



## Q3 Trading Update 2023.

CM.com turned EBITDA positive  
at the end of Q3 2023



PRESS RELEASE

## Q3 Trading Update 2023

CM.com turned EBITDA positive at the end of Q3 2023 as gross profit and gross margin reached record levels.

*Following the successful implementation of our Path to Profitability strategy, CM.com reached positive EBITDA levels at the end of the third quarter. Gross profit and gross margin grew to all-time high levels in the quarter, following the explicit focus on growing revenue in products with high margin. Typically, those are products in SaaS, Payments, and Ticketing. In CPaaS, revenues dropped as a consequence, with continued focus on profitability over volume. OPEX continued to decline, following the implementation of cost measurements, and the lowering of headcount. On the back of an anticipated OPEX reduction of approximately 25% for H2 2023, we comfortably reiterate our guidance to become EBITDA positive before restructuring costs over H2 2023, which is an important milestone on our trajectory to become free cash flow positive by H2 2024.*

BREDA, 26 OCTOBER 2023

### Q3 2023 highlights

- Gross profit reached an all-time high as it grew 3% YoY to €20.0 million;
- Gross margin continued to improve by 3.6 percentage points YoY to 31.6%, also an all-time high;
- OPEX declined further, following the implementation of cost control measures and a 16% decline YoY in FTE towards 786;
- Normalized EBITDA turned positive at the end of the third quarter;
- Following the successful implementation of our Path to Profitability strategy, revenue continued to grow in SaaS, Payments, and Ticketing, and slowed down in CPaaS, as we focus on profitable revenue streams;
- Generative AI tools were launched in September to assist agents in contact centers in their engagement with customers. First analysis already shows strong efficiency improvements for our clients;
- Juniper Research recognized CM.com as 'Established leader' in CDP (Customer Data Platform) market and Everest Group recognized CM.com as major contender in Conversational AI products;
- In SaaS, ARR grew 8% YoY to € 31.3 million, as new order wins continued to come through;
- In Payments, the migration of clients onto our in-house acquiring platform progressed well. Payment volumes processed grew 13% YoY;
- Ticketing was the strongest performer this quarter, as number of tickets sold grew 24% YoY.

### Outlook

Given the developments in the third quarter, CM.com is comfortable to further specify its outlook. CM.com now expects:

- Q4 2023 gross profit growth to be at least 10% YoY;
- OPEX before restructuring cost over H2 2023 to decline approximately 25% YoY;
- Normalized EBITDA to be positive over H2 2023, which would be for the first time since H1 2021;
- Free cash flow to be structurally positive by H2 2024.

## Q3 2023 KPIs (KEY PERFORMANCE INDICATORS)

(x € million)

|                                            | Q3 2023 | Q3 2022 | Δ Q3-Q3 |
|--------------------------------------------|---------|---------|---------|
| Gross profit                               | 20.0    | 19.3    | 3%      |
| Gross margin (%)                           | 31.6    | 28.0    | 3.6     |
| Revenue                                    | 63.2    | 68.9    | -8%     |
| Number of messages (billion)               | 1.7     | 1.8     | -5%     |
| Number of voice minutes (million)          | 73      | 96      | -24%    |
| Annual Recurring Revenue (ARR) (€ million) | 31.3    | 29.1    | 8%      |
| Total payments processed (€ million)       | 596     | 526     | 13%     |
| Number of tickets (million)                | 5.2     | 4.2     | 24%     |



### Messages (# billion)

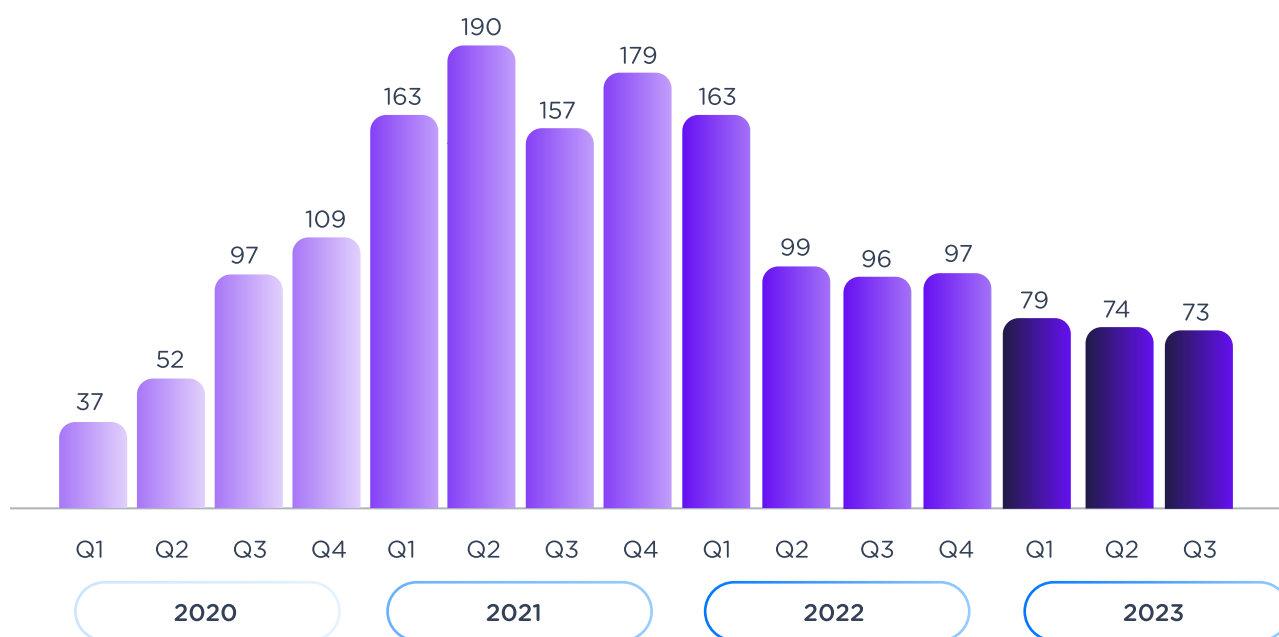
The number of messages grew QoQ but was marginally lower YoY. As CM.com continued to focus on the execution of its Path to Profitability strategy, and as such on profitable revenue streams in its product mix, volumes in messaging remained broadly stable.





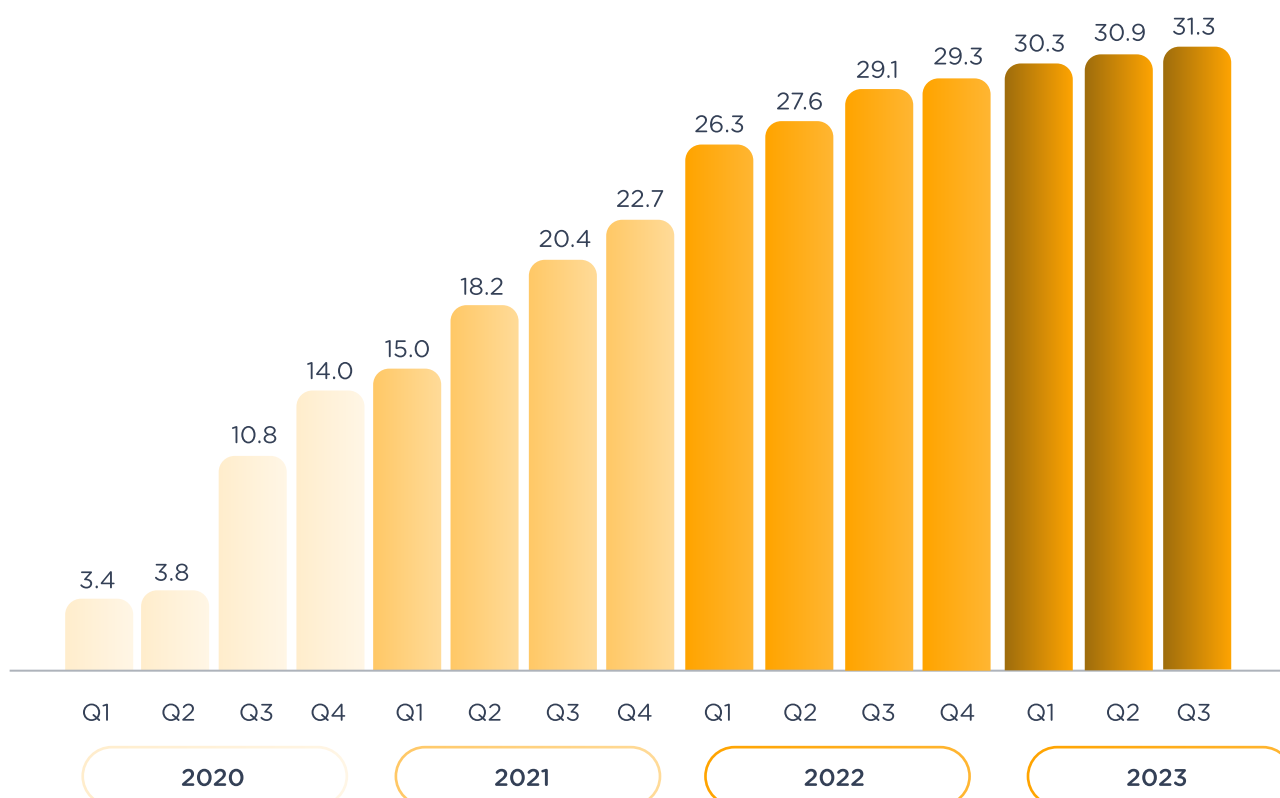
## Voice minutes (# million)

The number of voice minutes remained flat QoQ, but decreased YoY. Voice minutes are stabilizing in 2023, albeit at lower levels than in 2022, as the COVID vaccination campaign is still affecting the YoY comparison base.



## Annual recurring revenue (x € million)

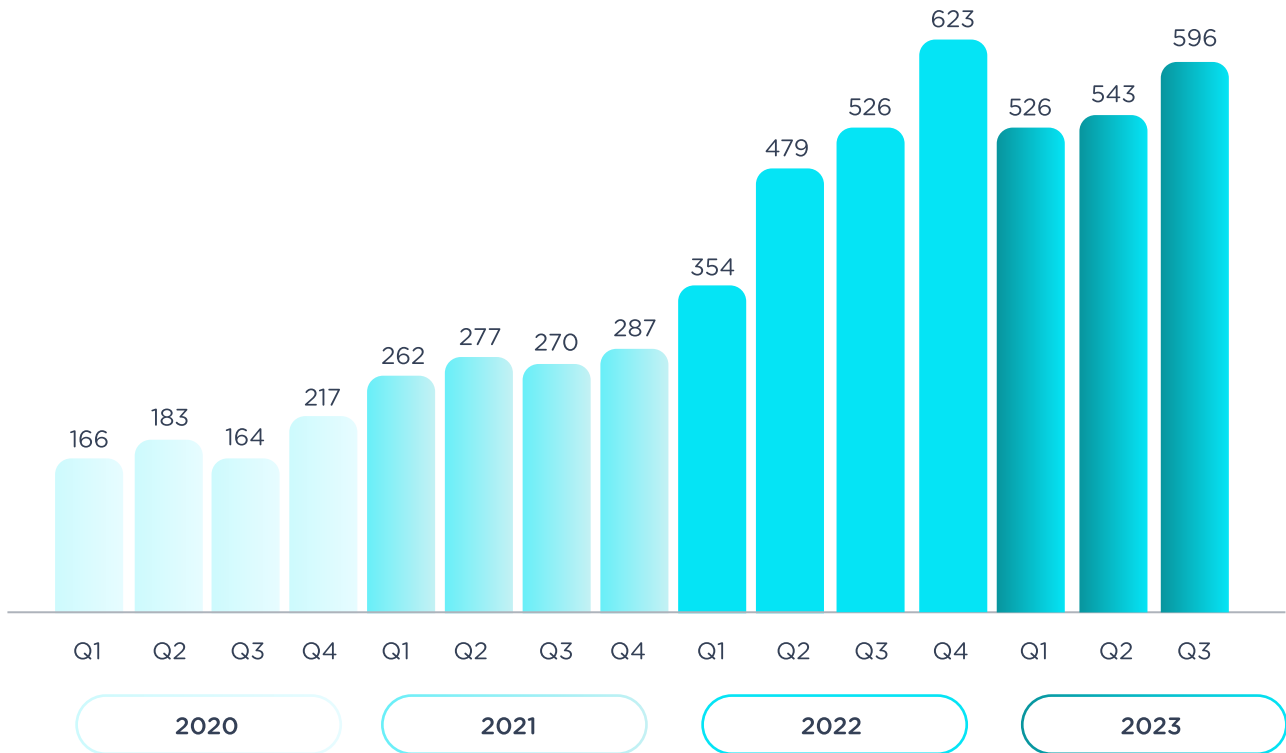
As our SaaS proposition continued to find traction despite longer sales cycles in current market conditions, Annual Recurring Revenue continued to grow to € 31.3 million, a YoY improvement of 8%. Sales leads converted into contracts, as CM.com continued to innovate in its software suit, through the launch of tools such as Generative AI for our CCaaS clients.





## Total payments processed (x € million)

Our processing and acquiring platform is now fully functional. Processed payment volumes showed improved momentum in Q3 2023 as it grew QoQ and YoY. The Q3 2023 volume amount was supported by the performance in other segments, especially Ticketing.



## Tickets (# million)

For CM.com, the strongest performance came from Ticketing in Q3 2023. The number of tickets sold grew by 24%, making Ticketing the strongest KPI performer in gross profit growth. Performance in museums & parcs, live events and the Dutch Grand Prix contributed to this growth.





## Message from the CEO

Today we released our Q3 2023 results, which are a confirmation of the success so far of our Path to Profitability strategy. CM.com again improved its profitability and acted decisively in lowering its OPEX. All this is in response to the rapidly changing macro-economic market circumstances in the last 12 months. As a result, CM.com reached an EBITDA positive state towards the end of the third quarter, an important mark in our financial roadmap towards 2026. After years of investing in our foundation, 2023 is all about optimizing the efficiency of our organization, to accommodate future growth.

The markets we operate in are sensitive to changing circumstances, but nevertheless are expected to grow further in the coming years. Many companies are still not communicating with their clients in an optimal way, something that is increasingly important nowadays for the survival of business models. CM.com continues to position itself in this field as a trusted, innovative partner that can accommodate the needs of our clients in all circumstances.

In Q3 2023 our gross margin and gross profit grew to all-time high levels, supported by topline growth in especially segments with high margin products. What stood out this quarter, was the performance in Ticketing. Museums, parcs and live events showed a pickup in the use of our tools and services. Furthermore, in SaaS, we launched our Gen AI tools last September. Since then, over 200.000 conversations have been supported by these tools. First analysis shows that in 73% of the conversations, a contact center agent directly used the answer generated through our Gen AI tool to respond to questions from customers. The level of satisfaction with the use of our AI chatbots increased by 40%. So that looks promising.

As CM.com continued to execute on its Path to Profitability, we further optimized our operational structure. This resulted in a steep decline in OPEX levels in Q3 2023, following further cost control measurements and a 16% decline YoY in our FTE numbers. The shift of our focus towards capitalizing upon our existing workforce, and optimizing our operational expenditure, has improved our resilience to be able to operate profitably in all market circumstances. As such, CM.com now expects OPEX levels over H2 2023 to be approximately 25% lower than H2 2022.

Overall, as proof points come through, we reiterate our guidance to be EBITDA positive over H2 2023 (normalized). That would be for the first time since H1 2021. Consequently we also reiterate our guidance to be free-cash-flow positive by H2 2024.

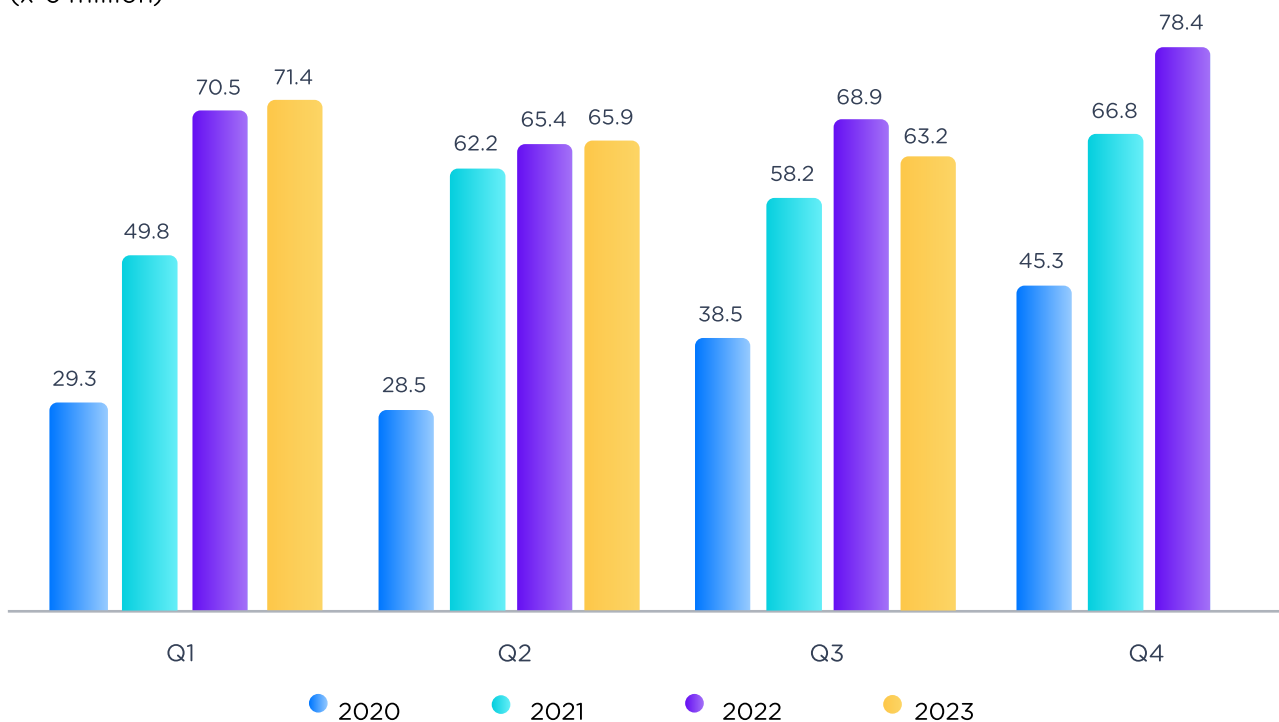
Jeroen van Glabbeek  
CEO CM.com

## Development of profitability and OPEX lay foundation to drive growth going forward.

The ongoing focus on gross profit growth and OPEX optimization have resulted in a strong improvement of our financial base, while staying at the forefront of market developments. Through deliberate shifts in our organization and the implementation of structural changes, CM.com has been, and still is, preparing itself for future growth. Gross profit rose to € 20.0 million, gross margin reached 31.6% and OPEX decreased as cost measurements were implemented and FTE fell 16%, resulting in positive EBITDA at the end of Q3 2023. This trend is set to continue in the remainder of 2023 and into 2024.

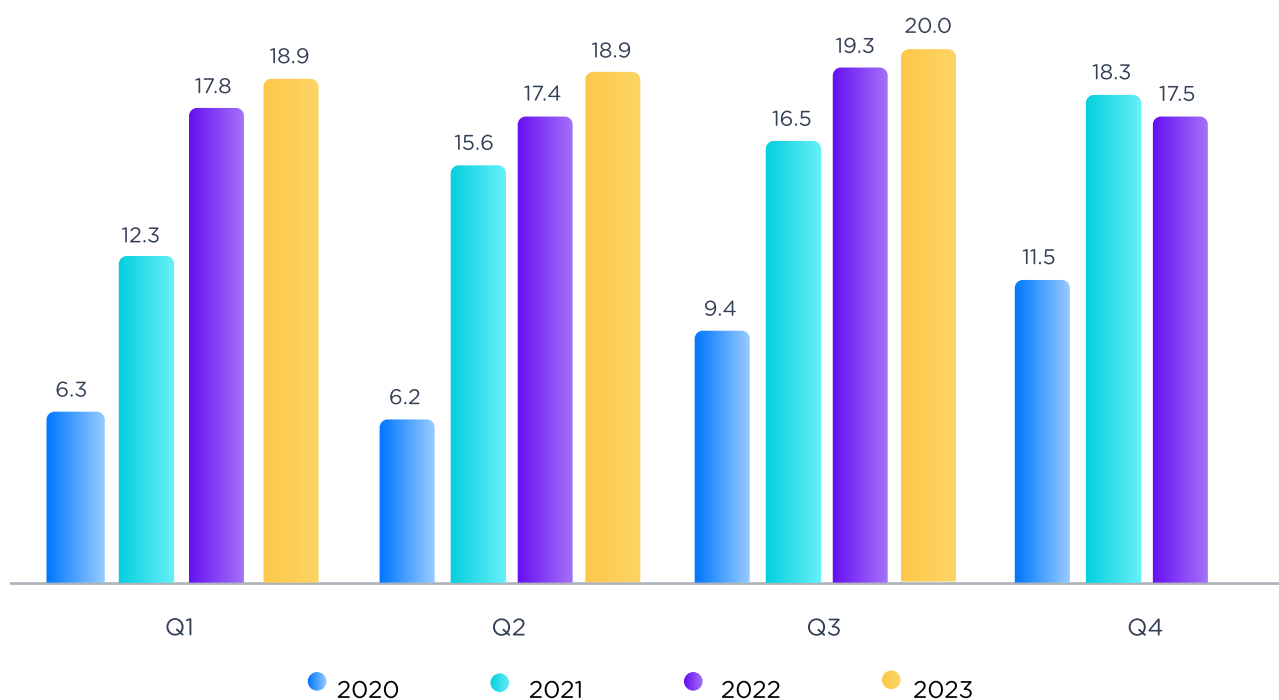
### Revenue development

(x € million)



### Gross profit development

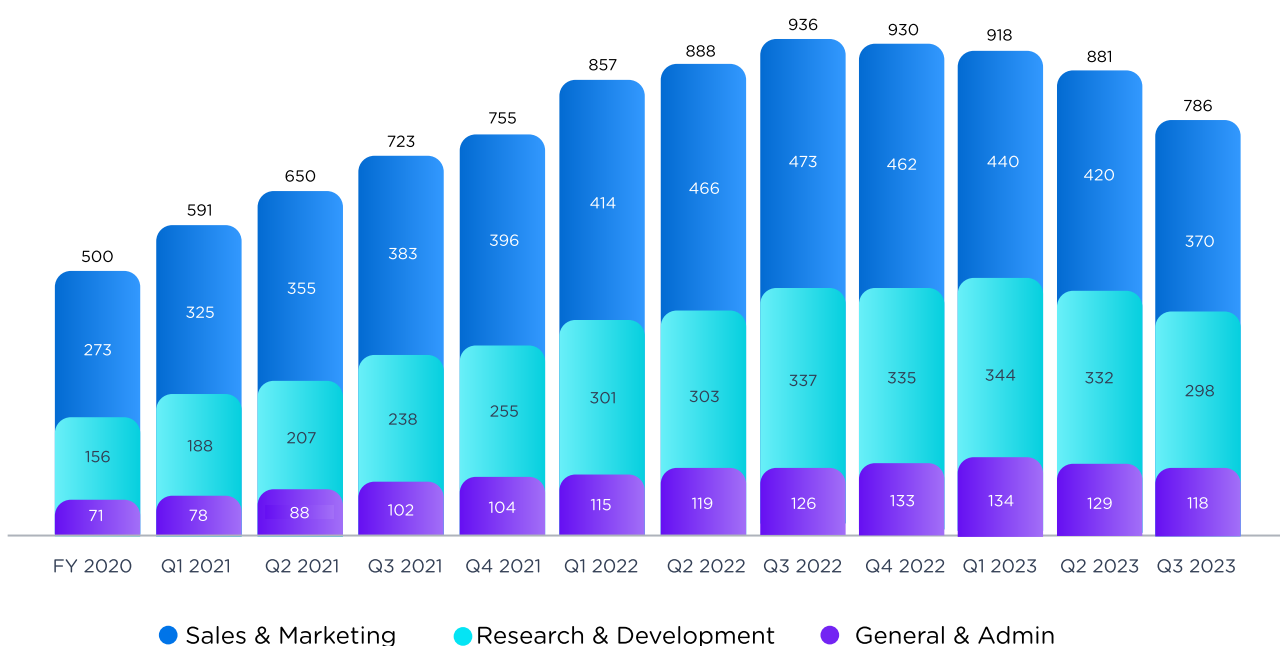
(x € million)



## Organization

CM.com continued to optimize its workforce in Q3 2023. In line with what was communicated during the H1 2023 results, CM.com continued to monitor performance data, and backfilled attrition internally. That resulted in a better workforce allocation and a decline in the number of FTE in Q3 2023. CM.com will continue to optimize its workforce going forward and expects the decrease in headcount to continue in Q4 2023. All this will contribute to the profitability of CM.com going forward.

## FTE development



## Outlook

Following the developments in Q3 2023, CM.com further specifies its outlook. CM.com now expects OPEX to decline approximately 25% in H2 2023 YoY. Gross profit is expected to grow by at least 10% in Q4 2023 YoY.

This will further strengthen the financial foundation for structural EBITDA growth going forward. That is why we reiterate our guidance to be EBITDA positive over H2 2023 and to be free cash flow positive by H2 2024.



## 2024 Financial calendar & events

|                       |                              |                   |                              |                      |                           |
|-----------------------|------------------------------|-------------------|------------------------------|----------------------|---------------------------|
| <b>29</b><br>February | FY 2023 Results<br>+ webcast | <b>7</b><br>March | 2023 Annual<br>Report        | <b>17</b><br>April   | Q1 2024<br>Trading update |
| <b>25</b><br>April    | Annual General<br>Meeting    | <b>23</b><br>July | HY 2024 Results<br>+ webcast | <b>18</b><br>October | Q3 2024<br>Trading update |

## Contact Investor Relations

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## 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 approximately 800 employees and offices in 19 countries globally. The platform of CM.com delivers fully integrated solutions, based on a primarily 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 using terms such as “may,” “will,” “should,” “expect,” “could,” “intend,” “plan,” “anticipate,” “estimate,” “believe,” “continue,” “predict,” “potential” and/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 judgements 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.