



CloudTechnologies

F Financial results Q2 2021 Presentation for investors

August 2021

Summary Q2 2021

14.0 M

PLN

Revenues

4.8 M

PLN

EBITDA

2.2 M

PLN

Net Profit

+30.6%

vs Q2 2020
Revenues

+4.1M

PLN

vs Q2 2020
EBITDA

+3.1M

PLN

vs Q2 2020
Net Profit

Summary H1 2021

26.5 M

PLN

Revenues

7.8 M

PLN

EBITDA

3.1 M

PLN

Net Profit

+20.3%

vs H1 2020
Revenues

+7.7 M

PLN

vs H1 2020
EBITDA

+4.8 M

PLN

vs H1 2020
Net Profit



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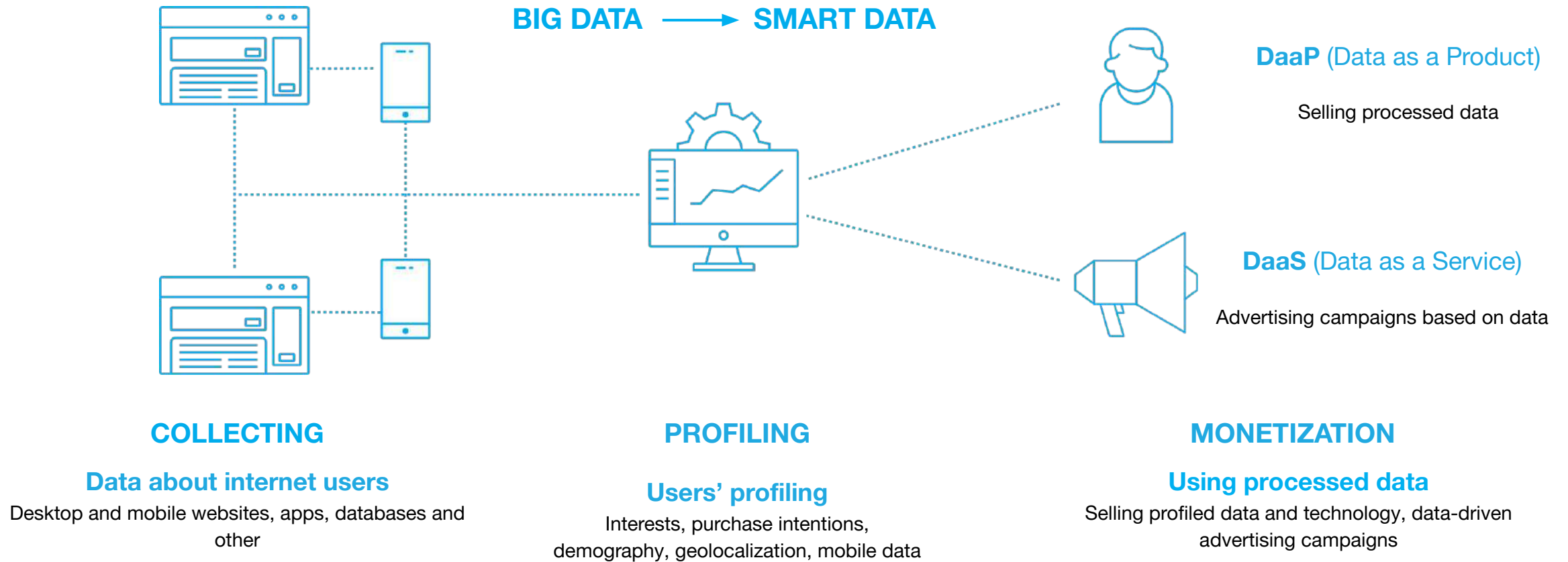
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We monetize audience data

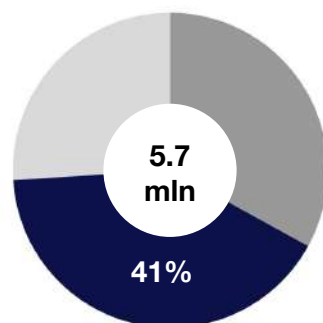


Business diversification within segments

Data enrichment

Revenue Q2 2021

+PLN 3.4 million y/y



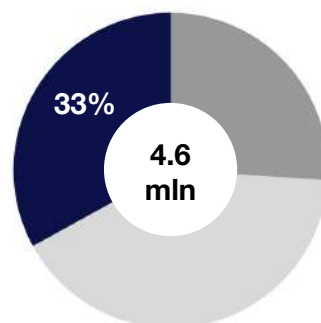
- Providing Data dedicated for targeting online advertisements.
- DMP proprietary technology for collecting, analyzing and monetizing data, offered in the SaaS model or as a licence

DATA AND TECHNOLOGY
DISTRIBUTORS

Data consulting

Revenue Q2 2021

+PLN 1.7 million y/y



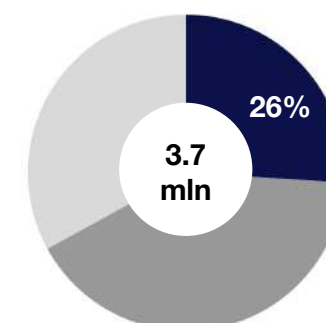
- Effective online campaigns supported by Big Data analytics.
- Performance campaigns using data.
- Conversion increase resulting from the analysis and processing of data about clients.

ADVERTISING AGENCIES, MEDIA HOUSES,
DIRECT CUSTOMERS

Data acquisition

Revenue Q2 2021

-PLN 1.4 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

Events Q2: Continuous growth of financial results and implementation of strategic plans

- **High growth rate and growing potential of the key Data enrichment segment**

Cloud Technologies' business model is based on selling data. The Data Enrichment segment, which accounts for over 40% of generated revenues, is a key factor behind the sales increase in the company. High level of margin makes this segment the main contributor to the improvement of net results of the entire Group. Q2 brought a significant growth of the Data Consulting Segment which rebounded its sale and margin after the pandemic in 2020.
- **Announcement of strategic plans for 2021**

Along with the beginning of Q2, Cloud Technologies presented its strategic plans for this year, covering activities in three areas: globalization, international acquisitions, and the development of proprietary technologies. During this quarter, Group has made significant progress in each of the considered growth areas, which will have a positive influence on the results of the future periods.
- **Establishing subsidiary OnProspects Ltd in London**

Cloud Technologies established a subsidiary in London in May. It is responsible for the commercialization of the DSP platform (Demand Side Platform) that enables the automated purchase of advertising space through an auction model. The platform will allow reaching new customers and will indirectly contribute to the development of the key Data Enrichment segment, which is the main source of the growth of incomes and the Group's results.

Events Q2: Continuous growth of financial results and implementation of strategic plans

- **Acquisition of shares in the Spanish company The Linea1 MKT S.L.**

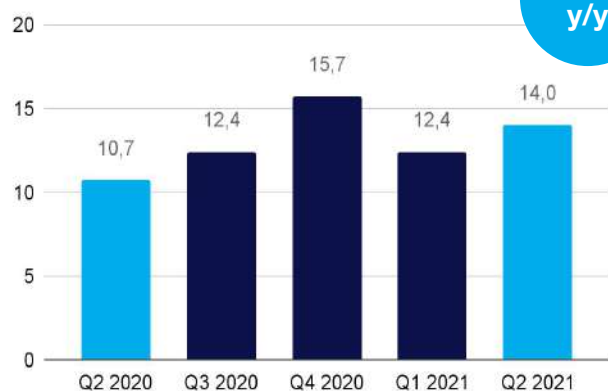
To expand data sales reach, Cloud Technologies acquired 24% stakes in Spanish online marketing subsidiary The Linea1 MKT S.L in June. The acquisition allows the Group to rapidly reach new customers with its data, which may have a positive impact on the upcoming results in the next quarters. The made agreement allows increasing the level of Group's engagement to 60% of shares in the future.
- **Exemption from the obligation to repay part of the support received within the Financial Shield**

Polish Development Fund exempted Cloud Technologies from the obligation to repay part of the financial subsidy received within the Financial Shield. The exemption amounted to PLN 931.5 thousand. As a result of this event, the Group considered it as the other operating income.
- **COVID-19's impact on operational activities**

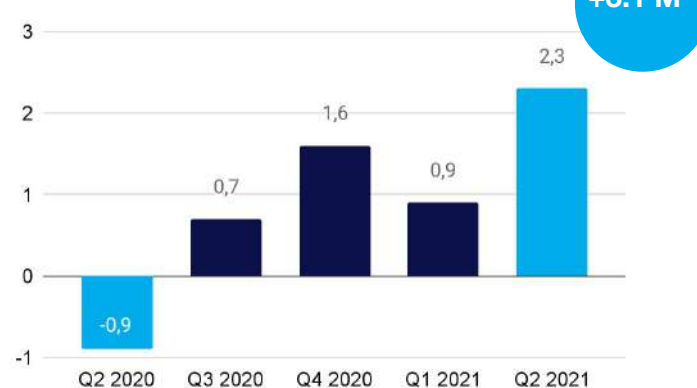
The Group belongs to one of the beneficiaries of the shift of consumer and business activities to the Internet, which translates into the increased demand for data and advertising services. The negative influence of the pandemic was recorded temporarily in the second quarter of 2020.

Q2 2021: Significant increase of profits and cash level

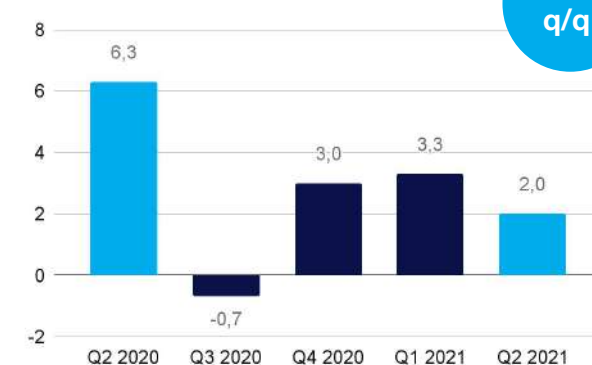
Revenues (PLN, million)



Net Profit (PLN, million)

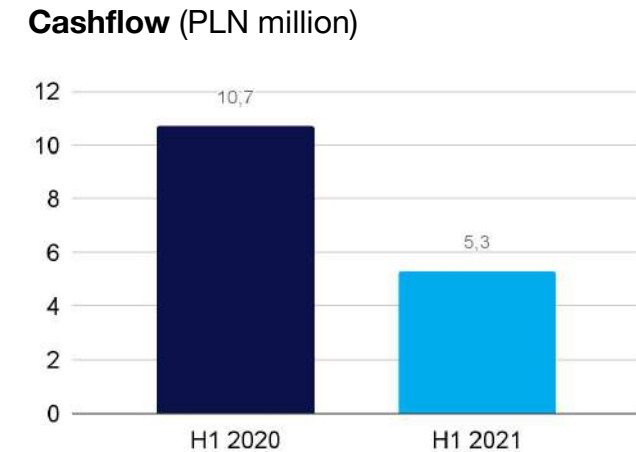
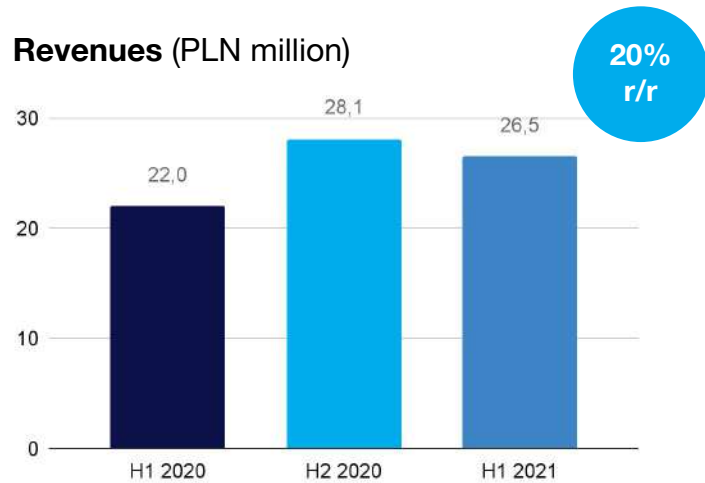


Cashflow (PLN, million)



- Revenue in Q2 2021 exceeded PLN 14 million (up 31% y/y) which was influenced by the growth in Data Enrichment and Data Consulting segment. The results were also impacted by the low base, burdened by the temporary negative impact of the COVID-19 pandemic during the comparable period, which rebounded in Q3 and Q4.
- In Q2 net result of PLN 2.2 million exceeded the profit in Q4 which was the best period considering a seasonality of the internet advertising market. Data enrichment segment was the biggest contributor of the high level revenues and margin. It was also affected by the one-time event in the form of PLN 0.9 million exemption from the obligation to repay part of the financial subsidy received within the Financial Shield.
- In Q2 2021 the cash flow level was once again improved and the cash level at the end of the period amounted over PLN 23 million. Following the strategy, these funds may be used to develop technology or for potential acquisitions in order to expand data distribution network.

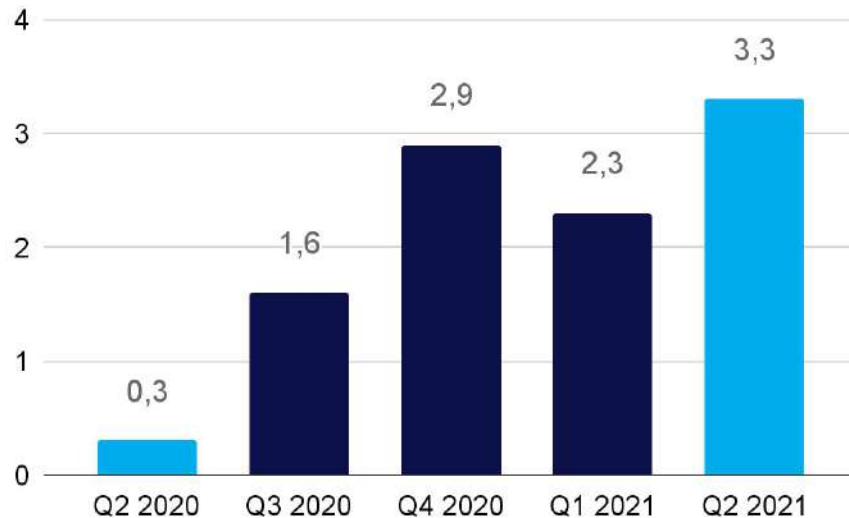
H1 2021: Net profit exceeded H2 2020 result



- Group's sales in H1 2021 increased by over 20% and reached PLN 26,5 million, compared to PLN 22.0 million in H1 2020.
- Net result in H1 2021 reached PLN 3.1 million and improved the result achieved in H1 2020 (loss of PLN 1.7 million) by about PLN 4.8 million. At the same time, net profit generated in H1 2021 outperformed the one in H2 2020 (of PLN 2.3 million).
- Cashflow in H1 2021 noted positive results reaching PLN 5.3 million compared to PLN 10.7 million in H1 2020 and despite the practically the same flows from the operational activities. In H1 2020 the Group received PLN 3.4 million subsidies from the Polish Development Fund. While in H1 2021 the Group repaid an investment loan taken for the implementation of the investment project subsidized by BGK.

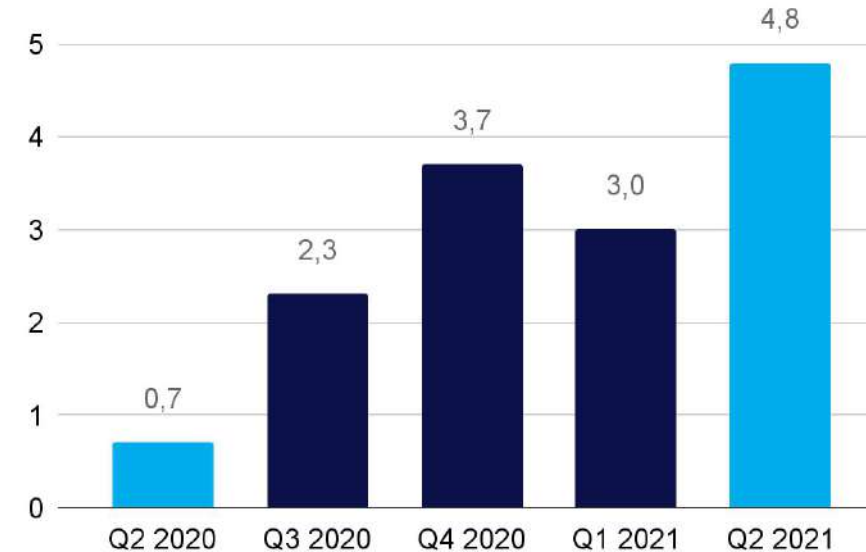
Q2 2021: Efficient business model and high level of EBITDA

EBITDA segments (PLN million)



- Cloud Technologies' business model is based on data sales and is a beneficiary of a growing online advertising market and shifting activities to the online. Moreover, it stands out with the high level of scalability, which can be noticed through a fixed trend in EBITDA over recent quarters, driven in particular by the Data enrichment segment.

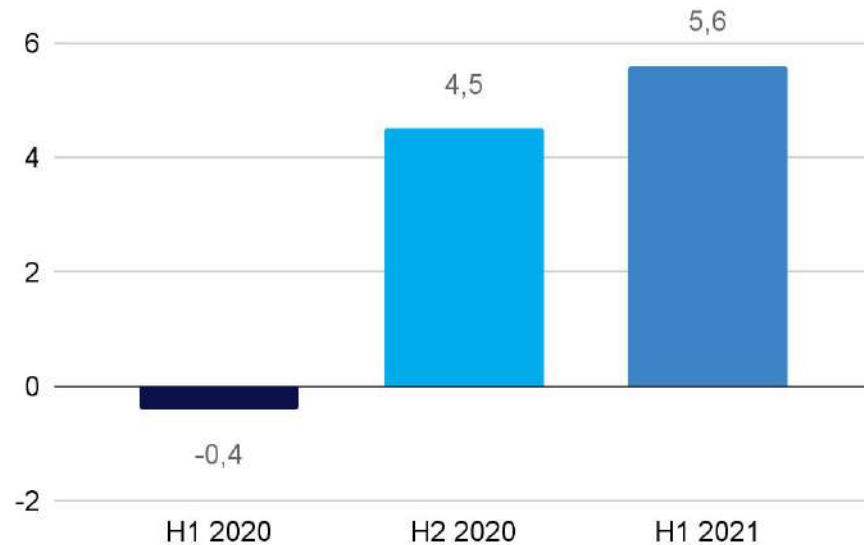
EBITDA (PLN million)



- In Q2, EBITDA amounted to PLN 4.8 million, which significantly exceeded the result achieved in the comparable period of 2020. Excluding the impact of the one-time event of 0.9 million, EBITDA still managed to outperform the Group's record result achieved in the best period, due to seasonality and statistics, of Q4 2020.

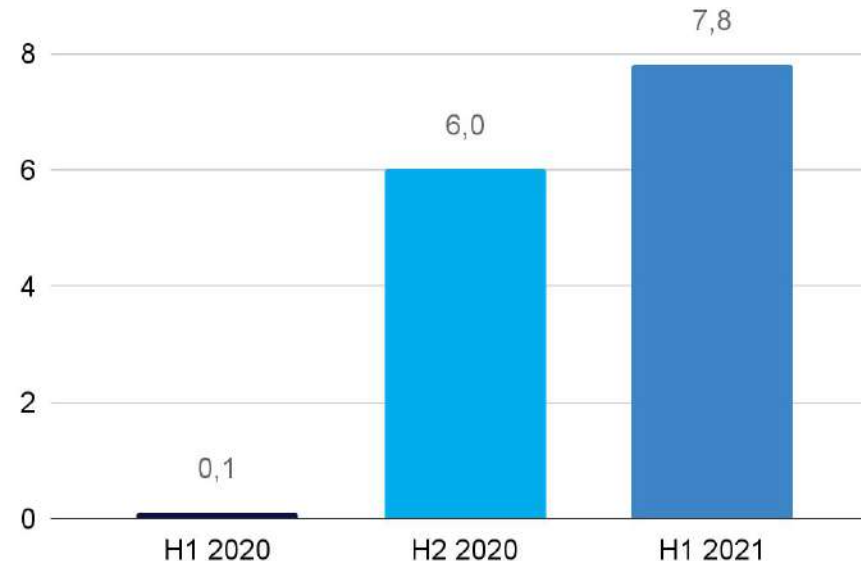
H1 2021: Gradual improvement in the EBITDA y/y

EBITDA segments* (PLN, million)



- In H1 2021, Group's EBITDA segments amounted to approximately PLN 5.6 million, compared to a loss of PLN 0.4 million in H1 2020. However, it is worth emphasizing that the H1 2020 results were highly affected by the developing COVID-19 pandemic.

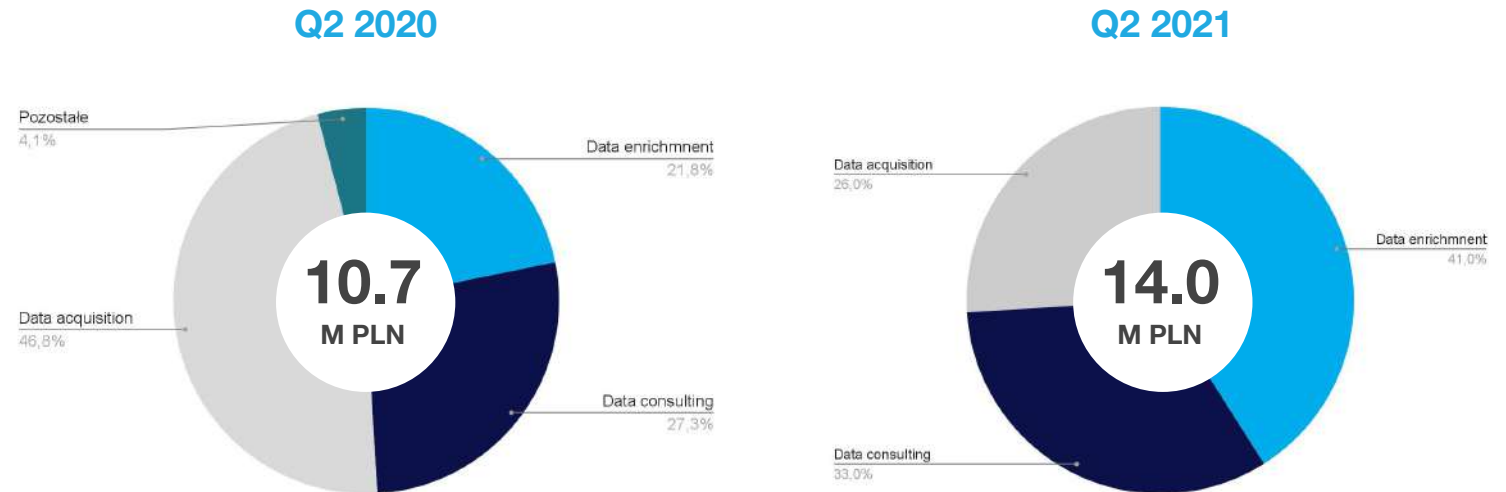
EBITDA (PLN, million)



- The difference between H1 2021 and H1 2020 was higher at the EBITDA level, which includes subsidy revenue. In H1 2021, the Group's EBITDA reached approximately PLN 7.8 million compared to the 0.1 million profit in H1 2020. The exemption from the obligation to repay part of the financial subsidy received from the Polish Development Fund had an additional impact on the positive results.

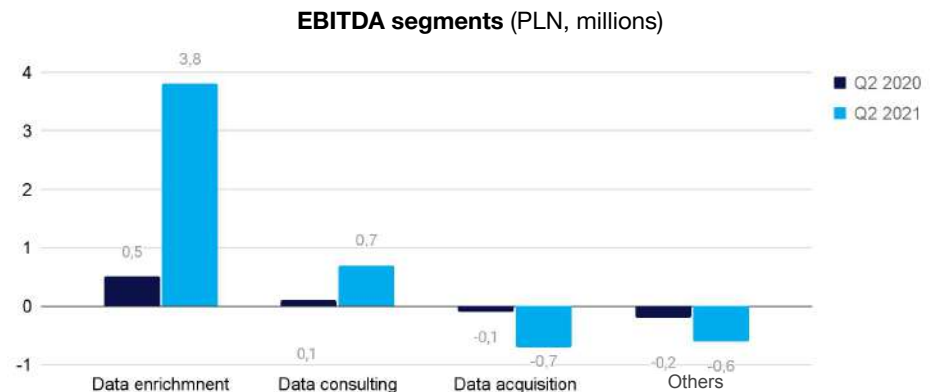
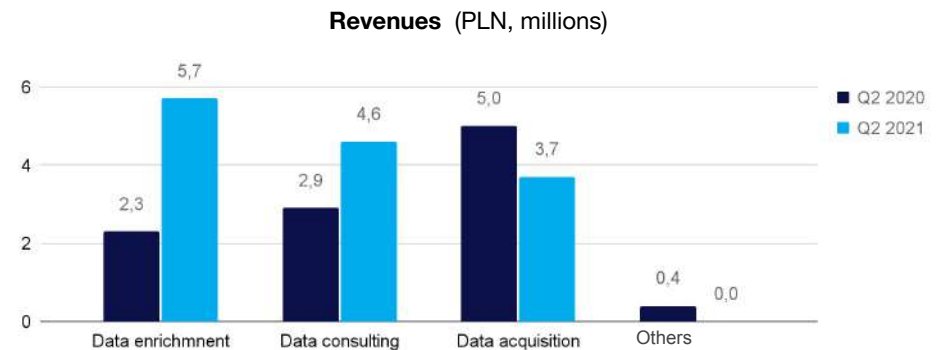
Dynamic growth of the most profitable Data enrichment segment - over 40% of revenues

- Increase in share of segments with higher margin level (Data enrichment and Data consulting) at the expense of decrease in share of segments with lower margin level (Data acquisition).
- In Q2 2021, Data enrichment increase in importance generating over 40% of Group's revenues and for the second quarter in the row, recorded margin level approached 70%.
- Data consulting segment sales is gaining in importance (33% in Q2 2021 versus 27% in Q2 2020).
- Data Acquisition segment functions as a data supplier to the other segments, focusing on the quality of data. It has an impact on the gradual reduction of incomes in this segment and its increase along with margin in other segments.



Q2 2021 segments: Data enrichment drives growth

- **Data enrichment** one more time notes dynamic growth and considering, level of margin nearly 70%, has a meaningful impact on the Group's results. Furthermore, The Group will, directly and indirectly, influence further growth in this segment in the following periods. Especially through actions that have been already taken, such as the establishment of a subsidiary in the UK to commercialize the DSP platform and the acquisition of shares in the Spanish company The Linea1 MKT S.L.. Data enrichment stands out with its high-level scalability.
- **Data consulting** noted an increase in sales and profitability, which was positively impacted in particular by advertising agencies and especially by the operations of the Audience Network subsidiary. Current profitability is comparable to the model profitability expected in this segment.
- The recorded decrease in **Data acquisition** segment is related to the optimization of the data acquisition process. The Group is focusing on obtaining high quality data which may have an impact on the higher sale potential. Moreover, 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 back office operations, costs related to accounting, stock market presence, etc.



Q2 2021 Balance sheet: increase of fixed assets and cash



Balance sheet

Selected items

- Change of the structure of tangible and intangible assets from the completion of other projects covered by the grant ("Big Data Analytics Platform") and the next generation of the DMP platform.
- Increase of other fixed assets: Recognition of the additional assets, lease liabilities under MSSF 16 (lease of office and servers) and signing long-term agreements for the purchase of data.
- Relatively stable level of trade receivables despite growing scale of operations.
- Significant growth of the cash level exceeding debt (negative net debt), mainly including PFR loans and lease liabilities.
- 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, million	30.06.2021	31.12.2020	30.06.2020
Fixed assets:	49.2	47.3	39.5
(a) Tangible and intangible assets	36.9	39.3	37.9
(b) Others	12.3	8.1	1.6
Current assets:	52.5	51.4	45.6
(a) Trade receivables	25.2	28.1	23.7
(b) Cash and cash equivalents	23.1	17.8	15.5
(c) Others	4.1	5.5	6.4
Total assets	101.7	98.8	85.1
Equity	69.1	64.6	57.0
Liabilities and provisions:	32.6	34.2	28.1
(a) Trade payables	3.9	4.9	10.1
(b) Interest-bearing debt	5.4	7.7	4.0
(c) Deferred incomes	21.6	20.3	13.2
(d) Others	1.7	1.4	0.8
Total liabilities	101.7	98.8	85.1

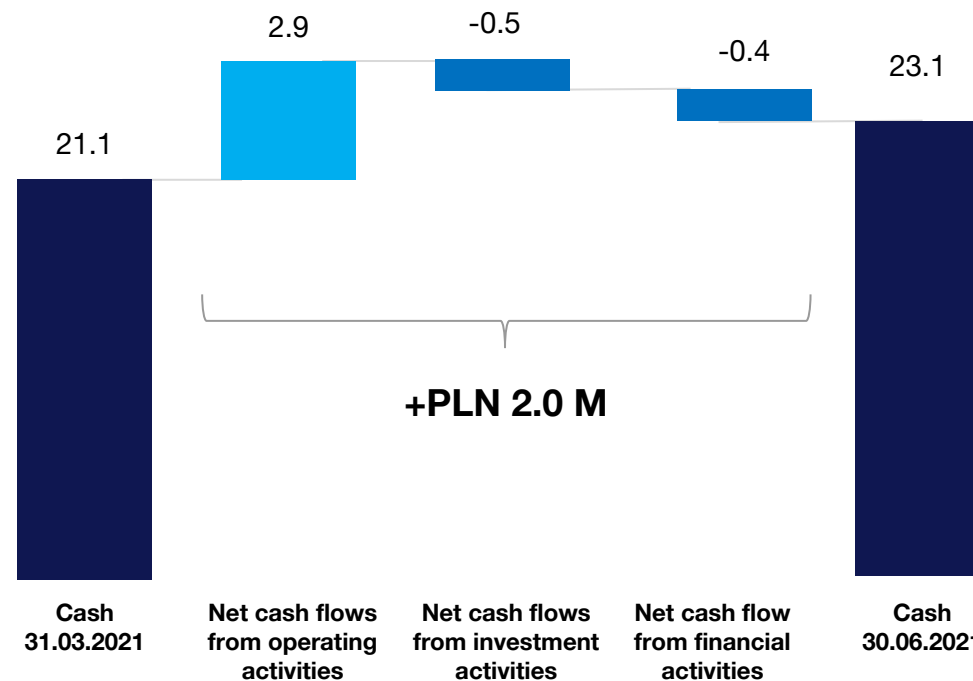
Q2 2021 Cash Flow: PLN 2.0 mln increase of cash



Cash flow

Selected items in PLN million

- Increase of cash in the second quarter by 2,0 mln PLN, including positive cash flow from operating activities of 2,9 mln PLN
- CAPEX for the development of the next generation of the DMP platform (negative cash flows from the investment activities)
- Negative cash flows from financial activities mainly resulting from the repayment of lease liabilities



Cloud Technologies development plans - 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
- Development through subsidiary in UK and DSP commercialization



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 commercialization of DSP technology and analysis of the potential of source code purchasing
- Technological preparation for market changes in 2023

Thank you for your attention

Piotr Prajsnar
CEO

Piotr Soleniec
CFO



CloudTechnologies