PRESS RELEASE

H1 2023 Results.

CM.com to become EBITDA positive over H2 2023

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CM.com reports H1 2023 normalized EBITDA of -€ 3.7m, well within the given EBITDA guidance of -€3 to -€5m. Contributions to profitability in H1 2023 came mostly from high margin products in SaaS, Payments and Ticketing. Overall, gross profit grew 8% YoY and gross margins improved 1.9 percentages points to 27.8% in H1 2023. Total revenue H1 2023 was slightly higher YoY, offsetting COVID-related tailwinds in H1 2022. OPEX in H1 2023 was lower YoY and will decrease further in H2 2023. CM.com, therefore, expects normalized EBITDA to be positive over H2 2023.

BREDA, 25 JULY 2023

H1 2023 financial highlights

- Normalized EBITDA of -€3.7 million, before €0.8 million restructuring costs, well within guided EBITDA range for H1 2023;
- Gross profit grew by 8% YoY to €38.2 million, supported by SaaS +19%, Payments +11%, and Ticketing +31%;
- Gross margin improved by 1.9 percentage points to 27.8%;
- Revenue grew by 1% YoY to €137.3 million, supported by SaaS +19%, Payments +22%, and Ticketing +35%;
- In CPaaS, the increased gross profit on SMS messaging business replaced most of the COVID-related gross profit on Voice minutes in H1 2022, and resulted in a 3% decrease in revenue and gross profit YoY;
- Cost reduction is well underway, as OPEX before restructuring costs decreased YoY and will decrease further in H2 2023.

Q2 2023 financial highlights

- Gross profit grew by 11% YoY to €19.2 million;
- Gross margin increased by 2.5 percentage points YoY to 29.1%;
- Revenue grew by 1% YoY to €65.9 million.

Business highlights H1 2023

- CM.com launched Generative AI products for a first group of selected clients in the Travel - & E-commerce industry, enabling them to better interact with their audience;
- CM.com completed the setup with Visa and Mastercard and launched its in-house developed payment processing platform to give clients a better payments experience;
- CM.com sold more tickets than ever before in Ticketing.

Outlook

- CM.com expects normalized EBITDA to be positive over H2 2023 (upgraded from positive by year-end 2023);
- CM.com expects OPEX to further decrease in H2 2023 to reach -10% YoY for FY 2023, before restructuring cost;
- CM.com expects to be free-cash-flow positive by H2 2024 (upgraded from positive by year-end 2024).

KEY FIGURES

	Q2 2023	Q2 2022	Δ Y-Y	H1 2023	H1 2022	Δ Y-Y
(x € million)						
Revenue	65.9	65.4	*1%*	137.3	135.9	*1%*
Gross Profit	19.2	17.4	*11%*	38.2	35.2	*8%*
Gross Margin	29.1%	26.6%		27.8%	25.9%	
Operating expenses (before restructuring cost)	-	-		(41.9)	(42.6)	*(2%)*
Normalized EBITDA	-	-		(3.7)	(7.4)	
One-offs	-	-		(0.8)	(4.2)	
EBITDA	-	-		(4.5)	(11.6)	
Net profit	-	-		(18.1)	(21.8)	
CAPEX	-	-		(12.2)	(16.8)	

KPIs

	Q2 2023	Q2 2022	Δ Y-Y	H1 2023	H1 2022	Δ Y-Y
CPaaS net dollar retention rate (%)	-	-	-	100%	115%	-
CPaaS enterprise churn rate (%)	-	-	-	5%	5%	-
Number of messages (billions)	1.6	1.7	*(6%)*	3.3	3.4	*(3%)*
Number of voice minutes (millions)	74	99	*(25%)*	153	262	*(42%)*
Annual Recurring Revenue (ARR) (€ millions)	30.9	27.6	*12%*	30.9	27.6	*12%*
Total online payments processed (€ millions)	543	479	*13%*	1,069	833	*28%*
Number of tickets (millions)	4.6	3.9	*18%*	8.6	6.4	*34%*

Message from the CEO

The global adoption of new technology has never been as fast paced as Artificial Intelligence in the first six months of 2023. A new and exciting era is emerging. An era, CM.com has anticipated on with the acquisitions of CX Company and Building Blocks.

Ever since, AI has become the core of our proposition, as CM.com has been developing new applications to improve customer experience for our clients.

CM.com also recently announced the release of newly developed Generative AI applications for its client base in the Travel – and E-commerce industry. A selective group of clients from those sectors is now integrating these new developments into its marketing and sales setup. It is vital for our clients to integrate this technology into their setup, as it will improve their ability to serve their customers in the best possible way.

These technological developments come at a time where the world continues to face the threat of a recession, which affects the pace of growth in various markets. In the events sector, we notice that consumers' behavior has returned to a more normalized level after the strong recovery in 2022 following the end of the COVID lockdowns. It is therefore a strong signal that CM.com continues to grow its presence in the event business, as CM.com and Pukkelpop expand their cooperation and we expect to announce more news around our involvement with the Dutch Grand Prix soon.

The macro-economic developments cause a shift in priority with some of our clients towards client retention and cost optimization. CM.com's products and services help clients achieve those goals, as especially our SaaS solutions primarily cater to economic expansion and contraction. The shift in priority results in longer sales cycles and requires a partnership in knowledge sharing and reliability. Good examples are the partnerships CM.com has with big tech firms like Google, Microsoft and Salesforce.

In light of these market developments, we are pleased with the performance of CM.com in the first six months of this year. CM.com is on track to realize its goals and adapt the organization to the changing world as we realign sales capacity and rationalize headcount to drive incremental profitability improvements. This focus on profitability led to the reduction in number of global offices to 19, as CM.com decided to close its local offices in Kenia and Mexico. Our improved performance in higher margins products and regions, while controlling our OPEX, resulted in a normalized EBITDA well within the guided range for the first half of 2023.

As a result, our OPEX and FTE levels decreased below levels in H1 2022 for the first time. This decrease is set to accelerate in H2 2023, as we will continue to realign global sales capacity to drive our profits. CM.com therefore expects its FY 2023 OPEX to be at least 10% lower YoY.

These measures will result in a future-proof CM.com. In this process, we will continue to underline the importance of initiatives such as our Talent Program and Female Leadership sequences. CM.com reiterates its commitment to finding the right balance between capabilities and opportunities within our workforce, independent of gender, age, or origin.

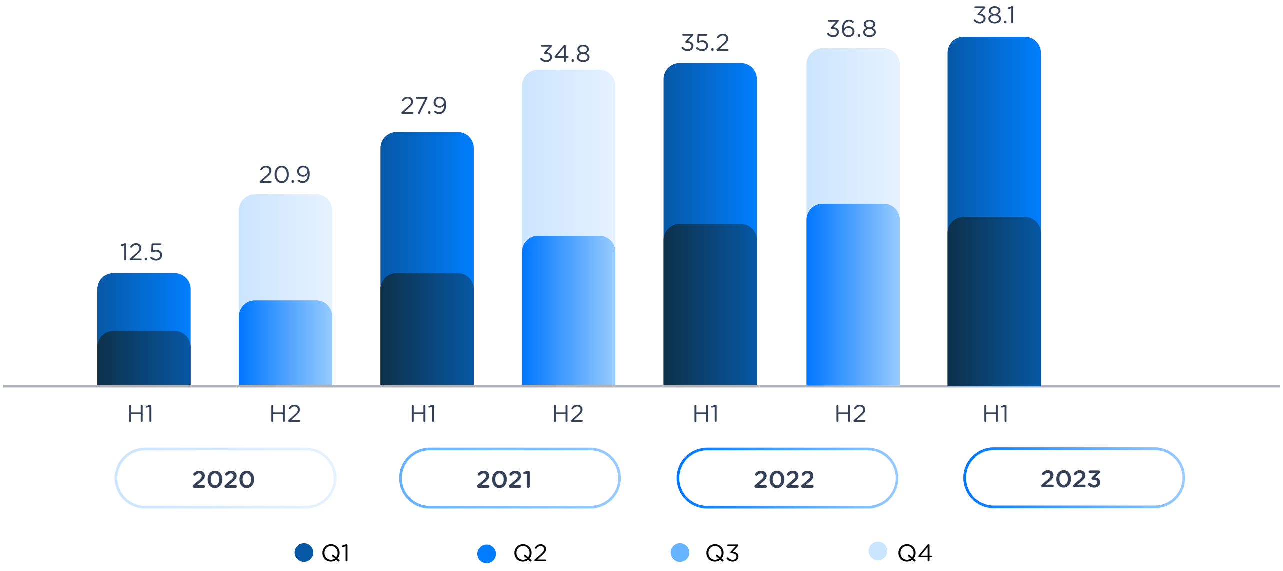
Considering everything, CM.com now expects normalized EBITDA to be structurally positive in the second half of 2023, sooner than expected. We expect our FY 2023 OPEX to be at least 10% lower YoY and following all this, CM.com expects to be structurally free-cash-flow positive in H2 2024, also sooner than expected.

CM.com strives to reach those goals, as this will enable CM.com to monetize future opportunities better.

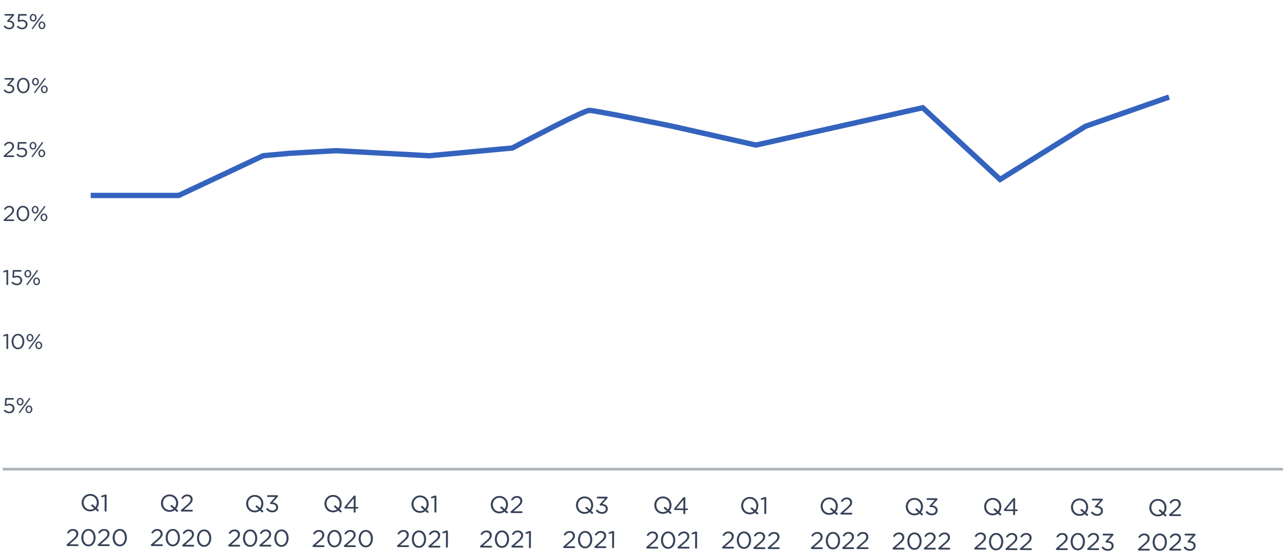
Jeroen van Glabbeek
CEO CM.com

Gross profit development

(x € million)

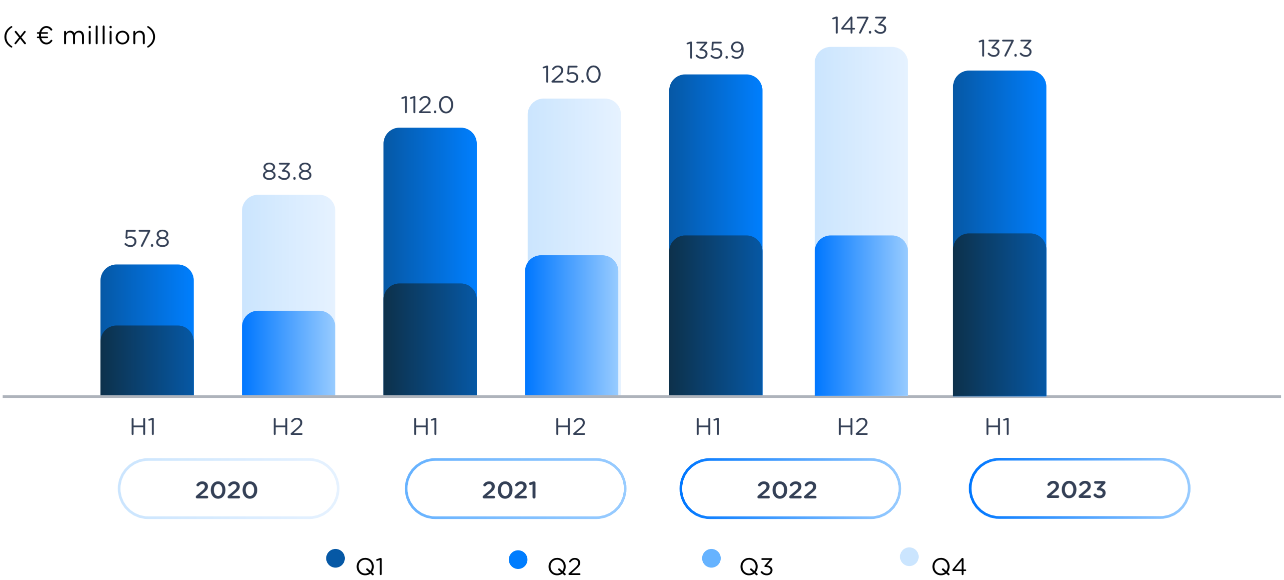


Gross margin development



Revenue development

(x € million)



GROUP PERFORMANCE

	H1 2023	H1 2022	% Δ Y-Y
(x € million)			
Revenue	**137.3**	**135.9**	**1%**
CPaaS	111.2	114.5	*(3%)*
SaaS	14.0	11.8	*19%*
Payments	7.4	6.1	*22%*
Ticketing	4.7	3.5	*35%*
Gross Profit	**38.2**	**35.2**	**8%**
CPaaS	17.3	17.8	*(3%)*
Saas	12.5	10.5	*19%*
Payments	4.1	3.6	*12%*
Ticketing	4.3	3.3	*31%*
Gross Margin	**27.8%**	**25.9%**	
CPaaS	15.6%	15.5%	
SaaS	89.0%	89.0%	
Payments	54.5%	59.0%	
Ticketing	91.9%	94.3%	
Operating expenses (before restructuring costs)	**(41.9)**	**(42.6)**	**(2%)**
Employee benefit expenses (before restructuring costs)	(28.1)	(25.8)	*9%*
Other operating expenses	(13.8)	(16.8)	*(18%)*
Normalized EBITDA	**(3.7)**	**(7.4)**	
One-offs	(0.8)	(4.2)	
EBITDA	**(4.5)**	**(11.6)**	
Depreciation and amortization	(10.4)	(8.6)	
Financing costs	(3.4)	(2.4)	
Tax	0.8	0.8	
Result participation	(0.6)	-	
Net profit	**(18.1)**	**(21.8)**	

In H1 2023, the gross profit of CM.com grew 8% YoY to €38.2 million, and gross margins reached 27.8%. Considering the COVID tailwinds in Q1 2022, the underlying business has successfully replaced lower margins with higher margins. Gross profit generated by SaaS, Payments and Ticketing now determines 55% of the total gross profit and 19% of revenue, compared to 49% of gross profit and 16% of revenue in H1 2022. This is consistent with our emphasis on higher margins products to increase profitability.

Our tight focus on profitable growth resulted in stable revenues, higher margins, and higher gross profits in the first half of 2023. CM.com's primary focus will remain on growing our business efficiently and profitably in all segments.

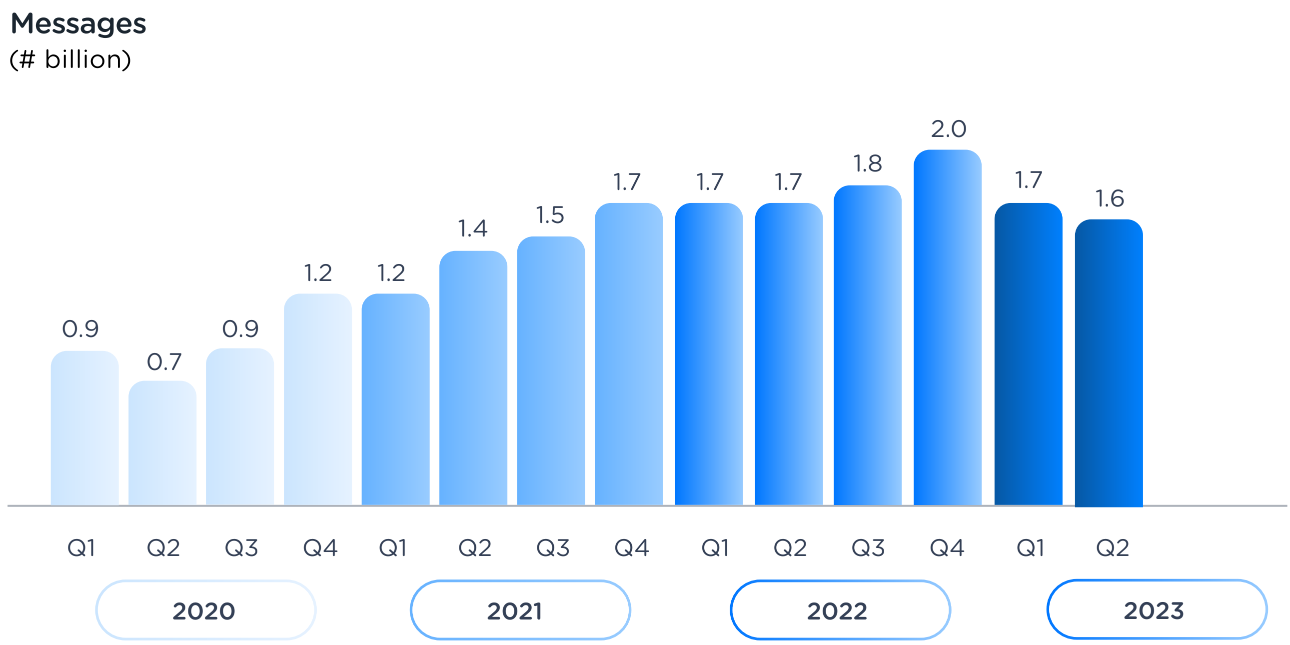
Performance per business segment

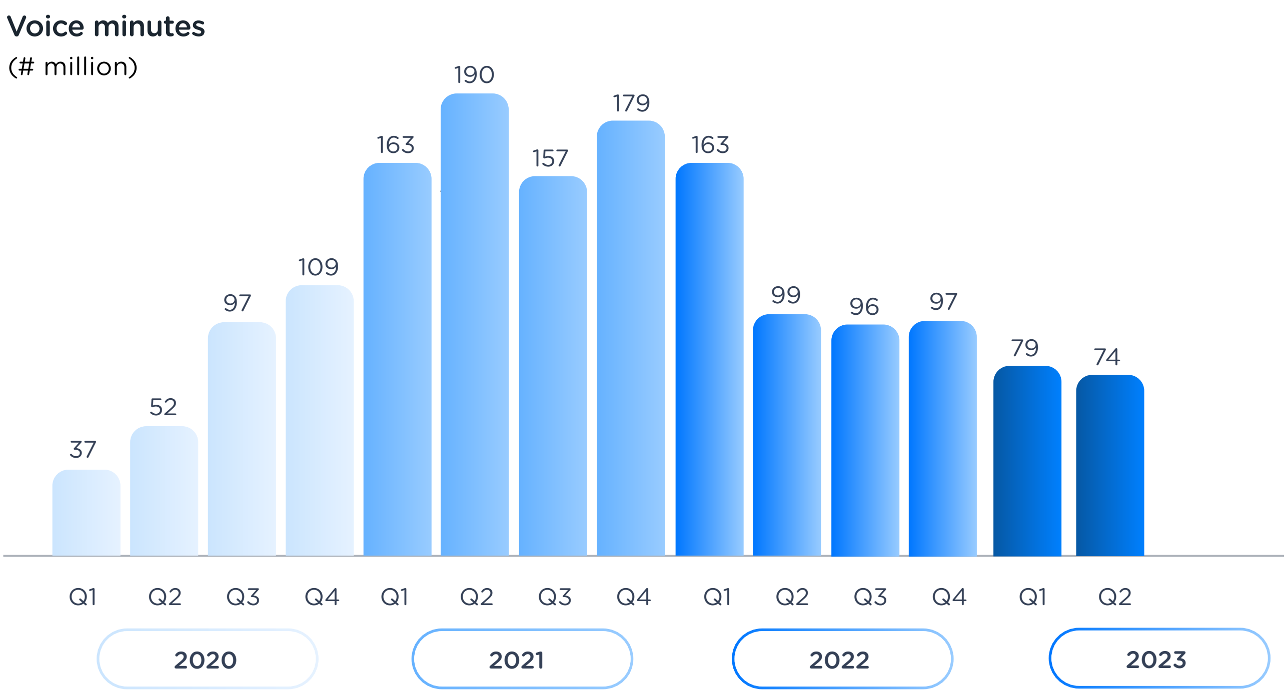
CPaaS

In CPaaS, the focus on profitability led to underlying stable margins. CM.com replaced the higher margin Voice business, which we generated in Q1 2022, with messaging volumes to more profitable routes in the past 12 months. The shift in product mix commonly affects revenues and gross profit, but CM.com managed to keep margins stable, as we focused on profitability. In SMS Messaging, gross profit grew more than 20% YoY in H1 2023.

Nevertheless, overall gross profit fell 3% as revenues decreased 3% YoY. The underlying business performance was good in H1 2023, but the COVID-related Voice minutes distorted the comparison base. In the remainder of 2023, that COVID-related comparison base will no longer be there.

The Net Dollar Retention rate in CPaaS was stable at 100%, including Voice, and 115% excluding Voice, with a continuing low churn rate of 5%.





SaaS

In SaaS, we saw continuous growth in profitability and ARR.

Gross profit and revenues profit grew by 19% YoY, as gross profit increased to €12.5 million, and revenues increased to €14.0 million. Margins remained stable.

In the current macroeconomic environment, our SaaS solutions cater to economic expansion and contraction environments. CM.com's software platform forms an IT backbone structure for our clients, enabling them to implement software tools to improve customer engagement swiftly. In combination with our recently introduced AI capabilities, our clients can enhance their engagement with their customers, resulting in better client retention rates and revenue growth while reducing the costs of servicing customers.

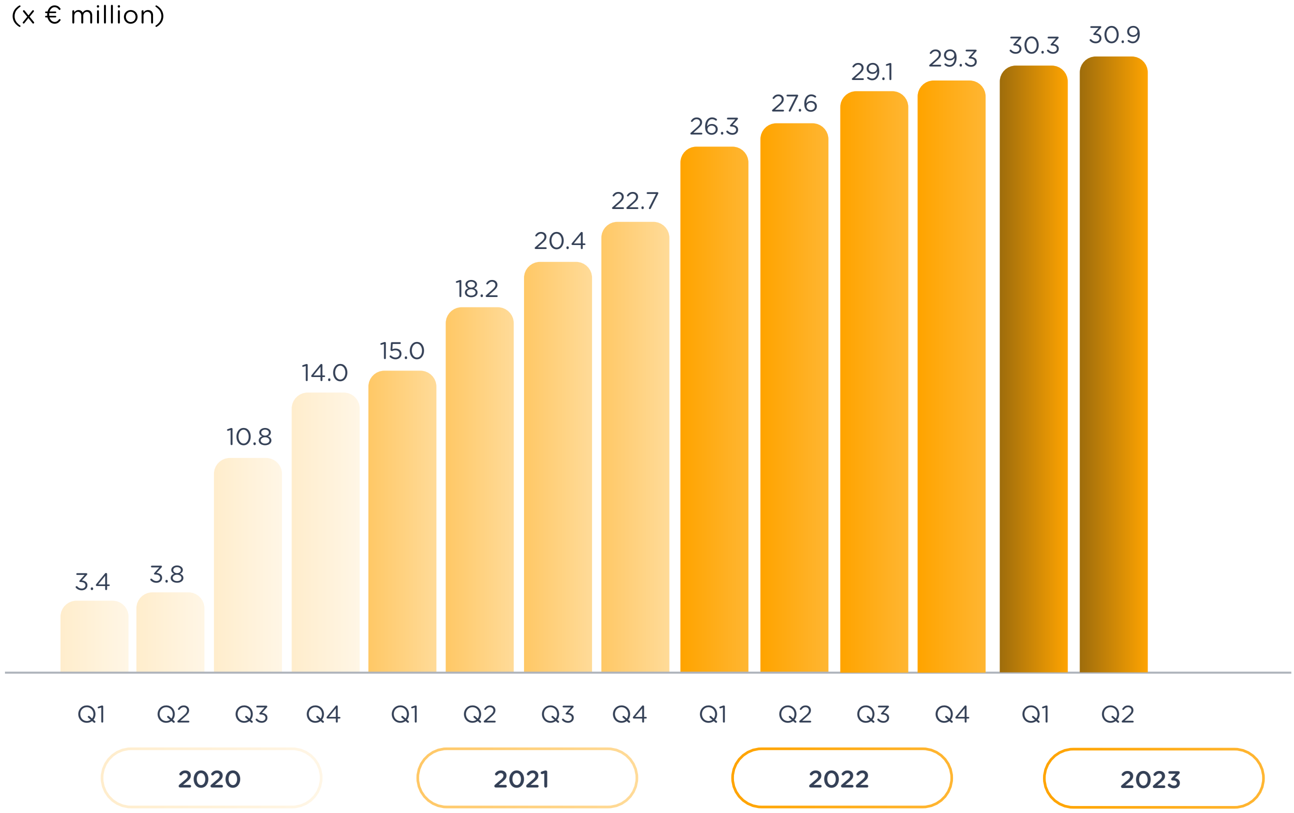
As CM.com continues to improve its position in software development, we anticipate a more significant contribution from SaaS to the total gross profit in the future.

Annual Recurring Revenue (ARR) grew by 12% YoY to €30.9 million in H1 2023.

Changing market conditions continue to affect sales cycles, which impacts the pace of growth. As CM.com continues to adapt to these changing conditions, we see ample opportunity to grow our SaaS business in the future.

Annual recurring revenue

(x € million)



Payments

In Payments, gross profit was up 12% to €4.1 million in H1 2023, and revenues grew by 22% YoY to €7.4 million. Total payments volume processed grew by 28% YoY to €1,069 million in H1 2023.

Margins in H1 2023 are slightly lower YoY, as the 2023 numbers include contracts closed that enabled us to grow our volumes, in anticipation of the launch of our new platform.

In Q2 2023, we saw a clear improvement in profitability as we witnessed a pickup in credit card performance in the product mix.

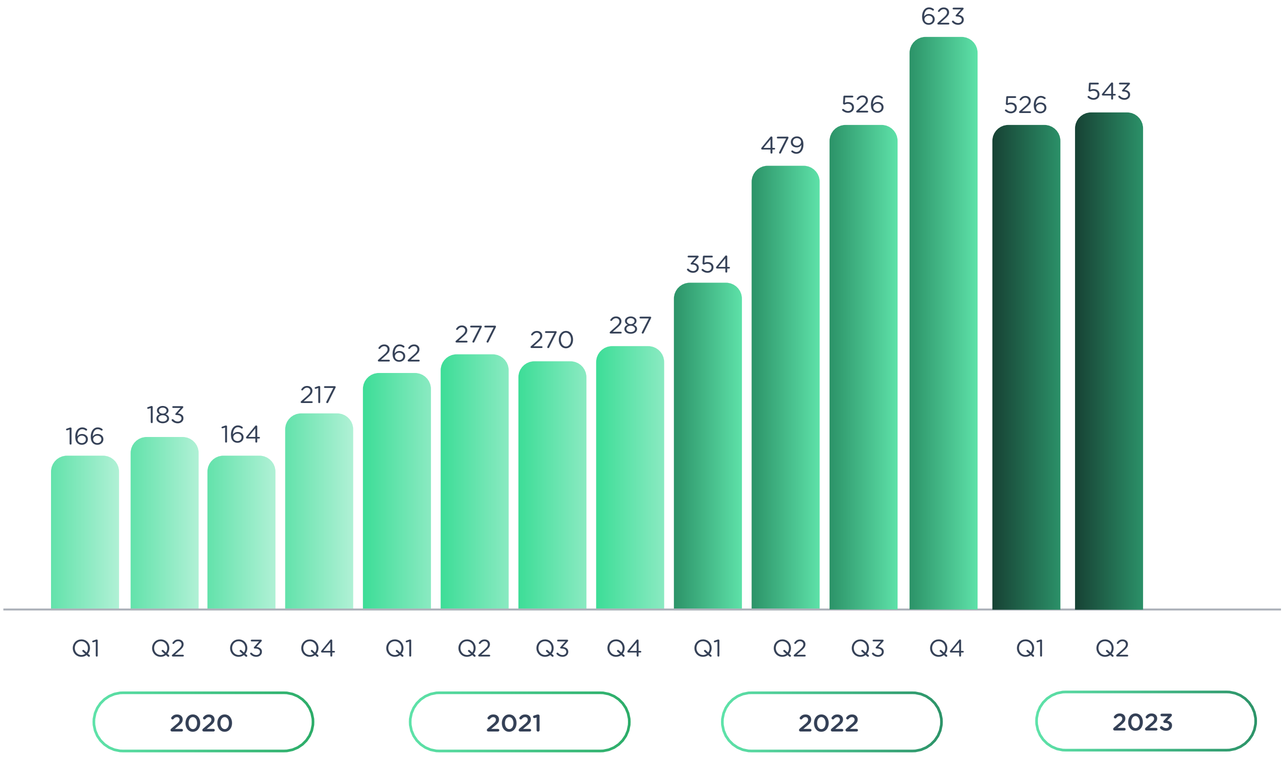
As CM.com completed the setup with MasterCard and Visa, we started the migration to the new platform. In the future, we expect ongoing momentum in Payments, as the new platform enables CM.com to control a larger part of the payment chain.

This control means we can offer high quality payment services to our client base at competitive rates.

CM.com will continue to focus on further growing profitability and expanding the cross-selling opportunity to its existing client base and offering its services to new clients.

Total payments processed

(x € million)



Ticketing

In Ticketing, gross profit grew by 31%, and revenues grew by 35% YoY in H1 2023. Gross profit reached €4.3 million and revenues €4.7 million. This performance was supported by the end of the COVID-related lockdown in 2022.

In H1 2023, Ticketing showed a strong performance in the number of tickets sold YoY, both in revenues and gross profit.

In the course of 2023, we noticed a slight shift in the product mix, as consumers became more cautious to buy expensive tickets for music and live events. In museums, demand and pricing remained strong.

This change is reflected in the YoY gross margin development, which is still at a very healthy level.

CM.com will continue to expand its presence in the events industry internationally, with an increased presence in the UK, Middle East, and Spain. Landmark deals such as Amnesia, where we act as Amnesia's primary online ticketing partner and Pukkelpop in Belgium, where we expanded our contract, cement this growth in Ticketing now and in the future.

We expect to announce further developments on our engagement with the Dutch Grand Prix going forward soon.

Tickets

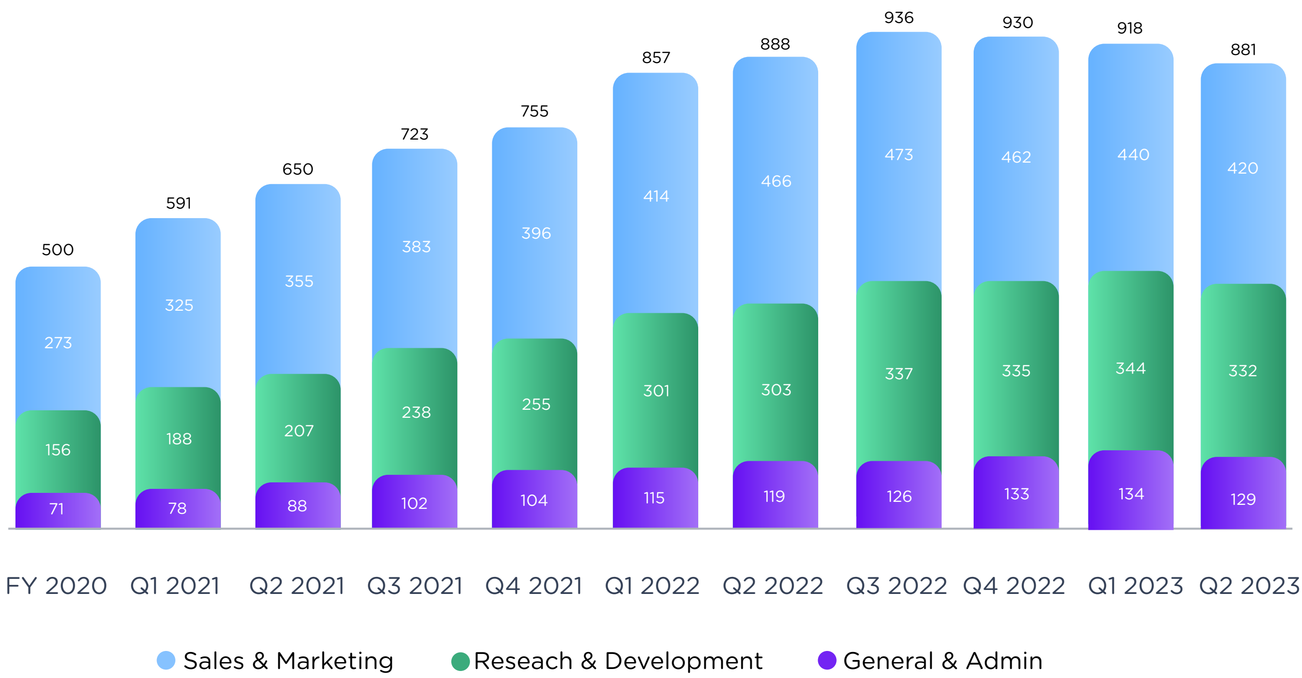
(# million)

OPEX

As part of the transition to profitable growth, CM.com has tightened its grip on costs.

OPEX decreased 2% YoY to €41.9 million before restructuring cost, especially through lower non-personnel related expenses. This is the first time since listing that our OPEX ended lower YoY. Regarding our FTE development, compared to the peak number of 936 FTE in Q3 2022, our FTE decreased by 6%, realized through natural attrition, performance assessments and efficiency improvements. The downward trend in FTE will accelerate in H2 2023, as CM.com expects a significantly lower level in FTE before the year-end 2023.

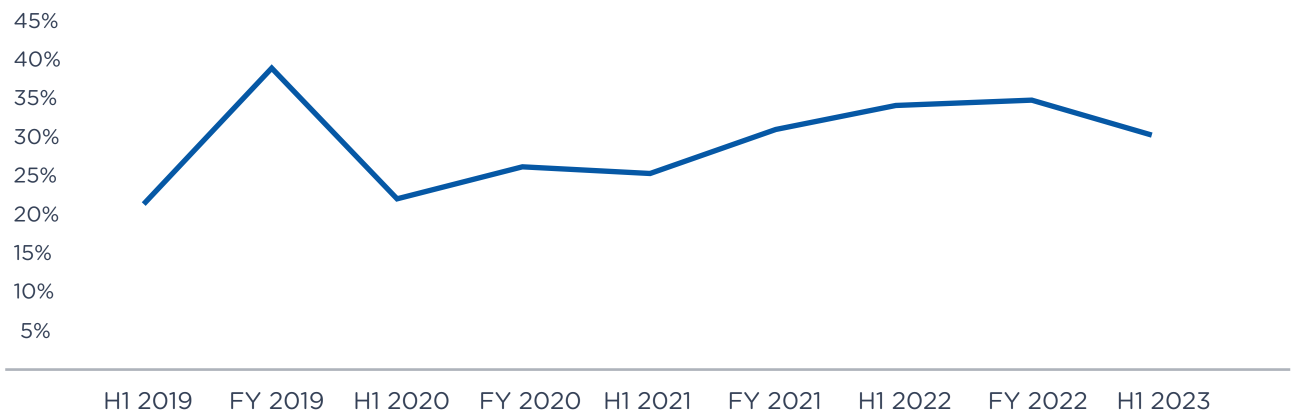
FTE development



CM.com decided to close our Mexico and Kenya offices, as the payback time on our commercial investments was below our standards. CM.com will continue to evaluate efficiency in its offices and act where needed to optimize profitability and ensure future profit growth.

Our OPEX versus Revenue ratio now stands at 31%. CM.com's mid-term goal is an OPEX versus Revenue ratio of low-to-mid 20s.

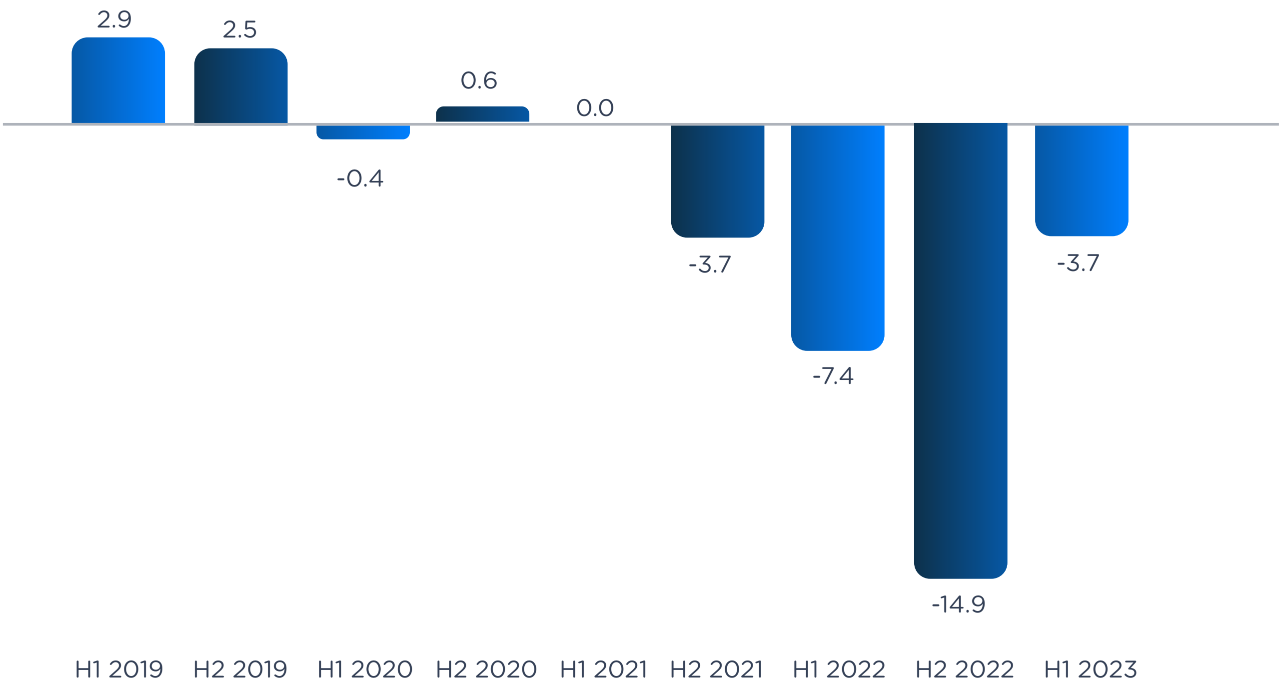
OPEX vs Revenue



EBITDA

As a result, the normalized EBITDA before restructuring charges came in at minus €3.7 million. Including the restructuring charges of €0.8 million, the reported EBITDA amounted to minus €4.5 million. These are significant improvements in our EBITDA YoY and well within our previous guidance for EBITDA in H1 2023.

Normalized EBITDA
(x € million)



Further cost control to decrease our OPEX will remain vital in achieving our EBITDA objective in 2023 and FCF targets in 2024. For H2 2023 we expect normalized EBITDA, before restructuring costs, to be positive for the whole period.

CAPEX

Capital expenditure (CAPEX) commitments, including hardware, software, and infrastructure, amounted to €12.2 million (of which € 8.7 million is capitalized development hours). Other CAPEX expenses were substantially lower, especially data centers, where the investments this year are substantially lower than in 2022. This results in a reduction of CAPEX by 28% YoY to 8.9% of revenue, consistent with our mid-term objective to return CAPEX to 5% of revenue.

Funding & cash position

As of June 30, 2023, our non-restricted cash position stood at €34 million. CM.com improved its operating results in combination with a lower CAPEX, resulting in a decrease in our cash outflow. Together with a tighter grip on our working capital, this resulted in a solid cash position at the end of H1 2023.

CM.com is convinced that the current cash position is comfortable to execute our strategy of continued profitable growth. Further cost control should enable CM.com to return to structurally positive free-cash-flow by H2 2024, which is an upgrade from previous guidance. CM.com reiterates its stance that it expects to achieve this goal without the need to access capital markets.

Outlook

As 2023 is a year of transition for CM.com, we will continue to execute our growth path as laid out in the Path to Profitability. CM.com will continue strengthening its market leadership and innovation in conversational commerce through better margins and lower costs. CM.com is well-positioned to grow in the future in a sustainable way.

In terms of outlook, this means that CM.com expects:

- normalized EBITDA to be positive over H2 2023 (upgraded from positive by year-end 2023);
- OPEX to further decrease in H2 2023 to reach -10% YoY for FY 2023, before restructuring cost;
- to be free-cash-flow positive by H2 2024 (upgraded from positive by year-end 2024).

Analyst earnings call: H1 2023 results

On 25 July at 10.00 am CEST, CM.com will host its H1 2023 analyst and investor call that will be live broadcasted in listen-only mode on our website: https://www.cm.com/investor-relations/

2023 Financial calendar

26 October — Q3 2023 Trading Update

Contact Investor Relations

Serge Enneman
Investor.relations@cm.com
+31 643280788

About CM.com

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

CM.com provides messaging and voice channels, such as SMS, Over The Top (OTT) (e.g. WhatsApp Business, Apple Business Chat, Google RCS, Facebook Messenger, and Viber), Voice API and SIP. These messaging channels can be combined with cloud platform features, like Ticketing, eSignature, Customer Contact, identity services and a Customer Data Platform. CM.com is a licensed Payment Service Provider (PSP) offering card payments, domestic payment methods and integrated payment methods like WeChat Pay.

CM.com has over 900 employees and offices in 19 countries globally. The platform of CM.com delivers fully integrated solutions, based on a privately owned cloud and 100% in-house developed software. By doing so, CM.com can guarantee scalability, time-to market, and global redundancy and delivery.

Forward Looking Statements

Statements included in this press release that are not historical facts (including any statements concerning investment objectives, other plans and objectives of management for future operations or economic performance, or assumptions or forecasts related thereto) are forward-looking statements. These statements are only predictions and are not guarantees. Actual events or the results of our operations could differ materially from those expressed or implied in the forward-looking statements. Forward-looking statements are typically identified by the use of terms such as “may,” “will”, “should”, “expect”, “could”, “intend”, “plan”, “anticipate”, “estimate”, “believe”, “continue”, “predict”, “potential” or the negative of such terms and other comparable terminology. The forward-looking statements are based upon our current expectations, plans, estimates, assumptions and beliefs that involve numerous risks and uncertainties. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond our control. Although we believe that the expectations reflected in such forward-looking statements are based on reasonable assumptions, our actual results and performance could differ materially from those set forth in the forward-looking statements. Although we believe that the expectations reflected in such forward-looking statements are based on reasonable assumptions, our actual results and performance could differ materially from those set forth in the forward-looking statements.

OVERVIEW KPIs	2023 Q2	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3
Total revenue (€ million)	65.9	71.4	78.4	68.9	65.4	70.5	66.8	58.2	62.2	49.8	45.3	38.5
Gross profit (€ million)	19.2	18.9	17.5	19.3	17.4	17.8	18.3	16.5	15.6	12.3	11.5	9.4
Gross margin (%)	29.1%	26.5%	22.3%	28.0%	26.6%	25.2%	27.4%	28.4%	25.1%	24.7%	25.4%	24.4%
Number of messages (billion)	1.6	1.7	2.0	1.8	1.7	1.7	1.7	1.5	1.4	1.2	1.2	0.9
Number of voice minutes (million)	74	79	97	96	99	163	179	157	190	163	109	97
Annual recurring revenue (€ million)	30.9	30.3	29.3	29.1	27.6	26.3	22.7	20.4	18.2	15.0	14.0	10.8
Total payments (€ million)	543	526	623	526	479	354	287	270	277	262	217	164
Total tickets (€ million)	4.6	4.0	4.0	4.2	3.9	2.5	2..8	4.4	1.8	0.2	1.4	2.8

2023 Interim Condensed Consolidated Financial Statements.

CM.com

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Contents

Consolidated statement of financial position

As at:

Assets[1]

x € 1,000	Note	30 June 2023	31 December 2022
		(unaudited)	(audited)
Goodwill	9	29,404	29,404
Intangible fixed assets	9	72,340	69,099
Property, plant and equipment	10	9,586	8,792
Right-of-use assets	11	29,385	30,658
Long-term receivables	14	1,614	1,465
Associates	3	-	1,823
Deferred tax assets	12	1,745	1,506
Non-current assets		**144,074**	**142,747**
Current portion of long-term receivables	14	785	810
Inventories		889	1,113
Trade and other receivables	15	45,540	57,035
Current tax receivable		-	559
Cash and cash equivalents	16	61,382	82,740
Current assets		**108,596**	**142,257**
Assets		**252,670**	**285,004**

Equity and liabilities

x € 1,000	Note	30 June 2023	31 December 2022
		(unaudited)	(audited)
Share capital		1,746	1,736
Share premium reserve		130,927	127,733
Equity component of convertible bond		5,840	5,940
Treasury shares		(465)	(861)
Accumulated deficits		(102,850)	(82,881)
Foreign currency translation reserve		2,121	1,888
Equity		**37,319**	**53,555**
Borrowings	18	16,210	17,884
Convertible bond	19	95,086	94,262
Deferred tax liability	12	2,443	3,162
Provisions	17	445	-
Other liabilities merchants and financial institutions		194	194
Non-current liabilities		**114,378**	**115,502**
Current portion of borrowings	18	5,981	6,878
Trade and other payables	20	86,987	103,070
Contract liabilities	21	7,224	5,280
Current tax liabilities		781	719
Current liabilities		**100,973**	**115,947**
Equity and liabilities		**252,670**	**285,004**

[1] Current portion of long-term receivables is presented separately, reclassified from Trade and other receivables compared to the financial statements as at 31 December 2022 to align presentation with Current portion of borrowings.

Consolidated statement of comprehensive result

For the six-month period ended:

x € 1,000	Note	30 June 2023	30 June 2022
		(unaudited)	(unaudited)
Revenue	8	137,323	135,936
Total income		**137,323**	**135,936**
Cost of services	8	(99,173)	(100,756)
Employee benefits expenses	22	(28,804)	(25,823)
Amortisation and depreciation	9/10/11	(10,436)	(8,629)
Other operating expenses	23	(13,823)	(20,959)
Operating result		**(14,913)**	**(20,231)**
Financial income	24	53	204
Financial expenses	24	(3,477)	(2,605)
Share of results in associates	3	(561)	-
Result before tax		**(18,898)**	**(22,632)**
Income tax	12	842	806
Result after tax		**(18,056)**	**(21,826)**
Other comprehensive result, net of tax[1]		233	1,461
Total comprehensive result		**(17,823)**	**(20,365)**
Basic and diluted earnings per share (in €)		**(0.61)**	**(0.70)**

[1] The Other comprehensive result consists completely of Foreign currency translation which may be reclassified subsequently to profit or loss.

Consolidated statement of changes in equity

For the six-month period ended 30 June 2023

x € 1,000	Capital	Share premium reserve	Equity component convertible bond	Treasury shares	Accumulated deficits	Foreign currency translation reserve	Total
Balance at 31 December 2022 (audited)	1,736	127,733	5,940	(861)	(82,881)	1,888	53,555
Result for the year	-	-	-	-	(18,056)	-	(18,056)
Other comprehensive result	-	-	-	-	-	233	233
Convertible bond (net of tax)[1]	-	-	(100)	-	-	-	(100)
Issuance of shares related to business combinations	10	2,999	-	-	(1,663)	-	1,346
Issuance of shares to employees	-	195	-	396	(250)	-	341
Balance at 30 June 2023 (unaudited)	**1,746**	**130,927**	**5,840**	**(465)**	**(102,850)**	**2,121**	**37,319**

[1] The equity of the convertible bond is presented net of tax (note 19). It includes a deferred tax liability recognised through equity offset by a related deferred tax asset recognised through equity, see note 12.

For the six-month period ended 30 June 2022

x € 1,000	Capital	Share premium reserve	Equity component convertible bond	Treasury shares	Accumulated deficits	Foreign currency translation reserve	Total
Balance at 31 December 2021 (audited)	1,730	124,794	6,208	-	(35,575)	708	97,865
Result for the year	-	-	-	-	(21,826)	-	(21,826)
Other comprehensive result	-	-	-	-	-	1,461	1,461
Purchase of treasury shares	-	-	-	(3,585)	-	-	(3,585)
Issuance of shares related to business combinations	5	2,645	-	2,510	(2,510)	-	2,650
Issuance of shares to employees	1	296	-	-	(102)	-	195
Balance at 30 June 2022 (unaudited)	**1,736**	**127,735**	**6,208**	**(1,075)**	**(60,013)**	**2,169**	**76,760**

The subscribed share capital as at 30 June 2023 amounted to € 1.7 million (30 June 2022: € 1.7 million) and was divided into 29,106,470 shares (30 June 2022: 28,934,518 shares), fully paid-up with a nominal value per share of € 0.06.

In the first half year of 2022, the company purchased 143.925 own shares relating to business combinations and 60.000 own shares to satisfy obligations related to the equity-settled share-based compensation plans. In the first half year of 2023, no own shares were purchased. The amount of treasury shares held as at 30 June 2023 of € 0.5 million (30 June 2022: € 1.1 million) represents 30,153 shares (30 June 2022: 71,815 shares).

Consolidated statement of cash flows

For the six-month period ended:

x € 1,000	Note	30 June 2023	30 June 2022
		(unaudited)	(unaudited)
Operating loss		(14,913)	(20,231)
Adjustments for:			
- Amortisation and depreciation	9/10/11	10,436	8,629
- Movement provisions	15/17	633	-
Changes in working capital:			
- Inventories		224	(508)
- Trade and other receivables	15	9,647	5,610
- Trade and other payables	20	(3,076)	794
- Contract liabilities		1,936	2,421
- Trade and other receivables from merchants and financial institutions	15	273	(1,070)
- Trade and other payables to merchants and financial institutions	20	(9,225)	1,500
Interest received	24	53	35
Corporate income tax paid	12	423	(77)
Share benefit program personnel		340	263
Net cash from operating activities		**(3,249)**	**(2,634)**
Investments in intangible assets	9	(10,442)	(7,294)
Investments in property, plant and equipment	10	(1,727)	(1,613)
Divestments in property, plant and equipment	10	-	8
Acquisitions of subsidiaries and associates (net of cash)		219	(6,329)
Cash flow from investing activities		**(11,950)**	**(15,228)**
Loans granted to third parties	14	(261)	(483)
Repayment of loans advanced to third parties	14	221	378
Deposits paid	14	(553)	(310)
Deposits refunded	14	346	268
Repayment of borrowings	18	(136)	-
Repayment of lease liabilities	18	(3,800)	(3,359)
Interest paid	24	(1,423)	(1,569)
Purchase of treasury shares		-	(3,585)
Cash flow from financing activities		**(5,606)**	**(8,660)**
Changes in cash and cash equivalents		**(20,805)**	**(26,523)**
Cash and cash equivalents at 31 December		82,740	122,058
Currency results on cash and cash equivalents		(553)	1,448
Net cash and cash equivalents at 30 June	16	**61,382**	**96,983**

Notes to the consolidated financial statements

1. Corporate information

CM.com N.V. (the 'Company') is a listed public company domiciled in the Netherlands, with its head office in Breda. The Company is registered at the chamber of commerce under number 70523770. The Company's activities primarily consist of advising, guiding, implementing, and assisting companies approaching their target audience through modern (media) techniques. The interim condensed consolidated financial statements of the Company for the six-month period ended 30 June 2022, includes the financial statements of the Company and its consolidated subsidiaries (together referred to as 'CM.com'). The consolidated financial statements of CM.com for the year ended 31 December 2022 are available at the Company's website: www.cm.com.

2. Basis of preparation

The interim condensed consolidated financial statements are:

- Prepared in accordance with IAS 34 'Interim Financial Reporting' of the International Financial Reporting Standards (IFRS) as adopted by the European Union. The interim condensed consolidated financial statements do not meet the full requirements for annual financial statements required by IFRS and should be read in conjunction with the consolidated financial statements of CM.com N.V. for the year ended 31 December 2022. CM.com's consolidated financial statements for the year ended 31 December 2022 were adopted by the Annual General Meeting of shareholders on 26 April 2023 and an unqualified auditor's opinion was issued by Deloitte Accountants B.V. thereon.
- Prepared by the Management Board of the Company and authorised for issue on 24 July 2023. The interim condensed consolidated financial statements have not been audited or limited reviewed by an auditor.
- Prepared on historical cost basis except for financial assets and liabilities, which are valued at fair value through profit or loss.
- Presented in Euro and rounded at thousands, unless stated otherwise.

3. Significant changes in the current reporting period

On 27 March 2023, the Company sold its stake of shares in PHOS Services Ltd. to an external party. The relating loan receivable has been fully repaid. The result on the divestment is a loss of € 561 thousand. The loss calculation includes an expected earn-out receivable of € 610 thousand with a targeted consideration of € 2.5 million. This targeted consideration could be exceeded in case the revenue target is overachieved. The impact of the sales transaction has been recognised as result in associates per reporting date, amounting to € 561 thousand. The earn-out receivable has been recognised under Other receivables, see note 15.

On 29 June 2023, CM.com announced to terminate its business operations in Kenya and Mexico. As a consequence, the subsidiaries CM.com Mexico S.A. de R.L. de C.V. and CM.com Kenya Ltd. will be liquidated during 2023. A provision is recognised for relating present obligations as per 30 June 2023. For more information, see note 17.

CM.com has assessed the impact of its main risks and uncertainties for the remaining six months of 2023. Areas containing the most significant estimates and judgements are referred to in note 5.

4. Changes in significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of CM.com's annual consolidated financial statements for the year ended 31 December 2022. A number of new standards are effective from 1 January 2023, but they do not have a material effect on the Company's financial statements.

Provisions

During the six-month period ended on 30 June 2023 the Company recognised provisions for present obligations (legal or constructive) as a result of past events, see note 3, when it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Restructuring provision

A restructuring provision is recognised when the Company has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision only includes the direct costs arising from the restructuring of operations and is formed if effectively or legally a commitment for CM.com has arisen. See note 17 and 22.

5. Significant judgement and estimates

In preparing these interim condensed consolidated financial statements, management has made a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, provisions, income and expenses. The actual results may differ from these judgements. The judgements, estimates and assumptions in applying CM.com's accounting policies and the key sources of estimation uncertainty were the same as those described in CM.com's last annual financial statements for the year ended 31 December 2022.

6. Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at fair value at the acquisition date. Acquisition-related costs are expensed as incurred and included in the other operating expenses. For the six-month period ended 30 June 2023 there were no acquisition-related costs (€ 181 thousand for the six-month period ended 30 June 2022).

Acquisitions in 2023

There were no acquisitions in 2023.

Acquisitions in 2022

On 1 March 2022, CM.com acquired 100% of the shares and voting rights of Building Blocks Holding B.V. and its subsidiaries (hereafter 'Building Blocks'). Building Blocks is a group of unlisted entities situated in the Netherlands, specialised in consumer artificial intelligence ("AI") and building personalised consumer interactions. The purchase price allocation is based on fair value of identifiable assets and liabilities of Building Blocks. The acquisition of Building Blocks is related to the SaaS segment.

For the fair values of identifiable assets and liabilities of the acquisition as at the date of acquisition, we refer to CM.com's consolidated financial statements for the year ended 31 December 2022. The present value of the earn-out is based on the estimated financial performance of the Company over the period 2022-2024, which is mainly based on recurring revenue, and represents our best estimate as at 30 June 2023. The earn-out will be payable if certain recurring revenue targets are met. The total range of (undiscounted) outcomes of the earn-out on acquisition date, was between € nil and € 14.0 million.

7. Seasonal fluctuations

The demand for transactional and messaging services is subject to seasonal fluctuations which are not considered to be high. Historically, peak demand is in the second half of each year.

8. Revenue recognition and segment reporting

During the six-month period to 30 June 2023, there have been no changes from prior periods in the measurement methods used to determine operating segments. The revenue and results generated by each of CM.com's operating segments (disaggregated by service lines and corresponding to the reportable segments) are summarised as follows:

Segment reporting for the six-month period ended 30 June 2023

x € 1,000	CPaaS	SaaS	Payments	Ticketing	Total
(unaudited)					
Revenue	111,152	14,034	7,431	4,706	137,323
Cost of Services	(93,866)	(1,548)	(3,383)	(376)	(99,173)
Operational expenses, amortisation and depreciation					(53,063)
Operating result					**(14,913)**
Financial income and expenses					(3,424)
Share of results in associates					(561)
Result before tax					**(18,898)**

Segment reporting for the six-month period ended 30 June 2022

x € 1,000	CPaaS	SaaS	Payments	Ticketing	Total
(unaudited)					
Revenue	114,471	11,818	6,113	3,534	135,936
Cost of Services	(96,682)	(1,371)	(2,477)	(226)	(100,756)
Operational expenses, amortisation and depreciation					(55,411)
Operating result					**(20,231)**
Financial income and expenses					(2,401)
Result before tax					**(22,632)**

In the table below revenue is disaggregated by operating segments and geographical location, which is determined based on the billing address of the legal establishment of our customers.

Geographical reporting for the six-month period ended 30 June 2023

x € 1,000	CPaaS	SaaS	Payments	Ticketing	Total
(unaudited)					
EMEA	74,712	12,975	7,325	4,706	99,718
of which the Netherlands	20,729	10,038	3,845	3,537	38,149
of which the Seychelles	18,502	79	-	-	18,581
APAC	21,404	666	35	-	22,105
Americas	15,036	393	71	-	15,500
of which the USA	13,643	253	-	-	13,896
	111,152	**14,034**	**7,431**	**4,706**	**137,323**

Geographical reporting for the six-month period ended 30 June 2022

x € 1,000	CPaaS	SaaS	Payments	Ticketing	Total
(unaudited)					
EMEA	67,973	10,939	6,022	3,534	88,468
of which the Netherlands	28,810	8,213	4,474	2,934	44,431
APAC	20,643	540	32	-	21,215
Americas	25,855	339	59	-	26,253
of which the USA	17,819	222	5	-	18,046
	114,471	**11,818**	**6,113**	**3,534**	**135,936**

Assets and liabilities are not monitored by segment and therefore not presented per segment.

Alternative performance measures

Several alternative performance (non-IFRS) measures are disclosed in our press release, in order to provide relevant information to better understand the underlying business performance of the Company. 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 is provided:

- Gross Profit: Revenue less Cost of services
- Gross Margin: Gross profit divided by Revenue
- EBITDA: Operating result less Amortisation and Depreciation
- Normalized EBITDA: EBITDA corrected for material one-offs
- One-offs: Non-recurring, extraordinary or non-core items
- OPEX: Employee benefits expenses and Other operating expenses
- CAPEX commitments: Investments in Intangible and Tangible fixed assets and Hardware lease commitments
- CAPEX cash out: Investments in Intangible and Tangible fixed assets
- Changes in Working capital: Changes in provisions, inventories, trade and other receivables, trade and other payables and contract liabilities.
- Free-cash-flow: EBITDA less CAPEX cash out, less changes in Working capital
- CPaaS Net Dollar Retention Rate: The ratio of revenue from CPaaS customers in comparable twelve months between the current and preceding year for customers that generate more than € 10,000 in revenue in the current year
- CPaaS Enterprise Churn Rate: The ratio of revenue from CPaaS customers that generated more than € 10,000 in revenue in the preceding year, but generated less than € 10,000 in the current year or were no longer customers in the current year compared to the previous year
- Annual Recurring Revenue (ARR): Represents the annual recurring revenue streams from customers at the end of the period

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.

9. Intangible fixed assets

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

For the six-month period ended 30 June 2023

x € 1,000	Platform (software)	Goodwill	Customer relation	Other	Total
Costs					
At 31 December 2022 (audited)	77,650	29,955	32,479	4,663	144,747
Additions related to external costs	201	-	1,586	-	1,787
Development costs	8,655	-	-	-	8,655
Divestments	(434)	-	-	(31)	(465)
Currency difference	(1)	-	1	-	-
At 30 June 2023 (unaudited)	**86,071**	**29,955**	**34,066**	**4,632**	**154,724**
Amortisation and Impairment					
At 31 December 2022 (audited)	28,061	551	15,537	2,095	46,244
Amortisation	5,416	-	1,693	90	7,199
Divestments	(434)	-	-	(31)	(465)
Currency difference	-	-	2	-	2
At 30 June 2023 (unaudited)	**33,043**	**551**	**17,232**	**2,154**	**52,980**
Net book value					
At 31 December 2022 (audited)	49,589	29,404	16,942	2,568	98,503
At 30 June 2023 (unaudited)	53,028	29,404	16,834	2,478	101,744
Estimated useful lives (years)	5-10	indefinite	10	5-10 / indefinite	

For the six-month period ended 30 June 2022

x € 1,000	Platform (software)	Goodwill	Customer relation	Other	Total
Costs					
At 31 December 2021 (audited)	56,245	22,753	29,773	4,660	113,431
Additions related to external costs	306	-	-	288	594
Acquisitions of subsidiaries	5,352	7,202	2,636	85	15,275
Development costs	6,700	(1)	-	-	6,699
At 30 June 2022 (unaudited)	**68,603**	**29,954**	**32,409**	**5,033**	**135,999**
Amortisation and Impairment					
At 31 December 2021 (audited)	18,306	543	12,533	1,916	33,298
Amortisation	4,691	3	1,452	102	6,248
Currency difference	(7)	-	-	1	(6)
At 30 June 2022 (unaudited)	**22,990**	**546**	**13,985**	**2,019**	**39,540**
Net book value					
At 31 December 2021 (audited)	37,939	22,210	17,240	2,744	80,133
At 30 June 2022 (unaudited)	45,613	29,408	18,424	3,014	96,459
Estimated useful lives (years)	5-10	indefinite	5-10	5-10 / indefinite	

Platform contains capitalised development hours and acquired platform software. Other intangible assets consist of patents, trade names, brand names and domain names. Domain names with an indefinite useful life have a carrying amount of € 1,596 thousand (31 December 2022: € 1,601 thousand).

10. Property, plant and equipment

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

For the six-month period ended 30 June 2023

x € 1,000	Platform (Hardware)	Furniture & fixtures	Vehicles	Hardware workplace	Leasehold improvements	Total
Costs						
At 31 December 2022 (audited)	6,333	3,241	144	3,754	2,034	15,506
Additions	114	360	-	341	912	1,727
Divestments	-	-	-	(2)	-	(2)
Currency difference	(25)	-	-	(8)	(1)	(34)
At 30 June 2023 (unaudited)	**6,422**	**3,601**	**144**	**4,085**	**2,945**	**17,197**
Depreciation						
At 31 December 2022 (audited)	3,438	908	98	1,848	422	6,714
Depreciation	234	179	5	369	120	907
Divestments	-	-	-	(2)	-	(2)
Currency difference	(3)	-	(5)	-	-	(8)
At 30 June 2023 (unaudited)	**3,669**	**1,087**	**98**	**2,215**	**542**	**7,611**
Net book value						
At 31 December 2022 (audited)	2,895	2,333	46	1,906	1,612	8,792
At 30 June 2023 (unaudited)	2,753	2,514	46	1,870	2,403	9,586
Estimated useful lives (years)	10	10	5	5	10	

For the six-month period ended 30 June 2022

x € 1,000	Platform (Hardware)	Furniture & fixtures	Vehicles	Hardware workplace	Leasehold improvements	Total
Costs						
At 31 December 2021 (audited)	5,694	2,107	171	3,133	1,270	12,375
Additions	499	231	-	301	581	1,612
Acquisitions of subsidiaries	-	241	-	113	-	354
Currency difference	14	1	-	1	(1)	15
At 30 June 2022 (unaudited)	**6,207**	**2,580**	**171**	**3,548**	**1,850**	**14,356**
Depreciation						
At 31 December 2021 (audited)	3,026	464	95	1,334	223	5,142
Depreciation	191	149	5	303	95	743
Currency difference	6	-	-	5	(5)	6
At 30 June 2022 (unaudited)	**3,223**	**613**	**100**	**1,642**	**313**	**5,891**
Net book value						
At 31 December 2021 (audited)	2,668	1,643	76	1,799	1,047	7,233
At 30 June 2022 (unaudited)	2,984	1,967	71	1,906	1,537	8,465
Estimated useful lives (years)	10	10	5	5	10	

Platform contains servers and hardware.

11. Right-of-use assets

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

For the six-month period ended 30 June 2023

x € 1,000	Land and buildings	Furniture & fixtures	Platform (Hardware)	Platform (Software)	Vehicles	Total
Costs						
At 31 December 2022 (audited)	20,450	236	16,563	1,127	962	39,338
Additions	788	-	-	-	333	1,121
Ending of lease agreements	(375)	-	-	-	(137)	(512)
Currency difference	(22)	-	(27)	-	-	(49)
At 30 June 2023 (unaudited)	**20,841**	**236**	**16,536**	**1,127**	**1,158**	**39,898**
Depreciation						
At 31 December 2022 (audited)	4,517	181	2,979	565	438	8,680
Depreciation	1,248	13	878	56	135	2,330
Ending of lease agreements	(375)	-	-	-	(116)	(491)
Currency difference	(6)	-	1	(1)	-	(6)
At 30 June 2023 (unaudited)	**5,384**	**194**	**3,858**	**620**	**457**	**10,513**
Net book value						
At 31 December 2022 (audited)	15,933	55	13,584	562	524	30,658
At 30 June 2023 (unaudited)	15,457	42	12,678	507	701	29,385

For the six-month period ended 30 June 2022

x € 1,000	Land and buildings	Furniture & fixtures	Platform (Hardware)	Platform (Software)	Vehicles	Total
Costs						
At 31 December 2021 (audited)	8,262	207	8,640	1,127	715	18,951
Additions	9,354	29	7,944	-	217	17,544
Acquisitions of subsidiaries	1,606	-	-	-	-	1,606
Ending of lease agreements	(5,801)	-	-	-	-	(5,801)
Currency difference	6	-	5	-	-	11
At 30 June 2022 (unaudited)	**13,427**	**236**	**16,589**	**1,127**	**932**	**32,311**
Depreciation						
At 31 December 2021 (audited)	3,051	124	1,503	452	384	5,514
Depreciation	780	31	665	56	118	1,650
Ending of lease agreements	(2,239)	-	-	-	-	(2,239)
Currency difference	7	-	-	-	-	7
At 30 June 2022 (unaudited)	**1,599**	**155**	**2,168**	**508**	**502**	**4,932**
Net book value						
At 31 December 2021	5,211	83	7,137	675	331	13,437
At 30 June 2022 (unaudited)	11,828	81	14,421	619	430	27,379

12. Taxation

Current income tax

Major components of the income tax expenses:

x € 1,000	30 June 2023	30 June 2022
	(unaudited)	(unaudited)
Current tax:		
Current year	230	347
Adjustments prior year	17	201
Deferred tax:		
Movement in temporary differences	(1,397)	(845)
Movement in tax losses carried forward	308	(756)
Tax rate differences	-	16
Adjustments prior year	-	231
Taxation according to profit or loss account	**(842)**	**(806)**

The effective tax rate for the six-month period ended on 30 June 2023 is 4.5% (30 June 2022: 3.6%) and can be reconciled as follows:

x € 1,000	30 June 2023	30 June 2022
	(unaudited)	(unaudited)
Result before tax	**(18,898)**	**(22,632)**
Income tax expense at statutory tax rate (25.8%)	(4,875)	(5,839)
Exempt income	145	-
Non-deductible expenses	368	51
Rate differential	71	(54)
Non-recognition of deferred tax asset	4,003	4,841
Tax losses utilised	(471)	(237)
Deferred tax asset through equity	(100)	-
Tax relating to prior periods	17	432
Tax charged against result before tax	**(842)**	**(806)**

Deferred tax

A summary of the movements in deferred tax is provided:

x € 1,000	Deferred Tax Assets	Deferred Tax Liabilities
Carrying amount as at 31 December 2022 (audited)	1,506	3,162
Netting	5,520	5,520
Carrying amount as at 31 December 2022 (audited) before netting	**7,026**	**8,682**
Movement in tax losses carried forward	(308)	-
Mutations through profit or loss	201	(1,196)
Mutations through equity	(100)	-
Revaluation	(31)	-
Netting	(5,043)	(5,043)
Carrying amount as at 30 June 2023 (unaudited)	**1,745**	**2,443**

Deferred tax assets are recognised for any unused tax losses, to the extent that it is probable that taxable profit will be available against which the unused tax losses can be utilised. Other deferred tax assets relate to the difference between the carrying amount of right-of-use assets, deferred costs and the convertible bond, and their fiscal values. Deferred tax liabilities relate to the difference between the carrying amount of the intangible assets and the convertible bond, and their fiscal values.

13. Financial risk management

The aspects of CM.com's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2022.

Exposure to liquidity risk

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

30 June 2023

x € 1,000	Note	0-3 months	4-12 months	1-5 years	Over 5 years	Total	Carrying amount
(unaudited)							
Lease liabilities	18	2,176	4,537	9,683	7,792	24,188	20,994
Convertible bond	19	1,000	1,000	105,000	-	107,000	95,086
Trade payables	20	28,544	-	-	-	28,544	28,544
Other financial liabilities	20	59,224	-	-	-	59,224	59,224
Bank loans	18	4	9	-	-	13	13
Tax debt	18	75	224	972	-	1,271	1,184
		91,023	**5,770**	**115,655**	**7,792**	**220,240**	**205,045**

31 December 2022

x € 1,000	Note	0-3 months	4-12 months	1-5 years	Over 5 years	Total	Carrying amount
(audited)							
Lease liabilities	18	2,114	5,957	11,016	8,807	27,894	23,689
Convertible bond	19	1,000	1,000	106,000	-	108,000	94,262
Trade payables	20	25,241	-	-	-	25,241	25,241
Other financial liabilities	20	78,363	224	-	-	78,587	78,548
Bank loans	18	4	11	5	-	20	20
Tax debt long-term	18	-	-	1,121	-	1,121	1,053
		106,722	**7,192**	**118,142**	**8,807**	**240,863**	**222,813**

14. Long-term receivables

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

x € 1,000	30 June 2023	31 December 2022
	(unaudited)	(audited)
Deposits	1,390	1,244
Other receivables	949	971
Other participation	60	60
	2,399	**2,275**
Current portion of long-term receivables	785	810
	1,614	**1,465**

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

x € 1,000	30 June 2023
Carrying amount as at 31 December (audited)	**2,275**
Movements:	
Loans granted / advance payment	261
Repayment loans	(221)
Write off loans	(37)
Paid deposits	553
Refund deposits	(346)
Other movements	(50)
Currency difference	(36)
Carrying amount as at 30 June (unaudited)	**2,399**

15. Trade and other receivables

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

x € 1,000	30 June 2023	31 December 2022
	(unaudited)	(audited)
Trade receivables	17,438	25,660
Accrued revenue	19,908	22,696
Prepayments	3,651	3,160
Receivables from merchants and financial institutions	1,832	2,105
VAT and payroll tax receivables	1,674	1,655
Other receivables	1,037	1,759
	45,540	**57,035**[1]

[1] Please note that the Current portion of long-term receivables are presented separately on the face of the balance sheet as per 30 June 2023, and form no longer a part of Trade and other receivables compared to the financial statements as at 31 December 2022.

The trade and other receivables do not include any receivables that are payable later than 12 months after the balance sheet date. An expected credit loss provision is accounted for and netted with the Trade receivable balance. At the reporting date an amount of € 1,542 thousand (31 December 2022: € 5,548 thousand) is provided for.

16. Cash and cash equivalents

The cash and cash equivalents per the end of the reporting period consist of the following:

x € 1,000	30 June 2023	31 December 2022
	(unaudited)	(audited)
Cash at bank	34,133	46,916
Cash at bank restricted	27,249	35,824
	61,382	**82,740**

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

Cash at bank restricted is solely related to the foundation's activities and to be settled with merchants of CM Payments B.V. and Ticketing customers. Considering that these balances cannot be used by the Company for it's own activities, these are recorded as restricted cash. All other cash held is payable on demand.

17. Provisions

The provisions at the end of the reporting period consist of amounts recognised for restructuring expenses and ticketing guarantees, in total € 445 thousand (31 December 2022: nil).

Restructuring provision

In the six-month period ended 30 June 2023, the Company initiated general efficiency actions aimed at simplifying the organisation to streamline the way of working and reduce costs. This led to reduction of employees, via natural attrition, performance assessments and efficiency improvements. Furthermore, the Company decided to close its sales offices in Kenya and Mexico. These branches were mainly focused on selling our CPaaS and SaaS products to their respective local markets. The total costs for the restructuring in the first half year of 2023 were € 0.8 million. As per 30 June 2023, € 0.3 million is recognised as a provision for restructuring costs. The Company expects this provision to be utilised within the remainder of financial year 2023.

18. Borrowings

The borrowings per the end of the reporting period consist of the following:

x € 1,000	30 June 2023	31 December 2022
	(unaudited)	(audited)
Lease liability	20,994	23,689
Tax debt	1,184	1,053
Bank loans	13	20
	22,191	**24,762**
Current portion of borrowings	5,981	6,878
	16,210	**17,884**

A summary of the movements in borrowings is provided:

x € 1,000	30 June 2023
Carrying amount as at 31 December 2022 (audited)	**24,762**
Movements:	
Increase in lease liability	1,121
Redemptions of bank loans	(7)
Redemptions of tax debt	(129)
Redemptions of lease liability	(3,779)
Reclassification of tax debt[1]	260
Ending of lease liability	(21)
Currency difference	(16)
Carrying amount as at 30 June 2023 (unaudited)	**22,191**

[1] The short-term part of the tax debt was reclassified from VAT and payroll tax payables to Current portion of borrowings, in comparison to the financial statements over the year 2022.

19. Convertible bond

The net proceeds received from the issue of the convertible loan notes have been split between the financial liability element and an equity component, representing the fair value of the embedded option to convert the financial liability into equity of CM.com. The movement of the financial liability is as follows:

x € 1,000	30 June 2023	30 June 2022
Carrying amount of liability component at 31 December (audited)	**94,262**	**92,648**
Interest charged (using effective interest rate)	824	801
Carrying amount of liability component at 30 June (unaudited)	**95,086**	**93,449**

As per 30 June 2023 the equity component of € 5,840 thousand (31 December 2022: € 5,940 thousand) (net of tax) has been credited to the option premium on convertible bond reserve. The tax effect as per 30 June 2023 includes a deferred tax liability recognised through equity of € 1,698 thousand (31 December 2022: € 1,698 thousand) offset by a related deferred tax asset recognised through equity of € 745 thousand (31 December 2022: € 845 thousand), see note 12.

20. Trade and other payables

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

x € 1,000	30 June 2023	31 December 2022
	(unaudited)	(audited)
Trade payables	28,544	25,241
Payables to merchants and financial institutions	28,510	37,735
Invoices to be received for services	14,714	22,864
VAT and payroll tax payables	4,497	3,525
Third party collection payable to content providers	2,232	1,302
Other accruals	8,490	12,403
	86,987	**103,070**

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

21. Contract liabilities

The revenue received in advance mainly consists of prepaid subscription revenue (linear released over the contract period) or prepaid CPaaS balances (released by usage).

22. Employee benefits

x € 1,000	30 June 2023	30 June 2022
	(unaudited)	(unaudited)
Wages and salaries	29,758	26,890
Social security charges	4,544	4,215
Pension costs	1,068	891
Capitalised development costs and WBSO subsidy received	(6,566)	(6,173)
	28,804	**25,823**

Wages and salaries over the six-month period ended 30 June 2023 include restructuring expenses for a total amount of € 737 thousand (nil for the six-month period ended 30 June 2023). These expenses relate to costs for severance payments and garden leave, see note 17.

The breakdown per department of the number of FTE is as follows:

	30 June 2023	30 June 2022
	(unaudited)	(unaudited)
Sales & Marketing	420	466
Research & Development	332	303
General & Administration	129	119
	881	**888**

23. Other operating expenses

x € 1,000	30 June 2023	30 June 2022
	(unaudited)	(unaudited)
Operating expenses	3,651	3,447
Other staff expenses	3,138	4,842
Marketing and sales expenses	3,029	3,413
General expenses	2,072	3,522
Housing expenses	1,464	1,409
Expected credit losses	469	4,326
	13,823	**20,959**

The capitalised development costs (see note 22) have partly been allocated to the general expenses for an amount of € 2,084 thousand (30 June 2022: € 1,604 thousand). This charge mainly relates to workspace and IT expenses.

In the housing and general expenses an amount of € 645 thousand (30 June 2022: € 858 thousand) relates to short-term leases. The other staff expenses consist of contractors and agency personnel expenses amounting to € 1,205 thousand (30 June 2022: € 2,410).

24. Financial income and expenses

Financial income

x € 1,000	30 June 2023	30 June 2022
	(unaudited)	(unaudited)
Bank interest received	44	9
Fair value gains	-	188
Other interest received	9	7
	53	**204**

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

Financial expenses

x € 1,000	30 June 2023	30 June 2022
	(unaudited)	(unaudited)
Interest on convertible bond	1,824	1,801
Currency results	1,145	236
Bank interest paid	-	244
Other interest paid	390	127
Fair value losses	118	197
	3,477	**2,605**

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

25. Fair value measurement of financial instruments

The carrying amount of the following financial assets and liabilities is considered a reasonable approximation of fair value:

- trade and other receivables;
- cash and cash equivalents;
- bank loans;
- trade and other payables.

During the six-month period ended 30 June 2023, there have been no material changes related to the fair value hierarchy.

26. Related parties

CM.com has a rental agreement with CM Campus B.V. The rent charged by CM Campus B.V. is at arm's length and amounted to € 561 thousand during the six-month period ended 30 June 2023 (six-month period ended 30 June 2022: € 561 thousand). CM Campus B.V. is related by its shareholders (2 members of the Management Board of CM.com N.V.). The outstanding balance of the current account as at 30 June 2023 was nil (31 December 2022: € 302 thousand). The total outstanding balance related to leases as at 30 June 2023 was € 8,452 thousand (31 December 2022: € 8,862 thousand). Of these leases a total of € 840 thousand is short-term (31 December 2022: € 826 thousand).

27. Subsequent events

No events occurred from 30 June 2023 to the date of issue that could result in significant financial implications for the Company.

Statement of the Management Board

Statement ex Article 5:25d Paragraph 2 sub c Financial Markets Supervision Act (“Wet op het financieel toezicht”).

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

- the interim condensed consolidated financial statements for the six-month period ended 30 June 2023 which have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted and endorsed by the European Union (EU-IFRSs), give a true and fair view of the assets, liabilities, financial position, and profit or loss of CM.com and its affiliates included in the consolidation taken as a whole;
- the interim management report for the six-month period ended 30 June 2023 (as set out on pages 1 to 15 of this press release) includes a fair review of the information required pursuant to article 5:25d, paragraph 8 and 9 of the Dutch Financial Markets Supervision Act (“Wet op het financieel toezicht”) regarding the Company and its affiliates included in the consolidation taken as a whole.

Jeroen van Glabbeek (CEO)

Jörg de Graaf (CFO)

Gilbert Gooijers (COO)