

VERCOM

| Q1 2023
Capital Group
Management report

May 23, 2023



: Scale beyond

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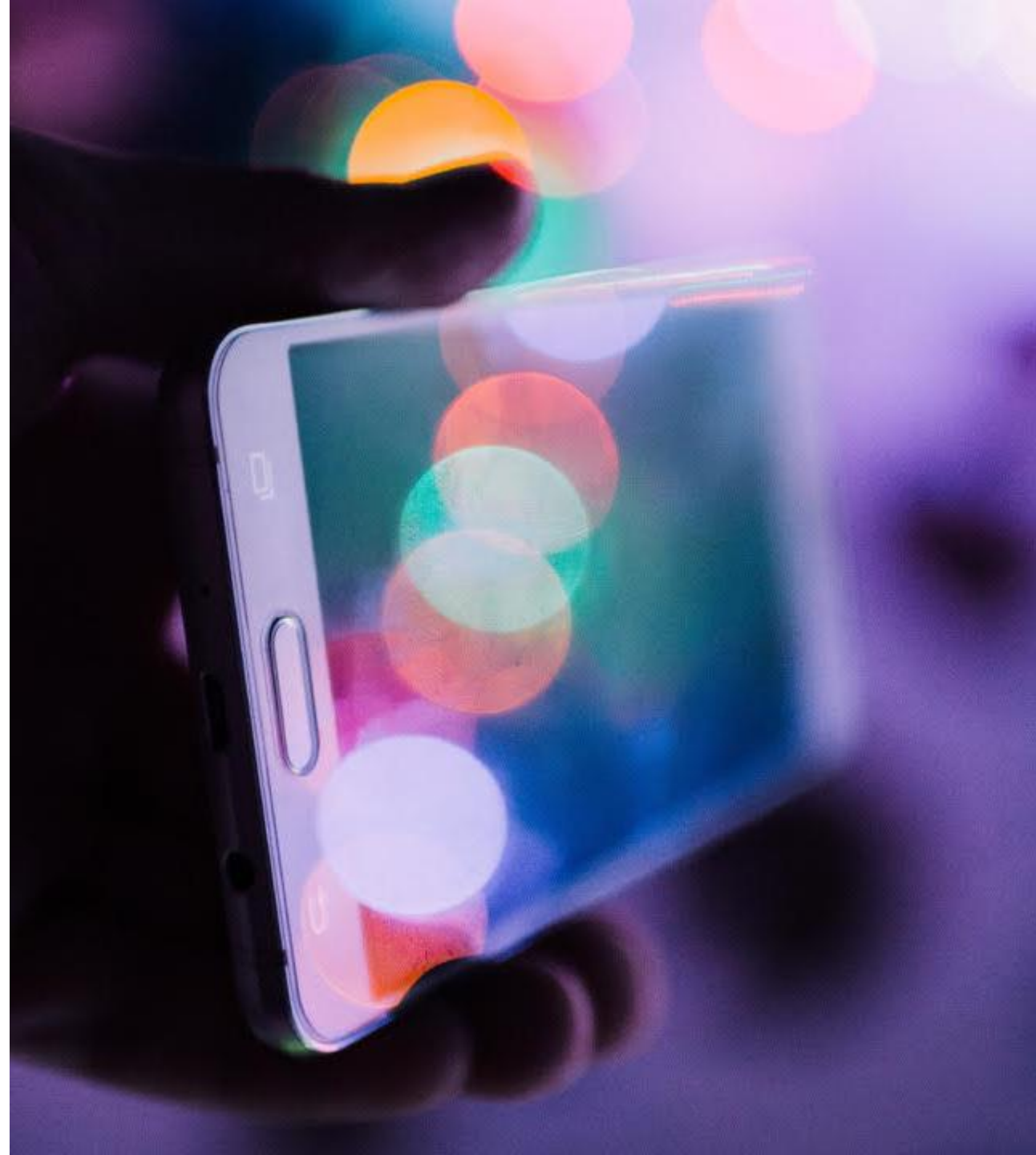
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: Shareholder Letter

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Dear Shareholders,

It is with great pleasure that I present to you the Vercom Group's report for the first quarter of 2002. Thanks to well-considered investments and the consistent implementation of our strategy, we are able to continue our dynamic growth in the global market, accompanied by further increases in key financial parameters.

Particularly noteworthy is the increase in gross profit on sales from PLN 16.4m to PLN 40.3m YoY, due in part to a surge in the number of customers. A large proportion of these are SME customers from the attractive US and Western European markets. At the same time, we are seeing an increasing proportion of high-margin services, which are also the fastest growing of our products. As a result, the gross margin on sales increased by approximately 21 p.p. compared to the previous year.

It is worth noting that we have been successfully combining dynamic growth with high cash flow generation for years. In the last quarter, EBITDA amounted to PLN 17.6m, almost double the figure for the same period last year. Thanks to further improvements in operational efficiency, the EBITDA margin increased by around 5 p.p. YoY. The growing cash flow allows us to comfortably service our liabilities and accumulate significant amounts of cash, which we intend to share with our shareholders in line with our dividend policy. This year we will pay a record dividend of PLN 25m and we will strive to increase it year on year.

Thanks to the consistent implementation of our international growth strategy, the Vercom Group is now more diversified than ever. In the last quarter, we acquired almost 5,000 new customers, bringing the total number of customers to over 70,000. The international share of Group revenue reached a record 58%, making us even less dependent on the economic factors specific to our region.

Our current focus is on the further integration of the acquired businesses and the implementation of key initiatives driven by our global market growth strategy. In first quarter of 2002, we soft-launched the MessageFlow platform designed for mid-market customers. At the same time, we are working on the integration of products designed for SME customers, leveraging the MailerLite brand. This is a very busy time for us as we prepare for further dynamic growth in the coming years.

Best regards,

Krzysztof Szyszka

CEO Vercom



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: Operating summary



: Highlights of Q1 2023

Dynamic growth continues

- Revenue growth of 51% YoY to PLN 74.9m
- Gross margin increased by 145% YoY to PLN 40.3m
- Adjusted EBITDA increased by 95% YoY to PLN 17.6m

Increased operational efficiency

- Gross margin increase of c. 21 p.p. through increased share of high-margin, high-growth services
- EBITDA margin increases by 5 p.p. to approximately 23%
- EBITDA to net cash flow conversion of 98%

Continue to diversify

- More than 4.6 thousand new users - customer base grows to nearly 71 thousand customers in 180 markets
- International share of sales increased to approximately 58%
- Further decline in sales and gross margin concentration

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: Highlights of Q1 2023

Record dividend payout

- Allocation of PLN 25 million (PLN 1.13 per share) to dividends, representing approximately 80% of consolidated net profit for 2022
- Establish a dividend policy of paying out at least 50% of consolidated net income in March 2023

Launch of new development initiatives

- Launch of the new MessageFlow platform, around which services for mid-market customers are being developed
- Advanced preparations for the release of new language localisations of the MailerLite system
- Integration of email marketing services under the MailerLite brand

New server room in Berlin and second data centre in Poznan

- Geographical diversification of infrastructure (increased security and reliability of services)
- Direct connections to foreign cloud providers
- Safety standards to ANSI/TIA-942 – rated 3



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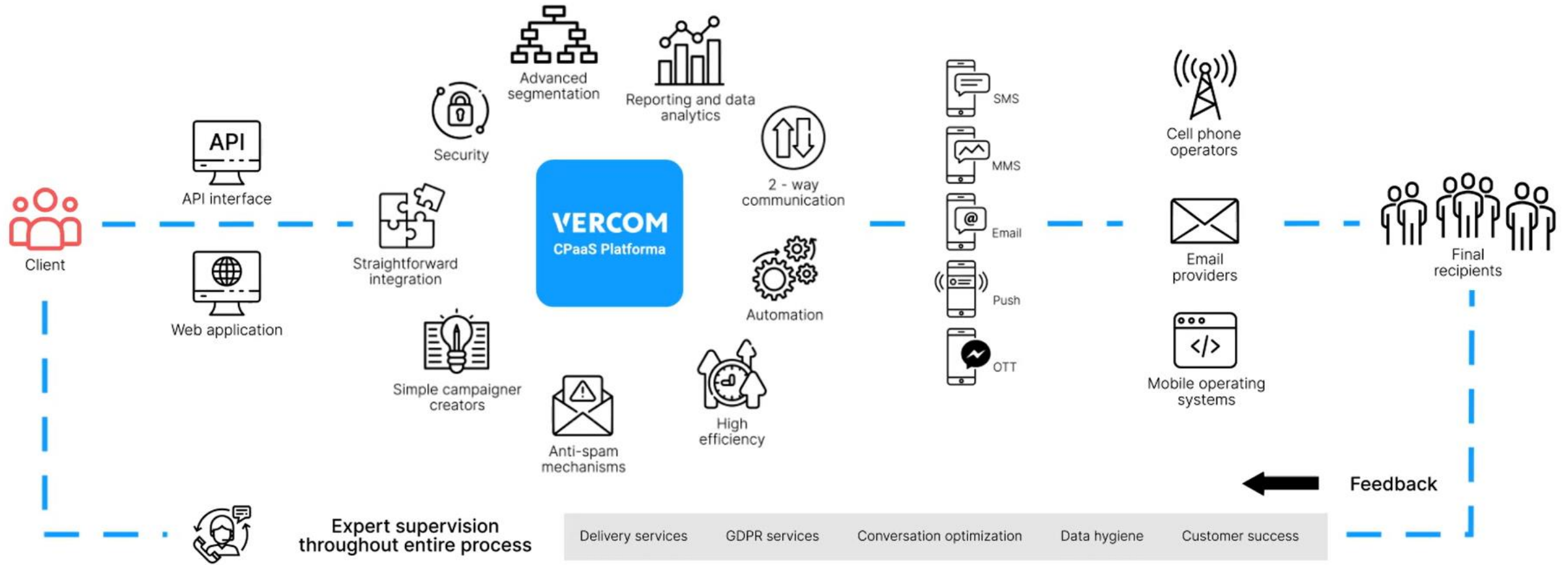
: Business
profile



: Our mission is to help our clients to **reconnect with their audience** by removing communication and technological barriers



: Customer engagement platform leveraging cross-channel communication



: Our solutions are an inherent part of everyday life

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Shopping with the FAMILY card
is always a good choice.
You get 30% discount!



Your package is waiting
in parcel WAW12AP.
Pickup code 67843



Your statement is ready to view
online. Go to <https://goo.lg/ak54f>
to view and manage your account.

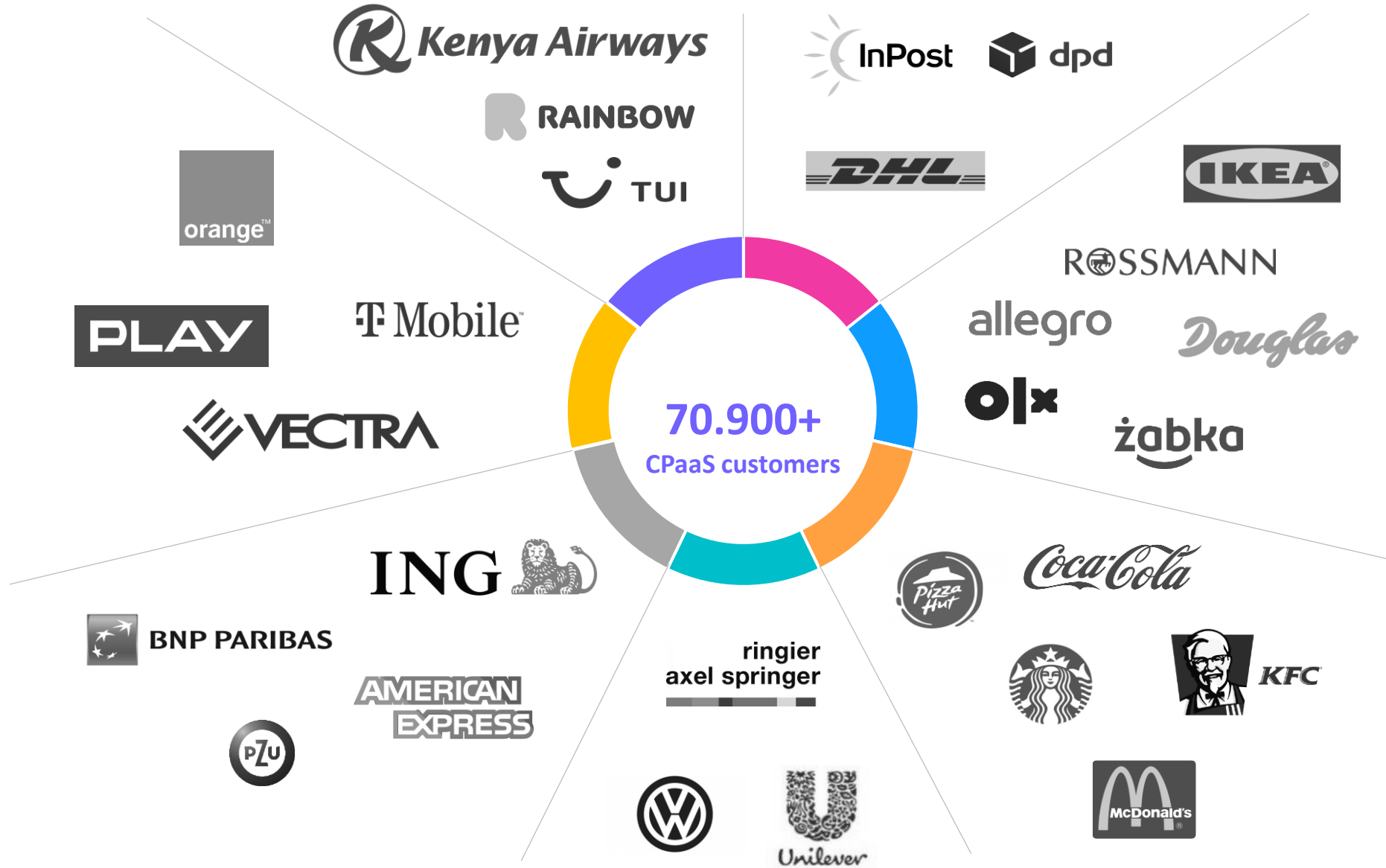


Hello, a hold has been placed on
your DHL parcel. Please review and
update your shipment information
below <https://dhl-update-id797475>

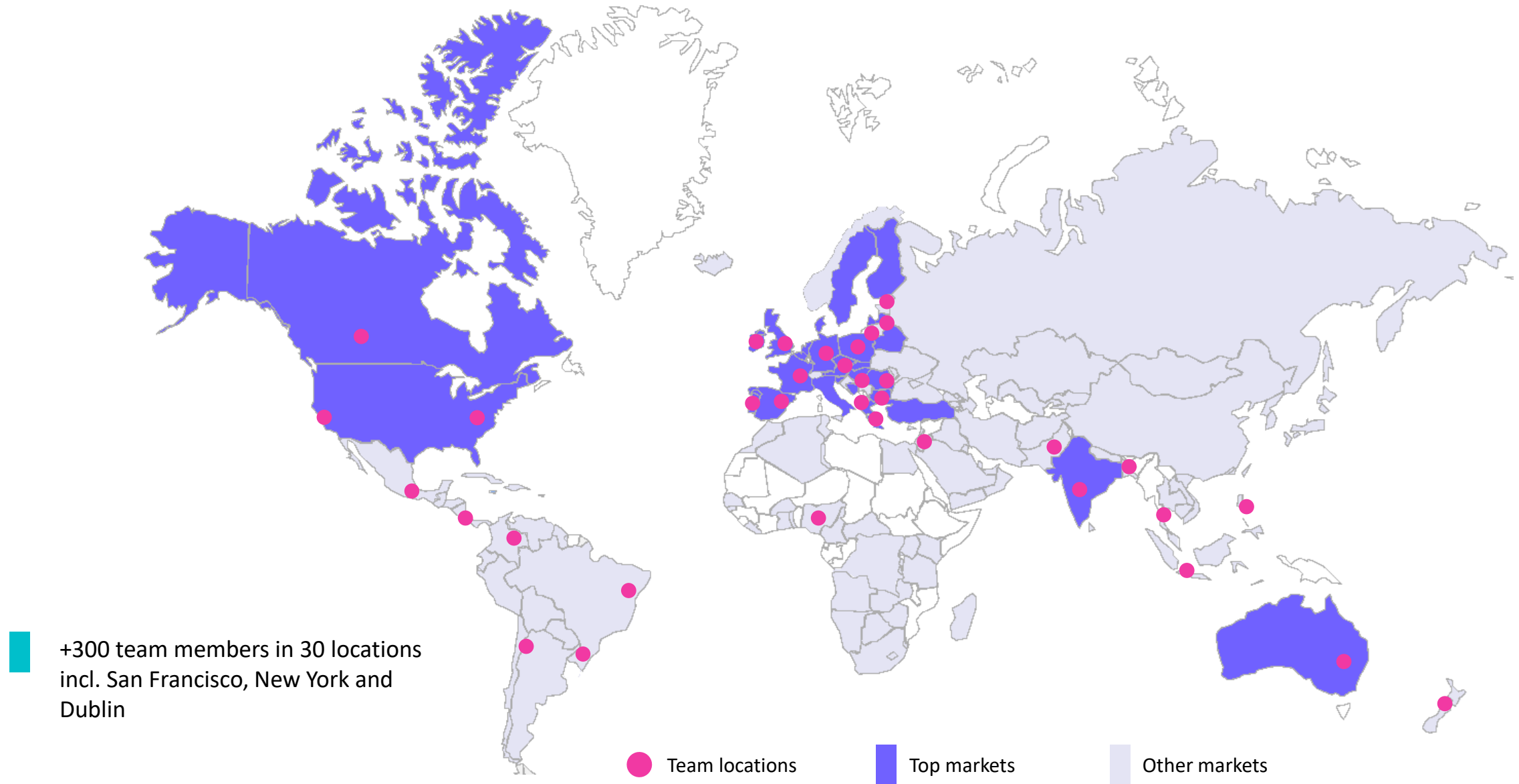


Your order #496862
has been completed
and is awaiting pickup

: 20 years of experience rewarded with trust of landmark partners



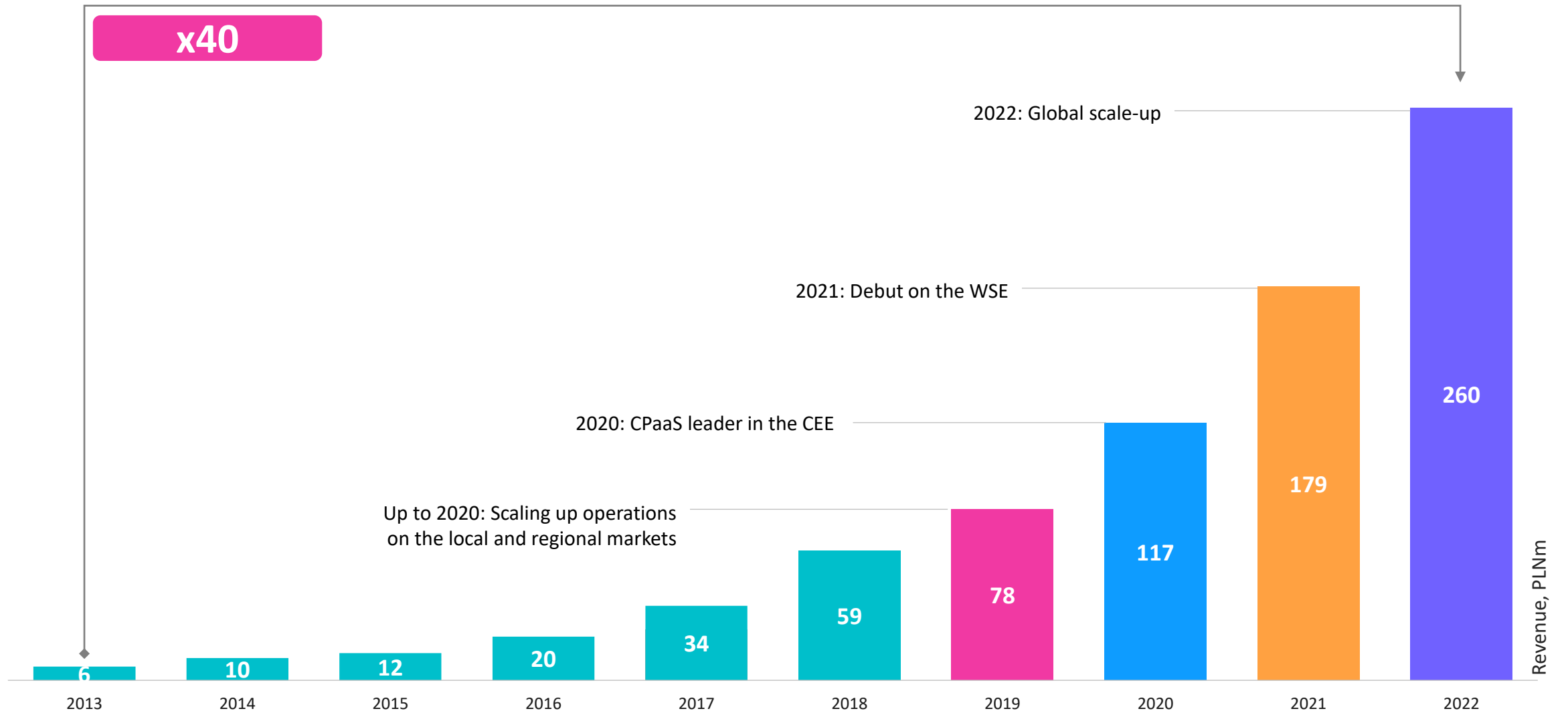
: Selling services to customers in 180 markets globally



: Quality of the business model proved by **40x growth** achieved over the past 10 years



: Dynamic growth driven by organic expansion and value-accretive acquisitions



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: Financial overview



: We continue to
grow fast while
improving product
mix



: Q1 2023 financial results

Revenue

Increase y/y

PLN 75m

+51%

Gross Profit

PLN 40m

+145%

EBITDA*

PLN 18m

+95%

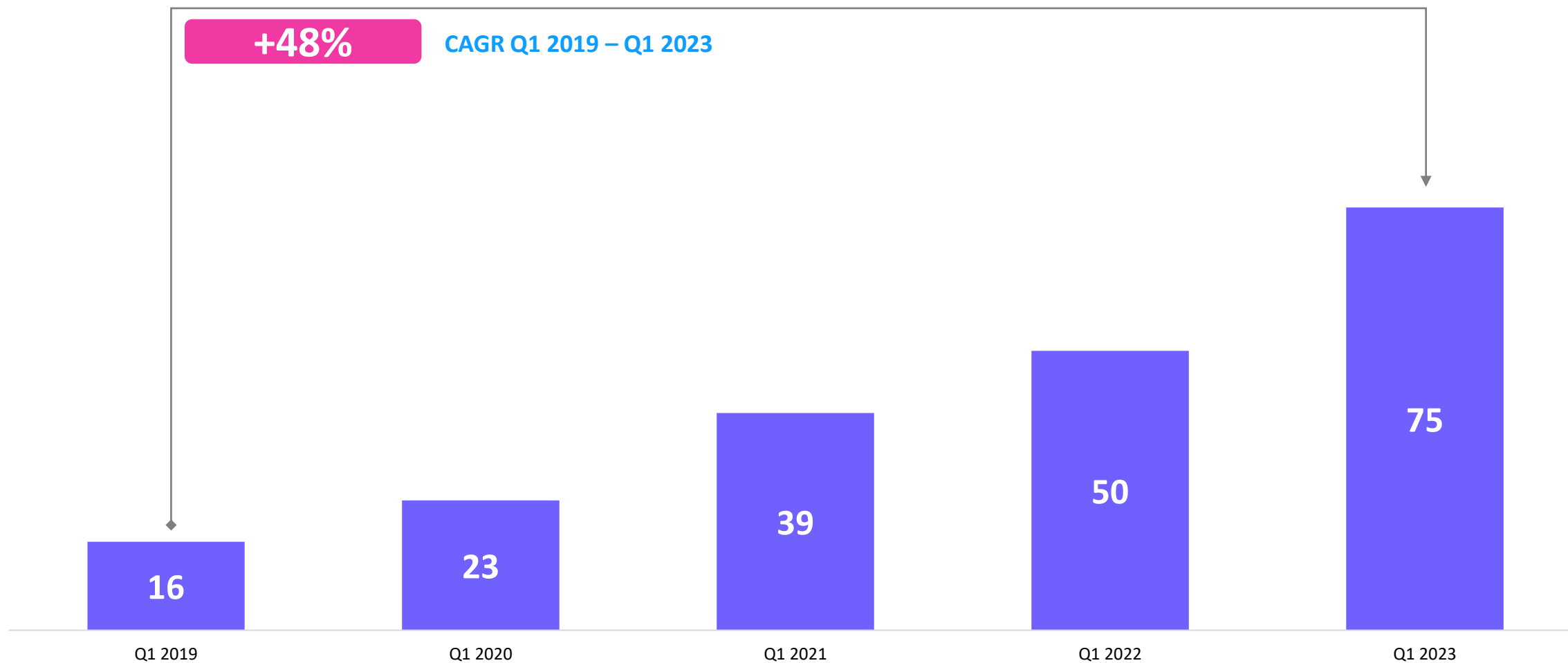
*EBITDA normalized for the non-cash ESOP cost

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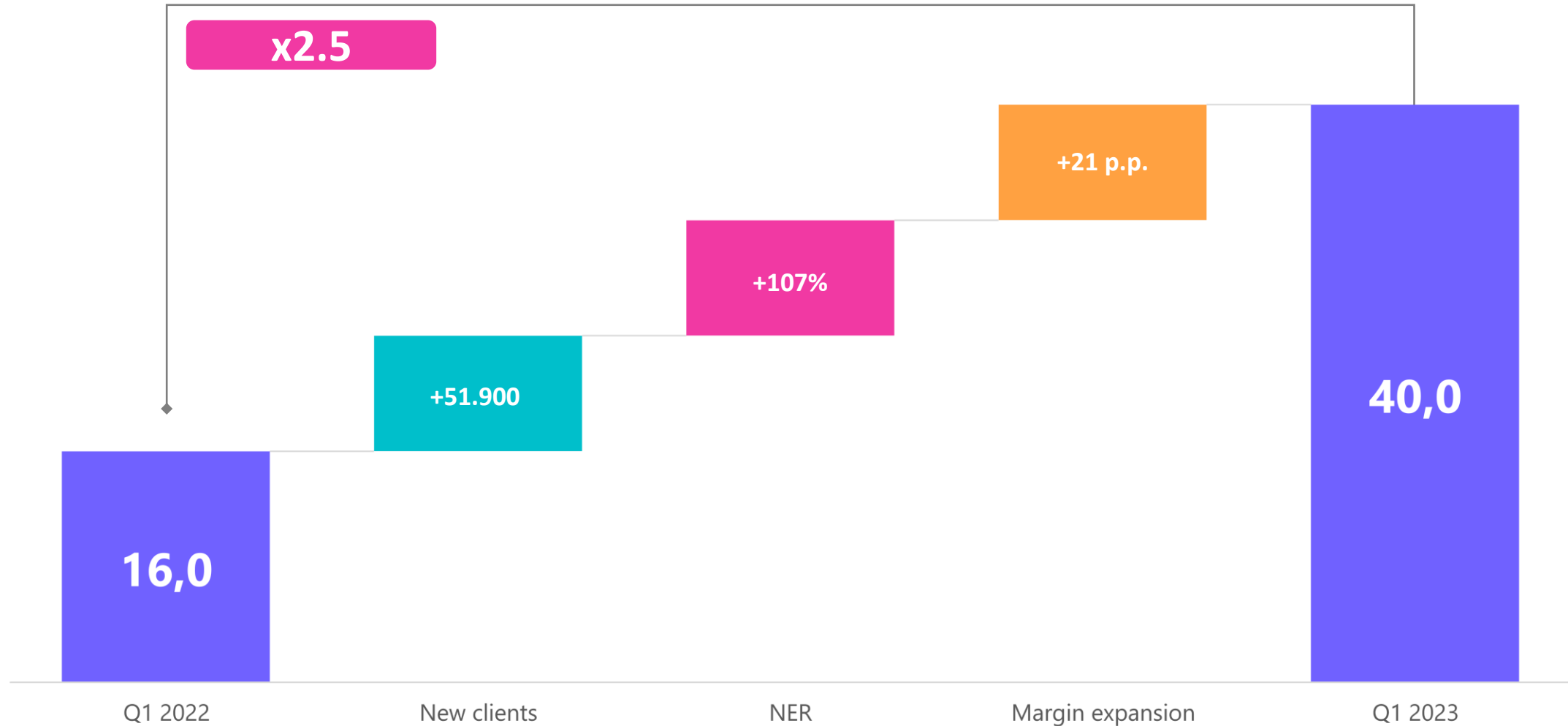
: Strong top line growth reflects the growing scale of operations

Revenue (PLNm)



: Gross profit growth is driven by customer adds and margin expansion

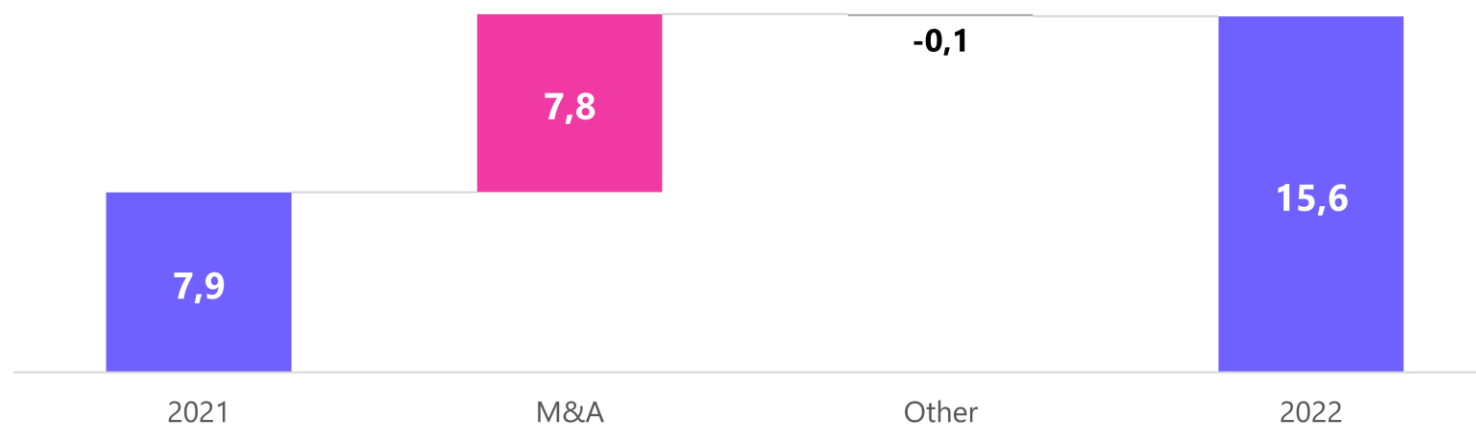
Gross profit (PLNm)



(1) NER (Net Expansion Rate) – change in revenue from retail customers generating revenue in the current and the comparative period. Applies to revenue from the CPaaS segment

: Stable SG&A cost base allows to benefit from operating leverage

General and administrative expenses (PLNm)



Note

✓ Increase of G&A costs was mostly associated with the impact of acquisitions completed in 2022, i.e.:

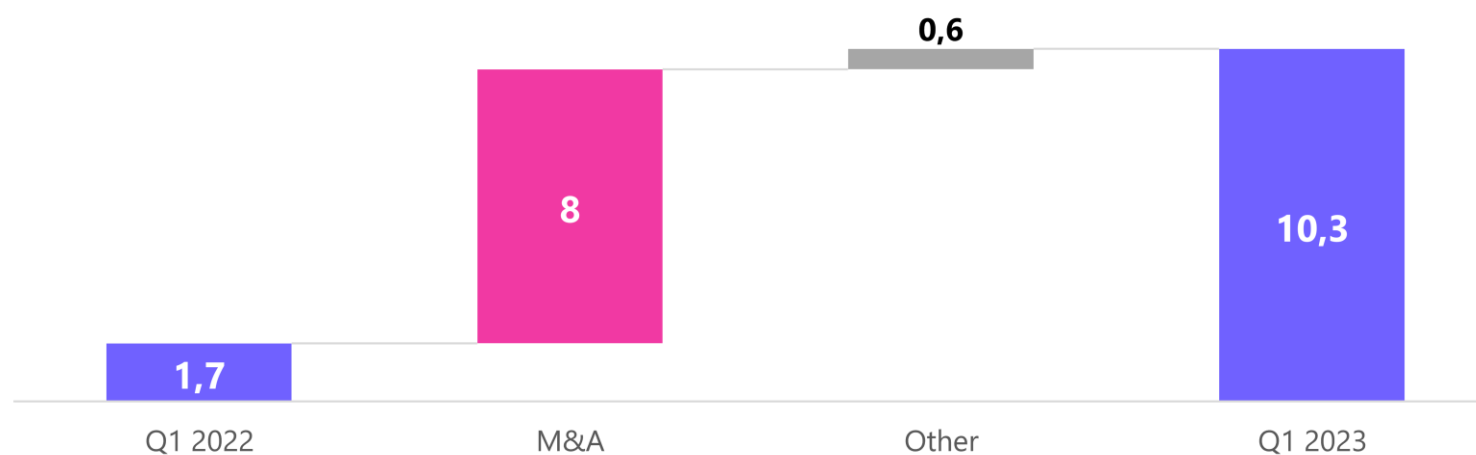
Consolidated since Jul-22:

(i) MailerLite (c. PLN 6.3m)

(ii) Oxylion (c. PLN 1.5m)

✓ Other general and administrative expenses stable

Sales and marketing expenses (PLNm)



✓ Increase of sales & marketing costs was mostly associated with the impact of acquisitions completed in 2022, i.e.:

Consolidated since Jul-22:

(i) MailerLite (c. PLN 7.8m)

(ii) Oxylion (c. PLN 0.2m)

* M&A costs comprise the costs associated with acquired companies, that were not consolidated over the entire previous reporting period

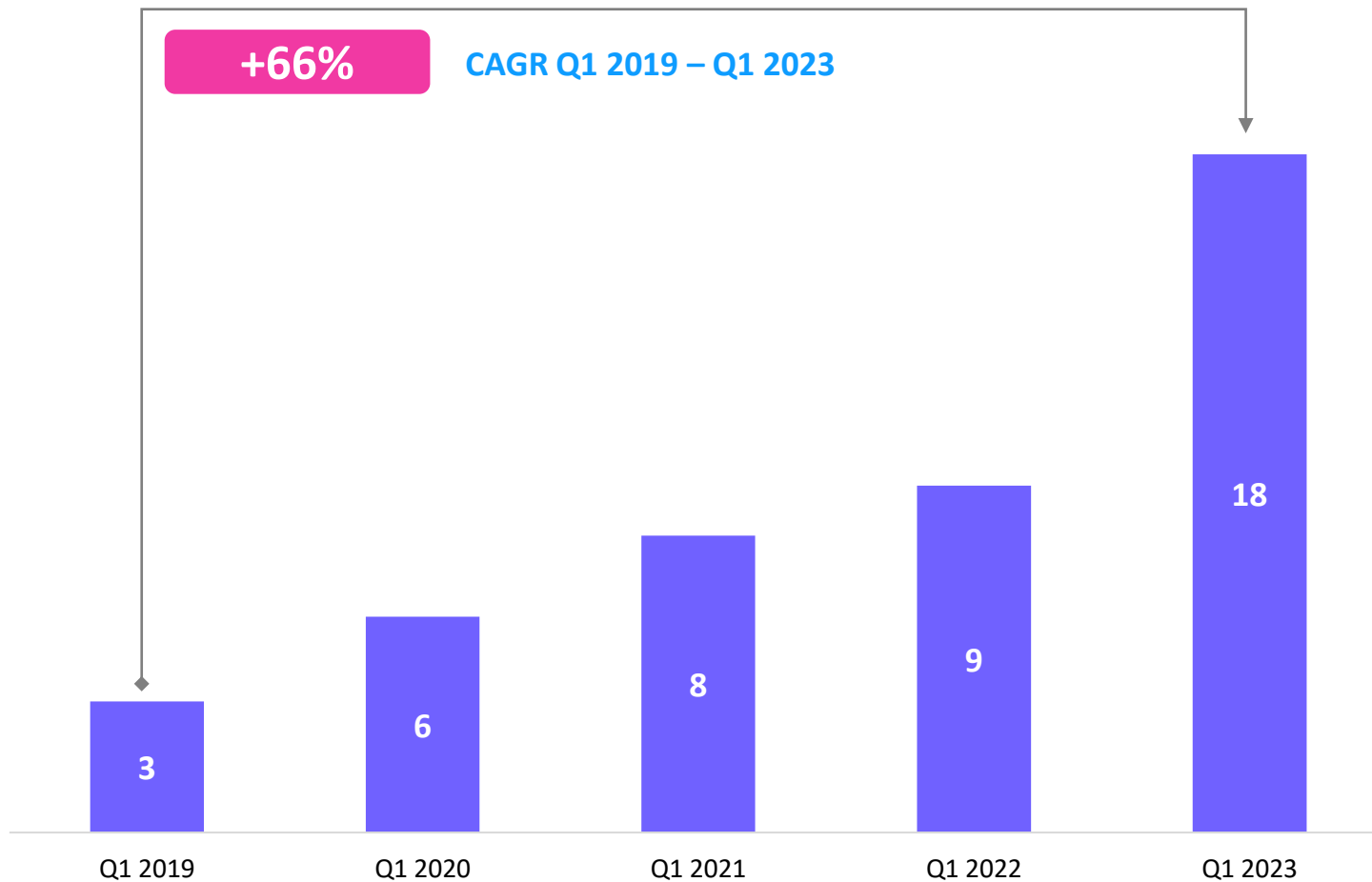
: Our cash generation capacity is benefiting from **expanding profit margins**



: Dynamic EBITDA growth in line with target growth trajectory

EBITDA (PLNm)

Note



Twofold increase of EBITDA YoY to PLN 17.6m



Healthy EBITDA margin amounting to c. 23% in Q1 2023



Expansion of EBITDA margin by +5 p.p. YoY driven by improving product mix and operating leverage

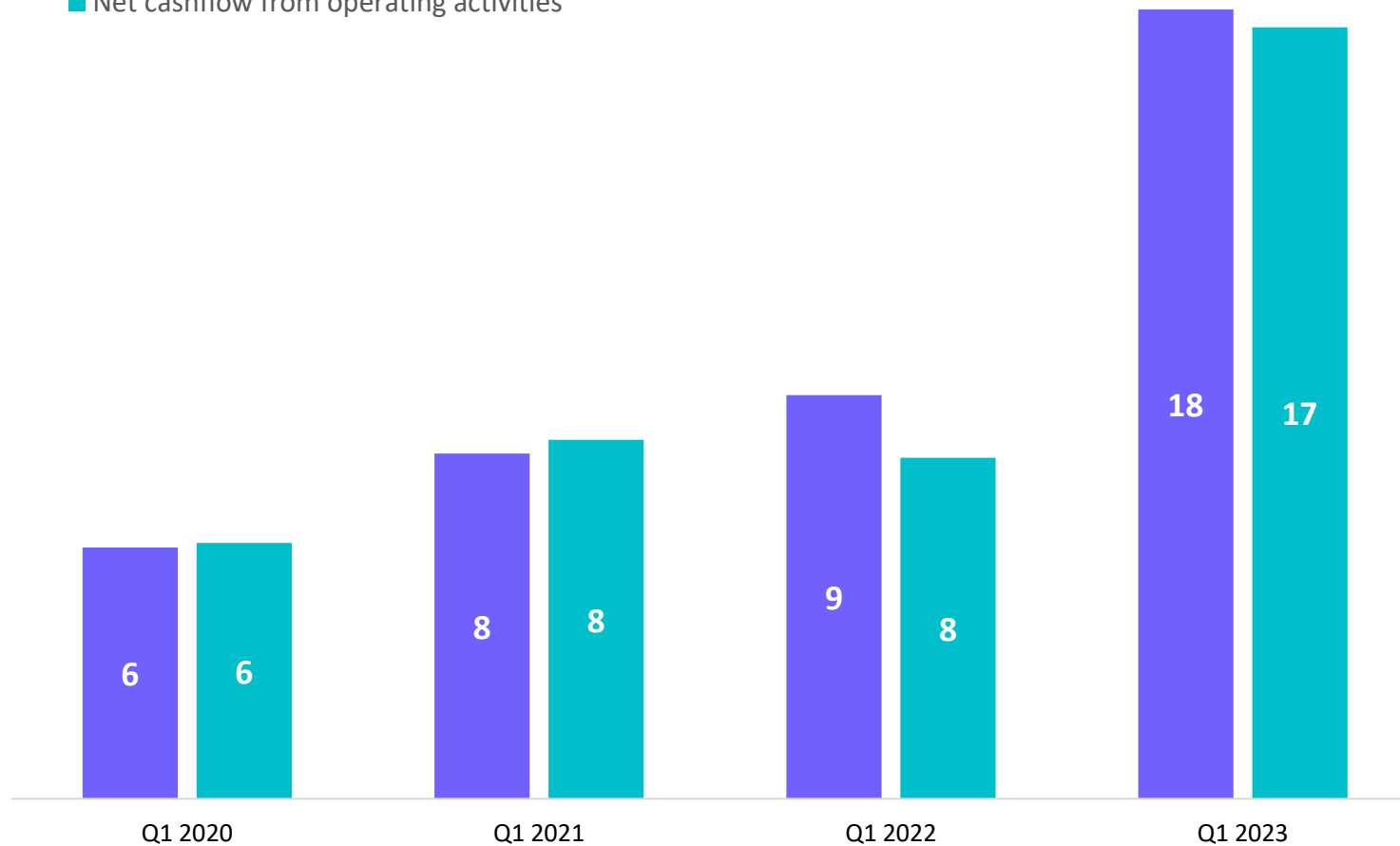
Q1 2023 adjusted for the non-cash ESOP cost of PLN 117k

: High conversion rate of EBITDA into operating cash flow

Adjusted EBITDA and net cashflow from operating activities (PLNm)

■ Adjusted EBITDA

■ Net cashflow from operating activities



Note



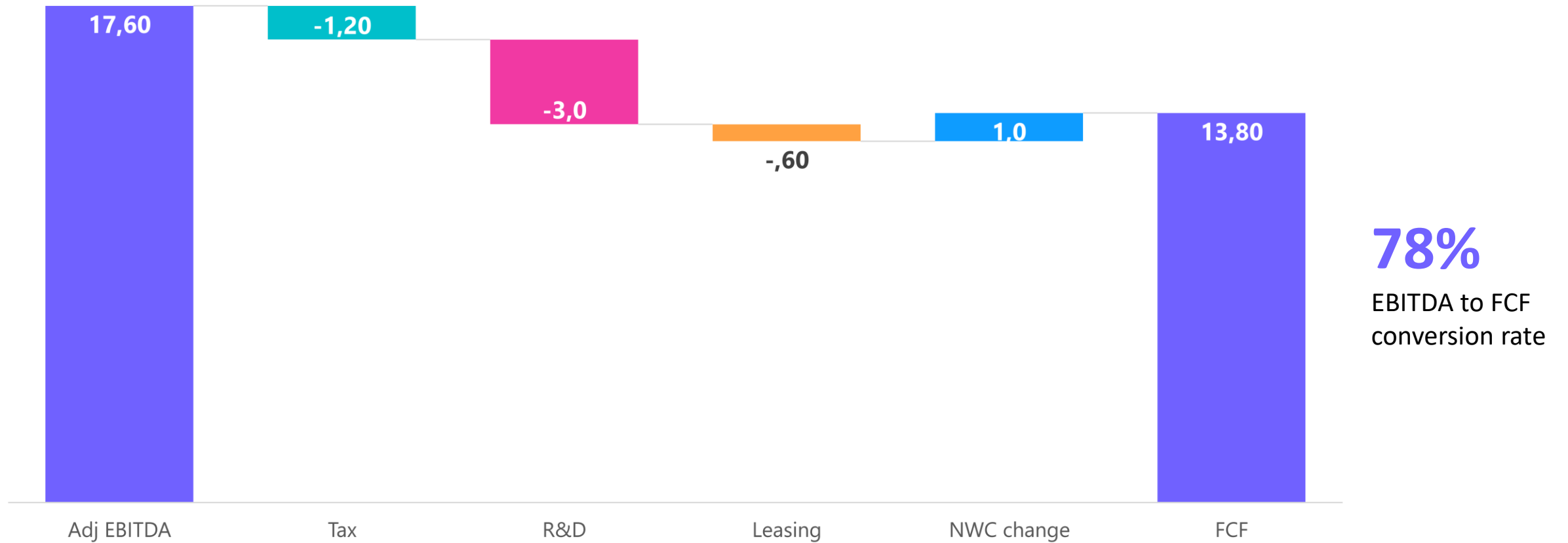
High quality of earnings underpinned by c. 90% conversion rate of EBITDA into net cashflow from operating activities



Proven ability to generate recurring cashflows despite dynamic expansion of operating activities

: High cash generation capacity proven by c. 78% EBITDA to FCF conversion rate

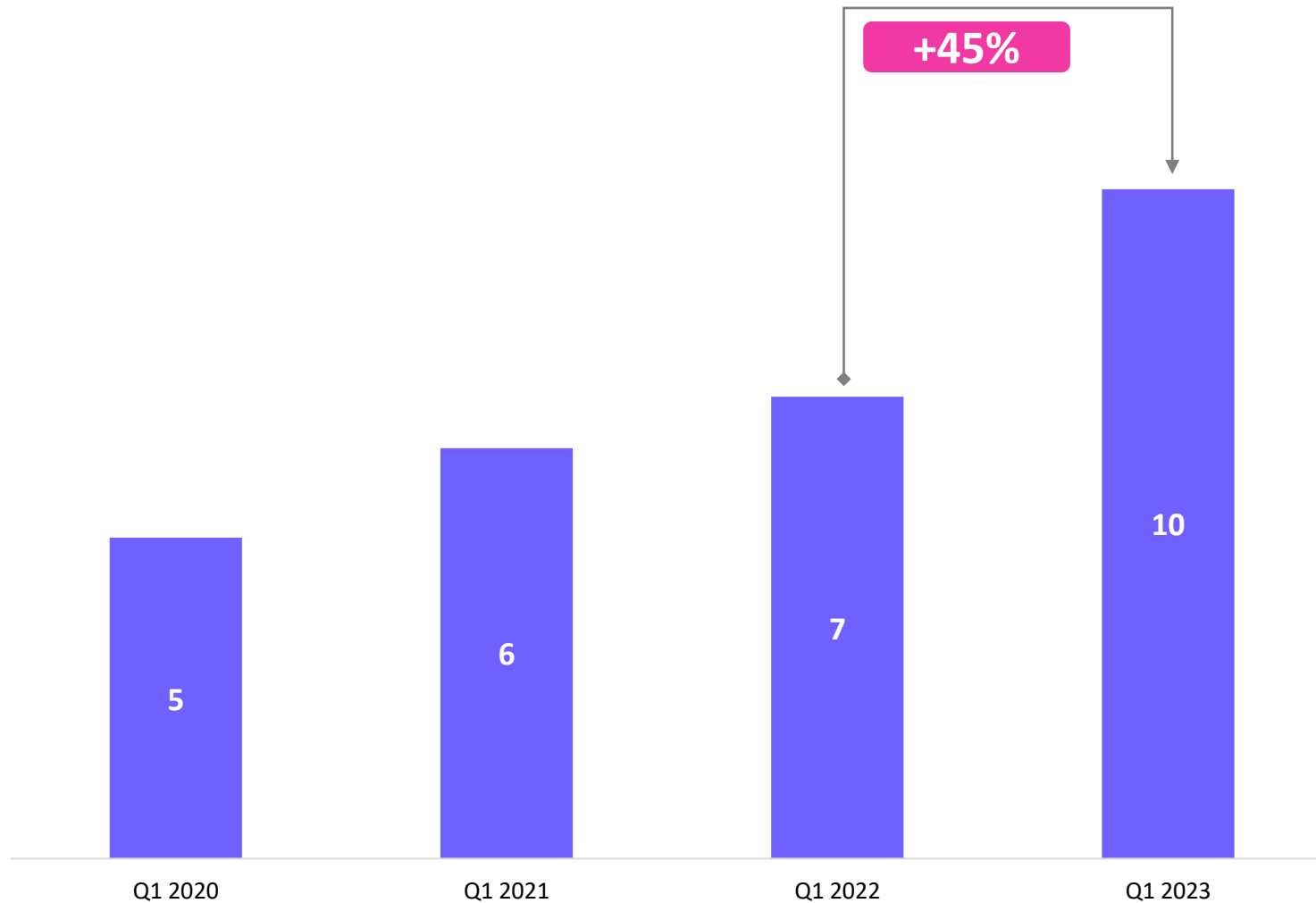
EBITDA to FCF bridge (PLNm)



: We deliver strong net
income growth providing
**ample space for
generous dividends**

: Robust net income growth despite increase in net financing costs

Net profit (PLNm)

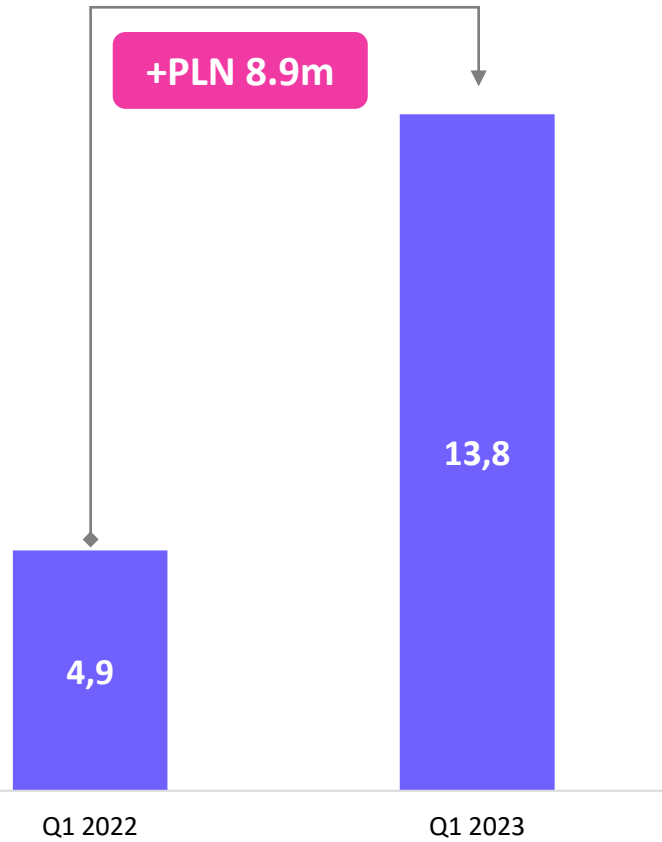


Note

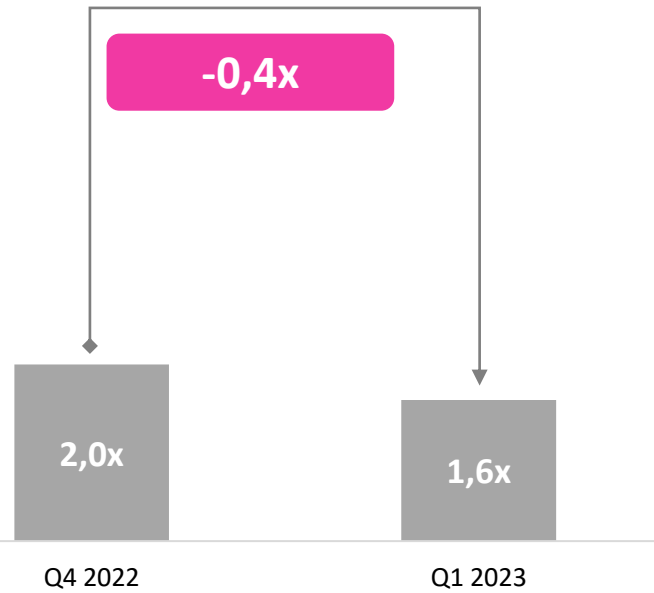
- ✓ Robust net profit growth of 45% yoy
- ✓ Stable net profit margin of approx. 13% despite higher financial costs (net effect of approx. PLN 3 million compared to Q1 2022)
- ✓ Increase in non-cash amortization of PPA trademarks and client base in the amount of PLN 0.5m

: Growing cash flows and decreasing net debt / EBITDA ratio

FCF (PLNm)



Net debt / LTM EBITDA*

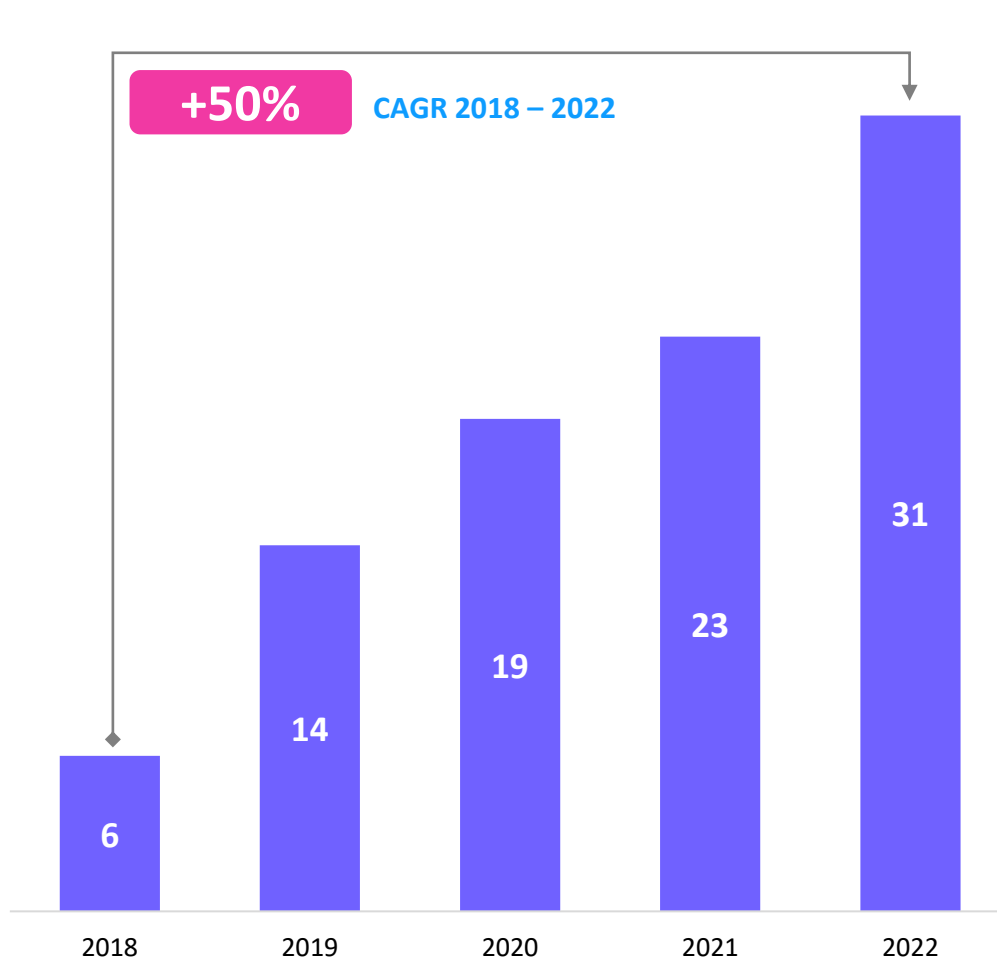


Note

- ✓ Nearly 3x FCF growth YoY
- ✓ FCF growth by c. PLN 8.9m YoY offsets increase in debt service costs (c. PLN 5.7m YoY)
- ✓ Safe and decreasing level of net debt to LTM EBITDA ratio (1.6x)

: Generous dividend to be paid from 2022 net profit

Net profit (PLNm)



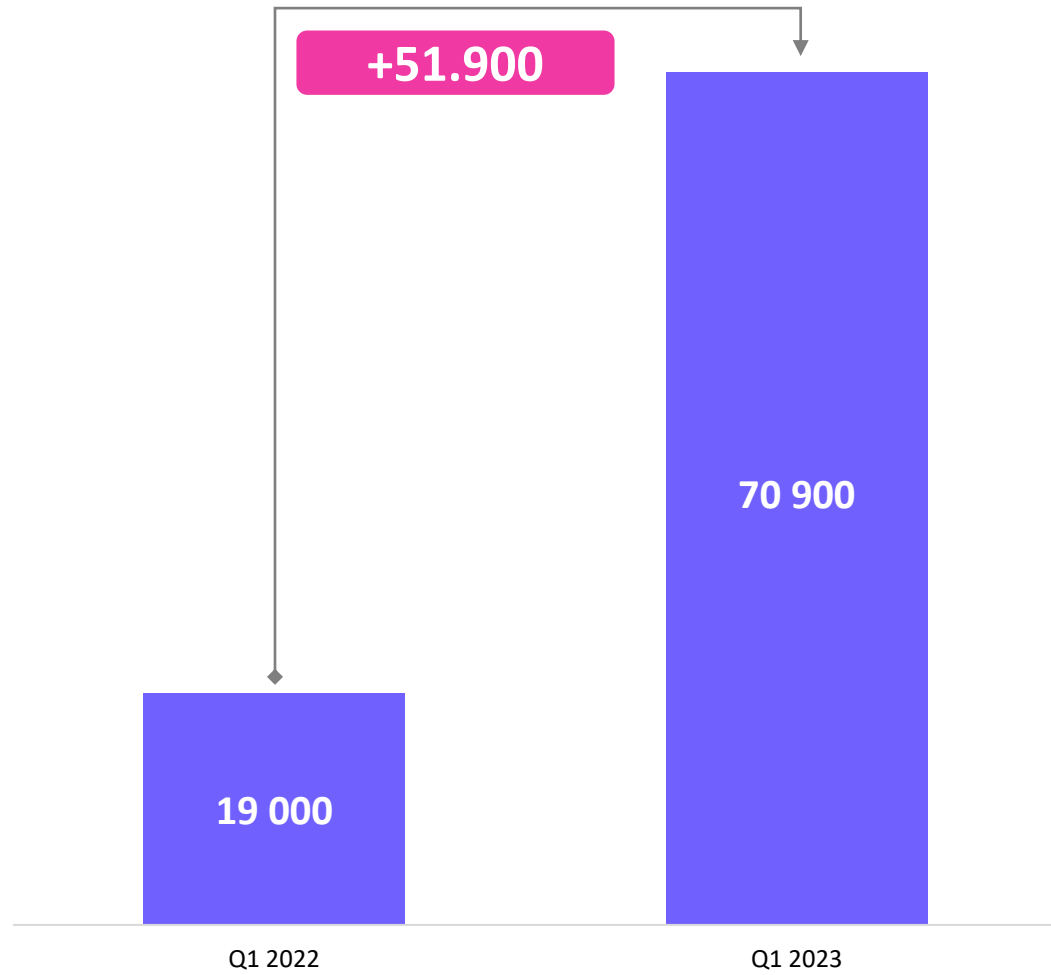
Note

- ✓ PLN 25m dividend to be paid out from 2022 net profit (c. 80% of consolidated net profit)
- ✓ Dividend policy announced in March 2023 assumes a minimum of 50% of consolidated net profit to be paid out as dividend
- ✓ Strong bottom line expansion combined with limited capital needs translates into an attractive perspective of growing dividends in the coming years

: Increasing global footprint means **we are more diversified than ever before**

: 3x increase in the number of customers

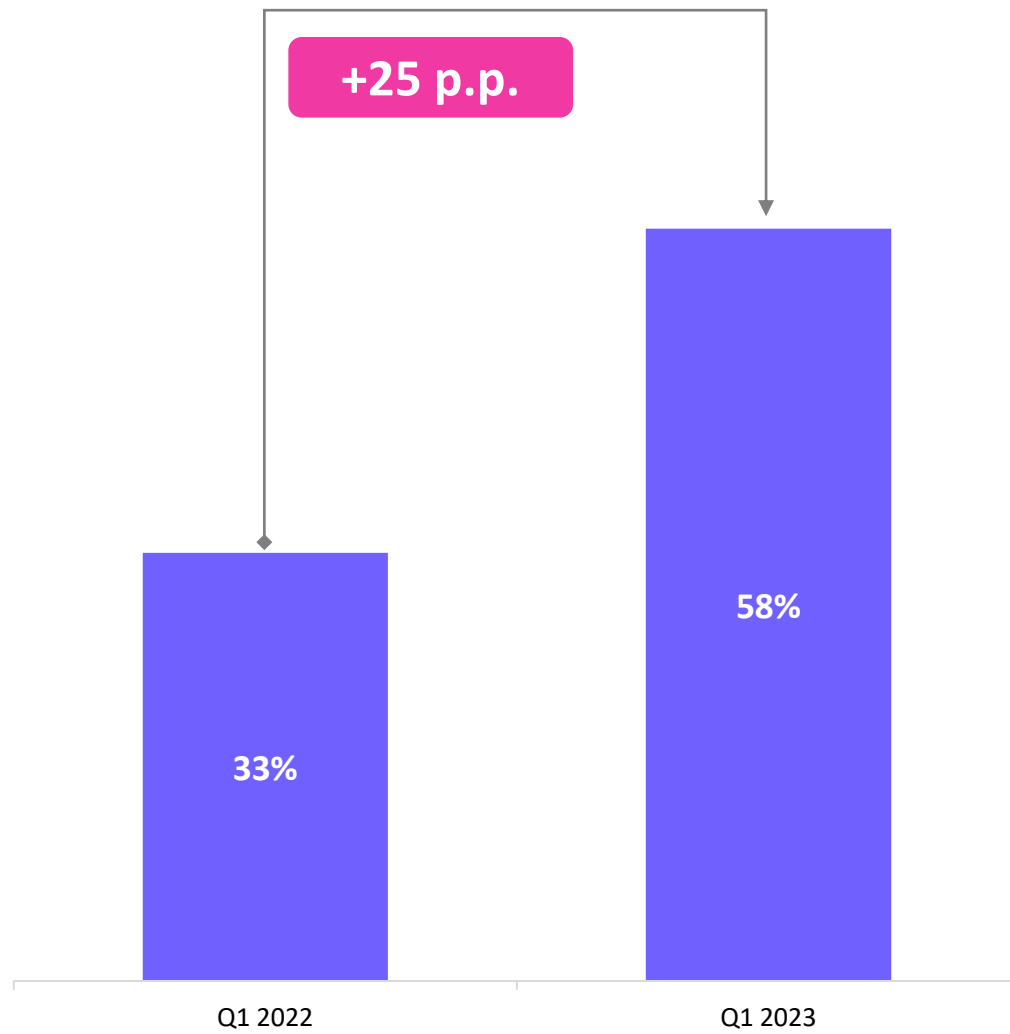
Number of CPaaS customers



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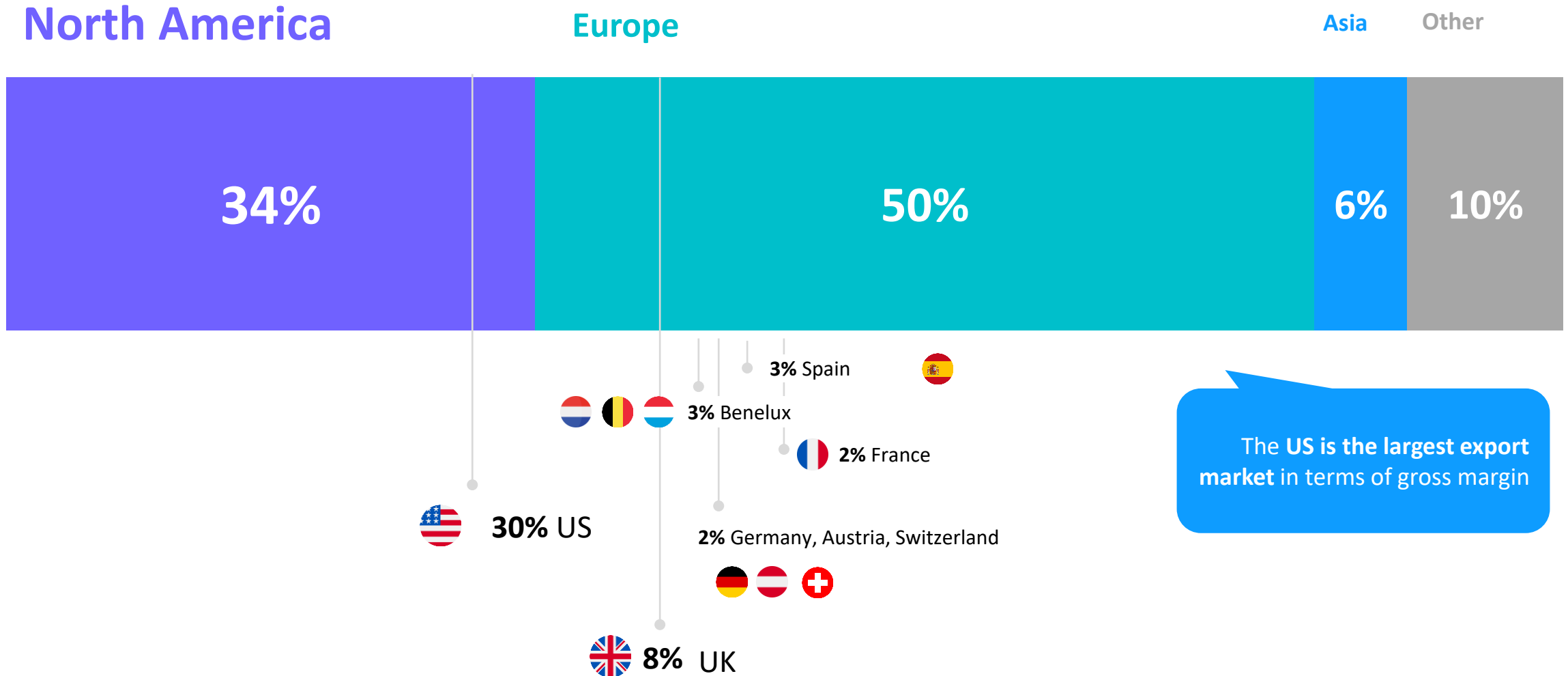
: Growing contribution of international sales

International sales as a % of CPaaS revenue



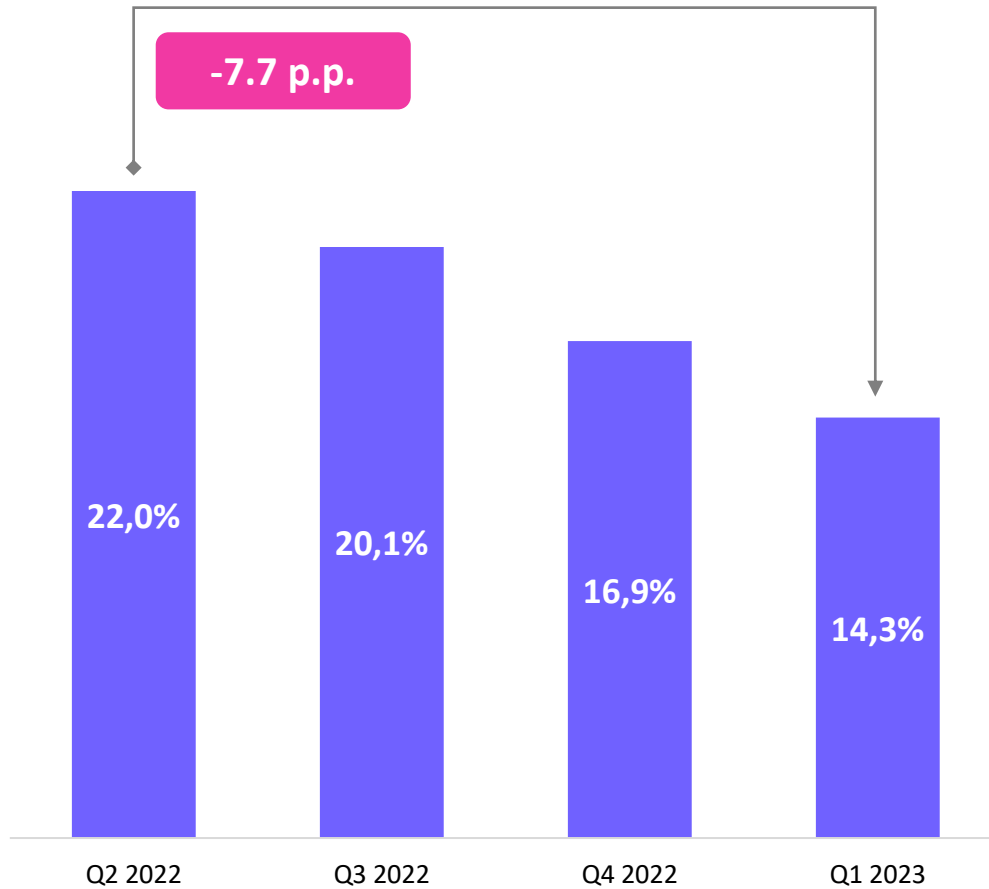
: Attractive customer structure - nearly 35% gross margin in the North American market

Estimated structure of gross margin generated on foreign customers (proforma data for 2022)

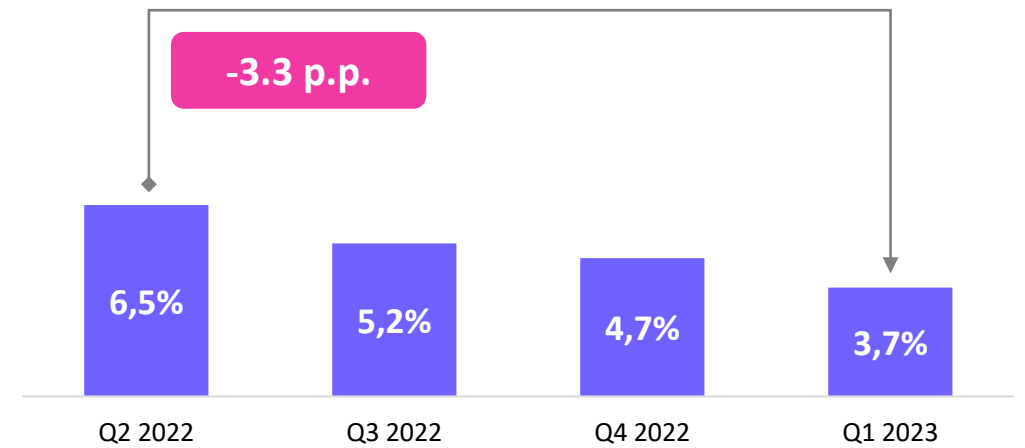


: Decreasing client concentration driven by the growing customer base

Contribution of top 10 clients to total revenue (less = better)



Contribution of top 10 clients to total gross profit (less = better)



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: Strategy



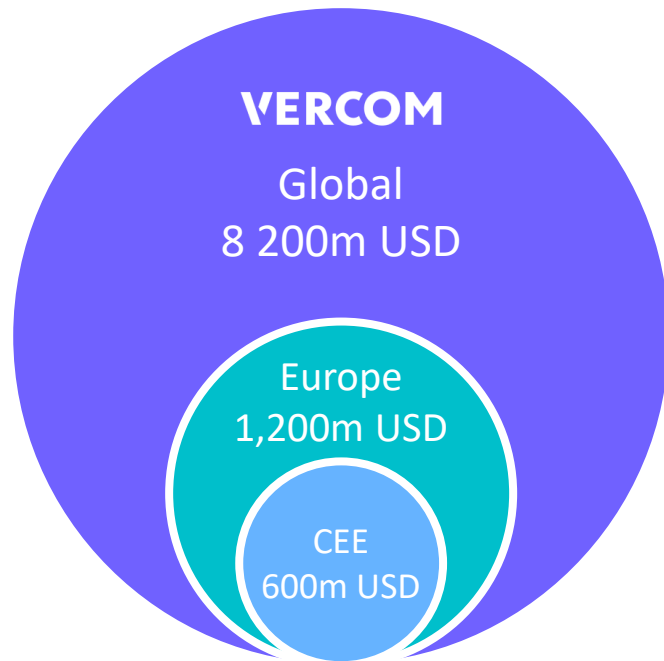
: We have secured
long-term growth
potential via **14x**
increase of TAM



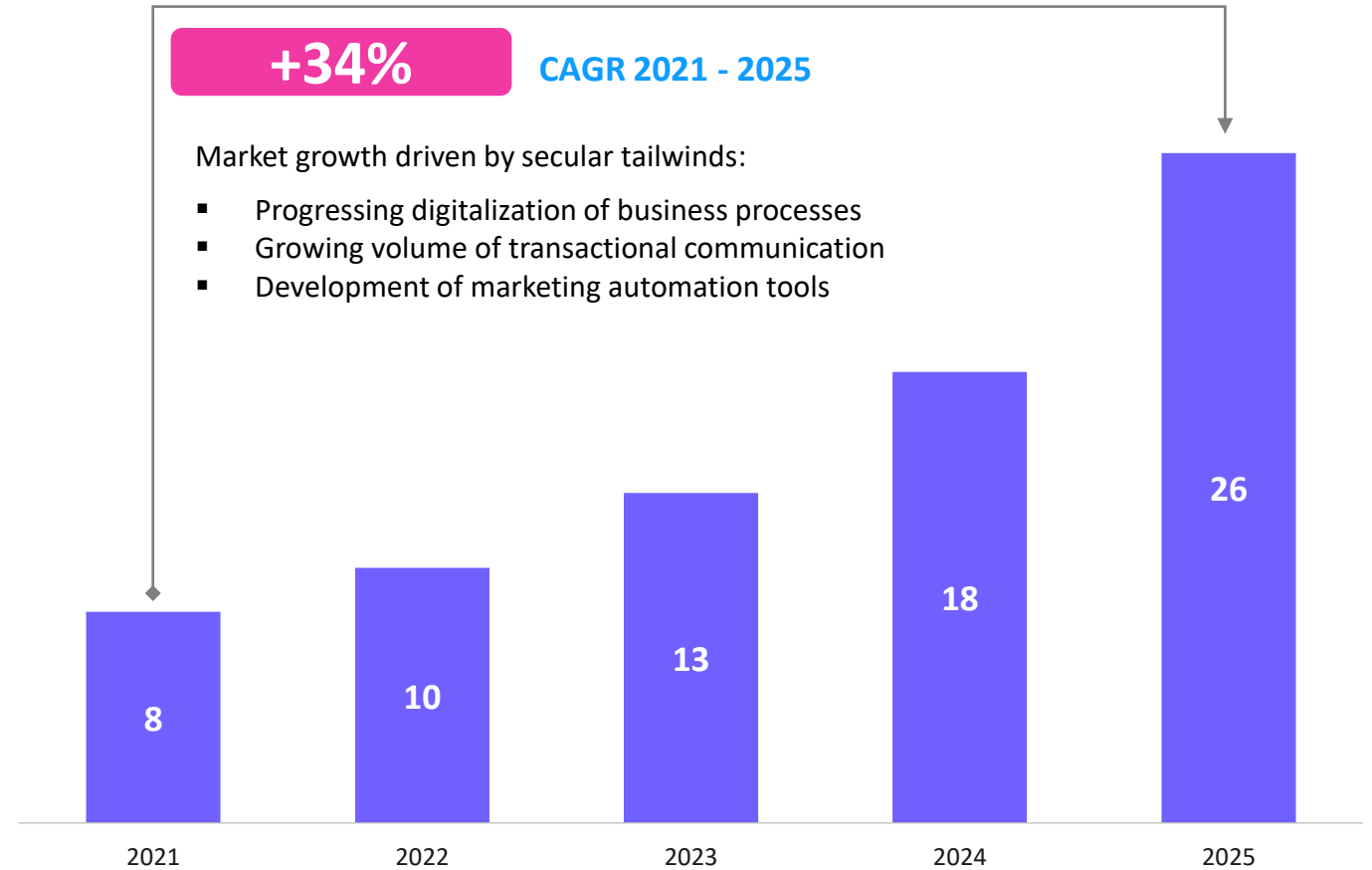
: Exponential growth of target addressable market

Target addressable market (TAM)

14x TAM growth



Global CPaaS market value (USDb)



: Integration of services around MailerLite (SME) and MessageFlow (mid-market)

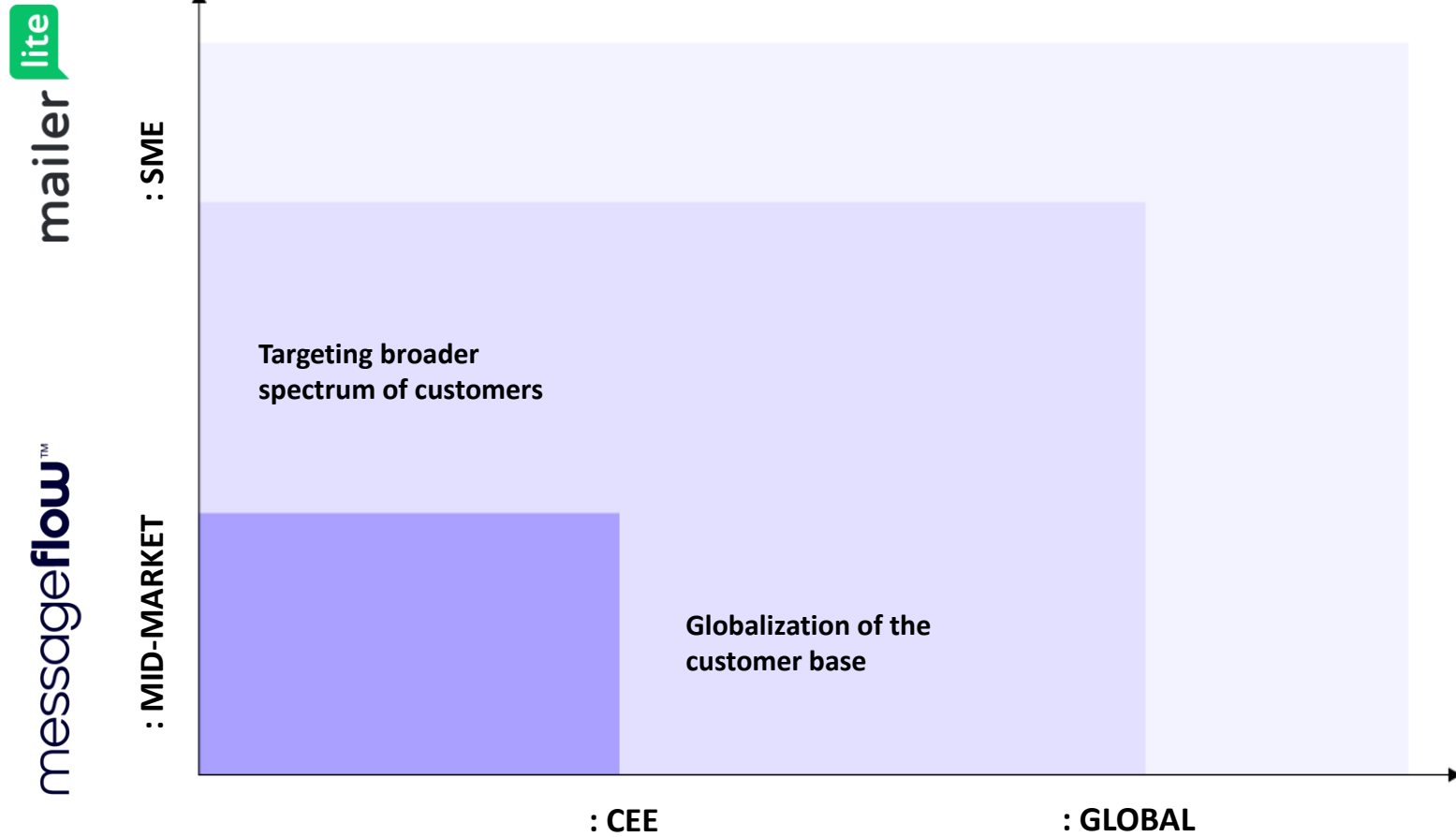
MaileLite: services for SME clients

The screenshot shows the MailerLite website. At the top, there is a navigation menu with links for Features, Pricing, Gallery, Why Lite, and Resources. Below the navigation is a green banner for "Email campaigns" with the text "Create engaging, dynamic emails in minutes with our intuitive drag & drop email editor." To the left, there is an analytics dashboard with three sections: "New" (14,046), "Unsubscribed" (8,139), and a line graph for "Subscribes" (126). Below the dashboard is a "Track your results" section with the text "Monitor performance to find what works best for your business." In the center, there is a "mag" logo and a photograph of three women sitting on a stone ledge, looking at a laptop.

MessageFlow: services for mid-market clients

The screenshot shows the MessageFlow website. At the top, there is a navigation menu with links for Products and About, and a "Get a" button. Below the navigation is a blue banner with the "messageflow" logo. The main headline is "Infrastructure for cross-channel communication". Below the headline is a paragraph: "MessageFlow is your trusted expert in unlimited cross-channel communication. Level up your customer journey with our world-class solutions." At the bottom, there is a form with the text "Enter your business email" and a yellow "Get a demo" button with a right arrow. To the right, there is a mobile app interface showing a dashboard with various metrics and a notification for "WOW days! -40% Buy now!"

: Strategic focus on increasing international presence



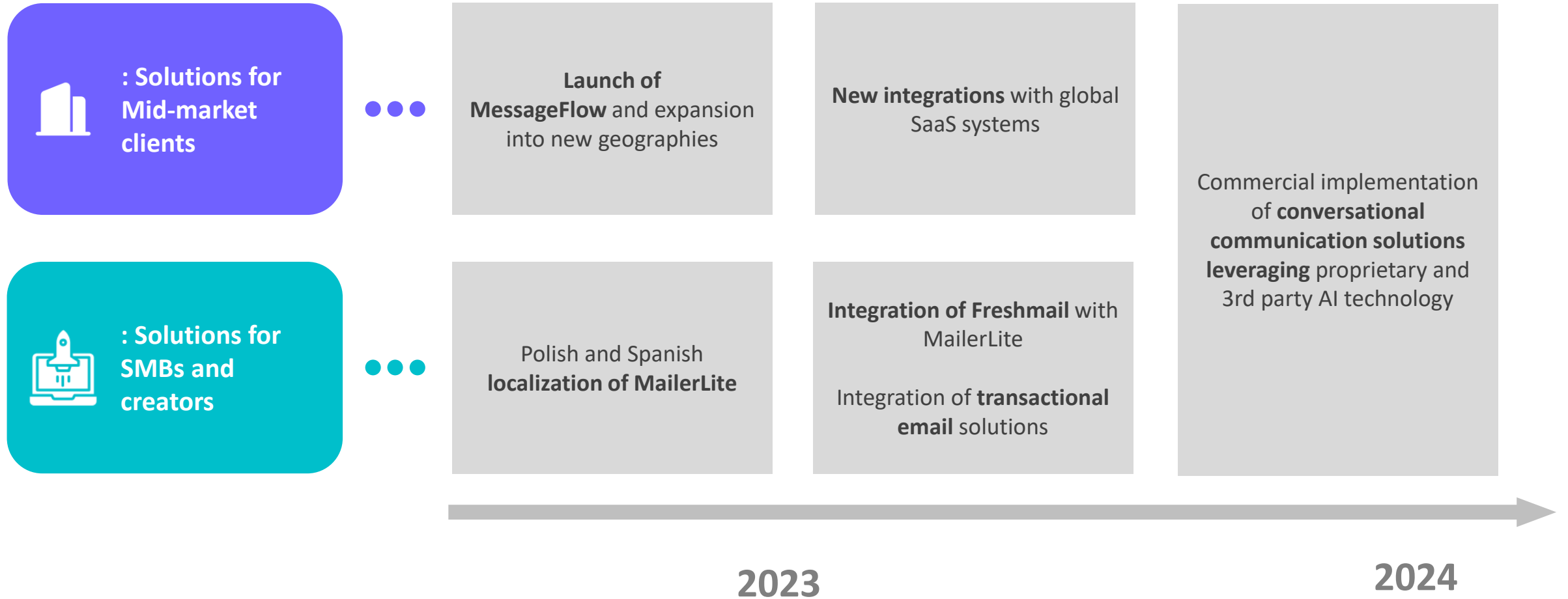
Growth strategy in SME segment

- ✓ Tap the tremendous potential of 2m freemium clients
- ✓ Improve monetization of paying users via new services and localizations
- ✓ Leveraging strong competitive position and brand recognition

Growth strategy in mid-market segment

- ✓ New MessageFlow platform dedicated to mid-market clients
- ✓ Continuing proven land & expand strategy
- ✓ Leveraging cross-selling potential of omnichannel (sms, email, push, OTT) product offering

: Product roadmap reflects our strategic goals for 2023-2024

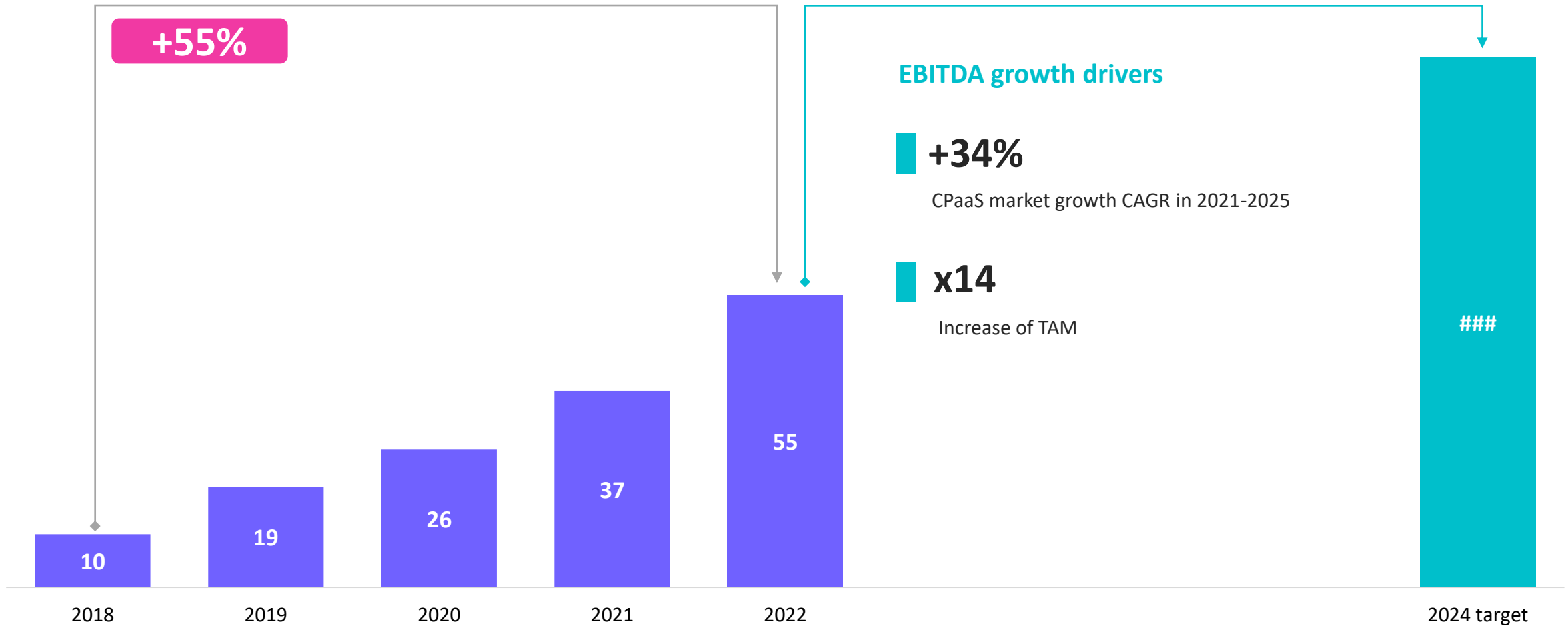


: We are **on track** to achieve our mid-term growth targets



: Significant potential to maintain EBITDA growth trajectory

Adjusted EBITDA (PLNm)



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: Financial data



: Profit and loss account – calculation variant

(PLN thousands)	Q1 2022	Q1 2023	Change
Revenue from sales	49 504	74 863	51%
Cost of producing services	(33 084)	(34 590)	5%
Gross profit from sales	16 420	40 273	145%
Sales and marketing costs	(1 727)	(10 346)	499%
General administration costs	(7 875)	(15 632)	99%
Profit from sales	6 818	14 295	110%
Other operating revenues	23	28	22%
Profit from sale of non-financial fixed assets	224	2	-99
Other operating costs	(37)	(65)	76%
Other revaluation write-offs	(194)	(294)	52%
Operating profit	6 834	13 966	104%
Financial revenues	1 619	703	-57%
Financial costs	(643)	(2 786)	333%
Net financial costs	976	(2 083)	-313%
Share of losses of equity accounted investees	167	(23)	-113%
Profit before tax	7 977	11 860	49%
Income tax	(1 403)	(2 308)	65%
Net profit from continuing operations	6 574	9 552	45%

: Profit and loss account - comparative version

(PLN thousands)	Q1 2022	Q1 2023	Change
Revenue from sales	49 504	74 863	51%
Other operating revenue	23	28	22%
Amortization	(1 567)	(3 499)	123%
Third party expenses	(37 431)	(51 277)	37%
Employee benefits	(4 160)	(5 471)	32%
Changes in products	784	-	
Materials and Energy costs	(206)	(241)	17%
Taxes and fees	(106)	(81)	-24%
Other operating costs	(37)	(65)	76%
Gain/(loss) on sale and liquidation of tangible fixed assets	224	2	-99%
Other revaluation write-offs	(194)	(294)	52%
Operating profit	6 834	13 965	104%
Net financial costs	976	(2 083)	-313%
Share in profit/(loss) of entities accounted for using the equity method	167	(23)	-114%
Profit before tax	7 977	11 859	49%
Income tax	(1 403)	(2 308)	65%
Net profit	6 574	9 551	45%
- attributable to shareholders of the parent company	6 626	9 536	44%

: Financial situation - assets and liabilities

(PLN thousands)	31.12.2022	31.03.2023	Change
Fixed real assets	14 816	15 824	7%
Rights-of-use assets	5 032	4 750	-6%
Intangibles and goodwill	465 253	455 898	-2%
Investments in associates	12 849	12 826	0%
Derivative instruments	382	229	-40%
Lease receivables	285	76	-73
Other assets	419	103	-75%
Fixed assets	499 036	489 706	-2%
Trade receivables	31 915	26 063	-18%
Loans granted	240	371	55%
Lease receivables	4 169	4 326	4%
Cash and cash equivalents	690	751	9%
Other assets	49 040	55 294	13%
Trade receivables	1 854	3 774	104%
Working assets	87 908	90 579	3%
Total assets	586 944	580 285	-1%
Own equity	356 906	358 376	0%
Long-term liabilities	152 546	146 406	-4%
- Including, among others, liabilities due to loans and borrowings	134 763	128 982	-4%
Short-term liabilities	77 492	75 503	-3%
Total liabilities	230 038	221 909	-4%
Total own equity and liabilities	586 944	580 285	-1%

: Cash position - cash-flow statement

(PLN thousands)	Q1 2022	Q1 2023	Change
Net profit for the reporting period	6 574	9 551	144%
Total adjustments	2 246	8 775	-42%
Cash flow from operating activities	8 820	18 326	51%
Tax paid	(1 183)	(1 154)	11%
Net cash flow from operating activities	7 637	17 172	56%
Interest earned	110	200	-112%
Loans granted	(300)	(110)	-4306%
Loan repayments	0	18	
Investments in associates	(3)	0	
Proceeds from sale of tangible fixed assets	224	6	-3%
Purchase of fixed real assets and intangibles	(1 557)	(3 221)	-3%
Lease payments received	0	159	
Net cash from investing activities	(1 526)	(2 948)	-434%

: Cash position - cash-flow statement

(PLN thousands)	Q1 2022	Q1 2023	Change
Repayment of credits and loans	(1 657)	(5 238)	216%
Interest paid	(549)	(2 656)	384%
Payments of lease liabilities	(435)	(635)	46%
Grants received	0	351	-
Net cash from financing activities	(2 641)	(8 178)	210%
Total net cash flow	3 470	6 046	74%
Effect of exchange rate changes on cash and cash equivalents	0	208	-
Cash and cash equivalents at the beginning of the reporting period	116 799	49 040	-58%
Cash and cash equivalents at the end of the reporting period	120 269	55 294	-54%

: Changes in own equity

	Initial capital	premium on stock sold above face value	Profit deductions	Other	Share-based payment capital	Reserve capital	Own shares	FX differences on conversion with foreign subsidiaries	Retained profits	Equity attributable to equity holders of the parent	Capital attributable to non-controlling interest	Own equity
As of January 1, 2023	444	289 166	18 391	3 532	2 726	5 496	(844)	(544)	37 672	356 039	867	356 906
Net profit	-	-	-	-	-	-	-	-	9 536	9 536	15	9 551
Other total revenues	-	-	-	-	-	-	-	(8 198)	-	(8 198)	-	(8 198)
Total revenues for the period	-	-	-	-	-	-	-	(8 198)	9 536	1 338	15	1 353
Transactions with shareholders included directly in own equity												
Capital from share-based payments	-	-	-	-	117	-	-	-	-	117	-	117
Sale of own shares in the ESOP	-	-	-	-	-	(106)	106	-	-	-	-	-
Total changes in equity	-	-	-	-	117	(106)	106	(8 198)	9 536	1 455	15	1 470
As of March 31, 2023	444	289 166	18 391	3 532	2 843	5 390	(738)	(8 742)	47 208	357 494	882	358 376

: Unconsolidated income statement - comparative variant

(PLN thousands)	Q1 2022	Q1 2023	Change
Revenue from sales	27 557	34 323	25%
Other operating revenue	9	11	22%
Amortization	(996)	(1 563)	57%
Third party expenses	(22 072)	(21 270)	-4%
Employee benefits	(1 042)	(1 513)	45%
Cost of materials and energy	(46)	(71)	54%
Taxes and fees	(39)	(20)	-49%
Other operating costs	(19)	(16)	-16%
Gain/ (Loss) on sale of tangible fixed assets and intangible assets	224	-	-
Other revaluation write-offs	(64)	(183)	186%
Operating profit	3 512	9 698	176%
Net financial income	1 095	(2 044)	-287%
Profit before tax	4 607	7 654	66%
Income tax	(703)	(1 602)	128%
Net profit	3 904	6 052	55%

: Unconsolidated income statement – calculation variant

(PLN thousands)	Q1 2022	Q1 2023	Change
Revenues from sales	27 557	34 323	25%
Cost of producing services	(20 208)	(18 016)	-11%
Gross profit from sales	7 349	16 307	122%
Sales and marketing costs	(337)	(799)	137%
General administration costs	(3 650)	(5 622)	54%
Profit from sales	3 362	9 886	194%
Other operating revenues	9	11	22%
Profit on sale of tangible fixed assets and intangible assets	224	-	-
Other operating costs	(19)	(16)	--16%
Other revaluation write-offs	(64)	(183)	186%
Operating profit	3 512	9 698	176%
Financial revenues	1 705	539	-68%
Financial costs	(610)	(2 583)	323%
Net financial costs	1 095	(2 044)	-287%
Profit before tax	4 607	7 654	66%
Income tax	(703)	(1 602)	128%
Net profit	3 904	6 052	55%

: Unconsolidated balance sheet - assets and liabilities

(PLN thousands)	31.12.2022	31.03.2023	Change
Fixed real assets	562	1 749	211%
Right-of-use assets	3 085	3 109	1%
Intangibles	36 013	36 322	1%
Investments in subsidiaries	436 040	435 578	0%
Investments in associated entities	12 625	12 625	0%
Derivative instruments	382	229	-40%
Other assets	394	142	-64%
Fixed assets	489 101	489 754	0%
Trade receivables	17 732	17 695	0%
Loans granted	12 477	12 650	1%
Cash and cash equivalents	11 717	10 824	-8%
Derivative instruments	240	372	55%
Other assets	1 289	3 020	134%
Working assets	43 455	44 561	3%
Total assets	532 556	524 315	-2%
Own equity	351 565	357 734	2%
Long-term liabilities	137 243	132 107	-4%
- Including, among others, liabilities due to loans and borrowings	132 274	126 780	-4%
Short-term liabilities	43 748	44 475	2%
Total liabilities	180 991	176 582	-2%
Total equity and liabilities	532 556	534 316	0%

VERCOM

: Company
authorities



: Vercom Managing Board

			
	Krzysztof Szyszka	Adam Lewkowicz	Tomasz Pakulski
	CEO, Founder	CTO, Founder	COO
Industry experience (years)	>23	>23	>15
At Vercom (years)	>18	>18	>15
Share in equity ⁽¹⁾	6,39%	7,25%	0,65%

¹⁾ As of March 31, 2023

Jakub Dwernicki – Chairman of the Supervisory Board

Founder and the main manager of R22 Group. The group offers a full range of services for corporate clients with respect to online presence, automation and digitization of business processes, particularly communications, marketing and sales. Jakub Dwernicki is the main author of the strategy to acquire hosting businesses. Over the past five years the Group has completed around 20 such transactions both in Poland and in other CEE countries. He gained his professional experience serving in management and supervisory roles and as the founder of companies that were combined into today's R22 Group.

Franciszek Szyszka – Supervisory Board Member

Graduate of the Warsaw University of Technology, Department of Mechanical Engineering, Energy and Aviation. In 2006 Mr. Szyszka passed an exam for supervisory board members and since 2009 he is also authorized to issue energy characteristics certificates. Mr. Szyszka gained his professional experience at PPU Allmet as Technical Director, Elbląg City Hall as Head of the Investment Department, Municipal Buildings Managing Board in Elbląg as Director of the Managing Board, at the Municipal Public Transit Board in Elbląg as Supervisory Board Member and at Elbląg Water and Sewage Works as Supervisory Board Member.

Aleksander Duch – Supervisory Board Member

Graduate of the University of Warsaw, Faculty of Law and Administration. Received his PMP certificate from Project Management Institute. For 7 years he worked at IBM Poland managing projects and business development. Since 2007, he has worked for the Asseco Group, where initially he managed the sales department and, in the following years, he was responsible for the Group's development outside Poland by participating in acquisition processes and subsequent supervision over the acquired companies. At present, he serves on the management boards of Asseco Western Europe SA, Bioalter Sp. z o.o. Allter Power Sp. z o.o., Polish Association of Agricultural Biogas Producers (PSPBR) and Polish Fintech Investors Association (SPIF). Aleksander Duch meets the independence criteria set by the Act on Statutory Auditors, Audit Firms and Public Supervision of 11 May 2017 and the requirements indicated in the Good Practices of Companies Listed on the WSE.

Jakub Juskowiak – Supervisory Board Member

Graduate of the University of North Carolina with a degree in Business Administration and post-graduate studies at the Poznan University of Economics in the field of accounting. Holds statutory auditor certification since 2011. Mr. Juskowiak gained his professional experience as an Assistant to Statutory Auditor at BDO sp. z o.o., Assistant to Statutory Auditor and Audit Manager at PKF Consult z o.o. sp.k. and as the CFO at Ebrex Polska sp. z o.o. Mr. Juskowiak meets the criteria as an independent supervisory board member set forth in the WSE Good Practices.

Joanna Drabent – Supervisory Board Member

Experience in the PR industry - from working in an agency to running her own serving clients in the new technology industry. Co-founder and CEO of Prowly.com, which offers a tool to support PR activities for businesses. As of 2019, Prowly.com sp. z o.o. joined the portfolio of the international holding company Semrush Inc, which offers a full range of online marketing tools. In 2018, she was honoured by the foreign edition of Forbes magazine as one of the TOP100 startup founders in Europe. Participant in the EY Entrepreneurial Winning Women 2018 programme.

VERCOM

: Additional
Information



: Basic information

Business profile

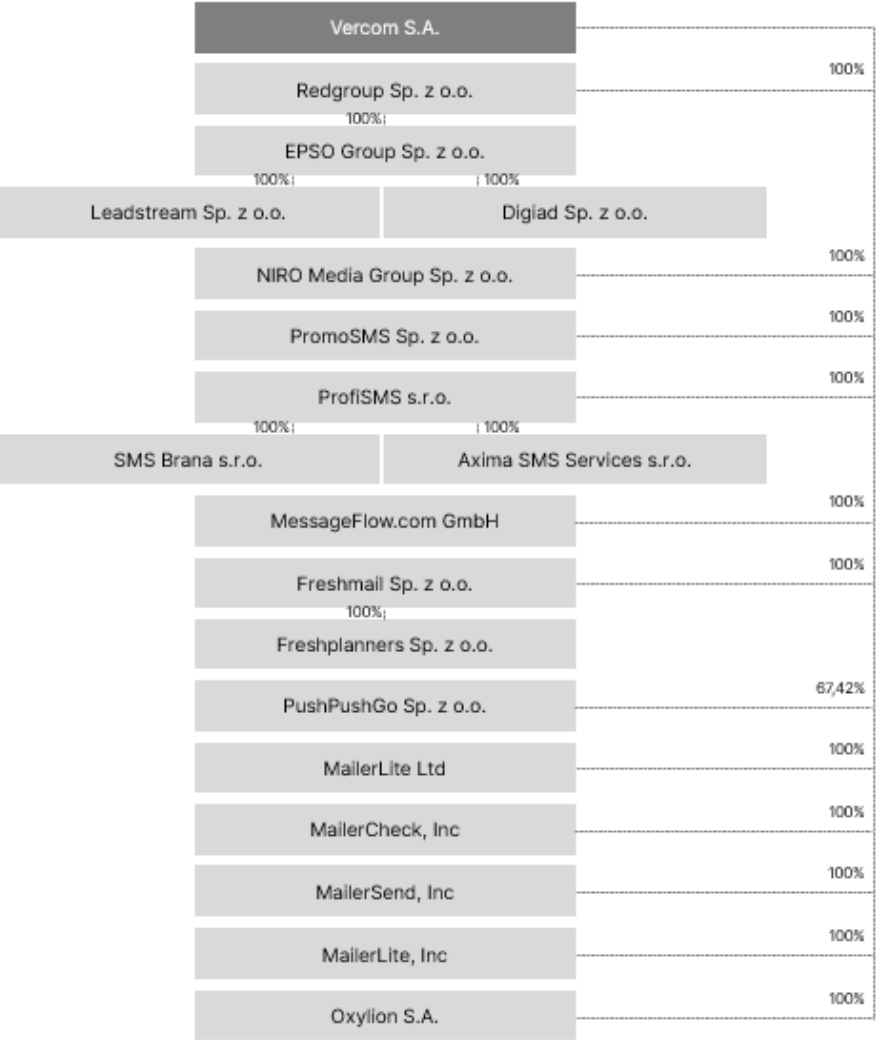
Vercom develops global cloud communications platforms (CPaaS) that enable companies to build and develop lasting relationships with their audiences across multiple communication channels.

Our solutions help our customers and partners overcome the complexity of communications, automate and scale, while maintaining high deliverability and efficiency - all in a fast, secure and reliable way.

Risk factors

- Risk of an increase in the cost of purchasing sms messages and access to email systems and push messaging capabilities
- Risk of introducing restrictions on email and push messaging
- Risk of limiting cooperation or worsening terms of cooperation with significant customers
- Risks associated with acquisitions carried out by the Group
- Risk of making mistakes or experiencing unexpected difficulties related to the Group's rapid growth and strategy implementation
- Risk of maintaining a competitive service offering
- Risks associated with the human team
- Risks associated with the failure of equipment and IT systems
- Risk of attacks on the Group's own and customers' infrastructure
- Risks associated with the Group's large-scale processing of personal data
- Risks associated with the copyright of software used by the Group
- Risks related to the impact of the COVID-19 pandemic on the Group's operations
- Impact of the macroeconomic situation
- Tax risk regarding IP Box relief
- Risk of liability for credit obligations of Vercom Group companies.

Group structure



: Shares and shareholders

Shareholder structure as of March 31, 2023

	Number of A, B, D, E and F series shares	Face value of each share (in PLN)	Initial capital (in PLN)	% votes at the General Meeting	Share in initial capital
R22 S.A.*	11 016 935	0,02	220 339	49,79%	49,79%
cyber_folks	97 445	0,02	1 949	0,44%	0,44%
Adam Lewkowicz	1 603 750	0,02	32 075	7,25%	7,25%
Krzysztof Szyszka	1 414 605	0,02	28 292	6,39%	6,39%
Itema Ventures UAB	2 377 000	0,02	47 540	10,74%	10,74%
PTE Allianz Polska S.A. **	1 355 728	0,02	27 115	6,13%	6,13%
Vercom S.A. (own shares)	96 559	0,02	1 931	-	-
Others	4 261 763	0,02	85 235	19,26%	19,26%
TOTAL	22 223 785		444 476	100,00%	100,00%

* R22 S.A. indirectly holds 50.23% through shares held by cyber_Folks S.A.

** Including Allianz OFE, Allianz DFE and Drugi Allianz OFE

: Vercom on the WSE

Quotations

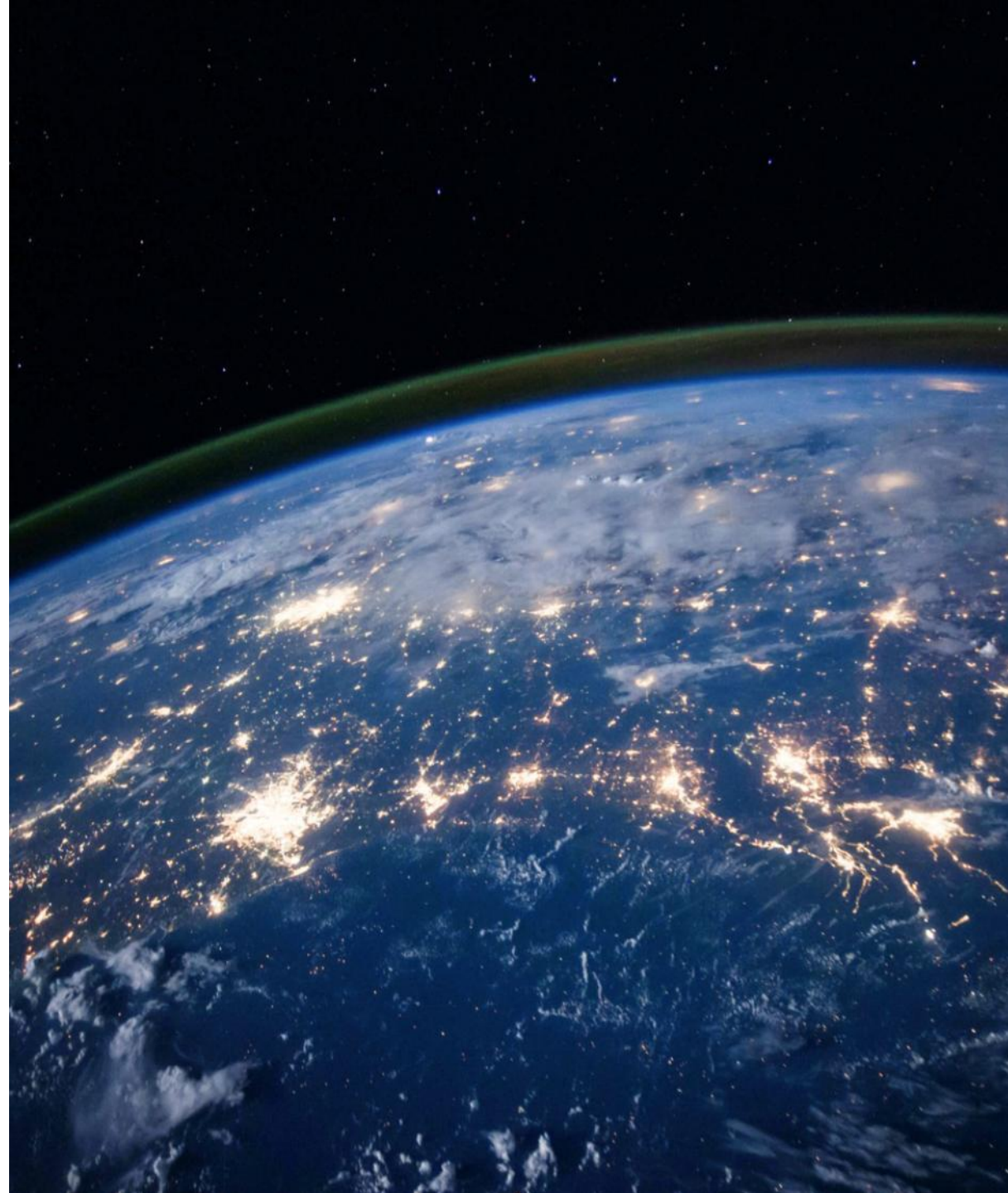
Vercom shares have been listed on the Warsaw Stock Exchange since 6 May 2021. As of 18 March 2022, Vercom shares were included in the sWIG80 index comprising 80 companies from the Warsaw Stock Exchange (excluding WIG20 and mWIG40 companies) with the highest ranking determined on the basis of turnover and capitalization.

Dividend policy

March 6, 2023 Vercom The Vercom Board of Directors announced that in connection with the completion of the acquisition cycle announced in the IPO, a dividend policy has been established at the Company. It provides for the payment of dividends to shareholders of no less than 50% of consolidated net profit for 2022 and beyond.

17 May 2023. The Board of Directors of Vercom adopted a resolution on proposals for the distribution of the Company's profit for the financial year 2022 and a recommendation to the General Meeting of Shareholders on the distribution of the Company's profit for the financial year 2022. According to the Board's recommendation, PLN 25 million should be allocated to dividends. The final decision on the payment of dividends will be taken by the Company's Annual General Meeting.

Resolution date	Dividend amount
26.04.2019	8 mln zł
12.05.2020	10,3 mln zł
08.04.2021	15,1 mln zł



: Incentive plan

Key principles

- Founders will retain significant stake post-IPO and will not participate in Vercom stock-based Employee Stock Option Plan (ESOP)
- ESOP is addressed to key managers and employees responsible for operational management
- ESOP targets and execution apply to fiscal years 2021-2024
- The plan includes 126,850 shares (84,472 as the basic tranche and 42,378 as an additional tranche for potential new employees).
- The basic tranche includes 14,500 loyalty shares which are to be granted in the first year of the Plan without additional result-based criteria.
- The purchase price is equal to the face value.
- ESOP target weights:
 - Normalized EBITDA - 40%
 - Market results - 20%
 - Individual targets - 40%

The total cost of the 2021-2024 incentive plan, measured as of 30 April 2021. (grant date as defined in IFRS 2 Share-based Payment) is estimated at PLN 2,857 thousand and the cost of the additional pool of the programme valued at 30 September 2022 is estimated at PLN 522 thousand. In the first 3 months of 2023, the total compensation expense related to the Incentive Plan was recorded at PLN 117 thousand, and for the whole of 2022, the total compensation expense was recorded at PLN 930 thousand.

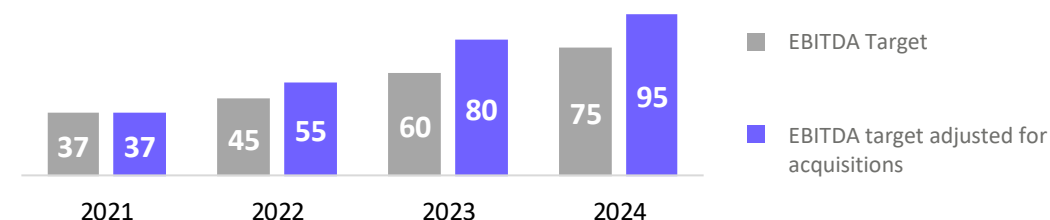
Total incentive plan cost will be booked over the plan’s duration in the fiscal years 2021-2024.

Incentive plan targets

Normalized EBITDA (PLNm)

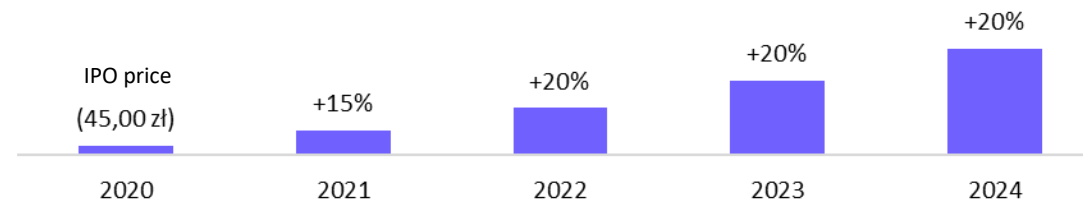
EBITDA target refers to normalized EBITDA, adjusted by ESOP cost, extraordinary or one-off items and historical EBITDA of the companies acquired.

For the avoidance of doubt, EBITDA growth generated by companies acquired is treated as organic growth and is not subject to normalization.



Stock price

A 15% rise from the IPO price (PLN 45) in the first year. In the following years an increase by 20% from previous year’s target.



Management principles of the Company and the Group

There were no other significant changes in the basic management principles of the Company and its Group during the reporting period.

Description of material court proceedings

As at the date of preparation of the report, the Company's claim against Polkomtel sp. z o.o. for payment of PLN 4,806,945 with statutory interest for delay from 4 May 2020 to the date of payment in respect of the contractual penalty reserved for the Company is pending. The lawsuit was filed by the Company on 5 February 2021. In the Company's opinion, Polkomtel S.A. did not properly perform its obligations under the agreement concluded between the parties concerning execution of the Company's orders concerning sending/receiving SMS/MMS messages by the Company in accordance with the rules determined between the parties.

Vercom Group has unsettled prepayments paid to SOPOL Solewodziński sp. j. in the amount of PLN 517 thousand under a service agreement. Pursuant to the service provision agreement concluded with SOPOL Solewodziński sp. j., Vercom Group charged SOPOL Solewodziński sp. j. with a contractual penalty of PLN 1,100,000 for not providing by SOPOL Solewodziński sp. j. the minimum daily throughput of SMS messages in accordance with the provisions of the agreement. The proceedings for issuing a payment order were initiated on 2 July 2018. The contractual penalty has not been recognized as revenue until the possibility of its recovery becomes probable. In order to cover the claims for the contractual penalty above, the Court Enforcement Officer at the District Court in Mikołów initiated enforcement proceedings from the real estate owned by the partners of SOPOL Solewodziński sp. j. Moreover, Vercom Group has a compulsory mortgage registered in the amount of PLN 1,396,208,04 on the real estate owned by SOPOL Sowoledziński sp. j. as a security of claims for the aforementioned contractual penalty.

Employment

During the reporting period ended March 31, 2023, the Vercom Group had an average of 170 employees.

Sureties and guarantees

Sureties and guarantees are described in the consolidated financial statements

Significant transactions with related parties

Transactions with related parties were made on an arm's length basis. The transactions are presented in the Consolidated Financial Statements (Note 23).

Financial forecast

The Company's Management Board has not published any financial forecasts.

Material agreements

In the Q1 2023 Vercom has not entered into any new material agreements.

Ability to execute investment plans

The Group has the ability to achieve its investment intentions, including capital investments, both from its own resources and from debt financing.

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60-829 Poznań

The Directors' Report on the Operations of Vercom S.A. and the Group was approved on May 23, 2022.

Krzysztof Szyszka

President of the Board

Adam Lewkowicz

Vice-President of the Board

Tomasz Pakulski

Member of the Board

VERCOM

: Scale beyond

