

VERCOM

| Vercom
Capital Group's
report for Q2 2022

September 6, 2022



: Scale beyond

: Letter to Shareholders

Dear Shareholders,

It gives me a great pleasure to present Vercom Group's Q2 2022 report. Despite the intensive work on the successful acquisition of MailerLite, a global provider of email communication tools, we are not slowing down. In the last quarter, revenues increased by 35 per cent y/y to over PLN 53 million, and adjusted EBITDA amounted to nearly PLN 11 million, an increase of 24 per cent y/y.

The past quarter saw further diversification of our business. Driven by both the organic growth and the recently completed acquisitions, we have significantly increased the share of high-margin services in the group's revenues, resulting in a 7 percentage points y/y improvement in gross profit margin. At the same time, we have tripled the number of customers to nearly 61,000, of which more than 41,000 are customers of MailerLite. Sales dynamics to existing customers remained high at 10 per cent y/y. All those factors have positively contributed to the observed gross profit growth, which increased by 68 per cent y/y and amounted to almost PLN 20 million.

The acquisition of MailerLite was a landmark event that has opened up new growth opportunities. We become a company with a truly international footprint underpinned by a diversified portfolio of customers in 180 markets and delivering over 90 per cent of proforma sales with customers in the US and the Western Europe. I would like to point out, that the Vercom team has further increased by approx. 100 specialists working remotely in 30 international locations, giving us the ability to efficiently provide services to our global customer portfolio in all time zones. The global presence that we have gained provides us with a unique, long-term potential for further dynamic organic growth in the following years.

Acquisition of MailerLite marks the completion of our goals that had been set forth in connection with the company's IPO on the WSE just over a year ago. We are beginning a new chapter in Vercom's history with a strong Focus on further organic growth, integration of the acquired entities and extraction of expected synergies. We hope to see the first financial effects of this acquisition in the next quarter, which will be the first full period of consolidation of MailerLite's results.

Yours sincerely,

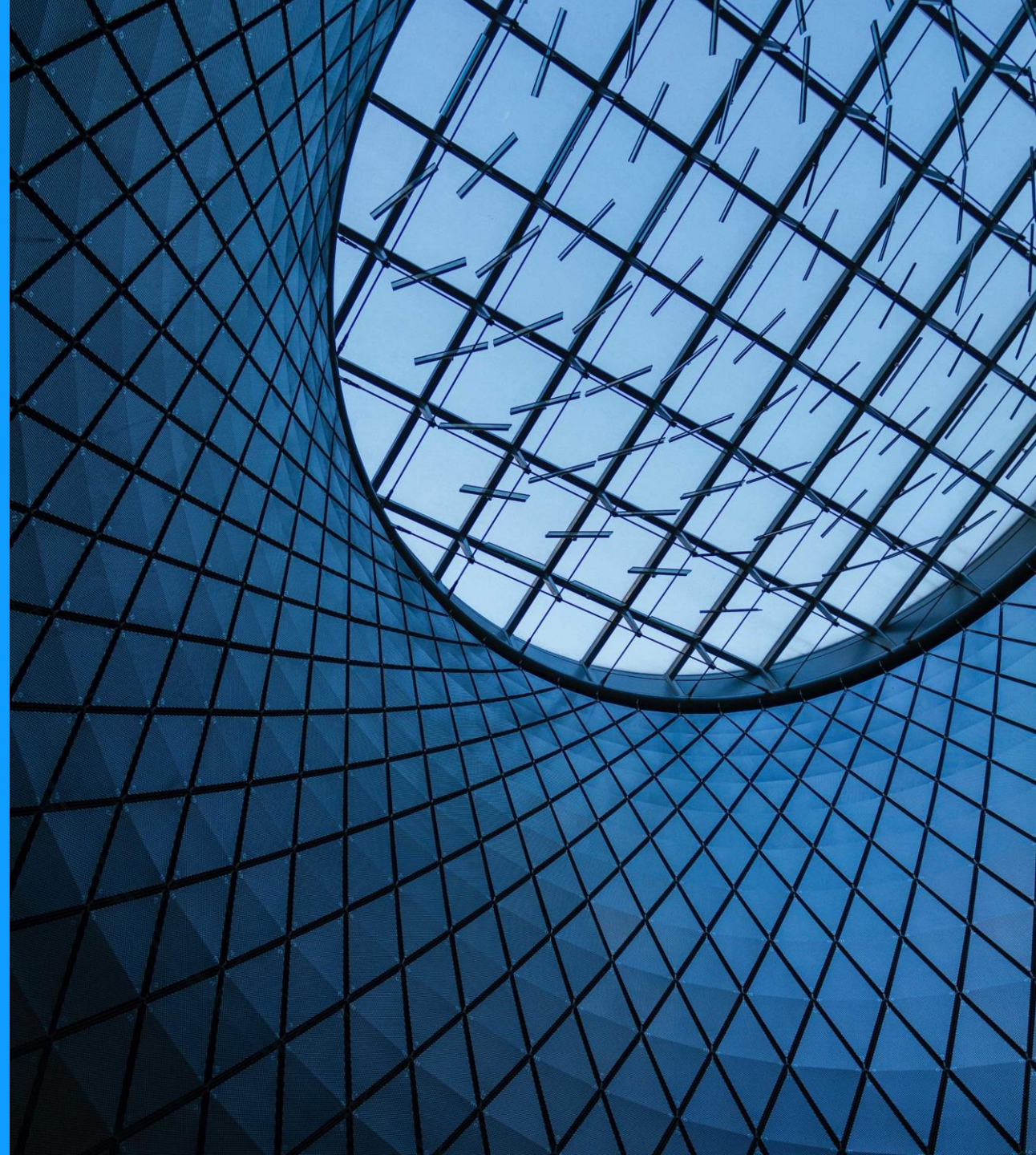
Krzysztof Szyszka

CEO Vercom



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: Operational summary



: Financial Results Q2 2022

Revenue

Dynamics y/y

PLN 53,4 m

+35%

Gross Profit

PLN 19,7 m

+68%

EBITDA*

PLN 10,8 m

+24%

*EBITDA normalized for the impact of non-recurring costs related to acquisitions, the organization of a public offering to sell shares and the valuation of the ESOP



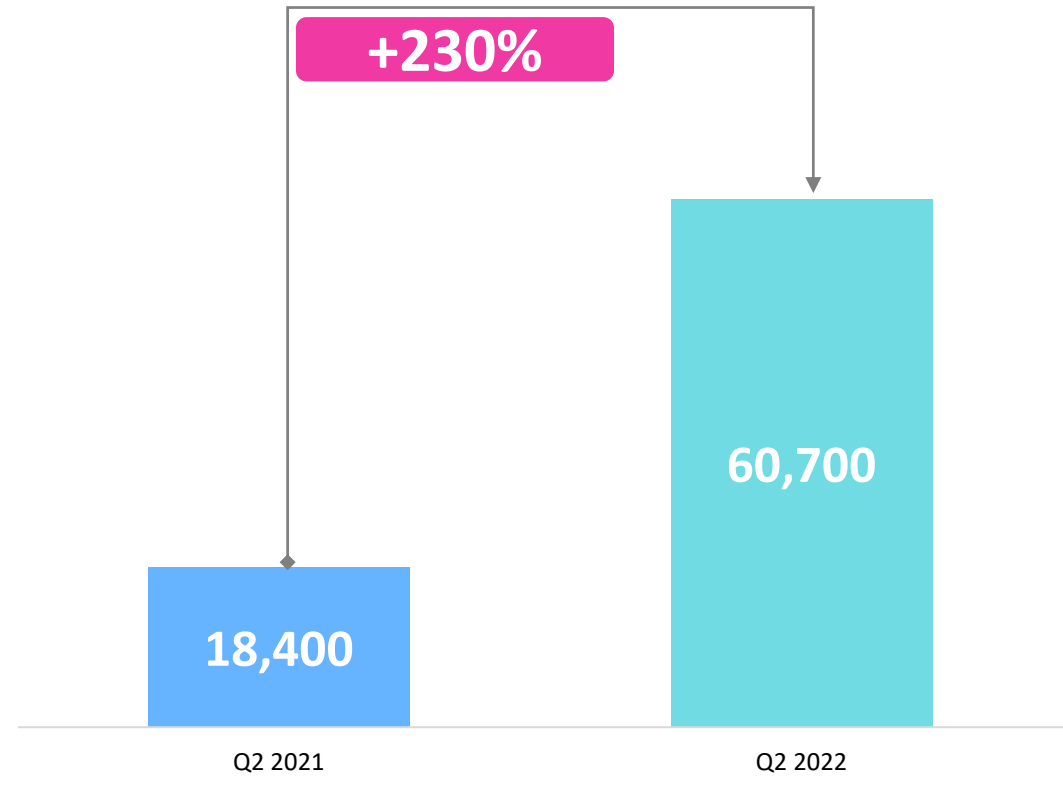
: Increase in customer base

Number of Customers

Increase y/y

60 700

+230%



: Highlights of Q2 2022

Further dynamic growth

- Revenue growth of 35% y/y to over PLN 53 million
- More than 3-fold increase in the number of customers to 60,700
- Securing growth potential in the coming years through increased international market presence

Increase of gross profit margin

- Gross profit margin up 68% y/y to nearly PLN 20 million
- Increase in share of high-margin products based on email and push channel in consolidated revenues

Completion of M&A activities

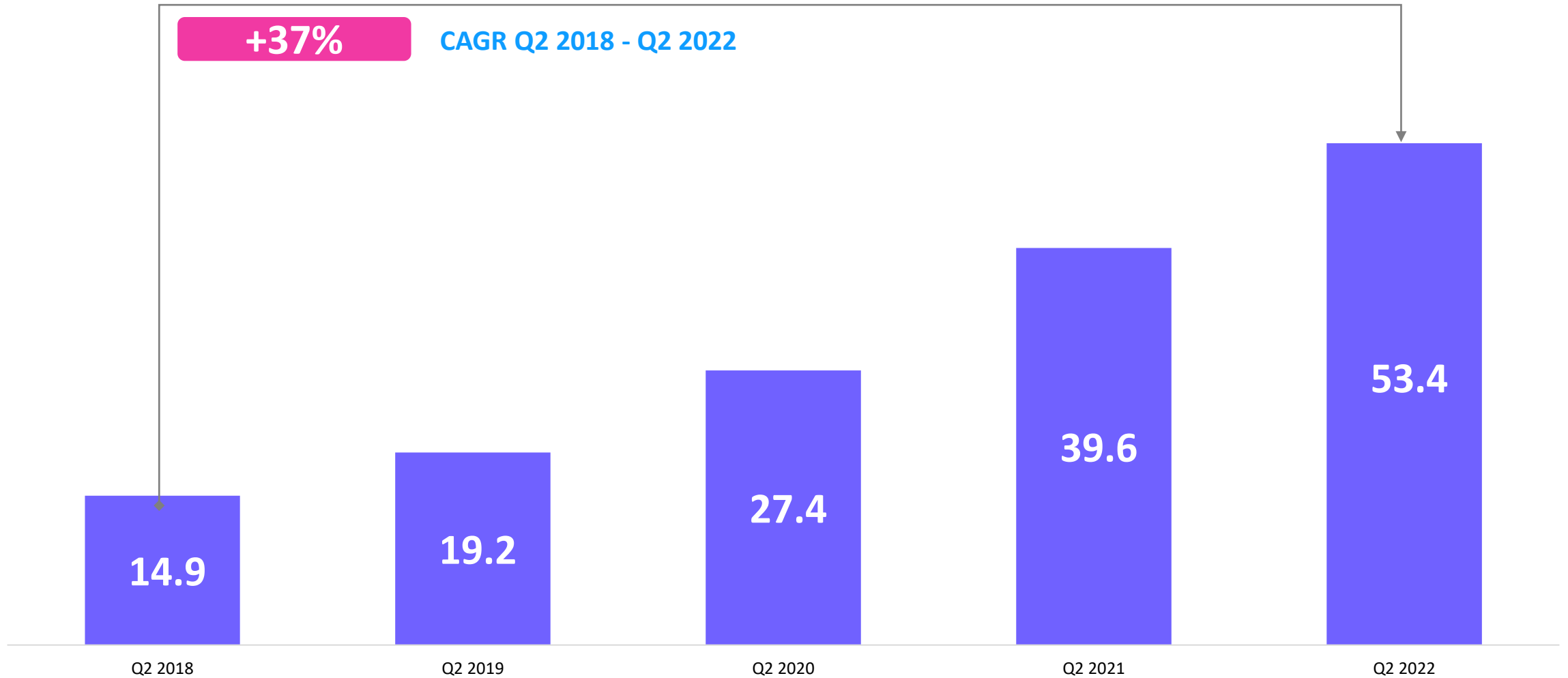
- Completion of M&A activities - successfully completed investments in MailerLite, Freshmail, PushPushGo and Oxylion
- Start of work on integration of acquired entities
- Preparation for the extraction of synergies in all business areas

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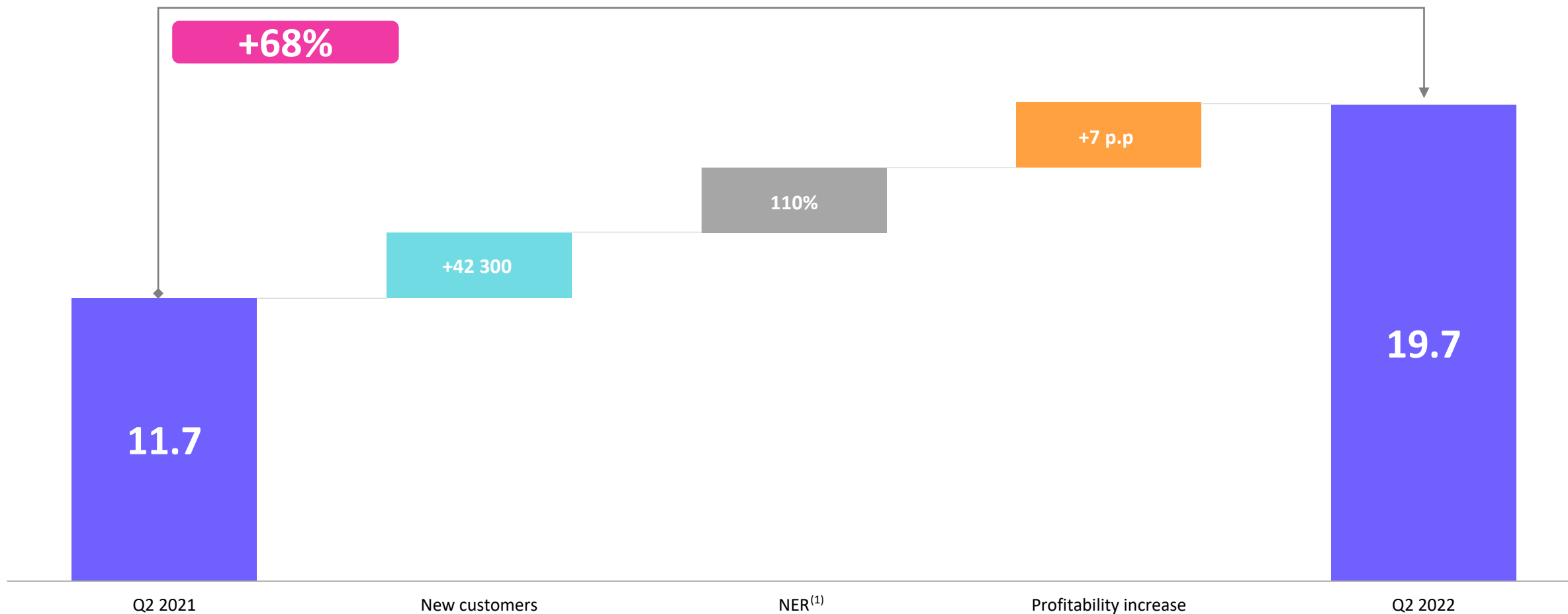
: Continuation of dynamic growth of business scale

Revenue (PLN million)



: Dynamic growth of gross margin

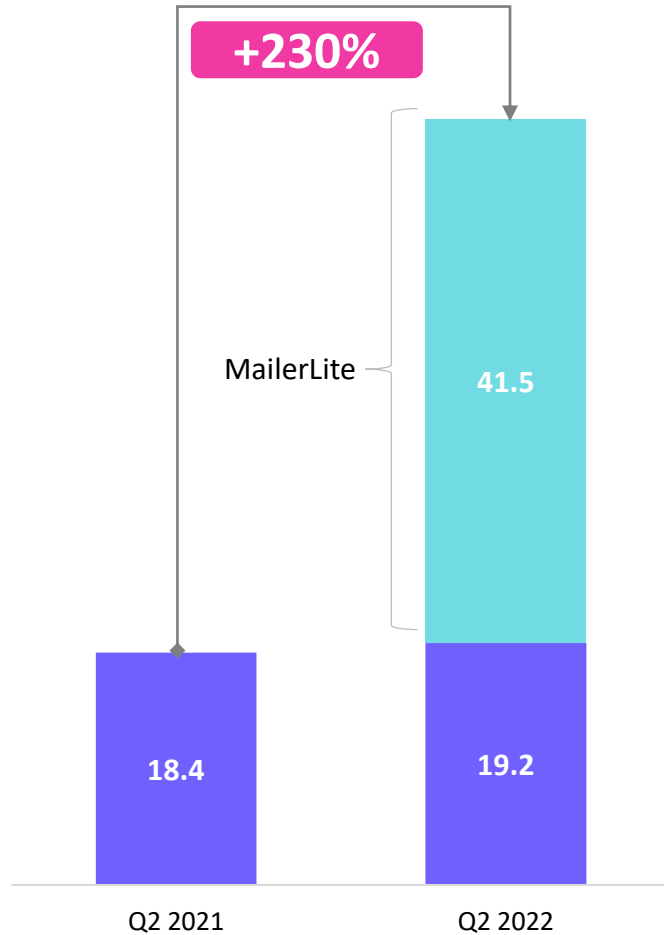
Gross Profit (PLN million)



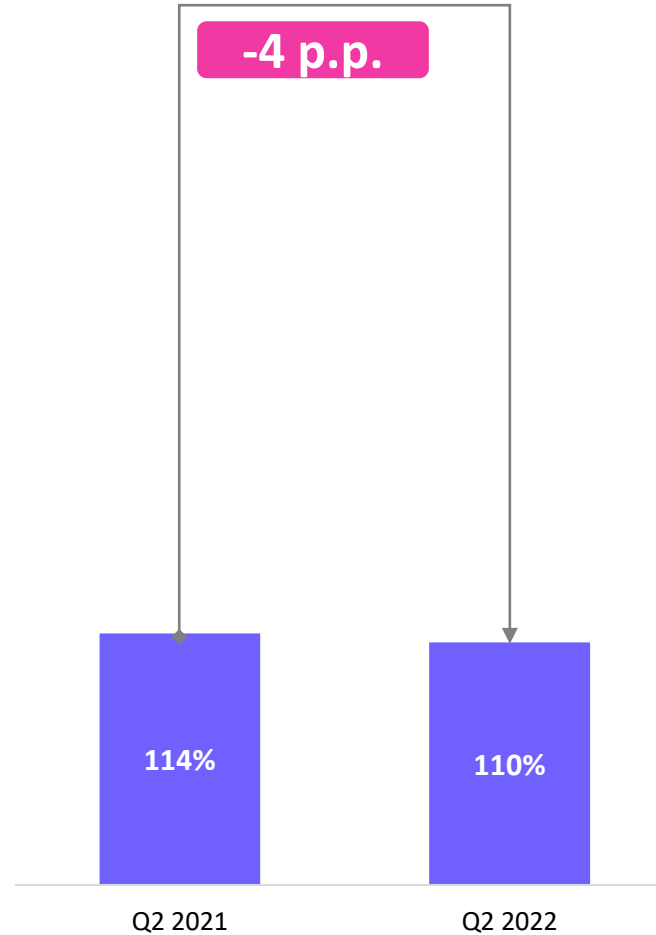
(1) NER (ang. Net Expansion Rate): an increase in sales to a recurring group of customers, i.e. entities that were customers of the Group in the period for which the indicator is calculated and in the comparative period

: Selected KPIs

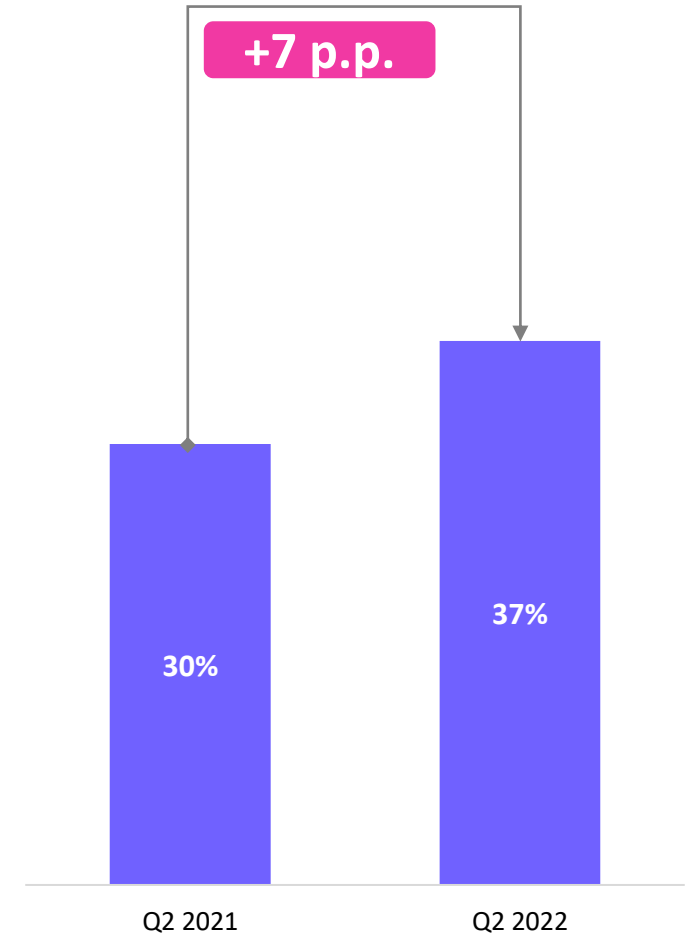
Number of customers ('000)



NER⁽¹⁾ (%)

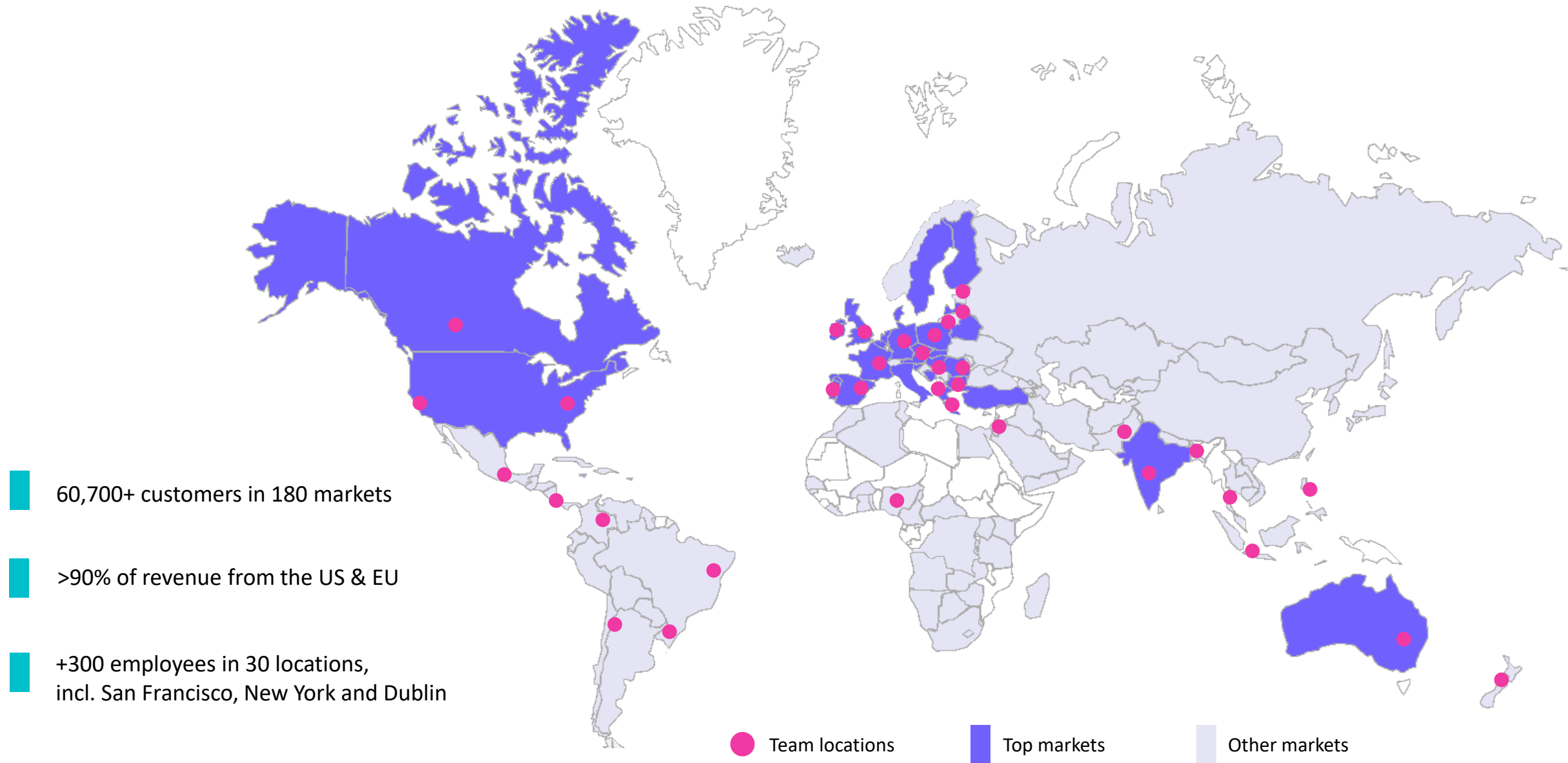


Gross profit margin (%)

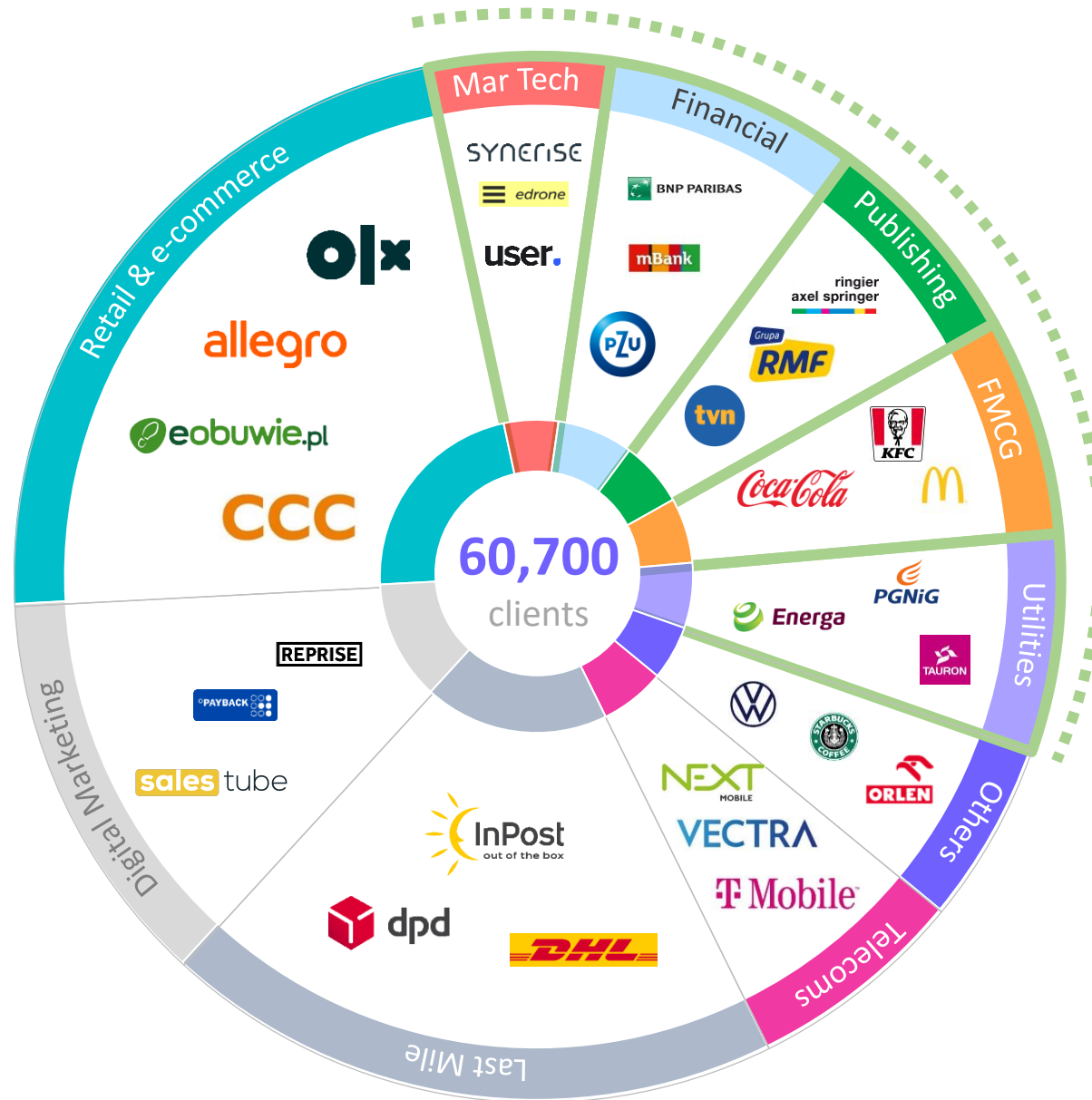


(1) NER (ang. Net Expansion Rate): an increase in sales to a recurring group of customers, i.e. entities that were customers of the Group in the period for which the indicator is calculated and in the comparative period

: Significant long-term growth potential



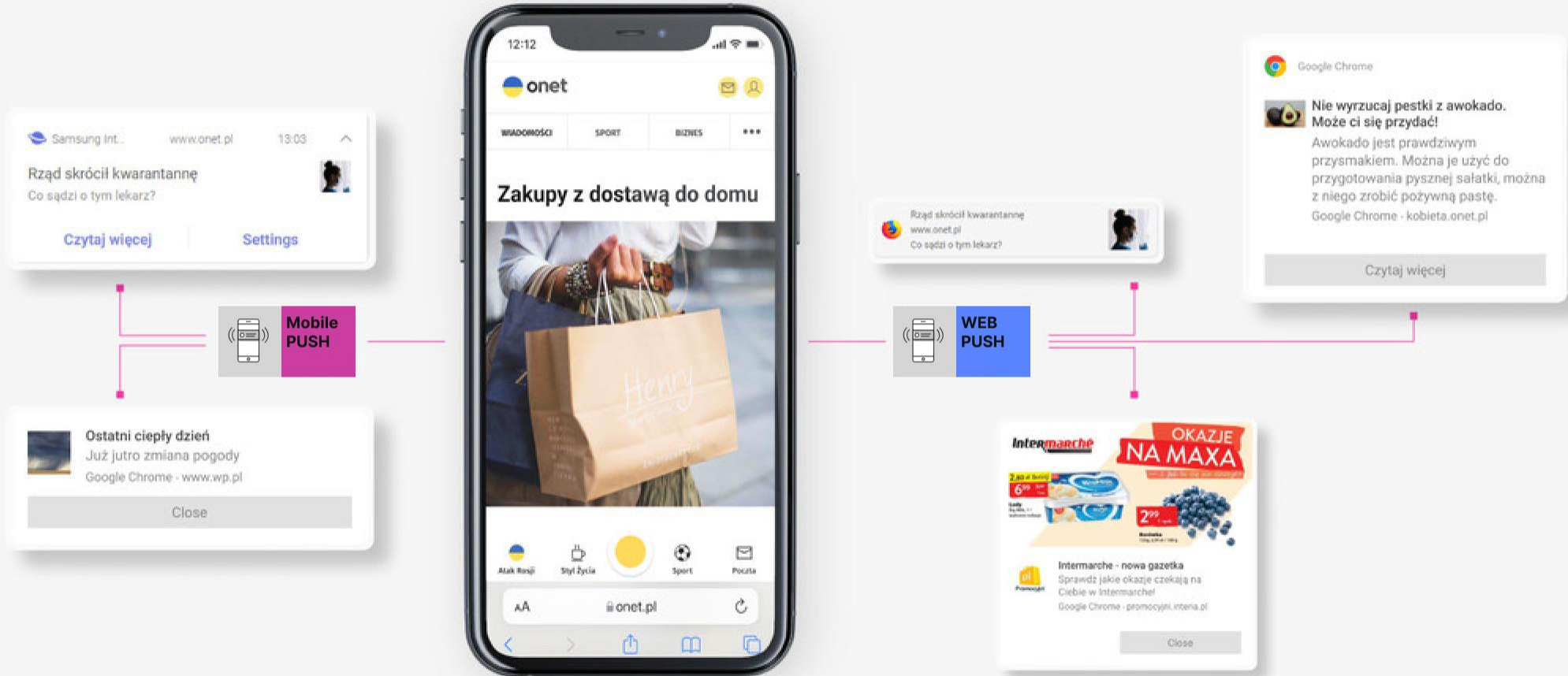
: Growing diversification of the customer portfolio



- ✓ Increased geographic diversification of the customer portfolio
- ✓ Growing share of new segments: Publishing, FMCG and Utilities
- ✓ Wide spectrum of customers ranging from enterprise clients and SMEs to private individuals
- ✓ Increasing customer diversification translates into growing resilience of the business
- ✓ TOP10 clients accounted for 22% of revenues but only 7% of gross profit

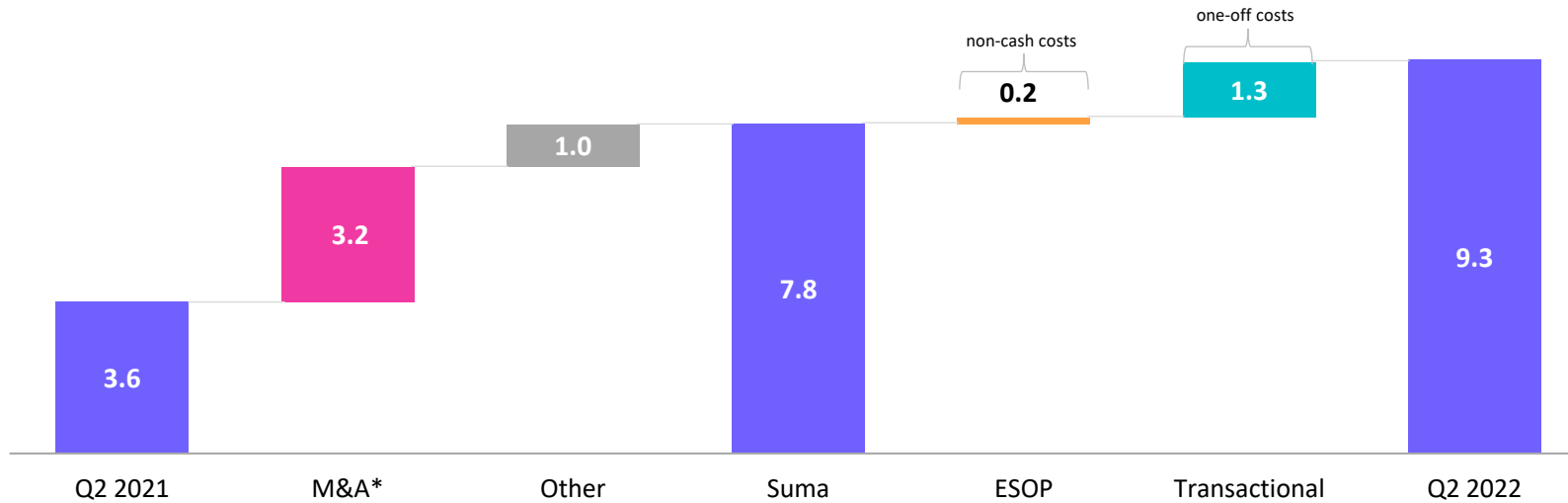
: Growing interest in CPaaS services

Case study: Onet

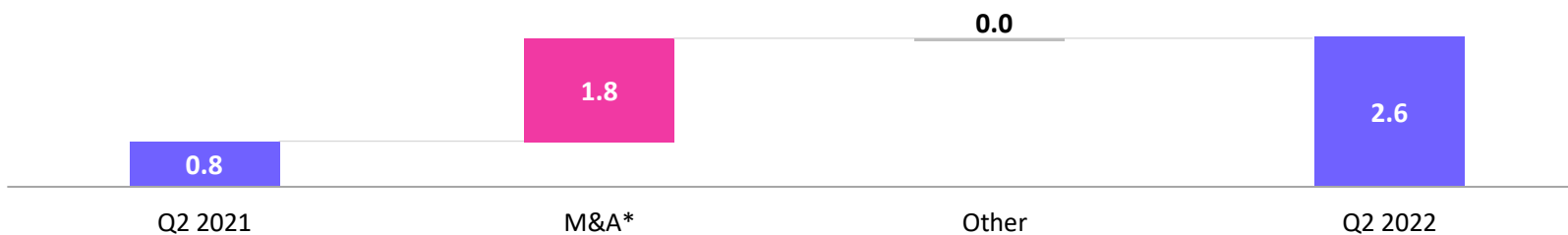


: Room for further cost optimization

General administrative expenses (PLN million)



Sales and marketing expenses (million PLN)



Note

- ✓ Increase of G&A costs associated mostly with the impact of new acquisitions
- ✓ Expansion of the cost base driven by doubling the number of talents
- ✓ Significant contribution of non-recurring items (transaction costs)
- ✓ Relatively stable SG&A level vs. Q1 22

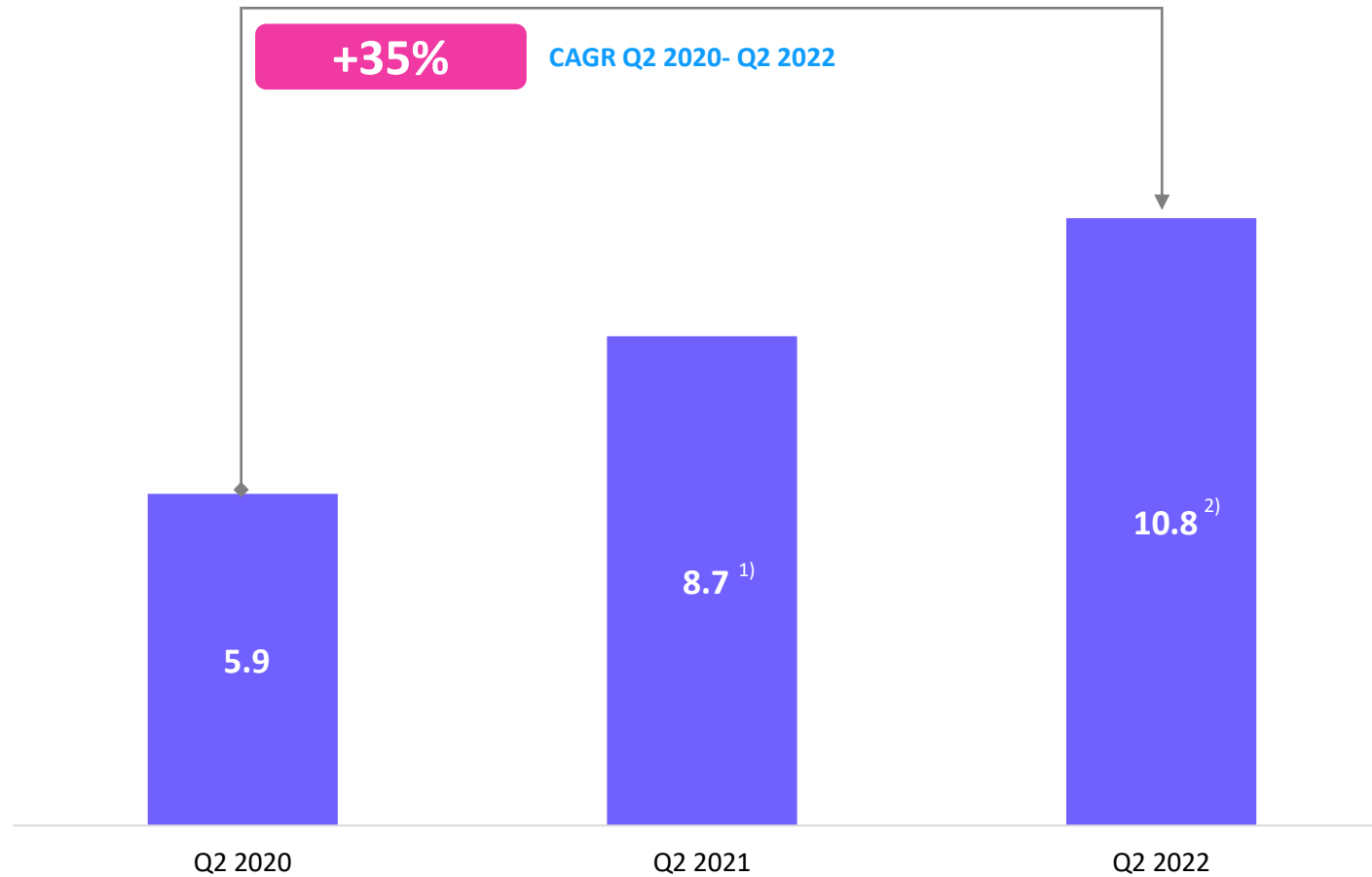
- ✓ Increase of selling and marketing expenses associated mostly with the impact of new acquisitions
- ✓ Stable value of selling and marketing expenses

*M&A represents selling and administrative expenses of acquired companies

: Steadily growing EBITDA

EBITDA (PLN million)

Note



Dynamic growth of adjusted EBITDA continued in Q2 2022



EBITDA margin remains high at 20%+



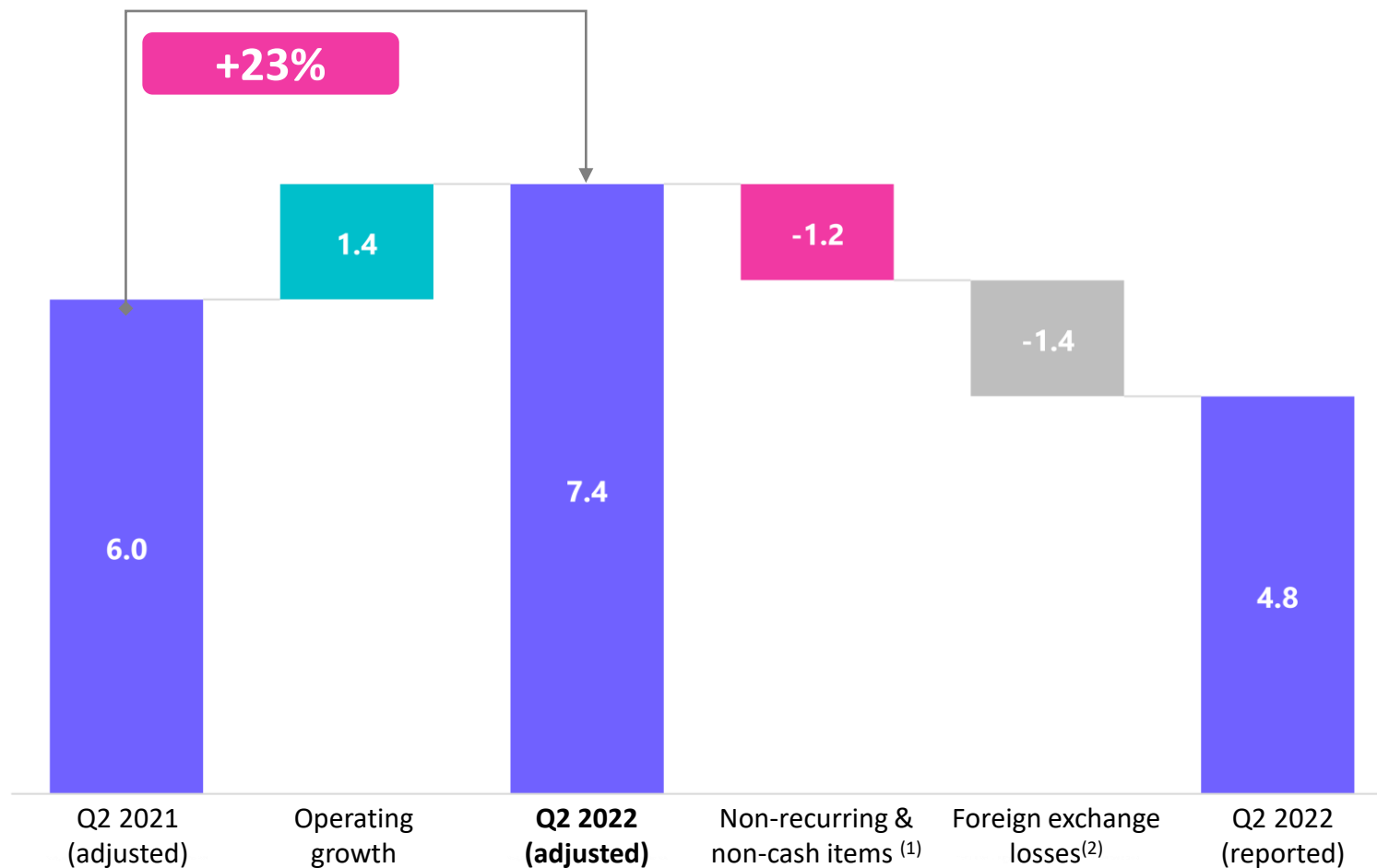
Ability to generate significant cash flow despite the group's dynamic growth strategy

¹⁾ EBITDA adjusted in plus for the valuation of ESOP in the amount of PLN 449,000

²⁾ EBITDA adjusted in plus for the valuation of ESOP in the amount of PLN 157k and transaction costs of PLN 1,287k

: Net income impacted by foreign exchange losses and non-recurring items

Adjusted net income (PLNm)



Note

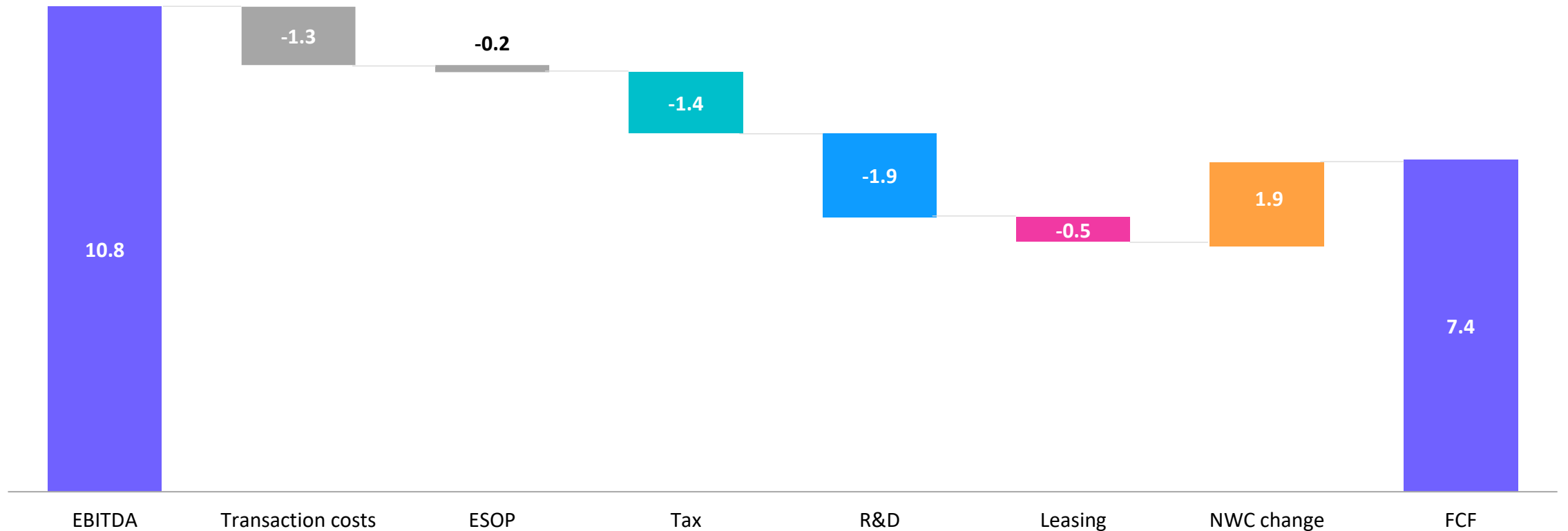
- ✓ 23% growth of adjusted net profit increase resulting from operating growth
- ✓ Adjusted net profit margin at c. 14%
- ✓ Reported net profit impacted by foreign exchange losses resulting mostly from valuation of EUR-denominated liabilities
- ✓ Visible impact of non-recurring and non-cash items related to transaction costs and ESOP costs

(1) Non-recurring and non-cash items include transaction costs and ESOP costs adjusted for tax

(2) Foreign exchange losses adjusted for tax

: High cash generation capacity

Conversion of EBITDA to cash flow (PLN million)



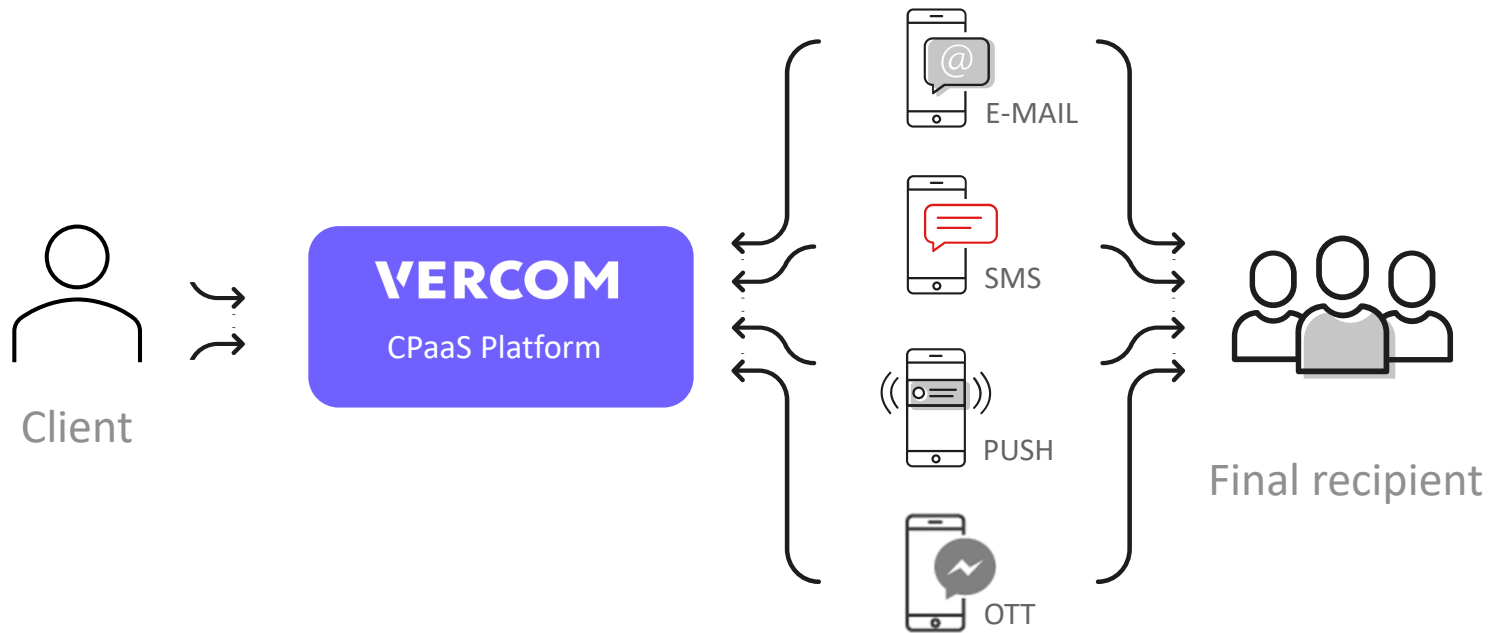
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: Vercom business
profile

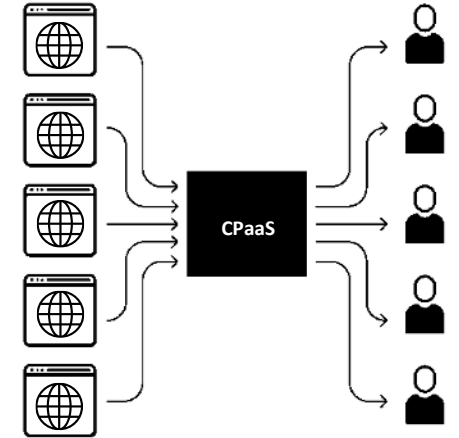


: CPaaS Platform

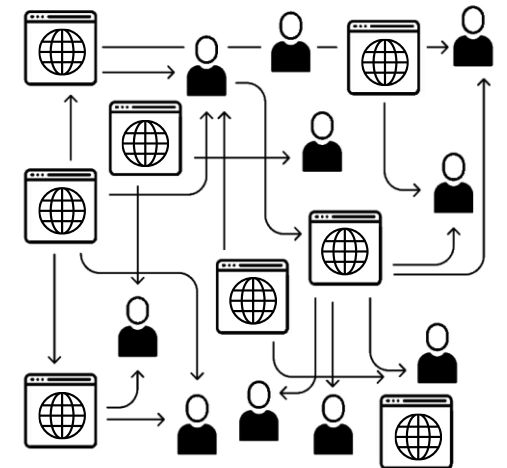
CPaaS: cloud-based communication platforms that enable companies to build and develop lasting relationships with their audiences across multiple communication channels.



With CPaaS



Without CPaaS

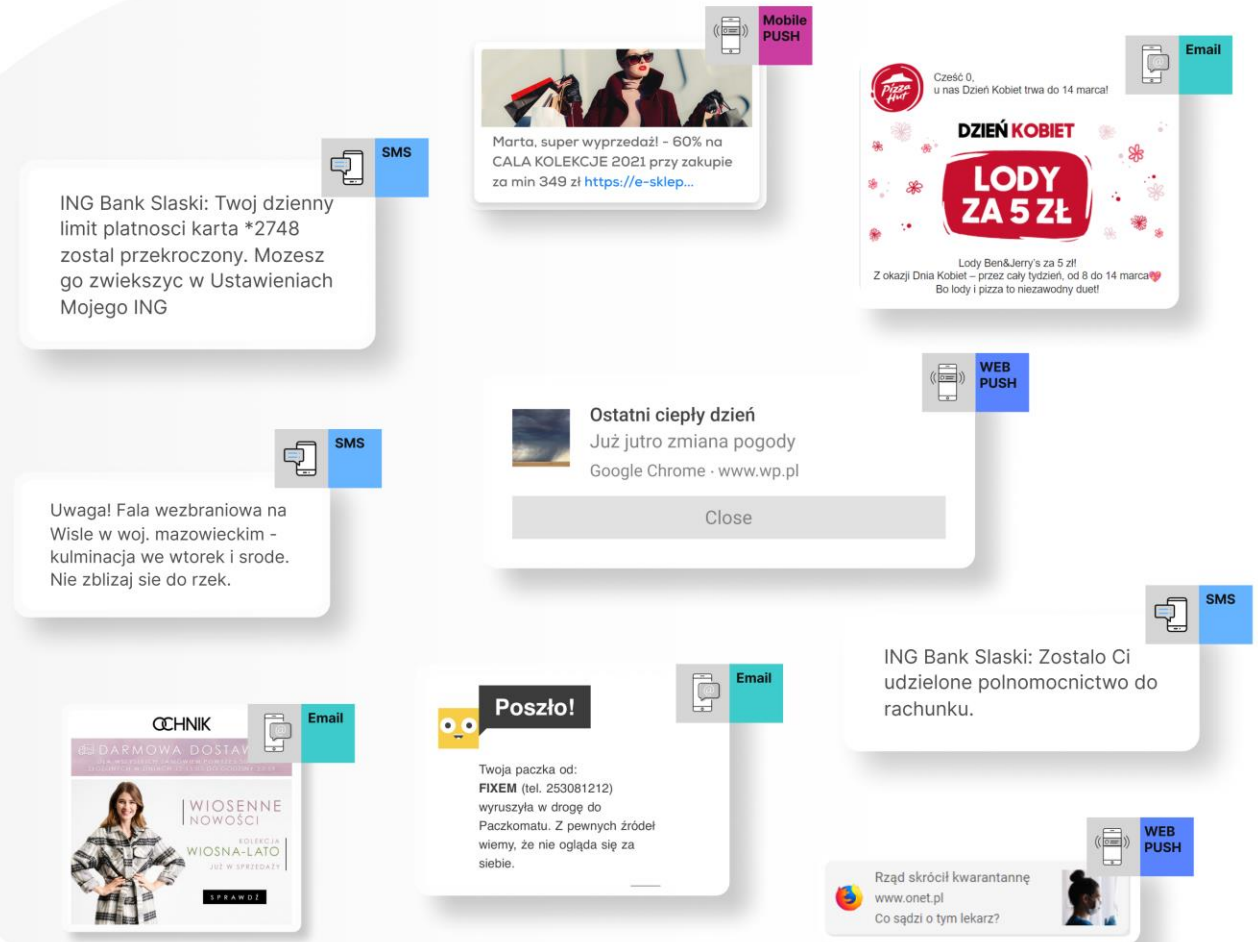


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: Sources of competitive advantage for Vercom

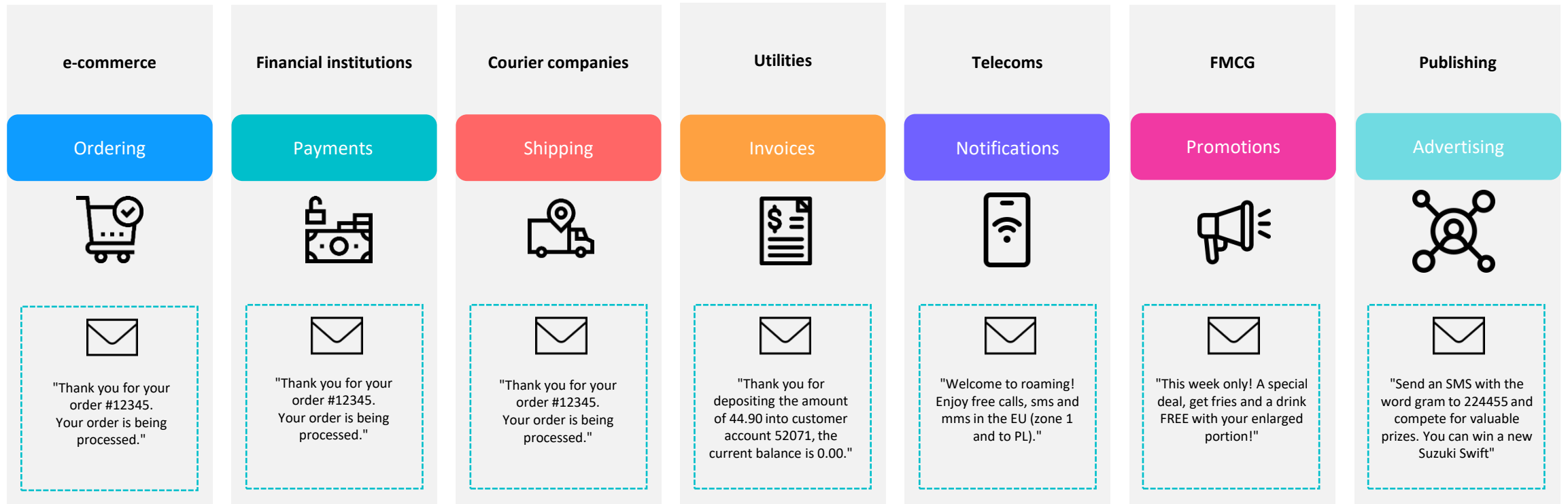
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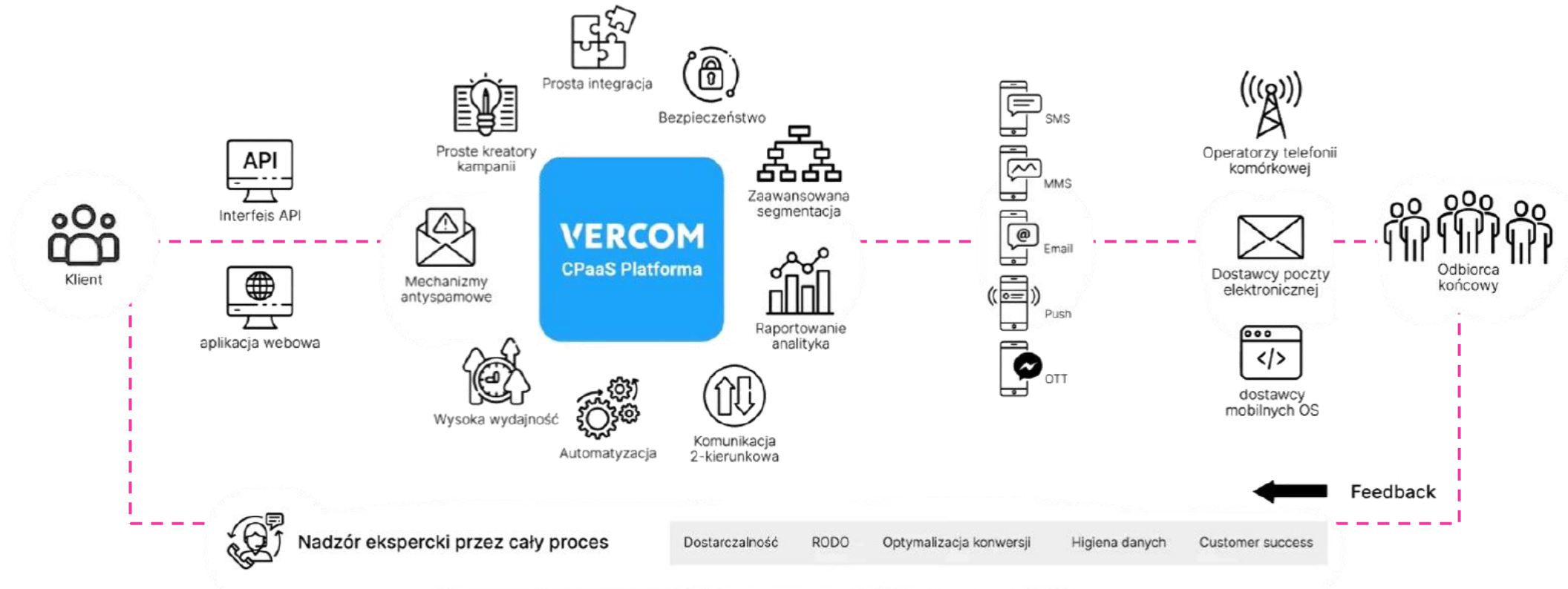
- ✓ High effectiveness of omnichannel communication
- ✓ High level of message deliverability
- ✓ All communication channels available in one service
- ✓ Potential for significant reduction in unit costs on the customer side
- ✓ Possibility of full integration with the customer's IT system
- ✓ Access to advanced analytical tools



: The key role of CPaaS services in B2C communication

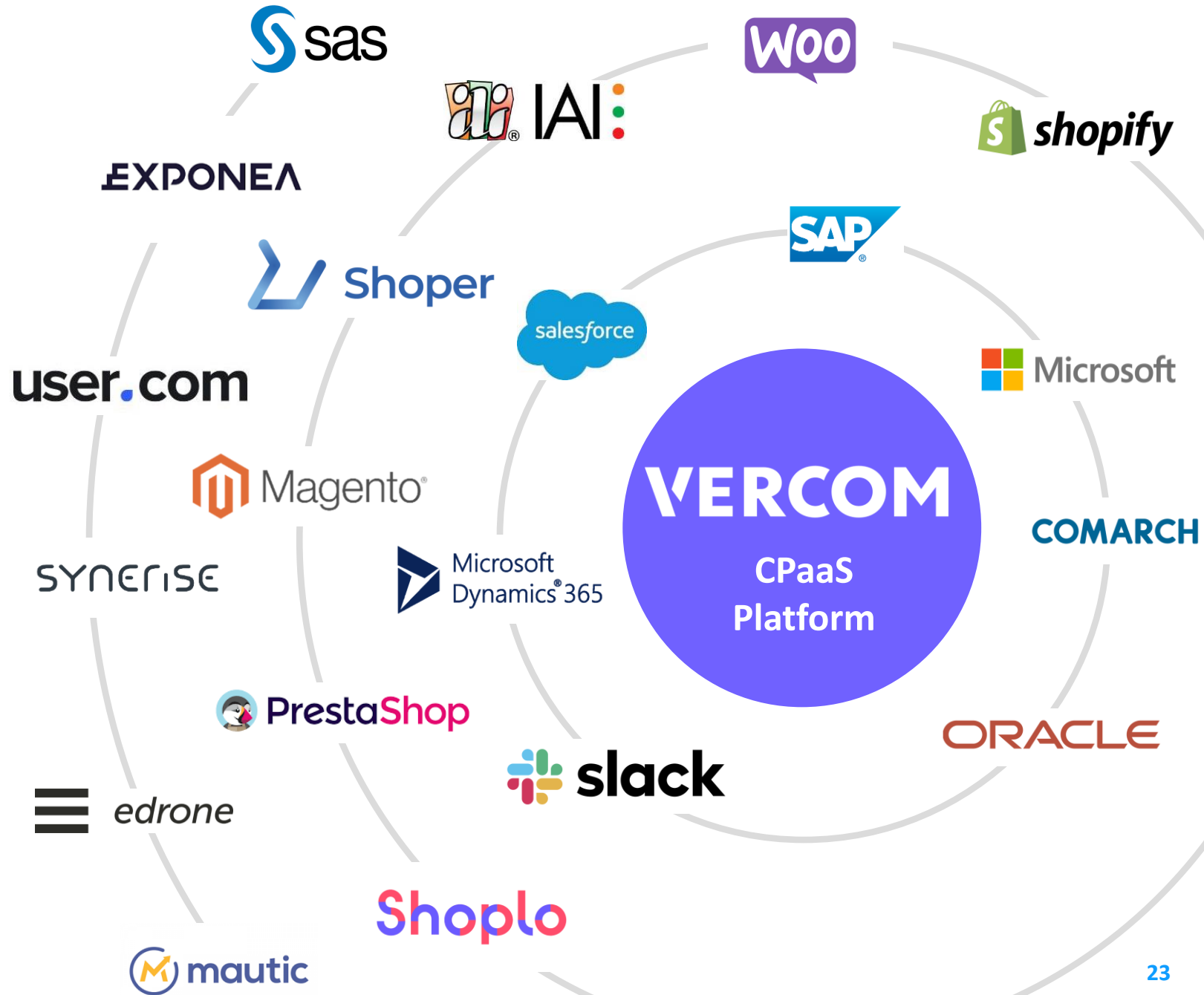
✓ Continuation of the trend of moving company-customer interactions from **offline to online channels**





: Easy integration with other systems

- ✓ Self-service model using a dedicated Vercom plug-in
- ✓ Possibility to use the platform instantly and without maintenance thanks to numerous integrations
- ✓ Scalable operating model that does not require significant sales and customer support forces
- ✓ Growth also generated from the development of the particular system into which the Vercom platform is integrated
- ✓ The number of self-service customer integrations has increased since the IPO



: Development strategy



: From the CEE leader to the global player

Communications channels

3 → 6 **x2**

Team

100 → 300 **x3**

Customers

11 400 → 56 800 **x5**

Addressable market

CEE → Global **x14**

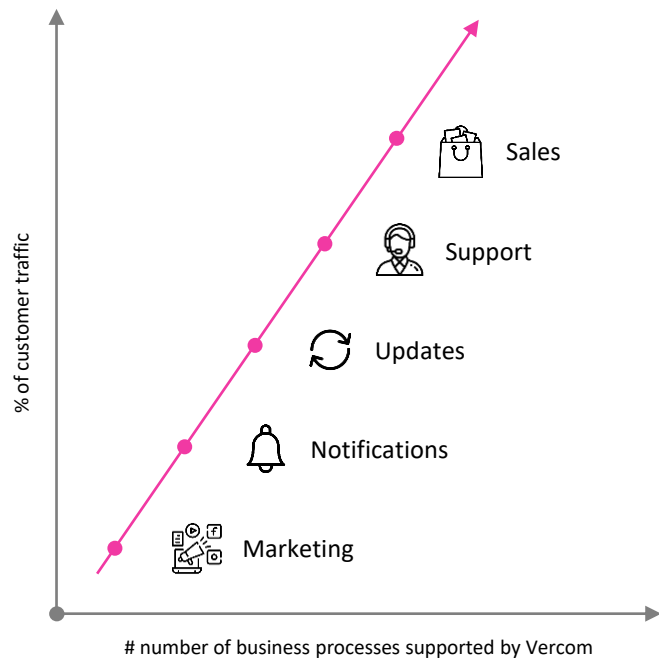
Before IPO → After M&A



: Development strategy

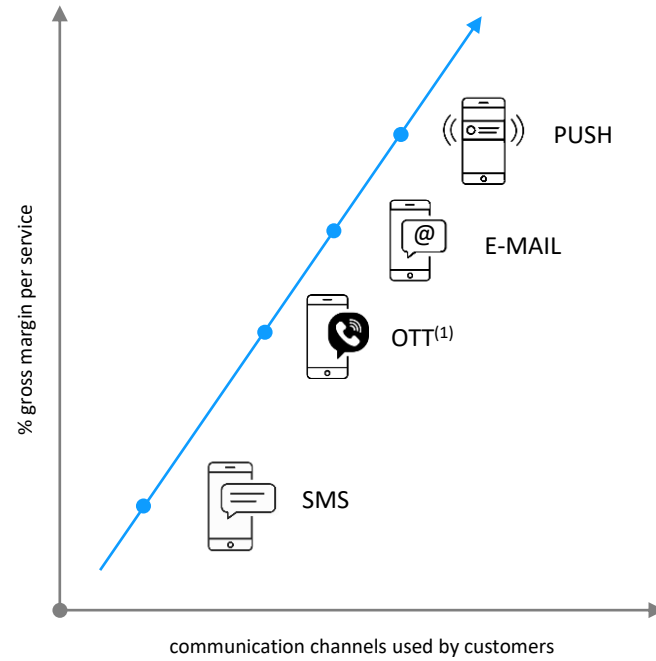
Customer Development

- ✓ Expansion of cooperation from a single service to new business areas



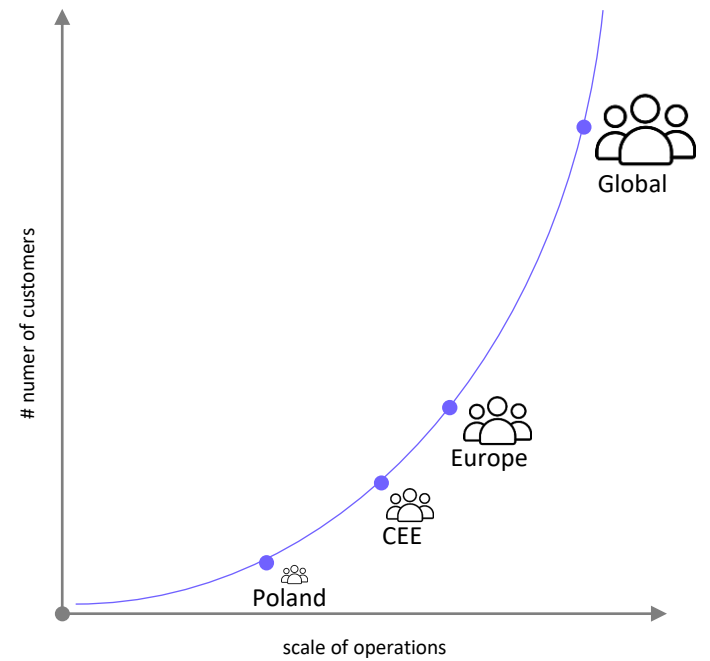
Cross-selling services

- ✓ Implementing an omnichannel strategy
- ✓ Increasing sales of high-margin services



Increase in the scale of operations

- ✓ Increase business reach through acquisitions and organic growth

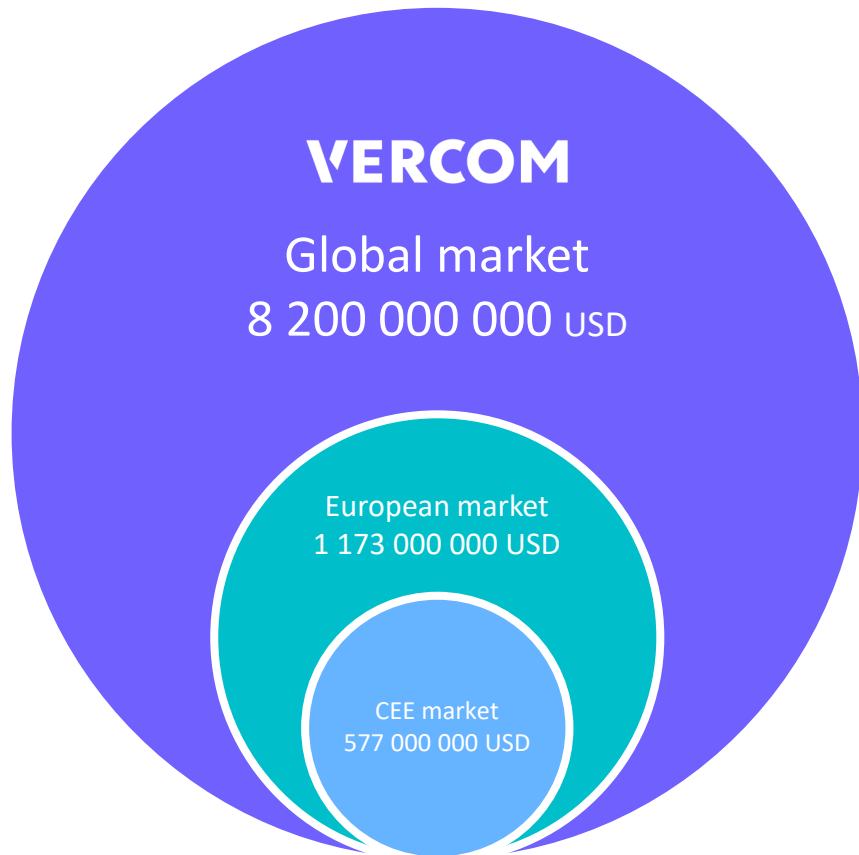


Remarks:
(1) Based on gross margin generated from Viber services in the Czech Republic.

: Exponential growth of target addressable market

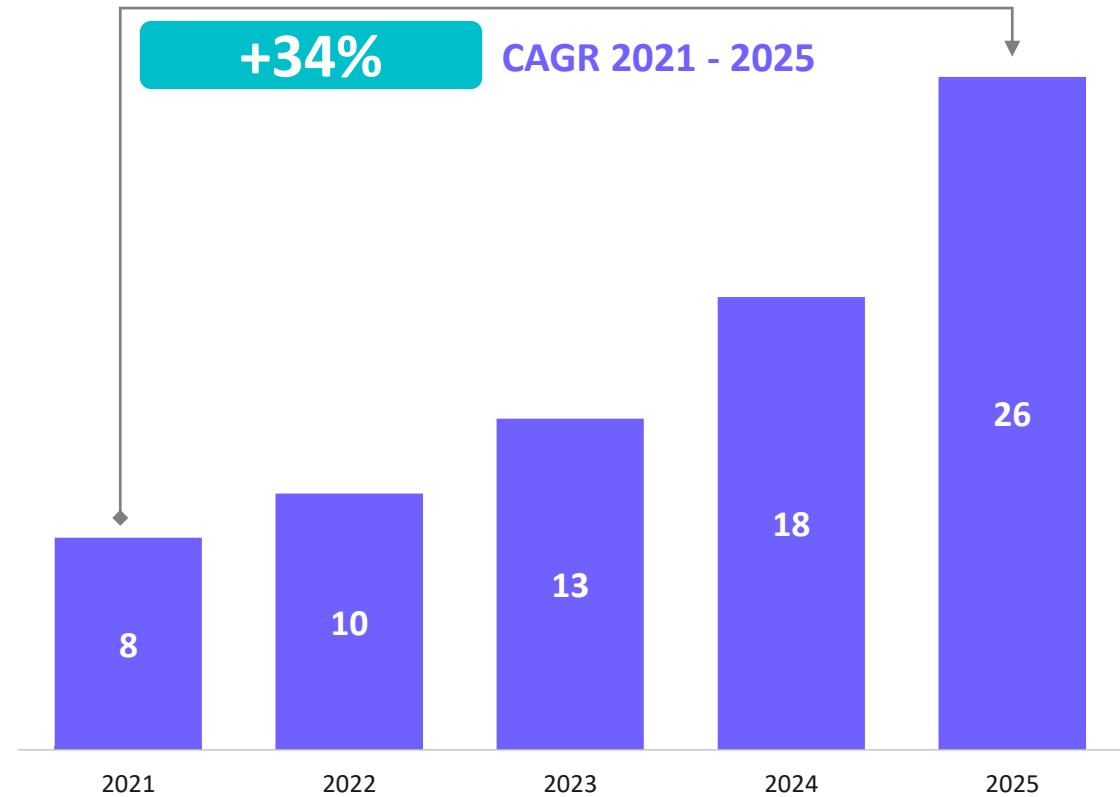
Target addressable market (TAM)

✓ 14x wzrost TAM



Source: Juniper Research

Global CPaaS market value (USDb)



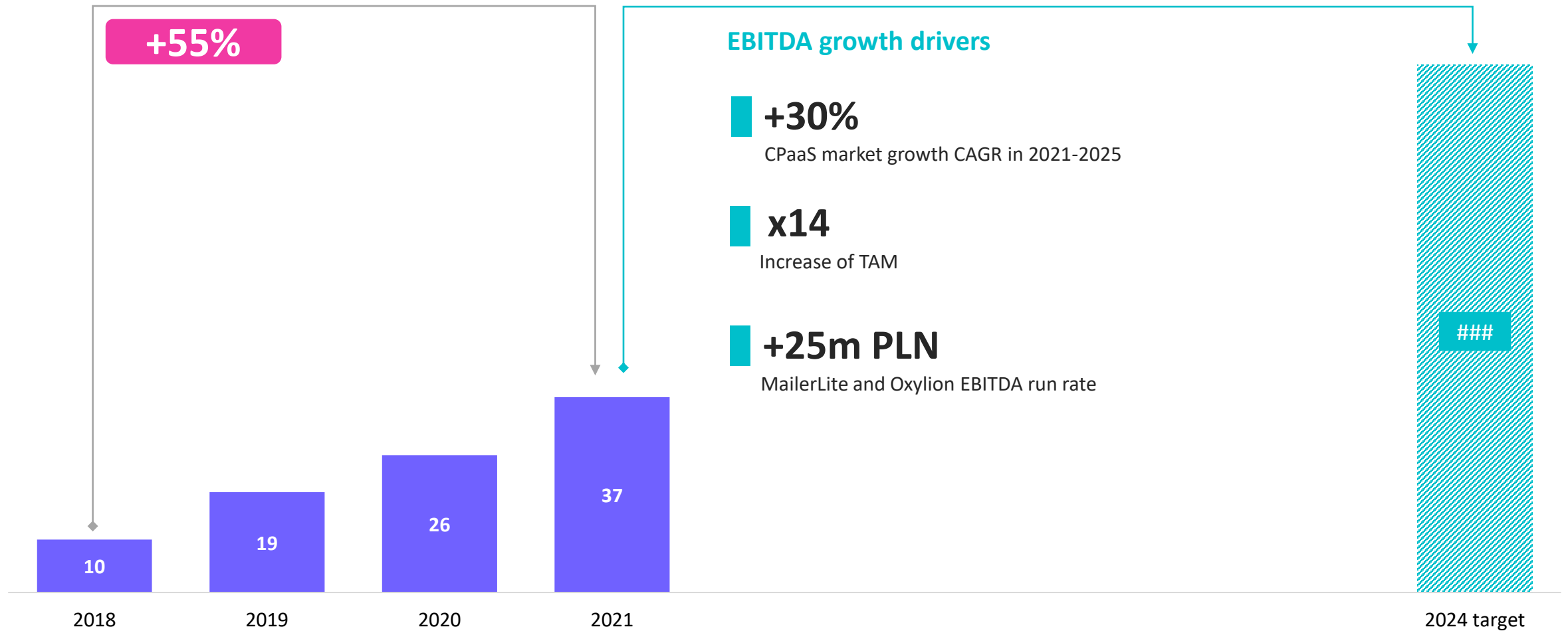
Market growth driven by secular tailwinds:

- Progressing digitalization of business processes
- Growing volume of transactional communication
- Development of marketing automation tools



: Significant potential to maintain EBITDA growth trajectory in the coming years

EBITDA (PLNm)



: Financial data



: Profit and loss account - comparative version

(PLN thousands)	Q2 2021	Q2 2022	Change	H1 2021	H1 2022	Change
Revenue from sales	39 634	53 419	35%	78 152	102 923	32%
Other operating revenue	5	15	200%	7	38	443%
Amortization	(951)	(1 592)	67%	(1 874)	(3 159)	69%
Third party expenses	(29 235)	(39 689)	36%	(58 612)	(77 120)	32%
Employee benefits	(1 878)	(4 836)	158%	(3 159)	(8 996)	185%
Changes in products	0	832		0	1 616	
Materials and Energy costs	(210)	(271)	29%	(300)	(477)	59%
Taxes and fees	(10)	(28)	180%	(13)	(134)	931%
Other operating costs	(2)	(27)	1250%	(3)	(64)	2033%
Gain/(loss) on sale and liquidation of tangible fixed assets	3	0		3	224	7367%
Other revaluation write-offs	(31)	(51)	65%	(51)	(245)	380%
Operating profit	7 325	7 772	6%	14 150	14 606	3%
Net financial costs	(446)	(2 252)	405%	(953)	(1 276)	34%
Share in profit/(loss) of entities accounted for using the equity method	(16)	53	-431%	(90)	220	-344%
Profit before tax	6 863	5 573	-19%	13 107	13 550	3%
Income tax	(1 205)	(754)	-37%	(1 605)	(2 157)	34%
Net profit	5 658	4 819	-15%	11 502	11 393	-1%
- attributable to shareholders of the parent company	5 658	4 824	-15%	11 502	11 450	0%

: Profit and loss account – calculation variant

(PLN thousands)	Q2 2021	Q2 2022	Change	H1 2021	H1 2022	Change
Revenue from sales	39 634	53 419	35%	78 152	102 923	32%
Cost of producing services	(27 931)	(33 709)	21%	(56 107)	(67 916)	21%
Gross profit from sales	11 703	19 710	68%	22 045	35 007	59%
Sales and marketing costs	(781)	(2 596)	232%	(1 406)	(4 353)	210%
General administration costs	(3 572)	(9 279)	160%	(6 445)	(16 001)	148%
Profit from sales	7 350	7 835	7%	14 194	14 653	3%
Other operating revenues	5	15	200%	7	38	443%
Profit from sale of non-financial fixed assets	3	0	-100%	3	224	7367%
Other operating costs	(2)	(27)	1250%	(3)	(64)	2033%
Other revaluation write-offs	(31)	(51)	65%	(51)	(245)	380%
Operating profit	7 325	7 772	6%	14 150	14 606	3%
Financial revenues	4	465	11525%	9	819	9000%
Financial costs	(450)	(2 717)	504%	(962)	(2 095)	118%
Net financial costs	(446)	(2 252)	405%	(953)	(1 276)	34%
Share of losses of equity accounted investees	(16)	53	-431%	(90)	220	-344%
Profit before tax	6 863	5 573	-19%	13 107	13 550	3%
Income tax	(1 205)	(754)	-37%	(1 605)	(2 157)	34%
Net profit from continuing operations	5 658	4 819	-15%	11 502	11 393	-1%

: Financial situation - assets and liabilities

(PLN thousands)	31.12.2021	30.06.2022	Change
Fixed real assets	842	15 018	1684%
Rights-of-use assets	5 251	6 282	20%
Intangibles and goodwill	93 368	468 197	401%
Investments in associates	11 948	12 172	2%
Derivative instruments	625	642	3%
Loan granted	86	0	
Lease receivables	0	593	
Other assets	725	531	-27%
Deferred income tax assets	37	9	-76%
Fixed assets	112 882	503 444	346%
Trade receivables	32 258	29 978	-7%
Loans granted	33 356	3 995	-88%
Lease receivables	0	669	
Cash and cash equivalents	116 799	29 723	-75%
Other assets	653	3 948	505%
Working assets	183 066	68 313	-63%
Total assets	295 948	571 757	93%
Own equity	206 882	337 618	63%
Long-term liabilities	44 567	164 122	268%
- Including, among others, liabilities due to loans and borrowings	35 048	144 835	313%
Short-term liabilities	44 499	70 017	57%
Total liabilities	89 066	234 139	163%
Total own equity and liabilities	295 948	571 757	93%

: Cash position - cash-flow statement

(PLN thousands)	Q2 2021	Q2 2022	Change	H1 2021	H1 2022	Change
Net profit for the reporting period	5 658	4 819	-15%	11 502	11 393	-1%
Total adjustments	1 699	5 215	207%	4 575	7 461	63%
Cash flow from operating activities	7 358	10 034	36%	16 077	18 854	17%
Tax paid	(2 265)	(1 350)	-40%	(2 849)	(2 543)	-11%
Net cash flow from operating activities	5 093	8 674	70%	13 228	16 311	23%
Interest earned	(1)	626	-62700%	2	736	36700%
Loans granted	0	(14 200)		0	(14 500)	
Loan repayments	0	35 500		303	35 500	11616%
Purchase of subsidiaries less cash holdings	0	(244 115)		0	(244 115)	
Investments in associates	0	0		0	(3)	
Proceeds from sale of tangible fixed assets	5	0		5	224	4380%
Purchase of fixed real assets and intangibles	(843)	(1 774)	110%	(1 372)	(3 331)	143%
Net cash from investing activities	(839)	(223 963)	26594%	(1 062)	(225 489)	21132%

: Cash position - cash-flow statement

(PLN thousands)	Q2 2021	Q2 2022	Change	H1 2021	H1 2022	Change
Net proceeds from issue of share	170 176	9 025	-100%	170 176	9 025	-95%
Dividends	(15 061)	0	-100%	(15 061)	0	
Proceeds from credits and loans	456	118 909	25977%	456	118 909	25977%
Repayment of credits and loans	(1 661)	(1 656)	0%	(3 306)	(3 313)	-43%
Interest paid	(461)	(992)	115%	(815)	(1 541)	108%
Payments of lease liabilities	(221)	(543)	146%	(455)	(978)	167%
Net cash from financing activities	153 228	124 743	-19%	150 995	122 102	-18%
Total net cash flow	157 482	(90 546)	-157%	163 161	(87 076)	-168%
Cash and cash equivalents at the beginning of the reporting period	0	0		11 684	116 799	335%
Cash and cash equivalents at the end of the reporting period	157 482	(90 546)	-157%	174 845	29 723	-155%

: Changes in own equity

Note	Initial capital	Reserve capital, including:				Reserve capital	Own shares	FX differences on conversion with foreign subsidiaries	Retained profits	Equity attributable to equity holders of the parent	Capital attributable to non-controlling interest	Own equity
		premium on stock sold above face value	Profit deductions	other	Share-based payment capital							
As of January 1, 2022	369	170 503	2 588	3 532	1 796	5 622	(970)	549	22 059	206 048	834	206 882
Net profit									11 450	11 450	(57)	11 393
Other total revenues		-	-	-	-	-	-	211	-	211	-	211
Total revenues for the period		-	-	-	-	-	-	211	11 450	11 661	(57)	11 604
Transactions with shareholders included directly in own equity												
Profit-sharing	20	-	15 803	-	-	-	-	-	(15 803)			-
Capital increase	20	75	118 743	-	-	-	-	-	-	118 818		118 818
Capital from share-based payments	26	-	-	-	314	-	-	-	-	314		314
Total changes in equity		75	118 743	15 803	-	314	-	211	(4 353)	130 793	(57)	130 736
As of June 30, 2022	444	289 246	18 391	3 532	2 110	5 622	(970)	760	17 706	336 841	778	337 618

: Unconsolidated income statement - comparative variant

(PLN thousands)	Q2 2021	Q2 2022	Change	H1 2021	H1 2022	Change
Revenue from sales	24 485	27 086	11%	48 101	54 643	14%
Other operating revenue	2	9	350%	3	18	500%
Amortization	(778)	(988)	27%	(1 535)	(1 984)	29%
Third party expenses	(18 371)	(19 943)	9%	(36 405)	(42 015)	15%
Employee benefits	(1 093)	(1 331)	22%	(1 685)	(2 373)	41%
Cost of materials and energy	(40)	(56)	40%	(64)	(102)	59%
Taxes and fees	(11)	(18)	64%	(13)	(57)	338%
Other operating costs	0	(5)		0	(24)	
Gain/ (Loss) on sale of tangible fixed assets and intangible assets	2	0	-100%	2	224	11100%
Other revaluation write-offs	(13)	(38)	192%	(132)	(102)	-23%
Operating profit	4 183	4 716	13%	8 272	8 228	-1%
Net financial income	4 084	9 331	128%	3 664	10 426	185%
Profit before tax	8 267	14 047	70%	11 936	18 654	56%
Income tax	(491)	(458)	-7%	(727)	(1 161)	60%
Net profit	7 776	13 589	75%	11 209	17 493	56%

: Unconsolidated income statement – calculation variant

(PLN thousands)	Q2 2021	Q2 2022	Change	H1 2021	H1 2022	Change
Revenues from sales	24 485	27 086	11%	48 101	54 643	14%
Cost of producing services	(17 229)	(19 045)	11%	(34 308)	(39 253)	14%
Gross profit from sales	7 256	8 041	11%	13 793	15 390	12%
Sales and marketing costs	(632)	(553)	-13%	(961)	(890)	-7%
General administration costs	(2 432)	(2 738)	13%	(4 433)	(6 388)	44%
Profit from sales	4 192	4 750	13%	8 399	8 112	-3%
Other operating revenues	2	9	350%	3	18	500%
Gain/ (Loss) on sale of tangible fixed assets and intangible assets	2	0	-100%	2	224	11100%
Other operating costs	0	(5)		0	(24)	
Other revaluation write-offs	(13)	(38)	192%	(132)	(102)	-23%
Operating profit	4 183	4 716	13%	8 272	8 228	-1%
Financial revenues	4 552	10 689	135%	4 556	12 394	172%
Financial costs	(468)	(1 358)	190%	(892)	(1 968)	121%
Net financial costs	4 084	9 331	128%	3 664	10 426	185%
Profit before tax	8 267	14 047	70%	11 936	18 654	56%
Income tax	(491)	(458)	-7%	(727)	(1 161)	60%
Net profit	7 776	13 589	75%	11 209	17 493	56%

: Unconsolidated balance sheet - assets and liabilities

(PLN thousands)	31.12.2021	30.06.2022	Change
Fixed real assets	629	620	-1%
Right-of-use assets	3 786	3 816	1%
Intangibles	16 719	36 021	115%
Investments in subsidiaries	81 262	436 040	437%
Investments in associated entities	12 622	12 625	0%
Loan granted	86		-100%
Derivative instruments	625	642	3%
Other assets	510	507	-1%
Fixed assets	116 239	490 271	322%
Trade receivables	16 996	17 545	3%
Loans granted	33 422	12 514	-63%
Cash and cash equivalents	98 881	2 733	-97%
Other assets	420	5 716	1261%
Working assets	149 719	38 508	-74%
Total assets	265 958	528 779	99%
Own equity	196 036	341 118	74%
Long-term liabilities	41 739	147 545	253%
- Including, among others, liabilities due to loans and borrowings	35 076	142 000	305%
Short-term liabilities	28 183	40 116	42%
Total liabilities	69 922	187 661	168%
Total equity and liabilities	265 958	528 779	99%

VERCOM

: Shares and
Shareholders



: Shares and shareholders

Shareholder structure as of September 6, 2022

	Number of A, B, D, E and F series shares**	Face value of each share (in PLN)	Initial capital (in PLN)	% votes at the General Meeting	Share in initial capital
R22 S.A.	11 016 935	0,02	220 339	49,86%	49,86%
cyber_Folks S.A.	97 445	0,02	1 949	0,44%	0,44%
Adam Lewkowicz	1 602 250	0,02	32 045	7,25%	7,25%
Krzysztof Szyszka	1 408 600	0,02	28 172	6,37%	6,37%
Tomasz Pakulski	143 450	0,02	2 869	0,65%	0,65%
Aleksander Duch	3 898	0,02	78	0,02%	0,02%
Itema Ventures UAB	2 850 000	0,02	57 000	12,90%	12,90%
Funds managed by Nationale-Nederlanden Powszechnie Towarzystwo Emerytalne S.A. **	1 250 715	0,02	25 014	5,66%	5,66%
Vercom S.A. (own shares)	126 850	0,02	2 537	-	-
Others	3 723 642	0,02	74 473	16,85%	16,85%
TOTAL	22 223 785		444 476	100,00%	100,00%
** incl. Nationale-Nederlanden Otwarty Fundusz Emerytalny	1 100 736	0,02	22 015	4,98%	4,98%

*series E and F shares were registered on 1 July 2022.

: Incentive plan

Key principles

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

Total cost of the incentive plan in the years 2021-2024 was estimated on April 30, 2021 (award date as defined by IFRS 2 Share-based payments) at PLN 2,857,000. Therefore, it had an impact on the results in Q2 2021 in the amount of PLN 449,000, in Q3 2021. PLN 674,000. and in Q4 2021 PLN 673,000.

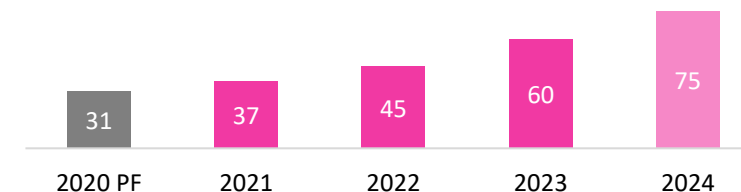
Total incentive plan cost will be booked over the plan's duration in the fiscal years 2021-2024.

Incentive plan targets

Normalized EBITDA (PLN, million)

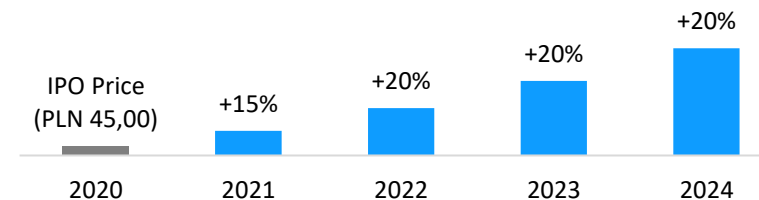
EBITDA target refers to normalized EBITDA, adjusted by ESOP cost, extraordinary or one-off items and historical EBITDA of the companies acquired.

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



Stock price

A 15% rise from the IPO price (PLN 45,00) in the first year. In the following years an increase by 20% from previous year's target.



Vercom on the WSE

On May 5, 2021 the Managing Board of the Warsaw Stock Exchange (GPW S.A.) adopted a resolution on the introduction into trading of Vercom S.A. series A and B ordinary bearer shares on the WSE's main market. The WSE Managing Board decided to introduce 14,110,700 series A ordinary bearer shares and 360,000 series B ordinary bearer shares of Vercom S.A., with the face value of PLN 0.02 each, designated by the National Securities Depository with the code PLVRCM000016 into trading on the parallel market and to list the shares of Vercom S.A. in continuous trading system under abbreviated name VERCOM and the ticker VRC.

Furthermore, on May 5, 2021, the Managing Board of the Warsaw Stock Exchange adopted a resolution on the introduction into trading on the WSE's main market of series D rights to ordinary shares of Vercom S.A. The WSE's Managing Board decided to introduce into trading on the parallel market 4,000,000 (four million) rights to ordinary bearer shares of Vercom S.A., with the face value of PLN 0.02 each, designated by the National Securities Depository with the code PLVRCM000032, as of May 6, 2021 and to list the rights to shares of Vercom S.A. in continuous trading system under the abbreviated name VERCOM-PDA and the ticker VRCA.

On May 6, 2021 Vercom shares and Rights to Shares were listed on the Warsaw Stock Exchange. The stock price at the opening rose by nearly 20% from the issuing price of PLN 45 per share.

On 7 December 2020. The Extraordinary General Meeting of the Company decided to cancel 8,992 of the Company's own shares for a consideration of PLN 382.47 per share, i.e. a total consideration of PLN 3,440 thousand. The redemption of Vercom S.A.'s own shares was entered in the National Court Register on 8 February 2021.

Dividend policy

In light of the planned acquisitions, in particular those described in point 4 of the Prospectus, the Managing Board does not intend to recommend making a dividend payment to the General Meeting prior to allocation of profits for the fiscal year 2022. Furthermore, the final decision concerning the recommendation on the allocation of profit for the fiscal year 2022 will depend on the financial and liquidity situation of the Issuer's Group and its investment plans at the time. Ultimately, it is the intention of the Managing Board to recommend dividend payment totaling up to 40% of the Issuer's net result. With the provision that the decision on dividend payment will be made each year by the General Meeting based on the Managing Board recommendation based on the Company's current financial position and its requirements for financial resources in the following time periods.

Historical dividend

Resolution date	Dividend amount
26.04.2019	PLN 8m
12.05.2020	PLN 10,3m
08.04.2021	PLN 15,1m

: Company
authorities



: Vercom Managing Board



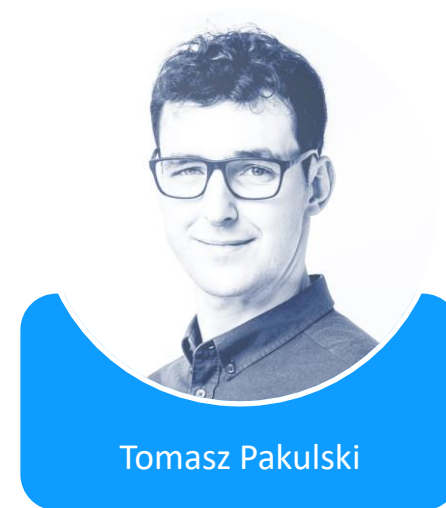
Krzysztof Szyszka

CEO, Founder



Adam Lewkowicz

CTO, Founder



Tomasz Pakulski

COO

Industry experience
(years)

>20

>20

>12

At Vercom (years)

>15

>15

>12

: Supervisory Board

Jakub Dwernicki – Chairman of the Supervisory Board

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

Franciszek Szyszka – Supervisory Board Member

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

Katarzyna Juskiewicz – Supervisory Board Member

Katarzyna Juskiewicz – Supervisory Board Member

Graduate of Poznań University of Technology with a degree in Information Technology and Management. Ms. Juskiewicz gained her professional experience at Spider sp. z o.o. as an employee of the Customer Service Bureau, Manager of the Customer Service Bureau and Director of the Customer Service Bureau, at Polskie Sieci Radiowe sp. z o.o. as Operations Director and while working as a contractor for Inotel Voip sp. z o.o.

Jakub Juskowiak – Supervisory Board Member

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

Aleksander Duch – Supervisory Board Member

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

: Other
information



: Factors relevant to Vercom's development and threats and risks

Vercom creates global cloud-based communications platforms (CPaaS) that enable companies to build and grow lasting relationships with their audiences across multiple communications channels. The Company's solutions help companies overcome communication complexity, automate and scale communications while maintaining high deliverability and efficiency - all in a fast, secure and reliable manner. The pillars of Vercom Group's growth are acquisitions and organic growth.

Due to the nature of Vercom's business, Management identifies the following business risks:

- Risk of increased costs of purchasing sms messages and access to email systems and push messaging capabilities
- Risk of introducing restrictions on sending e-mail and push messages
- Risk of limiting the cooperation or worsening the conditions for cooperation with significant customers
- Risk related to acquisitions carried out by the Group
- Risk of making mistakes or facing unexpected difficulties related to the rapid development of the Group and the implementation of its strategy
- Risk of maintaining competitiveness of the service offering
- Risks associated with the human team
- Risks associated with failure of IT equipment and systems
- Risk of attacks on the Group's own and customers' infrastructure
- Risk related to processing of personal data on a substantial scale by the Group
- Risks related to copyrights for software used by the Group
- Risks associated with the impact of the COVID-19 pandemic on the Group's operations
- Impact of the macroeconomic situation
- Tax risk related to IP Box relief
- Risk of liability for credit obligations of R22 Group companies.

: Other information

Management principles of the Company and the Group

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

Description of material court proceedings

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

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

Employment

During the reporting period ended June 30, 2022, the Vercom Group had an average of 182 employees.

Sureties and guarantees

Sureties and guarantees are described in the consolidated financial statements

Significant transactions with related parties

Transactions with related parties were made on an arm's length basis. The transactions are presented in the Consolidated Financial Statements (Note 26.).

Financial forecast

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

Material agreements

In the Q2 2022 Vercom has not entered into any new material agreements.

Ability to execute investment plans

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

Roosevelta 22
60-829 Poznań

The Directors' Report on the Operations of Vercom S.A. and the Group was approved on September 6, 2022.

Krzysztof Szyszka

President
of the Board

Adam Lewkowicz

Vice-President
of the Board

Tomasz Pakulski

Member
of the Board