THE VALUE OF

ABSA CAPE EPIC 2023
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ANNUAL REPORT **2023**

CM.com

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 communication and payment 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 satisfaction.

Our technology is designed to enhance people's lives – to better connect people to each other and to the services and goods they want. In 2023, our technology continued to benefit society in many ways: from supporting government and healthcare agencies, to enabling businesses to improve the customer experience of their clients, to helping event organizers deliver great events with an outstanding customer experience, and beyond.

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

Please note that several alternative performance (non-IFRS) measures are disclosed in our annual report. The definitions hereof are provided in our Definitions and Abbreviations chapter in the Other Information.

Contents

The Value of ONE

Customer Story **Brunel**

The Value of One Platform to keep all employees up to date.

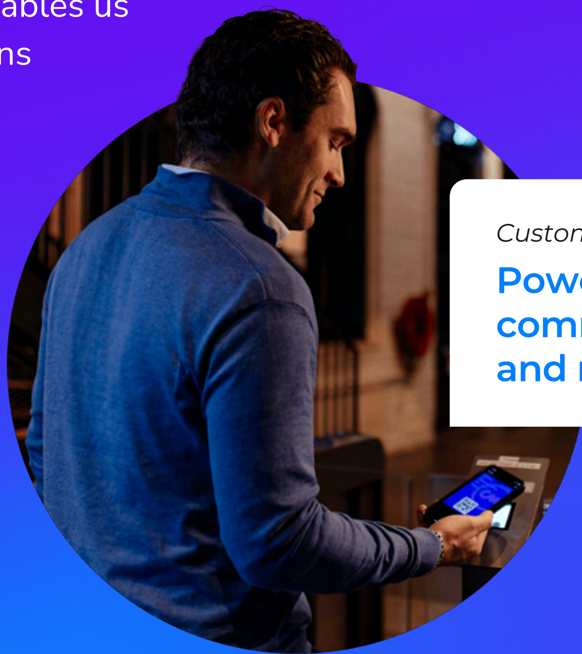
Read the interview on page 47

Combining all powers within CM.com into one comprehensive and interconnected portfolio of solutions for our clients – that is what characterizes the strength of the business model of CM.com and sets us aside from our peers. The way we bring together all of our talent, resources, and capabilities into a cohesive whole so we can consistently deliver value to clients, consumers, and society at large. That is what we call the Value of One. CM.com wants to make every conversation count in its 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. CM.com enables clients to create market-leading customer journeys that engage across all touchpoints as the strength of our company lies in the combination of all disciplines.

Customer Story **Kwaku Festival**

Kwaku Festival relies on CM.com's ticketing solutions to build closer connections with visitors.

Read the interview on page 57



Customer Story **Fabrique des Lumieres**

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

Read the interview on page 83

CEO Message

Dear reader,

2023 has been another year of transformation for CM.com, defined by technological advances and financial success. As we approach the midpoint of our seven-year “path to profitability” journey, I am pleased to report that we have already made excellent progress. This journey began in 2020 when we took CM.com public. While the focus from then until 2022 was firmly on driving revenue and expanding our capabilities through hiring and acquisitions, this was the year we focused on profitability.

Financial discipline has been vital, and our drive for cost efficiency has paid off. Indeed, it costs 25% less to run CM.com in 2023 than in 2022, which is a phenomenal achievement. I am fully aware that this has required a significant and sustained effort from all of our global colleagues, from our headquarters in Breda to our offices around the world. They have exceeded all expectations in terms of effectiveness and value delivered to our clients, and I feel incredibly privileged to lead such a dedicated, innovative workforce. Thanks to this outstanding work, we have reached an important milestone: to be EBITDA positive by the end of 2023.

The Value of One

What made this impressive result possible? We certainly could not have done it without the collaborative and entrepreneurial culture that drives our company. Our comprehensive and interconnected portfolio of solutions, which enables our clients to create market-leading customer journeys that engage across all touchpoints, was also critical. But what truly differentiates us is how we combine all of our talent, resources, and capabilities into a cohesive whole so we can consistently deliver value to clients, consumers, and society at large.

We call this unique focus "the Value of One." It means that every element of CM.com works together so that we can better reach and engage with each end consumer who interacts with our products. This is especially relevant given the key trend in customer experience over the past year and more: the rise of hyper-personalization. Mass emails and poorly targeted banner ads are quickly becoming a thing of the past. We are entering the era of customized, one-to-one communications at scale, and CM.com is well-positioned to continue leading the field.

> ***"The Value of One is the focus on bringing together all of our talent, resources, and capabilities so we can consistently deliver value to clients, consumers, and society at large."***

Technology for Good

The rapid changes in the technology landscape this year have proved the value of taking an integrated approach, particularly when it comes to innovation. Generative AI was rarely out of the headlines in 2023, and we also launched a centralized AI hub to coordinate our own AI offering. The goal is to seamlessly integrate AI across our portfolio so we can consistently drive engagement by delivering more compelling customer journeys. In this way, as with all of our solutions, we aim to ensure that technological gains enable societal benefits.

Acting as this "bridge" between technology and society requires a high degree of internal alignment and collaboration. To this end, we were in the process of implementing a new organizational structure. From 2024, CM.com operates through four distinct business units: Connect (CPaaS), Engage (SaaS), Pay (Payments), and Live (Ticketing). Each business unit will benefit from its own management team and resources. This approach will simplify our offering from a client perspective and enable smart synergies between specialisms.

Delivering Exceptional Value

Streamlining our offering this way will also be invaluable as we face the consequences of a widespread economic slowdown. With inflation on the rise, many companies are looking to economize wherever possible. This has increased the cost and time required to acquire new clients, so we are increasingly focusing on our existing global client base. With many brands looking to consolidate their customer experience spending with one provider, our modular ecosystem enables them to maximize customer loyalty while reducing the cost of sales.

Sustainability Front of Mind

However, the Value of One is about more than just innovation and customer relationships. It also governs our approach to environmental and social responsibility. This year, we continued to prioritize measuring and mitigating our environmental impacts. Environmental, social, and governance (ESG) issues form a fundamental part of our business strategy, and we have implemented several initiatives to reduce our carbon emissions, make our offices and data centers more energy efficient, and help our people lead healthier lives.

Meanwhile, the security of our clients' data remains paramount. To this end, we have strengthened our cybersecurity strategy by taking a more holistic, value chain-based approach – sharing our expertise to promote end-to-end best practices. We have also adopted a personalized training methodology to ensure that every CM.com colleague is prepared for the risks they are most likely to face. Of course, the rise of AI adds complexity to this picture, but it can also provide us with the tools we need to increase the effectiveness of our cybersecurity activities.

From Experience to Connections

With the widespread adoption of conversational AI over the past year, it feels like the rest of the world is finally catching up to CM.com's founding vision. But as front-runners in this field, we have a responsibility to ensure that this technology is used well. As Klaus Schwab, Chair and Founder of the World Economic Forum, put it: "The decisions we make every day as citizens, consumers, and investors guide technological progress."

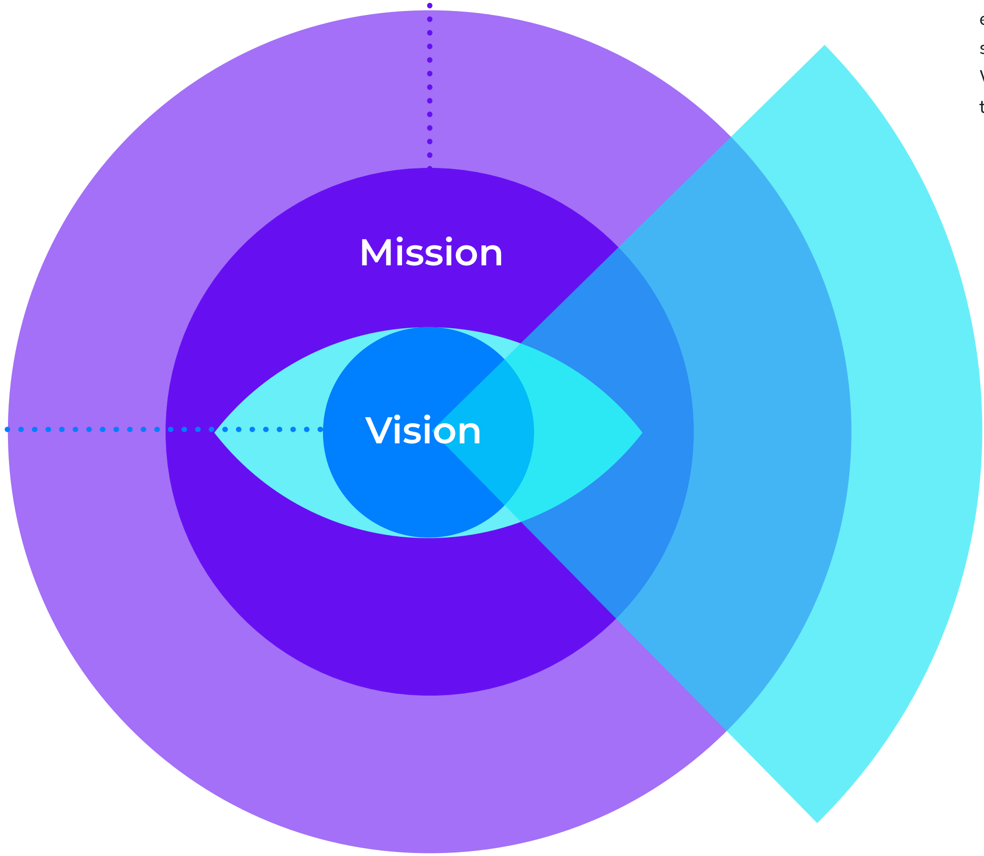
We aim to continue steering the evolution of technology towards more human-centered solutions, because we believe that putting people first is the only way to create deeper connections with customers. This approach will enable us to build on the momentum we have created, continue to deliver sustainable growth, and create further value for all our stakeholders.

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 the 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 a messaging platform for channels such as SMS, Over the Top (OTT), WhatsApp Business, Apple Business Chat, Google RCS, Facebook Messenger, Viber, and voice channels, such as Voice API and SIP.

CM.com aspires to let businesses use personalization at scale throughout their whole customer journey, together with a fully integrated payment setup.

CM.com, a licensed Payments Service Provider (PSP), offers card payments, domestic payment methods, and integrated payment methods, including WeChat Pay. With 720 FTE[1] and 27 offices[1] in 18 countries[1] globally, CM.com's platform provides fully integrated solutions based on a privately owned cloud and 100% in-house developed software, ensuring scalability, time-to-market, and global redundancy.

Key Takeaways

- One of the first listed CPaaS companies with GenAI tools and use cases
- 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

FTE[1] 720

Offices globally 18 countries

Extensive telecom network

Licensed payment service provider

Gross profit growth +9%

Gross margin 2023 29.5%

Total 2023 revenue € 266.2m

Annual recurring revenue (ARR)[2] € 31.8m

Limited churn[3] 6%

1 Year-End 2023.
2 Represents the annual recurring revenue streams from customers at the end of the period, related to subscription-based product pricing.
3 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 current year or were no longer customers in the current year compared to total revenue in the previous year.

Key Figures 2023

Total revenue
€ 266.2m -6%

2022: € 283.2

Gross profit
€ 78.5m +9%

2022: € 72.0

Number of messages
7.0bn -3%

2022: 7.2

Number of voice minutes
304m -33%

2022: 455

Total payments processed
€ 2,467m +24%

2022: € 1,983

Number of tickets
18.5m +27%

2022: 14,6

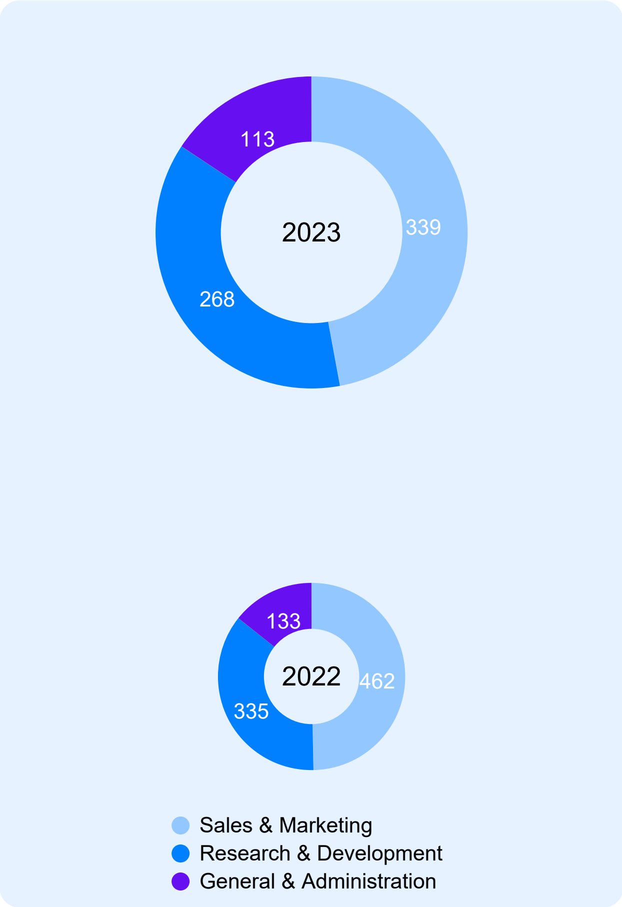
x € million	2023	2022	Δ
Revenue	266.2	283.2	-6%
Gross profit	78.5	72.0	+9%
Gross margin	29.5%	25.4%	+16%
OPEX (excluding one-offs)	(79.5)	(94.3)	-16%
Normalized EBITDA[1]	(0.9)	(22.3)	
One-offs[2]	(1.8)	(4.2)	
EBITDA	(2.7)	(26.5)	
Net result	(28.7)	(44.7)	
CAPEX[3]	(20.6)	(26.7)	

1 Reference is made to the five-year financial overview on the following page which includes the Normalized EBITDA calculation.
2 Related to restructuring costs for 2023 and write-off of bad debt for one single client in 2022.
3 CAPEX includes investments in intangible assets, tangible fixed assets, and right of use assets.

x € million	2023	2022	Δ
CPaaS net dollar retention' rate (%)[1]	87%	100%	
CPaaS churn rate (%)[2]	6%	4%	
Number of messages (billion)	7.0	7.2	-3%
Number of voice minutes (million)	304	455	-33%
Annual recurring revenue (ARR) (€ million)[3]	31.8	29.3	+9%
Total payments processed (€ million)	2,467	1,983	+24%
Number of tickets (million)	18.5	14.6	+27%

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 yar, 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	2023	2022	2021	2020	2019
Total revenue	**266.2**	**283.2**	**237.0**	**141.6**	**96.3**
CPaaS	211.5	236.3	204.2	124.2	85.8
SaaS	28.9	25.4	17.3	9.0	3.5
Payments	15.5	13.4	11.6	6.4	5.5
Ticketing	10.3	8.1	3.9	2.0	1.5
Gross profit	**78.5**	**72.0**	**62.7**	**33.3**	**24.1**
CPaaS	34.9	34.7	36.9	20.4	16.7
SaaS	25.6	22.3	15.0	7.9	3.2
Payments	8.3	7.4	7.2	3.4	2.8
Ticketing	9.7	7.6	3.6	1.6	1.4
Gross margin	**29.5%**	**25.4%**	**26.5%**	**23.5%**	**25.0%**
CPaaS	16.5%	14.7%	18.1%	16.4%	19.5%
SaaS	88.7%	87.9%	86.7%	87.8%	92.8%
Payments	53.5%	55.1%	61.8%	53.1%	50.9%
Ticketing	94.2%	93.0%	92.3%	80.0%	90.1%
OPEX	**(81.3)**	**(98.5)**	**(66.3)**	**(34.8)**	**(20.2)**
Employee benefit expenses	(54.3)	(55.2)	(40.7)	(23.0)	(13.2)
Other operating expenses	(26.9)	(43.3)	(25.6)	(11.8)	(6.9)
EBITDA	**(2.7)**	**(26.5)**	**(3.7)**	**(1.5)**	**3.9**
One-offs	(1.8)	(4.2)	-	(1.7)	(1.5)
Normalized EBITDA	**(0.9)**	**(22.3)**	**(3.7)**	**0.2**	**5.4**
Depreciation and amortization	(21.8)	(18.1)	(15.6)	(8.0)	(5.1)
Financial income and expense	(4.3)	(0.2)	(2.1)	(3.5)	(0.8)
Income tax	0.7	0.2	3.9	-	0.1
Share in result of associates	(0.6)	(0.1)	-	-	-
Net result	**(28.7)**	**(44.7)**	**(17.5)**	**(13.0)**	**(1.8)**

Highlights 2023

PAYMENTS
Acquiring platform goes live.

CM.com has worked hard to develop its own acquiring payment platform. This complements CM.com's payment processing platform. CM.com is now fully licensed to operate as a PSP for Visa and Mastercard.

SAAS
GenAI engine goes out of beta.

CM.com launches a Conversational AI platform in Mobile Service Cloud's CCaaS solution, with a connected generative agent-assistant. Utilizing Retrieval-Augmented Generation technology, it generates answers to end-user questions based on the customer's domain, optimizing conversational interactions.

CPAAS
SMPP High availability goes live.

Through SMPP, CM.com enables the client to always be connected to CM.com, without the risk of down-time. That is especially important for clients with large flows in CPaaS. SMPP provides a reliable and constant connection, through which status reports and issues can be shared and resolved.

AWARDS
Juniper and Everest award wins.

Juniper recognizes CM.com as established leader in CDP

Everest recognizes CM.com as major contender in Conversational AI products.

MAY

JUNE

JULY

SEPTEMBER

SEPTEMBER

Successful third edition of Formula 1 Heineken Dutch Grand Prix.

Since the return of the Formula 1 Heineken Dutch Grand Prix, CM.com has been dedicated to delivering the Ultimate Fan Experience before, during and after the event. Delivering an integrated ticketing tool, a white-label DGP app, a Customer Data Platform for 500,000+ fans. Ensuring a safe, congestion-free event with crowd control, enabling direct communication via WhatsApp with chatbot “Race Engineer.”

SEPTEMBER

EBITDA positive
EBITDA positive achieved.

CM.com forecast at the beginning of 2023 that it would become EBITDA positive during the year. In the summer, CM.com raised this forecast to become EBITDA positive for the whole of H2 2023. In September 2023, CM.com reached EBITDA positive levels. This was earlier than expected.

OCTOBER

TICKETING
Breaking records.

CM.com's ticketing business had a strong summer as the number of customers using our ticketing continued to grow. In particular, museums and events using our setup attracted more visitors than ever before. In the third quarter, CM.com sold 5.3 million tickets, the highest number ever.

Shareholder Value Creation

Investor Relations

At CM.com, we manage the relationships with various stakeholders through our Investor Relations department. Investor Relations is the primary point of contact for all potential and current shareholders, bondholders, analysts, and other stakeholders. Investor Relations seeks to ensure accurate and transparent communication of CM.com's financial information between our Company's management and analysts, shareholders, investor communities, and various media channels. We believe that continuous engagement with all stakeholders increases the mutual understanding of the role CM.com plays in society regarding our employees, clients, and investors. All this is to safeguard optimal conditions to grow our business proposition.

Throughout 2023, CM.com participated in various conferences, in person and virtual. In addition, Investor Relations organized roadshows for CM.com in Europe and the US. This increased our visibility to the outside world and strengthened our readiness to facilitate conversations with existing and potential shareholders. Compared to previous years, our face-to-face engagement with investors increased as we were able to meet investors again post-COVID-19.

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 financial information and strategic initiatives via the Investor Relations page on our website where, among other things, our financial calendar, annual reports, press releases, presentations, webcasts, and shareholder information are readily available to the public.

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. In addition, CM.com releases trading updates covering key financial figures and performance indicators for the first and third quarters of any given year.

CM.com aims to always act with integrity and comply with all applicable laws, regulations, and best practices. To ensure compliance and transparency, CM.com has a "Bilateral Contact Policy", which is reviewed annually to remain current. This policy can be found on our Company 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 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

In September 2021, CM.com successfully raised € 100 million through a senior unsecured convertible bonds placement with a maturity in September 2026. The bonds carry an annual coupon of 2.0% and have an initial conversion price of € 53.30 per bond. The convertible bonds are listed on the Open Market (Freiverkehr) of the Frankfurt Stock Exchange. The convertible bonds expires in September 2026 and Management is comfortable that the Company can meet its obligations based on the Company's positive performance according to the 2023 results and business plan for 2024-2026, as well as the active dialogues taking place with the capital markets about this topic. Aside from the convertible bonds and equity, CM.com has no other debt instruments outstanding in 2023. CM.com shares are listed at Euronext Amsterdam under the ticker "CMCOM."

ISIN Code: NL0012747059
Reuters: CMCOM.AS
Bloomberg: CMCOM:NA

CM.com is listed on the Euronext Amsterdam AScX and the MSCI Global Small Cap Indexes

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

2 January 2023	28,934,518	
3 January 2023	28,939,286	Earn-out adjustment CX Company
1 February 2023	28,979,433	Earn-out adjustment ROBIN Software
31 March 2023	29,009,227	Earn-out adjustment Appmiral
31 March 2023	29,040,095	Earn-out adjustment PayPlaza
25 April 2023	29,100,823	Earn-out adjustment YourTicketProvider
8 May 2023	29,106,470	Earn-out adjustment PayPlaza
21 December 2023	29,111,365	

Indicative Free Float

CM.com is a founder-led company, with the two founders jointly owning 51.2% of the shares. Currently, CM.com's free float is approximately 37.5%. 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 29 December 2023

	Shareholding as published by the AFM	**Date of last notification at the AFM**
Jeroen van Glabbeek	25.58%	16 November 2023
Gilbert Gooijers	25.58%	16 November 2023
Teslin Participaties Coöperatief U.A.	6.08%	21 February 2020
De Engh B.V.	5.01%	16 August 2023
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:

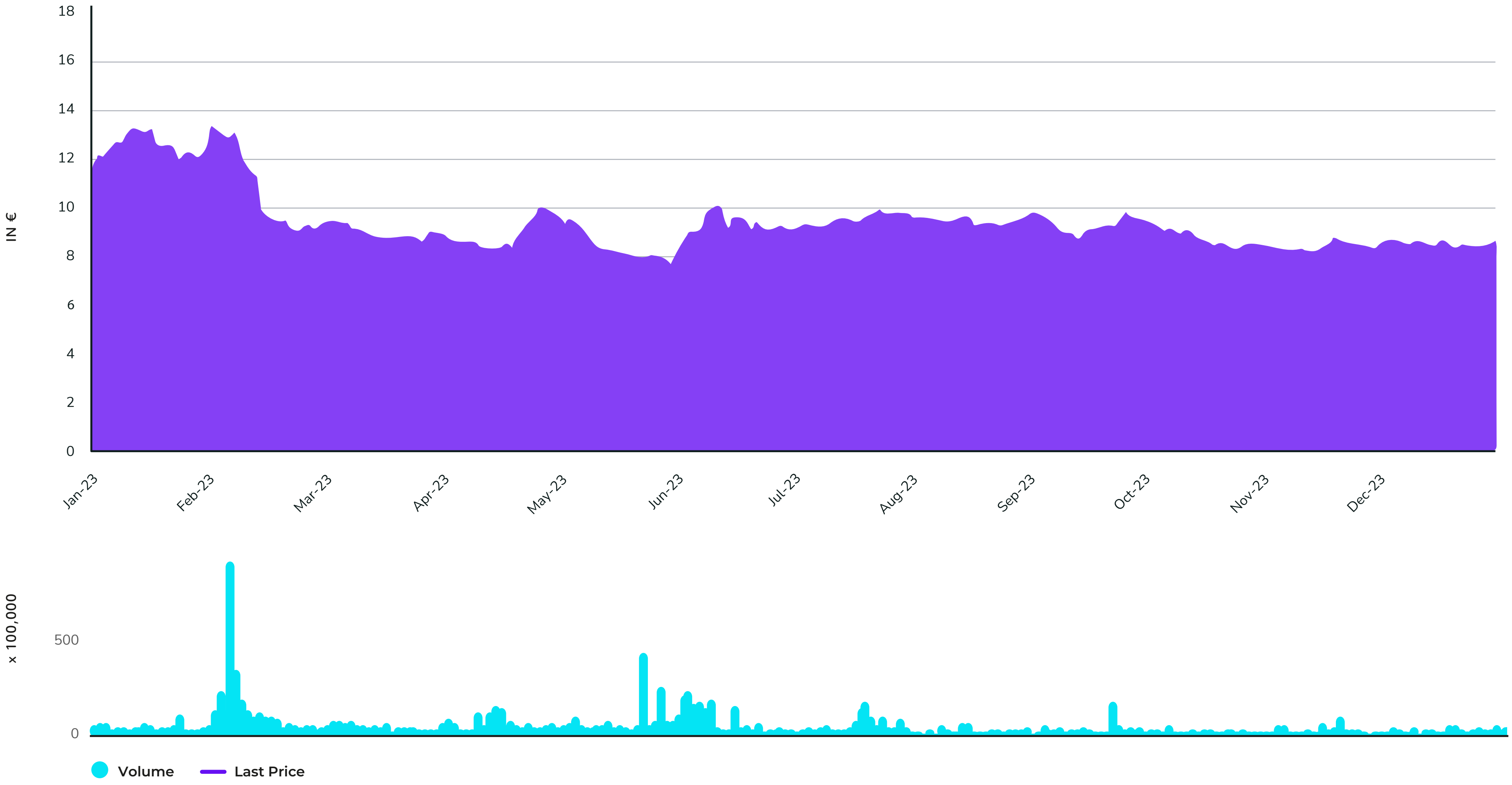
- Jeroen van Glabbeek (CEO): 7,445,298 shares / 2 Convertible Bonds
- Gilbert Gooijers (COO): 7,445,298 shares / 2 Convertible Bonds
- Jörg de Graaf (CFO): 9,995 shares

Chairman of the Supervisory Board, Jacques van den Broek, owns 5,500 shares in CM.com since 5 June 2023. Furthermore, 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 2023

Opening price on 2 January 2023	€ 11.54
Lowest closing price	€ 7.71
Highest closing price	€ 13.42
Closing price on 29 December 2023	€ 8.70
Market capitalization at opening on 2 January 2023	€ 334 million
Market capitalization at close on 29 December 2023	€ 253 million
Average daily trading volume	€ 448,115
Daily volume – highest	€ 8,992,209
Daily volume – lowest	€ 38,008

Share Price Development



Research Coverage

Currently, ING, ODDO ABN AMRO BHF, 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:

Institutions	Analysts
ING	Thymen Rundberg and Marc Hesselink
ODDO ABN AMRO BHF	Wim Gille
Jefferies	Charles Brennan and Alex Nguyen
Kepler Cheuvreux	Robert Vink

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.

2024 Financial Calendar

17 April 2024	Release Q1 2024 trading update (no webcast)
19 April 2024	Annual General Meeting CM.com
23 July 2024	Release HY 2024 results (webcast)
18 October 2024	Release Q3 2024 trading update (no webcast)

Nour Majdalawi

Developer

Hi Nour! Tell us, how does your role embody the Value of One?

As a developer at CM.com, I'm committed to embracing the Value of One, recognizing the importance of each person. Whether interacting with colleagues, seeking help, or collaborating on code, I acknowledge the unique and valuable role each individual plays in our success. Through active listening and positive relationship-building, I contribute to a culture that values everyone's potential and contributions, embodying the ethos of the Value of One.

Management Board Report

Meet Gilbert Gooijers, COO, CM.com

“In 2023, we implemented structural changes to become a smarter organization and strengthen customer centricity through internal connectivity.”

“*With a laser focus on customer needs at every level, we’re creating the Value of One!*”

An interview with Gilbert Gooijers, Chief Operating Officer

2023 has been a year of successful consolidation at CM.com. Having completed several acquisitions in recent years, we’ve focused on integrating those businesses and streamlining our organizational structure to deliver the Value of One. Our priority has been getting smarter, not necessarily bigger, and we’ve made great progress this year in rationalizing and harmonizing the capabilities we already have.

As Chief Operating Officer, I’ve been overseeing these structural changes, strategically organizing CM.com into four complementary business units. I’m pleased to report that we finalized our corporate structure that is fully aligned with our culture and long-term growth ambitions, and will be effective from the start of 2024.

Keeping it Simple

With the design of these business units, we will achieve the right balance between centralization and localization of decision-making at CM.com. Every unit has its own unique DNA, leadership, developers, business controller, marketing operations, and is composed of tight-knit, multidisciplinary teams using simplified KPIs to serve a defined set of customers.

This autonomy and accountability strengthen the customer-centricity of each business, ensuring that it is one streamlined operation delivering real value in a specific area. The structure is also more efficient: colleagues don’t need to know everything we’re building across the organization. Instead, they can focus on making an impact within their own business unit. Building this upgraded operational framework with a laser focus on customer needs at every level has been essential to creating the Value of One.

Throughout these changes, we’re also making sure the units don’t become silos. When one business unit holds its quarterly meeting, representatives from the other business units are always in attendance to ensure complete internal alignment. Each business also works in close collaboration to maximize upsell opportunities. For instance, if a customer starts by expressing interest in our payment service, we actively explore how our other units can provide additional support and optimize their whole customer journey. In 2023, we’ve made significant progress on strengthening this cross-pollination across CM.com, empowering individual business units to direct their own activities – and get closer to our customers – while keeping them aligned with our wider culture.

Embracing Relevant Technologies

At CM.com, we don’t adopt technology for its own sake; it needs to deliver value within our business model. As such, we’ve continued to seize the opportunity presented by AI – a technology fully aligned with our future growth ambitions.

This trend is nothing new for us; we’ve seen it coming for many years. That’s why we’ve strengthened our AI capabilities with several high-profile acquisitions, including Building Blocks and CX Company, in 2022 and 2020 respectively. With these companies now fully integrated into the CM.com operational framework, we’re able to offer an appealing AI portfolio for markets including e-commerce, travel, and utilities, using the power of machine learning to enhance the service desk experience. To me, AI is a great example of a technology that’s both exciting and fully relevant for our business – so we’re committed to realizing its full potential for our customers going forward.

What was your favorite moment of 2023?
The moment I saw our new AI chatbot technology fully automatically having a conversation with a consumer.

What do you enjoy the most about your job?
I enjoy every day as it brings new challenges. Within the realm of challenges lie hidden opportunities for growth and innovation. Whether it's addressing operational inefficiencies or devising new strategies to optimize processes, I see every obstacle as an opportunity to move forward.

What are your hopes for 2024?
That all the actions we took in 2023 on the road to profitability will have a fully positive effect.

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 completed Nyenrode Business University's Advanced Management Program, completed in 2009.

Building a Neural Network – of Colleagues!

Our work on AI is all about building neural networks – and our internal culture operates on the same principles. Every colleague is a neuron, connected with dozens of others, and our best work happens when all these neurons are firing together.

As a result, we've maintained a firm "office first" working policy across CM.com. Every colleague can work from home one day a week if required, but the general expectation is to work at the office. This policy ensures that we have as many neurons in our network as possible, sparking off each other, and deepening our capacity for innovation. I like to call it "the serendipity of the weak link" as this open, collaborative approach tends to reveal unexpected – but highly beneficial – insights. You can't do this as a remote team; you've got to be in the same building together.

Priorities for 2024

Having streamlined our organizational structure in 2023, we're in a strong position to keep delivering profitable growth in 2024. Without any question marks surrounding our operational framework, we can strengthen our focus on areas such as sales, cost efficiency, and speed of delivery.

I'm truly excited about what lies in store for 2024. Our business will be more streamlined, consolidated, and efficient than ever before, so we're ready to keep building on the strong foundations of 2023 and continue to develop products that resonate deeply with our customers. By working together, I'm confident we can bring these ambitions to life.

Value Creation

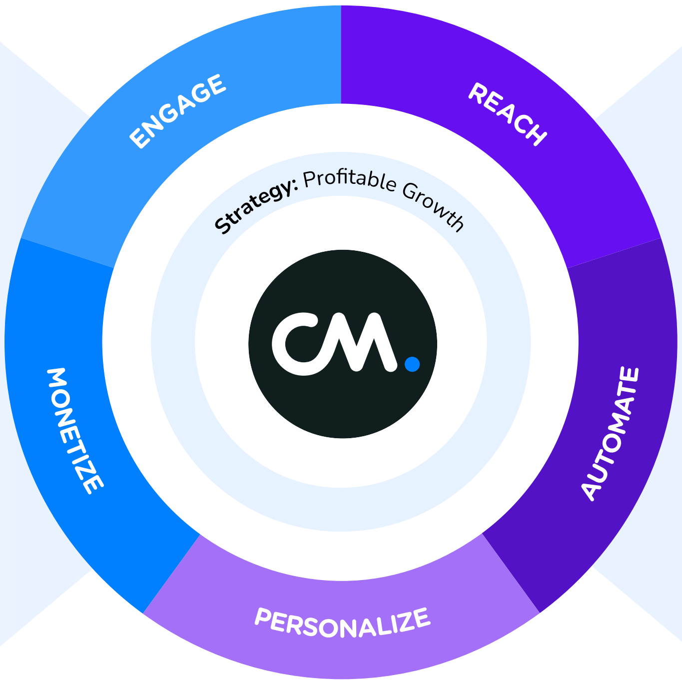
Input

- Financial
- Technology
- People

Growth model

Mission:
Making life easier, safer, and more beautiful

Vision:
Mobile phone as the remote control of our lives



Output (Results)

Financial

- **€ 266.2 million** revenue
- **€ 78.5 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

People

- Encourage knowledge sharing and workforce development
- Female leadership
- Diverse workforce

Outcome (Impacts)

Customers

- High-quality cybersecurity
- 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

For further information please refer to our ESG chapter

Meet Jeroen van Glabbeek, CEO, CM.com

“The market is quickly moving from the simple one-way interactions of the past to a much richer form of customer engagement.
Hyper-personalization and a seamless, integrated user experience – across channels – will be key to winning in this new landscape.”

“*The Value of One, to the Power of Four!*”

An interview with Jeroen van Glabbeek, Chief Executive Officer

CM.com is committed to making the lives of consumers around the world easier, safer, and more connected. Our focus on mobile applications and adding value through integrated and innovative software solutions has convinced more and more companies worldwide to partner with us to enrich their customer interactions. Our continued growth has strengthened our position as a trusted and dynamic global player in conversational commerce.

We maintained our status as one of the fastest organic growers among listed companies in the communications platform as a service (CPaaS) category over the years. We were also recognized as an “established leader” in the consumer data platform (CDP) market, and a “major contender” in conversational AI. Our gross profit and gross margin reached record levels, enabling us to achieve our Path to Profitability goal of a positive EBITDA.

A renewed focus on organic growth was critical to this success. In 2023, we did not undertake any new mergers or acquisitions and implemented a cost control program that enabled us to reduce OPEX by more than 25% compared to 2022. At the same time, we continued to invest in training and development initiatives to improve the efficiency and effectiveness of our employee base.

In addition, in 2023, we continued to focus on further integrating environmental, social, and governance (ESG) developments into our overall strategy, in line with our ambition to deeply embed our corporate values into strategic planning. Our ESG efforts, corporate values, and strategic planning are described further in the ESG chapter.

These efforts have put us in an excellent position to embark on the next stage of our strategic journey. Taking this step requires us to return to the vision that underpins all of our products and solutions: delivering a seamless and engaging customer experience for the end user. Building on this principle, this next stage of our evolution will seek to simplify our clients' “user experience” by making our technology ecosystem easier to navigate.

The Power of Four

CM.com’s multifunctional, omnichannel platform gives clients the power to create customized software applications that deliver unprecedented value to their customers. To help clients get even more value from the platform, we have been strategically reorganizing our offering into four distinct business units – Connect (CPaaS), Engage (SaaS), Pay (Payments), and Live (Ticketing) – which will become operational from the start of 2024.

The goal is to develop a more user-friendly, modular ecosystem that makes it easier for clients to understand how CM.com can meet their needs. This will streamline sales and onboarding, and simplify cross-selling, allowing existing clients to seamlessly expand their CM.com stack in line with their growth ambitions. With more and more companies choosing to consolidate their software spending with a single vendor, this restructuring is critical for our future growth.

The Value of One

The new structure will also benefit our innovation pipeline by facilitating synergies, integrations, and operational efficiencies. To this end, we are also prioritizing in-housing and automation across our portfolio. In this way, the new structure reflects the “Value of One” – the easier it is to navigate the CM.com ecosystem, the more value clients will get out of it.

This strategy will help ensure that organic growth continues to feed innovation and vice versa, fostering a virtuous circle of value creation. Of course, a more integrated portfolio of solutions will also have tremendous benefits from a customer experience perspective. The closer we get to our clients, the closer our clients can get to their customers, engaging and delighting them with seamless cross-platform journeys.

Our Mobile-First Focus

At CM.com, we view mobile devices as the "remote control" of people's lives. They allow people to plan nearly every aspect of their day, access services, and make purchases. They have also enabled a new level of connectivity between people and businesses, creating more frictionless and engaging customer experiences.

However, as the conversational commerce market matures, more and more consumers feel limited by what they now perceive as generic, scripted communication solutions. The next frontier of customer engagement is rapidly emerging in response to this trend: hyper-personalized conversations at scale, powered by AI. Thanks to our strategic investments in AI technology, CM.com is ideally positioned to succeed in this market.

A Responsible Future for AI

As the global market for conversational AI and virtual assistants accelerates, we are already rolling out our first customer-facing generative AI (GenAI) solution. This rapidly developing technology will continue to change the way businesses and people interact, and CM.com's integrated solutions will help ensure that it brings more value to clients and consumers.

Centralized, in-house software development has always been critical to CM.com's success, ensuring consistent quality across the breadth of our offering. By taking the same approach to integrating conversational AI across our portfolio, we can ensure that it enables more engaging experiences for consumers. Our Gen AI solution already supported over 200,000 customer conversations within the first two months after launch, which was a better start than we had hoped for. 73% of the agents, using our AI technology in their chatbots, used the answers generated by our chatbot directly.

Opportunities for Continued Growth

CM.com is well-positioned to capitalize on market trends across all of our business units. According to Gartner, the CPaaS market grew to $11.19 billion in 2022[1], up 24.6% from 2021, and spending on conversational AI solutions in contact centers reached the low billions[2]. By continuing to innovate in these high-growth areas, along with our other key markets, we can ensure that our solutions meet the changing needs of clients and consumers.

We have built a strong reputation as an innovative and reliable software partner for our worldwide client base. Prominent international institutes such as Juniper Research, IDC, and S&P Research have recognized us as a leader in our markets. Our strategy to achieve this position has focused on creating value through organic growth using our own integrated technology solutions, rather than through acquisitions and growing by volume.

We focus our growth initiatives on specific sectors and the preparedness within those sectors to adopt and implement advanced customer engagement strategies. We provide the right tooling for these strategies by tailoring our product offering to meet the needs of these markets, resulting in well-adapted solutions. Our strong in-house software development capabilities are a key asset here, enabling a more uniform development process on a global level, while ensuring speed and agility in adapting our solutions to clients' needs.

1 Source: https://www.gartner.com/en/documents/4381599
2 Source: https://www.gartner.com/en/newsroom/press-releases/2022-08-31-gartner-predicts-conversational-ai-will-reduce-contac

Our Business Model: Seamless Experiences

Our technology enables deeper and more meaningful connections between businesses and their customers. Our solutions allow companies to reach people on their preferred channel – be it Instagram, WhatsApp, or SMS – and the quality of these conversations enables an unparalleled customer experience. A single conversation can continue across multiple channels, creating an exceptionally convenient and truly intuitive customer journey. This is not to mention in-conversation payments, which unlock a new level of seamlessness.

Through our in-house innovation capabilities, we have continued to add new layers of functionality to our integrated platform. In Payments, for example, we launched our own in-house payment processing platform, which means we can connect directly to Visa or Mastercard without going through a proxy platform. This unique capability provides cost savings and allows us to create faster, more flexible, and more integrated solutions for our clients. By continuing to invest in further developments like this, we can ensure that our unique end-to-end offering stays at the forefront of innovation in conversational commerce.

Enterprise-Ready Compliance

Another key factor driving CM.com's growth trajectory is our enterprise readiness. Through our work with institutions such as banks, governments, and insurance companies, we have developed an industry-proven compliance framework. Given the growing complexity of the regulatory landscape, this is becoming an increasingly attractive value proposition for enterprise clients. We continue to invest in training, development, and horizon-scanning activities to ensure that our solutions can scale while remaining fully compliant with all relevant regulations.

What was your favorite moment of 2023?
My favorite moments have all been technology related, such as the first payments in production on our home-grown processing platform, the first Generative AI conversations through our Mobile Service Cloud, the moment we hit a record throughput of 2,000 WhatsApp messages per second, renewing our platform while phasing out an old part of the network, the new Kubernettes cluster that went live. These are my favorite moments.

What do you enjoy the most about your job?
Day after day, being part of the latest technologies and translating them into solutions that help society evolve.

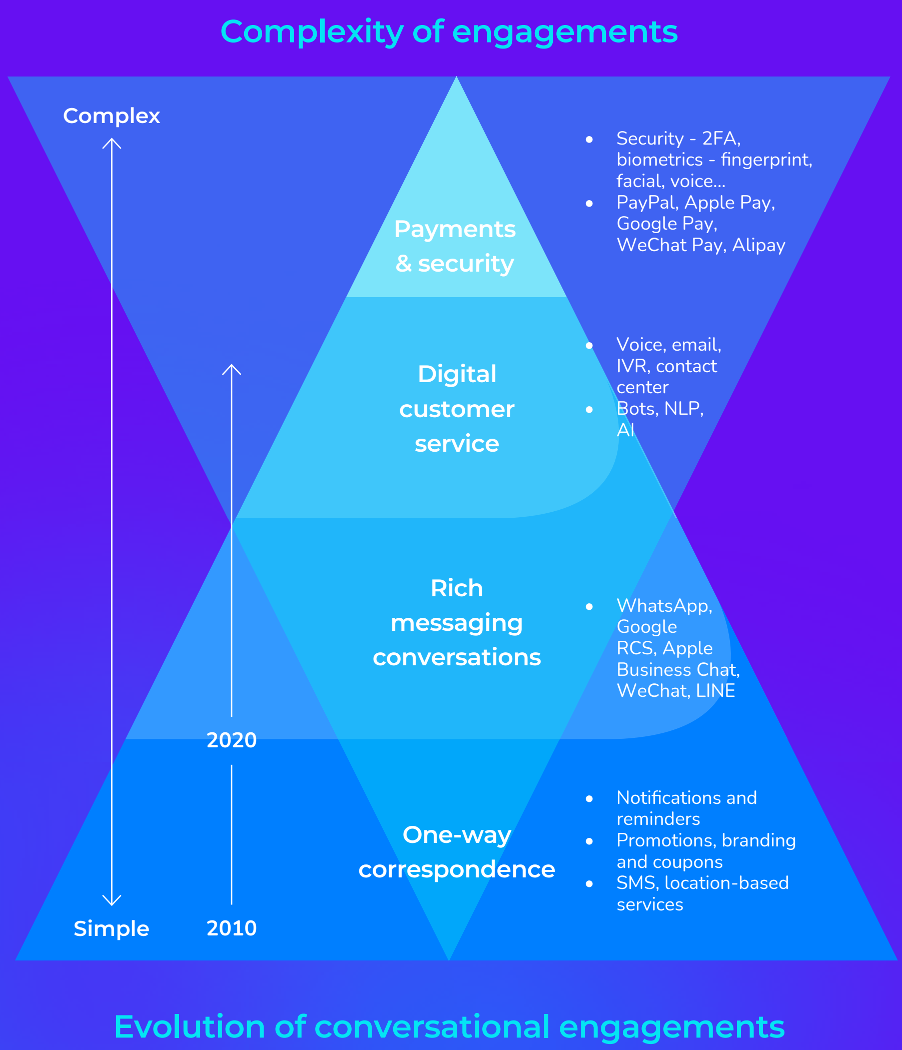
What are your hopes for 2024?
Like many others, I hope that war will end in 2024, putting an end to senseless suffering and restoring hope to people's lives.

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 PinkRoccade Civility. He also completed the Nyenrode Business University's Advanced Management Program in 2009.

Evolutionary model



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

The Evolution of Conversational Commerce

We expect conversational commerce to continue to evolve rapidly in the coming years, facilitated by the development of AI technology and the proliferation and adoption of mobile devices. The market is quickly moving from the simple one-way interactions of the past to a much richer form of customer engagement. Hyper-personalization and a seamless, integrated user experience – across channels – will be vital to winning in this new landscape.

Building accurate customer profiles will also be critical. At the heart of our conversational commerce suite is an AI “brain” that learns from data from our Customer Data Platform (CDP). This is being further enriched by our new centralized GenAI offering, allowing clients to deliver personalized interactions at scale. In this initial phase, it is being used to provide contact center employees with the right information at the right time, enabling a much more efficient and rewarding customer experience.

These developments across our integrated offering are unlocking the next evolutionary stage of conversational commerce. By systematically applying GenAI across our portfolio, we are enabling more consistent and engaging interactions for the end user. This, in turn, will help our clients increase customer satisfaction and brand loyalty, enabling them to achieve their business goals. In this way, we are helping to ensure that GenAI delivers more value to clients, customers, and society.

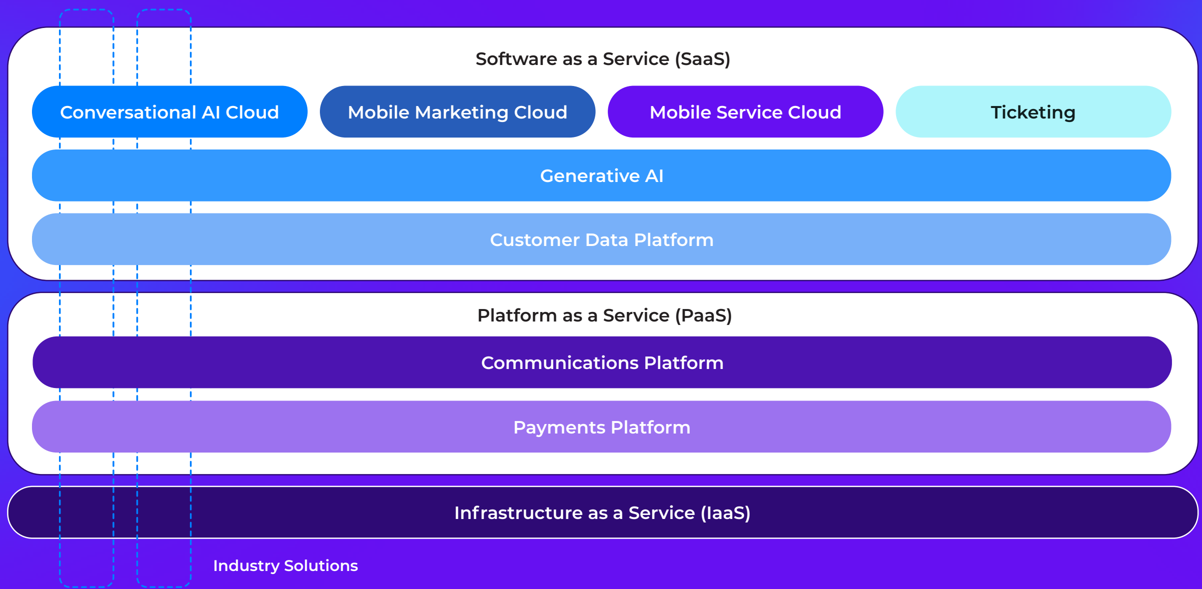
Conversational Growth Model

The end product that we deliver is an exceptional customer experience. We achieve this through collaborative and iterative client relationships that offer near-unlimited potential for growth. Our conversational growth model represents this positive feedback loop, which allows us to create ever-closer connections with end users. This, in turn, leads to a deeper understanding of consumer preferences and behaviors, which is a major strategic asset.

The customer journeys we create move seamlessly from one element of the CM.com ecosystem platform to another, guiding shoppers through their preferred channels and interaction methods toward a smooth and successful purchase. This leaves them with the memory of an exceptional customer experience, creating loyal and satisfied customers.

Additional steps can be added as needed to meet changing customer expectations. In the model below, we show this continuous process. Our Mobile Service Cloud enables the initial engagement and interaction, then we move on to our Mobile Marketing Cloud to reach customers through their preferred channels. From there, we move to our Conversational AI Cloud to automate and guide the conversation. Using our Consumer AI technology, we can personalize the customer experience based on the data in our Customer Data Platform.

Finally, the customer moves to the secure Payments section, enabled by our Payments Platform. As the loop continues, the level of engagement is deepened through AI-powered customizations based on customer data that can be used intuitively, over and over again.



Our Growth Strategy Model

Our Accelerated Growth Strategy is based on six pillars that work together to drive the adoption of our products worldwide. This will enable brands and businesses to connect more deeply with their customers and deliver the optimal customer experience.

Customer Growth and Retention

As CM.com focused on value over volume growth, we saw good growth in our higher-margin business. Product innovations and active promotions led to client growth and margin growth in those segments. Our CPaaS volumes were affected as we concentrated our efforts on sales in higher margin routes. Subsequently, volumes were lower YoY and our CPaaS Net Dollar Retention rate dropped to 87%, including Voice. Excluding Voice, the NDR was 91%. Churn in CPaaS remained consistently low at 6%. Gross margins continued to improve, also in CPaaS.

Our go-to-market strategy has ensured that our revenue comes from a healthy mix of clients around the world. Our corporate strategy will continue to focus on ensuring that our client base is balanced geographically and across various business types.

Think Global, Act Local

The global trend towards regionalization plays an increasingly important role in our expansion strategy. Our agile software development approach allows us to adapt to clients' varying needs in the different markets we serve. By combining global expansion with a local presence, we can get closer to our clients, enabling us to deliver the best, most customized experience for their customers. Our strategy in each country is to ensure that we have a locally sourced presence in the geographies we serve, enabling us to unlock unique opportunities. These local offices, staffed by well-connected experts in the local market, enable us to scale up organically in these countries and regions, supported by our Global Marketing and Sales Support teams based in the Netherlands. These teams comprise sales, marketing, and product development specialists, who liaise with and sell directly to Big Tech companies.

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 is to ensure that we have presence and knowledge in the geographies in which we see the most opportunities.
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.

International revenue share	Non-EU customer engagements
+7%	+23%

Countries where we are situated	Our local offices around the world
18[1]	27[1]

1 Year-End 2023

Innovation
Our highly skilled and motivated global team is committed to constantly enhancing our customer solutions through innovation and integration. Our vision is to continue to develop and enrich our ecosystem to provide even more powerful solutions for our clients – whether it is the range of channels they use to interact with customers, the tools we can offer to deepen relationships and engagement, or the choice and security of payment methods. We are also working to deliver and upgrade efficient and intuitive back-end automation and processes that can further enhance customer engagement and service.

Cross-selling
Because of the interoperability of our products and services, we encourage our customers to purchase multiple products within the solution suite to get the most out of our platform and its capabilities. In line with this goal, all of our sales teams and representatives are therefore focused and incentivized to highlight the benefits of the integrated ecosystem to our clients. Our marketing efforts and sales incentive plans support this message. Close cooperation between the CM.com sales teams and their counterparts in acquired companies has also provided additional cross-selling and up-selling opportunities.

The changes we are processing in our organizational structure will support our "land and expand" growth strategy, multiply cross-selling opportunities, and make the CM.com offering easier to navigate for prospects and clients. Close collaboration between the business units will ensure that clients continue to benefit from the full power of the platform. The new business unit structure is also expected to create more opportunities for integrations and synergies, which are critical to creating more value for existing clients. This integrated strategy will make it easier for clients to seamlessly expand their solution portfolio as required, driving cost efficiencies and eliminating the administrative burden of onboarding new vendors.

Partnerships
Building strong relationships with partners is vital to maintaining and expanding our global presence and strengthening our sales impact. Over the past few years, we have made significant efforts to initiate and build relationships with partners to increase our sales reach geographically. In 2023, we continued on that path to grow our global presence.

We participate in knowledge- and technology-sharing relationships with key partners in our markets. These include WhatsApp and Google, as well as Visa, Mastercard, and Salesforce. These mutually beneficial partnerships enable us to provide more seamless and integrated solutions, so we can deliver much greater value to clients and their customers. Our partner program currently consists of two distinct strands:

Consulting Partners
They provide guidance on business, technology, sales, marketing, or customer service strategy. They also facilitate technology implementations and deliver hands-on marketing, sales, and customer service consulting.

Technology Partners
We integrate the technology our partners provide in our offering to improve our service to clients. This could entail anything that enhances our capabilities and hence the possibilities for our clients – whether it is in CDP, software, or any other segment.

Guidance to the Market

Based on our growth strategy, CM.com has presented an overview of objectives. The table below presents the realization of these objectives in 2023.

	2023
Gross profit growth For FY 2023, CM.com continued its path to profitability to grow its revenue in a profitable way by shifting focus from revenue growth to gross profit growth.	In 2023, CM.com grew its gross profit by 9% to € 78.5 million, as SaaS, Payments, and Ticketing showed improved YoY returns. In CPaaS, the post-COVID flows and focus on margin improvements led to further growth in gross profits despite a slowdown in revenue. The shift to value over volume has laid an improved base to grow from going forward.
OPEX & CAPEX In 2023, CM.com forecasted a 25% decrease in OPEX in H2 2023 YoY, aiming for an overall decline of at least 10% YoY in OPEX over FY 2023. CM.com expects mid-term OPEX-to-Revenue-ratio to decrease to low to mid-twenties and CAPEX to become towards 5% of revenue.	In 2023, no acquisition was done, and CM.com executed a tight cost optimization program as part of its path to profitability. In H2 2023, CM.com managed to lower its OPEX by even more than 25%. That resulted in a total OPEX decline of 17% YoY and an OPEX-to-Revenue ratio below 30%. CM.com has a mid-term target of low-to-mid-twenties. CAPEX amounted to € 20.6 million (of which € 15.7 million related to capitalized development hours), which was a decline of 23% versus 2022, representing about 7.8% of revenue. CM.com has a mid-term CAPEX-to-Revenue target towards 5%, as we continue to focus on profitable revenue growth, whereas our FTE base has been lowered.
Gross margin CM.com's mid-term goal is a consistent gross margin in the high twenties to realize the Company's ambition to improve the financial base.	CM.com reported a gross margin of 29.5% in 2023, as segments with high margins, such as SaaS, Payments, and Ticketing, performed well. Within CPaaS, CM.com continued to focus on profitable routes, meaning that although revenues declined, gross margins improved. Gross margins in FY 2023 ended well above the mid-term goal of high twenties.
EBITDA CM.com set a clear target to become EBITDA positive (normalized) over H2 2023 as part of its path to profitability. In 2024, EBITDA is expected to grow further.	For H2 2023, CM.com reported a Normalized EBITDA of € 2.8 million, resulting in a Normalized EBITDA of minus € 0.9 million for FY 2023. This is the result of a strong focus on improving gross margins. Revenue development was connected with margin growth to improve EBITDA, in combination with tight cost control.
Free cash flow CM.com expects to be free cash flow positive over H2 2024.	As we continue to grow, we are seeing growth of revenues in the higher margin segments, resulting in the growth of revenues and gross profit more organically without more operating expenses. As such, alongside achieving higher margins through increased cross-selling, new products, and new markets, we are further capitalizing on our existing workforce and market position. This approach is ultimately accelerating our path to profitability and becoming free cash flow positive over H2 2024.

Meet Jörg de Graaf, CFO, CM.com

"The financial discipline within CM.com in 2023 has underlined the combined strength of the different segments together. This has strengthened our total value proposition."

"*In 2023, we achieved our milestone ambition of becoming EBITDA positive.*"

An interview with Jörg de Graaf, Chief Financial Officer

From a financial perspective, 2023 was a year of positive change for CM.com. Having initiated several actions in 2022 to accelerate our progress on the path to profitability, we've seen these measures bear fruit in 2023. Most notably, we've achieved our key financial goal for the year, becoming profitable at the EBITDA level during the second half of 2023. This lays a strong foundation for our next milestone of becoming free cash flow positive in the second half of 2024. We've also seen considerable improvements in our gross margins and continued growth in our gross profit – another sign of our commitment to building a financially healthy foundation.

As Chief Financial Officer (CFO), I've been responsible for steering our company – supported by the Finance function – in this profitable direction, ensuring that we allocate resources to support high performance and sustainable value creation. And I'm pleased to report that, in 2023, we've made significant progress on this shared journey.

Financial Discipline – A Key Step on the Path to Profitability

In the past two years, capital markets have shifted their sentiment regarding fast-growing technology companies that are still making a loss, underscoring the importance of our measures to increase financial discipline across CM.com. These include making significant cuts to discretionary spending on travel and events, for example, while also scrutinizing all our internal and growth investments. Inevitably, this has led to the reduction of certain activities. For instance, some parts of our organization were set up for hyper-growth levels of 40% or 50% – unrealistic in today's economic environment – so we had to act and scale back our activities to an appropriate level.

Of course, our financial adjustment also included a reduction in headcount. We have been careful to consider whether employees were a good fit with our culture, whether they were contributing to a domain where our investments were paying off as expected, rather than making drastic, severe cuts. This approach did mean that it took a little longer to see results – but at this stage, I can say that our strategy has been highly successful. We've reduced our cost base by more than 25% YoY to become more efficient – all while maintaining our focus on growth, innovation, delivering great value for our customers, and keeping up the positive team spirit.

A new Organizational Setup

In addition to cost optimization measures, we've initiated several policies to secure long-term, profitable growth. On the cultural side, we've shifted our mindset toward value optimization. Then, to help employees track their performance in concrete terms, we've created a suite of tools that show the profitability and value of their contributions.

In terms of organizational structure, we've set up four complementary business units, each with clear responsibilities for profit & loss (P&L) management, which will be effective from January 2024. This organizational change has been embraced by our people, who appreciate the opportunity to be more agile, more closely connected with their customers, and the transparent metrics by which they can manage their own businesses. With this additional transparency and accountability, we're building a company where all our business units and product suites reinforce each other, delivering the Value of One.

What was your favorite moment of 2023?
In 2023, I travelled to Japan with my dad to celebrate his 75th birthday. Being able to experience Japan together with my father was special and most certainly my favorite moment of 2023.

What do you enjoy the most about your job?
The diversity and complexity of building a better company every day, while working together closely with so many talented people.

What are your hopes for 2024?
I hope the tension in the world will ease and all the suffering that the current wars are bringing will come to an end. Professionally, I hope 2024 will be the start of our next chapter as CM.com, when we have become not only profitable, but also a cash-flow positive company.

Jörg de Graaf (Dutch, 1976)

CFO

Jörg de Graaf began his career at KPN in 2004, holding roles of increasing seniority. In 2013, he became CFO of iBasis in the United States until early 2019. He then returned to the Netherlands as Executive Vice President, Group Control at Eneco Groep. Jörg holds a Master's degree in International Business, Corporate Finance & Management from Maastricht University and completed the Advanced Management Program at Harvard Business School.

Our Responsibilities as a Listed Company

As a listed company, we have many different shareholders and other stakeholders – and we have to act in their best interests. Among other things, this means taking our reporting obligations – both financial and ESG – very seriously. I don't see these two areas as distinct; in fact, I believe they are deeply interconnected. That's why I sponsor our Corporate Sustainability Reporting Directive (CSRD) working group, overseeing a "double materiality" assessment that will disclose the risks we face as a business, plus our potential impacts on climate and society. This isn't just the right thing to do; it's also the smart decision for the long-term success of our organization. Indeed, the first dean of Harvard Business School once defined the purpose of business as "making a decent profit, decently" – and this same philosophy guides my actions as CFO. Nevertheless, being a "decent" company isn't just about filing the right reports. We must also strengthen our identity and consider how to elevate our impact on everyone invested in our success, from shareholders to society. My view is that if a company has that strong sense of purpose and mission in place, the reporting obligations – and other duties of a listed company – flow naturally as a result.

Our 2024-2026 Roadmap

Having achieved our goal of becoming EBITDA positive, we're setting our sights on new financial targets for the next three years. The overarching goal is clear: to generate our own cash and structure our operations in a truly sustainable way. In the second half of 2024, we aim to become free cash flow positive – another significant milestone that will ensure sufficient funds for reinvestment. This will improve our growth capabilities and enable us to refinance our outstanding convertible bonds, which expire in September 2026. As we continue along the path to profitability, we'll also maintain our focus on entrepreneurship and continued growth. This culture lies at the heart of success, so we'll keep encouraging employees to take ownership of their work and give them space to innovate. While the coming years will see us continue to strengthen our control on financial performance, we'll always keep sight of our main objectives: develop valuable new products, deliver exciting solutions to our customers, and continue to grow – all with the goal to eventually grow the value of CM.com as a whole, as one.

Business and Financial Results

Our KPIs

Number of messages

7.0bn -3%

2022: 7.2bn

Number of voice minutes

304m -33%

2022: 455m

Number of tickets

18.5 +27%

2022: 14.6m

CPaaS net Dollar retention rate*

87%

2022: 100%

Total payments processed

€ 2,467m +24%

2022: € 1,983m

Annual recurring revenue (ARR)*

€ 31.8m +9%

2022: € 29.3m

CPaaS enterprise churn rate*

6%

2022: 4%

* Reference is made to the Definitions and Abbreviations chapter in the Other Information, where the definitions of these performance measures are included.

Revenue and Gross Profit

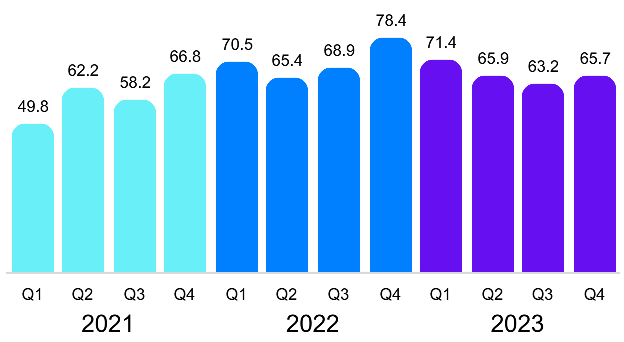
As a result of CM.com's tight focus on profitable growth, our gross profit increased by 9% YoY to € 78.5 million in 2023, with gross margins improving substantially to 29.5%. Especially in H2 2023, CM.com showed a good performance as our gross profit increased 10% YoY to € 40.4 million, and gross margins reached 31.4%. This was the result of the consistent improvement in margins and gross profit on the one hand end and a substantial decline in OPEX on the other hand.

The impact of the focus on value over volumes was felt in CPaaS, as expected. Overall revenue development fell 6% YoY to € 266.2 million. This is expected to be mitigated in the course of 2024. With margins trending above 30%, the profit contribution from SaaS, Payments, and Ticketing now determines 56% of the total gross profit in H2 2023 and 22% of revenue, compared to 54% of gross profit and 17% of revenue in H2 2022. This is consistent with our emphasis on higher margins products to increase profitability. Going forward, CM.com's primary focus will remain on growing our business efficiently and profitably in all segments.

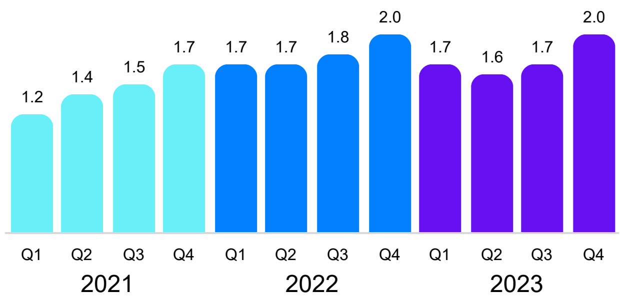
PERFORMANCE PER SEGMENT

x (€ million)	FY 2023	FY 2022	Δ
Revenue	**266.2**	**283.2**	**-6%**
CPaaS	211.5	236.3	-11%
SaaS	28.9	25.4	+14%
Payments	15.5	13.4	+16%
Ticketing	10.3	8.1	+27%
Gross Profit (€ million)	**78.5**	**72.0**	**+9%**
CPaaS	34.9	34.7	+1%
SaaS	25.6	22.3	+15%
Payments	8.3	7.4	+12%
Ticketing	9.7	7.6	+28%
Gross margin (%)	**29.5%**	**25.4%**	
CPaaS	16.5%	14.7%	
SaaS	88.7%	87.9%	
Payments	53.5%	55.1%	
Ticketing	94.2%	93.0%	

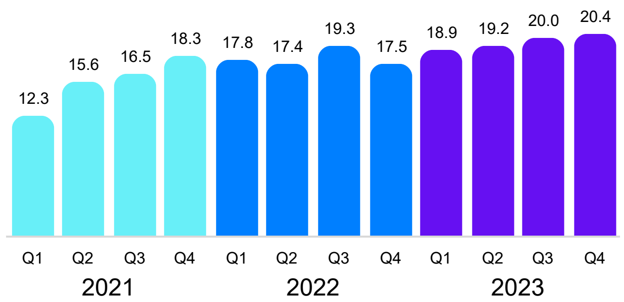
Revenue development (€ million)



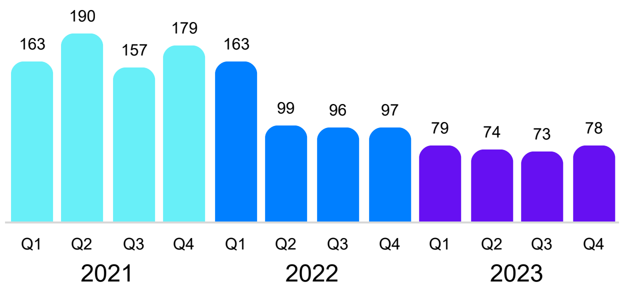
Messages (billion)



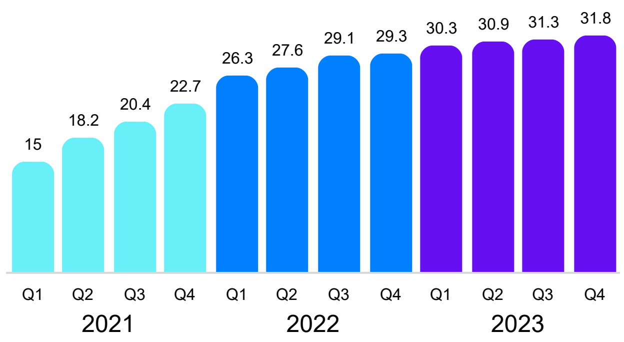
Gross profit development (€ million)



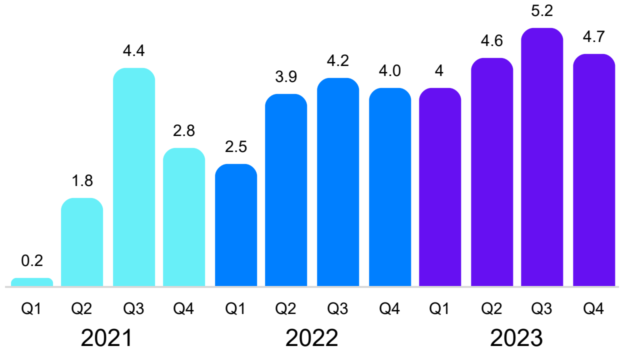
Voice minutes (million)



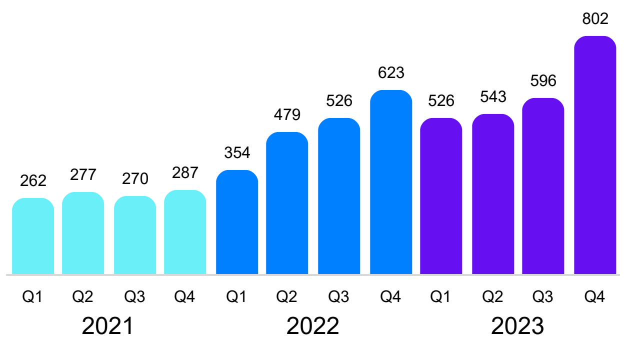
Annual recurring revenue (€ million)



Tickets (million)



Total payments processed (€ million)



CPaaS

Gross profit grew by 1% to € 34.9 million in FY 2023 from € 34.7 million in FY 2022. Gross margins improved to 16.5% in FY 2023 from 14.7% in FY 2022. Revenue decreased by 11% to € 211.5 million in FY 2023, compared to € 236.3 million in FY 2022.

The focus on value over volume had a clear impact on our CPaaS business in 2023, which is expected to be absorbed in the course of 2024. As such, we expect to see growth in CPaaS again in 2024 – also on topline. The underlying number of messages remained broadly stable at 7.0 billion messages in 2023, compared to 7.2 billion for FY 2022, whereas the number of voice minutes fell by 33% to 304 million minutes in FY 2023.

SaaS

Our position of SaaS continued to grow as a core item in our portfolio lineup. Gross profit increased 15% to € 25.6 million in FY 2023 from € 22.3 million in FY 2022. Gross margins improved to 88.7% in FY 2023 from 87.8% in FY 2022. Revenue increased by 14% to € 28.9 million in FY 2023 compared to € 25.4 million in FY 2022.

Our Annual Recurring Revenue (ARR) increased 9% YoY to € 31.8 million at the end of 2023, from € 29.3 million at the end of 2022. Growth in SaaS is expected to grow further as we are expanding the roll-out of our GenAI proposition to more sectors in 2024. We expect momentum in ARR to expand further on the back of this development, as more and more clients seek our expertise in the field of communication software in combination with GenAI.

Payments

In Payments, gross profit was up by 12% YoY to € 8.3 million in FY 2023, compared to € 7.4 million in FY 2022. Revenues increased 16% YoY to € 15.5 million in FY 2023, compared to € 13.4 million in FY 2022. Total payments volume processed increased by 24% YoY to € 2,467 million in 2023, as the migration to the acquiring and processing platform progressed in the course of the year. In Q4 2023, we saw the best quarter so far in volumes processed, helped by a good pickup in volumes processed for the Dutch government.

Margins in H2 2023 were slightly better YoY, which together with the increase in volumes, formed the base for the growth in gross profit. In the course of 2024, the migration is expected to be completed. CM.com will continue to focus on further growing profitability and expanding the cross-selling opportunity to its existing client base and offering its services to new clients.

Ticketing

In Ticketing, the trend remained upward in 2023. Gross profit increased by 28% to € 9.7 million in FY 2023, compared to € 7.6 million in FY 2022. Revenues increased by 27% to € 10.3 million in FY2023, compared to € 8.1 million in FY2022, supported by a strong performance in H2 2023. Margins continued to improve to 94.2%. In particular, the strong volumes and good margins in H2 2023 supported a strong finish for Ticketing in 2023. Museums, events, and amusement parks had a strong year, which was also reflected in our ticket sales.

A total of 18.5 million tickets were handled in FY 2023, a 27% increase compared to the 14.6 million tickets handled in FY 2022. In H2 2023, CM.com signed a number of landmark deals in Ticketing, which will help cement growth in the future. CM.com renewed its sponsorship with the Formula 1 Heineken Dutch Grand Prix for two years until 2025 and signed a three-year partnership contract with NOC*NSF for the organization of various sport events and the ticketing around the Holland House during the Olympic Games in Paris this year. With deals such as Fabrique des Lumieres, CM.com continues to build on its international expansion in 2024 and beyond.

Performance per Segment

Revenue

CPaaS
€ 211.5m -11%

2022: € 236.3m

SaaS
€ 28.9m +14%

2022: € 25.4m

Payments
€ 15.5m +16%

2022: € 13.4m

Ticketing
€ 10.3m +27%

2022: € 8.1m

Gross Profit

CPaaS
€ 34.9m +1%

2022: € 34.7m

SaaS
€ 25.6m +15%

2022: € 22.3m

Payments
€ 8.3m +12%

2022: € 7.4m

Ticketing
€ 9.7m +28%

2022: € 7.6m

Gross Margin

CPaaS
16.5%

2022: 14.7%

SaaS
88.7%

2022: 87.9%

Payments
53.5%

2022: 55.1%

Ticketing
94.2%

2022: 93%

OPEX, EBITDA, AND NET RESULT

x (€ million)	FY 2023	FY 2022
Normalized OPEX	(79.5)	(94.3)
Employee benefit expenses excluding one-offs	(52.6)	(55.2)
Other operating expenses excluding one-offs	(26.9)	(39.1)
Normalized EBITDA	(0.9)	(22.3)
One-off	(1.8)	(4.2)
EBITDA	(2.7)	(26.5)
Depreciation and amortization	(21.8)	(18.1)
Financing result	(4.3)	(0.2)
Tax	0.7	0.2
Result participations	(0.6)	(0.1)
Net result	**(28.7)**	**(44.7)**

OPEX

Throughout 2023, CM.com consistently lowered its costs. Normalized OPEX decreased 16% YoY in FY 2023 to €79.5 million, most notably through 31% lower non-personnel related expenses YoY. Over H2 2023, our Normalized OPEX declined by more than 25% YoY, in line with our guidance.

CM.com will focus on growing in a consistent and controlled way to reach our goals in 2024 and beyond. As of FY 2024, CM.com has four business units. Each business unit has its own budget and financial targets. Cost control is and will remain an important item in the target setting of the business units. Within each business unit, there is a highly empowered leadership team.

Our OPEX-to-Revenue ratio over H2 2023 was 29.9%, confirming our ability to improve the performance of CM.com. Over H2 2022, this ratio stood at 35.1%. CM.com's mid-term goal is an OPEX-to-Revenue ratio of low-to-mid twenties.

CAPEX

CAPEX amounted to € 20.6 million (of which € 15.7 million relates to capitalized development hours), which compared to a CAPEX of € 26.7 million end FY 2022, is a 23% decline YoY. The CAPEX-to-Revenue ratio improved to 7.8%, compared to a CAPEX-to-Revenue ratio of 9.4% in FY 2022. CM.com reiterates its mid-term objective to reach a CAPEX-to-Revenue ratio towards 5% of revenue.

FTE Development

Our workforce declined to 720 FTE at year-end FY 2023, compared to 930 FTE at year-end FY 2022. This was realized through natural attrition, performance assessments, and efficiency improvements. In FY 2023, CM.com closed its local offices in Mexico and Kenya. The number of offices where CM.com operates across the globe stood at 18 countries and 27 offices at the end of FY 2023.

EBITDA

Our normalized EBITDA for the full year 2023 was -€0.9 million, excluding restructuring costs of €1.8 million. In H2 2023, our normalized EBITDA reached €2.8 million positive. This means we met our guidance to be EBITDA positive over H2 2023 on a normalized level. For FY 2024 we reiterate our guidance to grow our normalized EBITDA further and be free cash flow positive by H2 2024.

Funding & Cash Position

At year-end 2023, our non-restricted cash position was € 26.2 million. In 2023, CM.com improved its operating results in combination with a lower OPEX and CAPEX, resulting in a further reduction in our cash outflow. Together with continued improvements of our working capital, this resulted in a solid cash position at the end of 2023. Going forward, the net cash consumption of CM.com is expected to decrease further as we continue to focus on increasing our EBITDA and further lowering our OPEX and CAPEX to reach a positive free cash flow level by H2 2024.

On the back of this solid financial progress and positive EBITDA performance, CM.com has decided to strengthen its financial position and allow for more flexibility by signing a revolving credit facility of € 15 million with an accordion option of another € 10 million with HSBC in February 2024, subject to lender approval, which is intended to be a standby facility.

Acquisitions

No acquisitions were made in 2023.

2024 Outlook

FY 2023 was a year of transition for CM.com. As we reached positive levels in EBITDA in H2 2023, our next focus will be to become free cash flow positive. The business units are operational as of January 2024, and the first reactions so far have been very positive. The different business units will bring us closer to our clients and enable us to further develop our product offerings.

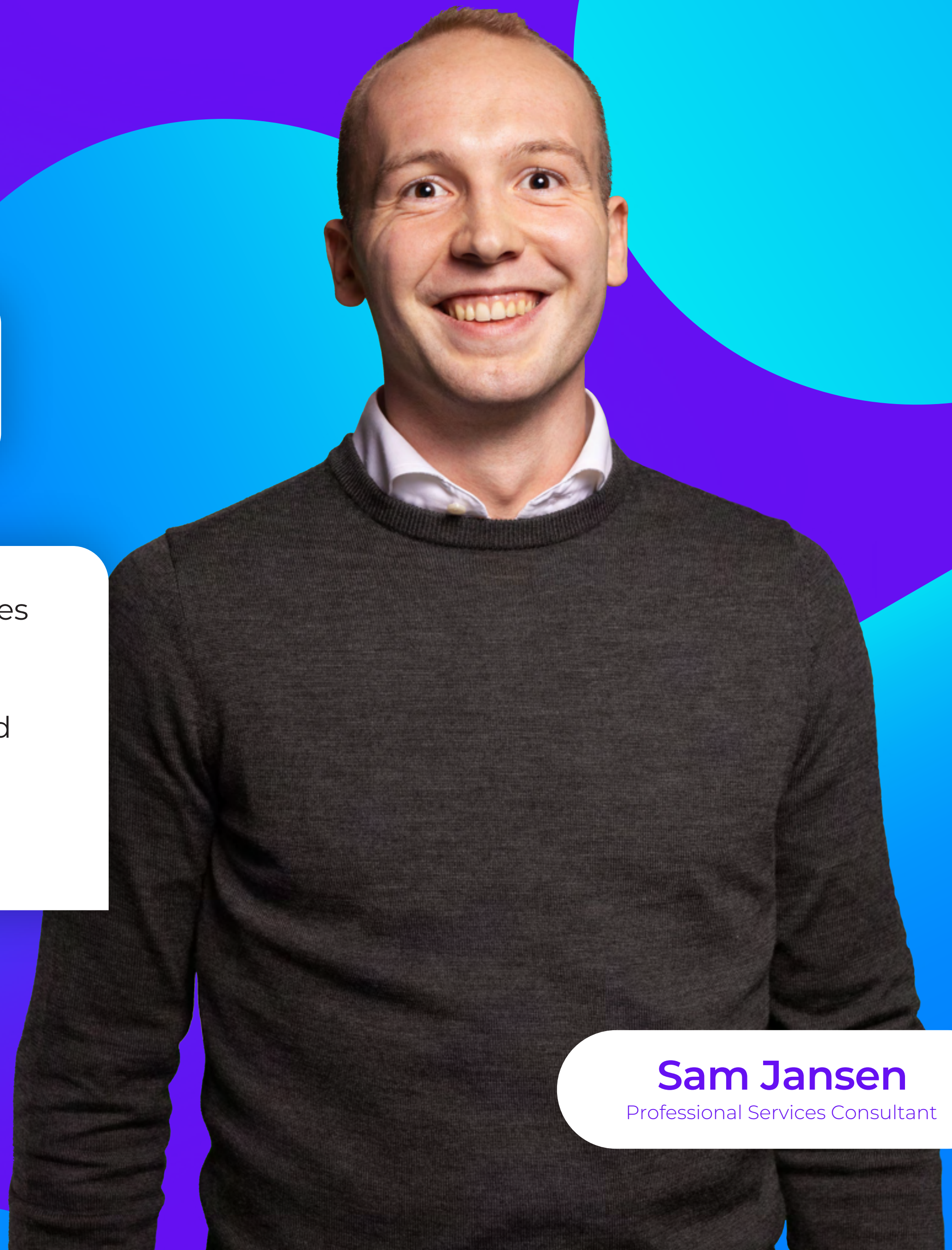
CM.com will continue to strengthen its market leadership and innovation in conversational commerce by continuing to focus on innovative products and improved services to our customers. CM.com wants to serve more customers and realize more value per client in a cost-efficient way, to improve our performance further. As we continuously review our performance, CM.com decided to close our local offices in Brazil, Kazakhstan, and Turkey in Q1 2024.

This means that, in terms of outlook:
- CM.com will continue to grow its gross profit, while controlling costs, leading to increasing EBITDA;
- OPEX is expected to decline further in 2024, mostly as the cost base is now structurally lower than in 2023;
- The CAPEX-to-Revenue ratio is expected to reach a level towards 5%; and
- CM.com reiterates its target to be free cash flow positive by H2 2024.

Brunel

Hi Sam! Can you tell us, what is the Value of One Platform for Brunel?

It's all about using one platform to keep all employees in the loop. Instead of scattering information everywhere, this platform gathers it all in one spot. Here, everyone can easily find the latest updates and news they need for their work. This makes things smoother, keeps everyone on the same page, and makes sure no one misses out on important stuff.



Sam Jansen
Professional Services Consultant

“*The value of one platform to keep all employees in the loop.*”

An interview with Sam Jansen, Professional Services Consultant, about Brunel

As members of the Professional Services Team, it’s our job to provide tailored expertise to our customers surrounding the implementation of our SaaS products, to ensure we add as much value as possible with CM.com’s proposition for their organization. We want to live up to our customer’s expectations. The most memorable projects are the ones where we a significantly impact the customer’s business processes. Brunel happily falls into that category of special cases.

The Brunel and CM.com collaboration initially began in the form of a single case-implementation. Brunel sought an opportunity to enhance the quality of their global lead-generation process, but they were not able to find a suitable partner to do so. In this pursuit, they came across CM.com. This has proven to be a positive match and a fruitful partnership.

Utilizing the integration-possibilities CM.com’s Mobile Marketing Cloud and Customer Data platform offers, we have enriched Brunel’s leads and transformed them into 360-degree candidate- and client profiles that we synchronize in real-time to their Applicant Tracking System (ATS). What started out as a one off-project, made both CM.com and Brunel hungry for a long-term collaboration.

Aside from generating more qualitative leads for Brunel’s business, CM.com plays a key-role in the implementation of Brunel’s Net Promotor Score (NPS) project. We have successfully implemented our Mobile Marketing Cloud and Customer Data Platform to measure Net Promotor Scores. For each specialist placement, we request a Net Promotor Score to measure placement success and improve specialist’s fit to a vacancy. We have customized the NPS setup for all global regions of Brunel and this data this is also directly being sent back to the ATS of Brunel.

In addition to these 2 projects in which we provide key assistance, we also contribute to Brunel’s organization in other, diverse ways. We complement Brunel’s marketing automation strategy by utilizing channels such as Email, WhatsApp, SMS, and push notifications. Furthermore, we conduct workshops and give training to Brunel’s employees on CM.com’s products.

All our current projects and past implementations prove to me that Brunel and CM.com complement each other. We are continuously looking for ways to offer relevant solutions to Brunel with our products. We complement each other and are often working together, on-site, during which we share our visions and looking to the future. With everything that the past has already brought us, I am sure that we have many promising years ahead of us.

The Value of One platform for Brunel

“The great thing about the relationship with Brunel is the evolving partnership in multiple products of CM.com”

“*CM.com helps brands ensure that their customers never feel like numbers.*”

An interview with Rutger de Ruiter, Head of Product

From the first text message CM.com ever sent to our latest AI-powered platforms, everything we do is designed to help our clients connect more deeply with their customers. Our goal is to enable a cohesive and compelling customer experience by providing one unified ecosystem that adds value at every stage of the customer journey.

Now more than ever, organizations are realizing that they must earn their place in people’s lives. This means that a “cookie-cutter” approach to interactions is no longer sufficient. Hyper-personalization is the name of the game. But to help our clients achieve this, we must continue to build synergies between our products and solutions.

Human-Centric Systems

With the advent of more general-purpose AI, we're stepping out of a period of organization-centric systems and into an era of human-centric systems. As individuals, we take on many roles in life toward organizations: Citizen, patient, student, employee, customer, guest, fan – and so on. In each of those roles, we can all recall examples that made us feel like a number. That made us feel like we were not being served. The reason for that is simple. We, the masses, want products and services at a certain price – whether that comes in the form of taxes, tuition, or everyday bills and invoices.

At those prices, even the most willing organizations can't provide everyone with a VIP, white glove, hyper-personalized experience. Because with the revenue they collect, they can't hire an infinite number of policymakers, marketers, salespeople, contact center agents, and other adjacent roles to tailor your experience. So, they organize it all for the masses to control costs.

That shifts a lot of effort to you. You have to read their lengthy FAQs and complex policies, deal with their complicated payment process, sift through countless irrelevant sales and marketing outreaches, wait in the queue for their agents, and so on. A conscious choice to degrade your experience on all imaginable levels to maintain acceptable pricing levels.

General-purpose AI makes many things that used to require expensive human labor, knowledge work specifically, infinitely scalable. You can easily consume only those things that are relevant to you, in your native tongue and breadth of vocabulary, instantly, whenever you want. Everything can get tailored to who you are and what you're all about – on demand. If you count how many human hours are still being wasted every day because we need to push through that old organization-centric stuff in our personal and professional lives, I wouldn't be surprised if those numbers are worse than the hours wasted in commutes and traffic jams. So, freeing up all that time represents an enormous improvement in the quality of life for people. CM.com is at the forefront of pushing that transition into the world.

One Vendor, More Value

Where it gets worse, when looking at the average status quo, is that we're not talking about a single organization-centric system but many of them. Companies have dozens of vendors and tools in place to do their jobs. They have to manage all this complexity. This leads to huge overheads in the form of large procurement, accounts payable, IT, and Business Intelligence departments to keep it all running smoothly. Aside from the new AI innovations, in which we very much intend and expect to expand our leading role, we're also unburdening our customer base with the basic premise of our composable platform to unify their multi-vendor landscape. A single platform that is much easier to manage and speeds up time-to-value in digital transformation.

More importantly, having all these tools and capabilities in one integrated platform also leads to a better customer experience. The left hand begins to starts to know what the right hand is doing. When you know everything about your communications and transactions across all your customer-facing departments, this integrated approach closes experience gaps. Our unique blend of next-generation CPaaS, SaaS, Payments, and Ticketing has brought many organizations to new levels, and the best is yet to come. That's the Value of One.

Project GenAI

To make sure our clients benefit from general-purpose AI in our modular platform, we launched our GenAI Engine in Q3 of 2023. It's another one of those great synergistic elements in our platform that makes 1 + 1 equal 3. Leveraging closed and open-source language model technology, we're turning the promise of Generative AI into an applied reality in all our SaaS products, with more to come. It's super easy to use and to get up and running, as demonstrated by the double-digit onboarding of sizable clients within a few weeks after the launch.

So we've concluded our private beta and are generally available with this cutting-edge system that enhances our chatbots, contact center tooling, and marketing orchestration software. The results for our clients are extremely promising, and we're ahead of the competition in this space, with capabilities that we have yet to see anywhere else.

We continue to build multi-disciplinary teams in development, data science, and other skill sets to aggressively push our exciting roadmap in the AI domain. I'm convinced that the new wave of AI will be the biggest thing this world has ever seen and will continue to accelerate. Think about the impact of electricity, the internet, and smartphones combined, only bigger. CM.com is ready and able to serve its clients and the broader market throughout this transformative period.

Continuing the Conversation

People are increasingly demanding more frictionless and personalized experiences, and the technology to enable that is here today.

We therefore believe that organizations that adapt quickly enough will have a great place in the world of tomorrow. CM.com is there to lead them into this new era, empowering their business users to work together to deliver even more engaging and personalized one-to-one interactions at scale. This helps our clients to connect more deeply with the people they serve so they can make a more meaningful contribution to their lives.

Meet Rutger de Ruiter, Head of Product, CM.com

"CM.com's horizontally and vertically integrated technology portfolio means we are ideally positioned to take advantage of the trend to centralize more services under one roof."

Meet Sándor Incze, CISO, CM.com

“We are no longer just securing our own data, but also work closely together to secure data in all the systems connected to ours.”

"CM.com's cybersecurity builds on our state-of-the-art technology and collaborative culture."

An interview with Sándor Incze, Chief Information Security Officer

In 1965, the engineer Gordon Moore made his famously optimistic prediction, now known as Moore's Law, that the world's computing power would double every two years for the foreseeable future. But given the pace at which the tech industry has accelerated in the last year alone, you could be forgiven for thinking he may even have underestimated it. And while the opportunities presented by these rapid developments are enormous, they also bring a new kind of cyber risk.

Tools such as generative AI and quantum computing are making the means of conducting cyberattacks both much more accessible and more powerful. At CM.com, our business revolves around securely handling other people's data, which means our approach to cybersecurity must be top-notch. Developments over the past few years have convinced us that responding to the next generation of threats will require a proactive cybersecurity strategy and a "cyber-mindful" organization. It will also require targeted collaboration, within our own organization and with other stakeholders across the technology value chain.

The Value of Collaboration

CM.com's role as a "data guardian" has evolved. We're no longer just securing our own data but also work closely together to secure data in all the systems connected to ours. Working together more effectively, especially with external stakeholders, helps us to close knowledge gaps and develop even more innovative solutions. This makes it much easier to identify and address any potential issues before they become major problems, so we can continue to meet and exceed our clients' expectations.

Indeed, this more integrated and collaborative approach is quickly becoming a "license to operate" in our industry. For example, clients and auditors will often ask about the horizon-scanning activities we undertake to identify and mitigate the impact of future cyber threats. Cross-industry collaboration is critical in this regard, as it helps identify potential pitfalls and points the way toward a cybersecurity strategy that better meets the needs of all stakeholders.

Security Training for Tomorrow

Developing best-in-class cybersecurity means constantly learning. For example, to ensure we are prepared for the next generation of cyberattacks, we ask “white hat” or “ethical” hackers to test our IT systems for security vulnerabilities. We then use the results to inform our future strategy. In addition, some may find it surprising to learn that we regularly compare notes with the cybersecurity departments of our competitors.

Continuous learning at the individual level is also key. We ensure that each of our employees – from interns to the CEO – receives a level of training that is appropriate for their role, so they have the tools they need to deal with the types of risks they're likely to face. The content of this training is frequently updated to reflect the latest changes in the cybersecurity landscape. We think of this regular training as similar to having a driver’s license – without it, you could cause serious harm.

A Multilayered Defense

To continue the automotive metaphor, modern cars have a wide range of automatic safety features, such as airbags, anti-lock brakes, and lane assist technology, that help keep everyone on the road safe. In the same way, CM.com’s multilayered cybersecurity infrastructure is designed to mitigate the risk of cyberattacks as much as possible. Take the example of ransomware. Such attacks are typically delivered via email, so we've implemented multiple layers of protection to prevent them from infecting our networks. This includes several advanced filtering programs in employees’ inboxes to detect and quarantine fraudulent messages. At the moment, these measures are able to successfully identify, detect, and remove potential ransomware emails that we receive.

If an employee clicks on a malicious link, the next level of protection kicks in. Thanks to our automated patch management procedures, all of our users’ machines can respond to the threat without missing a beat. And if the malware breaches this layer of protection, we have a fail-safe in place: network segmentation. Unlike many organizations, CM.com does not use a centralized server but rather multiple siloed networks. This limits the potential impact of a cyberattack by confining it to a specific area. Such a proactive and multilayered strategy is greatly appreciated by clients.

Securing the Future

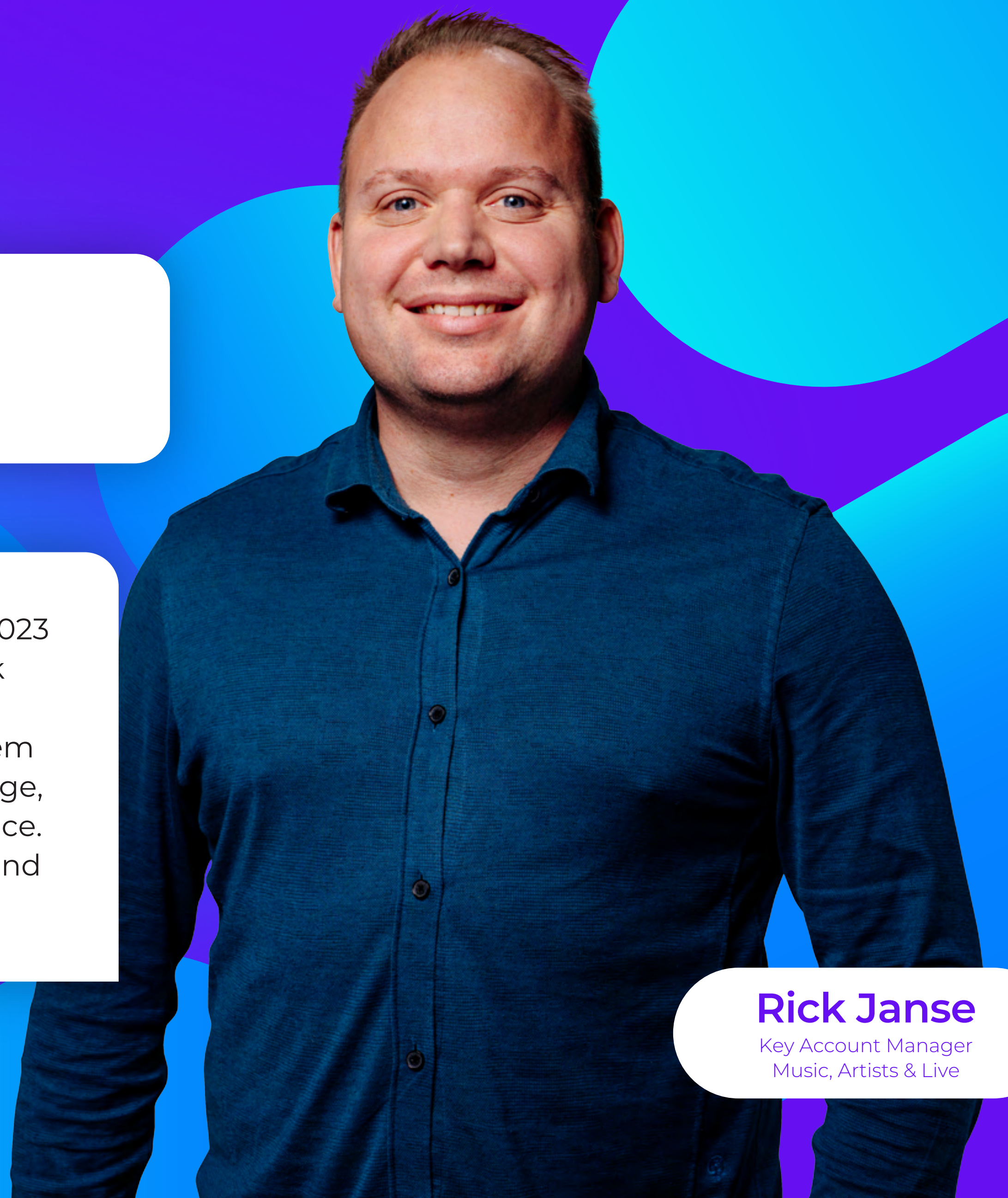
Anticipating the next generation of cyber threats will require an even more innovative approach. Generative AI tools effectively put the means to commit sophisticated cybercrime in the hands of anyone with a computer. But they can also be used to our advantage. AI dramatically speeds up software development, allowing us to rapidly build applications that can automatically detect and prevent malicious activity. This will help us respond to emerging threats with much more agility than before. So, while AI certainly adds a layer of complexity to cybersecurity planning, it also gives us a much more powerful set of tools.

Ultimately, what will get us through the next wave of cyber threats is the same thing that has always enabled us to confidently navigate change at CM.com: our state-of-the-art technology combined with our collaborative and entrepreneurial culture. This combination is our greatest asset as we work together to create a more secure future.

KWAKU SUMMERFESTIVAL

Hi Rick! Can you tell us, what is the Value of One Platform for Kwaku Summer Festival?

As we began talking with the customer about the 2023 edition, we noticed a desire in the customer to work with just one partner for all the transactions surrounding the festival. So talks began to show them that we could help them by delivering a total package, with payments and communication tools in one place. To optimize the experience and improve the back-end organization of the event.



Rick Janse
Key Account Manager
Music, Artists & Live

"Kwaku relies on CM.com's ticketing solutions to build closer connections with visitors."

An interview with Rick Janse, Key Account Manager, about the Kwaku Festival

The Kwaku Summer Festival had its first edition in 1975. It started as a summer get-together for Surinamese people in the Netherlands. There was a football tournament, and people were selling food and drinks from the trunks of their cars. Over the years, Kwaku has grown into a large multicultural festival, welcoming 150,000 visitors annually, divided over four weekends.

We started working with Kwaku in 2018, facilitating their online ticket sales through our Yourticketprovider platform. We worked onsite at the festival for the ticket scanning and selling hard copy tickets, which could be bought at the door. For all the cash registers on the event, they partnered with a different provider than CM.com.

As we began talking with the customer about the 2023 edition, we noticed a desire in the customer to work with just one partner for all the transactions surrounding the festival. So talks began to convince them that we could help them by delivering a total package, with payments and communication tools in one place. To optimize the experience and improve the back-end organization of the event.

CM.com offered to build a new integration between the point-of-sale (POS) and ticketing systems. So we can sell tickets via POS and print a barcode that our scanners can scan at the entrance. Of course, we would also still manage the online ticket sales. The biggest challenge would be handling the entire cashless infrastructure at the event.

After many talks, Kwaku decided that we were the right partner to deliver this total package. We worked closely with our partners Moneycomb (support and hardware) and GIDPRO (internet connection).

From that moment, we started the planning. We went live with the online ticket sales and started building the connection between the POS and ticketing solution.

We also started to prepare the POS system for all the merchants and products that we needed to enter into the system. This is primarily what makes Kwaku a unique and challenging event. There were around 150 merchants at the event, each with their own stand and their own menu or product lists. All of these different products had to be entered into the system. This resulted in a bizarre amount of 2,600 different products. For 10 days, we had over 300 devices active each day, so it was a huge challenge, which also presented some hurdles along the way.

But with all the teams working very closely together, all with the same mindset to make it work, we can look back at a successful project. After every weekend, we all came together to identify improvements, and we made sure that those improvements were also implemented before the following weekend. This resulted in each weekend running more smoothly than the weekend before.

Kwaku signed a three-year deal with CM.com. The first year CM.com organized this event, we fine-tuned everything and got to know the organization better. The next two years should be even better, with the third year also being the 50th anniversary of the festival. It's a really nice example of our " land and expand" growth strategy. What first started with only online ticket sales is now evolving into a customer that wants to use several of CM.com's. Having the different products under one roof available to our customers is a unique selling point for CM.com that sets us apart from our competitors.

The Value of One platform for Kwaku Festival

“We went live with the online ticket sales and started building the connection between the POS and ticketing solution.”

The Value of Our People and Culture

Male : female ratio (%)

72:28

2022: 70:30

Number of FTEs[1]

720

2022: 930

Average age of our employees[1]

35.5

2022: 34.3

Average employee tenure in years

4.2

2022: no key measurements criteria

Employee regrettable turnover[2]

3%

2022: no key measurements criteria

Number of learning courses delivered

513

2022: 514

Employee satisfaction score

69

2022: 76

Number of interns[3]

49

2022: 69

1 At year-end
2 Employees with a positive employment track record leaving voluntary, requiring replacement
3 Number of unique interns during the year

As a forward-thinking employer, CM.com seamlessly blends the dynamic spirit of a start-up with the robust foundation of a global enterprise. In 2023, as part of our commitment to valuing our people and fostering the value of one, also in terms of culture, we zeroed in on three key pillars:

- retaining our culture;
- talent development; and
- embracing diversity and inclusion

At CM.com, we pride ourselves on cultivating an open, collaborative culture. We actively foster the growth and potential of our team members, encouraging the formation of strong bonds and supportive networks. Everyone at CM.com shares a common mission: to help brands make life easier, safer, and more beautiful. It is the collective energy and drive of our people that fuel our innovation and growth, making it imperative that we support and care for each other. In 2023, we sharpened our focus on working smarter and adding value as a cohesive unit. Through diverse talent and training programs, we aim to retain the right colleagues while maintaining our culture through an unwavering commitment to diversity and inclusion.

CM.com's Culture

At CM.com, everything we do is guided by a positive entrepreneurial spirit, seamlessly organized within the framework of our global company. We look for people who want to innovate, develop, and stay at the forefront of their field. Our employees are not only encouraged to be free thinkers with a growth mindset, but are also valued as team players. Our non-hierarchical organization empowers everyone to contribute according to their strengths and interests. And, of course, we make it a point to have fun together – an essential element in maintaining the vitality of our culture!

At the hear of our culture are our shared values:

- Drive & Lead: We are action-oriented, seizing opportunities, acting decisively, and sharing information transparently.

Our Global Onboarding (GO) program spans a week, immersing new colleagues in our unique culture, shared values, and ways of working.

- Grow & Learn: Creative solutions, informed perspectives, effective implementation, continuous reflection, and learning from mistakes define our approach.
- Together & Care: Humility, approachability, and empathy guide our interactions, fostering inclusiveness and integrity.
- Speed & Change: We embrace change, navigate uncertainty with an open mind, and continually develop new skills.

Onboarding Excellence

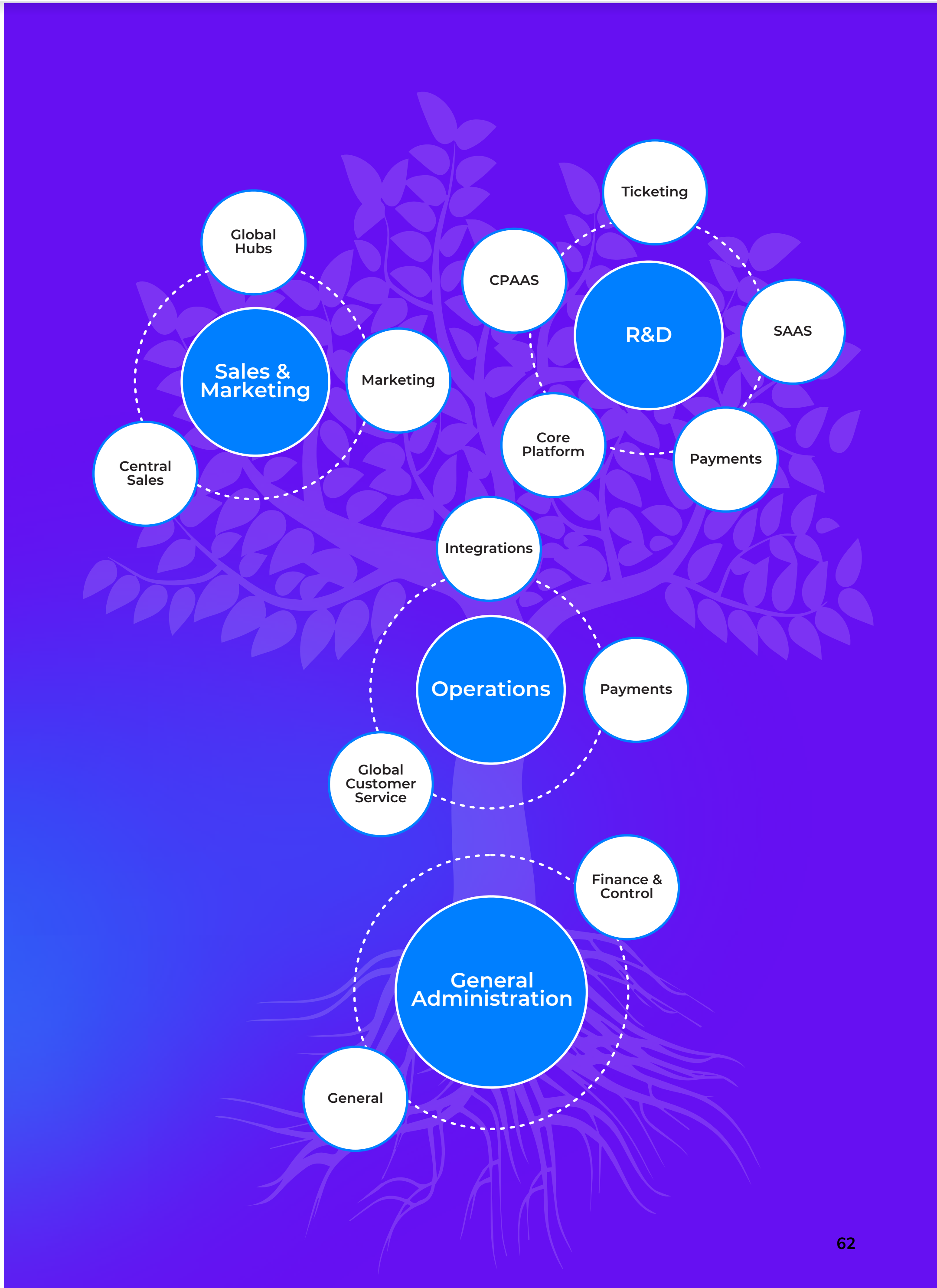
In 2023, we adapted our renowned global onboarding program to the reduced influx of new colleagues. This program remains a cornerstone, providing new team members with a comprehensive insight into CM.com's culture and capabilities. Even with a smaller group, all new international colleagues meet at our headquarters and gain a profound understanding through engaging activities such as founder stories, product demos, and "speed-dates" with all departments.

Attracting and Nurturing Young Talent

In our dynamic tech environment, attracting and retaining young talent is imperative. Our commitment to fostering employee growth has led us to adopt an agile approach to talent development. To entice young talent to join CM.com, we introduced a special salary multiplier for entry-level positions in our annual performance cycle. This unique incentive underscores our dedication to nurturing the skills and energy that fresh graduates bring to our organization, enabling them to thrive and advance rapidly.

The CM.com TeamTree

Visualizing our organization as a tree captures the essence of our organic, non-hierarchical growth. Each section, from the roots to the leaves, works in harmony, symbolizing the importance of each team. Our organizational structure empowers small, self-managed teams to innovate, grow, and nurture talent, all while supporting colleagues across the entire organization. This unity is what defines CM.com and propels us toward continued success.



"Great Place to Work" Results

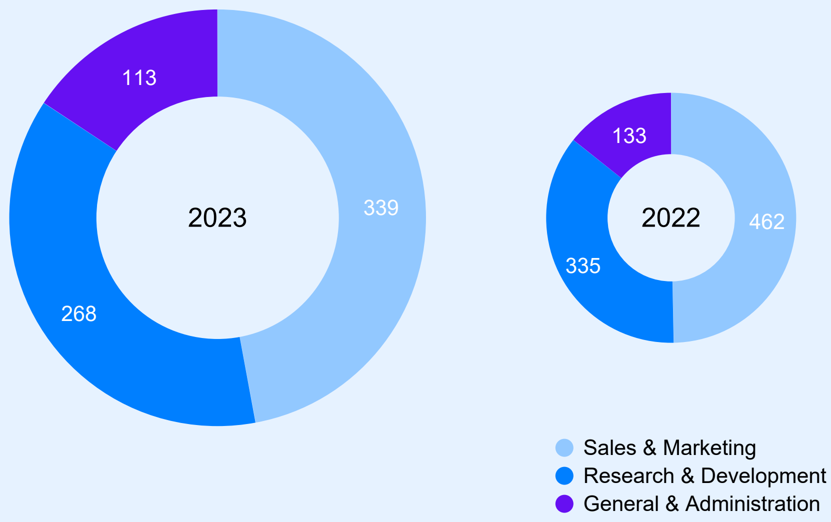
In 2023, we actively participated in the globally recognized "Great Place to Work" employee engagement survey, a pivotal tool for gauging employee satisfaction and evaluating the recognition of our culture. As the year was marked by a strong focus on our path to profitability, the results, while slightly less positive than in previous years (a score of 69 in 2023 versus 76 in 2022), provided valuable insights. These outcomes will guide us as we build on our strengths and address areas for improvement, aligning our workplace with the evolving expectations of our employees.

Our top-scoring areas within the survey were:
- people are treated fairly, regardless of their gender, age, ethnic background, or sexual orientation;
- when joining the company, people are quickly made to feel welcome;
- people are treated as full members, regardless of their position in the company;
- people care about each other; and
- people can be themselves.

The survey also highlighted the following areas for improvement, which we have addressed and will continue to track progress on each year by repeating the survey:
- invest further in personal development by launching the new CM Academy, the Internal Job Portal, and "Career Dialogues" for an ongoing dialogue about personal growth and career progression;
- organize regular updates and get-togethers, such as Q-meetings, Global Convention Weeks, and virtual get-togethers;
- intensify internal communication by releasing the monthly news update "Club Magazine";
- optimize personal and team effectiveness and team dynamics by providing in-house Insights Discovery workshops; and
- ensure people have the resources they need to come to the office and do their job.

Number of FTEs

To strengthen our organization for the future, we prioritized the efficiency of our existing workforce in 2023. This strategic move resulted in a decrease from 930 FTEs at the end of 2022 to 720 FTEs at the end of 2023. Retaining critical talent and expertise was paramount in this process, ensuring that our organization remains agile, adaptable, and poised for sustained success in the ever-evolving business landscape.



Leavers and Retention

Cultivating an environment where employees can use their strengths to their full potential is central to our ethos. In 2023, after years of rapid growth, CM.com focused heavily on its bottom line performance and organizational structure, which resulted in a change in our workforce. CM.com strategically managed necessary backfills of people who left as part of our natural attrition. Our total workforce declined by almost 23% year-over-year, as CM.com transformed its organization to improve efficiency and control costs. The aim of this transformation was to create a better match between CM.com's capabilities and the people it needs to achieve its goals, now and in the future. During this transformation, we also managed to keep the regrettable employee turnover at 3%, which is a very low percentage in a transformation year. The transformation was completed at the start of 2024.

Strategic Pillars of our HR Approach

Our HR strategy is a solid foundation that supports CM.com's business strategy. The pillars that guide our people efforts aim to create a workplace that is inclusive, diverse, empowering and team-centred. We encourage individuals to unleash their full potential, promoting an environment where talents and skills can flourish. In addition, our strategy focuses on optimizing our workforce internally by actively promoting internal vacancies across the company. Continuous development of skills and knowledge remains paramount to ensure that our organization remains at the forefront of various disciplines to remain competitive in an ever-evolving landscape.

Nurturing talent and fostering growth

At CM.com, fostering the growth of our existing talent is a cornerstone of our mission. We have implemented various initiatives to champion our "Grow & Learn" shared value through the following:

The CMBA

Our internally developed Talent Program CMBA, which focuses on personal development, business finance and strategy, is designed for our rising stars and future leaders. This program develops future leaders and fosters innovative thinking. Our Talent Program CMBA is an example of the power of inclusion. A diverse group from around the world participates, demonstrating the benefits of different perspectives. The CMBA embraces our commitment to valuing differences in gender, nationality, age, and religion. In 2023, we launched nine CMBA courses, with 79 employees participating in this highly regarded program.

Our Talent Program Sales

Our entry-level sales professionals benefit from the Talent Program, receiving robust sales training and mentoring with the goal of becoming proficient in selling SaaS products.

Our Talent Program Support

Our Talent Program offers employees in various support roles the opportunity to develop and hone their talents to excellence. We are committed to mastering our products and services, and empowering our team to elevate their skills. This is done through training and mentoring with the goal of finding your dream position within the CM.com's support organization.

Our CM Academy

As a tech company, in 2023 we developed our own new and improved training platform, available to all our colleagues worldwide. It is a platform for sharing knowledge between colleagues through programs, online courses, and live sessions.

CM.com is committed to providing our employees with an environment of continuous learning, where employees are offered a variety of courses throughout the year to enhance their skills. In 2023, we offered many different courses, covering various topics, including popular vocational courses such as cookery and photography. The availability of courses through our own CM Academy will increase further in 2024, enabling our employees to take courses of their own choice at their preferred time and place.

Investing in Internships and Young Talent

Our commitment to nurturing young talent extends to offering internship, training, and employment opportunities. In 2023, a significant group of our employees were interns from local universities, with 42% of interns transitioning to full-time employment upon completion in the first half of the year and 6% in the second half of the year. The percentage in the second half of the year is lower due to limited vacancies.

Fostering Team Collaboration

Our shared value of "Together & Care" extends beyond the way we work; it encompasses the success we achieve through teamwork, both as colleagues and friends. In 2023, we initiated several programs to unite CM.com colleagues from different regions, cementing our culture across the organization. Face-to-face events resumed after the pandemic, providing valuable opportunities for personal connections and collaborative initiatives.

Global Onboarding Exellence

Our Global Onboarding (GO) program lasts a week and immerses new colleagues in our unique culture, shared values, and ways of working. Practicalities such as laptop distribution are seamlessly integrated into this week, ensuring a smooth transition. The program kicks off with an introduction to CM.com culture, a campus tour, and essential onboarding sessions. The second half is dedicated to department-specific training, enabling new colleagues to hit the ground running. The CM.com Academy continues to play a pivotal role in ongoing on-the-job onboarding.

Global Convention Weeks

We hosted two Global Convention Weeks to facilitate knowledge sharing and networking between colleagues from offices outside the Netherlands.

Dev Days

Dev Days brought our R&D colleagues together for days of inspiration, learning, and team-building activities. All R&D colleagues were invited for three days of inspiration, learning, getting to know each other and participating in some active fun together. This is one of the key events for our R&D organization and it proved to be both valuable and fun. We invited a host of speakers from different backgrounds to inspire and teach.

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.

We work as one

At CM.com, it is vital for our employees to be able to grow and develop their talents. We offer several initiatives to support this aim, amongst others our talent and management development program “CMBA”. This enables our Rising Stars and Future Leaders at CM.com to build their professional and business expertise through access to higher education.

Our newly in-house developed CMBA 2023-2024 program kicked off at the end of 2023. The CM.com Business Adventure – is a new, unique experience that combines personal development, cross-functional connections, and a deeper understanding of the business landscape.

How Does the CMBA Add Value to Your Career?

The CMBA connects me with diverse departments and countries. Fostering collaboration and providing unique opportunities to learn about various cultures and professional approaches.

Emily Brown
Sr. Marketing Manager, UK

A valuable experience for my personal and professional growth within CM.com, contributing to a solid foundation in my career.

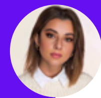
Rudi Deim
Sr. Business Development Manager, SA

Being part of CMBA 2023-2024 is like entering a learning adventure. It's not 'just classes', it's a journey.

Gemma Garcia Garcia
Product Marketer, NL

It's a step towards sculpting success, where knowledge meets ambition, and each lecture paves the way to a professional masterpiece.

Inaum Rehman
Sr. Business Development Manager, ME

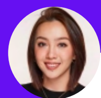


For me, joining the CMBA isn't about achieving a certain aim. I see it as a forward motion, a means of evolving, a way to continuously improve. This journey doesn't end.

Acile Ibrahim
Customer Success Representative, ME

Engaging in the CMBA is a valuable opportunity for self-improvement, adapting to diverse cultures, and building relationships with national and global colleagues.

Jasmijn Platenburg
Fraud Manager, NL



The CMBA teaches how to push myself out of my comfort zone and start searching for different ways to get things done or better answers.

Joana Ju
Business Development Manager, APAC

A truly invaluable opportunity to meet, collaborate, grow and learn with my colleagues from their unique experiences and perspectives.

James Gwillim
Sr. Carrier Sourcing Manager, UK

Social Connections and Wellbeing

Encouraging social connections is vital, and we prioritize this through various activities. Ski trips, live Q-meetings, a festive Christmas party, and Friday afternoon drinks provide a relaxed social atmosphere for our employees. Employees also organize game nights, cooking events, and pub quizzes, underscoring the importance we place on a vibrant, inclusive culture.

Caring for our Employees

As well as professional development, we prioritize personal well-being. Our "Open Up" initiative, which provides 24/7 access to psychological support, continued in 2023. Mental healthcare, including Employee Assistance Programs (EAP), is promoted to ensure our employees can thrive both personally and professionally, ultimately contributing to the success of CM.com.

CMbassadors

Our employees take immense pride in CM.com, and this pride is reflected in our exclusive Wear collection. This sustainable line of high-quality products serves as a testament to our employees' dedication and allows them to show their pride outwardly. The Wear collection is available through our in-house Wear shop.

Employee Ownership at CM.com

In 2023, we extended the Employee Share Purchase Plan (ESPP) to 10 countries worldwide. This plan, which offers employees a 10% discount on CM.com shares, instills a sense of ownership and belonging. It serves as a bridge, connecting our employees to the company's goals and fostering a shared commitment to achieving optimal results.

Promoting an Entrepreneurial Mindset

At CM.com, cultivating a growth mindset is paramount. We encourage free thinking and creativity, embodying the entrepreneurial spirit instilled in our organization by our founders. This mindset drives innovation and the pursuit of optimal solutions. New colleagues joining us from recently acquired companies are urged to embrace this entrepreneurial ethos.

Diversity and Inclusion

Our commitment to equality is unwavering. At CM.com, every employee is treated fairly, and with equal opportunities, regardless of age, race, gender, religion, or sexual orientation. We actively promote an inclusive culture and recognize the positive impact diversity brings. Our updated Diversity & Inclusion Policy, available on our website, outlines our clear goals for the future. To achieve these goals, we emphasize the importance of female leadership through ongoing workshops and dialogue with the Management Board. Gender diversity has been a key consideration in the transition to a changing workforce and our new business unit structure.

Our Employee Handbook reinforces our commitment to inclusiveness by implementing measures across the organization, from competency-based recruitment to strict anti-bullying, anti-harassment, and equal pay policies.

Tackling Unconscious Bias

To address unconscious bias, we run a global initiative called "We Are CM.com" which is hosted by CM.com colleagues who are specifically trained on this matter. This program raises awareness about the importance of diversity and inclusion in daily workplace interactions and is mandatory to attend for all employees.

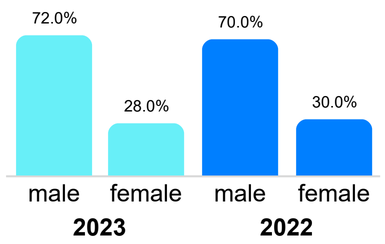
HR Governance

Our robust governance includes policies covering health and safety, anti-bribery, whistleblowing, and grievance policies. The Speak-up policy empowers employees to voice concerns about workplace issues.

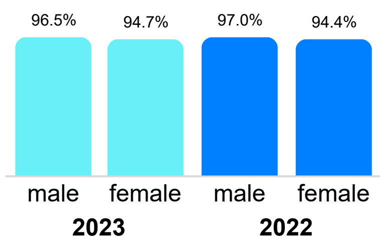
Diversity Metrics and Gender Pay Equality

At year-end 2023, 28% of our employees were female and 72% male. The improved gender pay percentages at year-end 2023 demonstrate our dedication to achieve equal pay for all employees, disclosed in the chart below. The percentages disclosed in the chart present the salary in relation to the norm salary based on the respective job level of the female and male employees.

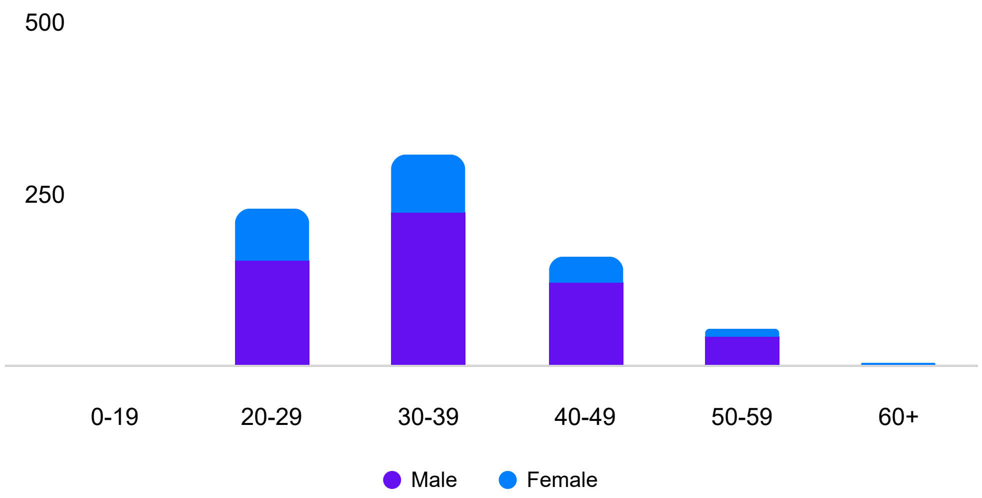
Gender split (%)



Gender pay (%)



Age split

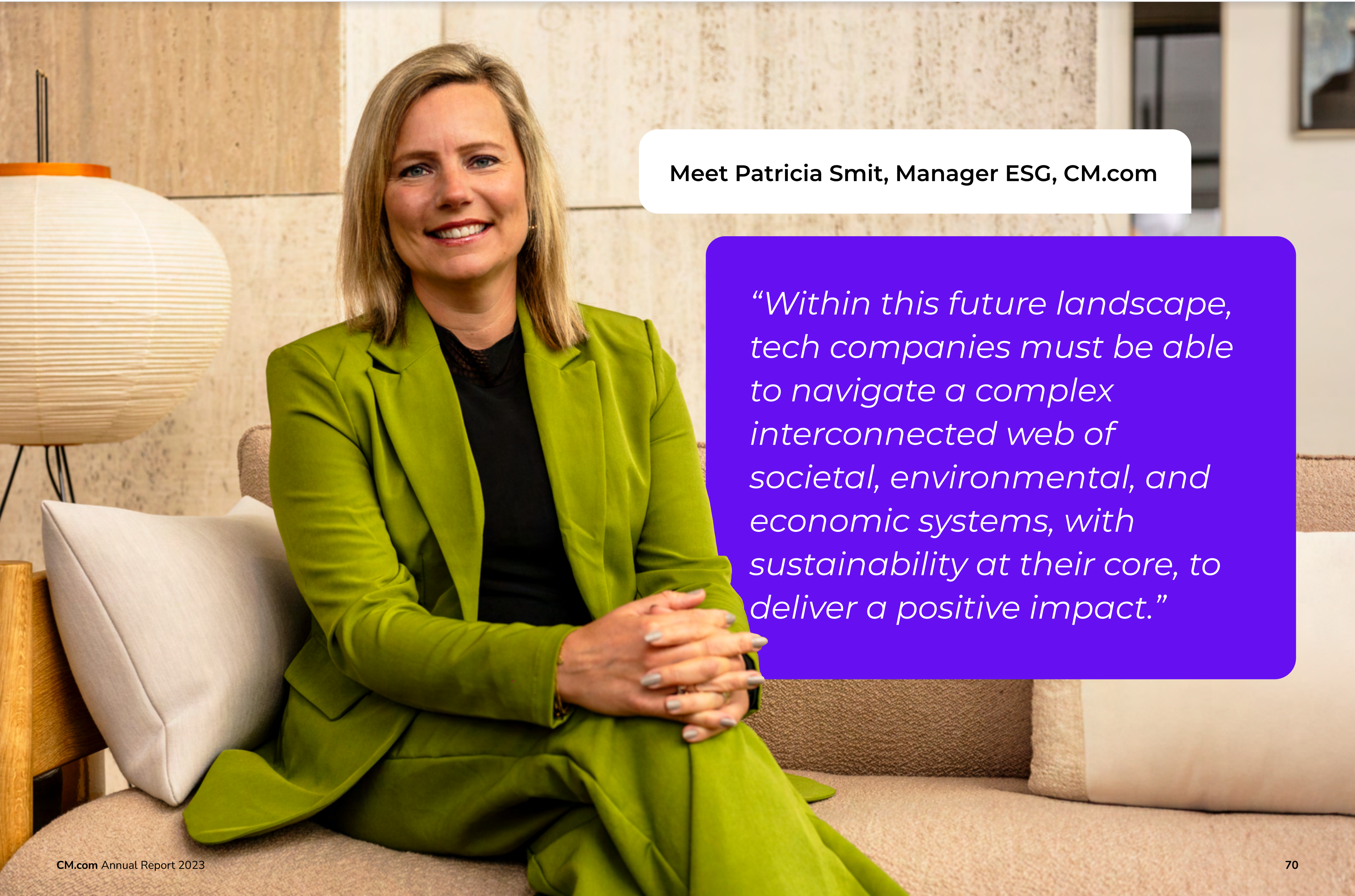


Cultural Embedding and Employee Resilience

Throughout the global challenges this year, including serious conflicts in various parts of the world, and economic uncertainties, our global teams demonstrated resilience and agility. Our collective "can-do" mentality and entrepreneurial spirit enabled innovative approaches to connect and collaborate across the company.

Youthful Workforce and Employee Tenure

Our commitment to recruiting directly from universities is reflected in the relatively low average age at CM.com. Despite the tendency of younger employees to change jobs more frequently, our workforce demonstrates a remarkable commitment. The average tenure of 4.2 years serves as a testament to the value our employees place on staying with the company, and we expect this figure to increase in the future.



Meet Patricia Smit, Manager ESG, CM.com

“Within this future landscape, tech companies must be able to navigate a complex interconnected web of societal, environmental, and economic systems, with sustainability at their core, to deliver a positive impact.”

“*We believe in the power of technology to inspire positive change.*”

An interview with Patricia Smit, Manager ESG

The former DSM CEO Feike Sijbesma once said, “The company of the future must do well by doing good.” Look around the world today, and it’s clear that this perspective rings true. With the world facing unprecedented challenges – climate change, deep societal inequalities, and a variety of digital security threats, to name just a few – businesses of all sizes have a responsibility to step up and embrace responsibilities beyond their balance sheets to be successful.

Indeed, I firmly believe that, within the next few decades, "sustainability" will not only be part of how companies assess their performance but also a foundation for their existence and operations. Within this future landscape, tech companies must be able to navigate a complex interconnected web of societal, environmental, and economic systems, with sustainability at their core, to deliver a positive impact. More than ever, acknowledging the Value of One – of our one global society, planet, and future – will provide a license to operate.

A Strong ESG Foundation

I’m proud that, at CM.com, sustainability is already vital to who we are and what we do. As an innovative player in digital communications, our technologies, products, and services help people to be better informed, more mindful, connected, and in control of their lives. Environmental, Social, and Governance (ESG) principles are deeply integrated into our overall business strategy, and we are committed to embedding into our activities the four UN Sustainable Development Goals of decent work and economic growth (SDG8), industry innovation and infrastructure (SDG9), responsible consumption production (SDG12), and climate action (SDG13).

For us, sustainability starts at home, with our own operations and employees. Across our organization, we're working on implementing an extensive number of initiatives to minimize our own carbon emissions, improve our energy consumption, and reduce our waste, as well as implement ESG-focused frameworks to guide our operational decision-making. At the same time, we make significant efforts to support our employees' mental and physical wellbeing through our extensive benefits plan, such as by providing them with free and healthy breakfast and lunch, encouraging sports activities and exercise, and offering free access to online mental coaching.

Externally, we work with a wide range of partners – clients, suppliers, local communities, and even competitors – to create a positive impact. Sharing knowledge is a particularly important way to give back to society, and we have strong partnerships with Eindhoven University of Technology, AVANS University of Applied Sciences, and TIAS School for Business and Society. Among other areas, we work hand in hand with external parties across the value chain to ensure robust cybersecurity systems and close society’s digital divide. Through these various initiatives, we're embracing the Value of One by connecting with younger generations and helping them develop technologies for the world of tomorrow.

From Transparency to Transformation

In 2023, we continued to make significant progress on our ESG roadmap, which was established in 2022. The roadmap has been a valuable tool for our sustainability ambitions and efforts: it allows us to set precise goals, assign accountability, and benchmark our progress. In particular, our roadmap's key performance indicators (KPI) are clear, measurable, and properly aligned with our business objectives. At the same time, our KPI dashboard helps us to track progress and demonstrate our commitment to both internal and external stakeholders. Full disclosures are published on our website.

As part of this roadmap and our broader sustainability efforts, we have taken important steps to prepare for the EU's Corporate Sustainability Reporting Directive (CSRD). This reporting framework will apply to CM.com from the 2024 financial year and will help chart our journey from transparency to transformation. Sponsored by our Chief Financial Officer, our multidisciplinary CSRD project team includes colleagues from Legal, Reporting, Risk and Compliance, and Finance, ensuring that we have all the appropriate buy-in, knowledge, and expertise to continue to transform in the right way.

The CSRD requires "double materiality." This means we will disclose not only the risks and opportunities we face from a changing climate but also the impacts we may have on the climate and to society. At the time of writing, we have defined our ESG material topics and are in the final project sprint to define ambition levels, targets, metrics, KPIs, strategies, and policies for the short, medium and long term for each material topic. We expect to complete this final project sprint by the end of Q2 2024 taking into consideration the availability of the datapoints as per January 2024. This work will help us further integrate an "outside-in" perspective on our business in a changing world.

Strategic Planning Built on the Value of One

In line with our CSRD work, our leaders have also focused on developing a more robust vision of the role CM.com can play in a sustainable society, as well as the steps needed to realize this vision. Above all, we believe that technology can be used across our business to drive positive change, and we're fully committed to reducing our footprint and contributing to social inclusion. Together with all our employees and customers, we will embrace the Value of One and deliver sustainable innovation that works for people and the planet. This purpose gives me great confidence that our company will continue to achieve great success in the years to come – success built on doing well by doing good, as Feike Sijbesma would say.

CSRD Readiness

As of 2024, CM.com will report in line with the Corporate Sustainability Reporting Directive (CSRD).

The CSRD is a European Union regulation that aims to improve sustainability reporting requirements for companies. It extends the scope of the Non-Financial Reporting Directive (NFRD) and requires companies to disclose information on ESG matters. This is crucial for technology companies such as CM.com as it ensures transparency in our operations and highlights our commitment to sustainability and ethical practices. The CSRD helps our stakeholders, including investors, customers, and employees, to make informed decisions based on our future sustainability performance. The CSRD is seen not just as a compliance requirement, but as an opportunity to align our intrinsic motivation with regulatory compliance. It is seen as an opportunity to integrate our core values with the fulfillment of legal obligations.

In 2023, our journey towards producing our first sustainability report for the year 2024 under the CSRD has been characterized by a comprehensive and detailed approach. Central to this undertaking is the double materiality assessment – a detailed process that forms the backbone of our reporting framework. This assessment represents our commitment to transparency and responsible corporate behavior. During 2024 we will engage in a reassessment of our DMA to see whether the outcomes still hold.

To ensure the thoroughness of this assessment, we have invested considerable resources and effort. Our team has conducted an exhaustive review of our value chain, identifying and evaluating every aspect from an ESG perspective. This deep dive into our operations helps us identify where we can have the greatest impact, ensuring that our sustainability efforts are both meaningful and effective.

We have also engaged in extensive dialogue with our internal and external stakeholders. By actively involving stakeholders, we ensure that our report is not only comprehensive but also reflects the concerns and aspirations of those we serve and work with.

In addition, our detailed peer analysis has been used to benchmark our practices against industry standards. This analysis is not just about understanding where we stand; it's about identifying best practices, learning from others, and recognizing areas for improvement. We have identified relevant risks, impacts, and opportunities related to environmental, social, and governance issues in line with the CSRD requirements.

The results of this extensive assessment, as detailed in the attached overview, are far more than just data points. They form the basis of our commitment to further strengthen our future sustainability strategies. These outcomes will guide our next steps and shape our policies and actions to ensure that we continue to have a positive impact on society and the environment.

Reporting on the EU Taxonomy

As of 1 January 2022, CM.com is required to report on environmentally sustainable economic activities in line with EU Taxonomy regulation. As requested by delegated Act Art. 10 of the EU Taxonomy, this disclosure can be found in the Other Information section, subsection "EU Taxonomy report."

ENVIRONMENTAL

- E1 Energy consumption
- E2 Greenhouse Gas Emissions
- E3 Climate change adaption
- E4 (Physical) Waste

SOCIAL

- S1 Diversity
- S2 Employee engagement
- S3 Training and skills
- S4 Creativity

GOVERNANCE

- G1 Shared company values
- G2 Compliance to legislation
- G3 Corruption and bribery
- G4 Protection of whistle blowers

OTHERS

- O1 Privacy
- O2 Reliability

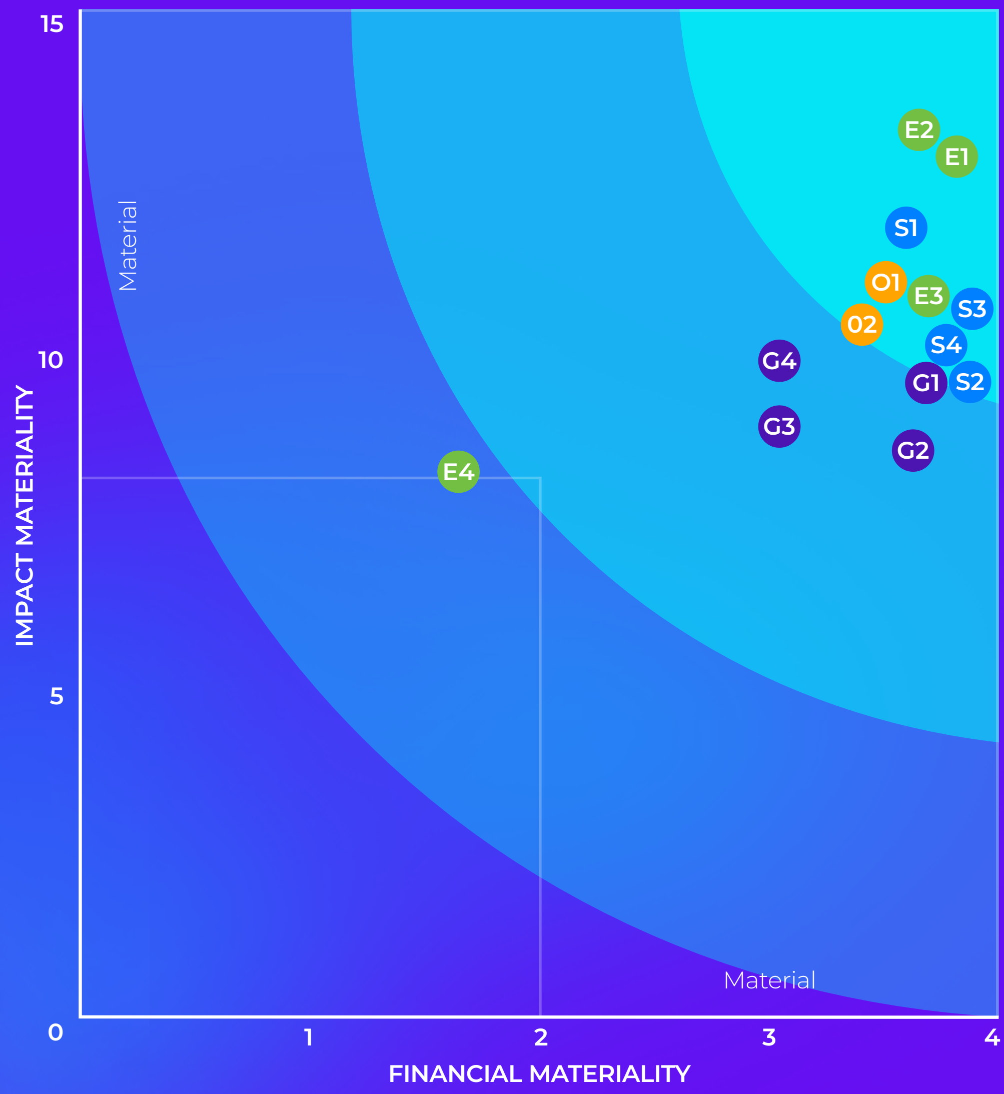
ESG TOPICS 2023

Environmental:
- Environmental legislation
- Control Carbon Emissions
- Waste reduction

Social:
- Diverse & Inclusive workplace
- Talent management & retention
- Innovation lab

Governance:
- Integral reporting
- Procurement strategy

Others:
- Data protection and security



ENVIRONMENTAL

E1	The energy consumption related to (1) the own operational (IT) environment and (2) the IT environment for serving clients.
E2	Greenhouse Gas Emissions related to (1) the own operational (IT) environment and (2) the IT environment for serving clients.
E3	Adjust societies and ecosystems to reduce vulnerability to the impacts of climate change.
E4	Reduce both physical and e-waste.

SOCIAL

S1	Establish a supportive working atmosphere and equality for all employees. Regardless of gender (equality), age, race, and sexual orientation.
S2	Establish a supportive work environment where employees feel fully engaged and supported to excel personally and professionally.
S3	Develop employees continuously in order to reach and maintain the professional levels to optimal perform.
S4	Facilitate creativity factors (autonomy, organizational purpose, and leadership) that spark innovation for future products.

GOVERNANCE

G1	Ensure that shared values are integrated throughout the entire company, reflecting in the ethical conduct of its employees in business practices.
G2	Ensure compliance with all relevant legislation to maintain our license to operate.
G3	Prevent, detect, investigate, and respond to allegations or incidents related to corruption and bribery.
G4	Implement a decent whistle blower policy, along with accurate follow-up measures in response to any notifications.

OTHERS

O1	Ensure optimal security to protect the data of end users, clients, customers, and employees across our solutions to prevent theft and ensure lawful use.
O2	Ensure up-time of all solutions, to serve our customers any place, any time.

Bringing an Entrepreneurial Spirit to Sustainability

CM.com aims to become future-proof in the coming years. Future-proof by being a front-runner in applying and setting the standards for ESG goals and reporting. Future-proof by integrating ESG principles into our strategy, not only in our products and services but also in our operations, our role in society, and our responsibility to the environment. We believe that when we imagine the society of the future, particularly in the next few decades, it is likely that sustainability will not only be part of how companies are assessed, but a fundamental element of their existence and operations.

As a result, in 2023, we continued to focus on integrating ESG principles into our overall strategy. This applies to our products and services, our operations, our role in society, and our responsibility to the environment. This is a step forward in the emerging, complex, interconnected web of societal, environmental, and economic systems with sustainability at its core.

To further strengthen these commitments, we have updated our ESG roadmap to include specific milestones and targets, aligned with the latest global sustainability standards. We are also actively aligning our strategies with the new CSRD, ensuring greater transparency and accountability in our sustainability reporting.

ESG Roadmap

The ESG roadmap sets out CM.com's path toward future-proofing the business from an ESG perspective in the coming years. It allows us to accurately target the steps required to achieve our goals, assign accountability, and benchmark our progress. As described in previous reports, in 2021, we defined three ESG themes through discussions with the Management Board and department heads.

Each of these topics was updated with KPIs for 2023, aligned with SDGs 8, 9, 12, and 13 as a meaningful way to help CM.com achieve its sustainability goals (see infographic with measurement of our progress).

Progress against the KPIs is monitored through our ESG KPI dashboard, which 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.

ESG Roadmap

Q1-3 2021

REACTIVE
Focus on sustainability topics by complying with applicable laws, (self) regulations, and certifications.

Q4 2021

INVOLVED
We focus on the SDG's 8, 9, 12, and 13 based on a materiality and stakeholder analysis. Sustainability is added as a strategic pillar to our accelarated growth strategy.

2022

2022: COMMITTED
A long-term and global sustainability strategy is developed with targets and KPIs based on auditable real-time information.

2023

INTEGRATED ★
Sustainability is integrated into our long-term purpose value creation and decision-making. More focus on integrated reporting.
This assessment is a result of the internal analysis of CM.com.

FUTURE

FUTURE
Our strategy is increasingly aligned with a circular economy and we are becoming a front-runner in our industry pushing for ESG standards.

ESG GOALS 2023

- ✓ Objective has been met, supported by current and verifiable evidence.
- → The objective has not been fully met, but there has been notable progress.

ENVIRONMENTAL

Waste Reduction

- ✓ Implementation of two new waste recycling initiatives to reduce our waste
- ✓ Launch roadmap for decreasing the amount of physical waste per person in kg by 15% in 2025 for Breda HQ (vs 2021)
- ✓ Data meters for waste, water, electricity, solar panels, and pool cars in Breda HQ

Control Carbon Emissions

- ✓ Measuring Carbon Footprint (see our Company website)

Environmental Legislation

- ✓ EcoVadis Silver Medal
- ✓ ISO 14001: Extension Ticketing and SaaS
- ✓ Extension UN One Global Compact
- ✓ EED audit periodically executed

SOCIAL

Talent Management & Retention

- ✓ Launch of Internal Job Portal
- ✓ Pilot Leadership Program
- ✓ Career Development Program
- ✓ Introduction of Career Dialogues
- ✓ GPTW: Ambassador Groups

Diverse & Inclusive Workplace

- ✓ Female Leadership Program
- ✓ CMBA: 50% female participants
- ✓ Female interviewer in job application process
- ✓ “Wet Ingroeiquotum en Streefcijfers”
- ✓ 5 extra (local) projects To Do Good
- ✓ Implementation SROI policy
- ✓ Pilot CM.com Values
- ✓ Zero tolerance fraud/bribery/corruption

Reporting

- → Improvement scores ESG Investor Surveys GAIA + S&P Global: 50/100
- ✓ EU Taxonomy Roadmap (TSC/DNH, minimum socials safeguards) to increase Eligibility + Alignment scores
- ✓ CSRD Roadmap
- ✓ Partnership NL Tech
- ✓ Short- and Long-term ESG objective in remuneration targets for Board and ExCo (long-term value creation)

GOVERNANCE

Privacy and Data Security

- ✓ One security / PEN test per CM.com product per year
- ✓ Four annual in depth security awareness training activities
- ✓ Monthly vulnerability scan of external-facing systems
- ✓ Annually onboard one extra product to Bug Bounty program
- ✓ Ensure that all data process activities are assessed regularly, at least once a year
- ✓ Ensure that identified privacy risks are mitigated regularly
- ✓ Update and implement an approved acces control policy

Innovation Lab

- ✓ Implementation of five global sustainable value propositions in Healthcare/Education/Charity
- ✓ Redefine strategy CM.com aroung human-centered technology for short-, middle-, and long-term horizon

Procurement Strategy

- ✓ Supplier Code of Conduct is integrated in Purchasing terms and conditions
- ✓ Mandatory Deal Guidelines include ESG
- ✓ Defining Sustainability Guidelines Landlords globally

Meet Merwin de Jongh, Head of Client, CM.com

"CM.com is well underway to process my vision of delivering hyper-personalized customer journeys at scale."

"*Our organization is designed to make our clients successful.*"

An interview with Merwin de Jongh, Head of Client CM.com

Over the years, CM.com has built up a comprehensive portfolio of products and services that cater to a wide range of different use cases. However, creating a compelling customer journey is a highly complex process. And consumer expectations in this critical area continue to rise. Today's shoppers increasingly expect a frictionless buying journey as standard, along with more personalized service. They also want to enjoy the benefits of smart and secure Artificial Intelligence (AI) and be presented with more cost-effective products. These consumers are more than willing to put their money where their mouth is: many will even change long-standing buying habits if a superior alternative is readily available.

To help our clients succeed in this increasingly competitive landscape, we have embarked on an organizational transformation to better align our service offering with their specific needs. Effective 1 January 2024, CM.com will be divided into four distinct business units (BUs). Each BU will include a subset of our portfolio, that serves a defined market segment. This transformation is designed to provide a better product-market fit, ensuring that our solutions respond more directly to the challenges facing our clients.

A Client-First Strategy

By adopting this market-centric (rather than product-centric) approach, it will be easier to create more integrated solutions that incorporate different elements of our technology portfolio. This will result in a more seamless and consistent end-user experience, which is critical to driving engagement and retention – and helping our clients stand out in their markets. To facilitate this strategy, we are training all of our sales executives and client-facing colleagues on both our comprehensive product offering and on market (segment) dynamics. This will enable them to propose solutions that are more closely aligned with clients' needs, resulting in relationships with much higher value.

One market trend makes this strategy particularly relevant. Many clients are increasingly looking to consolidate their technology spending with a single technology provider rather than cherry-picking from multiple vendors. By structuring our organization around market challenges and training colleagues to sell holistic solutions rather than individual products, we can ensure that clients can solve more of their problems within the CM.com ecosystem. This demonstrates the Value of One in action: a more unified offering that brings us closer to clients.

An Integrated Offering

But to ensure that all of our products work together effectively, we need to maintain a consistent level of product quality and integration across our portfolio. This is where CM.com's expertise in technology integration comes into play. For all the technologies that CM.com has built or acquired in the past, the integration of all technological advancements into the CM.com platform has been a key item on all (product) roadmaps.

Growing Together With Clients

The benefits of a simplified service offering are also reflected in our approach to building client relationships. Not all clients will be ready to implement a holistic customer engagement platform with many different elements in the first instance. For these clients, we recommend starting with just one or two solutions. This provides an accessible "entry point" into the CM.com ecosystem so that the client can learn more about our suite and the benefits of our portfolio. At the same time, the onboarding and adoption process allows us to get to know the client and their pain points better so that we can offer more relevant and tailored solutions.

Our goal is to provide our clients with the technology they need to achieve their strategic ambitions. Typically, clients choose to start with our generative AI chatbot, after which they may choose other (GenAI) customer service solutions to improve the efficiency and cost-effectiveness of customer service. At a later stage, this is then extended to the use of our (personalized) marketing suite. As mentioned earlier, clients are increasingly looking for one vendor that can "do it all," and this phased approach allows them to scale up at a pace that suits their needs.

The Future is Hyper-Personalized

A decade ago, my consumer AI startup Building Blocks was already exploring the use of AI in customer interactions to make them more personal. Now, with the rapid technological developments of the last few years, Building Blocks' knowledge is embedded in CM.com. As a result, CM.com is well on its way to fulfilling my vision of delivering hyper-personalized customer journeys at scale.

As a pioneer in this space, CM.com is ideally positioned to build on our first-mover advantage and continue to deliver solutions that get closer and closer to both clients and their consumers. The transformation of our organization into business units will help us build on this advantage by delivering on our value of one proposition, enabling us to consolidate all of CM.com's capabilities into one well-defined and accessible offering. This will allow us to get closer to clients, "speak the language" of the markets we serve, and provide a more integrated offering to better meet the needs of our clients today and tomorrow.

FABRIQUE DES LUMIÈRES
AMSTERDAM

Hi Paul! Can you tell us, what is the Value of One platform for Fabrique des Lumieres?

Through the combination of our Ticketing offering with parts of our Payments offering, CM.com was able to provide one solution Culturespaces *(the organization behind the various Lumières venues in Europe and the US)* was looking for.

Paul de Graaf
Head of Sales & Internationalization
Museums & Parks

"CM.com revolves around ensuring an intuitive user experience from the first customer contact to after-sales support."

An interview with Paul de Graaf, Head of Sales & Internationalization Museums & Parks, about Fabrique des Lumieres

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 the first customer contact to after-sales support. Globally, the perception is that mobile-first applications in conversational commerce are growing, and CM.com plays a key role in making this vision reality. In the museum and events sector, this trend is clearly visible. A good example is the relationship CM.com started to build with Culturespaces in 2023.

Culturespaces is a leading private cultural operator in the management of monuments, museums, art centres, and temporary exhibitions, operating in France and other countries. Culturespaces is the organization behind the various Lumières venues in Europe and the United States. The company was looking for a replacement for their current online ticketing, cash register, and access control solutions specifically for their Amsterdam location; Fabrique des Lumières.

Fabrique des Lumières is an audiovisual experience, allowing state-of-the-art technology to present master artworks in a modern way in a museum-like surrounding.

Culturespaces agreed with CM.com to provide a full-fledged online and offline ticketing solution that aims to improve the whole customer experience. Our offering included:

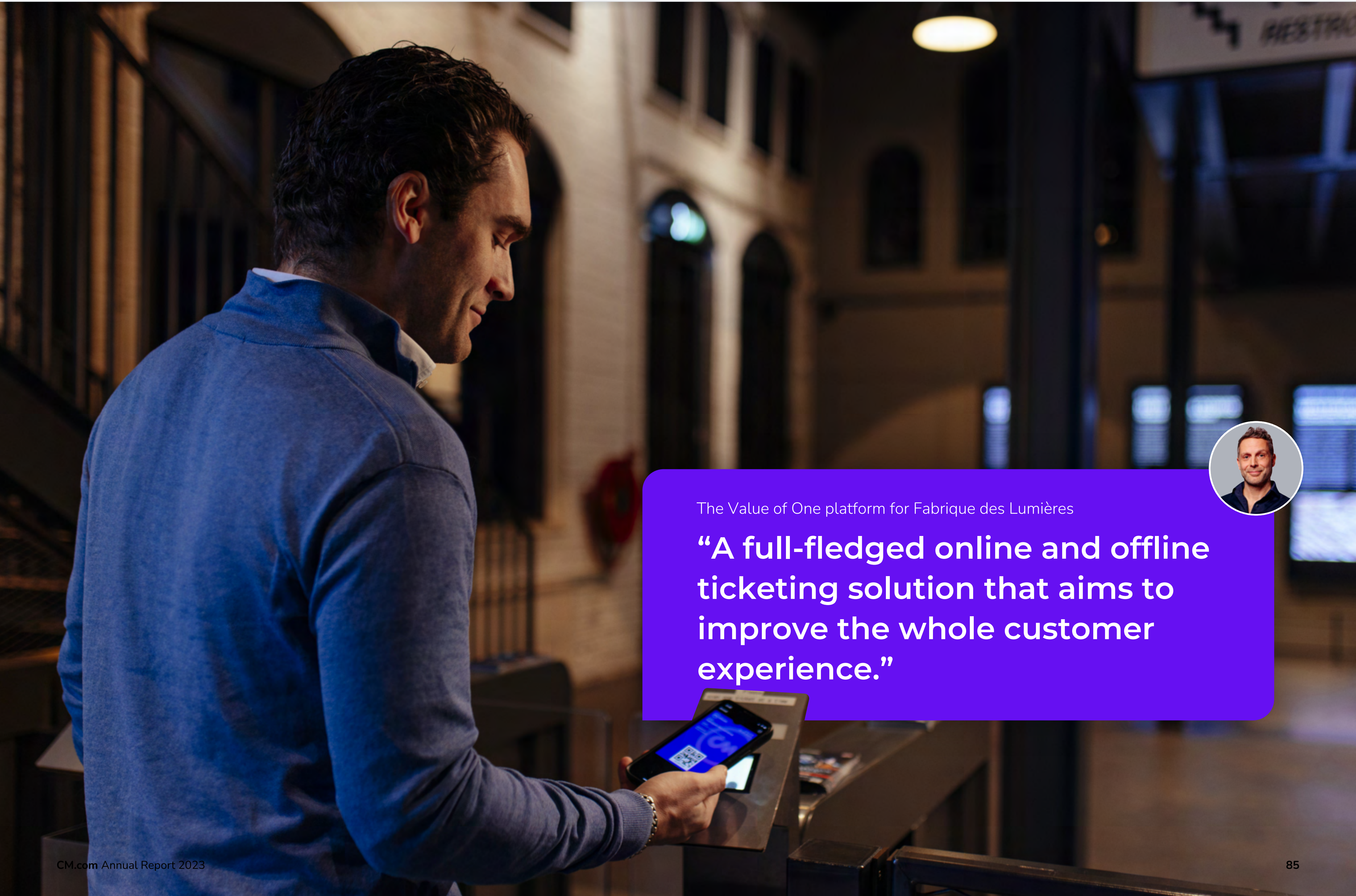
- a fully branded online ticket shop supported by an extensive Content Management System;
- the adaption of the scan pillars for the tourniquets at the entrance so that visitors can validate their tickets faster and avoid long queues;
- the delivery and installation of a fully cloud-based cash register system at the entrance. CM.com installed its proprietary POS software, which allows transactions to be completely cashless and tickets to be sent digitally rather than printed;
- a smooth login for tour operators, schools, and resellers to place their bookings digitally instead of filling in a form or calling.

This case is an example of the developments CM.com is realizing to improve the offering for its clients. Through the combination of our Ticketing offering with parts of our Payments offering, CM.com provides the one solution Culturespaces was looking for.

Patrick Alders, Director at Fabrique des Lumieres commented: "Fabrique des Lumières was looking for a partner that could help improve the online and offline experience for our customers and CM.com really connected from the beginning on various ambitions we had. CM.com stands out for their swift response and proactive approach. Their ability to adapt quickly and work collaboratively on solutions makes them a reliable partner."

Paul de Graaf, added: "CM.com will be present at the Tintin exhibition for Culturespaces at the end of 2023, and we will continue to expand our partnership with them to other regions and events in the future."

Exactly 20 months after its opening on 22 April 2022, Fabrique des Lumières has welcomed over 1,000,000 visitors. CM.com has been Fabrique des Lumières' exclusive online ticketing partner since April 2023.



The Value of One platform for Fabrique des Lumières

“A full-fledged online and offline ticketing solution that aims to improve the whole customer experience.”

Governance

We would like to provide insight into the corporate governance of CM.com.
To this end, we set out:
1. our corporate structure, including corporate bodies and shares in CM.com;
2. the rules and regulations applicable to CM.com;
3. diversity within the Supervisory Board, the Management Board, the Executive Committee, and Senior Management; and
4. other corporate governance matters.

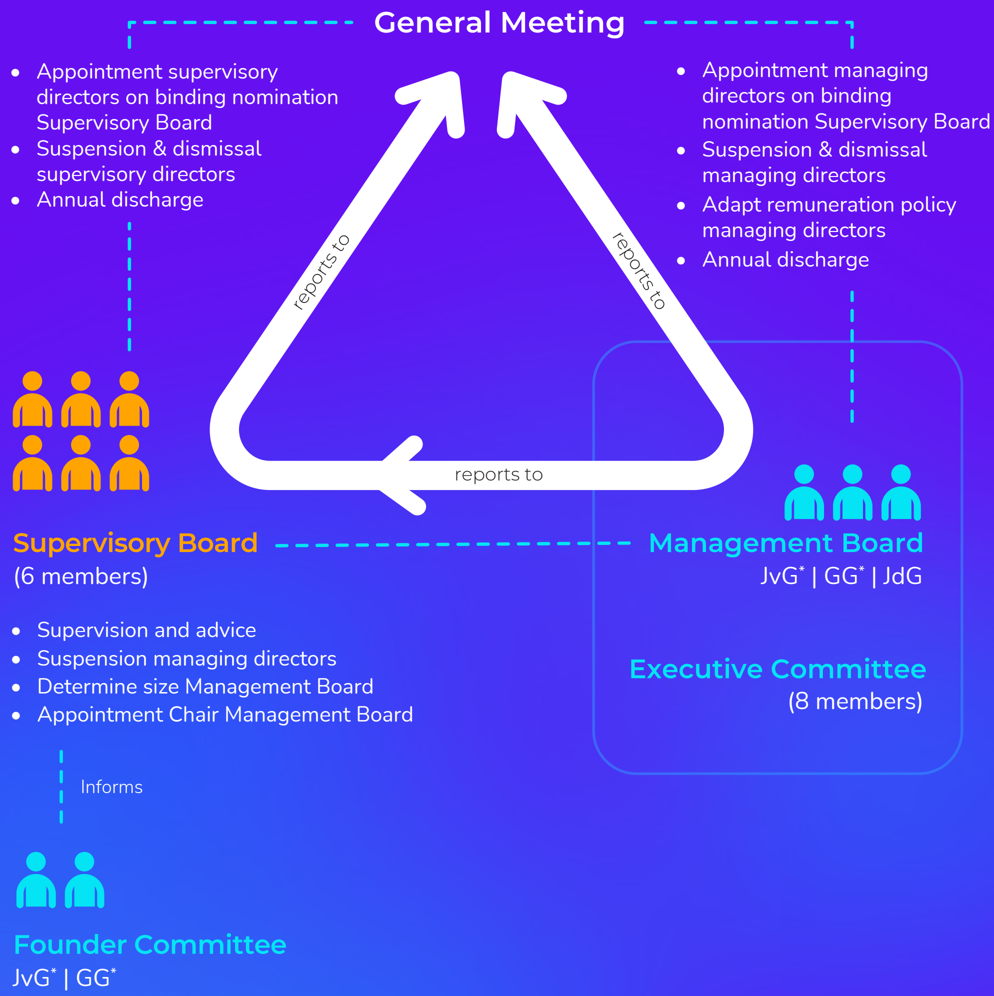
Corporate Structure

CM.com is a public limited liability company, incorporated in the Netherlands. Our shares have been listed on Euronext Amsterdam since 21 February 2020. As such, our governance structure is based on the requirements stated in Dutch legislation and the Articles of Association, completed by our internal policies and procedures. Proper corporate governance, including a focus on sustainable long-term value creation and the CM.com culture, is an important component of CM.com's 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. Shareholders may cast their vote during a General Meeting.

The founders are actively involved as members of the Management Board. In addition to their executive positions, they are members of the Founder Committee.

Pursuant to the foregoing, 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.



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) Approve the chair of the Supervisory Board
(IIII) 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.

* Together, JvG and GG are the founders

General Meeting

Our shareholders are important for the governance of CM.com. In 2023, CM.com kept its shareholders informed through financial updates – some accompanied by a webcast – an investor deep dive, press releases, and the annual General Meeting of 26 April 2023. For more information, please see the Shareholder Value Creation chapter.

Once a year, CM.com holds 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 19 April 2024.

Shareholders may exercise their voting rights on the agenda items of a General Meeting. For our General Meeting on 19 April 2024, voting rights may be exercised in person during the General Meeting or in advance by proxy. Proxies must be received no later than Wednesday, 12 April 2024 at 17:00 CEST. Further information is published in our notice convening the General Meeting. Each shareholder is entitled to one vote per share. The General Meeting passes resolutions by an absolute majority of the votes cast, with no quorum required, unless stipulated otherwise by Dutch law or the Articles of Association.

Recurring agenda items on which we ask our shareholders to vote for our annual General Meeting are:
- the approval of CM.com's consolidated financial statements;
- the determination of the dividend – in line with the Dividend Policy (available on our corporate 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 preemptive 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 2023, no extraordinary general meetings were convened.

Finally, the following actions (among others) require the approval of the General Meeting:
- 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 the annual accounts;
- appoint an auditor; and
- amend the Articles of Association.

Supervisory Board

The Supervisory Board advises the Management Board on a wide range of topics. In addition to 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, please see the Supervisory Board Report.

The Supervisory Board consists of six members. Profiles of the members are included at the start of the Governance chapter.

Supervisory Board members are appointed by the General Meeting on the basis of a binding proposal from 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 a further two years.

The first term of office of four members of the Supervisory Board expires at the annual General Meeting, scheduled for 19 April 2024. The (re)appointment proposals are included in the agenda and explanatory notes as published on the CM.com company website.

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.

Management Board

The Management Board is responsible for the management of CM.com. This responsibility includes, 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 which are prohibited by Dutch law or the Articles of Association or which are expressly assigned to the General Meeting, the Founder Committee or the Supervisory Board.

The rules of procedure of the Management Board determine the division of responsibilities among the Managing Directors. Despite this division of responsibilities, the Management Board remains collectively responsible for the management of CM.com.

The Management Board has delegated its responsibility to identify and consequently manage sustainability matters[1] to the CFO. The CFO has established a CSRD[2] working group, led by CM.com's ESG manager. The working group holds biweekly meetings. More information about the CSRD working group, and the progress it has made, are included in the ESG chapter.

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 for the Supervisory Board to exercise its duties in a timely manner. The Management Board submits resolutions to the Supervisory Board and/or the General Meeting and/or the Founder Committee for approval, as required by Dutch law, the Articles of Association or the Management Board's rules of procedure.

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[1] Sustainability matters mean material impacts, risks, and opportunities related to CM.com and its business and the businesses of its affiliates.
[2] CSRD refers to the European Directive 2022/2464 regarding Corporate Sustainability Reporting.

The Management Board consists of three members. Throughout 2023, the Management Board was composed as follows:

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

Jörg de Graaf's initial term expires at the annual General Meeting to be held on 19 April 2024. The proposal to reappoint Jörg de Graaf is included in the agenda and explanatory notes published on our corporate website.

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 roles as Managing Directors for as long as possible to implement and safeguard CM.com's long-term strategy.

Any 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 provides support to the Management Board.

The Executive Committee is bound by the Management Board's rules of procedure. Notwithstanding the existence of the Executive Committee, 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 eight members, consisting of the Management Board members and five other members who perform 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 set up to ensure that the founders can remain actively involved in CM.com. The Founder Committee has two members: Jeroen van Glabbeek and Gilbert Gooijers – the founders. Each founder is appointed for an indefinite period.

A founder shall cease to be a member of the Founder Committee five years after 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 at the request of any member of the Founder Committee. In 2023, 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.

In addition, 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

Since 2022, CM.com has a Works Council. The Works Council is relevant for corporate governance in the Netherlands as certain resolutions 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. Accordingly, the Works Council and Management Board held monthly meetings during 2023.

Shares

CM.com only has one class of shares.

Except for the shares held in treasury, each share carries one vote. On 31 December 2023, 22,511 shares were held in treasury.

In 2023, 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 that result in restrictions on the transfer of shares or on the exercise of voting rights. CM.com has not imposed restriction to transfer (depositary receipts of) CM.com shares.

In 2022, CM.com launched its Employee Share Purchase Plan. Under the plan, employees can acquire shares at a fixed percentage of their gross salary.

For more information on CM.com shares, please see the Value Creation chapter.

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. On June 23 2023, CM.com lodged a declaration with the trade register of the Dutch Chamber of Commerce. Once the declaration has been registered at the trade 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 for the Supervisory Board over certain decisions, resolutions, and transactions. Once the large company regime applies, CM.com intends to amend its Articles of Association accordingly.

Articles of Association

The latest amendment to the Articles of Association was carried out on 30 April 2020. The Articles of Association are available in English and in Dutch on our corporate website.

The Corporate Governance Code

The Code was applicable to CM.com as of 1 January 2023. The Code is available on the website of the Corporate Governance Code Monitoring Committee.

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 must be followed.
- Best practice provision 4.3.3, which only applies to companies that are not subject to the large company regime, states that the binding nature of a nomination (for the appointment or dismissal of a Managing Director or a member of the Supervisory Board) may be canceled by a portion of the issued share capital not exceeding one-third (1/3). The Articles of Association state that a majority of a two-thirds (2/3) of the votes cast is required for such a cancelation. As a result, the cancellation of the binding nature is currently only be possible through a combined action of one or both of the founders, in their capacity as shareholders, and other shareholder(s). 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.

Internal Rules and Policies

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

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

All internal rules and policies are published on our corporate website, except for the Insider Dealing Policy. Whenever a person (internal or external) is added to an insider list, he or she will be notified along 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 conflicts 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 CM.com corporate 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.

Diversity

CM.com has set out its diversity targets for the Management Board, Executive Committee, Senior Management, and Supervisory Board in the Diversity & Inclusion Policy (available on our corporate website). The updated Diversity & Inclusion Policy was adopted on 15 December 2023.

As in previous years, the diversity aspects to be taken into consideration are not limited to gender, but also include nationality, age, and education as well as experience. The purpose of the Diversity Policy is to achieve a diversified composition of the boards to facilitate a well-balanced decision-making process and the proper functioning of the respective boards.

The main change in the updated Diversity & Inclusion Policy is the introduction of the definition and target for Senior Management, in addition to the already existing targets for the Management Board, Executive Committee, and Supervisory Board. As not all members of Senior Management were in place on 31 December 2023, the composition of Senior Management will be included in the 2024 Annual Report.

During 2023, the composition of the Management Board, Supervisory Board, and Executive Committee did not change. Consequently, the male/female distribution is as follows:

	Number of men	Number of women	% men	% women	Target % women	Target year
Management Board	3	0	100%	0%	30.0%	2032
Supervisory Board	4	2	66.7%	33.3%	33.3%	2022
Executive Committee	5	0	100%	0%	30.0%	2027

CM.com took measures in 2023 to work towards achieving the targets. First of all, having more women in leadership positions is a topic frequently discussed by the Management Board, Executive Committee, and Supervisory Board. Furthermore, CM.com intends to hire more women for entry-level positions and aims to facilitate equal opportunities for both men and women in their career paths. Through these programs, CM.com aims to increase the presence of women at higher levels, including ultimately in Senior Management, the Executive Committee, and at the board level. More information about the measures, such as the development and retention of employees, is included in the Value of Our People and Culture chapter.

Other Corporate Governance Matters

In line with legislation, CM.com discloses its:

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

Potential Conflicts of Interest

CM.com is aware that the founders will continue as directors and are members of the Founder Committee, while the founders remain (indirect) shareholders. If this (or any other situation) gives rise 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 exists. To avoid overlooking 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's rules of procedure (available on our corporate website).

For the year 2023, 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. Consequently, the best practice provisions 2.7.3 and 2.7.4 of the Code were complied with.

Anti-takeover Measures

CM.com has not imposed restriction to transfer (depositary receipts of) CM.com shares. 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.

Transactions with Shareholders, Holding 10% or More

For the year 2023, CM.com is not aware of any transaction between CM.com and a shareholder holding at least 10% of the shares in CM.com.

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 in this section, 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 in this section, subsection 'General Meeting'.
- Information regarding the composition and operation of the Management Board and the Supervisory Board and its committees can be found in this section, subsections 'Management Board' and'Supervisory Board' and the 'Supervisory Board Report' section.
- Information regarding the Diversity & Inclusion Policy in relation to the composition of the Management Board, Supervisory Board and Senior Management can be found in this section, subsection 'Diversity'.

Risk

As a fast-growing, global, and entrepreneurial company, we must find the right balance between risk and compliance management across the organization. In 2023, CM.com shifted its focus from revenue growth to gross profit growth. This resulted in a greater focus on profitable products and customers, as well as a focus on the cost side of our business. This change in focus also led to a shift in the focus and granularity of our work in specific risk and compliance areas.

CM.com's approach to risk and compliance management is continuously evolving. The implementation and culture of risk management and compliance is becoming more deeply embedded within the organization and therefore part of both strategic decision-making and day-to-day operations. This means that at CM.com, risk and compliance management does not begin or end with the Risk and Compliance team. The Risk and Compliance team is positioned as a strategic business partner, offering insights, advice, and training on how to manage, monitor, and report on risks and opportunities across the business. All disciplines within CM.com act as ONE and therefore the awareness ofsustainable "in control" becomes more and more ingrained in the organization, strengthened by the business partner management approach of the Risk and Compliance team.
The Risk and Compliance team, through the business partnership, is part of and contributes to ONE CM.com The healthy challenge is to strike a balance between working with first-line colleagues to implement proper risk management (identifying risks, and defining and implementing appropriate control measures) and remaining independent in order to test controls. First-line management remains ultimately accountable for risk mitigation within CM.com's risk appetite, which is Moderate for actual risks.

At CM.com, the "three lines" model (Business, Risk and 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 confidence in the quality of our services is paramount and key to driving sustainable and profitable growth. This is driven by CM.com's focus on continuous service improvement, as well as external drivers such as increased legislation and higher customer demands. Trust is about providing transparency and demonstrating proactive compliance with applicable legislation and industry standards (such as ISO and PCI) as well as assurance attestation (ISAE 3402). CM.com therefore periodically assesses the quality of its services through independent auditors and displays the results in the Trust Center on the CM.com website, among other places.

Based on our observations of the ever-changing global environment, compared to 2023, we see that the risk topics are consistent, with limited shifts identified in these topics: rising customer expectations and higher industry standards; evolving regulatory authorities with expanding scope and more invasive legislation; ongoing climate change and geopolitical risks, resulting in more regulation and the need for transparency on how to manage ESG topics; ongoing threats to the global supply chain; and growing issues related to cybercrime, data protection, and privacy.

In addition to the risk topics mentioned, there are three trends that will have an impact on CM.com.

- First, risk topics are becoming more interconnected and interdependent, so that risks cannot be managed in isolation, but must be managed in relation to other risks.
- Second, disruptive technologies are developing at the speed of light. This can affect our business models as a risk, but also as an opportunity, for example by incorporating AI into our services to deliver more value to our customers.
- Finally, we see stakeholders becoming more vocal, particularly customers and employees, who are becoming disconnected from traditional corporate values and expect more stakeholder engagement.

This broad range of risks will require a more continuous and conscientious alignment with the first line and senior management to ensure that CM.com is ready to face the challenges of an increasingly unpredictable world.

Risk and Compliance Team – the Two Focus Areas

CM.com applies the principles of the "three lines" model to ensure strong governance, dependable risk management and culture, and an effective internal control system. In 2023, risk and compliance management within CM.com continued with the changes started in 2022. These changes were aimed at enabling the Risk and Compliance team to work more closely with the first line, ensuring greater alignment with the business's needs and challenges. The Risk and Compliance team is now even more engaged with our first-line colleagues, assessing and advising on processes to facilitate greater resilience and robustness. In 2023, the focus broadened from mainly operational risks and opportunities to more strategic topics, conducted through the Strategic Risk Assessment with the Management Board and Executive Committee. Risk Management facilitated discussions and brought together different views on strategic topics to make sustainable decisions.

In 2023, the Risk and Compliance team worked more closely together, focusing on common objectives and combining views, skills and knowledge to integrate compliance issues more effectively and efficiently into our risk management methodology. On an annual basis, Risk and Compliance prepares a Risk and Compliance plan based on stakeholder interests, information from external sources as well as internal developments, such as reorganizations, new products, Internal Audit reports, and the effectiveness of risk management practices. The annual plan for both CM.com and CM Payments B.V. was approved by the respective Management Boards and audit committees in Q1. In mid-2023, Risk and Compliance reviewed the implementation of the plan, checked its suitability and made some minor changes in line with the insights gained based on internal and external developments.

Key Focus Areas

Assurance and Risk Management

The road to better collaboration by using a "business partner" model, whereby the Assurance and Risk Management teams work alongside the first line, has continued and further improved. Engagement with the first line is facilitated by a "single source of truth" architecture, meaning we use one source for all internal controls. This means that control activities can be carried out more efficiently for many purposes. Topics where this business partnership has taken a leap forward are the alignment with the quality assurance activities of the Research & Development organization, collaboration with various sales teams to support tenders and customer questionnaires, and improved supplier management with, among others, the procurement team. 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 half-yearly reporting to the Supervisory Board Audit Committees. This applies to both CM Payments B.V. and CM.com N.V. as a whole.

Strengthening stakeholder confidence in the quality of our services is important for CM.com and is increasingly expected by our customers. In line with the integration of Building Blocks since CM bought this company in 2023, we also integrated the ISO 27001 certificate for Building Blocks in our CM.com certificate scope. For the payment services we have successfully obtained an ISAE 3402 type 2 report. We continually review the evolution of assurance requirements and focus on providing the required assurance where valid business cases support the extension of existing or the acquisition of new certificates or assurance reports.

Compliance and Integrity

The Compliance team, as part of the Risk and Compliance 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. In line with this principle, in 2023 we evaluated and updated the Speak Up Policy and implementation of the Speak Up Line, which allows both internal and external CM.com stakeholders to report any violations or behaviors of concern. In addition to Speak Up, we also look at external sources such as Glassdoor to see remarks about undesirable behavior related to CM.com.

Risk Management Methodology

As a second-line function, it is important that we continue the dialogue with the first-line business as we strive to become an even more trusted and relevant strategic "business partner" and act as ONE organization. Our focus is on raising general awareness of industry standards and regulatory requirements. The banker's oath serves as a perfect example of this for CM Payments B.V., as well as working with the legal department to verify compliance with telecommunications legislation for all the countries we operate in. The Compliance team uses the core values of CM.com to create a sense of belonging for employees, in close collaboration with leadership and HR. Awareness is raised among our employees through a mandatory online learning track called "road to compliance," which contains topics such as fraud and anti-corruption & bribery. As part of our data-driven and risk-based approach to compliance, the Compliance team has worked closely with the Risk Management team on the CM.com internal control environment, which covers compliance and integrity risks.

Internal Audit

The Internal Audit function is the third line of defense within CM.com. CM.com complies with the updated Dutch Corporate Governance Code with respect to the Internal Audit function. Years before the stock listing, management introduced Internal Audit in CM.com. Internal Audit provides independent assurance to the Supervisory Board Audit Committee and the Management Board on the quality and effectiveness of CM's internal control, risk management, governance and implemented systems and processes in both the first and second lines (of defense). Decisions regarding the appointment, reappointment, or dismissal from office of the head of the Internal Audit function, require Supervisory Board approval in order to safeguard its independence. The Internal Audit charter is approved annually by the Management Board and the Audit Committee of the Supervisory Board.

On an annual basis, Internal Audit prepares a risk analysis to determine the audit topics to be addressed in the annual audit plan. Internal and external stakeholders' interests as well as information from external sources such Institute of Internal Auditors, such as the publication "Risk In Focus 2023," were taken into account for 2023.

The 2023 annual plan was approved in December 2022, and in quarterly reporting, the results of the individual audits and other relevant information were reported to the Management Board and the Supervisory Board Audit Committee. Internal Audit is working closely together with the second line of defense with respect to knowledge sharing and risk identification and mitigation. As CM Payments B.V. has a license from the Dutch Central Bank, Internal Audit allocates capacity to perform audits on CM Payments B.V. level and reports to the Audit Committee of the Supervisory Board. In the course of 2023, Internal Audit reported to the Management Board and the Audit Committee of the Supervisory Board on all items covered in the annual plan without any corrections.

Evolved Risk Management Methodology

CM.com is constantly evolving and so is the risk management methodology and implementation. In 2021 and 2022, a solid basis was achieved, which enabled further development and improvement of the risk and control framework in 2023. We further improved the risk management methodology through in-depth reviews of the quality of risks and controls, 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. Among other things, this has resulted in an improved framework for issues such as ESG, payment requirements, and data protection. The risk 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 to support sustainable, long-term profitable growth.

Our risk management methodology combines the "three lines model" with the culture, planned growth trajectory, and values of CM.com. The methodology also takes into consideration external developments and the results of internal and external audits to gain a better understanding of the status of internal controls, rather than relying solely on the activities performed by the Risk and Compliance team to gain these insights. As such, our methodology does not hinder the agility and dynamism of CM.com but rather supports it by providing a flexible and robust control system.

In 2023, the criteria for defining the level of risk were updated and the Management Board for both CM.com and CM Payments agreed to the reevaluated risk appetite level. This change has allowed us to focus more on the risks that could have a greater impact on CM and to put more effort into managing these risks.

CM.com's 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 risk, the ICE is less effective and these risks are therefore better managed through direct management involvement. Where CM.com wishes or is required to demonstrate that risks are visibly managed through effective internal control measures, these risks and controls are part of the ICE. This also means active involvement of the second line (Risk Management and Compliance) to independently advise on and monitor the design, implementation, and operational effectiveness of these controls. The allocation of risks to ICE or AMR depends on the risk assessments performed regularly under 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 conditions as well as external factors. The inclusion of risks into the ICE ensures that the operational effectiveness of controls is managed and tangible. Based on the increased need of trust in our services, we see a shift from AMR to ICE for topics such as ESG.

Overview of Key Topics

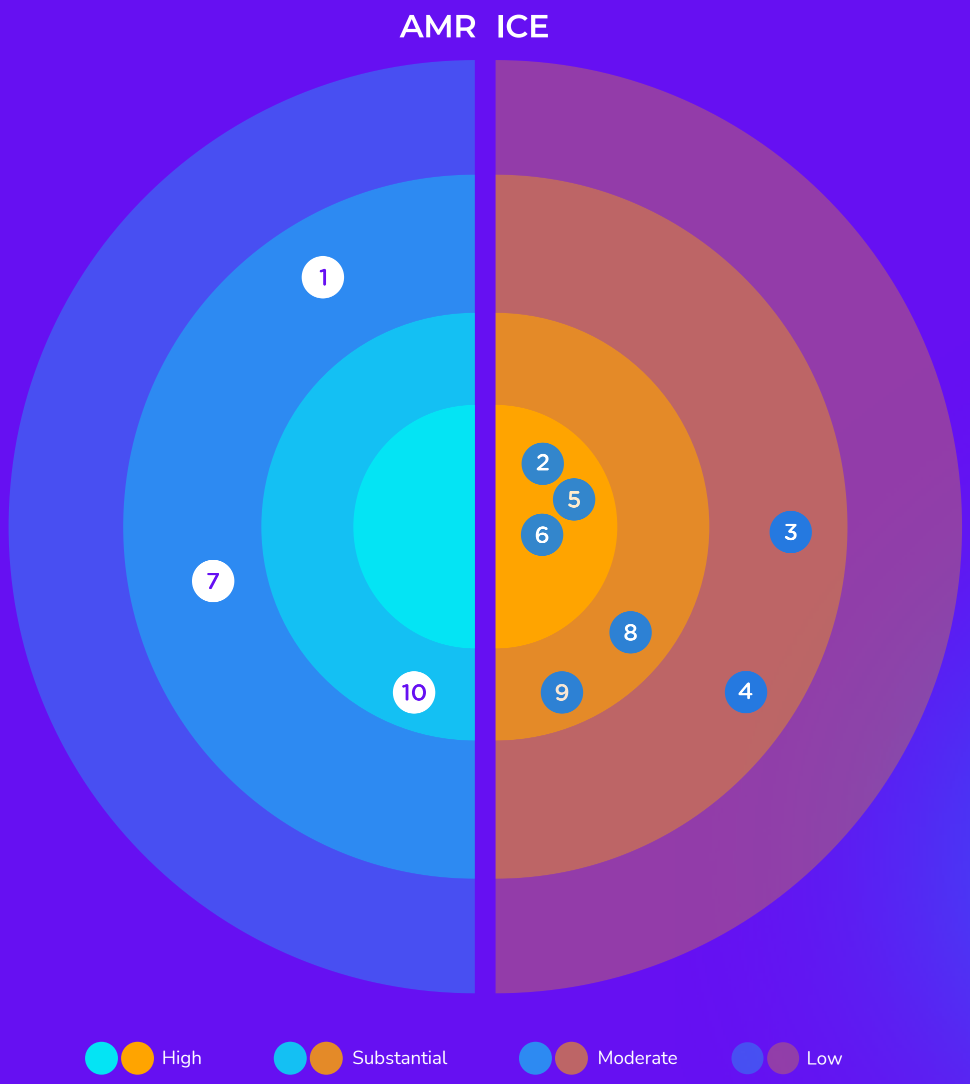
1. HR Resourcing and Efficiency

CM.com continues its journey to become a talent-driven organization where employees are supported in their development and contribute to the objectives of CM.com. To achieve this, the focus is on retaining highly qualified talent and helping current employees to optimize their career paths to take on the most appropriate roles within the organization. In 2023, therefore, we set up an internal vacancy portal.

As part of CM.com's people strategy, we focus on hiring young talent at entry level and developing them internally through our functional traineeship programs, functional growth paths, and our various talent management programs. To further support employee training, we have switched to a more suitable learning and development environment called CM Academy. In addition, 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. In 2023, CM.com launched an online Employee Engagement Survey. The results of this survey were slightly less positive than in 2022. Various actions are being taken, where appropriate for CM as a whole or for specific teams, to improve employee engagement. As the focus on retaining and empowering highly qualified employees is in line with previous year, the risk level remains moderate.

Risk Score per Key Topic



	2022	2023
1. HR resourcing and efficiency		
2. Competition, product portfolio, and innovation		
3. Corporate finance		
4. Finance & control		
5. Cyber and information security		
6. Business continuity management		
7. Leadership and governance		↓
8. Customers and opportunities		
9. Regulatory & compliance		
10. ESG		

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 operate. To stay ahead of the competition, we create value by innovating our services and platforms to support our strategy. That is why standardization, consolidation, and scalability are key themes driving the development of our product portfolio today. As we continue on this path, we are working hard to ensure that our products are integrated and that we have a local presence in high-potential regions. However, we recognize that we are not pursuing these goals in a vacuum. We therefore constantly monitor the wider market to ensure that 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 to the implementation of our strategy. We need to maintain strong and transparent relationships with the capital markets community to reflect the fundamental value of our business and to maintain financial and strategic flexibility. CM.com is listed on the Euronext Amsterdam Small Cap Index. Since our listing, we have devoted considerable 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 using a variety of financial metrics. The most important metrics relate to our liquidity, profitability, growth, and operating efficiency. Failure to respond appropriately to our financial metrics, or the unreliability of these metrics, could affect our future profitable growth strategy. Measures are in place to ensure that accounting and reporting processes result in accurate and timely reporting, both internally and externally. Our financials, business performance, and cost control are discussed monthly within Finance (including financial reporting) and the business. Important metrics such as cash position, cash flow ratios, and main business drivers are monitored and reported daily, along with quarterly forecasts.

5. Information Security

The security of our platform 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 confidence in our brand. With our increasing presence at the center of society's digital ecosystem, it is even more important to address these issues. We are therefore committed to continuously improving our security program. This is focused on improving the operational security of our platform and the security awareness of our employees.

In 2023, we continued our ISO27001/17/18 certifications for the scope of all our products. A Quality Assurance program has become an integral part of the product teams, including security. Each quarter, this program delivers quality improvements to our platform, resulting in a more secure platform. We have also taken a proactive step by introducing a robust public bug bounty program. This initiative not only underscores our commitment to staying ahead of potential vulnerabilities but also demonstrates how seriously we take the safety and integrity of our platform. We invite the global community of ethical hackers and security experts to work with us to identify and address potential security issues, reinforcing our shared goal of maintaining a secure and trusted environment for all users.

6. Business Continuity Management

CM.com recognizes that the need to safeguard service availability is paramount. To recover from disruptive incidents in the shortest possible time and ensure a rapid restoration of services, a significant level of advance planning and preparation is required. CM.com has, therefore, developed a Business Continuity Plan to minimize the potential damage to the business resulting from a major issue affecting staff, office and data center locations, and/or equipment.

In addition, CM.com has taken several measures to ensure that the likelihood of a major incident is minimized. These include investing in the stability and performance of our cloud platform and 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 by having 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 adhere to 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 important to CM.com: setting clear expectations and goals, communicating these to all stakeholders, verifying that the goals are being met, and, if not, guiding the organization toward the desired outcomes. It is important that this management system (plan, do, check, act) is in place and working effectively. The tone at the top, leading by example, and an open feedback culture are prerequisites for successful value creation, as they are key to improving performance and acting with integrity in line with the company's values. Both the tone at the top and an effective management system enable informed decision-making throughout the organization and support the company values: do what you love, what you're good at, and contribute.

CM.com's Code of Conduct for employees provides a compass to guide our people to act with integrity and within the defined policies and boundaries (including anti-corruption, anti-bribery, human rights, and conflicts of interest). The Speak Up policy, supported by dedicated tools, is in place to address any instances where employees or other stakeholders experience unwanted behavior, perceive an unsafe environment, or witness deviations from the desired level of integrity. Both internal and external stakeholders can use it, anonymously or in person. Employees are actively trained on how and when to use the Speak Up Policy and comply with the Code of Conduct.

Risk and Compliance maintained, updated, and tested the internal control frameworks, based on the CM.com's risk-based approach during 2023. This resulted in periodic reporting to the Management Board directly and the Supervisory Board via the Audit Committee. This reporting ranked the material risk factors in order of importance, tracked the development of risks, and provided insight into the management and mitigation of these risks in line with the company's risk appetite. The result of the risk assessment is integrated into the In Control Statement, which is communicated to the above internal stakeholders in a transparent and straightforward manner, increasing awareness and understanding of the risk factors relevant to the stakeholders' business areas and first-line management.

With the design of four complementary business units, CM.com has taken a step forward in its governance model. This will lead to increased profit & loss accountability, transparent objectives measured against metrics, and further strengthen the organization to be more agile and closer to our customers. This transition to business units, which started in 2023, has already started to deliver some benefits, resulting in a reduction in the risk level for this key topic from substantial to moderate. In 2024, this transformation will be further implemented and embedded in the organization, and is expected to create more and more value for all stakeholders.

8. Customers and Opportunities

We strive to deliver great products and services to our customers so they can make the lives of their own customers easier, safer, and more enjoyable. Customer experience is one of the core elements of our company. Our aim is to keep our customer base satisfied and to grow with them over time to ensure we can better meet their needs. We believe that high customer satisfaction, combined with a fine-tuned 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 gain better insights into customers' needs and target service improvements so they deliver as much value as possible. We mitigate churn based on probability and data points, and implement customers-specific plans to prevent clients from leaving us. Keeping our customer base happy and growing will enable us to achieve our growth ambitions.

9. Regulations and Compliance

The Risk and Compliance team, as part of the "business partner" setup, works closely with other departments within CM.com. In general, but also specific to CM.com services, we are seeing an increase in regulations (for example, CESOP, NIS2, DORA, Data Act, AI Act). The regulations are also more stringent in terms of demonstrating compliance, which requires more focus and capacity. Compliance and Legal have made excellent progress in collaborating and aligning on the regulatory framework for telecommunications and payments. among others.

Further training on integrity (including anti-bribery and corruption, AML, fraud, and data protection) and corporate culture was introduced in 2023. Attendance of the mandatory integrity and compliance training has been monitored.

All compliance risks are within the risk appetite of the Management Board, which is Moderate for actual risks. For Payments a specific Risk Appetite Statement has been improved and will be further implemented and monitored in 2024. 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. Good progress has been made in managing specific compliance risks in the area of KYC, with continued focus on the further automation of merchant onboarding and transaction monitoring, data privacy, and integrity. In addition, in line with European Banking Authority guidelines, a member of the Board oversees the management of anti-money laundering measures and financial crime prevention. Compliance diligently follows through on any internal audit findings related to regulations.

10. Environmental, Social, and Governance (ESG)

In 2023, ESG took a huge leap forward at CM.com, driven by the view that a strong purpose and mission are essential to a strong company identity. CM.com considers how it impacts all its stakeholders, from employees to customers and society, but also what risks may impact CM.com. Financial and ESG are not distinct but closely related and interconnected. In 2023, CM.com put a great deal of effort into using reporting obligations (including the Corporate Sustainability Reporting Directive and the EU Taxonomy) to assess the risks we face, the opportunities we can seize, what our potential impact is on the climate and society, but also how CM.com can manage this and incorporate ESG considerations into decision-making.

Risk and Compliance is deeply involved in ESG and participated in the CSRD working group. To underpin the decision-making processes and issues that CM.com considers important and relevant to its business, an ESG risk and control framework is being initiated as an extension of the double materiality assessment. This framework will be further detailed and implemented in 2024 so CM.com can visibly meet its reporting obligations and demonstrate that it is the right thing to do, in line with its purpose. In 2023, the risk level was in line with previous year and remains substantial. Looking to the future, when the CSRD reporting obligations will increase and we will be required to demonstrate that we are in control of ESG issues, KPIs and related risks, we expect the inherent risk level to increase to high and the ESG topic will shift from AMR to ICE, so CM.com will validate the internal controls for this topic.

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 deficiencies in the effectiveness of the risk management and internal control systems as referred to in best practice provision 1.2.1 of the Corporate Governance Code and covering in any case the strategic, operational, compliance and reporting risks (covered in the Key Topics);
- 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, as referred to in best practice provision 1.2.1 of the Corporate Governance Code and covering in any case the strategic, operational, compliance and reporting risks that are relevant to the expectation of CM.com's continuity for the period of twelve months after the preparation 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 2023 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 2023 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 2023, the developments and performance during the financial year 2023 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

John Hendriks

Sr. Account Manager

Hi John! Tell us, how does your role embody the Value of One?

As an Account Manager at CM.com, I nurture relationships with multiple clients. While our services are valued, it's the people behind them that truly matter, and I am one of them. When I pass an order to our Customer Success Managers (CSMs), I remain committed to ensuring a top-notch customer experience, trusting in our dependable CSM team.

Supervisory Board Report

Message from the Chair

The year 2023 has been an exceptional one for CM.com, marked by improved financial performances and transformative achievements. After years of rapid growth, 2023 was a year where we initiated general efficiency actions, aimed at simplifying the organization to streamline the way of working, and reduce costs to strengthen the foundation of CM.com. That has been no easy task, given the macro-economic developments, and the geopolitical tensions in different parts of the world. 2023 is a testament to the dedication and resilience of our entire team, from the boardroom to the frontlines.

Key highlights in 2023 were:

- **Financial performance**: CM.com has continued to accelerate in terms of financial performance. We have reported positive EBITDA in the second half of 2023, reflecting a milestone in our effort to become cash flow positive again by H2 2024. This achievement underscores our unwavering commitment to delivering value to our shareholders now and in the future.
- **Strategic partnerships**: CM.com continued to forge strategic partnerships that have expanded its global reach and strengthened its position in the market. These alliances have resulted in groundbreaking innovations in the field of Generative AI and supported business expansion in the areas we wanted to excel, positioning us at the forefront of the market.
- **Innovative solutions**: Our commitment to innovation remains a driving force behind our success. In 2023, we introduced several groundbreaking solutions that have not only met but exceeded our clients' expectations. We are proud of our efforts to remain at the cutting edge of technology and to provide the best-in-class services to our clients.
- **Sustainability**: Sustainability is at the core of our corporate values. We have continued to work towards reducing our environmental footprint, supporting the communities in which we operate and fostering an inclusive and diverse workplace. The ESG roadmap towards 2025 is in execution and milestones have been met.

During the year, the Supervisory Board 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 characterizes the culture within CM.com. In addition to scheduled meetings, we established a series of "sounding-board" meetings, 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 achieve these objectives. These interactions have been highly constructive; the Supervisory Board is a diverse group bringing vast experience from diverse industries and backgrounds, whose skills and expertise are incredibly useful to help navigate CM.com.

Looking ahead, as we reflect on our achievements in 2023, we are aware that our journey is far from over. The digital landscape is continuously evolving, and CM.com is committed to remain at the forefront of these developments. Our vision on the future includes:

- **Innovation**: We will continue to invest in R&D, embracing emerging technologies and trends to deliver cutting-edge solutions to our clients. Advancements made in SaaS, such as GenAI, and in Payments, with the implementation of our own acquiring and processing platform, are perfect examples of our capabilities.
- **Global focus**: Our Path to Profitability focuses now on profitable revenue growth globally. Driven by our improved capabilities and efficiencies, we will continue to execute our growth strategy to become cash flow positive in the course of 2024.
- **Sustainability**: We will further intensify our sustainability efforts to ensure CM.com becomes a truly diverse organization, which includes improvements in the current gender balance within leadership positions. The Supervisory Board will maintain a close dialogue with the Management Board and the ESG manager and offer its support to further implement the ESG roadmap into 2025.
- **Talent development**: Our most valuable asset is our people. We will invest in talent development, diversity, and inclusion through initiatives such as Techno Girl, our own CMBA, and the Female Leadership sequences. These initiatives will ensure that we remain a great place to work and grow.
- **Stakeholder value**: Our primary goal is to create value for our shareholders, clients and other stakeholders. We will remain dedicated to delivering strong returns and fostering enduring relationships. The organization will evolve further to safeguard healthy growth now and in the future.

In closing, I want to express my gratitude to our dedicated employees, our valued clients, and our supportive shareholders. It is your trust and commitment that propel us forward.

CM.com has shown incredible resilience and adaptability in 2023, and I am confident that our future will be marked by even greater achievements and successes. Digital communication is set to evolve further, and many companies are still seeking to digitize their client-handling and sales activities in a better way. CM.com remains well positioned to capture these opportunities. Opportunities that benefit shareholders, stakeholders, and CM.com. Together, we will continue to innovate, grow, and build a brighter tomorrow.

Thank you for your continued support and trust in CM.com.

Sincerely,

Jacques van den Broek
Chair of the 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 cofounder 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 boards of Basic-Fit N.V. and of HightechXL Group B.V., and member of the supervisory board and remuneration committee of Timber and Building Supplies Holland N.V. (a HAL investment). 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.

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 2023, the composition of the Supervisory Board remained unchanged. Agenda items for the annual general meeting of CM.com N.V. on 19 April 2024 include the composition of the Supervisory Board, including several reappointments.

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 meetings in 2023.

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

Supervisory Board meeting and attendance

Name	Supervisory Board	Audit Committee	Nomination, Selection, and Remuneration Committee
Jacques van den Broek	100%	not applicable	100%
Mariken Tannemaat	100%	not applicable	100%
Lex Beins	100%	100%	not applicable
Joëlle Frijters	100%	not applicable	not applicable
Diederik Karsten	100%	not applicable	100%
Stephan Nanninga	83%	100%	not applicable

The table on the following page contains information about the members of the Supervisory Board. Positions outside CM.com are included above in the description of each member of the Supervisory Board. All member of the Supervisory Board are appointed in accordance with Dutch law.

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. A Supervisory Director owning Shares (in)directly, holds this participation in CM.com as a long-term investment.

Resolutions and Conflict of Interest

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.

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 2023, no Supervisory Board member had a conflict of interest.

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 Member of the Nomination, Selection, and Remuneration Committee	1960	Dutch	Yes	Yes	Human Resources, listed companies, sales and general management	Male	September 2021	AGM 2025
Mariken Tannemaat	Vice-Chair of the Supervisory Board Chair of the Nomination, Selection, and Remuneration Committee	1971	Dutch	Yes	Yes	Retail, IT, investment, payments	Female	February 2020	AGM 2024
Lex Beins	Member of the Supervisory Board Member of the Audit Committee	1965	Dutch	Yes	Yes	E-commerce, IT, entrepreneurship, investments, payments, business processing	Male	February 2020	AGM 2024
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 Member of the Nomination, Selection, and Remuneration Committee	1956	Dutch	Yes		Telecom innovation	Male	February 2020	AGM 2024
Stephan Nanninga	Member of the Supervisory Board Chair of the Audit Committee	1957	Dutch	Yes	Yes	Supervisory Board of listed companies, distributions, financial audits, and M&A	Male	February 2020	AGM 2024

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.

Supervisory Board meetings in 2023 covered virtually all aspects of the company's business. Items discussed included the strategy of CM.com, the results of 2023 (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.

During some 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, that is 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 cybersecurity, marketing operations, and environmental, social and governance ("ESG"). For deep dives, experts within CM.com were invited to meet the Supervisory Board and elaborate on their expertise.

Also, as a continuation of what started in 2022, a Sounding Board Strategy session was organized in the first half of 2023. During these sessions, representatives of the Supervisory Board, the Management Board and the Executive Committee elaborated on the contours and plans for a new organizational structure divided into Business Units. Furthermore, the global strategy and performance of individual countries was evaluated.

In Q3, the Management Board decided to terminate the business operations in Kenya and Mexico. This Supervisory Board supported this decision, which will allow the company to keep its focus on profitability and stay on track to realize its goals.

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 2023 were:
- CM.com strategy
- Financial results
- Profitability
- Budget
- Culture
- Diversity

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

CM.com Strategy

During 2023, the Supervisory Board monitored the company's positioning in its long-term sustainable value creation strategy and its implementation. 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 wellbeing 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 more in-depth overviews of the return rates, including acquisitions and offices outside the Netherlands. CM.com continuously increases its level of reporting details throughout the year using data insights and business intelligence tooling. These enhanced insights provided the Supervisory Board with the tools and the ability to carry out its forward-looking oversight duties.

Budget

During the year 2023 the cost-awareness and cost savings initiatives continued as started earlier the year before. Supported by improved data insights allowing data driven decisions. The Supervisory Board has monitored the company on its considerations in operating expenditures and sales performance. CM.com stayed on track to realize its goals and adapt the organization to the changing world by realigning sales capacity and rationalizing headcount to drive incremental profitability improvements.

Profitability

CM.com continued in 2023 to execute its Path to Profitability, by optimizing operational structure and further cost control management. The shift of focus towards capitalizing upon the existing workforce and optimizing operational expenditures has improved the resilience to be able to operate profitably in all market circumstances. The Supervisory Board has been informed in detail by the Management Board about all initiatives taken and could offer its expertise in the field of among others: cost control, fleet management and external communication. Regarding external communication and press releases, the Supervisory Board and Management Board agreed on installing a Press Work Group with representatives of the Supervisory Board, CFO, CEO and Investor Relations to enable swift reviews and input regarding financial publications.

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 good 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. Even this year when the number of FTEs declined the culture stayed put, supported by a high-level score on camaraderie in the Great Place to Work survey. However, for the first time, the Company did not succeed in achieving the Great Place to Work award.

Diversity

In the field of diversity, the Supervisory Board advised the company to carry out initiatives thoughtfully and with a long horizon. By the end of 2023, the Supervisory Board adopted the new Diversity & Inclusion policy as proposed by the Management Board and Nomination, Selection, and Remuneration Committee adhering to the new Corporate Governance Code. The Business Unit structure that will be implemented, allows more senior leadership positions resulting in more diversity.

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 auditors' 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 related to cybersecurity. The Committee maintains regular contact with and supervises the external accountant and prepares the nomination of an external accountant for appointment by the General Meeting. It also issues preliminary advice to the Supervisory Board regarding the 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 2023, the Audit Committee convened for a total of six meetings. Discussions during these meetings included such regular subjects as press releases, management reporting, examination of annual plans, and quarterly updates pertaining to Internal Audit and Risk Management & Compliance. Additionally, the Committee reviewed the annual plan 2023 of the external auditor, as well as the engagement letter 2023, management letter, findings, evaluation of the performance and the remuneration, and reappointment.

Other topics of discussion included financial results, outlooks and forecasts, strategy and budget, cost reductions, evaluation of acquisitions, ESG matters, a new business unit structure, fraud and integrity, and cybersecurity. All Committee members, the internal auditor, and the external auditor attended all meetings held in 2023, together with the CFO and on occasion the CEO and business experts for certain topics.

With regard to the 2023 interim and full-year financial statements, the Audit Committee was satisfied with the explanations and findings provided by the Management Board and the external auditor.

The Audit Committee reviewed the Internal Audit plan for 2023 as well as the Internal Audit Charter. The Internal Audit plan 2023 was approved in the Supervisory Board meeting of December 2022. The Audit Committee received the Internal Audit reports every quarter. They contained adequate information on Internal Audit activities, audit findings, and observations regarding CM.com and all other groups. The Audit Committee monitored their execution, including the progress of recommendations made and timely follow-up on the actions addressed to the business.

In addition, the Audit Committee reviewed the strategic plan and monitored the Company's key risks, risk exposure, and the design, operation, and effectiveness of the 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 on 21 April 2022. 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 2023, the Nomination, Selection, and Remuneration Committee held six meetings. Discussions during these meetings included the remuneration of the Management Board, Supervisory Board, and Executive Committee, Management Board results for the Long-Term and Short-Term Incentive Plans, target settings for long-term and short-term incentive plan for the Management Board for 2024, including division of the ESG targets over the Management Board members, salary review process for 2024, female leadership, diversity and inclusion, succession planning of (Supervisory) Board Members, plans for a new business unit structure and extended leadership.

During 2023, the Nomination, Selection, and Remuneration Committee reviewed the need for new benchmark results every year and it was decided that the results will be fully updated every two to three years and rolled-forward based on salary movements we see in the market during the other years. For this reason, no company specific benchmark was conducted by an external party during 2023, but we did make use of (publicly) available information on market movements for management positions as well as the external benchmark data available based on the total organization.

Nomination, Selection, and Remuneration Committee meetings also served as a sounding board for the Management Board with regard to important topics around new business unit structures, leadership, diversity and other relevant topics.

The Nomination, Selection, and Remuneration Committee proposed to compose a yearly calendar where, next to the mandatory fixed topics, there is enough room for other topics initiated by Human Resources. During one of the Nomination, Selection, and Remuneration Committee meetings an Extended Leadership session was planned, guided by the principle of CM.com's performance review process using a performance matrix, helping to uncover high potentials. That gave the Nomination, Selection and Remuneration Committee good insights into the extended leadership pool and the availability over the years.

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

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.

An external review of the profiles of the Supervisory Board was conducted in 2023. It was noted that the background and knowledge of the Supervisory Board members is currently sufficient. In the event of a new appointment, it is preferred that the expertise of the newly appointed member is in line with the member that he or she replaces.

During the evaluations, the Supervisory Board concluded that overall it has functioned in an effective and efficient manner. The Supervisory Board appreciates the openness and transparency of the Management Board and the additional sessions, such as deep dives, that were organized throughout the year. This allows the Supervisory Board to gain a broader and deeper view of the company and its business, while allowing its members to share their knowledge and experience. A topic of attention was the availability of background and knowledge. In line with the external review, the Supervisory Board agrees that there is sufficient background and knowledge currently available. In the situation that a new member of the Supervisory Board is required, having a financial background will be a factor to be taken into consideration.

Further, it was agreed that (i) there was no need to change the remuneration of the Supervisory Board for 2023 and (ii) there will be proposals to the General Meeting for increases in the coming years at a fixed percentage, in line with the merit increase for the employees at CM.com.

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 were carried out without the presence of the members of the Management Board. All decision-making of the Supervisory Board in this regard was prepared by the Nomination, Selection, and Remuneration Committee.

During the evaluations, the Supervisory Board concluded that the Management Board has overall performed in an effective and efficient manner.

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

"The year 2023 has been an exceptional one for CM.com

marked by improved financial performances and transformative achievements."

Jacques van den Broek
Chair of the Supervisory Board

Plabon Alam

Carrier Relations Coordinator

Hi Plabon! Tell us, how does your role embody the Value of One?

My role involves working with various departments - Finance, R&D, Sales, BI, and Support.
I focus on personalized communication because each department has its unique goals, challenges, and expertise. Collaborating with individuals across these departments, I aim to add value that aligns with the company's overall objectives.

Remuneration Report

We are pleased to present the 2023 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), long-term incentives (LTIs), and actual performance scores.

Within CM.com, we value input from all stakeholders, including our shareholders. We were happy to notice that the changes we made to the 2022 Remuneration Report compared to the 2021 Remuneration Report were appreciated by our shareholders resulting in a 98.66% favorable vote on last years Remuneration Report from the General Meeting of Shareholders on April 26 2023, and very limited questions on these specific topics during the same General Meeting of Shareholders.

For this year, we have made the following changes to the Remuneration Report:
1. Adding an interview with the NSR Chair;
2. Transparency on the targets set for both our STIs and our LTIs, including the actual scores of these targets and the respective payout; and
3. Further explanation of the performance nature of our LTIs and the changes in performance targets introduced in 2023.

2023 Business Performance

As a result of CM.com's strong focus on profitable growth, we grew our gross profit by 9% YoY to € 78.5 million in 2023, with gross margins improving substantially to 29.5%. This was the result of the consistent improvement in margins and gross profit on the one hand, and a substantial decline in OPEX on the other hand. At the same time, revenues in SaaS, Payments, and Ticketing continued to grow after the record year in 2022. Particularly in H2 2023, CM.com showed a good performance as our gross profit grew by 9% YoY to € 40.4 million, and gross margins reached 31.4%.

With margins trending above 30%, the profit contribution from SaaS, Payments, and Ticketing accounts for 56% of the total gross profit in H2 2023 and 22% of revenue, compared to 54% of gross profit and 17% of revenue in H2 2022. This is consistent with our emphasis on higher-margin products to increase profitability. Overall these developments have resulted in positive scores for the STI in 2023.

Forward Looking

Looking ahead to remuneration in 2024 for our Management Board, senior executives, and Supervisory Board, the average salary increase of our employees in the Netherlands will be used as a guideline for any increases, as we want to apply the same methodology and financial limits for all our employees.

We do intend to continue using the same reference markets for the future as we did in 2023, provided the position of CM.com versus the reference market will remain the same.

The STI targets will as always be aligned with the budgeted financials, which includes our gross profit target as an important measure for our continued path to profitability. The personal targets for all our senior executives will continue to include clearly described ESG targets focusing on our long-term sustainable value creation. It is anticipated that the STI and LTI levels of the Management Board will show minor changes within the limits of the current Remuneration Policy.

Legal Reference

The 2023 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 2023 Remuneration Report will be submitted to the General Meeting of Shareholders for an advisory vote.

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

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 sustainable objectives allows us to attract and retain qualified directors, who are able to lead CM.com, as an entrepreneurial company in a constantly changing and challenging market environment, into the future.

Through our remuneration policy, we aim to emphasize high performance, both on the financial side as with regard to the personal objectives, 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 sustainable 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 sustainable 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.

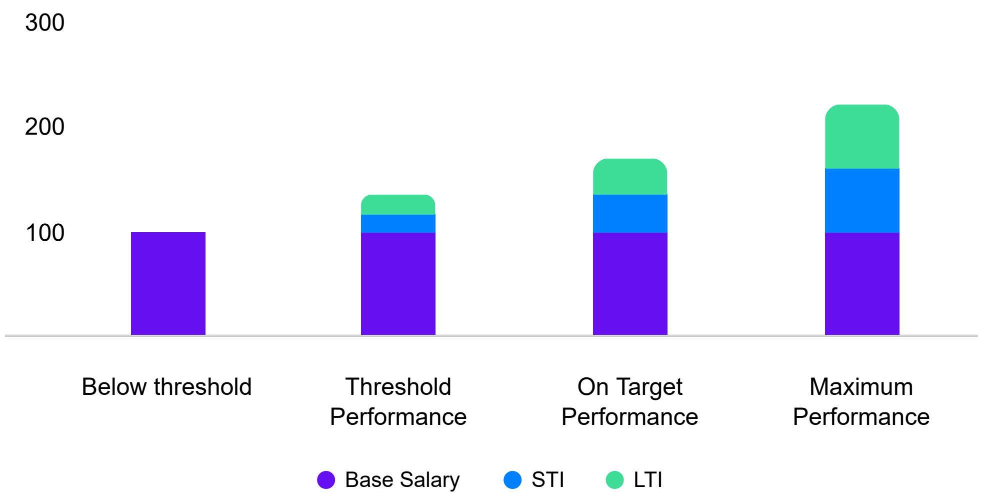
Management Board Remuneration Structure

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: [1]

Pay Mix	Below threshold	At threshold	On-target performance	Maximum performance
Base Salary	100%	100%	100%	100.0%
STI	0%	17.5%	35%	61.25%
LTI	0%	17.5%	35%	61.25%

Traditionally, within CM.com the focus has been on the fixed salary (base salary), resulting in relatively low variable income compared to the market. For the year 2023, we therefore decided to increase the variable elements in order to decrease the gap with the market. The on-target percentages for both STI and LTI have increased to 35% in 2023, within the range included in the Remuneration Policy that was approved by the General Meeting of Shareholders on April 21 2022. As a result, the Total Direct Compensation (TDC) has increased and the gap to the market has decreased.

Pay Mix



In 2023, CM.com was on a path to profitability with clear targets to achieve this goal. This path has been fully incorporated into the target setting, in particular the Short-Term Incentive Plan, resulting in challenging targets with the risk of receiving lower variable payment.

Scenario analyses are carried out in relation to the possible financial outcomes of not meeting target levels, as well as maximum performance levels. Different scenarios have been discussed during NSR meetings as part of the decision-making process. These analyses, in combination with the challenging targets based on our Path to Profitability, were part of the decision to increase the potential for the variable elements of the TDC.

[1] Please note that the CFO also receives pension benefits and a mobility allowance. This is not reflected in the table, as it has no impact on the STI and the LTI which are only based on base salary.

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. As mentioned above, within CM.com traditionally the main focus is on this base salary. To establish the adjustment needed for the base salary of each Board member, we amongst others 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.

Internal Equality within CM.com

In addition to the external market, we would like to emphasize the importance of salary positioning relative to that of other individuals in the CM.com organization. In line with our values, 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). For all our executive roles, including Management Board Members, salary positioning within the organization is evaluated annually based on the specific role. Adjustments are made when and 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, 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 still 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 the relevant market.

In 2022, we performed a market benchmark for the remuneration levels of the Management Board. Based on the outcome, the 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.

[1] Developed by MSCI and S&P Global.

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 € 16,000 (4%) gross per annum to € 421,000 gross per annum, effective as of 1 January 2023. The base salary of the CFO was increased by € 14,500 (5%) gross per annum to € 302,500 gross per annum, effective as of 1 January 2023. These changes are in line with the annual change in the average remuneration per employee being 4% in 2023 (which is reflected in the table included in paragraph Historal Development below).

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 2023 was increased to 35%, in line with the targeted TDC between 80% and 120% of midpoint. Payouts 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: payout based on actual performance

Performance framework	Payout percentage as % of target	Payout 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 17.5% and 35%
On-target performance	100%	35%
Between on-target performance and maximum performance	Linear between 100% and 175%	Linear between 35% and 61.25%
Maximum performance	175%	61.25%

The performance targets (weight 75%) 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.

- Gross profit (weight 15%), targeted to meet the budgeted profitability (revenue minus directs costs);
- OPEX (weight 15%), targeted to meet the budgeted operating cost reduction;
- EBITDA (weight 30%), which measures operational financial performance; target performance is considered meeting the desired annual EBITDA number as based on budget; and
- Free cash flow (minus Tax and Bond Interest) (weight 15%), targeted to meet the budgeted free cash flow.

The targets set for STI are derived from the budgets set for the year 2023, whereby the budgets are the result of our path to profitability.

We strongly believe that meeting the budgets is the best way to achieve our long-term goals, resulting in the highest long-term sustainable 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 133.25%.

This percentage of 133.25% is based on a below treshold performance in gross profit, an above maximum performance in OPEX, a between on-target and maximum performance in EBITDA, and an above maximum performance in FCF, as stated in the following table:

Short-term Incentive: Financial objectives scorecard[1]

STI FY 2023	KPI	Weight	Score
Financials (75%)	Gross Profit (€ in million)	15%	0.0%
	OPEX (€ in million)[2]	15%	175.0%
	EBITDA (€ in million)[2]	30%	158.1%
	FCF (minus Tax and Bond Interest) (€ in million)	15%	175.0%
Total			**133.25%**

[1] Targets based on latest forecast 2023 as per April 2023, approved by Supervisory Board on 19 May 2023. Numbers do not include any further M&A, consequently new M&A impact will be excluded from Actuals.
[2] Excluding severance and restructuring costs

Personal objectives (weight 25%): the Supervisory Board set personal targets – as clear and concise as possible – per Board Member to be achieved during 2023, along the following themes:
- Jeroen van Glabbeek (CEO): internal communication, payment organization, platform stability, and integration of acquisitions.
- Gilbert Gooijers (COO): improve marketing efficiency. Grow Live Business Unit and internal communications / tailored conventions.
- Jörg de Graaf (CFO): champion performance management & value creation, cash position and cash flow management, SFDR implementation into concrete and measurable goals.

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 125% for all three Board Members.

The Nomination, Selection, and Remuneration Committee is very impressed with the results obtained in 2023, addressing all the items as mentioned in the targets at or above target and at the same time making huge steps towards a new organization that was not even in the pipeline when discussing targets for 2023. As the Committee considers these results to be a combined effort of the whole Management Board, the Committee awarded all three members with the same score. The Committee is very pleased with the high scores as a result of the commitment of the Management Board to go above and beyond their targets to lead the organization into the future.

The personal targets set for the year 2023 are a direct reflection of the vision of the Supervisory Board to achieve our long-term sustainable goal to be a profitable and sustainable company; therefore these targets should lead to the highest long-term sustainable 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 2023	KPI	Weight	Score CEO	Weighted score CEO	Score COO	Weighted score COO	Score CFO	Weighted score CFO
Financials (75%)	Revenue (€ in million)	15%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Gross profit (€ in million)	15%	175.0%	26.3%	175.0%	26.3%	175.0%	26.3%
	EBITDA (€ in million)	30%	158.1%	47.4%	158.1%	47.4%	158.1%	47.4%
	FCF (minus Tax and Bond Interest) (€ in million)	15%	175.0%	26.3%	175.0%	26.3%	175.0%	26.3%
Non-financial (25%)	Personal objectives	25%	125.0%	31.3%	125.0%	31.3%	125.0%	31.3%
Total				**131.2%**		**131.2%**		**131.2%**

Long-term Incentive

The LTI plan aims to link a portion of Management Board remuneration to the long-term sustainable 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 35% of the annual base salary. This increase to 35% 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 2023 will vest in 2026. The Supervisory Board believes that the criteria used are very consistent long-term goals that lead to long-term sustainable value creation. The criteria for the period 2023-2025 were adjusted to be more aligned with the current position of the company and the long-term substainable targets for the future, including our ESG targets related to female leadership and employee well-being.

The performance criteria set for the LTI plan 2023 are as follows:

1. Total shareholder return (TSR) (weight 25%) 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. For the period 2023-2026 we have changed our reference groups for the TSR measurement to be fully aligned with our benchmarking group, which we believe is a better comparison, since our ultimate goal is to outperform comparable companies, creating more value for our shareholders. The TSR target compares the company TSR relative to the TSR of the following indexes/reference market:
   - AScX Index (weight 50%) – a cross-industry index based on the Dutch market.
   - European reference market (weight 50%) – the European reference market for CM.com is the same reference market as used for benchmark of our Management Board.[1]

   The average percentile ranking of the CM.com TSR compared to these indexes determines the performance score, whereby the threshold score is to be at median level.

[1] European reference market includes the following companies: 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 Unified post Group.

2. Gross profit: GP CAGR (weight 25%) is the Compound Annual Gross Profit Growth Rate of CM.com over three years.
3. Customer satisfaction (weight 20%) measures customer satisfaction via the Net Promoter Score (NPS) metric.
4. ESG – Gender diversity: female leadership (weight 15%) measures percentage women in CM.com in leadership roles.
5. Employee satisfaction (weight 15%) measures the development of employee engagement and well-being. The target is to be an employer of choice, measured via the 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 – 2021–2023

The vest of performance-based shares based on the targets for the period 2021–2023 will take place on 1 April 2024. The percentage vesting will be 43.75% of target, based on the following scores:

LTI Plan 2021-2023	KPI	Weight	Score	Weighted score
Financials (50%)	Relative TSR	30%	0%	0.00%
	Average renevue CAGR	20%	0%	0.00%
Non-financials (50%)	Customer satisfaction (score)	25%	175%	43.75%
	Employee satisfaction (score)	25%	0%	0.00%
Total				**43.75%**

The relative TSR score based on the Company's average percentile ranking compared to the reference markets as part of the targets in 2021 (AScX index and NASDAQ100) is below treshold.

Based on a changed focus of the Company towards profitability, average revenue growth was below treshold as expected. The Company is happy with the customer satisfaction score and is aiming for even higher scores in the future. The employee satisfaction score is unfortunately below treshold, and finds it cause in a change year with a high reduction of headcount.

The Management Board already took several measures based on the results of the employee engagement survey to increase employee's well being and satisfaction, for which we refer to the Great Place to Work' results paragraph in the Value of Our People and Culture chapter. Therefore it is expected that CM.com will become an "Employer of Choice" again in 2024.

Overview of Annualized Remuneration for the Management Board

This overview outlines the remuneration of the members of the Management Board, as at 31 December 2023 (annualized target remuneration):

Position	Name	Base Salary	STI (%)	STI (On Target)	LTI (%)	LTI (On Target)	Total Direct Compensation
CEO	**Jeroen van Glabbeek**	€ 421,000	35%	€ 147,350	35%	€ 147,350	€ 715,700
COO	**Gilbert Gooijers**	€ 421,000	35%	€ 147,350	35%	€ 147,350	€ 715,700
CFO	**Jörg de Graaf**	€ 302,500	35%	€ 105,875	35%	€ 105,875	€ 514,250

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 being capped at the fiscal maximum (2023: € 128,810). No severance payments have been made to any of the Management Board members.

Actual Remuneration

The overview below displays the contractual remuneration elements actually paid out or due in 2023:

Remuneration of the Management Board for the reported financial year[1,2]

Name, Position	1 Fixed remuneration			2 Variable remuneration		3 Extraordinary items	4 Post-employment/ pension benefits[3]	5 Total remuneration	6 Proportion of fixed and variable remuneration[4]
in €	Base Salary	Fees	Fringe benefits[5]	One-year variable	Multi-year variable[6]				
Jeroen van Glabbeek, CEO	€ 421,000	-	-	€ 193,305	-	-	-	€ 614,305	69% / 31%
Gilbert Gooijers, COO	€ 421,000	-	-	€ 193,305	-	-	-	€ 614,305	69% / 31%
Jörg de Graaf, CFO	€ 302,500	-	€ 16,200	€ 138,895	-	-	€ 19,112	€ 476,707	71% / 29%

1 No remuneration of a member of the Management Board was charged to another entity than CM.com Netherlands B.V. during 2023.
2 Over 2023, 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 (2023: € 128,810).
4 Fixed remuneration includes fringe benefits and post-employment/pension benefits.
5 Additional contractual arrangements applicable to the CFO provide for a monthly mobility allowance of € 1,350.
6 LTI's granted in 2023, will be vesting in 2026 and are therefore not yet reflected in this table (not paid out in 2023).

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 2023:

Remuneration of the Management Board for the reported financial year charged to the profit and loss statement[1]

in €		Base salary	Social security contribution[2]	Post-employment/ pension benefits	STI in cash	LTI Shares/share based payments[3]	Other benefits	Total
Jeroen van Glabbeek, CEO	**2023**	**€ 421,000**	**€ 7,224**		**€ 193,305**	**€ 87,266**		**€ 708,795**
	2022	€ 405,000	€ 6,556		€ 66,387	€ 71,993		€ 549,936
	2021	€ 353,086	€ 5,899		€ 82,773	€ 44,696		€ 486,454
Gilbert Gooijers, COO	**2023**	**€ 421,000**	**€ 7,224**		**€ 193,305**	**€ 87,266**		**€ 708,795**
	2022	€ 405,000	€ 6,556		€ 66,083	€ 71,993		€ 549,632
	2021	€ 353,086	€ 5,899		€ 82,773	€ 44,696		€ 486,454
Jörg de Graaf, CFO	**2023**	**€ 302,500**	**€ 10,572**	**€ 19,112**	**€ 138,895**	**€ 65,021**	**€ 16,200**	**€ 552,300**
	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	€ 61,352	€ 460,811

1 Base salary, social security contribution, STI in cash, and other benefits are classified as short-term employee benefits in Note 24 of the consolidated financial statements.
2 Social Security contribution for CFO based on fixed-term contract.
3 Reflects the projected annual expenses for the Awards granted to the Participants based on the IFRS assumptions as described in note 24 of the financial statements and the at-target performance levels for the non-market portions of the Awards.

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 years[1]

in €	2019	2020	2021	2022	2023
Management Board member remuneration					
Jeroen van Glabbeek, CEO	€ 188,571	€ 358,736	€ 486,454	€ 549,936	€ 708,795
Annual change	24%	90%	36%	13%	29%
Gilbert Gooijers, COO	€ 188,571	€ 358,736	€ 486,454	€ 549,632	€ 708,795
Annual change	24%	90%	36%	13%	29%
Jörg de Graaf, CFO (as of 20 April 2020)	-	€ 329,159	€ 415,659	€ 435,988	€ 552,300
Annual change	-	-	26%	5%	27%
Revenue (‘000)	€ 96,320	€ 141,622	€ 237,047	€ 283,231	€ 266,234
Annual change	14%	47%	67%	19%	-6%
Average employee remuneration on a full-time equivalent basis					
Average employees of the company	257	382	650	880	833
Annual change	0%	49%	71%	35%	-5%
Wages and salaries (‘000)[2]	€ 17,772	€ 28,221	€ 48,122	€ 68,733	€ 67,500
Annual change	4%	59%	71%	43%	-2%
Average remuneration per employee (‘000)	69	74	74	78	81
Annual Change	4%	7%	0%	6%	4%
CEO pay ratio	2.73	4.86	6.57	7.04	8.74
Annual change	19%	77%	35%	7%	24%

[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)

Name, position	1 Type of performance criteria	2 Relative weighting	3 Information on performance targets			4 Actual performance and outcome
			a) Threshold performance b) Corresponding award	a) On-target performance b) Corresponding award	a) Maximum performance b) Corresponding award	a) Measured performance b) Actual award outcome
Jeroen van Glabbeek, CEO	Financial Objectives	75%	a) 50% b) 55,256	a) 100% b) 110,513	a) 175% b) 193,397	a) 133.25% b)147,258
	Personal Objectives	25%	a) 50% b) 18,419	a) 100% b) 36,838	a) 175% b) 64,466	a) 125% b) 46,047
Gilbert Gooijers, COO	Financial Objectives	75%	a) 50% b) 55,256	a) 100% b) 110,513	a) 175% b) 193,397	a) 133.25% b)147,258
	Personal Objectives	25%	a) 50% b) 18,419	a) 100% b) 36,838	a) 175% b) 64,466	a) 125% b) 46,047
Jörg de Graaf, CFO	Financial Objectives	75%	a) 50% b) 39,703	a) 100% b) 79,406	a) 175% b) 138,961	a) 133.25% b) 105,809
	Personal Objectives	25%	a) 50% b) 13,234	a) 100% b) 26,469	a) 175% b) 46,320	a) 125% b) 33,086

Details of LTI Plan Grants and Holdings

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

	1	2	3	4	5	6	7	8	9	10	11
Name, position	Specification of plan	Performance period	Award date	Vesting date	End of holding period	Shares awarded at the beginning of the year	Shares awarded	Shares vested[1]	Shares subject to a performance condition	Shares awarded and unvested at year end	Shares subject to a holding period[2]
Jeroen van Glabeek, CEO	LTIP - Shares	2023-2025	1 April 2023	1 April 2026	1 April 2028	-	16,663	-	16,663	16,663	-
		2022-2024	1 April 2022	1 April 2025	1 April 2027	5,988	-	-	5,988	5,988	-
		2021-2023	1 January 2021	1 April 2024	1 April 2026	2,397	-	-	2,397	2,397	-
		2020-2022	21 February 2020	1 April 2023	1 April 2025	3,698	-	3,079	-	-	1,549
Gilbert Gooijers, COO	LTIP - Shares	2023-2025	1 April 2023	1 April 2026	1 April 2028	-	16,663	-	16,663	16,663	-
		2022-2024	1 April 2022	1 April 2025	1 April 2027	5,988	-	-	5,988	5,988	-
		2021-2023	1 January 2021	1 April 2024	1 April 2026	2,397	-	-	2,397	2,397	-
		2020-2022	21 February 2020	1 April 2023	1 April 2025	3,698	-	3,079	-	-	1,549
Jörg de Graaf, CFO	LTIP - Shares	2023-2025	1 April 2023	1 April 2026	1 April 2028	-	11,973	-	11,973	11,973	-
		2022-2024	1 April 2022	1 April 2025	1 April 2027	4,258	-	-	4,258	4,258	-
		2021-2023	1 January 2021	1 April 2024	1 April 2026	1,884	-	-	1,884	1,884	-
		2020-2022	20 April 2020	1 April 2023	1 April 2025	3,597	-	2,995	-	-	2,995
Total						**33,905**	**45,299**	**9,153**	**68,211**	**68,211**	**6,093**

[1] The vesting percentage was 83.25% for the performance shares that vested on 1 April 2023.
[2] The Company sold on behalf of the CEO and COO the number of shares needed to cover withholding taxes due upon vesting. No shares were sold on behalf of the CFO.

No stock options were awarded to the Management Board in 2023, 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 2023 is listed below:

Management Board	Shares	Convertible bonds
Jeroen van Glabbeek:	7,445,298	2
Gilbert Gooijers:	7,445,298	2
Jörg de Graaf:	9,995	-

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. The number of shares held by the CFO increased with the full amount of the performance shares vested in 2023, since no shares were sold on behalf of the CFO to cover for the withholding taxes due upon vesting. The number of shares held by the CFO will increase further going forward.

Overview of Remuneration of the Supervisory Board

The remuneration of the Supervisory Board was determined by the General Meeting of Shareholders held on 26 April 2023 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 2023.

Board		Compensation per annum
Supervisory Board		
Chair Supervisory Board		€ 50,000
Member Supervisory Board		€ 35,000
Audit Committee		
Chair Audit Committee	Additional	€ 7,000
Member Audit Committee	Additional	€ 4,000
Nomination, Selection, and Remuneration Committee		
Chair Nomination, Selection, and Remuneration Committee	Additional	€ 7,000
Member Nomination, Selection, and Remuneration Committee	Additional	€ 4,000

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 2023, CM.com did not grant any loans, advance payments, or guarantees to the members of the Supervisory Board.

Actual Supervisory Board Costs

The below table displays the actual payout of board fees in 2021, 2022 and 2023:

Name	Role Supervisory Board	Audit Committee	Nomination, Selection, and Remuneration Committee	Total 2021 Compensation	Total 2022 Compensation	Total 2023 Compensation
Martin van Pernis[1]	Chair	-	Member	€ 39,750	€ 16,616	-
David de Buck[2]	Vice-chair	Chair	-	€ 18,938	-	-
Jacques van den Broek[3]	Chair	-	Member	€ 5,624	€ 48,169	€ 54,000
Mariken Tannemaat	Vice-chair	-	Chair	€ 25,250	€ 42,000	€ 42,000
Lex Beins	Member	Member	-	€ 24,750	€ 39,000	€ 39,000
Joëlle Frijters	Member	-	-	€ 5,624	€ 35,000	€ 35,000
Diederik Karsten	Member	-	Member	€ 24,750	€ 39,000	€ 39,000
Stephan Nanninga	Member	Chair	-	€ 23,188	€ 42,000	€ 42,000

1 Resigned from the Board from 21 April 2022.
2 Resigned from the Board from 30 September 2021.
3 Took over chair position from 21 April 2022.

Meet Mariken Tannemaat, Chair of the Nomination, Selection, and Remuneration (NSR) Committee and Vice-Chair of the Supervisory Board

“As we foster an environment of growth and shared purpose, we also recognize diversity – of gender, origin, interests, and background – as a key driver of innovation and collaborative strength.”

"*You can't just codify a culture – you have to live it every day.*"

An interview with Mariken Tannemaat, Chair of the Nomination, Selection, and Remuneration (NSR) Committee and Vice-Chair of the Supervisory Board

Between CM.com's initial public offering (IPO) in 2020 and the start of 2023, the number of employees more than quadrupled, before reducing slightly over the past year. In this transformational period following our listing, moving from start-up to scale-up, we've succeeded in navigating a decisive challenge: maintaining the open, entrepreneurial culture that shaped the company's success in the first place.

As a member of the Supervisory Board and Chair of the NSR Committee, I've been overseeing and supporting our efforts in this critical area – and I'm pleased to see that the dynamic, enterprising spirit at the heart of our company is still firmly in place. Moreover, CM.com has continued to foster an atmosphere of inclusion, recognition, and continuous development for every member of the team.

Scaling with Soul

CM.com has always had a vibrant, founder-led culture. Walking through the office for the first time, I felt it immediately: people here step up as entrepreneurs within the company. This culture hasn't always been codified, but it's always been palpable, reinforced by the founders and its senior leaders.

Throughout our transition to a public company, our corporate architecture has become more complex, with formalized remuneration policies, incentive structures, and so on – but everything has been constructed on solid, underlying principles. Of these, the most important is this: you can codify a culture all you like, but it only endures if you live it every day. However much we grow, our success depends on our leaders walking the talk and embodying who we are. Reflecting on our journey, which has seen both expansion and consolidation in headcount, I'm confident that CM.com will retain its unique identity going forward.

A Culture of Empowerment

As a service-led organization, the people of CM.com are the company – and we want them to shine. That means giving each employee the freedom to oversee their own development, while also offering training to empower them as in-house entrepreneurs. Our formal training provision, including our own talen development program the CMBA, online modules, Techno Girls, and female leadership mentorship, has been carefully designed to fit our culture and purpose, helping to develop a diversified team of mature leaders in line with our strategy.

Equally significant, if not more so, is the informal development that happens within the company – sharing knowledge, experimenting with fresh approaches, growing together as one team. There's no substitute for that. And there's no shortage of people who've flourished in our entrepreneurial culture. They enjoy what they do, offer customers something of real value, and they're part of a culture where everyone's on the same mission. Doing great work and having fun along the way – these are at the heart of the Value of One.

Securing the Right Diversity in Leadership

As we foster an environment of growth and shared purpose, we also recognize diversity – of gender, origin, interests, and background – as a key driver of innovation and collaborative strength. This includes continuing to make progress on female leadership, a topic I'm personally very passionate about.

Looking at the company overall, it doesn't feel male dominated, and there are many women doing incredible work across the organization. But let's face facts: this diversity isn't yet reflected at the Management Board level. To close this gap, we've set clear targets for female representation on the Executive Committee, continued to hold networking events for female tech leaders, and supported internal sponsorship programs, all while nurturing an organic, inclusive culture in which everyone can reach their full potential. As our business continues to evolve and reorganize, I'm confident that our female talent will have opportunities to shine.

The road there won't be easy – which is why it's so important to have a Supervisory Board asking challenging questions on this topic and pressing the company to make progress. This isn't just true for diversity and inclusion; it applies to every aspect of our culture. As a board, we hold open conversations that reflect our open ethos, taking the time to discuss anything that might strengthen our employee value proposition – whether that's coaching, attracting diverse talent, or sustaining the culture that drives our success.

Creating High Performance Culture Through Thoughtful Key Performance Indicators

As a starting point, the Remuneration Policy for the Management Board and Supervisory Board is designed to support the long-term strategy of CM.com. It's our job within the NSR Committee to embed the open and entrepreneurial culture of CM.com in the remuneration of the employees and Management Board and keep the targets up to date in light of this culture and the challenges we face.

For 2023, we're especially proud of the specified ESG targets in the personal objectives of the Short-term Incentives (STI) of senior management as well as the clear target on female leadership in the Long-Term Incentive (LTI) plan. We have had many open discussions on how to best describe these targets, making sure that these targets are challenging, but achievable, if the right path is chosen. For this reason, it's very important to continue having open discussions about these topics and the progress we see the company is making. As the NSR, we see this as a very important element of our role.

Looking Beyond Our Four Walls – to the Value of One

Entrepreneurship isn't just important within CM.com; we also support its wider development through close partnerships with educational institutes. These include Avans and TUE, where we support students looking to start their own companies, as well as Tilburg University, where we work with students on AI technologies and encourage them to pursue careers with us.

Staying connected with the next generation and supporting technology that serves the common good are more than random acts of philanthropy. They serve to nourish the entrepreneurial roots of our economy and help to create the Value of One. After all, a society of smart, enterprising young people is what everyone needs – CM.com included – so we'll always look for ways to foster that skillset.

At the same time, the Value of One needs dedicated internal reinforcement. The Supervisory Board has an important role to play here, serving as a constant champion for our open, entrepreneurial spirit as we continue to evolve. Throughout this journey, our cultural goal is clear: preserving the wave of enthusiasm and entrepreneurship that I felt on my first visit to a CM.com office.

What was your favorite moment of 2023?
That is a tough question and hard to choose one… but I would say sunset on the beach with my daughters.

What do you enjoy the most about your job?
What I enjoy most about my job is to be part of the change in the companies I am committed to, and the variation and learning it gives me. I act in various roles with various companies, all in different stages.

What are your hopes for 2024?
To be able to inspire others, be inspired by others, and create something beautiful together.

Mariken Tannemaat (Dutch, 1971)

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

After finalizing her Master of Business Administration study in at Erasmus University in Rotterdam in 1995, Mariken joined ING Group. Mariken worked at ING in various functions in marketing, sales, and digitalization for over 17 years, after which she joined NN Group as Chief Customer Innovation Officer, followed by Robeco as Chief Innovation Officer. After having completed the Hemingway Professional Governance course in 2017, Mariken has joined various companies as Supervisory Board member. Amongst others ABN AMRO, Prudential UK, VLC and Wehkamp. Mariken joined CM.com as Supervisory Board member in October 2019.

Jennifer Mouws

Head of Reporting

Hi Jennifer, how did your projects relate to the Value of One in 2023?

This year, lots of projects were about teaming up with other teams to increase efficiency and quality and save money for CM.com. Working together didn't just create value for CM.com; it made the company more resilient to the fluctuating industry we're in.

Financial Statements

Contents

Consolidated Financial Statements

Consolidated Statement of Financial Position as at 31 December 2023

(After proposal of appropriation of result)

x € 1,000	Note	2023	2022
Goodwill	5/6	29,397	29,404
Intangible fixed assets	5	71,454	69,099
Property, plant, and equipment	7	8,520	8,792
Right-of-use assets	8	27,177	30,658
Long-term receivables	15	1,512	1,465
Associates	10	-	1,823
Deferred tax assets	11	1,136	1,506
Total non-current assets		**139,196**	**142,747**
Current portion of long-term receivables	15	596	810
Inventories		737	1,113
Trade and other receivables	16	50,989	57,035
Current tax receivable		-	559
Cash and cash equivalents	17	48,599[1]	82,740
Total current assets		**100,921**	**142,257**
Total assets		**240,117**	**285,004**

[1] Of which restricted: € 22.4 million (2022: € 35.8 million). Refer to note 17 for more details.

x € 1,000	Note	2023	2022
Share capital		1,747	1,736
Share premium reserve		130,969	127,733
Reserves		7,067	6,967
Accumulated deficits		(113,499)	(82,881)
Total equity	12	**26,284**	**53,555**
Borrowings	18	14,574	17,884
Convertible bonds	19	95,922	94,262
Deferred tax liability	11	1,535	3,162
Provisions	20	144	-
Other liabilities merchants		191	194
Total non-current liabilities		**112,366**	**115,502**
Current portion of borrowings	18	4,000	6,878
Trade and other payables	21	89,812	103,070
Contract liabilities	22	6,500	5,280
Current tax liabilities		1,155	719
Total current liabilities		**101,467**	**115,947**
Total equity and liabilities		**240,117**	**285,004**

Consolidated Statement of Comprehensive Result for the Year Ended 31 December 2023

x € 1,000	Note	2023	2022
Revenue	4	266,234	283,231
Total income		**266,234**	**283,231**
Cost of services	4	(187,701)	(211,262)
Employee benefits expenses	23	(54,345)	(55,148)
Amortization, depreciation and impairments	5/7/8	(21,841)	(18,094)
Other operating expenses	25	(26,915)	(43,327)
Operating result		**(24,568)**	**(44,600)**
Financial income	26	1,296	4,740
Financial expenses	26	(5,618)	(4,963)
Share of results in associates	10	(561)	(151)
Result before tax		**(29,451)**	**(44,974)**
Income tax	11	732	233
Result after tax		**(28,719)**	**(44,741)**
Other comprehensive result[1]		(212)	1,180
Total comprehensive result		**(28,931)**	**(43,561)**
Basic and diluted earnings per share (in €)	12	**(1.00)**	**(1.51)**

[1] The other comprehensive result 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 2023

x € 1,000	Note	Share capital	Share premium reserve	Equity component of convertible bonds	Treasury shares	Foreign currency translation reserve	Accumulated deficits	Total
Balance at 1 January 2022		**1,730**	**124,794**	**6,208**	**-**	**708**	**(35,575)**	**97,865**
Result for the year		-	-	-	-	-	(44,741)	(44,741)
Other comprehensive result		-	-	-	-	1,180	-	1,180
Convertible bonds (net of tax)[1]	19	-	-	(268)	-	-	-	(268)
Purchase of treasury shares		-	-	-	(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	24	2	294	-	64	-	160	520
Balance at 31 December 2022		**1,736**	**127,733**	**5,940**	**(861)**	**1,888**	**(82,881)**	**53,555**
Result for the year		-	-	-	-	-	(28,719)	(28,719)
Other comprehensive result		-	-	-	-	(212)	-	(212)
Convertible bonds (net of tax)[1]	19	-	-	(202)	-	-	-	(202)
Issuance of shares related to business combinations	9	11	3,041	-	-	-	(1,663)	1,389
Issuance of shares to employees	24	-	195	-	514	-	(236)	473
Balance at 31 December 2023		**1,747**	**130,969**	**5,738**	**(347)**	**1,676**	**(113,499)**	**26,284**

[1] The equity component of convertible bonds 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 Statement of Cash Flows for the Year Ended 31 December 2023

x € 1,000	Note	2023	2022
Operating result		(24,568)	(44,600)
Adjustments for:			
- Amortization, depreciation, and impairments	9/10/11	21,841	18,094
- Movement in provisions	20	144	-
Changes in working capital:			
- Inventories		376	(780)
- Trade and other receivables	16	9,689	(9,274)
- Trade and other payables	21	97	20,502
- Contract liabilities		1,220	534
- Trade and other receivables from merchants and financial institutions	16	(1,696)	(882)
- Trade and other payables to merchants and financial institutions	21	(11,836)	14,681
Interest received	26	419	127
Corporate income tax	11	257	(459)
Share benefit program personnel		475	515
Cash flow from operating activities		**(3,582)**	**(1,542)**
Investments in intangible assets	5	(17,436)	(16,061)
Divestments in intangible assets	5	-	-
Investments in property, plant, and equipment	7	(1,865)	(2,817)
Divestments in property, plant, and equipment	7	-	40
Disposal / (acquisitions) of subsidiaries and associates (net of cash)	9/10	220	(6,329)
Cash flow from investing activities		**(19,081)**	**(25,167)**

x € 1,000	Note	2023	2022
Loans granted to third parties	15	(222)	(750)
Repayment of loans granted to third parties	15	460	548
Deposits paid	15	(568)	(623)
Deposits refunded	15	476	463
Repayment of borrowings	18	(20)	(3)
Repayment of lease liabilities	18	(7,429)	(7,162)
Interest paid	26	(2,816)	(2,881)
Movement other long-term liabilities	18	(260)	(64)
Movement other long-term liabilities to merchants		3	2
Purchase of treasury shares		-	(3,585)
Cash flow from financing activities		**(10,376)**	**(14,055)**
Changes in cash and cash equivalents		**(33,039)**	**(40,764)**
Cash and cash equivalents at 1 January		82,740	122,058
Currency results on cash and cash equivalents		(1,102)	1,446
Cash and cash equivalents at 31 December	17	**48,599**	**82,740**

Notes to the Consolidated Financial Statements

1. Corporate Information

The activities of CM.com N.V. (CM.com) and its group companies (for the list of group companies see note 29) 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: 70523 770. The shares of CM.com N.V. (the ultimate parent) are listed on Euronext Amsterdam in The Netherlands under the symbol CMCOM.

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 the business plan 2024-2026. This plan supported the mid-term guidance leading to further growth in positive EBITDA and to be free cash flow positive over H2 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, therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

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. The 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 realized in the entity’s normal operating cycle held primarily for the purpose of trading. Current assets are expected to be realized within 12 months after the reporting period. All other assets are non-current.

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 result.

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, except for the convertible bonds, 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 categorized 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, as 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 and foundations) 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.

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

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. As these services are available to our customers in real time, revenue recognition on a straight-line monthly basis accurately reflects the transfer of goods and services.

CM.com's operations are divided into operating segments based on how these operations are monitored by CM.com's management. The Board of Directors, as chief operating decision-maker, monitors gross profit that each segment generates and overall costs. Non-regularly recurring items, assets, and liabilities are not allocated to CM.com's operating segments and therefore not monitored and presented by 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.

CM.com's operating segments consist of CPaaS, SaaS, Payments, and Ticketing.

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.

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.

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 a 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.

Cost of services for CM.com's Payments segment comprises primarily of fees paid to financial services providers, which will decrease relatively compared to revenue as CM.com has had its own acquiring license since mid-2023, as well as interchange and payment network fees charged by financial institutions for facilitating payments through CM.com's platform.

Ticketing

Within Ticketing, revenue is generated by selling tickets and related 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 and are recognized point-in-time, as are lease of POS terminals.

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 CM.com's operating segments:

2023

x € 1,000	CPaaS	SaaS	Payments	Ticketing	Total
Revenue	211,468	28,904	15,542	10,320	266,234
Cost of services	(176,603)	(3,266)	(7,231)	(601)	(187,701)
Operational expenses, amortization, depreciation, and impairments					(103,101)
Operating result					**(24,568)**
Financial income and expenses					(4,322)
Share of results in associates					(561)
Result before tax					**(29,451)**

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, amortization, and depreciation					(116,569)
Operating result					**(44,600)**
Financial income and expenses					(223)
Share of results in associates					(151)
Result before tax					**(44,974)**

Geographic Reporting

In the table below revenue is disaggregated by CM.com's operating segments and regions. The region is determined based on the billing address of the legal establishment of our customers.

2023

x € 1,000	CPaaS	SaaS	Payments	Ticketing	Total
EMEA	133,211	26,637	15,293	10,320	185,461
of which the Netherlands	*40,223*	*20,274*	*8,512*	*7,894*	*76,903*
of which France	*28,983*	*1,259*	*50*	*10*	*30,302*
APAC	46,754	1,373	96	-	48,223
Americas	31,503	894	153	-	32,550
of which the USA	*28,399*	*534*	*7*	*-*	*28,940*
	211,468	**28,904**	**15,542**	**10,320**	**266,234**

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*
of which France	*22,916*	*1,619*	*4*	*2*	*24,540*
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**

In FY 2023 and 2022, no single customer or partner contributed more than 10% to CM.com’s revenue. Revenue is reduced by an amount of € 1,745 thousand (2022: € 2,188 thousand) related 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 2021	56,245	22,753	29,773	4,660	113,431
Additions related to external costs	618	-	90	53	761
Business combinations	5,352	7,202	2,636	85	15,275
Development costs	15,435	-	-	-	15,435
Divestments	-	-	-	(135)	(135)
Currency difference	-	-	(20)	-	(20)
At 31 December 2022	**77,650**	**29,955**	**32,479**	**4,663**	**144,747**
Additions related to external costs	207	-	110	1,469	1,786
Development costs	15,650	-	-	-	15,650
Divestments	(14,318)	(114)	(4,201)	(1,301)	(19,934)
Currency difference	(1)	-	(6)	-	(7)
At 31 December 2023	**79,188**	**29,841**	**28,382**	**4,831**	**142,242**
Amortization and impairments					
At 31 December 2021	18,306	543	12,533	1,916	33,298
Amortization	9,755	8	3,019	179	12,961
Currency difference	-	-	(15)	-	(15)
At 31 December 2022	**28,061**	**551**	**15,537**	**2,095**	**46,244**
Amortization	11,479	-	2,908	576	14,963
Impairments	85	7	-	-	92
Divestments	(14,318)	(114)	(4,201)	(1,273)	(19,906)
Currency difference	2	-	(4)	-	(2)
At 31 December 2023	**25,309**	**444**	**14,240**	**1,398**	**41,391**
Carrying amount					
At 31 December 2022	**49,589**	**29,404**	**16,942**	**2,568**	**98,503**
At 31 December 2023	**53,879**	**29,397**	**14,142**	**3,433**	**100,851**
Estimated useful lives (years)	5-10	indefinite	10	5-10 / indefinite	

[1] Platform (software) contains capitalized development hours. In total € 39,641 thousand of the net book value of this category is self-generated (2022: € 31,358 thousand).

6. Impairment Test

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of CM.com's cash-generating units (CGUs) 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, or whenever management identifies conditions that may indicate a risk of impairment.

In prior years the impairment test was always performed per year-end closing date. As of 2023, we have performed the impairment test at 1 October and tested for indicators of impairment in the period between 1 October and year-end. The change in approach was done for pragmatic reasons. The forecast period in prior models was always five years as this matches our internal forecasting period, but for the impairment model we have now extended this period with three months, also for pragmatic reasons, to continue matching our forecasting period. In the table below, the intangible assets are disaggregated per CGU, reflecting CM.com's operating segments as explained in note 4:

2023

x € 1,000	CPaaS	SaaS	Payments	Ticketing
Goodwill	1,059	18,810	8,780	748
Domain names	467	519	463	144
Pre-tax WACC	14.82%	15.27%	16.30%	15.79%
Post-tax WACC	11.00%	11.33%	12.10%	11.72%

2022

x € 1,000	CPaaS	SaaS	Payments	Ticketing
Goodwill	1,059	18,817	8,780	748
Domain names	481	608	372	140
Pre-tax WACC	15.47%	18.24%	16.58%	17.08%
Post-tax WACC	11.48%	13.53%	12.30%	12.67%

The impairment test is based on cash flow projections for five years and three months (note 31). These cash flow projections are based on the financial forecast approved by management, covering a three-year period (2024-2026). The cash flow projections beyond that three-year period for 2027 and 2028, are based on expected revenue growth, derived from our mid-term guidance which focuses on gross profit growth. This resulted in a revenue growth rate of 13% for SaaS as well as for Payments. For CPaaS a revenue growth rate of 6% was used and for Ticketing a revenue growth rate of 15%.

CGUs 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 and three months forecast period. For all CGUs a long-term inflation expectation of 2.20% (2022: 2.44%) 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. We disclose our estimated cash flows as post-tax. The pre- and post-tax WACC are presented in the table above. We refrain from disclosing the pre-tax cash flows.

For Payments, headroom is limited and particularly sensitive to revenue growth and cost control measures.

The Compound Annual Growth Rate (CAGR) on Revenue for Payments for the period 2023-2028 in the impairment testing model is 17.8%. The actual revenue growth over FY 2023 was 15.7%. The budget and forecast plan for 2024-2028, prepared by the Payments CGU Management Team, is reviewed and approved by the Management Board and as part of the annual budgeting and forecasting cycle, also challenged and approved by the Supervisory Board. In addition to detailed revenue targets, we also defined and included targets for cost control in the performance management cycle.

Challenges on the input parameters in the budget and forecast models, together with a diligently executed process, provides the Payment CGU management team, as well as the CM Management Board sufficient confidence. Revenue growth can be achieved as a result of an effective sales focus with the new business unit structure combined with services via our CM Acquiring license. Together with cost control measures and integrated platform services, the growth rate is deemed realistic. Management challenged the budget with scenarios regarding the average growth rate over the years 2023-2028. The amount by which the CGU Payments' recoverable amount exceeds its carrying amount is € 2.4 million based on the approved budget 2024 and forecast. This amount of headroom changes with around € 4 million per 1% higher or lower CAGR on Revenue 2023-2028 without change in other variables, like effects of cost reduction in case of revenue growth falls behind budget. Management will monitor growth against this CAGR on Revenue of 17.8% for the upcoming reporting periods and update the impairment analyses in case of impairment triggers.

In the impairment testing model, the WACC was 12,1%, and long-term growth rate applied was 2,2%. The sensitivity analysis with the WACC plus-minus 1% and long-term cash flow growth rate plus-minus 0,5% resulted in a bandwidth on the headroom from minus € 4.7 million for WACC +1% and long-term cash flow growth rate minus 0,5%, to plus € 6.4 million for WACC -1% and long-term cash flow growth rate plus 0,5%.

The outcome of the impairment testing model, which is based on the value in use, was challenged with a market approach valuation performed by an external valuation agency. Taken the same key assumptions into account for the budget 2024 and growth rate as included in the discounted cash flow valuation, they concluded that fair value (less costs of disposal) for the Payments CGU under the various valuation scenarios also indicated positive mid-point range headroom between € 4.6 million and € 24.2 million. Management is aware of the current level of headroom in combination with the sensitivity of the parameters used. Based on the outcome no impairment charges were recognized during 2023 and 2022.

7. Property, Plant, and Equipment

Property, plant, and equipment are presented at cost less accumulated depreciation and, if applicable, less impairments. Costs 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 or loss on a straight-line basis over the estimated useful life of each part of an item of property, plant, and equipment. Depreciation methods, useful lives, and residual values are reviewed at each reporting date.

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

x € 1,000	Platform (hardware)	Furniture & fixtures	Vehicles	Hardware workplace	Leasehold improvements	Total
Costs						
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
Currency difference	4	1	-	-	2	7
At 31 December 2022	**6,333**	**3,241**	**144**	**3,754**	**2,034**	**15,506**
Additions	90	416	159	486	873	2,024
Divestments	(2,616)	(1,102)	(33)	(2,275)	(85)	(6,111)
Currency difference	(37)	(1)	-	(12)	(2)	(52)
At 31 December 2023	**3,770**	**2,554**	**270**	**1,953**	**2,820**	**11,367**
Depreciation						
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)
Currency difference	3	-	-	-	-	3
At 31 December 2022	**3,438**	**908**	**98**	**1,848**	**422**	**6,714**
Depreciation	444	373	108	689	250	1,864
Impairments	207	89	1	29	54	380
Divestments	(2,616)	(1,102)	(33)	(2,263)	(81)	(6,095)
Currency difference	(11)	-	-	(5)	-	(16)
At 31 December 2023	**1,462**	**268**	**174**	**298**	**645**	**2,847**
Carrying amount						
At 31 December 2022	**2,895**	**2,333**	**46**	**1,906**	**1,612**	**8,792**
At 31 December 2023	**2,308**	**2,286**	**96**	**1,655**	**2,175**	**8,520**
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 reliable 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, taking into account any residual value. 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 or 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 expenses and total cash outflow for leases are as follows:

x € 1,000	2023	2022
Interest expense on lease liabilities	582	340
Expenses relating to short-term leases	1,322	1,958
Total cash outflow for leases	7,429	7,162

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

x € 1,000	Land and buildings	Furniture & fixtures	Platform (Hardware)	Platform (Software)	Vehicles	Total
Costs						
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
Ending of lease agreements	(198)	-	-	-	(205)	(403)
Currency difference	19	-	(21)	-	-	(2)
At 31 December 2022	**20,450**	**236**	**16,563**	**1,127**	**962**	**39,338**
Additions	902	-	10	-	307	1,219
Ending of lease agreements	(976)	(116)	-	-	(311)	(1,403)
Currency difference	(46)	-	(49)	-	-	(95)
At 31 December 2023	**20,330**	**120**	**16,524**	**1,127**	**958**	**39,059**
Amortization						
At 31 December 2021	3,051	124	1,503	452	384	5,514
Amortization	1,652	57	1,476	113	234	3,532
Ending of lease agreements	(198)	-	-	-	(180)	(378)
Currency difference	12	-	-	-	-	12
At 31 December 2022	**4,517**	**181**	**2,979**	**565**	**438**	**8,680**
Amortization	2,538	26	1,691	113	174	4,542
Ending of lease agreements	(950)	(116)	-	-	(252)	(1,318)
Currency difference	(20)	-	(2)	-	-	(22)
At 31 December 2023	**6,085**	**91**	**4,668**	**678**	**360**	**11,882**
Carrying amount						
At 31 December 2022	**15,933**	**55**	**13,584**	**562**	**524**	**30,658**
At 31 December 2023	**14,245**	**29**	**11,856**	**449**	**598**	**27,177**

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. During 2023, there were no acquisitions and therefore no related costs (2022: € 181 thousand).

For a number of earn-out arrangements made on acquisitions, as at 31 December 2023 the fair value has been remeasured. As a consequence of lower than expected performance of the acquisitions, a release of € 878 thousand has been reported under "financial income". Not all earn-outs have been agreed with the selling shareholders. For other acquisitions that performed better than expected, the re-measurement led to an increase in the earn-out liability for which € 33 thousand has been reported under "financial expenses".

The recognized goodwill relating to the acquisition represents future economic benefits 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.

Acquisition 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, specialized 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. The acquisition of Building Blocks is related to the SaaS segment.

The acquired trade and other receivables mainly consist of trade and VAT receivables. Building Blocks' contribution in 2022 to revenue amounts to € 3,475 thousand. If the acquisition was done as per 1 January 2022, the contribution to revenue would be € 4,124 thousand in 2022. The total contribution to net result of Building Block is minus € 822 thousand in 2022. If the acquisition was done as per 1 January in 2022, the contribution to net result would be minus € 976 thousand in 2022.

The provisional fair values of identifiable assets and liabilities of the acquisition as at the date of acquisition as displayed below. In 2023, the Company finalized the purchase price allocation of the acquisition of Building Blocks, with no adjustment to the provisional purchase price allocation performed in 2022.

x € 1,000	Building Blocks
Consideration paid in cash	6,891
Equity payment	2,584
Earn-out (part of other accruals)	2,558
Total consideration	**12,033**
Goodwill	14
Intangible assets (Platform and Other)	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 assets	290
Deferred tax liabilities	(290)
Carrying amount at acquisition date	**(195)**
Platform recognized fair value adjustment	4,157
Customer relations recognized fair value adjustment	2,636
Deferred tax liability recognized fair value adjustment	(1,753)
Total fair value of net identifiable assets and liabilities	**4,845**
Goodwill recognized	7,187

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. Both results as 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 are as follows:

Name of associate	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights 2023	2022
PHOS Services Ltd	Transforming mobile devices into POS terminals	Bromley, England	0.00%	8.92%

Although CM.com held less than 20% of the equity shares of PHOS Services Ltd, and it had less than 20% of the voting power at shareholder meetings, CM.com exercised significant influence as a result of the appointment as one of the investor directors contractual rights.

On 27 March 2023, the Company sold its stake of shares in PHOS Services Ltd. to an external party. The relating loan receivable has been fully repaid. The result on the divestment is a loss of € 561 thousand. The loss calculation includes an expected earn-out receivable of € 610 thousand with a targeted consideration of € 2.5 million. This targeted consideration could be exceeded in case the revenue target is overachieved. The impact of the sales transaction has been recognized as result in associates per reporting date, amounting to € 561 thousand. The earn-out receivable has been recognized under other receivables, see note 16.

x € 1,000	2023	2022
Carrying amount as at 1 January	1,823	1,974
Movements:		
Sale of shares	(1,262)	-
Share of result of associates	(561)	(151)
Carrying amount as at 31 December	**-**	**1,823**

11. Taxation

Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute these amounts are those that are enacted or substantively enacted at the reporting date in the countries where CM.com operates and generates taxable income. 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. The effective income tax amount on the Group's result before tax differs from the statutory income tax amount that would arise using the applicable statutory income tax rate.

Fiscal Unity

CM.com N.V. forms a fiscal unity for corporate income tax purposes with the Dutch subsidiaries, excluding the Building Blocks entities, and CM.com Ticket Guarantee N.V. Income tax is allocated to individual members of the fiscal unity as if they were independently liable for tax.

Major components of the income tax expense :

x € 1,000	2023	2022
Current tax:		
Current year	608	695
Adjustments prior periods	167	1,198
Deferred tax:		
Movement in temporary differences	(2,916)	(2,262)
Movement in tax losses carried forward	1,381	(121)
Tax rate differences	28	77
Adjustments prior year	-	180
Tax according to the profit or loss account	**(732)**	**(233)**

The effective tax rate for 2023 is 2.5% (2022: 0.5%) and can be reconciled as follows:

x € 1,000	2023	2022
Result before tax	(29,451)	(44,974)
Income tax at statutory tax rate (25.8%)	(7,597)	(11,603)
Exempt income	145	39[1]
Non-deductible expenses	128	(510)
Rate differential	220	(318)
Non-recognition of deferred tax assets	6,913	11,875
Tax losses utilised	(543)	(826)
Deferred tax asset through equity	(202)	(268)
Tax relating to prior periods	204	1,378
Tax according to the profit or loss account	**(732)**	**(233)**

[1] Please note that the adjustment for the result of associates is presented as a tax effect ' exempt income' compared to the financial statements as at 31 December 2022, where the comparative figure was presented gross (€ 151 thousand).

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 at 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 Assets

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 utilized. CM.com has tax losses carried forward of € 107.2 million as at 31 December 2023 (2022: € 90.5 million), out of which € 0.3 million (2022: € 0.8 million) expires in the following five years (of this for a total of € 0.0 million a DTA is formed). An amount of € 0.5 million (2022: € 0.4 million) will expire after five years (of this for a total of € 0.0 million a DTA is formed) and € 106.4 million (2022: € 89.3 million) can be carried forward indefinitely (of this for a total of € 5.1 million a DTA is formed). For unused tax losses of € 86.4 million no deferred tax asset is formed. Deferred tax assets recognized and movements thereon:

x € 1,000	Total	Tax losses	Convertible bonds	Right-of-use assets	Deferred costs	Other
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
Adjustments made in temporary differences	4,194[1]	-	-	4,194	-	-
Netting of tax	(9,714)[1]	(4,675)	(845)	(4,194)	-	-
Carrying amount as at 31 December 2022 after netting	**1,506**	**975**	**-**	**38**	**493**	**-**
Netting of tax	9,714	4,675	845	4,194	-	-
Carrying amount as at 31 December 2022 before netting	**11,220**	**5,650**	**845**	**4,232**	**493**	**-**
Mutations through profit or loss	(1,179)	(1,179)	-	-	-	-
Mutations through equity	(202)	-	(202)	-	-	-
Charge to profit or loss	(217)	-	-	(358)	141	-
Exchange differences	(46)	(14)	-	-	(32)	-
Carrying amount as at 31 December 2023 before netting	**9,576**	**4,457**	**643**	**3,874**	**602**	**-**
Netting of tax	(8,440)	(4,047)	(643)	(3,750)	-	-
Carrying amount as at 31 December 2023 after netting	**1,136**	**410**	**-**	**124**	**602**	**-**

[1] Please note that the comparative figures have been restated due to the latest amendments to IAS 12 'Deferred tax related to assets and liabilities arising from a single transaction'.

Deferred Tax Liabilities

Deferred tax liabilities recognized and movements thereon:

x € 1,000	Total	Intangible assets	Right-of-use liabilities	Convertible bonds
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	-	-
Prior periods	180	180	-	-
Adjustments made in temporary differences	4,194[1]	-	4,194	-
Netting of tax	(9,714)[1]	(4,675)	(4,194)	(845)
Carrying amount as at 31 December 2022 after netting	**3,162**	**2,679**	**-**	**483**
Netting of tax	9,714	4,675	4,194	845
Carrying amount as at 31 December 2022 before netting	**12,876**	**7,354**	**4,194**	**1,328**
Mutations through profit or loss	(2,901)	(2,117)	(444)	(340)
Effect of change in tax rate	-	-	-	-
Prior periods	-	-	-	-
Carrying amount as at 31 December 2023 before netting	**9,975**	**5,237**	**3,750**	**988**
Netting of tax	(8,440)	(4,047)	(3,750)	(643)
Carrying amount as at 31 December 2023 after netting	**1,535**	**1,190**	**-**	**345**

[1] Please note that the comparative figures have been restated due to the latest amendments to IAS 12 'Deferred tax related to assets and liabilities arising from a single transaction'.

Other Disclosures

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 maximizing the return to shareholders through the optimization of the debt and equity balance. CM.com's overall strategy remains unchanged from 2022.

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 17) and shareholders' equity (comprising issued ordinary share capital, share premium, reserves, and accumulated deficits, disclosed below).

At 1 January 2023, the number of issued, authorised shares was 28,934,518 with a total nominal value of € 1,736 thousand. All shares are ordinary shares. During 2023, a total of 176,847 shares were issued in relation with earn-outs of acquired companies. At year-end, that brings the total of issued shares up to 29,111,365 with a total nominal value of € 1,747 thousand. At balance date, there are only ordinary shares.

In 2022, the Company purchased 143,925 own shares related to business combinations and 60,000 own shares to satisfy obligations related to the equity-settled share-based compensation plans, of which 33,336 shares were vested during 2023 (2022: 4,153 shares) (see note 24). At year-end, the amount of treasury shares held amounted to €0.3 million (2022: €0.9 million) and represents 22,511 shares (2022: 55,847).

The legal reserves, in amount of € 39,641 thousand (2022: € 31,358 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 for distribution.

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 29,022,942 (2022: 28,887,308). The total comprehensive loss used in the calculation of basic an diluted loss per share over 2023 amounts to € 28,931 thousand (2022: € 43,561 thousand).

13. Risk Management

Credit Risk

Credit risk represents the financial loss that would have to be recognized on the reporting date if a customer or counter party 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 16 and note 21. No significant concentration of credit risk existed as at the reporting date. In prior year the additional charges to expenses mainly concentrate to one individual customer for a bad debt position of € 4.2 milion.

The changes in the provision for expected credit losses are as follows:

x € 1,000	2023	2022
Balance as per 1 January	5,548	372
Additions to provision	1,604	5,435
Utilization of provision	(4,850)	(259)
Release of provision	(215)	-
Balance as per 31 December	**2,087**	**5,548**

The aging of accounts receivables is set out below:

x € 1,000	2023	2023	2022	2022
	Gross	Net	Gross	Net
Current	13,475	13,177	15,226	14,455
1 - 30 days	6,252	6,032	2,796	2,705
31 - 60 days	2,238	2,149	5,312	5,085
> 60 days	4,397	2,917	7,874	3,415
	26,362	**24,275**	**31,208**	**25,660**

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

Bucket	ECL %	
	2023	2022
Current	1.0%	1.0%
1 - 30 days	1.7%	1.7%
31 - 60 days	6.2%	6.2%
> 60 days	10.0%	10.0%

The expected credit losses on trade receivables are estimated using a provision matrix by reference to past payment behaviour for a 12-month period 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, due to low credit risk and the amounts involved, the expected credit losses are deemed as not significant.

Impairment of Financial Assets

CM.com applies the IFRS 9 simplified approach for measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables excluding VAT 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 related 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, among 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 recognised excluding VAT through profit or loss under other operational expenses. Subsequent recoveries of amounts previously written off are credited against the same line item.

Liquidity Risk

Liquidity risk is the risk that CM.com will not be able to meet its financial obligations as they fall due. CM.com's approach to 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. CM.com's borrowing facilities and revolving credit facilities are detailed in note 18.

Exposure to Liquidity Risk

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

2023

x € 1,000	Note	0-3 months	4-12 months	1-5 years	Over 5 years	Total	Carrying amount
Lease liabilities	18	1,451	3,006	9,144	6,776	20,377	17,521
Convertible bonds	19	1,000	1,000	104,000	-	106,000	95,922
Trade payables	21	33,275	-	-	-	33,275	33,275
Other financial liabilities	21	57,692	-	-	-	57,692	57,692
Tax debt	18	-	-	1,121	-	1,121	1,053
		93,418	**4,006**	**114,265**	**6,776**	**218,465**	**205,463**

2022

x € 1,000	Note	0-3 months	4-12 months	1-5 years	Over 5 years	Total	Carrying amount
Lease liabilities	18	2,114	5,957	11,016	8,807	27,894	23,689
Convertible bonds	19	1,000	1,000	106,000	-	108,000	94,262
Trade payables	21	25,241	-	-	-	25,241	25,241
Other financial liabilities	21	78,363	224	-	-	78,587	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**	**240,863**	**222,813**

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, HKD (prior year JPY), SGD, and USD. As CM.com operates globally, purchases are done in multiple currencies. Alignment of sale and purchases contracts in local currencies mitigates the risk of foreign currency translations. The amounts below are excluding the foundation's activities as the cash, receivables and payables from the foundations both receive and pay-out in the same currency, as such the currency risk on these amounts are remote.

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

2023

x € 1,000	USD	HKD	CNY	GBP	INR	SGD
Cash and cash equivalents	2,041	74	1,028	410	160	202
Trade receivables	11,526	60	252	617	185	-
Trade payables	(7,350)	(30)	(169)	(752)	(30)	(133)
	6,217	**104**	**1,110**	**276**	**315**	**69**

2022

x € 1,000	USD	INR	CNY	GBP	JPY	SGD
Cash and cash equivalents	528	497	4,802	519	173	3,143
Trade receivables	12,377	149	548	384	284	57
Trade payables	(4,880)	(15)	(147)	(556)	(97)	(99)
	8,025	**631**	**5,203**	**347**	**360**	**3,101**

Foreign Currency Sensitivity

The summary below shows the effect on the result that a reasonable possible change in exchange rate (+5%, calculated from exchange rate), with all other variables held constant, could have for the primary foreign excange rates:

x € 1,000	2023	2022
USD	440	617
HKD	(32)	-
CNY	56	246
GBP	13	17
INR	15	30
SGD	13	140
JPY	-	17

14. Financial Instruments

Financial assets and liabilities are initially recognized when CM.com becomes a party to the contractual provisions of the instrument.

Financial Assets

The financial assets to which CM.com is a party includes loans receivable, trade and other receivables, deposits, equity investments, cash and cash equivalents.

Classification and Measurement

Financial assets are, at initial recognition measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition. Except for trade receivables without a significant financing component, these are initially measured at the transaction price.

After initial recognition, financial assets are subsequently measured at amortized cost or fair value through profit or loss 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 using the effective interest method 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.

Financial assets held for trading, such as equity investments, are valued at fair value through profit or loss.

Financial assets that are subsequently measured at amortized cost are reduced by impairment losses. See note 13 for the recognition of the provision for expected credit losses for all financial assets not measured at fair value through profit or loss. Calculation of interest income is done by using the effective interest method. Interest income, currency results and impairment losses are recognized in profit or loss.

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

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. Any gain or loss from derecognition is recognized in profit or loss.

Financial Liabilities

Financial liabilities to which CM.com is a party include, trade and other payables, long-term borrowings, lease liabilities, and contingent considerations (earn-outs) in business acquisitions.

Classification and Measurement

Financial liabilities are initially recognised at fair value less, in the case of a financial liability not at fair value through profit or loss, transaction costs directly attributable to its issue.

All financial liabilities are classified as subsequently measured at amortized cost, except for contingent considerations in business acquisitions, which are subsequently measured at fair value with changes recognized through profit or loss. Any difference between the proceeds (net of transaction costs) and the redemption amount are recognized in profit or loss over the period of the borrowings using the effective interest method.

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, CM.com's incremental borrowing rate. See note 13 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 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.

15. Long-Term Receivables

Long-term receivables per the end of the reporting period consist of the following:

x € 1,000	2023	2022
Deposits	1,316	1,244
Other receivables	732	971
Other participation	60	60
	2,108	**2,275**
Current portion of long-term receivables	596	810
	1,512	**1,465**

No impairment losses were recognized in 2023 and 2022. 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:

x € 1,000	2023	2022
Carrying amount as at 1 January	**2,275**	**2,670**
Movements:		
Loans granted / advance payment	222	1,016
Repayment loans	(422)	(632)
Write off loans	(38)	(952)
Paid deposits	568	599
Refund deposits	(421)	(468)
Other movements	(55)	-
Acquisitions	-	24
Currency difference	(21)	18
Carrying amount as at 31 December	**2,108**	**2,275**

16. Trade and Other Receivables

Trade and other receivables per the end of the reporting period consist of the following:

x € 1,000	2023	2022
Trade receivables	24,275	25,660
Accrued revenue	18,623	22,696
Prepayments	1,747	3,160
Receivables from merchants and financial institutions	3,801	2,105
VAT and payroll tax receivables	882	1,655
Other receivables	1,661	1,759
	50,989	**57,035**[1]

[1] Please note that the current portion of long-term receivables are presented separately on the face of the balance sheet as per 31 December 2023, and form no longer a part of trade and other receivables compared to the financial statements as at 31 December 2022.

Trade and other receivables do not include any receivables that are payable later than 12 months after the balance sheet date. A provision for expected credit losses is accounted for and netted with the trade receivables. At the reporting date, an amount of € 2,087 thousand (2022: € 5,548 thousand) is provided for. CM.com's exposure to credit risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 13.

17. Cash and Cash Equivalents

Cash and cash equivalents at the end of the reporting period consist of the following:

x € 1,000	2023	2022
Cash at bank	26,220	46,916
Cash at bank restricted	22,379	35,824
	48,599	**82,740**

Cash and cash equivalents comprise of cash at bank and on-hand.

Cash at bank restricted is solely related to the foundation's activities and to be settled with merchants of Payments and Ticketing customers. Considering that these balances cannot be used by the Company for its own activities, these are recorded as restricted cash.

All other cash and cash equivalents are available for immediate use by the Company.

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.

18. Borrowings

Borrowings per the end of the reporting period consist of the following:

x € 1,000	2023	2022
Lease liability	17,521	23,689
Tax debt	1,053	1,053
Bank loans	-	20
	18,574	**24,762**
Current portion of borrowings	4,000	6,878
	14,574	**17,884**

A summary of the movements in borrowings is provided:

x € 1,000	2023	2022
Carrying amount as at 1 January	**24,762**	**10,053**
Movements:		
Increase in bank loans	-	31
Increase in tax debt (via acquisitions)	-	1,117
Increase in lease liability (including acquisitions)	1,367	20,791
Redemptions of bank loans	(20)	(11)
Redemptions of tax debt	(260)	(64)
Redemptions of lease liability	(7,429)	(7,162)
Reclassification of tax debt[1]	260	-
Ending of lease liability	(85)	-
Currency difference	(21)	7
Carrying amount as at 31 December	**18,574**	**24,762**

[1] Please note that the short-term part of the tax debt was reclassified from VAT and payroll tax payables to current portion of borrowings compared to the financial statements as at 31 December 2022.

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 installments 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 seven 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 the settlement date if at least 85% of the issued bonds have been converted, settled, or redeemed.

The convertible bonds expire in September 2026, and management is confident that the Company can meet its obligations based on the Company's positive performance according to the results 2023 and business plan for 2024-2026 as well as the active dialogues taking place with the capital markets about this topic.

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	2023	2022
Carrying amount of liability component at 1 January	**94,262**	**92,648**
Interest charged (using effective interest rate)	1,660	1,614
Carrying amount of liability component at 31 December	**95,922**	**94,262**

The equity component of € 5,738 thousand (2022: € 5,940 thousand) (net of tax) has been credited to the option premium on the convertible bonds reserve. The tax effect includes a deferred tax liability of € 988 thousand (2022: € 1,328 thousand) offset by a related deferred tax asset recognized through equity of € 643 thousand (2022: € 845 thousand), see 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-month period. The yield is based on a CCC+ credit rating assigned by Wiserfunding. CapitalIQ is consulted on the yields of 5-year bonds rated B or CCC, with 29 US companies underlying 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 2023 represents the effective interest rate less interest paid to that date.

The market price at 31 December 2023 at Boerse Frankfurt is 60.70% of the nominal value (2022: 63.31%).

20. Provisions

In 2023, the Company started a new business called Ticket Guarantee in which we sell insurances to tickets of our events. The provision fully relates to the provisional amount of expected payouts on outstanding insurances. The Company has applied the simplified approach under IFRS 17 for these insurances as all insurance policies sold have a lifetime of less then 12 months. The total cost for the provision amounts to € 0.1 million. The provision will be utilized within the next 12 months.

21. Trade and Other Payables

Trade and other payables per the end of the reporting period consist of the following:

x € 1,000	2023	2022
Trade payables	33,275	25,241
Payables to merchants and financial institutions	25,899	37,735
Invoices to be received for cost of services	13,544	22,864
VAT and payroll tax payables	5,833	3,525
Third-party collection payable to content providers	1,641	1,302
Other accruals	9,620	12,403
	89,812	**103,070**

These amounts represent liabilities for goods and services provided to the group, prior to the end of the reporting period, which are unpaid. The accruals are short-term in nature.

Payables to merchants and financial institutions relate to the collected amounts from consumers, received on the bank accounts of the foundation. These amounts are to be transferred to merchants of CM Payments B.V. and Ticketing customers.

The other accruals mainly consists of earn-out liabilities relating to acquisitions amounting to € 392 thousand as per 31 December 2023 (2022: € 3,087 thousand), non-trade invoices to be received and personnel accruals.

22. Contract Liabilities

The revenue received in advance mainly consists of prepaid subscription fees (linear released over the contract period) or prepaid CPaaS balances (released by usage). The amount as per 31 December 2022 is settled in full in 2023. The amount as per 31 December 2023, will be settled in full in 2024. The increase in the contract liabilities compared to 2022, is due to increased revenue in the SaaS segment, also see note 4.

23. Employee Benefits Expenses

x € 1,000	2023	2022
Wages and salaries	56,449	57,759
Social security charges	8,883	9,104
Pension costs	2,168	1,870
WBSO government grant	(635)	(1,812)
Capitalized development costs	(12,520)	(11,773)
	54,345	**55,148**

The employee benefits expenses can be split by department as follows:

2023

x € 1,000	Research & Development	Sales & Marketing	General & Admin.	Total
Wages and salaries	19,027	27,594	9,828	56,449
Social security charges	3,246	4,236	1,401	8,883
Pension costs	746	986	436	2,168
WBSO government grant	(635)	-	-	(635)
Capitalized development costs	(12,520)	-	-	(12,520)
	9,864	**32,816**	**11,665**	**54,345**

2022

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 government grant	(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 (FTEs), was 833 (2022: 880), of which 211 FTEs are working outside the Netherlands (2022: 251). The breakdown per department of average number FTEs is as follows:

	2023	2022
Sales & Marketing	398	456
Research & Development	311	304
General & Administration	124	120
	833	**880**

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 committed to pay. In such case, the size of the employee's pension depends upon the contributions the Company pays to the plan or 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.

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 are recognized when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. CM.com receives WBSO, a government grant for research and development work in the Netherlands. It is implemented by the Netherlands Enterprise Agency (RVO) and promotes technical innovation. The WBSO government grant decreases the social security charges and is therefore recognized as a tax credit under the employee benefits in the year they are related to. As the primary condition of this governmental grant is not related to an asset purchased, constructed or otherwise acquired, the grant is not capitalized and not allocated to the useful live of the asset.

24. 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 the 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; and
- Restricted Share Unit Plan ("RSU") for a number of key talents 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") has been introduced for key individuals in senior leadership positions. There have been four 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. The vesting date was 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. The vesting date is 1 April 2024.
- LTIP 2022-2025 granted at 1 and 21 April 2022. The vesting date is 1 April 2025.
- LTIP 2023-2026 granted at 25 May 2023. The vesting date is 1 April 2026.

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), Revenue: Compound Annual Growth Rate (CAGR), Customer Satisfaction (NPS), ESG - Gender diversity and Employee Satisfaction 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 2023:

	24 May 2023
Share price at grant date	8.0
Expected volitality	46.9%
Vesting period (years)	2.9
Annual dividend increase	-%
Risk-free interest rate (Eurozone, UK, Sweden)	2.6/4.4/2.8
Fair value at grant date	3.42

Key assumptions to the TSR shares 2022:

x € 1,000	1 April 2022	21 April 2022
Share price at grant date	19.4	17.3
Expected volitality	49.9%	50.0%
Vesting period (years)	3.0	2.9
Annual dividend increase	-%	-%
Risk-free interest rate (Eurozone, AScX / 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:

x € 1,000	January 2021	May 2021
Share price at grant date	31.0	28.1
Expected volitality	48.1%	48.8%
Vesting period (years)	3.0	2.9
Annual dividend increase	-%	-%
Risk-free interest rate (Eurozone, AScX / 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:

x € 1,000	February 2020	April 2020
Share price at grant date	17.1	12.6
Expected volitality	41%	46%
Vesting period (years)	3.0	2.8
Annual dividend increase	-%	-%
Risk-free interest rate (Eurozone, AScX / US, NASDAQ-100)	(0.657)/ 1.31	(0.673)/ 0.24
Fair value at grant date	15.53	17.48

The LTIP awards granted to employees are classified as equity-settled in accordance with the earlier described policy.

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 vested at 1 March 2023. The condition for vesting is that the relevant employee continues to be employed by the Company for two years after grant date. There are no market performance conditions in this plan that effect the vesting.

Key Leadership Program

The Key Leadership Program (‘KLIP’) was introduced for a small group of employees in key leadership positions. This is an non-recurring program with a long tenure (three 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.

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 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.

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.

Shares

A summary of the movements in outstanding shares for the different plans is provided:

	LTIP	RSU	KPP	KLIP	CM.com Awards
At 31 December 2021	44,093	-	27,533	10,000	2,990
Granted	35,482	38,572	-	-	-
Forfeited	(10,977)	-	(9,387)	-	(667)
Vested	-	(1,830)	(12,837)	(10,000)	(2,323)
At 31 December 2022	**68,598**	**36,742**	**5,309**	**-**	**-**
Granted	88,228	17,603	-	-	-
Forfeited	(8,966)	(11,449)	-	-	-
Vested	(19,030)	(8,997)	(5,309)	-	-
At 31 December 2023	**128,830**	**33,899**	**-**	**-**	**-**

None of the outstanding shares were exercisable at 31 December 2023.

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 € 12 thousand (2022: € 89 thousand). The Company recorded total expenses of € 8 thousand (2022: minus € 3 thousand). The total intrinsic value at 31 December 2023 € 8.70 (2022: € 11.36).

Expenses

The expenses of the different plans are recognized in profit or loss under Employee benefits expenses and can be specified as follows:

x € 1,000	2023	2022
LTIP (equity-settled)	351	232
KPP (equity-settled)	-	71
KPP (cash-settled)	8	(3)
KLIP (equity-settled)	-	7
CM.com Awards (equity-settled)	-	2
RSU (equity-settled)	112	236
	471	**545**

25. Other Operating Expenses

x € 1,000	2023	2022
IT expenses	7,115	7,502
Other staff expenses	5,285	9,792
Marketing and sales expenses	6,220	10,896
General expenses	4,310	6,617
Housing expenses	2,596	3,085
Expected credit losses	1,389	5,435
	26,915	**43,327**

The capitalized development costs (see note 23) have partly been allocated to the general expenses for an amount of € 3,130 thousand (2022: 3,608 thousand). This charge mainly relates to Workspace and IT expenses.

In the housing expenses, an amount of € 1,200 thousand (2022: € 1,749 thousand) relates to short-term leases. In the car expenses, an amount of € 114 thousand (2022: € 174 thousand) relates to short-term leases. Other staff expenses mainly consists of contractors and agency personnel expenses amounting to € 2,138 thousand (2022: € 4,663 thousand).

For more information on the exposure to credit risk and the expected credit losses, see note 13.

26. Financial Income and Expenses

Financial Income

x € 1,000	2023	2022
Bank interest received	379	22
Fair value gains	877	4,613
Other interest received	40	105
	1,296	**4,740**

Fair value gains relates to reassessment of earn-out liabilities measured at fair value through profit or loss.

Financial Expenses

x € 1,000	2023	2022
Interest on convertible bonds	3,660	3,614
Currency results	1,140	110
Interest on right-of-use liability	582	340
Bank interest paid	125	365
Fair value losses	33	504
Other interest paid	78	30
	5,618	**4,963**

Fair value losses relates to reassessment of earn-out liabilities measured at fair value through profit or loss.

27. Commitments and Guarantees

Guarantees

As of 31 December 2023, the legal entities that are part of the group have granted guarantees amounting to € 13 thousand (2022: € 136 thousand).

28. Related Party Transactions

All legal entities that can be controlled, jointly controlled, or significantly influenced are considered related parties. Entities that can control the Company or other subsidiaries of the Group are also considered related parties. In addition, 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, and approved, adopted, and amended by the General Meeting. The following transactions were carried out with related parties:

- Purchases from/sales to related parties (leases from related parties); and
- Management Board and Supervisory Board remuneration

Related Party Lease Obligations

CM.com has a rental agreement with CM Campus B.V. which is a related party by its shareholders (2 members of the Management Board of CM.com N.V.). The rent charged by CM Campus B.V. amounted to € 1.2 million for 2023 (2022: € 1.1 million) which are all considered right-of-use assets in the Companies financial statements. The right-of-use assets relating to CM Campus B.V. have a book value of € 7.9 million at 31 December 2023 (2022: € 8.8 million). The right-of-use liability relating to CM Campus B.V. has a book value of € 8.0 million at 31 December 2023 (2022: 8.8 million). The accounts receivable position related to CM Campus B.V. was € 488 thousand at 31 December 2023 (2022: € 478 thousand). The accounts payable position relating to CM Campus B.V. was € 480 thousand at 31 December 2023 (2022: € 69 thousand). CM.com has provided facility, finance, and legal services for CM Campus B.V. for an amount of € 27 thousand in 2023 (2022: € 39 thousand).

Remuneration Management Board

x € 1,000	2023	2022
Short-term employee benefits	1,586	1,317
Post-employment benefits	19	18
Share-based payments	401	201
	2,006	**1,536**

Remuneration Supervisory Board

x € 1,000	2023	2022
Compensation	251	262
	251	**262**

For more details see tables under ''Actual remuneration'' and ''Actual Supervisory Board costs'' in the Remuneration report. These tables are considered part of the financial statements and audited.

All transactions with related parties are made at terms equivalent to those that prevail in arm's length transactions.

29. Group Structure

CM.com N.V. in Breda is the head of a group of legal entities. A summary of the information required under Article 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%
The Selfservice Company Solutions B.V.[1]	Breda (The Netherlands)	Conversation platform services	n/a
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.[1]	Breda (The Netherlands)	First Party Data collection	n/a
CM.com R&D 1 B.V.	Breda (The Netherlands)	R&D	100%
CM.com R&D 2 B.V.	Breda (The Netherlands)	R&D	100%
CM.com R&D 3 B.V.	Breda (The Netherlands)	R&D	100%
CM.com R&D 4 B.V.	Breda (The Netherlands)	R&D	100%
CM.com R&D 5 B.V.	Breda (The Netherlands)	R&D	100%
CM.com R&D 6 B.V.	Breda (The Netherlands)	R&D	100%
CM.com R&D 7 B.V.	Breda (The Netherlands)	R&D	100%
CM.com R&D 8 B.V.	Breda (The Netherlands)	R&D	100%
CM.com R&D 9 B.V.	Breda (The Netherlands)	R&D	100%
CM.com R&D 10 B.V.	Breda (The Netherlands)	R&D	100%
CM.com R&D 11 B.V.	Breda (The Netherlands)	R&D	100%
CM.com R&D 12 B.V.	Breda (The Netherlands)	R&D	100%

Name	Registered Office	Principal Activities	Share in Issued Share Capital
CM.com R&D 13 B.V.	Breda (The Netherlands)	R&D	100%
Building Blocks Holding B.V.	Breda (The Netherlands)	Consumer AI technology	100%
Building Blocks B.V.	Breda (The Netherlands)	Consumer AI technology	100%
Blocks B.V.	Breda (The Netherlands)	Consumer AI technology	100%
CM.com Ticket Guarantee N.V.	Breda (The Netherlands)	Ticket guarantees	100%
CM.com Belgium N.V.	Zaventem (Belgium)	Marketing and sales office	100%
Appmiral BVBA[1]	Mechelen (Belgium)	Ticketing services	n/a
CM.com Germany GmbH	Frankfurt (Germany)	Marketing and sales office	100%
CX Company GmbH[1]	Dusseldorf (Germany)	Conversation platform services	n/a
CM Telecom UK Ltd.	London (UK)	Marketing and sales office	100%
Elitechnology Limited[1]	London (UK)	Conversation platform services	n/a
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.[2]	Madrid (Spain)	Point of Sale Gateway	100%
CMCOM Turkey Elektronik Haberlesme Ltd Sti	Istanbul (Turkey)	Marketing and sales office	100%
CM.com Kenya Ltd.	Nairobi (Kenya)	Marketing and sales office	100%
Communication Platform India Private Limited	Bangalore (India)	Marketing and sales office	100%
CM.com Italy S.r.l.	Milan (Italy)	Marketing and sales office	100%

Name	Registered Office	Principal Activities	Share in Issued Share Capital
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%
CM.com Kazakhstan Limited Liability Company	Almaty (Kazakhstan)	Marketing and sales office	100%
CM.com Denmark AS	Copenhagen (Denmark)	Marketing and sales office	100%
CM.com Stichting	Breda (The Netherlands)	Third-party Funds Foundation	n/a
Stichting Derdengelden CM Payments	Breda (The Netherlands)	Third-party Funds Foundation	n/a
Stichting YourTicketProvider	Breda (The Netherlands)	Third-party Funds Foundation	n/a

[1] Entity ceased to exist during 2023 following legal merger.
[2] Entity ceased to exist during 2023 following liquidation.

30. 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	770
Other services	9
	779

The comparative figures for 2022 are as follows:

x € 1,000	Deloitte
Audit fees	741
Other services	9
	750

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 € 248 thousand (2022: € 226 thousand).

31. 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, impairment and useful life of non-current assets, purchase price allocation, and earn-outs from relating to acquired companies.

Critical Judgments 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. Revenue for premium SMS is presented at a net basis.

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 judgmental. 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 and 6 for a description of the specific estimates and judgments 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 for the impairment test on goodwill and intangible assets with indefinite useful life (e.g. domain names). The cash flow projections are based on the financial forecast approved by the Management Board, covering a three-year period (2024-2026). The cash flow projections beyond that three-year period are based on expected revenue growth, derived from our mid-term guidance which focuses on gross profit growth, resulting in a growth rate of 13% for SaaS as well as for Payments. CGUs 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 on 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 lives 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 lives of the related intangible assets and property, plant, and equipment. We have reassessed the useful lives of the capitalized developments and no change is required in FY 2023.

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 management 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. 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, earn-out has been included in the purchase price allocation. As stated in note 10, an earn-out was agreed as part of the sales transaction of the shares in Phos Services Ltd. When determining the fair value of the earn-out, several assumptions and judgments were made regarding the estimated future revenue and cash flows and therefore the future cash-out for the earn-out.

32. Subsequent Events

On February 14 2024, CM.com signed an agreement with HSBC Continental Europe for a Revolving Credit Facility with a maximum principle amount of € 15 million with an accordion option of another €10 million, including guarantees for the bank in case of default. The duration is till March 31 2026 with an interest rate of EURIBOR +4.5%

In Q1 2024, management decided to close the CM.com offices in Brazil, Kazakhstan, and Turkey. The financial impact of the closure of these offices will be minimal.

33. Changes in Presentation

Changes in presentation in comparison to the Statement of financial position, as included in the 2022 financial statements, are explained in the concerning notes.

With regards to the impairment analysis performed on non-current assets with an indefinite useful life, among which goodwill, we have adjusted our accounting policy to perform the impairment analysis per 1 October instead of per 31 December based on practical considerations. We refer to note 5 and 6 of this financial statements for further details.

Change in accounting policies

New standards, amendments, and/or interpretations to existing IFRS standards became effective in 2023. 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.

Regarding the impairment analysis performed on non-current assets with an indefinite useful life, among which goodwill, we have adjusted our accounting policy to perform the impairment analysis as of 1 October instead of as of 31 December based on practical considerations. We refer to note 5 and 6 of this financial statements for further details.

The Group has adopted the recent IASB amendments to IAS 12 - 'Deferred tax related to assets and liabilities arising from a single transaction' that clarify treatment for deferred tax on transactions such as leases. The amendments introduce an exception to the initial recognition exemption in IAS 12 and apply to transactions that occur on or after the beginning of the earliest comparative period presented in our financial statements. See note 11 for further disclosures.

IFRS 17 relating to insurance contracts took effect at the start of 2022. As CM.com set-up a legal entity to sell ticket guarantees, this standard will have an effect on our financial statements from 2023 and onward. We have ensured the data is available within the Company from the start, to be able to comply with the reporting requirements of IFRS 17. We refer to note 20 in these financial statements for the impact of IFRS 17 on the Company.

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 2024. 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 2023

(After proposal of appropriation of result)

x € 1,000	Note	2023	2022
Intangible fixed assets	2	2,601	2,777
Property, plant, and equipment	3	135	1,332
Right-of-use assets	4	1,873	2,386
Financial fixed assets	5	27,745	26,811
Total non-current assets		**32,354**	**33,306**
Trade and other receivables	6	85,258	89,570
Cash and cash equivalents		7,767	28,344
Total current assets		**93,025**	**117,914**
Total assets		**125,379**	**151,220**

x € 1,000	Note	2023	2022
Share capital		1,747	1,736
Share premium reserve		130,969	127,733
Legal reserve		39,641	31,358
Equity component of convertible bonds		5,738	5,940
Treasury shares		(347)	(861)
Foreign currency translation reserve		1,676	1,888
Accumulated deficits		(153,086)	(114,236)
Total shareholders' equity	7	**26,338**	**53,558**
Convertible bonds	8	95,922	94,262
Deferred tax liability	9	983	1,328
Total non-current liabilities		**96,905**	**95,590**
Trade and other payables	10	2,136	2,072
Total current liabilities		**2,136**	**2,072**
Total equity and liabilities		**125,379**	**151,220**

Corporate Statement of Comprehensive Result for the Year Ended 31 December 2023

x € 1,000	Note	2023	2022
Revenue		8	10
Employee benefits expenses	11	(956)	(1,090)
Amortization and depreciation	2/3/4	(899)	(1,253)
Other operating expenses		(2,876)	(5,007)
Operating result		**(4,723)**	**(7,340)**
Financial income	13	5,702	2,828
Financial expenses	13	(3,392)	(4,190)
Result before tax		**(2,413)**	**(8,702)**
Income tax	14	(5,740)	(9,500)
Result after tax		**(8,153)**	**(18,202)**
Result participations	5	(20,515)	(26,011)
Net result for the year		**(28,668)**	**(44,213)**
Other comprehensive result, net of tax		(212)	1,147
Total comprehensive result		**(28,880)**	**(43,066)**

Notes to the Corporate Financial Statements

1. Basis of Preparation

The corporate financial statements have been prepared in accordance with Title 9, Book 2 of the Dutch Civil Code, applying the option to use the accounting policies applied by the legal entities in the consolidated financial statements, which are based on IFRS-EU.

For the general principles for the preparation of the financial statements, the principles for valuation of assets and liabilities and determination of the result, as well as for the notes to the specific assets and liabilities and the results, reference is made to the notes to the consolidated financial statements, if not presented otherwise hereinafter.

Financial Fixed Assets

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. Upon determining this provision, provisions for expected credit losses already deducted from receivables from the associated company are taken into account (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 or 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 related 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 recognized 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.

2. Intangible Fixed Assets

A summary of the movements in intangible fixed assets is provided:

x € 1,000	Goodwill	Customer relation	Other	Total
Costs				
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**
Divestments	(22)	(2,993)	(1,429)	(4,444)
At 31 December 2023	**1,465**	**-**	**1,716**	**3,181**
Amortization				
At 31 December 2021	504	2,875	1,303	4,682
Amortization	-	104	62	166
At 31 December 2022	**504**	**2,979**	**1,365**	**4,848**
Amortization	-	14	53	67
Divestments	(22)	(2,993)	(1,320)	(4,335)
At 31 December 2023	**482**	**-**	**98**	**580**
Carrying amount				
At 31 December 2022	**983**	**14**	**1,780**	**2,777**
At 31 December 2023	**983**	**-**	**1,618**	**2,601**
Estimated useful lives (years)	indefinite	10	10 / indefinite	

During 2023 and 2022 no impairment losses have been recognized.

3. Property, Plant, and Equipment

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

x € 1,000	Platform (hardware)	Furniture & fixtures	Vehicles	Hardware workplace	Leasehold improvements	Total
Costs						
At 31 December 2021	2,648	1,150	104	1,036	419	5,357
Additions	-	-	-	1	-	1
Divestments	-	-	-	-	-	-
At 31 December 2022	**2,648**	**1,150**	**104**	**1,037**	**419**	**5,358**
Additions	-	-	159	-	-	159
Divestments	(2,600)	(1,150)	(27)	(821)	(399)	(4,997)
At 31 December 2023	**48**	**-**	**236**	**216**	**20**	**520**
Depreciation						
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**
Depreciation	144	59	99	48	29	379
Divestments	(2,121)	(806)	(27)	(820)	(246)	(4,020)
At 31 December 2023	**26**	**-**	**146**	**194**	**19**	**385**
Carrying amount						
At 31 December 2022	**645**	**403**	**30**	**71**	**183**	**1,332**
At 31 December 2023	**22**	**-**	**90**	**22**	**1**	**135**
Estimated useful lives (years)	10	10	5	5	10	

No impairment losses were recognized in 2022 and 2023.

4. Right-Of-Use Assets

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

x € 1,000	Buildings	Platform (hardware)	Platform (software)	Vehicles	Total
Costs					
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**
Additions	-	10	-	-	10
Ending of lease agreements	-	-	-	(159)	(159)
At 31 December 2023	**-**	**3,083**	**1,127**	**-**	**4,210**
Depreciation					
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**
Depreciation	-	350	113	-	463
Ending of lease agreements	-	-	-	(99)	(99)
At 31 December 2023	**-**	**1,660**	**677**	**-**	**2,337**
Carrying amount					
At 31 December 2022	**-**	**1,763**	**563**	**60**	**2,386**
At 31 December 2023	**-**	**1,423**	**450**	**-**	**1,873**

The lease agreements between CM.com N.V. and Campus B.V. related to the office buildings ended in 2022, and new lease agreements were subsequently entered into between CM.com Netherlands B.V. and CM Campus B.V.

5. Financial Fixed Assets

Financial fixed assets at the end of the reporting period consist of the following:

x € 1,000	2023	2022
Participations in group companies:		
CM.com Netherlands B.V.	-	-
CM Payments B.V.	9,085	9,637
CM.com International B.V.	6,313	3,797
CM Telecom France SA	2,132	-
CM Telecom UK Ltd.	1,707	-
CM.com Belgium N.V.	1,655	3,619
CM Telecom Hong Kong Ltd.	801	3,437
CM.com Germany GmbH	632	460
CM.com Ticket Guarantee N.V.	450	81
CM Telecom FZ-LLC	192	-
CM.com Brasil Ltda	170	187
CM Communication Platform & Technology, S.L.U.	116	-
Communication Platform India Private Limited	-	47
CMCOM Turkey Elektronik Haberlesme Ltd Sti	62	-
CM.com Denmark A/S	54	54
CM Platform B.V.	-	147
	23,369	**21,466**
Other:		
Other participations	60	60
Deposits	38	38
Deferred tax assets	4,278	5,247
	4,376	**5,345**
	27,745	**26,811**

No impairment losses were recognized in 2022 and 2023. Total share in result of group companies according to profit or loss amounts to minus € 20,515 thousand (2022: minus € 26,011 thousand), of which minus € 202 thousand (2022: € 1,180 thousand) relates to revaluation of foreign participations in group companies.

See note 29 of the consolidated statement for the overview of group of legal entities. The Company filed a 403-statement for CM.com Netherlands B.V., CM Platform B.V. and its subsidiaries (CM.com R&D 1-13 B.V.'s) with the Chamber of Commerce effective from 1 January 2022 onward.

The other participation relates to a 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 of financial position.

Following is a summary of the movements of financial fixed assets:

x € 1,000	Participations in group companies	Other
Carrying amount as at 31 December 2022	21,466	5,345
Movements:		
Share in result of group companies	(20,515)	-
Capital investments in group companies	9,625	-
Dividends paid	(2,300)	
Netting receivables with negative participations in group companies	15,305	-
Movement in deferred tax asset	-	(969)
Currency result	(212)	-
Carrying amount as at 31 December 2023	**23,369**	**4,376**

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)	-	-
Capital investments in group companies	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**

6. Trade and Other Receivables

Trade and other receivables per the end of the reporting period consist of the following:

x € 1,000	2023	2022
Trade receivables	187	243
Receivables from group companies	85,000	88,692
Receivables from affiliated companies	4	4
Prepayments	14	72
Taxes	53	559
	85,258	**89,570**

The interest charged on the current account with group companies is 2% (2022: 2%). There is no repayment schedule agreed and no securities are granted. The current account relations are relieved periodically.

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

7. Shareholders' Equity

A summary of the movements in shareholders' equity is provided:

x € 1,000	Share capital	Share premium reserve	Capitalized development costs	Equity component of convertible bonds	Treasury shares	Foreign currency translation reserve	Accumulated deficits	Total
Balance at 1 January 2022	1,730	124,794	20,626	6,208	-	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 bonds (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**	**31,358**	**5,940**	**(861)**	**1,888**	**(114,236)**	**53,558**
Result for the year	-	-	-	-	-	-	(28,668)	(28,668)
Movement of reserve	-	-	8,283	-	-	-	(8,283)	-
Other comprehensive income	-	-	-	-	-	(212)	-	(212)
Convertible bonds (net of tax)[1]	-	-	-	(202)	-	-	-	(202)
Purchase of treasury shares	-	-	-	-	-	-	-	-
Issuance of shares related to business combinations	11	3,041	-	-	-	-	(1,663)	1,389
Issuance of shares to employees	-	195	-	-	514	-	(236)	473
Balance at 31 December 2023	**1,747**	**130,969**	**39,641**	**5,738**	**(347)**	**1,676**	**(153,086)**	**26,338**

[1] The equity component of convertible bonds 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.

Accumulated deficits can be reconciled with the consolidated financial statements as follows:

x € 1,000	2023	2022
Accumulated deficits as per consolidated financial statements	(113,499)	(82,881)
Cumulative share in result of negative participations	54	3
Capitalised development costs	(39,641)	(31,358)
Accumulated deficits as per corporate financial statements	**(153,086)**	**(114,236)**

Differences in the net result compared to the consolidated financial statements are as follows:

x € 1,000	2023	2022
Net result as per consolidated financial statements	(28,719)	(44,741)
Share in result of negative participations	51	528
Net result as per corporate financial statements	**(28,668)**	**(44,213)**

8. Convertible Bonds

For an explanation of convertible bonds, reference is made to note 19 of the consolidated statement of financial position.

9. Deferred Tax Liabilities

Deferred tax liabilities mainly relates to the valuation of convertible bonds. A summary of the movements is provided:

x € 1,000	2023	2022
Carrying amount as at 1 January	1,328	1,654
Mutations through equity	-	-
Mutations through profit or loss	(345)	(326)
Carrying amount as at 31 December	**983**	**1,328**

10. Trade and Other Payables

Trade and other payables per the end of the reporting period consist of the following:

x € 1,000	2023	2022
Trade payables	264	403
Accruals and deferred income	1,872	1,519
Taxes	-	96
Current portion of lease liabilities	-	54
	2,136	**2,072**

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 CIT and VAT and for that reason it is jointly and severally liable for the tax liabilities of the fiscal unity as a whole.

11. Employee Benefits

The average number of employees of CM.com N.V. during the year, converted to full-time equivalents (FTEs), was nil (2022: nil), as the board is remunerated via CM.com Netherlands B.V., and no other staff is employed within the Company. The employee benefits mainly consist of long-term share based payment plans and short-term incentive plans. We refer to note 29 of the consolidated financial statements and the remuneration report. All tables as included in the Remuneration Report are audited.

12. Auditor’s Remuneration

In accordance with section 2:382a (1) and (2) of the Dutch Civil Code, we refer to note 30 of the consolidated financial statements for disclosure on the auditor's remuneration.

13. Financial Income and Expenses

Financial income relates to interest on receivables group companies. Financial expenses mainly consists of interest on convertible bonds (note 19 of the consolidated financial statements).

14. Income Tax

The income tax expenses of € 5.7 million in 2023 (2022: € 9.5 million) was mainly the result of non-recognition of deferred tax assets 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 unity, according to DAS 272.803.

15. Subsequent Events

On February 14 2024, CM.com signed an agreement with HSBC Continental Europe for a Revolving Credit Facility with a maximum principle amount of € 15 million and a duration till March 31 2026, including guarantees for the bank in case of default. The interest rate on the loan is EURIBOR +4.5%.

In Q1 2024, management decided to close the CM offices in Brazil, Kazakhstan, and Turkey. Our local resources will be reallocated. The financial impact of the closure of these offices will be minimal.

16. Proposed Result Appropriation

The Management Board proposes, with the approval of the Supervisory Board, that the result for the financial year 2023 should be transferred to reserves.

17. 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.

Breda, 6 March 2024

Management Board	Supervisory Board
Jeroen van Glabbeek	Jacques van den Broek
Gilbert Gooijers	Mariken Tannemaat
Jörg de Graaf	Stephan Nanninga
	Lex Beins
	Joëlle Frijters
	Diederik Karsten

Isabel Rözer

Professional Services Consultant

Hi Isabel! Tell us, how does your role embody the Value of One?

As Professional Services Consultant, I design and implement custom projects based on the specific requirements and desires of our clients. These projects combine various elements of our SaaS portfolio into one solution, which makes it easy for our clients to integrate into our platform. Witnessing the shared enthusiasm with clients as we explore the diverse possibilities within our portfolio is what truly fuels my passion for this role.

Other Information

Provision in the Articles of Association Related to Profit Appropriation

According to the Articles of Association, the Management Board may reserve (a part of) the profits to the reserves, with the approval of the Supervisory Board. The remaining portion of the profits will be at the disposal of the General Meeting. Following approval by the Supervisory Board, the Management Board will put forward a proposal to the General Meeting for the remaining amount.

A dividend distribution on Shares may only occur:
- after adoption of the Annual Accounts, which include the permitted distribution; and
- to the extent that the shareholders' equity is sufficient, meaning that it exceeds the sum of the paid-up and called-up part of the capital and the mandatory reserves.

The Articles of Association also state that the Management Board may decide to make interim distributions to shareholders, subject to the approval of the Supervisory Board. For an interim distribution, an interim statement needs to be available that shows that the shareholders' equity is sufficient (as described above) is met.

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 2023 included in the annual report

Our opinion

We have audited the financial statements for the year ended 31 December 2023 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 2023, and of its result and its cash flows for the year ended 31 December 2023 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 2023, and of its result for the year ended 31 December 2023 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 2023.
2. The following statements for the year ended 31 December 2023: the consolidated statement of comprehensive result, the consolidated statement of changes in equity and the consolidated cash flow statement.
3. The notes comprising material accounting policy information and other explanatory information.

The corporate financial statements comprise:
1. The corporate statement of financial position as at 31 December 2023.
2. The corporate statement of comprehensive result for the year ended 31 December 2023.
3. The notes comprising material accounting policy information 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 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.

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 3,125,000. The materiality is based on approximately 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 EUR 156 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 risks in relation to management override of controls applicable, including evaluating whether there was evidence of bias by the Management Board and other members of management. Our procedures include an assessment of 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 judgements 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 also consider the presumed fraud risk related to revenue recognition applicable, pinpointed mainly to revenue recognized in relation to certain new or end-of-life offerings.

We incorporated elements of unpredictability in our audit, by applying more data analytics in the audit of revenues and by introducing new tests in our journal entry analytics. We also focused on proper EBITDA and Non-EBITDA classifications in the management report. We considered the outcome of 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 judgements and assumptions related to significant accounting estimates reflected in prior year financial statements. In retrospect we conclude that particularly as a result of a shift of management focus from revenue growth to gross profit growth, a number of revenue projections have not been met. Impairment testing, going concern evaluation, and useful life of non-current assets 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 31 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 integrated in 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;
(iii) request and obtain written representations that all known instances of (suspected) fraud or non-compliance with laws and regulations have been disclosed to us.

We remained alert to indications of suspected non-compliance throughout the audit and 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.
- 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 30 June 2025 ("Projection Period") is derived from the business plan for 2024-2026.

We have reviewed management's going concern assessment for the period until June 2025. As described in the Financial Statements (Note 19 – Convertible Bonds), management has started internal and external dialogues for the refinancing/repayment of the convertible bonds. Based on the business plan 2024-2026, management is comfortable to comply with the repayment obligations.

Based on sensitivity scenarios, the current status of the refinancing/repayment of the convertible bonds and the credit facility obtained after year-end (Note 32 – Subsequent events), the 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 2023 available cash position, we have sensitized certain of the assumptions underlying the further improvement of the EBITDA and cashflows as presented in the business plan for 2024-2026. We have requested management to develop a number of alternative scenarios based on the actual 2023 financial performance.

Our procedures did not result in outcomes contrary to management's assumptions and judgements used in the application of the going concern assumption for the Projection Period. Accordingly, we concur with the application of the going concern assumption for the 31 December 2023 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.

The key audit matters considered as key to our audit are consistent with prior year.

Key audit matter – Impairment test on goodwill and (in-)tangible assets.

Description

The total carrying value of the company is significant upon impairment testing date, 1 October 2023. The carrying value amongst others include goodwill and other assets acquired in business combinations, capitalized development cost, tangible fixed assets and the deferred tax asset. The carrying value has in accordance with IFRS been allocated to four so-called cash generating units. Management needs to assess whether the carrying value of these cash generating units can be recovered by future earnings and cashflows.

The accounting standard IAS 36, prescribes the way the carrying values and the future cashflows need to be determined. The present values of the future cashflows are referred to as "value in use". The company compared the value in use with the carrying value for the four CGU's": "CPAAS" (mainly sms-messaging), "SaaS" (software based solutions), "Payment" (payment services) and Ticketing (ticketing services). The company used a number of assumptions for the estimation of future cash-flows and the WACC to calculate the present value. The most important assumptions for the future cash-flows include the revenue and gross profit development, the cost of operations and the expenditure required to maintain the competitiveness of the business. The WACC includes assumptions for risk, inflation and the time value of money.

CM focusses on profitable growth that is based on positive EBITDA for 2024 as a result of strict cost control in combination with further growth of revenue and gross profit. This strategy is also used as input for the 2024 budgets and the medium and longer range forecasts. Management elaborated on the most important assumptions and conclusions in note 6 of the consolidated financial statements.

The outcome of the impairment test was evaluated by management and concluded the Payments headroom is sufficient, but particularly sensitive to revenue growth and cost control measures.

Management has determined the value in use exceeds the carrying value of all cash generating units and has not recorded any impairments in 2023.

In response to the sensitivity of the Payments CGU, an external valuation specialist conducted a review on the value in use model for this CGU and a fair value less costs of disposal valuation based on market data. The results of that valuation supports to not record any impairment.

How the key audit matter was addressed in the audit

We have performed a number of substantive only audit procedures on the impairment analyses of which the following are considered as most important:

- We have determined that the forecasts for the first year in the projection period (2024) are based on the company's budget that has been reviewed, discussed and approved by the Supervisory Board in their meeting of 11 December 2023. We performed several procedures to challenge the budget by among others recalculation, review of external market information and peer group benchmarking.
- We have reviewed the report of the external valuation specialist, leading to the fair value less cost to sell valuation.
- We assessed the forecasts for the years 2025-2028 by comparing the projections to historical performance and to market information.
- We have used Deloitte valuation and industry experts to assist us in our assessment. Particularly for the technical evaluations of the value in use model and the market approach method used by CM, for the assessment of the WACC, and the long-term and inflationary growth rate.

Observations

We concur with management's view there is no material risk for impairment for the CGU's "CPAAS", "SaaS" and "Ticketing" at the moment. For the CGU "Payments", Management has prepared forecasts for the Payment CGU that show an improvement of the performance by combining an average annual growth rate ("CAGR") in the five-year projection period of 17,8% with operating cost slightly below the budgeted 2024 level. We consider this forecast and particularly the combination of restricted costs with further growth as sensitive business assumptions. We have stress tested management's forecasts by applying scenarios with lower growth rates and/or additional investment in the business (higher operating cost and/or R&D expenditure) and noted that the outcome of the impairment test is highly sensitive to these assumptions.

Minor setbacks in future performance, particularly regarding revenue growth (a decrease in CAGR of 1.5%), may already lead to material impairments. Accordingly, we do see a risk for future impairment for this business unit. The fair value less costs of disposal calculated via the market approach is derived by the external valuation specialist for Payments, using the 2024 budgeted revenue.

In combination with the disclosures on sensitivities and uncertainties that are reflected by management in note 6 to the financial statements, 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 EUR 39.6 million as per December 31, 2023 (2022: EUR 31.4 million). In 2023, the capitalized internal costs (primarily payroll costs of developers) amounted to EUR 15.7 million (2022: EUR 15.4 million). The capitalized costs in 2023 are stable compared to 2022 as a result of only a limited increase in the hourly rate applied and stable fte’s employed in 2023.

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.

In the course of 2023 CM.com improved its internal controls on hour registrations and the identification of development hours. In 2023 these were not yet fully 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 statement of comprehensive result. The input factors of the applied hourly rate were challenged and reconciled to supporting documentation.

We performed audit procedures to verify for the assets with a remaining net book value per year-end that these assets still exist, and generating economic benefits. We obtained reasonable assurance that the remaining useful life is appropriate.

For the result of our Impairment test, we refer to the key audit matter goodwill and (in-)tangible assets.

We also evaluated the adequacy of the company’s disclosures in note 5 of the financial statements.

Observations

Based on our procedures, we did not identify any reportable matters with respect to the development costs. Note 5 adequately discloses the development costs conform IAS 38.

Report on the other information included in the annual accounts

The annual report contains other information, in addition to the financial statements and our auditor's report thereon.

The other information 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 all the information regarding the management report and the other 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. (previously known as Dutch Star Company One N.V.) on 23 November 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 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 financial statements of 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. 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 ompany's financial reporting process, including the preparation of the annual report in XHTML format.
- 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 Management Board and 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 2024

Deloitte Accountants B.V.
Jan Hendriks

Definitions and Abbreviations

Alternative Performance Measures

Several alternative performance (non-IFRS) measures are disclosed in our annual report. The reason for disclosing alternative performance measures is to provide information to our diverse group of stakeholders interested not only in IFRS measure, but also in non-IFRS measures. Furthermore, CM.com has provided guidance on several of these (non-IFRS) financial measures, derived from the consolidated financial statements. An overview of the alternative performance measures with their definitions[1] is provided:

Performance measure	Definitions
Gross profit	Revenue less cost of services.
Gross margin %	Gross profit divided by revenue.
EBITDA	Operating result less amortization, depreciation, and impairment.
Normalized EBITDA	EBITDA corrected for material one-offs.
One-offs	Non-recurring, extraordinary or non-core items, being restructuring costs in FY 2023 and a bad debt hit in FY 2022.
OPEX	Employee benefits expenses and other operating expenses.
Normalized OPEX	OPEX corrected for material one-offs.
CAPEX	Investments in intangible assets, tangible fixed assets, and right of use assets.
Changes in working capital	Changes in inventories, trade and other receivables, trade and other payables, and contract liabilities, excluding receivables from and payables to merchants and financial institutions.
free cash flow	EBITDA less CAPEX, less Changes in Working capital.
Net debt	Borrowings and convertible bonds after deducting available cash and cash equivalents.
Compound Annual Growth Rate	Measure of the average annual growth rate of an investment or other unit of value (i.e., Revenue) over a period of years. Calculated by End value / Initial value ^ (1/ n- 1), for which n is the time in period.
Shareholders' equity	Issued ordinary share capital, share premium, reserves, and accumulated deficits.
Market capitalization	Total value of a publicly traded company's outstanding common shares owned by shareholders.
Higher margin products	Higher margins products are products related to our SaaS, Payments and Ticketing offerings.
CPaaS Net Dollar Retention Rate	The ratio of revenue from CPaaS customers in comparable twelve months between the current and preceding year for customers that generate more than € 10,000 in revenue in the current year.
CPaaS Enterprise Churn Rate	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 current year or were no longer customers in the current year compared to the previous year.
Annual Recurring Revenue (ARR)	Represents the annual recurring revenue streams from customers at the end of the period, related to subscription-based product pricing.

1 Not all companies calculate alternative performance measures in the same manner or on a consistent basis. As a result, these measures and ratios may not be comparable to measures used by other companies under the same name or similar definitions.

Other Definitions and Abbreviations

Abbreviation	Definition
AGM	Annual general meeting
AI	Artificial intelligence
America's	the American continent
AMR	Actively managed risk
APAC	Asia - Pacific
ARR	Annual recurring revenue
Articles of Association	the articles of association of CM.com
CAGR	Compound annual growth rate
CCA	Climate change adaption
CCaaS	Contact center as a service
CCM	Climate change mitigation
CDP	Customer data platform
CEO	Chief executive officer
CFO	Chief financial officer
CGU	Cashgenerating unit
CIT	Current income tax
CM.com	CM.com N.V.
CMBA	Certified Master of Business Administration
CNY	Yuan
Code	the Dutch Corporate Governance Code of 2022
Company	CM.com N.V.
COO	Chief operating officer
COVID-19	Corona virus disease 2019
CPaaS	Communication platform as a service
CRM	Customer relationship management
CSAT	Customer satisfaction score
CSRD	Corporate sustainability reporting directive
CTO	Chief technical officer
DAS	Dutch accounting standards
DCC	Dutch civil code
DNSH	Do no significant harm
DTA	Deferred tax asset
DTL	Deferred tax liability
EBITDA	Earnings before interest, taxes, depreciation, and amortization
EC	European Commission
ECL	Expected credit losses
EMEA	Europe, Middle East and Africa
ESEF	European single electronic reporting format
ESG	Environmental, social and governance
EU	European Union
FAQ	Frequently asked questions
Founder Committee	the founder committee as instituted pursuant to the Articles of Association
Founders	the founders of CM.com; Jeroen van Glabbeek and Gilbert Gooijers
FTE	Full-time equivalent
FY	Financial year
GBP	British pound sterling
General Meeting	the general meeting of CM.com
Group	CM.com N.V. and its group companies
HQ	Head quarter
HR / HRM	Human resources (management)
HY	(First) half year
IASB	International accounting standards board

Abbreviation	Definition
ICE	Internal control environment
IFRS	International financial reporting standards
INR	Indian rupee
ISAE	International standard on assurance engagements
ISO	International organisation for standardisation
JPY	Japanese yen
KLIP	Key leadership plan
KPI	Key performance indicator
KPP	Key person plan
LTIs / LTIP	Long-term incentives (plan)
M&A	Mergers and acquisitions
Management Board	the management board of CM.com
Managing Director	a member of the Management Board
MSs	Minimum social safeguard
NDR	Net dollar retention
NFRD	Non-financial reporting directive
NOC	Network operations center
NPS	Net promotor score
NSR	Nomination, selection and remuneration
OTT	Over the top (e.g. WhatsApp Business, Apple Business Chat, Google RCS, Facebook messenger and Viber)
PaaS	Platform as a service
POS	Point-of-sale
Q	Quarter
R&D	Research and development
RSU	Restricted share unit (plan)
RTS	Regulatory technical standards

Abbreviation	Definition
S&P	Sale and purchase
SaaS	Software as a service
SDG	Sustainable development goals
Senior Management	the senior management of CM.com, consisting of: (i) each member, not being a Managing Director, of the Executive Committee; and (ii) each member, not being a Managing Director, of the Extended Management Team
SGD	Singapore dollar
SLA	Service level agreement
SMS	Short message service
STIs /STIP	Short-term incentives (plan)
TDC	Total direct compensation
TSC	Technical screening criteria
TSR	Total shareholder return
TWCG	Those who charged with governance
UK	United Kingdom
UN	United Nations
USD	U.S. dollar
VAT	Value-added tax
WACC	Weighted average cost of capital
WBSO	Government grant for research and development work
YoY	Year-over-year

EU Taxonomy Report

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 turnover, 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); and
- climate change adaptation (CCA); and
- the sustainable use and protection of water and marine resources; and
- the transition to a circular economy; and
- pollution prevention and control; and
- the protection and restoration of biodiversity and ecosystems.

As at 31 December 2023, CM.com is required to disclose its share of eligible activities against the six environmental objectives, and additionally the alignment for the first two. Eligibility indicates that an activity is in scope for screening under the taxonomy regulation. Eligible activities will be tested against the Technical Screening Criteria to determine taxonomy alignment.

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.

The Analysis

2023 EU Taxonomy Eligibility Assessment

In 2023, CM.com carried out an eligibility assessment of its four primary activities, namely CPaaS, SaaS, Payments, and Ticketing, against the six environmental objectives. This assessment found that all four of the Company's economic activities (8.2 computer programming, consultancy, and related services) were eligible under the Climate change adaptation (CCA) criteria for the KPI's Operating Expenditures (OPEX) and Capital Expenditures (CAPEX). However, it is important to note that due to the nature of these activities as adaptation activities, the turnover is not eligible under the EU Taxonomy.

In our detailed assessment for OPEX and CAPEX, CM.com undertook a comprehensive Climate Risk and Vulnerability Assessment in 2023. This step is vital for adaptation activities. In this process, we identified the relevant investigation objects, which include our offices and co-locations. We have set the lifetime of these objects to be more than 10 years, in line with the going concern principle. This approach ensures that our adaptation strategies are robust and sustainable over a significant period, reflecting our commitment to long-term environmental responsibility.

Our analysis covered all physical climate risks as categorized by the EU Taxonomy, including temperature-related, wind-related, water-related, and solid mass-related risks. For temperature-related risks, we looked into the potential impact of among others extreme heat and cold on our infrastructure and the efficiency of our cooling and heating systems. In terms of wind-related risks, we evaluated among others the structural integrity of our buildings and facilities in the face of strong winds and storms.

The assessment also delved into water-related risks, focusing on aspects such as the potential effects of flooding, heavy rainfall, and rising sea levels on our operations. This part of the analysis was particularly relevant for our locations near coastlines or in flood-prone areas. For solid mass-related risks, we considered issues like land subsidence and the stability of the ground on which our buildings are situated.

Throughout this extensive assessment, we utilized climate projections, including insights from the KNMI report, with a special focus on scenarios relevant to the Netherlands. This enabled us to create a comprehensive understanding of various potential climate scenarios and their likely impact on our operations. Based on these insights, we are now better positioned as we have developed and implemented effective adaptation strategies that mitigate these identified physical climate risks.

Lastly, CM.com also performed an eligibility scan for four additional environmental objectives: water, circularity, pollution, and biodiversity. Our economic activities did not meet the eligibility criteria for these specific objectives.

FY 2023 Alignment Assessment of the EU Taxonomy

Only once an activity is deemed to be eligible against the EU Taxonomy can it 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.

During 2023, CM.com has put significant efforts in conducting a Climate Risk and Vulnerability Assessment (part of the TSC activities), assessing compliance with the other TSC activities and conducting an analysis on adherence to the Minimum Social Safeguard (MSS) criteria preliminary resulting in alignment for its identified eligible activities. In 2024, CM.com will further refine and deepen these assessments underlying the alignment of its economic activities – adhering to the applicable EU taxonomy requirements. Consequently, CM.com has prudently and transparently decided to assign a 0% alignment with the key performance indicators (KPIs) for Opex and Capex. Moving forward, CM.com is committed to incorporating a detailed analysis of these aspects into their strategic roadmap in 2024, aiming for a comprehensive understanding and alignment.

Quantitative Information

The FY 2023 eligibility and alignment assessment of CM.com's activities determined that 100% of CM.com's activities are classified as Taxonomy-eligible and 0% aligned for the KPI's CAPEX and OPEX. Therefore, CM.com's eligibility KPI's (CAPEX and OPEX) for FY 2023 is 100% and CM's alignment KPIs is 0%. For more details on CM.com's EU Taxonomy disclosures for FY 2023, we refer to the disclosure table as included on the following pages.

EU-Taxonomy Turnover Table

Financial year 2023		Year 2023		Criteria Substantial Contribution						DNSH criteria ("Does not harm significantly")										
Economic Activities	Code(s)	Absolute turnover	Proportion of Turnover	Climate Change Migration	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity and ecosystems	Climate Change Migration	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity and ecosystems	Minimum Safeguards	Taxonomy aligned proportion turnover (23)	Taxonomy aligned proportion turnover (22)	Category (Enabling Activity) (22)	Category (Transitional Activity) (21)
		in Million	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES			**0%**																	
A.1 Taxonomy-aligned activities																				
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0%**																	
Of which Enabling			**0%**																	
Of which Transitional			**0%**																	
A.2 Eligible but not aligned activities																				
Turnover of eligible but not aligned activities (A.2)		**0**	**0%**																	
Total (A.1+A.2)		**0**	**0%**																	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy non-eligible activities (B)		**266.2**	**100%**																	
Total (A+B)		**266.2**	**100%**																	

EU-Taxonomy CAPEX Table

Financial year 2023		Year 2023		Criteria Substantial Contribution						DNSH criteria ("Does not harm significantly")										
Economic Activities	Code(s)	Absolute CAPEX	Proportion of CAPEX	Climate Change Migration	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity and ecosystems	Climate Change Migration	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity and ecosystems	Minimum Safeguards	Taxonomy aligned proportion CAPEX (23)	Taxonomy aligned proportion CAPEX (22)	Category (Enabling Activity) (22)	Category (Transitional Activity) (21)
		in Million	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES		**20.6**	**100%**		**100%**															
A.1 Taxonomy-aligned activities																				
CAPEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0%**																	
Of which Enabling			**0%**																	
Of which Transitional			**0%**																	
A.2 Eligible but not aligned activities																				
8.2 Computer programming, consultancy and related activities	J.62	**20.6**	100%	0%	100%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%	0%	0%	0%
CAPEX of eligible but not aligned activities (A.2)		**20.6**	**100%**		**100%**															
Total (A.1+A.2)		**20.6**	**100%**		**100%**															
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
CAPEX of Taxonomy non-eligible activities (B)		**0**	**0%**																	
Total (A+B)		**20.6**	**100%**																	

EU-Taxonomy OPEX Table

Financial year 2023		**Year 2023**		**Criteria Substantial Contribution**						**DNSH criteria ("Does not harm significantly")**										
Economic Activities	Code(s)	Absolute CAPEX	Proportion of CAPEX	Climate Change Migration	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity and ecosystems	Climate Change Migration	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity and ecosystems	Minimum Safeguards	Taxonomy aligned proportion CAPEX (23)	Taxonomy aligned proportion CAPEX (22)	Category (Enabling Activity) (22)	Category (Transitional Activity) (21)
		in Million	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES		**81.3**	**100%**		**100%**															
A.1 Taxonomy-aligned activities																				
CAPEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0%**																	
Of which Enabling			**0%**																	
Of which Transitional			**0%**																	
A.2 Eligible but not aligned activities																				
8.2 Computer programming, consultancy and related activities	J.62	**81.3**	100%	0%	100%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%	0%	0%	0%
CAPEX of eligible but not aligned activities (A.2)		**81.3**	**100%**		**100%**															
Total (A.1+A.2)		**81.3**	**100%**		**100%**															
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
CAPEX of Taxonomy non-eligible activities (B)		**0**	**0%**																	
Total (A+B)		**81.3**	**100%**																	

Qualitative Information

Turnover
The KPI related to turnover, is calculated in accordance with art. 8 of the *EU Taxonomy Regulation*. The numerator of each business units was compiled by taking the total eligible turnover for that business unit for the FY2023. The total denominator is equal to the total turnover combined for all the different business units. Following the outcome of the eligibility assessment for FY2023 the turnover is not eligible. Hence, the related turnover associated with eligible activities is 0%.

CAPEX
The KPI related to capital expenditure has been compiled in accordance with art. 8 of the EU Taxonomy Regulation. The numerator was compiled by taking the total eligible CAPEX for the FY2023. This CAPEX relates to:
1. assets or processes associated with Taxonomy-eligible economic activities
2. part of a 'CAPEX-plan' to expand Taxonomy-eligble economic activities or to allow Taxonomy-eligible economic activities to become Taxonomy-aligned
3. related to the purchase of output from Taxonomy-eligble economic activities and individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions, notably activities listed in points 7.3 to 7.6 of Annex I to 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 CAPEX, the total denominator was equal to the total CAPEX (total CAPEX which meet the definitions as set out in the Disclosure Delegated Act and relates to IAS 16 Property, Plant and Equipmen, 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. Following the outcome of the eligibility assessment for FY2023, the related CAPEX associated with eligible activities is 100%.

OPEX
The KPI related to operational expenditure has been compiled in accordance with art. 8 of the Taxonomy Regulation for the FY2023. The numerator of each of the business units was compiled by taking the total eligible OPEX for the FY2023. This OPEX relates to:
1. related to 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 timeframe
3. related to the purchase of output from Taxonomy-eligible economic activities and to individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions 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 EU Taxonomy Regulation and provided that such measures are implemented and operational within 18 months

For 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 assets of property, plant, and equipment both by the undertaking itself or any third party linked to the operations. Following the outcome of the eligibility assessment for FY2023, the related OPEX associated with eligible activities is 100%.

Alignment of KPIs
As stated in the paragraph of the alignment assessment, CM.com has chosen to set its alignment percentage at 0%.

Colophon

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Project Management
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Text and Editing
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Cover Photography
Sam Clark / Cape Epic

Photography
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THE VALUE OF ONE

CM.com (AMS: 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.