**Not for general circulation**
**in the United States**

# CM.com B.V.

## Initial Public Offering – Prospectus dated September 30, 2019

## ELECTRONIC TRANSMISSION DISCLAIMER

## STRICTLY NOT TO BE FORWARDED TO ANY OTHER PERSONS

**IN THE UNITED STATES, THE SECURITIES WILL BE SOLD ONLY TO PERSONS REASONABLY BELIEVED TO BE QUALIFIED INSTITUTIONAL BUYERS ("QIBS") WITHIN THE MEANING OF RULE 144A ("RULE 144A") UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") PURSUANT TO RULE 144A OR PURSUANT TO ANOTHER EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. ALL OFFERS AND SALES OF THE SECURITIES IN THE OFFERING OUTSIDE THE UNITED STATES WILL BE MADE TO INSTITUTIONAL INVESTORS OR OTHER ELIGIBLE PERSONS IN "OFFSHORE TRANSACTIONS" IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT ("REGULATION S"). THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT.**

**IMPORTANT: You must read the following disclaimer before continuing.** The following disclaimer applies to the prospectus, including the summary, (the "**Prospectus**") issued by CM.com B.V. (at the date of the Prospectus still a private limited liability company named CM.com B.V.) (the "**Company"**). You are advised to read this disclaimer carefully before reading, accessing or making any other use of the Prospectus. In accessing the Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from the Company as a result of such access. You acknowledge that this electronic transmission and the delivery of the Prospectus is confidential and intended only for you and you agree you will not forward, reproduce, copy, download or publish this electronic transmission or the Prospectus (electronically or otherwise) to any other person.

THIS ELECTRONIC TRANSMISSION AND THE PROSPECTUS MAY NOT BE USED FOR, OR IN CONNECTION WITH, AND DO NOT CONSTITUTE OR FORM PART OF AN OFFER BY, OR INVITATION BY OR ON BEHALF OF THE COMPANY, CLUBCOMPANY1 B.V., CLUBCOMPANY2 B.V. OR ANY REPRESENTATIVE OF THE COMPANY, CLUBCOMPANY1 B.V. AND CLUBCOMPANY2 B.V. TO PURCHASE ANY SECURITIES OR AN OFFER TO SELL OR ISSUE, OR THE SOLICITATION TO BUY SECURITIES BY ANY PERSON IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE DISTRIBUTION OF THE PROSPECTUS MAY RESTRICTED BY APPLICABLE LAW AND REGULATION IN CERTAIN JURISDICTIONS. NEITHER THE PROSPECTUS NOR ANY ADVERTISEMENT OR ANY OTHER RELATED MATERIAL MAY BE DISTRIBUTED OR PUBLISHED IN ANY JURISDICTION EXCEPT UNDER CIRCUMSTANCES THAT WILL RESULT IN COMPLIANCE WITH APPLICABLE LAW AND REGULATION.

THIS ELECTRONIC TRANSMISSION AND THE PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, REDISTRIBUTION OR REPRODUCTION OF THIS ELECTRONIC TRANSMISSION OR THE PROSPECTUS IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF APPLICABLE LAWS AND REGULATIONS.

You are reminded that the Prospectus has been made available to you solely on the basis that you are a person into whose possession the Prospectus may be lawfully delivered in accordance with the laws and regulations of the jurisdiction in which you are located in, or a resident of, and you may not deliver, nor are you authorised to deliver, the Prospectus, electronically or otherwise, to any other person. Nothing in this electronic transmission constitutes an offer of securities for sale in any jurisdiction where it is unlawful to do so.
The Prospectus has been made available to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and

consequently none of the Company, ClubCompany1 B.V., ClubCompany2 B.V., the Underwriters, or any of their respective affiliates, directors, officers, employees or agents accepts any liability or responsibility whatsoever in respect of any difference between the Prospectus distributed to you in electronic format and any hard copy version. By accessing the document following this disclaimer, you consent to receiving it in electronic form. A hard copy of the Prospectus will be made available to you only upon request.

You are responsible for protecting against viruses and other destructive items. Your receipt of the Prospectus via electronic transmission is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

**Confirmation of Your Representation:** In order to be eligible to view the Prospectus or make an investment decision with respect to the securities, you represent to the Company, ClubCompany1 B.V., ClubCompany2 B.V. and each of ABN AMRO Bank N.V., Jefferies International Limited, Coöperatieve Rabobank U.A. and NIBC Bank N.V that: (1) you have understood and agree to the terms set out herein; (2) you consent to delivery of such Prospectus by electronic transmission; (3) you are (a) a QIB who would be acquiring shares for your account or for the account of another QIB, or (b) an institutional or other eligible investor outside the United States; and (3) you have made your own assessment, including obtaining from your own tax advisors such tax advice as you consider necessary for any investment in the shares and have satisfied yourself concerning the tax, legal, regulatory and financial considerations relevant to your investment in the shares.

*(CM.com N.V., a public limited liability company (naamloze vennootschap) incorporated under the laws of the Netherlands, with its seat in Breda, the Netherlands)*

**Initial Public Offering of up to 8,241,667 ordinary shares**

The Company (as defined below) is offering such number of newly issued ordinary shares in its share capital with a nominal value of EUR 0.04 each (the "**New Offer Shares**") as will raise gross proceeds of approximately EUR 100 million. ClubCompany1 B.V. and ClubCompany2 B.V (the "**Selling Shareholders**") are offering in aggregate up to 1,575,000 existing ordinary shares in the share capital of the Company (as defined below) with a nominal value of EUR 0.04 each (the "**Existing Offer Shares**"), which include, unless the context indicates otherwise, the Over-Allotment Shares (as defined below). The Existing Offer Shares together with the New Offer Shares, and, unless the context indicates otherwise, the Over-Allotment Shares (as defined below), are referred to herein as the "**Offer Shares**". Assuming no exercise of the Over-Allotment Option and an Offer Price at the bottom of the Offer Price Range (all as defined below), the Offer Shares will constitute not more than 37.4% of the issued ordinary shares in the share capital of the Company with a nominal value of EUR 0.04 each (the "**Shares**"). Assuming the Over-Allotment Option is fully exercised and an Offer Price at the bottom of the Offer Price Range, the Offer Shares will constitute not more than 43.0% of the issued Shares. See "The Offering".

The offering of the Offer Shares (the "**Offering**") consists of (i) a public offering in the Netherlands to institutional and retail investors and (ii) a private placement to certain institutional investors in various other jurisdictions. The Offer Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "**US Securities Act**") or with any securities regulatory authority of any state of the United States of America (the "**US**" or the "**United States**") and are being offered or sold: (i) within the US, to persons reasonably believed to be "qualified institutional buyers" ("**QIBs**") as defined in, and in reliance on, Rule 144A under the US Securities Act ("**Rule 144A**") or pursuant to another exemption from, or in a transaction not subject to, the registration requirement under the US Securities Act and applicable state securities laws, and (ii) to institutional investors in various jurisdictions outside the US in "offshore transactions" as defined in, and in compliance with, Regulation S under the US Securities Act ("**Regulation S**").

Prior to the Offering, there has been no public market for the Shares. Application has been made to list and admit all of the Shares to trading under the symbol "CMCOM" with international securities identification number ("**ISIN**") NL0013746431 on Euronext in Amsterdam, a regulated market of Euronext Amsterdam N.V. ("**Euronext Amsterdam**"). Subject to acceleration or extension of the timetable for the Offering, trading on an "as-if-and-when-issued/delivered" basis in the Shares on Euronext Amsterdam is expected to commence on or about 11 October 2019 (the "**First Trading Date**").

**The price of the Offer Shares (the "Offer Price") is expected to be in the range of EUR 15.00 to EUR 19.00 (inclusive) per Offer Share (the "Offer Price Range")**

The Offering will take place from 9:00 Central European Time ("**CET**") on 30 September 2019 until 14:00 CET on 10 October 2019 for prospective institutional investors and from 9:00 CET on 30 September 2019 until 17:30 CET on 9 October 2019 for prospective retail investors (the "**Offering Period**"), subject to acceleration or extension of the timetable for the Offering, and subject as set out below for the Preferential Retail Allocation (as defined below). The Offer Price Range is indicative. The Offer Price and the exact number of Offer Shares offered in the Offering will be determined by the Company and the Selling Shareholders, after consultation with the Joint Global Coordinators (as defined below), after the end of the Offering Period on the basis of the bookbuilding process and taking into account economic and market conditions, a qualitative and quantitative assessment of demand for the Offer Shares and other factors deemed appropriate. The Offer Price and the exact numbers of Offer Shares to be sold will be stated in a pricing statement (the "**Pricing Statement**") which will be published through a press release and filed with the Dutch Authority for the Financial Markets (Stichting Autoriteit Financiële Markten, the "**AFM**"). The Company and the Selling Shareholders, after consultation with the Joint Global Coordinators, reserve the right to change the Offer Price Range and/or increase or decrease the maximum number of Offer Shares prior to the allocation of the Offer Shares (the "**Allocation**"). Any increase of the top end of the Offer Price Range, or the determination of an Offer Price above the Offer Price Range, on the last day of the Offering Period will result in the Offering Period being extended by at least two business days. Any increase of the top end of the Offer Price Range on the day prior to the last day of the Offering Period will result in the Offering Period being extended by at least one business day. In this case, if the Offering Period for Dutch Retail Investors (as defined below) would already have closed, this Offering Period for Dutch Retail Investors would be reopened. Accordingly, all investors, including Dutch Retail Investors, will have at least two business days to reconsider their subscriptions. Any change in the number of Offer Shares and/or the Offer Price Range will be announced in a press release that will be posted on the Company's website.

There will be a preferential allocation of Offer Shares to eligible retail investors in the Netherlands (the "**Preferential Retail Allocation**"). Each eligible retail investor in the Netherlands (each a "**Dutch Retail Investor**") will be allocated the first 250 (or fewer) Offer Shares for which such investor applies, provided that if the total number of Offer Shares subscribed for by Dutch Retail Investors under the Preferential Retail Allocation would exceed 10% of the total number of Offer Shares, assuming no exercise of the Over-Allotment Option, the preferential allocation to each Dutch Retail Investor may take place *pro rata* to the first 250 (or fewer) Offer Shares for which such investor applies. As a result, Dutch Retail Investors may not be allocated all of the first 250 (or fewer) Offer Shares that they apply for. The exact number of Offer Shares allocated to Dutch Retail Investors will be determined after the Offering Period has ended. To be eligible for the Preferential Retail Allocation, Dutch Retail Investors must place their subscriptions during the period commencing on 30 September 2019 at 9:00 CET and ending on 9 October 2019 at 17:30 CET through financial intermediaries.

Subject to acceleration or extension of the timetable for the Offering, payment (in euro) for, and delivery of, the Offer Shares ("**Settlement**") is expected to take place on or about 15 October 2019 (the "**Settlement Date**"). If Settlement does not take place on the Settlement Date as planned or at all, the Offering may be withdrawn, in which case all subscriptions for Offer Shares will be disregarded, any allotments made will be deemed not to have been made and any subscription payments made will be returned without interest or other compensation and transactions in the Offer Shares on Euronext Amsterdam may be annulled. Any transactions in Offer Shares prior to Settlement are at the sole risk of the parties concerned. The Company, the Selling Shareholders, ABN AMRO (as defined below) as listing and paying agent (the "**Listing and Paying Agent**"), the Underwriters (as defined below) and Euronext Amsterdam N.V. do not accept responsibility or liability towards any person as a result of the withdrawal of the Offering or the (related) annulment of any transactions in Offer Shares.

**INVESTING IN THE OFFER SHARES INVOLVES RISKS. SEE "RISK FACTORS" BEGINNING ON PAGE 17 OF THIS PROSPECTUS FOR A DESCRIPTION OF CERTAIN RISKS THAT SHOULD BE CAREFULLY CONSIDERED BEFORE INVESTING IN THE OFFER SHARES.**

CM.com N.V. (at the date of this prospectus (the "**Prospectus**") a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) named CM.com B.V.) (the "**Company**") will be converted into a public limited liability company (*naamloze vennootschap*) prior to Settlement.

ABN AMRO Bank N.V. ("**ABN AMRO**") and Jefferies International Limited ("**Jefferies**") are acting as joint global coordinators (in such and any other capacity, the "**Joint Global Coordinators**") and, together with Coöperatieve Rabobank U.A. ("**Rabobank**") as joint bookrunner for the Offering (the "**Joint Bookrunners**"). NIBC Bank N.V. ("**NIBC**") is acting as co-lead manager for the Offering (the "**Co-lead Manager**", and together with the Joint Global Coordinators and the Joint Bookrunners, the "**Underwriters**").

The Offer Shares will be delivered in book-entry form through the facilities of Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. ("**Euroclear Nederland**").

The Selling Shareholders have granted the Joint Global Coordinators, on behalf of the Underwriters, an option (the "**Over-Allotment Option**"), exercisable within 30 calendar days after the First Trading Date, pursuant to which ABN AMRO, as the stabilization manager (the "**Stabilization Manager**"), may require the Selling Shareholders to sell at the Offer Price up to 15% of the total number of Offer Shares sold in the Offering (the "**Over-Allotment Shares**"), to cover over-allotments or short positions, if any, in connection with the Offering.

The Offering is only made in those jurisdictions in which, and only to those persons to whom, the Offering may be lawfully made. The Company is not taking any action to permit a public offering of the Offer Shares in any jurisdiction outside the Netherlands.

The Offer Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state in the US and, subject to certain exceptions, may only be offered or sold, directly or indirectly, in the US pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. The Offer Shares are being offered and sold outside the US in reliance on Regulation S and within the US to persons reasonably believed to be QIBs in reliance on Rule 144A. **Prospective purchasers that are QIBs are hereby notified that the Selling Shareholders and the Company may be relying on the exemption from the provisions of Section 5 of the US Securities Act provided by Rule 144A.**

Each purchaser of Offer Shares, in making a purchase, will be deemed to have made certain acknowledgments, representations and agreements as set out in "Selling and Transfer Restrictions". Prospective investors in the Offer Shares should carefully read "Selling and Transfer Restrictions".

This Prospectus has been approved by the AFM, as competent authority under Regulation (EU) 2017/1129. The AFM only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval should not be considered as an endorsement of the quality of the securities and of the Company that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

The Joint Global Coordinators, Joint Bookrunners and Co-lead Manager have been authorized by the Company to use this Prospectus for the subsequent resale or final placement of the Shares in the context of the Offering.

*Joint Global Coordinators and Joint Bookrunners*

**ABN AMRO** **Jefferies**

*Joint Bookrunners*

**Rabobank**

*Co-lead Manager*

**NIBC**

This Prospectus is dated 30 September 2019.

# TABLE OF CONTENTS

# SUMMARY

**Section A – Introduction and Warnings**

This summary should be read as an introduction to the prospectus (the "**Prospectus**"). The Prospectus relates to the offering (the "**Offering**") by CM.com N.V. (at the date of the Prospectus still a private limited liability company named CM.com B.V.) (the "**Company**") of such a number of new ordinary shares in the share capital of the Company (the "**New Offer Shares**") to allow it to raise gross proceeds of approximately EUR 100 million. ClubCompany1 B.V. and ClubCompany2 B.V (the "**Selling Shareholders**") are offering in aggregate up to 1,575,000 existing ordinary shares in the share capital of the Company (the "**Existing Offer Shares**", which include, unless the context indicates otherwise, the Over-Allotment Shares (as defined below), and together with the New Offer Shares, the "**Offer Shares**").

The Prospectus also relates to the admission to listing and trading of the ordinary shares in the share capital of the Company with a nominal value of EUR 0.04 (the "**Shares**") on Euronext in Amsterdam, a regulated market of Euronext Amsterdam N.V. ("**Euronext Amsterdam**").

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

The international securities identification number ("**ISIN**") of the Shares is NL0013746431. The issuer of the Shares is the Company. Its legal and commercial name will be changed to CM.com N.V. The Company's address is Konijnenberg 30, 4825 BD, Breda, the Netherlands, its telephone number is +31 76 57 27 000 and its website is https://www.CM.com. The Company is registered in the Commercial Register of the Chamber of Commerce (*Handelsregister van de Kamer van Koophandel*) under number 20095946 and its legal entity identifier ("**LEI**") is 724500EKK22DNSV3PC23.

The Existing Offer Shares are offered by the Selling Shareholders: ClubCompany1 B.V. and ClubCompany2 B.V., both with address at Konijnenberg 30, 4825 BD Breda, the Netherlands and LEI 724500O0MPM306A41G88 and 724500ANU51XWRJ9IJ39, respectively.

The competent authority approving the Prospectus is the Dutch Authority for the Financial Markets (Stichting Autoriteit Financiële Markten, the "**AFM**"). The AFM's address is Vijzelgracht 50, 1017 HS Amsterdam, the Netherlands. Its telephone number is +31 (0)20 797 2000 and its website is www.afm.nl. The AFM has approved the Prospectus on 27 September 2019.

**Section B – Key Information on the Issuer**

***Who is the issuer of the securities?***

The issuer of the Shares is the Company. The Company is a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of, and is domiciled in, the Netherlands, and its LEI is 724500EKK22DNSV3PC23. The Company will be converted into a public limited liability company (*naamloze vennootschap*) prior to Settlement (as defined below). It operates under the law of the Netherlands. The Company together with its subsidiaries within the meaning of article 2:24b of the Dutch Civil Code ("**BW**") (each a "**Group Company**", and together with the Company, "**CM.com**") believes it is a leading global mobile services provider that offers a unique combination of end-to-end private cloud-based communication services and payment services, combined with a portfolio of supplementary platform features (*e.g.*, ticketing, and the recently introduced identity, eSignature and customer data platform services). This leading position and the unique nature of its offering is based on CM.com being – as far as it is aware based on 20 years of experience in the industry – the first and until now only business offering services and features combined in this manner.

Being a leader in communication services and having introduced payment capabilities more recently, CM.com focuses on the worldwide "conversational commerce" market: the market for services that combine both communication services (*e.g.*, WhatsApp Business, Facebook Messenger, SMS and voice solutions), and integrated payment services, regardless of the channel or device selected by the consumer. CM.com's fully integrated "conversational commerce ready" service offering enables customers to create seamless consumer journeys that incorporate key stages of modern commerce, starting with targeted marketing campaigns and ending with personalized aftersales consumer care, creating an omni-channel conversational commerce experience for the individual.

CM.com's customer base includes Tier 1 enterprises, government agencies as well as small and medium sized enterprises. As at 30 June 2019, its customer base consisted of approximately 9,322 customers from approximately 140 countries, with customers in 41 of those countries generating revenue (per country) in excess of EUR 10,000. For the six months ended 30 June 2019 and the year ended 31 December 2018, CM.com generated revenue of approximately EUR 44 million and EUR 85 million, respectively (compared to approximately EUR 80 million in the year ended 31 December 2017 and approximately EUR 67 million in the year ended 31 December 2016). In the six months ended 30 June 2019, the segments Communications Platform as a Service ("**CPaaS**"), Payments, Platform and Other accounted for approximately 75%, 6%, 6%, and 13% respectively, of CM.com's total revenue (year ended 31 December 2018: approximately 73%, 7%, 4%, and 16%, respectively; year ended 31 December 2017: approximately 71%, 4%, 4% and 21%, respectively, of total revenue; year ended 31 December 2016: approximately 64%, 0%, 5% and 31%, respectively, of total revenue).

The Selling Shareholders are the only holders of Shares (each a "**Shareholder**") who own 3% or more of the Company's share capital or voting rights as of the date of the Prospectus.

| Shareholder | Amount of Share Capital Owned Number / class of shares(3) | Percentage of share capital | Percentage of Voting Rights |
|---|---|---|---|
| ClubCompany1 B.V.(1) | 499 ordinary shares and 1 priority share | 50% | 50% |
| ClubCompany2 B.V.(2) | 499 ordinary shares and 1 priority share | 50% | 50% |

(1) Jeroen van Glabbeek, the CEO, Managing Director and founder of the Company, is the sole shareholder and director of ClubCompany1 B.V. and therefore holds an indirect interest in the Company.

(2) Gilbert Gooijers, the COO, Managing Director and founder of the Company, is the sole shareholder and director of ClubCompany2 B.V. and therefore holds an indirect interest in the Company.

(3) Any reference in this table to "shares" refers to shares in the capital of the Company prior to the conversion of shares and amendment of the Company's articles of association.

The Company's members of the management board of the Company (the "**Management Board**", each member a "**Managing Director**") are Jeroen van Glabbeek (founder and Chief Executive Officer) and Gilbert Gooijers (founder and Chief Operational Officer). The Company is currently recruiting a Chief Financial Officer to join the Management Board at some point after the Offering. The Company's statutory auditors are Mazars Accountants N.V.

***What is the key financial information regarding the issuer?***

*Consolidated Income Statement Information*

| | Six months ended 30 June | | Years ended 31 December | | |
|---|---|---|---|---|---|
| | 2019 | 2018 | 2018 | 2017 | 2016 |
| | | | (EUR '000) | | |
| | (unaudited) | | (audited, unless otherwise stated) | | (unaudited)(3) |
| Total revenue | 44,308 | 42,011 | 84,617 | 79,914(1) | 66,683(1) |
| Operating profit | 451 | 545 | 797 | 1,766 | 1,551 |
| Period on Period revenue growth of CPaaS + Payments + Platform (%)(2) | 9.6 | — | 12.7 | 37.9 | — |
| Profit before tax | 223 | 347 | 337 | 1,346 | 1,344 |
| Gross margin (%)(2) | 27.9 | 29.7 | 29.5 | 27.0 | 27.7 |
| Profit after tax | 55 | 263 | 196 | 1.112 | 1.274 |

(1) Unaudited and derived from the comparative financial information in the 2018 Consolidated Financial Statements.

(2) Unaudited.

(3) Derived from the comparative financial information in the 2017 Consolidated Financial Statements unless otherwise indicated.

*Consolidated Balance Sheet Information*

| | As at 30 June | As at 31 December | | |
|---|---|---|---|---|
| | 2019 | 2018 | 2017 | 2016 |
| | | (EUR '000) | | |
| | (unaudited) | (audited) | | (unaudited) |
| Total Assets | 60,747 | 50,645 | 49,232 | 31,706 |
| Total equity | 7,555 | 7,500 | 7,333 | 6,758 |

*Consolidated Statement of Cash Flows Information*

| | For the six months ended 30 June | | For the years ended 31 December | | |
|---|---|---|---|---|---|
| | 2019 | 2018 | 2018 | 2017 | 2016 |
| | | | (EUR '000) | | |
| | (unaudited) | | (audited) | | (unaudited) |
| Cash flow from operating activities | 237 | 1,468 | 2,471 | 6,890 | 2,604 |
| Cash flow from investing activities | (1,740) | (2,346) | (4,651) | (11,487) | (3,297) |
| Cash flow from financing activities | (2,079) | (1,106) | 3,457 | 4,475 | (496) |

No pro forma financial information has been included in the Prospectus. There are no qualifications in the auditor's reports relating to the historical financial information for the years ended 31 December 2018, 2017 and 2016.

***What are the key risks that are specific to the issuer?***

The following is a selection of the key risks that relate to CM.com's industry and business, operations and financial condition, based on the probability of their occurrence and the expected magnitude of their negative impact. In making this selection (as with the selection further below on key risks specific to the Shares), CM.com has considered circumstances such as the probability of the risk materializing on the basis of the current state of affairs, the potential impact that the materialization of the risk could have on CM.com's business, financial condition, results of operations and prospects, and the attention that management of CM.com would on the basis of the current expectations have to devote to these risks if they were to materialize. Investors should read in their entirety, understand and consider all risk factors, that are material before making an investment decision to invest in the Offer Shares.

- CM.com may experience problems involving its information technology, the CM.com Platform, server installations and the network on which its business relies; if problems occur, this could damage CM.com's reputation and have a material adverse effect on its business, financial condition, results of operations and prospects.
- CM.com's services must seamlessly interact with a variety of network, hardware, mobile and software platforms and technologies. If CM.com is unable to ensure that its services interoperate with such network, hardware, mobile and software platforms and technologies, its business may be materially and adversely affected.
- The market for conversational commerce services is relatively new and unproven. Accordingly, this market may experience limited growth, and customers may not recognize the need for, or the benefits of, CM.com's integrated services. In addition, CM.com may not be able to adapt to rapidly changing market conditions if consumer behavior should change, and its business and results of operations may suffer as a result of that.
- CM.com is wholly dependent on third-parties, such as suppliers and service providers, for key elements of its operations.
- Customer defaults could potentially lead to financial losses for CM.com due to chargebacks and refunds.
- CM.com is, as any business in the industry, subject to cyber attacks. If not properly dealt with, cyber-crime may lead to interruptions of operations, result in the CM.com Platform or technology systems being unavailable, misuse of identities of customers and third-parties, loss or leakage of data, result in significant legal and financial exposure, loss of customer relations and harm CM.com's reputation, all of which may negatively affect CM.com's business, financial condition and results of operation.
- CM.com's business may be affected by competitors and pricing pressures, which could materially adversely affect its business, financial condition, results of operations and prospects.
- CM.com's entry into new business areas or markets may not be successful due to a lack of market acceptance or CM.com's inability to generate satisfactory revenue from expanded services or operations to offset their costs. Regulation of services may differ from jurisdiction to jurisdiction, which makes compliance complex and potentially expensive. The expansion of CM.com's operations may also require significant additional investments and resources, which may strain CM.com's management and financial resources.
- CM.com operates internationally and faces various legal and regulatory compliance risks in the countries in which it operates. The legal and regulatory environment relating to CM.com's business is constantly evolving and can be subject to significant change. Compliance may be difficult and may require significant capital and operating expenditures and it may impact the manner in which CM.com provides its services. CM.com may also be exposed to risks arising from regulations that impact its customers. Moreover, the increasing complexity and number of regulations may require greater expenditures, it may require CM.com's payment services subsidiary to be funded with more equity capital, or it may require significant adjustments to its services and operations. A material change in applicable laws and regulations, or in their interpretation or enforcement, may require CM.com to alter its business strategy, leading to additional costs or loss of revenue.
- CM.com is subject to the credit risk – the risk that amounts owed are not (re)paid – of its customers and counterparty financial institutions. In particular, if one or more of CM.com's customers were to experience financial difficulties or even insolvency, CM.com may be unable to collect outstanding amounts payable to it, resulting in write-offs of such receivables. The risk of counterparty default or failure may be heightened during economic downturns and periods of uncertainty in the financial markets.
- Following the Offering, the Selling Shareholders will continue to be in a position to exert substantial influence over the Company, including by exercising their rights as members of the Founder Committee, and their interests may differ from the interests of the Company's other Shareholders.

**Section C – Key Information on the Securities**

***What are the main features of the securities?***

Once the Company has been converted into a public limited liability company and its articles of association have been changed, the Shares will be ordinary shares in the issued share capital of the Company with a nominal value of EUR 0.04 each. The ISIN of the Shares is NL0013746431. The Offer Shares are denominated in and will trade in euro. The Company will offer such a number of New Offer Shares to allow it to raise gross proceeds of approximately EUR 100 million. The Selling Shareholders are offering in aggregate up to 500,000 Existing Offer Shares, not including any Over-Allotment Shares (as defined below). Assuming no exercise of the Over-Allotment Option and an Offer Price at the bottom of the Offer Price Range (all as defined below), the Offer Shares will constitute not more than 37.4% of the issued Shares. Assuming the Over-Allotment Option is fully exercised and an Offer Price at the bottom of the Offer Price Range, the Offer Shares will constitute not more than 43.0% of the issued Shares.

References to the "**Articles of Association**" hereafter will be to the Company's articles of association as they will read after the conversion of the Company into a public limited liability company. The Shares carry dividend rights. The Company's dividend policy is to retain any future profits for the foreseeable future to expand the growth and development of the Company's business, and, therefore, does not anticipate paying dividends to its Shareholders in the foreseeable future.

Each Share confers the right to cast one vote in the general meeting of the Company (the "**General Meeting**"). There are no restrictions on voting rights.

Upon issue of Shares or grant of rights to subscribe for Shares, each Shareholder has a pre-emptive right in proportion to the aggregate nominal amount of his or her Shares. Shareholders do not have pre-emptive rights in respect of Shares issued (i) to employees of the Company or of a Group Company; (ii) against payment other than in cash; and (iii) to a person exercising a previously acquired right to subscribe for Shares. Pre-emptive rights may be restricted or excluded by a resolution of the Management Board, subject to the approval of the supervisory board of the Company (the "**Supervisory Board**").

As of the date of the Prospectus, the founders of the Company Jeroen van Glabbeek and Gilbert Gooijers (the "**Founders**"), exercise control over the Company via rights attributed to them as priority shareholders. They also hold all issued shares in the Company as well as both positions in the Management Board for an indefinite term. They may only be dismissed by a resolution of the General Meeting adopted with a two/thirds majority of the votes cast, representing more than half of the issued share capital. As the Founders desire to continue their active board role in the Company as long as possible after the Offering to execute and safeguard the Company's long term strategy, it was decided to dismantle the Company's priority shares and to install a founders committee with the Founders as sole members (the "**Founder Committee**").

The Founder Committee is a corporate body of the Company. The Founder Committee is instituted to ensure that the Founders can remain actively involved in the Company. The rights of the Founder Committee will only be exercised by the Founder Committee if and when needed to make sure that the Founders can remain actively involved in the Company. The Founder Committee will be composed of the two members, being the Founders, ultimately on the Settlement Date. The Founder Committee will be installed if it has at least one member. As long as the Founder Committee is installed, the Founder Committee has 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. Furthermore, a resolution of the General Meeting to (a) amend the Articles of Association, (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 (including but not limited to a conversion of the legal form of the Company) or (e) dissolve the Company, will require the prior approval of the Founder Committee, provided that a resolution to amend the Articles of Association only requires the prior approval of the Founder Committee if the resolution has the effect that the rights attributable to the Founder Committee are amended, reduced or otherwise prejudiced. A Founder is "actively involved" if and as long as he is (i) a Managing Director, (ii) a Supervisory Director or (iii) holding another position within the Company or another Group Company on the basis of an agreement with the Company or another Group Company if such position is meaningful, adds value and contributes directly or indirectly to the Company, provided that such agreement explicitly states that the Founder will be considered actively involved.

There are no restrictions on the transferability of the Shares in the Articles of Association. However, the Offering to persons located or resident in, or who are citizens of, or who have a registered address in countries other than the Netherlands, and the transfer of Offer Shares into jurisdictions other than the Netherlands may be subject to specific regulations or restrictions.

In the event of insolvency, any claims of the holders of Shares are subordinated to those of the creditors of the Company. This means that an investor could potentially lose all or part of its invested capital.

***Where will the securities be traded?***

Application has been made to list all Shares under the symbol "CMCOM" on Euronext Amsterdam. Subject to acceleration or extension of the timetable for the Offering, trading in the Shares on Euronext Amsterdam is expected to commence, on an "as-if-when-issued/delivered" basis, on or about 11 October 2019 (the "**First Trading Date**"). Prior to the Offering, there has been no public market for the Shares. The ISIN of the Shares is NL0013746431.

***What are the key risks that are specific to the securities?***

The following is a selection of key risks relating to the Shares.

- The payment of future dividends will depend on CM.com's financial condition and results of operations, as well as on CM.com's operating subsidiaries' distributions to the Company.
- Future issuances of Shares or debt or equity securities convertible into Shares by the Company, or future sales of a substantial number of Shares by the Selling Shareholders or the perception thereof, may adversely affect the market price of the Shares. Any future issuance of Shares may dilute investors' shareholdings.
- The Shares have not been publicly traded. As the New Offer Shares represent merely 29.6% of the total issued ordinary share capital (post issuance and without taking into account the over-allotment option), the absolute value of market capitalization that is available for trading is relatively small and there is no guarantee that an active and liquid market for the Shares will develop.
- The Company's Share price may fluctuate significantly, and investors could lose all or part of their investment.

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

***Under which conditions and timetable can I invest in this security?***

*The Offering*

The Company is offering such number of New Offer Shares as will raise gross proceeds of approximately EUR 100 million and the Selling Shareholders are offering in aggregate up to 500,000 Existing Offer Shares not including any Over-Allotment Shares (as defined below). The Offering consists of: (i) a public offering in the Netherlands to institutional and retail investors and (ii) a private placement to certain institutional investors in various other jurisdictions. The Offer Shares have not been, and will not be, registered under the US Securities Act or with any securities regulatory authority of any state of the US. They are being offered or sold: (i) within the United States of America (the "**US**"), to persons reasonably believed to be "qualified institutional buyers" ("**QIBs**") as defined in, and in reliance on, Rule 144A or pursuant to another exemption from, or in a transaction not subject to, the registration requirement under the US Securities Act of 1933, as amended (the "**US Securities Act**"), and applicable state securities laws, and (ii) to institutional investors in various jurisdictions outside the US in "offshore transactions" as defined in, and in compliance with, Regulation S under the US Securities Act. The Offering is made only in those jurisdictions in which, and only to those persons to whom, the Offering may be lawfully made.

*Over-allotment option*

The Selling Shareholders have granted the Joint Global Coordinators (as defined below), on behalf of the Underwriters (as defined below), an option (the "**Over-Allotment Option**"), exercisable up to 30 calendar days after the First Trading Date, pursuant to which the Stabilization Manager (as defined below) may require the Selling Shareholders to sell at the offer price per Offer Share ("**Offer Price**") up to 1,075,000 Over-Allotment Shares, comprising up to 15% of the total number of Offer Shares sold in the Offering (the "**Over-Allotment Shares**"), to cover over-allotments or short positions, if any, in connection with the Offering.

*Offering period*

Prospective investors may subscribe for Offer Shares during the period commencing at 9:00 Central European Time ("**CET**") on 30 September 2019 and ending at 14:00 CET on 10 October 2019 and prospective Dutch Retail Investors (as defined below) may subscribe for

Offer Shares in the period commencing at 9:00 CET on 30 September 2019 and ending at 17:30 CET on 9 October 2019 (the "**Offering Period**"). This timetable is subject to acceleration or extension.

*Offer price and number of Offer Shares*

The Offer Price is expected to be in the range of EUR 15.00 to EUR 19.00 (inclusive) per Offer Share (the "**Offer Price Range**"). The Offer Price and the exact number of Offer Shares will be determined on the basis of a book building process. The Offer Price may be set within, above or below the Offer Price Range. The Offer Price, the exact number of Offer Shares to be sold and the maximum number of Over-Allotment Shares will be stated in a pricing statement. The pricing statement will be published through a press release that will also be posted on the Company's website and filed with the Stichting Autoriteit Financiele Markten ("**AFM**").

The Offer Price Range may be changed. The maximum number of Offer Shares may be increased or decreased prior to the allocation of the Offer Shares (the "**Allocation**"). Any increase of the top end of the Offer Price Range, or the determination of an Offer Price above the Offer Price Range, on the last day of the Offering Period will result in the Offering Period being extended by at least two business days. Any increase of the top end of the Offer Price Range on the day prior to the last day of the Offering Period will result in the Offering Period being extended by at least one business day. In this case, if the Offering Period for Dutch Retail Investors would already have closed, the Offering Period for Dutch Retail Investors would be reopened. Accordingly, all investors, including Dutch Retail Investors, will in that case have at least two business days to reconsider their subscriptions. Any change in the number of Offer Shares and/or the Offer Price Range will be announced in a press release that will also be posted on the Company's website.

*Allocation*

Allocation of the Offer Shares to subscribers is expected to take place after termination of the Offering Period on or about 10 October 2019, subject to acceleration or extension of the timetable for the Offering. Allotment of Offer Shares will be determined by the Company and the Selling Shareholders, after consultation with the Joint Global Coordinators, and full discretion will be exercised as to whether or not and how to allot the Offer Shares. There is no maximum or minimum number of Offer Shares for which prospective investors may subscribe and multiple (applications for) subscriptions are permitted. In the event that the Offering is over-subscribed, investors may receive fewer Offer Shares than they applied for.

*Preferential Retail Allocation*

There will be a preferential allocation of Offer Shares to eligible retail investors in the Netherlands in accordance with applicable law and regulations (the "**Preferential Retail Allocation**"). Each eligible retail investor in the Netherlands (each a "**Dutch Retail Investor**") will be allocated the first 250 (or fewer) Offer Shares for which such investor applies. However, if the total number of Offer Shares subscribed for by Dutch Retail Investors would exceed 10% of the total number of the Offer Shares, assuming no exercise of the Over-Allotment Option, the preferential allocation to each Dutch Retail Investor may be reduced *pro rata* to the first 250 (or fewer) Offer Shares for which such investor applies. As a result, Dutch Retail Investors may not be allocated all of the first 250 (or fewer) Offer Shares for which they apply. The exact number of Offer Shares allocated to Dutch Retail Investors will be determined after the Offering Period has ended. Dutch Retail Investors can only subscribe on a market (*bestens*) basis. This means that Dutch Retail Investors will be bound to purchase and pay for the Offer Shares indicated in their share application, to the extent allocated to them, at the Offer Price, even if the Offer Price Range has been changed.

To be eligible for the Preferential Retail Allocation, Dutch Retail Investors must place their subscriptions during the period commencing on 30 September 2019 at 9:00 CET and ending on 9 October 2019 at 17:30 CET through financial intermediaries. Different financial intermediaries may apply deadlines before the closing time of the Offering Period. ABN AMRO Bank N.V. as the Retail Coordinator (as defined below) will consolidate all subscriptions submitted by Dutch Retail Investors to financial intermediaries and inform the Joint Global Coordinators.

*Payment*

Payment (in euros) for and delivery of the Offer Shares will take place on the settlement date, which is expected to be 15 October 2019 (the "**Settlement Date**"). Taxes and expenses, if any, must be borne by the investor. Dutch Retail investors may be charged expenses by their financial intermediary. Investors must pay the Offer Price in immediately available funds in full in euro on or before the Settlement Date (or earlier in the case of an early closing of the Offering Period and consequent acceleration of pricing, allocation, commencement of trading and Settlement).

*Delivery of Shares*

The Offer Shares will be delivered in book-entry form through the facilities of Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. If Settlement does not take place on the Settlement Date as planned or at all, the Offering may be withdrawn, in which case all subscriptions for Offer Shares will be disregarded, any allotments made will be deemed not to have been made and any subscription payments made will be returned without interest or other compensation. Any dealings in Shares prior to Settlement are at the sole risk of the parties concerned.

*Underwriters*

ABN AMRO Bank N.V. ("**ABN AMRO**") and Jefferies International Limited are acting as joint global coordinators (the "**Joint Global Coordinators**") and, together with Coöperatieve Rabobank U.A. as the joint bookrunners (the "**Joint Bookrunners**"). NIBC Bank N.V. is acting as co-lead manager ("**Co-lead Manager**"). The Joint Global Coordinators, the Joint Bookrunners and the Co-lead Manager are acting as underwriters (the "**Underwriters**").

*Listing and Paying Agent*

ABN AMRO is the listing and paying agent with respect to the Shares on Euronext Amsterdam.

*Retail Coordinator*

ABN AMRO is the retail coordinator (the "**Retail Coordinator**") with respect to the Preferential Retail Allocation.

*Stabilization Manager*

ABN AMRO is the stabilization manager (the "**Stabilization Manager**") with respect to the Shares on Euronext Amsterdam.

*Timetable*

Subject to acceleration or extension of the timetable for, or withdrawal of, the Offering, the timetable below sets forth certain expected key dates for the Offering.

| Event | Expected Date | Time CET |
|---|---|---|
| Start of Offering Period | 30 September 2019 | 9:00 |
| End of Offering Period for Dutch Retail Investors | 9 October 2019 | 17:30 |
| End of Offering Period for institutional investors | 10 October 2019 | 14:00 |
| Pricing and Allocation | 10 October 2019 | |
| Commencement of trading on an "as-if-and-when-issued/delivered" basis on Euronext Amsterdam | 11 October 2019 | 9:00 |
| Settlement (payment and delivery) | 15 October 2019 | 9:00 |

The dates, times and periods given in the timetable and throughout the Prospectus may be adjusted. If this is the case, this will be made public through a press release, which will also be posted on the Company's website. Any other material alterations will be published through a press release that will also be posted on the Company's website and (if required) in a supplement to the Prospectus that is subject to the approval of the AFM.

Any extension of the timetable for the Offering will be published in a press release at least three hours before the end of the original Offering Period, provided that any extension will be for a minimum of one full day. Any acceleration of the timetable for the Offering will be published in a press release at least three hours before the proposed end of the accelerated Offering Period. In any event, the Offering Period will be at least six business days.

*Dilution*

The voting interest of the current Shareholders will be diluted as a result of the issuance of the New Offer Shares (excluding the sale of the Existing Offer Shares). The maximum dilution for these Shareholders pursuant to the issuance of the New Offer Shares would be 34.8% assuming the issuance of 6,666,667 New Offer Shares.

*Estimated expenses*

The estimated expenses, commissions and taxes payable by the Company amount to approximately EUR 6.3 million and the expenses payable by the Selling Shareholders amount to approximately EUR 0.9 million. No expenses have been or will be charged to investors by the Company or the Selling Shareholders in relation to the Offering.

***Why is the prospectus being produced?***

*Reasons for the offering and use of proceeds*

The Offering is expected to provide the Company with additional capital to support and develop further growth, and strengthen its operations. In addition, the Company believes that the offering of New Offer Shares will strengthen its financial position by enabling it to repay its current debt. The Company expects the listing to create a new long term shareholder base as well as liquidity for the existing Shareholders. The Offering also aims to permit CM.com to incentivize existing and future management and senior staff, and to continue to attract high caliber individuals.

The Company will not receive any proceeds from the sale of the Existing Offer Shares and/or the sale of any Over-Allotment Shares by the Selling Shareholders. The Company will receive proceeds from the sale of any New Offer Shares only. The Company aims to raise approximately EUR 100 million in gross proceeds. The Company expects the net proceeds from the Offering (based on an Offer Price at the mid-point of the Offer Price Range and assuming the sale of the maximum number of New Offer Shares by the Company), after deduction of expenses, commissions and taxes, to amount to approximately EUR 93.7 million. The Company intends to use the expected net proceeds of the sale of the New Offer Shares in part as follows:

(i) approximately EUR 23 million to repay amounts outstanding under the credit facility agreement with ABN AMRO Bank N.V., the credit facility with the European Investment Bank (the "**EIB Facility**"), any outstandings under the ABN AMRO overdraft facility and to repurchase the warrants in the context of the EIB Facility;

(ii) approximately 55% of the net proceeds remaining after the repayment of debt and warrant repurchase to fund investments in the Company's growth, including through mergers and acquisitions, and geographical and service expansion (which includes sales and marketing); and

(iii) approximately 45% of the net proceeds remaining after the repayment of debt and warrant repurchase to fund investments of research and development and to invest in the CM.com Platform.

Any net proceeds not required for the purposes above are expected to be used for general corporate purposes.

*Underwriting agreement*

The Company, the Selling Shareholder, and the Underwriters will enter into an underwriting agreement on or about 30 September 2019 (the "**Underwriting Agreement**"). After the entering into of the pricing agreement between the Company, the Selling Shareholders and the Underwriters on or about 10 October 2019 (the "**Pricing Agreement**"), which is a condition for the obligations of the Underwriters under the Underwriting Agreement, and on the terms of and subject to the conditions set forth in the Underwriting Agreement, the Underwriters will severally agree to use reasonable endeavours to procure subscribers for the Offer Shares against the Offer Price or subscribe for and purchase any Offer Shares themselves which are subscribed for but unpaid. The Selling Shareholders and the Company will agree to sell or issue those Offer Shares at the Offer Price to subscribers procured by the Underwriters or to the Underwriters themselves if any Offer Shares are subscribed for but are unpaid.

The Underwriting Agreement provides that the obligations of the Underwriters to use reasonable endeavours to procure subscribers for the Offer Shares against the Offer Price or subscribe for and purchase any Offer Shares themselves which are subscribed for but unpaid, are subject to the following conditions: (i) the execution of documents relating to the Offering and such documents and the AFM's approval of this Prospectus, including any supplements and amendments thereto, being in full force and effect, (ii) the entering into of the Pricing Agreement, (iii) receipt of auditor comfort letters, (iv) receipt of customary legal opinions from counsel, (v) receipt of customary officers' certificates, (vi) the admission of the Shares to listing and trading on Euronext Amsterdam occurring no later than 9:00 a.m. CET on the First Trading Date, (vii) the Shares having been accepted for book entry transfers by Euroclear Nederland on the Settlement Date, (viii) the absence of any material adverse change or any material adverse development involving a prospective change, in or affecting the general affairs, business, condition (financial or otherwise), results of operations, properties, assets, liquidity, solvency or prospects, or in financial markets since the date of the Underwriting Agreement, (ix) the entering into of the share lending agreement, (x) the lock-up undertakings being in full force and effect, and (xi) other customary conditions, including in respect of the accuracy of representations and warranties by the Company and the Selling Shareholders and each of the Company and the Selling Shareholders having complied with the terms of the Underwriting Agreement and the listing and paying agent agreement.

Upon the occurrence of specific events, such as any of the conditions precedent not being satisfied or waived, the Underwriters may elect to terminate the Underwriting Agreement.

*Most material conflicts of interest*

Certain of the Underwriters and/or their respective affiliates are currently engaged, have in the past been engaged, and may in the future, from time to time, engage in commercial banking, investment banking and financial advisory and ancillary activities in the ordinary course of their business with the Company and/or the Selling Shareholders or any parties related to any of them, in respect of which they have received, and may in the future receive, customary fees and commissions. The Company has entered into a credit facility agreement with ABN AMRO Bank N.V. Additionally, the Underwriters may, in the ordinary course of their business, in the future hold the Company's securities for investment. In respect of the aforementioned, the sharing of information is generally restricted for reasons of confidentiality by internal procedures or by rules and regulations. As a result of acting in the capacities described above, the Underwriters may have interests that may not be aligned, or could potentially conflict, with the interests of investors or with the interests of the Company.

# SAMENVATTING

*Dit hoofdstuk bevat een Nederlandse vertaling van de Engelstalige samenvatting van het prospectus gedateerd 30 september 2019 (het "**Prospectus**"). In geval van een mogelijke discrepantie in uitleg van begrippen prevaleert de Engelstalige samenvatting van het Prospectus.*

**Sectie A – Inleiding en Waarschuwingen**

Deze samenvatting moet worden gelezen als een inleiding op het prospectus (het "**Prospectus**"). Het Prospectus heeft betrekking op de aanbieding (de "**Aanbieding**") door CM.com N.V. (op de datum van het Prospectus nog een besloten vennootschap genaamd CM.com B.V.) (de "**Vennootschap**") van een dusdanig aantal nieuw uit te geven aandelen in het aandelenkapitaal van de Vennootschap (de "**Nieuw Aangeboden Aandelen**") om circa EUR 100 miljoen aan bruto opbrengst te kunnen behalen. ClubCompany1 B.V. en ClubCompany2 B.V. (de "**Verkopende Aandeelhouders**") bieden in totaal maximaal 1.575.000 bestaande gewone aandelen aan (de "**Bestaande Aangeboden Aandelen**", inclusief, tenzij uit de context anders blijkt, de Overtoewijzingsaandelen (zoals hierna gedefinieerd), samen met de Nieuw Aangeboden Aandelen, de "**Aangeboden Aandelen**").

Het Prospectus heeft ook betrekking op de toelating tot de notering van en de handel in de gewone aandelen in het aandelenkapitaal van de Vennootschap met een nominale waarde van EUR 0,04 per aandeel (de "**Aandelen**") aan Euronext in Amsterdam, een gereglementeerde markt die deel uitmaakt van Euronext Amsterdam N.V. ("**Euronext Amsterdam**").

Een beslissing om te beleggen in de Aandelen dient pas te worden genomen na beoordeling door de belegger van het gehele Prospectus. Een belegger kan zijn geïnvesteerde kapitaal geheel of gedeeltelijk verliezen. Op grond van het toepasselijke nationale recht kan in geval van een rechtsvordering in verband met de in het Prospectus opgenomen informatie worden bepaald dat het Prospectus op kosten van de belegger die als eiser optreedt moet worden vertaald alvorens de vordering in behandeling wordt genomen. Aansprakelijkheid rust uitsluitend op die personen die de samenvatting hebben ingediend – inclusief de eventuele vertaling daarvan – maar uitsluitend voor zover de samenvatting misleidend, onjuist, of inconsistent is indien gelezen in samenhang met de overige delen van het Prospectus, of indien deze, gelezen in samenhang met de overige gedeelten van het Prospectus, niet de essentiële informatie bevat die de belegger behulpzaam kan zijn bij zijn overweging al dan niet in de Aandelen te investeren.

Het internationale effecten identificatienummer ("**ISIN**") van de Aandelen is NL0013746431. De uitgevende instelling van de Aandelen is de Vennootschap. Haar juridische en commerciële naam zal worden veranderd in CM.com N.V. Het adres van de Vennootschap is Konijnenberg 30, 4825 BD, Breda, Nederland, haar telefoonnummer is +31 76 57 27 000 en haar website is https://www.CM.com. De Vennootschap staat geregistreerd in het Handelsregister van de Kamer van Koophandel onder nummer 20095946 en haar legal entity identifier ("**LEI**") is 724500EKK22DNSV3PC23.

De Bestaande Aangeboden Aandelen worden aangeboden door de Verkopende Aandeelhouders: ClubCompany1 B.V. en ClubCompany2 B.V., beide met adres te Konijnenberg 30, 4825 BD Breda, Nederland met respectievelijk LEI 724500O0MPM306A41G88 en 724500ANU51XWRJ9IJ39.

De bevoegde autoriteit met betrekking tot de goedkeuring van het Prospectus is de Stichting Autoriteit Financiële Markten (de "**AFM**"). Het adres van de AFM is Vijzelgracht 50, 1017 HS Amsterdam, Nederland. Haar telefoonnummer is +31 (0)20 797 2000 en haar website is www.afm.nl. De AFM heeft het Prospectus goedgekeurd op 27 september 2019.

**Sectie B – Essentiële Informatie over de Uitgevende Instelling**

***Welke instelling geeft de effecten uit?***

De uitgevende instelling van de Aandelen is de Vennootschap. De Vennootschap is een besloten vennootschap met beperkte aansprakelijkheid naar Nederlands recht en is opgericht naar het recht van, en gevestigd in, Nederland, en haar LEI is 724500EKK22DNSV3PC23. De Vennootschap zal worden omgezet in een naamloze vennootschap voorafgaand aan de Afwikkeling (zoals hierna gedefinieerd). De Vennootschap functioneert onder Nederlands recht. De Vennootschap samen met haar dochtermaatschappijen zoals bedoeld in artikel 2:24b van het Nederlands Burgerlijk Wetboek ("**BW**") (elk afzonderlijk een "**Groepsmaatschappij**", en samen met de Vennootschap, "**CM.com**") meent dat zij een leidend wereldwijd mobiele services aanbieder is, die een unieke combinatie van *end-to-end private cloud-based* communicatie services en betalingsservices aanbiedt, gecombineerd met een portfolio van aanvullende platformfunctionaliteiten (zoals, ticketing, en de recent geïntroduceerde identity, eSignature en customer data platform services). De leidende positie en het unieke karakter van haar aanbieding is gebaseerd op het feit dat – voor zover haar bekend en gebaseerd op 20 jaar ervaring in de industrie – CM.com het eerste en tot op heden het enige bedrijf is dat services en functionaliteiten op deze manier gecombineerd aanbiedt.

Als koploper in communicatie services en recent betalingsoplossingen te hebben geïntroduceerd, richt CM.com zich op de wereldwijde "conversational commerce" markt: de markt voor services die zowel communicatieservices (WhatsApp Business, Facebook Messenger, SMS en voice oplossingen), en geïntegreerde betaalservices combineert, ongeacht het door de consument gekozen kanaal of toestel.

CM.com's volledig geïntegreerde "conversational commerce *ready*" service aanbieding, stelt klanten in staat naadloze *consumer journeys* te creëren, die de belangrijkste stappen van moderne handel bevatten, beginnend met gerichte marketingcampagnes en eindigend met gepersonaliseerde *aftersales* consumentenondersteuning, resulterend in een *omni-channel converational commerce* beleving voor de consument.

CM.com's klantenbestand omvat Tier-1 ondernemingen, overheidsinstellingen en ook kleine en middelgrote ondernemingen. Op 30 juni 2019 bestond haar klantenbestand uit ongeveer 9.322 klanten uit ongeveer 140 landen, met klanten in 41 van die landen die (per land) voor meer dan EUR 10.000 aan omzet genereren. Voor de zes maanden eindigend op 30 juni 2019 en het jaar eindigend op 31 december 2018, was de omzet van CM.com respectievelijk ongeveer EUR 44 miljoen en EUR 85 miljoen (vergeleken met ongeveer EUR 80 miljoen in het jaar eindigend op 31 december 2017 en ongeveer EUR 67 miljoen in het jaar eindigend op 31 december 2016). In de zes maanden eindigend op 30 juni 2019 leverden de segmenten Communications Platform as a Service ("**CPaaS**"), Payments, Platform en Other respectievelijk 75%, 6%, 6% en 13% op van de totale omzet van CM.com (het jaar eindigend op 31 december 2018: respectievelijk ongeveer 73%, 7%, 4%, en 16%; het jaar eindigend op 31 december 2017: respectievelijk ongeveer 71%, 4%, 4% en 21%, van de totale omzet; het jaar eindigend op 31 december 2016: respectievelijk ongeveer 64%, 0%, 5% en 31%, van de totale omzet).

De Verkopende Aandeelhouders zijn de enige houders van Aandelen (elk afzonderlijk een "**Aandeelhouder**") die 3% of meer van het aandelenkapitaal of de stemrechten van de Vennootschap bezitten op de datum van het Prospectus.

| Aandeelhouder | Bedrag van Aandelenkapitaal in Bezit Aantal / klasse van aandelen [3] | Percentage van aandelenkapitaal | Percentage stemrechten |
|---|---|---|---|
| ClubCompany1 B.V.[1] | 499 gewone aandelen en 1 prioriteitsaandeel | 50% | 50% |
| ClubCompany2 B.V.[2] | 499 gewone aandelen en 1 prioriteitsaandeel | 50% | 50% |

(1) Jeroen van Glabbeek, CEO, bestuurder en oprichter van de Vennootschap, is de enige aandeelhouder van ClubCompany1 B.V. en houdt daarom een indirect belang in de Vennootschap.

(2) Gilbert Gooijers, COO, bestuurder en oprichter van de Vennootschap, is de enige aandeelhouder van ClubCompany2 B.V. en houdt daarom een indirect belang in de Vennootschap.

(3) Iedere verwijzing in deze tabel naar "gewone aandelen" is een verwijzing naar aandelen in het kapitaal van de Vennootschap voorafgaand aan de omzetting van de gewone aandelen en de statutenwijziging van de Vennootschap.

De leden van het bestuur van de Vennootschap (het "**Bestuur**" en elk lid daarvan een "**Bestuurder**") zijn Jeroen van Glabbeek (oprichter en Chief Executive Officer) en Gilbert Gooijers (oprichter en Chief Operational Officer). De Vennootschap is momenteel bezig met de werving van een Chief Financial Officer die op een later moment na de Aanbieding plaats zal nemen in het Bestuur. De statutaire accountant van de Vennootschap is Mazars Accountants N.V.

***Wat is de essentiële financiële informatie over de uitgevende instelling?***

*Informatie Geconsolideerde Resultatenrekening*

| | Zes maanden eindigend op 30 juni | | Het jaar eindigend op 31 december | | |
|---|---|---|---|---|---|
| | 2019 | 2018 | 2018 | 2017 | 2016 |
| | (EUR '000) | | | | |
| | (niet gecontroleerd) | | (gecontroleerd, tenzij anders aangegeven) | | (niet gecontroleerd)[3] |
| Totale inkomsten | 44.308 | 42.011 | 84.617 | 79.914[1] | 66.683[1] |
| Bedrijfswinst | 451 | 545 | 797 | 1.766 | 1.551 |
| Inkomstengroei van CPaaS + Payments + Platform opeenvolgende periodes (%)[2] | 9,6 | — | 12,7 | 37,9 | — |
| Winst voor belasting | 223 | 347 | 337 | 1.346 | 1.344 |
| Brutomarge (%)[2] | 27,9 | 29,7 | 29,5 | 27,0 | 27,7 |
| Resultaat na belastingen | 55 | 263 | 196 | 1,112 | 1,274 |

(1) Niet gecontroleerd en afkomstig uit de vergelijkende financiële informatie van de Geconsolideerde Jaarrekening 2018.

(2) Niet gecontroleerd.

(3) Afkomstig uit de vergelijkende financiële informatie van de Geconsolideerde Jaarrekening 2017 tenzij anders aangegeven.

*Informatie Geconsolideerde Balans*

| | Per 30 juni | Per 31 december | | |
|---|---|---|---|---|
| | 2019 | 2018 | 2017 | 2016 |
| | (EUR '000) | | | |
| | (niet gecontroleerd) | (gecontroleerd) | | (niet gecontroleerd) |
| Totale activa | 60.747 | 50.645 | 49.232 | 31.706 |
| Totale vermogen | 7.555 | 7.500 | 7.333 | 6.758 |

*Informatie Geconsolideerd Kasstroomoverzicht*

| | Zes maanden eindigend op 30 juni | | Het jaar eindigend op 31 december | | |
|---|---|---|---|---|---|
| | 2019 | 2018 | 2018 | 2017 | 2016 |
| | (EUR '000) | | | | |
| | (niet gecontroleerd) | | (gecontroleerd) | | (niet gecontroleerd) |
| Kaststroom uit operationele activiteiten | 237 | 1.468 | 2.471 | 6.890 | 2.604 |
| Kasstroom uit investeringsactiviteiten | (1.740) | (2.346) | (4.651) | (11.487) | (3.297) |
| Kasstroom uit financieringsactiviteiten | (2.079) | (1.106) | 3.457 | 4.475 | (496) |

Het Prospectus bevat geen pro forma financiële informatie. De accountantsverklaring bevat geen voorbehouden ten aanzien van de historische financiële informatie voor de jaren eindigend op 31 december 2018, 2017 en 2016.

***Wat zijn de voornaamste risico's specifiek voor de uitgevende instelling?***

Wat volgt is een samenvatting van de belangrijkste risico's die betrekking hebben op CM.com's bedrijfssector en onderneming, bedrijfsactiviteiten en financiële situatie, gebaseerd op de waarschijnlijkheid dat die risico's zich voordoen en de verwachte omvang van de negatieve impact. Bij de totstandkoming van deze selectie (als ook met de selectie hierna met betrekking tot de belangrijkste risico's die kenmerkend zijn voor de Aandelen), heeft CM.com rekening gehouden met omstandigheden als de waarschijnlijkheid dat het risico zich voordoet op basis van de huidige stand van zaken, de potentiële impact die de verwezenlijking van het risico zou kunnen hebben op CM.com's onderneming, financiële situatie, het bedrijfsresultaat en de vooruitzichten, en de aandacht die het bestuur van CM.com op basis van de huidige verwachtingen zou moeten besteden aan deze risico's, als deze zich voordoen. Beleggers dienen alle risico factoren die als wezenlijk worden beschouwd in hun geheel te lezen, te begrijpen en in overweging te nemen alvorens te besluiten om te beleggen in de Aangeboden Aandelen.

- CM.com zou problemen kunnen ondervinden met betrekking tot haar informatietechnologie, het CM.com Platform, server-installaties en het netwerk waar haar onderneming op vertrouwt; als problemen zich voordoen, zou dat schade kunnen toebrengen aan CM.com's reputatie en wezenlijk nadelige gevolgen kunnen hebben voor haar onderneming, financiële positie, bedrijfsresultaat en vooruitzichten.
- CM.com's services moeten naadloos integreren met verschillende netwerk-, hardware-, mobiele en softwareplatformen en technologieën. Als CM.com niet in staat is ervoor te zorgen dat haar services interoperabel zijn met zulke netwerk-, hardware-, mobiele en softwareplatformen en technologieën, kan dat haar onderneming wezenlijk en negatief beïnvloeden.
- De markt voor conversational commerce services is relatief nieuw en onbewezen. Zodoende zou deze markt beperkte groei kunnen laten zien, en zouden klanten de behoefte aan of de voordelen van CM.com's geïntegreerde services, niet kunnen erkennen. Als consumentengedrag verandert, zou CM.com daarnaast niet in staat kunnen zijn zich aan te passen aan snel veranderende marktomstandigheden, wat haar onderneming en bedrijfsresultaat zou kunnen schaden.
- CM.com is voor kernelementen van haar activiteiten volledig afhankelijk van derde partijen, zoals leveranciers en dienstverleners.
- Het in gebreke zijn van klanten kan potentieel leiden tot financiële verliezen voor CM.com als gevolg van terugboekingen en restituties.
- CM.com is, als elke onderneming in de bedrijfssector, onderworpen aan cyberaanvallen. Cybercriminaliteit zou, indien daar niet juist mee wordt omgegaan, kunnen leiden tot onderbrekingen van bedrijfsactiviteiten, met als gevolg dat het CM.com Platform of technologiesystemen niet bereikbaar zijn, misbruik gemaakt kan worden van identiteitsgegevens van klanten en derde partijen, verlies van data of datalekken, resulterend in aanzienlijke juridische en financiële blootstelling, verlies van klantenrelaties en schade aan CM.com's reputatie, welke van negatieve invloed op CM.com's onderneming, financiële positie en bedrijfsresultaat kunnen zijn.
- CM.com's onderneming kan negatieve invloed ondervinden van concurrenten en druk op prijzen, die wezenlijk negatieve invloed kunnen hebben op haar onderneming, financiële positie, bedrijfsresultaten en vooruitzichten.
- CM.com is mogelijk niet succesvol in het ontplooien van nieuwe bedrijfsactiviteiten en het betreden van nieuwe markten door een gebrek aan acceptatie van de markt of door CM.com's onvermogen om voldoende omzet te genereren uit uitgebreide services of activiteiten ter compensatie van haar kosten. Regelgeving van services kan per jurisdictie verschillen waardoor naleving complex en potentieel duur kan zijn. De uitbreiding van CM.com's activiteiten vergt mogelijk significante extra investeringen en voorzieningen, die druk kunnen uitoefenen op het management van CM.com en financieringsmiddelen.
- CM.com opereert internationaal en wordt geconfronteerd met verschillende juridische- risico's en nalevingsrisico's in de landen waar zij opereert. Het juridische en regelgevende omgeving met betrekking tot CM.com's onderneming is voortdurend in ontwikkeling en kan onderhavig zijn aan significante verandering. Naleving kan moeilijk zijn en kan significant kapitaal en uitgaven vereisen, en het kan een impact hebben op de manier waarop CM.com haar services aanbiedt. CM.com kan ook blootgesteld worden aan risico's voortkomend uit regelgeving die impact heeft op haar klanten. Bovendien, de toenemende complexiteit van en hoeveelheid regelgeving kunnen grotere uitgaven vereisen, het kan van CM.com's werkmaatschappij payment services vragen met meer eigen vermogen te worden gefinancierd, of het kan significante aanpassingen van haar services en activiteiten vereisen. Een materiele wijziging in toepasselijke wetten en regelgeving, of in de interpretatie of handhaving, kan van CM.com vereisen haar ondernemingsstrategie aan te passen, wat kan leiden tot aanvullende kosten of omzetverlies.
- CM.com is onderhavig aan het kredietrisico – het risico dat verschuldigde bedragen niet worden (terug)betaald – van haar klanten en financiële instellingen die wederpartij zijn. In het bijzonder, als een of meer van CM.com's klanten in financiële moeilijkheden of zelfs in faillissement verkeert, kan CM.com niet in staat zijn om uitstaande bedragen te innen, wat kan resulteren in afschrijvingen van dergelijke vorderingen. Het risico dat een wederpartij in gebreke is of haar verbintenis niet kan nakomen kan groter worden tijdens economische achteruitgang en perioden van onzekerheid op de financiële markten.
- De Verkopende Aandeelhouders blijven ook na de Aanbieding in een positie waarin zij aanzienlijke invloed kunnen uitoefenen op de Vennootschap, inclusief middels het uitoefenen van rechten als leden van de Oprichterscommissie, en hun belangen komen mogelijk niet overeen met die van de andere Aandeelhouders van de Vennootschap.

**Sectie C – Essentiële Informatie over de Effecten**

***Wat zijn de hoofdkenmerken van de effecten?***

Zodra de Vennootschap is omgezet in een naamloze vennootschap en haar statuten zijn gewijzigd, zullen de Aandelen, gewone aandelen in het geplaatste aandelenkapitaal van de Vennootschap zijn met een nominale waarde van EUR 0,04 per aandeel. Het ISIN van de Aandelen is NL0013746431. De Aangeboden Aandelen worden verhandeld in euro's. De Vennootschap zal een dusdanig aantal Nieuw Aangeboden Aandelen aanbieden om een bruto opbrengst van circa EUR 100 miljoen te behalen. De Verkopende Aandeelhouders bieden in totaal maximaal 500.000 Bestaande Aangeboden Aandelen aan, Overtoewijzingsaandelen (zoals hieronder gedefinieerd) daar niet onder begrepen. Als de Overtoewijzingsoptie niet wordt uitgeoefend en gebaseerd op een Aanbiedingsprijs aan de onderkant van de Bandbreedte van de Aanbiedingsprijs (allen termen zoals hieronder gedefinieerd), maken de Aangeboden Aandelen niet meer dan 37,4% uit van de uitgegeven Aandelen. Als de Overtoewijzingsoptie volledig wordt uitgeoefend en gebaseerd op een Aanbiedingsprijs aan de onderkant van de Bandbreedte van de Aanbiedingsprijs, maken de Aangeboden Aandelen niet meer dan 43,0% uit van de uitgegeven Aandelen.

Elke verwijzing hieronder naar "**Statuten**" is een verwijzing naar de statuten van de Vennootschap zoals deze luiden na omzetting in een naamloze vennootschap. Op de Aandelen rust een dividendrecht. Het dividendbeleid van de Vennootschap is om toekomstige winsten voor de nabije toekomst aan te wenden voor het bevorderen van de groei en ontwikkeling van de bedrijfsactiviteiten van de Vennootschap en de Vennootschap verwacht daarom in de nabije toekomst geen dividend uit te keren aan haar Aandeelhouders.

Elk Aandeel geeft het recht op het uitbrengen van één stem tijdens de algemene vergadering van de Vennootschap (de "**Algemene Vergadering**"). Het stemrecht is niet aan beperkingen onderhevig.

Bij de uitgifte van Aandelen of het verlenen van een recht tot het nemen van Aandelen, wordt aan elke Aandeelhouder een voorkeursrecht toegekend in verhouding tot de nominale waarde van zijn of haar totale aandelenbezit. Het voorkeursrecht geldt niet ten aanzien van Aandelen die worden uitgegeven (i) aan werknemers van de Vennootschap of van een Groepsmaatschappij; (ii) tegen betaling anders dan in geld; en (iii) aan personen die een eerder toegekend recht tot het nemen van Aandelen uitoefenen.

De Algemene Vergadering kan op voorstel van het Bestuur en met goedkeuring van de raad van commissarissen van de Vennootschap (de "**Raad van Commissarissen**") besluiten het voorkeursrecht te beperken of uit te sluiten.

Per datum van het Prospectus, oefenen de oprichters van de Vennootschap Jeroen van Glabbeek en Gilbert Gooijers (de "**Oprichters**") zeggenschap uit over de Vennootschap door rechten die aan hen zijn toegekend als houders van prioriteitsaandelen. Zij houden ook alle uitgegeven aandelen in de Vennootschap en zijn lid van het Bestuur voor onbepaalde tijd. Ze mogen alleen ontslagen worden met door een besluit van de Algemene Vergadering met een twee/derde meerderheid van de uitgebrachte stemmen die meer dan de helft van het geplaatste kapitaal vertegenwoordigt.

Gezien de wens van de Oprichters om zo lang mogelijk hun actieve bestuursfunctie bij de Vennootschap uit te oefenen na de Aanbieding, en de langetermijnstrategie van de Vennootschap ten uitvoer te brengen en te waarborgen, is besloten de prioriteitsaandelen van de Vennootschap te ontmantelen en een oprichterscommissie te installeren met de Oprichters als enige leden van die commissie (de "**Oprichterscommissie**").

De Oprichterscommissie is een orgaan van de Vennootschap. De Oprichterscommissie is ingesteld om te waarborgen dat de Oprichters actief betrokken kunnen blijven bij de Vennootschap. De rechten van de Oprichterscommissie zullen alleen worden uitgeoefend, als en wanneer, zeker gesteld dient te worden dat de Oprichters actief betrokken kunnen blijven bij de Vennootschap. De Oprichterscommissie zal bestaan uit de twee leden, zijnde de Oprichters, en wordt uiterlijk geïnstalleerd op de Afwikkelingsdatum. De Oprichterscommissie blijft geïnstalleerd als het tenminste één lid heeft. Zo lang als de Oprichterscommissie is geïnstalleerd, heeft de Oprichterscommissie het recht (i) het besluit om het aantal Bestuursleden en leden van de Raad van Commissarissen goed te keuren; (ii) de voorzitter van de Raad van Commissarissen te benoemen of te vervangen en (iii) ten hoogste 1/3 van de leden van de Raad van Commissarissen rechtstreeks te benoemen, te schorsen en te ontslaan. Daarnaast zal een besluit van de Algemene Vergadering om (a) de Statuten te wijzigen, (b) een juridische fusie goed te keuren, (c) een juridische splitsing goed te keuren, (d) enige andere vorm van herstructurering goed te keuren indien een dergelijke herstructurering een besluit van de Algemene Vergadering vereist (met inbegrip van – maar niet beperkt tot – de omzetting van de rechtsvorm van de Vennootschap) of (e) de Vennootschap te ontbinden, voorafgaande goedkeuring van Oprichterscommissie vereisen, met dien verstande dat een besluit tot statutenwijziging alleen de voorafgaande goedkeuring van de Oprichterscommissie vereist als het besluit tot gevolg heeft dat de rechten toebehorend aan de Oprichterscommissie worden gewijzigd, verminderd of anderszins geschaad. Een Oprichter is "actief betrokken" als en voor zolang hij (i) een Bestuurder is, (ii) een lid van de Raad van Commissarissen is of (iii) een andere functie bekleedt binnen de Vennootschap of binnen een Groepsmaatschappij op basis van een overeenkomst met de Vennootschap of een Groepsmaatschappij en indien een dergelijke functie van betekenis is, waarde toevoegt en direct of indirect bijdraagt aan de Vennootschap, onder de voorwaarde dat een dergelijke overeenkomst expliciet bepaalt dat de Oprichter als actief betrokken wordt beschouwd.

De Statuten bevatten geen beperkingen ten aanzien van de overdraagbaarheid van de Aandelen. De Aanbieding aan personen die zich bevinden of woonachtig zijn in of die inwoner zijn van, of die staan geregistreerd op een adres in een ander land dan Nederland, alsook de overdracht van Aangeboden Aandelen naar een ander rechtsgebied dan het Nederlandse kan aan specifieke regels en beperkingen onderworpen zijn.

In het geval van faillissement zijn de vorderingen van houders van Aandelen achtergesteld aan vorderingen van crediteuren van de Vennootschap. Dit houdt in dat beleggers hun gehele inleg of een deel daarvan kunnen kwijtraken.

***Waar zullen de effecten worden verhandeld?***

Er is een aanvraag ingediend voor de notering van alle Aandelen onder het symbool "CMCOM" aan Euronext Amsterdam. Afhankelijk van eventuele inkorting of verlenging van het tijdschema van de Aanbieding, wordt verwacht dat de handel in de Aandelen aan Euronext Amsterdam zal beginnen, op een as-if-when-issued/delivered-basis, op of omstreeks 11 oktober 2019 (de "**Eerste Handelsdag**"). Er bestaat voorafgaand aan de Aanbieding geen openbare markt voor de Aandelen. Het ISIN van de Aandelen is NL0013746431.

***Wat zijn de voornaamste risico's specifiek voor de effecten?***

Wat volgt is een samenvatting van de belangrijkste risico's die betrekking hebben op de Aandelen:

- Of in de toekomst dividend wordt uitgekeerd, hangt af van de bedrijfsresultaten en de financiële positie van de Vennootschap alsook van de uitkeringen aan de Vennootschap door haar werkmaatschappijen.
- De marktprijs van Aandelen kan nadelig worden beïnvloed door toekomstige uitgiftes door de Vennootschap van Aandelen, obligaties schuldinstrumenten of andere effecten die converteerbaar zijn in Aandelen, of de toekomstige verkoop van een substantieel aantal Aandelen door de Verkopende Aandeelhouders of de verwachting dat dit gaat gebeuren. Enige toekomstige uitgifte van Aandelen kan het aandelenbezit van bestaande Aandeelhouders verwateren.
- De Aandelen zijn niet eerder op de publieke markt verhandeld. Aangezien de Nieuw Aangeboden Aandelen slechts 29,6% van het totale uitgegeven gewone aandelenkapitaal bedraagt (na uitgifte en zonder inachtneming van de Overtoewijzingsoptie), is de absolute waarde van de marktkapitalisatie die beschikbaar is voor handel relatief klein en er bestaat geen enkele garantie dat er een actieve en liquide markt voor de Aandelen ontstaat.
- De marktprijs van de Aandelen van de Vennootschap kan sterk fluctueren en het risico bestaat dat beleggers hun gehele inleg of een deel daarvan kwijtraken.

**Sectie D – Essentiële Informatie over de Aanbieding van Effecten aan het Publiek en/of de Toelating tot de Handel op een Gereglementeerde Markt**

***Volgens welke voorwaarden en welk tijdschema kan ik in dit effect beleggen?***

*De Aanbieding*

De Vennootschap zal een dusdanig aantal Nieuw Aangeboden Aandelen aanbieden om een bruto opbrengst van circa EUR 100 miljoen te behalen en de Verkopende Aandeelhouders bieden in totaal maximaal 500.000 Bestaande Aangeboden Aandelen aan. Overtoewijzingsaandelen daaronder niet begrepen (zoals hieronder gedefinieerd). De Aanbieding bestaat uit: (i) een openbare aanbieding in Nederland aan institutionele en particuliere beleggers en (ii) een onderhandse plaatsing bij bepaalde institutionele beleggers in verschillende andere jurisdicties. De Aangeboden aandelen zijn niet, en worden niet, geregistreerd onder de U.S. Securities Act of bij enige effectentoezichthouder van enige staat van de Verenigde Staten van Amerika (de "**VS**"). De Aangeboden Aandelen worden aangeboden of verkocht: (i) in de VS aan personen van wie in redelijkheid kan worden gemeend dat zij *qualified institutional buyers* zijn, zoals gedefinieerd in, en gestoeld op Rule 144A of krachtens een andere uitzondering van, of in een transactie niet onderhavig aan, het registratievereiste van de *US Securities Act of 1933*, zoals gewijzigd (de "**US Securities Act**"), en toepasselijke effectenwetgeving, en (ii) aan institutionele beleggers in verschillende jurisdicties buiten de VS, in "*offshore transactions*" zoals gedefinieerd in, en met inachtneming van *Regulation S* van de *US Securities Act*. De Aanbieding vindt uitsluitend plaats in die jurisdicties waarin en uitsluitend aan personen aan wie de Aanbieding rechtsgeldig mag worden gedaan.

*Overtoewijzingsoptie*

De Verkopende Aandeelhouders hebben de Joint Global Coordinators (zoals hierna gedefinieerd), namens de Underwriters (zoals hierna gedefinieerd), een Overtoewijzingsoptie toegekend (de "**Overtoewijzingsoptie**"), die tot 30 kalenderdagen na de Eerste Handelsdag kan worden uitgeoefend, en op grond waarvan de Stabilisatiemanager (zoals hierna gedefinieerd) van de Verkopende Aandeelhouders kan eisen dat deze tegen de aanbiedingsprijs per Aangeboden Aandeel (de "**Aanbiedingsprijs**") maximaal 1.075.000 additionele Aandelen (de "**Overtoewijzingsaandelen**") verkopen, die maximaal 15% uitmaken van het totaal aantal Aangeboden Aandelen dat in de Aanbieding wordt verkocht om eventuele overtoewijzingen of short posities in verband met de Aanbieding te dekken.

*Aanbiedingsperiode*

Potentiële institutionele beleggers kunnen zich inschrijven op Aangeboden Aandelen vanaf 9:00 Midden-Europese Tijd ("**CET**") op 30 september 2019 tot 14:00 CET op 10 oktober 2019 en Nederlandse Particuliere Beleggers (zoals hierna gedefinieerd) kunnen zich inschrijven op Aangeboden Aandelen vanaf 9:00 CET op 30 september 2019 tot 17:30 CET op 9 oktober 2019 (de "**Aanbiedingsperiode**"). Het tijdschema voor de Aanbieding kan worden ingekort of worden verlengd.

*Aanbiedingsprijs en Aantal Aangeboden Aandelen*

De Aanbiedingsprijs ligt naar verwachting in een bandbreedte van EUR 15,00 en EUR 19,00 per Aangeboden Aandeel (de "**Bandbreedte van de Aanbiedingsprijs**"). De Aanbiedingsprijs en het daadwerkelijk aangeboden aantal Aangeboden Aandelen zullen worden bepaald op basis van een *bookbuilding* proces. De Aanbiedingsprijs kan worden vastgesteld binnen, boven of onder de Bandbreedte van de Aanbiedingsprijs. De Aanbiedingsprijs, het daadwerkelijke aantal te verkopen Aangeboden Aandelen en het maximale aantal van de Overtoewijzingsaandelen worden vermeld in een prijsverklaring. Die prijsverklaring wordt bekendgemaakt in een persbericht dat tevens wordt gepubliceerd op de website van de Vennootschap en wordt ingediend bij de Stichting Autoriteit Financiële Markten (de "**AFM**").

De Bandbreedte van de Aanbiedingsprijs kan worden veranderd. Het maximum aantal Aangeboden Aandelen kan worden verhoogd of verlaagd voorafgaand aan de toewijzing van de Aangeboden Aandelen (de "**Toewijzing**"). Een verhoging van de bovengrens van de Bandbreedte van de Aanbiedingsprijs op de laatste dag van de Aanbiedingsperiode, of de bepaling van een Aanbiedingsprijs boven de Bandbreedte van de Aanbiedingsprijs, zal resulteren in een verlenging van de Aanbiedingsperiode met ten minste twee werkdagen. Een verhoging van de bovengrens van de Bandbreedte van de Aanbiedingsprijs op de dag voorafgaand aan de laatste dag van de Aanbiedingsperiode zal resulteren in een verlenging van de Aanbiedingsperiode met ten minste één werkdag. Indien de Aanbiedingsperiode voor Nederlandse Particuliere Beleggers (zoals hieronder gedefinieerd) al is afgesloten, zal de Aanbiedingsperiode voor Nederlandse Particuliere Beleggers worden heropend. Op deze manier hebben alle beleggers, met inbegrip van Nederlandse Particuliere Beleggers, in dat geval ten minste twee werkdagen om hun inschrijvingen te heroverwegen. Een aanpassing van het aantal Aangeboden Aandelen of de Bandbreedte wordt bekendgemaakt door middel van een persbericht dat tevens op de website van de Vennootschap wordt gepubliceerd.

*Toewijzing*

Toewijzing van de Aangeboden Aandelen aan de beleggers die zich hebben ingeschreven, vindt naar verwachting plaats na de beëindiging van de Aanbiedingsperiode op of omstreeks 10 oktober 2019, behoudens eventuele inkorting of verlenging van het tijdschema voor de Aanbieding. Toewijzing van Aangeboden Aandelen wordt bepaald, na overleg met de Joint Global Coordinators, door de Vennootschap en de Verkopende Aandeelhouders die geheel naar eigen inzicht kunnen bepalen of en hoe de Aangeboden Aandelen worden toegewezen. Er is geen minimum of maximum aantal Aangeboden Aandelen waarop toekomstige beleggers kunnen inschrijven en het is toegestaan om meerdere (aanvragen voor) inschrijvingen in te dienen. Ingeval op meer Aandelen wordt ingeschreven dan Aandelen worden aangeboden, kunnen beleggers minder Aangeboden Aandelen ontvangen dan waarop zij hebben ingeschreven.

*Preferente toewijzing aan particuliere beleggers*

In aanmerking komende particuliere beleggers in Nederland hebben voorrang bij het toekennen van de Aangeboden Aandelen, in overeenstemming met toepasselijke wet- en regelgeving (de "**Preferente Toewijzing aan Particuliere Beleggers**"). Aan elke in aanmerking komende particuliere belegger in Nederland (een "**Nederlandse Particuliere Belegger**") worden de eerste 250 (of minder) Aangeboden Aandelen toegewezen waarop hij heeft ingeschreven. Als het totaal aantal Aangeboden Aandelen waarop Nederlandse Particuliere Beleggers hebben ingeschreven meer bedraagt dan 10% van het totaal aantal Aangeboden Aandelen, ervan uitgaande dat de Overtoewijzingsoptie niet wordt uitgeoefend, kan de preferente toewijzing aan elke Nederlandse Particuliere Belegger verhoudingsgewijs worden verlaagd tot de eerste 250 (of minder) Aangeboden Aandelen waarop de betreffende belegger heeft ingeschreven. Dit houdt in dat aan Nederlandse Particuliere Beleggers mogelijk niet alle eerste 250 (of minder) Aangeboden Aandelen waarop zij hebben ingeschreven worden toegewezen. Het exacte aantal Aangeboden Aandelen dat wordt toegewezen aan Nederlandse Particuliere Beleggers wordt vastgesteld na afloop van de Aanbiedingsperiode. Nederlandse Particuliere Beleggers kunnen alleen bestens inschrijven. Dit betekent dat Nederlandse Particuliere Beleggers verplicht zijn tot koop en betaling van Aangeboden Aandelen zoals vermeld in hun aanvraag, voor zover deze aan hen zijn toegewezen, voor de Aanbiedingsprijs, zelfs als de Bandbreedte van de Aanbiedingsprijs is veranderd.

Om in aanmerking te komen voor Preferente Toewijzing aan Nederlandse Particuliere Beleggers, moeten Nederlandse Particuliere Beleggers hun inschrijving indienen tussen 9:00 CET op 30 september 2019 en 17:30 CET op 9 oktober 2019 via financiële tussenpersonen. Financiële tussenpersonen kunnen verschillende deadlines toepassen voor de inschrijving voor het einde van de Aanbiedingsperiode. ABN AMRO Bank N.V., de Retail Coördinator (zoals hierna gedefinieerd), bundelt alle door Nederlandse Particuliere Beleggers bij financiële tussenpersonen ingediende inschrijvingen en stelt de Joint Global Coordinators daarvan in kennis.

*Betaling*

Het voor de Aangeboden Aandelen verschuldigde bedrag dient te worden voldaan (in euro's) en de Aangeboden Aandelen worden geleverd op de afwikkelingsdatum, die naar verwachting 15 oktober 2019 zal zijn (de "**Afwikkelingsdatum**"). Mogelijke verschuldigde belastingen en kosten zijn voor rekening van de belegger. Daarnaast kunnen financiële tussenpersonen hun Nederlandse Particuliere Beleggers kosten in rekening brengen. Beleggers dienen de Aanbiedingsprijs op of voor de Afwikkelingsdatum (of eerder ingeval de Aanbiedingsperiode eerder sluit en vaststelling van de prijs en toewijzing worden vervroegd en de handel en Afwikkeling eerder begint) volledig te voldoen in onmiddellijk beschikbare middelen in euro's.

*Levering van Aandelen*

De Aangeboden Aandelen worden giraal geleverd met gebruikmaking van de faciliteiten van het Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. Indien de Afwikkeling niet zoals gepland plaatsvindt op de Afwikkelingsdatum, of helemaal niet plaatsvindt, kan de Aanbieding worden ingetrokken. In dat geval worden alle inschrijvingen op Aangeboden Aandelen als niet gedaan beschouwd, worden alle toewijzingen geacht niet te hebben plaatsgevonden en worden eventueel bij de inschrijving betaalde gelden geretourneerd, zonder rente of andere vergoeding. Alle handel in Aandelen voorafgaand aan de Afwikkeling vindt plaats voor het uitsluitende risico van de betrokken partijen.

*Underwriters*

ABN AMRO Bank N.V. ("**ABN AMRO**") en Jefferies International Limited treden op als joint global coordinators (de "**Joint Global Coordinators**") en, tezamen met Coöperatieve Rabobank U.A. als de joint bookrunners (de "**Joint Bookrunners**"). NIBC Bank N.V. treedt op als co-lead manager (de "**Co-lead Manager**"). De Joint Global Coordinators, de Joint Bookrunners en de Co-lead Manager treden op als underwriters (de "**Underwriters**").

*Noteringsagent en betaalkantoor*

ABN AMRO treedt op als noteringsagent en betaalkantoor met betrekking tot de Aandelen aan Euronext Amsterdam.

*Retail Coördinator*

ABN AMRO treedt op als retail coördinator (de "**Retail Coördinator**") met betrekking tot de Preferente Toewijzing aan Particuliere Beleggers.

*Stabilisatiemanager*

ABN AMRO treedt op als stabilisatiemanager (de "**Stabilisatiemanager**") met betrekking tot de Aandelen aan Euronext Amsterdam.

*Tijdschema*

Behoudens inkorting of verlenging van het tijdschema voor de Aanbieding, of intrekking van de Aanbieding, bevat het tijdschema hieronder bepaalde verwachte belangrijke data voor de Aanbieding.

| **Gebeurtenis** | **Verwachte datum** | **Tijd CET** |
|---|---|---|
| Start van de Aanbiedingsperiode | 30 september 2019 | 9:00 |
| Einde van de Aanbiedingsperiode voor Nederlandse Particuliere Beleggers | 9 oktober 2019 | 17:30 |
| Einde van de Aanbiedingsperiode voor institutionele beleggers | 10 oktober 2019 | 14:00 |
| Pricing and Toewijzing | 10 oktober 2019 | |
| Aanvang handel op een "as-if-and-when-issued/delivered" basis op Euronext Amsterdam | 11 oktober 2019 | 9:00 |
| Afwikkeling (betaling en levering) | 15 oktober 2019 | 9:00 |

De data, tijden en periodes zoals opgenomen in het tijdschema en in het Prospectus kunnen worden aangepast. Als dat het geval is, zal dat worden bekendgemaakt door middel van een persbericht dat tevens op de website van de Vennootschap zal worden gepubliceerd. Elke andere wezenlijke wijziging zal worden bekendgemaakt door middel van een persbericht dat tevens op de website van de Vennootschap zal worden gepubliceerd en (indien nodig) in een supplement van het Prospectus dat onderhavig is aan goedkeuring van de AFM.

Een verlenging van het tijdschema voor de Aanbieding zal ten minste drie uur voor het einde van de oorspronkelijke Aanbiedingsperiode worden bekendgemaakt in een persbericht, voor zover de verlenging ten minste één volledige dag bedraagt. Een inkorting van het tijdschema voor de Aanbieding zal ten minste drie uur voor het einde van de ingekorte Aanbiedingsperiode worden bekendgemaakt in een persbericht. In elk geval zal de Aanbiedingsperiode minimaal zes werkdagen bedragen.

*Verwatering*

Het stembelang van de huidige Aandeelhouders zal verwateren als gevolg van de uitgifte van de Nieuwe Aangeboden Aandelen (exclusief de verkoop van de Bestaande Aangeboden Aandelen). Deze Aandeelhouders zullen als gevolg van de uitgifte van de Nieuwe Aangeboden Aandelen een maximale verwatering ondervinden van circa 34,8%, bij een uitgifte van 6.666.667 Nieuwe Aangeboden Aandelen.

*Geschatte kosten*

De geschatte kosten, commissies en belastingen verschuldigd door de Vennootschap bedragen circa EUR 6.3 miljoen en de door de Verkopende Aandeelhouders verschuldigde kosten bedragen circa EUR 0.9 miljoen. De Vennootschap of de Verkopende Aandeelhouders brengen de beleggers geen kosten in rekening in verband met de Aanbieding.

***Waarom wordt dit prospectus opgesteld?***

*Redenen voor de Aanbieding en bestemming van de opbrengsten*

Met de Aanbieding wordt verwacht dat de Vennootschap van aanvullend kapitaal wordt voorzien, ter ondersteuning en ontwikkeling van verdere groei, en versterking van haar bedrijfsactiviteiten. Daarnaast meent de Vennootschap dat de aanbieding van Nieuw Aangeboden Aandelen haar financiële positie verstevigt doordat het haar in staat stelt haar uitstaande schuld terug te betalen. De Vennootschap verwacht dat de notering een nieuwe aandeelhoudersbasis voor de lange termijn creëert alsook liquiditeit voor de bestaande Aandeelhouders. De Aanbieding is er ook op gericht CM.com in staat te stellen om het bestaande en toekomstige bestuur en personeel in hogere functies te belonen/stimuleren, en door te gaan met het aantrekken van individuen van hoog kaliber.

De Vennootschap zal geen opbrengsten ontvangen uit de verkoop door de Verkopende Aandeelhouders van de Bestaande Aangeboden Aandelen en/of de Overtoewijzingsaandelen. De Vennootschap zal uitsluitend opbrengsten ontvangen van de verkoop van Nieuw Aangeboden Aandelen. De Vennootschap streeft naar een bruto opbrengst van ongeveer EUR 100 miljoen. Na aftrek van de met de Aanbieding samenhangende geschatte kosten, commissies en belastingen die de Vennootschap verschuldigd is (gebaseerd op een Aanbiedingsprijs op het midden van de Bandbreedte van de Aanbiedingsprijs en uitgaande van de verkoop van het maximale aantal Nieuw Aangeboden Aandelen door de Vennootschap), verwacht de Vennootschap uit de Aanbieding een netto opbrengst te ontvangen van circa EUR 93.7 miljoen.

De Vennootschap is voornemens om de verwachte netto opbrengst van de verkoop van Nieuw Aangeboden Aandelen ten dele als volgt aan te wenden:

(i) circa EUR 23 miljoen voor het terugbetalen van het uitstaande bedrag onder de kredietovereenkomst met ABN AMRO, uitstaande bedragen onder de ABN AMRO overdraft facility, de kredietfaciliteit met de Europese Investeringsbank (de "**EIB Faciliteit**"), en het terugkopen van uitstaande *warrants* in de context van de EIB Faciliteit;

(ii) circa 55% van de netto opbrengst nadat de schuld is terugbetaald en de *warrants* zijn teruggekocht voor de financiering van investeringen voor de groei van de Vennootschap, waaronder door fusies en overnames, en geografische uitbreiding en uitbreiding van services (inclusief sales en marketing); en

(iii) circa 45% van de netto opbrengst nadat de schuld is terugbetaald en de *warrants* zijn teruggekocht voor de financiering van investeringen in onderzoek en ontwikkeling en het CM.com Platform.

Het restant van de netto opbrengst zal naar verwachting worden gebruikt om de Vennootschap extra flexibiliteit te geven voor algemene bedrijfsdoeleinden van de Vennootschap.

*Underwriting overeenkomst*

De Vennootschap, de Verkopende Aandeelhouders, en de Underwriters zullen op of omstreeks 30 september 2019 een underwriting overeenkomst aangaan (de "**Underwriting Overeenkomst**"). Na het aangaan van een pricing overeenkomst tussen de Vennootschap, de Verkopende Aandeelhouder en de Underwriters op of omstreeks 10 oktober 2019 (de "**Pricing Overeenkomst**"), welke een voorwaarde is voor de verplichting van de Underwriters onder de Underwriting Overeenkomst en onder de bedingen van en met inachtneming van de bepalingen in de Underwriting Overeenkomst, zullen de Underwriters er ieder afzonderlijk mee akkoord gaan om zich redelijkerwijs in te spannen om inschrijvers aan te brengen voor de Aangeboden Aandelen tegen de Aanbiedingsprijs of zelf op deze Aangeboden Aandelen in te schrijven en te kopen als daarop is ingeschreven maar niet is betaald. De Verkopende Aandeelhouders en de Vennootschap zullen overeenkomen de Aangeboden Aandelen te verkopen of uit te geven tegen de Aanbiedingsprijs aan inschrijvers die de Underwriters hebben aangebracht, of aan de Underwriters zelf als op de Aangeboden Aandelen is ingeschreven maar niet is betaald.

De Underwriting Overeenkomst bepaalt dat de verplichtingen van de Underwriters om zich redelijkerwijs in te spannen om inschrijvers voor de Aangeboden Aandelen tegen de Aanbiedingsprijs te vinden, of zelf op deze Aangeboden Aandelen in te schrijven en te kopen als daarop is ingeschreven maar niet is betaald, is onderworpen aan de volgende voorwaarden: (i) ondertekening van documenten met betrekking tot de Aanbieding, en dat die documenten en de goedkeuring van de AFM van het Prospectus, inclusief supplementen en wijzigingen, van kracht en geldig zijn, (ii) de pricing overeenkomst is overeengekomen, (iii) ontvangst van comfort letters van de accountant, (iv) ontvangst van gebruikelijke opinions van juridische adviseurs, (v) dat de gebruikelijke certificaten van functionarissen zijn verkregen, (vi) de Aandelen staan uiterlijk om 09:00 uur CET op de Eerste Handelsdag genoteerd en worden verhandeld aan Euronext Amsterdam, (vii) de aandelen zijn geaccepteerd voor girale overdracht door Euroclear Nederland op de Afwikkelingsdatum (viii) de afwezigheid van materiële negatieve wijzigingen of enige materiele ontwikkeling inhoudende een prospectieve wijziging in, of effect hebbende op, de algemene gang van zaken, bedrijfsactiviteiten, toestand (financieel of anderszins), bedrijfsresultaten, eigendommen, activa, liquiditeit, solvabiliteit of vooruitzichten, of op de financiële markten vanaf de datum van de Underwriting Overeenkomst, (ix) de share lending overeenkomst is overeengekomen, (x) de lock-up verplichtingen zijn aangegaan en van kracht, en (xi) bepaalde andere gebruikelijke voorwaarden, waaronder, met betrekking tot de juistheid van verklaringen en garanties van de Vennootschap en de Verkopende Aandeelhouders, en de naleving door de Vennootschap en de Verkopende Aandeelhouders van de voorwaarden van de Underwriting Overeenkomst en de overeenkomst met de noteringsagent en betaalkantoor.

De Underwriters hebben het recht de Underwriting Overeenkomst te beëindigen, indien zich bepaalde specifieke gebeurtenissen voordoen, zoals het niet voldoen aan de voorwaarden.

*Belangrijkste tegenstrijdige belangen*

Bepaalde Underwriters en/of sommige van de met hen verbonden ondernemingen zijn op dit moment, of waren in het verleden, betrokken bij en kunnen in de toekomst van tijd tot tijd betrokken worden bij, het verlenen van verschillende commerciële bankdiensten, investeringsbankdiensten en financieel advies of andere diensten in de normale uitoefening van hun bedrijfsvoering aan de Vennootschap en/of de Verkopende Aandeelhouders of aan hen verbonden ondernemingen. De Underwriters hebben of zullen gebruikelijke vergoedingen en commissies voor deze transacties en diensten ontvangen. De Vennootschap is met ABN AMRO Bank N.V. een kredietfaciliteit aangegaan. Daarnaast kunnen de Underwriters, in de normale uitoefening van hun bedrijfsvoering, in de toekomst effecten van de Vennootschap houden voor beleggingsdoeleinden. In verband met het voorgaande wordt het uitwisselen van informatie om redenen van vertrouwelijkheid in zijn algemeen beperkt door interne procedures of door wet- en regelgeving. Het is mogelijk dat de belangen van de Underwriters als gevolg van het optreden in de hoedanigheden zoals hierboven beschreven niet gelijk zijn, of zelfs tegenstrijdig kunnen zijn, aan die van beleggers of de Vennootschap.

# RISK FACTORS

*Before investing in the Shares, prospective investors should carefully consider the risks and uncertainties described below, together with the other information contained or incorporated by reference in this Prospectus. The occurrence of any of the events or circumstances described in these risk factors, individually or together with other circumstances, could have a material adverse effect on CM.com's (as defined below) business, results of operations, financial condition and prospects. In that event, the value of the Shares could decline, and an investor might lose part or all of its investment.*

*All of these risk factors and events are contingencies, which may or may not occur. The Company together with its subsidiaries within the meaning of article 2:24b of the Dutch Civil Code ("**BW**") (each a "**Group Company**", and together with the Company, "**CM.com**") may face a number of these risks described below simultaneously, and one or more risks described below may be interdependent. In accordance with Article 16 of Regulation (EU) 2017/1129, the most material risk factors have to be presented first in each category. The order of categories in which risks are presented and order of subsequent risk factors in each category is not necessarily an indication of the likelihood of the risks actually materializing, of the potential significance of the risks to CM.com, or of the scope of any potential harm to the business, results of operations, financial condition and prospects of CM.com.*

*In selecting and ordering the risk factors, CM.com has considered circumstances such as the probability of the risk materializing on the basis of the current state of affairs, the potential impact which the materialization of the risk could have on CM.com's business, financial condition, results of operations and prospects, and the attention that management of CM.com would, on the basis of current expectations, have to devote to these risks if they were to materialize.*

*The risk factors are based on assumptions that could turn out to be incorrect. Furthermore, although CM.com believes that the risks and uncertainties described below are the material risks and uncertainties concerning CM.com's business and the Shares, they are not the only risks and uncertainties relating to CM.com and the Shares. Other risks, facts or circumstances not presently known to CM.com, or that CM.com currently deems to be immaterial, could, individually or cumulatively, prove to be important and could have a material adverse effect on CM.com's business, results of operations, financial condition and prospects. The value of the Shares could decline as a result of the occurrence of any such risks, facts or circumstances, or as a result of the events or circumstances described in these risk factors, and investors could lose part or all of their investment.*

*Prospective investors should carefully read the entire Prospectus and should reach their own views before making an investment decision with respect to any Shares. Furthermore, before making an investment decision with respect to any Shares, prospective investors should consult their own stockbroker, bank manager, lawyer, auditor or other financial, legal and tax advisers, and carefully review the risks associated with an investment in the Shares and consider such an investment decision in light of their personal circumstances.*

## Risks Relating to CM.com's Industry and Business

***The market for CM.com's conversational commerce services is relatively new and unproven, and may experience limited growth, and Customers may not recognize the need for, or the benefits of, CM.com's integrated services. In addition, CM.com may not be able to adapt to rapidly changing market conditions if consumer behavior changes, and its business and results of operations may suffer as a result.***

The Group offers a combination of end-to-end private cloud-based (*i.e.*, provided over private IT infrastructure) communication and payments services, combined with a portfolio of platform features. The business of CM.com has, over the years, evolved from an SMS services supplier to a full-service end-to-end and private cloud-based provider of omni-channel communication services and payment services, combined with a portfolio of platform features (*e.g.*, ticketing, identity, eSignature and customer data platform services). These platform features leverage the communication and payment capacities of CM.com's private cloud-based platform (the "**CM.com Platform**") (see also "Business—Services").

The core services of CM.com, communication services (*i.e.*, messaging and voice) and payments services, are all mature services in established markets. The offering of a combination of these services, with a portfolio of platform features is relatively new. CM.com believes that its future conversational commerce (as described in "Business—Overview") success will depend in large part on the growth, if any, and the continuation of the application-to-person ("**A2P**") SMS messaging market (*i.e.*, the market in which SMS is used for commercial reasons), and on the success of conversational commerce services. CM.com believes that consumers will continue to carry and use mobile phones in the foreseeable future, and that messaging will continue to be an important communication channel among consumers and increasingly between businesses and consumers. However, the conversational commerce market may not develop as expected or CM.com may not be able to adapt to rapidly changing market conditions if consumer behavior should change. For example, consumer demand for Premium SMS and Direct Content Billing is decreasing, and may decrease more quickly than expected. This could lead to a reduction in CM.com revenue. In addition, (large) corporate enterprises, government agencies, non-profit organizations and educational institutions (collectively, the "**Customers**") may not recognize the need for, or the benefits of, CM.com's integrated services. If they do not recognize the need for and the benefits of CM.com's integrated services offering via one CM.com Platform, they may decide to adopt alternative services or use single services via the CM.com Platform (thereby not using the platform's full conversational commerce potential) or services offered by CM.com's competitors to satisfy only a portion of their business needs.

If the market for CM.com's conversational commerce services combined with its portfolio of supplementary platform features via the CM.com Platform does not experience the expected growth, if it cannot adapt to rapidly changing market conditions should consumer behavior change, or if demand for its (combination of) integrated services decreases, then its business, financial condition, results of operations and prospects could be materially adversely affected.

***CM.com is wholly dependent on third-parties, such as suppliers and service providers, for key elements of its operations.***

The principal role of CM.com is that of aggregator for transmission of messaging, voice and payments data for CM.com's Customers via a provider such as mobile network operators, identity service providers or payments processors (*e.g.*, financial institutions) to the Customers' consumers (*i.e.*, clients of Customers or employees of Customers). Although CM.com owns its essential hardware, it depends on third-parties for the supply of its services, in particular telecom operators (*e.g.*, KPN, T-Mobile and Orange), payment operators or networks (*e.g.*, MasterCard, Visa, Apple Pay and WeChat Pay) and Over-The-Top ("**OTT**") communication services (*i.e.*, standalone communication services delivered over the Internet, unrelated to an Internet provider such as WhatsApp Business, Apple Business Chat and Facebook Messenger), in addition to ordinary course of business services for information technology ("**IT**")-centric enterprises. See also "Operating and Financial Review—Primary Factors Affecting CM.com's Results of Operations and Financial Condition—Direct relationships with mobile network operators, OTT-providers and financial services providers". Most of these contracts have been entered into for an indefinite period.

For certain communication and payment services, CM.com relies on a limited number of suppliers or even a single supplier. This is in particular the case for financial institutions and directly connected mobile telecom operators (specifically in the Netherlands, Belgium and France). Communication suppliers may have a limited reach in terms of geography and product range. In addition, the number of suppliers per region that CM.com can use may be limited: for example, in the Netherlands, CM.com has a direct connection with KPN for supplying SMS or voice services to KPN subscribers. If this connection fails or is terminated, CM.com will have to use another aggregator connected to KPN or other operator, which may disrupt CM.com's operations and impact CM.com's cost of services and profit margin, in particular if OTT communication services providers (such as WhatsApp Business) offer no alternative source or route, or impact its competitive position if competitors continue to offer such service. Telecom operators may also restrict, or charge higher fees for, the use of certain services provided by them, such as for Premium SMS. CM.com may not always be able to pass any higher fees on to its Customers. If CM.com does not or cannot comply with requirements imposed by suppliers, these may cease their services to CM.com or restrict access to their product.

CM.com also relies on third-parties for the supply of its payments services (transaction processing), including on payment networks (such as Visa and MasterCard), financial institutions and payment gateways that link CM.com to the card and bank clearing networks. Third-parties that CM.com relies on to process transactions may refuse or fail to process transactions adequately, may breach their agreements with CM.com, may refuse to renew agreements on commercially reasonable terms, take actions that degrade the functionality of its services, may impose additional costs or requirements on CM.com, or may give preferential treatment to competitive services or suffer outages in their systems, any of which could disrupt CM.com's operations and materially and adversely affect its business, financial condition, results of operations and prospects.

Some third-parties that provide communications or payment services to CM.com may have or gain market power and be able to increase their prices to CM.com without competitive constraint. CM.com may not always be able to pass any higher fees on to its Customers. There can be no assurance that third-parties that provide services directly to CM.com will continue to do so on acceptable terms, or at all (*e.g.*, in connection with the availability of competing services, and services becoming irrelevant), or that they will not suffer from outages to their systems. If any third-parties were to stop providing services to CM.com, it may be unable to procure alternative services from other third-parties in a timely and efficient manner and on acceptable terms, if at all, which may materially and adversely affect its business, financial condition, results of operations, reputation and prospects. To the extent certain communication channels would no longer be made available for integration into the CM.com Platform (*e.g.*, if Viber would no longer allow third-parties to integrate Viber into their services) which may influence all parties operating on the market or increase prices, such a development could substantially negatively impact CM.com's margins, and thus its total revenue and profit, or may result in Customer loss.

In addition, the availability of the CM.com Platform for Customers is a critical factor for CM.com's operations. Even temporary unavailability may have a substantial adverse effect on reputation, Customer satisfaction, business volume, revenue and profitability. The availability of the CM.com Platform depends on the quality of CM.com's operational actions, but, even though CM.com develops, performs and maintains most IT-related activities in-house, it also depends on third-parties that are involved in the encryption, processing, storage and transportation of data and transactions. These parties may include providers of network services (such as KPN as a network provider, Level3 or Cogent), encryption certificates, firewalls, security services, access tokens, domain registration, IT hosting and other services that are critical for a successful operation of the CM.com Platform and applications. For example, if the Domain Name System ("**DNS**", a naming system for computers, services, or other resources connected to the Internet or a private network, which associates various information with domain names and translates more readily memorized domain names to the numerical IP addresses) provider is unavailable to list CM.com's domain names, or for other reasons does not list CM.com's domain names, CM.com's web-based Customers would be unable to log-on to the CM.com Platform. If any of CM.com's operation critical IT service providers ceases to provide its services, this may adversely affect CM.com's performance.

Any failures caused by gaps in lack of services provided by third-party providers could adversely affect CM.com's operations and reputation. In addition, the above may also lead to customer dissatisfaction which could have an indirect adverse effects on CM.com's business results.

***CM.com's business may be affected by competitors and pricing pressures, which could materially adversely affect CM.com's business, financial condition, results of operations and prospects.***

The market for conversational commerce is rapidly evolving, significantly fragmented and highly competitive. CM.com faces significant competition from local and large international competitors as well as from smaller regional competitors in certain existing markets (such as for communication services: Twilio, Sinch, LivePerson, LINK Mobility, Vonage, Bandwidth and IMImobile; for payment services: Adyen, Stripe and PayPal; for eSignature services: SignNow and DocuSign; for ticketing services: Eventim, Ticketmaster, Eventbrite and Paylogic; for identity services: Bluem, PAY., Rabo eBusiness and Signicat; and for data services: Selligent, MailChimp, BlueConic, Segment, Salesforce, Adobe and Tealium), some of which may have substantially greater financial resources and larger numbers of employees than CM.com. Competition is based on several key criteria including price, cost of integration and using CM.com's systems and services, platform performance, delivery quality, security and performance, brand recognition, the strength of sales and marketing efforts, customer support as well as the scope of CM.com's service portfolio. Especially if a new large multinational competitor with sufficient funding and a limited need to be profitable in the medium term were to enter any of the markets of CM.com, this could be highly disruptive. In particular, some of the competitors and potential competitors of CM.com are larger and have greater financial resources. As a result, CM.com's competitors may for a prolonged period sell at a lower or negative margin compared to CM.com, which may decrease CM.com's market position. In addition, if CM.com fails to successfully adapt, develop and market evolving technologies or if its competitors are more successful in adapting, developing and implementing competing technologies, the demand for CM.com's services may be negatively affected. Competitors of CM.com in certain existing markets could also develop partnerships, such as the Twilio and Stripe partnership, to integrate communication services and payments, or they could themselves develop such integrated services, to allow customers to accept payments over the phone, which may decrease CM.com's market position and may affect the demand for CM.com's services.

CM.com's ability to maintain or increase its profitability is, and will also depend on, its ability to offset decreases in sales prices by reducing the purchase cost of the services that it provides. In addition, pricing pressure may also be created if Customers transact larger volumes on the CM.com Platform for which they negotiate a lower price per transaction. If CM.com is not able to negotiate correspondingly lower purchase costs from service providers for larger volumes, this may negatively impact CM.com's margin. If CM.com is unable to offset decreases in sales prices or to otherwise maintain its competitive position, it may lose market share. For example, in 2018, a Belgian operator that CM.com used for SMS messaging services increased its pricing which substantially negatively impacted CM.com's profit margin in Belgium. In addition, in October 2017, the South African regulator ICASA amended the "Call Termination Regulations 2014" which lead to an substantial purchase price increase and pressure to establish direct connections in South Africa for international call termination in South Africa.

Competition and pricing pressures in the industries and market segments in which CM.com operates may materially adversely affect its market shares, margins and overall profitability. If CM.com is unable to compete successfully in its services and geographic markets, its business, financial condition, results of operations and prospects could be materially adversely affected.

***CM.com may from time to time make acquisitions and engage in other transactions to complement or expand its existing business. However, CM.com may not be successful in acquiring suitable targets at acceptable prices and integrating them into its operations, and any acquisitions may lead to a diversion of management resources.***

CM.com may be unable to successfully execute its strategy of developing and rolling out new services in existing and new markets. CM.com may in the future acquire businesses, assets and Customer portfolios or form joint ventures that complement, enhance or expand CM.com's current portfolio of services and platform technology or that otherwise offer growth opportunities. For example, in 2014, CM.com acquired KPN Callfactory, and, in 2017, CM.com acquired Docdata Payments B.V. If CM.com is unable to identify suitable targets, CM.com's growth prospects may suffer, and CM.com may not be able to realize sufficient scale advantages to compete effectively in all markets. In addition, in pursuing acquisitions, CM.com may face competition from other companies, such as Twilio, Sinch, Vonage and Link Mobility. CM.com's ability to acquire targets may also be limited by applicable antitrust laws and other regulations.

To the extent that CM.com is successful in making acquisitions, it may have to spend substantial amounts of cash, incur debt, assume loss-making business units, amortization expenses relating to intangible assets, assume liabilities or issue shares as payment for the acquisition that would dilute its current shareholders' percentage or value of ownership, and incur other types of expenses in order to acquire and integrate the acquired businesses. In addition, completion of an acquisition may also affect CM.com's operations, such as changes in the company's financial structure, disposal of assets, complications in the technical infrastructure, loss of key personnel, complications with conversion of Customers to the CM.com Platform, unforeseen claims form related parties and cultural imbalances between personnel.

CM.com may also face challenges in successfully integrating acquired companies into its existing organization, which may divert management resources. Historically, some of the CM.com's acquisitions have taken a few years to successfully integrate. CM.com may face challenges in delivering the originally envisioned value creation of an acquisition due to various factors, including some beyond the control of the company, such as changes in economic and political conditions. Acquisitions may also expose CM.com to liabilities that it may not be aware of at the time of the acquisition, for example, if acquired companies and business do not act, or have not acted, in compliance with applicable laws and regulations. In addition, acquired businesses and customer portfolios may subject CM.com to new regulations, and acquisitions may also increase the efforts that are required to comply with applicable laws and regulations. CM.com's acquisitions may not ultimately provide the results that CM.com initially envisioned when making the related acquisition. Any of the foregoing risks may have a material adverse effect on the business, results of operations, financial condition and prospects of CM.com.

***CM.com's entry into new business areas or markets may not be successful.***

CM.com's strategy to expand into new markets may be unsuccessful as a result of many factors associated with conducting business internationally over which it has little or no control. These factors include, among other things, lack of qualified management or adequately trained personnel, currency exchange controls, exchange rate fluctuations and devaluations, changes in local economic conditions and governmental restrictions on foreign investments. CM.com operates in regulated markets, and regulation of services such as telecommunication or data processing may differ from jurisdiction to jurisdiction, which makes compliance complex and potentially expensive. In addition, the rendering of payment services may require a license (see also "Business—Regulatory Environment—Payment services"). CM.com may not be able to successfully execute its plans to enter into new markets due to any or a combination of these factors. The expansion of CM.com's operations may also require significant additional investment and resources, which may strain CM.com's management and financial resources. Previous expansion projects of

CM.com have shown that it can take a few years before the investment in connection with the opening of a new market has been fully recouped. The lack of market acceptance or CM.com's inability to generate satisfactory revenue from expanded services or operations to offset their costs could have a materially adversely affect its business, financial condition, results of operations and prospects.

***CM.com's success largely depends on its entrepreneurial culture.***

CM.com's entrepreneurial culture has been one of the primary drivers of its historical growth. As CM.com grows and becomes a public company, it may not be able to maintain this culture. If CM.com does not successfully manage its growth, and if it is not able to differentiate its business from its competitors, drive value for and retain Customers, or effectively align its resources with its goals and objectives, CM.com may not be able to compete effectively. CM.com's failure to maintain its entrepreneurial culture and compete effectively may materially and adversely affect its business, financial condition, results of operations and prospects.

**Risks relating to CM.com's business operations**

***CM.com may experience problems involving its information technology, the CM.com Platform, server installations and the network on which its business relies which could damage CM.com's reputation and have a material adverse effect on its business, financial condition, results of operations and prospects.***

For successfully providing its services to Customers, CM.com relies on the continuous, uninterrupted availability and the scalability of its IT, including the CM.com Platform and the services made available thereon, its (co-location) data centers and its network. CM.com is contractually obliged to meet minimum service level standards, which includes uptime and incident response times.

CM.com runs its CM.com Platform and services on its own computer systems in co-location data center facilities in the Netherlands and decentralized co-location data centers at premises in various other countries. CM.com's business is therefore exposed to the hazards and risks of disruption associated with global data center operations. CM.com's computer systems and network connections, including its back-up systems, could be damaged or interrupted by power disruptions, computer and telecommunications difficulties or failures, software failures, internal or external security breaches, events such as fires, earthquakes, floods and/or human errors, such as errors in the configuration and deployment of CM.com's IT, CM.com Platform, data centers and network. For example, in May 2017, a fiber cable set used by CM.com was damaged by a third-party contractor performing community roadworks, resulting in connectivity downtime and an unstable network. This resulted in Customers rerouting their communications traffic over other suppliers. In addition, CM.com has in the past been subject to a power outage which seriously impacted its operations. It cannot be guaranteed that CM.com will not suffer similar or other disruptions to its operations in the future.

CM.com's services relate to the processing of digital transactional data. Such services cannot operate without electric power. The operation of the CM.com Platform and therewith the availability of its services is highly dependent on power supply. If electric power ceases to be supplied, and CM.com fails to implement temporary alternate sources of power supply, then CM.com's operations will be interrupted. In addition, instability in the power supply (*i.e.*, up- and downtime) may affect CM.com's operations. The fact that CM.com has multiple server installations in co-located data centers in different geographic locations may reduce downtime, but cannot be guaranteed to remedy a power failure completely. These co-location data centers are also dependent on local power supply (see also "Business—Third-Party Suppliers"). Problems involving CM.com's information technology, the CM.com Platform, its server installations and the network on which its business relies could damage CM.com's reputation and have a material adverse effect on its business, financial condition, results of operations and prospects.

CM.com's ability to meet any increase in the demand for its services depends on the scalability of the CM.com Platform. Infrastructure partners of CM.com must be able to supply hardware, CM.com's software must be configured to manage increased volumes, and at the required processing capacity per second. Any shortcoming in these factors will hamper CM.com's ability to scale its business on the CM.com Platform. This could have a material adverse effect on its business, financial condition, results of operations and prospects.

***CM.com's services must seamlessly interact with a variety of network, hardware, mobile and software platforms and technologies. If CM.com is unable to ensure that its services interoperate with such network, hardware, mobile and software platforms and technologies, its business may be materially and adversely affected.***

CM.com is dependent on the ability of its services, including the CM.com Platform, to interact with a variety of network, hardware, mobile and software platforms and technologies. CM.com continuously needs to modify and enhance its services, including the CM.com Platform, to adapt to changes and innovation in these technologies, including its services. Any changes in these platforms and technologies that degrade the functionality of CM.com's services and any failure of the CM.com Platform to operate effectively with evolving or new platforms and technologies, may impose additional costs or requirements on it, or result in preferential treatment for competing services, including their own services, all of which could materially and adversely affect usage of CM.com's services.

In addition, in the event that it is difficult for Customers to access and use CM.com's services, for example, in case of incompatibility of their software and/or hardware with CM.com's application programming interfaces ("**APIs**"), its business, financial condition, results of operations and prospects may be materially and adversely affected.

***Customer defaults could potentially lead to financial losses for CM.com due to chargebacks and refunds.***

When consumers of CM.com's Customers claim that a Customer using CM.com's payment services has not performed or that Customer goods or services do not match the Customer's description or have not been delivered at all, CM.com could incur substantial losses due to chargebacks on payment cards used by Customers to fund their payments of directly acquired goods. CM.com seeks to recover such losses from the Customer, but may not be able to do so if the Customer is unwilling or unable to pay. In particular, in the event of the bankruptcy or as a result of other business interruptions of a Customer that sells goods or services in advance of the date of their delivery or use (*e.g.*, airline, cruise, festival or concert tickets, custom-made goods and subscriptions), CM.com faces a significant risk of chargebacks due to its acquiring licenses, pursuant to which it remains financially responsible for merchant defaults. Although CM.com has to date not yet incurred significant losses as a result of these types of Customer defaults, these events happen regularly and it cannot be excluded that significant losses will result in the future. CM.com may also feel compelled to make payments to consumers for reputational reasons even if no legal obligation exists that forces it to do so. Chargebacks and refunds due to Customer defaults may result in financial losses for CM.com, which, in turn, may adversely affect CM.com's business, reputation, financial condition, results of operations and prospects. See also "—Financial Risks—CM.com is subject to the credit risk of its Customers.".

***CM.com is, as any business in the industry, subject to cyber attacks and, if not properly dealt with, cyber-crime may lead to interruptions of CM.com's operations, result in the CM.com Platform or technology systems being unavailable, misuse of identities of Customers and third-parties, loss or leakage of data, result in significant legal and financial exposure, loss of Customer relations and harm CM.com's reputation, which could negatively affect CM.com's business, financial condition and results of operation.***

Unauthorized parties may attempt to gain access to the CM.com Platform and technology systems through various means, including, amongst others, hacking. In addition, unauthorized parties may penetrate the firewalls of the CM.com Platform and technology systems, and release viruses or other harmful software and consequently block, interrupt, hijack or otherwise misuse CM.com's services. They may also copy, steal, corrupt or otherwise harm Customer and consumer data processed and stored on the CM.com Platform and technology systems.

CM.com's online platform is, like all online services, vulnerable to computer viruses, break-ins, phishing attacks, attempts to overload its servers with distributed denial-of-service ("**DDOS**") attacks, misappropriation of data through website scraping or other attacks or similar disruptions from unauthorized use of CM.com's technology systems. Cyber attacks cause damage, failure or harmful effects. For example, in 2017, several DDOS attacks were launched against CM.com, and, although CM.com was able to prevent any interference with its services, it has since then aimed to improve its protective measures, such as the possibility of blocking the attacks through a Domain Name System provider. The techniques used to obtain unauthorized, improper or illegal access and to disable or degrade services, or to sabotage systems are constantly evolving, may be difficult to detect quickly, and often are not recognized until launched. Although CM.com has implemented procedures and systems to protect it and its Customers from these type of events, for example Customer due diligence and checking SMS messages for phishing attempts, these measures may be inadequate to prevent such acts or events and CM.com may not be able to resist or prevent unauthorized, improper or illegal access. Any such act or event could lead to loss of critical data, interrupt CM.com's operations, cause delays in processing information, and harm the effective and timely provision of services to CM.com's Customers. They may also result in the misuse of identities of Customers and third-parties, the loss or leakage of data, and they may result in significant legal and financial exposure, the loss of Customer relations and they may harm CM.com's reputation, all of which could negatively affect CM.com's business, financial condition and results of operations.

***CM.com may not be able to maintain and enhance its brand image, which is key for engaging new and existing Customers and gaining market share.***

CM.com believes that maintaining and enhancing the "CM" brand identity and increasing market awareness of its services and the CM.com Platform, is critical to achieving widespread acceptance of its CM.com Platform, to strengthen its relationships with existing Customers and to its ability to attract new Customers. Maintaining, enhancing, promoting and growing CM.com's brand will depend largely on the success of its technology, innovation and continued marketing efforts, and its ability to provide a consistent, high-quality conversational commerce Customer journey and to be a thought leader in the cloud communications market, in particular the conversational commerce market. The success of CM.com's growth strategy depends, in part, on its ability to keep existing Customers engaged while attracting new Customers to its brand.

CM.com's brand may be adversely affected if its public image or reputation is tarnished by negative publicity. Customer complaints or negative publicity about its services and the CM.com Platform, the commercial activities or industries of its Customers, including those in the online gambling or adult entertainment sectors, the working conditions of its employees, Customer data handling and security practices, billing practices or Customer support, including on internet-based platforms such as blogs, online ratings, review services and social media platforms, could have a negative impact on CM.com's reputation and on the popularity of CM.com's services and the CM.com Platform. The prevalent use of social media increases CM.com's exposure to this risk, as the immediacy of social media precludes CM.com from having real-time control over information about CM.com that is distributed via these platforms. Also, conflicts between a Customer and a consumer can reflect negatively on CM.com even though it merely provides intermediary services, such as when payment is made through the CM.com Platform. In the past, CM.com has received complaints from consumers for SMS services that they deemed inappropriate or that they did not realize required payment including in the adult entertainment sector. Negative publicity as a result of any of the foregoing could have a material adverse effect on CM.com's reputation and the reputation of its brand, its business, financial condition, results of operations and prospects.

***CM.com currently generates significant revenue from a limited number of large Customers and the loss of these Customers could harm CM.com's business, results of operations and financial condition.***

A large part of CM.com's business volume, revenue and margin depends on a limited number of Customers. For example, in the year ended 31 December 2018, the 10 largest Customers represented approximately 25% of the total revenue (revenue before IFRS 15 adjustment on the Other segment, see also "Operating and Financial Review—Change in Accounting Policies—IFRS 15 Revenue" and the notes to the 2018 Consolidated Financial Statements) of CM.com. In the year ended 31 December 2018, CM.com's top Customer represented approximately 6% of the total revenue of CM.com (for the six months ended 30 June 2019: 5%) (both revenue before IFRS 15 adjustment on the Other segment). Customers do not have long-term contracts with CM.com and may reduce or fully terminate their usage of its services at any time without penalty or termination charges. While CM.com expects that the revenue for its largest Customers will decrease over time as a percentage of its total revenue as CM.com generates more revenue from other Customers, it also believes that revenue from its largest Customers may continue to account for a significant portion of its revenue, at least in the following two to three years. In the event that these large Customers do not continue to use CM.com's services, use fewer of CM.com's services, or use its services in a more limited capacity, or not at all, CM.com's business, results of operations and financial condition could be adversely affected. Generally, any inability to maintain Customer relationships with its key Customers or otherwise retain their business at current levels may materially adversely affect CM.com's business, financial condition, results of operations and prospects.

***CM.com's success depends on its senior management and other key personnel and the failure to attract, develop, train and retain such personnel may have an adverse effect on its business.***

CM.com believes that its performance, success and ability to fulfil its strategic objectives are substantially dependent on retaining the founders, and its other current executives and members of its managerial staff who are experienced in the markets and business in which CM.com operates. In particular, CM.com is dependent on the skills and experience of its co-founder and current Chief Executive Officer ("**CEO**"), Jeroen van Glabbeek, and co-founder and current Chief Operating Officer ("**COO**"), Gilbert Gooijers (together, the "**Founders**"). The Founders in particular, but also its other current executives and members of its managerial staff have substantial experience in the conversational commerce market and they have made, and today still make, significant contributions to CM.com's continuing growth and success. Although CM.com seeks to reward its staff adequately and it will implement a management incentive scheme (see also "Management, Employees and Corporate Governance—Management Board Remuneration—Remuneration policy components—Long-term incentive plan"), there can be no assurance that CM.com will be able to retain these executives, or other important members of its managerial staff. The loss of such individuals without the prompt hiring of appropriate replacements could have a material adverse effect on CM.com's business, results of operations, financial condition and prospects.

In addition, there can be no assurance that CM.com will continue to be able to develop, retain or attract a sufficient number of skilled employees for the various departments within CM.com, including the employees involved in research and development, and in customer support and the qualified and skilled employees with critical know-how and expertise such as IT developers, technical employees and engineers. Competition for such personnel is intense, in particular for technical employees. Although a number of prominent schools and universities are located near its headquarters, this risk is particularly relevant for CM.com in the Netherlands, as CM.com is headquartered in the Netherlands and the majority of its operations relating to platform and services development takes place in the Netherlands. In addition, technological developments and innovations require ongoing education and development. CM.com may fail to adequately train its employees. An inability to attract highly skilled employees or train and retain employees may hinder CM.com's ability to successfully conduct research activities, develop the conversational commerce CM.com Platform or develop marketable services and bring those services to market, and to operate its business generally, each of which could have a material adverse effect on CM.com's business, results of operations, financial condition and prospects. Recruiting suitable directors, managers and other skilled staff may also entail additional costs both in term of salaries and other compensation.

None of the members of the management board of the Company (the "**Management Board**", each member a "**Managing Director**") or members of the Executive Committee (as defined in "Management, Employees and Corporate Governance") have served in similar positions within a stock exchange listed company.

***The expansion of CM.com's business activities could negatively affect its operations if it fails to adequately manage risks.***

CM.com is an aggregator of services that are procured from multiple suppliers. The extent to which CM.com can charge for its services is a reflection of the added value that CM.com contributes to its Customers. Process flaws, inefficiencies, mistakes and incidents, such as pricing mistakes, incomplete billing, and mistakes in supplier connection set-up, can negatively affect the value added. The risk management function of CM.com should identify the risks associated with engaging new business opportunities, the risks that result from changes in CM.com's business environment and the pursuit of rapid growth, and the internal control framework should mitigate and prevent such risks materializing. It, however, cannot be excluded that such risks are not identified. Any failure of the risk function or any delay in the implementation of appropriate management and internal control functions and systems could negatively impact CM.com's ability to identify and manage its risks and comply with applicable regulations and standards.

***CM.com may suffer substantial losses in the event of a natural disaster, and other casualty events or terrorism in markets in which it operates.***

CM.com's corporate headquarters is located in Breda, the Netherlands. A significant natural disaster, such as a fire or flood, occurring at CM.com's headquarters or at its principal server installations located in data centers in Breda, Rijen or Eindhoven (the Netherlands) could adversely affect CM.com's business, results of operations, financial condition and prospects. In addition, if a natural disaster or man-made problem were to affect CM.com's network service providers or Internet service providers, this could adversely affect the ability of CM.com's Customers to use its services and the CM.com Platform (see also "—CM.com is wholly dependent on third-parties, such as suppliers and service providers, for key elements of its operations."). Major disasters, terrorist attacks, riots and civil commotion or other casualty events may disrupt CM.com's operations – despite any absence of direct physical damage to its properties – by causing an economic downturn, whether in the affected area of a country in which CM.com operates. CM.com not only has operations and a physical presence in Western Europe, but also in Africa and Asia, making it more susceptible to some of the risks mentioned above. CM.com also relies on its network and third-party infrastructure and enterprise applications and internal technology systems for CM.com's engineering, sales and marketing and operational activities. Although CM.com maintains incident management and disaster response plans, in the event of a major disruption caused by a natural disaster or a man-made problem, CM.com may be unable to continue its operations and it may endure system interruptions, reputational harm, delays in development activities, lengthy interruptions in service, breaches of data security and loss of critical data, any of which could adversely affect CM.com's business, financial condition, results of operations and prospects.

In addition, these types of risks may not be insured or CM.com's insurance cover may not protect it against all damages or related business interruptions resulting from the events described above. With or without relevant insurance coverage, damage to any of CM.com's offices, server installations or to third-parties (*e.g.*, suppliers), due to natural disasters, terrorist attacks or other casualty events, may have a material adverse effect on CM.com's business, results of operations, financial condition and prospects.

**Risks related to CM.com's services and CM.com Platform**

***If CM.com is unable to protect its intellectual property rights, in particular its key copyrights, key trademarks and key domain names, or if it violates intellectual property rights of third-parties, the ability of CM.com to compete could be adversely affected.***

CM.com's commercial success depends on its ability to successfully defend CM.com's intellectual property, including copyrights, trademarks and domain names, and to use its brand, logo and symbols.

CM.com's key copyrights include the source code of its CM.com Platform and its services. Key trademarks include "CM", "CM.COM" with the "CM" logo, and its domain name www.CM.com. There is a risk that CM.com could, by omission, fail to renew a trademark on a timely basis or that its competitors may challenge, invalidate or circumvent any existing or future trademarks issued to, or licensed by, CM.com, or that CM.com is unable to obtain intellectual property protection and CM.com is currently subject to ordinary course challenges. Even though a trademark has been duly registered in the Benelux and Europe and applications are pending elsewhere, under local regulation the fact that a trademark is not used for a certain period of time (such as five years in the European Union ("**EU**" or "**European Union**") and three years in other jurisdictions in which CM.com has registered trademarks) may render the trademark registration voidable. This risk is most pertinent in jurisdictions where CM.com is not currently active, or only active to a limited degree, but where it nonetheless may wish to expand at some point in the future, such as Singapore and the United States. Moreover, the effective and prior use of a name may prevail over the registration of the trademark. Domain names are generally regulated by internet regulatory bodies and are also subject to trademark laws and other related laws of each country under its brand name. Not all intellectual property of CM.com lends itself to protection. Some intellectual property has deliberately not been protected in certain jurisdictions and in some jurisdictions in which CM.com does business it is hard to enforce intellectual property rights.

If CM.com is not allowed to use its copyrights, trademarks, brands or domain name in a particular country, CM.com could either incur significant additional expenses to market its services or not be able to sell services in that country.

The regulations governing domain names and laws protecting marks and similar proprietary rights could change in ways that block or interfere with CM.com's ability to use relevant domains for its current brands. In addition, CM.com may not be able to prevent third-parties from registering, using or retaining domain names that interfere with CM.com's customer communications or infringe or otherwise decrease the value of its trademarks, domain name and other proprietary rights. Regulatory bodies may establish additional generic or country-code top-level domains or may allow modifications of the requirements for registering, holding or using domain names.

Although, as far as CM.com is aware, this is not and has not been the case in the past, CM.com may unintentionally violate intellectual property rights, including trademarks and design rights, of third-parties. There is considerable development of intellectual property in CM.com's industry. CM.com may be unaware of the intellectual property rights that other parties may have claimed. Such rights may cover some or all of CM.com's technology or services. If CM.com is alleged of infringement of the intellectual property rights of others, it may be liable for damages as well as litigation costs, royalties or forced to alter its technology and services, which could have a material adverse effect on CM.com's business, financial condition, results of operations and prospects.

CM.com is dependent on protection of its intellectual property rights. Although CM.com believes these rights are adequately protected or in the process of being adequately protected in the key jurisdictions in which it operates, it may not prevent competitors from use of CM.com's intellectual property without CM.com's consent. Moreover, third-parties may challenge, oppose, invalidate or circumvent CM.com's intellectual property rights. Third-parties, in particular competitors, may copy CM.com's technology and know-how or develop it independently and later challenge CM.com's use of it. In addition, employees who in the course of their employment with CM.com have access to important proprietary information which may or may not be protected by intellectual property rights, may leave to go work for a competitor.

The realisation of any of these risks may have a material adverse effect on CM.com's business, financial condition, results of operations and prospects.

***Service quality claims could have a material adverse effect on CM.com's business, financial condition, results of operations and prospects.***

CM.com is exposed to claims and reputational damage in the normal course of business in the event that its services fail or allegedly fail to perform as expected or otherwise do not conform to agreed or expected service levels, including with respect to quality, functionality and availability. For example, CM.com aims to offer to its Customers a 99.8% uptime (primary gateway connection) and 99.99% uptime (primary and secondary gateway connection) of the CM.com Platform in CM.com's service level agreements. Any service quality issues may damage CM.com's reputation. In addition, CM.com may be held liable by consumers for actual or perceived non-performance by Customers or third-party suppliers of CM.com, for example complaints due to power outages that result in interruption of CM.com's services. Although damages suffered by CM.com for this type of claim have to date been very limited, it cannot be excluded that significant losses will result in the future. CM.com may feel compelled to make payments to consumers for reputational reasons even if no legal obligation exists that forces it to do so. Any claims, complaints and any adverse publicity surrounding such allegations could have a material adverse effect on CM.com's business, financial condition, results of operations and prospects.

**Legal and Regulatory Risks**

***CM.com operates internationally and faces various legal and regulatory compliance risks in the countries in which it operates.***

CM.com operates globally and has 14 regional, local and virtual offices globally. As a result of CM.com's global footprint, CM.com is subject to a wide range of laws and regulations concerning telecommunications and E-Privacy, data protection (such as Regulation (EU) 2016/679, the European General Data Protection Regulation (the "**GDPR**")), payment services, consumer protection, service quality, data- and cyber security, transmission of communications, intellectual property, financial and tax laws and regulations, and other laws and regulations that are directly or indirectly related to CM.com's business operations in each of these jurisdictions. Additional laws or regulations or unexpected changes in the regulatory requirements in any of the countries in which CM.com operates might increase its cost of doing business, decrease demand for its services, and restrict its flexibility. The legal and regulatory environment relating to CM.com's business is constantly evolving and can be subject to significant change.

Compliance with this complex and changing array of laws, regulations and standards imposed on CM.com's services and operations is difficult and may require significant capital and operating expenditures and it may impact the manner in which CM.com provides its services. Many of the applicable laws and regulations that affect CM.com's operations, and the enforcement thereof, have become increasingly complex, stringent and expensive to comply with over time. For example, the GDPR required CM.com to implement policies, amongst others, to regularly perform impact assessments of certain processing operations, to maintain an internal register and to ensure mandatory notification of data security breaches (see also "—Failure to comply with data protection and privacy laws could harm the CM.com's reputation and give rise to fines."). The European Union regulation on payment services has required CM.com to apply for a license with the Dutch Central Bank and has made CM.com subject to complex ongoing supervision as a financial institution (see also "Business—Regulatory Environment—Payment Services").

In addition to regulation applicable to CM.com's own operations, it must sometimes adapt to regulatory changes in the various industries and jurisdictions in which its Customers operate. CM.com is therefore also exposed to risks arising from regulations that impact its Customers. CM.com cannot ensure that applicable laws and regulations will not be further revised or that new laws and regulations will not be adopted or become applicable to CM.com. New laws and regulations, amendment of existing laws and regulations, increased government enforcement or other developments may require CM.com to make additional unforeseen expenditures. It could change the way CM.com operates its business, or prevent delivering its systems and services in a cost efficient manner. For example, in regions where interconnection rates are controlled by local regulators, these rates can be increased and CM.com may not be able to pass the increase on to its Customers, leading to an adverse impact on gross margin. There can be no assurance as to the amount or timing of future expenditures to comply with laws or regulations, and actual future expenditures may be different from the amounts CM.com currently anticipates.

Moreover, the increasing complexity and number of regulations may require greater expenditures, it may require CM.com's payment services subsidiary to be funded with more equity capital, or it may require significant adjustments to its services and operations. In addition to increasing CM.com's costs and liabilities, legal or regulatory changes could also impact CM.com's ability to develop new services and its market position, in particular if such changes are more beneficial, or seek to protect, local companies. CM.com may be exposed to civil, criminal and administrative fees, fines, penalties or interruptions in its operations due to non-compliance with the laws and regulations imposed by local, regional, national and international authorities. In general, CM.com or Group Companies may be involved in a number of legal, administrative, criminal or arbitration proceeding, particularly with regard to third-party liability, competition and intellectual property (such as trademark oppositions which is currently the case).

A material change in applicable laws and regulations, or in their interpretation or enforcement, may require CM.com to alter its business strategy, leading to additional costs or loss of revenue, which may have a material adverse effect on CM.com's business, results of operations, financial condition and prospects. Unfavorable outcomes of proceedings may damage CM.com's reputation and have a material adverse effect on CM.com's business, results of operations, financial condition and prospects.

***Failure to comply with data protection and privacy laws could harm CM.com's reputation and give rise to fines.***

As a result of CM.com's processing (including collection, use, handling, retention, sharing and protection) of personal data, CM.com is subject to various data protection laws and regulations such as the GDPR as well as a variety of national and international laws and regulations. The GDPR contains, among other things, high accountability standards for data controllers, stricter requirements to providing information notices to individuals, restrictions on the collection and use of sensitive personal data, compulsory data protection impact assessments of certain processing operations, and maintaining an internal register and mandatory notification of data security breaches. As data protection and security is an increasingly sensitive and politically charged issue in the geographical markets where CM.com operates, any actual or alleged failure by CM.com to comply with the applicable laws or regulations could have a material adverse effect on CM.com's reputation and could result in fines imposed by various regulatory authorities, which could negatively impact CM.com's business. As one of the strengths of the CM.com Platform is that it actually offers a data storage platform with GDPR compliant IT security measures, the impact of non-compliance could be severe. Customers use these services of CM.com so, among other reasons, they do not need to have their own expensive GDPR compliant data storage solutions or processes. If CM.com fails to comply with data protection regulations, Customers may decide to store their data somewhere else resulting in a direct loss of revenue. In addition, new data protection laws and regulations or developments in industry practice or consumer behavior may result in the loss of or a reduction in CM.com's ability to collect, retain and use customer data to effectively market CM.com's services. This could have a material adverse effect on CM.com's business, financial condition, results of operations and prospects.

If CM.com violates or is alleged to have violated applicable, or fails to adapt to amended, laws or regulations, CM.com could become subject to significant fines, legal fees and related costs, reputational damage, and other potential costs or liabilities. The occurrence of any of these events, alone or in combination, could have a material adverse effect on CM.com's business, financial condition, results of operations and prospects. In the past, before the implementation of the GDPR, CM.com was requested by a regulator to provide information on compliance with local privacy laws and regulations due to a single consumer data protection complaint in light of an acquisition. After the submission of information, no actions by the regulator have been taken as of the date of this Prospectus, although the regulator informed CM.com that similar complaints in future acquisitions after the implementation of the GDPR could be viewed as a breach of the GDPR.

In addition, data security breaches may lead to unlawful use of personal data for which CM.com may be responsible and consequently to notification obligations towards data protection authorities or affected individuals which may result in reputational damage, fines from data protection authorities and claims from individuals. Inherent to the nature of its services, CM.com obtains, processes, records and stores personal data of third-parties to which privacy laws and regulation apply. CM.com may fail to comply with these laws and regulations or fail to adequately protect the personal data of third-parties. Consequently, CM.com may receive claims for damages or fines for non-compliance. Any failure by CM.com to fully comply with the data protection and privacy laws and regulations applicable to it may lead to financial claims, loss of revenue and profits, loss of customer relations and reputational damage, which could negatively affect CM.com's business, financial condition and results of operation.

***The requirements of being a public company may strain CM.com's resources and distract its management, which could make it difficult to manage its business.***

As a public company with Shares traded on an exchange located in the Netherlands, CM.com will incur legal, accounting and other expenses that CM.com did not previously incur. CM.com will become subject to the reporting requirements of the AFM, the listing requirements of Euronext Amsterdam, the Dutch Corporate Governance Code and other applicable securities rules and regulations. In addition, CM.com will become subject to market abuse regulations relating to, *inter alia*, the prevention of insider dealing and market manipulation, the public disclosure of inside information, the use of insider lists and the regulation of manager's transactions (see "Description of share capital—Market Abuse Rules").

Compliance with these rules and regulations will increase CM.com's legal and financial compliance costs, make some activities, such as sales, marketing, and recruitment, more difficult, time-consuming or costly and increase demand on its systems and resources. The Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*) ("**FMSA**") and the BW require that CM.com files annual and current reports with respect to its business, financial condition and results of operations. The FMSA and Dutch Corporate Governance Code issued on 8 December 2016 (the "**Dutch Corporate Governance Code**" or the "**Code**") require, among other things, that CM.com establishes and maintains effective internal controls and procedures for financial reporting. In addition, the need to establish an appropriate corporate infrastructure and a focus on the complex day-to-day operations of a growing public company may divert CM.com's management's attention from implementing its growth strategy, which could prevent CM.com from improving its business, results of operations and financial condition. CM.com is in the process of making, and will continue to make, changes to its internal controls and procedures for financial reporting and accounting systems to meet its reporting obligations as a public company; however, the measures CM.com takes may not be sufficient to satisfy its obligations as a public company. In addition, these rules and regulations will increase its legal and financial compliance costs and will make some activities more time-consuming and costly. Moreover, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time consuming. These additional obligations could have a material adverse effect on CM.com's business, results of operations, financial condition and prospects.

***CM.com is subject to tax risks including changes in tax laws.***

CM.com is subject to complex tax legislation in the various countries in which it operates. In particular, given the international scope of its business and the structure of CM.com, it is subject to rules on transfer pricing. For example, CM.com sells services through legal entities and permanent establishments that must necessarily procure these services intra-group. CM.com therefore effects numerous intercompany transactions. The jurisdictions in which CM.com operates generally have transfer pricing regulations that require transactions involving related parties to be undertaken on duly documented arm's length terms and conditions. Arrangements between companies in CM.com are, CM.com believes, carried out on an arm's length basis and in accordance with CM.com's transfer pricing policy, which is regularly updated and where appropriate discussed with tax authorities. If the tax authorities in any relevant jurisdiction do not regard such arrangements as being made on a duly documented arm's length basis and would successfully challenge those arrangements, the amount of tax payable by the relevant member or members of CM.com, in respect of both current and previous years, may increase and penalties or interest may be payable.

In addition, CM.com distributes services the price of which is subject to direct and indirect taxes in various countries such as value added tax ("**VAT**") and taxation on online gaming and gambling services. The complexity of CM.com's business model may complicate understanding of the legal obligations in the correct tax application. CM.com may also be subject to double taxation in jurisdictions with multiple potentially competent tax authorities. In addition, the rates of tax could also increase. A significant increase of the rate of VAT or taxation on online gaming and gambling services could negatively impact CM.com's activity, especially customer demand, which could have a material adverse effect on its business, results of operations, financial condition and prospects.

Changes in tax treaties, laws, rules or interpretations or the outcome of tax audits could have an adverse effect on CM.com. The tax laws and regulations in the jurisdictions in which CM.com operates may be subject to change. New tax laws or regulations may be introduced by competent authorities with or without retrospective effect and there may be changes in the interpretation and enforcement of such tax laws or regulations. As a technology business, CM.com could suffer if, as is being discussed in various countries and the European Union from time to time, a new "Internet" tax were introduced on its operations or sales. The impact of such a tax would be all the more severe if it would result in double taxation without adequate relief being provided under the new regime or under existing tax regimes.

If challenges to CM.com's tax positions, through audits or otherwise, were decided to the detriment of CM.com, CM.com's effective tax rate, currently at 41.8% for the year ended 31 December 2018, may increase, it may be required to pay additional taxes, penalty charges and interest and it may incur costs in defending litigation or reaching a settlement with the relevant tax authority. CM.com could be liable for amounts that are either not covered by provisions or in excess of provisions that are established. Any of the foregoing could have an adverse effect on CM.com's prospects, business, results of operations and financial condition.

***CM.com's business and operations may be adversely affected by violations of the U.S. Foreign Corrupt Practices Act, the United Kingdom Bribery Act 2010 or similar worldwide anti-bribery laws. In addition, CM.com is subject to anti-money laundering, anti-terrorism, anti-corruption and sanctions regulations, failure to comply with these regulations may lead to administrative sanctions, criminal penalties and/or reputational damage.***

CM.com's international operations require it to comply with international and national laws and regulations regarding anti-bribery and anti-corruption, including the U.S. Foreign Corrupt Practices Act and the United Kingdom Bribery Act 2010. These laws and regulations, for example, prohibit improper payments to foreign officials and private individuals for the purpose of obtaining or retaining business and may include reporting obligations to relevant regulatory and governmental bodies. The scope and enforcement of anti-corruption laws and regulations may vary.

CM.com operates in parts of the world that have experienced governmental corruption to some degree, including in high risk markets in Asia and Africa. In certain circumstances, strict compliance with anti-bribery laws and reporting obligations may conflict with local customs and practices. In addition, CM.com makes use of third-parties, also in high-risk markets, which pose an inherent risk to strict compliance with anti-bribery and anti-corruption laws. CM.com's compliance programs, internal controls, policies and procedures have not always protected and, in the future, may not always protect CM.com from reckless or negligent acts, including bribery of government officials and private individuals, petty corruption and misuse of corporate funds, committed by CM.com's employees. Violations of these laws, or allegations of such violations, may lead to fines or harm CM.com's reputation and may disrupt CM.com's business and result in inaccurate books and records, each of which may have a material adverse effect on CM.com's business, results of operations, financial condition and prospects.

CM.com is subject to laws aimed at preventing money laundering, corruption and the financing of terrorism. These laws and regulations require CM.com to maintain appropriate policies, procedures and controls to detect and prevent money laundering, tax evasion and terrorist financing, report unusual transactions and suspicions of money laundering and terrorist financing, comply with economic sanctions and combat bribery and corruption. Monitoring compliance with anti-money laundering and anti-corruption and sanctions rules can impose a significant financial burden on financial institutions such as CM.com, and requires significant technical capabilities, particularly in CM.com's payment activities, though it does not screen Customers for sanctions in other activities, including Customers in Lebanon. In recent years, enforcement of these laws and regulations against payment service providers or other financial institutions has become more stringent, resulting in several landmark fines and reputational damage.

Although CM.com has policies and procedures that it believes are sufficient to comply with currently applicable anti-money laundering, anti-corruption and sanctions rules and regulations, it cannot guarantee that such policies and procedures completely prevent situations of money laundering or corruption, including acts by CM.com's employees, merchants, third-party suppliers or other related persons for which CM.com might be held responsible. Such events may have severe consequences, including litigation, sanctions, administrative measures, fines, criminal penalties and reputational consequences, which could have a material adverse effect on CM.com's business, financial condition, results of operations and prospects. A failure to adopt effective measures against fraud, money laundering, corruption and terrorism financing may lead to regulatory proceedings and penalties by supervisory authorities.

***Any change in the IFRS financial reporting standards could have a material adverse effect on CM.com's business, financial condition and results of operations.***

CM.com believes it complies with current IFRS reporting standards. This international standard is regulated by the IASB and IFRS Interpretations Committee. New standards and amendments to applicable standards will be issued, which govern the preparation of CM.com's financial statements. These changes can be difficult to predict and could materially affect how CM.com records and reports its financial condition and results of operations. In some cases, CM.com could be required to apply a new or revised standard retrospectively, resulting in restating prior periods' financial statements. The IASB may make other changes to the financial accounting and reporting standards that govern the preparation of CM.com's financial statements, which CM.com may adopt prior to the date on which such changes become mandatory if determined to be appropriate, or which CM.com may be required to adopt. For example, the recent IFRS 15 standard on revenue from contracts with Customers has required CM.com to change the revenue definition on Premium SMS and Direct Content Billing from the principal to the agency model. As a result, in 2018, revenue and cost of services were each negatively impacted by EUR 3.2 million although gross profit remained the same. Any such change in accounting policies or accounting standards could have a material adverse effect on CM.com's business, financial condition and results of operations.

**Financial Risks**

***CM.com is subject to the credit risk of its Customers and counterparty financial institutions.***

CM.com engages in sales transactions with its Customers, and these Customers may become insolvent or otherwise unable to discharge its obligations to CM.com. In particular, if one of CM.com's Customers were to experience financial difficulties or even insolvency, CM.com may be unable to collect outstanding amounts payable to it, resulting in write-offs of such receivables. Disregarding the allowance for credit risk that CM.com currently has accounted for, there can be no assurance that this allowance will be sufficient for the third-party credit risks that CM.com faces. Significant or recurring delays in receipt of payments, or incidents of non-recoverable debts, could have a material adverse effect on CM.com's business, financial condition, results of operations and prospects. As other businesses, CM.com suffers losses due to non-payment from time to time. As of the date of this Prospectus, the amounts involved have not been material. For example, for the year ended 31 December 2018, the implementation of accounting policy IFRS 9 resulted in an approximately EUR 0.7 million write-off of Customer debts, which claims originally date back to the period 2013-2016. Excluding this write-off, write-offs of Customer debts for the year ended 31 December 2018 amounted to EUR 45,000 (2017: EUR 155,000; 2016: EUR 419,000). This does not mean, however, that CM.com could not become subject to a substantial loss in the future. See also "—Risk relating to CM.com's business operations—Consumer defaults could potentially lead to financial losses for CM.com due to chargebacks and refunds.".

In addition, third-party funds paid into accounts that are held with external commercial banks and other financial institutions. CM.com regularly assesses these banks and other financial institutions, and its exposure on them for counterparty credit risk. Despite these efforts, CM.com may be exposed to the risk of default by, or financial difficulties or failure of, these counterparty banks and financial institutions. The risk of counterparty default or failure may be heightened during economic downturns and periods of uncertainty in the financial markets. If one of CM.com's counterparties were to become insolvent or file for bankruptcy, CM.com's ability to recover losses incurred as a result of default or to access or recover assets that are deposited or held in accounts with such counterparty may be limited by the counterparty's liquidity or the applicable laws governing the insolvency or bankruptcy proceedings. In the event of default or failure of one or more of CM.com's counterparties, CM.com could incur significant losses, which could negatively impact its results of operations and financial condition.

***The financial objectives included in the chapter "Business" may differ materially from CM.com's actual results which could have a negative effect on CM.com's business, financial condition and results of operations.***

CM.com has set itself a number of financial objectives, which are described elsewhere in this Prospectus and constitute forward looking statements (see "Important Information—Forward-Looking Statements" for certain important information). CM.com's ability to achieve these financial objectives depends on CM.com's ability to successfully execute its strategy and on the accuracy of a number of key assumptions upon which they are based. These assumptions involve factors that are substantially or entirely beyond CM.com's control and are subject to known and unknown risks, including the risks described in this section "Risk Factors", uncertainties and other factors that may result in CM.com's inability to achieve its financial objectives. See "Business—Objectives". In particular, CM.com's ability to successfully implement its strategy and achieve its financial objectives may be impacted by factors such as general economic and business conditions, developments with respect to the regulatory framework applicable to CM.com's industry and CM.com's business and competition in CM.com's industry, or may not continue to reflect the commercial and economic environment in which CM.com operates, all of which are outside of CM.com's control. Accordingly, such assumptions may change or may not materialize at all.

If one or more of the assumptions that CM.com has made in setting its financial objectives is inaccurate, or if one or more of the risks described in this section were to occur, CM.com may be unable to achieve one or more of its financial objectives. If CM.com fails to meet its financial objectives due to changes in assumptions or other factors, this could have a material adverse effect on CM.com's business, financial condition and results of operations.

***As a result of capital requirements, CM.com may not be able to manage its capital and liquidity effectively, which may adversely affect its business performance.***

Effective management of CM.com's capital is critical to operate its business, to grow organically and to pursue its strategy. As Group Company CM Payments B.V. is a licensed payment institution, it is required to maintain adequate capital resources. In particular, CM Payments B.V. is subject to minimum initial capital and own funds requirements under the European Payment Services Directive (EU) 2015/2366 ("**PSD II**") (see also "Business—Regulatory Environment—Payment services"). As a result, CM.com may not be able to manage its capital effectively, which may adversely affect its business performance.

The Dutch Central Bank (De Nederlandsche Bank, "**DNB**") supervises compliance with the own funds requirements. Based on an evaluation of the risk management process, risk loss database and internal control mechanisms, DNB may require CM Payments B.V. to hold an amount of own funds which is up to 20% higher than own funds requirement. If DNB imposes additional own funds requirements, this would limit CM.com's ability to manage effectively its balance sheet and capital resources going forward or to access funding sources. This could have a material adverse impact on CM.com's financial position and regulatory capital position.

In addition, the capital (adequacy) levels of CM Payments B.V. calculated as stipulated in this paragraph, may be affected by new or stringent requirements imposed on CM Payments B.V., either by national or European regulations or authorities or following possible supervisory review processes. Furthermore, external factors and events beyond the control of CM Payments B.V., including adverse economic circumstances (such as an economic recession or trade restrictions due to US-China trade war), losses due to tempered turnover, unexpected increase of supplier costs, the expansion of (uncapitalized) operational cost in view of future growth (such as compliance, fraud management, development) or unforeseen impairment of capitalized goodwill and intangible assets, may lead to a need to resort to capital strengthening interventions for the purpose of meeting the capital requirements stipulated by the PSD II. All these circumstances may have a material adverse effect on CM.com's financial position and regulatory capital position.

***As a payment institution, CM Payments B.V. may be subject to regulatory enquiries of DNB, the outcome of which could trigger enforcement action and materially and adversely affect CM.com's business, results or operations, profitability or reputation.***

As a payment institution, CM Payments B.V. is subject to supervision of DNB. As supervisory authority, DNB is entitled to request information and to carry out on-site inspections. All these supervisory enquiries could divulge information that would not otherwise have surfaced or which until then, CM.com had not considered to be material and in need of taking remedial action on. This may lead to certain supervisory measures or even enforcement action, which could have a material adverse effect on CM.com's reputation, business, financial condition and results of operations.

***Any failure to repay or refinance the outstanding debt under its facilities when due, or failure to comply with the covenants or other obligations contained in CM.com's facilities, could adversely affect CM.com's business.***

As of the date of this Prospectus, CM.com's total debt was approximately EUR 20 million. Its financing arrangements and commitments are described in "Operating and Financial Review—Liquidity and Capital Resources—Financing Arrangements and Commitments". Even though CM.com is currently in compliance with all applicable covenants under the EIB Facility (as defined in "Operating and Financial Review—Liquidity and Capital Resources—Financing Arrangements and Commitments") and the facility agreement with ABN AMRO Bank N.V., there have been several breaches in the past which have been waived. CM.com expects to be compliant with all applicable covenants under the EIB Facility and its facility agreement with ABN AMRO Bank N.V. If there would occur an event of default under the facilities that is not cured or waived in accordance with the terms of the facilities, the lenders under the facilities could terminate commitments to lend and cause all amounts outstanding with respect to the loans granted under the facilities to become due and payable immediately.

There can be no assurance that CM.com would be able to refinance the facilities or that its assets would be sufficient to repay the indebtedness in full, and allow CM.com to continue to make the other payments that it is obliged to make. See also "Reasons for the Offering and Use of Proceeds—Use of Proceeds". This could impair CM.com's ability to run its business, could result in insolvency proceedings or reorganisation and could result in investors losing all or a significant portion of their investment.

***CM.com may be required to impair the goodwill and intangible assets on its balance sheet.***

CM.com's goodwill and intangible assets, which primarily consist of platform development and customer relations, are regularly reviewed by CM.com on the basis of assumptions that include cash-flow, long-term growth rate estimates and weighted average cost of capital. As at 31 December 2018, CM.com's goodwill represented EUR 3.6 million and its intangible assets represented EUR 22.9 million. If CM.com's estimates were to change or if market conditions deteriorate, the recoverable value of the goodwill and intangible assets could diminish significantly and lead to a loss of value, which would require CM.com to record an impairment charge in its consolidated income statement. This could have a material adverse effect on CM.com's business, results of operations, financial condition and prospects.

***CM.com is exposed to a risk of fluctuation in interest rates.***

CM.com's financing costs, to the extent it has debt outstanding, may in the future be subject to fluctuations. CM.com is exposed to a risk of fluctuations given that the interest rates on its debt – as of the date of this Prospectus – are indexed against the Euro Interbank Offered Rate ("**EURIBOR**"), plus a margin. Adverse fluctuations and increases in interest rates, to the extent that they are not hedged or are insufficiently hedged, could have a material adverse effect on CM.com's business, results of operations, financial condition and prospects.

***CM.com is dependent on external financial resources.***

CM.com currently has attracted external financial resources from multiple sources to fund the implementation of its growth strategy, its service development and its working capital. These sources include financial institutions, Customers and vendors. CM.com's strategy is based on further development of its CM.com Platform and its services, and accelerated international expansion. Although the Offering will generate a significant amount of cash, CM.com will in the future likely need additional funds to grow organically and pay for acquisitions, refinancing needs, regulatory requirements, or unforeseen circumstances. CM.com may accordingly decide to seek equity or debt financing. CM.com may not be able to secure any such debt or equity financing or refinancing on favorable terms, in a timely manner, or at all as CM.com is an "asset light" company – most of its assets consisting of intangible assets – which cannot provide significant security to debt financing partners, and any equity financing may be dilutive to shareholders. If adequate funds are not available on acceptable terms, CM.com may be unable to fund growth opportunities, successfully develop or enhance its CM.com platform, services portfolio, or respond to competitive pressures, any of which could negatively affect CM.com's business, financial condition and results of operation.

CM.com benefits from subsidies, tax exemptions or deductions related to research and development, which function is mainly located in the Netherlands. For example, CM.com is eligible for the Research and Development (R&D) tax credit scheme pursuant to the Dutch Promotion of Research and Development Act (*Wet Bevordering Speur- en Ontwikkelingswerk*, "**WBSO**"), which is a tax scheme which permits the deduction of research and development costs. In 2018, CM.com received approximately EUR 0.8 million under this Dutch research and development tax credit facility. Current support schemes and other financial benefits will expire, may be suspended or be phased out over time, cease upon the exhaustion of allocated funding or be subject to cancellation, non-renewal or change, for example due to in-house development (*i.e.*, technology – software codes – is designed or developed and maintained by CM.com) or due to the cancellation of the WBSO subsidy in general or only for certain companies. Subsidies could also be ultimately altered based on investigation by the grant provider (*i.e.*, Rijksdienst voor Ondernemend Nederland (RVO)). If the Dutch government were to decrease or abandon their financial support for research and development, that may lead CM.com to modify or reduce its development plans and consequently may adversely affect its business, financial condition, results of operations and prospects.

***Currency exchange rate fluctuations could affect CM.com's operations and its reported results from year to year.***

While CM.com's functional and reporting currency is the euro, a portion of CM.com's revenues and a significant percentage of its expenses are denominated in or influenced by currencies other than the euro. Sales transactions, procurement and operating cost may be completely or partially in local currency. If the value of the euro declines against the currencies in which CM.com's obligations are denominated or increases against currencies in which its sales are denominated, its results of operations and financial condition could be materially adversely affected.

CM.com is exposed to exchange rate risks in several ways, particularly with respect to foreign exchange translation effects, arising mainly from the relative value of the euro compared to the value of the functional currencies of the countries where CM.com operates. In the year ended 31 December 2018, approximately 6% of CM.com's revenues were generated in a functional currency other than the euro. During the same period, 12% of CM.com's costs of sales and operational expenses were in currencies or influenced by currencies other than the euro. Significant fluctuations in exchange rates, to the extent not hedged, could materially and adversely affect CM.com's reported results from year to year.

CM.com does not currently utilize foreign exchange future, option or swap contracts. Where possible, CM.com matches incoming and outgoing non-Euro currencies in volume and time, and passes on currencies from one subsidiary to another in support of natural hedging. There is often, however, a mismatch between both factors (volume and timing). Excess foreign currencies are converted to Euro through spot transactions and shortages are purchased through spot transactions. Fluctuation of exchange rates impacts CM.com's assets, cash and profitability of reported results. CM.com believes its exposure to currency exchange rate fluctuation may increase due to its expansion strategy.

***CM.com's insurance coverage could prove insufficient.***

CM.com has taken out insurance policies and it intends to maintain a sufficient level of insurance appropriate to the nature of its business. For example, CM.com continues to assess its insurance requirements as a listed company, in particular with respect to D&O and public offering of securities insurance. Nevertheless, insurance policies are subject to usual limitations (such as excesses and caps). In addition, not all claims are covered by insurance policies and CM.com cannot exclude the possibility that it may be faced with a major incident that is not covered by any of its insurance policies. For example, CM.com has no insurance for cyber security events or data breaches or for natural disasters, and other casualty events or terrorism (see also "—CM.com may suffer substantial losses in the event of a natural disaster, and other casualty events or terrorism in markets in which it operates"). Moreover, the cost of its policies may increase in response to any negative development in CM.com's claims history or as a result of a general increase in prices in the insurance market. As a result, CM.com cannot guarantee that it will continue to be able to obtain sufficient insurance coverage at commercially reasonable terms and costs or at all. The realisation of any of these risks could have a material adverse effect on CM.com's business, financial condition, results of operations and prospects.

## Risks Relating to the Structure of CM.com

***Following the Offering, the Selling Shareholders will continue to be in a position to exert substantial influence over the Company, including by exercising their rights as members of the Founder Committee, and their interests may differ from the interests of the Company's other Shareholders.***

Immediately after the closing of the Offering, the Selling Shareholders will hold 57.0% of the Company's issued share capital (assuming a price at the bottom of the Offer Price Range, full placement of the Offer Shares and full exercise of the Over-Allotment Option). The Selling Shareholders will accordingly be in a position to exert substantial influence over the general meeting of the Company, being the corporate body, or where the context so requires, the physical meeting of Shareholders (the "**General Meeting**") and, consequently, on matters decided by the General Meeting, including the appointment and dismissal of members of the Management Board and supervisory board of the Company (the "**Supervisory Board**", each member a "**Supervisory Director**"), the distribution of dividends (see also "—Risks Relating to the Shares—The payment of future dividends will depend on CM.com's financial condition and results of operations, as well as on CM.com's operating subsidiaries' distributions to the Company"), the amendment of the articles of association of the Company as they will read ultimately on the Settlement Date (the "**Articles of Association**") or any proposed capital increase. As of the date of this Prospectus, there are no acting in concert arrangements in place, but as from the establishment of the Company, the Founders have directly or indirectly acted in concert in respect of the Company (see also "Existing Shareholders and Related Party Transactions—Related Party Transactions—Shareholders' Agreement).

In addition, the Selling Shareholders, as Founders of the Company, are the sole members of the Founder Committee (as defined in "Management, Employees and Corporate Governance—Management Structure") the powers of which are described in the Articles of Association. As long as the Founder Committee is installed, the Founder Committee has 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. Furthermore, a resolution of the General Meeting to (a) amend the Articles of Association, (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 (including but not limited to a conversion of the legal form of the Company) or (e) dissolve the Company, will require the prior approval of the Founder Committee, provided that a resolution to amend the Articles of Association only requires the prior approval of the Founder Committee if the resolution has the effect that the rights attributable to the Founder Committee are amended, reduced or otherwise prejudiced. These rights of the Founder Committee will only be exercised by the Founder Committee if and when needed for the Founders to remain actively involved in CM.com. For more information see "Management, Employees and Corporate Governance—Founder Committee". In addition, the Founder Committee may also discourage or prevent takeover attempts.

The interests of the Selling Shareholders could deviate from the interests of the Company's other holders of Shares (the "**Shareholders**"). As the major Shareholders, the Selling Shareholders may delay, postpone or prevent transactions that might be advantageous for investors. Furthermore, the concentration of ownership and the high degree of control by the Selling Shareholders could adversely affect the trading volume and market price of the Shares. This could be the case if investors determine that the stock is not as attractive due to high concentration of ownership and degree of control by the Selling Shareholders, as a result of which demand for Shares may go down.

***The Company is a holding company with no direct cash generating operations and relies on operating subsidiaries to provide itself with funds necessary to meet its financial obligations.***

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

## Risks Relating to the Shares

***The payment of future dividends will depend on CM.com's financial condition and results of operations, as well as on CM.com's operating subsidiaries' distributions to the Company.***

Historically, the Company has paid limited dividends in the past. The Company intends to retain profits, if any, for the foreseeable future to expand the growth and development of the Company's business, and, therefore, does not anticipate paying dividends to its Shareholders in the foreseeable future. See "Dividend Policy".

Distribution of dividend may take place only after the adoption of the annual accounts referred to in article 2:391 BW (the "**Annual Accounts**") by the General Meeting which show that the distribution is allowed. The Company may make distributions to its Shareholders insofar as the Company's equity exceeds the sum of the paid-in and called-up share capital increased by the reserves as required to be maintained by Dutch law or by the Articles of Association as they will read immediately after determination of the Offer Price. The Management Board determines whether the Company is able to or should make distributions. Because the Company is a holding company that conducts its operational business mainly through its subsidiaries, the Company's ability to pay dividends depends directly on the Company's operating subsidiaries' distributions to the Company. The amount and timing of any distributions will depend on the laws of the operating companies' respective jurisdictions. For example, in certain countries, such as China and South Africa, there are currency controls which could influence the timing and price remittances to the Company. The distribution by the Company of interim dividend and the distribution of dividend in the form of Shares is subject to the prior approval of the Supervisory Board. Any of these factors, individually or in combination, could restrict the Company's ability to pay dividends.

***Future issuances of Shares or debt or equity securities convertible into Shares by the Company, or future sales of a substantial number of Shares by the Selling Shareholders or the perception thereof, may adversely affect the market price of the Shares, and any future issuance of Shares may dilute investors' shareholdings.***

Prior to Settlement and on the Settlement Date, the Management Board is expected to have the authority to issue Shares or rights to subscribe for Shares in the capital of the Company for a period of 18 months following the conversion into a limited liability company (*naamloze vennootschap*) and to limit or exclude the pre-emptive rights pertaining to such Shares. Pursuant to this designation, the Management Board may resolve to issue Shares or grant rights to subscribe for Shares up to a maximum of 10% of the number of Shares issued as of the Settlement Date and to limit or exclude pre-emptive rights in relation thereto.

CM.com may in the future seek to raise capital through public or private debt or equity financings by issuing additional Shares, debt or equity securities convertible into Shares or rights to acquire these securities and exclude the pre-emptive rights pertaining to the then outstanding Shares. In addition, CM.com may in the future seek to issue additional Shares as consideration for or otherwise in connection with the acquisition of new businesses. Furthermore, CM.com may issue new Shares in the context of any new employment arrangement for involving employees in the capital of the Company. The issuance of any additional Shares may dilute an investor's shareholding interest in the Company. Furthermore, any additional debt or equity financing CM.com may need may not be available on terms favorable to CM.com or at all, which could adversely affect CM.com's future plans and the market price of the Shares. Any additional offering or issuance of Shares by the Company or the perception that an offering or issuance may occur could also have a negative impact on the market price of the Shares and could increase the volatility in the trading price of the Shares.

The Company will agree with the Underwriters, pursuant to the underwriting agreement expected to be dated 30 September 2019 among the Company, the Selling Shareholders, and the Underwriters (the "**Underwriting Agreement**") to restrictions on their ability to issue, sell or transfer Shares for a period of 180 days after the Settlement Date. The Selling Shareholders will agree with the Underwriters, each Managing Director and each of Mr. J van Glabbeek (in relation to his (indirect) ownership of all issued and outstanding shares in ClubCompany1 B.V.) and Mr. G. Gooijers (in relation to his (indirect) ownership of all issued and outstanding shares in ClubCompany2 B.V.) will agree pursuant to lock-up agreements with the Joint Global Coordinators, to restrictions on their ability to sell or transfer Shares for a period of 360 days after the Settlement Date. The Joint Global Coordinators may, in their sole discretion and at any time, waive such restrictions on issuances, sales or transfers. See "Plan of Distribution—Lock-up Arrangements". Following the expiration of such lock-up provisions or the waiver of such provisions by the Joint Global Coordinators, the market price of the Shares could decline if a substantial number of Shares is sold by the Company or the Selling Shareholders in the public market or if there is a perception that such sales could occur. Excess supply of shares, or the perception thereof, for which there are – even if temporarily – not sufficient buyers may lead to the share price going down as some sellers may lower their asking price to be able to benefit from the limited amount of demand. If shareholders who wish to sell Shares are not able to do so in the short term, for example due to a lack of demand or a perceived undervaluation of the Shares, the effect of any sales pressure may be felt for a prolonged period. A sale of Shares by any or all of the Managing Directors could be considered as a lack of confidence in the performance and prospects of CM.com and could also cause the market price of the Shares to decline.

***Holders of Shares outside the Netherlands may suffer dilution if they are unable to exercise pre-emptive rights in future offerings.***

In the event of an increase in the Company's ordinary share capital, holders of Shares are generally entitled to full pre-emptive rights unless these rights are limited or excluded either by virtue of Dutch Law, a resolution of the General Meeting, or by a resolution of the Management Board (if the Management Board has been designated by the General Meeting or the Articles of Association for this purpose), subject to the approval of the Supervisory Board. However, certain holders of Shares outside the Netherlands may not be able to exercise pre-emptive rights, and therefore suffer dilution, unless local securities laws have been complied with.

In particular, a beneficial owner of Offer Shares who is resident in the United States may not be able to exercise its pre-emptive rights or participate in a rights offer, as the case may be, unless a registration statement under the US Securities Act of 1933, as amended, is effective with respect to such rights or an exemption from the registration requirements is available. CM.com intends to evaluate at the time of any issue of Shares subject to pre-emptive rights or in a rights offer, as the case may be, the costs and potential liabilities associated with any such registration statement, as well as the indirect benefits to it of enabling the exercise of securityholders resident in the United States of their pre-emptive rights to Shares or participation in a rights offer, as the case may be, and any other factors considered appropriate at the time and then to make a decision as to whether to file such a registration statement. CM.com cannot assure investors that any registration statement would be filed as to enable the exercise of such holders' pre-emptive rights or participation in a rights offer.

***The rights and responsibilities of a Shareholder are governed by Dutch law and will differ in some respects from the rights and obligations of shareholders under the laws of other jurisdictions and the shareholder rights under Dutch law may not be as clearly established as the rights of a shareholder established under the laws of some other jurisdictions.***

The Company is incorporated and exists under the laws of the Netherlands. Accordingly, the Company's corporate structure as well as the rights and obligations of the Shareholders may be different from the rights and obligations of shareholders of companies under the laws of other jurisdictions. The exercise of certain shareholders' rights by Shareholders outside the Netherlands may be more difficult and costly than the exercise of rights in a company organized under the laws of other jurisdictions. Resolutions of the General Meeting may be adopted with majorities different from the majorities required for adoption of equivalent resolutions in companies organized under the laws of other jurisdictions. Any action to contest any of the Company's corporate actions must be filed with, and will be reviewed by, a Dutch court, in accordance with Dutch law.

***There can be no assurance that the Company will not be a passive foreign investment company for any taxable year, which could result in materially adverse U.S. federal income tax consequences to U.S. investors in the Shares.***

In general, a non-U.S. corporation will be a passive foreign investment company (a "**PFIC**") for any taxable year in which (i) 75% or more of its gross income consists of passive income or (ii) 50% or more of the value of its assets (generally determined on a quarterly average basis) consists of assets that produce, or are held for the production of, passive income. For purposes of the above calculations, a non-U.S. corporation that directly or indirectly owns at least 25% by value of the shares of another corporation is treated as if it held its proportionate share of the assets of the other corporation and received directly its proportionate share of the income of the other corporation. Passive income generally includes interest, rents, dividends, royalties and certain gains. Goodwill is treated as an active asset under the PFIC rules to the extent attributable to activities that produce active income. Cash is a passive asset. Based on the expected composition of its income and assets and the value of its assets, including goodwill, which is based on the expected price of the Shares in the Offering, the Company does not expect to be a PFIC for its current taxable year. However, because (i) a company's PFIC status is an annual determination that can be made only after the end of each taxable year, (ii) the Company's PFIC status for each taxable year will depend on the composition of its income and assets and the value of its assets from time to time (which may be determined by reference to the market value of the Shares, which may be volatile), and (iii) the Company will hold a substantial amount of cash following the Offering, the Company cannot assure you that it will not be a PFIC for the current or any future taxable year.

If the Company were a PFIC for any taxable during which a U.S. investor owns shares, the U.S. investor will generally be subject to materially adverse U.S. federal income tax consequences, including increased taxes on gains and certain distributions and additional reporting requirements. See "Taxation—Certain U.S. Federal Income Tax Considerations—Passive Foreign Investment Company Rules."

**Risks Relating to the Offering and Offer Shares**

***The Shares have not been publicly traded, and there is no guarantee that an active and liquid market for the Shares will develop.***

Prior to the Offering, there has been no public trading market for the Shares. As the New Offer Shares represent merely 29.6% of the total issued ordinary share capital (post issuance and without taking into account the over-allotment option), the absolute value of market capitalization that is available for trading is relatively small. There can be no assurance that an active trading market for the Shares will develop after the Offering or, if it does develop, that it will be sustained or liquid. If such market fails to develop or be sustained, this could negatively affect the liquidity and price of the Shares, as well as increase their price volatility. In addition, an illiquid market for the Shares may result in lower market prices and increased volatility, which could adversely affect the value of an investment in the Shares.

***The Company's Share price may fluctuate significantly, and investors could lose all or part of their investment.***

The Offer Price may not be indicative for the market price of the Shares after the Offering has been completed. The market price of the Shares could also fluctuate substantially due to various factors, some of which could be specific to CM.com and its operations and some of which could be related to the industry in which CM.com operates or equity markets generally. As a result of these and other factors, the Shares may trade at prices significantly below the Offer Price. The Company cannot assure that the market price of the Shares will not decline, and the Shares may trade at prices significantly below the Offer Price, regardless of CM.com's actual operating performance. An ancillary consequence might be that investors will avoid the Shares.

***If securities or industry analysts cease to publish research or publish inaccurate or unfavorable research about the Company's business, the trading volume and price of the Shares could decline.***

The trading market for the Shares depends in part on the research and reports that securities or industry analysts publish about it or its business. As of the date of this Prospectus, only four analysts had written research about the Company. It is uncertain whether these analysts will continue to cover the Company and whether over time more analysts will cover the Company. In addition, if one or more of the analysts covering the Company downgrade the Shares or publishes inaccurate or unfavorable research about the Company's business or industry, the price for the Shares could decline. If one or more of these analysts cease coverage of the Company or fails to publish reports on the Company regularly, demand for the Shares could decrease, which could cause its price and trading volume to decline.

***If closing of the Offering does not take place, purchases of the Shares will be disregarded and transactions effected in the Shares will be annulled.***

Application has been made to list the Shares on Euronext Amsterdam under the symbol "CMCOM". The Company expects that the Shares will be admitted to listing and that trading in the Offer Shares will commence prior to the Settlement Date on the First Trading Date on an "as-if-and-when-issued/delivered" basis. The closing of the Offering may not take place on the Settlement Date or at all, if certain conditions of events referred to in Underwriting Agreement are not satisfied or waived or occur on or prior to such date (see "Plan of Distribution"). Trading in the Shares before the closing of the Offering will take place subject to the condition that, if closing of the Offering does not take place, the Offering will be withdrawn, all applications for the Shares will be disregarded, any allotments made will be deemed not to have been made, any application payments made will be returned without interest or other compensation and transactions on Euronext Amsterdam will be annulled. All dealings in the Shares prior to settlement and delivery are at the sole risk of the parties concerned. The Company, the Selling Shareholders, the Listing and Paying Agent, the Underwriters and Euronext Amsterdam N.V. do not accept any responsibility or liability for any loss incurred by any person as a result of a withdrawal of the Offering or the related annulment of any transaction on Euronext Amsterdam.

# IMPORTANT INFORMATION

**General**

The content of this Prospectus is not to be considered or interpreted as legal, financial or tax advice. Prior to making any decision whether to purchase the Offer Shares, prospective investors should read this Prospectus. Investors should ensure that they read the whole of this Prospectus and not just rely on key information or information summarized within it. Each prospective investor should consult his or her own stockbroker, bank manager, lawyer, auditor or other financial, legal or tax advisers before making any investment decision with regard to the Offer Shares, among other things to consider such investment decision in light of his or her personal circumstances and in order to determine whether or not such prospective investor is eligible to subscribe for the Offer Shares. In making an investment decision, prospective investors must rely on their own examination and analysis of the Company, the Shares and the terms of the Offering, including the merits and risks involved.

Prospective investors should rely only on the information contained in this Prospectus, the Pricing Statement and any supplement to this Prospectus within the meaning of article 23 of the Prospectus Regulation. The Company does not undertake to update this Prospectus, unless required pursuant to article 23 of the Prospectus Regulation, and therefore potential investors should not assume that the information in this Prospectus is accurate as of any date other than the date of this Prospectus. No person is or has been authorized to give any information or to make any representation in connection with the Offering, other than as contained in this Prospectus, and, if given or made, any other such information or representations must not be relied upon as having been authorized by the Company, the members of the Management Board or Supervisory Board, the Selling Shareholders, the Listing and Paying Agent, any of the Underwriters or any of their respective affiliates or representatives. The delivery of this Prospectus at any time after the date hereof will not, under any circumstances, create any implication that there has been no change in CM.com's affairs since the date hereof or that the information set forth in this Prospectus is correct as of any time since its date.

No representation or warranty, express or implied, is made or given by the Listing and Paying Agent, the Underwriters, or any of their affiliates or any of their respective directors, officers or employees or any other person, as to the accuracy, completeness or fairness of the information or opinions contained in this Prospectus, or incorporated by reference herein, and nothing in this Prospectus, or incorporated by reference herein, is, or shall be relied upon as, a promise or representation by the Listing and Paying Agent and the Underwriters or any of their respective affiliates or representatives as to the past or future. None of the Listing and Paying Agent and the Underwriters accepts any responsibility whatsoever for the contents of this Prospectus or for any other statements made or purported to be made by either itself or on its behalf in connection with the Company, the Selling Shareholders, CM.com, the Offering or the Shares. Accordingly, the Listing and Paying Agent and the Underwriters disclaim, to the fullest extent permitted by applicable law, all and any liability, whether arising in tort or contract or which they might otherwise be found to have in respect of this Prospectus and/or any such statement.

Although the Underwriters are party to various agreements pertaining to the Offering and each of the Underwriters has entered or might enter into a financing arrangement with the Company and/or the Selling Shareholders or any of their affiliates, this should not be considered as a recommendation by any of them to invest in the Offer Shares.

The distribution of this Prospectus and the Offering may, in certain jurisdictions, be restricted by law, and this Prospectus may not be used for the purpose of, or in connection with, any offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. This Prospectus does not constitute an offer of, or an invitation to, purchase any Offer Shares in any jurisdiction in which such offer or invitation would be unlawful. The Company, the Selling Shareholders and the Underwriters require persons into whose possession this Prospectus comes to inform themselves of and observe all such restrictions. None of the Company, the Selling Shareholders, the Underwriters or any of their respective affiliates or representatives accepts any legal responsibility for any violation by any person, whether or not a prospective purchaser of Offer Shares, of any such restrictions. The Company, the Selling Shareholders and the Underwriters reserve the right in their own absolute discretion to reject any offer to purchase Offer Shares that the Company, the Selling Shareholders, the Underwriters or their respective agents believe may give rise to a breach or violation of any laws, rules or regulations.

**Responsibility Statement**

This Prospectus is made available by the Company. The Company accepts responsibility for the information contained in this Prospectus. The Company declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

**Information to Distributors**

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, CM.com has determined that the Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). The Target Market Assessment is provided for information purposes only and is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering (including the "Risk Factors" as included herein).

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Shares and determining appropriate distribution channels.

**Presentation of Financial and Other Information**

***IFRS information and Dutch GAAP historical and financial information***

This Prospectus contains consolidated financial information of CM.com as of and for the years ended 31 December 2018, 2017 and 2016, comprising the statutory consolidated financial statements of CM.com prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**") as at and for the years ended 31 December 2018 (the "**2018 Consolidated Financial Statements**") and 31 December 2017 (the "**2017 Consolidated Financial Statements**" and together with the 2018 Consolidated Financial Statements, the "**IFRS Consolidated Financial Statements**"). The 2018 Consolidated Financial Statements and 2017 Consolidated Financial Statements include unaudited comparative financial information as at and for the year ended 31 December 2017 and 31 December 2016, respectively, prepared in accordance with IFRS.

The financial information as at and for the year ended 31 December 2018 in the 2018 Consolidated Financial Statements and as at and for the year ended 31 December 2017 in the 2017 Consolidated Financial Statements has been audited by Mazars Accountants N.V. ("**Mazars**"), independent auditors.

This Prospectus also contains the statutory consolidated financial statements of CM.com prepared in accordance with generally accepted accounting principles in the Netherlands and Part 9 of Book 2 BW ("**Dutch GAAP**") for the year ended 31 December 2016 (the "**Dutch GAAP 2016 Consolidated Financial Statements**" and, together with the IFRS Consolidated Financial Statements, the "**Consolidated Financial Statements**"). The financial information as at and for the year ended 31 December 2016 in the Dutch GAAP 2016 Consolidated Financial Statements has been audited by Mazars.

The Consolidated Financial Statements should be read in conjunction with the accompanying notes thereto and the auditor's reports thereon.

Unless otherwise indicated, the financial information set forth in this Prospectus has been derived from the IFRS Consolidated Financial Statements. In particular, the financial information (i) as at and for the year ended 31 December 2018, has been derived from the audited financial information in the 2018 Consolidated Financial Statements, (ii) as at and for the year ended 31 December 2017, has been derived from the audited financial information in the 2017 Consolidated Financial Statements, except that certain unaudited comparative financial information has been derived from the notes to the 2018 Consolidated Financial Statements to aid comparability with the 2018 financial information (for example, the 2017 segmental financial information and revenue and cost of services financial information) and (iii) as at and for the year ended 31 December 2016 has been derived from the unaudited comparative financial information in the

2017 Consolidated Financial Statements, except that certain unaudited comparative financial information has been derived from the notes to the 2018 Consolidated Financial Statements to aid comparability with 2017 and 2018 financial information (for example, the 2016 segmental financial information and revenue and cost of services financial information).

This Prospectus also contains interim financial information of CM.com as of and for the six-month periods ended 30 June 2019 ("**H1 2019**") and 30 June 2018 ("**H1 2018**"). The H1 2019 and H1 2018 financial information is unaudited and has been derived from the unaudited consolidated financial information for CM.com as of and for the six-month period ended 30 June 2019 (the "**Interim Financial Information**"), which is included elsewhere in this Prospectus and which contains comparative financial information as at and for the six months ended 30 June 2018. The Interim Financial Information should be read in conjunction with the accompanying notes thereto and the auditor's review report thereon. The Interim Financial Information has been prepared in accordance with International Accounting Standard ("**IAS**") 34 and has been reviewed by Mazars.

With effect from 1 January 2018, CM.com first adopted IFRS 15 ("Revenue from Contracts with Customers") with respect to its audited financial information for the year ended 31 December 2018 included in the 2018 Consolidated Financial Statements. The unaudited comparative revenue and cost of services financial information for the years ended 31 December 2017 and 2016 included in the notes to the 2018 Consolidated Financial Statements has been restated for the application of IFRS 15 to aid comparability with the corresponding 2018 financial information. For more information on the effect of IFRS 15 on CM.com's reported results, please see "Operating and Financial Review—Change in Accounting Policies—IFRS 15 Revenue" and the notes to the 2018 Consolidated Financial Statements.

With effect from 1 January 2019, CM.com first adopted IFRS 16 ("Leases") with respect to its H1 2019 financial information included in the Interim Financial Information. The comparative financial information for H1 2018 included in the Interim Financial Information and the financial information for the years ended 31 December 2018, 2017 and 2016 included in the Consolidated Financial Statements has not been restated for the application of IFRS 16. For more information on the effect of IFRS 16 on CM.com's reported results, please see "Operating and Financial Review—Change in Accounting Policies—IFRS 16 Leases" and the notes to the 2018 Consolidated Financial Statements and the Interim Financial Information.

The preparation of financial information in conformity with IFRS requires the use of certain critical accounting estimates, as described in further detail in "Operating and Financial Review—Critical Accounting Judgements and Estimations". It also requires management to exercise its judgment in the process of applying the CM.com's accounting policies, as described in further detail in "Operating and Financial Review— Significant Accounting Policies". The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial information are disclosed in the notes to the IFRS Consolidated Financial Statements included elsewhere in this Prospectus.

Financial information that CM.com has previously filed with the Dutch Chamber of Commerce or that it has previously published for any financial period may differ from the 2018 Consolidated Financial Statements and the 2017 Consolidated Financial Statements due to the retrospective implementation of changes in accounting policies as historically the statutory financial statements of CM.com were prepared under Dutch GAAP (including the Dutch GAAP 2016 Consolidated Financial Statements) and certain retrospective adjustments were made in accordance with IFRS. Information presented in accordance with IFRS is not directly comparable with that presented in accordance with Dutch GAAP.

***Non-IFRS financial measures and key operating and performance measures***

Certain parts of this Prospectus contain non-IFRS financial measures, such as EBITDA, EBITDA Margin, Gross Profit, Gross Margin and Capex, which are not recognized measures of financial performance or liquidity under IFRS, and certain key operating and performance measures, such as CPaaS Net Dollar Retention Rate, CPaaS Churn Rate, Total Customers, Monthly Active Users (MAU), Total Messages, Total Payments Processed and Total Voice Minutes.

The non-IFRS financial measures presented are not measures of financial performance under IFRS, but measures used by management to monitor the underlying performance of CM.com's business and operations and, accordingly, they have not been audited or reviewed. A non-IFRS financial measure is defined as one that measures historical or future financial performance, financial position or cash flows, but which excludes or includes amounts that would not be so adjusted in the most comparable IFRS financial measure. Further, they may not be indicative of CM.com's historical operating results, nor are such measures meant to be predictive of CM.com's future results. These non-IFRS measures are presented in this Prospectus because management considers them an important supplemental measure of CM.com's performance, to be used in conjunction with IFRS financial measures, and believes that they and similar measures are widely used in the industry in which CM.com operates as a means of evaluating a company's operating performance and liquidity.

However, each of these non-IFRS financial measures have limitations as an analytical tool and not all companies calculate non-IFRS financial measures in the same manner or on a consistent basis. As a result, these measures and ratios may not be comparable to measures used by other companies under the same or similar names. Accordingly, undue reliance should not be placed on the non-IFRS financial measures contained in this Prospectus and they should not be considered in isolation, or as a substitute for, or superior to, and should be read in conjunction with, CM.com's reported financial measures computed in accordance with IFRS.

The presentation of the non-IFRS measures in this Prospectus should not be construed as an implication that CM.com's future results will be unaffected by exceptional or non-recurring items.

As used in this Prospectus, the following non-IFRS financial measures have the meaning set forth below. The calculation of these measures is set forth in "Operating and Financial Review—Presentation of Financial Information—Non-IFRS Financial Measures and Key Operating and Performance Measures".

"**EBITDA**" represents earnings before interest, taxes, depreciation and amortization.

"**EBITDA Margin**" represents the ratio of EBITDA to revenue in a given period.

"**Capex**" represents investments incurred during the period to acquire non-current tangible assets such as property, plant and equipment, intangible assets and the capitalization of certain development costs, and is adjusted for extraordinary one-off events, including certain acquisitions in the years ended 31 December 2018 and 2017.

"**Capex/Revenue**" represents the ratio of capex to revenue.

"**Gross Profit**" represents revenue less cost of services.

"**Gross Margin**" represents the ratio of gross profit to revenue.

"**Total Opex**" represents employee benefits expenses and other operating expenses taken together.

As used in this Prospectus, the following key operating and performance measures have the following meaning:

"**CPaaS Net Dollar Retention Rate**" represents the ratio of revenue from CPaaS Customers that generated more than EUR 10,000 in revenue in a given year and that were also a Customer on 1 January of the preceding year, to revenue generated by these Customers in such preceding year.

"**CPaaS Churn Rate**" represents the ratio of revenue from CPaaS Customers that generated more than EUR 10,000 in revenue in a given year but that were not Customers on 1 January of the following year, to total revenue in that given year.

"**Total Customers**" represents the number of Customers to which invoices were sent in a given period.

"**Monthly Active Users ("MAU")**" represents the total number of monthly active users on the CM.com Platform. The number of Monthly Active Users is not directly comparable to the number of total Customers given that a single Customer can have multiple active users on the CM.com Platform.

"**Total Messages**" represents the aggregate amount of messages (regardless of channel) processed through the CM.com Platform in a given period.

"**Total Payments Processed**" represents the aggregate value of Payments transactions processed through the CM.com Platform for a given period.

"**Total Voice Minutes**" represents the aggregate amount of voice call minutes for a given period.

The financial information included in this Prospectus is not intended to comply with the applicable requirements of the Securities Act, the US Securities Exchange Act of 1934, as amended ("**Exchange Act**") and the related rules and regulations of the SEC.

### *Rounding and negative amounts*

Certain figures in this Prospectus, including financial data, have been rounded. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an exact arithmetic aggregation of the figures which precede them.

In preparing the Interim Financial Information and the Consolidated Financial Statements, most numerical figures are presented in thousands of euros. For the convenience of the reader of this Prospectus, certain numerical figures in this Prospectus are rounded to the nearest one million. As a result of this rounding, certain numerical figures presented herein may vary slightly from the corresponding numerical figures presented in the Interim Financial Information and the Consolidated Financial Statements.

The percentages (as a percentage of revenues or costs and period-on-period percentage changes) presented in the textual financial disclosure in this Prospectus are derived directly from the financial information contained in the Interim Financial Information and the Consolidated Financial Statements. Such percentages may be computed using the numerical figures expressed in thousands of euros in the Interim Financial Information and the Consolidated Financial Statements. Therefore, such percentages are not calculated on the basis of the financial information in the textual disclosure that has been subjected to rounding adjustments in this Prospectus.

In tables, negative amounts are shown between brackets. Otherwise, negative amounts may also be shown by "-" or "negative" before the amount.

### *Currency*

All references in this Prospectus to "euro", "EUR" or "€" are to the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty on the functioning of the European Community, as amended from time to time. All references to "U.S. dollars", "US$", "USD" or "$" are to the lawful currency of the US. All references to "British pound sterling", "GDP" or "£" are to the lawful currency of the United Kingdom.

### *Exchange rates*

CM.com publishes its historical consolidated financial statements in euros. For information on foreign currencies other than the euro see "Index to the Financial Statements—IFRS 2018 Consolidated Financial Statements—Notes to the consolidated financial statements" and "Index to the Financial Statements—IFRS 2017 Consolidated Financial Statements—Notes to the consolidated financial statements".

## Market and Industry Information

All references to market share, market data, industry statistics and industry forecasts in this Prospectus consist of estimates compiled by industry professionals, competitors, organizations or analysts, of publicly available information or of CM.com's own assessment of its sales and markets. Statements based on the Company's own proprietary information, insights, opinions or estimates contain words such as 'CM.com believes', 'CM.com expects', 'CM.com sees', 'CM.com considers', 'CM.com aims', 'CM.com estimates' and as such do not purport to cite, refer to or summarize any third-party or independent source and should not be so read.

Industry publications generally state that their information is obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on a number of significant assumptions. Where third-party information has been sourced in this Prospectus, the source of such information has been identified. Third-party reports or presentations referenced in this Prospectus include reports, presentations or databooks of Juniper Research Limited ("**Juniper Research**") (*e.g.*, "Mobile & Online Remote Payments For Digital & Physical Goods 2018-2022" and "Mobile Messaging 2018-2022"), Mobilesquared Ltd ("Global A2P SMS Messaging Forecasts by Country 2017-2022, 2018") ("**Mobilesquared**") and International Data Corporation (IDC) (White Paper, sponsored by Telesign, "Telesign Poised for Market Leadership in CPaaS", IDC # US42479517, April 2017"). The reports, presentations or databooks represent research opinions or viewpoints and are not a representation of fact. Each report presentation or databook speaks as of its original publication date or as of the date it was presented. The representative contents of the reports, presentations or databooks presentations contained in the reports or presentations reflect an opinion or a quantitative and qualitative snapshot that is refreshed on an regular basis and are subject to change without notice.

The information in this Prospectus that has been sourced from third-parties has been accurately reproduced with reference to these sources in the relevant paragraphs and, as far as CM.com is aware and able to ascertain from the information published by that third-party, no facts have been omitted that would render the reproduced information inaccurate or misleading.

In this Prospectus, CM.com makes certain statements regarding the characteristics of the conversational commerce, messaging, Communications Platform as a Service ("**CPaaS**") and payments markets, as well as its competitive and market position. CM.com believes these statements to be true, based on market data and industry statistics, but CM.com has not independently verified the information. CM.com cannot guarantee that a third-party using different methods to assemble, analyze or compute market data or public disclosure from competitors would obtain or generate the same results. In addition, CM.com's competitors may define their markets and their own relative positions in these markets differently than CM.com does and may also define various components of their business and operating results in a manner which makes such figures non-comparable with CM.com's.

Any information contained on websites linked or reports referenced in this Prospectus is for information only and shall not be deemed to be incorporated by reference herein.

**Supplements**

If a significant new factor, material mistake or material inaccuracy relating to the information included in this Prospectus which may affect the assessment of the Offer Shares, arises or is noted between the date of this Prospectus and the later of the end of the Offering Period and the start of trading of the Offer Shares on Euronext Amsterdam, a supplement to this Prospectus is required. Such a supplement will be subject to approval by the AFM in accordance with article 23 of the Prospectus Regulation and will be made public in accordance with the relevant provisions under the Prospectus Regulation. The summary shall also be supplemented, if necessary to take into account the new information included in the supplement. In case a significant new factor, material mistake or material inaccuracy relating to the information included in this Prospectus which may affect the assessment of the Offer Shares arises after the later of the end of the Offering Period and the start of trading of the Offer Shares on Euronext Amsterdam, the issuer will not supplement this Prospectus, unless it intends to make use of this Prospectus for an offering or listing other than the Offering.

Investors who have already agreed to purchase or subscribe for the Offer Shares before the supplement is published shall have the right, exercisable within two business days following the publication of a supplement, to withdraw their acceptances. Investors are not allowed to withdraw their acceptance in any other circumstances.

Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable, be deemed to modify or supersede statements contained in this Prospectus or in a document which is incorporated by reference in this Prospectus. Any statement so modified or superseded shall, except as so modified or superseded, no longer constitute a part of this Prospectus. For the avoidance of doubt, references in this paragraph to any supplement being published by the Company do not include the Pricing Statement.

**Notice to Investors**

The distribution of this Prospectus and the offer, acceptance, delivery, transfer, exercise, purchase of, subscription for, or trade in the Offer Shares may, in certain jurisdictions other than the Netherlands, including, but not limited to, the US, be restricted by law. Persons in possession of this Prospectus are required to inform themselves about, and to observe, any such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction. This Prospectus may not be used for, or in connection with, and does not constitute, an offer to sell, or an invitation to purchase, any of the Offer Shares in any jurisdiction in which such offer or invitation is not authorized or would be unlawful. Neither this Prospectus, nor any related materials, may be distributed or transmitted to, or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws or regulations.

None of the Company, the members of the Management Board or Supervisory Board, the Selling Shareholders, any of the Underwriters or any of their respective affiliates or representatives, is making any representation to any offeree or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

Investors who purchase Offer Shares will be deemed to have acknowledged that: (i) they have not relied on the Listing and Paying Agent or any of the Underwriters or any person affiliated with any of them in connection with any investigation of the accuracy of any information contained in this Prospectus or their investment decision; and (ii) they have relied only on the information contained in this Prospectus, and that no person has been authorized to give any information or to make any representation concerning the Company or its subsidiaries, the Selling Shareholders or the Offer Shares (other than as contained in this Prospectus) and, that if given or made, any such other information or representation has not been relied upon as having been authorized by the Company, the Selling Shareholders, the Listing and Paying Agent or any of the Underwriters.

**EXCEPT AS OTHERWISE SET OUT IN THIS PROSPECTUS, THE OFFERING DESCRIBED IN THIS PROSPECTUS IS NOT BEING MADE TO INVESTORS IN THE US, CANADA, AUSTRALIA OR JAPAN.**

This Prospectus does not constitute or form part of any offer or invitation to sell, or any solicitation of any offer to acquire, Offer Shares in any jurisdiction in which such an offer or solicitation is unlawful or would result in the Company becoming subject to public company reporting obligations outside the Netherlands.

The distribution of this Prospectus, and the offer or sale of Offer Shares, is restricted by law in certain jurisdictions. This Prospectus may only be used where it is legal to offer, solicit offers to purchase or sell Offer Shares. Persons who obtain this Prospectus must inform themselves about and observe all such restrictions. None of the Company, the Selling Shareholders or the Underwriters accepts any legal responsibility for any violation by any person, whether or not a prospective purchaser of Shares, of any such restrictions. The Company, the Selling Shareholders and the Underwriters reserve the right in their own absolute discretion to reject any offer to purchase Shares that the Company, the Selling Shareholders, the Underwriters or their respective agents believe may give rise to a breach or violation of any laws, rules or regulations.

No action has been or will be taken to permit a public offer or sale of Offer Shares, or the possession or distribution of this Prospectus or any other material in relation to the Offering, in any jurisdiction outside the Netherlands where action may be required for such purpose. Accordingly, neither this Prospectus nor any advertisement or any other related material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. See "Selling and Transfer Restrictions". Subject to certain exceptions, this Prospectus should not be forwarded or transmitted in or into Australia, Canada or Japan.

**Notice to Prospective Investors in the US**

The Offer Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state of the US for offer or sale as part of their distribution and may not be offered or sold, directly or indirectly, within the US unless an exemption from the registration requirements of the US Securities Act is available. In the US the Offer Shares will be sold only to persons reasonably believed to be QIBs as defined in, and in reliance on, Rule 144A or pursuant to another exemption from, or in a transaction not subject to, the registration requirement under the US Securities Act and applicable state securities laws. All offers and sales of the Offer Shares outside the US will be made to persons in "offshore transactions" as defined in, and in compliance with Regulation S and in accordance with applicable law. **Prospective purchasers are hereby notified that the Company and the Selling Shareholders may be relying on the exemption from the provisions of Section 5 of the US Securities Act provided by Rule 144A.** The distribution of this Prospectus and the offer and sale of the Offer Shares in certain jurisdictions may be restricted by law. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. See "Selling and Transfer Restrictions".

**THE OFFER SHARES HAVE NOT BEEN REGISTERED WITH OR RECOMMENDED OR APPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY OTHER US FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE US.**

## Enforcement of Civil Liabilities

The ability of Shareholders in certain countries other than the Netherlands, in particular in the US, to bring an action against the Company may be limited under law. The Company is incorporated under the laws of the Netherlands and has its seat (*statutaire zetel*) in Breda, the Netherlands.

At the date of this Prospectus, all of the members of the Management Board and the Supervisory Board and other officers of CM.com named herein are citizens or residents of countries other than the US. All or a substantial proportion of the assets of these individuals are located outside the US. CM.com's assets are located outside of the US. As a result, it may be impossible or difficult for investors to effect service of process within the US upon such persons or the Company or to enforce against them in US courts a judgment obtained in such courts. In addition, there is doubt as to the enforceability, in the Netherlands, or original actions or actions for enforcement based on the federal or state securities laws of the US or judgments of US courts, including judgments based on the civil liability provisions of the US federal or state securities laws.

The US and the Netherlands do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Accordingly, a judgment rendered by a court in the US will not be recognized and enforced by the Dutch courts. However, if a person has obtained a final judgment without appeal in such a matter rendered by a court in the US which is enforceable in the US and files his claim with the competent Dutch court, the Dutch court will recognize and give effect to such foreign judgment insofar as it finds that (i) the jurisdiction of the US court has been based on grounds which are internationally acceptable, (ii) proper legal procedures have been observed, (iii) the judgment does not contravene Dutch public policy, and (iv) the judgment is not irreconcilable with a judgment of a Dutch court or an earlier judgment of a foreign court that is capable of being recognized in the Netherlands.

## Forward-Looking Statements

This Prospectus contains forward-looking statements (as that term is defined in the US Private Securities Litigation Reform Act of 1995) that reflect CM.com's intentions, beliefs or current expectations and projections about CM.com's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which CM.com operates. Forward-looking statements involve all matters that are not historical facts. CM.com has tried to identify forward-looking statements by using words as "may", "will", "would", "should", "expects", "intends", "estimates", "anticipates", "projects", "believes", "could", "hopes", "seeks", "plans", "aims", "aspires", "objective", "potential", "goal" "strategy", "target", "continue", "annualized" and similar expressions or negatives thereof or other variations thereof or comparable terminology, or by discussions of strategy that involve risks and uncertainties. Forward-looking statements may be found principally in sections in this Prospectus entitled "Risk Factors", "Dividend Policy", "Industry and Competition", "Business", "Operating and Financial Review" and also elsewhere.

The forward-looking statements are based on CM.com's current beliefs, assumptions and expectations regarding future events and trends that affect CM.com's future performance, taking into account all information currently available to CM.com, and are not guarantees of future performance. These beliefs, assumptions and expectations can change as a result of possible events or factors, not all of which are known to CM.com or are within CM.com's control. If a change occurs, CM.com's business, financial condition, liquidity, results of operations, anticipated growth, strategies or opportunities may vary materially from those expressed in, or suggested by, these forward-looking statements. In addition, the forward-looking estimates and forecasts reproduced in this Prospectus from third-party reports could prove to be inaccurate. A number of important factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statement as a result of risks and uncertainties facing the Company and its Group Companies. Such risks, uncertainties and other important factors include, but are not limited to those listed in the section entitled "Risk Factors". Other factors could also adversely affect CM.com's results or the accuracy of forward-looking statements in this Prospectus, and you should not consider the factors discussed under "Risk Factors" to be a complete set of all potential risks or uncertainties.

Investors or potential investors should not place undue reliance on the forward-looking statements in this Prospectus. CM.com urges investors to read the sections of this Prospectus entitled "Risk Factors", "Business" and "Operating and Financial Review" for a more complete discussion of the factors that could affect CM.com's future performance and the markets in which CM.com operates. In light of the possible changes to CM.com's beliefs, assumptions and expectations, the forward-looking events described in this Prospectus may not occur. Additional risks currently not known to CM.com or that CM.com has not considered material as of the date of this Prospectus could also cause the forward-looking events discussed in this Prospectus not to occur. Forward-looking statements involve inherent risks and uncertainties and speak only as of the date they are made. CM.com undertakes no duty to and will not necessarily update any of the forward-looking statements in light of new information or future events, except to the extent required by applicable law.

**Definitions**

This Prospectus is published in English only. Definitions used in this Prospectus are defined in "Definitions".

**Available Information**

For so long as any ordinary shares of the Company are "restricted securities" within the meaning of Rule 144(a)(3) under the US Securities Act, the Company will, during any period in which it is neither subject to Section 13 or 15(d) of the Exchange Act, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the US Securities Act.

The Company is not currently subject to the periodic reporting and other information requirements of the Exchange Act.

**Validity**

**This Prospectus shall be valid for use only by the Company or others who have obtained the Company's consent for a period of up to 12 months after its approval by the AFM and shall expire on 25 September 2020, at the latest. The obligation to supplement this Prospectus (which does not exclude the Company voluntarily supplementing this Prospectus), in the event of significant new factors, material mistakes or material inaccuracies (see "—Supplements") shall cease to apply upon the earlier of: (i) the First Trading Date; or (ii) the expiry of the validity period of this Prospectus.**

This Prospectus has been approved by the AFM, as competent authority under Regulation (EU) 2017/1129. The AFM only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval should not be considered as an endorsement of the quality of the securities and of the Company that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

**Documents Incorporated by Reference**

The Articles of Association are incorporated in this Prospectus by reference and, as such, form part of this Prospectus. The Articles of Association (or copies thereof) may be obtained in electronic form free of charge from the Company's website at https://www.cm.com/investor-relations/corporate-governance/articles-of-association/. Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus.

**No Incorporation of Website**

The contents of the Company's website, including any websites accessible from hyperlinks on the Company's website, do not form part of and are not incorporated by reference in this Prospectus.

# REASONS FOR THE OFFERING AND USE OF PROCEEDS

## Reasons for the Offering

The Company believes that the listing is a logical next step in the development of CM.com and that the timing of the listing is appropriate, given CM.com's current profile and level of maturity.

The Company believes that the Offering will provide it with additional capital to support and develop further growth of the Company (including the funding of (i) investments in research and development, (ii) possible future selective mergers and acquisitions, and (iii) geographical service expansion, which includes sales and marketing), and to strengthen its operations (including the hiring of additional personnel and the further developing of the CM.com Platform). In addition, the Company believes that the offering of New Offer Shares will strengthen its financial position by enabling it to repay its current debt.

The Company expects the listing to create a new long term shareholder base as well as liquidity for the holders of Existing Offer Shares. The Offering also aims to permit CM.com to incentivize the existing and future management team and senior staff, and to continue to attract high caliber individuals to join CM.com's management team in the future, by way of awards of listed Shares, aligning their interests with the interests of Shareholders.

## Use of Proceeds

The Company will not receive any proceeds from the sale of the Existing Offer Shares and/or the sale of any Over-Allotment Shares by the Selling Shareholders. The Company will receive proceeds from the sale of any New Offer Shares only. The Company aims to raise approximately EUR 100 million in gross proceeds.

The Company expects the net proceeds from the Offering (based on an Offer Price at the mid-point of the Offer Price Range and assuming the sale of the maximum number of New Offer Shares by the Company), after deduction of expenses, commissions and taxes (estimated to amount to approximately EUR 6.3 million), to amount to approximately EUR 93.7 million.

The Company intends to use the expected net proceeds of the sale of any New Offer Shares in part as follows:

- approximately EUR 23 million to repay amounts outstanding under the Term Loan, the Overdraft Facility and the EIB Facility and to repurchase the warrants in the context of the EIB Facility (all as defined and described further in "Operating and Financial Review—Liquidity and Capital Resources—Financing Arrangements and Commitments"). See also "Existing Shareholders and Related Party Transactions—EIB Warrant". As of the date of this Prospectus, CM.com's total debt was approximately EUR 20 million;
- approximately 55% of the net proceeds remaining after the repayment of debt and warrant repurchase to fund investments in the Company's growth, including through mergers and acquisitions, and geographical and service expansion (which includes sales and marketing); and
- approximately 45% of the net proceeds remaining after the repayment of debt and warrant repurchase to fund investments of research and development and to invest in the CM.com Platform.

Any net proceeds not required for the purposes above are expected to be used for general corporate purposes.

# DIVIDEND POLICY

## General

Under Dutch corporate law, the Company may only make distributions to its Shareholders insofar as the Company's equity exceeds the sum of the paid-in and called-up share capital increased by the reserves as required to be maintained by Dutch law or by the Articles of Association. The Management Board, subject to the approval of the Supervisory Board, may resolve to reserve the profits or part of the profits realized during a financial year as it deems necessary. The profits remaining thereafter shall be put at the disposal of the General Meeting. The Management Board, subject to the approval of the Supervisory Board, shall make a proposal for that purpose. Under the Articles of Association, distribution of profits, meaning the net earnings after taxes shown by the adopted Annual Accounts, will be made after the adoption of the Annual Accounts from which it appears that they are permitted for the respective financial year, entirely without prejudice to any of the other provisions of the Articles of Association.

Subject to the approval of the Supervisory Board and subject to Dutch law and the Articles of Association, the Management Board may resolve to distribute an interim dividend insofar as the Company's equity exceeds the amount of the paid-up and called-up part of the capital increased with the reserves that should be maintained pursuant to the law or the Articles of Association. For this purpose, the Management Board must prepare an interim statement of assets and liabilities evidencing sufficient distributable equity.

Subject to the approval of the Supervisory Board, and subject to Dutch law and the Articles of Association, the Management Board may resolve to distribute a dividend as a payment in the form of Shares to the Shareholders.

According to the Articles of Association, the Management Board determines as of which date any distribution on Shares will be payable.

The tax legislation of the Shareholder's Member State or other relevant jurisdictions and of the Company's country of incorporation may have an impact on the income received from the Shares.

## Dividend History

The Company has not declared or distributed dividends to its Shareholders over the financial years ended 31 December 2016 and 31 December 2018. The Company made a dividend distribution to its Shareholders in the amount of EUR 500,000 over the financial year ended 31 December 2017, which was invested in the CM Campus building refurbishment and reconstruction of existing offices to allow it to be leased out by the Founders to CM.com. See also "Existing Shareholders and Related Party Transactions—Related Party Transactions—Lease Agreements".

## Dividend Policy

The Company intends to retain any future profits for the foreseeable future to expand the growth and development of the Company's business, and, therefore, does not anticipate paying dividends to its Shareholders in the foreseeable future.

## Manner and Time of Dividend Payments

Payment of any dividend in cash will in principle be made in euro. According to the Articles of Association, the Management Board, subject to the approval of the Supervisory Board, may determine that distributions on Shares will be payable either in euro or in another currency. Any dividends that are paid to Shareholders through Euroclear Nederland, will be automatically credited to the relevant Shareholders' accounts without the need for the Shareholders to present documentation proving their ownership of the Shares. Payment of dividends on the Shares in registered form (not held through Euroclear Nederland, but directly) will be made directly to the relevant Shareholder using the information contained in the Company's Shareholders' register and records.

## Uncollected Dividends

A claim for any declared dividend and other distributions lapses five years and one day after the date those dividends or distributions became payable. Any dividend or distribution that is not claimed within this period will be considered to have been forfeited to the Company and will be carried to the reserves of the Company.

# CAPITALIZATION AND INDEBTEDNESS

The tables below set forth CM.com's consolidated capitalization and indebtedness as at 30 June 2019 on an actual basis and as adjusted to give effect to the sale of the New Offer Shares in the Offering and the application of the estimated net proceeds of the Offering, assuming that the New Offer Shares are sold at the mid-point of the Offer Price Range, and assuming gross proceeds of approximately EUR 100 million to CM.com. All information has been derived from the Interim Financial Information, except as otherwise noted. These tables should be read in conjunction with CM.com's IFRS Consolidated Financial Statements and the Interim Financial Information and the notes thereto included elsewhere in this Prospectus and "Operating and Financial Review". See "Description of Share Capital" for information concerning the Company's share capital.

**Capitalization**

| | **As of 30 June 2019** | **Adjustments[4]** | **As adjusted to give effect to the sale of the New Offer Shares in connection with the Offering** |
|---|---|---|---|
| | | **(Unaudited)** **(EUR '000)** | |
| Total current debt | **45,058** | — | **25,856** |
| Guaranteed | — | — | — |
| Secured[1] | 19,202 | (19,202) | — |
| Unguaranteed/unsecured | — | — | — |
| Trade and other payables | 11,698 | — | 11,698 |
| Current tax liabilities | — | — | — |
| Other liabilities[2] | 14,158 | — | 14,158 |
| Total non-current debt (excluding current portion of long-term debt) | **6,798** | **—** | **6,798** |
| Guaranteed | — | — | — |
| Secured | — | — | — |
| Unguaranteed/Unsecured[3] | 6,798 | — | 6,798 |
| Shareholder's equity | **7,555** | **—** | **101,255** |
| a. Share capital | 20 | 480 | 500 |
| b. Legal reserve | 10,400 | — | 10,400 |
| c. Other reserves | (2,865) | 93,220 | 90,355 |
| Total capitalization | **59,411** | **74,498** | **133,909** |

(1) As at 30 June 2019, this comprised the bank loans and bank overdrafts detailed in Note 11 to the Interim Financial Information and Note 16 to the 2018 Consolidated Financial Statements. Prior to the date of this Prospectus, certain of the secured current indebtedness outstanding at 30 June 2019 was refinanced as described under "Operating and Financial Review—Liquidity and Capital Resources—Financing Arrangements and Commitments". This refinancing did not significantly affect CM.com's amount of secured current indebtedness. CM.com intends to use part of the proceeds of the Offering to repay its outstanding secured current indebtedness, see "Reasons for the Offering and Use of Proceeds".

(2) This comprises the current portion of the lease liabilities detailed in Note 11 to the Interim Financial Information and Note 16 to the 2018 Consolidated Financial Statements.

(3) This comprises the non-current portion of the lease liabilities detailed in Note 11 to the Interim Financial Information and Note 16 to the 2018 Consolidated Financial Statements.

(4) Based on a final Offer Price equal to the midpoint of the Offer Price Range (EUR 17.00) and an estimated net proceeds of approximately EUR 93.7 million (*i.e.*, gross proceeds of EUR 100.0 million less estimated expenses of EUR 6.3 million which will be charged to CM.com).

**Indebtedness**

CM.com's net indebtedness as of 30 June 2019 is presented in the table below.

| | As of 30 June 2019 | Adjustments[4] | As adjusted to give effect to the sale of the New Offer Shares in connection with the Offering |
|---|---|---|---|
| | | **(Unaudited)** **(EUR '000)** | |
| A. Cash | 1,092 | 74,498 | 75,590 |
| B. Cash equivalent (Detail) | — | — | — |
| C. Trading securities | — | — | — |
| **D. Liquidity (A)+(B)+(C)** | **1,092** | **74,498** | **75,590** |
| **E. Current Financial Receivables** | — | — | — |
| F. Current bank debt [1] | 4,202 | (4,202) | — |
| G. Current portion of non-current debt [2] | 17,621 | (15,000) | 2,621 |
| H. Other current financial debt | — | — | — |
| **I. Current financial debt (F)+(G)+(H)** | **21,823** | **(19,202)** | **2,621** |
| **J. Net Current Financial Indebtedness (I)-(E)-(D)** | **20,731** | **(93,700)** | **(72,969)** |
| K. Non current bank loans | — | — | — |
| L. Bonds issued | — | — | — |
| M. Other non current loans | 6,798 | — | 6,798 |
| **N. Non-current Financial Indebtedness[3] (K)+(L)+(M)** | **6,798** | **—** | **6,798** |
| **O. Net Financial Indebtedness (J)+(N)** | **27,529** | **(93,700)** | **(66,171)** |

(1) As at 30 June 2019, this comprised the bank overdrafts detailed in Note 11 to the Interim Financial Information and Note 16 to the 2018 Consolidated Financial Statements. Prior to the date of this Prospectus, all of the current bank debt outstanding at 30 June 2019 was refinanced as described under "Operating and Financial Review—Liquidity and Capital Resources—Financing Arrangements and Commitments". This refinancing did not significantly affect CM.com's amount of current bank debt. CM.com intends to use part of the proceeds of the Offering to repay its outstanding current bank debt, see "Reasons for the Offering and Use of Proceeds".

(2) As at 30 June 2019, this comprised the bank loans and the current portion of the lease liabilities detailed in Note 11 to the Interim Financial Information and Note 16 to the 2018 Consolidated Financial Statements. Prior to the date of this Prospectus, certain of the bank loans outstanding at 30 June 2019 were refinanced as described under "Operating and Financial Review—Liquidity and Capital Resources—Financing Arrangements and Commitments". This refinancing did not significantly affect CM.com's amount of bank loans. CM.com intends to use part of the proceeds of the Offering to repay its outstanding bank loans (see "Reasons for the Offering and Use of Proceeds") and the remainder of current portion of non-current debt comprises the current portion of CM.com's lease liabilities.

(3) This comprised the non-current portion of the lease liabilities detailed in Note 11 to the Interim Financial Information and Note 16 to the 2018 Consolidated Financial Statements.

(4) Based on a final Offer Price equal to the midpoint of the Offer Price Range (EUR 17.00) and an estimated net proceeds of approximately EUR 93.7 million (*i.e.*, gross proceeds of EUR 100.0 million less estimated expenses of EUR 6.3 million which will be charged to CM.com).

As of 30 June 2019, CM.com has no indirect indebtedness and no contingent indebtedness, other than the warrants granted by CM.com to the European Investment Bank ("**EIB**") pursuant to a warrant agreement dated 17 May 2018 in the context of the EIB Facility. This warrant agreement entitled the EIB to subscribe for such number of ordinary shares in the Company share capital *pro rata* CM.com's drawings under the EIB Facility, up to a maximum amount of 7.0% of the total number of ordinary shares outstanding in the Company's share capital. As of the date of this Prospectus, the Company has drawn EUR 5 million under the EUR 10 million EIB Facility, corresponding to 3.5% of the total number of ordinary shares outstanding in the Company's share capital (see "Existing Shareholders and Related Party Transactions—EIB Warrant"). CM.com agreed with the EIB to repurchase such warrants at a purchase price of EUR 3.05 million and intends to do so using part of the proceeds of the Offering (see "Reasons for the Offering and Use of Proceeds").

On 14 August 2019, CM.com entered into a credit facility agreement with ABN AMRO Bank N.V. composed of (i) a EUR 10.0 million overdraft facility for working capital, used to fully refinance the outstanding amounts under CM.com's EUR 5.0 million revolving credit facility with Rabobank (described in Note 16 to the 2018 Consolidated Financial Statements) and (ii) a EUR 10.0 million 1-year term loan which is fully drawn at the date of this Prospectus and used to fully refinance the outstanding amounts under CM.com's prior EUR 12.0 million term loan with Rabobank (described in Note 16 to the 2018 Consolidated

Financial Statements). See “Operating and Financial Review—Liquidity and Capital Resources—Financing Arrangements and Commitments”.

Other than as disclosed above, the information contained in the table above has not changed materially since 30 June 2019.

# OPERATING AND FINANCIAL REVIEW

*The following operating and financial review is intended to convey management's perspective on the operating performance and financial condition of CM.com during the periods under review, as measured in accordance with IFRS. CM.com intends this disclosure to assist readers in understanding and interpreting its Consolidated Financial Statements and Interim Financial Information included elsewhere in this Prospectus. You should read the following operating and financial review of CM.com on a consolidated basis in conjunction with the section entitled "Important Information—Presentation of Financial and Other Information" as well as the financial statements and the related notes included elsewhere in this Prospectus. This discussion contains forward-looking statements and involves risks and uncertainties, including, but not limited to, those described in the "Risk Factors" section of this Prospectus. Actual results could differ materially from those contained in any forward-looking statements. See the section entitled "Important Information—Forward-Looking Statements" in this Prospectus.*

*The following discussion and analysis of the financial condition and results of operations is based on the IFRS Consolidated Financial Statements and unaudited Interim Financial Statements, which have been prepared in accordance with IFRS. In particular, the financial information (i) as at and for the year ended 31 December 2018, has been derived from the audited financial information in the 2018 Consolidated Financial Statements, (ii) as at and for the year ended 31 December 2017, has been derived from the audited financial information in the 2017 Consolidated Financial Statements, except that certain unaudited comparative financial information has been derived from the notes to the 2018 Consolidated Financial Statements to aid comparability with the 2018 financial information (for example, the 2017 segmental financial information and revenue and cost of services financial information), and (iii) as at and for the year ended 31 December 2016, has been derived from the unaudited comparative financial information in the 2017 Consolidated Financial Statements, except that certain unaudited comparative financial information has been derived from the notes to the 2018 Consolidated Financial Statements to aid comparability with the 2017 and 2018 financial information (for example, the 2016 segmental financial information and revenue and cost of services financial information).*

*The financial information included in this Prospectus includes measures which are not accounting measures as defined by IFRS. These measures have been included for the reasons described below. However, these measures should not be used instead of, or considered as alternatives to, CM.com's historical financial results based on IFRS. Further, these measures may not be comparable to similarly titled measures disclosed by other companies. See "Important Information—Presentation of Financial and Other Information—Non-IFRS financial measures and key performance indicators".*

**Overview**

CM.com believes it is a leading global mobile services provider that offers a unique combination of end-to-end private cloud-based communication services and payment services, combined with a portfolio of supplementary platform features (*e.g.*, ticketing, and the recently introduced identity, eSignature and customer data platform services) via its CM.com Platform. This leading position and the unique nature of its offering is based on CM.com being – as far as it is aware based on 20 years of experience in the industry – the first and until now only business offering services and features combined in this manner. Being a leader in communication services and having in recent years introduced payment capabilities, CM.com focuses on the worldwide "conversational commerce" market: the market for services that combine both communication services (*e.g.*, WhatsApp Business, Facebook Messenger, SMS and voice solutions), and integrated payment services, regardless of the channel or device selected by the consumer.

CM.com provides Customers with the ability to connect to their consumers via its private cloud-based Communications Platform as a Service (CPaaS). The CPaaS features enable Customers to create an omni-channel mobile end-to-end consumer experience, incorporating modern communication channels (*e.g.*, OTT services such as WhatsApp Business and Facebook Messenger, Rich Communication Services (RCS) and in-app push-messaging), as well as traditional channels (*e.g.*, SMS, Voice and Email), all of which can be connected via a single API and accessed via WebApps (as defined in "Business—Services"). In addition, CM.com provides its Customers with the tools to combine these communication channels into a single dashboard for instant insight into the communication streams with consumers.

In addition to these communication services, CM.com's payment services enable Customers to process payments from their consumers. The CM.com Platform allows Customers to seamlessly integrate payment features with CPaaS functionalities, and into their consumer-communication flow. This integration in one single platform is unique compared to other CPaaS or payment service providers, and it is what CM.com believes enables its Customers to engage in conversational commerce.

CM.com also offers a number of supplementary platform features. These services currently include a customer data platform that can use and enrich data generated via the CM.com Platform, eSignature, identity and ticketing solutions.

All of these services combined represent CM.com's fully integrated "conversational commerce ready" service offering. Customers can thus create seamless consumer journeys that incorporate key stages of modern commerce, starting with targeted marketing campaigns and ending with personalized aftersales consumer care, creating an omni-channel conversational commerce experience for the individual.

CM.com's Customer base includes Tier 1 enterprises, government agencies, as well as small and medium enterprises ("**SMEs**"). As at 30 June 2019, the Customer base consisted of approximately 9,322 Customers (based on the number of invoices sent) from approximately 140 countries, with Customers in 41 of those countries generating revenue (per country) in excess of EUR 10,000.

To enhance its sales and marketing strategy and to better serve its local Customers, CM.com has opened regional, local and virtual offices around the globe. As at 30 June 2019, CM.com had 14 regional, local or virtual offices, of which eight are located in Western Europe (the Netherlands (including CM.com's headquarters), Belgium, France, Germany, Spain and the United Kingdom), two in Africa (Capetown and Johannesburg), one in the Middle-East (Dubai), and three in Asia (Shenzhen, Hong Kong and Tokyo). CM.com expects to open additional offices in Western Europe, the Asian Pacific region and in North America.

For the six months ended 30 June 2019 and the year ended 31 December 2018, CM.com generated revenue of approximately EUR 44 million and EUR 85 million, respectively (compared to approximately EUR 80 million in the year ended 31 December 2017 and approximately EUR 67 million in the year ended 31 December 2016). In the six months ended 30 June 2019, the segments CPaaS, Payments, Platform and Other accounted for approximately 75%, 6%, 6%, and 13% respectively, of CM.com's total revenue (year ended 31 December 2018: approximately 73%, 7%, 4%, and 16%, respectively; year ended 31 December 2017: approximately 71%, 4%, 4% and 21%, respectively, of total revenue; year ended 31 December 2016: approximately 64%, 0%, 5% and 31%, respectively, of total revenue). As at 30 June 2019 and 31 December 2018, CM.com's total assets amounted to EUR 60.7 million and EUR 50.6 million, respectively (compared to EUR 49.2 million as at 31 December 2017 and EUR 31.7 million as at 31 December 2016). As at 30 June 2019 and 31 December 2018, CM.com's total equity amounted to EUR 7.6 million and EUR 7.5 million, respectively (compared to EUR 7.3 million as at 31 December 2017 and EUR 6.8 million as at 31 December 2016).

### Presentation of Financial Information

CM.com reports consolidated financial information in accordance with IFRS as issued by the IASB and endorsed by the European Union, applying harmonized accounting principles and policies. The consolidation perimeter of CM.com comprises CM.com and all its direct and indirect subsidiaries.

The preparation of CM.com's consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates (see "—Significant Accounting Policies"). It also requires CM.com's management to exercise its judgment in the process of applying CM.com's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the IFRS Consolidated Financial Statements, are disclosed in the applicable financial statements and discussed in "—Critical Accounting Judgements and Estimations".

At the date of the most recent IFRS Consolidated Financial Statements, there were a number of IFRS standards, amendments and interpretations that have been published. These are summarized in "—Change In Accounting Policies".

#### *Financial reporting segments*

CM.com's management monitors the operations on the basis of four operating segments, "CPaaS", "Payments", "Platform" and "Other", for each of which CM.com reports revenue, cost of services and gross profit on a segmental basis. Employee benefits expenses, amortization and depreciation, other operating expenses and assets and liabilities are not monitored, and therefore not reported, on a segmental basis.

The CM.com Platform integrates the communication services of the CPaaS segment, the payments services of the Payments segment and the portfolio of platform features of the Platform segment, enabling

CM.com's Customers to optimize the mobile communication journey with their consumers. CM.com also provides legacy services (principally Premium SMS and Direct Content Billing), which it reports in its "Other" segment.

*CPaaS*

CM.com's CPaaS segment is composed of CM.com's omni-channel messaging and voice services. The mobile messaging and voice services offered on the CM.com Platform are charged on a usage basis.

For the six months ended 30 June 2019 and 2018 and for the years ended 31 December 2018, 2017 and 2016, CPaaS revenue can be analyzed as follows:

| | Six months ended 30 June | | Years ended 31 December | | |
|---|---|---|---|---|---|
| **CPaaS revenue** | **2019** | **2018** | **2018** | **2017** | **2016** |
| | **(EUR '000) (unaudited)** | | **(unaudited, unless otherwise stated)** | **(EUR '000) (unaudited)** | **(unaudited)** |
| Messaging | 32,378 | 29,698 | 60,717 | 55,938 | 42,175 |
| Voice | 731 | 566 | 1,358 | 1,095 | 452 |
| **Total CPaaS** | **33,109** | **30,264** | **62,075**(1) | **57,033**(2) | **42,627**(2) |

(1) Audited.
(2) Unaudited and derived from the comparative financial information in the 2018 Consolidated Financial Statements.

*Payments*

CM.com's Payments segment is composed of CM.com's payments services including online payments services and payments services that are integrated with its omni-channel CPaaS services. The payments services offered on the CM.com Platform are charged on a usage basis.

For the six months ended 30 June 2019 and 2018 and for the years ended 31 December 2018, 2017 and 2016, Payments revenue can be analyzed as follows:

| | Six months ended 30 June | | Years ended 31 December | | |
|---|---|---|---|---|---|
| **Payments revenue** | **2019** | **2018** | **2018** | **2017** | **2016** |
| | **(EUR '000) (unaudited)** | | **(audited)** | **(EUR '000) (unaudited)** | **(unaudited)** |
| **Total Payments** | **2,833** | **3,211** | **5,776** | **3,236**(1)(2) | **188**(1) |

(1) Unaudited and derived from the comparative financial information in the 2018 Consolidated Financial Statements.
(2) This reflects the increase in payments transaction volumes resulting from the acquisition of Docdata Payments B.V. in July 2017.

*Platform*

CM.com's Platform segment is composed of CM.com's subscription packages providing different levels of Customer support and enhanced access to the CM.com Platform, as well as CM.com's portfolio of supplementary platform features leveraging CM.com's core CPaaS and payments services offering, including ticketing, data, Texter, email campaign, digital signing (eSignature), identification and verification (identity) services. These supplementary services offered on the CM.com Platform are charged on a usage basis; and the subscription-based Customer support and enhanced access to the CM.com Platform is charged mainly on a monthly basis (representing 93.2% of Platform revenue from subscriptions for the year ended 31 December 2018) and for some Customers on an annual basis (representing 6.3% of Platform revenue from subscriptions for the year ended 31 December 2018).

For the six months ended 30 June 2019 and 2018 and for the years ended 31 December 2018, 2017 and 2016, Platform revenue can be analyzed as follows:

| | Six months ended 30 June | | Years ended 31 December | | |
|---|---|---|---|---|---|
| **Platform revenue** | **2019** | **2018** | **2018** | **2017** | **2016** |
| | **(EUR '000) (unaudited)** | | **(unaudited, unless otherwise stated)** | **(EUR '000) (unaudited)** | **(unaudited)** |
| Subscriptions | 1,411 | 1,477 | 2,770 | 2,906 | 3,021 |
| Platform Features[(2)] | 1,326 | 332 | 803 | 187 | 109 |
| **Total Platform** | **2,737** | **1,809** | **3,573**[(1)] | **3,093**[(3)] | **3,130**[(3)] |

(1) Audited.

(2) Includes revenue from ticketing, data, Texter, email campaign, eSignature, identity services.

(3) Unaudited and derived from the comparative financial information in the 2018 Consolidated Financial Statements.

*Other*

CM.com's Other segment is composed of a portfolio of legacy services, including Premium SMS, Direct Content Billing, call charge services, app development and certain TV broadcasting services. Fees for these services are charged on a usage basis. CM.com plans to replace revenue from such services over time with revenue from new, higher-margin services as part of its CPaaS, Payments and Platform services offering.

For the six months ended 30 June 2019 and 2018 and for the years ended 31 December 2018, 2017 and 2016, Other revenue can be analyzed as follows:

| | Six months ended 30 June | | Years ended 31 December | | |
|---|---|---|---|---|---|
| **Other revenue** | **2019** | **2018** | **2018** | **2017** | **2016** |
| | **(EUR '000) (unaudited)** | | **(unaudited, unless otherwise stated)** | **(EUR '000) (unaudited)** | **(unaudited)** |
| Premium SMS and Direct Content Billing | 4,156 | 4,985 | 9,622 | 12,456 | 16,742 |
| Other legacy Services[(2)] | 1,473 | 1,742 | 3,571 | 4,097 | 3,996 |
| **Total Other** | **5,629** | **6,727** | **13,193**[(1)] | **16,553**[(3)] | **20,738**[(3)] |

(1) Audited.

(2) Includes revenue from other legacy services such as call charge services, app development and certain TV broadcasting services.

(3) Unaudited and derived from the comparative financial information in the 2018 Consolidated Financial Statements.

### *Non-IFRS Financial Measures and Key Operating and Performance Measures*

The table below presents CM.com's non-IFRS financial measures and key operating and performance measures as at and for the periods indicated (see "Important Information—Presentation of Financial and Other Information" for further information on non-IFRS financial measures and key operating and performance measures).

| | As at or for six months ended 30 June | | As at or for years ended 31 December | | |
|---|---|---|---|---|---|
| | 2019 | 2018 | 2018 | 2017 | 2016 |
| | (unaudited) | | (unaudited) | | |
| *Key Operating and Performance Measures* | | | | | |
| CPaaS Net Dollar Retention Rate (*%*)(1) | *nm* | *nm* | 113.5(14) | 113.4(14) | —(15) |
| CPaaS Churn Rate (*%*)(2) | *nm* | *nm* | 0.9(14) | 1.9(14) | —(15) |
| Total Customers (*'000*)(3) | 5.6 | 6.0 | 9.7 | 9.5 | 8.7 |
| Monthly Active Users (MAU) (*'000*)(4) | 5.0 | 4.4 | 5.3 | 4.4 | —(15) |
| Total Messages (*billions*)(5) | 1.1 | 0.9 | 2.0 | 1.7 | 1.3 |
| Total Payments Processed (*EUR millions*)(6) | 318.1 | 312.9 | 594.6 | 298.6 | 14.0 |
| Total Voice Minutes (*millions*)(7) | 69.4 | 36.9 | 111.6 | 40.5 | 13.1 |
| *Non-IFRS Financial Measures* | | | | | |
| EBITDA (*EUR'000*)(8) | 2,928 | 2,226 | 4,302 | 4,446 | 4,889 |
| EBITDA Margin (%)(9) | 6.6 | 5.3 | 5.1 | 5.6 | 7.3 |
| Capex (*EUR'000*)(10) | 1,739 | 4,221 | 7,091 | 6,682 | 3,608 |
| Capex/Revenue (%)(11) | 3.9 | 10.0 | 8.4 | 8.4 | 5.4 |
| Gross Profit (*EUR'000*)(12) | 12,380 | 12,478 | 24,955 | 21,608 | 18,493 |
| Gross Margin (*%*)(13) | 27.9 | 29.7 | 29.5 | 27.0 | 27.7 |
| Period on period revenue growth of CPaaS + Payments + Platform (%) | 9.6 | — | 12.7 | 37.9 | — |
| Total Opex (*EUR'000*)(16) | 9,585 | 10,252 | 20,653 | 17,164 | 13,603 |

(1) "CPaaS Net Dollar Retention Rate" represents the ratio of revenue from CPaaS Customers that generated more than EUR 10,000 in revenue in a given year and that were also a Customer on 1 January of the preceding year, to revenue generated by these Customers in such preceding year. Because this measure is calculated on the basis of full year data, half year comparatives are not meaningful ("**nm**").

(2) "CPaaS Churn Rate" represents the ratio of revenue from CPaaS Customers that generated more than EUR 10,000 in revenue in a given year but that were not Customers on 1 January of the following year, to total revenue in that given year. Because this measure is calculated on the basis of full year data, half year comparatives are not meaningful.

(3) "Total Customers" represents the number of Customers to which invoices were sent in a given period.

(4) "Monthly Active Users (MAU)" represents the total number of monthly active users on the CM.com Platform based on the last month of the relevant period. The number of Monthly Active Users is not directly comparable to the number of total Customers given that a single Customer can have multiple active users on the CM.com Platform.

(5) "Total Messages" represents the aggregate amount of messages (regardless of the channel) processed through the CM.com Platform in a given period.

(6) "Total Payments Processed" represents the aggregate value of Payments transactions processed through the CM.com Platform for a given period. In July 2017, CM.com acquired Docdata Payments B.V., resulting in an increase in payments transaction volumes.

(7) "Total Voice Minutes" represents the aggregate amount of voice call minutes for a given period.

(8) "EBITDA" represents earnings before interest, taxes, depreciation and amortization. A reconciliation of EBITDA to the nearest IFRS measure is set forth below.

(9) "EBITDA Margin" represents the ratio of EBITDA to revenue in a given period. The calculation of this measure is as set forth below.

(10) "Capex" represents investments incurred during the period to acquire non-current tangible assets such as property, plant and equipment, intangible assets and the capitalization of certain development costs. Capex is adjusted for extraordinary one-off events, including certain acquisitions in the years ended 31 December 2018 and 2017. The calculation of this measure is as set forth below.

(11) "Capex/Revenue" represents the ratio of capex to revenue. The calculation of this measure is as set forth below.

(12) "Gross Profit" represents revenue less cost of services. A calculation of gross profit is set forth below.

(13) "Gross Margin" represents the ratio of gross profit to revenue. The calculation of this measure is as set forth below.

(14) Adjusted for one-off incidental project in 2017 with a total value of EUR 3.75 million, which was not taken into account for purposes of this measure.

(15) The data required to calculate these measures was not yet monitored in the year ended 31 December 2016 and as a result comparatives for the year ended 31 December 2016 are not available.

(16) "Total Opex" represents employee benefits expenses and other operating expenses taken together. Employee benefits expenses and other operating expenses are each separately described in further detail for each of the periods presented under "—Results of Operations".

*EBITDA and EBITDA Margin*

The following table sets forth a reconciliation of EBITDA to operating profit, its most comparable IFRS measure, and the calculation of EBITDA Margin:

| | Six months ended 30 June | | Years ended 31 December | | |
|---|---|---|---|---|---|
| **Reconciliation of EBITDA** | **2019** | **2018** | **2018** | **2017** | **2016** |
| | **(EUR '000) (unaudited)** | | **(EUR '000) (unaudited, unless otherwise stated)** | | |
| Operating profit | 451 | 545 | 797[1] | 1,766[1] | 1,550[2] |
| Amortization and depreciation | 2,477 | 1,681 | 3,505[1] | 2,680[1] | 3,339[2] |
| **EBITDA** | **2,928** | **2,226** | **4,302** | **4,446** | **4,889** |
| *Divided by* | | | | | |
| Revenue | 44,308 | 42,011 | 84,617[1] | 79,914[3] | 66,683[3] |
| **EBITDA Margin (%)** | **6.6** | **5.3** | **5.1** | **5.6** | **7.3** |

(1) Audited.
(2) Unaudited and derived from the comparative financial information in the 2017 Consolidated Financial Statements.
(3) Unaudited and derived from the comparative financial information in the 2018 Consolidated Financial Statements.

*Gross Profit and Gross Margin*

The following table sets forth the calculation of gross profit and gross margin:

| | Six months ended 30 June | | Years ended 31 December | | |
|---|---|---|---|---|---|
| **Calculation of Gross Profit** | **2019** | **2018** | **2018** | **2017** | **2016** |
| | **(EUR '000) (unaudited)** | | **(EUR '000) (unaudited, unless otherwise stated)** | | |
| Revenue | 44,308 | 42,011 | 84,617[1] | 79,914[2] | 66,683[2] |
| Cost of services | (31,928) | (29,533) | (59,662)[1] | (58,306)[2] | (48,190)[2] |
| **Gross Profit** | **12,380** | **12,478** | **24,955** | **21,608** | **18,493** |
| *Divided by* | | | | | |
| Revenue | 44,308 | 42,011 | 84,617[1] | 79,914[2] | 66,683[2] |
| **Gross Profit Margin (%)** | **27.9** | **29.7** | **29.5** | **27.0** | **27.7** |

(1) Audited
(2) Unaudited and derived from the comparative financial information in the 2018 Consolidated Financial Statements.

*Capex and Capex/Revenue*

The following table sets forth the calculation of Capex and Capex/Revenue:

| Reconciliation of Capex | Six months ended 30 June 2019 | Six months ended 30 June 2018 | Years ended 31 December 2018 | Years ended 31 December 2017 | Years ended 31 December 2016 |
|---|---|---|---|---|---|
| | (EUR '000) (unaudited) | | (EUR '000) (unaudited, unless otherwise stated) | | |
| Tangible assets, intangible assets and capitalized development costs | 1,739 | 4,407 | 7,277 | 15,235 | 3,608 |
| Adjustments for acquisitions, customer relations and goodwill | — | (186) | (186) | (8,553) | — |
| **Capex** | 1,739 | 4,221 | 7,091 | 6,682 | 3,608 |
| *Divided by* | | | | | |
| Revenue | 44,308 | 42,011 | 84,617(1) | 79,914(2) | 66,683(2) |
| **Capex/Revenue (%)** | 3.9 | 10.0 | 8.4 | 8.4 | 5.4 |

(1) Audited
(2) Unaudited and derived from the comparative financial information in the 2018 Consolidated Financial Statements.

The non-IFRS financial measures presented above are not measures of financial performance under IFRS, but measures used by management to monitor the underlying performance of CM.com's business and operations and, accordingly, they have not been audited or reviewed. A non-IFRS financial measure is defined as one that measures historical or future financial performance, financial position or cash flows, but which excludes or includes amounts that would not be so adjusted in the most comparable IFRS financial measure. Further, they may not be indicative of CM.com's historical operating results, nor are such measures meant to be predictive of CM.com's future results. These non-IFRS measures are presented in this Prospectus because management considers them an important supplemental measure of CM.com's performance, to be used in conjunction with IFRS financial measures, and believes that they and similar measures are widely used in the industry in which CM.com operates as a means of evaluating a company's operating performance and liquidity.

However, each of these non-IFRS financial measures have limitations as an analytical tool and not all companies calculate non-IFRS financial measures in the same manner or on a consistent basis. As a result, these measures and ratios may not be comparable to measures used by other companies under the same or similar names. Accordingly, undue reliance should not be placed on the non-IFRS financial measures contained in this Prospectus and they should not be considered in isolation, or as a substitute for, or superior to, and should be read in conjunction with, CM.com's reported financial measures computed in accordance with IFRS.

The presentation of the non-IFRS measures herein should not be construed as an implication that CM.com's future results will be unaffected by exceptional or non-recurring items.

The financial information included herein is not intended to comply with the applicable requirements of the Exchange Act and the related rules and regulations of the SEC.

## Primary Factors Affecting CM.com's Results of Operations and Financial Condition

CM.com's results of operations have been affected in the periods under review, and are expected to continue to be affected, by the following principal factors relating to CM.com's business.

***Demand for CM.com's services and growth of the conversational commerce market and active Customer accounts***

CM.com's revenue is principally a product of the number of active Customer accounts (which is a product of its ability to retain existing Customers and attract new Customers), the volumes of services purchased by its Customers (particularly CPaaS services, as well as payments services, which constitute CM.com's core services offering) and the prices achieved. See also "—CM.com's revenue model and ability to make a margin on its services".

As a result, CM.com's results of operations are affected by changes in the demand for CM.com's services, particularly by CM.com's core Customer base of Tier 1 enterprises, government agencies and

SMEs, including its 10 largest Customers which generated approximately 25% of CM.com's total revenue in the year ended 31 December 2018. The demand for CM.com's services is primarily driven by (i) the growth in Customers using CM.com's messaging services (and more recently, payments services) and related technological and consumer behavior trends, (ii) CM.com's ability to retain existing Customers and win new Customer accounts (particularly Tier 1 enterprises, government agencies and SMEs, which are the core revenue generating Customers for CM.com) and expand their use of the full suite of services offered through the CM.com Platform (as discussed below), as well as (iii) the roll-out of new services through the CM.com Platform and expansions of CM.com's geographical footprint. CM.com expects demand for its services to be increasingly driven by increased demand from Customers requesting to facilitate conversational commerce with their consumers, and CM.com has configured itself to serve and grow within this conversational commerce market.

CM.com believes that the general shift from traditional communications and payments services to an integrated, modern, software-driven, cloud-based, conversational commerce platform has just begun, and that its CM.com Platform, which integrates the traditional CPaaS services with payments services and other platform features (including ticketing, data, Texter, email campaign, eSignature, identity services) enabling Customers to optimize the mobile communications journey with their consumers, positions CM.com to capitalize on this trend. CM.com markets its services to large corporate enterprises, government agencies, non-profit organizations and educational institutions that want to leverage the CM.com Platform as a part of their own consumer service offering. CM.com believes that the demand for advanced communications and payments services will continue to grow, in turn contributing to the growth of CM.com. See also "Industry and Competition".

CM.com's business and results of operations will depend on its ability to grow its business with existing Customers and to continue to add new Customers to its CM.com Platform. CM.com's Customers sometimes start with small transaction volumes on the CM.com Platform and then expand their usage as they derive value from using the integrated CM.com Platform services offering. In some instances, Customers may scale their usage of the CM.com Platform rapidly, which may cause fluctuations in CM.com's results of operations and financial metrics and make forecasting future results of operations and financial metrics more difficult. In particular, CM.com's business and results of operations will depend on its ability to expand its existing Customers' use of the CM.com Platform. CM.com believes that there is a significant opportunity to drive additional sales to existing Customers, and expects to invest in sales, marketing and Customer support, as well as the expansion of the services offered through the CM.com Platform, to achieve incremental revenue growth from existing Customers. In this respect, CM.com believes that it has a strong track record in retaining existing Customers and achieving incremental revenue growth from such Customers, demonstrated by a 113.5% CPaaS Net Dollar Retention Rate in the year ended 31 December 2018 for its CPaaS services and CPaaS Churn Rate of 0.9% in the year ended 31 December 2018. In addition, the six Years Average Tenure for Top 100 Customers as at 31 December 2018 shows a relatively stable Customer base.

Technological trends and trends in consumer behavior can also affect CM.com's revenue, sometimes materially. New technologies can allow CM.com to offer new services, such as WhatsApp Business messaging, which has grown strongly since CM.com started to provide this service in the beginning of 2019 and which CM.com believes will, along with other OTT messaging channels, continue to be an important growth area (see also "Industry and Competition"). However, consumer behavior can also reduce demand for CM.com's services. For example, revenue from CM.com's Other segment, which includes Premium SMS and Direct Content Billing services, has decreased significantly over the periods under review (from EUR 20.7 million in the year ended 31 December 2016, to EUR 16.6 million in the year ended 31 December 2017 and EUR 13.2 million in the year ended 31 December 2018), which CM.com expects to continue, as Customers reduce use of such services as a result of changed consumer behavior and as new technologies and services replace Premium SMS and Direct Content Billing services.

***Direct relationships with mobile network operators, OTT-providers and financial services providers***

CM.com's direct relationships with mobile network operators (*e.g.*, KPN), OTT-providers (*e.g.*, WhatsApp, Viber) and financial services providers (*e.g.*, MasterCard) have a significant impact on CM.com's results of operations. CM.com's ability to source certain CPaaS and payments services can drive demand for CM.com's services, reduce the cost of services and provide a competitive advantage in certain markets. CM.com has generally experienced a positive correlation between the number of its direct relationships and growth in revenue and gross profit.

The cost to CM.com of sourcing CPaaS and payments services is also important to its gross profit and margins. Direct relationships can reduce CM.com's cost of services and positively impact gross margin. For example, cost of services is generally lower for transactions via the networks of mobile network operators, OTT-providers and financial services providers with whom CM.com has direct relationships, as CM.com is not required to pay a third-party to facilitate the connection with such providers. CM.com actively works with mobile network operators to purchase network capacity and negotiate messaging and voice rates, with OTT-providers to expand its omni-channel CPaaS capabilities and with financial services providers to obtain acquiring licenses, negotiate interchange and payment network fees and expand its Payments capabilities. (see also "—CM.com's revenue model and ability to make a margin on its services").

In addition, certain CPaaS services provided by CM.com require direct relationships with OTT-providers. For example, in the six months ended 30 June 2019, CM.com has renewed existing agreements with OTT-providers such as Viber and Google and also entered into a new agreement with Facebook for its WhatsApp Business messaging services. These contracts enable CM.com to supplement its traditional CPaaS messaging and voice services (*e.g.*, SMS) with OTT communication services (*e.g.*, WhatsApp Business) and offer its Customers omni-channel communication capabilities, thereby providing CM.com with a competitive advantage vis-à-vis traditional CPaaS providers. In addition, the omni-channel communication capabilities of the CM.com Platform also allow CM.com to mitigate its communication services supplier risk and manage its communication-related cost of services as it can shift its messaging and voice services to different communication channels.

Similarly, certain payments services, such as acquiring services, require direct relationships with and licenses from financial services providers. For example, in 2019, CM.com entered into an acquiring license agreement with MasterCard, enabling CM.com to provide Customers with acquiring payments services for MasterCard credit card payments without going through a third-party acquiring bank, thereby allowing CM.com to optimize, manage and reduce its cost of services for facilitating MasterCard credit card payments through the CM.com Platform. As at the date of this Prospectus, technical implementation for these acquiring payments services is ongoing and is expected to be completed in the first six months ending 30 June 2020.

***Platform costs and operating expenses***

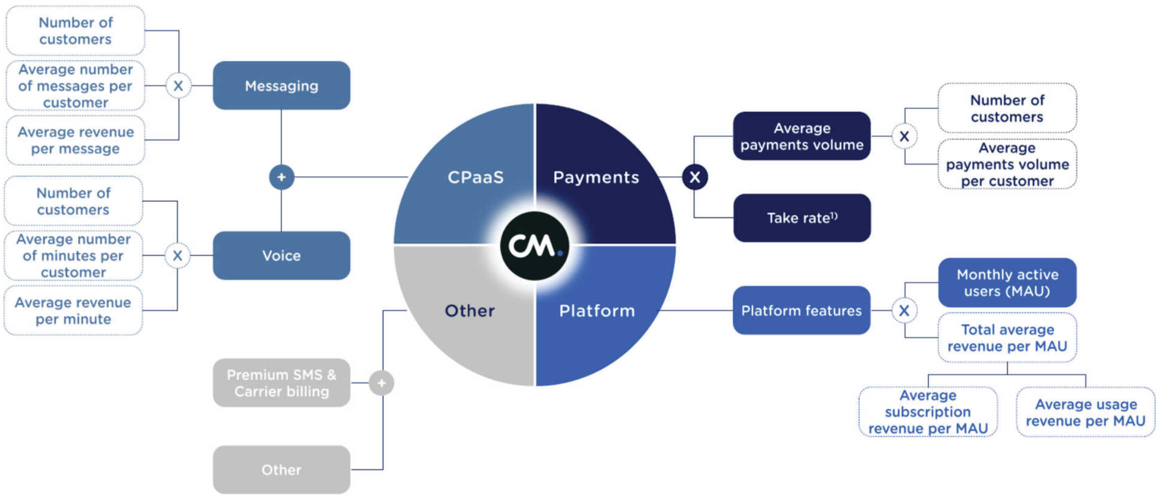
CM.com believes that to expand its business, it needs to continue to invest in its CM.com Platform. As its CM.com Platform has been primarily built in-house (*i.e.*, technology – software codes – is designed or developed and maintained by CM.com), it expects to continue to make significant investments in research and development activities, including in further developing its CM.com Platform features to support new use cases, to stay ahead of the competition. In-house development of the CM.com Platform also enables CM.com to not rely significantly on any third-party systems or service providers to run its CM.com Platform and, consequently, to not make significant investments in integrating and maintaining third-party systems or resolving legacy system issues.

During the year ended 31 December 2018, CM.com invested approximately EUR 3.4 million in platform development (excluding investments in property, plant and equipment) to prepare for demand growth in the short and medium term. As its business grows, CM.com plans to continue to invest in its CM.com Platform optimization efforts. Ultimately, it expects to realize cost savings through economies of scale, but may incur costs during phases of expansion and optimization. Historically, CM.com has made efficient investments to maintain its network and CM.com Platform. See "—Financing Arrangements and Commitments—Capital Expenditures".

CM.com also plans to continue to invest in operational and administrative functions to support its expected growth, scaling of new services, geographical expansion and transition to a public company. Employee benefits expenses are an important driver for costs in this respect, in particular as CM.com hires more employees overseas and expands its sales and marketing department and payments services department, which have tended to (and are expected to continue to) increase its average employee benefits expenses.

***CM.com's revenue model and its ability to make a margin on its services***

CM.com's revenue model is built around its CPaaS, Payments, Platform and Other segments and the revenue for each segment is dependent on a segment-specific set of revenue drivers. From a simplified operational perspective, the key revenue drivers for each segment can be presented as follows:




(1) "Take rate" represents gross profit as a percentage of processed volumes.

While the drivers presented above have a direct impact on CM.com's revenue levels, CM.com's ability to maintain or increase its profitability is, and will continue to be, dependent on the margins that CM.com is able to make on its services and which is reflected in CM.com's gross profit.

CM.com's CPaaS gross profit is equal to the portion of CPaaS revenue remaining after deducting the fees paid to mobile network operators and OTT-providers for the purchase of network capacity and OTT-communication capabilities. Similarly, gross profit from payments services is equal to the portion of Payments revenue remaining after deducting the interchange and payment network fees paid by CM.com to financial institutions and payment networks for facilitating payments through the CM.com Platform.

Gross margin is driven by a number of factors, including the mix of services and communication and payment channels offered, each of which have a different cost of services and therefore have a direct impact on the margin CM.com is able to make. Payments services tend to have higher gross profit margins (2018: 59.2%; 2017: 55.4%; 2016: 43.1%) than CPaaS services (2018: 24.0%; 2017: 22.1%; 2016: 25.1%) and, within CPaaS, OTT-based communication services tend to have higher margins than traditional messaging and voice services due to lower cost of services, which makes the trend towards OTT-based communication attractive to CM.com. See "—Results of Operations—Comparison of the years ended 31 December 2018 and 31 December 2017—Gross Profit and Gross Margin".

The volume of transactions processed through the CM.com Platform is an important driver for margin as it impacts the ability of CM.com to negotiate discounted rates from its suppliers and reduce its cost of services. For example, the SMS rates charged by mobile network operators are principally a function of the volume of SMS messages purchased by CM.com and typically decline as volume grows. Similarly for payments services, the interchange and payment network fees charged by financial institutions and payment networks to CM.com are principally a function of the total volume and transaction value of the payments processed and CM.com can typically negotiate a lower fee per transaction as total volume and transaction value grow. To achieve the required level of transaction volumes CM.com may, on occasion and for a limited amount of time, offer its services at a rate below the cost of service.

In addition, CM.com's margin is affected by volume effects through the composition of its Customer base. As volumes grow, Customers are typically able to negotiate relatively lower price per transaction, meaning that the average revenue per transaction for Tier 1 enterprises which tend to transact larger volumes is generally lower than for SMEs which tend to transact smaller volumes. CM.com is generally able to pass on its cost of services to its Customers and seeks to earn an approximately stable margin across its Customer base by negotiating correspondingly lower purchase costs from the suppliers of its services for larger volumes. However, if CM.com is unable to obtain discounted rates from its suppliers, CM.com's margin may be negatively impacted if Customers which transact larger volumes are able to negotiate a lower price per transaction.

Similarly, the geographical mix of demand for CM.com's services can impact its gross margin as CM.com's cost of services (*e.g.*, the SMS rates or interchange and payment network fees) can differ significantly from country to country. For example, the SMS rates charged by mobile network operators in the Netherlands tend to be higher than the SMS rates charged by mobile network operators in other jurisdictions. By passing on the jurisdiction-specific cost of services in its pricing proposition in each jurisdiction, CM.com seeks to earn an approximately stable margin per service across the various jurisdictions in which it operates. However, unanticipated increases in jurisdiction-specific cost of services which CM.com is unable to pass on to its Customers may negatively impact CM.com's gross margin in that jurisdiction. For example, in 2018, a Belgian mobile network operator unexpectedly increased its SMS rates, which adversely impacted CM.com's gross margin in Belgium. Similarly, in October 2017, the South African regulator ICASA amended the "Call Termination Regulations 2014", which resulted in a substantial purchase price increase. Because CM.com's pricing proposition differs from jurisdiction to jurisdiction, average revenue per service tends to decrease as CM.com expands its operations from more expensive jurisdictions, such as the Netherlands, to other jurisdictions where the cost of services (and therefore also the price charged by CM.com to its Customers) is generally lower.

***Geographic expansion and acquisitions***

The CM.com Platform has a global reach with paying Customers located in approximately 140 countries (with Customers in 41 of those countries generating revenue (per country) in excess of EUR 10,000) and regional, local and virtual offices in 14 cities worldwide, as at June 30, 2019, with most of CM.com's Customers located in the Netherlands (50.0% in the year ended 31 December 2018), Belgium (17.9% in the year ended 31 December 2018) and France (8.6% in the year ended 31 December 2018). CM.com expects to continue to expand its geographical footprint in the future, which will add increased complexity and cost to its business.

CM.com believes that on-the-ground sales staff are important for growing regional sales from enterprise Customers (which are the key revenue-generating Customers for CM.com) and therefore spends more on local and regional sales offices to help to increase CM.com's revenue, as Customers gain local and dedicated expertise in their respective markets, which can increase their use of CM.com's services. In addition, managers of these local and regional sales offices can develop relationships with local suppliers, thus strengthening CM.com's local market offering. Typically, CM.com prices to be attractive to Customers and build market share when it opens offices in a new region and, accordingly, the time to expected profitability of a new office can be extended.

In addition, CM.com may engage in acquisitions from time to time in order to accelerate existing growth opportunities, gain access to direct relationships with suppliers, strengthen its international presence and further expand its offering of services.

***Regulation of markets***

CM.com's results of operations are affected by a number of laws and regulations in the markets in which CM.com operates. CM.com is subject to regulatory and compliance requirements relating to labor, license requirements, connectivity to telecommunications networks, communication signals and code types, payments processing, data protection, anti-corruption, anti-money laundering, tax and VAT, antitrust and administrative actions and other regulatory regimes.

Based on CM.com's prior experience and technical knowhow, CM.com believes that it is in a strong position to quickly respond and adjust its operations, software and CM.com Platform to changes in market regulations in the markets in which CM.com operates. New regulations can increase costs, as CM.com may be required to invest a significant amount of time and resources to gain certification or approval under newly imposed rules.

***Fluctuations in Customer usage***

CM.com's business is subject to fluctuations in Customer usage of CPaaS, Payments and Platform services throughout the year. Usage fluctuations are services-specific (*e.g.*, event-related use of ticketing services during summer months is higher while use of enterprise communication services is lower) and can impact the number of transactions processed through the CM.com Platform and CM.com's revenue generated from its services that are charged on a usage basis. For example, the typical end-of-year surge in the use of

CM.com's CPaaS and payments services, as well as the timing of large-scale events utilizing CM.com's Platform services (in particular ticketing), can have an effect on reported results.

**Recent Developments**

On 14 August 2019, CM.com entered into a credit facility agreement with ABN AMRO Bank N.V. composed of a EUR 10.0 million overdraft facility and a EUR 10.0 million 1-year term loan in order to fully refinance CM.com's prior financing arrangements with Rabobank. See "—Liquidity and Capital Resources—Financing Arrangements and Commitments".

Save as disclosed above, no significant change in the financial performance or financial position of CM.com has occurred since 30 June 2019.

**Consolidated Income Statement Line Items**

The following section presents CM.com's income statement line items derived from CM.com's IFRS Consolidated Financial Statements.

***Revenue***

Revenue generated from CM.com's CPaaS segment primarily consists of fees charged to Customers for mobile messaging and voice services offered on the CM.com Platform. These fees are charged based on usage on a pay-as-you-go basis and revenue therefrom is recognized in the period in which the usage occurs ("point-in-time").

Revenue generated from CM.com's Payments segment primarily consists of settlement fees and start-rate fees or a blend thereof, depending on the type of payments service. Settlement fees are typically expressed as a percentage of the transaction value where CM.com offers acquiring services (*i.e.*, processing payments on behalf of a Customer directly on the CM.com Platform without going through a third-party acquiring bank), to cover interchange and payment network fees charged by financial institutions and payment networks to CM.com and include an acquiring mark-up charged by CM.com. Start-rate fees are fixed fees charged per transaction for the use of a payments service facilitated through the CM.com Platform, where CM.com only acts as a gateway (*i.e.*, facilitating a payment transaction by the transfer of information between a Customer's payment portal and a third-party acquiring bank). CM.com may sometimes also blend settlement fees and start-rate fees to optimize its pricing proposition for certain Customers. Both settlement fees and start-rate fees are charged on a pay-as-you-go basis and revenue therefrom is recognized in the period in which the payment transaction occurs ("point-in-time").

Revenue generated from CM.com's Platform segment primarily consists of monthly or annual subscription fees for enhanced access to the CM.com Platform and fees charged for the use of the platform features supplementing and leveraging CM.com's core CPaaS and payments services offering, including ticketing, data, Texter, email campaign, eSignature, identity services. The subscription fees charged for enhanced access to the CM.com Platform are only recognized as revenue by CM.com over time as the Customer makes use of its subscription, in accordance with IFRS 15. The fees charged for the use of the platform features are charged based on usage on a pay-as-you-go basis and revenue therefrom is recognized in the period in which the usage occurs ("point-in-time").

Revenue generated from CM.com's Other segment primarily consists of fees charged to Customers for Premium SMS services, as well as for Direct Content Billing, call charge services, app development and TV broadcasting services. These fees are charged based on usage on a pay-as-you-go basis and revenue therefrom is recognized in the period in which the usage occurs ("point-in-time").

CM.com's revenue from its CPaaS, Payments and Platform segments is generated on a "principal" basis, meaning that CM.com acts as principal supplier for its services. In each case, revenue represents the total amount paid by CM.com's Customers for such services and CM.com recognizes such revenue on a "gross" basis.

CM.com's revenue from the Premium SMS and Direct Content Billing services under its Other segment is generated on an "agency" basis, meaning that CM.com only acts as disclosed agent and not as primary obligor of the services. In each case, revenue represents the service fees that CM.com earns from such services, and CM.com recognizes such revenue on a "net" basis. See "—Change in Accounting Policies—IFRS 15 Revenue".

### *Cost of Services*

Cost of services for CM.com's CPaaS segment is primarily composed 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).

Cost of services for CM.com's Payments segment is primarily composed of fees paid to financial services providers, as well as interchange and payment network fees charged by financial institutions and payment networks, for facilitating payments through the CM.com Platform. Interchange and payment network fees primarily comprise the interchange fees paid to card issuers via the payment networks for each payment card transaction and the payment network fees charged by the payment networks, such as MasterCard, to cover the cost of providing the network itself.

Cost of services for CM.com's Platform segment is primarily composed of fees paid to suppliers of CM.com's supplementary platform features, including ticketing, data, email campaign, eSignature, identity services.

Cost of services for CM.com's Other segment is primarily composed of fees paid to mobile network operators for disseminating content through mobile networks.

### *Employee Benefit Expenses*

Employee benefit expenses primarily consist of wages and salaries of CM.com's employees, social security charges and pension costs. The subsidy amounts received by CM.com under the WBSO (2018: EUR 0.8 million; 2017: EUR 0.7 million; 2016: EUR 0.5 million) and the amount of CM.com's capitalized development cost are offset against CM.com's wages and salaries, social security charges and pension costs.

### *Amortization and Depreciation*

Amortization expense is recognized on a straight-line basis over the estimated useful lives of intangible assets, mainly platform software and Customer relationships. Goodwill and domain names have indefinite useful lives and are not amortized but tested for impairment annually. Amortization methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Useful lives of intangible assets range between 5 years to indefinite.

Depreciation expense is recognized on a straight-line basis over the estimated useful life (ranging between 5 to 10 years) of each part of an item of property, plant and equipment.

### *Other Operating Expenses*

Other operating expenses mainly consist of housing costs, operating costs, office expenses, marketing and sales expenses, car expenses, other staff costs and general costs.

### *Financial Income and Expenses*

Financial income consists of interest payments received on cash held by CM.com and loans advanced to certain Customers and other third-parties. Financial expense consists of interest paid on CM.com's financial liabilities.

## Results of Operations

The following is a discussion of CM.com's key operating metrics and results of operations comparing the six months ended 30 June 2019 and 2018 and the years ended 31 December 2018, 2017 and 2016.

**Comparison of the six months ended 30 June 2019 and 30 June 2018**

The following table sets forth CM.com's results of operations for the six months ended 30 June 2019 and 30 June 2018.

| | Six months ended 30 June | |
|---|---|---|
| | 2019 | 2018 |
| | (EUR '000) (unaudited) | |
| Revenue | 44,308 | 42,011 |
| Other operating income[(1)] | 133[(1)] | — |
| **Total Income** | **44,441** | **42,011** |
| Cost of services | (31,928) | (29,533) |
| Employee benefits expenses | (6,572) | (6,304) |
| Amortization and depreciation | (2,477) | (1,681) |
| Other operating expenses | (3,013) | (3,948) |
| **Total operating expenses** | **(43,990)** | **(41,466)** |
| **Operating profit** | **451** | **545** |
| Financial income | 55 | 24 |
| Financial expense | (283) | (222) |
| **Profit before tax** | **223** | **347** |
| Income tax | (168) | (84) |
| Profit after tax | **55** | **263** |

(1) Other income represents a one-off dividend participation received by CM.com in H1 2019 (see Note 16 to the Interim Financial Information) and is therefore not discussed in the below comparison of the six months ended 30 June 2019 and 30 June 2018.

***Revenue***

| Six months ended 30 June 2019 | CPaaS | Payments | Platform | Other | Total Group |
|---|---|---|---|---|---|
| | | | (EUR '000) (unaudited) | | |
| Revenue | 33,109 | 2,833 | 2,737 | 5,629 | 44,308 |

| Six months ended 30 June 2018 | CPaaS | Payments | Platform | Other | Total Group |
|---|---|---|---|---|---|
| | | | (EUR '000) (unaudited) | | |
| Revenue | 30,264 | 3,211 | 1,809 | 6,727 | 42,011 |

The table below presents the revenue on the basis of the geographical location of CM.com's Customers:

| | CPaaS | Payments | Platform | Other | Total Group |
|---|---|---|---|---|---|
| | | | (EUR '000) (unaudited) | | |
| **Six months ended 30 June 2019** | | | | | |
| The Netherlands | 15,169 | 1,986 | 2,179 | 2,737 | 22,071 |
| Belgium | 4,454 | 325 | 259 | 2,180 | 7,218 |
| France | 4,739 | 17 | 15 | 181 | 4,952 |
| Rest of Europe | 4,591 | 447 | 231 | 447 | 5,716 |
| Rest of World | 4,156 | 58 | 53 | 84 | 4,351 |
| Total Revenue | 33,109 | 2,833 | 2,737 | 5,629 | 44,308 |
| **Six months ended 30 June 2018** | | | | | |
| The Netherlands | 14,792 | 2,453 | 1,437 | 3,266 | 21,948 |
| Belgium | 4,580 | 418 | 187 | 2,247 | 7,432 |
| France | 2,933 | 13 | 16 | 332 | 3,294 |
| Rest of Europe | 4,750 | 253 | 151 | 530 | 5,684 |
| Rest of World | 3,209 | 74 | 18 | 352 | 3,653 |
| Total Revenue | 30,264 | 3,211 | 1,809 | 6,727 | 42,011 |

*Consolidated*

Revenue increased by EUR 2.3 million or 5.5% from EUR 42.0 million in the six months ended 30 June 2018 to EUR 44.3 million in the six months ended 30 June 2019, principally due to existing Customers purchasing more services and the consequent increase in transaction volumes through the CM.com Platform, including an increase in messages sent from 0.9 billion in the six months ended 30 June 2018 to 1.1 billion in the six months ended 30 June 2019, partly offset by a decrease in Payments and Other revenue (as discussed below). Increases in revenue as a result of larger volumes transacted by certain Customers through the CM.com Platform were partly off-set by volume discounts granted by CM.com to such Customers, meaning that the average revenue per transaction for such Customers decreases as such Customers' transaction volumes increase (see also "—Primary Factors Affecting CM.com's Results of Operations and Financial Condition—CM.com's revenue model and ability to make a margin on its services").

*CPaaS*

CPaaS revenue increased by EUR 2.8 million or 9.2% from EUR 30.3 million in the six months ended 30 June 2018 to EUR 33.1 million in the six months ended 30 June 2019, principally due to existing Customers purchasing more services, resulting in an increase in transaction volumes (as described above), partly off-set by discounts to Customers that purchase large volumes of CPaaS services and lower average revenue per CPaaS transaction as CM.com expands its operations from more expensive jurisdictions, such as the Netherlands, to other jurisdictions where the cost of services (and therefore also the price charged by CM.com to its Customers) is generally lower (see also "—Primary Factors Affecting CM.com's Results of Operations and Financial Condition—CM.com's revenue model and ability to make a margin on its services").

*Payments*

Payments revenue decreased by EUR 0.4 million or 12.5% from EUR 3.2 million in the six months ended 30 June 2018 to EUR 2.8 million in the six months ended 30 June 2019, principally due to a decrease in the price charged to certain Tier 1 enterprise Customers for credit card payment transactions in the six months ended 30 June 2019, to align CM.com's pricing proposition in this respect with market standards for Payments transactions.

*Platform*

Platform revenue increased by EUR 0.9 million or 50.0% from EUR 1.8 million in the six months ended 30 June 2018 to EUR 2.7 million in the six months ended 30 June 2019, principally due to an increase in revenue from scaling certain Platform features (such as ticketing).

*Other*

Other revenue decreased by EUR 0.9 million or 13.4% from EUR 6.7 million in the six months ended 30 June 2018 to EUR 5.6 million in the six months ended 30 June 2019, principally due to a decrease in revenue generated from legacy Premium SMS and Direct Content Billing services as a result of an overall decrease in market demand for such services. CM.com plans to replace revenue from such services over time with revenue from new, higher-margin services as part of its CPaaS, Payments and Platform services offering.

***Cost of Services***

| Six months ended 30 June 2019 | CPaaS | Payments | Platform | Other | Total Group |
|---|---|---|---|---|---|
| | | | (EUR '000) (unaudited) | | |
| Cost of services | (26,020) | (1,347) | (202) | (4,359) | (31,928) |

| Six months ended 30 June 2018 | CPaaS | Payments | Platform | Other | Total Group |
|---|---|---|---|---|---|
| | | | (EUR '000) (unaudited) | | |
| Cost of services | (23,233) | (1,172) | (116) | (5,012) | (29,533) |

*Consolidated*

Cost of services increased by EUR 2.4 million or 8.1% from EUR 29.5 million in the six months ended 30 June 2018 to EUR 31.9 million in the six months ended 30 June 2019, principally due to higher volumes of services provided in CPaaS and Platform, which was partly offset by a decrease in Other cost of services as a result of decreased demand for such services, as described below.

*CPaaS*

CPaaS cost of services increased by EUR 2.8 million or 12.1% from EUR 23.2 million in the six months ended 30 June 2018 to EUR 26.0 million in the six months ended 30 June 2019, principally due to the increase in fees paid to mobile network operators and OTT-providers as a result of an increase in transaction volumes (as described above), partly off-set by a lower average cost of services per transaction as a result of direct relationships with certain suppliers and CM.com's ability to negotiate volume discounts with its suppliers, as well as geographic expansion to lower-cost jurisdictions.

*Payments*

Payments cost of services increased by EUR 0.1 million or 8.3% from EUR 1.2 million in the six months ended 30 June 2018 to EUR 1.3 million in the six months ended 30 June 2019, principally due to the increase in interchange and payment network fees charged by financial institutions and payment networks for facilitating payments through the CM.com Platform as a result of an increase in transaction volumes. The volume-driven increase in Payments cost of services was partly off-set by CM.com's ability to obtain volume discounts from financial institutions and payment networks and better terms based on direct relationships with, and licenses from, financial services providers, resulting in a lower average cost of services per Payments transaction.

*Platform*

Platform cost of services increased by EUR 0.1 million or 100.0% from EUR 0.1 million in the six months ended 30 June 2018 to EUR 0.2 million in the six months ended 30 June 2019, principally due to the increase in fees paid to suppliers of features added to the CM.com Platform, such as eSignature, identity services (as described above).

*Other*

Other cost of services decreased by EUR 0.6 million or 12.0% from EUR 5.0 million in the six months ended 30 June 2018 to EUR 4.4 million in the six months ended 30 June 2019, principally due to the decrease in number of active Customers and transaction volumes for the legacy Premium SMS and Direct Content Billing services, as well as a shift in the mix of services of the Other segment to lower-cost services.

***Gross Profit and Gross Margin***

| Six months ended 30 June 2019 | CPaaS | Payments | Platform | Other | Total Group |
|---|---|---|---|---|---|
| | | | (unaudited) | | |
| Gross Profit (*EUR '000*) | 7,089 | 1,486 | 2,535 | 1,270 | 12,380 |
| Gross Margin (*%*) | 21.4 | 52.5 | 92.6 | 22.6 | 27.9 |

| Six months ended 30 June 2018 | CPaaS | Payments | Platform | Other | Total Group |
|---|---|---|---|---|---|
| | | | (unaudited) | | |
| Gross Profit (*EUR '000*) | 7,031 | 2,039 | 1,693 | 1,715 | 12,478 |
| Gross Margin (*%*) | 23.2 | 63.5 | 93.6 | 25.5 | 29.7 |

*Consolidated*

As a result of the foregoing factors, gross profit decreased by EUR 0.1 million or 0.8% from EUR 12.5 million in the six months ended 30 June 2018 to EUR 12.4 million in the six months ended 30 June 2019.

Gross margin decreased from 29.7% in the six months ended 30 June 2018 to 27.9% in the six months ended 30 June 2019, due to the decrease in CPaaS, Payments, Platform and Other gross margin (as described below).

*CPaaS*

As a result of the foregoing factors, CPaaS gross profit remained broadly flat from EUR 7.0 million in the six months ended 30 June 2018 to EUR 7.1 million in the six months ended 30 June 2019.

CPaaS gross margin decreased from 23.2% in the six months ended 30 June 2018 to 21.4% in the six months ended 30 June 2019, principally due to CM.com's efforts to gain market share and attract new Customer accounts in new jurisdictions, including by means of discounts.

*Payments*

As a result of the foregoing factors, Payments gross profit decreased by EUR 0.5 million or 25.0% from EUR 2.0 million in the six months ended 30 June 2018 to EUR 1.5 million in the six months ended 30 June 2019.

Payments gross margin decreased from 63.5% in the six months ended 30 June 2018 to 52.5% in the six months ended 30 June 2019, principally due to a decrease in the price charged to certain Tier 1 enterprise Customers for credit card payment transactions in the six months ended 30 June 2019, to align CM.com's pricing proposition in this respect with market standards for Payments transactions.

*Platform*

As a result of the foregoing factors, Platform gross profit increased by EUR 0.8 million or 47.1% from EUR 1.7 million in the six months ended 30 June 2018 to EUR 2.5 million in the six months ended 30 June 2019.

Platform gross margin decreased from 93.6% in the six months ended 30 June 2018 to 92.6% in the six months ended 30 June 2019, principally due to cost of services related to additional features (such as eSignature, identity services) that were added to the CM.com Platform in the twelve months ended 30 June 2019.

*Other*

As a result of the foregoing factors, Other gross profit decreased by EUR 0.4 million or 23.5% from EUR 1.7 million in the six months ended 30 June 2018 to EUR 1.3 million in the six months ended 30 June 2019.

Other gross margin decreased from 25.5% in the six months ended 30 June 2018 to 22.6% in the six months ended 30 June 2019, principally due to decreasing transaction volumes in Premium SMS and Direct Content Billing services.

***Total Operating Expenses (Other Than Cost of Services)***

Total operating expenses (other than cost of services) increased by EUR 0.2 million or 1.7% from EUR 11.9 million in the six months ended 30 June 2018 to EUR 12.1 million in the six months ended 30 June 2019, principally due to increases in employee benefit expenses and amortization and depreciation, partly offset by a decrease in other operating expenses.

Cost of services is discussed above.

Employee benefit expense can be analyzed as follows:

| | Six months ended 30 June | |
|---|---|---|
| | **2019** | **2018** |
| | **(EUR '000) (unaudited)** | |
| Wages and salaries | 8,042 | 8,028 |
| Social security charges and pension costs | 390 | 444 |
| WBSO subsidy received | (480) | (433) |
| Capitalised development cost | (1,380) | (1,735) |
| | **6,572** | **6,304** |

Employee benefit expenses increased by EUR 0.3 million or 4.8% from EUR 6.3 million in the six months ended 30 June 2018 to EUR 6.6 million in the six months ended 30 June 2019, principally due to a decrease in capitalized development costs mainly as a result of a decrease in the average number of employees (as shown below) and due to higher wages and salaries reflecting the effects of wage inflation.

The average number of employees (converted to full time equivalent personnel "**FTEs**") can be analyzed as follows:

| | Six months ended 30 June | |
|---|---|---|
| | **2019** | **2018** |
| | **(average number of employees, converted to FTEs)** | |
| The Netherlands | 208 | 214 |
| Belgium | 16 | 18 |
| France | 8 | 8 |
| Rest of Europe | 8 | 11 |
| Rest of World | 16 | 13 |
| | **256** | **264** |

Amortization and depreciation increased by EUR 0.8 million or 47.1% from EUR 1.7 million in the six months ended 30 June 2018 to EUR 2.5 million in the six months ended 30 June 2019, principally due to the adoption of IFRS 16 Leases from 1 January 2019.

Other operating expenses can be analyzed as follows:

| | Six months ended 30 June | |
|---|---|---|
| | 2019 | 2018 |
| | (EUR '000) (unaudited) | |
| Housing costs | 283 | 615 |
| Operating costs | 518 | 644 |
| Office expenses | 8 | 10 |
| Car expenses | 70 | 130 |
| Marketing and sales expenses | 893 | 1,363 |
| Other staff costs | 239 | 238 |
| General costs(1) | 1,002 | 948 |
| **Total other operating expenses** | **3,013** | **3,948** |

(1) Includes, among others, fees paid to accountants, legal services providers and certain other external advisers.

Other operating expenses decreased by EUR 0.9 million or 23.1% from EUR 3.9 million in the six months ended 30 June 2018 to EUR 3.0 million in the six months ended 30 June 2019, principally due to a decrease in marketing and sales expenses as a result of a lower marketing budget for the six months ended 30 June 2019.

***Operating Profit***

As a result of the foregoing factors, operating profit decreased by EUR 0.1 million or 18.2% from EUR 0.55 million in the six months ended 30 June 2018 to EUR 0.45 million in the six months ended 30 June 2019.

***Financial Income and Expense***

In the six months ended 30 June 2019 and 2018, financial income was *de minimis* and is therefore set off against financial expense for the purpose of this discussion.

Net financial expense increased by EUR 0.03 million or 15.0% from EUR 0.20 million in the six months ended 30 June 2018 to EUR 0.23 million in the six months ended 30 June 2019, principally due to increased interest payments on financial liabilities.

***Income Tax***

Income tax remained broadly flat from EUR 0.1 million in the six months ended 30 June 2018 to EUR 0.2 million in the six months ended 30 June 2019, principally due to a revaluation of deferred tax assets related to foreign tax compensable losses and lower tax rates.

***Profit/Loss After Tax***

As a result of the foregoing factors, profit after tax decreased from a profit of EUR 0.3 million in the six months ended 30 June 2018 to a profit of EUR 0.1 million in the six months ended 30 June 2019.

**Comparison of the years ended 31 December 2018 and 31 December 2017**

The following table sets forth CM.com's results of operations for the years ended 31 December 2018 and 31 December 2017.

| | Years ended 31 December | |
|---|---|---|
| | **2018** | **2017** |
| | **(EUR '000) (audited, unless otherwise stated)** | |
| **Revenue** | **84,617** | **79,914**[1] |
| Cost of services | (59,662) | (58,306)[1] |
| Employee benefits expenses | (13,058) | (10,830) |
| Amortization and depreciation | (3,505) | (2,680) |
| Other operating expenses | (7,595) | (6,334) |
| **Total operating expenses** | **(83,820)** | **(78,150)**[1] |
| **Operating profit** | **797** | **1,766** |
| Financial income | 14 | 28 |
| Financial expense | (474) | (448) |
| **Profit before tax** | **337** | **1,346** |
| Income tax | (141) | (234) |
| **Profit after tax** | **196** | **1,112** |

(1) Unaudited and derived from the comparative financial information in the 2018 Consolidated Financial Statements.

*Revenue*

The table below presents the revenue for each of CM.com's segments:

| **Year ended 31 December 2018** | **CPaaS** | **Payments** | **Platform** | **Other** | **Total Group** |
|---|---|---|---|---|---|
| | | | **(EUR '000) (audited)** | | |
| Revenue | 62,075 | 5,776 | 3,573 | 13,193 | 84,617 |

| **Year ended 31 December 2017** | **CPaaS** | **Payments** | **Platform** | **Other** | **Total Group** |
|---|---|---|---|---|---|
| | | | **(EUR '000) (unaudited)[1]** | | |
| Revenue | 57,032 | 3,236 | 3,093 | 16,553 | 79,914 |

(1) Unaudited and derived from the comparative financial information in the 2018 Consolidated Financial Statements.

The table below presents the revenue on the basis of the geographical location of CM.com's Customers:

| | CPaaS | Payments | Platform | Other | Total Group |
|---|---|---|---|---|---|
| | | | (EUR '000) | | |
| **Year ended 31 December 2018 (*audited*)** | | | | | |
| The Netherlands | 28,487 | 4,441 | 2,857 | 6,515 | 42,300 |
| Belgium | 9,419 | 717 | 339 | 4,645 | 15,120 |
| France | 6,658 | 23 | 36 | 543 | 7,260 |
| Rest of Europe | 9,628 | 453 | 284 | 975 | 11,340 |
| Rest of World | 7,883 | 142 | 57 | 515 | 8,597 |
| Total Revenue | 62,075 | 5,776 | 3,573 | 13,193 | 84,617 |
| **Year ended 31 December 2017 (*unaudited*)(1)** | | | | | |
| The Netherlands | 29,460 | 2,411 | 2,541 | 8,345 | 42,757 |
| Belgium | 8,016 | 506 | 263 | 5,568 | 14,353 |
| France | 6,042 | 9 | 29 | 427 | 6,507 |
| Rest of Europe | 9,115 | 165 | 226 | 1,528 | 11,034 |
| Rest of World | 4,399 | 145 | 34 | 685 | 5,263 |
| Total Revenue | 57,032 | 3,236 | 3,093 | 16,553 | 79,914 |

(1) Unaudited and derived from the comparative financial information in the 2018 Consolidated Financial Statements.

*Consolidated*

Revenue increased by EUR 4.7 million or 5.9% from EUR 79.9 million in the year ended 31 December 2017 to EUR 84.6 million in the year ended 31 December 2018, principally due to existing Customers purchasing more services (for CPaaS reflected in a CPaaS Net Dollar Retention Rate of 113.5% for the year ended 31 December 2018) and an increase in active Customer accounts from 9,494 in the year ended 31 December 2017 to 9,710 in the year ended 31 December 2018 and the consequent increase in transaction volumes through the CM.com Platform, including an increase in messages sent from 1.7 billion in the year ended 31 December 2017 to 2.0 billion in the year ended 31 December 2018, resulting in an increase in CPaaS revenue (as discussed below) and an increase in aggregate transaction value of payments processed from EUR 298.6 million in the year ended 31 December 2017 to EUR 594.6 million in the year ended 31 December 2018, resulting in an increase in Payments revenue (as discussed below), partly offset by a decrease in Other revenue (as discussed below). Increases in revenue as a result of larger volumes transacted by certain Customers through the CM.com Platform were partly off-set by volume discounts granted by CM.com to such Customers, meaning that the average revenue per transaction for such Customers decreases as such Customers' transaction volumes increase (see also "—Primary Factors Affecting CM.com's Results of Operations and Financial Condition—CM.com's revenue model and ability to make a margin on its services").

*CPaaS*

CPaaS revenue increased by EUR 5.1 million or 8.9% from EUR 57.0 million in the year ended 31 December 2017 to EUR 62.1 million in the year ended 31 December 2018, principally due to existing Customers purchasing more services (reflected in a CPaaS Net Dollar Retention Rate of 113.5% for the year ended 31 December 2018) and an increase in the number of active Customer accounts, resulting in an increase in transaction volumes (as described above), partly off-set by discounts to Customers that purchase large volumes of CPaaS services.

CPaaS revenue from Customers based in mature markets showed stable growth in the year ended 31 December 2018, with an increase in revenue from Customers based in the Netherlands, Belgium and France of EUR 1.1 million or 2.5% from EUR 43.5 million in the year ended 31 December 2017 to EUR 44.6 million in the year ended 31 December 2018. CPaaS revenue from Customers based in the Netherlands decreased by EUR 1.0 million or 3.4% from EUR 29.5 million in the year ended 31 December 2017 to EUR 28.5 million in the year ended 31 December 2018, principally due to a number of one-off large volume CPaaS transactions by certain Tier 1 enterprise Customers in the year ended 31 December 2017 (see also "—Primary Factors Affecting CM.com's Results of Operations and Financial Condition—Demand for CM.com's services and growth of the conversational commerce market and active Customer accounts"). CPaaS revenue from Customers based in the Rest of Europe increased by

EUR 0.5 million or 5.5% from EUR 9.1 million in the year ended 31 December 2017 to EUR 9.6 million in the year ended 31 December 2018. In the Rest of World, CPaaS revenue showed swift growth in the year ended 31 December 2018, with an increase of EUR 3.5 million or 79.2% from EUR 4.4 million in the year ended 31 December 2017 to EUR 7.9 million in the year ended 31 December 2018, principally as a result of the opening of new regional and local offices in Dubai and Japan. Because CM.com's pricing proposition differs from jurisdiction to jurisdiction, average revenue per CPaaS transaction tends to decrease as CM.com expands its operations from more expensive jurisdictions, such as the Netherlands, to other jurisdictions where the cost of services (and therefore also the price charged by CM.com to its Customers) is generally lower (see also "—Primary Factors Affecting CM.com's Results of Operations and Financial Condition—CM.com's revenue model and ability to make a margin on its services").

*Payments*

Payments revenue increased by EUR 2.6 million or 81.3% from EUR 3.2 million in the year ended 31 December 2017 to EUR 5.8 million in the year ended 31 December 2018, principally due to the acquisition of Docdata Payments B.V. in July 2017, which resulted in an increase in active Customer accounts (primarily in the Netherlands and Belgium) and related increase in Payments transaction volumes (as described above), the benefits of which were only reflected for six months in the results for the year ended 31 December 2017, compared to twelve months for the year ended 31 December 2018.

*Platform*

Platform revenue increased by EUR 0.5 million or 16.1% from EUR 3.1 million in the year ended 31 December 2017 to EUR 3.6 million in the year ended 31 December 2018, principally due to an increase in revenue from scaling certain Platform features (such as ticketing), partly offset by a slight decrease in revenue from subscriptions as a result of subscription fees being waived on occasion to attract new Customers and gain market share.

*Other*

Other revenue decreased by EUR 3.4 million or 20.5% from EUR 16.6 million in the year ended 31 December 2017 to EUR 13.2 million in the year ended 31 December 2018, principally due to a decrease in revenue generated from legacy Premium SMS and Direct Content Billing services as a result of an overall decrease in market demand for such services. CM.com plans to replace revenue from such services over time with revenue from new, higher-margin services as part of its CPaaS, Payments and Platform services offering.

***Cost of Services***

| **Year ended 31 December 2018** | **CPaaS** | **Payments** | **Platform** | **Other** | **Total Group** |
|---|---|---|---|---|---|
| | | | **(EUR '000)** **(audited)** | | |
| Cost of services | (47,186) | (2,354) | (259) | (9,863) | (59,662) |

| **Year ended 31 December 2017** | **CPaaS** | **Payments** | **Platform** | **Other** | **Total Group** |
|---|---|---|---|---|---|
| | | | **(EUR '000)** **(unaudited)**[(1)] | | |
| Cost of services | (44,408) | (1,442) | (28) | (12,428) | (58,306) |

(1) Unaudited and derived from the comparative financial information in the 2018 Consolidated Financial Statements.

*Consolidated*

Cost of services increased by EUR 1.4 million or 2.4% from an expense of EUR 58.3 million in the year ended 31 December 2017 to an expense of EUR 59.7 million in the year ended 31 December 2018, principally due to higher volumes of services provided in CPaaS, Payments and Platform, which was partly offset by a decrease in Other cost of services as a result of decreased demand for such services, as described below.

*CPaaS*

CPaaS cost of services increased by EUR 2.8 million or 6.3% from an expense of EUR 44.4 million in the year ended 31 December 2017 to an expense of EUR 47.2 million in the year ended 31 December 2018, principally due to the increase in fees paid to mobile network operators and OTT-providers as a result of an increase in active Customer accounts and consequent increase in transaction volumes (as described above), partly off-set by a lower average cost of services per transaction as a result of direct relationships with certain suppliers and CM.com's ability to negotiate volume discounts with its suppliers, as well as geographic expansion to lower-cost jurisdictions.

*Payments*

Payments cost of services increased by EUR 1.0 million or 71.4% from an expense of EUR 1.4 million in the year ended 31 December 2017 to an expense of EUR 2.4 million in the year ended 31 December 2018, principally due to the increase in interchange and payment network fees charged by financial institutions and payment networks for facilitating payments through the CM.com Platform, due to an increase in active Customer accounts and consequent increase in transaction volumes (as described above) resulting from the acquisition of Docdata Payments B.V. in July 2017, the benefits of which were only reflected for six months in the results for the year ended 31 December 2017, compared to twelve months for the year ended 31 December 2018. The volume-driven increase in Payments cost of services was partly off-set by CM.com's ability to obtain volume discounts from financial institutions and payment networks and better terms based on direct relationships with, and licenses from, financial services providers, resulting in a lower average cost of services per Payments transaction.

*Platform*

Platform cost of services increased by EUR 0.27 million from an expense of EUR 0.03 million in the year ended 31 December 2017 to an expense of EUR 0.3 million in the year ended 31 December 2018, principally due to the increase in fees paid to suppliers of features added to the CM.com Platform in the year ended 31 December 2018 (as described above). In the year ended 31 December 2017, the Platform segment was only composed of revenue from subscriptions, for which CM.com did not incur any significant cost of services.

*Other*

Other cost of services decreased by EUR 2.6 million or 20.6% from an expense EUR 12.4 million in the year ended 31 December 2017 to an expense of EUR 9.9 million in the year ended 31 December 2018, principally due to the decrease in number of active Customers and transaction volumes for the legacy Premium SMS and Direct Content Billing services, as well as a shift in the mix of services of the Other segment to lower-cost services.

***Gross Profit and Gross Margin***

| Year ended 31 December 2018 | CPaaS | Payments | Platform | Other | Total Group |
|---|---|---|---|---|---|
| | | | (unaudited) | | |
| Gross Profit (*EUR '000*) | 14,889 | 3,422 | 3,314 | 3,330 | 24,955 |
| Gross Margin (*%*) | 24.0 | 59.2 | 92.8 | 25.2 | 29.5 |

| Year ended 31 December 2017 | CPaaS | Payments | Platform | Other | Total Group |
|---|---|---|---|---|---|
| | | | (unaudited) | | |
| Gross Profit (*EUR '000*) | 12,624 | 1,794 | 3,065 | 4,125 | 21,608 |
| Gross Margin (*%*) | 22.1 | 55.4 | 99.1 | 24.9 | 27.0 |

*Consolidated*

As a result of the foregoing factors, gross profit increased by EUR 3.4 million or 15.7% from EUR 21.6 million in the year ended 31 December 2017 to EUR 25.0 million in the year ended 31 December 2018.

Gross margin increased from 27.0% in the year ended 31 December 2017 to 29.5% in the year ended 31 December 2018, principally due to the increase in CPaaS and Payments gross margin (as described below).

*CPaaS*

As a result of the foregoing factors, CPaaS gross profit increased by EUR 2.3 million or 18.3% from EUR 12.6 million in the year ended 31 December 2017 to EUR 14.9 million.

CPaaS gross margin increased from 22.1% in the year ended 31 December 2017 to 24.0% in the year ended 31 December 2018, principally due to a lower average cost of services as a result of CM.com's ability to negotiate volume discounts with its suppliers and geographic expansion into jurisdictions where the cost of services is generally lower (as described above), partly off-set by a lower average revenue per transaction as a result of discounts to Customers that purchase large volumes of CPaaS services and geographic expansion into jurisdictions where the price charged by CM.com to its Customers is generally lower (as described above).

*Payments*

As a result of the foregoing factors, Payments gross profit increased by EUR 1.6 million or 88.9% from EUR 1.8 million in the year ended 31 December 2017 to EUR 3.4 million in the year ended 31 December 2018.

Payments gross margin increased from 55.4% in the year ended 31 December 2017 to 59.2% in the year ended 31 December 2018, principally due to a lower average cost of services as a result of direct relationships with certain financial institutions and payment networks, resulting in better terms, as well as CM.com's ability to negotiate volume discounts with financial institutions and payment networks (as described above), partly off-set by a lower average revenue per transaction as a result of discounts to Customers that transact large volumes of payments through the CM.com Platform (as described above).

*Platform*

As a result of the foregoing factors, Platform gross profit increased by EUR 0.2 million or 6.5% from EUR 3.1 million in the year ended 31 December 2017 to EUR 3.3 million in the year ended 31 December 2018.

Platform gross margin decreased from 99.1% in the year ended 31 December 2017 to 92.8% in the year ended 31 December 2018, principally due to cost of services related to features that were added to the CM.com Platform in the year ended 31 December 2018. In the year ended 31 December 2017, the Platform segment was principally composed of revenue from subscriptions, for which CM.com did not incur any significant cost of services.

*Other*

As a result of the foregoing factors, Other gross profit decreased by EUR 0.8 million or 19.5% from EUR 4.1 million in the year ended 31 December 2017 to EUR 3.3 million in the year ended 31 December 2018.

Other gross margin increased from 24.9% in the year ended 31 December 2017 to 25.2% in the year ended 31 December 2018, principally due to a shift in the mix of services of the Other segment to lower cost services.

***Total Operating Expenses (Other Than Cost of Services)***

Total operating expenses (other than cost of services) increased by EUR 4.4 million or 22.2% from EUR 19.8 million in the year ended 31 December 2017 to EUR 24.2 million in the year ended 31 December 2018, principally due to increases in employee benefit expenses, amortization and depreciation and other operating expenses.

Cost of services is discussed above.

Employee benefit expense can be analyzed as follows:

| | **Year ended 31 December** | |
|---|---|---|
| | **2018** | **2017** |
| | **(EUR '000) (audited)** | |
| Wages and salaries | 14,219 | 12,310 |
| Social security charges | 2,376 | 2,064 |
| Pension costs | 561 | 483 |
| WBSO subsidy received | (830) | (696) |
| Capitalised development cost | (3,268) | (3,331) |
| | 13,058 | 10,830 |

Employee benefit expenses increased by EUR 2.3 million or 21.3% from EUR 10.8 million in the year ended 31 December 2017 to EUR 13.1 million in the year ended 31 December 2018, principally due to an increase in wages and salaries reflecting an increase in FTEs combined with a shift in the mix of job roles and location of employees in the year ended 31 December 2018 (as shown in the table below) and the effects of wage inflation, principally in the Netherlands, as well as higher social security charges and pension costs, partly offset by an increase in the WBSO subsidy received by CM.com.

The average number of employees (converted to FTEs) can be analyzed as follows:

| | **Year ended 31 December** | |
|---|---|---|
| | **2018** | **2017** |
| | **(average number of employees, converted to FTEs)** | |
| The Netherlands | 209 | 183 |
| Belgium | 16 | 18 |
| France | 8 | 7 |
| Rest of Europe | 11 | 11 |
| Rest of World | 14 | 11 |
| | **258** | **230** |

Amortization and depreciation increased by EUR 0.8 million or 29.6% from EUR 2.7 million in the year ended 31 December 2017 to EUR 3.5 million in the year ended 31 December 2018, principally due to the acquisition of Docdata Payments B.V. in the year ended 31 December 2017, as well as an investment of EUR 2.4 million in property, plant and equipment in the year ended 31 December 2018, increasing the amount of assets in respect of which depreciation is recognized.

Other operating expenses can be analyzed as follows:

| | Year ended 31 December | |
|---|---|---|
| | 2018 | 2017 |
| | (EUR '000) (audited) | |
| Housing costs | 1,280 | 1,216 |
| Operating costs | 1,292 | 1,108 |
| Office expenses | 19 | 20 |
| Car expenses | 251 | 228 |
| Marketing and sales expenses | 2,278 | 1,318 |
| Other staff costs | 517 | 489 |
| General costs[(1)] | 1,958 | 1,956 |
| **Total other operating expenses** | **7,595** | **6,334** |

(1) Includes, among others, fees paid to accountants, legal services providers and certain other external advisers.

Other operating expenses increased by EUR 1.3 million or 20.6% from EUR 6.3 million in the year ended 31 December 2017 to EUR 7.6 million in the year ended 31 December 2018, principally due to a significant increase in marketing and sales expense as a result of greater spending on marketing efforts such as business exhibitions to attract new Customers, and a small increase in operating costs and housing costs while the other cost categories were broadly flat to modestly up.

***Operating Profit***

As a result of the foregoing factors, operating profit decreased by EUR 1.0 million or 55.6% from EUR 1.8 million in the year ended 31 December 2017 to EUR 0.8 million in the year ended 31 December 2018.

***Financial Income and Expense***

In the years ended 31 December 2018 and 2017, financial income was *de minimis* and is therefore set off against financial expense for purpose of this discussion.

Net financial expense increased by EUR 0.04 million or 9.5% from EUR 0.42 million in the year ended 31 December 2017 to EUR 0.46 million in the year ended 31 December 2018, principally due to increased interest payments on financial liabilities.

***Income Tax***

Income tax decreased by EUR 0.1 million or 50.0% from EUR 0.2 million in the year ended 31 December 2017 to EUR 0.1 million in the year ended 31 December 2018, principally due to a decrease in profit before tax.

***Profit After Tax***

As a result of the foregoing factors, profit after tax decreased by EUR 0.9 million or 81.8% from EUR 1.1 million in the year ended 31 December 2017 to EUR 0.2 million in the year ended 31 December 2018.

**Comparison of the years ended 31 December 2017 and 31 December 2016**

The following table sets forth CM.com's results of operations for the years ended 31 December 2017 and 31 December 2016.

| | Years ended 31 December | |
|---|---|---|
| | **2017** | **2016** |
| | (EUR '000) | |
| | **(audited, unless otherwise stated)** | **(unaudited)[2]** |
| **Revenue** | **79,914[1]** | **66,683[1]** |
| Cost of services | 58,306[1] | 48,190[1] |
| Employee benefits expenses | 10,830 | 9,082 |
| Amortization and depreciation | 2,680 | 3,339 |
| Other operating expenses | 6,334 | 4,521 |
| **Total operating expenses** | **78,150[1]** | **65,132[1]** |
| **Operating profit** | **1,766** | **1,551** |
| Financial income | 28 | 353 |
| Financial expense | (448) | (560) |
| **Profit before tax** | **1,346** | **1,344** |
| Income tax | (234) | (70) |
| **Profit after tax** | **1,112** | **1,274** |

(1) Unaudited and derived from the comparative financial information in the 2018 Consolidated Financial Statements.

(2) Unaudited and derived from the comparative financial information in the 2017 Consolidated Financial Statements, unless otherwise stated.

### *Revenue*

The table below presents the revenue for each of CM.com's segments:

| Year ended 31 December 2017 | CPaaS | Payments | Platform | Other | Total Group |
|---|---|---|---|---|---|
| | | | (EUR '000) (unaudited)[1] | | |
| Revenue | 57,032 | 3,236 | 3,093 | 16,553 | 79,914 |

(1) Unaudited and derived from the comparative financial information in the 2018 Consolidated Financial Statements.

| Year ended 31 December 2016 | CPaaS | Payments | Platform | Other | Total Group |
|---|---|---|---|---|---|
| | | | (EUR '000) (unaudited) [1] | | |
| Revenue | 42,627 | 188 | 3,130 | 20,738 | 66,683 |

(1) Unaudited and derived from the comparative financial information in the 2018 Consolidated Financial Statements.

The table below presents the revenue on the basis of the geographical location of CM.com's Customers:

| | CPaaS | Payments | Platform | Other | Total Group |
|---|---|---|---|---|---|
| | | | (EUR '000) (unaudited)[1] | | |
| **Year ended 31 December 2017** | | | | | |
| The Netherlands | 29,460 | 2,411 | 2,541 | 8,345 | 42,757 |
| Belgium | 8,016 | 506 | 263 | 5,568 | 14,353 |
| France | 6,042 | 9 | 29 | 427 | 6,507 |
| Rest of Europe | 9,115 | 165 | 226 | 1,528 | 11,034 |
| Rest of World | 4,399 | 145 | 34 | 685 | 5,263 |
| Total Revenue | 57,032 | 3,236 | 3,093 | 16,553 | 79,914 |
| **Year ended 31 December 2016** | | | | | |
| The Netherlands | 22,477 | 185 | 2,578 | 11,702 | 36,942 |
| Belgium | 6,606 | 3 | 269 | 5,864 | 12,742 |
| France | 2,379 | — | 15 | 261 | 2,655 |
| Rest of Europe | 8,218 | — | 231 | 1,943 | 10,392 |
| Rest of World | 2,947 | — | 37 | 968 | 3,952 |
| Total Revenue | 42,627 | 188 | 3,130 | 20,738 | 66,683 |

(1) Unaudited and derived from the comparative financial information in the 2018 Consolidated Financial Statements.

*Consolidated*

Revenue increased by EUR 13.2 million or 19.8% from EUR 66.7 million in the year ended 31 December 2016 to EUR 79.9 million in the year ended 31 December 2017, principally due to existing Customers purchasing more services (for CPaaS reflected in a CPaaS Net Dollar Retention Rate of 113.4% for the year ended 31 December 2017), an increase in active Customer accounts from 8,700 in the year ended 31 December 2016 to 9,500 in the year ended 31 December 2017 and the consequent increase in transaction volumes through the CM.com Platform, including an increase in messages sent from 1.3 billion in the year ended 31 December 2016 to 1.7 billion in the year ended 31 December 2017, resulting in an increase in CPaaS revenue (as discussed below), and an increase in the aggregate transaction value of the payments processed from EUR 14.0 million in the year ended 31 December 2016 to EUR 298.6 million in the year ended 31 December 2017, resulting in an increase in Payments revenue (as discussed below), partly offset by a decrease in Other revenue (as discussed below). Increases in revenue as a result of larger volumes transacted by certain Customers through the CM.com Platform are partly off-set by volume discounts granted by CM.com to such Customers, meaning that the average revenue per transaction for such Customers decreases as such Customers' transaction volumes increase (see also "—Primary Factors Affecting CM.com's Results of Operations and Financial Condition—CM.com's revenue model and ability to make a margin on its services").

*CPaaS*

CPaaS revenue increased by EUR 14.4 million or 33.8% from EUR 42.6 million in the year ended 31 December 2016 to EUR 57.0 million in the year ended 31 December 2017, principally due to existing Customers purchasing more services (reflected in a CPaaS Net Dollar Retention Rate of 113.4% for the year ended 31 December 2017) and an increase in active Customer accounts, resulting in an increase in transaction volumes (as described above), partly off-set by discounts to Customers that purchase large volumes of CPaaS services.

CPaaS revenue from Customers based in mature markets showed stable growth in the year ended 31 December 2017, with an increase in revenue from Customers based in the Netherlands, Belgium and France of EUR 12.0 million or 38.1% from EUR 31.5 million in the year ended 31 December 2016 to EUR 43.5 million in the year ended 31 December 2017. CPaaS revenue from Customers based in the Netherlands significantly increased by EUR 7.0 million or 31.1% from EUR 22.5 million in the year ended 31 December 2016 to EUR 29.5 million in the year ended 31 December 2017, principally due to a number of one-off large volume CPaaS transactions by certain Tier 1 enterprise Customers in the year ended 31 December 2017 (see also "—Primary Factors Affecting CM.com's Results of Operations and Financial

Condition—Demand for CM.com's services and growth of the conversational commerce market and active Customer accounts"). CPaaS revenue from Customers based in the Rest of Europe increased by EUR 0.9 million or 11.0% from EUR 8.2 million in the year ended 31 December 2016 to EUR 9.1 million in the year ended 31 December 2017. In the Rest of World, CPaaS revenue showed swift growth in the year ended 31 December 2017, with an increase of EUR 1.5 million or 49.3% from EUR 2.9 million in the year ended 31 December 2016 to EUR 4.4 million in the year ended 31 December 2017, principally as a result of increased sales and marketing efforts out of local and regional offices abroad. Because CM.com's pricing proposition differs from jurisdiction to jurisdiction, average revenue per CPaaS transaction tends to decrease as CM.com expands its operations from more expensive jurisdictions, such as the Netherlands, to other jurisdictions where the cost of services (and therefore also the price charged by CM.com to its Customers) is generally lower (see also "—Primary Factors Affecting CM.com's Results of Operations and Financial Condition—CM.com's revenue model and ability to make a margin on its services").

*Payments*

Payments revenue increased by EUR 3.0 million from EUR 0.2 million in the year ended 31 December 2016 to EUR 3.2 million in the year ended 31 December 2017, principally due to an increase in active Customer accounts driven by the acquisition of Docdata Payments B.V. in July 2017 and the consequent increase in transaction volumes (as described above) in the second half of the year ended 31 December 2017.

*Platform*

Platform revenue, mostly from subscription fees, remained broadly flat from EUR 3.1 million in the year ended 31 December 2016 to EUR 3.1 million in the year ended 31 December 2017, principally due to subscription fees being waived on occasion to attract new Customers and gain market share, thereby offsetting the effect of an increase in active Customer accounts.

*Other*

Other revenue decreased by EUR 4.1 million or 19.8% from EUR 20.7 million in the year ended 31 December 2016 to EUR 16.6 million in the year ended 31 December 2017, principally due to a decrease in revenue generated from Premium SMS and Direct Content Billing services as a result of an overall decrease in market demand for such services. CM.com plans to replace revenue from such legacy services over time with revenue from new, higher-margin services as part of its CPaaS, Payments and Platform services offering.

***Cost of Services***

| Year ended 31 December 2017 | CPaaS | Payments | Platform | Other | Total Group |
|---|---|---|---|---|---|
| | | | (EUR '000) (unaudited)(1) | | |
| Cost of services | (44,408) | (1,442) | (28) | (12,428) | (58,306) |

(1) Unaudited and derived from the comparative financial information in the 2018 Consolidated Financial Statements.

| Year ended 31 December 2016 | CPaaS | Payments | Platform | Other | Total Group |
|---|---|---|---|---|---|
| | | | (EUR '000) (unaudited)(1) | | |
| Cost of services | (31,935) | (107) | (22) | (16,126) | (48,190) |

(1) Unaudited and derived from the comparative financial information in the 2018 Consolidated Financial Statements.

*Consolidated*

Cost of services increased by EUR 10.1 million or 21.0% from EUR 48.2 million in the year ended 31 December 2016 to EUR 58.3 million in the year ended 31 December 2017, principally due to higher volumes of services provided in CPaaS and Payments, which was partly offset by a decrease in Other cost of services as a result of decreased demand for these products, as described below.

*CPaaS*

CPaaS cost of services increased by EUR 12.5 million or 39.2% from EUR 31.9 million in the year ended 31 December 2016 to EUR 44.4 million in the year ended 31 December 2017, principally due to an increase in fees paid to mobile network operators and OTT-providers as a result of an increase in active Customer accounts and consequent increase in transaction volumes (as described above), partly off-set by a lower average cost of services per transaction as a result of direct relationships with certain suppliers and CM.com's ability to negotiate volume discounts with its suppliers, as well as geographic expansion to lower-cost jurisdictions.

*Payments*

Payments cost of services increased by EUR 1.3 million from EUR 0.1 million in the year ended 31 December 2016 to EUR 1.4 million in the year ended 31 December 2017, principally due to the increase in interchange and payment network fees charged by financial institutions and payment networks for facilitating payments through the CM.com Platform, due to an increase in active Customer accounts and consequent increase in transaction volumes (as described above) resulting from the acquisition of Docdata Payments B.V. in July 2017. The volume-driven increase in Payments cost of services was partly off-set by CM.com's ability to obtain volume discounts from financial institutions and payment networks and better terms based on direct relationships with, and licenses from, financial services providers, resulting in a lower average cost of services per Payments transaction.

*Platform*

Platform cost of services in the year ended 31 December 2016 and in the year ended 31 December 2017 were *de minimis* and remained broadly flat, principally due to the fact that in the years ended 31 December 2016 and 2017 Platform revenue comprised mostly revenue from subscriptions, for which CM.com does not incur any significant cost of services.

*Other*

Cost of services decreased by EUR 3.7 million or 23.0% from EUR 16.1 million in the year ended 31 December 2016 to EUR 12.4 million in the year ended 31 December 2017, principally due to a decrease in the number of active Customer accounts and transaction volumes for the legacy Premium SMS and Direct Content Billing services, as well as a shift in the mix of services of the Other segment to lower-cost services.

### *Gross Profit and Gross Margin*

| Year ended 31 December 2017 | CPaaS | Payments | Platform | Other | Total Group |
|---|---|---|---|---|---|
| | | | (unaudited) | | |
| Gross Profit (*EUR '000*) | 12,624 | 1,794 | 3,065 | 4,125 | 21,608 |
| Gross Margin (*%*) | 22.1 | 55.4 | 99.1 | 24.9 | 27.0 |

| Year ended 31 December 2016 | CPaaS | Payments | Platform | Other | Total Group |
|---|---|---|---|---|---|
| | | | (unaudited) | | |
| Gross Profit (*EUR '000*) | 10,692 | 81 | 3,108 | 4,612 | 18,493 |
| Gross Margin (*%*) | 25.1 | 43.1 | 99.3 | 22.2 | 27.7 |

*Consolidated*

As a result of the foregoing factors, gross profit increased by EUR 3.1 million or 16.8% from EUR 18.5 million in the year ended 31 December 2016 to EUR 21.6 million in the year ended 31 December 2017.

Gross margin decreased from 27.7% in the year ended 31 December 2016 to 27.0% in the year ended 31 December 2017, principally due to a decrease in CPaaS gross margin (as described below), partly offset by an increase in Payments gross margin, Platform gross margin and Other gross margin (as described below).

*CPaaS*

As a result of the foregoing factors, CPaaS gross profit increased by EUR 1.9 million or 17.8% from EUR 10.7 million in the year ended 31 December 2016 to EUR 12.6 million in the year ended 31 December 2017.

CPaaS gross margin decreased from 25.1% in the year ended 31 December 2016 to 22.1% in the year ended 31 December 2017, principally due to a lower average revenue per transaction as a result of discounts to Customers that purchase large volumes of CPaaS services and geographic expansion (as described above).

*Payments*

As a result of the foregoing factors, Payments gross profit increased by EUR 1.7 million from EUR 0.1 million in the year ended 31 December 2016 to EUR 1.8 million in the year ended 31 December 2017.

Payments gross margin increased from 43.1% in the year ended 31 December 2016 to 55.4% in the year ended 31 December 2017, principally due to CM.com's ability to negotiate better terms with financial institutions and payment networks as a result of increased Payments transaction volumes driven by the acquisition of Docdata Payments B.V. in July 2017 (as described above).

*Platform*

As a result of the foregoing factors, Platform gross profit remained broadly flat from EUR 3.1 million in the year ended 31 December 2016 to EUR 3.1 million in the year ended 31 December 2017.

Platform gross margin remained broadly flat from 99.3% in the year ended 31 December 2016 to 99.1% in the year ended 31 December 2017, principally due to the Platform revenue and cost of services remaining broadly flat as discussed above.

*Other*

As a result of the foregoing factors, Other gross profit decreased by EUR 0.5 million or 10.9% from EUR 4.6 million in the year ended 31 December 2016 to EUR 4.1 million in the year ended 31 December 2017.

Other gross margin increased from 22.2% in the year ended 31 December 2016 to 24.9% in the year ended 31 December 2017, principally due to a shift in the mix of services of the Other segment to lower-cost services.

***Total Operating Expenses (Other Than Cost of Services)***

Total operating expenses (other than cost of services) increased by EUR 2.9 million or 14.7% from EUR 16.9 million in the year ended 31 December 2016 to EUR 19.8 million in the year ended 31 December 2017, principally due to increased employee benefit expenses and other operating expenses, partly offset by a decrease in amortization and depreciation expense.

Cost of services is discussed above.

Employee benefit expense can be analyzed as follows:

| | Year ended 31 December | |
|---|---|---|
| | 2017 | 2016 |
| | (EUR '000) | |
| | (audited) | (unaudited)(1) |
| Wages and salaries | 12,310 | 10,177 |
| Social security charges | 2,064 | 1,638 |
| Pension costs | 483 | 367 |
| WBSO subsidy received | (696) | (535) |
| Capitalised development cost | (3,331) | (2,565) |
| | 10,830 | 9,082 |

(1) Unaudited and derived from the comparative financial information in the 2017 Consolidated Financial Statements.

Employee benefit expenses increased by EUR 1.7 million or 18.7% from EUR 9.1 million in the year ended 31 December 2016 to EUR 10.8 million in the year ended 31 December 2017, principally due to an increase in wages and salaries reflecting an increase in FTEs combined with a shift in the mix of job roles and location of employees in the year ended 31 December 2017 (as shown in the table below) and the effects of wage inflation, principally in the Netherlands, as well as higher social security charges and pension costs, partly offset by an increase in the WBSO subsidy received by CM.com.

The average number of employees (converted to FTEs) can be analyzed as follows:

| | Year ended 31 December | |
|---|---|---|
| | **2017** | **2016** |
| | **(average number of employees, converted to FTEs)** | |
| The Netherlands | 183 | 152 |
| Belgium | 18 | 20 |
| France | 7 | 5 |
| Rest of Europe | 11 | 11 |
| Rest of World | 11 | 4 |
| | **230** | **192** |

Amortization and depreciation decreased by EUR 0.6 million or 18.2% from EUR 3.3 million in the year ended 31 December 2016 to EUR 2.7 million in the year ended 31 December 2017, principally due to changes to the useful life for certain asset categories partly offset by the impact of the acquisition of Docdata Payments B.V. in the year ended 31 December 2017.

Other operating expenses can be analyzed as follows:

| | Year ended 31 December | |
|---|---|---|
| | **2017** | **2016** |
| | **(EUR '000)** | |
| | **(audited)** | **(unaudited)[2]** |
| Housing costs | 1,216 | 1,102 |
| Operating costs | 1,108 | 858 |
| Office expenses | 20 | 28 |
| Car expenses | 228 | 184 |
| Marketing and sales expenses | 1,318 | 925 |
| Other staff costs | 489 | 378 |
| General costs[1] | 1,956 | 1,043 |
| | **6,334** | **4,521** |

(1) Includes, among others, fees paid to accountants, legal services providers and certain other external advisers.
(2) Unaudited and derived from the comparative financial information in the 2017 Consolidated Financial Statements.

Other operating expenses increased by EUR 1.7 million or 37.0% from EUR 4.5 million in the year ended 31 December 2016 to EUR 6.3 million in the year ended 31 December 2017, principally due to increased spending on marketing and sales and general costs. The increased spending on general costs mostly related to fees for freelance contractors, external advisers (including with respect to the acquisition of Docdata Payments B.V. in July 2017) and fees paid to accountants (including with respect to the first time adoption of IFRS in the year ended 31 December 2017).

***Operating Profit***

As a result of the foregoing factors, operating profit increased by EUR 0.2 million or 12.5% from EUR 1.6 million in the year ended 31 December 2016 to EUR 1.8 million in the year ended 31 December 2017.

### *Financial Income and Expense*

In the years ended 31 December 2017 and 2016, financial income was *de minimis* and is therefore set off against financial expense for purpose of this discussion.

Net financial expense increased by EUR 0.2 million from EUR 0.2 million in the year ended 31 December 2016 to EUR 0.42 million in the year ended 31 December 2017, due to increased interest payments on financial liabilities as a result of the financing of the acquisition of Docdata Payments B.V. in the year ended 31 December 2017.

### *Income Tax*

Income tax increased by EUR 0.2 million from EUR 0.07 million in the year ended 31 December 2016 to EUR 0.2 million in the year ended 31 December 2017, principally due to adjustments in 2016 relating to prior years (including related to deferred tax assets) and a higher innovation box tax benefit in 2016.

### *Profit After Tax*

As a result of the foregoing factors, profit after tax decreased by EUR 0.2 million or 15.4% from EUR 1.3 million in the year ended 31 December 2016 to EUR 1.1 million in the year ended 31 December 2017.

## Liquidity and Capital Resources

### *Overview*

To date, CM.com's liquidity needs have been met principally from cash flow from operations, including the cash generated by the effect of negative working capital, supplemented by its bank borrowings (as described below).

Historically, CM.com's cash requirements have mainly been the funding of operating expenses as well as investments in the IT infrastructure of the CM.com Platform, the growth strategy of CM.com's business, including geographic expansion and acquisitions, and the service of CM.com's debt described below.

### *Working Capital*

In CM.com's opinion, the working capital available to CM.com is sufficient for CM.com's present requirements and for at least 12 months following the date of this Prospectus.

### *Financing Arrangements and Commitments*

On 14 August 2019, CM.com entered into a credit facility agreement with ABN AMRO Bank N.V. composed of:

(i) a EUR 10.0 million overdraft facility for working capital purposes (the "**Overdraft Facility**"), which was also used to fully refinance the outstanding amounts under CM.com's prior EUR 5.0 million revolving credit facility with Rabobank (described in Note 16 to the 2018 Consolidated Financial Statements). The Overdraft Facility is subject to an annual commitment fee and accrues interest on debit balances on each current account at a variable EURIBOR rate charged quarterly in arrears. CM.com intends to use part of the proceeds of the Offering to repay the outstanding amounts under the Overdraft Facility; and

(ii) a EUR 10.0 million 1-year term loan which is fully drawn at the date of this Prospectus and was used to fully refinance the outstanding amounts under CM.com's prior EUR 12.0 million term loan with Rabobank (described in Note 16 to the 2018 Consolidated Financial Statements) (the "**Term Loan**"). This Term Loan accrues interest at a variable EURIBOR rate payable quarterly in arrears and is to be repaid on 1 October 2020 or, if earlier, within 5 days from the receipt of the proceeds from the Offering (if completed) (see also "Reasons For The Offering and Use of Proceeds"). Under CM.com's prior term loan with Rabobank, CM.com in 2019 purportedly breached a) certain covenants under that term loan as a result of additional financial lease obligations with respect to investments in hardware and software in 2018 and b) the interest coverage ratio under that term loan. CM.com obtained a waiver from Rabobank for both purported breaches while CM.com would aim to refinance the Rabobank term loan in 2019, which it did by means of the Term Loan (see Note 16 to the 2018 Consolidated Financial Statements and Note 11 to the Interim Financial Information).

The Overdraft Facility and Term Loan are subject to a total net debt/EBITDA maintenance covenant (3.5x until 31 December 2020; 3.0x from 1 January 2021) tested every six months (starting 31 December 2019) based on the relevant metrics defined therein and are secured with a security package including a pledge over property, plant and equipment, intangible assets, receivables, intellectual property rights and certain goods of CM.com.

On 15 December 2017, CM.com entered into a EUR 10.0 million credit facility agreement with the European Investment Bank (the "**EIB Facility**") for the funding of CM.com Platform innovations and of which EUR 5.0 million is drawn at the date of this prospectus. CM.com expects to prepay the outstanding amounts under the EIB Facility within 15 days following the receipt of the proceeds from the Offering (if completed) and intends to do so using part of the proceeds from the Offering (see also "Reasons For The Offering and Use of Proceeds"). Pursuant to a waiver and consent letter dated 23 August 2019, CM.com obtained a waiver from the European Investment Bank under the "further indebtedness" covenant of the EIB Facility, allowing CM.com to enter into the Overdraft Facility and Term Loan (see Note 16 to the 2018 Consolidated Financial Statements and Note 11 to the Interim Financial Information).

In the context of the EIB Facility, CM.com also entered into a warrant agreement with the European Investment Bank on 17 May 2018, pursuant to which CM.com issued warrants representing 3.5% of the Company's shares to the European Investment Bank with respect to ordinary shares in its share capital. Pursuant to a waiver and consent letter dated 23 August 2019, CM.com agreed to buy back all warrants from the European Investment Bank at a purchase price of EUR 3.05 million within 15 days following the receipt of the proceeds from the Offering (if completed) and intends to do so using part of the proceeds from the Offering (see also "Reasons For The Offering and Use of Proceeds" and "Existing Shareholders and Related Party Transactions—EIB Warrant").

### *Capital Expenditures*

CM.com defines capital expenditures as investments incurred during the period to acquire non-current tangible assets such as property, plant and equipment, intangible assets and the capitalization of certain CM.com Platform hardware and development costs, adjusted for extraordinary one-off events, such as acquisitions. Property, plant and equipment mainly comprises CM.com Platform hardware, such as servers and other data center equipment. Intangible assets mainly comprise capitalized CM.com Platform development costs.

Capital expenditures are mainly for the maintenance and further development of the CM.com Platform and the purchase of network equipment and computer hardware as CM.com continues to expand the CM.com Platform. CM.com continues to invest heavily in network equipment, technology, corporate facilities and information technology infrastructure, and expects capital expenditures to be in line with historic levels in the near term to prepare for demand growth (see also "Business—Objectives"). CM.com also plans to continue to invest in operational and administrative functions to support its expected growth and its transition to a public company.

In the six months ended 30 June 2019, CM.com had capital expenditures of EUR 1.7 million, including capitalized development costs of EUR 1.4 million.

In the year ended 31 December 2018, CM.com had capital expenditures of EUR 7.1 million, including capitalized development costs of EUR 3.4 million.

In the year ended 31 December 2017, CM.com had capital expenditures of EUR 6.7 million, including capitalized development costs of EUR 3.2 million.

In the year ended 31 December 2016, CM.com had capital expenditures of EUR 3.5 million, including capitalized development costs of EUR 2.4 million.

The total carrying amount of the internally generated CM.com Platform intangible assets is EUR 10.6 million. As at 30 June 2019, CM.com's legal reserve required by Dutch law for internally generated intangible assets amounted to EUR 10.4 million (EUR 10.6 million for capitalized development costs minus EUR 0.2 million for foreign translation services).

## Cash Flows

CM.com benefits from an element of negative working capital, principally driven by (i) the operating cycle of CM.com's Other segment (including Premium SMS and Direct Content Billing services) for which CM.com receives cash for third-party content from its Customers and which CM.com pays to its suppliers generally within a few weeks after completing the transaction and (ii) certain non-core Customers paying for

CPaaS services on a pre-paid basis. For such services CM.com receives cash from its Customers prior to paying its suppliers, and this favorable operating cycle represents a source of working capital. However, as CM.com expects demand for the services offered under its Other segment (including Premium SMS and Direct Content Billing services) to continue to decrease over time, as described elsewhere, and this will reduce the extent of CM.com's negative working capital. In addition, CM.com's Customer mix for its CPaaS segment services is shifting from non-core Customers to its core Customer base of Tier 1 enterprises, government agencies and SMEs, which tend to pay for services on a post-paid basis, resulting in an increase in working capital requirements. As a result, CM.com does not expect to be able to maintain a negative working capital position over time, but plans to mitigate this through drawings under its Overdraft Facility (see "—Liquidity and Capital Resources—Financing arrangements and Commitments").

The following is a discussion of CM.com's consolidated cash flows comparing the six months ended 30 June 2019 and 2018 and the years ended 31 December 2018, 2017 and 2016.

**Comparison of the six months ended 30 June 2019 and 30 June 2018**

The following table sets forth CM.com's consolidated cash flows in the six months ended 30 June 2019 and 30 June 2018.

| | For the six months ended 30 June | |
|---|---|---|
| | 2019 | 2018 |
| | (EUR '000) (unaudited) | |
| Operating profit | 451 | 545 |
| Adjustments for: | | |
| – Other operating income | — | — |
| – Amortization and depreciation | 2,477 | 1,681 |
| – Changes in provisions | (52) | (13) |
| Changes in working capital: | | |
| Trade and other receivables | (2,974) | 857 |
| Trade and other payables | 524 | (1,476) |
| Interest received | 55 | 24 |
| Corporate income tax paid | (244) | (150) |
| **Cash flow from operating activities** | **237** | **1,468** |
| Investments in intangible assets | (1,456) | (1,957) |
| Divestments in intangible assets | — | — |
| Investments in property, plant and equipment | (284) | (389) |
| Divestments in property, plant and equipment | — | — |
| Acquisitions of subsidiaries (net of cash) | — | — |
| **Cash flow from investing activities** | **(1,740)** | **(2,346)** |
| Loans advanced to third-parties | (26) | (419) |
| Repayment of loans advanced to third-parties | 73 | 365 |
| Deposits paid | — | — |
| Deposits released | — | — |
| Repayment of borrowings | (500) | (500) |
| Repayment of lease liabilities | (1,343) | (330) |
| Interest paid | (283) | (222) |
| Dividends paid | — | — |
| **Cash flow from financing activities** | **(2,079)** | **(1,106)** |
| **Changes in cash and cash equivalents** | **(3,582)** | **(1,984)** |
| Net cash and cash equivalents at 1 January | 472 | (806) |
| Net cash and cash equivalents at 30 June | **(3,110)** | **(2,790)** |

***Operating activities***

Total cash outflow from operating activities was EUR 0.2 million for the six months ended 30 June 2019, a decrease of EUR 1.3 million, or 86.7%, as compared to EUR 1.5 million for the six months ended 30 June 2018, principally due to a decrease in operating profit, a decrease in trade and other receivables, as well as an increase in trade and other payables, mainly as a result of the timing of payment of certain trade and other payables (e.g. payment of suppliers' invoices).

*Investing activities*

Total cash outflow from investing activities was EUR 1.7 million for the six months ended 30 June 2019, a decrease of EUR 0.6 million, or 26.1%, as compared to EUR 2.3 million for the six months ended 30 June 2018, principally due to a decrease in investments in intangible assets as a result of lower capital expenditures and lower capitalization of research and development costs.

*Financing activities*

Total cash outflow from financing activities was EUR 2.1 million for the six months ended 30 June 2019, an increase of EUR 1.0 million, or 90.9%, as compared to EUR 1.1 million for the six months ended 30 June 2018, principally due to an increase in repayments of lease liabilities and a decrease in the repayment of loans granted to third parties. Loans advanced to third-parties principally include loans to Customers that plan to use CM.com's services and repay such loans along with their payment for the use of CM.com's services. CM.com also provided a loan to the previous owner of the CM.com domain name, Branded Holding Group Inc., which was repaid on 30 July 2019 when CM.com exercised its option to purchase the domain name.

**Comparison of the years ended 31 December 2018 and 31 December 2017**

The following table sets forth CM.com's consolidated cash flows in the years ended 31 December 2018 and 31 December 2017.

| | For the years ended 31 December | |
|---|---|---|
| | 2018 | 2017 |
| | (EUR '000) | |
| | (audited) | (unaudited)[1] |
| Operating profit | 797 | 1,766 |
| Adjustments for: | | |
| – Amortization and depreciation | 3,505 | 2,680 |
| – Changes in provisions | (22) | (100) |
| Changes in working capital: | | |
| Trade and other receivables | 1,689 | (2,933) |
| Trade and other payables | (3,294) | 6,545 |
| Interest received | 14 | 28 |
| Corporate income tax paid | (218) | (1,096) |
| **Cash flow from operating activities** | **2,471** | **6,890** |
| Investments in intangible assets | (3,578) | (3,760) |
| Divestments in intangible assets | — | 7 |
| Investments in property, plant and equipment | (917) | (591) |
| Divestments in property, plant and equipment | — | 94 |
| Acquisitions of subsidiaries (net of cash) | (156) | (7,237) |
| **Cash flow from investing activities** | **(4,651)** | **(11,487)** |
| Loans advanced to third-parties | (218) | (1,198) |
| Repayment of loans advanced to third-parties | 766 | 4 |
| Deposits paid | (63) | (146) |
| Deposits released | 168 | 54 |
| Proceeds from long-term borrowings | 5,000 | 12,000 |
| Repayment of long-term borrowings | (1,722) | (5,291) |
| Interest paid | (474) | (448) |
| Dividends paid | — | (500) |
| **Cash flow from financing activities** | **3,457** | **4,475** |
| **Changes in cash and cash equivalents** | **1,278** | **(123)** |
| Net cash and cash equivalents at 1 January | (806) | (683) |
| Net cash and cash equivalents at 31 December | 472 | (806) |

(1) Unaudited and derived from the comparative financial information in the 2018 Consolidated Financial Statements.

***Operating activities***

Total cash inflow from operating activities was EUR 2.5 million for the year ended 31 December 2018, a decrease of EUR 4.4 million, as compared to EUR 6.9 million for the year ended 31 December 2017, principally due to an increase in income tax payments and trade and other receivables, as well as a decrease in trade and other payables, mainly as a result of the timing of payment of certain trade and other payables (e.g. payment of suppliers' invoices).

***Investing activities***

Total cash outflow from investing activities was EUR 4.6 million for the year ended 31 December 2018, a decrease of EUR 6.9 million, as compared to EUR 11.5 million for the year ended 31 December 2017, principally due to significant cash outflow for the acquisition of Docdata Payments B.V. in the year ended 31 December 2017, lower loans advanced to third-parties and higher repayment of loans advanced to third-parties. Loans advanced to third-parties principally include loans to Customers that plan to use CM.com's services and repay such loans along with their payment for the use of CM.com's services. CM.com also provided a loan to the previous owner of the CM.com domain name, Branded Holding Group Inc., which was repaid on 30 July 2019 when CM.com exercised its option to purchase the domain name.

***Financing activities***

Total cash inflow from financing activities was EUR 3.4 million for the year ended 31 December 2018, a decrease of EUR 1.1 million, as compared to EUR 4.5 million for the year ended 31 December 2017, principally due to a refinancing which was put in place in the year ended 31 December 2017 for the acquisition of Docdata Payments B.V.

**Comparison of the years ended 31 December 2017 and 31 December 2016**

The following table sets forth CM.com's consolidated cash flows in the years ended 31 December 2017 and 31 December 2016.

| | **For the years ended 31 December** | |
|---|---|---|
| | **2017** | **2016** |
| | **(EUR '000)** | |
| | **(unaudited)[(1)]** | **(unaudited)[(2)]** |
| Operating profit | 1,766 | 1,551 |
| Adjustments for: | | |
| – Amortization and depreciation | 2,680 | 3,339 |
| – Changes in provisions | (100) | (37) |
| Changes in working capital: | | |
| Trade and other receivables | (2,933) | 831 |
| Trade and other payables | 6,545 | (2,586) |
| Interest received | 28 | 353 |
| Corporate income tax paid | (1,096) | (846) |
| **Cash flow from operating activities** | **6,890** | **2,604** |
| Investments in intangible assets | (3,760) | (2,491) |
| Divestments in intangible assets | 7 | 278 |
| Investments in property, plant and equipment | (591) | (1,117) |
| Divestments in property, plant and equipment | 94 | 33 |
| Acquisitions of subsidiaries (net of cash) | (7,237) | — |
| **Cash flow from investing activities** | **(11,487)** | **(3,297)** |
| Loans advanced to third-parties | (1,198) | (15) |
| Repayment of loans advanced to third-parties | 4 | 5 |
| Deposits paid | (146) | (27) |
| Deposits released | 54 | 1 |
| Proceeds from long-term borrowings | 12,000 | 1,987 |
| Repayment of long-term borrowings | (5,291) | (1,888) |
| Interest paid | (448) | (560) |
| Dividends paid | (500) | — |

| | For the years ended 31 December | |
|---|---|---|
| | 2017 | 2016 |
| | (EUR '000) | |
| | (unaudited)(1) | (unaudited)(2) |
| **Cash flow from financing activities** | **4,475** | **(496)** |
| **Changes in cash and cash equivalents** | **(123)** | **(1,190)** |
| Net cash and cash equivalents at 1 January | (683) | 507 |
| Net cash and cash equivalents at 31 December | (806) | (683) |

(1) Unaudited and derived from the comparative financial information in the 2018 Consolidated Financial Statements.

(2) Unaudited and derived from the comparative financial information in the 2017 Consolidated Financial Statements but represented for comparability with the consolidated cash flows in the year ended 31 December 2017.

***Operating activities***

Total cash inflow from operating activities was EUR 6.9 million for the year ended 31 December 2017, an increase of EUR 4.3 million, as compared to EUR 2.6 million for the year ended 31 December 2016, principally due to a decrease in trade and other receivables and an increase in trade and other payables, mainly as a result of the timing of payment of certain trade and other payables (e.g. payment of suppliers' invoices).

***Investing activities***

Total cash outflow from investing activities was EUR 11.5 million for the year ended 31 December 2017, an increase of EUR 8.2 million, as compared to EUR 3.3 million for the year ended 31 December 2016, principally due to a significant cash outflow for the acquisition of Docdata Payments B.V., higher investments in intangible assets and an increase in loans advanced to third-parties in the year ended 31 December 2017. Loans advanced to third-parties principally include loans to Customers that plan to use CM.com's services and repay such loans along with their payment for the use of CM.com's services. CM.com also provided a loan to the previous owner of the CM.com domain name, Branded Holding Group Inc., which was repaid on 30 July 2019 when CM.com exercised its option to purchase the domain name.

***Financing activities***

Total cash inflow from financing activities was EUR 4.5 million for the year ended 31 December 2017, an increase of EUR 5.0 million, as compared to an outflow of EUR 0.5 million for the year ended 31 December 2016, principally due to the refinancing which was put in place in the year ended 31 December 2017 to fund the acquisition of Docdata Payments B.V.

**Financial and Other Long-Term Contractual Obligations**

CM.com's contractual obligations under IFRS as at 30 June 2019 grouped according to the period in which payments are due are set forth in the table below.

| Contractual Obligations | Less than 1 year | 1-5 years | 5 years and more | Total |
|---|---|---|---|---|
| | | (EUR '000) (unaudited) | | |
| Borrowings excluding financial lease (1) | 19,202 | — | — | 19,202 |
| Lease liabilities(2) | 2,622 | 4,817 | 1,980 | 9,419 |
| **Total** | 21,824 | 4,817 | 1,980 | 28,621 |

(1) This includes the borrowings detailed in Note 11 to the Interim Financial Information and Note 16 to the 2018 Consolidated Financial Statements, which at the date of this Prospectus have been refinanced as described under "Liquidity and Capital Resources—Financing Arrangements and Commitments".

(2) Principally related to investments (including in equipment and infrastructure) in the CM.com Platform.

The table below provides a breakdown of CM.com's outstanding financial and other contractual commitments as at the dates and related payments made in the periods shown below.

| | As at 30 June | As at 31 December | | |
|---|---|---|---|---|
| **Outstanding Contractual Obligations** | **2019** | **2018** | **2017** | **2016** |
| | | **(EUR '000) (unaudited)** | | |
| Borrowings excluding financial lease[1] | 19,202 | 15,500 | 13,137 | 5,872 |
| Lease liabilities[2] | 9,419[3] | 11,494[4] | 7,907[4] | 4,675 |
| **Total** | 28,621 | 26,994 | 21,044 | 10,547 |

| | For the six months ended 30 June | For the years ended 31 December | | |
|---|---|---|---|---|
| **Repayments of Contractual Obligations** | **2019** | **2018** | **2017** | **2016** |
| | | **(EUR '000) (unaudited)** | | |
| Borrowings excluding financial lease[1] | 500 | 1,000 | 4,888 | 1,888 |
| Lease liabilities[2] | 1,343[3] | 1,810[4] | 1,590[4] | 938 |
| **Total** | 1,843 | 2,810 | 6,478 | 2,826 |

(1) This includes the borrowings detailed in Note 11 to the Interim Financial Information and Note 16 to the 2018 Consolidated Financial Statements, which at the date of this Prospectus have been refinanced as described under "Liquidity and Capital Resources—Financing Arrangements and Commitments".

(2) Lease liabilities principally related to investments (including in equipment and infrastructure) in the CM.com Platform and office lease.

(3) Includes lease liabilities over right-of-use assets.

(4) See Note 16 and Note 21 to the 2018 Consolidated Financial Statements.

**Off–Balance Sheet Arrangements**

As at 30 June 2019, CM.com has no off–balance sheet arrangements.

**Disclosures about Market Risks**

The following is an overview of the principal market risks to which CM.com is subject. These risks are also described in the "Risk Factors" section of this Prospectus.

***Credit risk***

Credit risk represents the financial loss that would have to be recognized 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. CM.com continuously monitors the creditworthiness of debtors and acts appropriately on expired invoices. No significant concentration of credit risk existed as at the reporting date.

*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 14 and Note 15 to the 2018 Consolidated Financial Statements.

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

| | 2018 | 2017 |
|---|---|---|
| | (EUR '000) (audited) | |
| Balance as per 1 January | 765 | 783 |
| Change in accounting policy–IFRS 9 | (678)[(1)] | — |
| Restated balance as per 1 January | 87 | 783 |
| Additional charges to expenses | 33 | 137 |
| Bad debts written off | (45) | (155) |
| Other movements | (2) | (0) |
| | 73 | 765 |

(1) This allowance for doubtful accounts receivable related to certain debtors for which CM.com had included a provision for several years and ultimately has written-off and reversed the allowance in the year ended 31 December 2018.

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

| | 2018 | 2017 |
|---|---|---|
| | (EUR '000) (audited) | |
| Current | 5,094 | 5,570 |
| 1-30 days | 1,348 | 1,767 |
| 31-60 days | 136 | 115 |
| >60 days | 774 | 516 |
| | 7,352 | 7,968 |

*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 contract assets. To measure the expected credit losses, trade receivables and contract assets 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.

***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 tables below summarizes the expected future cash flows from CM.com's financial liabilities based on contractual undiscounted payments:

| | 0–3 months | 4–12 months | 1–5 years | Over 5 years | Carrying Amount Total for the six months ended 30 June 2019 |
|---|---|---|---|---|---|
| | | | (EUR '000) (unaudited) | | |
| Borrowings excluding financial lease [1] | 19,202 | — | — | — | 19,202 |
| Lease liabilities | 616 | 2,006 | 4,817 | 1,980 | 9,419 |
| Trade payables | 11,698 | — | — | — | 11,698 |
| Other financial liabilities[3] | 10,297 | 167 | — | — | 10,464 |
| | **41,813** | **2,173** | **4,817** | **1,980** | **50,783** |

| | 0–3 months | 4–12 months | 1–5 years | Over 5 years | For the year ended 31 December 2018 Total | Carrying Amount Total |
|---|---|---|---|---|---|---|
| | | | (EUR '000) (audited) | | | |
| Borrowings excluding financial lease [1] | — | 16,943 | — | — | 16,943 | 15,500 |
| Financial lease [2] | 587 | 935 | 2,132 | — | 3,654 | 3,594 |
| Trade payables | 11,187 | — | — | — | 11,187 | 11,187 |
| Other financial liabilities[3] | 9,729 | 168 | — | — | 9,897 | 9,897 |
| | **21,503** | **18,046** | **2,132** | **—** | **41,681** | **40,178** |

| | 0–3 months | 4–12 months | 1–5 years | Over 5 years | For the year ended 31 December 2017 Total | Carrying Amount Total |
|---|---|---|---|---|---|---|
| | | | (EUR '000) (audited) | | | |
| Borrowings excluding financial lease [1] | 1,958 | 956 | 4,475 | 7,104 | 14,493 | 13,137 |
| Financial lease[2] | 60 | 181 | 1,499 | — | 1,740 | 1,716 |
| Trade payables | 12,215 | — | — | — | 12,215 | 12,215 |
| Other financial liabilities[3] | 11,696 | 144 | — | — | 11,840 | 11,840 |
| | **25,929** | **1,281** | **5,974** | **7,104** | **40,288** | **38,908** |

(1) As at the date of this Prospectus, these borrowings (as detailed in Note 11 to the Interim Financial Information and Note 16 to the 2018 Consolidated Financial Statements) have been refinanced as described under "Liquidity and Capital Resources—Financing Arrangements and Commitments".

(2) Principally related to investments (including in equipment and infrastructure) in the CM.com Platform.

(3) Principally includes current liabilities and excludes non-financial liabilities such as taxes payable and deferred revenue.

***Market Risk***

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect 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 optimizing the return on risk. The market risk comprises three types of risk: interest rate risk, foreign currency risk and other risk.

*Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The policy in respect of interest rate risk is aimed at mitigating the interest rate risks originating from the financing of CM.com and optimizing the net interest expenses at the same time. This policy translates into a desired profile of interest positions including cash.

An increase of the interest rate with 25 basis point would increase the future interest cost for the remaining duration of the long-term borrowings with EUR 48,000.

*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 Euro. The currency giving rise to this risk is primarily USD. As CM.com operates globally, purchases are done in several other currencies.

*Exposure to currency risk*

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

| | **For the years ended 31 December** | |
|---|---|---|
| | **2018** | **2017** |
| | **USD (‘000) (audited)** | |
| Cash and cash equivalents | 82 | 71 |
| Long-term receivables | 438 | 438 |
| Trade receivables | 605 | 278 |
| Long-term borrowings | (1,250) | (1,250) |
| Trade payables | (325) | (163) |
| | **(450)** | **(626)** |

*Foreign currency sensitivity*

The following table demonstrates the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant.

| | **Effect on profit after tax for the years ended 31 December** | |
|---|---|---|
| | **2018** | **2017** |
| | **EUR (‘000) (audited)** | |
| USD + 5% | (28) | (34) |

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

**Significant Accounting Policies**

CM.com's IFRS Consolidated Financial Statements and related notes contain information that is pertinent to the discussion and analysis of its results of operations and financial conditions set forth in this section. The preparation of CM.com's IFRS Consolidated Financial Statements and related notes in conformity with IFRS requires CM.com's management to make judgments, estimates and assumptions that may affect the amounts reported. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including of future events that are believed to be reasonable in the circumstances. Actual results may differ from these estimates.

***Revenue Recognition***

CM.com's revenue is primarily derived from transactional and messaging services earned from customers using CM.com's communication platform. The transactional based fees are recognized as revenue in the period in which the usage occurs (point-in-time). Enhanced access to the Platform is considered as a monthly or annual subscription on which revenue is recognized over time.

***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 indefinite useful lives are not amortized and are tested for impairment annually.

Intangible assets are presented at cost less accumulated amortization 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 capitalized 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 recognized in profit or loss as incurred.

Research costs are expensed as incurred. Development expenditures on an individual project are recognized 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 amortization and accumulated impairment losses. During the period of development, the asset is tested for impairment annually.

Amortization is recognized 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.

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

***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 that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Intangible assets with indefinite useful lives are allocated to the respective CGU's and tested for impairment in combination with goodwill.

***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 recognized in profit and 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.

***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 fair value and the amount of any non-controlling interest in the acquiree. Acquisition-related costs are expensed as incurred and included in other operating expenses.

## 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.

Current income tax relating to items recognized directly in equity is recognized 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.

### *Deferred Tax*

Deferred tax is recognized 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.

## Critical Accounting Judgements and Estimations

An accounting policy is considered to be critical if it meets the following two criteria:

(i) the policy requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time the estimate is made; and

(ii) different estimates that reasonably could have been used or changes in the estimates that are reasonably likely to occur from period to period would have a material impact on CM.com's IFRS Consolidated Financial Statements.

The preparation of CM.com's IFRS Consolidated Financial Statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect 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, goodwill, useful life of intangible assets, deferred tax asset recoverability, purchase price allocation and impairments.

### *Revenue*

Revenue recognition under IFRS 15 is significantly more complex than under IAS 18 and requires use of management judgement to produce financial information. The most significant judgement 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 judgements impact the amount of reported revenue and operating expenses but do not impact reported assets, liabilities or cash flows. Scenarios requiring judgement to determine whether CM.com is a principal or an agent include, for example, those where CM.com delivers third-party content to Customers.

### *Impairment of non-financial assets*

Intangible assets acquired in a business combination are capitalized and amortized 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 judgmental. Future events could cause the assumptions to change which could have an adverse effect on the future results of CM.com.

### *Taxes*

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

## Change in Accounting Policies

### *IFRS 15 Revenue*

Effective from 1 January 2018, CM.com applied IFRS 15, which replaces IAS 18 and establishes principles for revenue recognition that apply to all contracts with customers, except those relating to financial instruments and insurance or lease contracts, and requires an entity to recognize revenue as performance obligations are satisfied. IFRS 15 specifies how and when an IFRS reporter will recognize revenue, and requires such entities to provide users of financial statements with more informative, relevant disclosures. The standard provides a single, principles-based five-step model to be applied to all contracts with customers.

Under IAS 18, revenue was recognized at the fair value of the consideration received or receivable, net of VAT, discounts and comparable allowances as the services were rendered. Revenue was recognized when the amount can be reliably measured, it is probable that future economic benefits flow to CM.com and prescribed conditions are met for each revenue stream. Under IFRS 15, CM.com recognizes revenue on usage-based services at the point-in-time when the services are provided. Revenue from subscription services (mainly access to IP) is recognized over-time, over the period that the customer obtains the benefit of CM.com's services.

Considerable judgements were required in determining whether CM.com is acting as a principal or an agent in its revenue transaction relating to the rendering of Premium SMS and Direct Content Billing services. Under IAS 18, CM.com was considered to be the principal obligor in rendering Premium SMS and Direct Content Billing services as CM.com bears credit risk relating to amounts outstanding on these transactions. Under IFRS 15, credit risk is no longer considered in determining whether an entity is acting as a principal or an agent. As such, management of CM.com has determined that it is acting as an agent in rendering these services.

Under IFRS 15, CM.com recognizes its share of revenue for providing SMS gateway and cash collection services under Premium SMS and Direct content billing agreements. CM.com recognizes the cost it incurs towards mobile network operators for the use of their network as Cost of services. Invoiced amounts for third-party content are no longer recognized as revenue.

No significant judgements were required to allocate the transaction price to performance obligations as the transaction prices are stipulated in the contracts with customers and equate their relative stand-alone selling prices.

CM.com has transitioned to IFRS 15 by applying the full-retrospective approach under which revenue for 2017 has been restated in accordance with IFRS 15. As a result, Revenue and Cost of services for 2017 are each lower by EUR 4.6 million in comparison to Revenue and Cost of services as previously presented under IAS 18. The initial application of IFRS 15 had no impact on opening reserves as at 1 January 2017.

### *IFRS 9 Financial Instruments*

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

CM has adopted the new standard on the required effective date and did not restate comparative information in accordance with IFRS 9.7.2.15. CM.com does not apply hedge accounting, therefore no restatement of comparatives were required. In addition, CM.com does not hold complex financial instruments which required a different classification or measurement basis under IFRS 9. Therefore, the first-time-application of IFRS 9 did not impact the classification of financial assets and liabilities.

Under IFRS 9, CM.com applies the simplified approach in measuring the loss allowance. Under the simplified approach the loss allowance is measured at an amount equal to the lifetime expected credit losses for trade receivables, long-term receivables and other receivables classified as financial assets and contract assets. Due to past practice and prudence of CM.com in their historical measurement of the loss allowance, the adoption of the lifetime expected credit loss model did not have a material impact on the loss allowance calculated under IAS 39. During the implementation of IFRS 9, management has reviewed the allowance for doubtful accounts receivable. Management noted that an amount of EUR 0.7 million, related to certain debtors, has been included in the provision for several years. On 1 January 2018 the receivable has been written off and the allowance reversed.

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 contract assets are presented as net impairment losses within profit or loss. Subsequent recoveries of amounts previously written off are credited against the same line item.

Other financial assets at amortized cost include loans and other receivables. Under IAS 39, CM.com determined that no loss allowance was required for other receivables in the comparative period. CM.com has determined that the application of the expected credit loss model using a 12-month expected loss model is immaterial and does not justify raising a loss allowance on other receivables.

***IFRS 16 Leases***

IFRS 16 Leases replaces IAS 17 Leases along with three Interpretations (IFRIC 4 – Determining whether an Arrangement contains a Lease, SIC 15 – Operating Leases-Incentives and SIC 27 – Evaluating the Substance of Transactions Involving the Legal Form of a Lease).

IFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, CM.com, as a lessee, has recognized right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. CM.com recognizes and separately identifies right-of-use assets either as a "right-of-use asset" or as part of their existing asset categorization. As of 30 June 2019, the total carrying amount of right-of-use assets amounted to EUR 11.1 million, of which EUR 2.5 million was recognized under intangible assets, EUR 1.9 million was recognized under tangible assets and EUR 6.6 million was recognized under "right-of-use assets".

CM.com has elected the modified retrospective approach for its transition to IFRS 16 and determined that the initial impact of IFRS 16 will result in an increase in lease liabilities of EUR 4.5 million with a corresponding increase in right-of-use assets on 1 January 2019. The initial application of IFRS 16 will have no impact on opening equity. CM.com has determined its weighted average incremental borrowing rate (IBR) to be 2.64% as at 1 January 2019. Lease liabilities and right-of-use assets that will be recognized on 1 January 2019 relate primarily to leased buildings.

In determining the initial impact of IFRS 16, CM.com has applied the transitional exemptions specified below:

- For contracts in place at the date of initial application, CM.com has elected to apply the definition of a lease from IAS 17 and IFRIC 4 and has not applied IFRS 16 to arrangements that were previously not identified as lease under IAS 17 and IFRIC 4.
- CM.com has elected not to include initial direct costs in the measurement of the right-of-use assets for operating leases in existence at the date of initial application of IFRS 16. CM.com has also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.
- A single discount rate has been applied to a portfolio of leases with reasonably similar characteristics.
- Instead of performing an impairment review on the right-of-use assets at the date of initial application, CM.com has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of IFRS 16.
- On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets CM.com has applied the optional exemptions to not recognize right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.

# INDUSTRY AND COMPETITION

*This section includes information sourced from third-parties and the views of CM.com's management. In particular, this section makes reference to and relies on information provided by Juniper Research and International Data Corporation (IDC). For further information on the treatment of third-party information and statements based on CM.com's own proprietary information, insights, opinions or estimates, see "Important Information—Market and Industry Information".*

**The Birth of Conversational Commerce**

The mobile messaging market finds its origins in 1992 when the first SMS was sent. This development revolutionized the way in which people communicate as time-to-delivery and ease of use were dramatically improved compared to previous media. Mobile messaging consequently became an increasingly important means of communication as technological improvements drove enhanced content richness and an overall improved user experience. The payments market has undergone a similar journey. Since the introduction of the first credit cards in 1952, new payments channels have been developed at a rapid pace – as commerce shifted from the store to online and subsequently also to the mobile phone.

Developments in technology have led to a convergence of messaging and payments – which, in turn, is driving the emergence of conversational commerce. Conversational commerce, at its core, refers to a means of direct communication between enterprise and customers, through a selected messaging channel, enhanced by data tools and payment solutions for the optimal customer experience. The basis of conversational commerce is allowing customers to contact enterprises and finish the path-to-purchase within their selected communication channel.

A key factor enabling conversational commerce is the way in which communication has shifted from offline to online and several aspects of the two-way dialogue between enterprises and consumers have transitioned to direct mobile communication. Furthermore, in recent years, an increasing number of messaging platforms have opened to allow enterprises to interact directly with their consumers through these channels (*e.g.,* WhatsApp Business, Apple Business Chat, Viber Business, WeChat Business). The accommodation of business communication by these channels has significant benefits for enterprises. For example, enterprises no longer require their own application, instead they can rely on the reach and trustworthiness of the largest established channels, whilst customers receive the content through their preferred means of communication. This development, in which enterprises can interact with consumers through the best-established and most frequently used consumer communication channels, has been a stepping stone for CM.com, as companies benefit from an intermediary with a medium-agnostic communications and payments platform to connect with consumers. Different consumers use a variety of communication channels and thus a medium-agnostic communications and payments platform unburdens a company's communication, payment, and other consumer interaction efforts, by designing a single business process that is reusable across all channels.

The below illustration demonstrates how key messaging and payments milestones drove the convergence of the messaging and payments markets, resulting in the birth of conversational commerce.

**Market Overview**

In line with the multi-faceted nature of conversational commerce, CM.com has exposure to several markets. This is primarily due to conversational commerce being built upon the combination of both messaging and payments, and because it is backed by a broad range of other platform features that can also individually serve specific end-markets. Although CM.com has exposure to the broader omni-channel communication market, the messaging side of CM.com's conversational commerce offering would be best reflected by the CPaaS (Communication Platform as a Service) market. The same holds for payments. Whilst the broader payment market dynamics will probably have an impact, CM.com aims to enable a seamless automated payment journey and does not see traditional card-present payments providers and online payment gateways ("web checkout" providers) as its competitors. Consequently, CM.com also does not identify itself with these verticals in the payments industry. In addition to the two core markets which together enable conversational commerce, there is also exposure to other markets such as the ticketing, identity, (virtual) access, signing and data analytics markets, which are part of CM.com's platform features.

***Conversational Commerce Market***

Conversational commerce, at its core, refers to communication with customers through all popular messaging channels, enhanced by data tools and payment solutions for the optimal consumer experience. The basis of conversational commerce is allowing consumer to contact enterprises and finish the path-to-purchase or service within their selected messaging channel. Before conversational commerce, enterprises had to communicate with their consumers through in-house applications, often restricted to one or a few channels. With conversational commerce, enterprises can now rely on the reach and trustworthiness of the largest globally established channels and tailor the dialogue to suit individual consumers' preferred means of communication. Conversational commerce also eliminates existing difficulties with the path-to-purchase by allowing easy in-channel payments. In addition to the general definition of conversational commerce, CM.com also offers a customer data platform which allows enterprises to enrich, personalize and automate conversations and other so-called in-channel platform features such as ticketing, document signing, identification and access verification for the optimal consumer experience.

Driven by recent transformational innovations in the fields of messaging and payments, the conversational commerce market is relatively new and still in a nascent stage. However, CM.com's management foresees continued strong growth over the medium term primarily due to the ever-increasing importance of the mobile phone and associated consumer experience.

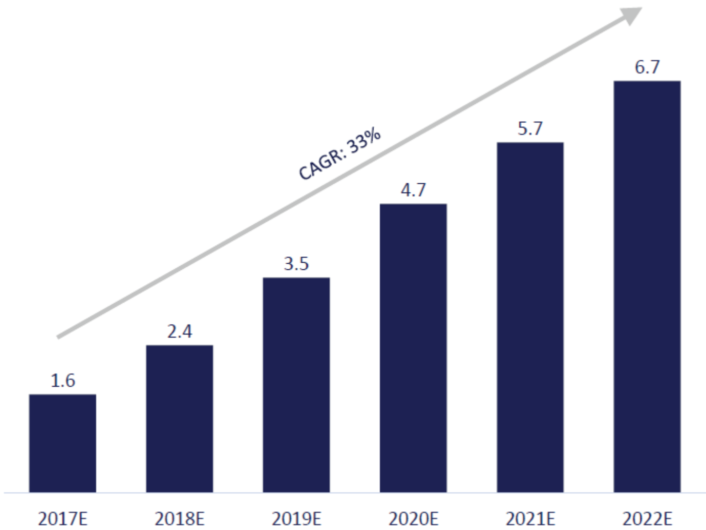
***CPaaS Market***

The global CPaaS enterprise spend is expected to grow from USD 1.6 billion in 2017 to USD 6.7 billion in 2022 (with a CAGR of approximately 33%), which emphasizes the expected high growth of the market. The rapid expansion is underpinned by the differentiated benefits of providing a Communication Platform as a Service, where enterprises typically have very low upfront costs, pay only for what they consume and can cancel at any time. The cost of both the infrastructure and the communication tools utilized are combined in an easy-to-manage per-message or per-minute pricing model. This means that enterprises no longer have to use separate, dedicated hardware or third-party software applications for internal or external communications. They can now offer voice, video and messaging in their own apps, business support systems or a call center solution which connects to the platform via the Session Initiation Protocol ("**SIP**") trunk and API. This in turn means that communication tools become much more flexible, scalable and affordable; resulting in more experimentation, less fear of vendor lock-in and ultimately a faster time to market for new ways to engage customer bases. Furthermore, a significant increase is foreseen in general mobile messaging and in particular messaging via "new" social media channels such as WhatsApp Business, Apple Business Chat and WeChat rather than via "traditional" messaging mediums such as MMS and SMS.

For example, A2P Rich Communication Services ("**RCS**") messaging traffic is expected to increase 70x during the period 2018-2022. This growth is supported by growing worldwide adoption of RCS technology following API launches that are interoperable with IP-based network architectures, increasing attention from established technology giants such as Google (which backed RCS in 2015) and forthgoing standardization (*e.g.*, following the introduction of the Universal Profile by the GSMA – the international representative association for the mobile network operator and related industries – which entailed an industry-agreed set of features and technical enablers developed to simplify the product development and global operator deployment of RCS).

Several positive structural developments surrounding general mobile messaging traffic are foreseen, primarily regarding the development and subsequent adoption of innovative technologies and growing demand for such services. In 2022, it is expected that the total forecasted size of the mobile messaging market will reach 244 trillion messages versus 204 trillion messages in 2019, implying a forecasted CAGR of approximately 6% for the same period. Within this market, classic technologies such as MMS and SMS are expected to become less prominent, creating room for innovative technologies to grow further. Social media as a communication method is expected to experience the steepest growth curve, and in 2021 the number of social media messenger services users is estimated to surpass the number of Email users for the first time. Instant messaging providers such as WhatsApp Business, Apple Business Chat and WeChat Business are expected to further drive the mobile messaging market as their importance as communication platforms is likely to grow fueled by increasing popularity and a surge in new users across emerging economies such as Africa and the Middle East.

Estimated Global CPaaS Enterprise Spend[1] (USDbn)




1) Source: Juniper Research, "Mobile Messaging 2018-2022".

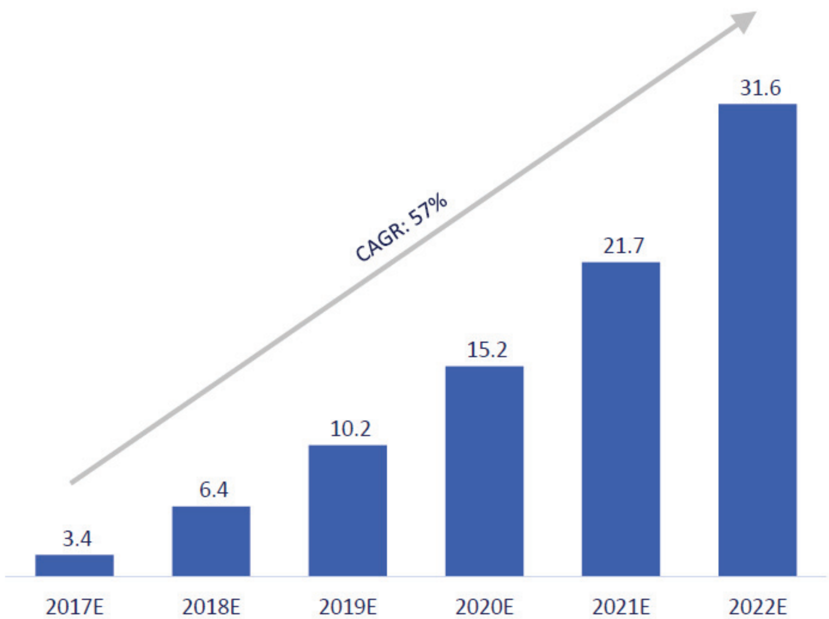
***Payments Market***

CM.com's management divides the broader payments market into three submarkets; the traditional card-present payments providers such as Wordline and Ingenico, the online payment gateways ("web checkout") market with players such as Adyen and Stripe, and the so-called "seamless automated payments market" in which CM.com would position itself. The seamless automated payments market is a relatively new market which is constantly changing driven by new technological improvements. CM.com's management foresees large opportunities in this market and expects a strong growth in the seamless automated payments market over the coming years. This is further cemented by the broader Original Equipment Manufacturer ("**OEM**") online & mobile payments (*e.g.*, Google Pay, Apple Pay, WeChat Pay and Samsung Pay) transaction value growth (defined as the sum of total online and mobile remote digital goods purchases verified using Apple Pay or Google Pay and the total online and mobile remote physical goods purchases verified using OEM Pay), which is expected to grow from USD 3.4 billion in 2017 to an estimated USD 31.6 billion in 2022. OEM Pay solutions are payment mechanisms run by handset manufacturers or OS solution providers. This growth is partly driven by improvements in underlying technologies and process optimization efforts by payment providers, and further increased by market expansion following global macro-economic developments.

Debit and credit cards have been the primary mechanisms in online payments since the beginning of online retail. However, nearly two thirds of the European adult population currently do not own a credit card, hence there is a substantial portion of the market that is still excluded. Alternative payment options, among which PayPal, Amazon Pay, Apple Pay and Alipay, tap into this potential by introducing consumer-oriented improvements such as one-click pay options and new technology-enabled check-out options (such as NFC), as well as payment options involving 'carrier billing' where purchases are charged in-app or within mobile phone contracts. Moreover, it is expected that government legislation will facilitate further innovations in the field of alternative payments as was the case when PSD II was introduced in 2018, mandating banks in European Union member states to open their APIs. Finally, the emergence of in-app chatbots through messaging channels such as WeChat and Apple Business Chat is expected to further improve consumer experiences as they obviate the need to move from app to app in order to complete the transaction and allow for an increasingly personalized consumer experience. As new consumer services reduce boundaries to make online payments, the number of transactions is expected to increase. The number of global average annual digital goods transactions per user is expected to grow from 47 to 57 between 2017-2022 (average number of transactions made per remote payment user for digital goods per annum), and the global average number of physical good purchases is expected to grow from 32 to 38 over the same period (average number of physical goods purchases per unique user). In 2022, it is expected that the total forecasted amount of the global gross merchandise sales will reach USD 4,406 billion versus USD 3,588 billion in 2019, implying a forecasted CAGR of approximately 7% for the same period.

In addition to payment innovations that expand the addressable market for OEM online and mobile payments as a wider range of consumers is enabled to make use of the service, this addressable market is also expected to demonstrate internal growth with global life standards rising on the back of a growing world economy. The number of unique users who make remote payments for digital goods is expected to increase from 1.3 billion users in 2017 to 2.0 billion users in 2022 (CAGR of 9%), and the total unique purchasers of remote physical goods is expected to grow from 1.9 billion to 2.7 billion over the same period (CAGR of 7%).

Estimated Global OEM Payments Transaction Value[1] (USDbn)



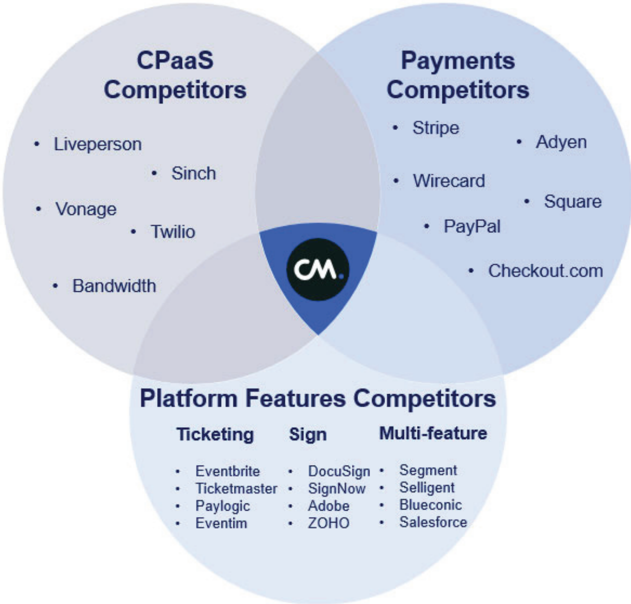

1) Source: Juniper Research, “Mobile & Online Remote Payments For Digital & Physical Goods 2018-2022”; Defined as the sum of total online and mobile remote digital goods purchases verified using Apple Pay or Android Pay and the total online and mobile remote physical goods purchases verified using OEM pay.

### *Other Platform Features Markets*

CM.com offers several additional platform features besides messaging and payments to enable an optimal conversational commerce experience for enterprises and consumers. For example, CM.com has a mobile solution for (event) ticketing, document signing, identification and access verification, as well as a customer data platform which stores customer data enabling enterprises to enrich, personalize and automate conversations, all of which address large and growing markets that CM.com now caters to.

### *Competition and Market Position*

CM.com offers – and combines – multiple services such as messaging (text and voice), payments, ticketing, signing, identity and data services and therefore has several competitors active in either one or multiple of the beforementioned areas. Some of these competitors are well-established names with large market positions in their specific service offering. However, CM.com is uniquely positioned within its competitive spectrum as there are only a limited number of players already delivering the full suite of services required to drive conversational commerce by combining all these solutions. One of the key elements of CM.com's competitive advantage is the ability of CM.com and its platform to adapt to market changes, both technically and from a service perspective. Specifically, CM.com's ability to combine multiple services into a new market application / solution. While classic operators, channel providers and Software as a Service ("**SaaS**") providers usually provide a single service, and thus often provide only part of a solution, CM.com's broad platform often allows to solve the full solution. For example, for signing a contract without the CM.com Platform you usually need one provider for sending the contract, one for personal identification, one for signing and one for the payment, while the CM.com Platform offers a one-stop-shop solution. By combining a lot of services into one multi-disciplinary platform, CM.com follows the trend of the larger platform providers such as Google Cloud, Microsoft Office 365 and Salesforce. The following chart illustrates the position of CM.com within its competitive spectrum. The chart includes selected competitors only.




**Market Trends**

***Increasing importance of the mobile phone and new messaging channels***

Mobile phone use is on the rise globally – as measured by the number of mobile phones used around the world as well as hours of average daily usage. With the ever-improving functionalities of the average mobile phone, customers increasingly benefit from the realm of communication options that have emerged in consonance with the rising popularity of the smartphone. Although more traditional channels such as voice and SMS will likely remain a stable foundation of mobile messaging, newer alternatives such as WhatsApp Business and Apple Business Chat are rapidly gaining traction. Substantial growth is envisaged during the period 2017-2022 for various smartphone-enabled communication channels such as social messaging (CAGR of 5.7%) and instant messaging (CAGR of 10.6%), whilst the total mobile messaging traffic using SMS (CAGR of –2.1%) or MMS (CAGR of –3.3%) are assumed to have surpassed its growth stage.

***Increasingly diverse communication channels***

With the rise of social media, communication between enterprises and consumers have become clouded. There are already dozens of ways – all widely adopted – to share updates with friends, family, or the rest of the world, and the number of options is expected to continue to grow. This large variety of options has impacted the way enterprises and consumers interact, as communication processes and the corresponding data has become divided over a variety of mediums including Email, Twitter, WhatsApp Business, WeChat and many more. A great opportunity arises for enterprises that can successfully integrate these siloed communication means, as they will be better equipped to serve consumers in a more effective way as marketing and consumer services efforts can be more personalized, ultimately leading to increased sales and enhanced new business support options.

### *Rise of cloud communications*

The introduction and subsequent sophistication of cloud technology has presented numerous opportunities across a wide spectrum of applications, driven by advantages such as enhanced scalability and mobility options, security, reliability and cost-efficiency. As such, cloud-based communication capabilities have accelerated a shift from on-premises solutions to digital, cloud-based solutions such as CPaaS. In addition, cloud technology is the foundation of numerous recent innovations with potentially disruptive powers in the field of communications, including social media messenger services, Artificial Intelligence ("**AI**") technologies and Internet of Things (IoT) applications. Considering the various benefits of cloud-based communications, it is expected to become even more important in the future, as cloud-based applications grow in sophistication and abundance.

### *Channels are increasingly accommodating enterprises*

The accommodation of business communication by an increasing number of messaging channels has several benefits for enterprises. For example, enterprises no longer require their own application, instead they can rely on the reach and trustworthiness of the largest established channels, whilst customers receive the content through their preferred means of communication. This development, in which enterprises can interact with consumers through the best-established and most frequently used consumer communication channels, has been a stepping stone for CM.com, as companies benefit from an intermediary with a medium-agnostic communications and payments platform to connect with consumers. CM.com's management expects that more channels will open up for business communication and channels will further accommodate the needs of enterprises communication. For example, enterprises that are currently verified partners of the channels, and thus meet the related legislation aiming to ensure trustworthiness and prevent spamming, have access to tools that are not available for non-enterprise users of the channel (*e.g.*, verified messages, brand approval, encryption and in-channel payment options).

### *Rise of mCommerce*

Since Apple's App Store launch in 2008, the market has seen many online retailers, notably Amazon, eBay and Alibaba, recognizing the channel's potential which has resulted in the emergence of an app-based economy. When digital and physical goods are taken together, mobile devices (including tablets) accounted for nearly 46% of online transactions by value in 2017, a figure that rises to 64% in China. Mature eCommerce markets retain a high proportion of total remote goods spend originating from non-mobile devices. Mobile devices are in the ascendancy across the physical and digital goods space, yet digital content services such as IPTV, music and video streaming continue to be primarily purchased through larger-screened devices.

### *Increasingly fragmented customer data*

With business-to-consumer ("**B2C**") communications becoming increasingly dispersed across channels, a business' ability to understand and predict consumer purchasing behavior is becoming increasingly cumbersome as valuable consumer insights are scattered across siloed channels. Consolidating communication channels therefore holds, in addition to earlier named advantages, the key to optimally understanding consumers. Customer data platforms will play an increasingly important role in this in the future as a customer data platform has the ability to gather all relevant data on a customer and subsequently enhance that information with external data to create rich consumer profiles containing an overview of select transactions along with other interactions in one timeline, which can be used for various uses such as targeting marketing and website/channel optimization.

### *Adoption of artificial intelligence, bots and automation*

AI is expected to have a considerable impact on the future of conversational commerce, as it can automate and optimize routine processes through generating and analyzing vast amounts of data. One specific application of AI to messaging channels, which is expected to be at the core of future B2C communication, is the so-called chatbot. Through established chatbots, vendors can provide consumers with a continuous support function without the need for human capital. Cost savings have hence been identified as one of the main drivers behind the rapid adoption of chatbots among vendors. It is expected that the number of chatbots accessed per year will increase by 2,311% during the period 2017-2022, with 32.4 billion chatbots being accessed in 2022 and the total transaction value spent over messaging chatbots will reach USD 75.1 billion by 2022, up from USD 0.5 billion in 2017.

*Leveraging of RCS as an A2P platform*

RCS technology is identified as one of the most promising developments in the mobile messaging market when leveraged as an A2P service. The proposition that RCS offers for platform operators is based on three monetization models. The event-based business model allows operators to charge their clients per RCS message terminated. In the case of a conversation-based business model, operators of RCS platforms generate revenues by charging users on some measure of engagement, *e.g.*, the time spent conversating or the total number of messages in a conversation. Through session-based models, network operators provide RCS messaging services based on a period of time, *e.g.*, one month, that is defined in advance by the network operator. Regardless of data packet size and number of messages sent during this amount of time, consumers are charged a flat fee. Fueled by either one or a combination of these business models, a 7,000% growth rate is expected in A2P RCS messaging traffic from 2018 to 2022.

*Rise of alternative payments*

While debit and credit cards have been and are expected to continue to be among the most prominent tools in online payment, an array of alternative payment means have emerged in the online space (*e.g.*, Alipay, Apple Pay, PayPal, Google Pay). Consumer preferences for payment options may differ depending on situational factors; consumers will typically want to be in control of payments made in their name, although at other times (*e.g.*, when making a repeat purchase) the consumer might want the payment to run fully automatic. Consequently, in order to optimally serve their consumers, merchants will have to offer a broad range of payment options.

*Increasingly convenient payment options*

From self-scan check-outs to invisible payments via a mobile app, new payment options are continuously invented, and existing ones are improved, both with the overarching goal of making the payment process as convenient as fast as possible. New technologies such as near-field communication, mobile tap-to-go solutions and biometric analysis applications such as facial recognition software or fingerprint scanners are increasingly incorporated in the payment process to satisfy that goal. Merchants that effectively capitalize on this trend can increase conversion and retention rates as boundaries to payments are reduced and merchants are presented with additional options to bind consumers to their brand.

# BUSINESS

## Overview

CM.com believes it is a leading global mobile services provider that offers a unique combination of end-to-end private cloud-based communication services and payment services, combined with a portfolio of supplementary platform features (*e.g.*, ticketing, and the recently introduced identity, eSignature and customer data platform services) via its CM.com Platform. This leading position and the unique nature of its offering is based on CM.com being – as far as it is aware based on 20 years of experience in the industry – the first and until now only business offering services and features combined in this manner. Being a leader in communication services and having in recent years introduced payment capabilities, CM.com focuses on the worldwide "conversational commerce" market: the market for services that combine both communication services (*e.g.*, WhatsApp Business, Facebook Messenger, SMS and voice solutions), and integrated payment services, regardless of the channel or device selected by the consumer.

CM.com provides Customers with the ability to connect to their consumers via its private cloud-based Communications Platform as a Service (CPaaS). The CPaaS features enable Customers to create an omni-channel mobile end-to-end consumer experience, incorporating modern communication channels (*e.g.*, OTT services such as WhatsApp Business and Facebook Messenger, Rich Communication Services (RCS) and in-app push-messaging), as well as traditional channels (*e.g.*, SMS, Voice and Email), all of which can be connected via a single API and accessed via WebApps (as defined in "—Services"). In addition, CM.com provides its Customers with the tools to combine these communication channels into a single dashboard for instant insight into the communication streams with consumers.

In addition to these communication services, CM.com's payment services enable Customers to process payments from their consumers. The CM.com Platform allows Customers to seamlessly integrate payment features with CPaaS functionalities, and into their consumer-communication flow. This integration in one single platform is unique compared to other CPaaS or payment service providers, and it is what CM.com believes enables its Customers to engage in conversational commerce.

CM.com also offers a number of supplementary platform features. These services currently include a customer data platform that can use and enrich data generated via the CM.com Platform, eSignature, identity and ticketing solutions.

All of these services combined represent CM.com's fully integrated "conversational commerce ready" service offering. Customers can thus create seamless consumer journeys that incorporate key stages of modern commerce, starting with targeted marketing campaigns and ending with personalized aftersales consumer care, creating an omni-channel conversational commerce experience for the individual.

CM.com's Customer base includes Tier 1 enterprises, government agencies, as well as SMEs. As at 30 June 2019, the Customer base consisted of approximately 9,322 Customers (based on the number of invoices sent) from approximately 140 countries, with Customers in 41 of those countries generating revenue (per country) in excess of EUR 10,000.

To enhance its sales and marketing strategy and to better serve its local Customers, CM.com has opened regional, local and virtual offices around the globe. As at 30 June 2019, CM.com had 14 regional, local or virtual offices, of which eight are located in Western Europe (the Netherlands (including CM.com's headquarters), Belgium, France, Germany, Spain and the United Kingdom), two in Africa (Capetown and Johannesburg), one in the Middle-East (Dubai), and three in Asia (Shenzhen, Hong Kong and Tokyo). CM.com expects to open additional offices in Western Europe, the Asian Pacific region and in North America.

For the six months ended 30 June 2019 and the year ended 31 December 2018, CM.com generated revenue of approximately EUR 44 million and EUR 85 million, respectively (compared to approximately EUR 80 million in the year ended 31 December 2017 and approximately EUR 67 million in the year ended 31 December 2016). In the six months ended 30 June 2019, the segments CPaaS, Payments, Platform and Other accounted for approximately 75%, 6%, 6%, and 13% respectively, of CM.com's total revenue (year ended 31 December 2018: approximately 73%, 7%, 4%, and 16%, respectively; year ended 31 December 2017: approximately 71%, 4%, 4% and 21%, respectively, of total revenue; year ended 31 December 2016: approximately 64%, 0%, 5% and 31%, respectively, of total revenue). As at 30 June 2019 and 31 December 2018, CM.com's total assets amounted to EUR 60.7 million and EUR 50.6 million, respectively (compared to EUR 49.2 million as at 31 December 2017 and EUR 31.7 million as at 31 December 2016). As at 30 June 2019 and 31 December 2018, CM.com's total equity amounted to

EUR 7.6 million and EUR 7.5 million, respectively (compared to EUR 7.3 million as at 31 December 2017 and EUR 6.8 million as at 31 December 2016).

**History**

With the aim of being at the forefront of technological developments, the business of CM.com has, over the years, evolved from an SMS services supplier to a full-service end-to-end and private cloud-based communications and payment solutions provider, with a large commercial customer base. Throughout its history, CM.com has focused on providing a comprehensive suite of services to its Customers (as defined below).

CM.com's history traces back to 1999 when co-Founders Jeroen van Glabbeek and Gilbert Gooijers introduced group SMS messaging to inform nightclub and festival visitors in the Benelux about guest DJs, time-tables, contests, discounts and weekend news. In January 2001, "ClubMessage" was incorporated in Breda, the Netherlands, and major events and festivals in the Benelux started to use CM.com's SMS services. From 2002 onwards, CM.com's customer base expanded to (large) corporate enterprises, government agencies, non-profit organizations and educational institutions (the Customers) as a result of organic growth and strategic acquisitions.

As CM.com steadily improved the functionality of its platform, in 2003, CM.com introduced a payment functionality to cover Premium SMS and Direct Content Billing services to allow consumers to pay for digital services via mobile phone subscriptions. By 2006, CM.com's Premium SMS voting service was widely used in major national radio and television shows (tele voting), such as Big Brother and Idols, resulting in these payment functionalities being the primary growth driver for CM.com up until 2012.

Starting in 2010, CM.com focused on acquisition-based expansions of its Customer base. It acquired numerous smaller companies, integrating their business and/or customers in its platform. In addition, during this period, CM.com won its first tenders for the Dutch national government and major financial institutions, accelerating the growth of its Tier 1 enterprise customer base.

From 2015 onwards, following the market trends in the communication and payments markets, CM.com focused on establishing itself as a CPaaS and payment service provider. In 2015, when integrated payments were starting to appear, CM.com launched a dedicated payment service division, CM Payments, and in 2016, it was granted a DNB payment services license. Concurrently, CM.com's core growth strategy relating to acquiring smaller companies transitioned to a focus on organic growth combined with selective mergers and acquisitions, due to large multinational businesses starting to compete with CM.com for smaller targets.

A recent example of a strategic acquisition is CM.com's acquisition of payment services provider Docdata Payments B.V. in 2017. This transaction enabled CM.com to solidify the Customer base and transaction volume for its payment services.

CM.com also began opening additional offices internationally to support its increasingly globally oriented strategy, such as in France (2015), Germany (2015), South Africa (2015), Hong Kong (2016), Japan (2018), Dubai (2018) and Spain (2019).

Today, in line with CM.com's development profile focused on offering a comprehensive suite of services to its Customers, CM.com offers a platform with a fully integrated offering of globally and locally recognized applications, including the most recent developments in the OTT field such as WhatsApp Business, Viber Business, Apple Business Chat, and the development of RCS which are open to a limited number of communications providers. This not only makes CM.com an attractive business partner for its traditional consumer-focused Customers, but is also turning CM.com into a business partner for OTT integration for third-party service providers that want to offer OTT services to their corporate customers.

*Material acquisitions*

CM.com's acquisitions include:

2009 SMS portfolio of LogicaCMG (included a broad group of large Customers, including government agencies and financial institutions).

2010 SMS portfolio from Mobillion, a subsidiary of Telegraaf Media Groep TMG.

2012 Belgian SMS company MobileWeb NV, and the SMS portfolios of Silverstreet Europe and GSM Information Network B.V. (American Motricity).

| | |
|---|---|
| 2013 | Paratel NV (an SMS subsidiary of VMMa of Belgium), OneSixty Mobile B.V. (a Dutch app developer) and the SMS portfolio of SMSHosting (a Dutch SMS business). |
| 2014 | SMS portfolio of Callfactory from Dutch telecom operator KPN (included a broad group of high-end Customers). |
| 2015 | SMS portfolio of SMS Trade (Germany) and I-Comm Media Ltd (United Kingdom). |
| 2016 | TicketFlow (the Netherlands). |
| 2017 | Payment services provider Docdata Payments B.V. (the Netherlands). |
| 2018 | EventsIT B.V. (the Netherlands), a ticketing service provider in the sports market, adding a customer portfolio and sales resources to ticketing services. |

**Competitive Strengths**

CM.com operates a leading platform that delivers data driven messaging and payment solutions with strong connectivity across telecom, payments and technology ecosystems. CM.com believes it benefits from the following competitive strengths.

***CM.com believes it operates a unique communications and payments platform, supported by a broad range of platform features (e.g., customer data platform, eSignature, ticketing and identity services), that optimizes the way businesses can interact with their consumers***

As one of the first businesses in the world with a communications platform with advanced payments and platform features, CM.com believes it is well positioned to rapidly become one of the global leaders in conversational commerce.

CM.com distinguishes between three main areas in which it operates within the conversational commerce market:

1. **CPaaS** (*Omni-channel communication*): which consists of messaging and voice services;
2. **Payments**: the processing and acquiring of consumer payments for Customers; and
3. **Platform**: which includes ticketing, access, identity and eSignature services, as well as Texter and the customer data platform data analytics.

The combination of omni-channel communication services, payments services and platform features provides Customers with the means to interact with their consumers via the CM.com Platform. Customers can create an end-to-end consumer experience by incorporating modern messaging channels as well as the traditional messaging channels through one single dashboard. The supplementary platform features allow Customers to make use of various features, such as ticketing services, and the ability to analyze data collected from consumers and to use this data for targeted marketing campaigns. Combining these services with the communication and payments services creates a fully integrated “conversational commerce” service offering, which CM.com believes (i) enables Customers to create seamless consumer journeys that incorporate key stages of modern commerce, starting with targeted activation campaigns and ending with personalized aftersales consumer care, creating omni-channel conversational commerce, focused on unlocking the potential of mobile communications, and (ii) enables Customers to increase sales to consumers.

***CM.com is strategically well positioned to benefit from the rapidly emerging global conversational commerce market: the convergence of messaging and payments creates a structural growth opportunity***

CM.com believes it is well positioned to capitalize on the growing markets that drive conversational commerce. For example, as of the date of this Prospectus and as far as the Company is aware, CM.com is one of the six companies in the world with a direct connection with WhatsApp Chat and Apple Business Chat.[(1)]

*CPaaS Market*

CM.com believes that it is strategically well positioned to benefit from the expected rapid growth in the omni-channel communications market, which is demonstrated by upward global CPaaS enterprise spending trends (see also “Industry—Market Overview—CPaaS Market”). The global CPaaS enterprise spend is expected to increase from USD 1.6 billion in 2017 to USD 6.7 billion in 2022, with a compound

(1) Source: https://www.facebook.com/business/partner-directory/search?platforms=whatsapp&solution_type=messaging and https://register.apple.com/business-chat.

annual growth rate ("**CAGR**") of approximately 33%[2]. CPaaS, one of the core services offered by CM.com, allows Customers to add communications capabilities to mobile apps and systems without the need to build their own network infrastructure or supporting interfaces. By migrating to CPaaS, Customers can communicate through multiple channels with their consumers, most notably in corporate sales and marketing. In addition, CM.com believes that Customers want the capability to gather intelligence about their consumers, including on how those consumers wish to engage with them.

*Payments Market*

OEM payment solutions, such as Apple Pay and Google Pay, are becoming more widely available for integration into other software products. The transaction value generated by OEM payment transactions globally is expected to increase by a CAGR of approximately 57% over 2017 to 2022[3]. As a result, this market is expected to reach a value of USD 31.6 billion by 2022 from USD 3.4 billion in 2017 (see also "Industry—Market Overview—Payments Market"). As these services start to be used on a global scale, developers are expected to integrate them into their apps.

CM.com is well positioned to take advantage of these developments. On the one hand, CM.com has the infrastructure to add additional payment solutions to its CM.com Platform with relative ease, as the platform has been purpose-built to allow for this. On the other hand, enterprises are increasingly adding these payment methods to their digital offering, which are expected to assist CM.com to attract more enterprises as Customers. Moreover, as CM.com adds more payment methods to its offering, which become available over time, consumers should have an option to use their solution of choice which in turn should enable Customers to use CM.com as they offer a comprehensive service offering.

***Secure and compliant CM.com Platform underpins attractive performance and conversion***

Security and compliance has been part of CM.com's DNA and culture since its incorporation. Moreover, CM.com aims to adhere to the highest level of security and compliance, because CM.com believes this is one of its value propositions and enables CM.com to distinguish itself from competitors.

Customers are obliged to obtain the consent of end users and comply with applicable legislation. The CM.com data platform is safeguarded by measures including an active certification policy with respect to the individual services rendered by CM.com. CM.com pursues an active rather than reactive stance on compliance and evaluates compliance on an ongoing basis.

The payment services offered as part of the CM.com Platform are Payment Card Industry Data Security Standard (PCI DSS) compliant and cover all transactions via the CM.com Platform, including credit card transactions. The eSignature services meet the quality standard for advanced electronic signatures under the European eIDAS Regulation. CM.com also offers tools for GDPR-compliant marketing campaigns, for example by enabling GDPR-compliant consent and opt-out management within the customer data platform.

CM.com aims to be compliant with industry standards on safety and process management by maintaining a number of ISO certifications as part of its integrated management system. The service-management related ISO certifications cover substantially all business processes in the Netherlands. CM.com operates approximately 90% of its business (measured by either number of employees or spend), such as development and administration, in the Netherlands. See also "—Information Technology and Engineering—Key qualities of the CM.com Platform technology—Compliance and certification".

The regular audits related to the Payment Card Industry Data Security Standard (PCI DSS) and ISO help ensure that CM.com adheres to the highest industry standards. As this is not obligatory, not all competitors have similar certifications. CM.com believes that the certificates encourage the onboarding of Customers as they allow Customers to potentially avoid needing to conduct additional due diligence on their provider. Customers save time, effort and money by avoiding additional due diligence. It also allows for the onboarding of Customers with additional governance requirements (*e.g.*, governments, police departments or financial institutions).

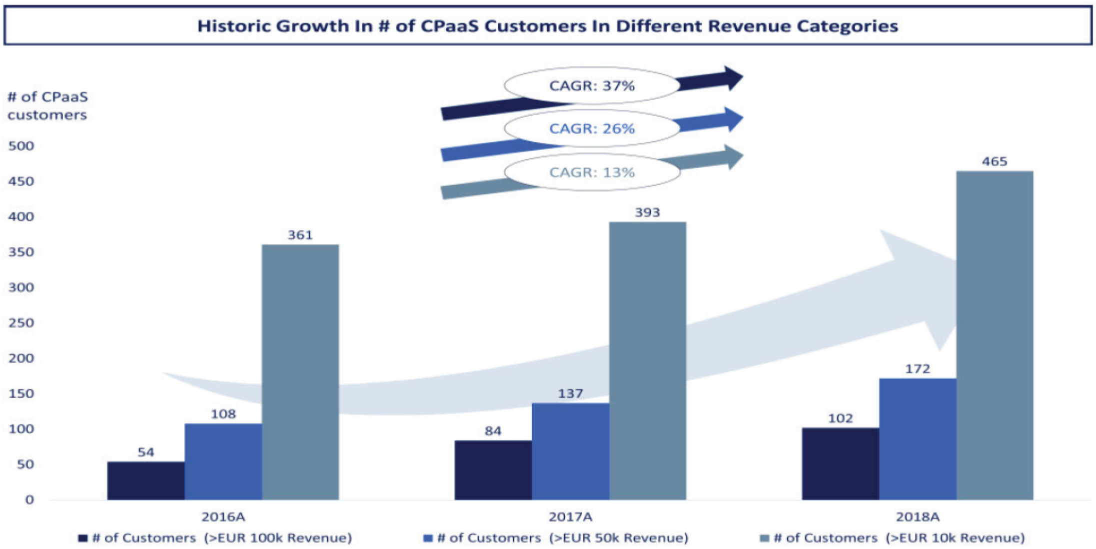
By maintaining a high level of compliance, CM.com provides Customers with a dynamic and secure data platform to collect live data from multiple touch points in combination with their own primary preferences. Moreover, the CM.com Platform is equipped with GDPR compliant IT security measures, so Customers do not need to have their own expensive GDPR compliant data storage solutions or processes, and can have their consumer data stored with CM.com.

(2) Source: Juniper Research, "Mobile Messaging 2018-2022".
(3) Source: Juniper Research, "Mobile & Online Remote Payments For Digital & Physical Goods 2018-2022".

***Direct connections to a broad Customer base, including global top-tier enterprises and a strong track record of retaining Customers and growing economics***

CM.com has a diversified top-tier Customer base with a strong recurring revenue base, which has further grown since the introduction of its CPaaS and payment services in 2015.

A strong track record of winning new "Forbes Global 2,000" Customers such as Tencent, Alibaba.com, McDonalds and Accor Hotels has led to rapid growth of the Customers base. The graph below shows a track record for CM.com of winning, retaining and growing alongside its Customers.




The existing Customer base has proven loyal, as evidenced by a CPaaS Churn Rate of only 0.9% over the year ended 31 December 2018. In addition, CM.com has been able to expand the volume of services sold to existing Customers year-on-year, as evidenced by a CPaaS Net Dollar Retention Rate of 113.5% in the year ended 31 December 2018. See also "—Customers—A diverse, steadily increasing customer base".

CM.com believes it has also demonstrated that it can win and retain new Customers. This has led to a Customer base with a relatively low Customer concentration, with the largest Customer representing 5% of total revenues for the first six months ended 30 June 2019, and the largest 10 Customers representing 24% of revenues for the first six months ended 30 June 2019 (revenue before IFRS 15 adjustment on the Other segment, see also "Operating and Financial Review—Change in Accounting Policies—IFRS 15 Revenue" and the notes to the 2018 Consolidated Financial Statements). The existing Customer base consists of a mix of high-volume innovation driven Customers and mid-sized Customers, leading to a recurring revenue base with strong potential for future growth. In the medium future, CM.com aims to expand its operations to new geographies. See also "Business—Strategy". However, as at the date of this Prospectus, CM.com has not yet commenced concrete plans to effect those expansions into new geographies. CM.com focuses on Customer marketeers (rather than their developers or technical staff), meaning that the platform and services have been designed in an easy to use intuitive manner which requires limited IT knowledge.

***Direct relationships with mobile network operators, OTT-providers and financial services providers***

CM.com's direct relationships with mobile network operators (*e.g.*, KPN), OTT-providers (*e.g.*, WhatsApp and Viber) and financial services providers (*e.g.*, MasterCard) enable it to deliver its services to its Customers. CM.com's ability to source certain CPaaS and payments services can drive demand for CM.com's services, reduce the cost of services and provide a competitive advantage in certain markets. CM.com has generally experienced a positive correlation between the number of its direct relationships and growth in revenue and gross profit.

CM.com is currently one of the relatively few companies worldwide authorized to provide enterprise versions of increasingly popular OTT services (*e.g.*, WhatsApp Business, Apple Business Chat, Google RCS and Viber for Business). Third-parties that wish to offer such OTT services to their consumers must currently offer these OTT services directly via one of the few partners authorized to do so (such as CM.com). Due to its authorized status, CM.com functions as a supplier of OTT services to a large number of third-party service providers that wish to incorporate, for example, WhatsApp Business into their service offering but that are not (yet) authorized to do so.

***Founder-led entrepreneurial culture committed to achieving CM.com's full potential***

The strong track-record of CM.com has been built by its dedicated, founder-led management team with substantial experience and complementary skills. The co-Founders, Jeroen van Glabbeek (Chief Executive Officer) and Gilbert Gooijers (Chief Operating Officer) founded the company in 1999 and have been the driving force in developing the business. Over the past 20 years, together with the rest of the management team, they have worked to professionalize a fast growing organization. Besides the co-Founders, the Company has established a professional management team, consisting of Judith Wouters (currently the interim Chief Financial Officer since 2018 and, after having recruited a Chief Financial Officer to join the Management Board at some point after the Offering, she will hold the position of Head of Finance, with CM.com since 2010), Jan Saan (Chief Technology Officer, with CM.com since 2003 and in this position since 2015), Peter van Wely (Chief Risk Officer, with CM.com since 2014 and in this position since 2018), Hodny Benazzi (General Manager International, with CM.com since 2015 and in this position since 2015) and Marijn Helmons (Head of Human Resources, with CM.com since 2018 and in this position since 2018). Anneke Hoijtink recently joined the management team as Head of Investor Relations and, after the date of this Prospectus, Robert Jansen is expected to join the management team as Area Sales Manager North West Europe.

CM.com has a diverse, highly skilled work force of 267 employees, consisting of 125 sales and marketing employees, 88 research and development employees and 54 other general employees as at 30 June 2019. They are based in 14 regional, local and virtual offices and between them they hold 20 nationalities with 18 languages spoken. The Company has won various awards, including: Top Regional Employer, Great Place To Work, Deloitte Fast 50, FD Gazelle and Best Managed Companies. Moreover, CM.com has created the CM Academy, which aims to equip employees with the necessary knowledge and skills. It offers training and qualifications for all employees and serves as a channel for employees to further develop and stay informed of new innovations and the latest updates for services and strategies.

CM.com is currently transforming its headquarters in Breda (CM HQ) into the CM Campus to provide additional workspaces. Breda is close to the Belgian border and near an international train station with direct connections to Brussels, Rotterdam, Schiphol Airport and Amsterdam. As a result, this location offers access to local, regional and international potential employees. All employees are offered a working environment in which they can choose their own work devices, attend specific training sessions, enjoy a home-made lunch every day, benefit from flexible working hours, operate in multidisciplinary and self-managed teams, with many opportunities for personal and professional growth and numerous informal events like meetups, workshops, sports, family BBQ and Friday afternoon drinks.

***Strong financial profile combines long-term growth and margin potential with proven profitability***

The revenue generation and gross profit contribution of CM.com has moved from traditional services (premium SMS, carrier billing, call charge services, app development and TV activities) towards CPaaS, Payments and Platform features (*e.g.*, ticketing, identity, eSignature and customer data platform services), the core services offering of CM.com.

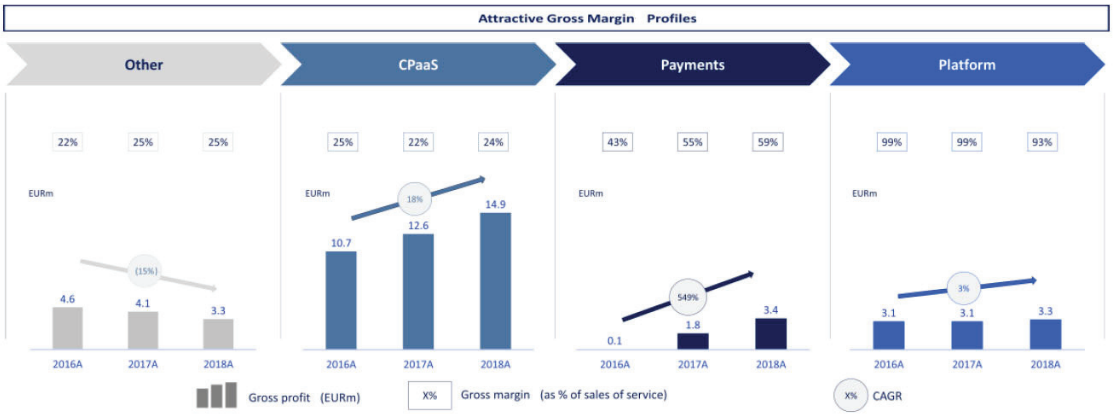
During the year ended 31 December 2011 to the year ended 31 December 2015, CM.com's total revenue for its services (on an all segment basis) offering grew with a CAGR of approximately 15%. In the year ended 31 December 2018, CM.com generated a total revenue for its core services (*i.e.*, excluding the revenue from the Other segment) of approximately EUR 71 million. During the year ended 31 December 2016 to the year ended 31 December 2018, revenue for the Other segment has decreased, which is consistent with this part of CM.com being viewed as legacy business.

During the year ended 31 December 2016 to the year ended 31 December 2018, CM.com's total revenue for its core services (*i.e.*, excluding the revenue from the Other segment) has increased from approximately EUR 46 million to approximately EUR 71 million, representing a CAGR of approximately 24%. Gross margin on core services remained stable around approximately 30% in this period.

During the year ended 31 December 2016 to the year ended 31 December 2018, CM.com has generated the following growth in revenue and gross margin for the various segments (CPaaS, Payments, Platform and Other):

- *CPaaS:* revenue and gross profit grew with a CAGR of 21% and 18% during the year ended 31 December 2016 to the year ended 31 December 2018, respectively. Gross margin was 25% in the year ended 31 December 2016 and 24% in the year ended 31 December 2018.
- *Payments:* revenue and gross profit grew with a CAGR of 455% and 549% during the year ended 31 December 2016 to the year ended 31 December 2018, respectively. Gross margin was 43% in the year ended 31 December 2016 and 59% in the year ended 31 December 2018.
- *Platform:* revenue and gross profit grew with a CAGR of 7% and 3% during the year ended 31 December 2016 to the year ended 31 December 2018, respectively. Gross margin was 99% in the year ended 31 December 2016 and 93% in the year ended 31 December 2018.
- *Other:* revenue and gross profit decreased with a CAGR of -21% and -15% during the year ended 31 December 2016 to the year ended 31 December 2018, respectively. Gross margin was 22% in the year ended 31 December 2016 and 25% in the year ended 31 December 2018.

Over the past three years, gross margins have increased gradually due to a shift in revenue composition towards CPaaS, Payments and Platform segments. It is expected that the revenue mix will shift to higher value-add services in the Payments and Platform segments. The below graph illustrates CM.com's gross margin development.




Note: the payment transactions in the year ended 31 December 2017 reflect the increase in payments transaction volumes resulting from the acquisition of Docdata Payments B.V. in July 2017.

**Strategy**

CM.com believes that the emergence of conversational commerce represents a new market with multiple touch points to people's everyday lives enabling them to communicate, interact and make payments with businesses worldwide, and that it will make people's lives better, easier, more enjoyable and safer.

CM.com has designed a high quality scalable platform that facilitates conversational commerce. CM.com has accumulated the necessary know-how over the past 20 years (among other things through service development, geographical expansion and acquisitions) and believes is now ideally positioned to take advantage of the next phase of growth by scaling up its operations at a fast pace. CM.com's service offering with CPaaS, payments services and platform features offers a versatile basis to offer a genuine conversational commerce experience to Customers and their consumers.

***Continued focus on Customer retention***

This strategic pillar is focused on protecting and growing the core service offering (services excluding the services from the Other segment), which is expected to increase revenue per Customer by maintaining strong existing Customer relationships and by further investing in sales capacity and enhancing CM.com's current pricing strategy.

By nurturing its existing growing Customers, CM.com should be able to grow alongside them. For example, the expansion of support teams with enhanced local capabilities aims to cater more adequately for Customer needs in ever increasing geographical areas. CM.com aims for growth of both wholesale and carrier relations.

Additional investments in sales capacity are expected to take place across existing marketing efforts, by growing the current sales team structures, enhancing online sales capabilities and increasing global marketing efforts. CM.com plans to also hire more account-managers, which aims to increase capacity to provide existing Customers with more personal contact and allows CM.com to pro-actively approach Customers to capitalise on cross-selling opportunities. CM.com already stimulates cross-selling through various means, including through the organization of Customers events, such as the CM Inspires events. At these events, CM.com discusses services and market developments, and demonstrates the versatility of the CM.com service suite. In the future, CM.com expects to further expand the CM Inspires events and to introduce similar new initiatives.

Historically CM.com used a conservative pricing strategy and at the moment it is designing a more sophisticated pricing model. CM.com expects to adjust the current pricing strategy towards existing SaaS pricing structures, tailoring it for local markets. Moreover, CM.com expects to move from a cost-based pricing model to a value-based pricing model. CM.com intends to implement incentive plans that promote cross-selling of services and to focus its efforts towards establishing recurring, long term contracts and subscriptions.

***Maintain market leadership through service innovation***

CM.com seeks to continuously innovate to stay ahead of the curve as a result of which Customers can expect that new services that appear on the market may soon be included in the CM.com service offering. This is expected to drive revenue per Customer, as Customers adopt the CM.com Platform and increase their use of multiple services.

The addition of OTT channels, alongside the traditional SMS offering, in the CPaaS segment enables chatbot driven conversational messaging and rich interactive features of new channels. Where SMS is often used for one-time interactions (*e.g.*, marketing and one-time passwords), OTT channels are used in more interactive two-way dialogue situations (*e.g.*, customer support). Therefore, CPaaS is expected to result in increased revenue through enhanced engagement with the end user. In addition, CM.com aims to further develop and localize the CPaaS platform to suit the needs in different regions, which is expected to result in increased adoption of the CM.com Platform as it becomes more tailored to the needs of the Customer.

Within Payments, CM.com is focusing on its web checkout solution, its processing and acquiring platform(s), and the further development of next generation payments solutions. Within web checkout, CM.com expects to improve the onboarding and Customer services process through a new payment menu and API integrations in order to increase the ease of use for Customers. In processing and acquiring, CM.com is in the process of obtaining acquirer status with Visa (which is currently already the case with MasterCard and American Express). CM.com also expects to connect additional OEM/OTT payment methods once these become available, which is expected to increase CM.com's payment capabilities and in turn result in increased revenue. In the next generation payments area, innovation is expected to result from further development of the shop-and-go solution to improve point-of-sale (POS) experience and more broadly the mobile payment solution in general. Finally, CM.com is also in the midst of developing a recurring subscription payment solution.

CM.com offers an one-stop-shop approach for its platform features. This allows CM.com to seek to break into and gain share in new markets such as ticketing, eSignature and Customer Data and to focus on growth of high margin services. Moreover, CM.com expects to win Customers more easily in these new markets, because CM.com enters with services already known and wanted by the Customer, offering a whole suite of additional services for which they do not need multiple vendors. The result of innovation and related adding of new platform features is a strong lock-in for Customers, as they know that CM.com offers the full available suite of services and they believe it to be at the forefront of innovation. Moreover, this is expected to enhance recurring revenue through Customer lock-in and be a significant revenue generator as Customers use multiple services.

***Increase adoption of conversational commerce by existing Customers***

CM.com is targeting improved cross-selling to increase revenue per Customer. This is expected to be promoted, among other initiatives, by actively encouraging Customers to engage in new services trials to discover unused platform capabilities that may suit their needs. CM.com also intends to further integrate current services to allow for the seamless flow of use of various functions within one service without the need to separately opt-in for an additional service.

CM.com's user-friendly, self-service platform approach means that the majority of new features can be easily integrated with its existing service portfolio, or aim to be in the near future. This is expected to enhance cross-selling and Customer lock-in through ease of use and a broad service offering.

Moreover, CM.com is hiring additional Customer Success Managers in various sales teams and geographical hubs. This should translate into better supported Customers when bringing new services to the market, resulting in quicker adoption and increased use of the CM.com services.

***Grow the business by further enhancing of partnerships***

CM.com believes that there are four main categories of Customers which lend themselves for a deepened partnership. Independent software vendors and advisory firms are likely to be interested in bolt-on services within the CM.com Platform. Telecom partners and OTT partners appear increasingly interested in cooperation to access additional pockets of sales growth.

Independent software vendors, also known as system integrators, that offer a component or that are able to offer CM.com services are expected to be the focus of CM.com. Because they can add CM.com's features to their consumer's custom software without having to develop these features themselves which in turn can further substantiate their own product resulting in increased conversion, CM.com believe they should be keen to work with it. CM.com also believes that at some point it could become a competitive advantage for these Customers to have this CM.com "approval". Advisory firms have access to and relationships with enterprises that are in need of messaging and payment solutions. CM.com believes that CPaaS offerings are a natural extension for Telecom operators and that strategically partnering with CM.com enriches their Business-to-Business proposition overnight. CM.com further believes that OTT providers need strategic partners to sell, deliver, implement and support channel access to enterprises, complemented with CM.com's Platform features.

These partnership propositions are expected to be developed by nurturing and expanding relationships across all services categories. Dedicated teams cover Customers in each of these categories, with additional training expected to enhance effectiveness. Moreover, CM.com intends to further invest in necessary technology and to complete the reseller dimension throughout the CM.com Platform. Amongst other things, CM.com intends to introduce 'Grey labelling', visibly showing the CM.com logo and the reseller logo, with automated invoicing to limit the administrative burden related to these resellers and their sub-consumers.

***Expand globally through enhancing local presence***

CM.com's global expansion strategy is based on establishing a local presence via regional hubs, which are expected to accelerate Customer growth. Every hub is a gateway to a number of surrounding countries. Hub expansion and the roll-out of new hubs are based on CM.com market research (*e.g.*, population, mobile payments penetration, regulation). Over approximately five years, CM.com expanded to eight countries through setting up local and regional offices, with on average six employees per regional office and expected to grow to approximately 25 employees per location.

CM.com has a clearly defined and tested hub roll-out process. It consists of the following steps: (1) setting up a local team with a regional manager, local country managers and sales managers, (2) initiation of lead and sales generation and (3) expanding local teams with local sales, marketing and support specialists. The France and Hong Kong hubs are examples of this strategy. These hubs showed accelerating growth after reaching their individual inflection points when all operations are up and running. For France this was 15 months, resulting in a monthly compounded growth rate of revenue (based on local entity billings) after inflection point of 11.1% (during approximately 19 months) and for Hong Kong this was 21 months and monthly compounded growth rate of revenue (based on local entity billings) after inflection point of 17.8% (during approximately nine months). The local office in France is a good illustrator of CM.com's international success: in the period from the year ended 31 December 2016 to the year ended 31 December 2018, CM.com's total revenue from the local office in France has increased from approximately EUR 2.7 million to approximately EUR 7.3 million, representing a CAGR of approximately 64%. In addition, the number of large Customers (> EUR 100,000 revenue) in the same period increased from five Customers to 13 Customers, the number of Customers (> EUR 50,000 revenue) in the same period increased from nine Customers to 23 Customers, and the number of smaller Customers (> EUR 10,000 revenue) in the same period increased from 15 Customers to 42 Customers.

From time to time, mergers and acquisitions is used as a springboard to kick start geographical expansion or expansions in existing geographies. CM.com favors smaller international acquisitions to get a new location and local team up and running faster by instantly providing them with a larger existing Customer base.

CM.com expects the existing Netherlands and Hong Kong hubs to grow in terms of new Customers. In addition, CM.com plans to expand the France, Hong Kong, Middle East and Africa hubs by adding new countries to their coverage area. CM.com expects France to expand by including Portugal and Italy in its coverage; the Middle East is to include Turkey, Saudi Arabia and Yemen; and Africa is to include Kenya.

In addition, CM.com expects to develop new hubs in the near term (United States and Singapore) and in the medium term (Scandinavia and Eastern Europe) including potentially through mergers and acquisitions. The United States is attractive as there has been strong demand for local services from US-based Customers and the targeting of US tech enterprises is key for the roll-out of CM.com's services, for whom proximity is paramount. The United States is also one of the largest A2P markets globally (according to Mobilesquared, approximately USD 0.9 billion in revenue expected for 2018 and approximately USD 1.0 billion in revenue expected for 2019). Singapore is scheduled for near term hub expansion as it is a logical South East Asia hub with potential Customers in this region valuing proximity and cultural understanding. Moreover, Indonesia represents one of the largest A2P markets globally (according to Mobilesquared, approximately USD 1.0 billion in revenue expected for 2018 and approximately USD 1.6 billion in revenue expected for 2019).

***Selectively acquire new customer bases***

Mergers and acquisitions is not an essential growth pillar for CM.com and it intends to only opportunistically consider exceptional companies for which it sees a clear match. CM.com's strategy is focused on acquiring new Customer bases rather than on new technology. Rapid, full integration of acquisitions should be a strong addition to organic growth. CM.com considers targets with a customer base that can complement CM.com's offering either in terms of geography and/or size. Only these targets are considered for which CM.com's offering is complementary to allow CM.com to immediately offer its service suite to the new Customer base, increasing retention of the new Customers.

CM.com has an experienced internal mergers and acquisitions team (five employees with a new head joining this year) with a proven track record of 21 acquisitions over the past 10 years. The team runs the due diligence in-house, which includes detailed integration planning. This is key to maintaining the high quality of the CM.com Platform. In addition, CM.com has an established database of potential targets, of which they investigate approximately 50 potential targets per year, ultimately executing approximately two acquisitions.

CM.com enjoys a strong negotiation position given the large pool of available potential targets, its proprietary mergers and acquisitions knowledge from past transactions and its qualified internal mergers and acquisitions team. This is reinforced by the fact that CM.com can acquire targets in a large variety of segments (*e.g.*, ticketing, payments, data). This gives CM.com an additional negotiation tool as it does not need to acquire a target in a specific segment and can choose to go a different path if needed.

CM.com aims for growth in all strategic pillars to be driven and supported by increased marketing efforts, CM.com's global talent pool and research and development spend. CM.com also strives to enhance where needed to accommodate growth. As at 30 June 2019, CM.com employed 267 employees, of which 125 are sales and marketing employees, 88 are research and development employees, and 54 other general employees. In the coming two years, CM.com aims to approximately triple the number sales and marketing employees, double the number of research and development employees and increase its general staff by a factor of one to two.

Its marketing efforts are expected to include trade shows and events focused on global branding events relevant to CM.com's Customers. CM.com will also aim to continue organizing local events focused on supporting local sales teams and CM.com Inspire events. Increased public relations and further cooperation with public relations partners should allow it to tap additional marketing channels. The goal of this initiative is to increase brand awareness globally, through news items aimed at existing and new hubs, which cater to CM.com's broad Customer base. Moreover, CM.com intends to increase marketing and brand awareness through more visible branding of existing services. All services are expected to have the CM.com logo or text incorporated in some form or another. For example, tickets may show the CM.com logo on the ticket and a payment may have CM.com incorporated in the details. As a result, each point of contact with the end-consumer should become an extra marketing and branding moment. Online marketing is expected to be enhanced by supporting local sales teams with partially decentralised budgets and personnel. They will aim to focus on increasing global branding as well as conversion and following up on leads, with in-house tools.

### Objectives

CM.com has established certain financial and operational near term, medium term and long term financial performance objectives. CM.com has set the following financial objectives:

- Revenue growth: Revenue growth is expected to significantly step-up from 2020, after which CM.com is targeting an annual growth rate of over 35% over the medium term, as CM.com increases its sales, marketing and technology efforts with new and existing Customers globally with the capital raised in the Offering.
- Capital Expenditures: In the near term, CM.com expects capital expenditure to be in-line with historic levels. In the long term, CM.com aims to maintain a sustainable capital expenditure level of up to 5% of revenue.
- Gross margin: CM.com is seeking to increase gross margin in the near term as the revenue mix shifts to higher value-add services.
- EBITDA margin: CM.com aims to improve EBITDA margin to levels above 20% in the long term as CM.com expects to benefit from a change in business mix and operational leverage. In the near term, CM.com expects EBITDA margin to decrease due to increased investments to accelerate growth.

CM.com has not defined, and does not intend to define, “near term”, “medium term” or “long term”. CM.com’s objectives should not be read as forecasts, projections or expected results and should not be read as indicating that CM.com is targeting such metrics for any particular year. They are merely objectives that result from the pursuit of its strategy.

CM.com’s ability to meet these objectives is based upon the assumption that it will be successful in executing its strategy and it depends, in addition, on the accuracy of a number of assumptions involving factors that are significantly or entirely beyond its control. The objectives are also subject to known and unknown risks, uncertainties and other factors that may result in CM.com being unable to achieve them. As a result, CM.com’s actual results may vary from the near term, medium term and long term objectives established herein and those variations may be material. Many of the risks and uncertainties are described in “Risk Factors”. CM.com does not undertake to publish updates as to its progress towards achieving any of the above objectives, including as it may be impacted by events or circumstances existing or arising after the date of this Prospectus or the reflect the occurrence of unanticipated events or circumstances. See also “Important Information—Forward Looking Statements” for further information.

### Group Overview

#### *CM.com*

CM.com believes it is a leading global mobile services provider that offers a unique combination of end-to-end private cloud-based communication services and payment services, combined with a portfolio of supplementary platform features (*e.g.*, ticketing, identity, eSignature and customer data platform services) that leverage the communication and payment capacities of the CM.com Platform. This leading position and the unique nature of its offering is based on CM.com being – as far as it is aware based on 20 years of experience in the industry – the first and until now only business offering services and features combined in this manner. CM.com focuses on the worldwide “conversational commerce” market: the market for services that combine both communication services (*e.g.*, WhatsApp Business, Facebook Messenger, SMS and voice solutions), and integrated payment services, regardless of the channel or device selected by the consumer.

As at 30 June 2019, CM.com’s Customer base included 9,322 Customers (based on the number of invoices sent) from approximately 140 countries, with Customers in 41 of those countries generating revenue (per country) in excess of EUR 10,000. CM.com’s core business consists of delivering messages and processing payments for its Customers, enabling communication, interaction and transaction through mobile technology for Customers with their consumers. These services are provided on a pay-per-use model combined with subscription fees.

CM.com offers seamless Customer interaction tools that combine multiple communication channels, including SMS, Voice, Email and OTT services such as WhatsApp Business, with related mobile commerce services such as payment, authentication and customer data management. CM.com helps Customers to interact with their consumers in modern, interactive ways that suit the requirements of the modern consumer, increasing sales conversion and consumer retention.

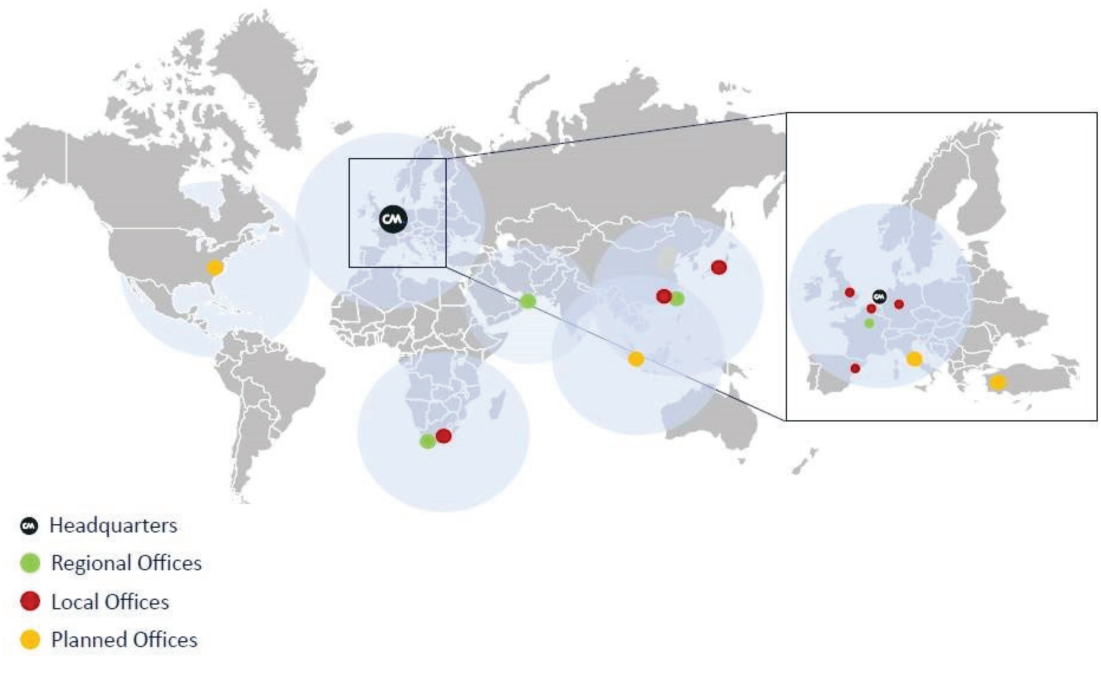
Although the CM.com Platform provides for global access for Customers located across the world, CM.com has opened regional, local and virtual offices to enhance its sales and marketing strategy and to better serve its local Customers. As at 30 June 2019, CM.com had 14 regional, local or virtual offices, of which eight are located in Western Europe (the Netherlands (including CM.com's headquarters), Belgium, France, Germany, Spain and the United Kingdom), two in Africa (Capetown and Johannesburg), one in the Middle-East (Dubai), and three in Asia (Shenzhen, Hong Kong and Tokyo). CM.com expects to open additional offices in Western Europe, the Asian Pacific region and in North America although it does not have a specific timetable for this (see also "—Employees").

The table below presents the revenue on the basis of the geographical location of CM.com's Customers:

| | CPaaS | Payments | Platform | Other | Total Group |
|---|---|---|---|---|---|
| | | | (EUR '000) | | |
| **Year ended 31 December 2018 (*audited*)** | | | | | |
| The Netherlands | 28,487 | 4,441 | 2,857 | 6,515 | 42,300 |
| Belgium | 9,419 | 717 | 339 | 4,645 | 15,120 |
| France | 6,658 | 23 | 36 | 543 | 7,260 |
| Rest of Europe | 9,628 | 453 | 284 | 975 | 11,340 |
| Rest of World | 7,883 | 142 | 57 | 515 | 5,597 |
| Total Revenue | 62,075 | 5,776 | 3,573 | 13,193 | 84,617 |

CM.com has three main server installations in the Netherlands, located in Breda (its proprietary in-house data center), Rijen and Eindhoven (the Netherlands). In addition, CM.com operates a number of globally dispersed local server installations in London (United Kingdom), Amsterdam (the Netherlands), Ede (the Netherlands), Brussels (Belgium), Johannesburg (South Africa), Shanghai (China) and Hong Kong (China). CM.com expects to add a server installation in Frankfurt (Germany) in 2019. All server equipment is fully owned by CM.com. Server installations, other than the server installation in Breda, are co-located in top tier data centers around the world. See also "—Information Technology and Engineering—Key qualities of the CM.com Platform technology—High resilience and minimal downtime".

The map below illustrates CM.com's global presence as at 30 June 2019.



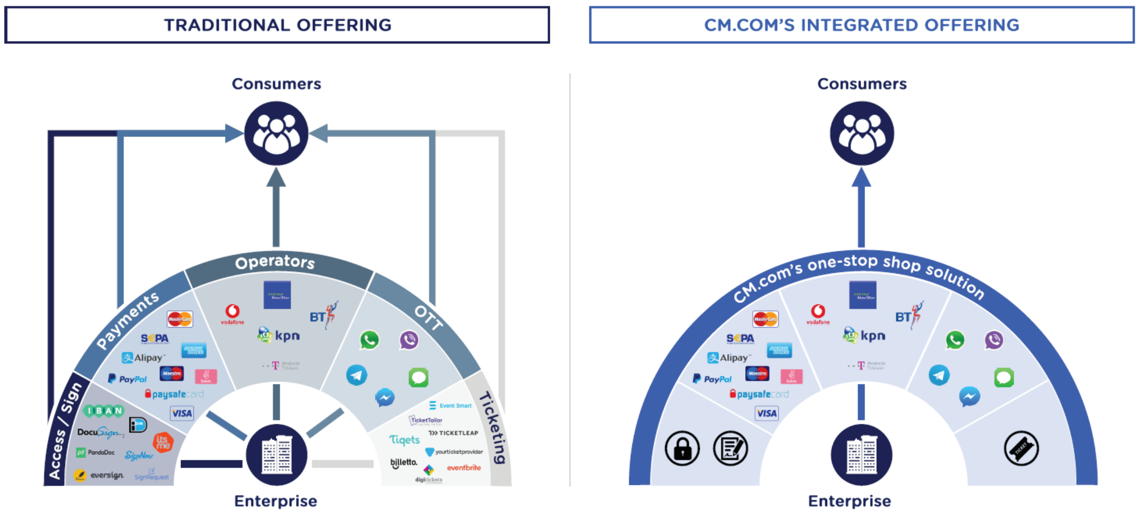

Over the years, CM.com has won multiple awards, including the FD Gazelle award for 2017, a prize awarded to fast growing companies in the Netherlands that in the previous three years have shown a stable and significant growth in turnover. CM.com has also received this award in every year in the period from 2009-2015. The award is an initiative of the Dutch financial newspaper, Het Financieele Dagblad. In 2017, CM.com received the "Piet Heyn Award" for best sales organization of the year in the Netherlands. This prize is awarded by the trade union for sales professionals SMA to innovative organizations. CM.com also received a "Best Managed Companies" award from Deloitte for each of the years 2011-2018. In addition, CM.com has been recognized as "Deloitte Fast 50" company for each of the years 2008-2012.

**Services**

CM.com believes that potential Customers look for the most efficient and consumer-friendly ways to communicate. With the rise of the mobile phone, CM.com expects these communications to become increasingly mobile–based, as the mobile phone increasingly represents the preferred personal communications hub for consumers worldwide. Consumers want to be able to communicate on the go, over their communications channel of choice, and increasingly expect Customers to communicate with them in a personalized way. CM.com believes its holistic communication solution via the CM.com Platform offers Customers the toolbox to create a customer experience that meets these requirements. Assisted by the CM.com Platform, Customers can meet the ever increasing demands of consumers, not only where the Customers currently operate, but also when Customers enter in new markets or scale up their activities as they grow.

In the past, typical retail and mobile commerce businesses relied on multiple providers for different services and many of them still do so today. A business would for example use Provider A for SMS customer communication, Provider B for Email customer communication, Provider C for Voice customer communication and Provider D for Payments, and it would not use a supplier for multi-channel messaging. CM.com believes that this is changing; consumer engagement through marketing, sales and service channels is shifting from traditional retail communication (such as TV, offline stores or services), to digital retail communication (such as webshops and web-based call centers), and most recently towards conversational commerce. Driven by the vision that most communication will shift to mobile, CM.com believes that its CM.com Platform is shaping the future of conversational commerce through offering a one-stop-shop solution for integrated messaging, voice and payments services, combined with a portfolio of supplementary platform features (*e.g.*, customer data management, identity, ticketing and eSignature services that further leverage the communication and payment capabilities of the CM.com Platform to implement conversational commerce strategies (see also "—The CM.com Platform and its services"). CM.com believes that enterprises that integrate their communication channels should be able to offer a superior consumer-centric solution to their consumers which should convert a contact into a sale more quickly and more frequently.

The following graph illustrates the benefit of using the CM.com Platform, compared to using a traditional multi-provider service offering. CM.com provides its Customers with a single point of purchase for communication, payment and a host of value added services (*i.e.*, the platform features), rather than requiring Customers to contract separately with numerous middlemen to acquire a similar service suit. In addition, the flexible, webshop-like setup of the platform (see also "—The CM.com Platform and its services") enables its Customers to easily increase or decrease the number of services they use, without incurring any significant migration or implementation costs, highly increasing flexibility and scalability for Customers.



CM.com enables Customers to integrate its services directly into the Customer's existing IT-architecture. CM.com offers a range of plugins and pre-set APIs that enable its Customers to start using CM.com's services directly within their current IT-landscape, in addition to a large number of online applications that Customers can access online by logging on to the CM.com Platform ("**WebApps**"). In addition, CM.com offers a range of API and software development kit ("**SDK**") based integration opportunities for more tailored integrations (*e.g.*, integrations into custom-built Customer software).

***Global platform for Conversational Commerce***

The CM.com Platform consists of three main service segments: CPaaS, Payments and Platform. In addition, CM.com continues to provide a limited number of mostly SMS-based legacy services (referred to as the Other segment) (see "Operating and Financial Review—Presentation of Financial Information—Financial reporting segments"). It is expected that the business in the Other segment will continue to decrease over time.

CM.com provides Customers with the means to make connections with their consumers via its private cloud-based Communications Platform as a Service (CPaaS). The CPaaS features enable Customers to create an omni-channel mobile end-to-end consumer experience, and incorporates modern communication channels (*e.g.*, OTT services such as WhatsApp Business and Facebook Messenger, Rich Communication Services (RCS) and in-app push-messaging), as well as traditional channels (*e.g.*, SMS, Voice and Email). In addition, CM.com provides the tools to combine these communication channels into a single dashboard for instant insight into the communication streams with consumers. The CPaaS features may be used by Customers for various purposes, including consumer services notifications, marketing campaigns and personalized offers, consumer support and automated chat.

CM.com's payment services enable Customers to process payments from their consumers. The CM.com Platform enables Customers to seamlessly integrate CM.com's payment features with its CPaaS functionalities, which allows Customers to integrate payments into their consumer-communication flow. CM.com provides both state of the art mobile payment solutions such as Apple Pay, WeChat Pay and Alipay, developed for frictionless mobile-based shopping, as well as point of sale-based and web-based payment services. The integration of these payment services with CPaaS functionalities into one single platform is unique compared to other CPaaS or payment service providers, and is what CM.com believes enables Customers to engage in conversational commerce.

To further enable Customers to engage with their consumers in conversational commerce, CM.com offers a number of supplementary platform features that leverage the CPaaS and payment features of the CM.com Platform to create even more rich and tailored solutions for its Customers and further increase the one-stop-shop nature of the CM.com Platform. These services currently include a customer data platform that can use and enrich data generated via the CM.com Platform, eSignature, identity and ticketing solutions. Although the current volume of business generated through this segment is relatively small, CM.com expects this volume to progressively increase following the adoption of new technologies by Customers, driven by consumer demand.

All of these services combined represent CM.com's fully integrated "conversational commerce ready" service offering. By bundling the services provided via the CM.com Platform, CM.com believes it enables Customers to create seamless consumer journeys that incorporate key stages of modern commerce, starting with targeted activation campaigns and ending with personalized aftersales consumer care, creating truly personal, omni-channel conversational commerce, focused on unlocking the potential of mobile communications.

Although CM.com believes that the full potential of the CM.com Platform can be unlocked by combining the different services available on the CM.com Platform, CM.com also delivers its various services as stand-alone services to its Customers. CM.com believes this increases Customer conversion to the CM.com Platform, as enabling stand-alone use of the services may lower the threshold for Customers that aim to replace a single third-party solution with CM.com's services.

In the year ended 31 December 2018, the segments CPaaS, Payments and Platform accounted for approximately 73%, 7% and 4%, respectively, and in aggregate for approximately 84% of CM.com's total revenue (2017: approximately 71%, 4% and 4%, respectively, and in aggregate for approximately 79% of total revenue; 2016: approximately 64%, 0% and 5%, respectively, and in aggregate for approximately 69% of total revenue).

### *The CM.com Platform and its services*

From an operational perspective, CM.com's service segments can be subdivided into messaging and voice (together the CPaaS segment), payments and finally the supplementary platform features ticketing, identity, eSignature and customer data platform (together with subscription packages, the Platform segment), which are all made available on the proprietary CM.com Platform. Each of these categories covers a number of different individual services, which can be combined to create a service suite that meets the Customer's needs. The CM.com Platform layout provides for cross-selling opportunities due to its webshop-setup where Customers can easily add new features to their service suite. In addition, CM.com believes that Customers gaining access to the CM.com Platform in search of a particular solution may decide to expand the range of services they source, once they have seen the benefits this can bring.

Access to the CM.com Platform is free and Customers can make use of many services on a pay-per-use basis. In addition, CM.com offers three levels of subscriptions that grant Consumers increased access to some of CM.com's more advanced services, reduced pay-per-use fees for the services, higher levels of customer support services and guaranteed uptime under a service level agreement. CM.com is currently in the process of optimizing the services offered under the different access levels.

The tables below show the revenue and gross profit by service segment for the six months ended 30 June 2019, the six months ended 30 June 2018, and the years ended 31 December 2018, 31 December 2017 and 31 December 2016.

| | **Six months ended 30 June** | | **Years ended 31 December** | | |
|---|---|---|---|---|---|
| **Revenue** | **2019** | **2018** | **2018** | **2017** | **2016** |
| | **(unaudited)** | | **(audited)** | **(unaudited)** | |
| | | | **(EUR '000)** | | |
| CPaaS | 33,109 | 30,264 | 62,075 | 57,032(1) | 42,627(1) |
| Payments | 2,833 | 3,211 | 5,776 | 3,236(1)(2) | 188(1) |
| Platform | 2,737 | 1,809 | 3,573 | 3,093(1) | 3,130(1) |
| Other | 5,629 | 6,727 | 13,193 | 16,553(1) | 20,738(1) |

(1) Unaudited and derived from the comparative financial information in the 2018 Consolidated Financial Statements.

(2) This reflects the increase in payments transaction volumes resulting from the acquisition of Docdata Payments B.V. in July 2017.

| | **Six months ended 30 June** | | **Years ended 31 December** | | |
|---|---|---|---|---|---|
| **Gross profit** | **2019** | **2018** | **2018** | **2017** | **2016** |
| | **(unaudited)** | | | **(unaudited)** | |
| | | | **(EUR '000)** | | |
| CPaaS | 7,089 | 7,031 | 14,889 | 12,624 | 10,692 |
| Payments | 1,486 | 2,039 | 3,422 | 1,794(1) | 81 |
| Platform | 2,535 | 1,693 | 3,314 | 3,065 | 3,108 |
| Other | 1,270 | 1,715 | 3,330 | 4,125 | 4,612 |

(1) This reflects the increase in payments transaction volumes resulting from the acquisition of Docdata Payments B.V. in July 2017.

*CPaaS Segment*

Messaging services

The CM.com Platform services allow Customers to reach their consumers through a large number of different communication channels, depending on the situation or specific needs. CM.com strongly believes that this will result in an improved consumer engagement, consumer journey and conversion of contacts into sales. CM.com has developed a number of smart communication services to enable rich and contextual communications over a variety of communication channels, from SMS and Email to chat apps and multi-channel messaging, all of which can be connected via a single API and accessed via WebApps. CM.com's SMS communication channel includes Send Online and Email to SMS WebApps to enable Customers to send SMS messages or Email from computers to any set of telephone numbers via a simple process, or to convert standard Email into text messages. CM.com believes its SMS-based communication service offering is difficult to replicate competitively as CM.com, due to CM.com's long lasting relations with telecommunication operators, has a large number of direct contracts with telecommunication operators, which have become increasingly hard to obtain. CM.com aims to guarantee the quality of the SMS messaging routes through its Texter feature that tests the reliability of messaging routes with so-called “live-nodes”. See also “—Services— The CM.com Platform and its services—Platform Segment—Texter”.

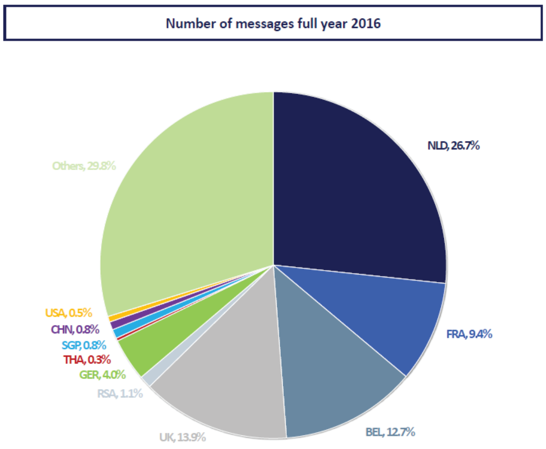
Chat apps include WhatsApp Business, Viber for Business, Facebook Messenger, Telegram, RCS Business Messaging, most of which are equipped with rich content features such as sending images, GIFs, live audio and video, or secured communication features. For several of these OTT services, CM.com is part of a limited group of authorized partners, making it harder for competitors to offer a similar service suite. CM.com also provides messaging tools to optimize the use of traditional communication channels such as its SMS campaign service. This service allows Customers to easily create, send and analyze SMS campaigns using modern technologies such as landing pages, personalized messages, unique links and two-way messaging.

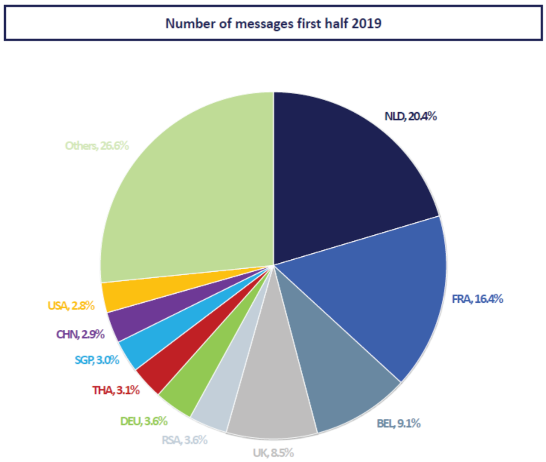
CM.com furthermore offers communication solutions such as “quick replies” and “chatbots” (provided through partnerships with major chatbot providers) to partially automate communication process flows, limiting human intervention and creating cost savings. Information that is obtained through these various communication channels can be stored and analyzed by Customers using the customer data platform to create highly enriched personal profiles for future marketing campaigns and personalized communications (see also “—Services—The CM.com Platform and its services—Platform Segment—Customer Data Platform”).

Applications for the messaging services include various marketing solutions that can be designed and personalized with short-urls and mobile landing pages via the CM.com Platform. Conversion for marketing campaigns can be improved by using the real-time-in-depth analytics tools that are provided for the messaging services. Similarly, the messaging services can be used as a sales tool by using personalized (in-app) notifications and integrated payments and contracts to drive sales. The messaging services are particularly well suited for communication focused service provision such as contact centers. The integrated communication tool that shows interactions in various communication channels enables bundling of communication flows, boosting productivity and 1-on-1 conversations can be streamlined using chatbots to limit human capacity demands.

Communication services are mainly charged on a per-message/per-phone-number basis, in combination with monthly access plans. For the first six months ended at 30 June 2019, approximately 1,059 million Total Messages were sent via the CM.com Platform (for the first six months ended at 30 June 2018: approximately 0,933 million Total Messages), compared to approximately 1,964 million Total Messages in the year ended 31 December 2018, approximately 1,622 million Total Messages in the year ended 31 December 2017 and approximately 1,194 million Total Messages in the year ended 31 December 2016.

Given the strong international growth of CM.com in recent years, CM.com believes that it is now better diversified. For example, approximately 39% of the Total Messages sent in the year ended 31 December 2016 were messages sent to the Netherlands and Belgium, which decreased to approximately 30% of total Total Messages sent to the Netherlands and Belgium in the first six months ended at 30 June 2019. In addition, for countries such as Thailand, Singapore and China, approximately 2% of the Total Messages sent in the year ended 31 December 2016 were messages sent to these countries, which decreased to approximately 9% of the Total Messages sent to these countries in the first six months ended at 30 June 2019. The following chart illustrates the approximate percentage of messages sent, split by destination for the year ended at 31 December 2016 and the six months ended at 30 June 2019.



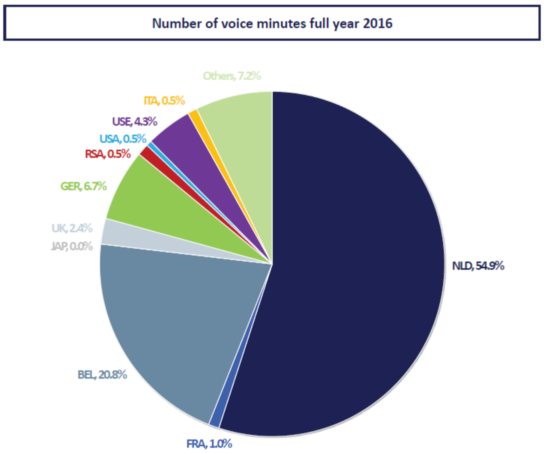

Voice services

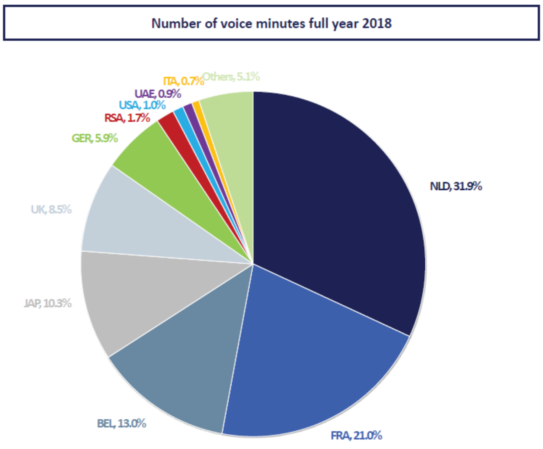
CM.com provides several solutions to enable Customers to seamlessly integrate voice into their communication infrastructure. Customers can send and receive premium quality calls via the Internet through geo-redundant SIP trunk services (*i.e.*, a protocol to provision voice over Internet protocol connectivity) which minimizes their voice costs while gaining access to a network of global and local operators. Customers get real-time insight in costs, capacity and fraud control to increase insight in voice costs. CM.com provides direct dial-in possibilities in over 80 countries that allow Customers to localize telephone numbers and to offer toll-free services to their consumers, combined with extensive knowledge on local regulation and legislation to allow for quick activation of local numbers. In addition, CM.com has developed a Voice API, allowing Customers to develop personalized call-flows (*i.e.*, a road map to how calls will be handled from the moment they enter the phone system to the end of the call) from scratch or based on an extensive library of templates, using ready-made components such as text-to-speech, dual-tone multi-frequency (a telecommunication signaling system using the voice-frequency band over telephone lines), voicemail detection, one time password and audio recording. These solutions can be used by Customers to set-up their enterprise contact centers against competitive rates, relying on the migration experience of CM.com, and can furthermore be integrated by contact center software vendors to integrate CM.com's vast operator network into their contact center software, which is enabled by the highly independent and standardized setup of these voice services.

In addition, CM.com has developed a "Voice campaign solution", which enables Customers to independently launch one-to-many voice campaigns in which pre-recorded or text-to-speech messages are sent to consumers as part of larger marketing campaigns. This solution can be used as a stand-alone feature, or combined with the messaging tools of the CM.com Platform such as SMS or OTT-channels to create highly personalized consumer journeys and marketing campaigns.

The voice services are charged on per-second, per-message or per-number pricing, combined with monthly plans for Voice API service. For the first six months ended at 30 June 2019, CM.com channeled approximately 69 million Total Voice Minutes (for the first six months ended at 30 June 2018: approximately 37 million Total Voice Minutes), compared to approximately 112 million Total Voice Minutes in the year ended 31 December 2018, approximately 41 million Total Voice Minutes in the year ended 31 December 2017 and approximately 13 million Total Voice Minutes in the year ended 31 December 2016.

Given the strong international growth of CM.com in recent years, CM.com believes that it is currently better diversified. For example, approximately 76% of the outbound minutes channeled in the year ended 31 December 2016 were voice minutes channeled to the Netherlands and Belgium, which decreased to approximately 45% of the outbound minutes channeled to the Netherlands and Belgium in the year ended 31 December 2018. At the same time, voice minutes channeled to other countries such as Japan, France and the United Kingdom have strongly increased during the year ended 31 December 2016 to the year ended 31 December 2018. The following chart illustrates the approximate percentage of the outbound voice minutes channeled, split by destination for the year ended at 31 December 2016 and for the year ended 31 December 2018.




*Payment segment*

Payments services

CM.com facilitates a number of integrated payment solutions for worldwide consumers of Customers located within the European Economic Area, such as communication-channel integrated use of payment services (*e.g.*, Apple Pay, WeChat Pay and Alipay) to enable seamless payments in conversational commerce. In addition, CM.com offers a large selection of online payment solutions that incorporate many globally recognized payments channels, such as PayPal, American Express, Visa and MasterCard, and a large number of locally known consumer payment methods. CM.com also provides mobile payment solutions as an alternative to traditional point-of-sale (POS) payments at physical locations (*e.g.*, using cash and pin terminals). These point-of-sale alternatives connect mobile payments with offline transactions, increasing ease of use, bringing down costs for maintenance and infrastructure, while increasing insight in shopping behavior. The solutions of CM.com permit payment in over 60 currencies and offer eight settlement currencies. This enables Customers to offer localized payments on a global scale, augmenting consumer trust and increasing payment conversion.

CM.com has developed a number of innovative payment solutions, focused on delivering consumer friendly payment solutions that fit into modern-day consumer journeys. Examples include automated spread payments and iDEAL QR (a payment solution for the Dutch market that simplifies the use of iDEAL payments). These solutions can be used for various purposes including sales, donations and events.

Many of CM.com's payment solutions can be integrated with its other omni-channel communication services, enabling Customers to offer seamless payments within their communication channels and allowing them to enrich their consumer profiles with transaction data.

Use cases for the payment services cover web checkout, conversational commerce and point-of sale based applications. Customers can set up user-friendly online web-checkouts that can be designed to match the branding of the Customer. Customers can set up conversational commerce ready in-channel payments, that enable frictionless payment, for example using Apple Pay in Apple Business Chat. In addition, point of sale locations can be optimized using mobile payment solutions, for example enabling consumers to purchase and use tokens at festival locations using their mobile phone. Finally, payment solutions can be used for frictionless point-of-sale payment models where payment is fully automated after initial registration, *e.g.*, the consumer makes a selection of the products to be bought and after a fixed period of time payment will follow automatically. This is particularly valuable for high traffic retail locations.

CM.com is licensed as an acquirer for AMEX since July 2017 and for MasterCard since 2019 (as at the date of this Prospectus, technical implementation for MasterCard is ongoing and is expected to be completed in the first six months ending 30 June 2020). For the current processing of credit card-based payments CM acts as payment facilitator; for other payment services CM.com primarily acts as collecting payment service provider.

Payment services are charged on a pay-per-transaction model, based on a flat processing fee combined with a payment fee (which is flat or percentage based depending on the transaction type) (see "Operating and Financial Review—Primary Factors Affecting CM.com's Results of Operations and Financial Condition—CM.com's ability to make a margin on its services"). For the first six months ended at 30 June 2019, CM.com processed a total value of EUR 318.1 million in payment transactions (for the first six months ended at 30 June 2018: EUR 312.9 million in payment transactions), compared to

EUR 594.6 million in the year ended 31 December 2018, EUR 298.6 million in the year ended 31 December 2017 (which includes six months of payments volume from the Docdata Payments B.V. acquisition in July 2017) and EUR 14.0 million in the year ended 31 December 2016 (Total Payments Processed).

*Platform Segment*

Ticketing services

CM.com offers a comprehensive self-service ticketing solution for Customers to initiate, manage and drive ticket sales and registrations for all types of purposes, ranging from various one-time event registrations (venue based and seating based) to continuous ticketing (*e.g.*, entrance tickets for attractions). The ticketing solution enables Customers to set up branded ticket shops with upsell possibilities and includes a self-service portal that enables Customers to let sponsors invite their own guests. Tickets are mobile optimized, and Customers can perform ticket scans using mobile phones, cutting the need for scanning hardware. Secondary ticketing (reselling of tickets) can be managed via the ticketing services as well, protecting revenue by preventing black market sales while optimizing capacity by reallocating tickets. Tailor made integrations are possible using an API. The ticketing services can be combined with other services from CM.com to provide a made-to-measure ticketing solution. CM.com believes the ticketing solution has a proven track record of reliability for large scale events, enabled through peak load sales and scanning capacity, pre-registration to limit queues and revenue optimization (*e.g.*, through tier cascading).

For example, Customers can use CM.com's marketing and communication tools to drive tickets sales leading up to an event, based on event statistics insights using the ticketing dashboard, incorporate payment solutions in the communications surrounding the ticket sale and during the event, and make use of (advanced) age and identity checks for increased access controls. In addition, consumer data generated during ticket sales can be monetized for future events by Customers using CM.com's customer data platform. This allows Customers to leverage the capabilities of the CM.com Platform while at the same time providing cross-selling opportunities for CM.com.

Ticketing services are charged on a per-ticket basis. The ticketing service became available for Customers in 2017. As at 30 June 2019, CM.com processed approximately 688 thousand tickets, compared to approximately 469 thousand tickets processed in the year ended 31 December 2018, and approximately 11 thousand tickets processed in the year ended 31 December 2017. CM.com also processed the payments for all of the tickets processed over the CM.com Platform.

Identity services

CM.com offers a versatile portfolio of digital identification services, which are seamlessly integrated in a broad range of communication channels available for mobile app through SDK or API. These include high-trust digital identity controls aimed at Dutch (iDIN) and Belgian (itsme) consumers (consumers must have a Dutch or Belgian bank account), IBAN verifications (quickly checking existence, access right and beneficiary of IBAN bank accounts), and plug-and-play one time password solutions through SMS, push or voice channels. These identity services are expected to be expanded in the near future with telecom-operator based identity controls that can be used globally. These services are designed to allow Customers to comply with their know-your-client (KYC) obligations and they can also be used in situations where more secure identification is required. CM.com is the first certified digital identity service provider (DISP) in the Netherlands. CM.com also offers telephone number verification services, which can be used for fraud prevention in the financial sector by cross-checking the consumer's mobile and transaction location.

Identity services can be used on a stand-alone basis for KYC requirements, but may also be used in combination with other services of CM.com. In particular, the identity services can be combined with the payment and eSignature services to provide a higher level of certainty where this is appropriate. In addition, identity services can be used in combination with the ticketing services where age limitations apply for ticket sales. CM.com believes that the ability to perform mobile-based high-trust identity controls increases conversion for products which are subject to more strict identity requirements (*e.g.*, insurance applications). One time password solutions via SMS or voice messages can be used to increase security of access controls.

Identity services are charged on a pay-per-use basis. Identity services became available for Customers in January 2017. As at 30 June 2019, CM.com processed approximately 598 thousand identity transactions, compared to approximately 534 thousand in the year ended 31 December 2018, and approximately 46 thousand in the year ended 31 December 2017.

eSignature service

CM.com offers document execution services (CM Sign) that allows Customers to use a digital and scalable signature solution that can easily be incorporated into their process flows to allow Customers to switch from traditional ink-based-signatures to eSignature solutions which meet the quality standards for enterprise-grade document execution tools (see also "—Information Technology and Engineering—Key qualities of the CM.com Platform technology—Compliance and certifications"), and significantly speeds up (high volume distributed) document signing. The signatories are identified and the documents are sealed with a Adobe Approved Trust List (AATL) certificate to prevent further amendments. CM Sign is designed with ease of use for signees in mind and supports document execution via mobile, tablet or computer. CM Sign can be accessed as a WebApp or may be integrated through an API, making it easy for Customers to start using CM Sign.

CM Sign can be used as a stand-alone document execution tool. However, CM Sign can also be combined with other services of CM.com. For example, integration with identity services enables Customers to use CM Sign with increased identity safeguards where required. In addition, CM Sign can be integrated with messaging services to speed up and ease document execution within the Customer's communication flows, which may increase conversion rates.

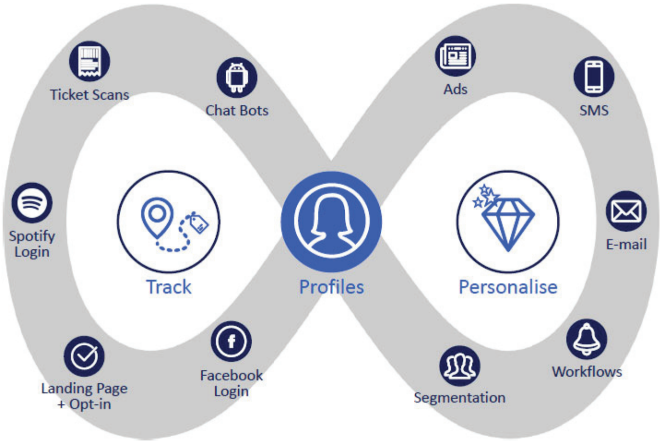
CM Sign is charged on a pay-per-executed-document basis. CM Sign became available for Customers in November 2018. As at 30 June 2019, CM.com processed approximately 9.9 thousand document executions.

Customer Data Platform

CM.com provides its Customers with a solution to enable them to store, enrich and analyze the data generated via its CM.com Platform. The customer data platform enables Customers to use this data within the different services offered on the CM.com Platform and functions as a springboard to drive further personalization of communication using this data. As a result, the customer data platform enables Customers to set up data driven communications through intuitive analytics provided in a simple dashboard which can be used to identify consumer preferences and visualize sales progress. Customers can further refine their marketing campaigns using consumer segmentation based on consumer profiles, instantly see consumer activities and create automated consumer interaction flows using CM.com's messaging and voice services. This results in hyper-personalized, behavior based, consumer experiences.

The integration of CM.com's services through the customer data platform allows continuous fine-tuning of consumer profiles and may lead to accelerated marketing success for Customers through targeted and personalized real-time consumer engagement. To further enhance consumer profiles, the customer data platform can integrate multiple external data sources using ready-made integrations or API interaction to enrich consumer profiles. The customer data platform can be used for data management of the CM.com Platform's other services, which in turn also provides cross-selling opportunities for other CM.com services, as it enables Customers to monetize the data generated with the use of these other services.

The graphic below illustrates the potential interaction between the customer data platform and other CM.com services that enables this. On the left side, data on consumer behavior is collected through CM.com's services (*e.g.*, ticketing), which can be used to create 360-degree personalized consumer profiles, enabling the Customer to send targeted and personalized messages through, for example SMS or Email on the rights side of the graphic. For example, Customers can build a workflow which automatically sends a personalized welcome message via a channel of choice when an entrance ticket is scanned at an event.




The customer data platform is charged on a monthly storage fee basis, based on the number of profiles stored. The customer data platform became available for Customers in late 2018. For the first six months ended 30 June 2019, CM.com stored approximately 2.3 million profiles, compared to approximately 0.2 million profiles in the year ended 31 December 2018.

Email Campaigns

Email Campaigns offers an intuitive online self-service interface (WebApp or integrated directly via API connection) to easily send out emails. Customers can use a drag-and-drop tool optimized for mobile phones to design highly personalized emails to increase engagement and conversion, with easy-to-use templates, in-depth campaign and performance analytics (which is closely integrated with the customer data platform such as general CTR (Click-Through Rate) and recipient action reports) and the ability to send emails to up to 1 million recipients. Email Campaigns also offers a scheduling tool to schedule Customers campaigns and send the email at the most effective time. Email Campaigns can process high volumes with checks and balances to prevent unsolicited sending by providing consumer opt-in management tools, offers a feature to clean-up email databases to ensure effective delivery, has a high inbox delivery rate and branded sender and links through full DNS integration.

Customers can for example use Email Campaigns to send personalized newsletters to consumers with easy to use templates and a What You See Is What You Get editor (a system in which content can be edited in a form closely resembling its appearance when displayed as a finished product), and have insights in consumers' email open-rate and click-rate per recipient. Customers can also send welcome emails with a triggered email functionality; either from API or the customer data platform and perform content management from the application.

For the first six months ended 30 June 2019, approximately 9.0 million Emails were sent via the CM.com Platform, compared to approximately 6.6 million Emails for the year ended 31 December 2018, and approximately 349 thousand Emails for the year ended 31 December 2017. The Email Campaign service has been available since June 2016.

Texter

Texter aims to resolve an issue that mobile operators, aggregators and mobile services companies often experience: not knowing if a specific SMS route delivers sent messages to mobile phones. CM.com offers an SMS testing tool that allows Customers to test this. Texter quality tests are based on approximately 50,000 individuals around the world that have installed the Texter-app on their mobile phone, which as a result becomes a so-called "live-node" which CM.com uses to test the quality of SMS routes by verifying message delivery on these mobile phones. This setup minimizes the risk of SMS-providers "whitelisting" mobile numbers used for standard industry tests (a practice in which the telephone numbers used for these tests are placed on a priority delivery list by SMS-providers to ensure delivery to these testing numbers), which gives a distorted view of messaging delivery rates and route quality.

Texter offers an API that can easily be integrated by telecom companies and mobile services businesses. CM.com believes that it is very difficult to replicate its Texter service, because similar mobile applications for obtaining live-nodes can currently no longer be offered in the Google Play store.

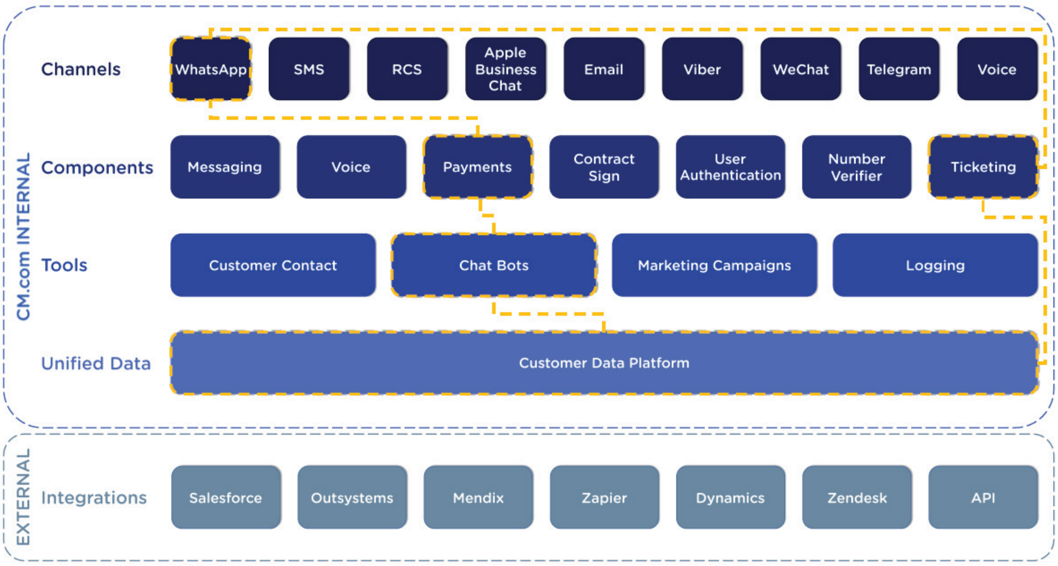
Although Texter is often used as a stand-alone service, it offers CM.com the potential to cross-sell its own messaging services to Customers that currently receive lower-quality SMS services and want to contract with a new SMS service provider.

Texter is charged on a pay-per-test fee. Texter became available for Customers in May 2017. As at 30 June 2019, CM.com processed approximately 299 thousand tests, compared to approximately 136 thousand in the year ended 31 December 2018 and approximately 13 thousand in the year ended 31 December 2017.

As at 31 December 2018, the Platform segment had 5,291 Monthly Active Users, compared to 4,353 Monthly Active Users as at 31 December 2017.

Fully integrated offer example

The below chart illustrates CM.com's fully integrated offering, demonstrating a use case of a consumer interacting via WhatsApp with a chatbot to purchase a ticket. In the process, the consumer pays within WhatsApp, which payment information is stored in the customer data platform and in turn triggers the delivery of a QR access code/ticket to the consumer in the same channel (not requiring the consumer to change channels throughout the process).




CM.com believes that within the conversational commerce offering, it is possible to offer the same experience on every channel. Customers can use the CM.com features to enable additional in-channel functionality, and the additional tools offered provide for many ways to design and orchestrate communication with consumers. The customer data platform enables Customers to use the data collected within the different services offered on the CM.com Platform, and is the link between all different services.

**Sales and Marketing**

To create global brand awareness, CM.com (i) works in close cooperation with a public relations firm to target specific regions and countries, (ii) sponsors multiple high profile events (such as the Dutch Grand Prix by Formula 1 and the Dutch festival Lowlands by event organizer Live Nation), (iii) is active at multiple conferences and trade shows around the world to display and promote CM.com's services, and (iv) has an online marketing team in place (global team and local teams) with the aim to grow the brand presence and web traffic of CM.com through, amongst others, website optimization, services promotions and marketing campaigns.

CM.com currently uses three principal go-to-market strategies: (i) direct sales and marketing (globally and locally), (ii) partnerships, and (iii) online self-service offering.

*Direct sales and marketing*: CM.com engages in a limited number of direct sales and marketing activities with the aim to increase its Customer base and cross-selling services to existing Customers. This sales channel focuses globally on larger enterprises and companies with scale-up potential (big tech), and locally on enterprises and governmental agencies. Global sales pods – operating from CM.com's headquarters and consisting of marketing, sales and services development specialists, targeting enterprises globally – allow CM.com to accelerate and drive sales growth in countries and regions without local offices through a dedicated and focused sales approach. CM.com is increasing local presence by setting up offices in new geographies, which serve as a gateway to scale the business locally. CM.com believes that its global sales reach through local presence is very successful due to its structured targeting approach of new geographies: (i) identify target countries, (ii) appoint country manager/executive, (iii) set up the local enterprise, (iv) generate sales leads, (v) increase volume, (vi) cross-sell services, and (vii) increase margins. Local offices can rely on the support and expertise of CM.com's headquarters during all growth stages.

This sales channel uses various methods (*e.g.*, visibility at conferences and marketing campaigns) as well as bespoke sales based on requests for proposal from current and new larger corporate Customers. CM.com believes it has a competitive advantage over many other CPaaS providers due to its long history in large enterprise sales, allowing it to market its broad service proposition effectively and successfully to corporate Customers.

*Partnerships*: CM.com is in the process of implementing partnership-based marketing and sales operations, in which the entire CM.com Platform (rather than stand-alone services) is marketed by third-parties (*e.g.*, telecom operators, system integrators or independent software vendors, advisory firms that have access to or relationships with enterprises such as Accenture or CGI, or OTT partners) to their consumers for services these third-parties do not offer themselves or that they prefer to offer via CM.com, on the basis of partnership agreements with CM.com (see also "—Strategy—Grow the business by further enhancing of partnerships"). For example, the system integrators create their own software for their consumers, with the aim of enriching these with CM.com's service portfolio. The CM.com Platform will in this channel be marketed as a CM.com product, with co-branding of the partner (*e.g.* telecom operators, independent software vendors, advisory firms, or OTT partners). Revenue generated will be based on a sharing arrangement between CM.com and the partner.

This sales channel is relevant for all CM.com services, but particularly relevant for CM.com's OTT services, bulk-SMS, (integrated) payments and identity services. Marketing and sales for these services are mainly performed by these third-parties without requiring intensive involvement of CM.com employees, which makes this sales channel highly scalable. CM.com expects the OTT sales to rapidly grow in the foreseeable future as CM.com is currently one of the very few companies worldwide authorized to provide enterprise versions of increasingly popular OTT services (*e.g.*, WhatsApp Business, Apple Business Chat, Google RCS and Viber for Business). Third-parties that wish to offer such OTT services to their consumers must currently offer these OTT services directly via one of the few partners authorized to do so (such as CM.com). Due to its authorized status, CM.com functions as a supplier of OTT services to a large number of third-party service providers that wish to incorporate, for example, WhatsApp Business into their service offering but that are not (yet) authorized to do so. CM.com believes that the use of partnerships with strategic partners can also accelerate market penetration in new markets and increase brand recognition.

CM.com realizes a limited amount of sales through plugin integrations of CM.com's services in third-party platforms, such as Salesforce and Selligent, where consumers of a third-party platform can use CM.com's services to extend the functionalities of this third-party platform. In this sales channel, CM.com's services are customarily passively made available as one of a number of plugins for a particular service, from which the consumer makes a selection. This sales channel allows CM.com to expand its service offering to the consumer-bases of other platform services and to benefit from the reach of third-party platforms for the marketing of CM.com's own services, rather than profiling itself as a competing service. The main investment of CM.com in this sales channel consists of the development of plugins.

*Online self-service offering*: A large number of mainly smaller Customers purchase CM.com's services directly online and use CM.com's online full self-service offering, selecting and implementing solutions on a stand-alone basis with the use of the extensive know-how that CM.com offers. This onboarding approach makes this sales channel highly scalable, as it requires limited involvement from CM.com employees. CM.com's global online sales team operates from CM.com's headquarters in close cooperation with the local sales teams, with a focus on mid-size companies. The sales teams aim to generate more traffic on the CM.com website and to increase online registrations and retention.

Sales and marketing activities are channeled through CM.com's regional, local and virtual offices, ensuring up-to-date knowledge of the local market needs and enabling sales in the native language of its (potential) Customers, which CM.com believes contributes to higher growth rates in these markets. In addition, CM.com actively pursues cross-selling activities through each of its sales channels to expand the volume of services used by existing Customers. Global sales and marketing employees are currently incentivized by variable salary. Local sales and marketing employees operating from the CM headquarters are currently not incentivized by a variable salary, but this is expected in the future.

***Most significant recent trends in sales and costs***

During the period from 31 December 2018 to the date of this Prospectus, the number of agreements with resellers and software vendors increased significantly, which was mainly due to CM.com's partnership with Facebook as this partnership provides for direct access to WhatsApp (see also "—Strategy—Grow the business by further enhancing of partnerships"). In addition, in the first six months ended at 30 June 2019, CM.com experienced a shift in Customers using CM.com's online self-service offering: larger Customers increasingly started to use the online self-service offering to purchase the CM.com service directly online. During the period from 31 December 2018 to the date of this Prospectus, new revenue streams with a relative lower cost of goods sold, such as ticketing and CM Sign, increased.

In addition, CM.com believes that sponsoring high profile events such as the Dutch Grand Prix from Formula 1, has provided for new sales opportunities to other high profile or large sports events which may have a material effect CM.com's prospects.

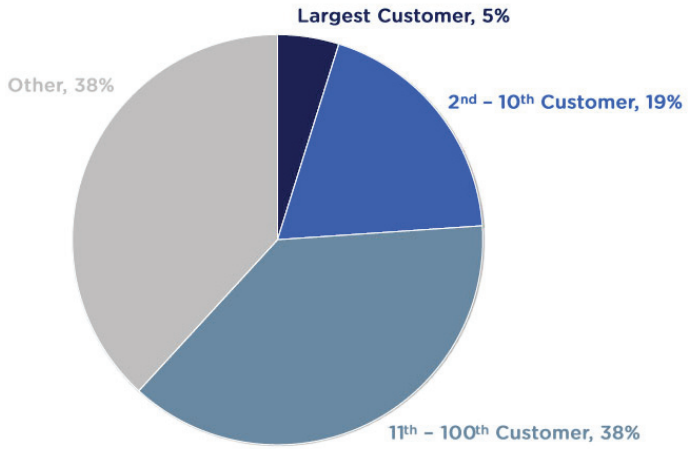
**Customers**

***A diverse, steadily increasing customer base***

CM.com has a diversified top-tier Customer base of key Customers with a strong recurring nature that provides a stable revenue flow through recurring payments and pay-per-use fees (see also "Operating and Financial Review—Primary Factors Affecting CM.com's Results of Operations and Financial Condition—Demand for CM.com's services and growth of the conversational commerce market and active Customer accounts"). In the year ended 31 December 2018, CM.com's largest Customer generated approximately 6% of CM.com's total revenue (for the six months ended 30 June 2019: 5%), CM.com's 10 largest Customers generated approximately 25% of CM.com's total revenue (for the six months ended 30 June 2019: 24%) and the 100 largest Customers generated approximately 64% of total revenue (all revenue before IFRS 15 adjustment on the Other segment, see also "Operating and Financial Review—Change in Accounting Policies—IFRS 15 Revenue" and the notes to the 2018 Consolidated Financial Statements).

CM.com's Customer base includes Tier 1 enterprises, government agencies, as well as SMEs. As at 30 June 2019, the Customer base consisted of approximately 9,322 Customers (based on the number of invoices sent). Most agreements with Customers are concluded for an initial period of one or two years, and are automatically renewed for a 12 month period. The majority of CM.com's Customers, from SMEs to large enterprises, including major tech companies, use CM.com's CPaaS services. Payment services is currently mostly focused on mid-market size Customers and not on the large enterprises. The Customers of CM.com come from approximately 140 countries, which underlines the global reach and potential of the CM.com Platform.

Since its incorporation, CM.com has seen a continuous growth in the number of large enterprise Customers, and recently new "Forbes Global 2,000" Customers (*i.e.*, public companies that are part of the top 2,000 public companies in the world based on a mix of four metrics: revenue, profits, assets and market value, such as Tencent, Alibaba, Accor, AXA, McDonald's) that choose to make use of its services for some or nearly all of their communication, payment, ticketing, identity, eSigning and customer data management needs. In addition, CM.com data shows that existing Customers continued to expand their use of CM.com's services as these Customers grew and entered new markets. CM.com believes that it has a strong track record in retaining Customers, with a relatively low customer concentration. For the first six months ended 30 June 2019, CM.com had 484 CPaaS Customers generating over EUR 5,000 of CM.com's total CPaaS revenue. For the year ended 31 December 2018, CM.com had 102 CPaaS Customers generating over EUR 100,000 of CM.com's total CPaaS revenue (of which 15 Customers contributed more than EUR 1 million), 172 CPaaS Customers generating over EUR 50,000 of CM.com's total CPaaS revenue, and 465 CPaaS Customers generating over EUR 10,000 of CM.com's total CPaaS revenue (compared to 84, 137 and 393 CPaaS Customers, respectively, for the year ended 31 December 2017, and 54, 108, 361 CPaaS Customers, respectively, for the year ended 31 December 2016). For the year ended 31 December 2018, CM.com had an approximately 113.5% CPaaS Net Dollar Retention Rate, an approximately 0.9% CPaaS Churn Rate, and an approximately six years average tenure for the 100 largest Customers by revenue for the period from 1 January 2019 to 30 June 2019. CM.com believes that these numbers show that Customers who do not return are predominantly Customers with a one-time service need that generate relatively modest revenues. The following diagram shows CM.com's Customer revenue composition based on revenue for the first six months ended 30 June 2019.




***Customer support***

CM.com has designed its Customer support to be flexible and efficient. All Customers have access to a large, well-structured online help center, containing detailed multi-lingual information to support Customers in using CM.com's services and related documentation for API-based and SDK-based integration. This allows Customers to self-service where and when they want. CM.com regularly updates the information in its help center, based on Customer usage and Customer experiences. In addition, CM.com provides updates and tutorials for new features via direct communications.

CM.com provides three additional levels of dedicated Customer support: (i) via its Customer support team, the CM.com "Genius Team", consisting of service specialists that are trained to resolve Customer queries as soon as possible, and are reachable through multi-channel chat (Support Chat), e-mail and telephone; (ii) Second line support by tenured IT specialists with a long-standing background and service experience; and (iii) support of the service team who are directly involved when questions lead to service adaptions or bug fixes, with the aim to solve the problem and provide a permanent solution. These support services are provided by trained CM.com employees situated either in its headquarters or in local offices supervised by the 24/7 available in-house Network Operations Center which is situated at CM.com's headquarters (see also "—Information Technology and Engineering—Key qualities of the CM.com Platform technology—Security, monitoring and alerting"). Depending on their subscription, higher tier Customers have access to 24/7 online and telephone support or 24/7 VIP support. VIP customer support features dedicated Customer teams, with an account director, account manager and technical account manager, which are available for help and advice on current issues and future possibilities. For the first six months ended 30 June 2019, CM.com had a Net Promoter Score of 35.8 on support tickets handled (surveys started on 14 February 2019 and ended on 30 June 2019, and are measured on a scale from -100 to +100).

**Information Technology and Engineering**

CM.com is an information technology-based business. Ever since it was founded, the development of new and innovative IT-solutions for current and future IT-based communication services has played a central role in CM.com's operations. Innovation and development are even more important for CM.com today, as a provider of an omni-channel end-to-end communications platform.

The CM.com Platform has been designed to exhibit essential qualities such as stability, availability, scalability, compliance and ease of implementation. CM.com provides its services on a global private cloud-based platform, which is hosted, controlled and maintained by CM.com.

CM.com aims to follow the following principles when managing and developing the CM.com Platform: (i) design for reliability, (ii) build for scale (high volume, high velocity and low latency), (iii) develop incrementally (release as often as possible), (iv) give development teams the freedom to self-organize, (v) eliminate legacy systems to reduce service interruption, (vi) own the entire platform (applications, core services and cloud), and (vii) build once, use often (one single platform with all features available for all Customers).

CM.com continuously invests in its IT, with investments of approximately EUR 5.4 million in the year ended 31 December 2018.

### *Key qualities of the CM.com Platform technology*

*Scalable and efficient architecture*

The CM.com Platform was developed in-house from the ground-up with scalability in mind. Its globally scalable architecture has been designed to permit expansion in size and geographically. It is based on cloud computing (the on-demand availability of computer system resources, such as data storage, without direct active management), infra networking (which provides the communication path and services between users, processes, applications, services and external networks such as the Internet), operating systems (system software that manages computer hardware and software), containers (standard units of software to help applications run quickly and reliably from one computing environment to another) and software developed in-house.

The architecture has been designed in a modular way to be able to swiftly introduce the latest available techniques and to avoid CM.com having to maintain multiple outdated versions of its CM.com Platform, so-called legacy systems, as much as possible. CM.com maintains a five year replacement cycle for hardware equipment with the aim to mitigate the risk of hardware legacy across the CM.com Platform.

As the software for the CM.com Platform is developed and maintained by CM.com itself, CM.com is not dependent on third-parties for further developing and maintaining its scalable architecture. This provides CM.com with great flexibility to develop its CM.com Platform in a way which suits its ambitions and that maintains the scalable characteristics of its architecture. To the extent CM.com acquires technology (hardware or software) as a result of acquisitions, this technology is phased out in stages, replacing the acquired technology with CM.com's proprietary technology.

*Seamless integration with made-to-measure capabilities*

CM.com believes a distinct strength of its service proposition is the ease of integration into the existing IT-infrastructure of Customers. CM.com offers a large library of API modules and WebApps for its different services, together with extensive know-how documentation that Customers can rely on to easily incorporate the CM.com Platform's functionalities. This enables CM.com's smaller Customers to self-service integration of its services and larger Customers to speed up integration. CM.com also offers a host of SDKs (with guidance documentation) which enables made-to-measure solutions using CM.com's services. As a service to certain of its larger Customers, CM.com provides advice and assistance on more advanced integrations which are generally immediately rolled out to all Customers of CM.com. Tailor-made solutions thus benefit the further development of the CM.com Platform.

*Global reach, local feel*

CM.com's CM.com Platform provides Customers with a platform service that enables them to interact with a global audience through a single platform in the chosen channel of the consumer. This allows Customers to expand into new markets without having to switch to local service providers, thus minimizing integration activities and saving on costs.

This global reach is combined with local channels to permit Customers to interact within the preferred communication channel of their consumers. For example, a tourist visiting Europe with a question about accommodation may be hesitant to reach out via telephone or WhatsApp if Viber is the standard communication channel for that tourist. By enabling the hotel chain to offer Viber as a communication channel, it can increase the number of potential guests by reaching out through a familiar channel. Similarly, using locally known payment methods can increase the trust people have in paying online, which CM.com believes is likely to increase payment conversions. CM.com is regularly working on providing localized services by integrating locally known consumer-facing services into the CM.com Platform.

*High resilience and minimal downtime*

CM.com aims to provide a highly resilient platform solution with minimal downtime. To this end, CM.com operates multiple (or "redundant") versions of critical systems (which also applies to CM.com's server installations), combined with sophisticated capacity management, load balancing, rerouting possibilities, service compartmentalisation and continuous back-up systems to deal with any system failures that may impact the availability of the CM.com Platform or its various services. In addition, CM.com has implemented a variety of security measures to protect itself against cyber-attacks and cyber-crime that might impact the availability of its services (see "—Information Technology and Engineering—Key qualities of the CM.com Platform technology—Security, monitoring and alerting").

CM.com uses a private-cloud setup with multiple geo-redundant server installations in the Netherlands, as well as decentralized server installations in various other countries. Each of CM.com's main server installations (located in Breda, Rijen and Eindhoven) is capable of handling the traffic necessary for the hosting of the CM.com Platform. These main server installations are interconnected using dedicated fibre optic connections (dark-fibre). In addition to these main server installations, CM.com operates a number of globally dispersed server installations that offer local instances of the CM.com Platform, decreasing time delay (or "latency") for regional traffic and compartmentalizing any technical issues to specific regions. These local server installations are situated in London (United Kingdom), Amsterdam (Netherlands), Ede (the Netherlands), Brussels (Belgium), Johannesburg (South Africa), Shanghai (China) and Hong Kong (China). Another local server installation is expected to be added in Frankfurt (Germany) in the near term. CM.com's server installation in Breda is situated within CM.com's headquarters and fully owned by CM.com. The other server installations are situated in professional top tier co-location data centers operated by third-parties. All server equipment used by CM.com is fully owned by CM.com.

CM.com operates on a targeted zero-downtime basis and uses phased maintenance and rolling update principles to minimize disruptions to its services. This resilience has enabled CM.com to aim to offer a 99.8% uptime (primary gateway connection and percentage calculated per calendar year) or 99.99% uptime (primary and secondary gateway connection, and percentage calculated per calendar year) of the CM.com Platform in CM.com's service level agreements.

*Security, monitoring and alerting*

As the provider of an online service connected to the internet, security of the CM.com Platform is a number one priority within CM.com. Accordingly, CM.com continuously seeks to preserve its high security standard in operations, service development and corporate culture. Security-by-design is a standard element of all development processes and employees of CM.com are trained to monitor security measures. CM.com has extensive policies to identify, monitor and adapt to risks, including risk management frameworks, internal audits, ongoing gathering of threat intelligence and external certification. The security and stability of CM.com's network is further enhanced as a result of CM.com owning its critical cloud-infrastructure, which permits it to act more quickly and thoroughly in case of security issues. In addition, CM.com uses third-party penetration testing (an authorized simulated cyberattack) to test the adequacy of its security measures on a regular basis.

System security and integrity are monitored primarily by the in-house Network Operations Center which is, at the date of this Prospectus, operated by 12 specialists. The in-house Network Operations Center monitors external and internal threats to the CM.com Platform 24/7 by various means including traffic monitoring through Intrusion Detection Systems, Intrusion Prevention Systems and web application firewalls, centralized logging, automatic detection and mitigation of DDOS attack attempts and perimeter surveillance (*i.e.*, surveillance of the network).

CM.com has follow-up protocols to quickly act upon security issues, including incident response and resolution protocols based on previous incidents, internal and external specialist security teams, country specific communication protocols, and software and hardware solutions to isolate security issues.

*Compliance and certification*

CM.com is focused on developing and maintaining enterprise-ready technologies. This is safeguarded, among other things, by an active certification policy with respect to the individual services rendered by CM.com. CM.com also pursues an active rather than reactive stance on compliance and evaluates compliance on a rolling basis. CM.com believes it has mature internal policies and mandatory workflows to adequately deal with applicable regulatory frameworks.

The payment services offered as part of the CM.com Platform are Payment Card Industry Data Security Standard (PCI DSS) compliant and cover all transactions via the CM.com Platform, including credit card transactions. As payment services are highly regulated in the European Union and subject to ongoing monitoring by DNB, CM.com needs to adhere high compliance standards and is subject to regular PCI DSS audits. The eSignature services meet the quality standard for qualified electronic signatures under the European eIDAS Regulation. CM.com offers tools for GDPR-compliant marketing campaigns, for example by enabling GDPR-compliant consent and opt-out management within the customer data platform.

CM.com aims to be compliant with industry standards on safety and process management by maintaining a number of ISO certifications (*e.g.*, ISO 9001, 14001, 27001 for the Messaging and Voice platform (extension to ticketing envisaged), and ISO 20000-1 for the service management system supporting the provisioning, development, implementation and operation of a messaging and voice platform to Customers) as part of its integrated management system. The service-management related ISO certifications cover substantially all business processes in the Netherlands. CM.com operates approximately 90% of its business processes (measured by either number of employees or spend), such as development and administration, in the Netherlands. In addition, CM.com believes it is at the frontier of self-regulation within the industry, for example due to big tech companies and suppliers develop their own rules and regulations (*e.g.*, anti-SPAM measures, fact checking of actual business and KYC processes), and is represented in the Content Billing Ethics Board of the Netherlands (Stichting Gedragscodes Mobiele Diensten), a joint initiative of parties involved in the SMS and Mobile Internet services in the Netherlands.

***Development strategy***

CM.com believes that it operates at the forefront of platform-based communication solutions, and its strategy mandates that it continues to operate at the forefront in the future. Research and development are accordingly at the core of CM.com's operations. For example, currently CM.com is in the process of developing a payment processing system to also process payments as an acquirer, and it is implementing messaging methods (*e.g.*, Apple Business Chat) and payment methods (*e.g.*, Apple Pay) and the integration thereof with existing CM.com solutions. In addition, CM.com is in the process of developing a Customer contact environment for omni-channel messaging, it is developing innovative mobile order solutions for festivals and other events, and it is further developing its customer data platform capabilities to also include, for example, extra workflows and data sources.

The development of CM.com's technology is performed in-house and CM.com invests a significant portion of its revenue on research and development to ensure it is ready for future requirements of its Customers. CM.com subjects its services to development cycles to maintain its Customer-friendly and ready to use CM.com Platform. The following principles guide the innovation strategy of CM.com.

*Customer-driven innovation*

Customer-driven innovation means two things for CM.com: first and foremost that it must provide innovative solutions that address the current needs of its Customers. CM.com tries to involve larger Customers in its development initiatives as early as possible in order to match its services to Customer demand. This provides CM.com with early feedback in its service development process.

Second, Customer-driven innovation should benefit all Customers. CM.com does not develop custom services for individual Customers. All services are developed for implementation in the CM.com Platform and made available to all Customers. CM.com is also dedicated to ease self-onboarding by its Customers through ready-made components, such as its Tours (a step by step way of guiding Customers through an application to teach Customers how the application works), Support Chat and Help Center. This ensures that CM.com's innovative efforts benefit all Customers and maximizes the return on investment for newly developed services.

*Agile services development*

CM.com has a flexible services development system which operates on current IT-development methodologies such as DevOps and Agile. CM.com believes in improving its software in small increments, rather than through more traditional major software releases. A release should be the smallest possible feature with added value. This provides flexibility in its development process and a positive Customer experience of continuous development, while limiting the risks associated with traditional large leaps in development.

*Commercial-Development Dialogue*

CM.com focuses on developing services that are in line with its high quality standards for services development, but that also match the commercial needs of CM.com in line with its growth strategy. CM.com's services managers and the development teams are in continuous dialogue throughout the development process to ensure development cycles always aim to provide the highest quality services that are fit for the future.

*Data driven innovation*

CM.com also uses aggregated usage data to continuously optimize the functioning of the CM.com Platform and the services provided thereon. These usage data provide CM.com with insights that allow it to determine where future developments should be focused on and to what extent implemented features represent added value for its Customers.

*Collective core system enables growth*

The development of new services by CM.com is enabled by the engineering philosophy of the CM.com Platform. Key features of CM.com's core system are developed to support and serve as a basis for all services that operate on top of the CM.com Platform core. Features of the core services include centralized functionality (such as the Platform Header, the Aurora Design Framework, the API Proxy and Apps Proxy) as well as a global (pre)payment system with automated invoice generation, core globalization services (for currencies, time zones and translations) and a single standardized process to register Customers with extensive anti-fraud measures, authentication and authorization services. Features such as automated contract draw up and distribution, after-signing services and apps are expected to be provisioned in 2020. CM.com believes that these key features of the CM.com Platform core allow for quick and harmonized application development.

Services are developed by different multi-disciplinary self-organized teams based on these key features, supplemented by service-specific development. This enables the use of service-focused development teams that can iterate fast (*i.e.*, service specific development can progress more efficiently as it is more focused), expanding service specific features. At the same time, service-development teams operate on the basis of uniform rules for development, ensuring a consistent look and feel within the CM.com Platform. This approach also enables CM.com to quickly scale its development operations for new services.

**Intellectual Property**

Substantially all of CM.com's intellectual property is developed in-house *(i.e.*, technology – software codes – is designed or developed and maintained by CM.com). CM.com believes this is a benefit when it comes to the protection of its intellectual property rights. CM.com owns and protects the intellectual property rights generated or claimed during the development of the CM.com Platform and the services made available thereon (*e.g.*, copyrights on source code, trademarks and trade secrets). In addition, as of the date of this Prospectus, CM.com owns or has applied for 47 trademarks and owns or controls over 4,000 active domain names, of which "www.CM.com" is the most important, to protect its brand in the countries in which it operates. CM.com has a proactive policy to acquire and manage domain names and trademarks relevant to its international operations. CM.com holds no patents on its CM.com Platform.

Ensuring adequate protection of these intellectual property rights is important for the success of CM.com. For this, CM.com relies on applicable laws and regulations in the markets in which it operates. In addition, CM.com has general terms and conditions that protect (current and future) intellectual property rights in the course of offering services and services to Customers. CM.com also includes confidentiality, intellectual property rights- and invention assignment clauses in its contracts with employees, and it has implemented various technical and operational security measures to restrict access to sensitive intellectual property.

**Third-Party Suppliers**

The principal role of CM.com is that of aggregator of transmission methods for textual, verbal and monetary data from Customers via a provider (*i.e.*, mobile network operators, identity service providers, or payments processors) to the Customers' consumers (*i.e.*, clients of Customers or employees of Customers). The availability of the CM.com Platform mainly depends on the quality of CM.com's own actions and operations, as CM.com owns the essential hardware for the provision of its CM.com Platform (the CM.com Platform is hosted on a private cloud). CM.com does, however, depend on third-parties for the provisioning of its services, in particular telecom operators (*e.g.*, KPN and Orange), payment operators (*e.g.*, MasterCard and Paypal) and OTT communication services (*e.g.*, WhatsApp Business and Facebook Messenger), in addition to ordinary course of business services for IT-centric enterprises (*e.g.*, domain registrations, various security software providers and certification providers).

As CM.com's services relate to the processing of digital transactional data, it cannot operate without electric power. The operation of the CM.com Platform and the availability of its services are highly dependent on power supply. Supply of power to CM.com's server installations is redundant in most cases, and CM.com's server installations are set-up in a geo-redundant manner to limit the risk of collective power-outage. In addition, the use of globally dispersed data centers ensures that power outages will only affect traffic within a contained region, which traffic can be rerouted to other data centers.

CM.com does not believe that any of its third-party suppliers represent material risks for its current or future business operations, as most of these service-providers are interchangeable. To the extent certain communication channels would no longer be made available for integration into the CM.com Platform (*e.g.*, if Viber would no longer allow third-parties to integrate Viber into their services), and although such a development could substantially negatively impact CM.com in extreme cases, CM.com believes it will not be disproportionately affected vis-à-vis its competitors, as such changes will likely influence all parties operating on the market equally as their platforms would be impacted in a similar way. Conversely, the launch of new communication channels should in general be advantageous for CM.com, as Customers will feel a stronger need for a user-friendly single interface to communicate with customers.

**Environment and Social Responsibility**

One consequence of CM.com's service is to help enterprises reduce their use of paper based communication and the distribution thereof. CM.com also strives to reduce the use of paper by implementing tools that support the electronic handling of data recording and data exchange (*e.g.*, platform design documentation, automated Customer onboarding, automated contract drawing and eSignature, electronic handling of Customer billing, dunning, purchasing, bank statements). In addition, CM.com aims to minimize environmental pollution of car usage with the introduction of a local employee recruitment policy, by reducing commuting effort by offering its employees hybrid company cars for business traveling, and by promoting public transportation.

CM.com avoids the use of hazardous materials. CM.com's business requires intensive use of computers and associated electronics. To help CM.com optimize its performance and minimize the consumption of energy, CM.com regularly upgrades its systems with modern technology.

***Community involvement***

CM.com believes that community involvement is important. CM.com has entered into a strategic partnership with UNICEF. UNICEF uses CM.com's SMS service to boost donations worldwide, and in return CM.com organizes and attends UNICEFs charity actions to increase donations and raise awareness on children's living conditions worldwide. As part of the strategic partnership with UNICEF, two young South African developers completed internships at CM.com's headquarters in 2018. CM.com also has partnerships with the technical university in Eindhoven, Avans college Breda and TIAS School for Business and Society (connected to University of Tilburg and the technical university in Eindhoven). Taking on interns and setting up field experiments for students is CM.com's way of giving young people the working life experience they need.

CM.com organizes basic coding workshops, "CoderDojo For Kids", for young creative minds. Kids playfully learn how to code during these recurrent workshops with CM.com's developers. CM.com believes that developing coding skills at an early age and keeping it playful is the key to create useful solutions for future generations.

On 1 February 2017, CM.com – as the sponsor of local football club NAC Breda – in collaboration with Dutch non-profit organization "Het Vergeten Kind" organized an unforgettable day at the football field for children with a disadvantage.

**Employees**

CM.com believes that attracting, employing and retaining skilled employees, including IT developers, technical employees and engineers with the requisite technical background, is crucial to CM.com's continued success. This is especially important given the expected high growth of the number of employers in the segments in which CM.com is active. Competition for such skilled employees is intense, in particular for technical employees. This is particularly relevant in the Netherlands, as CM.com is headquartered in Breda, with its so-called "CM Campus", where it performs the majority of the research and development activities, services development, administration and other significant business operations. In the Netherlands, CM.com has additional offices in Utrecht and Enschede. Enschede predominantly houses development personnel, and Utrecht houses support and development personnel for Payments in particular. CM.com also has offices or representatives in Germany, the United Kingdom, Belgium, France, Spain, South Africa, Dubai, Honk Kong, China and Japan, mostly focused on sales and marketing activities. CM.com has an existing and growing global network with sales and marketing professionals that understand the local market, speak local languages and share local customs.

As at 30 June 2019, CM.com employed 267 employees (for the year ended 31 December 2018: 259; 2017: 256; 2016: 200), of which 125 are sales and marketing employees (for the year ended 31 December 2018: 118; 2017: 110; 2016: 87), 88 are research and development employees (for the year ended 31 December 2018: 86; 2017: 88; 2016: 66), and 54 other general employees (for the year ended 31 December 2018: 55; 2017: 58; 2016: 47), with about 20 different nationalities and 18 primary languages spoken. The focus and responsibilities of the sales and marketing employees are the global roll-out of sales, marketing campaigns, 24/7 support and international expansion. The focus and responsibilities of the research and development employees are software development, services, support and innovations. The focus and responsibilities of the other general employees are internal audit, compliance, legal and mergers and acquisitions. The following table provides an overview of where CM.com's employees are based, including different types operating activities, as at 30 June 2019.

| Country | Number of employees | Operating activities |
|---|---|---|
| The Netherlands | 218 | General; Research and Development; Sales and Marketing |
| Belgium | 13 | General; Research and Development; Sales and Marketing |
| France | 9 | Sales and Marketing |
| Germany | 6 | Sales and Marketing |
| Spain | 2 | Sales and Marketing |
| United Kingdom | 2 | Sales and Marketing |
| South Africa | 5 | Sales and Marketing |
| Dubai | 2 | Sales and Marketing |
| China | 4 | Sales and Marketing |
| Hong Kong | 4 | Sales and Marketing |
| Japan | 2 | Sales and Marketing |

CM.com seeks to hire specialist in their field of expertise, with good university credentials, an entrepreneurial and innovative mind-set, strong analytical skillset, social and communication skills, and people that display CM.com's DNA and values. CM.com's core values are reliability, enabling and connecting, relating to providing services to Customers, but also internally amongst CM.com's employees. CM.com has regular meet-and-greets with potential hires without the prerequisite to have a vacant position, to discuss a role within CM.com where they can add value or keep in touch with them until a suitable role is available. Proximity of CM.com's headquarters to schools and universities with major information technology departments permits recruitment of talented engineers and developers. CM.com has good relationships and partnerships with Avans University of Applied Sciences Breda, Fontys in Tilburg, Technical University Eindhoven and Saxion Hogeschool in Enschede (see also "—Environment and Social Responsibility—Community involvement"). CM.com organizes in-house masterclasses for professors and students at local universities. In addition, CM.com tries to be visible for students throughout the entire duration of their studies with the aim to become their undisputed employer of choice. Every year, CM.com offers between 10-20 students the opportunity to write their graduation thesis on CM.com and at its premises; once they graduate and if CM.com believes they contain CM.com's DNA, they may be offered a job. CM.com believes that its entrepreneurial approach attracts international sales talents, and targets to be present at over 10 global events annually. Core international employees are recruited by recruitment firms, and other international employees are sourced locally. International employees are obliged to visit CM.com's headquarters in Breda.

The CM Academy is the heart and soul of CM.com's learning and development activities. In order for CM.com to attract, employ, retain and develop qualified and skilled employees, it aims to give its employees the opportunity to grow and develop his or her talent. Technological development and innovation requires ongoing education and development of employees. CM.com offers training and qualification for all employees. With its CM Academy, CM.com aims to ensure that employees are equipped with the necessary knowledge and skills. In addition, the CM Academy serves as a good channel for employees to further develop and to stay informed of new innovations and latest updates for services, and strategies. CM.com also organizes meet-ups with inspirational speakers and hack-a-tons in order to build a development community. Every Friday, CM.com hosts training sessions that cover a wide variety of topics (*e.g.*, services training, functional skills, IT-training, personal development, and language training). Most trainings are broadcast live or made available online to also enable employees located in other countries to participate. In addition, CM.com organizes international training weeks for further development of its employees.

CM.com aims to offer its employees an innovative and inspiring workplace. CM.com is currently transforming its headquarters in Breda into the "CM Campus". The new campus is expected to increase knowledge sharing as employees are in close contact with each other. CM.com believes that its "CM Campus" provides for a high quality workplace with state of the art meeting-facilities, and offers its employees all tools to excel in their field of business, as well as full service facility, including fitness, meditation, in-house theatre, and bistro) to ensure the best possible work environment.

In 2017, CM.com received an accreditation as "Top Regional Employer", from Brabants Besten, an initiative of the administration of The Province of Noord-Brabant recognizing excellence in the conditions that employers create for their employees. In addition, for the years 2011 and 2013, CM.com was awarded the "Great Place To Work" accreditation from Great Place To Work, a globally operating research and consultancy group focussing on quality workplace environments.

**Legal and Arbitration Proceedings**

Neither the Company nor any of its Group Companies are, or during the 12 months preceding the date of this Prospectus have been, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) that may have, or have had in the recent past, significant effects on the Company and/or CM.com's financial position or profitability.

**Insurance**

CM.com believes that it is sufficiently insured and that CM.com pays appropriate premiums for this coverage. The insurance coverage is regularly evaluated and adjusted as necessary. For example, CM.com continues to assess its insurance requirements as a listed company, in particular with respect to D&O and public offering of securities insurance. It cannot, however, be ruled out that the Company or one of CM.com Companies suffers damages that are not covered by the existing insurance policies or that exceed the coverage limits set in these policies. CM.com is not insured against damages related to cybercrime and loss of data.

**Material Contracts**

Below, the key contracts of CM.com (other than those entered into in the ordinary course of business) are summarized. See also "—Third-Party Suppliers".

- ***The credit facility agreement with ABN AMRO Bank N.V.***

  For a description of the credit facility agreement with ABN AMRO Bank N.V. , see "Operating and Financial Review—Liquidity and Capital Resources—Financing Arrangements and Commitments".

- ***The EIB Facility***

  For a description of the EIB Facility, see "Operating and Financial Review—Liquidity and Capital Resources—Financing Arrangements and Commitments".

- ***The EIB Warrant***

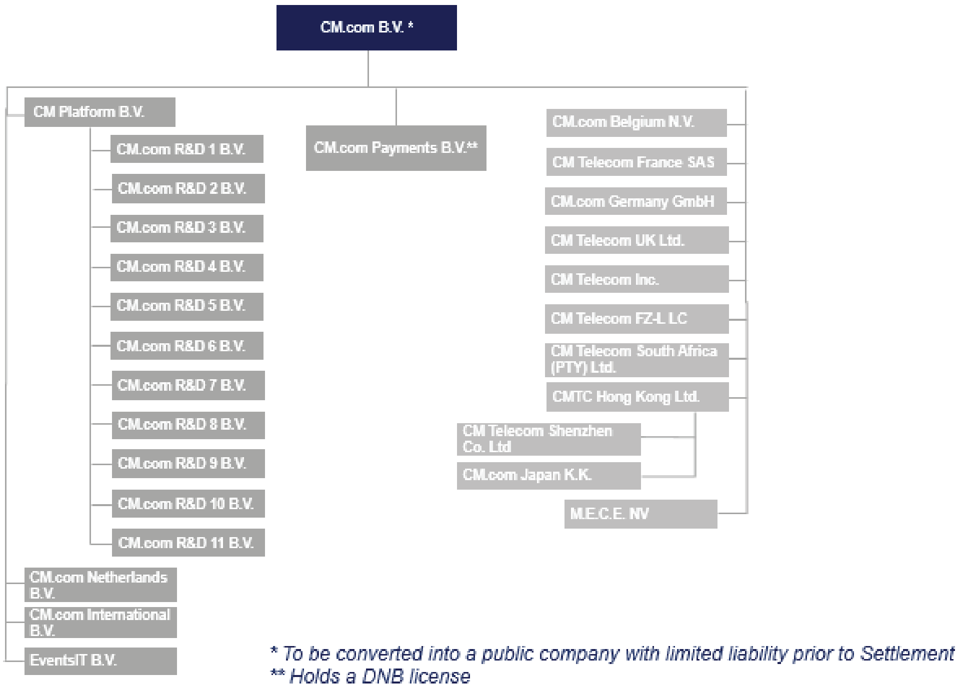
  For a description of the EIB Warrant agreement, see "Existing Shareholders and Related Party Transactions—EIB Warrant".

- ***The Shareholders' Agreement***

  Although CM.com is not a party to the Shareholders' Agreement (as defined in "Existing Shareholders and Related Party Transactions—Shareholders' Agreement"), it does consider this to be a material agreement from a governance perspective, and as such draws attention to it under "—Material Contracts". For a description of the Shareholders' Agreement, see "Existing Shareholders and Related Party Transactions—Shareholders' Agreement".

## Group Structure

The Company is a holding company without material direct business operations. The principal assets of the Company are the equity interests it directly or indirectly holds in its Group Companies. The chart below sets out CM.com's structure as of the date of this Prospectus.




### *Material subsidiaries*

The following table provides an overview of CM.com's material subsidiaries as of the date of this Prospectus.

| Company | Corporate seat | Interest held by CM.com |
|---|---|---|
| CM.com Netherlands B.V. | Netherlands | 100% |
| CM.com International B.V. | Netherlands | 100% |
| CM Payments B.V. | Netherlands | 100% |
| CM Platform B.V. | Netherlands | 100% |
| CM.com Belgium N.V.. | Belgium | 100% |
| CM.com Germany GmbH | Germany | 100% |
| CM Telecom France SAS | France | 100% |
| CM Telecom UK Ltd. | United Kingdom | 100% |

### *Organizational structure*

CM.com is centrally managed from its headquarters in Breda, the Netherlands, by a highly experienced, founder-led management team, consisting of the Management Board supported by an Executive Committee (as defined in "Management, Employees and Corporate Governance"). Prior to Settlement, the Executive Committee is expected to consist of nine executives including the members of the Management Board (see "Management, Employees and Corporate Governance—Management Structure"). As of the date of this Prospectus, CM.com has three divisions: General, Research & Development and Sales & Marketing. The Executive Committee is jointly responsible for the management of these divisions.

CM.com's regional, local and virtual offices function as hubs with operational and country-specific specialist departments, such as sales and marketing, and customer support. CM.com's worldwide operations are overseen by regional and country managers.

CM.com's management structure aims to promote innovation and sales.

**Right of Use Assets**

The following table provides an overview of CM.com's material leased office spaces and server locations as at the date of this Prospectus. CM.com does not own material properties (see also "Existing Shareholders and Related Party Transactions—Related Party Transactions—Lease Agreements").

| Location | size (approximately) | Owned/leased |
|---|---|---|
| Breda, the Netherlands | 5.350m2 | leased |
| Utrecht, the Netherlands | 600m2 | leased |
| Enschede, the Netherlands | 400m2 | leased |
| Zaventem, Belgium | 1.650m2 | leased |

For an overview of lease liabilities see "Operating and Financial Review—Financial and Other Long-Term Contractual Obligations".

**Regulatory Environment**

CM.com operates globally in various regulated markets and as a result is subject to a wide range of regulatory regimes and supervision by supervisory authorities that can impact the business operations of CM.com. For more information on the risks associated with the regulatory environments in which CM.com operates, see "Risk Factors—Legal and Regulatory Risks—CM.com operates internationally and faces various legal and regulatory compliance risks in the countries in which it operates" and "Risk Factors—Legal and Regulatory Risks—Failure to comply with data protection and privacy laws could harm CM.com's reputation and give rise to fines".

The main services offered by CM.com are subject to laws, regulations and supervision in various fields, including privacy and data protection, telecommunications and payment services.

In countries within the European Union, compliance requirements for each of these fields for CM.com mainly originate at the European Union-level, combined with different national implementation laws.

In countries outside the EU, CM.com has to comply with national telecom, and privacy and data protection legislation. These regulatory frameworks are continuously developing and can vary significantly per jurisdiction and in some instances the requirements in different countries may be contradictory.

Compliance is a day to day responsibility and results in significant costs for CM.com. Compliance is handled centrally from CM.com's headquarters. For the purpose of compliance management outside the EU, CM.com obtains external legal advice on local regulatory requirements when incorporating new entities or making material changes to its presence in jurisdictions outside the European Union. Most recently, this has been done for regulatory requirements pertaining to the People's Republic of China, Hong Kong and South Africa.

In the Netherlands, CM.com is subject to supervision from DNB, the Authority for Consumers and Markets (Autoriteit Consument & Markt, ACM), the Radiocommunications Agency Netherlands (Agentschap Telecom) and the Dutch Data Protection Authority (Autoriteit Persoonsgegevens).

***Privacy and data protection***

CM.com is subject to national and European Union privacy and data protection laws, including in particular the GDPR which entered into effect on 25 May 2018. The GDPR has introduced stringent requirements with respect to the processing of personal data, and it has granted broad powers to national European Union regulators to enforce compliance, including penalties of up to 4% of total worldwide annual turnover of the preceding financial year or EUR 20 million, whichever is higher.

CM.com qualifies as a "processor" for the majority of the personal data that it processes in the provision of its services. Accordingly, the majority of the obligations with respect to processing under the GDPR are borne by its Customers which qualify as the "controller". However, CM.com qualifies as a "controller" pursuant to the GDPR for the processing of traffic data of its electronic communication services under applicable telecommunication regulations within the European Union, and for other processing activities that occur in accordance with the purposes in telecommunications and E-Privacy regulations, as well as for the processing of personal data for its payment services (for these processing activities CM.com has to meet the obligations of a "controller" under GDPR).

CM.com monitors compliance with the GDPR and has integrated the guiding principles of the GDPR into its daily business processes. CM.com also takes these into account when developing new services, in line with the privacy by design requirements under the GDPR. During the implementation of the GDPR, CM.com prepared GDPR-compliance documentation and took corrective measures where necessary. In particular, CM.com updated its various general terms and conditions to reflect the requirements of the GDPR with respect to data processing. CM.com has taken similar measures pursuant to other applicable privacy and data protection regulations that apply to its service offering outside of the European Union.

***Telecom & E-Privacy***

The communications services rendered by CM.com are subject to local telecommunications laws and regulations. The content of these rules and regulations varies from jurisdiction to jurisdiction. Generally, a registration or compliance with licensing exemption requirements will be needed. As far as it is aware, CM.com complies with all requirements that apply to it and it holds all licenses that are needed for its services and platforms.

CM.com is registered with the ACM as a provider of public electronic communications service and network. In the Netherlands, providers of public telecommunications networks or telecommunications services must meet a number of continuity and safety requirements. In addition, judicial authorities and intelligence and security services may request information. As a public provider, CM.com has to ensure the continuity of services. If there is any breakdown or failure within the network or service, this has to be reported to the Agentschap Telecom ("Loket meldplicht Telecomwet"). If a security incident occurs that involves personal data, CM.com will likely have to report this to the Dutch Data Protection Authority.

A proposed amendment to the Netherlands Telecommunications Act (*Wet voorkoming ongewenste zeggenschap telecommunicatie*) seeks to protect certain infrastructure deemed critical to telecommunications against undue interference. The current proposed amendment would give wide-ranging powers to government agencies to prevent or counteract undue interference in critical telecommunication infrastructure, including the forced sale of shares in the Company held by shareholders that do not meet the requirements of the new rules. CM.com believes that it would currently, based on the draft amendment, not be deemed to render infrastructure critical services. As the proposal is still subject to change and the operations of CM.com could in the future become a more important part of the national communications infrastructure, it cannot be guaranteed that CM.com will permanently remain outside the scope of any new rules.

A significant proportion of the Dutch regulatory framework for telecommunications consists of the transposition of the European Union regulatory framework for communications into Dutch law. Therefore, CM.com is subject to similar requirements in all European Union members states where CM.com is located. The Electronic Communications Framework is the regulatory Framework that applies to all transmission networks and services (including access) for electronic communications including telecommunications (fixed and mobile), e-mail and access to the internet. It consists of the following five Directives:

- the "Framework" Directive (2002/21/EC);
- the "Access" Directive (2002/19/EC);
- the "Authorisation" Directive (2002/20/EC);
- the "Universal Service" Directive (2002/22/EC); and
- the "ePrivacy" Directive (2002/58/EC).

In particular, CM.com is subject to Directive 2002/58/EC of the European Parliament and of the Council of 12 July 2002 concerning the processing of personal data and the protection of privacy in the electronic communications sector ("**ePrivacy Directive**"), as amended by Directive 2009/136/EC. The ePrivacy Directive regulates, among other things, the processing of traffic and location data, unsolicited commercial communications and online targeting of consumers by storing information on the equipment of end-users (*e.g.*, "cookies"). These requirements have been implemented in the Netherlands in the Telecommunications Act. Consumer data may be stored and processed only as long as this is necessary for the provision of services to that consumer.

In accordance with Article 6 of the ePrivacy Directive, CM.com processes traffic data (*i.e.*, data processed for the conveyance of a communication on an electronic communications network or for the billing thereof) as a "data controller", rather than a "data processor". CM.com processes and retains such traffic data in accordance with the purposes defined in the ePrivacy Directive and the related national telecommunications regulations.

On 10 January 2017, the European Commission published a draft Regulation concerning the respect for private life and the protection of personal data in electronic communications, repealing Directive 2002/58/EC (the "**ePrivacy Regulation**").The scope of the ePrivacy Regulation may also include OTT services such as WhatsApp Business, resulting in a larger proportion of CM.com's activities to potentially fall under the scope of the revised European regulatory framework for ePrivacy (see also the paragraph below on the European Electronic Communications Code). The proposed fines for infringing the ePrivacy Regulation are the same as those of the GDPR. However, the text is not yet final and the impact on the activities of CM.com will need to be determined once the scope of the ePrivacy Regulation has been determined. CM.com does not believe that the proposed amendment will significantly impact its operations.

On 11 December 2018, the European Parliament and Council adopted Directive 2018/1972 that establishes the European Electronic Communications Code. This Directive will recast and repeal the "Framework" Directive (2002/21/EC), the "Access" Directive (2002/19/EC), the "Authorisation" Directive (2002/20/EC) and the "Universal Service" Directive (2002/22/EC) into one single legislative instrument and will extend the scope to also cover OTT services such as WhatsApp Business. CM.com does not believe that the European Electronic Communications Code will significantly impact its operations. The amended scope of electronic communication services under the European Electronic Communications Code will however mean that the current ePrivacy Directive will also apply to CM.com's OTT services following implementation of this Directive.

In addition to the above, the communications services rendered by CM.com worldwide are subject to local telecommunications laws and regulations. The content of these rules and regulations varies from jurisdiction to jurisdiction. Generally, either a registration or compliance with licensing exemption requirements will be needed.

***Payment services***

The payment services provided by the Company through its subsidiary CM Payments B.V., via the CM.com Platform qualify as payment services in accordance with Annex I to the PSD II. More specifically, the services qualify as "execution of payment transactions" (*e.g.*, execution of payment transactions by means of a debit card or a similar instrument) and "issuing of payment instruments and acquiring of payment transactions" (*e.g.*, issuing methods to initiate payment orders and providing services to retailers for the acceptance of payment instruments), and are therefore subject to a license requirement.

In November 2016, CM Payments B.V. was granted a license under the first European Payment Services Directive (EU) 2007/64/EC as a payment institution from DNB, and it was authorized to offer the abovementioned payment services. On 19 February 2019, when PSD II was implemented in Dutch national legislation, CM Payments B.V. was automatically granted a license under PSD II. CM Payments B.V. passports its license to be able to offer payment services in various countries in the European Economic Area. All payments that are received as part of CM.com's payment solution services are received by a bankruptcy remote and ringfenced legal entity Stichting Derdengelden CM Payments, which pays the monies received to the Customer and any commission due to the Company.

CM Payments B.V. is supervised by DNB. It must comply with rules applicable to payment institutions, including the requirements set forth in the PSD II as implemented in the Netherlands in the FMSA. Pursuant to one of these rules, CM Payments B.V. must as soon as possible notify DNB if a shareholder's "qualifying holding" in CM Payments B.V. exceeds 20%, 30% or 50% or falls below 10%, 20%, 30% or 50%.

In addition, each person is required to obtain a declaration of no objection from DNB before it can hold, acquire or increase a "qualifying holding" in a payment institution, or exercise any voting power in connection with such holding. A direct or indirect participation in a payment institution is a "qualifying holding" when it represents 10% or more of the shares or voting rights in the payment institution, or provides control over the payment institution that is comparable to such shareholding or voting rights. This means that acquiring a holding of 10% or more of the shares and voting rights in CM Payments B.V. requires a declaration of no-objection from DNB and that certain changes to such an interest (as described above) require regulatory approval as well. In addition, obtaining rights to appoint the (majority of the) Management Board or other means of providing significant influence over the management of the payment institution also falls within the scope of a "qualifying holding".

CM Payments B.V must also comply with the remuneration requirements set forth in the Dutch Act Remuneration policy for Financial Undertakings (*Wet beloningsbeleid financiële ondernemingen*, "**Wbfo**") as implemented in the FMSA, including the 20% cap for variable remuneration. See also “Management, Employees and Corporate Governance—Management Board Remuneration”.

CM Payments B.V. is subject to minimum initial capital and own funds requirements under the PSD II as implemented in the FMSA and the implementing Decree on prudential rules Dutch Financial Supervision Act (*Besluit Prudentiële regels Wft*), as well as capital quality requirements as stipulated by the Capital Requirements Regulation (“**CRR**”): CM Payment B.V.’s own funds shall not fall below (i) the initial capital requirement, or (ii) the own funds requirement calculated in accordance with Article 9(1) of the PSD II, whichever is the higher amount.

The initial capital requirement of CM Payments B.V. amounts to EUR 125.000. This initial capital requirement has to be met in its totality with Common Equity Tier 1 items as referred to in CRR.

The own funds CM Payments B.V. is required to hold calculated in accordance with the PSD II for H1 2019, amounts to EUR 700,000. This amount is calculated based on Method B set forth in the PSD II and as implemented in the Decree on prudential rules Dutch Financial Supervision Act. The own funds of CM Payments B.V. must comprise of eligible capital as referred to in CRR, where at least 75% of Tier 1 capital is in the form of Common Equity Tier 1 capital, as referred to in Article 50 of the CRR, and Tier 2 capital is equal to or less than one third of the Tier 1 capital. As of 1 January 2019, CM Payments B.V.’s own funds meet these requirements.

DNB supervises compliance with the own funds requirements. Based on an evaluation of the risk management process, risk loss database and internal control mechanisms, DNB may require CM Payments B.V. to hold an amount of own funds which is up to 20% higher or lower than own funds requirement.

**Risk Management**

CM.com believes the Management Board has a responsibility to balance the potential gain of business opportunities and strategic objectives with the eventual cost of associated risks, in accordance with CM.com’s risk appetite. CM.com has therefore adopted a uniform and systematic approach for managing risks across CM.com.

CM.com adds value for shareholders through a multitude of internal services that each may have different and/or unique roles in the business process. Each of these roles comprise a series of process steps that are executed through automated processing routines or through the efforts of staff. CM.com believes in sound risk management and a risk culture in which every member of staff takes accountability for his or her actions. CM.com therefore works according to the three lines of defense risk management model.

<table>
<tr><th colspan="3">1st line of defense</th><th colspan="2">2nd line</th><th colspan="2">3rd line</th><th colspan="2">Payments only:</th></tr>
<tr><td rowspan="6">operations</td><td>business acquisition</td><td>information technology</td><td rowspan="6">control</td><td>business control</td><td rowspan="6">assurance</td><td rowspan="3">internal audit</td><td rowspan="6">supervision</td><td rowspan="3">Board of Directors (non-executive)</td></tr>
<tr><td>product development</td><td>marketing</td><td>quality assurance</td></tr>
<tr><td>sales</td><td>legal support</td><td>fraud management</td></tr>
<tr><td>procurement</td><td>human resources</td><td>compliance</td><td rowspan="3">external audit</td><td rowspan="3">DNB and AFM</td></tr>
<tr><td>delivery operations</td><td>accounting</td><td>risk management</td></tr>
<tr><td>customer support</td><td>facilities</td><td>external advisory</td></tr>
</table>

It is the role of the Executive Committee and their operational staff (first line of defense) to design (guide), operate (execute) and manage (control) the process that drives business opportunities and strategic objectives to success. This includes the identification of key risks and the definition and implementation of risk mitigating measures. It is the responsibility of risk management, in the second line of defense, to make sure that the relevant risks are controlled, to support the (executive) process owners in their risk mitigation, and to facilitate and operate the CM Risk Management and Internal Control System (“**CMRICS**”) for the presentation of general and business specific risks and for the review of the adequacy of mitigating controls.

In order to allow the business operations to focus on the execution of plans, the Internal Control function (second line of defense) is assigned the support of operations in their development of plans that lead to the achievement of strategic objectives, to help with the design and documentation of the business process and to test whether that process is adequately designed, operated and managed. Internal Control also cooperates with process owners to mitigate risks and to correct failures. The Internal Control functions (Business Control, Quality Assurance, Compliance, Fraud and Risk Management) add specialist knowledge and document standards as well as policies that guard the governance and structure of CM.com.

The Internal Audit function (third line of defense) should independently assure that business processes are designed, operated and managed in accordance with the standards and criteria as set by the Executive Committee, and that control systems are in place. The quality of the internal control system of the first and second lines of defense, risk management and internal governance must be assured by Internal Audit, which can provide recommendations.

It is the role of External Audit (extension of the third line of defense) to independently provide assurance on the Annual Accounts and the management report to verify if the business results are true and accurate per the applicable reporting standards. Internal Audit is not involved in this process and may only observe and coordinate the follow-up of findings reported.

The supervisory board of CM Payments B.V. is responsible for the integrity of all personnel involved in the execution of the Payment Services Provider business operation.

The appointed risk owners (process owners) are primarily responsible for risk management and for the implementation of CMRICS. It is the responsibility of the internal control department to maintain CMRICS. On a recurring basis, a risk assessment and analyses is to be performed by the risk owner. As part of risk analyses, the risk owner must confirm that the risk register is (still) complete and accurately classified.

Risk management is an integral part of the day-to-day business management. Therefore, risk management is applied periodically. The CM.com risk assessment will be updated at least once a year, or when deemed necessary. Every quarter, the Management Board and the Executive Committee receive a report on risks and their mitigation, which process is coordinated by and under supervision of the Chief Risk Officer. As of the date of this Prospectus, CM.com's Risk Department consists of a cross functional team of seven employees and is supported by four business controllers and three legal employees, with a focus on compliance.

CM Payments B.V. manages Customer risks relating to fraud, credit or compliance, by performing thorough KYC processes and on-going risk monitoring. CM Payments B.V. monitors transactions with an aim to minimize fraudulent payments and reduce breaches of card scheme programs. CM Payments B.V. relies on the creditworthiness of Customers and a failure to properly process a transaction may lead to chargebacks. In addition, third-party relationships have to be properly reviewed for compliance.

***Cybercrime and fraud prevention***

CM.com aims to be actively visible in the fight against cybercrime and fraud by using external fraud screening technology that analyzes Customers' buying behavior and digital identity. This technology aims to improve the online payment journey of consumers and increase revenue for Customers, and at the same time reduce potential fraud. CM.com also collaborates with banks in the United Kingdom on exposing smishing and phishing scams. In addition, CM.com is setting up a network with EC3, the cybercrime unit of Europol, to become a structural partner in fighting cybercrime. CM.com has an active membership in the Merchant Risk Council (MRC), a leading global business association for eCommerce fraud and payments professionals, and aims to establish further relations and become more visible to other external fraud prevention associations.

# MANAGEMENT, EMPLOYEES AND CORPORATE GOVERNANCE

This section summarizes information concerning the Management Board, the Executive Committee (as defined below), the Supervisory Board, the Founder Committee (as defined below), CM.com's employees and the Company's corporate governance. It is based on relevant provisions of Dutch law as in effect on the date of this Prospectus, the Articles of Association, the Management Board Rules of Procedure and the Supervisory Board Rules of Procedure (both as defined below), and in effect ultimately on the Settlement Date.

This summary does not purport to give a complete overview and should be read in conjunction with, and is qualified in its entirety by reference to, the relevant provisions of Dutch law as in force on the date of this Prospectus and the Articles of Association, the Management Board Rules of Procedure, the Supervisory Board Rules of Procedure and the charters of the Supervisory Board committees. The Articles of Association in the governing Dutch language and in an unofficial English translation thereof are available on the Company's website (https://www.CM.com/investor-relations/corporate-governance/articles-of-association/). The Management Board Rules of Procedure and the Supervisory Board Rules of Procedure and the charters of the Supervisory Board committees in the governing English language (only) are available on the Company's website.

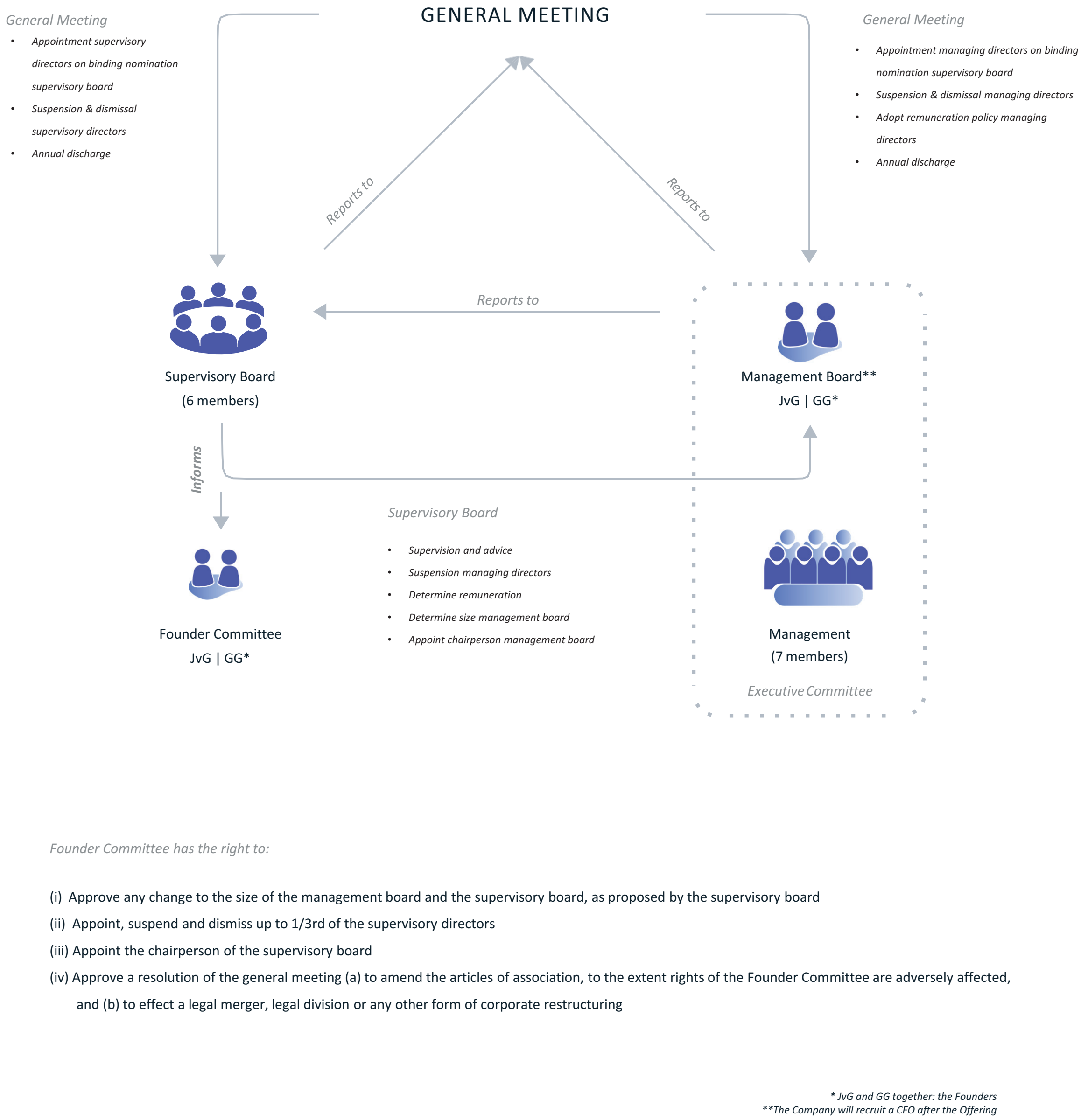
### Management Structure

The Company has a two-tier board structure consisting of the Management Board and the Supervisory Board.

The Company has a well-defined management organization. The Management Board is entrusted with the management of the Company. Certain key officers have been appointed to manage the Company together with the Management Board. The Managing Directors and these key officers together constitute the executive committee (the "**Executive Committee**").

The Company was founded in 1999 and incorporated on 17 January 2001 by Mr. Van Glabbeek (CEO) and Mr. Gooijers (COO). Since its incorporation, all shares in the Company have been held (indirectly) by the Founders (50%/50%). Over the years, the Founders have continuously invested in the organic growth of the Company through innovation and regional expansion. The Founders intend to further develop the Company by pursuing and accelerating its current growth strategy. As of the date of this Prospectus, the Founders exercise control over the Company via rights attributed to them as priority shareholders. They also hold all issued shares in the Company as well as positions in the Management Board. As the Founders desire to continue their active board role in the Company as long as possible to execute and safeguard the Company's long term strategy, it was decided to dismantle the Company's priority shares and to install a founder committee with the Founders as sole members (the "**Founder Committee**") (see also "—Founder Committee") effective ultimately on the Settlement Date.

Please see below for an overview of the Company’s governance structure as of the Settlement Date.




As at the date of this Prospectus, the provisions in the BW that are commonly referred to as the “large company regime” (*structuurregime*) do not apply to the Company. This will not change upon conversion of the Company to a public limited liability company (*naamloze vennootschap*). Note that the Company may meet the large company regime requirements in the future, which will have an impact on the governance described below. The Company may then be eligible to apply the holding and financing company exemption to prevent the large company regime becoming applicable to it if at least 50% of its employees works outside the Netherlands.

## Management Board

### *Powers, responsibilities and functioning*

The Management Board is responsible for the management of the Company’s operations as well as the operations of CM.com, under the supervision of the Supervisory Board. The Management Board’s responsibilities include, among other things, defining and attaining the Company’s objectives, determining the Company’s strategy and risk management policy, and day-to-day management of the Company’s operations. The Management Board may perform all acts necessary or useful for achieving the Company’s objectives, with the exception of those acts that are prohibited or are expressly attributed to the General Meeting, the Founder Committee or the Supervisory Board by law or by the Articles of Association. Pursuant to the Articles of Association and the Management Board Rules of Procedure, the Managing

Directors may divide their tasks among themselves in mutual consultation. The Management Board Rules of Procedure (as defined below) specify how duties are divided between the Managing Directors. In performing their duties, the Managing Directors are required to be guided by the interests of the Company and its business enterprise, taking into consideration the interests of CM.com's stakeholders (which includes but is not limited to its customers, its employees and the Shareholders).

The Management Board shall timely provide the Supervisory Board with all information necessary for the exercise of the duties of the Supervisory Board. The Management Board must submit certain important decisions to the Supervisory Board and/or the General Meeting and/or the Founder Committee for approval, as more fully described below under "—Management Board—Board meetings and decisions".

The Management Board as a whole is authorized to represent the Company. In addition, each Managing Director individually has the authority to represent the Company. Pursuant to the Articles of Association, the Management Board is authorized to appoint proxy holders (*procuratiehouders*) who are authorized to represent the Company within the limits of the specific delegated powers provided to them in the proxy.

***Management Board Rules of Procedure***

Pursuant to the Articles of Association, the Management Board may adopt management board rules of procedure that govern, among other things, its and the Executive Committee's decision-making process and conduct of meetings (the "**Management Board Rules of Procedure**"). The Management Board Rules of Procedure will be in effect ultimately on the Settlement Date.

***Composition, appointment and removal***

The Articles of Association provide that the Supervisory Board is authorized to determine the number of Managing Directors. A resolution of the Supervisory Board to determine the number of Managing Directors requires the approval of the Founder Committee, if installed.

Managing Directors are appointed by the General Meeting on a binding nomination by the Supervisory Board. The binding nomination shall be included in the notice of the General Meeting at which the appointment shall be considered.

The General Meeting may at all times overrule a binding nomination by the Supervisory Board for the appointment of a Managing Director by a resolution adopted by a 2/3 majority of the votes cast, representing more than one half of the issued share capital. If a binding nomination for the appointment of a Managing Director is overruled, the Supervisory Board shall make a new binding nomination for the appointment of a Managing Director which shall be presented at a new General Meeting. If the second binding nomination has been overruled, the General Meeting shall be free to appoint a person to fill the vacancy in the Management Board.

The General Meeting may at any time suspend or dismiss a Managing Director. A resolution to suspend or dismiss a Managing Director who is a Founder, requires a 2/3 majority of the votes cast, representing more than one half of the issued share capital. A resolution to suspend or dismiss any other Managing Director requires a simple majority of the votes cast. The Supervisory Board may at all times suspend but not dismiss a Managing Director. A General Meeting must be held within three months after a suspension of a Managing Director has taken effect, in which meeting a resolution must be adopted to either terminate or extend the suspension for a maximum period of another three months. The suspended Managing Director must be given the opportunity to account for his or her actions at that meeting. If such resolution is not adopted and the General Meeting has not resolved to dismiss the Managing Director, the suspension will cease after the period of suspension has expired.

***Term of appointment***

The Founders have been appointed (and may be re-appointed) as Managing Directors for an indefinite period of time. Other Managing Directors not being a Founder will be appointed (and may be re-appointed) for a term of not more than four years, provided that, unless a Managing Director resigns earlier, his or her appointment shall end immediately after the annual General Meeting that will be held in the fourth calendar year after the date of his or her appointment.

***Board meetings and decisions***

The Management Board shall meet whenever a Managing Director so requires.

Pursuant to the Management Board Rules of Procedure, unless applicable law, the Articles of Association or the Management Board Rules of Procedure prescribe a larger majority, resolutions of the Management Board are adopted by a simple majority vote of the Managing Directors present or represented. Each Managing Director has one vote. In the event of a tie vote, the proposal shall be deemed to have been rejected. Pursuant to the Management Board Rules of Procedure, resolutions of the Management Board can only be adopted if a majority of the Managing Directors is present or represented at the meeting, provided that any Managing Director with a direct or indirect personal conflict of interest (as specified in the Management Board Rules of Procedure) with the Company, is not taken into account when establishing this quorum.

The Management Board must obtain the approval of the Supervisory Board and the General Meeting for resolutions entailing a significant change in the identity or nature of the Company or its business. This includes in any event: (i) the transfer of the business enterprise, or practically the entire business enterprise, to a third-party; (ii) concluding or cancelling a long-lasting cooperation of the Company or a subsidiary with another legal person or company or as a fully liable general partner in a partnership, provided that the cooperation or cancellation is of material significance to the Company; and (iii) acquiring or disposing of a participating interest in the share capital of a company with a value of at least 1/3 of the Company's assets, as shown in the consolidated balance sheet with explanatory notes according to the last adopted Annual Accounts by the Company or a subsidiary.

Certain other important resolutions of the Management Board identified in the Articles of Association require the approval of the Supervisory Board. In addition, pursuant to the Articles of Association, the Management Board Rules of Procedure may set out other resolutions of the Management Board, that are subject to the approval of the Supervisory Board. The current list of those decisions as determined by the Supervisory Board is set out in the Management Board Rules of Procedure. The list of decisions includes, among others, resolutions (i) to appoint or dismiss the company secretary; (ii) in relation to subjects with respect to which a Managing Director has a conflict of interest; (iii) to appoint or dismiss the senior internal auditor; (iv) to approve the audit plan, which should give attention to the interaction with the Audit Committee and the external auditor; (v) to enter into a transaction with a legal entity or natural person holding at least ten percent (10%) of the Company's shares; (vi) on subjects where a Supervisory Director has a conflict of interest as referred to in the Supervisory Board Rules of Procedure (as defined below); (vii) to grant a loan to a Managing Director or a Supervisory Director; and (viii) to amend the Management Board Rules of Procedure.

In each of the abovementioned situations, the lack of approval (whether from the General Meeting or from the Supervisory Board) does not affect the authority of the Management Board or the Managing Directors to represent the Company.

Pursuant to the Articles of Association and the Management Board Rules of Procedure, resolutions can also be adopted without holding a meeting, provided those resolutions are adopted in writing or in a reproducible manner by electronic means of communication and all Managing Directors entitled to vote have consented to adopting the resolutions outside a meeting.

***Conflict of interest***

Dutch law provides that a managing director of a Dutch public limited liability company, such as the Company (after execution of the Deed of Amendment), 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 conflicting with the interests of the Company. Such a conflict of interest only exists if in the situation at hand the Managing Director is deemed to be unable to serve the interests of the Company and the business connected with it with the required level of integrity and objectivity. Pursuant to the Management Board Rules of Procedure, each Managing Director shall immediately report any (potential) personal conflict of interest that is of material significance to the Company, its business or to the relevant Managing Director, to the chairperson of the Supervisory Board and to the other Managing Directors and shall provide all information relevant to the conflict, including any relevant information concerning his or her spouse, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree. The Supervisory Board must, after having heard the relevant Managing Director and without that relevant Managing Director being present, determine whether a reported (potential) conflict of interest qualifies as a conflict of interest within the meaning of Dutch law.

If no resolution can be adopted by the Management Board as a consequence of such a personal conflict of interest, the resolution concerned will be adopted by the Supervisory Board. All transactions in which there are conflicts of interests with Managing Directors will be agreed on terms that are customary in the sector concerned must be disclosed in the Company's management report and require the approval of the Supervisory Board if the conflict of interest is of material significance to the Company or the relevant Managing Director. If a Managing Director does not comply with the provisions on conflicts of interest, the resolution concerned is subject to nullification (*vernietigbaar*).

The existence of a (potential) personal conflict of interest does not affect the authority to represent the Company, as described under "—Management Board—Powers, responsibilities and functioning" above.

**Managing Directors**

At the date of this Prospectus as well as on the Settlement Date, the Management Board is composed of the following two Managing Directors:

| Name | Date of birth | Position | Member as of | Term |
|---|---|---|---|---|
| Jeroen van Glabbeek | 7 April 1979 | CEO | 17 January 2001 | Indefinite |
| Gilbert Gooijers | 14 February 1979 | COO | 17 January 2001 | Indefinite |

The Company's registered address, Konijnenberg 30, 4825 BD, Breda, the Netherlands, serves as the business address for all Managing Directors.

Judith Wouters is at the date of this Prospectus the non-statutory ad interim Chief Financial Officer of the Company. The Company is currently recruiting a Chief Financial Officer to join the Management Board at some point after the Offering. After having recruited a Chief Financial Officer, Judith Wouters will become the Company's Head of Finance.

***CVs Managing Directors***

*J. (Jeroen) van Glabbeek*

Jeroen van Glabbeek, Founder, CEO and Managing Director, is a Dutch national. Mr. 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 (until 2000). In 1999, Mr. van Glabbeek founded and launched CM.com (at the time still ClubMessage). Mr. van Glabbeek followed the Advanced Management Program of the Nyenrode Business Universiteit in 2009. He was a director of ClubCompany B.V. (2003-2016, which was legally divided into ClubCompany1 B.V. and ClubCompany2 B.V. in 2016), chairman of the jury of Deloitte Rising Star (2013-2018), chairman of the council of shareholders of Stichting Administratiekantoor Nelemans (2015-2019), chairman of the advisory board of Xite Group B.V. (Voiceworks) (2015-2016) and an independent member of the supervisory board of OGD Beheer B.V. (2016-2019).

Mr. van Glabbeek is currently the sole board member and shareholder of ClubCompany1 B.V. (as from 2016), director of various subsidiaries of the Company, including a director and member of the management board of CM Payments B.V. (as of 2014), chairman of the board of CM.com stichting (previously named Stichting foundation Docdata payments) (as from 2019), chairman of the board of Stichting Derdengelden CM Payments (as from 2014) and chairman of VNO-NCW Brabant Zeeland/Breda (as from 2016). In addition, Mr. van Glabbeek is a member of Erecomité Begijnhof Breda (as from 2016), a member of NL2025 and a partner of Startupbootcamp.

*G.F.A.M. (Gilbert Franciscus Adrianus Martinus) Gooijers*

Gilbert Gooijers, Founder, COO and Managing Director, is a Dutch national. Mr. Gooijers obtained a degree in Technology Management from the University of Technology in Eindhoven (1997-2002). He followed the Advanced Management Program of the Nyenrode Business University in 2009. In 1999, Mr. Gooijers founded and launched CM.com (at the time still ClubMessage). Mr. Gooijers was a member of the management board of ClubCompany B.V. (2003-2016, which was legally divided into ClubCompany1 B.V. and ClubCompany2 B.V. in 2016). From 2017 to 2019, Mr. Gooijers was also a member of the jury of Breda Startup Award.

Mr. Gooijers is currently the sole board member and shareholder of ClubCompany2 B.V. (as from 2016), director of various subsidiaries of the Company, including a director and member of the management board of CM Payments B.V. (as of 2014), a board member of CM.com stichting (previously named Stichting foundation Docdata payments) (as from 2019) and a member of the board of Stichting Derdengelden CM Payments (as from 2014). In addition, he is a speaker at Sprekershuys (as from 2018), a member of NLgroeit and a partner of Startupbootcamp.

### Executive Committee

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 Dutch Corporate Governance Code remain in full force. The Management Board shall therefore remain accountable for the actions and decisions of the Executive Committee and have ultimate responsibility for the Company's external reporting and its reporting to its shareholders.

The Management Board determines the number of Executive Committee Members (as defined below) who are not also Managing Directors. The members of the Executive Committee who are not also Managing Directors (the "**Executive Committee Members**"), can be appointed, suspended and dismissed by the Management Board. For the avoidance of doubt, a member of the Executive Committee means either a Managing Director or an Executive Committee Member.

Each member of the Executive Committee has one vote. Resolutions of the Executive Committee can only be adopted in a meeting of the Executive Committee where at least the majority of the Managing Directors entitled to vote is present or represented. Unless the Management Board Rules of Procedure prescribe a larger majority, all resolutions of the Executive Committee are adopted by a simple majority of the votes cast, provided that a resolution can only be adopted if such majority includes the majority of the Managing Directors entitled to vote. In the case of a tie vote, the Management Board shall decide upon the matter concerned (see also "—Management Board—Board meetings and decisions").

Pursuant to the Management Board Rules of Procedure, resolutions of the Executive Committee can also be adopted without holding a meeting, provided those resolutions are adopted in writing or in a reproducible manner by electronic means of communication and all members of the Executive Committee entitled to vote have consented to adopting the resolutions outside a meeting. Executive Committee Members are subject to the same rules as Managing Directors in relation to conflicts of interests as described above under "—Conflicts of Interest".

The Management Board retains the authority to adopt resolutions within the scope of the authority of the Executive Committee without the participation of the Executive Committee Members.

### Supervisory Board

#### *Powers, responsibilities and functioning*

The Supervisory Board supervises the conduct and policies of the Management Board and the general course of affairs of the Company and its business enterprise. The Supervisory Board also provides advice to the Management Board. In performing its duties, the Supervisory Directors are required to be guided by the interests of the Company and its business enterprise, taking into consideration the interests of CM.com's stakeholders (which includes but is not limited to its customers, its suppliers, its employees and the Shareholders). The Supervisory Board will also observe the corporate social responsibility issues that are relevant to CM.com. The Supervisory Board is responsible for the quality of its own performance. The Supervisory Board may, at the Company's expense, seek the advice which it deems desirable for the correct performance of its duties. The Supervisory Board has drawn up a profile for its size and composition taking into account the nature of the Company's business, the Supervisory Board's activities and the desired expertise and background of the Supervisory Directors.

#### *Supervisory Board Rules of Procedure*

Pursuant to the Articles of Association, the Supervisory Board may adopt written rules of procedure governing, among other things, its decision-making process and conduct of meetings (the "**Supervisory Board Rules of Procedure**"). The Supervisory Board Rules of Procedure will be in effect ultimately on the Settlement Date and are published on the Company's website (https://www.CM.com/investor-relations/corporate-governance/).

#### *Composition, appointment and removal*

Pursuant to the Articles of Association, the Supervisory Board is authorized to determine the number of Supervisory Directors. A resolution of the Supervisory Board to determine the number of Supervisory Directors requires the approval of the Founder Committee, if installed.

Supervisory Directors are appointed by the General Meeting on a binding nomination by the Supervisory Board, provided that the Founder Committee, if installed, is authorized to appoint one or more Supervisory Directors as set out in the following paragraph.

If the Founder Committee is installed, the Founder Committee may appoint up to 1/3 of the Supervisory Directors. If the number of Supervisory Directors cannot be divided by three, the lower number that can be divided by three shall be taken into account in determining the number of Supervisory Directors to whom this right of appointment of the Founder Committee applies. If the Founder Committee has not yet appointed 1/3 of the Supervisory Directors as referred to above, the Founder Committee is authorized to do so in its sole discretion at any point in time. In case the Founder Committee appoints a Supervisory Director, the number of Supervisory Directors shall automatically be increased accordingly if needed for the Founder Committee to fully exercise its right in its sole discretion as referred to in this paragraph.

The Supervisory Board appoints one of the Supervisory Directors as chairperson, unless the Founder Committee is installed. If the Founder Committee is installed, the Founder Committee may appoint and replace one of the Supervisory Directors as chairperson. The Founder Committee will notify the Supervisory Board if it wishes to exercise its right to appoint or replace one of the Supervisory Directors as chairperson. The Supervisory Board shall notify the Founder Committee if the appointment or replacement of a chairperson of the Supervisory Board is required. The Supervisory Board shall request the Founder Committee to appoint one of the Supervisory Directors as chairperson. If (i) the Founder Committee does not exercise this right within thirty (30) days after having been requested to do so by the Supervisory Board or (ii) the Founder Committee has notified the Supervisory Board in writing that it will not exercise its right to appoint or replace the chairperson of the Supervisory Board, the Supervisory Board will be entitled to appoint one of the Supervisory Directors as chairperson within sixty (60) days after its request. The Supervisory Board appoints one of the Supervisory Directors as vice-chairperson of the Supervisory Board.

A Supervisory Director may at any time be suspended or dismissed by the corporate body that has appointed such Supervisory Director, or if the Founder Committee is no longer installed, by the General Meeting. If a Supervisory Director has been suspended by the Supervisory Board, a General Meeting must be held within three months after a suspension of a Supervisory Director has taken effect, in which meeting a resolution must be adopted to either terminate or extend the suspension for a maximum period of another three months. The suspended Supervisory Director must be given the opportunity to account for his or her actions at that meeting. If neither such resolution is adopted nor the General Meeting has resolved to dismiss the Supervisory Director, the suspension will cease after the period of suspension has expired. If a Supervisory Director has been suspended by the Founder Committee, a Founder Committee meeting must be held within three months after a suspension of a Supervisory Director has taken effect, in which meeting a resolution must be adopted to either terminate or extend the suspension for a maximum period of another three months. The suspended Supervisory Director must be given the opportunity to account for his or her actions at that meeting. If neither such resolution is adopted nor the Founder Committee has resolved to dismiss the Supervisory Director, the suspension will cease after the period of suspension has expired.

***Term of appointment***

A Supervisory Director is appointed for a maximum period of four years, provided that, unless a Supervisory Director resigns earlier, his or her appointment period shall end immediately after the annual General Meeting that will be held in the fourth calendar year after the date of his or her appointment. A Supervisory Director may be re-appointed once for another four-year period and then subsequently be re-appointed for a period of two years, which re-appointment may be extended by at most two years. In deviation from the above, a Founder may be appointed (and may be re-appointed) for terms of not more than four years, provided that, unless such Founder resigns earlier, his appointment shall end immediately after the annual General Meeting that will be held in the fourth calendar year after the date of his appointment. As from the second or subsequent re-appointments this shall constitute a deviation from best practice provision 2.2.2 of the Code. A Founder who is a Managing Director may not be a Supervisory Director simultaneously. The Supervisory Board has a rotation schedule for the Supervisory Directors.

***Meetings and decisions***

Pursuant to the Supervisory Board Rules of Procedure, resolutions of the Supervisory Board can only be adopted in a meeting at which at least the majority of the Supervisory Directors is present or represented, provided that any Supervisory Director with a direct or indirect personal conflict of interest (as specified in the Supervisory Board Rules of Procedure) with the Company, is not taken into account when establishing this quorum. If the chairperson believes there is an urgent situation that requires the Supervisory Board's immediate resolution, the quorum requirement does not apply, provided that (i) at least two

Supervisory Directors entitled to vote are present or represented at the meeting; and (ii) reasonable efforts have been made to involve the other Supervisory Directors in the decision-making.

The Supervisory Board shall meet at least four times a year and, furthermore, whenever one or more of the Supervisory Directors or the Management Board has requested a meeting.

Pursuant to the Supervisory Board Rules of Procedure, resolutions of the Supervisory Board are adopted by a simple majority vote, unless the Supervisory Board Rules of Procedure prescribe a greater majority. Each Supervisory Director has one vote. If more than two members of the Supervisory Board entitled to vote are represented during a meeting of the Supervisory Board, the chairperson – if entitled to vote – shall cast the deciding vote in the event of a tie. In other cases in the event of a tie vote, the relevant proposal shall be deemed to have been rejected.

Pursuant to the Articles of Association and the Supervisory Board Rules of Procedure, resolutions can also be adopted without holding a meeting, provided those resolutions are adopted in writing or in a reproducible manner by electronic means of communication and all Supervisory Directors entitled to vote have consented to adopting the resolutions outside a meeting.

***Conflict of interest***

Similar to the rules that apply to the Managing Directors as described above, Dutch law also provides that a supervisory director of a Dutch public limited liability company, such as the Company (after the execution of the Deed of Amendment), 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 conflicting with the interests of the company.

Each Supervisory Director (other than the chairperson or the vice-chairperson of the Supervisory Board) shall, without delay, report any (potential) conflict of interest that is of material significance to the Company, the business or the relevant Supervisory Director to the chairperson of the Supervisory Board, or in the chairperson's absence, the vice-chairperson of the Supervisory Board. The vice-chairperson of the Supervisory Board shall, without delay, report any (potential) conflict of interest that is of material significance to the Company, the business or to the vice-chairperson, to the chairperson of the Supervisory Board, or in the chairperson's absence, to the other Supervisory Directors. In case the chairperson of the Supervisory Board has a (potential) personal conflict of interest he or she shall immediately report such potential conflict to the vice-chairperson of the Supervisory Board, or in the vice-chairperson's absence, the other Supervisory Directors. If both the chairperson and the vice-chairperson of the Supervisory Board have a (potential) personal conflict of interest with respect to the same matter, they will report and provide information to one of the other Supervisory Directors. The Supervisory Director concerned must provide all relevant information, including any relevant information concerning his or her spouse, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree.

The Supervisory Board must, after having heard the relevant Supervisory Director and without that relevant Supervisory Director being present, determine whether a reported (potential) conflict of interest qualifies as a conflict of interest within the meaning of Dutch law.

If as a result of such a personal conflict of interest all Supervisory Directors are unable to participate in the deliberations and the decision-making process and no resolution of the Supervisory Board can be adopted, the resolution can be adopted by the General Meeting. If a Supervisory Director does not comply with the provisions on conflicts of interest, the resolution concerned is subject to nullification (*vernietigbaar*).

All transactions in which there are conflicts of interests with Supervisory Directors will be agreed on terms that are customary in the sector concerned, must be disclosed in the Company's management report and require the approval of the Supervisory Board if the conflict of interest is of material significance to the Company or to the relevant Supervisory Director. The Supervisory Board decides on the approval in a meeting without the Supervisory Director concerned being present.

**Supervisory Directors**

As of the date of this Prospectus, CM.com does not have a Supervisory Board. Ultimately per the Settlement Date, the Supervisory Board will be instituted pursuant to the Articles of Association and will be composed of the following six Supervisory Directors:

| Name | Date of birth | Position | Member as of | Date of possible reappointment (at first General Meeting) |
|---|---|---|---|---|
| Martin van Pernis . . . . . . . | 27 January 1945 | Chairman and Supervisory Director | Settlement Date | 2023 |
| Hans Christian (Chris) Figee | 4 July 1972 | Vice-chairperson and Supervisory Director | Settlement Date | 2023 |
| Lex Beins. . . . . . . . . . . . . | 21 June 1965 | Supervisory Director | Settlement Date | 2023 |
| Diederik Karsten . . . . . . . . | 6 November 1956 | Supervisory Director | Settlement Date | 2023 |
| David de Buck . . . . . . . . . | 16 January 1967 | Supervisory Director | Settlement Date | 2023 |
| Mariken Tannemaat . . . . . . | 20 November 1971 | Supervisory Director | Settlement Date | 2023 |

The Company's registered address, Konijnenberg 30, 4825 BD, Breda, the Netherlands, serves as the business address for all Supervisory Directors.

***CVs Supervisory Directors***

*Martin (Maarten Cornelis Jan) van Pernis*

Martin van Pernis, chairman of the Supervisory Board, is a Dutch national. Mr. van Pernis studied Economics and Law at the Erasmus University in Rotterdam (1975-1978) and Electronics at The Hague University of Applied Sciences (1963-1969), in which he holds a bachelor degree. He also took part in the Shell Advanced Management Study Group in London and management courses at Siemens A.G. in Munich. Mr. van Pernis started his career with Siemens in 1971, became a member of the management board of Siemens Nederland N.V. in 1996 and was the chief executive officer of Siemens Nederland N.V. from 2002 to 2010. Mr. van Pernis was also the president of the Siemens Group in the Netherlands (2002-2010) and "Speaker" for Siemens North-West Europe (2005-2010). Mr. van Pernis has worked 40 years within the Siemens concern, holding various positions.

Mr. van Pernis was also a member of the management board of Stichting Connekt (1998-2008), a member of the management board of Stichting Syntens (2004- 2009), member of the supervisory and advisory board (*Raad van Toezicht en Advies*) of Nederland Distributieland (NDL) (2005-2010), member of the board of Internationaal Ontvangstcentrum van het Bedrijfsleven "De Wittenburg" (2005-2010), member of the management board of Nederlands-Duitse Handelskamer (Deutsch-Niederländische Handelskammer) (DNHK) (2002-2010), member of the board of ICT~Office (2004-2010), member of the board of Stichting Management Studies (2006-2010), member of the supervisory boards of several Siemens subsidiaires (1996-2010), deputy chairman of the board of FME/CWM (2002-2010), member of the board (*Dagelijks Bestuur*) of VNO-NCW (2002-2010), president of Business In the Community (BIC), the Hague (2003-2011), member of the supervisory board (*Raad van Toezicht*) of Stichting ROC Mondriaan (2003-2011), member of the programmacommissie Pieken in de Delta (2007-2011), chairman of the supervisory board (*Raad van Toezicht*) of Den Haag Marketing (2004-2012), chairman of the board of the Netherlands-Israel Chamber of Commerce (*Nederlands-Israëlische Kamer van Koophandel*) (2008-2013), member of the supervisory board of Feyenoord Rotterdam N.V. (2007-2014), chairman of the supervisory board (*Raad van Toezicht*) of Stichting GGZ Delfland (2006-2014), chairman of the supervisory board (*Raad van Toezicht*) of Stichting Sint Franciscus -Vlietland Ziekenhuisgroep (2010-2014), chairman of Stichting Vernieuwing Bouw (2010-2015), chairman of the supervisory board of Airbus Defence and Space Netherlands B.V. (previously: Dutch Space) (2005-2015), vice-president of Stichting De Bouwcampus (previously: Stichting Vernieuwing Bouw) (2014-2015), chairman of Commissie Belangenverstrengeling TU Delft (2011-2016), chairman of the supervisory board of Protocolbureau B.V. (2008-2016), member of the management board of Stichting Von Gimborn Arboretum (2012-2016), chairman of Commissie Advies- en Verwijspunt Klokkenluiders (2012-2016), president of Koninklijk Instituut van Ingenieurs (KIVI) (2010-2016), president of Stichting De Nederlandse Bouwpluim (2010-2016) and chairman of the supervisory board of Batenburg Techniek B.V. (2008-2018).

Mr. van Pernis is currently the founder and president of Vapecon B.V. (since 2010), chairman of the supervisory board of Aalberts N.V. (since 2010), member of the board of Stichting Prioriteit "Aalberts N.V." (since 2010) and chairman of the supervisory board of CM Payments B.V. (since 2016). He is also president of Business Club TEN (since 2005), a member of the board of Advice (*Raad van Advies*) of Stichting Theater op Katendrecht Walhalla (2008), vice-chairman of the supervisory board and chairman of the nomination, selection and remuneration committee of ASM International N.V. (since 2010), a member of the management board of Koning Willem I Stichting (since 2010), founder and chairman of Stichting Ambassadors Club Nederland (since 2010), and a member of the supervisory board of OptiXolar Holding B.V. (since 2014). In addition, Mr. van Pernis is a member of the advisory board of G4S Nederland B.V. (since 2014), chairman of Stichting Sacon Adminitratiekantoor Zwolle (since 2014), chairman of the supervisory board (*Raad van Toezicht*) of Stichting Rotterdams Philharmonisch Orkest (since 2014), chairman of Stichting Habitat for Humanity Nederland (since 2015), chairman of evaluatiecommissie NRPO-SIA of NOW (since 2015), chairman of deskundigencommissie MKB innovatie stimulering topsectoren Zuid-Holland MIT (since 2015), member of the board of Stichting Certi-Safe (since 2016) and president of Stichting Oostenrijkse Cultuur in Nederland (Wienerball) (since 2017).

Mr. van Pernis is *Officier in de Orde van Oranje Nassau* (2010). Mr. Van Pernis was honoured with the Verdienstkreuz I. Klasse des Verdienstordens der Bundesrepublik Deutschland (2009).

*Chris (Hans Christian) Figee*

Chris Figee, vice-chairperson and member of the Supervisory Board, is a Dutch national. Mr. Figee obtained a MSc degree (*Cum Laude*) in financial economics at the University of Groningen (1990-1995). He also studied risk management at the University of Stanford (1997-1998) and became an EFFAS certified investment analyst. Mr. Figee started his career at AEGON Levensverzekeringen N.V. (1995-1999), after which he worked for McKinsey & Company, Inc the Netherlands (1999-2009) as an associate in the European corporate finance practice, became partner in 2004 and was relocated to Dubai in 2006 to co-lead the Middle East financial services. After that, Mr. Figee worked at Achmea (2009-2014) as group strategy & performance management director and as group finance director. He was a board member of Achmea Zorg Participaties B.V. (2011-2014) and a member of the supervisory board of Staalbankiers N.V. (private bank) (2012-2014).

Mr. Figee currently is a member of the management board and chief financial officer of ASR Nederland N.V. (since 2014), and a member of the executive board of a.s.r. Nederland N.V. (since 2014). In this capacity, he is chairman of ASR's finance & risk committee and chairman of the disclosure committee, and a member of the audit & risk committee a.s.r. Nederland N.V. In addition, Mr. Figee is a member of the internal supervisory board of a.s.r. Bank N.V. (since 2014), Dutch ID B.V., Boval B.V. (since 2016) and SuperGarant Assuradeuren B.V. (since 2016). Mr. Figee is a member of the supervisory board and chairman of the audit committee of the Stichting DSI (Dutch Securities Institute) (since 2017). He is also a member of the supervisory board of Stichting Nederlands Comité UNICEF (Unicef Netherlands) (since 2018) and chairman of the audit committee of Stichting Nederlands Comité UNICEF (since 2018). Mr. Figee is also a member of the supervisory board of Human Total Care Company (since 2018).

*Lex (Walter) Beins*

Lex Beins, member of the Supervisory Board, is a Dutch national. Mr. Beins obtained a MSc degree in Industrial Engineering from the University of Twente (1983-1989) and served in the Royal Netherlands Air Force (1988-1989). He started his career as the founder of Lexton Taalreizen B.V. (1989-1997), after which he founded ICSA-T B.V. (1991-1995), Pyton Communication Services B.V. (1992-2003) and Cheaptickets.nl / Beins Travel Group B.V. (1996-2011). In 2011, Cheaptickets.nl was merged into Travix International B.V. Mr. Beins also worked as interim manager for NS Travel B.V. (2004-2005) and as a project manager for Check6wealth.com (2018-2019). He was a member of the management board of Vereniging van Reisagenten (VRA/ANVR) M (1999-2007), a member of the advisory board of Pyton Communication Services B.V. (2002-2015), a non-executive board member of Travix International B.V. (2011-2014), a member of the advisory board of The Sound of Data B.V. (2012-2015) and a member of the board of Timbookto Spain S.L. (2012-2016).

Mr. Beins is currently a member of the management board of Barleda Netherlands B.V. (since 2004), a member of the management board of Barleda Poland SPzoo (since 2006), a member of the management board of Mileto SPzoo (since 2011), a member of the management board of Lex Beins Consultants B.V. (since 2010), a member of the management board of Charp B.V. (since 2010), a member of the management board of Zambezi Coöperatief U.A. (since 2010), a director of Stichting Beheer Arendshof 79, 81 en 83 (since 2011), a director of Stichting Beheer Heuvelstraat 4, 4a en 6 (since 2011), a member of the advisory board of Check6 Ltd (since 2013), a member of the supervisory board and a member of the audit and IT committees of Profile International N.V. (since 2013), chairman of the supervisory board of Ecart 1 B.V. (since 2016), a member of the supervisory board of CM Payments B.V. (since 2017), a member of the management board of Amplify B.V. (since 2019), a director of Stichting Administratiekantoor Amplify (since 2019), a member of the management board of Sevn B.V. (since 2019), a director of Stichting

Administratiekantoor Sevn (since 2019), a member of the management board of XVII B.V. (since 2019) and a director of Stichting Administratiekantoor XVII (since 2019).

*Diederik Karsten*

Diederik Karsten, member of the Supervisory Board, is a Dutch national. Mr. Karsten obtained a master's degree in Business Administration from the Erasmus University in Rotterdam (1976-1983). Mr. Karsten started his career at Procter & Gamble in the Netherlands and the United Kingdom (1983-1988). He then worked for Pepsi-Cola/7Up in the Netherlands (1988-1990). Mr. Karsten held various positions within PepsiCo in the United States, Germany and the Netherlands between 1990-1996. In 1996, he joined KPN Mobile (the Netherlands) (1996-2002) where he became chief executive officer of KPN Mobile N.V. (2000-2002). In 2004, Mr. Karsten became chief executive officer of UPC Netherlands for Liberty Global plc (2004-2010). In 2011, he joined the management board of Liberty Global plc as executive vice president for European Broadband Operation and at the end of 2015 subsequently became the chief commercial officer of Liberty Global plc until he resigned in 2019. With regard to his non-executive career, Mr. Karsten was a non-executive director of Tieman Group (2002-2004). In addition, Mr. Karsten was a member of the board of directors of EasyJet PLC (2001-2008), a member of the marketing advisory board of het Rijksmuseum (the Netherlands) (2002-2013), a member of the management board of NLConnect (the Netherlands) (2007-2011), and a member of the supervisory board of ANP Holding B.V. (2008-2010). In addition, Mr. Karsten also served on several supervisory boards on behalf of Liberty Global plc, amongst others, as a non-executive director (*Raad van Bestuur*) of Telenet Group Holding N.V. (Belgium) (2012-2019), a chairman of the supervisory board of Ziggo Holding B.V. (formerly known as Ziggo N.V.) (2014-2015), a member of the supervisory board of Ziggo Group Holding B.V. (2015-2016), a member of the supervisory board of VodafoneZiggo Group Holding B.V. (2016-2019) and chairman of the supervisory board of Unitymedia GmbH (2011-2019).

Mr. Karsten is currently a member of the management board of Dikar Beheer B.V. (since 2002), and expected to be a member of the supervisory board of Stadion Amsterdam N.V. (as from December 2019).

*David (Pieter William) de Buck*

David de Buck, member of the Supervisory Board, is a Dutch national. Mr. de Buck obtained a degree in Business Administration at Nyenrode Business University (1985-1988). He worked as a market-maker in Amsterdam and Paris at Optiver (the Netherlands) (1988-1991), after which he joined Mees & Hope (Fortis Bank) (the Netherlands) as assistant vice-president (1991-1992). Mr. de Buck was also a vice-president at ING Bank N.V. (1993-1996) and a senior manager at Standard Bank (United Kingdom) (1997-1998). In 1998, Mr. de Buck joined MeesPierson (United Kingdom) as a managing director and later joined Fortis Bank (the Netherlands) as a managing director (2003-2007). He became chief executive officer of Fortis Lease Group (Belgium/Luxembourg) in and for the year 2008 and related to this position he was also a supervisory board member of Fortis Lease (Nederland) N.V. (in and for the year 2008). Mr. de Buck was also a supervisory board member of Fortis Groenbank B.V. (2006-2009). In addition, Mr. de Buck was chief executive officer of the Intertrust group (2009-2018). He was a member of the conseil d'administration of Intertrust Group Holding S.A. (2009-2018), chief executive officer of Intertrust Group Holding S.A. (2009-2018), a member of the conseil d'administration of Intertrust Intellectual Property Group Holding S.A. (2009-2018), a member of the management board of Intertrust Holding (Guernsey) Limited (2009-2018), president and a member of the management board of IFS Holding AG (2009-2018), a member of the management board of Intertrust International Topholding B.V. (2010-2013), a member of the management board of Intertrust International Holding B.V. (2010-2013), a member of the management board of Intertrust (Netherlands) Employment B.V. (2010-2018), a member of the management board of Intertrust (Cyprus) Limited (2011-2018), a member of the management board of Intertrust (Far East) Limited (2011-2018), a member of the Raad van Toezicht of Stichting Intertrust Foundation (2012-2018), chairman of the supervisory board of Stichting Intertrust Foundation (2012-2018), a member of the board of Intertrust Holding (Cayman) Limited (2012-2018), a member of the management board of ATC Group B.V. (2013), a member of the management board of ATC (Switzerland) SARL (2013-2018), a member of the management board of Intertrust Investmentco B.V. (2012-2013 and 2015-2016), a member of the management board of Intertrust Holdco B.V. (2013-2016), a member of the management board of Intertrust Group B.V. (2013-2018), a member of the management board of Intertrust (Luxembourg) S.a.r.l. (2013-2018), a member of the management board of Intertrust N.V. (2014-2018), a member of the supervisory board of Intertrust (Netherlands) B.V. (2009-2010 and 2015-2018), a member of the management board of Intertrust Topholding (Luxembourg) S.a.r.l (2015-2018), chairman of the management board of Intertrust Danismanlik AS (2016-2018), a member of the management board of Elian TopCo Limited (2016-2018) and a member of the management board of Intertrust Holding (Jersey) Limited (2017-2018).

Mr. de Buck is currently chairman of the management board of Stichting Administratiekantoor Intertrust International Group (since 2010), a member of the board and the sole shareholder of Holland Leadership Center B.V. (since 2013), managing partner/director of Create Capital Partners B.V. (since 2019), a board member of RAK International Corporate Centre (United Arab Emirates) (since 2019) and a board member of Stichting Buzz Woman (since 2019).

*Mariken (Louise) Tannemaat*

Mariken Tannemaat, member of the Supervisory Board, is a Dutch national. Mrs. Tannemaat obtained a master's degree in Business Administration with a focus on logistics at the Erasmus University in Rotterdam (1989-1995) and master's degree in Strategic Marketing at TIAS Business School (2000-2001). In addition, she attended Hemmingway Professional Governance (2015-2016). Mrs. Tannemaat has held various positions at ING Direct N.V., in the Netherlands, the United Kingdom and as a member of the executive committee in France (2001-2011). In 2011, she joined ING Groep N.V. as global head branding and positioning (2011-2013). Mrs. Tannemaat was head of commerce international (2013-2015) and chief innovation officer (2016-2019) at NN Group N.V. From 2014 to 2016, Mrs. Tannemaat was also a non-executive director for the entities of Nationale-Nederlanden in Spain (Nationale-Nederlanden Vida Compañía de Seguros y Reaseguros, SAE) and Greece (NN Hellas) as well as for Sigorta Cini A.S. In addition, she was an executive director of Sparklab B.V. (2017-2018) and a non-executive director of Stichting Schulden naar kansen (in 2018).

Mrs. Tannemaat is currently a member of the supervisory board of Wehkamp Holding B.V. (since 2018) and chief innovation officer at Robeco N.V. (since 2019–1 October 2019).

***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, which charter will be in effect ultimately on the Settlement Date. The committees consist of Supervisory Directors who are appointed for such committees by the Supervisory Board. The committees report their findings to the Supervisory Board, which is ultimately responsible for all decision-making.

*Audit Committee*

The duties of the Audit Committee include the supervision and monitoring as well as advising the Management Board and each Managing Director regarding the operation of the Company's internal risk management and control systems. The Audit Committee advises the Supervisory Board on the exercise of certain of its duties and prepares nominations and reviews for the Supervisory Board in this regard. The Audit Committee also supervises the submission of financial information by the Company, the compliance with recommendations of internal and external accountants, the Company's policy on tax planning, the Company's financing arrangements, assists the Supervisory Board with the Company's information and communications technology, including risks relating to cybersecurity. It furthermore maintains regular contact with and supervises the external accountant and it prepares the nomination of an external accountant for appointment by the General Meeting. The Audit Committee also issues preliminary advice to the Supervisory Board regarding the approval of the Annual Accounts and the annual budget and major capital expenditures. The Audit Committee shall meet as often as required for a proper functioning of the Audit Committee, and whenever one or more of its members have requested such meeting, but in any event at least four times a year.

Ultimately on the Settlement Date, the Audit Committee shall consist of Chris Figee (chairman) and David de Buck.

The charter for the Audit Committee are published on the Company's website under https://www.CM.com/investor-relations/corporate-governance/.

*Nomination, Selection and Remuneration Committee*

The Nomination, Selection and Remuneration Committee advises the Supervisory Board on the exercise of its duties regarding the remuneration policy of the Managing Directors, and preparing proposals for the Supervisory Board on these subjects. The duties of the Nomination, Selection and Remuneration Committee include the preparation of proposals of the Supervisory Board on the remuneration policy for the Managing Directors to be adopted by the General Meeting, and on the remuneration of the individual Managing Directors to be determined by the Supervisory Board. The Nomination, Selection and Remuneration Committee also prepares a remuneration report on the execution of the remuneration policy for the Management Board during the respective year to be adopted by the Supervisory Board. The Nomination, Selection and Remuneration Committee advises the Supervisory Board on its duties regarding the selection and appointment of Managing Directors and Supervisory Directors and the consultation of the Founder Committee thereon. These duties include preparing the selection criteria and appointment procedures for Managing Directors and Supervisory Directors, and proposing the composition profile of the Supervisory Board. The Nomination, Selection and Remuneration also proposes on appointments and re-appointments and the consultation of the Founder Committee thereon. The Nomination, Selection and Remuneration Committee meets whenever one or more of its members have requested such meeting and at least twice a year.

Ultimately on the Settlement Date, the Nomination, Selection and Remuneration Committee shall consist of Mariken Tannemaat (chairwoman), Martin van Pernis and Diederik Karsten.

The charter for the Nomination, Selection and Remuneration Committee are published on the Company's website under https://www.CM.com/investor-relations/corporate-governance/.

**Founder Committee**

***Powers, responsibilities and functioning***

The Founder Committee is a corporate body of the Company instituted in and pursuant to the Articles of Association to ensure that the Founders can remain actively involved in the Company. The Founder Committee may exercise the rights attributed to it pursuant to the Articles of Association.

These rights of the Founder Committee will only be exercised by the Founder Committee if and when needed to make sure that the Founders can remain actively involved in the Company. Otherwise, the Founder Committee will be dormant. The Founder Committee will be composed of the two members, being the Founders, ultimately on the Settlement Date. The Founder Committee will be installed if it has at least one member. The Founder Committee will no longer be installed if it no longer has any members.

As long as the Founder Committee is installed, the Founder Committee has 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. Furthermore, a resolution of the General Meeting to (a) amend the Articles of Association, (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 (including but not limited to a conversion of the legal form of the Company) or (e) dissolve the Company, will require the prior approval of the Founder Committee, provided that a resolution to amend the Articles of Association only requires the prior approval of the Founder Committee if the resolution has the effect that the rights attributable to the Founder Committee are amended, reduced or otherwise prejudiced. The Founder Committee, at its own discretion, has the right to decide of whether to exercise these rights.

***Composition, term and removal***

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 the Company. A Founder is "actively involved" if and as long as he is (i) a Managing Director, (ii) a Supervisory Director or (iii) holding another position within the Company or a subsidiary on the basis of an agreement with the Company or a subsidiary of the Company if such position is meaningful, adds value and contributes directly or indirectly to the Company, provided that such agreement explicitly states that the Founder will be considered actively involved. In deviation from the above, a Founder will cease to be a member of the Founder Committee as of the date (i) per which the Founder's voluntarily resignation takes effect, (ii) of his death or (iii) per which such Founder ceases to be actively involved as a result of the termination of his agreement with the Company or a subsidiary of the Company, for reasons of urgent cause or seriously culpable act or failure to act as referred to in the BW, which is deemed to apply by analogy where such Founder is not actively involved on the basis of an employment agreement.

***Meetings and decisions***

The Founder Committee shall meet whenever a member of the Founder Committee so requires to ensure that the Founders can remain actively involved in the Company.

Pursuant to the Articles of Association, resolutions of the Founder Committee can only be adopted by unanimous vote in a meeting in which all members of the Founder Committee are present or represented, provided that any member of the Founder Committee that is unable to act is not taken into account when establishing this quorum or majority requirement. Any conflict of interest provisions are not applicable to the Founder Committee. Each member of the Founder Committee has one vote. In the event of a tie vote, provided that the approval of the Founder Committee is requested, the approval shall be deemed to neither have been granted nor to have been rejected. In the event of a tie vote, provided that a resolution of the Founder Committee is required, the resolution shall be deemed to not have been adopted. The respective right of the Founder Committee can in such case not be exercised.

**Maximum Number of Supervisory Positions of Managing Directors and Supervisory Directors**

Restrictions apply with respect to the overall number of supervisory positions that a managing director or supervisory director (including a one-tier board) of "large Dutch companies" may hold. The term "large Dutch companies" applies to Dutch public limited liability companies, Dutch private limited liability companies and Dutch foundations that meet at least two of the following three criteria: (i) the value of the company's/foundation's assets according to its balance sheet together with explanatory notes, on the basis of the purchase price or manufacturing costs exceeds EUR 20 million; (ii) its net turnover in the applicable year exceeds EUR 40 million; and (iii) its average number of employees in the applicable year is 250 or more.

Note that the terms "large Dutch companies" as defined in this paragraph and the paragraph "—Diversity" and the "large company regime" (*structuurregime*) as referred to under "—Management structure" refer to different concepts.

A person cannot be appointed as a managing or executive director of a "large Dutch company" if he or she already holds a supervisory position at more than two other "large Dutch companies" or if he or she is the chairperson of the supervisory board or one-tier board of another "large Dutch company". Also, a person cannot be appointed as a supervisory director or non-executive director of a "large Dutch company" if he or she already holds a supervisory position at five or more other "large Dutch companies", whereby the position of chairperson of the supervisory board or one-tier board of another "large Dutch company" is counted twice.

The Company meets the criteria of a large Dutch company; all Managing Directors and Supervisory Directors comply with these rules.

**Diversity**

Dutch law requires large Dutch companies (see above for the explanation of this term) to pursue a policy of having at least 30% of the seats on both the management board and the supervisory board held by men and at least 30% of the seats on the management board and supervisory board held by women, each to the extent these seats are held by natural persons. Under Dutch law, this is referred to as a well-balanced allocation of seats. This allocation of seats needs to be taken into account in connection with: (i) the appointment, or nomination for the appointment, of managing directors and supervisory directors; (ii) drafting the criteria for the size and composition of the management board and supervisory board, as well as the designation, appointment, recommendation and nomination for appointment of supervisory directors; and (iii) drafting the criteria for the supervisory directors. If a Dutch large company does not comply with the gender diversity rules, it is required to explain in its management report (i) why the seats have not been allocated in a well-balanced manner, (ii) how it has attempted to achieve a well-balanced allocation and (iii) how it aims to achieve a well-balanced allocation in the future.

The Company currently does not meet these gender diversity targets.

**Potential Conflicts of Interest and Other Information**

Other than the circumstances described below, the Company is 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 the Company on the other hand. There is no family relationship between any Managing Director or any Supervisory Director.

The Company is aware of the fact that the Founders continue as Managing Directors and are members of the Founder Committee of the Company, while the Founders will continue to be (indirect) Shareholders (see "Existing Shareholders and Related Party Transactions—Existing 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 the Company.

The Founders indirectly own the Breda real estate in which CM.com's local operations and headquarters are based. The lease agreements between the Company and CM Campus B.V., which is ultimately jointly controlled by the Selling Shareholders (of which the Founders are the sole shareholders and directors), are described in "Existing Shareholders and Related Party Transactions—Related Party Transactions—Lease Agreements".

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 in each relevant situation handle and decide on any (potential) conflict of interest, also in this respect. A Managing Director or Supervisory Director shall not participate in the deliberation and decision-making process if he has a conflict of interest. See "—Management Board—Conflict of Interest" and "—Supervisory Board—Conflict of Interest". Any conflicts of interest are published in the annual report. Other than the circumstances described above, the Company 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 the Company.

During the last five years, none of the Managing Directors or the Supervisory Directors: (i) has been convicted of fraudulent offenses; (ii) has served as a director or officer of any entity subject to bankruptcy proceedings, receivership or liquidation; or (iii) has been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies), or disqualification by a court from acting as a member of the administrative, management or supervisory body of an issuer, or from acting in the management or conduct of the affairs of any issuer.

The Company is not aware of any arrangement or understanding with major Shareholders, suppliers, customers or others pursuant to which any Managing Director or Supervisory Director was selected as a member of such management or supervisory bodies of the Company.

**Management Board Remuneration**

The remuneration of the individual Managing Directors will be in accordance with the Management Board remuneration policy as adopted, and arrangements for remuneration in the form of Shares or rights to subscribe for Shares as approved by the General Meeting effective as of the Settlement Date.

CM.com Payments B.V. must comply with the remuneration requirements set forth in the Wbfo as implemented in the FMSA, including the 20% cap for variable remuneration. Recently, a legislative proposal was published for consultation to (i) introduce a retention period of five years for, amongst other things, shares part of the fixed remuneration of employees, (ii) introduce a requirement for financial institutions to take into account and report on the relationship between the remuneration paid and the societal function of the financial institution, and (iii) limit the possibility for financial institutions to use the current exemption to the bonus cap for employees without a collective labour agreement (CAO). In the event that payment services come to constitute the major business activity of CM.com, these rules must be applied throughout the organization.

The compensation package for the Management Board will consist of the following fixed and variable components which are discussed in more detail below:

a. fixed annual base salary;

b. long-term incentive plan; and

c. severance arrangements.

***Remuneration policy components***

*Fixed annual base salary*

The base salary of the Managing Directors aims to reflect the responsibility and scope of their role, taking into account their level of seniority and experience. The base salary for each Managing Director is a fixed cash compensation paid on a monthly basis. The base salary will be reviewed by the Supervisory Board annually, or when there is a change in position or responsibility, taking into account individual performance and degree of individual responsibility, the general operational performance of the Company, as well as economic environment and sustainable development of the Company.

*Long-term incentive plan*

As of the date of this Prospectus, the Company does not have an incentive plan for remuneration in the form of Shares or rights to subscribe for Shares for either the Managing Directors and members of the

Executive Committee. A long-term incentive plan for the Managing Directors, members of the Executive Committee and certain other eligible key employees is expected to be adopted by the General Meeting and by the Supervisory Board, and become effective after the Offering.

Pursuant to the terms of the long-term incentive plan, the Managing Directors (as well as other key employees) may be eligible to receive awards under the new long-term incentive plan ("**LTIP**"). Under the LTIP, it is expected that the Supervisory Board at its sole discretion may, within certain limits and subject to any applicable performance conditions, grant to Managing Directors, and the Management Board may grant to other eligible employees (i) awards for Shares ("**Share Awards**") and/or (ii) options over Shares ("**Share Options**"), and together with Share Awards, "**LTIP Awards**"). The Company intends to grant LTIP awards to eligible employees annualy on or around 1 September of each year, with the exception of this year; the first LTIP Awards may be granted as of the Settlement Date.

It is expected that the plan will provide that the "at target" value of the annual LTIP Awards shall not exceed 10%, 20% or 30% of the fixed base salary of the individual plan members. The performance conditions for the awarding of LTIP Awards are expected to concern the achievement of certain quantitative financial (50%) and qualitative non-financial (50%) targets which will be determined by the Supervisory Board or the Management Board, as the case may be, having regard to market practice within the Company's business and industry sector.

Subject to the participant's continuous employment by CM.com and performance testing, the LTIP Awards shall vest, and the LTIP Options will normally become exercisable, at the conclusion of a three-year period. The exercise price of the Share Options is expected to be determined on the basis of the average of the closing prices of the Shares in the five days preceding the grant date. If a participant dies, the LTIP Awards will vest on the date of his or her death. If a participant ceases to be employed by CM.com because of his or her disability, redundancy or retirement with the agreement of his or her employer, the Supervisory Board or the Management Board, as the case may be, shall decide whether his or her LTIP Awards will vest. LTIP Awards not already vested will not vest in case of resignation or dismissal.

In addition, the Supervisory Board will have the authority under the Code and Dutch law, to recover from a Managing Director any variable remuneration awarded on the basis of incorrect financial or other data (claw back). In case of a share price increase due to a public offer on the Company's Shares, Dutch law prescribes the reduction of the remuneration of a Managing Director by an amount equal to the increase in value of the Shares as a result of such public offer (see also "—Management Board Remuneration—Adjustments to variable remuneration"). On the basis of the salaries of the two Managing Directors as of the Settlement Date and taking into account that LTIP Awards granted in the first year on or after Settlement shall not exceed 20% of the base salary of the Managing Directors, the maximum amount that could be awarded annually in LTIP Awards to the Managing Directors pursuant to the expected terms of the long-term incentive plan would be EUR 50,000. The aggregate amount involved under the LTIP in the first year of the LTIP grants is expected not to exceed EUR 400,000.

In order to mitigate dilution, the Company may repurchase Shares to cover the LTIP Awards granted.

*Severance arrangements*

Contractual severance arrangements of the Managing Directors are compliant with the Code. See "—Employment, Service and Severance Agreement" for more details.

***Adjustments to variable remuneration***

Pursuant to Dutch law, the remuneration of managing directors may be reduced or managing directors may be obliged to repay (part of) their variable remuneration to the company if certain circumstances apply. Any variable remuneration component conditionally awarded to a managing director in a previous financial year which would, in the opinion of the supervisory board, produce an unfair result due to extraordinary circumstances during the period in which the predetermined performance criteria have been or should have been applied, the supervisory board will have the discretionary power to adjust the value downwards or upwards. In addition, the supervisory board will have the authority under the Dutch Corporate Governance Code and Dutch law to recover from a managing director any variable remuneration awarded on the basis of incorrect financial or other data (claw back). The supervisory board may furthermore adjust the variable remuneration (to the extent that it is subject to reaching certain targets and the occurrence of certain events) to an appropriate level if payment of the variable remuneration were to be unacceptable according to the requirements of reasonableness and fairness.

### *Remuneration for the Management Board in the year ended 31 December 2018*

The remuneration of the Managing Directors in 2018 was composed of short term employee benefits. Each Managing Director received a total remuneration in 2018 of EUR 158,760. At the date of this Prospectus, there are no amounts reserved or accrued by the Company or its subsidiaries to provide pension, retirement or similar benefits for the Managing Directors.

## Supervisory Board Remuneration

The General Meeting determines the remuneration of the Supervisory Directors. The Supervisory Board will submit a proposal to the General Meeting in respect thereof. The remuneration of the Supervisory Board cannot be dependent on the Company's results. The remuneration for the Supervisory Directors is expected to be approved by the General Meeting ultimately on the Settlement Date.

The chairman of the Supervisory Board will receive an annual fee of EUR 25,000. The other members of the Supervisory Board will each receive EUR 15,000 annually for their services as of the date of their appointment. In addition, each member of the Audit Committee and the Nomination, Selection and Remuneration Committee will receive an annual fee of EUR 1,500.

None of the Supervisory Directors may receive Shares, options for Shares or similar rights to acquire Shares as part of their remuneration. None of the Supervisory Directors may hold Shares, options for Shares or similar securities other than as a long-term investment. The Supervisory Directors may also not hold such securities, other than in accordance with the rules on holding or transacting in the Company's securities.

### *Remuneration for the Supervisory Board in the year ended 31 December 2018*

The Company did not have a Supervisory Board prior to the Offering.

### *Pensions for the Supervisory Board*

The Company did not have a Supervisory Board prior to the Offering.

## Equity Holdings

### *Equity holdings Managing Directors*

As of the date of this Prospectus, the current Managing Directors do not hold any Shares or options for Shares directly. As of the date of this Prospectus, the current Managing Directors hold an indirect interest of 50% each in the Company through ClubCompany1 B.V. and ClubCompany2 B.V. Jeroen van Glabbeek is the sole shareholder and director of ClubCompany1 B.V. and Gilbert Gooijers is the sole shareholder and director of ClubCompany2 B.V. For an overview of the indirect interests of the Managing Directors see "Existing Shareholders and Related Party Transactions".

## Incentive Plans and Award Programs

The number of Shares involved (in the form of options for Shares or Shares), including the Shares involved under "—Incentive Plans and Award Programs—LTIP", "—Incentive Plans and Award Programs—Key employee award Program" and "—Incentive Plans and Award Programs—Celebration share award program", is expected not to exceed 1% of the issued capital of the Company as at the Settlement Date in the first year after the Offering.

### *LTIP*

As of the date of this Prospectus, the Company does not have an incentive plan for remuneration that awards Shares or rights to subscribe for Shares to the Managing Directors or any other employees. A long-term incentive plan for the Managing Directors, members of the Executive Committee and certain other key employees is expected to be adopted by the General Meeting and by the Supervisory Board and become effective after the Offering. See also "—Management Board Remuneration—Remuneration policy components—Long-term incentive plan".

### *Key employee award program*

Upon a successful completion of the Offering and on the Settlement Date, the Company intends to grant approximately 25 key employees with a one-time Shares award ("**One Time Shares Award**") or, to key employees resident in jurisdictions other than the Netherlands, a cash bonus representing the One Time Share Awards granted in the Netherlands under the Company's one-time key employee retention award program (the "**Award Program**"), equivalent to two monthly gross fixed salaries per employee. The eligible key employees of the Company will be entitled to participate in the Award program in accordance with its terms and conditions including and a holding and, subject to the participant's continuous employment by CM.com, vesting period of two years after the grant date. The actual cash bonus to employees in jurisdictions other than the Netherlands will be paid two years after the grant date on the basis of the closing prices of the Shares (serving as a quivalent of the cash bonus) on that date.

If a participant dies, the One Time Share Awards will vest on the date of his or her death. If a participant ceases to be employed by CM.com because of his or her disability, redundancy or retirement with the agreement of his or her employer, the Management Board shall decide whether his or her One Time Share Awards will vest. One Time Share Awards not already vested will not vest in case of resignation or dismissal.

The aggregate amount involved under the Award Program is expected not to exceed EUR 300,000.

***Celebration share award program***

Upon a successful completion of the Offering and on the Settlement Date, the Company intends to grant its Dutch resident employees Share awards under the Company's celebration share award program, subject to a holding period of at least one year after the grant date. Per month of employment with the Company or with a Group Company, calculated as per the date on which the relevant Group Company became part of CM.com, employees are expected to be granted one Share with a minimum of 20 Shares.

Upon a successful completion of the Offering and on the Settlement Date, the Company intends to grant a cash bonus to its employees in jurisdictions other than the Netherlands, representing the Share awards granted in the Netherlands. The amount of the grant consisting of a cash bonus representing Share awards in the Netherlands per employee is expected to depend, among others, on the number of months of employment with the Company or with a Group Company, calculated as per the date on which the relevant Group Company became part of CM.com. The actual cash bonus will be paid one year after the grant date on the basis of the closing prices of the Shares (serving as an equivalent of the cash bonus) on that date.

The aggregate amount of Shares (or equivalent to Shares) involved is expected to be approximately 15,000 Shares.

**Other Incentive Plans**

After the Offering, CM.com and CM Payments B.V. intend to implement an incentive plan for remuneration in the form of Shares or rights to subscribe for Shares for the Managing Directors, Executive Committee members and key employees who are employed by or are a member of the board in CM.com's payment division (CM Payments B.V.). This incentive plan will mirror the LTIP, except that the incentive plan must comply with the remuneration requirements set forth in the Wbfo as implemented in the FMSA, including the 20% cap for variable remuneration. See also "—Management Board Remuneration".

**Employment, Service and Severance Agreements**

As of the date of this Prospectus, the Managing Directors are employed by CM.com B.V. The employment relationship is governed by Dutch employment law. Each current Managing Director is expected to enter into a service agreement (*overeenkomst van opdracht*) with the Company effective as of the Settlement Date for an indefinite term. The terms and conditions of these service agreements will be based on the current benefit package of the Managing Directors and the Code save for as stated under "—Corporate Governance Code—Compliance with the Code" below. The service contracts will also contain severance provisions which provide for compensation for the loss of income resulting from a termination of employment of up to six months gross fixed base salary in addition to a notice period of six months. The Supervisory Directors will be engaged on the basis of a service agreement (*overeenkomst van opdracht*) with the Company.

**Liability of Managing Directors and Supervisory Directors**

Under Dutch law, the Managing Directors and Supervisory Directors may be liable towards the Company for damages in the event of improper or negligent performance of their duties. They may be jointly and severally liable for damages towards the Company for infringement of the Articles of Association or of certain provisions of the BW. In addition, they may be liable towards third-parties for infringement of certain provisions of the BW. In certain circumstances, they may also incur additional specific civil and criminal liabilities.

**Insurance**

Managing Directors, Supervisory Directors and certain other directors and/or officers of CM.com are insured under an insurance policy taken out by the Company against damages resulting from their conduct when acting in their capacities as directors or officers.

**Indemnification**

Pursuant to the Articles of Association, and unless Dutch law provides otherwise, current and former Managing Directors, Supervisory Directors and members of the Founder Committee will be indemnified, held harmless and reimbursed by the Company: (i) the reasonable costs of conducting a defense against claims resulting from an act or omission in performing their duties or in performing other duties the Company has asked them to fulfil; (ii) any costs, financial losses, damages, compensation or financial penalties they owe as a result of an act or omission as referred to under (i); (iii) any amounts they owe under settlements they have reasonably entered into in connection with an act or omission as referred to in (i); (iv) the reasonable costs of other proceedings in which they are involved as a current or former Managing Director, Supervisory Director or members of the Founder Committee, except for proceedings in which they are primarily asserting their own claims; and (v) tax damage due to reimbursements in accordance with the foregoing.

There shall be, however, no entitlement to the indemnification and reimbursement if and to the extent that: (i) it has been established in a final and non-appealable decision of the competent court or, in the event of arbitration, of an arbitrator, that the act or omission of the indemnified person can be described as deliberate (*opzettelijk*), wilfully reckless (*bewust roekeloos*) or seriously culpable (*ernstig verwijtbaar*). In that case the indemnified person must immediately repay the sums advanced or reimbursed by the Company, unless Dutch law provides otherwise or this would, in the given circumstances, be unacceptable according to standards of reasonableness and fairness; (ii) the costs, financial losses, damages, compensation or financial penalties owed by the indemnified person are covered by an insurance policy and the insurer has paid out these costs, financial losses, damages, compensation or financial penalties; or (iii) the indemnified person failed to notify the Company in writing as soon as reasonably possible of the costs, financial losses, damages, compensation or financial penalties or of the circumstances that could lead to the incurrence thereof.

The indemnified person shall comply with the Company's instructions regarding the defence strategy and coordinate the defence strategy with the Company beforehand. The indemnified person requires the Company's prior written consent for: (i) acknowledging personal liability, (ii) deciding not to put up a defence, and (iii) entering into a settlement.

**Pension Schemes**

CM.com operates various post-employment schemes, including defined contribution plans in the Netherlands and Belgium.

All post-employment schemes are defined contribution plans. A defined contribution plan is a post-employment benefit plan under which CM.com pays fixed contributions into a separate entity. CM.com has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The defined contribution plans held by the Company or its subsidiaries in other countries than the Netherlands follow the local custom of that country.

**Works Council**

The Company has not established a works council.

**Employees**

The table below provides an overview of the total numbers of FTEs CM.com employed, subdivided per region.

| Geographical split FTE | H1 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|
| The Netherlands | 208 | 209 | 183 | 152 |
| Belgium | 16 | 16 | 18 | 20 |
| France | 8 | 8 | 7 | 5 |
| Rest of Europe | 8 | 11 | 11 | 11 |
| Rest of World | 16 | 14 | 11 | 4 |
| **Total** | **256** | **258** | **230** | **192** |

Since 30 June 2019, there were no significant changes in the number of FTEs employed by CM.com.

**Corporate Resolutions**

It is expected that on or prior to the Settlement Date, the General Meeting will adopt a resolution to issue up to 6,666,667 New Offer Shares and to exclude all pre-emptive rights accruing to Shareholders in relation to the issuance of these New Offer Shares. The issuance of New Offer Shares and the delivery of the Offer Shares will take place on the Settlement Date. See also "The Offering—Timetable" and "The Offering—Payment".

It is expected that on or prior to the Settlement Date, the General Meeting and the meeting of holders of priority shares in the share capital of the Company will adopt a resolution to amend the articles of association of the Company in such way to amend the share capital of the Company. See "Description of Share Capital—Share Capital—Authorized and issued share capital of the Company" and "Existing Shareholders and Related Party Transactions—Conversion of Shares and Amendment of the Company's Articles of Association". Through this amendment of the articles of association of the Company, the meeting of holders of priority shares in the share capital of the Company will be dismantled, as a result whereof its powers shall, in principle, be vested in the General Meeting.

**Corporate Governance Code**

The Dutch Corporate Governance Code applies to all Dutch companies listed on a government-recognized stock exchange, whether in the Netherlands or elsewhere. The Code therefore applies to the Company. The Code contains a number of principles and best practice provisions in respect of managing boards, supervisory boards, shareholders and the general meeting, financial reporting, auditors, disclosure, compliance and enforcement standards.

The Company is required to disclose in its management report whether or not it applies the provisions of the Code and, if it does not apply those provisions, to explain the reasons why.

***Compliance with the Code***

The Company acknowledges the importance of good governance. The Company agrees with the general approach and is committed to adhering to the best practices of the Code as much as possible. The Company 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.
- 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 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.

# DESCRIPTION OF SHARE CAPITAL

The following paragraphs summarize information concerning the Company's share capital and material provisions of the Articles of Association and applicable Dutch law. This section summarizes the Articles of Association as these will be in effect ultimately on the Settlement Date.

The Articles of Association in the governing Dutch language and in an unofficial English translation thereof are available on the Company's website (https://www.CM.com/investor-relations/corporate-governance/articles-of-association/). See also "Management, Employees and Corporate Governance" for a summary of material provisions of the Articles of Association, Management Board Rules of Procedure, Supervisory Board Rules of Procedure and Dutch law relating to the Management Board and the Supervisory Board.

## General

The Company was incorporated as a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of the Netherlands on 17 January 2001 and was named ClubMessage B.V. The Company will be converted to a public limited liability company (*naamloze vennootschap*) ultimately on the Settlement Date pursuant to a notarial deed of conversion and amendment of the articles of association in accordance with a resolution of the General Meeting to be adopted on or prior to the Settlement Date (the "**Deed of Amendment**"). The legal and commercial name of the Company will then be CM.com N.V. The seat of the Company is in Breda and address at Konijnenberg 30, 4825 BD, Breda, the Netherlands. The Company's telephone number is +31 76 57 27 000 and its website is www.CM.com. The Company is registered in the Commercial Register of the Chamber of Commerce (*Handelsregister van de Kamer van Koophandel*) under number 20095946 and its legal entity identifier ("**LEI**") is 724500EKK22DNSV3PC23.

## Corporate Purpose

Pursuant to article 2.2 of the Articles of Association, the corporate objects of the Company are:

a) to incorporate, participate in and conduct the management of other companies and enterprises;

b) to render administrative, technical, financial, economic or managerial services to other companies, persons and enterprises;

c) to acquire, dispose of, manage and utilize real property, personal property and other goods, including patents, trademark rights, licenses, permits and other industrial property rights;

d) to borrow, to lend and to raise funds, including the issue of bonds, promissory notes or other financial instruments and to enter into agreements in connection with aforementioned activities; and

e) to grant guarantees, to bind the Company and to pledge or otherwise encumber its assets for obligations of the Company, subsidiaries and third parties,

and to do all that is connected therewith or may be conducive thereto, all to be interpreted in the broadest sense of the words.

## Share Capital

### *Authorized and issued share capital of the Company*

As of the date of this Prospectus, the issued share capital of the Company consists of 998 ordinary shares with a nominal value of EUR 20 each and two priority shares with a nominal value of EUR 20 each. There is no authorized capital and all ordinary shares and priority shares are fully paid-up. Prior to the execution of the Deed of Amendment, all issued shares in the share capital of the Company will be converted into one class of shares and the nominal value of each share shall be increased to EUR 500. Through the execution of the Deed of Amendment, each Share with a nominal value of EUR 500 will be split into 12,500 Shares with a nominal value of EUR 0.04 each. As a result thereof, after the execution of the Deed of Amendment, the authorized share capital of the Company will amount to EUR 2,000,000 divided into 50,000,000 Shares with a nominal value of EUR 0.04 each.

The net asset value (total assets minus total liabilities) per Share as of the date of the latest balance sheet (*i.e.*, 30 June 2019) before the Offering is EUR 7,555. The Offer Price is expected to be in the range of EUR 15.00 to EUR 19.00 (inclusive) per Offer Share.

On the date of this Prospectus, no Shares are held by the Company. At the date of this Prospectus, all issued Shares are fully paid-up and are subject to, and have been issued under, the laws of the Netherlands.

***History of share capital***

Since its incorporation and prior to Settlement, the Company has issued the following Shares in accordance with the provisions in the BW:

| Date | Number of Shares |
|---|---|
| 17 January 2001 | 998 ordinary shares and 2 priority shares, each with a nominal value of EUR 20 |

**Shareholders' Register**

The Shares are in registered form (*op naam*). No share certificates (*aandeelbewijzen*) are or may be issued. If requested, the Management Board will provide a Shareholder, usufructuary or pledgee of such Shares with an extract from the shareholders' register relating to his or her title to a Share free of charge. If the Shares are encumbered with a right of usufruct (*vruchtgebruik*) or a right of pledge (*pandrecht*), the extract will state to whom such rights will fall to. The shareholders register is kept by the Management Board.

The Company's shareholders' register records the names and addresses of the Shareholders, the number of Shares held, the date on which the Shares were acquired, the date of acknowledgement and/or service upon the Company of the instrument of transfer, the amount paid on each Share and the date of registration in the shareholders register. In addition, each transfer or passing of ownership is registered in the shareholders register. The shareholders register also includes the names and addresses of persons and legal entities with a right of pledge or a right of usufruct on those Shares, the date on which they acquired such a right and the date of acknowledgement or service upon the Company of the instrument of transfer.

For shares as referred to in the Dutch Securities Giro Transactions Act (*Wet giraal effectenverkeer*), including the Offer Shares, which are included in (i) a collective depot as referred to in that Dutch Securities Giro Transactions Act, of which shares form part, as being kept by an intermediary, as referred to in the Dutch Securities Giro Transactions Act, or (ii) a giro depot as referred to in that Act of which shares form part, as being kept by a central institute as referred to in that Act, the name and address of the relevant intermediary or the relevant central institute shall be entered in the shareholders' register, stating the date on which those shares became part of such collective depot or giro depot, the date of acknowledgement by or giving of notice to, as well as the paid-up amount on each share.

**Issuance of Shares**

The General Meeting, or the Management Board, to the extent so authorized by the General Meeting for a specific period with due observance of the applicable statutory provisions, may resolve to issue Shares. A resolution of the Management Board to issue Shares requires the approval of the Supervisory Board. This also applies to the granting of rights to subscribe for Shares, such as options, but is not required for an issue of Shares pursuant to the exercise of a previously acquired right to subscribe for Shares. The authorization may be extended by specific consecutive periods with due observance of applicable statutory provisions. The Company may not subscribe for its own Shares on issue.

Pursuant to a resolution of the General Meeting to be adopted on or prior to the Settlement Date, the Management Board, subject to the approval of the Supervisory Board, is authorized by the General Meeting for a period of 18 months following the Settlement Date to resolve to issue Shares and to grant rights to subscribe for Shares. Aforementioned authorization of the Management Board is limited to 10% of the total nominal issued share capital of the Company as of the Settlement Date. Prior to or on the Settlement Date, the General Meeting will further adopt a resolution to issue the Offer Shares.

**Pre-emptive Rights**

Upon issue of Shares or grant of rights to subscribe for Shares, each Shareholder shall have a pre-emptive right in proportion to the aggregate nominal amount of his or her Shares. Shareholders do not have pre-emptive rights in respect of Shares issued (i) to employees of the Company or of a Group Company; (ii) against payment other than in cash; or (iii) to a person exercising a previously acquired right to subscribe for Shares. These pre-emptive rights and non-applicability of pre-emptive rights also apply in case of the granting of rights to subscribe for Shares.

Pre-emptive rights may be restricted or excluded by the Management Board, subject to the approval of the Supervisory Board, if the Management Board is authorized by the General Meeting to do so. If the Management Board has not been authorized to restrict or exclude pre-emptive rights, the General Meeting has the power to limit or exclude pre-emptive rights. The designation will only be valid for a specific period and may be extended by specific consecutive periods with due observance of applicable statutory provisions. Unless provided otherwise in the designation, the designation cannot be withdrawn.

Pursuant to a resolution of the General Meeting to be adopted on or prior to the Settlement Date, the Management Board, subject to the approval of the Supervisory Board, is authorized for a period of 18 months following the Settlement Date, to resolve to restrict or exclude pre-emptive rights of shareholders in relation to the issue of, or grant of rights to subscribe for, Shares for which it was authorized by the General Meeting to resolve upon as described above. Aforementioned authorization of the Management Board is limited to 10% of the total nominal issued share capital of the Company as of the Settlement Date.

**Acquisition by the Company of its Shares**

The Company may acquire fully paid-up Shares at any time for no consideration or, subject to Dutch law and the Articles of Association if: (i) the distributable part of the Shareholders' equity is at least equal to the total purchase price of the repurchased Shares; (ii) the aggregate nominal value of the Shares which the Company acquires, holds or holds as pledge or which are held by a subsidiary does not exceed 50% of the issued share capital; and (iii) the Management Board, subject to the approval of the Supervisory Board, has been authorized by the General Meeting to repurchase Shares. The General Meeting's authorization is valid for a specific period with due observance of applicable statutory provisions. As part of the authorization, the General Meeting must specify the number of Shares that may be acquired, the manner in which the Shares may be acquired and the price range within which the Shares may be acquired.

No authorization from the General Meeting is required for the acquisition of fully paid up Shares for the purpose of transferring these Shares to employees of the Company or of a Group Company pursuant to any applicable equity plan, provided that the Shares are quoted on an official list of a stock exchange.

The Company may not cast votes on, and is not entitled to dividends paid on, Shares held by it nor will such Shares be counted for the purpose of calculating a voting quorum. Pledgees or usufructuaries of a Share owned by the Company or a subsidiary are not excluded from exercising voting rights if the right of pledge or usufruct was created before the Share was owned by the Company or such subsidiary and the voting rights were transferred to the respective pledgee or usufructuary. For the computation of the profit distribution, the Shares held by the Company in its own capital shall not be included. The Management Board is authorized, subject to approval of the Supervisory Board, to dispose of the Company's own Shares held by it.

Pursuant to a resolution of the General Meeting to be adopted on or prior to the Settlement Date, the Management Board, subject to the approval of the Supervisory Board, will be authorized by the General Meeting to resolve to repurchase fully paid-up Shares. Aforementioned authorization of the Management Board is limited to 10% of the total nominal issued share capital of the Company as of the Settlement Date and will be valid for 18 months following the Settlement Date. Shares may be acquired at the stock exchange or otherwise, at a price between the nominal value and 110% of the opening price at Euronext Amsterdam at the date of acquisition.

**Transfer of Shares**

A transfer of a Share (not being, for the avoidance of doubt, a Share held through the system of Euroclear Nederland) or the creation of a restricted right (*beperkt recht*) thereto requires a deed drawn up for that purpose and the acknowledgment of the transfer by the Company in writing. Such acknowledgement is not required if the Company itself is a party to the deed. The same applies to the creation of a right of pledge or right of usufruct on a Share, provided that a right of pledge may also be created without acknowledgement by or service of notice on the Company, subject to the relevant provisions of the law.

If a Share is transferred for inclusion in a collective depot, the transfer will be accepted by the intermediary concerned. If a Share is transferred for inclusion in a giro depot, the transfer will be accepted by the central institute, being Euroclear Nederland. Upon issue of a new Share to Euroclear Nederland or to an intermediary, the transfer and acceptance in order to include the Share in the giro depot or the collective depot will be effected without the cooperation of the other participants in the collective depot or the giro depot, respectively. A Share included in the collective depot or giro depot shall be recorded in the shareholders' register of the Company in the name of Euroclear Nederland or the relevant intermediary. Depot shareholders are not recorded in the shareholders' register of the Company.

Shares included in the collective depot or giro depot can only be delivered from a collective depot or giro depot with due observance of the related provisions of the Dutch Securities Giro Transactions Act. The transfer by a depot shareholder of its book-entry rights representing such Shares shall be effected in accordance with the provisions of the Dutch Securities Giro Transactions Act. The same applies to the establishment of a right of pledge and the establishment or transfer of a usufruct on these book-entry rights.

**Capital Reduction**

Subject to the provisions of Dutch law and the Articles of Association, the General Meeting may resolve to reduce the issued share capital by (i) reducing the nominal value of the Shares through an amendment of the Articles of Association; or (ii) cancellation of Shares held by the Company itself. A resolution of the General Meeting to reduce the share capital requires a majority of at least a 2/3 majority of the votes cast if less than 50% of the issued and outstanding share capital is represented at the General Meeting. If more than 50% of the issued and outstanding share capital is represented at the General Meeting, the resolution of the General Meeting requires a simple majority of the votes cast. A reduction of the nominal value of Shares, with or without repayment must be made *pro rata* on all Shares concerned. This *pro rata* requirement may be waived if all Shareholders concerned so agree.

In addition, Dutch law contains detailed provisions regarding the reduction of capital. A resolution to reduce the issued share capital shall not take effect as long as creditors have legal recourse against the resolution.

**Dividends and Other Distributions**

***General***

The Company may only make distributions, whether a distribution of profits or of freely distributable reserves, to its Shareholders if its Shareholders' equity exceeds the sum of the paid-in and called-up share capital plus the reserves as required to be maintained by Dutch law or by the Articles of Association. See "Dividend Policy" for a more detailed description regarding dividends.

***Annual profit distribution***

A distribution of profits other than an interim distribution is only allowed after the adoption of the Company's annual accounts (*i.e.*, non-consolidated) by the General Meeting, and the information therein will determine if the distribution of profits is legally permitted for the respective financial year.

***Right to reserve***

The Management Board, subject to the approval of the Supervisory Board, may resolve to reserve the profits or a part of the profits realized during a financial year. The profits remaining after being allocated to the reserves shall be put at the disposal of the General Meeting. The Management Board, subject to the approval of the Supervisory Board, shall make a proposal for that purpose.

Furthermore, the Management Board may, subject to the approval of the Supervisory Board, decide that payments to the shareholders shall be at the expense of reserves which the Company is not prohibited from distributing by virtue of Dutch law or the Articles of Association.

***Interim distribution***

Subject to Dutch law and the Articles of Association, the Management Board may, subject to the approval of the Supervisory Board, resolve to make an interim distribution of profits provided that it appears from an interim statement of assets signed by the Management Board that the Company's equity does not fall below the sum of called-up and paid-in share capital plus the reserves as required to be maintained by Dutch law or by the Articles of Association.

***Distribution in kind***

The Management Board may, subject to the approval of the Supervisory Board, decide that a distribution on Shares shall not take place as a cash payment but as a payment in the form of Shares, or decide that shareholders shall have the option to receive a distribution as a cash payment and/or as a payment in Shares, provided that the Management Board is designated by the General Meeting to do so.

### *Profit ranking of the Shares*

All of the Shares issued and outstanding on the day following the Settlement Date, including the Offer Shares, will rank equal.

In the event of insolvency, any claims of the holders of Shares are subordinated to those of the creditors of the Company. This means that an investor could potentially lose all or part of its invested capital.

### *Payment*

Payment of any future dividend on Shares in cash will in principle be made in euro. Any dividends on Shares that are paid to shareholders through Euroclear Nederland will be automatically credited to the relevant shareholders' accounts. There are no restrictions in relation to the payment of dividends under Dutch law in respect of holders of Shares who are non-residents of the Netherlands. However, see "Taxation" for a discussion of certain aspects of taxation of dividends and refund procedures for non-tax residents of the Netherlands. Payments of profit and other payments are announced in a notice by the Company. A shareholder's claim to payments of profits and other payments lapses five years and one day after the day on which the claim became payable. Any profit or other payments that are not claimed within this period will be considered to have been forfeited to the Company and will be carried to the reserves of the Company.

## Exchange Controls and other Provisions relating to non-Dutch Shareholders

Under Dutch law, subject to the 1977 Sanction Act (*Sanctiewet 1977*) or otherwise by international sanctions, there are no exchange control restrictions on investments in, or payments on, Shares (except as to cash amounts). There are no special restrictions in the Articles of Association or Dutch law that limit the right of Shareholders who are not citizens or residents of the Netherlands to hold or vote Shares.

## General Meetings and Voting Rights

### *General Meetings*

General Meetings must be held in Breda, Amsterdam, Rotterdam, the Hague, Utrecht or Haarlemmermeer (Schiphol Airport), the Netherlands. The annual General Meeting must be held at least once a year, within six months after the end of the financial year. Extraordinary General Meetings may be held, as often as the Management Board or the Supervisory Board deems desirable. In addition, one or more Shareholders, who solely or jointly represent at least the percentage of the issued capital as required by law, which currently is at least one-tenth of the issued capital, may request that a General Meeting be convened, the request setting out in detail matters to be considered. If no General Meeting has been held within six weeks of the Shareholder(s) making such request, such Shareholder(s) will be authorized to request in summary proceedings a District Court to convene a General Meeting. Within three months of it becoming apparent to the Management Board that the equity of the Company has decreased to an amount equal to or lower than one-half of the paid-up part of the capital, a General Meeting will be held to discuss any requisite measures.

The convocation of the General Meeting must be published through an announcement by electronic means. The notice must state the subject to be dealt with, the time and place of the meeting, the record date, the manner in which persons entitled to attend the General Meeting may register and exercise their rights, the time on which registration for the meeting must have occurred ultimately, as well as the place where the meeting documents may be obtained, and such other information as may be required by Dutch law. The notice must be given by at least such number of days prior to the day of the meeting as required by Dutch law, which is currently 42 days.

The agenda for the annual General Meeting must among other things, include the adoption of the Annual Accounts, the discussion of any substantial change in the corporate governance structure of the Company and the allocation of the profits, insofar as this is at the disposal of the General Meeting. In addition, the agenda shall include such items as have been included therein by the Management Board, the Supervisory board or Shareholders (with due observance of Dutch law as described below). If the agenda of the General Meeting contains the item of granting discharge to the Managing Directors and Supervisory Directors concerning the performance of their duties in the financial year in question, the matter of the discharge shall be mentioned on the agenda as separate items for the Management Board and the Supervisory Board respectively. The agenda shall also include such items as one or more Shareholders and others entitled to attend General Meetings, representing, pursuant to the Articles of Association, at least the percentage of the issued and outstanding share capital as required by law (which as of the date of this Prospectus is 3%), have requested the Management Board by a motivated request to include in the agenda, at least 60 days before the day of the General Meeting. No resolutions may be adopted on items other than those which have been included in the agenda (unless the resolution would be adopted unanimously during a meeting where the entire issued capital of the Company is present or represented).

The General Meeting is chaired by the chairperson of the Supervisory Board. However, the chairperson of the Supervisory Board may charge another person with chairing the General Meeting even if the chairperson of the Supervisory Board is present at the meeting. If the chairperson of the Supervisory Board is absent and has not charged another person with chairing the meeting instead, the Supervisory Directors present at the meeting shall appoint one of them as chairperson of the General Meeting. In the absence of all Supervisory Directors, the General Meeting is chaired by the chairperson of the Management Board or, in the absence of the chairperson of the Management Board, by another Managing Director appointed by the Management Board. Managing Directors, Supervisory Directors and members of the Founder Committee may attend a General Meeting. In these General Meetings, Managing Directors and Supervisory Directors have an advisory vote. The chairperson of the General Meeting may decide at his or her discretion to admit other persons to the General Meeting.

Each Shareholder (as well as other persons with voting rights or meeting rights) may attend the General Meeting, address the General Meeting and exercise voting rights *pro rata* to his or her shareholding, either in person or by proxy. Shareholders may exercise these rights, if they are the holders of Shares on the record date as required by Dutch law, which is currently the 28$^{th}$ day before the day of the General Meeting, and they or their proxy have notified the Company of their intention to attend the General Meeting in writing or by any other electronic means that can be reproduced on paper at the address and by the date specified in the notice of the General Meeting. The convocation notice shall state the record date and the manner in which the persons entitled to attend the General Meeting may register and exercise their rights.

***Voting rights***

Each Share confers the right to cast one vote in the General Meeting. Subject to certain exceptions provided by Dutch law or the Articles of Association, resolutions of the General Meeting are passed by a simple majority of votes cast, regardless of which part of the issued share capital such votes represent. Pursuant to Dutch law, no votes may be cast at a General Meeting in respect of Shares which are held by the Company or any of its subsidiaries.

**Amendment of the Articles of Association**

The General Meeting may pass a resolution to amend the Articles of Association, with a simple majority of the votes cast, but only on a proposal of the Management Board that has been approved by the Supervisory Board. A resolution of the General Meeting to amend the Articles of Association that has the effect of amending or reducing the rights attributable to the Founder Committee is subject to the prior approval of the Founder Committee, if installed. Without the prior approval of the Founder Committee, a resolution to amend the Articles of Association, if needed, cannot be implemented. A proposal to amend the Articles of Association must be stated in the notice of the General Meeting. In the event of a proposal to the General Meeting to amend the Articles of Association, a copy of such proposal containing the verbatim text of the proposed amendment will be deposited at the Company's office, for inspection by shareholders and other persons holding meeting rights, until the end of the meeting. Furthermore, a copy of the proposal will be made available free of charge to shareholders and other persons holding meeting rights from the day it was deposited until the day of the meeting. If the Founder Committee is no longer installed, the Articles of Association, including the provisions regarding the Founder Committee, can be amended without the prior approval of the Founder Committee.

**Legal merger / legal division**

The General Meeting may pass a resolution to effect a legal merger or a legal division, with a simple majority of the votes cast, but only on a proposal of the Management Board that has been approved by the Supervisory Board. A proposal to effect a legal merger or a legal division must be stated in the notice. A resolution of the General Meeting to effect a legal merger or a legal division is subject to the prior approval of the Founder Committee, if installed. Without the prior approval of the Founder Committee, a resolution to effect a legal merger or a legal division, if needed, cannot be implemented.

**Dissolution and liquidation**

The Company may only be voluntarily dissolved by a resolution of the General Meeting, with a simple majority of the votes cast, but only on a proposal of the Management Board that has been approved by the Supervisory Board. A resolution of the General Meeting to effect a dissolution is subject to the prior approval of the Founder Committee, if installed. Without the prior approval of the Founder Committee, a resolution to voluntarily dissolve the Company, if needed, cannot be implemented.

If the General Meeting has resolved to dissolve the Company, the Management Board must carry out the liquidation of the Company, under the Supervisory Board's supervision, unless otherwise resolved by the General Meeting. During liquidation, the provisions of the Articles of Association will remain in force as far as possible.

The balance of the assets of the Company remaining after all liabilities and the costs of liquidation shall be distributed among the Shareholders in proportion of their number of Shares.

Certain tax aspects of liquidation proceeds are described in "Taxation".

**Procedure for approval Founder Committee**

If the prior approval of the Founder Committee is required, the Management Board, after consultation with the Supervisory Board, shall request the Founder Committee's prior approval for the respective resolution of the General Meeting. If the Founder Committee does not confirm its approval or rejection in writing within 15 days following the request by the Management Board, the Founder Committee shall be deemed to have granted its approval.

**Annual Accounts and Semi-Annual Accounts**

Annually, within four months after the end of the financial year, the Management Board must prepare the Annual Accounts and make them available for inspection by the Shareholders at the offices of the Company. The Annual Accounts must be accompanied by an auditor's statement, a management report (including a report of the Supervisory Board) and certain other information required under Dutch law. The Annual Accounts must be signed by all Managing Directors and all Supervisory Directors. If the signature of one or more of them is missing, this will be stated and reasons for this omission will be given.

The Annual Accounts, the auditor's statement, the management report (including a report of the Supervisory Board) and the other information required under Dutch law must be made available to the Shareholders for review as from the day of the notice convening the annual General Meeting where they are discussed until the conclusion of such meeting. The Annual Accounts must be adopted by the General Meeting. The Management Board must send the adopted Annual Accounts to the AFM within five business days after adoption.

The Company must prepare and make publicly available a semi-annual financial report as soon as possible, but at the latest three months after the end of the first six months of the financial year. If the semi-annual financial report is audited or reviewed, the independent auditor's audit or review report, respectively, must be published together with the semi-annual financial report.

***Dutch Financial Reporting Supervision Act***

On the basis of the Dutch Financial Reporting Supervision Act (*Wet toezicht financiële verslaggeving*) (the "**FRSA**") the AFM supervises the application of financial reporting standards by, among others, companies whose seat is in the Netherlands and whose securities are listed on a regulated Dutch or foreign stock exchange, such as the Company.

Pursuant to the FRSA, the AFM has an independent right to (i) request an explanation from the Company regarding its application of the applicable financial reporting standards if, based on publicly known facts or circumstances, it has reason to doubt that the Company's financial reporting meets such standards and (ii) recommend the Company to make available further explanations. If the Company does not comply with such a request or recommendation, the AFM may request that the enterprise chamber of the court of appeal in Amsterdam (*Ondernemingskamer van het Gerechtshof te Amsterdam*) (the "**Enterprise Chamber**") orders the Company to (i) provide an explanation of the way it has applied the applicable financial reporting standards to its financial reports or (ii) prepare its financial reports in accordance with the Enterprise Chamber's instructions.

## Rules Governing Obligations of Shareholders to Make a Public Takeover Bid

Pursuant to the FMSA, and in accordance with European Directive 2004/25/EC, also known as the takeover directive, any shareholder who (individually or jointly) directly or indirectly obtains control of a Dutch listed company is required to make a public takeover bid for all issued and outstanding shares in that company's share capital. Such control is deemed present if a (legal) person is able to exercise, alone or acting in concert, at least 30% of the voting rights in the general meeting of such listed company (subject to an exemption for major shareholders who, acting alone or in concert, already had such stake in the company at the time of that company's initial public offering).

In addition, it is prohibited to launch a public takeover bid for shares of a listed company, such as the Shares, unless an offer document has been approved by the AFM. A public takeover bid may only be launched by way of publication of an approved offer document unless a company makes an offer for its shares. The public takeover bid rules are intended to ensure that in the event of a public takeover bid, among others, sufficient information will be made available to the shareholders, that the shareholders will be treated equally, that there will be no abuse of inside information and that there will be a proper and timely offer period.

## Squeeze-out Proceedings

Pursuant to article 2:92a BW, a shareholder who for his or her own account contributes at least 95% of a Dutch company's issued share capital may institute proceedings against such company's minority shareholders jointly for the transfer of their shares to him or her. The proceedings are held before the Enterprise Chamber and can be instituted by means of a writ of summons served upon each of the minority shareholders in accordance with the provisions of the Dutch Code of Civil Procedure (*Wetboek van Burgerlijke Rechtsvordering*). The Enterprise Chamber may grant the claim for squeeze-out in relation to all minority shareholders and will determine the price to be paid for the shares, if necessary after appointment of one or three experts who will offer an opinion to the Enterprise Chamber on the value to be paid for the shares of the minority shareholders. Once the order to transfer becomes final before the Enterprise Chamber, the person acquiring the shares shall give written notice of the date and place of payment and the price to the holders of the shares to be acquired whose addresses are known to him or her. Unless the addresses of all of them are known to him or her, he or she is required to publish the same in a daily newspaper with nationwide circulation.

The offeror under a public takeover bid is also entitled to start squeeze-out proceedings if, following the public takeover bid, the offeror contributes at least 95% of the outstanding share capital and represents at least 95% of the total voting rights. The claim of a takeover squeeze-out needs to be filed with the Enterprise Chamber within three months following the expiry of the acceptance period of the offer. The Enterprise Chamber may grant the claim for squeeze-out in relation to all minority shareholders and will determine the price to be paid for the shares, if necessary after appointment of one or three experts who will offer an opinion to the Enterprise Chamber on the value to be paid for the shares of the minority shareholders. In principle, the offer price is considered reasonable if the offer was a mandatory offer or if at least 90% of the shares to which the offer related were received by way of voluntary offer.

The Dutch takeover provisions of the FMSA also entitle those minority shareholders that have not previously tendered their shares under an offer to transfer their shares to the offeror, provided that the offeror has acquired at least 95% of the outstanding share capital and represents at least 95% of the total voting rights. In regard to price, the same procedure as for takeover squeeze-out proceedings initiated by an offeror applies. The claim also needs to be filed with the Enterprise Chamber within three months following the expiry of the acceptance period of the offer.

## Obligations to Disclose Holdings

Shareholders may be subject to notification obligations under the FMSA. Shareholders are advised to seek professional advice on these obligations.

### *Shareholders*

Pursuant to the FMSA, any person who, directly or indirectly, acquires or disposes of an actual or potential interest in the capital or voting rights of the Company must notify the AFM without delay, if, as a result of such acquisition or disposal, the percentage of capital interest or voting rights held by such person in the Company reaches, exceeds or falls below any of the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%. Potentially a threshold of 2% will be added to this list no later than 1 January 2021.

A notification requirement also applies if a person's capital interest or voting rights reaches, exceeds or falls below the abovementioned thresholds as a result of a change in the Company's total outstanding share capital or voting rights. Such notification has to be made no later than the fourth trading day after the AFM has published the Company's notification of the change in its outstanding share capital.

Under the FMSA, the Company is required to notify the AFM without delay of the changes in its share capital or voting rights, if its issued share capital or voting rights changes by 1% or more compared to the Company's previous notification. The Company must furthermore notify the AFM within eight days after each quarter, in the event its share capital or voting rights changed by less than 1% in that relevant quarter or since the Company's previous notification.

In addition, each person who is or ought to be aware that, as a result of the exchange of certain financial instruments, such as options for shares, his actual capital or voting interest in the Company, reaches, exceeds or falls below any of the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%, vis-à-vis his most recent notification to the AFM, must give notice to the AFM no later than the fourth trading day after he or she became or ought to be aware of this change. Potentially a threshold of 2% will be added to this list no later than 1 January 2021.

The AFM keeps a public register of all notifications made pursuant to these disclosure obligations and publishes all notifications received by it. The shareholder notifications referred to in this section should be made electronically through the notification system of the AFM.

Controlled entities, within the meaning of the FMSA, do not have notification obligations under the FMSA, as their, direct and indirect, interests are attributed to their (ultimate) parent. Any person may qualify as a parent for purposes of the FMSA, including an individual. A person who has a 3% or larger interest in the Company's share capital or voting rights and who ceases to be a controlled entity for these purposes must immediately notify the AFM. As of that moment, all notification obligations under the FMSA will become applicable to the former controlled entity.

For the purpose of calculating the percentage of capital interest or voting rights, the following interests must, *inter alia*, be taken into account: (i) shares and voting rights directly held (or acquired or disposed of) by any person; (ii) shares and voting rights held (or acquired or disposed of) by such person's controlled entity or by a third-party for such person's account or by a third-party with whom such person has concluded an oral or written voting agreement; (iii) voting rights acquired pursuant to an agreement providing for a temporary transfer of voting rights against a payment; (iv) shares which such person (directly or indirectly) or third-party referred to above, may acquire pursuant to any option or other right to acquire shares; (v) shares which determine the value of certain cash settled financial instruments such as contracts for difference and total return swaps; (vi) shares that must be acquired upon exercise of a put option by a counterparty; and (vii) shares which are the subject of another contract creating an economic position similar to a direct or indirect holding in those shares. Special attribution rules apply to shares and voting rights which are part of the property of a partnership or other community of property. A holder of a pledge or right of usufruct in respect of shares can also be subject to the reporting obligations, if such person has, or can acquire, the right to vote on the shares. The acquisition of (conditional) voting rights by a pledgee or beneficial owner may also trigger the reporting obligations as if the pledgee or beneficial owner were the legal holder of the shares.

For the purpose of calculating the percentage of capital interest or voting rights, the following instruments qualify as 'shares': (i) shares; (ii) depositary receipts for shares (or negotiable instruments similar to such receipts); (iii) negotiable instruments for acquiring the instruments under (i) or (ii) (such as convertible bonds); and (iv) options for acquiring the instruments under (i) or (ii).

The notification to the AFM should indicate whether the interest is held directly or indirectly, and whether the interest is an actual or a potential interest.

Gross short positions in shares must also be notified to the AFM. For these gross short positions the same thresholds apply as for notifying an actual or potential interest in the capital and/or voting rights of a Dutch listed company, as referred to above, and without any set-off against long positions.

In addition, pursuant to Regulation (EU) No 236/2012, each person holding a net short position attaining 0.2% of the issued share capital of a Dutch listed company is required to notify such position to the AFM. Each subsequent increase of this position by 0.1% above 0.2% must also be notified. Each net short position equal to 0.5% of the issued share capital of a Dutch listed company and any subsequent increase of that position by 0.1% will be made public via the AFM short selling register. To calculate whether a natural person or legal person has a net short position, their short positions and long positions must be set-off. A short transaction in a share can only be contracted if a reasonable case can be made that the shares sold can actually be delivered, which requires confirmation of a third-party that the shares have been located.

***Management***

Pursuant to the FMSA, each Managing Director and each Supervisory Director must notify the AFM: (a) immediately following the admission to trading and listing of the Shares of the number of Shares and options he or she holds and the number of votes he or she is entitled to cast in respect of the Company's issued share capital, and (b) subsequently of each change in the number of Shares or options he holds and of each change in the number of votes he is entitled to cast in respect of the Company's issued share capital, immediately after the relevant change. If a Managing Director or Supervisory Director has notified a change in shareholding to the AFM under the FMSA as described above under "—Obligations to Disclose Holdings—Shareholders" above, such notification is sufficient for purposes of the FMSA as described in this paragraph.

Furthermore, pursuant to the Regulation (EU) No 596/2014 of the European Parliament and the Council (the "**Market Abuse Regulation**") and the regulations promulgated thereunder, any Managing Director and Supervisory Director, as well as any other person discharging managerial responsibilities in respect of the Company who has regular access to inside information relating directly or indirectly to the Company and power to take managerial decisions affecting future developments and business prospects of the Company, must notify the AFM by means of a standard form of any transactions conducted for his or her own account relating to the Shares or debt instruments of the Company or to derivatives or other financial instruments linked thereto.

In addition, pursuant to the Market Abuse Regulation, certain persons who are closely associated with Managing Directors, Supervisory Directors or any of the other persons as described above, are required to notify the AFM of any transactions conducted for their own account relating to the Shares or debt instruments of the Company or to derivatives or other financial instruments linked thereto. The Market Abuse Regulation covers, *inter alia*, the following categories of persons: (i) the spouse or any partner considered by national law as equivalent to the spouse; (ii) dependent children; (iii) other relatives who have shared the same household for at least one year at the relevant transaction date; and (iv) any legal person, trust or partnership whose managerial responsibilities are discharged by a person referred to under (i) to (iii) above or by the relevant Managing Directors, Supervisory Directors or other person discharging the managerial responsibilities in respect of the Company as described above.

The notifications pursuant to the Market Abuse Regulation described above must be made to the AFM no later than the third business day following the relevant transaction date. Under certain circumstances, these notifications may be postponed until all transactions within a calendar year have reached a total amount of EUR 5,000 (calculated without netting). Any subsequent transaction must be notified as set forth above.

***Non-compliance***

Non-compliance with the disclosure obligations set out in the paragraphs above is an economic offense (*economisch delict*) and may lead to the imposition of criminal prosecution, administrative fines, imprisonment or other sanctions. The AFM may impose administrative penalties or a cease-and-desist order under penalty for non-compliance. If criminal charges are pressed, the AFM is no longer allowed to impose administrative penalties and vice versa, the criminal prosecution is no longer allowed if administrative penalties have been imposed. Furthermore, a civil court can impose measures against any person who fails to notify or incorrectly notifies the AFM of matters required to be correctly notified. A claim requiring that such measures be imposed must be instituted by the Company and/or one or more Shareholders who alone or together with others represent(s) at least 3% of the issued share capital or are able to exercise at least 3% of the voting rights. The measures that the civil court may impose include:

- an order requiring the person violating the disclosure obligations to make appropriate disclosure;
- suspension of voting rights in respect of such person's Shares for a period of up to three years as determined by the court;
- voiding a resolution adopted by a General Meeting, if the court determines that the resolution would not have been adopted if the voting rights of the person who is obliged to notify had not been exercised, or suspension of a resolution until the court makes a decision about such voiding; and

- an order to the person violating the disclosure obligations to refrain, during a period of up to five years as determined by the court, from acquiring Shares and/or voting rights in Shares.

***Public registry***

The AFM does not issue separate public announcements of these notifications. It does, however, keep a public register of all notifications under the FMSA on its website (www.afm.nl). Third-parties can request to be notified automatically by e-mail of changes to the public register in relation to a particular company's shares or a particular notifying party.

***Identity of Shareholders and distribution of information***

The Company may, in accordance with Chapter 3A of the Dutch Securities Giro Transactions Act, request Euroclear Nederland, admitted institutions, intermediaries, institutions abroad, and managers of investment institutions, to provide certain information on the identity of its Shareholders. Such request may only be made during a period of 60 days up to the day on which the General Meeting will be held. No information will be given on Shareholders with an interest of less than 0.5% of the issued share capital. A Shareholder who, individually or together with other Shareholders, holds an interest of at least 10% of the issued share capital may request the Company to establish the identity of its Shareholders. This request may only be made during a period of 60 days until (and not including) the 42$^{nd}$ day before the day on which the General Meeting will be held.

If a request as referred to in the previous paragraph has been made by either the Company or a Shareholder in accordance with the previous paragraph, Shareholders who, individually or with other Shareholders, hold Shares that represent at least 1% of the issued and outstanding share capital or a market value of at least EUR 250,000, may request the Company to disseminate information that is prepared by them in connection with an agenda item for a General Meeting. The Company can only refuse disseminating such information, if received less than seven business days prior to the General Meeting, if the information gives or could give an incorrect of misleading signal or if, in light of the nature of the information, the Company cannot reasonably be required to disseminate it.

**Related Party Transactions**

Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement (the "**Shareholder Rights Directive II**"), establishes requirements in relation to the exercise of certain shareholder rights attached to voting shares in relation to general meetings of companies which have their registered office in a Member State of the European Union and the shares of which are admitted to trading on a regulated market situated or operating within a Member State of the European Union. The deadline for the Shareholder Rights Directive II to be implemented into Dutch law was 10 June 2019.

A bill on the promotion of the long-term involvement of shareholders (*bevordering van de langetermijnbetrokkenheid van aandeelhouders*) (the "**Dutch SRD Bill**"), implementing the Shareholder Rights Directive II in the Netherlands, has been submitted to the Dutch parliament. As at the date of this Prospectus, the Dutch SRD Bill has not been adopted by the Dutch parliament. The Dutch SRD Bill, among other things, adds new rules on related party transactions to the Dutch Civil Code.

The Dutch SRD Bill provides that "material transactions" with "related parties" entered into outside the normal course of business or on other than normal market terms, will need to be approved by the supervisory board, or, in the case of a one-tier board, the (non-executive members of the) board of directors, and be publicly announced at the time that the transaction is entered into. Directors that have a, direct or indirect, personal interest in the transaction cannot participate in the deliberations or decision-making. As long as not all of the directors are excluded on the basis that they have a personal interest in the relevant transaction, no approval from the General Meeting will be required. In this context: a "related party" is interpreted in accordance IFRS-EU (IAS 24 (Related Party Disclosures)) and includes a party that has "control" or "significant influence" over the company or is a member of the company's key management personnel; and a transaction is considered "material" if it would constitute inside information within the meaning of the Market Abuse Regulation and is concluded between the company and a related party (which for this purpose, and in line with the Dutch Corporate Governance Code, in any event includes one or more shareholders representing at least 10% of the issued share capital or a managing director or supervisory director). Certain transactions are not subject to the approval and disclosure provisions of the Dutch SRD Bill (for example, transactions concluded between a company and its subsidiary). The supervisory board, or, in the case of a one-tier board, the board of directors, will be required to establish an internal procedure to periodically assess whether transactions are concluded in the ordinary course of business and on normal market terms.

**Market Abuse Regulation**

The rules on preventing market abuse set out in the Market Abuse Regulation are applicable to the Company, the members of the Board, other insiders and persons performing or conducting transactions in the Company's financial instruments. Certain important market abuse rules that are relevant for investors are described hereunder.

The Company is required to make inside information public. Pursuant to Market Abuse Regulation, inside information is information of a precise nature, which has not been made public, relating, directly or indirectly, to the issuer or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments. Unless an exception applies, the Company must without delay publish inside information which directly concerns the Company by means of a press release, and post and maintain it on its website for at least five years. The Company must also provide the AFM with this inside information at the time of publication.

It is prohibited for any person to make use of inside information by acquiring or disposing of, for its own account or for the account of a third-party, directly or indirectly, financial instruments to which that information relates, as well as an attempt thereto (insider dealing). The use of inside information by cancelling or amending of an order concerning a financial instrument also constitutes insider dealing. In addition, it is prohibited for any person to disclose inside information to anyone else (except where the disclosure is made strictly as part of the person's regular duty or function) or, whilst in possession of inside information, recommend or induce anyone to acquire or dispose of financial instruments to which the information relates. Furthermore, it is prohibited for any person to engage in or attempt to engage in market manipulation, for instance by conducting transactions which could lead to an incorrect or misleading signal of the supply of, the demand for or the price of a financial instrument.

The Company and any person acting on its behalf or on its account is obliged to draw up an insiders' list of persons working for the Company and having, on a regular or incidental basis, knowledge of inside information. The Company is obliged to update the insider list and provide the insider list to the AFM upon its request. The Company and any person acting on its behalf or on its account is obliged to take all reasonable steps to ensure that any person on the insider list acknowledges in writing the legal and regulatory duties entailed and is aware of the sanctions applicable to insider dealing and unlawful disclosure of inside information.

A person discharging managerial responsibilities is not permitted to (directly or indirectly) conduct any transactions on its own account or for the account of a third-party, relating to Shares or debt instruments of the Company or other financial instruments linked thereto, during a closed period of 30 calendar days before the announcement of an interim financial report or an annual report of the Company.

**Transparency Directive**

The Netherlands will be the Company's home member state for the purposes of Directive 2004/109/EC (as amended by Directive 2013/50/EU) as a consequence of which the Company will be subject to the FMSA in respect of certain ongoing transparency and disclosure obligations.

# EXISTING SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

## Existing Shareholders

The Selling Shareholders are the only Shareholders who own 3% or more of the Company's share capital or voting rights as of the date of this Prospectus. The Selling Shareholders are ClubCompany1 B.V. and ClubCompany2 B.V., both with address at Konijnenberg 30, 4825 BD Breda, the Netherlands and LEI 724500O0MPM306A41G88 and 724500ANU51XWRJ9IJ39, respectively.

| Shareholder | Amount of Share Capital Owned Number / class of shares(3) | Percentage of share capital | Percentage of Voting Rights |
|---|---|---|---|
| ClubCompany1 B.V.(1) . . . . | 499 ordinary shares and 1 priority share | 50% | 50% |
| ClubCompany2 B.V.(2) . . . . | 499 ordinary shares and 1 priority share | 50% | 50% |

(1) Jeroen van Glabbeek, the CEO, Managing Director and Founder of the Company, is the sole shareholder and director of ClubCompany1 B.V. and therefore holds an indirect interest in the Company.

(2) Gilbert Gooijers, the COO, Managing Director and Founder of the Company, is the sole shareholder and director of ClubCompany2 B.V. and therefore holds an indirect interest in the Company.

(3) Any reference in this table to "shares" refers to shares in the capital of the Company prior to the conversion of shares and amendment of the Company's articles of association. See "—Conversion of Shares and Amendment of the Company's Articles of Association".

Each Share gives the right to cast one vote at the General Meetings. After the Settlement Date, all Shareholders have the same voting rights.

The Company is not aware of any arrangement that may, at a subsequent date, result in a change of control.

## EIB Warrant

On 15 December 2017, the Company and the EIB entered into a finance contract for a facility of up to EUR 10 million for the funding of its CM.com Platform innovations (see also "Operating and Financial Review—Liquidity and Capital Resources—Financing Arrangements and Commitments"). As a condition under the finance contract, the Company, the Selling Shareholders and the EIB entered into a warrant agreement as part of the remuneration for the EIB. This warrant agreement entitles the EIB to subscribe for such number of ordinary shares in the Company share capital corresponding *pro rata* to the finance tranche of the credit, which corresponds to 7.0% of the total number of ordinary shares outstanding in the Company's share capital. As of the date of this Prospectus, the Company has drawn EUR 5 million under the finance contract which corresponds to 3.5% of the total number of ordinary shares outstanding in the Company's share capital.

In case of a trigger event, meaning the maturity date of the loan or the date on which the Company pre-paid the loan, the EIB may, subject to certain conditions, (i) sell and transfer any warrants to any person; (ii) require the Company to buy back, or procure that a person nominated by it buys back, any warrants; and (iii) following a notice period of five days, exercise any warrants in accordance with the terms thereof.

Upon the occurrence of an exit event (*e.g.*, initial public offering, or (i) sale by the Selling Shareholders of their shares in the Company's share capital, or (ii) a sale by the Company of all or substantially all of its assets), the Company is entitled or may be obliged to buy back, or procure that a person nominated by it buys back, any outstanding warrants for an amount equal to the market value to be determined in accordance with the EIB Facility and capped in the event of an initial public offering of at least 30% percent of the shares outstanding in the share capital of the Company.

On 23 August 2019, the Company received a waiver and consent letter from the EIB pursuant to which the EIB waives its rights to demand repayment of all or part of the loan arising from the occurrence of potential future events of default under the EIB Facility as a result of the Offering, provided that the Company continues to be compliant with requirements that have not been waived as of 16 August 2019. In addition, the EIB consents to the Offering provided that after the completion of the Offering, the Company prepays the EIB loan in full, together with accrued interest and all other amounts outstanding, and buys back all vested warrant shares (3.5% of the total number of ordinary shares outstanding in the Company's share capital) for a capped amount of EUR 3.05 million as a result of which no further warrants will be outstanding. The Company expects to prepay the outstanding amounts under the EIB Facility and to buy back all vested warrant shares using part of the net proceeds from the Offering, within 15 days after receipt of the proceeds from the Offering.

### Conversion of Shares and Amendment of the Company's Articles of Association

Prior to the execution of the Deed of Amendment, all issued shares in the share capital of the Company will be converted into one class of shares and the nominal value of each share shall be increased to EUR 500. Through the execution of the Deed of Amendment, each Share with a nominal value of EUR 500 will be split into 12,500 Shares with a nominal value of EUR 0.04 each. In addition, the Company will be converted from a private limited liability company into a public company with limited liability. See also "Description of Share Capital—Share Capital—Authorized and issued share capital of the Company".

### Holdings Immediately Prior and After Settlement

The Selling Shareholders are offering in aggregate up to 500,000 Existing Offer Shares in the Offering, assuming no exercise of the Over-Allotment Option. Assuming the Over-Allotment Option is fully exercised and an Offer Price at the bottom of the Offer Price Range, the Offer Shares will constitute 43.0% of the issued Shares.

The following table sets forth information with respect to the size of the shareholdings of the existing Shareholders both immediately prior to Settlement after giving effect to the Deed of Amendment and immediately after Settlement, without and with full exercise of the Over-Allotment Option, assuming (i) that the existing Shareholders do not subscribe for Offer Shares, (ii) an Offer Price at the bottom of the Offer Price Range or at the top of the Offer Price Range, and (iii) a sale of the maximum number of Existing Offer Shares, not including any Over-Allotment Shares.

*Bottom of Offer Price Range*

| | | | | Shares owned immediately after Settlement | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Shares owned immediately prior to Settlement | | | Without exercise of the Over-Allotment Option | | | With full exercise of the Over-Allotment Option | | |
| Existing Shareholder | Amount | Share capital | Voting rights | Amount | Share capital | Voting rights | Amount | Share capital | Voting rights |
| ClubCompany1 B.V. . . . . | 6,250,000 | 50% | 50% | 6,000,000 | 31.3% | 31.3% | 5,462,500 | 28.5% | 28.5% |
| ClubCompany2 B.V. . . . . | 6,250,000 | 50% | 50% | 6,000,000 | 31.3% | 31.3% | 5,462,500 | 28.5% | 28.5% |

*Top of Offer Price Range*

| | | | | Shares owned by existing Shareholders immediately after Settlement | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Shares owned by existing Shareholders immediately prior to Settlement | | | Without exercise of the Over-Allotment Option | | | With full exercise of the Over-Allotment Option | | |
| Existing Shareholder | Amount | Share capital | Voting rights | Amount | Share capital | Voting rights | Amount | Share capital | Voting rights |
| ClubCompany1 B.V. . . . . | 6,250,000 | 50% | 50% | 6,000,000 | 33.8% | 33.8% | 5,567,763 | 31.3% | 31.3% |
| ClubCompany2 B.V. . . . . | 6,250,000 | 50% | 50% | 6,000,000 | 33.8% | 33.8% | 5,567,763 | 31.3% | 31.3% |

### Related Party Transactions

#### *Shareholders' Agreement*

As from the establishment of the Company, the Founders have directly or indirectly acted in concert in respect of the Company. The Founders, ClubCompany 1 B.V. and ClubCompany 2 B.V. (the Selling Shareholders) intend to continue acting in concert with each other in relation to all Shares that each respective Selling Shareholder is entitled to vote on from time to time, by voting or exercising the rights of the holder of the Shares in concert. Prior to Settlement, the Founders, and the Selling Shareholders expect to enter into a shareholders' agreement (the "**Shareholders' Agreement**") with regard to the shareholdings of the Selling Shareholders in the Company, which will enter into effect from the moment of execution thereof. The Shareholders' Agreement arranges for and formalizes a procedure to have the Selling Shareholders (and the Founders) act in concert with each other in relation to all Shares that the respective Selling Shareholder is entitled to vote on from time to time. Unless otherwise agreed between the parties, the Shareholders' Agreement also sets out that a Selling Shareholder may only acquire and dispose of shares in the capital of the Company in the same proportions as the other Selling Shareholder in order for the shareholdings of the Selling Shareholders to remain the same. Furthermore, the Shareholders' Agreement arranges for powers of attorney in order to exercise the rights under the Shareholders' Agreement as well as certain other topics that are typical to a Shareholders' Agreement. The Shareholders' Agreement shall terminate with immediate effect if (i) the parties to the Shareholders' Agreement agree in writing that it shall be terminated, (ii) a Founder deceases or (iii) only one Founder remains holding Shares either directly or indirectly through their holding companies, ClubCompany 1 B.V. or ClubCompany 2 B.V.

***Lease Agreements***

The Company and CM Campus B.V., which is ultimately jointly controlled by the Selling Shareholders, have entered into lease agreements for CM.com's office headquarters with address at Konijnenberg 30 in Breda, two other offices with address at Konijnenberg 24 and Kleine Krogt 2 in Breda, and parking spaces with addresses at Konijnenberg 30 in Breda.

The lease agreement for CM.com's office headquarters came into effect on 1 July 2016, with an annual lease rate of EUR 180,000. The lease agreement for CM.com's office with address at Konijnenberg 24 in Breda came into effect on 1 January 2018 with an annual lease rate of EUR 250,000. The lease agreement for CM.com's office with address at Kleine Krogt 2 in Breda came into effect on 1 January 2019, with an annual lease rate of EUR 230,000. The lease agreement for CM.com's parking spaces with address at Kleine Krogt 3 in Breda came into effect on 1 October 2016, with an annual lease rate of EUR 23,500. The lease agreement for CM.com's parking spaces with address at Kleine Krogt 5 in Breda came into effect on 1 December 2016, with an annual lease rate of EUR 23,500.

The lease agreements for the CM.com offices have been entered into for a duration of 10 years. The lease agreements for the CM.com parking spaces have been entered into for a duration of five years. Lease rates may be adjusted after one year on the basis of the consumer price index as published by the Dutch Central Statistical Office (Centraal Bureau voor de Statistiek, CBS). The lease agreements may be terminated towards the end of the relevant lease agreement.

# THE OFFERING

## Introduction

The Company is offering such number of New Offer Shares as will raise gross proceeds of approximately EUR 100 million. The Selling Shareholders are offering in aggregate up to 500,000 Existing Offer Shares, not including any Over-Allotment Shares. Assuming no exercise of the Over-Allotment Option and an Offer Price at the bottom of the Offer Price Range, the Offer Shares will constitute not more than 37.4% of the issued Shares. Assuming the Over-Allotment Option is fully exercised and an Offer Price at the bottom of the Offer Price Range, the Offer Shares will constitute not more than 43.0% of the issued Shares.

The Offering consists of: (i) a public offering in the Netherlands to institutional and retail investors and (ii) a private placement to certain institutional investors in various other jurisdictions. The Offer Shares have not been, and will not be, registered under the US Securities Act or with any securities regulatory authority of any state of the US and are being offered or sold: (i) within the US, to persons reasonably believed to be QIBs as defined in, and in reliance on, Rule 144A or pursuant to another exemption from, or in a transaction not subject to, the registration requirement under the US Securities Act and applicable state securities laws, and (ii) to institutional investors in various jurisdictions outside the US, in "offshore transactions" as defined in, and in compliance with, Regulation S. The Offering is made only in those jurisdictions in which, and only to those persons to whom, the Offering may be lawfully made.

The Selling Shareholders have granted the Joint Global Coordinators, on behalf of the Underwriters, the Over-Allotment Option, exercisable up to 30 calendar days after the First Trading Date, pursuant to which the Stabilization Manager may require the Selling Shareholders to sell at the Offer Price up to 1,075,000 additional Over-Allotment Shares, comprising up to 15% of the total number of Offer Shares sold in the Offering, to cover over-allotments or short positions, if any, in connection with the Offering.

## Timetable

Subject to acceleration or extension of the timetable for, or withdrawal of, the Offering, the timetable below sets forth certain expected key dates for the Offering.

| Event | Expected Date | Time CET |
|---|---|---|
| Start of Offering Period | 30 September 2019 | 9:00 |
| End of Offering Period for Dutch Retail Investors | 9 October 2019 | 17:30 |
| End of Offering Period for institutional investors | 10 October 2019 | 14:00 |
| Pricing and Allocation | 10 October 2019 | |
| Commencement of trading on an "as-if-and-when-issued/delivered" basis on Euronext Amsterdam | 11 October 2019 | 9:00 |
| Settlement (payment and delivery) | 15 October 2019 | 9:00 |

The Company and the Selling Shareholders after consultation with the Joint Global Coordinators may adjust the dates, times and periods given in the timetable and throughout this Prospectus. If the Company and the Selling Shareholders should decide to do so, they will make this public through a press release, which will also be posted on the Company's website. Any other material alterations will be published through a press release that will also be posted on the Company's website and (if required) in a supplement to this Prospectus that is subject to the approval of the AFM.

Any extension of the timetable for the Offering will be published in a press release at least three hours before the end of the original Offering Period, provided that any extension will be for a minimum of one full day. Any acceleration of the timetable for the Offering will be published in a press release at least three hours before the proposed end of the accelerated Offering Period. In any event, the Offering Period will be at least six business days.

## Offer Price and Number of Offer Shares

The Offer Price is expected to be in the range of EUR 15.00 to EUR 19.00 (inclusive) per Offer Share. The Offer Price and the exact number of Offer Shares will be determined on the basis of a book building process. The Offer Price may be set within, above or below the Offer Price Range. The Offer Price Range is an indicative price range. The Offer Price and the exact number of Offer Shares offered will be determined by the Company and the Selling Shareholders after consultation with the Joint Global

Coordinators after the end of the Offering Period, including any acceleration or extension, on the basis of the book building process and taking into account economic and market conditions, a qualitative and quantitative assessment of demand for the Offer Shares, and other factors deemed appropriate.

The Offer Price, the exact numbers of Offer Shares to be sold and the maximum number of Over-Allotment Shares will be stated in the Pricing Statement which will be published through a press release that will also be posted on the Company's website and filed with the AFM.

**Change of the Offer Price Range or Number of Offer Shares**

The Offer Price Range is an indicative price range. The Company and the Selling Shareholders after consultation with the Joint Global Coordinators, reserve the right to change the Offer Price Range and/or to increase or decrease the maximum number of Offer Shares prior to Allocation. Any increase of the top end of the Offer Price Range, or the determination of an Offer Price above the Offer Price Range, on the last day of the Offering Period will result in the Offering Period being extended by at least two business days. Any increase of the top end of the Offer Price Range on the day prior to the last day of the Offering Period will result in the Offering Period being extended by at least one business day. In this case, if the Offering Period for Dutch Retail Investors would already have closed, the Offering Period for Dutch Retail Investors would be reopened. Accordingly, all investors, including Dutch Retail Investors, will in that case have at least two business days to reconsider their subscriptions. Any change in the number of Offer Shares and/or the Offer Price Range will be announced in a press release that will be posted on the Company's website. Upon a change of the number of Offer Shares, references to Offer Shares in this Prospectus should be read as referring to the amended number of Offer Shares and references to Over-Allotment Shares should be read as referring to the amended number of Over-Allotment Shares.

**Offering Period**

Subject to acceleration or extension of the timetable for the Offering, prospective investors may subscribe for Offer Shares during the period commencing at 9:00 CET on 30 September 2019 and ending at 14:00 CET on 10 October 2019 and prospective Dutch Retail Investors may subscribe for Offer Shares during the period commencing at 9:00 CET on 30 September 2019 and ending at 17:30 CET on 9 October 2019. In the event of an acceleration or extension of the Offering Period, pricing, allotment, admission and first trading of the Offer Shares, as well as payment (in euros) for and delivery of the Offer Shares in the Offering may be advanced or extended accordingly.

If a significant new factor, material mistake or material inaccuracy relating to the information included in this Prospectus which may affect the assessment of the Offer Shares arises or is noted before the closing of the Offering, a supplement to this Prospectus will be published, the Offering Period will be extended, if so required by the Prospectus Regulation or the rules promulgated thereunder, and investors who have already agreed to purchase Offer Shares may withdraw their subscriptions within two business days following the publication of the supplement, provided that the significant new factor, material mistake or material inaccuracy, arose or was noted before the closing of the Offering.

**Subscription and Allocation**

Dutch Retail Investors can only subscribe on a market order (*bestens*) basis. This means that Dutch Retail Investors will be bound to purchase and pay for the Offer Shares indicated in their share subscriptions, to the extent such Offer Shares are allocated to them, at the Offer Price, even if the Offer Price is above the upper end of the Offer Price Range (if applicable, as amended). Dutch Retail Investors can submit their subscriptions through their own financial intermediary. The financial intermediary will be responsible for collecting subscriptions from Dutch Retail Investors and for submitting their subscriptions to ABN AMRO as the retail coordinator (the "**Retail Coordinator**"). The Retail Coordinator will consolidate all subscriptions submitted by Dutch Retail Investors to financial intermediaries and inform the Joint Global Coordinators, the Company and the Selling Shareholders. Dutch Retail Investors are entitled to cancel or amend their subscription, at the financial intermediary where their original application was submitted, at any time prior to the end of the Offering Period (if applicable, as accelerated or extended). Such cancellations or amendments may be subject to the terms of the financial intermediary involved. All questions concerning the timeliness, validity and form of instructions to a financial intermediary in relation to the subscription for or purchase of Offer Shares will be determined by the financial intermediaries in accordance with their usual procedures or as otherwise notified to the Dutch Retail Investors. The Company and the Selling Shareholders are not liable for any action or failure to act by a financial intermediary or the Retail Coordinator in connection with any purchase, or purported purchase, of Offer Shares.

The allocation of the Offer Shares is expected to take place after the closing of the Offering Period on or about 10 October 2019, subject to acceleration or extension of the timetable for the Offering. Allocation to investors who applied to subscribe for Offer Shares will be determined by the Company and the Selling Shareholders after consultation with the Joint Global Coordinators, and full discretion will be exercised as to whether or not and how to allocate the Offer Shares subscribed for. There is no maximum or minimum number of Offer Shares for which prospective investors may subscribe and multiple (applications for) subscriptions are permitted. In the event that the Offering is over-subscribed, investors may receive fewer Offer Shares than they applied to subscribe for. The Company, the Selling Shareholders, the Joint Global Coordinators and the Joint Bookrunners may, at their own discretion and without stating the grounds therefor, reject any subscriptions wholly or partly. On the day that Allocation occurs, the Joint Global Coordinators, on behalf of the Underwriters, will notify institutional investors (or the relevant financial intermediary) of any allocation of Offer Shares made to them. Any monies received in respect of subscriptions which are not accepted in whole or in part will be returned to the investors without interest and at the investors' risk.

Notwithstanding the above, it is intended that Dutch Retail Investors will benefit from preferential allocation, for up to 10% of the Offer Shares, assuming no exercise of the Over-Allotment Option. See "—Preferential Retail Allocation" below. Apart from the preferential retail allocation, the Company, the Selling Shareholders and the Joint Global Coordinators retain full flexibility to change the intended allocation. All Offer Shares will be offered as part of a single offering, there is no separate tranche for retail investors.

Investors participating in the Offering will be deemed to have checked whether and to have confirmed they meet the requirements of the selling and transfer restrictions in "Selling and Transfer Restrictions". Each investor should consult his/her own advisors as to the legal, tax, business, financial and related aspects of a purchase of Shares.

**Preferential Retail Allocation**

There will be a preferential allocation of Offer Shares to Dutch Retail Investors in accordance with applicable law and regulations. Each Dutch Retail Investor will be allocated the first 250 (or fewer) Offer Shares for which such investor applies. However, if the total number of Offer Shares subscribed for by Dutch Retail Investors under the Preferential Retail Allocation would exceed 10% of the total number of the Offer Shares, assuming no exercise of the Over-Allotment Option, the preferential allocation to each Dutch Retail Investor may be reduced *pro rata* to the first 250 (or fewer) Offer Shares for which such investor applies. As a result, Dutch Retail Investors may not be allocated all of the first 250 (or fewer) Offer Shares for which they apply. The exact number of Offer Shares allocated to Dutch Retail Investors will be determined after the Offering Period has ended.

The Preferential Retail Allocation will only be made in relation to Offer Shares comprising up to 10% of the total number of Offer Shares, not including the Over-Allotment Shares. The Company and the Selling Shareholders after consultation with the Joint Global Coordinators has full discretion as to whether or not and how to allocate the remainder of the Offer Shares applied for.

For the purpose of the Preferential Retail Allocation, a Dutch Retail Investor is either: (i) a natural person resident in the Netherlands; or (ii) a special investment vehicle having its seat in the Netherlands which is a legal entity established for the express and sole purpose of providing asset management and/or retirement planning services for a natural person.

To be eligible for the Preferential Retail Allocation, Dutch Retail Investors must place their subscriptions during the period commencing on 30 September at 9:00 CET and ending on 9 October 2019 at 17:30 CET through financial intermediaries. Different financial intermediaries may apply deadlines before the closing time of the Offering Period.

The Retail Coordinator will communicate to the financial intermediaries the aggregate number of Offer Shares allocated to their respective Dutch Retail Investors. It is up to the financial intermediaries to notify Dutch Retail Investors of their individual allocations.

**Payment**

Payment (in euros) for and delivery of the Offer Shares will take place on the Settlement Date. Taxes and expenses, if any, must be borne by the investor (for more information see "Taxation"). Dutch Retail Investors may be charged expenses by their financial intermediary. Investors must pay the Offer Price in immediately available funds in full in euro on or before the Settlement Date (or earlier in the case of an early closing of the Offering Period and consequent acceleration of pricing, allocation, commencement of trading and Settlement).

**Listing and Trading**

Prior to the Offering, there has been no public market for the Shares. Application has been made to list all of the Shares on Euronext Amsterdam under the symbol "CMCOM" with ISIN NL0013746431. Subject to acceleration or extension of the timetable for the Offering, trading on an "as-if-and-when-issued/ delivered" basis in the Offer Shares is expected to commence on or about 11 October 2019.

**Delivery, Clearing and Settlement**

The Offer Shares will be delivered in book-entry form through the facilities of Euroclear Nederland. Application has been made for the Shares to be accepted for clearance through the book-entry facilities of Euroclear Nederland. Euroclear Nederland has its offices at Herengracht 459-469, 1017 BS Amsterdam, the Netherlands.

Delivery of the Offer Shares will take place on the Settlement Date, through the book-entry facilities of Euroclear Nederland, in accordance with its normal settlement procedures applicable to equity securities and against payment (in euros) for the Offer Shares and the Over-Allotment Shares, if applicable, in immediately available funds.

The closing of the Offering may not take place on the Settlement Date or at all if certain conditions or events referred to in the Underwriting Agreement are not satisfied or waived or occur on or prior to such date. See "Plan of Distribution".

If Settlement does not take place on the Settlement Date as planned or at all, the Offering may be withdrawn, in which case all subscriptions for Offer Shares will be disregarded, any allotments made will be deemed not to have been made and any subscription payments made will be returned without interest or other compensation. Any dealings in Shares prior to Settlement are at the sole risk of the parties concerned. Neither the Company, the Selling Shareholders, the Underwriters, the Listing and Paying Agent nor Euronext Amsterdam N.V. accept any responsibility or liability for any loss incurred by any person as a result of a withdrawal of the Offering or the related annulment of any transactions in Shares on Euronext Amsterdam.

**Voting Rights**

Each Share confers the right to cast one vote in the General Meeting, see "Description of Share Capital—General Meetings and Voting Rights—Voting Rights". After the Settlement Date, all Shareholders have the same voting rights.

**Ranking and Dividends**

The Offer Shares and, if the Over-Allotment Option will be exercised, any Over-Allotment Shares will, upon issue, rank equally in all respects. The Offer Shares will carry dividend rights as of the date of issue. See "Dividend Policy".

**Dilution**

The voting interest of the current Shareholders will be diluted as a result of the issuance of the New Offer Shares (excluding the sale of the Existing Offer Shares). The maximum dilution for these Shareholders pursuant to the issuance of the New Offer Shares would be 34.8% assuming the issuance of 6,666,667 New Offer Shares.

**Listing and Paying Agent**

ABN AMRO Bank N.V. is the Listing and Paying Agent with respect to the Shares on Euronext Amsterdam.

**Retail Coordinator**

ABN AMRO Bank N.V. is the Retail Coordinator with respect to the Preferential Retail Allocation.

**Stabilization Manager**

ABN AMRO Bank N.V. is the Stabilization Manager with respect to the Shares on Euronext Amsterdam.

# PLAN OF DISTRIBUTION

**Underwriting**

The Company, the Selling Shareholders and the Underwriters will enter into the Underwriting Agreement on or about 30 September 2019 with respect to the offer and sale of the Offer Shares in connection with the Offering.

After the entering into of the pricing agreement between the Company, the Selling Shareholders and the Underwriters on or about 10 October 2019 (the "**Pricing Agreement**"), and thereby the determination of the Offer Price and the exact number of Offer Shares (*i.e.*, underwriting of settlement risk only), which is a condition for the obligations of the Underwriters under the Underwriting Agreement, and on the terms of and subject to the conditions set forth in the Underwriting Agreement, the Company will agree to issue the New Offer Shares at the Offer Price and the Selling Shareholders will agree to sell the Existing Offer Shares at the Offer Price to subscribers procured by the Underwriters or to the Underwriters themselves, and each of the Underwriters will, severally but not jointly, agree to use reasonable endeavours to procure subscribers for the Offer Shares against the Offer Price or subscribe for and purchase any Offer Shares themselves which are subscribed for but unpaid.

Subject to the satisfaction of these conditions precedent, the proportion of Offer Shares that each Underwriter will be required to purchase is indicated below.

| **Underwriters** | **Underwriting Commitment of Offer Shares** |
|---|---|
| ABN AMRO Bank N.V. | 43% |
| Jefferies International Limited | 38% |
| Rabobank | 16% |
| NIBC | 3% |
| **Total** | **100%** |

In the Underwriting Agreement, the Company and the Selling Shareholders will make representations and warranties. In addition, the Company, and for a breach of representations and warranties of the Selling Shareholders, the Selling Shareholders, will indemnify the Underwriters against most potential liabilities in connection with the Offering in the absence of willful misconduct and fraud, and a monetary limitation for the Selling Shareholders.

The Underwriting Agreement will provide that the obligations of the Underwriters to use reasonable endeavours to procure subscribers for the Offer Shares against the Offer Price or subscribe for and purchase any Offer Shares themselves which are subscribed for but unpaid, are subject to the following conditions: (i) the execution of documents relating to the Offering and such documents and the AFM's approval of this Prospectus, including any supplements and amendments thereto, being in full force and effect, (ii) the entering into of the Pricing Agreement, and thereby the determination of the Offer Price and the exact number of Offer Shares (*i.e.*, underwriting of settlement risk only), (iii) receipt of auditor comfort letters, (iv) receipt of customary legal opinions from counsel, (v) receipt of customary officers' certificates, (vi) the admission of the Shares to listing and trading on Euronext Amsterdam occurring no later than 9:00 a.m. CET on the First Trading Date, (vii) the Shares having been accepted for book entry transfers by Euroclear Nederland on the Settlement Date, (viii) the absence of any material adverse change or any material adverse development involving a prospective change, in or affecting the general affairs, business, condition (financial or otherwise), results of operations, properties, assets, liquidity, solvency or prospects, or in financial markets since the date of the Underwriting Agreement, (ix) the entering into of the Share Lending Agreement (as defined below), (x) the lock-up undertakings being in full force and effect, and (xi) other customary conditions, including in respect of the accuracy of representations and warranties by the Company and the Selling Shareholders and each of the Company and the Selling Shareholders having complied with the terms of the Underwriting Agreement and the listing and paying agreement.

Upon the occurrence of specific events, such as (i) trading generally shall have been suspended or materially limited on or by, as the case may be, any of Euronext Amsterdam, the London Stock Exchange or the New York Stock Exchange, (ii) trading of the Shares shall have been suspended, (iii) customary force majeur in financial markets, (iv) any of the conditions precedent not being satisfied or waived, (v) a breach of any representation, warranty or undertaking of the Underwriting Agreement, or (vi) in the case of a supplement to this Prospectus, the supplement not being approved by the Joint Global Coordinators, the

Underwriters may elect to terminate the Underwriting Agreement at any time prior to the Settlement Date (or thereafter, in respect of the Over-Allotment Option only).

In consideration of the agreement by the Underwriters to procure subscribers and purchasers for the Offer Shares or, failing which, to subscribe and/or purchase the Offer Shares themselves, the Offer Shares at the Offer Price and subject to the Offer Shares being sold as provided for in the Underwriting Agreement, the Company and the Selling Shareholders have agreed to pay the Underwriters an aggregate commission of 2.75% of the gross proceeds of the Offering (including, if applicable, any gross proceeds from the sale of the Offer Shares pursuant to the exercise of the Over-Allotment Option), provided that the aggregate commission shall be 3.00% of the gross proceeds of the Offering, if these are less than EUR 100 million. This does not include any incentive fees, which may be paid to the Underwriters at the discretion of the Company and the Selling Shareholders. The Company and the Selling Shareholders have also agreed to reimburse the Underwriters for certain expenses incurred by them in connection with the Offering.

The Offer Shares have not been, and will not be, registered under the US Securities Act or with any securities regulatory authority of any state of the US and may not be offered, sold, pledged or transferred within the US, directly or indirectly, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. The Offer Shares may be offered and sold: (i) in the US only to persons reasonably believed to be QIBs in reliance on Rule 144A or pursuant to another exemption from, or in a transaction not subject to, the registration requirement under the US Securities Act and applicable state securities laws; and (ii) to institutional investors outside the US in "offshore transactions" as defined in, and in compliance with Regulation S. Any offer or sale of Offer Shares in reliance on Rule 144A will be made by broker dealers who are registered as such under the Exchange Act. Terms used in this paragraph have the meanings given to them by Regulation S and Rule 144A.

ABN AMRO Bank N.V. is not a registered broker-dealer in the US, and therefore, to the extent that it intends to effect any offers or sales of Offer Shares in the US or to US persons, it will do so through its affiliate, ABN AMRO Securities (USA) LLC, a US registered broker-dealer, pursuant to applicable US securities laws.

NIBC will not, directly or indirectly through a US broker dealer affiliate or selling agent or otherwise, effect any offers or sales of Offer Shares in the US.

**Potential Conflicts of Interests**

The Underwriters are acting exclusively for the Company and the Selling Shareholders and for no one else and will not regard any other person (whether or not a recipient of this Prospectus) as their respective clients in relation to the Offering and will not be responsible to anyone other than to the Company and/or the Selling Shareholders for giving advice in relation to the Offering and for the listing and trading of the Shares and/or any other transaction or arrangement referred to in this Prospectus.

Certain of the Underwriters and/or their respective affiliates are currently engaged, have in the past been engaged, and may in the future, from time to time, engage in commercial banking, investment banking and financial advisory and ancillary activities in the ordinary course of their business with the Company and/or the Selling Shareholders or any parties related to any of them, in respect of which they have received, and may in the future receive, customary fees and commissions.

The Company has entered into a credit facility agreement with ABN AMRO Bank N.V. This credit facility includes the EUR 10.0 million Overdraft Facility for working capital purposes and the EUR 10.0 million 1-year Term Loan which is fully drawn at the date of this Prospectus for the refinancing of the outstanding amounts under CM.com's prior EUR 12.0 million term loan and EUR 5.0 million revolving credit facility with Rabobank (see also Note 16 to the 2018 Consolidated Financial Statements). See "Operating and Financial Review—Liquidity and Capital Resources—Financing Arrangements and Commitments".

In connection with the Offering, each of the Underwriters and any of their respective affiliates, acting as an investor for its own account, may take up Offer Shares in the Offering and in that capacity may retain, purchase or sell for its own account such securities and any Offer Shares or related investments and may offer or sell such Offer Shares or other investments otherwise than in connection with the Offering. Accordingly, references in this Prospectus to Offer Shares being offered or placed should be read as including any offering or placement of Offer Shares to any of the Underwriters or any of their respective affiliates acting in such capacity. None of the Underwriters intends to disclose the extent of any such investment or transactions otherwise than pursuant to any legal or regulatory obligation to do so. In addition, certain of the Underwriters or their affiliates may enter into financing arrangements (including swaps) with investors in connection with which such Underwriters (or their affiliates) may from time to time acquire, hold or dispose of Offer Shares.

As a result of acting in the capacities described above, the Underwriters may have interests that may not be aligned, or could potentially conflict, with investors' and the Company's interests.

**Lock-up Arrangements**

The Joint Global Coordinators may, in their sole discretion and at any time, waive the restrictions, including those on sales, issuances or transfers of Shares, described below.

***Company lock-up***

Pursuant to the Underwriting Agreement, the Company will agree with the Underwriters that, the Company for a period of 180 days after the Settlement Date (the Lock-Up Period), will not, and the Company will procure that Group Companies from time to time will not, and will not announce any intention to, except as set forth below, without the prior consent of the Joint Global Coordinators (acting on behalf of the Underwriters), (i) issue, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Shares or any securities exchangeable for or convertible into or exercisable for Shares, or any other similar equity or debt instrument that would give an equity-like economic interest in the Company to its holders or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Shares or create any charge or security interest over, whether any such transaction described in (i) or (ii) above is to be settled by delivery of the Shares or such other securities, in cash or otherwise.

The foregoing restrictions shall not apply to: (i) the offer by the Company and the issuing or selling and transferring the New Offer Shares under the Underwriting Agreement; (ii) the granting of awards for Shares or options for Shares by the Company pursuant to, and in accordance with, the long-term incentive plans or award programs as disclosed in this Prospectus, provided that any grant under the LTIP is consistent with the remuneration policy as adopted by the General Meeting to the extent such policy is applicable to the recipient of the awards; and (iii) the issue of Shares to the Selling Shareholders in connection with the pre-settlement restructuring of the capital of the Company to prepare it for the Offering (see "Existing Shareholders and Related Party Transactions—Conversion of Shares and Amendment of the Company's Articles of Association" and "Description of Share Capital—Share Capital—Authorized and issued share capital of the Company").

***Selling Shareholders lock-up***

Pursuant to the Underwriting Agreement, each of the Selling Shareholders will agree with the Underwriters that, for a period of 360 days after the Settlement Date (the Lock-Up Period), it will not and it will not announce any intention to, except as set forth below, without the prior consent of the Joint Global Coordinators (acting on behalf of the Underwriters), (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, cause the Company to issue, or otherwise transfer or dispose of, directly or indirectly, any Shares or any securities exchangeable for or convertible into or exercisable for Shares or any other similar equity or debt instrument that would give an equity-like economic interest in the Company to its holders, or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Shares or create any charge or security interest over, whether any such transaction described in (i) or (ii) above is to be settled by delivery of the Shares or such other securities, in cash or otherwise.

The foregoing restrictions shall not apply to: (i) the sale of the Existing Shares under the Underwriting Agreement; (ii) the lending of Shares to the Joint Global Coordinators pursuant to the Share Lending Agreement; (iii) transfers of Shares by a Selling Shareholder in favor of any entity within such Selling Shareholder's control or under common control with such Selling Shareholder or to one or more persons, whether neutral or legal, who are the ultimate beneficial owners of such Selling Shareholder, provided such transferee shall have agreed to a similar lock-up period; (iv) the sale, transfer or other disposal of any of the Shares by way of acceptance of a public takeover offer, tender offer, merger, consolidation or similar business combination with a third party in respect of a 'change of control' that is recommended by the Management Board and Supervisory Board; and (v) the transfer, subscription or exchange of Shares and other shares of the Company in connection with the pre-settlement restructuring of the capital of the

Company to prepare it for the Offering (see "Existing Shareholders and Related Party Transactions—Conversion of Shares and Amendment of the Company's Articles of Association" and "Description of Share Capital—Share Capital—Authorized and issued share capital of the Company").

Pursuant to the Underwriting Agreement, each of Mr. J van Glabbeek (in relation to his (indirect) ownership of all issued and outstanding shares in ClubCompany1 B.V.) and Mr. G. Gooijers (in relation to his (indirect) ownership of all issued and outstanding shares in ClubCompany2 B.V.) will agree with the Joint Global Coordinators that, for a period of 360 days after the Settlement Date (the Lock-Up Period), it will not, without the prior consent of the Joint Global Coordinators (acting on behalf of the Underwriters) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise (agree to) transfer or dispose of, directly or indirectly, any such shares or the economic benefit thereof.

The foregoing restrictions shall not apply to: (i) the direct or indirect transfers of Shares each of Mr. J. van Glabbeek and Mr. G. Gooijers in favor of any entity within control or under common control with each of Mr. J. van Glabbeek and Mr. G. Gooijers or to one or more persons, whether neutral or legal, who are the ultimate beneficial owners of ClubCompany1 B.V. or ClubCompany2 B.V., provided such transferee shall have agreed to a similar lock-up period; and (ii) the sale, transfer or other disposal of any of the Shares by way of acceptance of a public takeover offer, tender offer, merger, consolidation or similar business combination with a third party in respect of a 'change of control' that is recommended by the Management Board and Supervisory Board.

***Management lock-up***

Pursuant to the Underwriting Agreement, the Company will procure that, for a period of 360 days after the Settlement Date, the members of the Management Board (including the chief financial officer intended to be appointed as from the date of appointment) will not, and will not announce any intention to, without the prior consent of the Joint Global Coordinators (on behalf of the Underwriters), (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, cause the Company to issue, or otherwise transfer or dispose of, directly or indirectly, any Shares or any securities exchangeable for or convertible into or exercisable for Shares or any other similar equity or debt instrument that would give an equity-like economic interest in the Company to its holders or, (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Shares or create any charge or security interest over, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise.

The foregoing restrictions shall not apply to: (i) the sale of the Existing Shares under the Underwriting Agreement; (ii) the lending of Shares to the Joint Global Coordinators pursuant to the Share Lending Agreement; (iii) the direct or indirect transfers of Shares in favor of any entity within such Managing Directors' control or under common control with such Managing Directors, provided such transferee shall have agreed to a similar lock-up period; (iv) the sale, transfer or other disposal of any of the Shares by way of acceptance of a public takeover offer, tender offer, merger, consolidation or similar business combination with a third party in respect of a 'change of control' that is recommended by the Management Board and Supervisory Board; and (v) the transfer, subscription or exchange of Shares and other shares of the Company in connection with the pre-settlement restructuring of the capital of the Company to prepare it for the Offering (see "Existing Shareholders and Related Party Transactions—Conversion of Shares and Amendment of the Company's Articles of Association" and "Description of Share Capital—Share Capital—Authorized and issued share capital of the Company").

**Over-Allotment and Stabilization**

In connection with the Offering, ABN AMRO, as the Stabilization Manager, or any of its agents, on behalf of the Underwriters may (but will be under no obligation to), to the extent permitted by applicable law, over-allot Shares or effect other transactions with a view to supporting the market price of the Shares at a higher level than that which might otherwise prevail in the open market. The Stabilization Managers will not be required to enter into such transactions and such transactions may be effected on any securities market, over-the-counter market, stock exchange (including Euronext Amsterdam) or otherwise and may be undertaken at any time during the period commencing on the First Trading Date and ending no later than 30 calendar days thereafter. The Stabilization Manager or any of its agents will not be obligated to effect stabilizing transactions, and there will be no assurance that stabilizing transactions will be undertaken. Such stabilizing transactions, if commenced, may be discontinued at any time without prior notice. Save as required by law or regulation, neither the Stabilizing Manager nor any of its agents intends to disclose the extent of any over-allotments made and/or stabilization transactions under the Offering. The Underwriting Agreement provides that the Stabilization Manager may, for purposes of stabilizing transactions, over-allot Shares up to 15% of the total number of Offer Shares sold in the Offering. The Underwriting Agreement provides that to the extent the Stabilization Manager earns any profit directly from stabilizing transactions, the Stabilization Manager will remit 50% of these profits to the Company after deduction of (a) reasonable and properly documented costs up to a maximum of 0.2% of the value of the Offer Shares traded on the stabilization account, and (b) transfer taxes incurred in respect of stabilization activities. Any stabilization losses shall be for the account of the Banks. Any losses incurred from stabilizing transactions will be borne by the Underwriters *pro rata* to their underwriting commitments.

In connection with the Over-Allotment Option, up to 15% of the total number of Offer Shares will be made available to the Stabilization Manager for the account of the Underwriters by the Selling Shareholders through a securities loan to be entered into on or around the date of the Underwriting Agreement (the "**Share Lending Agreement**").

None of the Company, the Selling Shareholders or any of the Underwriters makes any representation or prediction as to the direction or the magnitude of any effect that the transactions described above may have on the price of the Shares or any other securities of the Company. In addition, none of the Company, the Selling Shareholders or any of the Underwriters makes any representation that the Stabilization Manager will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

# SELLING AND TRANSFER RESTRICTIONS

No action has been taken by the Company or the Underwriters that would permit, other than pursuant to the Offering, an offer of the Offer Shares or possession or distribution of this Prospectus or any other offering material in any jurisdiction where action for that purpose is required. The distribution of this Prospectus and the offer of the Offer Shares in certain jurisdictions may be restricted by law.

Persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions, including those in the paragraphs that follow. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdictions.

**United States**

The Offer Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and, subject to certain exceptions, may not be offered or sold, directly or indirectly, or otherwise transferred within the United States.

In the United States, the Offer Shares will be sold only to persons reasonably believed to be QIBs in reliance on Rule 144A under the US Securities Act. All offers and sales of the Offer Shares outside the United States will be made to institutional investors in "offshore transactions" in compliance with Regulation S under the US Securities Act.

In addition, until the end of the 40th calendar day after commencement of the offering, an offering or sale of Offer Shares within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the US Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

***Rule 144A***

Each purchaser of the Offer Shares within the United States pursuant to Rule 144A, by accepting delivery of this Prospectus, will be deemed to have represented, agreed and acknowledged that:

(i) It is not an "affiliate" (as defined in Rule 144A under the US Securities Act) of the Company or the Selling Shareholders and it is (a) a QIB (b) acquiring such Offer Shares for its own account or for the account of a QIB and (c) aware, and each beneficial owner of such Offer Shares has been advised, that the sale of such Offer Shares to it is being made in reliance on Rule 144A.

(ii) It understands that such Offer Shares have not been and will not be registered under the US Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of a QIB, (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S or (c) pursuant to an exemption from registration under the US Securities Act provided by Rule 144 thereunder (if available), in each case in accordance with any applicable securities laws of any State of the United States.

(iii) The Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Offer Shares.

(iv) It understands that such Offer Shares (to the extent they are in certificated form), unless otherwise determined by the Company in accordance with applicable law, will bear a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "US SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE US SECURITIES ACT ("RULE 144A") TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE

WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE US SECURITIES ACT OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE US SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE US SECURITIES ACT FOR RESALES OF THIS SECURITY.

(v) The Company, the Underwriters and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If it is acquiring any Offer Shares for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

(vi) The purchaser will not deposit or cause to be deposited such Offer Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3).

(vii) The Company shall not recognize any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above-stated restrictions.

**Prospective purchasers are hereby notified that sellers of the Offer Shares may be relying on the exemption from the provisions of Section 5 of the US Securities Act provided by Rule 144A.**

***Regulation S***

Each purchaser of the Offer Shares outside of the United States pursuant to Regulation S, by its acceptance of delivery of this Prospectus and the Offer Shares, will be deemed to have represented, agreed and acknowledged as follows:

- The purchaser is, or at the time the Offer Shares were purchased will be, the beneficial owner of such Offer Shares and (i) is, and the person, if any, for whose account it is acquiring the Offer Shares is, outside the United States, (ii) is not an affiliate of the company or a person acting on behalf of such an affiliate, and (iii) is not in the business of buying or selling securities or, if it is in such business, it did not acquire such Offer Shares from the company or an affiliate thereof in the initial distribution of such Offer Shares.
- The purchaser is aware that such Offer Shares (i) have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction within the United States; and (ii) are being sold in accordance with Rule 903 or 904 of Regulation S and is purchasing such Offer Shares in an "offshore transaction" in reliance on Regulation S.
- The purchaser acknowledges that the Company, the Selling Shareholder, the Underwriters and their respective affiliates will rely upon the truth and accuracy of the acknowledgements, representations and agreements in the foregoing paragraphs.
- The purchaser is aware of the restrictions on the offer and sale of the Offer Shares pursuant to Regulation S described in this Prospectus.
- The Company shall not recognize any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above-stated restrictions.

**European Economic Area**

In relation to each state other than the Netherlands which is a party to the agreement relating to the European Economic Area ("**EEA**") (a "**Relevant Member State**"), with effect from and including the date on which the Prospectus Regulation enters into effect in that Relevant Member State, an offer to the public of any Offer Shares which are the subject of the Offering contemplated by this Prospectus may not be made in that Relevant Member State, except that an offer to the public in that Relevant Member State of any Offer Shares may be made at any time under the following exemptions under the Prospectus Regulation:

- to any legal entity which is a qualified investor as defined in the Prospectus Regulation; or

- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) per relevant Member State, subject to obtaining the prior consent of the Joint Global Coordinators; or
- in any other circumstances falling under the scope of Article 1(4) of the Prospectus Regulation;

provided that no such offer of Offer Shares shall require the Company or any Underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to any Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offering and any Offer Shares to be offered so as to enable an investor to decide to purchase any Offer Shares and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129 and includes any relevant delegated regulations.

**United Kingdom**

This Prospectus is being distributed only to, and is directed only at, persons who are outside the United Kingdom, or if in the United Kingdom: (i) have professional experience in matters relating to investments falling within the definition of "investment professionals" in Article 19(5) of The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"); (ii) are high net worth bodies corporate, unincorporated associations and partnerships and the trustees of high value trusts, as described in Article 49(2) of the Order; (iii) the Company believes on reasonable grounds to be persons to whom Article 43(2) of the Order applies for these purposes; or (iv) other persons to whom it may lawfully be communicated (all such persons being referred to in (i), (ii), (iii) and (iv) are defined as "**Relevant Persons**"). In the United Kingdom, any investment or investment activity to which this Prospectus relates is only available to and will only be engaged in with Relevant Persons. Any other persons who receive this Prospectus should not rely on or act upon it.

Each Underwriter of the Offer Shares will be deemed to have represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 ("**FSMA**") received by it in connection with the issue or sale of any Offer Shares in circumstances in which section 21(1) of the FSMA does not apply to the Company; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Offer Shares in, from or otherwise involving the United Kingdom.

**Australia**

This document (a) does not constitute a prospectus or a product disclosure statement under the Corporations Act 2001 of the Commonwealth of Australia ("**Corporations Act**"); (b) does not purport to include the information required of a prospectus under Part 6D.2 of the Corporations Act or a product disclosure statement under Part 7.9 of the Corporations Act; has not been, nor will it be, lodged as a disclosure document with the Australian Securities and Investments Commission ("**ASIC**"), the Australian Securities Exchange operated by ASX Limited or any other regulatory body or agency in Australia; and (c) may not be provided in Australia other than to select investors ("**Exempt Investors**") who are able to demonstrate that they (i) fall within one or more of the categories of investors under section 708 of the Corporations Act to whom an offer may be made without disclosure under Part 6D.2 of the Corporations Act, and (ii) are "wholesale clients" for the purpose of section 761G of the Corporations Act.

The Offer Shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for, or buy, the Offer Shares may be issued, and no draft or definitive offering memorandum, advertisement or other offering material relating to any Offer Shares may be distributed, received or published in Australia, except where disclosure to investors is not required under Chapters 6D and 7 of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the Offer Shares, each purchaser or subscriber of Offer Shares represents and warrants to the Company, the Selling Shareholders, the Underwriters and their affiliates that such purchaser or subscriber is an Exempt Investor.

As any offer of Offer Shares under this document, any supplement or the accompanying prospectus or other document will be made without disclosure in Australia under Parts 6D.2 and 7.9 of the Corporations Act, the offer of those Offer Shares for resale in Australia within 12 months may, under the Corporations Act, require disclosure to investors if none of the exemptions in the Corporations Act applies to that resale. By applying for the Offer Shares each purchaser or subscriber of Offer Shares undertakes to the Company, the Selling Shareholder, and the Underwriters that such purchaser or subscriber will not, for a period of 12 months from the date of issue or purchase of the Offer Shares, offer, transfer, assign or otherwise alienate those Offer Shares to investors in Australia except in circumstances where disclosure to investors is not required under the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

**Canada**

The Offer Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45–106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31–103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Offer Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to Section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33–105 Underwriting Conflicts (NI 33–105), the Underwriters are not required to comply with the disclosure requirements of NI 33–105 regarding underwriter conflicts of interest in connection with this offering.

**Japan**

The Offer Shares have not been and will not be registered under the Financial Instruments and Exchange Law (Law No.25 of 1948, as amended) and, accordingly, will not be offered or sold, directly or indirectly, in Japan, or for the benefit of any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person, except in compliance with all applicable laws, regulations and ministerial guidelines promulgated by relevant Japanese governmental or regulatory authorities in effect at the relevant time. For the purposes of this paragraph, "Japanese Person" shall mean any person resident in Japan, including any corporation or other entity organized under the laws of Japan.

**Switzerland**

The Offer Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (the "**SIX**") or on any other stock exchange or regulated trading facility in Switzerland. This Prospectus has been prepared without regard to the disclosure standards for the issuance of prospectuses under Article 652a or Article 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under Article 27ff of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Offer Shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the offering, the Company or the Offer Shares has been or will be filed with or approved by any Swiss regulatory authority. In particular, this Prospectus will not be filed with, and the offer of Offer Shares will not be supervised by, the Swiss Financial Market Supervisory Authority ("**FINMA**"), and the offer of Offer Shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes (the "**CISA**").

**DIFC**

This prospectus relates to an "Exempt Offer" in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ("**DFSA**"). This Prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Prospectus nor taken steps to verify the information set forth herein and has no responsibility for the Prospectus. The shares to which this Prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this Prospectus you should consult an authorized financial advisor.

**Singapore**

This Prospectus or any other material relating to the Offer Shares has not been and will not be registered as a prospectus with the monetary authority of Singapore. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Offer Shares may not be circulated or distributed, nor may any Offer Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than:

1. to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289, of Singapore (the "**Securities and Futures Act**");

2. to a relevant person pursuant to Section 275(1A) of the Securities and Futures Act, and in accordance with the conditions specified in Section 275 of the Securities and Futures Act; or

3. otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

   Where Offer Shares are subscribed for or purchased under Section 275 by a relevant person that is:

(i) a corporation (which is not an accredited investor) (as defined in Section 4A of the Securities and Futures Act) whose sole business is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor.

Offer Shares (as defined in Section 239(1) of the Securities and Futures Act) of that corporation or the beneficiaries rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Offer Shares pursuant to an offer made under Section 275 except to an institutional investor or to a relevant person as defined in Section 275(2) of the Securities and Futures Act, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the Securities and Futures Act:

A. where no consideration is or will be given for the transfer;

B. where the transfer is by operation of law; or

C. as specified in Section 276(7) of the Securities and Futures Act.

**Hong Kong**

No Offer Shares have been offered or sold or will be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**Securities and Futures Ordinance**") and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the Offer Shares has been issued or has been in the possession of any person for the purposes of issue, nor will any such advertisement, invitation or document be issued or be in the possession of any person for the purpose of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Offer Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under the Securities and Futures Ordinance.

# TAXATION

## Taxation in the Netherlands

This section outlines the principal Dutch tax consequences of the acquisition, holding, settlement, redemption and disposal of the Shares. It does not present a comprehensive or complete description of all aspects of Dutch tax law which could be relevant to a Shareholder. For Dutch tax purposes, a Shareholder may include an individual or entity not holding the legal title to the Shares, but to whom, or to which, the Shares are, or the income from the Shares is, nevertheless attributed based either on this individual or entity owning a beneficial interest in the Shares or on specific statutory provisions. These include statutory provisions attributing Shares to an individual who is, or who has directly or indirectly inherited from a person who was, the settlor, grantor or similar originator of a trust, foundation or similar entity that holds the Shares.

This section is intended as general information only. Prospective Shareholders should consult their own tax adviser regarding the tax consequences of any acquisition, holding or disposal of Shares.

This section is based on Dutch tax law as applied and interpreted by Dutch tax courts and as published and in effect on the date of the Prospectus, including the tax rates applicable on that date, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect.

Any reference in this section made to Dutch taxes, Dutch tax or Dutch tax law should be construed as a reference to any taxes of any nature levied by or on behalf of the Netherlands or any of its subdivisions or taxing authorities or to the law governing such taxes, respectively. The Netherlands means the part of the Kingdom of the Netherlands located in Europe.

Any reference made to a treaty for the avoidance of double taxation concluded by the Netherlands includes the Tax Regulation for the Kingdom of the Netherlands (*Belastingregeling voor het Koninkrijk*), the Tax Regulation for the State of the Netherlands (*Belastingregeling voor het land Nederland*), the Tax Regulations for the Netherlands and Curacao (*Belastingregeling Nederland Curaçao*), the Tax Regulations for the Netherlands and St. Maarten (*Belastingregeling Nederland Sint Maarten*) and the Agreement between the Taipei Representative Office in the Netherlands and the Netherlands Trade and Investment Office in Taipei for the avoidance of double taxation.

This section does not describe any Dutch tax considerations or consequences that may be relevant where a Shareholder:

(i) is an individual and the Shareholder's income or capital gains derived from the Shares are attributable to employment activities, the income from which is taxable in the Netherlands;

(ii) has a substantial interest (*aanmerkelijk belang*) or a fictitious substantial interest (*fictief aanmerkelijk belang*) in the Company within the meaning of paragraph 4 of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*). Generally, a Shareholder has a substantial interest in the Company if the Shareholder, alone or – in case of an individual – together with a partner for Dutch tax purposes, or any relative by blood or by marriage in the ascending or descending line (including foster-children) of the Shareholder or the partner, owns or holds, or is deemed to own or hold shares or certain rights to shares, including rights to directly or indirectly acquire shares, directly or indirectly representing 5% or more of the Company's issued capital as a whole or of any class of Shares or profit participating certificates (*winstbewijzen*) relating to 5% or more of the Company's annual profits or 5% or more of the Company's liquidation proceeds;

(iii) is an entity which under the Dutch Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*) (the "**CITA**") is not subject to Dutch corporate income tax or is fully or partly exempt from Dutch corporate income tax (such as a qualifying pension fund);

(iv) is an investment institution (*beleggingsinstelling*) as described in Section 6a or 28 CITA**;**

(v) is required to apply the participation exemption (*deelnemingsvrijstelling*) with respect to the Shares (as defined in Section 13 CITA). Generally, a Shareholder is required to apply the participation exemption if it is subject to Dutch corporate income tax and it, or a related entity, holds an interest of 5%or more of the nominal paid-up share capital in the Company;

(vi) holds the Shares through an entity which is treated as transparent for Dutch tax purposes, while being treated as a resident under the laws of another state; or

(vii) is an entity which is a resident of Aruba, Curacao or St. Maarten and has an enterprise which is fully or partly carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in Bonaire, Sint Eustatius or Saba, to which the Shares are attributable.

***Dutch Withholding Tax***

A Shareholder is generally subject to Dutch dividend withholding tax at a rate of 15% on dividends distributed by the Company. Generally, the Company is responsible for the withholding of such dividend withholding tax at source.

Dividends distributed by the Company include, but are not limited to:

(i) distributions of profits in cash or in kind, whatever they be named or in whatever form;

(ii) proceeds from the liquidation of the Company or proceeds from the repurchase of Shares by the Company, other than as a temporary portfolio investment (*tijdelijke belegging*), in excess of the average paid-in capital recognized for Dutch dividend withholding tax purposes;

(iii) the par value of the Shares issued to a Shareholder or an increase in the par value of the Shares, to the extent that no related contribution, recognized for Dutch dividend withholding tax purposes, has been made or will be made; and

(iv) partial repayment of paid-in capital, that is

- not recognized for Dutch dividend withholding tax purposes, or
- recognized for Dutch dividend withholding tax purposes, to the extent that the Company has "net profits" (*zuivere winst*), unless (a) the general meeting of shareholders has resolved in advance to make this repayment, and (b) the par value of the Shares concerned has been reduced by an equal amount by way of an amendment to the articles of association of the Company. The term "net profits" includes anticipated profits that have yet to be realized.

Subject to certain exceptions under Dutch domestic law, the Company may not be required to transfer to the Dutch tax authorities the full amount of Dutch dividend withholding tax due in respect of dividends distributed by the Company, if the Company has received a profit distribution from a qualifying foreign subsidiary as described in Section 11 of the Dutch Dividend Withholding Tax Act 1965 (*Wet op de dividendbelasting 1965*) (the "**DWTA**"), which distribution (i) is exempt from Dutch corporate income tax and (ii) has been subject to a foreign withholding tax of at least 5%. The amount that does not have to be transferred to the Dutch tax authorities can generally not exceed the lesser of either (a) 3% percent of the dividends distributed by the Company, or (b) 3% of the profit distributions the Company received from qualifying foreign subsidiaries in the calendar year in which the Company distributes the dividends (up to the moment of this dividend distribution) and the two previous calendar years; further limitations and conditions apply. The Company will, upon reasonable request of a Shareholder, provide such Shareholder with information regarding the Dutch dividend withholding tax that was retained by the Company on the basis of Section 11 of the DWTA if such information is required by the relevant Shareholder to calculate its or its owners tax liability.

If a Shareholder is resident or deemed to be resident in the Netherlands, such Shareholder is generally entitled to a credit for any Dutch dividend withholding tax against his Dutch tax liability and to a refund of any residual Dutch dividend withholding tax.

Depending on specific circumstances, a Shareholder resident in a country other than the Netherlands may be entitled to exemptions from, reduction of, or full or partial refund of, Dutch dividend withholding tax under Dutch law, European Union law or treaties for the avoidance of double taxation.

A Shareholder that is resident (i) in an European Union member state, or (ii) in a state that is a party to the Agreement on the EEA (*i.e.*, Iceland, Liechtenstein or Norway), or (iii) in a designated third state with which the Netherlands has agreed to an arrangement for the exchange of information on tax matters, is entitled to a full or partial refund of Dutch dividend withholding tax incurred in respect of the Shares if the final tax burden in respect of the dividends distributed by the Company of a comparable Dutch resident shareholder is lower than the withholding tax incurred by the non-Dutch resident Shareholder. The refund is granted upon request, and is subject to conditions and limitations. No entitlement to a refund exists if the disadvantage for the non-Dutch resident Shareholder is entirely compensated in his state of residence under the provisions of a treaty for the avoidance of double taxation concluded between this state of residence and the Netherlands.

Furthermore, if a Shareholder:

(i) is an entity which is resident in a member state of the EU, or a state that is a party to the EEA, or is a Qualifying Shareholder (as defined below);

(ii) is not subject to a profit tax levied by that state; and

(iii) would not have been subject to Dutch corporate income tax had the Shareholder been resident in the Netherlands,

this Shareholder will generally be eligible for a refund of Dutch dividend withholding tax on dividends distributed by the Company.

For purposes of the above, a "**Qualifying Shareholder**" is an entity that (i) is resident in a jurisdiction with which the Netherlands can exchange information in line with the international standard on exchange of information, and (ii) holds its Shares as a portfolio investment, *i.e.*, its Shares are not held with a view to establish or maintain lasting and direct economic links between the Shareholder and the Company and the Shares do not allow the Shareholder to participate effectively in the management or control of the Company.

A Shareholder who is resident in the United States for purposes of the 1992 treaty for the avoidance of double taxation between the United States and the Netherlands, as amended most recently by the Protocol signed 8 March 2004 (the "**Treaty**") (a "**US Shareholder**") and who is entitled to the benefits of the Treaty, may be entitled to an exemption from Dutch dividend withholding tax if, for instance, the US Shareholder is an exempt pension trust as described in Article 35 of the Treaty or an exempt organization as described in Article 36 of the Treaty. A US Shareholder that qualifies for an exemption from, or a reduction of, Dutch dividend withholding tax may generally claim (i) an exemption or reduction at source, or (ii) a refund, by making the requisite filings within three years after the end of the calendar year in which the Dutch dividend withholding tax was levied.

According to Dutch domestic anti-dividend stripping rules, no credit against Dutch tax, exemption from, reduction, or refund of Dutch dividend withholding tax will be granted if the recipient of the dividends paid by the Company is not considered to be the beneficial owner (*uiteindelijk gerechtigde*) of those dividends.

The DWTA provides for a non-exhaustive negative description of a beneficial owner. According to the DWTA, a Shareholder will not be considered the beneficial owner of the dividends if as a consequence of a combination of transactions:

(i) a person other than the Shareholder wholly or partly, directly or indirectly, benefits from the dividends;

(ii) whereby this other person retains or acquires, directly or indirectly, an interest similar to that in the Shares on which the dividends were paid; and

(iii) that other person is entitled to a credit, reduction or refund of Dutch dividend withholding tax that is less than that of the Shareholder.

***Dutch Taxes on Income and Capital Gains***

*Residents of the Netherlands*

The description of certain Dutch tax consequences in this section is only intended for the following Shareholders:

(i) individuals who are resident or deemed to be resident in the Netherlands ("**Dutch Resident Individuals**"); and

(ii) entities or enterprises that are subject to the CITA and are resident or deemed to be resident in the Netherlands ("**Dutch Resident Corporate Entities**").

Dutch Resident Individuals engaged or deemed to be engaged in an enterprise or in miscellaneous activities

Dutch Resident Individuals engaged or deemed to be engaged in an enterprise or in miscellaneous activities (*resultaat uit overige werkzaamheden*) are generally subject to income tax at statutory progressive rates with a maximum of 51.75% on any benefits derived or deemed to be derived from the Shares, including any capital gains realized on any disposal of the Shares, where those benefits are attributable to:

(i) an enterprise from which a Dutch Resident Individual derives profits, whether as an entrepreneur (*ondernemer*) or by being co-entitled (*medegerechtigde*) to the net worth of this enterprise other than as an entrepreneur or shareholder; or

(ii) miscellaneous activities, including activities which are beyond the scope of active portfolio investment activities (*meer dan normaal vermogensbeheer*).

Dutch Resident Individuals not engaged or deemed to be engaged in an enterprise or in miscellaneous activities

Generally, the Shares held by a Dutch Resident Individual who is not engaged or deemed to be engaged in an enterprise or in miscellaneous activities, or who is so engaged or deemed to be engaged but the Shares are not attributable to that enterprise or miscellaneous activities, will be subject to annual income tax imposed on a fictitious yield on the Shares under the regime for savings and investments (*inkomen uit sparen en beleggen*). Irrespective of the actual income or capital gains realized, the annual taxable benefit from a Dutch Resident Individual's assets and liabilities taxed under this regime, including the Shares, is set at a percentage of the positive balance of the fair market value of these assets, including the Shares, and the fair market value of these liabilities. The percentage, which is subject to an annual indexation, increases:

(i) from 1.94% over the first EUR 71,650;

(ii) to 4.45% over EUR 71,651 up to and including EUR 989,736; and

(iii) to a maximum of 5.60% over EUR 989,737 or higher.

No taxation occurs if this positive balance does not exceed a certain threshold (*heffingvrij vermogen*). The fair market value of assets, including the Shares, and liabilities that are taxed under this regime is measured exclusively on 1 January of every calendar year. The tax rate under the regime for savings and investments is a flat rate of 30%.

Dutch Resident Corporate Entities

Dutch Resident Corporate Entities are generally subject to corporate income tax at statutory rates up to 25% on any benefits derived or deemed to be derived from the Shares, including any capital gains realized on their disposal.

Non-Residents of the Netherlands

The description of certain Dutch tax consequences in this section is only intended for the following Shareholders:

(i) individuals who are not resident and not deemed to be resident in the Netherlands ("**Non-Dutch Resident Individuals**"); and

(ii) entities that are not resident and not deemed to be resident in the Netherlands ("**Non-Dutch Resident Corporate Entities**").

Non-Dutch Resident Individuals

A Non-Dutch Resident Individual will not be subject to any Dutch taxes on income or capital gains derived from the purchase, ownership and disposal or transfer of the Shares, other than withholding tax as described above, unless:

(i) the Non-Dutch Resident Individual derives profits from an enterprise, whether as entrepreneur or by being co-entitled to the net worth of this enterprise other than as an entrepreneur or shareholder and this enterprise is fully or partly carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in the Netherlands, to which the Shares are attributable;

(ii) the Non-Dutch Resident Individual derives benefits from miscellaneous activities carried on in the Netherlands in respect of the Shares, including activities which are beyond the scope of active portfolio investment activities; or

(iii) the Non-Dutch Resident Individual is entitled to a share – other than by way of securities – in the profits of an enterprise, which is effectively managed in the Netherlands and to which enterprise the Shares are attributable.

Non-Dutch Resident Corporate Entities

A Non-Dutch Resident Corporate Entity will not be subject to any Dutch taxes on income or capital gains derived from the purchase, ownership and disposal or transfer of the Shares, other than withholding tax as described above, unless:

(i) the Non-Dutch Resident Corporate Entity derives profits from an enterprise, which is fully or partly carried on through a permanent establishment or a permanent representative in the Netherlands to which the Shares are attributable; or

(ii) the Non-Dutch Resident Corporate Entity is entitled to a share in the profits – other than by way of securities – of an enterprise or a co-entitlement to the net worth of an enterprise, which is effectively managed in the Netherlands and to which enterprise the Shares are attributable.

Under certain specific circumstances, Dutch taxation rights may be restricted for Non-Dutch Resident Individuals and Non-Dutch Resident Corporate Entities pursuant to treaties for the avoidance of double taxation.

***Dutch Gift Tax or Inheritance Tax***

No Dutch gift tax or inheritance tax is due in respect of any gift of the Shares by, or inheritance of the Shares on the death of, a Shareholder, unless:

(i) the Shareholder is resident, or is deemed to be resident, in the Netherlands at the time of the gift or death of the Shareholder;

(ii) the Shareholder dies within 180 days after the date of the gift of the Shares and was, or was deemed to be, resident in the Netherlands at the time of the Shareholder's death but not at the time of the gift; or

(iii) the gift of the Shares is made under a condition precedent and the Shareholder is resident, or is deemed to be resident, in the Netherlands at the time the condition is fulfilled.

For purposes of Dutch gift tax or inheritance tax, an individual who is of Dutch nationality will be deemed to be resident in the Netherlands if this individual has been resident in the Netherlands at any time during the ten years preceding the date of the gift or the Shareholder's death. For purposes of Dutch gift tax, any individual, irrespective of nationality, will be deemed to be resident in the Netherlands if this individual has been resident in the Netherlands at any time during the 12 months preceding the date of the gift.

***Other Dutch Taxes and Duties***

No other Dutch taxes including taxes of a documentary nature, such as capital tax, stamp or registration tax or duty, are payable by, or on behalf of, the Shareholder by reason only of the purchase, ownership and disposal of the Shares.

***Residency***

A Shareholder will not become a resident or deemed resident of the Netherlands by reason only of holding the Shares. Subject to the exceptions above, a Shareholder will not become subject to Dutch taxes by reason only of the Shareholder's acquisition (by way of issue or transfer to the Shareholder), ownership or disposal of the Shares.

**Certain U.S. Federal Income Tax Considerations**

The following is a description of certain U.S. federal income tax consequences to the U.S. Holders described below of the ownership and disposition of the Shares, but it does not purport to be a comprehensive description of all tax considerations that may be relevant to a particular person's decision to acquire the Shares. This discussion applies only to U.S. Holders that acquire Shares in the Offering and hold them as capital assets. In addition, this discussion does not describe all of the tax consequences that may be relevant to you in light of your particular circumstances, including alternative minimum tax consequences, any aspect of the Medicare contribution tax on "net investment income" and tax consequences applicable to U.S. investors subject to special rules, such as:

- certain financial institutions;
- dealers or certain traders in securities;

- persons holding Shares as part of a straddle or integrated transaction;
- persons whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- entities classified as partnerships for U.S. federal income tax purposes;
- tax-exempt entities, individual retirement accounts, or "Roth IRAs";
- persons that own or are deemed to own 5% or more of the Company's stock by vote or value; or
- persons holding Shares in connection with a trade or business outside the United States.

If you are a partnership for U.S. federal income tax purposes, the U.S. federal income tax treatment to you and your partners generally will depend on the status of the partners and your activities. If you are a partnership owning Shares or a partner in such partnership, you should consult your tax adviser as to your particular U.S. federal income tax consequences of owning and disposing of the Shares.

This discussion is based on the Internal Revenue Code of 1986, as amended (the "**Internal Revenue Code**"), administrative pronouncements, judicial decisions, final, temporary and proposed Treasury regulations, and the income tax treaty between the Netherlands and the United States (the Treaty), all as of the date hereof, any of which is subject to change, possibly with retroactive effect.

You are a "**U.S. Holder**" for purposes of this discussion if you are for U.S. federal income tax purposes a beneficial owner of Shares and:

- a citizen or individual resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia; or
- an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

Except as described below under "—Passive Foreign Investment Company Rules", this discussion assumes that the Company is not, and will not be, a PFIC, for any taxable year.

**You should consult your tax adviser with regard to the application of the U.S. federal tax laws to your particular situation, as well as any tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction.**

***Taxation of Distributions***

Distributions paid on the Shares (including the amount of any Dutch taxes withheld, but excluding any amount not remitted to the Dutch tax authorities, as described below), other than certain *pro rata* distributions of Shares to all shareholders, will be treated as dividends to the extent paid out of the Company's current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Because the Company does not maintain calculations of its earnings and profits under U.S. federal income tax principles, it is expected that distributions generally will be reported to you as dividends.

Subject to applicable limitations, if you are a non-corporate U.S. Holder, dividends paid to you may be eligible for taxation as "qualified dividend income" and therefore may be taxable at a reduced rate. You should consult your tax adviser regarding the availability of the reduced tax rate on dividends. Dividends will not be eligible for the dividends-received deduction generally available to U.S. corporations under the Internal Revenue Code.

Dividends will generally be included in your income on the date of receipt. The amount of any dividend income paid in EUR will be the U.S. dollar amount calculated by reference to the spot rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars. If the dividend is converted into U.S. dollars on the date of receipt, you should not be required to recognize foreign currency gain or loss in respect of the amount received. You may have foreign currency gain or loss if the dividend is converted into U.S. dollars after the date of receipt, and any such gain or loss will be U.S.-source ordinary income or loss.

Subject to applicable limitations, some of which vary depending upon your circumstances, Dutch income taxes withheld from dividends on Shares at a rate not exceeding any applicable Treaty rate will be creditable against your U.S. federal income tax liability. As described in "Taxation in the

Netherlands—Dutch Withholding Tax", upon making a distribution to shareholders, the Company may be permitted to retain a portion of the amounts withheld as Dutch dividend withholding tax. The amount of Dutch withholding tax that the Company retains reduces the amount of dividend withholding tax that the Company is required to pay to the Dutch tax authorities, but does not reduce the amount of tax the Company is required to withhold from dividends paid to U.S. Holders. In these circumstances, the portion of dividend withholding tax that the Company retains with respect to dividends distributed to U.S. Holders will not qualify as a creditable tax for U.S. foreign tax credit purposes. The rules governing foreign tax credits are complex, and you should consult your tax adviser regarding the creditability of Dutch taxes in your particular circumstances. Subject to applicable limitations, in lieu of claiming a foreign tax credit, you may elect to deduct foreign taxes, including any Dutch taxes, in computing your taxable income. An election to deduct foreign taxes instead of claiming foreign tax credits applies to all foreign taxes paid or accrued in the relevant taxable year.

***Sale or Other Taxable Disposition of Shares***

You generally will recognize capital gain or loss on a sale or other taxable disposition of the Shares equal to the difference between the amount realized on the sale or disposition and your tax basis in the Shares, each as determined in U.S. dollars. Such capital gain or loss will be long-term capital gain or loss if at the time of sale or disposition the Shares have been held for more than one year. Any gain or loss will generally be U.S.-source for foreign tax credit purposes. The deductibility of capital losses is subject to limitations. You should consult your tax adviser regarding the treatment of proceeds from a sale or other taxable disposition of the Shares received in currency other than the U.S. dollar, including the possible recognition of any foreign currency gain or loss.

***Passive Foreign Investment Company Rules***

In general, a non-U.S. corporation will be a PFIC for any taxable year in which (i) 75% or more of its gross income consists of passive income or (ii) 50% or more of the value of its assets (generally determined on a quarterly average basis) consists of assets that produce, or are held for the production of, passive income. For purposes of the above calculations, a non-U.S. corporation that directly or indirectly owns at least 25% by value of the shares of another corporation is treated as if it held its proportionate share of the assets of the other corporation and received directly its proportionate share of the income of the other corporation. Passive income generally includes interest, rents, dividends, royalties and certain gains. Goodwill is treated as an active asset under the PFIC rules to the extent attributable to activities that produce active income. Cash is a passive asset.

Based on the expected composition of its income and assets and the value of its assets, including goodwill, which is based on the expected price of the Shares in this Offering, the Company does not expect to be a PFIC for its current taxable year. However, because (i) a company's PFIC status is an annual determination that can be made only after the end of each taxable year, (ii) the Company's PFIC status for each taxable year will depend on the composition of its income and assets and the value of its assets from time to time (which may be determined by reference to the market value of the Shares, which may be volatile), and (iii) the Company will hold a substantial amount of cash following this Offering, the Company cannot assure you that it will not be a PFIC for the current or any future taxable year.

If the Company were a PFIC for any taxable year and any entity in which the Company owns or is deemed to own equity interests were also a PFIC (any such entity, a "**Lower-tier PFIC**"), you would be deemed to own a proportionate amount (by value) of the shares of each Lower-tier PFIC and would be subject to U.S. federal income tax according to the rules described in the next paragraph on (i) certain distributions by a Lower-tier PFIC and (ii) dispositions of shares of Lower-tier PFICs, in each case as if you held such shares directly, even though you did not receive any proceeds of those distributions or dispositions.

Generally, if the Company were a PFIC for any taxable year during which you held the Shares, gains recognized upon a disposition (including, under certain circumstances, a pledge) of Shares by you would be allocated ratably over your holding period for such Shares. The amounts allocated to the taxable year of disposition and to years before the Company became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for that taxable year for individuals or corporations, as appropriate, and an interest charge would be imposed on the resulting tax liability for each taxable year. Further, to the extent that any distribution you receive on your Shares exceeds 125% of the average of the annual distributions on such Shares received during the preceding three years or your holding period, whichever is shorter, that distribution would be subject to taxation in the same manner. If the Company were a PFIC for any year during which you owned Shares, it would generally continue to be treated as a PFIC with respect to you for all succeeding years during which you owned the Shares, even if the Company ceased to meet the threshold requirements for PFIC status.

Alternatively, if the Company were a PFIC for any taxable year and if the Shares are "regularly traded" on a "qualified exchange", you could make a mark-to-market election with respect to the Shares (but not with respect to any Lower-tier PFICs which will be subject to the rules described above) that would result in tax treatment different from the general tax treatment for PFICs described above. The Shares will be treated as "regularly traded" in any calendar year in which more than a de minimis quantity of the Shares is traded on a qualified exchange on at least 15 days during each calendar quarter. A non-U.S. exchange is a "qualified exchange" if it is regulated by a governmental authority in the jurisdiction in which the exchange is located and with respect to which certain other requirements are met. The Internal Revenue Service has not identified specific non-U.S. exchanges that are "qualified" for this purpose. Generally, under the mark-to-market election you will recognize at the end of each taxable year (i) ordinary income in respect of any excess of the fair market value of the Shares over their adjusted tax basis or (ii) ordinary loss in respect of any excess of the adjusted tax basis of the Shares over their fair market value (but only to the extent of the net amount of income previously included as a result of the mark-to-market election). If you make the election, your tax basis in the Shares will be adjusted to reflect these income or loss amounts. Any gain recognized on the sale or other disposition of Shares in a year when the Company were a PFIC will be treated as ordinary income and any loss will be treated as an ordinary loss (but only to the extent of the net amount of income previously included as a result of the mark-to-market election).

In addition, if the Company were a PFIC (or treated as a PFIC with respect to you) for the taxable year in which it paid a dividend or for the prior taxable year, the favorable tax rate discussed above with respect to dividends paid to certain non-corporate U.S. Holders would not apply.

If you own Shares during any year in which the Company were a PFIC, you generally will be required to file annual reports together with your U.S. federal income tax returns, subject to certain exceptions.

You should consult your tax advisers regarding whether the Company is a PFIC for any taxable year and the potential application of the PFIC rules to your ownership of Shares.

***Backup Withholding and Information Reporting***

Payments of dividends and sales proceeds that are made within the United States or through U.S. or certain U.S.-related financial intermediaries will generally be subject to information reporting and backup withholding, unless (i) you are an exempt recipient or (ii) in the case of backup withholding, you provide a correct taxpayer identification number and certify that you are not subject to backup withholding. Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against your U.S. federal income tax liability and may entitle you to a refund, provided that the required information is timely furnished to the Internal Revenue Service.

Certain U.S. Holders who are individuals (or certain specified entities) may be required to report information relating to their ownership of Shares, or non-U.S. accounts through which Shares are held. You should consult your tax adviser regarding your reporting obligations with respect to the Shares.

# INDEPENDENT AUDITORS

Mazars, independent auditors, has audited the financial information as at and for the year ended 31 December 2018 in the 2018 Consolidated Financial Statements, as at and for the year ended 31 December 2017 in the 2017 Consolidated Financial Statements and as at and for the year ended 31 December 2016 in the Dutch GAAP Consolidated Financial Statements, and has issued unqualified auditor's reports thereon, which are included in this Prospectus.

Mazars has no interest in the Company. Mazars is an independent registered accounting firm. The address of Mazars is Rivium Promenade 200, 2909 LM Capelle aan den IJsel, the Netherlands. The auditor signing the auditor's reports on behalf of Mazars is a member of the Netherlands Institute of Chartered Accountants (*Nederlandse Beroepsorganisatie van Accountants*).

The Interim Financial Information has not been audited but has been reviewed by Mazars. This independent auditor's review report is included this Prospectus.

Mazars has given, and has not withdrawn, its consent to the inclusion of its reports in this Prospectus in the form and context in which they are included.

The Company confirms that the information in the auditor's reports included in this Prospectus has been accurately reproduced and that as far as the Company is aware and able to ascertain from information published by the auditors, no facts have been omitted which would render the auditor's reports inaccurate or misleading.

# GENERAL INFORMATION

**Expenses of the Offering**

The expenses related to the Offering are estimated at approximately EUR 7.2 million and include, among other items, the fees due to the AFM and Euronext Amsterdam N.V., the commission for the Underwriters, and legal and administrative expenses, as well as publication costs and applicable taxes, if any. The expenses payable by the Company are estimated to amount to approximately EUR 6.3 million and the expenses payable by the Selling Shareholders are estimated to amount to approximately EUR 0.9 million. See also “Reasons for the Offering and Use of Proceeds”.

**Availability of Documents**

The following documents (or copies thereof) may be obtained free of charge from the Company’s website (https://www.CM.com/investor-relations/):

- this Prospectus
- the Articles of Association
- the Pricing Statement
- the Management Board Rules of Procedure
- the Supervisory Board Rules of Procedure
- the rules for the Audit Committee
- the rules for the Selection, Nomination and Remuneration Committee

The Pricing Statement will be available after pricing of the Offering.

# DEFINITIONS

The following definitions are used in this Prospectus:

| | |
|---|---|
| **2017 Consolidated Financial Statements** | Consolidated financial statements of the Company prepared in accordance with IFRS for the year ended 31 December 2017, including unaudited comparative financial information as at and for the year ended 31 December 2016 prepared in accordance with IFRS |
| **2018 Consolidated Financial Statements** | Consolidated financial statements of the Company prepared in accordance with IFRS for the year ended 31 December 2018, including unaudited comparative financial information as at and for the year ended 31 December 2017 prepared in accordance with IFRS |
| **A2P** | Application-to-person |
| **ABN AMRO** | ABN AMRO Bank N.V. |
| **AFM** | The Dutch Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) |
| **AI** | Artificial Intelligence |
| **Allocation** | Allocation of the Offer Shares |
| **Annual Accounts** | The annual accounts referred to in article 2:391 BW |
| **APIs** | Application programming interfaces |
| **Articles of Association** | The articles of association of the Company as they will read ultimately on the Settlement Date |
| **ASIC** | The Australian Securities and Investments Commission |
| **Award Program** | The Company's one-time key employee rentention award program |
| **B2C** | Business-to-consumer |
| **BW** | Dutch Civil Code |
| **CAGR** | Compound annual growth rate |
| **CAPEX** | Investments incurred during the period to acquire non-current tangible assets such as property, plant and equipment, intangible assets and the capitalization of certain development costs, and is adjusted for extraordinary one-off events, including certain acquisitions in the years ended 31 December 2018 and 2017 |
| **CAPEX/Revenue** | The ratio of capex to revenue |
| **CEO** | Chief Executive Officer |
| **CET** | Central European Time |
| **CISA** | The Swiss Federal Act on Collective Investment Schemes |
| **CITA** | Dutch Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*) |
| **CM.com** | The Company and its Group Companies |
| **CM.com Platform** | CM.com's private cloud-based platform |
| **CMRICS** | CM Risk Management and Internal Control System |
| **Co-lead Manager** | NIBC |
| **Company** | CM.com B.V. (at the date of this Prospectus still a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*), expected to be converted into a public limited liability company (*naamloze vennootschap*) prior to Settlement |

| | |
|---|---|
| **Consolidated Financial Statements** | The IFRS Consolidated Financial Statements and the Dutch GAAP 2016 Consolidated Financial Statements |
| **COO** | Chief Operating Officer |
| **Corporations Act** | Corporations Act 2001 of the Commonwealth of Australia |
| **CPaaS** | Communications Platform as a Service |
| **CPaaS Churn Rate** | The ratio of revenue from CPaaS Customers that generated more than EUR 10,000 in revenue in a given year but that were not Customers on 1 January of the following year, to total revenue in that given year |
| **CPaaS Net Dollar Retention Rate** | The ratio of revenue from CPaaS Customers that generated more than EUR 10,000 in revenue in a given year and that were also a Customer on 1 January of the preceding year, to revenue generated by these Customers in such preceding year |
| **CRR** | Capital Requirements Regulation |
| **Customers** | CM.com's customer base consisting of (large) corporate enterprises, government agencies, non-profit organizations and educational institutions |
| **DDOS** | Distributed denial-of-service |
| **Deed of Amendment** | The notarial deed of amendment and conversion of the Company, which deed will be executed prior to Settlement |
| **DFSA** | The Dubai Financial Services Authority |
| **DNB** | Dutch Central Bank (De Nederlandsche Bank N.V) |
| **DNS** | Domain Name System |
| **Dutch Corporate Governance Code or "Code"** | The Dutch Corporate Governance Code |
| **Dutch GAAP** | Netherlands Generally Accepted Accounting Principles |
| **Dutch GAAP 2016 Consolidated Financial Statements** | Financial statements of the Company prepared in accordance with Dutch GAAP for the years ended 31 December 2016 |
| **Dutch Resident Individuals** | Individuals who are resident or deemed to be resident in the Netherlands |
| **Dutch Resident Corporate Entities** | Entities or enterprises that are subject to the CITA and are resident or deemed to be resident in the Netherlands |
| **Dutch Retail Investor** | A Dutch retail investor is either: (i) a natural person resident in the Netherlands which also includes those employees of CM.com who meet the terms and conditions that will be communicated directly to them; or (ii) a special investment vehicle having its seat in the Netherlands which is a legal entity established for the express and sole purpose of providing asset management and/or retirement planning services for a natural person |
| **Dutch SRD Bill** | A bill on the promotion of the long-term involvement of shareholders (*bevordering van de langetermijnbetrokkenheid van aandeelhouders*) |
| **DWTA** | Dutch Dividend Withholding Tax Act 1965 (*Wet op de dividendbelasting 1965*) |
| **EBITDA** | Earnings before interest, taxes, depreciation and amortization |
| **EBITDA Margin** | The ratio of EBITDA to revenue in a given period |
| **EEA** | European Economic Area |
| **EIB** | European Investment Bank |
| **EIB Facility** | A EUR 10.0 million credit facility agreement between the Company and the EIB dated 15 December 2017 |

| | |
|---|---|
| **Enterprise Chamber** | The Dutch enterprise chamber of the court of appeal in Amsterdam |
| **ePrivacy Directive** | Directive 2002/58/EC of the European Parliament and of the Council of 12 July 2002 concerning the processing of personal data and the protection of privacy in the electronic communications sector |
| **ePrivacy Regulation** | Draft regulation of the European Commission of 10 January 2017 concerning the respect for private life and the protection of personal data in electronic communications, repealing Directive 2002/58/EC |
| **EU** or **European Union** | European Union |
| **EUR** or **euro** or **€** | The lawful currency of the European Economic and Monetary Union |
| **EURIBOR** | The Euro Interbank Offered Rate |
| **Euroclear Nederland** | Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. |
| **Euronext Amsterdam** | Euronext in Amsterdam, a regulated market of Euronext Amsterdam N.V. |
| **Exchange Act** | US Securities Exchange Act of 1934, as amended |
| **Executive Committee** | The Managing Directors and certain key officers |
| **Executive Committee Members** | Members of the Executive Committee who are not also Managing Directors |
| **Exempt Investors** | Select investors who are able to demonstrate that they (i) fall within one or more of the categories of investors under section 708 of the Corporations Act to whom an offer may be made without disclosure under Part 6D.2 of the Corporations Act and (ii) are "wholesale clients" for the purpose of section 761G of the Corporations Act |
| **Existing Offer Shares** | The Shares that will be offered by the Selling Shareholders in the Offering |
| **FINMA** | Swiss Financial Market Supervisory Authority |
| **First Trading Date** | The date on which trading on an "as-if-and-when-issued/delivered" basis in the Shares on Euronext Amsterdam commences, which is expected to be on or around 11 October 2019 |
| **FMSA** | Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*) |
| **Founders** | Jeroen van Glabbeek (CEO) and Gilbert Gooijers (COO) |
| **Founder Committee** | Corporate body in the Articles of Association to ensure the Founders' active involvement in the Company |
| **FRSA** | Dutch Financial Reporting Supervision Act (*Wet toezicht financiële verslaggeving*) |
| **FSMA** | Financial Services and Markets Act 2000 |
| **FTEs** | Full time equivalent personnel |
| **GDPR** | Regulation (EU) 2016/679; the European General Data Protection Regulation |
| **General Meeting** | General meeting of the Company, being the corporate body, or where the context so requires, the physical meeting of Shareholders |
| **Gross Margin** | The ratio of gross profit to revenue |
| **Gross Profit** | Revenue less cost of services |
| **Group Companies** | The Company's subsidiaries within the meaning of article 2:24b BW |
| **H1 2018** | The six-month periods ended 30 June 2018 |
| **H1 2019** | The six-month periods ended 30 June 2019 |

| | |
|---|---|
| **IAS** | International Accounting Standards |
| **IFRS** | The International Financial Reporting Standards as adopted by the European Union |
| **IFRS Consolidated Financial Statements** | The 2018 Consolidated Financial Statements and 2017 Consolidated Financial Statements |
| **Interim Financial Information** | The H1 2019 and H1 2018 unaudited financial information derived from the unaudited consolidated financial information for CM.com as of and for the six-month period ended 30 June 2019 |
| **Internal Revenue Code** | The Internal Revenue Code of 1986, as amended |
| **ISIN** | International securities identification number |
| **IT** | Information technology |
| **Jefferies** | Jefferies International Limited |
| **Joint Bookrunners** | ABN AMRO, Jefferies, Rabobank, in their capacity as joint bookrunners |
| **Joint Global Coordinators** | ABN AMRO Bank N.V. and Jefferies International Limited in their capacity as joint global coordinators |
| **Juniper Research** | Juniper Research Limited |
| **LEI** | Legal Entity Identifier |
| **Listing and Paying Agent** | ABN AMRO |
| **Lower-tier PFIC** | Any entity in which the Company owns or is deemed to own equity interests, which is also a PFIC |
| **LTIP** | Long-term incentive plan |
| **LTIP Awards** | Share Awards and Share Options |
| **Management Board** | The management board (*raad van bestuur*) of the Company |
| **Management Board Rules of Procedure** | The rules regarding the Management Board's functioning and internal organization |
| **Managing Director** | A member of the Management Board |
| **Market Abuse Regulation** | Regulation (EU) No 596/2014 of the European Parliament and the Council |
| **Mazars** | Mazars Accountants N.V. |
| **MiFID II** | EU Directive 2014/65/EU on markets in financial instruments, as amended |
| **MiFID II Product Governance Requirements** | MiFID II, articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II, and local implementing measures |
| **Mobilesquared** | Mobilesquared Ltd ("Global A2P SMS Messaging Forecasts by Country 2017-2022, 2018") |
| **Monthly Active Users (MAU)** | The total number of monthly active users on the CM.com Platform. The number of monthly active users is not directly comparable to the number of total Customers given that a single Customer can have multiple active users on the CM.com Platform |
| **New Offer Shares** | The Shares that will be issued and offered by the Company in the Offering |
| **NIBC** | NIBC Bank N.V. |
| **nm** | not meaningful |

| | |
|---|---|
| **Non-Dutch Resident Individuals** | Individuals who are not resident and not deemed to be resident in the Netherlands |
| **Non-Dutch Resident Corporate Entities** | Entities that are not resident and not deemed to be resident in the Netherlands |
| **OEM** | Original Equipment Manufacturer |
| **Offer Price** | The offer price per Offer Share |
| **Offer Price Range** | The expected price range of EUR 15.00 to EUR 19.00 (inclusive) per Offer Share |
| **Offer Shares** | The New Offer Shares and the Existing Offer Shares which includes, unless the context indicates otherwise, the Over-Allotment Shares |
| **Offering** | The public offering of the Offer Shares to institutional and retail investors in the Netherlands and through private placements to certain institutional investors in various other jurisdictions |
| **Offering Period** | The period during which the Offering will take place, commencing on 9:00 CET on 30 September 2019 and ending at 14:00 CET on 10 October 2019 for prospective institutional investors and from 9:00 CET on 30 September 2019 until 17:30 CET on 9 October 2019 for prospective retail investors, subject to acceleration or extension of the timetable for the Offering |
| **One Time Share Award** | The one-time Shares award under the Company's Award Program |
| **Order** | The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended |
| **OTT** | Over-The-Top |
| **Over-Allotment Option** | The option to be granted to the Stabilization Manager (on behalf of the Underwriters) exercisable within 30 calendar days after the Settlement Date, pursuant to which the Stabilization Manager (on behalf of the Underwriters) may require the Selling Shareholders to sell additional Shares at the Offer Price |
| **Over-Allotment Shares** | The Shares that may be made available pursuant to the Over-Allotment Option |
| **Overdraft Facility** | A EUR 10.0 million overdraft facility for working capital purposes |
| **PFIC** | Passive foreign investment company |
| **Preferential Retail Allocation** | The preferential allocation of Offer Shares to Dutch Retail Investors |
| **Pricing Agreement** | The pricing agreement between the Company, the Selling Shareholders and the Underwriters expected to be entered into on or about 10 October 2019 |
| **Pricing Statement** | The pricing statement detailing the Offer Price, the exact number of Offer Shares to be sold and the maximum number of Over-Allotment Shares, which will be filed with the AFM |
| **Prospectus** | This prospectus dated 30 September 2019 |
| **Prospectus Regulation** | Regulation (EU) 2017/1129 |
| **PSD II** | The European Payment Services Directive (EU) 2015/2366 |
| **QIBs** | Qualified institutional buyers as defined in Rule 144A of the US Securities Act |
| **Qualifying Shareholder** | An entity that (i) is resident in a state with which the Netherlands can exchange information in line with the international standard on exchange of information and (ii) holds its Shares as a portfolio investment |

| | |
|---|---|
| **Rabobank** | Coöperatieve Rabobank U.A. |
| **RCS** | Rich Communication Services |
| **Regulation S** | Regulation S under the US Securities Act |
| **Relevant Member State** | Each member state of the EEA |
| **Relevant Person** | A relevant person within the meaning of the Order |
| **Retail Coordinator** | ABN AMRO |
| **Rule 144A** | Rule 144A under the US Securities Act of 1933, as amended |
| **SaaS** | Software as a Service |
| **SDK** | Software development kit |
| **Securities and Futures Act** | The Securities and Futures Act of Singapore |
| **Securities and Futures Ordinance** | The Securities and Futures Ordinance of Hong Kong |
| **Selling Shareholders** | ClubCompany1 B.V. and ClubCompany2 B.V. |
| **Settlement** | Payment (in euro) for and delivery of the Offer Shares |
| **Settlement Date** | The date on which Settlement occurs which is expected to be on or about 15 October 2019, subject to acceleration or extension of the timetable for the Offering |
| **Share Awards** | Awards for Shares which may be granted under the Company's LTIP |
| **Shareholder Rights Directive II** | Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement |
| **Shareholder(s)** | A holder of Shares |
| **Shareholders' Agreement** | The shareholders' agreement between the Founders, and the Selling Shareholders with regard to the shareholdings of the Selling Shareholders in the Company, which is expected to be entered into prior to Settlement |
| **Share Lending Agreement** | The share lending agreement expected to be dated 30 September between the Selling Shareholders and the Stabilization Manager |
| **Share Options** | Options for Shares which may be granted under the Company's LTIP |
| **Shares** | The ordinary shares in the Company's share capital, with a nominal value of EUR 0.04 each |
| **SIP** | Session Initiation Protocol |
| **SIX** | The SIX Swiss Exchange |
| **SMEs** | Small and medium sized enterprises |
| **Stabilization Manager** | ABN AMRO |
| **Supervisory Board** | The supervisory board (*raad van commissarissen*) of the Company |
| **Supervisory Board Rules of Procedure** | The rules regarding the Supervisory Board's functioning and internal organization |
| **Supervisory Director** | A member of the Supervisory Board |
| **Target Market Assessment** | A product approval process, which has determined that the Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II |

| | |
|---|---|
| **Term Loan** | A EUR 10.0 million 1-year term loan which is fully drawn at the date of this Prospectus and used to fully refinance the outstanding amounts under CM.com's prior EUR 12.0 million term loan and EUR 5.0 million revolving credit facility with Rabobank (described in Note 16 to the 2018 Consolidated Financial Statements) |
| **The Netherlands** | The part of the Kingdom of the Netherlands located in Europe |
| **Total Customers** | The number of Customers to which invoices were sent in a given period |
| **Total Messages** | The aggregate amount of messages (regardless of channel) processed through the CM.com Platform in a given period |
| **Total Opex** | Represents employee benefit expenses and other operating expenses taken together |
| **Total Payments Processed** | The aggregate value of Payments transactions processed through the CM.com Platform for a given period |
| **Total Voice Minutes** | The aggregate amount of voice call minutes for a given period |
| **Treaty** | 1992 treaty for the avoidance of double taxation between the United States and the Netherlands, as amended most recently by the Protocol signed 8 March 2004 |
| **Underwriters** | Each of the Joint Global Coordinators, Joint Bookrunners and Co-lead Manager |
| **Underwriting Agreement** | The underwriting agreement expected to be entered into on or about 30 September 2019 between the Company, the Selling Shareholders and the Underwriters |
| **US** or **United States** | United States of America |
| **U.S. dollars** or **US$** or **USD** or **$** | The U.S. Dollar, the lawful currency in the US |
| **U.S. Holder** | A beneficial owner of Offer Shares and (i) a citizen or individual resident of the United States; (ii) a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia; or (iii) an estate or trust the income of which is subject to US federal income taxation regardless of its source |
| **US Securities Act** | The United States Securities Act of 1933, as amended |
| **US Shareholder** | A Shareholder who is resident in the United States for purposes of the Treaty |
| **VAT** | Value added tax |
| **Wbfo** | Dutch Act on Remuneration Policies for Financial Firms (*Wet beloningsbeleid financiële ondernemingen*) |
| **WBSO** | Dutch Promotion of Research and Development Act |
| **WebApps** | Online applications that Customers can access online by logging on to the CM.com Platform |

# INDEX TO THE FINANCIAL STATEMENTS



The entity CM.com B.V. referred to in these financial statements will following the Settlement Date be renamed to CM.com N.V.

**IFRS H1 2019 INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

## Interim condensed consolidated statement of financial position as at 30 June 2019

(unaudited)

| | *Note* | 30 June 2019<br>EUR x 1,000 | 31 December 2018<br>EUR x 1,000 |
|---|---|---|---|
| **Assets** | | | |
| Goodwill | 7 | 3,583 | 3,583 |
| Intangible assets | 7 | 22,961 | 22,858 |
| Property, plant and equipment | 8 | 5,038 | 5,134 |
| Right-of-use assets | 9 | 6,608 | - |
| Long-term receivables | | 862 | 872 |
| Deferred tax assets | | 1,751 | 1,732 |
| **Non-current assets** | | **40,803** | **34,179** |
| Trade and other receivables | 10 | 18,311 | 15,451 |
| Current portion of long-term receivables | | 121 | 200 |
| Current tax receivable | | 420 | 343 |
| Cash and cash equivalents | | 1,092 | 472 |
| **Current assets** | | **19,944** | **16,466** |
| **Total assets** | | **60,747** | **50,645** |
| | | | |
| **Equity** | | | |
| Share capital | | 20 | 20 |
| Retained earnings | | 7,710 | 7,655 |
| Other reserves | | (175) | (175) |
| **Total equity** | | **7,555** | **7,500** |
| | | | |
| **Non-Current liabilities** | | | |
| Borrowings | 11 | 6,798 | 2,112 |
| Deferred tax liability | | 1,336 | 1,340 |
| **Non-current liabilities** | | **8,134** | **3,452** |
| Trade and other payables | | 23,235 | 22,711 |
| Current portion of borrowings | 11 | 21,823 | 16,982 |
| **Current liabilities** | | **45,058** | **39,693** |
| **Total liabilities** | | **53,192** | **43,145** |
| **Total equity and liabilities** | | **60,747** | **50,645** |

The accompanying notes to the interim condensed consolidated financial statements are an integral part of these statements.

## Interim condensed consolidated statement of profit or loss and other comprehensive income for the six months ended 30 June 2019

(unaudited)

| | *Note* | Six months to 30 June 2019 EUR x 1,000 | Six months to 30 June 2018 EUR x 1,000 |
|---|---|---|---|
| Revenue | 6 | 44,308 | 42,011 |
| Other operating income | 16 | 133 | - |
| **Total income** | | **44,441** | **42,011** |
| | | | |
| Cost of services | | (31,928) | (29,533) |
| Employee benefits expense | | (6,572) | (6,304) |
| Amortisation and depreciation | | (2,477) | (1,681) |
| Other operating expenses | | (3,013) | (3,948) |
| **Operating profit** | | **451** | **545** |
| | | | |
| Finance income | | 55 | 24 |
| Finance expenses | | (283) | (222) |
| **Profit before tax** | | **223** | **347** |
| | | | |
| Income tax expense | | (168) | (84) |
| **Profit after tax** | | **55** | **263** |
| | | | |
| *Items that may be reclassified to profit or loss* | | | |
| Currency translation differences | | - | (9) |
| **Total comprehensive income for the period** | | **55** | **254** |
| | | | |
| **Basic and diluted earnings per share (in euro)** | | **55** | **254** |

The accompanying notes to the interim condensed consolidated financial statements are an integral part of these statements.

## Interim condensed consolidated statement of changes in equity for the six months ended 30 June 2019

(unaudited)

| | Share capital<br>EUR x 1,000 | Retained earnings<br>EUR x 1,000 | Other reserve<br>E UR x 1,000 | Total equity<br>EUR x 1,000 |
|---|---|---|---|---|
| Balance at 1 January 2019 | 20 | 7,655 | (175) | 7,500 |
| Result for the period | - | 55 | - | 55 |
| Other comprehensive income | | | - | - |
| **Balance at 30 June 2019** | **20** | **7,710** | **(175)** | **7,555** |
| **Balance at 1 January 2018** | **20** | **7,458** | **(145)** | **7,333** |
| Result for the period | - | 263 | - | 263 |
| Other comprehensive income | - | - | (9) | (9) |
| **Balance at 30 June 2018** | **20** | **7,721** | **(154)** | **7,587** |

The accompanying notes to the interim condensed consolidated financial statements are an integral part of these statements.

## Interim condensed consolidated statement of cash flows
## for the six months ended 30 June 2019

(unaudited)

| | *Note* | Six months to 30 June 2019 EUR x 1,000 | Six months to 30 June 2018 EUR x 1,000 |
|---|---|---|---|
| **Operating activities** | | | |
| Operating profit | | 451 | 545 |
| | | | |
| *Adjustments for:* | | | |
| Amortisation and depreciation | | 2,477 | 1,681 |
| Provisions | | (52) | (13) |
| | | | |
| *Changes in:* | | | |
| Trade and other receivables | | (2,974) | 857 |
| Trade and other payables | | 524 | (1,476) |
| Interest received | | 55 | 24 |
| Income tax paid | | (244) | (150) |
| **Net cash from operating activities** | | **237** | **1,468** |
| | | | |
| **Investing activities** | | | |
| Purchase of intangible assets | | (1,456) | (1,957) |
| Purchase of property, plant and equipment | | (284) | (389) |
| **Net cash used in investing activities** | | **(1,740)** | **(2,346)** |
| | | | |
| **Financing activities** | | | |
| Repayment of borrowings | | (500) | (500) |
| Loans granted to third parties | | (26) | (419) |
| Repayment on loans granted to third parties | | 73 | 365 |
| Repayment of lease liabilities | | (1,343) | (330) |
| Interest paid | | (283) | (222) |
| **Net cash used in financing activities** | | **(2,079)** | **(1.106)** |
| | | | |
| Net increase /(decrease) in cash and cash equivalents | | (3,582) | (1,984) |
| Cash and cash equivalents at 1 January | | 472 | (806) |
| **Cash and cash equivalents at 30 June** | 12 | **(3,110)** | **(2,790)** |

The accompanying notes to the interim condensed consolidated financial statements are an integral part of these statements. The cash and cash equivalents in the cash flow statement consists of the cash as well as the overdraft.

# Notes to the interim condensed consolidated financial statements

## 1. Corporate information

CM.com B.V. (the 'Company') is a private limited liability company incorporated in the Netherlands on 17 January 2001. The Company's registered office is at Konijnenberg 30, 4825 BD Breda, the Netherlands. The Company is registered in the Trade Register at the Chamber of Commerce under number 20095946.

ClubCompany1 B.V. and ClubCompany2 B.V, each holds 50% of the shares of the Company.

These consolidated financial statements comprise the Company and its subsidiaries (collectively CM.com). The main activities of CM.com are related to connection via messaging channels, customer data platforms, interactive voice solutions and innovative payment methods. The activities of the Company and CM.com are carried out both inland and abroad, with the countries of the European Union being the primary sales market.

## 2. Basis of preparation

These unaudited interim condensed consolidated financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union. They do not include all of the information required for a complete set of annual financial statements and shall be read in conjunction with the consolidated financial statements of CM.com B.V. as at and for the year ended 31 December 2018.

These condensed consolidated interim financial statements were approved by the Management Board of the Company on 28 August 2019.

## 3. Changes in significant accounting policies

The accounting policies adopted in the preparation of the interim condensed 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 2018, except for the lease accounting as the result of adoption of IFRS 16 Leases from 1 January 2019.

**IFRS 16 Leases**

IFRS 16 Leases replaces IAS 17 Leases along with three Interpretations (IFRIC 4 Determining whether an Arrangement contains a Lease, SIC 15 Operating Leases-Incentives and SIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease).

IFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, CM.com, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments.

***Significant accounting policies***

CM.com recognises a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use asset is initially measured at cost and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain 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.

The lease liability 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. 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.

***Transition***

The new Standard has been applied using the modified retrospective approach, with the cumulative effect of adopting IFRS 16 being recognised in equity as an adjustment to the opening balance of retained earnings for the current period. Prior periods have not been restated.

CM.com has used the following practical expedients at the date of initial application of IFRS 16, being 1 January 2019:

- For contracts in place at the date of initial application, CM.com has elected to apply the definition of a lease from IAS 17 and IFRIC 4 and has not applied IFRS 16 to arrangements that were previously not identified as lease under IAS 17 and IFRIC 4.

- CM.com has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of IFRS 16. At this date, CM.com has also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

- A single discount rate has been applied to a portfolio of leases with reasonably similar characteristics.

- Instead of performing an impairment review on the right-of-use assets at the date of initial application, CM.com has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of IFRS 16.

- On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets CM.com has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.

– CM.com has benefited from the use of hindsight for determining lease term when considering options to extend and terminate leases.

Carrying values of assets and liabilities related to finance leases as at 31 December 2018 have been reclassified to right-of-use assets and lease liabilities respectively on 1 January 2019. These carrying values related to finance leases were not remeasured at the transition date.

On transition to IFRS 16 the weighted average incremental borrowing rate applied to lease liabilities recognised under IFRS 16 was 2,64%.

The following table reconciles CM.com's operating lease commitments as at 31 December 2018 to the lease liabilities recognised upon initial application of IFRS 16 on 1 January 2019:

| | **EUR x 1,000** |
|---|---|
| **Operating lease commitment disclosed at 31 December 2018** | **7,900** |
| – Exemption for short-term leases | (77) |
| – Exemption for leases of low-value assets | - |
| – Service costs related to leases | 122 |
| – Lease entered into during 2019 | (3,005) |
| – Extension options reasonably certain to be exercised | - |
| **Operating lease liabilities undiscounted** | **4,940** |
| Discounting using the incremental borrowing rate at 1 January 2019 | (432) |
| **Operating lease liabilities discounted** | **4,508** |
| Finance lease liabilities recognised as at 31 December 2018 | 3,594 |
| **Lease liabilities recognised at 1 January 2019** | **8,102** |

As a result of IFRS 16 initial application, in relation to the leases that were previously classified as operating leases, CM.com has recognised EUR 4,508 thousand of right-of-use assets and EUR 4,508 thousand of lease liabilities as at 1 January 2019.

| | **Closing balance 31/12/2018 EUR x 1,000** | **Effect of IFRS 16 EUR x 1,000** | **Opening balance 01/01/2019 EUR x 1,000** |
|---|---|---|---|
| Non-current assets | 34,179 | 4,508 | 38,687 |
| Current assets | 16,466 | - | 16,466 |
| **Total assets** | **50,645** | **4,508** | **55,153** |
| Equity | 7,500 | - | 7,500 |
| Non-current liabilities | 3,452 | 4,508 | 7,960 |
| Current liabilities | 39,693 | - | 39,693 |
| **Total equity and liabilities** | **50,645** | **4,508** | **55,153** |

In relation to those leases under IFRS 16, CM.com has recognised depreciation and interest costs, instead of operating lease expense. During the six months ended 30 June 2019, CM.com has recognised EUR 562 thousand of depreciation charges and EUR 88 thousand of interest costs from these leases.

## 4. Significant judgements and estimates

In preparing these interim condensed consolidated financial statements, management has made a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from these judgements. The judgements, estimates and assumptions in applying CM.com's accounting policies and the key sources of estimation uncertainty were the same as those described in CM.com's last annual financial statements for the year ended 31 December 2018. The only exception is the estimate of income tax liabilities which is determined in the interim condensed consolidated financial statements using the estimated average annual effective income tax rate.

## 5. Seasonal fluctuations

The demand for transactional and messaging services is subject to seasonal fluctuations which are not considered to be high. Historically, peak demand is in the second half of each year. Revenues for transactional and messaging services for the six months ended 30 June 2019 represented 53,21% (six months period to 30 June 2018: 48,75%) of the annual level of these revenues for the year ended 31 December 2018.

## 6. Revenue recognition and segment reporting

During the six-month period to 30 June 2019, there have been no changes from prior periods in the measurement methods used to determine operating segments. The revenue and profit generated by each of CM.com's operating segments are summarised as follows:

| **Segment reporting six months to 30 June 2019** | **CPaaS EUR x 1,000** | **Payments EUR x 1,000** | **Platform EUR x 1,000** | **Other EUR x 1,000** | **Total EUR x 1,000** |
|---|---|---|---|---|---|
| Revenue | 33,109 | 2,833 | 2,737 | 5,629 | 44,308 |
| Other operating income | - | - | - | - | 133 |
| Cost of services | (26,020) | (1,347) | (202) | (4,359) | (31,928) |
| **Gross profit** | 7,089 | 1,486 | 2,535 | 1,270 | 12,513 |
| Operational expenses | | | | | (12,062) |
| **Operating profit** | | | | | 451 |
| Financial income and expenses | | | | | (228) |
| **Profit before tax** | | | | | **223** |

| **Segment reporting six months to 30 June 2018** | **CPaaS EUR x 1,000** | **Payments EUR x 1,000** | **Platform EUR x 1,000** | **Other EUR x 1,000** | **Total EUR x 1,000** |
|---|---|---|---|---|---|
| Revenue | 30,264 | 3,211 | 1,809 | 6,727 | 42,011 |
| Cost of services | (23,233) | (1,172) | (116) | (5,012) | (29,533) |
| **Gross profit** | 7,031 | 2,039 | 1,693 | 1,715 | 12,478 |
| Operational expenses | | | | | (11,933) |
| **Operating profit** | | | | | 545 |
| Financial income and expenses | | | | | (198) |
| **Profit before tax** | | | | | **347** |

CM.com's revenue disaggregated by service lines (which correspond to the reportable segments) and geographical markets is as follows:

| Six months to 30 June 2019 | CPaaS EUR x 1,000 | Payments EUR x 1,000 | Platform EUR x 1,000 | Other EUR x 1,000 | Total EUR x 1,000 |
|---|---|---|---|---|---|
| The Netherlands | 15,169 | 1,986 | 2,179 | 2,737 | 22,071 |
| Belgium | 4,454 | 325 | 259 | 2,180 | 7,218 |
| France | 4,739 | 17 | 15 | 181 | 4,952 |
| Rest of Europe | 4,591 | 447 | 231 | 447 | 5,716 |
| Rest of world | 4,156 | 58 | 53 | 84 | 4,351 |
| **Total** | **33,109** | **2,833** | **2,737** | **5,629** | **44,308** |

| Six months to 30 June 2018 | CPaaS EUR x 1,000 | Payments EUR x 1,000 | Platform EUR x 1,000 | Other EUR x 1,000 | Total EUR x 1,000 |
|---|---|---|---|---|---|
| The Netherlands | 14,792 | 2,453 | 1,437 | 3,266 | 21,948 |
| Belgium | 4,580 | 418 | 187 | 2,247 | 7,432 |
| France | 2,933 | 13 | 16 | 332 | 3,294 |
| Rest of Europe | 4,750 | 253 | 151 | 530 | 5,684 |
| Rest of world | 3,209 | 74 | 18 | 352 | 3,653 |
| **Total** | **30,264** | **3,211** | **1,809** | **6,727** | **42,011** |

Assets and liabilities are not monitored by segment and therefore not presented per segment.

## 7. Intangible assets

The carrying value of intangible assets is summarised below:

| | 30 June 2019 EUR x 1,000 | 31 December 2018 EUR x 1,000 | Estimated usefull lives (years) |
|---|---|---|---|
| Goodwill | 3,583 | 3,583 | Indefinite |
| Platform | 12,099 | 11,277 | 10 |
| Customer relation | 7,852 | 8,543 | 10 |
| Other | 3,010 | 3,038 | 5-10/indefinite |
| **Total** | **26,544** | **26,441** | **-** |

Other intangible assets consist of patents, trade names, brand names and domain names. Domain names with an indefinite usefull life have a carrying amount of EUR 1,551 million.

## 8. Property, plant and equipment

The carrying value of property, plant and equipment is summarised below:

| | 30 June 2019 EUR x 1,000 | 31 December 2018 EUR x 1,000 | Estimated usefull lives (years) |
|---|---|---|---|
| Platform | 3,448 | 3,618 | 10 |
| Furniture and fixtures | 593 | 534 | 10 |
| Vehicles | 188 | 203 | 5 |
| Hardware & software workplace | 431 | 411 | 5 |
| Leasehold improvements | 378 | 368 | 10 |
| **Total** | **5,038** | **5,134** | |

## 9. Right-of-use assets

As result of IFRS 16 adoption, CM.com has recognised right-of-use assets (refer to Note 3). During the six months ended 30 June 2019, CM.com has entered into four new lease agreements related to buildings.

The carrying value of the right-of-use assets are summarised below:

| | 30 June 2019 EUR x 1,000 |
|---|---|
| Buildings | 6,478 |
| Vehicles | 130 |
| **Total** | **6,608** |

## 10. Trade and other receivables

| | 30 June 2019 | 31 December 2018 |
|---|---|---|
| Trade receivables | 7,792 | 7,352 |
| Other receivables, prepayments and accrued income | 10,519 | 8,099 |
| **Total** | **18,311** | **15,451** |

A more detailed split of “Other receivables, prepayments and accrued income” is provided below:

| | 30 June 2019 | 31 December 2018 |
|---|---|---|
| Accrued revenue | 7,664 | 6,720 |
| Prepayments | 891 | 1,021 |
| Other receivables | 1,964 | 358 |
| **Total** | **10,519** | **8,099** |

## 11. Borrowings

| | 30 June 2019 | 31 December 2018 |
|---|---|---|
| Bank loans | 15,000 | 15,500 |
| Bank overdraft | 4,202 | - |
| Lease liability | 2,759 | 3,594 |
| Lease liability Right of use assets | 6,660 | - |
| | 28,621 | 19,094 |
| Current portion of long term borrowings | (21,823) | (16,982) |
| **Total** | **6,798** | **2,112** |

Convenants for Q2 2019 are waived by Rabobank because of re-financing negociations.

In 2018, CM.com invested in additional Hardware and software (EUR 2.6 million) to prepare its platform for future growth. To finance these investments we agreed on financial lease. In 2019 discussions were raised by Rabobank as to whether this was permitted under the agreement with the bank. In the end, that permission was granted by Rabobank and additional agreements were made. Because of that discussion, we have chosen to present the bank debt as current liability as of 30 June 2019. For Rabobank the covenant has been revised to include additional finance lease facilities up to 1.5 million per annum. In 2019, the interest cover ratio prescribed by Rabobank has also been breached. Rabobank provided a waiver for both these breaches on condition that the loans of CM.com are refinanced, in the short-term, to better suit their needs.

Regarding the loan at EIB a breach occurred caused on the no further indebtness clause. This liability is presented as a current liability. In August 2019, we have received a waiver and the breach has been remedied.

## 12. Cash and short-term deposits

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.

| | 30 June 2019 | 30 June 2018 |
|---|---|---|
| Bank balances and cash on hand | 1,092 | 395 |
| Bank overdraft | (4,202) | (3,185) |
| **Total** | **(3,110)** | **(2,790)** |

## 13. Financial risk management

The aspects of CM.com's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2018.

The contractual maturities of CM.com's non-derivative financial liabilities are as follows:

| 30 June 2019 | 0-3 months | 4-12 months | 1-5 years | Over 5 years | Total |
|---|---|---|---|---|---|
| | EUR x 1,000 | EUR x 1,000 | EUR x 1,000 | EUR x 1,000 | EUR x 1,000 |
| Borrowings excluding lease liabilities | 19,202 | - | - | - | 19,202 |
| Lease liabilities (Note 11) | 616 | 2,006 | 4,817 | 1,980 | 9,419 |
| Trade payables | 11,698 | - | - | - | 11,698 |
| Other financial liabilities | 10,297 | 167 | - | - | 10,464 |
| **Total** | **41,813** | **2,173** | **4,817** | **1,980** | **50,783** |

| 31 December 2018 | 0-3 months | 4-12 months | 1-5 years | Over 5 years | Total |
|---|---|---|---|---|---|
| | EUR x 1,000 | EUR x 1,000 | EUR x 1,000 | EUR x 1,000 | EUR x 1,000 |
| Borrowings excluding finance lease liabilities | - | 16,943 | - | - | 16,943 |
| Finance lease liabilities | 587 | 935 | 2,132 | - | 3,654 |
| Trade payables | 11,187 | - | - | - | 11,187 |
| Other financial liabilities | 9,729 | 168 | - | - | 9,897 |
| **Total** | **21,503** | **18,046** | **2,132** | **-** | **41,681** |

## 14. Fair value measurement of financial instruments

The carrying amount of the following financial assets and liabilities is considered a reasonable approximation of fair value:

- trade and other receivables;
- cash and cash equivalents;
- bank loans;
- trade and other payables.

## 15. Group reorganisation

On 1 January 2019 the following entities were merged into CM.com Netherlands B.V.

- CM Technology B.V.
- ClubMessage Benelux B.V.
- CM Online B.V.
- GSM Information Network B.V.
- OneSixty B.V.

In July 2019 CM.com B.V. merged the following entities into CM.com Belgium N.V.

- Paratel N.V.
- Produline SA

## 16. Related party balances and transactions

CM.com has multiple current accounts with related parties. All transactions relate to service fees and are charged at arm's length.

In 2019 CM.com received EUR 133 as dividend participation.

## 17. Events after the reporting date

In August 2019, CM.com B.V. signed a new finance agreement with ABN AMRO to refinance its loans with Rabobank.

CM.com B.V. agreed on a loan facility of EUR 20 million consisting of a term loan of EUR 10 milion and a line of credit of EUR 10 million.

The term loan is repayable in one single instalments on or before 1 October 2020 and bears interest at 3 month Euribor plus a margin of 4.00%.

The credit facility bears interest at Average 1 month Euribor plus a margin of 2.75%.

# INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the shareholders and management of
CM.com B.V.

## INTRODUCTION

We have reviewed the accompanying condensed consolidated interim financial information, page 2 to 15, for the six month period ended 30 June 2019, of CM.com B.V., Breda, which comprises the interim condensed consolidated statement of financial position as at 30 June 2019, the interim condensed consolidated profit or loss and other comprehensive income, the interim condensed consolidated statement of changes in equity, the interim condensed consolidated statement of cash flows for the period then ended, and the notes, comprising a summary of the accounting policies and other explanatory information. Management is responsible for the preparation and presentation of this condensed *consolidated* interim financial information in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

## SCOPE

We conducted our review in accordance with Dutch law including Dutch Standard 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Dutch Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information for the six month period ended 30 June 2019, is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union.

Watermanweg 80 - P.O. Box 23123 - 3001 KC Rotterdam
Tel: +31 (0)88 27 71 462 – joeri.galas@mazars.nl

Mazars Accountants N.V.
With its registered office in Rotterdam (KvK Rotterdam nr. 24402415).

## UNAUDITED AND UNREVIEWED CORRESPONDING FIGURES

We have not audited or reviewed the condensed consolidated interim financial information, for the six month period ended 30 June 2018. Consequently, we have not audited or reviewed the corresponding figures included in the interim condensed consolidated profit or loss and other comprehensive income, the interim condensed consolidated statement of changes in equity, the interim condensed consolidated statement of cash flows for the period then ended, and in the related the notes.

Rotterdam, 28 August 2019

**MAZARS ACCOUNTANTS N.V.**

Signed on the original: drs. J.J.W. Galas RA

## Consolidated statement of financial position as at 31 December 2018

| | Note | 2018 | 2017 restated [1] |
|---|---|---|---|
| | | EUR x 1,000 | EUR x 1,000 |
| **Assets** | | | |
| **Non-current Assets** | | | |
| Goodwill | 5 | 3,583 | 3,397 |
| Intangible assets | 5 | 22,858 | 21,007 |
| Property, plant and equipment | 7 | 5,134 | 3,407 |
| Long-term receivables | 14 | 872 | 965 |
| Deferred tax assets | 9 | 1,732 | 1,787 |
| **Total non-current assets** | | **34,179** | **30,563** |
| **Current assets** | | | |
| Trade and other receivables | 15 | 15,451 | 17,078 |
| Current portion of long-term receivables | 14 | 200 | 760 |
| Current tax receivable | | 343 | - |
| Cash and cash equivalents | 13 | 472 | 831 |
| **Total current assets** | | **16,466** | **18,669** |
| **Total assets** | | **50,645** | **49,232** |
| **Equity and liabilities** | | | |
| Share capital | | 20 | 20 |
| Retained earnings | | 7,655 | 7,458 |
| Other reserves | | (175) | (145) |
| **Total equity** | | **7,500** | **7,333** |
| **Non-current liabilities** | | | |
| Borrowings | 16 | 2,112 | 11,987 |
| Deferred tax liability | 9 | 1,340 | 633 |
| **Total non-current liabilities** | | **3,452** | **12,620** |
| **Current liabilities** | | | |
| Trade and other payables | 17 | 22,711 | 25,916 |
| Current tax liabilities | | - | 497 |
| Current portion of borrowings | 16 | 16,982 | 2,866 |
| **Total current liabilities** | | **39,693** | **29,279** |
| **Total equity and liabilities** | | **50,645** | **49,232** |

[1] *Cash and cash equivalents have been restated. See note 13 for more detail.*

*Changes were made to the names of the line items and the general presentation of the Statement of financial position in 2018. See note 29 for more detail.*

## Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2018

| | Note | 2018 | 2017 restated [2] |
|---|---|---|---|
| | | EUR x 1,000 | EUR x 1,000 |
| Revenue | 4 | 84,617 | 79,914 |
| Cost of services | 4 | (59,662) | (58,306) |
| Employee benefits expenses | 18 | (13,058) | (10,830) |
| Amortisation and depreciation | 5/7 | (3,505) | (2,680) |
| Other operating expenses | 19 | (7,595) | (6,334) |
| **Operating profit** | | **797** | **1,766** |
| Financial income | | 14 | 28 |
| Financial expense | 20 | (474) | (448) |
| **Profit before tax** | | **337** | **1,346** |
| Income tax | 9 | (141) | (234) |
| **Profit after tax** | | **196** | **1,112** |
| **Other comprehensive income, net of tax** | | | |
| *Items to be reclassified to profit or loss in subsequent periods* | | | |
| Currency translation differences | | (30) | (36) |
| **Total comprehensive income** | | **166** | **1,076** |

[2] *Revenue and cost of services for 2017 have been restated due to the retrospective application of IFRS 15. See note 4. "Revenue recognition and segment reporting" and Note 25. "Critical accounting judgements and estimations" for more detail.*

*'Currency translation differences were presented as income although it should have been presented as an expense in the 2017 financial statements.*

*Changes were made to the names of line items of the Statement of profit or loss and other comprehensive income and its general presentation in 2018. See note 29 for more detail.*

## Consolidated statement of changes in equity for the year ended 31 December 2018

| | Note | Share capital | Retained earnings [3] | Other reservers [3] | Total |
|---|---|---|---|---|---|
| | | EUR x 1,000 | EUR x 1,000 | EUR x 1,000 | EUR x 1,000 |
| Balance at 1 January 2017 | 10 | 20 | 6,848 | (109) | 6,759 |
| | | | | | - |
| Interim dividend | | - | (500) | - | (500) |
| Movement of reserve | 5 | - | - | - | - |
| Other comprehensive income | | - | - | (36) | (36) |
| Profit for the year | | - | 1,110 | - | 1,110 |
| Appropriation of result 2016 | | - | - | - | - |
| Balance at 31 December 2017 | 10 | 20 | 7,458 | (145) | 7,333 |
| | | | | | |
| Movement of reserve | 5 | - | | - | - |
| Other comprehensive income | | - | - | (30) | (30) |
| Profit for the year | | - | 197 | - | 197 |
| Appropriation of result 2017 | | - | - | - | - |
| Balance at 31 December 2018 | 10 | 20 | 7,655 | (175) | 7,500 |

[3] *Components of equity have been aligned to the IFRS-EU presentation and legal reserves are now disclosed in the Corporate financial statements. The reserves for capitalised development cost and accumulated profit are now included in Retained Earnings.*

## Consolidated cash flow statement for the year ended 31 December 2018

| | Note | 2018 | 2017 restated [4] |
|---|---|---|---|
| | | EUR x 1,000 | EUR x 1,000 |
| Operating profit | | 797 | 1,766 |
| Adjustments for: | | | |
| - Other operating income | | - | - |
| - Amortisation and depreciation | 5/7 | 3,505 | 2,680 |
| - Changes in provisions | | (22) | (100) |
| Changes in working capital: | | | |
| - Trade and other receivables | | 1,689 | (2,933) |
| - Trade and other payables | | (3,294) | 6,545 |
| Interest received | | 14 | 28 |
| Corporate income tax paid | | (218) | (1,096) |
| **Cash flow from operating activities** | | **2,471** | **6,890** |
| | | | |
| Investments in intangible assets | 5 | (3,578) | (3,760) |
| Divestments in intangible assets | | - | 7 |
| Investments in property, plant and equipment | 7 | (917) | (591) |
| Divestments in property, plant and equipment | | - | 94 |
| Acquisitions of subsidiaries (net of cash) | 8 | (156) | (7,237) |
| **Cash flow from investing activities** | | **(4,651)** | **(11,487)** |
| | | | |
| Loans advanced to third parties | 14 | (218) | (1,198) |
| Repayment of loans advanced to third parties | 14 | 766 | 4 |
| Deposits paid | 14 | (63) | (146) |
| Deposits released | 14 | 168 | 54 |
| Proceeds from borrowings | 16 | 5,000 | 12,000 |
| Repayment of borrowings | 16 | (1,722) | (5,291) |
| Interest paid | 20 | (474) | (448) |
| Dividends paid | | - | (500) |
| **Cash flow from financing activities** | | **3,457** | **4,475** |
| **Changes in cash and cash equivalents** | | **1,278** | **(123)** |
| Net cash and cash equivalents at 1 January | | (806) | (683) |
| Net cash and cash equivalents at 31 December | | 472 | (806) |

[4] *Changes were made to the names of the line items included in the cash flow statement and its general presentation in 2018. See note 29 for more detail.*

## Notes to the consolidated financial statements

### 1. Corporate information

***Activities***
The activities of CM Groep B.V. (CM.com), chamber of commerce number: 20095946, having its legal seat at Konijnenberg 30 at Breda, The Netherlands, and its group companies primarily consists of advising, guiding, implementing, and assisting companies approaching its target audience through modern (media) techniques.

## 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 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.

The financial information relating to CM Groep B.V. is presented in the consolidated financial statements. In accordance with article 2:402 of the Netherlands Civil Code, the corporate financial statements include only an abridged statement of profit or loss. 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 separate financial statements are the same as that of the group.

Assets and liabilities relating to the operating cycle and items due for payment within one year after the reporting date are classified as current assets and current liabilities. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities. All other items are non-current.

In the cash flow statement interest received is presented under 'Cash flow from operating activities'. Interest paid is recognised under 'Cash flow from financing activities'.

The consolidated financial statements are presented in euros and all values are rounded to the nearest thousand (EUR x 1,000), except when otherwise indicated.

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 2018. Control is achieved when the 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.  Subsidiaries are fully consolidated from the date that control is obtained until the date that control is lost.

## 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 contract, the fees for enhanced access to the Platform are charged as a monthly or yearly subscription and recognised as revenue over-time.

CM.com’s operations are divided into operating segments based on which parts of operations are monitored by CM.com’s management. Management monitors revenue and gross profit 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 and property, plant, and equipment. The non-current assets of CM.com are mainly located in the Netherlands 91% (2017: 90%).

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

| Segment reporting 2018 | CPaaS | Payments | Platform | Other | Total |
|---|---|---|---|---|---|
| | EUR x 1,000 | EUR x 1,000 | EUR x 1,000 | EUR x 1,000 | EUR x 1,000 |
| Revenue | 62,075 | 5,776 | 3,573 | 13,193 | 84,617 |
| Cost of services | (47,186) | (2,354) | (259) | (9,863) | (59,662) |
| Gross profit | 14,889 | 3,422 | 3,314 | 3,330 | 24,955 |
| Operational expenses | | | | | (24,158) |
| Operating profit | | | | | 797 |
| Financial income and expenses | | | | | (460) |
| Profit before tax | | | | | 337 |

| Segment reporting 2017 | CPaaS | Payments | Platform | Other | Total |
|---|---|---|---|---|---|
| | EUR x 1,000 | EUR x 1,000 | EUR x 1,000 | EUR x 1,000 | EUR x 1,000 |
| Revenue | 57,032 | 3,236 | 3,093 | 16,553 | 79,914 |
| Cost of services | (44,408) | (1,442) | (28) | (12,428) | (58,306) |
| Gross profit | 12,624 | 1,794 | 3,065 | 4,125 | 21,608 |
| Operational expenses | | | | | (19,844) |
| Operating profit | | | | | 1,764 |
| Financial income and expenses | | | | | (420) |
| Profit before tax | | | | | 1,344 |

| Segment reporting 2016 | CPaaS | Payments | Platform | Other | Total |
|---|---|---|---|---|---|
| | EUR x 1,000 | EUR x 1,000 | EUR x 1,000 | EUR x 1,000 | EUR x 1,000 |
| Revenue | 42,627 | 188 | 3,130 | 20,738 | 66,683 |
| Cost of services | (31,935) | (107) | (22) | (16,126) | (48,190) |
| Gross profit | 10,692 | 81 | 3,108 | 4,612 | 18,493 |
| Operational expenses | | | | | (16,943) |
| Operating profit | | | | | 1,550 |
| Financial income and expenses | | | | | (207) |
| Profit before tax | | | | | 1,343 |

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

| | CPaaS | Payments | Platform | Other | Total |
|---|---|---|---|---|---|
| | EUR x 1,000 | EUR x 1,000 | EUR x 1,000 | EUR x 1,000 | EUR x 1,000 |
| 2018 | | | | | |
| The Netherlands | 28,487 | 4,441 | 2,857 | 6,515 | 42,300 |
| Belgium | 9,419 | 717 | 339 | 4,645 | 15,120 |
| France | 6,658 | 23 | 36 | 543 | 7,260 |
| Rest of Europe | 9,628 | 453 | 284 | 975 | 11,340 |
| Rest of World | 7,883 | 142 | 57 | 515 | 8,597 |
| | 62,075 | 5,776 | 3,573 | 13,193 | 84,617 |
| 2017 | | | | | |
| The Netherlands | 29,460 | 2,411 | 2,541 | 8,345 | 42,757 |
| Belgium | 8,016 | 506 | 263 | 5,568 | 14,353 |
| France | 6,042 | 9 | 29 | 427 | 6,507 |
| Rest of Europe | 9,115 | 165 | 226 | 1,528 | 11,034 |
| Rest of World | 4,399 | 145 | 34 | 685 | 5,263 |
| | 57,032 | 3,236 | 3,093 | 16,553 | 79,914 |
| 2016 | | | | | |
| The Netherlands | 22,477 | 185 | 2,578 | 11,702 | 36,942 |
| Belgium | 6,606 | 3 | 269 | 5,864 | 12,742 |
| France | 2,379 | - | 15 | 261 | 2,655 |
| Rest of Europe | 8,218 | - | 231 | 1,943 | 10,392 |
| Rest of World | 2,947 | - | 37 | 968 | 3,952 |
| | 42,627 | 188 | 3,130 | 20,738 | 66,683 |

Cm.com has no single customer in 2018 or 2017 that contributes more than 10% of the reported revenue.

***CPaaS***

CPaaS means Communication Platform as a Service. CPaaS revenue consists of omni-channel messaging (2018: EUR 60,717; EUR 2017: 55,938) and voice services (2018: EUR 1,358; 2017: EUR 1,095) 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). Cost of services can be divided into omni-channel messaging (2018: EUR 46,176; 2017: EUR 43,640) and voice services (2018: EUR 1,010; 2017: EUR 762).

***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 the CM.com Platform.

***Platform***
CM.com provides organizations a portfolio of services that contribute to the optimization of the mobile business journey that we have with our customers, for example digital signature of documents, digital identification service such as IDIN and ticketing. Apart from this, customers pay monthly subscription-fees for access to these platform features, this revenue is recognised over-time (2018: EUR 2,770; 2017: EUR 2,906).

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 revenue***
Other revenue consists predominantly of CM.com's service fees for providing Premium SMS and Direct content billing solutions (2018: EUR 9,622; 2017: EUR 12,456). 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 EUR 7,849 of cost of services for Premium SMS and Direct content billing (2017: EUR 10,300).

CM.com has transitioned to IFRS 15 by applying the full-retrospective approach under which revenue for 2017 has been restated in accordance with IFRS 15. As a result, Revenue and Cost of services for 2017 is lower by EUR 4,665 in comparison to Revenue and Cost of services as previously presented under IAS 18.

***Contract liabilities***
Contract liabilities include advance payments (2018: EUR 0.7 million, 2017: EUR 0.9 million) received from customers. The entire balance of contract liabilities as at 31 December 2017 have been recognised as revenue in 2018.

***Additional information***

The segment report for the year ended 31 December 2016, as presented above, is included in these financial statements as additional comparative information. Management believes that this information adds value as it greatly enhances the comparability of revenue generated in the years ended 31 December 2017, and 2018, to that of 2016.

The CPaaS revenue 2016 consists of omni-channel messaging EUR 42,175 and voice services EUR 452. The CPaaS Cost of services can be divided into omni-channel messaging EUR 31,597 and voice services EUR 338.

Revenue and Cost of services for 2016, presented in the segment “Other”, have been adjusted to reflect the change from the principal to the agency model with regards to certain Premium SMS and Direct content billing services. Revenue and Cost of services from Premium SMS and Direct content billing services for 2016 is EUR 8,582 lower than what was previously reported in the 2017 financial statements (Restated revenue EUR 16.742, Restated cost of services EUR 13,907) in order to present 2016 Revenue and Cost of services as is if the revised criteria of determining whether an entity acts an principal or agent, as included in IFRS 15, has been applied as from 1 January 2016.

## 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 lives are not amortised and are tested for impairment annually.

Intangible assets are presented at cost less accumulated amortisation and, if applicable, less impairments in value. Intangible assets with finite useful lives and 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.

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

A summary of the movements of intangible assets is given:

| | Platform | Goodwill | Customer relation | Other | Total |
|---|---|---|---|---|---|
| | EUR x 1,000 | EUR x 1,000 | EUR x 1,000 | EUR x 1,000 | EUR x 1,000 |
| **Cost** | | | | | |
| At 31 December 2016 | 6,927 | 1,638 | 10,663 | 1,775 | 21,003 |
| Additions | 428 | - | - | 1,637 | 2,065 |
| Development costs | 3,234 | - | - | - | 3,234 |
| Acquisition of subsidiaries | 2,042 | 2,305 | 4,171 | 35 | 8,553 |
| Divestments | (7) | - | - | - | (7) |
| Conversion to exchange rate | (1) | - | (45) | (2) | (48) |
| **At 31 December 2017** | **12,623** | **3,943** | **14,789** | **3,445** | **34,800** |
| Additions | 54 | 186 | - | 1,201 | 1,441 |
| Development costs | 3,427 | - | - | - | 3,427 |
| Conversion to exchange rate | - | - | (10) | (1) | (11) |
| **At 31 December 2018** | **16,104** | **4,129** | **14,779** | **4,645** | **39,657** |
| | | | | | |
| **Amortisation and impairment** | | | | | |
| At 31 December 2016 | 2,992 | 546 | 3,513 | 1,185 | 8,236 |
| Amortisation | 707 | - | 1,265 | 208 | 2,180 |
| Amortisation divestments | (6) | - | - | - | (6) |
| Conversion to exchange rate | (6) | - | (7) | (1) | (14) |
| **At 31 December 2017** | **3,687** | **546** | **4,771** | **1,392** | **10,396** |
| Amortisation | 1,140 | - | 1,469 | 216 | 2,825 |
| Conversion to exchange rate | - | - | (4) | (1) | (5) |
| **At 31 December 2018** | **4,827** | **546** | **6,236** | **1,607** | **13,216** |
| | | | | | |
| **Net book value** | | | | | |
| At 31 December 2017 | 8,936 | 3,397 | 10,018 | 2,053 | 24,404 |
| At 31 December 2018 | 11,277 | 3,583 | 8,543 | 3,038 | 26,441 |
| | | | | | |
| **Estimated useful lives (years)** | 10 | indefinite | 10 | 5-10 / indefinite | |

Other intangible assets consist of patents, trade names, brand names and domain names. Domain names with an indefinite useful life have a carrying amount of EUR 1.5 million (2017: EUR 1.5 million).

## 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 that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units. Intangible assets with indefinite useful are allocated to the respective CGU’s and tested for impairment in combination with goodwill.

Goodwill is allocated to CPaaS EUR 1.2 million and Payments EUR 2.3 million. Domain names with an indefinite useful life are allocated to CPaaS EUR 1.2 million and to Payments EUR 0.2 million.

The impairment test is based on cash flow projections for five years. 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 cash generating units, a terminal value was calculated based on the long-term inflation expectation of 1.3% (2017: 1.2%). The estimated pre-tax cash flows are discounted to their present value using a pre-tax weight average cost of capital of 13.4%-14.3% (2017: 12.4%-13.1%). 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% and a change in the long-term growth rate of 0.5%. 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.

No impairment charges were recognised in relation to the annual impairment test, both in 2017 and 2018.

## 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 and 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 of Property, plant and equipment is provided:

| | Platform | Furniture & fixtures | Vehicles | Hardware & software workplace | Leasehold improve-ments | Total |
|---|---|---|---|---|---|---|
| | EUR x 1,000 | EUR x 1,000 | EUR x 1,000 | EUR x 1,000 | EUR x 1,000 | EUR x 1,000 |
| **Cost** | | | | | | |
| At 31 December 2016 | 3,391 | 263 | 196 | 537 | 672 | 5,059 |
| Additions | 759 | 191 | 159 | 163 | 52 | 1,324 |
| Acquisition of subsidiaries | - | - | - | 59 | - | 59 |
| Divestments | (56) | (14) | (23) | (1) | - | (94) |
| Conversion to exchange rate | (10) | 1 | - | 1 | - | (8) |
| **At 31 December 2017** | **4,084** | **441** | **332** | **759** | **724** | **6,340** |
| Additions | 1,912 | 227 | - | 157 | 104 | 2,400 |
| Acquisition of subsidiaries | - | 1 | - | 8 | - | 9 |
| Conversion to exchange rate | (1) | - | - | (1) | - | (2) |
| **At 31 December 2018** | **5,995** | **669** | **332** | **923** | **828** | **8,747** |
| | | | | | | |
| **Depreciation** | | | | | | |
| At 31 December 2016 | 1,832 | 31 | 99 | 237 | 325 | 2,524 |
| Depreciation | 231 | 64 | 24 | 121 | 60 | 500 |
| Depreciation divestments | (52) | (14) | (23) | (2) | - | (91) |
| **At 31 December 2017** | **2,011** | **81** | **100** | **356** | **385** | **2,933** |
| Depreciation | 366 | 54 | 29 | 156 | 75 | 680 |
| **At 31 December 2018** | **2,377** | **135** | **129** | **512** | **460** | **3,613** |
| | | | | | | |
| **Net book value** | | | | | | |
| At 31 December 2017 | 2,074 | 360 | 232 | 403 | 339 | 3,407 |
| At 31 December 2018 | 3,618 | 534 | 203 | 411 | 368 | 5,134 |
| | | | | | | |
| **Estimated useful lives (years)** | 10 | 10 | 5 | 5 | 10 | |

The carrying amount of property, plant and equipment held under finance leases amounts to EUR 2.8 million (2017: EUR 0.7 million).

## 8. 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 fair value and the amount of any non-controlling interest in the acquiree. Acquisition-related costs are expensed as incurred and included in other operating expenses.

***Acquisitions in 2018***
On 1 April 2018, CM.com B.V. acquired 100% of the shares and voting rights of EventsIT B.V. EventsIT B.V. is a small unlisted company based in Europe, specialising in access (ticketing). The purpose of the acquisition is to increase the customer base of the access activities of CM.com.

***Acquisitions in 2017***
On 21 April 2017 CM Telecom Germany GmbH acquired the online messaging platform SMS Kaufen. The purpose of the acquisition is to expand the customer base.
On 3 July 2017 the CM.com acquired 100% of the shares and voting rights of Docdata Payments B.V. Docdata Payments B.V. is an unlisted company based in Europe, specialising in integrated payment solutions. The purpose of the acquisition is to increase the payment activities of CM.com. Partly as a result of this acquisition, CM.com is now a relevant payment service provider in the Netherlands.

The fair values of identifiable assets and liabilities of Docdata Payments B.V. as at the date of acquisition were:

| | Fair value recognised on acquisition |
|---|---|
| | EUR x 1,000 |
| Property, plant and equipment | 59 |
| Platform | 2,026 |
| Customer relationships | 3,808 |
| Financial assets | 11 |
| Trade receivables | 24 |
| Net cash and cash equivalents | 1,627 |
| Deferred tax liability | (666) |
| Trade and other receivables | (505) |
| **Total identifiable net assets at fair value** | **6,384** |
| Goodwill | 2,293 |
| **Cash consideration transferred** | **8,677** |
| Less: Net cash and cash equivalents acquired | (1,627) |
| **Net cash outflow on acquisition of subsidiary** | **7,050** |

Goodwill of EUR 2.3 million relates the contribution of an assembled workforce and expected synergies to be realised. None of the goodwill recognised is expected to be deductible for income tax purposes.

From the date of acquisition, Docdata Payments B.V. contributed EUR 3.1 million of revenue and EUR 0.2 million to profit before tax in 2017.

If the combination had taken place at the beginning of the year, revenue would have been EUR 6.2 million and profit before tax would have been EUR 0.4 million in 2017.

## 9. Taxation

***9.1 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.

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 Groep B.V. forms a fiscal unity for corporate tax purposes with the following subsidiaries:

- CM.com Netherlands B.V.
- CM International B.V.
- Events IT B.V.
- CM Payments B.V.
- CM Technology B.V.
- ClubMessage Benelux B.V.
- OneSixty B.V.
- GSM Information Network B.V.
- CM Online B.V.
- CM platform B.V.

The subsidiaries are charged for the corporate income tax based on their results.

Major components of the income tax expense:

| | 2018 | 2017 |
|---|---|---|
| | EUR x 1,000 | EUR x 1,000 |
| Current tax | 237 | 758 |
| Deferred tax: | | |
| Movement in temporary differences | 380 | (27) |
| Tax losses generated | (480) | (625) |
| Tax losses utilised | 434 | 119 |
| Adjustments prior year | (430) | 9 |
| Taxation according to the profit and loss account | 141 | 234 |

The useful life of property, plant and equipment and certain intangible assets was re-estimated in 2017. For tax purposes this change in estimate was not taken into account. In the 2017 financial statements, the deferred tax relating to the change in estimate was incorrectly presented as current tax. Therefore, a correction of EUR 0.3 million have been made to deferred tax liabilities and current tax payable in 2018 and is included in adjustments prior year.

The effective tax rate for 2018 is 41.8% (2017: 17.4%) and can be reconciled as follows:

| | 2018 | 2017 |
|---|---|---|
| | EUR x 1,000 | EUR x 1,000 |
| Profit before taxation | 338 | 1,344 |
| Income tax expense at statutory tax rate (25%) | 84 | 336 |
| Non-deductable expenditure | 23 | 10 |
| Non-deductable amortisation/depreciation | 77 | 134 |
| Innovation box | - | (229) |
| Rate differential (foreign subsidiaries) | 64 | (26) |
| Tax relating to prior periods | (107) | 9 |
| Tax charged against profit before tax | 141 | 234 |

***9.2 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 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 EUR 6.6 million (2017: EUR 6.4 million) of tax losses carried forward. EUR 0.2 million (2017: EUR 0.1 million) of these tax assets can be carried forward for five years, EUR 0.5 million (2017: 1.5 million) for nine years and EUR 5.9 million (2017: EUR 4.8 million) indefinitely.

| Deferred tax asset | 2018 | 2017 |
|---|---|---|
| | EUR x 1,000 | EUR x 1,000 |
| Carrying amount as at 31 December 2017 | 1,787 | 1,281 |
| Additional tax losses recognised | 480 | 625 |
| Tax losses utilised | (434) | (119) |
| Tax rate change | (28) | - |
| Exchange rate differences | (2) | - |
| Correction previous years | (71) | - |
| Carrying amount as at 31 December 2018 | 1,732 | 1,787 |

***Deferred tax liability***

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

| Deferred tax liability | 2018 | 2017 |
|---|---|---|
| | EUR x 1,000 | EUR x 1,000 |
| Carrying amount as at 31 December 2017 | 633 | - |
| Acquisition of subsidiary | - | 666 |
| Originating taxable temporary differences | 447 | - |
| Taxable temporary differences prior year | 327 | - |
| Reversal of taxable temporary differences | (67) | (33) |
| Carrying amount as at 31 December 2018 | 1,340 | 633 |

## Capital management and risk policies

### 10. Capital management

CM.com's equity is privately owned and ultimately attributable to the original founders.

It is CM.com's objective to maximize growth. In that perspective CM.com invests most of its earnings in organic growth through innovation and regional expansion. CM.com attracted bank debt for acquisitive growth. Our debt instruments match the profile and duration of our investment strategy and includes covenants that are constantly managed.

The loans with Rabobank are subject to maintaining the following financial covenants:

- Senior Net debt / EBITDA ratio of 3.0 up to 31 December 2019 and 2.0 thereafter;
- Interest coverage ratio (interest/EBIT) of 2.0 up to 31 December 2018 and thereafter 2.3;
- EBITDA cover test over 90% (EBITDA creditors / EBITDA CM.com);
- Maximum capitalised development cost of 3.7 million in 2018 and 4.3 million thereafter.

The loans with Rabobank are subject to maintaining the following non-financial covenants:

- A dividend may only be paid if Senior Net debt / EBITDA is lower than 2.0 after dividend distribution. A maximum annual dividend of EUR 0.5 million may be paid;
- No further indebtedness of EUR 0.75 million;
- Cm.com may not provide financing to third parties.

The loans with EIB are subject to maintaining the following non-financial covenants:

- No further indebtedness of EUR 1.8 million;

As at 31 December 2018 and 31 December 2017 CM.com was meeting all the financial covenants.

| Covenants | 2018 | 2017 |
|---|---|---|
| Senior Net debt/EBITDA | 2.22 | 2.52 |
| Interest coverage ratio | 2.87 | 7.88 |
| EBITDA covertest | 115% | 117% |

Senior Net debt includes only the loans and RCF at Rabobank. EBITDA for covenant reporting is adusted for EUR 0.2 million (2017: EUR 0.4 million).

On the non-financial covenant no further indebtedness was a breach with Rabobank and EIB. In 2019 we received a waiver for these breaches.

The authorised share capital of the company amounts to 20.000 shares, divided into 19.960 ordinary shares of EUR 20 each and 40 priority shares of EUR 20 each. The priority shares contain the voting rights.

The total number of issued and paid-up shares is 1.000 (2017: 1.000) and consists of 998 ordinary shares and 2 priority shares.

## 11. Risk management

### *11.1 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. No significant concentration of credit risk existed as at the reporting date.

***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 14 and Note 15.

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

| | 2018 | 2017 |
|---|---|---|
| | EUR x 1,000 | EUR x 1,000 |
| Balance as per 1 January | 765 | 783 |
| Change in accounting policy - IFRS 9 | (678) | - |
| Restated balance as per 1 January | 87 | 783 |
| Additional charges to expenses | 33 | 137 |
| Bad debts written off | (45) | (155) |
| Other movements | (2) | (0) |
| | 73 | 765 |

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

| | 2018 | 2017 |
|---|---|---|
| | EUR x 1,000 | EUR x 1,000 |
| Current | 5,094 | 5,570 |
| 1-30 days | 1,348 | 1,767 |
| 31-60 days | 136 | 115 |
| >60 days | 774 | 516 |
| | 7,352 | 7,968 |

***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 contract assets. To measure the expected credit losses, trade receivables and contract assets 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 period.

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 contract assets are presented as net impairment losses within profit or loss. Subsequent recoveries of amounts previously written off are credited against the same line item.

***11.2 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 has 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:

| | Note | 0 – 3 months | 4 – 12 months | 1-5 years | Over 5 year | 2018 Total | Carrying amount Total |
|---|---|---|---|---|---|---|---|
| | | EUR x 1,000 | EUR x 1,000 | EUR x 1,000 | EUR x 1,000 | EUR x 1,000 | EUR x 1,000 |
| Borrowings excluding financial lease | 16 | - | 16,943 | - | - | 16,943 | 15,500 |
| Financial lease | 16 | 587 | 935 | 2,132 | - | 3,654 | 3,594 |
| Trade payables | 17 | 11,187 | - | - | - | 11,187 | 11,187 |
| Other financial liabilities | 17 | 9,729 | 168 | - | - | 9,897 | 9,897 |
| | | 21,503 | 18,046 | 2,132 | - | 41,681 | 40,178 |

| | Note | Restated [5] 0 – 3 months | 4 – 12 months | 1 – 5 years | Over 5 year | 2017 Total | Carrying amount Total |
|---|---|---|---|---|---|---|---|
| | | EUR x 1,000 | EUR x 1,000 | EUR x 1,000 | EUR x 1,000 | EUR x 1,000 | EUR x 1,000 |
| Borrowings excluding financial lease | 16 | 1,958 | 956 | 4,475 | 7,104 | 14,493 | 13,137 |
| Financial lease | 16 | 60 | 181 | 1,499 | - | 1,740 | 1,716 |
| Trade payables | 17 | 12,215 | - | - | - | 12,215 | 12,215 |
| Other financial liabilities | 17 | 11,696 | 144 | - | - | 11,840 | 11,840 |
| | | 25,929 | 1,281 | 5,974 | 7,104 | 40,288 | 38,908 |

CM.com's borrowing facilities and revolving credit facilities are detailed in Note 16.

### *11.3 Market risk*

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect 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.

***Interest rate risk***

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The policy in respect of interest rate risk is aimed at mitigating the interest rate risks originating from the financing of CM.com and optimising the net interest expenses at the same time. This policy translates into a desired profile of interest positions including cash.

An increase of the interest rate with 25 basis point would increase the future interest cost for the remaining duration of the long-term borrowings with EUR 48.

[5] *The maturity analysis of expected contractual cash flows for 2017 included the following errors that have been corrected in the liquidity analysis presented above:*

*- Interest cash flows were not included in cash flows for borrowings and financial lease in 2017.*

*- VAT and payroll taxes as well as revenue received in advance were incorrectly included in other financial liabilities although these items do not qualify as financial instruments.*

*- The correction relating to netting of bank balances as disclosed in note 13 impacted the cash flows in the 0 - 3 month time band.*

*- Bank overdraft was previously presented under other financial liabilities and is now included in borrowings.*

*The above errors impacted the maturity analysis of 2017 as follows:*

| | 0 – 3 months | 4 – 12 months | 1 – 5 years | Over 5 year | Total |
|---|---|---|---|---|---|
| Increase / (Decrease) in expected future cashflows | (4,351) | 215 | 1,013 | 104 | (3,019) |

***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 Euro. The currency giving rise to this risk is primarily USD. As CM.com operates globally, purchases are done in several other currencies.

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

| | 31.12.2018 |
|---|---|
| | USD |
| | x 1,000 |
| Cash and cash equivalents | 82 |
| Long term receivables | 438 |
| Trade receivables | 605 |
| Long-term borrowings | (1,250) |
| Trade payables | (325) |
| | (450) |

| | 31.12.2017 |
|---|---|
| | USD |
| | x 1,000 |
| Cash and cash equivalents | 71 |
| Long term receivables | 438 |
| Trade receivables | 278 |
| Long-term borrowings | (1,250) |
| Trade payables | (163) |
| | (626) |

***Foreign currency sensitivity***

A reasonable possible change in USD exchange rate (+5%), with all other variables held constant, will have an effect on profit and equity of EUR (28) (2017: EUR (34)).

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

## Financial instruments

### 12. 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 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 and equity investments. 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.

Financial assets measured at amortised cost includes trade and other receivables, loans receivable and deposits.

***Financial assets measured at fair value***
These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets measured at fair value through profit or loss includes equity investments and cash balances.

***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 and long-term borrowings. 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.

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

### 13. Cash and short-term deposits

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.

| | 2018 | 2017 |
|---|---|---|
| | EUR x 1,000 | EUR x 1,000 |
| Bank balances and cash on hand | 472 | 831 |
| Bank overdraft | - | (1,637) |
| | 472 | (806) |

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.

Cash balances amounting to EUR 35 (2017: EUR 47) are not at free disposal of CM.com, the other liquid assets are payable on demand.

In 2017, an error was made in the netting of the bank accounts with Rabobank whereby cash and cash equivalents and bank overdraft were overstated by EUR 1,406.

### 14. Long-term receivables

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

| | 2018 | 2017 |
|---|---|---|
| | EUR x 1,000 | EUR x 1,000 |
| | Carrying amount | Carrying amount |
| Deposits & other receivables | 1,012 | 1,665 |
| Other participation | 60 | 60 |
| | 1,072 | 1,725 |
| Current portion of long-term receivables | (200) | (760) |
| | 872 | 965 |

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

| | Deposits | Other receivables | Other participation | Total |
|---|---|---|---|---|
| | EUR x 1,000 | EUR x 1,000 | EUR x 1,000 | EUR x 1,000 |
| Carrying amount as at 1 January 2017 | 363 | 16 | 60 | 439 |
| Movements: | | | | |
| Loans granted | - | 1,198 | - | 1,198 |
| Redemptions | - | (4) | - | (4) |
| Paid deposits | 146 | - | - | 146 |
| Released deposits | (54) | - | - | (54) |
| Carrying amount as at 31 December 2017 | 455 | 1,210 | 60 | 1,725 |
| Movements: | | | | |
| Loans granted | - | 218 | - | 218 |
| Redemptions | - | (766) | - | (766) |
| Paid deposits | 63 | - | - | 63 |
| Released deposits | (168) | - | - | (168) |
| Carrying amount as at 31 December 2018 | 350 | 662 | 60 | 1,072 |
| Current portion 2017 | - | (760) | - | (760) |
| Current portion 2018 | - | (200) | - | (200) |

As at 31 December 2018 and 31 December 2017 no impairments in value have been recorded.

***Other receivables***

Other receivables consist of two loans and one advanced payment.

Originally, EUR 436 (USD 500) to Branded Holding Group Inc. for the domain name CM.com. The loan will be settled with the eventual purchase price of the domain name. The option to purchase is already defined in a contract with Branded Holding Group Inc.

Originally, EUR 50 was provided to Comizzo BVBA. Repayment will be done in 6 months, starting December 2018. The interest rate is set at 15% annually.

EUR 150 advanced payment to Labyrinth Productions BVBA, which will be repaid on 1 March 2019. The interest rate is set at 0%.

***Other participation***

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

## 15. Trade and other receivables

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

| | 2018 | 2017 |
|---|---|---|
| | EUR x 1,000 | EUR x 1,000 |
| Trade receivables | 7,352 | 7,968 |
| Other receivables, prepayments and accrued income | 8,099 | 9,110 |
| | 15,451 | 17,078 |

***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, EUR 74 is provided for (2017: EUR 0.8 million).

CM.com's exposure to credit risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 11.

***Other receivables, prepayments and accrued income***

| | 2018 | 2017 |
|---|---|---|
| | EUR x 1,000 | EUR x 1,000 |
| Accrued revenue | 6,720 | 6,914 |
| Prepayments | 1,021 | 943 |
| Other receivables | 358 | 1,253 |
| | 8,099 | 9,110 |

## 16. Borrowings

| | 2018 | 2017 |
|---|---|---|
| | EUR x 1,000 | EUR x 1,000 |
| Bank loans | 15,500 | 11,500 |
| Bank overdraft | - | 1,637 |
| Finance lease liability | 3,594 | 1,716 |
| | 19,094 | 14,853 |
| Current portion of long term borrowings | (16,982) | (2,866) |
| | 2,112 | 11,987 |

In 2017, CM.com refinanced its debt with Rabobank into a loan facility of EUR 12 million consisting of three term loans and a line of credit of EUR 5 million. The former loans were refinanced by a term loan of EUR 5 million (term loan B). Term loan B is repayable in one instalment on 2 July 2023 and bears interest at 3 month Euribor plus a margin of 2.75%.

Term loans A (EUR 4 million) and C (EUR 3 million) were obtained to finance the acquisition of Docdata payments B.V.

Term loan A is repayable in quarterly instalments over 5 years and bears interest at 3 month Euribor plus a margin of 2.50%.

Term loan C is repayable in one instalment on 2 July 2023 and bears interest at 3 month Euribor plus a margin of 3.25%.

The interest margin for term loans A-C are determined by the outcome of the Net debt / EBITDA ratio.

In 2017, CM.com has agreed revolving credit facility of EUR 5 million. The credit facility bears interest at 1 month Euribor plus a margin of 2.25%. At 31 December 2018, the was facility was entirely undrawn (2017: EUR 3,363 undrawn).

Further to that, CM.com has signed a borrowing agreement with EIB for a facility up to EUR 10 million for the funding of its platform innovations. In 2018, EUR 5 million has been drawn from this facility. The repayment date of the tranche is 5 years after the disbursement date. The loan bears interest at 1 year Euribor plus a Margin of 2.00%.

In 2018 we invested in additional Dell hardware and software (EUR 2.6 million) to prepare our platform for future growth. To finance these investments we agreed on financial lease. In 2019 discussions raised with Rabobank whether this was permitted under the agreement with the bank. In the end, that permission was granted by Rabobank and additional agreements were made. Because of that discussion, we have chosen to present the bank debt as current liability as of 31 December 2018. For Rabobank the covenant has been revised to include additional finance lease facilities up to 1.5 million per annum. Regarding the loan at EIB a breach occurred caused on the no further indebtness clause. This liability is presented as a current liability. At present the conditions of this finance facility are met again.

This implies that both breach situations are resolved at present. However, it indicates that the current financing portfolio no longer matches the size and ambition of the Company. Therefore we started a process of refinancing our positions. This process is far advanced and expected to be completed in the upcoming months.

A reconciliation of the movement in borrowings is presented below:

| | 2018 | 2017 |
|---|---|---|
| | EUR x 1,000 | EUR x 1,000 |
| Carrying amount as at 1 January | 14,853 | 5,971 |
| Movements: | | |
| Proceeds from bank loans | 5,000 | 12,000 |
| Increase in finance lease liability | 2,601 | 2,283 |
| Redemptions of bank loans | (1,000) | (4,888) |
| Withdrawal of deposits | - | (97) |
| Redemptions of finance lease liability | (723) | (568) |
| Movements in revolving credit facility | (1,637) | 152 |
| Carrying amount as at 31 December | 19,094 | 14,853 |
| Current portion of long term borrowings | (16,982) | (2,866) |
| Long term liability as at 31 December | 2,112 | 11,987 |

***Securities provided for borrowings***
Loans granted by the Coöperatieve Rabobank U.A. include the benefit for the bank of the following securities:

- Pledging of current and future tangible assets with the exception of the current and future leased assets;
- Pledging of all current and future means of transportation;
- Pledging of all current and future stock;
- Pledging of all current and future rights/receivables of the group with all rights and sureties associated with these rights and claims, thereby also all rights under insurance contracts;
- Pledging of all current and future trademarks of the group and rights to and rights arising from the rights to the brands;

The loans granted by the European Investment Bank (EIB) include the benefit for EIB of the following securities:

- A warrant agreement entitling the EIB to warrant shares which, with the current loan of five million, correspond to 3.5% of the company's share capital. A right of pledge and right of set-off in respect of bank accounts maintained by each group Company with Coöperatieve Rabobank U.A. pursuant to its general banking conditions.

## 17. 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.

| | 2018 | 2017 |
|---|---|---|
| | EUR x 1,000 | EUR x 1,000 |
| Trade payables | 11,187 | 12,215 |
| VAT and payroll taxes | 909 | 989 |
| Invoices to be received for services | 6,493 | 7,461 |
| Third party collection payable to content providers | 1,272 | 2,341 |
| Deposits | 168 | 144 |
| Pension contributions | 57 | 48 |
| Revenue received in advance | 719 | 873 |
| Other accruals | 1,906 | 1,845 |
| | 22,711 | 25,916 |

## 18. Employee benefits

| | 2018 | 2017 |
|---|---|---|
| | EUR x 1,000 | EUR x 1,000 |
| Wages and salaries | 14,219 | 12,310 |
| Social security charges | 2,376 | 2,064 |
| Pension costs | 561 | 483 |
| WBSO subsidy received | (830) | (696) |
| Capitalised development cost | (3,268) | (3,331) |
| | 13,058 | 10,830 |

The average number of employees of CM.com during the year, converted to full-time equivalents, was 258 (2017: 244).

The geographical breakdown of FTE as per the end of the reporting period is as follows:

| | 2018 | 2017 |
|---|---|---|
| The Netherlands | 209 | 197 |
| Belgium | 16 | 18 |
| France | 8 | 7 |
| Rest of Europe | 11 | 11 |
| Rest of World | 14 | 11 |
| | 258 | 244 |

***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) are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. 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.

## 19. Other operating expenses

| | 2018 | 2017 |
|---|---|---|
| | EUR x 1,000 | EUR x 1,000 |
| Housing costs | 1,280 | 1,216 |
| Operating costs | 1,292 | 1,108 |
| Office expenses | 19 | 20 |
| Car expenses | 251 | 228 |
| Marketing and sales expenses | 2,278 | 1,318 |
| Other staff costs | 517 | 489 |
| General costs | 1,958 | 1,956 |
| | 7,595 | 6,334 |

Research and development cost charged to profit or loss before tax for the financial year amounted to
EUR 1.7 million (2017: EUR 2.1 million).

## 20. Interest paid

| | 2018 | 2017 |
|---|---|---|
| | EUR x 1,000 | EUR x 1,000 |
| Bank interest paid | 352 | 279 |
| Other interest paid | 59 | 32 |
| Currency results | 63 | 137 |
| | 474 | 448 |

## 21. Commitments and guarantees

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 (or assets) and the arrangement conveys a right to use the asset (or assets), even if that asset is (or those assets are) not explicitly specified in an arrangement.

***Group as a lessee***
A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to CM.com is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the CM.com will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term.

| Operating lease commitments – Group as lessee | | | | 31.12.2018 |
|---|---|---|---|---|
| | < 1 year | 2-5 years | > 5 years | Total |
| | EUR x 1,000 | EUR x 1,000 | EUR x 1,000 | EUR x 1,000 |
| Renting obligations | 1,185 | 3,716 | 2,820 | 7,721 |
| Lease obligations cars | 81 | 98 | - | 179 |
| | 1,266 | 3,814 | 2,820 | 7,900 |

| Operating lease commitments – Group as lessee | | | | 31.12.2017 |
|---|---|---|---|---|
| | < 1 year | 2-5 years | > 5 years | Total |
| | EUR x 1,000 | EUR x 1,000 | EUR x 1,000 | EUR x 1,000 |
| Renting obligations | 970 | 2,670 | 2,310 | 5,950 |
| Lease obligations cars | 95 | 146 | - | 241 |
| | 1,065 | 2,816 | 2,310 | 6,191 |

The remaining terms of the contracts vary from 0 months to 4 years and 2 months (end dates from 1 January 2019 to 22 February 2023).

| Financial lease commitments – Group as lessee | | | | 31.12.2018 |
|---|---|---|---|---|
| | < 1 year | 2-5 years | > 5 years | Total |
| | EUR x 1,000 | EUR x 1,000 | EUR x 1,000 | EUR x 1,000 |
| Present value of future minimum lease payments | 1,482 | 2,112 | - | 3,594 |
| Finance costs | 40 | 20 | - | 60 |
| Gross repayments | 1,522 | 2,132 | - | 3,654 |

| Financial lease commitments – Group as lessee | | | | 31.12.2017 |
|---|---|---|---|---|
| | < 1 year | 2-5 years | > 5 years | Total |
| | EUR x 1,000 | EUR x 1,000 | EUR x 1,000 | EUR x 1,000 |
| Present value of future minimum lease payments | 230 | 1,486 | - | 1,716 |
| Finance costs | 11 | 13 | - | 24 |
| Gross repayments | 241 | 1,499 | - | 1,740 |

***Guarantees***

As of 31 December 2018, the legal entities that are part of the group have granted guarantees amounting to EUR 35 (2017: EUR: 47).

## 22. Group structure

CM Groep 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 | |
|---|---|---|---|---|
| CM Groep B.V. | Breda (The Netherlands) | Holding company | 100% | |
| CM.com Netherlands B.V. | Breda (The Netherlands) | Mobile telecom. services | 100% | * |
| CM Technology B.V. | Breda (The Netherlands) | Customer interfacing and platform subscriptions | 100% | * |
| ClubMessage Benelux B.V. | Breda (The Netherlands) | Bulk SMS | 100% | * |
| CM International B.V. | Breda (The Netherlands) | Voice services | 100% | |
| CM Online B.V. | Breda (The Netherlands) | Bulk SMS | 100% | * |
| GSM Information Network B.V. | Breda (The Netherlands) | Mobile content delivery | 100% | * |
| OneSixty B.V. | Breda (The Netherlands) | Customer care and security | 100% | * |
| CM Payments B.V. | Breda (The Netherlands) | Payments processing | 100% | |
| Events IT B.V. | Rotterdam (The Netherlands) | Access services | 100% | |
| Paratel N.V. | Zaventem (Belgium) | Produces television programs | 100% | |
| CM Telecom Belgium N.V. | Zaventem (Belgium) | Mobile telecom. services | 100% | |
| M.E.C.E. N.V. | Zaventem (Belgium) | Mobile content services | 100% | |
| Produline SA | Liège (Belgium) | Bulk SMS | 100% | |
| CM Telecom Germany GmbH | Frankfurt (Germany) | Mobile telecom. services | 100% | |
| CM Telecom UK Ltd. | London (UK) | Mobile telecom. services | 100% | |
| CM Telecom France SAS | Paris (France) | Mobile telecom. services | 100% | |
| CM Telecom Hong Kong Ltd. | Hong Kong (China) | Mobile telecom. services | 100% | |
| CM Telecom Shenzhen Co. Ltd. | Shenzhen (China) | Mobile telecom. services | 100% | |
| CM.com Japan K.K. | Tokyo (Japan) | Mobile telecom. services | 100% | |
| CM Telecom South Africa Ltd. | Cape Town (South Africa) | Mobile telecom. services | 100% | |
| CM Telecom US Inc. | Boston (USA) | Mobile telecom. services | 100% | |
| CM Telecom FZ-L LC | Dubai | Mobile telecom. services | 100% | |

* January 1, 2019 all the marked entities were merged into CM.com Netherlands B.V.

| | | | |
|---|---|---|---|
| CM platform B.V. | Breda (The Netherlands) | R&D | 100% |
| 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% |

At 31 October 2018 CM Payments B.V. and Docdata payments B.V. were merged. CM Payments B.V. is the existing entity.

## 23. Related parties

CM.com has a rental agreement with CM Campus B.V. For 2018 EUR 0.5 million was paid for rent (2017: EUR 0.4 million). The rental charged by CM Campus B.V. is at arm's length.

***Transactions with key management personnel***

The directors of the company are considered key management personnel. There are no transaction with key management personnel with the exception of their salaries. For more details we refer to the Corporate financial statements, Other information.

## 24. 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 Mazars Accountants N.V. to the Company, its subsidiaries and other consolidated entities:

| | Mazars | Other network | Total network |
|---|---|---|---|
| | EUR x 1,000 | EUR x 1,000 | EUR x 1,000 |
| Audit fees | 116 | 46 | 162 |
| Tax services | - | 6 | 6 |
| Other services | - | 3 | 3 |
| Total fees | 116 | 55 | 171 |

## 25. Critical accounting judgements and estimations

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect 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, goodwill, useful life of intangible assets, deferred tax asset recoverability, purchase price allocation and impairments.

***Revenue***

Revenue recognition under IFRS 15 is significantly more complex than under IAS 18 and requires use of management judgement to produce financial information. The most significant judgement 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 judgements impact the amount of reported revenue and operating expenses but do not impact reported assets, liabilities or cash flows. Scenarios requiring judgement to determine whether CM.com is a principal or an agent include, for example, those where CM.com delivers third-party content to customers.

***Impairment of non-financial assets***
As stated in note 5, 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.

***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. Significant management judgment 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.

## 26. Provisions

Provisions are recognised when CM.com has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When CM.com expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

## 27. Dividend

The Company recognises a liability to pay a dividend when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws of the Netherlands, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

## 28. Events after balance sheet date

CM.com announced the sponsorship of the “Formula 1 Heineken Dutch Grand Prix” for the upcoming 3 years. CM.com will provide CPaaS+ solutions to the grand prix, this is in the interest of our international growth strategy.

The first quarter of 2019 CM.com breached the Interest coverage ratio. A refinancing is in progress. The existing financing is no longer appropriate caused by CM.com’s growth ambitions. The breach of the ICR is waived by the bank.

## 29. Changes in presentation

Changes in presentation in comparison to the Statement of financial position, as included in the 2017 financial statements, are specified below:

- Goodwill is presented on the face of the Statement of financial position and was included in Intangible assets in 2017.
- Bank overdraft is included in borrowing and was included as a separate line item in the 2017 financial statements.
- Financial assets have been renamed to Borrowings. The current portion has been renamed accordingly.

- Financial assets have been renamed to Long-term receivables. The current portion has been renamed accordingly.
- Components of equity have been aligned to the IFRS-EU presentation and legal reserves are now disclosed in the Corporate financial statements. The reserves for capitalised development cost and accumulated profit are now included in Retained Earnings.

Changes in presentation in comparison to the Statement of profit or loss and other comprehensive income, as included in the 2017 financial statements, are specified below:

- Net revenue has been renamed to Revenue.
- Profit attributable to owners of the parent has been renamed to Profit after tax.
- Total comprehensive income for the year attributable to owners of the company has been renamed to Total comprehensive income.

Changes in presentation in comparison to the Statement of cash flows, as included in the 2017 financial statements, are specified below:

- Movements in provision are presented as a non-cash adjustment as opposed to being included in changes in trade and other payables.
- Investments in financial assets are included in loans advanced to third parties as opposed to being separately presented.
- Deposits paid and released are presented separately from loans advanced and repaid.

## Change in accounting policies

***Revenue IFRS 15***

Effective from 1 January 2018, CM.com applied IFRS 15, which replaces IAS 18 and establishes principles for revenue recognition that apply to all contracts with customers except those relating to financial instruments and insurance or lease contracts and requires an entity to recognise revenue as performance obligations are satisfied. IFRS 15 specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers.

Under IAS 18 revenue was recognised at the fair value of the consideration received or receivable, net of VAT, discounts and comparable allowances. Revenue was recognised when the amount can be reliably measured, it is probably that future economic benefits will flow to the company and prescribed conditions are met for each revenue stream. Under IFRS 15, CM.com recognises revenue on usage based services at the point-in-time when the services are provided. Revenue from subscription services (mainly access to IP) is recognised over-time, over the period that the customer obtains the benefit of CM.com's services.

Considerable judgements were required in determining whether CM.com is acting as a principal or an agent in its revenue transaction relating to the rendering of Premium SMS and Direct content billing services. Under IAS 18, CM.com was considered to be the principal obligor in rendering Premium SMS and Direct content billing services as CM.com bears credit risk relating to amounts outstanding on these transactions. Under IFRS 15, credit risk is no longer considered in determining whether an entity is acting as a principal or an agent. As such, management of CM.com has determined that it is acting as an agent in rendering these services.

Under IFRS 15, CM.com recognises their share of revenue for providing SMS gateway and cash collection services under Premium SMS and Direct content billing agreements. CM.com recognises the cost it incurs towards mobile network operators for the use of their network as Cost of services. Invoiced amounts for third party content are no longer recognised as revenue.

No significant judgements were required to allocate the transaction price to performance obligations as the transaction prices are stipulated in the contracts with customers and equate their relative standalone selling prices.

CM.com has transitioned to IFRS 15 by applying the full-retrospective approach under which revenue for 2017 has been restated in accordance with IFRS 15. As a result, Revenue and Cost of services for 2017 is lower by EUR 4,602 in comparison to Revenue and Cost of services as previously presented under IAS 18. The initial application of IFRS 15 had no impact on opening reserves as at 1 January 2017.

***Financial Instruments IFRS 9***

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

CM has adopted the new standard on the required effective date and did not restate comparative information in accordance with IFRS 9.7.2.15. CM.com does not apply hedge accounting, therefore no restatement of comparatives were required. In addition, CM.com does not hold complex financial instruments which required a different classification or measurement basis under IFRS 9. Therefore, the fist-time-application of IFRS 9 did not impact the classification of financial assets and liabilities.

The table below indicates the classification of financial assets before and after the implementation of IFRS 9:

| Financial assets | | 31.12.2017 | | 1.1.2018 | | 31.12.2018 |
|---|---|---|---|---|---|---|
| | | EUR x 1,000 | | EUR x 1,000 | | EUR x 1,000 |
| | | IAS 39 | | IFRS 9 | | IFRS 9 |
| | Note | Classification | Carrying amount | Classification | Carrying amount | Carrying amount |
| Long-term receivables | 14 | Loans and receivables | 1,665 | Amortized cost | 1,665 | 1,012 |
| Other participation | 14 | FVPL | 60 | FVPL | 60 | 60 |
| Trade and onther receivables | 15 | Loans and receivables | 16,135 | Amortized cost | 16,135 | 14,431 |
| Cash and cash equivalents | 13 | Loans and receivables | 831 | Amortized cost | 831 | 472 |

Under IFRS 9, CM.com applies the simplified approach in measuring the loss allowance. Under the simplified approach the loss allowance is measured at an amount equal to the lifetime expected credit losses for trade receivables, long-term receivables and other receivables classified as financial assets and contract assets. Due to past practice and prudence of CM.com in their historical measurement of the loss allowance, the adoption of the lifetime expected credit loss model did not have a material impact on the loss allowance calculated under IAS 39. During the implementation of IFRS 9, management has reviewed the allowance for doubtful accounts receivable. Management noted that an amount of EUR 0.7 million, related to a four specific debtors, has been included in the provision for several years. On 1 January 2018 the receivable has been written off and the allowance reversed.

Other financial assets at amortized cost include loans and other receivables. Under IAS 39 CM.com determined that no loss allowance was required for other receivables in the comparative period. CM.com has determined that the application of the expected credit loss model using a 12 month expected loss model is immaterial and does not justify raising a loss allowance on other receivables.

## New standards, interpretations and amendments issued but not yet effective

A number of new standards are effective for annual reporting periods beginning on or after 1 January 2019 and earlier application is permitted; however, CM.com has not early adopted the new or amended standards in preparing these consolidated financial statements.

Of those standards that are not yet effective, IFRS 16 is expected to have a material impact on CM.com's financial statements in the period of initial application.

***IFRS 16 Leases***
IFRS 16 Leases replaces IAS 17 Leases along with three Interpretations (IFRIC 4 Determining whether an Arrangement contains a Lease, SIC 15 Operating Leases-Incentives and SIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease).

IFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, CM.com, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments.

CM.com has elected the modified retrospective approach for its transition to IFRS 16 and determined that the initial impact of IFRS 16 will result in an increase in lease liabilities of EUR 4,508 with a corresponding increase in right-of-use assets on 1 January 2019. The initial application of IFRS 16 will have no impact on opening equity. CM.com has determined their weighted average incremental borrowing rate (IBR) to be 2.64% as at 1 January 2019. Lease liabilities and right-of-use assets that will be recognized on 1 January 2019 relate primarily to leased buildings.

In determining the initial impact of IFRS 16, CM.com has applied the transitional exemptions specified below:

- For contracts in place at the date of initial application, CM.com has elected to apply the definition of a lease from IAS 17 and IFRIC 4 and has not applied IFRS 16 to arrangements that were previously not identified as lease under IAS 17 and IFRIC 4.
- CM.com has elected not to include initial direct costs in the measurement of the right-of-use assets for operating leases in existence at the date of initial application of IFRS 16. At this date, CM.com has also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.
- A single discount rate has been applied to a portfolio of leases with reasonably similar characteristics.
- Instead of performing an impairment review on the right-of-use assets at the date of initial application, CM.com has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of IFRS 16.
- On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets CM.com has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.

# INDEPENDENT AUDITOR'S REPORT

To the shareholders and
management of CM.com B.V.

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS 2018 INCLUDED IN THE REPORT OF THE ANNUAL ACCOUNTS

### *OUR OPINION*

We have audited the financial statements 2018 of CM.com B.V., based in Breda. The financial statements include the consolidated financial statements and the company financial statements.

In our opinion:
- the accompanying consolidated financial statements give a true and fair view of the financial position of CM.com B.V. as at 31 December 2018, and of its result and its cash flows for 2018 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 company financial statements give a true and fair view of the financial position of CM.com B.V. as at 31 December 2018, and of its result for 2018 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 2018;
2. the following statements for 2018: the consolidated statement of profit or loss, the consolidated statements of other comprehensive income, changes in equity and cash flows; and
3. the notes comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:
1. the company balance sheet as at 31 December 2018;
2. the company profit or loss account for 2018; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Watermanweg 80 - P.O. Box 23123 -
3001 KC Rotterdam Tel: +31 (0)88 27 71
462 – joeri.galas@mazars.nl

Mazars Accountants N.V.
With its registered office in Rotterdam (KvK Rotterdam nr. 24402415).

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

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

**REPORT ON THE OTHER INFORMATION INCLUDED IN THE REPORT OF THE ANNUAL ACCOUNTS**

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

- the directors' report;
- other information as required by Part 9 of Book 2 of the Dutch Civil Code.

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

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

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

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

Management is responsible for the preparation of the other information, including the directors' report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

## DESCRIPTION OF RESPONSIBILITIES REGARDING THE FINANCIAL STATEMENTS

### *RESPONSIBILITIES OF THE MANAGEMENT FOR THE FINANCIAL STATEMENTS*

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

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

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

The management 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 e.g.:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 communicate with the management 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 identify during our audit.

Rotterdam, 29 July 2019

**MAZARS ACCOUNTANTS**

Signed on the original: drs. J.J.W. Galas

## Consolidated statement of financial position as at 31 December 2017

| (before appropriation of result) | Note | 31.12.2017 | 31.12.2016 | RESTATED 1.1.2016 |
|---|---|---|---|---|
| | | EUR | EUR | EUR |
| **Assets** | | | | |
| **Non-current assets** | | | | |
| Intangible assets | 7 | 24.404.447 | 12.768.373 | 13.220.006 |
| Property, plant and equipment | 8 | 3.407.467 | 2.536.054 | 2.356.485 |
| Financial assets | 9 | 965.408 | 439.386 | 403.508 |
| Deferred tax assets | 10 | 1.787.475 | 1.281.650 | 703.112 |
| **Total non-current assets** | | **30.564.797** | **17.025.463** | **16.683.111** |
| **Current assets** | | | | |
| Trade and other receivables | 11 | 17.078.200 | 13.878.275 | 14.709.257 |
| Current portion of financial assets | 9 | 760.000 | - | - |
| Cash and cash equivalents | 12 | 2.237.243 | 801.939 | 1.262.877 |
| **Total current assets** | | **20.075.443** | **14.680.214** | **15.972.134** |
| **Total assets** | | **50.640.240** | **31.705.677** | **32.655.245** |
| **Equity and liabilities** | | | | |
| Share capital | | 20.000 | 20.000 | 20.000 |
| Reserves | | 6.202.384 | 5.464.338 | 3.641.249 |
| Accumulated profit | | 1.110.956 | 1.273.692 | 1.931.965 |
| **Issued capital and reserves attributable to owners of the parent** | 13 | **7.333.340** | **6.758.030** | **5.593.214** |
| **Non-current liabilities** | | | | |
| Provisions | | - | - | 36.919 |
| Financial liabilities | 14 | 11.985.876 | 2.897.513 | 2.522.628 |
| Deferred tax liabilities | 10 | 633.113 | - | 7.172 |
| **Total non-current liabilities** | | **12.618.989** | **2.897.513** | **2.566.719** |
| **Current liabilities** | | | | |
| Trade and other payables | 15 | 25.919.614 | 18.273.229 | 20.858.819 |
| Current tax liabilities | | 496.860 | 801.485 | 1.114.104 |
| Current portion of financial liabilities | 14 | 1.228.800 | 1.490.600 | 1.766.253 |
| Bank overdrafts | | 3.042.637 | 1.484.820 | 756.136 |
| **Total current liabilities** | | **30.687.911** | **22.050.134** | **24.495.312** |
| **Total equity and liabilities** | | **50.640.240** | **31.705.677** | **32.655.245** |

## Consolidated statement of profit or loss and other comprehensive income for 2017

| | Note | | 2017 | | RESTATED 2016 |
|---|---|---|---|---|---|
| | | | EUR | | EUR |
| Net revenue | 22 | 84.578.704 | | 75.264.226 | |
| Operating revenues | | | 84.578.704 | | 75.264.226 |
| Other operating income | | 15.062 | | 42.709 | |
| | | | 15.062 | | 42.709 |
| **Total operating income** | | | **84.593.766** | | **75.306.935** |
| Cost of services | 23 | 62.970.521 | | 56.771.941 | |
| Employee benefits expenses | 24 | 10.830.019 | | 9.082.274 | |
| Amortisation and depreciation | 7/8 | 2.680.047 | | 3.338.782 | |
| Other operating expenses | 25 | 6.348.554 | | 4.563.382 | |
| **Total operating expenses** | | | **82.829.141** | | **73.756.379** |
| **Operating profit** | | | **1.764.625** | | **1.550.556** |
| Financial income | | | 28.358 | | 352.911 |
| Financial expense | | | (447.671) | | (559.801) |
| **Profit before tax** | | | **1.345.312** | | **1.343.666** |
| Income tax | 26 | | (234.356) | | (69.978) |
| **Profit attributable to owners of the parent** | | | **1.110.956** | | **1.273.688** |
| **Other comprehensive income, net of tax** | | | | | |
| *Items to be reclassified to profit or loss in subsequent periods* | | | | | |
| Currency translation differences | | | 35.646 | | 108.876 |
| **Total comprehensive income for the year attributable to owners of the company** | | | **1.146.602** | | **1.382.564** |

## Consolidated statement of changes in equity of the legal entity for 2017

| | Note | Issued capital | Capitalized development cost | Foreign currency translation reserve | Other reserve | Un-appropriated result | Total |
|---|---|---|---|---|---|---|---|
| | | EUR | EUR | EUR | EUR | EUR | EUR |
| Balance at 1 January 2016 | 13 | 20.000 | 2.523.003 | - | 1.118.246 | 1.931.965 | 5.593.214 |
| Movement of reserve | 7 | - | 1.374.586 | - | (1.374.586) | - | - |
| Other comprehensive income | | - | - | (108.876) | - | - | (108.876) |
| Profit of the year | | - | - | - | - | 1.273.692 | 1.273.692 |
| Appr. of result 2015 | | - | - | - | 1.931.965 | (1.931.965) | - |
| Balance at 31 December 2016 | 13 | 20.000 | 3.897.589 | (108.876) | 1.675.625 | 1.273.692 | 6.758.030 |
| Interim dividend | | - | - | - | (500.000) | - | (500.000) |
| Movement of reserve | 7 | - | 4.949.794 | - | (4.949.794) | - | - |
| Other comprehensive income | | - | - | (35.646) | - | - | (35.646) |
| Profit of the year | | - | - | - | - | 1.110.956 | 1.110.956 |
| Appr. of result 2016 | | - | - | - | 1.273.692 | (1.273.692) | - |
| Balance at 31 December 2017 | | 20.000 | 8.847.383 | (144.522) | (2.500.477) | 1.110.956 | 7.333.340 |

## Consolidated cash flow statement for 2017

| (According to the indirect method) | Note | | 2017 | | 2016 |
|---|---|---|---|---|---|
| | | | EUR | | EUR |
| Operating profit | | | 1.764.625 | | 1.550.556 |
| Adjustments for: | | | | | |
| - Other operating income | | | (15.062) | | (42.709) |
| - Amortisation and depreciation | 19/20 | | 2.680.047 | | 3.338.782 |
| - Changes in provisions: | | | - | | (36.919) |
| - Changes in working capital: | | | | | |
| Trade and other receivables | | (3.031.816) | | 800.142 | |
| Trade and other payables | | 6.534.690 | | (2.630.691) | |
| | | | 3.502.874 | | (1.830.549) |
| | | | 7.932.484 | | 2.979.161 |
| Interest received | | 28.358 | | 352.911 | |
| Corporate income tax paid | | (1.096.552) | | (845.611) | |
| | | | (1.068.194) | | (492.700) |
| **Cash flow from operating activities** | | | **6.864.290** | | **2.486.461** |
| Investments in financial assets | | (80.874) | | (754.648) | |
| Divestments in financial assets | | - | | 149.861 | |
| Investments in intangible assets | 7 | (3.760.080) | | (2.447.444) | |
| Proceeds from sale of intangible assets | | 6.861 | | 280.182 | |
| Investments in property, plant and equipment | 8 | (591.298) | | (1.045.042) | |
| Proceeds on sale of property, plant and equipment | | 108.728 | | 611.206 | |
| Acquisitions of subsidiaries (net of cash) | 6 | (7.237.005) | | | |
| **Cash flow from investment activities** | | | **(11.553.669)** | | **(3.205.885)** |
| Repayment of loans advanced | 9 | 3.965 | | 4.915 | |
| Loans advanced | 9 | (1.198.135) | | (14.544) | |
| Proceeds from financial liabilities | 14 | 12.000.000 | | 1.987.314 | |
| Repayment of financial liabilities | 14 | (5.291.293) | | (1.888.082) | |
| Interest paid | | (447.671) | | (559.801) | |
| Dividends paid | | (500.000) | | - | |
| **Cash flow from financing activities** | | | **4.566.866** | | **(470.198)** |
| Changes in cash and cash equivalents | | | (122.513) | | (1.189.622) |
| Net cash and cash equivalents at 1 January | | | (682.881) | | 506.741 |
| Net cash and cash equivalents at 31 December | | | **(805.394)** | | **(682.881)** |

## Notes to the consolidated financial statements

# 1. Corporate information

## Activities

The activities of CM Groep B.V., having its legal seat at Konijnenberg 30 at Breda, The Netherlands, and its group companies (CM.com or The Group) primarily consists of advising, guiding, implementing, and assisting companies approaching its target audience through modern (media) techniques.

## Group structure

CM Groep 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 below:

*Consolidated companies:*

| Name | Registered office | Principal activities | Share in issued share capital |
|---|---|---|---|
| CM Groep B.V. | Breda (The Netherlands) | Holding company | 100% |
| CM Technology B.V. | Breda (The Netherlands) | Customer interfacing and platform subscriptions | 100% |
| ClubMessage Benelux B.V. | Breda (The Netherlands) | Bulk SMS | 100% |
| CM Telecom B.V. | Breda (The Netherlands) | Mobile telecom. services | 100% |
| CM International B.V. | Breda (The Netherlands) | Voice services | 100% |
| CM Online B.V. | Breda (The Netherlands) | Bulk SMS | 100% |
| GSM Information Network B.V. | Breda (The Netherlands) | Mobile content delivery | 100% |
| OneSixty B.V. | Breda (The Netherlands) | Customer care and security | 100% |
| CM Payments B.V. | Breda (The Netherlands) | Payments processing | 100% |
| Docdata Payments B.V. | Utrecht (The Netherlands) | Integrate payment solutions | 100% |
| Docdata Payment Platform B.V. | Utrecht (The Netherlands) | Integrate payment solutions | 100% |
| Paratel N.V. | Zaventem (Belgium) | Produces television programs | 100% |
| CM Telecom Belgium N.V. | Zaventem (Belgium) | Mobile telecom. services | 100% |
| M.E.C.E. N.V. | Zaventem (Belgium) | Mobile content services | 100% |
| Produline SA | Liège (Belgium) | Bulk SMS | 100% |
| CM Telecom Germany GmbH | Frankfurt (Germany) | Mobile telecom. services | 100% |
| CM Telecom UK Ltd.** | London (UK) | Mobile telecom. services | 100% |
| CM Telecom France SAS | Paris (France) | Mobile telecom. services | 100% |
| CM Telecom Hong Kong Ltd. | Hong Kong (China) | Mobile telecom. services | 100% |
| CM Telecom Shenzhen Co. Ltd. | Shenzhen (China) | Mobile telecom. services | 100% |
| CM Telecom South Africa Ltd. | Cape Town (South Africa) | Mobile telecom. services | 100% |
| CM Telecom US Inc. | Boston (USA) | Mobile telecom. services | 100% |

** With retroactive effect from 1 January 2017, a merger took place between I-Comm Media Services Ltd. and CM Telecom UK Ltd.

# 2. General accounting principles for the preparation of the consolidated financial statements

## Basis of preparation

The consolidated financial statements of the Group 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").

For all periods up to and including the year ended 31 December 2016, the Group prepared its financial statements in accordance with local generally accepted accounting principles (Dutch GAAP). These financial statements for the year ended 31 December 2017 are the first the Group has prepared in accordance with IFRS. Refer to Note 0 First time adoption of IFRS for information on how the Group adopted IFRS. Based on these standards, management has applied the accounting policies, as set out below.

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.

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

## Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2017. Control is achieved when the Group 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. Subsidiaries are fully consolidated from the date that control is obtained until the date that control is lost.

# 3. Summary of significant accounting policies

### 3.1. 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 fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in other operating expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. All contingent consideration (except that which is classified as equity) is measured at fair value with the changes in fair value in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash generating unit retained.

## 3.2. Current vs non-current classification

Assets and liabilities relating to the operating cycle and items due for payment within one year after the reporting date are classified as current assets and current liabilities. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities. All other items are non-current.

## 3.3. Revenue recognition

Revenue is recognised at the fair value of the consideration received or receivable, net of VAT, discounts and comparable allowances. Revenue is recognised when the amount can be reliably measured, it is probably that future economic benefits will flow to the company and prescribed conditions are met for each revenue stream. CM's revenues arise mainly from the sales of services.

CM has concluded that it is the principal in all of its revenue arrangements since CM is the primary obligor in all the revenue arrangements, has pricing latitude, and is exposed to credit risk.

***Sale of services***
Revenue from sale of services on open charge accounts is recognised in the accounting period when the services are rendered; that is, both revenues and costs are recognised in the period when they are earned and incurred, respectively.

CM helps companies to communicate with their customers by mobile phone. In order to be able to render this service CM needs to obtain services from one or more telecommunications operators.

**The services rendered can be split into the following categories:**

***Messaging***
Mobile Messaging is the collective term for various messaging technologies supported by mobile networks (mainly SMS).

***Voice***
Voice services enable your customers to reach you by phone worldwide. Voice services, such as SIP Trunking outbound & inbound service, provide virtual local geographic phone numbers and toll free numbers. Our voice services are global, real-time and with high quality.

***Payments***
Payments are the core transaction, that exchanges value between two parties. Whether implemented in online shops, financial institutions, or online newspapers, our payment solutions are the pulse of the mobile

consumer. Our platform powers fast, safe and simple mobile payments for global commerce in the 21st century. Next to our solutions for mobile, online and app transactions, CM also provides offline payments services such as Auto collect and QR payments products.

***Access***
CM provides organisations to increase security with the access of users to their systems. This can be through one time passwords, tokens, tickets or digital identification service such as IDIN. Organisations that have to verify and research the identity of their users (mainly in the financial sector) make use of CM's know-your-customer (KYC) application service, that provides an automated solution for customer due diligence.

### 3.4. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. 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.

### 3.5. Interest

In the cash flow statement interest received is presented under 'Cash flow from operating activities'. Interest paid is recognised under 'Cash flow from financing activities'.

### 3.6. 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 the Group operates and generates taxable income.

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.

***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, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

***Sales tax***
Expenses and assets are recognised net of the amount of sales taxes, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

**CM Groep B.V. forms a fiscal unity for corporate tax purposes with the following subsidiaries:**

- CM Technology B.V.
- ClubMessage Benelux B.V.
- CM Telecom B.V.
- CM International B.V.
- CM Online B.V.
- GSM Information Network B.V.
- OneSixty B.V.
- CM Payments B.V.
- Docdata Payments B.V.
- Docdata Payment Platform B.V.

The subsidiaries are charged for the corporate income tax based on their results.

### 3.7. Foreign currencies

The Financial Statements are presented in euro (EUR), which is CM's presentation currency and functional currency.

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. Exchange rate differences on non-monetary assets and liabilities are reported as part of the fair value gain or loss from that asset or liability.

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). All resulting exchange differences are recognised in OCI.

### 3.8. Cash dividend

The Company recognises a liability to pay a dividend when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws of Euroland, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity

### 3.9. 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.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within “other operating income” in profit or loss.

Depreciation is recognised in profit and loss on a straight-line basis over the estimated useful life of each part of an item of property, plant and equipment. The estimated useful life of each item for the current and comparative periods is as follows:

- Platform 10 years
- Furniture and fixtures 10 years
- Vehicles 5 years
- Hardware and software workplace 5 years
- Leasehold improvements 10 years

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

### 3.10. Leases

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 (or assets) and the arrangement conveys a right to use the asset (or assets), even if that asset is (or those assets are) not explicitly specified in an arrangement.

***Group as a lessee***
A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term.

### 3.11. 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 lives are not amortised and are tested for impairment annually.

Intangible assets are presented at cost less accumulated amortisation and, if applicable, less impairments in value. Intangible assets with finite useful lives and are assessed for impairment whenever there is an indication that the intangible asset may be impaired. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite useful lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

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 and loss as incurred.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

***Research and development costs***
Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use;
- Its intention to complete and its ability and intention to use the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- 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. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment annually

Amortisation is recognised in profit and 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. The estimated useful lives for the current and comparative periods are as follows:

| | | |
|---|---|---|
| ▪ Platform | 10 | years |
| ▪ Customer relationships | 10 | years |
| ▪ Other | 5 – 10 | years |

*(Other includes domain names which are estimated to have an indefinite useful life)*

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

## 3.12. Financial instruments

## Financial assets

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

***Initial recognition and measurement***
Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss or loans and receivables, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

***Subsequent measurement***
The measurement of financial assets depends on their classification, as described below.

***Loans and receivables***

This category is the most relevant to the Group. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables. This category generally applies to Trade and other receivables and Loans receivable.

***Derecognition***

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired
  Or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

***Impairment of financial assets***

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions: Note 4
- Financial assets: Note 9
- Trade receivables: Note 11

The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that have occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

***Financial assets carried at amortised cost***

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original EIR.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the statement of profit or loss. Trade receivables, together with the associated allowance are written off when there is no realistic prospect of future recovery. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other income in the statement of profit or loss.

## Financial liabilities

***Initial recognition and measurement***
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or trade payables. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings, including bank overdrafts and financial guarantee contracts.

***Subsequent measurement***
The measurement of financial liabilities depends on their classification, as described below.

***Loans and borrowings***
This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings. For more information, refer to Note 14.

***Derecognition***
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of 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.

## 3.13. Impairment of non-financial assets

Further disclosures relating to impairment of non-financial assets are also provided in the following notes:
- Disclosures for significant assumptions: Note 4
- Property, plant and equipment: Note 8
- Intangible assets: Note 9
- Goodwill: Note 9

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset.

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 December at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

### 3.14. Cash and short-term deposits

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.

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 the Group's cash management.

### 3.15. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

### 3.16. Employee benefits

***Defined contribution pension plans***

All pension solutions in the Group are classified as defined contribution pension plans. Accordingly, the Group'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 (that pension benefits will be lower than expected) and the investment risk (that the invested assets will be insufficient to generate the expected benefits) are borne by the employee. The company's obligations to pay contributions to defined contribution plans are recognised as a cost in profit and loss at the rate they are earned through employee services rendered to the company during a period.

***Severance pay***

The Group recognises a cost for severance pay only when the company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal time. When compensation is offered to encourage voluntary termination of employment, a cost is recognised if it is likely that the offer will be accepted and the number of employees who will accept the offer can be reliably estimated.

***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.

## 4. Significant accounting judgments, estimates and assumptions

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect 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.

In the process of applying the accounting policies, management has made estimates and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the reported amounts of assets and liabilities within the next financial year, as well as to the disclosure of contingent liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. The Group evaluates these estimates and judgments on an ongoing basis and bases the estimates on historical experience, current and expected future outcomes, third-party evaluations and various other assumptions that the Group believes are reasonable under the circumstances. Existing circumstances and assumptions about future developments may change due to circumstances beyond the Group's control and are reflected in the assumptions if and when they occur. The results of these estimates form the basis for making judgments about the carrying values of assets and liabilities as well as identifying and assessing the accounting treatment with respect to commitments and contingencies. The Group revises material estimates if changes occur in the circumstances or there is new information or experience on which an estimate was or can be based.

The areas where the most significant judgments and estimates are made are goodwill, deferred tax asset recoverability, purchase price allocation and impairments.

Further judgment is applied when analysing impairments of goodwill that are performed annually and whenever a triggering event has occurred to determine whether the carrying value exceeds the recoverable amount. These analyses are generally based on estimates of future cash flows.

**Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a Discounted Cash Flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognised by the Group. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 7.

**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. Significant management judgment 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.

## 5. New standards, interpretations and amendments issued but not yet effective

A number of new standards, changes to standards and interpretations are only effective from financial years that start after 1 January 2018. The most important changes concern the new IFRS 9 standards 'Financial instruments', IFRS 15 'Revenue from contracts with customers' and IFRS 16 'Leases'. The Group elected not to apply these new standards early in the preparation of the consolidated financial statements.

***IFRS 3 Business Combinations***
Clarification that when an entity obtains control of a business that is a joint operation, it is required to remeasure previously held interests in that business. The amendment IFRS 3 was issued in December 2017 and applies to an annual reporting period beginning on or after 1 January 2019.

***IFRS 9 Financial instruments***
On 24 July 2014, the IASB issued the final version of IFRS 9 incorporating a new expected loss impairment model and introducing limited amendments to the classification and measurement requirements for financial assets. This version supersedes all previous versions and is mandatorily effective for periods beginning on or after 1 January 2018 with early adoption permitted (subject to local endorsement requirements). For a limited period, previous versions of IFRS 9 may be adopted early if not already done so provided the relevant date of initial application is before 1 February 2015.

The group has determined that IFRS 9 will not have a significant impact on the financial statement as the group does not have any complex financial instruments, therefore the impact of IFRS 9 is limited to provisions for credit losses which has been assessed to be insignificant.

***IFRS 15 Revenue from contracts with customers***
IFRS 15 specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers.

IFRS 15 was issued in May 2014 and applies to an annual reporting period beginning on or after 1 January 2018. On 12 April 2016, clarifying amendments were issued that have the same effective date as the standard itself.

The group has determined that IFRS 15 will not have a material impact on the financial statements. The impact of IFRS 15 on the manner in which service revenue is recognised by the group is limited as:

Contracts with customers are, in most cases, open charge contracts which include price agreements but no minimum volumes or fixed contractual durations. When contractual durations are specified, the group endeavours to negotiate contractual durations that coincide with its reporting period.

IFRS 15 has not been early adopted and the selection of a transition model is not required due to the effect of IFRS 15 being assessed as immaterial.

***IFRS 16 Leases***
IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16’s approach to lessor accounting substantially unchanged from its predecessor, IAS 17. IFRS 16 was issued in January 2016 and applies to annual reporting periods beginning on or after 1 January 2019.

The group has determined that IFRS 16 will have a significant impact for the Group as buildings that are rented will have to be capitalised as right of use assets. The group also rents equipment of which the impact of IFRS 16 will not be significant. The full effect of IFRS 16 is currently being assessed.

# 6. Business combinations

## Acquisitions in 2017

CM Telecom Germany GmbH acquired 100% interest in SMS Kaufen message platform.

CM Payments B.V. acquired a 100% interest in Docdata Payments B.V.

## Acquisition of Docdata Payments B.V.:

On 3 July 2017 the Group acquired 100% of the shares and voting rights of Docdata Payments B.V. Docdata Payments B.V. is an unlisted company based in Europe, specialising in integrated payment solutions. The purpose of the acquisition is to increase the payment activities of the group. Partly as a result of this acquisition, CM is now a relevant payment service provider in the Netherlands.

### Assets acquired and liabilities assumed

The fair values of identifiable assets and liabilities of Docdata Payments B.V. as at the date of acquisition were:

| | Fair value recognised on acquisition |
|---|---|
| | EUR |
| Property, plant and equipment | 59.366 |
| Platform | 2.025.872 |
| Customer relationships | 3.808.200 |
| Financial assets | 10.978 |
| Trade receivables | 23.506 |
| Prepayments and other current assets | 233.622 |
| Net cash and cash equivalents | 1.627.475 |
| Deferred tax liability | (666.435) |
| Trade and other payables | (738.723) |
| Total identifiable net assets at fair value | 6.383.861 |
| Goodwill | 2.293.439 |
| Cash consideration transferred | 8.677.300 |
| Less: Net cash and cash equivalents acquired | (1.627.475) |
| Net cash outflow on acquisition of subsidiary | 7.049.825 |

Goodwill of EUR 2.293.439 relates to other intangible assets not identified under IFRS 3, such as the contribution of an assembled workforce and expected synergies to be realised. None of the goodwill recognised is expected to be deductible for income tax purposes.

From the date of acquisition, Docdata Payments B.V. contributed EUR 3.104.122 of revenue and EUR 188.606 to profit before tax.

If the combination had taken place at the beginning of the year, revenue would have been EUR 6.208.244 and profit before tax would have been EUR 425.212.

# 7. Intangible assets

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

| | Platform | Goodwill | Customer relationships | Other | Total |
|---|---|---|---|---|---|
| | EUR | EUR | EUR | EUR | EUR |
| **Cost** | | | | | |
| At 1 January 2016 | 4.541.610 | 1.885.063 | 10.912.433 | 1.720.475 | 19.059.581 |
| Additions | 2.378.209 | - | - | 69.235 | 2.447.444 |
| Acquisition through business combinations | 14.000 | 30.000 | - | - | 44.000 |
| Measurement period adjustment* | - | (276.742) | (3.440) | - | (280.182) |
| Conversion to exchange rate | (7.282) | - | (246.152) | (13.003) | (266.437) |
| **At 31 December 2016** | 6.926.537 | 1.638.321 | 10.662.841 | 1.776.707 | 21.004.406 |
| Additions | 428.360 | - | - | 1.636.610 | 2.064.970 |
| Development costs | 3.233.536 | - | - | - | 3.233.536 |
| Acquisition through business combinations | 2.042.306 | 2.304.617 | 4.171.191 | 34.808 | 8.552.922 |
| Divestments | (6.861) | - | - | - | (6.861) |
| Conversion to exchange rate | (1.140) | - | (45.027) | (2.395) | (48.562) |
| **At 31 December 2017** | 12.622.738 | **3.942.938** | **14.789.005** | **3.445.730** | **34.800.411** |
| | | | | | |
| At 1 January 2016 | 2.009.242 | 548.649 | 2.455.753 | 825.931 | 5.839.575 |
| Amortisation | 893.861 | - | 1.071.057 | 361.288 | 2.326.206 |
| Amortisation development costs | 90.312 | - | - | - | 90.312 |
| Conversion to exchange rate | (1.911) | (2.354) | (13.426) | (2.369) | (20.060) |
| **At 31 December 2016** | 2.991.504 | 546.295 | 3.513.384 | 1.184.850 | 8.236.033 |
| Amortisation | 588.563 | - | 1.264.205 | 208.258 | 2.058.026 |
| Amortisation development costs | 111.418 | - | - | - | 111.418 |
| Conversion to exchange rate | (1.271) | - | (7.001) | (1.241) | (9.513) |
| **At 31 December 2017** | **3.687.214** | **546.295** | **4.770.588** | **1.391.867** | **10.395.964** |
| | | | | | |
| **Net book value** | | | | | |
| At 1 January 2016 | 2.532.368 | 1.336.414 | 8.456.680 | 894.544 | 13.220.006 |
| At 31 December 2016 | 3.935.033 | 1.092.026 | 7.149.457 | 591.857 | 12.768.373 |
| At 31 December 2017 | 8.935.524 | 3.396.643 | 10.018.417 | 2.053.863 | 24.404.447 |

* Concerns a correction on the management earn out settlement regarding an acquisition in 2015. Given the disappointing results, the acquisition price has been adjusted for GBP 200.000.

Research and development costs (Platform) relate to product development. There is no impairment charged to the result for the financial year (2016: Nil).

The remaining amortisation period for Platform, Customer relationships and Other intangible assets is between 0 and 9,5 year.

Other intangible assets consist of patents, trade names, brand names and domain names.

Domain names with an indefinite useful life have a carrying amount of EUR 1.551.302 (2016: Nil).

**Impairment test of goodwill and long lived intangible assets**

The CGU growth rates are reviewed to reflect with the Group's assumptions for market growth, realised growth trends and expected effects of product launches and marketing programs. The WACC is based on data from a comparable peer group and further includes mark-up for the risk that is associated with the respective assets. The peer group companies operate in a global market with similar conditions.

The annual impairment test as at 31 December 2017 did not indicate that the book value of CM's goodwill and other intangible assets with an indefinite useful life is not recoverable. A test has been performed of the recoverable amount of the book value of each cash-generating unit (CGU), based on their value-in-use, which was determined by using the discounted cash flow method. Key assumptions used in the cash flow projections are estimated operating expenses, capex, change in working capital and pre-tax weighted average cost of capital (WACC) and are not significantly different from those used in prior year. The cash flow projections are management's best estimate based on the most recent business plans and extrapolation to terminal values. The WACC is calculated using a Capital Asset Pricing Model.

For all four CGUs, the annual impairment tests in 2017 and 2016 resulted in positive headroom as at 31 December 2017 and 31 December 2016.

Key assumptions in determining value in use:

Pre-tax WACC: 12.4% - 13,1% for all CGU's, except the TV Studio CGU at 16,1%.
Long-term growth rate – 1.2%.

A sensitivity analysis has been performed considering a change in the WACC of 1% and a change in the long-term growth rate of 0.5%. 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.

As required by IFRS, management of the Group reassessed the useful lives of certain intangible assets from 5 to 10 years for Platform and Office software (included under Other). The revised useful lives better reflect the pattern of consumption and economic benefits embodied in these assets.

| | 2017 | 2018 | 2019 | 2020 | 2021 | >2021 |
|---|---|---|---|---|---|---|
| | EUR | EUR | EUR | EUR | EUR | EUR |
| Impact on amortisation costs | (1.145.572) | (1.309.550) | (869.615) | (647.511) | (184.790) | 4.157.038 |

## 8. Property, plant and equipment

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

| | Platform | Furniture and fixtures | Vehicles | Hardware and software workplace | Leasehold improve-ments | Total |
|---|---|---|---|---|---|---|
| | EUR | EUR | EUR | EUR | EUR | EUR |
| **Cost** | | | | | | |
| At 1 January 2016 | 3.083.367 | 77.927 | 118.323 | 607.430 | 670.701 | 4.557.748 |
| Additions | 612.820 | 163.871 | 77.955 | 189.271 | 1.125 | 1.045.042 |
| Acquisitions through business combinations | - | 71.900 | - | - | - | 71.900 |
| Divestments | (304.346) | (48.080) | - | (258.780) | - | (611.206) |
| Currency translation | (1.079) | (2.207) | - | (865) | - | (4.151) |
| **At 31 December 2016** | 3.390.762 | 263.411 | 196.278 | 537.056 | 671.826 | 5.059.333 |
| Additions | 758.865 | 191.281 | 158.791 | 163.176 | 52.268 | 1.324.381 |
| Acquisitions through business combinations | - | - | - | 59.366 | - | 59.366 |
| Divestments | (55.780) | (13.836) | (23.068) | (982) | - | (93.666) |
| Currency translation | (10.022) | (3) | - | 762 | - | (9.263) |
| **At 31 December 2017** | **4.083.825** | **440.853** | **332.001** | **759.376** | **724.094** | **6.340.149** |
| | | | | | | |
| **Depreciation** | | | | | | |
| At 1 January 2016 | 1.520.602 | (34.250) | 88.481 | 399.013 | 227.417 | 2.201.263 |
| Depreciation* | 311.765 | 66.413 | 10.095 | (161.400) | 97.449 | 324.322 |
| Currency translation | (218) | (1.397) | - | (691) | - | (2.306) |
| **At 31 December 2016** | 1.832.149 | 30.766 | 98.576 | 236.922 | 324.866 | 2.523.279 |
| Depreciation | 178.862 | 50.512 | 1.084 | 119.522 | 60.317 | 410.297 |
| Currency translation | (785) | (2) | - | (107) | - | (894) |
| **At 31 December 2017** | **2.010.226** | **81.276** | **99.660** | **356.337** | **385.183** | **2.932.682** |
| | | | | | | |
| **Net book value** | | | | | | |
| At 1 January 2016 | 1.562.765 | 112.177 | 29.842 | 208.417 | 443.284 | 2.356.485 |
| At 31 December 2016 | 1.558.613 | 232.645 | 97.702 | 300.134 | 346.960 | 2.536.054 |
| At 31 December 2017 | 2.073.599 | 359.577 | 232.341 | 403.039 | 338.911 | 3.407.467 |

The carrying amount of property, plant and equipment held under finance leases amounts to EUR 745.364 (2016: Nil).

As required by IFRS, management of the Group reassessed the useful lives of certain tangible assets from 5 to 10 years for Platform, Furniture & Fixtures and Leasehold Improvements . The revised useful lives better reflect the pattern of consumption and economic benefits embodied in these assets.

| | 2017 | 2018 | 2019 | 2020 | 2021 | >2021 |
|---|---|---|---|---|---|---|
| | EUR | EUR | EUR | EUR | EUR | EUR |
| Impact on depreciation costs | (478.800) | (373.386) | (259.608) | (181.969) | 76.440 | 1.217.323 |

# 9. Financial assets

A summary of the movements in the financial assets is given below:

| | Deposits | Other receivables | Other participation | Total |
|---|---|---|---|---|
| | EUR | EUR | EUR | EUR |
| Carrying amount as at 1 January 2016 | 336.663 | 6.845 | 60.000 | 403.508 |
| Movements: | | | | |
| Loans granted | - | 14.544 | - | 14.544 |
| Redemptions | - | (4.915) | - | (4.915) |
| Paid deposits | 27.360 | - | - | 27.360 |
| Released deposits | (1.111) | - | - | (1.111) |
| Carrying amount as at 31 December 2016 | 362.912 | 16.474 | 60.000 | 439.386 |
| Movements: | | | | |
| Loans granted | - | 1.198.135 | - | 1.198.135 |
| Redemptions | - | (3.965) | - | (3.965) |
| Paid deposits | 146.175 | - | - | 146.175 |
| Released deposits | (54.323) | - | - | (54.323) |
| Current portion | - | (760.000) | - | (760.000) |
| Carrying amount as at 31 December 2017 | 454.764 | 450.644 | 60.000 | 965.408 |

As at 31 December 2017 and 31 December 2016 no impairments in value have been recorded.

***Other receivables***
The other receivables consist of three loans and one advanced payment.

Originally, EUR 438.135 to Branded Holding Group Inc. for the domain name CM.com. The loan will be settled with the eventual purchase price of the domain name. The option to purchase is already defined in a contract with Branded Holding Group Inc.

Originally, EUR 160.000 was provided to Comizzo BVBA. Repayment will be done in 12 months, starting December 2017.The interest rate is set at 15% annually.

EUR 600.000 advanced payment to Minghold B.V. which will be repaid in four tranches in 2018, starting on 1 May 2018. The interest rate is set at 0%.

***Other participation***
The other participation is an investment in 5% of the shares of Wireless Interactions B.V.

# 10. Deferred tax

***Deferred tax asset***
Deferred tax assets are recognised for any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the unused tax losses can be utilised. The Group has EUR 6.826.593 (2016: EUR 4.891.195) of tax losses carried forward.

| | Deferred tax asset |
|---|---|

| | EUR |
|---|---|
| Carrying amount as at 1 January 2016 | 703.112 |
| Additional tax losses recognised | 727.288 |
| Tax losses utilised | (148.750) |
| Carrying amount as at 31 December 2016 | 1.281.650 |
| Additional tax losses recognised | 624.790 |
| Tax losses utilised | (118.965) |
| Carrying amount as at 31 December 2017 | 1.787.475 |

***Deferred tax liability***

Deferred tax liabilities mainly relates to the difference between the carrying amount of Property, plant and equipment and Intangibles assets, and their fiscal values. This is predominantly caused by Intangible assets being valued above their fiscal values as a result of the purchase price allocation of the Docdata Payments B.V. acquisition in 2017.

| | Deferred tax liability |
|---|---|
| | EUR |
| Carrying amount as at 1 January 2016 | 7.172 |
| Reversal of taxable temporary differences | (7.172) |
| Carrying amount as at 31 December 2016 | - |
| Deferred tax liability recognised on acquisition of subsidiary | 666.435 |
| Reversal of taxable temporary differences | (33.322) |
| Carrying amount as at 31 December 2017 | 633.113 |

# 11. Trade and other receivables

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

| | 31.12.2017 | 31.12.2016 | 1.1.2016 |
|---|---|---|---|
| | EUR | EUR | EUR |
| Trade receivables | 7.968.511 | 6.373.218 | 6.778.759 |
| Other receivables, prepayments and accrued income | 9.109.689 | 7.505.057 | 7.930.498 |
| | 17.078.200 | 13.878.275 | 14.709.257 |

### Trade receivables

There is a provision formed for the risk of doubtful accounts receivable. This amount is deducted from the accounts receivable. At the reporting date, EUR 766.031 is provided for (2016: EUR 783.616).

The Group's exposure to credit risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 17.

### Other receivables, prepayments and accrued income

| | 31.12.2017 | 31.12.2016 | 1.1.2016 |
|---|---|---|---|
| | EUR | EUR | EUR |
| Accrued revenue | 6.913.880 | 6.143.006 | 6.369.412 |
| Other receivables | 2.195.809 | 1.362.051 | 1.561.086 |
| | 9.109.689 | 7.505.057 | 7.930.498 |

# 12. Cash and cash equivalents

| | 31.12.2017 | 31.12.2016 | 1.1.2016 |
|---|---|---|---|
| | EUR | EUR | EUR |
| Bank accounts | 2.235.172 | 800.775 | 1.261.427 |
| Cash on hand | 2.071 | 1.164 | 1.450 |
| | 2.237.243 | 801.939 | 1.262.877 |

Cash balances amounting to EUR 47.019 (2016: EUR 22.000) are not at free disposal of the group, the other liquid assets are payable on demand.

# 13. Group equity

### Capital management

Group equity is privately owned and ultimately attributable to the original founders of the group.

It is the group's objective to maximise growth. In that perspective we invest most of our earnings in organic growth through innovation and regional expansion. We attract bank debt for acquisitive growth. Our debt instruments match the profile and duration of the investment, amended with covenants that are constantly managed. There have been no breach to the financial covenants.

At the end of the year the group entered into a facility with the European Investment Bank under the Innovfin Program. When funds get drawn, this will trigger a warrant for a limited part of the group's shares.

The authorised share capital of the company amounts to 20.000 shares, divided into 19.960 ordinary shares of EUR 20 each and 40 priority shares of EUR 20 each. The priority shares contain the voting rights.

The total number of issued and paid-up shares is 1.000 (2016: 1.000) and consists of 998 ordinary shares and 2 priority shares.

## 14. Financial liabilities

| | 31.12.2017 | 31.12.2016 | 1.1.2016 |
|---|---|---|---|
| | EUR | EUR | EUR |
| Bank loans | 11.500.000 | 4.388.113 | 4.288.881 |
| Deposits | - | 96.972 | 88.984 |
| Finance lease liability | 1.714.676 | - | - |
| | 13.214.676 | 4.485.085 | 4.377.865 |
| Current portion of long term borrowings | (1.228.800) | (1.490.600) | (1.766.253) |
| | 11.985.876 | 2.994.485 | 2.611.612 |

A maturity analysis for the finance lease liability is provided in note 20.
A maturity analysis and the interest rates applicable to these financial liabilities are provided below.

| Interest rate | Term < 1 year | Term 1-5 years | Term > 5 years | Total |
|---|---|---|---|---|
| Bank loan at the Coöperatieve Rabobank U.A.: | | | | |
| 3 month Euribor + 2,50% - 0,35% TLTRO discount | 1.000.000 | 3.500.000 | - | 4.500.000 |
| 3 month Euribor + 2,75% - 0,20% TLTRO discount | - | - | 5.000.000 | 5.000.000 |
| 3 month Euribor + 3,25% - 0,20% TLTRO discount | - | - | 2.000.000 | 2.000.000 |
| | 1.000.000 | 3.5000.000 | 7.000.000 | 11.500.000 |

| | 2017 | 2016 |
|---|---|---|
| | EUR | EUR |
| Carrying amount as at 1 January | 4.485.085 | 4.377.865 |
| Movements: | | |
| Proceeds from bank loans | 12.000.000 | 1.987.314 |
| Increase in finance lease liability | 2.282.685 | |

| | | |
|---|---|---|
| Redemptions of bank loans | (4.888.113) | (1.888.082) |
| Withdrawal of deposits | (96.972) | 7.988 |
| Redemptions of finance lease liability | (568.008) | |
| | | |
| Carrying amount as at 31 December | 13.214.677 | 4.485.085 |
| Current portion of long term borrowings | (1.228.800) | (1.490.600) |
| Long term liabilities as at 31 December | 11.985.877 | 2.994.485 |

In 2017, the Group refinanced its debt with Rabobank into a loan agreement of EUR 12 million (loan at 31 December 2017 is EUR 11,5 million). The Group also agreed a working-capital facility of EUR 5 million. Further to that, CM has signed a borrowing agreement with EIB for a facility up to EUR 10 million for the funding of its platform innovations. No funds have been drawn from this facility.

**Securities**

Loans granted include the benefit of the following securities:

- Pledging of all current and future tangible assets with the exception of the current and future leased assets;
- Pledging of all current and future means of transportation;
- Pledging of all current and future stock;
- Pledging of all current and future rights/receivables of the Group with all rights and sureties associated with these rights and claims, thereby also all rights under insurance contracts;
- Pledging of all current and future registered shares in the subscribed capital of Docdata Payments B.V., with all rights related to these shares and ensuing from them, financial rights and other rights;
- Pledging of all current and future brands of the Group and rights to and rights arising from the rights to the brands;
- the right of the delivery of the sold shares and the other rights from the purchase agreement with regard to the shares of 3 July 2017 between Ingram Micro CFS Nederland B.V. and CM Payments B.V..
- The members of the Management board are jointly and severally liable for the loans.

Additionally, the Group has a revolving credit facility of EUR 5.000.000 at the Coöperatieve Rabobank U.A. which bears interest equal to a 1-month Euribor tariff increased by 2,25%. Balance compensation is applicable to this facility.

In 2017, the group has restructured its debt. All previous loans have been absorbed in the new loans agreement with the same counterparty, the Coöperatieve Rabobank U.A.

## 15. Trade and other payables

| | 31.12.2017 | 31.12.2016 | 1.1.2016 |
|---|---|---|---|
| | EUR | EUR | EUR |
| Trade payables | 12.214.954 | 5.927.040 | 8.061.876 |
| | | | |
| Other taxes | 988.711 | 596.076 | 520.052 |
| Invoices to receive for services | 7.461.157 | 6.053.639 | 6.008.732 |
| Third Party Collection payable to content providers | 2.340.810 | 3.067.121 | 4.005.293 |
| Deposits | 144.457 | 866.283 | 663.158 |
| Pension contributions | 48.371 | 48.188 | 38.558 |

| | | | |
|---|---|---|---|
| Other accruals and deferred income | 2.721.154 | 1.714.882 | 1.561.150 |
| | 25.919.614 | 18.273.229 | 20.858.819 |

The accruals are mainly short-term in nature.

All Trade payables are paid within 30 days. Deposits have longer payment terms. All other current liabilities, accruals and deferred income are payable within 30 days.

# 16. Financial instruments

For the notes to financial instruments reference is made to the specific item. The group's policy in respect of financial risks is included below. Categories of financial assets and liabilities:

| | **Note** | 31.12.2017 Carrying amount | 31.12.2016 Carrying amount | 01.01.2016 Carrying amount |
|---|---|---|---|---|
| | | | | EUR |
| **Financial assets** | | | | |
| **Loans and receivables** | | | | |
| Deposits & other receivables | 9 | 1.665.408 | 379.386 | 343.508 |
| Trade and other receivables | 11 | 17.078.200 | 13.878.275 | 14.709.257 |
| Cash and cash equivalents | 12 | 2.237.243 | 801.939 | 1.262.877 |
| | | 20.980.851 | 15.059.600 | 16.315.642 |
| **Financial assets FVPL** | | | | |
| Other participation | | 60.000 | 60.000 | 60.000 |
| **Financial liabilities** | | | | |
| **Loans and borrowings** | | | | |
| Long term liabilities | 14 | 11.985.876 | 2.994.485 | 2.611.612 |
| Trade and other payables | 15 | 25.919.614 | 18.273.229 | 20.858.819 |
| Bank overdrafts | | 3.042.637 | 1.484.820 | 756.136 |
| | | 40.948.127 | 22.655.562 | 24.137.583 |

There are no material differences between the carrying amount and fair value of financial instruments. The only financial instrument, that according to IFRS 9, has to be valued at fair value is the other participation in Wireless Interactions & NFC Accelerator. The participation is valued at cost in these financial statements as the benefit of performing a formal valuation does not justify its cost. Management has reviewed the equity value and performance of this participation and noted no indicators for impairment.

## General

The main financial risks the group is exposed to are market risk, liquidity risk and credit risk. The Group's senior management oversees the management of these risks. The financial department provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The group's financial policy is aimed at mitigating the impact of interest rate fluctuations on the result in the short term and to follow the market exchange rates and market interest rates in the long term. The group does not use financial derivatives to control financial risks linked to business operations.

## 17. 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 the Group's receivables from customers.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country, in which customers operate, has less of an influence on credit risk. The group 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. No significant concentration of credit risk existed as at the reporting date.

***Exposure to credit risk***
The carrying amount of financial assets represents the maximum credit exposure. For the Group's statement of the carrying amounts see Note 9.

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

| | 31.12.2017 | 31.12.2016 | 1.1.2016 |
|---|---|---|---|
| | EUR | EUR | EUR |
| Balance as per 1 January | 783.616 | 743.903 | 642.191 |
| Additional charges to expenses | 137.052 | 458.300 | 356.198 |
| Deductions from allowance | (155.486) | (418.661) | (254.486) |
| Other movements | 849 | 74 | - |
| | 766.031 | 783.616 | 743.903 |

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

| | 31.12.2017 | 31.12.2016 | 1.1.2016 |
|---|---|---|---|
| | EUR | EUR | EUR |
| Current | 5.570.621 | 4.673.233 | 3.659.663 |
| 1-30 days | 1.766.886 | 1.116.868 | 1.833.193 |
| 31-90 days | 273.169 | 226.756 | 352.692 |
| >90 days | 357.835 | 356.361 | 933.211 |
| | 7.968.511 | 6.373.218 | 6.778.759 |

The above net accounts receivables represent current and overdue but not impaired receivables.

## 18. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group'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. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group 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 maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

| | | | | | 01.01.2016 |
|---|---|---|---|---|---|
| | 0 – 3 months | 4 – 12 months | 1 - 5 years | Over 5 year | Total |
| | EUR | EUR | EUR | EUR | EUR |
| Interest bearing loans | 451.332 | 1.158.996 | 1.385.328 | 1.293.225 | 4.288.881 |
| Trade payables | 8.061.876 | - | - | - | 8.061.876 |
| Other financial liabilities | 14.048.116 | 663.158 | - | - | 14.711.274 |
| | 22.561.324 | 1.822.154 | 1.385.328 | 1.293.225 | 27.062.031 |

| | | | | | 31.12.2016 |
|---|---|---|---|---|---|
| | 0 – 3 months | 4 – 12 months | 1 - 5 years | Over 5 year | Total |
| | EUR | EUR | EUR | EUR | EUR |
| Interest bearing loans | 451.788 | 1.355.364 | 1.337.652 | 1.243.309 | 4.388.113 |
| Trade payables | 5.927.040 | - | - | - | 5.927.040 |
| Other financial liabilities | 13.766.211 | 866.283 | - | - | 14.632.494 |
| | 20.145.039 | 2.221.647 | 1.337.652 | 1.243.309 | 24.947.647 |

| | | | | | 31.12.2017 |
|---|---|---|---|---|---|
| | 0 – 3 months | 4 – 12 months | 1 - 5 years | Over 5 year | Total |
| | EUR | EUR | EUR | EUR | EUR |
| Interest bearing loans | 250.000 | 750.000 | 4.570.740 | 7.000.000 | 12.570.740 |
| Financial lease | 56.888 | 171.913 | 389.809 | - | 618.610 |
| Trade payables | 12.214.954 | - | - | - | 12.214.954 |
| Other financial liabilities | 17.758.139 | 144.457 | - | - | 17.902.596 |
| | 30.279.981 | 1.066.370 | 4.960.549 | 7.000.000 | 43.306.900 |

The Group's borrowing facilities are detailed in Note 14.

***Interest rate sensitivity***

An increase of the interest rate with 25 basis point would increase the future interest cost for the remaining duration of the long-term borrowings with EUR 122.696.

***Guarantees***
The Group's policy is to provide financial guarantees only to wholly-owned subsidiaries. The guarantees per year-end are specified in Note 20.

## 19. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group'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.

***Interest rate risk***
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The policy in respect of interest rate risk is aimed at mitigating the interest rate risks originating from the financing of the group and optimising the net interest expenses at the same time. This policy translates into a desired profile of interest positions including cash.

As the there is a long-term relation with the provider of loan capital and the loans are long term there is a limited interest rate risk related to an increase of the interest rates.

***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. The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the Euro. The currencies giving rise to this risk are primarily GBP, USD and ZAR. As the Group operates globally, purchases are done in several other currencies.

***Exposure to currency risk***
The Group's exposure to currency risk was as follows based on notional amounts:

| | | 1.1.2016 |
|---|---|---|
| | GBP | USD |
| Cash and cash equivalents | 216.945 | - |
| Trade receivables | 194.332 | 8.821 |
| Interest bearing loans and borrowings | (844.531) | - |
| Trade payables | (272.442) | (11.350) |
| | (705.696) | (2.529) |

| | | | 31.12.2016 |
|---|---|---|---|
| | ZAR | GBP | USD |
| Cash and cash equivalents | 1.529 | 404.895 | 2.360 |
| Trade receivables | 17.889 | 314.535 | 13.006 |
| Interest bearing loans and borrowings | - | (610.938) | - |
| Trade payables | (9.849) | (294.338) | (34.684) |
| | 9.569 | (185.846) | (19.318) |

| | ZAR | GBP | 31.12.2017<br>USD |
|---|---|---|---|
| Cash and cash equivalents | 13.280 | 301.632 | 70.960 |
| Trade receivables | 652.179 | 292.078 | 278.419 |
| Financial lease | - | - | 1.096.066 |
| Trade payables | (357.412) | (583.930) | (162.975) |
| | 308.047 | 9.780 | 1.282.470 |

***Foreign currency sensitivity***
The following tables demonstrate the sensitivity to a reasonably possible change in GBP, USD and ZAR exchange rates, with all other variables held constant.

| | Effect on profit before tax | |
|---|---|---|
| | 2017 | 2016 |
| ZAR + 5% | 11.552 | 359 |
| GBP + 5% | 367 | (6.969) |
| USD + 5% | 48.092 | (724) |
| | 60.011 | (7.334) |

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

# 20. Commitments

**Operating lease commitments – Group as lessee**

| | < 1 year | 2-5 years | > 5 years | Total |
|---|---|---|---|---|
| | EUR | EUR | EUR | EUR |
| Renting obligations | 969.942 | 2.670.447 | 2.310.000 | 5.950.389 |
| Lease obligations cars | 95.445 | 145.723 | - | 241.168 |
| | 1.065.387 | 2.816.170 | 2.310.000 | 6.191.557 |

The lease obligations (13 lease cars, 2016: 14) entered into with third parties in respect of motor vehicles are EUR 95.445 for < 1 year (2016: EUR 77.539) and EUR 145.723 for 1-5 years (2016: EUR 186.063). The remaining terms of the contracts vary from 15 months to 3,5 years (end dates from 17 March 2019 to 12 April 2022).

**Finance lease commitments – Group as lessee**

| | < 1 year | 2 – 5 years | Total |
|---|---|---|---|
| | EUR | EUR | EUR |

| | | | |
|---|---|---|---|
| Present value of future minimum lease payments | 228.942 | 1.485.734 | 1.714.676 |
| Finance costs | 10.964 | 50.678 | 61.642 |
| Gross repayments | 239.906 | 1.536.412 | 1.776.318 |

**Guarantees**

As of 31 December 2017, the legal entities that are part of the group have granted guarantees amounting to EUR 47.019 (2016: EUR: 22.000).

## 21. Related party disclosures

The Group has a rental agreement with CM Campus B.V. For 2017 EUR 377.000 was paid for rent (2016: EUR 322.877). The rental charged by CM Campus B.V. is at arm's length.

**Transactions with key management personnel**

The directors of the company are considered key management personnel. There are no transaction with key management personnel with the exception of their salaries. For more details we refer to the Corporate financial statements, Other information.

## 22. Revenue per business unit

The following is a statement of the net sales generated in the different products:

| | 2017 | 2016 |
|---|---|---|
| | EUR | EUR |
| Messaging | 57.478.590 | 43.518.784 |
| Premium SMS | 15.760.915 | 21.053.973 |
| Payments | 3.370.731 | 219.242 |
| Voice | 3.072.568 | 2.851.339 |
| Mobile Content Billing | 1.497.001 | 4.544.823 |
| TV Productions | 1.054.886 | 804.223 |
| Apps | 768.326 | 1.097.150 |
| Other Subscriptions | 877.238 | 686.689 |
| Other Turnover | 698.449 | 488.003 |
| | 84.578.704 | 75.264.226 |

The following is a statement of the net sales generated in the different geographical areas:

| | 2017 | 2016 |
|---|---|---|
| | EUR | EUR |
| The Netherlands | 48.270.977 | 46.984.163 |
| Belgium | 9.489.982 | 9.317.666 |
| Rest of Europe | 21.639.310 | 15.259.464 |
| Rest of World | 5.178.435 | 3.702.933 |
| | 84.578.704 | 75.264.226 |

## 23. Cost of services

| | 2017 | 2016 |
|---|---|---|
| | EUR | EUR |
| Messaging | 43.497.046 | 31.216.109 |
| Premium SMS | 13.853.615 | 18.700.604 |
| Voice | 2.244.285 | 2.043.251 |
| Payments | 1.443.872 | 108.828 |
| Mobile Content Billing | 1.269.475 | 4.129.993 |
| TV Productions | 445.588 | 406.475 |
| Apps | - | 8.902 |
| Other Subscriptions | 48.075 | 11.708 |
| Other cost of services | 168.565 | 146.071 |
| | 62.970.521 | 56.771.941 |

## 24. Employee benefits expense

### Wages and salaries

| | 2017 | 2016 |
|---|---|---|
| | EUR | EUR |
| Gross wages | 12.007.617 | 9.797.331 |
| Movement in holiday pay obligation | 314.464 | 425.434 |
| | 12.322.081 | 10.222.765 |
| Received sickness benefit | (12.010) | (44.767) |
| WBSO subsidy received | (695.789) | (535.453) |
| Capitalised development cost | (3.330.733) | (2.564.618) |
| | 8.283.549 | 7.077.927 |
| Social security charges | 2.064.079 | 1.637.501 |
| Pension costs | 482.391 | 366.846 |
| | 10.830.019 | 9.082.274 |

### Social security charges

| | 2017 | 2016 |
|---|---|---|
| | EUR | EUR |
| Social security charges | 2.046.900 | 1.618.572 |
| Movement in social security holiday pay obligation | 17.179 | 18.929 |
| | 2.064.079 | 1.637.501 |

The average number of employees of the group during the year, converted to full-time equivalents, was 244 (2016: 192).

During the year there were 40 employees working abroad.

## 25. Other operating expenses

| | 2017 | 2016 |
|---|---|---|
| | EUR | EUR |
| Housing costs | 1.215.591 | 1.102.439 |
| Operating costs | 1.108.416 | 858.293 |
| Office expenses | 19.632 | 28.233 |
| Car expenses | 227.892 | 184.489 |
| Marketing and sales expenses | 1.317.803 | 924.790 |
| Other staff costs | 489.432 | 378.425 |
| General costs | 1.969.788 | 1.086.713 |
| | 6.348.554 | 4.563.382 |

Research and development cost charged against profit before tax for the financial year amounted to EUR 2.091.171 (2016: EUR 1.887.269).

***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 Mazars Accountants N.V. to the Company, its subsidiaries and other consolidated entities:

| 2017 | Mazars (in the Netherlands) | Mazars (other) | Other network | Total network |
|---|---|---|---|---|
| | EUR | EUR | EUR | EUR |
| Audit fees | 152.354 | 59.425 | 26.760 | 238.539 |
| Tax services | - | 8.250 | - | 8.250 |
| Other services | 30.765 | - | - | 30.765 |
| Total fees | 183.119 | 67.675 | 26.760 | 277.554 |

## 26. Taxation

The corporate income tax has been calculated as follows:

| | 2017 | 2016 |
|---|---|---|
| | EUR | EUR |
| Current tax | 758.084 | 724.823 |
| Deferred tax: | | |
| Movement in temporary differences | (27.277) | (7.172) |
| Tax losses generated | (624.790) | (727.288) |
| Tax losses utilised | 118.965 | 148.750 |
| Adjustments prior year | 9.375 | (69.135) |
| Taxation according to the profit and loss account | 234.356 | 69.978 |

The effective tax rate for 2017 is 17,42% (2016: 5,20%) and can be broken down as follows:

| | 2017 | 2016 |
|---|---|---|
| | EUR | EUR |
| Profit before taxation | 1.345.317 | 1.189.580 |
| Income tax expense at statutory tax rate (25%) | 336.329 | 297.395 |
| Non-deductable expenditure | 9.663 | 14.951 |
| Non-deductable amortisation/depreciation | 134.014 | 130.767 |
| Innovation box | (228.629) | (129.053) |
| Rate differential (foreign subsidiaries) | (26.396) | 96.135 |
| Deferred tax assets foreign subsidiaries prior years | - | (271.082) |
| Tax relating to prior periods | 9.375 | (69.134) |
| | 234.356 | 69.978 |

## 27. First-time adoption of IFRS

The financial statements, for the year ended 31 December 2017, are the first the Group has prepared in accordance with IFRS. For periods up to and including the year ended 31 December 2016, the Group prepared its financial statements in accordance with local generally accepted accounting principle (Dutch GAAP).

Accordingly, the Group has prepared financial statements that comply with IFRS applicable as at 31 December 2017, together with the comparative period data for the year ended 31 December 2016, as described in the summary of significant accounting policies. In preparing the financial statements, the Group's opening statement of financial position was prepared as at 1 January 2016, the Group's date of transition to IFRS. This note explains the principal adjustments made by the Group in restating its Dutch GAAP financial statements, including the statement of financial position as at 1 January 2016 and the financial statements for the year ended 31 December 2016.

The estimates at 1 January 2016 and at 31 December 2016 are consistent with those made for the same dates in accordance with Dutch GAAP.

### Notes to the reconciliation of equity as at 1 January 2016 and 31 December 2016 and total comprehensive income for the year ended 31 December 2017

### Exemptions applied

IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS. The Group has applied the following exemptions:

- IFRS 3 Business Combinations has not been applied to either acquisitions of subsidiaries that are considered businesses under IFRS, or acquisitions of interests in associates and joint ventures that occurred before 1 January 2016. Use of this exemption means that the Dutch GAAP carrying amounts of assets and liabilities, that are required to be recognised under IFRS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with IFRS. Assets and liabilities that do not qualify for recognition under IFRS are excluded from the opening IFRS statement of financial position. The Group did not recognise or exclude any previously recognised amounts as a result of IFRS recognition requirements. IFRS 1 also requires that the Local GAAP carrying amount of goodwill must be used in the opening IFRS statement of financial position (apart from adjustments for goodwill impairment and recognition or derecognition of intangible assets). In accordance with IFRS 1, the Group has tested goodwill for impairment at the date of transition to IFRS. No goodwill impairment was deemed necessary at 1 January 2016.

- The Group has not applied IAS 21 retrospectively to fair value adjustments and goodwill from business combinations that occurred before the date of transition to IFRS. Such fair value adjustments and goodwill are treated as assets and liabilities of the parent rather than as assets and liabilities of the acquiree. Therefore, those assets and liabilities are already expressed in the functional currency of the parent or are non-monetary foreign currency items and no further translation differences occur.

***Statement of cash flows***

The transition from Local GAAP to IFRS has not had a material impact on the statement of cash flows.

The following items represent major items that were reclassified in the consolidated statements of financial position and the consolidated statements of profit or loss for the date of transition to IFRS and there is no effect on equity and profit or loss.

- Under Dutch GAAP, the current portion of the long term liabilities and deposits were presented under the long term liabilities and or fixed assets; however, under IFRS, all current portions of long term liabilities and deposits have been reclassified to current assets and liabilities.

The major items of the differences in recognition and measurement is that under Dutch GAAP, goodwill was amortised where, under IFRS, goodwill is tested for impairment.

## Reconciliation from Dutch GAAP to IFRS

In preparing the consolidated financial statements under IFRS, the Company adjusted amounts reported in the consolidated financial statements under Dutch GAAP. Effects of these adjustments on financial position and operating results of the Company are as follows.

## Reconciliation of equity as at the date of transition to IFRS as of 1 January 2016

| Presentation under Dutch GAAP | Dutch GAAP | Reclassification | Recognition and measurement differences | IFRS | Presentation under IFRS |
|---|---|---|---|---|---|
| **Assets** | | | | | **Assets** |
| **Fixed assets** | | | | | **Fixed assets** |
| Intangible fixed assets | 13.220.006 | | | 13.220.006 | Intangible assets |
| Tangible fixed assets | 2.356.485 | | | 2.356.485 | Property, plant and equipment |
| Financial fixed assets | 1.106.620 | (703.112) | | 403.508 | Financial assets |
| | | 703.112 | | 703.112 | Deferred tax assets |
| **Fixed Assets** | **16.683.111** | **-** | | **16.683.111** | **Fixed Assets** |
| **Current assets** | | | | | **Current assets** |
| Trade accounts receivables | 6.506.913 | 8.202.345 | | 14.709.257 | Trade and other receivables |
| Receivables, prepayments and accrued income | 7.930.498 | (7.930.498) | | - | |
| Cash | 1.262.877 | | | 1.262.877 | Cash and cash equivalents |
| **Current assets** | **15.700.288** | **271.847** | **-** | **15.972.134** | **Current assets** |
| | **32.383.399** | **271.847** | **-** | **32.655.245** | |
| **Equity and liabilities** | | | | | **Equity and liabilities** |
| **Group equity** | | | | | |
| Share of the legal entity in the group equity | 5.593.214 | | | 5.593.214 | Issued capital and reserves attributable to owners of the parent |
| **Total equity** | **5.593.214** | **-** | **-** | **5.593.214** | **Total equity** |
| Provisions | 44.091 | (7.172) | | 36.919 | Provisions |
| | | 7.172 | | 7.172 | Deferred tax liabilities |
| Long term liabilities | 4.288.881 | (1.766.253) | | 2.522.628 | Financial liabilities |
| **Non-current liabilities** | **4.332.972** | **(1.766.253)** | | **2.566.719** | **Non-current liabilities** |
| Current liabilities and accruals and deferred income | 22.457.213 | (1.598.394) | | 20.858.819 | Trade and other payables |
| | | 1.114.104 | | 1.114.104 | Current tax liabilities |
| | | 1.766.253 | | 1.766.253 | Current portion of financial liabilities |
| | | 756.136 | | 756.136 | Cash and cash equivalents |
| **Current liabilities** | **22.457.213** | **2.038.099** | | **24.495.312** | **Current liabilities** |
| | **32.383.399** | **271.847** | **-** | **32.655.245** | |

## Reconciliation of equity as at 31 December 2016

| Presentation under Dutch GAAP | Dutch GAAP | Reclassification | Recognition and measurement differences | IFRS | Presentation under IFRS |
|---|---|---|---|---|---|
| **Assets** | | | | | **Assets** |
| **Fixed assets** | | | | | **Fixed assets** |
| Intangible fixed assets | 12.611.654 | | 156.719 | 12.768.373 | Intangible assets |
| Tangible fixed assets | 2.536.054 | | | 2.536.054 | Property, plant and equipment |
| Financial fixed assets | 1.721.036 | (1.337.948) | | 383.088 | Financial assets |
| | | 1.281.650 | | 1.281.650 | Deferred tax assets |
| **Fixed Assets** | **16.868.744** | **(56.298)** | **156.719** | **16.969.165** | **Fixed Assets** |
| | | | | | |
| **Current assets** | | | | | **Current assets** |
| Trade accounts receivables | 6.220.272 | 7.714.301 | | 13.934.573 | Trade and other receivables |
| Receivables, prepayments and accrued income | 7.505.057 | (7.505.057) | | - | |
| Cash | 801.939 | | | 801.939 | Cash and cash equivalents |
| **Current assets** | **14.527.268** | **209.244** | **-** | **14.736.512** | **Current assets** |
| | **31.396.012** | **152.946** | **156.719** | **31.705.677** | |
| | | | | | |
| **Equity and liabilities** | | | | | **Equity and liabilities** |
| **Group equity** | | | | | |
| Share of the legal entity in the group equity | 6.601.311 | | 156.719 | 6.758.030 | Issued capital and reserves attributable to owners of the parent |
| **Total equity** | **6.601.311** | **-** | **156.719** | **6.758.030** | **Total equity** |
| | | | | | |
| Long term liabilities | 4.388.113 | (1.490.600) | | 2.897.513 | Long term borrowings |
| **Non-current liabilities** | **4.388.113** | **(1.490.600)** | | **2.897.513** | **Non-current liabilities** |
| | | | | | |
| Current liabilities and accruals and deferred income | 20.406.588 | (2.133.359) | | 18.273.229 | Trade and other payables |
| | | 801.485 | | 801.485 | Current tax liabilities |
| | | 1.490.600 | | 1.490.600 | Current position of long term borrowings |
| | | 1.484.820 | | 1.484.820 | Cash and cash equivalents |
| **Current liabilities** | **20.406.588** | **1.643.546** | | **22.050.134** | **Current liabilities** |
| | **31.396.012** | **152.946** | **156.719** | **31.705.677** | |

## Reconciliation of profit or loss and OCI for the year ended 31 December 2016

| Presentation under Dutch GAAP | Dutch GAAP | Reclassification | Recognition and measurement differences | IFRS | Presentation under IFRS |
|---|---|---|---|---|---|
| **Net turnover** | 75.264.226 | | | 75.264.226 | **Net revenue** |
| Operating revenue | 75.264.226 | | | 75.264.226 | Net revenue |
| Other operating income | 42.709 | | | 42.709 | Other operating income |
| **Total operating income** | 75.306.935 | | | 75.306.935 | **Revenue** |
| Costs of services and other external costs | | | | 56.771.941 | Costs of services |
| | | | | 18.534.994 | Gross profit |
| | 56.771.941 | | | 56.771.941 | Costs of services |
| Wages, salaries and social security charges | 9.082.274 | | | 9.082.274 | Wages, salaries and social security charges |
| Amortised/depreciation of intangible and tangible fixed assets | 3.495.501 | | (156.719) | 3.338.782 | Amortisation and depreciation |
| Other operating expenses | 4.563.382 | | | 4.563.382 | Other operating expenses |
| **Operating result** | 1.393.837 | | (156.719) | 1.550.556 | **Operating profit** |
| | | 352.911 | | 352.911 | Finance income |
| Financial income and expenses | (206.890) | (352.911) | | (559.801) | Finance expenses |
| **Result on ordinary activities before taxation** | 1.186.947 | - | 156.719 | 1.343.666 | |
| Taxation on result of ordinary activities | (69.978) | | | (69.978) | Income tax |
| **Result on ordinary activities after taxation** | 1.116.969 | - | 156.719 | 1.273.688 | Profit for the year |
| | | | | - | Non-controlling interest |
| | | | | **1.273.688** | **Profit attributable to owners of the parent** |

| | | Other comprehensive income |
|---|---|---|
| 108.876 | 108.876 | Exchange differences on transactions of foreign operations |
| 108.876 | 108.876 | Other comprehensive income to be reclassified to profit or loss in subsequent periods |
| | 1.382.564 | Total comprehensive income for the year, net of tax |
| | 1.382.564 | Attributed to: Equity holders of the parent |

MAZARS

# INDEPENDENT AUDITOR'S REPORT

To the shareholders and management of
CM Groep B.V.

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS 2017 INCLUDED IN THE REPORT OF THE ANNUAL ACCOUNTS

### *OUR OPINION*

We have audited the financial statements 2017 of CM Groep B.V., based in Breda. The financial statements include 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 Groep B.V. as at 31 December 2017, and of its result and its cash flows for 2017 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 Groep B.V. as at 31 December 2017, and of its result for 2017 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 2017;
2 the following statements for 2017: the consolidated statement of profit and loss, the consolidated statements of comprehensive income, changes in equity and cash flows; and
3 the notes comprising a summary of the significant accounting policies and other explanatory information.

The corporate financial statements comprise:
1. the corporate balance sheet as at31 December 2017;
2. the corporate profit and loss account for 2017; and
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.

WATERMANWEG 80 • P.O. Box 23123 - 3001 KC RoTTERDAM
TEL: +31 (0)88 27 71462 - joeri.galas@mazars.nl

MAZARS ACCOUNTANTS N.V.
WITH ITS REGISTERED OFFICE IN ROTTERDAM (KvK ROTTERDAM NR. 24402415).

We are independent of CM Groep B.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (YVta, 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.

## REPORT ON THE OTHER INFORMATION INCLUDED IN THE REPORT OF THE ANNUAL ACCOUNTS

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

- the directors' report;
- other information as required by Part 9 of Book 2 of the Dutch Civil Code.

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 other information as required by Part 9 of Book 2 of the Dutch Civil Code.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

### *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 THE MANAGEMENT FOR THE FINANCIAL STATEMENTS*

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

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

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

The management 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 e.g.:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 communicate with the management 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 identify during our audit.

We provide the management 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.

Rotterdam, 28 June 2018

MAZARD ACCOUNTANT N.V.

Signed on the original: drs. J.J.W. Galas RA

## DUTCH GAAP 2016 CONSOLIDATED FINANCIAL STATEMENTS

## Consolidated balance sheet as at December 31, 2016

| *(before appropriation of result)* | Note | | 12.31.2016 | | 12.31.2015 |
|---|---|---|---|---|---|
| | | | EUR | | EUR |
| **Assets** | | | | | |
| **Fixed assets** | | | | | |
| Intangible fixed assets | 1 | 12.611.654 | | 13.220.006 | |
| Tangible fixed assets | 2 | 2.536.054 | | 2.356.485 | |
| Financial fixed assets | 3 | 1.721.036 | | 1.106.620 | |
| | | | 16.868.744 | | 16.683.111 |
| **Current assets** | | | | | |
| Trade accounts receivable | 4 | 6.220.272 | | 6.506.913 | |
| Receivables, prepayments and accrued income | 4 | 7.505.057 | | 7.930.498 | |
| Cash | 5 | 801.939 | | 1.262.877 | |
| | | | 14.527.268 | | 15.700.288 |
| | | | 31.396.012 | | 32.383.399 |

| *(before appropriation of result)* | Note | | 12.31.2016 | | 12.31.2015 |
|---|---|---|---|---|---|
| | | | EUR | | EUR |
| **Equity and liabilities** | | | | | |
| **Group equity** | | | | | |
| Share of the legal entity in the group equity | 6 | | 6.601.307 | | 5.593.214 |
| **Provisions** | 7 | - | | 44.091 | |
| **Long-term liabilities** | 8 | 4.388.113 | | 4.288.881 | |
| **Current liabilities and accruals and deferred income** | 9 | 20.406.592 | | 22.457.213 | |
| | | | 24.794.705 | | 26.790.185 |
| | | | 31.396.012 | | 32.383.399 |

## Consolidated profit and loss account 2016

| | Note | | 2016 | | 2015 |
|---|---|---|---|---|---|
| | | | EUR | | EUR |
| **Net turnover** | 10 | 75.264.226 | | 70.399.639 | |
| Operating Revenues | | | 75.264.226 | | 70.399.639 |
| Other operating income | 11 | 42.709 | | 34.288 | |
| | | | 42.709 | | 34.288 |
| **Total operating income** | | | 75.306.935 | | 70.433.927 |
| Cost of services and other external costs | 12 | 56.771.941 | | 53.489.294 | |
| Wages, salaries and social security charges | 13 | 9.082.274 | | 7.507.759 | |
| Amortisation/depreciation of intangible and tangible fixed assets | 14 | 3.495.501 | | 2.799.599 | |
| Other operating expenses | 15 | 4.560.751 | | 3.843.053 | |
| Total operating expenses | | | 73.910.467 | | 67.639.705 |
| **Operating result** | | | 1.396.468 | | 2.794.222 |
| Financial income and expense | 16 | | (206.890) | | (101.177) |
| **Result on ordinary activities before taxation** | | | 1.189.578 | | 2.693.045 |
| Taxation on result of ordinary activities | 17 | | (69.978) | | (761.080) |
| **Result on ordinary activities after taxation** | | | 1.119.600 | | 1.931.965 |

## Consolidated cash flow statement 2016

| (According to the indirect method) | | 2016 | | 2015 |
|---|---|---|---|---|
| | | EUR | | EUR |
| Operating result | | 1.396.468 | | 2.794.222 |
| Adjustments for: | | | | |
| - Other operating income | | (42.709) | | (34.288) |
| - Depreciation (and other changes in value) | | 3.495.501 | | 2.799.599 |
| - Changes in provisions: | | (44.091) | | (99.602) |
| - Changes in working capital: | | | | |
| movements operating receivable | 712.082 | | (1.060.349) | |
| movements operating payable | (2.422.190) | | 3.115.415 | |
| | | (1.710.108) | | 2.055.066 |
| **Cash flow from business activities** | | 3.095.061 | | 7.514.997 |
| Interest received | 318.201 | | 522.079 | |
| Corporate income tax paid on operating activities | (845.611) | | (115.313) | |
| | | (527.410) | | 406.766 |
| **Cash flow from operating activities** | | 2.567.651 | | 7.921.763 |
| Investments in financial fixed assets | (754.648) | | (405.972) | |
| Divestments in financial fixed assets | 149.861 | | | |
| Investments in intangible fixed assets | (2.491.444) | | (5.600.314) | |
| Divestments in intangible fixed assets | 280.182 | | 613.376 | |
| Investments in tangible fixed assets | (1.116.942) | | (1.101.974) | |
| Divestments in tangible fixed assets | 611.206 | | - | |
| Acquisitions of group companies | - | | - | |
| **Cash flow from investment activities** | | (3.321.785) | | (6.494.884) |
| Repayment on loans | 4.915 | | 5.487 | |
| Loans issued | (14.544) | | - | |
| Income from long-term liabilities | 1.987.314 | | 2.625.919 | |
| Redemptions of long-term liabilities | (1.888.082) | | (1.433.687) | |
| Interest paid after corporate income tax | (525.091) | | (623.256) | |
| Dividends paid | - | | (500.000) | |
| **Cash flow from financing activities** | | (435.488) | | 74.463 |
| Net cash flow | | (1.189.622) | | 1.501.342 |
| Funds available within acquired group companies | | - | | 18.190 |
| **Movements in cash** | | (1.189.622) | | 1.519.532 |

**Breakdown of cash and cash equivalents**

| | EUR |
|---|---|
| Cash and cash equivalents as at January 1, 2016 | 506.741 |
| Balance sheet movements of cash and cash equivalents in 2016 | (1.189.622) |
| Cash and cash equivalents as at December 31, 2016 | (682.881) |

## Statement of changes in equity of the legal entity over 2016

| | 2016 | 2015 |
|---|---|---|
| | EUR | EUR |
| Consolidated net result after taxation accruing to the legal entity | 1.119.600 | 1.931.965 |
| Addition to the reserves of translation differences | (108.876) | - |
| Total amount of the direct equity movements of the legal entity as part of the group equity | (2.631) | (1.900) |
| Dividends paid | - | (500.000) |
| **Total changes in equity of the legal entity** | 1.008.093 | 1.430.065 |

# Notes to the consolidated financial statements

## General

### Activities

The activities of CM Groep B.V., having its legal seat at Konijnenberg 30 at Breda, and its group companies (CM Group) primarily consists of advising, guiding, implementing, and assisting companies approaching its target audience through modern (media) techniques.

### Group structure

CM Groep BV 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 below:

*Consolidated companies:*

| Name | Registered office | Share in issued shared capital |
|---|---|---|
| CM Telecom B.V. | Breda (The Netherlands) | 100% |
| CM Groep B.V. | Breda (The Netherlands) | 100% |
| CM Technology B.V. | Breda (The Netherlands) | 100% |
| CM International B.V. | Breda (The Netherlands) | 100% |
| CM Online B.V. | Breda (The Netherlands) | 100% |
| GSM Information Network B.V. | Breda (The Netherlands) | 100% |
| CM Telecom Belgium N.V. | Zaventem (Belgium) | 100% |
| M.E.C.E. N.V. | Zaventem (Belgium) | 100% |
| Produline SA | Liège (Belgium) | 100% |
| Paratel N.V. | Zaventem (Belgium) | 100% |
| OneSixty B.V. | Breda (The Netherlands) | 100% |
| CM Telecom UK Ltd. | London (United Kingdom) | 100% |
| I-Comm Media Services Ltd. | Peterborough (United Kingdom) | 100% |
| CM Telecom France SAS | Paris (France) | 100% |
| CM Telecom Germany GmbH | Frankfurt (Germany) | 100% |
| CM Payments B.V. | Breda (The Netherlands) | 100% |
| CM Telecom Hong Kong Ltd. | Hong Kong (China) | 100% |
| CM Telecom South Africa Ltd. | Cape Town (South Africa) | 100% |
| CM Telecom Shenzhen Co. Ltd. | Shenzhen (China) | 100% |
| CM Telecom US Inc. | Boston (USA) | 100% |

### Mergers and acquisitions

In 2016 CM Technology B.V. acquired ticketing services from Ticketflow, a local startup company and the push platform of Watermelon.

OneSixty B.V. took over the furniture and fixtures of the bankrupt company Service2Media, the push messaging company from which the business already was acquired by OneSixty B.V. in 2015.

In April 2016 CM Groep B.V. established CM Telecom US Inc.

**Consolidation principles**

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

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

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

The results of newly acquired group companies and the other legal entities and companies included in the consolidation are consolidated as from the acquisition date. On that date the assets, provisions and liabilities are valued at fair values. The purchase prices of acquisitions are allocated and capitalised. The amortisation is charged based on the estimated useful life. The results of associated companies sold during the year are recognised until the moment of disposal.

## General accounting principles for the preparation of the consolidated financial statements

The consolidated financial statements are prepared according to the stipulations in Title 9 Book 2 of the Netherlands Civil Code.

Valuation of assets and liabilities and determination of the result takes place under the historical cost convention. Unless presented otherwise at the relevant principle for the specific balance sheet item, assets and liabilities are valued according to the cost model.

Income and expenses are accounted for on accrual basis. Profit is only included when realized on the balance sheet date. Losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

**Financial instruments**

Financial instruments include both primary financial instruments, such as receivables and payables.
For the principles of primary financial instruments, reference is made to the recognition per balance sheet item.

**Translation of foreign currency**

Receivables, liabilities and obligations denominated in foreign currency are translated at the exchange rates prevailing as at balance sheet date.
Transactions in foreign currency during the financial year are recognized in the financial statements at the exchange rates prevailing as at transaction date. The exchange differences resulting from the translation as of balance sheet date are recorded in the profit and loss account.

For the purpose of understanding the comparative figures 2015 for sales and cost of services were adapted.

## Principles of valuation of assets and liabilities

**Intangible fixed assets**

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

**Tangible fixed assets**

Tangible fixed assets are presented at cost less accumulated depreciation and, if applicable, less impairments in value. Depreciation is based on the 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 comes into use.

Costs for periodical major maintenance for the platform and the rebuilding are charged to the result at the moment they arise.

**Financial fixed assets**

Where no significant influence is exercised associated companies are valued at cost and if applicable less impairments in value.

Upon initial recognition the receivables on and loans to associated companies and other receivables are valued at fair value and then valued at amortised cost, which equals the face value, after deduction of any provisions.

Deferred tax assets are stated under the financial fixed assets if and to the extent it is probable that the tax claim can be realized in due course. These deferred tax assets are valued at nominal value and have a predominantly long-term character.

**Receivables**

Upon initial recognition the receivables are included at fair value and then valued at amortised cost. The fair value and amortised cost equal the face value. Provisions deemed necessary for the risk of doubtful accounts are deducted. These provisions are determined by individual assessment of the receivables.

**Cash**

The cash is valued at face value. If cash equivalents are not freely disposable, then this has been taken into account upon valuation.

**Provisions**

*Provisions for employee benefits*

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

Based on the administration agreement it is assessed whether and, if so, which obligations exist in addition to the payment of the annual contribution due to the pension provider as at balance sheet date.

The valuation of the obligation is the best estimate of the amounts required to settle this as at balance sheet date. Additions to and release of the obligations are recognized in the profit and loss account.

A pension receivable is included in the balance sheet when the group has the right of disposal over the pension receivable and it is probable that the future economic benefits which the pension receivable holds will accrue to the group, and the pension receivable can be reliably established.

As at year-end 2016 (and 2015) no pension receivables and no obligations existed for the group in addition to the payment of the annual contribution due to the pension provider.

For the other foreign entities there are not insured pension obligations.

*Provision for deferred tax liabilities*

For amounts of taxation payable in the future, due to differences between the valuation principles in the annual report and the valuation for taxation purposes of the appropriate balance sheet items, a provision has been formed for the aggregate of these differences, multiplied by the current rate of taxation. These provisions are reduced by amounts of taxation recoverable in the future in respect of the carry-forward of unused tax losses, to the extent that it is probable that future tax profits will be available for settlement.

*Other provisions*

Unless stated otherwise the other provisions are valued at the face value of the expenditures that are expected to be necessary for settling the related obligations.

**Long-term liabilities**

Recorded interest-bearing loans and liabilities are valued at amortised cost.

**Short-term liabilities**

Short-term liabilities are valued at amortised cost, except as otherwise provided.

## Principles for the determination of the result

**Net turnover**

Net turnover represents amounts invoiced for services supplied during the financial year reported on, net of discounts and value added taxes.

Revenues from services are recognised in proportion to the services rendered, based on the cost incurred in respect of the services performed up to that moment, in proportion to the estimated costs of the aggregate services to be performed. The cost price of these services is allocated to the same period.

**Operating grants**

Operating government grants are included in the profit and loss account in the year to which the subsidized expenses are charged.

**Taxation**

Corporate income tax is calculated at the applicable rate on the result for the financial year, taking into account permanent differences between profit calculated according to the financial statements and profit calculated for taxation purposes, and with which deferred tax assets (if applicable) are only valued insofar as their realisation is likely.

CM Groep B.V. forms a fiscal unity for corporation tax purposes with the following subsidiaries:

- CM Technology B.V.
- CM Telecom B.V.
- ClubMessage Benelux B.V.
- CM International B.V.
- CM Online B.V.
- GSM Information Network B.V.
- OneSixty B.V.
- CM Payments B.V.

The subsidiaries are charged for the corporate income tax based on the results of the subsidiaries.

## Principles for preparation of the consolidated cash flow statement

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

The funds in the cash flow statement consist of cash and cash equivalents and liabilities to credit institutions.

Cash flows in foreign currencies are translated at an estimated average rate.

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

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

# Notes to the specific items of the consolidated balance sheet

## 1) Intangible fixed assets

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

| | Platform | Goodwill | Customer Relation | Other | Total |
|---|---|---|---|---|---|
| | EUR | EUR | EUR | EUR | EUR |
| Acquisition/Manufacturing cost as at January 1, 2016 | 4.541.610 | 1.885.063 | 10.912.433 | 1.720.475 | 19.059.581 |
| Cumulative amortisations and other impairment in value as at January 1, 2016 | (2.009.242) | (548.649) | (2.455.753) | (825.931) | (5.839.575) |
| Carrying amount as at January 1, 2016 | 2.532.368 | 1.336.414 | 8.456.680 | 894.544 | 13.220.006 |
| Investments | 2.392.209 | 30.000 | - | 69.235 | 2.491.444 |
| Divestments | - | (276.742) | (3.440) | - | (280.182) |
| Conversion to exchange rate 31-12-2016 | (7.282) | - | (246.152) | (13.003) | (266.437) |
| Amortisations | (984.173) | (156.719) | (1.071.057) | (361.288) | (2.573.237) |
| Amortisation divestments | - | 2.354 | - | - | 2.354 |
| Conversion to exchange rate 31-12-2016 | 1.911 | - | 13.426 | 2.369 | 17.706 |
| Mutations in 2016 | 1.402.665 | (401.107) | (1.307.223) | (302.687) | (608.352) |
| Acquisition/Manufacturing cost as at December 31, 2016 | 6.926.537 | 1.638.321 | 10.662.841 | 1.776.707 | 21.004.406 |
| Cumulative amortisations and other impairment in value as at December 31, 2016 | (2.991.504) | (703.014) | (3.513.384) | (1.184.850) | (8.392.752) |
| Carrying amount as at December 31, 2016 | 3.935.033 | 935.307 | 7.149.457 | 591.857 | 12.611.654 |
| Amortisation percentages | 10-50% | 10% | 10% | 10%-33% | |

Research and development costs (Platform) relate to product development. There is no impairment charged to the result for the financial year (2015: EUR 0).

The investments in Goodwill concern acquisition prices of EUR 30.000. The Goodwill will be amortised in 10 years, the period in which the future economic benefits are for CM Groep B.V.

## 2) Tangible fixed assets

The movements in the tangible fixed assets are as follows:

| | Platform | Furniture and fixtures | Vehicles | Hardware and software workplace | Leasehold improve-ments | Total |
|---|---|---|---|---|---|---|
| | EUR | EUR | EUR | EUR | EUR | EUR |
| Acquisition/ Manufacturing cost as at January 1, 2016 | 3.083.367 | 77.927 | 118.323 | 607.430 | 670.701 | 4.557.748 |
| Cumulative depreciations and other impairment in value as at January 1, 2016 | (1.520.602) | 34.250 | (88.481) | (399.013) | (227.417) | (2.201.263) |
| Carrying amount as at January 1, 2016 | 1.562.765 | 112.177 | 29.842 | 208.417 | 443.284 | 2.356.485 |
| Investments | 612.820 | 235.771 | 77.955 | 189.271 | 1.125 | 1.116.942 |
| Divestments | (304.346) | (48.080) | - | (258.780) | - | (611.206) |
| Conversion to exchange rate 31-12-2016 | (1.079) | (2.207) | - | (865) | - | (4.151) |
| Depreciation | (598.461) | (104.088) | (10.095) | (94.537) | (95.285) | (902.466) |
| Depreciation divestments | 286.696 | 37.675 | - | 255.937 | (2.164) | 578.144 |
| Conversion to exchange rate 31-12-2016 | 218 | 1.397 | - | 691 | - | 2.306 |
| Mutations in 2016 | (4.152) | 120.468 | 67.860 | 91.717 | (96.324) | 179.569 |
| Acquisition/ Manufacturing cost as at December 31, 2016 | 3.390.762 | 263.411 | 196.278 | 537.056 | 671.826 | 5.059.333 |
| Cumulative depreciations and other impairment in value as at December 31, 2016 | (1.832.149) | (30.766) | (98.576) | (236.922) | (324.866) | (2.523.279) |
| Carrying amount as at December 31, 2016 | 1.558.613 | 232.645 | 97.702 | 300.134 | 346.960 | 2.536.054 |
| Depreciation percentages | 20% | 20% | 20% | 20% | 10-20% | |

## 3) Financial fixed assets

A summary of the movements in the financial fixed assets is given below:

| | Deferred tax asset | Deposits | Other receivables | Other participation | Total |
|---|---|---|---|---|---|
| | EUR | EUR | EUR | EUR | EUR |
| Carrying amount as at January 1, 2016 | 703.112 | 336.663 | 6.845 | 60.000 | 1.106.620 |
| Movements: | | | | | |
| Purchases, loans granted | 727.288 | 27.360 | 14.544 | - | 769.192 |
| Sales, redemptions | (148.750) | (1.111) | (4.915) | - | (154.776) |
| Carrying amount as at December 31, 2016 | 1.281.650 | 362.912 | 16.474 | 60.000 | 1.721.036 |

As at December 31, 2016 and December 31, 2015 no impairments in value have been recorded.

**Deferred tax asset**
At 31 December 2016, the amount of the tax losses carried forward is EUR 4.891.195. It is expected that the group can realise EUR 401.200 within one year.

**Other receivables**
These loans, originally EUR 31.184, are provided to employees. Repayment will be done within a period of 4 years. The interest rate is set annually, the percentage in 2016 is 3% (2015: 3%). The monthly annuity is EUR 250. No securities are provided for these loans.

**Other participation**
The other participation is an investment in 5% of the shares of Wireless Interactions B.V.

## 4) Receivables, prepayments and accrued income

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

| | 12.31.2016 | 12.31.2015 |
|---|---|---|
| | EUR | EUR |
| Debtors | 6.220.272 | 6.506.913 |
| Taxes and social security contributions | - | - |
| Other receivables, prepayments and accrued income | 7.505.057 | 7.930.498 |
| | 13.725.329 | 14.437.411 |

**Debtors**

There is a provision formed for the risk of bad debts, this amount is deducted from the trade receivables. At the balance date EUR 783.579 is provisioned (2015: EUR 743.903).

**Other receivables, prepayments and accrued income**

| | 12.31.2016 | 12.31.2015 |
|---|---|---|
| | EUR | EUR |
| Revenues to be invoiced | 6.143.006 | 6.369.412 |
| Other receivables | 1.362.051 | 1.561.086 |
| | 7.505.057 | 7.930.498 |

## 5) Cash

| | 12.31.2016 | 12.31.2015 |
|---|---|---|
| | EUR | EUR |
| Bank accounts | 800.775 | 1.261.427 |
| Cash in hand | 1.164 | 1.450 |
| | 801.939 | 1.262.877 |

Cash balances amounting to EUR 22.000 (2015: EUR 22.000) are not at free disposal of the group.

## 6) Group equity

Reference is made to the note on shareholders' equity in the (company-only) financial statements for a detailed note on the share of the legal entity in the group equity.

## 7) Provisions

| | 12.31.2016 | 12.31.2015 |
|---|---|---|
| | EUR | EUR |
| Deferred tax liabilities | - | 7.172 |
| Other provisions | - | 36.919 |
| | - | 44.091 |

The provision for deferred tax liabilities and the other provisions have a predominantly long-term character.

**Pension plans personnel**

As at year-end 2016, there are no obligations for which a pension provision has been included, as was the case as at year-end 2015. De group only applies direct contribution plans, and will not engage into defined benefit agreements with its personnel.

The group has four pension plans for its personnel. The pension obligations of both the Dutch and the foreign plans are valued according to the 'valuation to pension fund approach'. This approach accounts for the contribution payable to the pension provider as an expense in the profit and loss account.

Plan I and II

Pursuant to the Dutch pension system this plan is financed by contributions to the pension provider, an insurance company, recorded per individual policy. We relate the official fiscal schemes, whereby a progressively staged rates apply (based on age in stages of 5 years). This fiscal scheme, per seniority class defines the maximum contribution as a percentage of wages minus a deductible in relation to the public elderly provision. We capped the contribution to 93% of that fiscal scheme, whereof the employee contributes 3% points and the employer contributes the remainder.

So no excessive pension premiums have been contributed. At retirement, the yielded funds are made available by the pension provider to the retiring employee. The employee then is commensurate to acquire a pension insurance ate the market conditions valid at that time, with no involvement of the (former) employer.

Plan III and IV

The Belgium pension plans are comparable to the Dutch pension system. Also both Belgian plans are pure direct contribution schemes. The group has no obligation other than the monthly contribution instalments. At year-end it is successfully tested that the plan meets the yield criteria set by Belgian law.

All pension schemes comply with local laws and will be adjusted in case that new regulation apply.

**Deferred tax liabilities**

The movement in the item provision for deferred tax liabilities is as follows:

| | EUR |
|---|---|
| Carrying amount as at 1 January 2016 | 7.172 |
| Withdrawals | (7.172) |
| Carrying amount as at 31 December 2016 | - |

**Other provisions**

The other provisions mainly relate to a lease agreement for an office which is not in use. The movements in the item other provisions is as follows:

| | EUR |
|---|---|
| Carrying amount as at 1 January 2016 | 36.919 |
| Withdrawals | (36.919) |
| Carrying amount as at 31 December 2016 | - |

## 8) Long-term liabilities

| | | 12.31.2016 | | 12.31.2015 |
|---|---|---|---|---|
| | Total | Term > 5 years | Total | Term > 5 years |
| | EUR | EUR | EUR | EUR |
| Bank loans | 4.388.113 | - | 4.288.881 | - |

| | Interest rate | Term < 1 year | Term 1-5 years | Term > 5 years | Total |
|---|---|---|---|---|---|
| | | EUR | EUR | EUR | EUR |
| Bank loan | 3 month Euribor + 2,75% | 348.000 | 66.000 | - | 414.000 |
| Bank loan | 3 month Euribor + 2,7% | 375.000 | 187.500 | - | 562.500 |
| Bank loan | 1 month Libor + 3,19% | 305.938 | 800.424 | - | 713.562 |
| Bank loan | 3 month Euribor + 2,5% | 309.516 | 386.331 | - | 695.847 |
| Bank loan | 3 month Euribor + 2,65% | 168.703 | 333.501 | - | 502.204 |
| Bank loan | 3 month Euribor + 3,15% | - | 1.500.000 | - | 1.500.000 |
| | | 1.507.157 | 2.880.956 | - | 4.388.113 |

**Securities**

Loans granted include the benefit of the following securities:

- Pledging of receivables from third parties (CM International B.V.; CM Online B.V., CM Technology B.V., CM Telecom B.V., CM Groep B.V., ClubMessage Benelux B.V., GSM Information Network B.V., CM Telecom Belgium N.V., M.E.C.E. N.V., Paratel N.V. and Produline N.V.);
- Pledging of the business of CM Telecom Belgium N.V. amounting to EUR 150.000 under Belgian law;
- Pledging of the business of M.E.C.E. N.V. amounting to EUR 50.000 under Belgian law;
- Pledging of the business of Paratel N.V. amounting to EUR 710.000 under Belgian law;
- Pledging of the business of Produline N.V. amounting to EUR 55.000 under Belgian law;
- Power of attorney to pledge the business of CM Telecom Belgium N.V. amounting to EUR 1.350.000 under Belgian law;
- Power of attorney to pledge the business of M.E.C.E. N.V. amounting to EUR 450.000 under Belgian law;
- Power of attorney to pledge the business of Paratel N.V. amounting to EUR 6.400.000 under Belgian law;
- Power of attorney to pledge the business of Produline N.V. amounting to EUR 500.000 under Belgian law;
- Pledging of shares of CM Telecom Belgium N.V., M.E.C.E. N.V., Paratel N.V. and Produline N.V. to Belgian law.

## 9) Current liabilities and accruals and deferred income

| | 12.31.2016 | 12.31.2015 |
|---|---|---|
| | EUR | EUR |
| Accounts payable | 5.927.045 | 8.061.876 |
| Corporate income taxes | 801.485 | 1.114.104 |
| Other taxes | 596.076 | 520.052 |
| Bank accounts | 1.484.820 | 756.136 |
| Invoices to receive for services | 6.053.639 | 6.008.732 |
| Third Party Collection to pay to content providers | 2.914.175 | 3.733.447 |
| Deposits | 866.283 | 663.158 |
| Badwill | - | 45.680 |
| Pension contributions | 48.188 | 38.558 |
| Other accruals and deferred income | 1.714.881 | 1.515.470 |
| | 20.406.592 | 22.457.213 |

By the cooperative Rabobank U.A. is provided in current account a credit of EUR 5.000.000, to CM Group. The debit interest rate is equal to the 1-month Euribor tariff increased by 2,5%. The duration is indefinite.

The accruals are mainly short-term in nature.

## Financial instruments

For the notes to financial instruments reference is made to the specific item by item note. The group's policy in respect of financial risks is included below.

*General*

The main financial risks the group is exposed to are the interest rate risk, the liquidity risk and the credit risk. The group's financial policy is aimed at mitigating the impact of interest rate fluctuations on the result in the short term and to follow the market exchange rates and market interest rates in the long term. The group does not use financial derivatives to control financial risks linked to business operations at control.

*Interest rate risk*

The policy in respect of interest rate risk is aimed at mitigating the interest rate risks originating from the financing of the group and optimizing the net interest expenses at the same time. This policy translates into a desired profile of interest positions including cash.

*Liquidity risk*

Periodically, liquidity budgets are prepared. Liquidity risks are controlled through interim monitoring and possible adjustments. The liquidity budgets take account of restricted availability of cash.

*Credit risk*

The group mitigates the credit risk through credit limits for each financial institution and debtors. We continuously monitor the creditworthiness of debtors and act appropriately on expired invoices. No significant concentrations of credit risk existed as at balance sheet date.

## Contingent assets and liabilities

Annual renting obligations entered into with third parties in respect of property (including service fees) are EUR 786.712 per year. The remaining term of the contracts differs from 3 months to 4,25 year (end dates from 31/3/2017 to 15/5/2021).

The lease obligations (14 lease cars) entered into with third parties in respect of property are EUR 77.539 for 2017 and EUR 186.063 (1-5 years). The remaining term of the contracts differs from 2 months to 3,5 years (end dates from 25/2/2017 to 5/8/2020).

As of 31 December 2016, the legal entities that are part of the group have granted guarantees amounting to EUR 22.000.

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

### 10) Net turnover; segment information

The following is a statement of the net sales generated in the different products:

| | 2016 | 2015 |
|---|---|---|
| | EUR | EUR |
| Bulk SMS | 43.466.646 | 34.240.653 |
| Premium SMS Revenue Share | 13.444.060 | 17.187.798 |
| Premium SMS Third Party Collecting | 5.810.576 | 6.775.835 |
| Premium SMS Subscriptions | 1.799.337 | 1.667.096 |
| Mobile Content Billing | 4.544.823 | 5.419.777 |
| Voice | 2.851.339 | 3.023.494 |
| Apps | 1.097.150 | 54.496 |
| TV Productions | 804.223 | 931.392 |
| Hosting Subscriptions | 360.321 | 194.137 |
| Customer Care | 126.252 | 172.127 |
| Other turnover | 959.499 | 732.834 |
| | 75.264.226 | 70.399.639 |

The following is a statement of the net sales generated in the different geographical areas:

| | 2016 | 2015 |
|---|---|---|
| | EUR | EUR |
| The Netherlands | 46.984.162 | 45.837.781 |
| Belgium | 9.317.666 | 11.812.997 |
| Rest of Europe | 15.259.464 | 9.610.975 |
| Rest of World | 3.702.934 | 3.137.886 |
| | 75.264.226 | 70.399.639 |

### 11) Other Operating income

| | 2016 | 2015 |
|---|---|---|
| | EUR | EUR |
| Other operating income | 42.709 | 34.288 |

Other operating income is the monthly revenue related to the amortisation of the capitalised badwill. In 2012 is the portion of negative goodwill in excess of the fair value of identified non-monetary assets at acquisition of GSM Information Network B.V. booked as “other operating income”.

## 12) Cost of services and other external costs

| | 2016 | 2015 |
|---|---|---|
| | EUR | EUR |
| Bulk SMS | 31.213.684 | 23.633.507 |
| Premium SMS Revenue Share | 12.743.449 | 15.579.860 |
| Premium SMS Third Party Collecting | 4.539.649 | 5.009.008 |
| Premium SMS Subscriptions | 1.417.506 | 1.226.736 |
| Mobile Content Billing | 4.129.993 | 4.832.657 |
| Voice | 2.043.251 | 2.249.591 |
| Apps | 8.902 | 32 |
| TV Productions | 406.475 | 466.513 |
| Customer Care | 17 | 10.372 |
| Other cost of services | 269.015 | 481.018 |
| | 56.771.941 | 53.489.294 |

## 13) Wages, salaries and social security charges

### Wages and salaries

| | 2016 | 2015 |
|---|---|---|
| | EUR | EUR |
| Gross wages | 9.797.331 | 7.334.350 |
| *Mutation holiday pay obligation* | 425.434 | 187.259 |
| | 10.222.765 | 7.521.609 |
| Received sickness benefit | (44.767) | (36.022) |
| Wage cost subsidies | (535.453) | (328.201) |
| Activation hours | (2.564.618) | (1.305.975) |
| | 7.077.927 | 5.851.411 |
| Social security charges | 1.637.501 | 1.386.300 |
| Pension costs | 366.846 | 270.048 |
| | 9.082.274 | 7.507.759 |

CM Group received in financial year 2016 EUR 535.453 (2015: EUR 328.201) for WBSO, this amount is deducted on the wages and salaries.

### Social security charges

| | 2016 | 2015 |
|---|---|---|
| | EUR | EUR |
| Social security charges | 1.618.572 | 1.379.959 |
| Mutation social security holiday pay obligation | 18.929 | 6.341 |
| | 1.637.501 | 1.386.300 |

The average number of employees of the group during the year, converted to full-time equivalents and broken down by entity, was as follows:

| | 2016 | 2015 |
|---|---|---|
| CM Groep B.V. | 39 | 34 |
| CM Technology B.V. | 42 | 25 |
| CM Telecom B.V. | 21 | 20 |
| ClubMessage Benelux B.V. | 1 | 1 |
| CM International B.V. | 10 | 5 |
| CM Online B.V. | 15 | 13 |
| GSM Information Network B.V. | 1 | 3 |
| CM Telecom Belgium N.V. | 19 | 17 |
| M.E.C.E. N.V. | - | - |
| Produline SA | - | - |
| Paratel N.V. | 1 | 4 |
| OneSixty B.V. | 12 | - |
| CM Telecom UK ltd. | 6 | 5 |
| I-Comm Media Services Ltd. | 1 | - |
| CM Telecom France SAS | 5 | 3 |
| CM Telecom Germany GmbH | 4 | 3 |
| CM Payments B.V. | 11 | 2 |
| CM Telecom Hong Kong Ltd. | 2 | - |
| CM Telecom South-Africa Ltd. | 2 | - |
| | 192 | 135 |

During the year there were 40 employees working abroad.

## 14) Amortisation/depreciation of intangible and tangible fixed assets

| | 2016 | 2015 |
|---|---|---|
| | EUR | EUR |
| Intangible fixed assets | 2.573.237 | 2.048.661 |
| Tangible fixed assets | 922.264 | 750.938 |
| | 3.495.501 | 2.799.599 |

## 15) Other operating expenses

| | 2016 | 2015 |
|---|---|---|
| | EUR | EUR |
| Housing costs | 1.102.439 | 860.042 |
| Operating costs | 858.293 | 876.042 |
| Office expenses | 28.233 | 24.439 |
| Car expenses | 184.489 | 210.432 |
| Marketing and sales expenses | 924.790 | 667.592 |
| Other staff costs | 378.425 | 313.517 |
| General costs | 1.084.082 | 890.989 |
| | 4.560.751 | 3.843.053 |

Research and development cost charged against the result for the financial year amounted to EUR 1.887.269 (2015: EUR 1.166.725).

Fees audit firm:

| 2016 | Mazars | Other network | Total network |
|---|---|---|---|
| | EUR | EUR | EUR |
| Audit of the financial statements | 131.556 | 23.182 | 154.738 |

| 2015 | Mazars | Other network | Total network |
|---|---|---|---|
| | EUR | | EUR |
| Audit of the financial statements | 84.250 | 15.332 | 99.582 |

## 16) Financial income and expenses

| | 2016 | 2015 |
|---|---|---|
| | EUR | EUR |
| Other interest income and similar income | 318.201 | 522.079 |
| Interest expenses and similar charges | (525.091) | (623.256) |
| | (206.890) | (101.177) |

## 17) Taxation on result of ordinary activities

The corporate income tax has been calculated as follows:

| | |
|---|---|
| | EUR |
| 60,93% of the net result before taxes ad EUR 1.189.578 | 724.823 |
| Adjustments prior years | (56.501) |
| | 668.322 |
| Movement deferred tax liabilities / receivables | (327.262) |
| Movement deferred tax receivables prior years | (271.082) |
| Taxation according to the profit and loss account | 69.978 |

The effective tax rate is 5,88% and can be broken down as follows:

| | EUR |
|---|---|
| Profit before taxation | 1.189.578 |
| Income tax expense at statutory tax rate (25%) | 297.395 |
| Adjustments to arrive at effective income tax rate: | |
| Rate differential (local rates versus the statutory rate of the Netherlands) | 123.111 |
| Rate differential for deferred tax assets foreign entities | (32.919) |
| Deferred tax assets foreign entities prior years | (271.082) |
| Fiscal lower depreciation/amortisation | 129.371 |
| (Non-)deductible costs | 14.951 |
| Adjustments prior year (CM Telecom Belgium N.V.) | (56.501) |
| Innovation box 2016 | (129.053) |
| Movement deferred tax liabilities/receivables | (7.172) |
| Other | 1.877 |
| | 69.978 |

MAZARS

# INDEPENDENT AUDITOR'S REPORT

To the management and shareholders of CM Groep B.V.

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS 2016 INCLUDED IN THE ANNUAL ACCOUNTS

### *OUR OPINION*

We have audited the financial statements 2016 of CM Groep B.V., based in Breda. The financial statements include the consolidated financial statements and the company-only financial statements.

In our opinion the accompanying consolidated and company-only financial statements give a true and fair view of the financial position of CM Groep B.V. as at 31 December 2016, and of its result and its cash flows for 2016 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

1. the consolidated and company-only statement of financial position as at31 December 2016;
1. the consolidated and company-only profit and loss account for 2016; and
2. 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 Groep B.V. in accordance with 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.

MAZARS

## 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 contains other information that consists of:

- the management (director) board's report;
- other information as required by Part 9 of Book 2 of the Dutch Civil Code.

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 other information as required by Part 9 of Book 2 of the Dutch Civil Code.

## DESCRIPTION OF RESPONSIBILITIES REGARDING THE FINANCIAL STATEMENTS

### *RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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.

### *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 e.g.:

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

- the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 communicate with the management 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 identify during our audit.

Breda, May, 16th, 2017

MAZARS PAARDEKOOPER HOFFMAN ACCOUNTANTS N.V.

Signed on the original: W.J.W. VAN EGERAAT RA

**COMPANY**

**CM.com**
Konijnenberg 30
4825 BD Breda
The Netherlands

**SELLING SHAREHOLDERS**

**ClubCompany1 B.V.**
Konijnenberg 30
4825 BD Breda
The Netherlands

**ClubCompany2 B.V.**
Konijnenberg 30
4825 BD Breda
The Netherlands

**LEGAL ADVISORS TO THE COMPANY AND THE SELLING SHARHOLDERS**

*As to Dutch law*
**De Brauw Blackstone Westbroek N.V.**
Claude Debussylaan 80
1082 MD Amsterdam
The Netherlands

*As to US law*
**Davis Polk & Wardwell London LLP**
5 Aldermanbury Square
London EC2V 7HR
United Kingdom

**JOINT GLOBAL COORDINATORS AND JOINT BOOKRUNNERS**

**ABN AMRO Bank N.V.**
Gustav Mahlerlaan 10
1082 PP Amsterdam
The Netherlands

**Jefferies International Limited**
World Trade Center, Tower H, 8th floor
Zuidplein 36
1077 XV Amsterdam
The Netherlands

**JOINT BOOKRUNNER**

**Coöperatieve Rabobank U.A.**
Croeselaan 18
3521 CB Utrecht
The Netherlands

**CO-LEAD MANAGER**

**NIBC Bank N.V.**
Carnegieplein 4
2517 KJ Den Haag
The Netherlands

**LEGAL ADVISORS TO THE UNDERWRITERS**

*As to Dutch law*
**Clifford Chance LLP**
Droogbak 1A
1013 GE Amsterdam
The Netherlands

*As to US law*
**Clifford Chance Europe LLP**
1, Rue d'Astorg
75008 Paris
France

**INDEPENDENT AUDITORS**

**Mazars Accountants N.V.**
Rivium Promenade 200
2909 LM Capelle aan den IJssel
The Netherlands

**LISTING AND PAYING AGENT**

**ABN AMRO Bank N.V.**
Gustav Mahlerlaan 10
1082 PP Amsterdam
The Netherlands