





Q1 Trading
Update 2023

CM.com on track to be EBITDA positive by the end of 2023.



#### PRESS RELEASE

# Q1 2023 Trading Update

CM.com on track to be EBITDA positive by the end of 2023

BREDA, 19 APRIL 2023

#### Q1 2023 Highlights

- CM.com continued to execute on its Path to Profitability in the quarter
- Gross profit grew +6% YoY to € 18.9 million, as margins recovered in SMS and volumes in high margins products grew YoY
- Gross margins improved consequently by 1.3 percentage point YoY to 26.5 %
- Revenue grew +1% YoY to € 71.4 million, with Annual Recurring Revenue growing 15%
- Overall underlying growth was strong, compensating for the loss of Covid-related tailwinds in Q1 2022 and given seasonality in Ticketing and Payments in the quarter
- FTE continued to decline as a result of strong focus on cost control and efficiency improvements

#### Outlook

- CM.com expects OPEX in 2023 to come in below 2022 OPEX levels excluding one-offs following continued FTE decline and lower non-personnel costs
- CM.com will continue on its Path to Profitability to grow its revenue in a profitable way
- CM.com expects to see the negative gap in EBITDA narrowing on a monthly basis, supported by improving gross margins and strict cost control
- For H1 2023, CM.com therefore expects an EBITDA between € 3 5 million negative
- For H2 2023, CM.com reiterates its guidance to be structurally EBITDA positive by year-end 2023

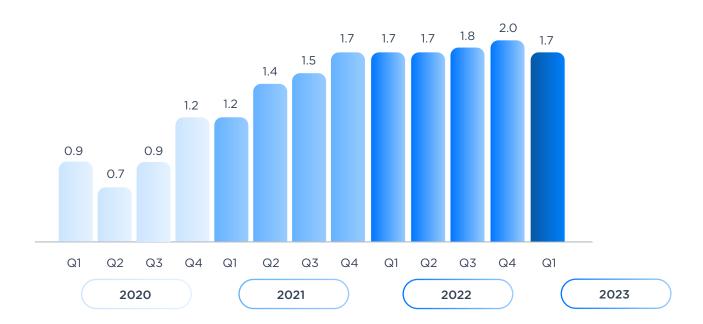
#### Q1 2023 KPIs

(x € million)	Q1 2023	Q1 2022	Δ Q1-Q1
Revenue	71.4	70.5	+1 %
Gross Profit	18.9	17.8	+6 %
Gross Margin (% point)	26.5	25.2	+1.3
Number of messages (billion)	1.7	1.7	-
Number of voice minutes (million)	79	163	-52 %
Annual Recurring Revenue (ARR) (€ million)	30.3	26.3	+15 %
Total payments processed (€ million)	526	354	+48 %
Number of tickets (million)	4.0	2.5	+60 %



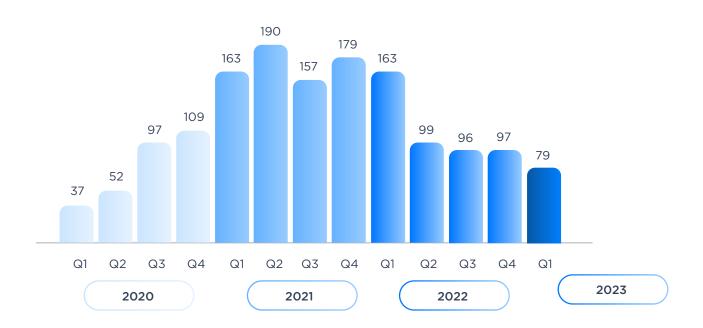
# Messages

(billion)



# Voice minutes

(million)



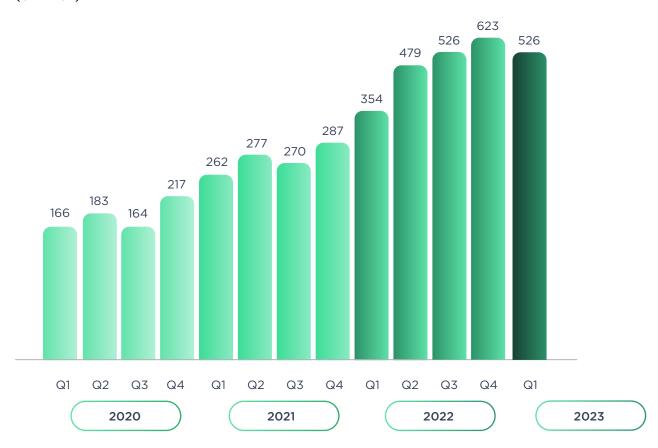
# Annual recurring revenue

(€ million)



# Total payments processed

(€ million)





# **Tickets**

(million)







# Message from the CEO

With 2023 well underway, we are proud to see that we are making good progress on our Path to Profitability. Our balanced growth strategy is starting to bear fruit, with YoY growth in targeted areas, improving margins and strict cost control. Organizational efficiency improvements result in a better use of resources and better employment for our workforce. As our clients clearly seek ways to improve customer engagement, CM.com is being acknowledged for the value we add to their business proposition.

Our growth strategy is focused on delivering operational excellence to our clients in a profitable way. All acquisitions made in recent years enable CM.com to provide the best results and develop the best tools for our clients. In challenging macroeconomic circumstances, CM.com is determined to stay on course to reach the 2023 goals and beyond.

In the past 12 months, CM.com has focused on aligning the different segments and creating the best solutions for our clients. In that effort, we generated more high-margin business in SaaS, Payments, and Ticketing, with which we replaced the Covid-related tailwinds in the CPaaS domain in 2022, especially Voice. As of next quarter, the Covid impact is expected to be fully absorbed, which will then also offer a better year-over-year comparison base in CPaaS.

Q1 2023 shows that CM.com is on the right track to grow in a profitable way. Margins recovered in CPaaS from the previous quarter and underlying performance in the other segments remained strong. The business we generate with our existing customer base and the costs we incur to attract new customers become more balanced. As the negative EBITDA gap is narrowing on a monthly basis, we feel comfortable specifying our 2023 EBITDA targets further. CM.com now sees its EBITDA in HI 2023 between €3-5 million negative and we reiterate our goal to be structurally EBITDA positive by year-end 2023.

Looking further ahead, CM.com remains committed to becoming Free Cash Flow positive by year-end 2024 and generating a meaningful EBITDA in 2025 to refinance our outstanding Convertible Bond in 2026. As management, we are convinced that CM.com is currently well-positioned to reach its profitability goals in the near future without need for additional capital.

Jeroen van Glabbeek CEO CM.com

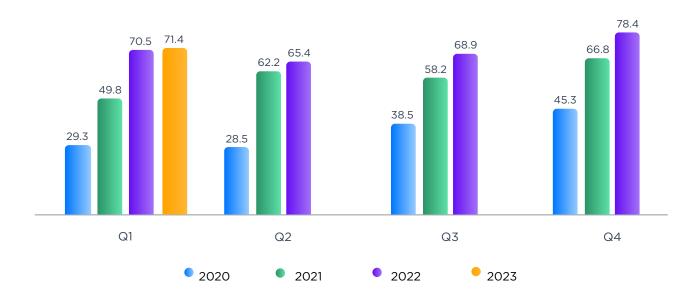


# Gross profit focus realizes widening margins

CM.com continued to simultaneously focus on gross profit growth and cost measures, initiated in the summer of 2022, and are starting to come through. Gross profit in Q1 2023 is up 6% YoY at € 18.9 million. Gross margin amounts to 26.5% in Q1 2023, versus 25.2% in Q1 2022. Revenue is driven to € 71.4 million in Q1 2023, a 1.3% increase YoY. Covid-related tailwinds in Q1 2022 have been replaced by high-margin businesses in other segments and laid the foundation for further growth going forward. As previously stated, Q1 2023 marks the last comparison period (YoY) including Covid tailwinds.

# **Revenue development**

(€ million)



# **Gross profit development**

(€ million)





## **KPI** performance

Within the product mix of CM.com, the shift continued in recent months to high-margin products. Although CPaaS remained the dominant factor from a revenue perspective, it was less than 50% of the total gross profit in Q1 2023. This trend was already ongoing, as SaaS and Ticketing continued to increase their contribution to our gross profit development.

As CM.com continued to focus on growing value over volume, the ARR in our SaaS segment especially grew 15% to €30.3 million. This growth was realized despite the fact that longer sales cycles continued to persist, and macroeconomic circumstances remained challenging.

In Ticketing and Payments, momentum remained good bearing in mind that the beginning of the year is often influenced by seasonality.

### **Organization**

In line with our Path to Profitability growth strategy, CM.com saw an improvement in margins, while keeping a tight grip on our costs. This steered our EBITDA development in the right direction. This strategy led to a second consecutive quarter with declining FTE numbers to a total of 918. At the same time, our efforts to reduce non-personnel related expenses are also starting to pay off.





#### **Outlook**

As 2023 progresses, CM.com will continue to focus on the execution of its Path to Profitability.

Our product mix continues to evolve as more conversions in our SaaS pipeline are coming through due to increased interest in our AI proposition. The gross margin development and control in OPEX development mean our EBITDA is progressing in the right way. This trend is expected to continue in the foreseeable future.

For H1 2023, CM.com, therefore, expects EBITDA to reach  $\in$  3-5 million negative. As we expect the trend in margin development and cost control to continue into H2 2023, CM.com reiterates its guidance to be structurally EBITDA positive by year-end 2023.



## 2023 Financial calendar







### **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 around 1000 employees and offices in 21 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 forwardlooking 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.

