24 months after the IPO and the Extension Clause isn't triggered, invested funds deposited in the escrow account will be returned to shareholders.

(all amounts in €)	<u>1 January 2019 - 31 December 2019</u>	<u>3 January 2018 - 31 December 2018</u>
Begin amount cash and cash equivalents	55,275,440	-
Cash flow from operating activities	(236,365)	(171,226)
End amount cash and cash equivalents	55,039,075	55,275,440

Note 9 Issued capital

Note 9.1 Fully paid Shares

#	2019	2018
Balance at 1 January 2019	5,730,944	107,143
Issue of Special Shares	-	87,301
Issue of Ordinary Shares	-	5,536,500
Total issue of Shares	-	5,623,801
Balance at 31 December 2019	5,730,944	5,730,944

Fully paid Ordinary Shares, which have a par value of € 0.06 carry one vote per share and carry a right to dividends. The Company is initially offering at least 2,500,000 units (each a Unit) at a per unit price of € 20.00 (the offer price). Each Unit consists of:

- Two Ordinary Shares with a nominal value of € 0.06 per share (each an Ordinary Share); and
- Two Warrants (each a Warrant), which entitle the holder thereof to affect a conversion of such warrants into one or more Ordinary Shares in accordance with the terms set out in the prospectus.

Before IPO, the Company had 107,143 special shares outstanding in the share capital of DSCO, with a nominal value of € 0.42.

At IPO, the Board resolved to issue Ordinary Shares and Warrants on 22 February 2018. It was resolved to issue 5,536,500 Ordinary Shares in the share capital of DSCO, with a nominal value € 0.06, and 268,250 Warrants.

The Ordinary Shares are issued at an issue price of € 10.00 per share, amounting to € 55,365,000, whereby the amount of € 55,032,810 is stipulated as share premium. On the same date, 22 February 2018, DSCO resolved to issue, 87,301 Special Shares to Dutch Star Companies Promoters Holding B.V. with a nominal value of € 0.42. These new shares were issued at par, and therefore at an issue price of € 0.42 per share, amounting to € 36,666.42.

Note 9.2 Issued Capital

(all amounts in €)	31 December 2019	31 December 2018	3 January 2018
Share capital	413,856	413,856	45,000
Share premium	55,032,810	55,032,810	-
	55,446,666	55,446,666	45,000

(# of shares)

Issued capital comprises:

x fully paid Shares	5,730,944	5,730,944	107,143
x fully paid convertible warrants	2,768,250	2,768,250	-
	8,499,194	8,499,194	107,143

The Warrants issued initially and currently do have value as the Warrant price of 31 December 2019 is € 0.70.

Note 10 Liabilities

Note 10.1 Current liabilities

The Company has an interest payable of € 23,738. at 31 December 2019 (2018-€19,222).

Note 10.2 Warrant liabilities

The Company has financial liabilities on its statement of financial position which is the Warrant liabilities of € 1,937,775 at 31 December 2019. The Warrants are recognised at fair value with any gains or losses arising on changes in fair value recognised in profit or loss. Calculation of the Warrant liabilities of € 1,937,775 is the Warrant price (€ 0.70) times the current outstanding Warrants.

Note 11 Financial instruments

Note 11.1 Capital management

The Company manages its capital to ensure the Company will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Company consists of net debt and equity of the Company.

The Company is not subject to any externally imposed capital requirements.

The Company's executive board reviews the capital structure of the Company on a semi-annual basis. As part of this review, the executive board considers the cost of capital and the risks associated with each class of capital.

Note 11.2 Categories of financial instruments

Note 11.2.1 Financial assets

(all amounts in €)	<u>31 December 2019</u>	<u>31 December 2018</u>
Financial assets:		
Cash and bank balances	55,039,075	55,275,440
	55,039,075	55,275,440

Note 11.2.2 Financial liabilities

(all amounts in €)	<u>31 December 2019</u>	<u>31 December 2018</u>
Financial liabilities:		
Warrant liabilities	1,937,775	-
	1,937,775	-

The current liabilities (note 10.1) also represent financial liabilities.

Note 11.3 Financial risk management objectives

The Company's sponsor provides services to the business, co-ordinates access to domestic financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk meetings which analyse exposures by degree and magnitude of risks. These risks might include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

Note 11.4 Market risk

The Company's activities expose it to the financial risks of changes interest rates and price risk of the Warrants. As the Warrants are recognised at fair value and are liabilities on the balance sheet of the Company. The Company's exposure to market risks are the volatility of the of the Warrants and thereto the Company's liabilities may deviate over time because Warrants price can fluctuate because of changing market conditions. The Warrants are publicly traded at the Euronext Stock Exchange.

Note 11.5 Interest rate risk management

The Company is exposed to interest rate risk relating to the escrow account in which 99% of the proceeds from IPO are held. The rate applicable to the escrow account is the EONIA (€o OverNight Index Average) minus 4 basis points (bps) (e.g. -39 bps - 4 bps = 43 bps negative interest). The Company's exposures to interest rates on financial assets and financial liabilities are further detailed in the liquidity risk management section of this note.

Note 11.6 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. 99% of the IPO proceeds are deposited in an escrow account. This account is monitored and managed by a professional escrow agent (Intertrust B.V.). The escrow account itself is held by ABN Amro Bank NV. Holding the majority of the Company's capital at one bank creates a concentration risk, this single exposure can have the potential to produce losses large enough to threaten the ability of the Company to continue operating as a going concern. In this case although the concentration risk is high, the chance of default of ABN Amro Bank NV is deemed very low, the bank has A1 (Moody's), A (S&P), and A+ (Fitch) long term credit ratings and P-1 (Moody's), A-1 (S&P), and F-1 (Fitch) short term credit ratings at the end of the year 2019.

Note 11.7 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors. All operating costs until the first business acquisition are covered by the Promoters. The Promoters have committed a cash amount of € 1,750,000 to fund the expenses of the Offering (the Offering Expenses) and the initial working capital of the Company (the Initial Working Capital).

At completion of the Offering an amount equal to € 81,666.48 is available to the Company by fulfilment of the purchase price for the Special Shares. The remaining part of the amount covered by the Promoters, up to an aggregate amount of € 1,668,333.52, will be covered by the Promoters through Dutch Star Companies Promoters Holding B.V. on a running basis, as required by the Company.

The Offering Expenses covered by the Promoters will in no event be refunded. The Promoters shall be refunded by the Company (and thus indirectly by all Shareholders) for the Initial Working Capital subject to and upon completion of the Business Combination (see the section Refund to Promoters below). Hence, the Offering Expenses will in any event be fully borne by the Promoters and the Initial Working Capital (as defined below), will be fully borne by the Promoters in the event no successful Business Combination is completed by the Business Completion Deadline up to the committed amount of € 1,750,000 (including the Offering Expenses). In the event of a successful Business Combination the Promoters may be refunded for the costs of the Initial Working Capital incurred by them. It is expected an equal amount will be paid out of the Escrow Account (as defined below).

If the Offering Expenses and the Initial Working Capital in aggregate exceed the amount of € 1,750,000 committed by the Promoters, the Company may use an amount of up to 1% of the gross proceeds from Units offered in the Offering (the Escape Hatch Amount) to cover such additional costs (the Escape Hatch). The Company currently does not expect the Escape Hatch to be triggered and the Board will do its utmost to control the relevant costs. In the event the Escape Hatch is triggered prior to the BC-EGM, this will be disclosed in the shareholder circular for the BC-EGM. In the event the Escape Hatch is triggered between the BC-EGM and the Business Combination Completion Date, this will be disclosed in the annual accounts following the Business Combination completion Date.

The sensitivity analyses below have been determined based on the exposure to interest rates for cash and cash equivalents at the end of the reporting period. For floating rate assets, the analysis is prepared assuming the amount of the asset outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to the Board of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's:

- profit for the period ended 31 December 2019 would decrease/increase by € 266,377
This is mainly attributable to the Company's exposure to interest rates on its variable rate cash and cash equivalents.

The Company's sensitivity to interest rates has slightly increased during the current year mainly due to the reduction in cash and cash equivalents. The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities are subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

Note 12 Fair value measurements

This note provides information about how the Company determines fair values of various financial assets and financial liabilities. The Director are convinced that a level 2 fair value measurement is applicable. This means that quoted prices for identical or similar assets or liabilities in markets that are not active, can be used to derive the fair value of a particular instruments. Directors belief that this is currently the case for the Warrants. As level 2 input, management is convinced that the Warrant Price from the Amsterdam Stock Exchange as per 31 December 2019, can be used to meet the criteria of an identical or similar assets or liability in markets that are not active. Directors are also of the opinion that the price is based on an orderly transaction between market participants at the measurement date and under current market conditions. See the overview below:

(all amounts in €)	Level 1	Level 2	Level 3	Total balance
Financial assets at fair value through profit or loss				
Warrant liabilities	-	1,937,775	-	1,937,775
Total liabilities at fair value through profit or loss	-	1,937,775	-	1,937,775

Note 13 Current Shareholders and Related party transactions

Promoters, via Dutch Star Companies Promoters Holding B.V. committed a total amount of € 1,750,000. This amount is being used to pay the costs (e.g. bank, legal, advisory and insurance costs) made in respect of this initiative, hence the Company. If the cost exceeds the amount of € 1,750,000 the Company may use an amount of up to 1% of the gross proceeds from units offered in the Offering (the 'Escape Hatch') to cover additional costs. Current cumulative amount paid is appr. € 730,000.

The Promoters are not entitled to any cash remuneration or compensation prior to completion of a Business Combination as the potential conversion of Special Shares shall be their sole reward in that respect. The Special Shares may be converted into Ordinary Shares. If a Promoter exercises his right to convert Special Shares, each Special Share may be converted into such number of Ordinary Shares in accordance with the principles set out in the Shareholders' Agreement and set out in the prospectus.

The other members of the Board are not entitled to any cash remuneration or compensation prior to completion of a Business Combination as the potential value increase of their Ordinary Shares and conversion of Warrants shall be their sole reward in that respect.

Note 14 Key management personnel compensation and director's remuneration

The members of the Board and the Promoters are not entitled to any remuneration or compensation prior to completion of a Business Combination. The remuneration of the members of the Board following a Business Combination, if any, shall be disclosed in the shareholder circular published in connection with the DSCO EGM and is expected to be in line with market practice for small to medium sized companies. The members of the Board have not entered into any type of employment or service agreement with the Company. As such, there are no severance

arrangements between the members of the Board and the Company. Since the members of the Board will not be remunerated, there is no remuneration committee.

Note 15 External Auditor's remuneration

In 2019 Deloitte Accountants B.V. has been appointed as independent External Auditor of the Company. The auditor's remuneration for the audit of the Company's financial statements amounted to € 33,275 (2018€ 27,500) -and relates solely to Deloitte Accountants B.V.

Note 16 Events after the reporting period

On 9 January 2020 DSCO entered into a Business Combination Agreement with CM.com B.V.. CM.com is a global mobile services provider that offers its customers a combination of end-to-end private cloud-based communication and payment services. The platform includes messaging channels, such as SMS, WhatsApp Business, Apple Business Chat and Google RCS. CM.com has accumulated the necessary knowhow and developed a proprietary technology platform over the past 20 years and believes it is now ideally positioned to take advantage of the vast global demand for Conversational Commerce and progress to the next phase of growth by scaling up its operations.

The Business Combination will give CM.com a listing on Euronext Amsterdam and a significant capital injection. DSCO believes that the Business Combination with CM.com is a highly compelling opportunity to fuel CM.com's growth strategy going forward. Forming the Business Combination is an important, strategic opportunity for DSCO shareholders, enabling them to participate in CM.com's attractive business model and ample growth opportunities. The Business Combination is expected to become effective on 21 February 2020, subject to customary approvals having been obtained.

The Business Combination Agreement materialized after the reporting period (the full year 2019) and this subsequent event does not affect the financial statements.

Note 17 Approval of financial statements

The financial statements were approved by the board of directors and authorized for issue on 18 February 2019.

On behalf of
Dutch Star Companies ONE N.V.

Mr. Niek Hoek

Mr. Stephan Nanninga

Mr. Aat Schouwenaar

Mr. Gerbrand ter Brugge

Mr. Joop van Caldenborgh

Mr. Pieter Maarten Feenstra

Mr. Rob ten Heggeler

Other Information

Provisions of Article of Association concerning profit appropriation

The provisions regarding the reservation and distribution of profits are included in Article 29 of the Articles of Association. The following provisions have been mentioned in the aforementioned Article:

1. The Board may decide that the profits realized during a financial year and appearing from the adopted annual accounts are fully or partially appropriated to increase and/or form reserves.
2. The profits remaining after application of Article 29.1 shall be put at the disposal of the general meeting. The Board shall make a proposal for that purpose. A proposal to pay a dividend shall be dealt with as a separate agenda item at the General Meeting.
3. All Shares share equally in all distributions, notwithstanding Article 11.6 and Article 41.4.
4. Distributions from the Company's distributable reserves are made pursuant to a resolution of the Board.
5. Provided it appears from an interim statement of assets signed by the Board that the requirement mentioned in Article 29.8 concerning the position of the Company's assets has been fulfilled, the Board may make one or more interim distributions to the holders of Shares.
6. The Board may decide that a distribution on Shares shall not take place as a cash payment but as a payment in Shares, or decide that holders of Shares shall have the option to receive a distribution as a cash payment and/or as a payment in Ordinary Shares, out of the profit and/or at the expense of reserves, provided that the Board is designated by the General Meeting pursuant to Articles 8.2. The Board shall determine the conditions applicable to the aforementioned choices.
7. The Company's policy on reserves and dividends shall be determined and can be amended by the Board. The adoption and thereafter each amendment of the policy on reserves and dividends shall be discussed and accounted for at the General Meeting under a separate agenda item.
8. Distributions may be made only insofar as the Company's equity exceeds the amount of the paid in and called up part of the issued capital, increased by the reserves which must be kept by virtue of the law or these Articles of Association.

The Board proposes to add the current results over the period to the accumulated deficits. This proposal has not yet been reflected in the financial statements.

Independent Auditor's Report

Independent auditor's report

To the shareholders and board of directors of Dutch Star Companies ONE N.V.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS 2019 INCLUDED IN THE ANNUAL REPORT

Our opinion

We have audited the accompanying financial statements 2019 of Dutch Star Companies ONE N.V., based in Amsterdam.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Dutch Star Companies ONE N.V. as at 31 December 2019, and of its result and its cash flows for 2019 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. The statement of financial position as at 31 December 2019.
2. The following statements for 2019: of profit and loss and other comprehensive income, changes in equity and cash flows.
3. The notes comprising a summary of the significant accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of Dutch Star Companies ONE N.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the "Wet toezicht accountantsorganisaties" (Wta, Audit firms supervision act), the "Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten" (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the "Verordening gedrags- en beroepsregels accountants" (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 500.000. The materiality is based on 0,9% of total equity. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the board of directors that misstatements in excess of EUR 25.000, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Key audit matters

We have not identified key audit matters to include in our report.

EMPHASIS OF MATTER

We would like to draw your attention to page 50 in the notes to the financial statements, where management describes a non-adjusting subsequent event in connection with a potential share transaction and a business combination. A number of approvals need to be obtained by the target company prior to closing that have not yet been received as of the date of this report. In the event the business combination ("reverse takeover") is consummated as planned, the legal entity will remain, however, amongst others, the management, business activities, number of shares and equity will substantially change. The current shareholders of the company will following the dilution become minority shareholders in the entity post transaction. In the case the transaction is successfully closed, the entity will continue as a going concern. See note 3.2 (page 39) and in Note 8 (page 44) of the financial statements on the implications of the Business Combination Completion Deadline on the going concern of the company. Our opinion is not modified in respect of this matter.

REPORT ON THE OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

In addition to the financial statements and our auditor's report thereon, the annual report contain other information that consists of:

- Letter from the Chairman of the Board.
- Directors' Report.
- Non-executives Directors' report.
- Corporate Governance.
- Statement of Directors' responsibilities
- Other information

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements.
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the Directors' report, the Non-executive Directors' report, Corporate Governance and the Statement of Directors' responsibilities in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Engagement

We were engaged by the board of directors as auditor of Dutch Star Companies One N.V. on November 23, 2017, as of the audit for the year 2018 and have operated as statutory auditor ever since that financial year.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

DESCRIPTION OF RESPONSIBILITIES REGARDING THE FINANCIAL STATEMENTS

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

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Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identified during our audit.

Amsterdam, 18 February 2020

Deloitte Accountants B.V.

Signed on the original: J. Hendriks RA