

Making Every Conversation Count.

Annual Report 2022



CM.com at a glance

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

Our technology is designed to enhance people's lives – to better connect people with each other and to the services and goods they want. In 2022, our technology continued to benefit society in many ways: from supporting government and health agencies across Europe, enabling businesses to secure signed contracts remotely, to helping event organizers to deliver great events with an outstanding customer experience and beyond.

We remain focused on developing innovative technology solutions that help our customers to improve on the road ahead.

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Making every conversation count

Making every conversation count: it's in everything we do. This promise is rooted in our mission to make life easier, safer, and more beautiful for everyone. Our broad product portfolio enables us to lead the way in improving conversations between consumers and businesses. We aim to engage in a positive conversation with stakeholders, both inside and outside CM.com. To preserve our entrepreneurial spirit and to make all our colleagues feel valued.

In 2022, we continued to focus on integrating environmental, social and governance (ESG) principles into our overall strategy. This applies to our products, services, our role in society and our responsibility toward the environment. As a result, ESG is a key pillar of our strategy. Furthermore, we supported the events industry to restart its activities following the COVID-19 pandemic. We also helped governments, health agencies and charities, and we empowered businesses across all sectors to start the conversation with the people that matter to them. Looking ahead, we will continue to bring new innovations to the market so we can enrich conversations and ensure that people get the help, support, and experiences they need.

All integrations

How Domino's Pizza uses Whatsapp for recruitment

[Read the interview on page 32](#)



Leisure

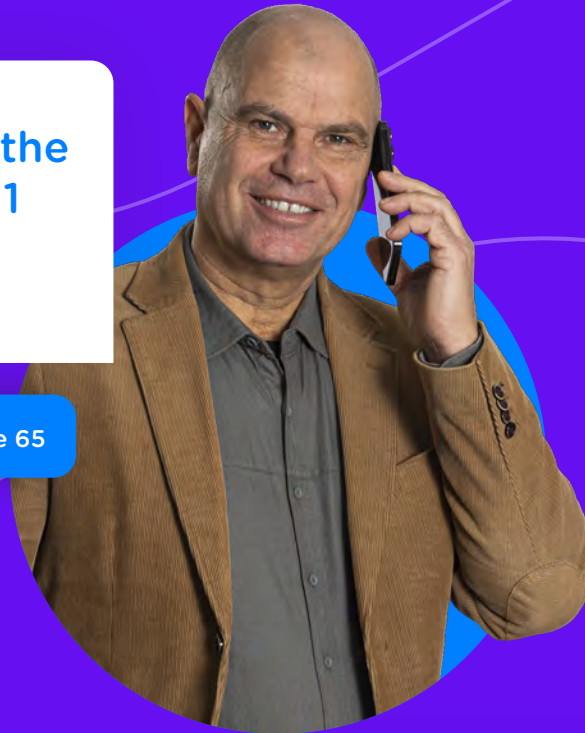
The 'wow factor' of personalized ticketing

[Read the interview on page 53](#)



Key ingredients

Personalization at the Heineken Formula 1 Dutch Grand Prix and beyond



[Read the interview on page 65](#)



Payments

Empowering citizens with reliable payments

[Read the interview on page 96](#)

Risk & Compliance

Energizing Risk & Compliance with our entrepreneurial spirit



[Read the interview on page 99](#)

CEO message

Building on our achievements; continuing to look ahead

This year, the world has changed in ways that none of us could have foreseen. With the Covid pandemic appearing to draw closer to an end, many of us expected a return to normality. Instead, 2022 brought the invasion of Ukraine, rising energy prices, and inflation rates at levels not seen for decades.

However, thanks to the strength and diversity of our business in terms of its products, clients, and markets, CM.com has nonetheless been able to execute on its growth plan for the year.

We focused on growing the strength of our technology and integrating the recent acquisitions, financed by the listing and capital rounds in 2020 and 2021. That way we have been able to speed up the growth of our firm. As a result, this year we can report another significant growth in revenue of 19%.

Creating new ways to connect with consumers

CM.com was born from a desire to enable better connections through technology. We create technological solutions that enable seamless and intuitive digital communication, in many different forms, between consumers and businesses. We aim to help businesses get to know and truly understand their customers through our technology.

We are always driven by our desire to keep improving our business. Technological innovation plays a key role in our constant improvement, as we seize new opportunities to help our clients speed up and deepen their connections with consumers. One great example is our ongoing work with artificial intelligence. I would like to take this opportunity to thank all our business and technology partners for the part they have played in our continuing development.



A new era of stability for our growing business

The end of 2022 saw the natural conclusion of our three-year accelerated growth strategy, which we embarked on following CM.com being listed in February 2020 and our bond issue in September 2021. Thanks to this capital, we are now three times bigger than we were in 2020 – in employees, clients, and revenue. We now expect to enter a new era as a profitable company once again, with a stable team working on our excellent ever-evolving products.

We have overcome the challenges of a significant scaling-up period in terms of headcount. Now, we want to keep expanding our product lines and their capabilities with the strong team we have built, reaching new standards of efficiency and efficacy. I would like to thank all our employees for coming with us on this journey, and I look forward to what we can achieve together in the future.

Product improvements, increased presence in payments market, and continued expansion

This year, we have worked hard to improve our product offering for our clients. We have improved the integration of our products to enable our clients to use them together more easily. As a result of significant co-operation between different teams across the business, we have also added voice calling to both Mobile Service Cloud and Mobile Marketing Cloud.

We have also seen significant growth in our payments business this year, and have been proud to provide payments services to high-profile clients including the Dutch government and the Dutch Grand Prix.

Our successful strategy of growth through M&A continued with our biggest acquisition ever, buying consumer AI technology company Building Blocks for € 11m. As we embark on our journey together, I would like to thank the management and employees of Building Blocks, and all the companies we have acquired in recent years, for their continued co-operation.

This year, we opened the doors of our first office in South America, in Brazil's commercial capital of São Paulo. This project, combined with the organic growth of the business, saw the size of CM.com increase from 811 employees at the end of 2021 to 991 employees at the end of 2022.

“We are always driven by the desire to keep improving our business, and our people's entrepreneurial spirit will enable us to seize the exciting opportunities for growth we see ahead.”

Making every conversation count

At CM.com we believe that there are still many exciting opportunities for future growth ahead of us, despite today's difficult geopolitical macroeconomic environment. The essence of our philosophy remains the same as it always has: mobile phones are the remote controls of life. Using mobile phones to communicate with family and friends now works exceptionally well, but there is still plenty of scope for communication between businesses and consumers to improve. We believe that a business's ability to make every customer conversation count – understanding where their customers are and how to interact with them effectively – will determine its success in the years to come.

CM.com is expert in providing this technology and is well-placed to enable its clients to make the most of new technological developments, such as the use of artificial intelligence in conversational commerce.

Celebrating and supporting our culture

In every corner of our company, our people have an entrepreneurial spirit – they want to try things out and learn. We support this and encourage professional and personal growth through our CM.com Talent Development Program, CM.com Academy and CM.com Masterclasses. We also invest in bringing young talent into the organization through internships, and are subsequently able to offer many of these young people full-time jobs at CM.com. We understand that our future growth and strength will come from our people.

Following a period of rapid expansion, we spent time consolidating our company culture in 2022. We have welcomed many new colleagues over the last few years, but we have not always been able to gather together because of travel restrictions. So, this year we encouraged our people to meet new and existing colleagues to talk in person about our business, while naturally being mindful of the environmental impact of traveling.

Environmental, social and governance (ESG)

ESG is one of the key pillars of our business strategy. This year, following our appointment of an ESG manager in 2021, we have worked to embed ESG into the strategy and structure of our organization. We remain committed to the UN's Sustainable Development Goals, as well as our roadmap to futureproofing CM.com in ESG by 2025. Reaching this target will mean that CM.com's strategy is aligned with the circular economy, and CM.com will be a frontrunner in driving and delivering ESG standards in global conversational commerce.

Stepping forward to tackle challenges and opportunities

While acknowledging our uncertain economic and political future, we can also look back at the great steps forward we have taken as a business over the past few years. I believe that we are ready to tackle the challenges and opportunities to come, in 2023 and beyond. We will continue to deliver a great return on investment for all those involved in CM.com, and I would like to thank our investors and all our stakeholders for their continued, highly valued support.

Jeroen van Glabbeek
CEO CM.com

Mission and vision

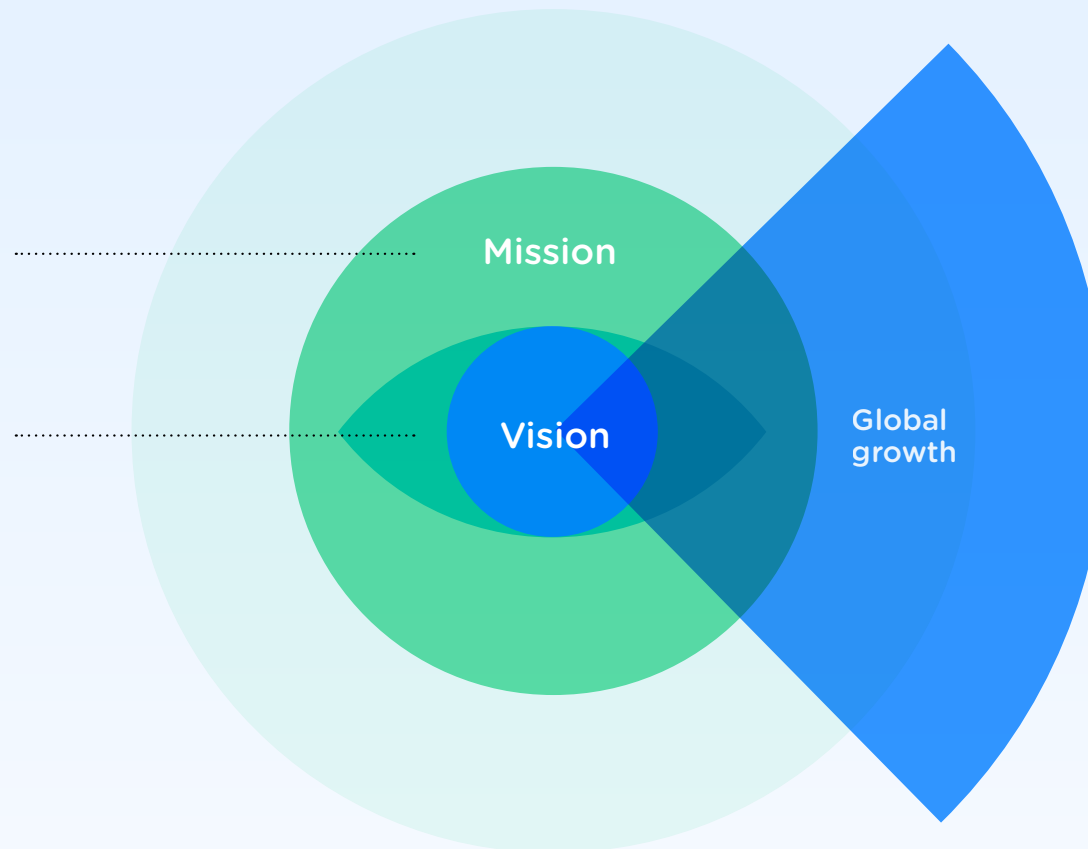
Making life easier, safer, and more beautiful

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

Mobile phone as the remote control of our lives

Vision We strive to continuously improve the way consumers engage with businesses. With your mobile phone as the remote control of our lives, CM.com is shaping the future of conversational commerce.

By focusing on starting the right conversation, CM.com meets consumers and companies' demand to engage with each other via the channel they prefer.



Profile

CM.com is a listed company (Euronext Amsterdam: CMCOM) and provides conversational commerce services from its cloud platform that connects enterprises and brands to the mobile phones of billions of consumers worldwide. Conversational commerce is the convergence of messaging and payments.

CM.com provides messaging and voice channels, such as SMS, Over The Top (OTT) (e.g. WhatsApp Business, Apple Business Chat, Google RCS, Facebook Messenger, and Viber), Voice API and SIP. These messaging channels can be combined with cloud platform features, such as Ticketing, eSignature, Customer Contact, Identity Services and a Customer Data Platform. With the use of AI, CM.com aspires to let businesses use personalization at scale throughout their whole customer journey.

CM.com is a licensed Payment Service Provider (PSP) offering card payments, domestic payment methods and integrated payment methods including WeChat Pay. CM.com has around 1,000 employees and offices in 21 countries globally. CM.com's platform delivers fully integrated solutions, based on a privately owned cloud and 100% in-house developed software. By doing so, CM.com can guarantee scalability, time-to-market, and global redundancy and delivery.

Key takeaways

- One of the fastest-growing listed CPaaS companies
- Mobile first no/low code platform
- Only CPaaS company with an EU PSP license
- Integrated software solutions, communications and payments platform

Key facts



Founded in 1999	Employees 991	Offices globally 21 countries	Extensive telecom network	Licensed payment service provider
Revenue growth 19%	Gross profit growth 15%	Total 2022 revenue € 283.2m	Annual recurring revenue (ARR)¹ € 29.3m	Limited churn 4%²

¹ ARR represents the annual recurring revenue streams at the end of the period.

² Represents the ratio of revenue from CPaaS customers that generated more than € 10,000 in revenue in the preceding year, but generated less than € 10,000 in the actual year or were no longer customers in the actual year compared to total revenue in the previous year.

Key figures 2022

Total revenue

€ 283.2 **+19%**

(in million)

2021: € 237.0

Gross profit

€ 72.0 **+15%**

(in million)

2021: € 62.7

Number of messages

7.2 **+24%**

(in billion)

2021: 5.8

Number of voice minutes

455 **-34%**

(in million)

2021: 689

Total online payments processed

€ 1,983 **+81%**

(in million)

2021: € 1,096

Number of tickets

14.6 **+59%**

(in million)

2021: 9.2

Key figures 2022

x € million	2022	2021	Δ
Revenue	283.2	237.0	+19%
Gross profit	72.0	62.7	+15%
Gross margin	25.4%	26.4%	-1%
Operating expenses (excluding one-off)	(94.3)	(66.3)	+42%
Normalized EBITDA ¹	(22.3)	(3.7)	
One-off	(4.2)	-	
EBITDA reported	(26.5)	(3.7)	
Net result	(44.7)	(17.5)	
CAPEX ²	(26.7)	(19.0)	

¹ Reference is made to the five-year financial overview on the following page which includes the EBITDA calculation.

² CAPEX includes lease contracts for hard- and software.

KPIs

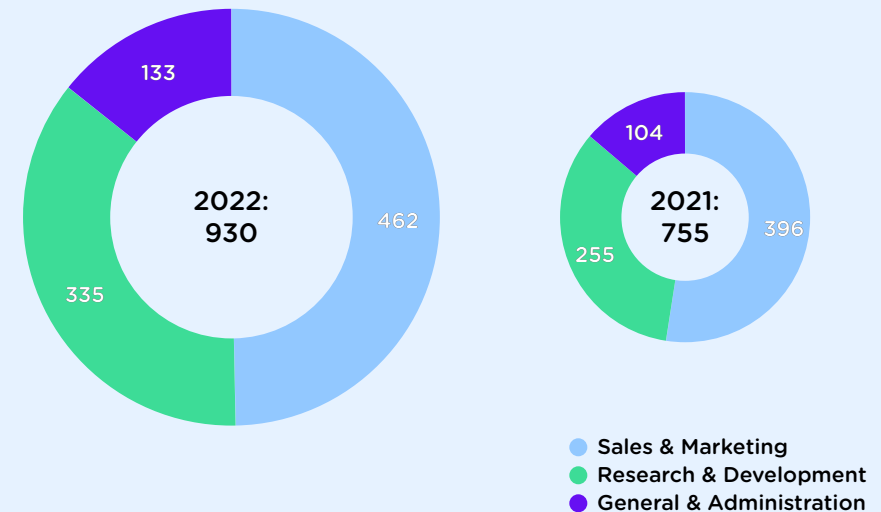
x € million	2022	2021	Δ
CPaaS net dollar retention ¹ rate (%) ¹	100%	134%	-
CPaaS company churn rate (%) ²	4%	3%	-
Number of messages (billions)	7.2	5.8	+24%
Number of voice minutes (millions)	455	689	-34%
Annual recurring revenue (ARR) (€ millions) ³	29.3	22.7	+29%
Total payments processed (€ millions)	1,983	1,096	+81%
Number of tickets (millions)	14.6	9.2	+59%

¹ Represents the ratio of the revenue of CPaaS customers in comparable 12 months between the actual and preceding year for customers that generated more than € 10,000 in revenue in the actual year.

² Represents the ratio of revenue of CPaaS customers that generated more than € 10,000 in revenue in the preceding year, but that generated less than € 10,000 in the actual year or were no longer customer in the actual year, to total revenue in the previous year.

³ ARR represents the annual recurring revenue streams at the end of the period.

Number of FTEs



Five-year financial overview

x € million	2022	2021	2020	2019	2018
Total revenue	283.2	237.0	141.6	96.3	84.6
CPaaS	236.3	204.2	124.2	85.8	75.2
SaaS	25.4	17.3	9.0	3.5	3.0
Payments	13.4	11.6	6.4	5.5	5.8
Ticketing	8.1	3.9	2.0	1.5	0.6
Gross profit	72.0	62.7	33.3	24.1	24.9
CPaaS	34.7	36.9	20.4	16.7	18.2
SaaS	22.3	15.0	7.9	3.2	2.7
Payments	7.4	7.2	3.4	2.8	3.4
Ticketing	7.6	3.6	1.6	1.4	0.6
Gross margin	25%	26%	24%	25%	29%
CPaaS	15%	18%	16%	19%	24%
SaaS	88%	87%	88%	93%	92%
Payments	55%	62%	53%	51%	59%
Ticketing	93%	92%	80%	90%	90%
Operating expenses	(98.5)	(66.3)	(34.8)	(20.2)	(20.7)
Employee benefit expenses	(55.2)	(40.7)	(23.0)	(13.2)	(14.2)
Other operating expenses	(43.3)	(25.6)	(11.8)	(6.9)	(6.5)
EBITDA	(26.5)	(3.7)	(1.5)	3.9	4.2
Legal merger/one-off bad debt expenses	(4.2)	-	(1.7)	(1.5)	-
Normalized EBITDA	(22.3)	(3.7)	0.2	5.4	4.2
Depreciation and amortization	(18.1)	(15.6)	(8.0)	(5.1)	(3.5)
Financing result	(0.2)	(2.1)	(3.5)	(0.8)	(0.5)
Tax	0.2	3.9	-	0.1	(0.1)
Result participations	(0.1)	-	-	-	-

Highlights 2022

CM.com arrives in Brazil to boost the way brands interact with their customers

CM.com Brazil is based in São Paulo and bring its expertise to Brazilian brands, allowing them to interact with their consumers through multiple messaging channels and provide a better customer experience.

FEBRUARY

CM.com completes acquisition of Building Blocks

Building Blocks combines Artificial Intelligence software and services, empowering its customers to build more relevant and personalized interactions across the customer journey, enhancing the customer experience and boosting business results.

MARCH



MAY

Milestone of 1,000 Employees

in May 2022 we reached the milestone of a 1,000 employees at CM.com worldwide.

AUGUST

Juniper recognizes CM.com as leader in CCaaS market

Juniper Research ranks CM.com as a leader in the Contact Center-as-a-Service (CCaaS) market. An award we are very proud of.

SEPTEMBER

Successful Heineken Formula 1 Dutch Grand Prix

In September we successfully partnered with the Dutch Grand Prix to create the ultimate fan experience before, during and after the race.



OCTOBER

CM.com launches Voice in Mobile Service Cloud

In October 2022 we launched Voice as a channel in Mobile Service Cloud, to connect customers and companies via phone, and any messaging channel. Voice in Mobile Service Cloud, CM.com's CCaaS solution, is simple to set up and easy to use. The first in the market!

Q4

Milestone of 2 billion messages per quarter

CPaaS messaging volumes grew to 2 billion in Q4 2022, which was the highest level ever, mostly driven by SMS traffic and a marginal uplift in Voice minutes compared to previous quarters.

Shareholder value creation

Investor Relations

At CM.com, our Investor Relations team contributes to making every conversation count by communicating accurate and transparent financial information between our company's management, analysts, shareholders, and investor communities globally. We believe that continuous engagement with all capital markets actors sets a precedent of attracting capital at any time at which our management sees fit.

Throughout 2022, CM.com participated in various virtual conferences and organized virtual roadshows. This not only increased our visibility in capital markets but also strengthened our readiness to facilitate conversations with active and potential shareholders alike. In addition to these events, we hosted an investor deep-dive virtual call, in which management shared the company's achievements since becoming a listed company and the in-depth roadmap toward reaching key financial targets. Due to the ongoing COVID-19 pandemic, most of our investor meetings in 2022 took place virtually via various communications channels. As the pandemic tempered, in-person meetings and conferences resumed toward the end of the year.

By providing accurate and timely accounts of price-relevant information to shareholders, investors, analysts and other stakeholders, all parties remain well-informed in making investment decisions. CM.com is committed to the regular and simultaneous publication of all financial information and strategic initiatives via annual reports, interim reports, press releases and our company website.

Our financial year runs between 1 January and 31 December. CM.com provides unaudited annual and semi-annual results with fully audited figures in the annual report. Since listing, for the first and third quarters of any given year, CM.com provides trading updates covering key financial figures and performance indicators.

CM.com has an Investor Relations page on [our website](#) where, among other information, our financial calendar, annual reports, press releases, presentations, webcasts, and shareholder information is readily available to the public. Investor Relations is the primary point of contact for all potential and current shareholders, bondholders, analysts, and other stakeholders.

CM.com aims to always act with integrity and in compliance with all applicable laws, regulations, and best practices. To ensure compliance and transparency, the 'Bilateral Contact Policy' was adopted and is reviewed annually to remain current. This policy can be found published on [our website](#).

Silent periods

Ahead of the release of financial results, CM.com adheres to a 'silent-period procedure'. During these silent periods, CM.com does not engage in any virtual or in-person meetings with analysts or shareholders, whether current or potential. The silent period for annual and semi-annual results is 30 days before publication. For the first- and third-quarter trading updates, the silent period consists of seven working days before publication.

Capital structure

September 2022 marked one year since the company's successful raising of € 100 million through a senior unsecured convertible bond placement with a maturity in 2026. The bonds carry an annual coupon of 2.0% and have an initial conversion price of € 53.30 per share. The convertible bonds are listed on the Open Market (Freiverkehr) of the Frankfurt Stock Exchange. Aside from the convertible bonds and equity, CM.com has no other debt instruments outstanding. CM.com shares are listed at Euronext Amsterdam under the ticker 'CMCOM'.

Equity and voting rights

CM.com has one type of share, which is an ordinary share. Each share has equal weight and voting rights, where one share equals one voting right.

Number of shares outstanding

3 January 2022	28,840,098	
5 January 2022	28,847,248	Issuance of shares for the earn-out related to the acquisition of CX Company
3 February 2022	28,911,681	Issuance of shares for the earn-out related to the acquisition of ROBIN Software
21 February 2022	28,924,518	Issuance of shares in relation to an employee share program
18 March 2022	28,934,518	Issuance of shares in relation to an employee share program
30 December 2022	28,934,518	

Indicative free float

CM.com is a founder-led company, with the two founders jointly owning 52% of the shares. Currently, CM.com's free float is approximately 48%. CM.com strives to grow our shareholder base internationally to align with our global footprint and strategy. We aim to increase the share of institutional investors while also further increasing our visibility in global capital markets and liquidity in CM.com stocks.

Major shareholders

As per articles 5:34, 5:35, and 5:43 of the Financial Supervision Act and the Act on the Disclosure of Major Holdings in Listed Companies (WMZ), the following parties are known to CM.com as shareholders with an interest of 3% or more of the share capital of CM.com on 30 December 2022:

	Shareholding as published by the AFM	Date of last notification at the AFM
Jeroen van Glabbeek	25.90%	6 September 2021
Gilbert Gooijers	25.90%	6 September 2021
Teslin Participaties Coöperatief U.A.	6.09%	21 February 2020
De Engh B.V.	3.80%	16 June 2022
J.N.A. Van Calderborgh	3.09%	16 March 2021

Management and Supervisory Board shareholdings

The Management Board members have the following shareholdings in the company:

- Jeroen van Glabbeek (CEO and Co-founder of CM.com): 7,493,749 shares
- Gilbert Gooijers (COO and Co-founder of CM.com): 7,493,749 shares
- Jörg de Graaf (CFO): 7,000 shares

Supervisory Board member Stephan Nanninga indirectly owns 105,679 shares of CM.com via his 25% ownership of Lindespac B.V. These shares are mainly a result of the fact that he was already the shareholder of Dutch Star Companies ONE N.V. Other members of the Supervisory Board do not own CM.com shares.

Share price information

Opening price on 3 January 2022	€ 27.95
Lowest closing price	€ 9.865
Highest closing price	€ 28.75
Closing price on 30 December 2022	€ 11.36
Market capitalization at opening on 3 January 2022	€ 806 million
Market capitalization at close on 30 December 2022	€ 329 million
Average daily trading volume	€ 1,251,001
Daily volume - highest	€ 12,509,110
Daily volume - lowest	€ 176,837

ISIN Code: NL0012747059

Reuters: CMCOM.AS

Bloomberg: CMCOM:NA

CM.com is included in the Euronext Amsterdam AScX and the MSCI Global Small Cap Indexes

Share price development



Research coverage

Currently, ABN AMRO, Jefferies, and Kepler Cheuvreux analysts actively cover the CM.com share. Although analyst reports and valuations contain the independent views of analysts and not ours, they are of great importance to us. These reports help (institutional) investors make well-informed investment decisions.

The following analysts cover CM.com as of the date of this annual report:

Institution	Analyst
ABN AMRO - ODDO BHF	Wim Gille
Jefferies	Charles Brennan and Alex Nguyen
Kepler Cheuvreux	Daan Arends

As of 30 September 2022, Van Lanschot Kempen ceased research coverage of CM.com due to the departure of an analyst.

Dividend policy

CM.com intends to retain any future distributable profits to expand the growth and development of the company's business and, therefore, does not anticipate paying any dividends to shareholders in the foreseeable future. CM.com's dividend policy can also be found on [our website](#).

2023 financial calendar

19 April	Q1 trading update
26 April	Annual General Meeting
25 July	H1 interim results
26 October	Q3 trading update



Management Board Report

Every conversation counts

Glauca, tell us

how does your Brazilian background bring a fresh perspective to CM.com?

My creativity, flexibility, and cultural understanding help CM.com navigate the local market more effectively, so we can establish a strong presence and build successful partnerships. By combining our local knowledge and expertise with CM.com's resources and capabilities, we can drive growth in the Brazilian market.

And how do you like your brand-new office?

The new Brazilian office has a great view and an awesome atmosphere that makes it perfect for connecting with colleagues. The building is in a co-working space in an amazing area, with cool spaces to take meetings or calls.

Glauca Hora
Senior Digital Marketing Manager, Brazil





Meet Gilbert Gooijers, COO, CM.com

“In 2022, we again placed a large amount of attention on our people: supporting them, equipping them, and empowering them to make sure that – internally and externally – every conversation counts.”

Shaping a culture where every conversation counts

The story of CM.com started back in 1999, with a single text message that I sent to Jeroen van Glabbeek (CEO): “Will you join me at Highstreet?”. Since then, our company has grown and developed more than we could have ever imagined. Today, CM.com has around 1,000 employees, offices in over 21 countries, and a listing on Euronext Amsterdam. I truly believe that the core values and culture of our company remain unchanged.

As in 1999, CM.com is driven by the desire to make life easier, safer, and more beautiful. We don't see high-quality mobile technology as a goal, but as a means of driving our common objective: enabling our customers to be a part of people's lives. Throughout our history, we've valued entrepreneurship, agility, and the drive to have a positive impact – and today I continue to see our cultural values represented by all colleagues.

Fostering and maintaining our entrepreneurial spirit

To a large extent, the CM.com of today continues to operate as an innovative start-up. Across our organization, our people are encouraged and empowered to think for themselves, take ownership, explore new possibilities and opportunities, and – within key parameters – take risks. This approach brings speed and drives creativity. Naturally, mistakes happen in such a set-up. And when they happen, we embrace these mistakes, and share the learnings as appropriate.

During the year, as in the past few years, we expanded our team considerably, reaching our 1,000-employee milestone in May. While we recognize that an organization's culture can never be imposed from above, we also believe it's important to foster an aligned culture and vision across our company. So, in 2022,

we spent considerable time and effort supporting our colleagues – old and new – to learn more about and embrace our CM.com identity and way of doing things.

Specifically, we grew our number of HR business partners, improved our onboarding processes, enhanced our internal communication – for example by introducing quarterly meetings for business units – and installed our Works Council in the Netherlands. And, with large parts of the world beginning to open up after the pandemic, we placed more emphasis on face-to-face, real-life conversations and interactions between colleagues.

Indeed, it was a great pleasure to meet up again in person with colleagues around the world during my visits to many of our locations in 2022. These visits are always a reminder of how lucky I am to work with so many talented and diverse colleagues, all with distinct perspectives and valuable contributions. At CM.com, we're lucky to have four generations on our workforce – Baby Boomers, Generation X, Millennials, and Generation Z – and each generation brings something different and special to our company.

Ensuring strong knowledge transfer across teams

With CM.com continuing to expand – with more employees, revenue, and clients in 2022 than ever before – it's inevitable that more processes are required to be put in place. A key part of my role as Chief Operating Officer is to ensure that these processes are the right processes. Sometimes that means we have to stop doing some things and start doing others. But I don't believe in the idea of “process for the sake of process,” and I'm keen that we can continue to collaborate and work together effectively without too many layers of internal complexity or bureaucracy.

Transferring knowledge across our organization is fundamental to this. In 2022, as in other years, we applied significant efforts to ensure that our different business units talk to and understand each other and share best practices as needed. For example, we will apply similar development processes in Payments and in

What was your favorite moment of 2022?

Successfully processing the payments of the Heineken Formula 1 Dutch Grand Prix through more than 750 points of sale was super cool. Our people put in a lot of hard work over a long period of time, and it was fantastic to see it all pay off!

What do you enjoy the most about your job?

The freedom to try new things with talented colleagues gives me a lot of energy. We don't dwell too much on the past: we treat every day as a new adventure, with the same "day-one" spirit as when we started.

What are your hopes for 2023?

I'm looking forward to seeing CM.com make the year count – including by returning to profitability – and capitalizing on the opportunities we've been steadily creating over the past years. I'm sure 2023 will be our year!

Gilbert Gooijers (Dutch, 1979) COO

In 1999, Gilbert Gooijers founded and launched CM.com (at the time still known as ClubMessage) together with Jeroen van Glabbeek. Gilbert Gooijers obtained a degree in Technology Management from the University of Technology in Eindhoven (1997-2002). He also followed Nyenrode Business University's Advanced Management Program, completed in 2009.



Ticketing, to ensure we're operating in an optimized way in this discipline. We aim to put customers at the heart of all our efforts across CM.com, and cross-company collaboration comes as a natural consequence of this ambition – in short, our teams share a mutual investment in providing the best possible service.

Nevertheless, moving forward, we will look to step up the effectiveness of our collaboration by improving our internal communication efforts. We already have CEO updates, internal narrowcasting, a wide range of training and development activities, and a company news feed, but we will enlarge these channels to strengthen our "internal synapses," by having more in-person internal conventions and meet-ups. There is a vast amount of knowledge across our organization, so it's vital we continue to make every effort to make this knowledge accessible to all our people.

A bright future ahead in 2023 and beyond

It's because of all our people – and what drives them as part of our collective culture – that I'm confident about what's to come. The focus for 2023 will be largely about consolidating our growth, further upskilling our people, and ensuring that we continue to create a workplace where people can give the best of themselves. In the past two or three years, we've done a lot of "building work" – putting down the foundations for our future success – and now it's time to execute by seizing the opportunities ahead. More than ever, we will make sure that every conversation counts.

Strategy

Making every conversation count through excellence in experience

CM.com is one of the fastest organic growing listed communications platform as a service (CPaaS) organizations in the world. In a world that is developing into an ever more technology-driven society, controlled by humans, we have focused on the use of mobile applications and adding value with integrated and innovative software solutions through our communications and payments platform. This is designed to make life easier, safer, and more connected for our customers around the world.

More businesses globally are choosing CM.com as their partner to enhance and enrich their own customer interactions through the multi-functional and omnichannel CM.com platform. Here we offer the unique opportunity for companies to create and customize software applications to add value for their customers.

Like many businesses, in 2022, we operated in a challenging external environment, because of geopolitical and macroeconomic events, including the invasion of Ukraine, and rising interest rates, inflation and energy prices. Accordingly, while we continued to expand our product portfolio through M&A in 2022, we chose to transition toward our path to profitability – which we are determined to achieve on EBITDA level by the end of 2023 – by leveraging our acquisitions and streamlining our existing business. In 2022, we made 300 new hires, but we also focused on further strengthening the effectiveness and efficiency of our current employee base, through our training and development initiatives and beyond.

As part of our strategy, over the course of the year, we also actively addressed some internal opportunities to optimize our growth. These included sharpening our employee value proposition, finetuning our brand identity, doubling down on our efforts to drive female leadership, and improving our onboarding processes.

In addition, in 2022, we continued to focus on further integrating environmental, social and governance (ESG) developments into our overall strategy, in line with our ambition to also deeply embed our corporate values and strategic planning. Our ESG efforts, corporate values and strategic planning are detailed further in the ESG section of this chapter. For instance, we strived to increase the number of women in leadership roles at CM.com. We invested a lot in procuring and implementing support tooling to facilitate efficiency improvements in a continuously growing business.

Our efforts during a year of significant external challenges have been rewarded, as we have once again been given industry recognition and credibility through prestigious awards in 2022. This has cemented CM.com as a trusted and dynamic global conversational commerce player.

Our mobile-first focus

At CM.com, we see the mobile device as the remote control of people's lives. It is the go-to tool with which people plan and orchestrate almost every aspect of their lives and where they feel more confident connecting with businesses, accessing services and making purchases.

Reliance on our mobiles has grown enormously throughout the whole COVID-19 period. It has significantly changed the way that businesses and customers interact. The barriers to digital engagement have been permanently broken down and businesses have started to embrace this new normal.

Opportunities for continued growth

Around the world, we have a strong reputation as an innovative and reliable software partner for our client base worldwide. Prominent international institutes like Juniper, IDC and 451 Research highlighted that we are considered an “established leader” in our industry. Our strategy to achieve this has been focused on value creation through organic growth by developing our own integrated technology solutions, rather than acquiring and growing by volume.

There are significant opportunities for the future growth of CM.com. It is estimated by Gartner that by 2025, 95% of global enterprises will leverage API-enabled conversational commerce offerings as a strategic IT skill set to enhance their digital competitiveness, up from 20% in 2020. This underlines the growth potential in our unique domain.

We focus our growth initiatives in specific sectors and the preparedness within those sectors to adopt and implement advanced customer engagement strategies. CM.com tailors its product offering to those markets it can provide the right tooling for those strategies under any circumstances. Gartner estimates that 40% of a list of researched companies plan to scale up digital customer capabilities using CPaaS tools by 2025.

Our business model: Seamless experiences

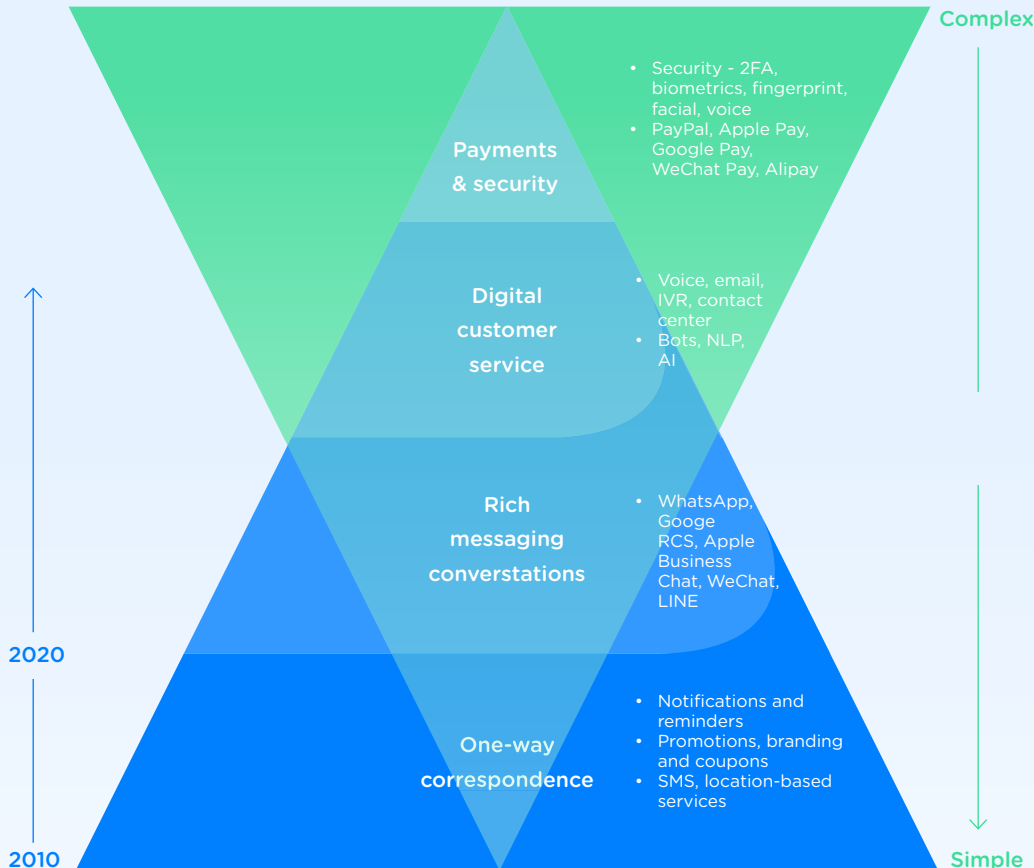
The shift in conversational commerce accelerated during the COVID-19 pandemic and the growth opportunities globally have boosted and guided our future business strategy over the last year.

Our technology offers the opportunity for businesses to better connect and interact with their customers in deeper and more meaningful ways, through their preferred channels. This could, for example, be via Instagram, via a chatbot or via mobile messaging. We want to enable our customers to offer complete convenience to their end users. End users can then access information and buy goods in a seamless way.

We have been adding new layers of functionality to our platform through our own in-house innovation and through the acquisition of specialist software organizations. We have forged new partnerships globally and locally to increase our sales reach geographically. This readies us to meet the future needs of our customers worldwide and to continue to lead and shape conversational commerce technology through our unique end-to-end offering.

An evolutionary model

Complexity of engagements



Evolution of conversational engagements

Evolution of conversational commerce

Conversational commerce will continue to evolve rapidly over the coming years, triggered by the COVID-19 pandemic as well as the penetration and proliferation of mobile device usage. The market is moving fast from the simple one-way interactions of the past to a richer form of customer engagement, enabled by technological innovation.

New communication channels like Instagram, WhatsApp and Telegram provide customers with an omnichannel experience. At the heart of our conversational commerce suite is an intelligent “brain” that learns from data from our Customer Data Platform (CDP). This allows organizations to deliver personalized engagement and provide contact center employees with the right information at the right time to deliver the best seamless experiences to consumers.

This is what we are offering our customers so that they can complete their customer interaction with a safe, secure and convenience-based purchase. This is the evolution of conversational commerce in its most rich and effective form, on which we at CM.com are wholly focused. Through our strategy of developing our own in-house innovation combined with M&A, we are seeing the benefits of offering our customers a fully integrated suite of conversational commerce capabilities and in doing so helping them to achieve their own commercial goals.

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

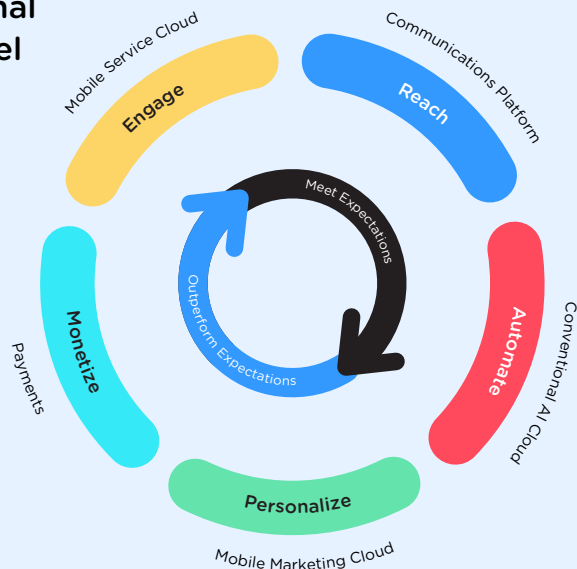
Conversational growth model

As a rationale and basis for everything we do, our conversational growth model perfectly captures the never-ending journey on which we aim to take customers. This model enables continuous and proactive engagement with the end user, which leads to a deeper understanding of them.

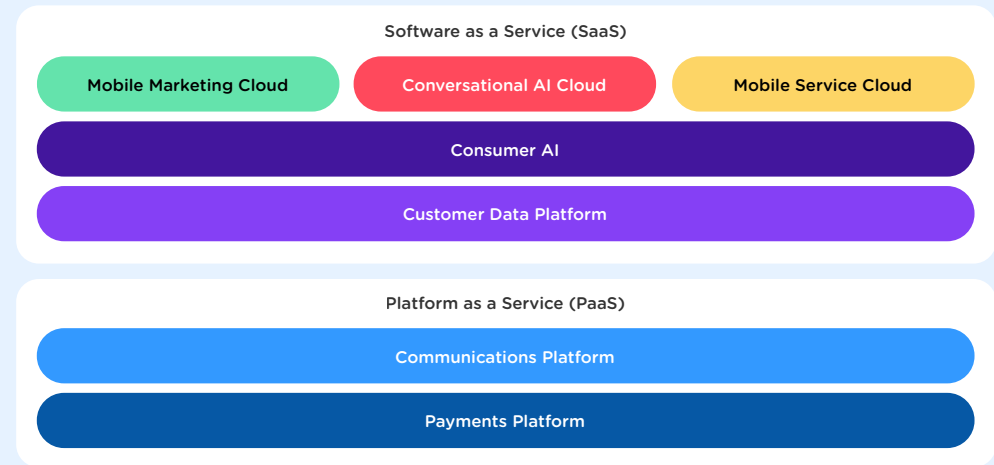
It moves seamlessly from one part of our platform to another, guiding customers through their preferred channels and interaction methods toward a smooth and successful purchase. In doing so, it leaves them with a memory of an exceptional customer experience, which will in turn create loyal and satisfied customers.

In this model below, we show a continuous process; our Mobile Service Cloud enables initial engagement and interaction, then we move on to our Mobile Marketing Cloud to reach customers through their preferred channels and our Conversational AI Cloud to automate and direct the conversation. With the use of our Consumer AI technology, we can personalize the consumer experience based on the data in our Customer Data Platform. Finally, the customer moves onto the secure payments section enabled through our Payments Platform. As the loop continues, it deepens levels of engagement made through adjustments, using AI, based on customer data that can be used intuitively time and time again.

Conversational growth model



Conversational commerce software suite



Our growth strategy model

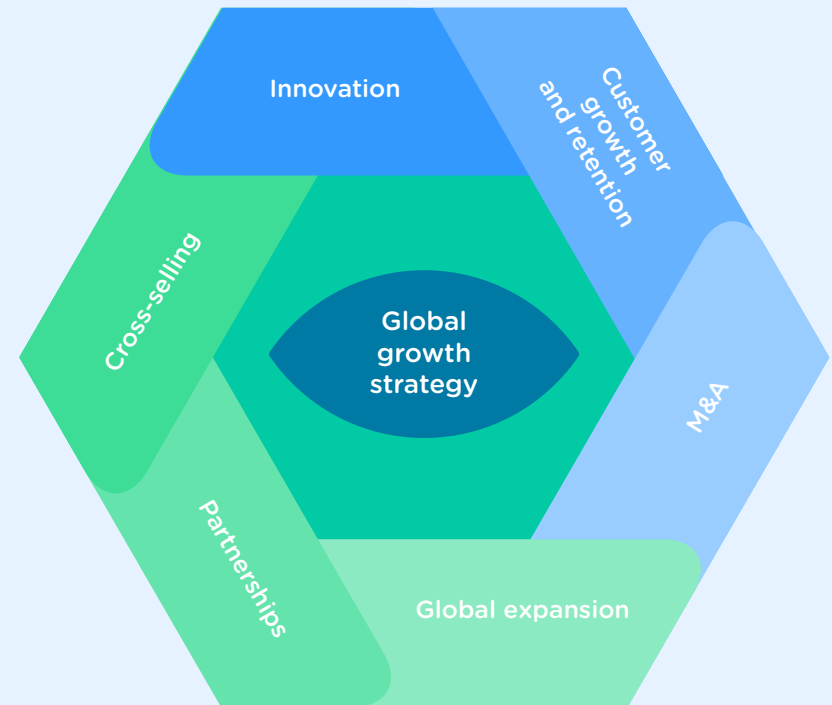
Our Accelerated Growth Strategy is based on six pillars that all work in harmony to ensure the adoption of our products worldwide, so that brands and businesses can engage with their customers and deliver the optimal customer experience.

Customer growth and retention

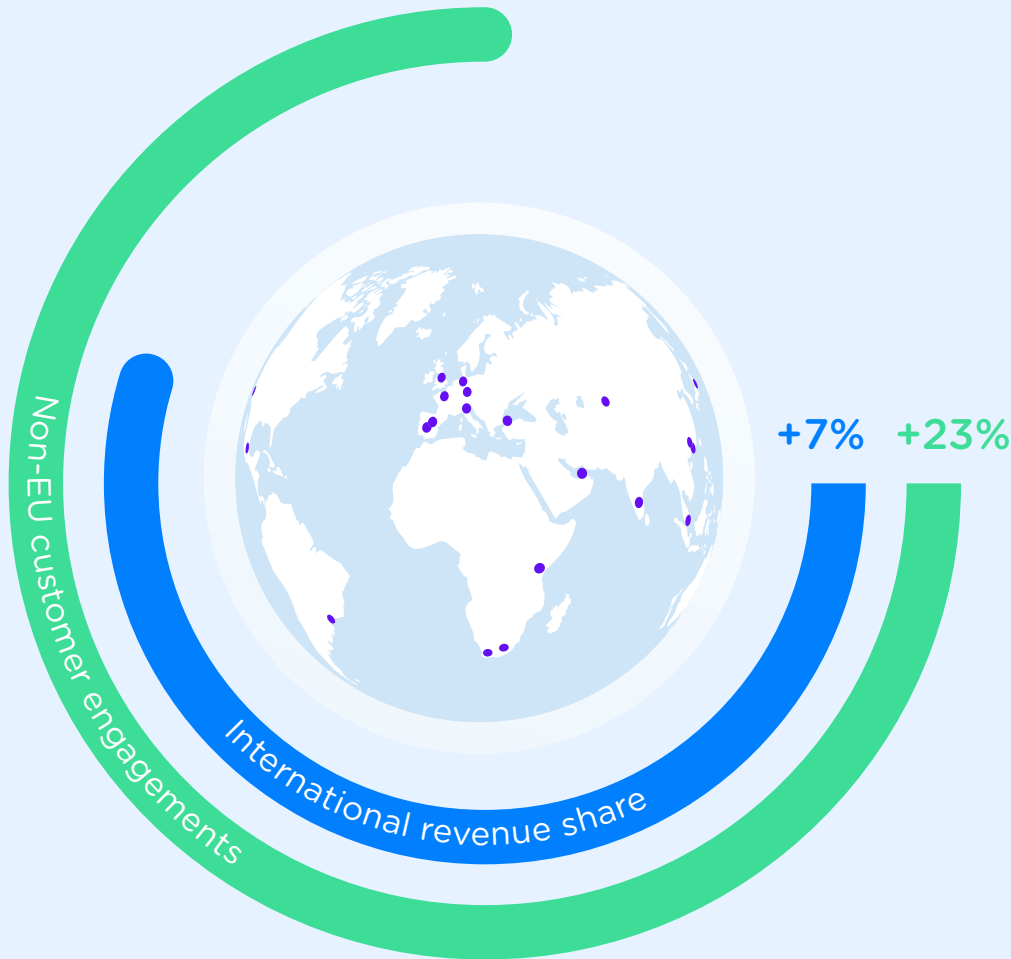
We have a loyal and satisfied customer base as demonstrated by our CPaaS Enterprise Churn Rate of just 4% and a CPaaS Enterprise Net Dollar Retention Rate of 100% in 2022, where the CPaaS NDR is at 119% when excluding Voice and COVID-related impacts. Through our Customer Success Model, we have invested a great deal of effort around the world in building and growing relationships with customers and this is now producing results. Our sales and marketing activities focus on highlighting the benefits of our conversational commerce platform and how it can enrich customer engagement.

Our go-to-market strategy has ensured that we have a healthy split of customer revenue from around the world. Our corporate strategy will continue to focus on ensuring an evenly balanced geographical spread and types of companies we do business with.

Global growth strategy



Think global, act local



Our go-to-market strategy focuses on the ultimate combination of building globally and locally. By combining global expansion with local presence, we increase our client proximity to deliver the optimal customer experience. Our strategy in each country is to ensure that we have a locally sourced and represented presence in current and new geographies where we see the most opportunities and potential. These local offices, staffed by locally knowledgeable and connected employees enable us to scale up organically in these countries and regions supported by our Global Marketing and Sales support team based in the Netherlands.

Countries where we are situated

21

Innovation

We are constantly advancing and enhancing our platform through the innovation and skills of our teams, supplemented by the acquisition of cutting-edge technology companies and software applications. We have a highly skilled and motivated global team working to deliver and upgrade efficient and intuitive automation and processes that allow for exceptional customer engagement and services.

Our vision is to keep on innovating and building our platform to offer customers even more personalized choices; from the breadth of channels they use to interact with customers, to the tools we can offer to deepen relationships and engagement to provide more choice and security in payment methods.

Cross-selling

Due to the interoperability of our products and services, we encourage our customers to purchase multiple products within the solution suite, so they get the optimal benefits from our platform and all its functionalities. All our sales teams and representatives are therefore focused and incentivized to highlight the advantages of the whole integrated solution for our customers, backed up by our marketing efforts and sales incentive plans.

This year we took a step further on this path by reorganizing our sales teams, so that there is less focus on selling a single product. Integration and close cooperation between the existing sales teams and the colleagues of acquired companies has further enhanced cross- and up-selling.

Partnerships

Building strong relationships with partners is key to establishing and maintaining our presence and sales impact across the globe. In recent years we have put a significant amount of effort into forging and building relationships with partners which has resulted in several major new partnerships in 2022.

CM.com has a partner program currently consisting of two distinct programs:

- **Consulting Partners:** These provide guidance on business, technology, sales, marketing, or customer service strategy. They provide tech implementations, and they deliver hands-on service in marketing, sales or customer service.

- **Technology Partners:** These integrate their offerings with any CM.com solutions or products to create combined solutions that outperform expectations for customers.

Global expansion

Our go-to-market strategy is focused on building globally and locally. Our global Marketing and Sales support teams operate from our headquarters in Breda, the Netherlands, comprising specialist marketing, sales and product development people, who liaise and make direct sales with Big Tech.

Our strategy in each country is to ensure that we have a locally sourced and represented presence in current and new geographies where we see the most opportunities and potential. Building strong relationships with partners is also key to establishing and maintaining our presence and increasing sales in these countries.

In 2022, CM.com opened the doors of the office in Brazil, our first in South America.

Mergers and acquisitions

Acquisitions support our organic growth strategy and reinforce our market position. We focus on potential acquisition targets that could complement our platform capabilities, create additional cross-sell opportunities or provide access to new (geographical) markets. Given our comprehensive conversational commerce proposition, there are various funnels we can tap for potential value-adding acquisitions.

Every conversation counts

Hi Colinda,

You are the Professional Services Lead at CM.com?

Yes, the Professional Services team is a team of great specialists with a lot of knowledge and experience in helping and advising our customers to make cross-product implementations successful and ensure that they are always tailored to the needs of the customer.

In this interview, we will be talking about how effective implementations are key to making every conversation count.

That is exactly right! The Professional Services team is dedicated to helping customers with strategy, complex projects and implementations. We work together with our customers to become more efficient and effective using our CM.com products.

Sounds great! Let's get down to it...



Colinda Leemans about Domino's Pizza

Adding value with smarter integrations

Advanced implementation delivers relevant personalized customer experiences.

As a company, it's our job to help our customers maximize the value of each customer interaction by making it as relevant and personalized as possible. The Professional Services team is here to make sure that customers are continuously supported in this journey, whether it's about strategy, campaign management or implementation. When listening to our customers' challenges, we are always looking for ways to improve their experience by using CM.com products to their fullest extent with their own systems.

The implementation journey begins at the pre-sale stage, where we identify how we can leverage CM.com's capabilities to address the client's challenges and needs. We will then guide and advise customers throughout kickstart, training, and implementation - offering tailored support and guidance at every stage of the process.

Smart integration powers growth

One key advantage that CM.com provides is the way our products work together to provide our customers with a well-rounded picture of their customers' needs. For example, our customer data platform creates 360° customer profiles by collecting and collating records of interactions with all our touchpoints, from different CM.com solutions and publicly available external systems. Say, for example, a brand's customer makes a purchase on their webshop. Our client could then use this purchase history data to send the customer updates about similar new products via our Mobile Marketing Cloud platform.

This interconnectedness is key for us, and valuable to our customers. We continuously look for opportunities to connect CM.com products to provide a relevant and complete solution. In 2022, therefore, we improved the integration between our Mobile Service Cloud and Mobile Marketing Cloud platforms. This initiative is already improving the information that agents see in the inbox when someone reaches out. And, on the other side, it also enables customers to rate conversations on satisfaction. It also creates the opportunity to create communication flows to ask specific groups of customers to rate conversations on satisfaction.

Another example of integrated CM.com products is the connection between the Mobile Marketing Cloud and Scripted Chatbot. This connection was essential when helping Domino's Pizza reach a younger target audience in its latest recruitment campaign (see overleaf). Specifically, it enabled Domino's to connect its recruitment system to WhatsApp and generate automated conversations.

Platform thinking for the future

Our integration vision is built on making CM.com into one robust platform that can evolve and scale to meet customers' needs. At every stage, we're asking ourselves how we can make our products smarter, more relevant, and more value-adding. Our ambition in the coming years is to broaden the scope of our Professional Services offering across the complete CM.com product portfolio.

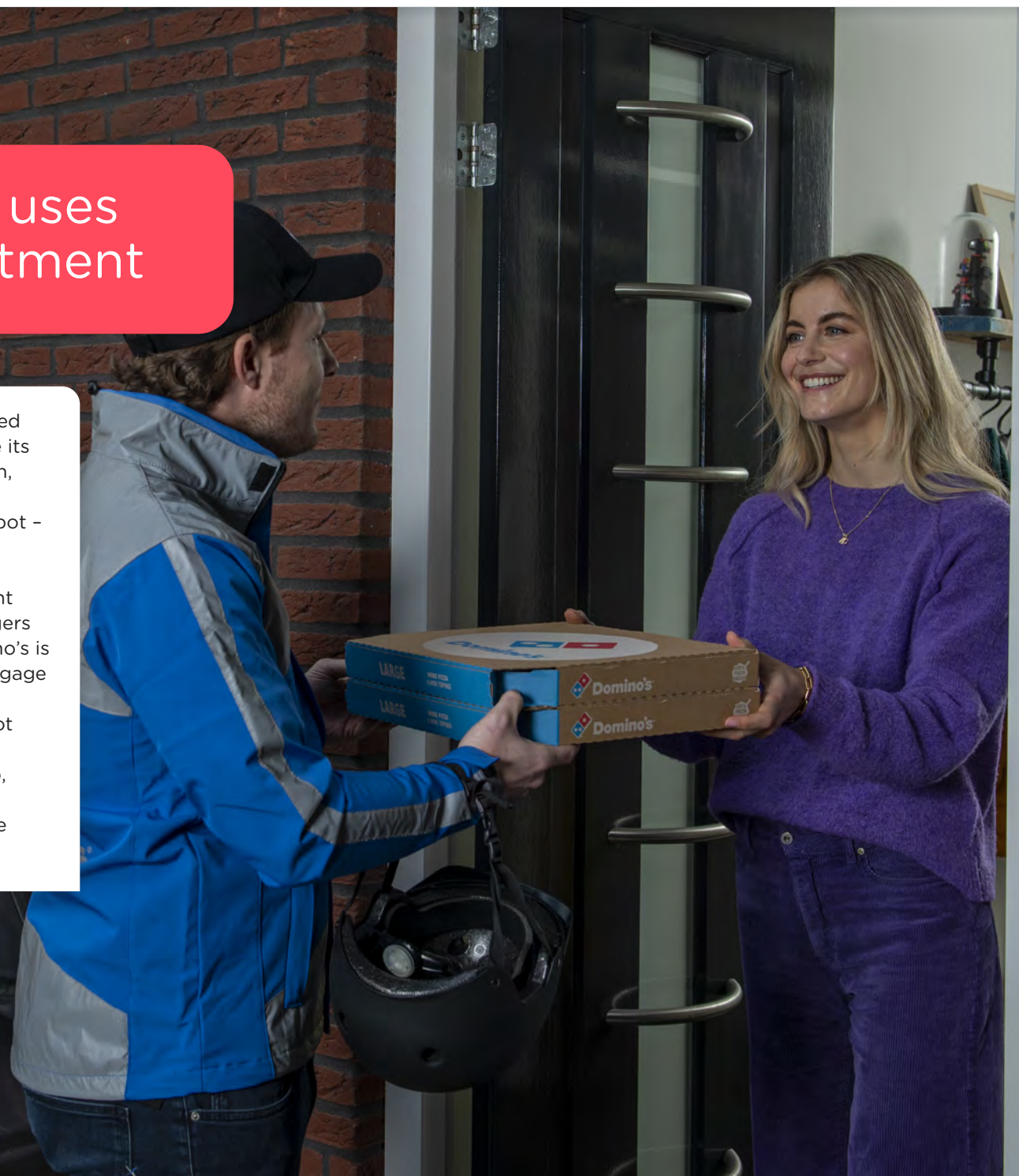
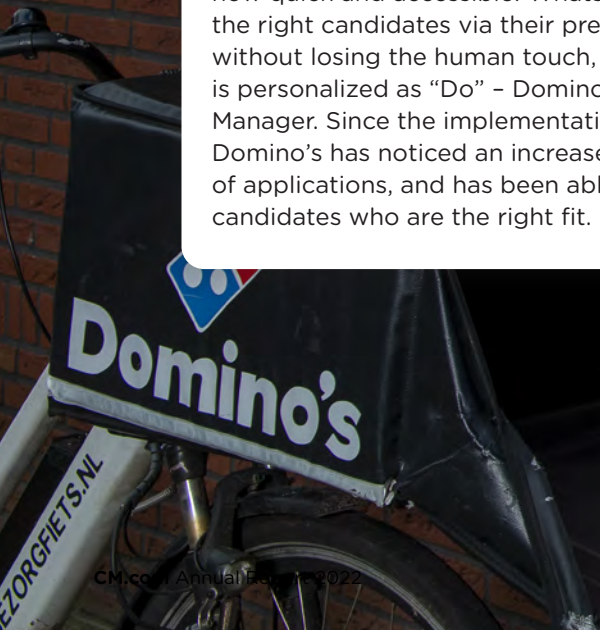
This process will ensure that customers can access as much of our offering as possible - in a streamlined, integrated, and intuitive format. This should lead to creating even richer and more personalized customer experiences, allowing customers to stand out from competitors by making sure that every conversation really does count.

Every customer counts

How Domino's Pizza uses WhatsApp for recruitment

Worldwide pizza restaurant chain Domino's started using WhatsApp in the Dutch market to optimize its recruitment process. Using a marketing campaign, Domino's reached out to its target group and automated all first intakes via an integrated chatbot - with strong results.

WhatsApp has helped to optimize the recruitment process, making it more efficient for store managers and candidates alike. Applying for a job at Domino's is now quick and accessible: WhatsApp helps to engage the right candidates via their preferred channel without losing the human touch, since the chatbot is personalized as "Do" - Domino's Store Hiring Manager. Since the implementation of WhatsApp, Domino's has noticed an increase in the number of applications, and has been able to recruit more candidates who are the right fit.



Value creation

Input

Growth model

Output (Results)

Making every conversation count

Outcome (Impacts)

Mission
Make life easier, safer, and more beautiful.

Vision
Mobile first. We are driven by the belief that communication will shift to mobile.

Strategy
Global Growth



- Financial
- Technology
- Intellectual
- Human

Financial
 € 283.2 million Revenue
 € 72 million Gross profit
 Market capitalization development

Technology

- Voice integrated in Mobile Service Cloud
- Artificial Intelligence Chatbot
- State-of-art service
- Added Value for customers and society

Human

- Encourage knowledge sharing and workforce development
- Female leadership
- Great Place to Work Award
- Diverse workforce

Customers

- High quality cyber security
- Preferred partner for customers
- Customer satisfaction

Employees

- Happy, healthy employees
- Employee loyalty
- Low absenteeism
- Increased development opportunities

Society

- Educate future society in new technology
- Contribute to safer and cleaner world
- Easier: Support optimal customer experience in all of their needs
- Safer world

Shareholders

- Long-term sustainable investment
- New technology
- Best-performing listed conversational commerce company

Contribution to the UN SDGs

Objectives

Based on our growth strategy, CM.com has presented an overview of objectives. In the table below you see the realization of these objectives in 2022.

2022

Revenue growth

For FY 2022, CM.com targeted an annual growth rate that would strengthen our over 30% growth rate since we became listed, as CM.com increases sales, marketing and technology efforts with new and existing customers globally with the capital raised in the offering.

Revenue growth of +19%. All segments showed double-digit growth in FY 2022 to realize a record revenue of € 283.2 million. Ticketing particularly stood out with a growth of +107%. Due to macroeconomic headwinds and earlier than anticipated fade-out of COVID-related revenues, CM.com's revenue growth targets were adjusted in the course of FY 2022.

OPEX & CAPEX

CM.com expects a mid-term OPEX to revenue decrease to the low- to mid- 20s.

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.

Reported OPEX grew 48% including the acquisition of Building Blocks and reported one-off bad debt hit in H1 2022. OPEX growth has started to flatten year-over-year and will continue to do so in FY 2023. CAPEX, including hardware, software, and infrastructure amounted to € 26.7 million (of which € 15.4 million relates to capitalized hours), up 41% versus FY 2021 and representing approximately 9.4% of revenue. Given the investments made in FY 2022 toward hardware and software, this CAPEX level is higher than average. As a result, the total CAPEX and CAPEX over revenue is expected to decrease during FY 2023. CM.com targets in the midterm a CAPEX over revenue ratio of 5%.

Gross margin

CM.com expects a mid-term gross margin increase toward the high 20s.

Gross margin continued its long-term growth path, but decreased as COVID-related activities faded out.

EBITDA

CM.com aims to improve EBITDA margin in the mid-term to mid-single digit as CM.com expects to benefit from a change in product mix and operational leverage. In the near term, CM.com expects EBITDA margin to decrease due to increased investments to accelerate growth.

For FY 2022 EBITDA was minus € 26.5 million (minus € 22.3 million normalized for one-off effects). CM.com has started to implement cost control measures in the course of FY 2022 to capitalize upon previous investments in growth.

Acquisitions

Acquisitions support our organic growth strategy and help to reinforce our market position. We look for companies whose technology will help speed up our technological innovation and complement our conversational commerce capabilities in areas such as payments and artificial intelligence. At the same time we remain on the lookout for acquisitions that improve our technology or provide cost efficiencies.

In 2022, we acquired consumer artificial intelligence (AI) technology company Building Blocks, which is the largest acquisition ever made by CM.com. With that, CM.com has completed the technical foundation of our organization to grow upon. Going forward, CM.com will further strengthen the organization through exploitation of its current tech stack.

Building Blocks is a provider of artificial intelligence software and services that empowers its customers to build more relevant and personalized interactions across the customer journey, enhancing the customer experience and boosting business results. Its suite of consumer AI solutions focuses on consumer guidance, consumer engagement and consumer care. Its customer portfolio includes renowned brands such as Samsung, Basic-Fit, Corendon and Sligro, demonstrating the versatility of its offering.

CM.com continuously aims to raise the bar and set new standards in conversational commerce. As such, the acquisition of Building Blocks is a great addition that is driving our ambition to deliver the next level of conversational commerce aimed at optimizing the customer experience throughout the entire customer journey.

In addition, the annual recurring revenue (ARR) grew by 29% during 2022, supported by the acquisition of Building Blocks.

Our path to profitability

Building on the successful execution of our accelerated growth strategy in 2020 and 2021, we expect to return to a structurally positive EBITDA toward the end of 2023. The key ingredients toward achieving this goal include continuation of cost control measures and encourage cross-selling amongst existing customers and attracting new customers.

In particular, as we continue to grow, we are seeing greater operational economies of scale kick in, resulting in growth of revenues and gross profit more organically without adding more operating expenses. As such, alongside achieving higher margins through increased cross-selling, new products, and new markets, further capitalizing on our existing workforce and market position is ultimately accelerating our path to profitability.

Technology

A global leader in conversational commerce

The CM.com platform is the foundation on which we build and grow our business. From this base, we curate and bolt on new innovations that add significant value to our clients and their customers, contributing to the enhancement of their businesses and lives. To make this happen, integration and scalability are at the core of our vision for future growth and expansion.

We continue to build a talented and agile Technology team, both organically and through mergers and acquisitions (M&A), in the Netherlands and globally. We also benefit from insights and feedback from our Sales and Technology teams in the field, which help our developers to create and roadmap new products and functionalities.

A leader in conversational commerce

We strive to be an established and recognized leader within the conversational commerce space. Every day, our Research & Development (R&D) and Product teams advance toward this goal by working to develop the most integrated and feature-rich conversational commerce platform in the world. Our teams are focused on creating new iterations and functionalities within our CM.com platform while always working in line with the rules and regulations in each country and region where we operate.

A key factor in maintaining our established leadership position is our software stack, which is fully integrated with bolted-on components to enable smooth and seamless customer journeys. We continue to improve our position through the development of our own in-house innovations and through the acquisition of companies that provide world-class technologies – for example, POS (point-of-sale) payment solutions, conversational AI (artificial intelligence) and cloud-based software.

Geographical expansion

The role of the technology team at CM.com is to build a reliable and scalable conversational commerce platform. The team understands exactly which functionalities are needed locally to meet the requirements of each market we enter.

Onboarding acquired businesses

New acquisitions bring new technologies and teams into CM.com's ecosystem, adding value to our platform and enriching our pool of development talent. We work hard to ensure that these acquisitions are integrated successfully and efficiently into CM.com's culture and ways of working so that our customers can start seeing the benefits as soon as possible.

In 2022, it has been a rewarding experience to welcome and onboard new businesses and people through acquisitions. All our teams in the Netherlands and internationally have made the most of this opportunity, ensuring it has had a positive impact across all areas of CM.com.

Purposeful partnerships

Our technological innovation enables our clients to deliver deeper and more meaningful customer interactions through an efficient and intuitive automation process. This enables exceptional customer engagement, which in today's digital world can make or break a business.

Our vision is to continue innovating and building our platform so we can enable even more personalized customer experiences.

Scaling up

This year, we scaled up our existing offering by adding more messaging channels, including Instagram. We also added Voice to our Mobile Service Cloud product, for those occasions when customers prefer a phone conversation.

In addition, we have strengthened our capabilities in ticketing, alongside enhancing our basic text messaging and CPaaS offerings across the world. Every

element of the CM.com platform has been optimized and scaled-up efficiently to help take us to the next level. With the agility and focus this approach gives us, technology has not only contributed to CM.com's strong financial figures but also cemented our leadership position within global conversational commerce and related markets.

CM.com wins two Platinum awards from Juniper Research

In February 2022, CM.com received two Platinum awards from Juniper Research as part of its Future Digital Awards for Telco Innovation. These awards recognize the most innovative and impactful telecommunications solutions in the market. Our Mobile Service Cloud product was awarded Best CCaaS (Contact Center as a Service) Solution, while our Mobile Marketing Cloud was named Best Conversational Commerce Solution. In 2022, Juniper Research also cited CM.com as an "Established Leader" in both its CCaaS and CDP Vendor Competitor Leaderboards.

Throughout 2022, CM.com received further industry recognition. We were named a "Major Contender" in Conversational AI by Everest Group, recognized as one of Gartner's 20 most innovative CPaaS providers, and ranked a "CPaaS Technology Leader" in Quadrant Knowledge's SPARK Matrix™.

Data security

As we scale up and build a more advanced CM.com platform, we are required to store growing amounts of personal and financial data. Data and platform security is, therefore, a daily, business-critical activity. We have rigorous security systems and best practices in place to protect the data we hold, and our dedicated data team ensures the security of our digital perimeter.

In addition, we implement a rigorous security methodology, including scanning tools, testing, training, and regular vigilance initiatives to ensure we can spot any weaknesses in the system. This in-depth preparation means we are well-prepared for any breach or attack.

World-class integrated platform

Alongside always being focused on our vision and goals, we also closely monitor the wider CPaaS market and competitor developments. In our desire to create a world-class integrated platform, we are up against significant competition. However, most of our competitors are more focused on delivering and scaling just one specific technology within conversational commerce. This is part of what makes CM.com's offering unique.

We continue to focus on integration and efficiency through increased knowledge-sharing and infrastructure within our highly collaborative developer community. While we give our teams room to experiment, it is also important that they adhere to standardization guidelines. By implementing this approach and mindset, we can continue to offer an increasingly agile and integrated conversational commerce platform.

Supporting the entire customer journey

CM.com's platform is continuously growing. By cross-selling additional functions and new functionalities to our existing customer base, CM.com is enabling them to fully optimize the user experience journey of their consumers, creating a truly frictionless experience.

Cybersecurity

A proactive, future-focused approach

Around the world, there has been a massive spike in cybercrime, particularly targeting the telecoms industry. This is driven by the rise of remote working and the ever-expanding "attack surface" provided by the many (mobile) devices and cloud services that modern businesses use. Because CM.com handles terabytes of sensitive client and consumer data every day, we know that we are a tempting target for hackers. That means we must be ready for anything if we want to ensure that our business continues to operate safely and effectively.

2022 saw important advances in the way our organization deals with a range of cyber threats as we improved our procedures and initiated exciting partnerships. Our strategy recognizes that cybersecurity is everyone's business, ensuring that advanced tooling and effective collaboration are in place to make our systems safer for all users and participants.

The strong focus on cybersecurity at CM.com starts at the top. Jeroen van Glabbeek, CEO, takes a personal interest in this vital issue – regularly discussing the latest developments and threats with our Chief Information Officer, Sándor Incze. Based on these discussions, our cybersecurity strategy is mapped out, refined, and implemented.

Centralized and adaptive operations

Strategic updates in 2022 included an enhanced 10-point model for organization-wide cybersecurity, known as CM². This model details the risks that each business area and function is likely to face, and outlines prevention tactics to address them. The model will continue to evolve as new risks are identified, and more effective solutions are developed. Other internal initiatives included standardizing security protocols across our multi-cloud setup – ensuring that our digital perimeter is as secure as possible. Code quality tooling has also been

introduced to help developers improve the end-to-end security of our products. This helps to safeguard end users and improve the usefulness of our services.

Consolidating our cybersecurity operations was another key theme in 2022. For instance, we deepened the integration between our Network Operations Center (NOC) and our Security Operations Center (SOC) – creating a "single source of truth" model. This enables a detailed overview of CM.com's security infrastructure, so we can respond faster to potential issues. We also centralized our security compliance information by creating the publicly available CM.com Trust Center. In 2022, we successfully expanded the scope of our ISO 27001 certification and obtained ISO 270017 and 27018 certifications.

Improved cybersecurity for our customers

In 2022, CM.com's offer evolved to reflect the increasing importance of cybersecurity in the telecommunications industry. For instance, bot attacks on API platforms are becoming increasingly common, and these can prove extremely costly for clients. So, we introduced a new way of working to detect any such attacks and report them automatically.

Another increasingly prevalent form of cyberthreat is voice phishing, otherwise known as 'vishing'. To combat this growing problem, we introduced a service that tells us if a phone number registered to one of our clients is being used by cybercriminals. That means, if a scammer pretends to be dialing from a bank, we can detect it immediately.

Cooperating with value chain partners

In addition to internal cybersecurity measures, CM.com recognizes the importance of sharing our knowledge outside the company. For example, in 2022, we partnered with COIN, the Dutch association for telecommunications providers, to tackle the growing problem of phishing via SMS – otherwise known as 'smishing'. Through this initiative, our cybersecurity tooling and expertise are currently being used throughout the industry to help make telecommunications safer for all value chain partners. By playing our part in the fight against cybercrime, CM.com aims to ensure that every conversation has more value because it is more secure.



Meet Jörg de Graaf, CFO, CM.com

“As CFO, making every conversation count is the best part of my job. I talk to a lot of people – and their valuable insights help improve our decision-making across CM.com.”

Managing sustainable growth to create long-term value for all our stakeholders

For the third year since we listed on Euronext Amsterdam, CM.com has again delivered strong and mainly organic growth. I'm proud that we're taking important steps as a company – growing our revenue, as well as our customer base, while building out a stronger organization – enabling us to deliver a more positive impact for all our stakeholders going forward. Indeed, everything is on track for a return to EBITDA profitability toward the end of 2023.

As Chief Financial Officer, my focus is on value creation and protection, as well as safeguarding the company's overall financial performance and stability. This means ensuring that we have the capital available to invest in our growth and product development, make the right resource allocation decisions, and acquire new companies when the time is right. To this end, and together with my other colleagues on the Management Board, it is my role to ensure that all parts of our organization are connected and delivering value to everyone invested in our success, including our customers, employees, investors, and beyond.

“Making every conversation count” is a big part of what I do as CFO. I spend a large part of my time listening and talking to others, both inside and outside our organization. This includes capital markets, who are often able to provide us with valuable reflections on how our company is doing and the dynamics they see in our markets. The insights I gain from these conversations can then be used to inform our decision-making processes across CM.com.

Navigating the external macroeconomic environment

In 2022, many industries had to navigate challenging macroeconomic forces, including the war in Ukraine, rising energy prices, strong inflation, and more. At the same time, we saw some challenges fading out – most notably the effects of the pandemic. Indeed, many parts of the world regained a sense of openness and normality not seen for some time. At CM.com, we have customers across many different industries, so they have been impacted in different ways.

During the year, we continued to achieve strong underlying growth, and we undertook the important acquisition of Building Blocks, whose artificial intelligence (AI) software and services empower its customers to gain a better understanding of end consumers, enabling the development of more relevant and personalized interactions across the customer journey. As we detailed at our Investor Deep Dive session in June 2022, we look set to return to profitability (on EBITDA) toward the end of 2023. Before our listing, we were a profitable company, and the listing has allowed us to raise the capital needed to invest in our accelerated growth strategy. Now, in line with our ambitions set out in 2020, we're ready to leverage the foundational work we've put in place in recent years and capitalize on our strong business model, ensuring we return to profitability.

I believe that our current organization and its technological capabilities are at the level we need to be successful at this point in time. Of course, we're always on the lookout for strategic opportunities – and I'll never say “never” to further acquisitions – but our focus for 2023 is strongly on harvesting what we've planted. By working together, we'll seize the opportunities in front of us, widening and deepening our customer engagement, winning new business, and securing recurring orders.

Creating value for all our partners

I'm also proud of the significant progress we're making in creating and protecting multistakeholder value, in line with our environmental, social, and governance (ESG) ambitions. More than ever, ESG is core to our company and to my role, and customers, investors, and employees are increasingly aware of its importance. Therefore, we're spending time and effort to put in place the right structures and processes to raise the bar on our ESG standards. Importantly, we're making progress on our ESG journey not only because it's what's expected of us, but also because it's fundamental to who we are.

What was your favorite moment of 2022?

After over two years of pandemic-related restrictions and lockdowns, returning to a live music concert was truly memorable. The atmosphere was really exciting, and I've learned not to take these experiences for granted!

What do you enjoy the most about your job?

The fact that every day we are making a little bit of noticeable progress! We're building a very exciting company, learning from each other, and contributing to building a bright future for CM.com.

What are your hopes for 2023?

My strong expectation is that, after several years of investment in our growth, we'll return to EBITDA profitability. This will provide us with greater strategic freedom as a company and secure our path forward.

Jörg de Graaf (Dutch, 1976)

CFO

In 2004, Jörg de Graaf started his professional career at KPN where he held various financial and management positions of increasing seniority. In 2013, he became CFO of iBasis in the United States, staying in the role until the beginning of 2019. Subsequently, he returned to the Netherlands where he became Executive Vice President, Group Control at Eneco Groep. Jörg holds a Master of Sciences degree in International Business, Corporate Finance & Management from Maastricht University and is a graduate of the Advanced Management Program at Harvard Business School in Boston, MA.



In 2022, we started a wide range of initiatives to underpin our ESG ambitions, from female leadership seminars and digital community engagement activities to carbon emission reduction programs. We also took important steps to further measure and quantify our environmental impact. In 2023, we'll look to build on these initiatives, which are invaluable to our ability to create value in the long term. Further ahead, I really believe that at CM.com – like all other companies – we will have to manage ESG as an extension of our profit and loss. It's just that important!

Let's shape the future, together!

At CM.com, we operate in a market that's developing and growing very rapidly. And we're lucky to be in a position where we're not only one of the leaders in our industry but also shaping where conversational commerce is heading. The ways in which businesses interact with consumers will undergo significant changes in the coming years. And we're already seeing important shifts in the dynamics, channels, and modes of communication between businesses and people. These will only accelerate and be accentuated on the road ahead.

No one knows exactly what the future of conversational commerce will hold. And that's OK! At CM.com, while we have a clear vision of what this future could hold, we're not in the business of predicting what's ahead – we much prefer to shape pathways, together with our colleagues, customers, and business partners. We have great technology, and our propositions have unique potential in helping businesses and society at large. So, moving forward, we will continue to create long-term value for all our all stakeholders. Because if there's one part of the future that I'm certain about, it's that our best is yet to come!

Business and financial results

Our KPIs

Number of messages

7.2bn +24%
2021: 5.8bn

Number of voice minutes

455m -34%
2021: 689m

Number of tickets

14.6m +59%
2021: 9.2m

CPaaS net dollar retention rate¹

100%
2021: 134%

Total payments processed

€ 1,983m +81%
2021: € 1,096m

Annual recurring revenue (ARR)³

€ 29.3m +29%
2021: € 22.7m

CPaaS enterprise churn rate²

4%
2021: 3%

1 Represents the ratio of the revenue of CPaaS customers in comparable twelve months between the actual and preceding year for customers that generated more than € 10,000 in revenue in the actual year.
 2 Represents the ratio of revenue from CPaaS customers that generated more than € 10,000 in revenue in the preceding year but generated less than € 10,000 in the actual year or were no longer customers in the actual year, compared to total revenue in the previous year.
 3 ARR represents the annual recurring revenue streams at the end of the period.

Revenue and gross profit

In FY 2022, revenue grew 19% year-over-year to € 283.2 million from € 237.0 million in FY 2021.

Geographically, CM.com grew in every region in which we were present in FY 2022. The Americas grew 72% to € 51.6 million in FY 2022 from € 30.1 million in FY 2021. The APAC region also showed robust growth year-over-year with a 59% increase from FY 2021 when revenue contributions came in at € 33.0 million but grew to € 52.3 million in FY 2022. EMEA region grew 3% in revenues from € 174.0 million in FY 2021 to € 179.3 million in FY 2022. The EMEA region remains the largest contributor to revenues, yet the Americas and APAC are growing significantly, showing that CM.com is making every conversation count across the globe.

Gross profits grew 15% to € 72.0 million from € 62.7 million in FY 2021. For FY 2022, gross margins reached 25.4% (2021: 26.4%).

This is the best result on revenues and gross profit that CM.com has ever realized, keeping in mind the market conditions in 2022 and the fade-out of the COVID-related tailwinds. Underlying business continued to perform well where double-digit growth was realized among Messaging volumes, Payment volumes, ARR, and Ticketing volumes.

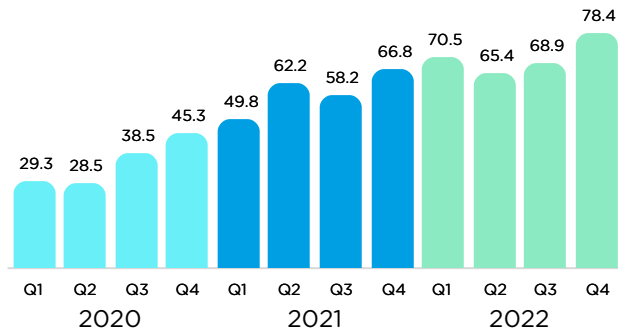
As society is adapting more to the use of cloud-related products and services to increase customer experience and engagement, CM.com is well-positioned to meet all demands in customer experience and grow our presence in all segments across the globe in the coming years.

Performance per segment

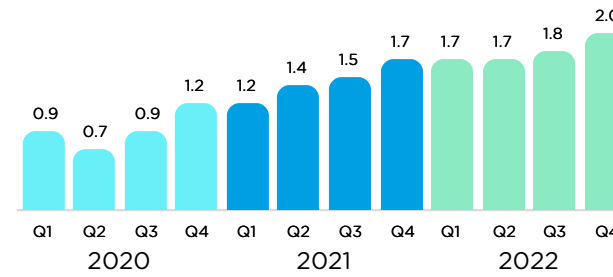
x (€ million)	FY 2022	FY 2021	Δ
Revenue¹	283.2	237.0	+19%
CPaaS	236.3	204.2	+16%
SaaS	25.4	17.3	+47%
Payments	13.4	11.6	+16%
Ticketing	8.1	3.9	+107%
Gross Profit (€ million)	72.0	62.7	+15%
CPaaS	34.7	36.9	-6%
SaaS	22.3	15.0	+49%
Payments	7.4	7.2	+3%
Ticketing	7.6	3.6	+109%
Gross margin (%)	25.4%	26.4%	
CPaaS	14.7%	18.1%	
SaaS	87.9%	86.7%	
Payments	55.1%	61.8%	
Ticketing	93.0%	92.3%	

¹ As of 2022, CM.com will only report on total revenue and gross profit without making a distinction between core revenue and core gross profit.

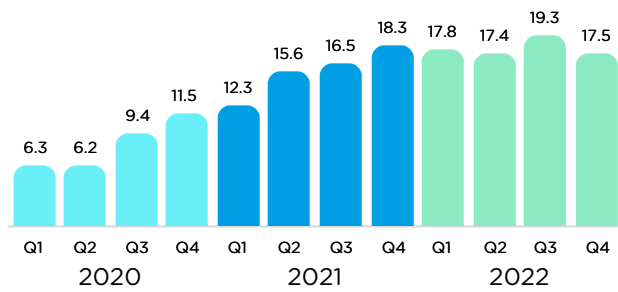
Revenue development (€ million)



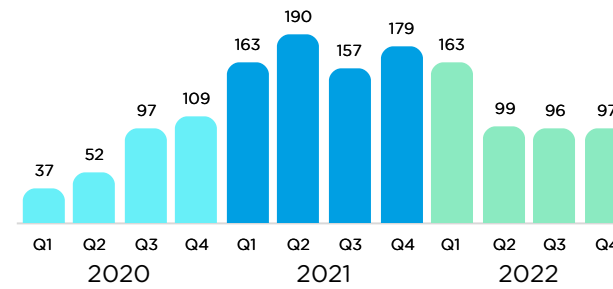
Messages (billion)



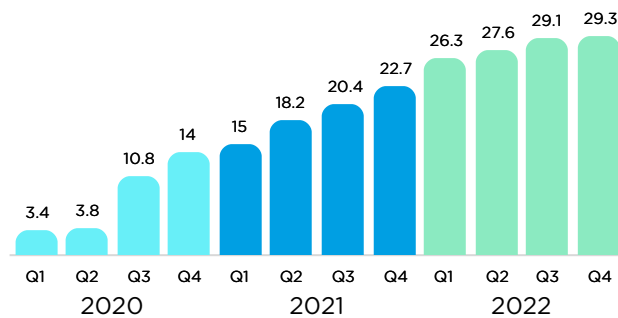
Gross profit development (€ million)



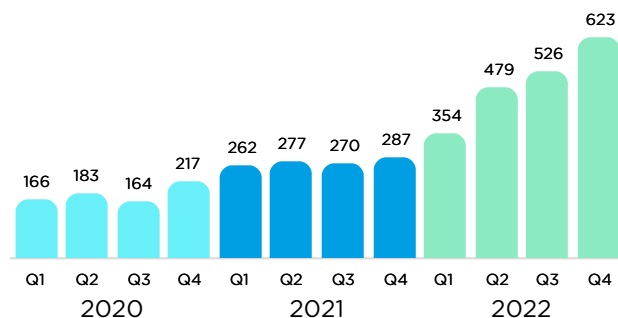
Voice minutes (million)



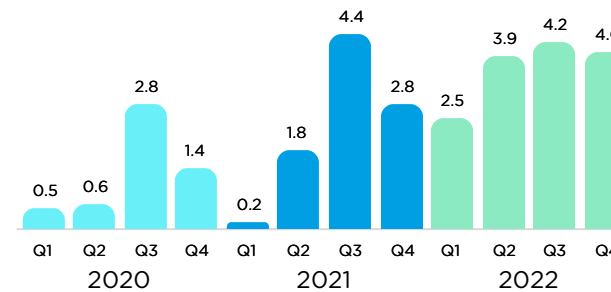
Annual recurring revenue (€ million)



Total payments processed (€ million)



Tickets (million)



CPaaS¹

Revenue increased by 16% to € 236.3 million in FY 2022 compared to € 204.2 million in FY 2021.

Gross profit fell 6% to € 34.7 million in FY 2022 from € 36.9 million in FY 2021, as the comparison base was impacted by the fade-out of COVID-related services in voice minutes and some margin pressure in messaging traffic in different parts of the world toward the year-end.

Net dollar retention rate in CPaaS for Messaging excluding Voice showed a healthy 119%. The CPaaS NDR including Voice reached 100%, with a continuing low churn rate of 4%.

The underlying number of messages increased by 24% to 7.2 billion for FY 2022 whereas the number of voice minutes fell by 34% to 455 million minutes in FY 2022.

¹ As of the publication of the H1 2022 results, CM.com has split what was formerly known as "Platform" into "SaaS" and "Ticketing." The former business segment "Other" has been included in CPaaS. Therefore, CM.com reports on 4 business segments (CPaaS, SaaS, Payments, and Ticketing) as of the 2022 financial year. For comparison purposes, the 2021 segmentation has been adjusted accordingly.

SaaS

Revenue increased by 47% to € 25.4 million in FY 2022 compared to € 17.3 million in FY 2021. SaaS is core to our portfolio line up. This is expected to contribute further to the product mix shift towards higher margins and more value-add solutions.

Gross profit increased 49% to € 22.3 million in FY 2022 from € 15 million in FY 2021. Revenue and gross profit growth were supported by the acquisition of Building Blocks earlier in 2022, which largely expands CM.com's AI capabilities. FY 2022 focused on the commercial and technical integration of Building Blocks.

Our SaaS solutions cater to environments of both economic expansion and contraction by offering solutions that facilitate high customer conversion or retention and therefore revenue growth, while reducing costs of servicing customers. With the new AI capabilities in the SaaS domain, we expect more conversions to follow.

ARR increased by 29% to € 29.3 million in FY 2022 from € 22.7 million in FY 2021, which is the highest level to date. Slower growth in ARR occurred towards the end of FY 2022, and is related to market circumstances, where recession fears attributed to longer sales cycles towards year end.

Payments

Revenue grew by 16% to € 13.4 million in FY 2022 compared to € 11.6 million in FY 2021.

Gross profit was up 3% to € 7.4 million from € 7.2 million in FY 2021.

Total payment volume processed increased to € 1,983 million in FY 2022 which is an 81% growth rate over FY 2021 where € 1,096 million in payment volumes was processed.

Strong increases in processed payment volumes was realized while CM.com was working to integrate the recently acquired processing payment platforms and

leverage on the technology. As CM.com is recognized as a fully licensed Payments Service Provider, we will launch a new payment processing platform during 2023. The novel platform will enable CM.com to better handle larger volumes while optimizing our cost base. That should further support future profit growth in Payments. The gradual migration of customers will commence early 2023 and continue throughout the year.

Ticketing

Revenue significantly increased by 107% to € 8.1 million in FY 2022 compared to € 3.9 million in FY 2021.

Gross profit was up 109% to € 7.6 million leading to a notable gross margin of 93.0%, up from € 3.6 million in FY 2021 and a gross margin of 92.3%.

Total tickets handled in FY 2022 amounted to 14.6 million. This was a 59% increase over FY 2021 where 9.2 million tickets were handled. Ticketing sector enjoyed a strong recovery in events as societies came out of lockdown, and FY 2022 also marks a full year from the launch of our ticketing team in the UK, showing increased demand of ticketing solutions internationally.

CM.com plans to implement expanded service offerings to support further growth in this segment.

Performance per segment

Revenue

CPaaS

€ 236.3m **+16%**
2021: € 204.2m

SaaS

€ 25.4m **+47%**
2021: €17.3m

Payments

€ 13.4m **+16%**
2021: € 11.6m

Ticketing

€ 8.1m **+107%**
2021: € 3.9m

Gross profit

CPaaS

€ 34.7m **-6%**
2021: € 36.9m

SaaS

€ 22.3m **+49%**
2021: € 15.0m

Payments

€ 7.4m **+3%**
2021: € 7.2m

Ticketing

€ 7.6m **+109%**
2021: € 3.6m

Gross margin

CPaaS

14.7%
2021: 18.1%

SaaS

87.9%
2021: 86.7%

Payments

55.1%
2021: 61.8%

Ticketing

93.0%
2021: 92.3%

OPEX, EBITDA and Net result

x (€ million)	FY 2022	FY 2021
Operating expenses (excluding one-off)	(94.3)	(66.3)
Employee benefit expenses	(55.2)	(40.7)
Other operating expenses (excluding one-off)	(39.1)	(25.6)
Normalized EBITDA	(22.3)	(3.7)
One-off	(4.2)	-
EBITDA	(26.5)	(3.7)
Depreciation and amortization	(18.1)	(15.6)
Financing result	(0.2)	(2.1)
Tax	0.2	3.9
Result participations	(0.1)	-
Net result	(44.7)	(17.5)

OPEX

Since our listing in 2020, we have invested heavily in expanding our organization and geographical reach, to support future growth. R&D maximization, implementation of new CRM and HRM tooling systems, collaborative facilities, investments in security software, and hiring top talent all contributed to the building of an efficient and effective organization.

FY 2022 is where CM.com reached the point where we can reap the benefits of these investments, optimize our work force, and leverage on our technological capabilities.

OPEX, excluding a one-off bad debt hit, increased by 42% to € 94.3 million in FY 2022, which is a sharp deceleration from the 91% growth rate in FY 2021. The OPEX growth rate in FY 2022 is due to the completion of implementation projects, growth of FTE, increased employee costs related to travel, educational initiatives, and conventions following the lifting of COVID restrictions.

During FY 2022, CM.com started to integrate operations and implement cost control measures. That had an immediate effect, as OPEX excluding the one-off grew by 42% year-over-year, with H2 2022 year-over-year slowing down to 34%.

One of the main reasons for that slowdown, is the control of our FTE growth. In 2022 our FTE increased to 930 per year-end, a 23% increase year-over-year. Most of the FTE growth happened in the first half of the year, after the acquisition of Building Blocks. The natural attrition in FTE was taking effect in the second half of 2022, as we realized a slight decrease and a significant slowdown from the 51% growth rate in FY 2021. Additionally, CM.com has reduced the number of external contractors by replacing those capabilities with our own staff. This trend is expected to continue and can provide lower costs going forward.

As a result, normalized EBITDA came in at minus € 22.3 million, while reported EBITDA (including one-off bad debt of €4.2 million) amounted to minus € 26.5 million. Further cost control and flattening of OPEX levels are a vital element in achieving our EBITDA objective in 2023.

CAPEX

Capital expenditures (CAPEX), including hardware, software, and infrastructure amounted to € 26.7 million (of which € 15.4 million is capitalized hours), up 41% versus FY 2021 and represents approximately 9.4% of revenue.

Given the investments made in 2022 towards hardware and software, this CAPEX level is higher than average. As a result, the total CAPEX and CAPEX over revenue is expected to decrease during 2023. CM.com targets in the midterm a CAPEX over revenue ratio of 5%.

Funding & cash position

As of 31 December 2022, our non-restricted cash position stood at € 47 million. Cash out since end of December 2021 amounted to approximately € 53 million, of which around € 10 million was allocated to the acquisition of Building Blocks and € 4.2 million due to the reported bad debt.

Increased control of OPEX and lower CAPEX will reduce cash consumption going forward. That means that we believe the current cash position is comfortable for executing our strategy of continued organic growth while returning to structurally positive free cash flow in the future.

Acquisitions

In 2022, CM.com acquired one company, Building Blocks. For more information, see page 37.

2023 outlook

CM.com managed to generate significant growth in FY 2022, as we focused on the execution of our growth strategy. Although markets were challenging, CM.com continued to see significant underlying revenue growth in all segments. Our products and services have supported our clients in the past, independent of the market conditions, and continued to do so in FY 2022.

CM.com will therefore continue its structural growth path as laid out in the Path to Profitability into FY 2023, see page 38.

Looking further ahead, we will continue to strengthen our market leadership and innovative strength in conversational commerce. With the momentum in AI and the pace by which new technologies develop, we believe CM.com is on the right track for the future.

This means that for FY 2023, CM.com will:

- further decelerate the pace of OPEX growth in relation to revenue to a flat level in absolute terms, compared to FY 2022;
- continue to focus on significant gross profit growth;
- use its innovative technology to further enhance AI capabilities in conversational commerce; and
- adjust cost levels further if needed to reach the EBITDA objective.

COVID-influenced comparison bases year-over-year will have passed after Q1 2023, which means our business is anticipated to show steady trends in the course of 2023, if market conditions allow.

Going forward, CM.com will focus on gross profit growth and OPEX. Revenue will no longer be our most important KPI and, as such, we no longer provide guidance on revenue.

We reiterate our guidance to be structurally EBITDA-positive toward the end of 2023 and confirm our guidance to be structurally cashflow positive toward the end of 2024.

Every conversation counts

Hi Bart,

You are Managing Director, Your Ticket Provider (NL) at CM.com?

Indeed, my role is to ensure CM.com offers a consistently customer-centric ticketing experience - from the first click to the event itself, and beyond!

In this interview, we will be talking about how CM.com's full-service ticketing platform provides benefits for both customers and clients.

That is exactly right: our advanced ticketing solutions are enhanced by CM.com's integrated data-sharing capabilities and other integrated products such as our event app, Mobile Marketing Cloud and POS solution, meaning we can create a more personalized and engaging customer experience - and unlock new marketing opportunities for our clients.

Sounds interesting, please tell me more!



Bart Peute about De Persgroep

Delivering the "wow factor" in leisure

Ticketing

I am proud that our department brings together much of the top ticketing expertise in the Netherlands. This allows CM.com to be a true strategic technology partner for clients, working with them to find the ideal ticketing solution for their events. Thanks to our mature service offering and advanced data-sharing capabilities, we can deliver compelling and customizable ticketing experiences that are specifically configured to the target audiences of each event.

CM.com's ticketing activations are always designed to deliver a "wow factor" for customers, even before they set foot in the stadium, theatre, event or museum. Whether it is via a custom ticketing queue, tailored offers and competitions, or a voice note from your favorite musical artist, the opportunities for personalization are endless. But the key to engaging customers effectively is accurate targeting. And this is where CM.com's data capabilities are an asset.

Context makes every conversation count

We believe that the conversations that count the most are always driven by context. And thanks to our advanced Customer Data Platform (CDP), we can leverage data from across the CM.com ecosystem - ranging from our Mobile Marketing Cloud to our point-of-sale payment devices - to build up a 360-degree picture of each potential customer. This data can include age, interests, and even buying behavior - a lot of useful context!

This approach means that the sales journey can begin long before a customer clicks "buy". For example, we might reach out to previous attendees of a music festival via an online contest to gauge their interest in attending next year's event.

And using the data gathered from this touchpoint, we could then create an even more complete picture of each customer.

We can then reach customers in a more targeted manner: at the right moment, with the right tone of voice, on the right channel (WhatsApp, email, SMS ...). This level of personalization creates more durable connections with customers, and it was key in making our partnership with media conglomerate De Persgroep a success (see case study overleaf).

"Event promoters rely on CM.com's ticketing solutions to build closer connections with fans"

Creating the future of ticketing

2022 was a year of technological advancements, including deeper integration with WhatsApp for improved chat and exclusive offers and loyalty program functionality during ticketing conversations. We were also able to offer tickets in the form of non-fungible tokens (NFTs) - which could be used as proof of event attendance to access exclusive discounts in participating stores and online web shops. And in the coming years, we expect to see a further blurring of the boundaries between in-person and digital events. For example, a future music festival might offer options to attend either virtually or in person.

With these changing needs in mind, our multidisciplinary teams are constantly working together to create even more future-ready and customer-centric ticketing solutions. Thanks to our advanced technology and integration capabilities, we are well positioned to leverage our deep industry knowledge in new applications and new regions outside the Netherlands.

Every customer counts

Enhancing customer journeys through integration

In early 2022, DPG Media was looking for a partner to help them create the ideal customer journey for the events they organize for their many sub-brands.

These events are aimed at a wide range of target groups, such as the Margriet Winterfair, Libelle Zomerweek, the Q-music Foute Party and the Tina Festival. There are usually sub-events as well, such as workshops, which is why DPG Media was looking for a flexible, trustworthy, and innovative partner to support them.

The aim of the partnership is to offer a combined proposition including media and ticketing where the integration between DPG Media and CM.com leads to more visitors to DPG Media's events and an enhanced customer journey.

The value of our people and culture

Male:female ratio (%)

70:30

2021: 70:30



Number of FTEs¹

930

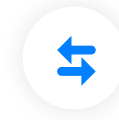
2021: 755



Employee turnover

17%

2021: 13%



Age distribution
< 40 years

75%

2021: 73%



Average age of
our employees

34.3

2021: 35.1



Number of courses
delivered

514

2021: 210



Investments in
employee training

€ 1.5m

2021: € 0.9m



Employee satisfaction
score

76

2021: 76



Number of interns²

69

2021: 70



¹ At year-end.

² Throughout the course of 2022.

As an employer, CM.com offers the best of both worlds: the entrepreneurial spirit of a start-up combined with the solid foundation of a global company. In 2022, to make the most of our incredible growth during the year, we focused on:

- Retaining our culture
- Talent development
- Growing together

At CM.com, we have an open, collaborative culture. We nurture and grow the potential of all our employees, encouraging them to foster strong bonds and supportive networks. Everyone working at CM.com is united by our mission of enabling brands to make life easier, safer, and more beautiful. Our people give us the energy and drive to innovate and grow quickly, so we need to support and look after them.

In 2022, we expanded our workforce globally, by attracting and retaining a wide range of talent throughout our organization. We will now focus on growing together, retaining these colleagues through a variety of talent and training programs and by continuing to maintain our culture.

CM.com's culture

At CM.com, everything we do is done with a positive entrepreneurial spirit, organized by the structures of a global company. We hire people who want to innovate, develop, and stay best-in-class. We encourage our employees to be free thinkers with growth mindsets, as well as team players. We prefer a non-hierarchical management structure, encouraging everyone to contribute by doing what they like and what they are good at. Finally, we make sure to have fun together – which remains important to keeping our culture alive!

A key element of our culture is our Shared Values:

- Drive & Lead: We are action-oriented, seizing and pursuing opportunities to gain excellent results, and acting decisively and sharing information along the way.

Global Onboarding Program
hosted at CM.com Circuit
Zandvoort



- **Grow & Learn:** We come up with creative solutions – based on broad, well-informed perspectives – and implement them effectively, reflect on the outcome, and learn from any mistakes.
- **Together & Care:** We are humble, approachable, and empathetic – acting honestly and with integrity, talking openly about our limitations, and making sure all kinds of people feel included.
- **Speed & Change:** We can adapt to change and uncertainty, take an open-minded, optimistic approach to finding solutions, and continuously develop new skills and competencies.

New onboarding program

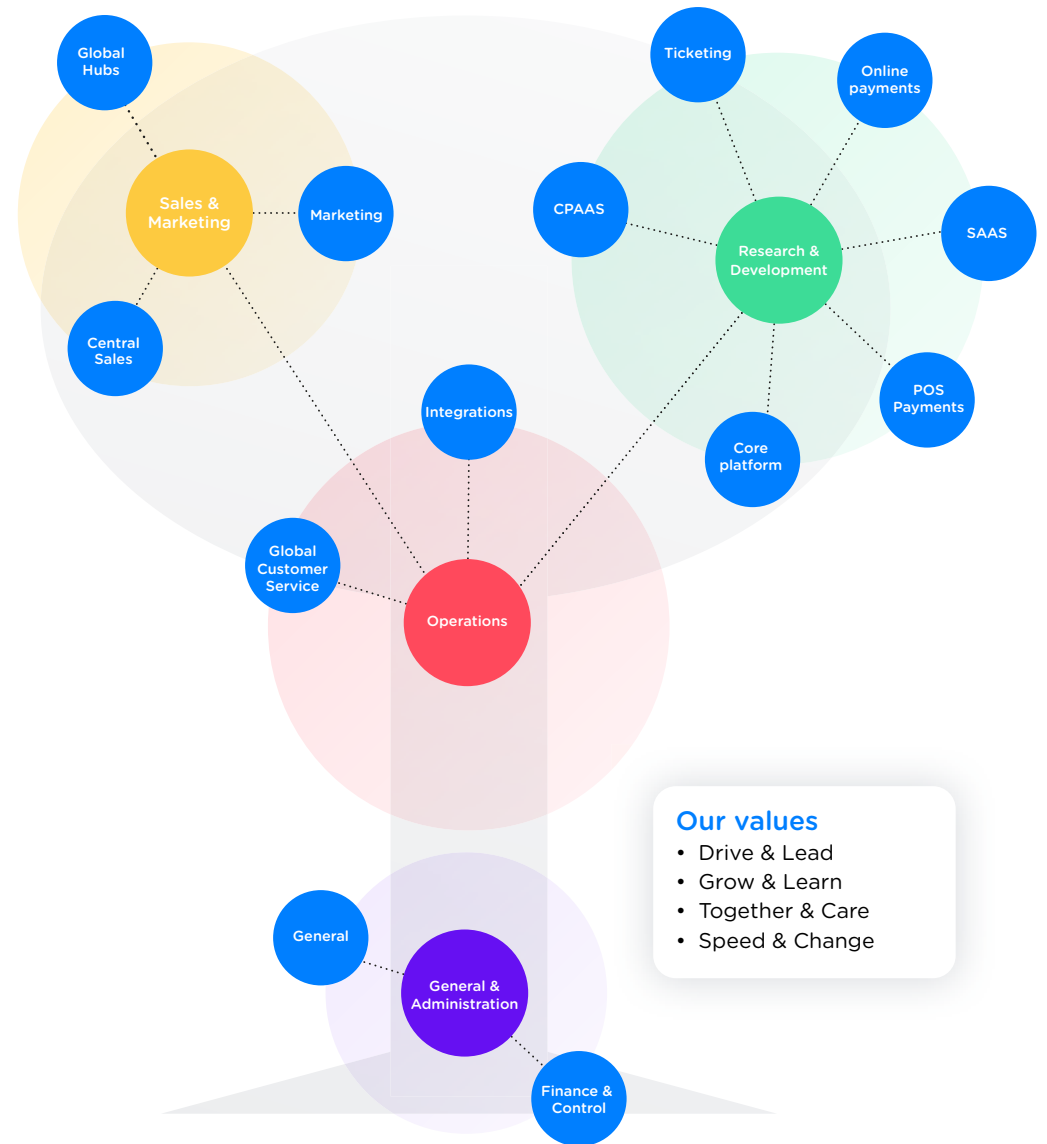
In October 2022, we introduced our 10-day onboarding program, which aims to provide new colleagues with a full overview of CM.com’s culture and capabilities. Under this program, all international colleagues come to our headquarters to begin their careers at CM.com. Over the 10 days, they gain a strong understanding of our company through activities such as product demos and “speed-dates” with all of CM.com’s departments.

The CM.com TeamTree

We visualize our whole organization as a tree, where each section, – from the roots and branches to the leaves – are interconnected and work in harmony. This is a fitting symbol of how CM.com has grown organically in a non-hierarchical way: no one team is more important than another. Our organizational structure gives small, self-managed, autonomous teams the freedom to innovate, grow, and nurture talent, while also supporting their colleagues across the wider organization.

HR strategy pillars

Our HR pillars, which are designed to support CM.com’s Accelerated Growth Strategy, are: Attracting and retaining the brightest talent available in order to expand our global presence; offering an inclusive, empowering, team-centered workplace, in which people are encouraged to fully utilize their talents and capabilities; and driving continuous development of skills and knowledge across our organization’s various disciplines to keep ahead of the competition.



Our values

- Drive & Lead
- Grow & Learn
- Together & Care
- Speed & Change

'Great Place to Work' certification

As in 2021, we were again awarded the globally recognized 'Great Place to Work' certification in 2022. This certification is a testament to our focus on culture, and demonstrates to those inside and outside our organization that CM.com is a welcoming, open, diverse, and reputable place to work. In turn, this will help attract and retain new talent. Our top-scoring areas within the certification were:

- People are treated fairly, regardless of their gender, age, ethnic background, or sexual orientation;
- Management is honest and ethical;
- Management trusts people to do a good job;
- People care about each other; and
- People can be themselves.

The certification also highlighted the following areas for improvement, which we will address and track progress on each year by repeating the survey:

- Improve benefits packages globally;
- Launch an employee share purchase plan;
- Invest further in CM.com Academy;
- Provide regular updates, such as CEO updates, the global executive team roadshow, and virtual get-togethers; and
- Ensure people have the resources they need to do their job.

Attracting talent

As a fast-growing global company, attracting and retaining talent is essential. We want our employees to prosper and develop their skills and expertise with us. We have an agile approach to nurturing and encouraging talent at CM.com. To encourage talent to join CM.com, we initiated the salary multiplier for entry-level positions. This unique incentive aims to attract talented people to join CM.com after university, while also demonstrating that we value the skills and energy they bring to the organization.

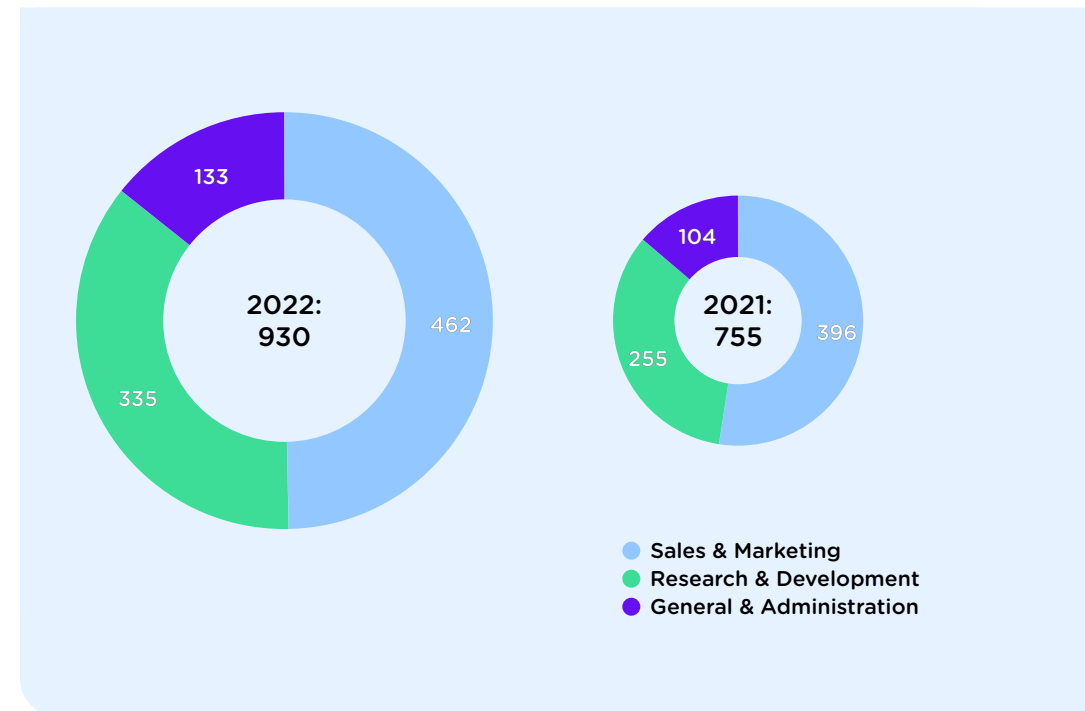
Leavers and retention

Because we have created a culture where our employees feel valued and rewarded, many want to stay at CM.com. In 2022, the number of employees who

left was 171 in comparison to 109 in 2021. This represents a turnover of 17.3% of our total workforce, which is an acceptable figure within our industry. Some turnover is inevitable: some new hires will prove not to be the right fit for our culture, and others will leave as a result of labor-market competition.

Number of FTEs

In 2022, we grew our workforce significantly, adding new talent and expertise where it was needed most. Our organization grew from 755 FTE at year-end 2021 to 930 FTE at year-end 2022.





The CMBA Future Leaders class of 2022

Growing talent

Besides attraction and retention, growing and developing talent within the organization is also important. We offer several initiatives to support this aim:

Our Talent and Management Development Program CMBA enables our young professional Rising Stars and high-potential Future Leaders at CM.com to build their professional and business expertise through access to higher education. The program provides an opportunity to develop skills by taking modules at local universities such as TIAS (Tilburg University), RSM (Rotterdam School of Management and INSEAD (Fontainebleau, France). For front-line management, our Future Leaders course also supports development.

CM.com has a sales traineeship program called LED which empowers entry-level sales professionals with a strong foundation in sales-related training and mentoring with the goal of becoming strong sales professionals for SaaS products.

Our CM.com Academy training platform offers a range of courses and trainings to colleagues globally, including both online and classroom-based provision.

	2022		2021	
	# Courses	# Participants	# Courses	# Participants
Online and udemy courses	436	12,556	40	14,241
Classroom-based	42	1,392	8	1,975
Webinar/Online live training	33	1,021	157	11,755
General online learning track	1	338	1	557
Functional onboarding track	2	285	4	500

Continuous learning is important at CM.com, so we encourage employees to take multiple courses and trainings throughout the year to develop their skills.

This year, we delivered 514 courses, which were attended by more than 15 thousand participants. These courses include also vocational courses on topics such as cookery and photography, which prove to be very popular.

Internships

Nurturing young talent, offering training and employment opportunities, and enabling young people to grow and excel within our organization is important to us, as part of our responsibility to society. In 2022, 69 intern trainees from local universities worked across CM.com (7% of the total workforce). We subsequently offered full-time employment to 40 of these trainees.

Working together

'Together & Care' is one of our Shared Values. This value applies not only to our ways of working, but also to how we succeed through teamwork, as colleagues and friends.

In 2022, we delivered several initiatives to bring CM.com colleagues from different regions together, in order to embed our culture further into our organization. While the pandemic continued to make some virtual events necessary, we were able to offer more face-to-face events this year, and hope to increase this number going forward.

Global onboarding program

GO is a two-week extensive, physical onboarding program, where we help our new colleagues become accustomed to our unique culture, shared values, ways of working, colleagues and our company in general.

In addition, practical things like handing out laptops and beyond will be sorted out during these two weeks. And of course, we try to make the program as fun as possible. We invite all our new colleagues to join this program in the Netherlands.

Every onboarding starts with an introduction to CM.com culture, a CM.com campus tour, practical information and a series of general onboarding sessions. In week two of the onboarding program, we host specific and practical trainings for every department, so our new colleagues can start in their jobs already knowing the basics. Further on-the-job onboarding remains the responsibility of the team and the "buddy". What's more, the CM.com Academy continue to play an important role in the onboarding process after the first two weeks.

Be Part of It Talks: Female Leadership

We hosted three sessions on this broad diversity and inclusion topic, where we invited colleagues from all over the company in the Netherlands to participate in an event to examine our performance at CM.com in terms of female leadership. In one session we invited two professors to tell us more about how science and research from all around the world and to show the differences and similarities between men and women. We also invited guests from outside the company for the second edition. A third and final session is planned on this topic in the Netherlands again for CM.com colleagues to understand a team approach on how to improve our own environment and ways of working.

Global Convention Weeks

We hosted three global convention weeks to enable all colleagues in the offices outside of The Netherlands to travel to our headquarters in Breda, The Netherlands. During this week, we help our colleagues learn, share knowledge about their specific discipline (Marketing, Sales, CSM & Support) and connect even better to their peers. This social connection opportunity supports our global network and creates even tighter bonds between colleagues.

Dev Days

All colleagues from R&D were invited for four days of inspiration, learning, getting to know each other and participation in some high-paced fun activities together. This is one of the key events for our R&D organization and it showed to be highly valuable, as well as a lot of fun. We invited a host of speakers from the industry, including Google, Microsoft, Cloudflare to inspire and teach.



The Female Leadership event
hosted in the CM.com theater

The Dev Days involved workshops on both hard and soft skills – from internal and external speakers – informal get-togethers and a “fun day”, resulting in even better collaboration, knowledge sharing, and cohesion between the teams.

Effectuation workshops

For our organization to grow successfully, our people must maintain their entrepreneurial spirit. For this reason, we host annual effectuation workshops in multiple countries. Effectuation is a process theory that explains how entrepreneurs create new ventures. When deciding how to create value for a business, entrepreneurs can choose between causal (or predictive) thinking and effectual thinking (or effectuation).

Connecting socially

We encourage our employees to connect socially, as well as for work. This year, colleagues from the Netherlands and other countries enjoyed a day-out at the Dutch Formula One Grand Prix, among others events. Employees themselves also organized other social events throughout the year. These activities are an important part of our culture, showing that we value everyone who works at CM.com. In the Netherlands, we also organize Friday drinks: a weekly “connection opportunity” to find out what’s going on in the company in a very low-key and convenient social atmosphere and to connect with people outside of our own desk environment.

Caring for our employees

At CM.com, we look after our people’s personal growth, as well as their professional growth. Taking care of our employees means they can take care of our company, our products, and our customers.

Mental healthcare is an important part of this personal support. In 2022, we continued to offer our ‘Open Up’ initiative, which gives our people 24/7 access to support from a psychologist if needed. Like last year, this initiative was positively received and appreciated.



Benefits plan

Grow with us.

Employee share purchase plan

Travel safely.

Global collective business travel Insurance

Care free parental leave.

Additional compensation

Healthy and free.

Free breakfast, lunch & dinner

CM.com wear package.

CM.com merchandise for each employee

Get to work.

Extended commuting allowance

CM.company pool cars.

Easy to book, for business trips during office hours

We keep you mobile.

Public transport business card for commute and business trips

Global corporate Uber account.

The ride you need

Experience it live.

Discount access to CM.com ticketing supported events

Social get togethers.

Annual colleague weekend trips

The weekend starts here.

Friday afternoon drinks

Stay fit.

Fitness/sports membership discount

Be well.

Open-up: free access to online mental coaching

Get well soon.

Improved sick leave compensation

Benefits plan

Our benefits program continues to be centered around our cultural values – for example, we offer discounts for the gym and we provide a healthy breakfast and lunch, as well as free fresh fruit.

Entrepreneurial mindset

We encourage everyone who works at CM.com to have a growth mindset – one that allows for free thinking and creativity. Our entrepreneurial spirit comes from the business ethos of our founders, and filters through our whole organization. We give people opportunities to use this entrepreneurial mindset to innovate and find the best solutions. We also encourage colleagues who join us from newly acquired companies to embrace our entrepreneurial mindset.

Diversity and inclusiveness

Diversity and inclusiveness are integral to our culture. As a global company, it is important for all our people to work together in an open, honest, and egalitarian way, treating each other with respect. As such, we continuously look for ways to increase our diversity and inclusiveness. Our Diversity Policy is available on our website.

In our Code of Conduct is stated that CM.com employees must treat others equally, with care and consideration and respect for human rights. CM.com does not tolerate harassment or intimidation in any form but values diversity.

Our dedicated CM.com training program, 'We are CM.com', is a global 'train-the-trainer' program that addresses biases and aims to build awareness around the importance of diversity and inclusivity in everyday interactions at work. This program will continue in 2023.

In 2022, we also focused on a specific aspect of diversity: female leadership. We held two discussion sessions exploring the importance of diversity and female leadership. The second of these sessions was open to external stakeholders and featured two experts in this area. We also heard first-hand experiences from female leaders within CM.com. These sessions will continue next year.

HR governance

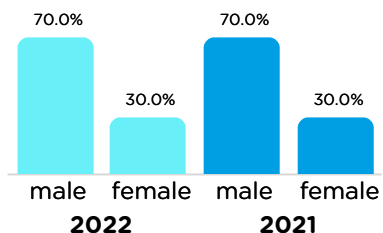
We have good governance in place, including policies to cover health and safety, anti-bribery, whistleblower complaints, and grievances.

Gender split

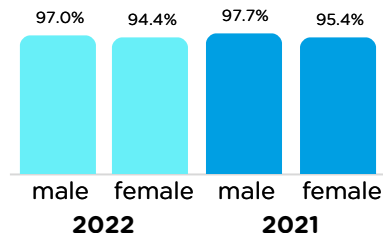
At year-end 2022, 30% of our employees were female and 70% male. The average age of our employees is 34.3 years. There are more than 30 different nationalities and more than 50 languages fluently spoken within CM.com.

The gender pay percentage reflects the ratio of the average salary earned per job level versus the norm salary for this job level. At year-end 2022, female employees on average earned 94.4% of the norm salary whereas male employees earned on average 97% of the norm salary corresponding to their job level.

Gender split (%)



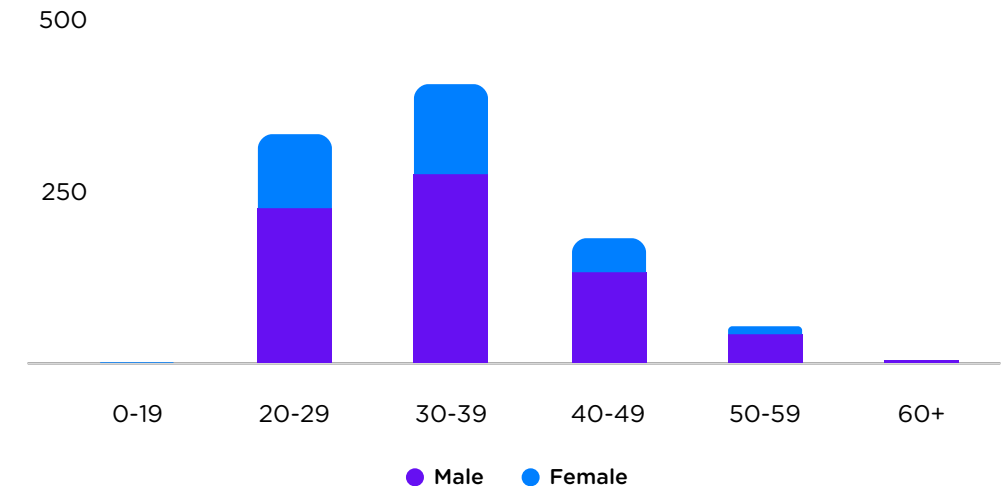
Gender pay (%)



This year, we aimed to continue embedding the CM.com culture across all our teams, wherever they are based. Thanks to the significant benefits of working at CM.com, we have attracted and retained talent and have grown our teams globally.

We are proud of the resilience and agility of all our employees in the face of challenges such as the ongoing pandemic, the conflict in Ukraine, and rising inflation and energy prices. Thanks in part to our "can-do" mentality and entrepreneurial mindset, everyone at CM.com has risen to these challenges, finding inventive ways to connect and work.

Age split



Every conversation counts

Hi Marco,

You are the Project Director for the Heineken Formula 1 Dutch Grand Prix partnership?

Yes, my role is to ensure that all our products and services work in harmony to deliver the best possible experience for both customers and clients – before, during, and after the event.

In this interview, we will discuss how different CM.com products can enrich one another to meet the client's needs and create a value-adding customer experience.

That is correct, we aim to create a full-scope conversational commerce offering that adapts to the client's exact requirements – while providing room to expand the partnership within the CM.com system via cross-selling opportunities.

Sounds interesting, please tell me more!



Marco Schroot about Heineken Formula 1 Dutch Grand Prix

How advanced product synergies streamline the customer journey

Product portfolio

CM.com's vision is to create a conversational commerce platform that is robust, scalable, and adapts seamlessly to the needs of clients. That means an increase in the "cross-pollination" of our capabilities to make our solutions even more value-adding and human-centric. This is key to making every conversation with customers count.

One of the many inspiring parts about working for CM.com is the versatility of our product portfolio. Thanks to our strong development teams and strategic acquisitions, we have a market-leading suite of tools that offer customers excellent levels of personalization and ease of use. But the core of our value proposition is the way these products and services work together to deliver enriching experiences for users and clients alike.

A recent example is CM.com's partnership with the Formula 1 Dutch Grand Prix (DGP). As Project Director, it was my role to ensure that our products connected seamlessly with each other to deliver a streamlined experience for race fans (see the case study overleaf). Central to this advanced integration is our Customer Data Platform (CDP). It allows us to collect data from our various products and services to create 360° customer profiles – meaning we can link products and services for a more intuitive user experience.

For instance, we can valorize the user data collected on our ticketing platform across our Mobile Marketing Cloud and Mobile Service Cloud products. So, when a visitor who had bought a ticket on our platform arrived at the Grand Prix, we could send them an SMS to welcome them – and even tell them which entrance to use so they could avoid large crowds. This is just the tip of the iceberg in terms of CM.com's advanced integration capabilities, but it demonstrates the huge potential for our clients to unlock more engaging, interactive user experiences, alongside new marketing opportunities.

Enabling better product interoperability has, therefore, been a key focus area in 2022. The impressive maturity of our products and services and the innovative spirit of everyone at CM.com are key assets in this mission – and we are always finding new product synergies across the CM.com ecosystem. This way, we can create even more value at every stage of the customer journey to help make sure that every conversation really does count.

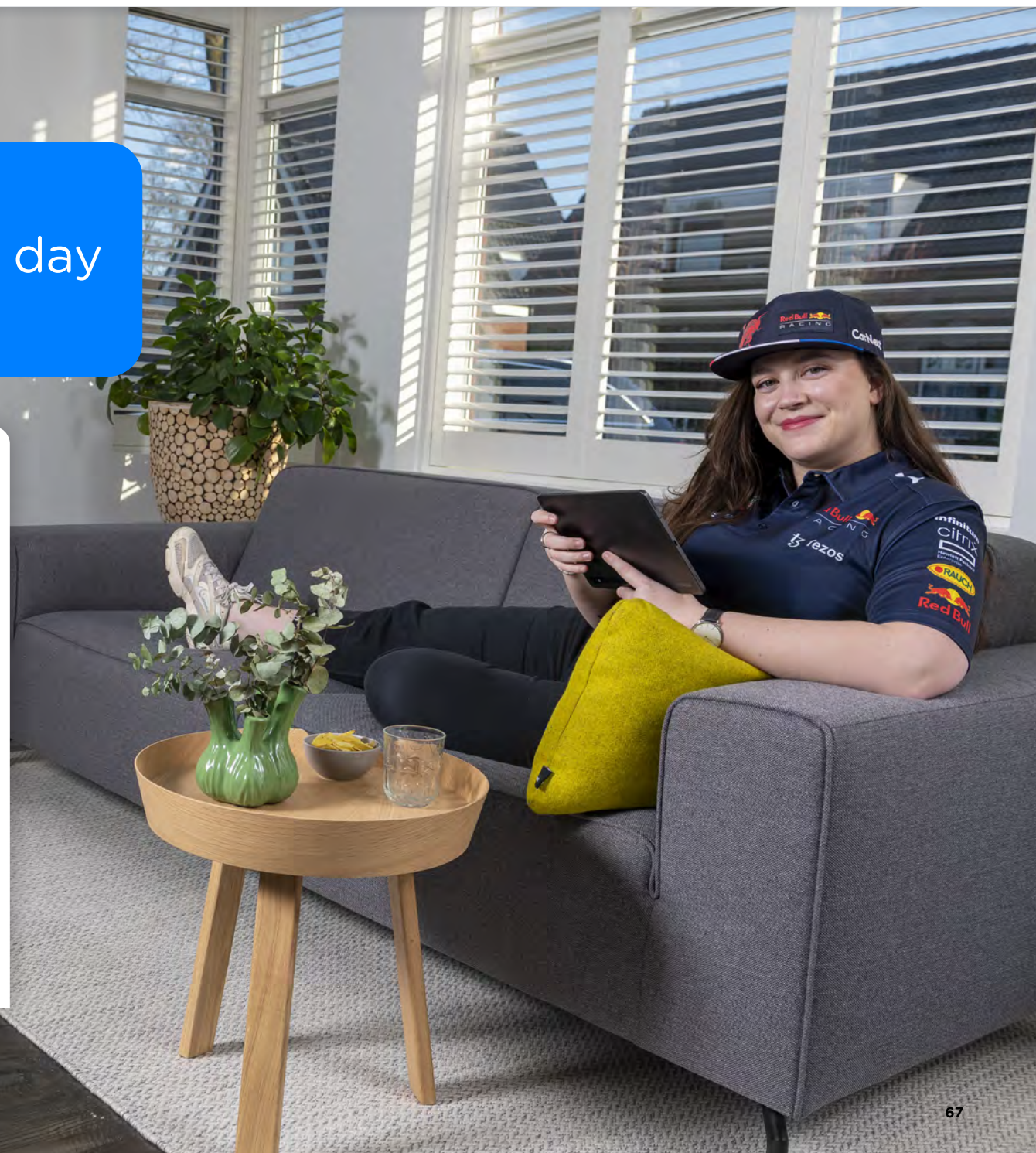
Of course, dealing with billions of text messages, emails, tickets, and conversations per year requires high levels of resilience in our systems. That is why we invest heavily in our hardware and infrastructure to ensure high levels of reliability: there is no room for downtime! As we increase the capacity of our data centers and the compatibility of our products with third-party services, we look forward to helping clients create even more streamlined, data-enriched, and intuitive customer experiences by leveraging greater product integration.

Every customer counts

Creating a personalized user experience for race day and beyond

In 2022, CM.com once again teamed up with the Heineken Formula 1 Dutch Grand Prix (DGP) to create a user-centric customer journey for attendees – before, during, and after the race. The experience began on our integrated ticketing and ticket reselling platform, “MyDGP”, where our “Race Engineer” chatbot answered users’ questions and even assisted with tasks such as planning journeys to the venue.

In the lead-up to the race, the official Heineken Formula 1 Dutch Grand Prix app (created using our Appmiral platform) built up the excitement with exclusive content and offers. On race day, it also facilitated a streamlined and stimulating fan experience, providing live race updates and exclusive attendee discounts. CM.com also supplied all the vendor point-of-sale payment solutions at the track, ensuring seamless customer service throughout the weekend. And thanks to our Mobile Marketing Cloud platform, users can now receive year-round DGP content and updates, further improving fan engagement.



ESG

Sustainable value creation across CM.com

In 2022, we continued to focus on integrating environmental, social, and governance (ESG) principles into our overall strategy. This applies to our products and services, our operations, our role in society, and our responsibility toward the environment. As a result, ESG is a key strategic pillar. To support this, we have processes and structures in place to integrate ESG-focused decision-making into our internal frameworks and external reporting and communications.

Sustainable Development Goals (SDGs)

The Sustainable Development Goals (SDGs) are 17 objectives for governments and corporations that the United Nations General Assembly set in 2015 to address a range of global issues. Aligning with certain SDGs is a meaningful way to help CM.com meet its sustainability goals, helping us to create long-term stakeholder value.

CM.com is committed to embedding the following four SDGs into our business by 2025:

- SDG 8: Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all
- SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation
- SDG 12: Ensure sustainable consumption and production patterns
- SDG 13: Take urgent action to combat climate change and its impacts.

Key material topics

Within the four selected SDGs, our key material topics are the following:

- Sustainable innovation in mobile communications
- Increasing social contribution
- Reducing our environmental footprint

Our ESG focus

Our focus on SDG 9 is:

- Develop quality, reliable, sustainable and resilient infrastructure, by:
 - Innovation in mobile communication.
 - Delivering innovative business models & channels to customers.

Our focus on SDG 12 is:

- Waste reduction.
- Sustainability Reporting.
- Sustainable Procurement.



Our focus on SDG 13 is:

- Reduction CO₂ emission, by:
 - Renewable energy.
 - Reduce energy.
 - Compensate CO₂.

Our focus on SDG 8 is:

- To create job opportunities.
- To achieve higher levels of economic productivity through:
 - Diversification.
 - Safe working conditions.
 - Educational upgrading.
 - Innovation.

ESG roadmap 2022-2025

Led by our ESG manager, this year we have continued to make progress on our ESG roadmap. This plan sets out CM.com's path toward future-proofing the business from an ESG perspective by 2025.

It allows us to precisely target the steps required to achieve our goals, assign accountability, and benchmark our progress. It also demonstrates to our stakeholders, shareholders, suppliers, and the wider CPaaS industry, our commitment to meeting ESG goals.

Q4 2021

Involved

- CM.com chooses to focus on the SDG's: 8, 9, 12 & 13
- Key material topics
- Sustainability Paragraph AR2021 (compliant to EU NFRD + EU Taxonomy wrt 1 + 2)
- ESG-Manager appointed as per 1 November 2021
- ESG is added as a strategic pillar to our accelerated growth strategy
- ESG Roadmap 2022-2024 and Dashboard are approved by Board in December 2021
- CFO is Board sponsor; ESG KPI included in its remuneration 2022

2022

Committed ★

- ESG Target-setting '22 + metrics + evidence
- Start preparation CSRD*
- AR22: EU NFRD** + EU Taxonomy**
- Create a connection between ESG, corporate values and strategic planning
- Pro-actively reaching internal + external key stakeholders
- CM.com controls its ESG narrative

2023-2024

Integrated

- ESG Target-setting '23-25 + metrics + evidence
- AR23 + 24: EU Taxonomy + CSRD
- Mandatory (limited) assurance on reported information
- ESG in portfolio CM.com
- Integrated reporting
- ESG ("Voice of society") into thinking about long-term purpose value creation
- CM.com creates positive social impact
- 2025: Futureproof: acknowledged as ESG frontrunner in conversational commerce

2025

Futureproof

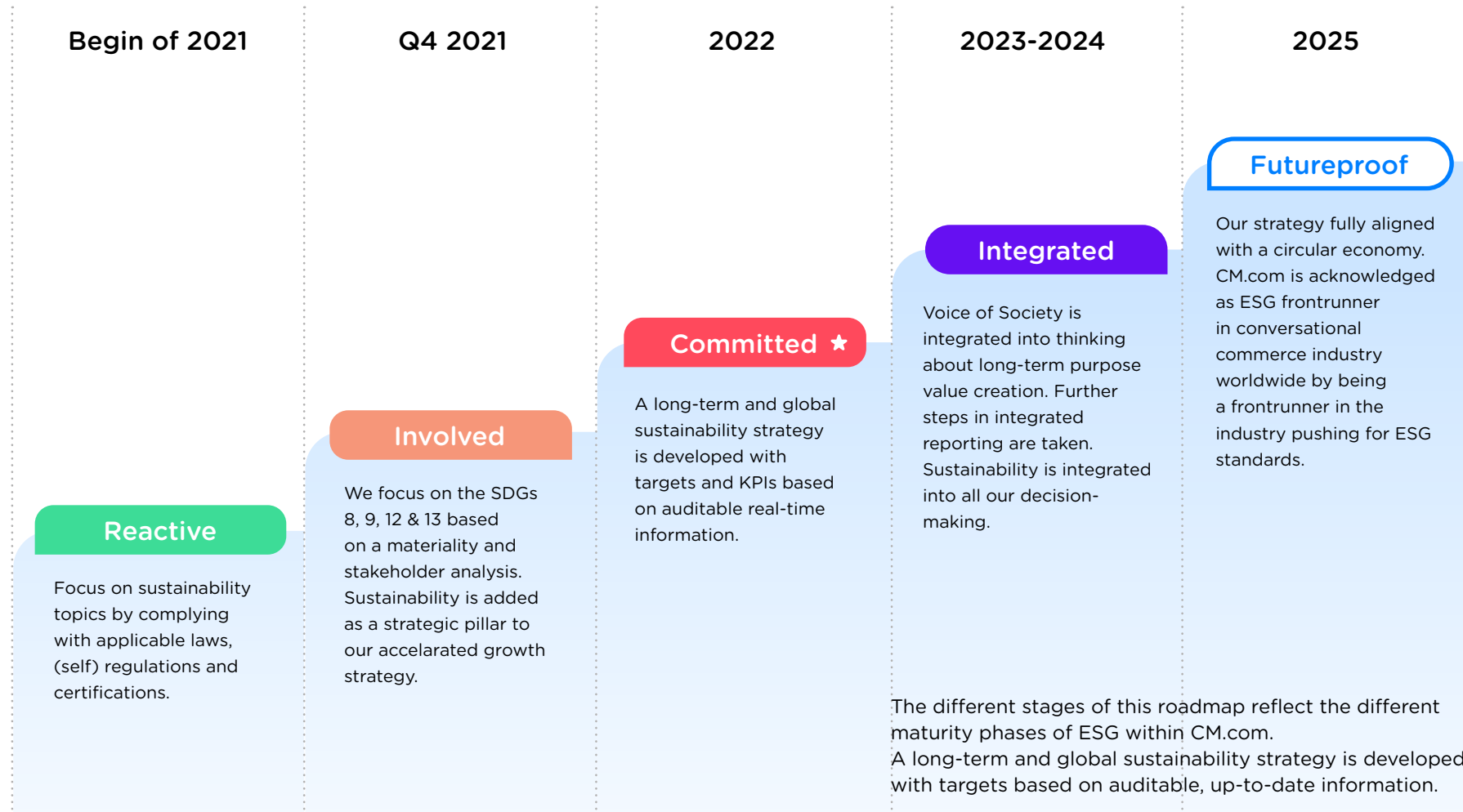
CM.com's ambition

* EU CSRD: all listed companies + large companies, as per FY2024

** EU NFRD: listed companies with more than 500 employees

*** EU Taxonomy: a common classification system of economic activities significantly contributing to (environmental) objectives, using science-based criteria, large companies that are mandatory to disclose non-financial information under the NFRD/CSRD

A purposeful transition: the 5 phases of the CM.com ESG journey



Through discussions with the Management Board and department leads, we defined three ESG themes within each of our key material topics, including KPIs for 2022 (see infographic).

Following this process, we created a KPI dashboard that set out the first steps in defining and measuring our performance and assigning responsibility across the organization. Discussions took place with the Management Board, the Executive Committee, and Department Leads to make sure that these KPIs were clear, measurable, and properly aligned with CM.com’s business objectives.

Establishing this KPI dashboard has helped to further demonstrate our commitment to our ESG goals among our employees, as well as externally. The highlights of this dashboard are displayed below. Further disclosures are published on our website.

Jeroen van Glabbeek, CEO CM.com

“At CM.com, we have always been fully committed to integrating sustainability into our strategy and identity. We will continue this journey in the years ahead, acting as a front-runner in developing technologies that benefit society and make life easier, safer, and more beautiful.”

Our ESG themes



Sustainable innovation in mobile communications

- Innovation Lab
- Integral reporting
- Procurement Strategy
- Data Protection & Security

Increase social contribution

- Diverse & Inclusive workplace culture
- Talent Management & Retention

Reduce environmental footprint

- Control Carbon Emissions
- Waste Reduction
- Environmental Legislation

Building toward sustainability

In 2022, we moved forward strategically with our ESG ambitions, providing the foundation for us to deliver on our commitments. For instance, we are formalizing the

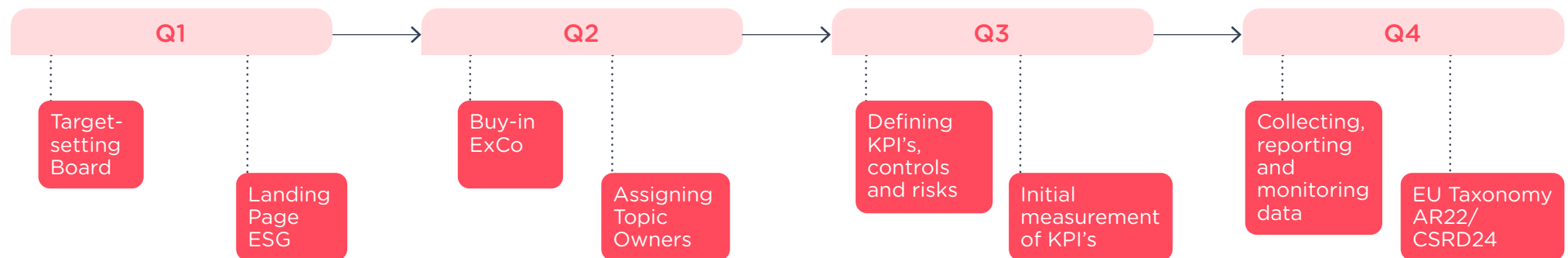
processes for progress monitoring and evidence-based reporting, as required by the forthcoming EU regulations.

Included in this scope are CM.com’s ESG targets for 2022 (see infographic) and the measurement of our progress toward these goals.

All 2022 targets have been achieved, except for:


- [The Global Emissions target](#). To address this, we started measuring the carbon emissions scope 1 and 2 related to our Breda HQ data center, offices and work-related travel (publication date Q1 2022 on our website).


Timeline 2022: Committed ★



ESG in 2022

 Sustainable innovation.

 Increase social contribution.

 Reduce environmental footprint.

Waste reduction

- ✔ Increasing the amount of waste recycled by 10% in 2022 for Breda HQ (vs 2021)
- ✔ Decreasing the amount of industrial waste per person in kg by 5% in 2022 for Breda HQ (vs 2021)

Control carbon emissions

- CO₂ usage is measured globally for datacenters, offices and travelling
- ✔ Implementation of 3 energy saving initiatives to reduce our carbon emissions

Data protection & security

- ✔ Yearly 1 security/PEN test yearly per CM.com product
- ✔ 12x per year Security Awareness training/education
- ✔ Monthly vulnerability scan of external facing systems
- ✔ Onboard 1 additional product to Bug Bounty program each year
- ✔ Yearly review of all personal data processing activities
- ✔ Implementation of new privacy and databreach policy

Talent management & retention

- ✔ 60% of R&D trainees of CM.com: first jobs after graduation
- ✔ Max 10% voluntary leave
- ✔ Target an average 80% score for the Trust Index of the annual employee engagement survey
- ✔ Salary multiplier for entry level positions
- ✔ Career Planning Process

Innovation lab

- ✔ Successful launch of 2 innovative sustainable products or services
- ✔ Publish 1 blog/vlog per month on social media on sustainability

Procurement strategy

- ✔ Implementation of a Global Sustainable Purchasing Policy
- ✔ ESG is integrated in new purchasing agreements

Diverse & inclusive workplace

- ✔ No average gender pay gap during onboarding
- ✔ Worldwide mandatory We are CM.com sessions (live and online)
- ✔ Launch of 10 projects within CM Group (with local scope) to activate our products, people and capital to do good for society
- ✔ Social Return on Investment (SROI) policy

Environmental legislation

- ✔ Recertification of ISO14001
- ✔ Onboarding on EcoVadis
- ✔ Follow up Energy Efficiency Directive (EED) audit

Integral reporting

- ✔ Further embed Social Impact in AR22
- ✔ Participation in 2 investor surveys on ESG
- ✔ To encourage transparency on sustainable topics, CM.com will report on EU Taxonomy in AR22

✔ Target achieved, with verifiable and up-to-date supporting evidence available.

→ Target not yet achieved completely however progress is made. CM.com will publish its Carbon Footprint of Breda HQ The Netherlands on its website in Q1 2023.

Reporting on the EU Taxonomy

The EU Taxonomy is one of the cornerstones of the Green Deal, the EU's strategy to become the first climate-neutral continent by 2050. Redirecting capital flows toward sustainable investments and increasing transparency are central to achieving this goal. For this purpose, the European Commission (EC) developed a classification system for sustainable activities called the EU Taxonomy.

The EU Taxonomy provides investors with a common language for identifying sustainable economic activities. Under the EU Taxonomy, companies must disclose the proportion of their revenue, capital expenditure, and operational expenditure that meets the criteria outlined in the EU Taxonomy and provide both investors and other stakeholders with transparent information to enable them to make informed investment decisions.

The EU Taxonomy identifies the following six environmental objectives:

- Climate change mitigation (CCM) – Annex 1
- Climate change adaptation (CCA) – Annex 2
- The sustainable use and protection of water and marine resources – Annexes 3-6
- The transition to a circular economy – Annexes 3-6
- Pollution prevention and control – Annexes 3-6
- The protection and restoration of biodiversity and ecosystems – Annexes 3-6

These six objectives are to be covered in six corresponding annexes and are expected to be published as part of the EU Taxonomy Regulation. Companies such as CM.com, which fall within the scope of the EU NFRD¹, are required to report in accordance with the EU Taxonomy.

Scope of FY 2022 analysis

CM.com is required to report on its share of eligible activities against the two objectives of climate change mitigation and climate change adaptation starting with the FY 2022 reporting period.

In our analysis, we have used the latest available definitions and clarifications provided by the EC that apply to non-financial companies. To ensure completeness, all documentation published by the EC was taken into consideration. Please refer to the legislative references at the end of the memo [SL1] [PS|C2] for an overview.

It is important to note that the EU Taxonomy Regulation is a living document that will be amended and revised over the coming years. New economic activities, new technical screening criteria (TSC), and/or new environmental or social objectives are likely to be included.

The analysis

2022 EU Taxonomy eligibility assessment

Following the FY 2021 reporting period, CM.com carried [SL3] [PS|C4] out an eligibility assessment of its four activities (Communication Platform as a Service (CPaaS), Payments, Platform services, and Other services) against the two objectives of CCA and CCM. The findings indicated that all four activities corresponded with the following EU Taxonomy activities:

- 8.1. Data processing, hosting, and other related activities (CCM and CCA)
- 8.2. Computer programming, consultancy and related activities (CCA)

As all of CM.com's business activities fall within the scope of the EU Taxonomy definitions for these two activities, the proportion of eligible revenue, capital expenditure, and operational expenditure in FY2021 was determined to be 100% eligible.

For the FY 2022 reporting period, the principal economic activities were reassessed against the two CCM and CCA objectives following minor changes in

business activities and reporting structures. These changes included the addition of “Other Services” (previously a standalone business unit) to the CPaaS activity and the exclusion of “Ticketing services” from Platform services, which will now be a separate operating segment. As a result, the business activities now consist of the four following operating segments:

- Communication Platform as a Service (CPaaS)
(including “Other services”, which consists mainly (89%) of premium SMS services and direct carrier billing solutions)
- Software as a Service (SaaS)
- Payment services
- Ticketing

Following minor changes to CM.com’s categorization of business activities, it was determined that all business activities identified for the FY 2022 reporting period still correspond to activities 8.1 (CCM and CCA) and 8.2 (CCA), in line with the findings of the FY 2021 eligibility analysis.

The corresponding NACE codes of the identified activities were extracted from the Chamber of Commerce and verified against the EU NACE classification system to identify CM.com’s relevant economic activities. These activities were predominantly assessed for eligibility based on their descriptions, as the NACE codes included in the Climate Delegated Act are used more as an indication during the assessment. This approach is in line with guidance provided in the Draft Commission Notice of February 2022.

Moreover, supplementary internal documentation, such as the consolidated financial statements for H1 2022, was used to confirm the revenue-generating activities. The identified economic activities were further verified and validated during an internal interview with key stakeholders at CM.com on 6 January 2023. These stakeholders were Michael Jepson (Head of Core Platform), Tommy Gimbrere (Senior Network Engineer), and Patricia Smit (ESG Manager). The interview confirmed that all four activities defined by CM.com fall within the definition of EU Taxonomy activities 8.1 (CCM and CCA) and 8.2 (CCA).

As a result of further discussions and an analysis of the two corresponding EU Taxonomy activities (8.1 and 8.2), key internal stakeholders decided that all four of these activities would be assessed for eligibility against activity “8.2 Computer programming, consultancy and related activities” in Annex 2 (CCA) of the EU Taxonomy.

A deeper understanding of the EU Taxonomy, following the latest Draft Commission Notices 1 and 2 published by the European Commission, has allowed CM.com to determine that its activities are not eligible against activity “8.2 Computer programming, consultancy and related activities” in Annex 2 (CCA) of the EU Taxonomy.

According to the Draft Commission Notice of February 2022 (Q:5, page 7), there are two types of adaptation-related activities that can be reported as eligible against Annex 2 (CCA) of the Climate Delegated Act; these are enabling activities or adaptation activities that fall under the definitions outlined in Article 11(1)(a) and 11(1)(b) of the EU Taxonomy Regulation.

Upon further review, it was determined that the identified economic activities cannot be classified as either enabling activities or adaptation activities according to the definitions provided. Therefore, the economic activities were determined to be Taxonomy-ineligible based on these definitions.

In addition to the above, further clarity was provided by the EC in the Draft Commission Notice of 1 December 2022; (Q:18) of this FAQ document reads as follows:

“With respect to adapted activities (see questions 8 and 19 of this Notice), for assessing the Taxonomy-eligibility of activities for CCA in accordance with Article 11(1)(a) of the Taxonomy Regulation, the title or the description of the economic activity spelled out in Annex II to the Climate Delegated Act is not decisive in itself for making a substantial contribution to CCA. A reporting undertaking should rather consider the adaptation solutions that it puts in place that could make the economic activity adapted/more resilient to climate change. In line

with the reply to question 5 of the first Commission Notice, to demonstrate the Taxonomy-eligibility of an activity, an undertaking has to perform a climate risk and vulnerabilities assessment of the most important physical climate risks that are material to its economic activity. In addition, the undertaking must put in place a plan outlining how and by when adaptation solutions will be put in place to counter these physical risks."

Based on the above clarification, it was confirmed that CM.com has not carried out a climate risk and vulnerabilities assessment to identify the physical climate risks that are material to its economic activities, and, in addition, CM.com does not have an associated plan outlining how and by when adaptation solutions will be put in place to address the identified physical risks. Therefore, CM.com's economic activities do not classify as taxonomy-eligible according to the interpretation of the above information provided by the EC. A feasible approach to becoming eligible with the above requirements is being developed internally. CM.com will evaluate the feasibility of executing a climate risk and vulnerabilities assessment, including an associated plan for the implementation of adaptation solution(s) in FY 2023.

In addition, an initial eligibility scan was performed against the four draft environmental objectives of water, circularity, pollution, and biodiversity. The economic activities were found not to be eligible against the four draft environmental objectives. As these objectives have not been approved or ratified into legislation by the EC and it is not mandatory to report against them, CM.com will continue to monitor the development of these annexes and reassess potential eligibility as more information becomes available.

FY 2022 Alignment assessment of the EU Taxonomy

Only once an activity is deemed to be eligible against the EU Taxonomy it can be assessed for alignment. For an economic activity to be classified as aligned, it must do the following (as set out in the EU Taxonomy Regulations):

1. comply with the identified TSC activities;
2. meet the requirements of the Do No Significant Harm (DNSH) criteria, and
3. comply with the Minimum Social Safeguard (MSS) criteria

Following the eligibility assessment, it was determined that 0% of CM.com's activities are classified as Taxonomy-eligible. For CM.com to perform an alignment assessment against the corresponding TSC of activity "8.2 Computer programming, consultancy and related activities" in Annex 2 (CCA) of the EU Taxonomy, its activities would first need to be classified as eligible.

A feasible approach to ensure compliance with the above requirements is already being developed internally in the form of a Taxonomy alignment roadmap, which also takes into consideration CM.com's priority to first become eligible under the EU Taxonomy Regulations before working toward alignment.

EU Taxonomy KPI disclosures

Restatement of FY 2021 reporting disclosures

Following the publication of numerous updates and FAQs by the EC in 2022 (following the publication of CM.com's 2021 integrated annual report), which provided further information on the interpretation and implementation of the EU Taxonomy Regulation, it has been agreed that a restatement of the eligibility KPIs (revenue, CAPEX and OPEX) from 100% to 0% will be disclosed in the FY 2022 annual report.

FY 2022 reporting disclosures

The FY 2022 eligibility assessment of CM.com's activities determined that 0% of CM.com's activities are classified as Taxonomy-eligible. Therefore, CM.com's eligibility KPIs (Revenue, CAPEX and OPEX) for FY 2022 will be 0%. For more details on CM.com's EU Taxonomy disclosures for FY 2022, we refer you to the disclosure table below. Note that this is a consolidated overview, which is not in line with the KPI disclosures templates for non-financial undertakings as provided in Annex II of the Disclosures Delegated Act. As CM.com did not proceed to assess their economic activities for alignment (assessment against the technical screening criteria (TSC), do no significant harm (DNSH) criteria or minimum safeguards) for the 2022 reporting period, it was decided not to report in line with the exhaustive templates as provided by the regulations.

Revenue

	Codes	Absolute Revenue (in million)	Proportion (%) of revenue (CCM and CCA)	Proportion (%) of aligned revenue (CCM and CCA)
A. Taxonomy-eligible activities		€ nil	0%	0%
N/A	-	-	-	-
B. Taxonomy non-eligible activities		€ 283.2	100%	100%
Revenue of Taxonomy non-eligible activities		€ 283.2	100%	100%
Total A+B		€ 283.2	100%	100%

CAPEX

	Codes	Absolute CAPEX (in million)	Proportion (%) of CAPEX (CCM and CCA)	Proportion (%) of aligned CAPEX (CCM and CCA)
A. Taxonomy-eligible activities		€ nil	0%	0%
N/A	-	-	-	-
B. Taxonomy non-eligible activities		€ 26.7	100%	100%
CAPEX of Taxonomy non-eligible activities		€ 26.7	100%	100%
Total A+B		€ 26.7	100%	100%

OPEX

	Codes	Absolute OPEX (in million)	Proportion (%) of OPEX (CCM and CCA)	Proportion (%) of aligned OPEX (CCM and CCA)
A. Taxonomy-eligible activities		€ nil	0%	0%
N/A	-	-	-	-
B. Taxonomy non-eligible activities		€ 98.5	100%	100%
OPEX of Taxonomy non-eligible activities		€ 98.5	100%	100%
Total A+B		€ 98.5	100%	100%

Qualitative information referred to in Article 8 of the Delegated Act (Section 1.2 of Annex I)

Accounting policy

Eligibility KPIs

Revenue

The KPI related to revenue has been calculated in accordance with Article 8 of the EU Taxonomy Regulation for the reporting year 2022 (hereafter, FY 2022). The numerator of each operating segment has been calculated by taking the total eligible revenue of that segment for FY 2022. The total denominator is equal to the total combined revenue of all operating segments. The eligibility assessment for FY 2022 determined that CM.com does not have any activities which are Taxonomy-eligible. Therefore the related revenue associated with eligible activities is 0%.

CAPEX

The KPI related to capital expenditure has been calculated in accordance with Article 8 of the EU Taxonomy Regulation for FY 2022. The numerator has been calculated by taking the total eligible CAPEX for FY 2022. This CAPEX relates to:

1. assets or processes associated with Taxonomy-eligible economic activities;
2. part of the CAPEX plan to expand Taxonomy-eligible economic activities or to allow Taxonomy-eligible economic activities to become Taxonomy-aligned;
3. the purchase of output from Taxonomy-eligible economic activities and individual measures that enable the target activities to become low carbon or reduce greenhouse gas emissions, notably activities listed in points 7.3 to 7.6 of Annex I of the Climate Delegated Act, as well as other economic activities listed in the delegated acts adopted pursuant to Article 10(3), Article 11(3), Article 12(2), Article 13(2), Article 14(2), and Article 15(2) of EU Taxonomy Regulation, and provided that such measures are implemented and operational within 18 months.

For the CAPEX, the total denominator was equal to the total CAPEX (total CAPEX meeting the definitions outlined in the Disclosure Delegated Act and relating to IAS 16 Property, Plant and Equipment, IAS 38 Intangible Assets, IAS 40 Investment Property, IAS 40 Investment Property, IAS 41 Agriculture and IFRS 16 Leases) combined for all the economic activities. The eligibility assessment for FY 2022 determined that CM.com does not have any activities which are Taxonomy-eligible. Therefore, the related CAPEX associated with eligible activities is 0%.

OPEX

The KPI related to operational expenditure has been calculated in accordance with Article 8 of the Taxonomy Regulation for FY 2022. The numerator of each of the operating segments has been calculated by taking the total eligible OPEX for FY 2022. This OPEX relates to:

1. assets or processes associated with Taxonomy-eligible economic activities;
2. part of the CAPEX plan to expand Taxonomy-eligible economic activities or allow Taxonomy-eligible economic activities to become Taxonomy-aligned within a predefined time frame;
3. the purchase of output from Taxonomy-eligible economic activities and individual measures that enable the target activities to become low carbon or reduce greenhouse gas emissions as well as individual building renovation measures as identified in the delegated acts adopted pursuant to Article 10(3), Article 11(3), Article 12(2), Article 13(2), Article 14(2), or Article 15(2) of the EU Taxonomy Regulation, and provided that such measures are implemented and operational within 18 months.

For the OPEX, the total denominator includes costs relating to R&D, short-term leases, maintenance, renovation, and any other direct expenditures related to the day-to-day servicing of tangible assets (e.g. property, plant, and equipment), whether by the undertaking itself or any third party linked to the operations.

The eligibility assessment for FY 2022 determined that CM.com does not have any activities which are Taxonomy-eligible. Therefore, the related OPEX associated with eligible activities is 0%.

Alignment KPIs

The eligibility assessment for FY 2022 determined that CM.com does not have any activities which are Taxonomy-eligible. Therefore, the need to calculate and disclose alignment KPIs (Revenue, CAPEX, and OPEX) is not considered necessary for the FY 2022 reporting period.

Assessment of compliance with Regulation (EU) 2020/852

In our assessment of the eligibility and alignment of CM.com's business activities, the definitions included in the delegated acts published by the EC on 6 July 2021, the Complementary Delegated Acts, and the corresponding Commission Notices were interpreted as part of the assessment. Compliance with the EU Taxonomy Regulation applicable to all companies falling under the EU NFRD as of 1 January 2022 was used.

For each activity included in the EU Taxonomy, a precise definition is provided, describing the economic activities that fall within the scope of that precise EU Taxonomy-eligible activity. CM.com has acted in good faith and has adhered strictly to the scope established by the definitions and clarifications provided by the EC.

Should any doubt arise in the future as to the outcome of the EU Taxonomy assessment carried out for the FY 2022 disclosures, possibly as a result of new findings or clarifications provided by the EC, CM.com will omit or correct any misstatements in the following reporting year.

Expected future disclosure requirements for the EU Taxonomy

Looking ahead, it remains to be seen when the remaining four environmental objectives will be adopted and enacted into law by the EC. Based on the delayed timeline of the four remaining annexes, it is likely that a similar "phase-in" approach will be followed as for the CCM and CCA objectives. It is therefore expected that companies will have to report on their eligibility against all six objectives in the coming reporting periods, possibly in FY 2023, and on their alignment against all six objectives in the subsequent annual reporting period.

References

EU NFRD

(DIRECTIVE 2014/95/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups)

EU Taxonomy Regulation

(Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment)

Climate Delegated Act

(Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives)

Disclosure Delegated Act

(Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation)

Article 8 Delegated Act

(Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by

undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation)

[Complementary Climate Delegated Act](#)

(COMMISSION DELEGATED REGULATION (EU) 2022/1214 of 9 March 2022 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities)

[Draft Commission Notice, February 2022](#)

(Draft Commission notice on the interpretation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of eligible economic activities and assets)

[Commission Notice, October 2022](#)

(Commission Notice on the interpretation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of eligible economic activities and assets)

[Commission Notice 1, 19 December 2022](#)

(Draft Commission notice on the interpretation and implementation of certain legal provisions of the EU Taxonomy Climate Delegated Act establishing technical screening criteria for economic activities that contribute substantially to climate change mitigation or climate change adaptation and do no significant harm to other environmental objective)

[Commission Notice 2, 19 December 2022](#)

(Draft Commission notice on the interpretation and implementation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of Taxonomy-eligible and Taxonomy-aligned economic activities and assets (second Commission Notice))

Creating positive change in communities

For CM.com, giving back to the community is just as important as strong growth. That's why we focus on helping people fulfil their dreams.

Sharing knowledge by education

Sharing knowledge is an import way of giving back to society. We have ambitious partnerships with Eindhoven University of Technology, AVANS University of Applied Sciences and TIAS School for Business and Society. Setting up field experiments and internships for students is our way of giving people the work-life experience they need to contribute to society. For the second time, CM.com has participated in the AVANS Multidisciplinary SustainABLE Experience Breda, where groups of students business administration helped us with sustainable entrepreneurship and coming up with smart solutions.



100% QR

In 2022, KWF became the first collection fund to collect solely using 100% QR via IDEAL. CM.com also focuses on 100% cashless events through the technology they are developing. KWF and CM.com therefore have ambitions for a cashless society. As a proud partner of the Heineken Dutch Grand Prix and namesake of the Zandvoort Circuit, CM.com also organizes large-scale employee and relationship events around this occasion. During these events, about 900 relations and employees visited the CM.com beach club and upon arrival they received a debit card with € 40. They were allowed to spend this money during the race on the CM.com circuit Zandvoort. Upon returning to the beach club, all people were asked to donate the card with the remaining credit to the KWF, which led to a wonderful total proceeds of € 2874.40 and 300 cards that can be reloaded and reused next year.



Regulatory and compliance responsibilities

CM.com's alignment with regulatory and compliance responsibilities (as referred to in GRI Disclosures 207 1-3) is an essential part of our commitment to ESG. Societies need tax revenue to mobilize resources and strengthen their infrastructure, and in this way, tax is deeply linked to development.

At CM.com, we believe that we can promote investment, job creation, and economic growth by carefully aligning our investment and tax policy. We see our overall approach to tax (which detailed in our Tax Policy) as an important part of our wider engagement with SDGs 8, 9, and 12.

Our Tax Policy is publicly available at <https://www.cm.com/cdn/web/file/investor-relations/cmcom-tax-policy.pdf>. The Management Board formally reviews and approves the policy annually. The Tax Policy includes our tax strategy, which is carefully considered with our organizational values in mind. This consideration is also recognized by external stakeholders in the Tax Transparency Benchmark.

Compliance is the responsibility of our Tax team, which manages CM.com's global tax position and all our tax processes. These processes also include external advisers.

To maintain a knowledgeable and expert team, CM.com actively invests in the continuous learning and development of our Tax employees. Alongside these learning and development opportunities, the Tax team also has regular contact with the rest of our organization – ensuring they are up to date not only on tax regulations but also on our business. This organizational knowledge is key to a well-rounded and thorough understanding of our processes – especially important given the frequency of regulatory change in the tax world.

This expertise also ensures that employees can identify any threats to compliance early on. We actively encourage employees to take any serious concerns about tax straight to the Tax team. They can also report concerns via the Speak-up Policy as an alternative channel.

Overall, CM.com works to develop strong, respectful, and open relationships with national tax authorities. We want these relationships to be based on transparency and trust, and we aim to achieve this by always acting in a professional, courteous, and timely manner.

If we ever have any disputes or uncertainty, we aim for early agreement through collaboration and communication on a real-time basis, where possible.

In terms of tax profile and risk, CM.com aims for a conservative tax risk profile in which we pay our fair share. CM.com regularly assesses its tax risks, and when possible, we mitigate them by incorporating the relevant controls. Our overall tax strategy and potential risks are discussed with the Audit Committee and Supervisory Board on a periodic basis to make sure we are on track.

We maintain our tax risk profile by controlling risk through a combination of internal controls and external solutions. Our tax risk is incorporated in our corporate in-control statement.



Meet Jeroen van Glabbeek, CEO, CM.com

“This year has taught us that making every conversation count – with consumers, customers, and our own people at CM.com – creates great experiences and true value for everyone.”

Unlocking the value of conversation for businesses, society, and the planet

This year, we have learned that a business's conversations with consumers are not just a cost – they are an opportunity. Difficult economic times make it harder to win new clients, so spending from loyal customers is more valuable than ever. Each conversation you have with those customers is important, and it is vital to provide them with a great experience. To achieve all this, businesses must be open to cooperation between their support and sales functions.

It takes complex technology to achieve these outcomes, but CM.com is uniquely positioned to help clients in these areas. Developing and owning most of our technological solutions makes us responsive, agile, and flexible on pricing, and therefore able to make successful deals with clients.

Technology ready for the world of tomorrow

Turning to our products, we have made significant progress this year with our Payments business, having launched a payment platform that enables us to connect directly with leading credit card providers and attracting major clients – including the Dutch government. We can now offer our customers something no competitor has: a conversational commerce platform, where messaging and payments are seamlessly combined. We are very excited about leading the way here, as we believe this will be how both enterprises and consumers do business in the future.

Having completed a period of rapid growth at CM.com, this year has also been a time for considering today's market and how current trends might progress in the future. One good example is our belief in open innovation, which led us to collaborate with universities and open some of our developer meetings to the public. This concept of open innovation is maintained in harmony with our respect for individual privacy, and we continue to design all our products with privacy in mind.

Greater digitalization across the world presents a huge business opportunity for CM.com. Around twenty percent of our revenue already comes from Asia, where mobile phone use continues to grow rapidly. We are also very excited about opportunities for our business in Africa. The median age of the African population was just 18 years old at the end of 2022, and all these young people growing up across the continent today will be keen to connect to information, education, and businesses through their mobile phones.

The growing use of AI in conversational commerce is perhaps the most important current trend for us. With AI and our products working well together, we are already able to provide highly valuable data-based insights to our clients. Also, having used AI in our conversational tools for several years, we introduced consumer AI to our business in 2022. Consumer AI technology is less about understanding a question, and more about understanding who asked the question – with the aim of helping clients to get the right message to the right person on time.

A responsible and equitable business

This year has also been significant for CM.com's ESG progress, thanks to the appointment of our ESG manager in 2021.

Since the start of our business, we have been eager to find ways to innovate. Doing things in a responsible way is our top priority since the beginning, from flyers to SMS and from paper to digital ways of working.

Today, our e-signature technology provides an efficient, legally binding way to do business remotely and without excess paper. The current energy crisis has made our focus on the carbon footprint of our offices even more urgent, and we regularly update our data center technology to maximize energy efficiency. As a business, we aim to recycle at least 10% of our waste and reduce our carbon footprint by 50% between 2022 and 2050, and we remain committed to sustainable procurement.

What was your favorite moment of 2022?

One of the best moments was the Heineken Formula 1 Dutch Grand Prix. We hosted hundreds of thousands of visitors at this massive event which is completely driven by CM.com technology. Quite a responsibility, but everything went very well. I think it is a great showcase of what can be achieved with the combination of our products.

What do you enjoy the most about your job?

I like the fact that through working at CM.com I can get out of bed, go to work, and collaborate with colleagues to put ideas into action.

What are your hopes for 2023?

I would like to see CM.com using more AI tools, specifically within conversation products. A lot of contact centers now have problems with staffing, but AI can be used very successfully to handle routine questions, leaving humans free to deal with queries that require a more complex or empathetic response.

Jeroen van Glabbeek (Dutch, 1979) CEO

Before founding CM.com as ClubMessage in 1999 together with Gilbert Gooijers, Jeroen van Glabbeek studied Technology Management at the University of Technology in Eindhoven (1997-2002). In 1998, he started his career as a project manager at Getronics PinkRocade Civility. Additionally, Jeroen van Glabbeek followed the Advanced Management Program of Nyenrode Business University, completed in 2009.



Gender equality is another ESG priority at CM.com. The gender pay gap is reflected by the ratio of the average salary earned per job level versus the norm salary for this job level. At year-end 2022, female employees on average earned 94.4% of the norm salary (2021: 95.4%) whereas male employees earned on average 97.0% of the norm salary corresponding to their job level (2021: 97.7%). During 2022, we organized employee meetings to discuss gender equality and we are very pleased to report that we have now completely eliminated the average gender pay gap in salaries for new employees. At the end of 2022, 30% of our employees were female and 70% male. Like many technology businesses, we still have some way to go to reach gender parity. Meanwhile, we were pleased to see our in-house CMBA program for those we consider rising stars and future leaders receive an approximately 50/50 split in applications between men and women.

Taking equality in the workplace more broadly, we continued to run our worldwide mandatory “We are CM.com” training program throughout 2022. This course addresses biases, aiming to build awareness of the importance of diversity and inclusivity in everyday interactions at work.

Success for CM.com, our clients and all our stakeholders

With pride in our achievements, we look forward to 2023 and the exciting opportunities it will bring for us to help our clients. Our goal throughout our recent period of growth was not growth for its own sake, but so that we could provide our clients with better products and services and contribute more to their success. In turn, this has a positive impact on individuals, businesses and other organizations throughout the world – and enables us to continue to provide a good return on investment for our stakeholders.

Governance

Supervisory Board



Jacques van den Broek (Dutch, 1960)

Chair of the Supervisory Board and member of the NSR Committee

Jacques van den Broek is the former CEO of Randstad N.V. and has held various leadership positions within Randstad for more than 30 years. He was CEO from 2014 to 2022. After graduating in law, he held a management position with an international trading company before joining Randstad. Currently, Jacques is a member of the supervisory board of the Goldschmeding Foundation in the Netherlands.



Mariken Tannemaat (Dutch, 1971)

Vice-Chair of the Supervisory Board and Chair of the NSR Committee

Mariken Tannemaat is currently a member of the supervisory boards of CM Payments B.V., ABN AMRO Bank N.V. (a listed Dutch financial institution), and VLC & Partners (a Dutch risk management firm). Furthermore, she is a non-executive director of Prudential Assurance Company Limited and Investment Funds Direct Limited. In addition, Mariken is an advisor to the management board of Erasmus Enterprise B.V. and Chair of the Women in Leadership workgroup of EGN Nederland B.V. Previously, she was Chief Innovation Officer (CIO) of Robeco, CIO of NN Group, alongside sitting on the board of Nationale Nederlanden with responsibility for overseeing the Customer & Commerce business unit. She has also held various functions at ING Direct in Paris, London, and Amsterdam.



Stephan Nanninga (Dutch, 1957)

Member of the Supervisory Board and Chair of the Audit Committee

Stephan Nanninga is currently a member of the supervisory board of Bunzl Plc, IMCD N.V., and Cabka N.V. In addition, he is an executive director of Dutch Star Companies Promoters Holding B.V. Previously, he held executive functions at various companies, including Technische Unie, CRH and Royal Dutch Shell in the Netherlands and abroad. From 2007 to 2016, Stephan Nanninga was a member of the board of the family company SHV Holdings N.V. and was CEO between 2014 and 2016.



Lex Beins
(Dutch, 1965)

Member of the Supervisory Board and the Audit Committee

Lex Beins is the founder of Pyton Communication Services B.V., Beins Travel Group B.V., and co-founder of Cheaptickets.nl. In 2011, Cheaptickets.nl was merged into Travix International B.V. Currently, he is chairperson of the supervisory board of Écart Invest 1 B.V. and a member of the supervisory boards of CM Payments B.V. and P1Travel B.V. Until September 2022, he was a member of the supervisory board of Profile International N.V.



Joëlle Frijters
(Dutch, 1974)

Member of the Supervisory Board

Joëlle Frijters is a technology entrepreneur and former CEO. She co-founded Improve Digital, which was sold to Swisscom in 2016, and she remained CEO until the end of 2017. Before starting Improve Digital, she held international roles at large corporations such as Microsoft and KLM. Currently, Joëlle Frijters holds the following Supervisory Board positions: chair of the supervisory board of LeQuest B.V., member of the supervisory board of HightechXL Group B.V., and member of the supervisory board and remuneration committee of Timber and Building Supplies Holland N.V. In addition, she is a member of the independent commission overseeing the Technostarters seed capital & TTT funds of the Netherlands Enterprise Agency.



Diederik Karsten
(Dutch, 1956)

Member of the Supervisory Board and the NSR Committee

Diederik Karsten is currently a member of the supervisory board of Holland Casino N.V. Previously, he held supervisory board roles at, among others, Stadion Amsterdam, VodafoneZiggo Group, Telenet, ANP Holding, and Liberty Global. At Liberty Global, he was also CCO. He has previously worked at PepsiCo, KPN, and Easyjet. He was CEO of KPN Mobiel between 2000 and 2002.

Corporate governance

We would like to give our (potential) investors insight into the corporate governance of CM.com N.V. (“**CM.com**”). For that purpose, we set out:

1. our company structure, including corporate bodies (addressing their main features) and shares in CM.com;
2. the rules and regulations applicable to CM.com, as well as the rules prepared by CM.com itself;
3. diversity within the supervisory board of CM.com (“**Supervisory Board**”) and the management board of CM.com (“**Management Board**”); and
4. other corporate governance-related matters.

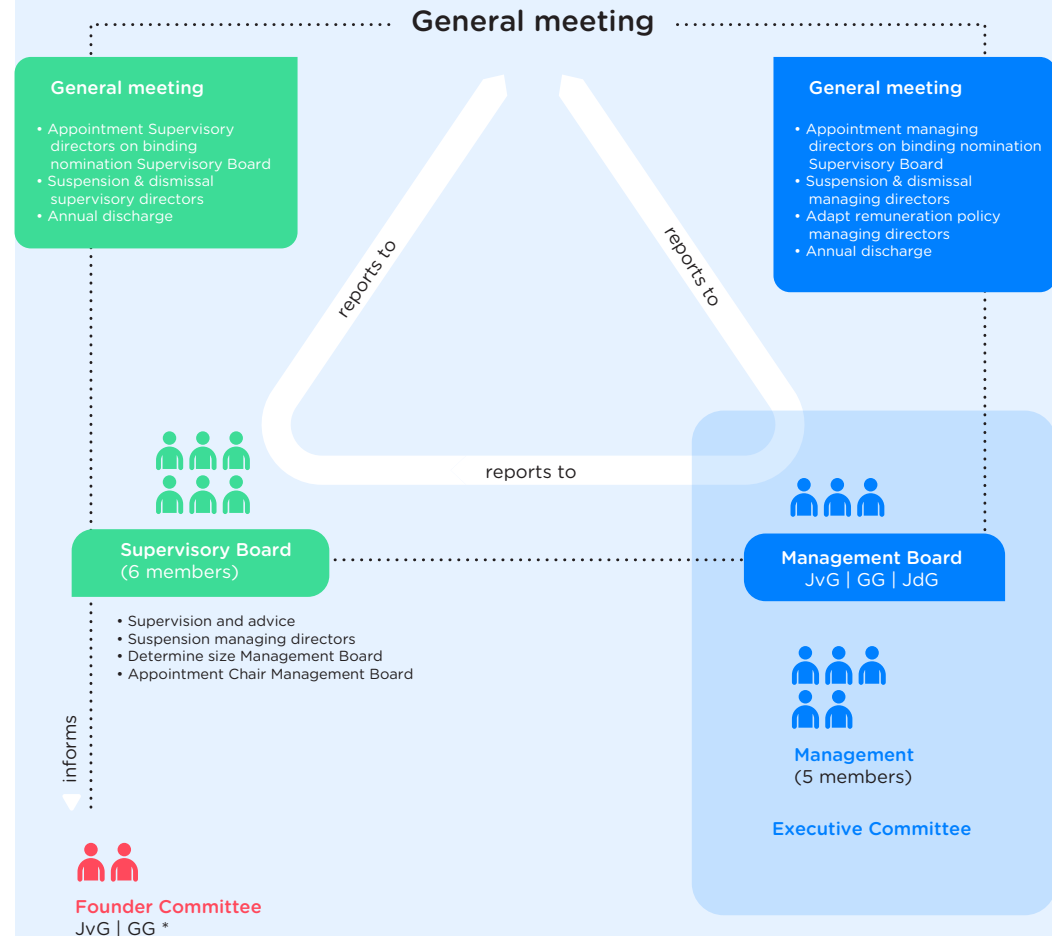
1. Company structure

CM.com is a public limited liability company incorporated in the Netherlands. Our shares are listed on Euronext Amsterdam as of 21 February 2020. As such, our governance structure is based on the requirements stated in Dutch legislation and the articles of association of CM.com (“**Articles of Association**”), completed by our internal policies and procedures. Proper corporate governance, including a focus on long-term value creation and our CM.com culture, is an important component of the CM.com way of working.

CM.com has a two-tier board structure with a Management Board and a Supervisory Board. The Management Board is responsible for the management of CM.com, while the Supervisory Board supervises and advises the Management Board. Both the Management Board and Supervisory Board report to the general meeting of CM.com (“**General Meeting**”). A shareholder of CM.com (“**Shareholder**”) may cast their vote during a General Meeting.

The founders of CM.com, Jeroen van Glabbeek and Gilbert Gooijers, (“**Founders**”) are actively involved as members of the Management Board. In addition to their managing positions, they are members of the Founder Committee.

Governance structure of CM.com



Founder Committee has the right to:

- (I) Approve any change to the size of the Management Board and the Supervisory Board, as proposed by the Supervisory Board
- (II) Appoint suspend and dismiss up to 1/3rd of the supervisory directors
- (III) Appoint the Chair of the Supervisory board
- (IV) Approve a resolution of the General Meeting (a) to amend the articles of association to the extent rights of the Founder Committee are adversely affected and (b) to effect a legal merger, legal division or any other form of corporate restructuring.

*JvG and GG together are the Founders

Following the aforementioned, CM.com has the following corporate bodies:

- **General Meeting;**
- **Supervisory Board**, supported by the:
 - Audit Committee; and
 - Nomination, Selection, and Remuneration (“NSR”) Committee;
- **Management Board**, supported by the Executive Committee; and
- **Founder Committee.**

A high-level overview of the governance structure of CM.com is included in the picture on the previous page.

General Meeting

Our shareholders are important for the governance of CM.com. In 2022, CM.com kept its shareholders informed through financial updates – some accompanied by a webcast – an investor deep dive on 14 June 2022, press releases, and the annual General Meeting of 21 April 2022. For more information, reference is made to the Shareholder Value Creation chapter on page 16.

Once a year, CM.com organizes an annual General Meeting. This meeting occurs within six months following the end of the financial year (31 December). Our next annual general meeting is scheduled to take place on 26 April 2023.

Shareholders may exercise their voting rights on the agenda items of a General Meeting. For our General Meeting on 26 April 2023, voting rights may be exercised in person during the General Meeting or in advance via proxy. Proxies must be received no later than Wednesday 19 April 2023 at 17:00 CEST. Further information will be published in our notice convening the General Meeting. A shareholder has the right to cast one vote per share. The General Meeting resolves by an absolute majority of the votes cast, without a quorum requirement, unless expressed otherwise in Dutch law or the Articles of Association.

Recurring agenda items on which we request our shareholders to cast their vote for our annual General Meeting are:

- the adoption of CM.com’s consolidated financial statements;

- the determination of dividend – in line with the Dividend Policy (available on our company website);
- the remuneration report for the Management Board and Supervisory Board (advisory vote);
- the discharge of each member of the Management Board and Supervisory Board;
- the (re)appointment of the external auditor;
- the authorization of the Management Board to:
 - issue shares and grant rights to acquire shares;
 - restrict or exclude pre-emptive rights;
- the authorization of the Management Board to repurchase shares.

Shareholders have the right to propose items for the agenda of a General Meeting if the shareholder(s) hold(s) at least 3% of the issued share capital.

CM.com may hold extraordinary General Meetings. In addition, shareholders have the right – following authorization by a judge – to convene an extraordinary General Meeting if the shareholder(s) represent(s) at least 10% of the issued share capital. In 2022, no extraordinary general meetings were convened.

Without the approval of the General Meeting, the Management Board cannot perform (among others) the following actions:

- appoint, suspend, or dismiss a member of the Management Board;
- appoint, suspend, or dismiss a member of the Supervisory Board – provided that the Founder Committee is authorized to do so for up to one-third (1/3) of these positions;
- discharge a member of the Management Board or Supervisory Board;
- adapt a remuneration policy for the Management Board or the Supervisory Board;
- determine the remuneration of the Supervisory Board;
- issue shares or grant rights to acquire shares outside the authorization provided to the Management Board by the General Meeting;
- repurchase shares outside the authorization provided to the Management Board by the General Meeting;

- reduce the issued share capital;
- take any action resulting in an important change in the identity or character of CM.com;
- adopt annual accounts;
- appoint an auditor;
- amend the Articles of Association.

Supervisory Board

The Supervisory Board advises the Management Board on a broad variety of topics. Alongside advising the Management Board, the Supervisory Board supervises the Management Board. This supervision includes supervising strategy, policies, and the internal audit process. For more information, reference is made to the Supervisory Board Report on page 110.

The Supervisory Board consists of six members. Profiles of the members are included in the Governance chapter on page 85.

Supervisory Board members are appointed by the General Meeting on a binding nomination by the Supervisory Board, provided that the Founder Committee is authorized to appoint one-third (1/3) of the Supervisory Board members. Supervisory Board members are appointed for a period of four years and may be reappointed. The first reappointment may be for a maximum period of four years. The second reappointment may be for a maximum period of two years, which may be extended by another two years.

The Founder Committee may appoint one member of the Supervisory Board as chair. Supervisory Board members may be suspended or dismissed by the corporate body that has appointed them.

The duties, composition, and statement of the Supervisory Board and its committees are included in the Supervisory Board Report starting on page 114.

Management Board

The Management Board is responsible for the management of CM.com. These responsibilities include, among others, defining and achieving CM.com’s objectives, determining its strategy and risk management policy, and managing its day-to-day operations. The Management Board may perform all acts related to achieving these objectives, except those that are prohibited or explicitly attributed to the General Meeting, the Founder Committee, or the Supervisory Board, according to Dutch law or the Articles of Association.

The Management Board rules of procedure specify how responsibilities are divided among the managing directors. Despite this division of responsibility, the Management Board remains collectively responsible for the management of CM.com.

In performing their duties, the members of the Management Board are guided by the interests of CM.com and its business enterprise, taking into consideration CM.com’s stakeholders (which include, but are not limited to, its customers, its employees, and its shareholders). The Management Board provides the Supervisory Board with all information necessary to exercise the Supervisory Board’s responsibilities in a timely manner. The Management Board submits resolutions, as stipulated in Dutch law, the Articles of Association, or the Management Board Rules of Procedure, to the Supervisory Board and/or General Meeting and/or Founder Committee for approval.

The Management Board consists of three members. The profile of each member of the Management Board is included on pages 24, 44 and 84.

Throughout 2022, the Management Board was composed as follows:

Name	Date of birth	Position	Member as of	Term
Jeroen van Glabbeek	07-04-1979	CEO	20-02-2020	Indefinite
Gilbert Gooijers	14-02-1979	COO	20-02-2020	Indefinite
Jörg de Graaf	13-10-1976	CFO	30-04-2020	Four years

Management Board members are appointed by the General Meeting through a binding nomination by the Supervisory Board. The Founders have been appointed as Management Board members for an indefinite period. Both Founders wish to continue in their active Management Board roles at CM.com for as long as possible to execute and safeguard CM.com's long-term strategy.

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

Executive Committee

The Management Board has chosen to work with an executive committee, to enhance and broaden the knowledge and expertise available to the Management Board. The executive committee of CM.com ("**Executive Committee**") serves to support the Management Board. The Executive Committee did not adopt any resolutions in 2022.

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. Therefore, the Management Board remains accountable for the actions and decisions (if applicable) of the Executive Committee and bears ultimate responsibility toward the Supervisory Board and for CM.com's external reporting to its shareholders.

The Executive Committee currently has 8 members, consisting of the Management Board members and five additional members fulfilling the following functions:

- Chief Technology Officer (CTO);
- General Manager International;
- Head of Human Resources;
- Head of Central Sales; and
- Head of Legal.

Founder Committee

The Founder Committee is installed to ensure that the Founders can remain actively involved in CM.com. The Founder Committee has two members: the Founders – Jeroen van Glabbeek and Gilbert Gooijers. Each Founder is appointed for an indefinite period.

A Founder ceases to be a member of the Founder Committee five years following the date that he is no longer actively involved in CM.com (not being a Management Board or Supervisory Board member or holding another meaningful and value-adding position within the CM.com group). In addition, a Founder ceases to be a member of the Founder Committee, if: (i) the Founders jointly hold fewer than 6,400,000 shares in CM.com; (ii) a Founder voluntarily resigns; or (iii) a Founder dies.

The Founder Committee will meet whenever a member of the Founder Committee so requests. In 2022, the Founder Committee did not convene.

The Founder Committee has the right to:

- approve the number of members of the Management Board and Supervisory Board;
- appoint or replace the chair of the Supervisory Board; and
- directly appoint, suspend, and dismiss up to one-third (1/3) of the Supervisory Board members.

Additionally, a resolution of the General Meeting to (a) amend the Articles of Association – if the rights of the Founder Committee or the Founders are prejudiced in the proposed amendment, (b) effect a legal merger, (c) effect a legal division, (d) effect any other form of corporate restructuring if such corporate restructuring requires a resolution of the General Meeting, or (e) dissolve CM.com, will require the prior approval of the Founder Committee. The Founder Committee has the right to decide at its own discretion whether to exercise these rights.

Works Council

As of 8 April 2022, CM.com has had a joint works council of CM.COM Netherlands B.V., CM Platform B.V., and CM Payments B.V. and their subsidiaries in the Netherlands (“**Works Council**”). The Works Council consists of seven members.

The Works Council is relevant for corporate governance in the Netherlands since certain decisions are subject to the advice or consent of the Works Council. At CM.com, we value the views of our employees. Therefore, the Works Council is relevant in a broader sense.

Since the Works Council is relatively new and CM.com wishes to engage with its employees, the Works Council and Management Board have monthly meetings.

Shares

CM.com only has one class of shares.

Except for the shares held in treasury, each share equates to one voting right. On 31 December 2022, 55,847 shares were held in treasury.

In 2022, CM.com did not issue:

- any shares with a limited entitlement to profits or reserves; or
- any bearer shares.

CM.com is not aware of any agreements between shareholders which result in restrictions on transfer of shares or on the exercise of voting rights.

In 2022, CM.com launched its Employee Share Purchase Plan. Based on the plan, employees have the opportunity to acquire shares with their gross salary. Further information on this plan is included under the Human Resources chapter on page 56.

For more information about shares in CM.com, reference is made to the Shareholder Value Creation chapter on page 16.

II. Rules and regulations

Like any listed company, CM.com is subject to various rules and regulations. When focusing on corporate governance, the following rules and regulations are of importance to CM.com:

Dutch law; especially Book 2 of the Dutch Civil Code (“DCC”)

Currently, CM.com is not (yet) subject to the provisions of Dutch law applicable to large corporations. However, for the first time, CM.com does meet the requirements of article 2:153 of the DCC. Accordingly, CM.com shall (within 2 months after the adoption of the Annual Accounts by the General Meeting) lodge a declaration with the Dutch commercial register.

When the declaration has been registered at the commercial register for three consecutive years, the large company regime (as included in articles 2:158 up to and including 2:164 of the DCC) shall apply to CM.com. This will lead to a further concentration of control at the Supervisory Board level over certain decisions and transactions. Once the large company regime applies, CM.com needs to align its Articles of Association accordingly.

Articles of Association

The latest amendment to the Articles of Association was executed on 30 April 2020. The Articles of Association are available in English and in Dutch on the CM.com company website.

The Corporate Governance Code

The Dutch Corporate Governance Code of 2016 (“**Code**”) was applicable to CM.com throughout 2022. The Code is available on the website of the Corporate Governance Code Monitoring Committee (<https://www.mccg.nl>).

CM.com complies with the Code and endorses its principles, with the exception of the following:

- Best practice provision 2.2.1, which states that a member of the Management Board is appointed for a maximum period of four years. As addressed above, both Founders have been appointed for an indefinite period. Whenever the position of the Founders in their capacity as Management Board members leads to a conflict of interest, CM.com has a thorough procedure that needs to be followed. This was followed throughout 2022.
- Best practice provision 4.3.3, which states that the general meeting of a company that does not come under the large company regime 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 may not exceed one-third (1/3). The Articles of Association state that a qualified majority of a two-thirds (2/3) majority of the votes cast, representing more than one-half of CM.com's share capital, is required to cancel the binding nature of a nomination for the appointment of a member of the Management Board or Supervisory Board – leading to the situation that the cancellation of the binding nature of a nomination would at the moment only be possible by an action combined by both the Founders – in their capacity as shareholders – and other shareholders. This deviation from the Code is temporary. When CM.com applies the large company regime, CM.com intends to update its Articles of Association accordingly.

On 20 December 2022, the Monitoring Committee published the updated Corporate Governance Code. The updated Corporate Governance Code is applicable to CM.com as of 1 January 2023.

Internal rules and policies

CM.com has the following internal rules and policies relating to Corporate Governance:

- | | |
|---|---|
| • Management Board Rules of Procedure | • Code of Conduct |
| • Supervisory Board Rules of Procedure | • Management Board Remuneration Policy |
| • Profile of the Supervisory Board | • Supervisory Board Remuneration Policy |
| • Audit Committee Charter | • Supervisory Board Rotation Schedule |
| • Nomination, Selection, and Remuneration Committee Charter | • Tax Policy |
| • Bilateral Contact Policy | • Dividend Policy |
| • Diversity Policy | • Insider Dealing Policy |

All internal rules and policies are published on the company's website, except for the Insider Dealing Policy. Whenever a person (internal or external) is included on an insider list, that person receives notification thereof together with the Insider Dealing Policy.

The following values are of such importance to CM.com that they are included in the Code of Conduct:

- comply with the law;
- act with integrity and responsibility;
- refrain from insider trading;
- avoid conflict of interest; and
- meet reporting obligations.

Some examples of how our values are effectively incorporated and complied with include:

- our dedicated data privacy governance board, consisting of a multi-disciplinary team of qualified professionals to govern our global privacy program;

- training on insider dealing during employee onboarding, which is repeated annually and is mandatory for all employees;
- CM.com's open culture, where we treat each other with respect and integrity and do the right thing in all circumstances, even when no one is watching; and
- CM.com's speak-up policy (available on the company website under the Trust Center section) and speak-up line. To encourage everyone within the CM.com group to speak up about any suspected misconduct, irregularity, or incident, a speak-up application was acquired - making it easier for employees to raise concerns.

III. Diversity

CM.com has set out its diversity targets for the Management Board, Executive Committee, and Supervisory Board in the Diversity Policy (available on the company's website). The diversity aspects to be taken into consideration are not limited to gender, but also include nationality, age and education, and experience. The purpose of the Diversity Policy is to have diversified board compositions, facilitating a well-balanced decision-making process and the proper functioning of the respective boards.

During 2022, the composition of the Management Board did not change.

On 1 January 2022, the Supervisory Board consisted of 5 men (71%) and 2 women (29%). At the close of the General Meeting held on 21 April 2022, Martin van Pernis voluntarily resigned as chair and member of the Supervisory Board. As a consequence of his resignation, the percentage of women participating in the Supervisory Board increased from 29% to 33%.

In 2022, one female member of the Executive Committee left the company. Consequently, the percentage of women participating in the Executive Committee decreased from 9% to 0%.

Consequently, the Executive Committee currently consists exclusively of men.

In accordance with Dutch law (article 2:166 paragraph 2 of the DCC), CM.com has maintained its targets relating to the ratio of men and woman in the Management Board, Supervisory Board and Executive Committee as included in the Diversity Policy in 2022. The target is that (i) at least 30% of the Management Board, the Executive Committee and the Supervisory Board together consists of men and (ii) at least 30% of the Management Board, the Executive Committee and the Supervisory Board together consists of women. Following the above, the target has not been met in 2022. CM.com has taken measures to achieve the target. First of all, having more woman in leading functions is a topic frequently discussed by the Management Board, Executive Committee and Supervisory Board. In addition, CM.com launched the "Female Leadership" program in 2022. Furthermore, CM.com intends to hire more women for starter positions and aims to facilitate equal opportunities for both men and women in their career path. With these programs, CM.com aims to increase the presence of women at higher levels - including ultimately in the Executive Committee and at board level. More information about the measures is included under the section Human Resources.

IV. Other corporate governance matters

In line with legislation, CM.com discloses its:

- conflicts of interest;
- transactions with 10% shareholders;
- anti-takeover measures; and
- Corporate Governance Statement.

Potential conflicts of interest

CM.com is aware that the Founders continue as directors and are members of the Founder Committee, while the Founders remain (indirect) shareholders. When this (or another situation) leads to a conflict of interest, the director may not participate in the deliberations and decision-making process on a subject where a conflict of interest is present. To avoid missing conflicts of interest, a (potential) conflict of interest of material significance must be reported to the chairperson of the Supervisory Board. The Supervisory Board decides whether a member of the Management Board has a conflict of interest. The rules on conflicts of interest for the Management Board members are included in the Management Board Rules of Procedure (available on the company website).

The Founders followed the abovementioned procedure during 2022 in relation to real estate. The real estate where CM.com's local operations and headquarters are based is indirectly owned by the Founders through CM Campus B.V. and CM Campus 2 B.V. Due to the expansion of CM.com, additional premises were required. Therefore, the Founders searched for, found, and indirectly acquired real estate. In 2022, CM.COM Netherlands B.V. entered into new lease agreements with CM Campus B.V. and CM Campus 2 B.V. For this purpose, the Founders informed the Supervisory Board. The Supervisory Board concluded that there was a conflict of interest and required that the lease agreements could only be adopted based on terms customary in the market, and required the approval of the Supervisory Board. Accordingly, the Founders did not participate in the deliberation and decision-making process prior to entering into the lease agreements, the terms were verified, and the approval of the Supervisory Board was obtained. Following the completion of the above process, the best practice provisions 2.7.3 and 2.7.4 of the Code were complied with.

Other than the circumstances described above, for the year 2022, CM.com is not aware of any (potential) conflict of interest between the private interests or other duties of members of the Management Board and private interests or other duties of members of the Supervisory Board toward CM.com.

Transactions with 10% shareholders

Since each Founder holds more than 10% of the shares in CM.com, the real estate agreements described in the paragraph above also qualify as transactions with a majority shareholder. Therefore, both the CFO and the Supervisory Board were involved in the deliberation and decision-making surrounding these transactions and established that the agreed terms were customary in the market. As mentioned above, the Supervisory Board approved the signing of the lease agreement. Therefore, best practice provision 2.7.5 of the Code was complied with.

Anti-takeover measures

CM.com can take the following anti-takeover measures:

1. Issue Shares. The Management Board can issue Shares within the authorization granted by the General Meeting, subject to the Supervisory Board's approval. If the authorization by the General Meeting toward the Management Board is absent (or used for other purposes), the General Meeting may resolve to issue shares.
2. Repurchase Shares. The Management Board may repurchase shares within the authorization granted by the General Meeting, subject to the Supervisory Board's approval.

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

Corporate Governance Statement

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

- The statement on compliance with the principles and best practice provisions of the Corporate Governance Code and deviations therefrom can be found under the section 'Corporate Governance', subsection 'Corporate Governance Code'.
- Information concerning the main features of the internal risk management and control systems relating to the financial reporting process can be found under the 'Risk' section and under the 'Supervisory Board Report' section, subsection 'Audit Committee'.
- Information regarding the functioning of the General Meeting, and the main authorities and rights of the General Meeting, can be found under the 'Corporate Governance' section, subsection 'General Meeting'.
- The information regarding the composition and operation of the Management Board and the Supervisory Board and its committees can be found under the 'Corporate Governance' section, subsections 'Management Board' and 'Supervisory Board' and the 'Supervisory Board Report' section.
- The information regarding the Diversity Policy in relation to the composition of the Management Board and the Supervisory Board can be found under the 'Corporate Governance' section, subsection 'Diversity'.

Every conversation counts

Hi Noor,

You are the Head of Online Payments R&D?

That is correct, I am in charge of CM.com's Online Payments product portfolio and strategy, including eCommerce, mobile, and omnichannel payments.

In this interview, we will talk about how your team is making streamlined, user-friendly payments a reality across a range of different platforms.

Yes, over the past year, the Payments teams have been implementing an exciting range of innovative technologies and services that are helping our clients provide seamless and engaging experiences for their customers.

That sounds interesting, please tell me more!



Noor Pierik about the Dutch government

Powering the next generation of commerce with seamless, secure, and reliable payments

CM.com's business is all about creating more meaningful interactions between brands and customers. It revolves around ensuring an intuitive and frictionless user experience, from first customer contact to after-sale support. And enabling smarter, more streamlined payments is key to achieving that goal. That is why it is essential that the Payments team keeps leading the field when it comes to providing simple ways to pay across a growing number of channels.

From governments to charities, eCommerce to leisure, our payment solutions are removing complexity and enabling customers to pay anywhere with their mobile phones across a wide range of industries. Throughout 2022, we made strong progress in advancing our payment capabilities with the development of a new iDEAL processing platform and advanced high-speed gateway technology. These innovations are already making an impact, allowing us to accelerate the integration of online payment solutions across the CM.com product portfolio.

These interconnected payment capabilities were essential in delivering on our recent contract with the Dutch government. Our payment services were implemented across 19 government departments – whether it was enabling the payment of speeding fines via iDEAL QR codes or running the payment terminals

used to accept fees for official documents in embassies worldwide. Making full use of our new high-speed gateway and iDEAL processing platform, our omnichannel solution includes eCommerce, mobile commerce, and POS payments. We also integrated the POS payment acceptance platform, acquired in 2021, which is fast becoming a key asset in our Payments portfolio.

Our omnichannel payment solutions continued to offer a secure, reliable, and user-friendly customer ecosystem, even at exceptionally high volumes. Key clients include retail, government, charities, festivals and museums, and events such as the Formula One Dutch Grand Prix. Across all of our services, from online ticketing to the payment terminal and cash register software used to purchase drinks or souvenirs, we are constantly improving both the resilience and the utility of our solutions. It is a source of great pride that our Payments products are used by prestigious cultural sites, events, and other household names, including the Dutch government and the Dutch Cancer Society (KWF Kankerbestrijding), and the Invictus Games The Hague.

Globally, we are seeing a growing shift toward mobile-first and conversational commerce, and we are excited to be a key part of making this vision a reality. By enabling the integration of payment technologies across CM.com's platforms and products – and offering compatibility with an ever-wider range of payment providers – we can ensure that we are ideally positioned to provide the technological and operational know-how that will support these growing trends. Our goal is simple: seamless, frictionless, and intuitive payments, integrated smoothly into the user experience. In short, our payment solutions are always ensuring that every conversation can count – whether it is on eCommerce, mobile, SMS, or beyond.

Every customer counts

Empowering citizens with reliable payments

The Dutch government chose CM.com as their international Payment Solution Provider to realize efficient and reliable payments for 19 different government institutions. Since the beginning of 2022, CM.com has provided an omni-channel payment solution. CM.com is now taking care of the acceptance and processing of online and offline payments for many different governmental institutions, such as the Central Judicial Collection Agency, who we help offer online and iDEAL QR payments simplify the payments for traffic fines. Furthermore we help the Ministry of education with iDEAL payments for student finance and handle the POS payments of the Ministry of Foreign Affairs at all the local embassies around the globe. So when a Dutch citizen buys a visa or new passport CM.com handles the payment.

In 2022 CM.com received an ISAE 3402 type 1: Report on the description and design of controls of the online and POS payment processing, which provides independent insight in the quality of the internal controls.



Every conversation counts

Hi Jorg,

You are the Head of the Risk & Compliance team at CM.com?

Yes, since March 2021 I have been working for CM.com, setting up a Risk & Compliance team to support the company in achieving its strategic ambitions.

In this interview, we will be discussing how the Risk & Compliance team helps make every conversation count with colleagues, as well as with other stakeholders.

Making every conversation count means being a true strategic partner for colleagues. This enables the Risk & Compliance team to collaborate on continuously improving the functioning of the organization and customer outcomes.

That sounds interesting, please tell me more!



Jorg Voeten about risk management in a fast growing organization

Bringing an entrepreneurial spirit to Risk & Compliance

As CM.com continued to expand rapidly in 2022, the Risk & Compliance team played a pivotal role in ensuring that the company remained entrepreneurial while always staying aligned with our mission to make every conversation count.

The key to implementing a successful risk and compliance strategy is knowing that risk and compliance does not begin and end with the Risk & Compliance team. It takes collaboration by all stakeholders across the company to make it work. That is why, at CM.com, we take a uniquely value-adding approach to our role. Far from being a “brake on innovation” or a “policeman”, we work hard to be key strategic partners in all business areas.

We encourage colleagues to approach us with their questions and dilemmas, helping them to spot and deal with any risks the company faces. At the same time, we are always working to optimize and standardize processes - resulting in a risk-based, pragmatic, and focused approach where Risk & Compliance is only present where it is needed and where it adds value. For example, we initiate conversations with colleagues in the Sales and Customer Success departments, so we can get a better overview of what customers and prospects are looking for in terms of ensuring the quality of specific products and services. Risk & Compliance then uses this information to create a roadmap for ISO certifications and assurance needs, alongside coordinating audits. Once we have received the required certifications, our Sales teams can leverage these credentials to showcase the value of the CM.com offering to prospects and partners.

Another key part of our role is streamlining administrative and product development processes. For instance, conversations between Sales, Research & Development, Security, and Risk & Compliance make answering customer

or oversight questionnaires much more efficient. Furthermore, bringing our unique risk and compliance approach into the Research & Development teams' quality assurance sessions ensures good progress and ownership of day-to-day operations and quality control. Cross-functional collaboration is also of the utmost importance in providing customers and partners with advanced, intuitive payment services and an excellent onboarding experience. Via in-depth collaboration with sales and external partners, we look for opportunities to remove any unnecessary complexity in the onboarding process, decrease throughput times and increase the successful conversion rate of prospects.

“Combining risk management and compliance best practices with the entrepreneurial, open, and collaborative culture of CM.com is key to achieving sustainable growth”

These are just a few of the reasons why it's crucial to create awareness of the role that the Risk & Compliance department plays: because, in the end, everybody is accountable for the risks relating to their field. This makes it essential that our Risk & Compliance culture is spread throughout the organization. To achieve this, we are working with teams like HR to translate this culture into a Code of Conduct that is embedded into the core of the organization.

With this oversight of the different functions within the company, the Risk & Compliance team is ideally placed to implement improvement programs that benefit all of us, and our stakeholders. Supported by fact-based insights on KPIs, our latest program paves the way for meeting compliance requirements and improving sales and merchant satisfaction. By optimizing and embedding processes, and putting systems and controls in place to monitor and support the company's growth, we can continue to develop innovations that benefit society and help make sure that every conversation counts.

Risk

Risk and Compliance management embedding processes and controls with an entrepreneurial and collaborative mindset

As a fast-growing, global, and entrepreneurial company, we must find the right balance of risk and compliance management across the organization. As our business grows and we expand our offering to include a broader range of services, there will naturally be new risks to manage and more regulations to comply with.

To address this, in 2021 CM.com introduced a new risk management methodology to minimize the complexity created by the different types of risk that CM.com faces, facilitating the standardization of risk monitoring and reporting. In 2022, CM.com's approach to risk and compliance management evolved further, becoming even more deeply embedded within the organization. This means that, at CM.com, risk and compliance management does not begin or end with the Risk & Compliance team. The Risk & Compliance team is positioned as a strategic business partner, offering insights, advice, and training on how to manage, monitor, and report on risks across the business. Our vision is to balance close collaboration with first-line colleagues (business process owners) by helping them to identify risks, working with them to define and implement appropriate control measures (although first-line managers remain ultimately accountable for risks), and performing independent control testing.

At CM.com, the "three lines" model (Business, Risk & Compliance, and Internal Audit) are independent of each other but work in close collaboration. CM.com continuously builds resources and expertise in risk, compliance, and sustainability to support the organization as it grows and matures.

At CM.com, we believe that stakeholder trust in the quality of our services is of utmost importance and is key to driving sustainable and profitable growth. Trust is about providing transparency and showing proactive compliance with applicable legislation and industry standards (like ISO and PCI) as well as assurance attestation (ISAE 3402). CM.com therefore periodically assesses the quality of its services via independent auditors.

Through continuous optimization, CM.com works to improve quality and is transparent about this. Relevant information is shared via the publicly available CM.com Trust Center to increase the ability of stakeholders to scrutinize CM.com's activities.

Based on our observations of the ever-changing global environment, we expect the following trends, among others, to continue in 2023: rising customer expectations and higher industry standards; evolving regulatory authorities with expanding scopes; continuing climate change and geopolitical risks; ongoing threats to the global supply chain; and growing issues related to cyber-crime, data protection, and privacy. This broad range of risks will require more continuous and conscientious alignment with the first line and higher management to ensure that CM.com is ready to face the challenges of an increasingly unpredictable world.

Risk & Compliance team – the three focus areas

CM.com applies the principles of the "three lines" model to ensure strong governance, dependable risk management, and an effective internal control system. In 2022, risk and compliance management within CM.com underwent further developments. These aimed to enable the Risk & Compliance team to operate in closer collaboration with the first line, ensuring greater alignment with the business's needs and challenges. The Risk & Compliance team is now even more engaged with our colleagues in the first line, assessing and advising on processes to facilitate greater resilience and robustness. Based on CM.com's expertise, the insights gained throughout 2021, and targeted feedback from the business, we have reorganized and rationalized the scope of our risk and compliance management work, reducing our key areas of focus from five to three. This change is already showing signs of enabling a more impactful, efficient, and effective organization.

1. Assurance & Risk Management

This year, we have integrated the activities from the Assurance focus area with the activities of the Risk Management focus area. This resulted in a more standardized and holistic approach, enabling CM.com to better leverage its risk and assurance expertise. Driven by the insight that both the Assurance and Risk Management team have overlapping areas of focus, this combination removes some of the risk management and control testing burden from the first line. By using a "business partner" model, whereby the Assurance and Risk Management teams work alongside the first line, we increase the engagement with the first line and facilitate a 'single source of truth' architecture. This means control activities for many purposes can be carried out more efficiently. The Risk Management & Compliance team takes a data-driven and risk-based approach, which is reflected in our joint quarterly reporting to the Management Board and Supervisory Board Audit Committees. This is applicable to both CM Payments B.V. and CM.com as a whole.

In 2022, we made good progress toward cementing stakeholder trust in the quality of our services. We are proud that our ISO certificates now offer better coverage of all our services. The scope of our ISO 27001/17/18 compliance has now been expanded from only covering CPaaS to including CPaaS, SaaS, Ticketing, and Online Payments. From 2022 onward, ISO 20000, 9001, and 14001 now also cover SaaS and Ticketing services. In 2023, we are aiming for POS (point-of-sale) Payments to be covered by ISO 27001/17/18. We are also targeting a further extension of ISO 20000, 9001, and 14001 to all Payments services, including POS.

2. Compliance & Integrity

Until 2021, Compliance at CM.com was separated in two to cover the two business units: CM.com overall and CM Payments. In 2022, with the aim of sharing knowledge and gaining efficiencies, Compliance has been combined into one unified team. This team embeds a culture of compliance throughout the entire organization, to ensure adherence to all applicable laws and regulations, as well as company values and best practices.

Key focus areas



Assurance & Risk Management

To assure the quality of our services and safeguard CM.com assets via risk management processes.

Customer due diligence - Payments

Ensure effective, efficient transparent, and compliant customer onboarding and monitoring processes.

Compliance & Integrity

Ensure business is done ethically, effectively, and sustainably by creating awareness and monitoring compliance & integrity risks.

In line with this principle, in 2022, we inaugurated a Speak Up Line, which allows both internal and external CM.com stakeholders to report, in person as well as anonymously, any violations or behaviors of concern. A handful of reports has already been received, and we continue to demonstrate the tool to employees as part of our wider strategy to create an open culture of feedback and accountability.

As a second-line function, it is important that we continue a dialog with the business’s first line as we strive to become an even more trusted and relevant strategic ‘business partner’. Our focus is on increasing overall awareness of industry standards and regulatory requirements. The banker’s oath serves as a perfect example of this. The Compliance team taps into the core values of CM.com to create a sense of belonging for employees, in close collaboration with leadership and HR. This is important, especially given the steep growth in employee numbers. Through our data-driven and risk-based approach to compliance, we collaborate closely with the Risk Management team on the CM.com internal control environment, which covers compliance and integrity risks. We also seek external counsel, for example, in the case of mitigating sanction risks. We work closely with the Legal team during our regulatory horizon-scanning activities. We are proud to confirm that all regulatory reporting requirements to supervisory authorities have been met, and no fines were incurred.

3. Customer Due Diligence Payments

As a payment institution, CM Payments has the role of a gatekeeper to the financial system. CM Payments processes online and point-of-sale payment transactions on behalf of customers, in line with banking and card scheme regulations, as well as the CM Payments risk appetite. The Customer Due Diligence team investigates CM Payments customers at the onboarding stage and throughout the customer life cycle to identify and mitigate integrity-based and financial risks as much as possible.

Risk management methodology



Evolved risk management methodology

In 2021, we developed a new risk management methodology to standardize our approach to risk and compliance management. In 2022, we continued this course by implementing this methodology across the organization. Throughout the year, we further improved the risk management methodology via in-depth reviews of risk and control quality, a better reflection of the services offered in terms of size and specific characteristics, and periodic reporting on risk exposure and internal and external developments. The evolved methodology reflects the mission, vision, and culture of CM.com. It aims to balance the freedom and agility that an entrepreneurial business requires to flourish with the rigorous control required by a global corporation, with the goal of supporting sustainable, long-term growth.

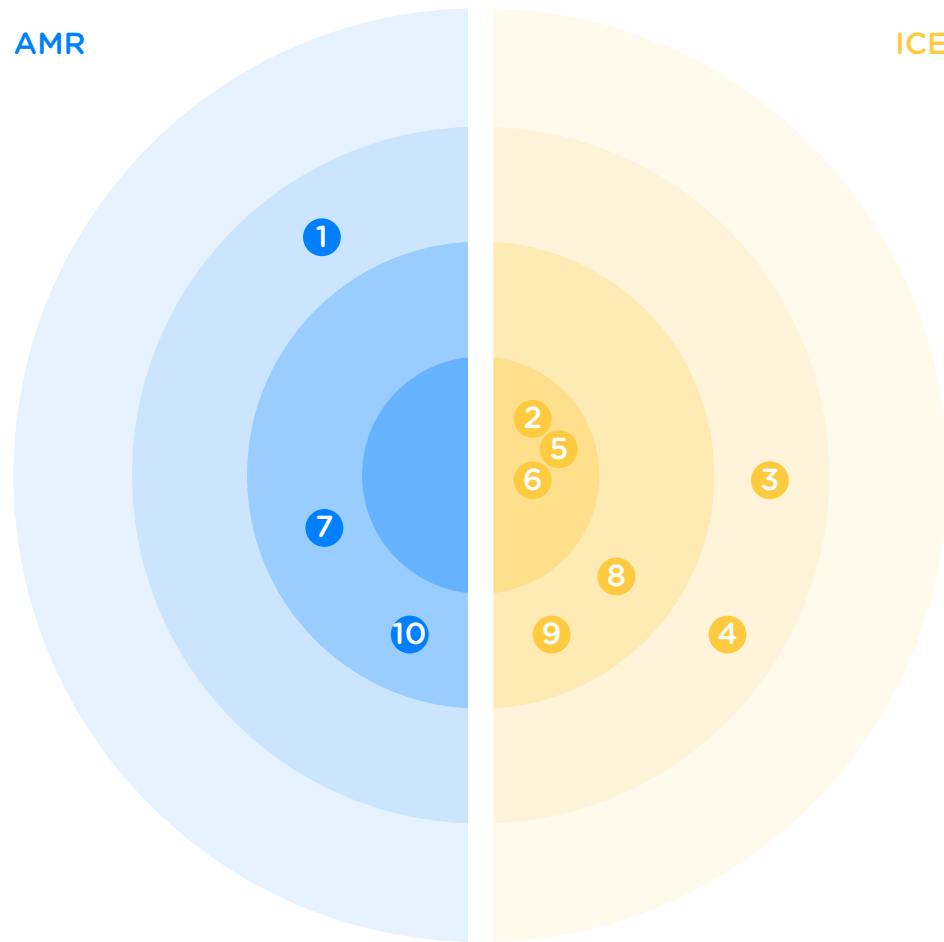
Our risk management methodology is based on the ‘three lines’ model and other best practices, combining these with the culture, current growth trajectory, and values of CM.com. The methodology also takes into consideration external developments and the risk appetite of different business areas. As such, our methodology does not obstruct the agility and dynamism of CM.com but rather supports it by providing a flexible and robust control system. In addition, in 2022 CM.com incorporated the results of further internal and external audits to obtain better insights into the status of internal controls, instead of solely relying on the activities performed by the Risk & Compliance team to get these insights. These results also provided valuable information to further improve our operational activities and to demonstrate the quality of our services to stakeholders.

The CM.com risk methodology is based on two risk management mechanisms: actively managed risk (AMR) and risks that are incorporated into CM.com’s internal control environment (ICE). Following a careful and regular risk evaluation by senior management and the Management Board, identified risks have been assigned either ‘actively managed’ or ‘internally controlled’ status.

We believe that, for certain types of risks, the ICE is less effective, and these risks are therefore better managed via direct management involvement. Where CM.com wants to or is obliged to show that risks are visibly managed via effective internal control measures, these risks and controls are part of the ICE. This also means active involvement of the second line (Risk Management) to independently advise on and monitor the design, implementation, and operational effectiveness of these controls. The assignment of risks to ICE or AMR is dependent on the risk evaluations that are carried out regularly with the guidance of the Executive Committee and Management Board. Risks are categorized as either low, moderate, substantial, or high. These categories are assessed in the context of current business circumstances as well as external factors. The incorporation of risks into the ICE ensures that the operational effectiveness of controls is managed and tangible.

Based on our view of changes in the external environment and internal developments, we have reevaluated the gross risks per key topic and have updated the model accordingly.

Risk score per key topic



● ● High
 ● ● Substantial
 ● ● Moderate
 ● ● Low

	2022	2021
1. Organizational growth and HR resourcing	●	●
2. Competition, product portfolio, and innovation	●	●
3. Corporate finance	●	●
4. Finance & control	●	●
5. Information security	●	●
6. Business continuity management	●	●
7. Leadership and governance	●	●
8. Customers and opportunities	●	●
9. Regulatory & compliance	●	●
10. ESG	●	N/A

Overview of key topics

1. Organizational growth and HR resourcing

CM.com has put more emphasis on becoming a talent-driven organization to ensure that growth can continue in a more controlled manner. To achieve this, the focus has shifted from attracting new hires to retaining highly qualified talents and helping current employees to optimize their career trajectories to take on the most appropriate roles within the organization.

Within CM.com's people strategy, we have put more and more emphasis on hiring young talent at the entry-level and developing them internally by utilizing our functional traineeship programs, functional growth paths, and our various management development programs. In addition, CM.com has active partnerships with top-tier business schools internationally, with the goal of attracting potential interns and early-career professionals. By having an effective talent management infrastructure in place, CM.com aims to optimize the individual development potential of our current and future employees.

CM.com is proactive in instilling and embedding the CM.com culture across all our teams, wherever they are based. This is achieved through activities such as our international team weeks and awareness training sessions. Another key measure was the rollout of the online Employee Engagement Survey in 2022, which resulted in CM.com receiving a Great Place to Work certification. The results of this survey have been taken seriously. For example, it has led to more opportunities for employees to join the CMBA, a talent training program. To further guarantee employee wellbeing, we have inaugurated Diversity and Inclusiveness programs in 2022. In addition, CM.com organized multiple Female Leadership conventions. Since the need from growth in employees is decreased the risk score of this key topic has been lowered from substantial to moderate.

2. Competition, product portfolio, and innovation

The conversational commerce market will continue to evolve rapidly over the coming years, moving from the simple one-way interactions of the past to a richer form of customer engagement enabled by technological innovation. Therefore, if

our go-to-market and service development strategies are not aligned, we could be outpaced in the rapidly changing and highly competitive markets in which we are active. To stay ahead of competition, create value from innovating our services and platforms to support our transition towards our path to profitability this key risk topic becomes more important and is increased from substantial to high. That is why standardization, consolidation, and integration are key themes driving the development of our product portfolio today. Continuing this path, we consistently work to make sure our products are integrated with each other, as well as localized for high-potential regions.

Our roadmap processes have become more deeply aligned for reduced time-to-market on cross-product initiatives. In doing so, we also avoid redundant work by building components that can be used by multiple products – further increasing efficiency. These synergies will continue to improve our competitive standing, efficiency, and global scalability. Standardization is another key focus area. We are, however, aware that we do not strive to achieve these objectives in a vacuum. We are, therefore, constantly monitoring the wider market to ensure we do not miss out on important commercial and technological developments.

3. Corporate financing

Access to capital markets and an accurate view of future funding needs are essential for executing our Accelerated Growth Plan. We must maintain strong and transparent relationships with the capital market community to reflect our company's fundamental value. Otherwise, we may not be able to invest sufficiently in organic growth or acquisitions. CM.com is listed in the Euronext Amsterdam Small Cap Index. Since our listing, we have dedicated substantial time and effort to building investor interest in CM.com. Our latest capital markets transaction took place in 2021 when we successfully raised € 100 million through an offering of convertible bonds. Thanks to our planning and reporting cycle, we have maintained accurate visibility of our financial position and outlook.

4. Finance and control (including financial reporting)

CM.com's financial health is measured and monitored based on many different financial metrics. The most important metrics are related to our liquidity,

profitability, growth, and operating efficiency. If we do not adequately respond to our financial metrics, or if the reliability of those metrics is insufficient, it may harm our profitable growth strategy going forward. Measures are in place to ensure that accounting and reporting processes result in accurate and timely reporting, both internal and external. Our financials, business performance, and cost control are discussed monthly with Finance and control (including financial reporting) and with each business unit. Important metrics like cash position, cash flow ratios, and main business drivers are monitored and reported daily, alongside quarterly forecasts. In 2021, we expanded our Finance team to further improve our finance and control cycles.

5. Information and cyber security

The security of our Communications platform as a service (CPaaS) offering is our top priority. As this platform grows, so does the potential impact of a successful cyberattack. Failing to properly deal with cyberattacks could lead to loss of (customer) data, disruption to and/or malfunctioning of our systems, and, ultimately, loss of trust in our brand. With our increasing presence at the center of our society's digital ecosystem, addressing these issues becomes even more vital. We are, therefore, dedicated to continuously enhancing our security program. This is focused on improving the operational security of our platform and the security awareness of our employees.

In 2022, we were recertified to ISO 27001, ISO 27017, and ISO 27018 standards, with the scope of these standards now extended to include all our products. This year, we have also implemented an integrated quality assurance program throughout our R&D organization, with an emphasis on security themes. This aims to ensure continuous improvement and better protect our products, our services, and our customers.

6. Business continuity management

CM.com recognizes that the need to safeguard service availability is paramount. To recover from disruptive incidents in the minimum possible time, ensuring a fast restoration of services, a significant level of advance planning and preparation is required. CM.com has, therefore, developed a Business Continuity Plan to

minimize potential damage to the business arising from a major issue affecting staff, office and data center locations, and/or equipment.

On top of this, CM.com has taken multiple measures to ensure that the likelihood of a major incident is minimized. These include investing in the stability and performance of our cloud platform, as well as performing regular load and capacity tests on our platform and other services. We also perform disaster recovery tests, enact backup and recovery strategies, and build redundancy into our operations via multiple server locations to host our cloud platform. Our Network Operating Center (NOC) monitors the availability and traffic across all our systems 24/7.

We also comply with the ISO 9001, ISO 20000, and ISO 27001 standards, which provide us with guidance to further improve and deliver our high-quality, reliable services.

7. Leadership and governance

Effective leadership and governance are all about setting clear expectations and goals, communicating these to all stakeholders, verifying if the goals are being met, and, if not, guiding the organization toward the desired outcomes. The tone at the top, leading by example, and an open feedback culture are prerequisites for the successful realization of these objectives, as well as being key to improving performance.

To achieve this, CM.com has progressed further on the journey we started in 2021, adding valuable new initiatives to improve governance within CM.com. Due to global expansion and increased number of employees the need for clear roles and responsibilities reflecting the company's strategy and vision has become more important. It is important to have a management system that enables informed decision-making across the entire organization, at all levels: from the Management Board to individual employees.

The CM.com employee code of conduct provides a compass that guides our people to act with integrity and within the defined policies and boundaries

(among others for the topics anti-corruption, anti-bribery, human rights and conflict of interest). The code of conduct was improved in 2022 and will be rolled out further in 2023, in combination with several employee learning modules. The new Speak Up policy is in place, supported by dedicated tooling, to address any cases in which employees, or other stakeholders, experience undesired behavior, perceive an unsafe environment, or witness deviations from the desired levels of integrity. Both internal and external stakeholders can make use of it, anonymously or in person.

A data-driven risk and compliance management system can be effective only if it contains a continuous cycle of self-evaluation, course-correction, and improvement. This is embedded into CM.com's operations. When this system is functioning properly, aligned with strategic objectives, and continuously improved, the governance and management system can contribute enormously to the company's performance. We continue to stay relevant for the business and aim for a comprehensive risk-management approach that is both high-level and process-oriented. This approach should also be practically useful in the first line and to line managers, providing input based on incident analysis and the monitoring of anomalies. To inform this approach, we make use of the guidance and standards applied in the financial sector and the telecommunications sector. Increasingly, we are moving toward a more comprehensive understanding of risk by also identifying ex-ante risk factors which could materialize both as financial and non-financial risks. To this end, we have employed a risk-based approach in line with the company's risk appetite.

During 2022, CM.com has made good progress in the execution of planning and control cycles, as well as enhancing business review and reporting formats. Risk & Compliance improved reporting to the Management Board and the Executive Committee, via the Audit Committee, on a quarterly basis. This reporting ranks the material risk factors in order of importance, tracks developments in risks, and provides insight into the management and mitigation of these risks. The result of the risk assessment is integrated into the In Control Statement, which is transparently and straightforwardly communicated to the aforementioned internal stakeholders. This knowledge sharing has resulted in increased awareness and

understanding of risk factors relevant to the stakeholders' business areas and first-line management.

Material risk factors such as the Russian-Ukrainian war, which has resulted in the closing of CM.com's Russian office, have been appropriately disclosed to the market.

8. Customers and opportunities

We aim to deliver great products and services to our customers so they can make the lives of their own customers easier, safer, and more beautiful. Our aim is to keep our customer base satisfied, growing with them over time to ensure we can better meet their needs. We are convinced that high customer satisfaction, combined with a finetuned brand identity, will help us attract new customers globally. Data is key to this process. We, therefore, integrate customer satisfaction score (CSAT) and net promoter score (NPS) measurements into our strategy to get better insights into customers' needs and target service improvements so they add the most value possible. This will enable us to meet our growth ambitions.

In addition, to reach more customers than only via direct sales channels, we invest in further expanding and maturing CM.com's partner management program and implementing partner management flows into our tooling. This optimization program will continue, with further improvements, in 2023.

9. Regulations and compliance

The Risk & Compliance team, as part of the 'business partner' setup, collaborates closely with the Legal and HR departments. Compliance and Legal have made excellent progress on collaboration and alignment regarding the regulatory framework for both telecommunications and payments. As part of this collaboration, a regulatory horizon scanning tool has been purchased. On top of this, in accordance with the guidelines of the European Banking Authority, a member of the Board oversees the management of anti-money-laundering measures and financial crime prevention.

All reporting and payment obligations to the Dutch supervisory authorities were met and the banker's oath was taken by those employees involved in the payments sector. Further training around integrity (including Anti-Bribery and Corruption) and the company culture has been prepared and will be rolled out in 2023. Attendance of the mandatory integrity and compliance training will be monitored. Attendance of the mandatory integrity and compliance training will be monitored. All compliance risks are within the risk appetite of the Management Board. Continued focus is placed on the further automation of merchant onboarding and transaction monitoring, data privacy and integrity, and the governance of CM.com's international offices. Compliance diligently follows through on any internal audit findings.

10. Environmental, social, and governance (ESG)

ESG was part of the Risk & Compliance team in 2021 when we focused on defining our four chosen UN Sustainable Development Goals (SDGs) and creating an ESG roadmap. In 2022, the focus was on defining KPIs in line with the SDGs, alongside setting up information gathering and monitoring activities to review our progress in the implementation of relevant operational measures. In mid-2022, ESG was repositioned as a direct report directly to the CFO. ESG is now a first-line business partner, and as such benefits from the same close and collaborative support from the Risk & Compliance team as other business areas. This will facilitate ESG's efforts in defining risks and setting up and implementing controls to meet our ESG objectives. ESG is one of 10 key identified topics that CM.com reports on. Please refer to page 68 for more information on ESG.

In Control and Responsibility Statement

Based on the approach described above, the Management Board is of the opinion that, to the best of its knowledge:

- the Management Report of the Management Board provides sufficient insights into any failings in the effectiveness of the risk management and internal control systems;
- the risk management and internal control systems provide reasonable assurance that the financial reporting, including tax, does not contain any material inaccuracies;

- based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis; and
- the management report states those material risks and uncertainties that are relevant to the expectation of CM.com's continuity for the period of twelve months after the date of the management report.

Properly designed and implemented risk management and internal control systems significantly reduce, but cannot fully eliminate, the possibility of human errors, poor judgment, deliberate circumvention of controls, fraud or infringements of laws, rules, or regulations, or the occurrence of unforeseeable circumstances. Another factor considered within CM.com's risk management approach is that efforts related to risk management and internal control systems should be balanced against the costs of implementation and maintenance.

Each member of the Management Board declares that to the best of his knowledge:

- the financial statements in this Annual Report 2022 are prepared in accordance with accounting standards (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), and give a fair and accurate view of the assets, liabilities, and financial positions as at 31 December 2022 and profit or loss of the Company (and its affiliates included in the consolidation taken as a whole);
- the Management Board Report includes a fair and accurate view of the position on 31 December 2022, the developments and performance during the financial year 2022 of the Company (and its affiliates included in the consolidation taken as a whole), together with a description of the principal risks the Company is confronted with.

Jeroen van Glabbeek - CEO

Jörg de Graaf - CFO

Gilbert Gooijers - COO



Supervisory Board Report

Every conversation counts



Izak, tell us

South Africa is such a diverse country. As a Sales Manager, how do you make sure that everyone lives the CM.com values?

In my opinion, our people are essential to who we are at CM.com. Everyone interprets our values through the prism of their background and experiences, and this greatly enriches our organizational culture. Sharing these insights helps ensure that all our sales employees can convey the CM.com story in the most effective way possible.

How can you share your insights with the rest of the CM.com organization worldwide?

I'm currently enrolled in the CMBA Future Leaders program. This allows me to share my experiences with my CM.com peers from all over the world. As part of the course, we study topics like developing personal leadership and understanding global cultures. The course is collaborative, enabling everyone to contribute and learn.

Izak Els
Sales Manager, South Africa

Message from the Chair

2022 was a significant year from a personal perspective, as I began my term as Chair of the Supervisory Board at CM.com. On behalf of the Board as a whole, I would first like to offer my thanks to my predecessor, Martin van Pernis, for his invaluable contribution as Chair over the past few years.

This was also my first full year as a member of the Supervisory Board. My experiences over recent months have confirmed what I knew to be true back in late 2021: that CM.com is a strong and dynamic company that is well-placed to capitalize on society's shift toward digitized communications. What sets the company apart from other operators in this space is its deep-rooted entrepreneurial spirit. It is this unwavering commitment to innovation that has enabled CM.com to continue evolving its technology suite to meet the needs of a growing and increasingly diverse global customer base.

As a member of the Supervisory Board, and now as Chair, I am pleased to see this approach maturing further under strong and steady leadership, as we work to consolidate our rapid growth in recent years. This stability came to the fore once again in 2022, in what was CM.com's third year as a listed company featuring on the Small Caps Index of Euronext Amsterdam and part of Euronext Tech Leaders. Having additional access to capital for investment has proven to be an important driver of growth. At the same time, like other publicly listed companies, we have had to contend with widespread disruption in financial markets, during a year of unprecedented macroeconomic and geopolitical turbulence. That CM.com was able to stay the course – and is on track to deliver positive EBITDA towards the end of 2023 – further underlines the strength of the company's strategy. It also reflects the quality of its leaders and its employees.

Despite a challenging operating landscape and a competitive labor market, the company continued to expand its workforce during 2022. As in previous years, this process was carefully managed, as every effort was taken to integrate new hires and make them feel at home within the CM.com culture. This is a young organization, and I am particularly impressed by how experienced colleagues make time for younger employees, by helping them to prosper both professionally and personally.



From personal experience, I am aware of how the company's leaders play a hands-on role in onboarding new colleagues and endeavor to be a visible presence at CM.com's locations in the Netherlands and around the world.

During the year, the Supervisory Board again met regularly with the Management Board to oversee progress with the company's mission and vision and receive updates on product development and other important strategic elements. As ever, these engagements were held in the spirit of the openness and collaboration that epitomizes CM.com. In addition to scheduled meetings, we established a series of sounding boards, to enable specific members of the Supervisory Board to liaise more closely with the company's management. This has provided opportunities to explore the ambitions of CM.com's leaders in more depth and to hear about day-to-day challenges to these objectives. In return, members of the Supervisory Board have been able to offer additional advice and support across different facets of the organization. I believe these interactions have been highly constructive; the Supervisory Board is a diverse group bringing vast experience from diverse industries and walks of life, and I am glad to see their skills and expertise being put to increasing use.

A growing topic of discussion at CM.com is the integration of environmental, social and governance (ESG) considerations into the company's strategy. In particular, I am encouraged by the excellent series of initiatives being led by our CEO, Jeroen van Glabbeek, among others, to drive diversity and inclusiveness. Nevertheless, there is recognition that the company still has further steps to take to become a truly diverse organization, including by improving the current gender balance within leadership positions. The Supervisory Board will maintain a close dialog with the Management Board on this issue and, over the year ahead, will be offering its support in defining clear diversity targets.

With the current uncertainty in the economy and financial markets set to persist, 2023 is certain to bring new challenges for CM.com and its stakeholders. Nevertheless, there are many reasons to be optimistic. The digital communication marketplace in which we operate is still young and evolving, and many businesses are only just starting to digitize their client-handling and sales activities, and

their wider interactions with customers. CM.com remains well-positioned to capture these opportunities. Besides its talent and capacity for entrepreneurship, the company has an unrivaled track record as a leader in cloud software for conversational commerce.

Above all, CM.com is a founder-led company and, more than 20 years after it was established, the original vision and culture of the organization remain its driving force. This is a rare thing in today's fast-moving technology world, and it sends a clear message: we are committed to staying the course and delivering value for all stakeholders, including society at large. I believe that a bright future lies ahead for all those connected with the company as we continue to make progress with our strategy. On behalf of the Supervisory Board, I look forward to offering our support during this next stage of the journey.

Jacques van den Broek
Chair of the Supervisory Board

Composition of the Supervisory Board

The composition of the Supervisory Board is in accordance with the profile of the Supervisory Board as published on the company website.

During 2022, the composition of the Supervisory Board changed due to the voluntary resignation of Martin van Pernis as of the close of the General Meeting held on 21 April 2022. Jacques van den Broek consequently succeeded him as chair of the Supervisory Board (“**Chair**”).

The Supervisory Board has an Audit Committee and a Nomination, Selection and Remuneration Committee. Each of the committees has a preparatory and advisory role to the Supervisory Board. The committees cannot adopt resolutions on behalf of the Supervisory Board. Each committee has a charter on its role, responsibilities, and functioning. The charters are published on the company website.

Meetings are convened at least four times a year following a schedule set annually by the Supervisory Board. Additional meetings are held at any Supervisory Board or Management Board request. The Supervisory Board held six scheduled meetings in 2022 and one ad hoc meeting.

Given the low absenteeism rates, it is fair to conclude that the Supervisory Board members are dedicated to CM.com.

In the table on the next page, information about the members of the Supervisory Board is included. Positions outside CM.com are included under the chapter Governance on page 85. No member of the Supervisory Board holds more positions than permitted by Dutch law.

The Supervisory Board resolves by absolute majority of the votes cast, unless Dutch law, the Articles of Association, or the Rules of Procedure – governing the internal proceedings of the Supervisory Board – prescribe a larger majority.

Supervisory Board meeting and attendance

Name	Supervisory Board	Audit Committee	Nomination, Selection and Remuneration Committee
Jacques van den Broek	100%	not applicable	83% (as of 21 April 2022)
Mariken Tannemaat	86%	not applicable	100%
Lex Beins	100%	100%	not applicable
Joëlle Frijters	100%	not applicable	not applicable
Diederik Karsten	100%	not applicable	100%
Stephan Nanninga	100%	100%	not applicable
Martin van Pernis	100%	not applicable	100% (until 21 April 2022)

Name	Position(s) at CM.com	Year of birth	Nationality	International experience	Financial expertise	Specific experience	Gender	Initial appointment	Term expires
Jacques van den Broek	Chair of the Supervisory Board	1960	Dutch	Yes	Yes	Human Resources, listed Companies, sales and general management	Male	September 2021	AGM 2025
	Member of the Nomination, Selection and Remuneration Committee								
Mariken Tannemaat	Vice-Chair of the Supervisory Board	1971	Dutch	Yes	Yes	Retail, IT, investment	Female	February 2020	AGM 2024
	Chair of the Nomination, Selection and Remuneration Committee								
Lex Beins	Member of the Supervisory Board	1965	Dutch	Yes	Yes	E-commerce, IT, entrepreneurship, investments, payments, business processing	Male	February 2020	AGM 2024
	Member of the Audit Committee								
Joëlle Frijters	Member of the Supervisory Board	1974	Dutch	Yes		Technology, international expansion of SaaS business, entrepreneurship	Female	September 2021	AGM 2025
Diederik Karsten	Member of the Supervisory Board	1956	Dutch	Yes		Telecom innovation	Male	February 2020	AGM 2024
	Member of the Nomination, Selection and Remuneration Committee								
Stephan Nanninga	Member of the Supervisory Board	1957	Dutch	Yes	Yes	Supervisory Board of listed companies, distributions, financial audits and M&A	Male	February 2020	AGM 2024
	Chair of the Audit Committee								

Independence

All Supervisory Board members meet the independence requirements as described in Sections 2.1.7 to 2.1.9 of the Code, except for Stephan Nanninga. Stephan Nanninga was a director of Dutch Star Companies Promotors Holding B.V. – an associated company of CM.com N.V. – in the five years prior to his appointment as a member of the Supervisory Board. Stephan Nanninga holds his indirect participation in CM.com as a long-term investment.

Conflict of interest

A Supervisory Board member may not participate in the adoption of resolutions (including deliberations in respect of these) if he or she has a direct or indirect personal interest that conflicts with the interests of the company and its associated business enterprises. For the exact wording of the regulation, reference is made to the Supervisory Board Rules of Procedure. During 2022, no Supervisory Board member had a conflict of interest.

Work of the Supervisory Board

The Supervisory Board supervises the Management Board and the general course of business within CM.com. This includes the supervision of policies, management, and the general affairs of the company, including relations with shareholders. Additionally, the Supervisory Board advises the Management Board on general policies related to CM.com and its business.

The purpose of this chapter is to inform our (potential) investors how the Supervisory Board performed its duties during 2022. Supervisory Board meetings in 2022 covered virtually all aspects of the company's business. Items discussed included the strategy of CM.com, the results of 2021 (Q1-Q3), the principal risks associated with the enterprise and risk appetite, the composition of the Executive Committee, potential acquisitions, evaluation of the design and operation of the internal Risk Management, and control systems. Both recurring and mandatory items were discussed in the meetings.

During the majority of Supervisory Board meetings, the former owners of recent acquisitions were offered the opportunity to give presentations. The

Supervisory Board has awareness of the integration processes and the post-acquisition evolution of subjects such as technical integrations, sales alignment, and harmonization of employee contracts, ergo the “landing” (or absorption) of the acquired company within the CM.com environment as a whole.

In addition, deep-dives were organized on specific topics including cyber security, marketing operations, and environmental, social, and governance (“**ESG**”) policy. Experts within CM.com were invited to meet the Supervisory Board and elaborate on their expertise. The Chair has met all executive members in 1:1 meetings to touch base. The Chair of the Nomination, Selection and Remuneration Committee has shown great support for the ambition of the company to improve female leadership and is perceived as a role model by female employees of the company.

By the end of 2022, the Supervisory Board and Executive Committee, including the Management Board, held an open brainstorming session about the most important challenges in which the company might require extra support from the Supervisory Board through installing sounding boards (“**Sounding Boards**”). The expertise of each individual Supervisory Board member is used during these Sounding Board sessions, with a focus on the topics of Sales and Strategy. The Sounding Boards may vary in topic each year. Sounding Boards consist of two members of the Supervisory Board and usually three to four members of the Executive Committee, including the Management Board. Representatives of the Supervisory Board also met the recently installed Works Council (for the relevant Dutch CM.com companies) to become better acquainted.

In all relevant aspects, the Supervisory Board has a clear vision of what is happening in the company and of the people that work there. CM.com proactively involves the Supervisory Board and invites them to join internal company events. All initiatives lead to the clear visibility of CM.com's Supervisory Board within the company.

The main focus areas of the Supervisory Board over 2022 were:

- CM.com strategy
- Financial results
- Budget
- Culture
- Diversity

These main focus areas are elaborated on in more depth below.

CM.com strategy

During 2022, the Supervisory Board supervised how the company determined its position in its long-term value creation strategy – and the implementation thereof. For this purpose, the Supervisory Board regularly discussed the strategy, its implementation, and the principal risks associated with it. The purpose of the company and its role in society is a continuously evolving process, in which the Supervisory Board guides the company to provide clarity to internal and external stakeholders. The Supervisory Board raised more awareness of the company's ESG ambitions, which contribute to the success of the company and the well-being of its employees and society.

Financial results

The Supervisory Board evaluated the results of the Company on a regular basis and addressed the need for in-depth overviews of the return rates, including acquisitions and offices outside the Netherlands. CM.com has increased its level of reporting details throughout the year accordingly. These enhanced insights provided the Supervisory Board with the tools and the ability to carry out its forward-looking oversight duties.

Budget

The Supervisory Board has seen much improvement from the Finance department in budgeting. The credit control team has been scaled up, and the year 2022 became a year of greater cost-awareness. With the enhancement of data-driven technologies, the level of reporting has significantly improved. The Supervisory

Board has monitored the company on its considerations in operating expenditures and sales performance.

Culture

The culture of the company is regarded as distinctive. The energetic atmosphere that is inextricably linked to the company is clearly noticed. This results in a low level of absenteeism and a high level of employee happiness as measured through the Great Place to Work survey. The culture finds its offspring in the founder mentality that is embedded in day-to-day practice, carried out by the Founders who diligently and visibly work in the company.

Diversity

In the field of diversity, the Supervisory Board advised the company to carry out initiatives thoughtfully and with a long horizon. Although the ambition and speed of the company fit a short-term approach, a slower pace that takes one ambition at a time and limits focus points has a higher chance of prospering. On the diversity topic, female leadership was selected as the first point of awareness. The intrinsic motivation of the CEO to have the company become an example of Female Leadership progress was well perceived by the Supervisory Board.

Audit Committee Report

The duties of the Audit Committee include supervising, monitoring, and advising the Management Board, and each member thereof, regarding the operation of CM.com's internal Risk Management and control systems. The Audit Committee advises the Supervisory Board on the exercise of certain duties, preparing nominations and reviews for the Supervisory Board in this regard. It supervises the submission of financial information by CM.com, in compliance with internal and external accountants' recommendations, the company's policy on tax planning, and financing arrangements.

The Audit Committee also assists the Supervisory Board with supervising CM.com's information and communications technology, including risks relating to cyber security. The Committee maintains regular contact with and supervises the external accountant, and prepares the nomination of an external accountant

for appointment by the General Meeting. It also issues preliminary advice to the Supervisory Board regarding the approval of Financial Statements, the annual budget, and major capital expenditures. The committee meets as often as required for proper functioning and whenever one or more of its members have requested such a meeting, but in any event, at least four times a year.

In the year 2022, the Audit Committee convened for a total of six meetings. Discussions during these meetings included such regular subjects as press releases, cost structure, management reporting, examination of annual plans, and quarterly updates pertaining to Internal Audit and Risk & Compliance. Additionally, the committee reviewed the annual plan of the external accountant, as well as an engagement letter, management letter, findings, evaluation, and re-appointment. Other topics of discussion included financial results, outlooks and forecasts, strategy and budget, evaluation of acquisitions, ESG matters, the Related Party Transaction Policy, cybersecurity, general data protection regulation (such as the European GDPR) compliance, fraud and integrity, and strategies for addressing developments in Russia.

With regard to the 2022 interim and full-year financial statements, the Audit Committee was satisfied with the explanations and findings provided by the Management Board, Internal Audit, and the external accountant.

During 2022, the Audit Committee reviewed and approved the internal and external audit plans for 2022 and monitored their execution, including the progress of recommendations made.

In addition, the Audit Committee reviewed the strategic plan and kept track of developments in Risk Management and control systems within CM.com.

Nomination, Selection and Remuneration Committee report

The Nomination, Selection and Remuneration Committee advises the Supervisory Board on the exercise of its duties regarding the remuneration policy of the Management Board members (available on our website) and prepares proposals for the Supervisory Board on these subjects. The remuneration policy was

adopted by the General Meeting at the proposal of the Supervisory Board. The duties of the committee include the preparation of the remuneration proposal of the individual Management Board members, to be determined by the Supervisory Board and, if desired, the preparation of the Supervisory Board proposals on an updated remuneration policy for the Management Board members (to be adopted by the General Meeting). The committee also advises the Supervisory Board on its duties regarding the selection and appointment of Management Board members, Supervisory Board members, and the consultation of the Founder Committee in that regard. The committee meets whenever one or more of its members have requested such a meeting and at least twice a year.

In 2022 the Nomination, Selection and Remuneration Committee held four planned meetings and three additional meetings. Discussions during these meetings included the remuneration of the Management Board, Supervisory Board, and Executive Committee, remuneration plans including the long-term and short-term incentive plans, a benchmark review, ESG, female leadership, succession planning, and review of the Talent Management Development Program.

During 2022, the Nomination, Selection and Remuneration Committee reviewed the benchmark methodology and peer group selection to come to a unified approach in line with the ISS best practice guidelines. This unified approach will be used to benchmark the Management Board, the Supervisory Board, and the Executive Committee, based on benchmark data provided by Korn Ferry.

The two members of the Supervisory Board that were appointed in September 2021, one male and one female member, have been brought up to speed by attending the meetings as a listener. Jacques van den Broek joined the Nomination, Selection and Remuneration Committee as a member, as the replacement for Martin van Pernis upon Martin's voluntary resignation.

Nomination, Selection and Remuneration Committee meetings also served as a sounding board for the Management Board with regard to important topics around ESG initiatives, especially female leadership.

Evaluation

Within CM.com, we are always looking at ways to improve. Therefore, the overall composition of the Supervisory Board, as well as the different committees and their members, have been evaluated.

Evaluation of the Supervisory Board

During Supervisory Board meetings, it is frequently discussed how the Supervisory Board, its committees, and each member can add more value to the Company, based on each member’s specific background. For this reason, the Supervisory Board members attended meetings of the Executive Committee, as well as a meeting of the newly installed Works Council in the Netherlands.

The Supervisory Board evaluated its own performance, as well as that of its committees and members. During the self-evaluation, the members of the Management Board were not present. Attention was paid to (i) substantive aspects, interaction within the Supervisory Board or committee, and the interaction with the Management Board, (ii) events that occurred and lessons learned, and (iii) the desired profile, composition, competencies, and expertise of the Supervisory Board.

With the newly added members and the new chair, who also became a member of the Nomination, Selection and Remuneration Committee, the current Supervisory Board is well positioned to assist CM.com in the future. Since CM.com has become a more mature company, it was agreed that there is no need to change the remuneration of the Supervisory Board for 2023.

Evaluation of the Management Board

The Supervisory Board regularly evaluates the performance of the Management Board, as well as each member of the Management Board individually. The Supervisory Board discussed the conclusions of this evaluation. These evaluations occurred without the members of the Management Board being present. All decision-making of the Supervisory Board in this regard was prepared by the Nomination, Selection and Remuneration Committee.

In addition, the Management Board has evaluated its own functioning and that of each of its members.

The Nomination, Selection and Remuneration Committee has evaluated the performance of the Management Board.

Remuneration

The General Meeting resolves upon the remuneration of the Supervisory Board members on a proposal of the Supervisory Board. Their remuneration is a fixed annual allowance paid in quarterly installments. Supervisory Board members do not receive any performance-dependent compensation or shares, nor do they accrue any pension rights with the company.

Based on the benchmark that was performed in 2022 in line with the ISS guidelines, as well as the wider context of CM.com becoming a more mature company, it was decided that no further adjustment for 2023 is necessary. Accordingly, the remuneration over 2023 for the Supervisory Board members remains:

Supervisory Board

Chair	€ 50,000
Member	€ 35,000

Audit Committee

Chair	Additional	€ 7,000
All members	Additional	€ 4,000

Nomination, Selection and Remuneration Committee

Chair	Additional	€ 7,000
All members	Additional	€ 4,000



Remuneration Report

Every conversation counts

Majd, tell us

what are the biggest challenges of doing business in the Middle East?

The Middle East is a huge and diverse region, so you can't get away with always using the same tactics regardless of the context. The region can be divided into the Gulf countries, the Levant, and Pakistan. The Gulf region (including Dubai, Qatar, and Saudi Arabia) has become an important business hub. Meanwhile, other countries in the Middle East face economic and geopolitical challenges, so each region requires a specific approach.

What kind of approach?

Business in the Gulf States is largely relationship-driven, and customer intimacy is associated with strong purchasing power. On the other hand, business in other Middle Eastern countries is much more results-driven and price-sensitive. This is due to economic factors, including foreign exchange rates. These considerations must be included in your marketing strategy.

Majd Al Jayyousi
Digital Marketing Manager,
Middle East



We are pleased to present the 2022 Remuneration Report, in which we provide an overview of the remuneration of the Management Board and Supervisory Board of CM.com. We also provide more details regarding our reward strategy, benchmarking methodology, pay mix, short-term incentives (STIs), and long-term incentives (LTIs).

Looking back on the 2021 Remuneration Report

Within CM.com, every conversation counts, including conversations with our shareholders' representatives. We listened carefully to the questions asked during the General Meeting of Shareholders on 21 April 2022, as well as to the questions asked by proxy voting agencies, and have made the following changes to the Remuneration Report:

1. More transparency on what we consider the relevant market for benchmarking and how we selected the peer group;
2. More transparency on the targets set for both our STIs and our LTIs, including the actual scores of these targets and the respective pay-out;
3. Further explanation of the performance nature of our LTIs;
4. Evaluating the impact of our share-based LTI plan on the total equity portfolio already in the possession of our Management Board;
5. Giving insight into our current objectives for 2023 with regard to the remuneration of the Management Board and the Supervisory Board.

Legal reference

The 2022 Remuneration Report is in line with the applicable Dutch legislation (Article 2:135b and Article 2:145(2) of the Dutch Civil Code and the Dutch Corporate Governance Code). The 2022 Remuneration Report will be submitted to the General Meeting of Shareholders for an advisory vote.

The current Remuneration Policy was approved by the General Meeting of Shareholders of CM.com by 93% on 21 April 2022, effective as per 1 January 2022.

All tables provided in this Remuneration Report have been audited by our external auditor.

2022 business performance

2022 delivered another year of significant growth. Revenues increased 19% and gross profits grew 15%. CM.com realized growth in all of its segments, despite increased uncertainty in the markets and a sudden slowdown in COVID-related activities. The investments in growth resulted in growing volumes in Messaging (+24%), Payments (+81%) and our Annual Recurring Revenues (+29%), but the changing market conditions affected costs as well. In the short-term, costs exceeded gross profits substantially as customers turned cautious on markets and commerce-related sectors saw weaker-than-expected sales from events such as Black Friday and Christmas.

CM.com finalized its foundation at the beginning of 2022 with the acquisition of Building Blocks. The changing market conditions in the last 6 months of 2022 emphasized the importance of profitable growth. That meant that CM.com had to increase the control on its cost base, while optimizing its sales- and marketing efforts to grow revenues in a profitable way. With our workforce now at 930 FTE, we see CM.com well positioned to accomplish this achievement, as new technologies, especially AI-related, better mapping of markets and faster adoption of new applications by the market will all contribute to the sustainable performance of CM.com in 2023 and beyond.

Summary of the objectives of the remuneration policy

The remuneration policy for the Management Board and Supervisory Board is designed to support the long-term strategy of CM.com. Offering competitive remuneration with clear targets focused on the Company's short- and long-term objectives allows us to attract and retain qualified directors, who are able to lead CM.com, as a growth company in a constantly changing market environment, into the future.

Through our remuneration policy, we aim to emphasize high performance while rewarding our talent in line with market benchmarks relevant for CM.com.

The guiding principles of our remuneration policy are as follows:

1. Enable CM.com to attract and retain top talent and highly qualified directors by providing a reward structure and associated compensation levels that are competitive with other internationally operating Western European companies of similar size and complexity.
2. Establish a high-performance culture, where senior management has a strong focus on achieving business results, in line with the strategy, purpose, and values of CM.com.
3. Ensure a reward framework that is internally consistent and fair.
4. Support the business strategy and long-term value creation for stakeholders.
5. Comply with local laws and regulations and be sensitive to the societal context.

To support the alignment of our remuneration policy with our long-term growth strategy, the Nomination, Selection, and Remuneration Committee regularly reviews and discusses the remuneration structure for the Management Board and the remuneration of the individual Board Members and, if and when it deems it appropriate, submits a proposal in this respect to the Supervisory Board for approval.

For further details of the remuneration policy, please refer to the Company’s website, which includes the remuneration policy as approved by the General Meeting of Shareholders by 93% on 21 April 2022.

Management Board remuneration structure

The remuneration for the Management Board contains a base salary, an STI, and an LTI, which together are referred to as the total direct compensation (TDC). TDC is composed as follows, denominated as a percentage of the base salary:

Pay Mix	Below threshold	At threshold	On target performance	Maximum performance
Base Salary	100%	100%	100%	100.0%
STI	0%	15%	30%	52.5%
LTI	0%	15%	30%	52.5%

Pay Mix



In 2022, the revenue growth of CM.com continued, under more complex market circumstances with a higher level of uncertainty. The number of employees also expanded considerably in 2022. Combined, these factors have further increased the complexity of the organization, and this will affect both our remuneration and the relevant market for comparison.

Scenario analyses are carried out in respect of the possible financial outcomes of meeting target levels, as well as maximum performance levels.

Base salary

The starting point of our reward strategy is the base salary. This amount is guaranteed income for our Board members and is paid in monthly installments.

To establish the base salary of each Board member, we take the following into account:

Competitiveness with the market

We aim to reward our Board members at the midpoint of the relevant market. For Management Board and Supervisory Board positions, we benchmark using the European reference market, in line with the ISS best practice guidelines, based on the following selection process:

1. European-HQ companies operating in the Global Industry Classification Standard (GICS)¹ sub-industry Application Software (sub-industry of CM.com):
 - Sector: Information Technology
 - Industry group: Software & Services
 - Industry: Software
 - Sub-industry: Application Software
2. Companies that meet relevant size criteria for revenue and market capitalization.
3. Companies that meet certain financial size and geography criteria, to optimize the positioning of CM.com within the reference market around the median.

Companies included in the European reference market are TomTom, Claranova, FD Technologies, Axway Software, Mensch und Maschine Software, PSI Software, RM, Linedata Services, Basware, Vitec Software Group AB, GK Software, Truecaller, Accesso Technology Group, and Unifiedpost Group.

We also benchmark against the local reference market using the current constituents of the AScX index of Euronext Amsterdam, CM.com's listing environment.

In both reference markets, CM.com is positioned around the median.

As a final reference, we checked the first-quartile observations of the AScX, also called Q1, as described in EY's Executive Remuneration Report². Q1 is the middle

number between the lowest observation and the median. This report was merely used to validate the findings from the European reference market and the local reference market as described above.

Internal equality within CM.com

We also consider salary positioning relative to that of other individuals in the CM.com organization. Differences in salary levels should be based on role characteristics (such as responsibility, relevant experience, complexity, and educational requirements) and not on personal characteristics (such as age, gender, and ethnic background). In 2022, the salary positioning of the most senior executives in relation to the Management Board was evaluated and adjusted where needed. For other management roles, salary positioning within the organization was evaluated based on the specific role. Adjustments were made where needed, in line with the general merit increase process for the whole organization.

Base salary levels of the Management Board are evaluated annually, using the relevant reference markets as described above. For each position, we determine how the Board member should be positioned around the midpoint of similar roles in the reference market. For the European reference market, positioning is around the median, while for the local reference market, positioning is around Q1. New salaries are based on a comparison of the current salaries with the new midpoints, also taking into account the overall merit increases within the organization and, more specifically, the increases for the most senior staff. Base salaries within CM.com are generally aimed at a level between 80% and 120% of the reference point, while for the Management Board specifically we also aim to have the TDC between 80% and 120% of the midpoint. What we see in the relevant market is a higher prevalence of variable pay and share-based remuneration compared to the remuneration for our Management Board, which results in a higher TDC.

In 2021, we performed a market benchmark for the remuneration levels of the Management Board. Based on the outcome, also taking into account the

¹ Developed by MSCI and S&P Global.

² "Executive Remuneration in the Netherlands 2022 - Facts and Insights about Board Remuneration."

higher TDC we see in the relevant market, the base salary levels of the Chief Executive Officer (CEO; Jeroen van Glabbeek), Chief Operating Officer (COO; Gilbert Gooijers), and Chief Financial Officer (CFO; Jörg de Graaf) were below the market reference point. Upon the recommendation of the Nomination, Selection, and Remuneration Committee, the Supervisory Board decided to increase the base salary of the CEO and COO by € 55,000 gross per annum to € 405,000 gross per annum, effective as of 1 January 2022. The base salary of the CFO was increased by € 13,000 gross per annum to € 288,000 gross per annum, effective as of 1 January 2022.

Short-term incentive

Members of the Management Board are eligible for a cash-based performance-related STI plan. These STIs are rewarded on the basis of performance against predetermined financial and personal targets and are annually set by the Supervisory Board prior to the commencement of the performance period.

Based on the higher prevalence of variable pay we see in the reference market, the on-target STI opportunity for 2022 was increased to 30%, in line with the targeted TDC between 80% and 120% of midpoint.

Pay-outs of the STI are based on actual performance levels between threshold performance and maximum performance, and are determined on a linear basis in the following way:

Short-term incentive: pay-out based on actual performance

Actual performance result	Pay-out percentage as % of target	Pay-out percentage as % of annual base salary
Below threshold performance	0%	0%
Between threshold performance and on-target performance	Linear between 50% and 100%	Linear between 15% and 30%
On-target performance	100%	30%
Between on-target performance and maximum performance	Linear between 100% and 175%	Linear between 30% and 52.5%
Maximum performance	175%	52.5%

The performance targets used are described below and the associated weighting is based on on-target performance. All performance measures are set in advance and results are normalized to prevent dilution from unusual or one-time events outside the control and scope of the individual.

- Revenue (weight 40%), targeted to meet the budgeted top-line growth
- Gross profit (weight 20%), targeted to meet the budgeted profitability (revenue minus direct costs)
- EBITDA (weight 15%), which measures operational financial performance; target performance is considered meeting the desired annual EBITDA number as based on budget.

The targets set for STI are derived from the budgets set for the year 2022, as we believe that meeting the budgets is the best way to achieve our long-term goals, resulting in the highest long-term value creation.

Following the assessment of the Supervisory Board and based on the recommendation of the Nomination, Selection, and Remuneration Committee, these financial objectives, which represent 75% of the Management Board scorecard, have been scored at 43%. This percentage is based on a between threshold and on-target performance in revenue, a between threshold and on-target performance in gross profit, and a below threshold performance in EBITDA, as stated below:

Personal objectives (weight 25%): the Supervisory Board set personal targets, as clear and concise as possible, per Board Member to be achieved during 2022, as follows:

- Jeroen van Glabbeek (CEO): payments platform, entrepreneurship, diversity, employee happiness, international colleagues and functionality.
- Gilbert Gooijers (COO): know-your-customer flow, quality, ticketing organization, support and acquisitions.
- Jörg de Graaf (CFO): investor relations, data driven business insights, ESG targets, internal controls and compliance, broader finance department and Supervisory Board communication.

Short-term Incentive: Financial objectives scorecard¹

STI FY 2022	KPI	Weight	Score
Financials (75%)	Revenue (€ in million)	40%	51.2%
	Gross profit (€ in million)	20%	58.3%
	EBITDA (€ in million)	15%	0.0%
Total			43%

¹ Financial targets based on Budget 2022, approved by Supervisory Board on 17 December 2021. Budget does not include any further M&A, meaning that new M&A impact will be excluded from Actuals.

Following the assessment of the Supervisory Board and based on the recommendation of the Nomination, Selection, and Remuneration Committee, the personal objectives, which represent 25% of the STI scorecard for individual Management Board members, have been scored very well at 90% for the CEO, 89% for the COO, and 91% for the CFO. The Nomination, Selection and Remuneration Committee wants to emphasize that the targets for 2022 were set at a very ambitious level and have proven to be extremely challenging. Therefore the Committee is very pleased with the high scores as a result of the commitment of the Management Board members to reach their goals.

The personal targets set for the year 2022 are a direct reflection of the vision of the Supervisory Board to achieve our long-term goal to be a profitable and sustainable company; therefore these targets should lead to the highest long-term value creation.

Total score: based on the results of the financial objectives (total weight 75%) and the personal objectives (total weight 25%), the total weighted scores as a percentage of the target for the Board members are as follows:

Short-term Incentive: Management Board Scorecard

STI FY 2022	KPI	Weight	Score CEO	Weighted score CEO	Score COO	Weighted score CO	Score CFO	Weighted score CFO
Financials (75%)	Revenue (€ in million)	40%	51.2%	20.5%	51.2%	20.5%	51.2%	20.5%
	Gross profit (€ in million)	20%	58.3%	11.7%	58.3%	11.7%	58.3%	11.7%
	EBITDA (€ in million)	15%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Non-financial (25%)	Personal objectives	25%	90.0%	22.5%	89.0%	22.3%	90.8%	22.7%
Total				54.6%		54.4%		54.8%

Long-term incentive

The LTI plan aims to link a portion of Management Board remuneration to the long-term performance of the Company and the delivery of stakeholder value, and to align members' interests with those of the shareholders. For this reason, the use of conditional performance shares has been chosen.

The on-target incentive opportunity is determined at the grant date and is, for all Board members, equal to 30% of the annual base salary. This increase to 30% is based on the higher prevalence of share-based remuneration we see in the reference market.

The number of conditional performance shares is determined based on the average closing share price during the five trading days preceding the grant date.

Vesting scheme

The vesting scheme attached to the conditional performance shares is as follows:

- Below threshold performance: 0% of performance shares are vested.
- Threshold performance: 50% of performance shares are vested.
- Between threshold performance and on-target performance: linear between 50% and 100% are vested.
- On-target performance: 100% of performance shares are vested.
- Between on-target performance and maximum performance: linear between 100% and 175% are vested.
- Maximum performance: 175% of performance shares are vested.

The awards under the LTI are subject to a three-year performance period starting on 1 January of every financial year. The awards vest on 1 April following the three-year performance period.

Performance criteria

The performance criteria based on which the awards granted under the LTI plan 2022 will vest in 2025. The Supervisory Board believes that the criteria used are very consistent long-term goals that lead to long-term value creation.

The performance criteria set for the LTI plan 2022 are as follows:

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

TSR is measured over a three-year performance period based on the three-month average before the grant date and the three-month average before the end of the performance period. The TSR target compares the company TSR relative to the TSR of the following indexes:

- AScX INDEX (weight 50%) – a cross-industry index chosen because of the limited number of listed industry peers in the home market geography.
- NASDAQ100 (weight 50%) – a technology index chosen as a benchmark with other companies that share similar characteristics to CM.com.

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

2. Revenue: average CAGR (weight 20%) is the average annual revenue growth rate of CM.com over three years.
3. Customer satisfaction (weight 25%) measures customer satisfaction via the Net Promoter Score (NPS) metric.
4. Employee satisfaction (weight 25%) measures the development of employee engagement and well-being. The target is to be an employer of choice, represented by an employee engagement score.

Holding period

Vested shares are subject to a mandatory two-year holding period in which a participant may not dispose of any shares, except for the funding of income taxes due as a result of vesting. The holding period continues post-employment.

Overview of achieved targets LTI - 2020-2022

The first vest of performance-based shares based on the targets for the period 2020-2022 will take place on 1 April 2023. The percentage vesting will be 83.25%, based on the following scores:

LTI Plan 2020 - 2022	KPI	Weight	Score	Weighted score
Financials (50%)	Relative TSR	30%	0%	0.00%
	Average revenue CAGR	20%	122%	24.50%
Non-financials (50%)	Customer satisfaction (score)	25%	175%	43.75%
	Employee satisfaction (score)	25%	60%	15.00%
Total				83.25%

The relative TSR score based on our average percentile ranking compared to our reference markets the AScX INDEX and the NASDAQ100, is lower than we had anticipated. Looking back, different reference markets would have given a more relevant comparison.

As a Company, we are pleased with revenue growth and customer satisfaction, which were our priority during this timeframe. The employee satisfaction score, which is the outcome of the employee engagement survey, shows the Management Board that we are on track, but there are still things that can be further improved. Therefore the Management Board will continue its focus on this area with various initiatives, based on input from the employees.

Overview of annualized remuneration for the Management Board

This overview outlines the remuneration of the members of the Management Board, as at 31 December 2022 (annualized target remuneration):

Position	Incumbent	Base salary	STI (%)	STI (On target)	LTI (%)	LTI (On target)	Total direct compensation
CEO	Jeroen van Glabbeek	€ 405,000	30%	€ 121,500	30%	€ 121,500	€ 648,000
COO	Gilbert Gooijers	€ 405,000	30%	€ 121,500	30%	€ 121,500	€ 648,000
CFO	Jörg de Graaf	€ 288,000	30%	€ 86,400	30%	€ 86,400	€ 460,800

Additional conditions

Additional contractual arrangements applicable to the CFO provide for a monthly mobility allowance of € 1,350 and participation in the CM.com DC-pension scheme, including an additional annual premium of € 10,000 to compensate for the pensionable salary capped at the fiscal maximum (2022: € 114,866).

No additional contractual arrangements applicable for the CEO and the COO.

Actual remuneration

The overview below displays the contractual remuneration elements actually paid out or due in 2022:

Remuneration of the Management Board for the reported financial year^{1,2}

in euro's	1		2		3	4	5	6
	Fixed remuneration		Variable remuneration		Extraordinary items	Post-employment/pension benefits ³	Total remuneration	Proportion of fixed and variable remuneration ^{3,4}
Name, position	Base Salary	Fees	Fringe Benefits ⁴	One-year variable	Multi-year variable			
Jeroen van Glabbeek, CEO	405,000	-	-	66,387	-	-	471,387	86% / 14%
Gilbert Gooijers, COO	405,000	-	-	66,083	-	-	471,083	86% / 14%
Jörg de Graaf, CFO	288,000	-	16,200	47,388	-	18,105	369,693	87% / 13%

¹ No remuneration of a member of the Management Board was charged to another entity than CM.com Netherlands B.V. during 2022.

² Over 2022, there was no revision, claw-back bonus or any amount deducted from the remuneration of a member of the Management Board.

³ Additional contractual arrangements applicable to the CFO provide for participation in the CM.com DC-pension scheme including an additional annual premium of € 10,000 to compensate for the pensionable salary capped at the fiscal maximum (2022: € 114,866).

⁴ Fixed remuneration includes fringe benefits and post-employment/pension benefits.

The overview below shows the amounts recognized by the company for the members of the Management Board during the financial year ended on 31 December 2022:

Remuneration of the Management Board for the reported financial year charged to the profit and loss statement¹

in euro's		Base salary	Social security contribution ²	Post-employment/ pension benefits	STI in cash	LTI Shares/ share based payments	Other benefits	Total
Jeroen van Glabbeek, CEO	2022	405,000	6,556	-	66,387	71,993	-	549,936
	2021	353,086	5,899	-	82,773	44,696	-	486,454
	2020	272,500	6,078	-	63,765	16,393	-	358,736
Gilbert Gooijers, COO	2022	405,000	6,556	-	66,083	71,993	-	549,632
	2021	353,086	5,899	-	82,773	44,696	-	486,454
	2020	272,500	6,078	-	63,765	16,393	-	358,736
Jörg de Graaf, CFO	2022	288,000	9,541	18,105	47,388	56,753	16,200	435,988
	2021	275,000	8,815	15,956	64,749	34,938	16,200	415,659
	2020	189,204	8,960	11,094	44,279	14,012	61,352	328,901

¹ Base salary, social security contribution, STI in cash and other benefits are classified as Short-term employee benefits in Note 27 of the consolidated financial statements.

² Social Security contribution for CFO based on fixed-term contract.

Historical development

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

Comparison of remuneration and company performance over the last five reported financial years¹

in euro's	2018	2019	2020	2021	2022
Management Board member remuneration					
Jeroen van Glabbeek (CEO)	152,280	188,571	358,736	486,454	549,936
Annual change	2%	24%	90%	36%	13%
Gilbert Gooijers (COO)	152,280	188,571	358,736	486,454	549,632
Annual change	2%	24%	90%	36%	13%
Jörg de Graaf (CFO) (as of 20 April 2020)			329,159	415,659	435,988
Annual change				26%	5%
Revenue ('000)	84,617	96,320	141,622	237,047	283,231
	0%	14%	47%	67%	19%
Average employee remuneration on a full-time equivalent basis					
Average employees of the company	258	257	382	650	880
Annual change	6%	0%	49%	71%	35%
Wages and salaries ('000) ²	17,156	17,772	28,221	48,122	68,733
Annual change	16%	4%	59%	71%	43%
Average remuneration per employee ('000)	66	69	74	74	78
Annual Change	9%	4%	7%	0%	6%
CEO pay ratio	2.29	2.73	4.86	6.57	7.04
Annual change	-6%	19%	77%	35%	7%

¹ All numbers prior to February 2020 are based on the pre-merger situation of CM.com B.V. and its affiliated enterprises.

² In line with the advice of the monitoring committee of the Governance Code, wages and salaries mentioned here include social security premiums and pension costs. This leads to a consistent calculation of the CEO pay ratio, fully in line with the intention of the Governance Code to support comparability.

Overview of performance and its relation to pay

Performance of the Management Board in the reported financial year (STI overview)

	1	2	3	4	
	Description of the performance criteria and type of applicable remuneration	Relative weighting of the performance criteria	Information on performance targets	a) Measured performance	b) Actual award outcome
in euro's					
Name, position			a) Threshold performance b) Corresponding award	a) On-target performance b) Corresponding award	a) Maximum performance b) Corresponding award
Jeroen van Glabbeek, CEO	Financial Objectives	75%	a) 50% b) 45,563	a) 100% b) 91,125	a) 175% b) 159,469
	Personal Objectives	25%	a) 50% b) 15,188	a) 100% b) 30,375	a) 175% b) 53,156
Gilbert Gooijers, COO	Financial Objectives	75%	a) 50% b) 45,563	a) 100% b) 91,125	a) 175% b) 159,469
	Personal Objectives	25%	a) 50% b) 15,188	a) 100% b) 30,375	a) 175% b) 53,156
Jörg de Graaf, CFO	Financial Objectives	75%	a) 50% b) 32,400	a) 100% b) 64,800	a) 175% b) 113,400
	Personal Objectives	25%	a) 50% b) 10,800	a) 100% b) 21,600	a) 175% b) 37,800

Details of LTI plan grants and holdings

Total of performance shares granted to the members of the Management Board

in shares x 1		The main conditions of the share award plans				Information regarding the reported financial year						
		1	2	3	4	5	Opening balance	During the year		Closing balance		11
							6	7	8	9	10	
							Shares awarded at the beginning of the year	Shares awarded	Shares vested	Shares subject to a performance condition	Shares awarded and unvested at year end	Shares subject to a holding period
Name, position	Specification of plan	Performance period	Award date	Vesting date	End of holding period							
Jeroen van Glabbeek, CEO	LTIP - Shares	2022-2024	01-04-2022	01-04-2025	01-04-2027	-	5,988	-	-	5,988	5,988	-
		2021-2023	01-01-2021	01-04-2024	01-04-2026	2,397	-	-	2,397	2,397	-	
		2020-2022	21-02-2020	01-04-2023	01-04-2025	3,698	-	-	3,698	3,698	-	
Gilbert Gooijers, COO	LTIP - Shares	2022-2024	01-04-2022	01-04-2025	01-04-2027	-	5,988	-	-	5,988	5,988	-
		2021-2023	01-01-2021	01-04-2024	01-04-2026	2,397	-	-	2,397	2,397	-	
		2020-2022	21-02-2020	01-04-2023	01-04-2025	3,698	-	-	3,698	3,698	-	
Jörg de Graaf, CFO	LTIP - Shares	2022-2024	01-04-2022	01-04-2025	01-04-2027	-	4,258	-	-	4,258	4,258	-
		2021-2023	01-01-2021	01-04-2024	01-04-2026	1,884	-	-	1,884	1,884	-	
		2020-2022	20-04-2020	01-04-2023	01-04-2025	3,597	-	-	3,597	3,597	-	
Total						17,671	16,234	-	33,905	33,905	-	

No stock options were awarded to the Management Board in 2022, nor is there an intention to grant stock options in the coming years.

In line with the remuneration policy, CM.com has not granted any loans, advance payments, or guarantees to the Management Board.

The minimal shareholding guidelines as laid down in the remuneration policy (that is, 1% of annual fixed base salary) have been met. An overview of the number of company shares held by the members of the Management Board as per 31 December 2022 is listed below:

Management Board	Shares
Jeroen van Glabbeek:	7,493,749
Gilbert Gooijers:	7,493,749
Jörg de Graaf:	7,000

From the above information on new grants in combination with the current ownership of shares by the CEO and COO, it can be concluded that the newly granted performance shares will not have a material impact on the total shareholding; therefore there will also be no material impact on the voting results during the General Meeting of Shareholders based on the additional shares as a result of the LTI program.

Forward looking

Looking ahead to remuneration in 2023, we intend to continue using the same reference markets as for 2022. We will target at median for the European reference market and at Q1 for the local reference market, provided the position of CM.com versus the reference market will remain the same.

We also intend to use the same reference markets for our senior executives as well as for the Supervisory Board.

The STI targets will be aligned with the budgeted growth as well as our path to profitability, whereby the personal targets for our senior executives as a whole will include clearly described ESG targets.

The LTI targets will continue to include metrics related to profit growth and ESG targets. We aim to include more ESG targets in the future.

Overview of remuneration of the Supervisory Board

The remuneration of the Supervisory Board was determined by the General Meeting of Shareholders held on 21 April 2022 and is in line with the remuneration policy for the Supervisory Board. This policy is intended to successfully attract and retain qualified members of the Supervisory Board who have the right knowledge and experience to supervise CM.com in the execution of the vision and mission of the company.

The following compensation structure is applicable for the Supervisory Board in 2022.

Supervisory Board

Chair Supervisory Board		€ 50,000	per annum
Member Supervisory Board		€ 35,000	per annum
Audit Committee			
Chair Audit Committee	Additional	€ 7,000	per annum
Member Audit Committee	Additional	€ 4,000	per annum
Nomination, Selection and Remuneration Committee			
Chair Nomination, Selection and Remuneration Committee	Additional	€ 7,000	per annum
Member Nomination, Selection and Remuneration Committee	Additional	€ 4,000	per annum

No variable performance-based, equity-based, or pension compensation is provided to the members of the Supervisory Board, to ensure that Board members are not dependent on the results of the company. In 2022, CM.com did not grant any loans, advance payments, or guarantees to the members of the Supervisory Board.

Actual Supervisory Board costs

The below graph displays the actual payout of fees in 2020, 2021, and 2022:

Name	Role	Audit Committee	Nomination, Selection and Remuneration Committee	Total 2020 Compensation	Total 2021 Compensation	Total 2022 Compensation
Martin van Pernis¹	Chair	-	Member	€ 26,500	€ 39,750	€ 16,616
David de Buck²	Vice-chair	Chair		€ 16,500	€ 18,938	-
Jacques van den Broek³	Chair	-	Member	-	€ 5,624	€ 48,169
Mariken Tannemaat	Vice-chair	-	Chair	€ 16,500	€ 25,250	€ 42,000
Lex Beins	Member	Member	-	€ 16,500	€ 24,750	€ 39,000
Joëlle Frijters	Member			-	€ 5,624	€ 35,000
Diederik Karsten	Member	-	Member	€ 16,500	€ 24,750	€ 39,000
Stephan Nanninga	Member	Chair		€ 16,500	€ 23,188	€ 42,000

¹ Resigned from the Board per 21 April 2022.

² Resigned from the Board per 30 September 2021.

³ Took over chair position per 21 April 2022.



Financial Statements

Every conversation counts



Serhat, tell us

how do you think marketing in Turkey is different from marketing in the Netherlands?

I believe that specific cultural differences make marketing in Turkey a unique challenge. For instance, Turkish people tend to be impatient, especially when they're searching for a specific product or solution.

Can you give an example?

A 'marketing funnel' strategy doesn't always work for online campaigns. Prospects don't like long customer journeys with many outbound messages. And messaging too aggressively can also lead to your number being blocked or your messages being marked as spam.

Serhat Beyazkaya

Senior Digital Marketing Manager, Turkey

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Consolidated Financial Statements

Consolidated statement of financial position as at 31 December 2022

(After proposal of appropriation of result)

Assets

x € 1,000	Note	2022	2021
Non-current assets			
Goodwill	5	29,404	22,210
Intangible assets	5	69,099	57,923
Property, plant and equipment	7	8,792	7,233
Right-of-use assets	8	30,658	13,437
Long-term receivables	16	1,465	2,152
Associates	10	1,823	1,974
Deferred tax assets	11	1,506	1,083
Total non-current assets		142,747	106,012
Current assets			
Inventories		1,113	333
Trade and other receivables	17	57,845	49,326
Current tax receivable		559	496
Cash and cash equivalents	15	82,740	122,058
Total current assets		142,257	172,213
Total assets		285,004	278,225

Equity

x € 1,000	Note	2022	2021
Equity			
Share capital		1,736	1,730
Share premium reserve		127,733	124,794
Equity component of convertible bonds	19	5,940	6,208
Treasury shares		(861)	-
Accumulated deficits		(82,881)	(35,575)
Foreign currency translation reserve		1,888	708
Total equity	12	53,555	97,865
Non-current liabilities			
Borrowings	18	17,884	6,344
Convertible bond	19	94,262	92,648
Deferred tax liability	11	3,162	2,847
Other liabilities Stichting Derdengelden ¹		194	196
Total non-current liabilities		115,502	102,035
Current liabilities			
Trade and other payables	20	103,070	70,604
Contract liabilities	21	5,280	4,012
Current tax liabilities		719	-
Current portion of borrowings	18	6,878	3,709
Total current liabilities		115,947	78,325
Total equity and liabilities		285,004	278,225

¹ Safeguarding account to separate client money from operational funds and block the access to this money by third parties.

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2022

x € 1,000	Note	2022	2021
Revenue	4	283,231	237,047
Total income		283,231	237,047
Cost of services	4	(211,262)	(174,397)
Employee benefits expenses	22	(55,148)	(40,747)
Amortisation and depreciation	5/7/8	(18,094)	(15,582)
Other operating expenses	24	(43,327)	(25,584)
Operating loss		(44,600)	(19,263)
Financial income	25	4,740	2,052
Financial expenses	25	(4,963)	(4,107)
Share of results in associates	10	(151)	(26)
Loss before tax		(44,974)	(21,344)
Income tax	11	233	3,854
Loss after tax		(44,741)	(17,490)

x € 1,000	Note	2022	2021
Loss after tax		(44,741)	(17,490)
Other comprehensive income/loss, net of tax ¹		1,180	888
Total comprehensive loss		(43,561)	(16,602)
Basic and diluted earnings per share (in euro)	12	(1.51)	(0.58)

¹ The other comprehensive income/loss consists completely of Foreign currency translation which may be reclassified subsequently to profit or loss.

Consolidated statement of changes in equity for the year ended 31 December 2022

x € 1,000	Note	Share Capital	Share premium reserve	Equity component of convertible bonds	Treasury shares	Accumulated deficits	Foreign currency translation reserve	Total
Balance at 1 January 2021		1,724	122,691	-	-	(22,925)	(180)	101,310
Result for the year		-	-	-	-	(17,490)	-	(17,490)
Other comprehensive income		-	-	-	-	-	888	888
Convertible bond (net of tax) ¹	19	-	-	6,208	-	-	-	6,208
Issuance of shares related to business combinations	9	5	1,972	-	-	4,299	-	6,276
Issuance of shares to employees	23	1	131	-	-	541	-	673
Balance at 31 December 2021		1,730	124,794	6,208	-	(35,575)	708	97,865
Result for the year		-	-	-	-	(44,741)	-	(44,741)
Other comprehensive income		-	-	-	-	-	1,180	1,180
Convertible bond (net of tax) ²	19	-	-	(268)	-	-	-	(268)
Purchase of treasury shares	12	-	-	-	(3,585)	-	-	(3,585)
Issuance of shares related to business combinations	9	4	2,645	-	2,660	(2,725)	-	2,584
Issuance of shares to employees	23	2	294	-	64	160	-	520
Balance at 31 December 2022		1,736	127,733	5,940	(861)	(82,881)	1,888	53,555

¹ The equity component of the convertible bond is presented net of tax (note 19). It includes a deferred tax liability recognized through equity offset by a related deferred tax asset recognized through equity, see note 11.

² The equity component of the convertible bond is presented net of tax (note 19). It includes a Deferred tax liability recognized through equity offset by a related deferred tax asset recognized through equity, see note 11.

Consolidated cash flow statement for the year ended 31 December 2022

x € 1,000	Note	2022	2021
Operating loss		(44,600)	(19,263)
Adjustments for:			
- Amortisation and depreciation	5/7/8	18,094	15,582
Changes in working capital:			
- Inventories		(780)	6
- Trade and other receivables		(9,274)	(13,233)
- Trade and other payables		20,502	15,735
- Contract liabilities		534	(5,763)
- Trade and other receivables Stichting Deringelden	17	(882)	(1,002)
- Trade and other payables Stichting Deringelden	20	14,681	10,635
Interest received	25	127	104
Corporate income tax paid		(459)	(565)
Share benefit program personnel		515	673
Cash flow from operating activities		(1,542)	2,909
Investments in intangible assets	5	(16,061)	(10,090)
Divestments in intangible assets	5	-	142
Investments in property, plant and equipment	7	(2,817)	(3,313)
Divestments in property, plant and equipment	7	40	111
Acquisitions of subsidiaries and associates (net of cash)	9	(6,329)	(13,527)
Cash included in Stichting Deringelden of acquired company	9	-	650
Cash flow from investing activities		(25,167)	(26,027)

x € 1,000	Note	2022	2021
Loans advanced to third parties		(750)	(579)
Repayment of loans advanced to third parties		548	503
Deposits paid		(623)	(438)
Deposits released		463	85
Proceeds from convertible bond		-	100,000
Transaction costs convertible bond		-	(1,675)
Repayment of borrowings		(3)	(1,001)
Repayment of lease liabilities		(7,162)	(3,853)
Interest paid		(2,881)	(346)
Movement other long-term assets		(64)	(952)
Movement other long-term liabilities			
Stichting Deringelden		2	(71)
Purchase of Treasury shares		(3,585)	-
Cash flow from financing activities		(14,055)	91,673
Changes in cash and cash equivalents		(40,764)	68,555
Net cash and cash equivalents at 1 January		122,058	52,504
Currency results on cash and cash equivalents		1,446	999
Net cash and cash equivalents at 31 December		82,740	122,058

Notes to the consolidated financial statements

1. Corporate information

Activities

The activities of CM.com N.V. (CM.com) and its group companies (for the list of group companies see note 27) primarily consists of advising, guiding, implementing, and assisting companies approaching its target audience through modern (media) techniques. CM.com N.V. has its legal seat at Konijnenberg 30 at Breda, The Netherlands and is registered at the chamber of commerce under the registration number: 70523770.

The shares of CM.com N.V. are listed on Euronext Amsterdam in The Netherlands under the symbol CMCOM.

General accounting principles for the preparation of the consolidated financial statements

2. Basis of preparation

The consolidated financial statements of CM.com have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) adopted and endorsed by the European Union ("EU-IFRSs") and with the statutory provisions of Part 9, Book 2 of the Dutch Civil Code.

The Management Board has assessed the going concern assumption, as part of the preparation of the consolidated financial statements. Management's assessment was based on the assumptions used in a mid-term strategic plan 2023-2025. This plan supported the mid-term guidance leading to structurally positive EBITDA towards year-end 2023 and structurally cash flow positive towards year-end 2024. Based on sensitivity scenarios and their outcome, Management believes that the Group has adequate resources to continue in operational existence for at least twelve months after the adoption of the financial

statements. No events or conditions give rise to doubt on the Group's ability to continue as a going concern thus they continue to adopt the going concern basis of accounting in preparing the financial statements. The financial statements were approved by the management board and supervisory board and authorised for issue on 6 March 2023.

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

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

Current assets are assets that are expected to be realised in the entity's normal operating cycle held primarily for the purpose of trading. Current assets are expected to be realised within 12 months after the reporting period. All other assets are non-current (IAS.166).

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

Transactions in foreign currencies are translated into euro using the exchange rates applicable at transaction date. At reporting date, monetary assets and liabilities denominated in foreign currencies are translated to euro using the rates at reporting date. Exchange rate differences are recognized 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 recognized in other comprehensive income (OCI).

Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. As no financial assets and liabilities of the Group are traded in active markets, the fair value of financial assets and liabilities is estimated by discounting the future contractual cash flows at current market interest rates that are available to the Group for similar financial assets and liabilities. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 and leasing transactions that are within the scope of IFRS 16. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within level 2 of the fair value hierarchy as the Company uses observable market data for the interest rates.

The different valuation methods are referred to as 'hierarchies' as described below:

- Level 1: The fair value is determined using quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: The fair value is calculated using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, a prices) or indirectly (that is, derived from prices) observable.

- Level 3: The fair value is determined using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

3. Basis of consolidation

The consolidated financial statements incorporate the financial statements of CM.com and entities controlled by CM.com (its subsidiaries) made up to 31 December each year. Control is achieved when the Company:

- Has the power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

CM.com reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements;
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when CM.com obtains control over the subsidiary and ceases when CM.com loses control of the subsidiary. Specifically,

the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date CM.com gains control until the date when CM.com ceases to control the subsidiary or foundation (CM.com Stichting, Stichting Derdengelden CM Payments and Stichting YourTicketProvider).

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with CM.com's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

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 and messaging fees are recognized as revenue in the period in which the usage occurs (point-in-time). In contrast, the fees for enhanced access to the Platform and SLA fees are charged as a monthly, quarterly or yearly subscription and recognized as revenue over-time. In addition, CM.com has added SaaS-services like Mobile Service Cloud, Mobile Marketing Cloud and AI-chatbot services. This revenue is recognized over-time.

CM.com's operations are divided into operating segments based on how these operations are monitored by CM.com's management. Management, as key decision maker, monitors revenue that each segment generates. Acquisition costs, restructuring costs, integration costs, and other non-regularly recurring items are not allocated to CM.com's operating segments. Assets and liabilities are not monitored by segment and therefore not presented per segment. Non-current

assets include intangible assets, goodwill, property, plant, and equipment, long-term receivables and deferred tax assets. The non-current assets of CM.com are mainly located in the Netherlands.

The definition of our operating segments has changed over the year due to the rapid growth of the Company. The old structure of CM.com's operating segments consisted of CPaaS, Payments, Platform and Other. The Platform segment has been split into SaaS and Ticketing to match with our internal reporting structure. Furthermore, the category Other has been merged with CPaaS, based on the nature of these revenue streams. Finally, we have also adjusted our Geographic Reporting to a higher aggregation level, due to our global expansion strategy. Comparative figures, in line with previous reports, are added for comparability.

CM.com's operating segments consist of CPaaS, SaaS, Payments and Ticketing (prior year: CPaaS, Payments, Platform and Other).

CPaaS

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

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

SaaS

SaaS means Software as a Service. CM.com provides organizations a portfolio of services that contribute to the optimization of their mobile business journey with (potential) clients. Customers pay monthly subscription fees for access to these platform features, this revenue is recognized over-time.

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

Payments

Revenue from online and point-of-sale 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. Point of sales revenue consists of hardware sales and SLA fees. The SLA fees are recognized over-time.

Cost of services for CM.com’s Payments segment comprises primarily of fees paid to financial services providers, as well as interchange and payment network fees charged by financial institutions for facilitating payments through CM.com’s platform. Hours related to development components in SLA contracts are also accounted for as cost of services.

Ticketing

Within Ticketing, revenue is generated by selling tickets and relating services. Revenue from Ticketing consists of start-rate fees and ticketing fees. Ticketing fees comprise fixed fees per transaction for the use of CM.com’s platform. The ticketing fees are recognized point-in-time.

Ticketing does not have a generic cost of services, generally the revenues generate a 100% gross margin. For some clients however minor client-specific cost were recognized.

Segment reporting

In the table below revenue is disaggregated by segment, reflecting both the old and new structure of CM.coms operating segments:

Old structure 2022

x € 1,000	CPaaS	Payments Platform	Other	Total	
Revenue	228,914	13,437	33,506	7,374	283,231
Cost of Services	(195,679)	(6,038)	(3,642)	(5,903)	(211,262)
Operational expenses					(116,569)
Operating result					(44,600)
Financial income and expenses					(223)
Share of results in associates					(151)
Result before tax					(44,974)

Old structure 2021

x € 1,000	CPaaS	Payments Platform	Other	Total	
Revenue	196,019	11,580	21,166	8,282	237,047
Cost of Services	(160,278)	(4,425)	(2,603)	(7,091)	(174,397)
Operational expenses					(81,913)
Operating result					(19,263)
Financial income and expenses					(2,055)
Share of results in associates					(26)
Result before tax					(21,344)

New structure 2022

x € 1,000	CPaaS	SaaS	Payments	Ticketing	Total
Revenue	236,288	25,375	13,437	8,131	283,231
Cost of Services	(201,581)	(3,075)	(6,038)	(568)	(211,262)
Operational expenses					(116,569)
Operating result					(44,600)
Financial income and expenses					(223)
Share of results in associates					(151)
Result before tax					(44,974)

New structure 2021

x € 1,000	CPaaS	SaaS	Payments	Ticketing	Total
Revenue	204,302	17,242	11,580	3,923	237,047
Cost of Services	(167,369)	(2,301)	(4,425)	(302)	(174,397)
Operational expenses					(81,913)
Operating result					(19,263)
Financial income and expenses					(2,055)
Share of results in associates					(26)
Result before tax					(21,344)

Geographic reporting

In the table below revenue is disaggregated by segment and geographical location, reflecting both the old and new structure of CM.com's operating segments and regions. The geographical location is determined based on the billing address of the legal establishment of our customers.

Old structure 2022

x € 1,000	CPaaS	Payments	Platform	Other	Total
The Netherlands	47,677	9,449	24,041	2,790	83,957
Belgium	12,922	664	971	2,401	16,958
France	22,770	36	1,621	146	24,573
Rest of Europe	30,621	3,029	3,861	2,030	39,541
APAC	50,963	128	1,430	3	52,524
Rest of World	63,961	131	1,582	4	65,678
	228,914	13,437	33,506	7,374	283,231

Old structure 2021

x € 1,000	CPaaS	Payments	Platform	Other	Total
The Netherlands	78,395	7,981	15,664	3,911	105,951
Belgium	13,079	716	523	2,765	17,083
France	19,229	65	1,063	119	20,476
Rest of Europe	21,538	2,629	2,453	1,360	27,980
APAC	29,805	84	171	20	30,080
Rest of World	33,973	105	1,292	107	35,477
	196,019	11,580	21,166	8,282	237,047

New structure 2022

x € 1,000	CPaaS	SaaS	Payments	Ticketing	Total
EMEA	134,481	23,494	13,178	8,131	179,284
of which the Netherlands	50,467	17,572	9,449	6,469	83,957
APAC	50,966	1,252	128	-	52,346
Americas	50,841	629	131	-	51,601
of which the USA	34,812	418	22	-	35,252
	236,288	25,375	13,437	8,131	283,231

New structure 2021

x € 1,000	CPaaS	SaaS	Payments	Ticketing	Total
EMEA	142,452	16,226	11,391	3,923	173,992
of which the Netherlands	82,306	12,043	7,981	3,621	105,951
APAC	32,286	605	85	-	32,976
Americas	29,564	411	104	-	30,079
of which the USA	23,020	296	14	-	23,330
	204,302	17,242	11,580	3,923	237,047

In 2022, no single customer or partner contributed 10% or more to CM.com's revenue. In 2021, one partner contributed more than 10% to CM.com's revenue. Approximately € 39.2 million of CPaaS revenue arose from sales to this partner.

The revenue is reduced with an amount of € 2,188 thousand (2021: € 92 thousand) relating to partner commissions paid to agents.

5. Intangible assets and goodwill

Goodwill and intangible assets with indefinite useful lives 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 with finite useful lives are stated at cost less accumulated amortization and, if applicable, less impairment losses. 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 accumulated amortization and, if applicable, less 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 reporting date and adjusted if appropriate.

A summary of the movements in intangible assets and goodwill is provided:

x € 1,000	Platform (software) ¹	Goodwill	Customer relation	Other	Total
Costs					
At 31 December 2020	38,721	13,569	25,991	4,424	82,705
Additions related to external costs	1,229	-	-	214	1,443
Acquisitions of subsidiaries	7,789	9,184	3,715	22	20,710
Development costs	8,648	-	-	-	8,648
Divestments	(142)	-	-	-	(142)
Conversion to exchange rate	-	-	67	-	67
At 31 December 2021	56,245	22,753	29,773	4,660	113,431
Additions related to external costs	618	-	90	53	761
Acquisitions of subsidiaries	5,352	7,202	2,636	85	15,275
Development costs	15,435	-	-	-	15,435
Divestments	-	-	-	(135)	(135)
Conversion to exchange rate	-	-	(20)	-	(20)
At 31 December 2022	77,650	29,955	32,479	4,663	144,747
Amortisation and Impairment					
At 31 December 2020	9,486	543	9,714	1,739	21,482
Amortisation	8,820	-	2,782	177	11,779
Divestments	-	-	-	-	-
Conversion to exchange rate	-	-	37	-	37
At 31 December 2021	18,306	543	12,533	1,916	33,298
Amortisation	9,755	8	3,019	179	12,961
Conversion to exchange rate	-	-	(15)	-	(15)
At 31 December 2022	28,061	551	15,537	2,095	46,244
Net book value					
At 31 December 2021	37,939	22,210	17,240	2,744	80,133
At 31 December 2022	49,589	29,404	16,942	2,568	98,503
Estimated useful lives (years)	5-10	indefinite	10	5-10 / indefinite	

¹ Platform contains capitalized development hours. In total € 31,358 thousand of the net book value of this category is self-generated (2021: € 20,626 thousand).

6. Impairment test goodwill and intangible assets with indefinite useful life

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of CM.com’s cashgenerating units (CGU’s) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquirement are assigned to those units. CM.com tests goodwill and intangible assets with indefinite useful lives annually in December, or whenever management identifies condition that may indicate a risk of impairment. In the table below the intangible assets are disaggregated per CGU, reflecting the new structure of CM.com’s operating segments as explained in note 4. Comparative figures are therefor adjusted to the new structure. The intangible assets are allocated as follows:

x € 1,000	CPaaS	SaaS	Payments	Ticketing
Goodwill	1,059	18,817	8,780	748
Domain names	481	608	372	140
post-tax WACC	11.48%	13.53%	12.30%	12.67%

x € 1,000	CPaaS	SaaS	Payments	Ticketing
Goodwill	926	11,649	8,887	748
Domain names	889	340	183	144
post-tax WACC	10.50%	12.50%	12.00%	12.50%

The impairment test is based on cash flow projections for five years (note 29). These cash flow projections are based on the financial forecast approved by management, covering a three-years period (2023-2025). The cash flow projections beyond that three year period are based on expected revenue growth, derived from our mid-term guidance which focusses on gross profit growth, resulting in a revenue growth rate of 45% for SaaS and 39% for Payments. CGU’s are tested for impairment by comparing the carrying amount of each CGU to its recoverable amount. Recoverable amount is based on value in use and is determined using a discounted cash flow model with a five-year forecast period.

For all CGU’s a long-term inflation expectation of 2.44% (2021: 0%) was used to determine the terminal value. The estimated post-tax cash flows are discounted to their present value using a post-tax weight average cost of capital (WACC). 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 analysis indicates that for CPaaS, SaaS and Ticketing 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. For Payments headroom is limited and particularly sensitive to revenue growth. The amount by which the CGU’s Payments recoverable amount exceeds its carrying amount is € 10 million. The annual revenue growth rate (CAGR) for the period 2023-2027 should be around 25% before the recoverable amount will be equal to its carrying amount, which is currently in the impairment model around 37% for the period 2023-2027. Actual growth over FY 2022 was 16% (12% excluding Payplaza acquisition). Management however is confident that as a result of acquisitions and new technological developments, a growth rate over 25% is most realistic. Management will monitor growth against this benchmark rate for the upcoming reporting periods and update the impairment analyses in case of impairment triggers. No impairment charges were recognized during 2022 and 2021.

7. Property, plant and equipment

Property, plant and equipment are presented at cost less accumulated depreciation and, if applicable, less impairments losses. 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.

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

x € 1,000	Platform (Hardware)	Furniture & fixtures	Vehicles	Hardware & software workplace	Leasehold improvements	Total
Costs						
At 31 December 2020	4,489	1,362	131	1,599	1,417	8,998
Additions	1,170	716	-	1,048	380	3,314
Divestments	-	(63)	-	-	(623)	(686)
Acquisitions through business combinations	27	92	40	485	94	738
Conversion to exchange rate	8	-	-	1	2	11
At 31 December 2021	5,694	2,107	171	3,133	1,270	12,375
Additions	635	892	-	528	762	2,817
Divestments	-	-	(27)	(20)	-	(47)
Acquisitions through business combinations	-	241	-	113	-	354
Conversion to exchange rate	4	1	-	-	2	7
At 31 December 2022	6,333	3,241	144	3,754	2,034	15,506
Depreciation						
At 31 December 2020	2,700	295	80	866	632	4,573
Depreciation	322	210	15	468	125	1,140
Divestments	-	(41)	-	-	(534)	(575)
Conversion to exchange rate	4	-	-	-	-	4
At 31 December 2021	3,026	464	95	1,334	223	5,142
Depreciation	409	444	15	534	199	1,601
Divestments	-	-	(12)	(20)	-	(32)
Conversion to exchange rate	3	-	-	-	-	3
At 31 December 2022	3,438	908	98	1,848	422	6,714
Net book value						
At 31 December 2021	2,668	1,643	76	1,799	1,047	7,233
At 31 December 2022	2,895	2,333	46	1,906	1,612	8,792
Estimated useful lives (years)	10	10	5	5	10	

8. Right-of-use assets

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

The lease liability is presented as a separate line in the consolidated statement of financial position ("borrowings"), see note 18. The right-of-use assets are presented as a separate line in the consolidated statement of financial position. In relation to the leases, CM.com has recognized depreciation and interest costs in the profit and loss. In the cash flow statement the low value leases and short-term leases are presented as part of the cash flow from operating activities, interest paid and the repayments related to leases are presented as part of the cash flow from financing activities. The maturity analysis for the lease liabilities is included in note 13.

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

Group as a lessee

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

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

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

The right-of-use asset is initially measured at cost and subsequently at cost less accumulated depreciation and, if applicable, less accumulated impairment losses and adjusted for any re-measurements 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 expenses and total cash flow outflow for leases are as follows:

x € 1,000	2022	2021
Interest expense on lease liabilities	340	174
Expenses relating to short-term leases	1,958	896
Total cash outflow for leases	7,162	3,853

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

x € 1,000	Land and buildings	Furniture & fixtures	Platform (Hardware)	Platform (Software)	Vehicles	Total
Costs						
At 31 December 2020	8,481	207	3,073	1,127	672	13,560
Additions	706	-	5,567	-	81	6,354
Acquisitions through business combinations	86	-	-	-	-	86
Ending of lease agreements	(1,011)	-	-	-	(38)	(1,049)
At 31 December 2021	8,262	207	8,640	1,127	715	18,951
Additions	10,761	29	7,944	-	452	19,186
Acquisitions through business combinations	1,606	-	-	-	-	1,606
Conversion to exchange rate	19	-	(21)	-	-	(2)
Ending of lease agreements	(198)	-	-	-	(205)	(403)
At 31 December 2022	20,450	236	16,563	1,127	962	39,338
Depreciation						
At 31 December 2020	2,254	67	695	339	241	3,596
Depreciation	1,401	57	808	113	181	2,560
Ending of lease agreements	(603)	-	-	-	(38)	(641)
Conversion to exchange rate	(1)	-	-	-	-	(1)
At 31 December 2021	3,051	124	1,503	452	384	5,514
Depreciation	1,652	57	1,476	113	234	3,532
Ending of lease agreements	(198)	-	-	-	(180)	(378)
Conversion to exchange rate	12	-	-	-	-	12
At 31 December 2022	4,517	181	2,979	565	438	8,680
Net book value						
At 31 December 2021	5,211	83	7,137	675	331	13,437
At 31 December 2022	15,933	55	13,584	562	524	30,658

9. Business combinations and goodwill

Acquisitions of businesses are accounted for using the acquisition method. The aggregate of the consideration transferred in a business combination is measured at fair value on the acquisition date. Acquisition-related costs are expensed as incurred and included in other operating expenses. Acquisition related costs amount to € 181 thousand (2021: € 469 thousand).

Acquisitions in 2022

On 1 March 2022, CM.com acquired 100% of the shares and voting rights of Building Blocks Holding B.V. and its subsidiaries (hereafter 'Building blocks'). Building Blocks is a group of unlisted entities situated in the Netherlands, specialised in consumer artificial intelligence ("AI") and builds personalized consumer interactions. The purchase price allocation is based on fair value of identifiable assets and liabilities of Building Blocks Holding B.V. The acquisition of Building Blocks is related to the SaaS segment.

The initial accounting for the acquisitions has only been provisionally determined at the end of the reporting period. The Company does not expect adjustments to the PPA, however wants to retain the ability to perform backtesting at the end of the measurement period.

The acquired trade and other receivables mainly consist of trade and VAT receivables. The present value of the earn-out is based on the 2022-2024 financial performance of the Company acquired mainly based on recurring revenue and represents our best estimate as at 31 December 2022. The earn-out will be payable if certain recurring revenue, targets are met. The total range of outcomes (undiscounted), on acquisition date, is between € 0 and € 14 million.

The recognised goodwill relating to the acquisition represents future economic benefits specific to the Group arising from assets that do not qualify for separate recognition as intangible assets. This includes expected new customers who generate revenue streams in the future and revenues generated because of new capabilities of the acquired product platforms. The total amount of goodwill recorded for this acquisition is not deductible for corporate tax purposes.

Building Blocks' contribution in 2022 to revenue amounts to € 3,475 thousand. If the acquisition was done as per 1 January, the contribution to revenue would be € 4,124 thousand. The total contribution to net result of Building Block is minus € 822 thousand. If the acquisition was done as per 1 January, the contribution to net result would be minus € 976 thousand.

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

x € 1,000	Note	Building Blocks
Consideration paid in cash		6,891
Equity payment		2,584
Earn-out (part of other accruals)	20	2,558
Total consideration		12,033
Goodwill	5	14
Intangible assets (Platform and Other)	5	1,280
Property, plant and equipment		354
Right of use assets		1,606
Long-term receivables		24
Trade and other receivables		1,198
Cash and cash equivalents		562
Long-term debt		(2,499)
Trade and other payables		(1,997)
Contract liabilities		(737)
Deferred tax asset	11	290
Deferred tax liability	11	(290)
Carrying value at acquisition date		(195)
Platform fair value adjustment recognised	5	4,157
Customer relations fair value adjustment recognised	5	2,636
Deferred tax liability fair value adjustment recognised	11	(1,753)
Total fair value of net identifiable assets and liabilities		4,845
Goodwill recognised	5	7,187

Acquisitions in 2021

On 17 March 2021 CM.com acquired 100% of the shares and voting rights of SEPASoft B.V. and its subsidiaries (hereafter "PayPlaza"). PayPlaza is a group of unlisted entities situated in the Netherlands, specialized in payment solutions. The purpose of the acquisition is to increase the payment activities of CM.com. SEPASoft B.V. is specialized in Point of Sale (POS) solutions. The purchase price allocation is based on fair values of identifiable assets and liabilities of SEPASoft B.V.

On 1 April 2021 CM.com acquired 100% of the shares and voting rights of YourTicketProvider B.V. and Get a Ticket B.V. (hereafter "YTP"). YTP is an group of unlisted entities, situated in the Netherlands. The purpose of the acquisition is to increase the Ticketing activities of CM.com. The purchase price allocation is based on fair values of identifiable assets and liabilities of YTP.

On 1 July 2021 CM.com acquired 100% of the shares and voting rights of TraceDock B.V. TraceDock B.V. is an unlisted entity situated in the Netherlands, specialized in customer data. The purpose of the acquisition is to complement our Mobile Marketing solution (SaaS segment). The purchase price allocation is based on fair values of identifiable assets and liabilities of TraceDock B.V.

On 1 November 2021 CM.com acquired 100% of the shares and voting rights of Appmiral BVBA. Appmiral BVBA is an unlisted entity situated in Belgium. The purpose of the acquisition is to complement the Ticketing activities of CM.com using the event and festival application of Appmiral. The purchase price allocation is based on fair values of identifiable assets and liabilities of Appmiral BVBA.

The acquired trade and other receivables mainly consist of trade receivables. The present value of the earn-out is based on the 2021-2023 financial performance of the companies acquired, mainly based on revenue or Annual Recurring Revenue (ARR) and represents our best estimate as at 31 December 2021. The earn-out will be payable if certain revenue, ARR and non-financial targets are met. The total range of outcomes (undiscounted) is between € 0 and € 16.6 million.

The goodwill relating to the 2021 acquisitions represents future economic benefits specific to the group arising from assets that do not qualify for separate recognition as intangible assets. This includes expected new customers who generate revenue streams in the future and revenues generated because of new capabilities of the acquired product platforms. The total amount of goodwill recorded these acquisitions is not deductible for corporate tax purposes.

The total contribution in 2021 to revenue of the acquisitions is € 4,270 thousand for PayPlaza and € 1,274 thousand for the other acquisitions. If the acquisitions were done as per 1 January the contribution to revenue would be € 5,501 thousand for PayPlaza and € 1,911 thousand for the other acquisitions in 2021. The total contribution to net results of the acquisitions is minus € 815 thousand for PayPlaza and € 283 thousand for the other acquisitions. If the acquisitions were done as per 1 January the contribution would be minus € 396 thousand for PayPlaza and € 514 thousand for the other acquisitions.

Reassessment of earn-out liabilities

For a number of earn-out arrangements made on acquisitions, as at 31 December 2022 the fair value has been remeasured. As a consequence of lower than expected performance of the acquisitions, a release of € 4,613 thousand has been reported under 'financial income'. Not all earn-outs have been agreed with the selling shareholders. For other acquisitions that perform better than expected the remeasurement led to an increase in the earn-out liability and € 504 thousand has been reported under 'financial expenses'.

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

x € 1,000	SEPASoft	Other	Total
Consideration paid in cash	9,825	2,996	12,821
Equity payment	-	-	-
Earn-out (part of other accruals)	2,230	2,971	5,201
Total consideration	12,055	5,967	18,022
Intangible assets	-	59	59
Property, plant and equipment	566	172	738
Right of use assets	-	86	86
Financial assets	-	22	22
Inventories	339	-	339
Trade and other receivables	1,020	331	1,351
Trade and other receivables Stichting Derdengelden	-	155	155
Cash and cash equivalents	965	329	1,294
Cash and cash equivalents Stichting Derdengelden	-	650	650
Trade and other payables	(1,702)	(817)	(2,519)
Trade and other payables Stichting Derdengelden	-	(805)	(805)
Contract liabilities	(702)	(212)	(914)
Deferred tax liability	(264)	-	(264)
Borrowings	(1,011)	(225)	(1,236)
Total fair value of net identifiable assets and liabilities	(789)	(255)	(1,044)
Goodwill recognised	6,486	2,696	9,182
Platform recognised	5,140	2,612	7,752
Customer relations recognised	1,624	2,090	3,714
Trade name recognised	-	-	-
Deferred tax liability recognised	(406)	(1,176)	(1,582)

10. Associates

An associate is an entity over which CM.com has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates or joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5.

Details of associates at the end of the reporting period are as follows:

Name of associate	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights	
			2022	2021
PHOS Services Ltd	Transforming mobile devices into POS terminals	Bromley, England	8.92%	8.92%

This associate is accounted for using the equity method in these consolidated financial statements.

The financial year end date of PHOS Services Ltd is 31 August. For the purposes of applying the equity method of accounting, the financial statements of PHOS Services Ltd for the year ended 31 August 2022 have been used, and appropriate adjustments have been made for the effects of significant transactions between that date and 31 December 2022.

Although CM.com holds less than 20% of the equity shares of PHOS Services Ltd, and it has less than 20% of the voting power at shareholder meetings, CM.com exercises significant influence as a result of the appointment as one of the investor directors contractual rights.

x € 1,000	2022	2021
Carrying amount as at 1 January	1,974	-
Movements:		
Additions from business combinations	-	2,000
Share of result of associates	(151)	(26)
Carrying amount as at 31 December	1,823	1,974

11. Taxation

11.1 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 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.

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

- CM.COM Netherlands B.V.
- CM.com International B.V.
- CM Payments B.V.
- CM Platform B.V.
- CM.com R&D 1 B.V.
- CM.com R&D 2 B.V.
- CM.com R&D 3 B.V.
- CM.com R&D 4 B.V.
- CM.com R&D 5 B.V.
- CM.com R&D 6 B.V.
- CM.com R&D 7 B.V.
- CM.com R&D 8 B.V.
- CM.com R&D 9 B.V.
- CM.com R&D 10 B.V.
- CM.com R&D 11 B.V.
- CM.com R&D 12 B.V.
- CM.com R&D 13 B.V.
- SEPASoft B.V. B.V.
- PayPlaza B.V.
- PayPlaza Gov Solutions B.V.
- Your Ticket Provider B.V.
- Get-a-Ticket B.V.
- The Selfservice Company Solutions B.V. (as per 1 January 2022)

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

Major components of the income tax expense :

x € 1,000	2022	2021
Current tax:		
Current year	695	103
Adjustments prior year	1,198	(20)
Deferred tax:		
Movement in temporary differences	(2,262)	(1,019)
Movement in tax losses carried forward	(121)	(2,840)
Tax rate differences	77	(78)
Adjustments prior year	180	-
Taxation according to the profit and loss account	(233)	(3,854)

The effective tax rate for 2022 is 0.5% (2021: 18.1%) and can be reconciled as follows:

x € 1,000	2022	2021
Loss before tax	(44,974)	(21,344)
Adjustment result of associates	151	26
Loss for tax calculation	(44,823)	(21,318)
Income tax expense at statutory tax rate (25.8%)	(11,564)	(5,330)
Non-deductible expenses	(510)	353
Rate differential	(318)	(209)
Non-recognition of deferred tax asset	11,875	1,717
Tax losses utilised	(826)	(1,478)
Deferred tax asset through equity	(268)	1,113
Tax relating to prior periods	1,378	(20)
Tax charged against result before tax	(233)	(3,854)

11.2 Deferred tax

Deferred tax is recognized using the balance sheet method, providing for carry forward losses and 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 (DTA) for unused tax losses are recognized to the extent that it is probable that taxable profit will be available against which the unused tax losses can be utilised. CM.com has tax losses carried forward of € 90.5 million as at 31 December 2022 (2021: € 47.1 million), out of which € 0.8 million (2021: € 1.2 million) expires in the following five years (of this for a total of € 0.0 million a DTA is formed). € 0.4 million (2021: € 0.4 million) will expire after five years (of this for a total of € 0.0 million a DTA is formed) and € 89.3 million (2021: € 45.5 million) can be carried forward indefinitely (of this for a total of € 6.5 million a DTA is formed). For € 65.2 million unused tax losses no deferred tax asset is formed.

Deferred tax assets recognised and movements thereon:

x € 1,000	Total	Tax losses	Convertible bond	Right-of-use assets	Deferred costs	Other
Carrying amount as at 31 December 2020 after netting	812					
Netting of tax	3,323					
Carrying amount as at 31 December 2020 before netting	4,135	4,102	-	33	-	-
Mutations through profit or loss	1,119	1,119	-	-	-	-
Mutations through equity	1,113	-	1,113	-	-	-
Charge to profit or loss	(230)	-	-	11	-	(241)
Effect of change in tax rate	341	-	-	-	-	341
Netting of tax	(5,395)					
Carrying amount as at 31 December 2021 after netting	1,083					
Netting of tax	5,395					
Carrying amount as at 31 December 2021 before netting	6,478	5,221	1,113	44	-	100
Mutations through profit or loss	121	121	-	-	-	-
Mutations through equity	(268)	-	-268	-	-	-
Acquisition of subsidiary	290	290	-	-	-	-
Charge to profit or loss	402	-	-	16	493	(107)
Exchange differences	3	18	-	(22)	-	7
Carrying amount as at 31 December 2022 before netting	7,026	5,650	845	38	493	-
Netting of tax	(5,520)					
Carrying amount as at 31 December 2022 after netting	1,506					

Deferred tax liability

Deferred tax liabilities recognised and movements thereon:

x € 1,000	Total	Intangible assets	Property, plant and equipment	Convertible bond
Carrying amount as at 31 December 2020 after netting	4,093			
Netting of tax	3,323			
Carrying amount as at 31 December 2020 before netting	7,416	6,486	930	-
Mutations through equity	1,698	-	-	1,698
Mutations through profit or loss	(2,718)	(1,744)	(930)	(44)
Acquisition of subsidiary	1,846	1,846	-	-
Netting of tax	(5,395)			
Carrying amount as at 31 December 2021 after netting	2,847			
Netting of tax	5,395			
Carrying amount as at 31 December 2021 before netting	8,242	6,588	-	1,654
Mutations through profit or loss	(1,860)	(1,534)	-	(326)
Acquisition of subsidiary	2,043	2,043	-	-
Effect of change in tax rate	77	77	-	-
Previous years	180	180	-	-
Carrying amount as at 31 December 2022 before netting	8,682	7,354	-	1,328
Netting of tax	(5,520)			
Carrying amount as at 31 December 2022 after netting	3,162			

Capital management and risk policies

12. Capital management

CM.com manages its capital to ensure that entities in CM.com will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. CM.com's overall strategy remains unchanged from 2021.

The capital structure of the Company consists of net debt (borrowings as disclosed in note 18 and convertible bonds as disclosed in note 19 after deducting available cash and cash equivalents as disclosed in note 15) and shareholders' equity (comprising issued ordinary share capital, share premium, reserves and accumulated deficits as disclosed below).

At 1 January 2022 the number of issued shares was 28,840,098 with a total nominal value of € 1,730 thousand. All shares are ordinary shares. During 2022, a total of 22,837 shares were issued in relation to employee plans (see note 23). Next to that, a total of 71,583 shares were issued in relation with earn-outs of acquired companies. At year-end that brings the total of issued shares up to 28,934,518 with a total nominal value of € 1,736 thousand. At balance date there are only ordinary shares.

In 2022, the Company purchased 143,925 own shares relating to business combinations and 60,000 own shares to satisfy obligations related to the equity-settled share-based compensation plans, of which 4,153 shares were vested during 2022 (see note 23). At year-end the amount of treasury shares held amounts to €0.9 million (2021: nil) and represents 55,847 shares (2021: nil).

The legal reserves, in amount of € 31,358 thousand (2021: € 20,626 thousand) are considered non distributable in accordance with Dutch Law, as presented in the Corporate Financial Statements (see note 6) and relate to capitalized development costs.

No dividends are available to payout.

Basic and diluted loss per share

The weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share is 28,887,308 (2021: 28,789,534). The total comprehensive loss used in the calculation of basic and diluted loss per share over 2022 amounts to € 43,561 thousand (2021: € 16,602 thousand).

13. Risk management

13.1 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. We continuously monitor the creditworthiness of debtors and act appropriately on expired invoices.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. For CM.com's statement of the carrying amounts see note 17 and note 20. The additional charges to expenses mainly concentrate to one individual client for a bad debt position of € 4.2 million. No other significant concentration of credit risk existed as at the reporting date.

The changes in the provision for credit losses are as follows:

x € 1,000	2022	2021
Balance as per 1 January	372	155
Additional charges to expenses	5,435	238
Bad debts written off	(259)	(21)
Balance as per 31 December	5,548	372

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

x € 1,000	2022		2021	
	Gross	Net	Gross	Net
Current	15,226	14,455	17,930	17,603
1 - 30 days	2,796	2,705	4,530	4,522
31 - 60 days	5,312	5,085	977	969
> 60 days	7,874	3,415	1,580	1,551
	31,208	25,660	25,017	24,645

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

Bucket	Percentage of ECL	
	2022	2021
Current	1.04%	0.28%
1 - 30 days	1.71%	0.54%
31 - 60 days	6.21%	3.68%
> 60 days	10.00%	12.80%

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

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

Impairment of financial assets

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

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

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with CM.com, and a failure to make contractual payments.

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

13.2 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 manage 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 cash constraints into account.

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:

2022

x € 1,000	Note	0-3 months	4-12 months	1-5 years	Over 5 years	Total	Carrying amount Total
Lease liabilities	18	2,114	5,957	11,016	8,807	27,894	23,689
Convertible bond	19	1,000	1,000	106,000	-	108,000	94,262
Trade payables	20	25,241	-	-	-	25,241	25,241
Other financial liabilities	20	78,363	224	-	-	77,869	78,548
Bank loans	18	4	11	5	-	20	20
Tax debt long-term	18	-	-	1,121	-	1,121	1,053
		106,722	7,192	118,142	8,807	240,145	222,813

2021

x € 1,000	Note	0-3 months	4-12 months	1-5 years	Over 5 years	Total	Carrying amount Total
Lease liabilities	18	976	2,869	5,677	926	10,448	10,053
Convertible bond	19	500	1,500	107,378	-	109,378	92,648
Trade payables	20	13,857	-	-	-	13,857	13,857
Other financial liabilities	20	54,456	-	-	-	54,456	54,456
		69,789	4,369	113,055	926	188,139	171,014

CM.com’s borrowing facilities and revolving credit facilities are detailed in note 18.

13.3 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. CM.com only recognizes the foreign currency risk as an applicable currency risk, due to the fact that there are no outstanding loans with variable interest and little other risk from external factors.

Foreign currency risk

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

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

FY 2022 x € 1,000	CNY	GBP	INR	JPY	SGD	USD
Cash and cash equivalents	4,802	519	497	173	3,143	528
Trade receivables	548	384	149	284	57	12,377
Trade payables	(147)	(556)	(15)	(97)	(99)	(4,880)
	5,203	347	631	360	3,101	8,025

FY 2021 x € 1,000	CNY	GBP	HKD	JPY	SGD	USD
Cash and cash equivalents	5,914	1,156	22	1,198	523	8,952
Trade receivables	1,399	593	472	101	(2)	12,237
Trade payables	(232)	(916)	(407)	(177)	(49)	(1,221)
	7,081	833	87	1,122	472	19,968

Foreign currency sensitivity

A reasonable possible change in CNY exchange rate (+5%, calculated from CNY), with all other variables held constant, will have an effect on result and equity of € 246 thousand (2021: € 266 thousand).

A reasonable possible change in GBP exchange rate (+5%, calculated from GBP), with all other variables held constant, will have an effect on result and equity of € 17 thousand (2021: € 31 thousand).

A reasonable possible change in INR exchange rate (+5%, calculated from INR), with all other variables held constant, will have an effect on result and equity of € 30 thousand (2021: nil).

A reasonable possible change in JPY exchange rate (+5%, calculated from JPY), with all other variables held constant, will have an effect on result and equity of € 17 thousand (2021: € 42 thousand).

A reasonable possible change in SGD exchange rate (+5%, calculated from SGD), with all other variables held constant, will have an effect on result and equity of € 140 thousand (2021: € 18 thousand).

A reasonable possible change in USD exchange rate (+5%, calculated from USD), with all other variables held constant, will have an effect on result and equity of € 617 thousand (2021: € 749 thousand).

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

Financial instruments

14. Financial instruments

Financial assets

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 amortized 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, equity investments, cash and cash equivalents. These financial assets are subsequently measured at amortized 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 recognized 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 recognized 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 amortized cost

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

Derecognition of financial assets

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

Financial liabilities

Classification and measurement

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

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

Lease liabilities 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. See note 13.2 for maturity analysis. Generally, CM.com uses its incremental borrowing rate as the discount rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

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

[Derecognition of financial liabilities](#)

CM.com derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. CM.com also derecognizes 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 recognized 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 recognized 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 recognized 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 recognizes gains and losses on undesignated hedging instruments in profit or loss.

Other disclosures and accounting policies

15. Cash and cash equivalents

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

x € 1,000	2022	2021
Bank balances	46,916	100,021
Bank balances held by Stichting Derdengelden	35,824	22,037
Cash and cash equivalents in the statement of cash flows	82,740	122,058

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

The bank balances held by Stichting Derdengelden are solely for the foundation's activities and to be settled with merchants of CM Payments B.V. and Ticketing customers. As the bank balances cannot be used by the Company for its own activities, these are recorded as restricted cash.

All other liquid assets are payable on demand.

16. Long-term receivables

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

x € 1,000	2022	2021
Deposits & other receivables	2,215	2,610
Other participation	60	60
	2,275	2,670
Current portion of long-term receivables	(810)	(518)
	1,465	2,152

During 2022 and 2021 no impairment losses have been recognised.

Other receivables

The other receivables as per 31 December 2021 include an undiscounted non-current tax receivable towards the Chinese tax authority for an amount of € 952 thousand.

Other participation

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

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

x € 1,000	Deposits	Other receivables	Other participation	Total
Carrying amount as at 1 January 2021	686	511	60	1,257
Movements:				
Loans granted	-	1,531	-	1,531
Repayments	-	(503)	-	(503)
Paid deposits	438	-	-	438
Acquisitions	(85)	-	-	(85)
Released deposits	23	-	-	23
Currency difference	9	-	-	9
Carrying amount as at 31 December 2021	1,071	1,539	60	2,670
Movements:				
Loans granted / advance payment	-	1,016	-	1,016
Repayments	-	(632)	-	(632)
Write-off	-	(952)	-	(952)
Paid deposits	599	-	-	599
Released deposits	(468)	-	-	(468)
Acquisitions	24	-	-	24
Currency difference	18	-	-	18
Carrying amount as at 31 December 2022	1,244	971	60	2,275
Current portion 2021	-	(518)	-	(518)
Current portion 2022	-	(810)	-	(810)

17. Trade and other receivables

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

x € 1,000	2022	2021
Trade receivables	25,660	24,645
Trade receivables Stichting Deringelden	2,105	1,223
Accrued revenue	22,696	20,523
Other receivables and prepayments	7,384	2,935
	57,845	49,326

Trade receivables

An expected credit loss provision is accounted for in relation to the accounts receivable. This amount is deducted from the accounts receivable. At the reporting date, €5,548 thousand is provided for (2021: € 372 thousand). CM.com's exposure to credit risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 13.

Other receivables and prepayments

x € 1,000	2022	2021
Prepayments	3,160	2,138
Other receivables	1,759	279
VAT and payroll taxes	1,655	-
Current portion of long-term receivables	810	518
	7,384	2,935

The prepayments mainly consists of non-trade prepaid invoices.

18. Borrowings

x € 1,000	2022	2021
Bank loans	20	-
Tax debt long-term	1,053	-
Lease liability	23,689	10,053
	24,762	10,053
Current portion of long-term borrowings	(6,878)	(3,709)
	17,884	6,344

A reconciliation of the movement in borrowings is presented below:

x € 1,000	2022	2021
Carrying amount as at 1 January	10,053	7,601
Movements:		
Increase in bank loans (via acquisitions)	31	1,001
Increase in tax debt (via acquisitions)	1,117	-
Increase in lease liability (including acquisitions)	20,791	6,720
Redemptions of bank loans	(11)	(1,001)
Redemptions of tax debt	(64)	-
Redemptions of lease liability	(7,162)	(3,853)
Disposal of lease liability	-	(415)
Currency difference	7	-
Carrying amount as at 31 December	24,762	10,053
Current portion of long-term borrowings	(6,878)	(3,709)
Long term liability as at 31 December	17,884	6,344

19. Convertible bonds

On 9 September 2021, CM.com issued convertible bonds due September 2026 at 100% of their nominal value in an aggregate principal amount of € 100 million. The convertible bonds have an interest rate of 2% payable semi-annually in arrears in equal instalments on 9 March and 9 September each year, commencing first on 9 March 2022. The convertible bonds have a maturity of five years and a denomination of € 100 thousand each. The bonds are convertible into ordinary shares at the option of the bondholders during the conversion period ending on the earlier of 7 business days prior to the maturity date or any relevant redemption date. The initial conversion price was set at € 53.30 (30% premium over the reference share price).

CM.com will have the option to redeem all, but not some, of the bonds for the time being outstanding at their principal amount together with accrued interest, at any time from 24 September 2024, provided that the volume weighted average price of a share on Euronext Amsterdam shall have exceeded 130% of the conversion price on each of not less than 20 trading days in any period of 30 consecutive trading days. Any outstanding bonds are also redeemable at any time after settlement date if at least 85% of the issued bonds have been converted, settled or redeemed.

The net proceeds received from the issue of the convertible loan notes have been split between the financial liability element and an equity component, representing the fair value of the embedded option to convert the financial liability into equity of CM.com, as follows:

x € 1,000	2022
At 31 December 2020	-
Proceeds of issue of convertible loan	100,000
Transaction costs	(1,675)
Net proceeds from issue of convertible loan	98,325
Amount classified as equity	(6,793)
Amount classified as liability	91,532
Interest charged (using effective interest rate)	1,116
Carrying amount of liability component at 31 December 2021	92,648
Interest charged (using effective interest rate)	1,614
Carrying amount of liability component at 31 December 2022	94,262

The equity component of € 5,940 thousand (net of tax) has been credited to the option premium on convertible bond reserve. The tax effect includes a deferred tax liability recognized through equity of €1,698 thousand (2021: € 1,698 thousand) offset by a related deferred tax asset recognized through equity of € 845 thousand (2021: € 1,113 thousand) (note 11).

The interest expense for the year is calculated by applying an effective interest rate of 3,55% to the liability component for the 12 months period. The yield is based on a CCC+ credit rating assigned by Wiserefunding. CapitalIQ is consulted in the yields of 5-year bonds with a B or CCC rating, in which 29 US firms underly the CCC yield curve. Subsequently, the CCC+ interest rate is calculated through exponential interpolation.

The liability component is measured at amortized cost. The difference between the carrying amount of the liability component at the date of issue and the amount reported in the reporting at 31 December 2022 represents the effective interest rate less interest paid to that date.

20. 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 at reporting date.

x € 1,000	2022	2021
Trade payables	25,241	13,857
Invoices to be received for services	22,864	16,575
VAT and payroll taxes	3,525	2,291
Third party collection payable to content providers	1,302	1,647
Deposits	218	197
Pension contributions	-	171
Payables from Stichting Derdengelden	37,735	23,054
Other accruals	12,185	12,812
	103,070	70,604

The other accruals mainly consists of earn-out liabilities relating to acquisitions amounting to € 3,087 thousand as per 31 December 2022 (2021: € 4,694 thousand), non-trade invoices to be received and personnel accruals.

Payables from Stichting Derdengelden relate to the collected amounts from consumers, received on the bankaccounts of the “Stichting derdengelden”. These amounts are to be transferred to merchants of CM Payments B.V. and Ticketing costumers.

21. Contract liabilities

The revenue received in advance mainly consists of prepaid subscription fees (amortized over the contract period on a straight-line basis) or prepaid CPaaS

balances (amortized by usage). The amount as per 31 December 2021 is settled in full in 2022. The amount as per 31 December 2022, will be settled in full in 2023.

22. Employee benefits

x € 1,000	2022	2021
Wages and salaries	57,759	40,613
Social security charges	9,104	6,244
Pension costs	1,870	1,265
WBSO subsidy received	(1,812)	(922)
Capitalized development costs	(11,773)	(6,453)
	55,148	40,747

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

x € 1,000	Research & Development	Sales & Marketing	General & Admin.	Total
Wages and salaries	16,160	29,310	12,289	57,759
Social security charges	2,909	4,592	1,603	9,104
Pension costs	585	849	436	1,870
WBSO subsidy received	(1,812)	-	-	(1,812)
Capitalized development costs	(11,773)	-	-	(11,773)
	6,069	34,751	14,328	55,148

The average number of employees of CM.com during the year, converted to full-time equivalents (FTE), was 880 (2021: 650), of which 251 FTE are working outside the Netherlands (2021: 165).

The breakdown per department of average FTE is as follows:

x € 1,000	2022	2021
Sales & Marketing	456	352
Research & Development	304	210
General & Administration	120	88
	880	650

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 recognized as a cost in profit or loss.

Short-term employee benefits

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

Government grants

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

23. Share-based payments

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on Company’s estimate of the number of equity instruments that will eventually vest. At each reporting date, CM.com revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognized in profit or loss under Employee benefits such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

For cash-settled share-based payments, a liability is recognized for the goods or services acquired, measured initially at the fair value of the liability. At each reporting date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognized in profit or loss under Employee benefits.

The following share-based payments schemes existed during the period:

- Long-Term Incentive Plans (“LTIP’s”) for key individuals in senior leadership positions;
- Key Leadership Program (“KLIP”) for a small group of employees in key leadership positions;
- Key Person Plan (“KPP”) for a number of key employees within CM.com;
- CM.com Awards Plan for some individual remunerations;
- Restricted Share Unit Plan (“RSU”) for a number of key talent within CM.com.

Long-Term Incentive Plan

The Management Board recognizes the importance of its employees to the future success of the Company. A Long-Term Incentive Plan ('LTIP') is introduced for key individuals in senior leadership positions. There have been three grants under the LTIPs:

- LTIP 2020-2023 granted at 21 February 2020. During the year ordinary shares were granted to new participants under the same LTIP conditions. Vestingdate is 21 February 2023.
- LTIP 2021-2024 granted at 1 January 2021. During the year ordinary shares were granted to new participants under the same LTIP conditions. Vestingdate is 1 January 2024.
- LTIP 2022-2025 granted at 1 April 2022. Vestingdate is 1 April 2025.

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

Key assumptions to the TSR shares 2022:

	1 April 2022	21 April 2022
x € 1,000		
Share price at grant date	19.4	17.3
Expected volatility	49.9%	50.0%
Vesting period	3.0	2.9
Annual dividend increase	-%	-%
Risk-free interest rate (Eurozone, ASx / US, NASDAQ-100)	0.135/2.57	0.327/2.81
Fair value at grant date	9.07	6.91

Key assumptions to the TSR shares 2021:

	January 2021	May 2021
x € 1,000		
Share price at grant date	31.0	28.1
Expected volatility	48.1%	48.8%
Vesting period	3.0	2.9
Annual dividend increase	-%	-%
Risk-free interest rate (Eurozone, ASx / US, NASDAQ-100)	(0.761)/ 0.17	(0.689)/ 0.23
Fair value at grant date	38.47	28.58

Key assumptions to the TSR shares 2020:

	February 2020	April 2020
x € 1,000		
Share price at grant date	17.1	12.6
Expected volatility	41%	46%
Vesting period	3.0	2.8
Annual dividend increase	-%	-%
Risk-free interest rate (Eurozone, ASx / US, NASDAQ-100)	(0.657)/ 1.31	(0.673)/ 0.24
Fair value at grant date	15.53	17.48

The fair value of the LTIP awards granted to employees is recognized as an expense, with a corresponding increase in equity.

Key Person Plan

The Key Person Program ('KPP') was introduced for a number of key employees within CM.com and comprise a bonus settled in cash or ordinary shares for no consideration. During 2022 the shares granted in 2020 vested. The shares granted at 1 March 2021 were vested at 1 March 2023. The condition for vesting is that the relevant employee continues to be employed by the Company on two years after grant date. There are no market performance conditions in this plan that effect the vesting. The grant date fair value of equity-settled share-based payments awards granted to employees is recognized as an expense, with a corresponding increase in equity. Cash-settled awards are valued at intrinsic value at 31 December 2022 and recognized as an expense, with a corresponding increase in liabilities.

Key Leadership Program

The Key Leadership Program ('KLIP') was introduced for a small group of employees in key leadership positions. This is a non-recurring program with a long tenure (3 years) and comprise of a cumulative total of 50,000 ordinary shares for no consideration. The first vest under this plan was done on the grant date at 18 March 2020 (25,000 shares), the second vest at 18 March 2021 (15,000 shares) and the third and final vest at 18 March 2022 (10,000 shares). There are no market performance conditions in this plan that effected the vesting. The grant date fair value of equity-settled share-based payments awards granted to employees was recognized as an expense, with a corresponding increase in equity.

CM.com Awards Plan

The CM.com Awards Plan has been introduced for some individual remunerations. This is a non-recurring program which comprises ordinary shares for no consideration. During 2022 the shares granted in 2021 were vested. The condition for vesting is that the relevant employee continues to be employed by the Company at vesting date. There are no market performance conditions in this plan that effect the vesting.

The grant date fair value of equity-settled share-based payments awards granted to employees is recognized as an expense, with a corresponding increase in equity.

Restricted Share Unit Plan

The Restricted Share Unit Plan ('RSU') was introduced during 2022 to create competitive advantage in attracting, motivating and retaining key talent within CM.com and comprise ordinary shares for no consideration. The condition for vesting is that the relevant employee is still employed by the Company on vesting date and has not given or have not been given notice of termination of employment. There are no market performance conditions in this plan that effect the vesting. The grant date fair value of equity-settled share-based payments awards granted to employees is recognized as an expense, with a corresponding increase in equity.

Shares

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

	Long-Term Incentive Plan	Key Person Plan	Key Leadership Plan	CM.com Awards	Restricted Share Unit Plan
At 1 January 2021	26,853	13,379	25,000	-	-
Granted	17,240	15,394	-	3,145	-
Forfeited	-	(753)	-	(155)	-
Exercised	-	(487)	(15,000)	-	-
Expired	-	-	-	-	-
At 31 December 2021	44,093	27,533	10,000	2,990	-
Granted	35,482	-	-	-	38,572
Forfeited	(10,977)	(9,387)	-	(667)	-
Exercised	-	(12,837)	(10,000)	(2,323)	(1,830)
Expired	-	-	-	-	-
At 31 December 2022	68,598	5,309	-	-	36,742

None of the outstanding shares are exercisable at 31 December 2022.

Cash-settled share-based payments

The Company issues to certain employees share appreciation rights ("SARs") that require the Company to pay the intrinsic value of the SAR to the employee at the date of exercise. The Company has recorded liabilities of € 89 thousand (2021: € 215 thousand). The Company recorded total expenses of minus € 3 thousand (2021: € 144 thousand). The total intrinsic value at 31 December 2022 € 11.36 (2021: € 27.80).

Expenses

The expenses of the different plans can be specified as follows:

x € 1,000	2022	2021
LTIP (equity-settled)	232	331
KPP (equity-settled)	71	219
KPP (cash-settled)	(3)	144
KLIP (equity-settled)	7	59
CM.com Awards (equity-settled)	2	64
RSU (equity-settled)	236	-
	545	817

24. Other operating expenses

x € 1,000	2022	2021
Housing expenses	3,085	1,532
Operating expenses	7,502	4,323
Office expenses	120	48
Car expenses	276	240
Marketing and sales expenses	10,896	7,806
Expected credit losses	5,435	238
Other staff expenses	9,792	6,606
General expenses	6,221	4,791
	43,327	25,584

The capitalized development costs (see note 22) have partly been allocated to the general expenses for an amount of € 3,608 thousand (2021: € 2,242 thousand). This charge mainly relates to Workspace and IT expenses.

In the housing expenses an amount of € 1,749 thousand (2021: € 764 thousand) relates to short-term leases. In the car expenses an amount of € 174 thousand (2021: € 116 thousand) relates to short-term leases. The other staff expenses mainly consists of contractors and agency personnel expenses amounting to € 4,663 thousand (2021: € 3,484 thousand).

25. Financial income and expenses

Financial income

x € 1,000	2022	2021
Bank interest received	22	8
Fair value gains	4,613	1,744
Other interest received	105	96
Currency results	-	204
	4,740	2,052

Fair value gains relates to reassessment of earn-out liabilities measured at fair value through profit and loss.

Financial expenses

x € 1,000	2022	2021
Bank interest paid	365	142
Interest on convertible bond	3,614	1,116
Fair value losses	504	2,270
Interest expense earn-out liability	-	375
Other interest paid	370	204
Currency results	110	-
	4,963	4,107

Fair value losses relates to reassessment of earn-out liabilities measured at fair value losses through profit and loss.

26. Commitments and guarantees

Guarantees

As of 31 December 2022, the legal entities that are part of the group have granted guarantees amounting to € 136 thousand (2021: € 67 thousand).

27. Group structure, related parties and remuneration key management Personnel

CM.com N.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.com N.V.	Breda (The Netherlands)	Holding company	100%
CM.com Netherlands B.V.	Breda (The Netherlands)	CPaaS, SaaS solutions & Ticketing services	100%
CM.com International B.V.	Breda (The Netherlands)	CPaaS, SaaS solutions & Ticketing services	100%
CM Payments B.V.	Breda (The Netherlands)	Payments processing	100%
CM Platform B.V.	Breda (The Netherlands)	R&D	100%
Global Ticket B.V.	Breda (The Netherlands)	Ticketing services	100%
Elitech Group B.V. ¹	Breda (The Netherlands)	Holding company	100%
The Selfservice Company B.V. ²	Breda (The Netherlands)	Conversation platform services	100%
The Selfservice Company Solutions B.V.	Breda (The Netherlands)	Conversation platform services	100%
ROBIN Software B.V. ¹	Breda (The Netherlands)	Customer services	100%
SEPASoft B.V.	Breda (The Netherlands)	Point of Sale Gateway	100%
PayPlaza B.V.	Breda (The Netherlands)	Point of Sale Gateway	100%
PayPlaza Gov Solutions B.V.	Breda (The Netherlands)	Point of Sale Gateway	100%
Your Ticket Provider B.V.	Breda (The Netherlands)	Ticketing services	100%
Get-a-Ticket B.V.	Breda (The Netherlands)	Ticketing services	100%
Tracedock B.V.	Breda (The Netherlands)	First Party Data collection	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%

Name	Registered office	Principal activities	Share in issued share capital
CM.com R&D 11 B.V.	Breda (The Netherlands)	R&D	100%
CM.com R&D 12 B.V.	Breda (The Netherlands)	R&D	100%
CM.com R&D 13 B.V.	Breda (The Netherlands)	R&D	100%
Building Blocks Holding B.V. ³	Breda (The Netherlands)	Consumer AI technology	100%
Building Blocks B.V. ³	Breda (The Netherlands)	Consumer AI technology	100%
Blocks B.V. ³	Breda (The Netherlands)	Consumer AI technology	100%
CM.com Ticket Guarantee N.V. ⁴	Breda (The Netherlands)	Ticket guarantees	100%
CM.com Belgium N.V.	Zaventem (Belgium)	Marketing and sales office	100%
Appmiral BVBA	Mechelen (Belgium)	Ticketing services	100%
CM.com Germany GmbH	Frankfurt (Germany)	Marketing and sales office	100%
CX Company GmbH	Dusseldorf (Germany)	Conversation platform services	100%
CM Telecom UK Ltd.	London (UK)	Marketing and sales office	100%
Elitechnology Limited	London (UK)	Conversation platform services	100%
CM Telecom France SAS	Paris (France)	Marketing and sales office	100%
CM Telecom Hong Kong Ltd.	Hong Kong (China)	Marketing and sales office	100%
CM Telecom Shenzhen Co. Ltd.	Shenzhen (China)	Marketing and sales office	100%
CM Telecom Singapore Private Ltd.	Singapore (Singapore)	Marketing and sales office	100%
CM.com Japan K.K.	Tokyo (Japan)	Marketing and sales office	100%
CM Telecom South Africa Ltd.	Cape Town (South Africa)	Marketing and sales office	100%
CM.com US Inc.	Wilmington, Delaware (USA)	Marketing and sales office	100%
CM Telecom FZ-LLC	Dubai (UAE)	Marketing and sales office	100%
CM Communication Platform & Technology, S.L.U.	Barcelona (Spain)	Marketing and sales office	100%
PayPlaza Espana S.L.	Madrid (Spain)	Point of Sale Gateway	100%
CMCOM Turkey Elektronik Haberlesme Ltd Sti	Turkey	Marketing and sales office	100%
CM.com Kenya Ltd.	Nairobi (Kenya)	Marketing and sales office	100%
Communication Platform India Private Limited	Bankalore (India)	Marketing and sales office	100%
CM.com Italy S.r.l.	Milan (Italy)	Marketing and sales office	100%
CM.COM Mexico, S. de R.L. de C.V.	Mexico City (Mexico)	Marketing and sales office	100%
CM.com Brasil Ltda.	Sao Paulo (Brasil)	Marketing and sales office	100%

Name	Registered office	Principal activities	Share in issued share capital
CM.com Kazakhstan Limited Liability Company	Almaty Kazakhstan	Marketing and sales office	100%
CM.com Denmark AS	Copenhagen	Marketing and sales office	100%

¹ The entity was merged into CM.com Netherlands B.V. on 5 October 2022.

² The entity was merged into Elitech Group B.V. on 4 October 2022.

³ This entity is acquired on 1 March 2022 by CM.com Netherlands B.V.

⁴ This entity was incorporated on 14 September 2022 by CM.com N.V.

Related parties

CM.com has a rental agreement with CM Campus B.V. The rental charged by CM Campus B.V. is at arm's length and amounted to € 1.1 million during 2022 (2021: € 0.8 million). CM Campus B.V. is related by its shareholders (2 members of the Management Board of CM.com N.V.). The outstanding balance of the current account as at 31 December 2022 was € 302 thousand (2021: € 4 thousand). The total outstanding balance related to leases as at 31 December 2022 was € 8,862 thousand (2021: € 3,997 thousand). Of these leases a total of € 826 thousand is short-term (2021: € 634 thousand).

Transactions with key management personnel

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

Remuneration management board

x € 1,000	2022	2021
Short-term employee benefits	1,317	1,248
Post-employment benefits	18	16
Share based payments	201	124
	1,536	1,388

Remuneration supervisory board

x € 1,000	2022	2021
Compensation	262	168
	262	168

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

28. Auditor’s remuneration

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

x € 1,000	Deloitte
Audit fees	741
Other services	9
	750

The comparative figures for 2021 are as follows:

x € 1,000	Deloitte
Audit fees	733
Other services	-
	733

The above includes the audit fees with respect to the Dutch statutory audits, which cannot be split from the total audit fees. The fees also include the fee for local statutory financial statements outside the Netherlands for an amount of € 226 thousand (2021: € 208 thousand).

29. Critical accounting judgments and estimations

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that 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, useful life of non-current assets, deferred tax asset recoverability, purchase price allocation, expected credit losses, impairments and the impact of the Russia-Ukraine conflict.

Critical judgements in applying the Group's accounting policies

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.

Russia-Ukraine conflict

We adhere to all international sanctions that are applicable to our organization. In the beginning of 2022 we were in the process of opening an office in Russia. As a result of the Russia - Ukraine conflict we have terminated all operations in Russia. The impact of the conflict on the operations of CM.com are deemed to be immaterial.

Key sources of estimation uncertainty

Impairment of non-financial assets

As stated in note 5, 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 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 5 for a description of the specific estimates and judgements used and the net book values of intangible assets.

As stated in note 6, a forecast period of five years is used for the value-in-use calculation, used for the impairment test on goodwill and intangible assets with indefinite useful life (e.g. domain names). The cashflow projections are based on the financial forecast approved by the Management Board, covering a three-years period (2023-2025). The cash flow projections beyond that three year period are based on expected revenue growth, derived from our mid-term guidance which focusses on gross profit growth, resulting in a growth rate of 45% for SaaS and 39% for Payments. CGU's are tested for impairment by comparing the carrying amount of each CGU to its recoverable amount. The Management Board has assessed the reasonableness of the assumptions on which its current cash flow projections are based.

Useful lives of non-current assets

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

reassessed the useful lives of the capitalized developments nothing no change is required in FY 2022

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 utilised. Management's assessment 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.

Expected credit losses

On each reporting date the Company determines the impairment of trade and other receivables using a model (e.g. flow rate method) which estimates the lifetime expected credit losses that will be incurred on these receivables. The financial assets are assessed collectively in buckets based on due date. These assessments include any change in credit risk due to the continued or changing impact of the current macroeconomic developments including high inflation rates, and the war between Russia and Ukraine. For more information on credit risk exposure refer to note 13.

Business combinations and purchase price allocations

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

As stated in note 9, for the entities which were acquired in 2021 and 2022 an earn-out has been included in the purchase price allocation. When determining the fair value of the earn-out, several assumptions and judgments were made regarding the estimated future revenue and cash flows of these acquisitions and therefore the future cash-out for the earn-out.

30. Subsequent events

Subsequent events

There are no subsequent events.

31. Changes in presentation

Change in accounting policies

New standards, amendments and/or interpretations to existing IFRS standards became effective in 2022. These new standards, amendments and interpretations, as far as they are relevant, have no material impact on the valuation and classification of assets and liabilities of the Group, nor on its income statement or cash flows.

IFRS 17 relating to insurance contracts is in effect per the start of 2022. As CM.com recently set-up a legal entity to sell ticket guarantees this standard will have effect on our financial statements for 2023 and onward. We have ensured the data is available within the company from start, to be able to comply with the reporting requirements of IFRS 17. The impact of IFRS 17 on the financials for the year 2022 is not material.

New standards, amendments and/or interpretations to existing IFRS standards have been published that only need to be applied to accounting periods beginning on or after 1 January 2023. As far as these standards, amendments and interpretations are applicable to the Company, these are expected to have no effect on the valuation and classification of assets and liabilities. The Company has decided not to opt for early adoption.

Corporate Financial Statements

Corporate statement of financial position as at 31 December 2022

(After proposal of appropriation of result)

Assets

x € 1,000	Note	2022	2021
			(restated)
Non-current assets			
Intangible assets	1	2,777	2,943
Property, plant and equipment	2	1,332	1,713
Right-of-use assets	3	2,386	6,655
Financial fixed assets	4	26,811	32,694
Total non-current assets		33,306	44,005
Current assets			
Receivables, prepayments and accrued income	5	89,570	79,792
Cash and cash equivalents		28,344	74,545
Total current assets		117,914	154,337
Total assets		151,220	198,342

Equity and liabilities

x € 1,000	Note	2022	2021
			(restated)
Shareholders' equity			
Share capital		1,736	1,730
Legal reserve		31,358	20,626
Share premium reserve		127,733	124,794
Equity component of convertible bond		5,940	6,208
Treasury shares		(861)	-
Foreign currency translation reserve		1,888	708
Accumulated deficits		(114,236)	(56,693)
Total shareholders' equity	6	53,558	97,373
Non-current liabilities			
Convertible bond	8	94,262	92,648
Deferred tax liability	7	1,328	1,654
Financial liabilities	8	-	3,417
Total non-current liabilities		95,590	97,719
Current liabilities			
Current liabilities, accruals and deferred income	9	2,072	3,250
Total current liabilities		2,072	3,250
Total Equity and Liabilities		151,220	198,342

Corporate statement of profit or loss and other comprehensive income for the year ended 31 December 2022

x € 1,000	Note	2022	2021
			(restated)
Revenue		10	-
Total income		10	-
Employee benefits expenses	10	(1,090)	(1,104)
Amortisation and depreciation	1/2/3	(1,253)	(1,865)
Other operating expenses		(5,007)	(4,156)
Operating Loss		(7,340)	(7,125)
Financial income	11	2,828	1,706
Financial expenses	11	(4,190)	(1,284)
Loss before tax		(8,702)	(6,703)
Income tax	12	(9,500)	(1,476)
Loss after tax		(18,202)	(8,179)
Result participations		(26,011)	(28,885)
Net result for the year		(44,213)	(37,064)
Other comprehensive income, net of tax		1,147	888
Total comprehensive loss		(43,066)	(36,176)

Notes to the corporate financial statements

General accounting principles for the preparation of the financial statements

The corporate financial statements have been prepared in accordance with Title 9, Book 2 of the Dutch Civil Code, applying the option to use the accounting policies applied by the legal entities in the consolidated financial statements which are based on IFRS-EU.

For the general principles for the preparation of the financial statements, the principles for valuation of assets and liabilities and determination of the result, as well as for the notes to the specific assets and liabilities and the results, reference is made to the notes to the consolidated financial statements, if not presented otherwise hereinafter.

Prior period misstatement

When valuing participating interests with a negative net equity value, the Company should also be taking into account the other long-term interests in these participations which classify as a component of the net investment. As per 31 December 2021 there was no netting of these other long-term interest, part of the receivable of group companies with the participating interest with a negative net equity value. Therefor the receivable of group companies (see note 5) was overstated for an amount of € 20,705 thousand. As a result, the share in loss of negative participations, recognised under result participations in the profit and loss account, was understated for that amount. The material prior period misstatement in the corporate financial statements for the financial year 2021 decreases the net result with an amount of minus € 20,705 thousand (note 6).

x € 1,000	Note	Restated	Reported prior year
Receivables (Group companies)	5	79,792	100,497
Equity (Accumulated deficits)	6	97,373	118,078
Result of participations		(28,885)	(8,180)

Financial fixed assets

Participations in group companies in which significant influence is exercised on the business and financial policy, are valued under the net equity value, but not lower than nil. This net asset value is based on the same accounting principles as applied by CM.com N.V. Participating interests with a negative net equity value are valued at nil. This likewise takes into account other long-term interests that should effectively be considered part of the net investment in the participating interest. If the Company fully or partly guarantees the liabilities of the associated company concerned, or has the effective obligation respectively, to enable the associated company to pay its (share of the) liabilities, a provision is formed if the recognition criteria are met. Receivables are mainly receivables on subsidiaries. The expected credit losses, if any, are eliminated in the carrying amount of these receivables (according to DAS 100.107a). An associate where no significant influence is exercised are valued at cost, and if applicable, less impairment losses.

Share in result of participating interests

Where significant influence is exercised over associated companies, CM.com's share in the associated companies' results is included in the profit and loss account. This result is determined on the basis of the accounting principles applied by CM.com N.V.

Legal reserve

Pursuant to Dutch law, limitations exist relating to the distribution of equity attributable to equity holders. Such limitations relate to the share capital and legal reserves. The legal reserve for foreign currency translation of participations in group companies is determined individually. The legal reserve for capitalized development cost is recognised for costs based on hours spend by R&D employees of CM.com and capitalized on the balance sheet as Platform (software). Only self-generated assets are taken into account, so no external cost or development costs identified and capitalized in the event of an acquisition.

Notes to the specific items of the corporate balance sheet

1. Intangible fixed assets

A summary of the movements of intangible fixed assets is given below:

x € 1,000	Goodwill	Customer relation	Other	Total
Costs				
At 31 December 2020	1,487	2,993	3,145	7,625
Additions	-	-	-	-
Divestments	-	-	-	-
At 31 December 2021	1,487	2,993	3,145	7,625
Additions	-	-	-	-
Divestments	-	-	-	-
At 31 December 2022	1,487	2,993	3,145	7,625
Amortisation and Impairment				
At 31 December 2020	504	2,576	1,239	4,319
Amortisation	-	299	64	363
At 31 December 2021	504	2,875	1,303	4,682
Amortisation	-	104	62	166
Divestments	-	-	-	-
At 31 December 2022	504	2,979	1,365	4,848
Net book value				
At 31 December 2021	983	118	1,842	2,943
At 31 December 2022	983	14	1,780	2,777
Estimated useful lives (years)	indefinite	10	10 / indefinite	

During 2022 and 2021 no impairments losses have been recognised.

2. Property, plant and equipment

The movements in the tangible assets are as follows:

x € 1,000	Platform (Hardware)	Furniture & fixtures	Vehicles	Hardware & software workplace	Leasehold improvements	Total
Costs						
At 31 December 2020	2,648	1,150	104	1,036	419	5,357
Additions	-	-	-	1	-	1
Divestments	-	-	-	-	-	-
At 31 December 2021	2,648	1,150	104	1,037	419	5,358
Additions	-	-	-	-	-	-
Divestments	-	-	-	-	-	-
At 31 December 2022	2,648	1,150	104	1,037	419	5,358
Depreciation						
At 31 December 2020	1,634	600	67	770	162	3,233
Depreciation	185	74	7	109	37	412
Divestments	-	-	-	-	-	-
At 31 December 2021	1,819	674	74	879	199	3,645
Depreciation	184	73	-	87	37	381
Divestments	-	-	-	-	-	-
At 31 December 2022	2,003	747	74	966	236	4,026
Net book value						
At 31 December 2021	829	476	30	158	220	1,713
At 31 December 2022	645	403	30	71	183	1,332
Estimated useful lives (years)	10	10	5	5	10	

3. Right-of-use assets

The movements in the right-of-use assets are as follows:

x € 1,000	Buildings	Platform (Hardware)	Platform (Software)	Vehicles	Total
Costs					
At 31 December 2020	5,770	3,073	1,127	159	10,129
Additions	-	-	-	-	-
Ending of lease agreements	-	-	-	-	-
At 31 December 2021	5,770	3,073	1,127	159	10,129
Additions	-	-	-	-	-
Ending of lease agreements	(5,770)	-	-	-	(5,770)
At 31 December 2022	-	3,073	1,127	159	4,359
Depreciation					
At 31 December 2020	1,276	695	338	67	2,376
Depreciation	657	308	113	20	1,098
Ending of lease agreements	-	-	-	-	-
At 31 December 2021	1,933	1,003	451	87	3,474
Depreciation	274	307	113	12	706
Ending of lease agreements	(2,207)	-	-	-	(2,207)
At 31 December 2022	-	1,310	564	99	1,973
Net book value					
At 31 December 2021	3,837	2,070	676	72	6,655
At 31 December 2022	-	1,763	563	60	2,386

The lease agreements between CM.com N.V. and Campus B.V. relating to the office buildings have been ended in 2022.

New lease agreements have been entered into between CM.com Netherlands B.V. and CM Campus B.V. 1 and CM Campus 2 B.V.

4. Financial fixed assets

x € 1,000	2022	2021
Participations in group companies:		
CM.com Netherlands B.V.	-	10,052
CM Payments B.V.	9,637	10,930
CM.com International B.V.	3,797	-
CM.com Belgium N.V.	3,619	3,308
CM Telecom Hong Kong Ltd.	3,437	-
CM.com Germany GmbH	460	-
CM.com Brasil Ltda	187	-
CM Platform B.V.	147	-
CM.com Ticket Guarantee N.V.	81	-
CM.com Denmark A/S	54	54
Communication Platform India Private Limited	47	18
	21,466	24,362
Receivables from associated companies	-	2,829
Other participations	60	60
Deposits	38	50
Deferred tax assets	5,247	5,393
Other	5,345	5,503
Total financial fixed assets	26,811	32,694

Netherlands B.V., CM Platform B.V. and it's subsidiaries (CM.com R&D 1-13 B.V.'s) with the Chamber of Commerce effective from 2022 onwards.

During 2022 and 2021 no impairments losses have been recognised. Total share in result of group companies according to profit and loss amounts to minus € 26,011 thousand (2021: minus € 28,885 thousand), € 1,180 thousand (2021: € 578 thousand) relates to revaluation of foreign participations in group companies.

See note 27 of the consolidated statement of financial position the overview of group of legal entities. The Company intends to file a 403-statement for CM.com

A summary of the movements in the financial fixed assets is given below:

x € 1,000	Participations in group companies	Receivables from associated companies	Other
Carrying amount as at 31 December 2021	24,362	2,829	5,503
Movements:			
Share in result of group companies	(26,011)	-	-
Investments	8,388	-	-
Repayments	-	(2,829)	-
Netting receivables with negative participations in group companies	13,547	-	-
Movement in deferred tax asset	-	-	(146)
Movement in deposits	-	-	(12)
Currency result	1,180	-	-
Carrying amount as at 31 December 2022	21,466	-	5,345

Receivables from associated companies

In 2015, CM.com granted a loan to CM Telecom UK Ltd. of GBP 1.15 million and a loan to CM Telecom Germany GmbH of € 412.5 thousand. The interest rate was 6%. As of 2022 the loan is fully repaid.

In 2017, CM.com granted a loan to CM Telecom France SAS of € 1,125 thousand. The interest rate was 4%. As of 2022 the loan is fully repaid.

Other

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

The deferred tax assets consist of carry forward losses relating to the fiscal unity CM.com N.V. for corporate income tax, please refer to note 11 of the consolidated statement.

5. Receivables, prepayments and accrued income

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

x € 1,000	2022	2021
		(restated)
Accounts receivable	243	626
Group companies	88,692	78,167
Affiliated companies	4	4
Prepayments	72	183
Taxes	559	812
	89,570	79,792

The interest charged on the current account with group companies is 2% (2021: 2%).

There is no repayment schedule agreed and no securities are granted. The current account relations will be relieved periodically.

6. Shareholders' equity

The movements in equity are as follows:

x € 1,000	Share capital	Share premium reserve	Equity component of convertible bond	Treasury shares	Capitalized development costs	Foreign currency translation reserve	Accumulated deficits	Total
							(restated)	
Balance at 1 January 2021	1,724	122,691	-	-	18,148	(180)	(21,991)	120,392
Result for the year	-	-	-	-	-	-	(37,064)	(37,064)
Movement of reserve	-	-	-	-	2,478	-	(2,478)	-
Other comprehensive income	-	-	-	-	-	888	-	888
Convertible bond (net of tax) ¹	-	-	6,208	-	-	-	-	6,208
Issuance of shares related to business combinations	5	1,972	-	-	-	-	4,299	6,276
Issuance of shares to employees	1	131	-	-	-	-	541	673
Balance at 31 December 2021 (Restated)	1,730	124,794	6,208	-	20,626	708	(56,693)	97,373
Result for the year	-	-	-	-	-	-	(44,213)	(44,213)
Movement of reserve	-	-	-	-	10,732	-	(10,732)	-
Other comprehensive income	-	-	-	-	-	1,180	(33)	1,147
Convertible bond (net of tax) ¹	-	-	(268)	-	-	-	-	(268)
Purchase of treasury shares	-	-	-	(3,585)	-	-	-	(3,585)
Issuance of shares related to business combinations	4	2,645	-	2,660	-	-	(2,725)	2,584
Issuance of shares to employees	2	294	-	64	-	-	160	520
Balance at 31 December 2022	1,736	127,733	5,940	(861)	31,358	1,888	(114,236)	53,558

¹ The equity component of the convertible bond is presented net of tax (note 19 of the consolidated financial statements). It includes a Deferred tax liability recognized through equity offset by a related deferred tax asset recognized through equity, see note 11 of the consolidated financial statements.

Retained earnings can be reconciled with the consolidated financial statements as follows:

x € 1,000	2022	2021
		(restated)
Accumulated deficits as per consolidated financial statements	(82,881)	(35,575)
Cumulative share in result of negative participations	3	(492)
Capitalised development costs	(31,358)	(20,626)
Accumulated deficits as per corporate financial statements	(114,236)	(56,693)

Net result can be reconciled with the consolidated financial statements as follows:

x € 1,000	2022	2021
		(restated)
Net result as per consolidated financial statements	(44,741)	(17,490)
Share in result of negative participations	528	1,131
Restatement result of negative participations	-	(20,705)
Net result as per corporate financial statements	(44,213)	(37,064)

7. Deferred tax liabilities

Deferred tax liabilities mainly relates to the valuation of the convertible bond.

x € 1,000	2022	2021
Carrying amount as at 1 January	1,654	959
Mutations through equity	-	1,698
Mutations through profit or loss	(326)	(1,003)
Carrying amount as at 31 December	1,328	1,654

8. Financial liabilities

For an explanation of the convertible bond and other long-term debt, please refer to the note 18 and note 19 of the consolidated statement of financial position.

9. Current liabilities, accruals and deferred income

x € 1,000	2022	2021
Trade accounts payable	403	353
Other taxes	96	-
Accruals and deferred income	1,519	1,926
Current portion of borrowings	54	971
	2,072	3,250

Proposed appropriation of result for the financial year 2022

Commitments

The parent company is jointly and severally liable for the liabilities of the whole group to the banks.

The parent company is part of a fiscal unity for corporate income tax and for that reason it is jointly and severally liable for the tax liabilities of the fiscal unity as a whole.

10. Employee benefits

As the board is remunerated via CM.com Netherlands B.V., the employee benefits mainly consist of long-term share based payment plans and short-term incentive plans. We refer to note 27 of the consolidated financial statements and the remuneration report.

All tables as included in the Remuneration Report are audited.

11. Financial income and expenses

Financial income relates to interest on receivables group companies (note 5).

Financial expenses mainly consists of interest expenses on the convertible bond (note 19 of the consolidated statements).

12. Income tax

The income tax expenses increased to € 9.5 million compared to € 1.5 million in 2021. This is a result from non-recognition of a deferred tax asset (€ 11.5 million) relating to losses of subsidiaries that are part of the fiscal unity of CM.com N.V., which are expensed in the result of CM.com N.V., head of the fiscal unit, according to DAS 272.803.

13. Subsequent events

There are no company specific subsequent events.

The Management Board proposes, with the approval of the Supervisory Board, that the result for the financial year 2022 should be transferred to reserves.

Other disclosures

Management and Supervisory Board statement

The members of the Supervisory Board signed the financial statements in order to comply with their statutory obligation pursuant to Article 2:101, paragraph 2, of the Dutch Civil Code.

The members of the Management Board signed the financial statements in order to comply with their statutory obligation pursuant to Article 2:101, paragraph 2, of the Dutch Civil Code and Article 5:25c, paragraph 2 sub c, of the Financial Markets Supervision Act.

Independent Auditor's report

To the shareholders and the Supervisory Board of CM.com N.V.

Report on the audit of the financial statements for the year ended 31 December 2022 included in the annual report

Our opinion

We have audited the financial statements for the year ended 31 December 2022 of CM.com N.V. based in Breda. The financial statements comprise the consolidated financial statements and the corporate financial statements.

In our opinion:

- The accompanying consolidated financial statements give a true and fair view of the financial position of CM.com N.V. as at 31 December 2022, and of its result and its cash flows for the year ended 31 December 2022 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- The accompanying corporate financial statements give a true and fair view of the financial position of CM.com N.V. as at 31 December 2022, and of its result for the year ended 31 December 2022 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 2022.
2. The following statements for the year ended 31 December 2022: the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement.
3. The notes comprising a summary of the accounting policies and other explanatory information.

The corporate financial statements comprise:

1. The corporate statement of financial position as at 31 December 2022.
2. The corporate statement of profit or loss and other comprehensive income for the year ended 31 December 2022.
3. The notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

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

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

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

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information as included in the following paragraphs supporting our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Deloitte Accountants B.V. is registered with the Trade Register of the Chamber of Commerce and Industry in Rotterdam number 24362853.

Deloitte Accountants B.V. is a Netherlands affiliate of Deloitte NSE LLP, a member firm of Deloitte Touche Tohmatsu Limited.

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at € 3.398.000. The materiality is based on 1.2% of consolidated revenue. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons. We agreed with the Supervisory Board that misstatements in excess of € 169 thousand, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

CM.com N.V. is at the head of a group of entities. The financial information of this group is included in the consolidated financial statements of CM.com N.V.

The transaction processing, accounting and financial reporting for all group entities is centralized in the Netherlands. Consequently, we have performed all audit procedures for the group in the Netherlands and have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion about the financial statements.

Scope of fraud and compliance with laws and regulations

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the entity and its environment and the system of internal control, including:

- the risk assessment process;
- management's process for responding to the risks of fraud and monitoring the system of internal control;
- how the Supervisory Board exercises oversight.

We also obtained understanding of the outcomes of these processes.

We evaluated the design and implementation and where relevant operating effectiveness aspects of the system of internal control and in particular the fraud risk assessment, including the code of conduct, whistle blower procedures and incident registration. We evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We involved Deloitte's forensic specialists in these processes. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

In connection with the presumed risks of financial statement fraud, we considered fraud in relation to management override of controls, including evaluating whether there was evidence of bias by the Management Board and other members of management. Our procedures include an assessment of the the selection and application of accounting policies by the group, particularly those related to subjective measurements and complex transactions, as these may be indicative of fraudulent financial reporting. With respect to the element of bias, we evaluated whether the judgments and decisions made by management in making the accounting estimates included in the financial statements represent a risk of fraudulent material misstatement. We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.

We incorporated elements of unpredictability in our audit, including changes of scoping of entities and adding new keywords in our journal entry testing as well as applying increased data analytics in the audit of revenues. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance. For significant transactions we evaluated whether the business rationale of the transactions suggests that they may have been entered into to engage in fraudulent financial reporting or to conceal misappropriation of assets. We performed a retrospective review of management judgments and assumptions related to significant accounting estimates reflected in prior year financial statements. Impairment testing, going concern evaluation, useful lives of non-current assets and business combinations including purchase

price allocations are attention areas in our audit as these are subject to significant management judgement.

We made inquiries with management, those charged with governance and with others within the Company, including the Legal Counsel, Internal Audit, Compliance Department and Financial Reporting and Accounting. We obtained written representations that all known instances of (suspected) fraud and other irregularities have been disclosed to us.

Management insights, estimates and assumptions that might have a major impact on the financial statements are disclosed in note 29 of the financial statements.

Our procedures did not lead to indications for fraud potentially resulting in material misstatements.

[Audit approach compliance with laws and regulations](#)

We differentiate our audit approach between two categories:

- Rules and regulations that directly impact the financial reporting
- Rules and regulations that indirectly may have material impact on the financial statements

In the first category, we considered adherence to (corporate)tax law and financial reporting regulations including the requirements under International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and Part 9 of Book 2 of the Dutch Civil Code. These directly impact the financial statements and are integral to our audit.

In the second category, we considered other laws and regulations where the consequences of non-compliance could have a material effect on amounts and/or disclosures in the financial statements, for instance, through imposed fines or litigation. This category includes regulations specifically for payment service providers in relation to the payment licenses of CM Payments B.V.

Our procedures are more limited with respect to laws and regulations that do not have a direct effect on the determination of the amounts and disclosures in the financial statements. Compliance with these laws and regulations may however be fundamental to the operating aspects of the business, to CM.com N.V.'s ability to continue its business, or to avoid material penalties (e.g., compliance with the terms of payment licenses) and therefore non-compliance with such laws and regulations may have a material effect on the financial statements. Our responsibility for these matters that indirectly impact the financial statement is limited to:

- (i) inquiry of the Management Board, the Supervisory Board, the Compliance Officer, the Risk Officer and others within the Company as to whether the Company is in compliance with such laws and regulations and
 - (ii) inspecting correspondence, if any, with the relevant licensing or regulatory authorities to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements.
- (ii) request and obtain written representations that all known instances of (suspected) fraud or non-compliance with laws and regulations have been disclosed to us.

Naturally, we remained alert to indications of suspected non-compliance throughout the audit.

Finally, we obtained written representations that all known instances of (suspected) fraud or non-compliance with laws and regulations have been disclosed to us.

[Audit approach going concern](#)

The responsibilities of the Management Board and the Supervisory Board and ourselves, are outlined in the “Description of responsibilities regarding the financial statements” section below.

Our procedures to evaluate management’s going concern assessment included, amongst others:

- Considering whether management identified events or conditions that may cast significant doubt on the entity's ability to continue as a going concern (hereafter: going concern risks)
- Considering whether management's going concern assessment includes all relevant information of which we are aware as a result of our audit and inquired with management regarding management's most important assumptions underlying their going concern assessment;
- Evaluating management's current budget including cash flows for at least twelve months from the date of preparation of the financial statements, current developments in the industry and all relevant information of which we are aware as a result of our audit;
- Analyzing the financial position per balance sheet date in relation to the financial position per prior year balance sheet date to assess whether events or circumstances exist that may lead to a going concern risk, including compliance with relevant covenants; and
- Performing inquiries with management as to their knowledge of going concern risks beyond the period of the management's assessment.

Under supervision of the management Board and the Supervisory Board, Management has assessed the going concern assumption, as part of the preparation of the consolidated financial statements, and disclosed this in the Financial Statements (note 2 Basis for preparation). Management's going concern assessment with a projection period until June 30, 2024 is based on the assumptions used in a mid-term strategic plan. This plan is expected to lead to structurally positive EBITDA towards year end 2023 and structurally cash flow positive towards year end 2024. Based on sensitivity scenarios and their outcome, Management Board believes that no events or conditions give rise to doubt about the ability of the group to continue in operation of at least twelve months after the adoption of the financial statements.

Given the 31 December 2022 available cash position and the 2021 and 2022 cash use as a consequence of the strategic choices made by management, we have sensitized certain of the assumptions underlying the improvement of the EBITDA and cashflows as presented in the mid-term guidance. We have requested management to develop a number of other scenarios based on the actual 2022 financial performance, net of the cash spent on acquisitions and one-off cost. Our procedures did not result in outcomes contrary to management's assumptions and judgments used in the application of the going concern assumption. Accordingly, we concur with the application of the going concern assumption for the 31 December 2022 financial statements.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The matters considered as key to our audit changed compared to prior year:

- Accounting for acquisitions is no longer considered as a key audit matter as in comparison to prior year only one business combination was done in 2022.
- Impairment testing on goodwill and intangible assets with indefinite useful life is considered as a new key audit matter considering the significant increase in carrying value, the actual performance in 2022, and limited headroom within the CGU Payments.

Capitalization and amortization of internal development costs is still considered as a key audit matter considering the complexities as explained below and as the balance significant increased compared to prior year.

Key audit matter – Impairment test goodwill and intangibles assets with indefinite useful life

Description

As of 31 December 2022, the net bookvalue of the goodwill increased to an amount of € 29.4 million (2021: € 22.2 million) and intangibles assets with indefinite useful live amount to € 1.6 million (2021: € 1.6 million). These assets are subject to an annual impairment test by management in accordance with IFRS. Platform related intangibles also increased from € 37.9 million to € 49.6 million and are also subject to annual impairment testing by management.

Management indicates that the value in use (“VIU”) of the CGU has been based on the three year forecast 2023-2025 and that for the years 2026 and 2027 an expected revenue growth in line with CM’s mid-term guidance, which focusses on gross profit growth, has been applied. For the period thereafter the VIU calculation includes 2.44% long-term inflationary growth. Management has determined post-tax WACC for the individual CGU between 11.5%-13.5%. Management disclosed that no impairments have been reported in 2022.

For the CGU Payments the headroom is limited. Headroom refers to the amount the value in use exceeds the carrying value (the capital invested in the CGU calculated in accordance with IAS 36) of the CGU. In view of the significance (increase) of the amounts involved and the management judgement involved in projecting future revenues, gross profits and cash flows, we decided to report on this as Key Audit Matter.

How the key audit matter was addressed in the audit

Based on our materiality level, the requirements in IFRS and the applicable auditing standards, we have audited the impairment test in relation to the valuation of the intangible assets subject to impairment testing.

We have gained insight in the process regarding this management estimate as well as evaluated the design and implementation of the relevant internal controls.

We have, based on our evaluation, adopted a substantive audit approach and did not rely on internal controls. Our substantive audit procedures have mainly focused on:

- Assessment of the impairment model, the calculated WACC and the long-term and inflationary growth, using Deloitte valuation experts.
- Obtaining and evaluating the budget of 2023 and the 2023-2025 forecast prepared by management in connection with the mid-term guidance as approved by the Supervisory Board. We attended the Audit Committee meetings during which the budget and 2023-2025 forecasts have been discussed and approved. We performed several procedures to challenge the budget by among others recalculation, review of external market information and peer group benchmarking.
- Assessment including sensitivity testing of the key assumptions in the impairment model (revenue growth) and discuss the results thereof with management and the Management Board.
- The accuracy and completeness of the related disclosures in the annual report.

Observations

Management projected autonomous growth rates for revenues and gross profit for 2023-2025 mostly exceeding actual historical growth rates. Representative historical information to benchmark the projections is limited mainly due to the investments and related changes within the Company the last years.

Particularly for the CGU Payments the headroom is limited. Management indicated that CGU Payments revenues and gross profits will benefit from new technologies that are ready to be deployed. We discussed these technologies and understand that these are expected to improve the total margin as until now some of the activities are performed by external suppliers. At this point in time, we have no indications to consider the forecasts of CGU Payments to be unrealistic.

In combination with the uncertainties that are reflected by management in note 6 of the disclosures, we consider the accounting and presentation acceptable.

Key audit matter – Capitalization and amortization of internal development costs

Description

The Company has developed proprietary software that is used to run the business. The software is comprised of a so-called platform and a substantial number of enhancements or “features”. The features add specific or generic functionalities to the platform and are aimed to improve the performance, the user friendliness or the marketability of the platform. Development of new features is an ongoing process at the group.

Costs related to the development of the features are capitalized as included in note 5 of the financial statements. Internal capitalized development costs are significant to the audit given the net book value involved of € 31.4 million as per December 31, 2022 (2021: € 20.6 million). In 2022, the capitalized internal costs (primarily payroll costs of developers) amounted to € 15.4 million (2021: € 8.6 million). The capitalized costs in 2022 are substantially higher than in 2021 as a result of a higher hourly rate in combination with a higher number of hours capitalized due to additional fte's employed. In 2022, the Company employed approximately on average 304 fte's (2021: 210 fte's) within the research and development department (note 22).

Development expenditures on an individual project are recognized as an intangible asset in so far it is available for use, it is expected to generate future economic benefits and if expenses can be measured reliably. These assessments require management judgement.

Due to estimates and the increasing amounts involved in the judgement in capitalization of development costs, we identified this as a key audit matter.

How the key audit matter was addressed in the audit

Our audit work included, amongst others, inquiry with management and developers to increase our business understanding around internal controls and segregation of duties, the recognition criteria, management of projects and the hourly rate used to calculate the amounts capitalized.

CM.com is in the process of formalizing its internal controls surrounding hour registrations and on the recognition of development hours. In 2022 these were not yet operating effectively. Accordingly, we adopted a non-control reliance approach and were required to perform extensive substantive audit procedures. Statistical techniques have been used to select samples to test if the additions were properly capitalized or expensed in the profit and loss statement. The input factors of the applied hourly rate are challenged and reconciled to supporting documentation to assess whether the increase in the rate is accurate and complete conform IAS 38.

We noted higher hourly rates as a consequence of higher incurred employee benefit expenses and increase in operating expenses related to development activities.

We performed audit procedures to verify for the assets with a remaining net book value per year-end that the assets recorded still exist, generating economic benefits, and obtained reasonable assurance that the remaining useful life was appropriate.

Our assessment of the impairment test covering the goodwill and all intangible assets revealed substantial headroom and no indications for impairments.

We also evaluated the adequacy of the Company's disclosures in note 5 of the financial statements.

Observations

The scope and nature of our procedures performed were appropriate and sufficient to address the risk of material misstatement in relation to the capitalization of the development costs and the disclosure requirements conform IAS 38 were properly met in note 5.

Report on the other information included in the annual accounts

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

- Management Board's Report.
- Other Information as required by Part 9 of Book 2 of the Dutch Civil Code.
- Other information.

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

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

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

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

Management is responsible for the preparation of the other information, including the Management Board's Report in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

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

No prohibited non-audit services

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

European Single Electronic Reporting Format (ESEF)

CM.com N.V. has prepared its annual report in ESEF. The requirements for this are set out in the Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion, the annual report, prepared in XHTML format, including the (partly) marked-up consolidated financial statements, as included in the reporting package by CM.com N.V. complies in all material respects with the RTS on ESEF.

The Management Board is responsible for preparing the annual report including the financial statements in accordance with RTS on ESEF, whereby the Management Board combines the various components into a single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF.

We performed our examination in accordance with Dutch law, including Dutch Standard 3950N 'Assurance-opdrachten inzake het voldoen aan de criteria

voor het opstellen van een digitaal verantwoordingsdocument' (assurance engagements relating to compliance with criteria for digital reporting).

Our examination included amongst others:

- obtaining an understanding of the Company's financial reporting process, including the preparation of the reporting package;
- Identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
 - Obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance and the XBRL extension taxonomy files has been prepared in accordance with the technical specifications as included in the RTS on ESEF;
 - Examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

DESCRIPTION OF RESPONSIBILITIES REGARDING THE FINANCIAL STATEMENTS

Responsibilities of the Management Board and the Supervisory Board for the financial statements

The Management Board 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, the Management Board 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, the Management Board is responsible for assessing the Company's ability to continue as a going concern.

Based on the financial reporting frameworks mentioned, the Management Board should prepare the financial statements using the going concern basis of accounting unless the Management Board either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

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

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

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

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

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

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

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for

one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any

significant findings in internal control that we identified during our audit. In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Supervisory Board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Eindhoven, 6 March 2023

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