

**Stichting
citizenMovement
annual report**

2023



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-- board report --

1.1 name, legal form and location

Stichting citizenMovement is a foundation, founded in 2018 and has its place of business in Voorschoten, The Netherlands. The foundation is registered with the Chamber of Commerce (KvK) under number 72240954 and has been designated as an ANBI foundation.

1.2 about

citizenMovement is a non-profit organisation, supported by citizenM and its success depends on the joint efforts of citizenM's staff and guests. In the structure of this foundation, citizenM is a direct sponsor of citizenMovement by donating funds collected from its digital housekeeping fundraising campaign which was implemented in many of its operational hotels as of 10 December 2021. In addition, citizenMovement also raises funds by organising fundraising events with employees, guests, suppliers and the wider citizenM community.

citizenMovement will not simply give money away. The giving needs to be linked to a direct sustainable life improvement chain reaction that comes from the receiving of what citizenMovement has given. Don't give them fish, teach them how to fish. These chain reactions can be sparked in many ways. citizenMovement can directly impact organisations or individuals using raised funds.

However, our strategy needs to amplify the impact of our efforts. To achieve that, we will look for organisations that truly share our views, values, and a dedication to our cause, and will partner with them. These partnerships, which may change annually, are selected out of proposals submitted by citizenM staff.

1.3 the citizenMovement Board



Klaas van Lookeren Campagne

Chairman



Hein Bijl

Secretary



Wulf van Alkemade

Board Member



Max Siem A Joe

Treasurer

The board members do not receive any kind of remuneration and they do not receive any kind of expenses allowances.

1.4 guests

A sustainable flow of funds has been already set up with hotel guests. Guests staying two nights or more can contribute by simply choosing not to have their daily room cleaning. citizenM will contribute a fixed amount of 3 euros per night every time a guest says 'no' to having their room cleaned. Besides the housekeeping donation by the participation of guests, citizenMovement will generate funds by organising engaging fundraising events throughout the year involving guests, staff, partners and citizens of the cities where citizenM has hotels. We are investigating how to encourage guests staying for only one night to donate. We review our donation activation processes annually.

1.5 employees

Employee engagement is fundamental component of our strategy. Employee awareness raising activities create alignment to the charities goals. citizenMovement's funds are also generated through donations and by engaging citizenM teams in staff related events that will raise funds for citizenMovement's mission and purpose.

1.6 our current partner – World Bicycle Relief

Our chosen charity partner from 2018 to present is World Bicycle Relief (WBR). We initially supported their BEEP initiative (Bicycles for Educational Empowerment Program) which provides bicycles to students in developing countries to make their journeys to school shorter and feasible. Our focus going forward will be to support their new project, mobilising communities. The Mobilised Communities program is holistic and will be used as an integrated mobilisation approach to demonstrate the interconnectivity of various facets of a community. Where programs have previously been created in isolation of one another, Mobilised Communities will supply Buffalo Bicycles to address mobility constraints, across all sectors (education, healthcare, and economic opportunities), in one geographic location.

In 2023, in addition to the main partnership with World Bicycle Relief, we activated our new disaster response policy in times of severe disasters. We recognise the need to support initiatives that help bridge the gap between people and the resources they need in times of humanitarian crisis. We evaluate the best way to support those in need in the immediate aftermath of a disaster.

We agreed with the citizenMovement board to reserve 10% of our donations towards a Disaster Response fund each year, to enable a quick response to severe and unprecedented disasters. Once this Disaster Response donation allocation (10%) has been utilized, further donations will not be considered in the financial year. We will review this policy annually.

1.7 our impact to date

Since partnering with World Bicycle Relief in 2018, we have donated over 2,617,000 euros, funding 10,440 bicycles and impacting 52,200 lives. In 2023, citizenMovement made a significant donation to World Bicycle Relief's Mobilised Communities programs in the Zomba and Kasungu districts of Malawi. In addition to the main partnership with World Bicycle Relief, we activated our new disaster response policy in times of severe disasters. In 2023, we donated to the Netherlands Red Cross for the earthquakes in Turkey and Syria in 2023, EUR 131,019, Morocco earthquake and the flood in Libya EUR 80,000. The total disaster response donation in 2023 was EUR 211,019.

1.8 more than just a bike – shortening the distance to economic opportunities

citizenMovement talks a lot about the gift of mobility and what it does for a community. But to know the true impact, you have to hear it for yourself. As part of our video series 'In Their Own Words', **Madalisto, a maize farmer from the Zomba district of Malawi, explains what a bike means to her.**

“Before this bike came, honestly, I was struggling. I was travelling long distances from home, about 2 kilometers on foot. I would leave at 6.00 AM and arrive after 8.00 AM. I was tired most of the time and my work output was compromised.

Now, I leave at 6.00 AM and arrive at 6.30 AM. I feel good again. I can carry fertiliser from the market and bring it here to the garden. I can take my children with me to order goods. None of this was possible before I had the bike. I'm now using the time I've saved to teach my children when they return from school. I also run a few small businesses at home, using the spare from coming home early to work the garden.

When I first got wind my name was on the list to receive a bike, my heart was full of happiness. I invited my friends over for a rice party and they shared my joy. I let them use it whenever they need, to work on their gardens or go to hospital. The community has changed tremendously and businesses feel exciting to run.

Everybody has benefited from this bike. The bike has brought freedom, good health, mobility for my children, food and business, into my home.

Thanks to the World Bicycle Relief, I see goodness again.”



1.9 future outlook and budget 2024

In 2024, revenue from citizenMovement's housekeeping campaign will slightly increase due to an increase in occupancy and the opening of 3 new hotels. citizenMovement will continue to support World Bicycle Relief's Mobilised Communities programs in the Zomba and Kasungu districts of Malawi. We will initiate a review process to look for an addition global charity for the remaining funds that aligns to our goal of shortening the distance between people and opportunities.

Approved budget for the year ended 31 December 2024

	€
INCOME	
- Income from citizenM	2.263.494
- Income other	50.000
Total income	2.313.494
EXPENSES	
Expenditure on objectives	
Contributions to partner organizations	2.531.349
Operating expenses	
- Outside labour expenses	70.800
- Marketing and sales expenses	38.055
- Expenses for cycle events	40.000
- Other administrative and general expenses	30.000
Total operating expenses	178.855
Sum of income and expenditures before financial income and expenses	-396.710
Financial income and expenses	-5.000
Balance of income and expenditure	-401.710

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-- financial statements --

2.1 Balance sheet Stichting citizenMovement as at 31 December 2023

	Note	31-12-2023	31-12-2022
		€	€
ASSETS			
Current assets			
Accounts receivable		606.582	161.818
Other receivables	2.4.1	356.475	114.492
Cash and banks	2.4.2	<u>533.511</u>	<u>571.683</u>
Total current assets		<u>1.496.568</u>	<u>847.993</u>
TOTAL ASSETS		<u>1.496.568</u>	<u>847.993</u>
EQUITY AND LIABILITIES			
Reserves and funds			
Continuity reserve	2.4.3	100.000	100.000
Earmarked project reserves	2.4.4	1.355.758	606.211
Fund for future cycle event	2.4.5	<u>27.500</u>	<u>27.500</u>
Total reserves and funds		1.483.258	733.711
Short-term liabilities			
Accounts payable		0	96.132
Other liabilities and accrued expenses	2.4.6	<u>13.310</u>	<u>18.150</u>
Total short-term liabilities		<u>13.310</u>	<u>114.282</u>
TOTAL LIABILITIES		<u>1.496.568</u>	<u>847.993</u>

2.2 Statement of income and expenditure for the year ended 31 December 2023

		Budget for the year ended 31 December 2024	Budget for the year ended 31 December 2023	Actuals the year ended 31 December 2023	Actuals the year ended 31 December 2022
		€	€	€	€
	Notes				
INCOME					
- Income from citizenM (savings)	2.5.1	2.263.494	2.077.500	2.142.873	1.564.143
- Income from sponsor contributions	2.5.1	0	50.000	0	20.000
- Income other (individuals)	2.5.1	50.000	80.000	317	4.908
Total income		2.313.494	2.207.500	2.143.190	1.589.051
EXPENSES					
Expenditure on objectives					
Contributions to partner organizations / World Bicycle Relief Fund contribution	2.5.2	2.531.349	1.850.000	1.272.657	819.596
Operating expenses					
- Outside labour expenses	2.5.2	70.800	60.000	68.810	66.809
- Marketing and sales expenses	2.5.2	38.055	131.000	30.715	9.365
- Expenses for (cycle) events	2.5.2	40.000	40.000	1.463	9.075
- Other administrative and general	2.5.2	30.000	24.000	19.584	26.189
Total operating expenses		178.855	255.000	120.572	111.438
Sum of income and expenditures before financial income and expenses		-396.710	102.500	749.961	658.017
Financial income and expenses	2.5.3	-5.000	-5.000	-414	-1.529
Balance of income and expenditure		-401.710	97.500	749.547	656.488

2.3 Accounting Policies

General

Activities

Stichting citizenMovement is a foundation, founded in 2018 and has its place of business in Voorschoten, The Netherlands. The foundation is registered with the Chamber of Commerce (KVK) under number 72240954 and has been designated as an ANBI foundation. The activities of the foundation, having its legal seat at Voorschoten, Leidseweg 219, 2253 AE, primarily consist of:

Mobilizing citizens to help reduce the distance between people and their opportunities, promoting the well-being of groups and individuals in society who are in a vulnerable or special attention position and creating opportunities and creating conditions for optimal development of these groups and individuals.

General accounting principles for the preparation of the financial statements

These financial statements are prepared according to Dutch Accounting Standard RJK C1.

Valuation of assets and liabilities and determination of the result takes place under the historical cost convention. Unless presented otherwise at the relevant principle for the specific balance sheet item, the assets and liabilities are recorded at face value.

The income and expenses are allocated to the period to which they relate. Income is only recorded insofar it has been realized on balance sheet date.

Obligations and possible losses originating before the end of the reporting year, are taken into account if they have become known before the preparation of the financial statements.

Translation of foreign currency

Receivables, liabilities and obligations denominated in foreign currency are translated at the exchange rate prevailing at balance sheet date. Transactions in foreign currency during the financial year are recognized in the financial statements at the exchange rates prevailing at transaction date. The exchange differences resulting from the translation as at balance sheet date are recorded in the income statement.

Estimates

When preparing the financial statements, the board is required by generally accepted accounting principles to use various estimates and assumptions in determining amounts in the financial statements. Actual results may differ from the estimates made.

Principles of valuation of assets and liabilities

Receivables, prepayments and accrued income

The receivables are included at fair value. Provisions deemed necessary for the risk of doubtful accounts are deducted.

Cash

The cash is valued at face value. If cash equivalents are not freely disposable, then this has been taken into account upon valuation.

Reserve and funds

Continuity reserve

A continuity reserve may be formed to cover short-term risks and to provide security that the foundation can also meet its obligations in the future. The starting point is that the foundation must be able to pay the fixed cost for a period of 12 months from the continuity reserve with a minimum amount of € 50,000.

Earmarked reserve

The total of reserves and funds is presented in such a way that it shows which part is freely disposable and which part is restricted. If part of the reserves and funds has been given a more limited spending option, then in view of the objective would be allowed by the organization, this part is accounted for as an earmarked reserve.

This restriction in the spending goal may have been imposed by the board of the foundation. If the restriction as referred to in the previous paragraph has not been made by third parties, but by the board, the part of the equity thus separated is designated as an earmarked reserve (and not as an earmarked fund). The notes state the amount and limited purpose of each earmarked reserve.

Fund for future cycle event

The fund for future cycle event is restricted to be used for a future cycle event, as agreed with the sponsor.

Liabilities

Liabilities are valued at amortized cost. If no share premium, discount or transaction costs are involved, the amortized cost equals the face value of the liability.

Liabilities are classified under the current liabilities if they can be claimed within 12 months after the balance sheet date and under the long-term liabilities if they cannot.

2.4 Notes to the balance sheet as at 31 December 2023

ASSETS

CURRENT ASSETS

2.4.1 Other receivables

This item can be broken down as follows:

	As at 31-12-23	As at 31-12-22
	€	€
Income from housekeeping savings to be invoiced	356.475	114.492

2.4.2 Cash

	As at 31-12-23	As at 31-12-22
	€	€
Rabobank	533.511	571.683

EQUITY AND LIABILITIES

RESERVES AND FUNDS

2.4.3 Continuity reserve

The following continuity reserve has been formed as at 31 December:

	As at 31-12-23	As at 31-12-22
	€	€
Continuity reserve	100.000	100.000

The movements in the continuity reserves are as follows:

	Balance as at 01-01-23	Add	Less	Balance as at 31-12-23
	€	€	€	€
Continuity reserve	100.000	-	-	100.000
Total	100.000	0	0	100.000

2.4.4 Earmarked reserve

The following earmarked reserves have been formed as at 31 December:

	As at 31-12-23	As at 31-12-22
	€	€
Earmarked reserve for projects	<u>1.355.758</u>	<u>606.211</u>

The movements in the earmarked reserves are as follows:

	Balance as at 01-01-23	Add	Less	Balance as at 31-12-23
	€	€	€	€
Earmarked reserve for projects	606.211	749.547	0	1.355.758
		-		
Total	<u>606.211</u>	<u>749.547</u>	<u>0</u>	<u>1.355.758</u>

The above reserve is earmarked for projects which are in line with the goals and strategy of the foundation

2.4.5 Fund for future cycle event

The following fund been formed as at 31 December:

	As at 31-12-23	As at 31-12-22
	€	€
Fund for cycle event	<u>27.500</u>	<u>27.500</u>

The movements in the fund are as follows:

	Balance as at 01-01-23	Add	Less	Balance as at 31-12-23
	€	€	€	€
Fund for cycle event	27.500	-	-	27.500
Total	<u>27.500</u>	<u>0</u>	<u>0</u>	<u>27.500</u>

The fund for future cycle is restricted to be used for a future cycle event, as agreed with the sponsors.

2.4.6 Other liabilities and accrued expenses

	As at 31-12-23	As at 31-12-22
	€	€
Accrued audit expenses	13.310	18.150

2.5 Notes to the state of income and expenses for the year ended 31 December 2023

INCOME

Notes to the state of income and expenses

	Budget for the year ended 31 December 2023	Actuals the year ended 31 December 2023	Actuals the year ended 31 December 2022
	€	€	€
2.5.1 Income			
- Income from citizenM savings	2.077.500	2.142.873	1.564.143
- Income from sponsor contributions	0	0	20.000
- Income other (individuals)	80.000	317	4.908

The income from citizenM savings received from citizenM Holding B.V. was higher than budgeted due to the higher than expected occupancies and revenues in the participating citizenM hotels in 2023.

The other income was lower than budgeted, the budgeted cycle event in 2023 was canceled.

2.5.2 Expenses

Expenditure on objectives

Contributions to partner organizations

World Bicycle Relief Fund contribution	1.850.000	1.061.638	707.204
International Red Cross Donation - Ukraine	0	0	112.392
The Netherlands Red Cross Donation - Turkey and Syria	0	131.019	0
The Netherlands Red Cross Donation - Morocco	0	40.000	0
The Netherlands Red Cross Donation - Libya	0	40.000	0
	<u>1.850.000</u>	<u>1.272.657</u>	<u>819.596</u>

The contribution to WBR was lower than the budget because of the lack of suitable projects. The donations to the Netherlands Red Cross were at later timing decided by the board after the Earthquake and floods occurred.

	Budget for the year ended 31 December 2023 €	Actuals the year ended 31 December 2023 €	Actuals the year ended 31 December 2022 €
Operating expenses			
- Outside labour expenses	<u>60.000</u>	<u>68.810</u>	<u>66.809</u>
- Marketing and sales expenses	<u>131.000</u>	<u>30.715</u>	<u>9.365</u>
- Expenses for cycle events	<u>40.000</u>	<u>1.463</u>	<u>9.075</u>
- Other administrative and general expenses	<u>24.000</u>	<u>19.584</u>	<u>26.189</u>

The outside labor expenses consist of around 0.67 (2021: 0.5) FTE recharged from citizenM Operations Holding B.V.

The marketing and sales expenses and the expenses for the cycle events are lower than budgeted, the budgeted cycle event in 2023 was canceled.

2.5.3 Financial income and expenses

Financial expenses	<u>-5.000</u>	<u>-414</u>	<u>-1.529</u>
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The financial expenses relate to foreign exchange losses in the period between the invoicing and the payment of the contribution to WBR.

2.6 Other disclosures

Appropriation of result for financial year ended 31 December 2022

The annual report 2022 was adopted in the Foundation board meeting held on 17 March 2023. The foundation board meeting has determined the appropriation of the result in accordance with the proposal being made to that end.

Proposed appropriation of result for the financial year ended 31 December 2023.

The balance of income and expenditure over the financial year ended 31 December 2023 was € 749,547. We propose to allocate the result to:

Earmarked reserve (WBR) Projects	€ 749,547
Fund for future cycle event	€ 0
Continuity reserve	€ 0

The financial statements reflect this proposal.

Board remuneration policy

The board members do not receive any kind of remuneration and they do not receive any kind of expenses allowances.

Signing of the financial statements

Voorschoten,

Board:

N.P. van Lookeren Campagne

H. Bijl

J.W. van Alkemade

M.P. Siem A Joe

3. Other information

3.1 Independent auditor's report

Reference is made to the auditor's report as included hereinafter.

INDEPENDENT AUDITOR'S REPORT

To: The board of Stichting citizenMovement

Report on the audit of the financial statements 2023 included in the annual report

Our opinion

We have audited the financial statements 2023 of Stichting citizenMovement based in Voorschoten.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Stichting citizenMovement as at 31 December 2023 and of its result for 2023 in accordance with 'RJ-Richtlijn C1 voor Kleine Organisaties-zonder-winststreven' ('Guideline for annual reporting C1 for Small Not-for-profit Entities' of the Dutch Accounting Standards Board).

The financial statements comprise:

1. the balance sheet as at 31 December 2023;
2. the state of income and expenditure for 2023; and
3. the notes comprising of 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 Stichting citizenMovement in accordance with 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.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of the board 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. 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 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 board report in accordance with 'RJ-Richtlijn C1 voor Kleine Organisaties-zonder-winststreven'.

Description of responsibilities regarding the financial statements

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the 'RJ-Richtlijn C1 voor Kleine Organisaties-zonder-winststreven'. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the entity's ability to continue as a going concern. Based on the financial reporting framework mentioned,



Van Wezel

management should prepare the financial statements using the going concern basis of accounting, unless management either intends to liquidate the entity 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 entity's ability to continue as a going concern in the financial statements.

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 and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional 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 the entity's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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 identify during our audit.

Rijnsburg, 27th February 2024

Van Wezel Audit B.V.

J.H. Didden MSc RA