# **TOGETHER** FOREFRONT OF INIOVATION

### **CM.com at a Glance**

CM.com (Euronext Amsterdam: CMCOM) is a global leader in cloud software for conversational commerce that enables businesses to deliver a superior customer experience. Our communication and 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 satisfaction.

Our technology is designed to enhance people's lives – to better connect people to each other and to the services and goods they want. In 2024, our technology continued to benefit society in many ways: from supporting government and healthcare agencies to enabling businesses to improve the customer experience of their clients, to helping event organizers deliver great events with an outstanding customer experience, and beyond.

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

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

#### **ESEF Filing**

The CM.com N.V. annual report 2024 ESEF filing is available in the annual reports section on our website (www.cm.com). This copy of the 2024 Annual Report is not in the ESEF format as specified by the European Commission in the Regulatory Technical Standard on ESEF (Regulation (EU) 2019/815).

DME | CONTENTS | AGENTS OF CHANGE | MANAGEMENT BOARD REPORT | GOVERNANCE | SUSTAINABILITY STATEMENTS | FINANCIAL STATEMENTS

### **Contents**

CEO Message	4	Sustainability Statements	108
Profile	5	General	111
Together at the Forefront of Innovation	6	Environmental	120
Agents of Change	7	EU Taxonomy Report	126
Highlights 2024	9	Social Impacts	132
		Governance	140
Management Board Report	10	ESRS Content Index	143
An Interview with Jeroen Van Glabbeek, CEO CM.com	11	List of data points that derive from other EU legislation	149
Mission & Vision	13		
Strategy	15	Financial Statements	150
An Interview with Gilbert Gooijers, COO CM.com	19	Consolidated Financial Statements	152
People and Culture	21	Notes to the Consolidated Financial Statements	156
Business Units	28	Corporate Financial Statements	187
An Interview with Jörg de Graaf, CFO CM.com	55	Notes to the Corporate Financial Statements	189
Guidance to the Market	57		
Results 2024	58	Other Information	196
Shareholder Value Creation	64	Independent Auditor's Report	198
		Definitions and Abbreviations	208
Governance	66		
Corporate Governance	67		
Risk Management & Compliance	73		
Supervisory Board Report	83		
Remuneration Report	94		

HOME | CONTENTS | AGENTS OF CHANGE | MANAGEMENT BOARD REPORT | GOVERNANCE | SUSTAINABILITY STATEMENTS | FINANCIAL STATEMENTS

### **CEO Message**

Dear reader,

Overall, 2024 marked an important step in our "path to profitability" journey, which began when we took CM.com public in 2020. The efficiencies realized in 2023, together with the implementation of our new organizational structure (see *Management Board Report*), enabled us to achieve consistent topline growth by delivering on our mission of making life easier, safer, and more beautiful.

This collective effort is reflected in our results. I am proud to report that we have achieved our goal to grow our Normalized EBITDA to the top end of the guided € 16-18 million, reach a record level in our Gross profit, and become Free Cash Flow positive in the second half of the year (see <u>Results and Key Figures 2024</u>). The theme of this year's report, "At the Forefront of Innovation," was chosen to reflect the commitment, ingenuity, and collaboration of everyone at CM.com that has made this progress possible.

#### **Delivering Exceptional Value Together**

An entrepreneurial mindset has been key to our growth from the beginning. Our first-ever product was a service that allowed venue promoters to send SMS messages directly to clubbers to publicize events, rather than simply handing out paper flyers. That success taught us a valuable lesson: the better you listen and the closer you get to the customer and the end user, the easier it is to deliver solutions that meet their needs.

By reorganizing our company around our four key disciplines – Connect, Engage, Pay, Live – we have been able to get even closer to the needs of our clients and their customers (see *Management Board Report*). This closeness has enabled us to create even more seamless, compelling, and hyper-personalized customer journeys for a wide range of clients, from multinational retailers to international icons (see *Highlights 2024*).

#### Unified Platform, Unified Experience

The new organizational structure has also allowed us to provide a more cohesive offering: a single platform where clients can manage all aspects of customer-brand interactivity. This makes it easier for clients to scale up their CM.com stack to meet their changing business needs. Throughout the year, we have seen the value of this highly interconnected and complementary approach in terms of improving both cross-selling and churn rates. By doubling down on cross-functional alignment, we have the right products, the right sales strategy, and the right relationships with clients (see <a href="Strategy">Strategy</a>).

This strong connectivity will become even more important as we pursue our strategy to become an AI-First company in 2025. Generative AI (GenAI) is already deeply embedded across the CM.com ecosystem – from gathering insights using our Customer Data Platform to providing your customer service personnel with instant answers to questions or automating marketing workflows. Our vision, which is rapidly becoming a reality, is for clients to be able to create individual marketing plans for all of their customers.

#### **Dedicated to Deployability**

But as hyper-personalization in consumer communications shifts from an optional extra to an expected standard, CM.com's focus on deployability will become even more critical. By ensuring that our solutions are easy to implement for both our customers and end users, we can continue to prove our value to clients in an increasingly sophisticated technology landscape. Whether we are developing Point of Sale (POS) solutions that meet the needs of outdoor vendors or implementing agentic workflows, we believe that streamlining the client's onboarding journey is key to optimizing the customer journey.

This emphasis on deployability goes hand in hand with our purpose of making new technologies accessible to all. After all, our value to clients depends on the value we provide to society at large, ensuring that every element of the customer experience is as seamless and compelling as possible. One aspect of this is the growing importance of regionalization around the world. This means it has never been more important to work closely with clients to ensure that our products are adapted to different cultural contexts.

#### Transparency and Sustainability at the Forefront

Of course, being at the forefront of innovation is not just about the advanced solutions we deliver. It is also about how we manage our social and environmental impact. I am proud to say that this is our first report published in compliance with the European Union's Corporate Sustainability Reporting Directive (CSRD). The reporting process has been both highly detailed and highly informative.

Bringing corporate sustainability reporting in line with financial reporting in terms of standardization is key to enabling more in-depth monitoring of companies' impacts. Importantly, CSRD reporting goes beyond environmental sustainability to include social and governance topics, from supply chain to corporate strategy. This holistic focus means that we can use the insights gained through the reporting process to optimize our strategy from an environmental, social, and governance perspective – and continue to create exceptional value for all our stakeholders.

Jeroen van Glabbeek CEO CM.com

CM.com Annual Report 2024 4

### **Profile**

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

CM.com is organized in four business units, being Connect, Engage, Pay and Live and provides a messaging platform for channels such as SMS, Over the Top (OTT), WhatsApp Business, Apple Business Chat, Google RCS, Facebook Messenger, Viber, and voice channels, such as Voice API and SIP. CM.com aspires to let businesses use personalization on a scale throughout their whole customer journey, together with a fully integrated payment setup.

CM.com is a licensed Payments Service Provider (PSP) and offers card payments, domestic payment methods, and integrated payment methods, including WeChat Pay. With 666 FTE and 23 offices in 15 countries globally, CM.com's platform provides fully integrated solutions based on a privately owned cloud and 100% in-house developed software, ensuring scalability, time-to-market, and global redundancy.



Fully Integrated offering of software solutions with a communication and payments platform



One of the first CPaaS companies with a range of AI tools and use cases



One of the few Payment Services Providers with a full tech stack to acquire and process payments



One of the largest providers in WhatsApp messaging globally











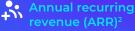




1 Gross margin 2024
30.3%

Total 2024 revenue

€ 274.2m







5%

<sup>1</sup> Year-End 2024

<sup>2</sup> Represents the annual recurring revenue streams from customers at the end of the period, related to subscription-based product pricing.

<sup>3</sup> Represents the ratio of revenue from CPaaS customers that generated more than € 10,000 in revenue in the preceding year, but generated less than € 10,000 in the current year or were no longer customers in the current year compared to total revenue in the previous year.

## Together at the Forefront of Innovation

This year's theme underscores our ability to see opportunities before others do and our power to turn these opportunities into swift, decisive action.

We like to think of ourselves as inventors. We experience and analyze societal developments and challenges – but also possibilities. Exploring opportunities of every size, we strive to make life easier, safer, and more beautiful through technology that benefits us all.

For 25 years, we have led the way in a tough market, achieving this position through the wealth of innovation and creativity our people bring to work every day. Throughout our journey, we have never become caught up in old ways of thinking but have always kept looking at what was needed to refine processes and experiences at every touchpoint in the customer journey. We like to cross boundaries.

What started as an innovative communication solution for a local Belgian nightclub has now blossomed into a wide range of products that empower people to communicate, buy, experience, and engage all around the globe. All born out of the urge to innovate. All based on real-life experiences and market insights relevant to consumer needs.

In a world that can change in the blink of an eye, resilience is found in the ability to adapt quickly and anticipate problems and opportunities ahead of time.

With more than 700 pairs of eyes keeping watch in 15 countries, we stay on our toes and remain attuned to all levels of society and all cultures. All these experiences give us new insights and help to keep us at the forefront of the latest developments. Our DNA, with entrepreneurship and proactivity at its core, enables us to move with speed and agility, capturing new opportunities.

We innovate together.

Together. At the Forefront of Innovation.

CM.com Annual Report 2024 6

AGENTS OF CHANGE

MANAGEMENT BOARD REPORT

**GOVERNANCE** 

A CONTEMPLATION ON CM.COM IN THE ERA OF AI AGENTS.

### What happened so far

Al taking off has always been a prerequisite for CM.com's vision. Our 2019 IPO prospectus already highlighted this:

"Al is expected to have a considerable impact on the future of conversational commerce, as it can automate and optimize routine processes through generating and analyzing vast amounts of data."

By 2022, we had built one of the broadest product portfolios in the world through strategic acquisitions and organic R&D in Conversational AI, Contact Center, and Marketing AI. While each standalone product earned analyst recognition, the integrated combination was where the magic was and still is todav.

In December 2022, the ChatGPT moment was a wake-up call for many people to realize what enthusiasts had already seen unfolding: Al should really be able to do anything. And eventually will. We were quick to move on this watershed moment with the launch of our RAG-platform, fully integrated with all our SaaS products. We've continued pushing since. with our big February 2025 product launch being a testimony to our capability to stay ahead.

#### What's next

In the two years that followed the ChatGPT moment, the popular press oscillated between two extremes: "AGI is coming this year" and "The party is over, it was all a hype". Both got eyeballs – and both were false. As Amara's Law states, technology is always overestimated in the short-term and under-estimated in the long term. In 2025, at the start of the Agentic Era, we'll all come to realize that this short-term is over now.

As organizations move from text-only chatbots to multi-modal Agentic Systems that can perform actions, the B2B world will have its aha-moment. Getting stuff done is how economic value is created - if we just sit around and chat all day, nothing happens. Organizations that quickly adopt these technologies will gain efficiency and competitive advantages, forcing others to follow or fade out.

This new era in which AI systems can act feels like the final piece of the puzzle to achieve what CM.com has been aiming for since its founding: one platform that weaves together Communication, Commerce and Customer Engagement. As we lay this final piece, we're moving towards our CEO's vision: "CM.com, the last software you'll ever buy".

Four key trends are converging to make this possible. Let's explore them in detail.



#### Consolidation of software

The B2B software market has transformed since Marc Andreessen's 2011 essay "Software is Eating the World," which preceded the SaaS boom. While this boom initially led to fragmented, multi-vendor

landscapes where "best-of-breed" was the only path to quality, the market is now consolidating rapidly. Organizations are moving away from managing multiple vendors, recognizing that maintaining complex application landscapes creates unnecessary overhead in procurement, IT, Business Intelligence, and the accounts payable department.

While CM.com's individual products have each earned recognition from major analysts (Juniper, Everest Group, Frost and Sullivan, Forrester, IDC, and Gartner), it's the combination of these proven products that creates unique value.

What was once criticized as "spreading too thin" has become a strategic advantage, as customers increasingly seek integrated solutions rather than standalone products.



### "Right-sizing" organizations is making the enterprise descend to other **Independent Software Vendors.**

As AI drives workforce efficiency, large enterprises are "right-sizing" and shifting from expensive. consultantawav

dependent enterprise software toward more streamlined solutions. Historically, large organizations justified high costs for customizable enterprise software because adapting thousands of employees to standardized solutions was more expensive. Now, with smaller workforces and Al-driven operations, they're gravitating toward midmarket platforms that offer user-friendly interfaces and intuitive features without the complexity. CM.com is uniquely positioned for this shift. While traditionally focused on midmarket, our products have enterprise-grade security and compliance features while maintaining their user-friendly core. Rather than CM.com moving upmarket, enterprise customers are moving to us, attracted by accessible, efficient solutions that suit their evolving needs as they become leaner organizations.



#### The Conversation as an Interface

User-friendly software isn't just about clean interfaces - it's increasingly about natural conversation. Most humans master talking by age two, making conversation the most intuitive way to interact with technology.

Instead of forcing users to navigate complex websites or learn new interfaces, conversational AI now enables direct, efficient interactions through simple questions and answers.

Instead of us changing our ways to talk to computers, computers change their ways to talk to us. Beyond that even, we're getting into the territory of cases where they don't need any instructions at all.

CM.com has been at the forefront of this evolution since 1999. from pioneering A2P SMS to becoming today's most channel-agnostic vendor. With Al's capabilities advancing rapidly, our deep expertise in CPaaS, CCaaS, Conversational Al and MarTech, combined with our Payments and Ticketing solutions, enables true end-to-end Conversational Commerce. This vision has remained unchanged; the world is simply catching up as the technology matures to make it possible.

ME | CONTENTS | **AGENTS OF CHANGE** | MANAGEMENT BOARD REPORT | GOVERNANCE | SUSTAINABILITY STATEMENTS | FINANCIAL STATEMENTS



### The transition from "traditional software" to AI

In 2017, Jensen Huang (NVIDIA) declared "Software is eating the World, but AI is going to eat Software." Since then, AI has evolved remarkably, becoming more capable with

every resource invested. This isn't just another technology trend - it's the future of innovation itself.

While many companies are developing AI agents, the key difference lies in how these agents operate within a broader ecosystem. Our agents work as intelligent connectors throughout our entire product portfolio, with unique advantages that only end-to-end ownership can provide. They're context-aware by default, understanding profiles, conversations, and transactions through our integrated products, enabling true automation with minimal human intervention.

The transition to AI-First software requires traditional user interfaces and AI capabilities - companies don't transform overnight. Our broad, integrated portfolio positions us uniquely for this evolution. While new AI-only startups are just beginning to build comprehensive platforms, we already have the foundation: deep AI expertise, extensive product integration, and 25+ years of conversational experience.

Unlike competitors who either lack product breadth, Al capabilities, or focus on increasingly rare large-enterprise cases, CM.com is purposefully designed to lead this transition to Al-driven business solutions.

### Some final thoughts

Despite the digital revolution transforming our world - where tech companies dominate global markets and digital interfaces are ubiquitous - we haven't yet seen the profound productivity gains one might expect.

As Robert Solow noted in 1987: "You can see the computer age everywhere but in the productivity statistics."

That's about to change. With AI that can act, not just chat, we're entering a new era of unlimited digital labor. Our roadmap for 2025-2026 introduces two types of AI agents: bounded agents for operational tasks and unbounded agents for creative work. Starting with our Agent Studio and Governance App, and expanding throughout the year, these solutions will be fully integrated with our existing products.

We're calling this new product family "HALO" - symbolizing a bright light guiding our clients through the AI transition. As digital conversations and transactions surge, they'll need to be seamlessly connected and autonomously operated. CM.com, with its market position, broad portfolio, and AI expertise, is uniquely positioned to lead this transformation - one that truly promises to be as significant as the industrial revolution.

All in all, we are now more than ever, ready to be at the forefront of innovation once again. Are you?

> Read Full Article



/IE | CONTENTS | AGENTS OF CHANGE | MANAGEMENT BOARD REPORT | GOVERNANCE | SUSTAINABILITY STATEMENTS | FINANCIAL STATEMENTS

### Highlights of 2024

## CM.

### JAN.

At the beginning of 2024, CM.com launched its business unit structure to improve internal alignment and cross-selling opportunities.

### APR.

GenAl became a greater part of the offering in Engage, as over **50% of all new proposals included an Al solution**.

### MAY

For the first time
ever, CM.com sent out
more WhatsApp
messages than SMS on a
daily basis, following the
execution of the largest
WhatsApp campaign
worldwide to date.



### **JULY**

Several visible order wins: a POS deal with a dutch retail-chain store, a multi year software deal with Prénatal Netherlands and an exclusive deal with event venue location Hedon.

### AUG.

CM.com's offline
card payment technology
was successfully introduced
during the Dutch Grand
Prix, ensuring payments
under all circumstances,
also when internet
connections are difficult
to establish.

### OCT

Launch of the AI Playground: Ventures could explore CM.com's AI tools in a controlled environment.

### DEC.

Notre-Dame
re-opens after years of rebuilding the cathedral.
CM.com has been selected to provide the booking system for regulation of admission, which is free of charge for the public.

# MANAGEMENT BOARD REPORT

### An Interview with Jeroen Van Glabbeek, CEO CM.com

In 2024, we saw strong progress across all four of our business units, with many major client wins and key innovations that will be critical to our growth in the coming years. For example, this year saw the widespread integration of GenAl capabilities across our portfolio. This has led to significant improvements in the customer experience for our clients – both by providing even more detailed consumer insights at scale and by enabling conversations that are tailored in real-time based on context and tone of voice. In Q2, we also became the largest WhatsApp Business messaging center in the world, underscoring the exceptional global reach of our conversational commerce offering.

Meanwhile, in Live, we secured several major contracts. In Pay, we launched our own in-house payment processing platform, which means our payment systems are now directly connected to Visa and MasterCard. Processing payments with no intermediary will enable us to innovate faster and operate more cost-efficiently to deliver even greater value to our clients. We also brought to market a new point-of-sale (POS) system, Offline Pin, which allows vendors to accept payments even without an internet connection, enabling fully cashless events. These developments contributed to the strong organic growth that we achieved in 2024.

#### Consolidate to Win

Another key growth driver has been consolidation on the client side. Thanks to our "one CM.com platform" approach, we are ideally positioned to service this trend. More clients are looking to shift from complex, multi-vendor software ecosystems to simplified solution stacks that can be more easily adapted to their needs – one platform that lets them "do it all." This was the case with one of our large food and beverage clients. Initially, they were using our Mobile Marketing Cloud in just four markets.

This year, they scaled up and deployed our solution in 28 new countries around the world. Having seen the benefits of a more uniform marketing stack, they plan to expand it globally in 2025.

Of course, providing an offering that reflects and anticipates client needs requires an agile and innovative organization. Following the full rollout of our new organizational structure this year, we have taken the next important step in this direction. With functions organized around capabilities, we now have smaller teams, clearer KPIs, and faster product development. In addition, more functions are involved earlier in the development process, making it much easier to share feedback and get buy-in across the organization. The product and the go-to-market strategy are effectively developed in tandem, resulting in offerings that are more robust, more relevant to our clients, and more market-ready.

### **Agility and Cohesion**

The independence and flexibility provided by the business unit model are critical to maintaining CM.com's agility and entrepreneurial spirit as we expand globally. However, strong collaboration *between* the business units is equally important to ensure that we continue to move forward together. By sharing knowledge and learning from each other, we can maximize our value to clients. For example, thanks to our advanced AI capabilities, we are now able to design and build branded ticket shops in seconds instead of hours. By sharing this knowledge through the dedicated collaboration channels we have created, we ensure that efficiencies like this are implemented as widely as possible.

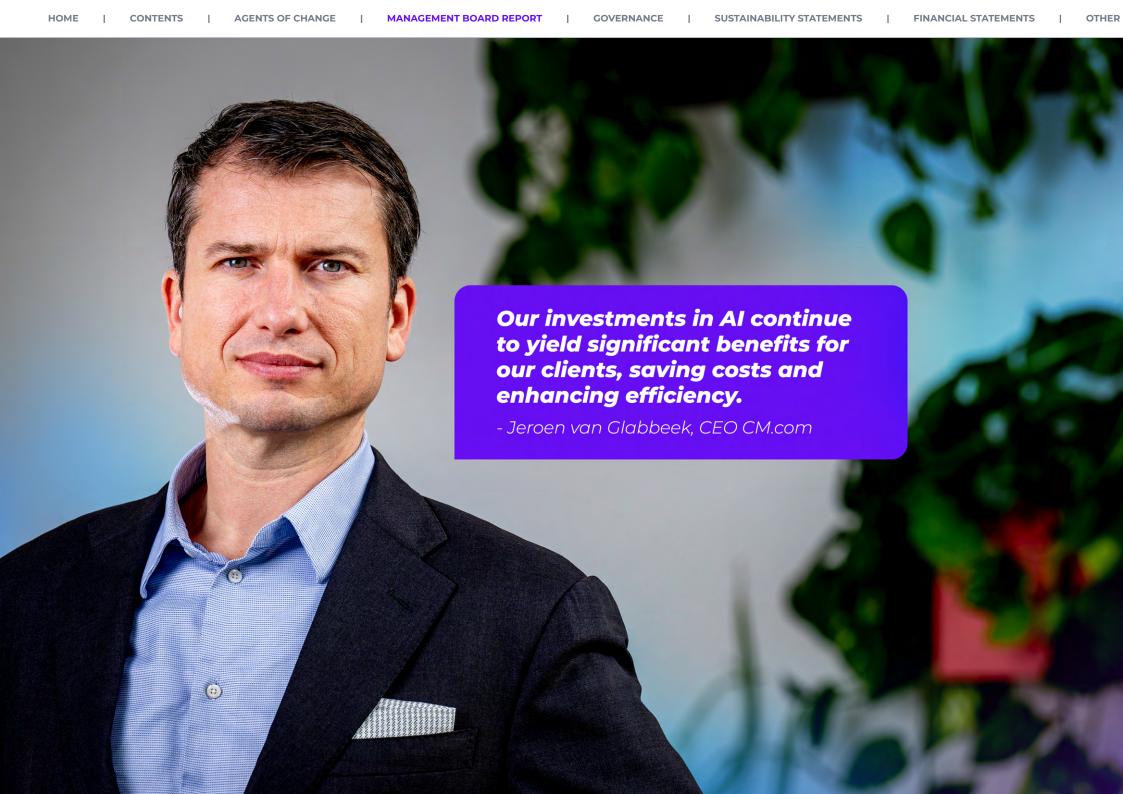
Our investments in AI continue to yield significant benefits for our clients, thanks to our AI-enabled products. During 2024, we focused on developing our next-generation AI deployment solution that will enable even greater efficiencies for users: AI agents that can both create strategies and execute them. In addition, to make AI even more accessible to clients, we launched our AI Playground service in 2024, allowing clients to experiment with the many possibilities it offers. This created the foundation for HALO in 2025.

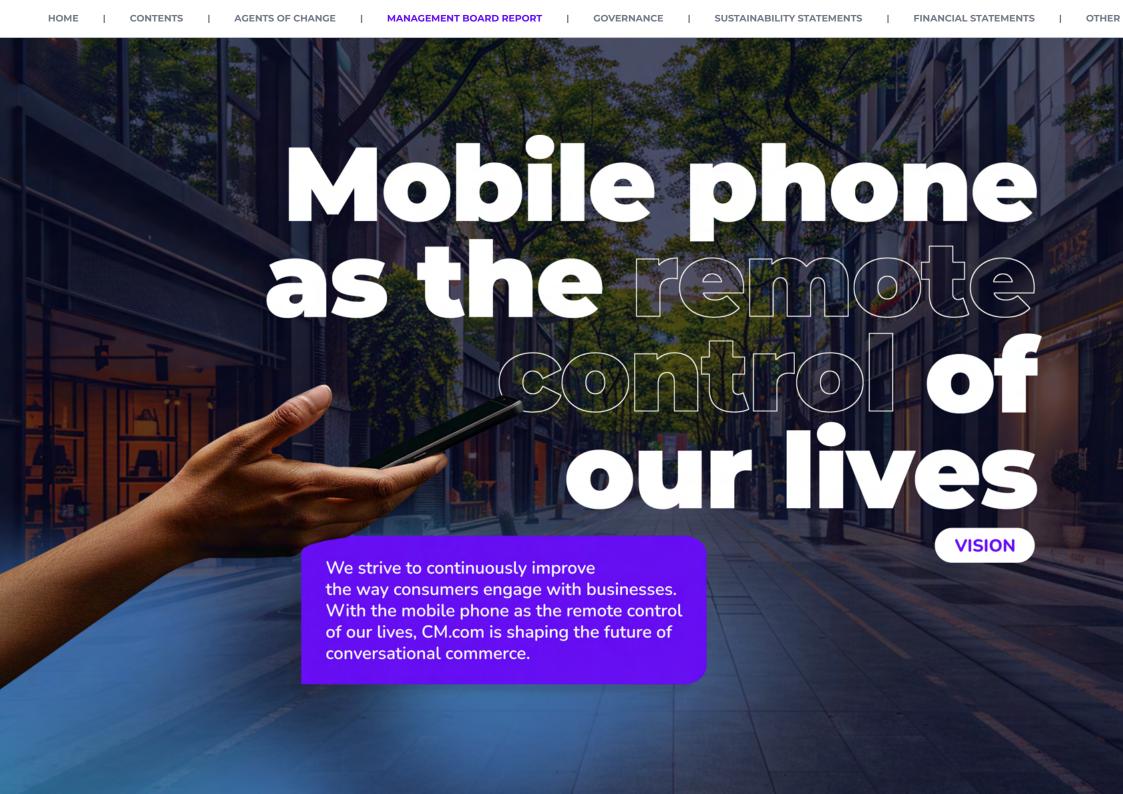
#### Simplicity at Scale

One of the key differentiators of the CM.com offering is the simplicity of our solution ecosystem. When we entered the market 25 years ago, the landscape was dominated by vendors whose systems often took companies years to onboard. We differentiated ourselves by offering a smart, simple, and easily scalable ecosystem that allowed clients to be up and running in months. However, a shorter onboarding time is no longer a novelty. What continues to set us apart is the seamless interoperability that enables clients to easily expand their CM.com stack in line with their growth ambitions.

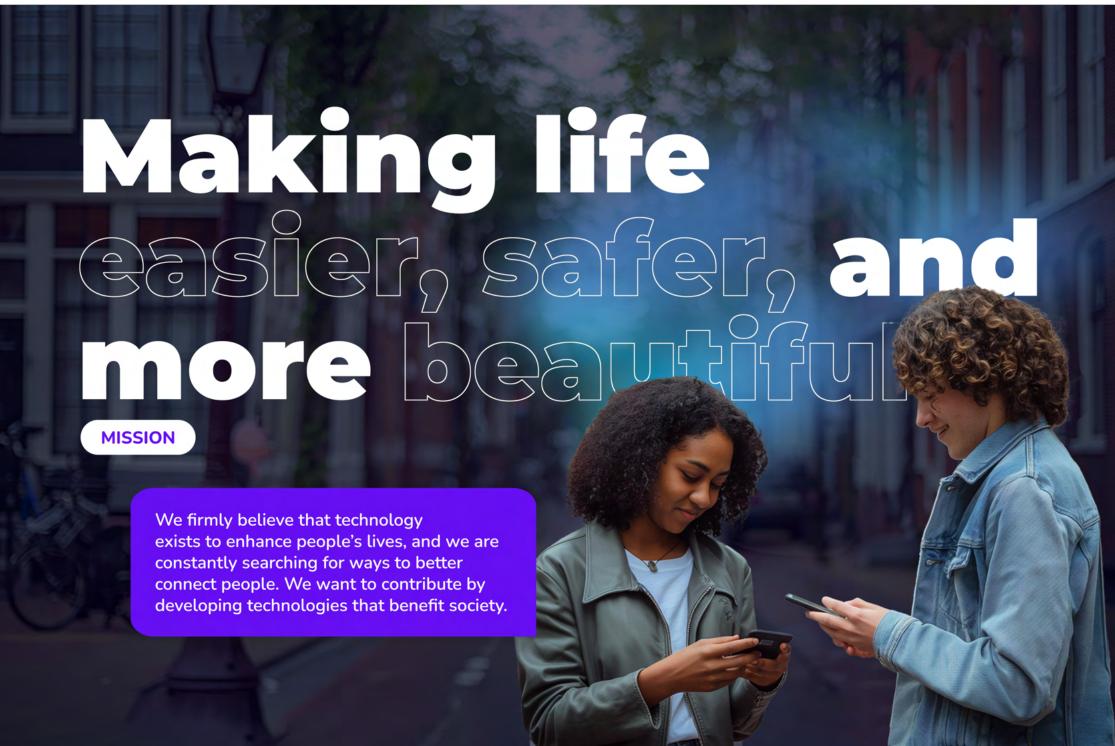
In fact, we expect our growth in the coming years to be largely driven by the products that we have already developed or are about to release. This means that a significant portion of the value we add will come from the way we make these solutions deployable and interconnectable. Therefore, by maximizing the collaborative interactions that take place within our company, we can keep optimizing the customer interactions that enable us to drive progress for our clients. In this way, we continue our mission of making technology more accessible to all, bringing benefits to both businesses and society at large.

CM.com Annual Report 2024 11









ME | CONTENTS | AGENTS OF CHANGE | <mark>MANAGEMENT BOARD REPORT</mark> | GOVERNANCE | SUSTAINABILITY STATEMENTS | FINANCIAL STATEMENTS

### **Strategy**

In 2024, CM.com celebrated its  $25^{th}$  anniversary. Over the past 25 years, our mission has always been, and still is, to make life easier, safer, and more beautiful. Through the use of state-of-the-art technology, CM.com realizes deeper and more meaningful connections between businesses and their customers.

Ever since we founded CM.com, we have walked a path full of in-house-developed innovations; whether it was a platform to send SMS at the start of a user journey, or the introduction of mobile payments via QR codes; the possibility to order tickets with your mobile phone; the introduction of apps and new communication channels; or the use of Al in the software stack. All of these examples of the evolution of our technology have improved the connection between companies and end users. We call all of this conversational commerce.

The strategy of CM.com has always been focused on creating solutions that add value to its clients. The range of possibilities has expanded rapidly in recent years. Looking at where we stand now, our strategy is entering a new phase of accelerated growth. After having focused on creating new products at scale and achieving profitable growth in recent years, CM.com now sees ample possibilities to boost growth.

What's more, technology is starting to enable mass communications on a personal level through the use of Al. We saw SMS as our main opportunity 25 years ago, but now a personal conversation can continue across multiple channels (WhatsApp, RCS, Messenger), involving a large group of people simultaneously. This creates the opportunity to deliver an exceptionally convenient and truly intuitive customer journey. When using products that match their needs, consumers feel better-serviced, more personally engaged, and better understood. Furthermore, these technologies are unlocking a new level of seamlessness. CM.com is keenly aware of the opportunities provided by evolving technologies and consumer behaviors, and this is where we will focus our growth ambitions.

### **Our Business Model: Seamless Experiences**

Our business model focuses on adding value to our clients through the use of mobile technology. Above all, CM.com aims to provide the best solutions for our clients: solutions that enable them to seamlessly connect with end-users and serve their customers in the best way. The constant development of new mobile applications adds additional layers of functionality to our integrated platform, further optimizing the possibilities for our client base. Following internal restructuring last year, our four business units now work together to create value for our clients even more effectively. Currently, we have completed the first two phases of our strategy, and we are now entering a growth acceleration phase.

Looking at market trends, we can see that AI has changed the way people work and that corporations are increasingly seeking vendor consolidation.

CM.com is reacting to this market trend for vendor consolidation by delivering a broader set of solutions on one integrated platform and with a global reach.

As we have completed our operational efficiency improvement plan, we will now focus CM.com's growth strategy around the following three pillars:

- 1. Grow partnerships.
- 2. Operate from one platform.
- 3. Act as an Al-First company.

#### Value Creation

With the global reach of CM.com and its unique value proposition, CM.com wants to strengthen its financial base further. The strategic plan is based on expected Gross profit growth and cost controls in line with our mid-term guidance, which focuses on generating EBITDA and cash flow while allowing for continued growth investments.

The end product that CM.com offers is an exceptional and complete customer experience. We enable our clients to realize this through collaborative and iterative client relationships that offer near-unlimited potential for growth. Our growth model is designed as a positive feedback loop that allows us to create ever-closer connections with end users. This, in turn, leads to a deeper understanding of consumer preferences and behaviors, which is a major strategic asset.

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

In our value-creation model, we combine the use of capital, the superior level of our technology, and best-in-class talent to provide state-of-the-art solutions to our growing client base. Cross-selling the different products of our four business units into the right product and service is where our strength lies. For example, CM.com launched the Playground AI tool in 2024 to allow companies to test how AI can connect with their business.

This development paved the way for the launch of our Agentic AI studio, called <u>HALO</u> in 2025. HALO went live at the beginning of 2025, facilitating clients to create their own AI agents. These agents will be able to execute processes without having to learn how to prompt or write code, and adopting this technology will enable companies to better service and connect with clients. Moreover, they will be able to do this through multiple communication channels, including WhatsApp and RCS. If a transaction is established, clients can directly complete the transaction with a payment, all on one platform. This shows the strength of our value creation model.

HOME | CONTENTS | AGENTS OF CHANGE | MANAGEMENT BOARD REPORT | GOVERNANCE | SUSTAINABILITY STATEMENTS | FINANCIAL STATEMENTS

CM.com also developed an in-house payment processing platform, which connects directly to Visa and Mastercard. This link is rather unique. Whereas most other payments platforms connect to a proxy platform for transactions, our direct link with Visa and Mastercard creates efficiency improvements that allow us to offer faster, more flexible, and more integrated solutions for our clients. By continuously investing in developments like these, we ensure that our end-to-end offering stays at the forefront of innovation and that we add the most value to our clients and their needs.

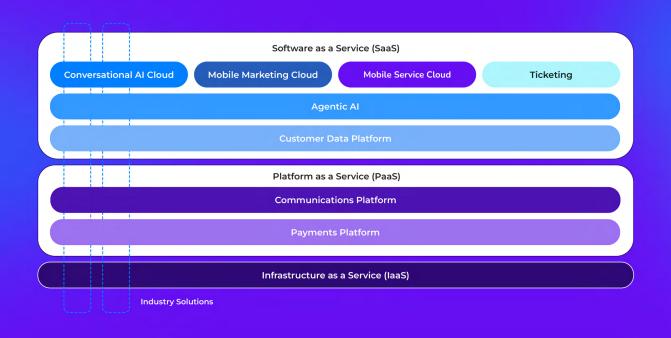
### **Enterprise-Ready Compliance**

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

### Sustainability

CM.com has constantly been working on improving the way it operates. That means that CM.com constantly evaluates the working conditions for its workforce, which is a key asset. Creating the right atmosphere for our employees to encourage them to act in an entrepreneurial way and to deploy their talents is key to improving our performance as a firm. To execute our growth strategy, providing the right conditions for our personnel to do their job is key, as is mitigating our GHG footprint. The way to achieve this is described as part of our <u>sustainability statements</u>. Everything is focused on durability, on being able to do your job in the right environment without putting pressure on our environment. In our sustainability statements, our focus points and results under the CSRD show that we are on the right track.

Remaining at the forefront of innovation while innovating sustainably.



### **Think Global, Act Local**



Our go-to-market strategy focuses on the ultimate combination of building globally and locally. By integrating global reach with a local presence, we increase our client proximity to deliver the optimal customer experience. Our strategy is to ensure that we have presence and knowledge in the geographies in which we see the most opportunities. These local offices, staffed by locally knowledgeable and connected employees, enable us to operate effectively in these countries and regions, supported by our Global Marketing and Sales support team based in the Netherlands. Our global customer base is growing significantly outside of EMEA, highlighting strong international revenue streams in 2024.

Countries where Our local offices we are situated around the world

15

24

1 Year-End 2024

### **Value Creation**

Laser focus approach with a high degree of adaptivity and collaboration to bridge the gap between technology and society.

### **Resource Input**

### **Created Value**



### **Financial**

Economic Capital



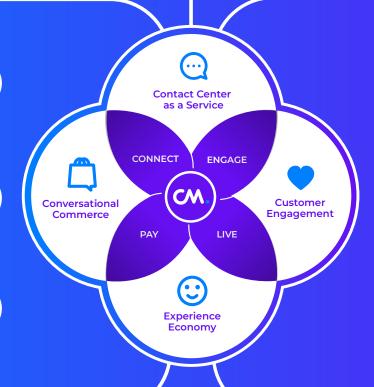
### Technology

\_\_\_Technological Capital



### **People**

— Human Capital



Provide solutions to **support optimal customer experiences** in all their needs

Provide multiple solutions **on one platform** to improve communications

Create a corporate culture where **entrepreneurship of employees** is being encouraged

Enable employees to **grow their talents** in the best way possible

**Encourage leadership** and young talent development

Provide **high quality cybersecurity** to ensure a safe environment to communicate

Contribute to a safer and cleaner world

Provide state-of-the-art technology and Al-First products

### An Interview with Gilbert Gooijers, COO CM.com

Some people may find it hard to believe that an organization of over 650 FTEs can maintain an agile mindset and an entrepreneurial spirit. CM.com has kept both, and they have enabled us to remain at the forefront of innovation for the past 25 years. In 2024, we took our biggest step yet to ensure we maintain this leadership position by introducing our new organizational structure.

This structural change is designed to both reflect our long-term growth ambitions and enable us to develop products that are not only smarter and faster but also better integrated and more interoperable – delivering greater value to all our stakeholders as we continue to expand. To achieve this, each of our four business units has been set up to operate similarly to a "scale-up" company. This allows us to have the best of both worlds: agile, empowered decision-making combined with the scale of a multinational.

### Closer to Colleagues, Closer to Clients

As with every development at CM.com, customer-centricity is at the heart of this initiative. Each of the four business units corresponds directly to a different part of our offering, from AI agents to ticketing. This means each capability has been allocated its own multidisciplinary team, dedicated management structure, and profit and loss (P&L) responsibility.

This gives our people the tools, support, and independence they need to take greater ownership of their work, creating the ideal environment for all of our capabilities to thrive.

What's more, being closer as an organization means we can also get closer to our clients. With shorter lines of communication, streamlined cross-functional collaboration, and greater leadership proximity to the R&D process, we're better able to align our offerings with market needs. For example, insights gained from a sales relationship can now be incorporated more quickly into the development or optimization of a solution.

By putting the right people in the right configuration, we can deliver better-adapted products to the verticals we serve. But success also depends on taking a broader perspective.

#### Agility at Scale

Our leadership structure is an example of this. Although each business unit has its own leadership team, regular cross-unit leadership meetings are held throughout the year. These provide an opportunity to discuss trends, challenges, and opportunities. In addition, each business unit's quarterly meeting is attended by representatives from the other business units to ensure internal alignment on key issues. We are also launching a new leadership training program in 2025, which will help embed our leadership principles throughout the organization and maximize the benefits of the business unit structure.

Learning and development is another key lever for collaboration across the company. We hold regular cross-unit training sessions for various functions, such as sessions on cross-selling for our sales teams. We have also developed a sales incentive program that encourages sales colleagues to present clients with solutions that complement their existing stack. Another key initiative is our Dev Days program, which brings together software developers from all four business units to share knowledge, solve problems, and create new solutions. This proactive approach to knowledge sharing is essential to maintaining a "scale-up" mindset while taking advantage of our company's global reach.

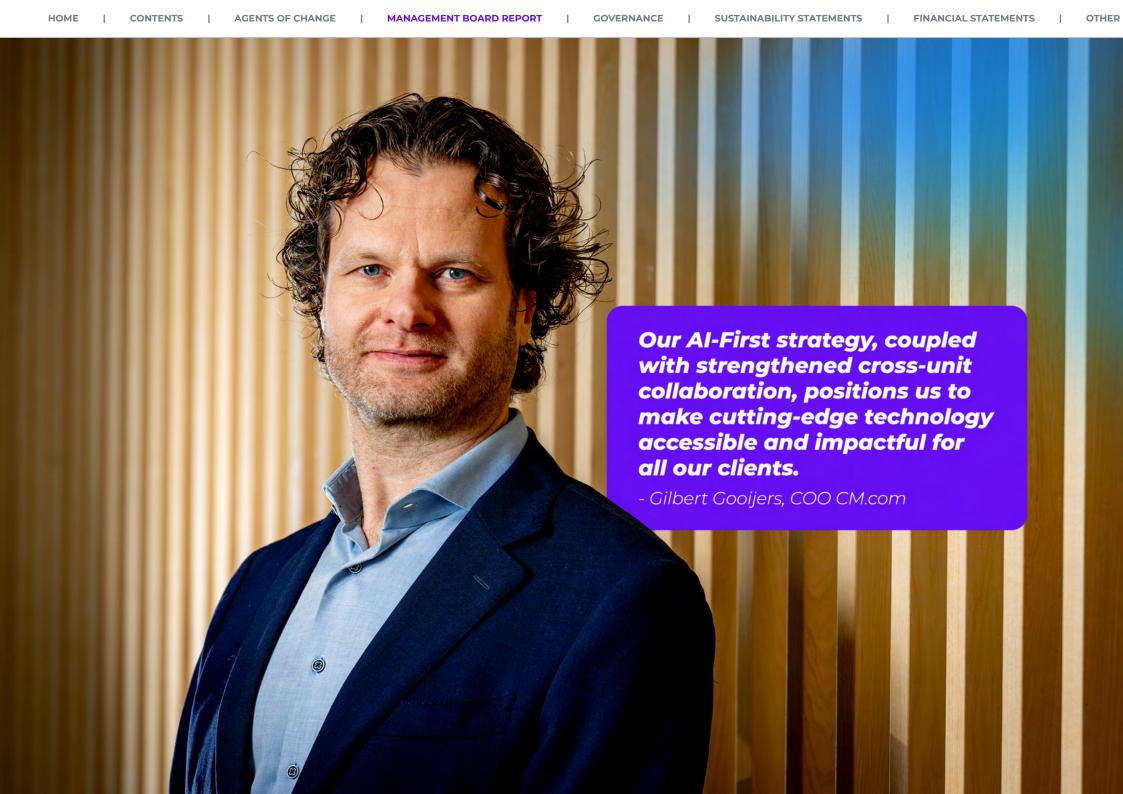
#### **Delivering on Our AI-First Strategy**

GenAI is another area where cross-unit collaboration can bring significant benefits. In 2024, we successfully embedded GenAI into a growing range of applications across our four business units, enabling us to deliver significant value to clients from a customer experience perspective.

And as our GenAl offering expands, it will be more important for us to work together to ensure that our products complement each other effectively. For example, we launched our Agentic Workflow offering in Q1 2025. This will mean that our clients will be able to automate more complex processes than ever before, enabling an increasingly personalized customer experience at scale.

This demonstrates one of the main ways we add value for clients: making technology accessible to everyone. Thanks to this "usability first" approach, clients will be able to benefit from the significant added value of GenAl without having to become experts in it. This mindset is the foundation of our strategy to make CM.com an Al-First company. In line with this goal, we have set up a central team to coordinate the strategic deployment of GenAl across the organization – both internally and in our products. This will help to ensure that clients can benefit from the same high standard of implementation across our entire portfolio.

By empowering our business units with the tools they need to succeed while fostering cross-unit collaboration, we are creating an increasingly interconnected ecosystem of solutions – ensuring that our offering continues to evolve in a way that prioritizes an integrated and cohesive experience for clients and consumers.



# PEOPLE AND CULTURE

**CONTENTS AGENTS OF CHANGE** MANAGEMENT BOARD REPORT **GOVERNANCE** SUSTAINABILITY STATEMENTS **FINANCIAL STATEMENTS** 

### **Key Figures**

NUMBER OF FTEs1

666

**2023:** 720

**AVERAGE AGE OF OUR EMPLOYEES**<sup>1</sup>

**35.8** 

2023: 35.5

**GENDER SPLIT (%) MALE: FEMALE** 

**72:28** 

2023: 72:28

**AVERAGE PAY DISPARITY (%)** MALE: FEMALE<sup>2</sup>

2.1%

2023: 1.8%

**EMPLOYEE** SATISFACTION SCORE<sup>3</sup>

**73** 

2023: 69

**AVERAGE EMPLOYEE TENURE IN YEARS** 

2023: 4.2

**FIXED TERM CONTRACTS VS REGULAR CONTRACTS (%)** 

2023: no key measurement criteria

**AVERAGE TRAINING HOURS** PER EMPLOYEE

27.5

2023: no key measurement criteria

**NUMBER OF** INTERNS<sup>4</sup>

2023: 49

<sup>3</sup> Employee survey of all Business Units

<sup>4</sup> Number of unique interns during the year

### **People** and Culture

After extensive considerations and preparations in 2023, CM.com's new business unit structure went live in 2024. Our offerings have been reorganized into four distinct business units:

- Connect (CPaaS)
- Engage (SaaS)
- Pay (Payments)
- Live (Ticketing)

Each business unit has its own leadership team consisting of a diverse group that covers the full scope of the business, including support roles in HR, Legal, and Finance. These leadership teams (LTs) are not only responsible for the business unit's budget but also for employee engagement throughout the business unit. Empowered to make independent decisions, the LTs receive support from the Management Board (MB) and Executive Committee (ExCo). This autonomy enables them to prioritize career development and employee well-being, aided by their dedicated HR Business Partner.

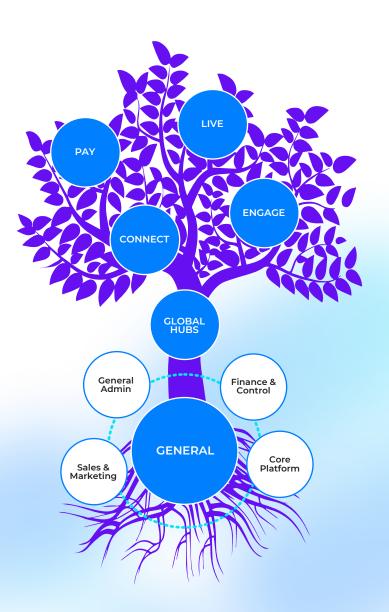
We firmly believe that by empowering our leadership teams with robust support and training, all employees can pursue their passions and actively contribute to the growth of the business units, ensuring that we remain leaders in innovation.

A key advantage of the business units is their composition. Each is a unique blend of various departments, companies, backgrounds, and locations, all of which contribute to a highly diverse leadership. This diversity allows leaders to complement each other's strengths and knowledge.

#### The CM.com TeamTree

The tree is a perfect metaphor for our organization, capturing the essence of our organic, non-hierarchical growth. From roots to leaves, every part functions in harmony and contributes to the health of the whole organism.

Our organizational structure empowers small, self-managed teams to innovate, grow, and nurture talent, all while supporting colleagues across the entire organization. This unity defines CM.com and drives us toward sustained success.



HOME | CONTENTS | AGENTS OF CHANGE | MANAGEMENT BOARD REPORT | GOVERNANCE | SUSTAINABILITY STATEMENTS | FINANCIAL STATEMENTS

#### CM.com's Culture

At CM.com, our actions are driven by a positive entrepreneurial spirit that fits seamlessly into the framework of our global organization. We seek to hire and nurture individuals who are eager to innovate, develop, and lead in their field. Our employees are not only encouraged to be free thinkers with a growth mindset but are also valued as team players. Our non-hierarchical structure empowers everyone to contribute based on their unique strengths and interests. And, of course, we make it a point to have fun together – an essential component for sustaining our vibrant culture!

At the heart of our culture are four shared values:

- **Drive & Lead:** We are action-oriented, seizing opportunities, acting decisively, and sharing information transparently.
- Grow & Learn: Creative solutions, informed perspectives, effective implementation, continuous reflection, and learning from mistakes define our approach.
- **Together & Care:** Humility, approachability, and empathy guide our interactions, fostering inclusiveness and integrity.
- Speed & Change: We embrace change and navigate uncertainty with an open mind, continually enhancing our skills.

### Global Presence Acting Local

At CM.com, we value both local diversity and the benefits of geographic diversity. We strongly believe that each country is different and that this means different approaches are required. We aim to empower individuals by leveraging their local expertise and cultural insights. For this reason, we do not move colleagues to our headquarters in the Netherlands but hire people locally.

Currently, we have employees employed via our local entities in 15 different countries and employees active for CM.com in three more countries.

#### **Attracting & Nurturing Young Professionals**

In today's dynamic tech environment, attracting and retaining young professionals is imperative. In line with our commitment to fostering the continued growth of

our employee base, we have adopted an agile approach to attracting, developing, and retaining talent. To attract talent directly from universities and other higher education institutions, we participate in various career days to connect with future professionals. We also introduce ourselves to younger talents by participating in special tech days for children attending elementary school.

To encourage young talent to build long-term careers at CM.com, we introduced a special Young Professionals Program. This program features skills-based training, career guidance, networking opportunities, accelerated salary increases for entry-level roles, and team learning experiences. This unique program underscores our dedication to nurturing the skills and energy that fresh graduates bring to our organization, enabling them to thrive and advance rapidly.

#### Investing in Internships and Young Talent

Our commitment to nurturing young talent extends to offering internship, training, and employment opportunities. In 2024, many of our employees began as interns from local universities, with 48% of the interns transitioning into employees in 2024. Due to limited vacancies at the beginning of 2024, the actual hiring percentage in 2024 was 20% for interns who started in September 2023, whereas the hiring percentage for interns who started in 2024 was 69%.

#### Strategic Pillars of our HR Approach

Our HR strategy serves as a robust foundation for CM.com's overarching business objectives. Our HR strategy is based on CM.com's culture, whereby our shared values form the heart of our culture. All our actions are driven by a positive entrepreneurial spirit that fits seamlessly into the framework or our global organization. The three key pillars of our HR strategy are retaining our culture, talent development and embracing diversity & inclusion. We strongly believe that these pillars support our efforts to keep building a workplace that is inclusive, diverse, empowering, and teamcentered. We encourage individuals to unleash their full potential, promoting an environment where talents and skills can flourish.

Our strategy also focuses on optimizing our workforce internally by actively promoting internal vacancies across the company. Continuous skill and knowledge development ensures our organization stays at the forefront of innovation, maintaining competitiveness in an ever-evolving landscape.

### Diversity & Inclusion

We are steadfast in our commitment to equality. At CM.com, we ensure every employee is treated fairly and provided with equal opportunities, irrespective of age, race, gender, religion, or sexual orientation. We actively promote an inclusive culture and recognize the positive impact that diversity brings. Our Diversity & Inclusion (D&I) Policy, D&I Manifesto, and D&I Taskforce collaboratively define our goals and strategies for the future. For more information, please refer to the Social chapter of our sustainability statements.

#### **Diversity Metrics and Gender Pay Equality**

At the end of 2024, our workforce was comprised of 28% female and 72% male employees. Like other tech companies, we historically see a lower percentage of female employees in higher-level technical roles. This motivates us to actively promote internal candidates and ensure equal opportunities for all employees to apply for roles through our internal job portal.

We also examined pay equality by analyzing the average deviation from the benchmark salary for each job level, comparing male and female employees. Our analysis revealed an average pay disparity of 2.1%. At higher levels, this difference is slightly greater, likely due in part to lower female representation in these positions.

DME | CONTENTS | AGENTS OF CHANGE | MANAGEMENT BOARD REPORT | GOVERNANCE | SUSTAINABILITY STATEMENTS | FINANCIAL STATEMENTS

### Part of CM.com for Over Two Decades



Robbie van Hoof Lead Business Intelligence

### **About Me**

I'm a strong believer in our DNA; every employee at CM.com should and can do something they like, are good at and adds value. I've been working here since 2004 and I'm proud of what we've built together.

I'm passionate about the CM.com products, our culture, data, new technology, keeping it simple, collaboration and making the impossible possible.

I spread evangelism on these subjects every day, to make the people happier and decisions better.

Robbie, you've been part of CM.com for over two decades, joining at a time when the company was still in its early days. As someone who has seen CM.com grow from a small team to the global organization it is today, we're curious to read about your experiences.

#### Can you tell us how you got into the job you're in today?

As a kid, I wanted to be an inventor. When I was a little older, I understood that "inventor" is not an actual career path, but software developer became pretty close. Creating new software. Creating something out of nothing that helps people to have a better or more comfortable or more beautiful life is great!

### How has your role changed over the last 20 years?

I started as a software developer, then I became a software development manager and, eventually, the manager of the Network Operation Center. After being part of several teams, I am now part of the Business Intelligence team. When I had just finished school, I wanted to work at a software company in Breda. I used the Yellow Pages to find such a company and sent in an open application. During my application, it became clear that Jeroen and Gilbert had already sold a new card identification system for clubs and they wanted me to start next week. I wanted to take a three-month vacation first, but I was enthusiastic about the idea, so I agreed to start immediately!

### In 2025, we have an amazing onboarding program. What was your onboarding like when you started at CM.com?

Nonexistent! It was less needed back then because a lot less was happening. I was the tenth to join, and we mostly did SMS Messaging. We spoke to each other every day, so getting onboarded came naturally.

### You've had such a long and diverse career at CM.com. Can you share some of the key projects or milestones you've worked on over the years and what you're most proud of?

I worked on the Messaging system for nearly 20 years, and a lot of my code is still at the core of our SMS system today. It's an accomplishment I feel fortunate to have contributed to, as almost all of the 45 billion messages we've processed since 2004 have passed through my code. As we grew, I saw the need to professionalize software development, so I took the lead on that. Later, we launched the 24/7 Network Operation Center, where I trained the team and set up monitoring systems to ensure we picked the best SMS routes around the clock. Over time, I moved into different roles combining tech, innovation, and people. I've always had a passion for data, so when the idea to create a Business Intelligence team came up. I was like, "pick me, pick me!" Luckily for me, they did pick me, and now I'm in the Business Intelligence team, and I get to work with great colleagues every day to make our customers' lives easier.

### Looking back at the past 20 years, there have been so many innovations that have shaped the way we work. Is there one that stands out to you the most?

It's easy to say AI because that's what's buzzing right now, but my answer is the smartphone. I think it's a great device that helps all of us to have a better, more comfortable, more fun, and more beautiful life.

Almost everyone has a smartphone, and almost everyone carries it around all day, every day. It's useful, it's fun, it's personalized, it keeps us up to date, and it helps us with a lot of daily tasks.

### Innovation is such a big part of what we do here, but what does it really mean to you personally? How does it drive and inspire you in your everyday work?

For me, the guy who wanted to be an inventor as a kid, innovation is key. It keeps me sharp and interested and motivates me tremendously. I love that we can take the opportunity to use innovative technology and come up with innovative solutions here at CM.com. The thing with innovation is that it is not always guaranteed to be a success, and it is often hard to make a solid business case beforehand. I like to keep it small, try something, and see if it works. Just to see – is it something that can bring value, or is it a solution in search of a problem?

### Twenty years is a long time to stay with one company. What made you stick around at CM.com all these years?

That's definitely the people! I get to work with and learn from really smart and nice people who are always happy to help. I love how Jeroen and Gilbert give us the freedom and trust to plan and execute what we think is best for CM.com.

I have a strong drive to learn, innovate, simplify, automate, and optimize. It is a blessing to work with so many talented people in an environment where we make this happen every day.



ME | CONTENTS | AGENTS OF CHANGE | <mark>MANAGEMENT BOARD REPORT</mark> | GOVERNANCE | SUSTAINABILITY STATEMENTS | FINANCIAL STATEMENT



**By Lidia De Heer,** Talent Manager CM.com

# **Focusing On Nurturing Talent From Within**

At CM.com, our people are united by a shared willingness to embrace challenges, along with a strong commitment to proactivity, entrepreneurship, and innovation. Our unique culture ensures that innovation and entrepreneurship are embedded in every aspect of our organization, and this is the key driver of our continued success and growth. Having the right people in the right teams is crucial to nurturing and maintaining the unique culture that has fueled CM.com's success for the past 25 years.

### Nurturing Talent from Within

Given the importance of our culture to our continued growth, our criteria for selecting the right candidates are rooted in our shared values. These values are organized into four key areas: Drive & Lead, Grow & Learn, Together & Care, and Speed & Change.

We believe it is essential to assess whether a potential employee shares these values from the start, as well as their adaptability to thrive in a dynamic environment where people are encouraged to "do what you like, do what you're good at, and contribute."

We prioritize selecting individuals with the right characteristics and an ability to adapt, while believing that hard skills can be taught internally. After all, the hard skills required are always evolving as we strive to remain at the forefront of innovation.

We highly value the fresh perspectives and energy that young employees bring, recognizing their crucial role in keeping CM.com innovative. We see many examples within the organization of employees experimenting with the smart use of Al innovations in their work. Giving employees the freedom to experiment and test helps us remain a leader in the field of innovation.

Attracting and retaining diverse talent is equally important for fostering innovation, and our training programs play a key role in bringing in employees with a wide range of perspectives.

#### Training for Impact

In 2024, much of my focus has been on enhancing training opportunities and fostering collaboration among our team members. With over 700 colleagues across various teams, we believe it's essential for employees to learn from one another and share best practices.

For example, in April, we launched our Young Professional Program, which brings together colleagues from different departments for regular training sessions. This program is designed for young employees starting their careers at CM.com, helping them explore potential career paths, expand their internal networks, and develop a more comprehensive understanding of the organization. We find it very important to offer young talented employees the opportunity to share experiences and insights and learn from each other.

In addition, we continue to see the benefits of our CMBA high-potential training program, which focuses on personal leadership and (global) business strategy. The intake is divided into "Rising Stars" and "Future Leaders." As with the Young Professional Program, both cohorts are trained centrally. Once again, this allows for a more global view of the CM.com organization. And because we expect that many of the program's graduates will go on to become leaders and cultural ambassadors, this centralized approach to training

plays an important role in developing a more cohesive and interconnected global organization where collaboration is key.

This, in turn, will enable us to create the solutions of the future, delivering value to customers and society. In this way, we can ensure that as CM.com continues to expand, we stay true to the entrepreneurial spirit that has kept us at the forefront of innovation for the past  $25~{\rm years}$ .

"Do what you like, do what you're good at, and contribute."



ME | CONTENTS | AGENTS OF CHANGE | MANAGEMENT BOARD REPORT | GOVERNANCE | SUSTAINABILITY STATEMENTS | FINANCIAL STATEMENTS

CM.com

# **BUSINESS UNITS**



### **Enterprise**

### **Midmarket**

CM.com provides conversational commerce services from its cloud platform, connecting enterprises and brands to the mobile phones of billions of consumers worldwide.

Over the past 25 years, technology has broadened the horizons of consumers so much that people now need to be connected digitally to remain part of society. Individuals across the globe use their mobile phones to send and receive information, connect with others, and conduct business or transactions. Research shows that between 2019 and 2024, the time people spent on mobile phones increased to an average of 4 hours 37 minutes per day. The overall picture is clear: people are spending more time on their mobile phones, as technology keeps evolving and enabling people to be better connected and better informed.

Prime examples of this technological evolution include new communication channels that arose alongside SMS, such as video calling, mobile-friendly email, WhatsApp, Snapchat, and TikTok. Nowadays, consumers communicate via various channels, and as they spend more time on their mobile phones, these devices play an increasingly important role in human interactions. The adoption of Artificial Intelligence is rapidly increasing and influencing the way people connect and communicate. Paying via mobile phones was rare in 2015; today, Apple Pay and Google Pay have replaced the use of cash in many cases. This is just one example of how technology has broadened the possibilities for what consumers can do with their mobile phones. With the introduction and widespread adoption of AI technology, we expect this evolution to accelerate and broaden the horizon of consumers even further.

For the past 25 years, CM.com has operated in this world of rapid change – and we still play a leading role in driving progress worldwide. Our mission is to make life easier, safer, and more beautiful. We do that by growing the technology used to improve consumer experiences through a mobile phone. In 2024, GenAl took center stage as more possibilities were discovered and voice-to-voice AI technology became feasible. CM.com has been anticipating the introduction of AI for several years now, having acquired CX Company in 2020 and Building Blocks in 2022. Those two acquisitions brought the setup that CM.com needs to act at the forefront of innovation through AI technology going forward.

We integrated AI technologies into our foundation and decided that we needed to adapt our organizational structure to the ever-changing possibilities within our universe. As a result, we transformed CM.com into an organization structured around business units, as opposed to the different segments.

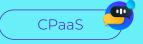
The different business units are:

- 1. CONNECT (previously CPaaS)
- ENGAGE (previously SaaS)
- PAY (previously Payments)
- 4. LIVE (previously Ticketing)

The purpose of this transformation was to improve efficiency and create a powerful base for future growth, strengthening our capacity to grow profitably.

The key industries CM.com services are the following:

- Financial Services
- Government
- Logistics & Transport
- Music & Live
- Museums & Parks
- Retail & eCommerce
- Sports
- Tech & Media
- Travel & Leisure
- Charities



### CONNECT

One connection for all conversations.

That is what the connectivity platform stands for. Connect with customers on their preferred communication channels via one platform and deepen the relationship with a hyper personalized approach.



### **ENGAGE**

Join the era of conversational customer experience.

To improve internal efficiency, meet customers' rising expectations for seamless product discovery, purchase, service, and boost revenue.



### PAY

**Simplicity** that pays off.

One powerful platform to accept both online and inperson payments, with a wide range of payments options, including payments links and QR payments, to suit everyone's preferences and needs. That's what we call simplicity that pays off.



One platform to amplify the experience.

Ticket sales, powerful interactions both online and on-site, and personalized communication to engage with your audience before, during, and after your event. **REVENUE GROSS PROFIT GROSS MARGIN** 

2023: €. 37.7m

CONNECT

2023: € 214.4m

€ 40.3m = +10%

**18**%

2023: 18%

ENGAGE

**2023:** € 25.8m

2023: € 22.7m

**87**%

2023:88%

PAY

2023: € 14.4m

€ 7.4m -3%

2023: € 7.6m

**57%** 

2023: 53%

€ 12.4m +7%

€ 10.6m = +1%

**85**%

2023: € 11.6m

2023: € 10.5m

2023:90%

Comparative figures are restated to the new business unit segmentation and therefore do not match the disclosure in previous reporting over FY 2023.

Business Unit

# CONNECT

HOME | CONTENTS | AGENTS OF CHANGE | MANAGEMENT BOARD REPORT | GOVERNANCE | SUSTAINABILITY STATEMENTS | FINANCIAL STATEMENTS

### CONNECT

In a recent <u>report</u>, Gartner® forecasted that, by 2028, 90% of global enterprises will leverage communications platform as a service (CPaaS) solutions to operationalize customer experience and engagement, representing a 50% increase from 2023.1 More broadly, Gartner found that while foundational SMS and voice retain their dominance in the communications channels used for CPaaS, enterprises are also focused on extending their communications capabilities to deliver personalized and contextual experiences. The report identified WhatsApp, video and email as the latest growth engines.

Every day, over 350 billion text messages and over 100 billion WhatsApp messages are sent across the globe. Since 2019, Rich Communication Services (RCS) has emerged as a viable alternative communication channel and has continued to gain traction in the market.

CM.com offers one connectivity platform for its clients to facilitate all types of conversations. Within the Connect business unit, CM.com offers, among others, the following types:

- SMS
- Voice
- WhatsApp
- RCS
- Email

Regardless of an end user's mobile operator, corporations can connect with the end user through the CM.com platform in any way they like. In the past, companies used simple, straightforward Application Program Interfaces (APIs) to connect to CM.com's messaging platform, as SMS was the preferred way to communicate with end users. In recent years, as alternative channels like WhatsApp and RCS have gained traction, this has driven a shift in how enterprises connect with end users. In 2024, CM.com recorded a further rise in the use of WhatsApp.

CM.com serves several types of clients, most of which are medium-sized companies or small enterprise-sized companies. Although SMS is still the preferred channel in many parts of the world, we notice that the adoption of new messaging technologies is growing rapidly. For medium-sized companies and small enterprise-sized companies, it typically makes sense to use a more sophisticated Application Program Interface (API) to interact with customers through technologies like WhatsApp and RCS. Compared to large enterprises, these types of companies have more flexibility to adapt to innovative technologies.

Harnessing our expertise and unparalleled network with connections to over 1,000 mobile network operators worldwide, we offer a reliable and secure solution that simplifies business communications. This has been recognized by over 16,000 clients, including several of the world's largest tech companies, that use CM.com's communication platform to send over eight billion business messages every year. Across this customer base, we are noticing a shift in demand: increasingly, messaging channels are being sold together with software to embed communication technologies in the core of client's business setup. We facilitate this service through our Engage business unit.

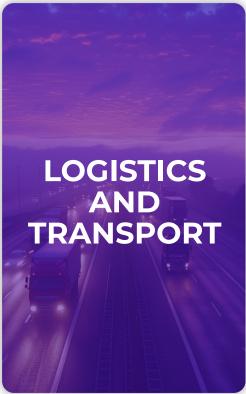
CM.com Annual Report 2024 34

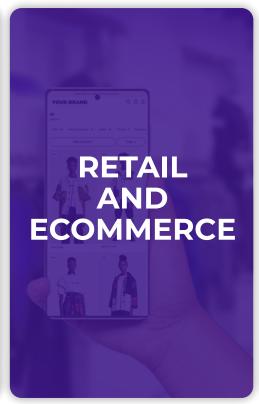
ME | CONTENTS | AGENTS OF CHANGE | MANAGEMENT BOARD REPORT | GOVERNANCE | SUSTAINABILITY STATEMENTS | FINANCIAL STATEMENTS

### **Key Industries for Connect**

Our reliable and secure Connectivity Platform is a CPaaS solution that combines multiple channels, such as voice, SMS, and conversational channels, into a single platform. The Connectivity Platform caters to businesses of all sizes and industries, with a primary focus on mid-sized enterprises and above, particularly in key industries like:

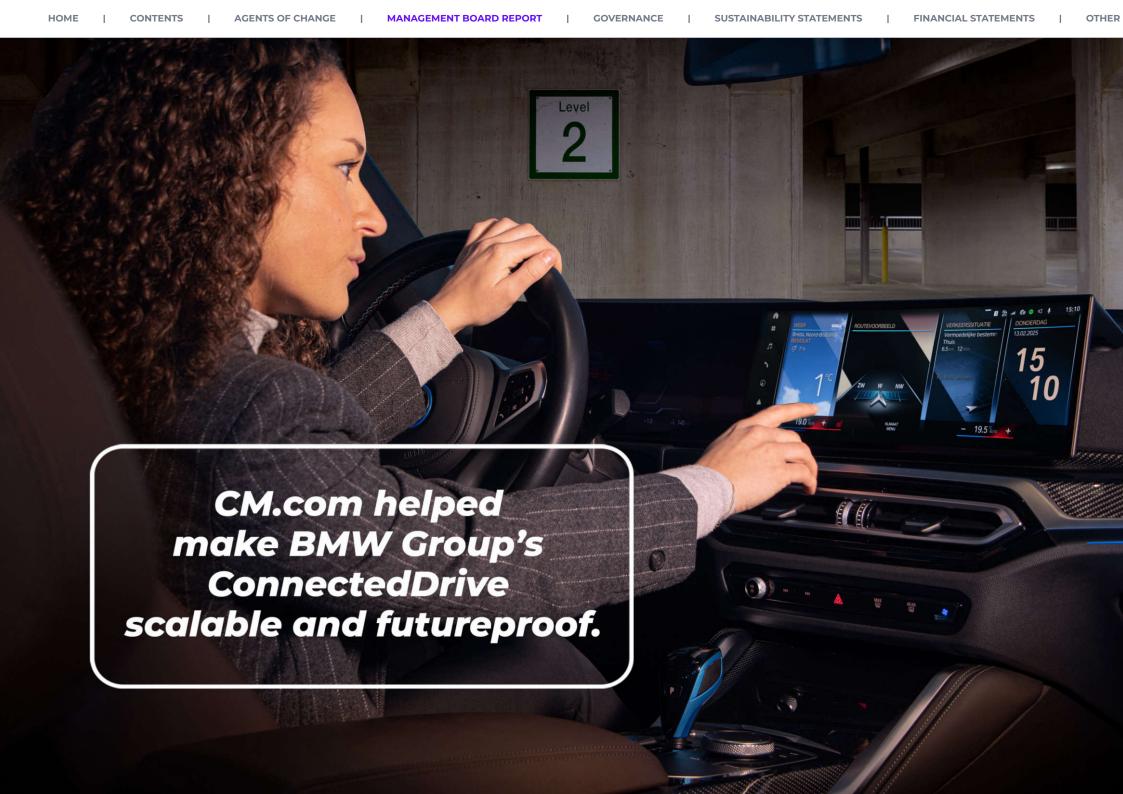








CM.com Annual Report 2024 35



# **Customer Story: Automotive**

In recent years, the automotive industry has experienced remarkable growth in connected vehicles. By the end of 2023, more than 350 million<sup>1</sup> cars on the road worldwide were equipped with connectivity features, an impressive 18% increase compared to 2022. Looking ahead, this number is expected to soar past 640 million by 2027, highlighting the accelerating adoption of connected technology in vehicles. Driving these innovations, vehicle manufacturers are continuously releasing and investing in solutions that will provide personalized services to drivers.

One powerful way to further these innovations, especially when it comes to communications capabilities, is to connect cars via 5G to mobile networks. To provide the best communication experience, CM.com stepped in as a CPaaS partner to help make BMW Group's Connected Drive scalable and futureproof.

#### The Challenge:

Implementing connected services on a global scale presented multiple complex challenges. The primary task was ensuring consistent communication delivery across diverse international markets, each with its unique telecommunication infrastructure and regulatory requirements. The solution needed to maintain reliability in areas with limited internet connectivity, from busy urban centers to remote locations.

Another significant challenge was coordinating with multiple mobile carriers worldwide while meeting strict security and compliance requirements in different regions. Time-sensitive notifications needed to reach their destination without delays. regardless of local conditions or network status.

Additionally, the system had to support various language requirements and local regulations while ensuring scalability for future growth and expansion.

#### The Solution:

MANAGEMENT BOARD REPORT

CM.com delivered a robust and scalable solution through its SMS Gateway and Business Messaging API. SMS technology proved ideal, offering reliability even without mobile internet connections like 4G or 5G. CM.com's global infrastructure enabled uniform service deployment across markets, regardless of local communication standards, enhancing operational efficiency.

The migration to CM.com's platform represented a significant technical achievement. Our team conducted comprehensive testing across multiple countries, addressing various legal requirements and technical configurations. The migration achieved an amazing success rate with no service interruptions. CM.com has demonstrated flexibility through hands-on collaboration, adapting its solutions to meet specific requirements while providing 24/7 support.

#### **Driving Future Innovation:**

CM.com's unified platform continues to evolve, incorporating new features and capabilities to support emerging communication needs. The scalability of our infrastructure allows for seamless growth in message volume and market expansion, while our platform's flexibility enables the integration of additional communication channels, enhancing service delivery and customer engagement.

Looking ahead, our commitment to innovation means we're constantly developing new solutions to address evolving communication needs. The robust foundation we've built supports continued growth and adaptation to new technologies and market requirements. Through our partnership, we're helping to shape the future of connected vehicle communications, ensuring reliable, secure. and efficient service delivery worldwide.

Our success in this project demonstrates CM.com's ability to deliver complex, large-scale communication solutions that meet the exacting standards of global automotive manufacturers.

<sup>&</sup>lt;sup>1</sup> Source: https://www.autopromotec.com/en/In-2027-Connected-cars-will-be-over-640-million-worldwide

Business Unit

# ENGAGE

#### **ENGAGE**

For over 25 years, CM.com has been dedicated to enhancing the experiences of our clients and their customers. As a listed company and a global leader in cloud-based customer engagement solutions, we provide an all-in-one software suite consisting of Al-powered service and marketing software, messaging channels, security and verification services, and ticketing services. Our proprietary platform enables customer service, marketing, and sales teams to boost engagement, drive sales, optimize efficiency, and ultimately deliver superior customer experiences.

#### Inside our Engagement Platform

Our Engagement Platform seamlessly connects data and technology with omnichannel capabilities and advanced AI features. It integrates all service and marketing products into one platform, allowing clients to deliver a unified experience for both customers and their teams. This results in higher customer satisfaction, increased efficiency, enhanced agent productivity, and improved conversion rates.

- Mobile Service Cloud: Our AI-powered Agent Inbox allows service agents to consolidate and manage all customer conversations in one easy-to-use inbox.
- <u>Conversational AI Cloud:</u> Our AI Chatbot solution enables teams to design and deploy AI-powered chatbots with a single application, no coding required.
- Mobile Marketing Cloud: Our Marketing Campaign & Automation solution enables marketers to easily create and automate marketing campaigns across all messaging channels
- <u>Al Engines:</u> Our GenAI and AI Personalization Engines integrate across all solutions to assist agents, develop out-of-the-box chatbots, and generate marketing content.
- <u>Customer Data Platform:</u> Our Customer Data Platform (CDP) unifies data across all touchpoints into real-time 360-degree customer profiles, enabling clients to deliver personalized experiences and boost growth.

Ever since CM.com's Euronext listing in 2020, we have been working on our tech stack with AI capabilities, including through the acquisition of CX Company in 2020 and Building Blocks in 2022.

In 2024, the worldwide adoption of AI technologies continued to accelerate, driving a rapid increase in demand for our AI-related software modules.

CM.com offers a growing range of AI products that enable our clients to improve interactions with their customer base effectively and safely. Use cases already show substantial improvements for our clients, both in terms of customer satisfaction and financial performance. Our proprietary Large Language Model (LLM) helps our clients to train and use the technology in their organization.

Throughout 2024, the functionality of our Al-related modules expanded greatly. Starting the year as a support functionality for agents in a Communication Center as a Service-environment, functionality grew to include several marketing use cases as well.

In the course of 2024 this resulted in the launch of a unique tool, called the "Generative Al Playground," a chatbot that effortlessly handles FAQs, engages in humanlike conversations, and adapts perfectly to each brand's unique tone. With the power to upload documents, connect directly to websites, and tailor responses to match a brand's voice, it radically simplifies the process of creating a custom chatbot. This intelligent, responsive assistant lightens clients' support load, delights customers with instant answers, and frees team members from repetitive questions.

From a commercial standpoint, we have decided to focus on a mid-sized customer segment by offering a more affordable package. This strategy allows us to tap into a broader market, targeting smaller businesses that need cost-effective AI solutions. This commercial strategy is designed to raise awareness and convince smaller businesses to start a trial.

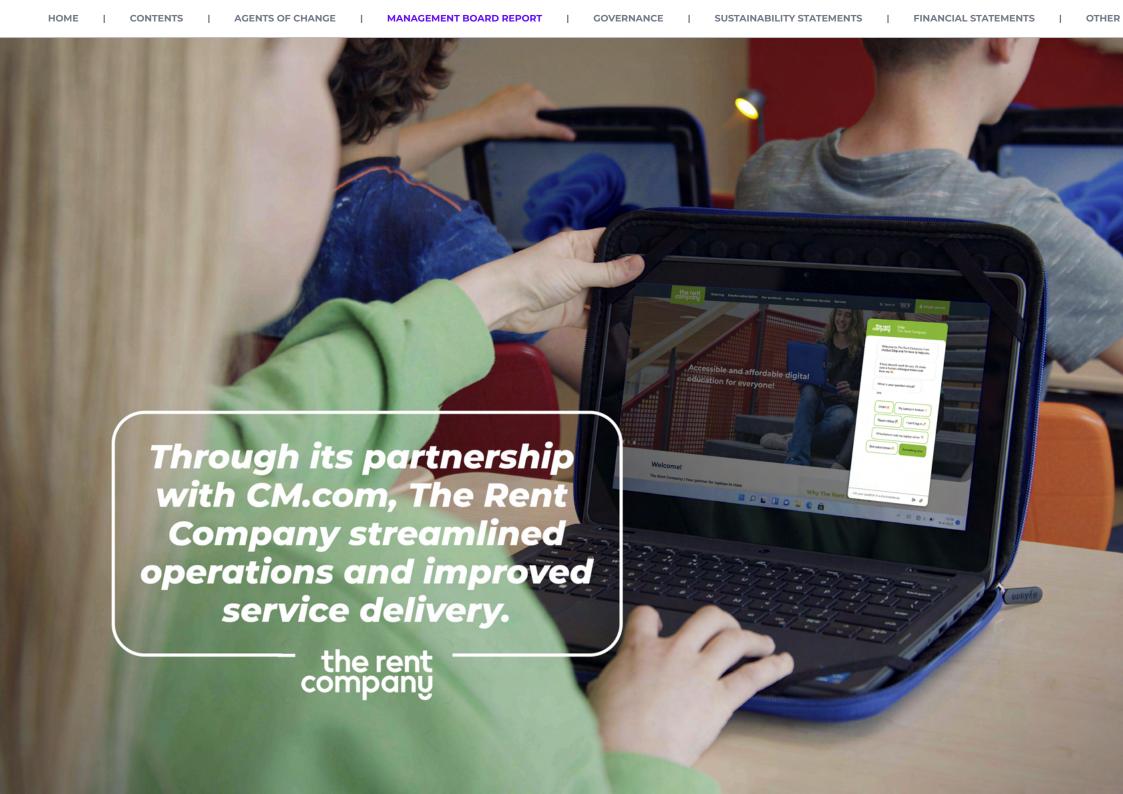
Products within Engage can be combined efficiently with other CM.com products and services. Recognizing this possibility, clients are increasingly requesting various functionalities within one overall offering that combines products from our Engage, Pay, and Connect business units.

#### **Key Industries for Engage**

Our Engagement Platform helps mid-sized B2C companies to build and orchestrate seamless customer journeys and to offer personally relevant customer experiences in the following industries:





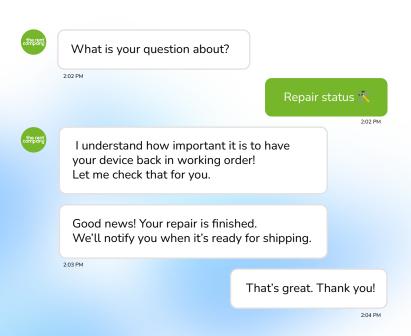


# **Customer Story: The Rent Company**

The Rent Company, founded in The Netherlands, is a leading European education ICT supplier. With the mission of "granting everyone access to digital education," the company offers affordable full-service school laptops and tablets and helps schools manage their IT infrastructure. The fast-growing company, founded in 2004, now services over 450,000 students spread over 1.500 schools in the Netherlands, Belgium, United Kingdom, and Italy, under its brands Easy4u, Studywise, and Class Technology Solutions.

#### The Challenge:

Renowned for its innovative business model and direct personal service, The Rent Company unburdens schools' IT teams while navigating the extreme seasonality of the education sector. Customer service requests can spike by a factor of 100 at the start of each school year, with peak traffic on Monday mornings between 08:00 and 10:00. Every parent will recognize this. When issues arise with your kids, for instance, if they are unable to attend their lessons due to a problem with their laptop, you want immediate action.



Scaling internationally brought new challenges, including managing diverse school systems and cultural differences across five different languages. Ensuring seamless, multigenerational communication via phone, email, WhatsApp, and live chat was critical to maintaining a consistent customer experience.

#### The Solution:

Through its partnership with CM.com. The Rent Company streamlined operations and improved service delivery. Our integrated solutions, such as the Al Cloud and Mobile Service Cloud, enabled efficient multi-channel communication with students and their parents. In 2023, The Rent Company launched its chatbot, Chip, powered by CM.com technology. to manage peak traffic and deliver personal 24/7 self-service options to parents. Chip handled over 100,000 parent queries in its first year directly, drastically reducing wait times by enabling parents to resolve routine issues through automated integrations with the company's own web shop and self-service portal. Mobile Service Cloud seamlessly redirected complex inquiries to the customer service team, maintaining fast and personalized responses.

In 2024, The Rent Company began utilizing our GenAl Assistant, which supports customer service employees by summarizing chat conversations and suggesting appropriate responses. Due to its seasonality, The Rent Company needs suppliers to provide dedicated points of contact, as there is one big annual learning curve. CM.com delivered on this and grew with the company over time.

#### Vision for the Future:

In 2025, The Rent Company plans further investments across customer support, including for its chatbot Chip, as well as Al-driven operational enhancements. These further investments will help to ensure that schools, parents, and students receive the highest level of service. By leveraging the Mobile Marketing Cloud to map the entire customer journey, the company also aims to create a seamless experience that supports uninterrupted learning.

As it scales to serve Europe's 37 million secondary school students and over 100 million young adults between the ages of 10 and 22 years old. The Rent Company remains steadfast in its mission to give every student access to a digital education. CM.com is happy to partner with The Rent Company in the coming years, enabling European schools to focus on what matters most: quality education.

Business Unit
PAY

#### **PAY**

In the ongoing digitalization of society, consumers can use their mobile phones to pay merchants in a wide variety of ways. Given this diversity, companies seek a platform that connects them to all types of payments.

In 2024, McKinsey issued a Payments report called "Simpler interfaces, complex reality." It highlights two key trends for CM.com: namely, the ongoing growth in the online payments space and the increasing need for acquirers to process payments for online institutions where payments can be made directly instead of via a bank. CM.com offers terminals for payments, programmed with our software and connected to our Pay platform, as well as online payment services. CM.com has also built a payments platform that incorporates all payment methods and enables payment collections for its users. The combination of these functionalities has allowed us to become a payment service provider offering a complete, all-in-one payments platform for all merchants in Europe. This enables customers to interact directly with merchants and pay without third-party intervention.

Online payments spike during events like Black Friday, Cyber Monday, or Singles Day. In 2024, it is estimated that \$ 10.8 bn in sales was spent online during these days, an increase of 10% compared to 2023. On these days, mobile phones were the preferred device type for online traffic and sales.

In 2024, CM.com upgraded its terminal software with a module that enables payments without being online. This allows terminals to be used at events, even when the Wi-Fi connection turns out to be unstable.

Our payments platform provides data points on customer behavior, which clients can use to improve customer satisfaction. The Pay product contributes to the result of 2024, both as a stand-alone product and as an addition to our Engage and Live product suite. The cross-sell with those business units picked up in 2024 and is expected to become a standard part of our offering, especially in our Live business unit.

In the ongoing digitalization of society, the way consumers pay – via mobile phones, in-store, and through a wide range of payment methods – has created a growing demand for platforms that seamlessly connect all types of payments.

#### Online and In-Person Payments Simplified

CM.com's payments platform offers and combines online and in-person payment solutions, offering essential payment services without unnecessary complexity. By integrating payment data and data points on customer behavior into one platform, merchants gain a complete 360-degree customer view. This empowers them to offer customers an exceptional payment experience while benefiting from actionable insights for marketing, sales, and service.

In 2024, we continued to refine our all-in-one payments platform, enabling merchants across Europe to manage all payment methods in one place. This includes payment terminals powered by our proprietary software. The addition of the offline payment module is an example of the innovations CM.com implemented in its Pay tech stack in 2024.

#### Insights that Drive Value

The CM.com payments platform provides detailed data points on customer behavior, helping merchants improve customer satisfaction. This valuable data not only enhances payment processes but also strengthens CM.com's broader product ecosystem.

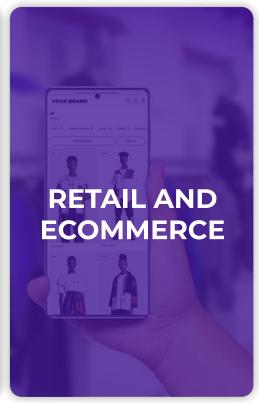
By combining online and in-person payment solutions with customer insights, we go beyond being a payment provider and establish ourselves as a long-term partner for business growth. With ongoing effort and innovation, we will continue to realize our vision of empowering merchants with reliable, scalable, and future-proof payment solutions.

#### **Key Industries for Pay**

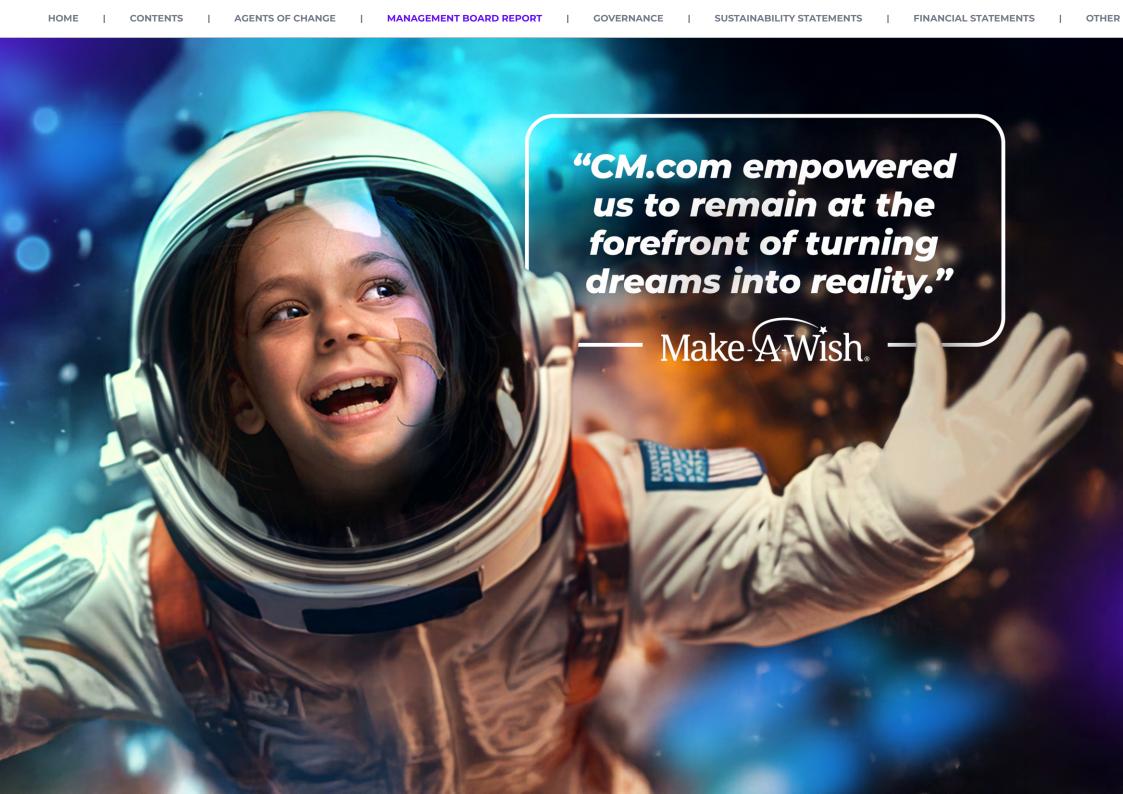
The Payments platform offers an all-in-one payments solution to simplify both online and in-person payments. Businesses can tailor payment methods to their audience, increasing customer conversion and loyalty. The payments platform caters to businesses of all sizes and industries, with a focus on mid-sized enterprises and higher, particularly in the following key industries:











# **Customer Story:** Make-A-Wish

AGENTS OF CHANGE

Make-A-Wish Nederland is dedicated to granting the dearest wishes of children with severe or life-threatening illnesses. These wishes have a profound and lasting impact on the lives of children and their families, offering them renewed strength and hope. Each wish is a carefully crafted journey that takes months of preparation and is made possible through generous donations. In December 2023, Make-A-Wish Nederland partnered with TV talk show RTL Boulevard and CM.com to launch a groundbreaking SMS donation campaign that exceeded all expectations.

#### The Challenge

To bring their mission to life, Make-A-Wish Nederland aimed to raise enough funds during RTL Boulevard's donation week to fulfill 200 children's wishes. The campaign was launched at the beginning of December 2023. That immediately meant the campaign faced several challenges. The campaign had to succeed in a competitive and time-sensitive environment, during a holiday week traditionally dominated by other events and distractions

Additionally, the campaign required a technical infrastructure capable of seamlessly handling high volumes of SMS traffic and donations, all while making the donation process effortless for participants. Success hinged on ensuring the campaign was accessible, easy to use, and efficient to maximize engagement.

#### The Solution

CM.com provided a robust and innovative technical framework to ensure the campaign's success. Leveraging CM.com's SMS Gateway, payment solutions, and campaign landing pages, the campaign was designed to create a seamless donor experience.

Viewers of RTL Boulevard were invited to text the word "WENS" to 7171, triggering an automated reply with a link to a custom landing page. This page, completely styled

in Make-A-Wish Nederland's branding, allowed donors to choose their donation amount and make payments securely. A follow-up chat guided donors through additional steps, such as sharing their information, which helped to remove barriers to engagement.

This integrated approach ensured that every part of the donor journey - from sending an SMS to making a payment - was smooth and intuitive. The campaign achieved remarkable results, with over 32,000 participants reached and 29.158 donations received.

What began as an ambitious target to fulfill 200 wishes turned into an extraordinary success story. By the second day of the campaign, the initial goal had already been surpassed, allowing Make-A-Wish Nederland to aim higher. By the end of the week, an incredible 340 children's wishes had been funded.

Miranda Vos, Community Developer at Make-A-Wish Nederland, attributed this success to the perfect combination of high visibility, thoughtful campaign design, and CM.com's technical expertise.

"The technical setup behind the scenes was flawless. CM.com's tools made the donation process incredibly easy, and their proactive support felt like working with a trusted colleague," said Vos.

The campaign didn't just achieve short-term results; it also laid the foundation for long-term donor engagement. With CM.com's chat integration, donor data was collected to enhance Make-A-Wish Nederland's customer relationship efforts. Donors were encouraged to join the organization's newsletter, leading to a significant increase in subscribers. Additionally, follow-up campaigns invited participants to become recurring donors or make additional one-time contributions, further boosting the campaign's impact.

#### A Partnership for Innovation

The success of the 2023 campaign has inspired future collaborations. In December 2024, Make-A-Wish Nederland partnered with Talpa channels, including SBS6 and Radio 538. for another SMS-driven campaign.

"We're confident that with CM.com's continued support. we'll once again maximize the potential of our campaign," said Vos. "Their expertise, tools, and dedication have shown us that together, we can remain at the forefront of innovation and continue turning dreams into reality."



Business Unit

#### LIVE

At CM.com, our Live business unit empowers organizations to elevate client experiences in industries where engagement and memorable events are crucial. The clients we support seek dynamic, seamless ways to connect with their audiences, enhancing every aspect of the visitor experience – from ticketing to communication and on-site interaction and engagement. We understand that positive experiences are vital for customer loyalty and long-term growth, and, since our founding, CM.com has been a leading independent provider in this market, recognized for our comprehensive, client-focused ticketing solutions.

The Live business unit offers an all-in-one service, tailored to meet the specific needs of each client. By integrating products from Engage, Pay, and Connect, we provide a cohesive solution unlike any other in the industry. This allows us to serve clients across diverse markets, including:

- 1. Museums & Parks
- 2. Sports
- 3. Music & Live Events

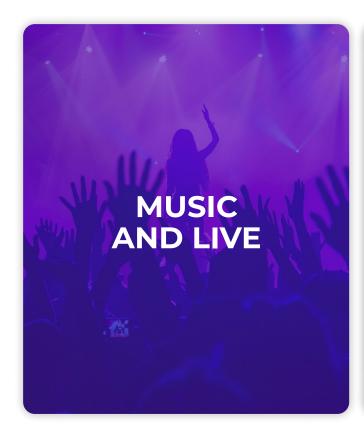
In 2024, the Live business unit expanded its Museums & Parks offerings internationally, establishing a strong presence in the UK and France. Notably, CM.com secured ticketing partnerships with prominent institutions, including the Notre-Dame Cathedral in Paris – a significant milestone for our company. We also use our advanced ticketing platform to keep supporting major Dutch cultural institutions, such as the Van Gogh Museum, Rembrandt House, and Fabrique des Lumières in Amsterdam.

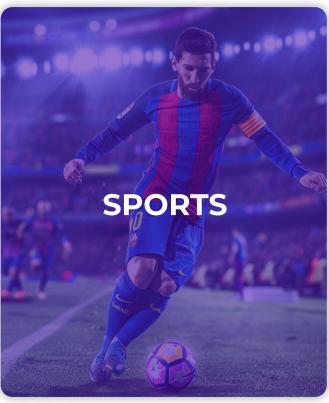
In Sports, CM.com formed a multi-year partnership with the Dutch Olympic Committee\*Dutch Sports Federation (NOC\*NSF) and managed ticketing for TeamNL House at the Paris 2024 Olympics. This partnership underscores our commitment to long-term, high-profile collaborations that strengthen our position in the sports sector.

For Music & Live, 2024 marked a strategic shift as CM.com expanded from servicing events to partnering with venues themselves. Collaborations with for example Hedon (the Netherlands) reflect this evolution in our Live portfolio.

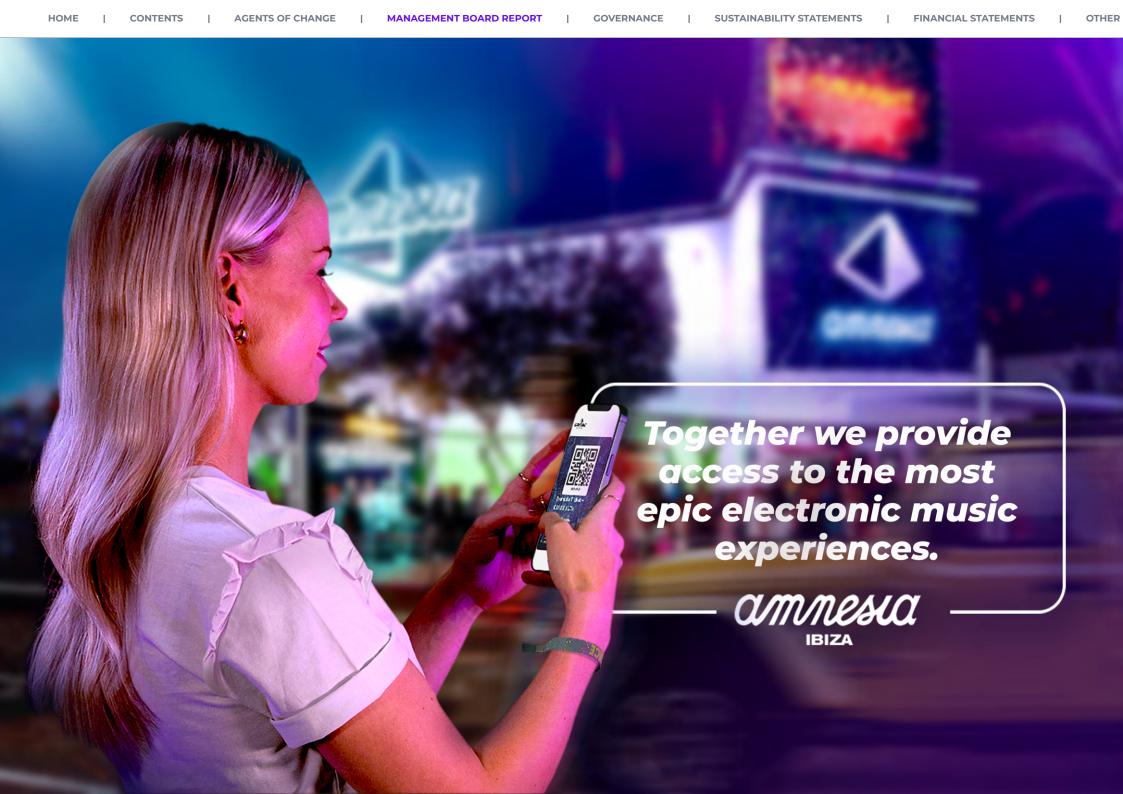
#### **Key Industries for Live**

Our Ticketing platform provides a range of solutions, including ticketing, POS, event app, and event marketing tools, all integrated into one platform. It serves various organizations of all sizes with their market-specific needs and requirements, with a primary focus on mid-sized organizations within the industries of Music & Live events, Sports, and Museums & Parks.









# **Customer Story: Amnesia**

For over five decades, Amnesia has stood as an iconic destination in Ibiza's nightlife scene, blending its island heritage with cutting-edge music experiences. As one of the most famous clubs in the world, Amnesia has always embraced innovation to stay ahead. Recognizing the need to enhance its digital capabilities, Amnesia partnered with CM.com to enhance its ticketing and fan engagement strategies, ensuring it remains a popular party destination for clubbers throughout the season.

#### The Challenge

As a globally recognized brand, Amnesia needed to keep adapting to a digital first world while maintaining its reputation for unforgettable nightlife experiences. The challenges were multifaceted. The club needed to streamline its ticketing system to improve customer convenience and operational efficiency and offer accessible, digital tickets to all attendees. Beyond ticket sales, Amnesia sought to strengthen year-round engagement with its international fanbase, extending its influence beyond Ibiza. A critical concern for Amnesia was retaining control over customer data. The club required a solution that would enable personalized interactions with fans while centralizing its digital operations to enhance marketing efforts and customer experiences. These objectives demanded a partner capable of delivering a unified, scalable platform to meet Amnesia's unique needs.

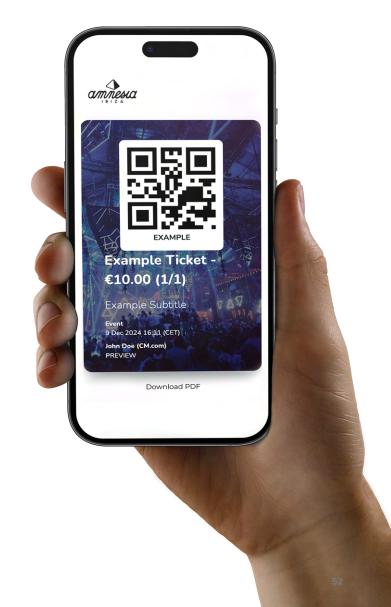
#### The Solution

Amnesia partnered with CM.com to deliver an integrated digital platform designed to elevate the customer experience while optimizing operational processes. CM.com proposed a robust ticketing system, allowing Amnesia to manage ticket sales directly through its platform. This ensured not only a smooth and efficient purchasing process but also gave Amnesia access to real-time insights and analytics, critical for decision-making and future planning.

Additionally, CM.com's Customer Data Platform enabled Amnesia to retain ownership of its customer data. This capability empowered the club to personalize marketing campaigns and strengthen its connections with fans worldwide, fostering deeper engagement even during the off-season. Through CM.com's comprehensive marketing tools, Amnesia could communicate with its audience seamlessly, maintaining its global reach and relevance. This collaboration allowed Amnesia to centralize all aspects of its digital operations, from ticketing to customer engagement, creating a streamlined and cohesive system that could grow with the club's ambitions.

#### At the Forefront of Digital Transformation

The partnership between Amnesia and CM.com has helped Amnesia deliver on its promise of being an attendee-centric brand. With a unified platform and advanced tools at its disposal, Amnesia has digitalized how the club interacts with its fans. Their digital-first approach allows them to continue delivering personalized experiences, optimizing operations, and setting themselves new benchmarks for marketing innovation. By retaining control over its data and leveraging advanced marketing capabilities, Amnesia has future-proofed its business and can focus on delivering incredible parties, ensuring clubbers worldwide continue to enjoy unforgettable experiences for years to come.



# PERFORMANCE AND RESULTS

ME I

NTENTS | AGENTS

# **Key Figures 2024**

**REVENUE** 

€ 274.2m = \*3%

**2023:** € 266.2m

**NUMBER OF MESSAGES** 

8.3bn = 18%

2023: 7.0bn

**GROSS PROFIT** 

€ 83.1m = \*6%

**2023**: € 78.5m

**TOTAL PAYMENTS PROCESSED** 

€ 2.818m = 14%

**2023:** € 2.467m

**ANNUAL RECURRING REVENUE** 

€ 33.7m = \*6%

2023: € 31.8m

**NUMBER OF TICKETS** 

19.3m = +4%

2023: 18.5m

# An Interview with Jörg de Graaf, CFO CM.com

The last two years at CM.com have been characterized by a strong focus on operational efficiency to support sustainable value creation in the long term. The results of this integrated strategy were reflected in our 2024 financial performance. Notably, 2024 was the first year since listing in which we recorded a positive Normalized EBITDA of  $\[ \in \]$  18.1 million and a record Gross profit of  $\[ \in \]$  83.1 million. Furthermore, CM.com forecasted to become Free Cash Flow (FCF) positive in the second half of 2024. However, we are proud to announce that we outperformed this target, as we turned FCF positive earlier than planned. In addition, our Normalized OPEX ended 18% lower, which was a significant reduction from the result that we anticipated at the beginning of 2024.

In 2024, CM.com completed efficiency improvements following our value-over-volume strategy. The last step was the implementation of the business unit structure. The goal was to improve internal alignment and grow cross-sell initiatives to offer a more complete product to our client base. All these measures resulted in a return to top-line growth and record bottom-line performances. Keeping in mind the innovative ambitions of CM.com, we have nonetheless been able to keep on innovating and launch exciting new products in the field of AI. Ultimately, this has created a strong foundation on which we can accelerate our growth in the future.

#### **Investing in Shared Success**

The financial impact of the new structure already showed in 2024, as OPEX decreased and revenue growth picked up again. In its first year, the launch of our business units has already improved our cross-sell ratio. This, among other factors, supported the growth in our order intake flow, which bodes well for the future. In 2024, CM.com moved from a single organization of around 700 FTEs to four units of between 75 and 175 FTEs, which means that lines of communication – and product development cycles – have become more structured and, therefore, much shorter. Time to market for new product launches has already started to benefit from the improved internal alignment. This is one

of the key objectives we wanted to achieve – ensuring that everyone at CM.com can contribute more effectively to our success with the talents they have.

One other benefit of the new structure in terms of strategic agility is the shared ownership of P&L responsibility within each business unit. CM.com has enabled each business unit to better understand and optimize its contribution to the company's growth. Having four separate P&Ls means that the management board can more accurately measure the return on investment in the product development pipeline. As a result, our portfolio of products will be even better aligned with the evolution of the market, laying the foundation for continued profitable growth.

#### **Embracing the Potential of AI**

Being at the forefront of innovation and pushing the boundaries of technology have been central to CM.com's growth over the past 25 years. One of the most exciting developments during 2024 was the further integration of AI technology across our portfolio. At CM.com, we have positioned ourselves as a global frontrunner in this space by delivering solutions that add tangible value to the customer experience. More than half of all new order intakes in the Engage business unit in 2024 came from solutions involving AI technology, demonstrating the importance of integrating AI technology into our capabilities to accelerate growth.

Various large brands signed contracts with CM.com in 2024. All of them referred to our Al capabilities as a reason to engage with us. A.S. Watson even proactively engaged in developing our Agentic Al tool. By continuing to invest in innovative technology and making it a core element of our strategy, we will be able to drive efficiency gains further as we continue to pursue our growth targets through new partnerships while operating from one platform globally.

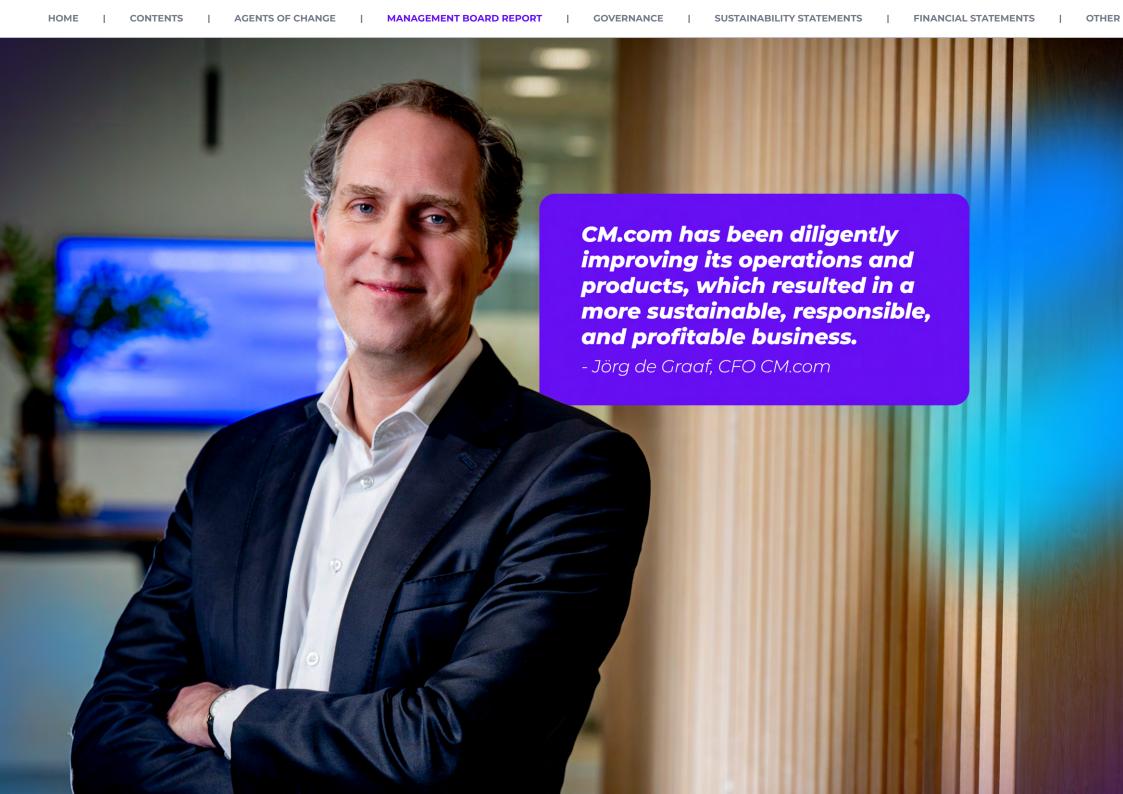
We are at the cusp of an acceleration in our growth, which is due, in part, to the innovative product launches we have announced – and still have pending in the pipeline.

Our financial performance in 2024 has enabled us to reinforce our capital structure as we announced a complete refinancing package for our outstanding convertible bonds at the beginning of 2025. This is much sooner than the envisaged expiry date of September 2026. Now, CM.com can fully focus its efforts on executing its growth strategy.

#### **Driving Societal Progress**

As CFO of CM.com, ESG is one of my core responsibilities. Our Finance department reports regularly on our sustainability policy. Our commitment to embedding environmental, social, and governance (ESG) topics within our growth strategy strengthens our proposition as it determines the way we grow our client base into the future. This is particularly relevant in light of the European Union's Corporate Sustainability Reporting Directive (CSRD). This aims to bring sustainability reporting in line with financial reporting in terms of transparency and comparability. In line with the mission and vision statement of CM.com, we see the use of our technology as the best way to build a safer and simpler future for everybody.

This includes the impact we have throughout the value chain, which we believe is essential to address. It reaches from the suppliers we use and the energy we consume to the clients we interact with and the impact our products have on society. It also includes a thorough review of all potential investments from both a financial and environmental perspective. We measure how those investments support our mission and vision from a sustainability perspective. Indeed, after 25 years in business, it has become clear that being at the forefront of innovation is about more than delivering high-quality solutions that enable exceptional customer experiences. It also means managing our workforce by providing them with a motivating environment to deploy their talents, next to the impact our company and our products have on the environment and society at large. By making CM.com more agile and better connected - both internally and externally we are building a more sustainable and profitable business.



## **Guidance to the Market**

Based on our growth strategy, CM.com has presented an overview of objectives. The table below presents the realization of these objectives in 2024.

	2024
Gross profit Growth CM.com focused on growing its Gross profit instead of only growing its revenues. Revenues need to grow to strengthen the company's Gross profit base, not only to grow revenues.	In 2024, CM.com reported a record Gross profit of €83.1 million, a 6% improvement YoY, and a gross margin of 30.3%.
OPEX & CAPEX In 2024, CM.com planned for a decrease in normalized OPEX of approximately 15% YoY. During H1 2024, CM.com improved that guidance by stating it would decrease by at least 15% YoY. CM.com expected mid-term normalized OPEX to revenue to decrease to the low-to-mid-20s and CAPEX to drop toward 5% of revenues.	In 2024, no mergers and acquisitions were done and CM.com completed its cost optimization program as part of its "path to profitability". This resulted in a decrease of 18% in Normalized OPEX YoY in 2024 and an OPEX-to-revenue ratio in the targeted mid-term range of the low-to-mid-20s. CAPEX amounted to € 17 million, of which € 14.4 million was R&D capitalized hours, down 12% versus 2023 and representing about 6.2% of revenue.
Free Cash Flow (FCF) CM.com aimed to be FCF positive by H2 2024	FCF performance improved to positive levels in H2 2024 following ongoing EBITDA growth while CAPEX decreased. Following good working capital control, FCF for FY 2024 was € 3.4 million, and € 4.7 million for H2 2024.
EBITDA  CM.com planned for normalized EBITDA in FY 2024 to grow further to a range of  € 14-18 million at the H1 2024 results. During the Q3 2024 trading update, that range changed to € 16-18 million.	CM.com reported a Normalized EBITDA of € 18.1 million for FY 2024, as the result of a strong focus on improving margins in various business units. Specifically, performance in the high margin products in Engage supported our EBITDA growth, next to Connect. In 2025, CM.com expects EBITDA to increase further, which will help the company to strengthen growth and monetize on growth opportunities in the market, both organically or inorganically.
Revenue CM.com expected YoY revenue development to improve as of Q2 2024.	CM.com reported revenue growth in all quarters of 2024 apart from the first quarter. Overall, revenue reached € 274.2 million (+3% YoY), restoring the growth profile of CM.com.

## **Results 2024**

#### **Group Performance**

x € million	FY 2024	FY 2023 <sup>1</sup>	Δ Υ-Υ
Revenue	274.2	266.2	3%
Connect	220.3	214.4	3%
Engage	28.5	25.8	10%
Pay	13.0	14.4	(9%)
Live	12.4	11.6	7%
Gross profit	83.1	78.5	6%
Connect	40.3	37.7	7%
Engage	24.8	22.7	9%
Pay	7.4	7.6	(3%)
Live	10.6	10.5	1%
Gross margin (%)	30%	29%	
Connect	18%	18%	
Engage	87%	88%	
Pay	57%	53%	
Live	85%	90%	
Normalized OPEX	(65.0)	(79.5)	(18%)
Employee benefits (Normalized)	(44.2)	(52.6)	(16%)
Other operating expenses (Normalized)	(20.8)	(26.9)	(23%)
Normalized EBITDA	18.1	(0.9)	
One-offs	(1.6)	(1.8)	
EBITDA	16.5	(2.7)	
Depreciation, amortization, and impairments	(31.7)	(21.8)	
Financing costs	(4.0)	(4.3)	
Tax	(0.6)	0.7	
Share of results in associates	-	(0.6)	
Net result	(19.8)	(28.7)	

Comparative figures are restated to the new business unit segmentation and therefore do not match the disclosure in previous reporting over FY 2023.

#### **Key Performance Indicators (KPI's)**

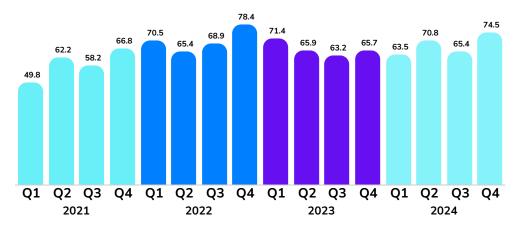
	2024	2023	Δ
CPaaS Net Dollar Retention' Rate (%)	99%	87%	
CPaaS churn rate (%)	5%	6%	
Annual recurring revenue (ARR) (€ million)	33.7	31.8	+6%
Number of messages (billion)	8.3	7.0	+18%
Number of voice minutes (million)	247	304	(19%)
Total payments processed (€ million)	2,818	2,467	+14%
Number of tickets (million)	19.3	18.5	+4%

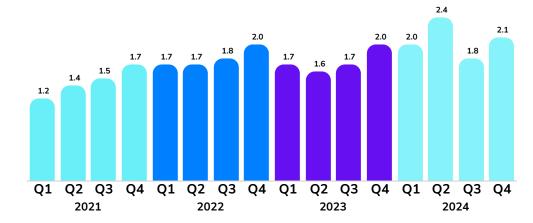
#### **Five-Year Financial Overview**

x € million	2024	2023	2022	2021	2020
Total revenue	274.2	266.2	283.2	237.0	141.6
Connect	220.3	214.4	236.3	204.2	124.2
Engage	28.5	25.8	25.4	17.3	9.0
Pay	13.0	14.4	13.4	11.6	6.4
Live	12.4	11.6	8.1	3.9	2.0
Gross profit	83.1	78.5	72.0	62.7	33.3
Connect	40.3	37.7	34.7	36.9	20.4
Engage	24.8	22.7	22.3	15.0	7.9
Pay	7.4	7.6	7.4	7.2	3.4
Live	10.6	10.5	7.6	3.6	1.6
Gross margin %	30.3%	29.5%	25.4%	26.5%	23.5%
Connect	18.3%	17.6%	14.7%	18.1%	16.4%
Engage	86.9%	87.8%	87.9%	86.7%	87.8%
Pay	56.5%	53.0%	55.1%	61.8%	53.1%
Live	85.5%	90.3%	93.0%	92.3%	80.0%
OPEX	(66.6)	(81.3)	(98.5)	(66.3)	(34.8)
Employee benefit expenses	(45.7)	(54.3)	(55.2)	(40.7)	(23.0)
Other operating expenses	(20.9)	(26.9)	(43.3)	(25.6)	(11.8)
EBITDA	16.5	(2.7)	(26.5)	(3.7)	(1.5)
One-offs	(1.6)	(1.8)	(4.2)	-	(1.7)
Normalized EBITDA	18.1	(0.9)	(22.3)	(3.7)	0.2
Amortization, depreciation, and impairments	(31.7)	(21.8)	(18.1)	(15.6)	(8.0)
Financing costs	(4.0)	(4.3)	(0.2)	(2.1)	(3.5)
Tax	(0.6)	0.7	0.2	3.9	-
Share of results in associates	0.0	(0.6)	(0.1)	-	-
Net result	(19.8)	(28.7)	(44.7)	(17.5)	(13.0)

#### Revenue development (€ million)

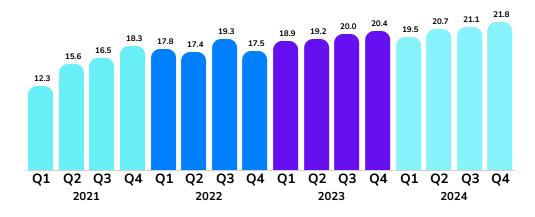
# Messages (billion)

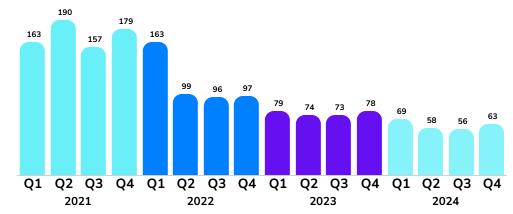




Gross profit development (€ million)

Voice minutes (million)

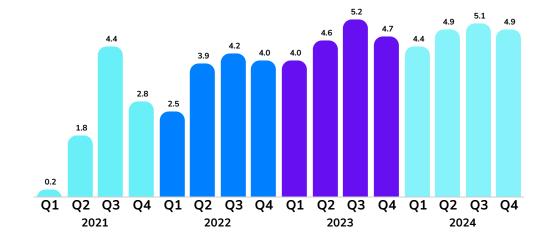




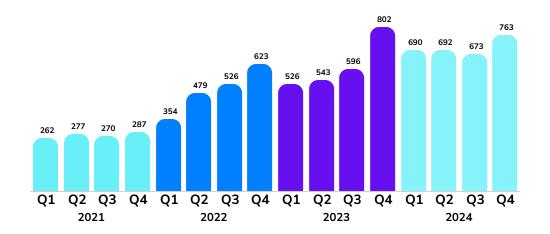
#### Annual recurring revenue (€ million)

# Q1 Q2 Q3 Q4 Q4 Q1 Q2 Q3 Q4 Q1 Q1 Q2 Q3 Q4 Q1 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q1 Q1 Q1 Q1 Q1 Q1

#### Tickets (million)



Total payments processed (€ million)



#### **Update per Business Unit**

#### Connect

In Connect, growth was reported on most metrics in 2024 YoY. Gross profit grew 7% YoY to  $\leqslant$  40.3 million and Gross margin remained stable at 18%. Revenue grew 3% YoY to  $\leqslant$  220.3 million. Various tech platforms were significantly more active on our platform, supporting the 18% growth in number of messages. The CPaaS Net Dollar Retention (NDR) rate improved in the second half of 2024, ending at 99% for 2024. CPaaS Churn declined to 5% versus 6% end 2023.

The efficiency improvements following the launch of the business unit Connect and the strategic focus on growing value over volume, resulted in a return to growth on topline and bottomline performance. Underlying number of messages grew 18% to 8.3 billion, whereas number of Voice minutes declined 19% YoY to 246.5 million minutes from 304 million minutes in 2023. Voice remains a service we continue to provide to keep the ful range of products available to our client base.

#### **Engage**

Our product suite in Engage adopted the integration of AI technology into our software tech stack in 2024. Since the summer of 2024, CM.com noticed an increase in traction and revenue growth on the back of AI-based technology. Gross profit in 2024 grew 9% to  $\leqslant$  24.8 million and revenue grew 10% to  $\leqslant$  28.5 million. That means that the Gross margin remained strong and stable at 87% versus 88% in 2023.

Annual Recurring Revenue increased 6% to  $\leqslant$  33.7 million at the end of 2024, from  $\leqslant$  31.8 million end of 2023. In H2 2024 especially we saw some more momentum arise in our subscription business.

#### Pay

In Pay, CM.com made great steps forward in the product offering through the introduction of innovations in 2024. Examples are the technology to enable offline payments with our POS, the launch of the processing platform for Visa and Mastercard and the simplification of the tech stack by consolidating the various platforms. Total payment volumes in 2024 increased 14% YoY to €2.8 billion.

Towards year end 2024, the performance of our POS (Point Of Sale) offering was good, while our online proposition faced competition. That affected the product mix, which affected the topline and Gross profit development in Pay. Revenue decreased 9% YoY to  $\le$  13.0 million and Gross profit decreased 3% YoY at  $\le$  7.4 million. Gross margin improved to 57% in 2024, from 53% in 2023.

#### Live

In Live the number of tickets sold was 4% higher YoY, to 19.3 million. For FY 2024, revenue grew 7% YoY to  $\leqslant$  12.4 million and Gross profit grew 1% to  $\leqslant$  10.6 million. The gross margin remained strong at 85%.

CM.com announced enticing order wins in the UK and France in the fourth quarter. Particularly the exclusive agreement with the Notre-Dame in Paris to ensure 15 million visitors a year an optimal experience when visiting the Cathedral is a gratifying achievement.

#### **OPEX**

In 2024, CM.com continued to work on improving the efficiency by lowering its OPEX, while growing its Gross profit. This resulted in a significant EBITDA expansion.

Normalized OPEX in 2024 was  $\leqslant$  65 million for FY 2024, a decrease of 18% YoY. This means CM.com meets its OPEX guidance for 2024 to lower Normalized OPEX levels YoY by at least 15%.

Zooming in on OPEX, the FTE base ended 7.5% lower YoY at 666. The changes in FTE were balanced between natural attrition, performance assessments, and new hires in mainly the Research & Development department.

OPEX/Revenue ratio was reduced to 24.3% - landing in CM.com's mid-term goal of an OPEX versus Revenue ratio of low-to-mid 20s

#### **EBITDA**

Normalized EBITDA reached € 18.1 million over 2024, excluding restructuring costs of € 1.6 million reported in H1 2024. That compares with a Normalized EBITDA of minus €0.9 million over the same period in 2023.

For 2024, this means that CM.com meets top end of the guided range on Normalized EBITDA. This also sets a new record level in Normalized EBITDA for CM.com. For 2025, CM.com expects growth to continue and expects EBITDA within a range of € 22-27 million.

#### **CAPEX**

Capital expenditure (CAPEX), mostly determined by capitalized labor, but also including hardware, software, and infrastructure, amounted to € 17 million in 2024, a decline of 12% YoY. The CAPEX/ Revenue ratio continued to improve to 6.2% for 2024, approaching our mid-term goal of about 5%.

#### **Funding & Cash Position**

On 31 December 2024, our non-restricted cash position was € 18.1 million. In H2 2024 CM.com delivered on its guidance and reached a positive Free Cash Flow of € 4.7 million through a combination of lower CAPEX and higher EBITDA, supported by a further improvement of its working capital. As a result overall Free Cash Flow for 2024 turned € 3.4 million positive – a major milestone in the financial roadmap of CM.com.

CM.com decided to take a goodwill impairment of  $\in$  8.8 million on its Pay business. This, to align the valuation of historic acquisitions with current valuations in the payment market. This impairment is non-cash.

Per 31 December 2024, the Revolving Credit Facility of € 15 million with HSBC remained to be a standby facility. On February 12, 2025, CM.com signed a facility agreement with HSBC Continental Europe, ING Bank N.V., and ABN AMRO Bank, for a Revolving Credit Facility (RCF) with a principal amount of € 80 million, including covenants, and guarantees for the bank in case of default. The most important financial covenants measured on a quarterly basis consist of a minimum level of EBITDA and liquidity available until October 2026. After this date, a leverage ratio and a debt service coverage ratio will be included as financial covenants until the maturity date of the RCF. The RCF is expected to be reduced to a maximum amount of € 65 million by February 2027. Management expects that these covenants and repayments will be reasonably realized based on the assumptions outlined in the business plan for 2025-2027.

The duration is until February 12, 2028, with two extension options of one year each, with an interest rate of EURIBOR + margin (4.75%-5.50%). Due to the enactment of the new agreement the existing RCF expired on March 10, 2025. Conditions precedent was a capital injection, € 20 million share capital was raised through an accelerated bookbuild. CM.com placed 2,985,075 ordinary shares at a nominal value of € 6,70. The purpose of the facility is to redeem all outstanding convertible bonds (see note 18). The redemption of the outstanding convertible bonds for an amount of € 87 million has been completed on March 11, 2025.

#### Outlook

The strategic developments in 2024 have resulted in record levels in EBITDA and Gross profit. In 2025, CM.com will continue to build on that momentum. Looking ahead, CM.com will focus on partnerships, operating from one platform and becoming an AI-First company to accelerate growth.

In terms of outlook, CM.com:

- expects EBITDA within a range of € 22-27 million for FY 2025
- expects Gross profit momentum to continue into 2025, and push for further growth

### **Shareholder Value Creation**

At CM.com, we manage the relationships with various stakeholders through our Investor Relations department. Investor Relations seeks to ensure accurate and transparent communication about CM.com's financial information between our company's management and analysts, shareholders, investor communities, and various media channels. We believe that continuous engagement with all stakeholders increases the mutual understanding of the role CM.com plays in society with regard to our employees, clients, and investors. All our actions in this area help us safeguard optimal conditions to grow our business proposition.

Throughout 2024, CM.com participated in various in-person and virtual conferences. Our Investor Relations department also organized roadshows in the US and Europe, increasing our visibility in the outside world and strengthening our readiness to facilitate conversations with active and potential shareholders. Relative to previous years, our face-to-face engagement continued to grow compared to virtual calls. While virtual interaction remained an important way of connecting, we preferred to meet our existing and potential new investors in person whenever possible.

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

Our financial year runs between 1 January and 31 December. CM.com provides unaudited annual and semi-annual results with fully audited figures in the annual report. Every year, we also release first- and third-quarter trading updates covering key financial figures and performance indicators.

On CM.com's Investor Relations <u>page</u>, users can access a broad range of information, including our financial calendar, annual reports, press releases, presentations, webcasts, and shareholder information. Investor Relations is the primary point of contact for all potential and current shareholders, bondholders, analysts, and other financial stakeholders.

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

ISIN Code Convertible Bonds: XS2384606468 (Frankfurt Exchange)

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

CM.com aims to always act with integrity and in compliance with all applicable laws, regulations, and best practices. To ensure compliance and transparency, CM.com has a <u>Bilateral Contact Policy</u>, which is reviewed annually to remain current.

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

#### **Capital Structure**

In September 2021, CM.com successfully raised € 100 million through a senior unsecured convertible bond placement with a maturity in September 2026. The bonds carry an annual coupon of 2.0% and have an initial conversion price of € 53.30 per bond. The convertible bonds are listed on the Open Market (Freiverkehr) of the Frankfurt Stock Exchange. Apart from the RCF, convertible bonds, and equity, CM.com has no other debt instruments outstanding in 2024. CM.com shares are listed at Euronext Amsterdam under the ticker 'CMCOM'. In Q1 2025, CM.com successfully launched an early tender for all outstanding Convertible Bonds in conjunction with a new RCF and an equity issue. For more details refer to Subsequent events

CM.com has one type of share – an ordinary share. Each share has equal weight and voting rights, with one share equaling one voting right.

#### NUMBER OF SHARES OUTSTANDING

2 January 2024 29,111,365 25 April 2024 29,131,999 31 December 2024 29,131,999

#### **Indicative Free Float**

CM.com is a founder-led company, with the two founders jointly owning 51,11% of the shares at the start of 2024. In 2024, the two founders announced a sell-down program spread over seven years. The selldown was to takes place on a quarterly basis, in the open periods, following the release of quarterly financial results. Over the seven years, both founders announced the intention to sell 100,000 shares in total per quarter. The goal of this sell down was to reduce their holdings from an aggregate 50% to 40% and to improve liquidity in the shares.

At the end of 2024, CM.com's free float was approximately 35%. We strive to grow our shareholder base internationally to align with our global footprint and strategy. We aim to increase the share of institutional investors while also further increasing our visibility in global capital markets and liquidity in CM.com stocks. On February 12, 2025, CM.com signed a facility agreement with HSBC Continental Europe, ING Bank N.V., and ABN AMRO Bank, for a Revolving Credit Facility (RCF) with a principal amount of  $\mathbb E$  80 million, including covenants, and guarantees for the bank in case of default. Conditions precedent was a capital injection,  $\mathbb E$  20 million share capital was raised through an accelerated bookbuild. CM.com placed 2,985,075 ordinary shares at a price per share of  $\mathbb E$  6.70 on 13 February. The founders participated in this placing and committed themselves to a lock up period of 365 calendar days. This means that the sell down program of the founders is paused by at least 365 days since the settlement of the placing.

#### Major Shareholders

As per articles 5:34, 5:35, and 5:43 of the Financial Supervision Act and the Act on the Disclosure of Major Holdings in Listed Companies (WMZ) and Article 1(1) and 1(2) of the Decree Takeover Directive, the following parties are known to CM.com as shareholders with an interest of 3% or more of the share capital of CM.com on 31 December 2024:

	Shareholding as published by the AFM	Date of last notification at the AFM
Jeroen van Glabbeek	24.87%	22 October 2024
Gilbert Gooijers	24.87%	22 October 2024
Teslin Participaties Coöperatief U.A.	6.08%	21 February 2020
De Engh B.V.	5.01%	16 August 2023
J.N.A. Van Caldenborgh	3.09%	16 March 2021

#### Management and Supervisory Board Shareholdings

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

- Jeroen van Glabbeek (CEO): 7,246,347 shares / 7 Convertible Bonds
- Gilbert Gooijers (COO): 7,246,347 shares / 7 Convertible Bonds
- Jörg de Graaf (CFO): 10,406 shares

The Chairman of the Supervisory Board, Jacques van den Broek, has owned 5,500 shares in CM.com since 5 June 2023. Furthermore, Supervisory Board member Stephan Nanninga indirectly owns 105,679 shares of CM.com via his 25% ownership of Lindespac B.V. These shares are mainly a result of the fact that he was already the shareholder of Dutch Star Companies ONE N.V. Other members of the Supervisory Board do not own CM.com shares.

#### **SHARE PRICE INFORMATION 2024**

Opening price on 2 January 2024	€ 8.70
Lowest closing price	€ 5.36
Highest closing price	€ 8.77
Closing price on 31 December 2024	€ 5.69
Market capitalization at opening on 2 January 2024	€ 253 million
Market capitalization at closing on 31 December 2024	€ 166 million
Average daily trading volume (nr of shares)	20,023
Daily volume – highest (nr of shares)	173,650
Daily volume – lowest (nr of shares)	1,643

#### **Research Coverage**

ING, ODDO ABN AMRO BHF, and Kepler Cheuvreux analysts actively cover the CM.com share. Although analyst reports and valuations contain the independent views of analysts and not our own assessments, they are of great importance to us. These reports help (institutional) investors make well-informed investment decisions. The following analysts cover CM.com as of the date of this annual report:

Institutions	Analysts
ING	Thymen Rundberg, Marc Hesselink
ODDO ABN AMRO BHF	Wim Gille
Kepler Cheuvreux	Robert Vink

#### **Dividend Policy**

CM.com intends to retain any future distributable profit to expand the growth and development of the company's business and, therefore, does not anticipate paying any dividends to shareholders in the foreseeable future. CM.com's dividend policy can also be found on our company <u>website</u>.

#### 2025 Financial Calendar

17 April 2025	Release Q1 2025 trading update (no webcast)
9 May 2025	Annual General Meeting CM.com
15 May 2025	Capital Markets Day 2025
23 July 2025	Release H1 2025 results (webcast)
21 October 2025	Release Q3 2025 trading update (no webcast)

# CORPORATE COVERNANCE

## **Corporate Governance**

To provide insight into the corporate governance of CM.com, this chapter sets out:

- 1. Our corporate structure, including corporate bodies and shares in CM.com.
- The rules and regulations applicable to CM.com.
- Diversity within the Supervisory Board, the Management Board, the Executive Committee, and Senior Management.
- Other corporate governance matters.

#### **Corporate Structure**

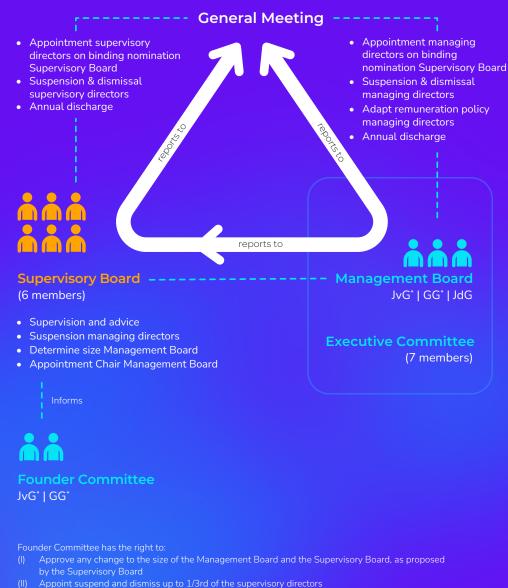
CM.com is a public limited liability company, incorporated in the Netherlands. Our shares have been listed on Euronext Amsterdam since 21 February 2020. As such, our governance structure is based on the requirements stated in Dutch legislation and the Articles of Association, complemented by our internal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

CM.com has a two-tier board structure, with a Management Board and a Supervisory Board. The Management Board is responsible for the management of CM.com, while the Supervisory Board supervises and advises the Management Board. Both the Management Board and Supervisory Board report to the General Meeting. Shareholders may cast their vote during a General Meeting.

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

Pursuant to the foregoing, CM.com has the following corporate bodies:

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



- Approve the chair of the Supervisory Board
- (IIII) Approve a resolution of the General Meeting (a) to amend the articles of association to the extent rights of the Founder Committee are adversely affected and (b) to effect a legal merger, legal division, or any other form of corporate restructuring.

\* Together, JvG and GG are the founders

#### General Meeting

Our shareholders are important for the governance of CM.com. In 2024, CM.com kept its shareholders informed through financial updates – some accompanied by a webcast – plus an investor deep dive, press releases, and the Annual General Meeting held on 19 April 2024. For more information, please see the <a href="Shareholder Value Creation">Shareholder Value Creation</a> chapter.

Once a year, CM.com holds an annual General Meeting. This meeting occurs within six months following the end of the financial year (31 December). Our next annual General Meeting is scheduled to take place on 9 May 2025.

Shareholders may exercise their voting rights on the agenda items of a General Meeting. For our General Meeting on 9 May 2025, voting rights may be exercised in person during the General Meeting or in advance by proxy. Proxies must be received no later than Friday, 2 May 2025, at 17:00 CEST. Further information is published in our notice on convening the General Meeting. Each shareholder is entitled to one vote per share. The General Meeting passes resolutions by an absolute majority of the votes cast, with no quorum required, unless stipulated otherwise by Dutch law or the Articles of Association.

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

- The approval of CM.com's consolidated financial statements.
- The determination of the dividend in line with the Dividend Policy.
- The remuneration report for the Management Board and Supervisory Board (advisory vote).
- The discharge of each member of the Management Board and Supervisory Board.
- The (re)appointment of the external auditor.
- The authorization of the Management Board, with the approval of the Supervisory Board, to:
  - issue shares and grant rights to acquire shares;
  - restrict or exclude preemptive rights.
- The authorization of the Management Board, with the approval of the Supervisory Board to repurchase shares.

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

CM.com may hold extraordinary General Meetings. In addition, shareholders have the right – following authorization by a judge – to convene an extraordinary General Meeting if the shareholder(s) represent(s) at least 10% of the issued share capital. In 2024, no extraordinary General Meetings were convened.

Finally, the following actions (among others) require the approval of the General Meeting:

- Appointing, suspending, or dismissing a member of the Management Board.
- Appointing, suspending, or dismissing a member of the Supervisory Board, provided that the Founder Committee is authorized to do so for up to one-third of these positions.
- Discharging a member of the Management Board or Supervisory Board.
- Adapting a remuneration policy for the Management Board or the Supervisory Board.
- Determining the remuneration of the Supervisory Board.
- Issuing shares or granting rights to acquire shares outside the authorization provided to the Management Board by the General Meeting.
- Repurchasing shares outside the authorization provided to the Management Board by the General Meeting.
- Reducing the issued share capital.
- Taking any action resulting in an important change in the identity or character of CM.com.
- Adopting the annual accounts.
- Appointing an auditor.
- Amending the Articles of Association.

#### **Supervisory Board**

The Supervisory Board advises the Management Board on a wide range of topics. In addition to advising the Management Board, the Supervisory Board supervises the Management Board. This supervision includes supervising strategy, policies, and the internal audit process. For more information, please see our <u>Supervisory Board Report</u>.

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

Supervisory Board members are appointed by the General Meeting on the basis of a binding proposal from the Supervisory Board, provided that the Founder Committee is authorized to appoint one-third of the Supervisory Board members. Supervisory Board members are appointed for a period of four years and may be reappointed. The first reappointment may be for a maximum period of four years. The second reappointment may be for a maximum period of two years, which may be extended by a further two years.

The first term of office of two members of the Supervisory Board expires at the annual General Meeting, scheduled for 9 May 2025. The (re)appointment proposals are included in the agenda and explanatory notes as published on the company <u>website</u>.

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

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

#### **Management Board**

The Management Board is responsible for the management of CM.com. This responsibility includes, among others, defining and achieving CM.com's objectives, determining its strategy and risk management policy, and managing its day-to-day operations. The Management Board may perform all acts related to achieving these objectives, except those which are prohibited by Dutch law or the Articles of Association or which are expressly assigned to the General Meeting, the Founder Committee, or the Supervisory Board.

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

The Management Board has delegated its responsibility to identify and consequently manage sustainability matters to the CFO. The CFO has established a Corporate Sustainability Reporting Directive (CSRD) working group, led by CM.com's ESG manager. The working group holds bi-weekly meetings. More information about the CSRD working group and the progress it has made is included in our sustainability statements.

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

The Management Board consists of three members. Throughout 2024, the Management Board was composed as follows:

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

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

Any member of the Management Board may be dismissed by the General Meeting. A resolution of the General Meeting to dismiss a Managing Director who is a founder requires a resolution adopted with a two-thirds majority of the votes cast, representing more than half of the issued share capital.

#### **Executive Committee**

The Management Board has chosen to work with an Executive Committee to enhance and broaden the knowledge and expertise available to the Management Board. The Executive Committee provides support to the Management Board.

The Executive Committee is bound by the Management Board's rules of procedure. Notwithstanding the existence of the Executive Committee, the rights and obligations of the Management Board under Dutch law, the Articles of Association, and the Dutch Corporate Governance Code remain in full force. Therefore, the Management Board remains accountable for the actions and decisions (if applicable) of the Executive Committee and bears ultimate responsibility toward the Supervisory Board and for CM.com's external reporting to its shareholders.

The Executive Committee has seven members, consisting of the Management Board members and four other members who perform the following functions:

General Manager International;

Head of Central Sales; and

Head of Human Resources;

Head of Legal.

#### **Founder Committee**

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

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

The Founder Committee will meet at the request of any member of the Founder Committee. In 2024, the Founder Committee did not convene.

The Founder Committee has the right to:

- Approve the number of members of the Management Board and Supervisory Board.
- Appoint or replace the chair of the Supervisory Board.
- Directly appoint, suspend, and dismiss up to one-third of the Supervisory Board members.

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

#### Works Council

Since 2022, CM.com has had a Works Council. The Works Council is relevant for corporate governance in the Netherlands as certain resolutions are subject to its advice or consent. At CM.com, we value the views of our employees. Therefore, the Works Council is relevant in a broader sense. Accordingly, the Works Council and Management Board held monthly meetings during 2024.

#### **Shares**

CM.com only has one class of shares. Except for the shares held in the treasury, each share carries one vote. On 31 December 2024, 5,039 shares were held in the treasury.

In 2024, CM.com did not issue:

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

CM.com is not aware of any agreements between shareholders that result in restrictions on the transfer of shares or the exercise of voting rights. CM.com has not imposed restrictions transfers (depositary receipts) of CM.com shares.

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

#### **Rules and Regulations**

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

#### Dutch Law, Especially Book 2 of the Dutch Civil Code ("DCC")

As of the publication of this report, CM.com is not subject to the provisions of Dutch law applicable to large corporations. On 23 June 2023, CM.com lodged a declaration with the trade register of the Dutch Chamber of Commerce. Once the declaration has been registered at the trade register for three consecutive years, the large company regime (as included in articles 2:158 up to and including 2:164 of the DCC) shall apply to CM.com. This will lead to a further concentration of control for the Supervisory Board over certain decisions, resolutions, and transactions. Once the large company regime applies, CM.com intends to amend its Articles of Association accordingly.

#### Articles of Association

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

#### The Corporate Governance Code

The Corporate Governance Code applied to CM.com as of 1 January 2023.

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

- Best practice provision 2.2.1 states that a member of the Management Board is appointed for a maximum period of four years. As addressed above, both founders have been appointed for an indefinite period. Whenever the position of the founders in their capacity as Management Board members leads to a conflict of interest, CM.com has a thorough procedure that must be followed.
- Best practice provision 4.3.3, which only applies to companies that are not subject to the large company regime, states that the binding nature of a nomination (for the appointment or dismissal of a Managing Director or a member of the Supervisory Board) may be canceled by a portion of the issued share capital not exceeding one third. The Articles of Association state that a majority of two-thirds of the votes cast is required for such a cancellation. As a result, the cancellation of the binding nature is currently only possible through a combined action of one or both of the founders, in their capacity as shareholders, and other shareholder(s). This deviation from the Corporate Governance Code is temporary. When CM.com applies the large company regime, CM.com intends to update its Articles of Association accordingly.

#### Internal Rules and Policies

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

- Management Board Rules of Procedure
- Supervisory Board Rules of Procedure
- Profile of the Supervisory Board
- Audit Committee Charter
- Nomination, Selection, and Remuneration Committee Charter
- Bilateral Contact Policy
- Diversity & Inclusion Policy
- Speak Up Policy

- Code of Conduct
- Management Board Remuneration Policy
- Supervisory Board Remuneration Policy
- Supervisory Board Rotation Schedule
- Tax Policy
- Dividend Policy
- Insider Dealing Policy

All internal rules and policies are published on our company <u>website</u>, except for the Insider Dealing Policy. Whenever a person (internal or external) is added to an insider list, he or she will be notified along with the Insider Dealing Policy.

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

- Operating with integrity.
- Privacy & security.
- Social responsibility.

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

- Our dedicated Data Privacy Governance Board, which consists of a multidisciplinary team of qualified professionals who govern our Global Privacy Program.
- Mandatory training throughout the year of all employees on multiple security topics.
- CM.com's <u>Speak Up Policy</u> and Speak Up line, which encourages and helps everyone within the CM.com group to raise concerns about any suspected misconduct, irregularities, or incidents. A Speak-Up tool was recently acquired to support this.

#### **Diversity**

CM.com has set out its diversity targets for the Management Board, Executive Committee, Senior Management, and Supervisory Board in the <u>Diversity & Inclusion Policy</u>.

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

During 2024, the composition of the Management Board and Supervisory Board did not change. Since the Company's CTO left in 2024, the Executive Committee decreased with one member. In addition, following the installment of the full leadership team and the dedicated employees supporting them, the Senior Management is complete. The below listed men and women of the Executive Committee and Senior Management all regard employees of CM.com.

Following the above, CM.com's male/female distribution is as follows, as of 31 December 2024:

	Number of	Number of	% men	% women	Target % women	Target year
	men	women				
Management Board	3	0	100%	0%	30.0%	2032
Supervisory Board	4	2	66.7%	33.3%	33.3%	2022
Executive Committee	7	0	100%	0%	30.0%	2027
Senior Management	23	13	63.9%	36.1%	30.0%	2027

Information about our policies and taken actions to meet and maintain our set diversity targets are included in the <u>People and Culture</u> chapter and in the <u>Social</u> chapter of our Sustainability Statements.

#### Other Corporate Governance Matters

In line with legislation, CM.com discloses its:

- Conflicts of interest.
- Anti-takeover measures.
- Transactions with shareholders holding 10% or more.
- Corporate Governance Statement.

#### **Potential Conflicts of Interest**

CM.com is aware that the founders will continue as directors and are members of the Founder Committee while remaining (indirect) shareholders. If this (or any other situation) gives rise to a conflict of interest, the director may not participate in the deliberations and decision-making process on a subject where a conflict of interest exists. To avoid overlooking conflicts of interest, a (potential) conflict of interest of material significance must be reported to the chairperson of the Supervisory Board. The Supervisory Board decides whether a member of the Management Board has a conflict of interest. The rules on conflicts of interest for the Management Board members are included in the Management Board's rules of procedure.

For the year 2024, CM.com is not aware of any (potential) conflict of interest between the private interests or other duties of members of the Management Board and the private interests or other duties of members of the Supervisory Board toward CM.com. Consequently, the best practice provisions 2.7.3 and 2.7.4 of the Corporate Governance Code were complied with.

#### Anti-takeover Measures

CM.com has not imposed restrictions on transferring (depositary receipts of) CM.com shares. CM.com can take the following anti-takeover measures:

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

In 2024, CM.com did not enter into agreements with any of its directors or employees that would lead to a payment obligation on termination of employment in connection with a public offering.

#### Transactions with Shareholders Holding 10% or More

For the year 2024, CM.com is not aware of any transaction between CM.com and a shareholder holding at least 10% of the shares in CM.com.

#### **Corporate Governance Statement**

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

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

## **Risk Management & Compliance**

As a fast-growing, global, and entrepreneurial company, we must find the right balance between risk and compliance management across the organization. In 2024, CM.com continued to focus on Gross profit growth. This resulted in a greater focus on profitable products and customers. The focus on Gross profit growth and implementation of the business unit structure led to a shift in the focus and granularity of our work in specific risk and compliance areas, as well as restructuring and updating our enterprise management system to reflect recent changes to our organizational structure.

CM.com's approach to risk and compliance management is continuously evolving. The implementation and culture of risk management and compliance is deeply embedded within the organization and, therefore, part of both strategic decision-making and day-to-day operations. As a result, risk and compliance management does not begin or end with the Risk and Compliance team. The Risk and Compliance team is positioned as a strategic business partner: it offers insights and advice, supports implementation of the Internal Control Environment (ICE), provides awareness, and monitors and reports on risks, related control performance, and opportunities across the business. To stay at the forefront of innovation, all disciplines within CM.com work together, resulting in a more ingrained, sustainable, and well-controlled organization.

Acting as a strategic business partner, the Risk and Compliance team helps CM.com stay at the forefront of innovation by identifying risk and opportunities and supporting CM.com in coping with these while achieving Gross profit growth and adding value to its customers and other stakeholders.

The challenge is to strike a balance between working with first-line colleagues to implement proper risk management, for example, by identifying risks and defining and implementing appropriate control measures and remaining independent to test controls. First-line management remains ultimately accountable for risk mitigation within CM.com's risk appetite of accepting a moderate and low magnitude for actual risks. This risk appetite is equal to 2023. The high and substantial risk magnitude is above CM.com's risk appetite and results in improving existing and/or adding additional control measures.

CM.com uses the three lines model for its risk and compliance management. These three lines, Business, Risk and Compliance, and Internal Audit, are independent of each other but work in close collaboration. CM.com continuously builds resources and expertise in risk, compliance, and sustainability to support the organization as it grows and matures.

At CM.com, we believe that stakeholder confidence and trust in the quality of our services are key to driving sustainable and profitable growth. This belief is informed by CM.com's focus on continuous service improvement, as well as external drivers such as increased legislation and higher customer demands. Trust is about providing transparency and demonstrating proactive

compliance with applicable legislation and industry standards (such as ISO and PCI), as well as assurance attestation (ISAE 3402). CM.com, therefore, periodically assesses the quality of its services through independent auditors and displays the results in the <u>Trust Center</u>.

In comparison with previous years, based on our observations of the ever-changing global environment and external knowledge resources like "risk in focus" reports, we see that the risk topics are broadly consistent with previous years. In addition to the risk topics, we see the following general trends:

- Risk topics are becoming more interconnected and interdependent; they cannot be managed in isolation but must be managed in relation to other risks. Identifying dependencies between risks is, therefore, key to managing all risks.
- Disruptive technologies are developing at a rapid speed. This can create risk for our business models and financial results but also new opportunities. For example, incorporating AI into our services can deliver more value to our customers and make our business processes more effective and efficient.
- We see certain stakeholders becoming more vocal, particularly customers and employees, many of whom are becoming disconnected from traditional corporate values and expect more stakeholder engagement. Specifically, climate change and sustainability are driving stakeholders to become more vocal. For CM.com, it's of utmost importance to join these stakeholder conversations and take their views into account.

Although there have been minor changes in the ranking of top identified risks, most risks also remain applicable to CM.com. The highest rise is in digital disruptions, new technologies, and AI, all of which represent opportunities as well as risks for CM.com. These emerging topics prompt sustained, company-wide efforts to protect and gain market share by providing our own AI solutions. Cybersecurity remains the highest-scored risk topic, as new AI hacking techniques are causing the volume and velocity of attacks to rise at high speed. In the face of these challenges, CM.com must keep strengthening awareness among employees, as our workforce is becoming ever more important in defending the company against cyberattacks.

To support organizations in developing more resilient cybersecurity strategies, new legislation is coming into force in 2025. This includes the Digital Operational Resilience Act (DORA) and the second Network and Information Security Directive (NIS2).

Macroeconomic and geopolitical uncertainty remains a high risk, possibly resulting in regulations, sanctions, and other impacts. CM.com's overall resilience is crucial for coping with these changes and uncertainties. CM.com monitors these changes and emerging risks, taking them into account as much as possible whenever these developments could impact the performance and success of CM.com.

Risk &

**Compliance** 

**Team** 

The social angle of ESG overlaps with another significant risk: human capital. Lifetime employment is becoming rare, with people more likely to cycle through organizations that do not meet their employment expectations. CM.com can be impacted if we are not able to foster and maintain a secure working environment that attracts, engages, and retains a diverse and inclusive workforce.

Alongside the general trends and risks arising from an ever-changing global environment, CM.com is evolving as well. These changes have an impact on risk management practices and focus. The governance change from a functional organization to a business unit structure brings both opportunities and risks. Key elements of the new organizational architecture include embedding risk management in the governance structure, enabling more precise, data-driven definitions of applicable risks within each business unit, creating more awareness and accountability regarding risks, and implementing and testing controls within each business unit. Ensuring the success of this structure will require a more continuous and conscientious alignment between the first line and Senior Management. This will ensure that CM.com is ready to face the challenges of an increasingly unpredictable world within its new organizational setup. For more information on how CM.com copes with these risks and topics, see the *Key Topics* section later in this chapter.

#### Risk and Compliance Team: The Two Focus Areas

CM.com applies the principles of the "three lines" model to ensure strong governance, dependable risk management and culture, and an effective internal control system. In 2024, the enterprise risk management methodology (CMRICS) was updated to properly reflect the organizational governance change toward business units.

As a result, the Risk and Compliance team is now even more engaged with our first-line colleagues, assessing and advising on processes to facilitate greater resilience and robustness. In 2024, the team broadened its focus from mainly managing operational risks and opportunities to tackling more strategic topics. These topics are determined through a Strategic Risk Assessment conducted with the Management Board and Executive Committee. In addition, the team conducts tactical risk management assessments with the four business units to help them correctly identify and cope with their specific risks. In 2024, the Risk Management team facilitated discussions on a broad range of strategic and tactical topics, supporting stakeholders in making sustainable decisions.

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

Assurance & Risk Management

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

In 2024, the Risk and Compliance team continued to work more closely together, focusing on common objectives and combining views, skills, and knowledge to integrate compliance issues more effectively and efficiently into our risk management methodology. On an annual basis, Risk and Compliance prepares a Risk and Compliance plan based on stakeholder interests, information from external sources, as well as internal developments, such as reorganizations, new products, internal audit reports, and the effectiveness of risk management practices. In May 2024, Risk & Compliance gave an update on the progress of the annual plan for CM Payments B.V. Then, in November 2024, Risk & Compliance provided the Management Boards and Audit Committees with an update on the 2024 annual plan and its outlook for the 2025 plan. The 2024 outlook for CM.com and CM Payments B.V. is in line with the 2024 annual plan, with minor changes made to give more focus on new legislation and ESG, in line with insights based on internal and external developments.

#### **Assurance and Risk Management**

CM.com's "business partner" model, whereby the Assurance and Risk Management teams work alongside the first line, continued to improve collaboration in 2024. Engagement with the first line is facilitated by a "single source of truth" architecture, meaning we use one source for all internal controls. This means that control activities, by external auditors or the risk team itself, can be carried out more efficiently for many purposes. In 2024, the business partnership model proved successful in many areas of the business, including strengthening the alignment between the quality assurance activities of the business units and deepening collaboration with various sales teams to support tenders and customer questionnaires. The model also helped with the integration of a new risk and control framework for sustainability in CM.com's enterprise risk management methodology and register.

Strengthening stakeholder confidence in the quality of our services is important for CM.com and is increasingly expected by our customers. In 2024, two small changes were made to the ISO certificates. The ISO 27001/17/18 certificate was extended to include the Amsterdam office, and the recertification of ISO 20000 was advanced to 2024 instead of 2025. For CM.com's payment services, we have successfully obtained another ISAE 3402 Type 2 report. We continually review the evolution of assurance requirements and focus on providing the required assurance where valid business cases support the extension of, or the acquisition of, existing or new certificates or assurance reports. In 2025, we will recertify against most ISO standards. For example, ISO 27001 will be in the 2022 version instead of the current 2013 version. To support the French CM.com team in 2025, we will acquire the Health Data Host (HDS) certification and apply for the ISO 42001 certificate for our AI services. This will help in compliance with the upcoming EU AI act.

#### Compliance and Integrity

The Compliance team, as part of the Risk and Compliance team, embeds a culture of compliance and integrity throughout the entire organization to ensure adherence to all applicable laws and regulations, as well as company values and best practices.

**FINANCIAL STATEMENTS** 

As a second-line function, we must continue the dialogue with the first-line business as we strive to become an even more trusted and relevant strategic business partner. At the same time, we must also help CM.com remain at the forefront of innovation and maintain compliance with the regulations that apply to the company. Our focus is on raising general awareness of industry standards and regulatory requirements and helping the first line implement the activities, processes, and controls to visibly comply with these requirements. The banker's oath within CM Payments B.V. serves as a perfect example. In 2024, the collaboration between the legal department, procurement and the CISO office intensified, driven by the increase in new upcoming directives and acts from the EU, including NIS2, DORA, and the AI act, as well as the need to verify compliance with privacy and telecommunications legislation for all the countries where we operate.

The Compliance team uses the core values of CM.com to create a sense of belonging for employees, in close collaboration with leadership and HR. In 2024, the compliance team rewrote the Code of Conduct for CM.com. The updated Code embraces the core values of CM.com and provides guidance on how to act on behalf of CM.com with integrity. It also contains references to underlying policies on topics including fraud, anti-corruption & bribery, insider trading, and whistleblowing. Awareness is raised among employees through a mandatory online learning track called "Road to Compliance," which was also updated after the new Code of Conduct went live. CM.com deems it important that it provides clear guidance on various topics and has an operating model that ensures compliance with all applicable legislation. In 2024, the Policy House, which contains all internal policies, was therefore renewed. The new version is more searchable and contains automation that supports yearly reviews, updates, and approvals of policies.

In 2024, there were some small updates to the Speak-Up Policy. The Speak-Up line allows both internal and external CM.com stakeholders to report any violations, behaviors, or concerns. In 2024, no concerns were raised via the Speak-Up channels.

#### **Internal Audit**

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

On an annual basis, Internal Audit prepares a risk analysis to determine the audit topics to be addressed in the annual audit plan. Internal and external stakeholders' interests were taken into account for 2024, as was information from external sources, such as the publication "Risk in Focus 2024" by the Institute of Internal Auditors.

The 2024 annual plan was approved in December 2023, and in quarterly reporting, the results of the individual audits and other relevant information were reported to the Management Board and the Audit Committee. Internal Audit is working closely with the second line of defense (Risk Management and Compliance) on knowledge sharing, risk identification, and risk mitigation.

As CM Payments B.V. has a license from the Dutch Central Bank, Internal Audit allocates capacity to perform audits on CM Payments B.V. and reports to the Audit Committee of the Supervisory Board. In 2024, Internal Audit reported to the Management Board and the Audit Committee on all items covered in the annual plan without any corrections.

The Dutch Corporate Governance Code states that an independent third party should assess the performance of the Internal Audit function at least every five years. An external quality assessment evaluates compliance with the International Professional Practices Framework (IPPF), which includes the Code of Ethics, the Core Principles, the Definition of Internal Audit, and the International Standards for the Professional Practice of Internal Auditing (IIA Standards). This assessment was included in the annual plan for 2024 and performed in the fourth quarter of 2024. The external assessor, as well as the Quality Assessments Supervisory Authority of IIA, concluded that the internal quality control system generally conforms with the system of standards of IIA Netherlands. With this result, the Internal Audit Function successfully complies with the requirement of the Dutch Corporate Governance Code.

#### **Evolved Risk Management Methodology**

As CM.com evolves, so does our risk management methodology and implementation. In 2024, we continued improving our risk management methodology through in-depth reviews of the quality of risks and controls, ensuring that our methodology better reflects the services offered in terms of size and specific characteristics, and conducting periodic reporting on risk exposure and internal and external developments. Another key focus area in 2024 was updating CMRICS (CM.com Enterprise Risk Management) to reflect the organizational change to business units and adding compliance maps.

Alongside the Strategic Risk Assessment sessions with the Management Board, we conducted sessions with first-line risk and control owners. These sessions aimed to enhance our understanding from a business perspective and re-evaluate risks and controls at both operational and tactical levels, ensuring improved alignment and coverage.

Through greater use of compliance maps, CM.com has gained better insight into how our risk and control framework covers specific regulations and assurance requirements and can more effectively report on compliance with regulations and standards. Secondly, the topics covered by CMRICS, as well as the granularity of risks and controls for these topics such as ESG, payment requirements, and data protection, have been improved. These improvements in the risk methodology reflect the mission, vision, and culture of CM.com. The methodology upholds the balance between the freedom and agility that an entrepreneurial business requires to flourish with the rigorous control required by a global corporation to support sustainable, long-term profitable growth.

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

CM.com's risk methodology is based on two risk management mechanisms: Actively Managed Risks (AMR) and risks that are incorporated into CM.com's Internal Control Environment (ICE). Following a careful and regular risk evaluation by Senior Management and the Management Board, identified risks have been assigned either an 'actively managed' or 'internally controlled' status.

We believe that, for certain types of risk, the ICE is less effective, and these risks are therefore better managed through direct management involvement. Where CM.com wishes or is required to demonstrate that risks are visibly managed through effective internal control measures, these risks and controls are part of the ICE. This also means active involvement of the second line (Risk Management and Compliance) to independently advise on and monitor the design, existence, and operational effectiveness of these controls.

The allocation of risks to ICE or AMR depends on the risk assessments performed regularly under the guidance of the Management Board. Risks are categorized as either low, moderate, substantial, or high. These categories are assessed in the context of current business conditions as well as external factors. The inclusion of risks into the ICE ensures that the operational effectiveness of controls is managed and tangible.

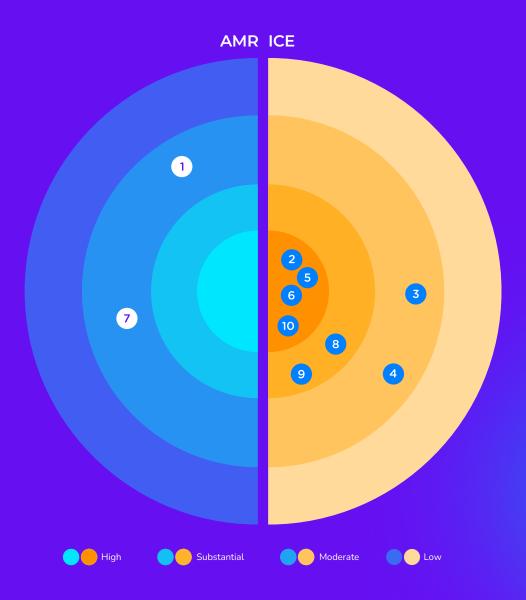
In 2024, we adjusted the ESG topic, including underlying risks to the ICE environment, in line with the results of the Double Materiality Assessment.

### **Company Objectives Opportunities Risks Actively managed** Internal control risk areas environmental areas (AMR) (ICE) Actively managed by Visibly controlled direct management via R&C business involvement partner model Management (Board) Risk owner Risk Management Control owner

CM.com Annual Report 2024

77

## **Gross Risk Score per Topic**



	2023	2024
HR resourcing and efficiency	•	•
2. Competition, product portfolio, and innovation		
3. Corporate finance	•	•
4. Finance & control	•	•
5. Cyber and information security	•	•
6. Business continuity management	•	•
7. Leadership and governance		•
8. Customers and opportunities		
9. Regulatory & compliance		
10. ESG		<u> </u>

#### **Overview of Key Topics**

#### 1. HR Resourcing and Efficiency

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

As part of the CM.com people strategy, we focus on hiring young talent at entry level, developing them internally through functional growth paths and our various talent management programs (like our CMBA and leadership programs). To further support employee training, we provide more and more training in the CM Academy. CM.com aims to optimize the individual development potential of our current and future employees.

CM.com is proactive in instilling and embedding the CM.com culture across all our teams, wherever they are based. This is achieved through activities such as our international team weeks and awareness training sessions. In 2024, CM.com switched to a new employee engagement survey tool. The new tool supports more frequent surveys, better insights, and more direct interaction with participants.

As the emphasis on retaining and empowering highly qualified employees aligns with previous years, the risk level remains moderate.

#### 2. Competition, Product Portfolio, and Innovation

The conversational commerce market will continue to evolve over the coming years, moving from the simple one-way interactions of the past to a richer form of customer engagement enabled by technological innovation. Therefore, if our go-to-market and service development strategies are not aligned, we could be outpaced in the rapidly changing and highly competitive markets in which we operate.

To stay ahead of the competition, we create value by innovating our services and platforms to support our strategy. That is why standardization, consolidation, and scalability are key themes driving the development of our product portfolio today. As we continue on this path, we will ensure that our products are integrated into one platform, and we will constantly monitor the wider market to ensure that we do not miss out on important commercial and technological developments. The past year resulted in an increased focus and development on AI innovations within our services and platforms, which led to a strategy of being an "AI-First" company.

#### 3. Corporate Financing

Access to capital markets and an accurate view of future funding needs are essential to the implementation of our strategy. We need to maintain strong and transparent relationships with the capital markets community to reflect the fundamental value of our business and to maintain financial and strategic flexibility. CM.com is listed on the Euronext Amsterdam Small Cap Index. Since our listing, we have devoted considerable time and effort to building investor interest in CM.com. Thanks to our planning and reporting cycle, we have maintained accurate visibility of our financial position and outlook.

#### 4. Finance and Control (including Financial Reporting)

CM.com's financial health is measured and monitored using a variety of financial metrics. The most important metrics relate to our liquidity, profitability, growth, and operating efficiency. Failure to respond appropriately to our financial metrics, or the unreliability of these metrics, could affect our future profitable growth strategy and gross margin steering. Measures are in place to ensure that accounting and reporting processes result in accurate and timely reporting, both internally and externally. These processes, metrics, and internal controls are reviewed and updated anually, reflecting changes in the organization and providing more granular end-to-end insights and improved controls.

Our financials, business performance, and cost controls are discussed monthly within finance (including financial reporting), and they are also discussed with the Management Board, each business unit, and country leads to reflect the new governance structure. Through these discussions, the financial reporting team analyzes the company's financial results and key metrics using the CM.com financial management system, following the "plan-do-check-act" approach. Important metrics, such as cash position and main business drivers, are also monitored and reported periodically, along with quarterly forecasts.

#### 5. Information Security

The security of our platform is our top priority. As this platform grows, so does the potential impact of a successful cyberattack. Failing to properly deal with cyberattacks could lead to loss of (customer) data as well as disruption or damage to our systems. Ultimately, any such disruption would lead to a loss of confidence in our brand. With our increasing presence at the center of society's digital ecosystem, it is even more challenging and important to address these issues. We are, therefore, committed to continuously improving our security program. This is focused on improving the operational security of our platform and the security awareness of our employees.

HOME

In 2024, our commitment to cybersecurity remains a cornerstone of our operational excellence and a key driver of trust. Building on our achievements in 2023, we have strengthened our defenses through comprehensive research, partnerships, and innovations. We've explored advanced security tools, leaving no stone unturned to ensure our systems remain resilient. Collaborating with industry experts, we have strengthened our security policies and optimized our systems for better configuration and audit capabilities. Our custom Al solutions have become more robust, and we have integrated effective tools for data discovery and analysis.

Our proactive incident response measures have effectively managed issues ranging from hardware theft and data leaks to physical breaches and unauthorized access attempts. We have continued to advance our security workforce, achieving key certifications and designing bespoke security awareness training. By addressing vulnerabilities, we have maintained a rigorous focus on platform security. Collaborating across teams, we have reinforced critical environments through robust threat modeling.

As we look ahead to 2025, we remain committed to fostering a secure, stable, and trusted environment. Through smarter systems, advanced tools, and continuous training, we aim to further reduce incidents, strengthening CM.com's standing as a secure digital platform. Our journey in cybersecurity is ongoing, marked by dedication and a shared goal: unwavering security for every user.

#### 6. Business Continuity Management

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

In addition, CM.com has taken several measures to ensure that the likelihood of a major incident is minimized. These include investing in the stability and performance of our cloud platform and performing regular load and capacity tests on our platform and other services. We also perform disaster recovery tests, and the disaster scenarios have been renewed in 2024 to align them with the current risks, such as critical supplier dependencies, ransomware, and geo-redundancy. Disaster recovery tests are conducted according to these scenarios, and results are used to further improve the continuity of our services. In addition, we enact backup and recovery strategies and build redundancy into our operations by establishing multiple server locations to host our cloud platform. Our Network Operating Center (NOC) monitors the availability and traffic across all our systems 24/7.

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

#### 7. Leadership and Governance

Effective leadership and governance are important to CM.com. This includes setting clear expectations and goals, communicating these to all stakeholders, verifying that the goals are being met, and, if not, guiding the organization toward the desired outcomes. Crucially, our management strategy of planning, doing, checking, and acting must be in place and working effectively. Striking the right tone at the top, leading by example, and promoting an open feedback culture are prerequisites for successful value creation. Ultimately, they are key to improving performance and acting with integrity in line with CM.com's values. Both the tone at the top and an effective management system enable informed decision-making throughout the organization and support the company values: do what you love, what you're good at, and contribute.

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

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

With the design of four complementary business units, CM.com has taken a step forward in its governance model. This will lead to increased profit & loss accountability, transparent objectives measured against metrics, and further strengthening the organization to be more agile and closer to our customers. This transition to business units, which started in 2023, has already started to deliver some benefits, resulting in a reduction in the risk level for this key topic from substantial to moderate. In 2025, this transformation will be further implemented and embedded in the organization and is expected to create more and more value for all stakeholders.

#### 8. Customers and Opportunities

We strive to deliver great products and services to our customers so they can make the lives of their customers easier, safer, and more enjoyable. Customer experience is one of the core elements of our company. We aim to keep our customer base satisfied and to grow with them over time to ensure we can better meet their needs. We believe that high customer satisfaction, combined with a fine-tuned brand identity, will help us attract new customers globally. Data is key to this process. Therefore, we integrate our Customer Satisfaction Score (CSAT), Net Promoter Score (NPS), and Customer Health Status measurements into our strategy to gain better insights into customers' needs and target service improvements so they deliver as much value as possible.

We mitigate churn based on probability and data points and implement customer-specific plans to prevent clients from leaving us. Keeping our customer base happy and growing will enable us to achieve our growth ambitions. Al developments took a big step forward in society in 2024 with tools such as ChatGPT and CoPilot. But also for CM.com, with the introduction of our own Al product, GenAl, which is also integrated into other products. What's more, an even greater focus on further Al deployments is planned for 2025.

#### 9. Regulations and Compliance

#### Risk and Compliance at CM.com

The Risk and Compliance team operates as part of CM.com's "business partner" setup, collaborating closely with other departments to ensure alignment on regulatory matters. Across CM.com's services, we observe an evolving regulatory landscape with stricter requirements for demonstrating compliance. This necessitates greater focus and capacity to meet these demands effectively.

In general, CM.com is committed to acting with integrity. To this end, a new Code of Conduct has been introduced, which provides general guidelines and references to specific policies, including those on fraud management, security, and anti-bribery and corruption. To reinforce these principles, mandatory training has been rolled out for all employees, with attendance closely monitored. A high participation in the mandatory training shows broad awareness of the Code of Conduct, and the fact that no signals have been received in 2024 that possible misconduct or violations of the Code of Conduct have taken place shows the effectiveness of the Code of Conduct and underlying policies.

All compliance risks across CM.com remain within the Management Board's risk appetite, classified as Moderate for actual risks. Significant progress has been made in managing compliance risks effectively, demonstrating the company's ongoing commitment to regulatory excellence.

#### Payment-Specific Risk and Compliance

For CM Pay, a specific Risk Appetite Statement has been enhanced to guide current management practices. Furthermore, all reporting and payment obligations to Dutch supervisory authorities were fully met. The payment oath has been embedded into the onboarding process, reflecting the importance of integrity within CM.com's payment operations.

In alignment with European Banking Authority (EBA) guidelines, a dedicated board member oversees anti-money laundering measures and financial crime prevention for CM Pay. Compliance diligently addresses any findings from internal audits to ensure adherence to regulatory requirements.

The ever-evolving regulatory landscape, including new frameworks such as the Digital Operational Resilience Act (DORA) and the NIS2 Directive on Security of Network and Information Systems, places increasing capacity demands on both CM.com and CM Pay. These requirements, along with existing legislations like GDPR, are continuously being embedded into operations to ensure visible and demonstrable compliance.

#### 10. Environmental, Social, and Governance (ESG)

In 2024, CM.com advanced its ESG initiatives, guided by the belief that a clear purpose and mission are essential to building a strong company identity. The company assesses its impact on all stakeholders, e.g., employees, customers, and society, while also identifying potential risks that could affect its operations. Financial considerations and ESG factors are not separate entities; instead, they are closely related and interconnected. In 2024, CM.com focused extensively on meeting reporting obligations, such as the Corporate Sustainability Reporting Directive and the EU Taxonomy. These efforts helped us to evaluate the risks we face, identify opportunities to pursue, and understand our potential impact on the climate and society. Additionally, we worked to manage these impacts effectively and integrate ESG considerations into our decision-making processes.

This year marked the implementation of a robust ESG framework at CM.com, fully incorporating the Double Materiality Assessment and underlying ESG topics like physical climate risk assessments and transitional risk analysis. CM.com set up a sustainability report that is audited by our external accountant (limited assurance). Therefore, CM.com is required to demonstrate that we are in control of ESG issues, KPIs, and related risks and that the ESG topic transitioned from Actively Managed Risk (AMR) to Internal Control Environment (ICE), ensuring greater alignment with our operational and strategic goals. Additionally, internal controls related to ESG are now subject to validation and verification, reinforcing the reliability and transparency of our processes. The inherent risk level remains high.

#### In Control and Responsibility Statement

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

- the Management Report of the Management Board provides sufficient insights into any deficiencies in the effectiveness of the risk management and internal control systems as referred to in best practice provision 1.2.1 of the Corporate Governance Code and covering in any case the strategic, operational, compliance and reporting risks (covered in the Key Topics);
- the risk management and internal control systems provide reasonable assurance that the financial reporting, including tax, does not contain any material inaccuracies;
- based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis; and
- the management report states those material risks and uncertainties, as
  referred to in best practice provision 1.2.1 of the Corporate Governance
  Code and covering in any case the strategic, operational, compliance and
  reporting risks that are relevant to the expectation of CM.com's continuity
  for the period of twelve months after the preparation date of the
  management report.

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

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

- the financial statements in this Annual Report 2024 are prepared in accordance with accounting standards (in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), adopted and endorsed by the European Union (EU-IFRSs), and with the statutory provisions of Part 9, Book 2 of the Dutch Civil Code), and give a fair and accurate view of the assets, liabilities, and financial positions as at 31 December 2024 and profit or loss of the Company (and its affiliates included in the consolidation taken as a whole);
- the Management Board Report includes a fair and accurate view of the
  position on 31 December 2024, the developments and performance
  during the financial year 2024 of the Company (and its affiliates included
  in the consolidation taken as a whole), together with a description of the
  principal risks the Company is confronted with.

Jeroen van Glabbeek - CEO Jörg de Graaf - CFO Gilbert Gooijers - COO

# SUPERVISORY BOARD REPORT

#### Message from the Chair

Dear shareholders, stakeholders, and members of the Management Board of CM.com,

In 2024, we saw remarkable progress and achievement at CM.com, with the company continuing to operate at the forefront of innovation. Throughout the year, employees have shown an unwavering commitment to driving technological advancements and delivering value to clients. This continued progress is made possible by CM.com's ability to innovate and adapt to the evolving needs of clients and their customers, especially in the field of Artificial Intelligence. To keep advancing in this highly promising field, we further strengthened our leadership in GenAl solutions in Europe with new applications, underscoring our dedication to help businesses harness the immense power and potential of Al.

#### CM.com's 2024 highlights include:

- Financial Performance: The restructuring program that we concluded in early 2024 has positioned CM.com for sustained efficiency and profitability. Our normalized OPEX decreased by at least 15% year-on-year in FY 2024, while CM.com turned free cash flow positive during the second half of 2024. Our improved guidance for Normalized EBITDA reflected our confidence in our ability to manage costs while driving revenue growth.
- Innovative Solutions: Our commitment to innovation remains a driving force behind our success. The innovations CM.com launched in 2024, especially in the field of Artificial Intelligence, triggered interest from clients and supported the new order intake. We are proud of our efforts to remain at the cutting edge of technology and provide best-in-class services for our clients.
- Internal Alignment and Efficiency Improvements: In 2024, the introduction of the business unit structure fundamentally changed CM.com's way of working. The new structure aims to improve efficiency and alignment among the different products, providing every customer with the best set of products and solutions. It is already proving to be a clear success, with the optimization contributing to improved profitability and significantly lower OPEX.
- **Sustainability**: Sustainability is at the core of our corporate values. In 2024, we calculated our environmental footprint, supporting the communities in which we operate, and fostering an inclusive and diverse workplace. Our first <u>sustainability statements</u> show that we are on track regarding our ESG roadmap.

The composition of the Supervisory Board remained unchanged in 2024 for CM.com, as the shareholders approved the proposal to keep the members of the Supervisory Board the same. As Chairman, I am proud to work together with this team to guide and support CM.com through this era's challenges and opportunities.

In 2024, the composition of the Supervisory Board remained the same, following the four re-appointments during the AGM of 19 April 2024. Additionally, CM Payments welcomed a new member to its Supervisory Board.

Throughout 2024, the Supervisory Board met regularly with the Management Board to oversee progress versus the company's mission and vision and receive updates on product development, the launch of the business unit structure, and other important strategic elements. As ever, these meetings were held in the spirit of openness and collaboration that characterizes CM.com's culture.

In addition to scheduled meetings, we established a series of "sounding-board" meetings to enable specific members of the Supervisory Board to liaise more closely with the company's management. This has provided opportunities to explore the ambitions of CM.com's leaders in more depth and to hear about day-to-day challenges in achieving these objectives.

These interactions have been highly constructive; the Supervisory Board is a diverse group bringing vast experience from diverse industries and backgrounds, whose skills and expertise help CM.com navigate a successful path forward.

As we reflect on our achievements in 2024, we are aware that our journey is far from over. The digital landscape is continuously evolving, and CM.com is committed to remaining at the forefront of these developments. Our vision of the future includes:

- Innovation: For more than 25 years, CM.com has operated at the forefront of innovation, and we continue to accelerate progress on that journey. CM.com will keep investing in R&D and embrace emerging technologies and trends to deliver cutting-edge solutions to our clients. Key advances in 2024 include the integration of multiple products and services into a tailor-made offering, the launch of Innovative Al-driven technology, ongoing improvements in our Pay offering, and the international expansion of our Live proposition. All these are the fruits of our focus on profitable growth.
- **Sustainability**: Acting on the improvement areas identified in our sustainability statements, we will continue to intensify our sustainability efforts. These improvements, including to the current gender balance within leadership positions, will ensure that CM.com becomes a truly diverse organization. The Supervisory Board will maintain a close dialogue with the Management Board and the ESG manager and offer its support to further implement the ESG roadmap throughout 2025.
- Talent Development: Our people remain our most valuable asset. We will continue to invest in talent development, diversity, and inclusion through initiatives such as Techno Girl and our own CMBA, where we further develop our young talents. Going forward, a leadership course will be initiated around the management teams of all the different business units. This will ensure that CM.com can remain at the forefront of markets as our people bring great innovations to life.

Finally, I want to express my gratitude to our dedicated employees, our valued clients, and our supportive shareholders. Your trust and commitment propel us forward.

Sincerely, Jacques van den Broek / Chairman of the Supervisory Board of CM.com



Jacques van den Broek (Dutch, 1960) Chair of the Supervisory Board and member of the NSR Committee

Jacques van den Broek is the former CEO of Randstad N.V. and has held various leadership positions within Randstad for more than 30 years. He was CEO from 2014 to 2022. After graduating in law, he held a management position with an international trading company before joining Randstad. Currently, Jacques is chair of the supervisory board of Intergamma (a leading DIY chain in the Netherlands and Belgium). He is also chair of the board of the Leiden Academic hospital. Finally, he chairs the Dutch Committee for Entrepreneurship, an Advisory body of the Dutch Ministry of Economic Affairs.



Mariken Tannemaat
(Dutch, 1971, second term)
Vice-Chair of the Supervisory Board and
Chair of the NSR Committee

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



Stephan Nanninga (Dutch, 1957, second term) Member of the Supervisory Board and Chair of the Audit Committee

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



Lex Beins (Dutch, 1965, second term)
Member of the Supervisory Board and the Audit Committee

Lex Beins is the founder of Pyton Communication Services B.V., Beins Travel Group B.V., and cofounder of Cheaptickets.nl. In 2011, Cheaptickets.nl was merged into Travix International B.V. Currently, he is chairperson of the supervisory board of Écart Invest 1 B.V. and a member of the supervisory board of P1Travel B.V.



Joëlle Frijters (Dutch, 1974) Member of the Supervisory Board

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



**Diederik Karsten**(Dutch, 1956, second term)
Member of the Supervisory Board and the NSR Committee

Diederik Karsten is currently also a member of the supervisory boards of Holland Casino N.V. and of Stadion Amsterdam N.V. (Johan Cruijff Arena). Previously, he held supervisory board roles at, among others, VodafoneZiggo Group, easyJet (UK), E-Plus (Germany), ANP Holding, and Telenet (Belgium). He has held several management positions in FMCG at Procter and Gamble and PepsiCo (in the Netherlands, UK, Germany, and the US) and executive positions in the Telecoms and Media industries at KPN (as CEO Mobile N.V.) and at Liberty Global (as CCO of the group).

#### **Composition of the Supervisory Board**

The composition of the Supervisory Board is in accordance with their <u>profile</u>.

During 2024, the composition of the Supervisory Board remained unchanged following the reappointments in the Annual General Meeting of CM.com N.V. on 19 April 2024. For the agenda of the Annual General Meeting of CM.com N.V. scheduled on 9 May 2025, the proposed reappointment of the Chair (Jacques van den Broek) and Vice-Chair (Mariken Tannemaat) is on the agenda as voting items.

The Supervisory Board has an Audit Committee and a Nomination, Selection, and Remuneration Committee. Each of the committees has a preparatory and advisory role to the Supervisory Board. The committees cannot adopt resolutions on behalf of the Supervisory Board. Each committee has a charter on its role, responsibilities, and functioning. The charters are published <a href="here">here</a>.

Meetings are convened at least four times a year following a schedule set annually by the Supervisory Board. Additional meetings are held at any Supervisory Board or Management Board request. The Supervisory Board held five meetings in 2024 and one offsite meeting mid-July for two days to discuss strategy in more depth.

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

#### Supervisory Board meeting and attendance

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

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

#### Independence

83.3% (5 out of 6) of the Supervisory Board members meet the independence criteria as described in Sections 2.17 to 2.19 of the Corporate Governance Code. Only Stephan Nanninga does not meet those criteria. He was a director of Dutch Star Companies Promotors Holding B.V., an associated company of CM.com N.V., five years before his appointment as a member of the Supervisory Board. A Supervisory Director holds any (in)direct participation in CM.com (such as shares) as a long-term investment.

#### **Resolutions and Conflict of Interest**

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

A Supervisory Board member may not participate in the adoption of resolutions (including deliberations in respect of these) if he or she has a direct or indirect personal interest that conflicts with the interests of the company and its associated business enterprises. For the exact wording of the regulation, reference is made to the <u>Supervisory Board Rules of Procedure</u>. During 2024, no Supervisory Board member had a conflict of interest.

Name	Position(s) at CM.com	Birth year	Nationality	International experience	Financial expertise	Specific experience	Gender	Initial appointment	Second term appointment	Term expires
Jacques van den Broek	Chair of the Supervisory Board and member of the NSR Committee	1960	Dutch	Yes	Yes	Human Resources, listed companies, sales and general management	Male	September 2021	-	AGM 2025
Mariken Tannemaat	Vice-Chair of the Supervisory Board and Chair of the NSR Committee	1971	Dutch	Yes	Yes	Retail, IT, investment, payments	Female	February 2020	AGM 2024	AGM 2028
Lex Beins	Member of the Supervisory Board and the Audit Committee	1965	Dutch	Yes	Yes	E-commerce, IT, entrepreneurship, investments, payments, business processing	Male	February 2020	AGM 2024	AGM 2026
Joëlle Frijters	Member of the Supervisory Board	1974	Dutch	Yes	-	Technology, international expansion of SaaS business, entrepreneurship	Female	September 2021	-	AGM 2025
Diederik Karsten	Member of the Supervisory Board and the NSR Committee	1956	Dutch	Yes	-	Telecom innovation	Male	February 2020	AGM 2024	AGM 2028
Stephan Nanninga	Member of the Supervisory Board and Chair of the Audit Committee	1957	Dutch	Yes	Yes	Supervisory Board of listed companies, distributions, financial audits, and M&A	Male	February 2020	AGM 2024	AGM 2028

#### Work of the Supervisory Board

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

Supervisory Board meetings in 2024 covered virtually all aspects of the company's business. Items discussed included the strategy of CM.com, the results of 2024 (Q1 - Q3), the principal risks associated with the enterprise and risk appetite, the composition of the Executive Committee, potential acquisitions, evaluation of the design and operation of the internal Risk Management, and control systems.

During some of Supervisory Board meetings, the business unit Management Teams held presentations about the business unit performance and strategy. The commercial heads of the business units were also invited to present the strategy and ambition of their business unit at an offsite in July. During this two-day offsite, the Supervisory Board and Management Board came together where various strategic observations and visions were shared.

In addition, deep dives were organized on specific topics including the future of buying tickets demonstrated by a showcase of CM.com's engagement platform, Sustainability, Leadership training programs and a demo highlighting the capabilities of Agentic Al. For these deep dives, experts within CM.com were invited to meet the Supervisory Board and elaborate on their expertise.

In Q1, the Management Board decided to terminate business operations in Brazil, Kazakhstan, and Turkey as part of a strategic decision to optimize global operations. The Supervisory Board supported this decision, which has allowed the company to keep its focus on profitability and stay on track to realize its goals.

In all relevant aspects, the Supervisory Board has a clear vision of what is happening in the company and of the people that work there. CM.com proactively involves the Supervisory Board and invites them to join internal company events such as quarterly meetings, summer events, and Christmas celebrations. Members of the NSR committee attended the CMBA Rising Star and Future Leader final presentations, taking on the role of jury, and they were part of the graduation ceremonies.

Meetings of the Supervisory Board and NSR committee take place in the Breda Headquarter and also in the second largest office in Amsterdam. All initiatives lead to the clear visibility of CM.com's Supervisory Board within the company.

The main focus areas of the Supervisory Board over 2024 were:

- CM.com Strategy
- Financial Results
- Budget
- Profitability
- Progress Business Units
- Culture
- Diversity

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

#### **CM.com Strategy**

Throughout 2024, the Supervisory Board of CM.com N.V. held several meetings to discuss and refine the company's strategic direction and to monitor its implementation. The board focused on enhancing CM.com's digital presence and expanding its market reach. Key strategic initiatives included the development of new products and services, as well as potential acquisitions to strengthen the company's competitive position. The board also emphasized the importance of innovation and technology in driving growth and discussed ways to leverage emerging technologies to improve customer engagement and operational efficiency.

#### **Financial Results**

The Supervisory Board closely monitored the financial performance of CM.com N.V. during 2024. Regular updates on the company's financial results were provided, with a particular focus on the quarterly performance. The board reviewed the financial statements for Q1 to Q3, analyzing key metrics such as revenue growth, profit margins, and cash flow. The discussions also covered the principal risks associated with the enterprise and the company's risk appetite. The board's oversight ensured that CM.com remained on track to achieve its financial targets and maintain a strong financial position.

#### **Budget**

Budget planning was a significant topic during the Supervisory Board meetings in 2024. The board reviewed and approved the annual budget, ensuring that it aligned with the company's strategic objectives and financial goals. Detailed discussions were held on various budgetary allocations, including investments in technology, marketing, and human resources. The board also evaluated the effectiveness of the internal Risk Management and control systems to ensure that the budget was managed prudently and efficiently.

#### **Profitability**

Profitability was a key focus area for the Supervisory Board in 2024. The board analyzed the company's profitability metrics, identifying areas for improvement and potential cost-saving measures. Discussions included the evaluation of the design and operation of internal control

systems to enhance profitability. The board also explored opportunities to optimize the company's pricing strategies and improve operational efficiencies. By maintaining a strong focus on profitability, the board aimed to ensure sustainable growth and long-term value creation for shareholders.

#### **Progress Business Units**

At the beginning of 2024, CM.com successfully launched its four Business Units: Connect, Engage, Live, and Pay. As the Supervisory Board, we engaged in in-depth discussions with the Management Board regarding each Business Unit's strategy, innovation, customer segments, and opportunities for synergy in sales.

Through insightful presentations from the Business Unit Management Teams, we were regularly updated on their performance and strategic execution. These discussions were marked by openness, transparency, and a dynamic entrepreneurial spirit.

The introduction of the Business Units has brought a significant transformation in the way CM.com operates, which in turn has had an impact on the company's risk management framework. The Audit Committee closely supervised the necessary updates to this framework to support its continued effectiveness.

It is rewarding to see that the establishment of the Business Units is already delivering tangible results in 2024, reflected in new customer acquisitions, innovative product developments, and successful cross-selling.

#### Culture

The Supervisory Board recognized the importance of fostering a positive and inclusive corporate culture at CM.com. During the meetings, the board discussed initiatives to enhance employee engagement, promote a healthy work-life balance, and support professional development. The board also emphasized the importance of ethical conduct and compliance with the company's Code of Conduct. Regular updates on the implementation of the Anti-Fraud and Corruption Policy were provided, highlighting the board's commitment to maintaining a culture of integrity and transparency.

#### **Diversity**

Diversity was a significant topic of discussion during the Supervisory Board meetings in 2024. The board acknowledged the value of having a diverse and inclusive workforce and leadership team. Efforts were made to promote diversity in recruitment, retention, and career advancement. The board also reviewed the composition of the Executive Committee and the Supervisory Board itself, ensuring that it reflected a diverse range of perspectives and experiences. By prioritizing diversity, the board aimed to create an innovative and resilient organization.

#### **Audit Committee Report**

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

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

In the year 2024, the Audit Committee convened for a total of six meetings. Discussions during these meetings included such regular subjects as press releases, management reporting, examination of annual plans, and quarterly updates on Internal Audit and Risk Management & Compliance.

Additionally, the Committee reviewed the 2024 annual plan of the external auditor, as well as the 2024 engagement letter, management letter, findings, evaluation of the performance and remuneration, and reappointment.

Other topics of discussion included financial results, outlooks and forecasts, strategy and budget, cost reductions, evaluation of acquisitions, ESG matters, a new business unit structure, fraud and integrity, and cybersecurity. All Committee members, the internal auditor, and the external auditor attended all meetings held in 2024, together with the CFO and, on occasion, the CEO and business experts for certain topics.

The Audit Committee advises the Supervisory Board on these topics, to allow the Supervisory Board to oversee and, if needed, take informed decisions about the sustainability reporting process and material sustainability matters.

Concerning the 2024 interim and full-year financial statements, the Audit Committee was satisfied with the explanations and findings provided by the Management Board and the external auditor.

The Audit Committee reviewed the Internal Audit plan for 2024 as well as the Internal Audit Charter. The Internal Audit plan 2024 was approved in the Supervisory Board meeting of December 2023. The Audit Committee received the Internal Audit reports every quarter. They contained adequate information on Internal Audit activities, audit findings, and observations regarding CM.com and all other groups. The Audit Committee monitored their execution, including the progress of recommendations made and timely follow-up on the actions addressed to the business.

In addition, the Audit Committee reviewed the strategic plan and monitored the company's key risks, risk exposure, and the design, operation, and effectiveness of the Risk Management and control systems within CM.com.

#### Nomination, Selection, and Remuneration Committee Report

The Nomination, Selection, and Remuneration Committee advises the Supervisory Board on the exercise of its duties regarding the remuneration policy of the Management Board and prepares proposals for the Supervisory Board on these subjects.

The remuneration policy was adopted by the General Meeting at the proposal of the Supervisory Board on 21 April 2022.

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

In 2024, the Nomination, Selection, and Remuneration Committee held five scheduled meetings, including one meeting that was held online and three supplementary calls.

Discussions during these meetings included:

- 1. The remuneration of the Management Board, Supervisory Board, Executive Committee, and Management Teams of the business units.
- 2. Management Board results for the Long-Term and Short-Term Incentive Plans.
- 3. Target settings for the LTIP and STIP for the Management Board for 2025, including further specification of the ESG targets.
- 4. Salary review process for 2025.
- 5. Employee engagement.
- 6. Succession planning of (Supervisory) Board Members.
- 7. Gender pay gap for similar weight roles.
- 8. Leadership training: the leadership training program includes cultural and DNA aspects to ensure alignment with the company's values.

In 2024, the Nomination, Selection, and Remuneration Committee used only the Amsterdam Small Cap Index benchmark data as a reference for the salary levels of the Management Board. The results from the European reference group were rolled forward based on the salary movements we saw in the market during this year, and this information was used as backup information, together with (publicly) available information on market movements for management positions.

Nomination, Selection, and Remuneration Committee meetings also served as a sounding board for the CEO and Head of HR with regard to important topics around leadership, target setting for the new business unit structure, diversity, employee engagement, and other relevant topics.

The board discussed initiatives to enhance employee engagement, including leadership training, front-line management training, and "We are CM.com" training sessions focused on culture, inclusivity, and diversity.

A new health score measurement that aims to provide better insights into customer well-being and engagement has been implemented to replace Net Promoter Score (NPS). The Health Score combines multiple data points such as customer satisfaction score, product usage, and engagement.

The Nomination, Selection, and Remuneration Committee uses a yearly calendar where, next to the mandatory fixed topics, there is enough room for other topics initiated by Human Resources or the Management Board.

During one of the Nomination, Selection, and Remuneration Committee meetings, the new engagement survey was explained, and the new health score for our customers was discussed during another session. Both items are part of the targets for our LTIP, and this is, therefore, relevant information for the Nomination, Selection and Remuneration Committee to be able to make a good assessment of the targets to be set.

#### **Evaluation**

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

#### **Evaluation of the Supervisory Board**

The Supervisory Board evaluated its own performance, as well as that of its committees and members. During the self-evaluation, the members of the Management Board were not present.

Attention was paid to (i) substantive aspects, interaction within the Supervisory Board or committee, and the interaction with the Management Board, (ii) events that occurred, and lessons learned, and (iii) the desired profile, composition, competencies, and expertise of the Supervisory Board.

During the evaluations, the Supervisory Board concluded that overall, it has functioned effectively and efficiently. The Supervisory Board appreciates the openness and transparency of the Management Board and the additional sessions, such as deep dives, that were organized throughout the year. This allows the Supervisory Board to gain a broader and deeper view of the company and its business, while allowing its members to share their knowledge and experience.

During the AGM in 2024, four Supervisory Board members were re-appointed and the remaining two members will be up for re-appointment in 2025.

For this reason, a topic of attention was the availability of background and knowledge. It was noted that, in line with the previous external review, the background and knowledge of the Supervisory Board members is currently sufficient. In the situation that a new member of the Supervisory Board is required, the intention will be that the expertise that this new member will bring must further broaden or deepen the overall expertise of the entire Supervisory Board.

Further, it was agreed that a proposal will be made to the General Meeting for increasing the remuneration of the Supervisory Board members in the coming years at a fixed percentage, in line with the merit increase for employees at CM.com.

#### **Evaluation of the Management Board**

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

During the evaluations, the Supervisory Board concluded that the Management Board has overall performed effectively and efficiently. The Management Board has also evaluated its own functioning and that of each of its members, with the same conclusion. In addition, the Management Board has evaluated its own functioning and that of each of its members.

As agreed during the AGM 2024, the CFO was re-appointed for a period of four years.

# REMUNERATION REPORT

### Introduction by the Chair of the Nomination, Selection and Remuneration Committee

On behalf of the Nomination, Selection and Remuneration Committee, I am pleased to present the 2024 Remuneration Report, in which we provide an overview of the remuneration of the Management Board and Supervisory Board of CM.com. We also offer detailed insights into our evolving reward strategy, internal alignment, benchmarking methods, pay structures, short-term incentives (STIs), long-term incentives (LTIs), and performance scores.

Following strong recommendations from our shareholders, we have thoroughly revised our CFO's compensation package to place greater emphasis on shareholding. We also clarified our reporting on the targets achieved, whereby we always make a careful consideration between which information gives the most insights for our shareholders and which information is giving too many insights to our competitors.

We have made no further adjustments to our remuneration policies. Our Management Board Remuneration Policy continues to focus on alignment between market-based compensation for our Management Board, compensation within the whole organization, and the long-term strategic vision of the company. With the company still under the leadership of its founders, there remains a strong personal connection between the company's future and that of its leaders. This presence is felt in every part of the company and has also given a boost to the new business unit structure, in which the leaders are very much involved in a handson manner.

The 2023 Remuneration Report was positively received by our shareholders, resulting in an impressive 99.99% approval vote at the General Meeting of Shareholders on April 19, 2024.

#### 2024 Business Performance

In 2024, CM.com further improved its focus and productivity, launched new tools in the field of A I, saw i ts p ipeline grow, a nd converted s ome nice, eye-catching leads in Europe into contracts.

Following the disciplined focus on value over volume growth in 2023, CM.com saw its growth pro ile improve in 2024. That meant that CM.com saw its topline return to growth and its bottom-line performance reach record levels. CM.com's topline grew 3% to € 274.2 million, EBITDA reached a record € 18.1 million, and Gross profit reached a record € 83.1 million, with margins trending above 30%. All this was realized while OPEX declined 18% to € 65 million. So, CM.com managed to successfully balance between consistent improvement in margins and Gross pro it on the one hand and a tight grip on our costs, resulting in lower OPEX on the other hand.

The biggest contributors to the topline and bottom-line performance are the business units Connect and Engage. In Connect, topline performance turned positive again and, as margins remained stable at 18%, this resulted in an 8% improvement in Gross profit to  $\stackrel{<}{\epsilon}$  40.3 million. In Engage, topline grew 10% and with stable margins, led to a 9% Gross profit to  $\stackrel{<}{\epsilon}$  24.8 million.

The business units Engage, Pay, and Live accounted for 52% of the total Gross profit in 2024 and 20% of the revenue, which is broadly stable-to-better compared to 2023. So, the overall mix in profit growth contribution was rather evenly spread. This is despite differences in performances within business units. Overall, these developments have resulted in positive scores for the STI in 2024.

#### **Forward Looking**

Looking ahead to the 2025 remuneration for our Management Board and Supervisory Board, we will use the general merit increase of our employees in the Netherlands as a key benchmark. This approach ensures that we maintain consistency in applying our methodology and financial limits across the entire organization.

We do intend to continue using the same reference markets for the future as we did in 2024, provided the position of CM.com versus the reference market will remain the same. Looking at the Amsterdam Small Cap Index (AScX) companies, this results in a position of P25, as our average positioning within the AScX based on revenue and market capital is just above the 25<sup>th</sup> percentile.

The STI targets will, as always, be aligned with the budgeted financials, which includes our Gross profit target as well as a positive EBITDA as the most important measures for our continued focus on profitability.

The targets for our Management Board again continue to include ESG targets focusing on our long-term sustainable value creation in combination with a strong focus on our core values and innovative nature to remain at the forefront of innovation.

I am looking forward to sharing my insights and perspectives around CM.com's 2024 remuneration report at the 2025  $\,$  AGM.

#### Mariken Tannemaat

Chair of the Nomination. Selection and Remuneration Committee

#### Legal Reference

The 2024 Remuneration Report is in line with the applicable Dutch legislation (Article 2:135b and Article 2:145(2) of the Dutch Civil Code and the Dutch Corporate Governance Code). The 2024 Remuneration Report will be submitted to the General Meeting of Shareholders for an advisory vote.

#### Summary of the Objectives of the Remuneration Policy

The remuneration policy for the Management Board and Supervisory Board is crafted to align with CM.com's long-term strategic goals. By offering competitive compensation tied to clear short- and long-term targets, we position ourselves to attract and retain capable directors who can steer CM.com forward as an entrepreneurial entity in a dynamic and challenging market landscape in order to remain at the forefront of innovation.

Our remuneration policy aims to drive high performance, addressing both financial metrics and personal objectives while rewarding talent in line with market benchmarks suited to CM.com. The core principles of our remuneration strategy are:

- 1. Attract and Retain Excellence: Provide a reward structure and compensation levels that are competitive with other internationally operating Western European companies of similar size and complexity, enabling CM.com to draw and maintain top talent and highly qualified directors.
- 2. Cultivate a High-Performance Culture: Foster an environment where Senior Management is keenly focused on achieving business outcomes that align with CM.com's strategy, purpose, and core values.
- Ensure Fairness and Consistency: Maintain a reward framework that is internally consistent and equitable.
- 4. Support Strategic and Sustainable Growth: Reinforce the business strategy and promote long-term sustainable value creation for all stakeholders.
- 5. Adhere to Legal and Social Standards: Ensure compliance with local laws and regulations while remaining attentive to societal expectations.

To support the alignment of our remuneration policy with our long-term sustainable strategy, the Nomination, Selection, and Remuneration Committee regularly reviews and discusses the remuneration structure for the Management Board and the remuneration of the individual Board Members and, if and when it deems it appropriate, submits a proposal in this respect to the Supervisory Board for approval. For further details of the current remuneration policy, please refer to the company's website, which includes the remuneration policy as approved by the General Meeting of Shareholders by 93% on 21 April 2022.

#### Management Board Remuneration Structure

The remuneration for the Management Board contains a base salary, an STI, and an LTI, which together are referred to as the total direct compensation (TDC). TDC is composed as follows, denominated as a percentage of the base salary:<sup>1</sup>

			On target	Maximum
Pay Mix	Below threshold	At threshold	performance	performance
Base Salary	100%	100%	100%	100.0%
STI	0%	17.5%	35%	61.25%
LTI	0%	20.0%	40%	70.00%

Traditionally, within CM.com, the focus has been on the fixed salary (base salary), resulting in relatively low variable income compared to the market. For the year 2024, we therefore decided to increase the long-term variable elements in order to align more with the market. In accordance with a resolution of the Supervisory Board, the on-target percentages for LTI have increased to 40% in 2024, within the range included in the Remuneration Policy that was approved by the General Meeting of Shareholders on April 21, 2022. As a result, the Total Direct Compensation (TDC) has increased, and we are now very much aligned with the market.

In 2024, CM.com was determined to remain at the forefront of innovation, and as a result, we reported high EBITDA and Gross profit growth. A remaining focus on controlling our OPEX has been an important part of our strategy. Clear targets were set to achieve these goals. In particular, for the Short-Term Incentive Plan, this resulted in very challenging targets with the risk of receiving lower variable payments. Special attention has been paid to the threshold target since there is no payout if scoring is below the threshold.

Scenario analyses are carried out in relation to the possible financial outcomes of not meeting threshold target levels, as well as maximum performance levels. Different scenarios have been discussed during NSR meetings as part of the decision-making process. These analyses, in combination with the challenging targets based on our goals, were part of the decision to increase the potential for the Long-term Incentive Plan to 40% of the base salary in 2024.

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

#### **Base Salary**

The starting point of our reward strategy is the base salary. This amount is guaranteed income for our Board members and is paid in monthly installments. As mentioned above, within CM.com, traditionally, the main focus is on this base salary. To establish the adjustment needed for the base salary of each Board member, we, among others, take the following into account:

#### **Attract and Retain Excellence**

We aim to reward our Board members at the midpoint of the relevant market.

For Management Board and Supervisory Board positions, we benchmark against the local reference market using the current constituents of the AScX index of Euronext Amsterdam, CM.com's listing environment. Looking at the AScX companies, this results in a position of P25, as our average positioning within the AScX based on revenue and market capital is just above the  $25^{\text{th}}$  percentile.

We are also using the European reference market as a secondary source of information, in line with the ISS best practice guidelines. Within this reference group, CM.com is positioned around the median.

#### **Ensure Fairness and Consistency within CM.com**

Within CM.com, we highly value the importance of salary positioning relative to that of other individuals in the CM.com organization. In line with our values, differences in salary levels should be based on role characteristics (such as responsibility, relevant experience, complexity, and educational requirements) and not on personal characteristics (such as age, gender, and ethnic background). For all our executive roles, including Management Board Members, salary positioning within the organization is evaluated annually based on the specific role. Adjustments are made when and where needed. This is in line with the general merit increase process for the whole organization.

Base salary levels of the Management Board are evaluated annually, using the relevant reference markets as described above. For each position, we determine how the Board member should be positioned around the midpoint of similar roles in the reference market. For the local reference market, positioning is around P25, while for the European reference market, positioning is around the median. New salaries are based on a comparison of the current salaries with the new midpoints, taking into account the overall merit increases within the organization and, more specifically, the increases for the most senior staff.

Base salaries within CM.com are generally aimed at a level between 80% and 120% of the reference point, while for the Management Board specifically, we also aim to have the TDC between 80% and 120% of the midpoint. What we see in the relevant market is still a slightly higher prevalence of variable pay, and especially share-based remuneration compared to the remuneration for our Management Board, which results in a higher TDC in the relevant market.

Upon the recommendation of the Nomination, Selection, and Remuneration Committee, the Supervisory Board decided to increase the base salary of the CEO and COO by  $\leqslant$  16,840 (4%) gross per annum to  $\leqslant$  437,840 gross per annum, effective as of 1 January 2024. The base salary of the CFO was increased by  $\leqslant$  12,100 (4%) gross per annum to  $\leqslant$  314,600 gross per annum, effective as of 1 January 2024. These changes are in line with the increase received by employees with an outstanding performance, based on a merit increase of 2% in September 2023.

#### **Short-term Incentive**

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

The on-target STI opportunity for 2024 was set at 35% of base salary, which is in line with the targeted TDC between 80% and 120% of the midpoint. Payouts of the STI are based on actual performance levels between threshold performance and maximum performance and are determined on a linear basis in the following way:

#### Short-term incentive: payout based on actual performance

	Pay-out percentage as	Pay-out percentage as % of annual
Actual performance result	% of target	base salary
Below threshold performance	0%	0%
Between threshold performance and ontarget performance	Linear between 50% and 100%	Linear between 17.5% and 35%
On-target performance	100%	35%
Between on-target performance and maximum performance	Linear between 100% and 175%	Linear between 35% and 61.25%
Maximum performance	175%	61.25%

The performance targets (weight 75%) used are described below, and the associated weighting is based on on-target performance. All performance measures are set in advance, and results are normalized to prevent dilution from unusual or one-time events outside the control and scope of the individual.

- Gross profit (weight 15%), targeted to meet the budgeted profitability (revenue minus direct costs).
- OPEX (weight 15%), targeted to meet the budgeted operating cost reduction.
- EBITDA (weight 25%), which measures operational financial performance; target performance is considered meeting the desired annual EBITDA number as based on budget.
- Free cash flow (minus Tax and Bond Interest) (weight 20%), targeted to meet the budgeted free cash flow.

The targets set for STI are derived from the budgets set for the year 2024, whereby the budgets are the result of our focus on profitability.

We strongly believe that meeting the budgets is the best way to achieve our long-term goals, resulting in the highest long-term sustainable value creation. Following the assessment of the Supervisory Board and based on the recommendation of the Nomination, Selection and Remuneration Committee, these financial objectives, which represent 75% of the Management Board scorecard, have been scored at 96.7%.

This percentage of 96.7% is based on a between-threshold and on-target performance in Gross profit, an almost maximum performance in OPEX, a between-threshold and on-target performance in EBITDA, and a between-threshold and on-target performance in Free Cash Flow (FCF), as stated in the following table:

#### Short-term Incentive: Financial objectives scorecard<sup>1</sup>

STI FY 2024	KPI	Weight	Score
Financials (75%)	Gross Profit (EUR mio)	15%	63.2%
	OPEX (€ mio) <sup>2</sup>	15%	174.7%
	EBITDA (EUR mio) <sup>2</sup>	25%	88.1%
	FCF (minus Tax and Bond Interest) (EUR mio)	20%	74.2%
Total			96.7%

<sup>&</sup>lt;sup>1</sup> Target based on Budget 2024, approved by Supervisory Board on 11 December 2023. Budget does not include any further M&A, consequently new M&A impact will be excluded from Actuals.

Personal objectives (weight 25%): the Supervisory Board set personal targets – as clear and concise as possible – per Board Member to be achieved during 2024, along the following themes:

**GOVERNANCE** 

- Jeroen van Glabbeek (CEO): Global focus, Platform scalability, Organizational development, and Executive sponsorship business unit Pay.
- Gilbert Gooijers (COO): business unit Operations, Sales & Marketing, and Executive sponsorship business unit Live.
- Jörg de Graaf (CFO): Refinancing strategy, Governance & decision making (CSRD/ESG), and Executive sponsorship business unit Engage.

Following the assessment of the Supervisory Board and based on the recommendation of the Nomination, Selection, and Remuneration Committee, the personal objectives, which represent 25% of the STI scorecard for individual Management Board members, have been scored very well at 115% for CEO, at 110% for the COO and at 120% for the CFO.

The Nomination, Selection, and Remuneration Committee wants to emphasize that the targets for 2024 were set at a very challenging level in combination with the start of a new business structure at the beginning of this year. The results obtained in 2024 were considered very impressive.

The Committee is very pleased with the good scores as a result of the commitment of the Management Board leading the organization into the future.

The personal targets set for 2024 are a direct reflection of the vision of the Supervisory Board to achieve our long-term sustainable goal of being a profitable and sustainable company; therefore, these targets should lead to the highest long-term sustainable value creation and keep CM.com at the forefront of innovation.

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

<sup>&</sup>lt;sup>2</sup> Excluding severance and restructuring costs

#### Short-term Incentive: Management Board Scorecard

				vveignted score	VV	eignted score		vveignted score
STI FY 2024	KPI	Weight	Score CEO	CEO	Score COO	COO	Score CFO	CFO
Financials (75%)	Gross Profit (EUR mio)	15%	63.2%	9.5%	63.2%	9.5%	63.2%	9.5%
	OPEX (€ mio)¹	15%	174.7%	26.2%	174.7%	26.2%	174.7%	26.2%
	EBITDA (EUR mio) <sup>1</sup>	25%	88.1%	22.0%	88.1%	22.0%	88.1%	22.0%
	FCF (minus Tax and Bond Interest)							
	(EUR mio)	20%	74.2%	14.8%	74.2%	14.8%	74.2%	14.8%
Non-financial (25%)	Personal objectives	25%	115.0%	28.8%	110.0%	27.5%	120.0%	30.0%
Total				101.3%		100.0%		102.5%

Excluding severance and restructuring costs

#### Long-term Incentive

The LTI plan aims to link a portion of Management Board remuneration to the long-term sustainable performance of the company and the delivery of stakeholder value and to align members' interests with those of the shareholders. For this reason, the use of conditional performance shares has been chosen. The on-target incentive opportunity is determined at the grant date and is, for all Board members, equal to 40% of the annual base salary. This increase from 35% to 40% is based on the higher prevalence of share-based remuneration we see in the reference market. The number of conditional performance shares is determined based on the average closing share price during the five trading days preceding the grant date.

#### **Vesting Scheme**

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

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

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

#### **Performance Criteria**

Maighted score

The performance criteria are based on which the awards granted under the LTI plan 2024 will vest in 2027. The Supervisory Board believes that the criteria used are very consistent with long-term goals that lead to long-term sustainable value creation. The criteria for the period between 2024 and 2026 were adjusted to be more aligned with the current position of the company and the long-term sustainable targets for the future, including our ESG targets related to female leadership and employee well-being.

\A/sighted score

Maighted score

The performance criteria set for the LTI plan 2024 are as follows:

• Total shareholder return (TSR) (weight 25%) is defined as the share price increase, including reinvested dividends. TSR is measured over a three-year performance period based on the three-month average before the grant date and the three-month average before the end of the performance period. For the period between 2024 and 2026, our reference groups for the TSR measurement are aligned with our benchmarking group. The TSR target compares the company's TSR relative to the TSR of the European reference market. The European reference market for CM.com is the same as used for the benchmark of our Management Board.¹ The average percentile ranking of the CM.com TSR compared to this index determines the performance score, whereby the threshold score is to be at the median level.

<sup>&</sup>lt;sup>1</sup> European reference market includes the following companies: TomTom, Claranova, FD Technologies, Axway Software, Mensch und Maschine Software, PSI Software, RM, Linedata Services, Basware, Vitec Software Group AB, GK Software, Truecaller, Accesso Technology Group, and Unified post Group.

- Cumulative EBITDA (weight 25%) is the cumulative EBITDA of CM.com over three years.
- The average customer health score (weight 20%) measures various components of the relationship with our customers, such as the customer satisfaction score, churn rate, and pay history. All elements are combined into one score.
- ESG Gender diversity: female leadership (weight 15%) measures the percentage of women in CM.com leadership roles.
- Employee engagement (weight 15%) measures the development of employee engagement and well-being. The target is to be an employer of choice, measured via the employee engagement score.

#### **Holding Period**

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

#### Overview of Achieved Targets LTI - 2022-2024

The vest of performance-based shares based on the targets for the period 2022 – 2024 will take place on 1 April 2025. The percentage vesting will be 43.75% of the target, based on the following scores:

Weighted LTI Plan 2022 - 2024 **KPI** Weight Score score Financials (50%) Relative TSR 30% 0% 0.00% 20% 0% 0.00% Average Renevue CAGR Customer Non-financials (50%) Satisfaction (score) 25% 175% 43.75% Employee Engagement (score) 25% 0% 0.00% Total 43.75% The relative TSR score based on the Company's average percentile ranking compared to the reference markets as part of the targets in 2022 (AScX index and NASDAQ100) is below the threshold.

Based on a changed focus of the company towards profitability, average revenue growth was below the threshold as expected.

The company is very happy with the customer satisfaction score and is determined to continue with these high scores in the future.

The employee engagement score is unfortunately just below the threshold, with the remark that the threshold was set at a rather high level. 2024 is the first year in which we measured employee engagement via a new engagement survey tool, which will give us more actionable insights for the coming years.

#### Extraordinary Long-Term Incentive Plan (ELTIP) for CFO

In 2024, an additional LTI in the form of performance shares with a value of € 150,000 at grant date was granted to the CFO. Vesting will take place in 2026, provided Mr. de Graaf is still appointed as CFO of CM.com on the vesting date and the financial results for which Mr. de Graaf is responsible are as agreed, to be assessed by the Supervisory Board.

#### Overview of Annualized Remuneration for the Management Board

This overview outlines the remuneration of the members of the Management Board as of 31 December 2024 (annualized target remuneration):

Position	Incumbent	Base Salary	STI (%)	STI (On Target)	LTI (%)	LTI (On Target)	Total Direct Compensation
CEO	Jeroen van Glabbeek	€ 437,840	35%	€ 153,244	40%	€ 175,136	€ 766,220
COO	Gilbert Gooijers	€ 437,840	35%	€ 153,244	40%	€ 175,136	€ 766,220
CFO	Jörg de Graaf	€ 314,600	35%	€ 110,110	40%	€ 275,840	€ 700,550

Additional contractual arrangements applicable to the CFO provide for a monthly mobility allowance of  $\leqslant$  2,000 (increased per 20th April, was previously  $\leqslant$  1,350) and participation in the CM.com DC-pension scheme including an additional annual premium of  $\leqslant$  10,000 to compensate for the pensionable salary being capped at the fiscal maximum (2024:  $\leqslant$  137,800).

In 2024, as part of the reappointment of the CFO, an additional LTI in the form of performance shares with a value of € 150,000 has been granted. This grant is made on top of the regular LTI grant of 40% of base salary.

All remuneration is for the account of the Company and no severance payments have been made to any of the Management Board members.

#### **Actual Remuneration**

The overview below displays the contractual remuneration elements actually paid out or due in 2024:

Remuneration of the Management Board for the reported financial year<sup>1,2</sup>

	Fixed	remunerat	ion		able eration	Extraordinary items	Post-employment/ pension benefits <sup>3</sup>	Total remuneration	Proportion of fixed and variable remuneration <sup>4</sup>
	Base		Fringe	One-year	Multi-year				_
Name, position	Salary	Fees	benefits⁵	variable	variable <sup>6</sup>				
Jeroen van Glabbeek, CEO	€ 437,840			€ 155,203	€7,214			€ 600,257	73% / 27%
Gilbert Gooijers, COO	€ 437,840			€ 153,288	€7,214			€ 598,342	73% / 27%
Jörg de Graaf, CFO	€ 314,600		€ 21,638	€ 112,894	€ 5,667		€ 19,741	€ 474,540	75% / 25%

<sup>&</sup>lt;sup>1</sup> No remuneration of a member of the Management Board was charged to any entity other than CM.com Netherlands B.V. during 2024.

<sup>&</sup>lt;sup>2</sup> Over 2024, there was no revision, claw-back bonus, or any amount deducted from the remuneration of a member of the Management Board.

<sup>&</sup>lt;sup>3</sup> Additional contractual arrangements applicable to the CFO provide for participation in the CM.com DC-pension scheme, including an additional annual premium of €10,000 to compensate for the pensionable salary being capped at the fiscal maximum (2024: €137,800).

<sup>&</sup>lt;sup>4</sup> Fixed remuneration includes fringe benefits and post-employment/pension benefits.

<sup>&</sup>lt;sup>5</sup> Additional contractual arrangements applicable to the CFO provide for a monthly mobility allowance of €1,350, which was increased to € 2,000 per month as of 20th of April 2024.

<sup>&</sup>lt;sup>6</sup> In 2024, 43.75% of the LTIP granted in 2022 has vested at a market price of € 6.88 per share, resulting in the values as mentioned.

The overview below shows the amounts recognized by the company for the members of the Management Board during the financial year ending on 31 December 2024:

Remuneration of the Management Board for the reported financial year charged to the profit and loss statement<sup>1</sup>

			Social security	Post-employment/		LTI Shares/share		
in euro's		Base salary	contribution <sup>2</sup>	pension benefits	STI in cash	based payments <sup>3</sup>	Other benefits	Total
Jeroen van Glabbeek, CEO	2024	€ 437,840	€ 12,993		€ 155,203	€ 73,905		€ 679,941
	2023	€ 421,000	€ 7,224		€ 193,305	€ 87,266		€ 708,795
	2022	€ 405,000	€ 6,556		€ 66,387	€71,993		€ 549,936
Gilbert Gooijers, COO	2024	€ 437,840	€ 12,993		€ 153,288	€ 73,905		€ 678,026
	2023	€ 421,000	€ 7,224		€ 193,305	€ 87,266		€ 708,795
	2022	€ 405,000	€ 6,556		€ 66,083	€71,993		€ 549,632
Jörg de Graaf, CFO	2024	€ 314,600	€ 16,575	€ 19,741	€ 112,894	€ 82,293	€ 21,638	€ 567,741
	2023	€ 302,500	€ 10,572	€ 19,112	€ 138,895	€ 65,021	€ 16,200	€ 552,300
	2022	€ 288,000	€ 9,541	€ 18,105	€ 47,388	€ 56,753	€ 16,200	€ 435,987

<sup>&</sup>lt;sup>1</sup> Base salary, social security contribution, STI in cash, and other benefits are classified as short-term employee benefits in Note 24 of the consolidated financial statements.

<sup>&</sup>lt;sup>2</sup> Social Security contribution for CFO based on fixed-term contract.

<sup>&</sup>lt;sup>3</sup> ELTIP for CFO granted on December 11, 2024, included.

#### **Historical Development**

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

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

in euro's	2020	2021	2022	2023	2024
Management Board member remuneration					
Jeroen van Glabbeek (CEO)	€ 358,736	€ 486,454	€ 549,936	€ 708,795	€ 679,941
Annual change	90%	36%	13%	29%	-4%
Gilbert Gooijers (COO)	€ 358,736	€ 486,454	€ 549,632	€ 708,795	€ 678,026
Annual change	90%	36%	13%	29%	-4%
Jörg de Graaf (CFO) (as of 20 April 2020)	€ 328,901	€ 415,659	€ 435,988	€ 552,300	€ 567,741
Annual change		26%	5%	27%	3%
Revenue ('000)	€ 141,622	€ 237,047	€ 283,231	€ 266,234	€ 274,249
	47%	67%	19%	-6%	3%
Average employee remuneration on a full-time equivalent basis					
Average employees of the company <sup>2</sup>	382	650	880	833	675
Annual change	49%	71%	35%	-5%	-19%
Wages and salaries ('000) <sup>2</sup>	€ 28,221	€ 48,122	€ 68,733	€ 67,500	€ 58,612
Annual change	59%	71%	43%	-2%	-13%
Average remuneration per employee ('000)	74	74	78	81	87
Annual Change	7%	0%	6%	4%	7%
CEO pay ratio	4.86	6.57	7.04	8.74	7.83
Annual change	77%	35%	7%	24%	-10%

<sup>&</sup>lt;sup>1</sup> All numbers prior to February 2020 are based on the pre-merger situation of CM.com B.V. and its affiliated enterprises.

<sup>&</sup>lt;sup>2</sup> As per 2024, number of employees as well as amount mentioned for wages and salaries is excluding interns, in line with our reporting under CSRD.

#### Overview of Performance and its Relation to Pay

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

Name, position	Type of performance criteria	Relative weighting	Information on performar	Information on performance targets				
			a) Threshold performance	a) On-target performance	a) Maximum performance	a) Measured performance		
			b) Corresponding award	b) Corresponding award	b) Corresponding award	b) Actual award outcome		
leroen van Glabbeek,	Financial Objectives	75%	a) 50%	a) 100%	a) 175%	a) 96.70%		
CEO			b) 57,467	b) 114,933	b) 201,133	b) 111,145		
	Personal Objectives	25%	a) 50%	a) 100%	a) 175%	a) 115%		
			b) 19,156	b) 38,311	b) 67,044	b) 44,058		
Gilbert Gooijers,	Financial Objectives	75%	a) 50%	a) 100%	a) 175%	a) 96.70%		
000			b) 57,467	b) 114,933	b) 201,133	b) 111,145		
	Personal Objectives	25%	a) 50%	a) 100%	a) 175%	a) 110%		
			b) 19,156	b) 36,838	b) 67,044	b) 42,143		
örg de Graaf,	Financial Objectives	75%	a) 50%	a) 100%	a) 175%	a) 96.70%		
CFO			b) 41,291703	b) 82,583	b) 144,519	b) 79,861		
	Personal Objectives	25%	a) 50%	a) 100%	a) 175%	a) 120%		
			b) 13,764	b) 27,528	b) 48,173	b) 33,033		

#### **Details of LTI Plan Grants and Holdings**

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

						Shares				Shares	
						awarded at			Shares	awarded	Shares
					End	the			subject to	and	subject to
	Specification	Performance			of holding	beginning	Shares	Shares	performance	unvested at	a holding
Name, position	of plan	period	Award date	Vesting date	period	of the year	awarded	vested1	condition	year end	period <sup>2</sup>
		2024-2026	01-Apr-24	01-Apr-27	01-Apr-29	-	25,797	-	25,797	25,797	-
	LTIP - Shares	2023-2025	01-Apr-23	01-Apr-26	01-Apr-28	16,663	-	-	16,663	16,663	-
Jeroen van Glabeek, CEO		2022-2024	21-Apr-22	01-Apr-25	01-Apr-27	5,988	-	-	5,988	5,988	-
		2021-2023	01-Jan-21	01-Apr-24	01-Apr-26	2,397	-	1,049	-	-	1,049
		2020-2022	21-Feb-20	01-Apr-23	01-Apr-25	1,549	-	-	-	-	1,549
		2024-2026	01-Apr-24	01-Apr-27	01-Apr-29	0	25,797	-	25,797	25,797	-
	LTIP - Shares	2023-2025	01-Apr-23	01-Apr-26	01-Apr-28	16,663	-	-	16,663	16,663	-
Gilbert Gooijers, COO		2022-2024	21-Apr-22	01-Apr-25	01-Apr-27	5,988	-	-	5,988	5,988	-
		2021-2023	01-Jan-21	01-Apr-24	01-Apr-26	2,397	-	1,049	-	-	1,049
		2020-2022	21-Feb-20	01-Apr-23	01-Apr-25	1,549	-	-	subject to performance ested¹         subject to condition         unvested at unvested at unvested at vested¹           -         25,797         25,797           -         16,663         16,663           -         5,988         5,988           1,049         -         -           -         25,797         25,797           -         16,663         16,663           -         5,988         5,988           1,049         -         -           -         22,502         22,502           -         18,536         18,536           -         11,973         11,973           -         4,258         4,258           824         -         -           -         -         -	-	1,549
		2024-2026	11-Dec-24	01-Sep-26	01-Jul-29	-	22,502 <sup>3</sup>		22,502	22,502	
Jörg de Graaf, CFO	LTIP - Shares	2024-2026	01-Apr-24	01-Apr-27	01-Apr-29	-	18,536	-	18,536	18,536	-
		2023-2025	01-Apr-23	01-Apr-26	01-Apr-28	11,973	-	-	11,973	11,973	-
		2022-2024	21-Apr-22	01-Apr-25	01-Apr-27	4,258	-	-	4,258	4,258	-
		2021-2023	01-Jan-21	01-Apr-24	01-Apr-26	1,884	-	824	-	-	411
		2020-2022	20-Apr-20	01-Apr-23	01-Apr-25	2,995	-	-	-	-	2,995
	Total					74,304	92,632	2,922	154,165	154,165	8,602

<sup>&</sup>lt;sup>1</sup> The vesting percentage was 43.75% for the performance shares that vested on 1 April 2024.

 $<sup>^{2}</sup>$  The Company sold on behalf of the CFO the number of shares needed to cover withholding taxes due upon vesting.

 $<sup>^{\</sup>rm 3}$  An additional grant was made to the CFO on December 11, 2024, upon his re-appointment.

No stock options were awarded to the Management Board in 2024, nor is there an intention to grant stock options in the coming years. In line with the remuneration policy, CM.com has not granted any loans, advance payments, or guarantees to the Management Board.

The minimal shareholding guidelines as laid down in the remuneration policy (that is, 1% of annual fixed base salary) have been met. An overview of the number of shares held by the members of the Management Board as of 31 December 2024 is listed below:

Management Board	Shares	Convertible bonds
Jeroen van Glabbeek:	7,246,347	7
Gilbert Gooijers:	7,246,347	7
Jörg de Graaf:	10,406	-

The number of shares held by the CEO and the COO has decreased compared to 2023, whereas the number of shares held by the CFO has increased YoY.

From the above information on new grants in combination with the current ownership of shares by the CEO and COO, it can be concluded that the newly granted performance shares will not have a material impact on the total shareholding; therefore, there will also be no material impact on the voting results during the General Meeting of Shareholders based on the additional shares as a result of the LTI program.

The number of shares held by the CFO increased with the amount of the performance shares vested in 2024, minus the shares sold to cover for the withholding taxes due upon vesting.

The Extraordinary Long-term Incentive Plan for the CFO will lead to a further increase in the number of shares held by the CFO, which is in line with the expectations of our investors that require the CFO to have a more substantial amount of shares.

#### Overview of the Remuneration of the Supervisory Board

The remuneration of the Supervisory Board was determined by the General Meeting of Shareholders held on 19 April 2024 and is in line with the remuneration policy for the Supervisory Board. For 2024, the fees for the Supervisory Board Chair and Members were increased by 2%, which was the merit increase percentage for the total population of CM.com in 2023.

The following compensation structure is applicable for the Supervisory Board in 2024:

Board	Compensation					
Supervisory Board						
Chair Supervisory Board		€ 51,000	per annum			
Member Supervisory Board		€ 36,000	per annum			
Audit Committee						
Chair Audit Committee	Additional	€ 7,000	per annum			
Member Audit Committee	Additional	€ 4,000	per annum			
Nomination, Selection and Remuneration Committee						
Chair Nomination, Selection and Remuneration Committee	Additional	€ 7,000	per annum			
Member Nomination, Selection and Remuneration Committee	Additional	€ 4,000	per annum			

No variable performance-based, equity-based, or pension compensation is provided to the members of the Supervisory Board to ensure that Board members are not dependent on the results of the company. In 2024, CM.com did not grant any loans, advance payments, or guarantees to the members of the Supervisory Board.

#### **Actual Supervisory Board Costs**

The below table displays the actual payout of board fees in 2022, 2023, and 2024:

	Role		Nomination, Selection and			
Name	Supervisory Board	Audit Committee	Remuneration Committee	2022 Compensation	2023 Compensation	2024 Compensation
Martin van Pernis <sup>1</sup>	Chair	=	Member	€ 16,616		
Jacques van den Broek <sup>2</sup>	Chair	-	Member	€ 48,169	€ 54,000	€ 55,000
Mariken Tannemaat <sup>3</sup>	Vice-chair	-	Chair	€ 42,000	€ 42,000	€ 43,000
Lex Beins <sup>3</sup>	Member	Member	-	€ 39,000	€ 39,000	€ 40,000
Joëlle Frijters	Member	-	-	€ 35,000	€ 35,000	€ 36,000
Diederik Karsten	Member	-	Member	€ 39,000	€ 39,000	€ 40,000
Stephan Nanninga	Member	Chair	-	€ 42,000	€ 42,000	€ 43,000

<sup>&</sup>lt;sup>1</sup> Resigned from the Board per 21 April 2022.

<sup>&</sup>lt;sup>2</sup> Took over chair position per 21 April 2022.

<sup>&</sup>lt;sup>3</sup> Amounts are excluding the compensation for roles in CM Payments B.V. Boards.

# SUSTAINABILITY STATEMENTS

AGENTS OF CHANGE

**FINANCIAL STATEMENTS** 

At CM.com, sustainability is an integral part of our identity and operations. As an innovative player in digital communications, our technologies, products, and services empower individuals to be better informed, connected, and in control of their lives.

#### A Strong ESG Foundation

For us, sustainability begins within our own operations and with our employees. Throughout our organization, we are focused on measuring and managing our carbon footprint. This is corroborated by our Carbon Footprint Measurement conducted this year. Besides our innovative products, our people are our greatest assets, and we are committed to fostering a diverse, engaged, and stimulating company culture. This year, we had a company-wide focus on our Diversity & Inclusion task force. Additionally, we successfully rolled out a new employee survey to gather insights and further enhance our work environment. Through these initiatives, we continue to build an inclusive workplace where every employee feels valued and empowered.

#### From Transparency to Transformation

In 2024, we continued to make significant progress on our ESG roadmap, which was established in 2022. The roadmap has been a valuable tool for our sustainability ambitions and efforts: it allows us to set precise goals, assign accountability, and benchmark our progress. As part of this roadmap and our broader sustainability efforts, in 2024, we continued taking important steps to prepare for the EU's Corporate Sustainability Reporting Directive (CSRD). In anticipation of the implementation of the CSRD into Dutch legislation, CM.com has decided to voluntarily apply this reporting framework, which helps us chart our journey from transparency to transformation. Sponsored by our Chief Financial Officer, our multidisciplinary CSRD Working Group includes colleagues from Legal, Reporting, ESG, Risk and Compliance, and Internal Audit, who align with various process owners, ensuring that we have all the appropriate buy-in, knowledge, and expertise to continue to transform in the right way.

The CSRD requires "double materiality," meaning that we must disclose both the risks and opportunities we face from factors such as a changing climate, as well as the impacts we may have on the environment and society. We have defined our material sustainability topics; these form the basis of our commitment to further strengthen our sustainability strategies. These outcomes guided our next steps, shaping our policies and determining actions together with the dedicated topic owners to ensure that we continue to have a positive impact on society and the environment.

In previous years, we focused on the following four UN Sustainable Development Goals: decent work and economic growth (SDG 8), industry innovation and infrastructure (SDG 9), responsible consumption and production (SDG 12), and climate action (SDG 13). While working with European Sustainability Reporting Standards (ESRS), we see duplication with the items covered in the Sustainable Development Goals. Out of efficiency and to minimize repetition, we solely report on our material topics as a result of our Double Materiality Assessment as prescribed in ESRS.

Our many years of membership in the UN Global Compact, our ISO14001 Certificate focusing on environmental management systems, and our year-on-year EcoVadis score improvements (we currently have an EcoVadis Silver Medal) are the results of our commitment to sustainability.

During 2024, we worked on disclosing metrics associated with sustainability matters deemed material into these sustainability statements. Tracking the effectiveness of policies and actions through targets is the next step; actions hereto are disclosed when applicable. We are currently enhancing our reporting manuals and design of internal controls for the collection, processing, review, and validation of sustainability data, which will further improve data quality. In alignment with the requirements of the CSRD, our focus in the coming year will also be to further formalize our remaining sustainability policies, define clear actions, and enhance the robustness of the metrics where we currently do not have a useful metric yet or where we currently utilize the phase-in provisions.

The creation of these sustainability statements was an extensive and rigorous process, reflecting our commitment to transparency and improvement. The depth of assessment required significant effort and collaboration across teams, ensuring that every insight was accurately captured. This diligence not only strengthens our environmental, social, and governance strategies but also empowers us to deliver exceptional value and drive positive impact for all stakeholders.

Patricia Smit, ESG Manager CM.com, and Chair of the CSRD Working Group Member of the D&I Taskforce



2022

# **ESG ROADMAP**

2024

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

In preparation for our first sustainability statements, important steps are taken to align with the EU's Corporate Sustainability Reporting Directive (CSRD). The insights we have gained through this reporting process are used to optimize our ESG strategy.

2021

Focus on SDG's 8,9,12, and 13, stakeholder analysis, and compliance with applicable laws, regulations, and certifications. Sustainability is added as a strategic pillar to our accelerated growth strategy.

2023

Sustainability is integrated into our long-term purpose value creation and decision making. The double materiality assessment is performed.

**FUTURE** 

Adoption of our climate change transition plan and further implementation of our ESG strategy to set a standard within our industry.

# **General**

# **Basis of Preparation**

## General basis for preparation of the sustainability statements

As of the financial year 2024, CM.com reports under sustainability reporting standards introduced by the EU  $^1$ Corporate Sustainability Reporting Directive (CSRD). The sustainability statements of CM.com have been:

- Prepared in accordance with European Sustainability Reporting Standards (ESRS).<sup>2</sup> An
   ESRS Content index is included in this report, providing an overview of our level of
   compliance with the ESRS.
- Prepared on a consolidated basis and includes CM.com N.V. and its subsidiaries (hereafter: CM.com). The scope of consolidation is the same as for the consolidated financial statements.
- Subject to limited assurance by the external auditor.

In our double materiality assessment of impacts, risks, and opportunities (IROs), we consider our upstream and downstream value chain as follows:

- The upstream value chain includes tier 1 suppliers (including co-locations and data centers) and contractors.
- The downstream value chain includes our customers, consumers, and end-users.

Our reporting on policies, actions, and/or targets relates to our own operations within our direct sphere of influence. If elements of the upstream and/or downstream value chain are included, this will be indicated and disclosed in these sustainability statements, including disclosures where we rely on estimates and industry standards.

### Disclosures in relation to specific circumstances

#### Time horizons

Unless otherwise indicated, the terms short-, medium- and long-term time horizons used in this Sustainability statements are defined in line with the stipulations set out in ESRS 1. Short-, medium- and long-term time horizons are taken to mean, respectively, one year or less (2025), two to five years (2026 to 2029) and more than five years (2030 and beyond).

#### Incorporation by reference

When information is incorporated by reference, the relevant section in the annual report is indicated. The <u>ESRS Content Index (see page 143)</u> also provides a list and description of all

ESRS disclosure requirements and a reference to where the information is addressed in this annual report.

#### Critical Accounting Estimations, Assumptions and Judgments

In preparing the sustainability statements, management used accounting estimates, assumptions, and judgments that affect the disclosed metrics, the most significant of which are for the company's GHG emission-related environmental disclosures, the total remuneration ratio, and the performance review participation rate disclosed as part of the social disclosures. As a result, there is inherent uncertainty in our calculations. To keep stakeholders informed and to enhance comparability and understandability, we have indicated when estimates and assumptions were applied and if metrics or amounts are subject to a high level of measurement uncertainty in the disclosures of these metrics in the subsequent sections of these sustainability statements.

As sustainability reporting continues to evolve, so do the metrics and methodologies used. This applies to all data included in this report and may lead to revisions or updated interpretations in the future.

In our commitment to transparency, we include forward-looking information within our statements to share our future-oriented goals and initiatives. We believe that discussing our plans and anticipated outcomes is essential for addressing issues such as climate change and resource management. However, it is important to note that forward-looking information inherently involves uncertainties and assumptions about future conditions. While we strive to provide the most accurate projections possible, actual results may differ due to factors beyond our control. By clearly stating these uncertainties, we enhance stakeholder understanding and maintain transparency in our sustainability journey.

#### Phase-in provisions used

We made use of the following phased-in disclosure requirements in line with ESRS 1 Appendix C:

- SBM-3 Disclosure requirement 48e (anticipated financial effects);
- E1-9 Disclosure requirement 64-70 (anticipated financial effects);
- S1-11 Disclosure requirement 72-76 (social protection);
- S1-13 Disclosure requirement 81-85 (training and skills development metrics, respectively the average number of training hours per employee, by gender);
- S1-15 Disclosure requirement 93 (work-life balance, for non-NL employees).

<sup>1</sup> Council Directive 2022/2464/EC of 14 December 2022 regarding corporate sustainability reporting and amending EU Regulation 537/2014, Directive 2004/109/EC, Directive 2006/43/EC, and Directive 2013/13/EU.

<sup>&</sup>lt;sup>2</sup> As set out in Annex 1 to the Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council

## **Governance**

## Management's role and responsibilities

CM.com installed the CSRD working group, containing expertise from Legal, Reporting, ESG, Risk and Compliance, and Internal Audit. During 2024, the working group held bi-weekly meetings where the developments and progress made regarding the CSRD, and related sustainability topics were discussed. Members of the working group followed sustainability courses, and attended several sustainability events and webinars.

Next to the working group, key process owners on Senior Management level are involved and accountable for all required information on disclosure requirements relevant to their domain. Within CM.com, key process owners are designated to report to the working group. Members of the working group assist these key process owners with the identification of sustainability matters, reporting requirements, and further improving the provided information, resulting in the disclosures in these sustainability statements.

The rules of procedure for both the Management Board and the Supervisory Board, as well as the Audit Committee Charter (published <a href="here">here</a>), outline their responsibilities concerning Sustainability Matters. The Management Board is tasked with identifying and managing sustainability matters, respectively material IROs, and has delegated this responsibility to the CFO. He acts as a sponsor within the working group. Together with our ESG manager, he provides periodic reports to the Management Board and the Audit Committee regarding sustainability, ensuring that the Management Board, Audit Committee, and Supervisory Board are informed and able to bring sustainability matters into their decision-making.

The Supervisory Board supervises how the Management Board identifies and manages sustainability matters. This oversight is facilitated by the Audit Committee, which assists in preparing the Supervisory Board's decisions concerning the integrity and quality of the company's financial and sustainability reporting, as well as the effectiveness of its internal risk management and control systems.

More specifically, the Audit Committee monitors (i) the financial and sustainability reporting process and drawing up proposals to safeguard the integrity of the process (ii) the identification and management of sustainability matters and issuing advise to the Supervisory Board in that regard (iii) the effectiveness of the internal control systems, the internal audit function and the risk management systems with regard tot the company's financial and sustainability reporting. For further details on the performance and frequency of duties, please refer to our <u>Supervisory Board Report</u>.

Several members of the Supervisory Board hold positions in Sustainability Committees at companies with years of experience in sustainability reporting and membership in the Dow Jones Sustainability Index. Members with less direct experience have gained knowledge this year, particularly regarding the CSRD, through training such as webinars.

The management Board, Supervisory Board, and Audit Committee are sufficiently qualified to perform their duties for the further implementation of the ESG roadmap, including the identification and management of sustainability matters.

A broader description of the roles and responsibilities of our Boards, and information regarding their composition and diversity is available under <u>Governance</u> in our Management Board Report.

# Integration of sustainability-related performance in incentive schemes

CM.com has integrated sustainability-related performance into the incentive schemes of the Management Board and Senior Management. The set targets mostly regard the material social topics: employee engagement, diversity, and inclusion.

The Remuneration policy for the Management Board is followed, as established by the General Meeting upon the proposal of the Supervisory Board, based on the advice of the Nomination, Selection and Remuneration (NSR) Committee. The remuneration of our Management Board members is described in our Remuneration Report. Incentives for Senior Management, as described below, are adopted and approved by the Management Board.

In the Short-Term Incentive Plan (STIP) for our Management Board, we have included a few personal objectives (non-financial targets). One of the targets for our CFO is CSRD compliance as part of the governance decision-making target (8.33% of the total target) and one of the targets for our CEO is increasing our employee engagement by promoting our DNA & culture as part of the organizational development target (8.33% of the total target).

The business unit leadership teams also participate in a Short-Term Incentive Plan designed to incentivize them based on their business unit's performance results. Within this plan, employee engagement in the respective business unit is specified as a key target, carrying a weight of 25–33%, to underscore its significance.

Our Long-Term Incentive Plan (LTIP) applies to our Management Board, our Executive Committee, and specific senior leaders. In LTIP 2024-2026, we have included a clear target on gender diversity concerning female leadership, measured as the percentage of women in leadership roles (on target: 33% women in leadership roles) and another target on overall employee engagement for 2026 (on target: 75). Both targets have a weight of 15% each, so in total 30% of total targets. This again shows the long-term commitment of our management towards these targets.

## Statement on Due Diligence

We acknowledge the significance of performing due diligence on environmental and social impacts, within our value chain. The results of our due diligence process are incorporated in our double materiality assessment. To reflect the main aspects and steps of our undertaken due diligence process, our references to our core elements of due diligence are included in the table below.

Core elements of due diligence	Paragraphs in the sustainability statements
Embedding due diligence in governance, strategy, and business model	ESRS 2 GOV-2, GOV-3 ESRS 2 SBM-3
Engaging with affected stakeholders	ESRS 2 GOV-2 ESRS 2 SBM-2 ESRS 2 IRO-1 ESRS 2 MDR-P ESRS E1-1 ESRS S1-2
Identifying and assessing negative impacts on people and the environment	ESRS 2 SBM-3 ESRS 2 IRO-1
Taking actions to address negative impacts on people and the environment	ESRS 2 MDR-A ESRS E1-1, E1-3 ESRS S1-4
Tracking the effectiveness of these efforts	ESRS 2 MDR-M, MDR-T ESRS E1-4, E1-5, E1-6, ESRS S1-5, S1-6, S1-9, S1-13, S1-15

### **Risk Management and Internal Controls**

During 2024, CM.com embedded sustainability in its overall risk management and control framework by translating sustainability IROs in the manner defined under <u>Double materiality assessment(DMA</u>), to fit into our enterprise risk management. The DMA scores are utilized for risk prioritization within the overarching ERM framework, as well as in developing mitigating strategies and controls. We also leveraged our internal control framework for sustainability reporting related risks, relating to relevance, faithful representation, comparability, verifiability, and understandability of disclosed information, based on ESRS 1 (Appendix B). Furthermore, sustainability reporting should align with legislation (e.g. CSRD, ESRS, and EU Taxonomy), even if not (yet) applicable to CM.com.

The scope of risk management on sustainability reporting includes all underlying disclosure requirements of these sustainability statements plus all relevant data from source systems that substantiate the disclosures. The qualitative and quantitative information provided is relevant as of the reporting date and covers the reporting period of the financial year 2024 unless stated otherwise.

Internal controls were established, building on the diversity of expertise in the working group and the company's key process owners. Governance is established to ensure the involvement of the Management Board and oversight of the Audit Committee. Also, in preparing these sustainability statements, the EFRAG IG 3 List of ESRS Data Points is used to verify and monitor that all disclosure requirements are addressed.

We have engaged our independent external auditor, Deloitte Accountants B.V., to provide limited assurance on our sustainability statements. For the assurance report, we refer to the <u>Independent Auditor's Report (see page 198)</u>. The annual report of which these sustainability statements form an integrated part is published after approval by the Audit Committee.

For further information on these processes and systems, how findings of risk assessment and internal controls are integrated into relevant functions and processes, and on the periodic reporting of findings to the Management Board and Supervisory Board, see Risk Management & Compliance (see page 73).

# **Strategy**

### Our business model and value chain

In our Management Board report, the <u>Strategy</u> chapter highlights the core elements of our 'Think Global Act Local' strategy, which focuses on growth by delivering a broader set of solutions on one integrated platform, cross-selling, partnerships, and acting as an AI-First company. Our business model is adding value to our clients through the use of mobile technology. How CM.com does this is visualized in our Value Creation model, part of the Strategy chapter. We decided that we needed to adapt our organizational structure to the ever-changing possibilities within our universe. As a result, we transformed CM.com into an organization structured around <u>business units</u>. Our value chain and potential stakeholders are visually incorporated on the next page.

Topic	Interaction with strategy and business model
Climate change	Our strategy emphasizes leveraging renewable energy and optimizing energy consumption across our own operations and our clients. By integrating Al-based solutions, we enhance efficiency and reduce unnecessary energy use, contributing to lower GHG emissions. Reference is made to the Environmental section for further disclosure on Al versus energy consumption. Power efficiency is crucial for all our solutions, which is why our applications run on state-of-the-art hardware. We remain committed to reducing our total GHG footprint and are exploring innovative approaches to sustainability as part of our strategy through our local presence and one-platform approach.
Diversity & Inclusion	A diverse and inclusive workforce fuels innovative solutions through varied perspectives and improving problem-solving capabilities. As a global player, our commitment to diversity ensures we understand and meet the needs of our diverse clientele across different regions. It creates a workplace culture where employees feel valued, enhances the organization's reputation and attracts a wider pool of talent.
Employee engagement	Our workforce is crucial in executing our strategy, contributing to cross-selling, forming partnerships, and developing innovative products. To retain and motivate them, we focus on enhancing engagement and providing the right working conditions. By striving to be the employer of choice, we foster our people's dedication and success, which in turn translates into value for our customers.
Training and skills	Training and skills development are crucial for maintaining a competitive edge, so employees remain adaptable in a changing market. They are fundamental to our strategy, equipping our workforce to innovate and meet the diverse needs of our global clients. By investing in training, we reaffirm our commitment to quality and strive to be an employer of choice for top talent in the industry by offering career growth opportunities.
Privacy & Data Security	Success is determined by the trust placed in us. In our pursuit of this trust, privacy and data security play a crucial role, both in employee processes and in our privacy-by-design products, ensuring the data of employees, clients, consumers, and end-users is protected.
Business Ethics	A strong corporate culture centered on values and business ethics positively impacts our workforce and benefits our reputation and relationships with business partners and stakeholders.
Reliability of our solutions	The reliability of our solutions is essential to customer satisfaction. By consistently delivering dependable solutions, we contribute to strong partnerships and ensure that our clients, consumers, and end-users experience the highest standards of service quality and innovation.

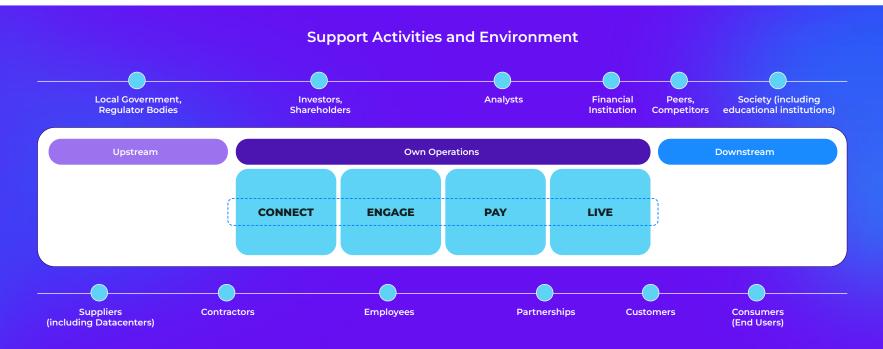
# **Double Materiality Assessment**

At CM.com, our commitment to sustainability is grounded in a rigorous materiality assessment process. In this section, we describe our processes to identify and assess material IROs. We started with the long list of sustainability matters covered in topical ESRS published by the EFRAG (ESRS 1 - AR 16), which we assessed for potential material IROs throughout our value chain, included below. Relevant stakeholders are identified in the upstream, own operations, downstream, the supporting activities, and the environment we operate in. We considered the operating activities that are carried out in and what financial impact they have. This deep dive into our value chain helps us identify where we can have the greatest impact, ensuring that our sustainability efforts are both meaningful and effective. This assessment is carried out by the working group as a starting point for which potential topics could be relevant for CM.com and is enriched with knowledge of the industry and engagement with our internal and external stakeholders. Our peer analysis has been used to benchmark our practices against industry standards.

### Interests and views of stakeholders

To ensure that our assessment is comprehensive and reflective of the concerns and aspirations of those we serve and work with, we have engaged in extensive dialogue with our internal stakeholders and reached out to external stakeholders via a survey, on which the response rate was limited. In the figure below, we identified the potential stakeholders in our value chain. In deep dive sessions with the key process owners within CM.com, we categorized stakeholders as either an 'affected stakeholder' or 'users of sustainability reporting' and assessed the influence of CM.com on these stakeholders and vice versa. Based on this assessment, we identified relevant stakeholder groups for CM.com with whom we actively engage.

We've included an overview of our key stakeholders on the next page, describing how we engage with them, and the purpose of the engagement. Included are the stakeholder groups on which we deem our sustainability impact and vice versa material. Except for consumers and end-users, for which the stakeholder engagement will be further expanded from 2025 onwards. Stakeholder engagement entails seeking input and feedback to understand the concerns and the evidence of actual and potential impacts of the company on people and the environment. This helps to substantiate the importance of sustainability matters through the lenses of the affected stakeholder groups or users of the sustainability statements. The views and interests of affected stakeholders concerning sustainability-related impacts are shared with the Management Board and Audit Committee as part of the regular updates. Further learning and continuous interaction with stakeholders might lead to insights that will influence our Double Materiality Assessment in the future.



Relevant stakeholder groups	How we engage	Purpose of the engagement
Customers	<ul> <li>Regular (customer satisfaction) dialogues, surveys, and questionnaires through sales, marketing, and customer service teams</li> <li>Customer support via multiple channels</li> </ul>	<ul> <li>- Understanding the needs of our (future) customers</li> <li>- Identifying room for improvement</li> <li>- Increase customer satisfaction</li> <li>- Adapting our solutions to changing customer expectations</li> </ul>
Employees	<ul> <li>Regular check-ins and yearly performance reviews (and career dialogues upon request)</li> <li>Regular update sessions, per team/department, business unit, or company-wide such as quarterly townhall meetings</li> <li>Training and development programs</li> <li>Quarterly employee satisfaction survey</li> <li>Speak-up program</li> <li>Company feed where employees can share a contribution</li> <li>Organize dinners, events and workshops for employees to engage</li> <li>Attending the Works Council</li> </ul>	<ul> <li>Improve internal communication and collaboration</li> <li>Be an employer of choice</li> <li>Promote diversity and inclusion</li> <li>Promote career development and skill enhancement to boost CM.com's future performance</li> <li>Foster a culture in which employees thrive and contribute</li> <li>Increase employee satisfaction and retention rates</li> <li>Presented and validated IRO's with Works Council</li> </ul>
Suppliers	<ul> <li>Periodic supplier evaluations, and contract negotiations by procurement</li> <li>Regular check-ins and (sustainability) requests</li> <li>Yearly ESG survey sent out by the ESG manager</li> </ul>	<ul> <li>Ensure quality and reliability of deliverance</li> <li>Optimizing costs and efficiency in the supply chain while</li> <li>building sustainable and strategic partnerships</li> <li>Creating a sustainable future for next generations</li> </ul>
Investors, Shareholders, Analysts	<ul> <li>- Annual general meeting and quarterly reports</li> <li>- Regular updates and presentations</li> <li>- Periodic investor calls, meetings and roadshows</li> <li>- Regular engagement with analysts</li> </ul>	<ul> <li>Inform about financial performance and strategies</li> <li>Strengthening trust and investor relations</li> <li>Attracting and retaining capital for growth</li> </ul>
Local government, Regulatory bodies	- Compliance audits and reporting - Formal and informal meetings	<ul><li>Ensuring compliance with laws and regulations</li><li>Influence policy and regulatory development</li><li>Promoting transparency and accountability</li></ul>
Society including educational institutions	<ul> <li>Collaborative projects with schools and universities</li> <li>Community and educational programs and events</li> <li>Engaging by taking place in panels</li> <li>One-on-one engagements with interested parties</li> <li>Media scanning</li> <li>Yearly ESG survey sent out to Avans Hogeschool</li> </ul>	<ul> <li>Supporting education and talent development</li> <li>Connect with experienced talent</li> <li>Enhancing social responsibility and reputation</li> </ul>

GOVERNANCE

MANAGEMENT BOARD REPORT

HOME

CONTENTS

AGENTS OF CHANGE

SUSTAINABILITY STATEMENTS

FINANCIAL STATEMENTS

### Description of the process to identify and assess material IROs

Once we had an initial idea of possible material topics to be included in our materiality assessment, we sought input from our key process owners and defined a short list of expected sustainability IROs. The topics on this list are weighed based on impact materiality ('inside-out') and financial materiality ('outside-in'), the so-called double materiality assessment (DMA).

The assessment of impact materiality for a negative impact is based on the severity of the impact, whereas for potential negative impacts, it considers both the severity and the likelihood of the impact. Severity is based on scale, scope, and the irremediable character of the impact. Scaled from one to four (minor, moderate, significant, and severe). For positive impacts, materiality is based on scale and scope, and in the case of potential impacts, also the likelihood. Aligning with our enterprise risk framework, scores based on ESRS definitions were translated, whereby sub-scores on the sum of scale, scope, and irremediability were weighted and, if applicable, multiplied by the estimated likelihood. Likelihood is rated using four levels from unlikely to very likely using percentages, based on our knowledge, public information, and historical data as far as presently available. In general, also time horizons are considered in assessing materiality.

A sustainability matter is material from a financial perspective if it triggers, or could reasonably be expected to trigger, material financial effects on the company's development, financial position, financial performance, cash flows, access to finance, or cost of capital. Dependency on natural, human, and social resources can be sources of financial risks or opportunities.

The assessment of financial materiality for risks and opportunities is based on a combination of the likelihood of occurrence and the potential magnitude of the financial effects, using a threshold. We have chosen to include Gross profit as a benchmark to determine the threshold for financial materiality in our double materiality assessment. It provides a direct and sensitive measure of core business performance, aligns with stakeholder priorities, enables industry comparisons, and highlights the financial impacts of sustainability initiatives.

By focusing on Gross profit, CM.com can ensure that materiality assessments are both comprehensive and relevant, effectively linking financial performance with sustainability considerations to support informed decision-making and strategic planning. A risk or opportunity is assessed to be material if the expected financial impact exceeds 2% of the Gross profit realized over the year 2023. Please note that utilizing the 2024 realized Gross profit would not lead to different conclusions.

Based on the above statements, we have scored the likelihood and size on a range of one to four and recorded the outcomes for both the financial and impact materiality as stated below. Where substantial and high scores are deemed material for either impact materiality or financial materiality, aligned with our enterprise risk framework (ERM).

		Minor / Low	Moderate / Moderate	Significant / Substantial	Severe / High
		1	2	3	4
Unlikely	1	Low	Low	Moderate	Moderate
Possible	2	Low	Moderate	Substantial	High
Likely	3	Moderate	Substantial	Substantial	High
Very likely	4	Moderate	Substantial	High	High

The DMA is carried out by the working group. This was done for the first time in 2023, as disclosed in our annual report for 2023. Reassessment took place in 2024, during which we engaged with internal stakeholders to enhance our due diligence processes and with external stakeholders by resending the ESG survey to verify their views on the following material topics:

Section	Topics 2023	Topics 2024					
	Energy consumption						
Environmental	Greenhouse Gas Emissions	Climate change					
Liiviioiiiileitat	Climate change adaptation						
	(Physical) Waste	-					
	Diversity	Diversity & Inclusion					
	Employee engagement	Employee engagement					
Social	Training and skills	Training and skills development					
	Creativity	-					
	Privacy	Privacy & Data security					
	Shared company values						
	Corruption and bribery	Business Ethics					
Governance	Protection of whistle-blowers						
	Compliance to legislation	-					
	Reliability	Reliability of our solutions					

Compared to the previous year, we have made the following changes based on progressive insights:

- We have relabeled 'Energy consumption,' 'Greenhouse Gas Emissions,' and 'Climate change adaptation' to 'Climate Change' to streamline the objectives and scope of these topics.
- After the integration of our ERM and DMA, we have removed '(Physical) Waste',
   'Creativity,' and 'Compliance to legislation' as the IRO's are deemed relatively low
   compared to other ESG topics, based on their potential impact and likelihood.
- Further defining our IROs on 'Diversity' resulted in renaming this topic to 'Diversity & Inclusion,' also aligning with our internal focus on these matters.
- Based upon peer review and the integration of our ERM and DMA, we have renamed
  the material topic to 'Privacy & Data Security' and remapped it as a social material topic
  related to employees, consumers and end-users. See <a href="here">here</a> for defined IROs.
- We have relabeled 'Shared company values,' 'Corruption and bribery,' and 'Protection of whistle-blowers' to 'Business Ethics' based on the similarities of our internal approach to these matters.
- 'Reliability' and availability of services is our 'license to operate.' Without it, clients, consumers, and end-users would not be able to make use of CM.com's sustainable solutions. The IROs related to this material topic are further described in the chapter on 'Governance', where we mapped this topic as 'Other' in the previous year.

These outcomes were discussed with the Works Counsil by our ESG manager, as representative of the CSRD working group. Received input from the Works Counsil has been incorporated and reflected where relevant in the list proposed to the Management Board for approval. Based on the material topics in 2024, a defined list of key material IROs was proposed to the Management Board and, after their approval, shared with our Audit Committee.

## Disclosure requirements covered by the sustainability statements

The material topics, as well as more detailed descriptions of their associated IROs, are presented in the next sections, respectively Environmental, Social, and Governance. All material topics are disclosed taking the Minimum Disclosure Requirements (MDR) into account, including entity-specific disclosure requirements, in addition to the ones required by the topical standards under ESRS. Many of our material topics connect to one or more sustainability matters as identified by ESRS as presented in the table.

Material topics	Includes ESRS sustainability matter(s)						
	Energy (ESRS-E1)						
Climate change	Climate change mitigation (ESRS-E1)						
	Climate change adaptation (ESRS-E1)						
Diversity ( ) lead union	Diversity (ESRS-S1)						
Diversity & Inclusion	Gender equality and equal pay for work of equal value (ESRS-S1)						
Employee engagement	Work-life balance (ESRS-S1)						
Employee engagement	Social protection (ESRS-S1)						
Training and skills development	Training and skills development (ESRS-S1)						
Privacy & Data security	Privacy (ESRS-S1&S4)						
	Corporate culture (ESRS-G1)						
Business Ethics	Corruption and bribery (ESRS-G1)						
	Protection of whistle-blowers (ESRS-G1)						
Reliability of our solutions	-						

A description of ESRS disclosure requirements is included in the <u>ESRS Content Index</u> (see <u>page 143</u>). If the MDR are not met, when policies and/or actions are not adopted or no measurable outcome-oriented targets are set it is explained in the ESRS Content Index.

Similarly, a <u>list of data points derived from other EU legislation</u> is provided, offering an overview of the relevant information.

# **Double Materiality Assessment**

# **ENVIRONMENTAL**

Climate Change

# **SOCIAL**

- Diversity & Inclusion
- 3 Employee engagement
- 4 Training & Skills development
- 5 Privacy & Data security

# **GOVERNANCE**

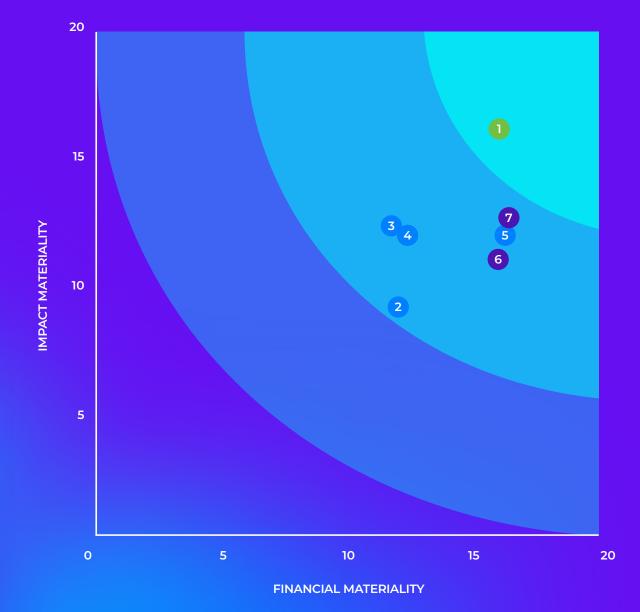
- 6 Business Ethics
- 7 Reliability of our Solutions











# **Environmental**

# **Material Environmental Impacts, Risks and Opportunities**

Material topic	Impacts, risks and opportunities	Value chain	Time horizon	Description
Climate change	Negative impact	Upstream Own operations Downstream	Short, medium and long-term	Our business activities have a negative environmental impact due to GHG emissions (including energy consumption) associated with our own operations and those of our suppliers, who deliver goods or render services to us, and downstream sales of POS terminals. These emissions contribute to global climate change, which results in widely known environmental impacts and indirectly people's well-being and safety. We strive to substantially reduce our GHG emissions, in accordance with the 1.5° C path set out in the Paris Agreement.
	Transitional Risk (Policy & Legal)	Upstream Own operations Downstream	Medium and long-term	The transition to a low-carbon economy may impose stricter CO2 reduction regulations, increasing compliance costs and investment needs. CM.com risks not meeting these legal obligations, potentially leading to reputational damage and loss of customer, and/or investor trust, and challenges in attracting top talent. We need to demonstrate our commitment to sustainability, or suppliers, clients, and potential talent may be less inclined to engage with us.

<sup>&</sup>lt;sup>1</sup> The Paris Agreement is an international treaty on climate change, as adopted by 196 parties (including the European Union on behalf of amongst others, the Netherlands) at the UN Climate Change Conference (COP21) in Paris, France, on 12 December 2015. The Paris Agreement entered into force on 4 November 2016 and as further elaborated in the Dutch Klimaatakkoord, as adopted on July 2, 2019.

# **Climate Change**

At CM.com, sustainability is an integral part of our identity and operations. As an innovative player in digital communications, our technologies, products, and services empower individuals to be better informed, more conscious, connected, and in control of their lives.

We recognize that our business activities have an environmental impact due to GHG emissions from our operations and those within the value chain. We actively measure and manage our carbon footprint. Our main activities causing GHG emissions are purchased goods & services (more specific: SMS, Voice minutes, Public cloud, POS terminals, other costs of sales, and other operating expenses), business travel, employee commuting, capital goods (more specific: hardware, construction and office furniture), energy consumption for our offices, and data center co-locations. Due to the nature of our business activities and assets, plus our use of green energy (our headquarters are fully serviced by renewable energy and are GHG emission neutral), the actual impact of our GHG emissions for scope one and two is relatively small. This is supported by our Carbon Footprint Measurement, which shows that our scope one and two GHG emissions are relatively low compared to our overall GHG emissions. From our GHG assessment, we concluded that approximately 94% of our GHG emissions are from scope three.

Despite our small impact, these emissions contribute to global climate change, leading to well-known environmental impacts and indirectly affecting people's well-being and safety. Failing to meet stakeholder expectations could result in a loss of business and challenges in attracting top talent in the short to medium term. We view this as a climate-related transition risk. Managing our GHG impacts can enhance our attractiveness as a business partner and employer, ensuring sustained access to the labor market. CM.com feels responsible for taking the necessary actions to halt climate change. We strive to reduce our GHG emissions and to compensate meaningfully where required, in alignment with the Paris Agreement's 1.5°C target.

### Climate Scenario Analysis and Risk Assessment

Assessing material climate-related risks and opportunities involves analyzing both physical and transition risks, including current and emerging regulatory requirements. We evaluate these risks and opportunities using our risk methodology and governance processes, and this is supported by qualitative scenario analysis. Only qualitative information is disclosed and no estimated anticipated financial effects from material physical and transition risks. Climate change considerations are evaluated alongside other business risks within our enterprise risk framework, facilitated by our Risk Management and Compliance team. Climate-related risks are assigned to our ESG Manager, who will oversee the business unit management teams in managing these risks and actively supporting their efforts in line with the transition plan, which will be adopted in 2025. The Risk Management and Compliance team employs a

risk dashboard to assess climate-related and other business risks, providing updates and validation to the Management Board as part of our Internal Control Statement. As described, the process for identifying, assessing, and managing climate-related risks and opportunities is fully integrated into our overall risk management process.

Complementing the <u>Double Materiality Assessment</u>, we conducted a business resilience analysis during this reporting period aimed at identifying, understanding, and managing the transition and physical risks and opportunities associated with our own operations and data center co-locations in the face of climate change. This analysis assessed the company's capability to adapt to regulatory changes, market fluctuations, and emerging threats while maintaining customer trust and operational efficiency. <u>The recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD)</u> were considered. We selected two scenarios from the Intergovernmental Panel on Climate Change (IPCC), explained below, to conduct a climate scenario analysis, evaluating the impacts of physical climate-related hazards and transition risks and opportunities across short-, medium-, and long-term time horizons.

A high-emission scenario was considered for physical risks, focusing on mid- and long-term timeframes. Under this scenario, assuming no significant mitigation efforts, global temperatures could rise by approximately 4°C above pre-industrial levels by 2100. For a detailed analysis of areas where CM.com or its data centers are located, we used 'Copernicus' and 'KNMI Climate Scenarios'. Climate risks from extreme weather, temperature rise, sea level rise, heat stress, and cold waves/frost are not deemed significant for CM.com up to 2050, as it operates with relatively low investment in physical assets. Our assets include our headquarters in Breda, rented office space, and data center co-locations. For our assessment, we focused on offices covering 90% of employees and significant co-locations, both with a lifespan of over 10 years.

To assess transition risks, we considered the IPCC's RCP 1.9 scenario aiming to limit global warming below 1.5°C by 2050. Under this scenario, CM.com anticipates a widespread shift to renewable energy sources and continued improvements in energy efficiency worldwide. Anticipated environmental regulations and policies are expected to tighten globally, accelerating the transition to environmentally friendly and low-carbon technologies. As a result, changing customer preferences towards more sustainable products and services may make the existing services of CM.com less attractive and we risk reputation damage if CM.com cannot demonstrate an active contribution to sustainable development, e.g., by reducing emissions from its own operations and value chain. Additionally, the transition to a low-carbon economy may lead to stricter regulations, particularly concerning  ${\rm CO_2}$  reduction, which may lead to increased investments and costs for compliance. This transition risk (policy & legal) is assessed as material for medium- and long-term and relates to both own operations as the value chain, based on potential size and likelihood.

## **Climate Change**

#### Our Approach and Policies: How We Manage Our Impact

CM.com implemented an overall Environmental, Social, and Governance (ESG) Policy that addresses sustainability in a broader sense, which will be further updated in 2025 regarding climate change. We have established a robust governance framework to measure GHG emissions and manage other sustainability matters. Throughout 2024, we maintained our ISO 14001 certification under the International Environmental Management System standard to manage and minimize our environmental impact. We have a dedicated ESG Manager who reports to the CFO and collaborates closely with various topic owners in the areas of housing, fleet, travel, IT, procurement, and talent. Together, they design and implement a comprehensive sustainability business strategy. Sustainability is a recurring topic on the agendas of both the Management Board and the Supervisory Board, and it is presented in various sessions of the Audit Committee meetings.

#### Actions

CM.com is committed to supporting the goals of the Paris Agreement. In our effort to address climate change CM.com purchases renewable energy for its headquarters. During 2024 CM.com also invested in 66 solar panels to generate sustainable energy via the roof of its headquarters. The results of this positive contribution to renewable energy production are presented in the table under 'Results'.

We aim to contribute to the necessary transition to mitigate the impacts of climate change by minimizing our footprint in our operations and the value chain. To do so, management is working on a transition plan that will outline our policy and comprehensive measures and actions to reduce GHG emissions and ensure compliance with applicable local and international environmental laws. Upon approval by the Management Board in 2025, this policy and measures will extend to all CM.com business units and subsidiaries.

In 2024, CM.com has calculated its GHG emissions as of 2023. Insights gained, facilitated by an external carbon accounting firm, helped identify key decarbonization levers that will shape our transition plan:

#### **Scope One and Two Emissions**

#### Renewable electricity

• Our electricity providers for office spaces are transitioning to renewable energy sources. For our most impactful offices, we already utilize renewable energy. Where feasible, we plan to switch contracts to renewable electricity for the remaining offices.

#### Fuels

• We aim not to acquire or lease any new fossil fuel vehicles.

#### Energy efficiency

 We aim to implement various actions to enhance energy efficiency and reduce scope one and two emissions, including improving insulation and installing energy-efficient devices.

#### **Scope Three Emissions**

Purchased and capital goods and services

- We aim to ensure the purchase of renewable electricity for our rented data centers (colocations), if this has not already been implemented.
- We will engage with suppliers to highlight the importance of decarbonization and request insights into supplier-specific emissions;
- We expect that our European suppliers will independently establish their own GHG emission reduction targets and pursue decarbonization, even without direct engagement from CM.com;

#### Business travel

• We have already begun reducing business travel by increasing the use of virtual meetings. We are exploring options to partially replace air travel with other forms of transportation, such as train or car travel, without compromising business effectiveness. Additionally, we aim to reduce the proportion of flights to lower the emission intensity of air travel.

#### Employee commuting

- We have implemented a flexible work policy that allows employees, under certain conditions, to occasionally work from home, thereby slightly reducing emissions from commuting, which is the primary contribution factor for the majority of our workforce.
- In the Netherlands, we utilize an app to gain a clearer understanding of the carbon footprint associated with the commuting patterns of employees working in the country.

Further analysis indicates a significant portion of our emissions stems from purchased goods and services, and therefore is partly revenue-based, as more business leads to more purchased goods and services. Another part of our footprint is employee travel and, consequently FTE-based. As disclosed in <a href="mailto:note-22">note-22</a> of the consolidated financial statements, FTEs are predominantly within the Netherlands. Reference is made to the GHG intensity table in the results section for the before-mentioned drivers. GHG emissions are also predominantly driven by specific investments. Another measure under the transition plan is improving the quality of our calculations by substituting estimates with actual data. Procurement will engage with suppliers related to foreign offices and evaluate their (sources of) energy consumption.

#### Outlook

Our ESG manager will present a draft of this transition plan, including proposed short, medium-, and long-term targets, to the Management Board in H1 2025. Target-setting will focus on reducing GHG emissions.

The plan will be detailed post-approval, setting concrete department-specific objectives. To ensure effective implementation, we will allocate additional expertise and resources. We are committed to measuring the impact and effectiveness of intended measures annually as part of these sustainability statements, aligning with forthcoming transition plan targets, which will be published as part of the annual report for FY 2025.

### Al-First company versus energy consumption

We are committed to integrating sustainability in our journey towards becoming an AI-First company. We recognize that power consumption in AI is a focal point for the largest global clusters, primarily those involved in extensive pretraining AI models. While we do not perform our own pretraining, we efficiently finetune Open Weights models and use closed source models (e.g. Azure's OpenAI, Google's Gemini, and Anthropic Claude's), thereby reusing the computational efforts of companies like Meta.

Our workloads predominantly involve inference and finetuning. Inference is the process of using an AI model to make predictions or decisions based on new, unseen data, after the model has been developed and trained. Finetuning means enhancing a pre-trained AI model on a specific dataset or task to improve its performance for that task. For both processes, we utilize state-of-the-art hardware (GPUs), selected for their power efficiency aiming to minimize energy consumption while maximizing our production capabilities. GHG emissions associated with the public cloud are included in our Scope 3, Category 1 'Purchased Goods and Services' and are limited as our most important suppliers utilize renewable electricity.

Most importantly, AI enables us to solve problems for our clients with greater efficiency. Tasks that previously required multiple phone calls or physical travel can now be managed swiftly and effectively. Therefore, the benefit of AI aligns with our overarching sustainability goals. This sustainable approach not only supports our operational needs but also reinforces our commitment to reducing our carbon footprint as we innovate and grow.

#### Results

#### **Energy Consumption and Mix**

CM.com's energy consumption originates from the electricity usage in offices, the fuel and electricity usage of leased cars, and limited gas usage for heating offices. The total usage mainly originates from renewable energy, whereby the decrease is resulting from overall lower energy usage of our offices and fewer lease cars.

Energy produced and consumed from self-generated non-fuel renewable energy by CM.com relates to installed solar panels early 2024.

#### Energy consumption and production in MWh

	2024	2023	Δ
Total energy consumption	2,641	2,974	(11%)
Consumption from fossil energy	770	1,047	(26%)
Share in total energy consumption	29%	35%	
Consumption from nuclear sources	95	67	42%
Share in total energy consumption	4%	2%	
Consumption from renewable energy	1,776	1,860	(5%)
Share in total energy consumption	67%	63%	
Of which:			
Fuel consumption from renewable sources	-	-	
Electricity, heat, steam, and cooling from renewable sources	1,729	1,860	(7%)
Consumption of self-generated non-fuel renewable energy	47	-	
Energy production			
Renewable energy production	48	-	
Non-renewable energy production	-	-	

#### Methodologies Used and Assumptions

The total energy consumption is based upon the identical boundaries and inputs used for the scope one and two calculations as presented in the next section. Following this, identical assumptions and extrapolations apply. First, the petrol and diesel consumption based on estimated kilometers driven was converted to liters using the  $\rm CO_2$  emissiefactoren.nl fuel consumption average. Hereafter, the designated consumption was converted into MWh consumption based upon the lowering heating values of Petrol (E10) and Diesel (B7) following the GLEC framework V3.

Related to electricity consumption, all green electricity purchased is classified as 100% renewable. CM.com adopts a conservative approach in line with ESRS Disclosure Requirement E1-5 AR 32 j whereby CM.com only considers these energy consumptions as deriving from renewable sources if the origin of the purchased energy is clearly defined in the contractual arrangements with its suppliers. For calculations, all other facilities with unknown energy sources use the electricity mix of their respective countries. This data is broken down into categories of renewable, nuclear, and non-renewable energy, based on EMBER 2023 information.

#### **Greenhouse Gas (GHG) Emissions**

CM.com's carbon footprint for 2024 shows a decrease versus 2023 (base year). This saving is the result of fewer FTEs, a smaller and more sustainable fleet, and a decreasing and renewable energy consumption in foreign offices. Furthermore, our Amsterdam office was renovated in 2023, and no such large energy-intensive construction projects occurred in 2024.

#### GHG emissions in tCO<sub>2</sub>e

	2024	2023	Δ
Scope 1 GHG emissions			
Gross scope 1 GHG emissions	76	127	(40%)
% from regulated emission trading schemes	-	-	
Scope 2 GHG emissions			
Gross scope 2 GHG emissions, location-based	662	725	(9%)
Gross scope 2 GHG emissions, market-based	212	243	(13%)
Scope 3 GHG emissions			
Gross scope 3 GHG emissions	4,388	4,981	(12%)
Consisting out of the following categories:1			
3.1 - Purchased goods and services	3,139	3,265	(4%)
3.2 - Capital goods	202	420	(52%)
3.3 - Fuel and energy related activities not in scope 1 and 2	23	38	(39%)
3.5 - Waste generated in operations	26	22	20%
3.6 - Business travel	482	605	(20%)
3.7 - Employee commuting	499	610	(18%)
3.11 - Use of sold products	14	18	(23%)
3.12 - End of life treatment of sold products	3	5	(44%)
Total GHG emissions (location-based)	5,126	5,833	(12%)
Total GHG emissions (market-based)	4,676	5,352	(13%)

<sup>&</sup>lt;sup>1</sup> The subcategories C4, C8-C10, and C13-C15 are not relevant for CM.com.

#### Methodologies Used and Assumptions

In this section, we elaborate on the methodologies used and assumptions applied. CM.com accounts for all scope one and two emissions from its operations. The scope of the total GHG emissions is based on the operational control approach following the financial consolidation, as disclosed in Note 29 Group structure of the consolidated financial statements.

Scope one direct GHG emissions from owned or controlled sources mainly relate to fuel consumption for our vehicles and some gas usage for heating a limited number of external office facilities. Given that our business minimally uses refrigerants, their impact on our environmental footprint is minor. Our analysis shows that refrigerants are immaterial to our operations, existing only in office installations. In 2023 and 2024, there were no refills in the Netherlands, as confirmed by our facilities manager. These facilities represent 74% of our locations, based on the number of FTEs at the end of the reporting period.

Scope two indirect GHG emissions are from energy purchased and consumed by the company. These emissions occur outside the organization but are a consequence of our electricity consumption for vehicles and facilities. Our headquarters in Breda, Netherlands, which accounts for 57,8% (2023: 58,4%) of the total energy usage of all facilities, purchases exclusively green Dutch wind electricity. For all other facilities, purchased grey electricity is assumed. Scope two emissions are presented as location-based emissions (average emissions intensity of grids where energy consumption occurs using region-specific average emission factors) and market-based emissions (based on contractual energy purchases (e.g., specific suppliers or products) considering renewable energy certificates (RECs) and similar instruments).

Scope three indirect GHG emissions, not included in scope two, that occur in the value chain of the company, both upstream and downstream. Scope three emissions are reported based on the GHG Protocol, where the scope three inventory is split into 15 categories. Based on a spend-based analysis of the value chain, we consider the following categories relevant for CM.com:

#### Category One – Purchased Goods and Services

Total emissions in this category consist of 96.2% from spend data, 1.9% from electricity usage, 1.0% from life cycle data, and 0.8% from supplier data. Costs of services are mainly driven by communication services (SMS/VOICE), software, and (external) cloud infrastructure, with limited physical goods involved besides POS terminals. SMS/Voice calculations were based upon (estimated) volumes and the GSMA Intelligence report (Going green: benchmarking the energy efficiency of mobile, 2021) for the energy use/unit (MB) ratio. Megabytes (MB) used to send an SMS were calculated as 0,0001335. Based on the electricity emission factor (location-based) of the specific country of the processing company,  $CO_2$  emissions were calculated. If available, supplier  $CO_2$  reports were used (supplier-specific or hybrid method), and zero emissions were assumed when suppliers purchased green electricity, this was the case for our larger software, public cloud suppliers, and co-locations, resulting in limited emissions for these services. GHG consumption for POS terminals is based on manufacturer specifications. The remainder of GHG emissions are derived from categorized spending data multiplied by relevant DEFRA emission factors. Furthermore, estimated emissions due to catering for employees, events, and the commute of interim personnel are included in this category.

#### Category Two – Capital Goods

Includes upstream GHG emissions (cradle-to-gate) from acquired server hardware, laptop devices, and purchased vehicles recognized based on supplier  $\mathrm{CO_2}$  footprint or (comparable) LCA data of these devices accounting for 76.9% of the total emissions in this category. Emissions from purchased office furniture or following (small) construction work were calculated spend-based using emission factors of BEIS, accounting for the remaining 23.1%. Please note that second-hand vehicles are not included as emissions from production have already been accounted for in the original owner's emissions.

Category Three – Fuel and Energy-Related Activities Not Present in Scope One and Two

The emissions in this category are calculated on a well-to-tank (WTT) basis and relate to fuel-related emissions based on the consumption data and assumptions for vehicles and facilities used in scope one and two calculations.

#### Category Five – Waste

Calculated based on actual waste data from our headquarters, which accounts for 49% of total waste, and multiplied by relevant emission factors. For the other European offices, the same emission per kilogram of waste per type, as calculated based on FTE, is assumed as in the Netherlands. For non-European offices, a 15% uplift was applied to correct for less sustainable waste processing methods.

#### Category Six – Business Travel

Business travel emissions were calculated on a well-to-wheel (WTW) basis using GHG emissions from plane travel provided by our travel agent and based on the DEFRA 2023 methodology. Distance allowances for employees using private vehicles or national public transport were multiplied by relevant emission factors. Note that 2023 GHG emissions from employee business travel are derived from H1 2024 extrapolations, as an administrative tool was implemented in 2024 to record actual travel distance for Dutch employees. Emissions from non-Dutch employee business travel are estimated using an average derived from emissions from Dutch employee business travel (based on the administrative tooling).

#### Category Seven – Employee Commuting

For Dutch employees, 2024 GHG emissions are calculated based on actual travel distance and travel type, as recorded in the administrative tool. 2023 GHG emissions are extrapolated based on 2024 actuals. For foreign employees, GHG emissions are calculated based on estimates of distance and travel type. Estimates were obtained from a survey conducted in August 2024, based on a representative sample of foreign employees, and extrapolated over both years. Commute emissions were derived using the DEFRA 2023 emission factors.

#### Category Eleven – Usage of Sold Products

Includes downstream GHG emissions from the usage of sold POS terminals based on the LCA data of the manufacturer.

Category Twelve – End-of-Life Treatment of Sold Products

For the sold POS terminals, end-of-life emissions were incorporated based on the LCA data of the manufacturer.

#### **GHG** Intensity

#### GHG intensity per € million revenue

	2024	2023	Δ
Total GHG emissions (location-based) in tCO <sub>2</sub>	5,126	5,833	(12%)
Total GHG emissions (market-based) in tCO <sub>2</sub>	4,676	5,352	(13%)
Revenue (in € millions)	274.2	266.2	3%
GHG intensity (location-based, per € million revenue)¹	18.69	21.91	(15%)
GHG intensity (market-based, per € million revenue)¹	17.05	20.10	(15%)
GHG intensity (per FTE) <sup>2</sup>	1.88	1.93	(3%)

GHG intensity is calculated as total GHG emissions (market- and location-based) divided by revenue (in millions) of the reporting period as presented in our consolidated financial statements.

#### Sources of the emission factors applied

CO₂emissiefactoren.nl

DFFRA

Ecolvent 3.10 / 3.11

Ember

UmwelBundesAmbt 2022

<sup>&</sup>lt;sup>2</sup> Emissions include Scope 1 and 2 (market-based), as well as Scope 3 emissions from business travel and employee commuting. Emissions are dived by the number of FTE based on note 22 of the consolidated financial statements.

# **EU Taxonomy Report**

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

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

The EU Taxonomy identifies the following six environmental objectives:

- Climate change mitigation (CCM).
- Climate change adaptation (CCA).
- The sustainable use and protection of water and marine resources.
- The transition to a circular economy.
- Pollution prevention and control.
- The protection and restoration of biodiversity and ecosystems.

As of 31 December 2024, CM.com is required to disclose its taxonomy-eligible activities<sup>1</sup> and taxonomy-aligned activities<sup>2</sup> in terms of the six environmental objectives. Eligibility indicates that an activity is in scope for screening under the taxonomy regulation. Once an activity is assessed to be eligible against the EU Taxonomy, this activity is assessed for alignment. For an economic activity to be classified as aligned, it will have to adhere to the following requirements:

- 1. Compliance against the identified Technical Screening Criteria (TSC).
- 2. Meet the requirements of the Do Not Significantly Harm (DNSH) criteria.
- 3. Compliance against the Minimum Social Safeguard (MSS) criteria.

CM.com has performed its assessments in accordance with the EU Taxonomy Disclosure delegated act and environmental act.

# 2024 EU Taxonomy Eligibility Assessment

In 2024, CM.com carried out an eligibility assessment of its four primary activities related to the designated business units Connect, Engage, Pay, and Live against the six environmental objectives.

This assessment of taxonomy-eligibility is based on the specific description of the respective activities provided in the Climate Delegated Act. Based on this assessment, we concluded that the economic activities carried out in our four designated business units can all be mapped under activity 8.2 computer programming, consultancy, and related services. This activity is mapped as an adaptation activity under Climate Change Adaptation (CCA) and as such the related turnover cannot qualify as eligible. Corresponding Operating Expenditures (OPEX) and Capital Expenditures (CAPEX) can qualify as eligible activities when certain requirements are met. For this adaptation activity (8.2), we need to demonstrate that a climate risk and vulnerability assessment has been performed and that an expenditure plan has been set up to implement adaptation solutions that reduce our activities' most significant physical climate risks. Only if these requirements are fulfilled, we can count the related CAPEX and OPEX of the adaptation activity for taxonomy-eligibility. However, it is important to note that due to the nature of these activities as adaptation activities, the turnover is not eligible under the EU Taxonomy.

In 2024, CM.com updated and expanded the comprehensive Climate Risk and Vulnerability Assessment conducted in 2023, incorporating the latest developments and emerging insights. This updated analysis, in which existing and additional new sources (e.g. Copernicus interactive Atlas tool) were used, builds upon the previous assessment, identifying potential new risks and opportunities arising from evolving climate conditions and market demands. Our investigation objects, including offices and co-locations, were reassessed with a long-term perspective aligned with other CSRD paragraphs, maintaining a projected lifetime of over 10 years, and thus considering future IPCC climate scenarios. This ongoing evaluation highlights our commitment to ensuring that our adaptation strategies remain robust and sustainable, addressing both current and future environmental challenges.

<sup>1</sup> Taxonomy-eligible economic activity means an economic activity that is described in the delegated acts adopted pursuant to Article 10(3), Article 12(2), Article 13(2), Article 14(2), and Article 15(2), of Regulation (EU) 2020/852, irrespective of whether that economic activity meets any or all of the technical screening criteria laid down in those delegated acts.

<sup>&</sup>lt;sup>2</sup> Taxonomy-aligned economic activity means an economic activity that complies with the requirements laid down in Article 3 of Regulation (EU) 2020/852.

CONTENTS | AGENTS OF CHANGE

Our analysis covered all physical climate risks as categorized by the EU Taxonomy, including temperature-related, wind-related, water-related, and solid mass-related risks. For temperature-related risks, we looked into the potential impact of, among others, extreme heat and cold on our infrastructure and the efficiency of our cooling and heating systems. In terms of wind-related risks, we evaluated, among others, the structural integrity of our buildings and facilities in the face of strong winds and storms.

The assessment also delved into water-related risks, focusing on aspects such as the potential effects of flooding, heavy rainfall, and rising sea levels on our operations. This part of the analysis was particularly relevant for our locations near coastlines or in flood-prone areas. For solid mass-related risks, we considered issues like land subsidence and the stability of the ground on which our buildings are situated. Reference is made to the in-depth analysis under section Climate Scenario Analysis and Risk Assessment.

Throughout this extensive assessment, we utilized climate projections, including insights from the KNMI report, with a special focus on scenarios relevant to the Netherlands. This enabled us to create a comprehensive understanding of various potential climate scenarios and their likely impact on our operations. Based on these insights, we are now better positioned, as we have developed and implemented effective adaptation strategies that mitigate these identified physical climate risks.

#### Turnover

The KPI related to turnover is calculated in accordance with Article 8 of the EU Taxonomy Regulation. The numerator of each business unit was compiled by taking the total eligible turnover for that business unit for 2024. The total denominator equals the total turnover combined for all the different business units, as stated in note 4 of the consolidated financial statements. Following the outcome of the eligibility assessment for 2024, the turnover is not eligible as it is derived from activity 8.2 computer programming, consultancy, and related services which concerns an adaptation activity in the EU Taxonomy. Hence, the related turnover associated with eligible activities is 0%.

#### **CAPEX**

The KPI related to CAPEX has been compiled in accordance with Article 8 of the EU Taxonomy Regulation for 2024. The numerator is compiled by taking the total eligible CAPEX for 2024. This is the CAPEX that directly relates to our taxonomy-eligible economic activities, being those linked to '8.2 computer programming, consultancy, and related services'. For CAPEX, the total denominator amounts to EUR 19.5 million and equals total CAPEX including the additions as set out in the movement schedules of note 5 intangible assets, note 7 property, plant and equipment, and note 8 right-of-use assets of the consolidated financial statements. As the total CAPEX in the scope of the EU taxonomy is directly associated with taxonomy-eligible activities, respectively 8.2 'Computer programming, consultancy, and related activities, related CAPEX associated with eligible activities is 100%. In total, 100% of CM.com's CAPEX in 2024 is deemed to be eligible for the EU Taxonomy, of which 0% is aligned.

#### **OPEX**

The KPI related to OPEX has been compiled in accordance with Article 8 of the Taxonomy Regulation for 2024. The numerator is compiled by taking the total eligible OPEX for 2024. This is the OPEX that directly relates to our taxonomy-eligible economic activities, being those linked to '8.2 computer programming, consultancy, and related services'. For OPEX, the total denominator amounts to EUR 13.0 million and includes the non-capitalized costs relating to R&D, IT maintenance and repair expenses, and immaterial other expenses, part of notes 22 and 24 of the consolidated financial statements. As the total OPEX in the scope of the EU taxonomy is directly associated with taxonomy-eligible activities, respectively 8.2 ' Computer programming, consultancy, and related activities, related OPEX associated with eligible activities is 100%. In total, 13% of CM.com's OPEX in 2024 is deemed to be eligible for the EU Taxonomy, of which 0% is aligned.

### FY 2024 Alignment Assessment of the EU Taxonomy

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

- 1. Comply with the identified TSC activities.
- 2. Meet the requirements of the Do No Significant Harm (DNSH) criteria.
- 3. Comply with the Minimum Social Safeguard (MSS) criteria.

Over the last two years, CM.com has put significant effort into conducting a Climate Risk and Vulnerability Assessment, assessing compliance with the other TSC activities, and conducting an analysis on adherence to the Minimum Social Safeguard (MSS) criteria preliminarily resulting in alignment for its identified eligible activities. In 2024, CM.com had planned to further refine and deepen the assessments underlying the alignment of its economic activities with the applicable EU taxonomy requirements. However, this process has been deferred by one year to allow for simultaneous evaluation alongside our transition plan, including its guiding principles and financial implications. This adjusted timeline ensures a more comprehensive and integrated approach, enhancing the robustness and alignment of our strategy with long-term sustainability goals. We remain committed to conducting a thorough analysis and incorporating these aspects into our strategic roadmap in 2025.

As stated above, CM.com set its alignment percentage at 0% as the criteria are not met.

Financial year 2024		Year 2024			Criteria Subs	tantial Co	n trib utio	n	DN	ISH criter	ria ('Doe	s not ha	rm signific	antly')	•				
Economic Activities	Code(s)	Absolute Turnover	Proportion of Turnover	Climate Change Mitigation	VV ater Climate Change Adaptation	Pollution	Circular Economy	Biodiversity and ecosystems	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity and ecosystems	Minimum Safeguards	Taxonomy aligned proportion turnover 2024	Taxonomy aligned proportion turnover 2023	Category (enabling activity) (20)	Category (transitional activity) (21)
	•	in Million	%	%	%	% 9	6 %	%	Y/N	I Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	Т
A TAXONOMY-ELIGIBLE ACTIVITIES																			
A1. Taxonomy-aligned activities					-	·							_						
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A1)			0%																
A2 Eligible but not aligned activities																			
				ļ															
Turnover of eligible but not aligned activities (A.2)		0	0%																
Total (A1+A2)		0	0%															·	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES	.,																		- <del></del>
Turnover of Taxonomy non-eligible activities (B)		274,2	100%																
Total (A+B)		274,2	100%						-										

# **EU-Taxonomy CAPEX Table**

Financial year 2024	,	Year 2024			Criteria S	Substant	ial Cont	tribution		DN	NSH crite	ria ('Do	es not h	narm sigr	nificantly')	•				
Economic Activities	Code(s)	Absolute CAPEX	Proportion of CAPEX	Climate Chang e Mitigation	Climate Chang e Adaptation	Water	Pollution	Circular Economy	Biodiversity and ecosystems	Climate Chang e Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity and ecosystems	Minimum Safeg uards	Taxonomy aligned Safeguran CAPEX and CAPEX 2024	Taxonomy aligned proportion CAPEX 2023	Category (enabling activity) (20)	Category (transitional activity) (21)
		in Million	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	Т
A. TAXONOMY-ELIGIBLE ACTIVITIES																				.,
A.1. Taxonomy-aligned activities																				
CAPEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0,0	0%																	
A.2 Eligible but not aligned activities	,																			
8.2 Computer programming, consultancy, and related activities	J.62	19,5	100%	0%	100%	0%	0%	0%	0%											
CAPEX of eligible but not aligned activities (A.2)		19,5	100%		100%			,												
Total (A1+A2)		19,5	100%		100%															
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
CAPEX of Taxonomy non-eligible activities (B)		0,0	0%																	
Total (A+B)		19,5	100%																	

# **EU-Taxonomy OPEX Table**

Financial year 2024		Year 2024			Criteria S	Substant	tial Cont	tri b uti on	ı	DI	NSH crite	eria ('Do	es not l	narm sigr	ificantly')					
Economic Activities	Code(s)	Absolute OPEX	Proportion of OPEX	Climate Chang e Mitigation	Climate Chang e Adaptation	Water	Pollution	Circular Economy	Biodiversity and ecosystems	Climate Chang e Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity and ecosystems	Minimum Safeg uards	Taxonomy aligned proportion OPEX 2024	Taxonomy alig ned proportion OPEX 2023	Category (enabling activity) (20)	Category (transitional activity) (21)
		in Million	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	Е	Т
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Taxon omy-aligned activities																				
OPEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0,0	0%																	
A2 Eligible but not aligned activities 8.2 Computer programming, consultancy, and related activities	J.62	13,0	100%	0%	100%	0%	0%	0%	0%											
OPEX of eligible but not aligned activities (A2)		13,0	100%		100%			,					,							
Total (A1+A2)		13,0	100%		100%															
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
OPEX of Taxonomy non-eligible activities (B)		0,0	0%																	
Total (A+B)		13,0	100%		-										•		·			

# **EU-Taxonomy Nuclear and Gas Table**

This section presents the Taxonomy Table for Nuclear and Gas as outlined in the Complementary Climate Delegated Act. The table categorizes and evaluates the environmentally sustainable activities associated with nuclear and natural gas energy sectors. It provides a framework for recognizing eligible investments and practices that contribute to the transition towards a low-carbon economy. The table aims to guide stakeholders in identifying activities that align with the European Union's climate and energy objectives, ensuring transparency and consistency in sustainable finance practices.

### Nuclear and fossil gas related activities

'	Nuclear energy related activities:	
1	CM.com carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	CM.com carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	CM.com carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities:	
4	CM.com carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	CM.com carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	CM.com carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

# **Social Impacts**

# **Material Social Impacts, Risks and Opportunities**

Material topic	IRO	Value chain	Time horizon	Description
Diversity & Inclusion	Positive impact	Own operations	Short, medium and long-term	Embracing diversity within our workforce is essential for fostering innovation and enhancing performance. A diverse team brings varied perspectives and ideas, driving innovation. By prioritizing inclusivity and equality for all employees (regardless of gender (identity), age, ethnic background, religion, and sexual orientation), we aim to create a workplace where every employee knows he or she is valued and respected.
Employee engagement	Positive impact, opportunity	Own operations	Short, medium and long-term	Engaged employees are more productive, innovative, and committed to their work. High levels of engagement lead to higher talent retention, better talent attraction, higher employee satisfaction, and improved performance.
	Negative impact, risk	Own operations	Short, medium and long-term	Failing to provide flexible and healthy working conditions negatively impacts the well-being of our workforce and can result in higher levels of employee absence and will negatively impact performance and innovative thinking.
Training and skills development	Positive impact	Own operations	Short, medium and long-term	Continuous learning and development are crucial for personal and professional growth. Providing our employees with opportunities to enhance their skills boosts their well-being and job satisfaction, and ensures that our company remains competitive and adaptable. By prioritizing skills development, we empower our employees to reach their full potential and drive our company's success.
	Risk	Own operations	Short, medium and long-term	The risk related to not investing in training is a workforce that may become stagnant and less capable of meeting future challenges.
Privacy & Data security	Negative impact, risk	Own operations Downstream	Short, medium and long-term	Protecting the privacy of our employees, clients, and end-users is paramount. Data privacy incidents can have severe repercussions, including loss of trust and legal consequences. We are committed to safeguarding personal data and ensuring compliance with all relevant regulations. Maintaining robust privacy practices protects sensitive information and upholds our reputation as a trustworthy and responsible organization.

By focusing on Diversity & Inclusion, Employee engagement, Training and skills development, and Privacy & Data security, we aim to create and maintain a thriving, innovative, and resilient workforce. These efforts enhance our company's performance and help us pursue our goal to stay at the forefront of innovation while contributing positively to our workforce and, therefore, to the future of our company.

## **Own Workforce**

HOME

## **Characteristics of Our Employees**

The characteristics of our employees are sourced from information available in our human resource platform, as registered via our employee administration system. No estimates are applied when reporting on the characteristics of our employees. Headcount is reported as the number of employees at the end of the reporting period. Interns with the primary intention of learning on the job and gathering knowledge and experience are not considered employees in the sustainability statements. Reference is made to note 22. Employee Benefits of the financial statements, where the average number of employees of CM.com during the year is converted to full-time equivalents (FTEs). A split has been made by region based on the location of the legal entity in which the employee is employed. Apart from the Netherlands, there are no other countries where CM.com has more than 50 employees or represents at least 10% of its total number of employees. Upon joining our company, employees are in most cases offered a temporary contract that can be converted to a permanent position after a specified period.

Our <u>Principles for Integrity and Responsibility</u> (hereafter: Code of Conduct) applies to all employees, contractors, and agency workers (hereafter: workforce). The Code of Conduct provides clear guidelines on how we expect our workforce to conduct their work with integrity and in alignment with our core values. They contain provisions on many areas relevant to our social impacts, such as fair treatment and diversity, a safe working environment, and how to find support.

#### Headcount by gender per 31 December 2024:

	Female	Male	Not disclosed	Total	%	% female
The Netherlands	140	383	-	523	74%	27%
Rest of the world	57	125	-	182	26%	31%
Total	197	508	-	705	100%	28%

#### Headcount by contract type, broken down by gender per 31 December 2024:

	Female	Male	Total	<u></u>
Permanent employees	156	431	587	83%
Temporary employees	41	77	118	17%
Non-guaranteed hours employees		-	-	
Total	197	508	705	100%

#### Headcount by contract type and region, broken down by gender per 31 December 2024:

	Female	Male	Total
The Netherlands	140	383	523
Permanent employees	112	323	435
Temporary employees	28	60	88
Non-guaranteed hours employees	-	-	-
Rest of the world	57	125	182
Permanent employees	44	108	152
Temporary employees	13	17	30
Non-guaranteed hours employees	-	-	-
Total headcount per 31 December 2024	197	508	705

#### Retentio

The employee turnover rate is calculated as the number of employees (on a temporary or permanent contract) who have left the company relative to the number of employees at the end of the reporting period.

	2024
Employees who left the company in the reporting period	155
% of total employee turnover	22%
70 of total employee turnover	22

Next to the 705 own employees, CM.com also engaged 31 self-employed contractors and seven agency workers as of December 31, 2024. Of these, 19 are independent specialists contributing their knowledge and experience in our R&D and General departments, and 19 are operational staff members providing support to live events for our clients in the Netherlands.

## **Diversity & Inclusion**

#### Our Approach and Policies: How We Manage Our Impact

At CM.com, we believe that diversity drives innovation and is essential for a thriving workplace. Our Code of Conduct, along with the Employee Handbook and Working Conditions Policy for Dutch employees, states that we do not tolerate bullying, discrimination, and harassment. We are committed to providing an inclusive working environment with equal opportunities for our entire workforce regardless of, but not limited to, gender (identity), age, ethnic background, religion, sexual orientation, social status, physical disability, chronic illness, working time, or type of contract. Accountability for these policies lies with our Head of HR.

We have recently updated our <u>Diversity & Inclusion Policy</u> covering our Supervisory Board, Management Board, and Senior Management positions. The policy outlines our objectives, and the steps we are taking to achieve them are elaborated on in our <u>Governance</u> chapter. In line with the Dutch Corporate Governance Code, we are committed to maintaining gender diversity so that at least 33% of our Supervisory Board are women. We have also set a target of having at least 30% female representation in our Senior Management and Management Board by 2025 and 2032. In addition, we are working towards increasing the nationality and age diversity as well as creating and maintaining a variation in education and experience within the Supervisory Board, the Management Board, and Senior Management. This is done through recruitment, appointment to roles, retention of employees, mentoring and coaching programs, and training and talent development. Furthermore, CM.com strives to provide equal opportunities for men and women in their career paths. Our achievements, course of action, and goals in this area are transparently shared through our <u>Sociaal Economische Raad (SER) diversity reporting</u>.

#### Actions

We are deeply committed to fostering a diverse and inclusive workplace in which all employees feel welcome and appreciated regardless of any differences. To support this, we assembled a Diversity & Inclusion task force consisting of a diverse group of employees. The task force serves as the first point of contact for issues related to equal opportunity and bias. The task force not only discusses these issues but also works on potential solutions to ensure a fair and inclusive workplace. The task force was introduced during our quarterly town hall meeting in September 2024, together with learning and development opportunities, accessibility initiatives, and other alternatives for how employees can reach out in case of misconduct or if they need help.

To communicate our goals and initiatives, we have published our Diversity & Inclusion Manifesto on internal channels and LinkedIn. Our manifesto outlines concrete measures to promote diversity & inclusion. These include striving towards a representation of men and women, aligned with targeted gender division within the company, for traineeships, diverse panels during application procedures, bias training for recruitment teams, and a formalized internal application process through our job portal, providing everybody within our organization an equal chance to apply.

The manifesto, along with our mandatory 'We are CM.com' sessions – training on diversity & inclusion provided during onboarding – helps our employees understand their own biases and learn how they can contribute to a more inclusive workplace.

At CM.com, we celebrate the rich tapestry of backgrounds, cultures, and perspectives that our employees bring. Our team comprises individuals from various nationalities, ages, and religious beliefs, all contributing to a vibrant and inclusive workplace. Recognizing the importance of effective communication, we have set English as the central language for our operations. We provide English and Dutch courses for non-native speakers, respect different time zones, and leave room for other languages and cultures, ensuring everyone feels included and understood. Furthermore, we make adjustments to the physical environment to ensure access and safety for our employees, clients, and other visitors with disabilities.

#### Results

Gender distribution in number and percentage at Senior Management level:

	2024	%
Supervisory Board <sup>1</sup>		
Female	2	33%
Male	4	67%
Management Board		
Male	3	100%
Senior Management <sup>2</sup>		
Female	13	36%
Male	23	64%

<sup>&</sup>lt;sup>1</sup> Supervisory Board members are not employees of the company.

Further information on the composition of the Management Board, Supervisory Board, and Senior Management is available <a href="here">here</a>.

<sup>&</sup>lt;sup>2</sup> Members of the Executive Committee and BU Leadership Teams

#### Age distribution among employees:

	2024	<u></u>
Under 30 years old	204	29%
30 to 50 years old	439	62%
Over 50 years old	62	9%
Total headcount per 31 December 2024	705	100%

#### **Remuneration metrics**

CM.com is committed to ensuring that all employees, regardless of gender, are compensated fairly and equally. The gender pay gap provides insight into any pay disparities between male and female employees within the company. The gender pay gap is defined as the difference in average gross hourly pay level between female and male employees, expressed as a percentage of the average gross hourly pay level of male employees. It is essential to note that this figure alone does not reflect the full scope of gender pay equity within CM.com. According to our data analysis, the pay gap is mainly caused by an underrepresentation of women in higher job grades – an issue we are actively addressing as part of our strategic objectives – and significant differences in international salaries, making aggregated comparisons less representative for gender pay gaps based on same-level roles.

The annual total remuneration ratio provides insight into whether wide pay disparities exist. The ratio is defined as the annual remuneration total for the highest-paid individual divided by the median of employees' annual total remuneration (excluding the highest-paid individual).

	2024
Unadjusted gender-pay gap	26%
Total remuneration ratio	13.30

#### Methodologies Used and Assumptions

Employee-specific salary data is largely retrieved from our payroll service provider's system and relates to employees employed at the end of the reporting period. Components of pay levels included in the calculations are actual gross salaries, cash benefits (such as sales and short-term bonuses), and benefits in kind all derived from the payroll system and paid out in 2024, along with the value of long-term incentive bonuses (share-based) granted in 2024. Data is extrapolated to full-time equivalents (FTEs), and assuming employment for the entire year for those who joined mid-year.

## **Employee Engagement**

#### Our Approach and Policies: How We Manage Our Impact

At CM.com, our employee engagement is driven by our credo, "Do what you like, do what you're good at, and contribute," which is emphasized in our Employee Handbook, the Club Manifesto, along with our shared values that are the foundation of our culture and the key to our success. By fostering intrinsic motivation and excellence, we prioritize monitoring engagement through corporate values, conducting employee engagement surveys, and providing safe and healthy working conditions for our entire workforce.

### Working Conditions

Dutch CM.com employees on a temporary or permanent contract are protected by our working conditions, which is part of every employee contract. These comply with labor laws and regulations, covering social protection such as paying living wages, secure employment, social security, leave, retirement, and working hours. Our CM.com Employee Handbook outlines the regulations and benefits available to our Dutch employees in case of sickness, disability, (family-related) leave, and retirement. Also, information on working hours in case of overtime, pregnancy, adoption, or recent birth is described. Furthermore, safety instruction videos are available to prevent workplace accidents. We plan to develop specific working conditions and employee handbooks for each of our foreign offices in the future.

In accordance with ESRS S1-11, social protection requires entities to disclose whether their employees are covered against income loss due to major life events. The standard identifies the following five majorlife events for disclosure: sickness, unemployment (starting from when the worker is employed by the undertaking), employment injury and acquired disability, parental leave and retirement. Additionally, entities must disclose any countries where such coverage is not provided. We are currently assessing this requirement at both the country level and across major life events. At this stage, we do not yet have detailed information at this level and apply for the transition relief during the first year of preparation. As we are utilizing phase-in provisions, no targets have been set yet; however, these will be formalized in 2025.

In accordance with ESRS S1-15, work-life balance requires entities to disclose the extent to which employees are entitled to and make use of family-related leave. We report on family-related leave according to the definitions of ESRS, i.e., it includes maternity leave, paternity leave, and parental leave from work. Everyone employed by CM.com entities in the Netherlands is entitled to take family-related leave, regardless of gender. In addition to maternity leave for the primary caregiver giving birth, Dutch law allows secondary caregivers to take five weeks of additional birth leave at 70% of the daily wage, covered by the Dutch employee insurance agency UWV. CM.com supplements this payment to 100% of the maximum daily wage. At this stage, we do not yet have detailed information at this level for employees who are employed outside the Netherlands and apply for the transition relief during the first year of preparation. As we are utilizing phase-in provisions, no targets have been set yet; however, these will be formalized in 2025.

#### Results

The percentage of Dutch employees that took family-related leave is calculated by the number of (male/female) Dutch employees that took family-related leave relative to the number of (male/female) Dutch employees at the end of the reporting period.

	2024
Dutch employees who took family-related leave	10%
Family-related leave taken by gender:	
Female	14%
Male	9%

#### Actions

CM.com believes that physical and mental health are very important for the overall health of employees. That's why CM.com offers access to our care team. The team consists of external experts who can provide support and advice on issues. The issues don't necessarily need to be work-related. The care team consists of a corporate social worker, an occupational physician, an occupational psychologist, a budget coach, a financial adviser, a dietitian, and an external confidential adviser.

CM.com fosters collaboration and a sense of community through specific guidelines for working together and encouraging office work over remote work. Events like Dev Days, an internal network event for our developers, bring employees from different backgrounds together to collaborate on new solutions. Additionally, the Company supports an informal work environment and organizes various social gatherings, such as sports activities, Friday afternoon drinks, social trips abroad, and board game nights. These initiatives help employees feel valued and comfortable being themselves, which in turn allows them to flourish and contribute effectively to the company's growth.

To gauge employee sentiment and engagement, we annually conduct a global employee engagement survey. The results of these surveys are discussed at the highest levels, including the Management Board and Senior Management. Our Head of HR is responsible for dialogue on employment matters. The insights gained from these surveys are shared with relevant leaders and used to determine future actions and communication strategies. In 2024, we've implemented a new survey tool that allows for more frequent and topic-specific surveys, enabling us to better engage with our employees and better respond to their needs. This survey allows us to measure the effectiveness of our actions. Striving to be an employer of choice, we aimed for an employee engagement score of 80 over 2024 (on target score for LTIP 2022-2024). During 2024, CM.com scored 73 (2023: 69). The target score for employee engagement over 2025 is 80, based on LTIP 2023-2025.

#### **Engaging With Our Own Workforce**

Engaging with our workforce and their representatives is a cornerstone of our approach to managing impacts and fostering a positive work environment. Our Head of HR is responsible for dialogue on employment matters. We believe that open communication and the active involvement of employees in workforce-related decision-making processes are crucial for our success. Besides the employee surveys, we maintain a robust communication framework that includes quarterly town hall meetings and regular CEO and CFO updates where employees have the opportunity to send in questions beforehand or ask them live. We offer live and recorded training sessions on various topics.

In the Netherlands, our Management Board members bi-monthly engage with the Works Council representing the interests of the Dutch CM.com employees, discussing, for example, topics like Diversity & Inclusion and outcomes of the employee survey. CM.com as a company is obligated to share important information with the Works Council which in return may have the right to give advice or the right of consent, depending on the topic, and the right to propose initiatives. The exact rights and responsibilities of the Works Council are described in the WOR. Feedback from the Works Council helps us prioritize actions that address the most pressing issues for our employees and directly influence our decision-making processes. For example, the introduction of a new survey tool and the implementation of more regular surveys are direct responses to the need for more timely and actionable feedback. These initiatives demonstrate our commitment to creating a responsive and inclusive workplace where employees feel empowered to contribute to the company's success. For clarity, CM.com has no Works Councils outside the Netherlands.

Additionally, we have established an easily accessible site on our company intranet that outlines various options for employee representation, such as HR business partners, a Speak-Up tool, Works Councils, a Diversity & Inclusion task force, the care team, and personal development dialogues. New or changed employment conditions are communicated through email and intranet updates.

#### Remediation and Channels to Raise Concerns

Being a socially safe and respectful workplace is essential to creating a culture that empowers and facilitates our workforce to speak up and raise concerns or questions, as well as provide remedies in cases where employees have experienced negative circumstances.

Our CM.com Working Conditions Policy, which is part of the employment contract for Dutch employees, is very clear on our zero tolerance for bullying, harassment, and/or discrimination on any ground. The policy includes clear steps that can be taken as well as possible consequences and disciplinary actions in case this behavior does seem to occur.

Multiple reporting channels are offered, both internally and externally, through confidential advisers. Individuals are encouraged to first discuss matters directly with the individual(s) involved or escalate to a direct lead, HR partner, or Risk & Compliance manager. Concerns can also be addressed with an external confidant or through the external Speak-Up tool.

Our Speak-Up Policy (Whistle-blower Policy) is intended to encourage everyone to speak up about any misconduct. This policy goes beyond things like bullying and harassment and includes, for example, criminal offenses or violation of the law, human rights violations, bribery and corruption, and threats to the environment. All reports and concerns need to be reported through the Speak-Up Tool, in order for the Speak-Up Committee to take them into consideration. Reference is made to the section <u>Business Ethics</u> for more information.

## **Training and Skills Development**

### Our Approach and Policies: How We Manage Our Impact

At CM.com, we foster a culture of continuous learning and improvement, as professional and personal development is considered a core value. Investing in career and skills development demonstrates our commitment to our workforce and helps us attract, grow, and retain talent.

We believe continuous training is crucial in a rapidly evolving technological landscape to stay at the forefront of innovation and contribute to the company's success. To support this we established an internal Training Policy covering all employees of CM.com, including contractors and agency workers, and with accountability lying with our Head HR. The policy is a guiding framework to ensure that our workforce is well-informed and equipped to conduct their work effectively and in alignment with our shared values and regulatory requirements. By aligning training needs with organizational goals, job requirements, and performance evaluations, we ensure every team member is knowledgeable.

#### Actions

To foster the growth of our existing talent, CM.com offers a mix of training formats, including both internal and external sessions, classroom learning, and e-learning modules, tailored to fit different learning styles and needs. We have implemented various initiatives to champion our 'Grow & Learn' shared value, such as (but not limited to) our CM Academy (online learning platform); Udemy (technical e-learnings); LinkedIn Learning; we support fresh starters through our Young Professional program; equip future leaders with essential skills and knowledge through the Certified Master of Business Administration (CMBA); and our COO hosts workshops on developing presentation skills. The CM.com Employee Handbook (for Dutch employees) outlines the available opportunities for participating in external training programs. In our Management Board report under the People and Culture (see page 21) section, our talent manager provides her insights on talent development within CM.com.

We monitor the usage of training options, aiming that 95% of our employees (excluding employees on parental or long-term sickness leave) participate in at least one learning or development activity annually, in line with CM.com's core value of Grow and Learn. Participation and scoring are addressed by team leads as part of the annual performance review cycle as part of 'cultural fit'. We aim for an equal division of training hours between male and female employees. By promoting equal participation, we strive to create a balanced and inclusive learning environment.

We encourage employees to think about and grow their careers through career dialogues. Additionally, we offer workshops to help teams and individuals discover their personality styles, enhancing engagement and motivation. By fostering an environment where employees feel understood and valued, we aim to boost overall engagement. We believe periodic performance review contributes to the professional growth and development of our employees.

#### Results

Every employee has an annual performance review meeting unless they have been employed for less than four months before the review or if a contract termination was communicated. For clarity, Dutch employees who started after April and employees employed outside the Netherlands who started during 2024 are considered not to have participated in the performance review for 2024. While they are not included in the review process, these employees are included in the denominator of the calculation. The numerator of the calculation contains an estimation based on employment date and, the number of reviews is proportional to the number agreed upon by management. Employees who request a career dialogue in addition to their annual performance review do not lead to a higher participation rate in the calculation.

	2024
Employees who participated in regular performance reviews and/or career dialogue:	87%
Participation percentage by gender:	
Female	86%
Male	88%

In accordance with ESRS S1-13, training and skills development metrics require entities also to disclose the average number of training hours per employee, by gender. At this stage, we do not yet have detailed and robust information at this level and apply for the transition relief during the first year of preparation.

#### Outlook

Our internal training programs are regularly rated by employees, allowing us to continuously refine and improve the content and delivery of our training offerings. We strive to provide training that is relevant and valuable to our employees' current and future roles. We are also launching a new leadership training program in 2025, which will help embed our leadership principles throughout the organization and maximize the benefits of the business unit structure.

## **Consumers and End-Users**

In this section, we will address the (potential) impacts and risks related to the material topic of Privacy & Data Security, as indicated in our <u>Double Materiality Assessment</u>. This sustainability matter is covered in topical ESRS S4 under the subtopic 'Information-related impacts for consumers and/or end-users,' specifically 'Privacy.' Considering CM.com also anticipates potential negative impacts and risks on its own workforce in this context, we have expanded the scope in this chapter, also addressing own workforce.

## **Privacy & Data Security**

At CM.com, protecting privacy and securing data are fundamental to our operations and crucial for gaining and maintaining the trust of our stakeholders. With the increasing reliance on digital technology, ensuring that personal and corporate data is securely handled is not only a compliance necessity but also a responsibility that we uphold to sustain our reputation and integrity. The trust our employees and clients place in our services depends on their confidence in our ability to protect their data from unauthorized use and breaches, which could harm them, consumers, and end-users, as well as potentially lead to significant monetary fines and loss of revenue.

CM.com operates as a licensed Payment Service Provider and a global conversational commerce service provider that connects enterprises and brands to the mobile phones of billions of people worldwide. Through services that empower clients to seamlessly connect with consumers and end-users, we are entrusted with confidential and personal data. We don't sell directly to consumers or end-users, except for ticket insurance in our Live offering. The only other direct interaction we have with consumers and/or end-users relates to CM.com's ticketing services, where we provide direct support to end-users who have questions or need assistance.

#### Our Approach and Policies: How We Manage Our Impact

CM.com has established a robust <u>Privacy Program</u> to ensure the stringent oversight of our data protection measures outlined in our Privacy Policy. CM.com's Privacy Program is monitored and managed by the dedicated Data Privacy Governance Board ('DPGB'), a multi-disciplinary team consisting of members of the Legal, HR, Revenue Operations, and Risk & Compliance departments that take a risk-based approach to data protection. The goal of the DGPB is to ensure compliance with the European General Data Protection Regulation (GDPR) and other applicable regional privacy and data protection laws and regulations. The Board is responsible for defining privacy policies and monitoring their implementation, raising privacy awareness among employees, and managing the data process register, ensuring that each service and internal process involving privacy data has a dedicated data process owner.

The data process owner is a representative of the relevant CM.com product team or department responsible for processing data on an operational level, often product owners and HR employees. They are responsible for updating the information provided to the register when a material change occurs, or at least once a year to ensure all technical and operational requirements are implemented to comply with the privacy legislation. The DPGB reviews all processing activities at least yearly, with oversight by the Internal Audit department on a rotational basis.

We have implemented a Risk & Control framework, aligned with industry standards such as ISO 27001/27017/27018, to effectively manage privacy-related risks. This framework involves annual testing and reporting to our Management Board and Audit Committee to evaluate the effectiveness of measures taken.

#### Actions

If a data breach occurs, where Personally Identifiable Information (PII) may be affected, CM.com has a clear <sup>1</sup>Data Incident Policy designed to enable coordinated and effective actions and timely and complete reporting to local oversight bodies. This policy complies with the procedures based on ISO27001/27018. We provide our clients with relevant information to help them fulfill their regulatory responsibilities. Additionally, our platform, <u>status.cm.com</u>, keeps all stakeholders informed of any service disruptions or planned maintenance.

When developing software and applications, CM.com takes privacy into account throughout the whole design process of new software or systems and as default settings. We implement robust measures in the default settings to safeguard personal data, including advanced encryption, stringent access controls, and retention policies. In line with the principle of 'privacy by design,' CM.com performs Privacy Impact Assessments (PIA) for new projects or initiatives where appropriate to avoid or reduce privacy risks in an early stage of development. When building software, CM.com carefully weighs the risks of processing personal data. More secure and advanced measures will be implemented if data is deemed to be sensitive.

CM.com provides ongoing privacy and cybersecurity training to ensure that employees remain aware of developments and best practices in data protection. At the end of 2024, our basic privacy training was updated, and enrolled in our CM Academy. All employees are required to participate in mandatory training modules annually. In line with the Training Policy as described in <a href="Own Workforce">Own Workforce</a> section.

To promote compliance with legal and regulatory requirements, starting from 2025, there will be a target for employees of 95% completion of mandatory security and compliance training within the designated timeframes. For new employees, these trainings are integrated into the onboarding process. In 2025, more advanced training will be introduced for data process owners. This training will also be mandatory, and participation will be actively monitored by the DPGB, emphasizing its importance to our company culture and compliance. Besides training participation, no other targets are adopted to manage private and data security-related material negative impacts and risks, as these are covered by our Risk & Control framework as described.

#### Results

Through these measures, CM.com is committed to being a reliable partner, continuously striving to minimize privacy risks and diligently aiming at the protection of people's privacy and data. By extension, all stakeholders are encouraged to raise any violations or concerns about CM.com or its representatives' integrity via the Speak-Up tool. Our publicly available Speak-Up Policy outlines the process for addressing and resolving any raised concerns. For the protection of whistle-blowers, reference is made to the <u>Business Ethics</u> section.

There were no data breaches in 2024 that required notification to the Dutch Data Protection Authority under the General Data Protection Regulation, nor any complaints from the Dutch Data Protection Authority. There were no data breaches in other countries either.

#### Outlook

As we look ahead, CM.com is proactively preparing for the upcoming legislative changes introduced by the European Union, specifically the EU Artificial Intelligence Act, which will positively impact consumers and end-users. This Act aims to establish a legal framework for AI, promoting innovation while safeguarding the fundamental rights and safety of consumers and end-users. As developers and users of AI systems, we recognize the potential impact of this regulation on our operations and are committed to meeting its requirements.

<sup>1</sup> Please note that this policy is pending Management Board approval as per the signing date of the sustainability statements.

# **Governance**

# **Material Governance Impacts, Risks, and Opportunities**

Material topic	IRO	Value chain	Time horizon	Description
Business Ethics	Positive impact	Own operations	Short, medium and long-term	A strong corporate culture centered on values and business ethics positively impacts our workforce and benefits our reputation and relationships with business partners and stakeholders. By promoting a culture of transparency and integrity, we enhance employee satisfaction and attract clients who value ethical practices, ultimately boosting CM.com's reputation and financial health. Moreover, companies known for ethical behavior can influence industry standards, leading to broader positive social impacts.
	Negative impact, Risk	Upstream Own operations Downstream	Short, medium and long-term	Unethichal behavior may lead to (potential) negative impact on people and stakeholders of our corporate culture. Preventing unethical behavior is expected to protect the company and its stakeholders from the consequences of such actions, potentially resulting in financial loss and reputational damage.
	Positive impact	Upstream Own operations Downstream	Short, medium and long-term	The protection of whistleblowers empowers all stakeholders to report potential misconduct, thereby contributing to maintaining a secure working environment
Reliability of our solutions	Negative impact	Upstream Own operations Downstream	Short, medium and long-term	At CM.com, we want to make life easier, safer, and more beautiful. In doing so, the reliability of our solutions is crucial, as our customers (including the government) and society depend on them. Malfunctionallity will negatively impact them and thus negatively impact business performance.

# **Business Ethics**

#### Our Approach and Policies: How We Manage Our Impact

CM.com is committed to remaining a trustworthy company that clients and stakeholders are happy to do business with and to be associated with. This commitment is rooted in a corporate culture of ethics, integrity, and social responsibility, supported by policies like our <a href="Code of Conduct">Code of Conduct</a>, accessible via our website and intranet. The Management Board is responsible for business conduct and compliance with the Code of Conduct, outlining principles for all representatives to act with integrity, reflecting CM.com's core values. These core values shape our identity, decision-making, and interactions. Aligned with the Dutch Corporate Governance Code, the Code of Conduct applies to all employees, temporary staff, contractors, and organizations acting on behalf of CM.com, mandating adherence and the prevention of actions that could be harmful to CM.com. Our Code of Conduct covers multiple topics and policies, such as anti-corruption and bribery, anti-harassment, gifts and hospitality, insider trading, security, and privacy.

The Anti-Fraud and Corruption Policy addresses the risks of bribery and corruption, which can have serious financial and reputational impacts. We are committed to cultivating an ethical business environment that prioritizes safety and integrity. Therefore, we expect employees to act ethically and report any suspicions of fraud or bribery via our Speak-Up channels. In preventing unethical behavior, all gifts and hospitality must comply with our policy to ensure they do not compromise CM.com's reputation or interests. Gifts over € 250 require approval. Deviations from our policies are treated as violations and may result in disciplinary action. CM.com encourages reporting violations through the <u>Speak-Up Policy</u>.

#### Speak-Up

CM.com promotes an open culture and secure work environment, encouraging reports of suspected misconduct and violations through the <a href="Speak-Up Policy">Speak-Up Policy</a>. In this way, CM.com has the opportunity to deal with the issue proactively and prevent possible violations or misconduct from continuing. Multiple reporting channels are offered, both internally and externally, through confidential advisors. Individuals are encouraged to first discuss matters directly with the individual(s) involved or escalate to a direct lead, HR partner, or Risk & Compliance manager. Concerns can also be addressed with an external confidant or through the Speak-Up Channel.

The Speak-Up Policy guides on how to signal and report potential concerns related to ethical situations, policy violations, or misconduct, either anonymously or with one's name. Our Speak-Up Policy guarantees that no retaliatory action will be taken against those who report concerns in good faith. This underscores our commitment to protecting individuals against retaliation in accordance with the Dutch Whistleblower Protection Act, which transposes the EU Directive 2019/1937. The policy strictly prohibits harassment, retaliation, or adverse consequences for individuals who report concerns.

The policy applies to anyone wishing to raise concerns, including but not limited to employees, clients, suppliers, and other stakeholders. It is prominently available on our website and intranet, as well as included in mandatory training. Reporting steps are clear and accessible for anyone. As part of our compliance training (see below), we included survey questions to measure the trust our employees have in the Speak-Up Policy and the extent to which our colleagues feel free to speak up and/or raise concerns.

The Speak-Up Tool, managed by an independent provider, provides a confidential, 24/7 reporting channel in employees' native languages with an option for anonymity. Reported concerns are addressed by the Speak-Up Committee, featuring members from Risk & Compliance, HR, and Legal, operating independently from management, ensuring objectivity and promptness in the investigation. The Speak-Up Committee reports to the Management Board and Audit Committee quarterly.

#### Actions

CM.com values honesty, integrity, and respect. Besides being deeply embedded in our policies, our corporate culture is reinforced and advocated through mandatory training, onboarding of new employees, quarterly meetings, and leadership updates. We inform and train employees through multiple channels, such as our CM Academy, office TV displays, the company feed on our intranet, and the business support page. Employees are evaluated on their cultural fit before hiring and as part of the yearly performance review.

Training includes e-learnings, providing insights into policies and guidance on acting with integrity. It also highlights channels for reporting concerns. In 2025, our basic compliance training was updated, and enrolled in our CM Academy. In line with the Training Policy as described in <u>Social</u> section are all employees required to participate in mandatory training modules annually. To promote compliance with legal and regulatory requirements, starting from 2025, there will be a target for employees of 95% completion of mandatory security and compliance training within the designated time frames. At this stage there is no target for the IRO's relating to preventing unethical behaviour and protection of whistleblowers, these will be developed in 2025.

In providing payment services, CM.com actively monitors and prevents illegal activities through Know Your Customer (KYC) and customer due diligence procedures. We exercise due care and attention when accepting new customers and partners, refusing to engage with those on national or international sanction lists.

#### Results

CM.com is dedicated to integrity in business, complying with laws, regulations, and company policies. Awareness of potential violations is key to safeguarding our company and stakeholders from any (financial) consequences. In 2024, no issues were reported through the Speak-Up channels. No incidents of bribery or corruption have been reported, nor have there been any convictions or fines for violating anti-corruption and anti-bribery laws.

# **Reliability of our Solutions**

At CM.com, we want to make life easier, safer, and more beautiful. In doing so, the reliability of our solutions is crucial, as our clients and society depend on them. We provide several critical services that significantly impact our clients and their operations. For instance, we support government entities by facilitating channels that allow them to communicate effectively with citizens. Additionally, we deliver one-time password codes that ensure secure online access and transactions and avoid the misuse of sensitive information. Our services also include online and in-person payment processing for retailers and during live events. Furthermore, we offer tools that enable our clients to communicate effectively with their customers and optimize the customer experience. For example, our Al chatbot gives quick answers to customers who require support. Our Live offering also provides sustainable travel options to events and showcases multiple forms of crowd control during events, positively impacting safety. To be known as a trustworthy partner and service provider is essential for CM.com.

### Our Approach and Policies: How We Manage Our Impact

Defining reliability of our solutions, we consider our customers' perspectives and what they find important metrics depending on our services. Product teams are dedicated to and responsible for maintaining service quality and addressing issues promptly.

Our policies allow for consistent responses to incidents, ensuring business continuity. Our updated Incident Management Policy covers all employees and authorized users, dealing with service availability, performance issues, business incidents, and information security threats. Rapid incident identification, accurate classification, data protection, and regulatory compliance are fundamental to this policy, supporting continuous improvement of incident response capabilities. The owner accountable for managing the incident depends on the type of incident and has the mandate to set up an incident response team including, but not limited to, CM Security, product teams, platform teams, Legal, HR and Management team, and the Management Board if needed.

Complementing this, the Business Continuity and Disaster Recovery Policy allows for critical services to continue even in disasters, minimizing downtime and enabling rapid recovery. It aligns closely with incident management, recognizing how minor issues can escalate if not managed well. The communication matrix is crucial, with the CEO and COO at the top. Clear responsibilities are assigned to business units and staff functions to prevent incidents and ensure swift recovery, as any disruption impacting access to our platform and products affects customer satisfaction and end-users.

Periodically, Risk & Compliance verifies, based on review and sampling, if the incident process is correctly performed. In case of deviations, these will be addressed, and if necessary, improvement actions will be performed.

Periodically reporting is in place; see the <u>Risk Management & Compliance</u> section for more information on Risk management within CM.com. Furthermore, our Head of Platform is developing a Reliability Policy in collaboration with the Heads of Product and Technology of each business unit, aiming to launch in 2025. This policy will establish clear service-level objectives and indicators aligned with customer expectations, such as uptime, response time, success, and delivery rate, ensuring we measure and meet those expectations by defining targets.

#### Actions

CM.com continually works to improve the quality of its services and aims to be transparent about it. We proactively disclose our certifications on ISO standards, PCI DSS certifications, and ISAE reports on our online <u>trust center</u>. During H2 2025 we will continue to validate our current certifications to new developments like the Artificial Intelligence ISO/IEC 42001 certification that shows a company takes responsibility for building and using fair, technically strong, and transparent AI solutions.

Besides incorporating management awareness in incentive plans, policies, and risk management frameworks, CM.com hosts an annual DevDay event at our Breda headquarters, bringing together developers from around the world. These sessions update our team on the latest developments, strategies, ambitions, and policy changes, along with awareness sessions and deep dives into specific domains. In November 2024, we presented the latest on the Digital Operational Resilience Act and Network and Information Security Directive 2 (NIS2), including updates on business continuity, disaster recovery, and incident management.

At CM.com, transparency is key. On <u>status.cm.com</u>, you can find a current overview of the service availability, system metrics, and (past) incidents. Furthermore, our network operations center (NOC) is staffed 24/7 to monitor and address issues such as accessibility. Our security operations center (SOC) is responsible for the continuous monitoring of the network regarding cyber security threats and vulnerabilities in order to anticipate situations and prevent disturbances.

#### Outlook

Looking ahead, we plan to enhance our services. Our understanding of customer satisfaction and identification of relevant key performance indicators will be further refined by our Head of Product within the BU management teams, at this moment the information to be utilized for such a metric is not yet sufficiently reliable and actionable and thus we currently do not have a useful metric to report in this respect. Establishing regular reporting and taking informed actions based on these insights will ensure we remain aligned with our commitment to delivering exceptional service.

# **ESRS Content Index**

Disclosure Red	quirement	Reference to note	Explanatory notes			
General disclos	eneral disclosures - ESRS 2					
BP-1	General basis for preparation of the sustainability statements	Basis of preparation (see page 111)	ESRS-2 5d: CM.com has not used the option to omit a specific piece of information corresponding to intellectual property, know-how or the results of innovation.			
BP-2	Disclosures in relation to specific circumstances	Basis of preparation (see page 111)	There are no other specific circumstances than referenced. ESRS-2 13, 14, and 17 are not applicable			
GOV-1	The role of the administrative, management and supervisory bodies	Governance (see page 66) Supervisory Board report (see page 83)				
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	Governance (see page 66)				
GOV-3	Integration of sustainability related performance in incentive schemes	Remuneration report (see page 94) Governance (see page 66)				
GOV-4	Statement on sustainability due diligence	Governance (see page 66)				
GOV-5	Risk management and internal controls over sustainability reporting	Risk Management (see page 73)  Governance (see page 66)				
SBM-1	Market position, strategy, business model(s) and value chain	Management Board report, strategy, value creation (see page 15) Social (see page 132) Materiality assessment, stakeholder engagement (see page 115)				
SBM-2	Interests and views of stakeholders	Materiality assessment, stakeholder engagement (see page 115)	ESRS-2 45c is not applicable as our strategy and business model were not adjusted.			
SBM-3	Material IROs and their interaction with strategy and business model(s)	Materiality assessment, material topcis (see page 115)	Material IROs are disclosed at the beginning of every sustainability section.  Current financial effects for material risks and opportunities are deemed not material, we expect no adjustments on book values of assets or liabilities in the upcoming year.  ESRS-2 48e: is not applicable as this is the first year we report in compliance with ESRS.			
IRO-1	Description of the processes to identify and assess material IROs	Materiality assessment (see page 115) Risk Management (see page 73)	ESRS-2 53biii: No external experts were introduced in this process. ESRS-2 53h: No changes compared to prior period.			
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statements	ESRS Content index (see page 143)	ESRS-2 59: Our reporting meets the requirements of ESRS 1 section 3.2			

Disclosure Requirement		Reference to note	Explanatory notes
MDR-P MDR-A MDR-M MDR-T	Policies adopted to manage material sustainability matters Actions and resources in relation to material sustainability matters Metrics in relation to material sustainability matters Tracking effectiveness of policies and actions through targets	All material topics are disclosed taking the Minimum Disclosure Requirements (MDR) into account, including entity-specific metrics, in addition to the ones explicitly required by ESRS. If the MDR are not met, when policies and/or actions are not adopted or no measurable outcomeoriented targets are set it is explained in the ESRS Content Index.	ESRS-2 AR69: Our current action plan does not require significant operational expenditures (Opex) and/or capital expenditures (Capex).  ESRS-2 77b: Metrics are not validated by an external bod other than our external assurance provider.
ESRS E1: Climate ch	nange		
ESRS 2 - GOV 3	Integration of sustainability related performance in incentive schemes	Remuneration report (see page 94) Governance (see page 66)	
E1-1	Transition plan for climate change mitigation	Climate change: Climate change mitigation (see page 121)	ESRS-E1 14,16abcdhij: CM.com has not yet adopted a transition plan, this is planned for 2025 ESRS-E1 16e: CM.com is drafting a plan to increase alignment under the EU Taxonomy on climate change mitigation as from 2025. ESRS-E1 16g: CM.com is not excluded from the EU-Paris aligned Benchmarks.
ESRS 2 - SBM 3	Disclosure Requirement related to ESRS 2 SBM-3 – Material IROs and their interaction with strategy and business model	Material environmental IROs (see page 120) Climate change: Climate scenario analysis and risk assessment (see page 121)	
ESRS 2- IRO 1	Disclosure Requirement related to ESRS 2 IRO-1 — Description of the processes to identify and assess material climate related IROs	Material environmental IROs (see page 120) Climate change (see page 121) Gross Scopes 1, 2, 3, and Total GHG emissions (see page 124)	AR 11b: Applied time horizons are as defined in ESRS 1. AR 15: CM.com did not make critical climate-related assumptions in its financial statements.
E1-2	Policies related to climate change mitigation and adaptation	Climate change: Our approach and policies: how we manage our impact (see page 121)	
E1-3	Actions and resources in relation to climate change policies	Climate change (see page 121)	ESRS-E1 28, 29: CM.com has not yet adopted the transitic plan and therefore actions are limited, adoption and implementation are planned for 2025.
E1-4	Targets related related to climate change mitigation and adaptation	Climate change: Climate change mitigation (see page 121)	ESRS-E1 32-34: CM.com has not yet adopted targets, planned for 2025 as part of the transition plan adoption.
E1-5	Energy consumption and mix	Overview of energy consumption (see page 123)	ESRS-E1 38, 40-43: Not applicable as we don't have activities in high climate impact sectors, based upon the designated NACE code from CM.com (J) and the NACE code being classified as high climate impact sectors (A until H, plus L).  ESRS-E1 39: No non-renewable energy generation, therefor not disclosed.

**GOVERNANCE** 

MANAGEMENT BOARD REPORT

HOME

CONTENTS

AGENTS OF CHANGE

SUSTAINABILITY STATEMENTS

FINANCIAL STATEMENTS

HOME	- 1	CONTENTS	- 1	AGENTS OF CHANGE	MANAGEMENT BOARD REPORT	GOVERNANCE	- 1	SUSTAINABILITY STATEMENTS	- 1	FINANCIAL STATEMENTS	- 1

OTHER

Disclosure Require	ement	Reference to note	Explanatory notes
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	Greenhouse gas (GHG) emissions (see page 124)	ESRS-E1 48b: CM.com does not have any scope 1 emissions from regulated emission trading schemes.  ESRS-E1 AR 41: Disaggregation of emission related information does not add insights and is - in practice - not feasible without assumptions that would not improve the quality of the information presented.  ESRS-E1 AR 45: Our Scope 2 emissions include bought electricity (for offices and fleet) and heat. Steam and cooling are not applicable to CM.com. We only include scope 2 emissions that are the result of our own procurement.  ESRS-E1 AR48: Milestones and targets years are not yet set because transition plan is not adopted, therefore this part of the table is not disclosed.
ESRS S1: Own work	rforce		
ESRS 2 - SBM 2	Disclosure Requirement related to ESRS 2 SBM-2 – Interests and views of stakeholders	Materiality assessment (see page 115)	
ESRS 2 - SBM 3	Disclosure Requirement related to ESRS 2 SBM-3 – Material IROs and their interaction with strategy and business model	Material social IROs (see page 132) Own workforce (see page 133)	ESRS-S1 14e: Not applicable due to the nature of our business ESRS-S1 14f and 14g: We have no operations at risk and no operations in countries or geographic areas considered at risk ESRS-S1 15 and 16: Not applicable to CM.com
S1-1	Policies related to own workforce	Diversity & Inclusion (see page 133) Employee engagement (see page 133) Training & skills development (see page 133) Privacy & data security (see page 138)	ESRS-S1 20, 21 and 22: CM.com has no Human Rights policy. We don't see a material risk for incompliance based on CM.com's business activities in the Netherlands and foreign sales offices. Our terms and conditions of employment are in line with regional law and legislation. Our whistleblower procedure is based on the UN Guiding Principles on Business and Human Rights.  ESRS-S1 23: CM.com has no specific workplace accidents policy as we assess the risk of such incidents to be low.  ESRS-S1 24c: CM.com has not identified groups particularly vulnerable in own workforce.
S1-2	Processes for engaging with own workforce and workers' representatives about impacts	Employee engagement (see page 133)	ESRS-S1 27d and 27e, 28 and 29: Not applicable to CM.com
S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	Employee engagement (see page 133) Privacy & data security (see page 138) Business Ethics (see page 141)	

HOME	- 1	CONTENTS	- 1	AGENTS OF CHANGE	1	MANAGEMENT BOARD REPORT	- 1	GOVERNANCE	- 1	SUSTAINABILITY STATEMENTS	1	FINANCIAL STATEMENTS
------	-----	----------	-----	------------------	---	-------------------------	-----	------------	-----	---------------------------	---	----------------------

| OTHER

Disclosure Require	ement	Reference to note	Explanatory notes
S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Diversity & Inclusion (see page 133) Employee engagement (see page 133) Training & skills development (see page 133) Privacy & data security (see page 138)	MDRs are incorpporated in the disclosures of our material sustainability matters.
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	General: Goverance (see page 112) Diversity & Inclusion (see page 133) Employee engagement (see page 133) Training & skills development (see page 133)	MDRs are incorporated in the disclosures of our material sustainability matters.  ESRS S1 47: The process of target setting is described under Governance in section General (p. xx), CM.com's own workforce and the worker's representatives are not directly engaged in this process.
S1-6	Characteristics of the undertaking's employees	Characteristics of our employees (see page 133)	ESRS-S1 50e: Where applicable, contextual information is provided.
S1-7	Characteristics of nonemployees in the undertaking's own workforce	Characteristics of our employees (see page 133)	ESRS-S1 55c: Where applicable, contextual information is provided.
S1-9	Diversity metrics	Diversity & Inclusion, results (see page 133)	
S1-11	Social protection	Employee engagement (see page 133)	ESRS-S1 72-76: CM.com makes use of the phase-in provision in accordance with ESRS 1 for the first year of preparation of its sustainability statement.
S1-13	Training and skills development metrics	Training & skills development (see page 133)	ESRS-S1 AR79: Since the company does not differentiate between employees regarding training and performance review, no further breakdown by employee category is provided.
S1-15	Work-life balance metrics	Employee engagement (see page 133)	is provided.
S1-16	Compensation indicators	Diversity & Inclusion, results (see page 133)	
ESRS S4: Consumer			
ESRS 2 - SBM 3	Disclosure Requirement related to ESRS 2 SBM-3 – Material IROs and their interaction with strategy and business model	Material social IROs (see page 132) Consumers and end-users (see page 138)	ESRS-S4 11,12: In the context of protecting Privacy and PII data, no distinction is made between different groups of consumers and end-users.
S4-1	Policies related to consumers and end-users	Privacy & Data security (see page 138)	ESRS-S4 15: In the context of protecting Privacy and PII data, no distinction is made between different groups of consumers and end-users.  ERSRS-S4 16,17: CM.com has no human rights policy commitments relevant to consumers and/or end-users other than our whistleblower procedure being based on the UN Guiding Principles on Business and Human Rights.
S4-2	Processes for engaging with consumers and end-users about impacts		There are no general processes for engaging with consumers and end-users and their representatives about actual and potential impacts on them, as this is covered by legislation.

HOME	CONTENTS   AGENTS OF	CHANGE	MANAGEMENT B	SOARD REPORT	1	GOVERNANCE	1	SUSTAINABILITY STATEMENTS	1	FINANCIAL STATEMENTS	ı	OTHER
Disclosure	Requirement			Reference to n	ote			Explanatory note	S			
S4-3	Processes to remediate ne	egative impacts and	d channels for	Privacy & Data se	ecurity	(see page 138)						
	annous anno anno anno anno anno anno anno ann	As aster consequence		Dunings Ething /		1 / 1 /						

S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	Privacy & Data security (see page 138) Business Ethics (see page 141)	
S4-4	Taking action on material impacts on consumers and end- users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	Privacy & Data security (see page 138) Business Ethics (see page 141)	ESRS-S4 31b,32c: Specific actions to provide or enable remedy to an actual material impact are only considered necessary in case of incidents, as described clients are informed immediately.  ESRS-S4 34: CM.com is not aware of contributing to material negative impacts on consumers and/or end-users through own practices.  ESRS-S4 35: No severe human rights issues or incidents connected to consumers and/or end-users have been reported.
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Privacy & Data security (see page 138)	Stakeholders have not been involved in target setting.
ESRS G1: Business E			_
ESRS 2- GOV 1	Disclosure Requirement related to ESRS 2 GOV-1 – The role of the administrative, management and supervisory bodies	Corporate Governance (see page 67) General, Governance (see page 112)	ESRS-2 5b: Not specifically disclosed. See general sections in Roles and responsibilities section and in Report of the Supervisory Board
ESRS 2- IRO 1	Disclosure Requirement related to ESRS 2 IRO-1 — Description of the processes to identify and assess material IROs	General: Materiality Assessment (see page 115)	
G1-1	Business conduct policies and corporate culture	Governance: Business Ethics: Business Conduct Policies and Corporate Culture + Speak Up Policy (see page 141)	ESRS-G1-1-10b: alignment with UN Convention is not yet tested and therefore not available, hence no related timetable available as well.  ESRS-G1-1-10d: not applicable considering we do have a Speak Up Policy.  ESRS-G1-1-10f: animal welfare is not a relevant topic for CM.com  ESRS-G1-1-10h: We believe all employees are at a certain degree of risk and therefore have a training programme that is cross-functional.
G1-3	Procedures to address corruption and bribery	Governance: Business Ethics: Prevention & Detection of Corruption and Bribery + Speak Up Policy (see page 141)	ESRS-G1-3-21b: We believe all employees are at a certain degree of risk and therefore have a training programme that is cross-functional.
G1-4	Incidents of corruption or bribery	Governance: Business Ethics: Prevention & Detection of Corruption and Bribery (see page 141)	
MDR-T	Tracking effectiveness of policies and actions through targets	Governance: Business Ethics (see page 141)	At this stage there is no target for the IRO's relating to preventing unethical behaviour and protection of whistleblowers, these will be developed in 2025.

Governance: Reliability of our Solutions (see page 142)

**GOVERNANCE** 

**SUSTAINABILITY STATEMENTS** 

**FINANCIAL STATEMENTS** 

MANAGEMENT BOARD REPORT

HOME

MDR-T

**CONTENTS** 

**AGENTS OF CHANGE** 

Tracking effectiveness of policies and actions through targets

## List of data points that derive from other EU legislation

ESRS Standard	Data point that derives from other EU legislation	Reference to Sustainability statements
General disclosures -	ESRS 2	
GOV-1	Board's gender diversity	Governance (see page 66) Supervisory Board report (see page 83)
GOV-1	Percentage of board members who are independent	Governance (see page 66) Supervisory Board report (see page 83)
GOV-4	Statement on sustainability due diligence	Governance (see page 67)
ESRS E1: Climate cha	nge	
E1-1	Transition plan to reach carbon neutrality by 2025	Climate change: Climate change mitigation (see page 121)
E1-1	Undertakings excluded from Paris-aligned Benchmarks	Climate change: Climate change mitigation (see page 121)
E1-4	GHG emission reduction targets	Climate change: Climate change mitigation (see page 121)
E1-5	Energy consumption and mix	Overview of energy consumption (see page 123)
E1-6	Gross scope 1, 2, 3 and total GHG emissions	Characteristics of our employees (see page 133)
E1-6	Gross GHG emissions intensity	Characteristics of our employees (see page 133)
ESRS S1: Own workfo	orce	
S1-1	Policies related to own workforce	Diversity & Inclusion (see page 133) Employee engagement (see page 133) Training & skills development (see page 133) Privacy & data security (see page 138)
S1-3	Grievance and complaints handling mechanisms	Employee engagement (see page 133) Privacy & data security (see page 138) Business Ethics (see page 141)
S1-16	Unadjusted gender pay gap	Diversity & Inclusion, results (see page 133)
S1-16	Excessive CEO pay ratio	Diversity & Inclusion, results (see page 133)
ESRS S4: Consumers	and end-users	
S4-1	Policies related to consumers and end-users	Privacy & Data security (see page 138)
ESRS G1: Business co	onduct	
G1-1	Protection of whistleblowers	Governance: Business Ethics: Business Conduct Policies and Corporate Culture + Speak Up Policy (see page 141)

# FINANCIAL STATEMENTS

4.com Annual Report 2024 150

## **Contents**

## **Consolidated Financial Statements**

Consolidated Statement of Financial Position as at 31 December 2024	152
Consolidated Statement of Comprehensive Result for the Year Ended 31 December 2024	153
Consolidated Statement of Changes in Equity for the Year Ended 31 December 2024	154
Consolidated Statement of Cash Flows for the Year Ended 31 December 2024	155
Notes to the Consolidated Financial Statements	156
Corporate Financial Statements	
Corporate Statement of Financial Position as at 31 December 2024	187
Corporate Statement of Comprehensive Result for the Year Ended 31 December 2024	188
Notes to the Corporate Financial Statements	189

## **Consolidated Financial Statements**

## **Consolidated Statement of Financial Position as at 31 December 2024**

(After proposal of appropriation of result)

x € 1,000	Note	2024	2023
Goodwill	5/6	20,617	29,397
Intangible fixed assets	5	70,085	71,454
Property, plant, and equipment	7	8,889	8,520
Right-of-use assets	8	24,630	27,177
Long-term receivables	14	1,397	1,512
Associates	9	-	-
Deferred tax assets	10	1,242	1,136
Total non-current assets	·	126,860	139,196
Short-term loan receivables	14	4,786	596
Inventories		450	737
Trade and other receivables	15	59,295	50,989
Cash and cash equivalents	16	38,400¹	48,599
Total current assets		102,931	100,921
Total assets		229,791	240,117

<sup>&</sup>lt;sup>1</sup> Of which restricted: € 20.3 million (2023: € 22.4 million). Refer to note 16 for more details.

x € 1,000	Note	2024	2023
Share capital		1,748	1,747
Share premium reserve		131,114	130,969
Reserves		7,224	7,067
Accumulated deficits		(133,243)	(113,499)
Total equity	11	6,843	26,284
Borrowings	17	13,247	14,574
Convertible bonds	18	97,630	95,922
Deferred tax liabilities	10	1,585	1,535
Provisions	19	134	144
Other liabilities merchants		185	191
Total non-current liabilities		112,781	112,366
Current portion of borrowings	17	3,032	4,000
Trade and other payables	20	99,604	89,812
Contract liabilities	21	7,036	6,500
Current tax liabilities		495	1,155
Total current liabilities		110,167	101,467
Total equity and liabilities		229,791	240,117

## **Consolidated Statement of Comprehensive Result for the Year Ended 31 December 2024**

x € 1,000	Note	2024	2023
Revenue	4	274,249	266,234
Cost of services	4	(191,142)	(187,701)
Gross profit		83,107	78,533
Employee benefits	22	(45,699)	(54,345)
Other operating expenses	24	(20,946)	(26,915)
Amortization, depreciation, and impairments	5/7/8	(31,732)	(21,841)
Operating result		(15,270)	(24,568)
Financial income	25	1,232	1,296
Financial expenses	25	(5,220)	(5,618)
Share of results in associates	9	-	(561)
Result before tax		(19,258)	(29,451)
Income tax	10	(555)	732
Result after tax		(19,813)	(28,719)
Other comprehensive result <sup>1</sup>		109	(212)
Total comprehensive result		(19,704)	(28,931)
Basic loss per share (in €)	11	(0.68)	(1.00)
Diluted loss per share (in €)	11	(0.68)	(1.00)

<sup>1</sup> The other comprehensive result consists completely of foreign currency translation which may be reclassified subsequently to profit or loss.

## Consolidated Statement of Changes in Equity for the Year Ended 31 December 2024

						Foreign		
						currency		
			Share	Equity component		translation	Accumulated	
x € 1,000	Note	Share capital	premium reserve	convertible bonds	Treasury shares	reserve	deficits	Total
Balance at 1 January 2023		1,736	127,733	5,940	(861)	1,888	(82,881)	53,555
Result for the year		-	-	-	-	-	(28,719)	(28,719)
Other comprehensive result		-	-	-	-	(212)	-	(212)
Convertible bonds (net of tax) <sup>1</sup>	18	-	-	(202)	-	-	-	(202)
Issuance of shares related to								
business combinations		11	3,041	-	-	-	(1,663)	1,389
Issuance of shares to employees	23		195	-	514		(236)	473
Balance at 31 December 2023		1,747	130,969	5,738	(347)	1,676	(113,499)	26,284
Result for the year		-	-	-	-	-	(19,813)	(19,813)
Other comprehensive result		-	-	-	-	109	-	109
Convertible bonds (net of tax) <sup>1</sup>	18	-	-	(221)	-	-	-	(221)
Issuance of shares related to								
business combinations		1	145	-	-	-	-	146
Issuance of shares to employees	23			-	269		69	338
Balance at 31 December 2024		1,748	131,114	5,517	(78)	1,785	(133,243)	6,843

<sup>1</sup> The equity component of convertible bonds is presented net of tax (note 18). It includes a Deferred tax liability recognized through equity offset by a related deferred tax asset recognized through equity, see note 10.

## **Consolidated Statement of Cash Flows for the Year Ended 31 December 2024**

× € 1,000	Note	2024	2023
Operating result		(15,270)	(24,568)
Adjustments for:			
- Amortization, depreciation, and impairments	5/7/8	31,732	21,841
- Movement in provisions	19	(10)	144
Changes in working capital:			
- Inventories		287	376
- Trade and other receivables exluding merchants and financial institutions	15	(6,537)	9,689
- Trade and other payables exluding merchants and			
financial institutions	20	9,727	97
- Contract liabilities	21	536	1,220
- Trade and other receivables from merchants and financial institutions	15	(2,491)	(1,696)
- Trade and other payables to merchants and			
financial institutions	20	459	(11,836)
Interest received	25	1,031	419
Corporate income tax	10	(1,454)	257
Share benefit program personnel	23	338	475
Cash flow from operating activities		18,348	(3,582)
Investments in intangible assets	5	(14,841)	(17,436)
Investments in property, plant, and equipment	7	(2,199)	(1,865)
Loans granted to third parties <sup>1</sup>	14	(6,505)	(222)
Repayment of loans granted to third parties <sup>1</sup>	14	2,411	460
Deposits paid <sup>1</sup>	14	(168)	(568)
Deposits refunded <sup>1</sup>	14	308	476
Disposal / (acquisitions) of subsidiaries and			
associates (net of cash)	9/20	231	220
Cash flow from investing activities		(20,763)	(18,935)

× € 1,000	Note	2024	2023
Repayment of borrowings	17	(268)	(20)
Repayment of lease liabilities	17	(3,989)	(7,429)
Movement other long-term liabilities	17	-	(260)
Movement other long-term liabilities to merchants		(6)	3
Interest paid	25	(3,278)	(2,816)
Cash flow from financing activities		(7,541)	(10,522)
Changes in cash and cash equivalents		(9,956)	(33,039)
Cash and cash equivalents at 1 January		48,599	82,740
Currency results on cash and cash equivalents		(243)	(1,102)
Cash and cash equivalents at 31 December	16	38,400	48,599

Please note that loans granted, repayment of loans granted, deposits paid, and deposits refunded are presented under investing activities, compared to financing activities in previous years, to align with IAS 7.16.e-f. Comparative figures are restated.

## **Notes to the Consolidated Financial Statements**

## 1. Corporate Information

The activities of CM.com N.V. (CM.com) and its group companies (for the list of group companies see note 28) primarily consists of advising, guiding, implementing, and assisting companies approaching its target audience through modern (media) techniques. CM.com N.V. has its legal seat at Konijnenberg 30 at Breda, the Netherlands and is registered at the chamber of commerce under the registration number: 70523770. The shares of CM.com N.V. (the ultimate parent) are listed on Euronext Amsterdam in The Netherlands under ticker symbol CMCOM.

## 2. Basis of Preparation

The consolidated financial statements of CM.com have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) adopted and endorsed by the European Union ("EU-IFRS") and with the statutory provisions of Part 9, Book 2 of the Dutch Civil Code.

The Management Board has assessed the going concern assumption, as part of the preparation of the consolidated financial statements. Management's assessment was based on the assumptions used in the business plan 2025-2027. This plan supports the mid-term guidance which focuses on generating EBITDA and cashflow to comfortably meet financial obligations while allowing for continued growth investments. Based on sensitivity scenarios and their outcome, Management believes that the company has adequate resources to continue in operational existence for at least twelve months after the adoption of the financial statements. No events or conditions give rise to doubt on the company's ability to continue as a going concern, therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

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

The financial information relating to CM.com N.V. is presented in the corporate financial statements. The corporate financial statements have been prepared in accordance with subarticle 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 those of the Group.

Current assets are assets that are expected to be realized in the company's normal operating cycle, and are held primarily for trading purposes. They are anticipated to be realized within 12 months after the reporting period. All other assets are considered non-current.

Current liabilities are those expected to be settled within the company's normal operating cycle, held primarily for trading, and due to be settled within 12 months. They also include liabilities for which the entity does not have an unconditional right to defer settlement beyond 12 months (note that settlement by issuing equity instruments does not affect classification). Other liabilities that don't meet (one of) these criteria are classified as 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.

#### Fair Value Estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. As no financial assets and liabilities of the Group, except for the convertible bonds, are traded in active markets, the fair value of financial assets and liabilities is estimated by discounting the future contractual cash flows at current market interest rates that are available to the Group for similar financial assets and liabilities.

Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 and leasing transactions that are within the scope of IFRS 16. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within level 2 of the fair value hierarchy as the company uses observable market data for the interest rates.

The different valuation methods are referred to as "hierarchies" as described below:

- level 1: The fair value is determined using quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- level 2: The fair value is calculated using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) observable.
- level 3: The fair value is determined using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

#### 3. Basis of Consolidation

The consolidated financial statements are prepared by consolidating the financial statements of the company and its subsidiaries. Subsidiaries are entities controlled by CM.com. CM.com controls an entity when it has power over the investee, is exposed to or has the right to variable returns from its involvement with that entity, and can influence those returns through its power over the entity. 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.

Control is generally achieved by owning more than 50% of the voting rights. 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.

The financial statements of subsidiaries are included in the consolidated financial statements from the date control begins until the date control ends. Accounting policies of subsidiaries have been adjusted where necessary to align with the policies adopted by CM.com. 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 that CM.com ceases to control the subsidiary or foundation.

During consolidation, intercompany balances and transactions, cash flows relating to transactions between members of the group and any unrealised gains and losses or income and expenses from intercompany transactions, are eliminated. Unrealised gains from transactions with associates are eliminated against the investment to the extent of CM.com's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only if there is no indication of impairment. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with CM.com's accounting policies.

## **Key Disclosures**

### 4. Revenue Recognition and Segment Reporting

CM.com's operations are divided into segments, reflecting our business unit structure. Management monitors business performance at Gross profit level and overall costs. Not all costs, assets, and liabilities are directly allocated to CM.com's segments, and therefore not presented as such. Non-current assets, such as intangible assets, goodwill and property, plant, and equipment, are mainly located in the Netherlands.

Since 2024, CM.com's operating segments consist of Connect, Engage, Pay, and Live.

#### Connect

Connect revenue consists of omnichannel messaging (such as Bulk SMS, WhatsApp, Apple Business Chat, and RCS) and voice services that form part of CM.com's core service offering. Revenue from these products can be transactional and are recorded when they occur (point-intime) or as part of a subscription plan being recorded on a straight-line basis over the duration of the contract. The cost of services for the Connect segment comprises primarily of fees paid to mobile network operators and OTT providers for the purchase of mobile messages, voice, mobile data capacity, and OTT communication capabilities.

#### Engage

Engage revenue consists of a portfolio of services that contribute to the optimization of our client's mobile business journey with their (potential) clients. Subscription fees are charged for access to these platform features. Revenue for these services is recognized on a straight-line basis over the duration of the contract. The cost of services for the Engage segment comprises primarily of fees paid to suppliers of CM.com's supplementary platform features, data, email, digital signing, identification, and verification services.

#### Pay

Pay revenue is derived from online and in-person payments and consists of settlement- and start-rate fees, hardware sales, and service-level agreements. Settlement fees include fees paid by merchants, usually as a percentage of the transaction value as well as interchange and payment network fees incurred from financial institutions and a mark-up charged by CM.com for its payment services. Start-rate fees comprise fixed fees per transaction for the use of CM.com's platform. The hardware sale-related revenues are transactional and are recognized when they occur (point-in-time). Service-level agreements are recognized over time. Cost of services for Pay 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 and the purchase of payment terminals.

HOME

Live revenue is generated by ticketing and related services. Revenues include ticket service fees, event-application subscriptions, rental of POS terminals and scanners, and insurance fees. Ticket fees comprise fixed fees per transaction for using CM.com's platform and are recognized at a point-in-time, as are the rent of POS terminals and scanners, and the insurance fees. Event-application subscriptions are recognized over time. The cost of sales for Live mainly consists of the acquisition or rent of POS terminals and the fees for any transactions running on these terminals. An insurance payout provision (see note 19) is both recorded and released within the cost of sales. Finally, there are some client-specific cost of sales for individual events.

**AGENTS OF CHANGE** 

#### **Segment Reporting**

In the table below, revenue is disaggregated by CM.com's operating segments:

#### 2024

x € 1,000	Connect	Engage	Pay	Live	Total
Revenue	220,286	28,495	13,031	12,437	274,249
Cost of services	(179,946)	(3,725)	(5,665)	(1,806)	(191,142)
Operational expenses, amortization, depreciation, and impairments					(98,377)
Operating result			,		(15,270)
Financial income and expenses					(3,988)
Share of results in associates					-
Result before tax					(19,258)

#### 2023 - New structure

x € 1,000	Connect	Engage	gage Pay		Total
Revenue	214,363	25,849	14,384	11,638	266,234
Cost of services	(176,669)	(3,148)	(6,760)	(1,124)	(187,701)
Operational expenses, amortization, depreciation, and impairments					(103,101)
Operating result					(24,568)
Financial income and expenses					(4,322)
Share of results in associates					(561)
Result before tax					(29,451)

#### 2023 - Old structure

MANAGEMENT BOARD REPORT

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

#### **Geographic Reporting**

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

#### 2024

x € 1,000	Connect	Engage	Pay	Live	Total
EMEA	110,897	26,251	12,935	12,227	162,310
of which the Netherlands	39,424	20,276	10,310	9,525	79,535
of which France	30,903	1,588	40	24	32,555
APAC	67,470	1,598	57	62	69,187
of which Singapore	35,296	5	-	-	35,301
Americas	41,919	646	39	148	42,752
of which the USA	41,221	320	_	94	41,635
	220,286	28,495	13,031	12,437	274,249

In 2024 one client contributed € 34.6 million to Connect revenue in the USA. In 2023, no single client or partner contributed more than 10% to CM.com's revenue.

Revenue is reduced by an amount of € 769 thousand (2023: € 1,745 thousand) related to partner commissions paid to agents.

#### 2023 - New structure

	214,363	25,849	14,384	11,638	266,234
of which the USA	28,737 196		-	7	28,940
Americas	31,863	534	146	7	32,550
of which Singapore	20,421	9	-	-	20,430
APAC	46,969	1,158	96	-	48,223
of which France	29,234	1,008	45	15	30,302
of which the Netherlands	40,223	20,274	7,758	8,648	76,903
EMEA	135,531	24,157	14,142	11,631	185,461
x € 1,000	Connect	nnect Engage Pay Live		Total	

#### 2023 - Old structure

x € 1,000	CPaaS	SaaS	Payments	Ticketing	Total
EMEA	133,211	26,637	15,293	10,320	185,461
of which the Netherlands	40,223	20,274	8,512	7,894	76,903
of which France	28,983	1,259	50	10	30,302
APAC	46,754	1,373	96	-	48,223
of which Singapore	20,421	9	-	-	20,430
Americas	31,503	894	153	-	32,550
of which the USA	28,399	534	7	-	28,940
	211,468	28,904	15,542	10,320	266,234

## 5. Intangible Assets and Goodwill

Goodwill and intangible assets with indefinite useful lives are stated at cost less accumulated impairments. Goodwill and intangible assets with indefinite useful lives are not amortized and are tested for impairment annually. Negative goodwill is recognized directly in profit or loss as other income. An impairment in respect of goodwill cannot be reversed. For more information see note 6.

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

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

Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when CM.com can demonstrate the availability for use, the capability to generate future economic benefits, and the ability to measure reliably the expenditure during development. Following initial recognition of the development expenditure as an asset, the asset is carried at cost less accumulated amortization and, if applicable, less accumulated impairments. During the period of development, the asset is tested for impairment annually. Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill and domain names, which have indefinite useful lives, from the date they are available for use. Amortization methods, useful lives, and residual values are reviewed at each reporting date and adjusted if appropriate.

At the end of each reporting period, the company assesses whether there is any indication that an impairment loss recognized in prior periods for an asset other than goodwill may no longer exist or may have decreased. If any such indication exists, the entity shall estimate the recoverable amount of that asset.

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

× € 1,000	Platform (software) <sup>1</sup>	Goodwill	Customer relations	elations Other	
Costs					
At 31 December 2022	77,650	29,955	32,479	4,663	144,747
Additions related to external costs	207	-	110	1,469	1,786
Development costs	15,650	-	-	-	15,650
Divestments	(14,318)	(114)	(4,201)	(1,301)	(19,934)
Currency difference	(1)	-	(6)	-	(7)
At 31 December 2023	79,188	29,841	28,382	4,831	142,242
Additions related to external costs	158	-	120	489	767
Development costs	14,430	-	-	-	14,430
Divestments	(4,961)	-	-	(226)	(5,187)
Currency difference	-	-	60	-	60
At 31 December 2024	88,815	29,841	28,562	5,094	152,312
Amortization and impairments					
At 31 December 2022	28,061	551	15,537	2,095	46,244
Amortization	11,479	-	2,908	576	14,963
Impairments	85	7	-	-	92
Divestments	(14,318)	(114)	(4,201)	(1,273)	(19,906)
Currency difference	2	-	(4)	-	(2)
At 31 December 2023	25,309	444	14,240	1,398	41,391
Amortization	12,731	-	2,731	520	15,982
Impairments	301	8,780	-	290	9,371
Divestments	(4,961)	-	-	(226)	(5,187)
Currency difference	-	-	53	-	53
At 31 December 2024	33,380	9,224	17,024	1,982	61,610
Carrying amount					
At 31 December 2023	53,879	29,397	14,142	3,433	100,851
At 31 December 2024	55,435	20,617	11,538	3,112	90,702
Estimated useful lives (years)	5-10	indefinite	10	5-10 / indefinite	

 $<sup>^{1} \ \ \</sup>text{Platform (software) contains capitalized development hours. In total } \\ \in 45,518 \ \ \text{thousand of the net book value of this category is self-generated (2023: } \\ \in 39,641 \ \ \ \text{thousand)}.$ 

## 6. Impairment Test

CM.com tests goodwill and intangible assets with indefinite useful lives annually, or whenever management identifies conditions that may indicate a risk of impairment.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each cash-generating units (CGUs), that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquirement are assigned to those units. Domain names with indefinite useful lives are applicable to all CGUs and allocated based on an allocation key. During the restructuring into business units, several assets, (including goodwill and intangible assets with indefinite useful lives) were reallocated among CGUs to ensure they accurately reflect the business units (as explained in note 4):

#### 2024

x € 1,000	Connect	Engage	Pay	Live
Goodwill	1,029	17,973	-	1,615
Domain names	888	461	-	218
Pre-tax WACC	14.50%	13.74%	15.91%	13.11%
Post-tax WACC	10.76%	10.19%	11.80%	9.72%

#### 2023

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

CGUs are tested for impairment by comparing the carrying amount of each CGU to its recoverable amount. The recoverable amount is based on the net present value of future estimated cash flows (value-in-use).

The value-in-use calculation is based on cash flow projections for a period of five years and three months, with the exception of the CGU Pay, which uses a forecast period of eight years and three months. This extended period for CGU Pay is in accordance with IAS 36.33(b), which allows for a longer forecast period if justified.

Cash flow projections are derived from the company's strategic business plan (2025-2027), prepared bottom-up in accordance with the BU Leadership Teams, reviewed and approved by the Management Board and as part of the annual budgeting and forecasting cycle, also challenged and approved by the Supervisory Board. Forecasts beyond 2027 are more uncertain and are thus developed using a top-down approach based on expected Gross profit growth as outlined in our mid-term guidance. The extended forecast period for CGU Pay assumes stable growth to achieve an industry-standard EBITDA margin. Growth rates for Gross profit have been established as follows: 8% for Connect, 20% for Engage, 16% for Pay, and 25% for Live.

Other key assumptions applied in the discounted cash flow valuation and determining the terminal value are the growth rate applied 2,20% (2023: 2,20%) obtained from the Economic Intelligence Unit and the discount rate, according to a post-tax weighted average cost of capital (WACC) based on a peer group of similar listed entities and CM.com's target capital structure (see table). Pre-tax cash flows are not presented.

Sensitivity analysis, considering a change in the WACC of 1% and a change in the long-term growth rate of 0.5% indicates that for the CGU's Connect, Engage, and Live there is sufficient headroom (between the carrying amount and recoverable amount) to absorb adverse changes in the WACC and long-term growth rate, even if these changes were to occur simultaneously. For the CGU Pay a negative headroom is indicated.

#### **CGU Pay**

Management justifies extending the forecasting period to eight years (2025-2032) based on industry norms, economic conditions, and the company's strategic plan. As a scale-up, a five-year horizon would not adequately represent the business's value due to ramp-up losses incurred from substantial investments in growth initiatives, reflecting our belief in the long-term viability of this business unit.

The additional years in the model are essential to achieving industry-average EBITDA margins. Achieving this requires specific transaction volumes to cover fixed operational expenses for compliance. Our strategic plan projects a consistent year-over-year growth rate up to 16%, resulting in a Gross profit CAGR of 14% for the forecasted period 2024-2032, enabling us to reach industry-average EBITDA margins within eight years. The actual Gross profit CAGR (2020-2024 was 21,4%), including the aquistition of SepaSoft B.V. in 2021. Current economic conditions in the payment industry do not indicate a decline in EBITDA margins.

In addition to detailed revenue targets, also targets for cost control are defined and included in the performance management cycle. Challenges on the input parameters in the budget and forecast models, together with a diligently executed process, provide the Pay BU leadership team, as well as the CM.com Management Board sufficient confidence. Management deems the growth rate, that can be achieved as a result of an effective sales focus combined with our integrated platform services, realistic.

The amount by which the CGU Pay' recoverable amount falls short of its carrying amount is € 7.6 million based on the approved budget 2024 and forecast. This amount of headroom changes with around € 6.6 million per 1% higher or lower Gross profit CAGR 2024-2032 ceteris paribus. Management will monitor growth against this Gross profit CAGR of 14% for the upcoming reporting periods and update the impairment analyses in case of impairment triggers.

Impairment testing indicates that for the CGU Pay its carrying amount exceeds the recoverable amount. Sensitivity analysis was performed with the WACC plus-minus 1% and long-term cash flow growth rate plus-minus 0,5% resulting in a bandwidth on the headroom from minus  $\mathop{\in} 12.7$  million for WACC +1% and long-term cash flow growth rate minus 0,5%, to minus  $\mathop{\notin} 0.6$  million for WACC -1% and long-term cash flow growth rate plus 0,5%.

Using a weighted average of three sensitivity scenarios, taking a prudent approach in determining the weight, management decided to fully impair the Goodwill associated with acquisitions in CGU Pay. An impairment charge of € 8.8 million is recognized under "Amortization, Depreciation, and Impairments" in the profit or loss account.

The impairment recognition is due to challenges experienced in the optimization of our solution, expected volume growth taking longer than anticipated, and results lagging our budget due to competition. With a strategic focus on growing an integrated software proposition, including Pay solutions, management believes this will lead to the forecasted financial growth for CGU Pay. No impairment charges were recognized during 2023. None of the impaired items were revalued under OCI during the period. Impairment charges are deemed non-deductible losses for corporate income tax purposes.

#### Market approach

The outcome of the impairment testing model, based on the value-in-use, was challenged with a market approach valuation performed by an external valuation agency, taking the same key assumptions into account for the budget 2025 and growth rate as included in the discounted cash flow valuation.

The market approach consisted of two methods: one based on comparable listed companies (CCA), and one based on (public and private) transactions with a comparable acquisition target (CTA). Revenue multiples were derived for CCA and CTA and certain discounts were applied to control for the differences between the characteristics of the comparable companies and transactions and the CGU Pay. They concluded that management's value-in-use falls within the fair value range (less costs to sell) for the CGU Pay, with all values reflecting discounts and control premiums. Management is aware that this wide range reflects the Pay Business' technology, software, and platform ability to scale up both in terms of revenue and profitability. However, a considerable amount of time needs to be invested to reach this level.

#### 7. Property, Plant, and Equipment

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

Depreciation is commenced from the date an asset is brought into use. Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful life. Depreciation methods, useful lives, and residual values are reviewed at each reporting date.

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

		Furniture &			Leasehold	
x € 1,000	Platform (hardware)	fixtures	Vehicles	Hardware workplace	improvements	Total
Costs						
At 31 December 2022	6,333	3,241	144	3,754	2,034	15,506
Additions	90	416	159	486	873	2,024
Divestments	(2,616)	(1,102)	(33)	(2,275)	(85)	(6,111)
Currency difference	(37)	(1)	-	(12)	(2)	(52)
At 31 December 2023	3,770	2,554	270	1,953	2,820	11,367
Additions	1,721	108	24	293	53	2,199
Divestments	(612)	(114)	(41)	(373)	(15)	(1,155)
Currency difference	30	1	-	11	-	42
At 31 December 2024	4,909	2,549	253	1,884	2,858	12,453
Depreciation and impairments						
At 31 December 2022	3,438	908	98	1,848	422	6,714
Depreciation	444	373	108	689	250	1,864
Impairments	207	89	1	29	54	380
Divestments	(2,616)	(1,102)	(33)	(2,263)	(81)	(6,095)
Currency difference	(11)	-	-	(5)	-	(16)
At 31 December 2023	1,462	268	174	298	645	2,847
Depreciation	540	339	5	610	275	1,769
Impairments	67	-	-	-	-	67
Divestments	(612)	(114)	(37)	(373)	(15)	(1,151)
Currency difference	16	-	-	16	-	32
At 31 December 2024	1,473	493	142	551	905	3,564
Carrying amount						
At 31 December 2023	2,308	2,286	96	1,655	2,175	8,520
At 31 December 2024	3,436	2,056	111	1,333	1,953	8,889
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 amortization and, if applicable, less impairments, and adjusted for certain remeasurements of the lease liability. Costs are initially measured at the present value of the lease payments that are outstanding at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliable determined, CM.com's incremental borrowing rate. Generally, CM.com uses its incremental borrowing rate as the discount rate. Amortization is based on the duration of the lease liability and calculated as a fixed percentage of cost, taking into account any residual value. Amortization is provided from the date an asset is available for use.

The lease liability is presented under borrowings in the consolidated statement of financial position, see note 17. 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 amortization and interest costs in the profit or loss. In the cash flow statement, the low-value leases (value lower than  $\leqslant$  5 thousand when new) and short-term leases (less then twelve months) are presented as part of the cash flow from operating activities. Interest paid and the repayments related to leases are presented as part of the cash flow from financing activities. The maturity analysis for the lease liabilities is included in note 12.

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

### Group as a Lessee

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

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

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

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

x € 1,000	2024	2023
Interest expense on lease liabilities	547	582
Expenses relating to short-term leases	692	1,322
Total cash outflow for leases	3,989	7,429

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

× € 1,000	Land and buildings	Furniture & fixtures	Platform (Hardware)	Platform (Software)	Vehicles	Total
Costs						
At 31 December 2022	20,450	236	16,563	1,127	962	39,338
Additions	902	-	10	-	307	1,219
Ending of lease agreements	(976)	(116)	-	-	(311)	(1,403)
Currency difference	(46)	-	(49)	-	-	(95)
At 31 December 2023	20,330	120	16,524	1,127	958	39,059
Additions	1,849	-	-	-	229	2,078
Ending of lease agreements	(1,269)	(91)	(101)	-	(226)	(1,687)
Currency difference	39	-	32	-	-	71
At 31 December 2024	20,949	29	16,455	1,127	961	39,521
Amortization and impairments						
At 31 December 2022	4,517	181	2,979	565	438	8,680
Amortization	2,538	26	1,691	113	174	4,542
Ending of lease agreements	(950)	(116)	-	-	(252)	(1,318)
Currency difference	(20)	-	(2)	-	-	(22)
At 31 December 2023	6,085	91	4,668	678	360	11,882
Amortization	2,442	22	1,639	113	250	4,466
Ending of lease agreements	(1,169)	(91)	(101)	-	(201)	(1,562)
Impairments	-	-	77	-	-	77
Currency difference	24	-	4	-	-	28
At 31 December 2024	7,382	22	6,287	791	409	14,891
Carrying amount						
At 31 December 2023	14,245	29	11,856	449	598	27,177
At 31 December 2024	13,567	7	10,168	336	552	24,630

## 9. Associates

An associate is an entity over which CM.com has significant influence that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. Both results as assets and liabilities of associates or joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5.

Details of associates are as follows:

Name of associate	Principal activity	of of Place of incorporation and in		ownership nterest and oting rights
			2024	2023
PHOS Services Ltd	Transforming mobile devices into POS terminals	Bromley, England	0.00%	0.00%

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

On 27 March 2023, CM.com sold its stake in PHOS Services Ltd. to an external party. The related loan receivable was repaid in 2023, and the resulting loss on the divestment of  $\mathop{\,\leqslant\,} 561$  thousand was recorded as a share of result in associates in 2023. The loss calculation included an expected earn-out receivable of  $\mathop{\,\leqslant\,} 610$  thousand against a targeted consideration of  $\mathop{\,\leqslant\,} 2.5$  million. As of 31 December 2023, the earn-out receivable was recognized under other receivables (see note 15). The final earn-out receivable was determined to be  $\mathop{\,\leqslant\,} 419$  thousand and was settled in 2024. The difference between the estimated and final earn-out receivable was recognized as a fair value loss (see note 25) through profit or loss in 2024.

x € 1,000	2024	2023
Carrying amount as at 1 January	-	1,823
Movements:		
Sale of shares	-	(1,262)
Share of result in associates	-	(561)
Carrying amount as at 31 December	-	-

#### 10. Taxation

#### **Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute these amounts are those that are enacted or substantively enacted at the reporting date in the countries where CM.com operates and generates taxable income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. The effective income tax amount on the company's result before tax differs from the statutory income tax amount that would arise using the applicable statutory income tax rate.

#### Fiscal Unity

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

Major components of the income tax expenses are:

x € 1,000	2024	2023
Current tax:		
Current year	708	608
Adjustments prior periods	60	167
Deferred tax:		
Movement in temporary differences	(1,101)	$(2,714)^{1}$
Movement in tax losses carried forward	856	$1,179^{1}$
Tax rate differences	32	28
Taxation according to profit or loss account	555	(732)

<sup>&</sup>lt;sup>1</sup> For the comparative figures, the movement related to convertible bonds of € 202 thousand is reclassified from movement in tax losses carried forward to movement in temporary differences.

The effective tax rate for 2024 is minus 2.9% (2023: 2.5%) and can be as follows:

Effective tax rate	(2.9%)	2.5%
Tax according to the profit or loss account	555	(732)
Tax relating to prior periods	60	204
Deferred tax asset through equity	(221)	(202)
Tax losses utilised	(542)	(543)
Non-recognition of deferred tax assets	3,987	6,913
Rate differential	(440)	220
Non-deductible expenses	2,680	128
Exempt income	-	145
Income tax at statutory tax rate (25.8%)	(4,969)	(7,597)
Result before tax	(19,258)	(29,451)
x € 1,000	2024	2023

#### **Deferred Tax**

Deferred tax is recognized using the balance sheet method, providing for carry-forward losses and temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

Deferred tax assets (DTA) for carried-forward tax losses are recognized to the extent that it is probable that taxable profits will be available against which the unused tax losses can be utilized. CM.com has tax losses carried-forward of € 115.7 million as at 31 December 2024 (2023: € 107.2 million), out of which € 0.9 million (2023: € 0.3 million) expires in the following five years (for this no DTA is formed) and € 0.3 million (2023: € 0.5 million) will expire after five years (for this a DTA of € 13 thousand is formed). € 114.5 million (2023: € 106.4 million) can be carried forward indefinitely (of this for a total of € 4 million a DTA is formed). For unused tax losses of € 99.4 million (2023: € 86.4 million) no deferred tax asset is formed.

Deferred tax assets recognized and movements thereon:

x € 1,000	Total	Convertible bonds	Right-of-use assets	Tax losses	Deferred costs
Carrying amount as at 31 December 2022 after netting	1,506	-	38	975	493
Netting of tax	9,714	845	4,194	4,675	-
Carrying amount as at 31 December 2022 before netting	11,220	845	4,232	5,650	493
Mutations through profit or loss	(1,179)	-	-	(1,179)	-
Mutations through equity	(202)	(202)	-	-	-
Charge to profit or loss	(217)	-	(358)	-	141
Exchange differences	(46)	-	-	(14)	(32)
Carrying amount as at 31 December 2023 before netting	9,576	643	3,874	4,457	602
Netting of tax	(8,440)	(643)	(3,750)	(4,047)	-
Carrying amount as at 31 December 2023 after netting	1,136	-	124	410	602
Netting of tax	8,440	643	3,750	4,047	-
Mutations through profit or loss	(856)	-	-	(856)	-
Mutations through equity	(221)	(221)	-	-	-
Charge to profit or loss	(128)	-	(162)	-	34
Exchange differences	25	-	-	7	18
Carrying amount as at 31 December 2024 before netting	8,396	422	3,712	3,608	654
Netting of tax	(7,154)	(422)	(3,556)	(3,176)	-
Carrying amount as at 31 December 2024 after netting	1,242	-	156	432	654

Deferred tax liabilities recognized and movements thereon:

x € 1,000	Total	Convertible bonds	Right-of-use liabilities	Other temporary differences
Carrying amount as at 31 December 2022 after netting	3,162	483	-	2,679
Netting of tax	9,714	845	4,194	4,675
Carrying amount as at 31 December 2022 before netting	12,876	1,328	4,194	7,354
Mutations through profit or loss	(2,901)	(340)	(444)	(2,117)
Effect of change in tax rate	-	-	-	-
Carrying amount as at 31 December 2023 before netting	9,975	988	3,750	5,237
Netting of tax	(8,440)	(643)	(3,750)	(4,047)
Carrying amount as at 31 December 2023 after netting	1,535	345	-	1,190
Netting of tax	8,440	643	3,750	4,047
Mutations through profit or loss	(1,197)	(355)	(194)	(648)
Exchange differences	(39)	-	-	(39)
Carrying amount as at 31 December 2024 before netting	8,739	633	3,556	4,550
Netting of tax	(7,154)	(422)	(3,556)	(3,176)
Carrying amount as at 31 December 2024 after netting	1,585	211	-	1,374

## **Other Disclosures**

## 11. Capital Management

CM.com manages its capital to ensure that entities in CM.com will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. CM.com's overall strategy remains unchanged from 2023.

The capital structure of the company consists of net debt (borrowings as disclosed in note 17 and convertible bonds as disclosed in note 18 after deducting available cash and cash equivalents as disclosed in note 16) and shareholders' equity (comprising issued ordinary share capital, share premium, reserves, and accumulated deficits, disclosed below).

At 1 January 2024, the number of issued and authorized shares was 29,111,365 with a total nominal value of  $\leqslant$  1,747 thousand. All shares are ordinary shares. During 2024, a total of 20,634 shares were issued in relation with earn-outs of acquired companies. At year-end, that brings the total of issued shares up to 29,131,999 with a total nominal value of  $\leqslant$  1,748 thousand. At balance date, there are only ordinary shares.

In 2022, the company purchased 143,925 own shares related to business combinations and 60,000 own shares to satisfy obligations related to the equity-settled share-based compensation plans, of which 17,472 shares were vested during 2024 (2023: 33,336 shares) (see note 23). At year-end, the amount of treasury shares held amounted to  $\bigcirc$  78 thousand (2023:  $\bigcirc$  347 thousand) and represents 5,039 shares (2023: 22,511).

The legal reserves, in amount of  $\leqslant$  47,303 thousand (2023:  $\leqslant$  41,317 thousand) are considered non-distributable in accordance with Dutch Law, as presented in the corporate financial statements (see note 7) and relate to capitalized development costs and foreign currency reserve. No dividends are available for distribution.

#### **Basic and Diluted Loss Per Share**

The weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share is 29,121,682 (2023:29,022,942). The total result after tax used in the calculation of basic and diluted loss per share over 2024 amounts to 19,813 thousand. Potential ordinary shares related to the convertible bonds are treated as antidilutive in accordance with IAS 33.41, as the conversion to ordinary shares would decrease the loss per share from continuing operations.

## 12. Risk Management

#### **Credit Risk**

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

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

#### **Exposure to Credit Risk**

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

The expected credit losses on trade receivables and accrued revenue are estimated using a provision matrix by reference to past payment behavior for a 12-month period of the debtor and analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate, and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The company has two other financial assets subject to credit risk. Other receivables, see note 14, which are contract assets relating to advanced payments to specific Live clients. The outstanding amounts are repaid through income generated by ticket sales. As of December 31, 2024, the repayment of a loan receivable with a carrying amount of  $\in$  3.9 million (2023: nil) is overdue. Based on contractual agreements and underlying guarantees, it is management's best estimate that the loan receivable is collectible therefor a 0% risk rate is applied in the estimation of expected credit losses. As per 31 December 2024 the company has a contingent asset (see note 26) relating to a sub-lease agreement for one of its buildings which is prepaid, a 0% risk rate is applied.

For the other financial assets, such as other receivables and deposits, the assumption is applied that, due to low credit risk and the amounts involved, the expected credit losses are deemed as not significant.

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

Release of provision	(230)	(215)
Utilization of provision	(710)	(4,850)
Additions to provision	1,534	1,604
Balance as per 1 January	2,087	5,548
x € 1,000	2024	2023

The aging of accounts receivables and accrued revenue is set out below:

x € 1,000	2024	2024	2023	2023
	Gross	Net	Gross	Net
Current	38,584	38,206	32,098 <sup>1</sup>	31,800 <sup>1</sup>
1 - 30 days	8,723	8,547	6,252	6,032
31 - 60 days	829	753	2,238	2,149
> 60 days	4,236	2,185	4,397	2,917
	52,372	49,691	44,985	42,898

Please note that the comparative figures have been restated for an amount of € 18,623 thousand. Accrued revenue is added to the current bucket as these amounts are not yet invoiced at reporting date.

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

Bucket	E	ECL %			
	2024	2023			
Current	1.0%	1.0%			
1 - 30 days	1.7%	1.7%			
31 - 60 days	5.8%	6.2%			
> 60 days	14.1%	10.0%			

#### Impairment of Financial Assets

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

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

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

Impairments on trade receivables and accrued revenue are recognized excluding VAT through profit or loss under other operational expenses. Subsequent recoveries of amounts previously written off are credited against the same line item.

#### **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 (current portion of) borrowings that are denominated in a currency other than the functional currency. The currencies giving rise to this risk are primarily USD, CNY, GBP, JPY (prior year HKD), ZAR (prior year SGD), and INR. As CM.com operates globally, purchases are made in multiple currencies. Alignment of sale and purchase contracts in local currencies mitigates the risk of foreign currency translations. The amounts below exclude the foundation's activities as the cash, receivables, and payables from the foundations both receive and pay out in the same currency, as such the foreign currency risk on these amounts is remote.

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

### 2024

x € 1,000	USD	ZAR	JPY	INR	GBP	CNY
Cash and cash equivalents	1,354	259	180	136	37	339
Short-term loan receivables	-	-	-	-	4,385	-
Trade receivables	16,011	132	16	97	176	103
Trade payables	(5,842)	(89)	(720)	(37)	(1,130)	(40)
	11,523	302	(524)	196	3,468	402

#### 2023

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

#### Foreign Currency Sensitivity

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

x € 1,000	2024	2023
USD	533	440
CNY	19	56
GBP	158	13
JPY	(25)	-
ZAR	14	-
INR	10	15
SGD	-	13
HKD	-	(32)

#### **Liquidity Risk**

Liquidity risk is the risk that CM.com will not be able to meet its financial obligations as they fall due. CM.com's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to CM.com's reputation. Periodically, liquidity budgets are prepared. Liquidity risks are controlled through interim monitoring and possible adjustments. The liquidity budgets take cash constraints into account.

CM.com assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. CM.com ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 180 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

On 14 February 2024, CM.com established a revolving credit facility with HSBC, totaling  $\[ \]$  15 million with an accordion option of another  $\[ \]$  10 million, including guarantees for the bank in case of default (2023: no facilities). The facility has not been used since its inception. Reference is made to note 33 subsequent events, as the existing facility is replaced on 12 February 2025 by a new facility with 3 banks, totaling  $\[ \]$  80 million. Together with an equity raise the company was able to redeem outstanding convertible bonds and retain financial flexibility for the company's operations. The facility is available through 12 February 2028, with two extension options of one year each, with an interest rate of EURIBOR + Margin (4-75%-5.50%), including covenants, and guarantees for the bank in case of default.

#### **Exposure to Liquidity Risk**

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

#### 2024

x € 1,000	Note	0-3 months	4-12 months	1-5 years	Over 5 years	Total	Carrying amount
Lease liabilities	17	1,190	2,680	9,562	5,148	18,580	15,494
Convertible bonds	18	1,000	1,000	102,000	-	104,000	97,630
Trade payables	20	42,284	-	-	-	42,284	42,284
Other financial liabilities	20	57,815	-	-	-	57,815	57,815
Tax debt	17	75	224	523	-	822	785
		102,364	3,904	112,085	5,148	223,501	214,008

#### 2023

x € 1,000	Note	0-3 months	4-12 months	1-5 years	Over 5 years	Total	Carrying amount
Lease liabilities	17	1,451	3,006	9,144	6,776	20,377	17,521
Convertible bonds	18	1,000	1,000	104,000	-	106,000	95,922
Trade payables	20	34,153	-	-	-	34,153	34,153
Other financial liabilities <sup>1</sup>	20	56,814	-	-	-	56,814	56,814
Tax debt <sup>2</sup>	17	75	224	822	-	1,121	1,053
		93,493	4,230	113,966	6,776	218,465	205,463

<sup>1</sup> Please note that the comparative figures have been restated due to a reclass between Trade Payables and Third-party collection payable to content providers for an amount of €878 thousand.

<sup>&</sup>lt;sup>2</sup> Please note that the comparative figures have been restated due to the reclassification of the short-term part for an amount of € 299 thousand.

#### 13. Financial Instruments

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

#### **Financial Assets**

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

#### **Classification and Measurement**

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

After initial recognition, financial assets are subsequently measured at amortized cost or fair value through profit or loss on the basis of both the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial asset.

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

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

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

Financial assets that are subsequently measured at amortized cost are reduced by impairments. See note 12 for the recognition of the provision for expected credit losses for all financial assets not measured at fair value through profit or loss. Calculation of interest income is done by using the effective interest method. Interest income, currency results, and impairments are recognized in profit or loss.

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

#### **Derecognition of Financial Assets**

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

#### Financial Liabilities

Financial liabilities to which CM.com is a party include, trade and other payables, long-term borrowings, lease liabilities, and convertible bonds.

#### **Classification and Measurement**

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

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

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, CM.com's incremental borrowing rate. See note 12 for maturity analysis. Generally, CM.com uses its incremental borrowing rate as the discount rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised. The carrying amounts of CM.com's financial liabilities are a reasonable approximation of their fair values, except for the convertible bonds as disclosed in note 18.

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

#### Offsetting of Financial Instruments

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

#### Hedging

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

## 14. Long-Term and Loan Receivables

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

	6,183	2,108
Short-term loan receivables	4,786	596
	1,397	1,512
Other participation	60	60
Other receivables	143	136
Deposits	1,194	1,316
x € 1,000	2024	2023

No impairments were recognized on long-term and loan receivables in 2024 and 2023. The other participation relates to an investment in 5% of the shares of Wireless Interactions & NFC Accelerator 2013 B.V.

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

x € 1,000	2024	2023
Carrying amount as at 1 January	2,108	2,275
Movements:		
Loans granted / advance payment	6,505	222
Repayment loans	(2,407)	(422)
Write off loans	(4)	(38)
Paid deposits	168	568
Refund deposits	(308)	(421)
Other movements	-	(55)
Currency difference	121	(21)
Carrying amount as at 31 December	6,183	2,108

## 15. Trade and Other Receivables

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

x € 1,000	2024	2023
Trade receivables	29,024	24,275
Accrued revenue	20,667	18,623
Prepayments	1,767	1,747
Receivables from merchants and financial institutions	6,292	3,801
VAT and payroll tax receivables	744	882
Other receivables	801	1,661
	59,295	50,989

Trade and other receivables do not include any receivables that are payable later than 12 months after the balance sheet date. A provision for expected credit losses is recognized amounting to € 2,681 thousand (2023: € 2,087 thousand) and netted with the trade receivables balance. CM.com's exposure to credit risk and sensitivity analysis for financial assets and liabilities are disclosed in note 12.

## 16. Cash and Cash Equivalents

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

	38,400	48,599
Cash at bank restricted	20,345	22,379
Cash at bank	18,055	26,220
<u>x € 1,000</u>	2024	2023

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

Cash at bank restricted is mainly related to the foundation's activities and to be settled with merchants of Pay and Live clients. Considering that the company cannot use these balances for its own activities, they are recorded as restricted cash. The remaining balances are related to bank guarantees, as disclosed in note 26. All other cash and cash equivalents are available for immediate use by the company.

## 17. Borrowings

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

	13,247	14,574
Current portion of borrowings	3,032	4,000
	16,279	18,574
Tax debt	785	1,053
Lease liability	15,494	17,521
x € 1,000	2024	2023

A summary of the movements in borrowings is provided:

x € 1,000	2024	2023
Carrying amount as at 1 January	18,574	24,762
Movements:		
Increase in lease liability	2,078	1,367
Redemptions of bank loans	-	(20)
Redemptions of tax debt	(268)	(260)
Redemptions of lease liability	(3,989)	(7,429)
Reclassification of tax debt	-	260
Ending of lease liability	(129)	(85)
Currency difference	13	(21)
Carrying amount as at 31 December	16,279	18,574

#### 18. 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  $\in$  100 million. The convertible bonds have an interest rate of 2% payable semi-annually in arrears in equal installments on 9 March and 9 September each year, commencing first on 9 March 2022. The convertible bonds have a maturity of five years and a denomination of  $\in$  100 thousand each. The bonds are convertible into ordinary shares at the option of the bondholders during the conversion period ending on the earlier of seven business days prior to the maturity date or any relevant redemption date. The initial conversion price was set at  $\in$  53.30 (30% premium over the reference share price).

CM.com has the option to redeem all, but not some, of the bonds for the time being outstanding at their principal amount together with accrued interest, at any time from 24 September 2024, provided that the volume weighted average price of a share on Euronext Amsterdam shall have exceeded 130% of the conversion price on each of not less than 20 trading days in any period of 30 consecutive trading days. Any outstanding bonds are also redeemable at any time after the settlement date if at least 85% of the issued bonds have been converted, settled, or redeemed.

The initial expire date of the convertible bonds is September 2026. On 12 February, 2025, the company established a facility agreement with 3 banks for an amount of  $\leqslant$  80 million and raised  $\leqslant$  20 million capital to redeem the convertible bonds. The buy-back was executed on March 6, 2025, upon approval of the bondholders meeting, for an amount of  $\leqslant$  87 million. Reference is made to note 33 subsequent events for more information.

The net proceeds received from the issue of the convertible loan notes have been split between a 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. The difference between the net proceeds received from the issue of the convertible loan notes and the fair value of the related financial liability have been recorded as an equity component.

The movement of the financial liability is as follows:

x € 1,000	2024	2023
Carrying amount of liability component at 1 January	95,922	94,262
Interest charged (using effective interest rate)	1,708	1,660
Carrying amount of liability component at 31 December	97,630	95,922

The equity component (net of tax) of € 5,517 thousand (2023: € 5,738 thousand) is credited to the option premium within the convertible bonds reserve. Upon issuance, a deferred tax liability recognized through equity of € 1,698 thousand was recognized, offset by a related deferred tax asset recognized through equity of € 1,113 thousand. In 2024, the movement in the equity component (net of tax) was € 221 thousand (2023 € 202 thousand), see note 10.

The interest expense for the year is calculated by applying an effective interest rate of 3,55% to the liability component for the 12-month period. The yield is based on a CCC+ credit rating assigned by Wiserfunding. CapitallQ is consulted on the yields of 5-year bonds rated B or CCC, with 29 US companies underlying the CCC yield curve. Subsequently, the CCC+ interest rate is calculated through exponential interpolation.

The liability component is measured at amortized cost. The difference between the carrying amount of the liability component at the date of issue and the amount reported in the reporting on 31 December 2024 represents the effective interest rate less interest paid to that date.

The market price on 31 December 2024 at Boerse Frankfurt is 65.70% of the nominal value (2023: 60.70%).

#### 19. Provisions

The provision is solely for expected payouts relating to refunds to clients who purchased insurance with their tickets. The company has applied the simplified approach under IFRS 17, as all insurance policies sold have a lifetime of less than 12 months.

## 20. Trade and Other Payables

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

x € 1,000	2024	2023
Trade payables	42,284	34,153
Payables to merchants and financial institutions	26,358	25,899
Invoices to be received for services	16,471	13,544
VAT and payroll tax payables	5,847	5,833
Third-party collection payable to content providers	-	763
Other accruals	8,644	9,620
	99,604	89,812 <sup>1</sup>

Please note that the comparative figures have been restated due to a reclass between Trade Payables and Third-party collection payable to content providers.

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

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

The other accruals mainly consist of personnel accruals and non-trade invoices to be received.

#### 21. Contract Liabilities

The revenue received in advance mainly consists of prepaid subscription fees (linearly released over the contract period) or prepaid CPaaS balances (released by usage). The amount as per 31 December 2023 is settled in full in 2024. The amount as per 31 December 2024, will be settled in full in 2025. The increase in contract liabilities compared to 2024 is entirely attributed to the received prepaid balances in the Connect business unit.

## 22. Employee Benefits

x € 1,000	2024	2023
Wages and salaries	49,269	56,449
Social security charges	7,402	8,883
Pension costs	1,942	2,168
WBSO government grant	(1,370)	(635)
Capitalized development costs	(11,544)	(12,520)
	45,699	54,345

The average number of employees of CM.com during the year, converted to full-time equivalents (FTEs), was 675 (2023: 820), of which 180 FTEs are working outside the Netherlands (2023: 211). The breakdown per department of average number FTEs is as follows:

	2024	2023 <sup>1</sup>
Sales & Marketing	315	400
Research & Development	256	299
General & Administration	103	121
	675	820

<sup>&</sup>lt;sup>1</sup> Please note that the comparative figures have been restated as interns are excluded in FTE calculations.

#### **Defined Contribution Pension Plans**

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

#### **Short-term Employee Benefits**

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

#### **Government Grants**

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

## 23. Share-Based Payments

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the company's estimate of the number of equity instruments that will eventually vest. At each reporting date, CM.com revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognized in profit or loss under Employee benefits such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

For cash-settled share-based payments, a liability is recognized measured initially at the fair value of the liability. At each reporting date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognized in profit or loss under Employee benefits.

The following share-based payments schemes existed during the period:

- Long-Term Incentive Plans ("LTIP's") for key individuals in senior leadership positions;
- Restricted Share Unit Plan ("RSU") for a number of key talents within CM.com; and
- 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") has been introduced for key individuals in senior leadership positions. Relevent grants under the LTIPs:

- LTIP 2021-2024 granted at 1 January 2021. The vesting date was 1 April 2024.
- LTIP 2022-2025 granted at 1 and 21 April 2022. The vesting date is 1 April 2025.
- LTIP 2023-2026 granted at 24 May 2023. The vesting date is 1 April 2026.
- LTIP 2024-2027 granted at 1 April 2024. The vesting date is 1 April 2027.

The number of awards made under the plan that will vest and become unconditional is subject to continued employment and the actual performance on the Total Shareholder Return (TSR), revenue or Gross profit: Compound Annual Growth Rate (CAGR) or cummulative EBITDA, Customer Satisfaction, ESG - Gender diversity and Employee Satisfaction performance conditions. The company used the Monte Carlo model to determine the fair value of the TSR portion of the conditional awards.

#### Key assumptions to the TSR shares 2024:

	1 April 2024
Share price at grant date	7.0
Expected volitality	45.0%
Vesting period (years)	3.0
Annual dividend increase	-%
Risk-free interest rate (Eurozone, UK, Sweden)	2.5/3.9/2.6
Fair value at grant date	7.22

#### Key assumptions to the TSR shares 2023:

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

24 May

#### Key assumptions to the TSR shares 2022:

	1 April	21 April
x € 1,000	2022	2022
Share price at grant date	19.4	17.3
Expected volitality	49.9%	50.0%
Vesting period (years)	3.0	2.9
Annual dividend increase	-%	-%
Risk-free interest rate (Eurozone, AScX / US, NASDAQ-100)	0.14/2.57	0.33/2.81
Fair value at grant date	9.07	6.91

#### Key assumptions to the TSR shares 2021:

	January	May
x € 1,000	2021	2021
Share price at grant date	31.0	28.1
Expected volitality	48.1%	48.8%
Vesting period (years)	3.0	2.9
Annual dividend increase	-%	-%
Risk-free interest rate (Eurozone, AScX / US, NASDAQ-100)	(0.76)/ 0.17	(0.69)/ 0.23
Fair value at grant date	38.47	28.58

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

#### **Restricted Share Unit Plan**

The Restricted Share Unit Plan ('RSU') was introduced during 2022, to create competitive advantage in attracting, motivating and retaining key talent within CM.com. It comprises of ordinary shares for no consideration. The condition for vesting is that the relevant employee is still employed by the company on vesting date and has not given or have not been given notice of termination of employment. There are no market performance conditions in this plan that effect the vesting.

#### **Kev Person Plan**

The Key Person Program ('KPP') was introduced for a number of key employees within CM.com and comprise a bonus settled in cash or ordinary shares for no consideration. The condition for vesting is that the relevant employee continues to be employed by the company for two years after grant date. There are no market performance conditions in this plan that effect the vesting. During 2023 the shares granted in 2021 vested. The shares granted in 2022, vested in 2024.

#### **Shares**

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

	LTIP	RSU	KPP
At 31 December 2022	68,598	36,742	5,309
Granted	88,228	17,603	-
Forfeited	(8,966)	(11,449)	-
Vested	(19,030)	(8,997)	(5,309)
At 31 December 2023	128,830	33,899	-
Granted	141,985	34,825	-
Forfeited	(19,415)	(7,967)	-
Vested	(5,833)	(11,639)	-
At 31 December 2024	245,567	49,118	-

None of the outstanding shares were exercisable at 31 December 2024.

#### **Cash-Settled Share-Based Payments**

The company issues to certain employees share appreciation rights ("SARs") that require the company to pay the intrinsic value of the SAR to the employee at the date of exercise. The company has recorded liabilities of € 15 thousand (2023: € 12 thousand) and total expenses of € 3 thousand (2023: € 8 thousand). The total intrinsic value at 31 December 2024 € 5.69 (2023: € 8.70).

#### **Expenses**

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

x € 1,000	2024	2023
LTIP (equity-settled)	147	351
RSU (equity-settled)	199	112
KPP (cash-settled)	3	8
	349	471

#### 24. Other Operating Expenses

x € 1,000	2024	2023
IT avenues	6642	7115
IT expenses	6,642	7,115
General expenses	3,655	4,310
Marketing and sales expenses	2,875	6,220
Other staff expenses	2,505	3,147
Contractors and agency personnel expenses	2,107	2,138
Housing expenses	1,858	2,596
Expected credit losses	1,304	1,389
	20,946	26,915

The capitalized development costs (see note 22) have partly been allocated to the general expenses for an amount of  $\leqslant$  2,886 thousand (2023:  $\leqslant$  3,130 thousand). This charge mainly relates to workspace and IT expenses.

For more information on the exposure to credit risk and the expected credit losses, see note 12.

#### 25. Financial Income and Expenses

#### Financial Income

x € 1,000	2024	2023
Bank interest	673	379
Other interest	358	40
Currency results	201	-
Fair value gains	-	877
	1,232	1,296

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

#### **Financial Expenses**

x € 1,000	2024	2023
Interest on convertible bonds	3,708	3,660
Interest on right-of-use liability	547	582
,		
Bank interest	552	125
Fair value losses	234	33
Other interest	179	78
Currency results		1,140
	5,220	5,618

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

#### 26. Contingencies and commitments

As per 31 December 2024, the company has a contingent asset of  $\leqslant$  725 thousand (2023: nil) relating to a (sub)lease agreement for one of its buildings to a third party.

As of 31 December 2024, the legal entities that are part of the group have outstanding bank guarantees amounting to  $\le$  63 thousand (2023:  $\le$  13 thousand).

The company has no contingent liabilities in respect to legal claims.

CM.com N.V. forms a fiscal unity for corporate income tax and VAT with the Dutch subsidiaries, excluding CM.com Ticket Guarantee N.V. (for VAT and CIT purposes), CM.com R&D 14 B.V. (for VAT purposes), and CM Payments B.V. (for VAT purposes). Under the Dutch Tax Collection Act, the members of the fiscal unity are jointly and severally liable for any taxes payable by the fiscal unity.

#### 27. Related Party Transactions

All legal entities that can be controlled, jointly controlled, or significantly influenced are considered related parties. Entities that can control the company or its subsidiaries are also considered related parties. In addition, the members of the Management Board and the Supervisory Board are considered key management personnel as defined in IAS 24. All transactions with related parties are made at terms equivalent to those that prevail in arm's length transactions.

The following transactions were carried out with related parties:

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

#### **Related Party Lease Obligations**

CM.com has a rental agreement with CM Campus B.V. which is a related party by its shareholders (2 members of the Management Board of CM.com N.V.). The rent charged by CM Campus B.V. is at arm's length and amounted to  $\in$  1.2 million for 2024 (2023:  $\in$  1.2 million). The lease agreements relating to CM Campus B.V. are considered right-of-use assets and have a carrying amount of  $\in$  7.8 million (2023:  $\in$  7.9 million). The corresponding right-of-use liabilities have a carrying amount of  $\in$  8.0 million (2023:  $\in$  8 million). The accounts receivable position related to CM Campus B.V. amounted to  $\in$  10 thousand (2023:  $\in$  8 thousand). CM.com has provided facility, finance, and legal services during 2024 for CM Campus B.V., charged at arm's length, for an amount of  $\in$  28 thousand (2023:  $\in$  27 thousand).

#### **Management Board and Supervisory Board remuneration**

x € 1,000	2024	2023
Remuneration Management Board:		
Short-term employee benefits	1,676	1,711
Post-employment benefits	20	19
Share-based payments	230	240
Remuneration Supervisory Board:		
Short-term benefits	257	251
	2,183	2,221

The remuneration policy for members of the Management Board was developed by the Supervisory Board, and approved, adopted, and amended by the General Meeting. For more information see Remuneration of the Management Board and Remuneration of the Supervisory Board.

#### 28. Group Structure

CM.com N.V. in Breda (the Netherlands) is the head of a group of legal entities. A summary of the information required under Article 2:379 of the Dutch Civil Code is given:

Name	Statutory Seat	Principal Activities	Share in Issued Share Capital
CM.com N.V.	Breda (The Netherlands)	Holding company	100%
CM.com Netherlands B.V.	Breda (The Netherlands)	Mobile telecommunication services	100%
CM.com International B.V.	Breda (The Netherlands)	Voice services	100%
CM Payments B.V.	Breda (The Netherlands)	Payments processing	100%
CM Platform B.V.	Breda (The Netherlands)	R&D	100%
SEPASoft B.V.	Amsterdam (The Netherlands)	Point of Sale Gateway	100%
PayPlaza B.V.	Amsterdam (The Netherlands)	Point of Sale Gateway	100%
PayPlaza Gov Solutions B.V. <sup>1</sup>	Amsterdam (The Netherlands)	Point of Sale Gateway	n/a
CM.com Ticketing B.V. <sup>2</sup>	Utrecht (The Netherlands)	Ticketing services	100%
Global Ticket B.V. <sup>1</sup>	Breda (The Netherlands)	Ticketing services	n/a
Get-a-Ticket B.V. <sup>1</sup>	Gouda (The Netherlands)	Ticketing services	n/a
CM.com R&D 1 B.V.	Breda (The Netherlands)	R&D	100%
CM.com R&D 2 B.V.	Breda (The Netherlands)	R&D	100%
CM.com R&D 3 B.V.	Breda (The Netherlands)	R&D	100%
CM.com R&D 4 B.V.	Breda (The Netherlands)	R&D	100%
CM.com R&D 5 B.V.	Breda (The Netherlands)	R&D	100%
CM.com R&D 6 B.V.	Breda (The Netherlands)	R&D	100%
CM.com R&D 7 B.V.	Breda (The Netherlands)	R&D	100%
CM.com R&D 8 B.V.	Breda (The Netherlands)	R&D	100%
CM.com R&D 9 B.V.	Breda (The Netherlands)	R&D	100%
CM.com R&D 10 B.V.	Breda (The Netherlands)	R&D	100%
CM.com R&D 11 B.V.	Breda (The Netherlands)	R&D	100%
CM.com R&D 12 B.V.	Breda (The Netherlands)	R&D	100%
CM.com R&D 13 B.V.	Breda (The Netherlands)	R&D	100%
CM.com R&D 14 B.V. <sup>3</sup>	Tilburg (The Netherlands)	Consumer AI technology	100%
Building Blocks Holding B.V. <sup>1</sup>	Tilburg (The Netherlands)	Consumer AI technology	n/a
Blocks B.V. <sup>1</sup>	Tilburg (The Netherlands)	Consumer AI technology	n/a
CM.com Ticket Guarantee N.V.	Breda (The Netherlands)	Ticket insurances	100%
CM.com Belgium N.V.	Zaventem (Belgium)	Marketing and sales office	100%
CM.com Germany GmbH	Frankfurt (Germany)	Marketing and sales office	100%
CM Telecom UK Ltd.	London (UK)	Marketing and sales office	100%
Elitechnology Limited <sup>4</sup>	London (UK)	Marketing and sales office	n/a
CM Telecom France SAS	Paris (France)	Marketing and sales office	100%
CM Telecom Hong Kong Ltd.	Hong Kong (China)	Marketing and sales office	100%
CM Telecom Shenzhen Co. Ltd.	Shenzhen (China)	Marketing and sales office	100%

Name	Statutory Seat	Principal Activities	Share in Issued Share Capital
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%
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%
CM.com Brasil Ltda.	Sao Paulo (Brasil)	Marketing and sales office	100%
CM.com Kazakhstan Limited Liability Company	Almaty (Kazakhstan)	Marketing and sales office	100%
CM.com Denmark AS	Copenhagen (Denmark)	Marketing and sales office	100%

**GOVERNANCE** 

Third-party Funds Foundation

Third-party Funds Foundation

Third-party Funds Foundation

**SUSTAINABILITY STATEMENTS** 

**FINANCIAL STATEMENTS** 

**OTHER** 

n/a

n/a

n/a

MANAGEMENT BOARD REPORT

Breda (The Netherlands)

Breda (The Netherlands)

Breda (The Netherlands)

CONTENTS

**AGENTS OF CHANGE** 

Stichting Derdengelden CM Payments<sup>5</sup>

Stichting YourTicketProvider

HOME

CM.com Stichting

<sup>&</sup>lt;sup>1</sup> Entity ceased to exist during 2024 following legal merger.

<sup>&</sup>lt;sup>2</sup> Entity name changed from YourTicketProvider B.V. to CM.com Ticketing B.V. in 2024.

<sup>&</sup>lt;sup>3</sup> Entity name changed from Building Blocks B.V. to CM.com R&D 14 B.V. in 2024.

<sup>&</sup>lt;sup>4</sup> Entity ceased to exist during 2024 following strike-off.

<sup>&</sup>lt;sup>5</sup> Entity ceased to exist during 2024 following transfer to external party.

HOME | CONTENTS | AGENTS OF CHANGE | MANAGEMENT BOARD REPORT | GOVERNANCE | SUSTAINABILITY STATEMENTS | FINANCIAL STATEMENTS

#### 29. 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	755
Review fees	150
Other services	9
	914

The comparative figures for 2023 are as follows:

x € 1,000	Deloitte
Audit fees	770
Other services	9
	779

The above includes the audit fees with respect to the Dutch statutory audits, which cannot be split from the total audit fees. The fees also include the fee for local statutory financial statements outside the Netherlands for an amount of € 274 thousand (2023: € 248 thousand).

#### 30. 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, deferred tax asset valuation, impairment and useful life of non-current assets.

#### Critical judgments in applying the company'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 judgments impact the amount of reported revenue and operating expenses but do not impact reported assets, liabilities, or cash flows. Scenarios requiring judgment to determine whether CM.com is a principal or an agent include, for example, those where CM.com delivers third-party content to customers. Revenue for premium SMS is presented on a net basis.

#### Key sources of estimation uncertainty

#### Deferred tax asset valuation

The valuation of deferred tax assets involves signification estimation due to the inherent uncertainty in predicting future taxable income. The utilization of our deferred tax assets depends on future taxable income and tax planning strategies. The recognition of deferred tax assets is based on the assessment of whether it is more likely than not that sufficient taxable profit will be available in the future to utilize the reversal of temporary differences and tax losses. Recognition of deferred tax assets involves judgment regarding the future financial performance of the particular legal entity or tax group that has recognized the deferred tax asset.

#### Impairment of non-financial assets

Goodwill and intangible assets with indefinite useful lives (note 5) are tested for impairment annually. Impairment tests are based on risk-adjusted future cash flows discounted using appropriate discount rates. These future cash flows are based on forecasts which are inherently judgmental. Future events could cause the assumptions to change which could have an adverse effect on the future results. Specific estimates and judgments used in impairment testing are detailed in note 6.

A forecast period of five years (eight years for CGU Pay) is used for the value-in-use calculation for the impairment test on goodwill and intangible assets with indefinite useful life (e.g. domain names). The cash flow projections are based on the financial forecast approved by the Management Board, covering a three-year period (2025-2027). The cash flow projections beyond that three-year period are based on expected revenue growth, derived from our mid-term guidance which focuses on Gross profit growth. CGUs are tested for impairment by comparing the carrying amount of each CGU to its recoverable amount. The Management Board has assessed the reasonableness of the assumptions on which its current cash flow projections are based.

HOME | CONTENTS | AGENTS OF CHANGE | MANAGEMENT BOARD REPORT | GOVERNANCE | SUSTAINABILITY STATEMENTS | FINANCIAL STATEMENTS

#### Useful lives of non-current assets

The useful lives have to be determined for intangible assets and property, plant, and equipment. The useful lives are estimated based on best practices within CM.com. CM.com reviews the remaining useful lives of its non-current assets annually. The uncertainty included in this estimate is that the useful lives are estimated longer than the actual useful lives of the intangible assets and property, plant, and equipment, which could possibly result in accelerated amortization and depreciation in future years and/or impairments at the end of the actual useful lives of the related intangible assets and property, plant, and equipment. We have reassessed the useful lives and no change is required in FY 2024.

#### 31. Subsequent Events

#### Financing

On February 12, 2025, CM.com signed a facility agreement with HSBC Continental Europe, ING Bank N.V., and ABN AMRO Bank, for a Revolving Credit Facility (RCF) with a principal amount of € 80 million, including covenants, and guarantees for the bank in case of default. The most important financial covenants measured on a quarterly basis consist of a minimum level of EBITDA and liquidity available until October 2026. After this date, a leverage ratio and a debt service coverage ratio will be included as financial covenants until the maturity date of the RCF. The RCF is expected to be reduced to a maximum amount of € 65 million by February 2027. Management expects that these covenants and repayments will be reasonably realized based on the assumptions outlined in the business plan for 2025-2027.

The duration is until February 12, 2028, with two extension options of one year each, with an interest rate of EURIBOR + margin (4.75%-5.50%). Due to the enactment of the new agreement the existing RCF expired on March 10, 2025. Conditions precedent was a capital injection,  $\stackrel{<}{_{\sim}}$  20 million share capital was raised through an accelerated bookbuild. CM.com placed 2,985,075 ordinary shares at a nominal value of  $\stackrel{<}{_{\sim}}$  6,70. The purpose of the facility is to redeem all outstanding convertible bonds (see note 18). The redemption of the outstanding convertible bonds for an amount of  $\stackrel{<}{_{\sim}}$  87 million has been completed on March 11, 2025.

#### **GUTS Tickets**

On January 1, 2025, CM.com acquired GUTS Tickets, enabling us to provide customers with access to a smart ticketing system using blockchain technology and dynamic QR codes. The acquisition comprised customer contracts and ticketing activities. It is expected to have no significant financial implications for the company or its subsidiaries during 2025.

#### 32. Changes in Accounting Policies

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of CM.com's annual consolidated financial statements for the year ended 31 December 2023, apart from:

- Gross profit is monitored by Management as an indicator of the company's performance. CM.com considers Gross profit to provide additional insight to its users to reflect the profitable growth strategy. Therefore Gross profit was added as an intermediate count in the statement of comprehensive result. This is in line with the definitions in IFRS 18, however, we did not perform a full early adoption of the standard (effective as of 2027) and as such we have added the definition of Gross profit to the list of alternative performance measures which can be found in the <u>Definitions and Abbreviations</u>.
- The presentation of the consolidated statement of cash flows was altered to better align with IAS 7.16 e-f. Loans granted, repayment of loans granted, deposits paid, and deposits refunded are now classified as investing activities (formerly financing activities). Comparative figures are adjusted.
- Impairment analysis is performed on non-current assets with an indefinite useful life, among which goodwill, the CGU's are adjusted to better reflect our business unit structure, and align with internal reporting. We refer to note 5 and 6 of this financial statements for further details.

New standards, amendments, and/or interpretations to existing IFRS standards became effective in 2024. These new standards, amendments, and interpretations, as far as they are relevant, have no material impact on the valuation and classification of assets and liabilities of the company, nor on its income statement or cash flows.

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, 2025. As far as these standards, amendments and interpretations are applicable to the Group, these are expected to have no effect on the valuation and classification of assets and liabilities. The Group has decided not to opt for early adoption.

# **Corporate Financial Statements**

#### **Corporate Statement of Financial Position as at 31 December 2024**

(After proposal of appropriation of result)

Total assets		106,769	125,379
Total current assets		71,236	93,025
Cash and cash equivalents		8,327	7,767
Trade and other receivables	6	62,909	85,258
Total non-current assets		35,533	32,354
Financial fixed assets	5	31,379	27,745
Right-of-use assets	4	1,461	1,873
Property, plant, and equipment	3	108	135
Intangible fixed assets	2	2,585	2,601
x € 1,000	Note	2024	2023

× € 1,000	Note	2024	2023
Share capital		1,748	1,747
Share premium reserve		131,114	130,969
Legal reserve		45,518	39,641
Equity component of convertible bonds		5,517	5,738
Treasury shares		(78)	(347)
Foreign currency translation reserve		1,785	1,676
Accumulated deficits		(178,724)	(153,086)
Total shareholders' equity	7	6,880	26,338
Convertible bonds	8	97,630	95,922
Deferred tax liabilities	9	212	983
Total non-current liabilities		97,842	96,905
Trade and other payables	10	2,047	2,136
Total current liabilities		2,047	2,136
Total equity and liabilities		106,769	125,379

#### Corporate Statement of Comprehensive Result for the Year Ended 31 December 2024

x € 1,000	Note	2024	2023
Revenue		9	8
Employee benefits	11	(175)	(956)
Other operating expenses		(2,077)	(2,876)
Amortization, depreciation, and impairments	2/3/4	(454)	(899)
Operating result		(2,697)	(4,723)
Financial income	13	5,653	5,702
Financial expenses	13	(5,794)	(3,392)
Result before tax		(2,838)	(2,413)
Income tax	14	(3,054)	(5,740)
Result after tax	'	(5,892)	(8,153)
Result participations	5	(13,938)	(20,515)
Net result for the year		(19,830)	(28,668)
Other comprehensive result, net of tax		109	(212)
Total comprehensive result		(19,721)	(28,880)

#### **Notes to the Corporate Financial Statements**

#### 1. Basis of Preparation

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

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

#### 2. Intangible Fixed Assets

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

	Customer				
x € 1,000	Goodwill	relation	Other	Total	
Costs					
At 31 December 2022	1,487	2,993	3,145	7,625	
Divestments	(22)	(2,993)	(1,429)	(4,444)	
At 31 December 2023	1,465	-	1,716	3,181	
Additions	-	-	-	-	
At 31 December 2024	1,465	-	1,716	3,181	
Amortization					
At 31 December 2022	504	2,979	1,365	4,848	
Amortization	-	14	53	67	
Divestments	(22)	(2,993)	(1,320)	(4,335)	
At 31 December 2023	482	=	98	580	
Amortization	-	-	16	16	
At 31 December 2024	482	-	114	596	
Carrying amount					
At 31 December 2023	983	-	1,618	2,601	
At 31 December 2024	983	-	1,602	2,585	
Estimated useful lives (years)	indefinite	10	10 / indefinite		

During 2024 and 2023 no impairments have been recognized.

#### 3. Property, Plant, and Equipment

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

	Platform			
x € 1,000	(hardware)	Vehicles	Other	Total
Costs				
At 31 December 2022	2,648	104	2,606	5,358
Additions	-	159	-	159
Divestments	(2,600)	(27)	(2,370)	(4,997)
At 31 December 2023	48	236	236	520
Divestments	-	-	(196)	(196)
At 31 December 2024	48	236	40	324
Depreciation				
At 31 December 2022	2,003	74	1,949	4,026
Depreciation	144	99	136	379
Divestments	(2,121)	(27)	(1,872)	(4,020)
At 31 December 2023	26	146	213	385
Depreciation	4	-	23	27
Divestments	-	-	(196)	(196)
At 31 December 2024	30	146	40	216
Carrying amount				
At 31 December 2023	22	90	23	135
At 31 December 2024	18	90	-	108
Estimated useful lives (years)	10	5	5/10	

During 2024 and 2023 no impairments have been recognized.

#### 4. Right-Of-Use Assets

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

x € 1,000	Platform (hardware)	Platform (software)	Vehicles	Total
Costs				
At 31 December 2022	3,073	1,127	159	4,359
Additions	10	-	-	10
Ending of lease agreements	-	-	(159)	(159)
At 31 December 2023	3,083	1,127	-	4,210
Additions	-	-	-	-
Ending of lease agreements	(101)	_	-	(101)
At 31 December 2024	2,982	1,127	-	4,109
Amortization				
At 31 December 2022	1,310	564	99	1,973
Amortization	350	113	-	463
Ending of lease agreements	-	-	(99)	(99)
At 31 December 2023	1,660	677	-	2,337
Amortization	299	113	-	412
Ending of lease agreements	(101)	-	-	(101)
At 31 December 2023	1,858	790	-	2,648
Carrying amount				
At 31 December 2023	1,423	450	-	1,873
At 31 December 2024	1,124	337	-	1,461

During 2024 and 2023 no impairments have been recognized.

#### 5. Financial Fixed Assets

Participations in group companies in which significant influence is exercised on the business and financial policy, are valued under the net equity value, but not lower than nil. This net asset value is based on the same accounting principles as applied by CM.com N.V. Participating interests with a negative net equity value are valued at nil. This likewise takes into account other long-term interests that should effectively be considered part of the net investment in the participating interest. If the company fully or partly guarantees the liabilities of the associated company concerned, or has the effective obligation respectively, to enable the associated company to pay its (share of the) liabilities, a provision is formed. Upon determining this provision, provisions for expected credit losses already deducted from receivables from the associated company are taken into account (according to DAS 100.107a). An associate where no significant influence is exercised are valued at cost, and if applicable, less impairments.

#### Share in Result of Participating Interests

Where significant influence is exercised over associated companies, CM.com's share in the associated companies' results is included in the profit or loss account. This result is determined on the basis of the accounting principles applied by CM.com N.V.

See <u>note 28</u> of the consolidated statement for the overview of all legal entities within the group. The company filed a 403-statement for CM.com Netherlands B.V., CM.com Ticketing B.V., CM Platform B.V., and its subsidiaries (CM.com R&D 1-14 B.V.'s) with the Chamber of Commerce effective from 1 January 2022 onward (or after name change as mentioned in the note 28 of the consolidated financial statements).

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

	31,379	27,745
	3,085	4,376
Deposits	3	38
Other participations	60	60
Deferred tax assets	3,022	4,278
Other:		
	28,294	23,369
CMCOM Turkey Elektronik Haberlesme Ltd Sti	-	62
Communication Platform India Private Limited	34	-
CM.com Denmark A/S	57	54
CM Telecom FZ-LLC	121	192
CM.com Brasil Ltda	124	170
CM Communication Platform & Technology, S.L.U.	232	116
CM.com Germany GmbH	822	632
CM.com Ticket Guarantee N.V.	1,007	450
CM Telecom Singapore	1,124	-
CM.com Belgium N.V.	2,020	1,655
CM Telecom UK Ltd.	2,539	1,707
CM Telecom France SA	3,040	2,132
CM Telecom Hong Kong Ltd.	3,962	801
CM Payments B.V.	5,853	9,085
CM.com International B.V.	7,359	6,313
Participations in group companies:		
× € 1,000	2024	2023

During 2024 and 2023 no impairments have been recognized. The total share in the result of participations according to the profit or loss amounts to minus  $\in$  13,938 thousand in 2024 (2023: minus  $\in$  20,515 thousand). In 2024,  $\in$  109 thousand (2023: minus  $\in$  202 thousand) relates to revaluation of foreign participations in group companies.

The other participation relates to a 5% investment in Wireless Interactions & NFC Accelerator 2013 B.V. The deferred tax assets consist of carry forward losses relating to the fiscal unity CM.com N.V. for corporate income tax. Please refer to  $\underline{\text{note } 10}$  of the consolidated financial statements.

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

#### 2024

	Participations	
	in group	
x € 1,000	companies	Other
Carrying amount as at 31 December 2023	23,369	4,376
Movements:		
Share in result of group companies	(13,938)	-
Netting receivables with negative participations in group companies	18,754	-
Refund deposits	-	(35)
Movement in deferred tax asset	-	(1,256)
Currency result	109	-
Carrying amount as at 31 December 2024	28,294	3,085

#### 2023

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

#### 6. Trade and Other Receivables

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

x € 1,000	2024	2023
Trade receivables	-	187
Receivables from group companies	62,685	85,000
Receivables from affiliated companies	5	4
Prepayments	172	14
Taxes	47	53
	62,909	85,258

The interest charged on the current account with group companies is 2% (2023: 2%). There is no repayment schedule agreed and no securities are granted. The current account relations are relieved periodically.

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

#### 7. Shareholders' Equity

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

			6	Equity		Foreign		
	Share	Share premium	Capitalized development	component of convertible	Treasury	currency translation	Accumulated	
x € 1,000	capital	reserve	costs	bonds	shares	reserve	deficits	Total
Balance at 1 January 2023	1,736	127,733	31,358	5,940	(861)	1,888	(114,236)	53,558
Result for the year	-	-	-	-	-	-	(28,668)	(28,668)
Movement of reserve	-	-	8,283	-	-	-	(8,283)	-
Other comprehensive income	-	-	-	-	-	(212)	-	(212)
Convertible bonds (net of tax) <sup>1</sup>	-	-	-	(202)	-	-	-	(202)
Purchase of treasury shares	-	-	-	-	-	-	-	-
Issuance of shares related to business combinations	11	3,041	-	-	-	-	(1,663)	1,389
Issuance of shares to employees	-	195	-	-	514	-	(236)	473
Balance at 31 December 2023	1,747	130,969	39,641	5,738	(347)	1,676	(153,086)	26,338
Result for the year	-	-	-	-	-	-	(19,830)	(19,830)
Movement of reserve	-	-	5,877	-	-	-	(5,877)	-
Other comprehensive income	-	-	-	-	-	109	-	109
Convertible bonds (net of tax) <sup>1</sup>	-	-	-	(221)	-	-	-	(221)
Issuance of shares related to business combinations	1	145	-	-	-	-	-	146
Issuance of shares to employees	-	-	-	-	269	-	69	338
Balance at 31 December 2024	1,748	131,114	45,518	5,517	(78)	1,785	(178,724)	6,880

<sup>1</sup> The equity component of convertible bonds is presented net of tax (note 18 of the consolidated financial statements). It includes a Deferred tax liability recognized through equity offset by a related deferred tax asset recognized through equity, see note 10 of the consolidated financial statements.

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

Accumulated deficits as per corporate financial statements	(178,724)	(153,086)
Capitalized development costs	(45,518)	(39,641)
Cumulative share in result of negative participations	37	54
Accumulated deficits as per consolidated financial statements	(133,243)	(113,499)
x € 1,000	2024	2023

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

x € 1,000	2024	2023
Net result as per consolidated financial statements	(19,813)	(28,719)
Share in result of negative participations	(17)	51
Net result as per corporate financial statements	(19,830)	(28,668)

#### Legal Reserve

Pursuant to Dutch law, limitations exist related to the distribution of equity attributable to equity holders. Such limitations relate to the share capital and legal reserves. The legal reserve for foreign currency translation of participations in group companies is determined individually. The legal reserve for capitalized development cost is recognized for costs based on hours spend by R&D employees of CM.com and capitalized as intangible fixed assets, respectively platform (software) on the statement of financial position. Only self-generated assets are taken into account, so no external cost or development costs identified and capitalized in the event of an acquisition.

#### 8. Convertible Bonds

For more information on the convertible bonds, reference is made to  $\underline{\text{note }18}$  of the consolidated financial statements.

#### 9. Deferred Tax Liabilities

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

x € 1,000	2024	2023
Carrying amount as at 1 January	983	1,328
Mutations deferred tax liabilities	(771)	(345)
Carrying amount as at 31 December	212	983

#### 10. Trade and Other Payables

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

x € 1,000	2024	2023
Trade payables	347	264
Accruals	1,700	1,872
	2,047	2,136

#### 11. Employee Benefits

The employee benefits mainly consist of accruing for long-term share based payment plans and short-term incentive plans, as explained in <a href="note">note 23</a> of the consolidated financial statements.

The average number of employees of CM.com N.V. during the year, converted to full-time equivalents (FTEs), was nil (2023: nil), as the board is remunerated via CM.com Netherlands B.V., and no other staff is employed within the company. For the remuneration of the management board, reference is made to <a href="note-27">note-27</a> of the consolidated financial statements and section <a href="Remuneration of the Management Board">Remuneration of the Management Board</a> of the remuneration report. The tables as included in the remuneration report are considered part of the financial statements and are audited.

HOME | CONTENTS | AGENTS OF CHANGE | MANAGEMENT BOARD REPORT | GOVERNANCE | SUSTAINABILITY STATEMENTS | FINANCIAL STATEMENTS

#### 12. Auditor's Remuneration

In accordance with section 2:382a (1) and (2) of the Dutch Civil Code, we refer to note 29 of the consolidated financial statements for disclosure on the auditor's remuneration.

#### 13. Financial Income and Expenses

Financial income relates to interest on receivables from group companies. Financial expenses largely consists of the interest expense relating to convertible bonds, we refer to note 18 of the consolidated financial statements for disclosure on the convertible bonds.

#### 14. Income Tax

The income tax expense of  $\leqslant$  3,054 thousand in 2024 (2023:  $\leqslant$  5,740 thousand) is mainly the result of the non-recognition of deferred tax assets relating to losses of subsidiaries that are part of the fiscal unity of CM.com N.V., which are expensed in the result of CM.com N.V. as head of the fiscal unity, in accordance with DAS 272.803.

#### 15 Contingencies and commitments

The company has no contingent liabilities in respect to legal claims.

As of 31 December 2024, CM.com N.V. has outstanding bank guarantees amounting to  $\le$  49 thousand (2023: nil).

CM.com N.V. forms a fiscal unity for corporate income tax and VAT with the Dutch subsidiaries, excluding CM.com Ticket Guarantee N.V., and CM Payments B.V. (for VAT purposes). Under the Dutch Tax Collection Act, the members of the fiscal unity are jointly and severally liable for any taxes payable by the fiscal unity.

#### 16. Subsequent Events

#### **Financing**

On February 12, 2025, CM.com signed a facility agreement with HSBC Continental Europe, ING Bank N.V., and ABN AMRO Bank, for a Revolving Credit Facility (RCF) with a principal amount of € 80 million, including covenants, and guarantees for the bank in case of default. The most important financial covenants measured on a quarterly basis consist of a minimum level of EBITDA and liquidity available until October 2026. After this date, a leverage ratio and a debt service coverage ratio will be included as financial covenants until the maturity date of the RCF. The RCF is expected to be reduced to a maximum amount of € 65 million by February 2027. Management expects that these covenants and repayments will be reasonably realized based on the assumptions outlined in the business plan for 2025-2027.

The duration is until February 12, 2028, with two extension options of one year each, with an interest rate of EURIBOR + margin (4.75%-5.50%). Due to the enactment of the new agreement the existing RCF expired on March 10, 2025. Conditions precedent was a capital injection,  $\stackrel{<}{_{\sim}}$  20 million share capital was raised through an accelerated bookbuild. CM.com placed 2,985,075 ordinary shares at a nominal value of  $\stackrel{<}{_{\sim}}$  6,70. The purpose of the facility is to redeem all outstanding convertible bonds (see note 18). The redemption of the outstanding convertible bonds for an amount of  $\stackrel{<}{_{\sim}}$  87 million has been completed on March 11, 2025.

#### **GUTS Tickets**

On January 1, 2025, CM.com acquired GUTS Tickets, enabling us to provide customers with access to a smart ticketing system using blockchain technology and dynamic QR codes. The acquisition comprised customer contracts and ticketing activities. It is expected to have no significant financial implications for the company or its subsidiaries during 2025.

#### 17. Proposed Result Appropriation

The Management Board proposes, with the approval of the Supervisory Board, that the result for the financial year 2024 should be transferred to reserves.

#### 18. Management and Supervisory Board Statement

The members of the Supervisory Board signed the financial statements in order to comply with their statutory obligation pursuant to Article 2:101, paragraph 2, of the Dutch Civil Code.

The members of the Management Board signed the financial statements in order to comply with their statutory obligation pursuant to Article 2:101, paragraph 2, of the Dutch Civil Code and Article 5:25c, paragraph 2 sub c, of the Financial Markets Supervision Act.

Breda, 12 March 2025

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

# OTHER INFORMATION

# Provision in the Articles of Association Related to Profit Appropriation

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

A dividend distribution on Shares may only occur:

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

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

ME | CONTENTS | AGENTS OF CHANGE | MANAGEMENT BOARD REPORT | GOVERNANCE | SUSTAINABILITY STATEMENTS | FINANCIAL STATEMENTS

# **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 2024 included in the annual report

#### Our opinion

We have audited the financial statements 2024 of CM.com N.V., based in Breda. The financial statements comprise the consolidated financial statements and the company financial statements included in section 'financial statements' of the annual report.

#### 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 2024, and of its result and its cash flows for 2024 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 financial statements give a true and fair view of the financial position of CM.com N.V. as at 31 December 2024, and of its result for 2024 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 2024.
- 2. The following statements for 2024: the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity.
- 3. The notes comprising a summary of the material accounting policy information and other explanatory information.

The corporate financial statements comprise:

- 1. The balance sheet as at 31 December 2024.
- The company profit and loss account for 2024.
- 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 audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics for Professional Accountants).

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 following information in support of 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  $\leqslant$  3,200,000. The materiality is based on 1.2% of consolidated revenue. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the supervisory board that misstatements in excess of € 160,000, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

#### Scope of the group audit

CM.com N.V. is at the head of a group of entities. The financial information of this group is included in the 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.

ME | CONTENTS | AGENTS OF CHANGE | MANAGEMENT BOARD REPORT | GOVERNANCE | SUSTAINABILITY STATEMENTS | FINANCIAL STATEMENTS

#### 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 company 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, as well as the outcomes.

We evaluated the design and implementation of the system of internal control and in particular the fraud risk assessment, including the code of conduct, and whistle blower procedures. 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, of internal controls designed to mitigate fraud risks.

In relation to the potential risks of financial statement fraud, we examined fraud risks concerning the management's override of controls, including an assessment of any evidence suggesting bias from the management board and other members of management. Our procedures include an assessment of the accounting policies which are related to subjective measurements and complex transactions, as these may be indicative of fraudulent financial reporting. With respect to the element of bias, we evaluated whether the judgements and decisions made by management in making the accounting estimates included in the financial statements represent a risk of fraudulent material misstatement. We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements. We also consider the presumed fraud risk related to revenue recognition applicable, pinpointed mainly to revenue recognised in relation to certain new or end-of-life offerings.

We considered the outcome of audit procedures and evaluated whether any findings were indicative of fraud or non-compliance. For significant transactions we evaluated whether the business rationale of the transactions suggests that they may have been entered into to engage in fraudulent financial reporting or to conceal misappropriation of assets. We performed a retrospective review of management judgements and assumptions related to significant accounting estimates reflected in prior year financial statements. Impairment testing, and useful life of non-current assets are attention areas in our audit as these are subject to significant management judgement.

We made inquiries with management, those charged with governance and with others within the Company, including the Legal Counsel, Internal Audit, Compliance Officer and Financial Reporting and Accounting. We obtained written representations that all known instances of (suspected) fraud and other irregularities have been disclosed to us.

Management insights, estimates and assumptions that might have a major impact on the financial statements are disclosed in note 30 of the financial statements.

Our procedures did not lead to indications for fraud potentially resulting in material misstatements.

#### Audit approach compliance with laws and regulations

We assessed the laws and regulations relevant to the CM.com N.V. through discussion with representatives of several departments (amongst others Reporting, Legal, and Tax department), reading minutes and reports of internal audit.

As a result of our risk assessment procedures, and while realising that the effects from non-compliance could considerably vary, we considered the following laws and regulations:

- Adherence to (corporate) tax law and financial reporting regulations.
- The requirements under the International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and Part 9 of Book 2 of the Dutch Civil Code with a direct effect on the financial statements as an integrated part of our audit procedures, to the extent material for the financial statements.

Apart from these, CM.com N.V. is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts and/or disclosures in the financial statements, for instance, through imposing fines or litigation. This category includes regulations specifically for payment service providers in relation to the payment licenses of CM Payments B.V.

We obtained sufficient appropriate audit evidence regarding provisions of those laws and regulations generally recognized to have a direct effect on the consolidated financial statements.

In addition, we considered major laws and regulations applicable to listed companies.

Our procedures are more limited with respect to these laws and regulations that do not have a direct effect on the determination of the amounts and disclosures in the financial statements. Compliance with these laws and regulations may be fundamental to the operating aspects of the business, to CM.com N.V.'s ability to continue its business, or to avoid material penalties (e.g. compliance with the terms of operating licenses and permits or compliance with environmental regulations) and therefore non-compliance with such laws and regulations may have a material effect on the financial statements. Our responsibility is limited to undertaking specified audit procedures to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements. Our procedures are limited to (i) inquiry of management, the supervisory board, the executive board and others within CM.com N.V. as to whether CM.com N.V. is in compliance with such laws and regulations and (ii)

AGENTS OF CHANGE

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.

Naturally, we remained alert to indications of (suspected) non-compliance throughout the audit.

Finally, we obtained written representations that all known instances of (suspected) fraud or non-compliance with laws and regulations have been disclosed to us.

#### Audit approach going concern

The responsibilities of the management board and the supervisory board and ourselves, are outlined in the "Description of responsibilities regarding the financial statements" section below. Our procedures to evaluate management's going concern assessment included, amongst others:

- Considering whether management identified events or conditions that may cast significant doubt on the entity's ability to continue as a going concern (hereafter: going concern risks).
- Considering whether management's going concern assessment includes all relevant information of which we are aware as a result of our audit and inquired with management regarding management's most important assumptions underlying their going concern assessment.
- Evaluating management's current budget including cash flows for at least twelve months from the date of preparation of the financial statements, current developments in the industry and all relevant information of which we are aware as a result of our audit.
- Analyzing the financial position per balance sheet date in relation to the financial position per prior year balance sheet date to assess whether events or circumstances exist that may lead to a going concern risk, including compliance with relevant covenants.
- Performing inquiries with management as to their knowledge of going concern risks beyond the period of the management's assessment.

Under supervision of the supervisory board, management has assessed the going concern assumption, as part of the preparation of the consolidated financial statements, and disclosed this in the Financial Statements (Note 2 Basis for preparation). Management's going concern assessment with a projection period until 30 June 2026 ("Projection Period") is derived from the business plan for 2025-2027.

We have reviewed management's going concern assessment for the period until June 2026. As described in the Financial Statements (Note 31 - Subsequent events), management has refinanced the convertible bond in total for an amount of € 87 million, via the issuance of a € 20 million share capital increase and a Revolving Credit Facility ("RCF") of € 80 million. These events, related increase in interest expenses and compliance with the financial covenants of this RCF, are taken into account in the going concern assessment performed by management.

Based on the business plan for 2025-2027 and sensitivity scenarios, the management board believes that no events or conditions give rise to doubt about the ability of the group to continue in operation for at least twelve months after the adoption of the financial statements.

Given the 31 December 2024 available cash position, we have sensitised certain of the assumptions underlying the further improvement of the EBITDA, cashflows and the additional interest expenses as presented in the business plan for 2025-2027.

Our procedures did not result in outcomes contrary to management's assumptions and judgements used in the application of the going concern assumption for the Projection Period. Accordingly, we concur with the application of the going concern assumption for the 31 December 2024 financial statements.

#### Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the supervisory board. The key audit matters are not a comprehensive reflection of all matters discussed.

The key audit matters considered as key to our audit are consistent with prior year.

#### Key audit matter – Impairment test on goodwill and fixed assets.

#### Description

The total carrying value of the company is significant upon impairment testing date, 1 October 2024. The carrying value amongst others include goodwill and other assets acquired in business combinations, capitalised development cost, tangible fixed assets and the deferred tax asset. The carrying value has in accordance with IFRS been allocated to four cash generating units ("CGU's). Management needs to assess whether the carrying value of these CGU's can be recovered by future earnings and cashflows.

The accounting standard IAS 36, prescribes the way the carrying values and the future cashflows need to be determined. The present values of the future cashflows are referred to as "value in use". The company compared the value in use with the carrying value for the four CGU's. The company used a number of assumptions for the estimation of future cash-flows and the WACC to calculate the present value. The most important assumption for the future cash-flows is the revenue growth within each CGU. The WACC includes assumptions for risk, inflation and the time value of money.

CM.com focusses on profitable growth that is based on further increasing EBITDA for 2025 as a result of increasing revenue. This strategy is also used as input for the 2025 budgets and the medium and longer range forecasts. Management elaborated on the most important assumptions and conclusions in note 6 of the consolidated financial statements.

The outcome of the impairment test was evaluated by management and concluded that the value in use exceeds the carrying value for the CGU's: Connect, Engage, and Live. For the CGU Pay an impairment of the full goodwill balance of € 8.8 million is accounted for.

In response to the estimated impairment and sensitivity of the Pay CGU, an external valuation specialist conducted a review on the value in use model for this CGU and a fair value less costs of disposal valuation based on market data. The results of that valuation support the value in use calculation.

#### How the key audit matter was addressed in the audit

We have performed a number of audit procedures on the impairment analyses of which the following are considered as most important:

- We have determined that the forecasts for the first two years in the projection period (2025-2026)
  are based on the company's budget that has been reviewed, discussed and approved by the
  supervisory board in their meeting of 9 December 2024. We performed several procedures to
  challenge the budget by among others recalculation, review of external market information and peer
  group benchmarking.
- We have reviewed the report of the external valuation specialist with respect to the CGU Pay, leading to the fair value less cost to sell valuation.
- We assessed the forecasts for the years 2025-2029 by comparing the projections to historical
  performance and to market information. In addition to the aforementioned forecast analysis, we
  performed an assessment of the extended forecast period for the CGU Pay.
- We have used Deloitte valuation to assist us in our assessment. Particularly for the technical
  evaluations of the value in use model and the market approach method used by CM, for the
  assessment of the WACC, and the long-term and inflationary growth rate.

#### **Observations**

We concur with management's view there is no material risk for impairment for the CGU's "Connect", "Engage" and "Live" at the moment. For the CGU "Pay", Management has impaired the full goodwill balance of € 8.8 million. Management has prepared forecasts for the Pay CGU that show an improvement of the performance by combining an average annual growth rate ("CAGR") in the eight-year projection period of 14%. We have stress tested management's forecasts by applying scenarios with lower growth rates, higher WACCs, and applying different scenarios based on the additional three years which are added to the model. The outcome of the impairment test is sensitive to these assumptions.

Minor setbacks in future performance, particularly regarding revenue growth (a decrease in CAGR of 1%), may lead to additional material impairments of the other assets in addition to goodwill (e.g. acquisition related intangibles or research and development).

The fair value less costs of disposal calculated via the market approach is derived by the external valuation specialist for Pay, using the 2025 budgeted revenue.

In combination with the disclosures on sensitivities and uncertainties that are reflected by management in note 6 to the financial statements, we consider the accounting and presentation acceptable.

#### Key audit matter – Capitalization and amortization of internal development costs.

#### Description

The company has developed proprietary software that is used to run the business. The software is comprised of a so-called platform and a substantial number of enhancements or "features". The features add specific or generic functionalities to the platform and are aimed to improve the performance, the user friendliness or the marketability of the platform. Development of new features is an ongoing process at the group.

Costs related to the development of the features are capitalised as included in note 5 of the financial statements. Internal capitalised development costs are significant to the audit given the net book value involved of  $\le$  45.5 million as per 31 December 2024 (2023:  $\le$  39.6 million). In 2024, the capitalised internal costs (primarily payroll costs of developers) amounted to  $\le$  14.4 million (2023:  $\le$  15.7 million).

Development expenditures on an individual project are recognised as an intangible asset in so far it is available for use, it is expected to generate future economic benefits and if expenses can be measured reliably. These assessments require management judgement.

Due to estimates and the increasing amounts involved in the judgement in capitalisation 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 capitalised.

In line with 2023, the internal controls on hour registrations and the identification of development hours were not yet fully implemented. Accordingly, we adopted a non-control reliance approach and were required to perform substantive audit procedures. Statistical techniques have been used to select samples to test if the additions were properly capitalised or expensed in the statement of comprehensive result. The input factors of the applied hourly rate were challenged and reconciled to supporting documentation.

We have evaluated that the remaining useful life is appropriate.

We also evaluated the adequacy of the company's disclosures in note 5 of the financial statements.

#### **Observations**

Based on our procedures, we did not identify any reportable matters with respect to the development costs. Note 5 adequately discloses the development costs conform IAS 38.

HOME | CONTENTS | AGENTS OF CHANGE | MANAGEMENT BOARD REPORT | GOVERNANCE | SUSTAINABILITY STATEMENTS | FINANCIAL STATEMENTS

#### Report on the other information included in the annual accounts

The annual report contains other information, in addition to the financial statements and our auditor's report thereon.

The other information consists of:

- The management board's report.
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code.
- Other information is included in the annual report.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements.
- Contains all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the Management 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 and ESEF

#### Engagement

We were engaged by the board of directors as auditor of CM.com N.V. on 23 November 2017, as of the audit for the year 2018 and have operated as statutory auditor ever since that financial year.

#### No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

#### **European Single Electronic Reporting Format (ESEF)**

CM.com N.V. has prepared its annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion, the annual report, prepared in XHTML format, including the (partly) marked-up consolidated financial statements, as included in the reporting package by CM.com N.V. complies in all material respects with the RTS on ESEF.

Management is responsible for preparing the annual report including the financial statements in accordance with the RTS on ESEF, whereby management combines the various components into one single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF.

We performed our examination in accordance with Dutch law, including Dutch Standard 3950N 'Assurance-opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument' (assurance engagements relating to compliance with criteria for digital reporting). Our examination included amongst others:

- Obtaining an understanding of the company's financial reporting process, including the preparation of the reporting package.
- Identifying and assessing the risks that the annual report does not comply in all
  material respects with the RTS on ESEF and designing and performing further assurance
  procedures responsive to those risks to provide a basis for our opinion, including obtaining
  the annual report in XHTML format and performing validations to determine whether the
  annual report complies with the RTS on ESEF.

#### Description of responsibilities regarding the financial statements Responsibilities of the Management Board and the Supervisory Board for the financial statements

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 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, is responsible for assessing CM.com'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 CM.com 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 CM.com's financial reporting process.

#### Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient 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 misstatements, whether due to fraud or error, 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 scepticism 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 CM.com'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 CM.com'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 CM.com 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.

We are responsible for planning and performing the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units

within the Group as a basis for forming an opinion on the financial statements. We bear the full responsibility for the auditor's report.

We communicate with the management board and the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identified during our audit. In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the supervisory board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Eindhoven, 12 March 2025

Deloitte Accountants B.V. R.H.M. Hermans

# LIMITED ASSURANCE-REPORT OF THE INDEPENDENT AUDITOR ON THE SUSTAINABILITY STATEMENT

To the shareholders and supervisory board of CM.com N.V.

Our conclusion

We have performed a limited assurance engagement on the (consolidated) sustainability statement for 2024 of CM.com N.V. based in Breda (hereinafter: the company) included in section 'Sustainability Statements' of the accompanying management report including the information incorporated in the sustainability statement by reference (hereinafter: the sustainability statement).

Based on our procedures performed and the assurance evidence obtained, nothing has come to our attention that causes us to believe that the sustainability statement is not, in all material respects:

- Prepared in accordance with the European Sustainability Reporting Standards (ESRS) as adopted by the European Commission and in accordance with the double materiality assessment process carried out by the company to identify the information reported pursuant to the ESRS.
- Compliant with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).

#### Basis for our conclusion

We have performed our limited assurance engagement on the sustainability statement in accordance with Dutch law, including Dutch Standard 3810N, 'Assurance-opdrachten inzake duurzaamheidsverslaggeving' (Assurance engagements relating to sustainability reporting) which is a specified Dutch standard that is based on the International Standard on Assurance Engagements (ISAE) 3000 (Revised) 'Assurance engagements other than audits or reviews of historical financial information'.

Our responsibilities in this regard are further described in the section 'Our responsibilities for the limited assurance engagement on the sustainability statement' of our report.

We are independent of CM.com N.V. in accordance 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 for Professional Accountants). The ViO and VGBA are at least as demanding as the International code of ethics for professional accountants (including International independence standards) of the International Ethics Standards Board for Accountants (the IESBA Code).

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

#### **Emphasis of matters**

## Emphasis on the most significant uncertainties affecting the quantitative metrics and monetary amounts

We draw attention to section 'Critical Accounting Estimations, Assumptions and Judgments' on page 111 of the sustainability statements that identifies the quantitative metrics that are subject to a high level of measurement uncertainty and discloses information about the sources of measurement uncertainty and the assumptions, approximations and judgements the company has made in measuring these in compliance with the ESRS. The comparability of sustainability information between entities and over time may be affected by the lack of historical sustainability information in accordance with the ESRS and by the absence of a uniform practice on which to draw, to evaluate and measure this information. This allows for the application of different, but acceptable, measurement techniques, especially in the initial years.

#### Emphasis on the double materiality assessment process

We draw attention to section 'Statement on Due Diligence' on page 113 and the chapter 'Double Materiality Assessment' on page 115 to 119 of the sustainability statement. This disclosure explains that CM.com considers due diligence and double materiality assessment as a continuous process where further interaction might lead to insights that will influence the assessment in the future. Due diligence is an on-going practice that responds to and may trigger changes in the company's strategy, business model, activities, business relationships, operating, sourcing and selling contexts. The double materiality assessment process may also be impacted in time by developments in stakeholder expectations, regulatory developments, changes in risk management or new business developments. The sustainability statement may not include every impact, risk and opportunity or additional entity-specific disclosure that each individual stakeholder (group) may consider important in its own particular assessment.

Our conclusion is not modified in respect of these matters.

#### Comparative information not subject to assurance procedures

The comparative information in the sustainability statements prepared in accordance with ESRS has not been subject to reasonable or limited assurance.

Our conclusion is not modified in respect of this matter.

#### Limitations to the scope of our assurance engagement

In reporting forward-looking information in accordance with the ESRS, management of the company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the

HOME | CONTENTS | AGENTS OF CHANGE | MANAGEMENT BOARD REPORT | GOVERNANCE | SUSTAINABILITY STATEMENTS | FINANCIAL STATEMENTS

company. The actual outcome is likely to be different since anticipated events frequently do not occur as expected. Forward-looking information relates to events and actions that have not yet occurred and may never occur. We do not provide assurance on the achievability of this forward-looking information.

Our conclusion is not modified in respect of this matter.

# Responsibilities of management and the supervisory board for the sustainability statement

Management is responsible for the preparation of the sustainability statement in accordance with the ESRS, including the double materiality assessment process carried out by the company as the basis for the sustainability statement and disclosure of material impacts, risks and opportunities in accordance with the ESRS.

As part of the preparation of the sustainability statement, management is responsible for compliance with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).

Management is also responsible for selecting and applying additional entity-specific disclosures to enable users to understand the company's sustainability-related impacts, risks or opportunities and for determining that these additional entity-specific disclosures are suitable in the circumstances and in accordance with the ESRS.

Furthermore, management is responsible for such internal control as it determines necessary to enable the preparation of the sustainability statement that is free from material misstatement, whether due to fraud or error.

The supervisory board is responsible for overseeing the sustainability reporting process including the double materiality assessment process carried out by the company.

## Our responsibilities for the limited assurance engagement on the sustainability statement

Our responsibility is to plan and perform the limited assurance engagement in a manner that allows us to obtain sufficient appropriate assurance evidence for our conclusion.

Our assurance engagement is aimed to obtain a limited level of assurance that the sustainability statement is free from material misstatements. The procedures vary in nature and timing, and are less in extent than a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We apply the applicable quality management requirements pursuant to the 'Nadere voorschriften kwaliteitsmanagement' (NV KM, regulations for quality management), and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and other relevant legal and regulatory requirements.

Our limited assurance engagement included among others:

- Performing inquiries and an analysis of the external environment and obtaining an
  understanding of relevant sustainability themes and issues, the characteristics of the
  company, its activities and the value chain and its key intangible resources in order to
  assess the double materiality assessment process carried out by the company as the
  basis for the sustainability statement and disclosure of all material sustainability-related
  impacts, risks and opportunities in accordance with the ESRS.
- Obtaining through inquiries a general understanding of the internal control environment, the company's processes for gathering and reporting entity-related and value chain information, the information systems and the company's risk assessment process relevant to the preparation of the sustainability statement and for identifying the company's activities, determining eligible and aligned economic activities and prepare the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), without obtaining assurance information about the implementation, or testing the operating effectiveness, of controls.
- Assessing the double materiality assessment process carried out by the company and identifying and assessing areas of the sustainability statement, including the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) where misleading or unbalanced information or material misstatements, whether due to fraud or error, are likely to arise ('selected disclosures'). We designed and performed further assurance procedures aimed at assessing that the sustainability statement is free from material misstatements responsive to this risk analysis.
- Considering whether the description of the double materiality assessment process in the sustainability statement made by management appears consistent with the process carried out by the company.
- Performing analytical review procedures on quantitative information in the sustainability statement, including consideration of data and trends
- Assessing whether the company's methods for developing estimates are appropriate
  and have been consistently applied for selected disclosures. We considered data and
  trends; however, our procedures did not include testing the data on which the estimates
  are based or separately developing our own estimates against which to evaluate
  management's estimates.

- Analyzing, on a limited sample basis, relevant internal and external documentation available to the company (including publicly available information or information from actors throughout its value chain) for selected disclosures.
- Performing procedures on the base year (2023) for the energy consumption, energy production and Greenhouse Gas (GHG) emissions.
- Reading the other information in the annual report to identify material inconsistencies, if any, with the sustainability statement.
- Considering whether:

HOME

- the disclosures provided to address the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) for each of the environmental objectives, reconcile with the underlying records of the company and are consistent or coherent with the sustainability statement and appear reasonable, in particular whether the eligible economic activities meet the cumulative conditions to qualify as aligned and whether the technical screening criteria are met; and
- the key performance indicators disclosures have been defined and calculated in accordance with the Taxonomy reference framework as defined in Appendix 1 Glossary of Terms of the CEAOB Guidelines on limited assurance on sustainability reporting adopted on 30 September 2024 and in compliance with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), including the format in which the activities are presented.
- Considering the overall presentation, structure and the fundamental qualitative characteristics of information (relevance and faithful representation: complete, neutral and accurate) reported in the sustainability statement, including the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).
- Considering, based on our limited assurance procedures and evaluation of the assurance evidence obtained, whether the sustainability statement as a whole is free from material misstatements and prepared in accordance with the ESRS.

Eindhoven, 12 March 2025

Deloitte Accountants B.V. R.H.M. Hermans

## **Definitions and Abbreviations**

#### **Alternative Performance Measures**

Several alternative performance (non-IFRS) measures are disclosed in our annual report. The reason for disclosing alternative performance measures is to provide information to our diverse group of stakeholders interested not only in IFRS measure, but also in non-IFRS measures. Furthermore, CM.com has provided guidance on several of these (non-IFRS) financial measures, derived from the consolidated financial statements. An overview of the alternative performance measures with their definitions<sup>1</sup> is provided:

Performance measure	Definitions				
Gross profit	Revenue less cost of services.				
Gross margin %	Gross profit divided by revenue.				
EBITDA	Operating result less amortization, depreciation, and impairments (if any).				
Normalized EBITDA	EBITDA corrected for material one-offs.				
One-offs	Non-recurring, extraordinary or non-core items, being restructuring costs in FY 2023 and FY 2024.				
OPEX	Employee benefits and other operating expenses.				
Normalized OPEX	OPEX corrected for material one-offs.				
CAPEX	Investments in intangible fixed assets and tangible fixed assets, excluding non-cash items.				
Changes in Working capital	Changes in inventories, trade and other receivables, trade and other payables, and contract liabilities, excluding receivables from and payables to merchants and financial institutions.				
Free Cash Flow	EBITDA less CAPEX, less Changes in Working capital.				
Net debt	Borrowings and convertible bonds after deducting available cash and cash equivalents.				
Compound Annual Growth Rate	Measure of the average annual growth rate of an investment or other unit of value (i.e., Revenue) over a period of years. Calculated by End value / Initial value ^ (1/ n-1), for which n is the time in period.				
Shareholders' equity	Issued ordinary share capital, share premium, reserves, and accumulated deficits.				
Market capitalization	Total value of a publicly traded company's outstanding common shares owned by shareholders.				
High-margin products	Products related to the Engage, Pay, and Live offerings.				
CPaaS Net Dollar Retention Rate	The ratio of revenue from CPaaS customers in comparable twelve months between the current and preceding year for customers that generate more than € 10,000 in revenue in the current year. The current year is considered to be the last 12 months before balance sheet date and the preceding year the 12 months before that.				
CPaaS Enterprise Churn Rate	The ratio of revenue from CPaaS customers that generated more than $\le 10,000$ in revenue in the preceding year, but generated less than $\le 10,000$ in the current year or were no longer customers in the current year compared to the previous year. The current year is considered to be the last 12 months before balance sheet date and the preceding year the 12 months before that.				
Annual Recurring Revenue (ARR)	Represents the annual recurring revenue streams from customers at the end of the period, related to subscription-based product pricing.				

<sup>1</sup> Not all companies calculate alternative performance measures in the same manner or on a consistent basis. As a result, these measures and ratios may not be comparable to measures used by other companies under the same name or similar definitions.

#### Other Definitions and Abbreviations

Abbreviation	Definition	Abbreviation	Definition
A2P	Application-to-Person	Corporate Governance Code	the Dutch Corporate Governance Code of 2022
AGI	Artificial General Intelligence	Company	CM.com N.V.
AGM	Annual general meeting	C00	Chief operating officer
Al	Artificial intelligence	CPaaS	Communication platform as a service
AMR	Actively managed risk	CSAT	Customer satisfaction score
APAC	Asia - Pacific	CSRD	Corporate sustainability reporting directive
API	Application Program Interface	СТО	Chief technical officer
ARR	Annual recurring revenue	D&I	Diversity & Inclusion
Articles of Association	the articles of association of CM.com	DAS	Dutch accounting standards
AScX	Amsterdam small cap index	DCC	Dutch civil code
B2B	Business to Business	DNSH	Do no significant harm
B2C	Business-to-consumer	DORA	Digital Operational Resilience Act
BI	Business Intelligence	DTA	Deferred tax asset
Business unit	a business unit of CM.com	DTL	Deferred tax liability
CAGR	Compound annual growth rate	EBA	European Banking Authority
CAPEX	Capital expenditure	EBITDA	Earnings before interest, taxes, depreciation, and amortization
CCA	Climate change adaption	EC	European Commission
CCaaS	Contact center as a service	ECL	Expected credit losses
CCM	Climate change mitigation	ELTIP	Extraordinary Long-term Incentive Plan
CDP	Customer data platform	EMEA	Europe, Middle East, and Africa
CEO	Chief executive officer	ESEF	European single electronic reporting format
CFO	Chief financial officer	ESG	Environmental, social and governance
CGU	Cash-generating unit	EU	European Union
CISO	Chief information security officer	ExCo	the Executive Committee of CM.com
CIT	Current income tax	FAQ	Frequently asked questions
CM.com	CM.com N.V.	FCF	Free Cash Flow
СМВА	Certified Master of Business Administration	Founder Committee	the founder committee as instituted pursuant to the Articles of Association
CMRICS	CM.com Enterprise Risk Management	Founders	the founders of CM.com; Jeroen van Glabbeek and Gilbert Gooijers
CNY	Yuan	FTE	Full-time equivalent

HOME	1	CONTENTS	-1	AGENTS OF CHANGE	- 1	MANAGEMENT BOARD REPORT	- 1	GOVERNANCE	- 1	SUSTAINABILITY STATEMENTS	-1	FINANCIAL STATEMENTS	1
------	---	----------	----	------------------	-----	-------------------------	-----	------------	-----	---------------------------	----	----------------------	---

**OTHER** 

Abbreviation	Definition	Abbreviation	Definition			
FY	Financial year	NASDAQ	National Association of Securities Dealers Automated Quotations			
GBP	British pound sterling	NDR	Net dollar retention			
GDPR	General Data Protection Regulation	NIS2	Directive on Security of Network and Information Systems			
GenAl	Generative Artificial Intelligence	NOC	Network operations center			
General Meeting	the General Meeting of CM.com	NSR	the nomination, selection and remuneration committee of CM.com			
Group	CM.com N.V. and its group companies	NPS	Net promotor score			
HDS	Health Data Host	OPEX	Operating expenses			
HQ	Head quarter		Over the top (e.g. WhatsApp Business, Apple Business Chat, Google			
		OTT	RCS, Facebook messenger and Viber)			
HR/HRM	Human resources (management)	P&L	Profit & Loss			
HY	(First) half year of the financial reporting period	PaaS	Platform as a service			
laaS	Infrastructure as a Service	PCI	Payment card industry			
IASB	International accounting standards board	POS	Point-of-sale			
ICE	Internal control environment	PSP	Payment Service Provider			
IFRS	International financial reporting standards	Q	Quarter			
IIA	Institute of Internal Auditors	QR-code	Quick Response code			
INR	Indian rupee	R&D	Research and development			
IPO	Initial Public Offering	RCS	Rich Communication Services			
IPPF	International Professional Practices Framework	RCF	Revolving Credit Facility			
IROs	Impacts, risks and opportunities	RSU	Restricted share unit (plan)			

# Colophon

#### **Concept & Design**

CM.com | Sacha Verdult, Lara Kuipers, Thomas Cival

#### **Project Management**

CM.com

#### **Text and Editing**

CM.com

#### **Cover Photography**

CM.com

#### **Photography**

CM.com

# AT THE FOREFRONT OF INNOVATION



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