

A young woman with voluminous, curly brown hair is laughing joyfully while looking at her smartphone. She is wearing a teal button-down shirt. The background is a bright, out-of-focus outdoor setting, possibly a city street. A large purple circle is overlaid on the left side of the image, containing the text 'Technology Impacting Life. Annual Report 2021'. In the bottom right corner, there is a purple shape containing the CM.com logo.

Technology
Impacting Life.
Annual Report 2021

CM.com at a glance.

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

Our technology is designed with the purpose of enhancing people's lives; to better connect people with each other and to the services and goods they want. In 2021, with the ongoing global Covid-19 pandemic, our technology continued to benefit society in many ways; from supporting government and health agencies in Europe, enabling businesses to sign contracts remotely, to supporting event organizers to deliver great events when it was possible. We remain focused on developing innovative technology solutions that help our customers to improve on a long-term basis.

Content.

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This copy of the annual report of CM.com N.V. for the year 2021 is not in the ESEF-format as specified by the European Commission in Regulatory Technical Standard on ESEF (Regulation (EU) 2019/815). The ESEF reporting package is available at www.cm.com.

Technology Impacting Life.

Our growth is rooted in our mission to make life easier, safer, and more beautiful for everyone. Our technological innovation is focused on delivering a solution that enhances people's lives and that ultimately benefits society around the world. We aim to make a positive impact in everything we do and with everyone we engage with both inside and outside CM.com. This year we have supported governments, health agencies, charities, and businesses across all sectors to stay connected and engaged with the people that matter to them. We will continue to bring new innovations to the market so we can enrich connections and ensure that people get the help, support, and experiences they want and expect.

Facilitating clear communication during Covid times



Customer growth and retention

Artificial Intelligence for better communications



Innovation

Supporting the entire customer journey



Cross-selling

Better together with our ecosystem partners



Localizing our Conversational Commerce services



Personalizing the experience



Excellent Growth Performance, Investing in the Future.

This year CM.com has delivered on its promise to make life easier, safer, and more beautiful. As a result, our solutions are impacting the lives of millions of people around the globe. We've done this by innovating and integrating new technologies onto our conversational commerce platform, so that businesses, brands, and organizations can better communicate with their customers through many different channels. This has resulted - again - in a record-breaking, mainly organically driven, growth of 67% in revenue.

Two years into the Covid-19 pandemic, the way in which our lives and our communications have become so digitized is almost hard to believe. Around the world millions of people are using their mobile devices every second to organize their working and personal lives. They want and expect quick and easy access to the information, goods, and services they need on the communication channel that suits them best, whether that is SMS, Voice, Email, WhatsApp, or Instagram for example.



Intuitive digital communications

22 years ago, CM.com was born out of this desire to enable better connections through technology - though back then it was about simply connecting clubs and discos with partygoers. Our strategy then, as it is still now, is to focus on developing our own in-house software, to stay agile and competitive so we can strengthen our position as a leader in conversational commerce.

We are focusing our energy and passion in creating technological solutions that enable seamless and intuitive digital communications in its many different forms. We will always be driven by a desire to build a better society through technological innovation, seizing new opportunities, such as Artificial Intelligence, to help our customers speed up and deepen connections.

We believe that technology also has the power to build meaningful relationships - like those of the pre-digital age - where for example, a bar owner would know the favorite drinks of all their customers. We aim to bring this level of personalization back by helping businesses really get to understand and know their customers through our technology.

Organically driven growth

This year's organically driven growth makes us one of the fastest growing listed communication platforms (CPaaS) in the world, which is quite an extraordinary and exciting position to be in. This is the foundation on which we continue to build in 2022 and beyond.

Looking back on what has been quite a year of challenges as well as opportunities, I feel happy our talented global CM.com team has helped to deliver our growth performance. This has been fueled by many factors including higher margins across our product lines and recurring revenues through our Cloud Software (SaaS) offerings. Our payment processing platform gives us a stronger position in the supply chain as we are less reliant on third parties. The integration of all these solutions in one conversational commerce platform helps to improve engagement across the entire customer journey.

“We will always be driven by a desire to build a better society through technological innovation, seizing new opportunities to help our customers speed up and deepen connections.”

Our strong organic growth is demonstrated across all parts of CM.com as well as regions and product lines. This is a great performance. What is more evident, is that our Accelerated Growth Strategy is working well and delivering what we aimed for. As we go into 2022, we will continue our commitment to invest into the organization to stimulate further growth for the benefit of our customers, partners, shareholders as well as our employees.

Highlights 2021: scaling up, hiring new people, footprint extension

We have found this year, due to market demands and the impact of the pandemic that more businesses and organizations are looking for an integrated off-the-shelf conversational commerce offering.

As a result, we are scaling up at CM.com in line with our ‘established leader’ position within the communication platform market as recognized by various global research institutes in 2021. We have added new technologies and functionalities to this integrated platform by in-house innovations as well as by acquiring specialist software companies whose technology complements and enhances our overall offering. Examples of add-on acquisitions are PayPlaza, Appmiral, Yourticketprovider, and TraceDock. By integrating these, we can offer our existing and new customers more added value. A great example of this is how our integrated technology helped to make the Dutch Formula One Grand Prix, one of the biggest events in the Netherlands, a great success!

To meet and sustain this rapid scaling up we have also grown CM.com significantly by bringing in and retaining talent across the board from software developers, sales, and marketing experts, to experienced operational staff who help to ensure that the business is run in an efficient, compliant, and profitable way. We increased the size of CM.com from 500 employees at the end of 2020 to 755 at the end

“What is so exciting for all involved in CM.com is that there are still huge opportunities for further future growth.”

of 2021. We were lucky to attract employees with great potential during the pandemic before the world opened more and hiring got tougher. We will continue to hire more people next year and we will focus on improving how we all work together and upskill through training.

We have also opened new local offices in several countries to meet demand for more sophisticated conversational commerce solutions. As a result, our geographical footprint continues to expand. The digitization of communication through mobile devices is truly a global phenomenon. Having local staff and sales teams in these countries, who know the market well and understand how to build relationships with customers and partners there, is crucial for the continued sustainable growth of CM.com.

As a result of scaling up, hiring new people, footprint extension, innovation activities, and investments in future growth, we ended the year with only a small net loss, which is a good result.

Huge opportunities for further future growth

What is so exciting for all involved in CM.com is that there are still huge opportunities for further future growth. conversational commerce is still evolving as more businesses and brands around the world realize its potential to help them better connect and engage with their customers. Gartner, for example, estimates in relation to our CPaaS capabilities, that by 2025 95% of global enterprises will leverage API-enabled CPaaS offerings as a strategic IT skill set to enhance their digital competitiveness, up from 20% in 2020. We are already seeing this happen globally and CM.com was, is, and will continue to be, at the heart of this. Mobile phone based remote control options and Artificial Intelligence innovations are good examples of the next phase of this.

Therefore we continue to invest significant time and money into embedding and nurturing our unique CM.com culture and way of working across the organization. Never has this been a more challenging and exciting time to do this with many of us continuing to work remotely or in a hybrid way.

“Our spirit is still very entrepreneurial, and we constantly strive to keep this open, collaborative way of working alive even as our company grows so rapidly.”

Maintaining our entrepreneurial culture

We pride ourselves on our culture; our spirit is still very entrepreneurial, and we constantly strive to keep this open, collaborative way of working alive even as our company grows so rapidly. We encourage professional and personal growth through our CM.com Talent Development Program, CM.com Academy and CM.com Masterclasses. We also invest in bringing young talent into the organization through internships and were able to offer a vast majority of these young talents full time jobs at CM.com. We realize our future growth and strength lies in our people.

As we scale up, it is imperative we do so in a controlled and managed way to support our Sustainable Profitable Growth, while still allowing for our entrepreneurial spirit and ambitions to flourish. We have put several initiatives in place this year to help with this such as IT infrastructure and tooling for the global sales management teams, as well as a new risk management methodology to manage and mitigate risks across the whole organization.

Our entrepreneurial spirit makes it possible to create value for our customers, employees, stakeholders, shareholders, and the wider world and is at the core of all our decision-making processes.

Environmental, Social and Governance (ESG)

A very important element of this is ESG, one of the key pillars in our accelerated growth strategy. On a more informal base, we already have many ESG initiatives throughout the company. This year, however, we have formalized our approach. We hired an ESG manager to ensure our ESG priorities and sub-goals become

more embedded into the overall strategy and structure of our organization. We have also formalized our commitment to the Sustainable Development Goals and we plan to act on our roadmap of intentions and actions to get us to our ambition to futureproof ESG into our business by 2025. Reaching this target will mean that CM.com’s strategy is fully aligned with the circular economy, and CM.com will be a frontrunner in pushing for and delivering ESG standards in global conversational commerce.

Thanks to all our stakeholders

I personally would like to thank all our stakeholders, including our employees, the management and employees of the acquired companies, shareholders, investors and of course all our business and technology partners. In 2022 we will together build on the strong foundations which we have created this year.

Strong confidence in future, aiming at stronger further growth

As we look to the future, I personally believe we have set out a clear path towards strengthening our leadership position in conversational commerce. We have strong confidence in our future and will keep investing in CM.com’s continued growth as we go into 2022. We are in a healthy shape and while growing rapidly, we have consolidated the foundations of our organization and have invested in bringing in all the right ingredients to continue delivering great returns on investment for all those involved in CM.com.

Jeroen van Glabbeek

CEO CM.com

Mission & Vision.

Mission

**Making life easier, safer,
and more beautiful**

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

**Mobile as the remote
control of your life**

CM.com is shaping the Future of conversational commerce to enable frictionless experiences with Intelligent, Digital, Mobile and Conversational Technology.

By focusing on Conversational Commerce, CM.com meets consumers and companies' demand to engage with each other via the mobile phone as preferred communications method.

Vision

Facilitating clear communication during Covid times

Due to the rapid spread of the Omicron variant, it is vital that everyone in the Netherlands receives a booster jab in order to reduce the chance of infection and hospitalization. A public health organization asked CM.com to roll out a complete new FAQ and appointment platform based on CM.com's technology and platform services in only one day.



Customer growth and retention

Technology
Impacting Life.

Profile.

Key Take-Aways

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



One of the fastest growing listed CPaaS company



Mobile First no / low Code Platform



Only CPaaS company with a EU PSP license



Integrated Software Solutions, Communications and Payments Platform

Key facts



Founded in
1999



Employees
755+



Offices globally
23 countries



Extensive
Telecom
Network



Licensed
Payment
Service
Provider



Core
revenue
+70%

Core gross
profit
+92%



Total 2021
revenue
€ 237mln.



Strong
CPaaS NDR
134%¹

Limited
Churn
3%²

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

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

Key Figures 2021.

Total revenue

€ 237.0 +67%

(in million)

Gross profit

€ 62.7 +88%

(in million)

Number of messages

5.8 +58%

(in billion)

Number of voice minutes

689 +133%

(in million)

Total online payments processed

€ 905.0 +24%

(in million)

Number of tickets

9.2 +74%

(in million)

Key figures 2021

x € million	2021	2020	△
Revenue	237.0	141.6	+67%
Core Revenue ¹	228.8	134.4	+70%
Gross Profit	62.7	33.3	+88%
Core Gross Profit	61.5	32.0	+92%
Gross Margin	26%	24%	
Core Gross Margin	27%	24%	
Operating expenses	(66.4)	(34.8)	
EBITDA	(3.7)	(1.5)	
Net profit	(17.5)	(13.0)	
CAPEX ²	(19.0)	(10.0)	

KPIs	2021	2020	△
'CPaaS net dollar retention' rate (%) ³	134	129	-
CPaaS company churn rate (%) ⁴	3	4	-
Number of messages (billions)	5.8	3.7	+58%
Number of voice minutes (millions)	689	296	+133%
Total online payments processed (€ millions)	905	729	+24%
Number of tickets (millions)	9.2	5.3	+74%
Annual Recurring Revenue (ARR) (€ millions) ⁵	22.7	14.0	+62%

¹ Core revenue is total revenue minus other revenue.

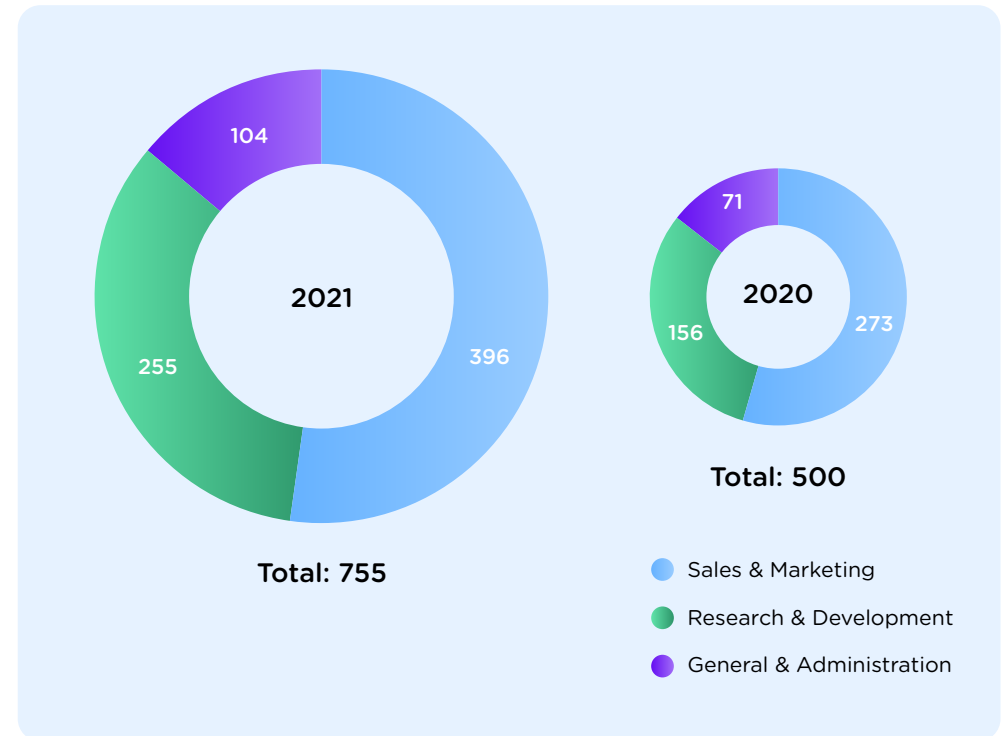
² Capex includes lease contracts for hard- and software.

³ Represents the ratio of the revenue of CPaaS customers in comparable twelve months between the actual and preceding year for customers that generated more than € 10,000 in revenue in the actual year.

⁴ Represents the ratio of revenue from CPaaS customers that generated more than € 10,000 in revenue in the preceding year, but that generated less than € 10,000 in the actual year or were no longer customers in the actual year, to total revenue in the previous year.

⁵ ARR represents the annual recurring revenue streams at the end of the period.

Number of FTEs



5 year financial overview.

x € million	2021	2020	2019	2018	2017
Total revenue	237.0	141.6	96.3	84.6	79.9
Core revenue	228.8	134.4	86.5	71.4	63.4
CPaaS	196.0	117.0	76.0	62.0	57.1
Payments	11.6	6.4	5.5	5.8	3.2
Platform	21.2	11.0	5.0	3.6	3.1
Other	8.2	7.2	9.8	13.2	16.5
Gross Profit	62.7	33.3	24.1	24.9	21.6
Core gross profit	61.5	32.0	21.9	21.6	17.5
CPaaS	35.7	19.1	14.5	14.9	12.6
Payments	7.2	3.4	2.8	3.4	1.8
Platform	18.6	9.5	4.6	3.3	3.1
Other	1.2	1.3	2.2	3.3	4.1
Gross margin	26%	24%	25%	29%	27%
Core gross margin	27%	24%	25%	30%	28%
CPaaS	18%	16%	19%	24%	22%
Payments	62%	53%	51%	59%	56%
Platform	88%	86%	92%	93%	99%
Other	15%	18%	22%	25%	25%
Operating expenses	(66.4)	(34.8)	(20.2)	(20.7)	(17.1)
Employee benefit expenses	(40.8)	(23.0)	(13.2)	(14.2)	(10.8)
Other operating expenses	(25.6)	(11.8)	(6.9)	(6.5)	(6.3)
EBITDA	(3.7)	(1.5)	3.9	4.2	4.5
IPO/listing expenses	-	(1.7)	(1.5)	-	-
Adjusted EBITDA	(3.7)	0.2	5.4	4.2	4.5
Depreciation and Amortization	(15.6)	(8.0)	(5.1)	(3.5)	(2.7)
Financing costs	(2.1)	(3.5)	(0.8)	(0.5)	(0.5)
Tax	3.9	-	0.1	(0.1)	(0.2)
Net profit	(17.5)	(13.0)	(1.8)	0.2	1.1

Highlights 2021.

MARCH

CM.com acquired Dutch Fintech company PayPlaza to give customers quick access to additional payment options on CM.com's conversational commerce platform.



APRIL

CM.com acquired ticketing company YourTicketProvider to strength its market position in event and other ticketing.

CM.com wins international Payment Service Provider tender of the Dutch government.

MAY

CM.com secured contract with the Dutch government to become the SMS Gateway and Voice One Time Passwords (OTP) provider for Ministries and Ministerial departments.

JUNE

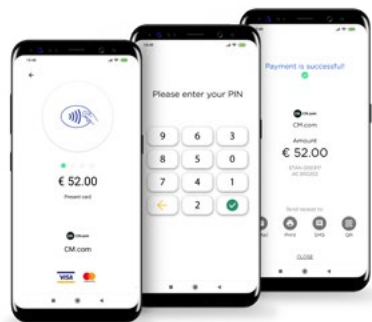
CM.com introduced Instagram messaging for business.



JULY

CM.com acquired TraceDock, a privacy-friendly first-party data collection service to help businesses better personalize customer communications.

CM.com recognized as a Major Player in the 2021 IDC MarketScape for the Worldwide Communication Platform as a Service (CPaaS) Market and by Frost & Sullivan for Delivering Next-level Conversational Experiences.



AUGUST

CM.com acquired minority stake in Fintech Phos, a software only Point of Sale (SoftPOS) system to enhance contactless and mobile payments for merchants and customers.

SEPTEMBER

CM.com N.V successfully raised € 100 million through an offering of Convertible Bonds.

As a mobile technology partner of the Dutch Formula One Grand Prix we provided ticketing, online and offline payments and real-time customer engagement.



NOVEMBER

CM.com launched its first Ticketing Solution outside the Benelux region to support live events in the UK and Ireland.

DECEMBER

Intended acquisition of Building Blocks adds Consumer AI Technology to CM.com's Conversational Commerce Cloud Software.

Meet our Executive Committee.

The Executive Committee consists of our Management Board as well as the following members:

Jan Saan
Chief Technology
Officer (CTO)

Brian Manusama
Chief Strategy
Officer (CSO)

Anneke Hoijtink
Head of Investor
Relations

Aard Kegge
Head of Legal

Hodny Benazzi
General
Manager
International

Robert Janssen
Head of
Central Sales

Marijn Helmons
Head of Human
Resources

Mark Appel
Chief Marketing
Officer (CMO)



Our Management Board
on page 26, 42 & 70

Shareholder Value Creation.

Investor Relations

The aim of Investor Relations is being able to attract capital at any time at favorable conditions. In our view, providing open, transparent, and accurate information is key to this and should contribute to building a strong brand in the capital markets.

During 2021, CM.com increased its visibility in the capital markets by attending numerous conferences and roadshows, meeting many actual and potential shareholders globally. Additionally, we successfully hosted a virtual Capital Markets Day. We met with investors from around the world including the Netherlands, UK, Germany, France, the US and Australia. However, most of the meetings took place virtually via Zoom, Teams or other communication channels instead of physically, due to the pandemic.

We aim to keep shareholders, investors, analysts and other stakeholders consistently and regularly updated with clear and accurate progress about the strategy, performance and other price-relevant information. This will help them make well-informed investment decisions. CM.com will ensure to the best of its ability to act in compliance with applicable rules and regulations. We will publish information via annual reports, interim reports, press releases and our website. We publish fully audited annual results, provide unaudited semi-annual results, and for the first and third quarter, we publish trading updates containing the development of the key business drivers.

To ensure CM.com complies with all best practices, we adopted a “Bilateral Contact Policy”, which is published on [our website](#).

Silent Periods

Thirty days prior to the publication of the annual and semi-annual results, CM.com will enter a ‘silent period’. During silent periods, CM.com won’t have (virtual) meetings with analysts and/or investors, unless the Management Board decides otherwise in the interest of the company. Preceding our Q1 and Q3 Trading updates we apply a silent period of seven workdays.

Capital Structure

On 1 September 2021, CM.com successfully raised € 100 million through a senior unsecured convertible bond placement, due in 2026. The bonds carry an annual coupon of 2.0% and have an initial conversion price of € 53.30 per share. The convertible bonds are listed on the Open Market (Freiverkehr) of Frankfurt Stock Exchange. Next to the convertible bonds, CM.com has no other debt instruments outstanding, only equity. Our shares are listed at Euronext Amsterdam.

ISIN code: NL0012747059

Reuters: CMCOM.AS

Bloomberg: CMCOM:NA

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

Equity and voting rights

CM.com has one type of shares, which are ordinary shares. Each share equals one voting right.

Number of shares outstanding

Date	Number of shares outstanding	Event
1 January 2021	28,738,970	
19 March 2021	28,753,970	Issuance of new shares related to the Key Leadership Plan
1 April 2021	28,776,522	Issuance of new shares for the earn-out related to the acquisition of RobinHQ
2 July 2021	28,797,730	Issuance of new shares for the earn-out related to the acquisition of CX Company
21 October 2021	28,839,611	Issuance of new shares for the earn-out related to the acquisition of RobinHQ
31 December 2021	28,840,098	Issuance of new shares related to the Key Employee Plan

Indicative free float

At CM.com we strive to have an international shareholder base that fits our global growth strategy. Currently, our free float is approximately 48%, based on the shareholdings of the two founders, who jointly own 52% of the shares. Our aim is to increase the share of institutional investors, hence our active Investor Relations program, aimed at increasing CM.com's visibility in the global capital markets and increase the liquidity in CM.com stocks.

Major Shareholders

In accordance with articles 5:34, 5:35 and 5:43 of the Financial Supervision Act and the Act on the Disclosure of Major Holdings in Listed Companies (WMZ), the following parties are known to CM.com as shareholders with an interest of 3% or more of the share capital of CM.com at 31 December 2021:

	Shareholding as published by the AFM	Date of last notification at the AFM
Jeroen van Glabbeek	26.0%*	6 September 2021
Gilbert Gooijers	26.0%*	6 September 2021
Teslin Participaties Coöperatief U.A.	6.1%	21 February 2020
J.N.A. van Caldenborgh	3.1%	16 March 2021

* as at 31 December 2021

Management and Supervisory Board Shareholdings

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

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

Supervisory Board member, Stephan Nanninga indirectly owns 105,679 shares of CM.com via his 25% ownership of Lindespac B.V. Other members of the Supervisory Board don't own CM.com shares.

Share Price Development.



Share price information

Opening price at 3 January 2021	€ 31.60
Lowest closing price	€ 24.00
Highest closing price	€ 46.45
Closing price at 31 December 2021	€ 27.80
Market capitalization at opening on 3 January 2021	€ 908 million
Market capitalization at closing on 31 December 2021	€ 802 million
Average daily trading volume	€ 2.0 million

Trading dynamics

Due to, amongst others, our strong results and larger institutional investor base, liquidity in our stock improved substantially to € 2.0 million average daily turnover in 2021 (2020: € 0.8 million). Additionally, we saw a tightened bid-ask spread to 0.45% on average in 2021 (2020: 1.06%). These indicators contribute to greater price certainty for investors showing that they can trade larger amounts without influencing share price.

Research Coverage

Currently, ABN AMRO, Jefferies, KeplerCheuvreux and Kempen 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 investments decisions. In case CM.com receives analyst reports prior to publication, we will only check for factual inaccuracies. To further increase our visibility in the capital markets as well as the liquidity in our stock, we aim to grow the number of analysts covering CM.com, in particularly internationally.

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 its shareholders in the foreseeable future. CM.com's dividend policy can also be found on [our website](#).

2022 Financial Calendar

20 April:	Q1 2022 Trading Update
21 April:	General Meeting
28 July:	H1 2022 Interim results
18 October:	Q3 2022 Trading Update

Case: KFC South Africa

From ordering to payments and marketing

Restaurant chain KFC in South Africa has launched Chat Commerce, which, for the first time ever, allows customers to place and pay for an order via WhatsApp. Customers across 800 stores throughout South Africa can access this service, which is currently live for Click & Collect ordering, with payment options coming soon. The solution was built by a CM.com partner, Yonder Media, in response to a growing need for restaurant chains to connect with, and cater to a youth market. The WhatsApp Business API, with its lower data use, was the perfect answer. The chain's platform is 100% automated, and utilizes natural language processing, guided marketing actions and emoji-embedded facilitation to guide customers through the ordering process. In addition, KFC has expanded the use of the CM.com platform to send relevant and exclusive marketing promotions to its opted in database using CM.com's Mobile Marketing Cloud, and WhatsApp.



Management Board Report.



Daphne Kuijs
M&A Professional



Daks de Bot
Account Executive

Phuong Nguyen
Card Scheme
Compliance Officer





Gilbert Gooijers,
COO, CM.com

“We have put a great amount of energy and focus into embedding our open, collaborative, entrepreneurial culture across the whole organization.”

Aligning growth with our collaborative and entrepreneurial culture

As one of the founders of CM.com, I've seen the company grow and flourish over the last 22 years. I've never experienced a year of such rapid growth and change as this one. We now have 755 employees, opened in five new locations around the world and expanded our conversational commerce capabilities with in-house innovations as well as through add-on acquisitions.

We have achieved all of this, while coping with the challenges of the ongoing pandemic and as a result, we have had to think outside the box to find new, innovative ways to work, connect and grow together as a fast-growing global organization. My job is to keep CM.com operating efficiently and seamlessly in line with our Accelerated Growth Strategy, so that we consistently deliver high quality products and services for our customers as well as add value to our other stakeholders, such as shareholders, employees and partners. That's why we have ensured that every element of the business is functioning in synergy and that our growth is aligned to our cultural values. As we grow so rapidly there is also the challenge of balancing our entrepreneurial culture with the legal regulations required for a listed global tech organization.

Nurturing our culture

As we have welcomed so many new people to CM.com this year, through hires, acquisitions and global expansion, we had to work hard to help our new colleagues successfully integrate into our culture. Of course, this is a challenge as people often come with their own experiences of corporate life and expectations of themselves and their work colleagues. That's why we have put a great amount of energy and focus into embedding our open, collaborative, entrepreneurial culture across the whole organization. It is also our goal that every employee at CM.com is aiming for personal development and growth.

Meeting our colleagues around the world

Without the possibility of new colleagues coming to see us in the Netherlands because of Covid-19, we set up a series of roadshows where our CTO, General Manager International and myself travelled to see them instead. Nothing beats face-to-face connection to help people get to know and understand each other better. So, as and when Covid-19 restrictions permitted, we went to South Africa, Dubai, India, Mexico and France to meet and spend some time with our CM.com colleagues in these regions.

These roadshows proved to be a very effective way to share our passion and energy for CM.com and to explain more about our DNA and how we work together. It was also a wonderful opportunity for colleagues from different locations to meet each other and for all of us to enjoy some social activities to help us bond. Bringing our people together in this way was a good moment for us all.

We got some great feedback from those who took part - they really appreciated the time and energy we took to bring them all into the CM.com culture. As such, we plan to do more roadshows in 2022 with our CEO, CFO and myself looking forward to meeting more colleagues around the world.

Transferring knowledge across CM.com

As the organization expands so rapidly and more people join CM.com, it is inevitable that more processes will be created and required. As a COO, I'm keen to make sure that our organization continues to run smoothly and efficiently without the need for too many unnecessary processes, so that we safeguard our entrepreneurial culture. The processes we do have, should be focused on the needs of our company and used effectively to solve issues and workflows. We don't want to create too many layers of complexity in the way we manage our organization. It is important that we listen to our teams and give them a level of freedom to make decisions and to think for themselves.

What do you like most about working at CM.com?

I like the fact that every day is a new day full of opportunities. There is so much potential at CM.com that I enjoy looking ahead at what we can achieve next. There is a lot of energy and drive to get things done. I'm looking forward to making everyone's working lives better next year by understanding where the areas of friction are and then finding solutions to resolve them.

What was your most memorable moment in 2021?

Being at the Dutch Formula One Grand Prix and seeing all my colleagues enjoying a great day out together. We collectively felt proud of all that we had achieved, through the application of our technology, to make such a big event run so successfully. In a year of very few events, this really was special.

How do you think CM.com impacts society?

Our technology is being used worldwide to help organizations and businesses continue to operate and connect with people throughout the pandemic. We have helped in many different aspects of alleviating Covid-19 from booking vaccination appointments to taking part in track and trace pilots. We are also very active with helping charities to secure more funding using QR codes, which we first pioneered a few years ago, and is now common practice in the Netherlands.

Gilbert Gooijers (Dutch, 1979)

Founder, COO, Managing Director

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



“My job is to keep CM.com operating efficiently and seamlessly in line with our Accelerated Growth Strategy; to deliver high quality products and services for our customers and add value to our other stakeholders, such as shareholders, employees and partners.”

At the core of this is facilitating knowledge transfer across the whole organization. As a growing company with a vast range of products, from payments, ticketing and messaging, there is a lot of knowledge within our organization. It is imperative that we make this knowledge accessible to everyone. This will help them make better and faster decisions and know and understand each other's viewpoints. This year, we have been creating channels to help people share knowledge more easily. For example, we have an app on our company website that everyone can access and add their own news, success stories or comments - this is a simple, crowdsourced way of sharing knowledge and insights from around CM.com. We also share insights through our CEO Updates, CM.com Academy and new for this year our CM.com Masterclass - a regular live broadcast in a talk show format where we invite guests to discuss topics such as entrepreneurship, marketing and inclusivity.

Integration of acquisitions

In 2021, we have welcomed approximately 100 people into our organization through the acquisitions we made. It is a credit to everyone at CM.com that the majority have stayed with us to grow and build their careers within CM.com. We have taken the time to work out how best to integrate them into our organization and help them acclimatize. Everyone has been very supportive and cooperative in this process.

Looking forward to 2022

After such a year of growth and expansion, next year we will continue align all areas of the organization. This involves helping our customers engage more seamlessly with their end users, finding new customers and helping everyone at CM.com to work together more effectively. We will do whatever it takes to ensure our culture and spirit keeps flourishing in line with our growth ambitions.



Artificial Intelligence for better communications

Using Conversational and Consumer AI (Artificial Intelligence) as part of our portfolio, is CM.com's answer to tomorrow's societal needs and designed to intelligently communicate with millions of clients of our customers. Our technology solutions help our customers to improve their business on a long-term basis.



Innovation

Technology
Impacting Life.

Strategy - Evolving Conversational Commerce by Adding Value.

CM.com is one of the fastest organic growing listed communications platform as a service (CPaaS) organization in the world. We have achieved this through a strategy of focusing on mobile first and adding value with integrated and innovative software solutions for our communications and payments platform. This is designed to make life easier, safer, and more connected for our customers around the world.

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

This has helped us grow rapidly over the last year to deliver strong revenues and gross profit, expand geographically with more than 20 offices globally and increase our talented workforce to 755 people. We have also been given industry recognition and credibility through prestigious awards in 2021, cementing CM.com as a trusted and dynamic global conversational commerce player.

Why mobile first?

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

Reliance on our mobiles has grown with the continuation of the pandemic. It has significantly changed the way that businesses and customers interact. The barriers to digital engagement have been permanently broken down and businesses must be ready to embrace this new normal.

Growth opportunities

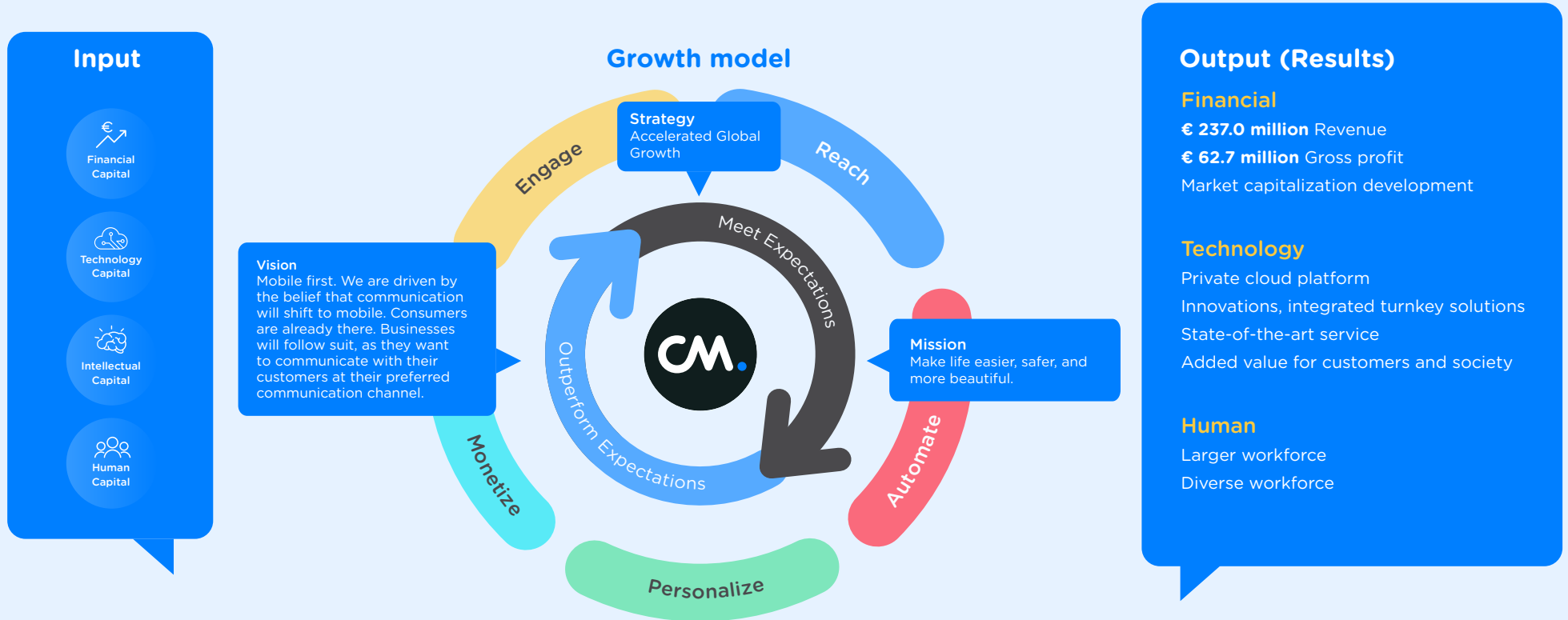
We have a reputation in the global CPaaS Mobile Messaging market as an innovative and reliable partner to customers around the world.

Prominent international institutes like Juniper, IDC and 451 Research highlighted we are considered as an 'established leader' in our industry. Our strategy to achieve this has been focused on value creation through organic growth by developing our own integrated technology solutions, rather than acquiring and growing by volume.

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

We focus our growth on where demand is highest both geographically and in the types of company most open to adopting and implementing advanced customer engagement strategies, such as mid-sized enterprises. Gartner estimates that 40% of these companies plan to scale up digital customer capabilities using CPaaS tools by 2025.

Value Creation.



Outcome (Impacts)

Customers

Preferred partner for customers
Customer satisfaction and loyalty

Employees

Happy, healthy employees
Employee loyalty
Low absenteeism
Increased development opportunities

Society

Easier (mobile first solutions)
Safer world (two factor authentication)
More beautiful (more people employed, less pollution)
Increased fundraising for charities

Shareholders

High revenue growth
Increased EV/Sales multiples
Increased liquidity

Contribution to the UN SDGs



Technology Impacting Life.

Our business model - Seamless Experiences

The shift accelerated by the pandemic and the growth opportunities in conversational commerce globally has boosted and guided our business strategy over the last year.

Our technology addresses this by enabling businesses to better connect and interact with their customers in deeper and more meaningful ways through their preferred channels. This could be via Instagram, via a chatbot or through mobile messaging. We want our customers to offer complete convenience so their end users can access information and buy goods in a seamless way.

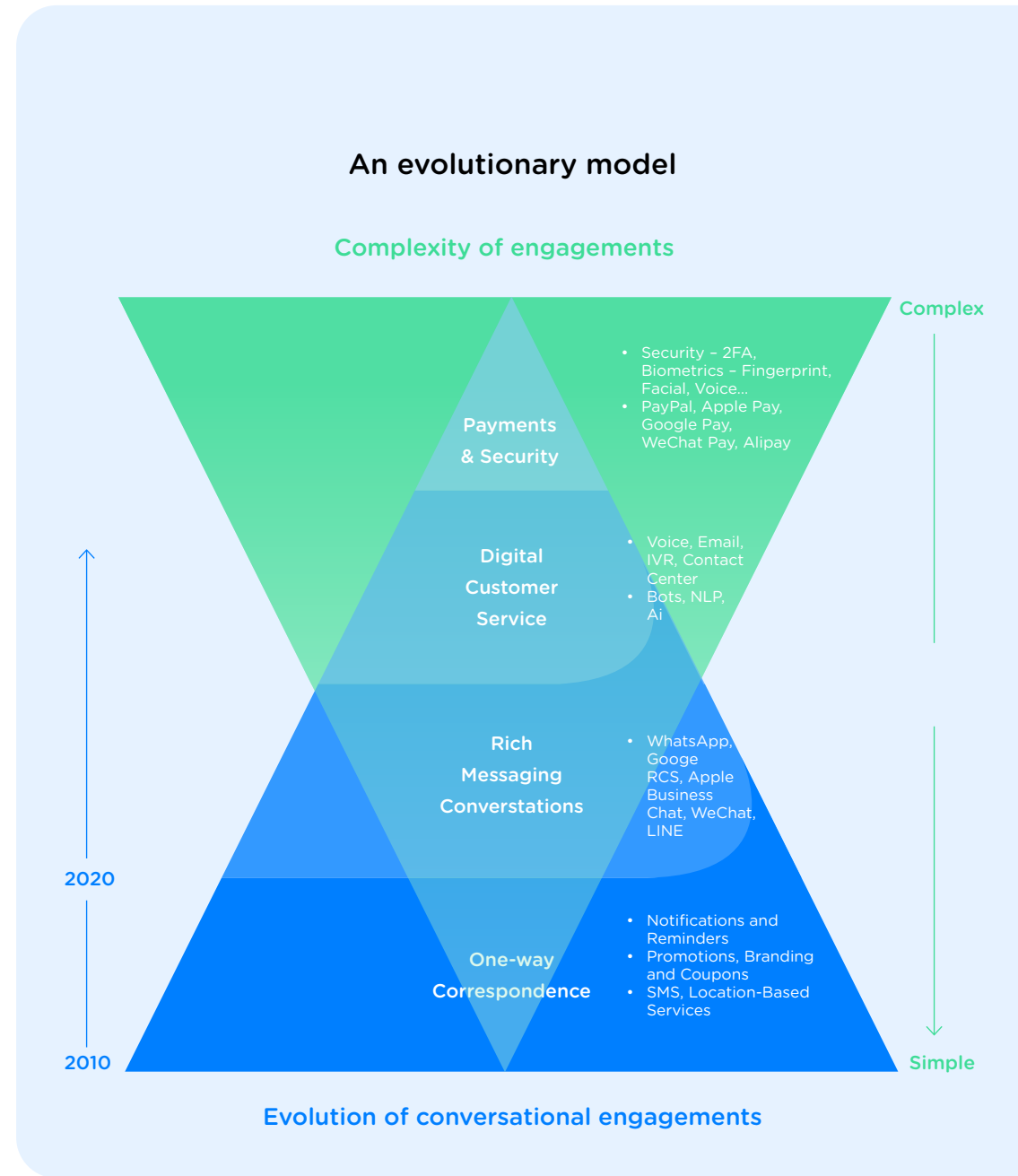
We have been adding new layers of functionality into our platform through our own in-house innovation as well as through the acquisition of specialist software organizations and forged new partnerships globally and locally to increase our sales reach geographically. This readies us to meet the future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

Evolution of Conversational Commerce

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

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

This is what we are offering our customers so that they can complete their customer interaction with a safe, secure and convenience-based purchase. This is the evolution of conversational commerce in its most rich and effective form and which we at CM.com are wholly focused on. Through our strategy of developing



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

our own in-house innovation combined with acquisitions, we are seeing the benefits of offering our customers a fully integrated suite of conversational commerce capabilities and in doing so helping them to achieve their own commercial goals.

Conversational Growth Model

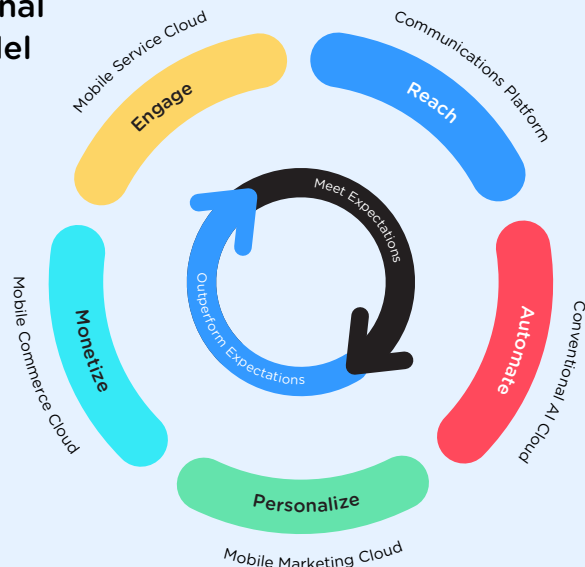
As a rationale and basis for everything we do, our Conversational Growth Model perfectly captures the never-ending journey that we aim to take customers on. This model enables continuous and proactive engagement with, and a deeper understanding of the end user.

It moves seamlessly from one part of our platform to another guiding customers through their preferred channels and interaction methods towards a smooth and

successful purchase. In doing so leaves them with a memory of an exceptional customer experience - which will in turn create loyal and satisfied customers.

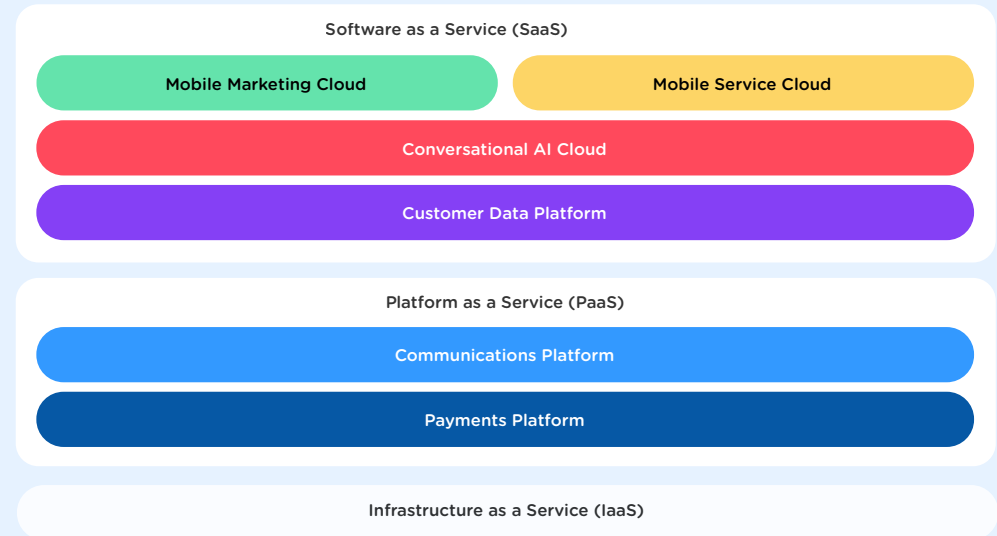
In this model below, our Mobile Service Cloud enables initial engagement and interaction, then onto our communications platform to reach customers through their preferred channels and Conversational AI Cloud to automate and direct the conversation, through to our Customer Data Platform, where we can personalize the customer experience through understanding behaviors and preferences, and finally onto the secure payments section enabled through our Mobile Commerce Cloud. As the loop continues again, deepening levels of engagement made through adjustments based on customer data can be used intuitively time and time again.

Conversational Growth Model



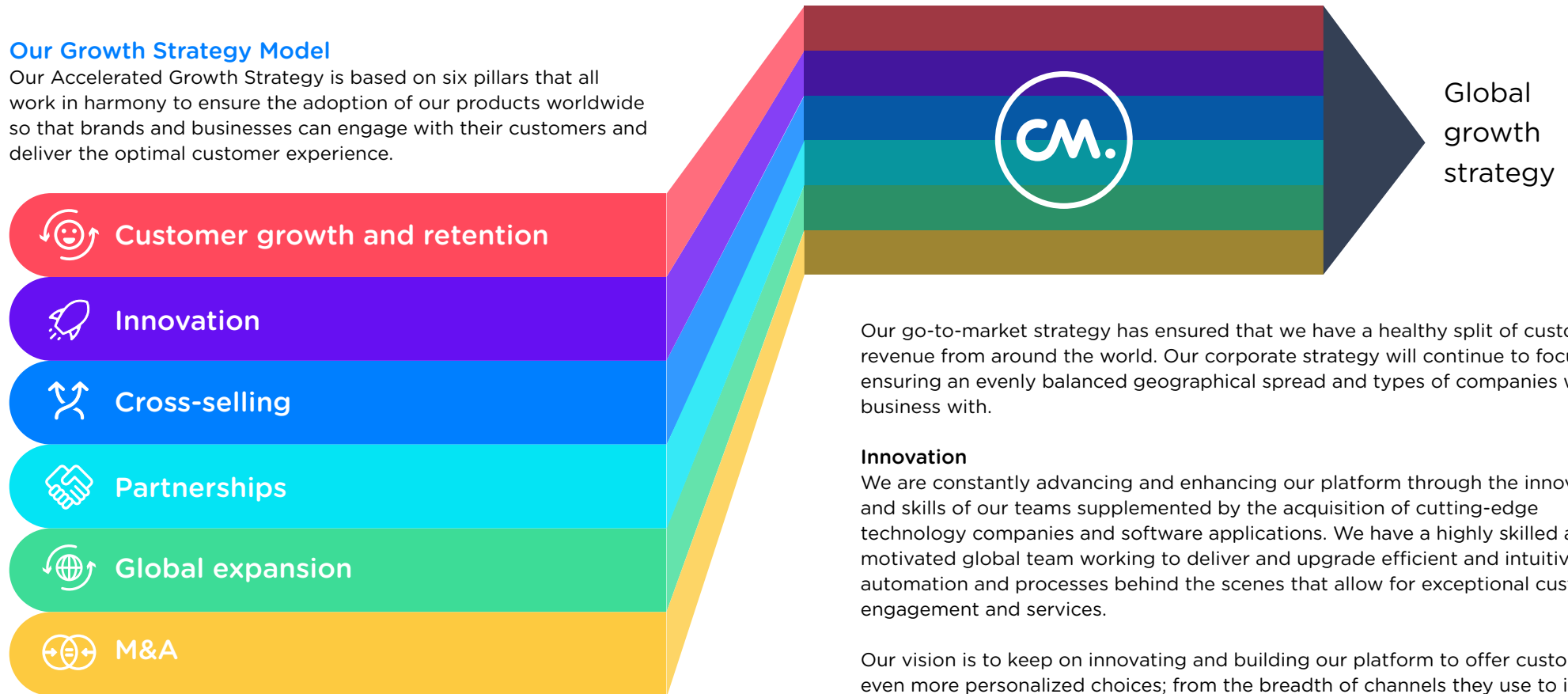
Conversational Commerce Software Suite

Industry Solutions



Our Growth Strategy Model

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



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

Innovation

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

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

Cross-selling

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

Customer Growth and Retention

We have a loyal and satisfied customer base as demonstrated by our CPaaS Enterprise Churn Rate of just 3% and a CPaaS Enterprise Net Dollar Retention Rate of 134% in 2021. Through our Customer Success Model, we invest a great deal of effort around the world in building and growing relationships with customers. Our sales and marketing activities focus on highlighting the benefits of our conversational commerce platform and how it can enrich customer engagement.

marketing efforts and sales incentive plans. Integration and close cooperation between the existing sales teams and the colleagues of acquired companies has further enhanced cross and up-selling.

Partnerships

Building strong relationships with partners is key to establishing and maintaining our presence and sales impact across the globe and we have put a great amount of effort into forging and building relationships with partners this year. CM.com has a partner program currently consisting of two distinct programs:

- Consulting Partners: they provide consulting on business, technology, sales, marketing or customer service strategy. They provide tech implementations, and they deliver hands-on service in marketing, sales or customer service.
- Technology Partners: They integrate their offerings with any of the CM.com solutions and/or products to create combined solutions that outperform expectations for customers.

Global Expansion

Our go-to market strategy is focused on building globally and locally. Our global sales team operates from our headquarters in Breda, the Netherlands, comprising specialist marketing, sales and product development people, who are liaising and making direct sales with Big Tech.

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

Mergers and Acquisitions

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

Think global, act local

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



+5

Offices opened
in 2021

Offices in
23 countries

55%

International revenue share

Objectives.

Based on our strategy, CM.com has presented an overview of objectives. In the table below you see the realization of these objectives in 2021.

	2021
<p>Revenue Growth CM.com is targeting an annual growth rate of over 30% in the medium term, as CM.com increases its sales, marketing and technology efforts with new and existing customers globally with the capital raised in the offering.</p>	Revenue growth of +67%
<p>CAPEX In the near term, CM.com expects capital expenditure to be in-line with historic levels. In the long term, CM.com aims to maintain a sustainable capital expenditure level of up to 5% of revenue.</p>	Capex / Revenue amounted to 8%
<p>Gross margin CM.com is seeking to increase Gross Margin in the near term as the revenue mix shifts to higher value-add products.</p>	Gross margin increased from 24% in 2020 to 26%
<p>EBITDA CM.com aims to improve EBITDA margin to levels above 20% in the long term as CM.com expects to benefit from a change in business mix and operational leverage.</p> <p>In the near term, CM.com expects EBITDA margin to decrease due to increased investments to accelerate growth.</p>	For 2021 EBITDA was € (3.7) million

Case: Vivid

Leading customer engagement innovation in the Housing sector

Using intelligent chat and voice bots, UK housing association VIVID is pioneering the way for better customer engagement in this sector. It now offers its 72,000 customers quicker access to information and support 24/7 through its Interactive Voice Response (IVR) system, which means that phone lines are freed up for VIVID agents to deal directly with customers who have more complex needs. This is all enabled through CM.com's Conversational AI Cloud platform, which is available through VIVID's website and IVR system. This allows VIVID's agents to find quick answers to customer questions, and customers to find answers to straightforward questions. The Conversational AI solution also sends VIVID agents an email if a customer can't find the answer to their query, so any issue can be resolved quickly. While the chatbot technology is also being used to help customers to fill in forms. Thanks to CM.com's technology, VIVID is able to provide a level of customer service that is far more advanced than other housing associations.



Acquisitions - Enhancing Our Conversational Commerce Platform.

Acquisitions support our organic growth strategy and help to reinforce our market position. We look for companies whose technology will help speed up our technological innovation and complement our conversational commerce capabilities in areas such as payments and Artificial Intelligence. We are at the same time looking for acquisitions that grow our market share or provide cost efficiencies. In 2021 the add-on acquisitions we secured were:



PayPlaza is a Dutch Fintech company which developed a Point of Sale (POS) Payment Acceptance Platform. In the last year we have successfully deployed and integrated this into

our own payment solution so that existing and new customers can now have quick access to additional payment options on our platform. It was also a strategically forward-looking acquisition to meet the expected growth of POS terminals for self-checkout and the increased demand for mobile payment solutions across delivery, retail and hospitality markets. The founders of PayPlaza joined the CM.com team to help with the on-boarding of their payment acceptance platform and joined forces with CM.com to deliver its growth strategy.



Yourticketprovider is a major seller of festival ticketing in the Netherlands, including the Loveland events. The acquisition

of this company brought CM.com's conversational commerce solution to a new and growing market of theaters and festival organizers to help them provide visitors with a better experience and to build relationships. In doing so, they are now able to offer a smoother and more commercially advantageous journey from ticket sales and payments to marketing communications. The employees all joined CM.com to complete the integration with CM.com and the shareholders remained active in CM.com's global rollout of its ticketing solutions.



TraceDock is a privacy-friendly first-party data collection service which CM.com acquired to enrich its Mobile Marketing Cloud so that companies and brands could better personalize communications

with their customers. By adding first-party website data from TraceDock to customer profiles within our Mobile Marketing Cloud, we can now provide additional insights to customers and enable more personalized communication in the future. By integrating this technology we added value to our platform by helping marketers optimize the entire customer journey.



Appmiral is a mobile festival and event app platform, which is focused on taking visitor experiences to the next level through mobile and ticketing technologies. The acquisition of Appmiral means CM.com has bolstered

its event industry value proposition by adding extra channels to engage with visitors. By leveraging CM.com's technology and in-house experience to accelerate growth, Appmiral will take the next steps to international expansion, boosting visitor experience, and installing data infrastructure as a service. Together, CM.com and Appmiral believe that a broader, more data-driven, and ultimately pre-integrated proposition will give events clients competitive advantage to become even more profitable.

Technology - A Global Leader in Conversational Commerce.

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

We continue to build a talented and agile technology team, organically and through Mergers & Acquisitions (M&A), in the Netherlands and globally. Insight and feedback from sales and technology teams in the field helps developers to create and roadmap new products and functionalities.

Leader in Conversational Commerce

We strive to be an established and recognized leader within conversational commerce. Every day, our Research & Development and product teams work towards this goal by developing the most integrated and feature-rich conversational commerce platform in the world. Our teams are focused on creating new iterations and functionalities within our CM.com platform, while working in line with the rules and regulations in each country and region.

We maintain our established leadership position through a software stack that is fully integrated with bolted-on components to enable a smooth and seamless customer journey. We continue to do this through the development of our own in-house innovations and through the acquisition of companies that offer world-class technological innovations. For example, POS payments, Conversational AI (Artificial Intelligence) and cloud-based software.

Geographical expansion

The role of the technology team at CM.com is to build a reliable and scalable conversational commerce platform. The team should understand what functionality is needed locally to meet the requirements of these markets.

Bringing acquisitions into CM.com's culture

New acquisitions bring new technologies and teams into CM.com, adding value to our platform as well as our pool of development talent. We work hard to ensure that we integrate them successfully into CM.com, so that our customers see the benefits.

It has been a rewarding experience to welcome and on-board new businesses and people through our acquisitions in 2021. All our teams in the Netherlands and internationally have risen to this opportunity and this has had a positive impact across all areas of CM.com.

Enabling our customers

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

Our vision is to continue innovating and building our platform to offer customers even more personalized choices.

Scaling up

This year we scaled up existing propositions; adding more messaging channels, such as Google Business Messages and payment methods, we have also become more successful in ticketing and enhancing our basic text messaging and CPaaS platform across the world. Every element of the CM.com platform has been optimized and scaled efficiently to take us to the next level.

Juniper Research recognized CM.com as 'Established Leader'

With the agility and focus this approach gives us, technology has not only contributed to CM.com's strong financial figures but also cemented our leadership position within the global conversational commerce and related markets. In November 2021 for example, Juniper Research announced that we were an 'Established Leader' in three categories: Conversational Commerce, CPaaS Vendors and Messaging Platforms.

Data security

As we scale up and build a more advanced CM.com platform, we store growing amounts of personal and financial data. We have rigorous security in place to protect this data.

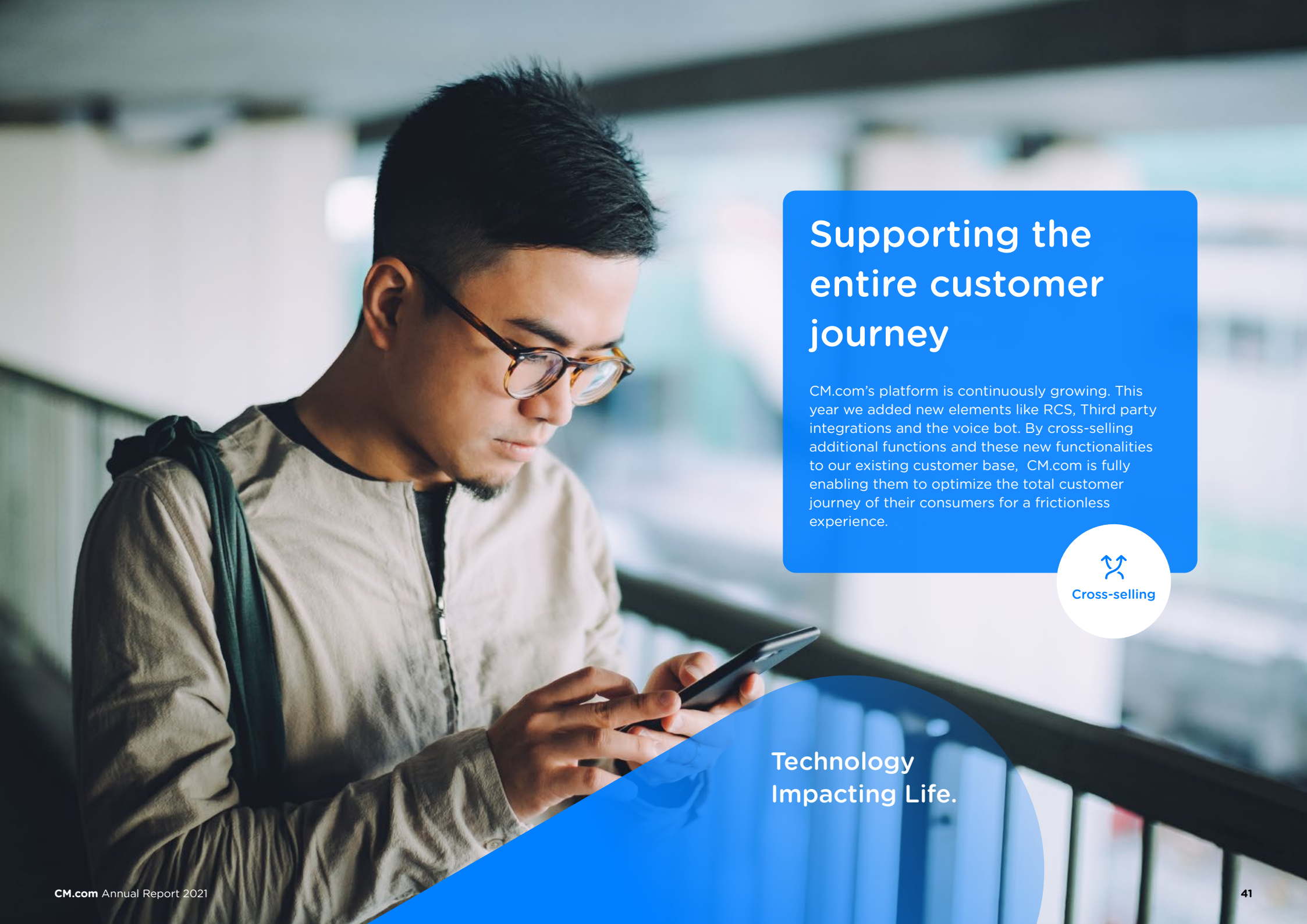
Data and platform security is a daily business critical activity. We have best practice in place and a dedicated data team who keep our virtual security perimeter secure.

We implement rigorous methodology, scanning tools, testing, training and awareness to ensure we can spot any weaknesses in the system. We are prepared and ready for maximum breach or attack.

World-class integrated platform

We always look at what is happening outside our own organization and keep an eye on our competitors. While we focus on our vision and goals, we also monitor the CPaaS market and competitor developments. In our desire to create a world-class integrated platform, we are up against big competitors. However, they are more focused on delivering and scaling just one specific technology within conversational commerce.

We continue to focus on integration and efficiency with increased knowledge sharing and infrastructure within our highly collaborative developer community. While we give our teams the room to experiment it is also important they adhere to the guidance to standardize. Through this mindset and approach we can offer a highly agile and integrated conversational commerce Platform.



Supporting the entire customer journey

CM.com's platform is continuously growing. This year we added new elements like RCS, Third party integrations and the voice bot. By cross-selling additional functions and these new functionalities to our existing customer base, CM.com is fully enabling them to optimize the total customer journey of their consumers for a frictionless experience.



Technology
Impacting Life.



Jörg de Graaf,
CFO, CM.com

“To harness explosive, global growth in a controlled manner you have to move fast in putting the right systems, procedures and people in place”



Scaling up sustainably, managing our growth for long-term success

This year has delivered strong, and mostly organic, growth for CM.com. It has been a year of significant scaling up of our business across all aspects. This was only possible by having the right strategy, people, structures and processes in place, with the capital available to invest. With these components working in unison we can continue to grow at a fast pace with control and confidence while remaining entrepreneurial and innovative.

Focusing on organic growth

Our strategy is focused on growing organically with bolt-on acquisitions.

To enable strong organic growth, we have invested heavily in hiring more talent around the globe, with continued investments in sales and marketing and expanding our R&D capacity. At the same time, a lot of effort went into strengthening our support organization to handle the exponential growth and large investments in IT. This helped us stay ahead of capacity needs, while localizing datacenters to be closer to our customers.

With experienced people on-board, we have been able to widen and deepen our customer engagement, helping to win new business and secure recurring orders. By empowering our customers become more successful we can grow alongside them. Their success is our success. This strategy has paid off, as we have seen customers spending more with us - on average 34% year-on-year. By responding quickly and proactively adapting our technology to changed market needs, we supported many existing customers and new organizations with our solutions during these times of Covid-19; turning a challenge into a net tailwind for our financial results in 2021.

To meet growing global business demand for our conversational commerce solutions, we have expanded into several new geographical markets. These new markets open up a whole new set of potential customers.

To supplement our own product innovations, we invested in several bolt-on acquisitions to bring additional capabilities that enhance customer experiences. These included Point of Sale (POS) payments solutions and Soft POS technology, turning your mobile phone into a payment terminal; adding first party cookie technology to our Mobile Marketing Cloud, enabling more personalized customer communication; and adding software which makes the fan experience start months before an event, increasing the excitement of going there while making life easier for our ticketing customers. All these innovations enable our sales teams to offer both new and existing customers so much more value.

Capital markets

To ensure long-term business continuity and further growth of our company, we need access to the capital markets now and in the future. To secure this, we have expanded our capital markets relations by improving our visibility amongst institutional investors.

This year we successfully secured € 100 million of funding through a convertible bonds offering, which provided us with a strong cash position allowing us to continue investing in organic growth and maintain the flexibility to seize acquisitions. In 2022, we will further intensify and expand our relations with the investor community, while keeping them informed on a regular basis.

Scaling up sustainably

It is important that we manage our rapid growth in a sustainable way, by having the right infrastructure, people, systems and culture in place. This enables everyone at CM.com, wherever they are located, to work effectively and innovatively together to help deliver this growth.

In line with the pace of our expansion into new markets, we have made great strides forward in facilitating our global operations by rolling out our IT infrastructure, implementing company-wide tooling for sales management, and customer contracting. Our fully automated global ordering system enables

What do you like most about working at CM.com?

I like the camaraderie and energy of everyone here. We all feel we are building a successful company together, taking conversational commerce to the next level and establishing ourselves as global leader in it.

What are you most looking forward to in 2022?

Continuing our organic growth by creating new conversational commerce products and solutions that delight our customers. Finding new ways to manage the business as we scale up so rapidly around the world, will be a challenge I relish. And I hope that the world opens up again so we can enjoy the good things in life with friends and family.



Jörg de Graaf (Dutch, 1976)

CFO, Managing Director

Jörg de Graaf joined CM.com as CFO on 30 April 2020. He obtained an M.Sc. degree following his studies in International Business Corporate Finance & Management (1997-2003). He was, among other things, CFO at iBASIS in the United States between 2013 and 2019. He completed the Advanced Management Program at Harvard Business School in 2016.

sales deals to be closed and processed quicker while at the same time ensures three way matching between approved order, implemented customer settings and financial processing. We updated our transfer pricing system to ensure we remain fully compliant in local markets when operating at a much larger global scale. By selecting and implementing a global banking partner for cash management around the world, we have the systems and tooling to remain fully in control of all our treasury operations while continuing our global expansion.

By making all these investments in many of our management and financial processes, we can stay in control of CM.com around the world, while giving our local offices the flexibility and freedom to grow business organically in their market.

Value creation

Our growth must always be aligned to our mission to make life easier, safer, and more beautiful. We want our technology to enhance people's lives and we will continue developing new innovations that benefit society. This is at the core of our strategy and the value that we create for all those involved and invested in CM.com. ESG is at the heart of our value creation and this year we have explicitly set out our ESG roadmap to futureproof CM.com in line with our ESG targets. In achieving this, CM.com will become frontrunner in the industry pushing ESG standards forward.

This year, CM.com's technology has continued to positively impact society, especially as the pandemic continued to affect ordinary life so severely. We have supported government and health agencies in Europe to communicate essential Covid-19 messages through SMS and we have helped to facilitate efficient vaccination appointment processes through phone lines and our ticketing technology.

2022: growing with confidence

As we go into 2022, we are in a good position to grow with confidence as we see our investments continue to deliver returns for our customers, employees, shareholders, other stakeholders, and the wider world.

Case: Kentaa

Making online fundraising more impactful and personalized

Kentaa, a Dutch tech company, which helps charitable organizations raise funds through online platforms and tools, has partnered up with CM.com to make fundraising a more personalized and impactful experience for all. Thanks to CM.com's payment solutions, Kentaa can now offer customers a wide selection of competitive payment service providers (PSPs) on its platform, helping non-profit organizations raise funds without having to pay heavy fees. CM.com's Mobile Marketing Cloud also enables a more personalized interaction between charities and their volunteers through SMS, WhatsApp and Email. The Netherlands Red Cross was one of the first charitable organizations to work with the Digicollect-Mobile Marketing Cloud during a national fundraising week in June 2021. CM.com also offers an integration with the Kentaa platform for crowdfunding, event fundraising and peer-to-peer action fundraising platforms, with supporters able to set up their own action pages. With the support of CM.com, Kentaa is planning to expand internationally into new markets including the UK, Germany, Denmark and Sweden.



Business & Financial Results.

Our KPIs

Number of messages

5.8 bln +58%

2020: 3.7 bln

Number of voice minutes

689 mln +133%

2020: 296 mln

Number of tickets

9.2 mln +74%

2020: 5.3 mln

CPaaS net dollar retention rate¹

134%

2020: 129%

Total online payments processed

€ 905 mln +24%

2020: € 729 mln

Annual Recurring Revenue (ARR)³

€ 22.7 mln +62%

2020: € 14.0 mln

CPaaS enterprise churn rate²

3%

2020: 4%

Revenue and gross profit

In FY 2021, core revenue grew by 70% to € 228.8 million (FY 2020: € 134.4 million). All core segments contributed to this increase, with CPaaS being the strongest contributor in absolute terms. From a geographical perspective we saw particular strong contributions from the Netherlands, the APAC region and Southern Europe. The strong growth was partially supported by a favorable H1 2020 comparison base during which the pandemic had more profound mixed effects on our customers. In 2021 there was a net positive business effect of Covid-19. Additionally, acquisitions

contributed € 11.0 million to 2021 revenue. Organic core revenue rose by 62% to € 217.7 million in 2021.

In FY 2021, core gross profit increased by 92% to € 61.5 million (FY 2020: € 32.0 million). This growth was driven by higher revenue and a further improvement of the core gross margin to 27%, due to improved CPaaS margins and stronger revenue contributions from Payments and Platform at higher gross margins, supported by acquisitions.

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

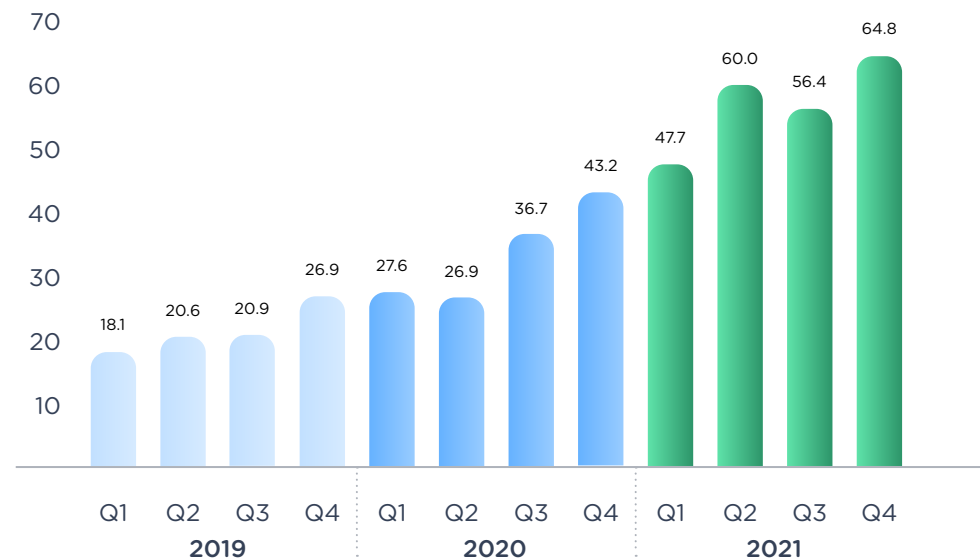
² Represents the ratio of revenue from CPaaS customers that generated more than € 10,000 in revenue in the preceding year but generated less than € 10,000 in the actual year or were no longer customers in the actual year, compared to total revenue in the previous year.

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

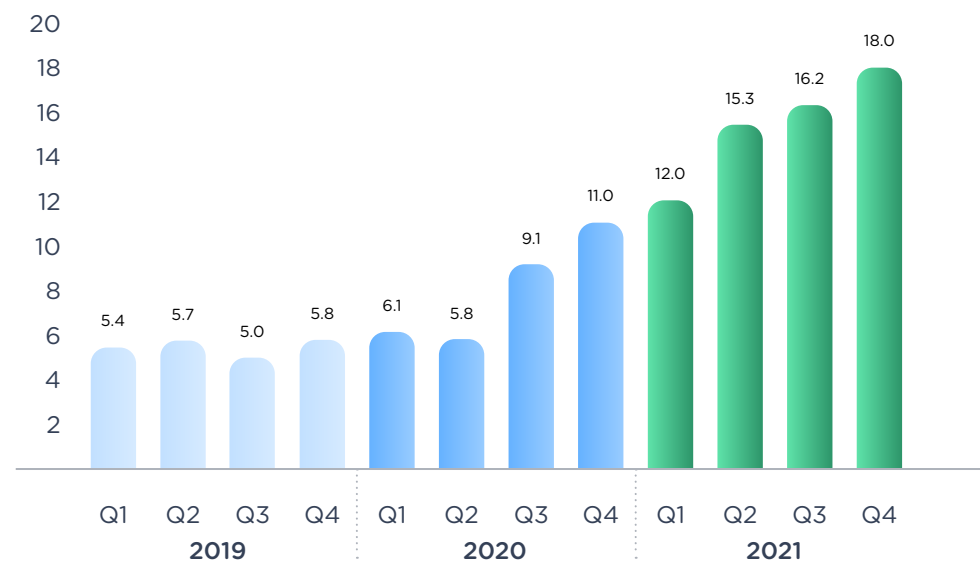
Performance per segment

x € million	FY 2021	FY 2020	Change
Revenue	237.0	141.6	+67%
Core Revenue	228.8	134.4	+70%
CPaaS	196.0	117.0	+68%
Payments	11.6	6.4	+81%
Platform	21.2	11.0	+93%
Other	8.2	7.2	+14%
Gross Profit	62.7	33.3	+88%
Core Gross Profit	61.5	32.0	+92%
CPaaS	35.7	19.1	+87%
Payments	7.2	3.4	+112%
Platform	18.6	9.5	+96%
Other	1.2	1.3	(8)%
Gross Margin	26%	24%	
Core Gross Margin	27%	24%	
CPaaS	18%	16%	
Payments	62%	53%	
Platform	88%	86%	
Other	15%	18%	

Core revenue development (in € million)



Core gross profit development (in € million)



Messages
(billions)



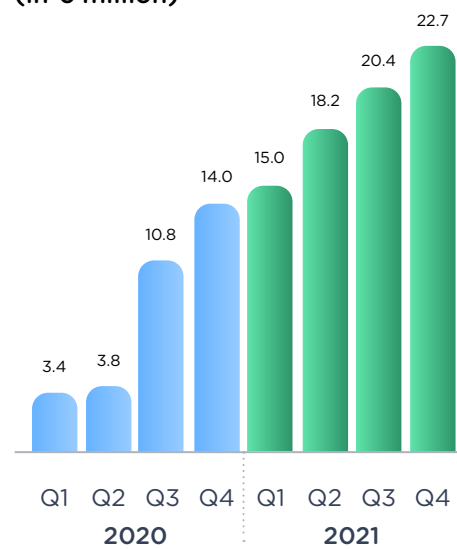
Voice minutes
(in millions)



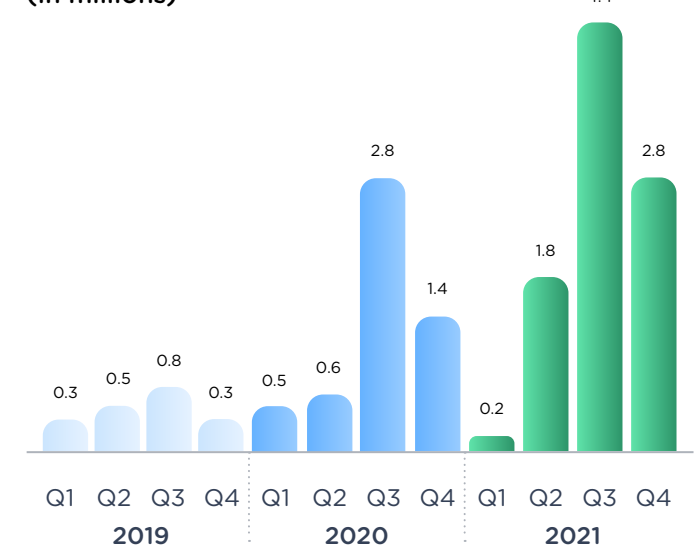
Total online payments processed
(in € million)



Annual recurring revenue
(in € million)



Tickets
(in millions)



CPaaS

In FY 2021, CM.com processed 58% more messages and 133% more voice minutes than in previous year. The growth was fueled by increased communication of existing customers with their end consumers, which you see in the NDR of 134% and a limited churn of just 3%. Also new business we generated for our communication platform notably in the APAC region contributed. In relative terms, growth also propelled in the Rest of the World, including the United States and the United Arab Emirates.

Compared to FY 2020, this resulted in a 68% CPaaS revenue increase and a 87% gross profit increase. FY 2021 CPaaS revenue came in at € 196.0 million and gross profit at € 35.7 million with gross margin improving to 18%, up from 16% in FY 2020.

CPaaS Revenue

€ 196.0 mln **+68%**
2020: € 117.0 mln

CPaaS Gross Profit

€ 35.7 mln **+87%**
2020: € 19.1 mln

CPaaS Gross Margin:

18%
2020: 16%

Payments

In FY 2021, we processed a total of € 905 million in payments during 2021, up 24% compared to 2020. We grew along with our e-commerce customers. In addition, payments for drinks and food at the Dutch Grand Prix in September 2021 and the tickets sale for the 2022 Dutch Formula One, supported this increase. As we processed more IDEAL transactions compared to credit card payments, there was a change in the mix of payments, which resulted in a lower 2021 take rate of 0.39% (2020: 0.46%).

In combination with PayPlaza's mainly high margin subscription based revenue, CM.com achieved a revenue increase of 81% and a gross profit growth of even 112% in Payments. FY 2021 Payments revenue stood at € 11.6 million and gross profit came in at € 7.2 million with a gross margin of 62%, versus 53% in FY 2020.

Payments Revenue

€ 11.6 mln **+81%**
2020: € 6.4 mln

Payments Gross Profit

€ 7.2 mln **+112%**
2020: € 3.4 mln

Payments Gross Margin

62%
2020: 53%

Platform

In FY 2021, Platform revenue grew by 93% to € 21.2 million, while gross profit grew by 96% to € 18.6 million. Growth was driven by an inflow of customers using our customer engagement solutions, a rising number of tickets we handled, and the contribution of acquisitions.

While our customer engagement solutions particularly grew in the Netherlands, we have also seen traction in other countries such as France, Germany, and South Africa. Our Software as a Service (SaaS) solutions as a whole contributed € 17.7 million to revenue and € 15.4 million to gross profit. The influx of new customers boosted Annual Recurring Revenue to € 22.7 million (FY 2020: € 14.0 million).

Despite various lockdowns, Ticketing showed strong organic growth rates in 2021. Including YourTicketProvider, which we acquired in April 2021, we handled a total of 9.2 million tickets, up 74% from 2020. Ticketing revenue increased by 82% to € 3.4 million and gross profit doubled to € 3.2 million in 2021, reflecting high gross margin levels.

Platform Revenue

€ 21.2 mln

2020: € 11.0 mln

+93%

Platform Gross Profit

€ 18.6 mln

2020: € 9.5 mln

+96%

Platform Gross Margin

88%

2020: 86%

Other

Other revenue stems from our legacy business including revenue from Premium SMS, amongst others. In FY 2021, Other revenue increased by 14% to € 8.2 million from € 7.2 million in 2020, while gross profit declined by 8% to € 1.2 million (FY 2020: € 1.3 million).

OPEX, EBITDA and Net Profit

x € million	FY 2021	FY 2020
Operating expenses	(66.4)	(34.8)
Employee benefit expenses	(40.8)	(23.0)
Other operating expenses	(25.6)	(11.8)
EBITDA	(3.7)	(1.5)
Depreciation and Amortization	(15.6)	(8.0)
Financing costs	(2.1)	(3.5)
Tax	3.9	0.0
Net profit	(17.5)	(13.0)

Our operating expenses increased by 91% to € 66.4 million. The increase relates to various initiatives that support our strong growth going forward, including the expansion and further professionalization of our organization with 255 FTEs, additional marketing expenses, acquisitions and the opening of new hubs. In 2021, we opened five new locations.

As costs precede benefits, FY 2021 EBITDA stood at € (3.7) million (FY 2020: € (1.5) million).

Capex

Capital expenditure (Capex) including lease contracts for hard- and software amounted to € 19.0 million, of which € 8.6 million was related to capitalized hours. In the same period last year, Capex including lease contracts for hard- and software stood at € 10.0 million, of which € 5.9 million was capitalized. Capex as a percentage of total revenue stood at 8.0% in FY 2021 (FY 2020: 7.0%).

In line with our focus on scale and growth, we further expanded our team of developers, invested in product innovations and updates, and strengthened our global infrastructure.

Funding

On 2 September 2021, we successfully raised € 100.0 million through an offering of senior unsecured convertible bonds due in 2026. The convertible bonds carry an annual coupon of 2.0%, payable semi-annually, and have an initial conversion price of € 53.30.

At year-end 2021, our debt position excluding leases amounted to € 92.6 million (fair value of the convertible bond) and our cash position added up to € 100.0 million. This solid financial position provides for adequate means and ample flexibility to fund our Accelerated Growth Strategy in the foreseeable future.

Acquisitions

In 2021, CM.com acquired four companies.

For more information about our acquisitions see page 38.

2022 Outlook

Consistent with our focus on scale and global growth, we will further expand our global footprint and local presence, which will include opening of new hubs and continued investments in the strength of our international organization. For 2022 we expect an uptick in payment and ticketing volumes due to the reopening of venues and the return of events, while the contribution of Covid-19 related voice volumes has seen its peak.

On balance, we anticipate FY 2022 revenue to come in line with our mid-term guidance of over 30% annual revenue growth.

Case: A Voté

A Voté choses CM.com chatbot technology to improve democracy rights of young people

A Voté is an NGO (non-governmental organization) and a strong collective of young and independent citizens without any political party interests. A Voté promotes democracy, especially the electoral participation of young people. The mission of A Voté is to mobilize young people, who don't have any voting rights and therefore are excluded from democratic processes in French. The NGO has chosen CM.com's technologies to create and operate its chatbot, launched on the WhatsApp conversational platform of Meta Group. With 51% of young people in France not registered, this chatbot aims to reduce abstention in the next elections. Combined with the use of CM.com's Customer Data Platform, it helps users to register on electoral lists and to find all the information needed to exercise their voting rights.



The Value of Our People and Culture.

Male/female ratio (%)

70/30



Number of FTEs

755



Employee turnover

13%



Age distribution
< 40 years

73%



Absentism: sick leave
or sickness

1.8%



Number of courses
delivered

210



Investments in
employee training

€ 392

x 1,000



Employee satisfaction
score

76



Number of interns

70



CM.com is a dynamic place to work. As we have grown significantly during remote working conditions, it has been a challenge to find new ways to connect and engage employees to our culture and the entrepreneurial way we do business.

At CM.com we have an open, collaborative culture. We nurture and grow the potential of all our employees and encourage them to foster strong bonds and supportive networks. We are united in delivering the mission of CM.com to enable brands to make life easier, safer, and more beautiful.

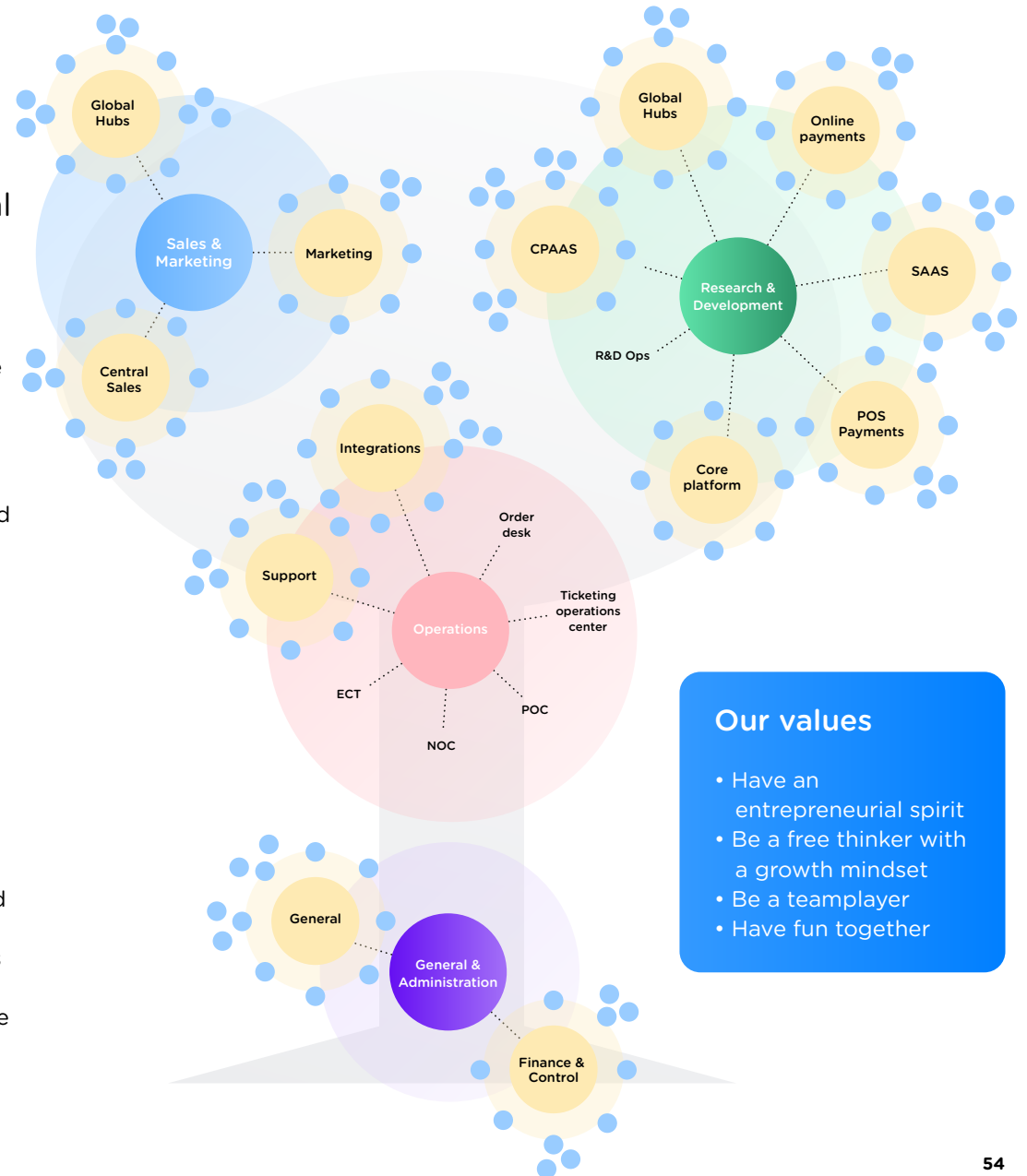
This year we have been able to attract and retain talented people throughout our organization and expand our workforce globally. Our people give us the energy and drive to innovate and grow at a fast rate, so we must find ways to support and look after them.

The CM.com Teamtree

We visualize our whole organization as a tree, where each section, from the roots and branches to the leaves are interconnected and work in harmony. This is a perfect symbol for how CM.com has organically grown in a non-hierarchical way, with no team more important than another. This structure allows for small self-managed autonomous teams to enjoy the freedom to innovate, grow and nurture talent, while at the same time supporting their colleagues across the whole organization.

CM.com culture

Everything we do is with a positive entrepreneurial spirit, but as we have grown and matured, this must be within the structures required by a global organization. We encourage our employees to be free thinkers and have a growth mindset, as well as team players. We prefer a non-hierarchical management structure. We make sure we have fun together. This has been important this year with the continuation of the pandemic and many people working remotely. We had to think outside the box to connect and bring people together to keep our CM.com culture alive.



Our values

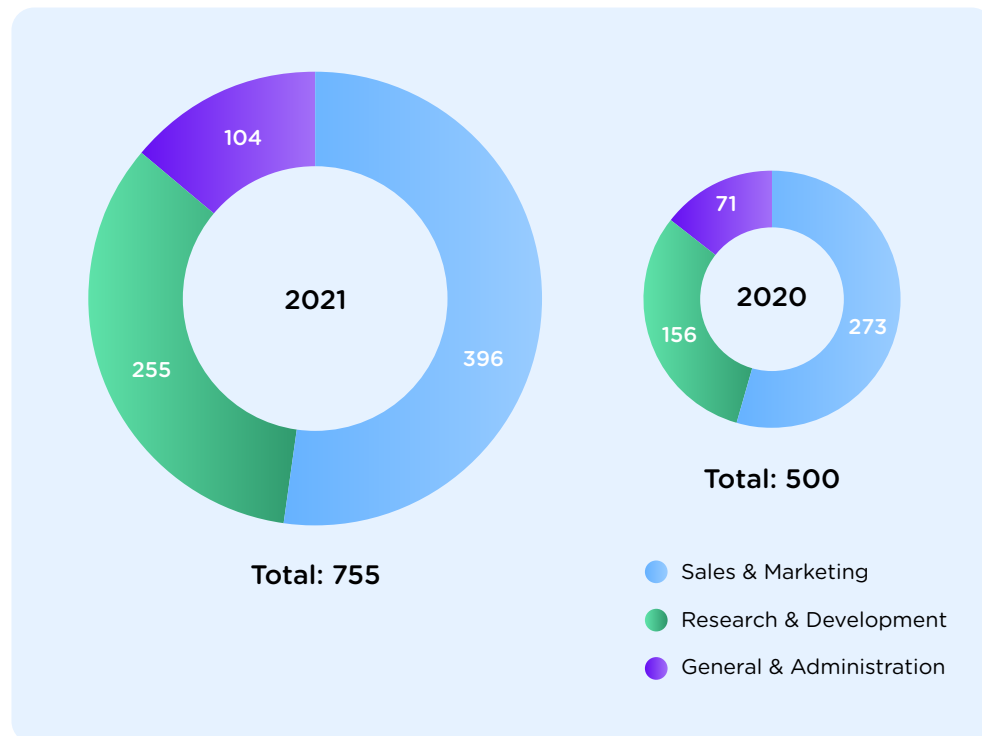
- Have an entrepreneurial spirit
- Be a free thinker with a growth mindset
- Be a teamplayer
- Have fun together

HR strategy pillars

To support CM.com’s Accelerated Growth Strategy, our HR pillars are:

- Attracting and retaining the brightest talent available, and by doing so, expanding our presence globally;
- Offering an inclusive workplace of empowerment and teamwork, where people are encouraged to fully utilize their talent and capabilities; and
- Continuous development of skills and knowledge across the various disciplines within our organization to be ahead of the competition.

Number of FTEs



CM.com headcount growth

We have significantly grown our workforce over the last twelve months to bring in new talent and expertise where it is needed most. The organization grew from 500 FTE at the year-end 2020 to 755 FTE at year-end 2021. We scaled up our headcount globally.

Great Place to Work Certification

This year we took part in a globally recognized employee survey and were awarded a ‘Great Place to Work’ certification. This demonstrates to those inside and outside of our organization that CM.com is a welcoming, open, diverse, and reputable place to work. This helps attract and retain talent and shows that our focus on culture has an impact. As part of this certification, our top scoring areas were:

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

As well as the positives, the certification highlights points of improvement. We will do this survey each year to track our progress so we can take necessary actions.

Areas of improvement are:

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

Leavers and retention

We create a culture in which our employees feel valued and rewarded and therefore many want to stay part of CM.com. In 2021, the number of full-time employees who left was 109 in comparison to 62 in 2020. At approximately a turnover of 13% of our total workforce this is an acceptable figure within our

industry. When hiring new people there will always be some who prove not to be the right match for our culture and others will leave due to a competitive labor market.

Talent retention

For a fast-growing global company like CM.com, we have to find ways to attract and retain talent. We want our employees to prosper and develop their skills and expertise with us. The pandemic forced us to be agile while nurturing and encouraging talent at CM.com.

To encourage talent to join CM.com, we initiated the salary multiplier for entry level positions. This is a unique incentive to attract talented people out of university to join CM.com while also demonstrating that we value the skills and energy they bring to the organization.

Growing talent

It is important to grow and develop the talent within the organization and we have several initiatives to achieve this:

Talent and Management Development Program enables our young professional Rising Stars at CM.com to build their professional and business expertise through access to higher education. They get an opportunity to develop their skills in modules at local universities. We also have Future Leaders, where we help progress the development of our front-line management.

CM.com Masterclass is a new regular live broadcast where we invite members of the Executive Committee and an external guest to discuss topics of interest and importance to everyone at CM.com including diversity, gender equality and aspects of personal growth.

CM.com Academy is our training platform with a range of courses and training offered globally from online to classroom-based provision. Continuous learning is important at CM.com and we encourage employees to take multiple courses and training throughout the year to develop their skills.

This year we delivered 210 courses which were attended by 29,138 participants. And we also offered more vocational courses, which such as cookery and photography, which have proved very popular.

	2021		2020	
	# Courses	# Participants	# Courses	# Participants
Online Courses	40	14,241	14	981
Classroom-Based	8	1975	10	323
Webinar/Online Live Training	157	11,755	67	4,887
General Online Learning Track	1	667	1	275
Functional onboarding Track	4	500	4	500

Internships

We put value on nurturing talent and giving young people the opportunity to grow and excel within our organization. In the last year we had 70 intern trainees from local universities working across CM.com (10% of the total workforce) of which we offered 54 full-time employment. It is our responsibility to society to offer training opportunities and employment to young people.

Working together

'Together' is one of our core values, and this translates not only into our ways of working but also how we succeed through teamwork and as colleagues and friends.

In 2021, we delivered several initiatives to bring CM.com people from all over the world together to help embed our culture. We have had on many occasions to do virtual events due to the pandemic, however where possible we prefer to do face-to-face meetings.

International Team Weeks

During the summer and autumn (within the Covid-19 related government regulations), our Chief Operating Officer, Technology Officer and Head of HR traveled around the world to meet international teams to help on-board and welcome the new teams into CM.com. We valued the opportunity to meet them in person and take them out on team building activities to bond and to talk about the CM.com culture. These were well received by CM.com employees in these countries and helped them to feel part of a global company.

Virtual connections

Since the pandemic has limited face-to-face interaction, we had to bring people from across the organization and different countries together in new ways. We shared company information, met for business and socially as well as hosted training sessions on our virtual platform. We also hosted our Together Week on this platform.

Another way we stayed connected was through our new internal CM.com company feed, a daily news feed on the main page of our intranet CMoogle, where colleagues are encouraged to share news about themselves, their projects, and celebrate successes together.

Connecting socially

We like to encourage our employees to connect socially. This year, colleagues from the Netherlands and abroad enjoyed a day out at the Dutch Formula One Grand Prix, we also hosted a Sinterklaas event (Saint Nicholas, Patron Saint of Children, who delivers presents in early December to children). Employees themselves also organized other social events throughout the year. We believe these activities are an important part of our culture and show how we value everyone who works at CM.com.

Caring for our employees

At CM.com we like to look after the professional as well as personal growth of those who work for us. If we take care of our employees they will care about our company, our products, and our customers.

The pandemic has impacted everyone's lives, and this has had a knock-on effect on people's mental health. At CM.com we recognize this, so we launched 'Open Up' to give staff the opportunity to access 24/7 psychologist support if they needed it. This initiative was positively received and appreciated.

Sickness percentage

This year our sickness percentage was low at 1.8% (total number of hours work versus total number of hours absent) which in comparison with the industry was very good.

Healthy lunches at CM.com

For those who did choose to come to our offices around the world, we made sure there was a healthy lunch as well as fresh fruit available for free.



Benefits Plan

Grow with us.

Employee Share Purchase Plan

Travel Safely.

Global Collective Business Travel Insurance

Care free Parental Leave.

Additional Compensation

Healthy and free.

Free Breakfast, Lunch & Dinner

CM.com Wear Package.

CM.com Merchandise for each Employee

Get to work.

Extended commuting allowance

CM.company Pool Cars.

Easy to book, for business trips during office hours

We Keep You Mobile.

Public Transport Business Card for commute and business trips

Global Corporate Uber Account.

The ride you need

Experience it Live.

Discount access to CM.com Ticketing supported events

Social Get Togethers.

Annual colleague weekend trips

The weekend Starts Here.

Friday Afternoon Drinks

Stay Fit.

Fitness/Sports Membership Discount

Be Well.

Open-up: Free access to online mental coaching

Get well soon.

Improved Sick Leave Compensation

New Benefits Plan

Our benefits program continues to be centered around our cultural values - for example we offer discounts for the gym.

Building Trust

The CM.com way of doing things is to trust our employees and give them the freedom to make choices that are best for them and their teams. During the pandemic we gave staff the choice of where they wanted to work dependent on the Covid-19 regulations at the time.

Entrepreneurial mindset

We encourage everyone who works at CM.com to have a growth mindset - one that allows for freedom of thinking and creativity. Our entrepreneurial spirit is born out of the business ethos of the owners and founders and this filters throughout the whole organization. We give people opportunities to use this entrepreneurial mindset to be innovative and find the best solutions. We also encourage newly acquired companies to embrace our entrepreneurial mindset.

“Despite CM.com being a global scale up, I still strongly experience the start-up mentality within the organization. I feel empowered to make decisions myself and launch new business initiatives to act upon opportunities I spot in the marketplace. After joining CM.com I benefitted from strong corporate support functions so I could focus on the activities I like most, doing commerce and entrepreneurship. I feel confident that CM.com is able to provide me enough ownership, challenges and freedom to act, so I can continue working here long-term.”

Robin Blekemolen, Global Ticket, which joined CM.com in 2020.

Diversity and Inclusiveness

Diversity and inclusiveness are integral to our culture. This year, we launched a CM.com training program called We are CM.com focused on this. This is a global train the trainer program which addresses biases and aims to build awareness around the importance of diversity and inclusivity in everyday interactions at work. It is important as a global company that we can work together in an open, honest, and equal way and that we are able to treat each other respectfully as human beings. This program will continue in 2022. On [our website](#) our Diversity Policy can be downloaded.

HR Governance

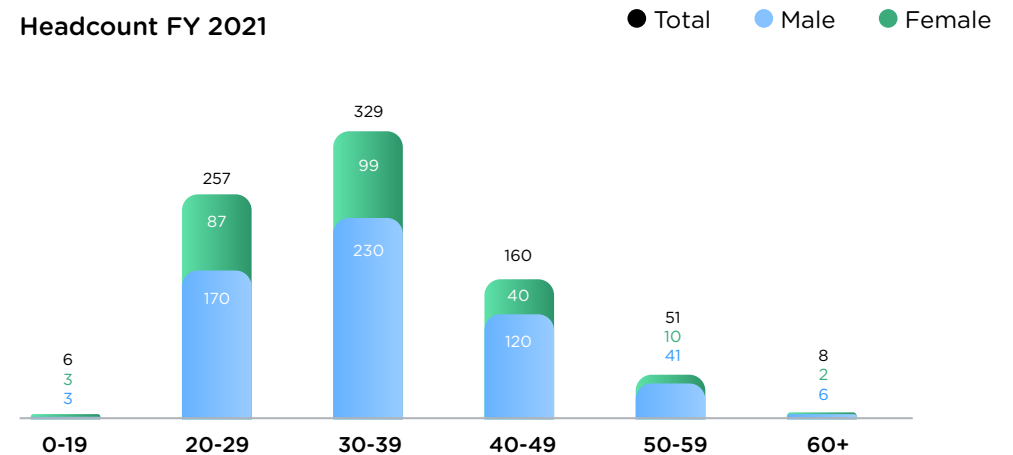
We have good governance in place with policies to cover health and safety, anti-bribery, whistle-blower complaints, and grievances.

Gender split

At year-end 2021, 30% of the employees were female versus 70% male. The average age of our employees was 35.1 years. Looking at the background of our employees, there are 25 different nationalities and 49 languages fluently spoken within CM.com.

Age Split

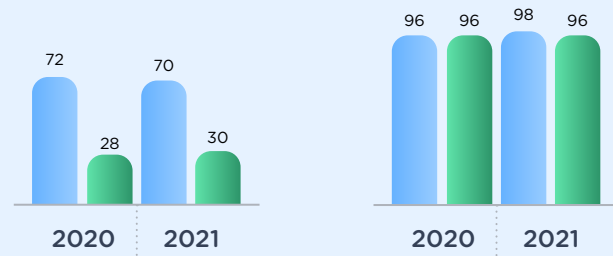
Headcount FY 2021



Gender split (%)

Gender pay (%)

● Male
● Female



This year we have instilled and embedded the CM.com culture across all our teams wherever they are based. We have attracted and retained talent within our organization and have grown our teams globally with many benefits and incentives to working for CM.com.

We are proud of the resilience and agility of all our employees in the face of the ongoing pandemic. Thanks in part to our ‘can do’ mentality and entrepreneurial mindset, everyone at CM.com has risen to the challenges, finding inventive ways to connect and work.

Better together

In this fast moving digital age, working with partners is essential to fulfill industry specific needs. At CM.com, we are proud to work closely with an ecosystem of partners. Not only do they resell or offer an extra service to our customers, they are also actively joining us in improving our product portfolio. We build integrated solutions with them to ensure seamlessly embedded solutions.



Partnerships

Technology
Impacting Life.

ESG - Sustainable Value Creation Across CM.com.

In 2021 we focused on integrating Environmental, Social and Governance (ESG) into our overall strategy. Technology and data enable us to thrive, at the heart of the business it all comes down to developing solutions that benefit society and do not harm the environment. This applies to our products, our operations, and our role in society. We connect, cooperate, and co-create. As a result, ESG was added as a strategic pillar to our Accelerated Growth Strategy.

We were already doing and focusing on many of the right things aligned to ESG. We have now formalized our approach, with processes and structures in place to integrate ESG decision making into our internal frameworks and for external reporting and communications.

SDG selection process

The Sustainable Development Goals (SDGs) are 17 global goals that the United Nations General Assembly set in 2015 for the year 2030. They address the global challenges we face. SDGs are a meaningful way to help CM.com meet its global sustainability challenges, helping to create long-term stakeholder value.

After a thorough selection process in 2020, using several methodologies and stakeholder opinions, we committed to embedding four of the SDG's within CM.com over the next few years.

“At CM.com, we have always been fully committed to integrate sustainability into our identity and strategy and we will continue this journey, hereby acting as a forerunner to develop technologies that benefit society and making life easier, safer, and more beautiful.”

Jeroen van Glabbeek, CEO CM.com

At the end of 2021 these targets were reviewed to ensure they were still relevant, using our growth strategy and mission to guide our choice. We decided to stay focused on our four original SDG's:

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

From reactive to futureproof

To ensure our ESG priorities and sub goals become more embedded into the overall strategy and structure of our organization, we appointed an ESG Manager in 2021. She will help us strategically move forward with our ESG ambition and deliver on our commitments. This includes formalizing the monitoring and evidence-based reporting required by EU regulations, including EU Taxonomy and the EU Non-Financial Reporting Directive (NFRD).

ESG roadmap 2022-2025

One of the key developments on ESG this year has been the development of CM.com's ESG roadmap, which sets out our ambition to futureproof ESG by 2025. Reaching this will mean that CM.com's strategy is fully aligned with the circular

economy. In achieving this, CM.com will be a frontrunner in the conversational commerce industry worldwide pushing ESG standards forward.

The roadmap is an invaluable tool in benchmarking progress and assigning accountability in the organization as well as highlighting the regulatory steps required. It also demonstrates our strategic approach and commitment to meeting ESG goals to our stakeholders, shareholders, suppliers and the wider global CPaaS industry.

Committed 2022

- Start preparation CSRD (Corporate Sustainability Reporting Directive):
 - Double Materiality analysis.
 - GAP analysis.
 - Development of qualitative, quantitative, forward-looking retrospective information covering effective short medium, and long-term horizon's including KPIs.
- Annual Report 2022: NFRD (Non-Financial Reporting Directive) and EU Taxonomy: disclosers as set-out in the Annual Report 2022 plus the extent to which activities contribute to: climate change mitigation, climate change adaption, sustainable protection of water and marine sources, and transition to the circular economy.
- Create a connection between ESG, corporate values and strategic planning.
- Pro-actively watching internal and external key stakeholders.
- CM.com controls its ESG narrative.

Integrated 2023-2024

- Annual Report 2023 and 2024: CSDR and EU Taxonomy, including pollution prevention and control, and protection and restoration of biodiversity and ecosystems.
- ESG in portfolio CM.com.
- Integrated reporting.
- ESG ('Voice of Society') into thinking long-term purpose value creation.
- CM.com creates positive social impact: CM.com integrates stakeholder feedback into decision making processes, strategy, and metrics.

Futureproof 2025

- CM.com acknowledged as ESG frontrunner in conversation commerce industry worldwide.

The CM.com ESG roadmap clearly shows our strategic journey from 2022 to 2025 and what we aim to deliver and achieve at each stage. It sets out each step with key targets and provides a framework and structure which everyone at CM.com can work towards. This roadmap helps communicate how we plan to integrate and embed ESG throughout the organization.

The different stages of our roadmap reflect the different maturity phases of embedding ESG:

Reactive	limited focus on ESG only based on laws and regulations;
Involved	ad-hoc initiatives to manage ESG - from mostly a risk or cost-efficiency perspective;
Committed	action plan/strategy in place to integrate ESG risks and opportunities aligned to KPI's and targets;
Integrated	tangible progress on relevant ESG themes and responsible business practices and actively marketed to relevant stakeholders; and
Futureproof	company strategy fully aligned with a circular economy and a frontrunner in the industry pushing for ESG standards.

We are currently in phase two and in 2022, we strive to move to phase three.

Key material topics, sub goals and KPI's

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

- Innovation in mobile communication (SDG 9);
- Reduce CO2 emission (SDG 13);
- Increase social contribution (SDG 12);
- Enhance corporate value (SDG 8).

These core material themes align to our Accelerated Growth Strategy and have been embedded in 2021. To deliver on each we have created a set of sub goals on which we have assigned and agreed a set of KPI's. These will help to keep us on track with progress and to feed into the ESG roadmap as well as evidence-based regulatory compliancy required.

Our ESG focus

Our focus on SDG 9 is:

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

Our focus on SDG 12 is:

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



Our focus on SDG 13 is:

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

Our focus on SDG 8 is:

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

We have recently created a KPI dashboard which provides the first steps in defining and measuring performance and assigning responsibility across the organization. Discussions took place with leads of departments to make sure that KPI's were properly aligned to business areas and that they were clear and measurable. Having this KPI dashboard has helped to further demonstrate our commitment to our ESG goals among our employees as well as externally. It also gives everyone a greater determination to focus on ESG targets in 2022. We will publish this dashboard in 2022 and in the years up to 2025 this dashboard will be extended.

Embedding ESG and engaging teams

A key activity this year has been communicating the importance of ESG to all CM.com employees. This includes the role they can play in achieving our goals. We also have a commitment to inform and keep our key external audiences updated and engaged with our ESG mission. That is why we have started to use our various internal communication platforms to keep everyone at CM.com updated on our ESG news. For example, employees are updated in our monthly CEO update, and

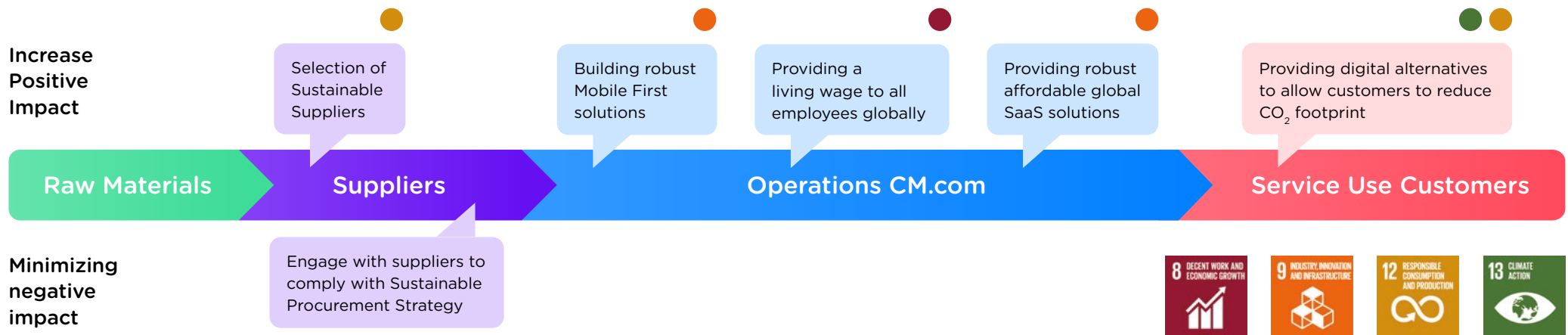
we also ensure that ESG topics are shared and discussed.

For to keep stakeholders, shareholders, customers, partners and other interested parties informed, we have built on our website an ESG trust center where all our ESG materials are available for public information. In 2022 we plan to contribute to investment surveys through more proactive engagement with analysts and investors - keeping them updated on our ESG story and journey.

We have set up an ESG Steering Group with leads from different departments to help embed ESG into the overall CM.com strategy and to share ideas on how we can meet our ESG goals.

We are also committed to bring our supply chain and suppliers as well as partners into our ESG mission so that they can also positively contribute towards it. For example, we have written ESG commitments into all procurement guidelines and Terms and Conditions. Another example is to make sure ESG is embedded into the new technical roadmap being developed by our Chief Technical Officer. This will ensure our product portfolio is aligned to our ESG goals, and that existing

SDG mapping on CM.com value chain



and new customers are aware of this. This will be an important step to further integrate ESG in our business.

Another focus for 2022 will be to deliver ESG proposals and guidance to our global sales teams helping them to communicate our ESG commitments to customers around the world.

Regulatory and compliance responsibilities

An essential part of our commitment to ESG compliance is to demonstrate that we are fully aligned to regulatory and compliance responsibilities. This means that we are transparent on taxation as committed in our public tax policy. We have a proactive relationship with Dutch and other tax authorities to contain and control tax risks. Our organization values are taken into account in our actions with respect to taxation. This is recognized by external stakeholders in their Tax Transparency benchmark. We commit ourselves to constantly improve. The tax strategy and potential tax risks are also periodically discussed with the Audit Committee and Supervisory Board.

EU Taxonomy

The EU Taxonomy is one of the cornerstones of the Green Deal, the EU's strategy to become the first climate-neutral continent by 2050. Central to achieving this goal is to reorient capital flows towards sustainable investments and to increase transparency. In light of this, a classification system for sustainable activities was constructed, the so-called EU Taxonomy. The EU Taxonomy provides investors with a common language to determine sustainable economic activities. Under the EU Taxonomy companies must disclose which part of their Turnover (hereinafter referred to as "Revenue"), capital expenditure, and operational expenditure meet the criteria detailed in the EU Taxonomy and provide both investors and other stakeholders with the tools to make informed investment decisions.

In total, six annexes with environmental objectives will be published concerning climate change mitigation, climate change adaptation, water, pollution, biodiversity, and circularity. Companies falling under the scope of the EU NFRD, which is the case for CM.com, are required to report on certain specific elements of the EU Taxonomy for the first time over FY 2021. For this year, companies

Creating positive change in communities

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

Charity organisations

After the successful introduction of the new way of mobile donation in 2019 in collaboration with Cordaid, there have also been many great collaborations with charities in the past year. A wonderful example of this is that of the Children's Hospitals of Orange in collaboration with RTL in which cross-media calls were made via the specially designed website, SMS, online, print or by scanning a QR code from your TV screen. All of these call to actions were facilitated via the fundraising technology of CM.com.

100% QR

Stichting Collecteplan is the knowledge platform about collecting and advises the collecting charity organizations in the Netherlands about innovation and recent developments. In 2021 CM.com became an official partner of Stichting Collecteplan, providing cashless donations by scanning (individual and personal) QR codes. In order to help all these charities and contribute to the development of the cashless collection the designers of CM.com developed a special logo which will be used by all charities. The promise of 100% QR collect is: One-off, secure and anonymous:

- One-off: The donations are treated as one-off payments. So there is no question of an authorization!
- Safe: The donation takes place within the trusted, secure bank app of the donor. In addition, all iDEAL QR codes are protected against fraud. The iDEAL QR codes that are generated go through a compliance check. Fake codes will not be recognized.
- Anonymous: The donor's details are not stored. On the thank you page after the donation, the donor gets the chance to leave his or her details for follow-up actions.

are required to report on their share of 'eligible' activities for the environmental objectives of climate change mitigation and climate change adaptation. In the coming years, companies will also have to report on their share of 'aligned' activities. This refers to the fact whether the company's activities aligns with the specific criteria described in the Taxonomy. Important to note is that the EU Taxonomy is a living document, which will be amended/revised throughout the years with new economic activities, new technical screening criteria and/or new environmental or social objectives.

A first assessment of the EU Taxonomy

For this year, CM.com has focused on the reporting requirements set out for FY2021, i.e. the eligibility for the environmental objectives of climate change mitigation and climate change adaptation.

The principal economic activities of CM.com consist of providing digital communication and platform services for its clients. More precisely CM.com's business consists of 4 different business units or services: Communication Platform as a Service (CPaaS), Payment services, Platform services and other services. The activities described in the EU Taxonomy that correspond with the activities of CM.com are the following:

- 8.1. Data processing, hosting and other related activities (CCM & CCA)¹
- 8.2. Computer programming, consultancy and related activities (CCA)

Since all of the activities of CM.com fall within the scope of the Taxonomy definitions for the two activities listed above, the share of 'eligible' turnover for CM.com's activities this year is 100%.

All of CM.com's capital expenditure and operational expenditure for the Taxonomy is also linked to these services or the optimization of these services. Hence, CM.com's Capex and Opex are 100% eligible for the EU Taxonomy. For a more detailed insight in CM.com's Taxonomy KPIs, we refer to the disclosure table.

¹ CCM: Climate change mitigation / CCA: Climate change adaptation

² This activity is a transitional activity

Taxonomy eligible

Revenue x € million

Total	237.1	100%
CPaaS	196.0	83%
Payments	11.6	5%
Platform	21.2	9%
Other	8.3	3%

Capex* x € million

Total	19.8	100%
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Opex** x € million

Total	9.7	100%
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Taxonomy non-eligible

Revenue x € million

Total	0	0%
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Capex x € million

Total	0	0%
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Opex x € million

Total	0	0%
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* This Capex includes the Right of Use Assets, as described in the EU Taxonomy, Annex 1, 1.1.2.1

** After an extensive internal and external discussion we have decided not to include the personnel and tooling costs for sales and marketing in this year's Opex. The EU Taxonomy describes the in scope Opex as direct non-capitalized costs related to one of the specific categories enlisted in Annex 1. Since marketing is more an indirect cost that can be linked to the day-to-day servicing of our assets we have decided to omit these costs from our eligibility numbers. The current form of the EU Taxonomy does not unambiguously allow for the in -or exclusion of these costs so instead we decided to communicate transparently on our decision to leave it out. The consequences of this are limited to the absolute total of eligible Opex, since the proportion of total Opex that would have been eligible would have remained unchanged at 100%.

Next year CM.com will continue with the analysis on its activities and the EU Taxonomy by determining its alignment with the EU Taxonomy for these two climate objectives. Furthermore, CM.com will continue to monitor the developments regarding the EU Taxonomy in the future and will reassess its eligibility in 2022 when the other four environmental objectives of water, pollution, circularity and biodiversity will be finalized and published.

Qualitative information referred to in delegated act article 8 (Section 1.2 of Annex I)

Accounting policy

For the revenue, the numerator of each of the business units was compiled by taking the total eligible revenue for that business segment for the reporting year 2021 (01/01/2021-31/12/2021).

For the revenue, the total denominator was equal to the total revenue combined for all of the different business units.

For the Capex, the numerator was compiled by taking the total eligible Capex for the reporting year 2021 (01/01/2021-31/12/2021). This is the Capex that is:

- related to assets or processes that are associated with Taxonomy-eligible economic activities;
- part of a 'Capex-plan' to expand Taxonomy-aligned economic activities or to allow Taxonomy-eligible economic activities to become Taxonomy-aligned;
- related to the purchase of output from Taxonomy-aligned 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 Regulation (EU) 2020/852 and provided that such measures are implemented and operational within 18 months.

For the Capex, the total denominator was equal to the total Capex combined for all of the different business units.

For the Opex, the numerator of each of the business units was compiled by taking the total eligible Opex for the reporting year 2021 (01/01/2021-31/12/2021). This is the Opex that is:

- related to assets or processes associated with Taxonomy-eligible economic activities;
- part of the Capex plan to expand Taxonomy-aligned economic activities or allow Taxonomy-eligible economic activities to become Taxonomy-aligned within a predefined timeframe;
- related to the purchase of output from Taxonomy-aligned economic activities and to individual measures enabling the target activities to become low-carbon or to lead to green-house 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 Regulation (EU) 2020/852 and provided that such measures are implemented and operational within 18 months.

For the Opex, the total denominator includes costs relating to R&D, short-term leases, maintenance, renovation, and any other direct expenditures relating 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.

Assessment of compliance with regulation (EU) 2020/852

In our assessment of the eligibility of our business activities, we used the definitions included in the Delegated Acts published by the European Commission on July 6th, 2021 and applicable to all companies falling under the NFRD as of January 1st, 2022.

Per activity included in the EU Taxonomy, a precise definition is provided, describing the economic activities that fall within the scope of this precise EU Taxonomy eligible activity. We have acted in good conscience and have rigorously followed the scope provided by the definitions.

We have not included any activities as eligible if they were not deemed to fall within scope of these definitions. If in the future doubts should arise or new insights should teach us that any of our activities were not eligible we shall omit these activities from our Taxonomy disclosures in the following reporting years.

Sharing knowledge by education

Sharing knowledge is an important way of giving back to society. We have ambitious partnerships with Eindhoven University of Technology, AVANS University of Applied Sciences and TIAS School for Business and Society. Setting up field experiments and internships for students is our way of giving people the work-life experience they need to contribute to society. Board Members and Leads also regularly give guest lectures to inspire students by sharing their knowledge about entrepreneurship.

The specific nature of CM.com's activities and the current definition of activities 8.1 ('Data processing, hosting and other related activities') & 8.2 ('Computer programming, consultancy and related activities') of the EU Taxonomy does not allow us to clearly appoint any of our activities to either 8.1 or 8.2. Given the novel nature of the EU Taxonomy it is still hard for specialized services like those provided by CM.com to be put exactly under one of the activities enlisted in the regulation. Given the need for FY 2022 to report on alignment we will work towards allocating our activities under either 8.1 or 8.2 and accompany it -where necessary- with a qualitative elaboration on why a certain CM.com activity was allocated to that specific Taxonomy activity.

The same principle applies to the distinction between climate change mitigation and climate change adaptation. All our activities are, to a larger or lesser extent, eligible for both climate change mitigation and climate change adaptation. We have not yet distinguished between the climate objective (and the technical screening criteria, do no significant harm principles and minimum safeguards linked to this) yet, as alignment is not yet required for this reporting year. For next year's alignment, we will make a more detailed distinction of which CM.com activity is related to which Taxonomy activity.

In the non-financial disclosures of the business, we have included the disaggregation of the revenue KPI. For competitive reasons, we have decided not to disclose a disaggregation of the Opex and Capex KPIs, but chosen to only give the aggregated monetary amount and the percentage of eligibility.

Conclusion

In 2021, CM.com has made a definitive and robust commitment to embedding ESG into our strategy. We believe that the energy and effort we have put into formalizing and structuring ESG into our operations in 2021 will help us progress rapidly on our roadmap. This will take us a step closer to our 2025 futureproof goal. ESG is about our impact on society as well as what society expects of an organization such as CM.com. In 2022, we will provide auditable and evidence-based examples of how we our ESG efforts are delivering long-term value creation.



Localizing our Conversational Commerce services

Our global go-to market strategy continues to focus on building globally and locally. With our local presence we are developing more relevant local conversational commerce capabilities, understanding local customer needs and requirements with local CM.com staff.



Global
expansion

Technology
Impacting Life.



Jeroen van Glabbeek,
CEO, CM.com

“This year has delivered strong organic growth for CM.com, made possible by having the right strategy, people, structures and processes in place, and with the capital available to invest.”



Technology impacting life

In every key strategic decision we make at CM.com we ask ourselves these questions: ‘do we like doing it, are we good at it and does it make a positive contribution to society?’ If we can answer yes to each of these then we will go ahead. At CM.com everything we do must work towards making people’s lives easier, safer, and more beautiful. And while it is easy to say these words, it is another to deliver on them.

This year I believe we truly have delivered on our promise. We have proven across many different sectors and applications that we are enabling great customer experiences that improves society. Our technology solutions are really impacting and improving life around the globe.

In 2021 our technology was proven to provide greater efficiencies in the fight against Covid-19 in the Netherlands. For example, in just one day we set up and managed booster vaccination appointment phonedlines and efficiently handled a record-breaking number of calls, while our chatbot automated technology delivered 85% efficiencies in a track and trace pilot scheme. We also helped many other organizations across many sectors continue to efficiently manage operations and business during the pandemic; from automation of GP and hospital appointment systems to helping businesses sign contracts remotely through our digital signature service.

In the digital age we live in today, high-tech security for accounts of big organisations and governments can hardly be missed. Our technology solutions are able to secure accounts on the highest level providing safe information and safe government contacts for civilians. Doing business remotely is another trend. But then a deal has to be formally closed. An e-signature or electronic signature (online signature or digital signing) is an efficient, legally binding way to get

approval on documents; secure and verifiable. Our technology is the enabler for these kind of transactions.

What allows us to jump quickly on the opportunities as they arise and sets us apart from our competitors, is that we develop and own most of our technological solutions. Owning and operating our own global cloud infrastructure enables us to be more competitive and agile. As a result, we can offer our customers more flexibility on pricing as we have no costs in license fees to third parties. This enables us to make successful deals with clients and deliver high value, which helped us in part on-board BMW as a client this year. We are helping them with improving their clients’ brand experience. Investing in our own technology adds to our value chain and gives us complete oversight and control over the quality of our products.

We see Artificial Intelligence (AI) playing a big part in this and we will be investing heavily in AI capabilities in the coming year. This will build upon the successful introduction of a Conversational AI Cloud solution into our CPaaS offering last year. This technology enables chat and voice bots to understand customer intent and direct them towards the best outcome dependent on their needs. Not only does the application of this intelligent technology improve overall customer engagement it also helps to drive down costs.

This year we are interested in looking at how the integration of Consumer AI into our platform will help deliver even better and more personalized conversational commerce engagements. Using data processing to get insights into the behaviors and desires of the end user will provide our customers with a deeper and more lucrative relationship with their customers.

We have also been investing heavily in the payments part of our business in 2021 as we see a very bright future here. As a result, we have been able to offer our customers something that no other competitor does - a conversational commerce platform where messaging and payments are seamlessly combined. We are very excited about leading the way in this, as we believe this will be the way

What are you most looking forward to in 2022?

I am filled with confidence as we move into 2022 and hope that the world will become more open as we learn to live with Covid-19. I would love to see more events and festivals take place so we can work with more clients in this area to deliver exceptional customer experiences. After such a year of growth in 2021, I look forward to working with teams across CM.com to find new ways to improve what we do; from helping clients to become more successful, creating innovative new products to finding new ways we can all work smarter together. For me 2022 is all about removing friction.

What do you most enjoy about working at CM.com?

I enjoy working with bright, talented people who are the best in their field and who share in the CM.com vision. I'm inspired by them. I also like to get out and meet new people and I hope this year that I can meet clients and colleagues around the world and listen to what they say.



Jeroen van Glabbeek (Dutch, 1979)

Founder, CEO, Managing Director

Before founding CM.com as ClubMessage in 1999 with Gilbert Gooijers, Jeroen van Glabbeek studied Technology Management at the University of Technology in Eindhoven between 1997 and 2002. In 1998, he started his career as a project manager at Getronics PinkRocade Civity. He completed the Advanced Management Program at Nyenrode Business Universiteit in 2009.

enterprises and consumers do business in the future. And we always like to invest in the future! A significant part of our investment has been focused on building a payment processing platform, which we hope to launch in 2022. This will enable us to connect directly with leading credit card providers in the world.

As we look forward to 2022, with a hope that the world will begin to open up more again, we will continue investing and developing technologies that impacts society positively and improves the life of millions of people, businesses and organizations worldwide.

What was the highlight of the year?

The highlights for everyone at CM.com last year was our involvement in the Dutch Formula One Grand Prix, which was a perfect opportunity to see how our full-suite of integrated conversational commerce technology worked seamlessly to connect and bring people together. In a year when very few events took place, we were proud to be at the heart of delivering one of the largest and successful events ever to take place in the Netherlands.

As a full-service mobile technology partner for the event, our suite of conversational commerce solutions provided everything from e-ticketing, safe and secure on-site payments, mobile messaging to live visitor engagement at the event. For example, over 40,000 visitor questions were answered at the event through WhatsApp enabled through our technology. Our intuitive customer data platform also enabled the organizers to better tailor their approach and communications with visitors before, during and after the event, as they learnt more about their preferences and behaviors through data stored on our software. This helped to make the event the best possible experience for visitors as well as more commercially successful for the organizers. It proved the integrated capabilities of our conversational commerce Platform and the positive outcomes that it can deliver on such a large scale. We hope in 2022, that others in events and leisure industries will finally have the opportunity to take advantage of this technology to enhance their own visitor experiences.

Case: AXA

Global leading insurance company AXA chooses CM.com platform for its network

Established in 64 countries worldwide, the leading insurance AXA Group (revenue 2020: nearly € 97 billion) has chosen CM.com to provide its agency network with business messaging services. AXA's strategic priority is to develop health and protection in every geography, especially through innovative services to meet the growing healthcare needs worldwide. In this field, AXA can do much more than bear its customers' risks. AXA IT and CRM teams have worked together with CM.com to provide its franchisee network with CM.com Business Messaging API allowing a connection to central CRM system with individual accounts for each entities within the network. AXA uses CM.com solutions to transform their customer relation at various level, this is a new step in the relationship between CM.com and the insurance company.



Governance.

Supervisory Board



Martin van Pernis (Dutch, 1945)

Chair CM.com and member of NSR Committee CM.com
Martin van Pernis is currently Chair of the supervisory board of Aalberts N.V., Chair of the supervisory board of ASM International N.V. and a member of the advisory boards of G4S Netherlands and Rabobank Nederland. Next to this, he holds various roles at non-profit organizations. Previously, he was the CEO of Siemens Netherlands N.V. In the last decade, he held chairs on the supervisory boards of Batenburg N.V., Airbus Defense and Space Netherlands, Sacon Architects, Feyenoord Rotterdam N.V. and Rotterdam Philharmonic Orchestra, among others.



Lex Beins (Dutch, 1965)

Member Supervisory Board CM.com and Audit Committee CM.com
Lex Beins is founder of Pyton Communication Services B.V and Cheaptickets.nl / Beins Travel Group B.V. In 2011, Cheaptickets.nl was merged into Travix International B.V. Currently, he is a member of the supervisory board of CM Payments B.V., Profile International N.V. and Écart. His current roles being a member of the management board of Barleda Netherlands B.V. and a member of the advisory board of Events Travel.



Jacques van den Broek (Dutch, 1960)

Member Supervisory Board CM.com as of 29 September 2021
Jacques van den Broek held several positions at Randstad and will resign as the CEO and the chair of the executive board of Randstad N.V. in March 2022. He has been the CEO of Randstad B.V. since 2014. Furthermore, he is a member of the supervisory board of the Dutch foundation Goldschmeding Stichting voor Mens, Werk en Economie and a member of the advisory board of Rotterdam School of Management, Erasmus University.



Joëlle Frijters (Dutch, 1974)

member Supervisory Board CM.com as of 29 September 2021
Joëlle Frijters was CEO and co-founder of Improve Digital – as well as an advocate for diversity and inclusion. She co-founded non-profit organization Inspiring Fifty, promoting the visibility of female leadership in tech in over 11 countries and 3 continents. Prior to Improve Digital, she held international roles at large corporations such as Microsoft and KLM. Currently she is the Chair of the supervisory board of LeQuest B.V., a member of the supervisory board of HightechXL and a member of the supervisory board and remuneration committee of Timber and Building Supplies Holland N.V.



**Diederik Karsten
(Dutch, 1956)**

Member Supervisory Board
CM.com and NSR Committee
CM.com

Diederik Karsten is a member of the supervisory board of Stadion Amsterdam B.V. (Amsterdam Johan Cruyff Arena) and of Holland Casino N.V. He previously held, among others, supervisory board roles at VodafoneZiggo Group, Telenet, ANP Holding and easyJet. Additionally, he was CCO at Liberty Global, CEO at KPN Mobile and before that he worked for Procter & Gamble and PepsiCo in different international positions.



**Stephan Nanninga
(Dutch, 1957)**

Member Supervisory Board
CM.com and as of 30 September
2021 Chair Audit Committee
CM.com

Stephan Nanninga is a member of the supervisory board of Bunzl Plc, IMCD N.V. and executive director of DSCO2 B.V. He previously held executive roles at various companies, including Technische Unie, CRH and Royal Dutch Shell in the Netherlands and abroad. From 2007 until 2016, Nanninga was a member of the board of the family company SHV Holdings N.V. as well as CEO between 2014 and 2016.



**Mariken Tannemaat
(Dutch, 1971)**

Member Supervisory Board and
Chair NSR Committee CM.com

Mariken Tannemaat is a member of the supervisory boards of ABN AMRO Bank N.V. (a listed Dutch financial institution), Prudential UK (a British insurance company) and of VLC & partners (a Dutch risk manager). She is also advisor at Erasmus Enterprise. Previously, she was Chief Innovation Officer (CIO) of Robeco, CIO of NN Group and on the board of Nationale Nederlanden with the responsibility for Customer and Commerce. She also held various functions at ING Direct in Paris, London and Amsterdam.

**David de Buck
(Dutch, 1967)**

Vice-Chair of CM.com and
Chair of the Audit Committee,
both until 30 September 2021

David de Buck is managing partner at Create Capital, an Amsterdam-based private equity firm. Until 2018, he was CEO of Intertrust Group for almost 10 years, in which he also led the company through its IPO. Prior to this he worked at Fortis where he held various positions, including Global Head Technology, Media & Telecom, CEO of Fortis Lease Group and acted as a member of Fortis Groenbank's supervisory board. As announced on 12 August 2021, David de Buck voluntarily resigned as a member of the Supervisory Board of CM.com as per 30 September 2021. He accepted a full-time job as CEO of Peridot Group, one of the world's leading supply chain financing companies and a Blackstone portfolio company.

Corporate Governance.

Principles

CM.com is a public limited liability company operating under Dutch law. Our shares are listed on Euronext Amsterdam as of 21 February 2020.

We are committed to the principles of good corporate governance: integrity, transparency, accountability and proper supervision. These principles are crucial for the employees within our organization as well as our customers, suppliers, shareholders and the public.

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

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

Corporate Bodies

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

Although the Managing Directors have divided various management duties among themselves, the Management Board remains collectively responsible for the management of the company. In fulfilling its duties and responsibilities, the Management Board considers the interests of CM.com and the business connected with it, as well as the interests of our shareholders and other stakeholders. The

Board renders account to the Supervisory Board and the General Meeting with regards to the performance of its management duties.

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

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

CM.com has four corporate bodies:

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

The provisions in the Dutch Civil Code ("BW"), commonly referred to as the "large company regime" (*structuurregime*), did not apply to CM.com in 2021. The diagram on the next page shows the governance structure of CM.com. A list of subsidiaries is included on page 140.

Articles of Association

The latest amendment of the Articles of Association of CM.com N.V. was executed on 30 April 2020. Whenever reference is made to CM.com's Articles of Association, it addresses the articles as of 30 April 2020.

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

Corporate Governance Code

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

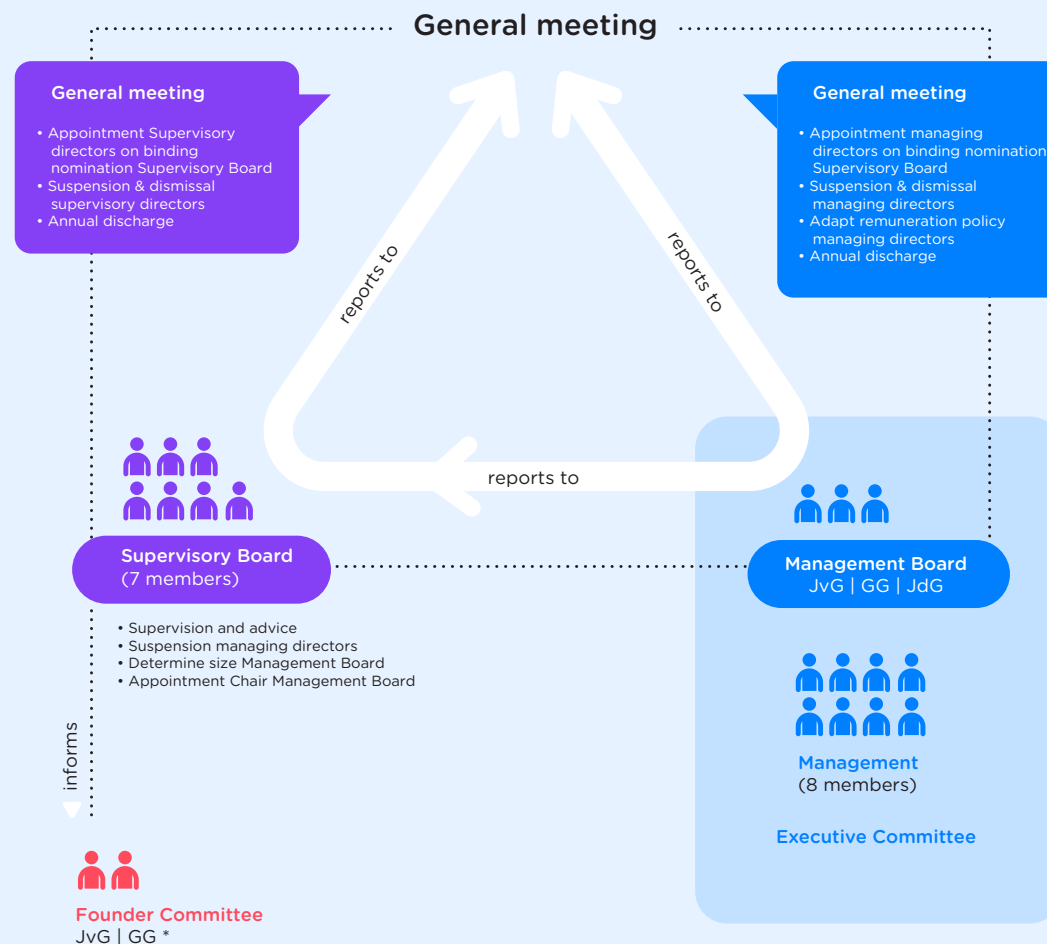
We agree with the Code's general approach and are committed to adhering to the Code's best practices as much as possible. CM.com fully complies with the Code, with the exception of the following two provisions:

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

General Meeting

The Shareholders of CM.com may exercise their voting rights through the annual and – if applicable – extraordinary General Meeting. Each year an annual General Meeting is convened within six months following the end of the financial year (31 December). In 2021 an extraordinary General Meeting was held on 29 September regarding the appointment of Jacques van den Broek and Joëlle Frijters as members of the Supervisory Board.

Governance structure of CM.com



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

*JvG and GG together are the Founders

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

The Shareholders of CM.com have the following rights:

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

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

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

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

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

Information about our shares and shareholders can be found in the chapter Shareholder Value Creation under the paragraph Capital Structure on page 19.

Supervisory Board

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

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

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

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

The duties, composition and statement of the Supervisory Board and its committees are included in the Supervisory Board Report starting on page 96.

Management Board

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

The Management Board is responsible for the management of the operations of CM.com, under the supervision of the Supervisory Board. The Management

Board's responsibilities include, among other things, defining and achieving CM.com's objectives, determining its strategy and risk management policy, as well as the day-to-day management of its operations. The Management Board may perform all acts necessary or useful in relation to achieving these objectives, except those prohibited or explicitly attributed to the General Meeting, the Founder Committee or the Supervisory Board by law or by the Articles of Association. Under the Articles of Association and the Management Board rules of procedure, the Managing Directors may divide their duties in mutual consultation.

The Management Board rules of procedure specify how duties are divided between the Managing Directors. In performing their duties, they are required to be guided by the interests of the company and its business enterprise, taking into consideration CM.com's stakeholders (which include, but are not limited to, its customers, employees and shareholders). The Management Board must provide the Supervisory Board with all information necessary to exercise the Supervisory Board's duties in a timely manner. The Management Board must submit certain important decisions to the Supervisory Board and/or the General Meeting and/or the Founder Committee for approval. The Management Board, as a whole, is authorized to represent CM.com. In addition, each Managing Director individually has the authority to represent CM.com.

Composition, appointment, and dismissal

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

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

Terms of appointment

The founders, Jeroen van Glabbeek and Gilbert Gooijers, have been appointed as Managing Directors for an indefinite period. Jörg de Graaf has been appointed (and may be reappointed) for no more than four years, provided that his appointment will end immediately after the General Meeting held in the fourth calendar year after the date of his appointment.

Managing Directors

In 2021, the Management Board is composed of the following Managing Directors:

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

CM.com's registered address, Konijnenberg 30, 4825 BD in Breda, the Netherlands, serves as the business address for all Managing Directors.

Executive Committee

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

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

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

Composition

The Executive Committee currently consists of the Management Board, and eight additional members fulfilling the following functions:

- Chief Technology Officer (CTO);
- General Manager International;
- Head of Human Resources;
- Head of Investor Relations;
- Head of Central Sales;
- Chief Marketing Officer (CMO);
- Chief Strategy Officer (CSO); and
- Head of Legal.

Founder Committee

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

As long as the Founder Committee is installed, they have the right to (i) approve the adoption of the number of Managing Directors and Supervisory Directors; (ii) appoint or replace the Chair of the Supervisory Board and (iii) directly appoint, suspend and dismiss up to 1/3 of the Supervisory Directors. Additionally, a resolution of the General Meeting to (a) amend the Articles of Association – if the rights of the Founder Committee or the founders are prejudiced in the proposed amendment, (b) effect a legal merger, (c) effect a legal division, (d) effect any

other form of corporate restructuring if such corporate restructuring requires a resolution of the General Meeting or (e) dissolve CM.com, will require the prior approval of the Founder Committee. The Founder Committee has the right to decide at its own discretion whether to exercise these rights.

In 2021 the Founder Committee as such did not convene.

Composition and term

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

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

The Founder Committee will meet whenever a member of the Founder Committee so requires.

Potential Conflicts of Interest and Other Information

Other than the circumstances described, we are not aware of any potential conflicts between the personal interests or other duties of the Managing Directors or Supervisory Directors on the one hand and the interests of CM.com on the other. There is no family relationship between any Managing Director or any Supervisory Director.

CM.com is aware that the founders continue as Managing Directors and are members of the Founder Committee, while the founders will continue to be (indirect) Shareholders. The Management Board and Supervisory Board do not expect that the circumstances described in the previous sentence will cause any of the Managing Directors or Supervisory Directors to have a conflict with the duties they have towards CM.com.

The founders indirectly own the Breda real estate where CM.com's local operations and headquarters are based. The lease agreements in place in 2021 are between CM.com and CM Campus B.V., which is ultimately controlled by the founders jointly as the (indirect) sole shareholders and directors.

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

Other than the circumstances described above, for the year 2021, CM.com is not aware of any (potential) conflict of interest between the private interests or other duties of Managing Directors and private interests or other duties of Supervisory Directors towards CM.com.

Other Rules and Regulations

Code of Conduct

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

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

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

Diversity Policy

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

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

In 2021, no alterations were made to the Management Board composition. At the moment 100% of the Management Board consist of men. The composition of the Executive Committee changed as follows: appointment of the Chief Strategy Officer and the Head of Legal and the voluntary dismissal of the Head of Finance. Following these changes, 91% of the Executive Committee consist of men and 9% of the Executive Committee consists of woman.

As mentioned, the composition of the Supervisory Board has changed. David de Buck voluntarily resigned as a member of the Supervisory Board as per 30 September 2021. During the extraordinary General Meeting of CM.com on 29 September 2021, it was resolved to appoint Jacques van den Broek and Joëlle Frijters as members of the Supervisory Board as per the close of the meeting. Up to 29 September 2021, 83% of the Supervisory Board consisted of men – and 17% of the Supervisory Board consisted of women. As of 30 September 2021, 71% of the Supervisory Board consisted of men – and 29% of the Supervisory Board consisted of women.

We welcome the increase in diversity and the female participation at the level of the Supervisory Board.

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

Takeover Regulation

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

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

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

Corporate Governance Statement

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

- The statement on compliance with the principles and best practice provisions of the Corporate Governance Code can be found under the section 'Corporate Governance', subsection 'Corporate Governance Code'.
- The information concerning the main features of the internal risk management and control systems relating to the financial reporting process can be found under the section 'Risk Management' and under the section 'Corporate Governance', subsection 'Audit Committee'.
- The information regarding the functioning of the General Meeting and the main authorities and rights of the General Meeting, can be found under the section

'Corporate Governance', more precisely amongst others under subsections 'Corporate Bodies', 'Articles of Association', 'General Meeting', 'Supervisory Board' and 'Management Board'.

- The information regarding the composition and functioning of the Management Board and the Supervisory Board and its committees can be found under the section 'Corporate Governance'.
- The information regarding the diversity policy in relation to the composition of the Management Board and the Supervisory Board can be found under the section HR Growth Strategy, subsection 'Diversity and Inclusiveness, and the section 'Corporate Governance', subsections 'Composition of the Supervisory Board', 'Diversity Profile' and 'Diversity Policy'.

The information concerning the inclusion of the information required by the Decree Article 10 EU Takeover Directive, can be found under the section 'Corporate Governance', subsection 'Takeover Regulation'.

Personalizing the experience

Due to the advent of ad blockers, browsers with tracking prevention, and privacy legislation, marketers are missing between 10% and 30% of their attribution data in Google Analytics and Facebook. With the acquisition of TraceDock, we let customer recover that data in a privacy-friendly way, via a plug-and-play solution. This allows companies to manage their online marketing conversion campaigns precisely whilst respecting the customers's personal data, privacy solution intent and enhance the personalized experience.



Mergers & Acquisitions

Technology
Impacting Life.

Risk Management - Defining and Managing Risk.

As a fast-growing global entrepreneurial company, we must find the right balance of Risk Management across the organization. As business grows and we offer more services, there will be new risks to manage and more regulations and compliance.

CM.com introduced a new Risk Management methodology to reduce complexity of different risk types and to standardize the monitoring and reporting.

At CM.com Risk Management is a business partner to offer insight and training on how to manage, monitor and report risks across the business. At CM.com the 3 lines (Business, Risk & Compliance and Internal Audit) are independent from each other but work in close collaboration. CM.com continuously builds resources and expertise on risk, compliance, and sustainability to support the growing, maturing organization.

Risk & Compliance - the five responsibility areas

CM.com uses the 3 lines governance model with operations as first, risk and compliance as second and internal audit as third line. To support the first line operations, the second line focuses on five focus areas:

1. Assurance

We demonstrate that we consistently deliver high quality products and services by benchmarking ourselves with ISO certificates and assurance reports like ISAE 3402. As we grow globally, we will continue to look for other assurance standards.



2. Risk management

CM.com's value is safeguarded through effective Risk Management processes. In addition to our Risk Management methodology, we utilize our Governance, Risk & Compliance tooling, to achieve better and more consistent control and tracking of our risks across the organization.

3. Compliance

As a listed company there are various laws and regulations we need to adhere to and report on. We embed a culture of compliance throughout the organization by for example implementing more extensive control measures on fraud management and the whistleblowing process in 2021.

4. Payments

As a payments service provider, CM.com manages transactions and processes online and point of sale payments on behalf of customers. These processes should be low risk, reliable and secure, as well as in line with banking and card scheme regulations, such as those imposed by the Dutch Central Bank (DNB) and the EU Banking Association.

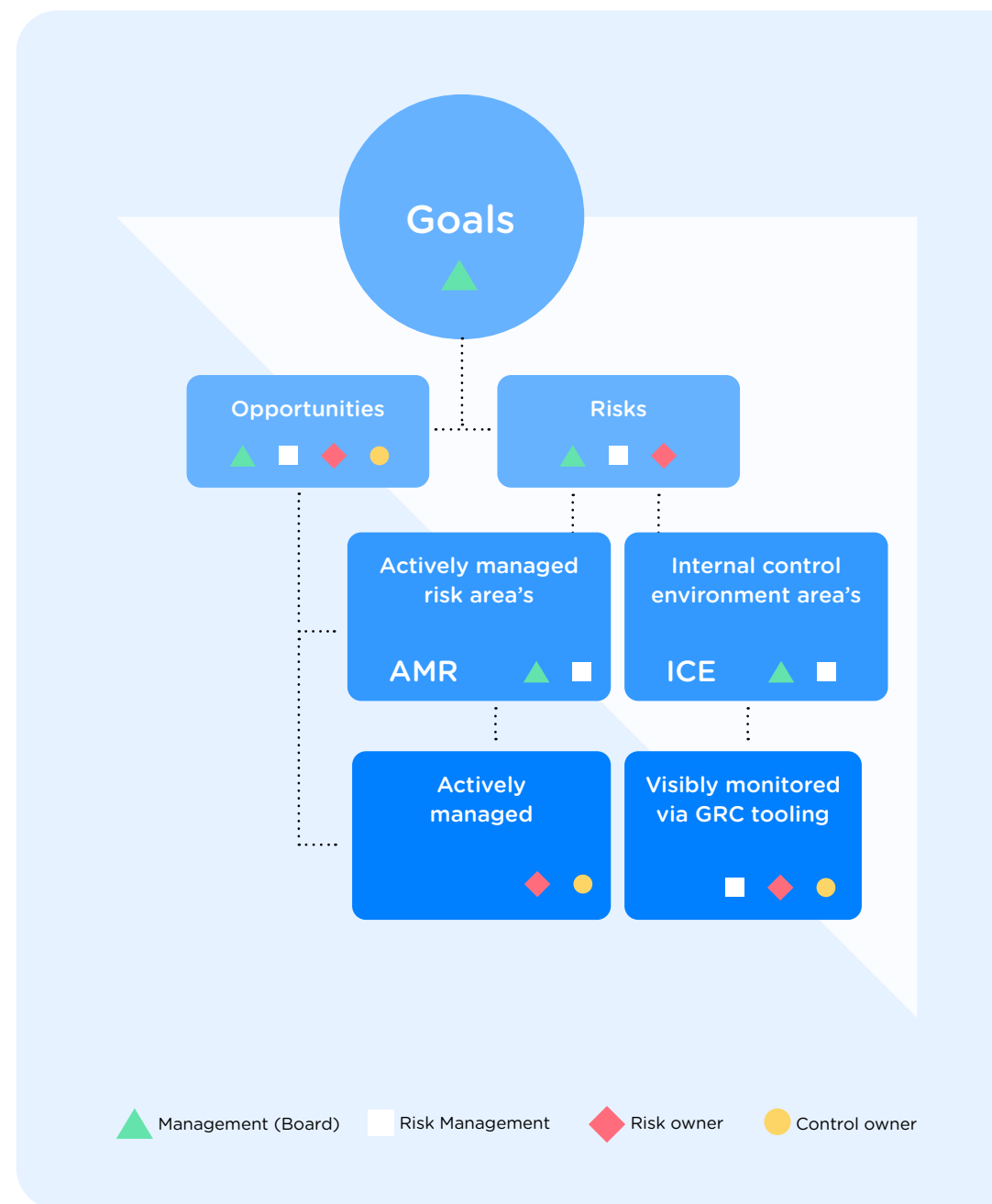
5. ESG (Environmental, Social and Governance)

ESG is part of Risk and Compliance at CM.com. In 2021, we focused on defining the four UN Sustainable Development Goals (SDG's) and creating an ESG roadmap. Please refer to page 61 for more information on ESG.

New Risk Management methodology

In 2021, we developed a new Risk Management methodology, standardizing Risk Management at CM.com. In 2022, this will be rolled out across the organization. In 2022 the risk methodology will be further improved via in depth reviews of risk and control quality, better reflection of the services in size and characteristics and the periodic reporting on risk exposure and developments.

The new methodology reflects the mission, vision and culture of CM.com. It aims to balance the freedom and agility that an entrepreneurial business flourishes on with the control required by a global corporation.



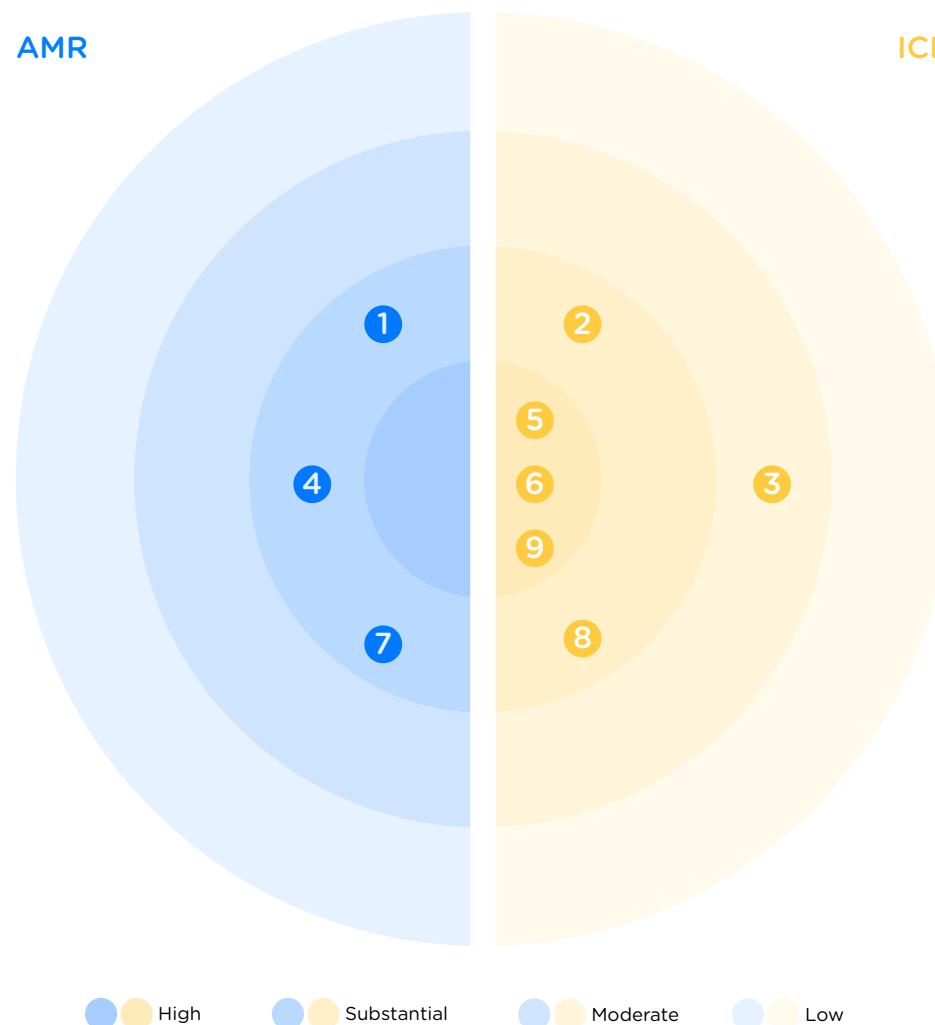
It is based on the 3 lines of defense model and our Risk Management methodology, taking our risk appetite of different business areas into consideration. As such, our methodology supports instead of obstructs the agility and dynamism of CM.com. It provides a flexible robust control system.

The framework is based on two Risk Management mechanisms: Actively Managed Risk (AMR) and risks that are incorporated in our Internal Control Environment (ICE). Following a careful and regular risk evaluation by senior management and the Management Board.

Important for identified risks is whether they are actively managed or internally controlled.

We believe that for certain types of risk ICE is less effective and risks are better management via direct management involvement. Where CM.com wants or is obliged to show the risks are visibly managed via effective internal control measures the risks and controls are part of ICE. This also means active involvement of the second line (Risk Management) to independently advise about and monitor the design, implementation and operating effectiveness of these controls. The assignment of risks to ICE or AMR is done depending on risk evaluation carried out regularly with the guidance of the Executive Committee and Management Board. We categorize the risks as low, moderate, substantial, or high and they are assessed in the context of current business circumstances as well as external factors. All risks incorporated in ICE ensure that the operational effectiveness of controls is managed and tangible.

Main risks CM.com 2021



Overview of main risks

1. Organizational growth and HR resourcing

Our Accelerated Growth Strategy's success depends on our ability to attract and retain highly qualified people globally. Current intensified shortage in the labor market might affect the ability to achieve our growth ambitions.

As part of our strategic business plan, we defined the positions and talents we need to achieve the desired organizational growth. We have a defined roadmap that positions CM.com as an employer of choice. Therefore, we created a strong position in local labor markets, with improved benefits programs and employer branding initiatives. Also, to increase our reach to attract experts we have expanded our recruitment strength globally. This helps us retain and attract qualified people across the world. We retain and develop our employees by partnering with top tier business schools. We've proven to be successful in expanding our organization by opening multiple hubs globally.

CM.com is proactive in instilling and embedding the CM.com culture across all our teams wherever they are based, through activities such as our international team weeks and our virtual platform. The roll out of the online Employee Engagement Survey in 2021 resulted in a 'Great Place to Work' certification. Results have been taken seriously and resulted in an improved benefits program, investing in our CM.com Academy and a Talent Development Program 'CMBA'. To further guarantee employee wellbeing, we have 'OpenUp' and 'Diversity and inclusiveness' programs.

2. Competition, product portfolio and innovation

The conversational commerce market is an emerging market that's inherently more dynamic than a developed market. We pay extra attention to new and existing competitors, substitute products and supplier dependencies. If we fail to identify and respond to our competition, we could be outpaced.

CM.com is a pioneer in this market. There are only a limited number of peers who can offer a one-stop-shop solution. Our local presence worldwide allows us to

understand the specific local needs and implement them in our solutions. Our global growth strategy's success depends on our ability to recognize tech trends on time and use our technological capabilities to adopt new features or enhance existing products within our product portfolio. We believe that having a strategic plan that addresses product portfolio and innovation risks is critical to being a successful innovator.

We ensure a competitive product portfolio by gaining market-leading insights on time. Our global team of market analysts keep in close contact with external analyst agencies in the technology industry and leading Big Tech partners, who are part of the interconnected global conversational commerce ecosystem. In 2021, we appointed a new Chief Strategy Officer which further emphasizes the importance of CM.com's global expansion strategy.

We also have a proactive mergers and acquisitions policy that helps us to enhance our innovation, platform capabilities and access new (geographical) markets. In 2021, we acquired Dutch Fintech company PayPlaza, Mobile Festival & Event App Platform Appmiral and we announced our intended acquisition of Building Blocks, which adds Consumer AI Technology to CM.com's Conversational Commerce Cloud Software. We also acquired a minority stake in Fintech company Phos.

3. Corporate financing

Access to capital markets and an accurate view of future funding needs are essential for executing our Accelerated Growth Plan. We have to maintain strong and transparent relationships with the capital market community to reflect our company's fundamental value. Otherwise, we might not be able to invest enough in organic growth or acquisitions.

Since our listing, we invested substantial time and effort in building interest in CM.com. In 2021, CM.com is in the Euronext Amsterdam Small Cap Index and we successfully raised €100 million through an Offering of Convertible Bonds. Through our planning and reporting cycle, we've maintained accurate visibility on our financial position and outlook.

4. Finance and control

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

Our financial business performance and cost control is discussed monthly with the Management Board and with each business unit. Important metrics like cash position, cash flow ratios and main product drivers are monitored and reported to management daily, along with quarterly forecasts. In 2021, we expanded our Finance team to further improve the finance and control cycles.

5. Information security

The security of our cloud platform is our top priority and as it grows, so is the potential for attack. Failing to properly deal with cyber-attacks could lead to loss of (customer) data, disruption and/or malfunctioning of our system and ultimately loss of trust in our brand. With our increasing presence in the center of the digital ecosystem of our society, this is even more important.

We therefore are continuously improving our security program which is focused on the operational security of our platform and the security awareness of our employees.

In 2021, our Security Operations Center (SOC) has implemented new tooling and has improved the granularity of the reports from our existing tooling that monitors our network traffic and scans for vulnerabilities. We also have intensified our security awareness program by increasing the frequency of mandatory security trainings for all employees. We are also ISO 27001, 27017, 27018 certified which demonstrates the involvement of our Management Board and Executive Committee in our security processes.

6. Business Continuity Management

We understand and recognize the importance of contingency and scenario planning to respond adequately to major disruptions, which are not covered by routine measures. We therefore have invested heavily in redesigning our geo-redundant technical infrastructure and we have increased the capacity of our cloud platform. These improvements have taken our resilience and scalability to a next level, which is needed to facilitate our global expansion in a controlled manner. In addition, we have performed end-to-end monkey testing and we have simplified our backup and restore processes. Our Network Operating Center (NOC) monitors the availability and traffic of our systems on a 24/7 basis, and we also comply to the ISO 9001, 14001 and 20000 standards which enable us to deliver high quality and sustainable services.

7. Leadership and governance

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

To maintain sustainable growth, we have professionalized our internal governance model. This includes a robust Management Board, which manages the daily business activities and an Executive Committee, which is responsible for all executions. We have a well-organized planning and control cycle, and we've improved our business review and reporting formats. We've also improved our process by applying the 'plan, do, check, act' cycle. All business risks are included in CMRICS, and risk owners take care of the management and mitigate the business risks.

8. Customers and opportunities

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

In 2021 we again extensively expanded our sales and marketing teams by hiring talented and experienced sales and marketing experts globally in various disciplines. To take full advantage of this growth, we've further structured our sales organization by creating an industry focus and we've made it easier for customers to add features and products. Furthermore, we are preparing expansion with a new partnership channel. All leading to new businesses and customers, and improved cross-sell and up-sell with our existing customer base.

To achieve high customer satisfaction, we provide a professional high quality conversational commerce platform with best in-class availability, stability and guaranteed continuity. Our Network Operations Center is available for customers 24/7. Our global commercial and operational team's direct feedback flow to our product and development units assures a continuous feedback loop from customer needs and experiences to our technical teams, who use this as input for developments.

9. Regulatory and compliance

As a global player, we're subject to complex laws and regulations related to telecommunication, payments, data protection and accounting standards. Also, payment schemes play an important role in this regulatory landscape. Our business and the regulatory environment evolve at a fast pace and is becoming more and more complex.

We are committed to conduct business with integrity and responsibility as well as to comply with the applicable laws and regulations of the countries where we do business. This way of working is also emphasized in our Code of Conduct which contains business standards as rules of ethical conduct that every employee must follow.

To ensure regulatory compliance of CM.com entities and services worldwide, CM.com has implemented a comprehensive and global compliance framework. This framework is periodically validated by external legal counsels. For our payments business CM.com makes use of compliance software to create insight in our compliance landscape and regulatory changes impacting our business. Furthermore, CM.com performs a systematic integrity risk analyses (SIRA) for the identification and mitigation of integrity risks that may affect our payments business. The SIRA and subsequently the Risk Appetite is evaluated and updated at least once a year.

Specifically related to data protection, CM.com has an extensive privacy program and covers a multitude of products and services, with the privacy-by-design and privacy-by-default principles at the core. This program is continuously monitored and managed by the dedicated Data Privacy Governance Board, a multi-disciplinary team consisting amongst others of the (heads of) development, legal and risk departments. CM.com is committed to further improve and update its privacy program as necessary. CM.com has further expanded the certifications of its Messaging and Voice services in 2021 by obtaining the ISO 27018 certification, which specifically establish controls and guidelines to protect personal data in a cloud computing environment.

In Control Statement

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

- The Internal Control Statement (hereafter the Statement) of the Management Board provides sufficient insights into any failings in the effectiveness of the Risk Management and internal control systems;
- the Risk Management and internal control systems provide reasonable assurance that the financial reporting, including tax, does not contain any material inaccuracies;
- based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis; and
- the Statement of the Management Board states those material risks and uncertainties that are relevant to the expectation of CM.com's continuity for the period of twelve months after the date of the Statement of the Management Board.

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

Jeroen van Glabbeek - CEO

Jörg de Graaf - CFO

Gilbert Gooijers - COO

Case: Dutch Grand Prix

Offering 200,000 Fans The Best Fan Experience.

CM.com, as an event and technology supporter of the Dutch Formula One Grand Prix, helped to deliver an exceptional fan experience from start to finish for one of the Netherlands' biggest ever events. Using the complete CM.com integrated conversational Commerce platform, the organizers were able to manage and deliver a world-class event, despite the challenges of Covid-19.

CM.com was involved from the outset with pre-registration for tickets and optimization of the ticketing process. Data from pre-registration was stored in CM.com's Customer Data Platform, which provided information to help make the fan journey more personalized as well as manage specific elements of the event. For example, to filter out through various authentication steps, fraudulent registrations and to manage capacity reduction three weeks before the event due to Covid-19 restrictions. Business intelligence also supported crowd control and inventory and transport management. This allowed a successful spread of the visitor flows.

This data also enabled the organizers to build a complete profile of the fans, so that with more than 200,000 fans, communication through CM.com's Mobile Marketing Cloud was done in a personal, practical way: before, during and after the event and via the right channel.

The event was also completely cashless: payment of the tickets, the food and drinks on site and parking were controlled and processed by CM.com software using cash registers, hardwired terminals, and mobile Point of Sale (POS) terminals. For fans with cash, we offered prepaid debit cards.



To help fans during every step of their customer journey, a Race Engineer chatbot was developed. This scripted chatbot ran on WhatsApp and the Mobile Service Cloud and fans could ask it questions about all aspects of the event. More than 40,000 questions were answered automatically by the Race Engineer on the first day of the event alone.

Supervisory Board Report.

Remco Snoeren
Sales Development Executive





Fé Graauwmans
Sr. HR Business Partner



Marc Kuppens
Business Analyst

Message from the Chair.

As Chair of the Supervisory Board, I speak on behalf of all the board members in congratulating everyone at CM.com for such a tremendous year of growth across the whole organization. In our first full year as a listed company, it is clear to see the benefits of having access to significant capital to invest in the organization now and in our future. This makes it possible to facilitate our strong organic growth, our ability to expand into new markets and the solid financial performance as shown in this report. I believe we are now in a great position to thrive in 2022 and beyond.

In the last year, we strengthened our conversational commerce capabilities developing in-house technological innovations to enhance our platform. With add-on acquisitions bringing further technical innovations and expertise, we have brought more breadth and depth of services to our customers. Thanks to this, we are one of only a handful companies around the world who offer customers so much on a single integrated platform, cementing CM.com as an established leader in conversational commerce. We will continue to build and grow on this according to the demands of our customers.

With capital investments this year, including successfully raising € 100 million through an offering of Convertible Bonds, we have been able to quickly seize opportunities to grow our customer base around the world. Digitalization of life globally continues at a pace as more people rely on their mobile phone to engage with businesses, organizations and governments to access goods and services. As a result the mobile commerce market keeps on growing, offering greater potential for CM.com to expand into new markets and reach more customers.

This year CM.com has been gaining attention from the outside world as our profile builds following our listing in early 2021 in the Small Caps Index of Euronext Amsterdam. We are in the financial newspapers every day, and because of our involvement in the Dutch Formula One Grand Prix this year, we have become more of a familiar brand name to customers, consumers as well as potential shareholders in the Netherlands and beyond. We have also been very active in sharing our story and our progress through social media as well as shareholder and analyst presentations and meetings. Collaboration on Covid-19 related

projects in Europe has also helped to raise our profile and demonstrate our technological expertise.

Our role as the Supervisory Board is to help oversee and advise the Management Board across all facets of the organization. This year we have put a significant focus on supporting the management of CM.com's rapid growth in a controlled and measured way. Having Jörg de Graaf, Chief Financial Officer on the Management Board has helped CM.com navigate the challenges as well as opportunities of this. I believe together with the Management Board, we have found the right balance between corporate governance and entrepreneurial flair in doing so. The CM.com company culture has always been open and innovative, encouraging and empowering employees to be creative and free to make the right choices. However, they can only do this with confidence if the right processes, tools and support are in place.

This has been particularly important this year, as CM.com has almost doubled the number of its employees around the world. The Management and Executive Teams have invested time and capital to attract and retain talent across all parts of the organization and to help them adapt to the CM.com culture. As we expand our global footprint this has become crucial to the success of our organization. The ongoing pandemic has meant that coming together has been difficult, but we have been resourceful with virtual events and where possible, face-to-face meetings. I was pleased to see members of the Executive Committee visiting regions around the world to meet new local offices and staff and to help welcome them into CM.com. The Dutch Formula One Grand Prix was also a great opportunity for CM.com colleagues to get together to celebrate our involvement in such a high profile event.

To support the Management Board and the whole CM.com organization in this year of change and growth, an accomplished and dedicated Supervisory Board team of six - and as of September seven - members met regularly. As Chair of this board, I'm grateful for the diverse skill sets and specialist industry experience and external perspectives they bring to the table. We sadly lost our Vice Chair, David de Buck who left the Supervisory Board in September 2021 but gained

two talented new members; Jacques van de Broek and Joëlle Frijters. Jacques brought tremendous expertise in growth management and HR challenges at listed companies, while Joëlle, who co-founded her own company, added value with knowledge of setting up businesses around the world. In addition to focusing on many different aspects of the organizational management from Covid-19 impacts, strategic planning, HR including diversity and remuneration to M&A opportunities, we also looked closely at CM.com's ESG targets and strategy.

This is not only important to us all at CM.com but also for investors and shareholders so that they can see the company is ready for the future. This year we have defined our ESG targets and put a roadmap in place to formalize our approach towards achieving them. We must be transparent and open about showing our progress in years to come, not only to meet regulations and governance, but also prove our commitment to all those invested in CM.com whether a customer, employee, shareholder, investor or those within our supply chain.

I believe we are now ready for our next phase at CM.com - consolidating on our rapid growth in 2021 to further develop and nurture all our assets as we move into 2022. With an ever-growing global demand for conversational commerce, a sophisticated and expanding technology suite to match, and a dedicated workforce in the Netherlands, as well as in regions around the world, we are set for another year of sustainable long-term growth.

Martin van Pernis
Chair



Duties of the Supervisory Board

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

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

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

Composition of the Supervisory Board

Up until 29 September 2021, the Supervisory Board consisted of six members. The members were Martin van Pernis (Chair), David de Buck (Vice Chair), Lex Beins, Diederik Karsten, Stephan Nanninga, and Mariken Tannemaat.

As of 30 September 2021, the Supervisory Board consists of seven members. The members are Martin van Pernis (Chair), Lex Beins, Jacques van den Broek, Joëlle Frijters, Diederik Karsten, Stephan Nanninga and Mariken Tannemaat. A short description of the members is presented on page 74 and 75. The Supervisory Board has a minimum of five members.

All Supervisory Board members meet the independence requirements as described in Sections 2.1.7 to 2.1.9 of the Code, except for Stephan Nanninga. Stephan Nanninga has been 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 Supervisory Director. Stephan Nanninga holds his indirect participation in CM.com as a long-term investment.

The seven members have a diverse mix of knowledge, skills, expertise and capabilities, in line with the required profiles as included in Profile Supervisory Board CM.com N.V. (available on our website). The Supervisory Board values and promotes diversity in the Supervisory Board, the Management Board and within CM.com.

Diversity profile

Name	Principal position	Year of birth	Nationality	International experience	Financial expertise	Specific experience	Gender
Martin van Pernis	Chair of the Supervisory Board	1945	Dutch	Yes	Yes	Supervisory Board listed companies, innovation	Male
Lex Beins	Member of the Supervisory Board	1965	Dutch	Yes	Yes	E-commerce, IT, entrepreneurship, investments, payments, business processing	Male
Jacques van den Broek	Member of the Supervisory Board as of 29 September 2021	1960	Dutch	Yes	Yes	Human Resources, listed companies, sales and general management	Male
Joëlle Frijters	Member of the Supervisory Board as of 29 September 2021	1974	Dutch	Yes		Technology, international expansion of SaaS business, entrepreneurship	Female
Diederik Karsten	Member of the Supervisory Board	1956	Dutch	Yes		Telecom innovation	Male
Stephan Nanninga	Chair of the Audit Committee as of 30 September 2021	1957	Dutch	Yes	Yes	Supervisory Board of listed companies, distributions, financial audits and M&A	Male
Mariken Tannemaat	Chair of the Nomination, Selection and Remuneration Committee	1971	Dutch	Yes	Yes	Retail, IT, investment	Female
David de Buck	Chair of the Audit Committee up to and including 29 September 2021	1967	Dutch	Yes	Yes	Funding banking	Male

Conflicts of interest

Similar to the rules that apply to the Management Board members, Dutch law provides that a Supervisory Board member of a Dutch public limited liability company, such as CM.com, may not participate in the adoption of resolutions (including deliberations in respect of these) if he or she has a direct or indirect personal interest that conflicts with the interests of the company and its associated business enterprises. During 2021, there were no conflicts of interest.

Retirement schedule

Name	Current term	Appointment	Date of reappointment
Martin van Pernis	First	21 February 2020	AGM 2024
Lex Beins	First	21 February 2020	AGM 2024
Jacques van den Broek	First	29 September 2021	AGM 2025
Joëlle Frijters	First	29 September 2021	AGM 2025
Diederik Karsten	First	21 February 2020	AGM 2024
Stephan Nanninga	First	21 February 2020	AGM 2024
Mariken Tannemaat	First	21 February 2020	AGM 2024

Meetings of the Supervisory Board in 2021

Meetings are held at least four times a year following a schedule annually set by the Supervisory Board. Additional meetings are convened at any Supervisory Board or Management Board request. The Supervisory Board held 7 planned meetings in 2021 and 4 ad hoc meetings.

The attendance rate of the individual Supervisory Board members at the 2021 meetings was as follows:

Martin van Pernis	100 %
Lex Beins	100 %
Jacques van den Broek	100 %
Joëlle Frijters	100 %
Diederik Karsten	100 %
Mariken Tannemaat	82 %
Stephan Nanninga	100 %
David de Buck	91% (until 30-09-2021)
Jacques van de Broek	100% (appointed per 29-09-2021)
Joëlle Frijters	100% (appointed per 29-09-2021)

Supervisory Board meeting agendas in 2021 covered virtually all aspects of the company's business. Items discussed during the meetings included the strategy of the company, strategy for long-term value creation, the results of 2021 (Q1-Q3), the principal risks associated with the enterprise and risk appetite, composition of the Executive Committee, potential acquisitions, evaluation of the design and operation of the internal Risk Management and control systems, as well as the significant changes to them. Recurring and mandatory items, such as the regular progress reports, were also discussed in the meetings.

During 2021, the following topics were discussed by the Supervisory Board:

- Covid-19 impact;
- strategic plan;
- financial results;
- financial updates;
- budget;
- M&A opportunities;
- M&A process;
- updates of the Audit Committee;
- updates of the Nomination, Selection and Remuneration Committee;
- preparations General Meeting;
- Supervisory Board of CM Payments B.V.;
- Cyber security;
- Investor feedback;
- Culture;
- Financing: convertible bonds; and
- Governance and regulations update; biodiversity, sustainability and equality.

Supervisory Board committees

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

Audit Committee

The Audit Committee's duties include supervising, monitoring and advising the Management Board and each Management Board member regarding the operation of CM.com's internal Risk Management and control systems. The Audit Committee advises the Supervisory Board on the exercise of certain duties and prepares nominations and reviews for the Supervisory Board in this regard. It supervises the submission of financial information by CM.com, in compliance with

internal and external accountants' recommendations, the company's policy on tax planning and financing arrangements.

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

Composition

Name	Position
Stephan Nanninga	Chair as of 30 September 2021
Lex Beins	Member
David de Buck	Chair up to 30 September 2021

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

In 2021 the Audit Committee held 6 meetings in its current composition. They discussed the following items:

- Internal Audit Plan;
- Audit Committee Plan;
- Financial results, outlooks and forecasts;
- Findings accountant;
- Strategic plan;
- Convertible Financing;
- Transfer Pricing;
- Risk Management;
- Internal Audit;
- Press releases;
- Disclosure Committee Charter;
- Silent and Closed Periods;
- Cyber Security ;
- Re-appointment of External Accountant;
- Global Cash Management and global bank selection;
- Organization of CM Finance department;
- Evaluation acquisitions;
- Transfer Pricing; and
- Management Letter.

The attendance rate of the individual members at the 2021 Audit committee meetings was as follows:

Stephan Nanninga	100 % (as of 30-09-2021)
Lex Beins	100 %
David de Buck	100 % (until 30-09-2021)

Deliberations

With regard to the 2021 interim and full year financial statements, the Audit Committee was satisfied with the explanations and findings provided by the Management Board, Internal Audit and external accountant.

During 2021, the Audit Committee reviewed and approved the internal and external audit plans for 2021 and monitored execution, including progress in respect of recommendations made.

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

Nomination, Selection and Remuneration Committee

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

Composition

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

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

In 2021 the Nomination, Selection and Remuneration Committee held 4 planned meetings and 3 additional meetings. They discussed the following items:

- Management Board remuneration;
- Supervisory Board remuneration;
- Executive Committee performance and remuneration;
- Remuneration plans;
- Long-term incentive plan;
- Short-term incentive plan;
- Succession planning;
- Nomination & selection;
- Remuneration principles;
- Talent Management Development Program; and
- Supervisory Board member profile and search.

The attendance rate of the individual members at the 2021 meetings was as follows:

Mariken Tannemaat	100 %
Diederik Karsten	85 %
Martin van Pernis	100 %

Deliberations NSR

Succession planning of the Supervisory Board was discussed and initiatives have been taken to allow for the nomination for two additional members of the Supervisory Board to replace one of the members once the Chair will retire. A specific profile has been updated in line with the diversity policy.

Remuneration policy of the Supervisory Board

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

Compensation Supervisory Board

Supervisory Board

Chair	€ 37,500
Member	€ 22,500

Audit Committee

Chair	€ 2,750 (additional)
All Members	€ 2,250 (additional)

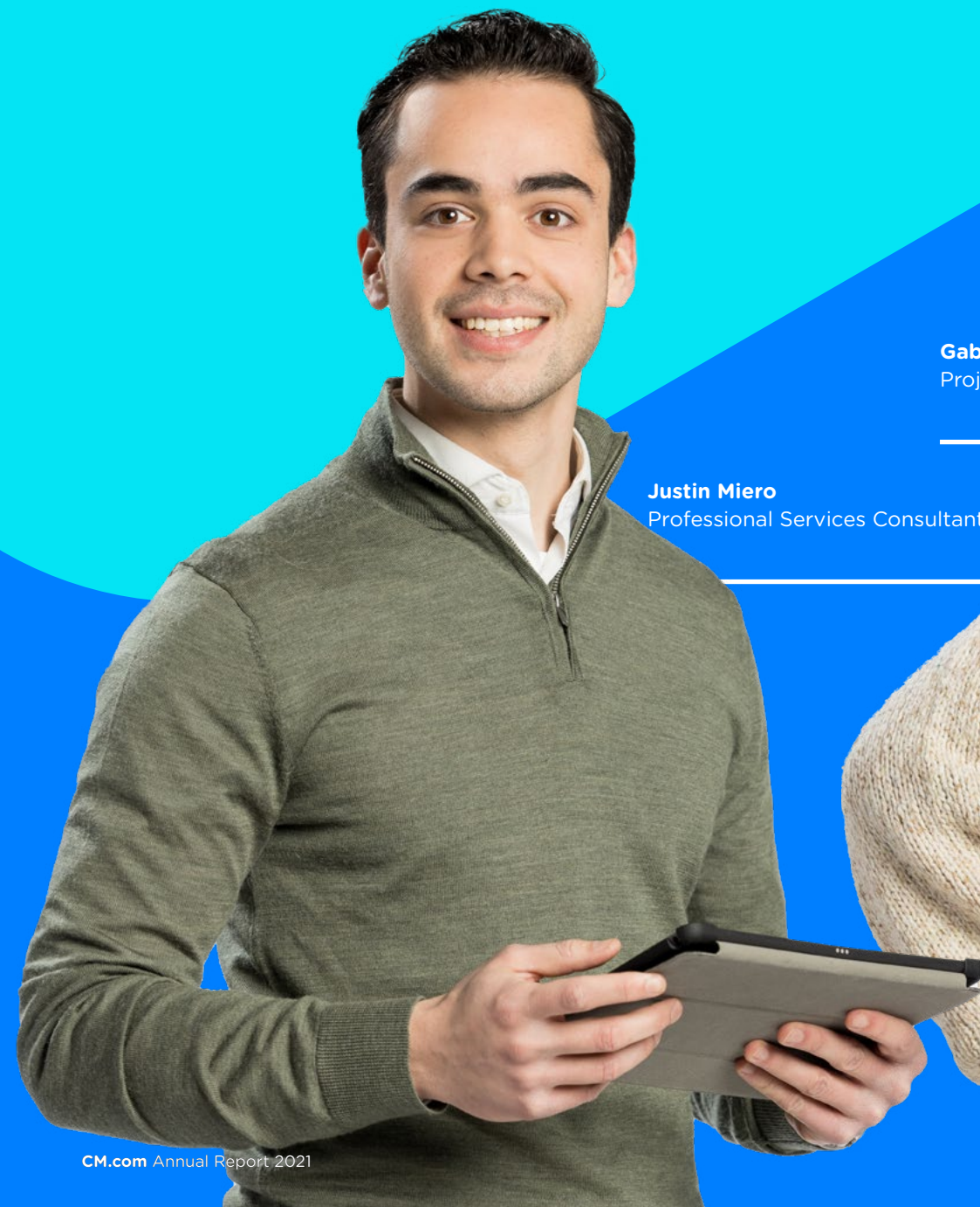
Nomination, Selection and Remuneration Committee

Chair	€ 2,750 (additional)
All Members	€ 2,250 (additional)

2021 Remuneration report.

Jasmijn Stenzler
Product Marketer





Justin Miero
Professional Services Consultant



Gabrielle Herschel
Project Manager Finance

2021 Remuneration Report.

Introduction

In this report we provide an overview of the remuneration of the Management Board and Supervisory Board of CM.com, 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). All tables provided in this Remuneration Report have been audited by our external auditor.

2021 Business Performance

2021 has delivered a strong, and mostly organic growth for CM.com by a 67% increase in revenue and an 88% increase in gross profit. We have strong underlying business growth in all business segments and regions we operate. In addition, 2021 has showed strong customer retention with a CPaaS NDR of 134% and CPaaS churn of just 3%. In order to sustain our strong organic growth, we have scaled our global workforce from 500 to 755 Fte and have expanded our global presence with new offices. We have added new technologies and functionalities to our platform by in-house innovations as well as acquiring specialist software companies.

Summary of the remuneration policy

The remuneration policy for the Management Board and Supervisory Board drives the long-term strategy of CM.com as a high growth company in a constantly changing environment.

The current Remuneration Policy was approved by the General Meeting of Shareholders of CM.com on 30 April 2021, effective as per 1 January 2021. In 2021, the high growth of CM.com has continued, whereas both the revenue and the number of employees has shown an even higher growth than the year before. Also, the number of countries in which CM.com is operating has expanded and is still expanding further, which increases the complexity of the organization. This change will also show in our remuneration as well as the relevant market for comparison.

With our remuneration policy we want to keep the emphasis on high performance, where at the same time we want to retain our talent and reward our talent based on the relevant market for CM.com. As a side effect of becoming a more SaaS oriented company, operating on a global scale, we see a higher prevalence of variable pay and share based remuneration.

The guiding principles of our remuneration are as follows:

1. Enable CM to attract and retain top talented and highly qualified directors, our reward structure and associated levels should be 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, the purpose and the values of CM.com.
3. Our reward framework should be internally consistent and fair.
4. Supports the business strategy and long-term value creation for stakeholders.
5. Compliancy with local laws and regulations and be sensitive to the societal context.

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

Scenario analysis are conducted on a regular basis, considering the development of the underlying share price and the risk to which variable remuneration may expose CM.com. The variable remuneration is linked to predetermined verifiable and performance related targets that are predominantly of a long-term and sustainable nature in line with the strategy, business objectives, values, purpose and vision of the company.

Management Board Remuneration Structure

The remuneration for the Management Board contains a base salary, a short-term incentive and a long-term incentive, which together are referred to as the Total Direct Compensation ('TDC'). TDC composition is set as follows and is denominated as a percentage of the base salary:

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

Pay Mix



Base Salary

The starting point of our Reward Strategy is the base salary. This amount is guaranteed income for our Board Members and paid in monthly installments.

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

- Competitiveness with market; we aim to reward our Board Members at midpoint of the relevant market. For Management Board and Supervisory Board positions we benchmarked with the salary level of selected High Tech companies (with a focus on SaaS companies) within the United States and Western Europe¹, expanded with companies in the Information Technology sector and (Application) Software subindustry (with focus on SaaS) of similar size as CM.com in Western Europe. We also benchmarked against local market levels of companies in the CM.com listing environment (AScX index-index of Euronext Amsterdam). Based on the revenue and number of employees, the 25th percentile level of the AScX, also called Q1 is considered the most relevant benchmark for CM.com. Q1 is the middle number between the lowest observation and the median.
- Internal equality within CM.com; the positioning of the person's salary relative to other individuals in the CM.com organization. Differences in salary levels should be based on role characteristics (complexity and educational requirements) and not on personal characteristics (age, gender, ethnic background). In 2021, especially the positioning of the most senior executives towards the Management Board has been evaluated and adjusted where needed.

We annually evaluate base salary levels with the relevant market as described above. For each position we determine how the member of the Management Board should be positioned around the midpoint of similar roles in the reference market. Reference market for CM.com is Q1 of AScX companies. Base salaries are generally set between the 80% and 120% of this reference point.

¹ List of companies that were included in our benchmark are: Twilio Inc., Sinch AB, Vonage Holdings Corp., Bandwidth Inc., Ring Central, Inc., Atlassian Corporation Plc, New Relic, Inc., Zendesk, Inc., Five9, Inc., Workday, Inc., ServiceNow, Inc., Splunk Inc., HubSpot, Inc., Box, Inc. This list was expanded with companies in the GICS "Information Technology" sector / "(Application) Software" subindustry (with a focus on SaaS). List of companies to be included will be regularly reviewed and updated, if needed.

Short-Term incentive

Members of the Management are eligible to a cash-based performance-related short-term incentive plan. These short-term incentives 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.

The incentive opportunity is set as follows:

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

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

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

Following the assessment of Supervisory board and based on recommendation of the Nomination, Selection and Remuneration Board, the Financial Objectives, which represents 75% of the Management Board scorecard, have been scored at 122%. This percentage is based on an exceptional performance on Revenue, an above target performance on Gross Profit and a below threshold performance on EBITDA.

- Strategic Objective (Weight 25%) The Supervisory Board sets strategic targets to be achieved during 2021. The objectives have been made as clear and concise as possible. The following strategic objectives have been agreed upon:

For Jeroen van Glabbeek (CEO) the strategic targets for 2021 have been the international upscaling of the organization (on target), global implementation of the datacenters (on target) and further development of the payment activities (above target).

For Gilbert Gooijers (COO) the strategic targets for 2021 have been the application of the Workflow Editor for the pillars (MMC, MSC and MCC) (on target), global product management (on target) and adding/managing the integrations (above target).

For Jörg de Graaf (CFO) the strategic targets for 2021 have been the continuous improvement of the organization in the areas of governance, risk and compliance (on target), making the financial departments scalable for the future (on target), improvement of the quality of the financial reporting, enabling easy decision-making (above target) and strengthen the overall position of Finance in the organization (on target).

Following the assessment of Supervisory board and based on recommendation of the Nomination, Selection and Remuneration Board, the Strategic Objectives, which represents 25% of the STI scorecard of the individual Management Team members, have been scored at 108% for the CEO and COO and at 106% for the CFO.

Long-Term incentive

The Long-Term Incentive Plan ('Plan') aims to link a portion of the remuneration to the long-term performance of the company, the delivery of stakeholder value and to align their interest with those of the shareholders. Awards consist of conditional performance shares and/or the grant of stock options to participants. Awards under the Plan are made annually subject to a three-year performance period. For the performance period 2021-2023 only conditional performance shares are awarded under the plan, similar to the previous performance period (2020- 2022).

The on-target incentive opportunity is determined at the grant date and is equal to 20% of the annual base salary. The number of conditional performance shares is determined based on the average closing share price during the five trading days preceding the grant date. For options the actual number is determined based on the fair value¹ of the options at the date of grant.

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

- Below Threshold Performance, 0% of Performance Shares will be vested / Stock options may be exercised.
- Threshold Performance; 50% of Performance Shares will be vested / Stock options may be exercised.
- On target performance, 100% of Performance Shares will be vested / Stock options may be exercised.
- Exceptional performance; 175% of Performance Shares will be vested / Stock options may be exercised.

The awards under the LTI are subject to a three-year performance period starting on the 1st January of every financial year. The awards vest on 1st April following on the three years performance period or 20 days after the financial results have been presented, whichever is later.

Holding Period

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

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

LTIP Performance Measures for 2021-2023 (on-target):

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

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

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

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

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

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

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

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

Employee Satisfaction (weight 25%) Measures the development of employee engagement and wellbeing, with target is being an employer of choice. Being an employer of choice also means being a safe and diverse workplace, where all employees are treated equal, regardless of age, gender, nationality or any other demographic characteristic. Through the CM.com culture, where we encourage employees to do what they like most to become better at it and enjoy it at the same time, we envision that the majority of our employees remain highly engaged employees.

Overview of annualized remuneration for the Management Board

This overview outlines the remuneration of the members of the Management Board, as applicable on 31 December 2021 (annualized):

Position	Incumbent	Base Salary	STI (%)	STI (On Target)	LTI (%)	LTI (On Target)	Total Direct Compensation
CEO	Jeroen van Glabbeek	€ 350,000	20%	€ 70,000	20%	€ 70,000	€ 490,000
COO	Gilbert Gooijers	€ 350,000	20%	€ 70,000	20%	€ 70,000	€ 490,000
CFO	Jörg de Graaf	€ 275,000	20%	€ 54,000	20%	€ 54,000	€ 383,000

Additional conditions

Additional contractual arrangements applicable to the CFO provide for a monthly mobility allowance of € 1,350 and participation in the CM.com DC-pension scheme including an additional annual premium of € 10,000 because his pensionable salary is capped at the fiscal maximum (2021: € 112,189).

Historical Development

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

Comparable table over Remuneration and Company performance over the last five reported financial years

in euro's	2017	2018	2019	2020	2021
Director's remuneration					
Jeroen van Glabbeek (CEO)	149,040	152,280	188,571	358,736	486,454
Annual Change		2%	24%	90%	36%
Gilbert Gooijers (COO)	149,040	152,280	188,571	358,736	486,454
Annual Change		2%	24%	90%	36%
Jörg de Graaf (CFO) (as of 20-04-2020)				329,159	415,659
Annual Change					26%
Revenue ('000)	84,579	84,617	96,320	141,622	237,047
		0%	14%	47%	67%
Average remuneration on a full-time equivalent basis of employees					
Average employees of the company	244	258	257	382	650
Annual Change		6%	0%	49%	71%
Wages and salaries ('000) ¹	14,857	17,156	17,772	28,221	48,122
Annual Change		16%	4%	59%	71%
CEO Pay Ratio	2.45	2.29	2.73	4.86	6.57
Annual Change		-6%	19%	77%	35%

Explanation in changes in remuneration

In 2020 we performed a market benchmark for the remuneration levels of the Management Board. Based on the outcome of this benchmark the base salary levels of the CEO (Jeroen van Glabbeek), COO (Gilbert Gooijers) and CFO (Jörg de Graaf) were below the desired 80-120 range of the reference 25th percentile market reference point. Upon recommendation of the Nomination, Selection and Remuneration Committee, the Supervisory Board decided to adjust the base salary of the CEO and COO with an increase of € 55,000 gross per annum to € 350,000 gross per annum effective as of 1 January 2021. In addition, the base salary of the CFO has been adjusted to reflect the market with an increase of € 5,000 gross per annum to € 275,000 gross per annum effective as of 1 January 2021. The Remuneration Policy for the Management Board was brought up for voting during the AGM on April 30th, 2021 and approved by 93%.

¹ In line with the advice of the monitoring committee of the Governance Code, wages and salaries mentioned here are including social security premiums and pension costs. In previous years this item did not include social security and pensions. This change leads to a consistent calculation of the CEO Pay Ratio, fully in line with the intention of the Governance Code to support comparability.

Actual Remuneration

The overview below displays the contractual remuneration elements in 2021 actually paid out or due:

Remuneration of the Management Board for the reported financial year

in euro's	1 Fixed remuneration			2 Variable remuneration		3 Extraordinary items	4 Post-employment/ pension benefits	5 Total Remuneration	6 Proportion of fixed and variable remuneration
	Base Salary	Fees	Fringe Benefits	One-year variable	Multi-year variable				
Jeroen van Glabbeek, CEO	353,086			82,773				435,859	81% / 19%
Gilbert Gooijers, COO	353,086			82,773				435,859	81% / 19%
Jörg de Graaf, CFO	275,000		16,200	64,749			15,956	371,905	83% / 17%

The overview below provides for the amounts that have been recognized by the Company for the members of the Management Board during the financial year ended on 31 December 2021.

Please note that base salaries of the CEO and the COO reported for 2021 include a one off (2020 holiday allowance compensation recognized in 2021).

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

in euro's		Base salary	Social Security Contribution	Post-employment/ pension benefits	STI in Cash	LTI Shares/share based payments	Other Benefits	Total
Jeroen van Glabbeek, CEO	2021	353,086	5,899		82,773	44,696		486,454
	2020	272,500	6,078		63,765	16,393		358,736
Gilbert Gooijers, COO	2021	353,086	5,899		82,773	44,696		486,454
	2020	272,500	6,078		63,765	16,393		358,736
Jörg de Graaf, CFO	2021	275,000	8,815	15,956	64,749	34,938	16,200	415,659
	2020	189,204	8,960	11,094	44,279	14,012	61,352	328,901

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

Overview of performance and its relation to pay

Performance of Management Board in the reported financial year STI overview

Name of Director, position	1 Description of the performance criteria and type of applicable remuneration	2 Relative weighting of the performance criteria	3 Information on Performance Targets	4 a) Measured Performance b) Actual award outcome		
			a) Threshold performance b) Corresponding award	a) On target Performance b) Corresponding award	a) Exceptional Performance b) Corresponding award	
Jeroen van Glabbeek, CEO	Financial Objectives	75%	a) 50% b) 26,250	a) 100% b) 52,500	a) 175% b) 91,875	a) 122% b) 63,814
	Strategic Objectives	25%	a) 50% b) 8,750	a) 100% b) 17,500	a) 175% b) 30,625	a) 108% b) 18,959
Gilbert Gooijers, COO	Financial Objectives	75%	a) 50% b) 26,250	a) 100% b) 52,500	a) 175% b) 91,875	a) 122% b) 63,814
	Strategic Objectives	25%	a) 50% b) 8,750	a) 100% b) 17,500	a) 175% b) 30,625	a) 108% b) 18,959
Jörg de Graaf, CFO	Financial Objectives	75%	a) 50% b) 20,625	a) 100% b) 41,250	a) 175% b) 72,188	a) 122% b) 50,140
	Strategic Objectives	25%	a) 50% b) 6,875	a) 100% b) 13,750	a) 175% b) 24,063	a) 106% b) 14,609

Details of LTIP grants and holdings

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

in shares x 1	The main conditions of the share award plans					Information regarding the reported financial year					
						Opening balance	During the year		Closing balance		
	1	2	3	4	5	6	7	8	9	10	11
Name of Director, 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	Shares subject to a performance condition	Shares awarded and unvested at year end	Shares subject to a holding period
Jeroen van Glabeek, CEO	LTIP - Shares	2021-2023	01-01-2021	01-04-2024	01-04-2026	-	2,397	-	2,397	2,397	-
		2020-2022	21-02-2020	01-04-2023	01-04-2025	3,698	-	-	3,698	3,698	-
Gilbert Gooijers, COO	LTIP - Shares	2021-2023	01-01-2021	01-04-2024	01-04-2026	-	2,397	-	2,397	2,397	-
		2020-2022	21-02-2020	01-04-2023	01-04-2025	3,698	-	-	3,698	3,698	-
Jörg de Graaf, CFO	LTIP - Shares	2021-2023	01-01-2021	01-04-2024	01-04-2026	-	1,884	-	1,884	1,884	-
		2020-2022	20-04-2020	01-04-2023	01-04-2025	3,597	-	-	3,597	3,597	-
					Total	10,993	6,678	-	17,671	17,671	-

Adjustment of 2020 grant calculation for the CFO: in 2021, we found that the 2020 LTIP should be 3,597 shares based on the 20% of fixed salary grant (98 shares more than originally mentioned).

No stock options were awarded to the Management Board in 2021.

Based on the Remuneration Policy for the Management Board, 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 have been met. An overview of the number of company shares held by the members of the Management Board as per 31 December 2021 is listed below:

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

Overview of Remuneration of the Supervisory Board

The remuneration of the Supervisory Board has been determined by the General Meeting held on 30 April 2021, and is in line with the Remuneration Policy for the Supervisory Board. This policy has the objective to successfully attract and retain qualified members of the Supervisory Board who have the right knowledge and experience to supervise CM.com is executing successfully on the vision and mission of the company,

The following compensation structure is applicable for the Supervisory Board in 2021.

Chair Supervisory Board	€ 37,500 per annum
Member Supervisory Board	€ 22,500 per annum
Member Audit Committee	Additional € 2,250 per annum
Member Nomination, Selection and Remuneration Committee	Additional € 2,250 per annum
Chair Audit Committee	Additional € 2,750 per annum
Chair Nomination, Selection and Remuneration Committee	Additional € 2,750 per annum

No variable performance based, equity-based or pension compensation is provided to the members of the Supervisory Board to ensure that board members are not dependent on the result of the company. CM.com did not grant any loans, advance payments or guarantees to the members of the Supervisory Board.

Actual Supervisory Board Costs

The overview below displays the actual payout of board fees in 2020 and 2021:

Name	Role	Audit Committee	Nomination, Selection and Remuneration Committee	Total 2020 Compensation	Total 2021 Compensation
Martin van Pernis	Chair	-	Member	€ 26,500	€ 39,750
David de Buck ¹	Vice Chair	Chair	-	€ 16,500	€ 18,937.50
Lex Beins	Member	Member	-	€ 16,500	€ 24,750
Diederik Karsten	Member	-	Member	€ 16,500	€ 24,750
Mariken Tannemaat	Member	-	Chair	€ 16,500	€ 25,250
Stephan Nanninga ²	Member	Chair	-	€ 16,500	€ 23,187.50
Joëlle Frijters ³	Member			-	€ 5,624
Jacques van den Broek ³	Member			-	€ 5,624

1 Stepped down as per 30-09-2021

2 Chair Audit Committee as replacement David de Buck per 30-09-2021

3 New members appointed as per 29-09-2021

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Jeroen Mulder
Finance Professional





Dirk Stuij
Managing Director
Conversational AI Cloud



Dawn Campbell
F&B hostess

Content.

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Consolidated Financial Statements.

Consolidated statement of financial position as at 31 December 2021

Assets x € 1,000	Note	31/12/2021	31/12/2020
Non-current Assets			
Goodwill	5	22,210	13,026
Intangible assets	5	57,923	48,197
Property, plant and equipment	7	7,233	4,425
Right-of-use assets	8	13,437	9,964
Long-term receivables	16	2,152	896
Associates	10	1,974	—
Deferred tax assets	11	1,083	812
Total Non-current Assets		106,012	77,320
Current Assets			
Inventories		333	—
Trade and other receivables	17	49,326	32,758
Current tax receivable		496	1,020
Cash and cash equivalents	15	122,058	52,504
Total Current Assets		172,213	86,282
Total Assets		278,225	163,602

Equity and liabilities x € 1,000	Note	31/12/2021	31/12/2020
Equity			
Share Capital		1,730	1,724
Share premium reserve		124,794	122,691
Equity component of convertible bonds	19	6,208	—
Accumulated deficits		(35,575)	(22,925)
Other reserves		708	(180)
Total Equity		97,865	101,310
Non-current Liabilities			
Borrowings	18	6,344	5,764
Convertible bond	19	92,648	—
Deferred tax liability	11	2,847	4,093
Other liabilities		196	267
Total Non-current Liabilities		102,035	10,124
Current Liabilities			
Trade and other payables	20	70,604	41,346
Contract liabilities	21	4,012	8,883
Current tax liabilities		—	102
Current portion of borrowings	18	3,709	1,837
Total Current Liabilities		78,325	52,168
Total Equity and Liabilities		278,225	163,602

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2021

x € 1,000	Note	2021	2020
Revenue	4	237,047	141,622
Total income		237,047	141,622
Cost of services	4	(174,397)	(108,298)
Employee benefits expenses	22	(40,747)	(22,949)
Amortization and depreciation	5/7/8	(15,582)	(8,047)
Other operating expenses	24	(25,584)	(11,848)
Operating loss		(19,263)	(9,520)
Financial income	25	2,052	65
Financial expenses	25	(4,107)	(3,573)
Share of results in associates	10	(26)	—
Loss before tax		(21,344)	(13,028)
Income tax	11	3,854	27
Loss after tax		(17,490)	(13,001)
Other comprehensive income/loss, net of tax ¹		888	(65)
Total comprehensive loss		(16,602)	(13,066)
Basic and diluted loss per share (in €)	12	(0.58)	(0.45)

¹ The other comprehensive income/loss consists completely of Foreign currency translation which may be reclassified subsequently to profit or loss.

Consolidated statement of changes in equity for the year ended 31 December 2021

	Note	Share capital	Share premium reserve	Equity component of convertible bonds	Accumulated deficits	Other reserves	Total
x € 1,000							
Balance at 1 January 2020		414	—	—	5,425	(115)	5,724
Result for the year		—	—	—	(13,001)	—	(13,001)
Other comprehensive loss		—	—	—	—	(65)	(65)
Proceeds on issuing new shares		1,241	104,556	—	(13,430)	—	92,367
Conversion warrants		48	12,457	—	—	—	12,505
IPO/ABB Costs including tax impact ²		—	—	—	(2,956)	—	(2,956)
Issuance of shares related to business combinations	9	21	5,478	—	500	—	5,999
Issuance of shares to employees	22	—	200	—	537	—	737
Balance at 31 December 2020		1,724	122,691	—	(22,925)	(180)	101,310
Result for the year		—	—	—	(17,490)	—	(17,490)
Other comprehensive income		—	—	—	—	888	888
Convertible bond (net of tax) ³	19	—	—	6,208	—	—	6,208
Issuance of shares related to business combinations	9	5	1,972	—	4,299	—	6,276
Issuance of shares to employees	22	1	131	—	541	—	673
Balance at 31 December 2021		1,730	124,794	6,208	(35,575)	708	97,865

² IPO expenses resulted in a deferred tax asset, see Note 11.2.

³ The equity component of the convertible bond is presented net of tax (note 19). It includes a Deferred tax liability recognized through equity offset by a related deferred tax asset recognized through equity, see Note 11.

Consolidated cash flow statement for the year ended 31 December 2021

x € 1,000	Note	2021	2020
Operating loss		(19,263)	(9,520)
Adjustments for:			
- Amortization and depreciation	5/7/8	15,582	8,047
Changes in working capital:			
- Inventories		6	—
- Trade and other receivables	9/17	(13,233)	(11,079)
- Trade and other payables	9/20	15,735	(12,213)
- Contract liabilities	21	(5,763)	5,766
- Trade and other receivables Stichting Derdengelden		(1,002)	118
- Trade and other payables Stichting Derdengelden		10,635	(204)
Interest received	25	104	65
Corporate income tax paid		(565)	(686)
Share benefit program personnel		673	737
Cash flow from operating activities		2,909	(18,969)
Investments in intangible assets	5	(10,090)	(7,168)
Divestments in intangible assets	5	142	220
Investments in property, plant and equipment	7	(3,313)	(1,852)
Divestments in property, plant and equipment	7	111	9
Acquisitions of subsidiaries and associates (net of cash)	9/10	(13,527)	(13,259)
Cash included in Stichting Derdengelden of acquired company	9	650	583
Cash flow from investing activities		(26,027)	(21,467)

x € 1,000	Note	2021	2020
Loans advanced to third parties	16	(579)	(614)
Repayment of loans advanced to third parties	16	503	370
Deposits paid	16	(438)	(253)
Deposits released	16	85	115
Proceeds from convertible bond	19	100,000	—
Transaction costs convertible bond	19	(1,675)	—
Repayment of borrowings	18	(1,001)	(14,000)
Repayment of lease liabilities	18	(3,853)	(2,784)
Interest paid	25	(346)	(3,573)
Movement other long-term assets		(952)	—
Movement other long-term liabilities Stichting Derdengelden		(71)	—
IPO/ABB costs through equity		—	(3,941)
Proceeds from IPO / ABB		—	104,872
Cash flow from financing activities		91,673	80,192
Changes in cash and cash equivalents		68,555	39,756
Net cash and cash equivalents at 1 January		52,504	12,748
Currency results on cash and cash equivalents		999	—
Net cash and cash equivalents at 31 December		122,058	52,504

Notes on the consolidated financial statements

1. Corporate information

Activities

The activities of CM.com N.V. (CM.com) and its group companies (for the list of group companies see note 27) primarily consists of advising, guiding, implementing, and assisting companies approaching its target audience through modern (media) techniques. CM.com N.V. has its legal seat at Konijnenberg 30 at Breda, The Netherlands and is registered at the chamber of commerce under the registration number: 70523770.

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

General accounting principles for the preparation of the consolidated financial statements

2. Basis of preparation

The consolidated financial statements of CM.com have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) adopted and endorsed by the European Union (“EU-IFRSs”) and with the statutory provisions of Part 9, Book 2 of the Dutch Civil Code. The management has, at the time of approving the financial statements, a reasonable expectation that the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. The financial statements were approved by the management board and supervisory board and authorised for issue on 9 March 2022.

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

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

Current assets are assets that are expected to be realised in the entity’s normal operating cycle held primarily for the purpose of trading expected to be realised within 12 months after the reporting period. All other assets are non-current (IAS.166).

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

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

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

3. Basis of consolidation

The consolidated financial statements incorporate the financial statements of CM.com and entities controlled by CM.com (its subsidiaries) made up to 31 December each year. Control is achieved when the Company:

- Has the power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

CM.com reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements;
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when CM.com obtains control over the subsidiary and ceases when CM.com loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date CM.com gains control until the date when CM.com ceases to control the subsidiary or foundation (CM.com Stichting, Stichting Deringelden CM Payments, Stichting YourTicketProvider and Stichting Global Ticket).

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with CM.com's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Key disclosures – significant accounting policies

4. Revenue recognition and segment reporting

CM.com's revenue is primarily derived from transactional and messaging services earned from customers using CM.com's communication platform. The transactional-based 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. Thereby, CM.com has added SaaS-services like Mobile Service Cloud, Mobile Marketing Cloud and AI-chatbot services. This revenue is recognized over-time.

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

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

CPaaS

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

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

Payments

Revenue from online payments consists of settlement and start-rate fees. Settlement fees include fees paid by merchants, usually as percentage of the

transaction value as well as interchange and payment network fees incurred from financial institutions and a mark-up charged by CM.com for its payment services. Start-rate fees comprise fixed fees per transaction for the use of CM.com's platform. Point of sales revenue consists of hardware sales and SLA-fees. The SLA-fees are recognized over-time (2021: € 2,309 thousand, 2020: € 0).

Cost of services for CM.com's Payments segment comprises primarily of fees paid to financial services providers, as well as interchange and payment network fees charged by financial institutions, for facilitating payments through CM.com's platform. Hours related to development components in SLA contracts are also accounted as cost of services.

Platform

CM.com provides organizations a portfolio of services that contribute to the optimization of the mobile business journey that we have with our customers, customers pay monthly subscription-fees for access to these platform features, this revenue is recognized over-time (2021: € 15,728 thousand; 2020: € 7,676 thousand).

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

Other

Other revenue consists predominantly of CM.com's service fees for providing Premium SMS and Direct Carrier Billing solutions (2021: € 7,593 thousand; 2020: € 6,451 thousand). Cost of services relate predominantly to cash collection and network usage fees paid to mobile network operators. CM.com has determined that it is an agent in providing these services and revenue is recognized on a net basis. Other revenue also includes legacy platform innovations.

The cost of services of the segment other consists of € 6,390 thousand of cost of services for Premium SMS and Direct Carrier Billing (2020: € 5,547 thousand).

Segment reporting 2021 x € 1,000	CPaaS	Payments	Platform	Other	Total
Revenue	196,019	11,580	21,166	8,282	237,047
Cost of Services	(160,278)	(4,425)	(2,603)	(7,091)	(174,397)
Operational expenses					(81,913)
Operating loss					(19,263)
Financial income and expenses, net					(2,055)
Share of results in associates					(26)
Loss before tax					(21,344)

Segment reporting 2020 x € 1,000	CPaaS	Payments	Platform	Other	Total
Revenue	117,000	6,403	11,007	7,212	141,622
Cost of Services	(97,866)	(3,014)	(1,500)	(5,918)	(108,298)
Operational expenses					(42,844)
Operating loss					(9,520)
Financial income and expenses, net					(3,508)
Loss before tax					(13,028)

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

2021 x € 1,000	CPaaS	Payments	Platform	Other	Total
The Netherlands	78,395	7,981	15,664	3,911	105,951
Belgium	13,079	716	523	2,765	17,083
France	19,229	65	1,063	119	20,476
Rest of Europe	21,538	2,629	2,453	1,360	27,980
APAC	29,805	84	171	20	30,080
Rest of World	33,973	105	1,292	107	35,477
	196,019	11,580	21,166	8,282	237,047

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

In 2021 one partner contributed more than 10% to CM.com's revenue. Approximately € 39.2 million of CPaaS revenue arose from sales to this partner. In 2020 no single customer or partner contributed 10 per cent or more to CM.com's revenue.

5. Intangible assets and goodwill

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

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

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

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

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated Amortization and accumulated impairment losses. During the period of development, the asset is tested for impairment annually.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill and domain names, which have indefinite useful lives, from the date they are available for use.

Up until 2020, for our proprietary platform related development cost, based on historical analyses, commercial merits and our view on future developments, we estimated the useful life at 10 years.

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

CM.com reassessed the useful lives of its internally generated capitalized development costs. The intangible assets are analysed per operating segment. The total impact of the reassessment on Amortization for the year 2021 is € 2.8 million. The useful lives per segment are adjusted prospectively as per 1 January 2021:

- CPaaS 10 years
- Payments 7 years
- Platform 5-6 years
- Other 10 years

A summary of the movements in intangible assets and goodwill is provided:

x € 1,000	Platform (software) ⁴	Goodwill	Customer relation	Other	Total
Costs					
At 31 December 2019	21,204	4,129	14,842	3,606	43,781
Additions related to external costs	487	—	—	818	1,305
Acquisitions of subsidiaries	11,375	9,452	11,218	—	32,045
Development costs	5,863	—	—	—	5,863
Divestments	(208)	(12)	—	—	(220)
Conversion to exchange rate	—	—	(69)	—	(69)
At 31 December 2020	38,721	13,569	25,991	4,424	82,705
Additions related to external costs	1,229	—	—	213	1,442
Acquisitions of subsidiaries	7,789	9,184	3,715	22	20,710
Development costs	8,648	—	—	—	8,648
Divestments	(142)	—	—	—	(142)
Conversion to exchange rate	—	—	67	—	67
At 31 December 2021	56,245	22,753	29,773	4,659	113,431
Amortization and Impairment					
At 31 December 2019	6,210	543	7,731	1,588	16,072
Amortization	3,276	—	2,009	151	5,436
Divestments	—	—	—	—	—
Conversion to exchange rate	—	—	(26)	—	(26)
At 31 December 2020	9,486	543	9,714	1,739	21,482
Amortization	8,820	—	2,783	177	11,779
Divestments	—	—	—	—	—
Conversion to exchange rate	—	—	37	—	37
At 31 December 2021	18,306	543	12,534	1,916	33,298
Net book value					
At 31 December 2020	29,235	13,026	16,277	2,685	61,223
At 31 December 2021	37,939	22,210	17,240	2,744	80,133
Estimated useful lives (years)	5-10	indefinite	10	5-10 indefinite	

⁴ Platform contains capitalized development hours. In total € 20,626 thousand of the net book value of this category is self-generated (2020: € 18,148 thousand)

6. Impairment test goodwill and intangible assets with indefinite useful life

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of CM.com's cash-generating units (CGU's) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquirement are assigned to those units. CM.com tests goodwill and intangible assets with indefinite useful lives annually in December, or whenever management identifies condition that may indicate a risk of impairment.

The intangible assets are allocated as follows for 2021:

x € 1,000	CPaaS	Payments	Platform
Goodwill	0.9	8.9	12.4
Domain names	0.9	0.2	0.4

The comparing numbers for 2020 are as follows:

x € 1,000	CPaaS	Payments	Platform
Goodwill	0.9	2.4	9.7
Domain names	0.9	0.2	0.4

The impairment test is based on cash flow projections for five years (note 29). These cash flow projections are based on the financial forecast approved by management, covering a three-years period (2022-2024). The cash flow projections beyond that three year period have been extrapolated using a 30% annual revenue growth rate as a basis, which is in line with our mid-term revenue guidance. CGU's are tested for impairment by comparing the carrying amount of each CGU to its recoverable amount. Recoverable amount is based on value in use and is determined using a discounted cash flow model with a five-year forecast period.

For all CGU's, a terminal value was calculated based on the long-term inflation expectation of 0% (2020: 0%). The estimated pre-tax cash flows are discounted to their present value using a pre-tax weight average cost of capital (WACC) of 13.0% - 17.3%. (2020: 13.2% - 17.2%). WACC is based on a peer group of similar listed entities and is determined with reference to CM.com's target capital structure.

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

No impairment charges were recognized in relation to the annual impairment test, both in 2021 and 2020.

7. Property, plant and equipment

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

Depreciation is recognized in profit and loss on a straight-line basis over the estimated useful life of each part of an item of property, plant and equipment. Depreciation methods, useful lives and residual values are reviewed at each reporting date.

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

	Platform (hardware)	Furniture & fixtures	Vehicles	Hardware & software workplace	Leasehold improvements	Total
x € 1,000						
Costs						
At 31 December 2019	4,006	810	173	1,087	1,054	7,130
Additions	506	505	—	459	382	1,852
Divestments	(6)	(5)	(42)	(32)	(17)	(102)
Acquisitions through business combinations	—	52	—	87	—	139
Conversion to exchange rate	(17)	—	—	(2)	(2)	(21)
At 31 December 2020	4,489	1,362	131	1,599	1,417	8,998
Additions	1,170	716	—	1,048	380	3,313
Divestments	—	(63)	—	—	(623)	(686)
Acquisitions through business combinations	27	92	40	485	94	738
Conversion to exchange rate	8	—	—	1	2	12
At 31 December 2021	5,694	2,108	171	3,133	1,269	12,375
Depreciation						
At 31 December 2019	2,427	201	112	680	536	3,956
Depreciation	277	98	10	216	111	712
Divestments	—	(4)	(42)	(30)	(15)	(91)
Conversion to exchange rate	(4)	—	—	—	—	(4)
At 31 December 2020	2,700	295	80	866	632	4,573
Depreciation	322	210	15	468	125	1,140
Divestments	—	(41)	—	—	(534)	(575)
Conversion to exchange rate	3	—	—	—	—	4
At 31 December 2021	3,025	464	95	1,334	223	5,142
Net book value						
At 31 December 2020	1,789	1,067	51	733	785	4,425
At 31 December 2021	2,669	1,644	76	1,799	1,046	7,233
Estimated useful lives (years)	10	10	5	5	10	

8. Right-of-use assets

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

The lease liability is presented as a separate line in the consolidated statement of financial position ("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 income statement. In the statement of cash flows the low value leases and short term leases are presented as operating cash flows, interest paid and the repayments related to leases are presented as part of the cash flows from financing activities. The maturity analysis for the lease liabilities is included in note 13.

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

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

x € 1,000	Land and buildings	Furniture & fixtures	Platform (hardware)	Platform (software)	Vehicles	Total
Costs						
At 31 December 2019	7,109	207	2,123	1,127	311	10,877
Additions	885	—	950	—	201	2,036
Acquisitions through business combinations	779	—	—	—	160	939
Ending of lease agreements	(292)	—	—	—	—	(292)
At 31 December 2020	8,481	207	3,073	1,127	672	13,560
Additions	706	—	5,567	—	81	6,354
Acquisitions through business combinations	86	—	—	—	—	86
Ending of lease agreements	(1,011)	—	—	—	(38)	(1,049)
At 31 December 2021	8,262	207	8,640	1,127	715	18,951
Depreciation						
At 31 December 2019	1,042	10	404	226	113	1,795
Depreciation	1,310	57	291	113	128	1,899
Ending of lease agreements	(98)	—	—	—	—	(98)
At 31 December 2020	2,254	67	695	339	241	3,596
Depreciation	1,401	57	808	113	181	2,560
Ending of lease agreements	(603)	—	—	—	(38)	(641)
Conversion to exchange rate	(1)	—	—	—	—	(1)
At 31 December 2021	3,051	124	1,503	452	384	5,514
Net book value						
At 31 December 2020	6,227	140	2,378	788	431	9,964
At 31 December 2021	5,211	83	7,137	675	331	13,437

Group as a lessee

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

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

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

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

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

x € 1,000	2021	2020
Interest expense on lease liabilities	174	195
Expense relating to short-term leases	896	265
Expense relating to leases of low-value assets	—	—
Total cash outflow for leases	3,853	2,784

9. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at the acquisition date at fair value. Acquisition-related costs are expensed as incurred and included in other operating expenses. Acquisition-related costs amount to € 469 thousand (2020: € 184 thousand).

Acquisitions in 2021

On 17 March 2021 CM.com acquired 100% of the shares and voting rights of SEPASoft B.V. and its group companies (known as PayPlaza). PayPlaza is a group of entities which are unlisted company based in the Netherlands, specialized in payment solutions. The purpose of the acquisition is to increase the payment activities of CM.com. SEPASoft B.V. is specialized in Point of Sale (POS) solutions. The purchase price allocation is based on provisional fair values of identifiable assets and liabilities of SEPASoft B.V.

On 1 April 2021 CM.com acquired 100% of the shares and voting rights of YourTicketProvider B.V. and Get a Ticket B.V. (YTP). YTP is an unlisted entity based in the Netherlands. The purpose of the acquisition is to increase the ticketing activities of CM.com. The purchase price allocation is based on provisional fair values of identifiable assets and liabilities of YTP.

On 1 July 2021 CM.com acquired 100% of the shares and voting rights of TraceDock B.V. TraceDock B.V. is an unlisted company based in the Netherlands, specialized in customer data. The purpose of the acquisition is to complement our Mobile Marketing solution. The purchase price allocation is based on provisional fair values of identifiable assets and liabilities of TraceDock B.V.

On 1 November 2021 CM.com acquired 100% of the shares and voting rights of Appmiral BVBA. Appmiral BVBA is an unlisted entity based in Belgium. The purpose of the acquisition is to complement the ticketing activities of CM.com using the event and festival application of Appmiral. The purchase price allocation is based on provisional fair values of identifiable assets and liabilities of Appmiral BVBA.

At the date of finalization of these consolidated financial statements, the necessary market valuations and other calculations had not been finalized for the acquisitions. They have therefore only been provisionally determined based on managements best estimates. The acquisition of PayPlaza is related to the Payment segment. All other acquisitions done in 2021 are related to the Platform segment within CM.com.

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

x € 1,000	Note	Sepasoft	Other	Total
Consideration paid in cash		9,825	2,996	12,821
Equity payment		—	—	—
Earn-out (part of other accruals)	20	2,230	2,971	5,201
Total consideration		12,055	5,967	18,022
Intangible assets		—	59	59
Property, plant and equipment		566	172	738
Right of use assets		—	86	86
Financial assets		—	22	22
Inventories		339	—	339
Trade and other receivables		1,020	331	1,351
Trade and other receivables Stichting Derdengelden		—	155	155
Cash and cash equivalents		965	329	1,294
Cash and cash equivalents Stichting Derdengelden		—	650	650
Trade and other payables		(1,702)	(817)	(2,519)
Trade and other payables Stichting Derdengelden		—	(805)	(805)
Contract liabilities		(702)	(212)	(914)
Deferred tax liability		(264)	—	(264)
Borrowings		(1,011)	(225)	(1,236)
Total fair value of net identifiable assets and liabilities		(789)	(255)	(1,044)
Goodwill recognized	5	6,486	2,696	9,182
Platform recognized	5	5,140	2,612	7,752
Customer relations recognized	5	1,624	2,090	3,714
Trade name recognized		—	—	—
Deferred tax liability recognized	11	(406)	(1,176)	(1,582)

The acquired trade and other receivables mainly consist of trade receivables. The present value of the earn-out is based on the 2021-2023 financial performance of the companies acquired mainly based on revenue or Annual Recurring Revenue (ARR) and represents our best estimate as at 31 December 2021. The earn-out will be payable if certain revenue, ARR and non-financial targets are met. The total range of outcomes (undiscounted) is between € 0 and € 16.6 million.

The goodwill relating to the 2021 acquisitions represents future economic benefits specific to the group arising from assets that do not qualify for separate recognition as intangible assets. This includes expected new customers who generate revenue streams in the future and revenues generated because of new capabilities of the acquired product platforms. The total amount of goodwill recorded these acquisitions is not deductible for corporate tax purposes.

The total contribution in 2021 to revenue of the acquisitions is € 4,270 thousand for PayPlaza and € 1,274 for the other acquisitions. If the acquisitions were done as per 1 January the contribution would be € 5,501 for PayPlaza and € 1,911 for the other acquisitions in 2021. The total contribution to net results of the acquisitions is € (815) thousand for PayPlaza and € 283 thousand for the other acquisitions. If the acquisitions were done as per 1 January the contribution would be € (396) thousand for PayPlaza and € 514 thousand for the other acquisitions.

Acquisitions in 2020

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

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

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

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

For tax purposes, the tax values of the acquired assets are required to be reset based on market values of the assets. All acquisitions done in 2020 are related to the Platform segment within CM.com.

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

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

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

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

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

10. 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. On 5 August 2021 CM.com bought a minority stake in PHOS Services Ltd.

The results and assets and liabilities of associates or joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5.

Details of associates at the end of the reporting period are as follows:

Name of associate	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights	
			2021	2020
PHOS Services Ltd	Transforming mobile devices into POS terminals	Bromley, England	8,92%	—

This associate is accounted for using the equity method in these consolidated financial statements.

The financial year end date of PHOS Services Ltd is 31 August. For the purposes of applying the equity method of accounting, the financial statements of PHOS Services Ltd for the year ended 31 August 2021 have been used, and appropriate adjustments have been made for the effects of significant transactions between that date and 31 December 2021.

Although CM.com holds less than 20 per cent of the equity shares of PHOS Services Ltd, and it has less than 20 per cent of the voting power at shareholder meetings, CM.com exercises significant influence as a result of the appointment as one of the investor directors contractual rights.

x € 1,000	2021	2020
Carrying amount as at 1 January	—	—
Movements		
Additions from business combinations	2,000	—
Share of result of associates	(26)	—
Long term liability as at 31 December	1,974	—

11. TAXATION

11.1 Current income tax

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

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

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

- CM.COM Netherlands B.V.
- CM.com International B.V.
- CM Payments B.V.
- CM Platform B.V.
- CM.com R&D 1 B.V.
- CM.com R&D 2 B.V.
- CM.com R&D 3 B.V.
- CM.com R&D 4 B.V.
- CM.com R&D 5 B.V.
- CM.com R&D 6 B.V.
- CM.com R&D 7 B.V.
- CM.com R&D 8 B.V.
- CM.com R&D 9 B.V.
- CM.com R&D 10 B.V.
- CM.com R&D 11 B.V.
- CM.com R&D 12 B.V.
- CM.com R&D 13 B.V.
- SEPASoft B.V. B.V. (as per 17 March 2021)
- PayPlaza B.V. (as per 17 March 2021)
- PayPlaza Gov Solutions B.V. (as per 17 March 2021)
- Your Ticket Provider B.V. (as per 1 July 2021)
- Get-a-Ticket B.V. (as per 1 July 2021)

The subsidiaries are charged for the corporate income tax based on their results.

The other subsidiaries are not part of the fiscal unity of CM.com N.V.

Major components of the income tax expense :

x € 1,000	2021	2020
Current tax:		
Current year	103	152
Adjustments prior year	(20)	—
Deferred tax:		
Movement in temporary differences	(1,019)	(186)
Tax losses generated	(3,452)	(1,838)
Tax asset derecognition	—	1,740
Tax losses utilised	612	238
Tax rate differences	(78)	7
Adjustments prior year	—	(140)
Taxation according to the profit and loss account	(3,854)	(27)

The effective tax rate for 2021 is 18.1% (2020: 0.2%) and can be reconciled as follows:

x € 1,000	2021	2020
Loss for tax calculation	(21,318)	(13,028)
Income tax expense at statutory tax rate (25%)	(5,330)	(3,257)
Non-deductible amounts	353	202
Rate differential	(209)	185
Non-recognition of deferred tax asset	1,717	1,245
Tax losses utilised	(1,478)	(2)
Tax losses derecognized	—	1,740
Deferred tax asset through equity	1,113	—
Tax relating to prior periods	(20)	(140)
Tax charged against profit before tax	(3,854)	(27)

11.2 Deferred tax

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

Deferred tax asset

Deferred tax assets are recognized for any unused tax losses. Deferred tax assets for unused tax losses are recognized to the extent that it is probable that taxable profit will be available against which the unused tax losses can be utilised. CM.com has tax losses carried forward of € 47.1 million as at 31 December 2021 (2020: € 33.6 million), out of which € 1.2 million (2020: € 5.7 million) expires in the following five years (of this for a total of € 0.02 million a DTA is formed). € 0.4 million (2020: € 14.0 million) will expire after five years (of this for a total of € 0.02 million a DTA is formed) and € 45.5 million (2020: € 13.9 million) can be carried forward indefinitely (of this for a total of € 6.3 million a DTA is formed). For € 22.4 million unused tax losses no DTA is formed. Other deferred tax assets relate to interest deduction and ROU assets.

x € 1,000	2021	2020
Deferred tax asset		
Carrying amount as at 1 January after netting	812	2,609
Netting	3,323	—
Carrying amount as at 1 January before netting	4,135	2,609
Additional tax losses recognized	2,434	1,838
Additional tax losses recognized through equity for the convertible bond	1,113	—
Tax losses derecognized	—	(1,740)
Tax losses utilised	(1,315)	(238)
Tax rate change	341	24
Tax on non-deductible interest	(250)	457
Addition regarding IPO costs through equity	—	985
Other movements deferred tax assets	20	200
Netting with deferred tax liability	(5,395)	(3,323)
Carrying amount as at 31 December	1,083	812

The deferred tax asset can be split as below:

	2020	Recognized in equity	Recognized in profit or loss	Reclassi- fication of DTA	2021
x € 1,000					
Tax losses	4,102	1,113	1,219	–	6,434
Right of use assets	33	–	11	–	44
Reclassification	(3,323)	–	–	(2,072)	(5,395)
	812	1,113	1,230	(2,072)	1,083

Deferred tax liability

Deferred tax liabilities mainly relate to the difference between the carrying amount of intangibles assets and the convertible bond, and their fiscal values.

	2021	2020
x € 1,000		
Carrying amount as at 1 January after netting	4,093	1,651
Netting	3,323	–
Carrying amount as at 1 January before netting	7,416	1,651
Acquisition of subsidiary	1,846	5,649
Recognition (bond)	1,698	–
Taxable temporary differences	–	570
Tax rate differences	262	29
Reversal of taxable temporary differences	(2,980)	(483)
Netting with deferred tax asset	(5,395)	(3,323)
Carrying amount as at 31 December	2,847	4,093

The deferred tax liability can be split as below:

	2020	Recognized through acquisitions	Recognized in equity	Recognized in profit or loss	Reclassification of DTA	2021
x € 1,000						
Property, plant and equipment	930	—	—	(930)	—	—
Intangible assets	6,486	1,846	—	(1,744)	—	6,588
Convertible bond	—	—	1,654	—	—	1,654
Reclassification	(3,323)	—	—	—	(2,072)	(5,395)
	4,093	1,846	1,654	(2,674)	(2,072)	2,847

Capital management and risk policies

12. CAPITAL MANAGEMENT

CM.com manages its capital to ensure that entities in CM.com will be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balance. CM.com's overall strategy remains unchanged from 2020.

The capital structure of the Company consists of net debt (borrowings as disclosed in note 18 and convertible bonds as disclosed in note 19 after deducting available cash and cash equivalents as disclosed in note 15) and shareholders' equity (comprising issued ordinary share capital, share premium, reserves and accumulated deficits as disclosed below).

At 1 January 2021 the number of issued shares was 28,738,970 with a total nominal value of € 1,724,338. All shares are ordinary shares. During 2021, a total of 15,487 shares were issued in relation to employee plans (see note 21). Next to that, a total 45,641 shares were issued in relation with earn-outs of acquired companies. At year end that brings the total of issued shares up to 28,840,098 with a total nominal value of € 1,730,406. At balance date there are only ordinary shares.

The legal reserves, in amount of € 20,626 thousand (2020: € 18,148 thousand) are considered non distributable in accordance with Dutch Law, as presented in the Corporate Financial Statements (note 6) and relate to capitalized development costs.

No dividends are available to payout.

Basic and diluted loss per share

The number of shares used for the calculation of the basic and diluted loss per share is 28,840,098 (2020: 28,738,970). The loss used in the calculation of basic and diluted loss per share 2021 € 16,602 (2020: € 13,066).

13. RISK MANAGEMENT

13.1 Credit risk

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

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

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. For CM.com's statement of the carrying amounts see Note 17 and Note 20. No significant concentration of credit risk existed as at the reporting date.

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

x € 1,000	2021	2020
Balance as per 1 January	155	140
Additional charges to expenses	238	15
Bad debts written off	(21)	—
Balance as per 31 December	372	155

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

x € 1,000	31-12-2021	31-12-2020
Current	17,603	14,051
1 - 30 days	4,522	486
31 - 60 days	969	121
> 60 days	1,551	66
	24,645	14,724

The buckets and expected credit loss (ECL) are estimated as follows (2020 same estimation):

Bucket	Percentage of ECL
Current	0.28%
1 - 30 days	0.54%
30 - 60 days	3.68%
> 60 days	12.80%

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

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

Impairment of financial assets

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

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

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with CM.com, and a failure to make contractual payments.

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

13.2 Liquidity risk

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

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

Exposure to liquidity risk

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

2021 x € 1,000	Note	0 - 3 Months	4 - 12 Months	1 - 5 Years	Over 5 years	Total	Carrying amount total
Lease liabilities	18	976	2,869	5,677	926	10,448	10,053
Convertible bond	19	500	1,500	107,378	—	109,378	92,648
Trade payables	20	13,857	—	—	—	13,857	13,857
Other financial liabilities	20/21	54,456	—	—	—	54,456	54,456
		69,789	4,369	113,055	926	188,139	171,014

2020 x € 1,000	Note	0 - 3 Months	4 - 12 Months	1 - 5 Years	Over 5 years	Total	Carrying amount total
Lease liabilities	18	672	1,327	4,280	1,485	7,764	7,601
Trade payables	20	5,943	—	—	—	5,943	5,943
Other financial liabilities	20/21	34,914	—	—	—	34,914	34,914
		41,529	1,327	4,280	1,485	48,621	48,458

CM.com's borrowing facilities and revolving credit facilities are detailed in Note 18.

13.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect CM.com's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. The market risk comprises three types of risk, interest rate risk, foreign currency risk and other risk. CM.com only recognizes the foreign currency risk as an applicable currency risk, due to the fact that there are no outstanding loans with variable interest and little other risk from external factors.

Foreign currency risk

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

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

x € 1,000	CNY	GBP	HKD	USD	JPY	SGD
31-12-2021						
Cash and cash equivalents	5,914	1,156	22	8,952	1,198	523
Trade receivables	1,399	593	472	12,237	101	(2)
Long-term borrowings	—	—	—	—	—	—
Trade payables	(232)	(916)	(407)	(1,221)	(177)	(49)
	7,081	833	87	19,968	1,122	472

x € 1,000	CNY	GBP	HKD	USD	JPY	SGD
31-12-2020						
Cash and cash equivalents	2,789	1,132	(626)	2,462	475	277
Trade receivables	648	272	2	60	16	1
Long-term borrowings	—	—	(21)	—	—	(34)
Trade payables	162	(845)	(64)	(581)	(123)	(23)
	3,599	559	(709)	1,941	368	222

Financial instruments

Foreign currency sensitivity

A reasonable possible change in CNY exchange rate (+5 percentage point, calculated from CNY), with all other variables held constant, will have an effect on profit and equity of € 266 thousand (2020: € 135 thousand).

A reasonable possible change in GBP exchange rate (+5 percentage point, calculated from GBP), with all other variables held constant, will have an effect on profit and equity of € 31 thousand (2020: € 21 thousand).

A reasonable possible change in HKD exchange rate (+5 percentage point, calculated from HKD), with all other variables held constant, will have an effect on profit and equity of € 3 thousand (2020: € (27) thousand).

A reasonable possible change in USD exchange rate (+5 percentage point, calculated from USD), with all other variables held constant, will have an effect on profit and equity of € 749 thousand (2020: € 73 thousand).

A reasonable possible change in JPY exchange rate (+5 percentage point, calculated from JPY), with all other variables held constant, will have an effect on profit and equity of € 42 thousand (2020: € 14 thousand).

A reasonable possible change in SGD exchange rate (+5 percentage point, calculated from SGD), with all other variables held constant, will have an effect on profit and equity of € 18 thousand (2020: € 8 thousand).

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

14. Financial instruments

Classification and measurement

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

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

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

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

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

Initial recognition and measurement

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

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

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

Financial assets measured at amortized cost

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

Derecognition of financial assets

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

Financial liabilities

Classification and measurement

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

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

Lease liabilities is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, CM.com's incremental borrowing rate. See note 13.2 for maturity analysis. Generally, CM.com uses its incremental borrowing rate as the discount rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease

payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

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

Derecognition of financial liabilities

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

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

Offsetting of financial instruments

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

Hedging

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

Other disclosures and accounting policies

15. Cash and cash equivalents

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

x € 1,000	31-12-2021	31-12-2020
Bank balances	100,021	40,689
Bank balances held by Stichting Deringelden	22,037	11,815
Cash and cash equivalents in the statement of cash flows	122,058	52,504

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

The bank balances held by Stichting Deringelden relates to Merchants of CM Payments B.V. and ticketing customers and are restricted cash.

All other liquid assets are payable on demand. In 2020: € 160 thousand was not at free disposal of CM.com.

16. Long-term receivables

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

x € 1,000	31-12-2021	31-12-2020
Deposits & other receivables	2,610	1,197
Other participation	60	60
	2,670	1,257
Current portion of long-term receivables	(518)	(361)
	2,152	896

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

x € 1,000	Deposits	Other receivables	Other participation	Total
Carrying amount as at 1 January 2020	384	267	60	711
Movements:				
Loans granted	–	614	–	614
Repayments	–	(370)	–	(370)
Paid deposits	165	–	–	165
Acquisitions	(50)	–	–	(50)
Released deposits	191	–	–	191
Currency difference	(4)	–	–	(4)
Carrying amount as at 31 December 2020	686	511	60	1,257
Movements				
Loans granted / advance payment	–	1,531	–	1,531
Repayments	–	(503)	–	(503)
Paid deposits	438	–	–	438
Released deposits	(85)	–	–	(85)
Acquisitions	23	–	–	23
Currency difference	9	–	–	9
Carrying amount as at 31 December 2021	1,071	1,539	60	2,670
Current portion 2020	-	(361)	-	(361)
Current portion 2021	-	(518)	-	(518)

As at 31 December 2021 and 31 December 2020 no impairments in value have been recorded.

The other receivables include an undiscounted non-current tax receivable towards the Chinese tax authority for an amount of € 952 thousand. It is expected that this tax receivable is recoverable in full.

Other participation

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

17. Trade and other receivables

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

x € 1,000	31-12-2021	31-12-2020
Trade receivables	24,645	14,724
Trade receivables Stichting Derdengelden	1,223	66
Accrued revenue	20,523	13,364
Other receivables and prepayments	2,935	4,604
	49,326	32,758

Trade receivables

An expected credit loss provision is accounted for in relation to the accounts receivable. This amount is deducted from the accounts receivable. At the reporting date, € 372 thousand is provided for (2020: € 155 thousand). CM.com's exposure to credit risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 13.

Other receivables and prepayments

x € 1,000	31-12-2021	31-12-2020
Prepayments	2,138	3,181
Other receivables	279	1,062
Current portion of long-term receivables	518	361
	2,935	4,604

The prepayments consists of non-trade prepaid invoices.

18. Borrowings

x € 1,000	31-12-2021	31-12-2020
Lease liability	10,053	7,601
	10,053	7,601
Current portion of long term borrowings	(3,709)	(1,837)
	6,344	5,764

A reconciliation of the movement in borrowings is presented below:

x € 1,000	2021	2020
Carrying amount as at 1 January	7,601	31,172
Movements		
Increase in bank loans (via acquisitions)	1,001	—
Increase in lease liability (including acquisitions)	6,720	2,782
Redemptions of bank loans	(1,001)	(14,000)
Redemptions of lease liability	(3,853)	(2,948)
Disposal of lease liability	(415)	—
Movements in revolving credit facility	—	(9,405)
Carrying amount as at 31 December	10,053	7,601
Current portion of long term borrowings	(3,709)	(1,837)
Long term liability as at 31 December	6,344	5,764

The total ending balance of borrowings is related to the lease liabilities as per December 31, 2021 as well as December 31, 2020.

19. Convertible bonds

On 9 September 2021, CM.com issued convertible bonds due September 2026 at 100% of their nominal value in an aggregate principal amount of € 100 million. The convertible bonds have an interest rate of 2% payable semi-annually in arrears in equal instalments on 9 March and 9 September each year, commencing first on 9 March 2022. The convertible bonds have a maturity of five years and a denomination of €100,000 each. The bonds are convertible into ordinary shares at the option of the bondholders during the conversion period ending on the earlier of 7 business days prior to the maturity date or any relevant redemption date. The initial conversion price was set at € 53.30 (30% premium over the reference share price).

CM.com will have the option to redeem all, but not some, of the Bonds for the time being outstanding at their principal amount together with accrued interest, at any time from 24 September 2024 provided that the volume weighted average price of a Share on Euronext Amsterdam shall have exceeded 130% of the conversion price on each of not less than 20 trading days in any period of 30 consecutive trading days. Any outstanding bonds are also redeemable at any time after settlement date if at least 85% of the issued bonds have been converted, settled or redeemed.

The net proceeds received from the issue of the convertible loan notes have been split between the financial liability element and an equity component, representing the fair value of the embedded option to convert the financial liability into equity of CM.com, as follows:

x € 1,000	2021
Proceeds of issue of convertible loan	100,000
Transaction costs	(1,675)
Net proceeds from issue of convertible loan	98,325
Amount classified as equity	(6,793)
Amount classified as liability	91,532
Interest charged (using effective interest rate)	1,116
Carrying amount of liability component at 31 December 2021	92,648

The equity component of € 6.208 (net of tax) has been credited to the option premium on convertible bond reserve. The tax effect includes a Deferred tax liability recognized through equity of €1.698 thousand offset by a related deferred tax asset recognized through equity of € 1.113 thousand (Note 11).

The interest expensed for the year is calculated by applying an effective interest rate of 3,55% to the liability component for the 4 months period since the loan notes were issued. The yield is based on a CCC+ credit rating assigned by Wiserfunding. CapitallQ is consulted in the yields of 5-year bonds with a B or CCC rating, in which 29 US firms underly the CCC yield curve. Subsequently, the CCC+ interest rate is calculated through exponential interpolation.

The liability component is measured at amortized cost. The difference between the carrying amount of the liability component at the date of issue and the amount reported in the reporting at 31 December 2021 represents the effective interest rate less interest paid to that date.

20. Trade and other payables

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

x € 1,000	31-12-2021	31-12-2020
Trade payables	13,857	5,943
VAT and payroll taxes	2,291	1,371
Invoices to be received for services	16,575	11,128
Third party collection payable to content providers	1,647	1,867
Deposits	197	196
Pension contributions	171	111
Payables from Stichting Derdengelden	23,054	11,614
Other accruals	12,812	9,116
	70,604	41,346

The other accruals mainly consists of earn-outs for the acquisitions (€ 4,694 thousand, 2020: € 4,744), non-trade invoices to be received and personnel accrual.

Payables Stichting Derdengelden are the collected amounts from consumers, received on the bankaccounts of the “Stichting derdengelden” to be transferred to the merchants.

21. Contract liabilities

The revenue received in advance consists mainly of prepaid subscription revenue (linear amortized over the contract period) or prepaid CPaaS balances (amortized by usage). The amount as per December 31, 2020 is settled full in 2021. The amount as per December 31, 2021, will be settled full in 2022.

22. Employee benefits

x € 1,000	2021	2020
Wages and salaries	40,613	23,785
Social security charges	6,244	3,624
Pension costs	1,265	812
WBSO subsidy received	(922)	(1,095)
Capitalized development cost	(6,453)	(4,177)
	40,747	22,949

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

x € 1,000	Research & Development	Sales & Marketing	General & Admin	Total
Wages and salaries	11,233	21,390	7,990	40,613
Social security charges	1,909	3,305	1,030	6,244
Pension costs	317	586	362	1,265
WBSO	(922)	—	—	(922)
Capitalized development costs	(6,453)	—	—	(6,453)
	6,084	25,281	9,382	40,747

The average number of employees of CM.com during the year, converted to full-time equivalents (FTE), was 650 (2020: 382), of which 165 FTE are working outside the Netherlands (2020: 74).

The breakdown per department of average FTE is as follows:

	2021	2020
Sales & Marketing	352	192
Research & Development	210	131
General & Admin	88	59
	650	382

Defined contribution pension plans

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

Short-term employee benefits

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

Government grants

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

23. Share based payments

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straightline basis over the vesting period, based on Company's estimate of the number of equity instruments that will eventually vest. At each reporting date, CM.com revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognized in profit or loss 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 for the year.

The following share-based payments schemes existed during the period:

- Long-Term Incentive Plans ("LTIP's") for key individuals in senior leadership positions;
- Short-Term Incentive Plans ("STI") for the management board and several 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

Long-term incentive plan

The Management Board recognizes the importance of its employees to the future success of the Company. A long-term incentive plan ('LTIP') is introduced for key individuals in senior leadership positions. There have been two grants under the LTIPs

- LTIP 2020-2023 granted as at 21 February 2020. During the year ordinary shares were granted to new participants under the same LTIP conditions. Vesting date is 21 February 2023.
- LTIP 2021-2024 granted as at 1 January 2021. During the year ordinary shares were granted to new participants under the same LTIP conditions. Vesting date is 1 January 2024.

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

Key assumptions to the TSR shares 2021:

	January 2021	May 2021
Share price at grant date	31	28.1
Expected volatility	48%	49%
Vesting period	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:

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

The weighted average fair value of the conditional performance options under the:

- LTIP 2021-2023 granted as at January/May 2021 was EUR 64 thousand.
- LTIP 2020-2022 granted as at February/April 2020 was EUR 41 thousand.

The fair value of the LTIP awards granted to employees is recognized as an expense, with a corresponding increase in equity.

Key leadership program

The Key leadership program ("KLIP") was introduced for a small group of employees in key leadership positions. This is a non-recurring program with a long tenure (3 years) and comprise of a cumulative total of 50,000 Ordinary Shares for no consideration (equity settlement). The first grant under this plan was made at 18 March 2020 (25,000 shares), the second grant at 18 March 2021 (15,000 shares). Condition for vesting of the other tranches is continued employment until vesting date. There are no market performance conditions in this plan that effect the vesting. The holding period is 1 year. The grant-date fair value of equity settled share based payments awards granted to employees is recognized as an expense, with a corresponding increase in equity.

Key Person Plan

The Key person program ("KPP") was introduced for a number of key employees within CM.com and comprise ordinary shares for no consideration. The condition for vesting is that the relevant employee continues to be employed by the Company on two years after grant date. There are no market performance conditions in this plan that effect the vesting. The grant-date fair value of equity settled share based payments awards granted to employees is recognized as an expense, with a corresponding increase in equity. Cash settled awards are valued at intrinsic value at 31 December 2021 and recognized as an expense, with a corresponding increase in liabilities.

CM.com Awards Plan

The CM.com Awards Plan has been introduced for some individual remunerations. The condition for vesting is that the relevant employee continues to be employed by the Company at vesting date. There are no market performance conditions in this plan that effect the vesting. The grant-date fair value of equity settled share based payments awards granted to employees is recognized as an expense, with a corresponding increase in equity.

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

	Celebration Share Award Plan	Long-term Incentive Plan	Key person plan	Key leadership plan	CM.com Awards
At 1 January 2020	—	—	—	—	—
Granted	11,835	26,856	13,379	50,000	—
Forfeited	—	—	—	—	—
Exercised	(11,835)	—	—	(25,000)	—
Expired	—	—	—	—	—
At 31 December 2020	—	26,856	13,379	25,000	—
Granted	—	17,240	15,394	—	3,145
Forfeited	—	—	(753)	—	(155)
Exercised	—	—	(487)	(15,000)	(1,406)
Expired	—	—	—	—	—
At 31 December 2021	—	44,096	27,533	10,000	1,584

None of the outstanding shares are exercisable at 31 December 2021.

Cash-settled share-based payments

The Group issues to certain employees share appreciation rights (SARs) that require the Group to pay the intrinsic value of the SAR to the employee at the date of exercise. The Group has recorded liabilities of EUR 215 thousand (2020: EUR 138 thousand). The Group recorded total expenses of EUR 144 thousand (2020: EUR 152 thousand). The total intrinsic value at 31 December 2021 EUR 27.80 (2020: EUR 31.00).

Costs

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

x € 1,000	2021	2020
LTIP (equity settled)	331	115
KPP (equity settled)	219	94
KPP (cash settled)	144	71
KLIP (equity settled)	59	327
KPP CM shares (equity settled)	64	—
Celebration shares (equity settled)	—	201
Celebration shares (cash settled)	—	81
	817	889

24. Other operating expenses

x € 1,000	2021	2020
Housing costs	1,532	819
Operating costs	4,323	2,501
Office expenses	48	39
Car expenses	240	150
Marketing and sales expenses	8,044	2,524
Other staff costs	6,606	2,921
General costs	4,791	2,894
	25,584	11,848

The capitalized development costs have partly been allocated to the other operating expenses (€ 2,242 thousand (2020: € 1,532 thousand) and mainly relate to cost for workspace and IT expenses.

In the housing costs a total of € 764 thousand (2020: € 185 thousand) regards to short-term leases. In the car expenses a total of € 116 thousand (2020: € 73 thousand) regards to short-term leases. Low value leases are not applicable.

In 2020 an amount of € 1.7 million is included in other operating expenses for one-off IPO-related costs.

25. Financial income and expenses

Financial income

x € 1,000	2021	2020
Bank interest received	8	2
Fair value gains	1,744	—
Other interest received	96	63
Currency results	204	—
	2,052	65

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

Financial expenses

x € 1,000	2021	2020
Bank interest paid	142	3,198
Interest on convertible bond	1,116	—
Fair value losses	2,270	—
Interest expense earn out liability	375	—
Other interest paid	204	201
Currency results	—	174
	4,107	3,573

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

26. Commitments and guarantees

Guarantees

As of 31 December 2021, the legal entities that are part of the group have granted guarantees amounting to € 67 thousand (2020: € 160 thousand).

27. Group structure, related parties and remuneration key management Personnel

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

Name	Registered office	Principal activities	Share in issued share capital	Note
CM.com N.V.	Breda (The Netherlands)	Holding company	100%	
CM.com Netherlands B.V.	Breda (The Netherlands)	Mobile telecom. services	100%	
CM.com International B.V.	Breda (The Netherlands)	Voice services	100%	
CM Payments B.V.	Breda (The Netherlands)	Payments processing	100%	
CM Platform B.V.	Breda (The Netherlands)	R&D	100%	
Global Ticket B.V.	Breda (The Netherlands)	Ticketing services	100%	
Elitech Group B.V.	Breda (The Netherlands)	Holding company	100%	
The Selfservice Company B.V.	Breda (The Netherlands)	Conversation platform services	100%	
The Selfservice Company Solutions B.V.	Breda (The Netherlands)	Conversation platform services	100%	
ROBIN Software B.V.	Breda (The Netherlands)	Customer services	100%	
SEPASoft B.V.	Breda (The Netherlands)	Point of Sale Gateway	100%	1
PayPlaza B.V.	Breda (The Netherlands)	Point of Sale Gateway	100%	1
PayPlaza Gov Solutions B.V.	Breda (The Netherlands)	Point of Sale Gateway	100%	1
Your Ticket Provider B.V.	Breda (The Netherlands)	Ticketing services	100%	2
Get-a-Ticket B.V.	Breda (The Netherlands)	Ticketing services	100%	2
Tracedock B.V.	Breda (The Netherlands)	First Party Data collection	100%	3
CM.com R&D 1 B.V.	Breda (The Netherlands)	R&D	100%	
CM.com R&D 2 B.V.	Breda (The Netherlands)	R&D	100%	
CM.com R&D 3 B.V.	Breda (The Netherlands)	R&D	100%	
CM.com R&D 4 B.V.	Breda (The Netherlands)	R&D	100%	
CM.com R&D 5 B.V.	Breda (The Netherlands)	R&D	100%	
CM.com R&D 6 B.V.	Breda (The Netherlands)	R&D	100%	
CM.com R&D 7 B.V.	Breda (The Netherlands)	R&D	100%	
CM.com R&D 8 B.V.	Breda (The Netherlands)	R&D	100%	
CM.com R&D 9 B.V.	Breda (The Netherlands)	R&D	100%	
CM.com R&D 10 B.V.	Breda (The Netherlands)	R&D	100%	
CM.com R&D 11 B.V.	Breda (The Netherlands)	R&D	100%	
CM.com R&D 12 B.V.	Breda (The Netherlands)	R&D	100%	
CM.com R&D 13 B.V.	Breda (The Netherlands)	R&D	100%	

Name	Registered office	Principal activities	Share in issued share capital	Note
CM.com Belgium N.V.	Zaventem (Belgium)	Mobile telecom. services	100%	
Appmiral BVBA	Mechelen (Belgium)	Ticketing services	100%	4
CM Telecom Germany GmbH	Frankfurt (Germany)	Mobile telecom. services	100%	
CX Company GmbH	Düsseldorf (Germany)	Conversation platform services	100%	
CM Telecom UK Ltd.	London (UK)	Mobile telecom. services	100%	
Elitechnology Limited	London (UK)	Conversation platform services	100%	
CM Telecom France SAS	Paris (France)	Marketing and sales office	100%	
CM Telecom Hong Kong Ltd.	Hong Kong (China)	Marketing and sales office	100%	
CM Telecom Shenzhen Co. Ltd.	Shenzhen (China)	Marketing and sales office	100%	
CM Telecom Singapore Private Ltd.	Singapore (Singapore)	Marketing and sales office	100%	
CM.com Japan K.K.	Tokyo (Japan)	Marketing and sales office	100%	
CM Telecom South Africa Ltd.	Cape Town (South Africa)	Marketing and sales office	100%	
CM.com US Inc.	Wilmington, Delaware (USA)	Marketing and sales office	100%	
CM Telecom FZ-LLC	Dubai (UAE)	Marketing and sales office	100%	
CM Communication Platform & Technology, S.L.U.	Barcelona (Spain)	Marketing and sales office	100%	
PayPlaza Espana S.L.	Madrid (Spain)	Point of Sale Gateway	100%	1
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%	
CM.COM Mexico, S. de R.L. de C.V.	Mexico City (Mexico)	Marketing and sales office	100%	5
CM.com Brasil Ltda.	Sao Paulo (Brasil)	Marketing and sales office	100%	6
CM.com Kazakhstan Limited Liability Company	Almaty (Kazakhstan)	Marketing and sales office	100%	7
CM.com Denmark AS	Copenhagen (Denmark)	Marketing and sales office	100%	8

¹ These entities were acquired on 17 March 2021 by CM.com Netherlands B.V.

² These entities were acquired on 1 April 2021 by CM.com Netherlands B.V.

³ This entity is acquired on 1 July 2021 by CM.com Netherlands B.V.

⁴ This entity is acquired on 1 November 2021 by CM.com Belgium N.V.

⁵ This entity was incorporated on 18 May 2021 (99% via CM.com International B.V. and 1% via CM.com N.V.)

⁶ This entity was incorporated on 18 November 2021 by CM.com N.V.

⁷ This entity was incorporated on 17 September 2021 by CM.com N.V.

⁸ This entity was incorporated on 18 November 2021 by CM.com N.V.

Related parties

CM.com has a rental agreement with CM Campus B.V. For 2021 € 0.8 million was paid as rent (2020: € 0.8 million). The rental charged by CM Campus B.V. is at arm's length. CM Campus B.V. is related by its shareholders (2 members of the Management Board of CM.com N.V.) The outstanding balance of the current account as at 31 December 2021 was € 4 thousand (2020: € 2 thousand). The total outstanding balance related to leases as at 31 December 2021 was € 3,997 thousand (2020: € 4,615 thousand). Of these leases a total of € 634 thousand is short-term (2020: € 617 thousand).

Transactions with key management personnel

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

Remuneration management board

x € 1,000	2021	2020
Short-term employee benefits	1,248	989
Post-employment benefits	16	11
Share based payments	124	47
	1,388	1,047

Remuneration supervisory board

x € 1,000	2021	2020
Compensation	168	108
	168	108

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

28. Auditor's remuneration

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

x € 1,000	Deloitte
Audit fees	733 ⁵
Other services	—
	733

The comparative figures for 2020 are as follows:

x € 1,000	Deloitte
Audit fees	556
Other services	—
	556

⁵ Including the audit fees with respect to the statutory audits of CM.com Netherlands B.V. and CM Payments B.V., 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 € 208 thousand (2020: € 143 thousand).

29. Critical accounting judgments and estimations

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

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

Critical judgements in applying the Group's accounting policies

Revenue

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

Covid-19

The pandemic had mixed effects on our business in 2021. On average, however, we saw a positive financial contribution from Covid-19 related services. Our voice solutions enabling consumers to call or to be called by organizations was in high demand in the Netherlands, driven by voice services provided to the Dutch government for Covid-19 testing and vaccination appointments. On the other hand, growth of our Payments and Ticketing business was subdued due to the various lockdowns. This has limited the number of events and festivals.

For 2022, we expect an uptick in payment and ticketing volumes due to the reopening of venues and the return of events, while the contribution of Covid-19 related voice volumes has most probably seen its peak.

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

Key sources of estimation uncertainty

Impairment of non-financial assets

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

A forecast period of five years is used for the value in use calculation. The cashflow projections are based on the financial forecast approved by the Management Board, covering a three-years period (2022-2024). The cashflow projections beyond that three year period have been extrapolated using a 30% annual revenue growth rate as a basis, which is in line with our mid-term revenue guidance. The Management Board has assessed the reasonableness of the assumptions on which its current cash flow projections are based. It therefore considers cash flow projections over a period longer than three years to be reliable.

Useful lives of non-current assets

The useful lives have to be determined for intangible assets and property, plant and equipment. The useful lives are estimated based upon best practice within CM.com. CM.com reviews the remaining useful lives of its non-current assets annually. The uncertainty included in this estimate is that the useful lives are estimated longer than the actual useful live of the intangible assets and property, plant and equipment, which could possible result in accelerated Amortization and depreciation in future years and/or impairments at the end of the actual useful live of the related intangible assets and property, plant and equipment. In 2021 CM.com reassessed the useful lives of the capitalized development costs. See note 5 for more information.

Taxes

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

Business combinations and purchase price allocations

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

As stated in note 9, for the entities which were acquired in 2020 and 2021 an earn-out has been included in the PPA. When determining the fair value of the earn-out, several assumptions and judgments were made regarding the estimated future revenue and cash flows of these acquisitions and therefore the future cash-out for the earn-out.

30. Subsequent events

Acquisition

We expect to finalize the acquisition of Building Blocks Holding B.V. (Building Blocks) a couple of days after publication of the annual report 2021. Building Blocks is an unlisted company based in the Netherlands, specialized in AI technology. The purpose of the acquisition is to increase the SaaS activities of CM.com.

Russia

We adhere to all international sanctions that are applicable to our organization. Currently, we are in the process of setting up a sales office in Russia. In order to do so, we have contracted five employees that are supporting us with these activities. As a good employer, we have decided to not terminate these contracts. As from the start of the conflict, we have put our commercial activities in Russia on hold and are closely watching the developments. Further, we have evaluated the possible impact on the operations of CM.com and deem this to not be material.

31. Changes in presentation

Change in accounting policies

New standards, amendments and/or interpretations to existing IFRS standards became effective in 2021. These new standards, amendments and interpretations, as far as they are relevant, have no impact on the valuation and classification of assets and liabilities of the Group, nor on its income statement or cash flows.

In April 2021 the IFRS Interpretations Committee (IFRIC) published an agenda decision clarifying how arrangements in respect of a specific part of cloud technology, Software as a Service (SaaS), should be accounted for. The guidance clarified whether an identifiable controllable asset arises from a software as a service (SaaS) arrangement. The IFRIC guidance states that in most cloud computing arrangements configuration and customization costs should be expensed as incurred. This is on the basis that the customer does not create an asset as the customer does not control the software being configured and/or customized and this does not create a resource that is controlled by the customer that is separate from the software of the vendor. However, in some circumstances the arrangement may result in, for example, additional code from which the customer has the power to obtain the future economic benefits and to restrict others access to those benefits. In that case the customer assesses whether the additional code results in an identifiable asset that meets the recognition criteria under IAS 38 (Intangible Assets). A review of the accounting for SaaS arrangements was undertaken in light of this guidance. This review did not result in any material adjustments to the financial statements.

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 January 1, 2022. 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 2021

(After proposal of appropriation of result)

Assets x € 1,000	Note	31-12-2021	31-12-2020
Intangible Assets	1	2,943	3,306
Property, plant and equipment	2	1,713	2,124
Right-of-use assets	3	6,655	7,753
Financial fixed assets	4	32,694	38,017
Total Non-current assets		44,005	51,200
Receivables, prepayments and accrued income	5	100,497	64,485
Cash and cash equivalents		74,545	17,976
Total Current assets		175,042	82,461
Total Assets		219,047	133,661

Equity and liabilities	Note	31-12-2021	31-12-2020
Share Capital		1,730	1,724
Legal reserve		20,626	18,148
Share premium reserve		124,794	122,691
Equity component of convertible bonds		6,208	—
Other reserves		708	(180)
Accumulated deficits		(35,988)	(21,991)
Total Equity	6	118,078	120,392
Convertible bond		92,648	—
Provisions	7	—	—
Deferred tax liability	8	1,654	959
Financial liabilities	9	3,417	4,350
Total Non-current liabilities		97,719	5,309
Current liabilities, accruals and deferred income	10	3,250	7,960
Total Current liabilities		3,250	7,960
Total Equity and Liabilities		219,047	133,661

Corporate statement of profit or loss and other comprehensive income for the year ended 31 December 2021

x € 1,000	Note	2021	2020
Employee benefits expenses	10	(1,104)	(1,078)
Amortization and depreciation	1/2/3	(1,865)	(1,888)
Other operating expenses		(4,156)	(538)
Operating Loss		(7,125)	(3,504)
Financial income	11	1,706	595
Financial expenses	11	(1,284)	(3,417)
Loss before tax		(6,703)	(6,326)
Income tax		(1,476)	1,648
Loss after tax		(8,179)	(4,678)
Result participations		(8,180)	10,759
Net result for the year		(16,359)	6,081
Other comprehensive income, net of tax		888	(65)
Total comprehensive income		(15,471)	6,016

Notes to the Corporate financial statements

General accounting principles for the preparation of the financial statements

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

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

Financial fixed assets

Associated companies in group companies in which significant influence is exercised on the business and financial policy, are valued under the net equity value, but not lower than nil. This net asset value is based on the same accounting principles as applied by CM.com N.V. Where no significant influence is exercised associated companies are valued at cost and if applicable less impairments in value.

Associated companies with a negative net equity value are valued at nil. If the company fully or partly guarantees the liabilities of the associated company concerned, or has the effective obligation respectively, to enable the associated company to pay its (share of the) liabilities, a provision is formed if the recognition criteria are met. Receivables are mainly receivables on subsidiaries. The expected credit losses, if any, are eliminated in the carrying amount of these receivables (according to DAS 100.107a).

Share in result of participating interests

Where significant influence is exercised over associated companies, CM.com's share in the associated companies' results is included in the profit and loss account. This result is determined on the basis of the accounting principles applied by CM.com N.V.

Notes to the specific items of the corporate balance sheet

1. Intangible fixed assets

A summary of the movements of intangible fixed assets is given below:

x € 1,000	Goodwill	Customer relation	Other	Total
Costs				
At 31 December 2019	1,487	2,993	3,204	7,684
Divestments	—	—	(59)	(59)
At 31 December 2020	1,487	2,993	3,145	7,625
Additions	—	—	—	—
Divestments	—	—	—	—
At 31 December 2021	1,487	2,993	3,145	7,625
Amortization and Impairment				
At 31 December 2019	504	2,277	1,158	3,939
Amortization	—	299	81	380
At 31 December 2020	504	2,576	1,239	4,319
Amortization	—	299	64	363
Divestments	—	—	—	—
At 31 December 2021	504	2,875	1,303	4,682
Net book value				
At 31 December 2020	983	417	1,906	3,306
At 31 December 2021	983	118	1,842	2,943
Estimated useful lives (years)	indefinite	10	10 / indefinite	

There is no impairment charged to the result for the financial year (2020: € 0).

2. Property, plant and equipment

The movements in the tangible fixed assets are as follows:

	Platform	Furniture & fixtures	Vehicles	Hardware & software workplace	Leasehold improvements	Total
x € 1,000						
Costs						
At 31 December 2019	2,502	1,109	146	1,002	441	5,200
Additions	146	41	—	34	11	232
Divestments	—	—	(42)	—	(33)	(75)
At 31 December 2020	2,648	1,150	104	1,036	419	5,357
Additions	—	—	—	1	—	1
Divestments	—	—	—	—	—	—
At 31 December 2021	2,648	1,150	104	1,037	419	5,358
Depreciation						
At 31 December 2019	1,450	527	99	636	127	2,839
Depreciation	184	73	10	134	35	436
Divestments	—	—	(42)	—	—	(42)
At 31 December 2020	1,634	600	67	770	162	3,233
Depreciation	185	74	7	109	37	412
Divestments	—	—	—	—	—	—
At 31 December 2021	1,819	674	74	879	199	3,645
Net book value						
At 31 December 2020	1,014	550	37	266	257	2,124
At 31 December 2021	829	476	30	158	220	1,713
Estimated useful lives (years)	10	10	5	5	10	

3. Right-of-use assets

The movements in the right-of-use assets are as follows:

x € 1,000	Land and buildings	Platform (hardware)	Platform (software)	Vehicles	Total
Costs					
At 31 December 2019	5,408	2,123	1,127	159	8,817
Additions	422	950	—	—	1,372
Ending of lease agreements	(60)	—	—	—	(60)
At 31 December 2020	5,770	3,073	1,127	159	10,129
Additions	—	—	—	—	—
Ending of lease agreements	—	—	—	—	—
At 31 December 2021	5,770	3,073	1,127	159	10,129
Depreciation					
At 31 December 2019	683	404	226	47	1,360
Depreciation	653	291	112	20	1,076
Ending of lease agreements	(60)	—	—	—	(60)
At 31 December 2020	1,276	695	338	67	2,376
Depreciation	657	308	113	20	1,098
Ending of lease agreements	—	—	—	—	—
At 31 December 2021	1,933	1,003	451	87	3,474
Net book value					
At 31 December 2020	4,494	2,378	789	92	7,753
At 31 December 2021	3,837	2,070	676	72	6,655

4. Financial fixed assets

x € 1,000	31-12-2021	31-12-2020
Participations in group companies:		
CM.com Netherlands B.V.	10,052	17,764
CM Payments B.V.	10,930	11,195
CM.com Belgium N.V.	3,308	2,944
CM.com Denmark A/S	54	—
Communication Platform India Private Limited	18	—
	24,362	31,903
Receivables from associated companies	2,829	2,762
Other participations	60	60
Deposits	50	50
Deferred tax assets	5,393	3,242
	5,503	3,352
Total financial fixed assets	32,694	38,017

A summary of the movements in the financial fixed assets is given below:

x € 1,000	Participations in group companies	Receivables from associated companies	Other
Carrying amount as at 31 December 2020	31,903	2,762	3,352
Movements			
Share in result of group companies	(7,602)	—	—
Increase	55	67	—
Conversion to exchange rate	6	—	—
Addition to deferred tax asset	—	—	2,151
Carrying amount as at 31 December 2021	24,362	2,829	5,503

As at 31 December 2021 and 31 December 2020, no impairments in value have been recorded.

Total share in result of group companies according to profit and loss amounts to € 8.180 thousand, € 578 thousand relates to revaluation of foreign participations in group companies and a derecognition of a provision.

See note 27 of the consolidated statement of financial position the overview of group of legal entities.

Receivables from associated companies

In 2015, CM.com granted a loan to CM Telecom UK Ltd. of GBP 1.15 million and a loan to CM Telecom Germany GmbH of € 412.5 thousand, with a maturity of 4 years. The interest rate is 6%.

In 2017, CM.com granted a loan to CM Telecom France SAS of € 1.25 million, with a maturity of 4 years. The interest rate is 4%.

The loans above are unsecured and have no stipulated date of repayment..

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

5. Receivables, prepayments and accrued income

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

x € 1,000	2021	2020
Accounts receivable	626	25
Group companies	98,872	63,872
Affiliated companies	4	2
Prepayments	183	439
Taxes	812	147
	100,497	64,485

The interest charged on the current account group companies is 2% (2020: 2.1%). There is no repayment schedule agreed and no securities are granted. The current account relations will be relieved periodically.

6. Shareholders' equity

Pursuant to Dutch law, limitations exist relating to the distribution of equity attributable to equity holders. Such limitations relate to the share capital and legal reserves (capital development cost and foreign translation reserve) required by Dutch law as presented below.

	Share capital	Share premium reserve	Equity component of convertible bonds	Capitalized development costs	Foreign currency translation reserve	Accumulated deficit	Total
x € 1,000							
Balance at 1 January 2020	414	—	—	13,764	(115)	(8,339)	5,724
Profit for the year	—	—	—	—	—	6,081	6,081
Movement of reserve	—	—	—	4,384	—	(4,384)	—
Other comprehensive income	—	—	—	—	(65)	—	(65)
Proceeds on issuing new shares	1,241	104,556	—	—	—	(13,430)	92,367
Conversion warrants	48	12,457	—	—	—	—	12,505
IPO/ABB Costs including tax impact ⁶	—	—	—	—	—	(2,956)	(2,956)
Issuance of shares related to business combinations	21	5,478	—	—	—	500	5,999
Issuance of shares to employees	—	200	—	—	—	537	737
Balance at 31 December 2020	1,724	122,691	—	18,148	(180)	(21,991)	120,392
Result for the year	—	—	—	—	—	(16,359)	(16,359)
Movement of reserve	—	—	—	2,478	—	(2,478)	—
Other comprehensive income	—	—	—	—	888	—	888
Convertible bond (net of tax) ⁷	—	—	6,208	—	—	—	6,208
Issuance of shares related to business combinations	5	1,972	—	—	—	4,299	6,276
Issuance of shares to employees	1	131	—	—	—	541	673
Balance at 31 December 2021	1,730	124,794	6,208	20,626	708	(35,988)	118,078

⁶ IPO expenses resulted in a deferred tax asset of € 985 thousand (Note 11.2).

⁷ The equity component of the convertible bond (€ 6.793 thousand) is presented net of tax (note 19). It includes a Deferred tax liability recognized through equity of €1.698 thousand offset by a related deferred tax asset recognized through equity of € 1.113 thousand (Note 11).

Retained earnings can be reconciled with the consolidated financial statements as follows:

x € 1,000	2021	2020
Accumulated deficits as per consolidated financial statements	(35,575)	(22,925)
Cumulative share in loss of negative participations as at 1 January	19,082	10,770
Share in loss of negative participations	1,131	8,312
Capitalized development costs	(20,626)	(18,148)
Accumulated deficits as per corporate financial statements	(35,988)	(21,991)

Net result can be reconciled with the consolidated financial statements as follows:

x € 1,000	2021	2020
Net result as per consolidated financial statements	(17,490)	(13,001)
Derecognition provisions participations	–	10,770
Share in loss of negative participations	1,131	8,312
Net result as per corporate financial statements	(16,359)	6,081

7. Deferred tax liabilities

Deferred tax liabilities mainly relates to the valuation of the convertible bond.

x € 1,000	2021	2020
Carrying amount as at 1 January	959	830
Originating taxable temporary differences	1,654	129
Reversal of taxable temporary differences	(959)	–
Carrying amount as at 31 December	1,654	959

8. Financial liabilities

For an explanation of the long-term debt, please refer to the Note 18 of the consolidated statement of financial position.

9. Current liabilities, accruals and deferred income

x € 1,000	2021	2020
Group companies	—	5,985
Trade accounts payable	353	246
Other taxes	—	12
Pension contribution	—	(11)
Accruals and deferred income	1,926	575
Current portion of borrowings	971	1,153
	3,250	7,960

The interest charged on the current account group companies is 2% (2020: 2.1%). There is no repayment schedule agreed and no securities are granted. The current account relations will be relieved periodically. The accruals are mainly short-term in nature.

Commitments

The parent company is jointly and severally liable for the liabilities of the whole group to the banks.

The parent company is part of a fiscal unity for corporate income tax and for that reason it is jointly and severally liable for the tax liabilities of the fiscal unity as a whole.

10. Employee benefits

The employee benefits mainly consist of long-term share based payment plans and short-term incentive plans. The board is remunerated via CM.com Netherlands B.V. (see note 27 of the consolidated financial statements and remuneration report).

All tables as included in the remuneration report are seen as part of the financial statements and are audited.

11. Financial income and expenses

Financial income relates to interest on receivables on Group companies (note 5). Financial expenses mainly consists of interest expenses on the convertible bond (note 25 of consolidated statements).

12. Subsequent events

There are no company specific subsequent events.

Proposed appropriation of result for the financial year 2021

The Management Board proposes, with the approval of the Supervisory Board, that the result for the financial year 2021 should be transferred to reserves.

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 2021 included in the annual accounts

Our opinion

We have audited the financial statements for the year ended 31 December 2021 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 2021, and of its result and its cash flows for the year ended 31 December 2021 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 2021, and of its result for the year ended 31 December 2021 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 2021.
2. The following statements for the year ended 31 December 2021: the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows.
3. The notes comprising a summary of the accounting policies and other explanatory information.

The corporate financial statements comprise:

1. The corporate statement of financial position as at 31 December 2021.
2. The corporate statement of profit or loss and other comprehensive income for the year ended 31 December 2021.
3. The notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

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

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

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

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information as included in the following paragraphs supporting our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at € 2.8 million. The materiality is based on 1.2% of consolidated revenue. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons. We agreed with the Supervisory Board that misstatements in excess of € 140 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.

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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

In accordance with the Dutch Standards on Auditing, we are responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatements, whether due to fraud or error. Non-compliance with law and regulation may have a material effect on the financial statements as it may result in fines, litigation or other consequences for CM.com N.V.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the entity and its environment and the system of internal control, including:

- the risk assessment process;
- management's process for responding to the risks of fraud and monitoring the system of internal control;
- how the Supervisory Board exercises oversight.

We also obtained understanding of the outcomes of these processes.

We evaluated the design and implementation and where relevant operating effectiveness aspects of the system of internal control and in particular the fraud risk assessment, including the code of conduct, whistle blower procedures and incident registration. We evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We involved Deloitte's forensic specialists in these processes. We evaluated the design and the implementation and, where considered appropriate, tested the operating

effectiveness, of internal controls designed to mitigate fraud risks.

In connection with the presumed risks of financial statement fraud, we considered fraud in relation to management override of controls, including evaluating whether there was evidence of bias by the Management Board and other members of management. Our procedures include an assessment of the the selection and application of accounting policies by the group, particularly those related to subjective measurements and complex transactions, as these may be indicative of fraudulent financial reporting. With respect to the element of bias, we evaluated whether the judgments and decisions made by management in making the accounting estimates included in the financial statements represent a risk of fraudulent material misstatement. We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance. For significant transactions we evaluated whether the business rationale of the transactions suggests that they may have been entered into to engage in fraudulent financial reporting or to conceal misappropriation of assets. We performed a retrospective review of management judgments and assumptions related to significant accounting estimates reflected in prior year financial statements. Useful lives of non-current assets and business combinations including purchase price allocations is a significant area to our audit as these are subject to significant management judgment.

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 refer to section "Risk Management – defining and managing risk" of the management report for management's fraud risk assessment and section "Supervisory Board committees" of the Supervisory Board report in which the Supervisory Board reflects on this fraud. We obtained written representations that all known instances of (suspected) fraud and other irregularities have been disclosed to us.

Management insights, estimates and assumptions that might have a major impact on the financial statements are disclosed in note 29 of the financial statements.

Our procedures did not lead to indications for fraud potentially resulting in material misstatements.

Audit approach risks of compliance with laws and regulations

We differentiate our audit approach between two categories:

- Rules and regulations that directly impact the financial reporting.
- Rules and regulations that indirectly may have material impact on the financial statements.

In the first category, we considered adherence to (corporate) tax law and financial reporting regulations including the requirements under International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and Part 9 of Book 2 of the Dutch Civil Code. These directly impact the financial statements and are integral to our audit.

In the second category, we considered other laws and regulations where the consequences of non-compliance could have a material effect on amounts and/or disclosures in the financial statements, for instance, through imposed fines or litigation. This category includes regulations specifically for payment service providers in relation to the payment licenses of CM Payments B.V.

Our procedures are more limited with respect to laws and regulations that do not have a direct effect on the determination of the amounts and disclosures in the financial statements. Compliance with these laws and regulations may however be fundamental to the operating aspects of the business, to CM.com N.V.'s ability to continue its business, or to avoid material penalties (e.g., compliance with the terms of payment licenses) and therefore non-compliance with such laws and regulations may have a material effect on the financial statements. Our responsibility for these matters that indirectly impact the financial statement is limited to:

- (i) Inquiry of the Management Board, the Supervisory Board, the Compliance Officer, the Risk Officer and others within the Company as to whether the Company is in compliance with such laws and regulations.
- (ii) Inspecting correspondence, if any, with the relevant licensing or regulatory authorities to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements.
- (ii) Request and obtain written representations that all known instances of (suspected) fraud or non-compliance with laws and regulations have been disclosed to us.

We remained alert to indications of non-compliance throughout the audit.

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. The Management Board 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). 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.

We have obtained management’s assessment of the entity’s ability to continue as a going concern, and their assumptions. As part of our procedures, we evaluated underlying assumptions and models. We concur with management’s use of the going concern basis of accounting in the preparation of the consolidated financial statements.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The matters considered as key to our audit are consistent with those identified in the prior year with the exception of the key audit matters related to the audit of the opening balance of CM.com and the consolidation of foundations as of 2020. Information Technology and financial reporting is also not considered as a key audit matter anymore. Last year we have spent substantial time and effort to understand the IT systems as these are integral to the business processes. This year we observed only limited changes and we leveraged on our prior year knowledge.

Key audit matter – Accounting for acquisitions

Description

As set out in note 9 to the consolidated financial statements, CM.com N.V. completed four acquisitions which classify as business combinations (IFRS 3) in 2021:

- In March 2021, CM.com N.V. acquired 100% of the shares and voting rights of SEPASoft B.V. and its group companies (trade name PayPlaza).
- In April 2021, CM.com acquired 100% of the shares and voting rights of Your Ticket Provider B.V. and Get a Ticket B.V. (YTP).
- In July 2021, CM.com N.V. acquired 100% of the shares and voting rights of TraceDock B.V.
- In November 2021, CM.com N.V. acquired 100% of the shares and voting rights of Appmiral BVBA.

IFRS 3 requires management to apply judgement and use assumptions in determining the fair value of identified assets and liabilities and to determine the resulting goodwill to be recognized. The intangible assets identified in all four business combinations as part of the purchase price allocation are developed software (referred to as the platform) and customer relations. Goodwill is also recognized for all acquired companies. Management estimates are particularly relevant in the estimation of future cash flows, the discount rate and the earn-out estimation. The purchase price allocation for all acquisitions is provisional in the 2021 annual report, as reflected in note 9 to the consolidated financial statements.

How the key audit matter was addressed in the audit

The Management Board of CM.com N.V. engaged a valuation expert to assist them in the purchase price allocation for the acquisition of PayPlaza. Management used the methodology of the valuation experts for the valuation of the three other (smaller) acquisitions.

We performed substantive audit procedures on the purchase price allocation in line with IFRS 3. We inspected the Share Purchase Agreements and other relevant legal documentation, evaluated management's identification of assets and liabilities acquired, tested the reliability of data used and challenged management key assumptions (future cash flows, the discount rate and the earn-out estimation) in determining the fair value of the intangible assets and the deferred considerations.

We engaged Deloitte valuation experts to assist us in assessing the appropriateness and mathematical accuracy of the model used for all four acquisitions and for evaluating the appropriateness of the discount rates applied to the cash flow projections and the deferred consideration for PayPlaza. In addition, we validated the appropriateness and completeness of disclosures related to the acquisitions, as included in note 9 to the consolidated financial statements.

Observations

Based on our materiality and procedures performed and in the context of the audit of the consolidated financial statements as a whole we observed that IFRS 3 requirements regarding recognition and valuation of assets and liabilities in the purchase price allocation of the PayPlaza, YTP, Tracedock B.V. and Appmiral BVBA acquisition were met and are appropriately disclosed in note 9 to the consolidated financial statements.

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. Internal capitalized development costs are significant to the audit given the net book value involved of € 21 million as per December 31, 2021. In 2021, the capitalized internal costs (primarily payroll costs of developers) amount to € 8.6 million. In 2021, the company employed approximately 350 fte’s within the research and development department (note 22).

Development expenditures on an individual project are recognized as an intangible asset in so far it is available for use, it is expected to generate future economic benefits and if expenses can be measured reliably. These assessments require management judgement.

CM.com reassessed the useful lives of its capitalized development costs in 2021 per operating segment. The useful life until 2020 was estimated at 10 years. For 2021 useful lives of some categories have been decreased and now range from 5 to 10. This change in estimate is prospectively adjusted as per January 1st, 2021, increasing the amortization expenses with € 3.4 million.

Due to estimates involved in the reassessment of the useful life and the judgement in capitalization of development costs, we identified this as a key audit matter.

How the key audit matter was addressed in the audit

Our audit work included, amongst others, inquiry with management and developers to increase our business understanding around internal controls and segregation of duties, the recognition criteria, management of projects and the hourly rate used to calculate the amounts capitalized.

CM.com is in the process of formalizing its internal controls on hour registrations and on the recognition of development hours. In 2021 that was not yet operating effectively. Accordingly we adopted a non-control reliance approach and were required to perform extensive substantive audit procedures. Statistical techniques have been used to select samples to test if the additions were properly capitalized or expensed in the profit and loss statement. The input factors of the applied hourly rate are challenged and reconciled to supporting documentation to assess the rate is accurate and complete conform IAS 38.

We evaluated the appropriateness of the reassessment of the useful life changes by evaluating the input factors, calculations and models and performed a benchmark against key competitors.

We performed audit procedures to verify for the assets with a remaining net book value per year-end that the assets recorded were still in operation, generating economic benefits, and we obtained reasonable assurance that the remaining useful life is appropriate.

Our assessment of the impairment test covering the goodwill and all intangible assets revealed substantial headroom and no indications for impairments.

We also evaluated the adequacy of the company’s disclosures in note 5 of the financial statements.

Observations

The scope and nature of our procedures performed were appropriate and sufficient to address the risk of material misstatement in relation to the capitalization and amortization of the development costs and the disclosure requirements conform IAS 8 and IAS 38 were properly met in note 5.

Report on the other information included in the annual accounts

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

- Management Board's Report.
- Other Information as required by Part 9 of Book 2 of the Dutch Civil Code.
- Other information.

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

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

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

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

Management is responsible for the preparation of the other information, including the Management Board's Report in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

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

No prohibited non-audit services

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

European Single Electronic Reporting Format (ESEF)

CM.com N.V. has prepared its annual report in ESEF. The requirements for this are set out in the Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion, the annual report, prepared in XHTML format, including the partially marked-up consolidated financial statements, as included in the reporting package by CM.com N.V. complies in all material respects with the RTS on ESEF.

Management is responsible for preparing the annual report including the financial statements in accordance with RTS on ESEF, whereby management combines the various components into a single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF.

Our procedures, taking into account Alert 43 of the NBA (the Netherlands Institute of Chartered Accountants), included amongst others:

- obtaining an understanding of the company's financial reporting process, including the preparation of the reporting package;
- 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 management and the Supervisory Board for the financial statements

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

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

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

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

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

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

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

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

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identified during our audit. In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Supervisory Board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Eindhoven, March 9, 2022

Deloitte Accountants B.V.

J. Hendriks

Colophon.

Concept & Design

CF Report

Project management

Report Company

Text and editing

CM.com

Emma Foster

Photography

Wessel de Groot

