

Poznań, 20 May 2024

# > Cyber\_Folks Group Quarterly Report

For Q1 2024  
ended 31 March 2024



cyber\_folks™

## >Dear Shareholders, Employees, Partners\_

One of our main goals since our IPO has been dynamic business development and profit generation. I am glad that we are successfully achieving these goals. Behind the cyber\_Folks Group is another very good quarter. From January to March this year, we achieved more than PLN 24m in consolidated net profit. This is an increase of more than 70% compared to the result obtained in the same period last year. In the first quarter, the Group's net revenues amounted to more than PLN 144m (30% yoy increase), and adjusted EBITDA was almost PLN 40m (26% yoy increase). Meanwhile, the Group generated PLN 42.4m in cash flow from operations, with a cash position of PLN 86.5m at the end of March.

We are following the path of building a strong and internationally recognized brand. Today our products are the first choice for many customers both in Poland and in foreign markets. We are aware that we are running a marathon, not a sprint, we are implementing our strategy consistently - step by step. Invariably, the most important thing for us is our customers, we are client-centric, so the quality of service of the products we provide to them is at the highest level.

cyber\_Folks' ecosystem of services continues to grow. Our latest product \_Now, an innovative website builder powered by artificial intelligence technology, was awarded the Masters of AI Experience at Masters&Robots - one of the most influential technology conferences in the CEE region. Our product was developed in Poland, but our ambitions go far beyond our country's borders.

We estimate that after the sale of all our shares (33.34%) in Profitroom for PLN 97.5m, the Group's acquisition potential at the end of 2024 could be as high as PLN 1bn. On an ongoing basis, we are looking for investment targets that can significantly strengthen our business. Importantly, the sale of Profitroom has a significant impact on the Group's debt level, which has now approached 1.2 net debt to EBITDA. Considering the proceeds from this transaction, net debt will fall firmly below 1, and could drop to zero by the end of the year.

The very good results are reflected in the cash position, which allows for a record distribution of profit to shareholders. The Management Board expects to pay a dividend of PLN 21.3m (PLN 1.50 per share), an increase of more than 60% compared to last year's dividend. The remaining of the net profit for 2023, according to the Board's proposal, will be used to buy-back treasury shares worth PLN 6.8m. As a result, the total distribution to shareholders could be twice as high as a year earlier and amount to PLN 28m.

Our strategy is product-focused. We are very fortunate to operate in a market that gives us unlimited opportunities for further growth. We are not slowing down, we want to grow on the technological global transformation. We reckon that it is a matter of time before we are promoted to the ranks of the largest companies listed on the WSE.

Our goal is to continue the growth realized since the IPO, and eventually become one of the few Polish unicorns.

I would like to thank our Employees, Partners, Customers and Investors for the effective cooperation and trust shown.

Yours sincerely,

Jakub Dwernicki - CEO



**JAKUB  
DWERNICKI**

CEO cyber\_Folks



## >What we do\_

# 01

We are a group of dynamically growing technology companies providing solutions to

**>360k 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 480m.**

# 03

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



# >Agenda\_

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# > cyber\_Folks in facts and figures

We create a strategy that  
delivers real results

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## NON-STOP RAPID GROWTH

Our revenues have been growing at a 40% rate per year (CAGR) for the past 20 years; revenues rose **five-fold** since the IPO in 2017 and our market cap increased **seven-fold**, **topping PLN 1.8bn.**



## REAL GLOBAL REACH

We offer solutions to **over 360k** small, medium and large **business clients** located in **over 100 countries** worldwide.

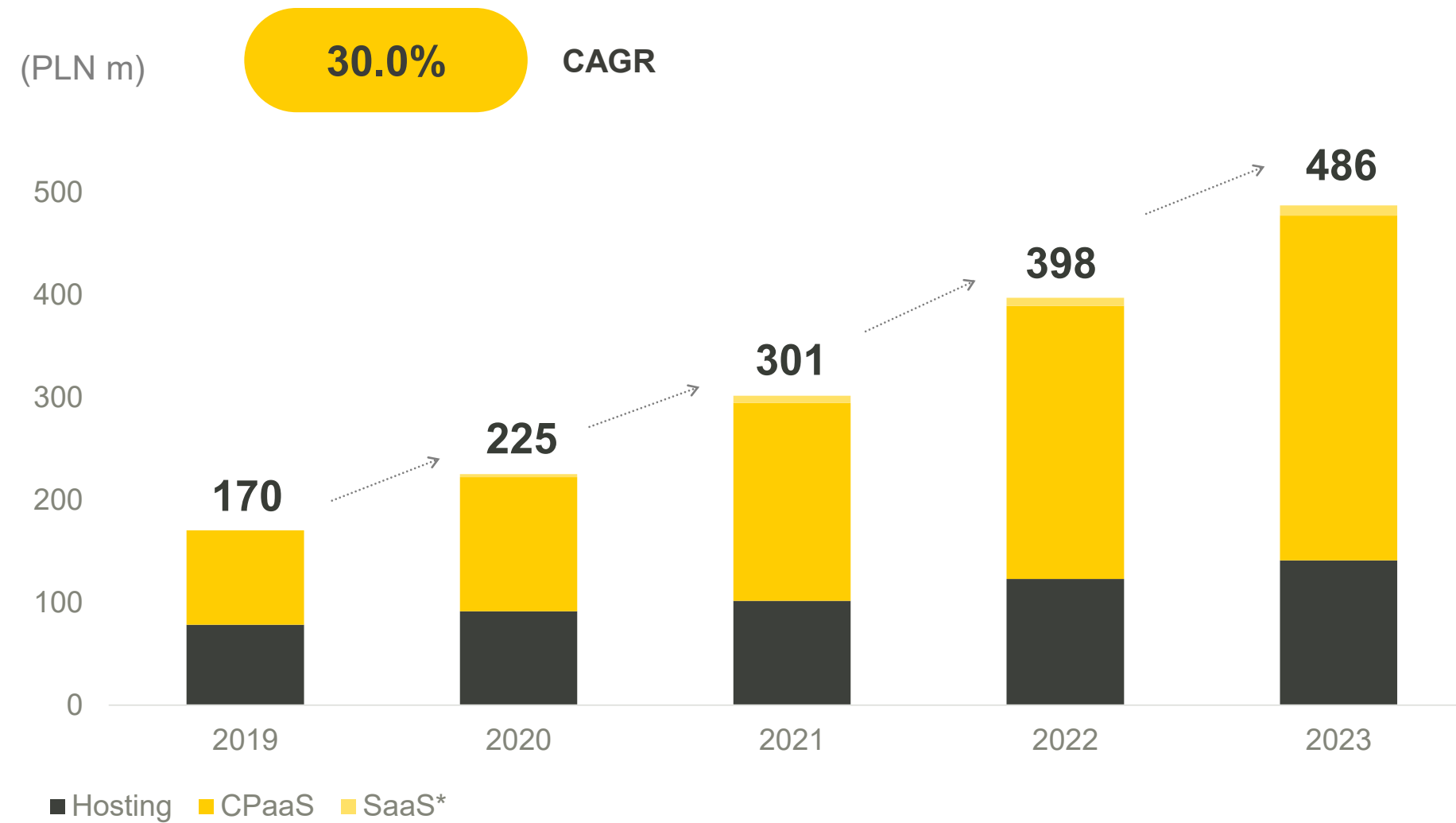


## OUR SHAREHOLDERS SHARE IN OUR PROFITS

We generate **about PLN 140m in operating cash flow annually**, 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.



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

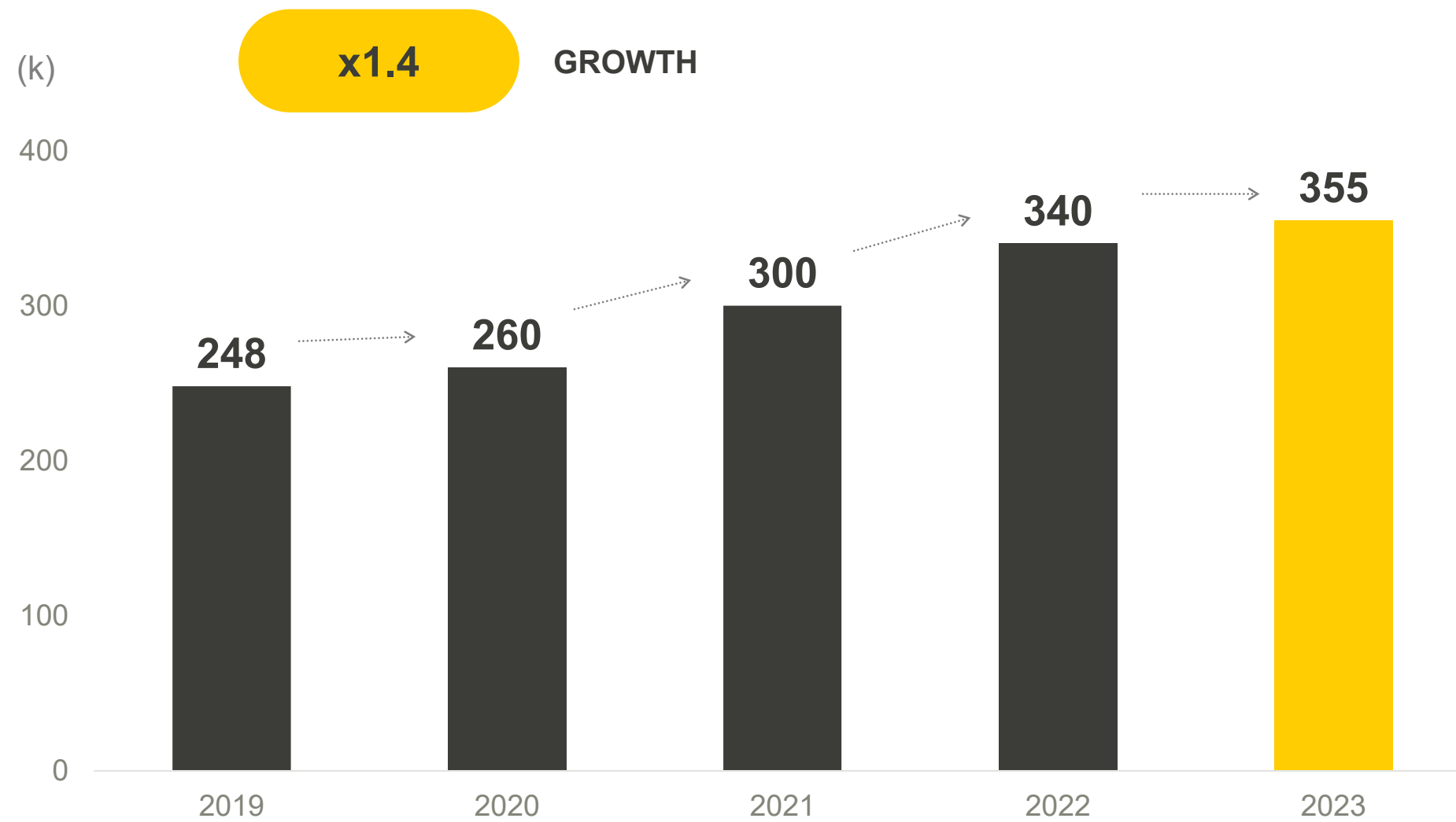


\*SaaS segment: The data for this segment also includes financial results of SellIntegro, which are only consolidated by the Group in the net result (no consolidation at the level of revenues and EBITDA). cyber\_Folks Group has an option of taking over a controlling stake in both companies.

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

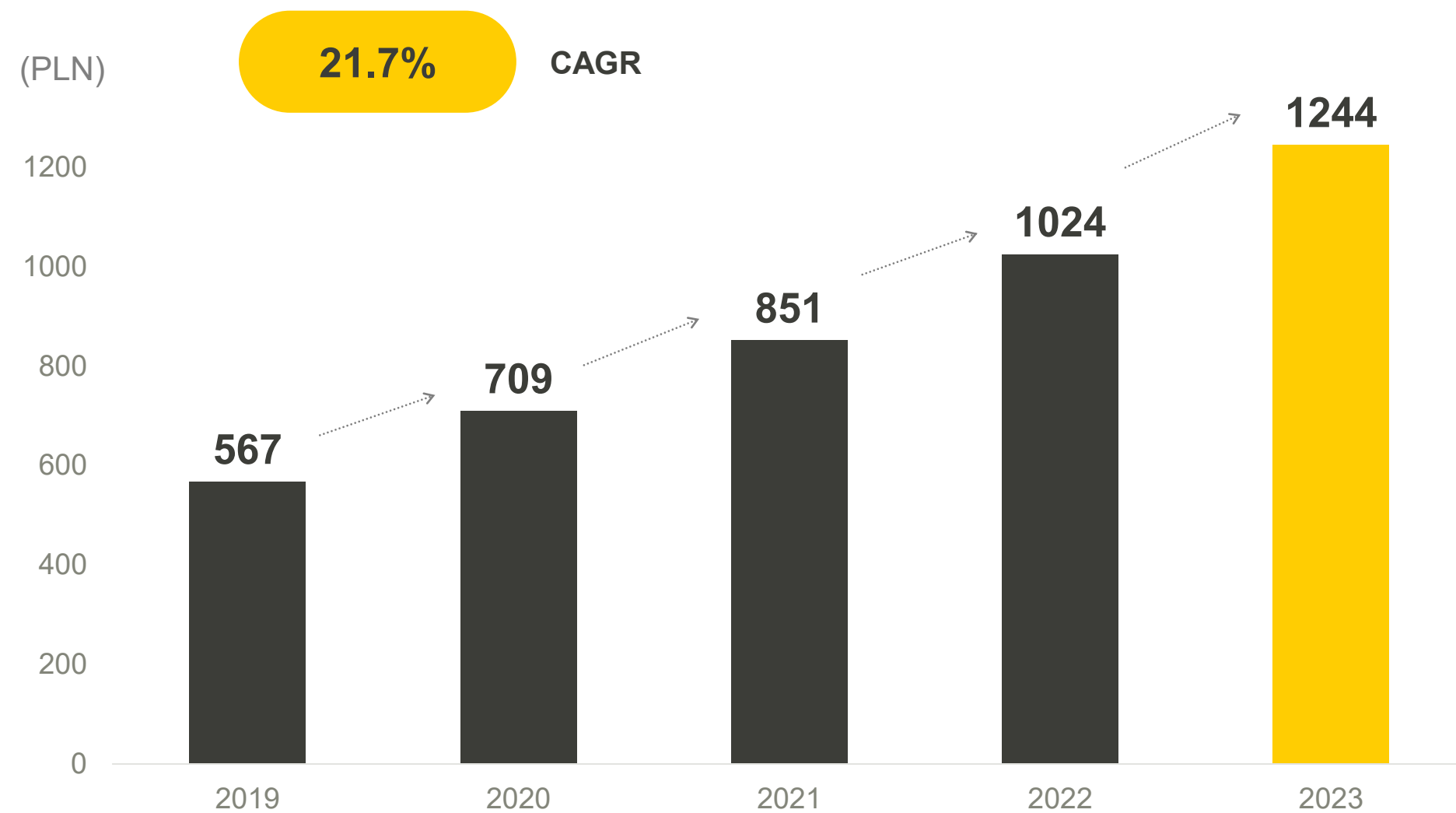


## >Customers: Stability thanks to the trust of over 355k customers

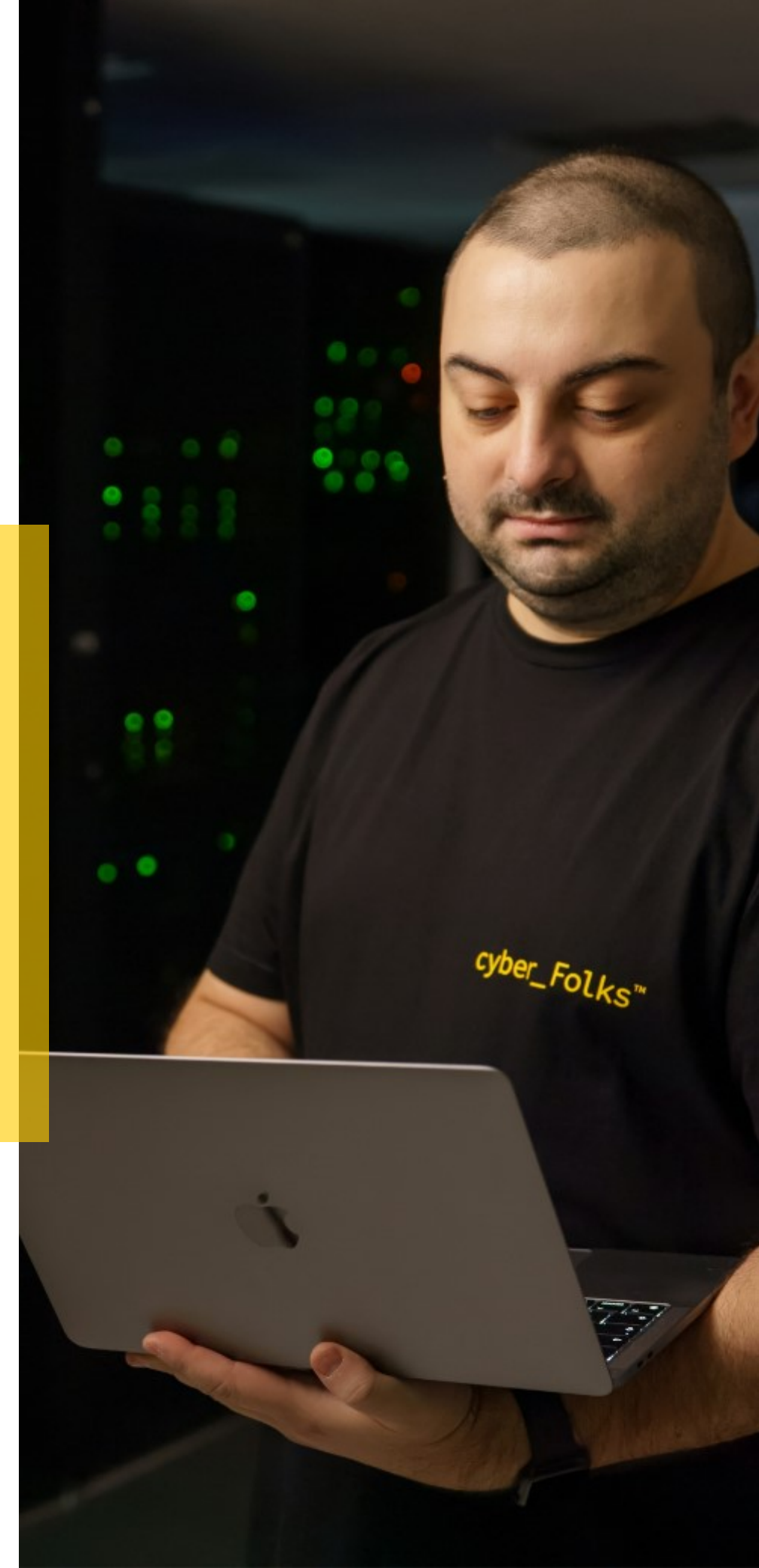




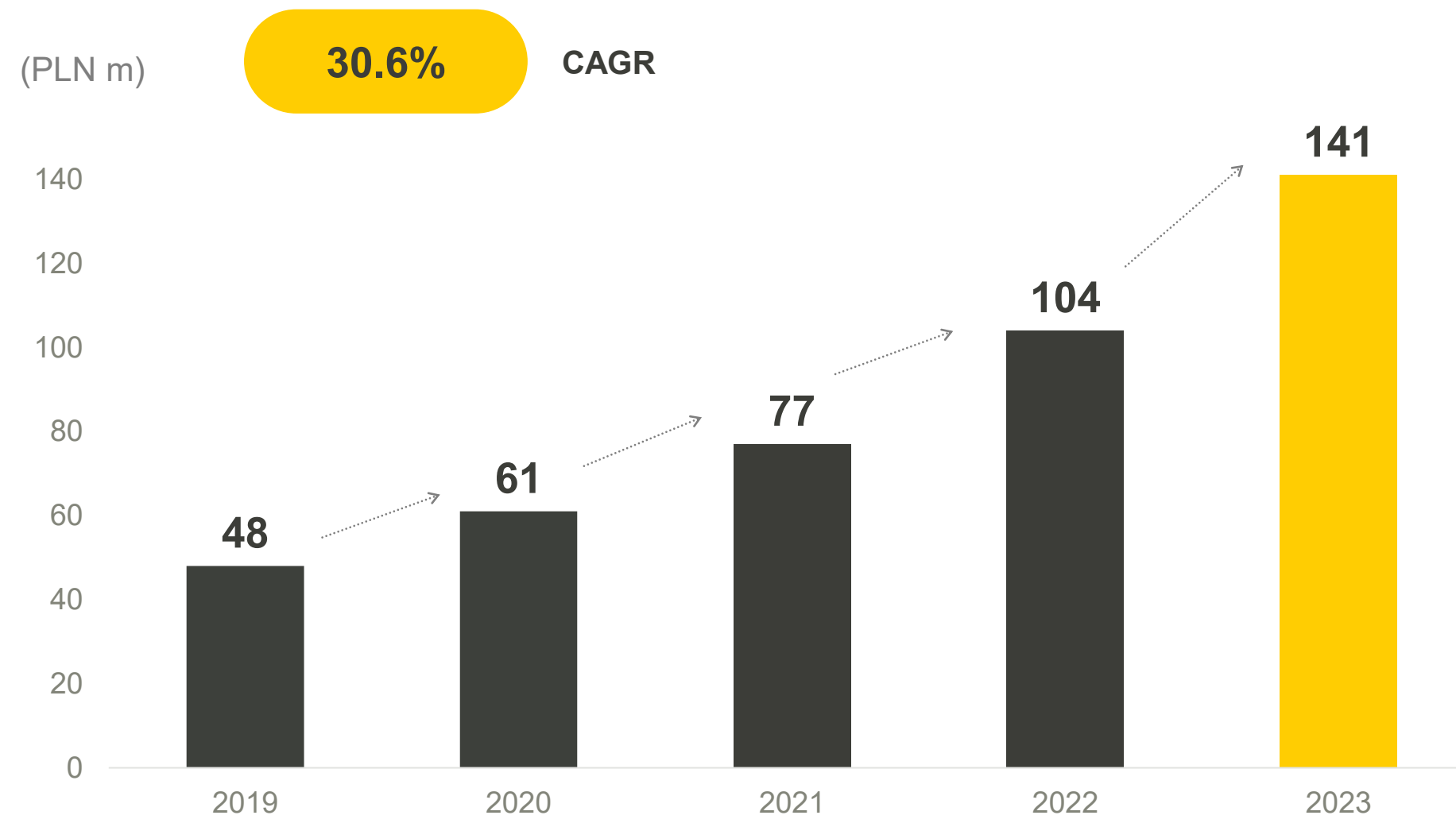
## >ARPU\*: Supporting a strong value proposition\_



\*ARPU: Excluding TOP 10 customers generating 8% of revenue (internal estimation).

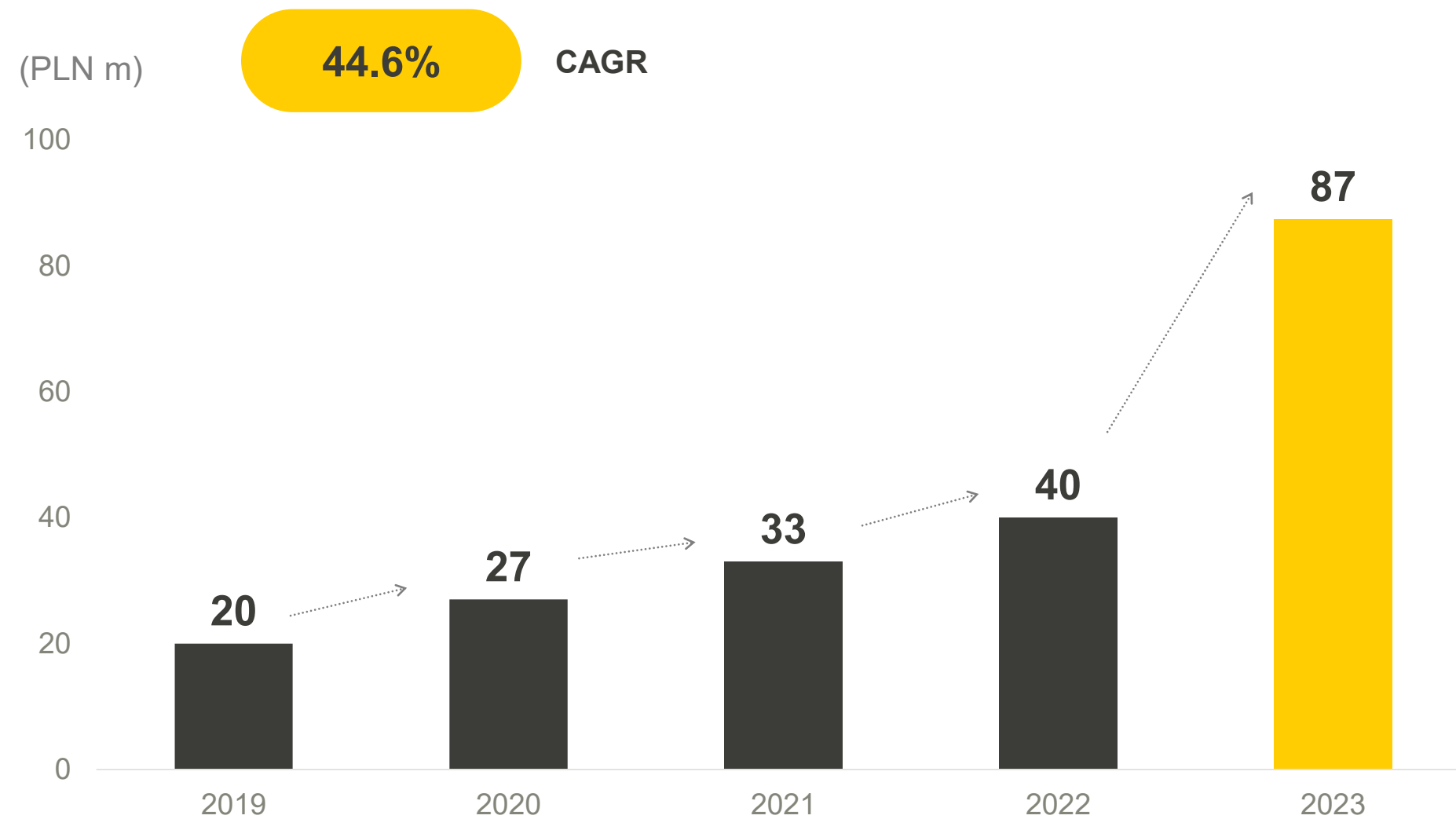


## > EBITDA: Proving our business value

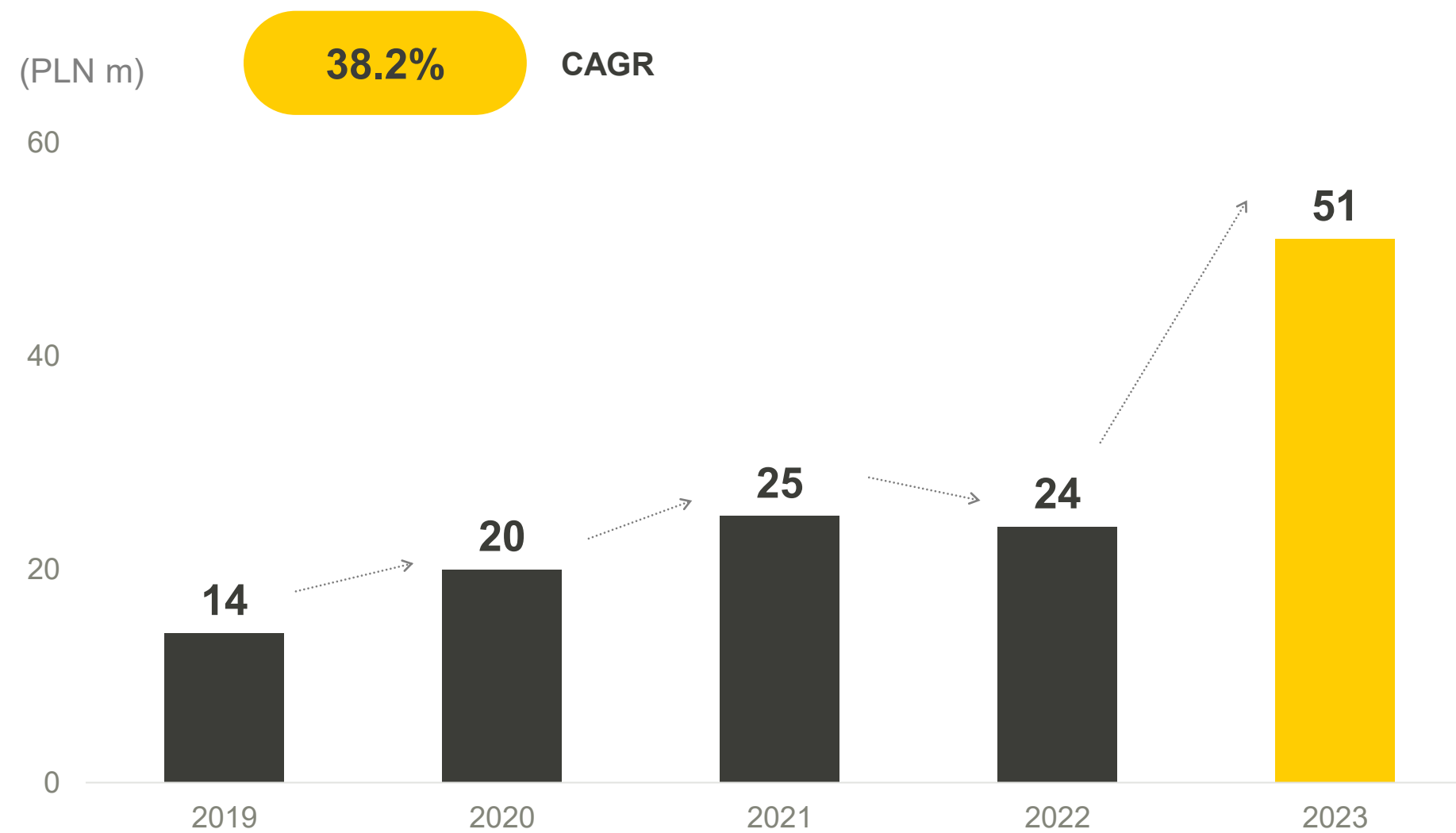




## > Net profit: Continuous profitability and cash flow generation



## > Net profit attributable to shareholders of the parent company: Strong dividend base





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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.

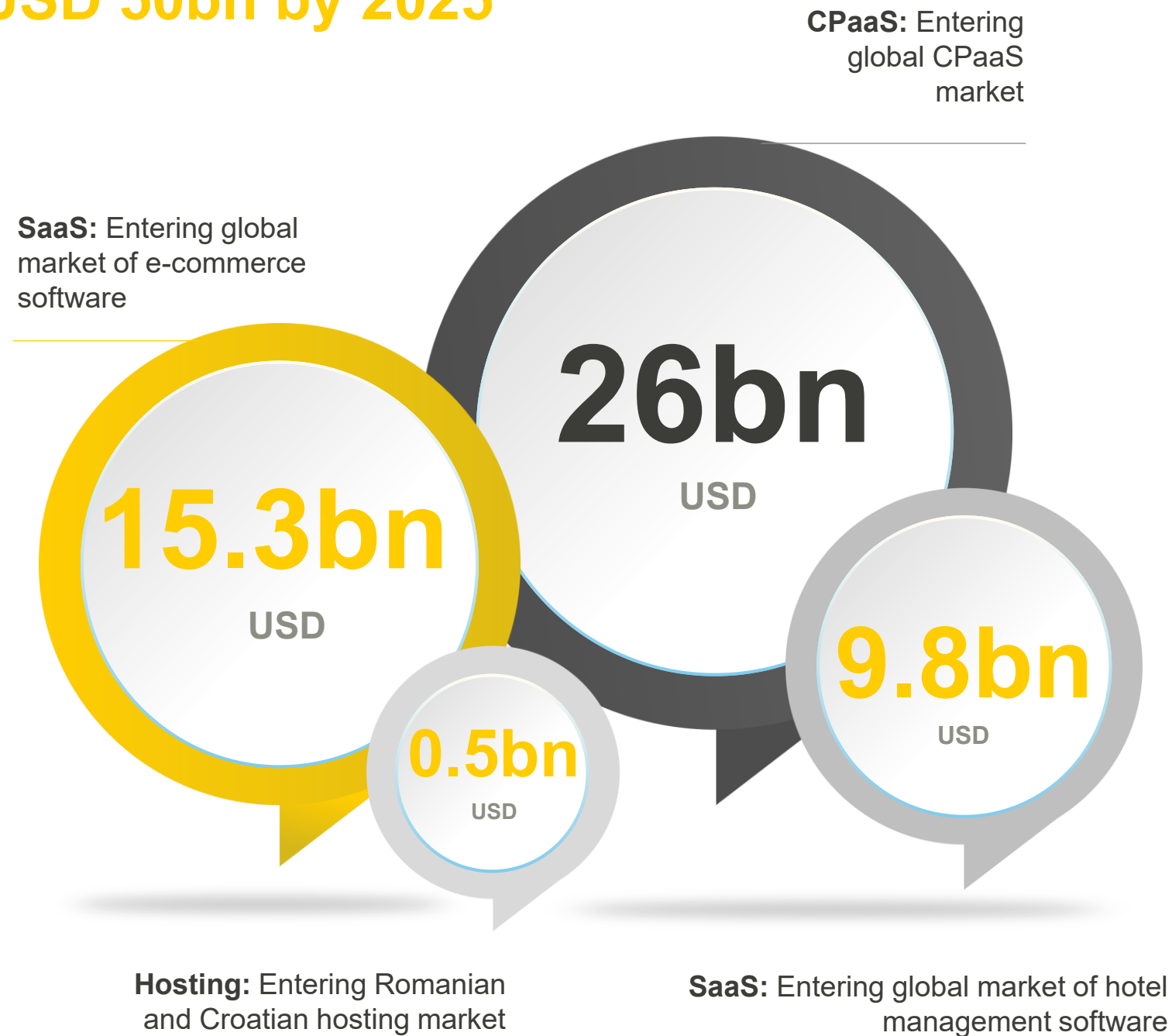
→ **Segment-based expansion**

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**

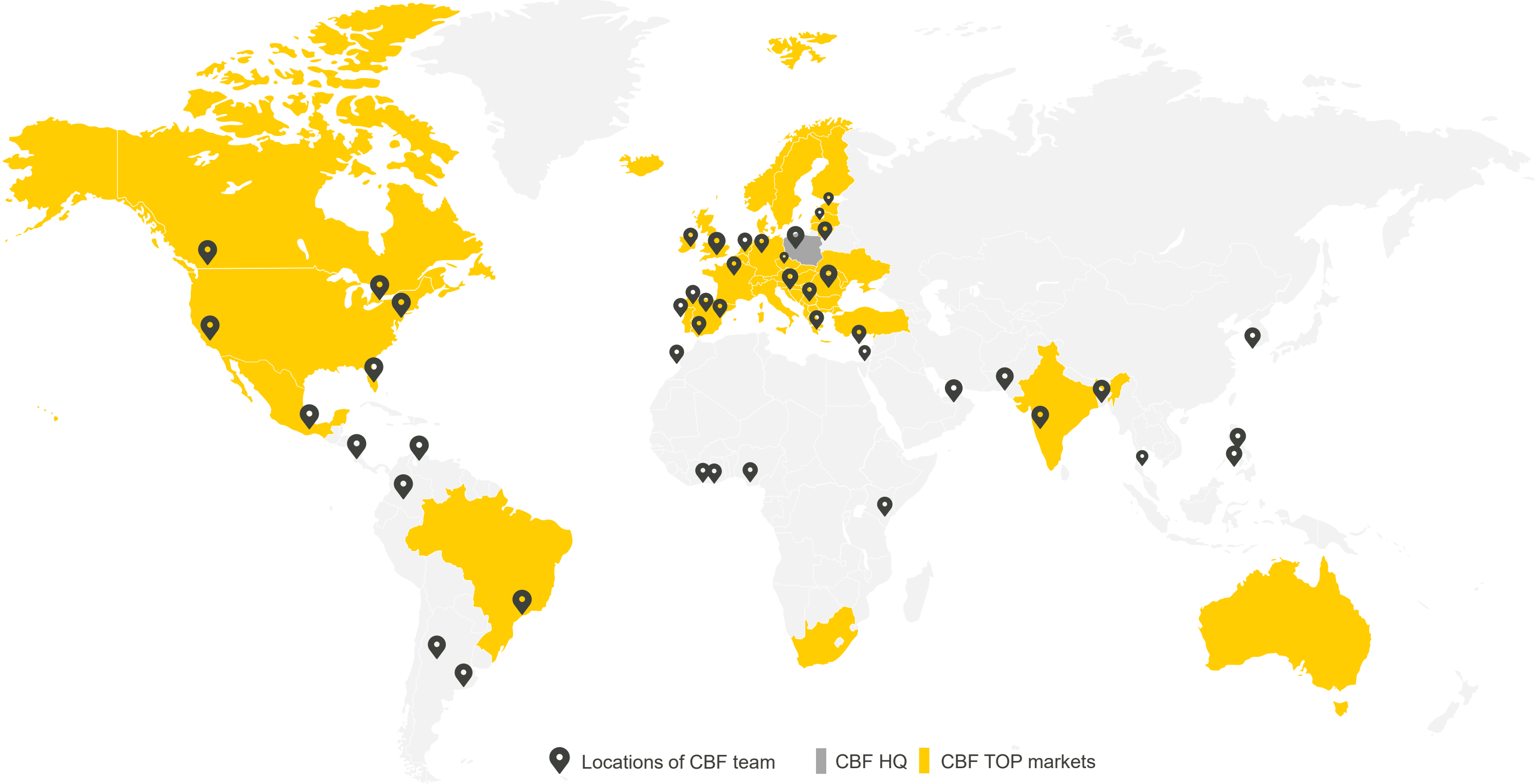


Information for selected markets segments

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\_





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**> Q1 2024  
in cyber\_Folks**

Another strong quarter  
for our business

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## >Q1 2024 in cyber\_Folks!



### FINANCIAL RESULTS

The **consistent growth trajectory** of our business is reflected in the key financial metrics.



### INVESTORS RELATIONS

Our exceptional financial performance enables us to **pay a record-breaking dividend** and share our success with our investors.



### BRAND DEVELOPMENT

The impact of our branding initiatives is tangible, **evident in customers' perception.**



### PORTFOLIO DEVELOPMENT

Our newest products, **\_Stores** and **\_Now**, are performing as expected, **winning more customers.**



## >Our growth trajectory propelling us forward\_

### Revenue (PLN m)

+30%

111

144

Q1 2023

Q1 2024

### Adjusted EBITDA (PLN m)

+26%

32

40

Q1 2023

Q1 2024

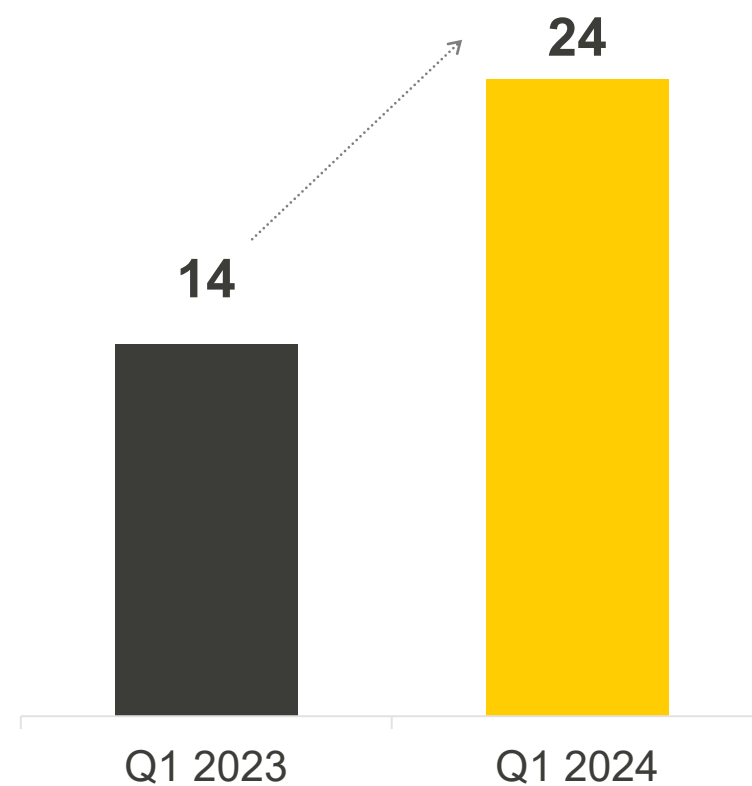
- We continue to grow our revenues at approximately 30%.
- The growth is achieved while ensuring a stable EBITDA margin, reflecting our commitment to financial sustainability and efficiency.
- Our strategic focus remains on serving SME customers, allowing us to diversify our revenue sources and strengthen our market position.



## >Our business is highly profitable, allowing flexible resource allocation\_

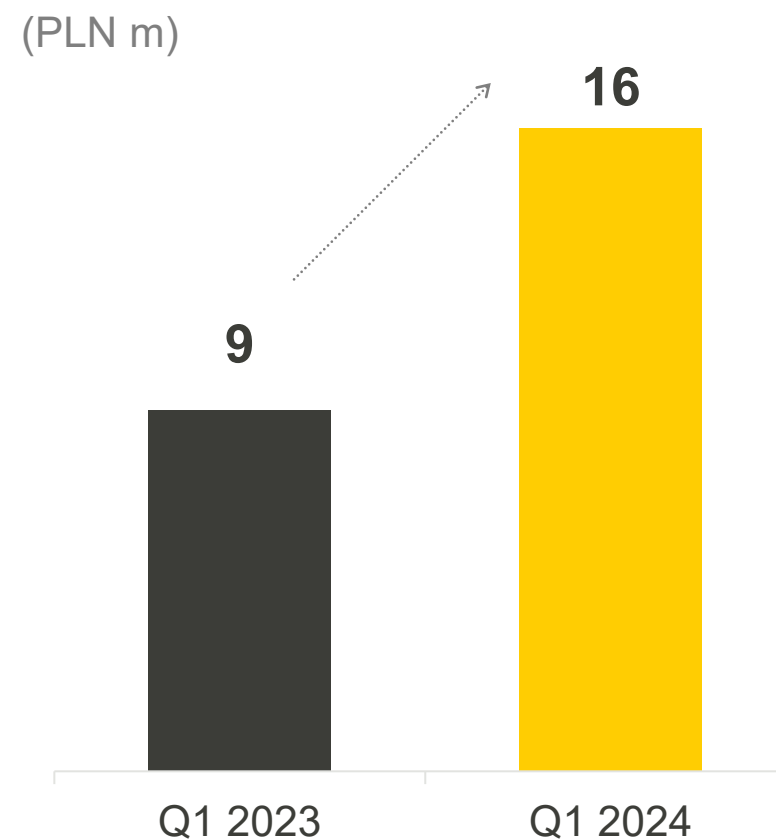
### Net profit (PLN m)

+71%



### Net profit attributable to the shareholders of the parent (PLN m)

+73%



- The increase in net profit is the result of growth in revenue and margin expansion at the EBITDA level.
- The dynamics of net profit growth are supported by a decrease in net financial costs and a lower tax rate.

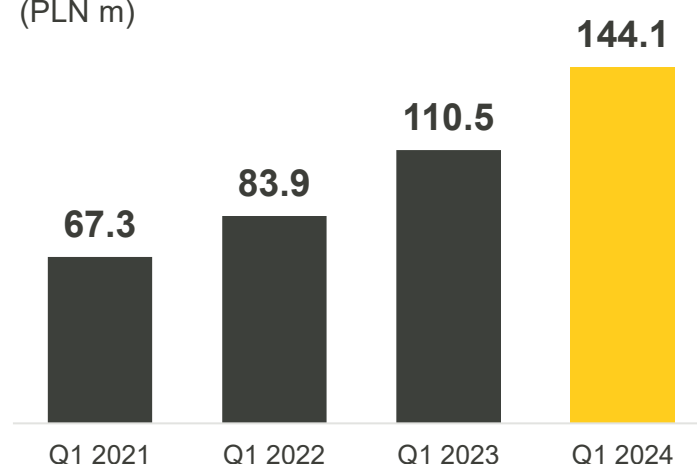
## >Dynamic increase in sales and profits

### Selected consolidated financial data:

(PLN k)	Q1 2023	Q1 2024	Change
<b>Revenue</b>	<b>110 531</b>	<b>144 120</b>	<b>30%</b>
One-off costs	117	919	
<b>Adjusted EBITDA</b>	<b>31 608</b>	<b>39 744</b>	<b>26%</b>
Amortization	-7 518	-8 036	7%
Net financial costs	-6 629	-4 280	-35%
Income tax	-3 689	-3 333	-10%
<b>Net profit</b>	<b>14 118</b>	<b>24 177</b>	<b>71%</b>
<b>Net Profit attributable to shareholders of parent company</b>	<b>9 059</b>	<b>15 702</b>	<b>73%</b>

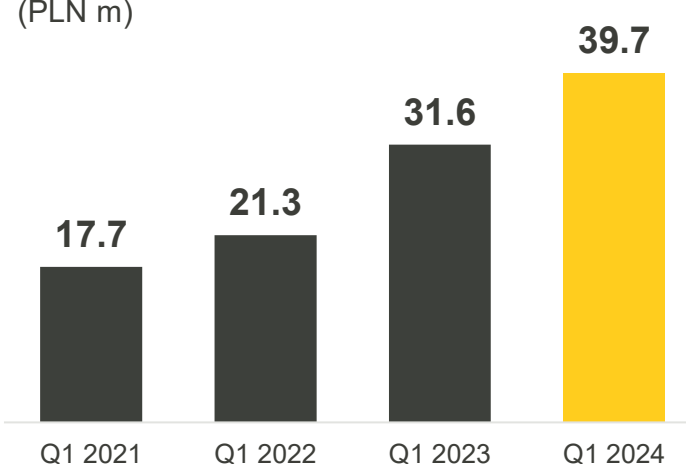
### Revenue:

(PLN m)



### Adjusted EBITDA:

(PLN m)



- Dynamiczny wzrost organiczny, przekładający się na 26% wzrostu skorygowanego zysku EBITDA.
- W I kwartale 2024 r. koszty jednorazowe dotyczą niepieniężnych skutków wyceny programu ESOP (865 tys. PLN) oraz kosztów transakcyjnych (54 tys. PLN)
- Prawie 2-krotny wzrost zysku netto.
- Bardzo wysoka dynamika wzrostu zysku netto dzięki efektowi dźwigni operacyjnej, dodatkowo wspierane przez spadek kosztów finansowych oraz spadku efektywnej stopy opodatkowania.



## >High cash generation capacity\_

### Selected consolidated financial data:

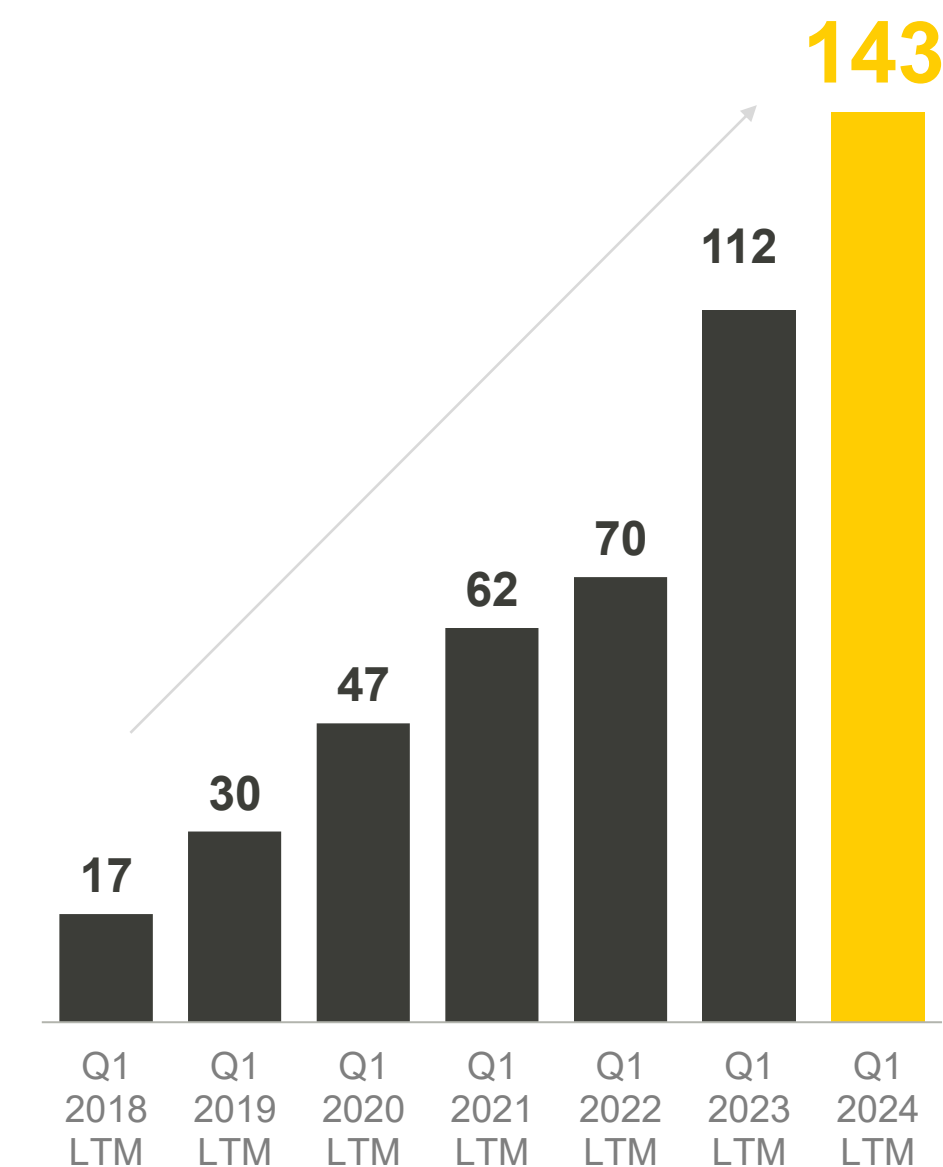
(PLN k)	Q1 2023	Q1 2024	Change
<b>Net cash flow from operating activities</b>	<b>35 988</b>	<b>42 391</b>	<b>18%</b>
Purchase of fixed real assets and intangibles	-5 741	-6 053	5%
Payments of lease liabilities	-2 081	-2 842	37%
<b>Unlevered FCF</b>	<b>28 166</b>	<b>33 496</b>	<b>19%</b>
Repayment of credits and loans*	-10 155	-11 996	18%
Interest paid minus interest received	-6 713	-5 327	-21%
Dividends to minority shareholders	0	0	
<b>Free Cash Flow (FCF)</b>	<b>11 298</b>	<b>16 173</b>	<b>43%</b>

(PLN k)	31.12.2023	31.03.2024
Net debt	<b>213 503</b>	<b>183 355</b>

Cash from operating activities (PLN m)

**42.8%**

CAGR





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>Our **strong financial performance** paves the way for exciting **new opportunities** ahead\_





## >The sale of shares in Profitroom\_

In 2020, we invested in Profitroom, a provider of SaaS solutions for the hotel industry, acquiring a 33.34% stake in the company for around PLN 30 million.

Since then, Profitroom has experienced remarkable growth, with revenues increasing threefold and the value of bookings increasing fourfold.

In April 2024, we sold our shares to the investment fund MCI Capital for approximately PLN 97.5 million, realizing a threefold return on our investment.

The sale of shares aligns with cyber\_Folks' strategic focus on offering sector-agnostic products tailored to a wide range of SME customers.

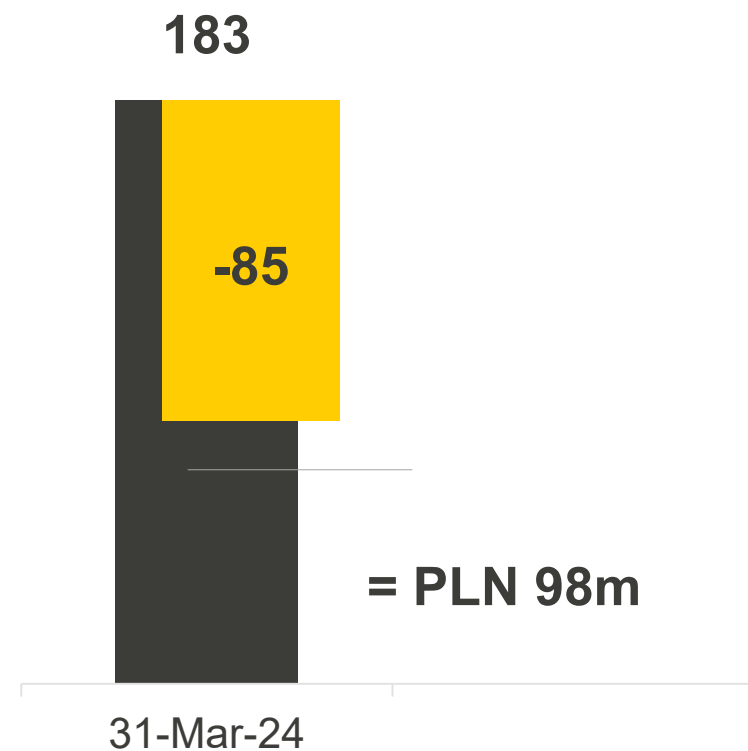
**3x Return on Investment = PLN 97.5 million (post-tax ~ PLN 85 million)**



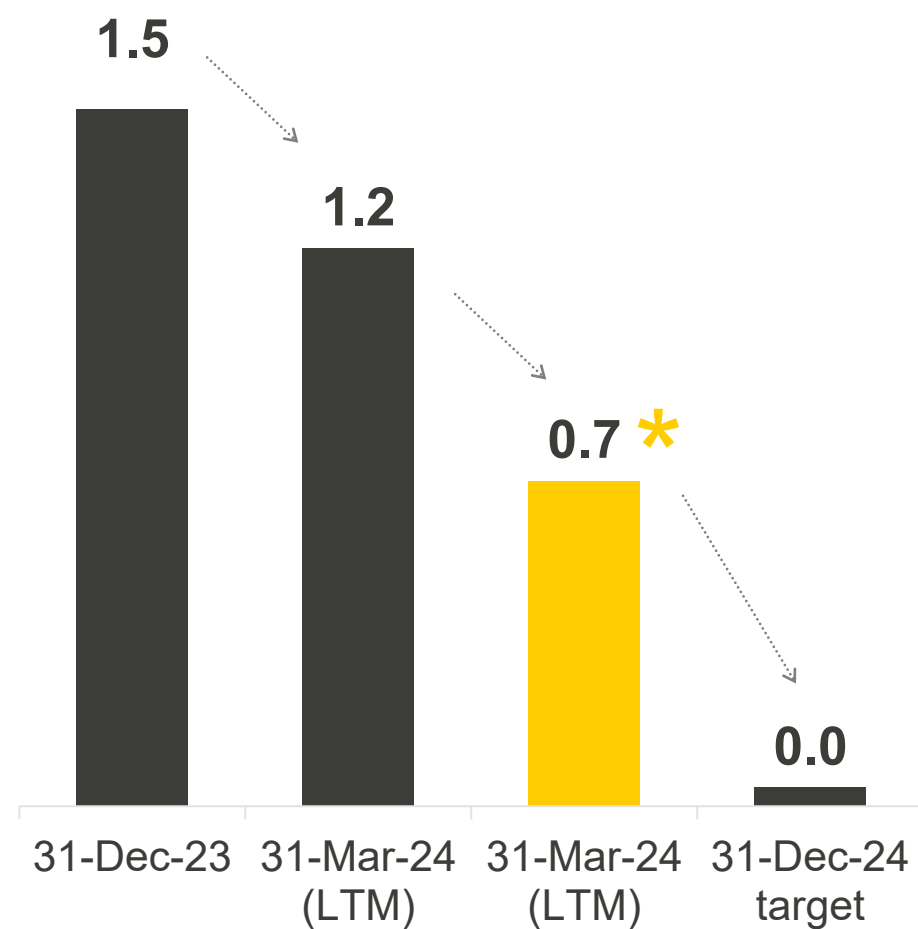
> With an extra PLN 85 million in cash, we're ready to **reduce debt** and **fuel growth**—

### Net Debt

(PLN m)



### Net Debt / Adjusted EBITDA



\* including the sale of Profitroom

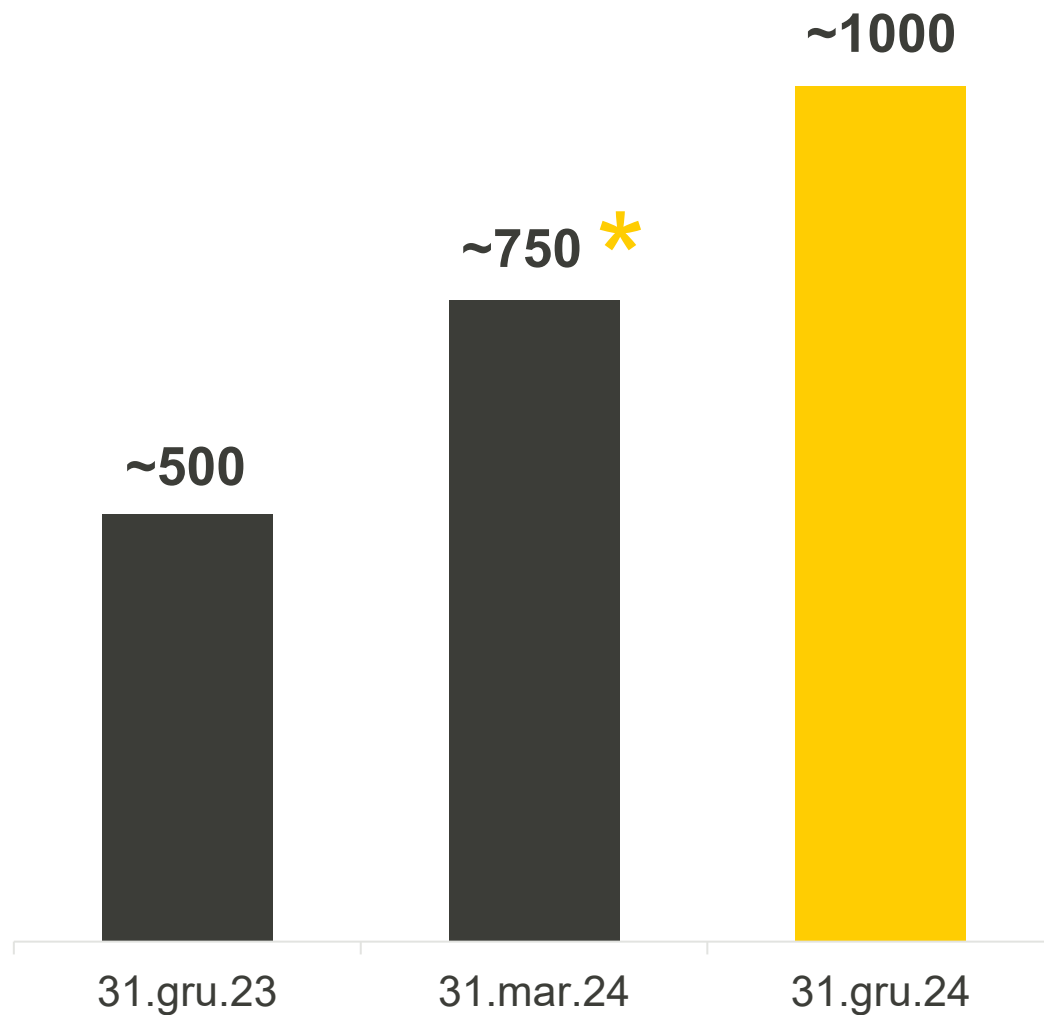
- The sale of our shares in Profitroom has boosted our already substantial cash reserves, increasing our cash reserves by an additional PLN 97.5 million (post-tax PLN 85 million).
- These funds provide us with significant flexibility in making further strategic decisions, thanks to the reduction in debt, thereby increasing our investment and dividend opportunities.



# >Our potential M&A budget approaches the impressive PLN 1 billion\_

## Potential M&A Budget

(PLN m)



## Assumptions:

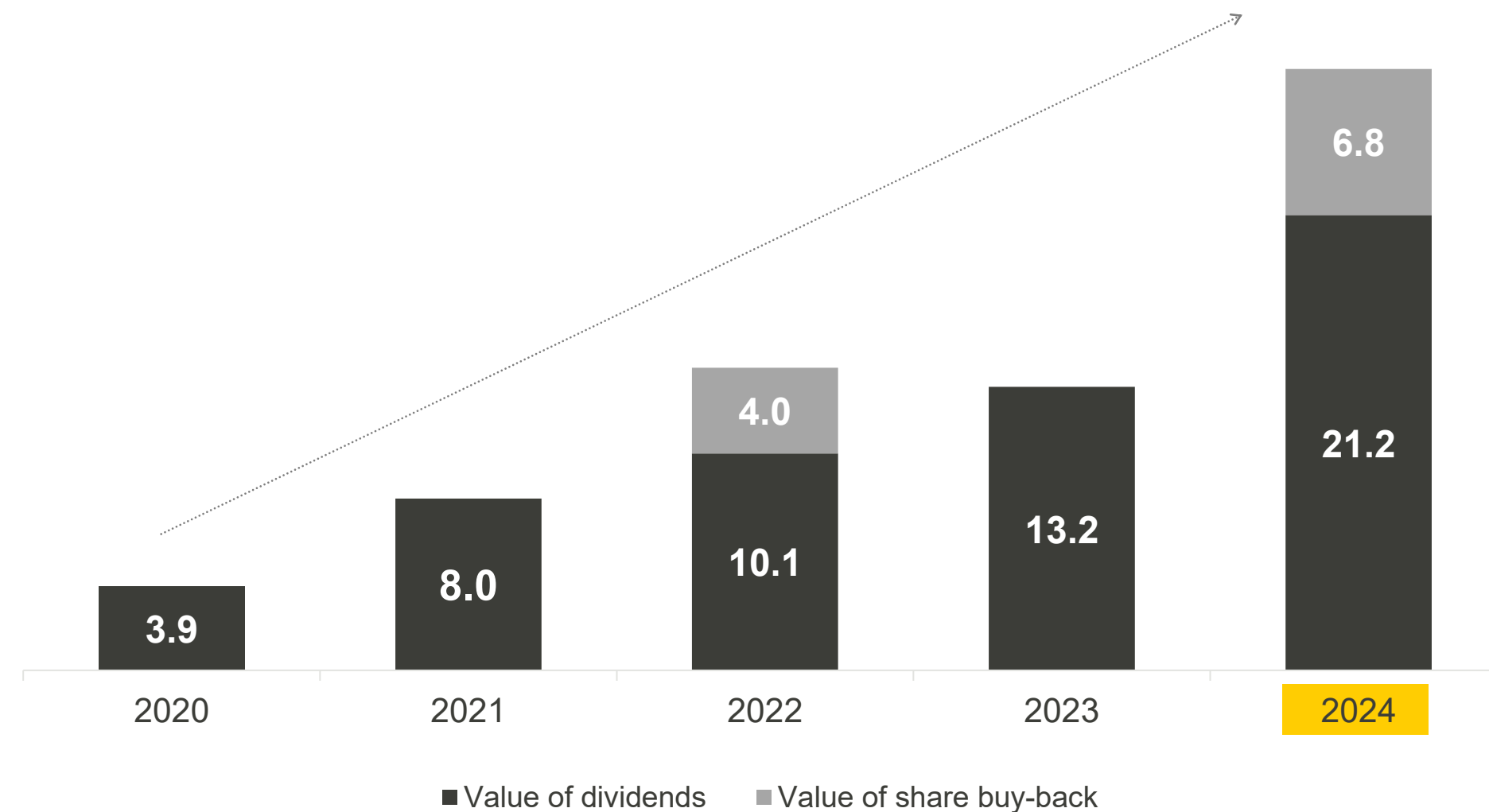
- cyber\_Folks Group EBITDA will amount to PLN 165m (based on the cyber\_Folks and Vercom ESOP plans)
- Net Debt / Adjusted EBITDA ratio is assumed to be in the range of 3.5 – 4.0
- The valuation of potential acquisition targets measured by the EV/EBITDA ratio will be at similar level to historical acquisitions, i.e. in the range of 8x – 12x



\* including the sale of Profitroom

> Our exceptional results enabled us to offer our shareholders **record-breaking dividends**, and **share buyback** with **valuation of PLN 2 billion**.

Total transfers to shareholders



- Recommended record-breaking dividend of 1.5 PLN per share (60% increase from last year's dividends).
- Allocated PLN 21.2 million for dividends and PLN 6.8 million for share buyback, resulting in a total transfer to our shareholders of value PLN 28 million.
- The maximum price per share in the share buyback is PLN 141, representing a valuation of PLN 2 billion.

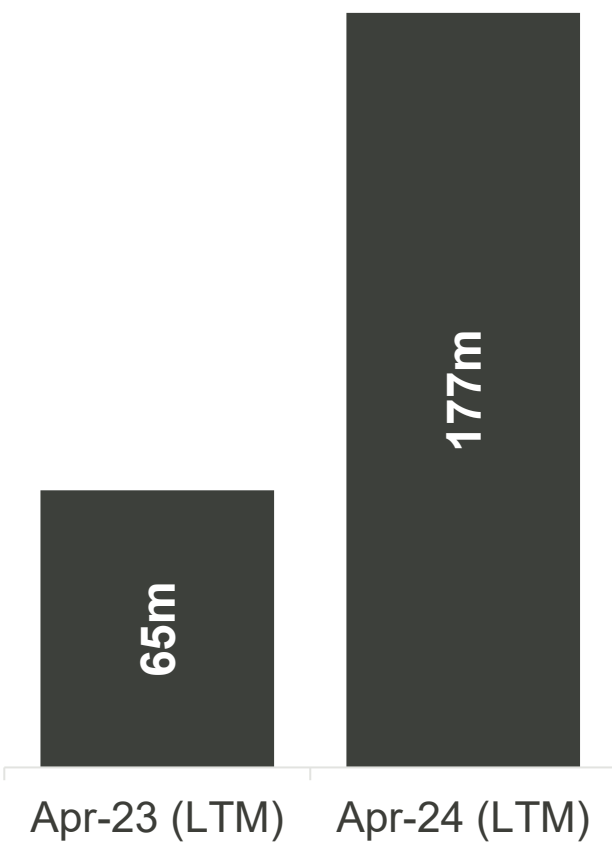


>mWIG 40: We're gradually approaching our ambitious goal\_

Annual  
Turnover

x3

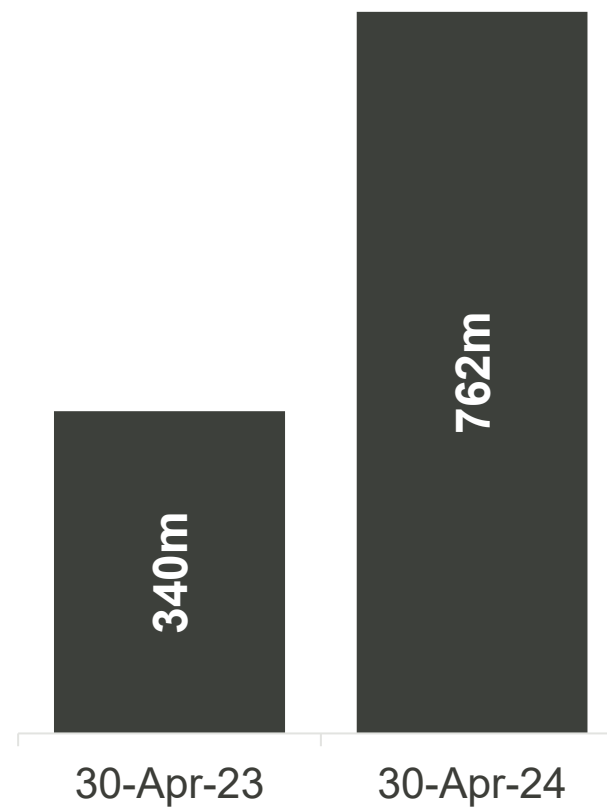
(PLN)



Free Float  
Market Cap

x2

(PLN)

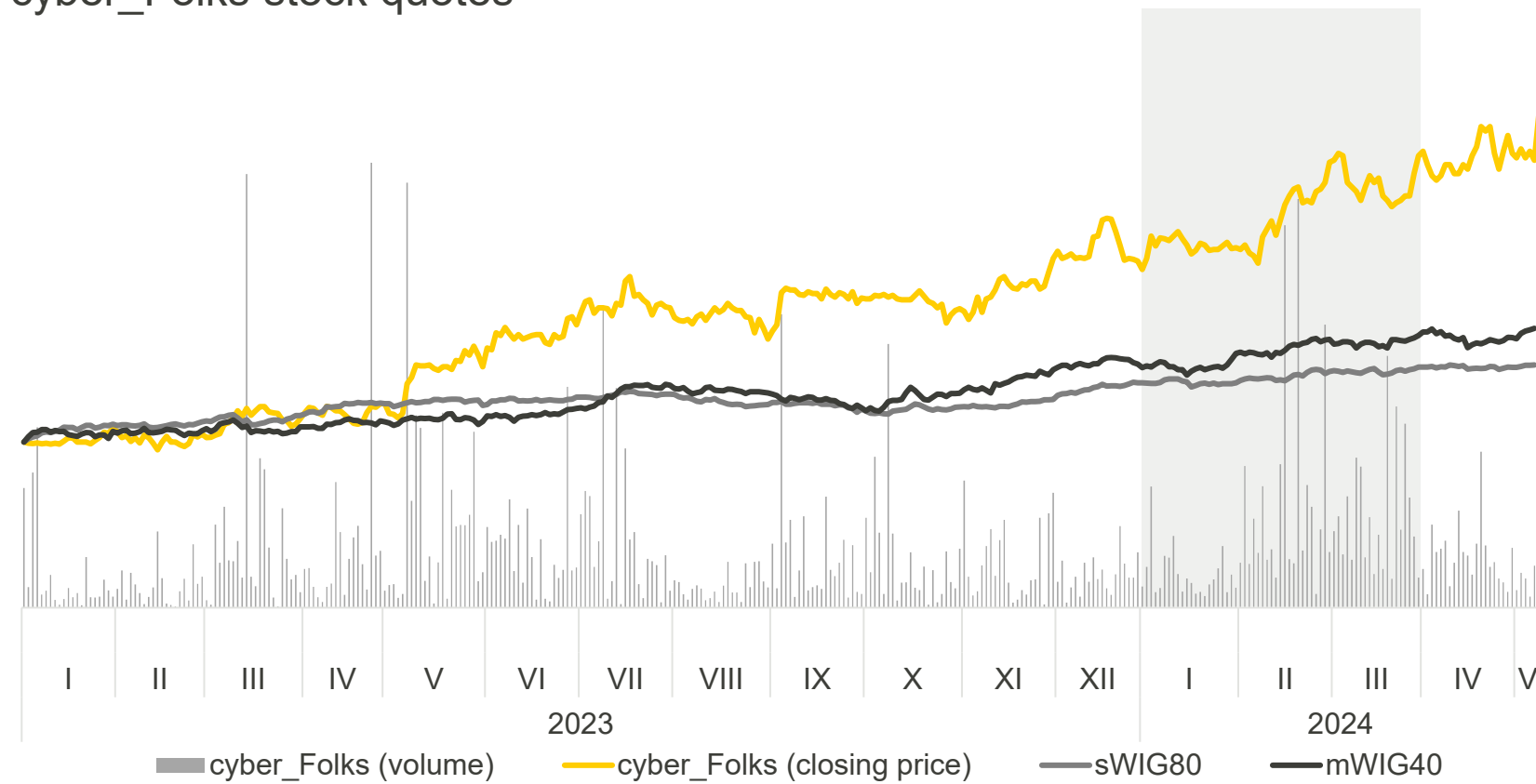




## >Shares\_

At the end of Q1 2024, cyber\_Folks was trading 29.7% higher than at the beginning of 2024. From the beginning of the year to 15 May 2024, the share price rose 52.5%.

cyber\_Folks stock quotes





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> The cyber\_Folks  
brand is thriving  
stronger than ever\_





We have taken significant steps to strengthen our brand:

01.

We've rebranded our brands in **Romania and Croatia**, consolidating them into one powerful hosting brand in the CEE region.

02.

We've **merged the R22 and cyber\_Folks** brands into a single brand, serving both investors and customers.

03.

We've **increased our marketing budget**, with the new cyber\_Folks campaigns hitting the market (up by PLN +1 million Q1 24/Q1 23).

04.

We're **introducing new products** under the cyber\_Folks brand (\_Stores and \_Now)

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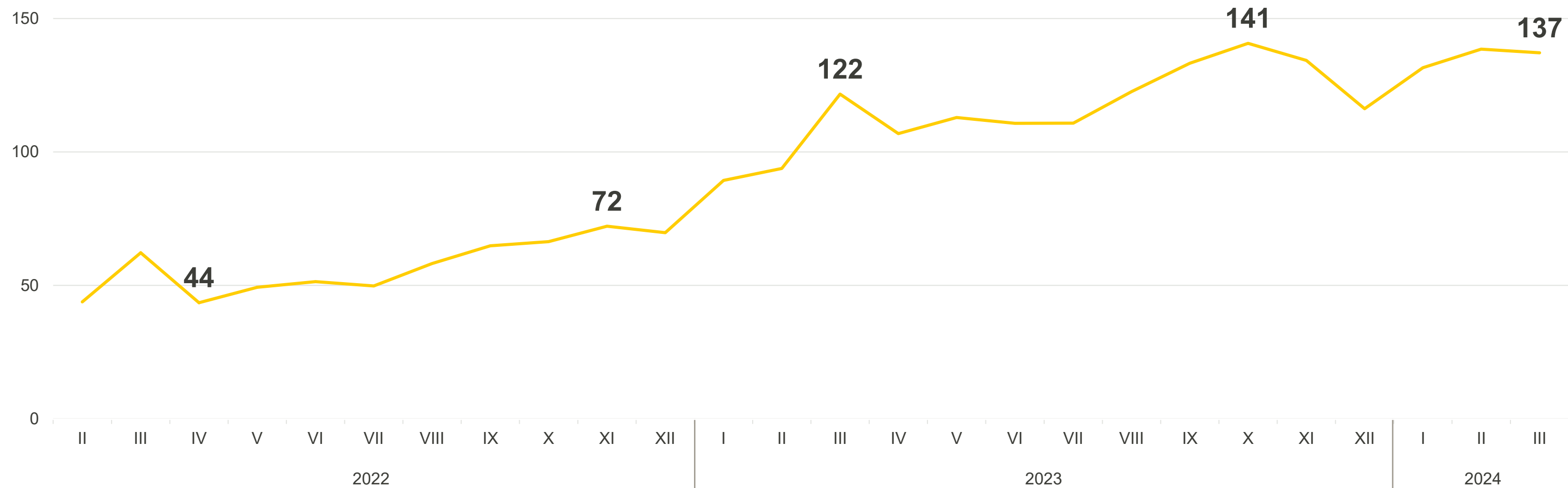
**cyber\_Folks, a strong global brand**





## >Google Case Study: Confirming the success of our strategy\_

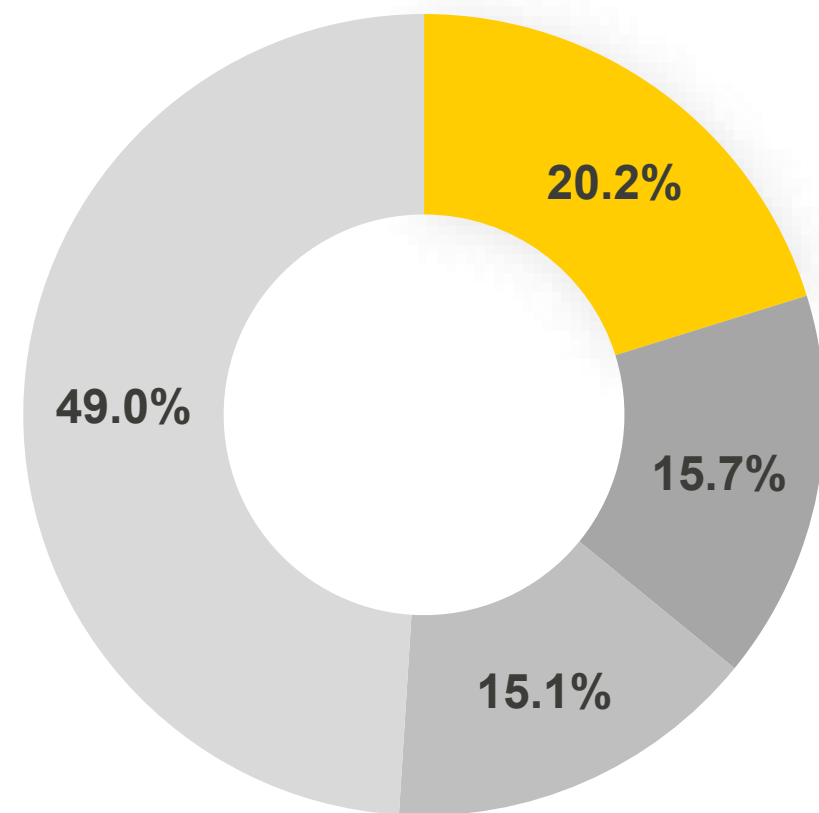
The number of website visits via branded keywords on Google (monthly, in thousands)



## > **\_Stores Case Study: Confirming the success of our strategy\_**

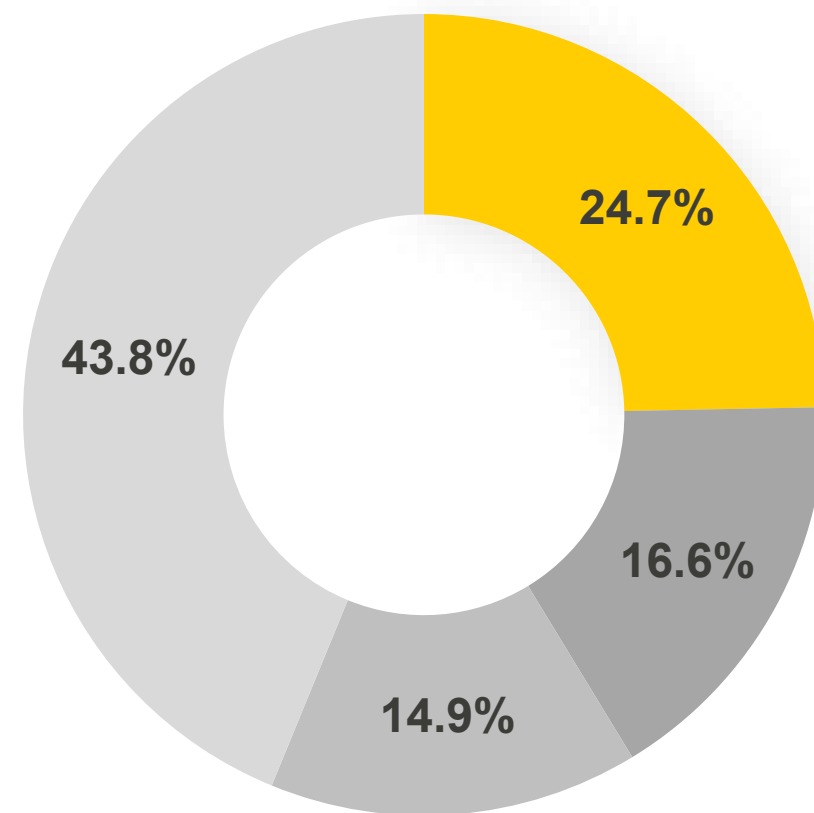
Quarterly, cyber\_Folks launches **~1000 new e-commerce shops** (\_Stores, WooCommerce, PrestaShop).

**% Control Group**



■ cyber\_Folks    ■ competitor 1  
■ competitor 2    ■ None

**% Exposed Group**



■ cyber\_Folks    ■ competitor 1  
■ competitor 2    ■ None

In a recent survey, we asked nearly 2000 respondents - „Which company do you associate with launching an online store?". Participants were divided into two groups: the Control Group, who had not been exposed to cyber\_Folks ads, and the Exposed Group, who had encountered cyber\_Folks ads.

In both surveys, **cyber\_Folks came out on top as the most recognized brand**, beating its competitors. Additionally, the survey confirms that our ads are effectively boosting brand awareness.



cyber\_Folks™

> Shaping the  
**future** with our  
own **innovative**  
**products\_**





# — Stores

online store builder



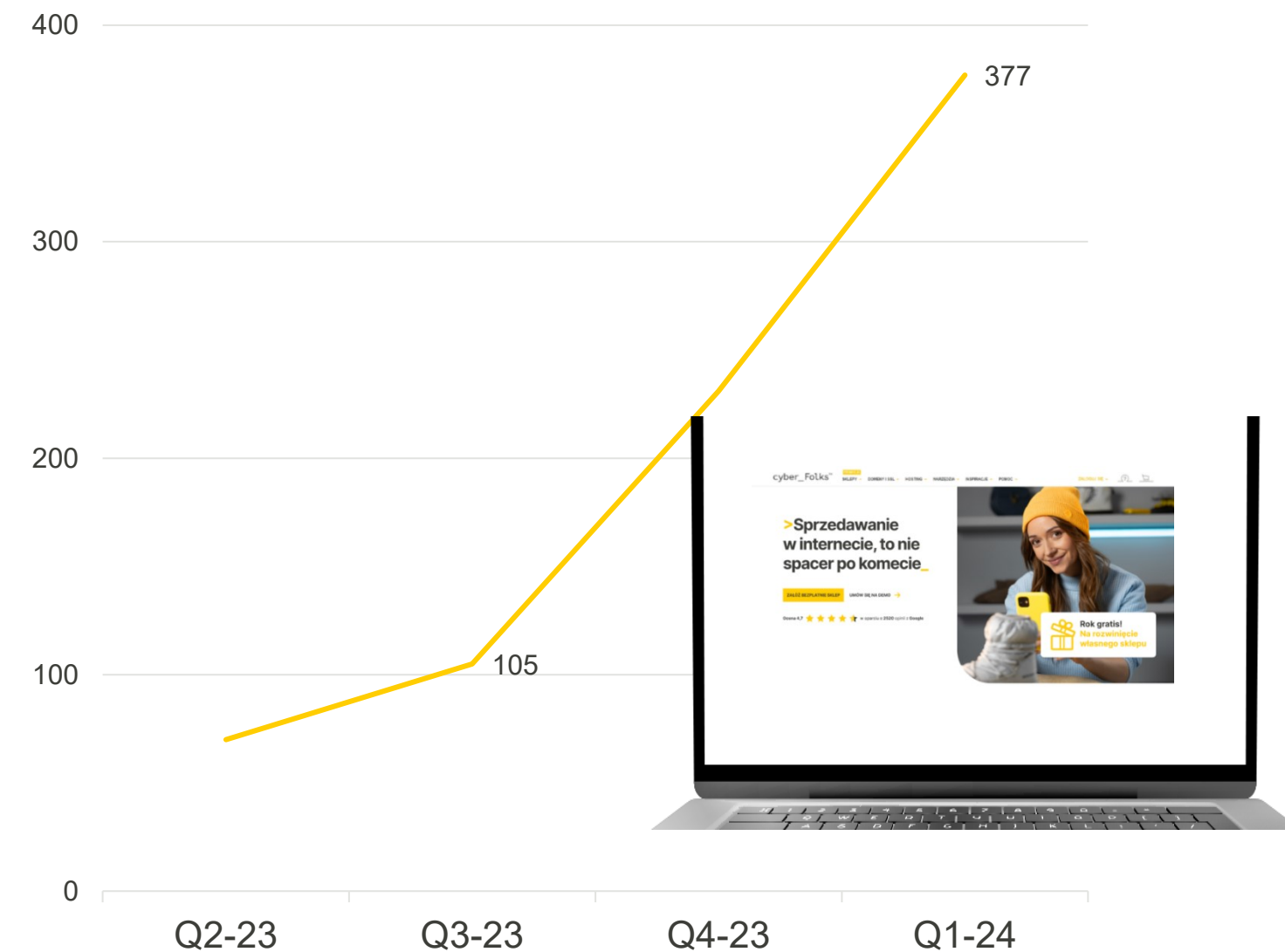
## > \_Stores: We are on track to reach **the milestone of 1000 customers**

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

- ✓ Support Team focused on increasing sales
- ✓ Professional templates optimized for high conversion
- ✓ Fully hosted website (incl. domain registration, email inbox)
- ✓ Simple and intuitive control panel
- ✓ Extensive multi-channel marketing module
- ✓ E-commerce tools integrations (incl. payments, delivery)

Number of new customers (per quarter)

**x3**



**Now**

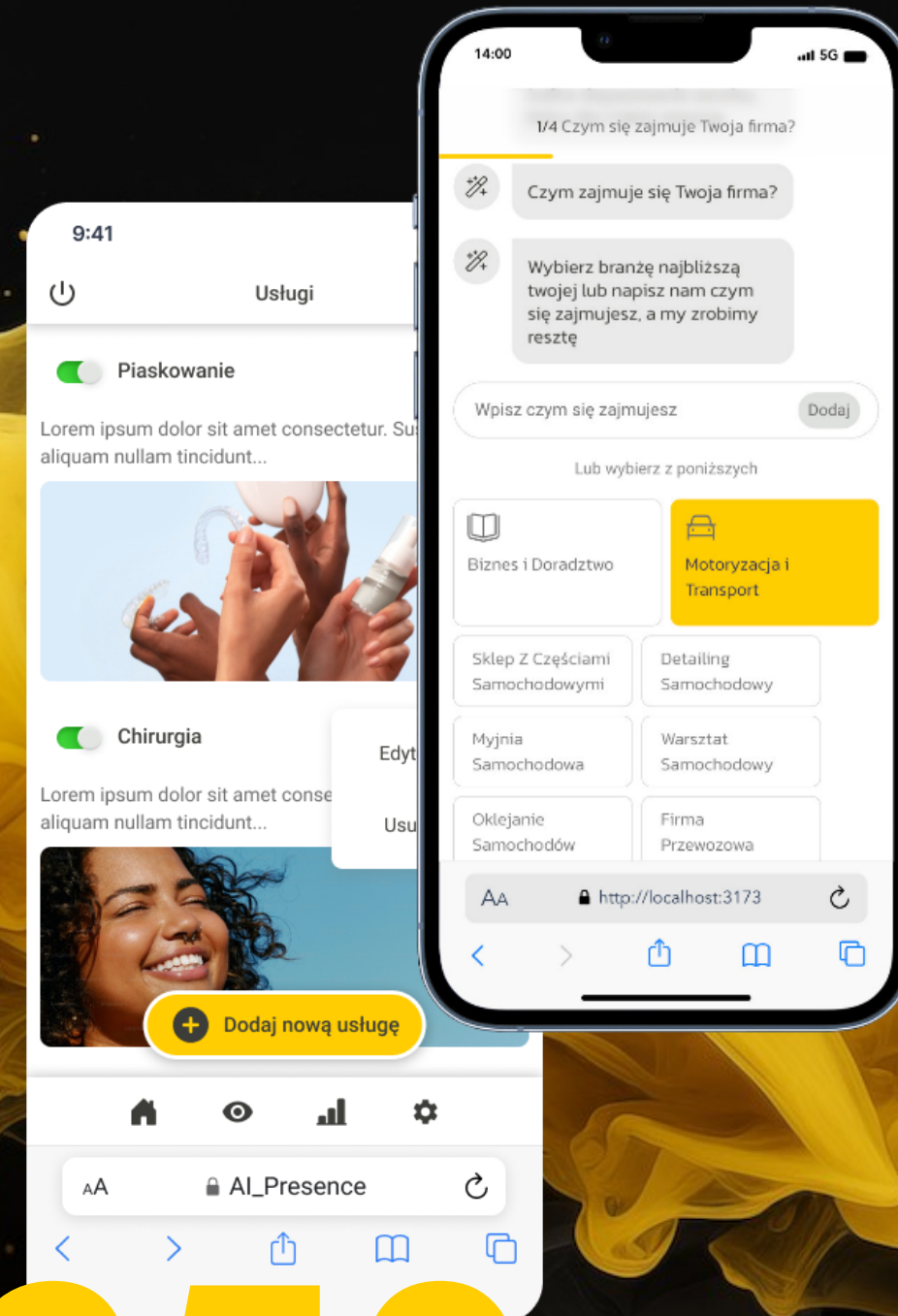
AI-powered web creator



# >\_Now: We revolutionize the Internet with an **AI-powered website builder\_**

**\_Now**, our proprietary **AI-powered product** empowers users to create websites quickly and effortlessly in just a few minutes. Updates since the premiere (Feb 2024):

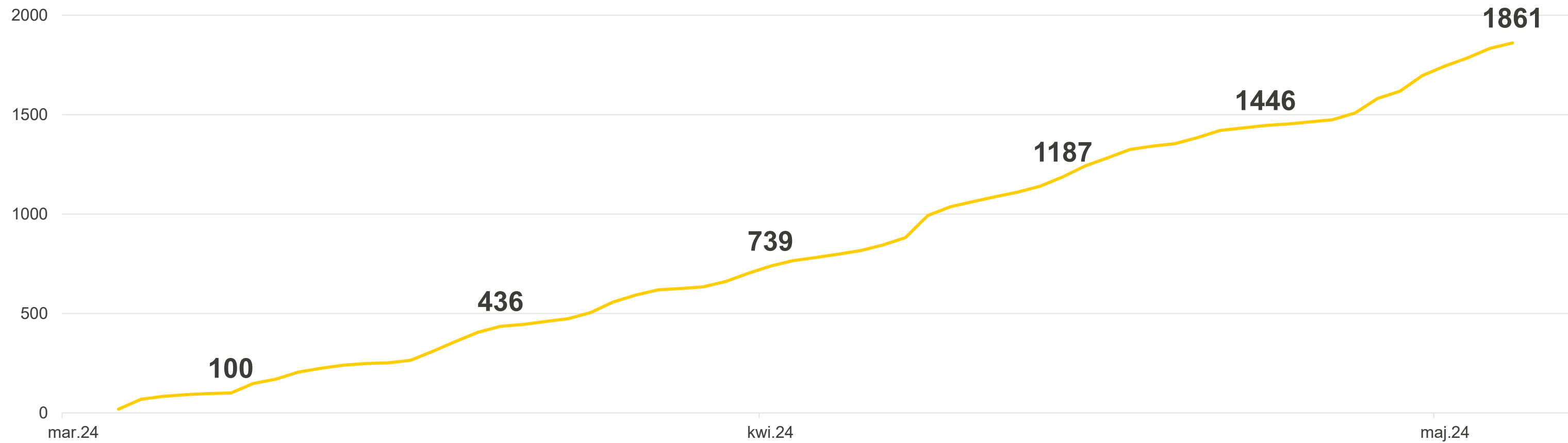
- ✓ We're conducting extensive testing with initial users to refine features and ensure they meet our customers' needs effectively.
- ✓ In April, **450+ users created test websites**, and **200+ attempted website migrations**.
- ✓ We've introduced a new feature facilitating tariff plan selection and payments on our platform, enhancing user convenience.



# 650+ USERS!

# >\_Now: It's gaining momentum, with almost 2000 websites created\_

Number of created websites (total)





> **\_Now: We revolutionize the Internet with an AI-powered website builder\_**

# Masters of AI

Award for cyber\_Folks and \_Now

cyber\_Folks was honored with an award at the Masters & Robots conference, one of the largest tech gatherings in Central and Eastern Europe. With a focus on digital transformation and emerging technology trends, the conference awarded the \_Now tool.



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cyberfolks.pl/**now**



cyber\_Folks™

2024

> **Key events**



## >Key events 2024

27 February 2024

- **Product launch of \_Now**
- cyber\_Folks is steadily developing a portfolio of own products, including those based on artificial intelligence. The latest solution, a creator for automatic website building, was launched in early 2024. - first in a test and free access model. Then in a commercial model, in which the preparation of the site continues to be free, and the customer pays for the maintenance of website.

26 March 2024

- **Record results - over PLN 140m EBITDA in 2023.**
- The cyber\_Folks Group continues its dynamic growth, increasing the scale of its operations and its financial performance. In 2023, EBITDA exceeded PLN 140m, an increase of 36 percent YoY. Revenues amounted to nearly PLN 480m, which is 32 percent more than a year earlier. At the same time, the Group earned more than PLN 50m in net profit. Along with the annual report, the Group published a non-financial report for the first time.

15 April 2024

- **Sale of Profitroom shares for PLN 97.5 million**
- cyber\_Folks has signed a preliminary agreement to sell all of its shares (33.34 percent) in Profitroom.
- The amount of the transaction will be about PLN 97.5m, which means about a 3-fold return on invested capital. The funds obtained as a result of the transaction will increase investment opportunities, reduce debt, and allow for a bolder dividend policy for the company.

22 April 2024

- **Recommend record profit distribution to shareholders**
- The cyber\_Folks Management Board has approved a recommendation to the General Meeting of Shareholders regarding the distribution of profit for 2023. The Board's proposal provides for the payment of a dividend of PLN 1.50 per share, or a total of PLN 21.3m. The remaining part of the net profit for 2023 (PLN 6.8m) would be allocated to the company's reserve capital. At the same time, cyber\_Folks' Management Board recommended that the General Meeting of Shareholders approve a share buyback worth PLN 6.8m.



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## > Business Segment Overview

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**> cyber\_Folks  
operating segment**





# > Financial results of cyber\_Folks

## Selected financial data:

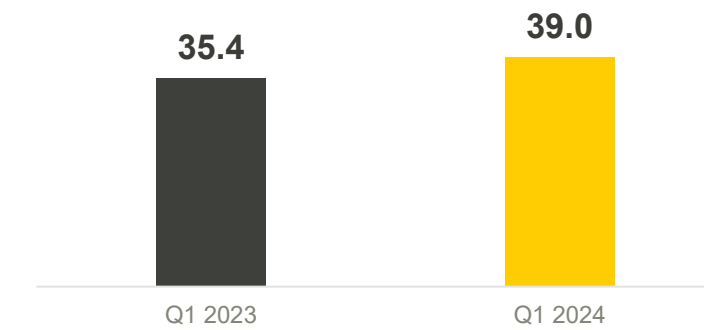
(PLN k)	Q1 2023	Q1 2024	Change
<b>Revenue</b>	<b>35 386</b>	<b>38 960</b>	<b>10%</b>
EBIT	11 139	13 191	18%
Amortization	-3 578	-3 631	1%
<b>Operating EBITDA</b>	<b>14 717</b>	<b>16 823</b>	<b>14%</b>
<i>One-off costs</i>	0	573	
<b>Adjusted EBITDA</b>	<b>14 717</b>	<b>17 396</b>	<b>18%</b>
<i>Margin</i>	41.6%	44.7%	
<b>CapEx</b>	<b>3 814</b>	<b>4 016</b>	<b>5%</b>
<i>CapEx%</i>	10.8%	10.3%	

- Stable revenue growth and very high EBITDA growth of about 20%.
- On a cash basis, revenue increased 12% yoy
- Positive impact of ARPU growth by expanding product offerings and delivering more value to loyal customers.
- Stable capital expenditures and amortization.

## Revenue:

(PLN m)

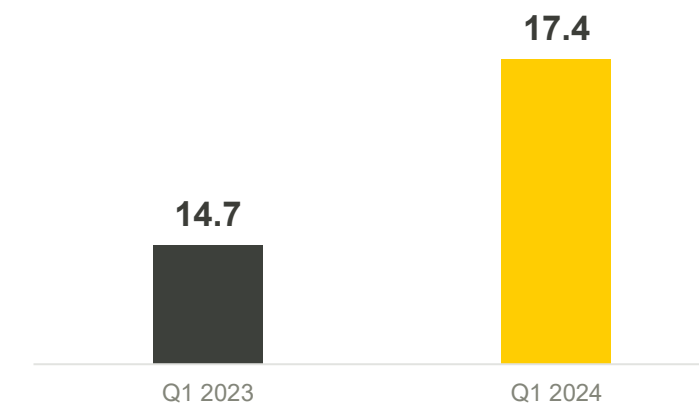
+10%



## Adjusted EBITDA:

(PLN m)

+18%



# > Selected KPIs of cyber\_Folks

## Hosting:

	Q1 2022	Q1 2023	Q1 2024
# customer (k)	211.2	<b>223.4</b>	<b>220.6</b>
ARPU LTM (PLN)	308.0	<b>360.5</b>	<b>422.7</b>

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

	Q1 2022	Q1 2023	Q1 2024
# domains (k)	377.3	<b>399.3</b>	<b>376.9</b>
ARPU LTM (PLN)	76	<b>84</b>	<b>95</b>

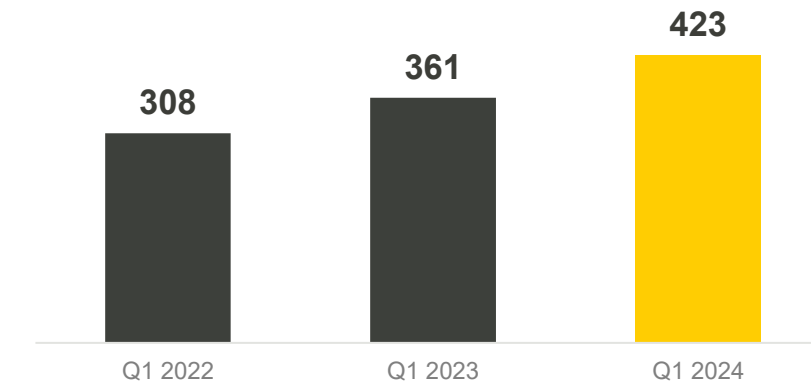
**>220k**  
hosting customers

**~380k**  
domains

- ✓ Focus on e-commerce sector
- ✓ ARPU and margin growth
- ✓ High level of service quality and customer satisfaction  
(stable level of NPS and First Time Response rate)

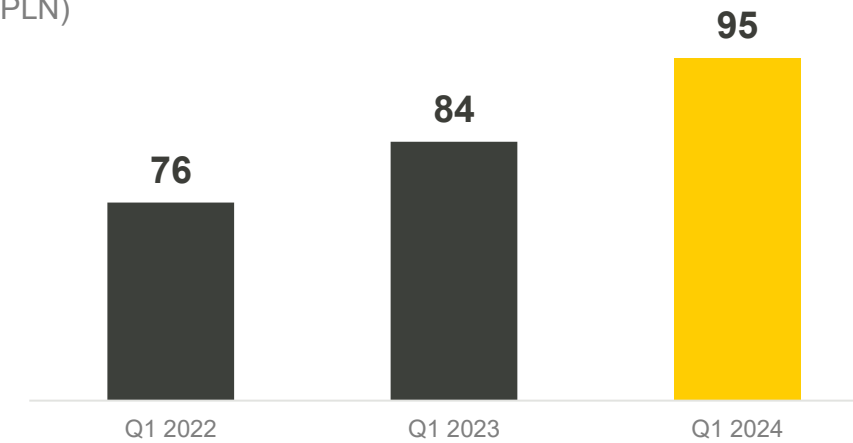
## Hosting ARPU LTM:

(PLN)



## Domains ARPU LTM:

(PLN)



1) All domains paid



**VERCOM**

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**> Vercom operating  
segment**



# > Vercom financial results

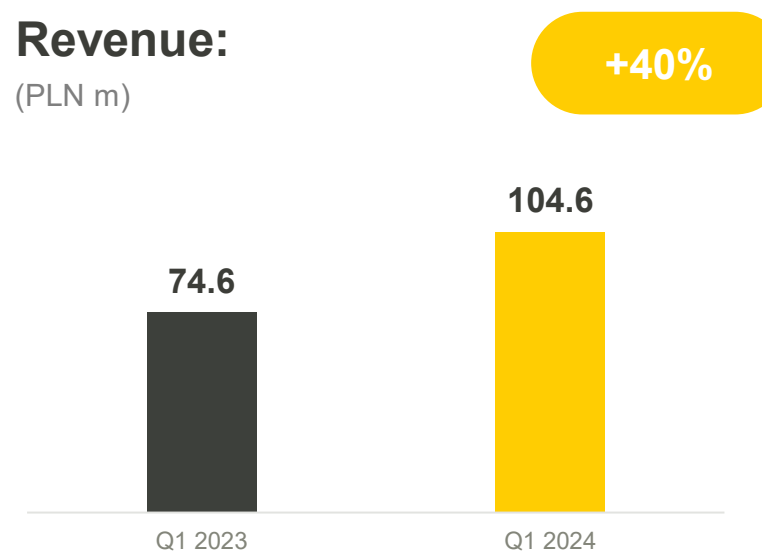
## Selected financial data:

(PLN k)	Q1 2023	Q1 2024	Change
<b>Revenue</b>	<b>74 577</b>	<b>104 568</b>	<b>40%</b>
EBIT	14 054	19 171	36%
Amortization	-3 401	-3 940	16%
<b>Operating EBITDA</b>	<b>17 455</b>	<b>23 111</b>	<b>32%</b>
<i>One-off costs</i>	117	292	150%
<b>Adjusted EBITDA</b>	<b>17 572</b>	<b>23 403</b>	<b>33%</b>
<i>Margin</i>	23.6%	22.4%	
<b>CapEx</b>	<b>3 282</b>	<b>2 694</b>	<b>-18%</b>
<i>CapEx%</i>	4.4%	2.6%	

- ✓ High revenue and profit growth. In particular, growth in sales to Enterprise customers with higher volumes but lower unit margins.
- ✓ Continued very strong growth of SME customers in the global market.
- ✓ Stable overhead and selling costs.
- ✓ Stable capital expenditures.

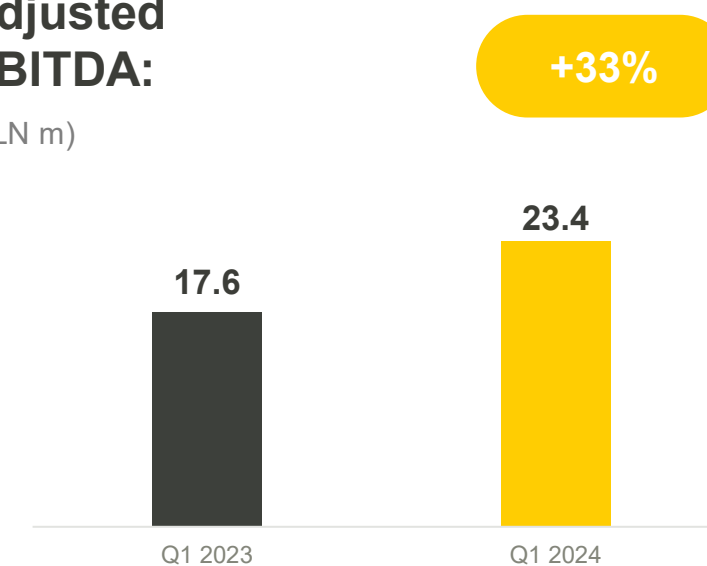
## Revenue:

(PLN m)



## Adjusted EBITDA:

(PLN m)



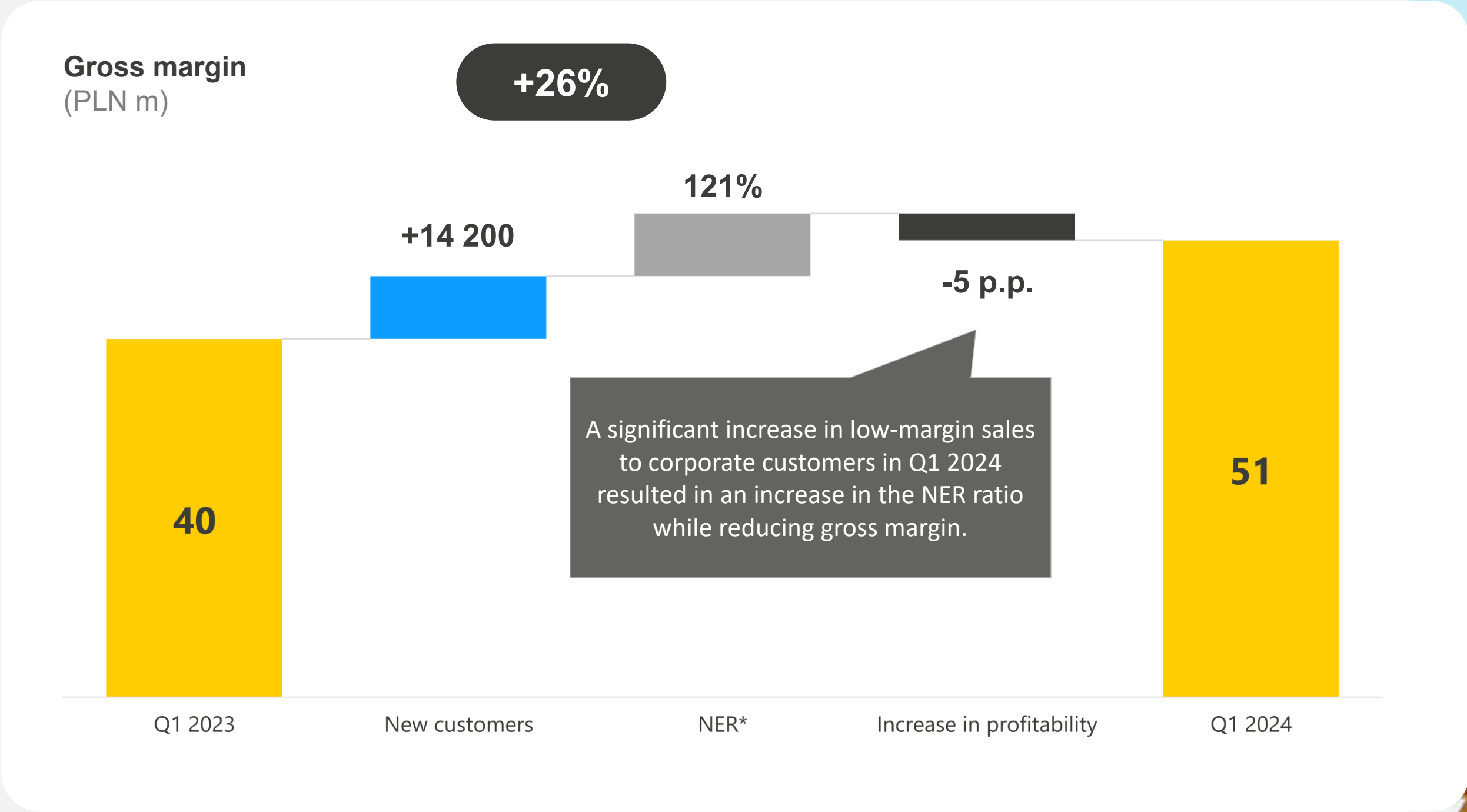


# > Vercom Flywheel



Growing use of artificial intelligence

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



\* 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.



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**>Development  
prospects**



# >Development prospects

## ARPU boost

- Development of product offerings, including proprietary solutions.
- Continuation of offering changes related to unification.
- Activities aimed at cross-sell and up-sell of products and services.
- Increasing sales of additional services.

## Product development

- Development of proprietary products, including \_Now, a web page creator based on artificial intelligence algorithms.
- Development of products using artificial intelligence (AI): cyber\_Folks - AI domain builder, FreshMail - SendGuard (anti-spam and anti-phishing tool to increase email deliverability).
- 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.
- 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.

## Marketing strategy

- Consolidate marketing and communications strategy.
- In the long term - a comprehensive solution for all those operating on the Internet and wishing to communicate effectively with their customers.
- In the short-to-medium term, we will consolidate brands and marketing activities in the hosting area, so that we can more effectively use existing marketing budgets to attract new customers and further ARPU growth activities.
- In 2024, cyber\_Folks launched a marketing campaign to promote the \_Stores product. This year, marketing activities are planned for the \_Now product, both in Poland and abroad.

## ESG

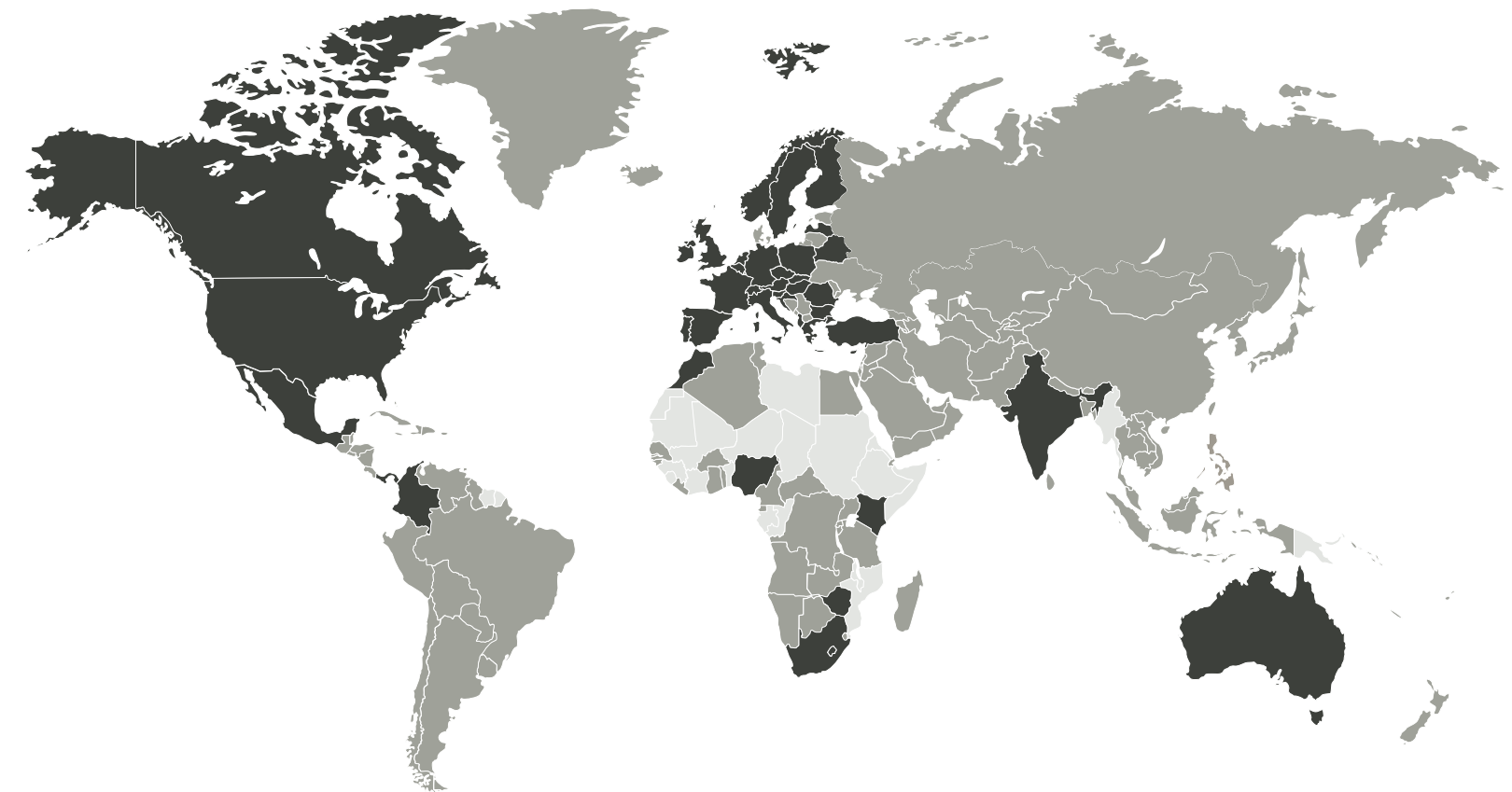
- Due to the subject and specificity of its activity, cyber\_Folks has no significant impact on the environment. The company conducts low-emission activities, mainly in the area of software production.
- In its activities, cyber\_Folks takes into account factors reducing the impact on the environment 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.
- Read more about the cyber\_Folks Group's ESG activities in the 2023 Non-Financial Report.



# > 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

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## > Financial results





# > Consolidated P&L cyber\_Folks Group

(PLN k)	Q1 2023 01.01.2023 – 31.03.2023	Q1 2024 01.01.2024 – 31.03.2024	Change
<b>Sales revenue</b>	<b>110 531</b>	<b>144 120</b>	<b>30%</b>
Other operating revenue	2	184	9118%
Amortization	-7 518	-8 036	7%
External services	-64 341	-87 068	35%
Costs of employee benefits	-12 674	-16 225	28%
included: salary costs related to the incentive program	-117	-865	
Use fo materials and consumption of energy	-1 606	-1 467	-9%
Value of goods and materials sold		0	
Taxes and charges	-151	-235	56%
Other operational expenses	62	-147	-337%
Profit / (loss) on sale and liquidation of tangible fixed assets	32	2	-92%
Other write-offs	-364	-339	-7%
<b>Profit on operating activity (EBIT)</b>	<b>23 973</b>	<b>30 789</b>	<b>28%</b>
Net financial cost	-6 629	-4 280	-35%
Share in profits of associates accounted for using the equity method	463	1 001	116%
<b>Profit before taxes</b>	<b>17 807</b>	<b>27 510</b>	<b>54%</b>
Income tax	-3 689	-3 333	-10%
<b>Net profit from continuing operations</b>	<b>14 118</b>	<b>24 177</b>	<b>71%</b>
<b>Net profit</b>	<b>14 118</b>	<b>24 177</b>	<b>71%</b>
- attributable to the shareholders of the parent	9 059	15 702	73%
- attributable to non-controlling shares	5 059	8 474	68%

## Factors affecting performance in Q1 2024

- Organic sales and earnings growth in Vercom and cyber\_Folks segments.
- Decrease in net finance costs, primarily due to a decrease in debt levels and lower interest rates on loans
- Lower effective tax rate, mainly as a result of a decrease in financing costs and accounting for R&D credits
- Q1 2024 results were impacted by one-off costs :
  - Valuation of the cyber\_Folks ESOP in the amount of PLN 573k,
  - Valuation of the Vercom ESOP in the amount of PLN 292k,
  - Transaction costs in the corporate area PLN 54k.

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

### Assets

	31.12.2023	31.03.2024
Tangible fixed assets	17 252	18 455
Right to use assets	37 366	34 661
Intangible assets and goodwill	610 272	613 540
Investments in affiliates	55 028	57 429
Loans granted	486	476
Assets due to deferred income tax	1 216	1 525
Other assets	973	1 020
<b>Fixed assets</b>	<b>722 593</b>	<b>727 097</b>
Trade receivables	35 443	46 662
Loans granted	628	584
Cash and cash equivalents	70 322	86 490
Other assets	3 942	4 575
<b>Current assets</b>	<b>110 335</b>	<b>138 311</b>
<b>Total assets</b>	<b>832 927</b>	<b>865 408</b>

### Equity and liabilities

	31.12.2023	31.03.2024
Basic capital	284	284
Own shares	-1 696	-1 696
Retained earnings and other capital	262 154	277 499
Exchange differences on the translation of foreign operations	-37 704	-34 667
<b>Equity attributable to equity holders of the parent</b>	<b>223 037</b>	<b>241 419</b>
Non-controlling shares	201 659	211 313
<b>Equity capital</b>	<b>424 697</b>	<b>452 733</b>
Liabilities for loans and borrowings	193 020	182 241
Liabilities due to financial leasing	27 080	24 795
Liabilities due to contracts with clients	306	370
Deferred income tax	14 822	13 819
Other liabilities	58	58
<b>Long-term liabilities</b>	<b>235 286</b>	<b>221 282</b>
Liabilities for loans and borrowings	53 228	52 631
Liabilities due to financial leasing	10 497	10 179
Trade liabilities	41 954	54 111
Liabilities due to contracts with clients	50 289	55 501
Income tax liabilities	6 694	7 617
Liabilities for employee benefits	4 240	4 492
Other liabilities	6 043	6 862
<b>Short-term liabilities</b>	<b>172 945</b>	<b>191 393</b>
<b>Total liabilities</b>	<b>408 231</b>	<b>412 675</b>
<b>Total equity and liabilities</b>	<b>832 928</b>	<b>865 408</b>



# >Steadily increasing cash flows from operating activities

## Statement of cash flows

	Q1 2023	Q1 2024		Q1 2023	Q1 2024
Net profit for the reporting period	14 118	24 177	Repayment of loans and credits	-10 155	-11 996
Adjustments, including i.a.:	18 062	15 499	Receipts / (Repayment) of overdraft facility	0	1 289
- Income tax	3 689	3 333	Interest paid	-6 713	-5 327
- Amortization	7 518	8 036	Payments of liabilities under financial leasing agreements	-2 081	-2 842
- Net interest and exchange expenses	6 089	4 299	Proceeds from grants received	351	0
- Valuation of the ESOP program	117	865	<b>Net cash from financing activities</b>	<b>-18 598</b>	<b>-18 877</b>
Change in inventories, receivables, liabilities and other assets - total	6 546	6 512	<b>Total net cash flow</b>	<b>11 134</b>	<b>16 321</b>
Cash generated on operating activities	<b>38 726</b>	<b>46 186</b>	Impact of changes due to exchange rate differences on cash and cash equivalents	208	-152
Tax paid	-2 738	-3 796	<b>Increase (decrease) in cash and cash equivalents</b>	<b>11 342</b>	<b>16 169</b>
<b>Net cash from operating activities</b>	<b>35 988</b>	<b>42 391</b>	Cash and cash equivalents at the beginning of the period	54 078	70 322
Interest received	211	240	<b>Cash and cash equivalents at the end of the period</b>	<b>65 420</b>	<b>86 491</b>
Loans granted	-399	0			
Repayments of loans granted	19	16			
Investments in affiliates	-400	-1 400			
Proceeds from sale of tangible fixed assets	54	2			
Purchase of tangible fixed assets and intangible assets	-5 741	-6 053			
<b>Net cash from investing activities</b>	<b>-6 256</b>	<b>-7 193</b>			

## The most significant changes in cash flows

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

- Adjusted EBITDA: PLN **39.7m**,
- Net cash flows from operating activities: **PLN 42.4m**.

High operating cash flow dynamics due to high profit dynamics .

The lower dynamics of operating cash flow relative to the dynamics of net income was primarily due to higher sales to Enterprise customers in the Vercom segment and a corresponding increase in investment in working capital.

### Within investing activities:

- Stable capital expenditures

### Within financial activities :

- An increase in loan repayments, which significantly reduced interest expense.

## > 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 2024</b>	<b>284</b>	<b>262 154</b>	<b>-1 696</b>	<b>-37 704</b>	<b>223 038</b>	<b>201 659</b>	<b>424 697</b>
Net profit		15 702			15 702	8 474	24 177
Other comprehensive income				3 081	3 081	-95	2 986
<b>Total income in the period</b>		<b>15 702</b>		<b>3 081</b>	<b>18 784</b>	<b>8 379</b>	<b>27 162</b>
<i>Transactions with owners included directly in equity</i>							
Net assets attributable to non-controlling shares due to change in percentage interest in subsidiary		-1 051			-1 051	1 051	
Capital from valuation of ESOP		719			719	146	865
Other		-25		-44	-69	78	9
<b>As at 31 March 2024</b>	<b>284</b>	<b>277 499</b>	<b>-1 696</b>	<b>-34 667</b>	<b>241 421</b>	<b>211 313</b>	<b>452 733</b>



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

The cyber\_Folks Group has an established position in the Polish market and is growing dynamically in global markets. The markets in which the cyber\_Folks Group operates are characterized 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 are:

- Effectiveness of operating, income and cost synergies resulting from the acquisitions made so far
- Increase or decrease in customer confidence and volatility of the CHURN
- Dependence on suppliers in the cyber\_Folks and Vercom operating segment
- Financial risk
- Retaining and gaining new employees. The ability to effectively allocate employee competences and know-how and motivating them
- Situation on e-commerce and m-commerce market
- Development of artificial intelligence (AI)
- 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, Romania, Czech Republic) or settlements conducted (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





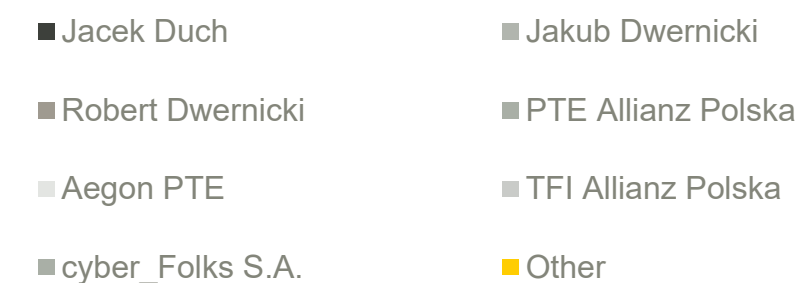
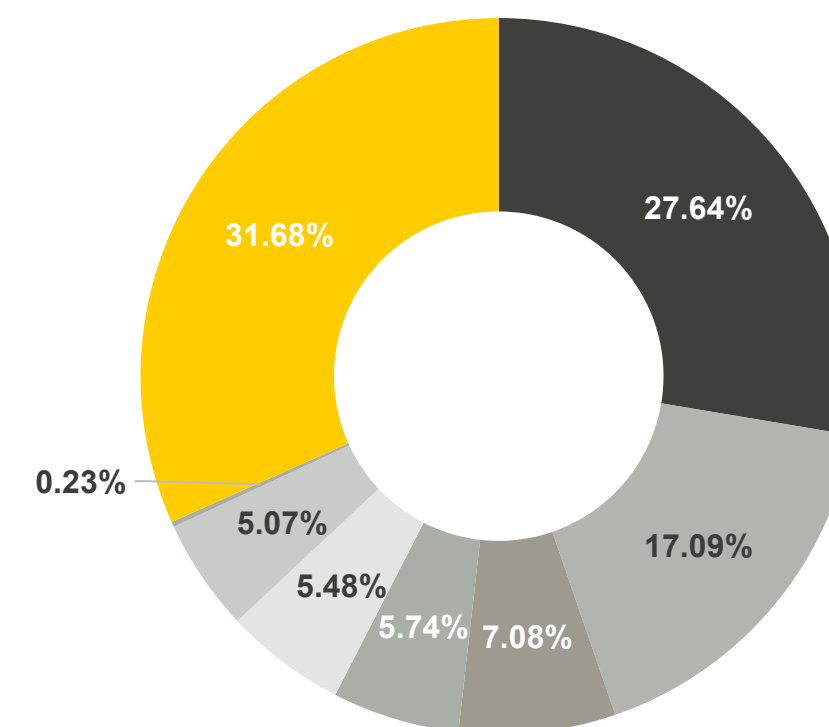
# >Shares and shareholding

## 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 31 March 2024 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	31 March 2024		20 May 2024	
	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 <sup>1)</sup>	3 918 993	27.64%	3 918 993	27.64%
Jakub Dwernicki <sup>1)</sup>	2 422 979	17.09%	2 422 979	17.09%
Robert Dwernicki <sup>1)</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	4 491 642	31.68%	4 491 642	31.68%
Total	14 180 000	100.00%	14 180 000	100.00%



1) Directly and through subsidiaries

# >Shares and shareholding

## Own Shares

At the end of Q1 2024 cyber\_Folks S.A. held 33,176 own shares. In 2024, the Company did not carry out any purchase or sale of treasury shares.

## 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 that may result in future changes in the proportions of shares held by shareholders and bondholders

The Company is not aware of agreements that may result in a change in the proportion of shares held by shareholders.

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

Name	Position	26 March 2024	20 May 2024
Jacek Duch	Chairman of the SB	3 918 993	3 918 993
Jakub Dwernicki	President of MB	2 422 979	2 422 979
Robert Stasik	Vicepresident of MB	44 931	44 931

## Changes in shareholding

In Q1 2024, there were no changes in the structure of significant shareholders (those holding more than 5% of the Company's shares).



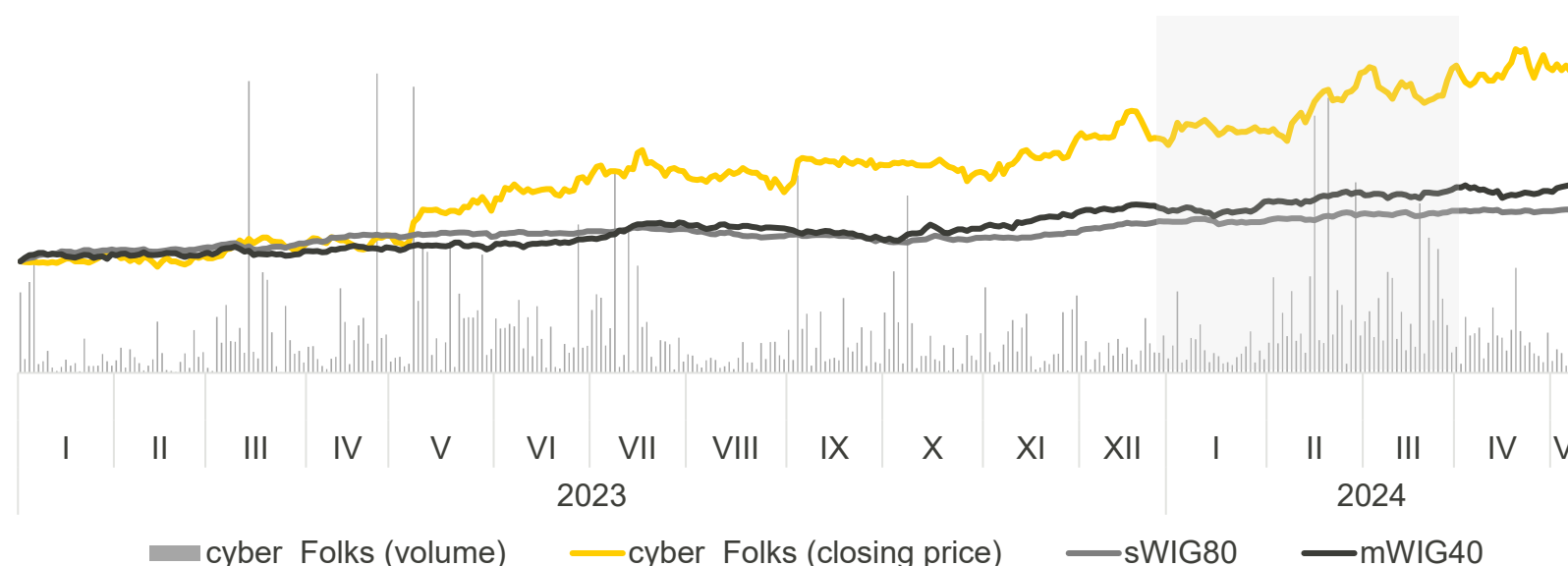
# > Shares and shareholding

## 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 Q1 2024, cyber\_Folks was trading 29.7% higher than at the beginning of 2024. From the beginning of 2024 to 15 May 2024, the share price has increased by 52.5%.

cyber\_Folks share price since the beginning of 2023, with a comparison to sWIG80 and mWIG40 index.



## Dividend

The Annual General Meeting of Shareholders of cyber\_Folks convened for 27 May 2024 will adopt a resolution on profit distribution for 2023. The Management Board's recommendation is that PLN 21.3 million will be allocated for dividends (dividend of PLN 1.50 per share). At the same time, the Management Board of cyber\_Folks recommended that the General Meeting of Shareholders approve a share buyback worth PLN 6.8 million.

## 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 13.169m	-	PLN 13.2m
2024	PLN 1.50 <sup>6)</sup>	PLN 21.253m	PLN 6.768m	PLN 28.021m

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.

6) As recommended by the Board of Directors of cyber\_Folks. The amount of dividends and the conduct of share buybacks will be decided by Shareholders at the Annual General Meeting on 27 May 2024.



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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

### Member of the Supervisory Board (independent)

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

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

## Magdalena Dwernicka

### Member of the Supervisory Board

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

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

## >Supervisory Board

### Kamil Pałyska

**Member of the Supervisory Board (independent)**

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

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

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

### Changes in the Management Board and Supervisory Board

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 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

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 31 March 2024 the Group had 454 employees calculated on a full-time basis. In the course of Q1 2024 the average employment totaled 449 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 Q1 2024 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>



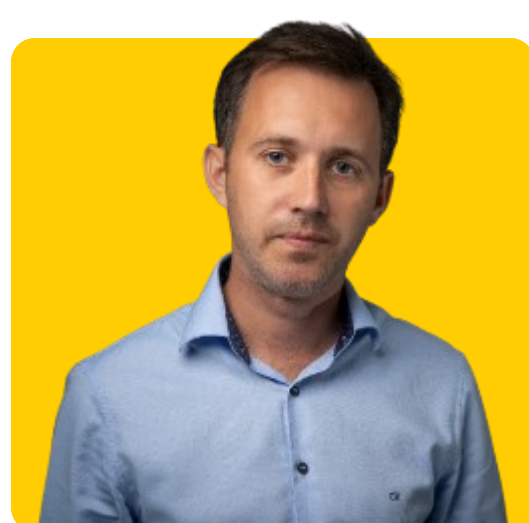
## Jakub Dwernicki

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 Q1 2024

**20 May 2024**

Date of publication of  
the Quarterly Report of  
cyber\_Folks Group for Q1 2024

**20 May 2024**