K2
dla nas to możliwe
K2 Group - partner in digital transformation

For 18 years now, K2 has been consistently building the position of a **partner** of the largest Polish and foreign organizations in all aspects of its online activities / **digital transformation**
Structure of companies in the Group

The Group is built around Customer support areas. Each one complements the others and has a dedicated expert company at its disposal. They hold the positions of one of the leaders of their categories on the Polish market. Areas of operations jointly guarantee the diversification of income sources, which are more resistant to market economic situation changes.

- Presence in the Media (all channels)
- Analysis and design of online presence support processes (BPM)
- Image, Sales and Customer Service
- Data processing and servicing in the cloud
The cooperation model foresees **servicing Customers in all core areas of online activities**. Most of the growth in the Group's business (80%) derives from the extension of the cooperation with the existing Customers. None of the Customers brings more than 10% of the Group's income.

### Business model

<table>
<thead>
<tr>
<th>Period of cooperation (years)</th>
<th>6</th>
<th>3</th>
<th>5</th>
<th>12</th>
<th>7</th>
<th>5</th>
<th>8</th>
<th>3</th>
<th>13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Image, Sales and Customer Service</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Presence in the media (all channels)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Data processing and servicing in the cloud</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Analysis and design of online presence support processes (BPM)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Product innovations</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>
350 professionals of different speciality

The Group developed effective mechanisms of obtaining and keeping the team of top class specialists. It conducts an authorial BelInteractive programme being a platform for obtaining the best graduates of humanist and technical universities. Almost 50% of the employees has worked in K2 Group for three or more years.

<table>
<thead>
<tr>
<th>Specialisation</th>
<th>Number of people</th>
<th>% share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creation</td>
<td>40</td>
<td>11%</td>
</tr>
<tr>
<td>Strategy and analysis</td>
<td>25</td>
<td>7%</td>
</tr>
<tr>
<td>Functional design</td>
<td>10</td>
<td>3%</td>
</tr>
<tr>
<td>Customer Service</td>
<td>50</td>
<td>15%</td>
</tr>
<tr>
<td>Technology</td>
<td>120</td>
<td>35%</td>
</tr>
<tr>
<td>Cloud Computing</td>
<td>25</td>
<td>8%</td>
</tr>
<tr>
<td>Media and planning</td>
<td>45</td>
<td>13%</td>
</tr>
<tr>
<td>Administration</td>
<td>30</td>
<td>8%</td>
</tr>
</tbody>
</table>
2015
Ratios and market environment
2015 market environment

IAB Polska's forecasts foresee that the value of the Polish market of online advertising will grow by 15% in 2015 to PLN 3 bn*.

PWC assumes that until 2018 the expenditures for online advertising in Poland will outstrip the television**. Currently, they constitute around 26% of the whole according to IAB forecast.

Sources:
2014 income structure
New segments from 2015 annual results

Segment e-marketing
Advertising, technology

PLN 50 mn (63%) growth +25%

Media segment
(planowanie i zakup mediów)

PLN 29 mn (37%) growth +51%
**Positive trends in the Group's finance**

<table>
<thead>
<tr>
<th></th>
<th>Revenue</th>
<th>EBITDA</th>
<th>EBIT</th>
<th>Net profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>54,843</td>
<td>-102</td>
<td>-2,745</td>
<td>-1,194</td>
</tr>
<tr>
<td>2013</td>
<td>59,606</td>
<td>3,054</td>
<td>448</td>
<td>172</td>
</tr>
<tr>
<td>2014</td>
<td>79,294</td>
<td>5,417</td>
<td>1,975</td>
<td>1,389</td>
</tr>
</tbody>
</table>

Impact of one-off events on 2014 results:

* The result including impairment in the amount of PLN 1.5 mn (mainly “Mail3” mailing system)

** The result including the sale of Audioteka’s shares (financial income)

*** The result excluding the sale of Audioteka’s shares and impairment
Positive trends in the Group's finance data excluding one-off events

QUARTERLY REVENUE FROM SALES OF SERVICES 2014-2015

9M2014 vs. 9M2015 sale = +14.5%
Positive trends in the Group's finance data excluding one-off events

**EBIT**
- 2014Q1: -510
- 2014Q2: 88
- 2014Q3: 187
- 2014Q4: 2,210
- 2015Q1: -1,277
- 2015Q2: 300
- 2015Q3: 1,081

**EBITDA**
- 2014Q1: 474
- 2014Q2: 1,009
- 2014Q3: 926
- 2014Q4: 3,008
- 2015Q1: -284
- 2015Q2: 1,405
- 2015Q3: 2,177

9M2014 vs. 9M2015 = +36.9%
Positive trends in the Group's finance data excluding one-off events

QUARTERLY PROFIT/NET LOSS

<table>
<thead>
<tr>
<th>Year</th>
<th>Quarter</th>
<th>Profit/Net Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>Q1</td>
<td>-600</td>
</tr>
<tr>
<td>2014</td>
<td>Q2</td>
<td>20</td>
</tr>
<tr>
<td>2014</td>
<td>Q3</td>
<td>306</td>
</tr>
<tr>
<td>2014</td>
<td>Q4</td>
<td>1663</td>
</tr>
<tr>
<td>2015</td>
<td>Q1</td>
<td>-1205</td>
</tr>
<tr>
<td>2015</td>
<td>Q2</td>
<td>487</td>
</tr>
<tr>
<td>2015</td>
<td>Q3</td>
<td>819</td>
</tr>
</tbody>
</table>

2016-2018
Growth directions and factors
2016-2018 growth factors

• **The growing market** of expenditures on the Internet and technologies 2016-2018

• **Stable, diversified portfolio of Customers** and sources of income

• **Key partner** of Customers' presence online (critical processes)

• **Synergistic businesses** in the Group bringing a wider attachment of Customers

• High growth potential of the market of **cloud** solutions

• Presence in **product innovations**, high-margin projects

• Capability of establishing partnerships as **NEWNITED**, or with home.pl

• Fixed costs optimization (mainly office space **by 15%**
2016-2018 development directions

The key direction of K2 Group’s operations will be keeping the average annual pace of growth of operating income on the level of ca. 15% and improvement of operating income profitability to as much as ca. 10% vs EBIT. The accomplishment of these assumptions will be based mainly on synergies in the Group and strategic partnerships, presence in innovative technologies as the cloud and fixed costs optimisation. In relation to all these directions the company launched the review of strategic options in all the business areas.

Organic growth faster than the market and enhancement of NEWNITED's profitability as an extra growth factor

Active search for a strategic partner also abroad Export of services with higher margin

The key element of a dynamic growth Margin redistribution to fasten the growth and scale
Oktawave is a new technology company operating on the market of data processing in cloud computing.

We deliver:
• IaaS (Infrastructure as a Service) cloud
• we settle for resources usage time
• we guarantee high flexibility
• no costs of investments in hardware or licenses

Who trusted us:
THE OKTAWAVE GROWTH PERSPECTIVES AND THE MARKET

• The value of the Polish market of public cloud (IaaS+PaaS+SaaS)*
  • ca. PLN 400mn (2014), dynamics 30%, penetration just 30%
  • value of IaaS (OKTAWAVE’s key market) is ca. 100mn

• Further investment in R&D, new products and services

• Preparation of products to sales abroad

• Completion of ISO 27 001 certification (data security)

• Financial independence in 2015 (no charges to the Group’s result)

• 9M on the schedule, 9M2014 / 9M2015 growth = 100%

• OKTAWAVE’s share in IaaS market at the end of 2015 will total to ca. 10%

• Around 50 new Customers monthly

Infrastructural business

Sales

Manageable hosting

Oktawave

EBITDA

Oktawave

Manageable hosting

Total infrastructure

Estimates without consolidation exclusions
Sample projects
- appendix
Polpharma - Metafen
new approach to campaign

See a movie:
http://www.k2.pl/#!/pl/realizacje/element/metafen/
PGE - We guarantee energy
custom tools

See a movie:
https://www.youtube.com/watch?v=pVSveqKobVE&feature=youtu.be
Cinema City IMAX – Interstellar interaction in outdoor advertising

See a movie: https://www.youtube.com/watch?v=l9C47slm-2s&spfreload=10
new approach to product

See a movie: http://www.k2.pl/#!/pl/realizacje/element/pzu-drive/
Meritum Bank
4x more accounts due to attribution model

Attribution modelling

Allows assigning weights to particular events which occurred before entry into the portal
Getin Noble Bank - loans

Loan document flow system between departments, agents and the headquarters of the Bank

• Cash and instalment loans
• Desk office servicing: registration of documents in packages, scanning, generating bar codes
• Generating template documents
• Support of scanning signed contracts
• Processing several thousand loan applications daily!
Toyota Bank Polska

Servicing the Bank’s product applications, electronic flow.

High level of the process automation:
- Support via flow processes
- Business rule and scoring engine
- Integration with DEF 3000 nominal ledger
- Generating product documentation
- Document repository
- The Bank's main desk office and Customers' files
- Electronic signature
Sanofi - sales and medical representatives management system

Solution:

• system composed of a mobile application for medical representatives for a tablet with data exchange through SAP system

• planning visits and visit reports (memo and photo documentation), entering orders, reviewing the inventory of products, monitoring the status of order processing, monitoring the receivables balance

• Cross-cutting reporting in back-office application, including monitoring of the activity of representatives, summary of representatives' ratios as regards accounting for a bonus
Thank you for your attention

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This document was developed by K2 Internet S.A. ("Company"). The data and information it contains do not present any full or coherent financial analysis. The detailed description of the Company's and Group's operations and financial position was presented in current and periodic reports published at www.k2.pl. The Company recommends the investment decisions to be based on the information included in current reports and/or recommendations of specialist entities dealing with investment consulting.

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