



CloudTechnologies

D Development plans of Cloud Technologies - presentation for Investors

April 2021

Executive summary | Summary: 2020

Revenues

+PLN 7,4 M

vs 2019

EBITDA

+PLN 6,9 M

vs 2019

Net profit

+PLN 5,2 M

vs 2019

Executive summary | Data enrichment is a growth factor

Data enrichment



Scalable business with
a high growth potential
on the global market

2x

High dynamics of sales
y/y



Low level of variable
expenses



Stable level of fixed
costs

Executive summary | Goal for 2021



Rapid revenue growth
in Data enrichment segment



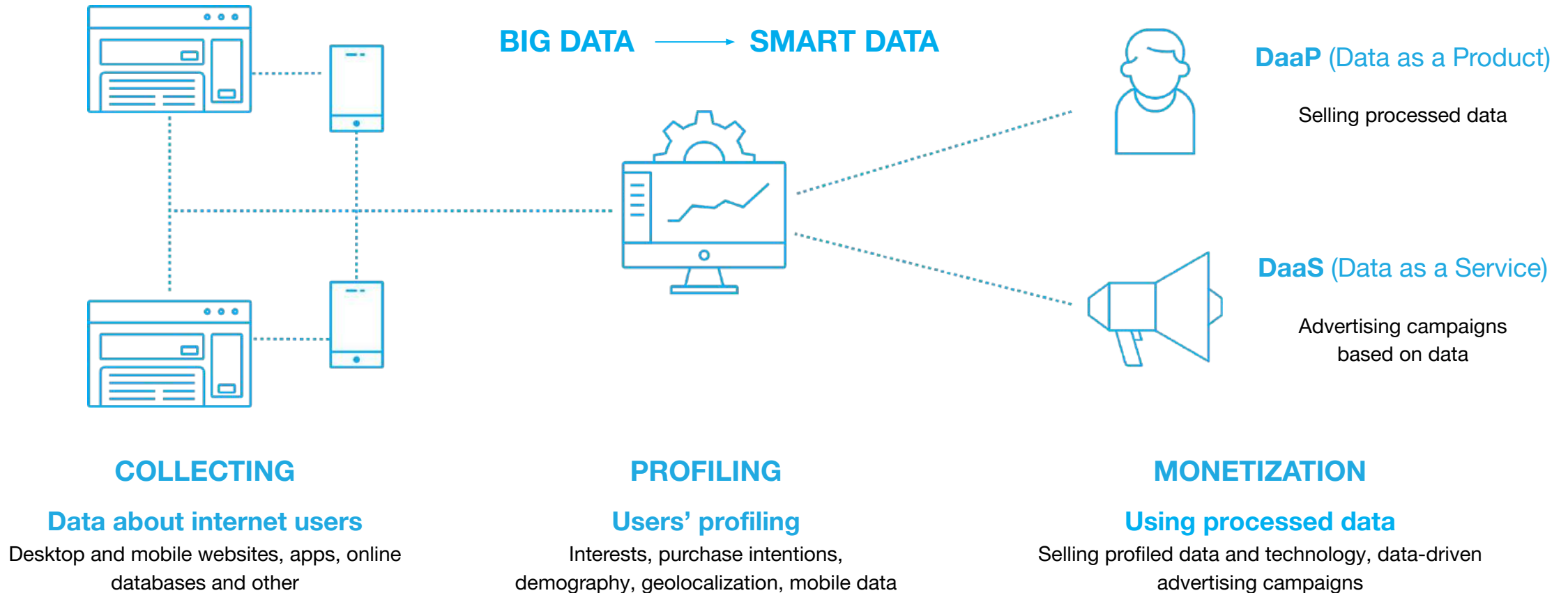
Table of contents

- 1 | Business model
- 2 | Market environment
- 3 | Financial Results for 2020
- 4 | Development plans for 2021
- 5 | Q&A session

B Business model

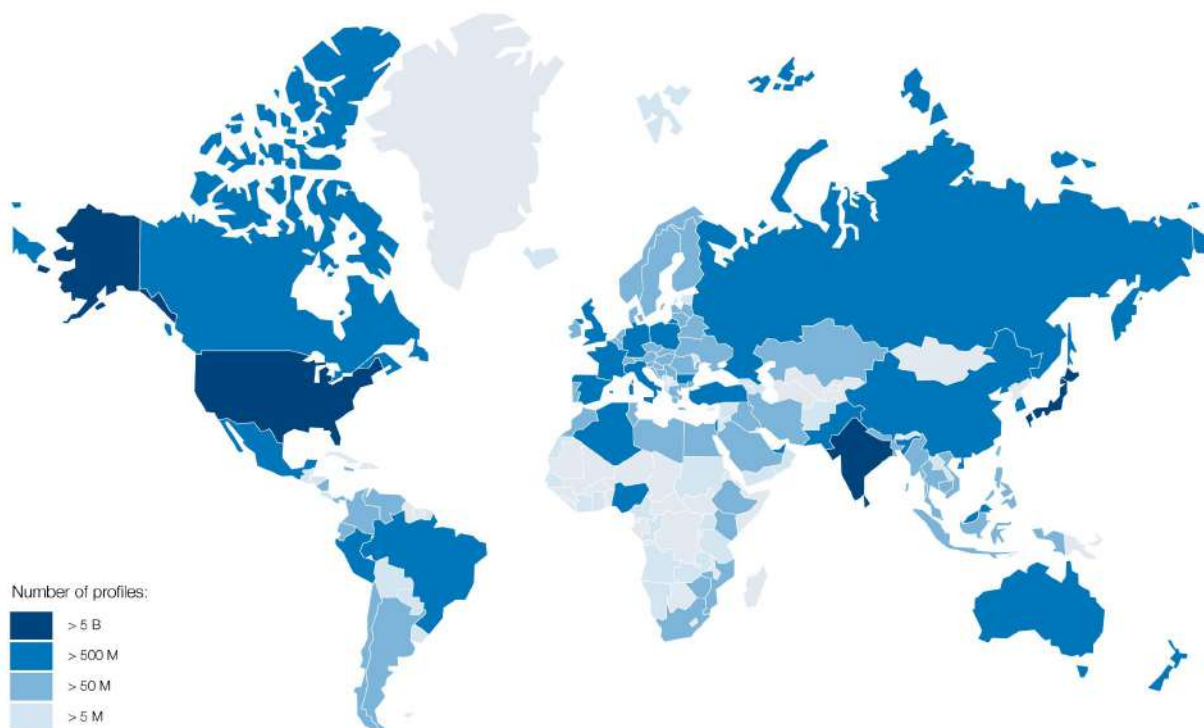


We monetize audience data



Collecting data from all over the world

Markets from which Cloud Technologies collects anonymous data about Internet users (Q4 2020)



Data from over 200 markets

Cloud Technologies collects anonymous data about behavior of Internet users that are obtained from over 200 markets worldwide. To analyze data, it uses proprietary DMP technology offered in the SaaS formula.

The Company operates on the global market of data providers. The collected data is primarily used in online advertising in the programmatic model.

Key information about Cloud Technologies



Global market

constantly expanding database of users with access to the Internet—source of data and revenue of the company



Development of proprietary technologies

DMP platform offered in the SaaS model or as a license with a wide range of application in data analysis and development of Demand-Side Platform.



Diversified business

with a significant growth in dynamics of the key segment having the highest margin - Data Enrichment.

50 | Technology **Fast 50**
2017 CENTRAL EUROPE
Deloitte.

500 | Technology **Fast 500**
2017 EMEA
Deloitte.

 **EY Entrepreneur
Of The Year***
2015 Finalist

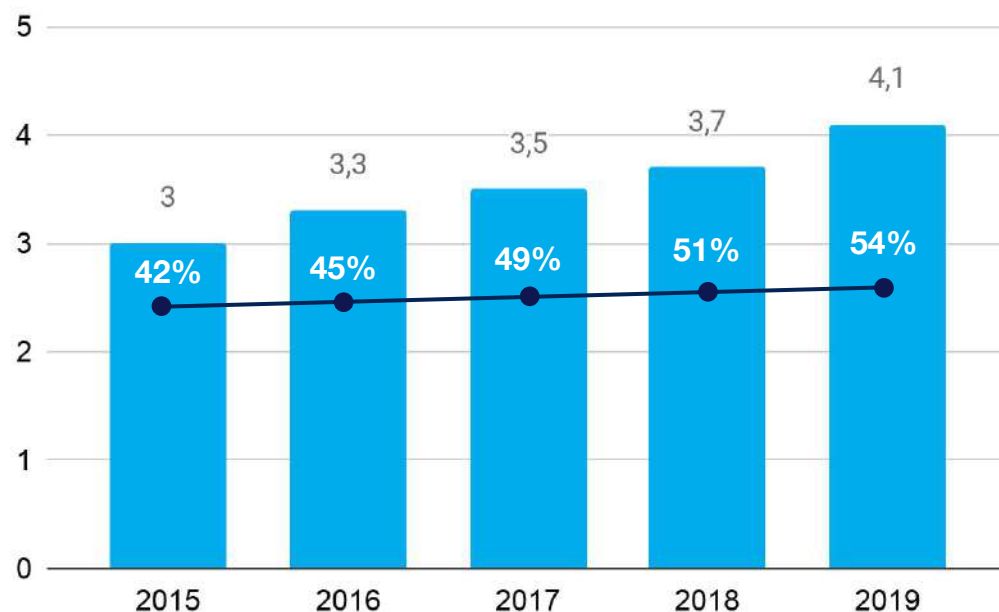
 **1000**
Europe's Fastest
Growing Companies

M Market environment



The global number of internet users is increasing

Global number of users with access to the Internet (billions)



■ Number of users with access to the Internet (billions)

— Internet users' participation in population (%)

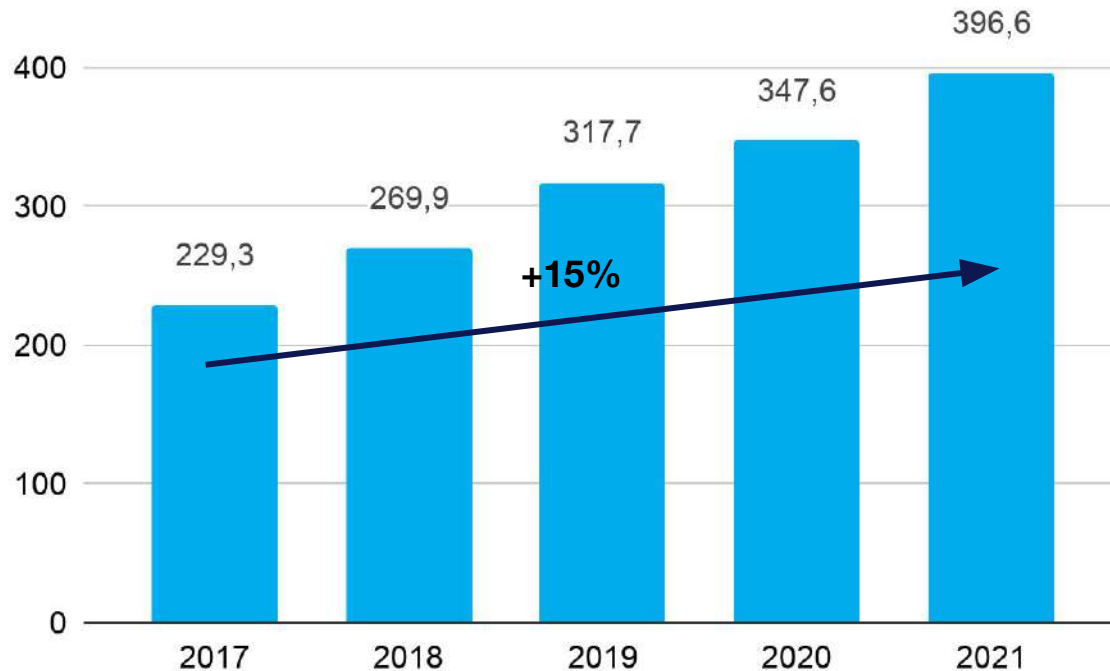
Over half of the humanity has access to internet

In 2019, number of internet users exceeded 4 B.

Along with the increase in the number of internet users, there is a growth in the amount of generated data used to create customer segments. This trend, positive for the Company, will continue in the upcoming years.

Increased spendings on online advertising

Global spendings on online advertising, CAGR
(billions, USD)



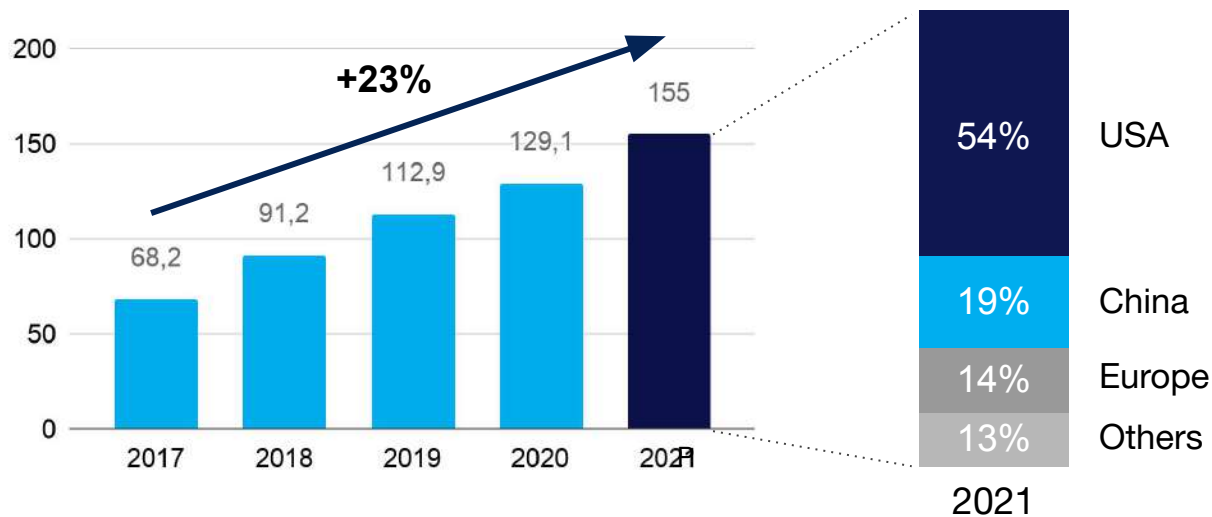
Advertising budgets are being transferred to online channel

Transferring advertising budgets to online channels has a significant impact on increased spendings in the area of online advertisements. Zenith agency estimates that in 2020 spendings on digital advertising exceeded 50% all advertising expenses globally.

CAGR for 2017-2021 will be 15%, and total spending this year will reach nearly USD 400 B.

Programmatic model on display advertising market

Global programmatic advertising market, CAGR
(USD billion)



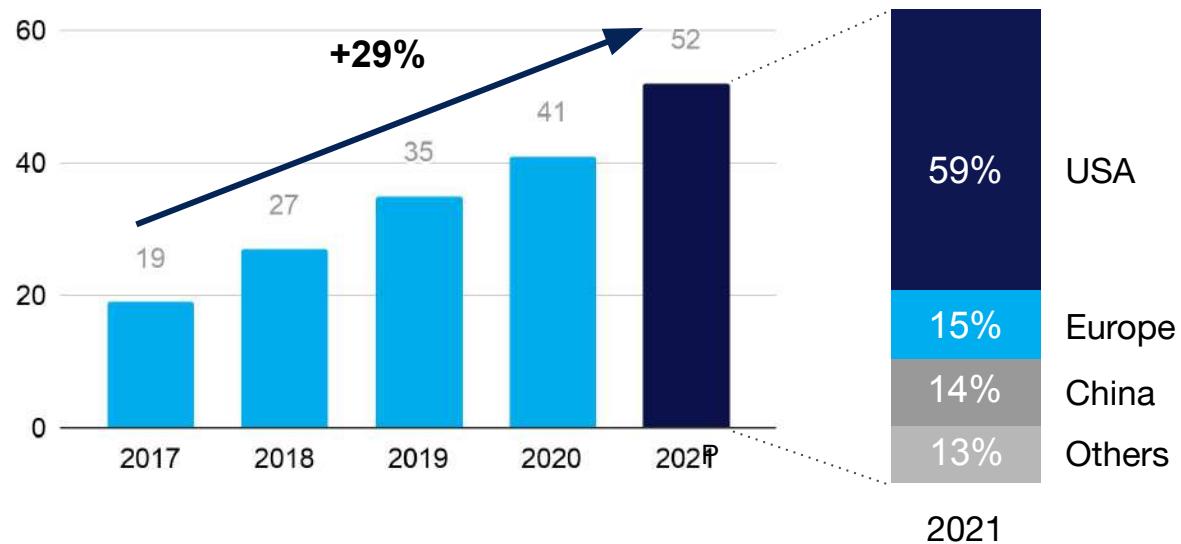
Programmatic buying model dominates in internet advertising

According to Zenith agency, programmatic advertising model accounts for about 70% of total display advertising spending, and its popularity grows every year.

CAGR for 2017-2021 will be 23%, the main market is again the United States of America.

Growth of global data market

Global data market, CAGR
(USD billions)



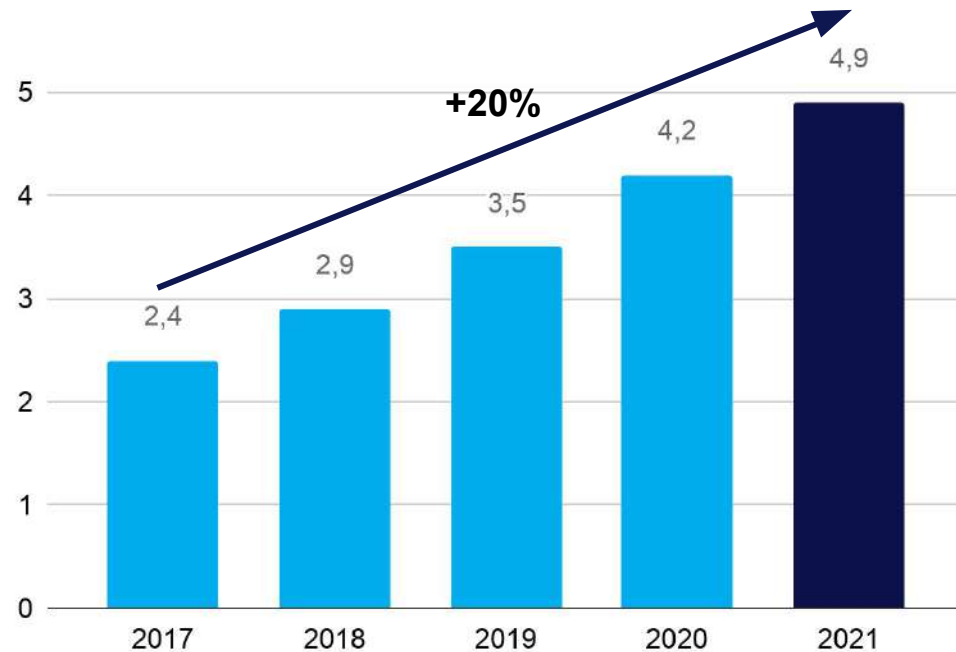
Global demand for digital information

Global data market grows along with progressive automation of online purchase of advertising space which results in high demand for anonymous data about behaviour of internet users.

CAGR on the global data market for 2017-2021 will reach 29%. The United States remain in the dominant position.

E-commerce boom

Global spendings in the e-commerce sector, CAGR
(USD billions)



Pandemic has accelerated the growth of the e-commerce sector

One of the visible effects of the COVID-19 pandemic is a significant growth of the e-commerce market value. Change of consumers' behaviour influenced online sales from 2020 that were previously forecasted only for 2022.

CAGR for 2017-2021 will reach 20%, and the market size will double within 4 years.

F Financial results



Financials results 2020 vs 2019 - annually

50.1 M

PLN
Revenue

5.7 M

PLN
EBITDA

0.5 M

PLN
Net income

17.8 M

PLN
Cash

+17%

vs 2019

+6.9 M

PLN
vs 2019

+5.2 M

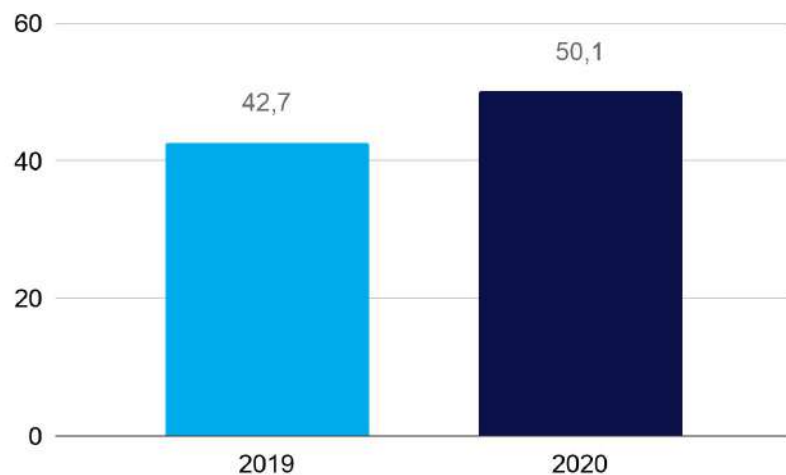
PLN
vs 2019

+13.0 M

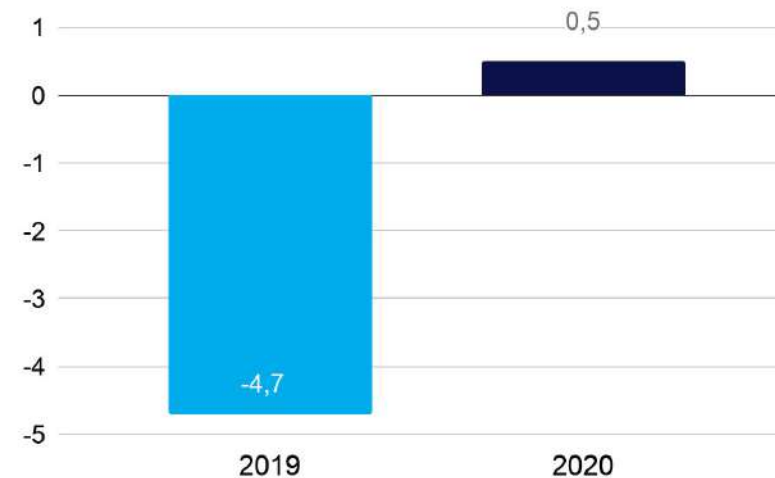
PLN
vs 2019

2020: Increase of net income by over PLN 5 million

Revenue (PLN, million)



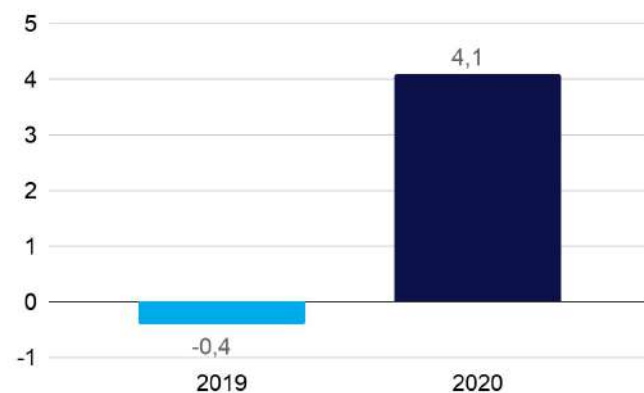
Net income (PLN, million)



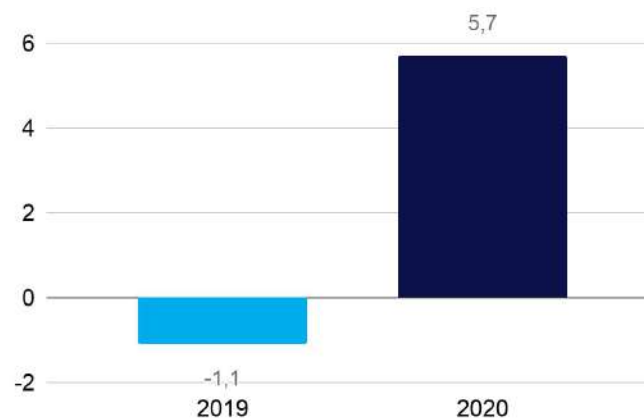
Almost 20% increase in revenues despite the negative impact of COVID-19 in Q1 and primarily in Q2 2020.

2020: Improvement of EBITDA by nearly PLN 7 million

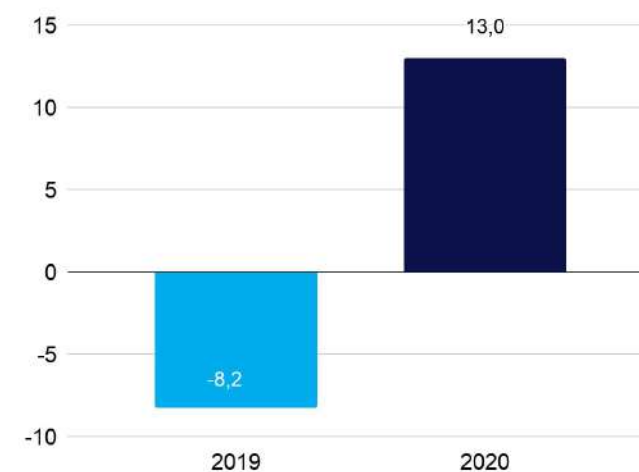
EBITDA segments* (PLN, million)



EBITDA (PLN, million)



Cashflow (PLN, million)

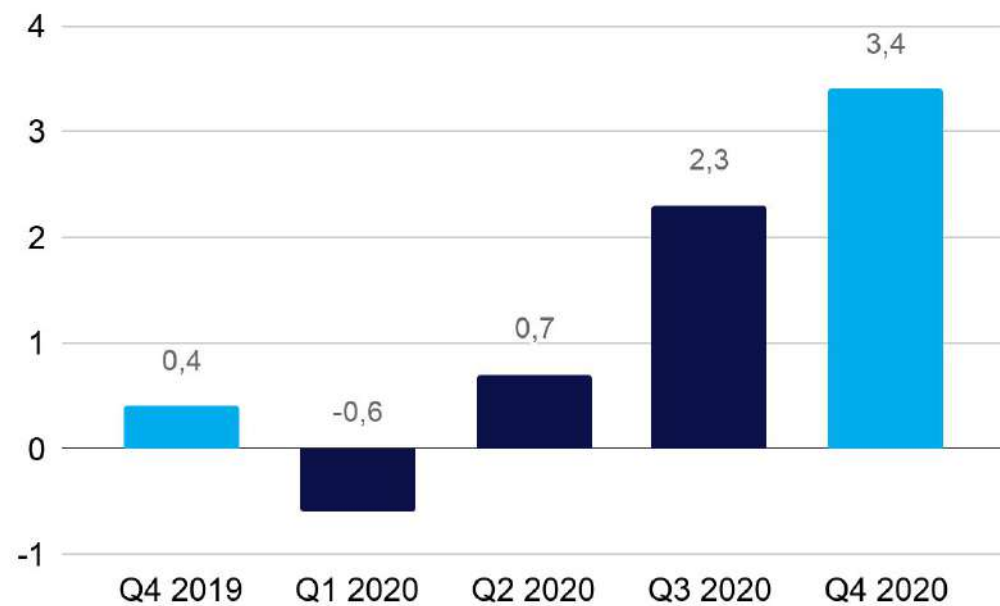


Improvement of EBITDA by nearly PLN 7 million y/y and segments EBITDA * by over PLN 4.5 million y/y

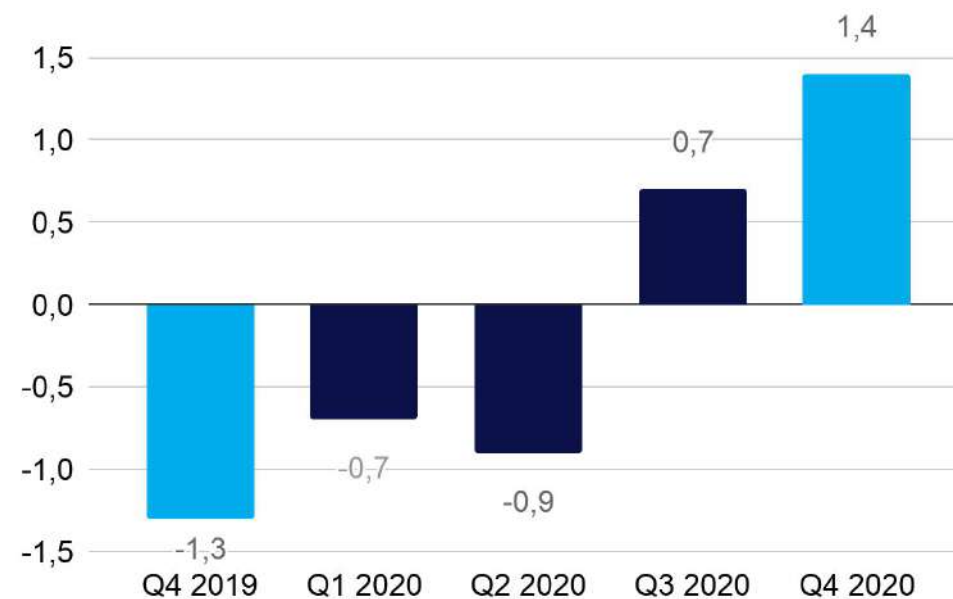
Positive CF was achieved despite the implementation of an investment project worth PLN 9 million net ("Big Data Analytics Platform").

Financial results 2020 vs 2019 - quarterly

EBITDA (PLN, million)



Net income (PLN, million)

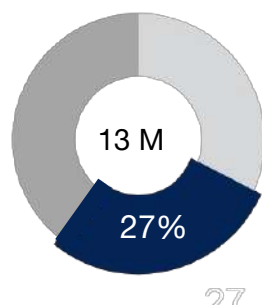


Business diversification within segments

Data Enrichment

Sales in 2020

+PLN 6.2 million y/y



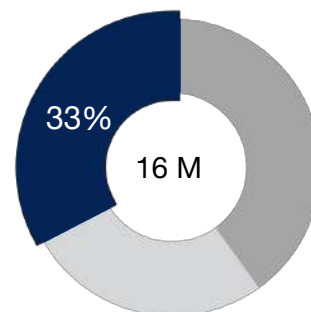
- Providing data dedicated for targeting online advertisements.
- DMP proprietary technology for collecting, analyzing and monetizing data, offered in the SaaS model or as a licence.

DATA AND TECHNOLOGY
DISTRIBUTORS

Data Consulting

Sales in 2020

+PLN 1.6 million y/y



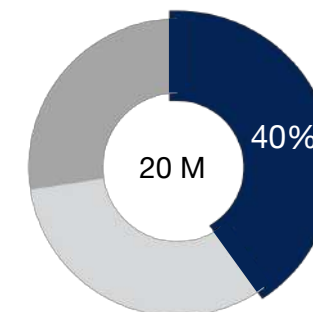
- Effective image campaigns supported by Big Data analytics.
- Performance campaigns using data.
- Conversion increase resulting from the analysis and processing of data about clients.

ADVERTISING AGENCIES, MEDIA HOUSES
DIRECT CUSTOMERS

Data Acquisition

Sales in 2020





-PLN 1.6 million y/y



- Affiliate campaigns on global markets.
- Intermediation in wholesale (brokerage) resale of advertising media in order to gather data monetized in other segments.

AFFILIATE NETWORKS
ADVERTISING SPACE BROKERS

Synergies between segments

	 Data enrichment	 Data consulting	 Data acquisition	 Others
Sales to external customers	PLN 13.4 M	PLN 15.9 M	PLN 19.6 M	PLN 1,2 M
segments' EBITDA	PLN 7.6 M	PLN 0.06 M	PLN -0.3 M	PLN -3,2 M
% of EBITDA margin	56.5%	0.3%	-0.8%	-

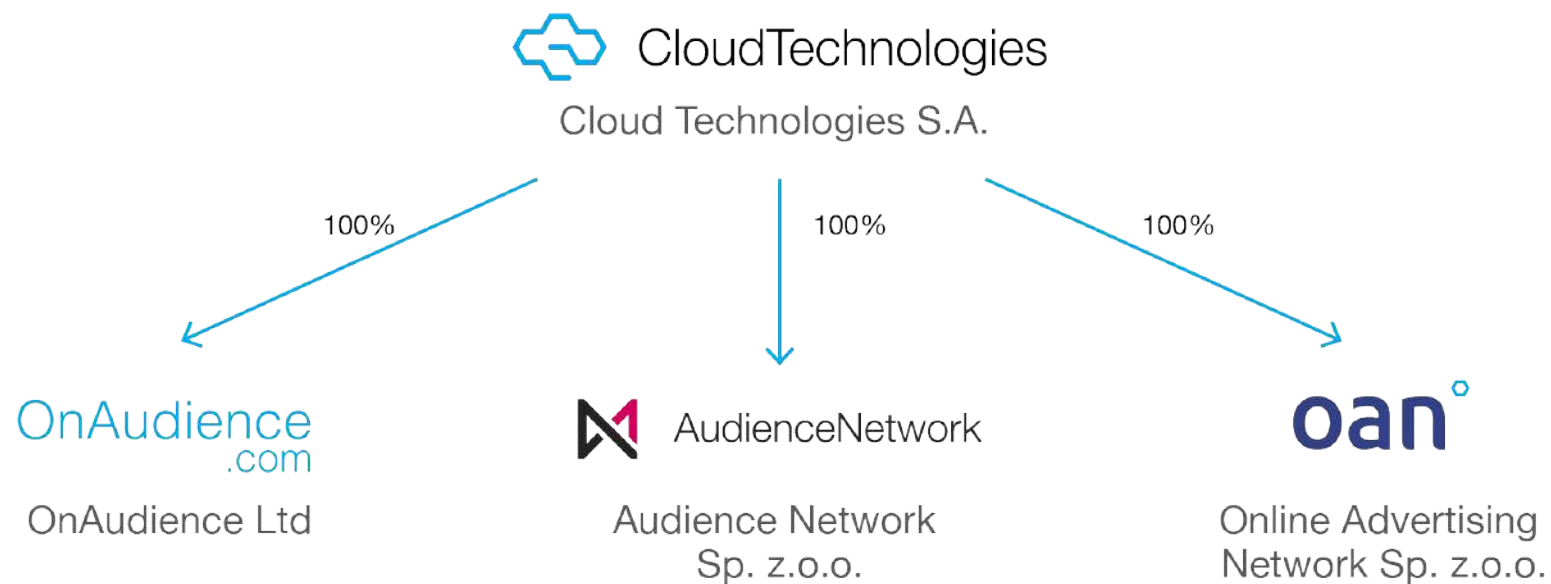
- Key impact on financial results
- EBITDA result in 2020 was higher by over 145% y/y

- Low EBITDA segment caused by difficult pandemic situation

- Generating data monetized in other segments
- Margin can be close to zero or negative

- This area serves as a centre of expenses
- Comprised of backoffice costs, corporate boards, and the Group's marketing

Structure of Cloud Technologies



Business segment:

- Data enrichment

- Data consulting
- Data acquisition

- Data consulting
- Data acquisition

Valuation of the AdTech companies worldwide

High discount relative to foreign comparable companies, space for valuation increase

	Country	Capitalization (April 2021)	2020 Sale	EBITDA 2020	2020 EV/Sale	2020 EV/EBITDA
 CloudTechnologies	PL	PLN 77.5 M	PLN 50.1 M	PLN 5.7 M	1.2x	10.8x
 theTradeDesk	USA	USD 27.3 B	USD 836.0 M	USD 284.0 M	44.5x	131.0x
 PubMatic	USA	USD 2.8 B	USD 149.0 M	USD 50.3 M	9.0x	26.6x
 LiveRamp <small>an axion company</small>	USA	USD 3.4 B	USD 440.0 M	USD 26.0 M	6.2x	106.0x
 Magnite	USA	USD 4.6 B	USD 222.0 M	USD 43.1 M	15.5x	79.8x
 digital turbine	USA	USD 7.7 B	USD 139.0 M	USD 19.6 M	2.7x	19.1x

Cloud Technologies development plans for 2021



CloudTechnologies

Development plans of Cloud Technologies - 2021



Rapid revenue growth in the
Data enrichment segment

Development plans of Cloud Technologies - 2021



Globalization



Acquisitions



Technologies

Development plans of Cloud Technologies - 2021



Globalization

- Increasing the Company's presence on foreign markets, including the USA (most data sales is already generated outside of Poland).
- Further expansion of data distribution networks on key markets.
- Exploration of new data sources on the most promising markets.
- Establishing a new subsidiary Company in the UK, dedicated to commercialization of the DSP technologies.

Development plans of Cloud Technologies - 2021



Acquisition

- Acquisitions on foreign markets in order to expand data distribution networks.
- Achievement of additional synergies or acquisition of new competences.
- Acquisition of firms with lower-scale operations than Cloud Technologies.
- Purchase of minority stakes with possibility of taking over in the future.
- Transactions using own shares or cash, without the use of debt.

Development plans of Cloud Technologies - 2021



- Further development of the key DMP technology and new generation OnAudience.com platform.
- Preparation for commercialisation of the DSP technology and establishing of a new brand.
- Insourcing of programmers responsible for the DSP development.
- Considered purchase of the DSP source code.
- Technological preparation for market changes in 2022.

Company development and COVID-19 pandemic



- Uncertain course of the pandemic and its impact may affect the implementation of the Company's plans.
- Company maintains significant excess liquidity in case of unpredicted market difficulties.
- The pandemic has an impact on, inter alia, the reduction of overall advertising spendings, however, the online channel is becoming more important.
- Advertising budgets are being transferred to the Internet that is lockdown resistant.

Advantages of Cloud Technologies



Data Acquisition Model

- Full control over the entire process
- Over 200 markets available



Unique business model

- Global and scaling business supported by macroeconomic trends.
- Synergy effects between different areas of operations.



Proprietary technologies

- Proprietary technology enabling data processing (DMP)
- Platform for buying ad spaces (DSP) tailored to individual needs

Q&A session



Thank you!

Piotr Prajsnar

Chairman of the Board

Piotr Soleniec

Member of the Board, CFO

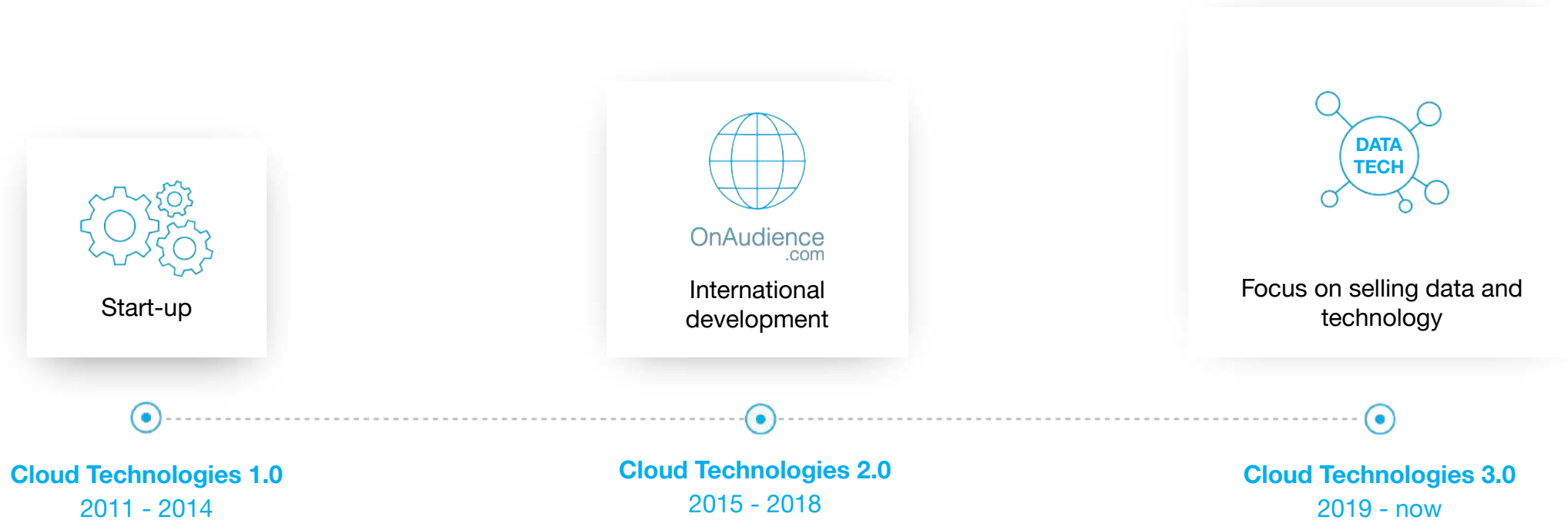


CloudTechnologies

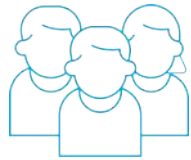
A Attachments



Cloud Technologies 3.0



Online advertising & programmatic buying



The programmatic buying model of online advertising is based on data about internet users. The data is gathered from various sources, such as websites, mobile apps, partners or external data providers.



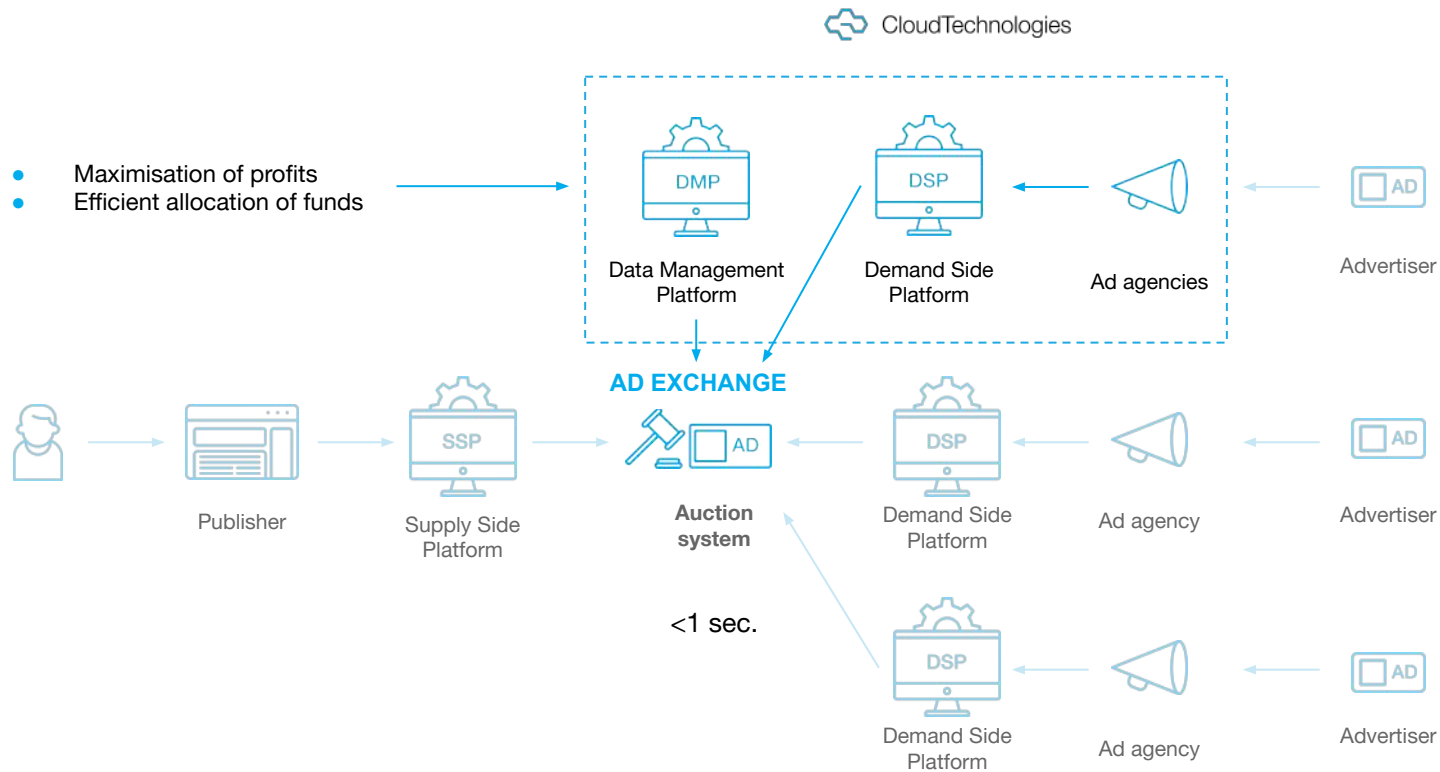
Anonymous data about Internet users is processed on our proprietary Data Management Platform, where it is profiled and assigned to segments.



Clients can precisely plan their marketing activities due to the gained knowledge about profiles of users. It helps them to optimize their campaigns and reach, e.g. higher return on investment (ROI).

Cloud Technologies is a leading company on global data market.
The company provides anonymous audience data and cooperates with partners from all over the world.
Cloud Technologies constantly develops its distribution network and focuses on the US and West European markets.

How does the programmatic buying model work?



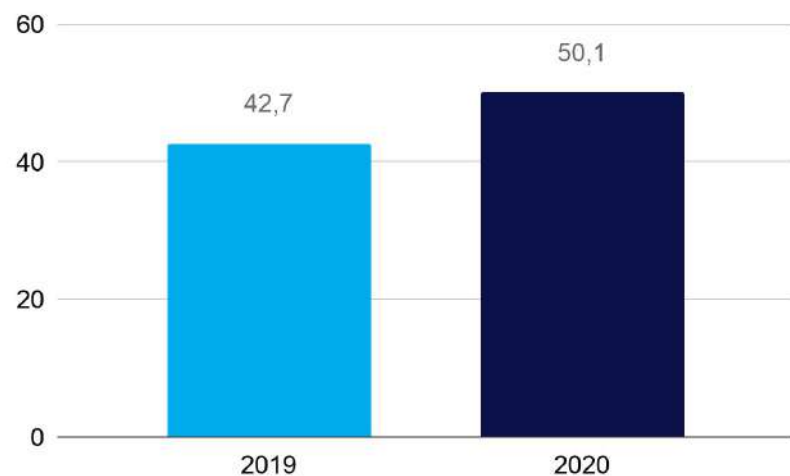
Programmatic buying model, for which Cloud Technologies provides anonymous data about internet users, allows automatic media buying in the auction system (Real-Time Bidding). This model enables ads personalization depending on a users' profile.

DMP – proprietary technology of Cloud Technologies is responsible for collecting and analyzing anonymous data about internet users. Subsequently, the data is segmented into audience groups that are further used for targeting.

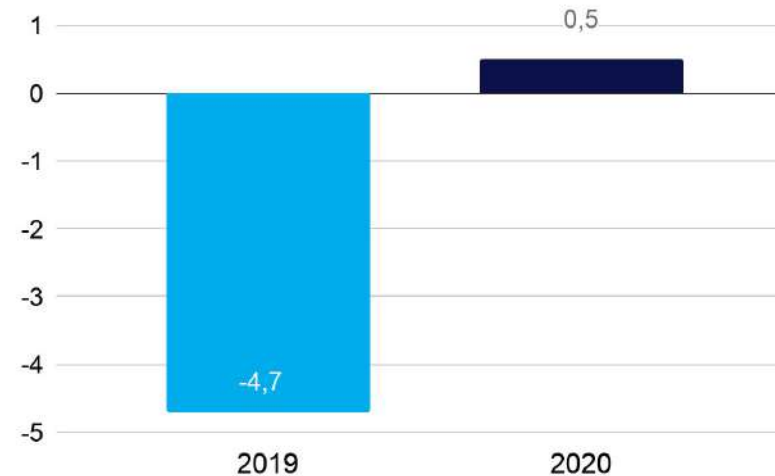
DSP – Cloud Technologies owns adjusted to its needs, Demand-Side Platform that allows the participation in auctions.

2020: EBITDA improvement of nearly PLN 7 million and net income by PLN 5 million

Revenue (PLN, million)



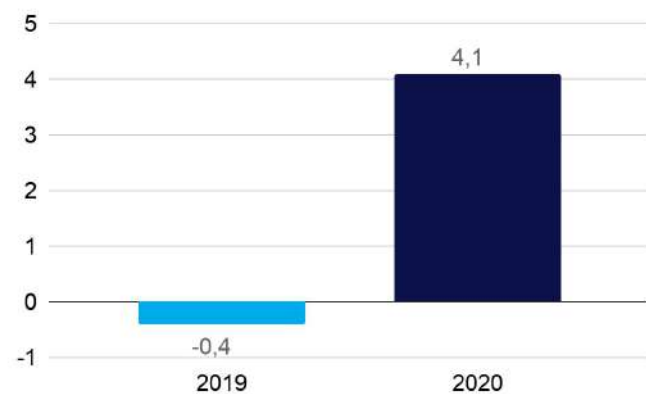
Income (PLN, million)



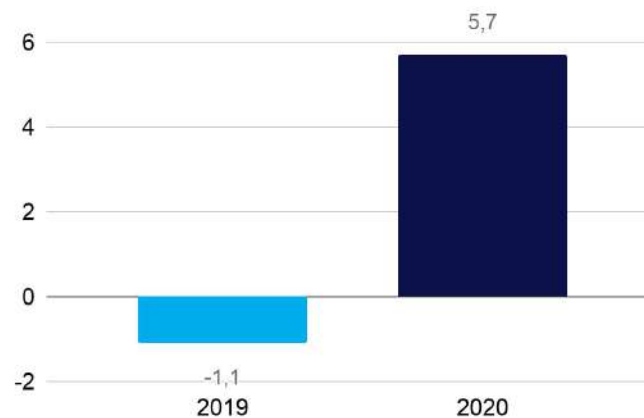
Almost 20% increase in revenue despite the negative impact of COVID-19 in Q1 and especially in Q2 2020.

2020: EBITDA improvement by nearly PLN 7 million and net income by PLN 5 million

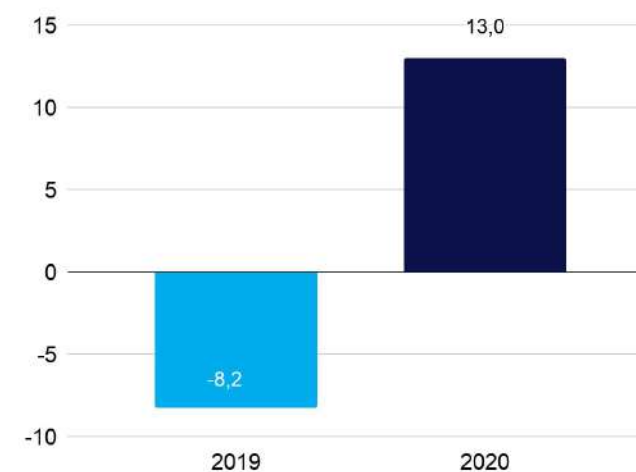
EBITDA segments* (PLN, million)



EBITDA (PLN, million)



Cashflow (PLN, million)



EBITDA score improvement by nearly PLN 7 million y/y and EBITDA segment* by nearly PLN 4.5 million y/y.

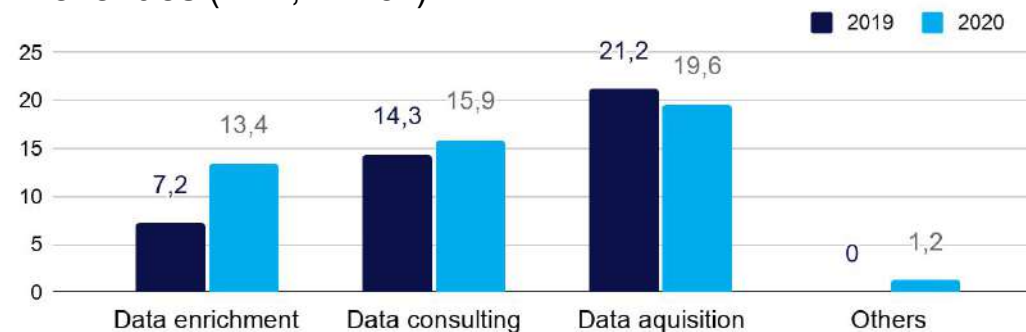
Positive CF was achieved despite the implementation of the investment project worth PLN 9 million net ("Big Data Analytics Platform").

* EBITDA operational segment doesn't include other operating activities (sales profit plus depreciation).

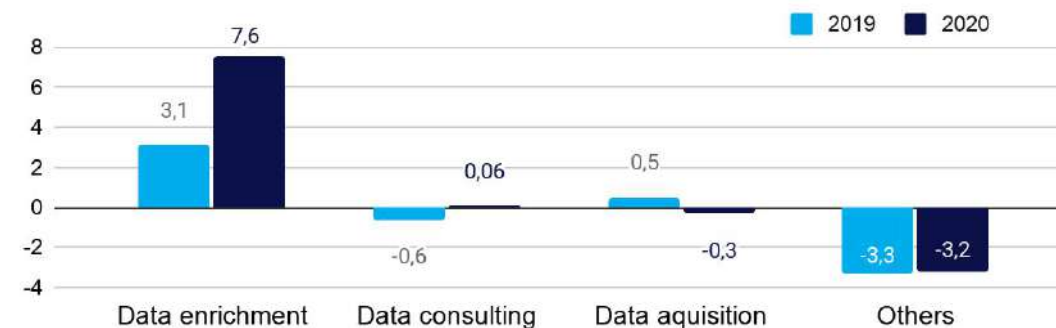
2020 segments: increase in dynamics and margin of the most profitable areas

- **Data Enrichment** has the highest dynamics y/y and the highest operating margin. It is the most prospective segment - with high margin, global and resizable. Our Group enlists new recipients and data distributors, and also increases sales to our current clients.
- **Data Consulting** segment with an increase both in sales (due to the release of ad budgets), and contracts from agencies and media agencies in Q4 2020, but the profitability stays low because of the COVID-19 pandemic impact.
- Decline in revenues in the **Data Acquisition** segment is connected to the limitation of this area and increase in efficiency of using the available data.
- **Others** involve the central activity of our Group, costs of accounting, presence on the stock exchange, etc. In Q4 2020, this segment includes PLN 1.6 million of one-time cost of an incentive program.

Revenues (PLN, million)



EBITDA segments* (PLN, million)



* EBITDA operational segment doesn't include other operating activities (sales profit plus depreciation).

2020 Balance sheet: Significant increase in the value of tangible and intangible assets as well as in the cash level



Balance

Selected items

- Increase in tangible and intangible assets resulting from completion of a project under the grant ("Big Data Analytics Platform").
- Recognition of additional assets and lease liabilities consistent with international accounting standards MSSF16 (office and server rental).
- Significant cash growth, several times exceeding debt (negative net debt).
- Loans taken from PFR in the amount of PLN 3.4 million as well as a bank loan taken for the implementation of a project covered by a subsidy (PLN 1 million to be paid).
- Revenue increase mostly resulting from signing long-term sales agreements for the DMP and 2-year contracts for the data sales.

PLN, million	31.12.2020	31.12.2019
Fixed assets:	43,475	34,905
(a) tangible and intangible assets	38,763	33,859
(b) Others	4,712	1,046
Current assets:	54,704	41,224
(a) Trade receivables	28,132	25,812
(b) Cash and cash equivalents	17,807	4,815
(c) Other	8,765	10,597
Total assets	98,179	76,129
Equity	63,926	58,739
Liabilities and provisions:	34,2536	17,389
(a) Trade payables	4,904	6,154
(b) Interest-bearing debt	7,655	0,738
(c) Deferred incomes	20,245	9,230
(d) Other	1,449	1,267
Total liabilities	98,292	76,128

2020 Cash flow: PLN 13 million growth of cash level



Cash flow

Selected positions in PLN million

- Growth of cash level in one year by PLN 13 million, and positive cash flow from operating activities (PLN 10.7 million).
- Negative cash conversion cycle and lack of net debt, despite leverage of the loan from PFR (Polish Development Fund Group), the loan to complete the investment, and identification of new leasing contracts within IFRS16.

