

Poznań, 14 November 2023

# > Quarterly report of cyber\_Folks Group\_

For Q3 2023  
ended 30 September 2023



cyber\_Folks™

## >Dear Shareholders, Employees, Partners\_

cyber\_Folks group posted record results in Q3 2023. Above all, we have proven that we are able to grow at a very impressive pace in a purely organic manner. In Q3 2023 adjusted EBITDA grew by 30% yoy to PLN 36.2m while our net profit rose 3-fold to PLN 16.8m.

Both cyber\_Folks and Vercom segments made a positive contribution to our results. In both cases, the performance was driven exclusively by organic growth. These segments are benefiting from growing trends towards digital transformation, the spread of digital services and the development of e-commerce and we are able to leverage these effectively by offering our clients more and more services and constantly raising the quality of our existing solutions.

It is also worth emphasizing that at the moment both primary segments focus on SME clients. The vast majority of our margins are generated by this client category and it is to these clients that we are addressing our product portfolio. The convergence of both segments became possible mainly thanks to Vercom's acquisition of MailerLite in 2022 which, as a result of dynamic growth has significantly transformed the structure of Vercom segment clients, tilting it towards the SME sector.

What makes us stand out is the client-centric product ecosystem. We are already offering our clients a full range of support services in the operation and digital transformation of their businesses and our R&D teams are working on further improvements. These actions are having their impact because our services are already being used by 350k clients in over 100 countries. We are well on our way to further expand this group. And our ambition is to become a unicorn.

We are the first port of call for clients who appreciate holistic competence and an understanding of the e-commerce sector. This year, we are focusing on the development of proprietary solutions. The foundations for our strong market position is the fact that we follow the changes, analyze trends and create modern products. The group is developing in two key segments, cyber\_Folks and Vercom. The first one represents an entire ecosystem of services ranging from hosting and domains through e-commerce tools and up to the support to manage a business online. In Q3, adjusted segment EBITDA rose by 19% yoy to PLN 14.8m. The other segment, Vercom, consists of offering communications services, including email and text message communications solutions in the SaaS model. In Q3 2023 adjusted EBITDA totaled PLN 22.2m, a 35% increase yoy.

We can undoubtedly call ourselves pioneers. Our proprietary solution, an AI-based domain creator, is used by fully 30% of our users. We are also developing the Billz service, an automatic, intuitive invoicing program for small business. Another important element is the \_Stores solution thanks to which clients are able to create their own online store in just several steps. And that's just some of the examples of how modern technology is driving our business.

The rebranding to cyber\_Folks is not just about semantics but it's a strategic action showing the area in which we want to focus and a step towards building even stronger relations with Group's stakeholders. In October, as announced earlier, we launched an incentive program for our shareholders. We want to reward them for their trust and for long-term investment into cyber\_Folks. We are the first tech company on the WSE to launch such a program.

I would like to extend my gratitude to all those involved in the development of cyber\_Folks Group - our Employees, Partners, Clients and Investors for effective collaboration and for the trust they gave us. I am convinced there are many excellent moments and excellent market prospects ahead of us.

Sincerely,

Jakub Dwernicki, CEO

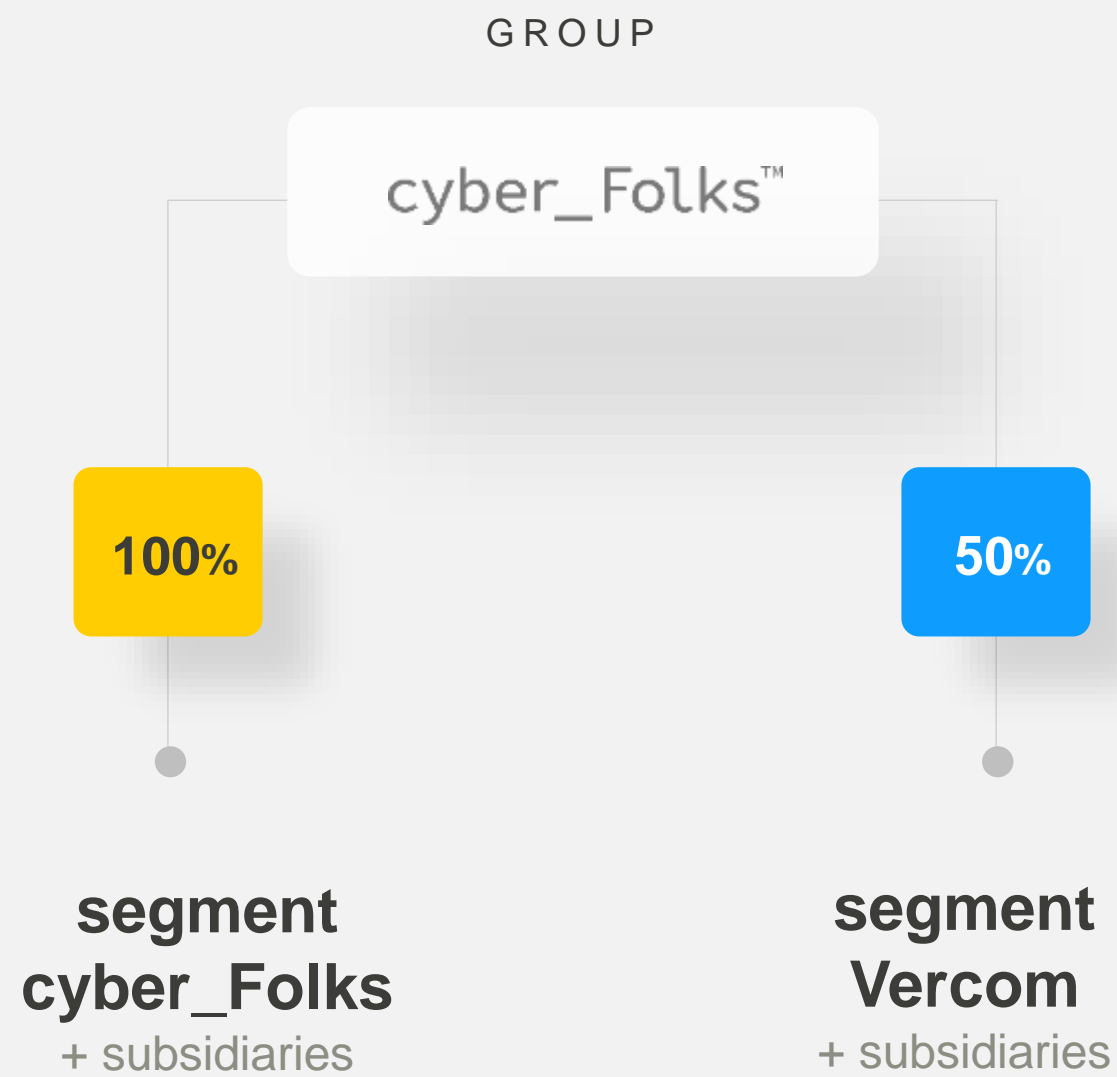


**JAKUB  
DWERNICKI**

CEO of cyber\_Folks



## > Two complementary business lines



KRZYSZTOF SZYSZKA  
CEO of Vercom

Vercom

JAKUB DWERNICKI  
CEO of cyber\_Folks

cyber\_Folks

SaaS

## >About us\_

# 01

We are a group of dynamically growing technology companies providing solutions to **>350k clients worldwide.**

# 02

We support **small, medium and large companies** with their online presence, automation of business process, communications, marketing and sales while generating **annual sales of c. PLN 460m\*.**

\*revenues of the last 12 months

# 03

Our portfolio focuses on **scalable products** offered in a **subscription model.**





## >What we do\_

### cyber\_Folks

#### Build your online presence:

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

### Vercom

#### Facilitate contact with your clients through omnichannel communication:

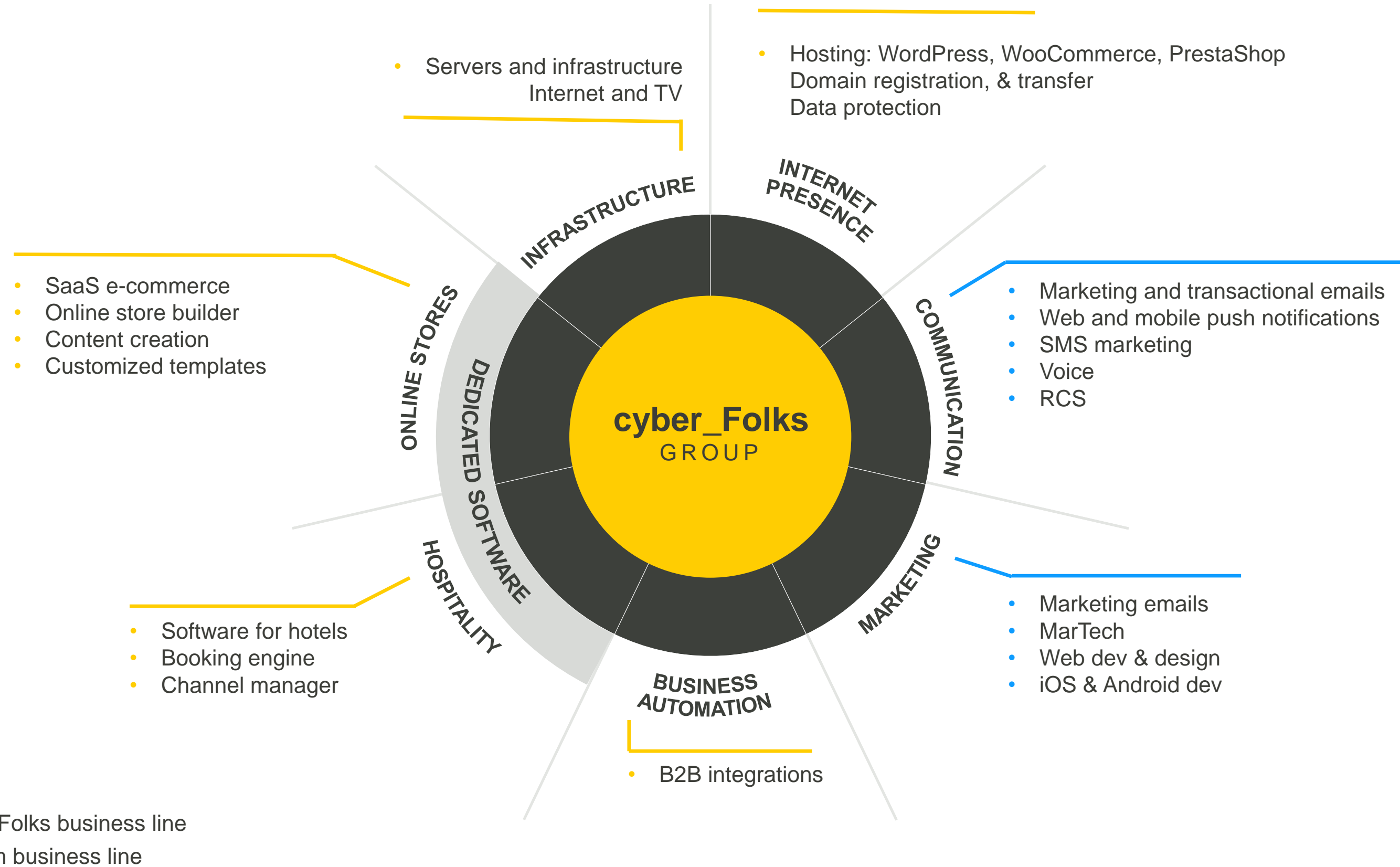
- Marketing and transactional e-mails
- SMS notifications
- Web and mobile push notifications
- Voice
- RCS

### SaaS

#### Optimize processes with business automation solutions:

- B2B integrations
- E-commerce integrations
- Dedicated software (online stores and hotels)

# >360° Ecosystem





## >Agenda\_

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## > Why cyber\_Folks? \_



### WE ARE GROWING RAPIDLY

Our revenues have been growing at a **40%** rate per year (CAGR) for the past 20 years; revenues **rose four-fold** since the IPO in 2017 and our market cap **increased five-fold, topping PLN 1bn.**



### WE OPERATE ON A GLOBAL SCALE

We offer solutions to **over 350k** small, medium and large **business clients** located in **over 100 countries** worldwide.



### WE ARE PROFITABLE AND WE SHARE PROFITS WITH OUR SHAREHOLDERS

We generate **about PLN 130m in operating cash flow**, money that we invest in further growth but which we also share with our shareholders. **We have been paying a dividend, increasingly higher each year**, since the beginning of our presence on the WSE.

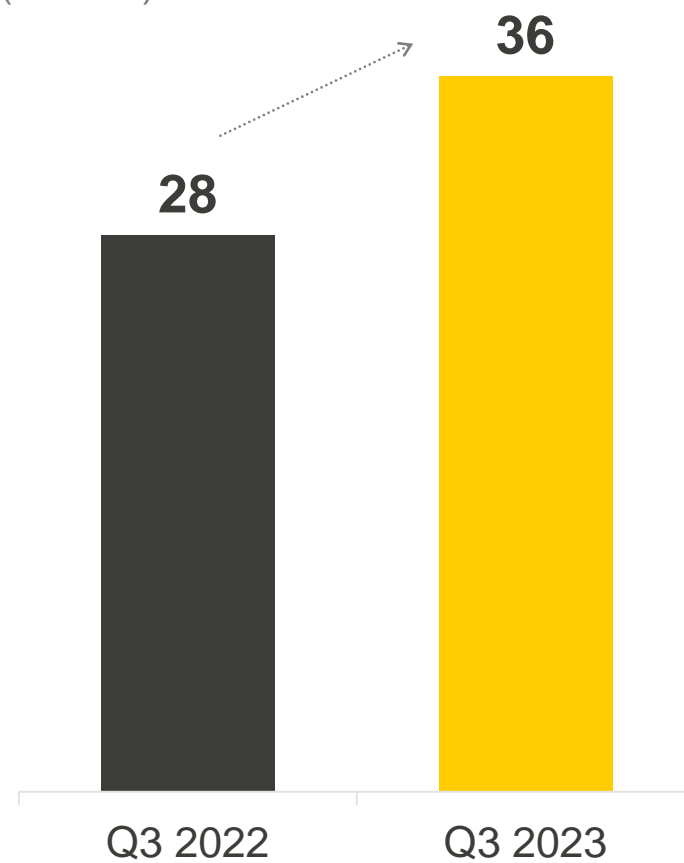


## >cyber\_Folks: Record **organic** growth of financial results\_

### Adjusted EBITDA

(PLN m)

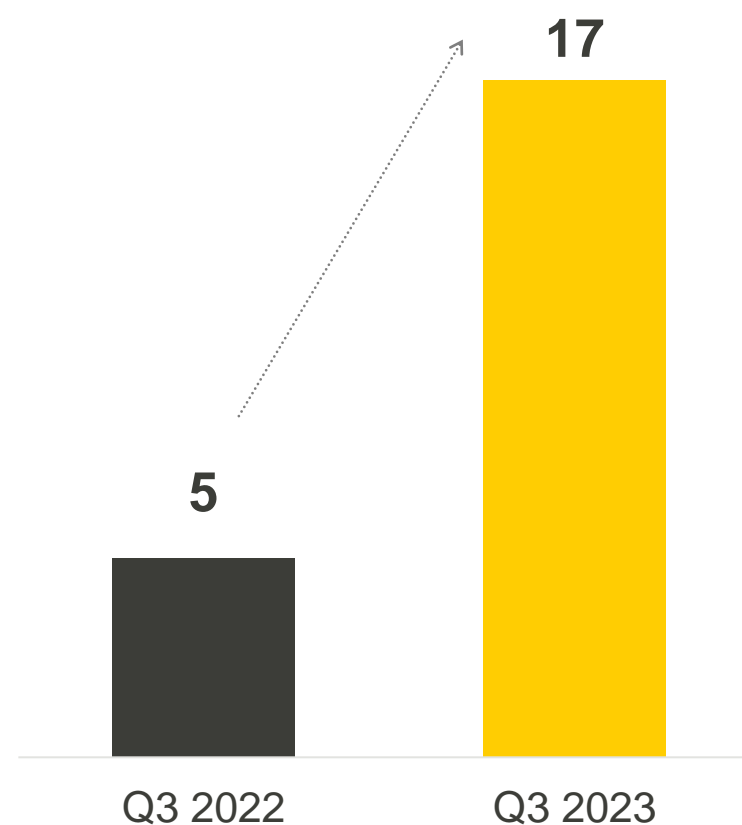
+30%



### Net profit

(PLN m)

+230%



In 3Q23 the increase of our financial results was driven **solely by organic growth**.

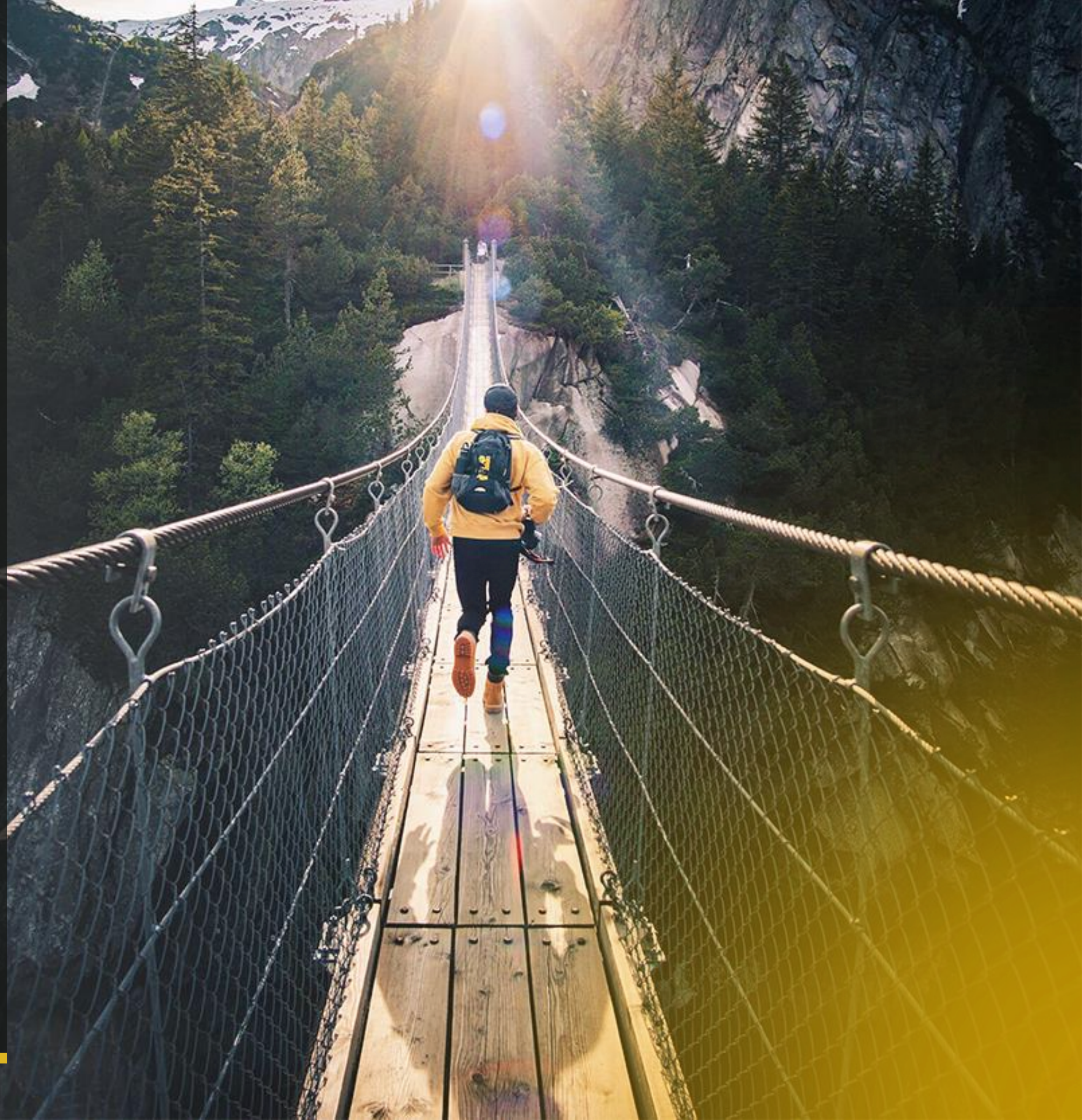
During the reporting period and in the comparable period **we made no acquisitions** that would impact the results.



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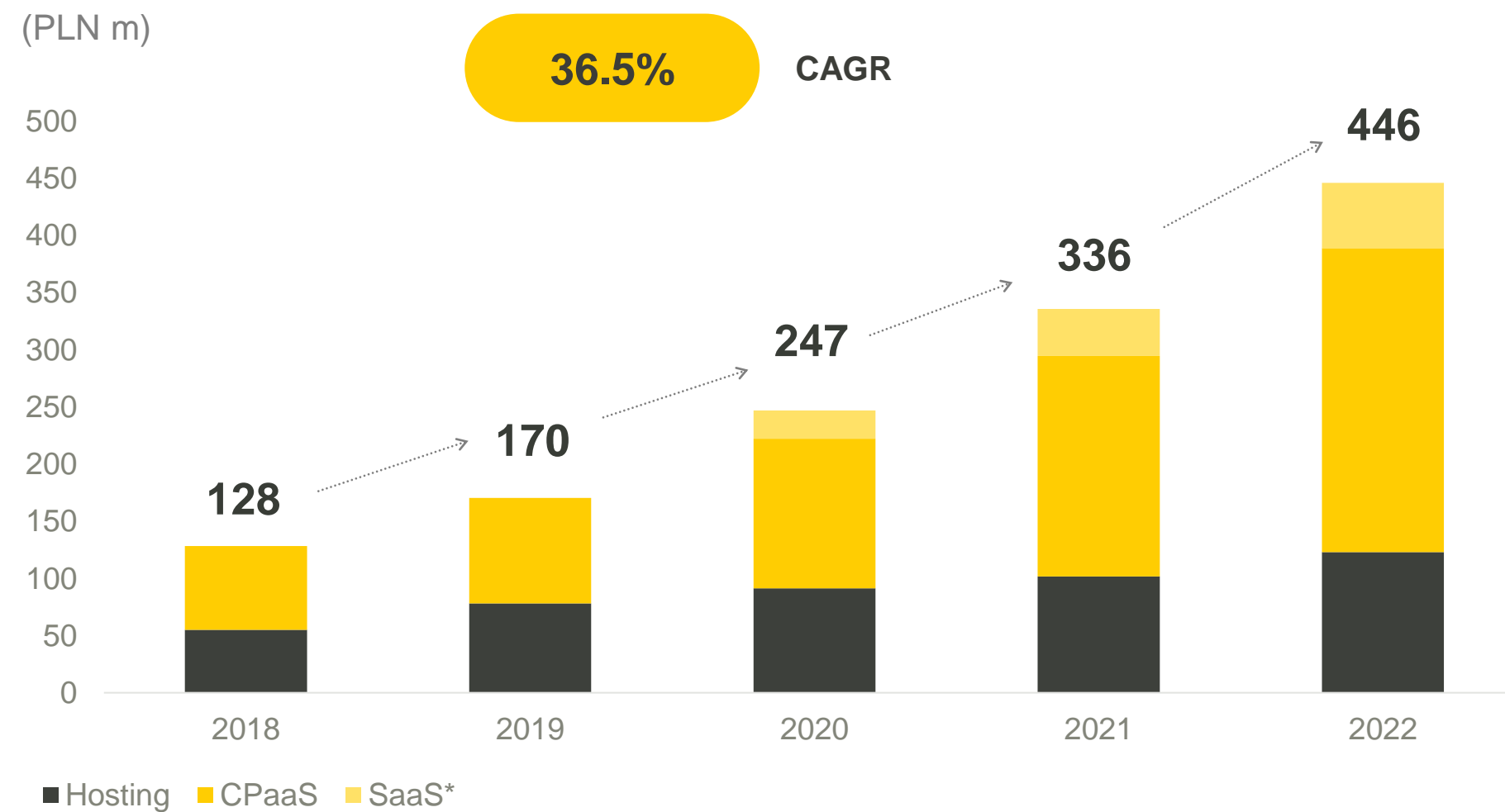
# > Growth Dynamics

Turning Strategy  
into Results





## >Revenue: Accelerating the growth momentum with highly diversified revenue structure

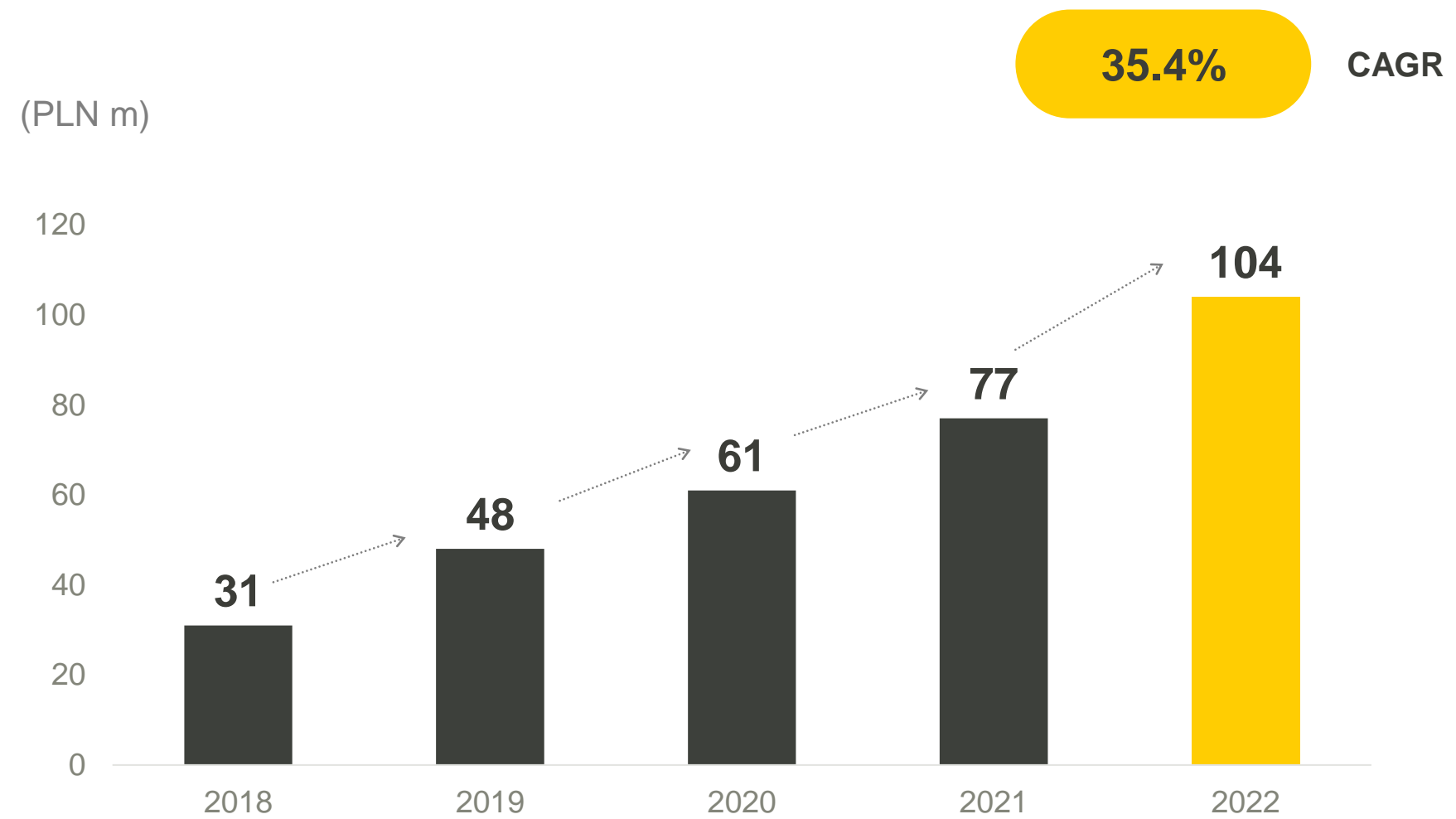


\*SaaS segment: The data for this segment also includes financial results of Profitroom and SellIntegro, which are only consolidated by the Group in the net result (no consolidation at the level of revenues and EBITDA). Group R22 has an option of taking over a controlling stake in both companies.

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

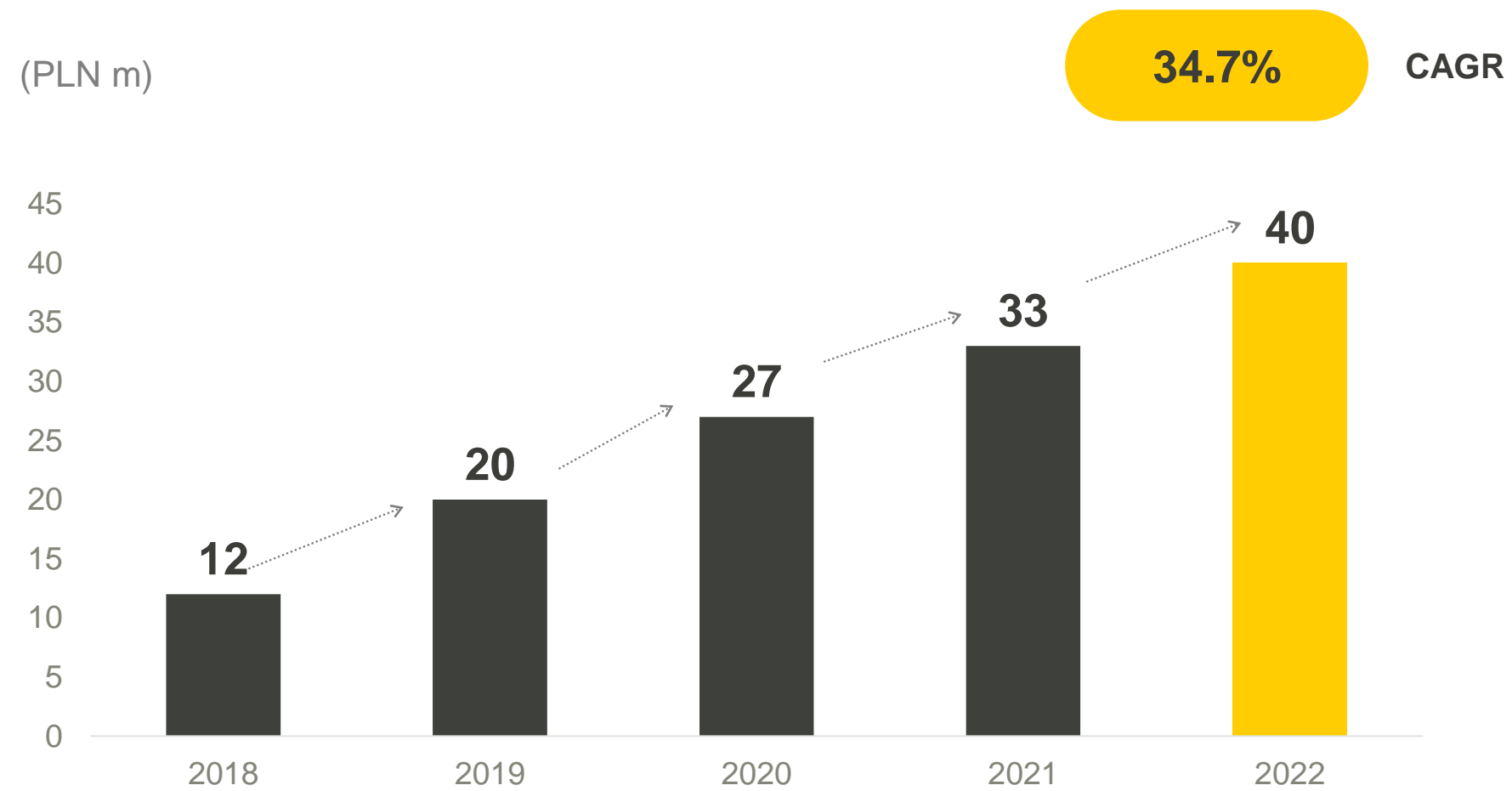


## > EBITDA: Proving our business value\_

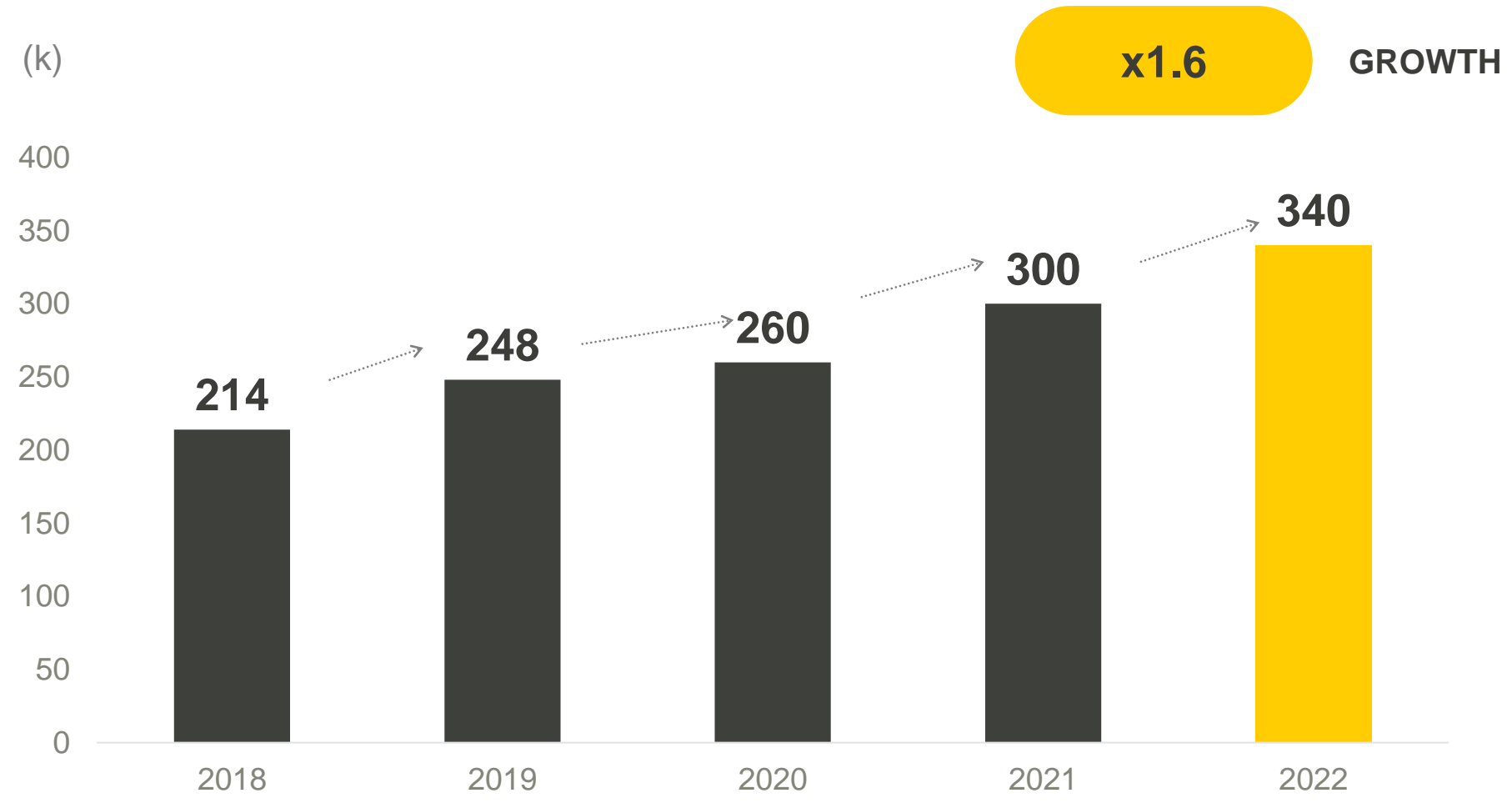




## >Net profit: Continuous profitability and cash flow generation\_

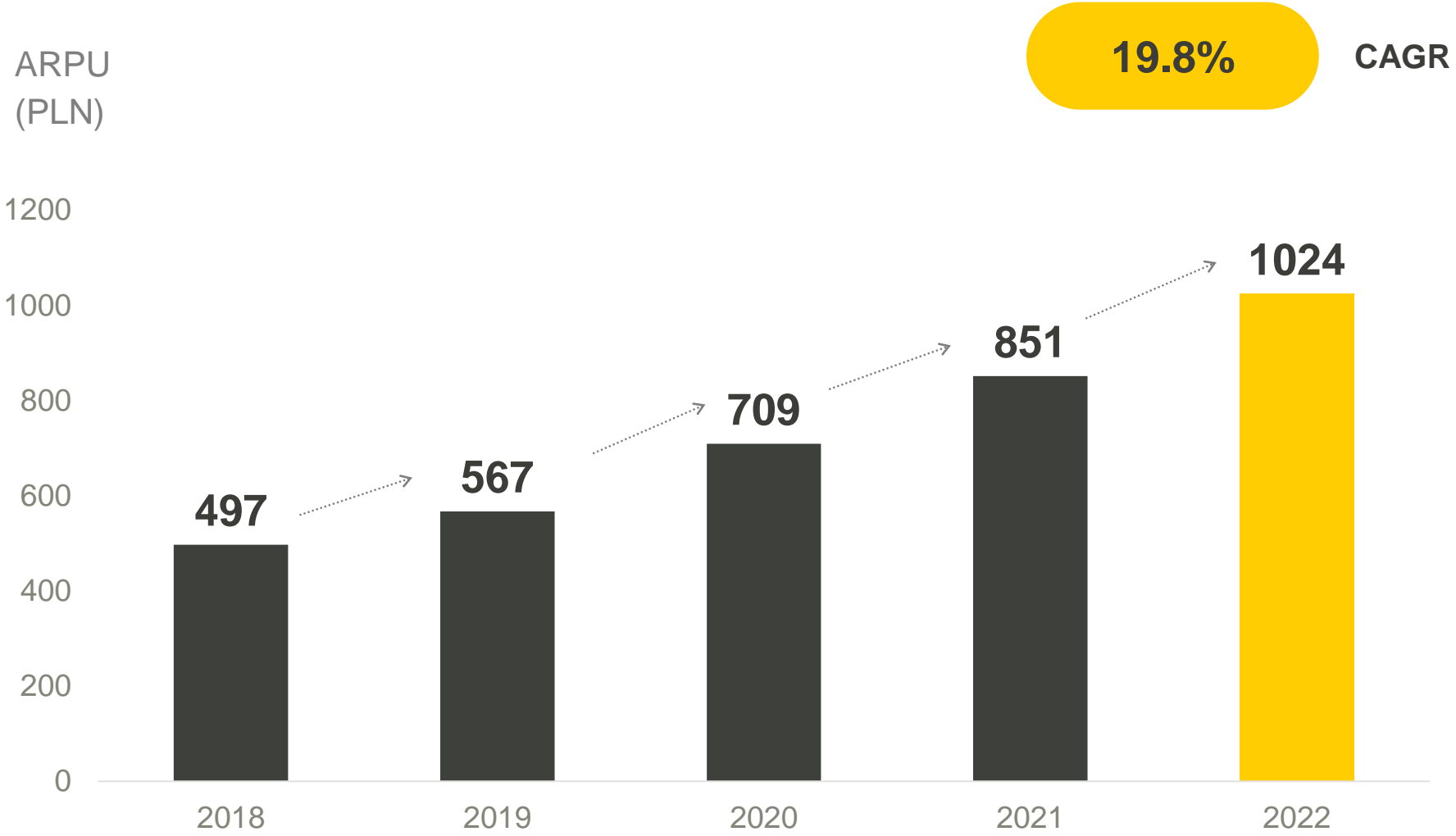


> **Customers:** Stability thanks to the trust of over 350k customers\_





> **ARPU\***: Supporting a strong value proposition



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



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**>Product  
ecosystem for  
SMEs\_**

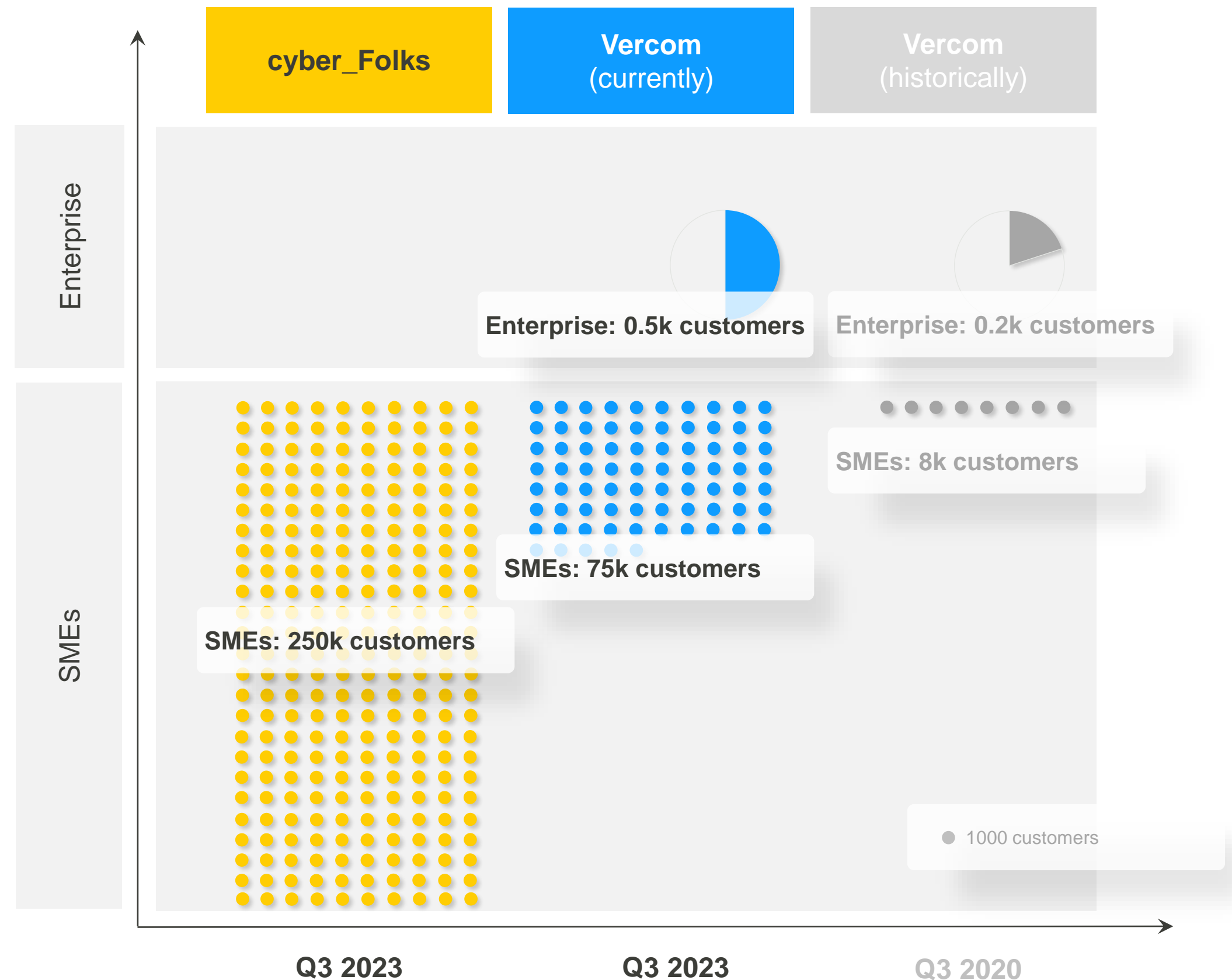




# >SME product ecosystem\_

## CLIENT STRUCTURE

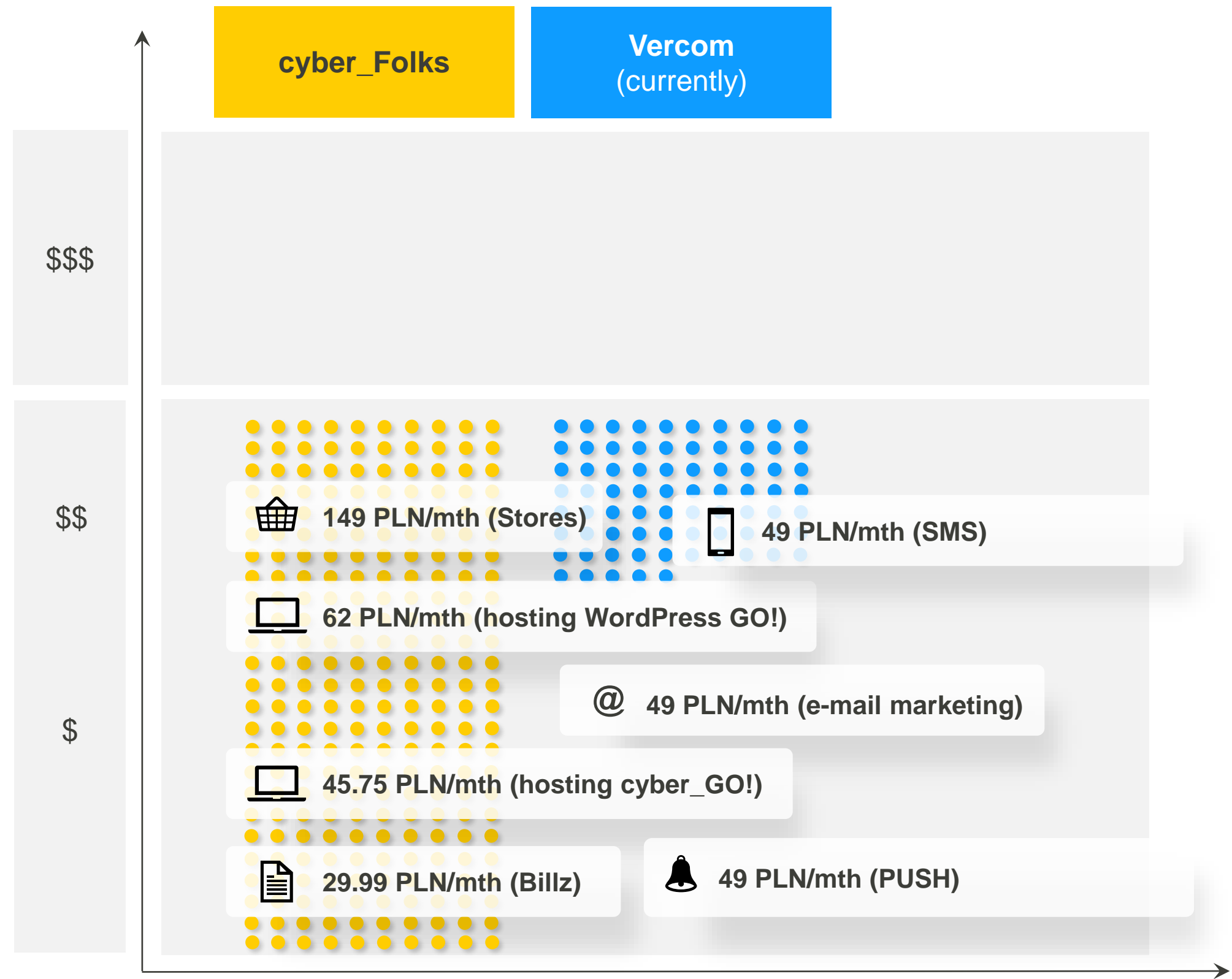
Historically, the Vercom segment was working primarily for big, enterprise-class clients. After the takeover of FreshMail and MailerLite, providers of email marketing solutions for small and medium-sized enterprises, Vercom changed the structure of the recipients of its products. **At present small and medium-sized clients (SMEs) generate the majority of Vercom segment's margins.**



# >SME product ecosystem\_

## SPRODUCT STRATEGY

Both group segments, i.e. **cyber\_Folks** segment and **Vercom** segment have extensive offering of **LITE** products, i.e. products that are simple to use, designed for clients who lack the technical knowledge, i.e. small and medium-sized business clients. Thanks to this offering the Group is able to provide an **ecosystem of products essential to conduct business over the Internet.**



\*Products and prices shown are for reference only and are used for the purpose of this presentation. Detailed price lists are available on the websites of selected brands included in the cyber\_Folks Group. Current prices may vary depending on the package selected, subscription period, discounts and other variables.



## >Key effects of **SME**-focused strategy\_



### HIGHER MARGIN

Products addressed to **small and medium-sized business clients (SMEs)** are characterized by **higher margins** compared to products for enterprise-class corporations. Thus, **we are improving our margins at EBITDA and net profit levels, as shown in Q3 2023 financial results;** the improvement of our margins in Q3 2023 is not due to a cost-reduction, but rather to the **change of client mix.**



### DIVERSIFICATION

The focus on SMEs also leads to greater diversification of our revenues because of the size, sector and clients' operating markets.

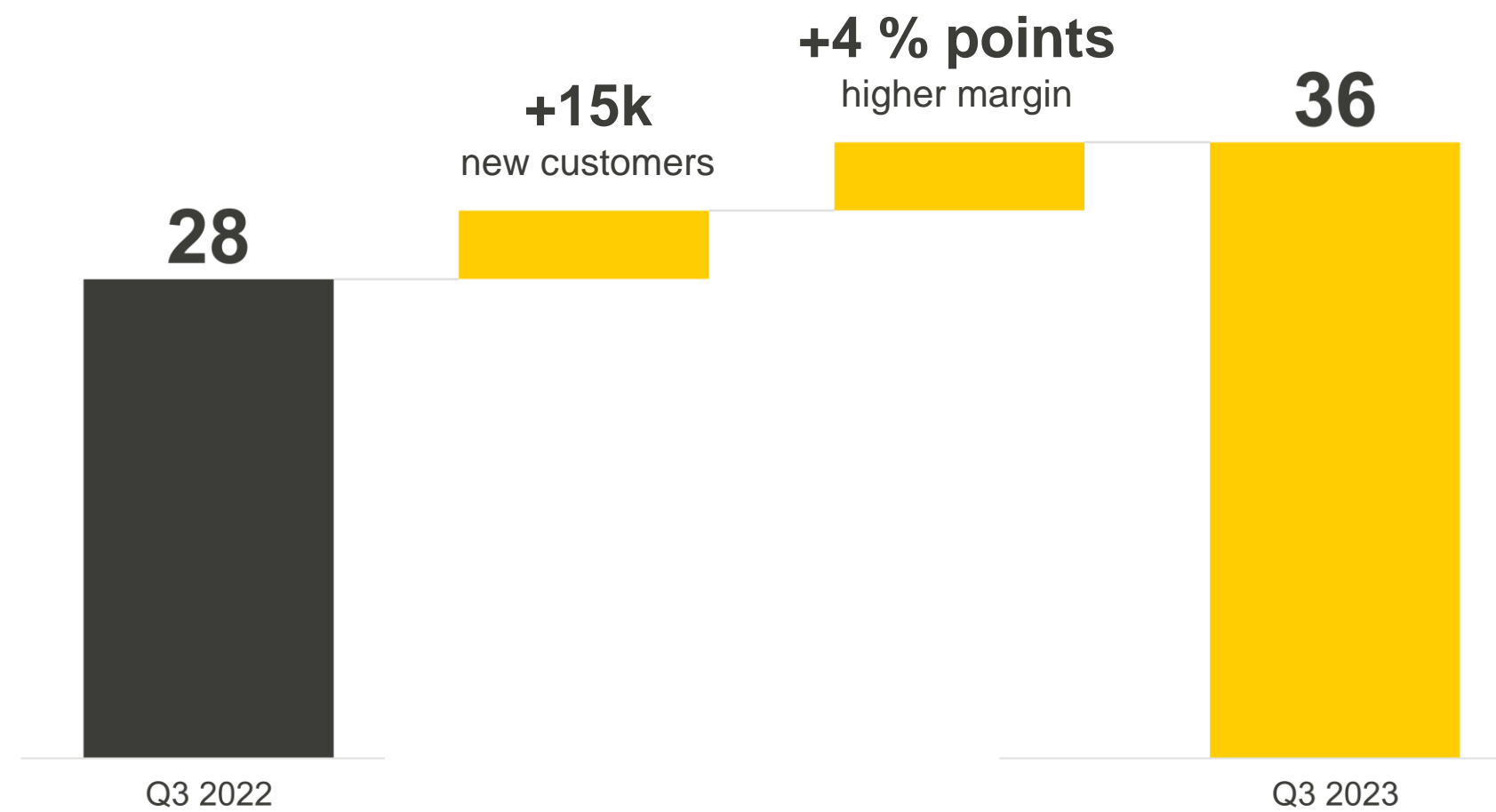


### ECOSYSTEM

We are a **one-stop shop**, offering an **ecosystem of products essential to conduct business.** Our product **portfolio** is sellable **to the entire customer base** across all segments.

# >30% organic EBITDA growth\_

## Adjusted EBITDA (PLN m)





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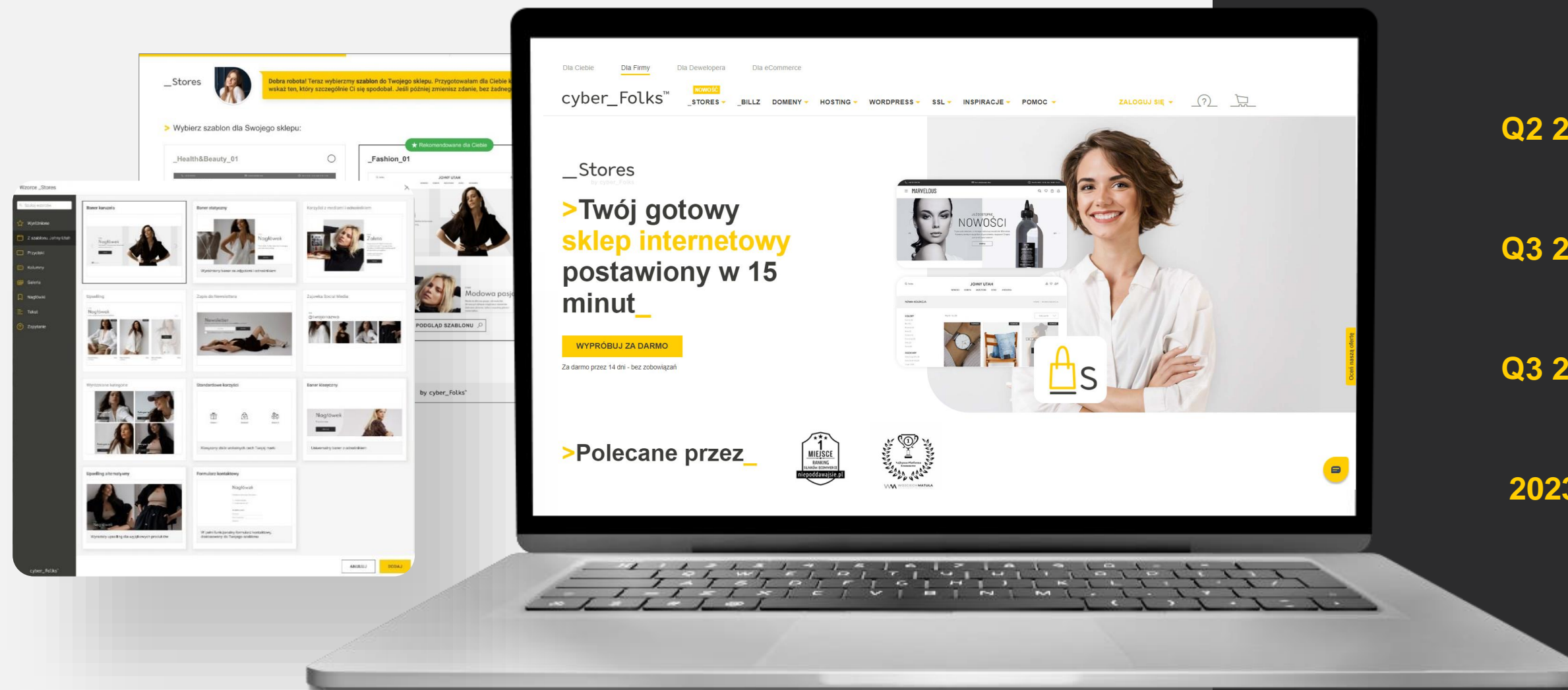
> We are a **strong and friendly** tech brand\_





## >As a **tech company**, we focus on R&D\_

We are launching new products in the area of **e-commerce** and using **AI** to increase the efficiency of our clients' operations.

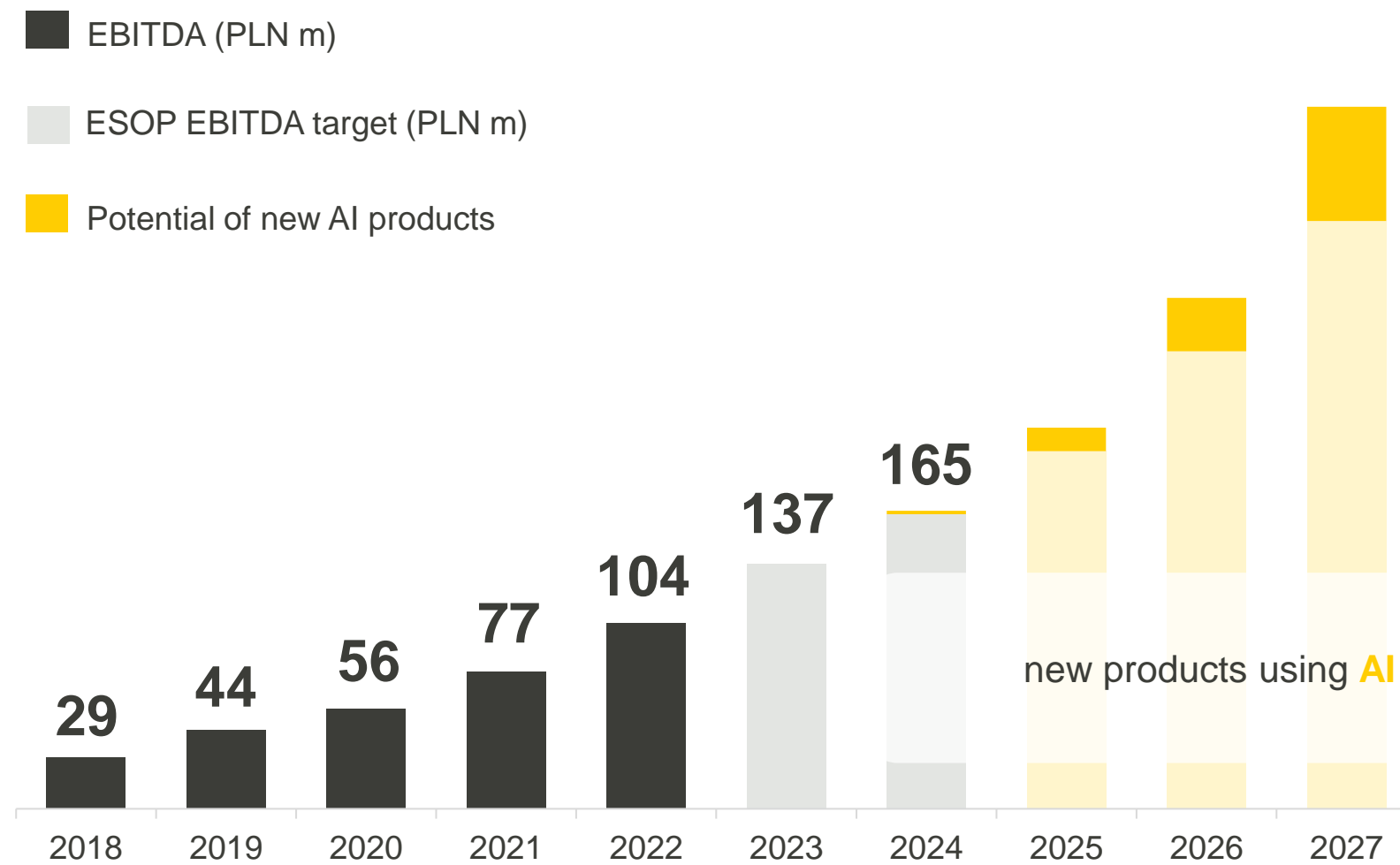


## Portfolio Development:

- Q2 22** Stores – online store builder
- Q4 22** AI – AI domain builder
- Q1 23** MessageFlow – global multichannel communication product
- Q2 23** AI powered Drag & Drop Email Marketing Editor
- Q3 23** Monitoring – Google position monitoring
- Q3 23** Billz – invoice software
- 2023** Release of more products soon



# >A perspective on the potential contribution of AI\_



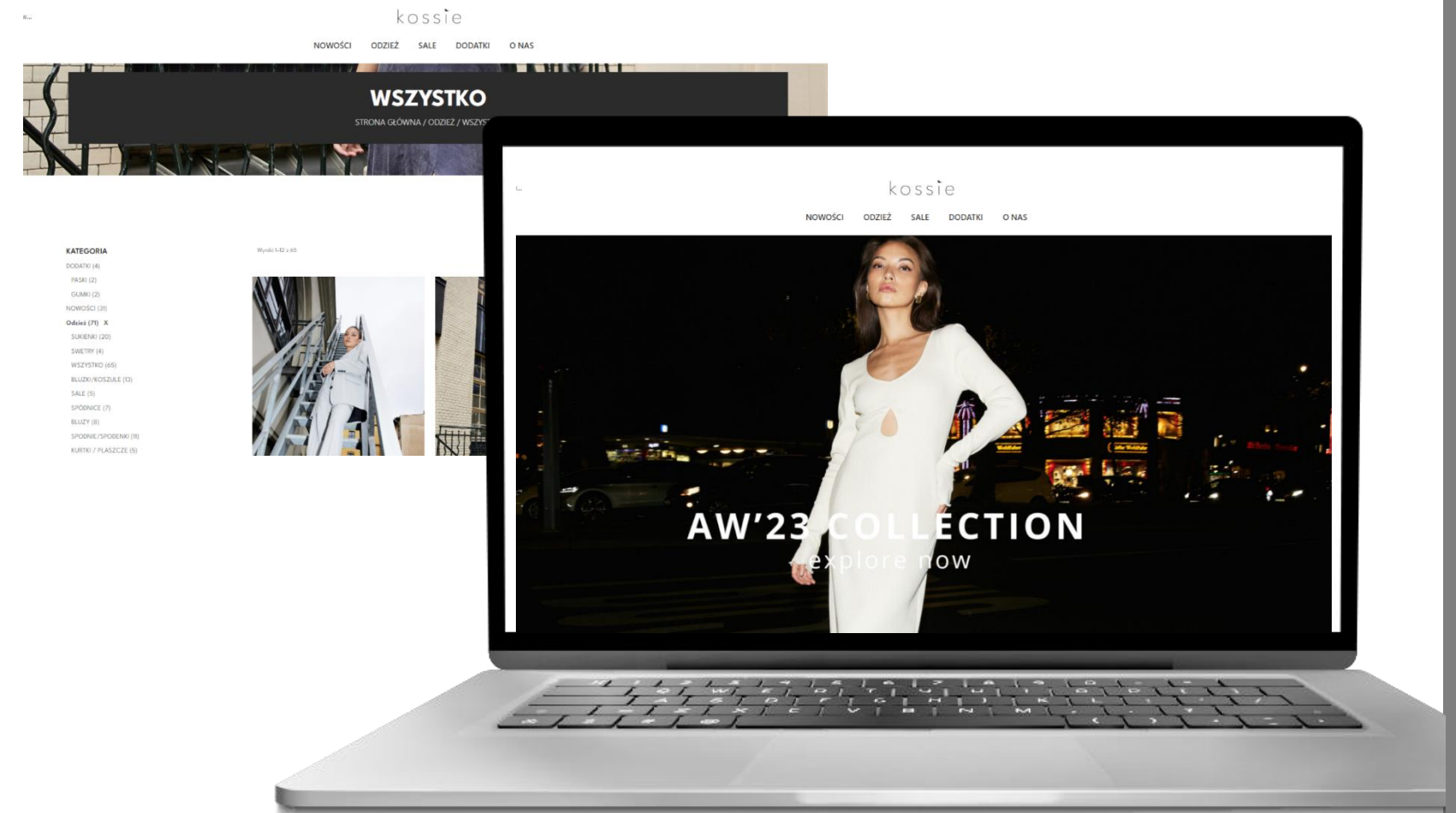
\*The ESOP program's assumptions enriched by the potential opportunities brought by new products using AI.



## >Stores: Online store builder\_

**\_Stores** is a comprehensive online **store creation tool** where you will find everything to easily and effectively start, run and grow your online sales.

~ 100 new stores in X 2023 alone



### Positive user opinions\_

” We admire the intuitive, simple to use and comfortable. Adding new products is now a pure pleasure and ready-to-use templates make the process of setting up new stores very simple. The support team responds instantly, eliminating the difficulties. Thanks to \_Stores we were able to focus on business development, leaving the configuration process in the hands of their team.

” After the migration the store is not only visually attractive but also **gives us essential tools for effective sales**. The store provides solid support for our brick-and-mortar sales. Our website is also significantly more visible in the search results **achieving better SEO results than 99% of competing websites in our category**.



## > We build a **strong brand** by sharing knowledge and experience\_

- ✓ **15 000** conference attendees with representatives of the cyber\_Folks brand
- ✓ **8 000** participants in our webinars
- ✓ **3 100** participants in our web development course
- ✓ **2 200** participants in our e-commerce course





## >Goal: Unicorn\_

Our goal is to duplicate the growth rate delivered since the IPO and thus **turn into one of the very few Polish unicorns.**

We will reach that goal by:



### **GAINING 1 MILLION CLIENTS**

Organic growth and acquisitions on the global market



### **FURTHER ARPU GROWTH**

Broadening the product portfolio, particularly in the field of products for the e-commerce sector and those using AI





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## >Market

From local company to  
global player





# >Market: x50 increase of the target market through product-based and geographic expansion\_

Goal: Maintaining growth through:

## → Product-based expansion

Unlocking new opportunities in the SaaS segment by broadening the product portfolio complexity to meet specific client needs.

## → Segment-based expansion

Increase customer base by mapping and targeting new customer segments in terms of customer size, industry and location.

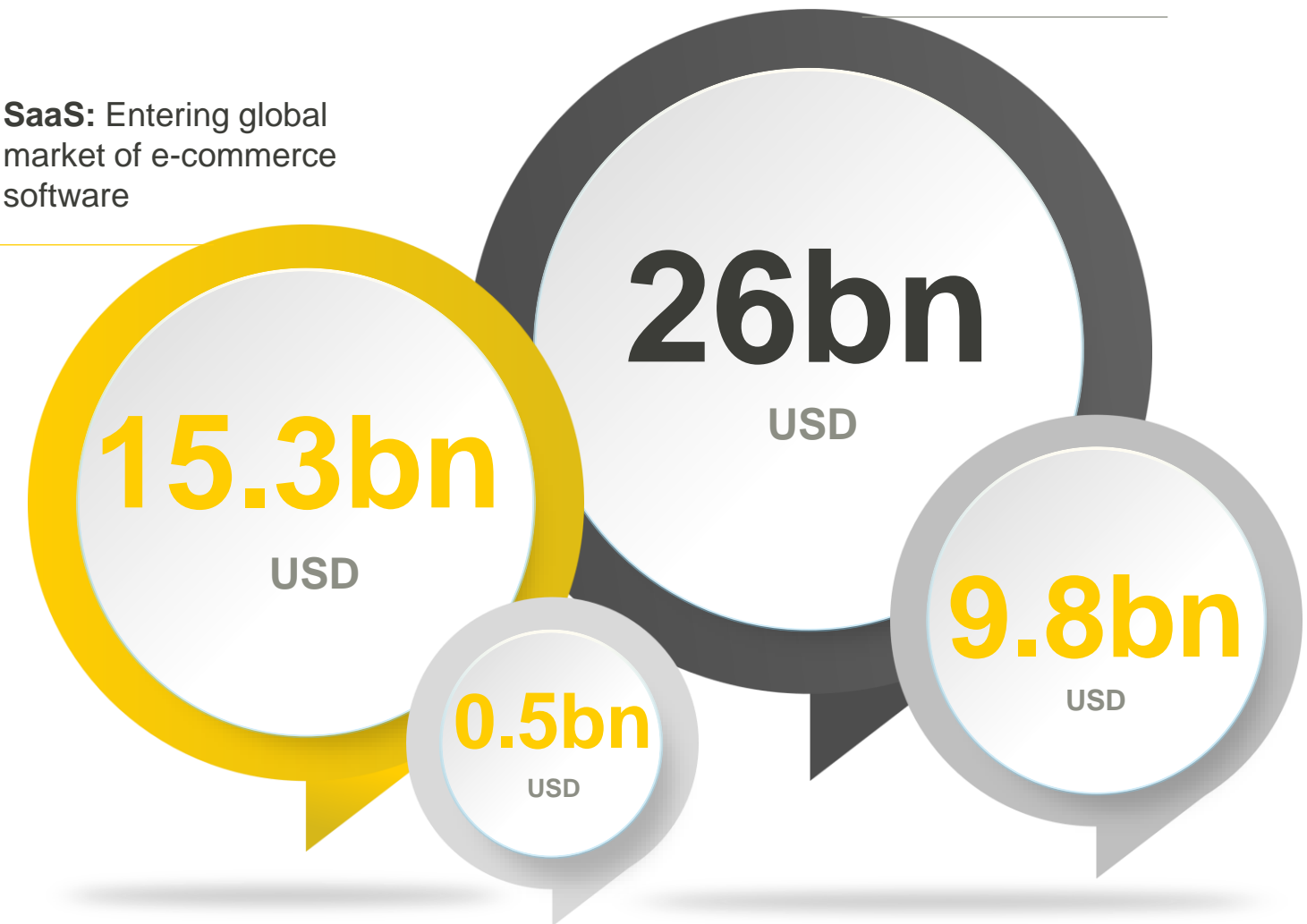
## → Global expansion

Explore post-merger synergies arising from MailerLite acquisition with a focus on global cross-selling and up-selling opportunities.

## Market Value: USD 50bn by 2025

CPaaS: Entering global CPaaS market

SaaS: Entering global market of e-commerce software



Hosting: Entering Romanian and Croatian hosting market

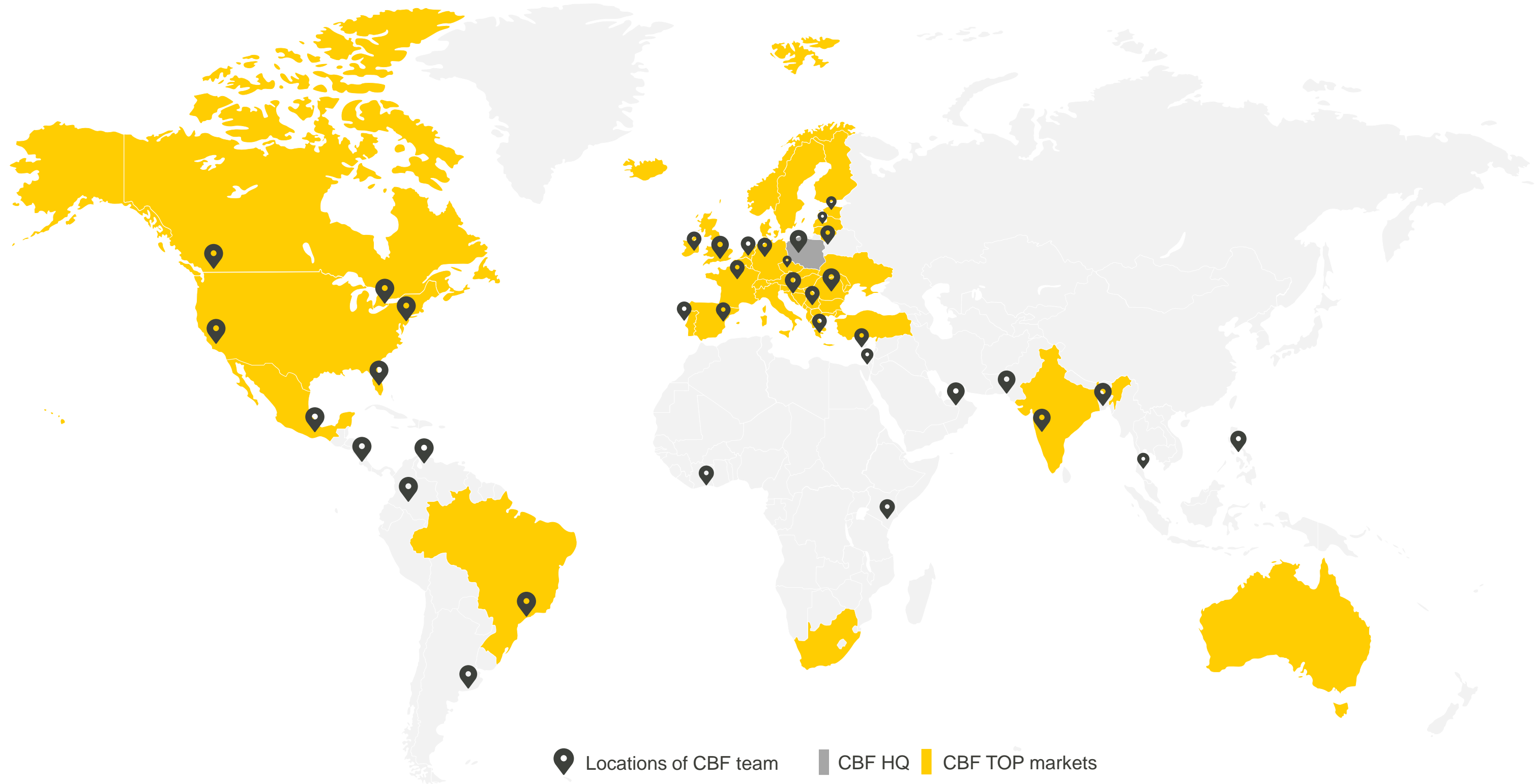
SaaS: Entering global market of hotel management software

Information for selected markets segments

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



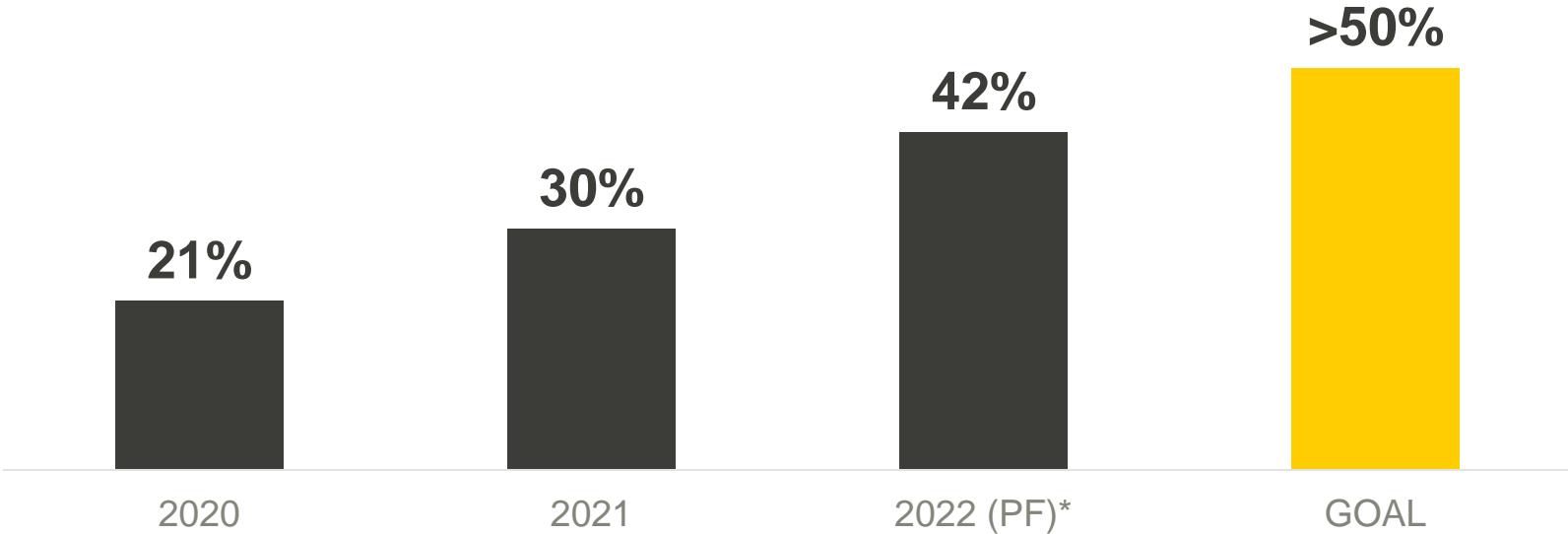
## >Market: expansion into >100 markets\_



# >cyber\_Folks gains customers around the world\_

# 2X GROWTH

Foreign revenue as % of total revenue (%)





# >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

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Q3 2023

## > Financial results





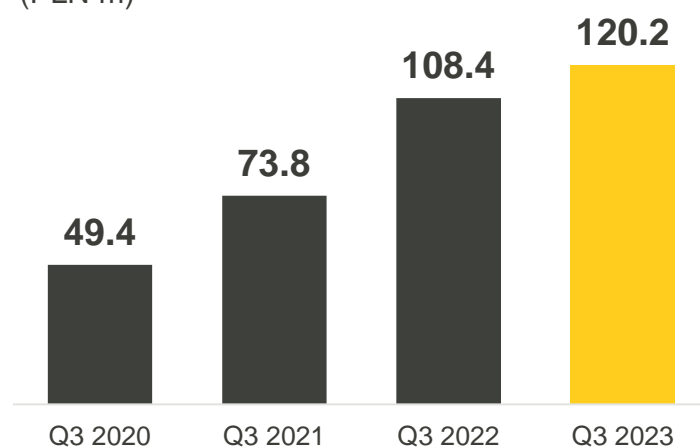
# >Dynamic increase in sales and profits\_

## Selected consolidated financial data:

(PLN k)	9M 2022	9M 2023	Change	Q3 2022	Q3 2023	Change
<b>Sales revenues</b>	<b>279 439</b>	<b>347 470</b>	<b>24%</b>	<b>108 385</b>	<b>120 169</b>	<b>11%</b>
One-off costs	2 214	2 889	30%	467	878	88%
<b>Adjusted EBITDA</b>	<b>71 726</b>	<b>102 880</b>	<b>43%</b>	<b>27 874</b>	<b>36 232</b>	<b>30%</b>
Amortization	-19 726	-23 683	20%	-7 283	-8 218	13%
Net financial costs	-19 962	-19 130	-4%	-12 443	-11 463	-8%
Income tax	-7 861	-8 586	9%	-2 811	-76	-97%
<b>Net Profit</b>	<b>22 799</b>	<b>50 594</b>	<b>122%</b>	<b>5 049</b>	<b>16 822</b>	<b>233%</b>
<b>Net Profit attributable to shareholders of parent company</b>	<b>15 177</b>	<b>29 437</b>	<b>94%</b>	<b>2 984</b>	<b>10 029</b>	<b>236%</b>

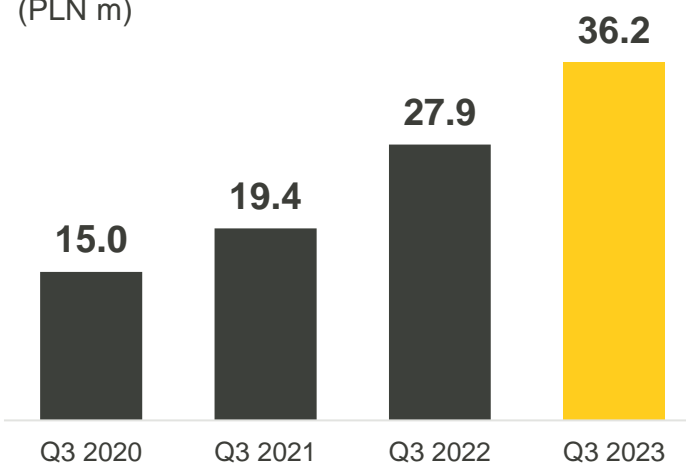
## Revenues:

(PLN m)



## Adjusted EBITDA:

(PLN m)



- ✓ Dynamic organic growth translating into a 30% improvement in adjusted EBITDA which reached PLN 36m on a quarterly basis.
- ✓ In Q3 2023, EBITDA adjustments relate to the non-cash impact of the ESOP scheme.
- ✓ Very high net profit growth rate thanks to operating leverage further supported by stable financial expenses and amortization (stable CAPEX).
- ✓ Strong negative FX impact in both current and comparable reporting periods.
- ✓ Growing impact of the tax shield - an increase in deferred income taxes thanks to the opportunity to claim tax losses on investing activities as a result of the sale of User.com stake in Q4 2023

# >High cash generation capacity\_

## Selected consolidated financial data:

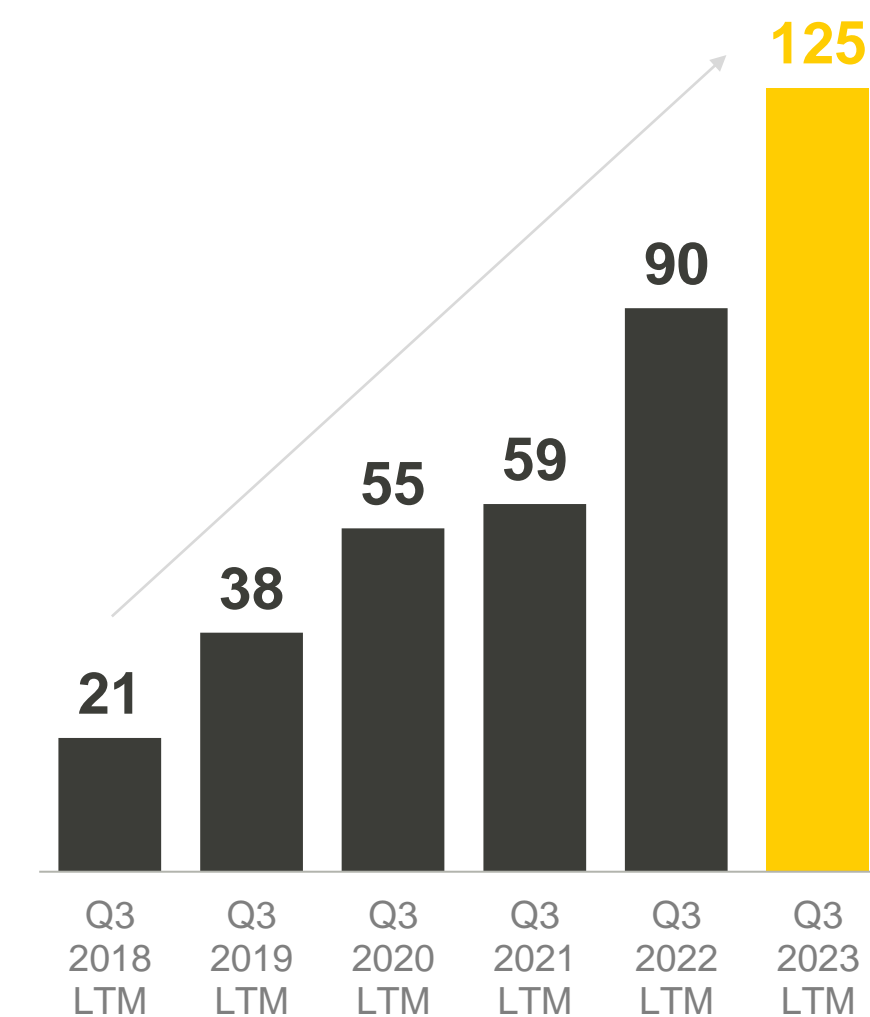
(PLN k)	9M 2022	9M 2023	Change	Q3 2022	Q3 2023	Change
<b>Net cash flow from operating activities</b>	<b>65 715</b>	<b>93 757</b>	<b>43%</b>	<b>27 983</b>	<b>35 091</b>	<b>25%</b>
Purchase of fixed real assets and intangibles	-12 483	-12 559	1%	-4 177	-5 110	22%
Payments of lease liabilities	-6 195	-6 915	12%	-2 022	-1 505	-26%
<b>Unlevered FCF</b>	<b>47 037</b>	<b>74 283</b>	<b>58%</b>	<b>21 784</b>	<b>28 476</b>	<b>31%</b>
Repayment of credits and loans	-16 523	-30 859	87%	-4 960	-10 735	116%
Interest paid	-12 240	-20 527	68%	-5 974	-7 226	21%
Dividends to minority shareholders	0	-13 755		0	-12 446	
<b>Free Cash Flow (FCF)</b>	<b>18 274</b>	<b>9 142</b>	<b>-50%</b>	<b>10 850</b>	<b>-1 931</b>	<b>-118%</b>

(PLN k)	31.12.2022	31.03.2023	30.06.2023	30.09.2023
<b>Net debt</b>	<b>292 150</b>	<b>270 067</b>	<b>259 549</b>	<b>267 257</b>

Cash from operating activities (PLN m) over the last 12 months (LTM)

**42.4%**

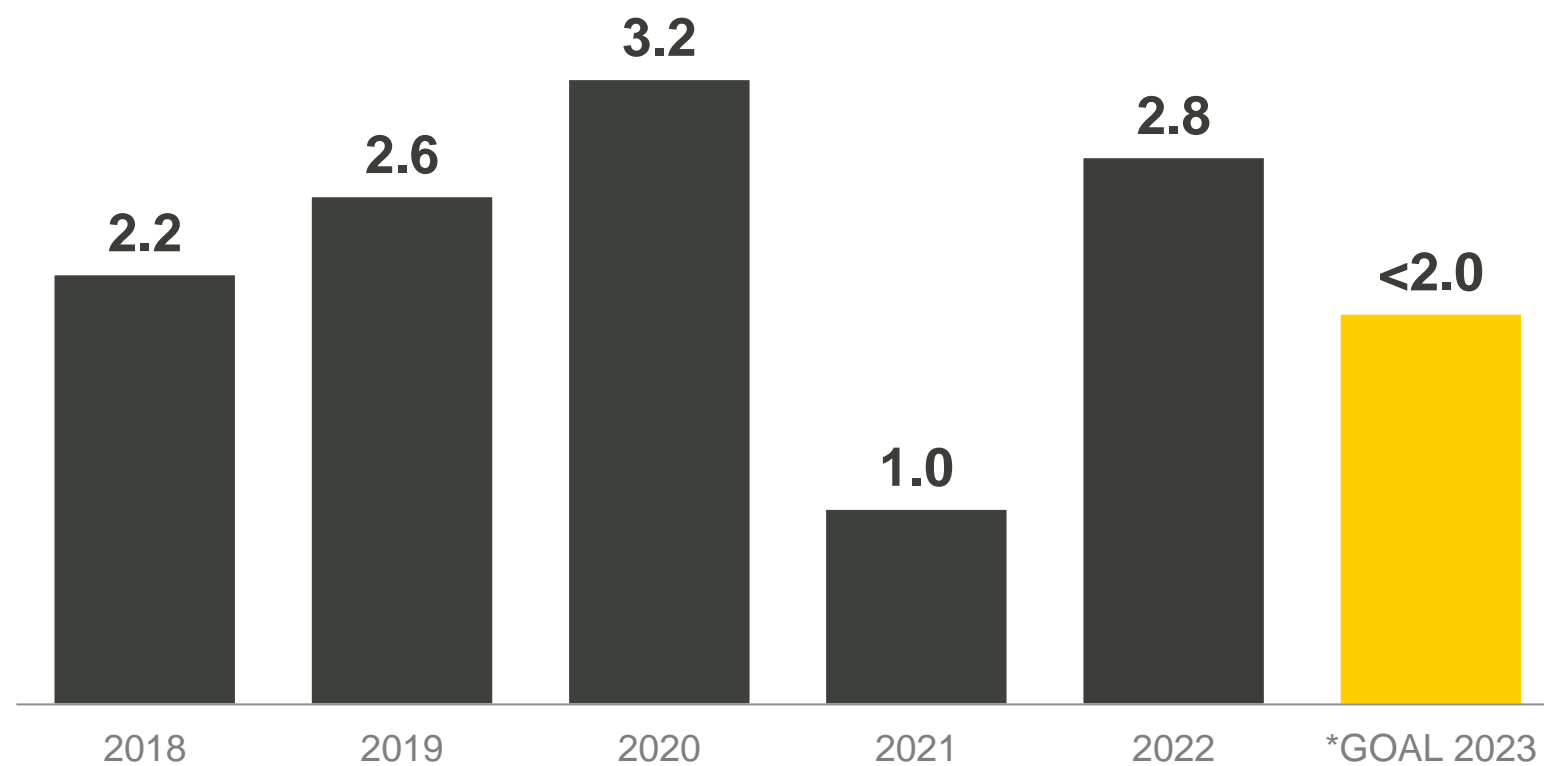
**CAGR**





# > We already managed to lower our debt level to the target level planned for the end of 2023

Information from Presentation Q1 2023 Quarterly Report



Our goal for 2023 is to reduce to <2.0 the ratio of net debt vs. EBITDA  
In Q3 2023, we reached the planned level.

1.99

Q3 2023

\*GOAL 2023: Target level of net debt to EBITDA in 2023.

> We already managed to lower our debt level to the target level planned for the end of 2023\_

<2.0



GOAL 2023

**Greater acquisition opportunities:**

Lower debt level once again increases our acquisition opportunities, pushing us closer to our goal of 1 million clients

**Greater dividend opportunities:**

Higher cash flows improve our potential to distribute profits to shareholders



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> cyber\_Folks for  
Shareholders



# >What do our investors think about us?

## SURVEY RESULTS

After the publication of our most recent periodic report (Q2 2023) we asked our investors how they see the development of cyber\_Folks. Survey results show a **positive reception of our activities by our shareholders.**



HOW DO YOU ASSESS THE DEVELOPMENT OF CYBER\_FOLKS?

97%

**gave a positive assessment** to the development of cyber\_Folks



HOW DO YOU ASSESS OUR GROWTH RATES?

90%

think cyber\_Folks growth rates as **attractive** compared to other tech companies



HOW DO YOU TREAT YOUR INVESTMENT IN CYBER\_FOLKS?

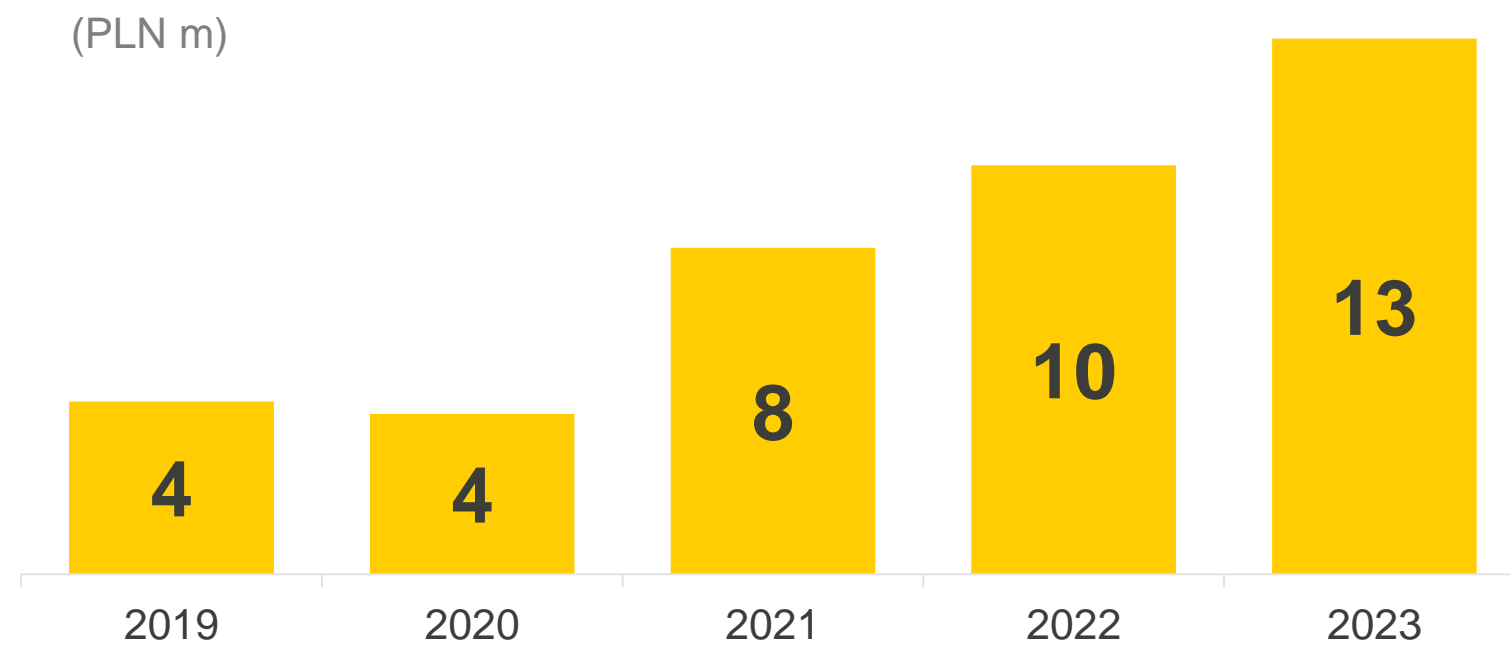
86%

treat their investment in cyber\_Folks as a **long-term investment** (above three years)



## >Dividend\_

Since the beginning of our presence on the WSE we have been sharing our profits with the Shareholders, paying an increasingly higher dividend each year.



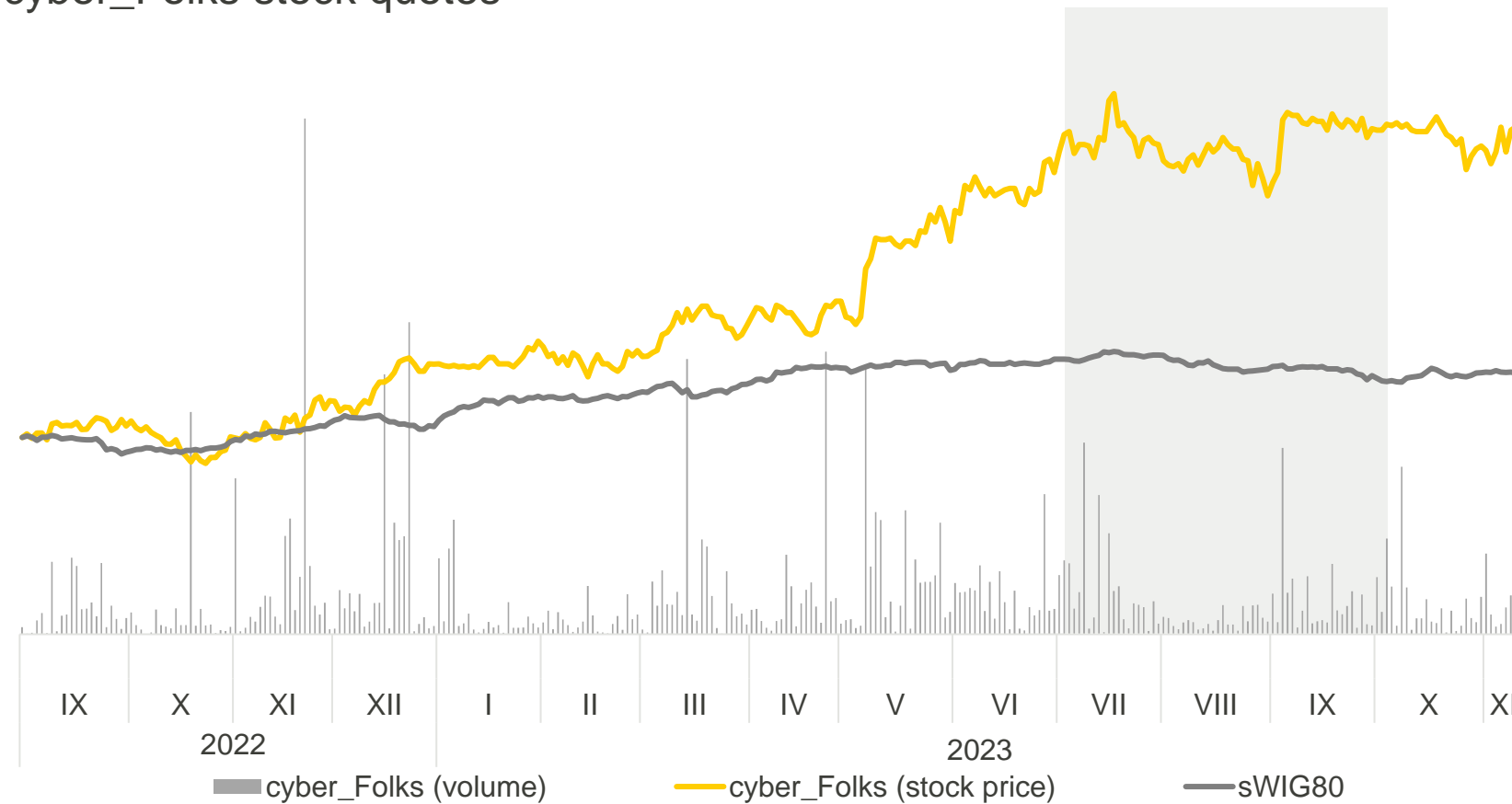


## >Shares\_

At the end of Q3 2023, cyber\_Folks stock price was 68.5% higher than at the beginning of 2023.

Between the start of the year 2023 and 13 November 2023, the share price rose by 72.3%.

cyber\_Folks stock quotes





## >Investor Benefit Program\_

We launched the loyalty program announced earlier and addressed to clients who are also our investors. We are hoping that the additional benefits will boost the range of cyber\_Folks stakeholders.

Thanks to the program, clients who own:

- ✓ **at least 50 cyber\_Folks shares**  
receive c. 10% discount on selected products and services
- ✓ **at least 100 cyber\_Folks shares**  
receive c. 20% discount on selected products and services  
and free SEO monitoring

**We are the first tech company on the WSE  
to establish a loyalty program!**

MORE STAKEHOLDERS



GREATER INTEREST IN SHARES



INCREASE IN THE NUMBER OF CUSTOMERS





# >TOP-PICK in the tech sector for investor portfolio\_



WE ARE **GROWING RAPIDLY**

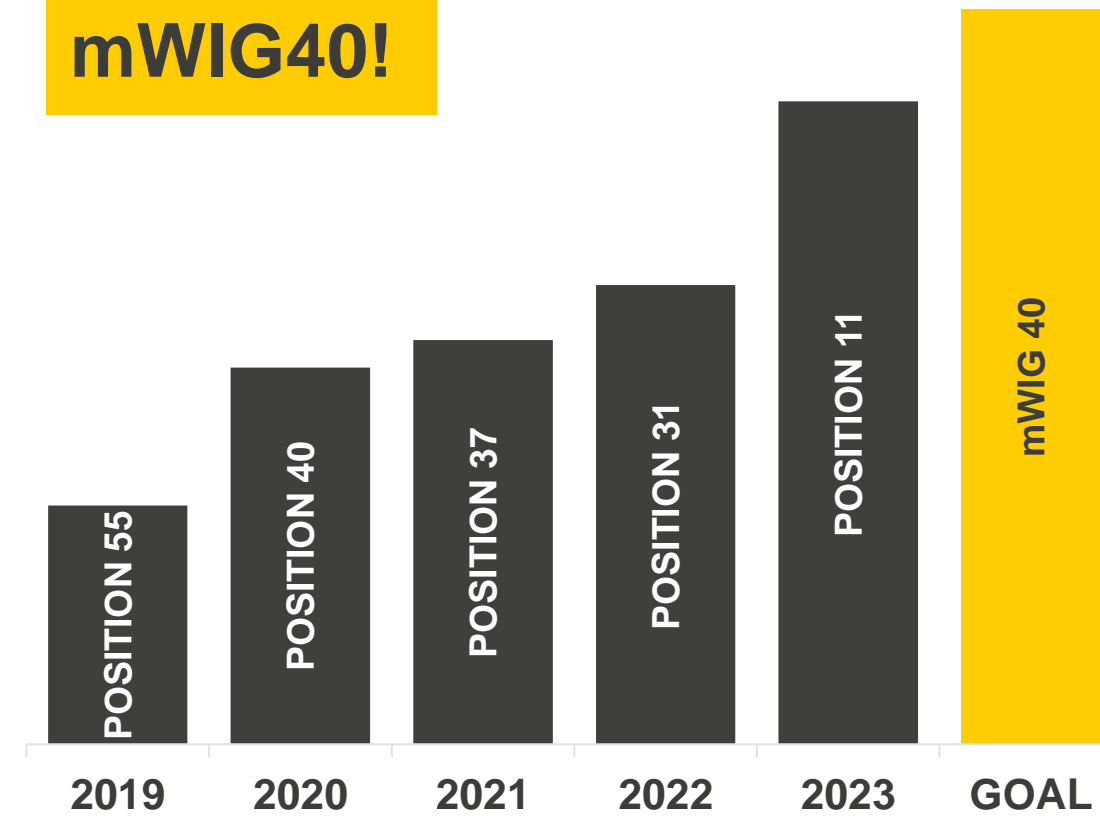


WE HAVE THE **SCALE AND WE OPERATE GLOBALLY**



WE ARE **PROFITABLE AND WE SHARE OUR PROFITS WITH SHAREHOLDERS**

## Towards **mWIG40!**



### sWIG80 Position

The years 2019-2022 are the position of cyber\_Folks according to the December portfolio revision by the Warsaw Stock Exchange. Current position, according to data published on the website <https://gpwbenchmark.pl/>, as at the end of the session on 10 November 2023.



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2023

> **Key events**



## >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

- **The Managing Board is recommending appropriation of profits for 2022**
- R22's Managing Board has proposed to the General Meeting a dividend payment totaling PLN 0.93 per share. Total dividend payment according to the Managing Board recommendation stands at PLN 13.2m. A final decision regarding the dividend was made by the Shareholders at the General Meeting called for 26 June 2023.

26 June 2023

- **Shareholder decision on the dividend payment**
- The General Shareholders' Meeting has decided to pay the dividend according to the Managing Board recommendation, i.e. a payout of PLN 0.93 per share. Total dividend amount reached PLN 13.2m. The dividend paid to shareholders represented the entire unconsolidated net profit for 2022 (PLN 6.7m) plus PLN 6.5m from the reserve capital.
- The record date was set as 30 August 2023 with the dividend payment date on 4 September 2023.

## >Key events 2023

1 June 2023

- **The debut of \_Billz tool**
- Our ecosystem of solutions and services keeps growing constantly. \_Billz is an automatic, intuitive invoicing program for small business. It eases the invoicing process and work with an accountant. This solution is yet another outcome of internal R&D on new products.

31 June 2023

- **Merger of R22 and cyber\_Folks**
- The National Court Register has registered the merger of R22 S.A. (the acquiror) with cyber\_Folks S.A. (the target company, a subsidiary 100% owned by R22 S.A.). Registration of the Company's Articles of Association, which changed its name to cyber\_Folks S.A. took place on the same date.
- A decision on the merger was made by the Shareholders at the General Meeting on 26 June 2023.

11 October 2023

- **Shareholders' benefit program**
- cyber\_Folks is the first tech company on the WSE to launch an incentive program for its shareholders. The purpose of our Program is to encourage clients to maintain even closer ties with cyber\_Folks brand, thank the Shareholders for their trust and invite them to use our services.

31 October 2023

- **The sale of User.com shares**
- Vercom sold all of its shares (30.3%) in User.com. The transaction was worth PLN 24m which represents a close to 2.5x return on capital since the time of investment in User.com. The purpose of this transaction is to simplify the organizational structure following the focus on the development of services with a global reach addressed to SME clients.



cyber\_Folks™

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## > Business Segment Overview

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cyber\_Folks™

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**> cyber\_Folks**  
**operating segment**





## > Financial results of cyber\_Folks

### Selected financial data:

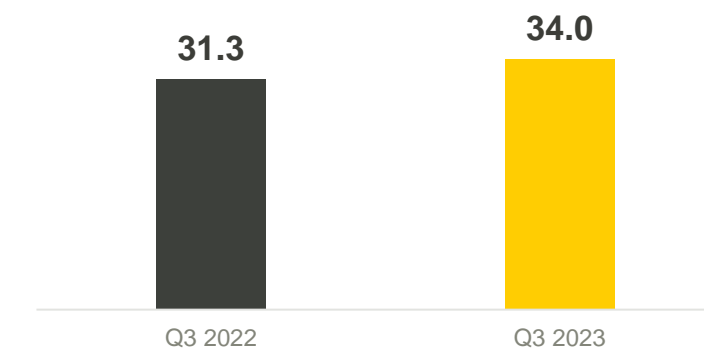
(PLN k)	9M 2022	9M 2023	Change	Q3 2022	Q3 2023	Change
<b>Revenue</b>	<b>90 734</b>	<b>103 898</b>	<b>15%</b>	<b>31 269</b>	<b>34 814</b>	<b>11%</b>
EBIT	25 855	30 374	17%	8 798	10 151	15%
Amortization	-10 429	-11 098	6%	-3 616	-3 940	9%
<b>Operating EBITDA</b>	<b>36 284</b>	<b>41 472</b>	<b>14%</b>	<b>12 414</b>	<b>14 091</b>	<b>14%</b>
<i>One-off costs</i>	0	2 465		0	774	
<b>Adjusted EBITDA</b>	<b>36 284</b>	<b>43 937</b>	<b>21%</b>	<b>12 414</b>	<b>14 865</b>	<b>20%</b>
<i>Margin</i>	40,0%	42,3%		39,7%	42,7%	
<b>CapEx</b>	<b>8 023</b>	<b>8 027</b>	<b>0%</b>	<b>2 575</b>	<b>1 765</b>	<b>-31%</b>
<i>CapEx%</i>	8,8%	7,7%		8,2%	5,1%	

- Stable revenue growth and very high EBITDA growth of 20%
- Positive impact of ARPU growth through expansion of product offering and delivery of more value to loyal customers
- Decrease in CapEx on IT equipment and increase in R&D spending

### Revenue:

(PLN m)

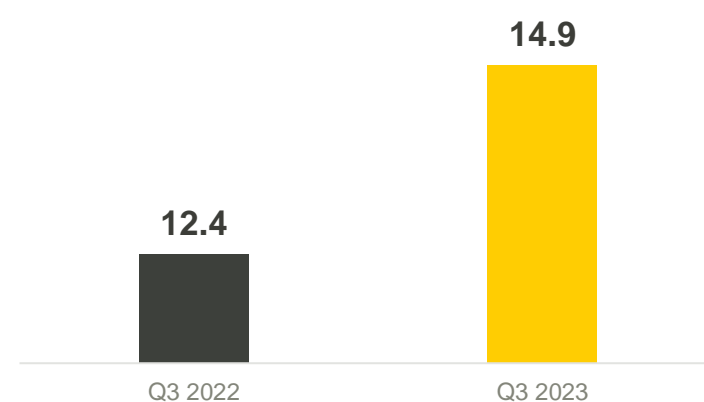
+11%



### Adjusted EBITDA:

(PLN m)

+20%



# > Selected KPI of cyber\_Folks

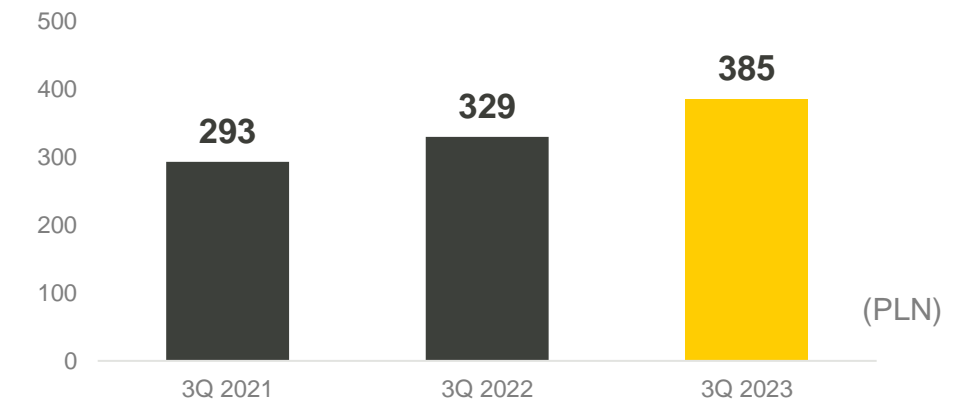
## Hosting:

	Q3 2021	Q3 2022	Q3 2023
# customers (k)	200.2	221.7	<b>221.7</b>
ARPU LTM (PLN)	292.7	329.4	<b>385.1</b>

## Domains<sup>1)</sup>:

	Q3 2021	Q3 2022	Q3 2023
# domains (k)	359.6	391.4	<b>393.0</b>
ARPU LTM (PLN)	71.0	78.0	<b>89.5</b>

## Hosting ARPU LTM:



The Group has stable churn, better than market average:

Hosting: 17%

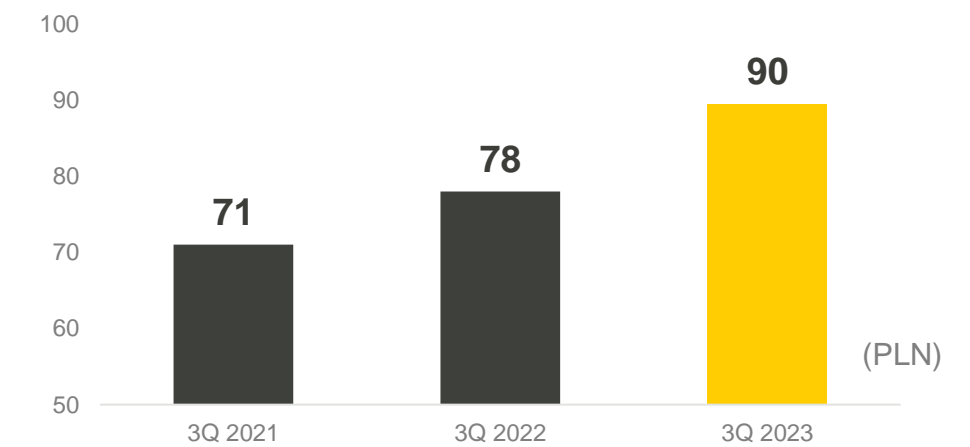
Domains: 27%

**>220k**  
hosting customers

**<400k**  
domains

- ✓ Focus on e-commerce sector
- ✓ Increase in ARPU and margins
- ✓ High level of service quality and customer satisfaction  
(stable NPS and First Time Response rates)

## Domains ARPU LTM:



1) All paid domains



**VERCOM**

**> Vercom operating  
segment**



# > Financial results of Vercom

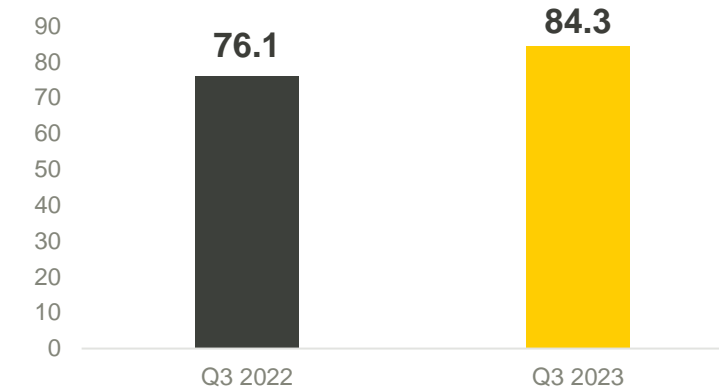
## Selected financial data:

(PLN k)	9M 2022	9M 2023	Change	Q3 2022	Q3 2023	Change
<b>Revenue</b>	<b>185 684</b>	<b>240 846</b>	<b>30%</b>	<b>76 084</b>	<b>84 281</b>	<b>11%</b>
EBIT	27 828	49 281	77%	12 741	18 209	43%
Amortization	-8 137	-11 179	37%	-3 290	-3 969	21%
<b>Operating EBITDA</b>	<b>35 965</b>	<b>60 460</b>	<b>68%</b>	<b>16 031</b>	<b>22 178</b>	<b>38%</b>
<i>One-off costs</i>	2 493	338	-86%	467	104	-78%
<b>Adjusted EBITDA</b>	<b>38 458</b>	<b>60 798</b>	<b>58%</b>	<b>16 498</b>	<b>22 282</b>	<b>35%</b>
<i>Margin</i>	20,7%	25,2%		21,7%	26,4%	
<b>CapEx</b>	<b>6 926</b>	<b>8 451</b>	<b>22%</b>	<b>1 882</b>	<b>2 974</b>	<b>58%</b>
<i>CapEx%</i>	3,7%	3,5%		2,5%	3,5%	

- ✓ Clear increase in profitability due to strong growth in global markets and improved product mix in favor of higher-margin channels.
- ✓ Dynamic growth in the number of SME customers.
- ✓ Stable overhead and selling costs.
- ✓ Stable R&D expenditure.

## Revenue:

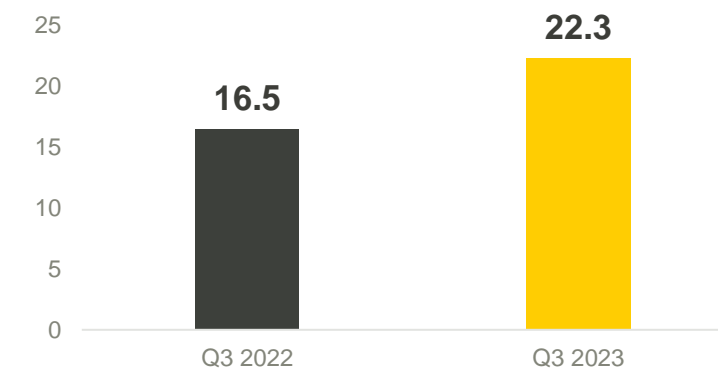
(PLN m)



+11%

## Adjusted EBITDA:

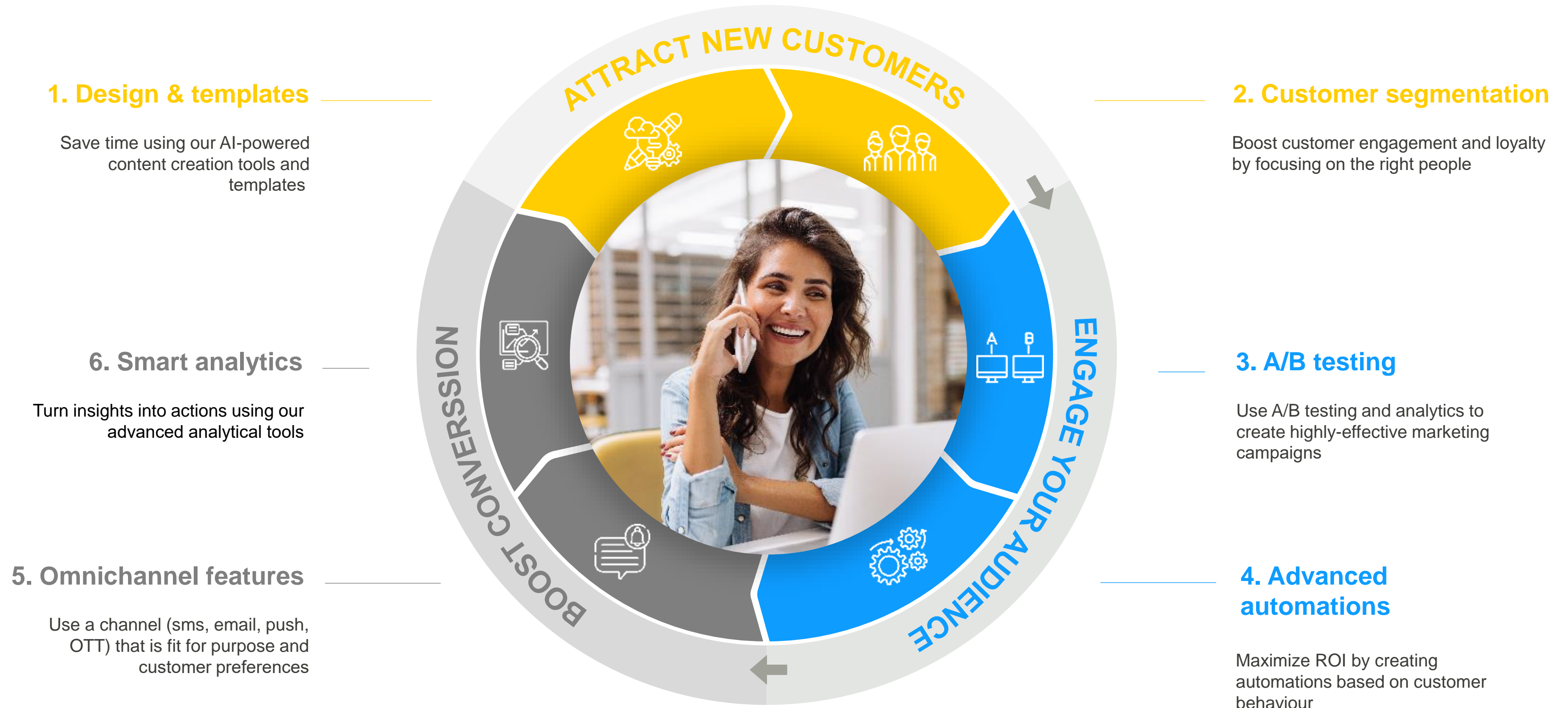
(PLN m)



+35%



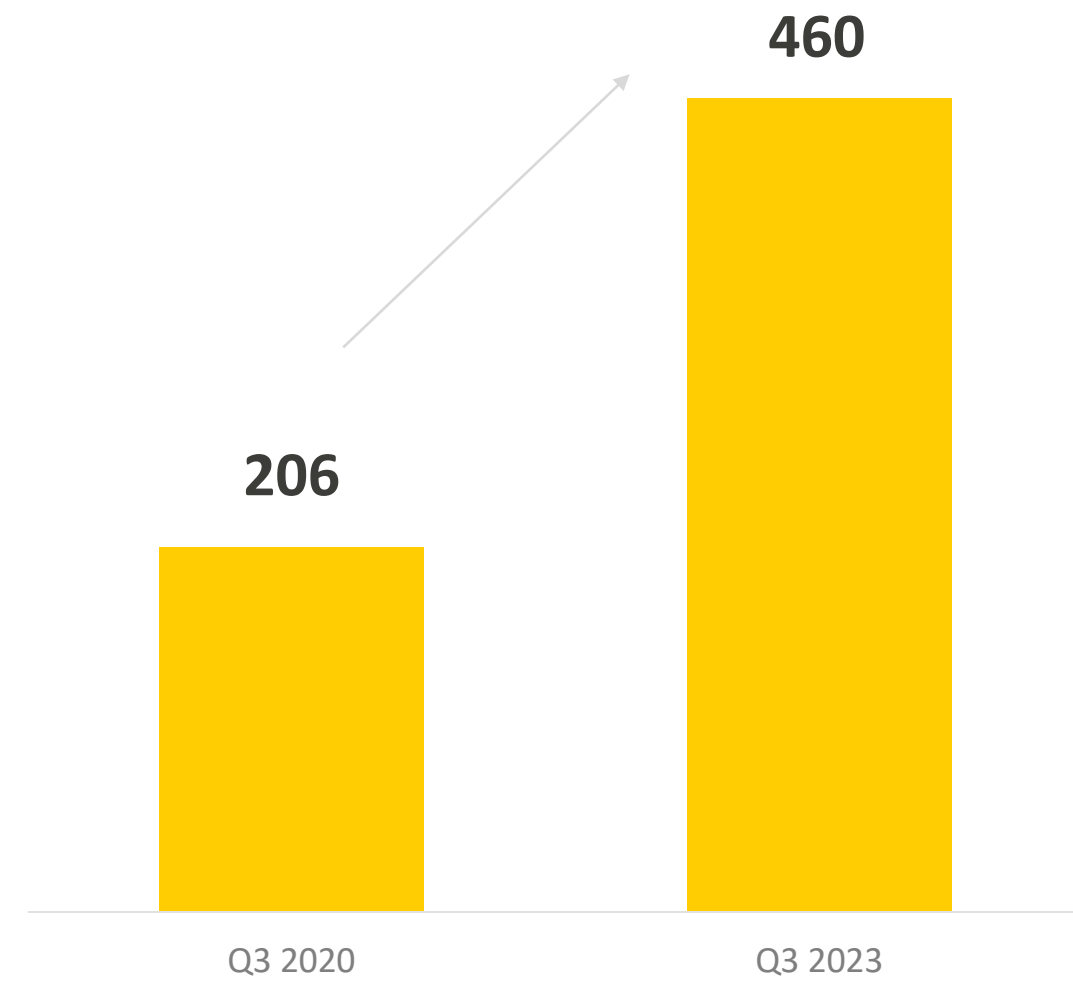
# > Vercom Flywheel\_



# > Evolution of strategy towards services for small and medium-sized customers

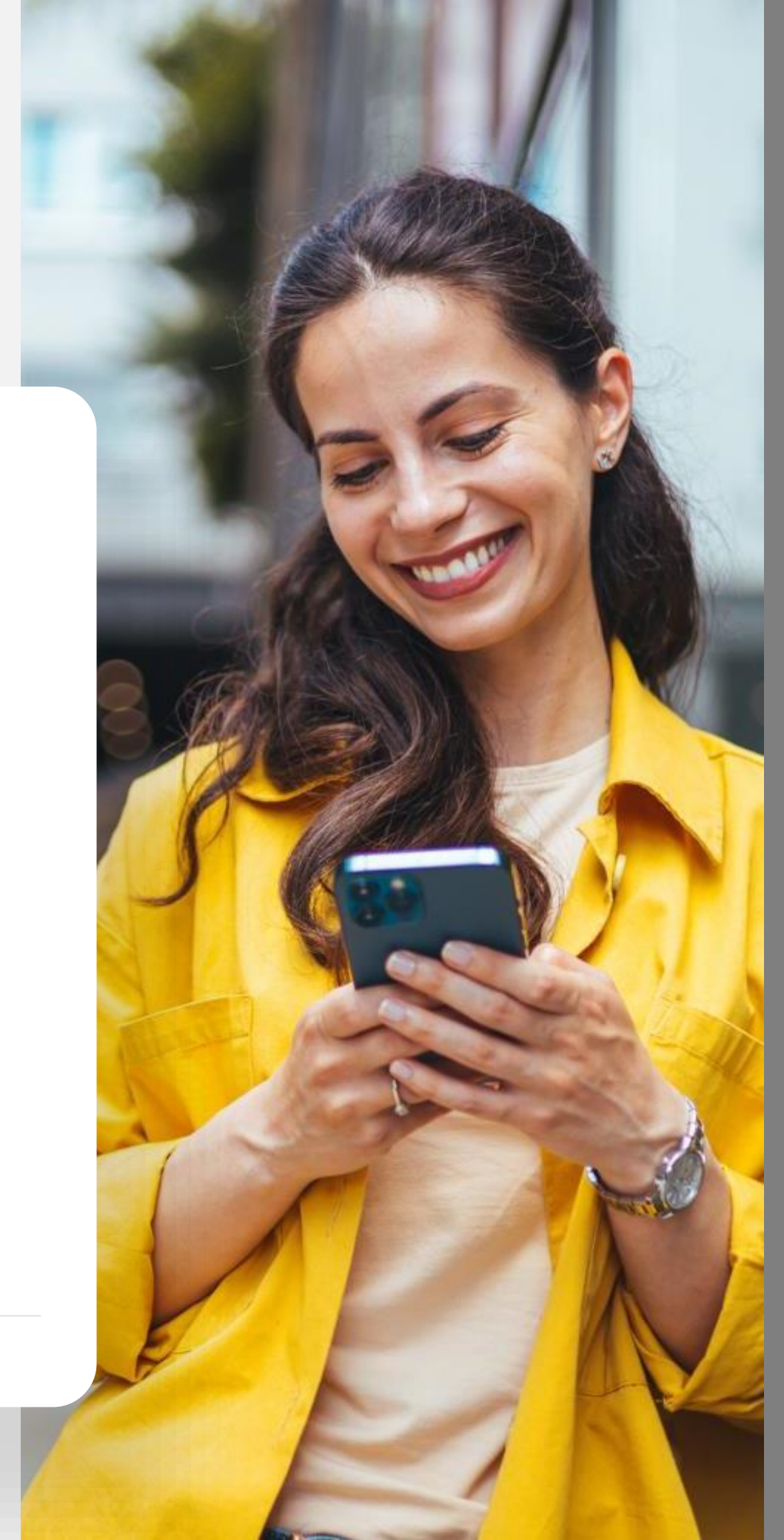
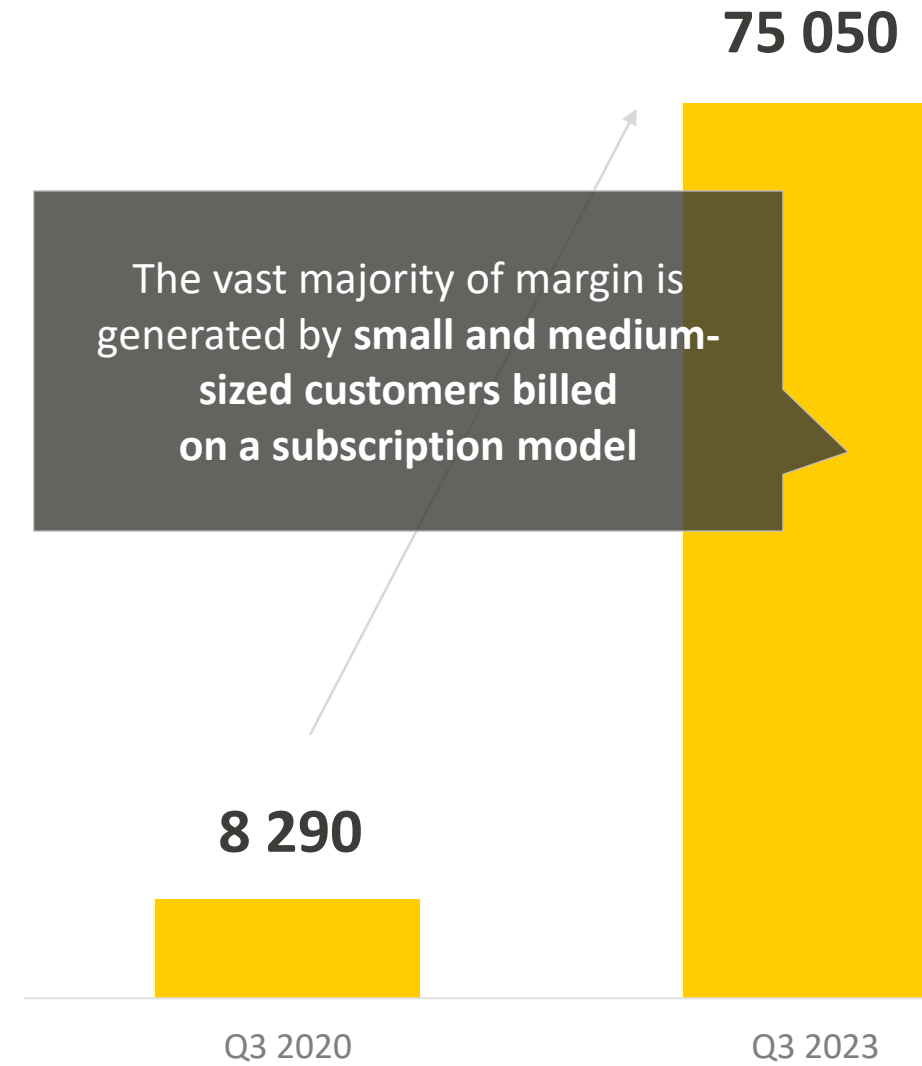
# customer Enterprise

+254



# customer SMEs

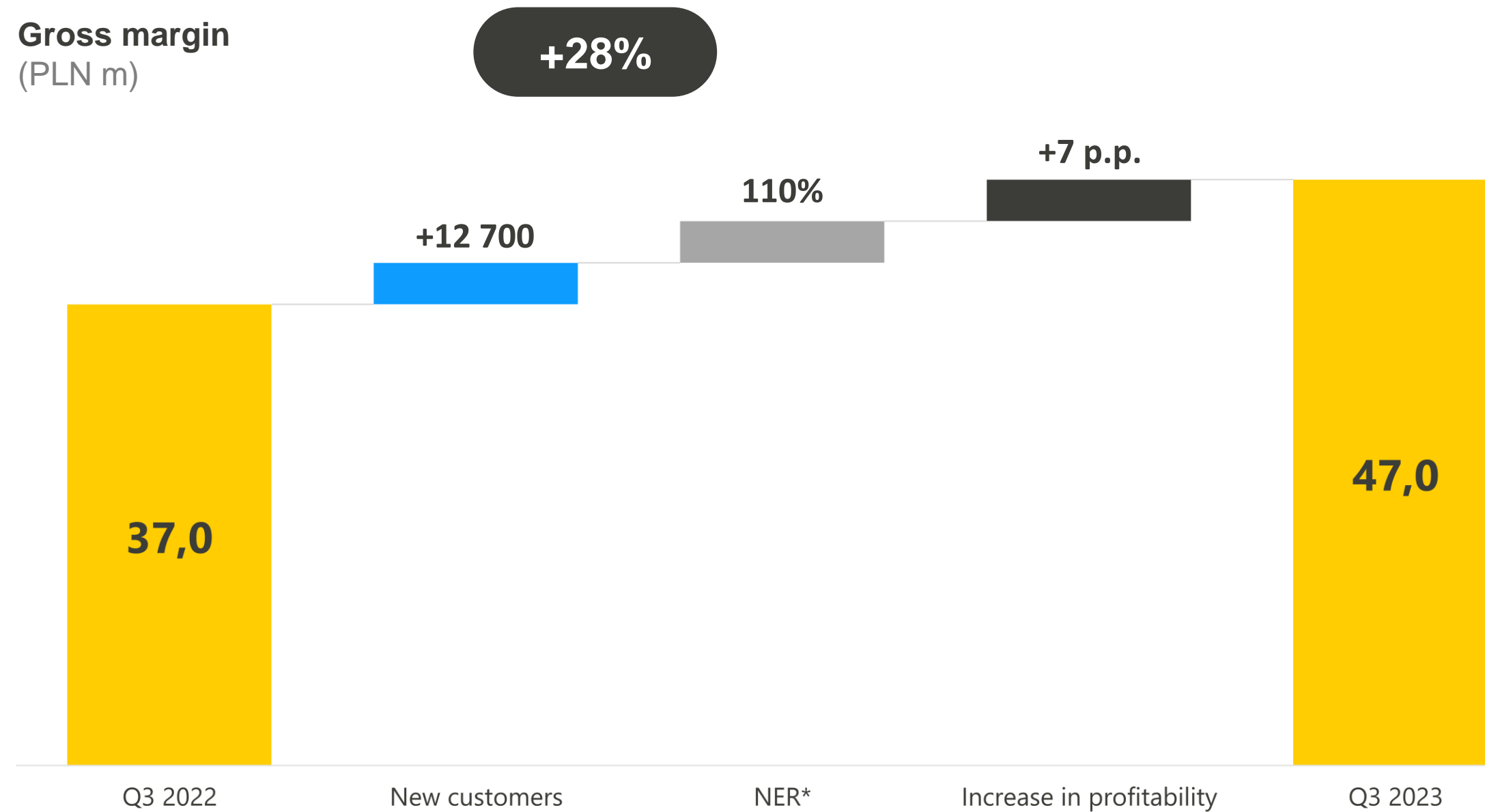
+66 760



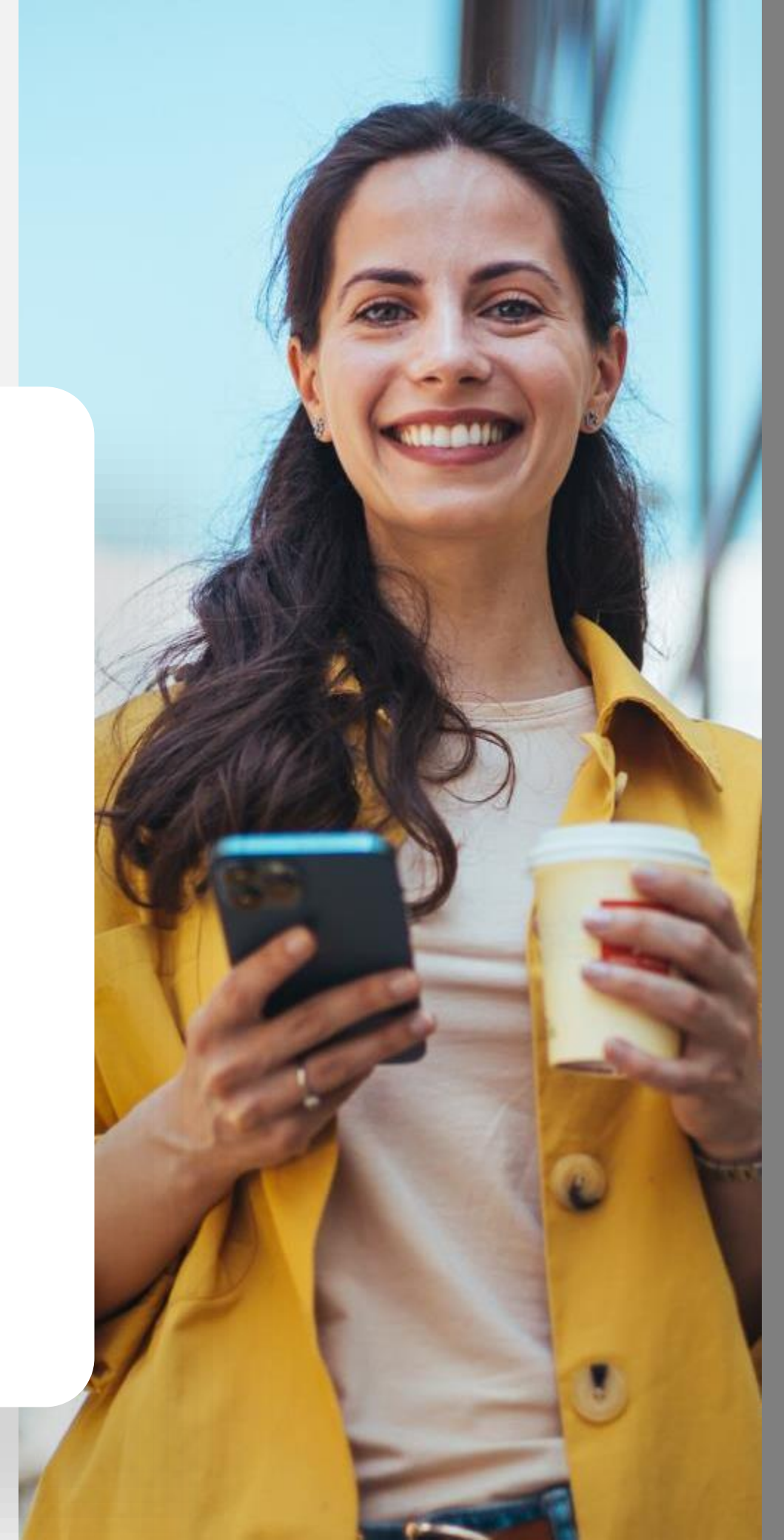


## >Gross margin growth driven by new customers and increased profitability\_

Gross margin  
(PLN m)



\* 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, excluding wholesale traffic. Indicator calculated on the basis of data for the last 12 months. NER for all customers was 99%.





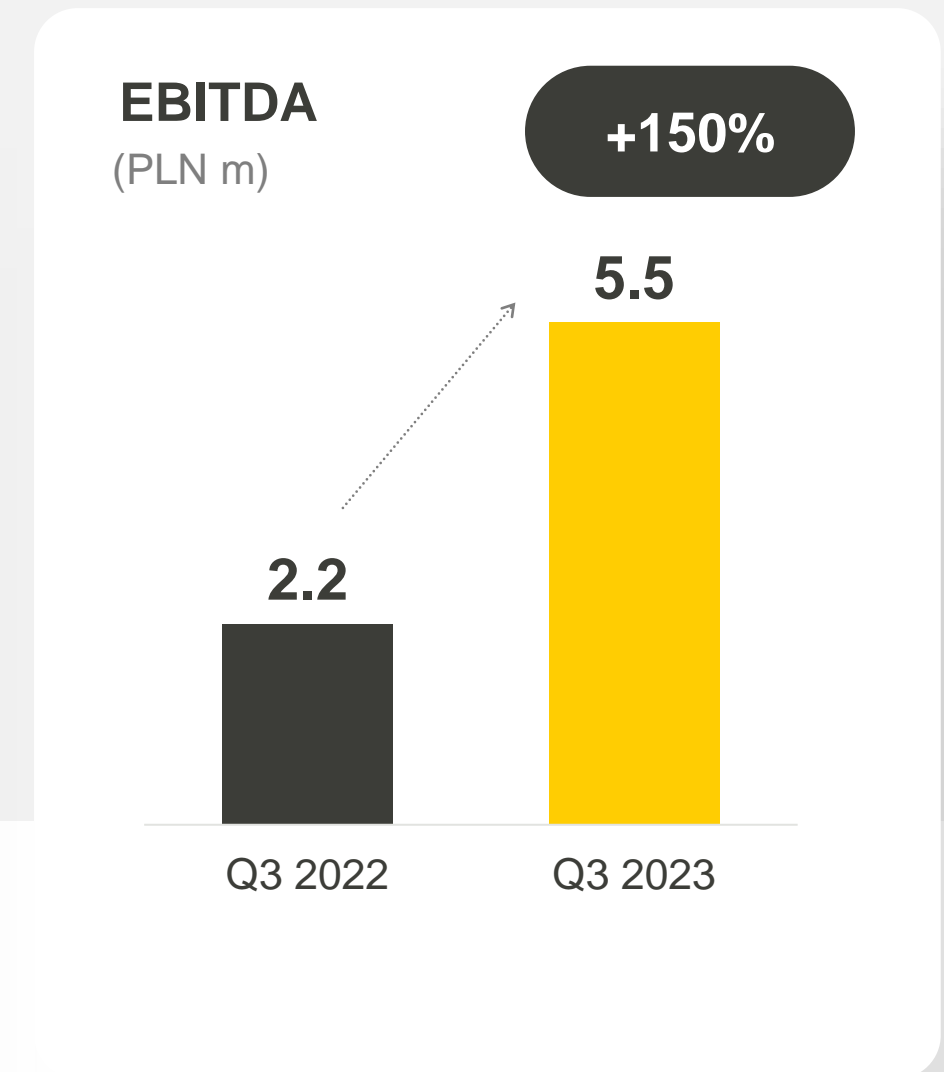
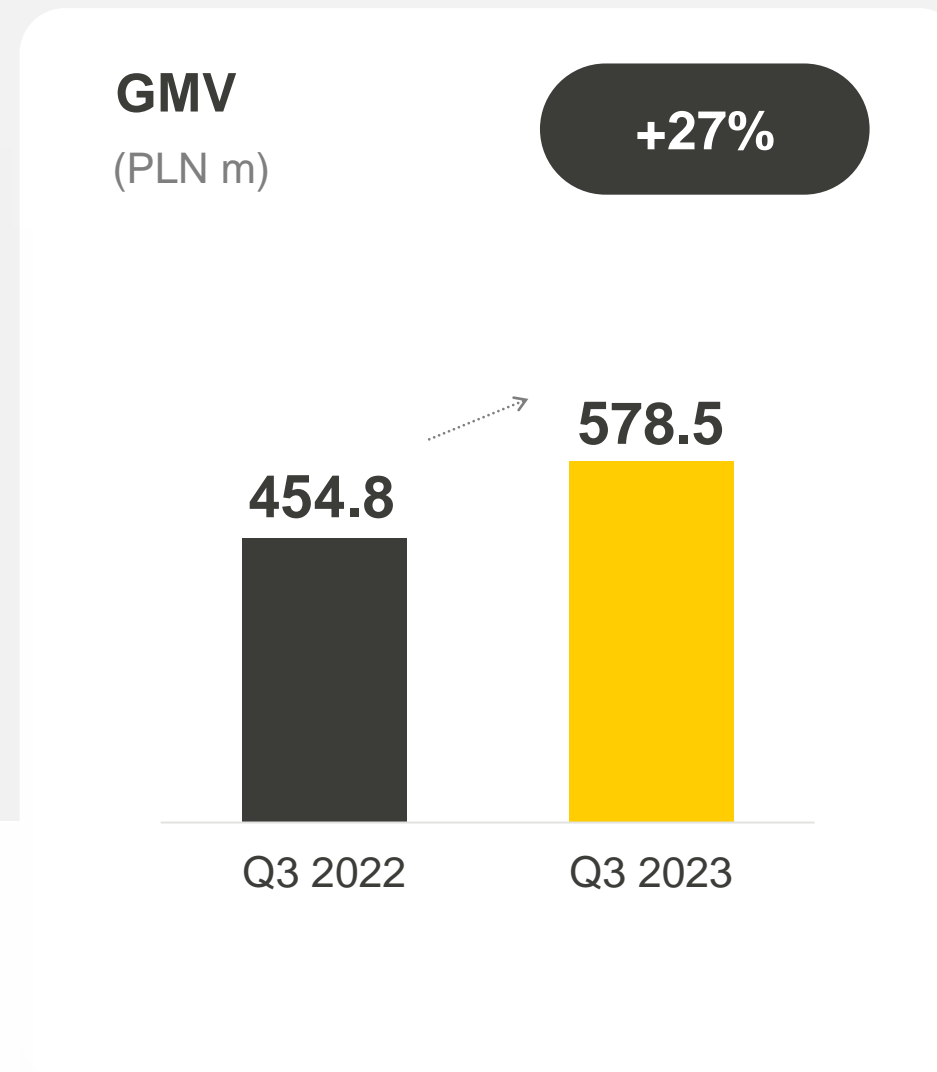
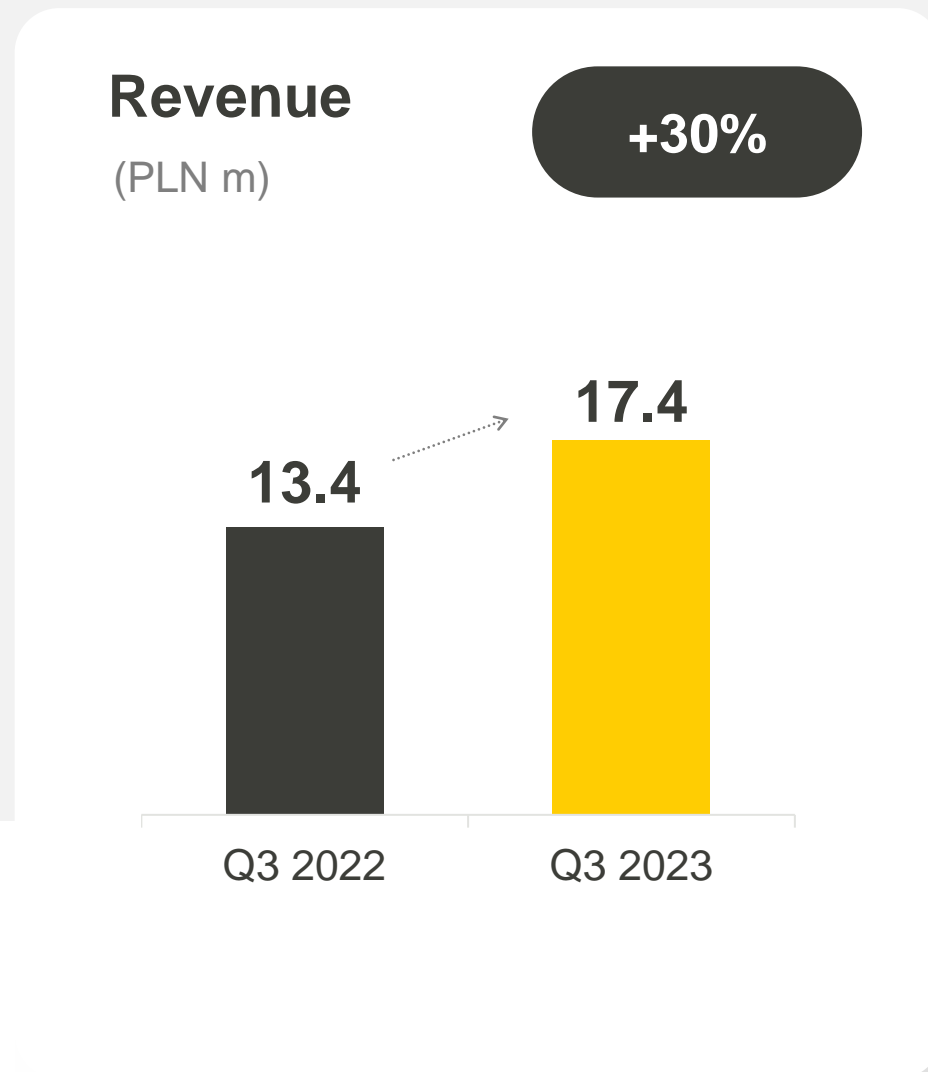
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**> Hotel solutions  
segment**





## >Dynamic growth in the hotel solution segment\_



In 2019 we invested in **Profitroom**, a developer of SaaS solutions for the hotel industry, acquiring a 33.3% stake for approximately PLN 30m. In the past quarter this segment reported a 27% increase in the booking figures, a 30% increase in revenue and a material improvement in EBITDA, which rose by 150% and reach PLN 5.5m.

cyber\_Folks™

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> **Development  
prospects**





## >Leveraging present customer base

### ARPU Boost

- Continuation of offer changes related to the unification of the offer and the introduction of new products in both cyber\_Folks and Vercom services.
- Activities targeting cross-sell and up-sell of products and services offered by the Group.
- Increased sales of ancillary services.

### Product development

- Use of cyber\_Folks investee companies to sell existing and new Group products - Appchance (solutions using push and RCS), MailerLite (new markets for sms and push sales),
- Product development of Vercom's range of instant messaging products such as Viber, WhatsApp, RCS using chatbot technology.
- The Group also plans to develop platforms to support the tools currently offered. 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 Group 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).

### Marketing strategy

- Long-term consolidation of marketing and communications strategy at Group level – 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.

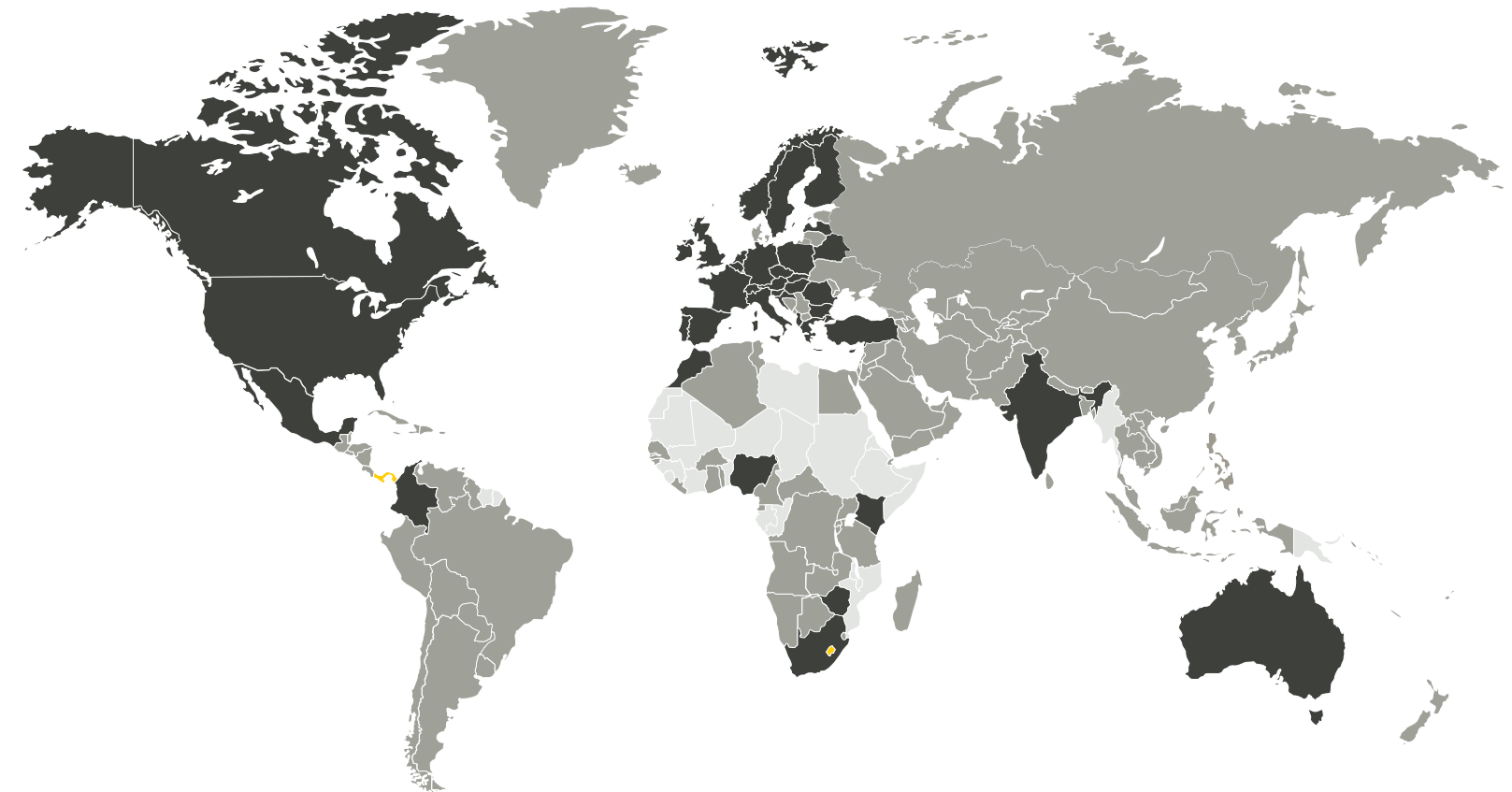
### ESG

- Due to the subject and specificity of its activity, cyber\_Folks has no significant impact on the environment. The company conducts low-emission activities, mainly in the area of software production.
- In its activities, cyber\_Folks 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.

## > Foreign expansion

### Acquisitions and sales growth

- In 2018 the Group extended the activities of its hosting segment to the CEE region through its investments on the Romanian and Croatian markets.
- At the turn of 2019 and 2020, cyber\_Folks made an investment into Profitroom, a developer of technological solutions offered in the SaaS model for the hotel industry. Profitroom holds the dominant position on the Polish market and a rapidly growing portfolio of foreign clients.
- The first step towards foreign expansion in the CPaaS segment was the takeover of ProfiSMS at the turn of Q3 and Q4, 2020. ProfiSMS is the leader of the Czech SMS market with a strong position on the Slovak market.
- On 26 April 2022, Vercom signed a conditional agreement to acquire UAB Mlr grupe (MailerLite). Fulfillment of conditions precedent and closing of the deal took place on 14 June 2022. The transaction, worth approximately PLN 340m, was financed using own resources from Vercom's IPO in 2021, debt financing and a stock issue for the previous owners of MailerLite. MailerLite has 38,000 clients and 100 employees at 30 locations. It operates on more than 100 markets and 70% of its revenues come from the US and from Western Europe.
- The investment in MailerLite allowed the Group to scale its business to the global market (over 100 countries) while expanding the base of CPaaS clients 5-fold.
- Sales of Group's companies in foreign markets are growing rapidly in 2023, including MailerLite (US, Western Europe), Profitroom and cyber\_Folks (Romania).



■ The Group's main markets

■ Group's markets



cyber\_Folks™

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## > Financial results



# > Consolidated P&L cyber\_Folks Group

(PLN k)	9M 2022 01.01.2022 - 30.09.2022	9M 2023 01.01.2023 - 30.09.2023	Change	Q3 2022 01.07.2022 - 30.09.2022	Q3 2023 01.07.2023 - 30.09.2023	Change
<b>Sales revenue</b>	<b>279 439</b>	<b>347 470</b>	<b>24%</b>	<b>108 385</b>	<b>120 169</b>	<b>11%</b>
Other operating revenue	383	155	-60%	70	88	26%
Amortization	-19 726	-23 683	20%	-7 283	-8 218	13%
External services	-170 924	-199 506	17%	-66 795	-68 334	2%
Costs of employee benefits	-34 032	-41 379	22%	-12 231	-13 491	10%
included: salary costs related to the incentive program	-471	-2 561	444%	-157	-854	444%
Use fo materials and consumption of energy	-4 112	-4 680	14%	-1 318	-1 556	18%
Taxes and charges	-664	-520	-22%	-275	-157	-43%
Other operational expenses	-391	-387	-1%	-225	-186	-17%
Profit / (loss) on sale and liquidation of tangible fixed assets	464	272	-41%	-39	1	-103%
Other write-offs	-651	-1 434	120%	-165	-1 180	615%
<b>Profit on operating activity (EBIT)</b>	<b>49 786</b>	<b>76 308</b>	<b>53%</b>	<b>20 124</b>	<b>27 136</b>	<b>35%</b>
Net financial cost	-19 962	-19 130	-4%	-12 443	-11 463	-8%
Share in profits of associates accounted for using the equity method	836	1 374	64%	179	965	439%
<b>Profit before taxes</b>	<b>30 660</b>	<b>58 552</b>	<b>91%</b>	<b>7 860</b>	<b>16 638</b>	<b>112%</b>
Income tax	-7 861	-8 586	9%	-2 811	-76	-97%
<b>Net profit from continuing operations</b>	<b>22 482</b>	<b>49 966</b>	<b>122%</b>	<b>4 874</b>	<b>16 562</b>	<b>240%</b>
Net profit from discontinued operations after tax	317	628	98%	175	260	49%
<b>Net profit</b>	<b>22 799</b>	<b>50 594</b>	<b>122%</b>	<b>5 049</b>	<b>16 822</b>	<b>233%</b>
- attributable to the shareholders of the parent	15 177	29 437	94%	2 984	10 029	236%
- attributable to non-controlling shares	7 622	21 157	178%	2 065	6 793	229%



# > Consolidated P&L cyber\_Folks Group

## Factors impacting Q3 2023 results

- Organic sales and earnings growth in Vercom and cyber\_Folks segments.
- Stable level of depreciation and amortization, growth due to higher R&D expenditures.
- Stable level of interest costs.
- In both the current and comparative periods, the negative effect of foreign exchange rate gains.
- The increase in wages and salaries due to both a higher headcount and to salary increases.
- An increase in the tax shield effect - an increase in deferred tax assets, due to the ability to utilize tax losses from capital activities as a result of the sale of User.com shares in Q4 2023.
- The results of Q3 2023 were impacted by one-off costs:
  - Valuation of the cyber\_Folks ESOP in the amount of PLN 744k,
  - Valuation of the Vercom ESOP in the amount of PLN 104k.



## >Stable asset situation with a decrease in debt and increase in cash

### Assets

	31.12.2022	30.09.2023
Tangible fixed assets	17 918	17 538
Right to use assets	35 241	33 503
Intangible assets and goodwill	644 357	645 136
Investments in affiliates	67 326	54 366
Loans granted	0	81
Assets due to deferred income tax	7 073	12 982
Derivatives	1 537	174
Other assets	271	436
<b>Fixed assets</b>	<b>773 723</b>	<b>764 216</b>
Inventories	0	149
Trade receivables	32 827	32 509
Derivatives	241	292
Loans granted	1 458	1 475
Cash and cash equivalents	54 078	54 221
Other assets	3 273	4 709
Assets held for sale	0	10 323
<b>Current assets</b>	<b>91 877</b>	<b>103 678</b>
<b>Total assets</b>	<b>865 600</b>	<b>867 894</b>

### Equity and liabilities

	31.12.2022	30.09.2023
Basic capital	284	284
Own shares	-4 090	-1 696
Retained earnings and other capital	224 552	239 786
Exchange differences on the translation of foreign operations	-2 026	-1 908
Equity attributable to equity holders of the parent	<b>218 720</b>	<b>236 466</b>
Non-controlling shares	179 447	187 475
<b>Equity capital</b>	<b>398 167</b>	<b>423 941</b>
Liabilities for loans and borrowings	252 894	230 737
Liabilities due to financial leasing	25 761	24 907
Liabilities due to contracts with clients	198	266
Deferred income tax	22 838	23 733
Other liabilities	58	58
<b>Long-term liabilities</b>	<b>301 749</b>	<b>279 701</b>
Liabilities for loans and borrowings	58 504	57 155
Liabilities due to financial leasing	9 069	8 679
Trade liabilities	37 410	38 013
Liabilities due to contracts with clients	40 850	46 730
Income tax liabilities	8 121	6 160
Liabilities for employee benefits	3 460	4 048
Other liabilities	8 270	3 467
<b>Short-term liabilities</b>	<b>165 684</b>	<b>164 252</b>
<b>Total liabilities</b>	<b>467 433</b>	<b>443 953</b>
<b>Total equity and liabilities</b>	<b>865 600</b>	<b>867 894</b>



# >Steadily increasing cash flows from operating activities

## Statement of cash flows

	9M 2022	9M 2023
Net profit for the reporting period	22 799	50 594
Adjustments, including i.a.:	45 531	53 379
- Amortization	7 861	8 586
- Income tax	19 726	23 683
- Net interest and exchange expenses	19 311	21 093
- Valuation of the ESOP program	471	2 569
Change in inventories, receivables, liabilities and other assets - total	7 057	5 310
Cash generated on operating activities	<b>75 387</b>	<b>109 283</b>
Tax paid	-9 672	-15 526
<b>Net cash from operating activities</b>	<b>65 715</b>	<b>93 757</b>
Interest received	376	476
Loans granted	-894	-958
Repayments of loans granted	0	121
Dividends received	0	1 362
Acquisitions of subsidiaries less cash acquired	-244 503	-949
Investments in affiliates	-3	-2 782
Proceeds from sale of tangible fixed assets	560	277
Purchase of tangible fixed assets and intangible assets	-12 483	-12 599
<b>Net cash from investing activities</b>	<b>-256 947</b>	<b>-15 013</b>
Proceeds from the sale of treasury shares	3 244	2 618
Purchase of own shares	-4 005	0
Net proceeds from issuance of shares of a subsidiary	-60	0
Dividends paid to owners	-10 068	-13 156
Dividends paid to non-controlling shareholders	0	-13 755
Other distributions to non-controlling shareholders	-808	0
Proceeds from loans and credits	159 895	0
Repayment of loans and credits	-16 523	-30 859
Receipts / (Repayment) of overdraft facility	30	7 868
Contributions by non-controlling interests to increase capital in a subsidiary	3 000	0
Interest paid	-12 240	-20 527
Payments of liabilities under financial leasing agreements	-6 195	-6 915
Acquisition of non-controlling interests in subsidiaries	-4 028	-3 621
<b>Net cash from financing activities</b>	<b>112 242</b>	<b>-78 347</b>
<b>Total net cash flow</b>	<b>-78 990</b>	<b>397</b>
Impact of changes due to exchange rate differences on cash and cash equivalents	0	-254
<b>Increase (decrease) in cash and cash equivalents</b>	<b>-78 990</b>	<b>134</b>
Cash and cash equivalents at the beginning of the period	129 709	54 078
<b>Cash and cash equivalents at the end of the period</b>	<b>50 719</b>	<b>54 221</b>

## The most significant changes in cash flows

### High conversion of EBITDA into operating cash flows:

- Adjusted EBITDA: PLN 102.9 m
- Net cash flows from operating activities: PLN 93.8m.

High operating cash flow dynamics due to high profit dynamics further supported by a significant share of prepaid services, with no working capital expenditure.

### Current operating cash flows covered, i.e.:

- Acquisitions of non-current assets and intangible assets, at a comparable level to the previous year.
- Buyout of minority shareholders of the combined company cyber\_Folks and increases in involvement in associates.

### Within financing activities:

- The increase in interest paid yoy is due to the increase in WIBOR and EURIBOR and the increase in the nominal debt level after the investment in MailerLite.
- Stable level of interest paid Q3 2023 vs. Q2 2023

## > Changes in equity

	Basic capital cyber_Folks 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
<b>As at 1 January 2023</b>	<b>284</b>	<b>224 552</b>	<b>-4 090</b>	<b>-2 026</b>	<b>218 720</b>	<b>179 447</b>	<b>398 167</b>
Net profit		29 437			29 437	21 157	50 594
Other comprehensive income				118	118	-1 004	-886
<b>Total income in the period</b>		<b>29 438</b>		<b>118</b>	<b>29 556</b>	<b>20 153</b>	<b>49 708</b>
<i>Transactions with owners included directly in equity</i>							
Net assets attributable to non-controlling interests from acquisition of subsidiaries		-429			-429	1 229	800
Acquisition of shares from non-controlling shareholders		-3 060			-3 060	-561	-3 621
Payment of dividends to owners		-13 156			-13 156		-13 156
Sale of own shares		224	2 394		2 618		2 618
Capital from valuation of ESOP in subsidiary		2 218			2 218	351	2 569
Payment of dividends to non-controlling interests						-13 144	-13 144
<b>As at 30 September 2023</b>	<b>284</b>	<b>239 786</b>	<b>-1 696</b>	<b>-1 908</b>	<b>236 466</b>	<b>187 475</b>	<b>423 941</b>



## > Factors important for the development of the Group & threats and risks

The cyber\_Folks Group has an established position on the Polish market and is growing dynamically on global markets. The markets in which the cyber\_Folks Group operates are characterised by high growth rates and are influenced by many internal and external factors, which in the future may translate into the Group's financial and market situation. 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:

- Effectiveness of executing acquisitions and achieving operational, revenue and cost synergies from acquisitions made so far
- Increase or decrease in customer confidence and volatility of the CHURN
- Dependence on suppliers in the cyber\_Folks and CPaaS segments
- 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
- 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, globally and in countries relevant to the Group's operations (including Poland, Czech Republic, Romania) or settlements carried out (PLN, USD, EUR, CZK, RON)
- 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





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## > Shares and shareholding





# > Shares and shareholding

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

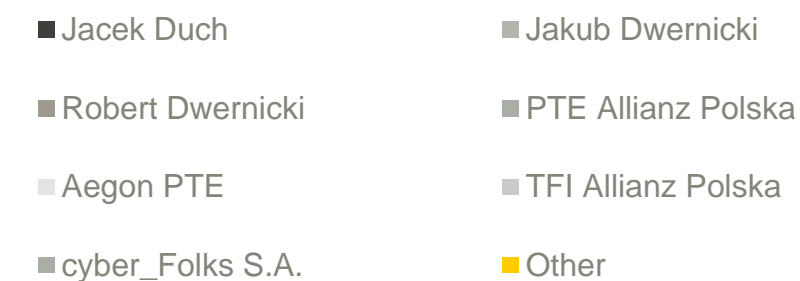
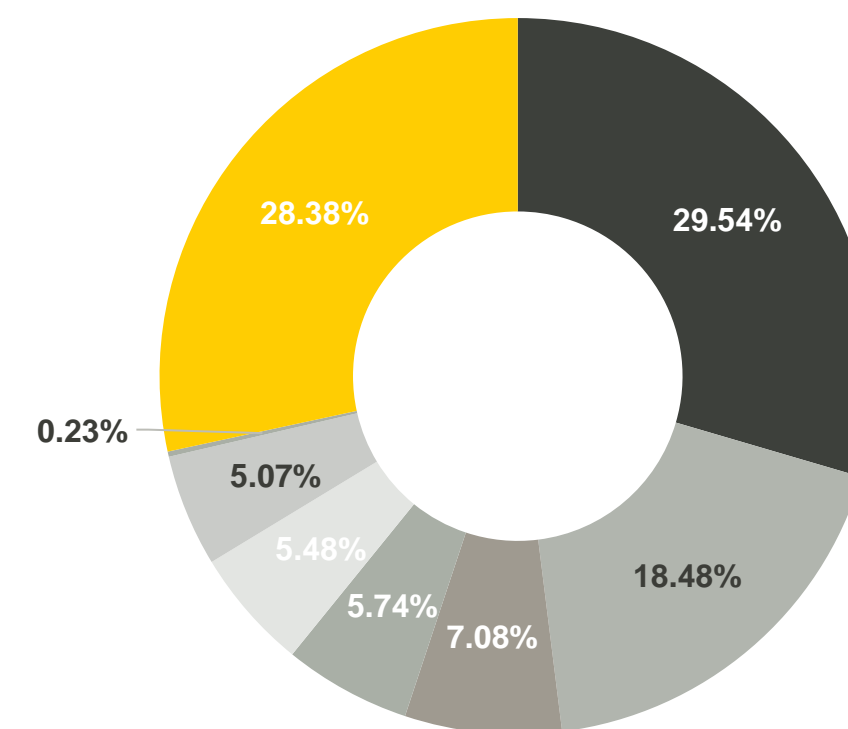
As at the date of this report, the Company's share capital amounts to PLN 283,600 and is divided into 14,180,000 shares with a nominal value of PLN 0.02 each.

Shareholders holding at least 5% of the number of votes at the General Meeting as at 30 September 2023 and as at the date of approval of this report (according to the information provided to the Company in the notifications of change of ownership):

Shareholder	30 September 2023		14 November 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 <sup>1)</sup>	2 620 479	18,48%	2 620 479	18,48%
Robert Dwernicki <sup>2)</sup>	1 003 430	7,08%	1 003 430	7,08%
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%
cyber_Folks S.A.	33 176	0,23%	33 176	0,23%
Other shareholders	4 024 142	28,38%	4 024 142	28,38%
Total	14 180 000	100,00%	14 180 000	100,00%

1) Directly and through subsidiaries

2) Directly and through subsidiaries



# >Shares and shareholding

## Own shares

At the end of Q3 2023, cyber\_Folks S.A. held 33,176 own shares. There were no purchases or sales of own shares in the past quarter.

## Employee shares

cyber\_Folks operates an employee share ownership programme (ESOP), which is aimed at the Company's employees and is subject to economic and loyalty objectives.

The programme has been targeted at approximately 100 individuals who, if the objectives are met, can subscribe for a maximum of shares representing 1.11% of the share capital of this company.

Economic goals in the incentive program for each year for cyber\_Folks operating segment:

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

An employee share scheme is also operated by the subsidiary Vercom S.A.. It is aimed at employees of the Vercom Group and is dependent on the achievement of the Vercom Group's market and performance targets.

## 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.

## Company shares held by the Management Board and the Supervisory Board

Name	Position	4 September 2023	14 november 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

## Changes in the shareholding structure

On 24 August 2023, the Company received a notification from Robert Dwernicki, in which he informed that in connection with the conclusion of the donation agreement of 436 524 cyber\_Folks shares with Robert Dwernicki's Family Foundation on 21 August 2023 and the execution of this agreement on 23 August 2023, together with earlier transactions in the Company's shares, a change in his shareholding in the number of votes at the AGM took place. Following this event, Robert Dwernicki holds a total of 1 003 430 shares representing 7.08% of the company's share capital, which entitle him to exercise 1 003 430 votes representing 7.08% of the total number of votes at the AGM, including: he directly holds 566 906 cyber\_Folks shares, and indirectly holds 436 524 cyber\_Folks shares (through Robert Dwernicki's Family Foundation).

On 24 August 2023, the Company received a notification from Jakub Dwernicki, in which he informed that in connection with the conclusion of the donation agreement of 1 300 000 cyber\_Folks shares with Jakub and Magdalena Dwernicki's Family Foundation on 25 September 2023 and the execution of this agreement on 26 September 2023, together with earlier transactions in the Company's shares, a change in his shareholding in the number of votes at the AGM took place.

Following this event, Jakub Dwernicki holds a total of 2 620 479 shares representing 18.48% of the company's share capital, which entitle him to exercise 2 620 479 votes representing 18.48% of the total number of votes at the AGM, including: he directly holds 1 320 479 cyber\_Folks shares, and indirectly holds 1 300 000 cyber\_Folks shares (through Jakub and Magdalena Dwernicki's Family Foundation).



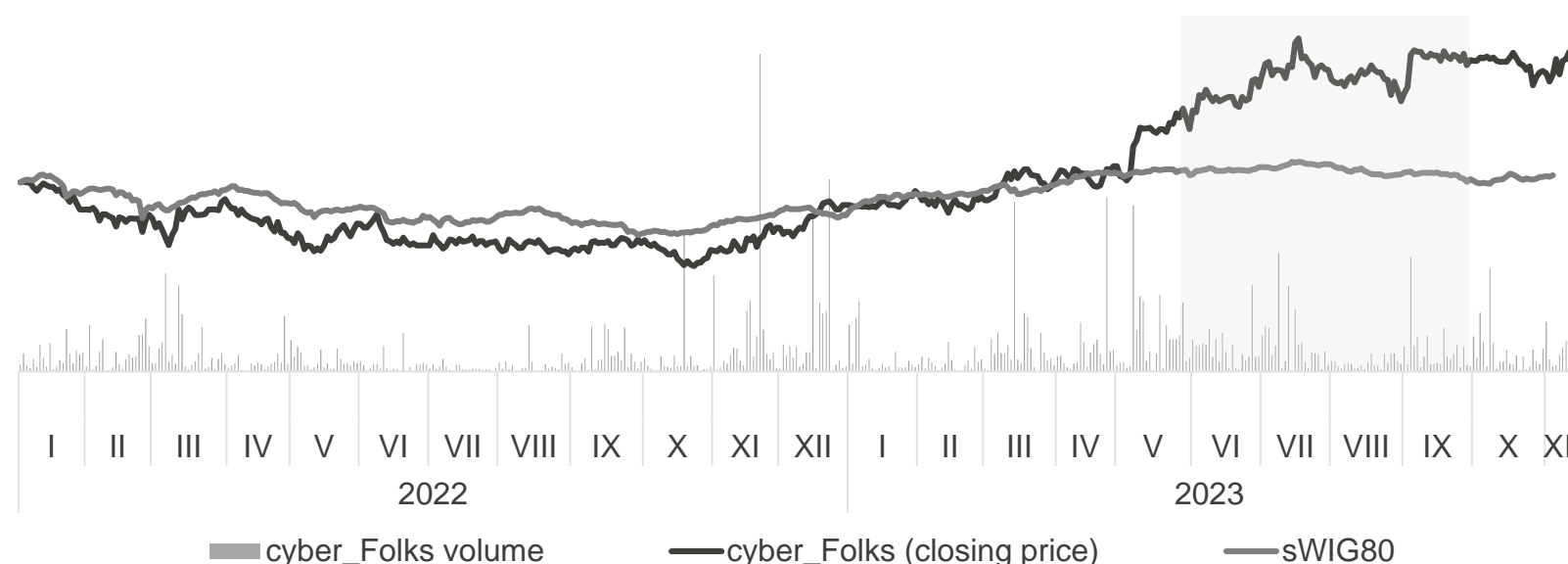
# > Shares and shareholding

## cyber\_Folks on the WSE

Shares of cyber\_Folks have been listed on the Warsaw Stock Exchange since 29 December 2017. cyber\_Folks shares were added to the: sWIG80, sWIG80TR, WIG, WIG-Poland, WIGTECH indices.

At the end of Q3 2023, cyber\_Folks was trading 68.5% higher than at the beginning of 2023. From the beginning of 2023 to 1 September 2023, the share price has increased by 72.3%.

cyber\_Folks share price since the beginning of 2021, with a comparison to the sWIG80 index.



## Dividend

The Annual General Meeting of cyber\_Folks shareholders decided to pay a dividend of PLN 0.93 per share (total dividend of PLN 13.2 million). The AGM's decision was in line with the recommendation of cyber\_Folks' Board of Directors. The entire last year's net profit (PLN 6.7m) and PLN 6.5m from the Company's reserve capital created from the Company's profits from previous years went to shareholders. The dividend date was set for 30 August 2023 and the payment date for 4 September 2023.

## Dividend policy

In accordance with the dividend policy cyber\_Folks, 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 cyber\_Folks 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 cyber\_Folks, the Management Board will take into account the current and predictable financial and liquidity situation of cyber\_Folks S.A. and the cyber\_Folks Capital Group as well as existing and future liabilities.

The dividend policy was adopted by the cyber\_Folks Management Board on 9 September 2019. The final decision on the amount of dividend paid is made by the General Meeting of cyber\_Folks 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 <sup>1)</sup>	PLN 4.254m	PLN 2.0,	PLN 6.3m
2020	PLN 0.28 <sup>2)</sup>	PLN 3.948m	-	PLN 3.9m
2021	PLN 0.57 <sup>3)</sup>	PLN 8.037m	-	PLN 8.0m
2022	PLN 0.71 <sup>4)</sup>	PLN 10.068m	PLN 4.0m	PLN 14.1m
2023	PLN 0.93 <sup>5)</sup>	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) Dividend date: 30 August 2023, Dividend payment date 4 September 2023.



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> Management and  
Supervisory Board





## > Management Board

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### Jakub Dwernicki

President of the  
Management Board

Founder and main person managing cyber\_Folks Group. The main author of the hosting business acquisition strategy.

In cyber\_Folks, he is responsible for development strategy and acquisitions



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### Robert Stasik

Vice-President of the  
Management Board

CFO of cyber\_Folks Group, CIMA. Associated with cyber\_Folks Group since 2010, in the role of CFO since 2014.

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

## >Management Board\_

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### **Artur Pajkert**

Member of the  
Management Board

Joined cyber\_Folks Group in 2008 r. One of the more notable figures behind cyber\_Folks brand, responsible for its implementation in Romania. Authored a marketing support software solution. A university lecturer and a speaker at industry conferences.

Responsible for sales, product-related communications and marketing at cyber\_Folks.



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### **Katarzyna Juszkiewicz**

Member of the  
Management Board

At cyber\_Folks since 2001 as Director of the Customer Service Office, then as Operations Director. She gained experience in the management of networking projects, software development and operations audit.

At the Managing Board responsible for planning and supervision over operating activities.



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### **Konrad Kowalski**

Member of the  
Management Board

Experienced specialist in finance and the head of controlling department at Japan Tobacco International and Samsung Electronics Poland Manufacturing.

He has worked at cyber\_Folks Group since 2017 as the director of finance of cyber\_Folks segment.

In charge of preparation of pricing strategy and the preparation and control over the execution of that segment's financial plans.





# >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 sat on the supervisory boards of IDS-BUD S.A. and DiM Construction Sp. z o.o.

## Prof. dr hab. inż. Wojciech Cellary

### Chairman of the Supervisory Board

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

On 31 August 2023 the Supervisory Board, in connection with the expiration of the previous term of the Company's Management Board, appointed to the Company's Management Board for a joint three-year term:

- starting from 31 August 2023: Jakub Dwernicki as President of the Management Board and Robert Stasik as Vice President of the Management Board,
- starting from 6 September 2023: Katarzyna Juskiewicz, Artur Pajkert and Konrad Kowalski.

The new joint three-year term of the Board of Directors began on 31 August 2023 and will end on 31 August 2026.

There were no changes to the composition of the Supervisory Board in Q3 2023.



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> Other information



## >Other information

### 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

cyber\_Folks Group has yet to settle advance Payments made to SOPOL Solewodzińscy sp. j. („SOPOL”) totaling PLN 517 thous. For the provision of services. cyber\_Folks 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, cyber\_Folks 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, cyber\_Folks Group has no other material proceedings before courts, arbitration bodies or the institutions of public administration relating to claims by cyber\_Folks and its subsidiaries

### Employment

As at 30 September 2023 r the Group had 456 employees calculated on a full-time basis. In the course of Q3 2023 the average employment totaled 456 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 24).

### Financial forecast

The Management Board has not published financial forecast.

### Relevant Agreements

In Q3 2023 the Group has not signed significant agreements.

### General Meeting

The Company's Annual General Meeting was held on 26 June 2023. During the AGM, the shareholders decided, among other things, on the distribution of the net profit made in 2022, the payment of dividends, the merger of R22 S.A. with cyber\_Folks S.A. and the approval of the Management Board and Supervisory Board Report on activities in 2022.

Information on the General Meetings is available on the company's website:  
<https://investors.cyberfolks.pl/company-pages/walne-zgromadzenie>



## Jakub Dwernicki

President  
of the Management Board



## Robert Stasik

Vice President  
of the Management Board



## Artur Pajkert

Member  
of the Management Board



## Katarzyna Juskiewicz

Member  
of the Management Board



## Konrad Kowalski

Member  
of the Management Board



Date of preparation and approval for  
publication of the Quarterly report of  
cyber\_Folks Group for Q3 2023

**14 November 2023**

Date of publication of the  
Quarterly report of  
cyber\_Folks Group for Q3 2023

**14 November 2023**