

Time to accelerate

2020 ANNUAL REPORT



CM.COM AT A GLANCE

CM.com (Euronext Amsterdam: CMCOM) is a global leader in cloud software for conversational commerce that enables businesses to deliver a superior customer experience. Our communications and payments platform empowers marketing, sales and customer support to automate engagement with customers across multiple mobile channels, blended with seamless payment capabilities that drive sales, gain customers and increase customer happiness.

COLOFON

Concept & realisatie: VG Visie, Erwin Asselman
& CM.com, Anneke Hoijtink
Editor: Tiffany Davenport
Art direction en ontwerp: Das Studio
Matthijs Koppen & Lena Steinborn
Begeleiding: CM.com, Paul Moelands
Fotografie: Martin Dijkstra
Visagie: Annemieke van Duuren
Styling: Rianne Boon
Druk: Printconsult



CONTENT

CEO Message	6
Mission and Vision	13
2020 Key Figures and KPIs	14
2020 Highlights	16
Shareholder Information	18
Management Board Report	
• Market of Conversational Commerce	24
• Value Creation Model	28
• Strategy And Objectives	30
Part I Cases	33
• Strategic developments	44
• Business results	46
<i>Interview Jan Saan, CTO</i>	50
• Financial results	54
• CM.com Organization	57
• Sustainability	60
Part II Cases	65
• Risk Management	76
<i>Interview Jörg de Graaf, CFO</i>	84
• Management Board	88
• Supervisory Board	88
• Corporate Governance	89
Supervisory Board Report	97
<i>Interview Gilbert Gooijers, COO</i>	104
Remuneration Report	109
2020 Financial Statements	119
Annex A: Corporate Governance until 21 February 2020	178

MARKET OUTPERFORMER

When you ask CM.com's CEO about his role since the listing, the co-founder will tell you he is both pleased and excited to lead the company, which since its listing in February 2020, has grown in size in terms of staff, offices, customers, revenue and gross profit. Looking back at a tremendously exciting year, Jeroen van Glabbeek is certain CM.com is in pole position to continue its growth in 2021 and beyond. "We want our products to benefit society and help businesses. We're particularly proud that we, together with our partners, have been able to assist the Dutch Public Health Service by providing various solutions related to Covid-19 communication.



Jeroen van Glabbeek
CEO CM.com

"In the field of CPaaS, we are one of the fastest-growing companies in the world."

The pandemic underlined the long-term vision of CM.com that mobile technology will be the preferred way businesses and consumers around the world want to communicate and interact with each other. Last year, even more corporations and institutions started to use mobile channels to engage in conversations with consumers. Jeroen van Glabbeek believes that conversational commerce is still in its infancy and that companies are just starting to learn about the infinite possibilities. “It has certainly become more crowded at the start line. The worldwide business community is now more confident about the value of conversational commerce. People no longer just want push notifications in their email inbox; they want companies and government institutions to be available via various communication channels, from voice, e-mail, SMS to WhatsApp.”

What did CM.com learn in the past year?

As a company, we noticed that everything became digital and extremely complicated in just a matter of weeks. The pandemic triggered multiple responses from companies. Everything had to be solved quickly, and the solutions were significant in terms of impact. In the call center sector, which has a global turnover of approximately € 100 billion, you saw, almost overnight, a tidal wave of calls migrating to chats. Most call center agents were confronted with the sudden fact that they had to work from home, and for practical reasons, they preferred using chat over calls. The consumer had already shown a strong preference for chat, but this was still rather new from the call center point of view.

At the same time, we were asked by the Dutch government health organization to help with call center operations, which in a matter of days and weeks, were built from scratch with the specific purpose to facilitate Covid-19 testing and vaccination programs. The difficulty was in the fact that people were calling the call centers en masse and these call center agents were working mostly from home. This made it especially challenging. From our point of view, we were thrilled that our technology could make a difference and be used for such a socially important cause.

NEW RULES

The world is changing, and companies have to adapt. Our customers needed to drastically change the rules of the game. At the start of 2020, we were still servicing the innovators and the early adapters of marketing technology. Mainstream companies saw the advantages of conversational commerce but preferred to test the water first. When the pandemic kicked in, companies had to speed up their decision-making processes. The sense of urgency became greater, products were quickly optimized, and the market matured rapidly.

I would say it was neutral during the pandemic. We expect that post-Covid market developments will work to our advantage, because we see that companies are willing to adapt to new products much more quickly. We paid a lot of attention to the automation of our processes to minimize the time frame for -customers to go live with a new feature. In 2019, it still took us a few hours to connect WhatsApp Business Chat for a customer. Now this job has minimized to minutes, connecting many companies.

What, in your view, triggered the behavioral change of your enterprise customers?

Was the Covid-19 crisis an economic advantage for CM.com?

How did 2020 strengthen your long-term strategy?

Years ago, we mainly competed on selling SMS text messaging, but we offered more than that. People just didn't know what our conversational commerce solutions exactly meant and what their advantages were. 2020 was the year of explanation in that sense. The start of the Covid-19 crisis accelerated the changing customer demand to multiple solutions offered by a single provider to strengthen their marketing or enhance their service support. When you work with CM.com, you don't need to work with ten different suppliers to connect the dots. It makes life easier.

2020 also changed our playing field. We now not only compete with other CPaaS players but also with software companies, that offer specific solutions for certain parts of our conversational commerce offering. Customers choose us because we let them offer their clients an excellent customer experience, independent of the channel they choose, all based on the mobile-first rationale. Service is the best way to make a difference and we assist our clients to deliver a five-star customer experience that focuses on 'outperforming expectations.' This is also our marketing slogan for 2021.

After listing on Euronext Amsterdam and the connected capital raise of € 73 million, you were able to start the accelerated growth strategy.

Indeed. In the first half of the year, we opened additional hubs in the USA and Kenya. We also boosted our recruitment of talented and experienced salespersons, which increased our sales force by almost 135% in 2020. We continued to make good progress and we opened more hubs around the world. In August, we opened a hub in Turkey, and in September and October, we opened hubs in India and Italy. We'll continue our global expansion strategy by opening more hubs and recruiting additional personnel in 2021 to boost our sales and innovation power.

How important were the three acquisitions you made?

HYBRID SOLUTIONS

The year's first acquisition enabled us to service all segments within the ticketing market. Global Ticket is the market leader in e-ticket solutions for museums, attractions and zoos. It has customers in the Netherlands, Belgium, Spain and South Africa.



“In 2020, CM.com became known as a rapidly growing technology company, which increased our appeal as an employer.”

A few months later we acquired CX Company, a European (cloud-based) digital conversation platform with enterprise-grade chatbot technology and high added value solutions. This was a perfect addition to our offering and an important next step in our journey to become the world-leading one-stop-shop for conversational commerce.

RobinHQ.com offers the most personal approach in e-commerce, with technology that provides help to sell services in a personal manner. The company provides us with additional high-value functionalities for customer contact centers as well as an extended customer base for enhanced up and cross-selling opportunities.

We want to provide the best for our customers. Therefore, we combined the skills of CX Company and RobinHQ.com. When you visit a corporate website and ask a question, it doesn't matter which channel you use – WhatsApp, Telegram, e-mail – to start a conversation with that company. Based on the specific problem, the chatbot decides to ask, for instance, two automatically generated questions. After the third question, a support agent will take over the conversation. During that human-to-human chat session, our robot uses artificial intelligence to think along on the specific issue and advise the support agent on which line of approach best facilitates the consumer. This type of cross-pollination between bots and humans is on the verge of becoming very refined. We know that consumers and clients appreciate this type of hybrid service.

Does CM.com position itself as a strategic-solutions partner for global enterprises?

Indeed, we do. We offer complete integrated cloud solutions combining communication channels with payment services and SaaS features to optimize Marketing and Customer Contact services. We have consolidated several of our services in the Mobile Service Cloud, which lifts customer care to the highest level by providing access to all messaging channels, tools, and features. Next to that, we offer the Mobile Marketing Cloud that offers advanced workflows to design the ultimate omnichannel customer journey and a scripted chatbot that automatically integrates with WhatsApp and our Customer Contact app. Once you know who your customers are, you can proactively start a conversation. Then you begin to learn about and understand your customers.

Knowing your customer and being relevant to them increases customer satisfaction and loyalty. To be able to store their privacy-sensitive data safely and responsibly is key. All the information about a new client relationship is aggregated in an intuitive and easy-to-use way. The CM.com global marketing cloud's primary goal is to send relevant messages to precisely the right target audience, precisely addressing the right people in the correct context. This works perfectly on a mobile device.

“Covid-19 has accelerated the demand for CM.com’s wide-ranging solutions to help improve marketing and customer service support.”

How big of an influence did the listing have on the organization?

How do you make sure you don’t out brake or oversteer during the next race in 2021?

As a private company, CM.com was relatively modest, growing steadily under the radar. As a public listed company, it has learned to be more outgoing.

Where do you see CM.com in 5 years?

OUTPERFORM EXPECTATIONS

We were well prepared for the stock exchange listing. If we hadn't been able to do the listing, we couldn't have financed the accelerated growth and would have had to literally sell 'no' to our customers. Before the listing, we had, let's say, ten good ideas at a time, but we only had the capital to execute one great idea. Now we can run four out of ten great ideas. We hold on to that start-up culture of coming up with one good idea every day, accelerating a process on a daily basis. That's the reason why we're gathering momentum and speeding up to win the race for our customers. In the field of CPaaS, we're currently one of the fastest-growing companies in the world. In 2020, we managed to pick up speed every quarter while hiring more people to boost our sales and innovation power.

We always remind ourselves of our creed, 'sustainable, profitable growth.' Every new customer has to be profitable from the start. Also, happy, loyal customers are long-term customers. Our churn was only four percent in 2020 and revenue of existing customers grew by 29%. To us, these are important parameters that indicate that our customers are happy.

TRACK RECORD

I think the general public heard about CM.com for the first time in 2020. At the start, we were maybe seen as the new kid on the block. Over the past year, we've built up a track record with strong results each quarter. We've also published an annual report for the last two years in which investors, customers and analysts can see that we fulfil our promises. This all contributes to the market's trust in our future. In 2020, CM.com became known as a rapidly growing technology company, which increased our appeal as an employer.

At the end of 2020, we were included in one of the world-leading indexes, the MSCI Global Small Cap Indexes. That was an important step to further boost the visibility and liquidity of the CM.com share worldwide. It has helped us in our journey to become the world-leading one-stop-shop for conversational commerce. Already today, most internet users use mobile devices to go online. There are 5,22 billion unique mobile users, that's two-thirds of the world's population. The mobile phone is by far the number one screen in consumers' lives, and we believe that mobile phones will become the number one device for communication between businesses and consumers. Our services are channel-agnostic; consumers can use any means to communicate with companies.

CM.com is a global partner for businesses who want to be ready for the future of conversational commerce. Over the years, we've invested in our cloud platform and cooperated with big tech companies to enrich mobile messages with pictures, videos, buttons and various other powerful features. We're ready to employ more people and open more hubs throughout the world to help our global enterprise customers have more meaningful conversations with their consumers.

ON A PERSONAL NOTE

What was the greatest lesson you learned in 2020?

One thing I learned was to take a moment and really listen to what people have to say. I missed all the unexpected but fortunate discoveries I could have stumbled upon by meeting new and interesting people abroad. The same goes for the daily impromptu talks at the coffee bar in our head office in Breda. I miss those moments of serendipity.

What effect did Covid-19 have on you?

I would say 2020 was an intense year. There was no time to relax. To sum it up, I worked a bit harder and had a little less fun. I had to be more disciplined to stay sharp, sporty and healthy.

Which events or festivals did you miss out on in 2020?

I missed the Formula 1 Dutch Grand Prix in May. Due to the pandemic, the event had to be postponed until September 2021. I also really miss our own company events, which are usually organized three times a year. Colleagues fly in from all over the world to our HQ in Breda for a week of trainings, parties and meetings. Our Winter Week in January was the only opportunity for us to meet everyone face-to-face last year.

What will you be spending more time on in 2021?

My goal is to read more books. I prefer business-type books because I enjoy studying in my free hours at home. At the office, I enjoy learning every day from the evolving technological abilities behind our own cloud infrastructure.

What will you do differently in 2021?

Health and fitness will continue to play a more prominent role in my life. I started focusing more on healthy eating and sports when the pandemic hit the Netherlands back in March. Hearing about people with obesity ending up in the ICU made me more aware of the necessity of eating right and exercising. I started running or cycling every day, and I'll continue with that.



MISSION

Making life easier, safer and more beautiful

We firmly believe that technology exists to enhance people's lives, and we are constantly searching for ways to better connect people with each other. We want to contribute by developing technologies that benefit society.

VISION

Mobile first. We are driven by the belief that communication will shift to mobile. Consumers are already there. Businesses will follow suit, as they want to communicate with their customers at their preferred communication channel.

Mobile communication will result in mobile commerce. Therefore, we continuously develop additional features to our private cloud platform, shaping the future of Conversational Commerce.

2020 KEY FIGURES

Core revenue:

€ 134.4
MILLION
+55%

Number of voice minutes:

296
MILLION
+109%

Total payments processed:

€ 729
MILLION
+17%

Number of tickets sold:

5.3
MILLION
+179%

Number of messages:

3.7
BILLION
+48%

'CPaaS net dollar
retention rate:

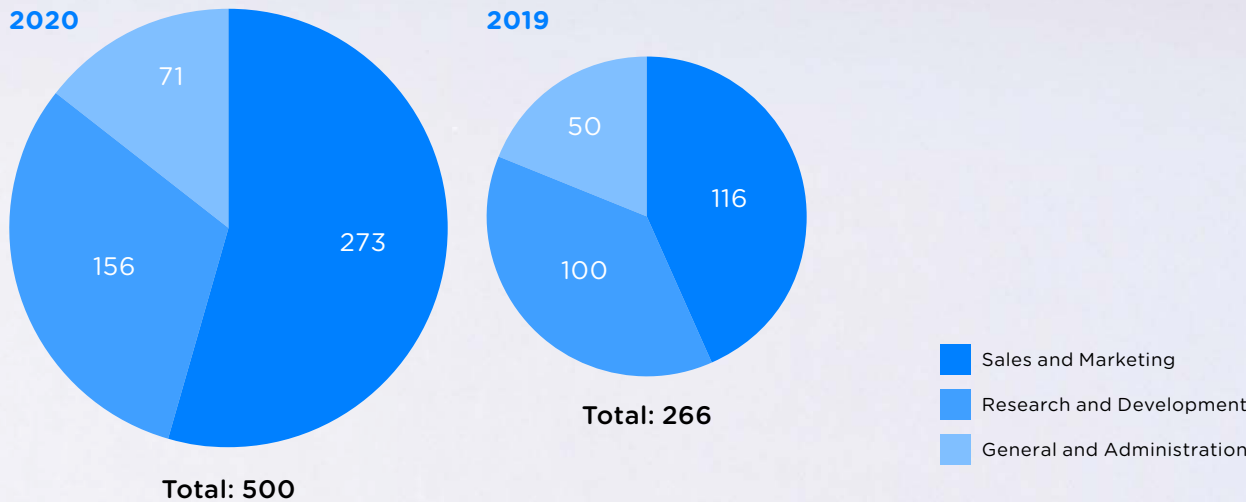
129%

x € 1,000	2020	2019	Δ
Revenue	141.6	96.3	+47%
Core Revenue ¹	134.4	86.5	+55%
Gross Profit	33.3	24.1	+38%
Core Gross Profit	32.0	21.9	+46%
Gross Margin	24%	25%	
Core Gross Margin	24%	25%	
Operating expenses	(34.8)	(20.2)	
EBITDA	(1.5)	3.9	
IPO/ Listing expenses	(1.7)	(1.5)	
Adjusted EBITDA ²	0.2	5.4	
Net profit	(13.0)	(1.8)	
CAPEX	(9.0)	(6.0)	

KPIs	2020	2019	Δ
'CPaaS net dollar retention' rate (%) ³	129	113	-
CPaaS company churn rate (%) ⁴	4.2	4.2	-
Number of messages (billions)	3.7	2.5	+48%
Number of voice minutes (millions)	296	141	+109%
Total payments processed (€ millions)	729	625	+17%
Number of tickets (millions)	5.3	1.9	+179%

1 — Core revenue is total revenue minus Other revenue.
2 — Adjusted EBITDA is the Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) adjusted for IPO/ Listing expenses.
3 — Represents the ratio of the revenue of CPaaS customers in comparable twelve months between the actual and preceding year for customers that generated more than € 10,000 in revenue in the actual year.
4 — Represents the ratio of revenue from CPaaS customers that generated more than € 10,000 in revenue in the preceding year, but that generated less than € 10,000 in the actual year or were no longer customers in the actual year, to total revenue in the previous year.

NUMBER OF FTES



2020 HIGHLIGHTS

JANUARY

Opening of the first USA office in Los Angeles

FEBRUARY

On 21 February 2020, CM.com lists on Euronext Amsterdam and raises € 73 million of capital

CM.com announces the acquisition of international ticketing company Global Ticket

MARCH

CM.com enables WeChat Pay for European Businesses

APRIL

CM.com is the first to launch Rich Communication Services (RCS) in Germany

MAY

CM.com expands its presence in East Africa with a hub in Kenya, providing Conversational Commerce solutions for Kenyan businesses

CM.com takes Conversational Commerce to the next level through the acquisition of leading conversational AI provider CX Company

JUNE

First Corona-Proof events were organized during 'De Tuin and Het Strand'

AUGUST

Launch of Eurasia hub in Turkey

CM.com becomes primary sponsor and name giver of CM.com circuit Zandvoort and starts digital transformation of the circuit

SEPTEMBER

In September CM.com raises an additional € 32 million of capital through an accelerated bookbuild

CM.com focuses on strong growth of mobile commerce with introduction of Mobile Marketing Cloud

OCTOBER

Further steps in the global expansion strategy are made with the initiation of local presence in India

CM.com acquires e-commerce customer service provider RobinHQ.com

NOVEMBER

CM.com introduces RCS in the Netherlands

CM.com has been included in the MSCI Small Cap Indexes



SHAREHOLDER INFORMATION

ISIN code: NL0012747059

Reuters: CMCOM.AS

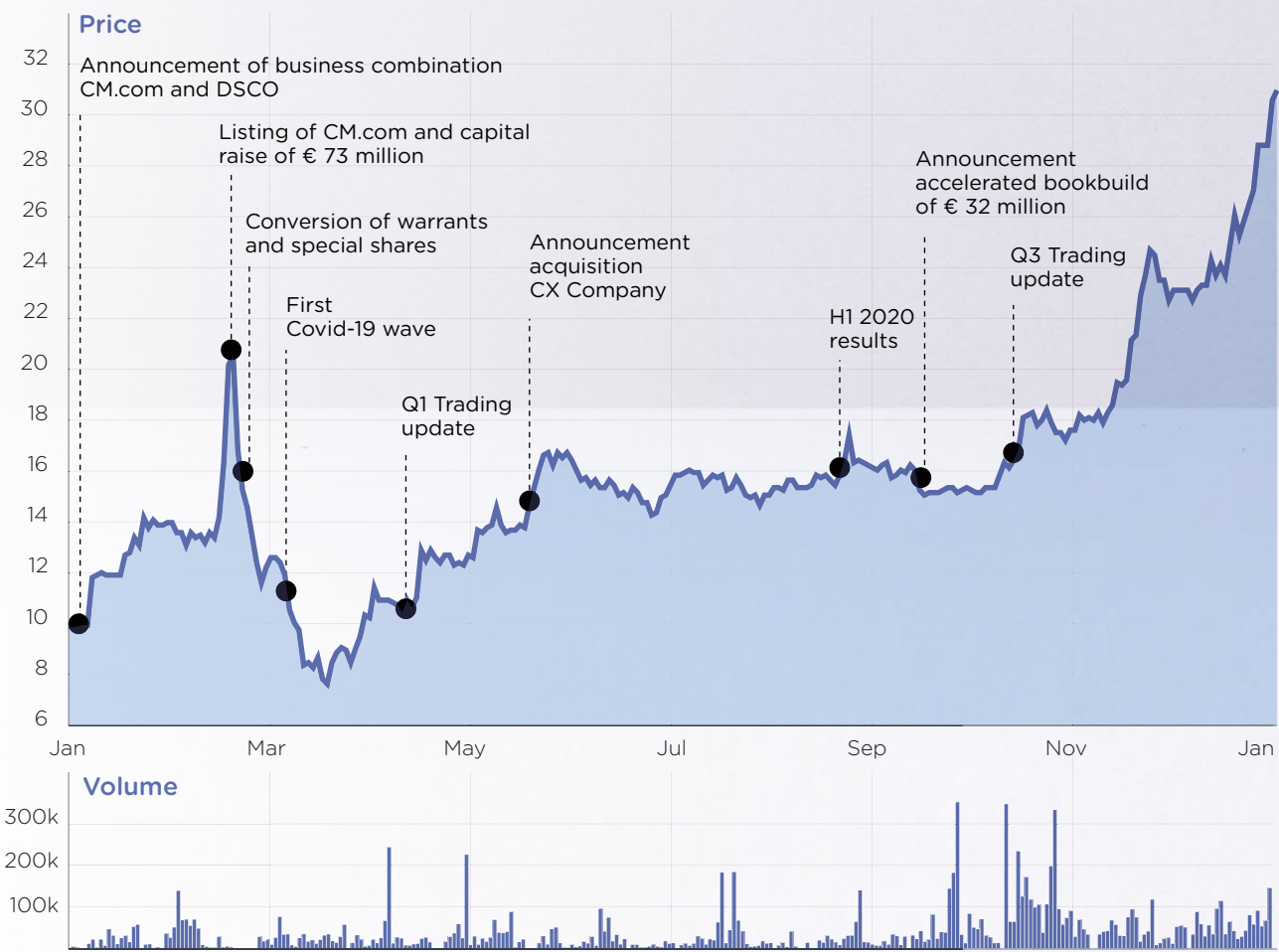
Bloomberg: CMCOM:NA

CM.com is included in the MSCI Global Small Cap Indexes

GENERAL

On 21 February 2020, CM.com B.V. legally merged with Dutch Star Companies ONE N.V. (DSCO). Following the merger and the accompanied capital raise of € 73 million, CM.com B.V. as an entity ceased to exist. The listed entity was renamed from Dutch Star Companies ONE N.V. to CM.com N.V. and as such CM.com became the listed company as of 21 February 2020. More elaborated information on the legal merger, the related conversion of warrants and granting of special shares that were related to the business combination with DSCO can be found on our website under Investor Relations. More information about the corporate governance of DCSO until 21 February 2020 can be found under Annex (page 178).

SHARE PRICE DEVELOPMENT



SHARE PRICE INFORMATION

Opening price at 2 January 2020	€ 9.95
Reference price at Listing at 21 February 2020	€ 17.00
Lowest closing price	€ 7.20
Highest closing price	€ 31.00
Closing price at 31 December 2020	€ 31.00
Market capitalization at 1 January 2020*	€ 57 million
Market capitalization at 31 December 2020	€ 890 million
Average daily trading volume at Euronext Amsterdam (shares)	€ 635 thousand

* At 1 January 2020, DSCO was the listed entity and had a market capitalization of € 57 million

OUTSTANDING SHARE CAPITAL DEVELOPMENT

Following the listing, CM.com has one type of shares, which are ordinary shares. Each share has equal weight and voting rights, and each share equals one voting right.

	Number of shares outstanding	
1 January 2020	5,730,944	DSCO ordinary and special shares
21 February 2020	24,635,106	Legal merger of DSCO and CM.com
26 February 2020	26,259,854	CM.com capital raise and conversion of warrants and special shares
2 July 2020	26,522,321	Issuance of new shares for partial payment of the acquisition of CX Company
18 September 2020	28,642,321	Accelerated bookbuild of € 31.8 million
14 October 2020	28,738,970	Issuance of new shares for partial payment of the acquisition of RobinHQ.com
31 December 2020	28,738,970	

SHAREHOLDER STRUCTURE

In accordance with articles 5:34, 5:35 and 5:43 of the Financial Supervision Act and the Act on the Disclosure of Major Holdings in Listed Companies (WMZ), the following parties are known to CM.com as shareholders with an interest of 3% or more of the share capital of CM.com at 31 December 2020:

	Shareholding as published by the AFM	Date of last notification at the AFM
Jeroen van Glabbeek	26.5%*	18 September 2020
Gilbert Gooijers	26.5%*	18 September 2020
Teslin Participaties Coöperatief U.A.	6.1%	21 February 2020
J.N.A. van Caldenborgh	5.5%	21 February 2020
Dutch Star Companies Promoters Holding B.V.	4.8%	18 September 2020
Artisan Investments GP LLC	3.0%	24 December 2020

* as at 31 December 2020

The founders of CM.com, Jeroen van Glabbeek and Gilbert Gooijers, and Dutch Star Companies ONE Promoters Holding B.V. had a lock-up until 21 February 2021, following the agreement of the business combination.

Management and Supervisory Board Shareholdings

The Management Board members have the following shareholdings in the company at 31 December 2020:

- Jeroen van Glabbeek (CEO and Founder of CM.com): 7,618,749 shares
- Gilbert Gooijers (COO and Founder of CM.com): 7,618,749 shares
- Jörg de Graaf (CFO): 5,000 shares

Supervisory Board member, Stephan Nanninga indirectly owns 105,679 shares of CM.com via his 25% ownership of Lindespac B.V., which owns 31% of Dutch Star Companies Promoters Holding B.V. The other members of the Supervisory Board don't own shares of CM.com.

DIVIDEND POLICY

The Management Board has adopted the following dividend policy on 21 February 2020: CM.com intends to retain any future distributable profits to expand the growth and development of the Company's business and, therefore, does not anticipate paying any dividends to its shareholders in the foreseeable future. CM.com's dividend policy can be found on our website (<https://www.cm.com/investor-relations/corporate-governance/regulations-and-codes/>).

INVESTOR RELATIONS

Information Provision

CM.com is committed to maintaining an open and constructive dialogue with its shareholders on a continuous basis. We aim to keep shareholders updated by informing them equally, simultaneously, clearly and accurately about the strategy and performance of CM.com to help them make well-informed investment decisions. CM.com will always use its best endeavors to act in compliance with applicable rules and regulations. We will publish information via annual reports, interim reports, press releases and our website.

During meetings with shareholders, potential shareholders, or other capital market parties, CM.com will only discuss publicly announced information. To ensure CM.com complies with all best practices, we have adopted a "Bilateral Contact Policy" that is in accordance with the best practice provision 4.2.2 of the Dutch Corporate Governance Code (the "Code"), which was adopted on 21 February 2020. For more details on our Bilateral Contact Policy, click here <https://www.cm.com/investor-relations/corporate-governance/regulations-and-codes/>

Price-Sensitive Information

Price-sensitive information essentially refers to undisclosed information that could affect the trading price of CM.com shares. CM.com adheres to all rules and regulations concerning price-sensitive information. It will be disclosed publicly as soon as possible on our website

and sent simultaneously to the AFM and major news channels. We will only delay publication of price-sensitive information in case the following three conditions have been met:

1. immediate disclosure is likely to prejudice the legitimate interests of the issuer or emission allowance market participant;
2. it is unlikely that the delay in disclosure would mislead the public; and
3. the issuer or emission allowance market participant is able to guarantee that the information concerned is kept confidential.

Silent Periods

In principle, we will hold no meetings with any shareholder during silent periods. Silent periods are generally considered to be (i) the periods commencing thirty calendar days prior to publication of the corresponding annual and semi-annual results and (ii) the period commencing 7 working days prior to publication of the corresponding quarterly results over Q1 and Q3.

Research Coverage

Currently, ABN AMRO, Jefferies, Kempen and Kepler Cheuvreux analysts actively cover the CM.com share. Although analyst reports and

valuations contain the independent views of analysts and not ours, they are of great importance to us. These reports try to help (institutional) investors make well-informed investments decisions. In case CM.com receives analyst reports prior to publication, we will only check for factual inaccuracies.

Financial Year And Quarterly Updates

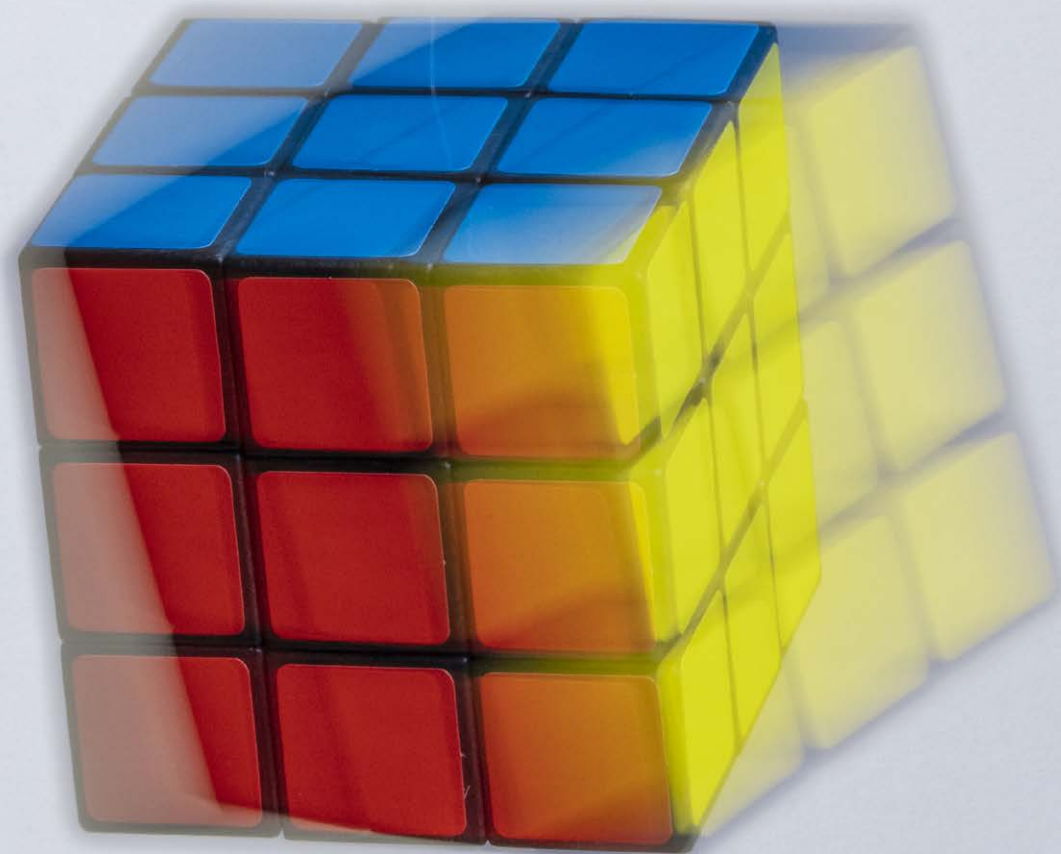
The financial year of CM.com runs from 1 January to 31 December. We publish fully audited annual results, provide unaudited semi-annual results, and for the first and third quarter, we publish trading updates containing the development of the key business drivers.

2021 Financial Calendar

- 20 April: Q1 2021 Trading Update
- 30 April: General Meeting
- 20 May: Capital Markets Day
- 29 July: H1 2021 results
- 19 October: Q3 2021 Trading Update

Contact Information

For more information about CM.com, its strategy and results please contact Anneke Hoijtink of Investor Relations at: anneke.hoijtink@cm.com or +31 643 280 788.



**DEMAND FOR
TURNKEY SOLUTIONS
ACCELERATING**

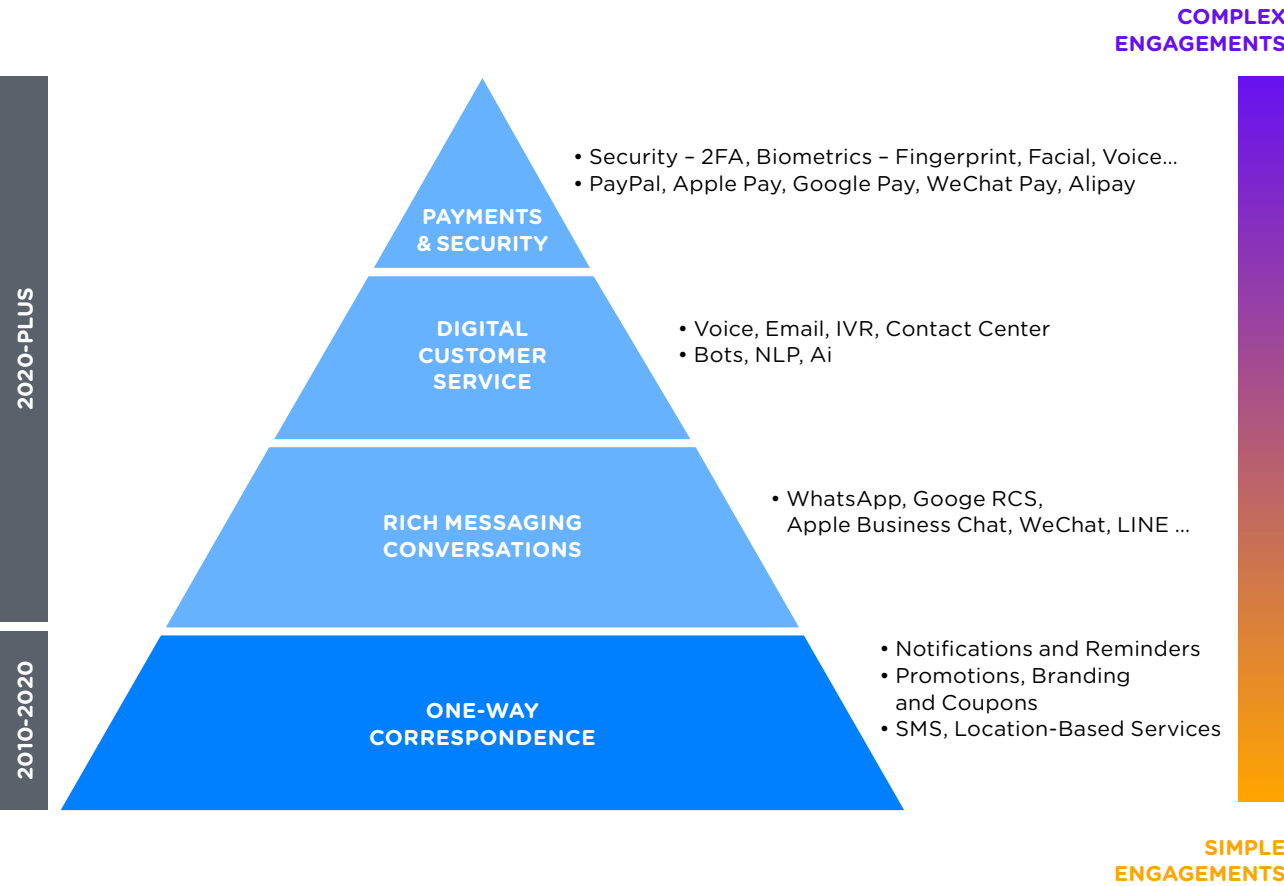
MANAGEMENT BOARD REPORT

CONVERSATIONAL COMMERCE MARKET

INTRODUCTION

The mobile messaging market started with the first SMS in 1992. Since then, mobile messaging has revolutionized the way people communicate with each other. Messaging became the most preferred way of communication for many, and various messaging channels were developed and further enhanced by technology companies around the world to accelerate consumer demand. Companies are increasingly

adopting these mobile messaging channels in their customer engagement, as they recognize how it improves customer satisfaction and loyalty, and it is the end-users' preferred way of communication. The market is developing from simple one-way communication to two-way rich conversations and complex engagement. This drives the ongoing evolution and expansion of Conversational Commerce.



Source: Gartner, New CPaaS Tools for Navigating the Covid-19 Reset for a Superior Retail Customer Experience, 5 June 2020

Conversational Commerce is the combination of channel-agnostic mobile communication methods and integrated payment solutions together with a broad range of related software features. By focusing on Conversation Commerce, CM.com meets consumers and companies' demand to engage with each other via the mobile phone as preferred communications method. Making life easier, safer and more beautiful for all.

THE CPAAS MARKET

The Communication Platform as a Service (CPaaS) market is enriched by Big Tech giants such as Facebook, Apple and Google along with their dedicated business messaging channels: WhatsApp Business, Apple Business Chat and Google RCS: all mobile messaging channels catered for specific business requirements. By offering functional features (buttons, menus, file transfers) and verified profiles, these channels meet the modern company requirements, enabling consumers to communicate with companies in their most preferred way. Juniper Research anticipates that total services revenue in the CPaaS market will reach \$ 25 billion in 2025; rising from \$ 7.1 billion in 2020, growing at a CAGR of 29%¹.

Companies have access to tools and messaging channels to handle a large number of conversations in parallel, compared to just the synchronous way of communication via voice. Automation with AI-supported Chatbots will support this parallel communication method, improving upsell, customer care, and/ or cost control management.

THE PAYMENTS MARKET

According to Allied Market Research, the global mobile payment market size was valued at \$ 1.5 trillion in 2019 and is projected to reach \$ 12.1 trillion by 2027, growing at a CAGR of 30% from 2020 to 2027².

An increasing number of countries and financial institutions support Google Pay, Apple Pay, AliPay, WeChat Pay and Amazon Pay, amongst others, responding to the increasing demand of consumers to use these mobile payment methods.

1 Source: CPaaS Future Market Outlook – Juniper Research 2020
2 Source: <https://www.alliedmarketresearch.com/mobile-payments-market>

Buyers and vendors, accelerated by the Covid-19 pandemic, are boosting the pace to move away from traditional coins and paper money. Seamless mobile commercial experiences, including payment transactions, are now showing accelerated growth rates. These payment schemes are supported by global financial institutions and card scheme providers, which increase the adoption as they radiate a high level of trust.

THE CHATBOT MARKET

As communication between companies and consumers occurs more frequently via messaging, companies are looking for tools to speed up their response time and reduce costs. Chatbots are, therefore, gaining momentum. Artificial Intelligence supported chatbots will reach a level of advanced functionality that can replace basic human supported tasks. Automated responses leveraging business messaging asynchronously, via text or voice responses, will become a standard company offering.

Companies will be using the CPaaS integral offering of messaging, customer contact software and AI/chatbot capabilities to deploy these automated responses. According to Gartner, by 2025, 80% of large enterprises will need to have a conversational-technology-focused center of excellence or skills resource³.

TICKETING, E-IDENTITY AND SAAS SOLUTIONS

With the rapid pace of growing mobile phone subscribers, companies are expanding their services from the online desktop space to the mobile phone, making full end-to-end solutions purposely designed for mobile phones in high demand. Purchases on mobile devices automatically implicate the necessity for digital or mobile ticketing. Storage of the mobile ticket is on the mobile phone and retrieved at the point of travel, restaurant or event. Statista reports: “Event ticket providers will further invest in mobile products to increase visits and conversion and expect a further shift from desktop sales to mobile devices”⁴.

3 Source: Consolidate Your Chatbot Initiatives Into a Single Enterprise Strategy – GARTNER, 25 September 2020
4 Source: Event Tickets Report 2020 – Statista Digital Market Outlook – Statista August 2020

Full end-to-end solutions such as Marketing Orchestration, Electronic-Identity and Signature are offered in addition to the Cloud Communication APIs. By offering the technology behind these mobile services, CM.com delivers convenience to happier end consumers and contributes to the reduction of paper usage in general.

MARKET DYNAMICS

CPaaS vendors can be local and offer a limited set of Cloud Communication APIs without any direct carrier or chat apps connections. However, future proof CPaaS vendors have global capabilities and built solutions upon their own Cloud Data Centers. This enables them to offer a company ready SLA (Service Level Agreement), control costs and accelerate time-to-market. Direct relationships with carriers and service providers such as Over The Top (OTT) apps, e-Identity providers or payment institutions provide them with a better position to negotiate and understand the service domains. This also creates a high “barrier to entry” as partnerships with these types of service providers

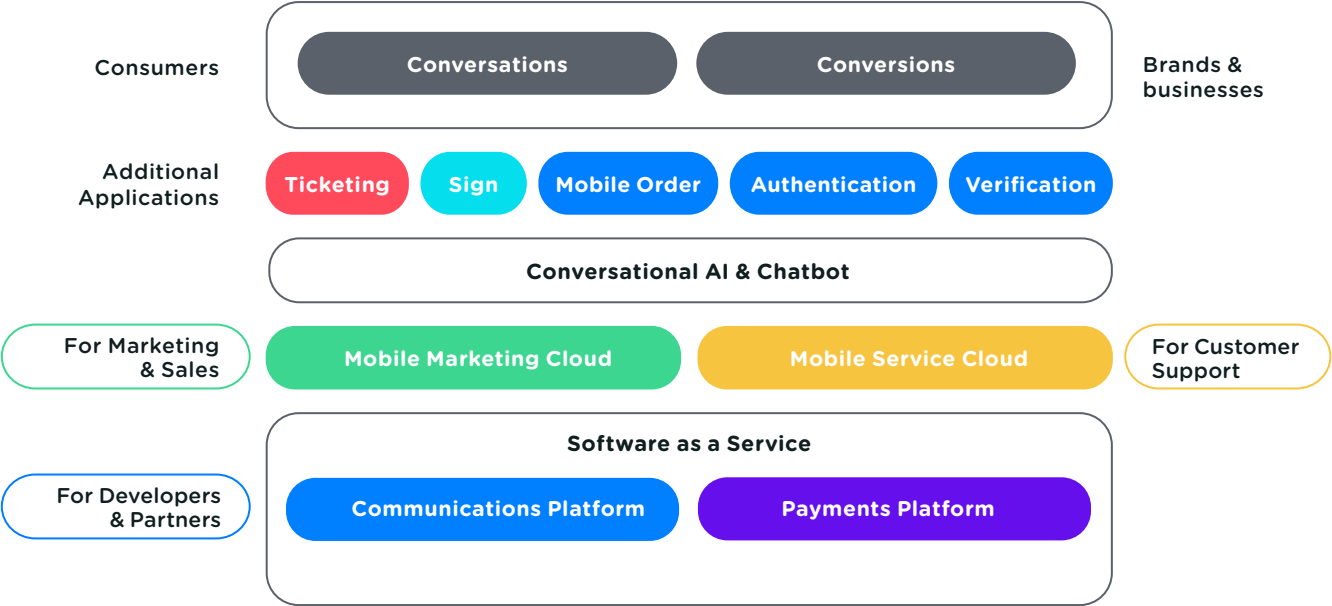
are based on a high standard of services and platform capabilities. Juniper Research forecasts that the total number of A2P (Application to People) messages across all channels will surpass 4.3 trillion in 2025; rising from 2.7 trillion in 2020⁵.

Through its Conversation Commerce offering, being integrating messaging, payments and software features, CM.com offers solutions for various companies in numerous industries. Consequently, we operate in many different markets and meet a variety of players in separate markets.

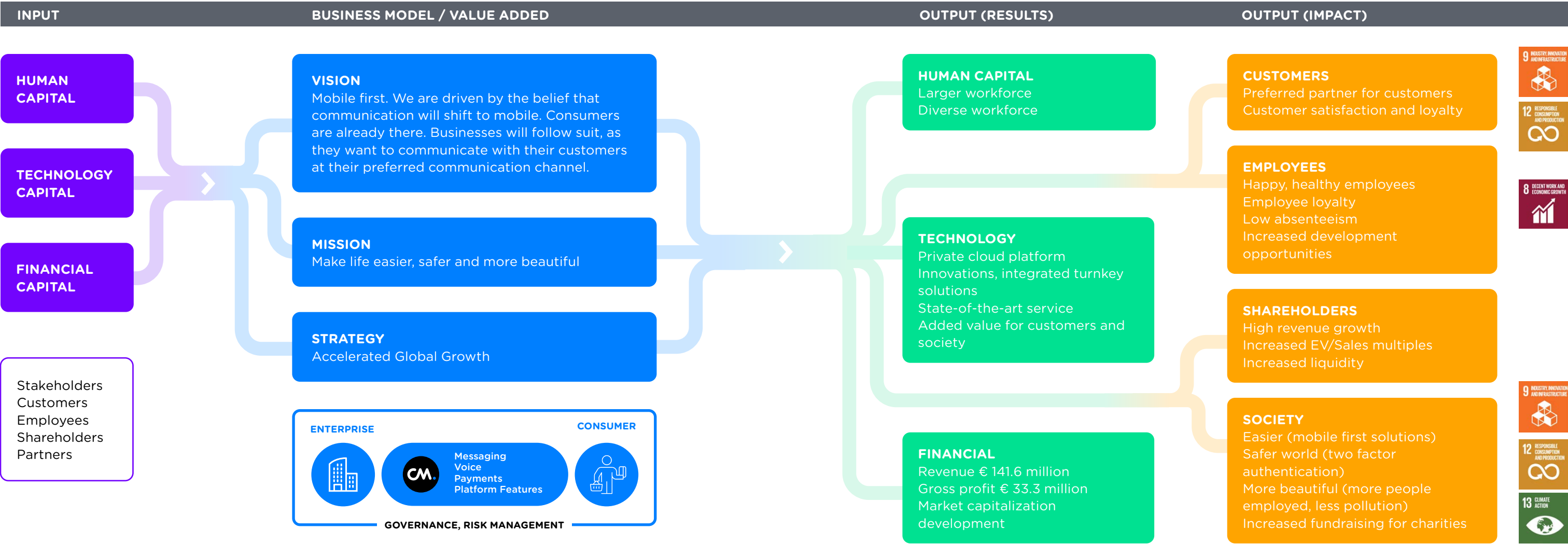
CPaaS vendors enhance platforms with Customer Contact, AI/Chatbot and 2FA (Two Factor Authentication) solutions combined with industry-standard Cloud Communication APIs. CM.com combines this proposition with its own payment services and customer data platform, making us unique in the CPaaS vendor landscape.

5 Source: A2P MESSAGING Deep Dive Data & Forecasting 2020-2025 SMS, RCS & OTT Business Messaging • 2020-2025 - Juniper Research

COMMUNICATIONS & PAYMENTS PLATFORM



VALUE CREATION MODEL



STRATEGY AND OBJECTIVES

ACCELERATED GROWTH STRATEGY

Our global growth strategy is based on six pillars and should lead to increased adoption of our products worldwide to ensure that end-consumers everywhere can engage with companies and brands through their preferred communication channel.



STRATEGIC PILLARS

I. Customer Growth And Retention

In general, our customers are loyal, satisfied, and do more business with us each year. This is confirmed by our CPaaS Enterprise Churn Rate of just 4% and a CPaaS Enterprise Net Dollar Retention Rate of 129% in 2020. Investing in relationships with existing customers and growing alongside them is therefore as important to us as attracting new customers. We invests in sales and marketing to increase brand awareness and show companies how they can make a difference in every step of the customer journey regardless industry or country.

II. Innovation

CM.com is always searching for ways to develop products to make life easier, safer and more beautiful for all. Innovation and continuous product development add value to our enterprise customers, as they have future-proof cloud solutions to engage with their customers through their most-preferred channels, accelerating customer satisfaction levels and loyalty.

As we are continuously adding the latest communication channels, offering a channel-agnostic customer engagement with value-added SaaS

features and in-chat payment possibilities in integrated solutions through intuitive, no/low code solutions, we create, build, and develop new product markets.

III. Cross-selling

To ensure customers make use of our platform in the most optimal way, we actively encourage them to engage in new service trials and discover unused platform capabilities relevant to their business. Integration and close cooperation between the existing sales teams and the colleagues of acquired companies should further enhance cross and up-selling. Together with our increased marketing efforts; our sales incentive plans and turnkey mobile cloud solutions should also fuel cross and up-selling.

IV. Partnerships

Having strong and long-term partnerships will help CM.com to sell its products to a broader audience, while at the same time making life of its partners easier, as they don't have to develop features themselves and can integrate our API products seamlessly for their enterprise customers.

The main areas of partnership include:

- Independent software vendors: Also known as system integrators. They can add our features to their customers' custom software without having to develop these features themselves;
- Advisory firms: They have access to and relationships with companies that need messaging and payment solutions;
- Telecom operators: They can immediately enrich their Business-to-Business proposition with our CPaaS offerings. It would be a natural extension of their current proposition; and
- OTT partners: They are increasingly interested in accessing additional pockets of sales growth. To do so, they need strategic partners to sell, deliver, implement and support channel access to companies. Our platform features can help them achieve this.

V. Global Expansion

Be a global player with local presence. Our scale-up strategy is focused on accelerating our local presence and proximity with markets and customers worldwide. In each country,

end-consumers have their own specific needs and wants. We need local presence to meet these particular aspects and offer the right solutions to our customers.

Hub expansion and the rollout of new hubs are based on CM.com's market research and intelligence concerning market trends, population, mobile (payments) penetration, and regulation across different world regions.

VI. Mergers & Acquisitions

Attractive acquisition opportunities arise in the markets we operate in that could support our autonomous accelerated global growth strategy. We focus on potential acquisition targets that complement our platform capabilities, create additional cross-sell opportunities and/or provide access to new (geographical) markets. Given our comprehensive Conversational Commerce proposition, there are various funnels we can tap for potential value-adding acquisitions. Due to our strong autonomous growth, acquisitions should bring unique added value.

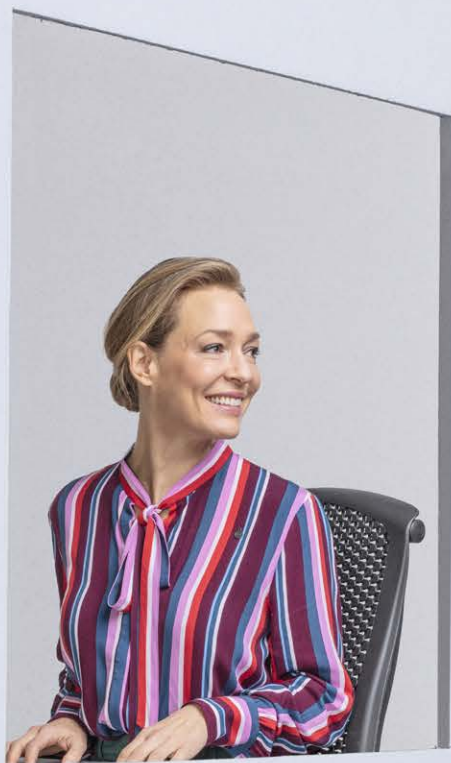
ENHANCING CUSTOMER
PROXIMITY GLOBALLY
ACCELERATES
REVENUE GROWTH

OBJECTIVES	2020 REALIZATION
<p>Growing the organization in the coming years:</p> <ul style="list-style-type: none"> • Triple the number of sales and marketing employees • Double the number of research and development employees • Adequate increase of general staff 	<p>Sales & Marketing + 135%</p> <p>Research & Development + 56%</p> <p>General & Administration + 43%</p>
Annual revenue growth rate of more than 30% in the medium term	Core revenue growth of 55%
In the near future, keep capital expenditure in line with historic levels. For the long term, maintain a sustainable capital expenditure level of up to 5% of revenue	Capex as a percentage of revenue 6%
Increase gross margin as the revenue mix shifts to higher value-add services	Core gross margin of 24%
Improve EBITDA margin to levels above 20% in the long term. In the near future, decline of EBITDA margin due to increased investments to accelerate growth	Adjusted EBITDA € 0.2 million

CASES

We support thousands of customers globally with their communication with customers through our technology and turn conversations into conversational commerce.

Enhancing customer journeys and increasing customer happiness and loyalty is what it’s all about. Throughout this Annual Report we’ve included several customer use cases that give an impression of how our technology supports our customers.



CHRONOPOST

TIME TO PICK UP

Chronopost has established itself as the leading French player in parcel delivery in France and abroad, for individuals and businesses alike. CM.com ensures that Chronopost customers are notified about the track and trace of their parcels via SMS.



RADIUS PAYMENTS SOLUTIONS

TIME TO ASSIST

When your customer base is constantly on the move, how do you make sure you stay connected? Radius Payment Solutions was founded 31 years ago, as a global fuel card provider, working with SMEs to companies with large fleets of vehicles. With a rapidly growing customer base, Radius needed to find a more efficient way to stay connected with its increasingly mobile customers, so they implemented WhatsApp for Business with customer contact as a new communication channel for their customers in 11 locations across Europe and Asia. Radius wanted to automate their frequently asked questions so that their customer services teams in each region were not overwhelmed. CM.com provided a Chatbot to automate frequently answered questions, and also offered a new service via WhatsApp for Business and our Chatbot called “find my local fuel station”, which will provide Radius’s customers their three nearest fuel stations.

Next, Radius will be introducing CM.com’s Mobile Marketing Cloud solutions to centralize their email and SMS marketing campaigns to their customers helping them to build a profile for each Radius customer.



SIKHONA MONEY TRANSFERS

TIME TO TRANSFER

Sikhona Money Transfers is a division of Sikhona Forex, an authorized dealer licensed by the South African Reserve Bank for the purpose of international foreign exchange. Sikhona Money Transfers started using CM.com to enable WhatsApp Business as a customer support channel to assist with client onboarding and general support in 2019. Through growth and a need to improve operational processes and efficiency, Sikhona Money Transfers chose to invest further by employing our chatbot services to automate elements of their client support services and handover human support requests to the appropriate team / individual within the CM Mobile Service Cloud proposition, using a more seamless and efficient manner than was available previously, backed with the ability to appropriately manage expected service levels more effectively. All to optimize the customer experience.



BAKKER.COM

TIME TO BUY

Bakker.com is the 'One Stop Green Shop' for consumers in Europe, with a wide range of plant (supplies) products for in or outside the house. For growing their online platform easy and safe online payments play a crucial role. CM.com helped Bakker.com to achieve its growth ambitions via CM.com's payments plugin for Shopify. It provides payment processing within the Shopify webshop, combines convenience for consumers and fast payment for the retailer. Bakker.com doubled its turnover since the integration of Shopify via CM.com.



CRAVIA

TIME TO EAT

Cravia is a chain of various franchised restaurants. CM.com enables customers at Zaatar Zeit in the United Arab Emirates to order at the restaurant simply through scanning a QR code and entering their table number. Easy as that, no more waiting for a waiter. Payment can be done quickly online via a credit card, or in cash or card in the restaurant. Whatever the customer prefers. Optimizing the customer experience is what it's all about.

Additionally, CM.com made it possible for consumers to order online through a link shared on WhatsApp or by SMS, choosing to pick up the order at the restaurant or get it delivered to their address. Making ordering so much easier and more fun.

STRATEGIC DEVELOPMENTS

STRENGTHENING OF THE ORGANIZATION

Our accelerated growth strategy is fueled by the growth of our Sales and Marketing efforts. In 2020, we strengthened and professionalized our Sales and Marketing teams by hiring talented and experienced Sales and Marketing experts around the world. The Sales organization is driven by sales excellence, in which lead generation is based on clearly targeted data analysis and order intake, and administrative processes are highly automated. In line with the increased demand for integrated solutions, we also reorganized our Sales organization from single product to solution-driven sales. Next to that, our reseller partnerships were enhanced, and we installed a dedicated tender desk.

Furthermore, we altered the Sales compensation plan to encourage new business growth and to enhance our relationship with existing customers. For our turnkey SaaS solutions, CM.com also implemented new value-based pricing models.

In order to drive and support our global growth ambitions besides opening hubs and increasing the sales team, we scaled-up our marketing discipline with specialized teams and we launched a strong demand generation engine that helps enterprises engage with their customers with one-on-one conversations. To scale globally, while at the same time being local, we needed standardization with great agility and flexibility to adopt to the local habits and needs within our campaigns. This resulted in blueprints,

standardized processes and the adoption of the Scrum framework. The Scrum framework helps multi-disciplinary teams deliver at high velocity by being transparent, open and focused.

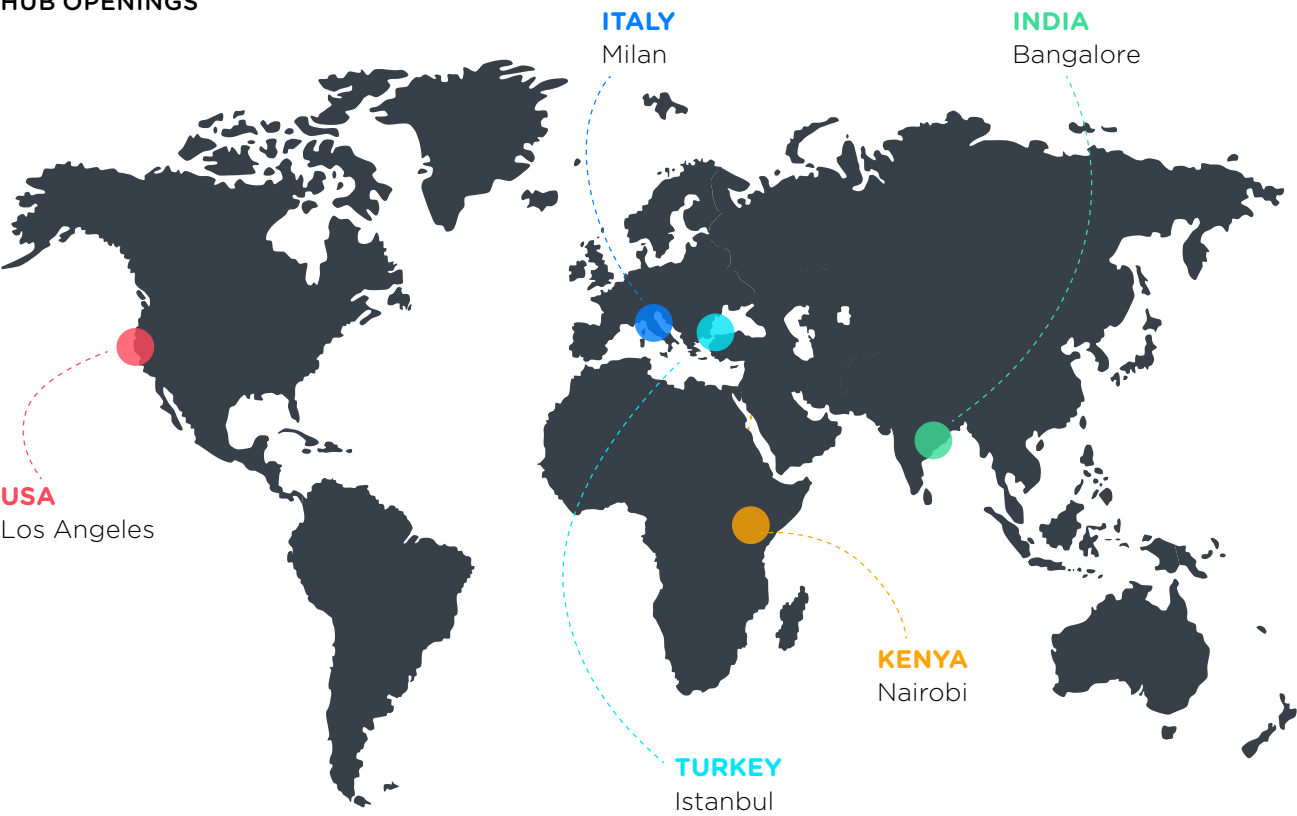
GLOBAL EXPANSION

Our scale-up strategy is focused on accelerating our local presence and proximity with markets and customers worldwide. In each country, end-consumers have their own specific needs and wants. We need local presence to meet these particular aspects and offer the right solutions to our customers.

In 2020, CM.com opened hubs in regions with high OTT adaptation, such as WhatsApp Business, Apple Business Chat, Viber, Twitter and the like, where we can add value. We believe that we can make a difference in these markets with our mobile cloud services, specifically with the Mobile Marketing Cloud, and Mobile Service Cloud, in which we combine OTT and other communication channels with CPaaS and SaaS solutions.

CM.COM ADDED 5 HUBS TO ITS GLOBAL SALES NETWORK

HUB OPENINGS



M&A CONTRIBUTED TO COMPLEMENT OUR CONVERSATIONAL COMMERCE PROPOSITION

In 2020, CM.com successfully acquired Global Ticket, CX Company and RobinHQ. These acquisitions broadened and complemented our Conversational Commerce solutions. Through the acquisition of Global Ticket, CM.com services important additional segments of the ticketing market, including museums and other cultural institutions. The acquisition of CX Company enhances our Conversational Commerce proposition with AI and rule-based chatbot functionalities.

In September 2020, we acquired e-commerce customer service provider RobinHQ. This includes state-of-the-art skill-based routing, automated tagging, live chat and co-browsing possibilities that optimize customer journeys.

BUSINESS RESULTS

COVID-19 UPDATE

The pandemic had mixed effects on our business. On the one hand, we noticed a pandemic-induced increase of messages sent by customers in logistics, home delivery, financial institutions and the public sector. On the other hand, the pandemic resulted in less traffic by customers active in the Travel, Leisure, or Retail sector.

Our Payments business was positively impacted by Covid-19, as a result of the accelerated adoption of e-commerce, leading to revenue and gross profit growth.

Within Platform, Ticketing was severely hit early on in the lockdown due to the postponement of events and festivals. This effect was, however, compensated by the exponential growth of venue ticketing, following the mandatory online booking of tickets and timeslots at museums, zoos and attraction parks.

In the long term, we believe that Covid-19 is an irreversible accelerator of the digital transformation in regards to how people interact with each other. It also fueled the demand for complete, quick and easy to implement solutions. CM.com, with its broad portfolio of smart communication tools, is well-positioned to facilitate and benefit from this transition.

CPAAS

In 2020, the number of messages increased by 48% to 3.7 billion messages in 2020 (2019: 2.5 million). We saw a good mix of new customers and a growth of existing customers across all regions. The CPaaS enterprise NDR increased to 129% for 2020 (2019: 113%) and CPaaS enterprise churn remained limited at 4%.

The number of voice minutes increased by 109% to 296 million (2019: 141 million). The accelerated growth was mainly driven by new customers, like the Dutch Public Health Service. Voice gained from opening up our platform to more regions for handling voice traffic, adding new suppliers, and facilitating SIP Trunking partners to resell CM.com's voice services.

Consumers and companies prefer to engage with each other via the mobile phone, irrespective of the communication channel. Next to SMS and Voice, we noticed increasing demand for Over The Top (OTT) messaging services, such as WhatsApp Business, Apple Business Chat and Viber. The number of OTT messages grew exponentially from 32 million in 2019 to 84 million in 2020.

Rich Communication Services (RCS) is a mobile communication channel we launched in Germany and the Netherlands in partnership with Vodafone. RCS can be best described as an enriched SMS including illustrations and features such as action buttons. Juniper Research forecasts that the total number of smartphones using RCS services will rise from 509 million in 2019 to over 2 billion in 2024.

PAYMENTS

In 2020, CM.com made significant progress in the development of next generation payment solutions. In January, Apple Pay was fully integrated as a capability of Apple Business Chat within the CM.com platform. WeChat Pay was also added, which made us the first Payment Service Provider of WeChat Pay in Europe to tap into a new customer segment of merchants targeting Chinese customers in Europe. Furthermore, payment volumes of Global Ticket were migrated, we started the implementation of the Mastercard Principal Membership, and we prepared for the VISA Principal Membership grant, which was obtained early 2021. We also hired the first dedicated Payments sales persons in Germany to cover the European market.

In 2020, we processed € 729 million in payments, 17% more than in 2019 (€ 625 million). The pandemic accelerated the shift to e-commerce and online payments, which meant that most of our web check-out customers, with the exception of customers in events and leisure, realized strong sales, boosting payments volume, especially in the fourth quarter of 2020.

Notably, as cash spending took a dive during the pandemic and less people carried cash, we enabled a growing number of charities to raise donations by offering IDEAL QR codes as a payment solution. As such, we processed approximately € 7 million of payments for charities during the year.

PLATFORM

To further enable our customers to engage with their consumers, CM.com offers a number of cloud SaaS features that leverage the CPaaS and payment functionalities. In 2020, we developed the Mobile Marketing and Mobile Service Cloud, and integrated the services of the acquired companies.

Our Mobile Marketing Cloud offers advanced workflows to design the ultimate omni-channel customer journey and a scripted chatbot that automatically integrates with WhatsApp and our Customer Contact app. The Mobile Service Cloud is a tool that lifts customer care to the highest level by providing access to all messaging channels, tools, and features. Following the acquisition of RobinHQ in October 2020, we integrated

its services into the Mobile Service Cloud Advanced and Pro. Furthermore, we integrated the CM-chatbot in our own platform and built the foundation to integrate the AI and rule-based chatbot functionalities of CX Company into our Customer Contact tool.

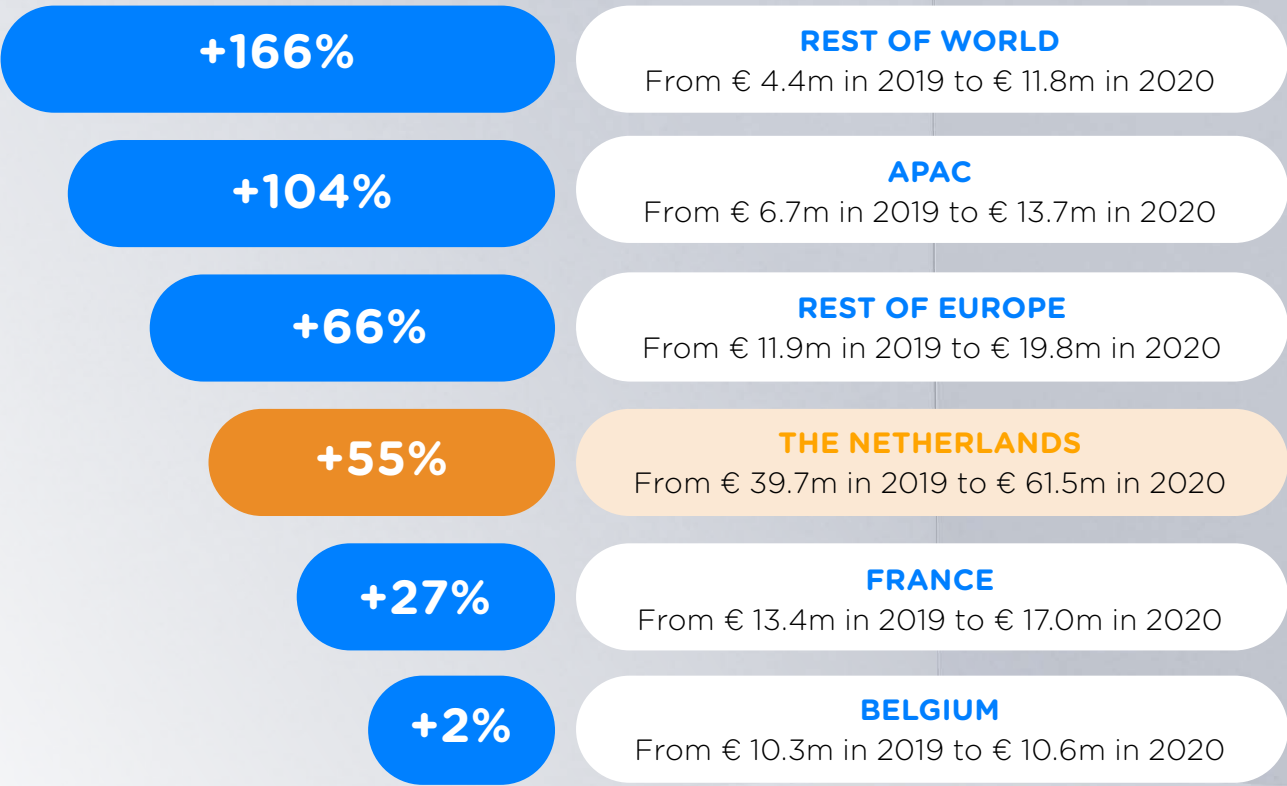
The number of customers that subscribed to one or more of our SaaS solutions, like the OTT bundle, Customer Contact Platform, the Mobile Marketing and Service Solutions increased by 395, or 25%. We saw strong demand across all the regions, particularly in the Netherlands, Rest of the World and Europe; 59% of the growth was achieved outside of the Netherlands. This is excluding the additional subscriptions of CX Company and RobinHQ, which together added up to 175 customers. In total the number of subscription customers grew to 2,166 at year-end 2020 (2019: 1,596).

Ticketing is also an important part of our Platform business. To serve our Ticketing customers in the best possible way during the pandemic, we updated our self-service tooling and developed specific tools for the Ticketing sector to handle refunds in batches, ticket cancellations and an increased amount of requests. We also built a module to convert tickets to vouchers to be used for future events.

The pandemic resulted in a structurally higher level of online ticket sales for venues, due to the shift to pre-booked online ticket sales with timeslot selection for, amongst others, museums, galleries and amusement parks. As such, the total number of tickets sold grew by 179% to 5.3 million in 2020 (2019: 1.9 million).

DESIGN THE ULTIMATE
OMNI-CHANNEL
CUSTOMER JOURNEY
WITH OUR MOBILE
MARKETING CLOUD

STRONG INTERNATIONAL CORE REVENUE GROWTH



Revenue based on the establishment of our clients.

HOW TO DELIVER AN INTEGRATED CLOUD PLATFORM

“You have to organize
your business in a way in
which it can accelerate
and adapt when an
opportunity arises.”



Jan Saan
CTO CM.com



CTO Jan Saan has worked at CM.com since the early start-up years. “The capital raises and challenging market situation has enabled us to act according to a strong market demand for our products. I’m proud that we managed to further scale-up our cloud platform, introduce new products and deliver our products globally. We grabbed this landmark moment in time, and we delivered, fulfilling our promise to our customers.”

What do you think are the key factors of being successful?

The key factors are stability, scalability, innovation and reliability. When you fully comprehend the amount of work it takes to implement a technological innovation and make sure it gets launched fast, you have to organize your business to be ready for acceleration. This doesn't happen automatically.

You like to use the phrase ‘seizing an opportunity when it arises.’

At CM.com, we organize our software and platform solutions so that when we come across an opportunity, we can take it. We’re always making sure that our technology is state-of-the-art and relevant, so it can support the flexibility required to grab the chances that arise. It’s not a matter of being lucky; it’s accurate planning and understanding your customers and markets.

Our development teams are constantly challenged to plan and build software solutions that are in demand with our enterprise customers. Software and product development start a year to one-and-a-half years ahead of a product launch. This period is used for building products, but also for creating our go-to-market plans to launch a new product successfully. We continuously develop our platform, making decisions on what we do or don't do. Being agile is an everyday reality. Industry watchers often describe us as one of the most integrated and advanced platforms. I’m firmly convinced that the reason for this has to do with the fact that we’re good at managing multiple projects simultaneously for our customers.

What did you learn as CTO in 2020?

I saw first-hand how extremely capable our organization is of grabbing opportunities when they arise. The pandemic presented problems, but we managed to create possibilities for our customers and our organization. We were ready to deliver individual products, but we also supported availability and scalability to keep up with demand. We created standard building blocks that offer customer-orientated end-to-end solutions, and we deliver a modular global infrastructure. In short, our modular infrastructure supported a lightning-fast time-to-market built on an integrated platform. I firmly believe that companies that can deliver an integrated customer platform in the fastest way are the ones who will succeed.

Being able to offer a single integrated platform as a service is extremely important to our customers. It allows them to orchestrate customer journeys with messaging, voice, ticketing, chatbot, customer contact and payments. As a licensed payment service provider, we

Last year, CM.com managed to be one of the fastest-growing players in the conversational commerce market. How did the platform contribute to the accelerated growth that was realized in 2020?

enrich payment transactions with additional services such as an integrated invoicing system, invoice management and multi-currency payments – all this results in extraordinary consumer experiences.

We had an incredible growth rate in 2020. We could respond to the enormous demand by scaling up because we had our software development and technical infrastructure under control. This enabled us to scale up for our customers in various regions without any drawback. We supported this growth by building our own products on our own global cloud platform. This let us have total control of scalability and scaling quality, avoiding external dependencies. One example of this was the government’s fast-growing demand for scalability of several communication channels to facilitate communication with their citizens. Successful communication during the pandemic is all about delivering a stable, reliable platform.

ON A PERSONAL NOTE

What was the greatest lesson you learned in 2020?

I learned that we need each other much more than we realize. That goes for everyone at CM.com and every family. Realizing this was not so much an eye-opener in 2020, it was more a reality check. I’m a people-person, and I always try to see the positive aspect of things. I learned a lot this past year on how differently people react to big life-changing events like Covid-19.

What effect did Covid-19 have on you?

I’ve seen, yet again, a remarkable resilience from our entire team all over the globe. Their agile mindset and drive to get things done as a team match our culture’s core. There are fewer boundaries between us, and we now work more closely and efficiently together. We should never underestimate the importance of our company culture. I appreciate everyone’s effort in that.

What did you miss out on in 2020?

I missed meeting people in person, face-to-face and learning from each other through personal interactions. Learning from different cultures and our international teams is something I highly value as it accelerates our business growth. It’s where I get my energy and inspiration.

What will you be spending more time on in 2021?

For me, 2021 will mainly be a year of getting in closer contact with all our new and existing global employees, customers and suppliers. As soon as we can start traveling again, I’ll be the first one on a plane to keep on building the bridges between our international teams and our customers.



FINANCIAL RESULTS

x € million	2020	2019	Δ
Revenue	141.6	96.3	47%
Core revenue	134.4	86.5	55%
CPaaS	117.0	76.0	54%
Payments	6.4	5.5	17%
Platform	11.0	5.0	120%
Other	7.2	9.8	(27)%
Gross Profit	33.3	24.1	38%
Core Gross Profit	32.0	21.9	46%
CPaaS	19.1	14.5	32%
Payments	3.4	2.8	21%
Platform	9.5	4.6	106%
Other	1.3	2.2	(40)%
Gross Margin	24%	25%	
Core Gross Margin	24%	25%	
CPaaS	16%	19%	
Payments	53%	51%	
Platform	86%	92%	
Other	18%	22%	
Operating expenses	(34.8)	(20.2)	72%
Employee benefit expenses	(23.0)	(13.2)	74%
Marketing and Sales expenses	(2.5)	(1.9)	33%
Other operating expenses	(9.3)	(5.0)	85%
EBITDA	(1.5)	3.9	
IPO/Listing expenses	(1.7)	(1.5)	
Adjusted EBITDA	0.2	5.4	
Depreciation and Amortization	(8.0)	(5.1)	
Financing costs	(3.5)	(0.8)	
Tax	0.0	0.1	
Net profit	(13.0)	(1.8)	

Total 2020 Revenue and Gross Profit

In 2020, total revenue grew by 47% to € 141.6 million and gross profit grew by 38% to € 33.3 million. Core revenue grew by 55% to € 134.4 million, of which organic core revenue grew by 49% to € 128.9 million. Core gross profit increased by 46% to € 32.0 million, organic core gross profit increased by 25% to € 27.4 million.

CPaaS

CPaaS revenue increased by 54% to € 117.0 million (FY 2019: € 76.0 million) and gross profit rose by 32% to € 19.1 million (FY 2019: € 14.5 million).

CPaaS revenue increased by a good mix of new customers and growth at existing customers. We won 145 new CPaaS enterprise customers (+22%) and the revenue of existing customers increased by 29%. CM.com was particularly successful in the APAC region and Europe. CPaaS revenue outside of the Netherlands grew by 54% to € 67.9 million.

We stabilized the previous decline of the CPaaS gross margin in 2020 around 16% (FY 2019: 19%).

Payments

Payments revenue grew by 17% to € 6.4 million in FY 2020, from € 5.5 million in FY 2019.

Gross profit rose by 21% to € 3.4 million (FY 2019: € 2.8 million) and gross margin increased from 51% in FY 2019 to 53% in FY 2020. The take rate for FY 2020 remained the same at a healthy 0.46%.

Revenue and gross profit growth were driven by the 17% increase in payments processed. All payment methods (IDEAL, Credit Card, Bancontact etc.) rose in payments volume, with credit card payments showing the biggest revenue and gross profit increase.

Platform

Platform revenue grew by 120% from € 5.0 million in FY 2019 to € 11.0 million in FY 2020. The contribution from acquisitions was € 5.5 million.

Revenue from platform subscriptions and our SaaS software features was fueled by the

demand for access to our platform, WhatsApp Business Chat, and the increased demand for IDIN. Organic revenue from ticketing declined to € 0.6 million (FY 2019: € 1.5 million), due to postponements of events.

Platform gross profit grew roughly in line with revenue at 106% to € 9.5 million (FY 2019: € 4.6 million).

Other

Other revenue decreased to € 7.2 million compared to € 9.8 million in 2019. Other revenue is generated by our legacy business that includes revenue from Premium SMS and Direct Carrier Billing services.

Gross profit declined year-on-year, in line with our vision that the market for this legacy business is declining. Nonetheless, it is stabilizing in H2 2020 and contributed € 1.3 million to total gross profit in FY 2020.

OPEX

In line with our accelerated global growth strategy we hired more people, opened new offices and made additional investments in Research and Development. These growth initiatives including the costs of the listing of € 1.7 million resulted in increased operational expenses to € 34.8 million (FY 2019: € 20.2 million).

EBITDA

For 2020, EBITDA adjusted for one-off listing expenses, amounted to € 0.2 million (2019: € 5.4 million).

Financing and Funding

In 2020, financing costs rose to € 3.5 million from € 0.8 million in 2019 due to a warrant payment related to the loan of the European Investment Bank of € 3.1 million that was redeemed at listing.

In February, CM.com successfully listed on Euronext Amsterdam and raised € 73 million in capital. In September, CM.com successfully raised an additional € 32 million through an accelerated bookbuild offering of new shares. The related expenses totaled € 5.6 million, of which € 3.9 million is booked against equity

and € 1.7 million went through the profit and loss statement.

At year-end 2020, CM.com had no net debt outstanding, besides € 7.6 million of lease liabilities (IFRS 16) (2019: € 7.8 million). Total equity at 31 December 2020 stood at € 101.3 million compared to € 5.7 million at 31 December 2019. The increase in equity was primarily the result of the capital raises in February and September.

CAPEX

In 2020 capex amounted to € 9.0 million, of which € 5.9 million was related to capitalized hours. In 2019 capex amounted to € 6.0 million, of which € 4.9 million hours were capitalized. Capex as a percentage of total revenue stood at 6.4% in 2020 (2019: 6.2%).

Capex primarily consisted of capitalized R&D hours and investments in network equipment and computer hardware.

Capitalized development hours were geared to overall improvements to our platforms and the development of new innovative platform features to support new use cases and to ensure we stay ahead of competition.

After-balance-sheet developments

In 2021, we continued our growth strategy and hired the first employees in Mexico and Brazil.

On 2 March, we reached agreement to acquire PayPlaza, an innovative Point of Sale (POS) Payment Acceptance Platform. The acquisition forms a next step to offer omnichannel communications and payments solutions from one single platform. The transaction comprised a consideration of € 10 million (excluding a capped earn-out). Upon closing, the acquisition will be immediately accretive to EBITDA.

PayPlaza's technology is widely deployable and in the combination with our Payments solutions it gives existing and new customers quick access to additional payment options in an omnichannel environment. The anticipated growth of unattended POS terminals for self-checkout and the increasing demand for mobile payment solutions in the delivery, retail and hospitality market provide for ample growth opportunities.

Outlook

We will continue our global growth strategy by opening of new hubs and recruiting additional personnel in Sales & Marketing as well as Research & Development. Furthermore, we will continue to explore potential M&A opportunities that fit our strategy, and we reiterate our guidance. For more information on our objectives see page 32.

Whilst the future impact of Covid-19 on businesses and the economy remains uncertain, we are well-positioned to benefit from the further digitization of enterprises.

CM.COM ORGANIZATION

COVID-19 UPDATE

Due to the global Covid-19 pandemic, we have been confronted with a reality where social distancing became the norm in 2020. CM.com's culture is people-centered and based on teamwork. We had to reinvent ourselves and learn how to attract good, new people, onboard them, keep each other informed and work well together while working partly remotely.

We took several measures to keep our colleagues safe and healthy. To ensure a smooth continuation of the day-to-day business operations, we set up a Covid-19 crisis management team that met daily. We used our SMS campaign tooling to keep colleagues informed, and we took extra measures to facilitate working remotely. As CM.com is part of the vital infrastructure of the Netherlands, it was crucial that certain colleagues were able to work at the office safely. To ensure this was possible, we upgraded the climate conditioning system to the highest available standard, placed digital distance indicators on desks, created one-way routes through the offices, introduced strict lunch breaks, and placed sanitizers across the buildings.

OUR CULTURE

'Do what you like, do what you are good at and contribute' has always provided personal guidance to the founders and will remain the guiding principles of how we are organized and how we work within CM.com.

CM.com is committed to the principles of good governance: integrity, transparency, accountability and proper supervision. These principles are important for all employees within our organization as well as our customers, suppliers, shareholders and the public.

2020 OVERVIEW

The organization grew from 266 FTE at year-end 2019 to 500 FTE at year-end 2020, in line with

our accelerated global growth strategy. Scaling up the organization focused on opening new hubs worldwide and strengthening our Sales and Marketing organization. Next to that, we continued to expand our Research and Development team to ensure we remain an innovative leading player in conversational commerce. Since our organization is growing rapidly, we started discussions on initiating a Works Council in the Netherlands, which will be implemented in 2021.

HR GROWTH STRATEGY

- The main pillars of our HR strategy are:
- attracting and retaining the brightest talent available, and by doing so, expanding our presence globally;
 - offering an inclusive workplace of empowerment and teamwork, where people are encouraged to fully utilize their talent and capabilities; and
 - continuous development of skills and knowledge across the various disciplines within our organization to be ahead of the competition.

Empowerment

We strongly believe in self-managed teams that set their own goals, measure their own progress and have high personal responsibility, within the boundaries of the overall strategy. In this way, we stimulate employees to get the best out of themselves and continuously develop. We also see that it encourages product development, releases creativity, and results in more knowledge sharing.

We give people the opportunity to use their entrepreneurial mindset and empower them to anticipate actual market developments swiftly and to reap the benefits from new business opportunities.

Teamwork

CM.com is organized via small teams with a maximum of eight members. Within these teams, people are complementary in terms of experience, education and background, but also

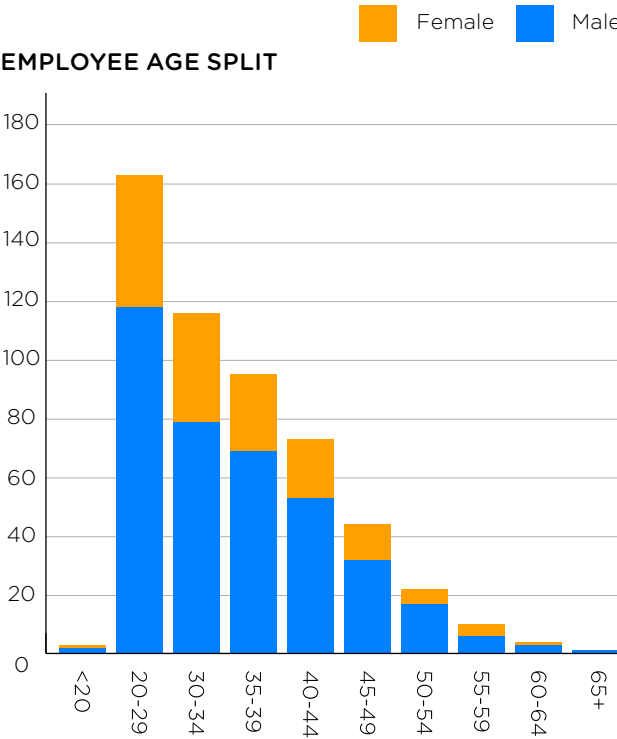
in terms of personality traits. Diversity and inclusion are important as we find that multi-skilled teams deliver the best results.

We also experienced that small teams work well together in times of social distancing. As long as teams remain small, team members can pay better attention to taking care of each other.

Diversity And Inclusion

CM.com has a strong ambition to promote an inclusive workplace and a diverse workforce, as diversity of thought is considered to be a driver of creativity and quality of decision making. At year-end 2020, 28% of the employees was female vs. 72% male. The average age of our employees was 35.3 years at year-end 2020. Looking at the background of our employees, there are 23 different nationalities and 16 languages natively spoken within CM.com. On our website our Diversity Policy can be downloaded (<https://www.cm.com/investor-relations/corporate-governance/regulations-and-codes/>).

	Male	Female
Total	72%	28%
Supervisory Board	83%	17%
Management Board	100%	0%
Senior Management/Exco	70%	30%
New hires	70%	30%



To ensure pay equality in the Netherlands, we determined the average basis position of individual employees to the mean salary of their relevant job class.

Gender	Average position towards market average in 2020	Average position towards market average in 2019
Male	96%	99%
Female	96%	97%

Inspiration

Inspiration is key to unlocking someone’s full potential and creativity. Since hosting inspiring physical events wasn’t possible in 2020, we hosted virtual sessions instead, like regular CEO updates, updates on new product developments, information sessions about different disciplines at CM.com, and virtual social events.

Health & Safety

Pro-actively reducing or eliminating any hazards, which may lead to sickness or stress, we see as an important part of being a good employer. We have a CARE-team in place consisting of various external specialists who provide our employees preventive and anonymous counseling on areas that may cause stress (e.g., psychologist, budget coach, dietitian). Additionally, we believe that a healthy diet is important for our employees’ well-being, so we serve healthy and nutritious food in our canteen. In 2020 our average sickness percentage was low, at just 1.9% (2019: 1.6%).

Attracting And Retaining Talent

During 2020, we introduced a new way of recruitment called group hires, in which we hire an entire team at once. Due to the dynamic business climate, many companies had to let good people go. Through hiring entire sales teams, onboarding was sped up.

CM.com Academy

Due to Covid-19, we had to halt classroom-based training at our offices and we hosted virtual updates through our online learning system, the CM.com Academy. In these sessions, someone within our organization led our global community through a specific topic. Furthermore, we offer various online trainings via our CM.com Academy that are available for all employees.

Overview of classes and participants

	Number of courses	Number of participants
Online Courses	14	981
Classroom-based training	10	323
Webinars	67	4887
CM Online Onboarding	1	275

Respecting Human Rights

CM.com supports the UN Global Compact and the International Labor’s Organization’s Fundamental Principles of Human Rights.

2020 HR DEVELOPMENTS

In 2020 our organization grew rapidly.

	FY2020	FY2019	Increase
FTE Sales & Marketing	273	116	135%
FTE Research & Development	156	100	56%
FTE General & Admin	71	50	43%
FTE Total	500	266	88%
HC Sales & Marketing	286	123	133%
HC Research & Development	163	109	50%
HC General & Admin	82	52	58%
HC Total	531	284	86%

In FY 2020 CM.com had 12 interns. In FY2019 this was 17.

Sales & Marketing

Tripling our Sales and Marketing teams in the coming years was one of our objectives to successfully execute our accelerated growth strategy. In 2020, we grew by 135%. Teams were expanded or newly built up in countries where we opened hubs.

In addition, we attracted a CMO (Chief Marketing Officer), who further professionalized and strengthened the central marketing organization.

Research & Development

Innovation and continuous product development add value to our enterprise customers, as they have future proof cloud solutions to engage with the end-users through their most-preferred channels, optimizing customer satisfaction levels and loyalty. To remain a frontrunner, we strive to grow our R&D resources further. In 2020 we grew by 56% to 156 FTE.

General & Administration

This year we hired Jörg de Graaf as CFO, to further strengthen and professionalize our Finance department. CM.com will continue to build a strong financial foundation for future growth, ensuring that we earn the trust of our shareholders and other stakeholders and that we maintain our strong reputation.

Retention

Overview of leavers

		2020
Leavers on own initiative	Employees who took initiative to resign	30
Performance-related leavers	Dismissals, or people who were involved in performance-improvement plans	22
End of contract	People who left due to end of temporary assignment or internship	10
Total		62

The majority of the leavers who left on their own initiative are employees, who had seen the company changing rapidly, and jobs and performance expectations changing significantly.

SUSTAINABILITY




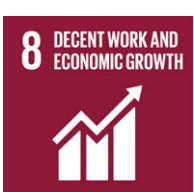
In the execution of our growth strategy, we will accelerate in making a positive impact. Expanding our business worldwide also comes with a greater responsibility in creating shared value for all stakeholders.

We firmly believe that technology exists to enhance people's lives. It has the power to make life easier, safer and more beautiful. We want to contribute by developing solutions that benefit society.

CM.com contributes to Environmental, Social and Governance (ESG) issues that create long-term stakeholder value. We see the United Nations Sustainable Development Goals (SDGs) as a meaningful way to meet global challenges

with innovative solutions. In this way, we will strengthen our competitive position while at the same time advancing society.

CM.com is conscious of its contributions to society and the UN Sustainable Development Goals, whether directly through its solutions or the way it runs its business. In 2020 we've focused on the process of prioritizing SDGs that reflect the nature of our business, addressing ESG topics. In 2021 we will focus on further integrating SDGs into our business processes aligned with our growth strategy. As such, we remain focused on the most material ESG topics, creating a sustainable competitive advantage.

ESG	SDG	Sub-goal	
Environmental		13.2	<i>Reduce CO₂ emission, by:</i> <ul style="list-style-type: none">• Reduce Energy Usage• Renewable Energy Usage
Social		9.1, 9.5, 9A, 9C	<i>Develop quality, reliable, sustainable and resilient infrastructure, by:</i> <ul style="list-style-type: none">• Technological upgrading• Innovation in mobile communication• Delivering innovative business models & channels to customers
		12.5, 12.6, 12.7	<i>Responsible consumption and production:</i> <ul style="list-style-type: none">• Reduce waste by offering digital cloud-based alternatives• Sustainability Reporting• Sustainable Procurement Practice
Governance		8.2, 8.3, 8.5, 8.8	<i>Create job opportunities. Achieving higher levels of economic productivity through:</i> <ul style="list-style-type: none">• Diversification• Safe working conditions• Technological upgrading• Innovation

SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals (SDGs) are 17 global goals that the United Nations General Assembly set in 2015 for the year 2030. They address the global challenges we face, such as poverty, inequality, climate, environmental degradation, prosperity, and peace and justice.

OUR STRATEGIC FOCUS

As a global Conversational Commerce provider, we contribute directly and indirectly to SDGs through the customers we serve and the solutions we offer. We choose to focus on the SDGs that we can impact the most, using our growth strategy and mission to guide our choice.

Our approach to sustainability is in the areas of cloud communication, payments and climate action. We focus on the SDGs for promoting industry innovation and infrastructure (goal 9), sustainable consumption and production (goal 12), sustainable and inclusive economic growth (goal 8) and climate action (goal 13). In doing so, we have an integrated approach

towards Environmental, Social and Governance related topics.

SELECTION PROCESS SDGS

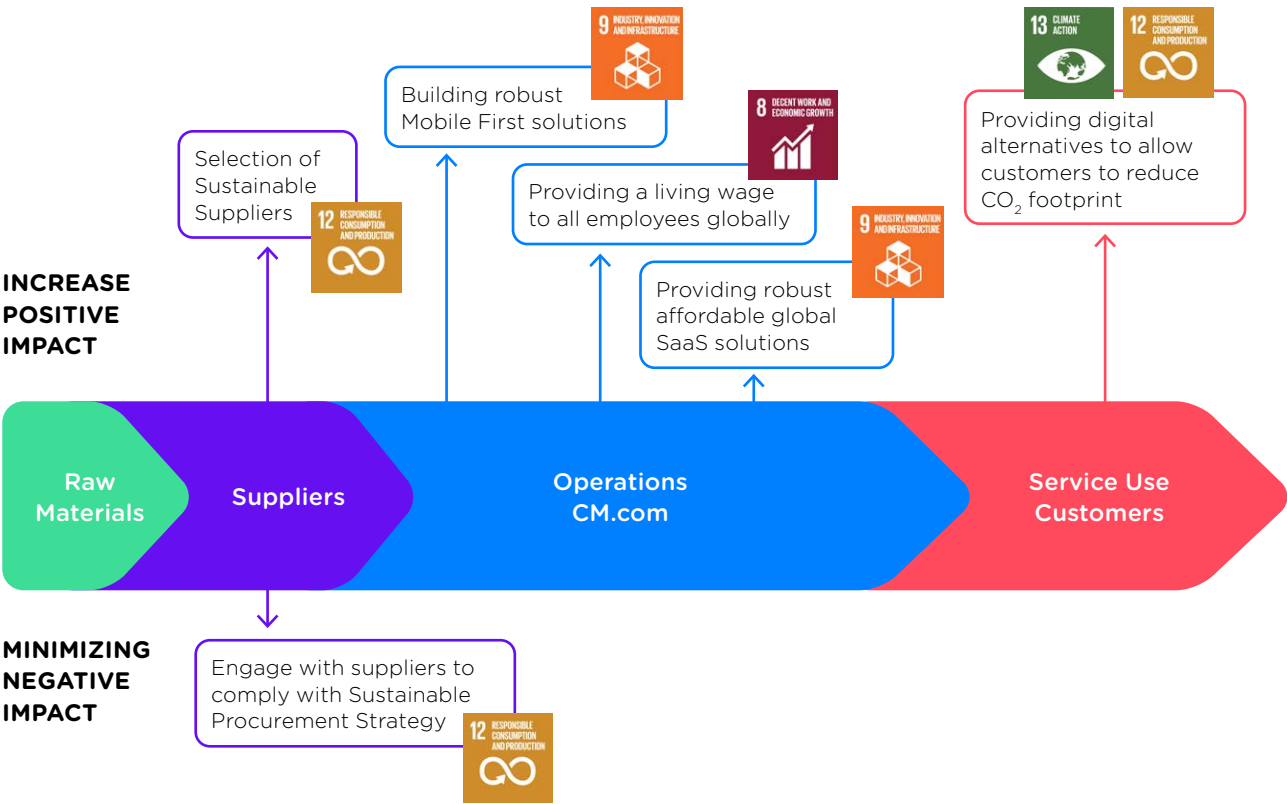
In the selection process, we used a combination of several methodologies, including stakeholder opinions. CM.com views sustainability as a long-term driver of change to improve processes, pursue growth, and add value to our customers and society.

We have taken the followings steps in our journey:

1. Mapping of SDGs to CM.com's primary business activities across the value chain.

Our product offering, Conversational Commerce solutions, is a combination of three industries: Telecom, Finance and ICT. Each industry has its own characteristics. Combining cross-sector overlay of most material SDGs per sector created a shortlist in prioritization of SDGs. Based on our value chain, we addressed both positive and negative impacts related to priority SDGs.

SDG MAPPING ON CM.COM VALUE CHAIN



2. External Stakeholder opinions

From a stakeholder perspective, we have taken opinions and focus points of customers, investors, suppliers, business partners and regulators.

3. Reference check Global Risks with selected priority SDGs

The World Economic Forum defined a ‘global risk’ as an uncertain event or condition that, if it occurs, can cause a significant negative impact for several countries or industries within the next ten years. From a priority SDG perspective, we made a cross-reference with reported ‘global risks’ linking back to our mission ‘to make life easier, safer and more beautiful’. Selected SDGs have the same ten-year time-horizon in which the SDGs have to be reached. This creates a cross-reference in the risk domain in which we operate.

4. SDG target selection

A deep-dive into prioritized SDGs resulted in a selection of applicable sub-goals. In 2021, we will implement a consistent target setting on each sub-goal in line with applicable metrics. This will further integrate our business processes and our growth strategy with priority SDGs.

5. KPI setting for measuring performance

In 2021, CM.com will take further steps in ESG reporting and define clear KPIs to be able to measure its performance.

ENVIRONMENTAL: MANAGING OUR FOOTPRINT

Integrated value chain approach

Through our approach to sustainability, we intend to influence the environmental impact of our total supply chain, from suppliers to customers. This includes our procurement process, operations and the impact of services before, during and after use. Risks related to climate change and compliance with new environmental legislations are incorporated in our risk management and control systems.

ISO 14001

In 2020, we continued to manage our direct environmental footprint by efficiently using natural resources and identifying and implementing green alternatives. CM.com has an ISO 14001

certification to improve resource efficiency and reduce waste. This means that we actively look for possibilities to reduce our environmental impact and minimize costs.

Travel reduction

Our local employee recruitment policy continued to reduce carbon emissions generated by commuting. We also offer employees a hybrid company car for business travel and promote public transportation.

Energy usage

We continued to improve the environmental performance of our office buildings throughout the year. Our HQ office locations in Breda received an energy efficiency-label A. The HQ office stopped using natural gas in mid-2018 and is now fully powered electrically. Solar panel installations locally produce part of the energy needed, and we use electricity generated by mixed renewable sources for additional energy demand.

In accordance with EU-law, we performed an audit and comply with the European Energy Efficiency Directive (EED) (2012/27/EU). Other CM.com local office locations around the world are multi-tenant buildings that CM.com does not own and, therefore, fall outside of our scope.

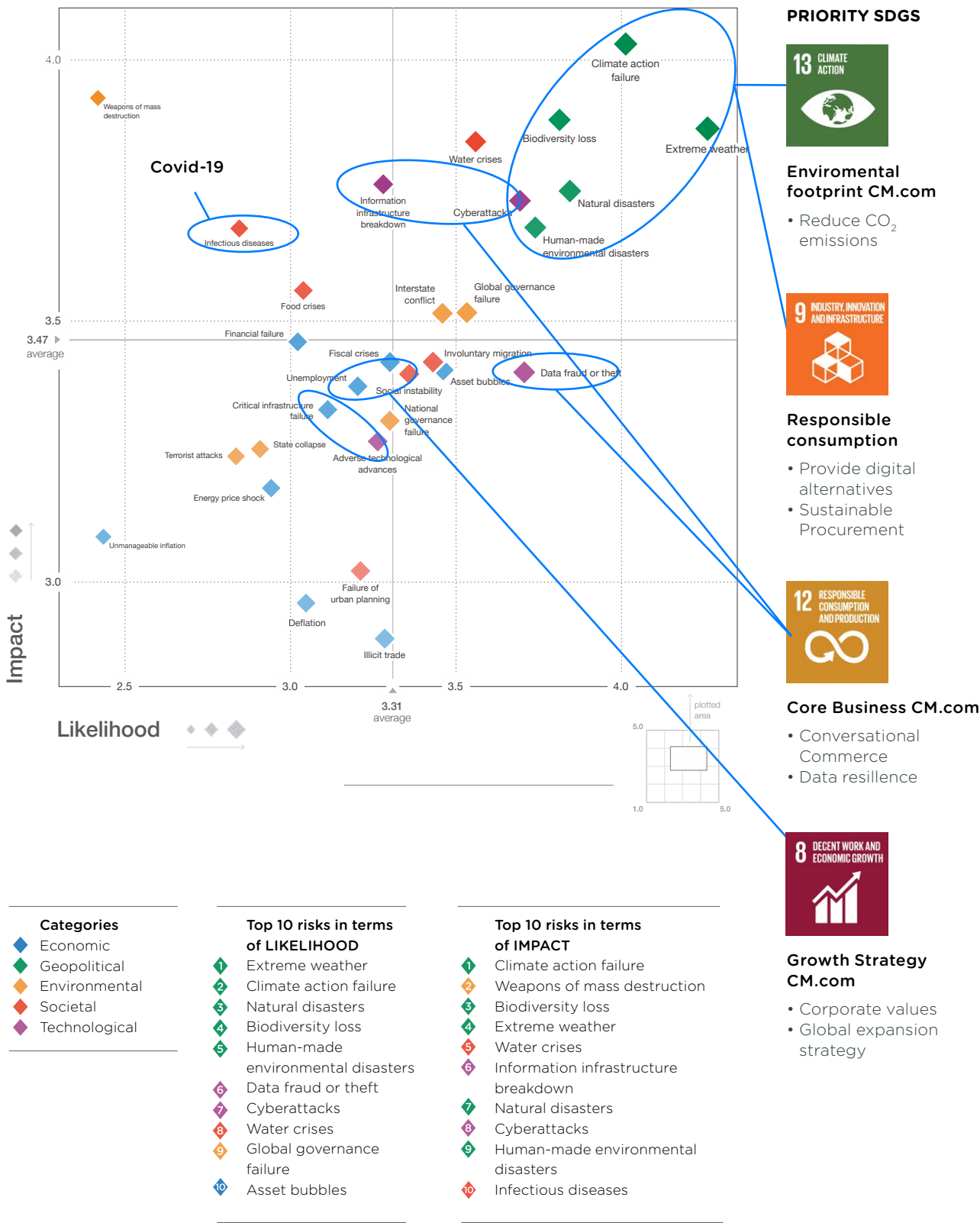
Paper minimization

One outcome of CM.com’s solutions is helping enterprises reduce their use and distribution of paper-based communication. CM.com encourages less paper consumption by implementing tools that support the electronic handling of data recording and data exchange.

Sustainable Procurement

CM.com’s business requires the extensive use of computers and associated electronics. To optimize our performance and minimize energy consumption, we regularly upgrade our systems and our server park with modern, energy-efficient technologies. By investing in state-of-the-art technology, the power management of the CPU’s (Central Processing Unit) inside the server park decreases heat generation, reducing the need for cooling. We avoid the use of hazardous materials and when replacing equipment, we use controlled recycling or e-waste by specialized firms. In 2021 we will improve our Procurement Strategy with a sharpened focus on sustainable criteria.

THE GLOBAL RISK LANDSCAPE 2020



Source: World Economic Forum Global Risks Perception Survey 2019-2020, figure II. http://www3.weforum.org/docs/WEF_Global_Risk_Report_2020.pdf

SOCIAL

Our employees are the backbone of our company. Since the start of the company in 1999, we’ve worked with the following principle: ‘Do what you like, do what you’re good at and contribute’.

Through the technology of CM.com, in combination with the innovative mindset of our people working together, we develop new products that make life easier, safer and more beautiful for all. A few examples include:

SIP trunking: enabled building a reliable work-from-home environment for call-center agents. This ensured continuity in a COVID-19 world. In a post COVID-19 world this is here to stay, reducing CO2 footprint and travel time for commuting.

QR donation solution: no cash necessary, which makes it safer for collectors, and easier for people to donate which results into higher conversion rates resulting in more donations;

Online ticketing shop: no more queuing at museums, safeguarding a safe distance and facilitating flexible capacity management with time-slots;

Two-factor verification via SMS for accessing online bank accounts, or DigID provides higher security levels preventing fraud and theft. Identity verification for age verification for example preventing minors for buying alcoholic beverages.

Mobile Order, pay with your phone, which makes tokens and cashiers at events superfluous; and providing a minimum of close contact without affecting service.

eSign solution: makes the signing of contracts more efficient while reducing paper consumption which reduces CO2 emissions, while reducing the risk of fraud by using Two-factor Authentication (2FA) providing a low cost digital alternative.

GOVERNANCE

Integrity, transparency and accountability are key elements of our corporate governance and business operations.

Business Model

CM.com is a listed global leader in cloud software for conversational commerce that enables businesses to deliver a superior customer experience. Our communications and payments platform empowers marketing, sales and customer support to automate engagement with customers across multiple mobile channels, blended with seamless payment capabilities that drive sales, gain customers and increase customer happiness. See page 30 for more details on our strategy.

Code of Conduct

For our Code of Conduct, reference is made to the Corporate Governance chapter on page 89 and our website <https://www.cm.com/investor-relations/corporate-governance/>.

Compliance with rules and regulations

CM.com employees are expected to comply with all applicable laws, rules, and regulations of the countries where we do business following the Code of Conduct. In general, the following principles are taken into account, on which CM.com regularly informs its employees:

- Data protection
- Anti-corruption
- Money laundering
- Bribery and corruption
- Environmental Health and Safety
- Human Rights

DO WHAT YOU LIKE,
DO WHAT YOU
ARE GOOD AT AND
CONTRIBUTE

CASES
PART TWO



BUDDHA TO BUDDHA

TIME TO SIGN

The jewelry that Buddha to Buddha has been designing for almost 25 years has been known for its beauty, its quality and its timeless design. Buddha to Buddha chose for digital signature of contracts, as they find the process of sending and printing contracts outdated, especially when it comes to the environment and costs. They decided to increase efficiency and use the easy-to-implement digital solution of CM.com.



DE NEDERLANDSE
LOTERIJ

TIME TO WIN

For a safer and more reliable age verification, the Nederlandse loterij (Dutch Lottery) uses iDIN for simple identification. The Nederlandse Loterij is an official gambling organization of The Netherlands. All gambling games from the Nederlandse Loterij are intended for people aged 18 and older. They introduced iDIN, the online tool for safe and easy identification via the bank, to verify the age of online participants. In this way, CM.com helps making life safer.



A.S.R.

TIME TO CHAT

a.s.r. is a major Dutch listed insurance group. As communication between humans and machines has started to evolve, the company decided to revolutionize its customer engagement strategies by launching a conversational, user-friendly chatbot. With the primary goal to help their existing customers in a better, faster and more digital way, a.s.r. strived for a radical transformation of the website. They obtained our CMS within which they could build their own dialogues and monitor customer interactions. With data and feedback readily available, the process of analyzing and optimizing answers was simple. The chatbot forced the whole organization to think in terms of customer journeys. As a result, they could better align their strategies and communication across departments, effectively reducing organizational silos. Because of the successful implementation of the chatbot, 85% of visitors find their answer and their Net Promoter Score (NPS) has increased substantially.



KWF

TIME FOR CHARITY

KWF (Dutch Cancer Foundation) uses the CM.com technology for door-to-door donations. Safe, easy, and fast payment through the mobile phone by scanning a QR code. Easy as that. The QR code is an inexpensive alternative towards pin terminals and cash money. It is simply added via sticker on e.g., the collection box, or not-at-home cards. By scanning this QR code, donors enter a secure payment environment where they can adjust the pre-filled amount if desired. This makes it easy to donate, even without cash in your pocket. A few clicks and the donation is completed. Completely anonymous of course, just like with cash. Making donations easier and safer, and life a little more beautiful.



VAN GOGH MUSEUM

TIME TO EXPERIENCE

The Van Gogh Museum in Amsterdam houses the world's largest collection of Van Gogh's art with over 200 paintings, close to 500 drawings and more than 700 letters. CM.com provides their online ticketing platform with timeslot reservation possibilities for individuals, groups, educational institutions, tour operators and resellers across the world.



The museum was one of the first to start with timed slot ticketing in 2018, for all visitors. No more queues waiting to buy a ticket or not knowing when or if you can enter the museum. In cooperation with CM.com, the Van Gogh Museum developed the ticketing funnels towards a higher level. All visitors are able to reserve tickets upfront through our platform co-branded with the Van Gogh Museum. With the implementation of timed slot ticketing, CM.com helps the Van Gogh Museum to optimize the number of visitors during the day, optimize revenues and increase the customer experience. Before the visit, visitors are sent a personal video welcoming them to the museum and providing them with useful tips. Smooth and easy ticket sales help optimizing the customer experience. At the Van Gogh Museum, the fun starts with buying the ticket.

During the pandemic this way of ticket purchasing was made mandatory by the Dutch government. With the expertise in timed slot ticketing, the Van Gogh Museum and CM.com were able to help several institutions implementing timed slot ticketing during these difficult times.

RISK MANAGEMENT

In pursuit of our accelerated growth strategy, we recognize the need for a healthy balance between our entrepreneurial spirit and controlling risks, to ensure good corporate governance. As a newly listed company, we have made additional efforts to improve our risk awareness and CM Risk & Control framework (CMRICS) by conducting multiple risk and control workshops throughout our organization. In addition, the Covid-19 pandemic has emphasized the importance of risk management, because it transformed how we think and interact with each other, causing us to reassess our priorities. Ultimately, we believe that well controlled risks will result in long-term value for our shareholders and other stakeholders and benefit our society.

Our CMRICS framework is based on the COSO Enterprise Risk Management (ERM) Model issued by the Committee of Sponsoring Organizations for the Treadway Commission in 2013. The CMRICS is adopted by our organization and forms the backbone of our risk management program.

RISK GOVERNANCE

We implemented the 3-lines model to improve the risk management culture, to actively take accountability for managing risk and controls. Via the 3-Lines of defense Model we show that we are in control and most important risks are managed appropriately.

Within this model, the Management Board is responsible for determining the overall strategy, setting the objective and maintaining a comprehensive system of risk management and internal control to accomplish our mission, vision and company goals in a controlled manner. This also includes determining the risk appetite and assigning risk owners.

The Supervisory Board provides independent oversight on the Management Board's response to the risk management process.

The first line is our operational management.

3-LINES MODEL



They are responsible for identifying risks and designing and implementing controls, in order for the residual risk to be in line with our risk appetite.

The second line is our risk management and compliance function. The risk management function is responsible for supporting the first line in day to day risk related activities, owns, implements and improves the risk management process. This also includes the design and maintenance of the CMRICS framework. Risk Management monitors the first-line department's compliance through the policies, standards, and procedures regarding this framework. Risk management provides insights to all levels in the status of risk exposure and effectiveness of the controls to manage risk to an acceptable level (the risk appetite).

The third line is provided by our Internal Audit Department (IAD), which isn't part of the risk management process and operates under separate responsibility of the Management Board. The IAD helps us to ensure that we have proper controls, governance and risk management in place. By nature, it's an independent function that can present objective observations and make recommendations for corrective measures. The Manager Internal Audit has a dual reporting relationship

with the CEO and the Audit Committee. In 2020, the IAD reviewed our CMRICS, focusing mainly on the management system of our CPAAS and payment platform with respect to information security, quality, IT services and environmental management and its compliance. In addition, the external accountant provides independent control testing in relation to our financial statements.

RISK AND CONTROL FRAMEWORK

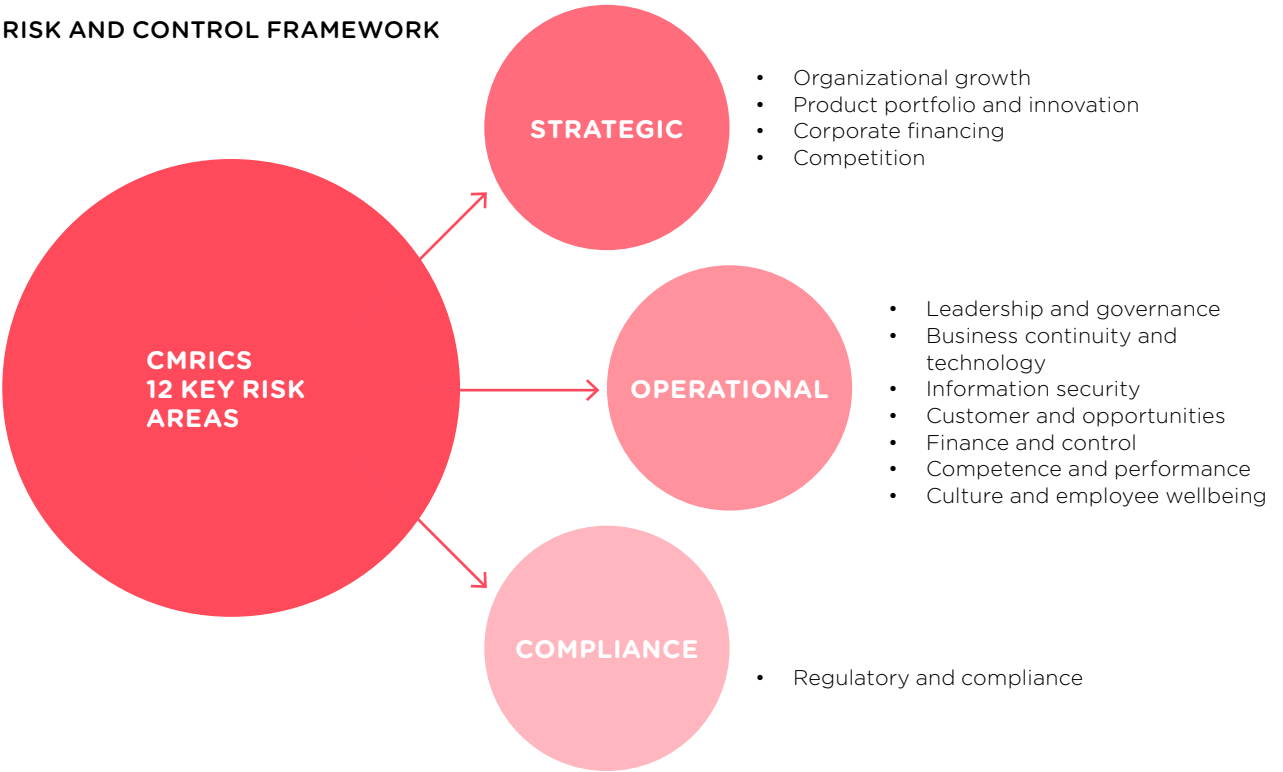
Our CMRICS consists of the three interrelated risk categories: Strategic, Operational and Compliance, and identifies 12 key risk areas.

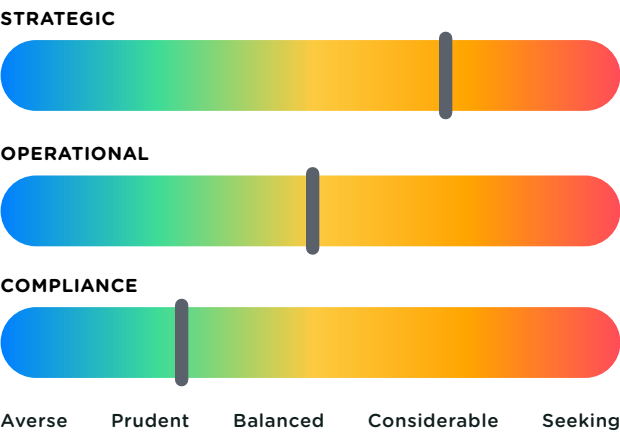
RISK APPETITE

CMRICS sets out our risk appetite and represents the residual risk we consider acceptable to achieve our objectives. To facilitate the risk appetite's communication to the business, three interrelated key risk areas, based on both qualitative and quantitative metrics, were developed for each of the twelve key risk areas.

We believe that technology contributes to the well-being of humankind, which is why we embrace innovation. Once a product is developed and added to the platform, we strive to have it integrated into standard operations and automated if possible.

RISK AND CONTROL FRAMEWORK





We process billions of communication and payment transactions each year, which means that we must take considered and serious pre-cautions to ensure the reliability and continuity of our platform operations and the information security on behalf of, and for our customers, and also their customers. Therefore, we are prudent about compliance risks and we adhere to all laws and regulations.

Our risk appetite is reconsidered on a half-yearly basis by the Management Board and can change over time due to developments in society, legislation, geopolitics, customer needs and changes within our organization.

STRATEGIC RISKS

Organizational growth

Description — Our accelerated growth strategy’s success depends on our ability to attract and retain highly qualified talents globally. Otherwise, it might have an adverse effect on our ability to achieve our growth ambitions.

Mitigation — As part of our strategic business plan, we defined the positions and talents we need to achieve the desired organizational growth. We offer employees a challenging environment with opportunities to work with new markets in a highly qualified team. We have a defined roadmap that positions CM.com as an employer of choice. This helps us retain and attract experts that know the local markets and related rules and regulations. We’ve proven to be successful in expanding our organization by opening multiple hubs globally.

Product portfolio and innovation

Description — Our global growth strategy’s success depends on our ability to recognize tech trends on time and use our technological capabilities to adopt new features or enhance existing products within our product portfolio. We believe that having a strategic plan that addresses product portfolio and innovation risks is critical to being a successful innovator.

Mitigation — We ensure a competitive product portfolio by gaining market-leading insights on time. Our global team of market analysts keep in close contact with external analyst agencies in the technology industry and leading big-tech partners, who are part of the interconnected global conversational commerce ecosystem. We also have a pro-active mergers and acquisitions policy that helps us to speed up our innovation and platform capabilities.

Competition

Description — The conversational commerce market is an emerging market that’s inherently more dynamic than a developed market. We pay extra attention to new and existing competitors, substitute products and supplier dependencies. If we fail to identify and respond to our competition, we could be outpaced. CM.com is a pioneer in this market. There are only a limited number of peers who can offer a one-stop-shop solution. Our local presence worldwide allows us to understand the specific local needs and implement them in our solutions.

Mitigation — Our interactions with customers, expanded sales force and our industry-market analyst provide us with the competitive insights that help us keep a close eye on market developments. Our pro-active mergers and acquisitions policy also helps us access new (geographical) markets and enhance our platform capabilities.

Corporate financing

Description — Access to capital markets and an accurate view of future funding needs are essential for executing our accelerated growth plan. We have to maintain strong and

transparent relationships with the capital market community to reflect our company’s fundamental value. Otherwise, we might not be able to invest enough in organic growth or acquisitions.

Mitigation — Since our listing, we invested substantial time and effort in building interest in CM.com. In 2020, four analysts initiated coverage on CM.com, providing additional insights to the investment community. Through our planning and reporting cycle, we’ve maintained accurate visibility on our financial position and outlook.

OPERATIONAL RISKS

Leadership and governance

Description — It’s important to have a management system that allows the Management Board and Executive Committee to make decisions based on rules, practices and processes. These activities must occur within a continuous cycle of self-evaluation, correction and improvement and be reflected in our operations. If we can’t maintain and improve our management system it could result in constrained or unsustainable growth, which isn’t aligned with our strategic objectives.

Mitigation — To maintain sustainable growth, we have professionalized our internal governance model. This includes a robust Management Board, which manages the daily business activities and an Executive Committee, which is responsible for all executions. We have a well-organized planning and control cycle, and we’ve improved our business review and reporting formats. We’ve also improved our process by applying the ‘plan, do, check act’ cycle. All business risks are included in CMRICS, and risk owners take care of the management and mitigate the business risks. We’ve moved the Internal Audit function as an independent third-line function, with a direct reporting line to the CEO and the Audit Committee.

Business continuity and technology

Description — As a global conversational commerce provider, the availability of our services is key. Failure to prevent frequent or persistent

interruptions in our services could cause current or potential customers to select a different provider, which equals to a loss of business.

Mitigation — We have a redundant infrastructure platform in place that’s based in The Netherlands (three locations), Brussels, Hong Kong, Frankfurt, London, and Johannesburg. Our Network Operating Center (NOC) monitors the availability of our systems and traffic throughout on a 24/7 basis. We also comply with the ISO 9001, 14001 and 20000 standards which enables us to deliver our high quality and sustainable services.

Information security

Description — Our platform’s security is one of our top priorities to guarantee our obligations to customers, be compliant with law and regulations, and prevent unnecessary costs. Our platform is vulnerable to multiple risk factors such as cyber-attacks, malware, physical and electronic breaches, employees, internet fraudsters or others. Failure to properly deal with those risk factors could lead to disruptions of our services, misuse of customer identities, unauthorized transactions, non-compliance, loss or leakage of privacy-sensitive data.

Mitigation — Our security program ensures our platform’s operational security, the security of our buildings and the mandatory security awareness program for our employees. The program is managed by a dedicated security team, which is led by our CISO. We have an annual security and privacy awareness training for all new and existing employees. We also have secure code trainings for developers as an integrated part of their learning program. For our Secure Software Development Lifecycle, we make use of available state-of-the-art third party secure code tooling to integrate security testing and other security-related activities in our development process. To detect and resolve vulnerabilities before they’re exploited, we participate in a bug bounty program and we invite third-party experts to periodically perform penetration tests. As an additional layer, we also have automated tooling that continuously scans and tests our IT-infrastructure for vulnerabilities. We’re ISO 27001 certified, demonstrating our Management Board and Executive Committee’s involvement in our security processes.



Customers and opportunities

Description — We aim to deliver great products and services to our customers so they can make the lives of their own customers easier, safer and more beautiful. Our aim is to keep our customer base satisfied and we grow with them over time. We're convinced that high customer satisfaction, together with the right brand perception, will help us attract new customers globally. Otherwise, we might not be able to meet our growth ambitions.

Mitigation — To achieve high customer satisfaction, we provide a professional high-quality conversational commerce communication platform with best-in-class availability, stability and guaranteed continuity. Our Network Operations Center is available for customers 24/7. Our global commercial and operational team's direct feedback flow to our product and development units assures a continuous feedback loop from customer needs and experiences to our technical teams, who use this as input for developments. We have extensively expanded our sales and marketing teams by hiring talented and experienced sales and marketing experts globally in various disciplines. To take full advantage of this growth, we've reorganized our sales organization from single product to solution-driven sales. This has resulted in a growth engine that increases our brand awareness and demand generation, a dedicated tender desk and more data-driven sales. All leading to new businesses and customers, and improved cross-sell and up-sell at our existing customer base.

Finance and control

Description — Our financial health is measured and monitored based on many different financial metrics. The most important metrics are related to our liquidity, solvency, profitability and operating efficiency. If we don't adequately respond to our financial metrics or, if the reliability of those metrics is insufficient, it may harm our growth strategy.

Mitigation — Our financial business performance is discussed monthly with the Management Board and with each business unit. Important

metrics like cash position, cash flow ratios and main product drivers are monitored and reported to management daily, along with quarterly forecasts.

Competence and performance

Description — Along with our accelerated growth is the increasing complexity of processes, systems and products. This could result in a more extensive learning-curve for new and existing employees. If we don't align the key skills necessary with a specific role, we might not be able to reach the target performance and deliver the right quality.

Mitigation — We're developing tailor-made learning paths for new and existing employees to ensure the same level of basic knowledge. These learning paths are facilitated by our learning management system (CM Academy). We've also adopted the 'Sales for SaaS' remuneration philosophy in which every sales individual has a highly focused target list that is reviewed, measured and periodically rewarded based on individual performance indicators.

Culture and employee wellbeing

Description — We believe that our core principles (Do what you like, Do what you're good at and Contribute) and a healthy, happy and safe work environment, are essential in maximizing the motivation of our employees. Without it, talented employees might not choose for us or stay with us. They may also not take enough initiative to push us forward and their overall performance may suffer.

Mitigation — As a response to Covid-19, we've found alternative ways to maintain our highly social culture by hosting digital CEO updates and platform updates, sending motivational gifts, organizing digital Friday afternoon drinks as well as a digital pub quiz. For our new employees, we have a buddy system to provide context and boost productivity. To better understand the needs and concerns of our employees, we also developed an online Employee Engagement Survey. The roll-out of this survey has been conducted in Q1, 2021.

COMPLIANCE RISKS

Regulatory and compliance

Description — As a global player, we’re subject to complex laws and regulations, such as telecommunication, payments, data protection laws and accounting standards. Technology evolves at a fast pace, so it’s important to comply with these laws and regulations in order to be compliant and prevent fines, claims or rejection of our license to operate.

Mitigation — We are committed to conduct business with integrity and responsibility and comply to applicable rules and regulations of the countries where we do business. This is emphasized in our Code of Conduct which contains business standards as rules of ethical conduct that every employee must follow. These business standards include compliance with the European Union’s General Data Protection Regulation and national telecom legislation, compliance with anti-corruption/-money laundering/-bribery laws, compliance with insider trading, avoidance of conflict of interest, accurate accounting and financial reporting. In order to embed these business standards, we employ experts and work with contract external expertise complementary to our own where and when required. We refer to local experts to identify the changes in the regulatory landscape on time and take appropriate action within our legal jurisdiction. Besides local legislation, new services also require regulatory awareness and immediate action. We do this by maintaining constructive relationships with the regulator and authorities. The regulatory requirements guide the organization and are depicted in CM.com’s policies and procedures.

IN CONTROL STATEMENT

To indicated we are in control of our main risks we have implemented a process to provide an “In Control Statement”. The risk owners each issued a signed In Control Statement to the Management Board, providing insight in the existence of controls within their area of accountability and managing the risk to an acceptable level. The Management Board reviewed the individual In Control Statements and has assessed the effectiveness of our internal risk management and control system (CMRICS). The Management Board created a company wide In Control Statement based on the input and has discussed this statement with the Audit Committee and the Supervisory Board.

During 2020, no significant failings (i.e., no failings which resulted in material losses or impact) in the design or implementation of the controls under CMRICS were observed. If a control did not operate as expected, areas for improvement were identified and remedial action plans formalized. These remedial action plans will continue to be monitored through 2021. As a newly listed company, we continue building the maturity of our risk management process and underlying risk management and control system.

Based on the information referred to above and its assessment, the Management Board believes that:

- this report provides sufficient insights into any failings in the effectiveness of the internal management and control systems;
- the systems and controls provide a reasonable assurance that the financial reporting does not contain any material inaccuracies;
- based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis; and
- this report states those material risks and uncertainties relevant to the expectation of the company’s continuity for the period of twelve months after the preparation of the report.

In accordance with Article 5:25c of the Financial Markets Supervision Act (Wet op het Financieel Toezicht), the Management Board confirms, to the best of its knowledge, that:

- the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit and loss of CM.com and its consolidated companies;

- the Annual Report gives a true and fair view of the position as of 31 December 2020 and the developments during the financial year of CM.com and its group companies included in the Consolidated financial statements; and
- the Annual Report describes the main risks CM.com is facing.

The above statements are given on the basis that CMRICS is primarily designed to bring CM.com’s risk exposure within its risk appetite and cannot, therefore, provide full and complete assurance that all human error, deliberate circumvention of controls, unforeseen circumstances, material misstatements, fraud or non-compliance with laws and regulations will be prevented. Therefore, a properly designed and implemented CMRICS will provide reasonable but not absolute assurance that a company will not be hindered in achieving its business objectives, or in the orderly and legitimate conduct of its business. In this context, reasonable assurance refers to a degree of certainty that would be satisfactory for a prudent key risk owner of his or her affairs under the given circumstances. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of sudden changes in conditions, both internally and externally.

SUSTAINABLE PROFITABLE GROWTH

“We’re always actively spotting acquisition candidates, but at the same time, we remain very selective.”



Jörg de Graaf
CFO CM.com

Jörg de Graaf is an experienced financial executive who became CM.com’s CFO and Management Board member in April 2020. He plays an active role in the ambitious new phase of the organization, focusing on accelerating growth and financing the investments in growth while at the same time ensuring a healthy a balance sheet and meeting all the obligations of a listed company. His mission is to stimulate sustainable, profitable growth.

You’ve had a long career working for big corporates. Working for a multinational with the mindset of a start-up must be a giant leap.

The founders, Jeroen van Glabbeek and Gilbert Gooijers built CM.com from scratch to what it is today, an innovative, dynamic company valued at more than € 700 million. I find the creativity, the straight-forward work ethos and the can-do mentality very positive. Jeroen, Gilbert and I have good chemistry; we complement each other. As the Management Board, we are one team with the same mind-set. As a team, we try to ascertain how we can realize our goals and strategic ambitions while maximizing growth potential. Our global growth strategy is based on growing organically while at the same time seizing value-added acquisition possibilities.

We understand that to grow sustainably, we have to build up structures and processes while remaining flexible and maintaining our entrepreneurial spirit. This is where we challenge each other, as we have to be prepared to question our own convictions. For me, that means using my experience with corporate structures and adjusting those to what works best for CM.com.

What were the main topics for you in 2020 as CFO?

As I just started in April, it was vital for me to get to know the company and the team, understand the culture and how the finance department was organized. During the pandemic, getting to know everyone was a bit of a challenge, to be honest. Next to that, I spent a lot of time setting up a new planning and control cycle and formalizing several processes within the organization. We spent quite some effort organizing data into insights, allowing improved performance management so we could closely monitor the returns we are getting on all of our growth investments. We also moved from a monthly financial close of 10 days to closing our books in 4 days. We reorganized the Risk and Internal Audit departments and made significant steps in improving the maturity of our Risk Management processes. Additionally, we made significant steps in professionalizing the acquisition process. We’re always actively spotting acquisition candidates, but at the same time, we remain very selective.

In 2020, we probably looked at 80 companies, which resulted in three acquisitions. The CPaaS market is very active and hot. We need to stay prudent and pay a fair price. It’s, therefore, an advantage that we have a broad portfolio, and there are many funnels we can tap for future acquisitions. Acquisitions are a nice add-on to our strategy, but our main focus is on our organic growth from opening hubs across the world and selling the cloud solutions we develop.

As CFO, part of my job is to ensure that we inform the capital markets and build good relationships with a broad investor base. Making sure there’s financing at hand when needed, for example, for acquisitions, is an essential responsibility for me. Therefore, we successfully raised an additional € 32 million in capital last September. This capital raise gave institutional investors the opportunity to invest in CM.com. For us, this was a chance to expand our shareholder base.

ON A PERSONAL NOTE

What was the greatest lesson you learned in 2020?

That as a society, we’re more practical and resilient than we think. People are often stuck in their own ways, but last year, it really surprised me how people were so agile and could find ways to deal with the new situation. It’s great that companies like CM.com could lend support with technology and help realize new ways of working.

What effect did Covid-19 have on you?

It had a tremendous effect since I started a new job in the middle of the first lockdown. On my first day at the office, I wondered how I would be able to understand the company and get to know the team when I couldn’t meet everybody in person. So, I spent a lot of time in video meetings with many new colleagues. On a personal level, I have two small children, and my wife also works. With the lockdowns and school closures, we had to operate as a team to manage everything. She also made it possible for me to invest the time I needed to transition into my new job.

What did you miss out on in 2020?

I am a big fan of Formula 1 Racing, so I would have loved to have attended the Formula 1 Dutch Grand Prix in May 2020. Hopefully, the postponed edition between 3-5 September 2021 will still take place.

What will you be spending more time on in 2021?

I hope I’ll be able to spend more time meeting people within the company, as well as our customers and investors, in person, and spend less time behind my laptop.

What will you do differently in 2021?

If there’s one lesson I learned from the pandemic, it’s how important it is to continuously invest in your physical and mental wellbeing. Staying fit, doing things you love, and nurturing close relationships are key. I’m going to carve out enough time for all of that.



MANAGEMENT BOARD



Jeroen van Glabbeek (Dutch, 1979)
Founder, CEO, Managing Director
Before founding CM.com as ClubMessage in 1999 with Gilbert Gooijers, Jeroen van Glabbeek

studied Technology Management at the University of Technology in Eindhoven between 1997 and 2002. In 1998, he started his career as project manager at Getronics PinkRoccade Civility. He completed the Advanced Management Program at Nyenrode Business Universiteit in 2009.



Gilbert Gooijers (Dutch, 1979)
Founder, COO, Managing Director
In 1999, Gilbert Gooijers founded and launched CM.com as ClubMessage

with Jeroen van Glabbeek. He obtained a degree in Technology Management from the University of Technology in Eindhoven (1997-2002) and completed the Advanced Management Program at Nyenrode Business University in 2009.



Jörg de Graaf (Dutch, 1976)
CFO, Managing Director
Jörg de Graaf joined CM.com as CFO on 30 April 2020. He obtained a degree as MSc. after studying

International Business Corporate Finance & Management (1997-2003). He was, amongst others, CFO at iBASIS in the United States from 2013 to 2019. He completed the Advanced Management Program at Harvard Business School in 2016.

SUPERVISORY BOARD



Martin van Pernis (Dutch, 1945)
Chairman
Martin van Pernis is Chairman of the Supervisory Board of CM.com and a member of the Supervisory Board of

CM Payments BV. He is currently Chairman of the Supervisory Board of Aalberts NV, vice chairman of the Supervisory Board of ASM International, and a member of the Advisory Boards of G4S Netherlands and Rabobank Nederland. Next to this, he holds various roles at non-profit organizations. Previously, he was the CEO of Siemens Netherlands. In the last decade, he held Chairs in the Supervisory Boards of Batenburg NV, Airbus Defense and Space Netherlands, Sacon Architects, Feyenoord NV and Rotterdam Philharmonic Orchestra, among others.



David de Buck (Dutch, 1967)
Vice-Chairman
David de Buck is Senior Advisor at Blackstone, a leading global investment business. Until 2018, he was CEO of Intertrust

Group for almost 10 years, also leading the company through its IPO. Prior to this he worked at Fortis where he held various positions, including Global Head Technology, Media & Telecom, CEO of Fortis Lease Group and member of Fortis Groenbank's Supervisory Board.



Lex Beins (Dutch, 1965)
Lex Beins is founder of Pyton Communication Services B.V. and Cheaptickets.nl / Beins Travel Group B.V. In 2011, Cheaptickets.nl was merged into Travix

International B.V. He is currently a member of the Supervisory Board of CM Payments B.V., Profile International N.V. and Écart. Further, he is a member of the Advisory Board of Events Travel and the Management Board of Barleda Netherlands B.V.



Diederik Karsten (Dutch, 1956)
Diederik Karsten is currently a member of the Supervisory Board of Stadion Amsterdam B.V. (Amsterdam

Johan Cruijff Arena) and of Holland Casino NV. Previously, he held Supervisory Board positions at VodafoneZiggo Group, Telenet, ANP Holding and easyJet. He was CCO at Liberty Global, CEO at KPN Mobile, and before that he worked for Procter & Gamble and Pepsico in different international positions.



Mariken Tannemaat (Dutch, 1971)
Mariken Tannemaat is currently a member of the Supervisory Boards of Wehkamp, a Dutch e-commerce company,

of ABN AMRO Bank N.V., a listed Dutch financial institution and of VLC & partners, a Dutch Risk manager. Precedingly, she was Chief Innovation Officer (CIO) of Robeco, CIO of NN Group and on the board of Nationale Nederlanden with the responsibility for Customer and Commerce. She also held various functions at ING Direct in Paris, London, and Amsterdam.



Stephan Nanninga (Dutch, 1957)
Stephan Nanninga is currently a member of the Supervisory Board of Bunzl plc and IMCD N.V. He has previously held

executive functions at various companies, including Technische Unie, CRH and Royal Dutch Shell in the Netherlands and abroad. From 2007 until 2016, Nanninga was a member of the Board of the family company SHV Holdings N.V. and CEO from 2014 to 2016.

CORPORATE GOVERNANCE

Principles

CM.com is a public limited liability company operating under Dutch law. Our shares are listed on Euronext Amsterdam as of 21 February 2020. We are committed to the principles of good governance: integrity, transparency, accountability and proper supervision. These principles are crucial for the employees within our organization as well as our customers, suppliers, shareholders and the public.

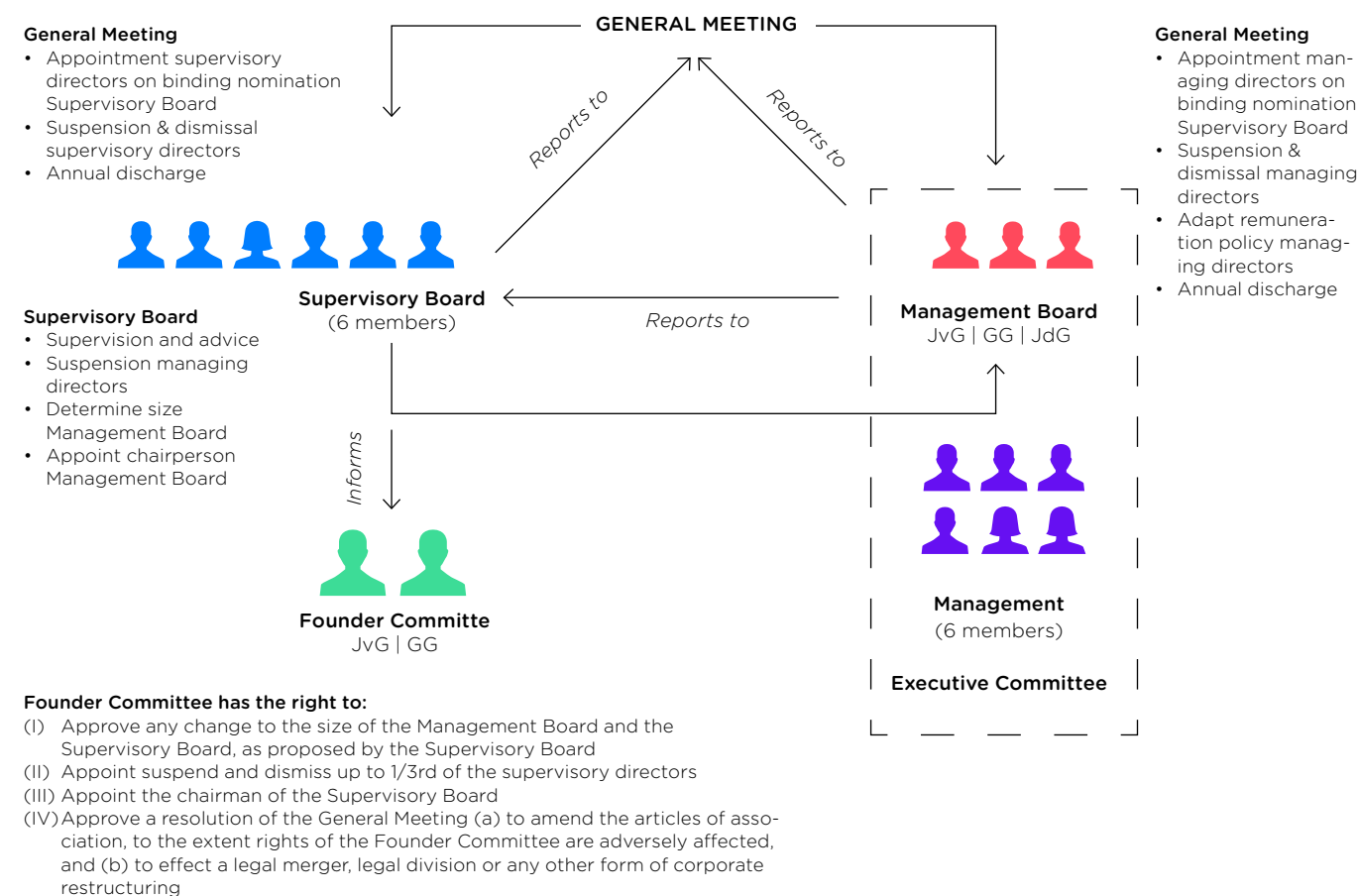
Good corporate governance is a vital component of CM.com's culture and is consistent with our core values. Our corporate governance is supported by a strong focus on transparency and clear and timely communication. Good governance and proper supervision are important conditions for creating and retaining trust in CM.com and its management.

Our governance structure is based on the requirements set out by Dutch legislation, the company's own Articles of Association, the Dutch Corporate Governance Code ('the Code', publicly available on the Monitoring Commission Corporate Governance Code website, www.mccg.nl), and is complemented by internal policies and procedures. We strongly believe that these principles and provisions are consistent with our own core values. Thus, we do not merely take a 'check-the-box' approach with our compliance.

Corporate Bodies

As of 21 February 2020, CM.com has a two-tier board structure with a Management Board entrusted with management of the company under the Supervisory Board's supervision. The Management Board is supported by certain key officers that and together constitute the Executive Committee.

Although the managing directors have divided various management tasks among themselves, the Management Board remains collectively responsible for the management of the company. In fulfilling its tasks and responsibilities, the Board considers the interests of CM.com and the business connected with it, as well as the interests of our shareholders and other stakeholders. The Board is accountable to the Supervisory Board and the General Meeting for the performance of its management tasks.



The Supervisory Board oversees and advises the Management Board in performing its tasks and guides its general development. In performing its duties, the Supervisory Board is guided by the interests of CM.com, its subsidiaries and the relevant interests of its stakeholders.

The founders desire to continue their active board role at CM.com for as long as possible to execute and safeguard the company's long term strategy. Therefore, a Founders Committee was installed with the founders as the sole members. CM.com has four corporate bodies:

- General Meeting;
- Supervisory Board;
- Management Board, supported by the Executive Committee;
- Founder Committee;

The provisions in the Dutch Civil Code ("BW"), commonly referred to as the "large company regime" (structuurregime), did not apply to CM.com in 2020.

The diagram above shows the governance

structure of CM.com. A list of subsidiaries is included on page 160.

Articles of Association

The last amendment of the Articles of Association of CM.com was made on 30 April 2020. Whenever reference is made to our Articles of Association, it addresses the articles as of 30 April 2020.

The Articles of Association of CM.com N.V. can only be amended by the General Meeting at the proposal of the Management Board that has been approved by the Supervisory Board. If the amendment prejudices the rights attributable to the Founder Committee or the founders, the resolution of the General Meeting requires the prior approval of the Founder Committee.

Corporate Governance Code

CM.com is subject to the Dutch Corporate Governance Code ('the Code', publicly available on the Monitoring Commission Corporate Governance Code website, www.mccg.nl).

We agree with the Code's general approach and are committed to adhering to the Code's best practices as much as possible. CM.com fully complies with the Code, with the exception of the following two provisions:

- Best practice provision 2.2.1 prescribes that a Management Board member is appointed for a maximum period of four years. The Founders have been appointed as managing directors for an indefinite period of time to ensure that they can remain actively involved in the company. It is currently unknown when we will act in accordance with provision 2.2.1 of the Code.
- Best practice provision 4.3.3 prescribes that the general meeting of a company not having the large company regime (structuurregime) may pass a resolution to cancel the binding nature of a nomination for the appointment of a member of the Management Board or of the Supervisory Board and/or a resolution to dismiss a member of the Management Board or of the Supervisory Board by an absolute majority of the votes cast. It may be provided that this majority should represent a given proportion of the issued capital, which proportion may not exceed 1/3. The Articles of Association state that a qualified majority of 2/3 majority of the votes cast, representing more than one half of the company's share capital, is required to cancel the binding nature of a nomination for the appointment of a managing director or a supervisory director. Leading to the envisioned situation that cancellation of the binding nature of a nomination would only be possible by an action combined by both the founders – in their capacity of shareholder and their current shareholding – and other shareholders. It is currently unknown when we will act in accordance with provision 4.3.3 of the Code.

General Meeting

The shareholders of CM.com may exercise their voting rights through the annual and – if applicable – extraordinary General Meeting. We convene an annual General Meeting each year within six months after the end of the financial year (31 December).

Subject to exceptions under Dutch law or the Articles of Association, the General Meeting resolves by a simple majority of the votes cast without a requirement for a quorum.

The shareholders of CM.com have the following rights:

- the right to cast one vote per share on resolutions in a General Meeting;
- the right to convene an extraordinary General Meeting if the shareholder(s) represent at least the percentage of the issued share capital as required by law; and
- the right to propose items for the agenda of the General Meeting if the shareholder(s) hold(s) at least the percentage of the issued share capital as required by law.

Voting rights can be exercised within the period as required by law and – if applicable – in accordance with the regulations of Euronext.

There are currently no limitations on the transfer of shares in the capital of CM.com or depositary receipts thereof, either under Dutch law or in our Articles of Association.

There are no shares in the capital of CM.com: (i) carrying special voting rights; (ii) without voting rights; or (iii) with no or limited entitlement to profits or reserves of CM.com. In addition, there are no bearer shares and we currently have an employee share scheme for certain key employees.

CM.com is not aware of any agreements between shareholders that may result in restrictions of the transfer of securities or voting rights within the meaning of Directive 2001/34/EC.

Information about our share and shareholders can be found in the chapter Shareholder Information on page 18.

SUPERVISORY BOARD

This section summarizes information concerning the Supervisory Board. It is based on relevant provisions of Dutch law, the Articles of Association and the Supervisory Board rules of procedure (as defined below). These documents are all available on our website.

The Supervisory Board supervises the conduct and policies of the Management Board and the general course of affairs of CM.com and its business enterprise. The Supervisory Board also provides advice to the Management Board.

The Supervisory Board may determine the number of its members with the approval of the Founder Committee. Supervisory Directors are appointed by the General Meeting on a binding nomination of the Supervisory Board, provided that the Founder Committee is authorized to appoint one/third (1/3) of the supervisory directors. The committee may appoint one of the supervisory directors as chairperson. Supervisory directors may be suspended or dismissed by the corporate body that has appointed them.

Supervisory Board members are appointed for a period of four years and may be reappointed twice. The first reappointment can maximally be for a period of four years. The second reappointment can maximally be for a period of two years, which may be extended by another two years.

The tasks, composition and statement of the Supervisory Board and its committees are included in the Supervisory Board Report starting on page 97.

MANAGEMENT BOARD

The Management Board is responsible for the management of the operations of CM.com, under the supervision of the Supervisory Board. The Management Board’s responsibilities include, among other things, defining and achieving our objectives, determining the strategy and risk management policy, and day-to-day management of our operations. The Management Board may perform all acts necessary or useful for achieving the objectives, except those prohibited or explicitly attributed to the General Meeting, the Founder Committee or the Supervisory Board by law or by the Articles of Association. Under the Articles of Association and the Management Board rules of procedure, the managing directors may divide their tasks in mutual consultation.

The Management Board rules of procedure specify how duties are divided between the managing directors. In performing their duties, they’re required to be guided by the interests of the company and its business enterprise, taking into consideration CM.com’s stakeholders (which include but are not limited to its customers, employees and shareholders). The Management Board must provide the Supervisory Board with all information necessary to exercise the

Supervisory Board’s duties in a timely manner. The Management Board must submit certain important decisions to the Supervisory Board and/or the General Meeting and/or the Founder Committee for approval. The Management Board, as a whole, is authorized to represent CM.com. In addition, each managing director individually has the authority to represent CM.com.

Composition, appointment and dismissal

The Articles of Association state that the Supervisory Board is authorized to determine the number of managing directors with the approval of the Founder Committee. Managing directors are appointed at the General Meeting on a binding nomination by the Supervisory Board.

Managing directors may be dismissed by the General Meeting. A resolution of the General Meeting to dismiss a Managing Director who is a Founder requires a resolution adopted with two-thirds (2/3) majority of the votes cast, representing more than one half (1/2) of the issued share capital.

Terms of appointment

The founders, Gilbert Gooijers and Jeroen van Glabbeek, have been appointed as managing directors for an indefinite period. Jörg de Graaf has been appointed (and may be reappointed) for four years, provided that his appointment will end immediately after the General Meeting held in the fourth calendar year after the date of his appointment.

MANAGING DIRECTORS

In 2020, the Management Board is composed of the following managing directors:

Name	Date of birth	Position	Member as of	Term
Jeroen van Glabbeek	7-04-1979	CEO	20-02-2020	Indefinite
Gilbert Gooijers	14-02-1979	COO	20-02-2020	Indefinite
Jörg de Graaf	13-10-1976	CFO	30-04-2020	Four years

CM.com’s registered address, Konijnenberg 30, 4825 BD, Breda, the Netherlands, serves as the business address for all managing directors.

EXECUTIVE COMMITTEE

CM.com has chosen to opt for an Executive Committee, to enhance and broaden the knowledge and expertise available to the Management Board.

The Executive Committee is responsible for the day-to-day management of the company and is actively involved in all important topics related to strategy, business, sustainability, innovation, culture, leadership and communication. The Executive Committee is bound to the Management Board rules of procedure. Although the Executive Committee exists, the rights and obligations of the Management Board under Dutch law, the Articles of Association and the Code remain in full force. Therefore, the Management Board remains accountable for the actions and decisions of the Executive Committee and bears ultimate responsibility towards the Supervisory Board and for CM.com’s external reporting and its reporting to its shareholders.

The Management Board determines the number of Executive Committee members who are not also managing directors. Members who are not also managing directors can be appointed, suspended and dismissed by the Management Board. The Management Board retains the authority to adopt resolutions within the scope of the Executive Committee’s authority without the participation of the Executive Committee members. All members of the Executive Committee report to the Management Board.

Composition

Currently, the Executive Committee consists of the Management Board, and six additional members fulfilling the following functions:

- Chief Technology Officer (CTO);
- Head of Finance;
- General Manager International;
- Head of Human Resources;
- Head of Investor Relations; and
- Area Sales Manager North West Europe.

FOUNDER COMMITTEE

The Founder Committee is the corporate body of CM.com, instituted in and under the Articles of Association to ensure that the founders can remain actively involved in CM.com. The Founder Committee may exercise the rights attributed to it under the Articles of Association. The Founder Committee is composed of two members, i.e., the founders.

As long as the Founder Committee is installed, they have the right to (i) approve the adoption of the number of managing directors and supervisory directors; (ii) appoint or replace the chairperson of the Supervisory Board and (iii) directly appoint, suspend and dismiss up to 1/3 of the supervisory directors. Also, a resolution of the General Meeting to (a) amend the Articles of Association – if the rights of the Founder Committee or the founders are prejudiced in the proposed amendment, (b) effect a legal merger, (c) effect a legal division, (d) effect any other form of corporate restructuring if such corporate restructuring requires a resolution of the General Meeting or (e) dissolve CM.com, will require the prior approval of the Founder Committee. The Founder Committee has the right to decide at its own discretion whether to exercise these rights.

In 2020 the Founder Committee as such did not meet.

Composition and term

The founders are the sole members of the Founder Committee. Each founder is a member of the Founder Committee for an indefinite period of time.

A founder ceases to be a member of the Founder Committee five years following the date that he is no longer actively involved in CM.com (not being a managing director, supervisory director or holding another meaningful and value-adding position within the CM.com Group). In addition, a founder ceases to be a member if the founders jointly hold less than 6,400,000 shares in the capital of CM.com, voluntarily resign or through his death.

The Founder Committee will meet whenever a member of the Founder Committee so requires to ensure that the founders can remain actively involved in CM.com.

POTENTIAL CONFLICTS OF INTEREST AND OTHER INFORMATION

Other than the circumstances described below, we are not aware of any potential conflicts between the personal interests or other duties of managing directors or supervisory directors on the one hand and the interests of CM.com on the other. There is no family relationship between any managing director or any supervisory director. The company is aware that the founders continue as managing directors and are members of the Founder Committee, while the founders will continue to be (indirect) shareholders. The Management Board and Supervisory Board do not expect that the circumstances described in the previous sentence will cause any of the managing directors or supervisory directors to have a conflict with the duties they have towards CM.com.

The founders indirectly own the Breda real estate where CM.com’s local operations and headquarters are based. The lease agreements in place are between CM.com and CM Campus B.V., which is ultimately jointly controlled by the founders as the (indirect) sole shareholders and directors.

The Management Board rules of procedure and the Supervisory Board rules of procedure include arrangements to ensure that the Management Board and Supervisory Board will handle and decide on any (potential) conflict of interest in each relevant situation, also in this respect. In compliance with Sections 2.7.3 and 2.7.4 of the Code, a managing director or supervisory director is not permitted to participate in the deliberation and decision-making process if he has a conflict of interest.

Other than the circumstances described above, for the year 2020, CM.com is not aware of any (potential) conflict of interest between the private interests or other duties of managing directors and private interests or other duties of supervisory directors towards CM.com.

OTHER RULES AND REGULATIONS

Code of Conduct

CM.com’s Code of Conduct was adopted on 21 February 2020 and is published on CM.com’s website. The Code of Conduct focuses on six items:

- 1. compliance with laws, rules and regulations;
- 2. integrity and responsibility;
- 3. no insider trading, in line with our Insider Trading Policy;
- 4. protection of company assets and confidential information;
- 5. conflict of interest; and
- 6. reporting of any concern about actions that may violate the Code of Conduct.

CM.com informs all employees on these items and new employees are informed via online courses in our CM Academy. We are not aware of significant breaches of the Code of Conduct.

Diversity Policy

The Diversity Policy has been adopted by the Supervisory Board and each member thereof on 21 February 2020. Our Diversity Policy is available on our website.

It is our goal to achieve diversity within the Management Board, the Executive Committee and the Supervisory Board via the following objectives: (i) at least 30% consist of men and/or women and (ii) increase the nationality and age diversity as well as creating and maintaining a variation in education and experience within the Management Board, the Executive Committee and the Supervisory Board.

As of 21 February 2020, no alterations were made to the Management Board or Supervisory Board’s composition, other than the appointment of Jörg de Graaf, as CFO and Management Board member on 30 April 2020. At the moment 100% of the Management Board consist of men, as does 78% of the Executive Committee, and 83% of the Supervisory Board.

The above will be taken into account for recruitment, talent development, role appointment, employee retention, mentoring and coaching programs, and training and development to meet our objectives.

Takeover Regulation

The EU Takeover Directive requires that listed companies, such as CM.com, publish additional information to provide insight into the defensive structures and mechanisms they use. The relevant provisions were implemented into Dutch law on 5 April 2006.

Our Management Board can issue shares if authorized to do so by the General Meeting. It can only be given for a specific period, not exceeding five years and may be extended by specific consecutive periods of no longer than five years. A resolution of the Management Board to issue shares requires the approval of the Supervisory Board. If authorization by the General Meeting is absent, the General Meeting may resolve to issue shares.

The Management Board may repurchase shares if and insofar as the General Meeting has authorized the Management Board to do so, subject to the Supervisory Board’s approval.

CM.com did not enter into agreements with any of its directors or employees that would lead to a payment obligation on termination of employment in connection with a public offering.

Corporate Governance Statement

The information required to be included in this corporate governance statement as described in the Decree on the Content of the Management Board Report (Besluit inhoud bestuursverslag) can be found in the following sections of this Annual Report:

The statement on compliance with the principles and best practice provisions of the Corporate Governance Code can be found under the section ‘Corporate Governance’, subsection ‘Corporate Governance Code’.

The information concerning the main features of the internal risk management and control systems relating to the financial reporting process can be found under the section ‘Risk Management’ and under the section ‘Supervisory Board Report’, subsection ‘Audit Committee’. The information regarding the functioning of the General Meeting and the main authorities and rights of the General Meeting, can be found under the section ‘Corporate Governance’, more precisely amongst others under subsections ‘Corporate Bodies’, ‘Articles of Association’, ‘General Meeting’, ‘Supervisory Board’ and ‘Management Board’.

The information regarding the composition and functioning of the Management Board and the Supervisory Board and its committees can be found under the section ‘Corporate Governance’

and the section ‘Supervisory Board Report’. The information regarding the diversity policy in relation to the composition of the Management Board and the Supervisory Board can be found under the section ‘CM.com Organization’, subsection ‘Diversity and Inclusion, the section ‘Corporate Governance’, subsection ‘Diversity Policy’ and the section ‘Supervisory Board Report, subsections ‘Composition of the Supervisory Board’ and ‘Diversity Profile’. The information concerning the inclusion of the information required by the Decree Article 10 EU Takeover Directive, can be found under the section ‘Corporate Governance’, subsection ‘Takeover Regulation’.



SUPERVISORY BOARD REPORT

MESSAGE FROM THE CHAIRMAN

“The first year as a listed company was undoubtedly exciting for CM.com. After making many preparations in 2019 for the IPO, we reached an agreement in January 2020 with Dutch Star Companies One NV shareholders and listed on Euronext Amsterdam. CM.com successfully merged into a business combination with this fund on 21 February 2020, changing the listed entity to CM.com. Thus, realizing the first successful listing of a ‘special purpose acquisition company’ (“SPAC”) in the Netherlands in many years. We raised € 73 million in capital. That capital was primarily used for autonomous growth initiatives, but we also acquired three companies. In September, we started the next round of capital and raised an additional € 32 million from institutional investors. It helped fulfill our plans, leveraging the company at a time of tremendous growth opportunities.

Covid-19 accelerated the acceptance of digitalization. I remember when I first organized video calls in March 2020; it took at least 15 minutes before everybody was ready to participate. The market for mobile communication continues to grow, and it won’t be long before we do everything on our mobile devices. The market potential for CM.com is, therefore, enormous.

It was a great experience to see the organization grow so fast in such a short period from a privately-owned company to a listed company. We held many meetings with management and the executive committee regarding the new dynamics of the change generated with respect to governance, transparency, structures and processes. International experience and bringing more structure and processes were also skills we sought in our new CFO. Jörg de Graaf, who started in April as CFO, had these skills and experience. He complements Jeroen van Glabbeek, CEO, and Gilbert Gooijers, COO, strengthening the Management Board for our

new phase as a listed company. Apart from regularly meeting the Management Board, we invited company’s executives and specialists to elaborate on their expertise.

Within the space of one year, our number of employees grew rapidly, hubs were opened globally, and revenue growth accelerated. It’s an incredible feat, which was supported by an enormous drive within the whole organization. The members of the Supervisory Board were positively inspired by all the enthusiasm we met.

As the company rapidly grew, sustainable, profitable growth and long-term value creation were important topics for the Supervisory Board. We looked specifically into whether the strong revenue growth contributed to gross profit growth and whether the portfolio was carefully nurtured. We were also happy to see that the company was able to keep its entrepreneurial, open and innovative culture, while growing rapidly. I am absolutely positive that 2021 will be another significant year for CM.com. The appetite for this type of service is enormous. Offering an integrated combination of communication and payment products and services on a single platform is a unique asset.

The Supervisory Board would like to congratulate the Management Board and all employees for their superb performances in 2020. Finally, I would like to thank my colleagues in the Supervisory Board. It wasn’t always an easy job, considering the circumstances, of having to participate in online meetings.”



Martin van Pernis
Chairman

DUTIES OF THE SUPERVISORY BOARD

The Supervisory Board is a separate independent corporate body. The Supervisory Board supervises the Management Board’s policy and the general course of business within CM.com and its associated business enterprise. The Supervisory Board also provides advice to the Management Board.

In performing its duties, the Supervisory Board members are guided by the interests of CM.com and its business enterprise, taking into consideration the interests of CM.com’s stakeholders (which includes its customers, suppliers, employees, and shareholders).

The Supervisory Board supervises how the Management Board determines its position on the long-term value creation strategy and how it implements the strategy. The Supervisory Board regularly discusses the strategy, its implementation and the principal risks associated with it.

As of 21 February 2020, the corporate governance of CM.com has generally remained the same. The most significant development was the appointment of Jörg de Graaf as CFO and member of the Management Board. With his appointment, the Management Board has a broader knowledge about financial matters and insight into the different ways to structure an organization.

No new Supervisory Board members were appointed. As such no formal introduction program for the Supervisory Board was organized in 2020.

COMPOSITION OF THE SUPERVISORY BOARD

The current Supervisory Board consists of six members, installed as of 21 February 2020. The members are Martin van Pernis (Chairman), David de Buck (Vice-Chairman), Lex Beins, Diederik Karsten, Mariken Tannemaat and Stephan Nanninga. A short description of the members is presented on page 88. The Supervisory Board has a minimum of five members.

All Supervisory Board members meet the independence requirements as described in Sections 2.1.7 to 2.1.9 of the Code, except for Stephan Nanninga. Stephan Nanninga indirectly owns 105,679 shares of CM.com via his 25% ownership of Lindespac B.V., which owns 31% of Dutch Star Companies Promoters Holding B.V. Stephan Nanninga holds his indirect participation in CM.com as a long-term investment. The six members have a diverse mix of knowledge, skills, expertise and capabilities, in line with the required profiles as included in Profile Supervisory Board CM.com N.V. (available on our website). The Supervisory Board values and promotes diversity in the Supervisory Board, the Management Board and within CM.com.

DIVERSITY PROFILE

Name	Principal position	Year of birth	Nationality	International experience	Financial expertise	Specific experience	Gender
Martin van Pernis	Chairman of the Supervisory Board	1945	Dutch	Yes		Supervisory Board listed companies, innovation	Male
David de Buck	Chairman of the Audit Committee	1967	Dutch	Yes	Yes	Funding banking	Male
Lex Beins	Member of the Supervisory Board	1965	Dutch	Yes	Yes	Retail investment	Male
Diederik Karsten	Member of the Supervisory Board	1956	Dutch	Yes		Telecom innovation	Male
Mariken Tannemaat	Chairman of the Nomination, Selection and Remuneration Committee	1971	Dutch	Yes	Yes	Retail, IT, investment	Female
Stephan Nanninga	Member of the Supervisory Board	1957	Dutch	Yes		Supervisory Board of listed companies, distribution and M&A	Male

CONFLICTS OF INTEREST

Similar to the rules that apply to the Management Board members, Dutch law provides that a Supervisory Board member of a Dutch public limited liability company, such as CM.com, may not participate in the adoption of resolutions (including deliberations in respect of these) if he or she has a direct or indirect personal interest that conflicts with the interests of the company and its associated business enterprises. During 2020, there were no conflicts of interest other than the indirect ownership of the Founders of the Breda real estate where CM.com’s local operations and headquarters are based.

RETIREMENT SCHEDULE

Name	Current term	Appointment	Date of reappointment
Martin van Pernis	First	21 February 2020	AGM 2024
David de Buck	First	21 February 2020	AGM 2024
Lex Beins	First	21 February 2020	AGM 2024
Diederik Karsten	First	21 February 2020	AGM 2024
Mariken Tannemaat	First	21 February 2020	AGM 2024
Stephan Nanninga	First	21 February 2020	AGM 2024

MEETINGS OF THE SUPERVISORY BOARD IN 2020

The Supervisory Board will meet at least four times a year following a schedule set annually. Additional meetings can be convened at the request of the Supervisory Board or Management Board. After 21 February 2020, the Supervisory Board held six ordinary meetings and three ad-hoc meetings in 2020.

The attendance rate of the individual Supervisory Board members at the 2020 meetings was as follows:	
• Martin van Pernis	100%
• David de Buck	100%
• Lex Beins	100%
• Diederik Karsten	100%
• Mariken Tannemaat	100%
• Stephan Nanninga	100%

Supervisory Board meeting agendas in 2020 covered virtually all aspects of the company’s business. Items discussed during the meetings included the strategy of the company, strategy for long-term value creation, the results of 2020 (Q1-Q3), the principal risks associated with the enterprise and risk appetite, composition of the Executive Committee, potential acquisitions and the M&A process, evaluation of the design and operation of the internal risk management and control systems, and the significant changes to them.

Furthermore, the Supervisory Board discussed the impact of Covid-19, the accelerated book-build, budgets, updates of the Audit Committee and the Nomination, Selection and Remuneration Committee, and the change of Company Secretary. Attention was also given to the merger between Dutch Star Companies ONE and CM.com. Recurring and mandatory items, such as the regular progress reports, were also discussed in the meetings.

The Supervisory Board reviewed and discussed the functioning of the Supervisory Board, its committees, and its individual members through an internal assessment as conducted by the members of the Supervisory Board. The composition, competencies and functioning of the Supervisory Board, and its committees were part of the assessment, as well as the composition of the Management Board, their performance, and the performance of its individual members, and the relationship between the Supervisory Board and the Management Board. The conclusion of the assessment was that both the Supervisory Board and the Management Board function properly and effectively.

SUPERVISORY BOARD COMMITTEES

The Supervisory Board has an Audit Committee and a Nomination, Selection and Remuneration Committee. Each of the committees has a preparatory and/or advisory role to the Supervisory Board. Each committee has a charter on its role, responsibilities and functioning.

Audit Committee

The Audit Committee’s duties include supervising, monitoring and advising the Management Board and each Management Board member regarding the operation of CM.com’s internal risk

management and control systems. The Audit Committee advises the Supervisory Board on the exercise of certain duties and prepares nominations and reviews for the Supervisory Board in this regard. It supervises the submission of financial information by CM.com, in compliance with internal and external accountants’ recommendations, the company’s policy on tax planning and financing arrangements.

The Audit Committee also assists the Supervisory Board with CM.com’s information and communications technology, including risks relating to cybersecurity. The committee maintains regular contact with and supervises the external accountant and prepares the nomination of an external accountant for appointment by the General Meeting. It also issues preliminary advice to the Supervisory Board regarding the Financial Statements’ approval, the annual budget and major capital expenditures. The committee meets as often as required for proper functioning and whenever one or more of its members have requested such a meeting, but in any event at least four times a year.

Composition

Name	Position
David de Buck	Chairman
Lex Beins	Member

Deliberations

With regard to the 2020 interim and full year financial statements, the Audit Committee was satisfied with the explanations and findings provided by the Management Board, Internal Audit and external accountant.

During 2020, the Audit Committee reviewed and approved the internal and external audit plans for 2020 and monitored execution, including progress regarding recommendations made. In addition, the Audit Committee reviewed the strategic plan and kept track of the developments on risk management and control systems within CM.com.

Number of meetings and main items discussed at the meetings and absenteeism rate per member

- In 2020 the Audit Committee held five meetings and discussed the following items:
- introduction Jörg de Graaf (CFO);
 - internal Audit Plan;
 - audit Committee Plan;
 - financial results;
 - findings accountant;
 - strategic plan;
 - accelerated bookbuild;
 - risk Management;
 - internal Audit;
 - press releases; and
 - disclosure Committee Charter.

In addition to the five scheduled Audit Committee meetings, various other meetings and calls were held in relation to specific topics, such as the recruitment process of the CFO, as well as the recruitment of the Head of Internal Audit, various M&A projects, capital raising through an accelerated bookbuild transaction, and the working of a newly implemented risk management tool.

The attendance rate of the individual members at the 2020 meetings was as follows:	
• David de Buck	4/5
• Lex Beins	5/5

Nomination, Selection and Remuneration Committee

The Nomination, Selection and Remuneration Committee advises the Supervisory Board on the exercise of its duties regarding the Management Board members’ remuneration policy and proposal preparations for the Supervisory Board. The duties of the Nomination, Selection and Remuneration Committee include the preparation of Supervisory Board proposals on the remuneration policy for the Management Board members to be adopted by the General Meeting and on the remuneration of the individual Management Board members to be determined by the Supervisory Board. The Nomination, Selection and Remuneration Committee also advises the Supervisory Board on its duties regarding the selection and appointment of Management Board members and Supervisory Board members.

Composition

Name	Position
Mariken Tannemaat	Chairman
Diederik Karsten	Member
Martin van Pernis	Member

Number of meetings and main items discussed at the meetings and attendance rate per member

In 2020, the Nomination, Selection and Remuneration Committee held four meetings. The Nomination, Selection and Remuneration Committee was involved in the selection, nomination and remuneration of the CFO and Management Board member, Mr. Jörg de Graaf.

The Nomination, Selection and Remuneration Committee discussed and approved the composition and content of the Short-Term and Long-Term Incentive plans for Management Board members. Following the company’s listing and a Management Board remuneration benchmark, the Nomination, Selection and Remuneration Committee decided to amend the remuneration in line with the market, while still leaving room for upside in the future. The adjusted remuneration will also address inequality and alignment in respective Management Board members remuneration. The adjusted remuneration proposal was presented and adopted in the Supervisory Board and will be presented to the AGM for information.

The remuneration of the Supervisory Board was also discussed in light of the changes to the company profile, weight and duties as a listed company since February 2020. The Supervisory Board remuneration has been benchmarked and a proposal to raise the remuneration of the Supervisory Board members has been discussed and will be proposed to the AGM on 30 April 2021 for approval.

- The attendance rate of the individual members at the 2020 meetings was as follows:
- Mariken Tannemaat 4/4
 - Diederik Karsten 4/4
 - Martin van Pernis 4/4

REMUNERATION POLICY OF THE SUPERVISORY BOARD

The General Meeting determines the remuneration of the Supervisory Board members on a proposal of the Supervisory Board. Their remuneration is a fixed annual allowance paid in quarterly installments. Supervisory Board members do not receive any performance dependent compensation or shares and do not accrue any pension rights with the company. Details on the remuneration of the Supervisory Board is provided in the Remuneration report.



PREPARATION MEETS OPPORTUNITY



Gilbert Gooijers
COO Cm.com

“My job is to maintain our company culture. It doesn’t change with an IPO, but it can change when you grow too fast.”

For CM.com’s co-founder and COO Gilbert Gooijers, the past year was exciting due to the company’s exponential growth. But 2020 was also business as usual for the standard-bearer of the company’s culture. “One major thing I realized last year is that for us, the difference between being a private or a listed company was small. We still conduct our business in a professional manner, we still hire the best people, and we still have great customers. The big difference for us in 2020 was the acceleration. I’m proud of how we were able to recognize opportunities and act on them in such a short period. That’s the entrepreneurial character and strength of CM.com. Part of my job is to maintain our company culture. It doesn’t change with an IPO, but it can change when you grow too fast.”



Last year, the organization experienced a period of rapid and unpredictable changes. For entrepreneurs like Gilbert Gooijers, who like navigating through challenges, 2020 gave him unique opportunities to anticipate the obstacles and respond accordingly with adaptability and agility.

“I am committed to creating opportunities, and according to plan, we had the attributes in 2020 to identify, prioritize, and seize those opportunities. Capital is the fuel for growth. When a company expands from 300 to 600 people, you need structure, reporting lines and plannability. Growth doesn’t have to be detrimental to company culture; it just has to be executed well. We don’t have authoritarian bosses with great egos. My role is to help the company create opportunities we can act on”.

In 2020 you delivered and even outperformed expectations. Do you think the market will expect more in 2021?

It goes without saying that we want to continue our growth path in 2021. We’re not your average listed company. We still have the maneuverability of a start-up, and that’s something I experience every day. It has to do with the fact that our organizational structure is based on the shape of a tree. And just like trees in nature, with this structure, we’re able to adapt to any environment. Our service teams are like the roots, and our operation is the trunk. The fruits at the top of the tree symbolize the country teams who offer our customers the right product-market combinations. With the right amount of attention, the tree structure will remain standing up straight, even after a period of substantial growth like what we had in 2020.

Last year the Covid-19 pandemic took center stage. How did this affect CM.com?

Our customers received tens of thousands of questions involving purchases, especially in the ticketing business. We quickly scaled up the consumer helpdesk services with the launch of chatbot technology and the services of RobinHQ, one of our acquisitions from 2020. Our innovation roadmap was sped up and the broad acceptance of

technology-based innovations accelerated as well. Some examples of this technology include ordering a drink on a terrace with a QR code, collecting goods and packages at pre-agreed times and facilitating the demand for digital signatures.

We are particularly proud to have supported the Dutch Public Health Services, which used our voice services in their response to the Covid-19 pandemic. Covid-19 was an irreversible accelerator of the digital transformation in regards to how people interact with each other. With our broad portfolio of smart communication tools, we are well-positioned to facilitate and benefit from this transition.

You don’t believe in random coincidences?

The ancient Roman philosopher Seneca once said, ‘Luck is what happens when preparation meets opportunity.’ In my view, the substantial growth we experienced last year all came down to planning. It was really cool that we were able to grab the opportunities that matched with our solutions.

In 2020 we basically did what we’ve always done, except with more capital. Our brand awareness grew, and the company experienced what I would typify as a positive energy field. When you’re in a flow, things fall into place. For us, it also led to attracting the right people because we were seen as a more attractive employer.

What achievements in 2020 make you especially proud?

What first comes to mind is the acquisition of Global Ticket that we made a week after our listing. This enabled us to service all segments within the ticketing market. We also hired former employees of Eventbrite in the Netherlands and UK. Seizing opportunities like this is how I like to do business.

I’m also proud of how our conversational commerce solutions became more coherent in all lines of business, which increased the demand for our complete, easy-to-implement solutions. We built two Mobile Cloud solutions that optimized the five distinct phases of the customer journey. The Mobile Marketing Cloud is about awareness and engagement, and the Mobile Service Cloud offers enterprises the best customer service tools. And last but not least, I’m also thrilled that we acquired two best-in-class companies, CX Company and Robin HQ.

“Jeroen and I want to stay a part of CM.com for another 20 years. That’s our ambition. Doing that requires vision and an entrepreneurial spirit.”

ON A PERSONAL NOTE

What was the greatest lesson you learned in 2020?

That in times of rapid change, it is great to see how things can be realized at a swift pace. Since social engagement rules changed every week, we had the opportunity to help our customers with solutions that were useful for them in each timeframe. Such as mobile order solutions for terraces or a timeslot planning system for doctors.

What effect did Covid-19 have on you?

It didn't affect me so much personally since I, fortunately, didn't catch it, but all the regulations had a huge impact on society. Lots of our customer groups faced the challenge of keeping their businesses running in a healthy way. I spent a lot of time with those customers brainstorming and implementing new solutions to help them survive or even grow.

What did you miss out on in 2020?

I miss the trade fairs and meeting colleagues around the world. Of course, we meet virtually now, but drinking a beer in a bar with a colleague is a lot more fun. I also miss traveling and picking up insights about the newest trends.

What will you be spending more time on in 2021?

I hope I can spend time with customers in person in 2021. I'd like to explain what conversational commerce can mean for them, and of course, I want to listen to their new needs in a hopefully post Covid-19 timeframe.

What will you do differently in 2021?

I will probably never have to pay with cash again in 2021. It's a transformation that a large part of the world is making now, making customer journeys a lot smoother.



2020 REMUNERATION REPORT

2020 REMUNERATION REPORT

INTRODUCTION

This report serves as a comprehensive outline of the remuneration of the Management Board and Supervisory Board of CM.com in accordance with Article 2:135b and Article 2:145(2) of the Dutch Civil Code and the Dutch Corporate Governance Code.

2020 BUSINESS PERFORMANCE

2020 revenue growth represented a good mix of new customers we won and growth of existing customers across all regions. In total the number of customers increased by 12% to 16,172, the CPaaS enterprise NDR increased to 129% and CPaaS enterprise churn remained limited at 4%. The regions outside of The Netherlands contributed 54% to organic core revenue growth. The strongest growth rates were seen in the Rest of the World (+166%) and the APAC region (+104%).

Major progress was achieved in the execution of our accelerated growth strategy. Hubs were opened in the USA, Turkey, India, and Italy, strengthening our Sales and Marketing forces globally. To further boost our growth ambitions Sales and Marketing teams in existing markets were reinforced. Next to that, we continued to expand our Research and Development team, to ensure we remain a leading innovator in conversational commerce.

REMUNERATION POLICY

Our objective with the remuneration policy applicable to the Management Board and Supervisory Board, is to support the long-term development of CM.com as a high growth company in a rapidly growing and highly dynamic business environment, to focus on serving new and future customers, and to satisfy all current and future stakeholders. In order to do so, our remuneration policy is based on the following guiding principles:

1. Enable CM to attract and retain top talented and highly qualified executives, our reward structure and associated levels should be competitive with other internationally operating Dutch companies of similar size and complexity.
2. Establish a high-performance culture, where senior management has a strong focus on achieving business results In line with the strategy, the purpose and the values of CM.com.
3. Our reward framework should be internally consistent and fair
4. Support the business strategy and long-term value creation for stakeholders.
5. Compliancy with local regulations and be sensitive to the societal context.

In order to commit to these principles, the Nomination, Selection and Remuneration Committee regularly reviews and discusses the remuneration structure for the Management Board and the remuneration of the individual Managing Directors and, if and when it deems so appropriate, submits a proposal in this respect to the Supervisory Board for approval. The Nomination, Selection and Remuneration committee regularly assesses to which extent the possible outcomes of the variable remuneration elements, has influence on the remuneration of board of management. Scenario analysis are conducted on a regular basis, considering the development of the underlying share price and the risk to which variable remuneration may expose CM.com. The variable remuneration is linked to predetermined verifiable and performance related targets that are predominantly of a long-term and sustainable nature in line with the strategy, business objectives, values, purpose and vision of the company.

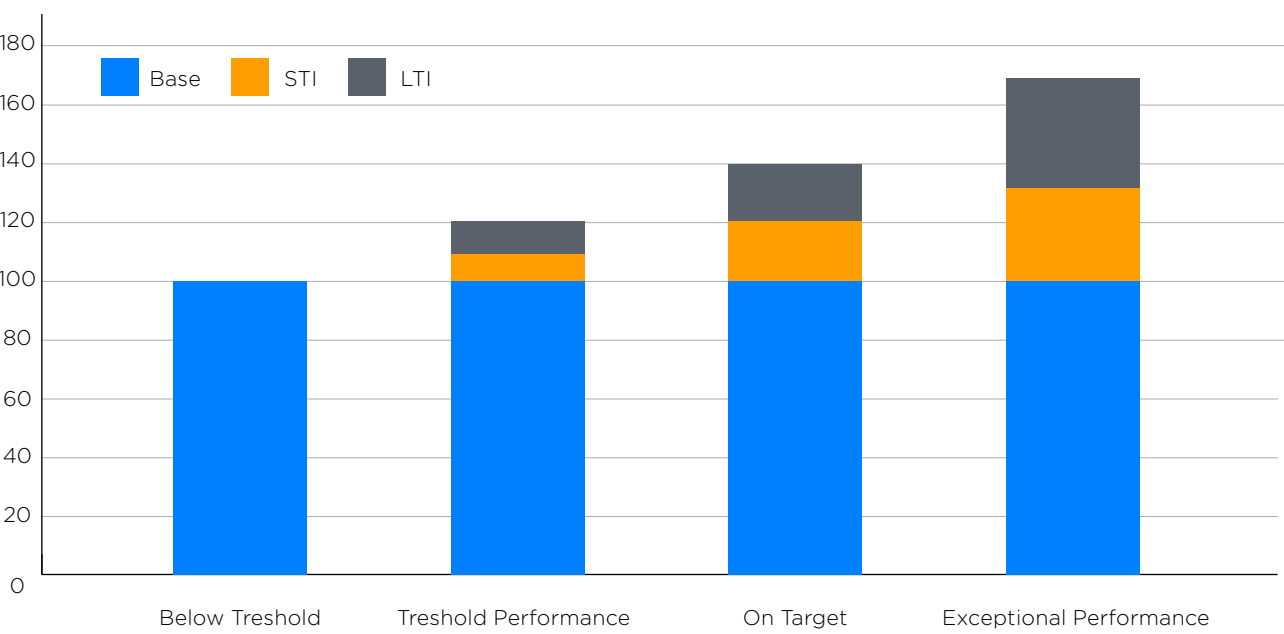
MANAGEMENT BOARD REMUNERATION STRUCTURE

The remuneration structure of CM's Management Board comprises a base salary, a short-term incentive and a long term-incentive, which together are referred to as the Total Direct Compensation ('TDC').

The standard TDC composition is as follows and is denominated as a percentage of the base salary:

Pay Mix	Below Threshold	At Threshold	On Target Performance	Maximum Performance
Base Salary	100% Base Salary			
STI	0%	10%	20%	35%
LTI	0%	10%	20%	35%

PAY MIX



The threshold performance is the minimum level of performance desired to award an individual with a part (50%) of the on-target incentive reward. Performance below threshold target is considered to be not sufficiently satisfactory to award an individual with an incentive.

BASE SALARY

The core element of the reward structure is the base salary. This is the fixed amount of salary an executive is entitled to regardless of personal or company performance.

The amount of base salary varies for each member of the Management Board but should reflect the person’s seniority, experience, and level of expertise. We take in account the following principles to set base salary levels.

- Internal equality; the positioning of the person’s salary relative to other individuals in the CM.com organization. Differences in salary levels should be based on role characteristics (complexity and educational requirements) and not on personal characteristics (age, gender, ethnic background)
- Competitiveness with market; we aim to reward individuals around the median of the relevant reference market. The applicable reference market is the group of companies we need to compete with to find the right talent. For Management Board and Supervisory Board positions we benchmarked with the salary level of other selected companies in the AScX-index of Euronext Amsterdam.

We annually compare the base salaries with the market. For each position we determine how the member of the Management Board should be positioned around median levels of similar roles in the reference market. Base salaries are generally set between the 80% and 120% of the median.

SHORT-TERM INCENTIVE

Managing Directors are eligible to receive a performance-related short term incentive in cash. These short term incentives are rewarded on the basis of performance against predetermined financial and strategic targets as set by the Supervisory Board.

The incentive opportunity is set as follows:

- Below Threshold Performance, STI is 0% of the annual base salary
- Threshold Performance; STI is 10% of the annual base salary
- On target performance, STI is 20% of the annual base salary
- Exceptional performance; STI is 35% of the annual base salary.

Please find below the overall definitions of performance targets used and the associated weighting based on on-target performance. All performance measures are set in advance and results are normalized to prevent dilution form unusual or one-time events outside control and scope of the individual.

- **Revenue (Weight 40%),** which measures organic top line growth from operational activities and target performance is considered meeting the desired annual revenue number based on budget

- **Gross Profit (Weight 25%)** which measures profitability (revenue minus direct costs associated with selling the service) and target performance is considered meeting the desired annual gross profit number that is based on budget.

- **EBITDA (Weight 10%)** which measures operational financial performance and target performance is considered meeting the desired annual EBITDA number as based on budget.

Following the assessment of Supervisory board and based on recommendation of the Nomination, Selection and Remuneration Board, the Financial Objectives, which represents 75% of the Management Board scorecard, have been achieved and scored for 122%

- **Strategic Objective (Weight 25%)** The Supervisory Board will set a strategic target to be achieved in the coming relevant financial year. The objective will be made as clear as possible. These strategic objectives were as following:

For Jeroen van Glabbeek (CEO) the strategic targets for 2020 have been the successful completion of the listing, the growth of our global Sales & Marketing unit and the embedding of the company culture and values across the organization.

For Gilbert Gooijers (COO) the strategic targets for 2020 have been managing the COVID-19 impact on our Ticketing Business Unit, roll out of the Quality Improvement Program and embedding of the company culture and values across the organization.

For Jörg de Graaf (CFO) the strategic targets for 2020 have been set as optimizing the planning and control cycle, structuring the governance and authority framework, optimizing the reporting and control framework and the functional development of the Finance discipline.

Following the assessment of Supervisory board

and based on recommendation of the Nomination, Selection and Remuneration Board, the Strategic Objectives, which represents 25% of the STI scorecard of the individual Management Team members, have been achieved and fully met.

LONG-TERM INCENTIVE

This arrangement has been implemented to reward long term performance and the delivery of stakeholder value. Below description serves as general outline of the approved Long Term Incentive Plan (‘Plan’) that provides for the award of conditional performance shares and the grant of stock options, both subject to a three-year performance period. Please note that for the performance period 2020-2022 only conditional performance shares are rewarded under the plan. Under this Plan it is intended to award the Managing Directors with an equity interest to link a portion of the remuneration with the long-term performance of the company’s shares and to align their interest with those of the shareholders. The on-target incentive opportunity as determined at the grant date is equal to 20% of the annual base salary.

At the grant date a total number of conditional performance shares or stock options that equals the value of the incentive opportunity will be awarded to the member of the Management Board in accordance with the following calculation methodology.

Performance Shares and/or Options = (on-target eligibility % * Annual Base Salary valid on grant date) / average of CM.com stock closing prices during the five trading days preceding the grant date and/or the fair value¹ of the options at the date of grant.

The vesting scheme attached to the conditional performance shares and/or the stock options is as follows:

- Below Threshold Performance, 0% of Performance Shares will be vested / Stock options may be exercised.
- Threshold Performance; 50% of Performance Shares will be vested / Stock options may be exercised.

¹ Fair value determined for accounting purposes in accordance with IFRS 2 share-based payment.

- On target performance, 100% of Performance Shares will be vested / Stock options may be exercised.
- Exceptional performance; 175% of Performance Shares will be vested / Stock options may be exercised.

Performance Period

- The LTI rewards the participants’ performance within a three-year performance period. Once eligible, participants will receive the grant of a new performance period on 1st January of every year. Vesting takes place on 1st April following on the three years performance period or 20 days after the financial results have been presented, whichever is later. The performance period of various granting years will overlap in accordance with the graph below:

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Plan #1	Grant			Vesting		
Plan #2		Grant			Vesting	
Plan #3			Grant			Vesting
Plan #4				Grant		

Holding Period

Vested shares are subject to a mandatory two-year holding period in which a participant may not dispose of any shares, except for the funding of income taxes due as a result of vesting [or if such shares are acquired following the exercise of a stock option]. The holding period continues post-employment. The options are only exercisable during two years following the vesting date and therefore expire at the fifth anniversary of the date of grant.

LTIP Performance

Measures for 2020-2022 (on-target):

Total shareholder return (TSR) (weight 30%) is defined as the share price increase including reinvested dividends.

TSR is measured over a three-year performance period based on a three-month average before the grant date and the three months average before the end of the performance period.

The TSR target compares the company TSR relative to the TSR of the following indexes:

AScX index (weight 50%) – A cross industry index is chosen because the limited amount of listed industry peers in the home market geography.

NASDAQ100 (Weight 50%) – Technology index is chosen to benchmark with other companies that share similar characteristics as CM.com.

The average percentile ranking of CM.com’s TSR compared to these indexes determines the performance score.

Revenue: Average CAGR (weight 20%)
The average annual growth rate of revenue within CM.com

Customer Satisfaction (NPS) (weight 25%)
Measures the development of customer satisfaction, by applying NPS metric.

Employee Satisfaction (weight 25%)
Measures the employee engagement and wellbeing of our employee base. We target to be an employer of choice.

OVERVIEW OF ANNUALIZED REMUNERATION FOR THE MANAGEMENT BOARD

The following table displays the remuneration of the members of the Management Board, as applicable on 31 December 2020 (annualized):

Position	Incumbent	Base Salary	STI (%)	STI (On Target)	LTI (%)	LTI (On Target)	Total Direct Compensation
CEO	Jeroen van Glabbeek	€ 295,000	20%	€ 59,000	20%	€ 59,000	€ 413,000
COO	Gilbert Gooijers	€ 295,000	20%	€ 59,000	20%	€ 59,000	€ 413,000
CFO	Jörg de Graaf	€ 270,000	20%	€ 54,000	20%	€ 54,000	€ 378,000

* This table outlines the contractual entitlements applicable on 31 December 2020 for the members of the Management Board.

Additional contractual arrangement discussed on appointment with Jörg de Graaf, which outstanding to be considered in context with the current version of the remuneration policy and information provided to the AGM:

- Sign-on bonus of € 50,000 to cover the loss of incentive pay-outs with his previous employer due to his acceptance of the position with CM.com.

- Mobility allowance of € 1,350 per month to cover the costs of commuting expenses.
- Participation in the CM.com DC-pension scheme and an additional annual fee of € 10,000 because his pensionable salary is limited to € 107,593.

HISTORICAL DEVELOPMENT

The five-year historical development of remuneration of the members of the Management Board in relation to company performance:

Comparable table over remuneration and company performance over the last five reported financial years

in euros	2016	2017	2018	2019	2020
Director’s remuneration					
Jeroen Van Glabbeek (CEO)	149,040	149,040	152,280	188,571	358,736
Annual Change		0%	2%	24%	90%
Gilbert Gooijers (COO)	149,040	149,040	152,280	188,571	358,736
Annual Change		0%	2%	24%	90%
Jörg de Graaf (CFO) (as of 20-4-2020)					329,159
Annual Change					
Revenue (‘000)	75,264	84,579	84,617	96,320	141,622
Annual change		12%	0%	14%	47%
Average remuneration on a full-time equivalent basis of employees					
Average Employees of the company	192	244	258	257	381
Annual Change		27%	6%	0%	48%
Wages and salaries (‘000)	10,178	12,310	14,219	14,793	23,785
Annual Change		21%	16%	4%	61%
CEO Pay Ratio	2.81	2.95	2.76	3.28	5.80
Annual change		5%	(6)%	19%	77%

EXPLANATION IN CHANGES IN REMUNERATION

- In 2020 we had the following events:
- Due to our organization growth and the listing on 20 February 2020 on Euronext Amsterdam, we did a compensation benchmark and redefined our reference market where we have to compete to attract the right talent.
 - Jörg de Graaf was appointed as CFO and Member of the Management Board on a compensation package, which was based on advice of our global rewards provider within the desired 80-120 range of similar position within companies of our reference market.

In preparation of the search and selection of the CFO to be appointed, we performed a market

benchmark for the remuneration levels of the Management Board. Based on the outcome of this benchmark it turned out that the base salary of both the CEO (Jeroen van Glabbeek) and COO (Gilbert Gooijers) was far below the desired 80-120 range and also below the base salary of the CFO (Jörg de Graaf). Upon recommendation of the Nomination, Selection and Remuneration Committee, the Supervisory Board decided to correct the base salary of both Jeroen van Glabbeek and Gilbert Gooijers with an increase of € 45,000 gross per annum to € 295,000 gross per annum effective as of 1 July 2020.

ACTUAL REMUNERATION

The following table displays the remuneration elements in 2020 actually paid out or due:

Remuneration of Directors for the reported financial year

in euros	1 Fixed remuneration			2 Variable remuneration		3 Extraordinary items	4 Pension expense	5 Total Remu-neration	6 Proportion of fixed and variable remuneration
Name of Director, position	Base salary	Fees	Fringe benefits	One-year variable	Multi-Year variable				
Jeroen van Glabbeek, CEO	272,500	-		63,765	-	-	-	336,265	81% / 19%
Gilbert Gooijers, COO	272,500	-		63,765	-	-	-	336,265	81% / 19%
Jörg de Graaf, CFO (as of 20 april 2020)	189,204	-	11,352	44,279	-	50,000	11,094	305,929	86% / 14%

This table has been audited.

The overview below provides for the amounts that have been recognized by the Company for the members of the Management Board during the financial year ended on 31 December 2020.

Remuneration of Directors for the reported financial year

in euros		Base salary	Social Security Contribution	Pensions	STI	LTI Shares	Other Benefits	Total
Jeroen van Glabbeek, CEO	2020	272,500	6,078		63,765	16,393	-	358,736
	2019	188,571	6,740			-	-	195,311
Gilbert Gooijers, COO	2020	272,500	6,078		63,765	16,393	-	358,736
	2019	188,571	6,740			-	-	195,311
Jörg de Graaf, CFO (as of 20 April 2020)	2020	189,204	8,960	11,094	44,279	14,012	61,352	328,901

OVERVIEW OF PERFORMANCE AND ITS RELATION TO PAY

Performance of Directors in the reported financial year

in euros	1 Description of the perfor-mance crite-ria and type of applicable remuneration	2 Relative weighting of the per-formance criteria	3 Information on Performance Targets			4 a) Measured performance b) Actual award outcome
			a) Threshold Performance b) corresponding award	a) On Target Performance b) corresponding award	a) Exceptional Performance b) corresponding award	
Jeroen van Glabbeek, CEO	Financial Objectives	75%	a) 50% b) 20,438	a) 100% b) 40,875	a) 175% b) 71,531	a) 122% b) 50,140
	Strategic Objectives	25%	a) 50% b) 6,813	a) 100% b) 13,625	a) 175% b) 23,844	a) 100% b) 13,625
Gilbert Gooijers, COO	Financial Objectives	75%	a) 50% b) 20,438	a) 100% b) 40,875	a) 175% b) 71,531	a) 122% b) 50,140
	Strategic Objectives	25%	a) 50% b) 6,813	a) 100% b) 13,625	a) 175% b) 23,844	a) 100% b) 13,625
Jörg de Graaf, CFO (pro-rated as of 20 April 2020)	Financial Objectives	75%	a) 50% b) 14,190	a) 100% b) 28,381	a) 175% b) 49,666	a) 122% b) 34,799
	Strategic Objectives	25%	a) 50% b) 4,730	a) 100% b) 9,460	a) 175% b) 16,555	a) 100% b) 9,480

DETAILS OF LTIP GRANTS AND HOLDINGS:

Total of Performance Shares granted to the members of the Management Board:

in euros	The main conditions of share award plans					Information regarding the reported financial year					
						Opening balance	During the year		Closing balance		
Name of Director, position	1 Specifi-cation of plan	2 Perfor-mance period	3 Award date	4 Vesting Date	5 End of holding period	6 Shares awarded at the beginning of the year	7 Shares awarded	8 Shares vested	9 Shares subject to a per-formance condition	10 Shares awarded and un-vested at year end	11 Shares subject to a holding period
Jeroen van Glabeek, CEO	LTIP -Shares	2020-2022	21-02-2020	01-04-2023	01-04-2025	3,698	-	-	3,698	3,698	
Gilbert Gooijers, COO	LTIP -Shares	2020-2022	21-02-2020	01-04-2023	01-04-2025	3,698	-	-	3,698	3,698	
Jörg de Graaf, CFO (as of 20 april 2020)	LTIP -Shares	2020-2022	20-04-2020	01-04-2023	20-04-2025	3,499	-	-	3,499	3,499	
					Total	10,895	-	-	10,895	10,895	-

No stock options were awarded to the members of the Management Board in 2020.

Based on the Remuneration Policy for the Management Board, CM.com has not granted

any loans, advance payments or guarantees to the members of the Management Board.

The minimal shareholding guidelines as laid down in the Remuneration Policy have been met. An overview of the number of company shares held by the members of the Management Board as per 31 December 2020 is listed below:

Jeroen van Glabbeek: 7,618,749 Shares
Gilbert Gooijers: 7,618,749 Shares
Jörg de Graaf: 5,000 Shares

OVERVIEW OF REMUNERATION OF THE SUPERVISORY BOARD

The remuneration of the supervisory board has been determined by the General Meeting held on 20 February 2020, and is in line with the Remuneration Policy for the Supervisory Board. The following compensation structure is applicable for the Supervisory Board in 2020.

Chair Supervisory Board	€ 25,000 per annum
Member Supervisory Board	€ 15,000 per annum
Member Audit Committee	Additional € 1,500 per annum
Member Nomination, Selection and Remuneration Committee	Additional € 1,500 per annum

No variable performance based, equity-based or pension compensation is provided to the members of the Supervisory Board. CM.com did not grant any loans, advance payments or guarantees to the members of the Supervisory Board.

ACTUAL SUPERVISORY BOARD COSTS

The below graph displays the actual payout of board fees in 2020:

in euros	Role	Audit Committee	Nomination, Selection and Remuneration Committee	Total 2020 Compensation
Name				
Martin van Pernis	Chair	-	Member	€ 26,500
David de Buck	Vice Chair	Chair	-	€ 16,500
Lex Beins	Member	Member	-	€ 16,500
Diederik Karsten	Member	-	Member	€ 16,500
Mariken Tannemaat	Member	-	Chair	€ 16,500
Stephan Nanninga	Member	-	-	€ 15,000

This table has been audited.

2020 FINANCIAL STATEMENTS

CONTENT

Consolidated financial statements	123
Consolidated statement of financial position as at 31 December 2020	124
Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2020	125
Consolidated statement of changes in equity for the year ended 31 December 2020	126
Consolidated cash flow statement for the year ended 31 December 2020	127
Notes to the consolidated financial statements	128
General accounting principles for the preparation of the consolidated financial statements	128
Key disclosures - significant accounting policies	132
Capital management and risk policies	145
Financial instruments	149
Other disclosures and accounting policies	151
Change in accounting policies	164
 Corporate financial statements	 165
Corporate statement of financial position as at 31 December 2020	166
Corporate statement of profit or loss and other comprehensive income for the year ended 31 December 2020	167
Notes to the Corporate financial statements	168
Notes to the specific items of the corporate balance sheet	169
Proposed appropriation of result for the financial year 2020	177

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of financial position as at 31 December 2020

x € 1,000

ASSETS	NOTE	31-12-2020	RESTATED 31-12-2019	RESTATED 01-01-2019 ¹
Non-current Assets				
Goodwill	5	13,026	3,586	3,583
Intangible assets	5	48,197	24,123	22,858
Property, plant and equipment	7	4,425	3,174	5,134
Right-of-use assets	8	9,964	9,082	-
Long-term receivables	15	896	563	872
Deferred tax assets	10	812	2,609	1,732
Total Non-current Assets		77,320	43,137	34,179
Current Assets				
Trade and other receivables	16	32,758	19,694	15,688
Current tax receivable		1,020	-	343
Cash and cash equivalents	14	52,504	22,153	14,013
Total Current Assets		86,282	41,847	30,044
Total Assets		163,602	84,984	64,223
EQUITY AND LIABILITIES				
Equity				
Share Capital		1,724	414	414
Share premium reserve		122,691	-	-
Retained Earnings (Accumulated deficit)		(22,925)	5,425	7,261
Foreign currency translation reserve		(180)	(115)	(175)
Total Equity		101,310	5,724	7,500
Non-current Liabilities				
Borrowings	17	5,764	7,997	2,112
Deferred tax liability	10	4,093	1,651	1,340
Other liabilities		267	290	300
Total Non-current Liabilities		10,124	9,938	3,752
Current Liabilities				
Trade and other payables	18	41,346	44,903	35,270
Contract liabilities	19	8,883	1,146	719
Current tax liabilities		102	98	-
Current portion of borrowings	17	1,837	23,175	16,982
Total Current Liabilities		52,168	69,322	52,971
Total Equity and Liabilities		163,602	84,984	64,223

¹ – For more details regarding the restatement see note 3.

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2020

x € 1,000

	NOTE	2020	2019
Revenue	4	141,622	96,320
Other operating income		-	133 ²
Total income		141,622	96,453
Cost of services	4	(108,298)	(72,239)
Employee benefits expenses	20	(22,949)	(13,234)
Amortisation and depreciation	5/7/8	(8,047)	(5,119)
Other operating expenses	22	(11,848)	(6,940)
Operating loss		(9,520)	(1,079)
Financial income		65	72
Financial expenses	23	(3,573)	(910)
Loss before tax		(13,028)	(1,917)
Income tax	10	27	81
Loss after tax		(13,001)	(1,836)
Other comprehensive loss, net of tax ³		(65)	60
Total comprehensive loss		(13,066)	(1,776)
Basic and diluted loss per share (in €)	11	(0.45)	(0.14)

² – The other operating income consists of dividend received from a 5% subsidiary.

³ – The other comprehensive loss consists completely of foreign currency translation which may be reclassified subsequently to profit or loss.

Consolidated statement of changes in equity for the year ended 31 December 2020

x € 1,000	NOTE	SHARE CAPITAL	SHARE PREMIUM RESERVE	RETAINED EARNINGS	FOREIGN CURRENCY TRANS-LATION RESERVE ⁴	TOTAL
Balance at 1 January 2019		414	-	7,261	(175)	7,500
Other comprehensive income		-	-	-	60	60
Result for the year		-	-	(1,836)	-	(1,836)
Balance at 31 December 2019		414	-	5,425	(115)	5,724
Loss after tax		-	-	(13,001)	-	(13,001)
Other comprehensive income		-	-	-	(65)	(65)
Proceeds on issuing new shares	11	1,241	104,556	(13,430)	-	92,367
Conversion warrants	11	48	12,457	-	-	12,505
IPO/ABB costs including tax impact	11	-	-	(2,956)	-	(2,956)
Issuance of shares related to business combinations	9	21	5,478	500	-	5,999
Issuance of shares to employees	21	-	200	537	-	737
Balance at 31 December 2020		1,724	122,691	(22,925)	(180)	101,310

4 – IPO expenses resulted in a deferred tax asset of € 985 thousand (Note 10).

Consolidated cash flow statement for the year ended 31 December 2020

x € 1,000	NOTE	2020	RESTATED 2019 ⁵
Operating loss		(9,520)	(1,079)
Adjustments for:			
- Other operating income		-	133
- Amortisation and depreciation	5/7/8	8,047	5,095
Changes in working capital:			
- Trade and other receivables	9/16	(11,079)	(4,200)
- Trade and other payables	9/18	(12,213)	11,851
- Contract liabilities	19	5,766	427
- Trade and other receivables foundations	16	118	9
- Trade and other payables foundations	18	(204)	(2,199)
Interest received		65	72
Corporate income tax paid		(686)	(44)
Cash flow from operating activities		(19,706)	10,065
Investments in intangible assets	5	(7,168)	(5,288)
Divestments in intangible assets	5	220	22
Investments in property, plant and equipment	7	(1,852)	(550)
Divestments in property, plant and equipment	7	9	-
Acquisitions of subsidiaries (net of cash)	9	(13,259)	-
Cash included in foundation of acquired company	3	583	-
Cash flow from investing activities		(21,467)	(5,816)
Loans advanced to third parties	15	(614)	(334)
Repayment of loans advanced to third parties	15	370	729
Deposits paid	15	(253)	(120)
Deposits released	15	115	76
Proceeds from borrowings	17	-	10,000
Repayment of borrowings	17	(14,000)	(11,500)
Repayment of lease liabilities	17	(2,784)	(3,456)
Interest paid	23	(3,573)	(909)
IPO/ABB costs through equity excluding tax impact		(3,941)	-
Proceeds from IPO / ABB		104,872	-
Share benefit program personnel	21	737	-
Cash flow from financing activities		80,929	(5,514)
Changes in cash and cash equivalents		39,756	(1,265)
Net cash and cash equivalents at 1 January		12,748	14,013
Net cash and cash equivalents at 31 December	14	52,504	12,748

5 – For more details regarding the restatement see note 3.

Notes to the consolidated financial statements

1. CORPORATE INFORMATION

Activities

The activities of CM.com N.V. (CM.com), previously known as Dutch Star Companies ONE N.V. and its group companies (for the list of group companies see note 25) primarily consists of advising, guiding, implementing, and assisting companies approaching its target audience through modern (media) techniques. CM.com N.V. has its legal seat at Konijnenberg 30 at Breda, The Netherlands and is registered at the chamber of commerce under the registration number: 70523770.

On 21 February 2020 Dutch Star Companies ONE N.V. (DSCO) merged with CM.com B.V. where DSCO was the surviving company. On the same day DSCO changed its legal name to CM.com N.V. See Notes 11 and 29 for additional information regarding this merger.

The shares of CM.com are listed on Euronext Amsterdam under the symbol CMCOM.

General accounting principles for the preparation of the consolidated financial statements

2. BASIS OF PREPARATION

The consolidated financial statements of CM.com have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) adopted and endorsed by the European Union (“EU-IFRSs”) and with the statutory provisions of Part 9, Book 2 of the Dutch Civil Code. The management has, at the time of approving the financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. The financial statements were approved by the management board and supervisory board and authorised for issue on 18 March 2021.

The consolidated financial statements have been prepared on the historical cost basis with the exception of financial assets valued at fair value through profit or loss. The consolidated financial statements are presented in euros and rounded at thousands, unless otherwise stated. Euro is the functional currency of the company.

The financial information relating to CM.com N.V. is presented in the consolidated financial statements. The corporate financial statements have been prepared in accordance with sub article 8 of article 362, Book 2 of the Dutch Civil Code. The accounting policies used to prepare the corporate financial statements are the same as that of the group.

Current assets are assets that are expected to be realised in the entity's normal operating cycle held primarily for the purpose of trading expected to be realised within 12 months after the reporting period. All other assets are non-current. [IAS 1.66]

Current liabilities are those expected to be settled within the entity's normal operating cycle held for purpose of trading due to be settled within 12 months for which the entity does not have an unconditional right to defer settlement beyond 12 months (settlement by the issue of equity instruments does not impact classification). Other liabilities are non-current.

Transactions in foreign currencies are translated into euro using the exchange rates applicable at transaction date. At reporting date, monetary assets and liabilities denominated in foreign currencies are translated to euro using the rates at reporting date. Exchange rate differences are recognised in profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate at the reporting date. For consolidation purposes, the results and financial position of subsidiaries are translated to euro at closing rate on the date of the financial position (assets and liabilities) or at the average exchange rates applicable for the specific reporting period (income and expenses). If the average rate for income and expenses is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, income and expenses are translated at the dates of the transactions. All resulting exchange differences are recognised in other comprehensive income (OCI).

3. BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of CM.com and its subsidiaries as at 31 December 2020. Control is achieved when CM.com is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. CM.com considers all relevant facts and circumstances in assessing whether or not CM.com's voting and share rights in an investee are sufficient to give it power. Subsidiaries are fully consolidated from the date that control is obtained until the date that control is lost. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with CM.com's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation. Profit or loss and each component of other comprehensive income are attributed to the owners of CM.com.

The group reperformed the consolidation evaluation and included all the facts and circumstances that are relevant for assessing whether the group has control and power over its investees. As a result of this analysis, an error was identified based on which the group restated the comparative figures. The error is related to the consolidation evaluation with respect to CM.com Stichting, Stichting Derdengelden CM Payments and EventsIT Ticketing Service. The cash balances held by these investees are restricted, because the investees act as a trustee. As of 2020, the figures of these investees are included in the consolidated financial statements of CM.com to align with the reporting requirements of IFRS 10 Consolidated Financial Statements. As a result, the comparative figures have been restated. The consolidation only affects the statement of financial position and the cash flow statement. There is no restatement for the profit or loss statement. Furthermore, the recently acquired Stichting Global Ticket is also included in the consolidated financial statements of 2020 as there is power and control over the foundation.

The effects on the statement of financial position as at 1 January 2020 and 1 January 2019 are as follows:

x € 1,000

	REPORTED 31/12/19	EFFECT OF CONSOLIDATION FOUNDATIONS	RESTATED 31/12/19	REPORTED 31/12/18	EFFECT OF CONSOLIDATION FOUNDATIONS	RESTATED 31/12/18
ASSETS						
Non-current Assets						
Goodwill	3,586	-	3,586	3,583	-	3,583
Intangible assets	24,123	-	24,123	22,858	-	22,858
Property, plant and equipment	3,174	-	3,174	5,134	-	5,134
Right-of-use assets	9,082	-	9,082	-	-	-
Long-term receivables	563	-	563	872	-	872
Deferred tax assets	2,609	-	2,609	1,732	-	1,732
Total Non-current assets	43,137	-	43,137	34,179	-	34,179
Current Assets						
Trade and other receivables	19,666	28	19,694	15,651	37	15,688
Current tax receivable	-	-	-	343	-	343
Cash and cash equivalents	10,812	11,341	22,153	472	13,541	14,013
Total Current Assets	30,478	11,369	41,847	16,466	13,578	30,044
Total Assets	73,615	11,369	84,984	50,645	13,578	64,223
EQUITY AND LIABILITIES						
Equity						
Share capital	414	-	414	414	-	414
Share premium reserve	-	-	-	-	-	-
Retained earnings	5,425	-	5,425	7,261	-	7,261
Other reserves	(115)	-	(115)	(175)	-	(175)
Total Equity	5,724	-	5,724	7,500	-	7,500
Non-current Liabilities						
Borrowings	7,997	-	7,997	2,112	-	2,112
Deferred tax liability	1,651	-	1,651	1,340	-	1,340
Other liabilities	-	290	290	-	300	300
Total Non-current Liabilities	9,648	290	9,938	3,452	300	3,752
Current Liabilities						
Trade and other payables	33,824	11,079	44,903	21,992	13,278	35,270
Contract liabilities	1,146	-	1,146	719	-	719
Current tax liabilities	98	-	98	-	-	-
Current portion of borrowings	23,175	-	23,175	16,982	-	16,982
Total Current Liabilities	58,243	11,079	69,322	39,693	13,278	52,971
Total Equity and Liabilities	73,615	11,369	84,984	50,645	13,578	64,223

The effects on the cash flow statement of 2019 are as follows:

	REPORTED 2019	EFFECT OF CONSOLIDATION FOUNDATIONS	RESTATED 2019
x € 1,000			
Operating loss	(1,079)	-	(1,079)
Adjustments for:			
• Other operating income	133	-	133
• Amortisation and depreciation	5,095	-	5,095
• Changes in provisions	-	-	-
Changes in working capital:			
• Trade and other receivables	(4,200)	-	(4,200)
• Trade and other payables	11,851	-	11,851
• Contract liabilities	427	-	427
• Trade and other receivables foundations	-	9	9
• Trade and other payables foundations	-	(2,199)	(2,199)
Interest received	72	-	72
Corporate income tax paid	(44)	-	(44)
Cash flow from operating activities	12,255	(2,190)	10,065
Investments in intangible assets	(5,288)	-	(5,288)
Divestments in intangible assets	22	-	22
Investments in property, plant and equipment	(550)	-	(550)
Cash flow from investing activities	(5,816)	-	(5,816)
Loans advanced to third parties	(334)	-	(334)
Repayment of loans advanced to third parties	729	-	729
Deposits paid	(101)	(19)	(120)
Deposits released	67	9	76
Proceeds from borrowings	10,000	-	10,000
Repayment of borrowings	(11,500)	-	(11,500)
Repayment of lease liabilities	(3,456)	-	(3,456)
Interest paid	(909)	-	(909)
Cash flow from financing activities	(5,504)	(10)	(5,514)
Changes in cash and cash equivalents	935	(2,200)	(1,265)
Net cash and cash equivalents at 1 January	472	13,541	14,013
Net cash and cash equivalents at 31 December	1,407	11,341	12,748

Key disclosures – significant accounting policies

4. REVENUE RECOGNITION AND SEGMENT REPORTING

CM.com’s revenue is primarily derived from transactional and messaging services earned from customers using CM.com’s communication platform. The transactional- based and messaging fees are recognised as revenue in the period in which the usage occurs (point-in-time). In contrast, the fees for enhanced access to the Platform are charged as a monthly, quarterly or yearly subscription and recognised as revenue over-time. Thereby, CM.com has added SaaS-services like Mobile Service Cloud, Mobile Marketing Cloud and AI-chatbot services. This revenue is recognised over-time.

CM.com’s operations are divided into operating segments based on how these operations are monitored by CM.com’s management. Management, as key decision maker, monitors revenue that each segment generates. Acquisition costs, restructuring costs, integration costs, and other non-regularly recurring items are not allocated to CM.com’s operating segments. Assets and liabilities are not monitored by segment and therefore not presented per segment. Non-current assets include intangible assets, goodwill, property, plant, and equipment, long term receivables and deferred tax assets. The non-current assets of CM.com are mainly located in the Netherlands: 98% (2019: 91%).

CM.com’s operating segments consist of CPaaS, Payments, Platform and Other.

CPaaS

CPaaS means Communication Platform as a Service. CPaaS revenue consists of omni-channel messaging (such as Bulk SMS, WhatsApp, Apple Business Chat and RCS) and voice services that form part of CM.com’s core service offering.

Cost of services for CM.com’s CPaaS segment comprises primarily of fees paid to mobile network operators and OTT-providers for the purchase of mobile messages, voice and mobile data capacity and OTT-communication capabilities (as applicable).

Payments

Revenue from payments consists of settlement and start-rate fees. Settlement fees include fees paid by merchants, usually as percentage of the transaction value as well as interchange and payment network fees incurred from financial institutions and a mark-up charged by CM.com for its payment services. Start-rate fees comprise fixed fees per transaction for the use of CM.com’s platform.

Cost of services for CM.com’s Payments segment comprises primarily of fees paid to financial services providers, as well as interchange and payment network fees charged by financial institutions, for facilitating payments through CM.com’s platform.

Platform

CM.com provides organisations a portfolio of services that contribute to the optimisation of the mobile business journey that we have with our customers. During 2020 CM.com has added multiple new services to its platform, which are, among others, Mobile Marketing Cloud and Mobile Service Cloud. Apart from this, customers pay monthly subscription-fees for access to these platform features, this revenue is recognised over-time (2020: € 7,676 thousand; 2019: € 2,792 thousand).

Cost of services for CM.com’s Platform segment comprises primarily of fees paid to suppliers of CM.com’s supplementary platform features, including ticketing, data, email, digital signing, identification and verification services.

Other

Other revenue consists predominantly of CM.com’s service fees for providing Premium SMS and Direct Carrier Billing solutions (2020: € 6,451 thousand; 2019: € 7,739 thousand). Cost of services relate predominantly to cash collection and network usage fees paid to mobile network operators. CM.com has determined that it is an agent in providing these services and revenue is recognised on a net basis. Other revenue also includes legacy platform innovations.

The cost of services of the segment Other consists of € 5,547 thousand of cost of services for Premium SMS and Direct Carrier Billing (2019: € 6,436 thousand).

x € 1,000

SEGMENT REPORTING 2020	CPAAS	PAYMENTS	PLATFORM	OTHER	TOTAL
Revenue	117,000	6,403	11,007	7,212	141,622
Total income					141,622
Cost of services	(97,866)	(3,014)	(1,500)	(5,918)	(108,298)
Operational expenses					(42,844)
Operating loss					(9,520)
Financial income and expenses, net					(3,508)
Loss before tax					(13,028)

x € 1,000

SEGMENT REPORTING 2019	CPAAS	PAYMENTS	PLATFORM	OTHER	TOTAL
Revenue	76,027	5,462	5,011	9,820	96,320
Other operating income					133
Total income					96,453
Cost of services	(61,516)	(2,668)	(404)	(7,651)	(72,239)
Operational expenses					(25,293)
Operating loss					(1,079)
Financial income and expenses, net					(838)
Loss before tax					(1,917)

CM.com has no inter-segment sales 2020 and 2019 that contributes more than 10% of the reported revenue.

In the table below revenue is primarily disaggregated by segment and geographical location (revenue based on the establishment of our clients):

x € 1,000

2020	CPAAS	PAYMENTS	PLATFORM	OTHER	TOTAL
The Netherlands	49,143	4,484	7,885	3,047	64,559
Belgium	9,708	480	392	2,727	13,307
France	16,303	54	619	195	17,171
Rest of Europe	17,116	1,279	1,401	1,065	20,861
APAC	13,645	-	84	33	13,762
Rest of World	11,085	106	626	145	11,962
	117,000	6,403	11,007	7,212	141,622

x € 1,000

2019	CPAAS	PAYMENTS	PLATFORM	OTHER	TOTAL
The Netherlands	31,942	3,915	3,842	4,818	44,517
Belgium	9,282	557	484	3,748	14,071
France	13,287	39	28	301	13,655
Rest of Europe	10,735	742	463	780	12,720
APAC	6,711	-	26	33	6,770
Rest of World	4,070	209	168	140	4,587
	76,027	5,462	5,011	9,820	96,320

CM.com has no single customer in 2020 and 2019 that contributes more than 10% of the reported revenue.

5. INTANGIBLE ASSETS AND GOODWILL

Goodwill and intangible assets with an indefinite useful life are stated at cost less accumulated impairment losses. Goodwill and intangible assets with an indefinite useful life are not amortised and are tested for impairment annually.

Intangible assets with finite useful life are presented at cost less accumulated amortisation and, if applicable, less impairments in value. Intangible assets with finite useful lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when CM.com can demonstrate the availability for use, the capability to generate future economic benefits and the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses.

During the period of development, the asset is tested for impairment annually.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill and domain names, which have indefinite useful lives, from the date they are available for use. For our proprietary platform related development cost, based on historical analyses, commercial merits and our view on future developments, we estimate the useful life at 10 years. For platform related intangibles acquired through business combinations, we assume a remaining useful life of 5 years.

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

x € 1,000	PLATFORM ⁶ (SOFTWARE)	GOODWILL	CUSTOMER RELATION	OTHER	TOTAL
Costs					
At 31 December 2018	16,104	4,129	14,779	4,645	39,657
Additions	293	-	-	100	393
Development costs	4,895	-	-	-	4,895
Divestments	(89)	-	-	(15)	(104)
Reclassification of finance leases	-	-	-	(1,127)	(1,127)
Conversion to exchange rate	1	-	63	3	67
At 31 December 2019	21,204	4,129	14,842	3,606	43,781
Additions related to external costs	487	-	-	818	1,305
Acquisitions of subsidiaries	11,375	9,452	11,218	-	32,045
Development costs	5,863	-	-	-	5,863
Divestments	(208)	(12)	-	-	(220)
Conversion to exchange rate	-	-	(69)	-	(69)
At 31 December 2020	38,721	13,569	25,991	4,424	82,705
Amortisation and impairment					
At 31 December 2018	4,827	546	6,236	1,607	13,216
Amortisation	1,463	-	1,470	91	3,024
Divestments	(82)	-	-	-	(82)
Reclassification of finance leases	-	-	-	(113)	(113)
Conversion to exchange rate	2	(3)	25	3	27
At 31 December 2019	6,210	543	7,731	1,588	16,072
Amortisation	3,276	-	2,009	151	5,436
Divestments	-	-	-	-	-
Conversion to exchange rate	-	-	(26)	-	(26)
At 31 December 2020	9,486	543	9,714	1,739	21,482
Net book value					
At 31 December 2019	14,994	3,586	7,111	2,018	27,709
At 31 December 2020	29,235	13,026	16,277	2,685	61,223
Estimated useful lives (years)	5-10	indefinite	10	5-10 / indefinite	

⁶ – Platform contains capitalised development hours. In total € 18,148 thousand of the net book value of this category is self-generated (2019: € 13,749 thousand)

6. IMPAIRMENT TEST GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIFE

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of CM.com’s cash-generating units (CGU’s) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquirement are assigned to those units. Intangible assets with indefinite useful life are allocated to the respective CGU’s and tested for impairment in combination with goodwill.

The intangible assets are allocated as follows for 2020:

x € 1,000,000	CPAAS	PAYMENTS	PLATFORM
Goodwill	0.9	2.4	9.7
Domain names	0.9	0.2	0.4

The comparing numbers for 2019 are as follows:

x € 1,000,000	CPAAS	PAYMENTS	PLATFORM
Goodwill	0.9	2.5	0.2
Domain names	1.1	0.3	0.2

The impairment test is based on cash flow projections for five years (Note 27). CGU's are tested for impairment by comparing the carrying amount of each CGU to its recoverable amount. Recoverable amount is based on value in use and is determined using a discounted cash flow model with a five-year forecast period.

For all CGU’s, a terminal value was calculated based on the long-term inflation expectation of 0% (2019: 0.6%). The estimated pre-tax cash flows are discounted to their present value using a pre-tax weight average cost of capital (WACC) of 13.2% - 17.2%. (2019: 12.1%-16.1%). WACC is based on a peer group of similar listed entities and is determined with reference to CM.com’s target capital structure.

A sensitivity analysis has been performed considering a change in the WACC of 1 percentage point and a change in the long-term growth rate of 0.5 percentage point. The sensitivity analysis performed indicates that there is sufficient positive headroom to absorb adverse changes in the WACC and long-term growth rate even if these changes were to occur simultaneously.

An impairment test was performed for all intangible assets. No impairment charges were recognised in relation to the annual impairment test, both in 2020 and 2019.

7. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are presented at cost less accumulated depreciation and, if applicable, less impairments in value. Cost includes the purchase price and all costs directly attributable to bringing the asset to the location and condition for it to be capable of operating as intended by management. Depreciation is based on the estimated useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is provided from the date an asset is brought into use.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful life of each part of an item of property, plant and equipment. Depreciation methods,

useful lives and residual values are reviewed at each reporting date.

A summary of the movements in Property, plant and equipment is provided:

x € 1,000	PLATFORM (HARDWARE)	FURNITURE & FIXTURES	VEHICLES	HARDWARE & SOFTWARE WORKPLACE	LEASEHOLD IMPROVEMENTS	TOTAL
Costs						
At 31 December 2018	5,995	669	332	923	828	8,747
Additions	129	143	-	163	229	664
Reclassification of finance leases	(2,123)	-	(159)	-	-	(2,282)
Conversion to exchange rate	5	(2)	-	1	(3)	1
At 31 December 2019	4,006	810	173	1,087	1,054	7,130
Additions	506	505	-	459	382	1,852
Divestments	(6)	(5)	(42)	(32)	(17)	(102)
Acquisitions through business combinations	-	52	-	87	-	139
Conversion to exchange rate	(17)	-	-	(2)	(2)	(21)
At 31 December 2020	4,489	1,362	131	1,599	1,417	8,998
Depreciation						
At 31 December 2018	2,377	135	129	512	460	3,613
Depreciation	242	68	10	168	76	564
Reclassification of finance leases	(192)	-	(27)	-	-	(219)
Conversion to exchange rate	-	(2)	-	-	-	(2)
At 31 December 2019	2,427	201	112	680	536	3,956
Depreciation	277	98	10	216	111	712
Divestments	-	(4)	(42)	(30)	(15)	(91)
Conversion to exchange rate	(4)	-	-	-	-	(4)
At 31 December 2020	2,700	295	80	866	632	4,573
Net book value						
At 31 December 2019	1,579	609	61	407	518	3,174
At 31 December 2020	1,789	1,067	51	733	785	4,425
Estimated useful lives (years)	10	10	5	5	10	

8. RIGHT-OF-USE ASSETS

Right-of-use assets are initially measured at cost and subsequently presented at cost less accumulated depreciation and, if applicable, less impairments in value and adjusted for certain remeasurements of the lease liability. Cost is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, CM.com’s incremental borrowing rate. Generally, CM.com uses its incremental borrowing rate as the discount rate. Depreciation is based on the length of the lease liability and calculated as a fixed percentage of cost. Depreciation is provided from the date an asset is available for use.

The lease liability is presented as a separate line in the consolidated statement of financial position. The right-of-use assets are presented as a separate line in the consolidated statement of financial position. In relation to the leases, CM.com has recognised depreciation and interest costs in the income statement. In the statement of cash flows the low value leases and short term leases are presented as operating cash flows, interest paid and the repayments related to leases are presented as part of the cash flows from financing activities. The maturity analysis for the lease liabilities is included in note 12.

Depreciation methods and useful lives are reviewed at each reporting date.

A summary of the movements of right-of-use assets is provided:

x € 1,000	LAND AND BUILDINGS	FURNITURE & FIXTURES	PLATFORM (HARDWARE)	PLATFORM (SOFTWARE)	VEHICLES	TOTAL
Costs						
IFRS 16 impact at 1 January 2019	4,356	-	-	-	152	4,508
New leases as per 1 January 2019	2,642	-	-	-	-	2,642
Reclassification of finance leases	-	-	2,123	1,127	159	3,409
Additions	201	207	-	-	-	408
Ending of lease agreements	(90)	-	-	-	-	(90)
At 31 December 2019	7,109	207	2,123	1,127	311	10,877
Additions	885	-	950	-	201	2,036
Acquisitions through business combinations	779	-	-	-	160	939
Ending of lease agreements	(292)	-	-	-	-	(292)
At 31 December 2020	8,481	207	3,073	1,127	672	13,560
Depreciation						
Reclassification of finance leases	-	-	192	113	27	332
Depreciation	1,087	10	212	113	86	1,508
Ending of lease agreements	(45)	-	-	-	-	(45)
At 31 December 2019	1,042	10	404	226	113	1,795
Depreciation	1,310	57	291	113	128	1,899
Ending of lease agreements	(98)	-	-	-	-	(98)
At 31 December 2020	2,254	67	695	339	241	3,596
Net book value						
At 31 December 2019	6,067	197	1,719	901	198	9,082
At 31 December 2020	6,227	140	2,378	788	431	9,964

Group as a lessee

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset, even if that asset is not explicitly specified in an arrangement.

CM.com recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases and leases of low value assets (value lower than € 5 thousand when new). For these leases, CM.com recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

CM.com recognises a right-of-use asset and a lease liability at the lease commencement date. CM.com makes use of the expedient in IFRS 16 not to separate non-lease components from lease components.

The right-of-use asset is initially measured at cost and subsequently at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurements of the lease liability. Right-of-use assets are subject to impairment. Depreciation is based on the expected future useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is provided from the date an asset comes into use. See Note 8 for depreciation per category.

The expenses and total cash flow outflow for leases are as follows:

x € 1,000	2020	2019
Interest expense on lease liabilities	195	216
Expense relating to short-term leases	265	82
Expense relating to leases of low-value assets	-	-
Total cash outflow for leases	2,784	3,456

9. BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at the acquisition date at fair value. Acquisition-related costs are expensed as incurred and included in other operating expenses. Acquisition-related costs amount to € 184 thousand.

Acquisitions in 2020

On 2 March 2020 CM.com N.V. acquired 100% of the shares and voting rights of Global Ticket B.V. Global Ticket B.V. is an unlisted company based in the Netherlands, specialised in ticketing solutions. The purpose of the acquisition is to increase the ticketing activities of CM.com. The purchase price allocation is based on fair values of identifiable assets and liabilities of Global Ticket B.V.

On 2 July 2020 CM.com N.V. acquired 100% of the shares and voting rights of Elitech Group B.V. and its group companies (known as CX Company). CX Company is a group of entities which are unlisted and based in the Netherlands. The purpose of the acquisition is to give the growth strategy of CM.com an extra boost with the new, fast-growing and

recurring revenue-stream which is primarily SaaS-based. The purchase price allocation is based on provisional fair values of identifiable assets and liabilities of CX Company.

On 14 October 2020 CM.com N.V. acquired 100% of the shares and voting rights of ROBIN Software B.V. ROBIN Software B.V. is an unlisted company based in the Netherlands, specialised in customer contact solutions. The purpose of the acquisition is to complement our Mobile Marketing solution for customer contact centers. The purchase price allocation is based on provisional fair values of identifiable assets and liabilities of ROBIN Software B.V.

The initial accounting for the acquisitions has only been provisionally determined at the end of the reporting period. For tax purposes, the tax values of the acquired assets are required to be reset based on market values of the assets. At the date of finalisation of these consolidated financial statements, the necessary market valuations and other calculations had not been finalised for the acquisitions of CX Company and ROBIN Software B.V. and they have therefore only been provisionally determined based on the directors' best estimate of the likely tax values. All acquisitions done in 2020 are related to the Platform segment within CM.com.

The fair values of identifiable assets and liabilities of acquisitions as at the date of acquisition were:

x € 1,000	NOTE	CX	OTHER	TOTAL
Consideration paid in cash		10,479	6,112	16,591
Equity payment		4,000	2,000	6,000
Earn-out (part of other accruals)	9	1,651	3,093	4,744
Total consideration		16,130	11,205	27,335
Property, plant and equipment		23	116	139
Right-of-use assets		561	378	939
Financial assets		153	37	190
Trade and other receivables		1,563	327	1,890
Deferred tax assets		415	–	415
Cash and cash equivalents		2,990	343	3,333
Trade and other payables		(3,681)	(1,351)	(5,032)
Borrowings		(560)	(375)	(935)
Total fair value of net indentifiable assets en liabilities		1,464	(525)	939
Goodwill recognised	5	5,296	4,156	9,452
Platform recognised	5	5,972	5,403	11,375
Customer relations recognised	5	6,521	4,697	11,218
Deferred tax liability recognised	10	(3,123)	(2,526)	(5,649)

The acquired trade and other receivables mainly consist of trade receivables. The present value of the earn-out is based on the 2020-2022 financial performance of the companies acquired mainly based on revenue and represents our best estimate as at 31 December 2020. The earn-out will be payable if certain revenue and non-financial targets are met. The total range of outcomes (undiscounted) is between € 0 and € 6.8 million.

The goodwill relating to the 2020 acquisitions represents future economic benefits specific to the group arising from assets that do not qualify for separate recognition as intangible assets. This includes expected new customers who generate revenue streams in the future and revenues generated because of new capabilities of the acquired product platforms.

The total contribution to revenue of the acquisitions is € 3,477 thousand for CX company and € 2,034 for the other acquisitions. If the acquisitions were done as per 1 January the contribution would be € 6,842 for CX company and € 3,780 for the other acquisitions. The total contribution to net profit of the acquisitions is € 595 for CX company and € 327 thousand for the other acquisitions. If the acquisitions were done as per 1 January the contribution would be € 213 thousand for CX company and € 8 thousand for the other acquisitions.

10. TAXATION

Current income tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where CM.com operates and generates taxable income.

The effect of rate changes for € 24 thousand is mainly caused by rate changes in deferred tax in the Netherlands from 21.7% to 25.0%.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

CM.com N.V. forms a fiscal unity for corporate income tax purposes with the following subsidiaries:

- CM.COM Netherlands B.V.
- CM.com International B.V.
- CM Payments B.V.
- CM Platform B.V.
- CM.com R&D 1 B.V.
- CM.com R&D 2 B.V.
- CM.com R&D 3 B.V.
- CM.com R&D 4 B.V.
- CM.com R&D 5 B.V.
- CM.com R&D 6 B.V.
- CM.com R&D 7 B.V.
- CM.com R&D 8 B.V.
- CM.com R&D 9 B.V.
- CM.com R&D 10 B.V.
- CM.com R&D 11 B.V.
- CM.com R&D 12 B.V.
- CM.com R&D 13 B.V.
- EventsIT B.V. (liquidated in 2020)

The subsidiaries are charged for the corporate income tax based on their results.
The other subsidiaries are not part of the fiscal unity of CM.com N.V.

Major components of the income tax expense :

x € 1,000	2020	2019
Current tax	152	91
Deferred tax:		
Movement in temporary differences	(186)	131
Tax losses recognized as DTA	(1,838)	(723)
Tax losses utilised	238	188
Tax losses derecognised	1,740	-
Tax rate differences	7	49
Exchange rate differences	-	(8)
Adjustments prior year	(140)	191
Taxation according to the profit or loss	(27)	(81)

The effective tax rate for 2020 is 0.2% (2019: 4.1%) and can be reconciled as follows:

x € 1,000	2020	2019
Loss before taxation	(13,028)	(1,917)
Other operational income	-	(133)
Loss for tax calculation	(13,028)	(2,050)
Income tax expense at statutory tax rate (25%)	(3,257)	(513)
Non-deductable expenditure	127	22
Non-deductable amortisation/depreciation	75	75
Non-recognition of deferred tax assets	1,245	-
Tax losses utilised	(2)	-
Tax losses derecognised	1,740	-
Innovation box	-	(19)
Rate differential (foreign subsidiaries)	185	137
Temporary differences	-	17
Exchange rate differences	-	(8)
Tax relating to prior periods	(140)	207
Tax charged against loss before tax	(27)	(81)

Deferred tax

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting data. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

Deferred tax asset

Deferred tax assets are recognised for any unused tax losses. Deferred tax assets for unused tax losses are recognised to the extent that it is probable that taxable profit will be available against which the unused tax losses can be utilised. CM.com has tax losses carried forward of € 33.6 million as at 31 December 2020 (2019: € 9.2 million), out of which € 5.7 million (2019: € 0.4 million) expires in the following five years (of this for a total of € 0.5 million a DTA is formed). € 13.9 million (2019: € 0.8 million) will expire after five years (of this for a total of € 12.3 million a DTA is formed) and € 13.9 million (2019: € 8.3 million) can be carried forward indefinitely (of this for a total of € 2.3 million a DTA is formed). Other deferred tax assets relate to the difference between the carrying amount of Property, plant and equipment and Intangibles assets, and their fiscal value.

x € 1,000	2020	2019
Deferred tax asset		
Carrying amount as at 1 January	2,609	1,732
Additional tax losses recognised	1,838	723
Newly recognised for tax losses from acquisitions	415	-
Reversal of deferred tax assets	(181)	-
Tax losses derecognised	(1,740)	-
Tax losses utilised	(238)	(188)
Tax rate change	24	(82)
Exchange rate differences	(15)	8
Tax on non-deductible interest	457	-
Addition regarding IPO costs through equity	985	-
Correction previous years	(19)	202
Originating taxable temporary differences	-	214
Reclassification deferred tax asset	(3,323)	-
Carrying amount as at 31 December	812	2,609

The deferred tax asset can be split as below:

x € 1,000	2019	RECOGNISED THROUGH ACQUISITIONS	RECOGNISED IN EQUITY	RECOGNISED IN PROFIT OR LOSS	RECLASSIFICA- TION OF DTA	2020
Tax losses	2,396	415	985	306	(3,323)	779
Right of use assets	17	-	-	16	-	33
Other	197	-	-	(197)	-	-
	2,610	415	985	125	(3,323)	812

Deferred tax liability

Deferred tax liabilities mainly relate to the difference between the carrying amount of Property, plant and equipment and Intangibles assets, and their fiscal values.

x € 1,000	2020	2019
Deferred tax liability		
Carrying amount as at 31 December 2019	1,651	1,340
Acquisition of subsidiary	5,649	-
Taxable temporary differences	570	439
Tax rate differences	29	(61)
Reversal of taxable temporary differences	(483)	(67)
Reclassification deferred tax asset	(3,323)	-
Carrying amount as at 31 December 2020	4,093	1,651

The deferred tax liability can be split as below:

x € 1,000	2019	RECOGNISED THROUGH ACQUISITIONS	RECOGNISED IN PROFIT OR LOSS	RECLASSIFI- CATION OF DTA	2020
Property, plant and equipment	833	-	97	-	930
Intangible assets	818	5,646	22	-	6,486
Reclassification	-	-	-	(3,323)	(3,323)
	1,651	5,646	119	(3,323)	4,093

Capital management and risk policies

11. CAPITAL MANAGEMENT

At 1 January 2020 the number of issued shares was 5,730,944, of which 5,536,500 ordinary shares with a nominal value of € 0,06 per share and 194,444 special shares with a nominal value of € 0,42 per share. On 21 February 2020 DSCO merged with CM.com NV. After this merger the number of issued shares was 26,259,854 with a nominal value of € 0,06 per share. Later in 2020, with the acquisitions of Elitech Group B.V. (CX Company) and ROBIN Software B.V., a total of 359.116 shares were issued. On 18 September CM.com performed an accelerated bookbuild offering (ABB) and raised € 31,8 million in capital. A total of 2,120,000 shares were issued that day. At year end that brings the total of issued shares up to 28,738,970 with a total nominal value of € 1,724,338. At balance date there are only ordinary shares.

The legal reserves, in amount of € 18,148 thousand (2019: € 13,764 thousand) are considered non distributable in accordance with Dutch Law, as presented in the Corporate Financial Statements (Note 6) and relate to capitalised development costs.

The current dividend policy is not to pay dividends, as retained earnings are used to support and finance the growth strategy of the company.

Basic and diluted loss per share

The number of shares used for the calculation of the basic and diluted loss per share is 28,738,970 (2019: 12,500,000). The change in loss per share in 2019 relates to the merger with DSCO.

12. RISK MANAGEMENT

Credit risk

Credit risk represents the financial loss that would have to be recognised on the reporting date if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from CM.com’s receivables from customers.

CM.com’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of CM.com’s customer base, including the default risk of the industry and country, in which customers operate, has less of an influence on credit risk. CM.com mitigates the credit risk through setting appropriate credit limits for each of its customers. We continuously monitor the creditworthiness of debtors and act appropriately on expired invoices.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. For CM.com’s statement of the carrying amounts see Note 15 and Note 16. No significant concentration of credit risk existed as at the reporting date.

The changes in the allowance for doubtful accounts receivable are as follows:

x € 1,000	2020	2019
Balance as per 1 January	140	73
Additional charges to expenses	15	103
Bad debts written off	—	(36)
Balance as per 31 December	155	140

The aging of accounts receivables, net of the provision for credit losses, is set out below:

x € 1,000	31-12-2020	31-12-2019
Current	14,051	5,983
1 - 30 days	486	1,419
31 - 60 days	121	223
> 60 days	66	232
	14,724	7,857

The buckets and expected credit loss (ECL) are estimated as follows:

BUCKET	PERCENTAGE OF ECL
Current	0.28%
1 – 30 days	0.54%
30 – 60 days	3.68%
> 60 days	12.80%

The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and analysis of the debtor’s current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

For the other financial assets such as other receivables and deposits the assumption is applied that no expected credit loss is needed, due to low credit risk, the expected credit losses are deemed as not significant.

Impairment of financial assets

CM.com applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and accrued income. To measure the expected credit losses, trade receivables and accrued income have been grouped based on shared credit risk characteristics which are determined based on the days past due. Contract assets relate to unbilled revenue and have substantially the same risk characteristics as the current trade receivables for the same types of contracts.

The expected loss rates are based on the payment profiles of sales over prior periods and the corresponding historical credit losses experienced relating to those periods.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others,

the failure of a debtor to engage in a repayment plan with CM.com, and a failure to make contractual payments.

Impairment losses on trade receivables and accrued income are presented as net impairment losses within profit or loss. Subsequent recoveries of amounts previously written off are credited against the same line item.

Liquidity risk

Liquidity risk is the risk that CM.com will not be able to meet its financial obligations as they fall due. CM.com’s approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to CM.com’s reputation.

Periodically, liquidity budgets are prepared. Liquidity risks are controlled through interim monitoring and possible adjustments. The liquidity budgets take account of cash constraints. CM.com assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. CM.com ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 180 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Exposure to liquidity risk

The table below summarises the expected future cash flows from CM.com’s financial liabilities based on contractual undiscounted payments:

2020							
x € 1,000	NOTE	0 - 3 MONTHS	4 - 12 MONTHS	1 - 5 YEARS	OVER 5 YEARS	2020 TOTAL	CARRYING AMOUNT TOTAL
Lease liabilities	17	672	1,327	4,280	1,485	7,764	7,601
Trade payables	18	5,943	–	–	–	5,943	5,943
Other financial liabilities	18/19	34,914	–	–	–	34,914	34,914
		41,529	1,327	4,280	1,485	48,621	48,458

2019							
x € 1,000	NOTE	0 - 3 MONTHS	4 - 12 MONTHS	1 - 5 YEARS	OVER 5 YEARS	2019 TOTAL	CARRYING AMOUNT TOTAL
Borrowings excluding lease liabilities	17	92	11,741	200	2,550	14,583	14,000
Lease liabilities	17	628	1,815	3,868	2,093	8,404	7,767
Trade payables	18	19,834	–	–	–	19,834	19,834
Other financial liabilities	18	22,433	622	290	–	23,345	23,345
		42,987	14,178	4,358	4,643	66,166	64,946

CM.com’s borrowing facilities and revolving credit facilities are detailed in Note 17.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will effect CM.com’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control

market risk exposures within acceptable parameters, while optimising the return on risk. The market risk comprises three types of risk: interest rate risk, foreign currency risk and other risk. CM.com only recognises the foreign currency risk as an applicable currency risk, due to the fact that there are no outstanding loans with variable interest and little other risk from external factors.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. CM.com is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the functional currency. The currency giving rise to this risk are primarily USD, CNY, GBP and HKD. As CM.com operates globally, purchases are done in several currencies.

CM.com’s exposure to currency risk was as follows based on notional amounts:

x 1,000	CNY	GBP	HKD	USD
31-12-2020				
Cash and cash equivalents	2,789	1,132	(626)	2,462
Trade receivables	648	272	2	60
Long-term borrowings	-	-	(21)	0
Trade payables	162	(845)	(64)	(581)
	3,599	559	(709)	1,941
x 1,000	CNY	GBP	HKD	USD
31-12-2019				
Cash and cash equivalents	-	150	-	523
Trade receivables	332	643	10	2,426
Long-term borrowings	-	-	(1,300)	-
Trade payables	456	(800)	(427)	(1,021)
	788	(7)	(1,717)	1,928

Foreign currency sensitivity

A reasonable possible change in CNY exchange rate (+5 percentage point, calculated from CNY), with all other variables held constant, will have an effect on profit and equity of € 135 thousand (2019: € 4 thousand).

A reasonable possible change in GBP exchange rate (+5 percentage point, calculated from GBP, with all other variables held constant, will have an effect on profit and equity of € 21 thousand (2019: € (7) thousand).

A reasonable possible change in HKD exchange rate (+5 percentage point, calculated from HKD), with all other variables held constant, will have an effect on profit and equity of € (27) thousand (2019: € (7)).

A reasonable possible change in USD exchange rate (+5 percentage point, calculated from USD), with all other variables held constant, will have an effect on profit and equity of € 73 thousand (2019: € 4 thousand).

Alignment of sales and purchases contracts in local currencies mitigates the risk of foreign currency translations.

Financial instruments

13. FINANCIAL INSTRUMENTS

Classification and measurement

Financial assets are classified on the basis of both the entity’s business model for managing financial assets and the contractual cash flow characteristics of the financial asset.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal amount and interest on the principal amount outstanding.

The financial assets to which CM.com is a party includes loans receivable, trade and other receivables, deposits, equity investments, cash and cash equivalents. These financial assets are subsequently measured at amortised cost with the exception of the equity investments which is measured at fair value through profit or loss.

The carrying amounts of CM.com’s financial assets are a reasonable approximation of their fair values.

Initial recognition and measurement

Trade receivables are initially recognised when they are originated. A trade receivable without a significant financing component is initially measured at the transaction price.

All other financial assets and financial liabilities are initially recognised when CM.com becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition of issue.

Financial assets measured at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Derecognition of financial assets

CM.com derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which CM.com neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

Classification and measurement

Financial liabilities to which CM.com is a party include trade and other payables, long-term borrowings, lease liabilities, contingent consideration and earn-out in business acquisitions. Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, CM.com’s incremental borrowing rate. See Note 12 for maturity analysis. Generally, CM.com uses its incremental borrowing rate as the discount rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The carrying amounts of CM.com’s financial liabilities are a reasonable approximation of their fair values.

Derecognition of financial liabilities

CM.com derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. CM.com also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Hedging

Although CM.com may hedge its exposure to financial instruments, CM.com does not apply hedge accounting and recognises gains and losses on undesignated hedging instruments in profit or loss.

Other disclosures and accounting policies

14. CASH AND CASH EQUIVALENTS

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

x € 1,000	31-12-2020	RESTATED 31-12-2019
Bank balances	40,689	10,812
Bank balances held by Stichting Derdengelden	11,815	11,341
Bank overdraft	—	(9,405)
Cash and cash equivalents in the statement of cash flows	52,504	12,748

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of CM.com’s cash management.

The bank balances held by Stichting Derdengelden are restricted cash.

Additionally, in the other bank balances an amount of € 160 thousand (2019: € 48 thousand) is not at free disposal of CM.com, the other liquid assets are payable on demand.

15. LONG-TERM RECEIVABLES

Long-term receivables comprise loans receivable from third parties and deposits.

x € 1,000	31-12-2020	31-12-2019
Deposits & other receivables	1,197	651
Other participation	60	60
	1,257	711
Current portion of long term receivables	(361)	(148)
	896	563

A summary of the movements in long-term receivables is provided below:

x € 1,000	DEPOSITS	OTHER RECEIVABLES	OTHER PARTICIPATION	TOTAL
Carrying amount as at 1 January 2019	350	662	60	1,072
Movements				
Loans granted	-	334	-	334
Repayments	-	(729)	-	(729)
Paid deposits	101	-	-	101
Released deposits	(68)	-	-	(68)
Currency difference	1	-	-	1
Carrying amount as at 31 December 2019	384	267	60	711
Movements				
Loans granted	-	614	-	614
Repayments	-	(370)	-	(370)
Paid deposits	165	-	-	165
Released deposits	(50)	-	-	(50)
Acquisitions	191	-	-	191
Currency difference	(4)	-	-	(4)
Carrying amount as at 31 December 2020	686	511	60	1,257
Current portion 2019	-	(148)	-	(148)
Current portion 2020	-	(361)	-	(361)

As at 31 December 2020 and 31 December 2019 no impairments in value have been recorded.

Other receivables

Other receivables consist of two loans and one advanced payment.

Originally, € 250 thousand to Minghold B.V. Repayment should have been done during 2020. Due to the Covid 19-pandemic this loan will be repaid in 2021.

Originally, € 75 thousand was provided to Comizzo BVBA. Repayment will be done in 10 months, starting March 2020. The interest rate is set at 15% annually.

Originally, € 100 thousand advanced payment to Labyrinth Productions BVBA. Repayment should have been done during 2020. Due to the Covid 19-pandemic this loan will be repaid in 2021. The interest rate is set at 10%.

Originally, € 125 thousand advanced payment to ABBI Holding B.V., Repayment will be done in 4 years. The interest rate is set at 3.9%.

Other participation

The other participation is an investment in 5% of the shares of Wireless Interactions & NFC Accelerator 2013 B.V.

16. TRADE AND OTHER RECEIVABLES

The total of the receivables has an expected residual maturity shorter than one year.

x € 1,000	31-12-2020	RESTATED 31-12-2019
Trade receivables	14,724	7,857
Trade receivables Stichting Derdengelden	66	28
Other receivables, prepayments and accrued income	17,968	11,809
	32,758	19,694

Trade receivables

A provision is formed for the risk of doubtful accounts receivable. This amount is deducted from the accounts receivable. At the reporting date, € 155 thousand is provided for (2019: € 140 thousand). CM.com's exposure to credit risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 12.

Other receivables, prepayments and accrued income

x € 1,000	31-12-2020	31-12-2019
Accrued revenue	13,364	9,499
Prepayments	3,181	986
Other receivables	1,062	1,176
Current portion of long-term receivable	361	148
	17,968	11,809

The prepayments consists of non-trade prepaid invoices.

The accrued revenue is invoiced after month-end. The amount of accrued revenue is invoiced in January and contains revenue for December.

17. BORROWINGS

x € 1,000	31-12-2020	31-12-2019
Bank loans	-	14,000
Bank overdraft	-	9,405
Lease liability	7,601	7,767
	7,601	31,172
Current portion of long term borrowings	(1,837)	(23,175)
	5,764	7,997

Originally, CM.com had signed a borrowing agreement with EIB for a facility up to € 10 million for the funding of its platform innovations. In 2018, € 5 million has been drawn from this facility. The repayment date of the tranche is 5 years after the disbursement

date. The loan bore an interest at 1 year Euribor plus a Margin of 2.00%. CM.com received a waiver from EIB for the no further indebtedness clause. This loan has been repaid for € 1 million in 2019. The remaining € 4 million has been repaid after the listing on 21 February 2020.

After the listing on 21 February 2020 the loans with ABN AMRO and EIB were paid off. As a result of the repayment of the loan from EIB we bought off the warrant at EIB for € 3,050 thousand.

In 2019, CM.com refinanced its loan facility from Rabobank with a new loan facility from ABN Amro. This facility consisted of a credit facility of € 10 million and a loan of € 10 million. This loan has been repaid after the listing. This credit facility has been terminated.

A reconciliation of the movement in borrowings is presented below:

x € 1,000	2020	2019
Carrying amount as at 1 January	31,172	19,094
Movements		
Proceeds from bank loans	-	10,000
Increase in lease liability	2,782	7,628
Redemptions of bank loans	(14,000)	(11,500)
Redemptions of lease liability	(2,948)	(3,455)
Movements in revolving credit facilit	(9,405)	9,405
Carrying amount as at 31 December	7,601	31,172
Current portion of long term borrowings	(1,837)	(23,175)
Long term liability as at 31 December	5,764	7,997

18. TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid.

x € 1,000	31-12-2020	RESTATED 31-12-2019
Trade payables	5,943	19,834
VAT and payroll taxes	1,371	2,014
Invoices to be received for services	11,128	8,387
Third party collection payable to content providers	1,867	912
Deposits	196	198
Pension contributions	111	(21)
Payables from Stichting Derdengelden	11,614	11,079
Other accruals	9,116	2,500
	41,346	44,903

The other accruals mainly consist of earn-outs for the acquisitions (€ 4,744 thousand, 2019: nil), non-trade invoices to be received and personnel accrual.

19. CONTRACT LIABILITIES

x € 1,000	31-12-2020	31-12-2019
Revenue received in advance	8,001	1,146
Invoiced in advance	882	-
	8,883	1,146

The revenue received in advance will be settled in full in 2021.

20. EMPLOYEE BENEFITS

x € 1,000	2020	2019
Wages and salaries	23,785	14,793
Social security charges	3,624	2,475
Pension costs	812	504
WBSO subsidy received	(1,095)	(931)
Capitalised development cost	(4,177)	(3,607)
	22,949	13,234

The employee benefits can be split in Research & Development, Sales & Marketing and General & admin. The split is as follows:

x € 1,000	RESEARCH & DEVELOPMENT	SALES & MARKETING	GENERAL & ADMIN	TOTAL
Wages and salaries	6,515	9,580	7,690	23,785
Social security charges	1,164	1,355	1,105	3,624
Pension costs	214	357	241	812
WBSO	(1,095)	-	-	(1,095)
Capitalised development costs	(4,177)	-	-	(4,177)
	2,621	11,292	9,036	22,949

The average number of employees of CM.com during the year, converted to full-time equivalents (FTE), was 382 (2019: 257), of which 74 FTE are working outside the Netherlands (2019: 47)

The breakdown per department of average FTE is as follows:

	2020	2019
Research & Development	131	83
Sales & Marketing	192	115
General & Admin	59	59
	382	257

Defined contribution pension plans

All pension solutions are classified as defined contribution pension plans. Accordingly, CM.com’s obligation is limited to the contributions it has committed to pay. In such case, the size of the employee’s pension depends upon the contributions the company pays to the plan or to an insurance company and upon the return on capital generated by these contributions. Consequently, the actuarial risk and investment risk are borne by the employee. The company’s obligations to pay contributions to defined contribution plans are recognised as a cost in profit or loss.

Short-term employee benefits

The undiscounted amount of short-term employee benefits is recognised in the accounting period when the related service was rendered. A provision is recognised for the expected cost of bonus payments when the group has a legal or constructive obligation to make such payments as a result of employee services rendered and the obligation can be reliably measured.

Government grants

Government grants (WBSO subsidy for research & development of technological innovations) are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. WBSO is a government grant which lowers the social security charges in the profit or loss and is therefore stated under the employee benefits. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

21. SHARE BASED PAYMENTS

Celebration Share Award Plan

On 21 February 2020, the Management Board granted to all eligible employees a cumulative total of 14,009 Ordinary Shares for no consideration under a one-off share incentive (11,835 equity settlement and 2,174 cash settlement). The shares are vested on 21 February 2020. The grant-date fair value of equity settled share based payments awards granted to employees is recognized as an expense, with a corresponding increase in equity. Cash settled awards are valued at intrinsic value at 31 December 2020 and recognized as an expense, with a corresponding increase in liabilities. There are no market performance conditions in this plan that effect the vesting. The holding period is 1 year.

Long-term incentive plan

The Management Board recognises the importance of its employees to the future success of the Company. A long-term incentive plan (‘LTIP’) was introduced for key individuals in senior leadership positions. The first grant under this plan was made at 21 February 2020 and comprise of a cumulative total of 20,702 Ordinary Shares (equity settlement), during the year an additional amount of 6,056 ordinary shares (equity settlement) were granted to new participants under the same LTIP conditions. The vesting date is 21 February 2023.

The number of Awards made under the Plan that will vest and become unconditional is subject to continued employment and the actual performance on the TSR (30%), Revenue: Average CAGR (20%), Customer Satisfaction (NPS) (25%) and Employee Satisfaction (25%) performance conditions. The company used the Monte Carlo model to determine the fair value of the TSR portion of the conditional awards.

Key assumptions to the TSR shares

	FEBRUARY 2020	APRIL 2020
Share price at grant date	17	13
Expected volatility	41%	46%
Vesting period	3.0	2.8
Annual dividend increase	—%	—%
Risk-free interest rate (Eurozone, AScX / US, NASDAQ-100)	(0.657) / 1.31	(0.673) / 0.24
Fair value at grant date	15.53	17.48

The weighted average fair value of the conditional performance options under the LTIP 2020-2022 granted as at February/April 2020 was € 34 thousand. The fair value of the LTIP awards granted to employees is recognized as an expense, with a corresponding increase in equity.

Key leadership program

The Key leadership program (‘KLIP’) was introduced for a small group of employees in key leadership positions. This is an non-recurring program with a long tenure (3 years). The first grant under this plan was made at 18 March 2020 and comprises of a cumulative total of 50,000 Ordinary Shares for no consideration (equity settlement). The first tranche of 25,000 ordinary shares immediately vested on grant date. Condition for vesting of the other tranches is continued employment until vesting date. There are no market performance conditions in this plan that effect the vesting. The holding period is 1 year. The grant-date fair value of equity settled share based payments awards granted to employees is recognized as an expense, with a corresponding increase in equity.

Key Person Plan

The Key Person Plan (‘KPP’) was introduced for a number of key employees within CM.com. The first grant under this plan was made at 21 February 2020 and comprises of a cumulative total of 18,882 Ordinary Shares for no consideration, of which 5,503 shares were cash settled and 13,319 were equity settled . The condition for vesting is that the relevant employee continues to be employed by the Company two years after grant date. There are no market performance conditions in this plan that effect the vesting.The grant-date fair value of equity settled share based payments awards granted to employees is recognized as an expense, with a corresponding increase in equity. Cash settled awards are valued at intrinsic value at 31 December 2020 and recognized as an expense, with a corresponding increase in liabilities.

Changes in outstanding shares for the period regarding the different plans:

	CELEBRATION SHARE AWARD PLAN	LONG-TERM INCENTIVE PLAN	KEY LEADER- SHIP PLAN	KEY PERSON PLAN
At 1 January 2020	-	-	-	-
Granted	11,835	26,758	13,379	50,000
Forfeited	-	-	-	-
Exercised	(11,835)	-	-	(25,000)
Expired	-	-	-	-
At 31 December 2020	-	26,758	13,379	25,000

None of the outstanding shares are exercisable at 31 December 2020.

Cash-settled share-based payments

The Group issues to certain employees share appreciation rights (SARs) that require the Group to pay the intrinsic value of the SAR to the employee at the date of exercise. The Group has recorded liabilities of € 138 thousand in 2020. The Group recorded total expenses of € 152 thousand in 2020. The total intrinsic value at 31 December 2020 € 31.00.

Costs

The costs of the different plans for 2020 can be specified as follows:

x € 1,000	2020
LTIP (equity settled)	115
KPP (equity settled)	94
KPP (cash settled)	71
KLIP (equity settled)	327
Celebration shares (equity settled)	201
Celebration shares (cash settled)	81
	889

At year-end 2020 the carrying amount of cash-settled share based payments was € 152 thousand.

22. OTHER OPERATING EXPENSES

x € 1,000	2020	2019
Housing costs	819	458
Operating costs	2,501	1,167
Office expenses	39	13
Car expenses	150	117
Marketing and sales expenses	2,524	1,895
Other staff costs	2,921	783
General costs	2,894	2,507
	11,848	6,940

The capitalised development costs have partly been allocated to the other operating expenses (€ 1,532 thousand, 2019: € 1,288 thousand) and mainly relate to housing costs and general costs.

In the other operating expenses a total of € 1.7 million is included for one-off listing related costs.

In the housing costs a total of € 185 thousand regards to short-term leases. In the car expenses a total of € 73 thousand regards to short-term leases. Low value leases are not applicable.

23. INTEREST PAID

x € 1,000	2020	2019
Bank interest paid	3,198	617
Other interest paid	201	216
Currency results	174	77
	3,573	910

The bank interest paid mainly consists of the warrant-payment to EIB. See Note 17.

24. COMMITMENTS AND GUARANTEES

Guarantees

As of 31 December 2020, the legal entities that are part of the group have granted guarantees amounting to € 160 thousand (2019: € 48 thousand).

25. GROUP STRUCTURE

CM.com B.V.in Breda is the head of a group of legal entities. A summary of the information required under articles 2:379 of the Dutch Civil Code is given:

NAME	REGISTERED OFFICE	PRINCIPAL ACTIVITIES	SHARE IN ISSUED SHARE CAPITAL	NOTE
CM.com N.V.	Breda (The Netherlands)	Holding company	100%	
CM.COM Netherlands B.V.*	Breda (The Netherlands)	Mobile telecommunication services	100%	
CM.com International B.V.*	Breda (The Netherlands)	Voice services	100%	
CM Payments B.V.*	Breda (The Netherlands)	Payments processing	100%	
Events IT B.V.*	Rotterdam (The Netherlands)	Access services	100%	1
CM Platform B.V.*	Breda (The Netherlands)	R&D	100%	
Global Ticket B.V.	Amsterdam (The Netherlands)	Ticketing services	100%	2
Elitech Group B.V.	Breda (The Netherlands)	Holding company	100%	3
The Selfservice Company B.V.	Breda (The Netherlands)	Conversation platform services	100%	3
The Selfservice Company Solutions B.V.	Breda (The Netherlands)	Conversation platform services	100%	3
ROBIN Software B.V.	Arnhem (The Netherlands)	Customer services	100%	4
CM.com R&D 1 B.V.	Breda (The Netherlands)	R&D	100%	
CM.com R&D 2 B.V.	Breda (The Netherlands)	R&D	100%	
CM.com R&D 3 B.V.	Breda (The Netherlands)	R&D	100%	
CM.com R&D 4 B.V.	Breda (The Netherlands)	R&D	100%	
CM.com R&D 5 B.V.	Breda (The Netherlands)	R&D	100%	
CM.com R&D 6 B.V.	Breda (The Netherlands)	R&D	100%	
CM.com R&D 7 B.V.	Breda (The Netherlands)	R&D	100%	
CM.com R&D 8 B.V.	Breda (The Netherlands)	R&D	100%	
CM.com R&D 9 B.V.	Breda (The Netherlands)	R&D	100%	
CM.com R&D 10 B.V.	Breda (The Netherlands)	R&D	100%	
CM.com R&D 11 B.V.	Breda (The Netherlands)	R&D	100%	
CM.com R&D 12 B.V.	Breda (The Netherlands)	R&D	100%	
CM.com R&D 13 B.V.	Breda (The Netherlands)	R&D	100%	
CM.com Belgium N.V.*	Zaventem (Belgium)	Mobile telecommunication services	100%	
CM.com Germany GmbH*	Frankfurt (Germany)	Mobile telecommunication services	100%	
CX Company GmbH	Dusseldorf (Germany)	Conversation platform services	100%	3
CM Telecom UK Ltd.*	London (UK)	Mobile telecommunication services	100%	
Elitechnology Limited	London (UK)	Conversation platform services	100%	3
CM Telecom France SAS*	Paris (France)	Mobile telecommunication services	100%	
CM Telecom Hong Kong Ltd.*	Hong Kong (China)	Mobile telecommunication services	100%	
CM Telecom Shenzhen Co. Ltd.	Shenzhen (China)	Mobile telecommunication services	100%	
CM Telecom Singapore Private Ltd.*	Singapore (Singapore)	Mobile telecommunication services	100%	
CM.com Japan K.K.	Tokyo (Japan)	Mobile telecommunication services	100%	
CM Telecom South Africa Ltd.*	Cape Town (South Africa)	Mobile telecommunication services	100%	
CM Telecom Inc.*	Boston (USA)	Mobile telecommunication services	100%	5
CM.com US Inc.*	Wilmington, Delaware (USA)	Mobile telecommunication services	100%	
CM Telecom FZ-LLC*	Dubai (UAE)	Mobile telecommunication services	100%	
CM Communication Platform & Technology, S.L.U.*	Barcelona (Spain)	Mobile telecommunication services	100%	6
CMCOM Turkey Elektronik Haberlesme Ltd Sti*	Turkey	Mobile telecommunication services	100%	7
CM.com Kenya Ltd.*	Nairobi (Kenya)	Mobile telecommunication services	100%	8
Communication Platform India Private Limited*	Bankalore (India)	Mobile telecommunication services	100%	9
CM.com Italy S.r.l.*	Milan (Italy)	Mobile telecommunication services	100%	10

1 — This entity is liquidated on 31 December 2020
2 — This entity is acquired on 2 March 2020 by CM.COM Netherlands B.V.
3 — These entities were acquired on 2 July 2020 by CM.COM Netherlands B.V.
4 — This entity is acquired on 14 October 2020 by CM.COM Netherlands B.V.
5 — This entity was liquidated on 18 September 2020
6 — This entity was founded on 4 February 2020
7 — This entity was founded on 25 August 2020
8 — This entity was founded on 5 July 2020
9 — This entity was founded on 28 December 2020
10 — This entity was founded on 16 December 2020
*These entities are direct subsidiaries of CM.com N.V.

Related parties

CM.com has a rental agreement with CM Campus B.V. For 2020 € 0.8 million was paid as rent (2019: € 0.7 million). The rental charged by CM Campus B.V. is at arm’s length. CM Campus B.V. is related by its shareholders, which are partly the same as the members of the Management Board of CM.com N.V. The outstanding balance of the current account as at 31 December 2020 was € 2 thousand (2019: € 557 thousand).

The total outstanding balance related to leases as at 31 December 2020 was € 4,615 thousand (2019: € 4,780 thousand). Of these leases a total of € 617 thousand is short-term (2019: € 165 thousand).

Transactions with key management personnel

The members of the Management Board and the Supervisory Board are considered key management personnel as defined in IAS 24. The remuneration policy for members of the Management Board was developed by the Supervisory Board, approved, adopted and amended by the General Meeting.

Remuneration management board

x € 1,000	2020	2019
Short-term employee benefits	989	391
Post-employment benefits	11	–
Share based payments	47	–
	1,047	391

Remuneration supervisory board

x € 1,000	2020	2019
Salaries and short-term employee benefits	108	–
	108	–

For more details see tables under “Actual remuneration” and “Actual supervisory board costs” in the remuneration report. These tables are seen as part of the financial statements.

26. AUDITOR’S REMUNERATION

With reference to section 2:382a (1) and (2) of the Dutch Civil Code, the following fees for the financial year have been charged by Deloitte Accountants B.V. to the Company and its subsidiaries:

x € 1,000	DELOITTE	TOTAL
Audit fees	556 ⁷	556
Other services	–	–
	556	556

7 - Including the audit fees with respect to the local statutory financial statements.

The comparative figures for 2019 are as follows:

x € 1,000	MAZARS	OTHER NETWORK	TOTAL
Audit fees	195	25	220
Other services	-	24	24
Services for IPO	228	-	228
	423	49	472

27. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATIONS

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates inherently contain a degree of uncertainty. Actual results may differ from these estimates under different assumptions or conditions.

The areas where the most significant judgments and estimates are made are revenue, useful life of non-current assets, deferred tax asset recoverability, purchase price allocation, impairments and the impact of the COVID-19 pandemic.

Critical judgments in applying the Group’s accounting policies

Revenue

Revenue recognition under IFRS 15 is significantly more complex than under IAS 18 and requires use of management judgment to produce financial information. The most significant judgment relates to gross versus net presentation of revenue.

If CM.com has control of goods or services when they are delivered to a customer, then CM.com is the principal in the sale to the customer, otherwise CM.com is acting as an agent. Whether CM.com is considered to be the principal or an agent in the transaction depends on analysis by management of both the legal form and substance of the agreement between CM.com and its business partners; such judgments impact the amount of reported revenue and operating expenses but do not impact reported assets, liabilities or cash flows. Scenarios requiring judgment to determine whether CM.com is a principal or an agent include, for example, those where CM.com delivers third-party content to customers.

COVID-19

The pandemic had mixed effects on our business. On the one hand, we noticed a pandemic-induced increase of messages sent by customers in logistics, home delivery, financial institutions and the public sector. On the other hand, the pandemic resulted in less traffic by customers active in the Travel, Leisure, or Retail sector. Our Payments business was positively impacted by Covid-19, as a result of the accelerated adoption of e-commerce, leading to revenue and gross profit growth. Within Platform, Ticketing was severely hit early on in the lockdown due to the postponement of events and festivals. This effect was, however, compensated by the exponential growth of venue ticketing, following the mandatory online booking of tickets and timeslots at museums, zoos and attraction parks. In the long term, we believe that Covid-19 is an irreversible accelerator of the digital transformation in regards to how people interact with each other. It also fueled the demand for complete, quick and easy to implement solutions. CM.com, with its broad portfolio of smart communication tools, is well-positioned to facilitate and benefit from this transition.

Key sources of estimation uncertainty

Impairment of non-financial assets

As stated in Note 6, intangible assets acquired in a business combination are capitalised and amortised over their useful lives. Both initial valuations and valuations for subsequent impairment tests are based on risk adjusted future cash flows discounted using appropriate discount rates. These future cash flows will be based on forecasts which are inherently judgemental. Future events could cause the assumptions to change which could have an adverse effect on the future results of CM.com. Refer to Note 6 for a description of the specific estimates and judgements used and the net book values of intangible assets.

Useful lives of non-current assets

The useful lives have to be determined for intangible assets and property, plant and equipment. The useful lives are estimated based upon best practice within CM.com. CM.com reviews the remaining useful lives of its non-current assets annually. The uncertainty included in this estimate is that the useful lives are estimated longer than the actual useful life of the intangible assets and property, plant and equipment, which could possible result in accelerated amortisation and depreciation in future years and/or impairments at the end of the actual useful live of the related intangible assets and property, plant and equipment.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management’s assessment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. The growth strategy of CM.com is to expand its services globally. Therefore CM.com invests in marketing & sales in different countries, the investments exceed the operational profits and this generated tax losses.

Business combinations and purchase price allocations

The provisional purchase price allocation is based on an estimation of the identifiable assets acquired and liabilities assumed. This estimation requires the Managing Directors to estimate the future cash flows expected to arise from the assets and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise, or significant changes may occur during the measurement period. The main reason for being provisional is the settlement of liabilities.

As stated in Note 9, for the entities which were acquired in 2020 an earn-out has been included in the PPA. When determining the fair value of the earn-out, several assumptions and judgments were made regarding the estimated future revenue and cash flows of these acquisitions and therefore the future cash-out for the earn-out.

28. SUBSEQUENT EVENTS

On 17 March 2021 CM.com acquired 100% of the shares and voting rights of SEPASoft B.V. (PayPlaza) for € 10 million (excluding a capped earn out). This is an unlisted company based in the Netherlands, specialised in payment solutions. The purpose of the acquisition is to increase the payment activities of CM.com.

The calculation of the purchase price allocation has not been made yet due to the fact that the signing date is short after the acquisition date. Therefore the requirements as stated in IFRS 3 have not been disclosed.

29. CHANGES IN PRESENTATION

Changes in presentation in comparison to the Statement of financial position, as included in the 2019 financial statements, are specified below:

- The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of CM.com’s annual consolidated financial statements for the year ended 31 December 2019. As, based on the definitions of IFRS 3, Dutch Star Companies One N.V. does not represent a “business”, the transaction between Dutch Star Companies ONE N.V. and CM.com B.V. is not a business combination. The transaction should be accounted for applying IFRS 2. The appropriate accounting treatment according to IFRS 2 is to account for a reverse asset acquisition. Such an accounting policy results in consolidated financial statements that are similar to those produced under reverse acquisition accounting, except that no goodwill arises. Application by analogy of the guidance in IFRS 3 on reverse acquisitions results in CM.com B.V. being identified as the accounting acquirer and Dutch Star Companies ONE N.V. being identified as the accounting acquiree. Although the legal acquirer is Dutch Star Companies ONE N.V., CM.com qualifies as the acquirer for accounting purposes. The balance sheet of DSCO is consolidated as published per 21 February 2020. Comparative information presented in the consolidated financial statements is based on the annual report of CM.com B.V. 2019 and is retroactively adjusted to reflect the legal capital of the legal parent (DSCO). The effect of the capital amounts to € 86 thousand.
- The split of revenue over the geographical location for 2019 has been changed compared to the financial statements of 2019 due to accounting adjustments. For comparing purposes we’ve restated the figures for 2019 over the different geographical locations.

Change in accounting policies

Standards and interpretations effective in the current period

- Amendments to IFRS 3: Definition of a Business.
- Amendments to IAS 1 and IAS 8: Definition of Material.
- Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform – Phase 1.
- Amendments to References to the Conceptual Framework in IFRS Standards.
- Amendment to IFRS 16: Covid 19-Related Rent Concessions.

CM.com has assessed the impact of these amendments and concluded that they are either not applicable to the Group or have no material effect on the Group’s financial statements.

Standards issued but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and
- IFRS 16 Interest Rate Benchmark Reform – Phase 2: EU effective date 1 January 2021.
- Amendments to IFRS 4 Insurance Contracts: Deferral of IFRS 9: EU effective date 1 January 2021.

CM.com has not early adopted the amended standards in preparing these consolidated financial statements.

None of the amendments are expected to have a material impact on the financial position or performance of the Group.

CORPORATE
FINANCIAL STATEMENTS

Corporate statement of financial position as at 31 December 2020

x € 1,000
(After proposal of appropriation of result)

ASSETS	NOTE	31-12-2020	31-12-2019
Intangible Assets	1	3,306	3,745
Property, plant and equipment	2	2,124	2,361
Right-of-use assets	3	7,753	7,457
Financial fixed assets	4	38,017	35,066
Non-current assets		51,200	48,629
Receivables, prepayments and accrued income	5	64,485	24,900
Cash and cash equivalents		17,976	6,865
Current assets		82,461	31,765
Total Assets		133,661	80,394
EQUITY AND LIABILITIES			
Share Capital		1,724	414
Legal reserve		18,148	13,764
Share premium reserve		122,691	-
Foreign currency translation reserve		(180)	(115)
Retained earnings		(21,991)	(8,339)
Shareholders' equity	6	120,392	5,724
Provisions	7	-	10,755
Deferred tax liability	8	959	830
Financial liabilities	9	4,350	6,926
Non-current liabilities		5,309	18,511
Current liabilities, accruals and deferred income	10	7,960	56,159
Current liabilities		7,960	56,159
Total Equity and Liabilities		133,661	80,394

Corporate statement of profit or loss and other comprehensive income for the year ended 31 December 2020

	NOTE	2020	2019
Other operating income		-	133
Total income		-	133
Employee benefits expenses	11	(1,078)	(2,390)
Amortisation and depreciation	1/2/3	(1,888)	(1,800)
Other operating expenses		(538)	1,309
Operating Loss		(3,504)	(2,748)
Financial income		595	462
Financial expenses	12	(3,417)	(798)
Loss before tax		(6,326)	(3,084)
Income tax		1,648	396
Loss after tax		(4,678)	(2,687)
Result participations		10,759	851
Net result for the year		6,081	(1,836)
Other comprehensive income, net of tax		(65)	60
Total comprehensive income		6,016	(1,776)

Notes to the Corporate financial statements

GENERAL ACCOUNTING PRINCIPLES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

The corporate financial statements have been prepared in accordance with Title 9, Book 2 of the Dutch Civil Code, applying the option to use the accounting policies applied by the legal entities in the consolidated financial statements which are based on IFRS-EU.

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

FINANCIAL FIXED ASSETS

Associated companies in group companies in which significant influence is exercised on the business and financial policy, are valued under the net equity value, but not lower than nil. This net asset value is based on the same accounting principles as applied by CM.com N.V. Where no significant influence is exercised associated companies are valued at cost and if applicable less impairments in value.

Associated companies with a negative net equity value are valued at nil. If the company fully or partly guarantees the liabilities of the associated company concerned, or has the effective obligation respectively, to enable the associated company to pay its (share of the) liabilities, a provision is formed if the recognition criteria are met. Receivables are mainly receivables on subsidiaries. The expected credit losses, if any, are eliminated in the carrying amount of these receivables (according to DAS 100.107a).

SHARE IN RESULT OF PARTICIPATING INTERESTS

Where significant influence is exercised over associated companies, CM.com’s share in the associated companies’ results is included in the profit or loss account. This result is determined on the basis of the accounting principles applied by CM.com N.V.

Notes to the specific items of the corporate balance sheet

1. INTANGIBLE FIXED ASSETS

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

x € 1,000	GOODWILL	CUSTOMER RELATION	OTHER	TOTAL
Costs				
At 31 December 2018	1,487	2,993	6,710	11,190
Additions	-	-	93	93
Divestments	-	-	(2,472)	(2,472)
IFRS 16 reclassification leases	-	-	(1,127)	(1,127)
At 31 December 2019	1,487	2,993	3,204	7,684
Additions	-	-	-	-
Divestments	-	-	(59)	(59)
IFRS 16 reclassification leases	-	-	-	-
At 31 December 2020	1,487	2,993	3,145	7,625
Amortisation and Impairment				
At 31 December 2018	504	1,977	2,010	4,491
Amortisation	-	300	60	360
Divestments	-	-	(799)	(799)
IFRS 16 reclassification leases	-	-	(113)	(113)
At 31 December 2019	504	2,277	1,158	3,939
Amortisation	-	299	81	380
Divestments	-	-	-	-
IFRS 16 reclassification leases	-	-	-	-
At 31 December 2020	504	2,576	1,239	4,319
Net book value				
At 31 December 2019	983	716	2,046	3,745
At 31 December 2020	983	417	1,906	3,306
Estimated useful lives (years)	indefinite	10	10 / indefinite	

There is no impairment charged to the result for the financial year (2019: € 0).

2. PROPERTY, PLANT AND EQUIPMENT

The movements in the tangible fixed assets are as follows:

x € 1,000	PLAT- FORM	FURNITURE & FIXTURES	VEHICLES	HARDWARE & SOFTWARE WORKPLACE	LEASEHOLD IMPROVEMENTS	TOTAL
Costs						
At 31 December 2018	4,580	966	305	852	268	6,971
Additions	45	143	-	150	173	511
IFRS 16 reclassification leases	(2,123)	-	(159)	-	-	(2,282)
At 31 December 2019	2,502	1,109	146	1,002	441	5,200
Additions	146	41	-	34	11	232
Divestments	-	-	(42)	-	(33)	(75)
At 31 December 2020	2,648	1,150	104	1,036	419	5,357
Depreciation						
At 31 December 2018	1,475	463	117	492	100	2,647
Depreciation	167	64	9	144	27	411
IFRS 16 reclassification leases	(192)	-	(27)	-	-	(219)
At 31 December 2019	1,450	527	99	636	127	2,839
Depreciation	184	73	10	134	35	436
Divestments	-	-	(42)	-	-	(42)
At 31 December 2020	1,634	600	67	770	162	3,233
Net book value						
At 31 December 2019	1,052	582	47	366	314	2,361
At 31 December 2020	1,014	550	37	266	257	2,124
Estimated useful lives (years)	10	10	5	5	10	

3. RIGHT-OF-USE ASSETS

The movements in the right-of-use assets are as follows:

x € 1,000	LAND AND BUILDINGS	PLATFORM (HARDWARE)	PLATFORM (SOFTWARE)	VEHICLES	TOTAL
Costs					
IFRS 16 impact at 1 January 2019	5,408	-	-	-	5,408
IFRS 16 reclassification leases	-	2,123	1,127	159	3,409
At 31 December 2019	5,408	2,123	1,127	159	8,817
Additions	422	950	-	-	1,372
Ending of lease agreements	(60)	-	-	-	(60)
At 31 December 2020	5,770	3,073	1,127	159	10,129
Depreciation					
IFRS 16 reclassification leases	-	192	113	27	332
Depreciation	683	212	113	20	1,028
At 31 December 2019	683	404	226	47	1,360
Depreciation	653	291	112	20	1,076
Ending of lease agreements	(60)	-	-	-	(60)
At 31 December 2020	1,276	695	338	67	2,376
Net book value					
At 31 December 2019	4,725	1,719	901	112	7,457
At 31 December 2020	4,494	2,378	789	92	7,753

4. FINANCIAL FIXED ASSETS

x € 1,000	31-12-2020	31-12-2019
Participations in group companies:		
CM.COM Netherlands B.V.	17,764	18,296
CM Payments B.V.	11,195	10,809
CM.com Belgium N.V.	2,944	2,563
CM Platform B.V.	-	247
	31,903	31,915
Receivables from associated companies	2,762	2,831
Other participations	60	60
Deposits	50	50
Deferred tax assets	3,242	210
	3,352	320
Total financial fixed assets	38,017	35,066

A summary of the movements in the financial fixed assets is given below:

x € 1,000	PARTICIPATIONS IN GROUP COMPANIES	RECEIVABLES FROM ASSOCIATED COMPANIES	OTHER
Carrying amount as at 31 December 2019	31,915	2,831	320
Movements			
Share in result of group companies	(12)		
Decrease		(69)	
Addition to deferred tax asset			3,032
Carrying amount as at 31 December 2020	31,903	2,762	3,352

As at 31 December 2020 and 31 December 2019, no impairments in value have been recorded.

Receivables from associated companies

In 2011, CM.com granted a loan to CM.com International B.V. of € 350 thousand, with a maturity of 10 years. The interest rate equals the capital market interest rate. The loan is fully impaired due to the negative result of the subsidiary.

In 2015, CM.com granted a loan to CM Telecom UK Ltd. of GBP 1.15 million and a loan to CM Telecom Germany GmbH of € 412.5 thousand, with a maturity of 4 years. The interest rate is 6%.

The loans above are unsecured and have no stipulated date of repayment.

The other participation is an investment in 5% of the shares of Wireless Interactions & NFC Accelerator 2013 B.V. and a deposit. In 2017, CM.com granted a loan to CM Telecom France SAS of € 1.125 million, with a maturity of 4 years. The interest rate is 4%.

5. RECEIVABLES, PREPAYMENTS AND ACCRUED INCOME

The total of the receivables has an expected residual maturity shorter than one year.

x € 1,000	2020	2019
Accounts receivable	25	7
Group companies	63,872	23,381
Affiliated companies	2	569
Prepayments	439	719
Taxes	147	224
	64,485	24,900

The interest charged on the current account group companies is 0%. There is no repayment schedule agreed and no securities are granted. The current account relations will be relieved periodically.

6. SHAREHOLDERS' EQUITY

Pursuant to Dutch law, limitations exist relating to the distribution of equity attributable to equity holders. Such limitations relate to the share capital and legal reserves (capital development cost and foreign translation reserve) required by Dutch law as presented below.

x € 1,000	SHARE CAPITAL	SHARE PREMIUM RESERVE	CAPITALISED DEVELOPMENT COSTS	FOREIGN CURRENCY TRANSLATION RESERVE	ACCUMULATED DEFICIT	TOTAL
Balance at 1 January 2019	414	-	11,213	(175)	(3,952)	7,500
Movement of reserve	-	-	2,551	-	(2,551)	-
Other comprehensive income	-	-	-	60	-	60
Result for the year	-	-	-	-	(1,836)	(1,836)
Balance at 31 December 2019	414	-	13,764	(115)	(8,339)	5,724
Profit for the year	-	-	-	-	6,081	6,081
Movement of reserve	-	-	4,384	-	(4,384)	-
Other comprehensive income	-	-	-	(65)	-	(65)
Proceeds on issuing new shares	1,241	104,556	-	-	(13,430)	92,367
Conversion warrants	48	12,457	-	-	-	12,505
IPO/ABB Costs including tax impact ⁸	-	-	-	-	(2,956)	(2,956)
Issuance of shares related to business combinations	21	5,478	-	-	500	5,999
Issuance of shares to employees	-	200	-	-	537	737
Balance at 31 December 2020	1,724	122,691	18,148	(180)	(21,991)	120,392

8 — IPO expenses resulted in a deferred tax asset of € 985 thousand, (Note 10 - taxation of the consolidated financial statements).

Retained earnings can be reconciled with the consolidated financial statements as follows:

x € 1,000	2020	2019
Retained earnings as per consolidated financial statements	(22,925)	5,425
Derecognition provisions participations	10,770	-
Share in loss of participations with a negative equity	8,312	-
Capitalised development costs	(18,148)	(13,764)
Retained earnings as per corporate financial statements	(21,991)	(8,339)

x € 1,000	2020	2019
Net result as per consolidated financial statements	(13,001)	(1,836)
Derecognition provisions participations	10,770	-
Share in loss of participations with a negative equity	8,312	-
Capitalised development costs	-	-
Net result as per corporate financial statements	6,081	(1,836)

The cumulative amount of the unrecognized share in the loss of participating interests for the period amounts to € 19.082 (2019: € 0)

7. PROVISIONS

x € 1,000	31-12-2020	31-12-2019
Other provisions	-	10,755
	-	10,755

The provisions have a predominantly long-term character. The other provisions concern a provision for group companies with a negative net equity value.

The movements in other provisions are as follows:

x € 1,000	BALANCE 31-12-2019	LIQUI- DATION	CURRENCY DIFFERENCES	CAPITAL	DERECOG- NITION	BALANCE 31-12-2020
CM.com International B.V.	3,103	-	-	-	(3,103)	-
CM Telecom France SAS	2,348	-	-	-	(2,348)	-
CM Telecom Hong Kong Limited	1,953	-	77	-	(2,030)	-
CM Telecom UK Ltd.	1,687	-	(51)	-	(1,636)	-
CM Telecom South Africa (Pty) Ltd	679	-	24	-	(703)	-
CM.com Germany GmbH	499	-	-	-	(499)	-
CM Telecom FZ-LLC	420	-	10	-	(430)	-
EventsIT B.V.	35	(31)	-	-	(4)	-
CM Telecom Singapore Private Limited	31	-	-	-	(31)	-
CM Platform B.V.	-	-	-	-	-	-
CM.com Italy S.r.l.	-	-	-	(10)	10	-
CMCOM Kenya Limited	-	-	-	-	-	-
CM Communication Platform & Technology, S.L.U.	-	-	-	(3)	3	-
CMCOM TURKEY ELEKTRONİK HABERLEŞME LİMİTED ŞİRKETİ	-	-	-	-	-	-
CM.com US Inc.	-	-	(1)	-	1	-
Total	10,755	(31)	59	(13)	(10,770)	-

In 2020 the credit facility was terminated, therefore CM.com N.V. can no longer be held responsible for the losses of its participations. As a result, provisions have been derecognised.

8. DEFERRED TAX LIABILITIES

Deferred tax liabilities mainly relate to the difference between the carrying amount of Property, plant and equipment and Intangibles assets, and their fiscal values.

x € 1,000	2020	2019
Carrying amount as at 1 January	830	774
Originating taxable temporary differences	129	147
Tax rate differences	-	8
Reversal of taxable temporary differences	-	(99)
Carrying amount as at 31 December	959	830

9. FINANCIAL LIABILITIES

For an explanation of the long-term debt, please refer to Note 17 of the consolidated statement of financial position.

10. CURRENT LIABILITIES, ACCRUALS AND DEFERRED INCOME

x € 1,000	2020	2019
Group companies	5,985	31,087
Bank accounts	-	9,405
Trade accounts payable	246	1,883
Other taxes	12	12
Pension contribution	(11)	(11)
Accruals and deferred income	575	574
Current portion of borrowings	1,153	13,209
	7,960	56,159

The interest charged on the current account group companies is 0%. There is no repayment schedule agreed and no securities are granted. The current account relations will be relieved periodically. The accruals are mainly short-term in nature.

Commitments

The parent company is jointly and severally liable for the liabilities of the whole group to the banks.

The parent company is part of a fiscal unity for corporate income tax and for that reason it is jointly and severally liable for the tax liabilities of the fiscal unity as a whole.

11. EMPLOYEE BENEFITS

In 2019 all employees were transferred to other companies within the CM.com group. The costs of 2019 mainly represents the costs of wages and salaries of those employees. The company has no employees in 2020. The employee benefits mainly consist of long-term share based payment plans (see Note 21 of the consolidated financial statement) and short term incentive plans.

The board is remunerated via CM.COM Netherlands B.V.

12. FINANCIAL INCOME AND EXPENSES

The bank interest paid mainly consists of the warrant-payment to EIB. See Note 17 of the consolidated financial statements.

13. SUBSEQUENT EVENTS

There are no company specific subsequent events.

PROPOSED APPROPRIATION OF RESULT FOR THE FINANCIAL YEAR 2020

The Management Board proposes, with the approval of the Supervisory Board, that the result for the financial year 2020 should be transferred to reserves.

ANNEX A: CORPORATE GOVERNANCE UNTIL 21 FEBRUARY 2020

GENERAL

The following is a report from the former board of directors of DSCO N.V. From 1 January 2020 until 21 February 2020, the corporate governance of Dutch Star Companies ONE N.V. (DSCO) applied. In this Annex, the corporate governance over this period is described.

The board of directors of DSCO was a one-tier board, consisting of executive directors and non-executive directors. The executive directors were responsible for DSCO's day-to-day management, which included formulating strategies and policies and setting and achieving objectives. The non-executive directors supervised and advised the executive directors. Each board member had a responsibility to DSCO to properly perform the duties assigned by each member and to act in the DSCO's corporate interest.

Executive board as of incorporation

Stephan Nanninga (Dutch, male, 1957)
Niek Hoek (Dutch, male, 1956)

Non-executive board as of settlement

Joop van Caldenborgh (Dutch, male, 1940) - chairman
Rob ten Heggeler (Dutch, male, 1963)
Aat Schouwenaar (Dutch, male, 1946) - chairman of the Audit Committee
Pieter Maarten Feenstra (Dutch, male, 1957) - member of the Audit Committee
Gerbrand ter Brugge (Dutch, male, 1965)

SHARES

As of the listing, the shareholder structure of DSCO consisted of 5,536,500 ordinary shares ('Ordinary Shares') and 194,444 special shares ('Special Shares'). Ordinary Shares were held by

shareholders and Special Shares were indirectly held by the promoters of DSCO, via Dutch Star Companies Promoters Holding B.V. - the founder of DSCO (Ordinary Shares and Special Shares together referred as "Shares".) Special Shares may be converted into Ordinary Shares (Note: all Special Shares were converted into Ordinary Shares on 21 February 2020). Such conversion rights provided a right to shares, which deviated from best practice provision 3.3.3 as mentioned in the Dutch Corporate Governance Code, as it didn't necessarily serve as a long-term investment, but was envisaged to be a short- or medium- term investment. The Company believed the Company's capital structure was designed to align the interest of the Promoters its Ordinary Shareholders and the Company. The Promoters were defined as each of the following persons: Niek Hoek, Stephan Nanninga, Gerbrand ter Brugge, Attilio Arietti and Giovanni Cavallini (all indirectly owned Special Shares). The Ordinary Shareholders were defined as the holders of one or more class A ordinary share(s). This alignment of interests was an important part of the proposition to ordinary shareholders as represented by special purpose acquisition companies such as DSCO. It emphasized that the Promoters were subject to a lockup undertaking that applied following the conversion of their Special Shares into Ordinary Shares.

Furthermore, the Ordinary Shares indirectly held by the Non-Executive Directors Aat Schouwenaar, Gerbrand ter Brugge, Joop van Caldenborgh (chairman), Pieter Maarten Feenstra and Rob ten Heggeler, each Non-Executive Directors, were not necessarily held as long-term investments as their investment horizon has been 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 Joop van Caldenborgh), the Non-Executive Directors did qualify as 'independent' within the meaning of the Dutch Corporate Governance Code. Joop van Caldenborgh owned 10.87% of the shares. DSCO believed his shareholding aligned his interests with the interests of other Board members and shareholders in the Company.

DEVIATIONS FROM THE DUTCH CORPORATE GOVERNANCE CODE

Mr. Niek Hoek and Mr. Stephan Nanninga were 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 were appointed for a period of four years. DSCO deviated from provision 2.2.1. of the Dutch Corporate Governance Code, because Niek Hoek and Stephan Nanninga were appointed as Executive Directors of DSCO at the incorporation of the Company for an indefinite term. The nature of DSCO was fundamentally different from other Dutch listed companies, for which the Dutch Corporate Governance Code has been written. DSCO searched to enter into a business combination ('Business Combination') within two years following its listing on Euronext Amsterdam. The appointments were 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.

The non-executive board confirms that all its members, except for Joop van Caldenborgh, were independent as defined in best practice provisions 2.1.7 to 2.1.9. of the Dutch Corporate Governance Code.

The non-executive board did not discuss nor review its own functioning nor the functioning of the executive board during the 2020 financial period due to the limited period this non-executive board was active.

With a view to the number of non-executive directors, the Dutch Corporate Governance Code prescribes under best practice provision 2.3.2 that the board installs a selection and appointment committee and a remuneration committee.

As DSCO did not conduct any business prior to a Business Combination and the board did not intend to hire any employees, the board had no need for a selection and appointment or remuneration committee.

Until a Business Combination was concluded, the board had no need for a secretary to the board as described in best practice provision 2.3.10. For the description on the deviation of best practice provision 3.3.3 reference is made to the paragraph Shares hereabove.

BOARD MEETINGS AND AUDIT COMMITTEE

The one-tier board held one meeting in 2020, on 8 January. During this meeting, amongst others, the proposed business combination with CM.com, the merger proposal with CM.com as disappearing party, the convocation of extraordinary general meeting of shareholders was discussed and several items that focused on the financing of the proposed business combination with CM.com, including related items such as trading updates. Furthermore, there has been a bringdown call for the 2019 annual report on 18 February. The Audit Committee explained to the Board the main topics of the annual report and the main topics from the Auditor.

TAKEOVER DIRECTIVE

In addition to the rules contained in the articles of association of DSCO, Dutch law provides that resolutions of the board involving major changes in the identity or character of DSCO are subject to the approval of the General Meeting. Such changes in any event include:

- the transfer of the 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 Board Rules that govern their principles and best practices. 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, subject to a proposal of, or with the Board’s prior approval. 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 the 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 exceeds 3% of the issued capital have notified the AFM and have registered their substantial shareholding. These shareholders were: Gooische Beleggingsmaatschappij B.V.; D. van Vliet; J.N.A. van Caldenborgh; DM Equity Partners C.V.; and DSC Promoters Holding B.V.

CONFLICTS OF INTEREST, OTHER INFORMATION

The following circumstances could have led to a potential conflict of interest for the members of the board:

- Members of the board could have allocated their time to other businesses leading to potential conflicts of interest in their determination as to how much time to devote to DSCO’s affairs, which could have had a negative impact on DSCO’s ability to complete the Business Combination;
- The Promoters could have had a conflict of interest in deciding if a particular target business was a good candidate for the Business Combination;
 - The Promoters were not obligated to provide the Company with a first review of all Business Combination opportunities that they or their affiliates could have identified; this is relevant in particular

with a view to the investment activities some of the Promoters conduct for their own account, including Niek Hoek through Brandaris capital, Stephan Nanninga through LindeSpac and Gerbrand ter Brugge through Oaklins (or its affiliates);

- The Company could have engaged in the Business Combination with a target business that has relationships with entities that may have been affiliated with the members of the board or the Promoters, which could have raised potential conflicts of interest;
- Each member of the board is also an indirect shareholder in DSCO. This could have caused them to focus on the financial performance of DSCO rather than other stakeholder interests;
- One or more of the members of the board could have negotiated employment or consulting agreements with a target business in connection with a particular Business Combination. These agreements could have provided for them to receive compensation following the Business Combination and as a result, could have caused them to have conflicts of interest in determining whether a particular proposed Business Combination is the most advantageous;
- The Promoters, including Niek Hoek, Stephan Nanninga and Gerbrand ter Brugge, who are also members of the board, indirectly hold Special Shares which they were only entitled to convert into Ordinary Shares, if they succeed in completing a Business Combination, which could have incentivized them to initially focus on completing a Business Combination rather than on critical selection of a feasible target business and the negotiation of favorable terms for the transaction. Provided that, on the long-term the Promoters were more likely to benefit from their Special Shares and related conversion rights if the acquired target business performed well and is integrated in DSCO in a manner that is beneficial from a commercial, legal and tax perspective to DSCO and all its shareholders.; and
- Following completion of the Business Combination, one or more Promoters

could 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 could have caused such Promoter / adviser of the target business to focus on (short-term) financial results rather than the (long-term) interests of all stakeholders. (Note: all Special Shares have been converted to Ordinary Shares on 21 February 2020.)

In accordance with our Articles of Association, our board has adopted Board Rules that govern their principles and best practices. 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, subject to a proposal of, or with the Board’s prior approval. 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 the 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 exceeds 3% of the issued capital have notified the AFM and have registered their substantial shareholding. These shareholders were: Gooische Beleggingsmaatschappij B.V.; D. van Vliet; J.N.A. van Caldenborgh; DM Equity Partners C.V.; and DSC Promoters Holding B.V.

CONFLICTS OF INTEREST, OTHER INFORMATION

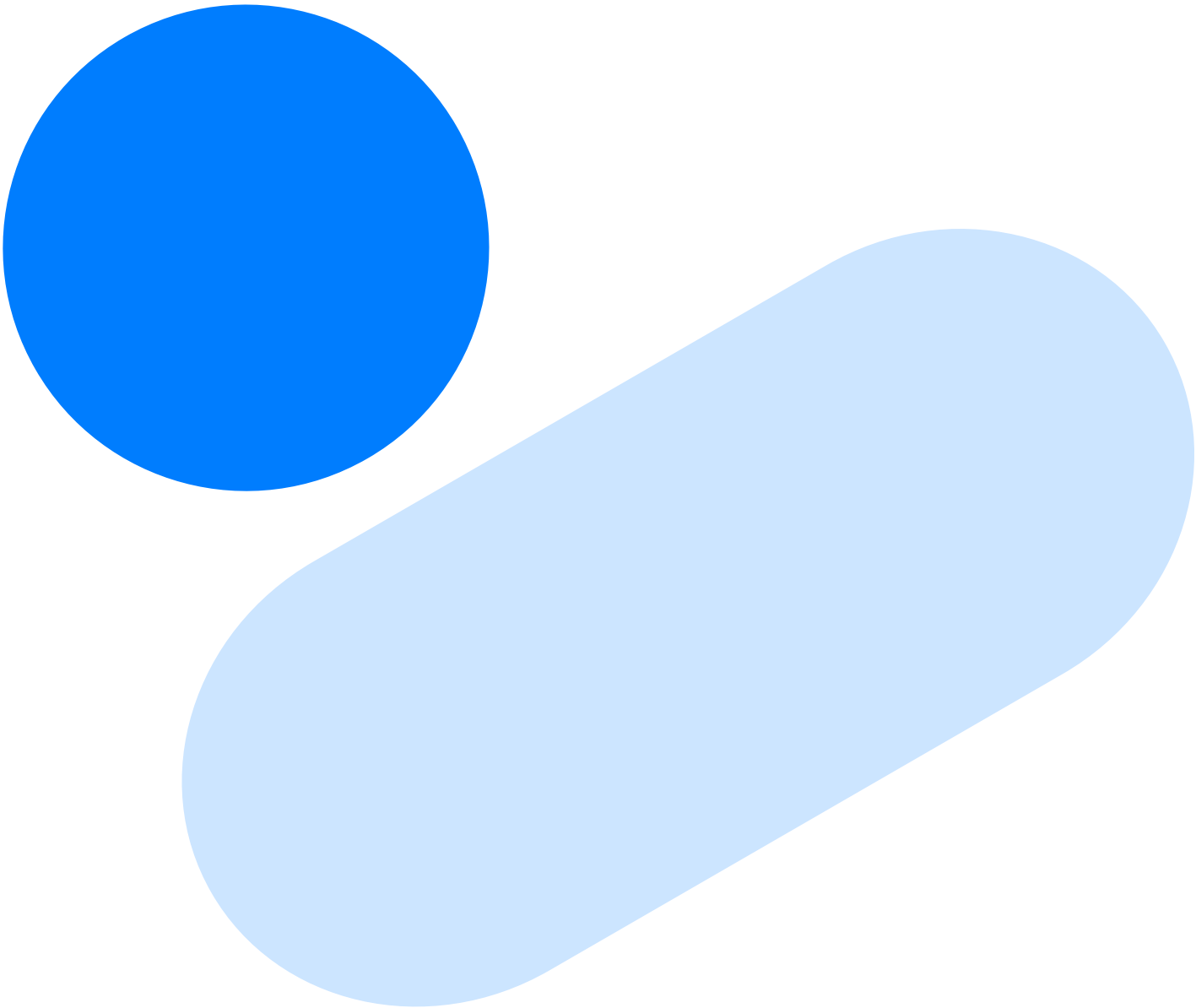
The following circumstances could have led to a potential conflict of interest for the members of the board:

- Members of the board could have allocated their time to other businesses leading to potential conflicts of interest in their determination as to how much time to devote to DSCO’s affairs, which could have had a negative impact on DSCO’s ability to complete the Business Combination;
- The Promoters could have had a conflict of interest in deciding if a particular target business was a good candidate for the Business Combination;
- The Promoters were not obligated to provide the Company with a first review of all Business Combination opportunities that they or their affiliates could have identified; this is relevant in particular

with a view to the investment activities some of the Promoters conduct for their own account, including Niek Hoek through Brandaris capital, Stephan Nanninga through LindeSpac and Gerbrand ter Brugge through Oaklins (or its affiliates);

- The Company could have engaged in the Business Combination with a target business that has relationships with entities that may have been affiliated with the members of the board or the Promoters, which could have raised potential conflicts of interest;
- Each member of the board is also an indirect shareholder in DSCO. This could have caused them to focus on the financial performance of DSCO rather than other stakeholder interests;
- One or more of the members of the board could have negotiated employment or consulting agreements with a target business in connection with a particular Business Combination. These agreements could have provided for them to receive compensation following the Business Combination and as a result, could have caused them to have conflicts of interest in determining whether a particular proposed Business Combination is the most advantageous;
- The Promoters, including Niek Hoek, Stephan Nanninga and Gerbrand ter Brugge, who are also members of the board, indirectly hold Special Shares which they were only entitled to convert into Ordinary Shares, if they succeed in completing a Business Combination, which could have incentivized them to initially focus on completing a Business Combination rather than on critical selection of a feasible target business and the negotiation of favorable terms for the transaction. Provided that, on the long-term the Promoters were more likely to benefit from their Special Shares and related conversion rights if the acquired target business performed well and is integrated in DSCO in a manner that is beneficial from a commercial, legal and tax perspective to DSCO and all its shareholders.; and
- Following completion of the Business Combination, one or more Promoters

could 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 could have caused such Promoter / adviser of the target business to focus on (short-term) financial results rather than the (long-term) interests of all stakeholders. (Note: all Special Shares have been converted to Ordinary Shares on 21 February 2020.)



INDEPENDENT AUDITOR'S REPORT

To the shareholders and the Supervisory Board of CM.com N.V.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 INCLUDED IN THE ANNUAL ACCOUNTS

Our opinion

We have audited the financial statements for the year ended 31 December 2020 of CM.com N.V. based in Breda. The financial statements comprise the consolidated financial statements and the corporate financial statements.

In our opinion:

- The accompanying consolidated financial statements give a true and fair view of the financial position of CM.com N.V. as at 31 December 2020, and of its result and its cash flows for the year ended 31 December 2020 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 accompanying corporate financial statements give a true and fair view of the financial position of CM.com N.V. as at 31 December 2020, and of its result for the year ended 31 December 2020 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

1. The consolidated statement of financial position as at 31 December 2020.
2. The following statements for the year ended 31 December 2020: the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows.
3. The notes comprising a summary of the accounting policies and other explanatory information.

The corporate financial statements comprise:

1. The corporate statement of financial position as at 31 December 2020.
2. The corporate statement of profit or loss and other comprehensive income for the year ended 31 December 2020.
3. The notes comprising a summary of the 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 CM.com N.V. in accordance with the EU Regulation on specific requirements regarding statutory audits 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 € 1.4 million. The materiality is based on 1% of consolidated revenue. 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 Supervisory Board that misstatements in excess of € 70 thousand, 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.

Scope of the group audit

CM.com N.V. is at the head of a group of entities. The financial information of this group is included in the consolidated financial statements of CM.com N.V.

The transaction processing, accounting and financial reporting for all group entities is centralized in the Netherlands. Consequently, we have performed all audit procedures for the group in The Netherlands and have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion about the financial statements.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter – Accounting for acquisitions

Description

As set out in note 9 to the consolidated financial statements, CM.com N.V. completed three acquisitions which classify as business combinations (IFRS 3) in 2020:

- In March 2020, CM.com N.V. acquired 100% of the shares and voting rights of Global Ticket B.V.
- In July 2020, CM.com acquired 100% of the shares and voting rights of Elitech Group B.V. (trade name is CX Company).
- In October 2020, CM.com N.V. acquired 100% of the shares and voting rights of ROBIN Software B.V.

IFRS 3 requires management to apply judgement and use assumptions in determining the fair value of identified assets and liabilities and to determine the resulting goodwill to be recognized. The intangible assets identified in all three business combinations as part of the purchase price allocation are developed software (referred to as the platform) and customer relations. Goodwill is solely recognized for CX Company and ROBIN Software B.V. Management estimates are particularly relevant in the estimation of future cash flows, the discount rate and the earn-out estimation. The purchase price allocation for CX Company and ROBIN Software B.V. is provisional in the 2020 annual report, which is properly reflected in note 9 to the consolidated financial statements.

How the key audit matter was addressed in the audit

The management board of CM.com N.V. engaged a valuation expert to assist them in the purchase price allocation for the acquisition of CX Company. Management used the methodology of the valuation experts for the valuation of the two smaller acquisitions.

We performed substantive audit procedures on the purchase price allocation in line with IFRS 3. We inspected the Share Purchase Agreements and other relevant legal documentation, evaluated management's identification of assets and liabilities acquired, tested the reliability of data used and challenged management key assumptions (future cash flows, the discount rate and the earn-out estimation) in determining the fair value of the intangible assets and the deferred considerations.

We engaged Deloitte valuation experts to assist us in assessing the appropriateness and mathematical accuracy of the model used for all three acquisitions and for evaluating the appropriateness of the discount rates applied to the cash

Deloitte Accountants B.V. is registered with the Trade Register of the Chamber of Commerce and Industry in Rotterdam number 24362853. Deloitte Accountants B.V. is a Netherlands affiliate of Deloitte NWE LLP, a member firm of Deloitte Touche Tohmatsu Limited.

flow projections and the deferred consideration for CX Company. In addition, we validated the appropriateness and completeness of disclosures related to the acquisitions, as included in note 9 to the consolidated financial statements.

Observations

Based on our materiality and procedures performed and in the context of the audit of the consolidated financial statements as a whole we observed that IFRS 3 requirements regarding recognition and valuation of assets and liabilities in the purchase price allocation of the Global Ticket B.V., CX Company and ROBIN Software B.V. acquisition were met and are appropriately disclosed in note 9 to the consolidated financial statements.

Key audit matter – Opening Balance

Description

On 21 February 2020 Dutch Star Companies ONE N.V. (DSCO) acquired CM.com B.V. The acquisition is, in accordance with IFRS 2, accounted for as a reverse (asset) acquisition, where DSCO classifies as the legal acquirer and CM.com B.V. as the acquirer for accounting purposes. The balance sheet of DSCO is consolidated with the balance sheet of CM.com B.V. DSCO changed its name to CM.com N.V. This is disclosed in note 1 to the consolidated financial statements.

Deloitte Accountants B.V. was appointed in 2017 by the board of directors of Dutch Star Companies One N.V. as auditor as of 2018. The acquiring company for accounting purposes conform the reversed (asset) acquisition was CM.com B.V. As a result of the accounting for the acquisition described above, the comparative information presented in the consolidated financial statements 2020 is based on the 2019 annual report of CM.com B.V. and is adjusted to reflect the legal capital of the legal parent (DSCO). In addition, the comparative 2019 financial statements have been restated to reflect the consolidation of the foundations as explained in the key audit matter – “Consolidation of foundations” below.

The audit of CM.com N.V. over 2020 (previous DSCO) is not formally a first year audit conform COS 510 as we were already the auditor of DSCO, but due to the adjustment of comparative figures

and the change in operating activities from a special purpose acquisition company to CM.com N.V. related operating activities, we considered this a first year audit. We identified the opening balance as a key audit matter as this involves additional planning activities and considerations necessary to establish an appropriate audit plan and strategy.

How the key audit matter was addressed in the audit and in our observations

We obtained an understanding of the company, its processes and its business including the control environment and information systems. Additionally, we gained an understanding of the relevant controls within the key business processes and we identified the relevant risks of material misstatements.

To obtain sufficient and appropriate audit evidence regarding the restated opening balances, we interacted with the previous auditor, including a file review and formal transition procedures as prescribed by our professional standards.

We evaluated the appropriateness of CM.com N.V.’s accounting policies and disclosure practices and subjected the annual report to various quality reviews.

For the assessment on the accounting treatment of the reversed asset acquisition of DSCO and CM.com B.V., and for the reflection of the legal capital in the of the legal parent (DSCO) in the consolidated financial statement we have engaged Deloitte accounting experts.

Observations

We obtained sufficient and appropriate audit evidence regarding the opening balance including the comparative information in the context of the financial statements as a whole. We have determined that the reverse asset acquisition has been reported in accordance with IFRS 2 and concur with the restatements as a consequence of the acquisitions of the foundations.

Key audit matter – Capitalization and amortization of internal development costs

Description

The company has developed proprietary software that is used to run the business. The software is comprised of a so-called platform

and a substantial number of enhancements or “features”. The features add specific or generic functionalities to the platform and are aimed to improve the performance, the user friendliness or the marketability of the platform. Development of new features is an ongoing process at the group.

Costs related to the development of the features are capitalized. Capitalized development costs are significant to the audit given the amounts involved of over € 29 million. In 2020, the capitalized internal costs (primarily payroll costs of developers) amount to € 5.9 million and the useful life of these developments is stated at 10 years. In 2020, the company employed approximately 131 fte within the research and development department (note 20).

Development expenditures on an individual project are recognized as an intangible asset in so far it is available for use, it is expected to generate future economic benefits and if expenses can be measured reliably. These assessments require management judgement.

The useful life of 10 years that the company applies in comparison to other software companies and peers warranted more extensive procedures. Due to the estimations involved in the useful life and in the judgement in capitalization of development costs, we identified this as a key audit matter.

How the key audit matter was addressed in the audit

Our audit work included, amongst others, inquiry with management and developers to increase our business understanding around internal controls and segregation of duties, the recognition criteria, management of projects and the hourly rate used to calculate the amounts capitalized. Given that we adopted a non-control reliance approach, we were required to perform extensive substantive audit procedures. Statistical techniques have been used to select samples to test if the additions were properly capitalized or expensed in the profit and loss statement. The input factors of the applied hourly rate are challenged and reconciled to supporting documentation to assess the rate is accurate and complete conform IAS 38.

We performed audit procedures to verify for the assets with a remaining net book value per year-end that the assets recorded were still in operation, generating economic benefits, and we obtained reasonable assurance that the remaining useful life is appropriate.

Additionally, in order to evaluate the appropriateness of the valuation of the carrying value of (in)tangible assets we tested management’s annual goodwill impairment test and triggering events analysis. Our assessment of the impairment test covering the goodwill and all intangible assets revealed substantial headroom and no indications for impairments.

We also evaluated the adequacy of the company’s disclosures in note 5 of the financial statements.

Observations

The scope and nature of our procedures performed were appropriate and sufficient to address the risk of material misstatement in relation to the capitalization and amortization of the development costs and the disclosure requirements conform IAS 38 were properly met in note 5.

Key audit matter - Consolidation of foundations

Descriptions

The activities of CM.com N.V. for the ticketing sales and the payment service provider activities are incorporated into three foundations (known as “Stichting Dergengelden”). The object of these foundations is to receive, record, manage and distribute collected fees from third parties. The key business processes are managed by CM.com N.V. and the board of the foundations consists of board members of CM.com N.V. The economic risk of the foundations is at CM.com N.V. The group reperformed the consolidation evaluation and included all the facts and circumstances that are relevant for assessing whether the group has control and power over its investees. As a result of this analysis, an error was identified based on which the group decided to restate the comparative figures. The foundations are consolidated into the consolidated financial statements of CM.com N.V. conform IFRS 10 as of FY 2020 as included in note 3 of the consolidated financial statements.

We have identified a key audit matter for this change in consolidation scope compared to prior years.

How the key audit matter was addressed in the audit and in our observations

We have gained an understanding of the activities of the foundations and the relation with CM.com N.V., and we have verified that the requirements of IFRS 10 for consolidation are met since the incorporation of the foundations. As a result, the foundations are included in the 2020 consolidated financial statement and in the restated 2019 figures.

Observations

The risk of material misstatements related to the consolidation of the foundations has been properly addressed and appropriately disclosed in the comparative figures in note 3 of the consolidated financial statements.

Key audit matter - Information Technology and financial reporting

Description

CM.com N.V.'s platform is based on in-house developed, proprietary (cloud) software. The IT systems of CM.com N.V. are crucial for the company and they include technical aspects of the electronic traffic as well as foundation for billing the customers and assessing the invoices received from the telecom operators. The database with the tracking of outgoing text messages is most relevant to the company, as this represents the largest revenue stream (CPAAS). The financial reporting systems of CM.com N.V. are largely dependent upon the information derived from the databases. Consequently, we have identified CM.com N.V.'s general IT controls over the databases of the registration of the text messages, the related interfaces and the financial accounting tools as a key audit matter in our audit of the financial statements.

How the key audit matter was addressed in the audit

Our audit work included, amongst others, understanding, evaluating and testing the relevant general IT controls to the extent relevant to our audit. IT auditors tested the design, implementation (and, where relevant, the operating

effectiveness) of general IT controls supporting reliable information processing: access security and system change control over the database including the reconciliation of text messages database with the financial accounting systems.

Observations

Based upon our procedures performed, we concluded that we had to perform mitigating procedures to sufficiently address the risks of material misstatement identified for financial reporting and the underlying relevant databases and interfaces. As a result, we noted the risk of material misstatement in relation to the databases including the tracking of the text messages and the related interfaces are sufficiently addressed.

REPORT ON THE OTHER INFORMATION INCLUDED IN THE ANNUAL ACCOUNTS

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

- Management Board's Report.
- Other Information as required by Part 9 of Book 2 of the Dutch Civil Code.
- 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 Management Board's Report 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 CM.com N.V. (previous known as Dutch Star Company 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 and the Supervisory Board 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.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

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.

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 among others:

- 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 a 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.

Scope of fraud and non-compliance with laws and regulations within our audit

In accordance with the Dutch Standards on Auditing, we are responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatements, whether due to fraud or error. Non-compliance with law and regulation may result in fines, litigation or other consequences for CM.com N.V. that may have a material effect on the financial statements.

Consideration of fraud

In identifying potential risks of material misstatement due to fraud, we obtained an understanding of the Company and its environment, including the entity's internal controls. We evaluated the Company's risk assessment, that includes assessment of certain fraud risks and made inquiries with management, those charged with governance and with others within the Company, including but not limited to the Legal Counsel, Internal Audit, Compliance Department and Financial Reporting and Accounting. We evaluated risk factors and considered whether those factors indicated a risk of material misstatement due to fraud. We involved our forensic specialists in our risk assessment and in determining our audit response. Following these procedures, and the presumed risks under the prevailing auditing standards, we considered the

fraud risks in relation to management override of controls, including evaluating whether there was evidence of bias by the Management Board and other members of management, which may represent a risk of material misstatement due to fraud.

As part of our audit procedures to respond to these fraud risks, we evaluated the design and implementation of the internal controls relevant to mitigating these risks. We also performed substantive audit procedures, including detail testing of journal entries and evaluating the accounting estimates for bias. We also incorporated elements of unpredictability in our audit. The procedures described are in line with the applicable auditing standards and are not primarily designed to detect fraud.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We obtained written representations that all known instances of (suspected) fraud and other irregularities have been disclosed to us.

Our procedures to address fraud risks did not result in a Key Audit Matter.

Consideration of compliance with laws and regulations

We assessed the laws and regulations relevant to the Company through discussion with, amongst others, the Management Board, Corporate Legal Counsel, Corporate Compliance Counsel and those charged with governance, and by reading minutes of board meetings and reports of internal audit. We involved our forensic specialists and our compliance specialists in this evaluation.

As a result of our risk assessment procedures, and while realizing that the effects from non-compliance could considerably vary, we considered adherence to (corporate) tax law and financial reporting regulations and the

requirements under International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and Part 9 of Book 2 of the Dutch Civil Code with a direct effect on the financial statements as an integrated part of our audit procedures, to the extent material for the related financial statements.

Apart from these, the Company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts and/or disclosures in the financial statements, for instance, through imposed fines or litigation. In addition, we considered major laws and regulations applicable to listed companies and laws and regulations specifically for payment service providers in relation to the payment licenses of CM Payments B.V.

Our procedures are more limited with respect to these laws and regulations that do not have a direct effect on the determination of the amounts and disclosures in the financial statements. Compliance with these laws and regulations may be fundamental to the operating aspects of the business, to CM.com N.V.'s ability to continue its business, or to avoid material penalties (e.g., compliance with the terms of payment licenses) and therefore non-compliance with such laws and regulations may have a material effect on the financial statements. Our responsibility is limited to undertaking specified audit procedures to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements. Our procedures comprise (i) inquiry of the Management Board, the Supervisory Board, the Compliance Officer and others within the Company as to whether the Company is in compliance with such laws and regulations and (ii) inspecting correspondence, if any, with the relevant licensing or regulatory authorities to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements.

We remained alert to indications of (suspected) non-compliance throughout the audit. Finally, we obtained written representations that all known instances of (suspected) fraud or non-compliance with laws and regulations have been disclosed to us.

Because of the characteristics of fraud, particularly when it involves sophisticated and carefully organized schemes to conceal it, such as forgery, intentional omissions, misrepresentation and collusion, an unavoidable risk remains that we may not detect all fraud during our audit.

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. In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Supervisory Board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Eindhoven, March 18, 2021

Deloitte Accountants B.V.

Jan Hendriks

