



CloudTechnologies

# **F** Financial results Q1 2021 **Presentation for investors**

May 2021

# Summary Q1 2021

12.4 M

PLN

Revenues

3.0 M

PLN

EBITDA

0.9 M

PLN

Net Profit

+10.4%

vs Q1 2020  
Revenues

+3.6 M

PLN

vs Q1 2020  
EBITDA

+1.7 M

PLN

vs Q1 2020  
Net Profit

# Table of Contents

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1 | Business model

2 | Revenue diversification

3 | Events in Q1

4 | Financial results Q1

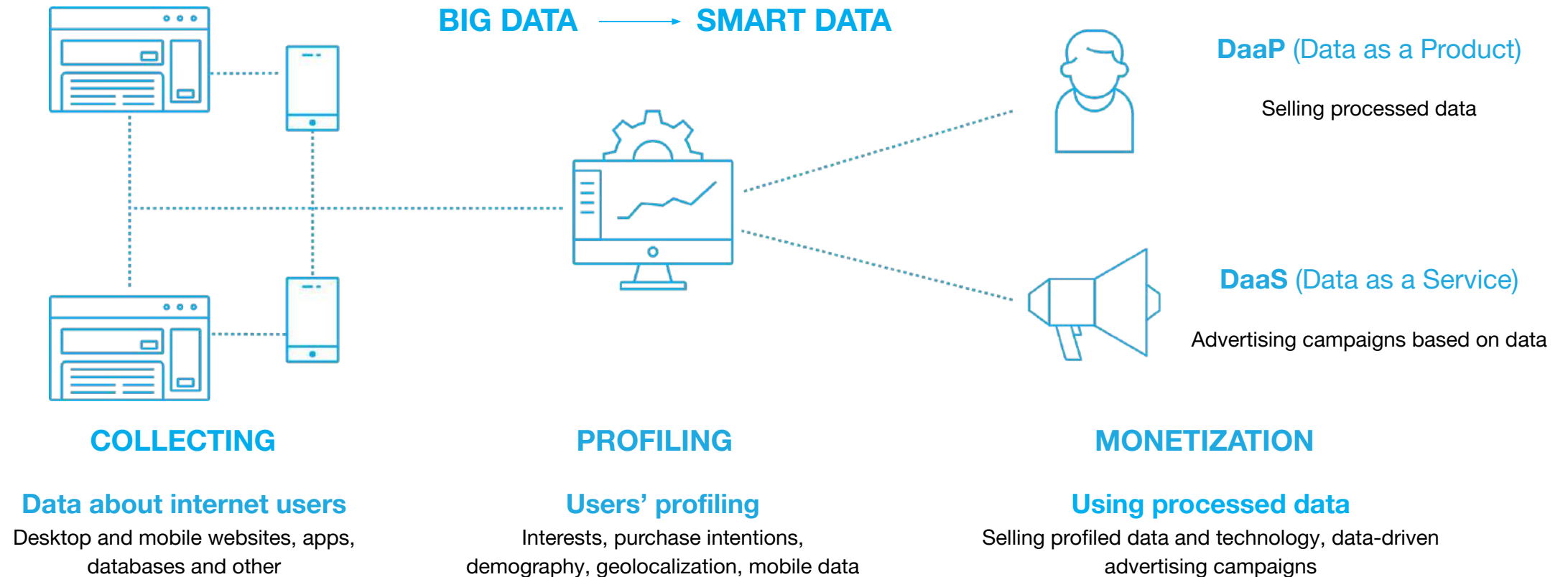
5 | Results per segment

6 | Balance

7 | Cash flow

8 | Development plans for 2021

# We monetize audience data

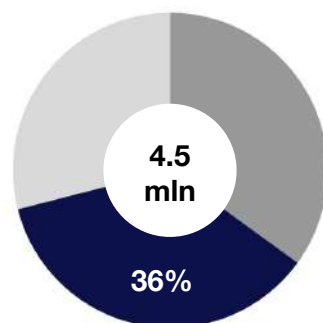


# Business diversification within segments

## Data enrichment

Revenue Q1 2021

**+PLN 3.2 million y/y**



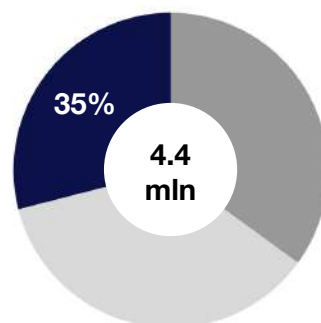
- Providing Data dedicated for targeting online advertisements.
- DMP proprietary technology for collecting, analyzing and monetizing data, offered in the SaaS model or as a licence

DATA AND TECHNOLOGY  
DISTRIBUTORS

## Data consulting

Revenue Q1 2021 r.

**+PLN 1.0 million y/y**



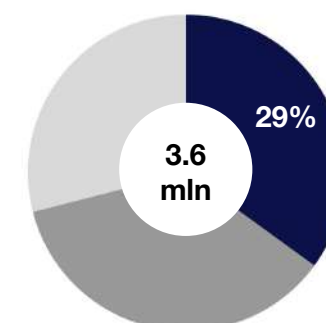
- Effective image campaigns supported by Big Data analytics.
- Performance campaigns using data.
- Conversion increase resulting from the analysis and processing of data about clients.

ADVERTISING AGENCIES, MEDIA HOUSES,  
DIRECT CUSTOMERS

## Data acquisition

Revenue Q1 2021 r.

**-PLN 3.1 million y/y**



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

AFFILIATE NETWORKS, ADVERTISING SPACE  
BROKERS

# Q1 events: Growth of financial results and implementation of strategic plans

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- **High potential of the key Data enrichment segment**

Group's business model is based on selling data, which is mainly implemented through Data enrichment segment. It is a main driver of the company's sales growth, and the highest margin achieved in this area translates into a significant improvement in results y/y. Data enrichment segment accounts for more than 1/3 of the Group's revenue and is the largest contributor to net profit.

- **Agreement to sell license to use proprietary DMP technology**

In February 2021 agreement of selling license for the use of proprietary Data Management Platform technology was finalised to a Polish company from the media industry. The agreement provides a standard 5-year license period, and the cost is PLN 1 million net. Revenue from the transaction will be accounted for on a pro-rata basis in line with the duration of the license. Since the beginning of 2020, the Group has signed total seven contracts totally for the use of DMP technology for a total amount of PLN 8.9 million.

- **Completing work on the next generation of the DMP platform**

Over the past year the Group has been in the process of developing and improving the current generation of its proprietary DMP platform. At the end of Q1 2021 these works were completed and as a result the platform was enhanced with new functionality which could be offered to the Group's customers. Due to its high commercial and technological potential work on the new generation platform was initiated.

# Q1 events: Growth of financial results and implementation of strategic plans

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- **Receipt of the final grant tranche from the Bank Gospodarstwa Krajowego**

In February 2021 subsidiary company Audience Network received the final tranche of PLN 0.9 million from BGK (out of a total grant of PLN 5.1 million). Received amount was totally allocated to a bank loan repayment, taken out in order to implement the project covered by the grant. The loan was fully repaid.

- **The impact of the COVID-19 pandemic on operations**

Group is a beneficiary of shifting consumers and business activities to the Internet, which translates into increased demand for advertising data and services. Planned easing of restrictions can have a positive impact on the Group's results due to the industries that historically have been a source of advertising assignments for the company, such as tourism.

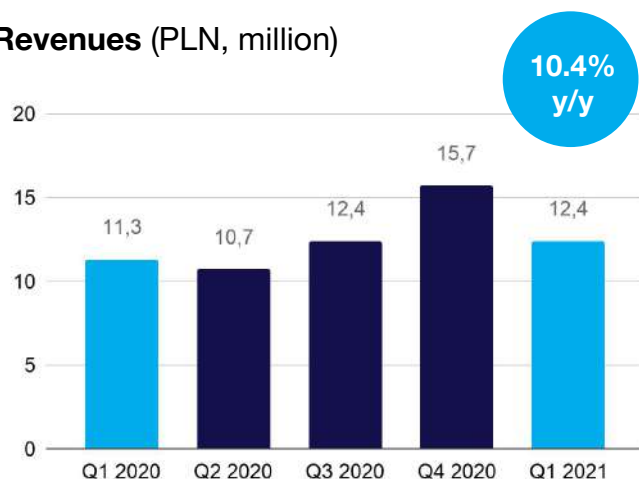
- **New subsidiary establishment in London**

Shortly after Q1 2021 ending, the group announced strategic plans for 2021, within which new subsidiary was established in UK, which will be responsible for the DSP (Demand Side Platform) platform commercialization, which enables the automated purchase of advertising space through an auction model. The platform will allow to reach new customers and will indirectly contribute to the development of the key Data enrichment segment which is a main source of the Group's revenue and earnings growth.

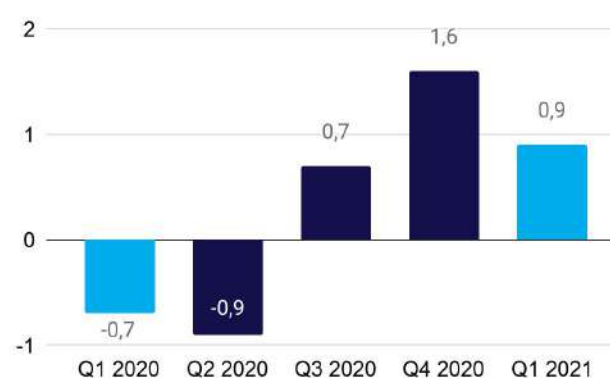


# Q1 2021: net profit surpassed results in 2020

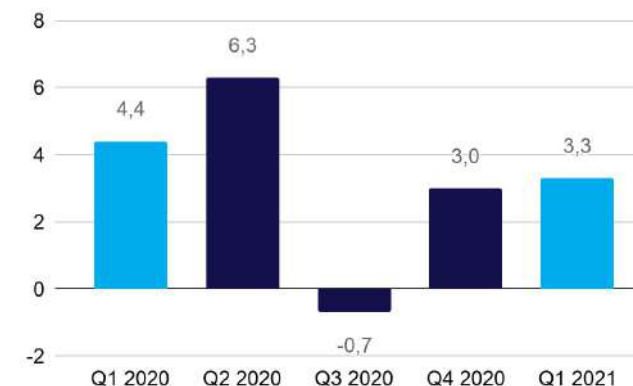
## Revenues (PLN, million)



## Net profit (PLN, million)



## Cash flow (PLN, million)

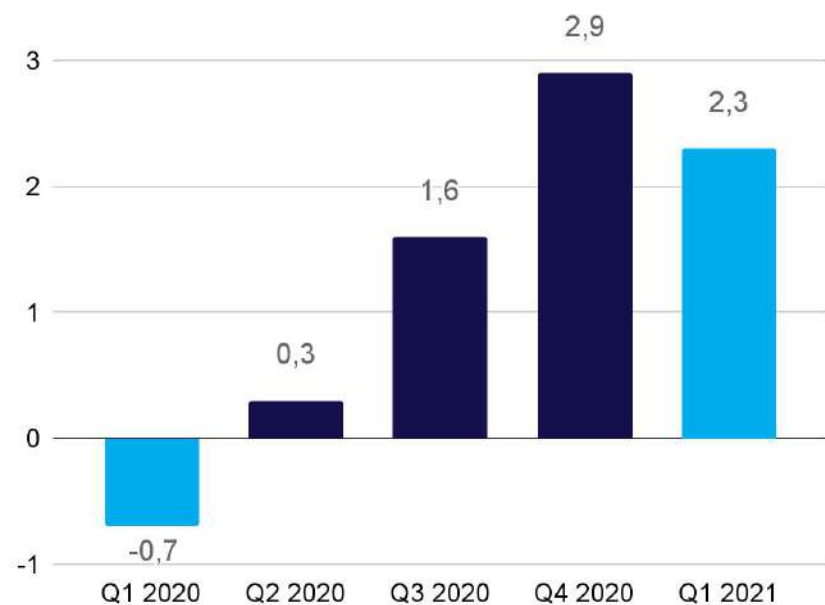


- Constant work on the efficiency of data acquisition model translated into purchase of higher quality data sources in Q1. This results in a higher cost of acquisition but is compensated by a higher sale potential, impacting revenues.
- Sales in Q1 2021 reached PLN 12.4 million (increase by 10% y/y) and decreased by approximately 21% compared to Q4 2020 (in accordance with the typical seasonality of the online advertising market). At the same time, the level of sales in Q1 2020 was practically equal to Q3 2020.

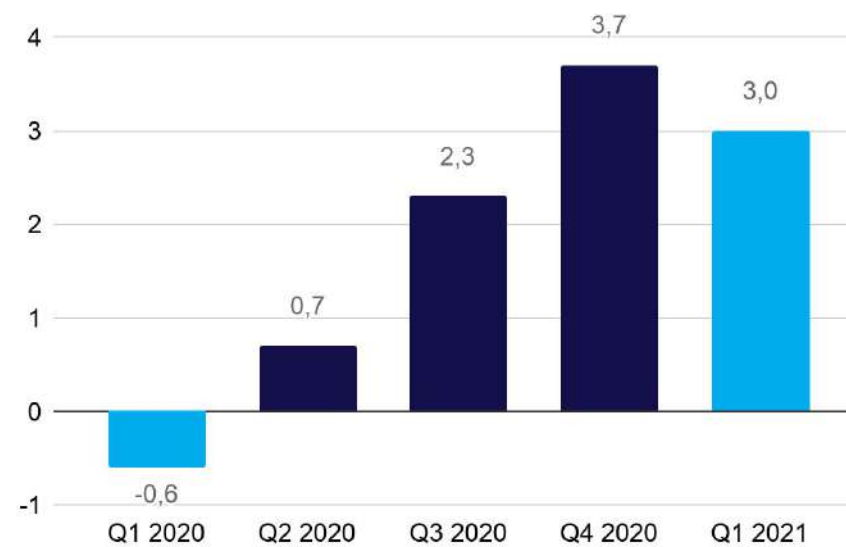
- Net profit in Q1 (PLN 0.9 million) outperformed 2020 annual income. However it was lower than results in Q4, in accordance with the typical seasonality of the online advertising market, which generates a peak in Q4 (in addition there has been an accumulation of marketing expenditures withheld in prior periods) and is equal to the result in Q3 2020.
- In Q1 2021 the level of cash flow improved once again. The Company's cash at the end of the period was over PLN 21 million. The biggest impact on CF stems from operating cash flow, that amounted to PLN 4.1 million.

# Q1 2021: a jump in EBITDA y/y

EBITDA segments\* (PLN, million)



EBITDA (PLN, million)



- While usually Q4 is the best period for the Group, the result of PLN 2.3 million achieved in Q1 2021 - typically the worst quarter of the year - is a significant improvement over the comparable period last year.

# Dynamic growth of the most profitable segment of Data Enrichment - over 1/3 of revenues

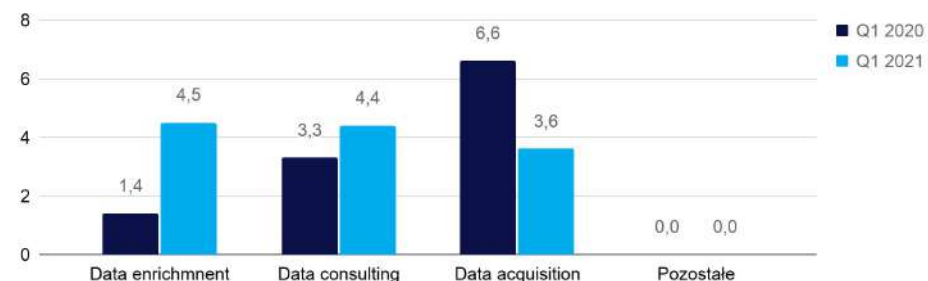
- Increase in share of higher margin segments (DE, DC) at the cost of decrease in share of lower margin segments (DA).
- Significant increase in the importance of the Data Enrichment segment (direct sale of data and revenues from the DMP platform) - the most profitable segment, including sale of 5-year DMP license for PLN 0.9 million.



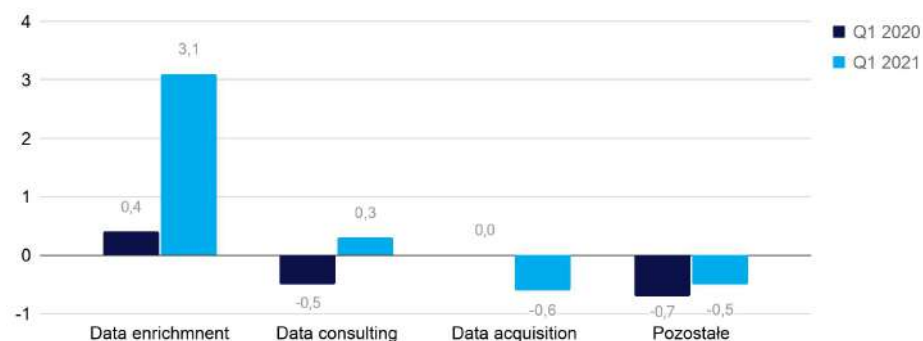
# Q1 2021 segments: Data enrichment drives growth

- **Data enrichment** notes the highest dynamic growth y/y and the margin level achieved in Q1 2021 outperforms the result achieved in the statistically best quarter - Q4. The Group's plans for 2021 assume further development of this highly scalable and high margin segment.
- **Data consulting** noted increase in sales and profitability, which was positively impacted in particular by advertising agencies and especially by the operations of Audience Network subsidiary.
- The decrease in **Data acquisition** segment is related to the optimization of the data acquisition process. The Group is focusing on obtaining high quality data with high monetization potential. The segment also includes costs related to efforts of the commercialization DSP technology in a newly established subsidiary in UK, which is also charged to its results.
- **Other** segment includes Group's overhead and backoffice operations, costs related to accounting, stock market presence, etc.

Revenue (PLN, million)



EBITDA segments (PLN, million)



# Q1 2021 balance: A significant increase in the item of Intangible Assets and cash levels



## Balance

### Selected items

- Increase in the value of the intangible and legal values resulting from the completion of other project covered by the grant ("Big Data Analytics Platform")
- Recognition of the additional assets and lease liabilities under IFRS 16 (lease of office and servers)
- Significant increase in cash several times exceeding debt (negative net debt)
- Taking loans from PFR in the amount of PLN 3.4 millions, as well as a bank loan for the project covered by the subsidy (repaid in Q1 2021; PFR loans - decision on redemption in Q2).
- Increase in deferred incomes due to the signing of multi-year DMP license sales agreements, grants obtained and approximately 2-year data sales contracts.

PLN in millions	31.03.2021	31.12.2020	31.03.2020
<b>Fixed assets:</b>	<b>47,830</b>	<b>47,342</b>	<b>34,221</b>
(a) tangible and intangible assets	38,805	39,279	33,145
(b) Others	9,025	8,062	1,075
<b>Current assets:</b>	<b>52,209</b>	<b>51,415</b>	<b>42,015</b>
(a) Trade receivables	26,344	28,132	24,565
(b) Cash and cash equivalents	21,142	17,807	9,225
(c) Others	4,723	5,476	8,225
<b>Total assets</b>	<b>100,040</b>	<b>98,757</b>	<b>76,236</b>
<b>Equity</b>	<b>67,194</b>	<b>64,557</b>	<b>58,004</b>
<b>Liabilities and provisions:</b>	<b>32,846</b>	<b>34,200</b>	<b>18,232</b>
(a) Trade payables	3,889	4,869	6,558
(b) Interest-bearing debt	6,685	7,655	0,657
(c) Deferred incomes	20,844	20,274	10,113
(d) Others	1,428	1,402	0,904
<b>Total liabilities</b>	<b>100,040</b>	<b>98,757</b>	<b>76,236</b>

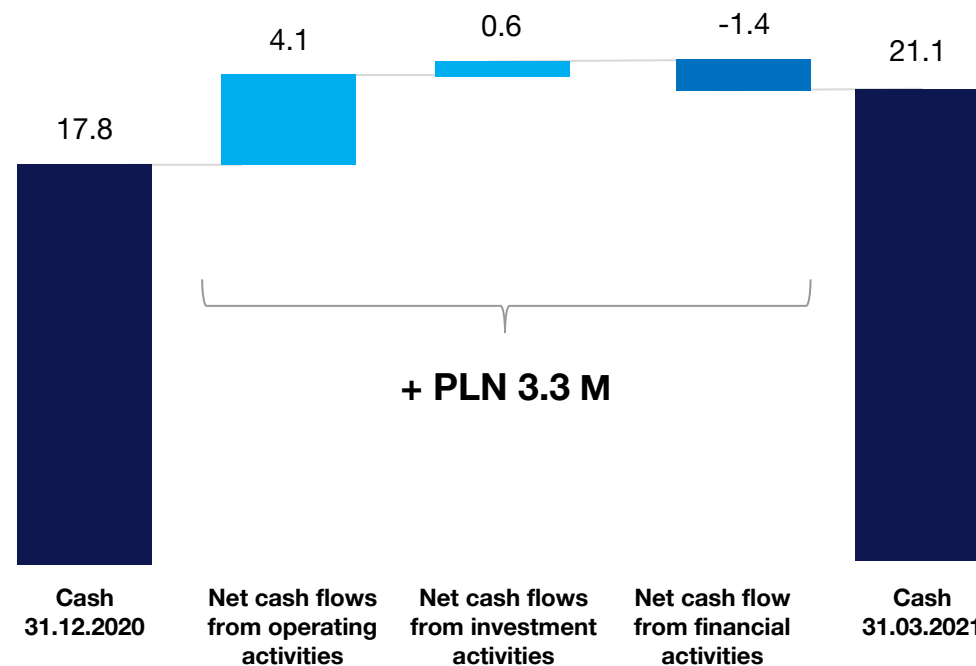
# Q1 2021 Cash Flow: PLN 3.3 mln increase of cash



## Cash flow

Selected items in PLN million

- Increase of cash in first quarter by PLN 3.3 million including positive cash flow from operating activities
- Receipt of a grant by PLN 0.9 million (investing activities).
- Negative financial cash flow: repayment of the remaining part of credit for project servicing with grant and gradual repayment of lease liabilities (according to the schedule of its incurrence)



# Development plans of Cloud Technologies - 2021



## Globalization

- Increasing the Company's presence on foreign markets, including the USA
- Further expansion of the data distribution networks
- Exploration of new data sources
- Establishing a new subsidiary company in UK, dedicated to commercialization of the DSP technologies



## Acquisitions

- Acquisition of firms with lower-scale operations than Cloud Technologies on foreign markets in order to expand data distribution networks
- Purchase of minority stakes with a possibility of taking over in the future
- Transactions using own shares or cash



## Technologies

- Further development of DMP technology and new generation of a OnAudience.com platform
- Preparation for commercialisation of the DSP technology
- Considering purchase of the DSP source code
- Technological preparation for market changes in 2022

# Thank you for your attention

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CloudTechnologies