



CloudTechnologies

F Q2 and H1 2021 **Financial Results** **and developments plans of** **Cloud Technologies**

August 2021

Executive summary

Q2 2021

the best quarter in 3 years

Revenues

+30.6%

mIn PLN

vs Q2 2020

EBITDA

+PLN 4.1 M

vs Q2 2020

Net profit

+PLN 3.1 M

vs Q2 2020

Executive summary

H1 2021

significant improvement in performance at all levels

Revenues

+20.3%

mln PLN

vs H1 2020

EBITDA

+PLN 7.7 M

vs H1 2020

Net profit

+PLN 4.8 M

vs H1 2020

Executive summary | Data enrichment



Scalable business with a high growth potential on the global market

+144%

High dynamics of sales
Q2 2021 vs Q2 2020



Low level of variable expenses



Stable level of fixed costs

Executive summary | Goal for 2021



Rapid revenue growth in Data enrichment segment

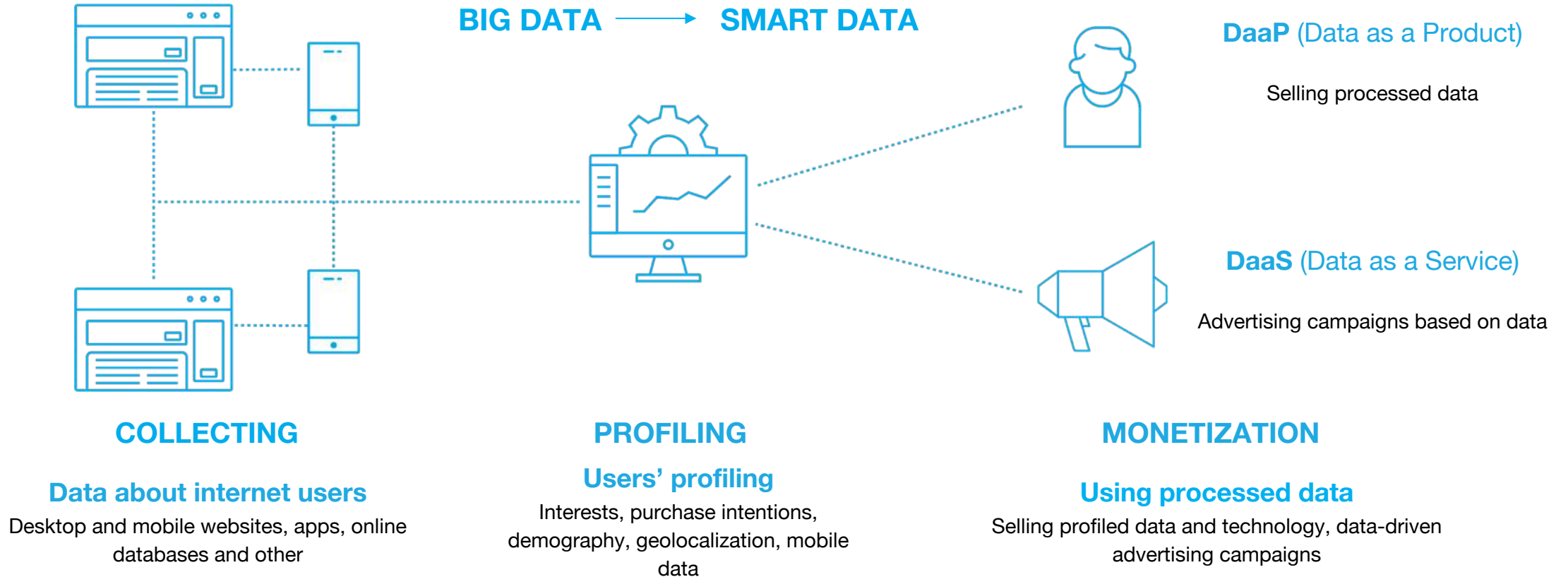
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B Business model



We monetize audience data



The role of data in online advertising



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.

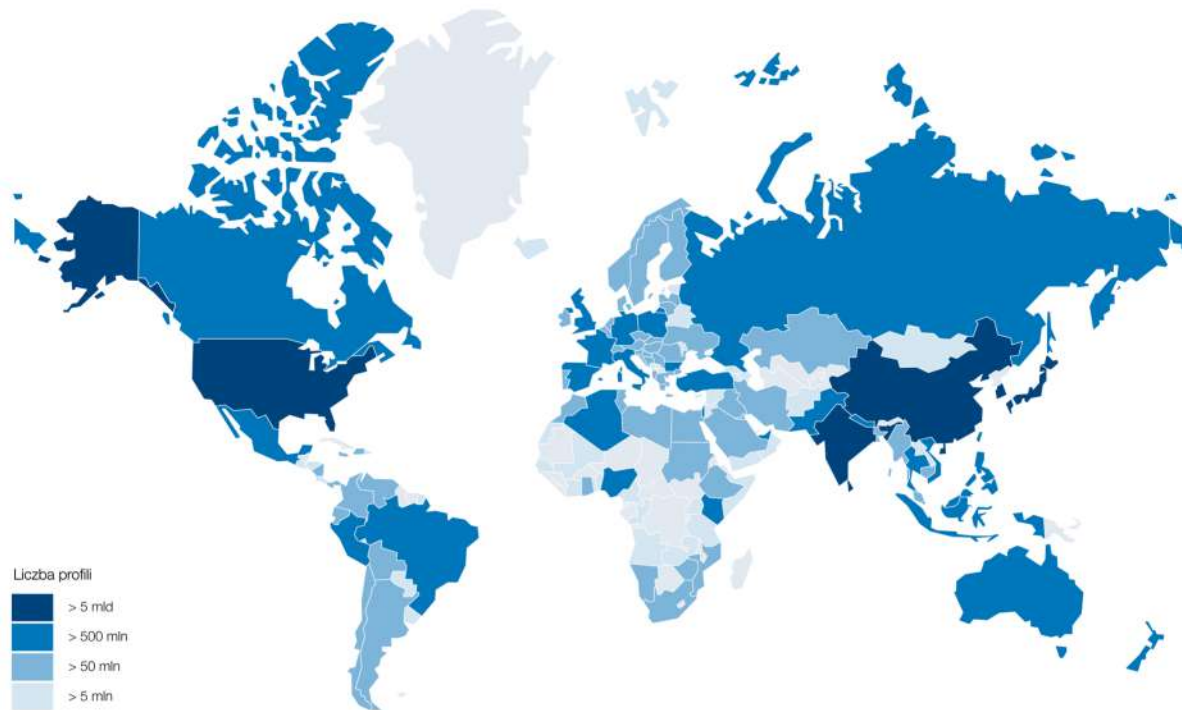


Clients can precisely plan their marketing activities due to the gained knowledge about profiles of users through DSP technology. It helps them to optimize their campaigns and reach, e.g. higher return on investment (ROI).

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.

Collecting data from all over the world

Markets from which Cloud Technologies collects anonymous data about Internet users (Q2 2021)



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

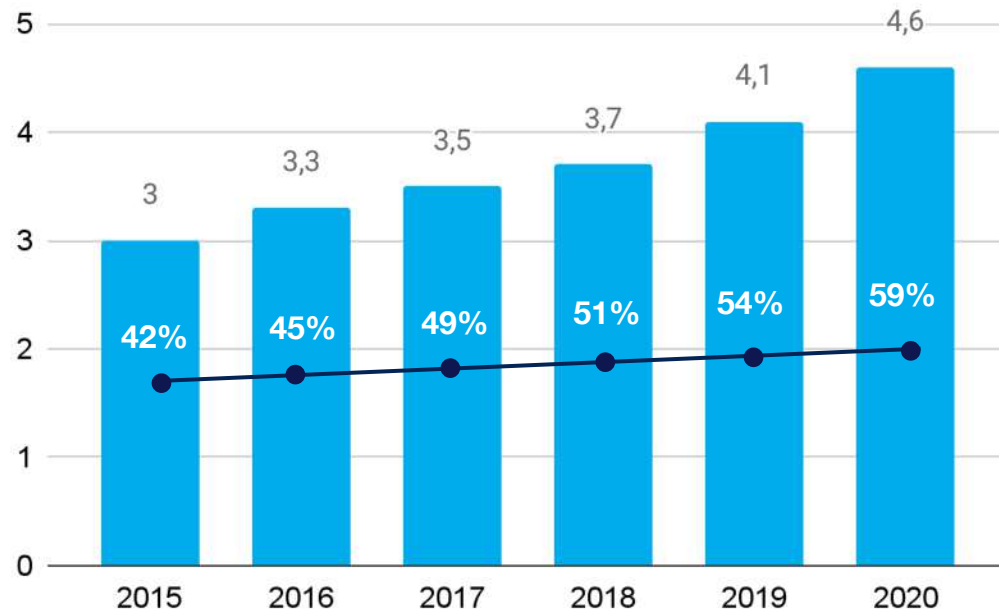
 **1000**
Europe's Fastest
Growing Companies

M Market environment



The global number of internet users is increasing

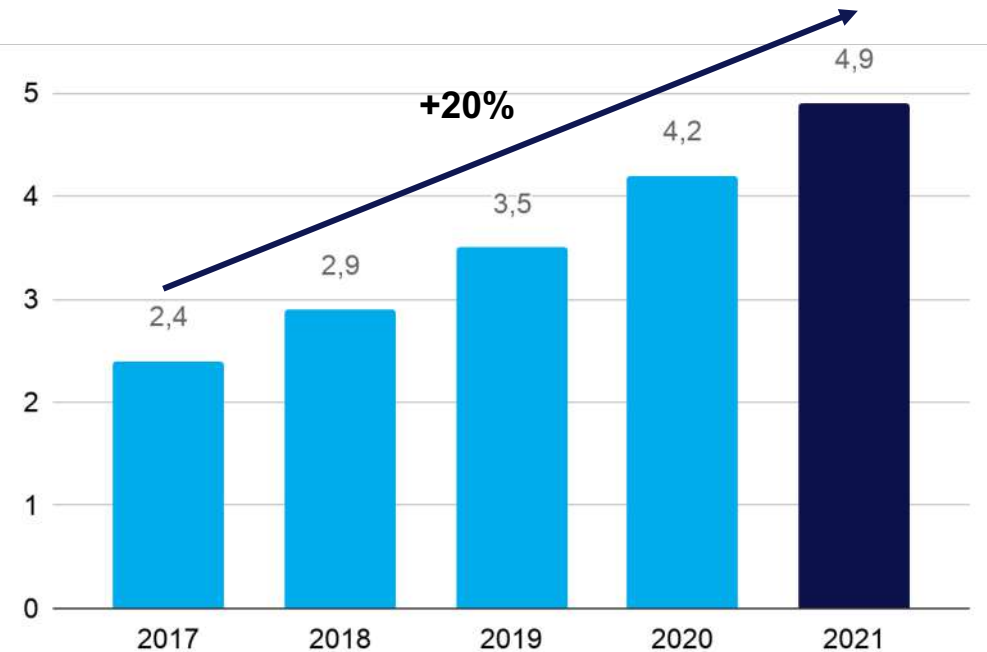
Global number of users with access to the Internet (billion)



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

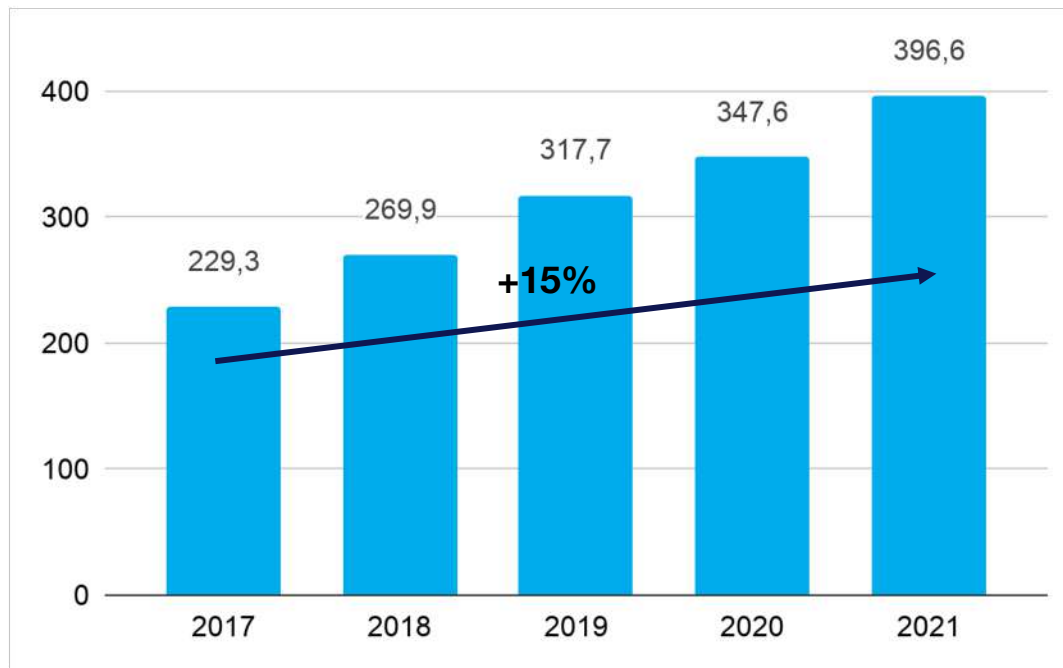
— Internet users' participation in population (%)

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

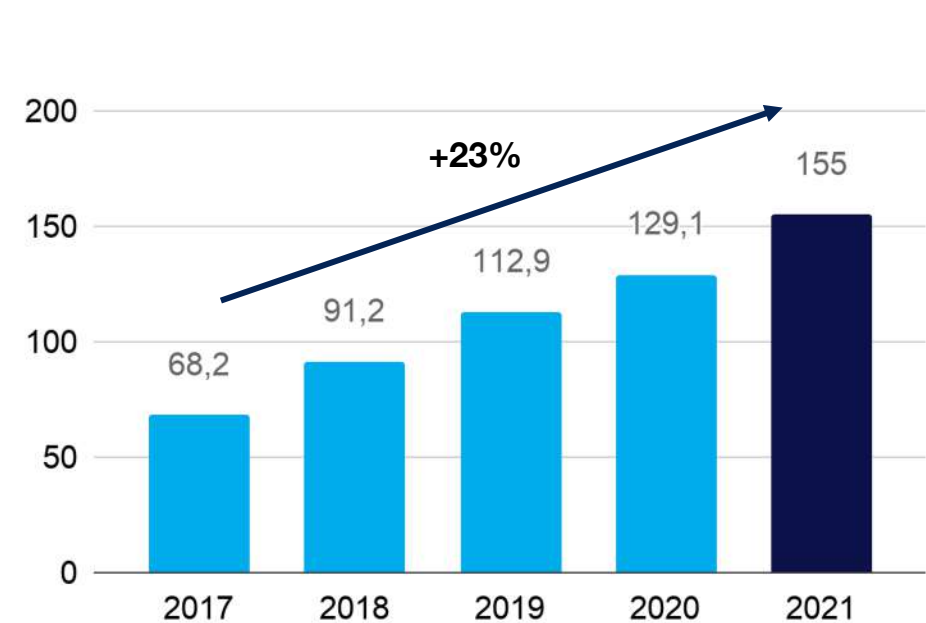


Double-digits increases for advertising online and programmatic market

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



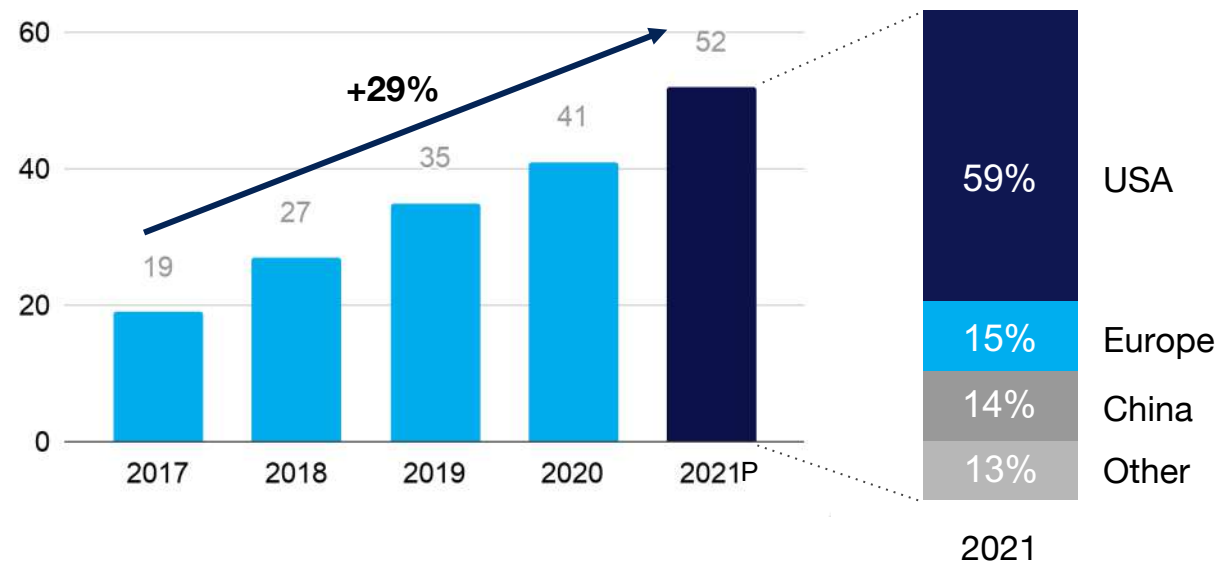
Global programmatic advertising market, CAGR (USD billion)



According to the Zenith agency report, the value of the digital advertising market will increase by 19% y/y in 2021. The record will be way above the growth of the global advertising market, which will accelerate 11% y/y, reaching around USD 669 billion.

Global data market will grow by 30% per year

Global data market, CAGR (USD billion)



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.

Q2 and H1 2021 Financial results



Q2 2021 Summary

14.0 M

PLN

Revenues

4.8 M

PLN

EBITDA

2.2 M

PLN

Net profit

+30.6%

vs Q2 2020
Revenues

+4.1 M

PLN

vs Q2 2020
EBITDA

+3.1 M

PLN

vs Q2 2020
Net profit

H1 2021 Summary

26.5 M

PLN

Revenues

7.8 M

PLN

EBITDA

3.1 M

PLN

Net profit

23.1 M

PLN

Cash

+20.3%

vs H1 2020
Revenues

+7.7 M

PLN

vs H1 2020
EBITDA

+4.8 M

PLN

vs H1 2020
Net profit

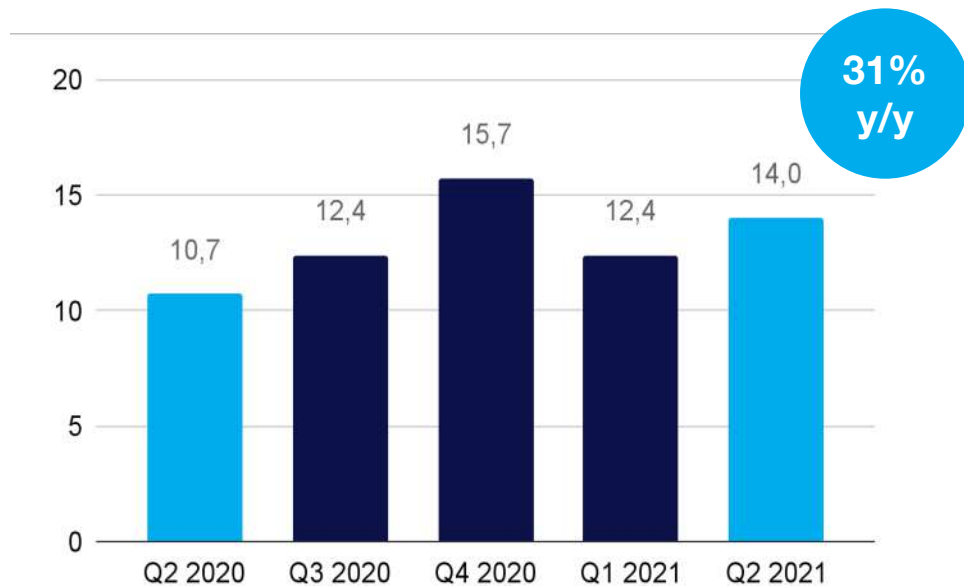
+5.3 M

PLN

vs Q4 2020

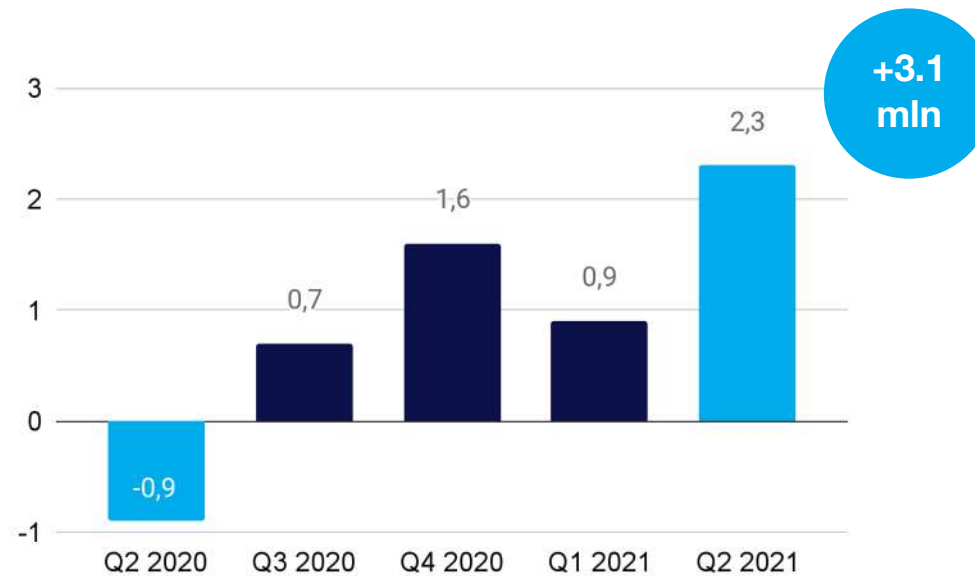
Q2 2021: significant increase of revenues and net profit

Revenues (PLN, million)



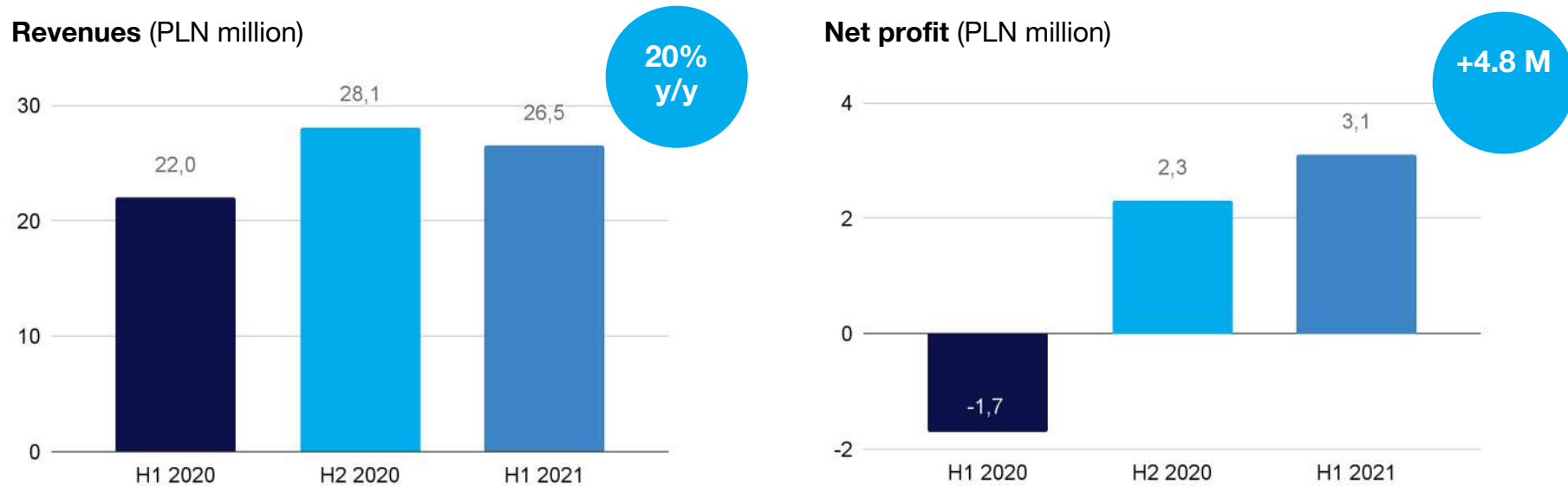
- Revenue in Q2 2021 exceeded PLN 14 million (up 31% y/y) which was influenced by the growth in Data Enrichment and Data Consulting segment. The results were also impacted by the low base, burdened by the temporary negative impact of the COVID-19 pandemic during the comparable period, which rebounded in Q3 and Q4.

Net profit (PLN, million)



- 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.

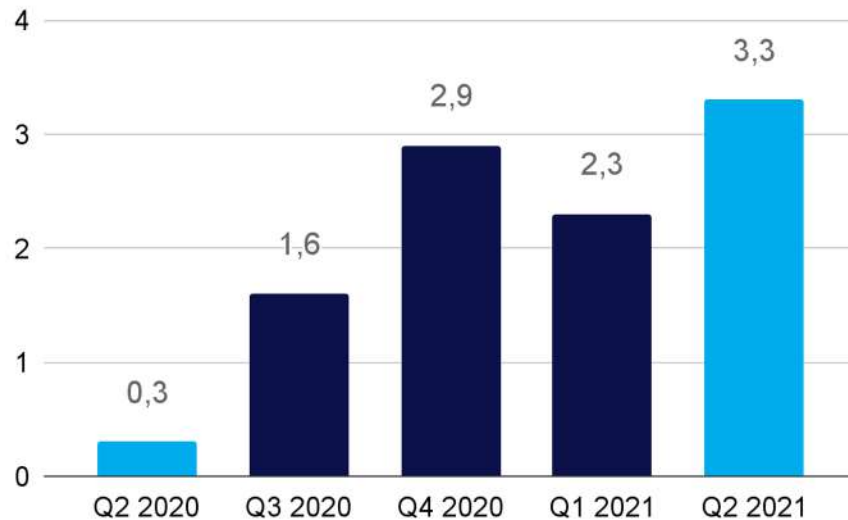
H1 2021: Net profit exceeded H2 2020 result



- 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.

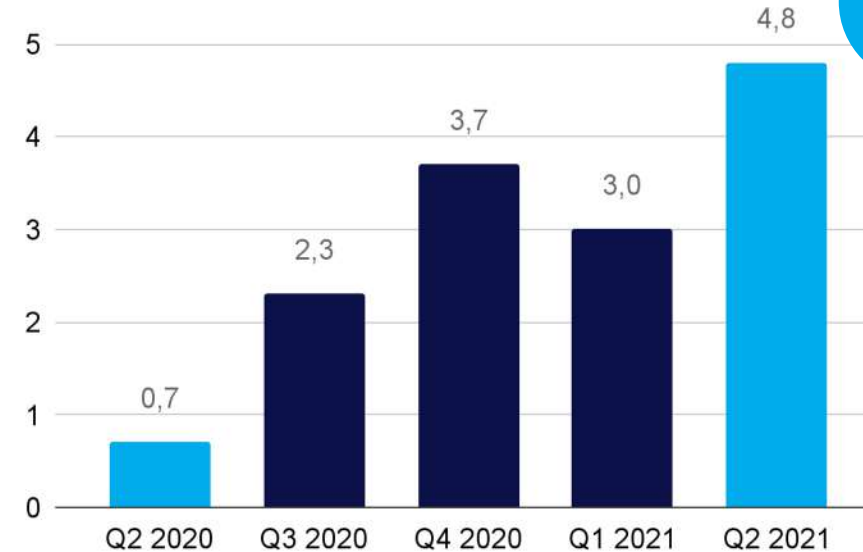
Q2 2021: Efficient business model and high level of EBITDA

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.

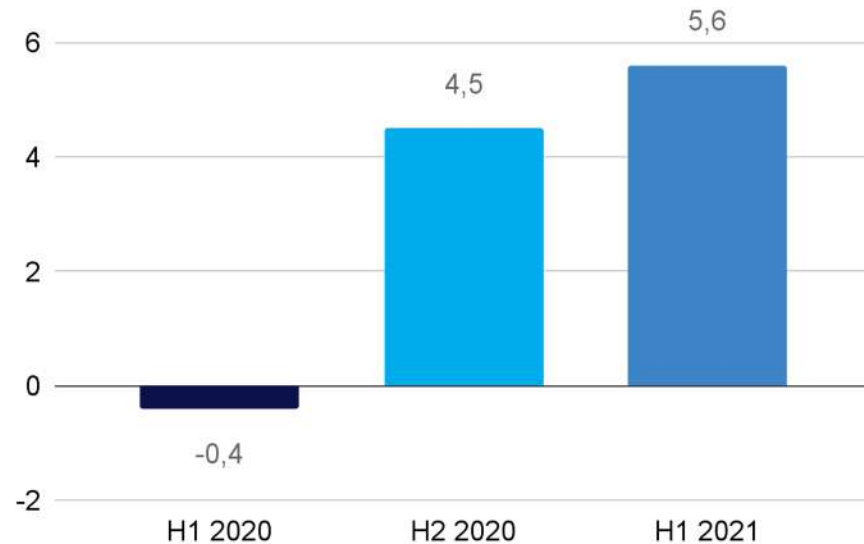
EBITDA (PLN million)



- 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.

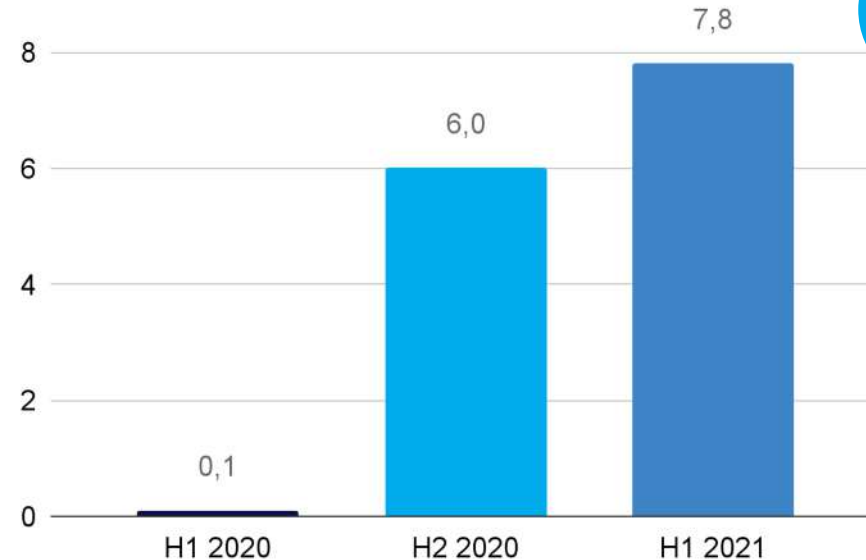
H1 2021: Gradual improvement in the EBITDA y/y

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)



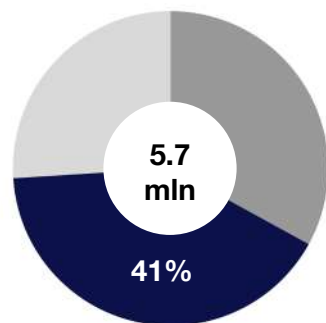
- The difference between H1 2021 and H1 2020 was higher at the EBITDA level, which includes subsidy revenue. In H1 2021, the Group's EBITDA reached approximately PLN 7.8 million compared to the 0.1 million profit in H1 2020. The exemption from the obligation to repay part of the financial subsidy received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

Business diversification within segments

Data enrichment

Revenue Q2 2021

+PLN 3.4 million y/y



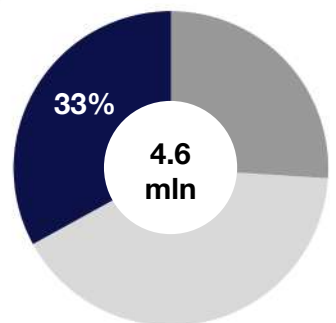
- Providing Data dedicated for targeting online advertisements.
- DMP proprietary technology for collecting, analyzing and monetizing data, offered in the SaaS model or as a licence

DATA AND TECHNOLOGY
DISTRIBUTORS

Data consulting

Revenue Q2 2021

+PLN 1.7 million y/y



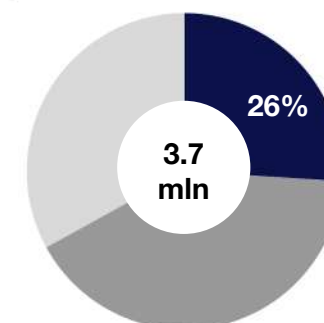
- Effective online campaigns supported by Big Data analytics.
- Performance campaigns using data.
- Conversion increase resulting from the analysis and processing of data about clients.

ADVERTISING AGENCIES, MEDIA HOUSES,
DIRECT CUSTOMERS

Data acquisition

Revenue Q2 2021

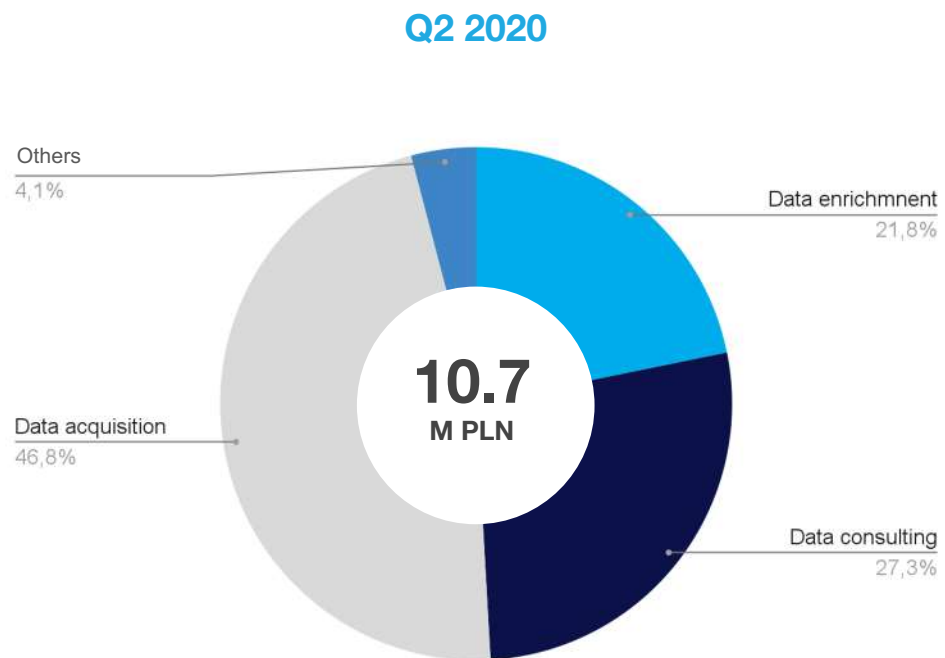
-PLN 1.4 million y/y







- 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

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



Synergies between segments (Q2 2021)

	 Data enrichment	 Data consulting	 Data acquisition	 Others
Sales to external customers	PLN 5.7 M	PLN 4.6 M	PLN 3.7 M	PLN 0.0 M
segments' EBITDA	PLN 3.8 M	PLN 0.7 M	PLN -0.7 M	PLN -0.6 M
% of EBITDA margin	66.9%	14.7%	-	-

- Key impact on financial results
- High margin of EBITDA segment based on fixed costs and scalable sales




- Improvement of segments' profitability as a result of rebound at Polish market
- Service segment highly involving variable costs and personnel costs

- Generating data monetized in other segments
- The margin may be close to zero or negative: focus on purchasing more expensive and better quality data

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

Valuation of the AdTech companies worldwide

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

	Country	Capitalization	2020 Sale	2020 EBITDA	2020 EV/Sale	2020 EV/EBITDA
 CloudTechnologies	PL	PLN 0.11 B	PLN 54.6 M	PLN 13.7 M	1,8x	7,0x
 theTradeDesk	USA	USD 27.3 B	USD 836 M	USD 284 M	44.5x	131.0x
 PubMatic	USA	USD 2.8 B	USD 149 M	USD 50.3 M	9.0x	26.6x
 LiveRamp <small>an axxiom company</small>	USA	USD 3.4 B	USD 440 M	USD 26 M	6.2x	106.0x
 Magnite	USA	USD 4.6 B	USD 222 M	USD 43.1 M	15.5x	79.8x
 digital turbine	USA	USD 7.7 B	USD 139 M	USD 19.6 M	2.7x	19.1x

Cloud Technologies development plans



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.
- Commercialization of the DSP technology using new subsidiary OnProspects.com established in The United Kingdom.

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



Technologies

- 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.

Advantages of Cloud Technologies



Data Acquisition Model

- Full control over the entire process
- Over 200 available markets and a continuing trend of increased demand for data



Unique business mode

- Global and scaling business supported by macroeconomic trends.
- Synergy effects between different areas of operations and high-margin Data enrichment segment



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

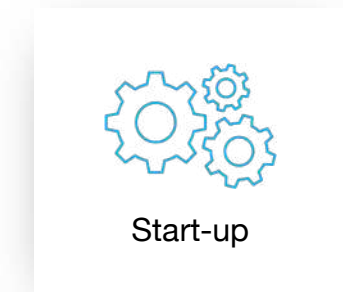


CloudTechnologies

A Attachments



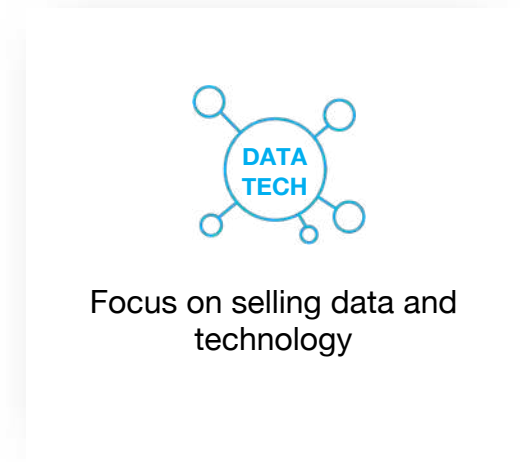
Cloud Technologies 3.0



Cloud Technologies 1.0
2011 - 2014

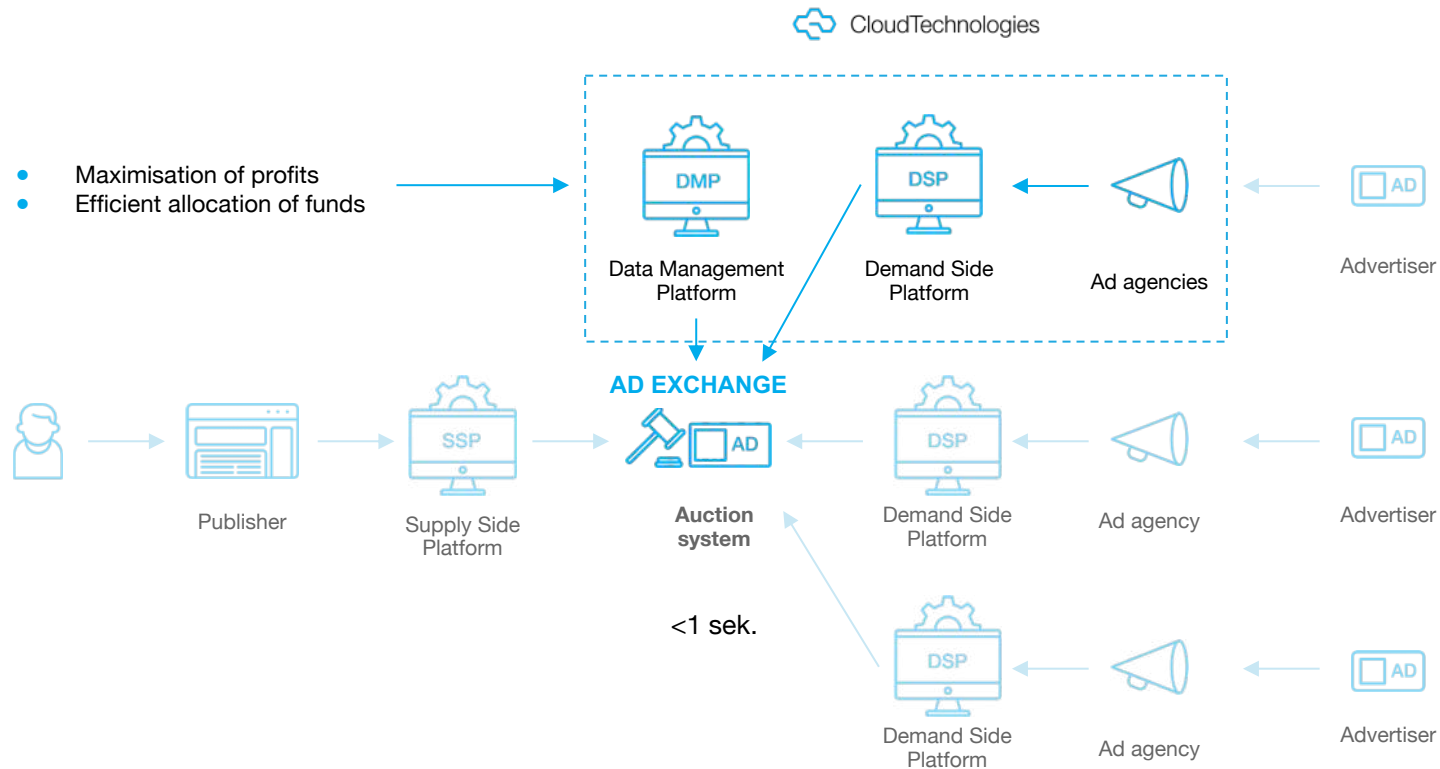


Cloud Technologies 2.0
2015 - 2018



Cloud Technologies 3.0
2019 - now

How does the programmatic buying model work?



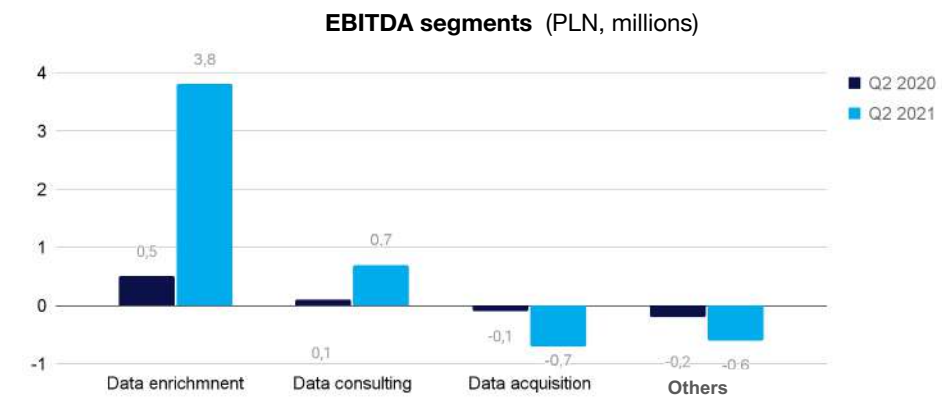
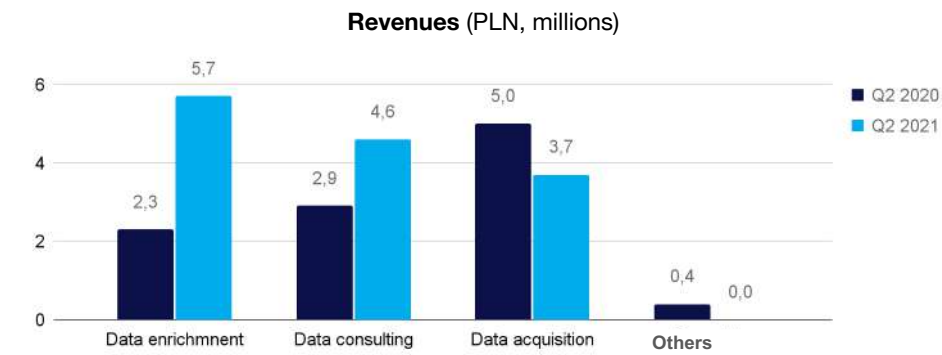
Programmatic buying model, for which Cloud Technologies provides anonymous data about internet users, allows automatic media buying in the auction system (Real-Time Bidding). This model enables ads personalization depending on a users' profile.

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 a licence for adjusted to its needs, Demand-Side Platform that allows the participation in auctions.

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

