



Q1 2023 Quarterly report of R22 Group

for Q1 2023
ended 31 March 2023

Tuesday, 23 May 2023



Dear Shareholders, Employees, Partners,

we can once again boast of very strong results. In 1Q 2023 **revenue from sales rose by 32%** to PLN 110.5m. **EBITDA rose by as much as 48%** and totaled PLN 31.6m while the **net profit rose to PLN 14.1m** (+43% yoy).

The very strong results of R22 Group represent a continuation of the previous growth trajectory of our operational activities and of the results achieved. Last year's record performance meant we were able to recommend a **record dividend payment totaling PLN 0.93 per share**. Total dividend payment may reach PLN 13.19m. The final decision concerning the dividend will be taken up by the Shareholders at the Ordinary Meeting of Shareholders on 26 June 2023.

At that General Meeting, **the Shareholders will also decide upon the merger between R22 S.A. and cyber_Folks S.A.** **The purpose of this step is above all to simplify Group structure and external communications** of both entities for clients and investors. cyber_Folks is a more recognizable brand among clients while R22 is more popular among investors. Our goal is to simplify Group structure and to create an entity with across-the board exposure, one that is attractive to both clients and investors. In my view the synergy of these two strong brands combined into a single company will mean that we will gain even more clients and will be more visible on the capital market. Today many of the efforts made under cyber_Folks brand, which already has over 250k clients, fail to translate into the perception of R22 and we want to change that.

We owe the dynamic growth of both the past and of upcoming quarters primarily to organic growth of two key market segments: cyber_Folks and CPaaS. The EBITDA of cyber_Folks segment was up by more than 23% y-o-y through organic growth alone, reaching nearly PLN 15m. At the same time we are investing very heavily into technological growth and the expansion of our offering for the existing base of the more than 250k cyber_Folks clients. In particular, we are expanding our offering for the e-commerce sector, both through our flagship _Stores project, a solution for the design and operation of online stores whose full version made its market debut in April, as well as Sellintegro, a subsidiary whose sales in the SaaS model doubled on a yoy basis.

We are also actively using the development of Artificial Intelligence-related solutions and technology by introducing new features to our offering and by improving the quality and speed of customer service. In Q1 of this year, cyber_Folks launched what is likely to be Europe's first AI-based domain name creator. Statistics show that as many as 37% of the domains ordered were suggested by the AI.

In addition to product based growth, **the Group is putting very strong emphasis on international growth**, increasing its global reach and customer diversification. In particular, that is visible in the results and growth rates of the CPaaS segment, whose Q1 2023 EBITDA totaled nearly PLN 18m, a 70% growth yoy. Such a high growth rate is largely due to the increase in sales on global markets under the MailerLite brand, which gained over 4k new clients in March alone.

The Group's international expansion is also strongly driven by Profitroom, whose foreign sales rose in Q1 2023 by more than 70% on a year-on-year basis, reaching nearly PLN 5m and driving the growth of the entire company, whose Q1 revenues totaled PLN 15.1m (+43% yoy) and its EBITDA PLN 3.3m (+36% yoy).

I'd like to thank all those involved in the growth of R22 Group - our Employees, Partners, Clients and Investors for effective collaboration and for the trust they have shown us. I am convinced that the upcoming quarters will give us more reasons for satisfaction, driven by further growth.

Sincerely,

Jakub Dwernicki

CEO





Table of contents:

- 4** [Information about R22 Group](#)
- 13** [Market](#)
- 17** [Growth dynamics](#)
- 25** [Key developments for the R22 Group in 2023](#)
- 37** [Highlights 2023](#)
- 40** [Selected financial results](#)
- 46** [Business segment overview](#)
- 65** [Development prospects](#)
- 69** [Detailed financial results](#)
- 77** [Shares and shareholding](#)
- 81** [Management Board and Supervisory Board](#)
- 85** [Other information](#)



Our Mission

is to empower our customers and partners to recalibrate and rescale their business, by delivering know-how and technology

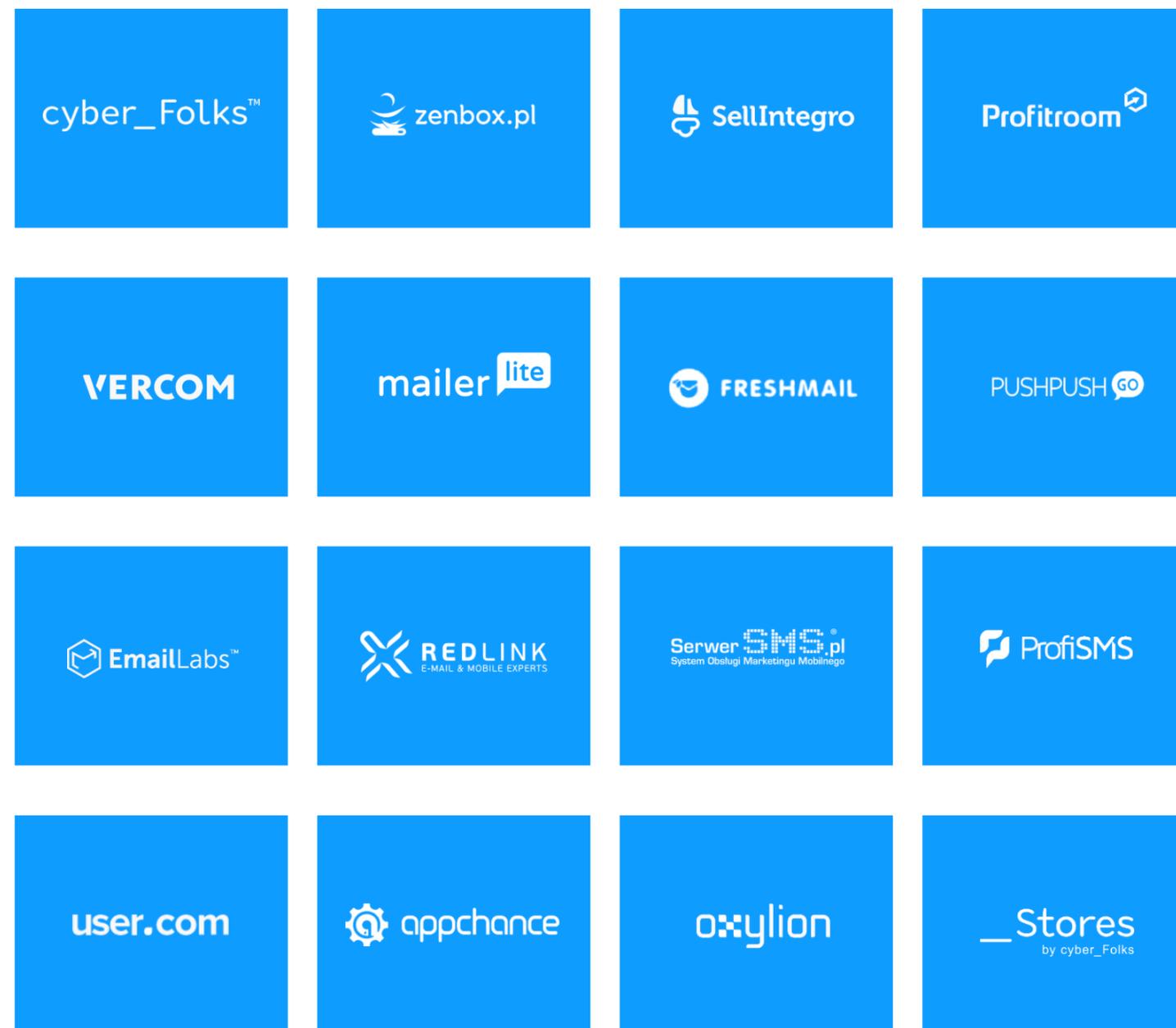


Who we are:

In 1999 we created one of the first hosting companies in Poland. Since then we scaled our business to new sectors and regions, earning us the trust of over 340k customers and over PLN 410m in annual sales.

Today, we are a group of dynamically growing technological companies aiming to **support small, medium-sized, and large businesses** in their Internet presence, business process automation, communications, marketing and sales.

Our portfolio includes **scalable services** offered in a **subscription model**, operating along the entire value chain – from creating our own proprietary solutions and their ongoing maintenance, to far-reaching sales and customer support.



*R22 selected brands

Our Team: More than 1000 professionals in over 30 locations



Ionut Ariton
Joint-CEO
cyber_Folks Romania



Adrian Chiruta
Joint-CEO
cyber_Folks Romania



Jacek Duch
Chairman
Supervisory Board



Jakub Dwernicki
Founder & CEO
R22 & cyber_Folks



Katarzyna Garbaciak
Managing Director
Email Labs



Krzysztof Grzęda
Founder &
CEO Profitroom



Anna Harris
Chief Growth
Officer Profitroom



Katarzyna Juszkiewicz
Managing Director
cyber_Folks



Piotr Karwatka
Advisor to the Board



Tomasz Karwatka
Advisor to the Board



Konrad Kowalski
CFO
cyber_Folks



Petra Krajacic
CEO
cyber_Folks Croatia



Marek Kohut
CEO
Profi SMS



Karolina Latos
COO
FreshMail



Adam Lewkowicz
Founder & CTO
Vercom



Dawid Mędrak
Founder & CEO
PushPushGo



Ilma Nausedaite
Founder & COO
MailerLite



Artur Pajkert
Head of Marketing
cyber_Folks



Tomasz Pakulski
COO
Vercom



Natalia Pawlak
Chief Product Officer
Vercom



Paweł Pindera
Founder & CEO
Sellintegro



Ignas Rubezius
Founder & CEO
MailerLite



Marika Rybarczyk
Managing Director
Oxylion



Paweł Sala
Founder & CEO
FreshMail



Indre Sizovaite
Head of Marketing
MailerLite



Robert Stasik
VP & CFO
R22



Łukasz Szałaśnik
CFO
Vercom



Krzysztof Szyszka
Founder & CEO
Vercom



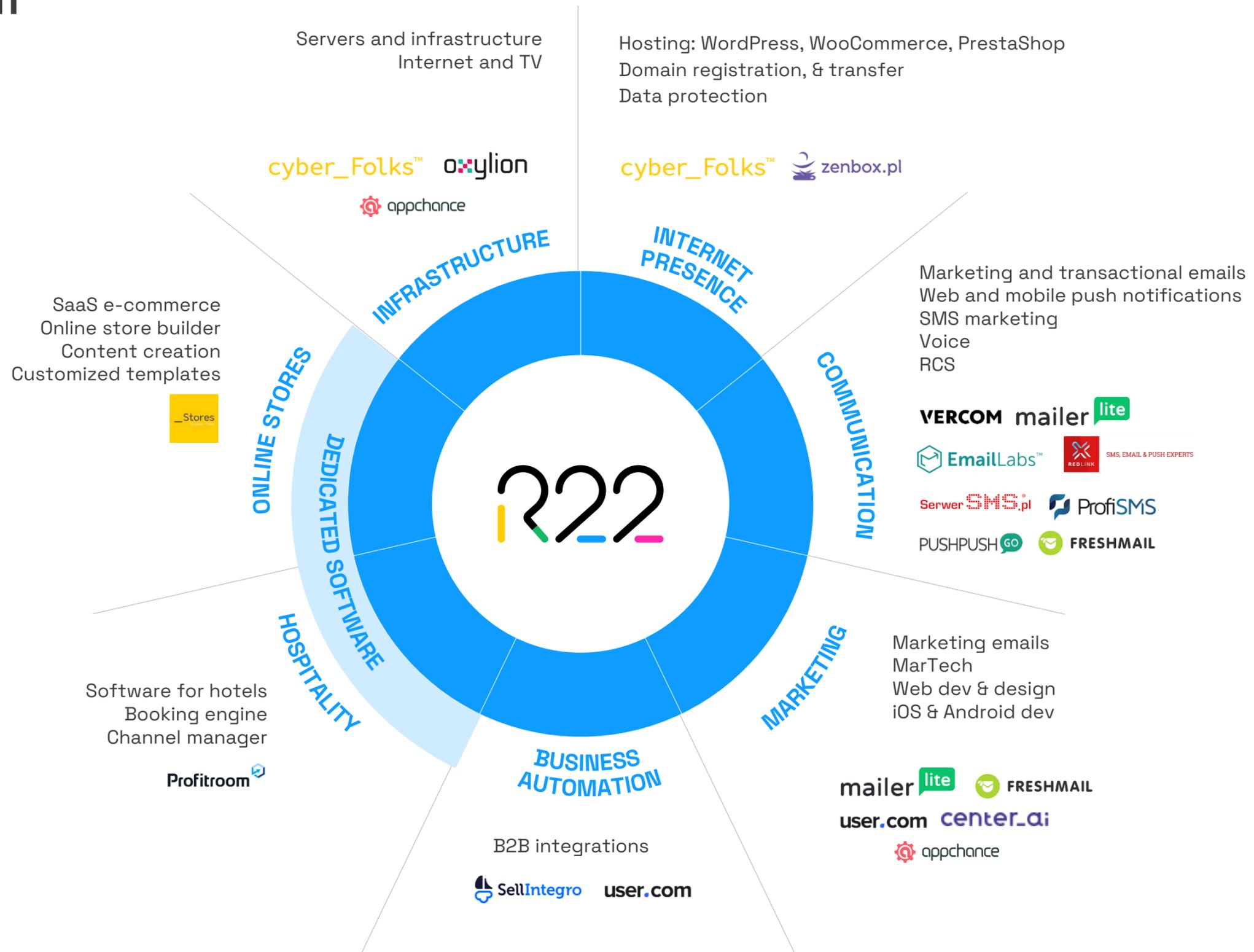
Grzegorz Warzecha
Founder & CEO
User.com



Miłosz Wójcik
Founder
Appchance / Center.ai

*Key team members in alphabetical order

360° Ecosystem



*R22 selected brands



Customer Journey

Delivering end-to-end value of real-life products

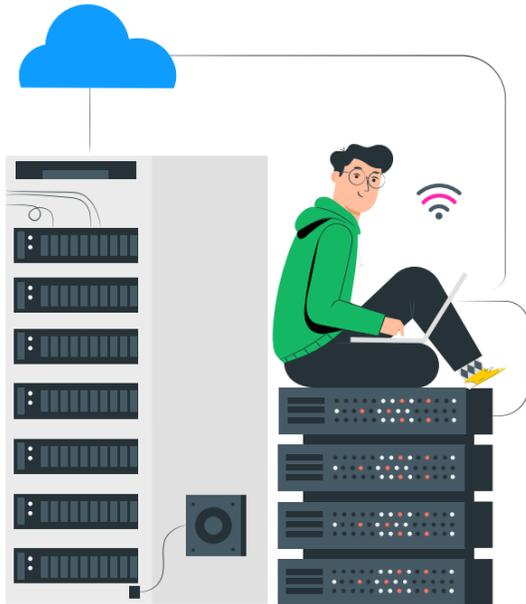


Customer Journey:

Hosting

Build your Internet presence:

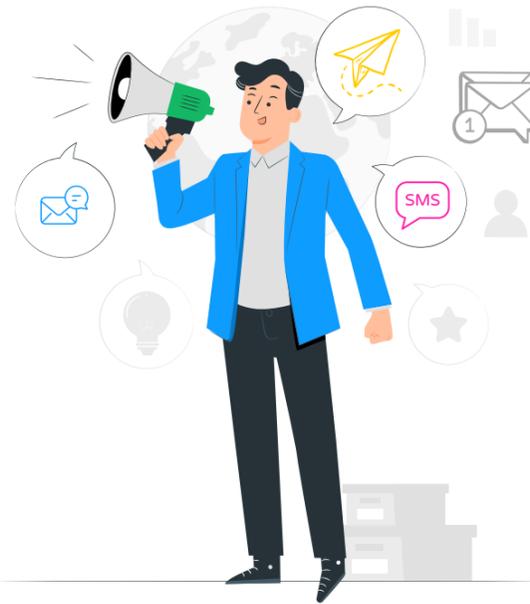
- Domain registration
- Hosting WordPress, WooCommerce, PrestaShop
- E-shops tools
- Data protection
- Servers and infrastructure



CPaaS

Facilitate contact with your clients through omnichannel communication:

- Marketing and transactional e-mails
- SMS notifications
- Web and mobile push notifications
- Voice
- RCS



SaaS

Optimize processes with business automation solutions:

- B2B integrations
- E-commerce integrations
- Dedicated software



Key Facts: Proven ability to translate customer satisfaction into profitable growth



Global-Scale Diversification

>340k

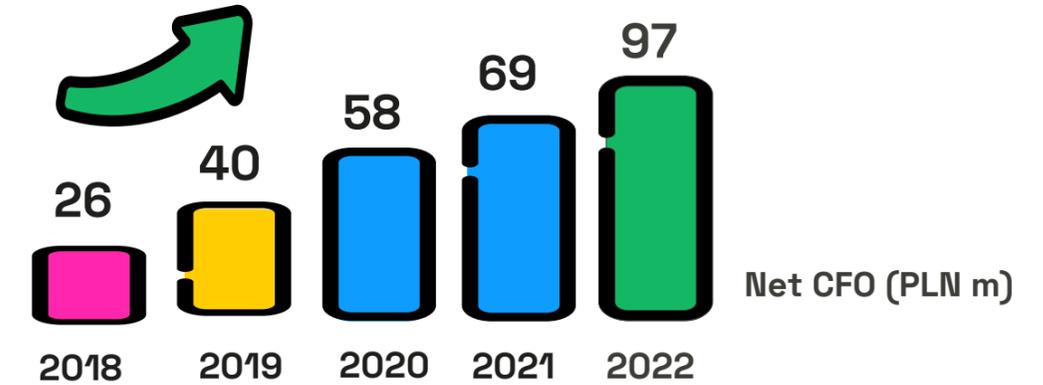
We offer solutions for small, medium, and large business customers representing a wide range of sectors and regions.



High Quality Services & Customer Loyalty

x2 above industry average

Exceptionally high value to price ratio gives us the highest customer ratings in the industry, confirmed by a >70 NPS score⁽²⁾. The average response time of customer support requests of less than 10 minutes.

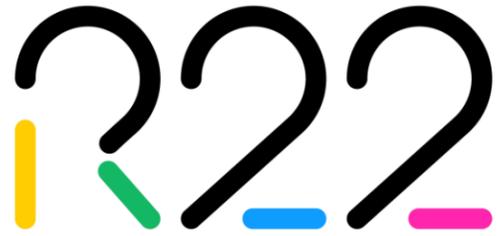


Stable & growth Cash Flow

~40% CAGR

High conversion of EBITDA to operating cash flows (95%) ensures the safety of our operations.

Sources: (1) Source: Retently - B2B Software & SaaS Industry Average NPS: 40, Hosting & Cloud Industry Average NPS: 25, (2) NPS of selected R22 brands.



Our Experience

Over 20 years of building
digital-enabled businesses

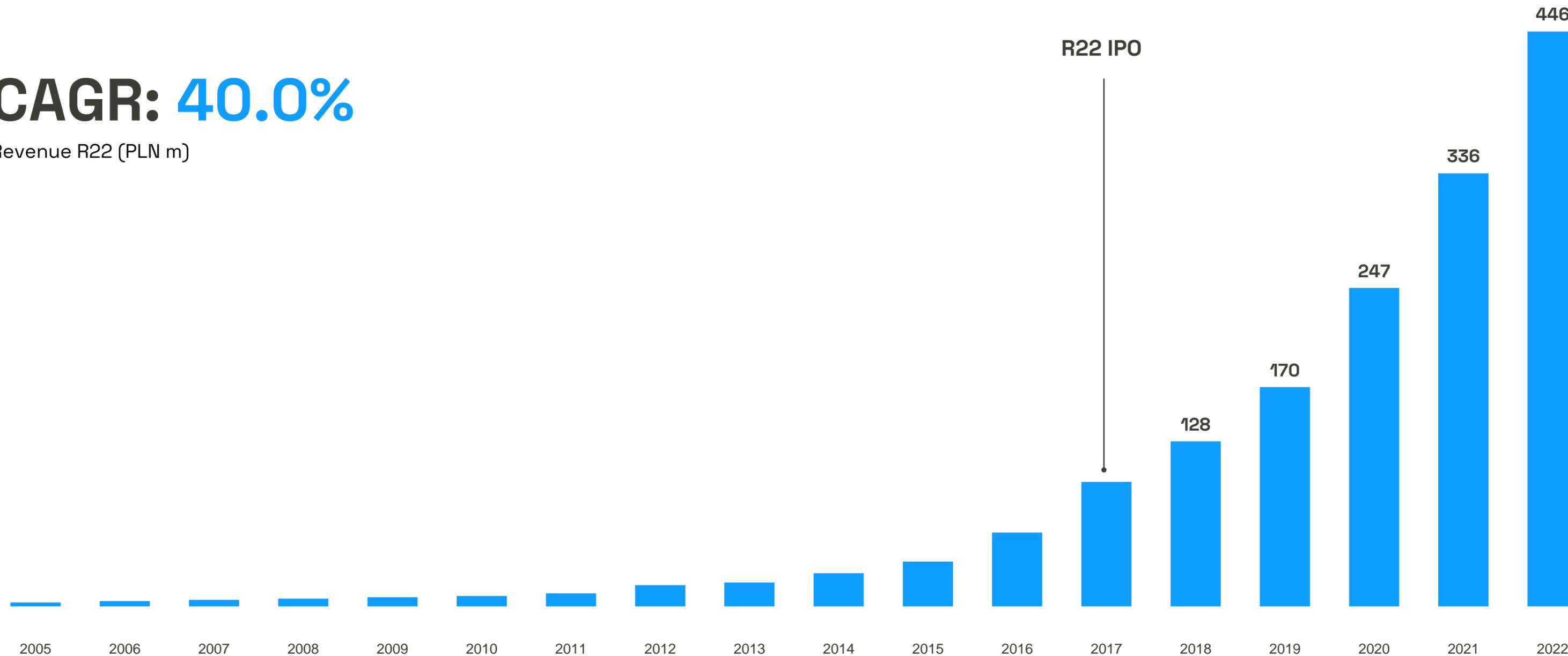




Exponential growth driven by organic growth and acquisitions

CAGR: 40.0%

Revenue R22 (PLN m)



*The data also includes financial results of Profitroom and SellIntegro, which are only consolidated by the Group in the net result (no consolidation at the level of revenues and EBITDA). Group R22 has an option of taking over a controlling stake in both companies.



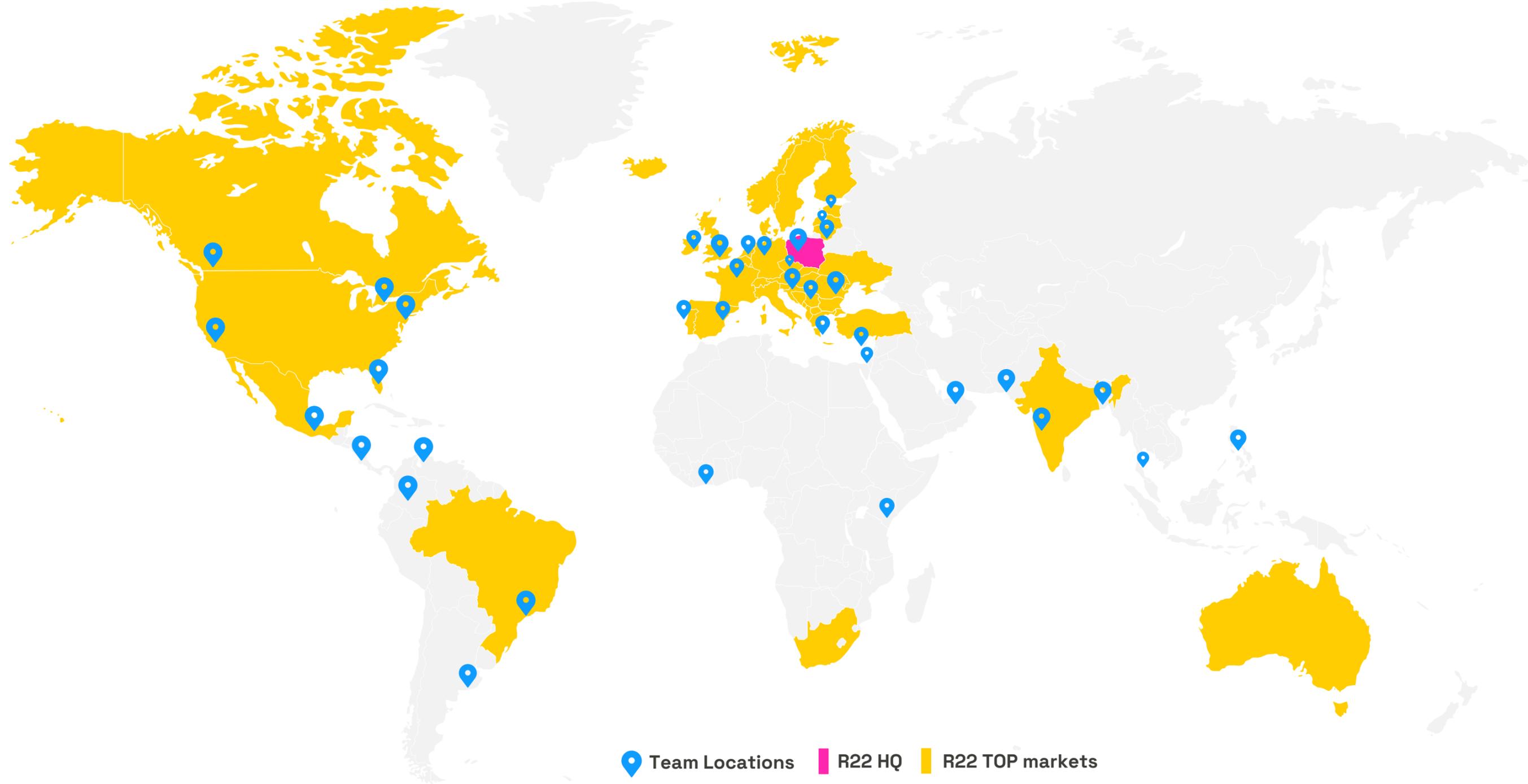
Market

From local company to
global player





Markets: Scaleup to >100 countries

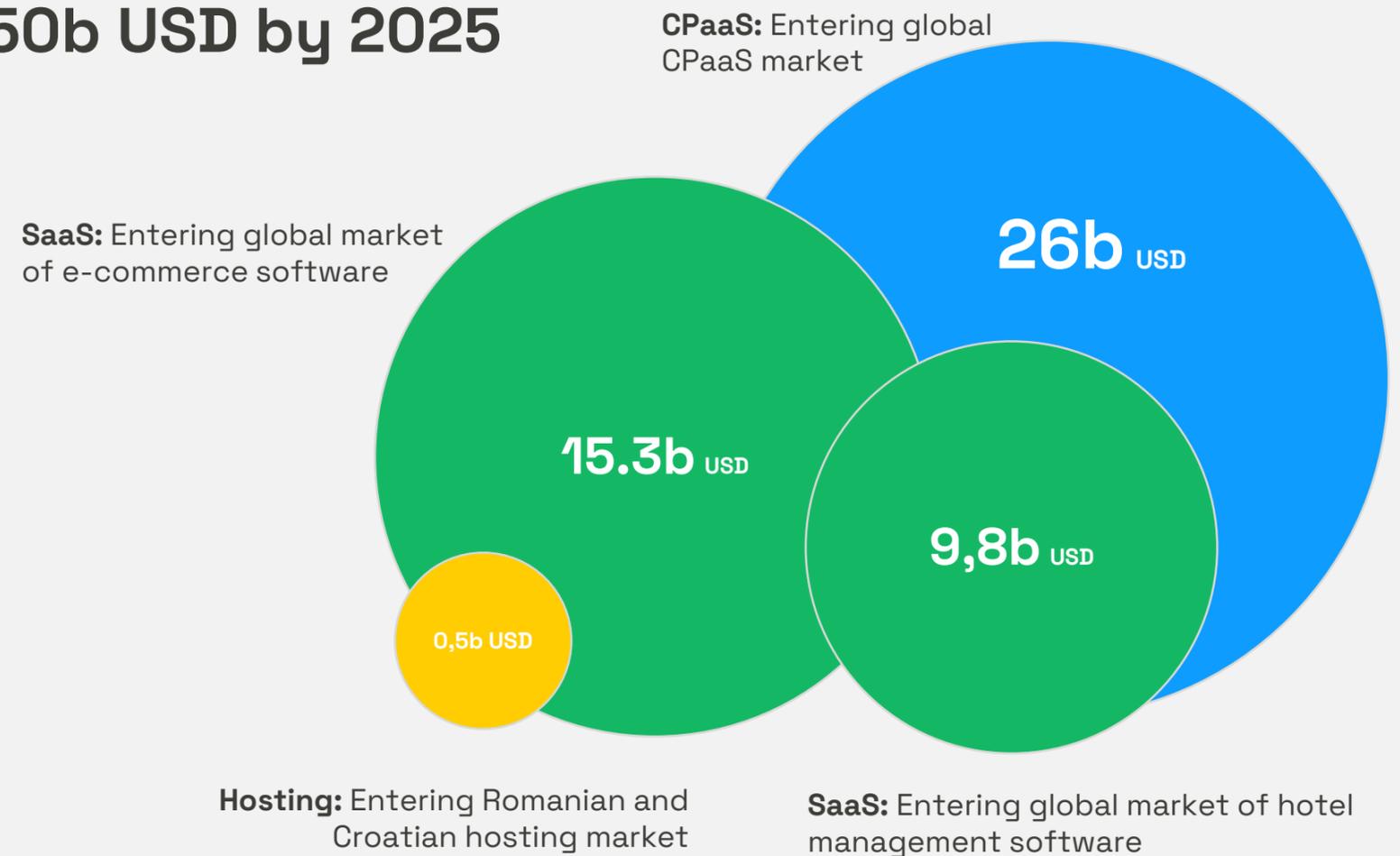


Total Addressable Market: 50x increase in growth potential by unlocking new products and markets

Goal: Maintaining the upward trend of growth by:

- **Product Expansion:** Unlocking new opportunities in the SaaS segment by broadening the product portfolio complexity to meet specific client needs.
- **Segment Expansion:** Increase customer base by mapping and targeting new customer segments in terms of customer size, industry and location.
- **Global Expansion:** Explore post-merger synergies arising from MailerLite acquisition with a focus on global cross-selling and up-selling opportunities.

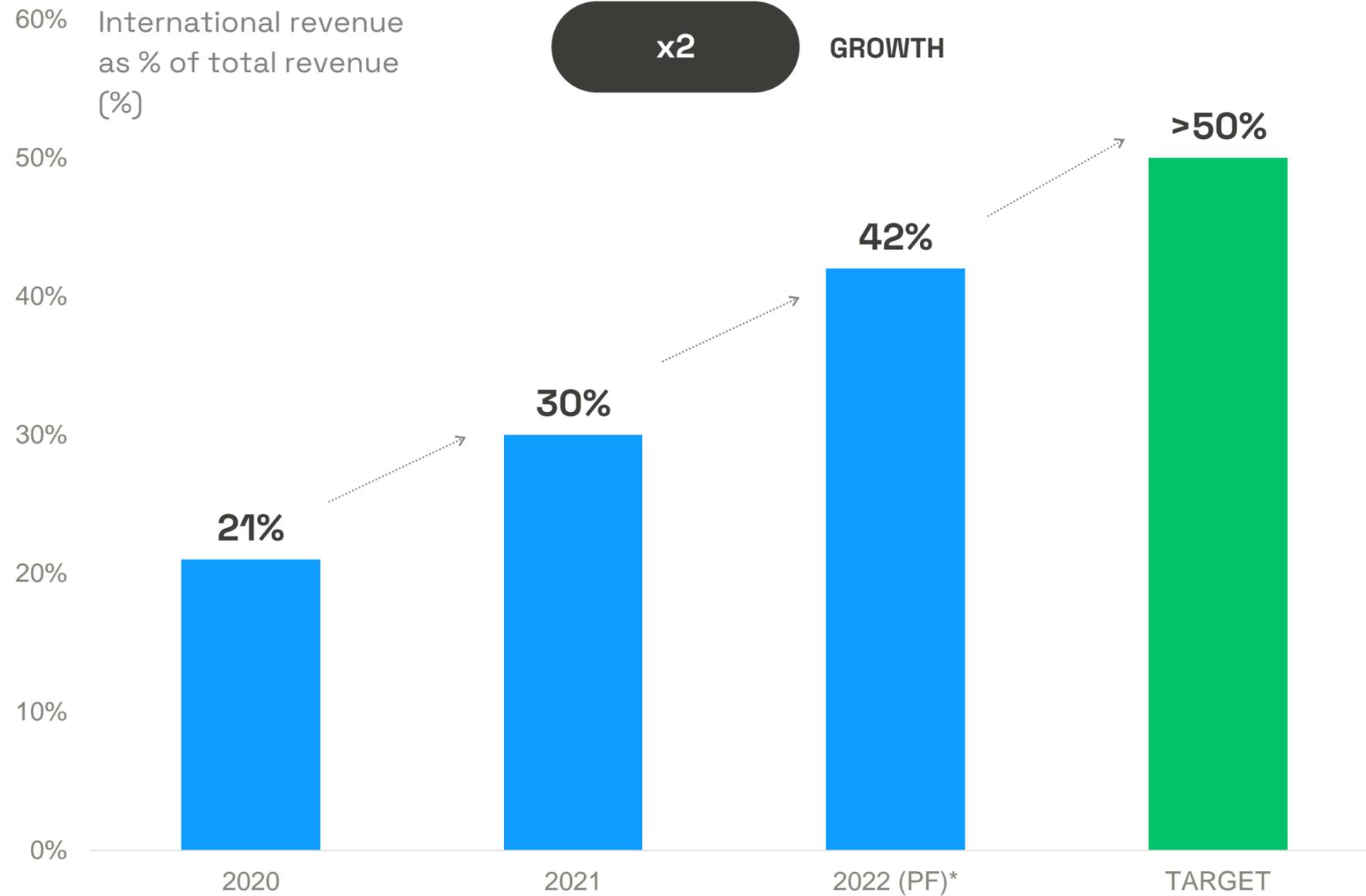
Market Value: 50b USD by 2025



Information for selected markets segments

Sources: Hosting – own estimation based on internal resources and market revenue Statista: “data processing, hosting and related activities”, SaaS: Hotel Management Software market value - Research and Markets: „Hotel Property Management Software Market Research Report”, SaaS: E-commerce Software market value - Grand View Research: „E-commerce Software Market Size, Share & Trends Analysis Report”, CPaaS – based on market revenue Statista.

R22: Welcoming customers all over the world



*including MailerLite's results for the 12-month period (2022).



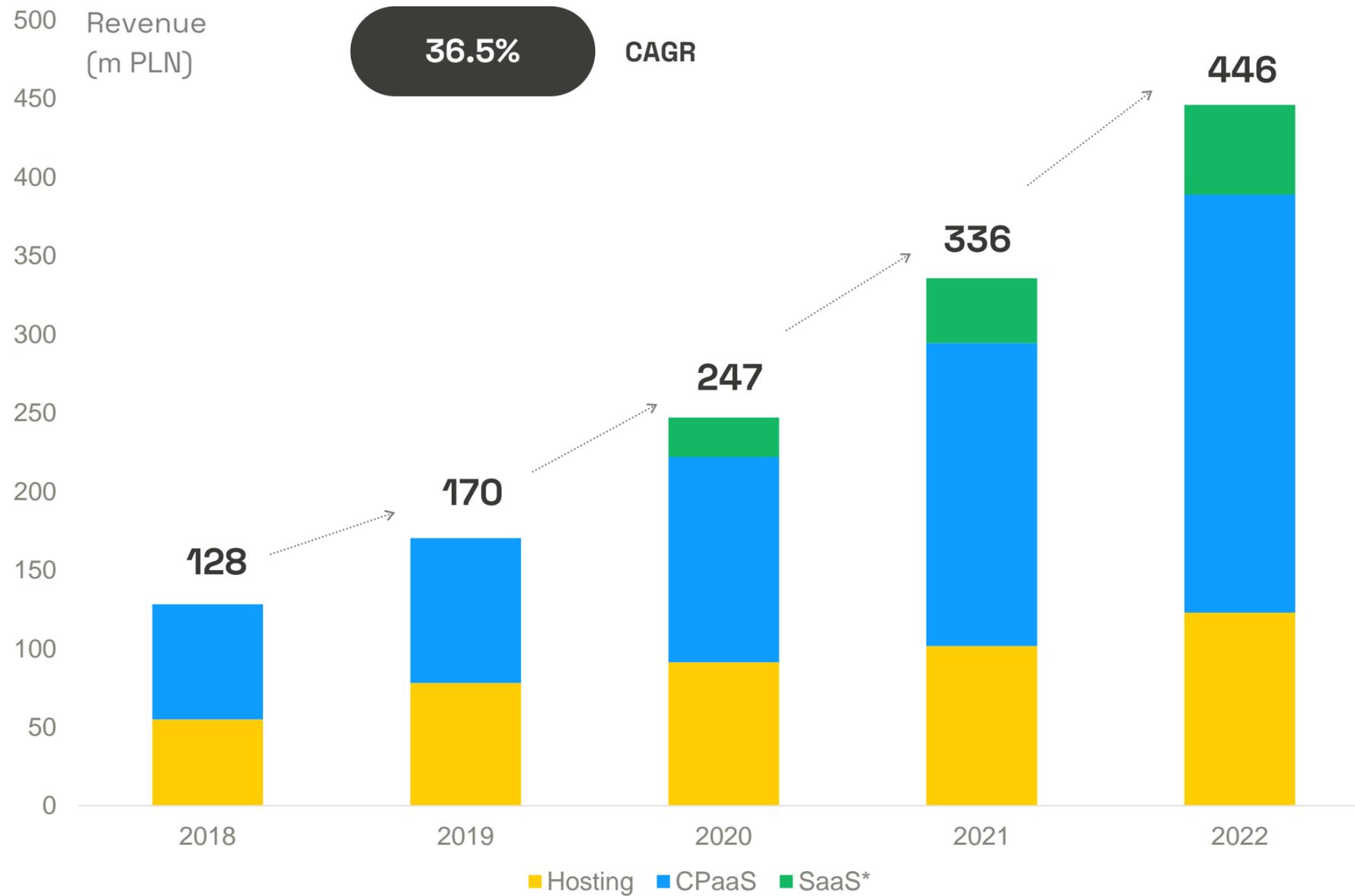


Growth Dynamics

Turning Strategy
into Results



Revenue: Accelerating the growth momentum with highly diversified revenue structure

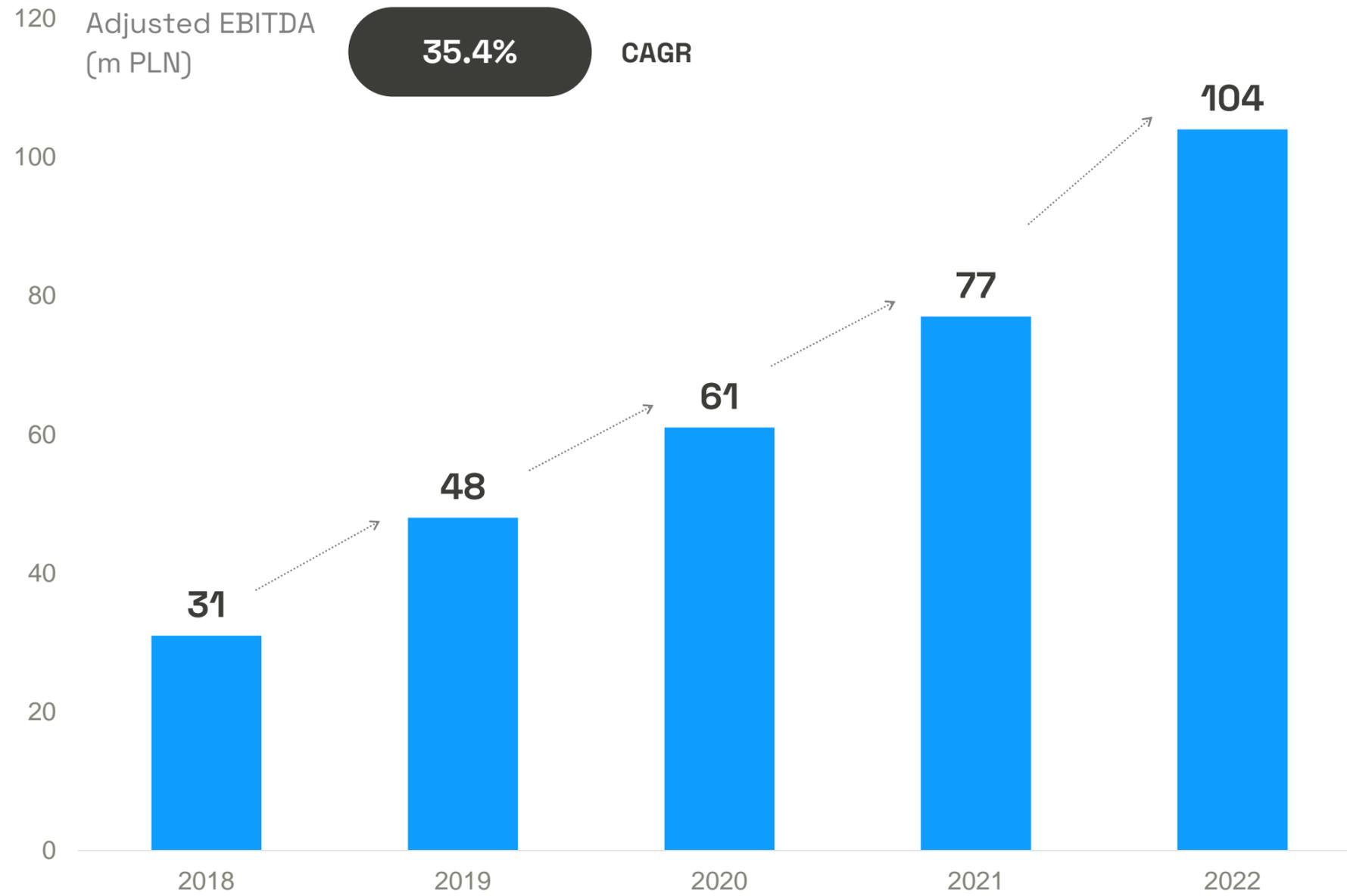


***SaaS segment:** The data for this segment also includes financial results of Profitroom and SellIntegro, which are only consolidated by the Group in the net result (no consolidation at the level of revenues and EBITDA). Group R22 has an option of taking over a controlling stake in both companies.

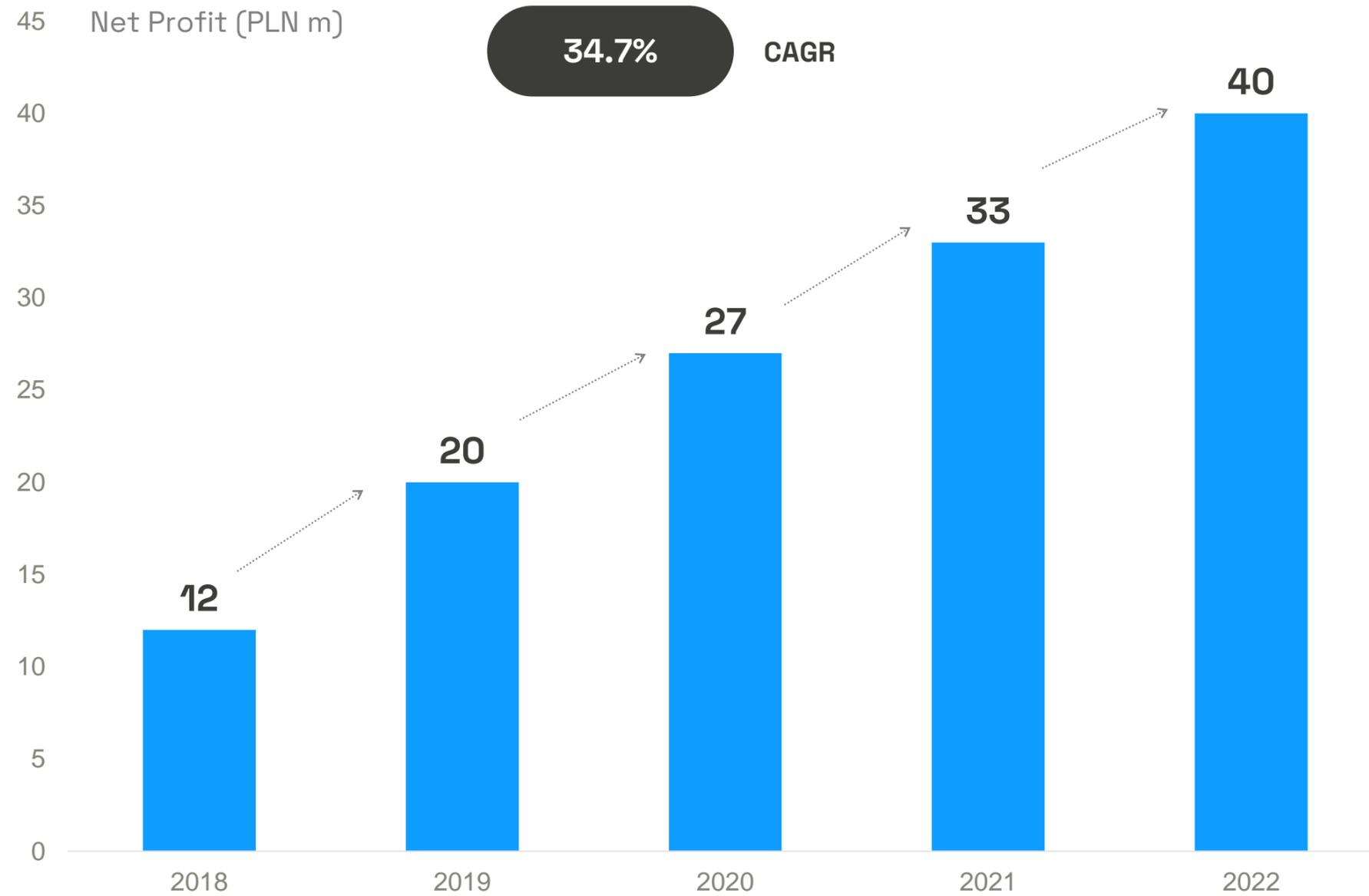
segment Telecommunications: as of 14 June 2022, Oxyllion S.A. is assigned to the CPaaS segment.



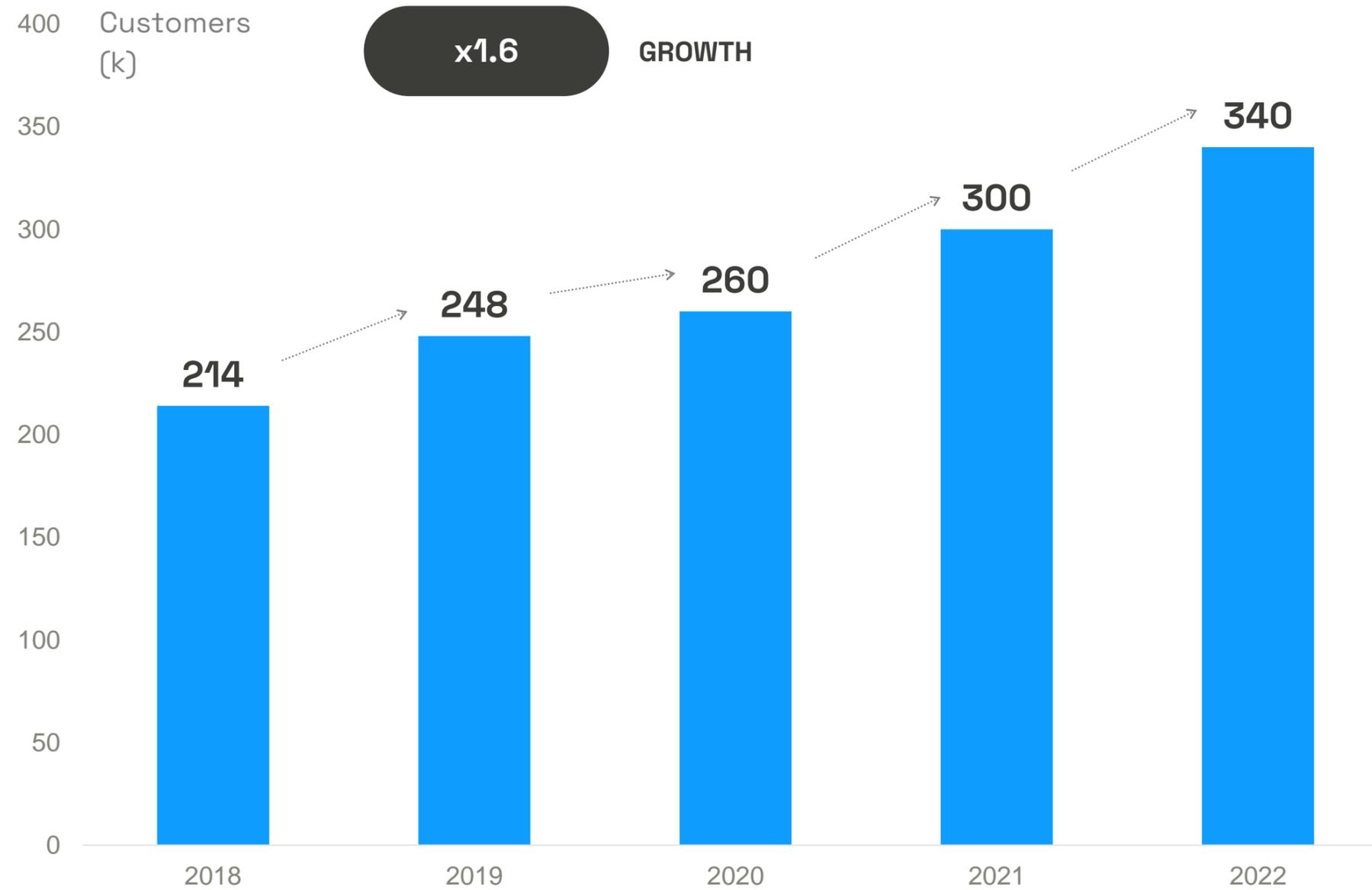
EBITDA: Proving our business value



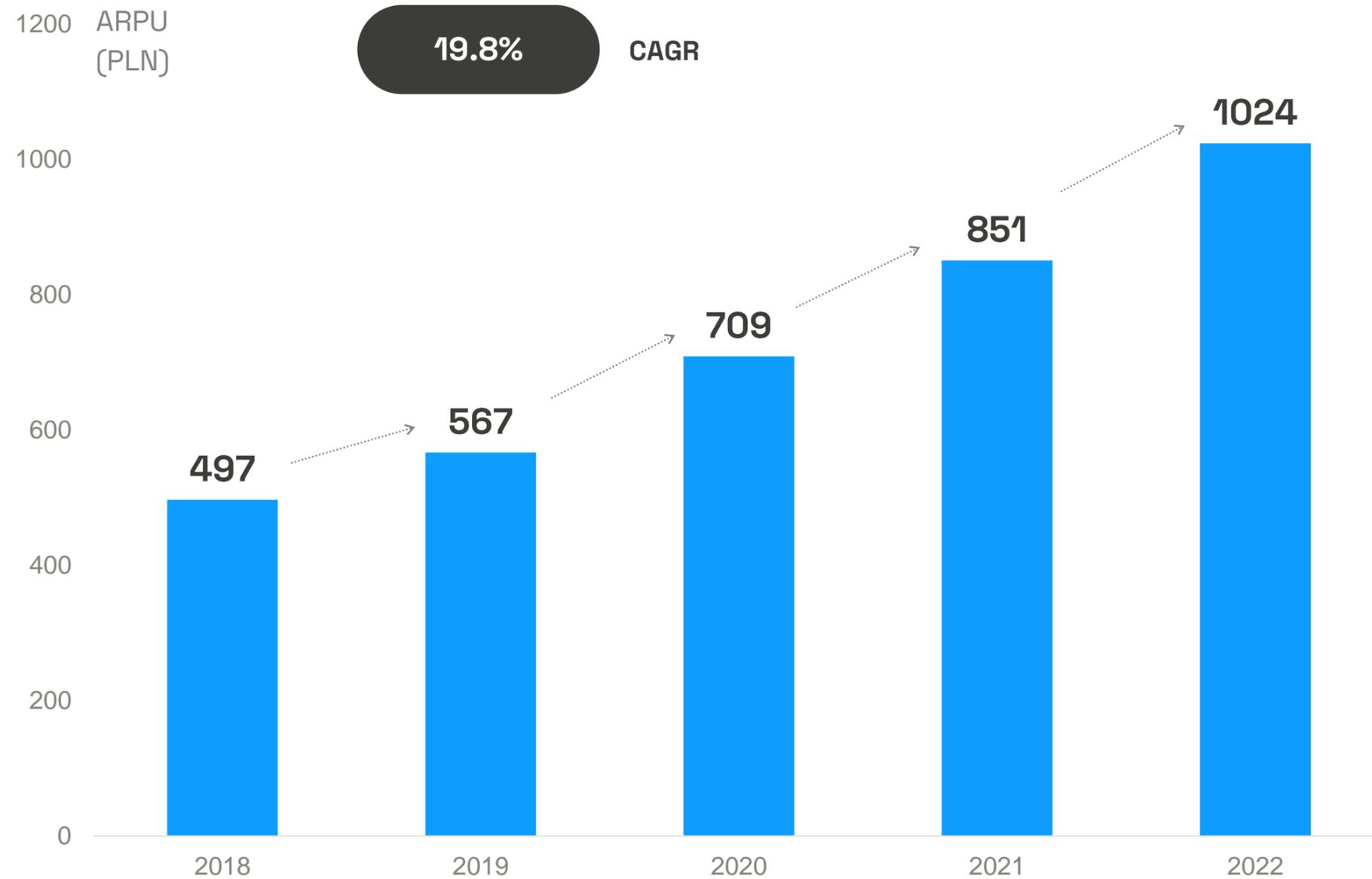
Net Profit: Continuous profitability and cash flow generation



Customers: Stability thanks to the trust of over 340k customers



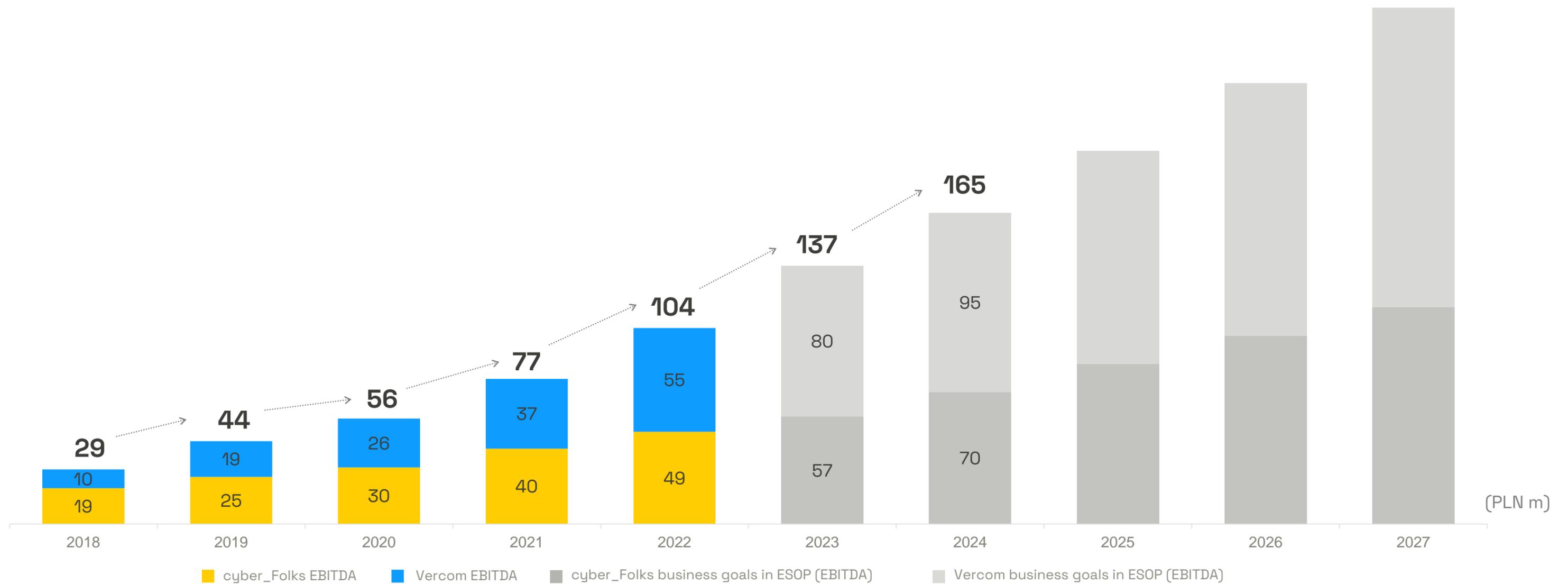
ARPU*: Supporting a strong value proposition



*ARPU: Excluding TOP 10 customers generating 11% of revenue (internal estimation).

Ambitious ESOP targets

EBITDA targets in cyber_Folks and Vercom incentive programmes



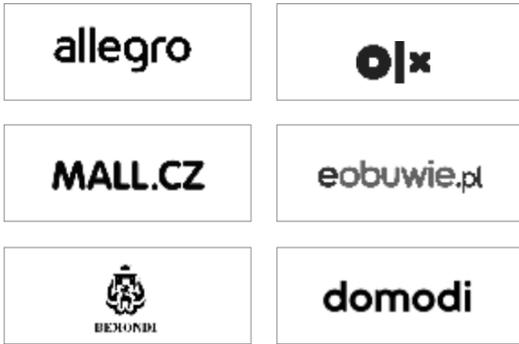
Our customers

We provide solutions for various sectors to meet the needs of the most demanding customers

Retail



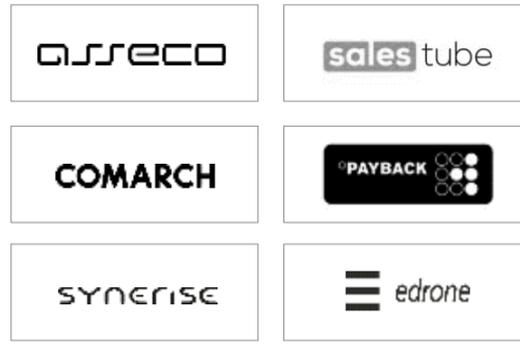
E-commerce



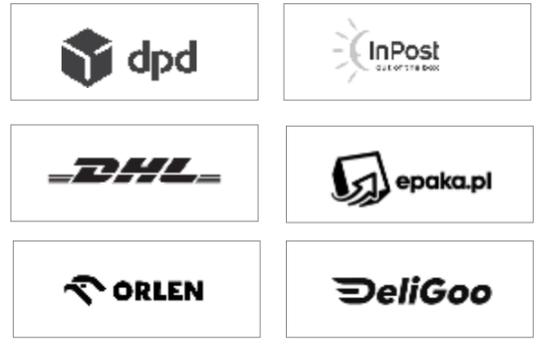
Financial



Tech & Digital Marketing



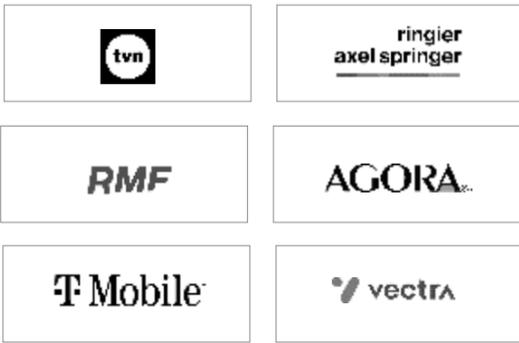
Last mile



FMCG



Media & Telecomms



Hospitality

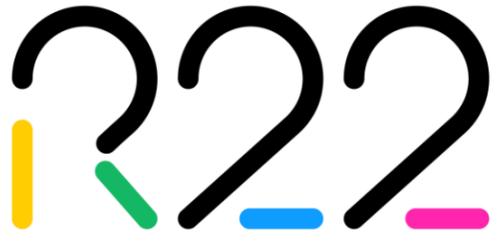


Manufacturing



Utilities & Other





Summary

Q1 2023



2023: Highlights

Consistent growth in R22 results: quarterly EBITDA almost PLN 32m

- More than PLN 110 million in net sales revenues were achieved in Q1 2023. R22 Group. This is a 32% increase over the results generated a year earlier.
- During the period, adjusted EBITDA reached PLN 31.6 million (48% yoy increase).

More than 30% dividend growth

- Recommendation by the Board of Directors to pay a dividend of PLN 0.93 per share

Profitroom's dynamic growth:

- Profitroom generated very good results in Q1 2023. This was possible thanks to dynamic foreign expansion and parallel strengthening of its position on the domestic market.
- In the past quarter, Profitroom generated PLN 15.1m in revenue (+43% yoy) and PLN 3.3m in EBITDA, a result as much as 4-times higher than a year earlier.





2023: Highlights

Group's global growth

- Dynamic growth in MailerLite's revenue and profits, with high growth in the number of customers. More than 4k new customers in March 2023 alone.
- Launch of the cyber_Folks brand in Romania and Croatia.
- Accelerated, organic overseas expansion of Profitroom. More than 70% year-on-year increase in revenue in foreign markets, which reached nearly PLN 5 million in Q1 2023 alone.

Product development cyber_Folks

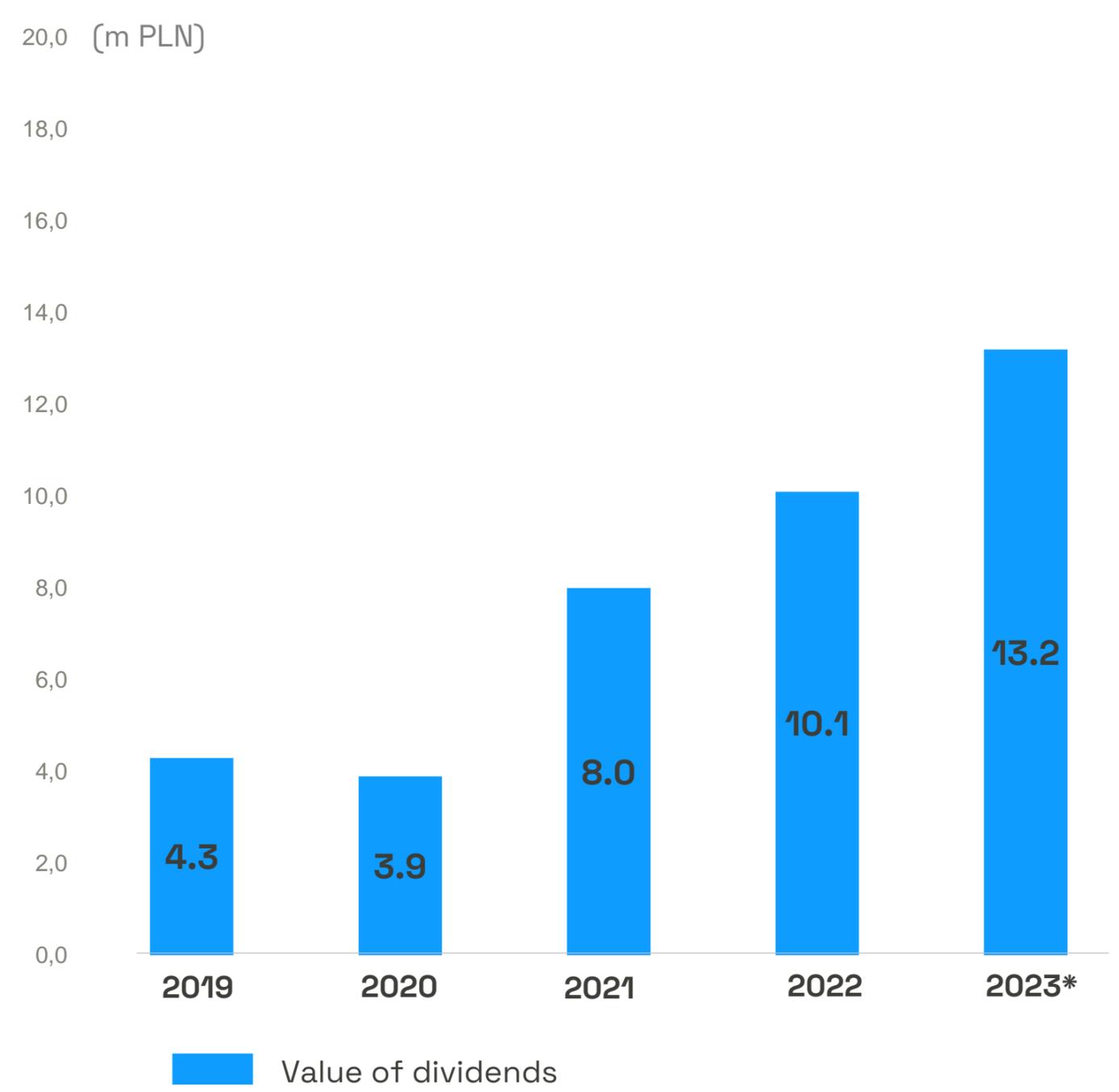
- Launching the _Stores product commercially. While still in beta, the tool got its first customers who successfully implemented our solution and improved their sales.
- Development of new products, in particular using artificial intelligence and tools dedicated to e-commerce

Merge between R22 and cyber_Folks

- Management's proposal for the merger of R22 S.A. and cyber_Folks S.A.



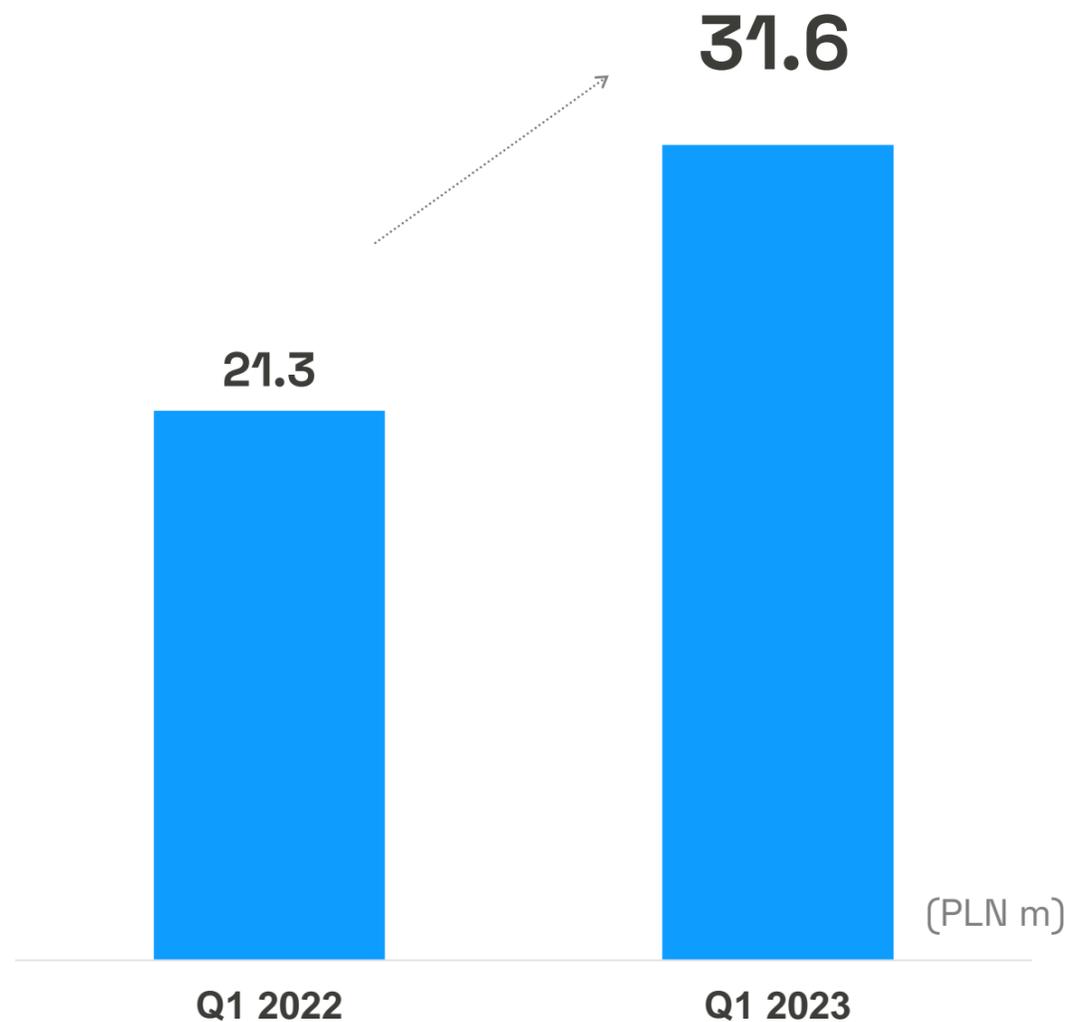
Dividends: Investors benefiting from strategy execution



R22: Over PLN 31.6m EBITDA

Adjusted EBITDA

+48%



Key factors driving Q1 2023 EBITDA:

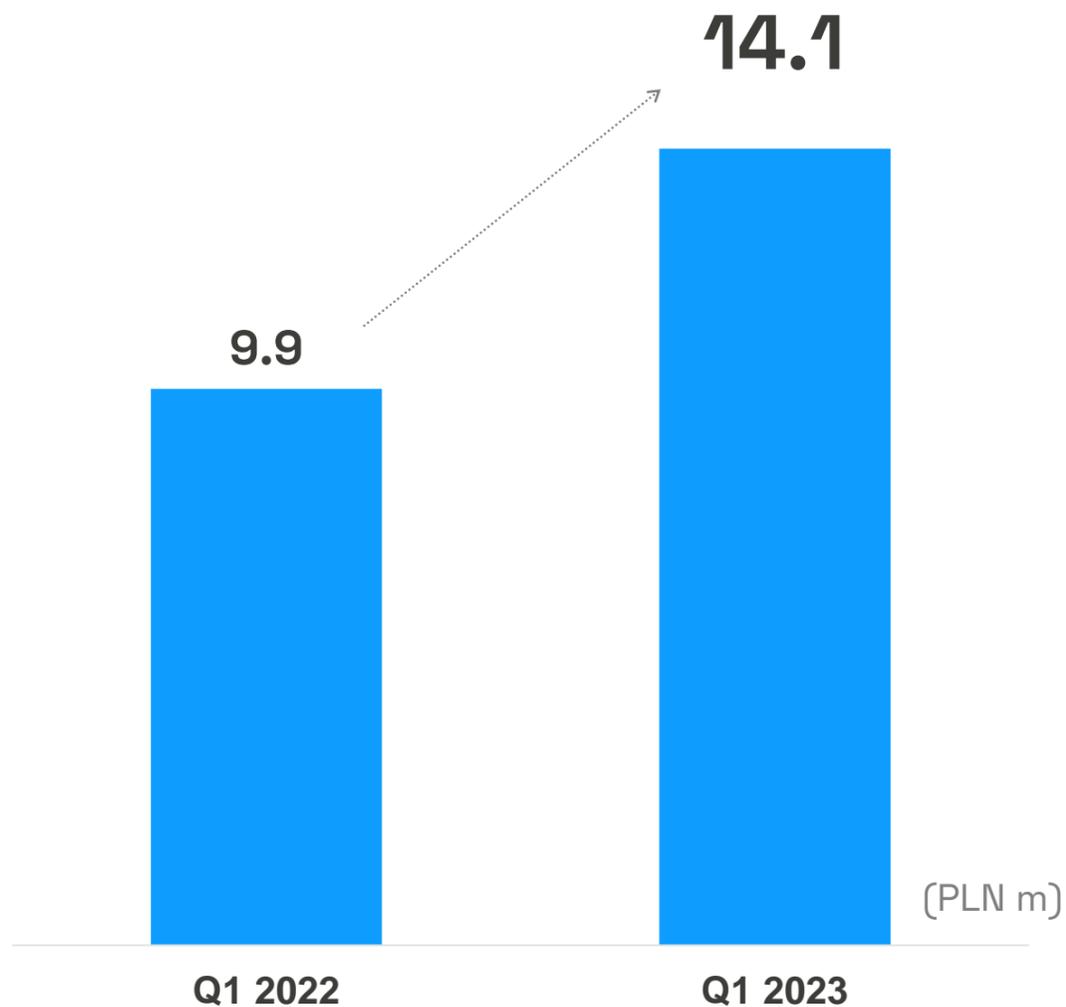
- **organic growth** of the two main segments (cyber_Folks and CPaaS)
- **dynamic growth of MailerLite** (company acquired in mid-2022)
- strong **expansion on global market** (>340k customer located in >100 countries)

At the same time company results are constantly supported by **global trends** towards digitization, business automation and the use of AI. R22 is consistently **growing at a rate of 30-40% yoy**; it grew at such a pace both in pre-COVID times, during the COVID period when the entire digital services sector recorded previously unseen growth rates, as well as post-COVID. This is validated by the **adjusted EBITDA in Q1 2023** which totaled nearly **PLN 32m (increase of 48% yoy)**.

R22: Net profit increased to over PLN 14m

Net profit

+43%



Key factors driving Q1 2023 Net profit :

- **organic growth** of the two main segments (cyber_Folks and CPaaS) as well as **growing results of MailerLite**
- an increase in financial costs as a result of the increase in interest rates compared to Q1 2022. **In the following quarters**, due to the stabilization of interest rates, the strengthening of the polish currency and the decrease in the level of debt, **financial costs are expected to decrease**
- **positive impact of net profit earned by affiliates**

Profitroom's dynamic growth

Profitroom - dynamic revenue and profit growth

Profitroom is a supplier of booking technologies for hotels, sold in SaaS model, as well as other solutions which support online sales and marketing. These solutions let guests book their stay and pay for it while hotel operators are given access to CRM-type solutions, a mailing system and give them an opportunity to manage sales via third party brokers such as Booking.com, Expedia, Airbnb etc.

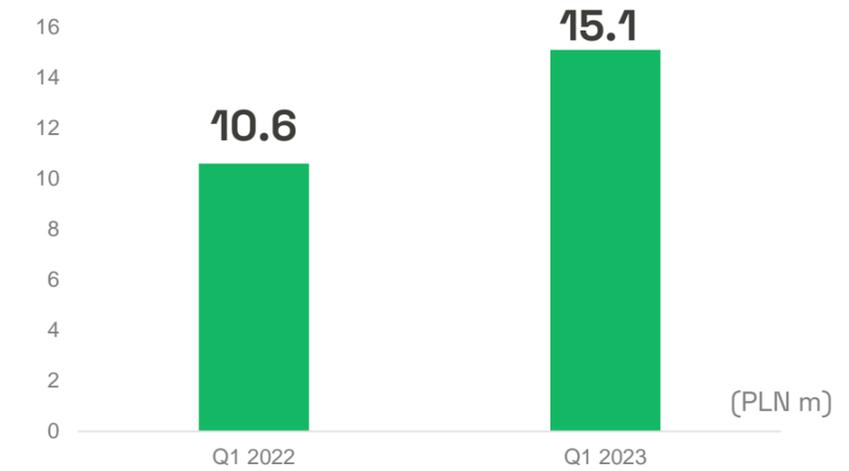
In Q1 2023, the Company maintained a high growth rate of several tens of percent, increasing revenues +43% yoy

EBITDA result in Q1 2023 increased more than 4 times yoy and amounted to over PLN 3.3m

The results of Q1 2023 show the effects of the significant expenditures made in previous years on building a team and know-how for expansion in foreign markets and technological development. The Q1 results confirm the sustainability of the business model, which generates stable and growing cash flows in the long term.

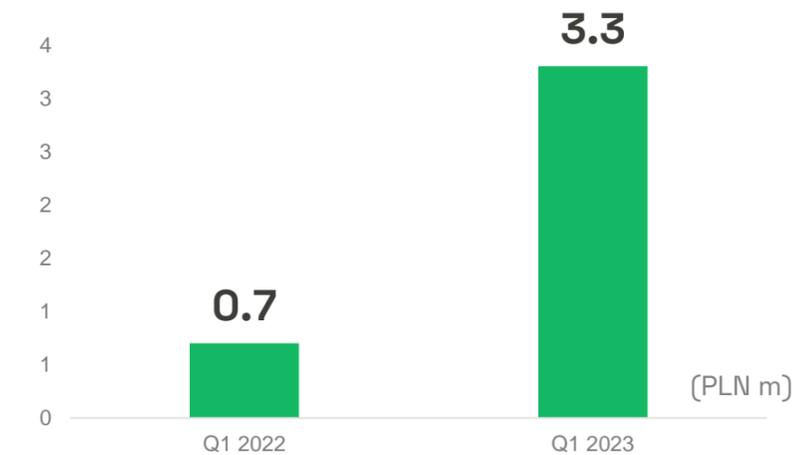
Revenue:

+43%



EBITDA:

+361%



Profitroom 

R22 Group's global growth

MailerLite: More than 4k new customers in March:

- Systematic increase in the number of customers
- Excellent brand recognition - MailerLite was in the TOP3 email marketing solutions according to Forbes

Profitroom's organic foreign expansion:

- More than 70% yoy increase in revenue in foreign markets, which reached nearly PLN 5m in Q1 2023 alone.
- 66% increase in the value of bookings on the platform, which exceeded PLN 530m
- An increase in the number of contracts signed, which will bear fruit in the coming quarters. **The key value of the business is contained in a loyal, stable customer base, which each year generates more and more revenue using the Company's tools**, as illustrated by the NER (Net Expansion Rate), which reached 127% in Q1 2023



cyber_Folks: Building an international brand

cyber_Folks begins consolidating brands in the Romanian and Croatian markets.

#1st

We are the **first largest** web hosting provider in Romania

cyber_Folks.ro

mxHost	→	cyber_Folks.ro
Gazduire.ro	→	consolidation in 2023
TLH	→	consolidation in 2023
RoHost	→	consolidation in 2023
Hostvision	→	consolidation in 2023
xServers	→	consolidation in 2023

#2nd

We are the **second largest** hosting provider in Croatia

cyber_Folks.hr

Avalon	→	consolidation in 2023
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R22: We are developing new products

_Stores is a simple-to-use online store builder.

The tool is primarily aimed at non-technical people and those running a traditional business. Thanks to the ease of configuration, full service package (hosting, domain, SSL) and support of cyber_Folks team in sales optimization, an entrepreneur can focus on running his business and developing his brand.

Tools for e-commerce and the use of AI

The R22 Group's teams consistently work on developing products and services, introducing new functionalities and optimizations. In particular, we focus on supporting the digitization of business and online sales, and the use of artificial intelligence solutions.

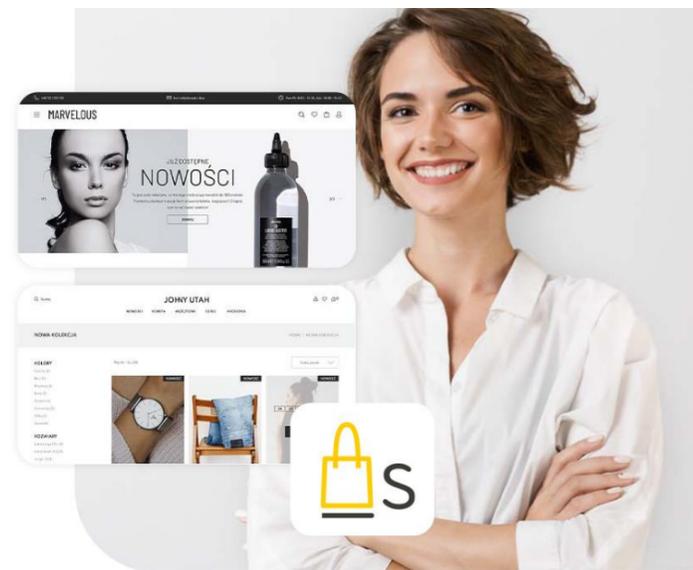
_Stores
by cyber_Folks

> Twój gotowy sklep internetowy stworzony w 15 minut

WYPRÓBUJ BEZPŁATNIE

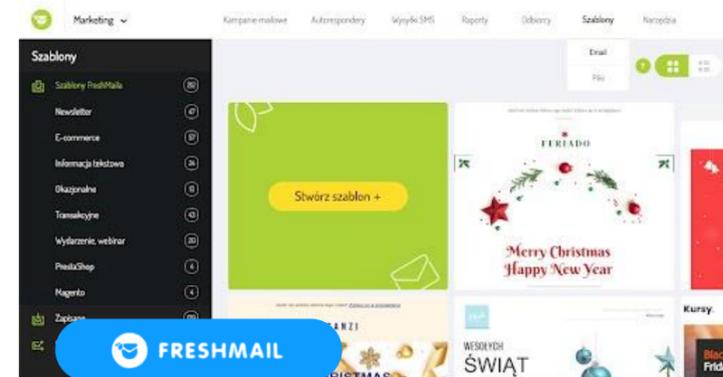
PREZENTACJA Z EKSPERTEM →

Korzystaj ze sklepu i jego wszystkich funkcji przez 14 dni. Bez karty kredytowej i jakichkolwiek innych zobowiązań



_Stores - full version now online.

The full version of the tool premiered in April 2023.

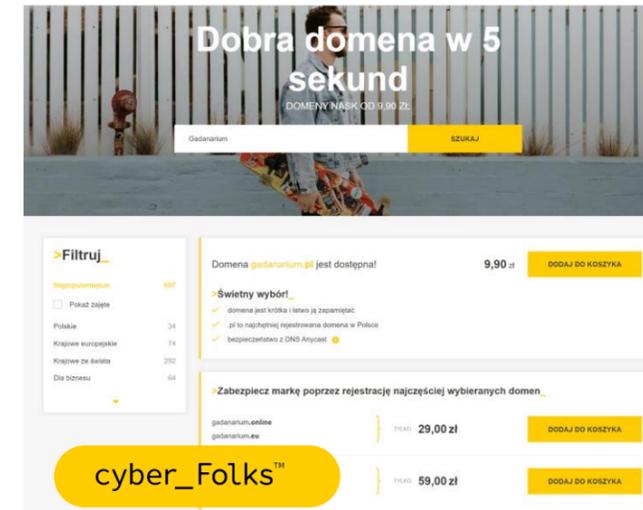


A pleasure to help today...

Hey again! 🙌 Can I change my plan during the active Diet4You subscription?

Sure, you can change your plan at any moment. All you need to do is contact the dietitian assigned and discuss your nutritional needs. The dietitian will then activate the new plan inside your account.

user.com



_Stores: Digitize business and make e-commerce more efficient

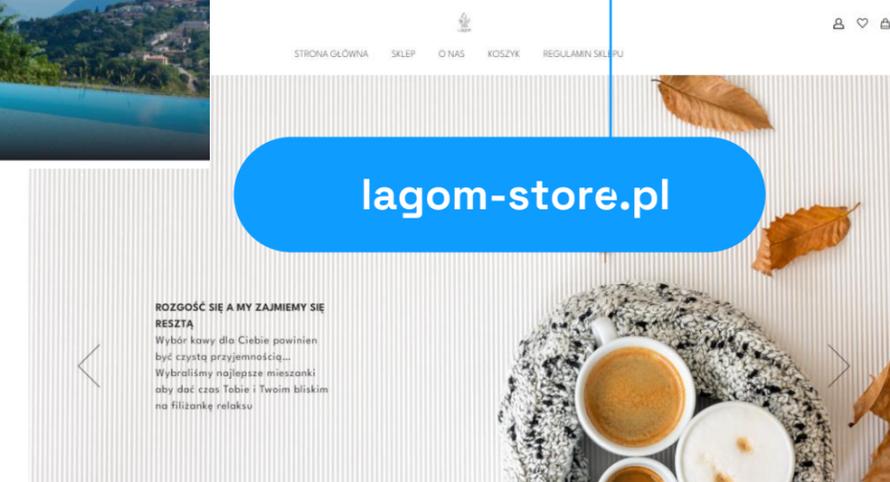
Migration from another platform

Migration to a simpler, more stable and less expensive solution, allowing the client to focus on sales and brand development instead of wasting time configuring a large number of unnecessary functionalities.



Digitization of traditional business

Creating a new website or converting a business card-type site into an e-commerce site, enabling the company to reach new customers, outside the local market of the company's operation. In particular, by improving the position in Google, and consequently increasing contacts and inquiries.



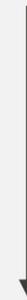


Merger of R22 with cyber_Folks

- According to the draft resolutions, the **Annual General Meeting** (called for 26 June 2023) **will take up the decision on the merger of R22 S.A. with cyber_Folks S.A.** - a subsidiary of R22 S.A.
- **This step will be taken in order to simplify the Group's structure and external communications**
- From the point of view of investors and shareholders, the process will mainly associated with the change of our corporate name from R22 to cyber_Folks. The number of shares and other rights arising from them will remain unchanged.

Expected results:

- **Simplification of Group structure**, greater transparency
- **Simplification of communication** with stakeholders, especially customers and investors
- **Mutual support of communications efforts** of cyber_Folks (product-focused) and R22 (corporate and investor-focused) which worked separately until now
- Greater recognition of the Issuer **as a consumer brand with more than 250k customers**



cyber_Folks™

R22

Key events Q1 2023





Key events 2023

9 February 2023

- **The establishment of ESOP at cyber_Folks**
- cyber_Folks Shareholders' Meeting has approved an incentive program for cyber_Folks employees. The program is divided into a loyalty component (based on seniority) and a motivational component (based on the execution of business goals). The business goal is based on a consistent organic EBITDA growth, including: reaching PLN 100m EBITDA in 2026. Agreements with employees regarding ESOP will be signed in May 2023.

28 March 2023

- **Record results, over PLN 100m EBITDA in 2022**
- R22 Group continued its rapid growth, increasing the scale of its operations and its financial results. In 2022 for the first time ever its EBITDA exceeded PLN 100m, representing a 34% growth on a year-on-year basis. Revenues totaled PLN 392m, or 32% more than the year before. At the same time the Group generated a net profit in excess of PLN 40m.

15 March 2023

- **4th place in the Giełdowa Spółka Roku [Listed Company of the Year] ranking**
- R22 took the 4th place in a ranking of 140 companies listed in the WSE. The 100-plus chapter members included analysts, mutual fund managers and investment advisors. Assessment criteria included areas such as management competence, growth prospects, the level of innovation of products and services, quality of investor relations and the company performance in 2022.
- R22 received a score of 85.97/100 points, becoming one of the top of the best listed companies according to the ranking.

31 March 2023

- **Record number of new clients at MailerLite**
- MailerLite, the company acquired last year, is rapidly growing the scale of its operations. In March 2023 alone the company gained over 4,000 new clients. Such strong performance is the result of consistent brand development, quality-focused customer approach and a scalable business model.



Key events 2023

6 April 2023

→ **Premiere of the full version of _Stores**

- The _Stores product completed its incubation stage and emerged from the Beta stage. The premiere of the full version took place at Targi eHandlu trade fair. During open tests the product was implemented by scores of clients, facilitating the optimization and giving us the opportunity to address the suggestions of initial clients. The solution is systematically gaining new satisfied clients, boosting the effectiveness of their sales efforts.

18 May 2023

→ **Managing Board recommendation on the appropriation of profits for 2022**

- R22 Managing Board has proposed to the General Meeting to pay out a dividend totaling PLN 0.93 per share. Total dividend amount based on the Managing Board recommendation is PLN 13.2m. The final decision concerning the dividend will be made by Shareholders at the General Meeting called for June 26, 2023. According to the Managing Board's proposal, the shareholders may receive the entire unconsolidated net profit for 2022 (PLN 6.7m) and PLN 6.5m from the company's reserve equity.

R22

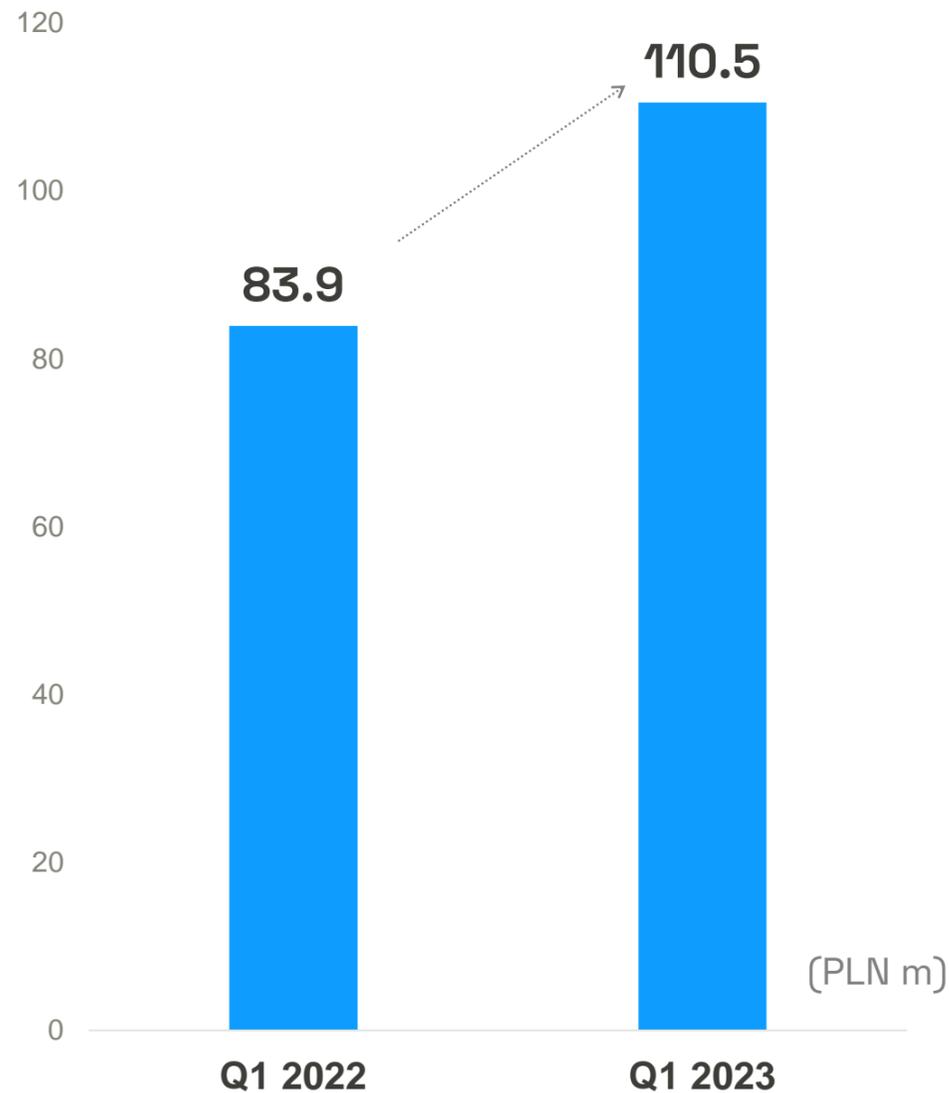
Financial results



R22: Consistent increase in results

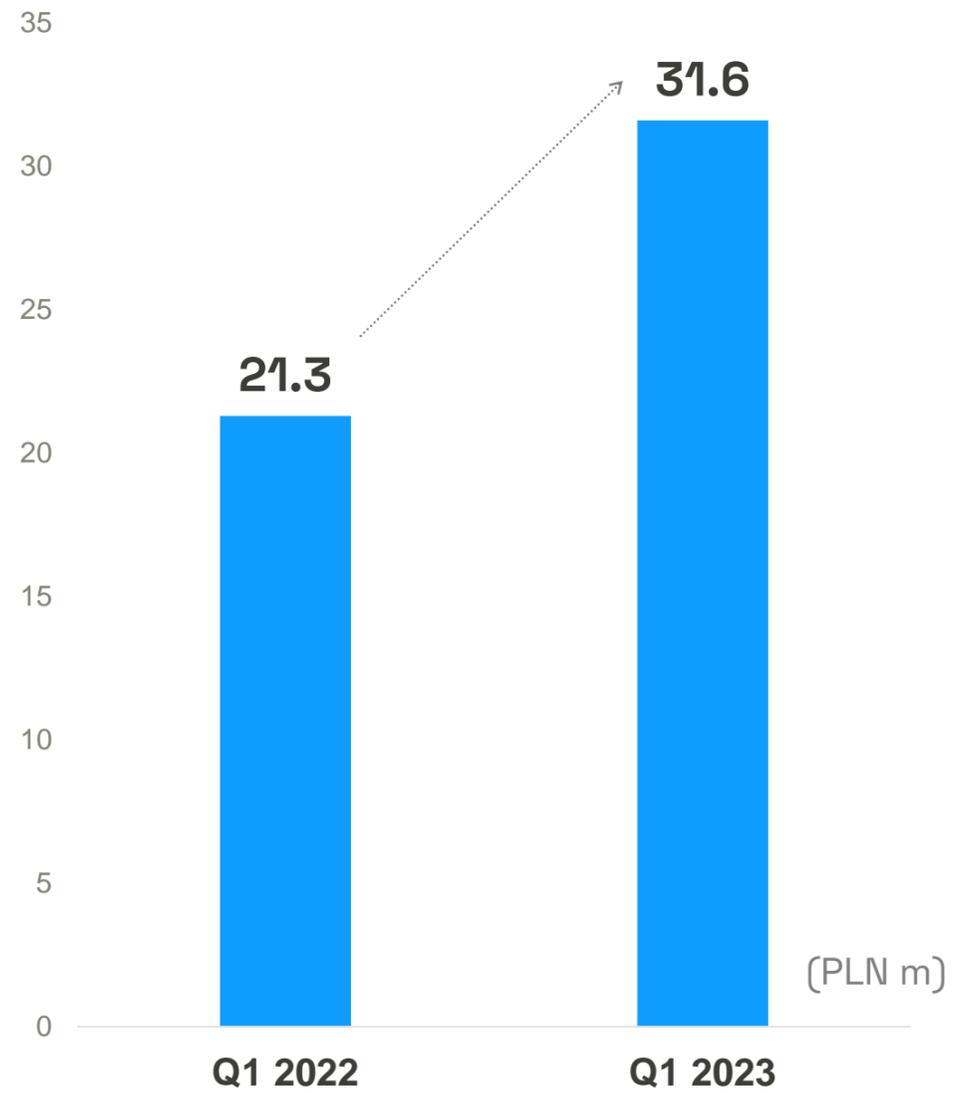
Revenue

+32%



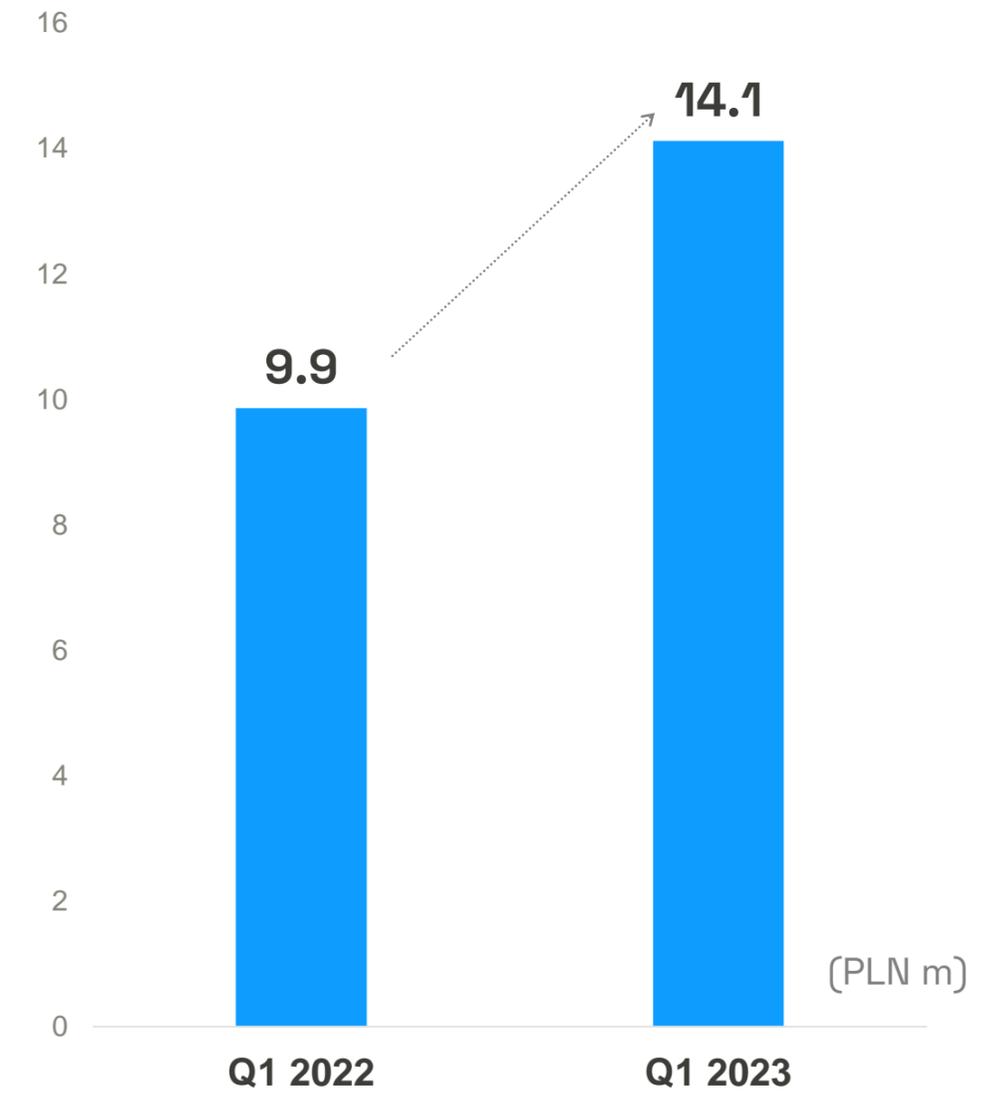
Adjusted EBITDA

+48%



Net profit

+43%



Dynamic growth of revenues and profits

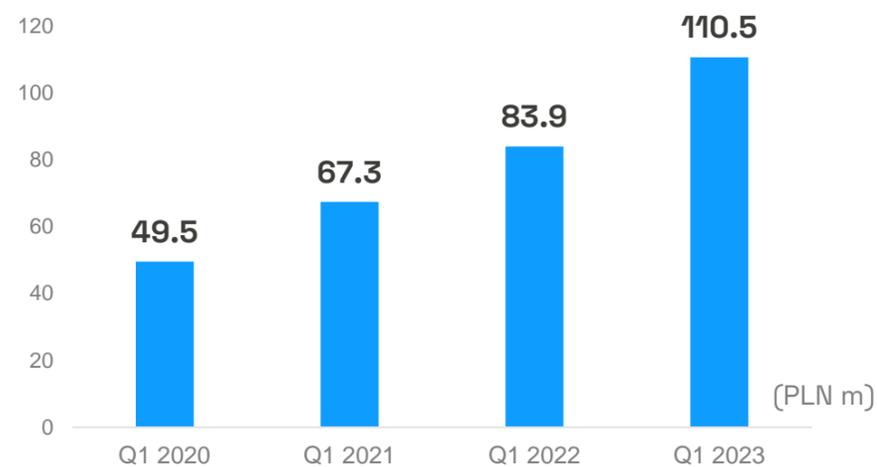
Selected consolidated financial data:

(k PLN)	Q1 2022	Q1 2023	Change
Revenue from sales	83 920	110 531	32%
EBIT	14 555	23 973	65%
Adjusted EBITDA	21 304	31 608	48%
Transaction costs	650		-100%
ESOP Vercom	156	117	-25%
Other adjustments	-224		-100%
Net Profit	9 862	14 118	43%
Net Profit attributable to shareholders of parent company	8 479	9 059	7%

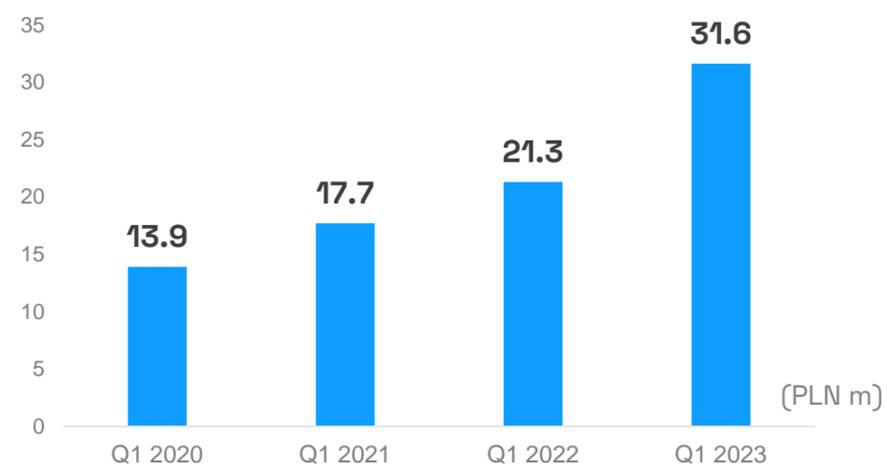
Clear organic growth + acquisitions:

- Revenue increased to PLN 110.5m (vs. PLN 83.9m) and adjusted EBITDA to PLN 31.6m (vs. PLN 21.3m).
- Increase in net profit related to organic growth and the consolidation of MailerLite since the middle of last year.
- Negatively impacted by higher net financial expenses of PLN 6.6m (vs. PLN 2.1m a year earlier).
- The net result was positively affected by the result of associates (PLN 463k compared to PLN 134k a year earlier)

Revenue:



Adjusted EBITDA:



Significant increase in cash flow from operating activities

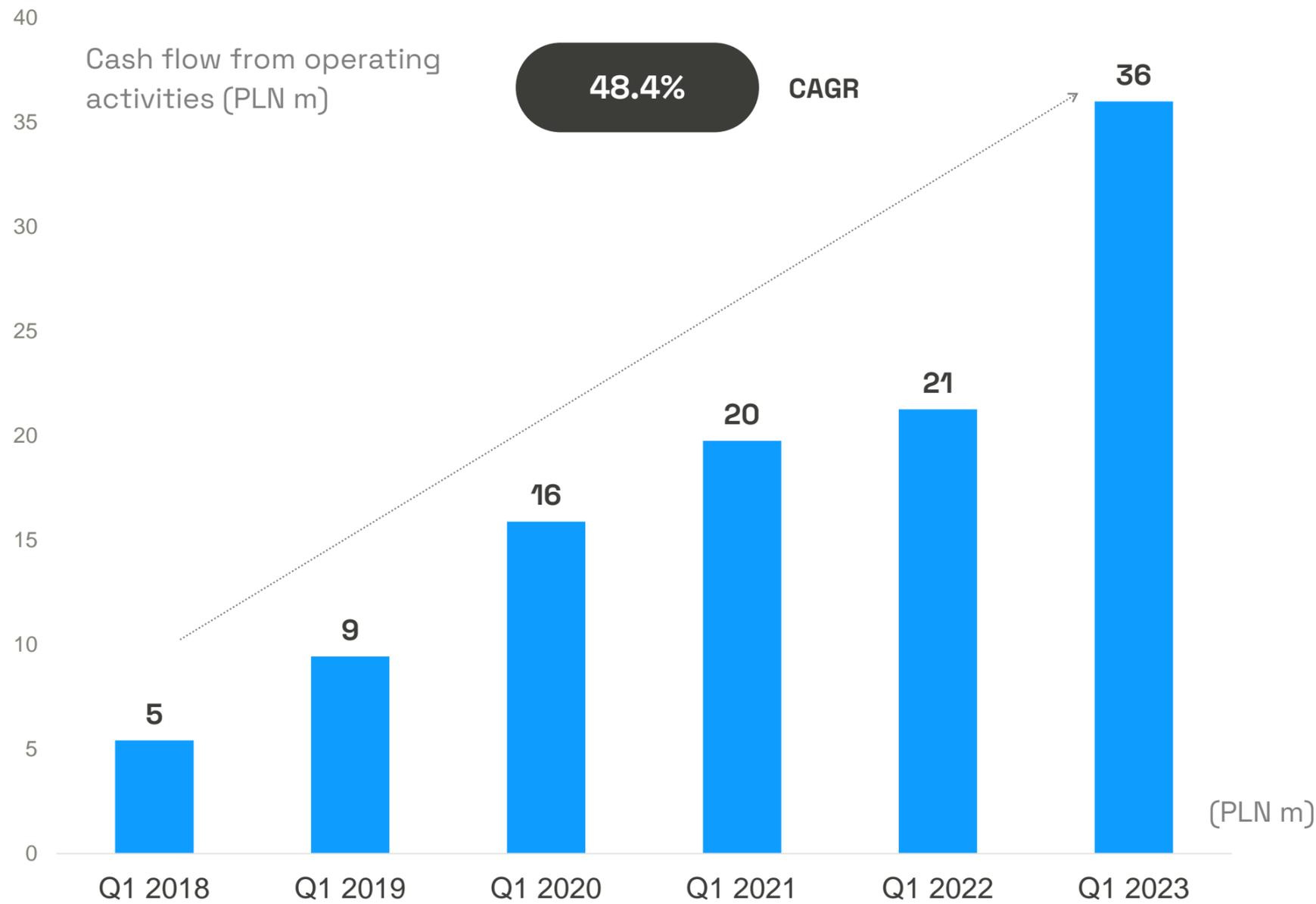
Selected consolidated financial data:

(k PLN)	Q1 2022	Q1 2023	Change
Net cash flow from operating activities	21 262	35 988	69%
Purchase of fixed real assets and intangibles less the proceeds from sale of fixed assets	-3 784	-5 741	52%
Payments of lease liabilities	-1 820	-2 081	14%
Unlevered FCF	15 658	28 166	80%
Repayment of credits and loans	-5 587	-10 155	82%
Interest paid	-2 418	-6 713	178%
Dividends to minority shareholders	0	0	
Free Cash Flow (FCF)	7 653	11 298	48%

- **Clear increase in cash flow from operating activities.**
- **High, more than 100% conversion of EBITDA to operating cash flow.**
- **Increased capital expenditures and lease payments** due to increased spending on the development of the _Stores product, CPaaS platform and increased scale of operations.
- Increase in interest paid due to increase in WIBOR and EURIBOR and increase in debt (yoy).
- **Long-term ability to generate high cash surplus.** High efficiency of capital expenditures.
- **Decrease in net debt by as much as 8% in Q1 2023** alone due to high cash flow from operations

(k PLN)	31.12.2022	31.03.2023	Change
Net debt	292 150	270 067	-8%

Over 100% conversion of EBITDA to operating cash flow

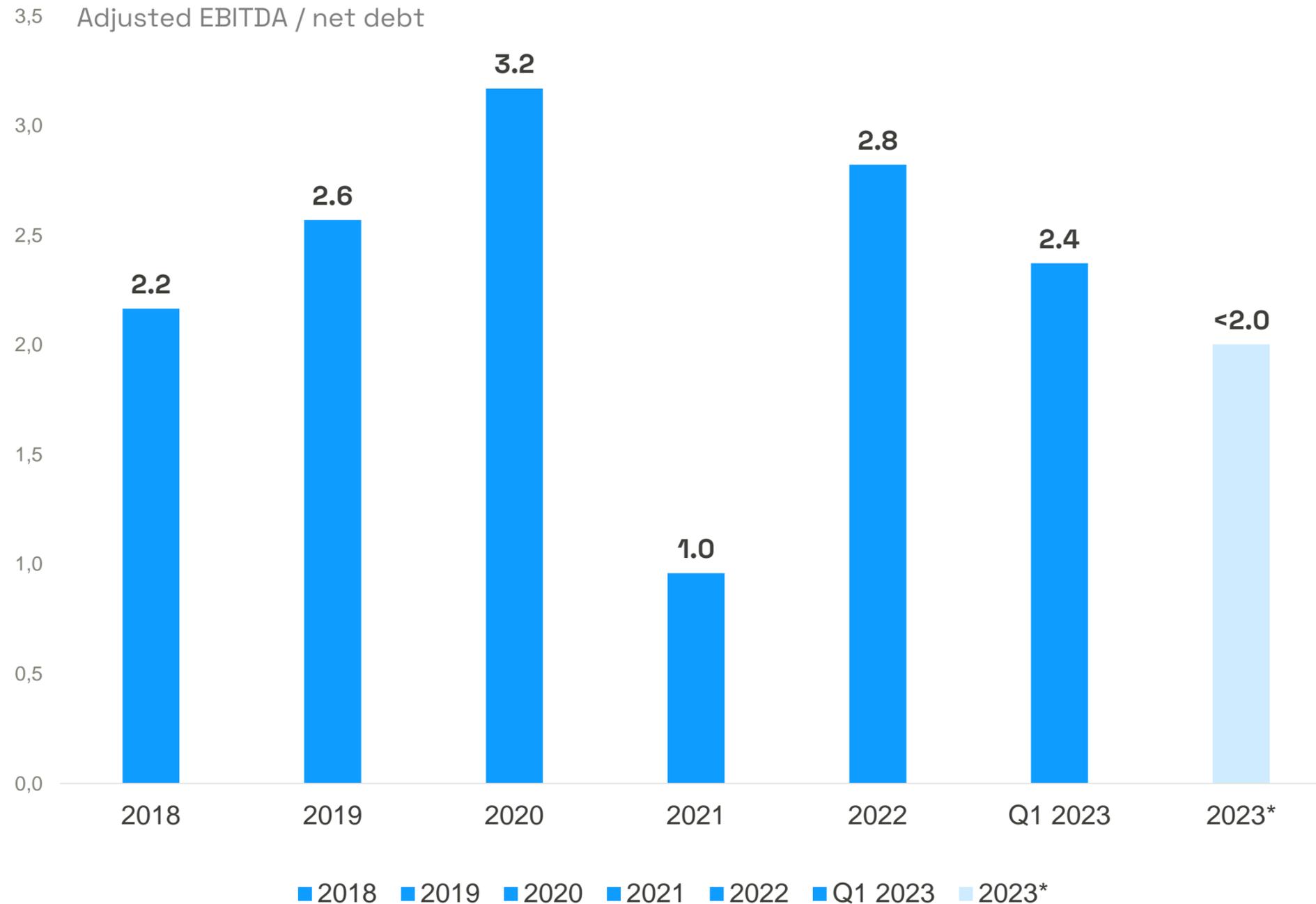


Long-term near 100% conversion of EBITDA to operating cash flow

Q1 2023 operating cash flow growth significantly above EBITDA, thanks to:

- Increase in sales of prepaid services in annual modes (cyber_Folks and MailerLite), which are indicators ahead of revenue growth in subsequent quarters..
- Transition factor due to advance income tax payments, additional settlement payments will occur in Q2 2023, similar to previous years.
- Change in sales structure in the CPaaS segment - lower share of low-margin, high-volume shipments, which also reduces working capital requirements.

Safe debt level: EBITDA vs. net debt



- Taking into account the current level of debt and cash, as well as the schedule of loan commitments, we see that net debt in relation to EBITDA is **at a safe level**.
- In Q1 2023, **net debt decreased by PLN 22.1m** compared to the level of net debt at the end of 2022 (31 December 2022). As of 31 March 2023, net debt amounted to PLN 270.1m.
- Thanks to the growth momentum and high cash generation capacity, at a fast pace - the debt level will decrease. As early as **2023**, it should fall **below 2x EBITDA**, placing it below historical lows (excluding the exceptional year of 2021, when significant funds were raised from the Vercom IPO).

*Target level of net debt to EBITDA in 2023

Business Segment Overview



cyber_Folks



cyber_Folks™

Financial results of cyber_Folks

Selected financial data:

(tys. PLN)	Q1 2022	Q1 2023	Change
Revenue	30 009	35 386	18%
EBIT	8 601	11 139	30%
Amortization	-3 380	-3 578	6%
EBITDA	11 981	14 717	23%
<i>Margin</i>	39,9%	41,6%	
CapEx	1 983	3 814	92%
<i>CapEx%</i>	6,6%	10,8%	

Reformatting the customer base - rotating customers and acquiring new customers with higher growth potential, particularly from the e-commerce industry.

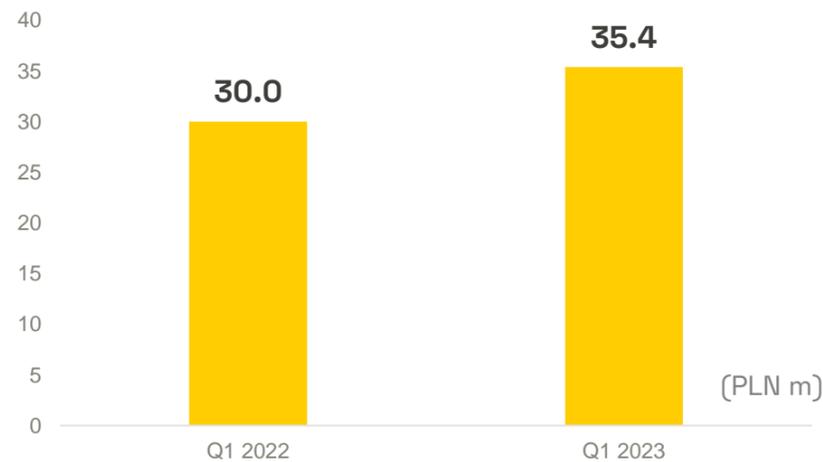
As a result, the observed increase in ARPU and, above all, above-average EBITDA growth.

18% increase in revenues yoy
23% increase in EBITDA yoy

CAPEX increase in 2023, related to R&D of _Stores project and AI projects.

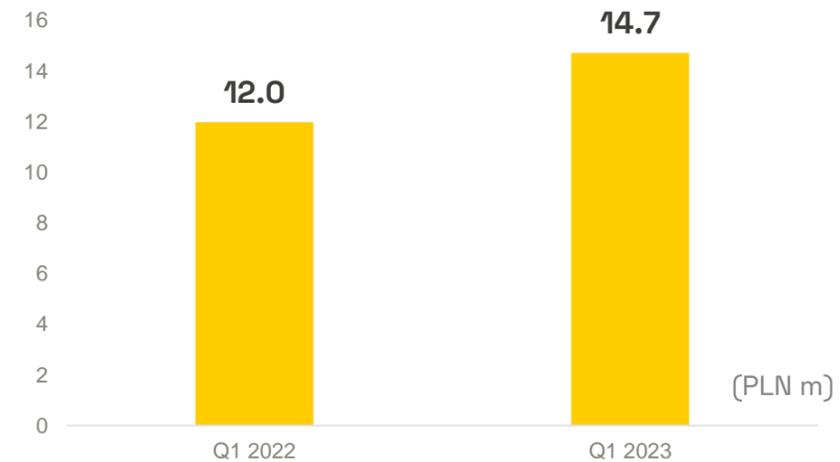
Revenue:

+18%



Adjusted EBITDA:

+23%



Selected KPI of cyber_Folks

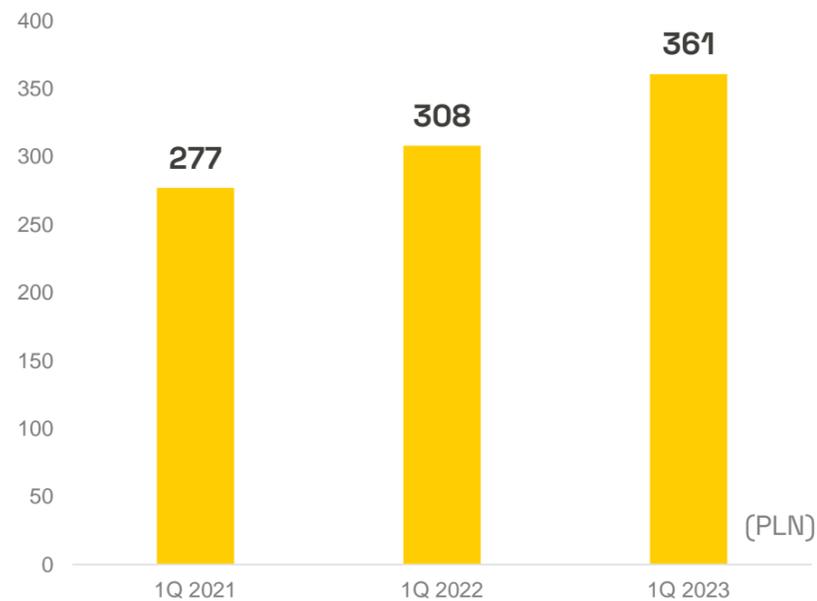
Hosting:

Domains:

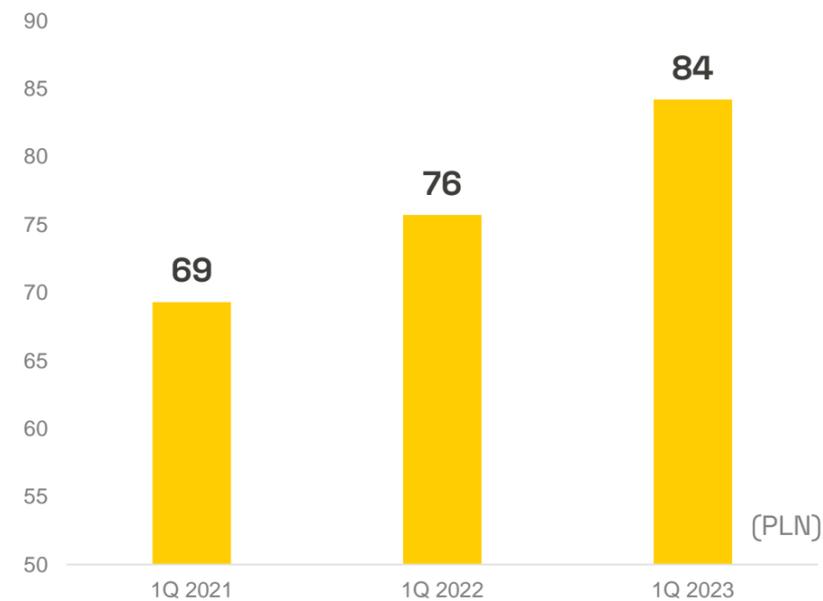
	Q1 2021	Q1 2022	Q1 2023
# customer (k)	201,2	211,2	223,4
ARPU LTM (PLN)	276,9	308,0	360,5

	Q1 2021 ¹⁾	Q1 2022 ²⁾	Q1 2023 ²⁾
# domains (k)	366,0	377,3	399,3
ARPU LTM ³⁾ (PLN)	69,3	75,7	84,2

ARPU LTM:



ARPU LTM³⁾:



Focus on e-commerce

Increase in ARPU nad margin

High level of service quality and customer satisfaction.

Stable level of NPS and First Time Response.

The group has about **220k hosting customers**
and over **396k domains**

Stable churn, better the market average:

Hosting 17%

Domains 27%

- 1) Including 13.4k domains in the promotion for PLN 0
- 2) All paid domains.
- 3) Only on paid domains.

CPaaS



VERCOM

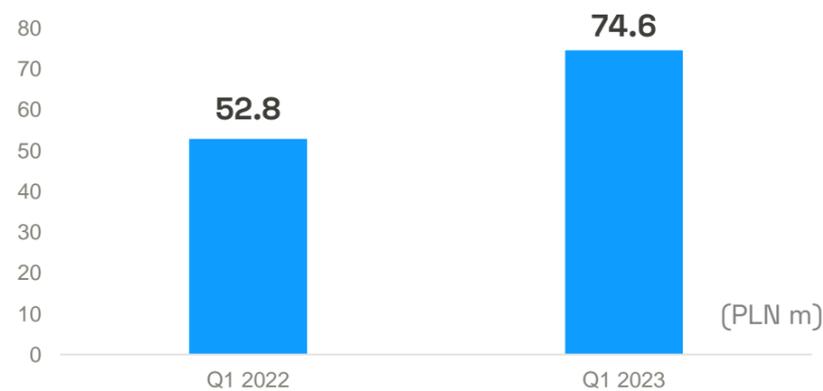
Financial results of CPaaS

Selected financial data:

(k PLN)	1Q 2022	1Q 2023	Change
Revenue	52 845	74 577	41%
EBIT	7 119	14 054	97%
Amortization	-2 411	-3 401	41%
EBITDA	9 530	17 455	83%
Transaction costs	650	0	-100%
ESOP	156	117	-25%
Profit for sale fixed assets	-224	0	-100%
Adjusted EBITDA	10 112	17 572	74%
<i>Margin</i>	19,1%	23,6%	
CapEx	1 980	3 282	66%
<i>CapEx%</i>	3,7%	4,4%	

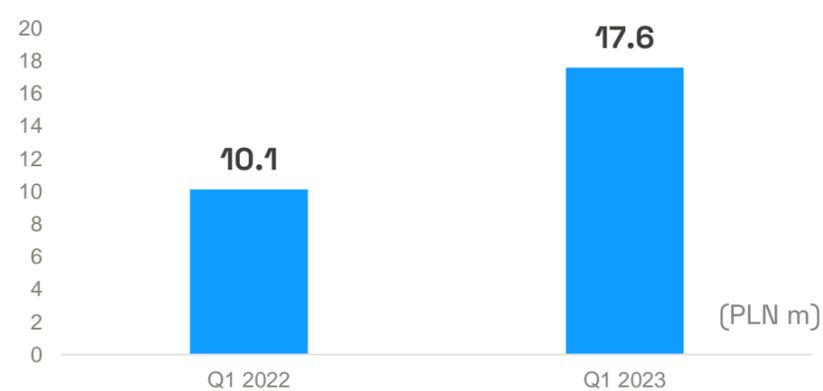
Revenue:

+41%



Adjusted EBITDA:

+74%



Over 40% increase in revenue

Over 80% increase in EBITDA

From Q3 2022, full consolidation of MailerLite results

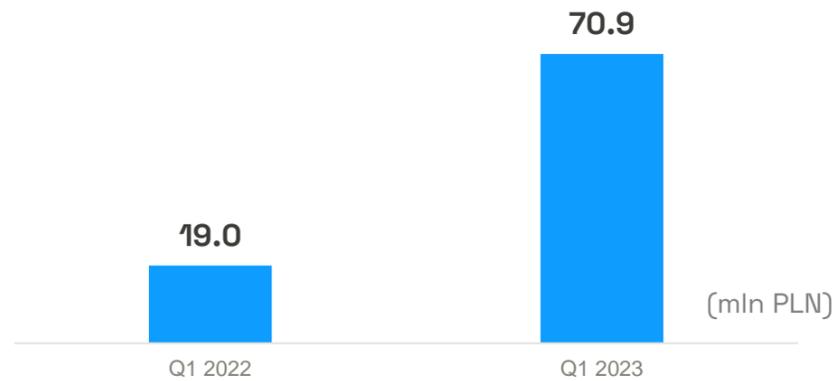
High cash generation capacity

CPaaS segment includes Oxyllion results

Selected KPI of CPaaS

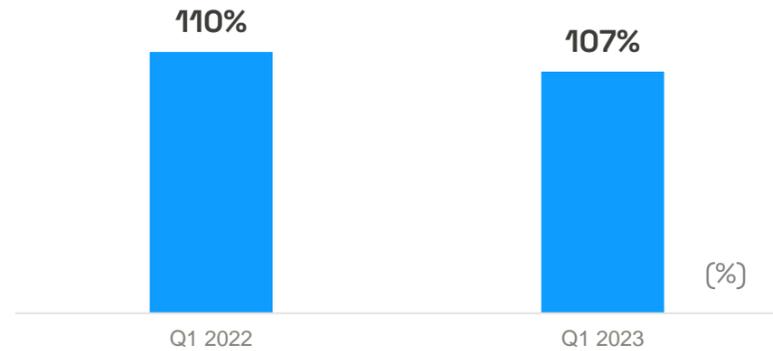
customers:

+273%



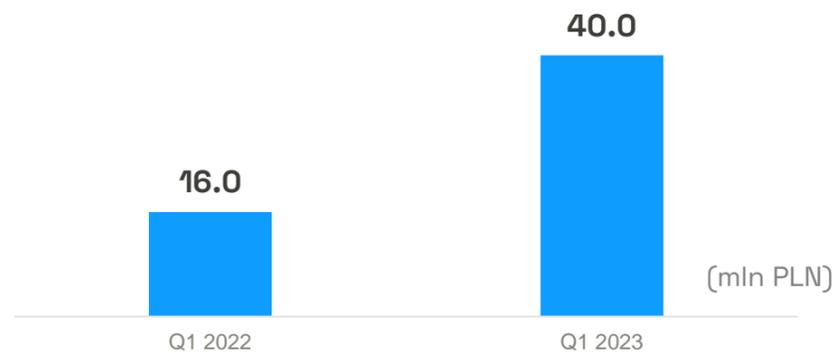
NER⁽¹⁾:

-3 p.p.



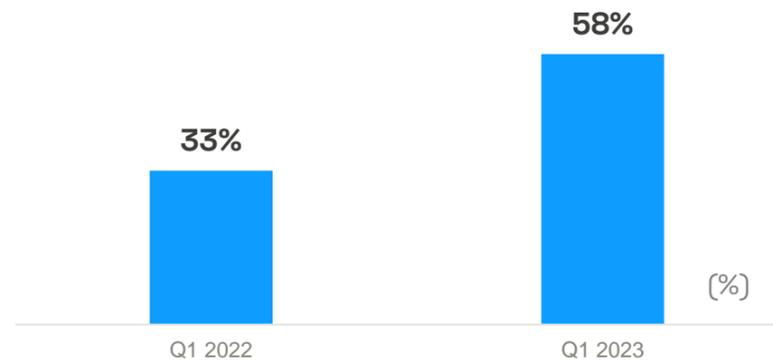
Gross margin:

x2.5



Foreign sales:

+25 p.p.



Almost 4-fold increase in the number of customers

Increase in industry and geographic diversification of customers

2.5-fold increase in gross margin to PLN 40m in Q1 2023

Improved product mix for high-margin services - email and push channels in consolidated revenues

Leap in **international sales growth** as a result of MailerLite acquisition

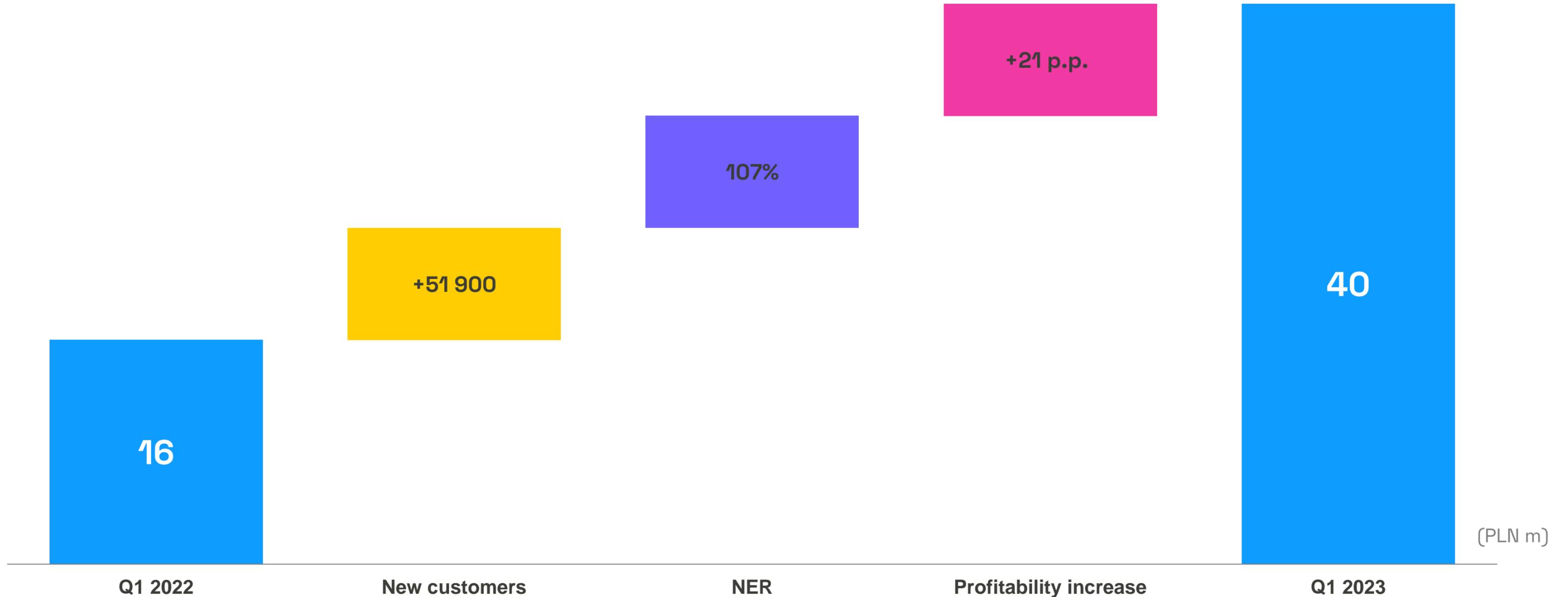
Presence in **180 markets** with strong exposure to the US and Western Europe

(1) NER (Net Expansion Rate): increase in sales to a repeat group of customers, i.e. entities that were the Group's customers in the period for which the ratio is calculated and in the comparative period

Dynamic growth of the gross margin

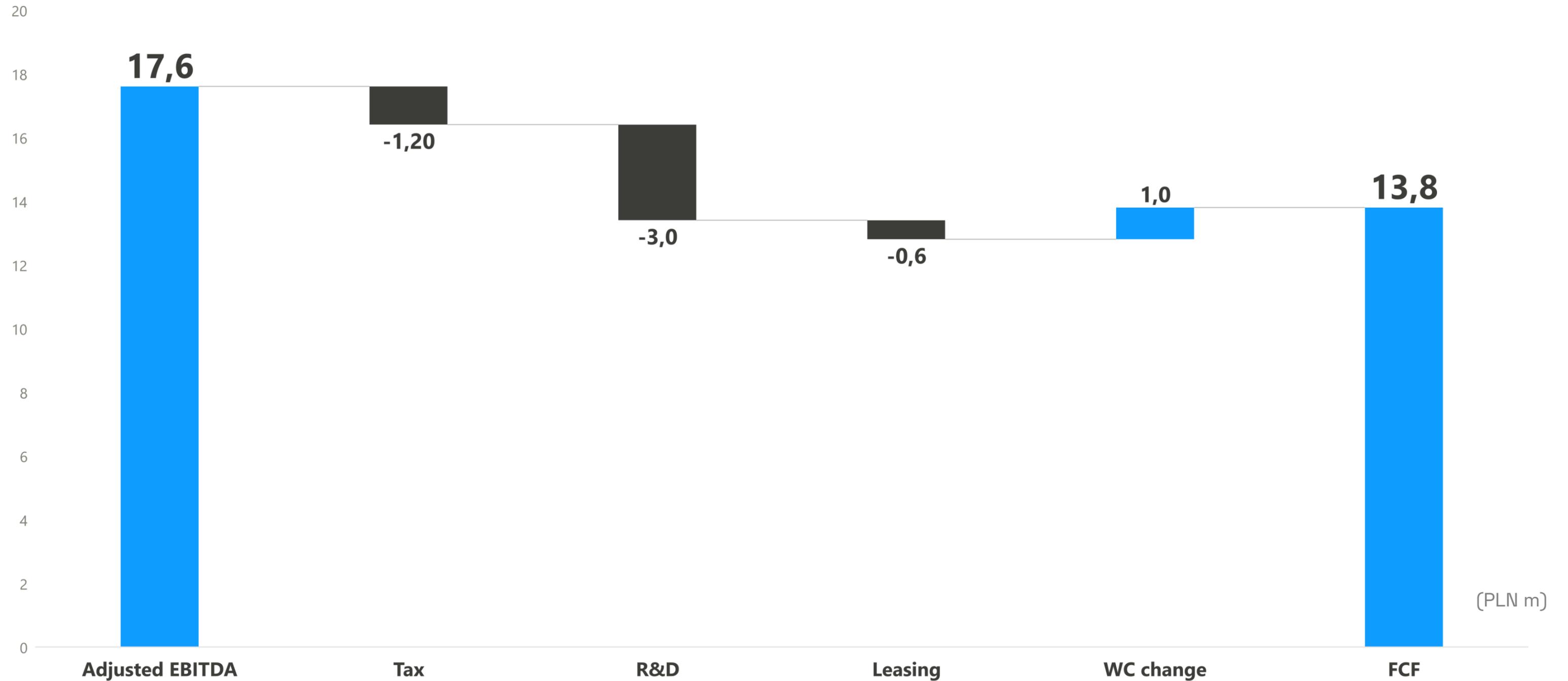
Gross margin:

x2.5



(1) NER (Net Expansion Rate): increase in sales to a repeat group of customers, i.e. entities that were the Group's customers in the period for which the ratio is calculated and in the comparative period. Refers to revenue from the CPaaS segment.

Cash Flow: High EBITDA to cash conversion



Communication Platform as a Service

Basic information

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

Vercom's solutions help our customers and partners overcome communication complexity, automate and scale-up, while maintaining high deliverability and efficiency - all in a fast, secure and reliable manner.

The company's solutions include services using commonly used communication channels, such as SMS, email and push.

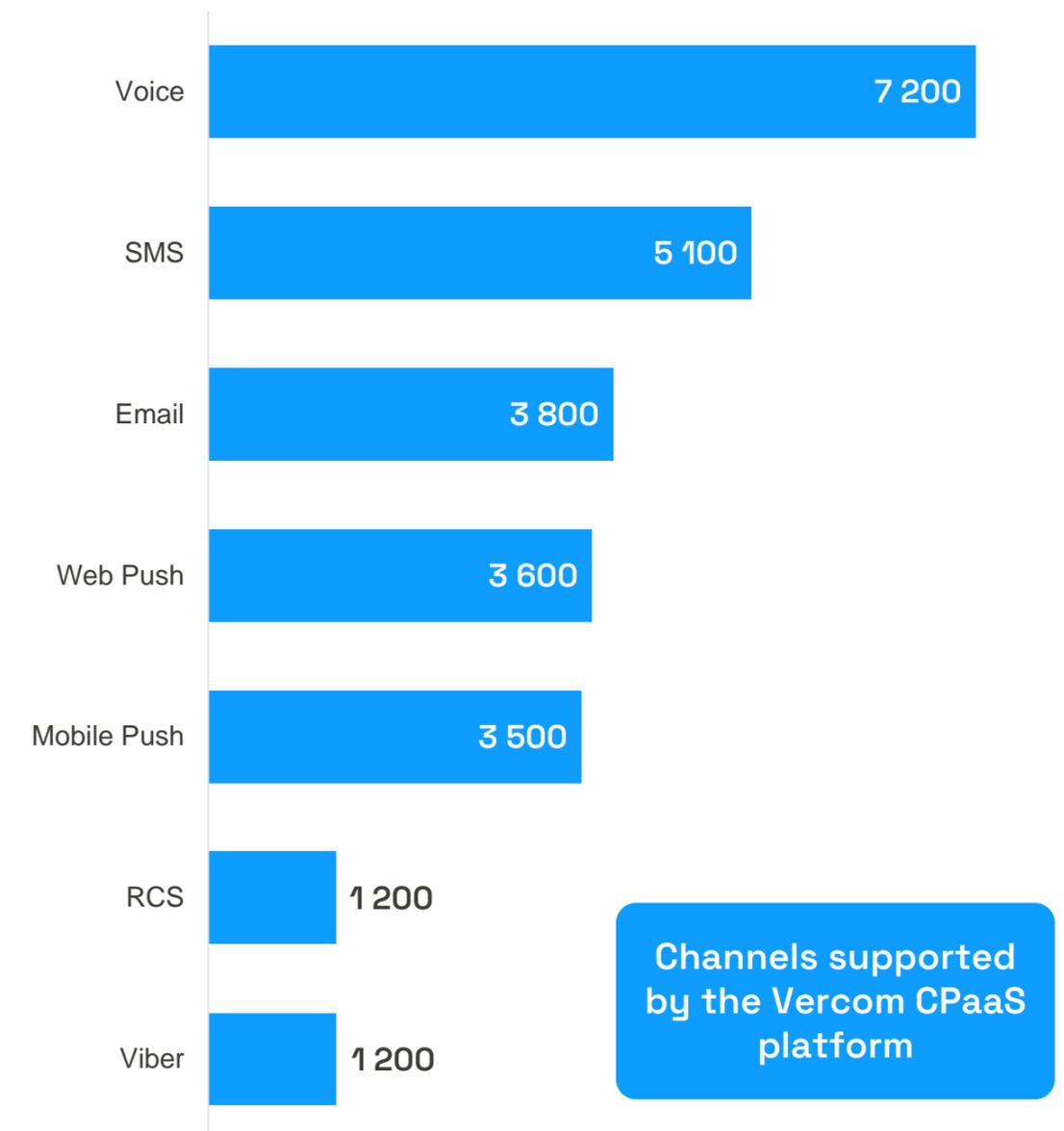
Vercom's clients are entities from various sectors of the economy, in particular e-commerce companies and e-commerce support services, including logistics of electronic payments. Entities from the financial sector are also a significant group of clients.

CPaaS services

CPaaS is a solution enabling communication between companies and their customers through one centralized platform.

The platform organizes communication within complementary channels: SMS, e-mail, push, OTT, as well as voice and video. In B2C communication, each of these channels has a specific purpose. The key to effective communication is the appropriate combination of individual channels, thanks to which it is possible to transfer transactional and marketing information as effectively as possible.

Global range (m users)



Source: GSMA.com, Statista, Facebook

Communication Platform as a Service

Why is it worth using CPaaS services

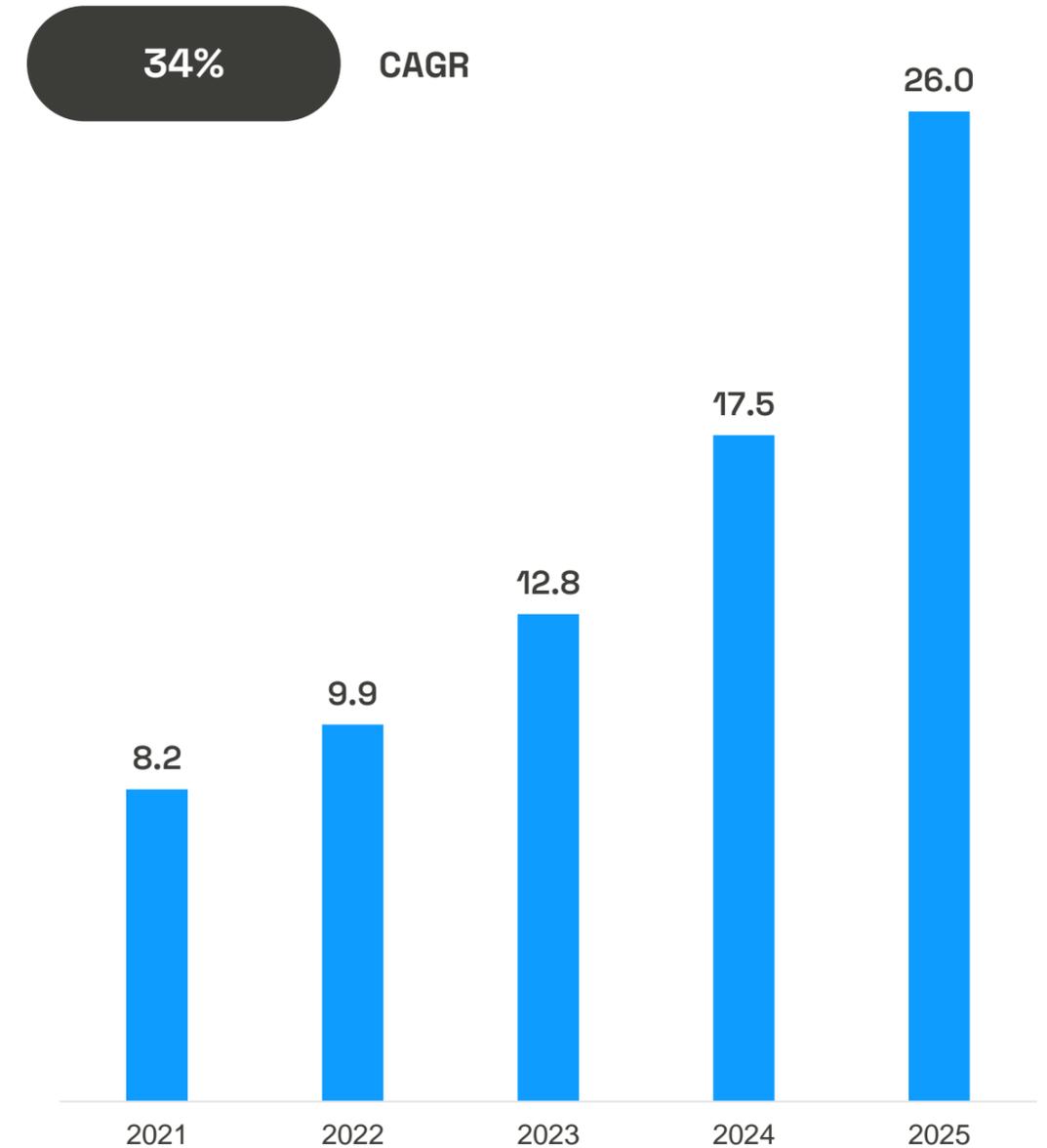
Thanks, among others the use of distributed system architecture and appropriate encryption standards, the use of CPaaS greatly facilitates the management of communication processes and increases security.

CPaaS market

The main stimulants of the growth of this market are the dynamic development of e-commerce, the development of marketing automation services and the broadly understood digitization of society (banking, telecommunications, administration, etc.). The growth of e-commerce consequently drives the growth of the entire ecosystem supporting its operation (logistics, payments, MarTech). For each single online transaction, the CPaaS platform is responsible for providing several information and messages for entities participating in this process.

The level of use of CPaaS services among enterprises is relatively low, which is another factor positively influencing the market development prospects in the long term. The market is still dominated by single-channel solutions, which, compared to multi-channel solutions, are less effective, convert less well, are usually more expensive and more complicated to manage.

Global SPaaS market value (b USD)



User.com: dynamic growth of no-code platform in SaaS model



User.com:

User.com is a full-service No-Code Marketing Automation (MA) & Customer Data Platform (CDP) that helps mid-market and enterprise-class clients convert huge amounts of data into personalized customer experience, consequently helping to increase their revenues.

The system can be used to build a single source of knowledge about clients (data collected in real term combined with data from various external sources and applications) and to automatically deliver personalized content and experiences. The core of this platform is an intuitive creator of no-code automation that facilitates creation of complex user segmentation rules and automation paths without the participation of IT teams.

Q1 2023 highlights:

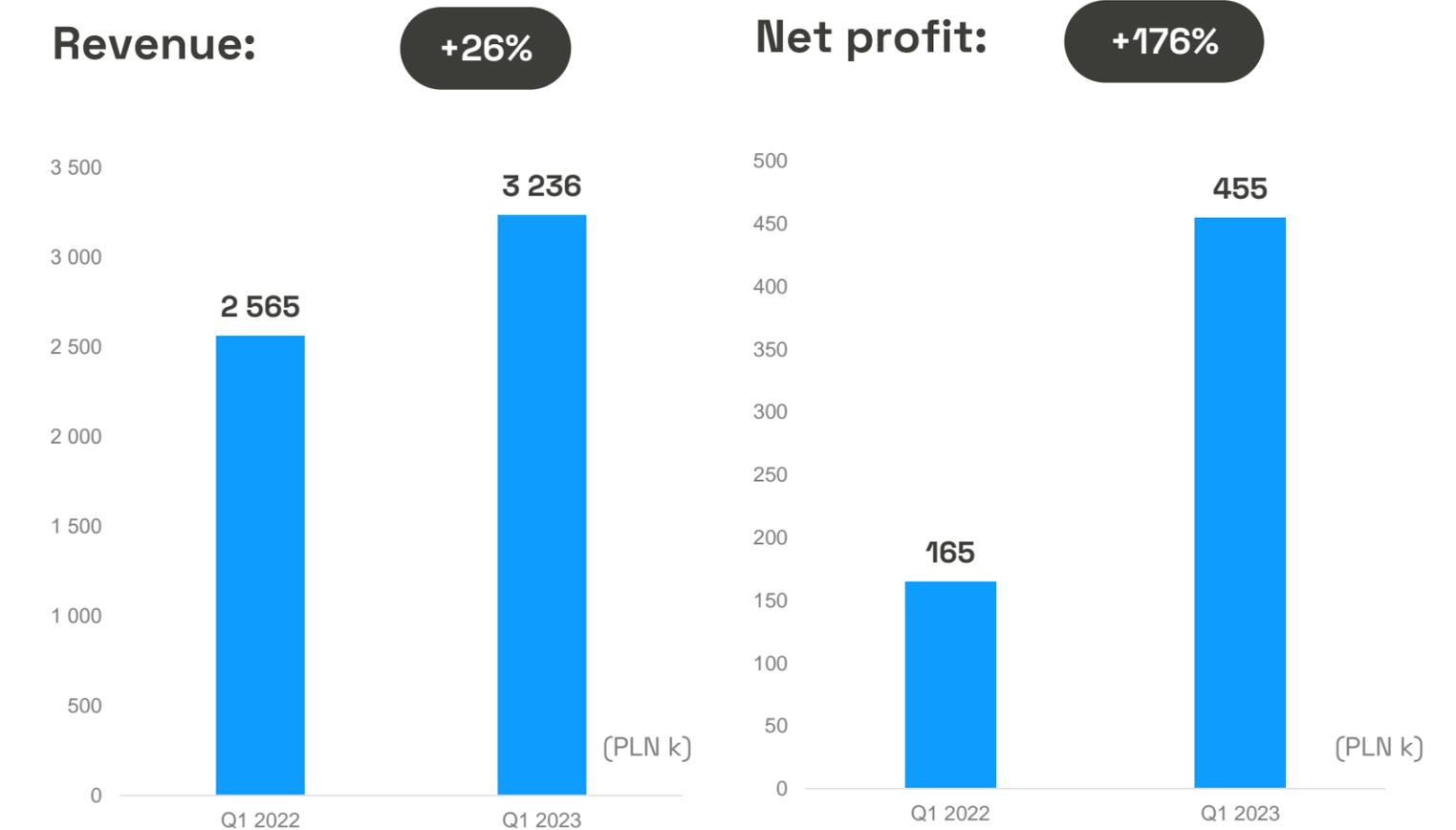
In Q1 2023 User.com, introduces intuitive and user-friendly chat answering ~76% of user questions in real time through artificial intelligence (AI).

In 2023 Company continues trends of revenue growth and positive financial results.

Revenue and net income:

In Q1 2023, the company recorded further stable revenue growth, which amounted to ~PLN 3.2m (+26% yoy).

What is even more important, thanks to the adopted growth strategy and cost discipline, the quarterly net profit amounted to nearly PLN 0.5m, a nearly 3-fold increase yoy



User.com: AI Chat

User.com introduces an intuitive and user-friendly chat that replies to ~76% of user queries in real time thanks to Artificial Intelligence (AI).

The system is powered by two models:

- **OpenAI Davinci-003** trained for User.com,
- **User.com Angel I** which is restricted and hosted on User.com servers in Europe.

AI Chat User.com capacities include the following:

- **automatic read-out and understanding of user messages and generating the appropriate responses** based on user messages and a knowledge database available as part of the application,
- **effective learning of the model using the existing client documentation and the ability to easily add new knowledge** to the system by creating articles on specific topics.

AI Chat is currently able to answer queries in English with plans to expand it to additional languages in the near future.

user.com

A pleasure to help today...



Hey again! 🙋 Can I change my plan during the active Diet4You subscription?

Sure, you can change your plan at any moment. All you need to do is contact the dietitian assigned and discuss your nutritional needs. The dietitian will then activate the new plan inside your account.



SaaS



Financial results of SaaS

Selected financial data (Blugento):

(k PLN)	1Q 2022	1Q 2023	Change
Revenue	1 300	808	-38%
EBIT	23	126	448%
Amortization	-306	-190	-38%
EBITDA	329	316	-4%
Margin	25,3%	39,1%	
CapEx	348	0	-100%
CapEx%	26,8%	0%	

Stabilization of financial results.

Significant reduction in costs and capital expenditures.

Within the SaaS segment, the results of Blugento are consolidated.

The segment also includes Profitroom and SellIntegro, which are only consolidated by the Group's share of net income (no consolidation at the revenue and EBITDA level). The R22 Group has an option to acquire a controlling interest in both companies.

Blugento

Blugento is a tool for the development and management of online stores based on the Magento platform. This solution combines all the benefits of an individual, agency-developed solution and a standardized platform for a wide range of entrepreneurs active in online sales.

The company offers an on-line store, hosting, monitoring and support in a price-affordable subscription model. Most of Blugento's customers are from Romania. The company's results have been consolidated since September 2020.

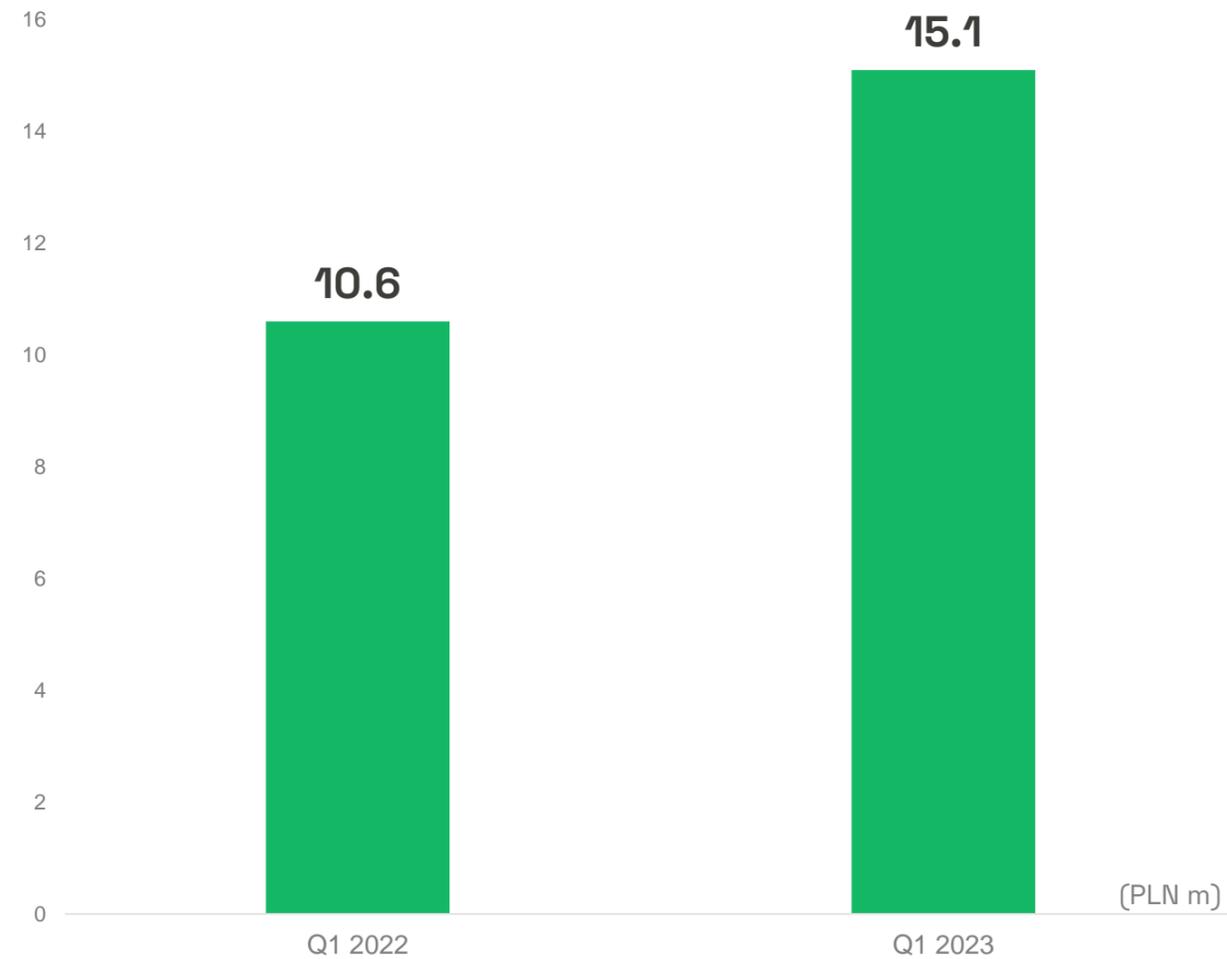
Due to the planned development of the R22 Group's e-commerce offering based on the WooCommerce platform, the Group decided to invest less in Blugento, not actively promote the brand and migrate Blugento customers to the ZentoShop platform.

blugento zento

Dynamic development of Profitroom

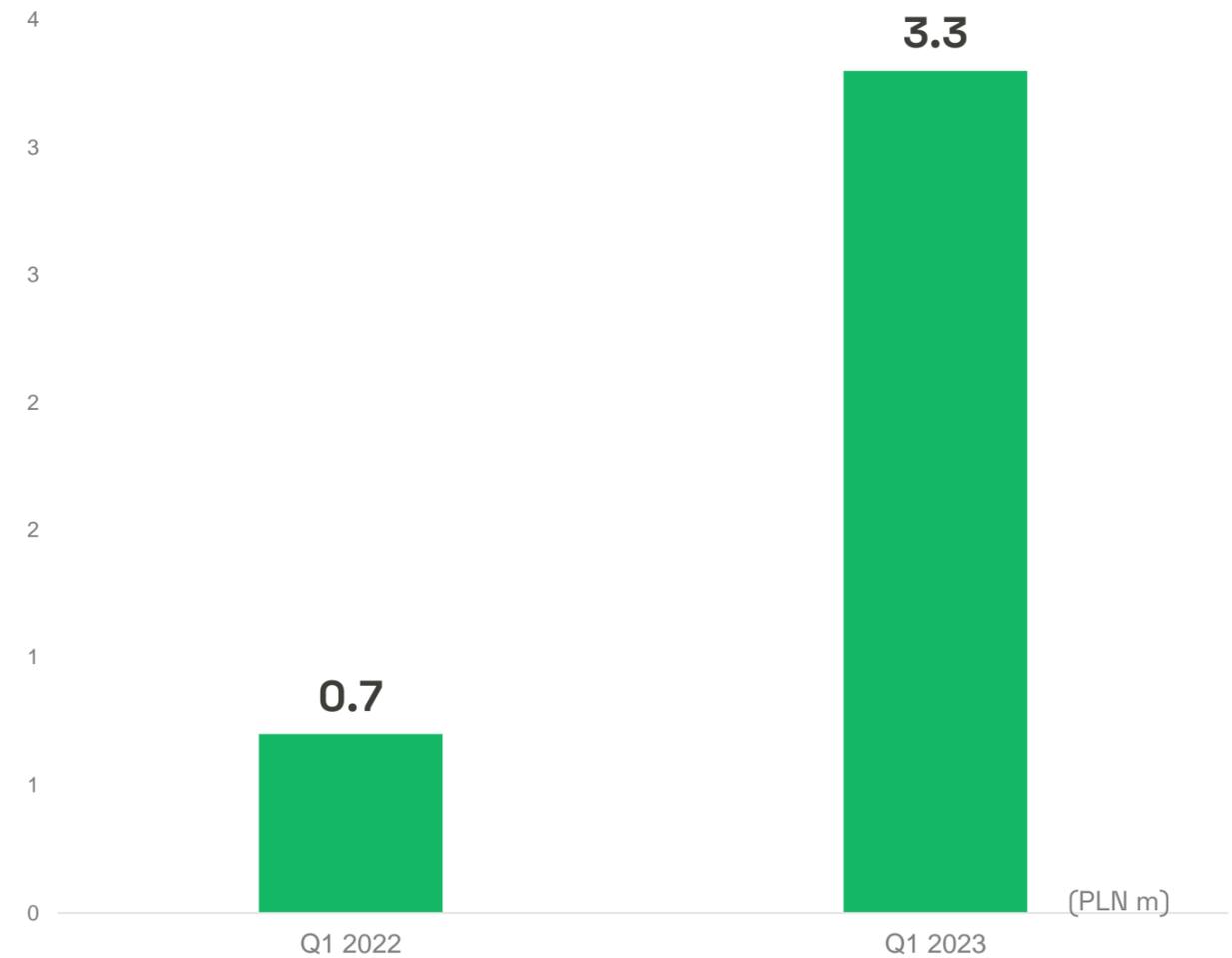
Revenue⁽¹⁾:

+43%



EBITDA⁽¹⁾:

+361%



⁽¹⁾ The consolidated Profitroom data also includes the German subsidiary. Data excluding customer marketing budgets. The individual data of Profitroom as an associate are shown in the Consolidated Financial Statements.

Dynamic development of Profitroom

Profitroom - Global growth of a technological leader in the industry

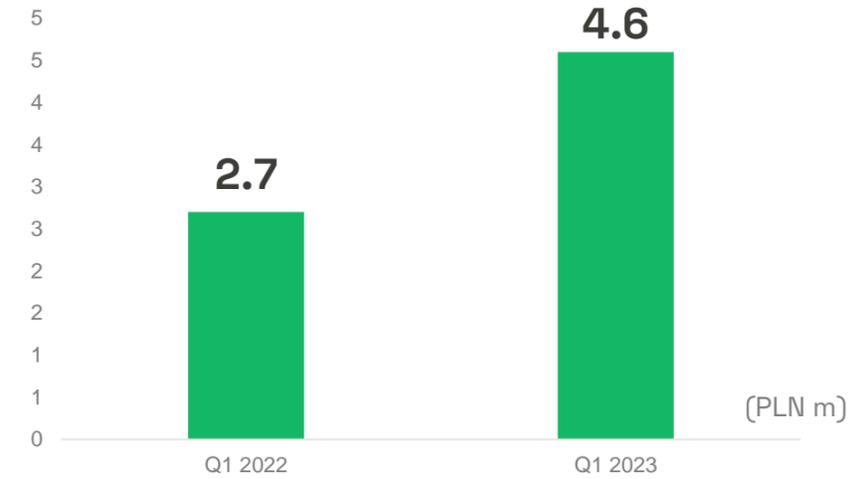
The effectiveness of solutions offered by Profitroom turned it into a **technological leader on the Polish hotel market**, used by over half of all hotels, including primarily the biggest Polish resorts such as Dr Irena Eris, Hotel Arłamów, Grand Lubicz, Hotele PURO, Górskie Resorty and many others.

The company, which has been growing year-on-year at a rate of several tens of per cent, is focusing on further expanding its customer base in foreign markets. Profitroom is dynamically increasing the share from abroad in its portfolio and now serves hotels on **5 continents, in 44 countries**.

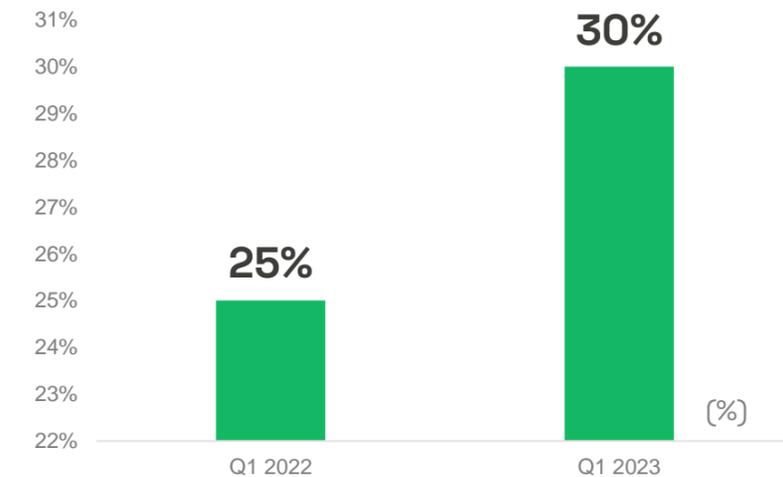
The competitiveness of Polish technology was not only reflected in the tool's performance. In the global **Hotel Tech Report 2022** technology ranking, Profitroom's tools were **ranked 2nd**, where several hundred hospitality tech providers were assessed.

Foreign revenue

+70%



Share of foreign revenue



Profitroom 

Dynamic development of Profitroom

Revenue growth based on stable foundations

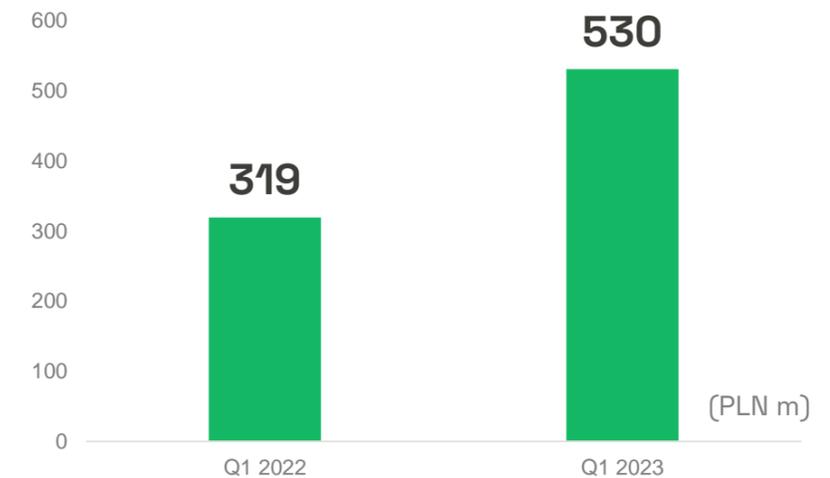
The company's business model is based on charging commissions on generated bookings and fixed subscription fees. The total booking value (GBV - Gross Booking Value) assumed by the Profitroom booking engine in Q1 2023 **exceeded PLN 530 million** representing an increase of **+66%** compared to Q1 2022.

The company realized investment in overseas expansion faster and with greater intensity than planned. This translated into a jump in the number of signed contracts with new customers, primarily in the African market. In addition to the increase in customer volume, the company has released changes in technology that translate into increased conversions and opening up to additional revenue streams. These include, for example, the introduction of an abandoned cart feature to the booking engine, combining offers or launching the ability for all customers to process phone or email bookings.

The key value of the business is contained in a loyal, stable customer base, which each year generates more and more revenue using the Company's tools. The **NER (Net Expansion Rate) was 127% in Q1 2023**, which means **that nearly PLN 3 million in additional revenue was generated yoy on the existing customer base in Q1 2023 alone.**

Booking Value:

+66%



Net Expansion Rate

+127%

Sellintegro developing its product ecosystem

Sellintegro:

Sellintegro is an ecosystem for clients from the e-commerce sector, **used to manage all the processes in one place**. Thanks to Sellintegro, the client is free to select the providers of OMS service and ERP systems, couriers, marketplaces - Sellintegro offers integrations with the majority of tools currently present on the market. Thus, Sellintegro gives its clients the ability to **reduce the time to service end-users while effectively using their own resources and reducing costs**.

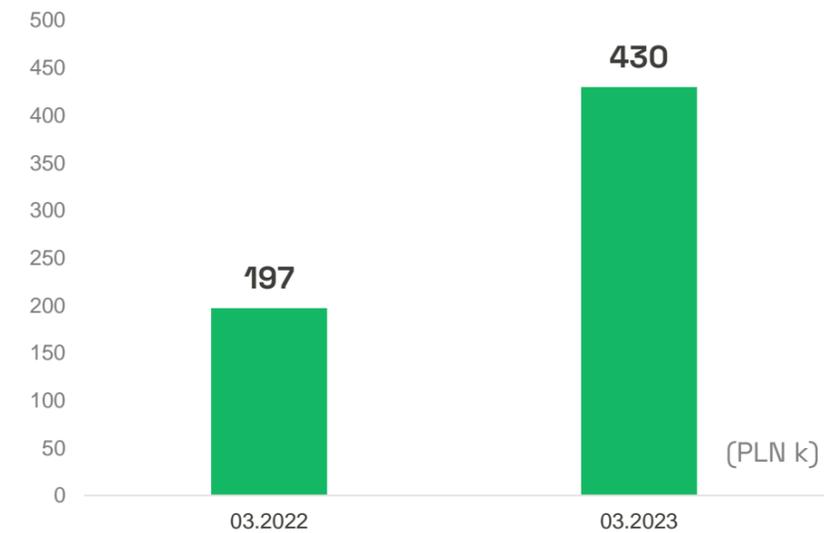
Highlights Q1 2023:

- Sellintegro is developing a new module with a view of **expanding the ecosystem to the e-commerce segment: an integrator between diverse marketplaces** that allows clients to quickly and easily start sales on various marketplaces.
- Additionally, Sellintegro working on **online invoicing system** that will supplement the Group's offering. The invoicing system will give clients access to a full range of services for their online store in collaboration with Sellintegro.



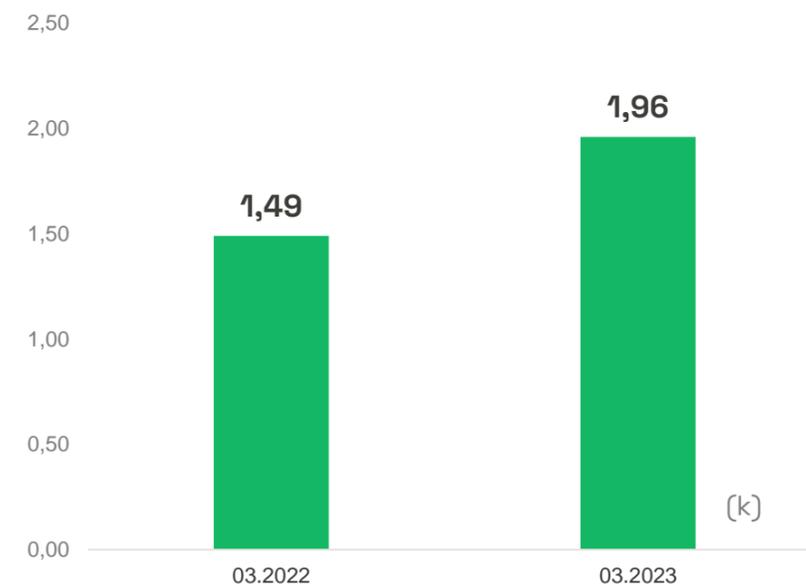
MRR:

+118%



Customers:

+32%



Development prospects





Development prospects

We provide essential services for the digitisation and automation of communication and business processes

Our goal is to have a strong presence in global markets

Maintaining growth rate using organic growth and acquisitions while retaining financial stability

Leveraging present customer base

Optimizing the offering, ARPU growth, cross-selling (including to MailerLite customers), product and technology development

International expansion

The R22 Group's goal is to achieve 50% of its revenue from foreign markets, which can be achieved in the short term with the acquisition of MailerLite and the continued international expansion of Profitroom

Portfolio development

Further development of the group's offer to include complementary solutions and cross-selling

Developing artificial intelligence

The use of artificial intelligence (AI) in the design of new products that build value for the Group's customers and the use of AI solutions to improve the R22 customer experience



Leveraging present customer base

ARPU Boost

- Continuing changes in the service portfolio related to service unification and introduction of new products of both hosting and domain services and CPaaS services.
- Cross-selling products and services offered by the R22 Group.
- Increasing sales of additional services, including SSL certificates.

Product development

- Use of R22 investee companies to sell existing and new Group products - User.com (new markets for email and SMS sales), Appchance (solutions using push and RCS), MailerLite (new markets for sms and push sales),
- Product development in the CPaaS segment, for instant messaging solutions such as Viber, WhatsApp, RCS using chatbot technology.
- The Group also plans to develop platforms to support the currently offered tools. The main areas of focus are primarily email, retargeting and lead generation.
- Development of tools for e-commerce, including, among others, the solution for creating and running online shops _Stores and the e-commerce integration Sellintegro. Commercialisation in international markets, including cross-sell to R22 customers.
- Development of products using artificial intelligence (AI) - cyber_Folks - AI domain builder, FreshMail - SendGuard (anti-spam and anti-phishing tool to increase email deliverability), User.com - ChatAI.

Marketing strategy

- Consolidation of marketing and communications strategy at Group R22 level over the longer term - complete solutions for all clients active in online space and those wishing to communicate effectively with their clients. In the short- and medium-term in particular, the group is planning to consolidate its brands and marketing strategy in the hosting segment, giving it an opportunity it utilize current marketing budgets in a more effective manner, acquiring new clients and supporting other efforts to increase the ARPU, i.e. greater cross-selling among the existing segments and using opportunities to upsell to clients and a further unification of the offering both in Poland and on new markets.

ESG

- Due to the subject and specificity of its activity, the R22 Group has no significant impact on the environment. The company conducts low-emission activities, mainly in the area of software production.
- In its activities, R22 takes into account factors reducing the impact on the environment through, inter alia, reduction of electricity consumption (e.g. investments in energy-saving servers) and paper consumption (e.g. implementation of electronic documentation flow).
- One of the Group's priorities is to ensure appropriate working and development conditions for all employees. The company complies with all regulations related to employee rights, and the principles of gender equality are respected.

Financial results



Consolidated P&L – R22 Group

(k PLN)	Q1 2022	Q1 2023	Change
	01.01.2022 - 31.03.2022	01.01.2023 - 31.03.2023	
Sales revenue	83 920	110 531	32%
Other operating revenue	288	2	-99%
Amortization and depreciation	-6 167	-7 518	22%
External services	-51 153	-64 341	26%
Costs of employee benefits	-10 359	-12 674	22%
Use fo materials and consumption of energy	-1 461	-1 606	10%
Taxes and charges	-215	-151	-30%
Other operational expenses	-135	62	-146%
Profit / (loss) on sale and liquidation of tangible fixed assets	224	32	-86%
Other write-offs	-387	-364	-6%
Profit on operating activity (EBIT)	14 555	23 973	65%
Net financial cost	-2 146	-6 629	209%
Share in profits of associates accounted for using the equity method	134	463	246%
Profit before taxes	12 543	17 807	42%
Income tax	-2 681	-3 689	38%
Net profit	9 862	14 118	43%
- attributable to the shareholders of the parent	8 479	9 059	7%
- attributable to non-controlling shares	1 383	5 059	266%



Consolidated P&L – R22 Group

Factors impacting Q1 2023 results

- Organic sales and earnings growth in CPaaS and cyber_Folks segments.
- Consolidation of MailerLite results from mid-2022.
- The increase in depreciation and amortization largely due to the amortization of intangibles booked as a result of takeovers.
- The increase in financing expenses as a result of higher WIBOR and EURIBOR rates and an increase in debt level following the MailerLite takeover.
- Higher profits at associated entities.
- The increase in wages and salaries due both to a higher headcount and to salary increases.
- The results of Q1 2023 were also impacted by one-off expenses in the CPaaS segment, i.e. ESOP valuation costs totaling PLN 930k.

Stable financial position with decrease in debt and increase in cash

Assets

(k PLN)	31.12.2022	31.03.2023
Tangible fixed assets	17 918	19 701
Right to use assets	35 241	34 690
Intangible assets and goodwill	644 357	634 782
Investments in affiliates	67 326	67 790
Assets due to deferred income tax	7 073	7 247
Derivatives	1 537	229
Other assets	271	544
Fixed assets	773 723	764 983
Trade receivables	32 827	29 998
Derivatives	241	415
Loans granted	1 458	1 654
Cash and cash equivalents	54 078	65 420
Other assets	3 273	5 233
Current assets	91 877	102 720
Total assets	865 600	867 703

Stable financial position with decrease in debt and increase in cash

Equity and liabilities

(k PLN)	31.12.2022	31.03.2023
Basic capital	284	284
Own shares	-4 090	-4 090
Retained earnings and other capital	224 552	233 611
Exchange differences on the translation of foreign operations	-2 026	-4 565
Equity attributable to equity holders of the parent	218 720	225 240
Non-controlling shares	179 447	180 343
Equity capital	398 167	405 583
Liabilities for loans and borrowings	273 556	261 008
Liabilities due to financial leasing	25 761	25 033
Liabilities due to contracts with clients	198	238
Deferred income tax	22 838	21 204
Other liabilities	58	58
Long-term liabilities	322 411	307 541
Liabilities for loans and borrowings	37 842	39 711
Liabilities due to financial leasing	9 069	9 735
Trade liabilities	37 410	38 103
Liabilities due to contracts with clients	40 850	45 053
Income tax liabilities	8 121	9 633
Liabilities for employee benefits	3 460	4 042
Other liabilities	8 270	8 302
Short-term liabilities	145 022	154 579
Total liabilities	467 433	462 120
Total equity and liabilities	865 600	867 703

R22 Group's cash position

Statement of cash flows

(k PLN)	1Q 2022	1Q 2023
Net profit for the reporting period	9 862	14 118
Adjustments, including i.a.:	11 088	24 608
- Amortization and depreciation	6 167	7 518
- Income tax	2 681	3 689
- Interest cost	2 551	6 089
Change in inventories, receivables, liabilities and other assets - total	2 849	6 546
Cash generated on operating activities	23 799	38 726
Tax paid	-2 537	(2 738)
Net cash from operating activities	21 262	35 988
Interest received	149	211
Repayment of granted loans	0	19
Loans granted	-541	-399
Investments in affiliates	-4	-400
Proceeds from sale of tangible fixed assets	224	54
Purchase of tangible fixed assets and intangible assets	- 3 784	-5 741
Net cash from investign activities	- 3 956	-6 255
Repayment of loans and credits	-5 587	-10 155
Receipts / (Repayment) of overdraft facility	-3 440	0
Contributions by non-controlling interests to increase capital in a subsidiary	3 000	0
Interest paid	-2 418	-6 713
Payments of liabilities under financial leasing agreements	-1 820	-2 081
Acquisition of non-controlling interests in subsidiaries	298	0
Proceeds from subsidies received	0	351
Net cash from financing activities	- 9 967	-18 599
Total net cash flow	7 339	11 342
Cash and cash equivalents at the beginning of the period	129 709	54 078
Cash and cash equivalents at the end of the period	137 048	65 420

The most significant changes in cash flows

High conversion of EBITDA into operating cash flows:

- Adjusted EBITDA: PLN 31.6m
- Net cash flows from operating activities: PLN 36.0m

Operating cash flow dynamics significantly above EBITDA, thanks to:

- Higher sales of prepaid services in annual modes, an indicator ahead of revenues for subsequent quarters.
- Advance income tax payments (additional settlement payments in Q2 2023, similar to previous years).
- A change in the sales structure in the CPaaS segment - a smaller share of low-margin, high-volume shipments, which reduces working capital requirements.

Current operating cash flows covered, i.e.:

- Acquisitions of non-current assets and intangible assets, increase in which is due to expenditure on IT equipment and R&D expenditure.

The increase in interest paid is due to increases in WIBOR and EURIBOR.

Changes in equity – R22 Group

	Basic capital R22 S.A.	Retained earnings and other capital	Own shares	Exchange differences on the translation of foreign operations	Equity attributable to equity holders of the parent	Capital attributable to non-controlling shares	Equity
As at 1 January 2023	284	224 552	-4 090	-2 026	218 720	179 447	398 167
Net profit		9 059			9 059	5 059	14 118
Other comprehensive income				-2 539	-2 539	-4 280	-6 819
Total income in the period		9 059		-2 539	6 520	779	7 299
Transactions with owners included directly in equity							
Capital from valuation of ESOP in subsidiary						117	117
Total changes in equity		9 059		-2 539	6 520	896	7 416
As at 31 March 2023	284	233 611	-4 090	-4 565	225 240	180 343	405 583



Factors important for the development of R22 & threats and risks

The R22 Group has an established position on the Polish hosting and domain market as well as automated SMS, Mobile and E-mail communication platforms. At the same time, the Group is expanding its operations in new markets, both through acquisitions of local entities (Romanian and Croatian market of hosting and domains, Czech SMS communication market) and organic development of Polish companies on foreign markets. The markets in which the R22 Group operates are characterized by high growth dynamics, they are influenced by many internal and external factors, which in the future may translate into the financial and market situation of the Group. Among the most important factors and risks that may affect the Group in the perspective of at least one quarter, the following can be distinguished:

- The risk relating to takeovers executed by the Group
- Increase or decrease in customer confidence and volatility of the CHURN
- Dependence on suppliers in the CPaaS segment
- Dependence on suppliers in the Hosting segment
- Financial risk
- Retaining and gaining new employees. The ability to effectively allocate employee competences and know-how and motivating them
- Situation on e-commerce and m-commerce market
- Ensuring compliance with the GDPR and other legal provisions
- Potential hacking attacks

- Effectiveness of operating, income and cost synergies resulting from the acquisitions made so far
- Risks and opportunities relating to the relatively rapid technological changes and innovations on the IT market.
- Actions taken by competitors
- The economic, business and political situation in Poland, Romania, Croatia, Czech Republic and in countries in which the group will be developing its activities
- Inflation and FX fluctuations of the currencies of countries, in which the group is active and whose currencies it is using (PLN, RON, CZK, USD, EUR).
- An increase or a decline in the demand for shared hosting services, dedicated hosting, Internet domains and additional, related services
- An increase or a decline in the demand for multichannel, digital mass communications services

Shares and shareholding



Shares and shareholding

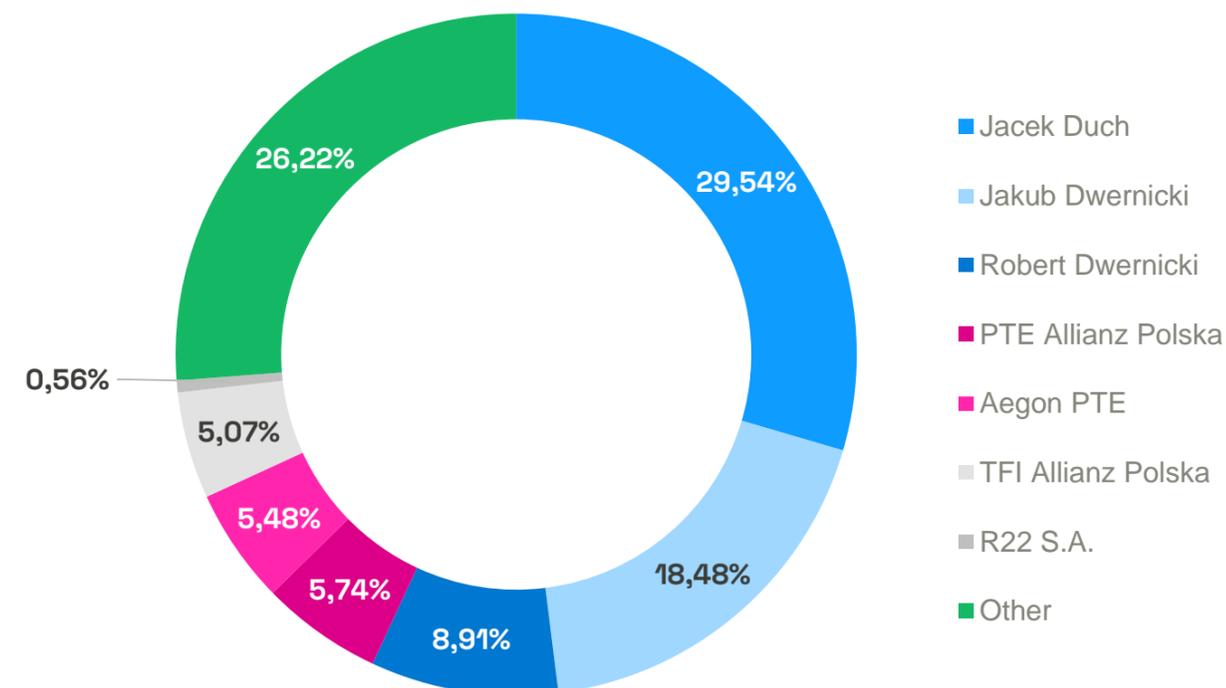
Shareholders holding at least 5% of votes at the General Meeting

As at the date of this report, the Company's share capital amounts to PLN 283,600 and is divided into 14,180,000 shares with a nominal value of PLN 0.02 each.

Shareholders holding at least 5% of the number of votes at the General Meeting as at 31 March 2023 and as at the date of publication of this report:

Shareholder	31 March 2023		23 May 2023	
	Number of shares / votes at the GM	% of shares in the share capital / votes at the GM	Number of shares / votes at the GM	% of shares in the share capital / votes at the GM
Jacek Duch	4.188.993	29,54%	4.188.993	29,54%
Jakub Dwernicki	2.620.479	18,48%	2.620.479	18,48%
Robert Dwernicki	1.263.193	8,91%	1.263.193	8,91%
PTE Allianz Polska	814 393	5,74%	814 393	5,74%
Aegon PTE	776 507	5,48%	776 507	5,48%
TFI Allianz Polska	718 880	5,07%	718 880	5,07%
R22 S.A.	80.000	0,56%	80.000	0,56%
Other shareholders	3.717.555	26,22%	3.717.555	26,22%
TOTAL	14.180.000	100,00%	14.180.000	100,00%

Shareholding structure as at 31 March 2023



Shares and shareholding

Own shares

R22 S.A. holds 80,000 own shares, which the Company purchased as a result of a share buyback conducted in July 2022. The repurchase was in the form of an invitation to submit offers for the sale of shares at a price of PLN 50.00 per share.

Employee shares

The company does not run any employee share programs. The employee shares program is conducted by the subsidiary Vercom S.A. It is addressed to the employees of the Vercom Group, and its implementation depends on the achievement of the market and performance goals of the Vercom Group.

In February 2023, an incentive programme was also enacted at cyber_Folks*. The programme is aimed at employees of the cyber_Folks Group and is subject to business and loyalty targets.

Business targets in the incentive programme for each year:

[PLN m]	2023	2024	2025	2026	2027
EBITDA	57	70	85	100	115

*The voting on the incentive program resolutions took place on 8 February 2023. Contracts with participants in the incentive program will be concluded in May 2023.

Company shares held by the Management Board and the Supervisory Board

Name	Position	27 March 2023	23 May 2023
Jacek Duch	Chairman of the SB	4 188 993	4 188 993
Jakub Dwernicki	President of MB	2 620 479	2 620 479
Robert Stasik	Vicepresident of MB	44 931	44 931

Agreements which may lead, in the future to changes in the share holdings among shareholders and bondholders

The company is not aware of any contracts that may change the proportion of shares held by shareholders.

Changes in the shareholding structure

On 9 January 2023 the Company received notice from PTE Allianz Polska managing Allianz Polska OFE and Allianz Polska DFE, in which the Fund informed that as a result of the merger with Aviva PTE Aviva Santander managing Second Allianz Polska OFE, the share in the Company's share capital and total number of votes in the accounts of Allianz OFE, Allianz DFE and Second Allianz OFE reached more than 5%.

In total, the balance in the accounts of Allianz OFE, Allianz DFE and Second Allianz OFE reached 814 393 shares, representing 5.74% of the company's share capital, which gives the right to exercise 814,393 votes from shares representing 5.74% of the total number of votes at the company's AGM.

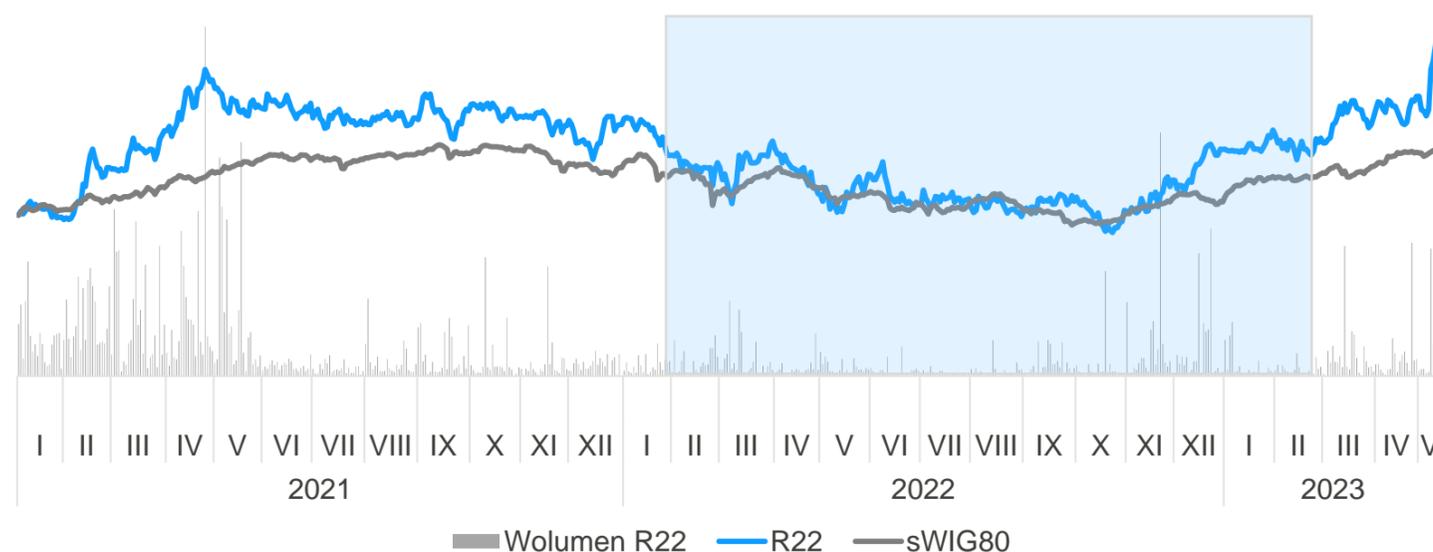
Shares and shareholding

R22 on the WSE

Shares of R22 have been listed on the Warsaw Stock Exchange since 29 December 2017. R22 shares were added to the sWIG80 and sWIG80TR indices. The company's shares are also part of WIG, WIG-Poland and WIGTECH indices.

At the end of 2022, R22 was trading 7.9% lower than at the beginning of 2022. From the beginning of 2023 to the date of approval of this Report, the share price has increased by 12.2%.

R22 share prices from the beginning of 2021, compared to the sWIG80 index.



Dividend

18 May 2023 R22's Management Board adopted a resolution to recommend the distribution of unconsolidated net profit for 2022. According to it, the entire last year's net profit (PLN 6.7m) would be allocated to dividends. In addition, the Management Board recommends that PLN 6.5m from the Company's reserve capital created from the Company's profits from previous years should also be allocated for distribution to shareholders. According to the Management Board's recommendation, the total dividend may amount to PLN 13.2m, or PLN 0.93 per share.

The Management Board's recommendation has been favorably reviewed by the Supervisory Board. The final decision on the dividend will be made by the General Meeting, which has been convened for 26 June 2023.

Dividend policy

In accordance with the dividend policy R22, the Management Board will recommend to the General Meeting of the Company the payment of a dividend in the amount of at least 30% of the consolidated net profit of the R22 Capital Group, attributable to the shareholders of the parent company, with a simultaneous increase in the nominal amount of dividend per share.

When recommending the distribution of the net profit R22, the Management Board will take into account the current and predictable financial and liquidity situation of R22 S.A. and the R22 Capital Group as well as existing and future liabilities.

The dividend policy was adopted by the R22 Management Board on 9 September 2019. The final decision on the amount of dividend paid is made by the General Meeting of R22 S.A.

Dividends and share repurchases carried out by the company in each calendar year.

Year	Dividend per share	Value of dividends	Value of share buy-backs	Total transfer to shareholders
2019	PLN 0.30 ¹⁾	PLN 4.254m	PLN 2.0,	PLN 6.3m
2020	PLN 0.28 ²⁾	PLN 3.948m	-	PLN 3.9m
2021	PLN 0.57 ³⁾	PLN 8.037m	-	PLN 8.0m
2022	PLN 0.71 ⁴⁾	PLN 10.068m	PLN 4.0m	PLN 14.1m
2023	PLN 0.93 ⁵⁾	PLN 13.187m	-	PLN 13.2m

1) Dividend for the 2018/2019 financial year.

2) Advance dividend on profits for FY 2019/2020

3) Dividend advance from earnings for 2019/2020 FY.

4) Dividend advance for 2021 FY.

5) Amounts resulting from the Management Board's recommendation. The decision on dividends will be made by the AGM on 26 June 2023.

Management Board and Supervisory Board



Management Board R22

Founder and main person managing the R22 Group

The main author of the hosting business acquisition strategy. President of cyber_Folks S.A.

In R22, he is responsible for development strategy and acquisitions



Jakub Dwernicki

President of the Management Board



Robert Stasik

Vicepresident of the Management Board

Member of the Management Board, Financial Director, CIMA

He has been associated with the R22 Group for 9 years, as the Financial Director since 2014.

Responsible for managing the Group's finances, controlling, relations with banks, acquisitions



Supervisory Board

Jacek Duch

Chairman of the Supervisory Board

In 1970 he graduated from the Warsaw University of Technology. During his doctoral studies he worked at Nixdorf Computer in Germany and then as a researcher at PSI AG in Berlin. In the years 1978-1993 he worked for Digital Equipment Corporation (DEC) where he led projects including in Munich, Vienna and Paris. He supervised the creation of the DEC branch in the countries of Central Europe, including Poland.

From 1993 to 1998, he was the head of Oracle Polska and then served on the management boards of Prokom Software S.A. and Prokom Internet S.A., as well as numerous supervisory boards, among others Postdata S.A., Bank Pocztowy S.A., PVT a.s, numerous Asseco companies. He has extensive experience in both technical software engineering and management in international and Polish IT groups.

Katarzyna Zimnicka-Jankowska

Member of the Supervisory Board (independent)

A graduate of the Faculty of Organization and Management at the Lodz University of Technology. He holds the Chartered Financial Analyst title. She completed numerous courses and trainings in accounting, financial management, financial modeling and business valuation.

Running his own business, and previously working at KPMG Advisory Spółka z ograniczoną odpowiedzialnością sp. K., Pekao Access Sp. z o.o., Armada Sp. z o.o. and Grupa Zarządzająca Łódź Sp. z o.o. - companies specializing in corporate finance consulting - implemented projects in the field of mergers and acquisitions, obtaining financing for transaction purposes and the implementation of investment plans, as well as financial restructuring projects.

She was a Member of the Management Board, Commercial Director and Strategy Director of PKP Intercity S.A., where she was responsible, inter alia, for IT systems and IT development. She sits on the supervisory boards of IDS-BUD S.A. and DiM Construction Sp. z o.o.

Prof. dr hab. inż. Wojciech Cellary

Member of the Supervisory Board (independent)

Computer scientist currently working at the WSB Merito University in Poznan. Previously he worked at 3 universities in Poland - Poznan University of Technology, where he held the position of Deputy Director of the Institute of Computer Science, at the Franco-Polish School of New Information and Communication Technologies, where he held the position of Vice Rector for Science, and at the Poznan University of Economics, where he held the position of Head of the Department of Information Technology. In addition, he worked at 6 universities in France and Italy and was a visiting professor at the United Nations University in Macao and Portugal. He was the manager of more than 80 research and industrial projects, the main organizer of 60 scientific conferences, and a member of the program committees of 350 conferences. He has authored over 200 scientific publications. His professional activities include consulting, membership in professional organizations, editorial boards of scientific journals, expert groups, committees, councils and associations. He has promoted 18 PhD's, 6 of whom were subsequently habilitated and 2 of whom became full professors. He has received 40 awards for achievements in scientific and teaching work.

His lectures in Polish, English and French were attended by about 20,000 students. Currently he specializes in e-business technology, e-government, digital economy and society and Industry 4.0.

Magdalena Dwernicka

Member of the Supervisory Board

In 2002, she graduated from the University of Agriculture in Poznań, in 2003 and 2004 she graduated from Marketing Business Management and Human Resources Management at the Academy of Economic Development. In 2003-2004 she participated in a series of trainings in the field of implementation and settlement of projects implemented under the European Social Fund organized by PARP.

She worked in 2007-2012 as a PR specialist in Telepuls "Spider" Sp. z o.o. S.K.A. based in Poznań, in the years 2012 - 2017 as Ogicom "Spider" Sp. z o.o. S.K.A. (currently H88 S.A.) based in Poznań as an EU Projects Specialist.



Supervisory Board

Kamil Pałyska

Member of the Supervisory Board (independent)

Kamil Pałyska has over 13 years of experience in the field of finance. Currently, he leads the team in the finance department at Agora SA Capital Group, supporting the companies in the Group in the field of controlling, financial and non-financial reporting, taxes and financial reporting. He also conducts training in the field of new standards and changes in tax legislation regarding the finances of large enterprises.

He has an accounting certificate issued by the Minister of Finance and is at the final stage of receiving the international ACCA (Association of Chartered Certified Accountants) title. He is a graduate of the University of Warsaw, where he graduated in Finance and Accounting.

He started his professional career in an accounting office where he took his first steps in finance. After 4 years, he moved to the international consulting company KPMG, where he continued to expand his knowledge in the field of finance, starting from the position of the Senior Manager of audit projects in the Technology, Media and Telecommunications department. In the years 2018-2020 he was a Manager in the Audit Department at Deloitte Polska. During these 7 years, he participated in many consulting projects in the field of audit, acquisition, restructuring and assistance in introducing IPO of listed companies.

Changes in the Management Board and Supervisory Board

There were no changes to the composition of the Management Board and Supervisory Board in Q1 2023.

Other informations





Other informations

Principles of managing the Company and the Group

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

Description of material court proceedings

R22 Group has yet to settle advance Payments made to SOPOL Solewodziński sp. j. („SOPOL”) totaling PLN 517 thous. For the provision of services. The R22 Group, According to the agreement on the provision of services signed with SOPOL has charged a contractual penalty totaling PLN 1,100,000 for the failure by SOPOL to provide the minimum daily capacity for text messages as per contractual terms. Proceedings to issue a payment order were initiated on 2 July 2018. The contractual penalty has not been booked as a profit until there is a strong likelihood of the actual collection. A court bailiff at the District Court in Mikołów has initiated enforcement proceedings against the properties owned by the partners of SOPOL. Additionally, the R22 Group has a judicial mortgage of PLN 1,396,208.04 on a property owned by SOPOL in order to secure its claims arising from the above contractual penalty. In 2020, the Group made a write-down on receivables in the amount of PLN 250 thousand. As at 31 December 2021, the Group assessed the risk of the debtor’s repayment of receivables and, as a result of this assessment, considers that the write-downs made in the previous year are sufficient.

As at the date of the report, proceedings brought by the company Vercom S.A. are pending. towards Polkomtel sp.z o.o. for the payment of PLN 4,806,945 with statutory interest for delay for the period from 4 May 2020 to the date of payment as a contractual penalty reserved for the benefit of the Company. The suit was filed by the Company on 5 February 2021. In the opinion of the Company, Polkomtel did not duly perform its obligations under the contract concluded between the parties regarding the execution of the Company’s orders regarding the sending / receiving of SMS / MMS messages by the Company in accordance with the rules set out between the parties.

Aside from the above, the R22 group has no other material proceedings before courts, arbitration bodies or the institutions of public administration relating to claims by R22 and its subsidiaries.

Employment

As at 31 March 2023 the Group had 449 employees calculated on a full-time basis. In the course of Q1 2023, the average employment totaled 442 employees

Sureties and guarantees

Sureties and guarantees are described in the consolidated financial statements.

Significant transactions with related entities

Transactions with related entities were presented and described in consolidated financial statements (Note 22).

Financial forecast

The Management Board has not published financial forecast.

Relevant Agreements

In Q1 2023, the Group has not signed significant agreements.

General Meeting

The Management Board has convened the Company’s Annual General Meeting for 26 June 2023. At the AGM, shareholders will decide, among other things, on the distribution of net profit earned in 2022, the payment of dividends and the merger of R22 S.A. with cyber_Folks S.A.

Information on the General Meetings is available on the company’s website: <https://www.r22.pl/company-pages/walne-zgromadzenie>



Date of preparation and approval for publication of
R22 Group Quarterly Report for Q1 2023:

23 May 2023

Date of the publication of
R22 Group Quarterly Report for Q1 2023:

23 May 2023



Jakub Dwernicki

Chairman of the Management Board



Rober Stasik

Vice-President of the Management Board