



CloudTechnologies

Q3 and Q3 YTD 2021 Financial results and developments plans of Cloud Technologies

November 2021



CloudTechnologies

Executive summary

Q3 2021

the best quarter
in 3 years

Revenues

+15.9%

vs Q3 2020

EBITDA

+PLN 3.3 M

vs Q3 2020

Net profit

+PLN 3.7 M

vs Q3 2020

Executive summary

Q3 YTD 2021

significant
improvement in
performance at all
levels

Revenues

+18.7%

vs Q3 YTD 2020
revenues

EBITDA

+PLN 11.1 M

vs Q3 YTD 2020
EBITDA

Net profit

+PLN 4.8 M

vs Q3 YTD 2020
Net profit

Executive summary | Data enrichment



Scalable business with a high growth potential on the global market

+64.9%

High dynamics of sales
Q3 2021 vs Q3 2020



Low level of variable expenses



Stable level of fixed costs

Executive summary | Goal for 2021



Rapid revenue growth in Data enrichment segment



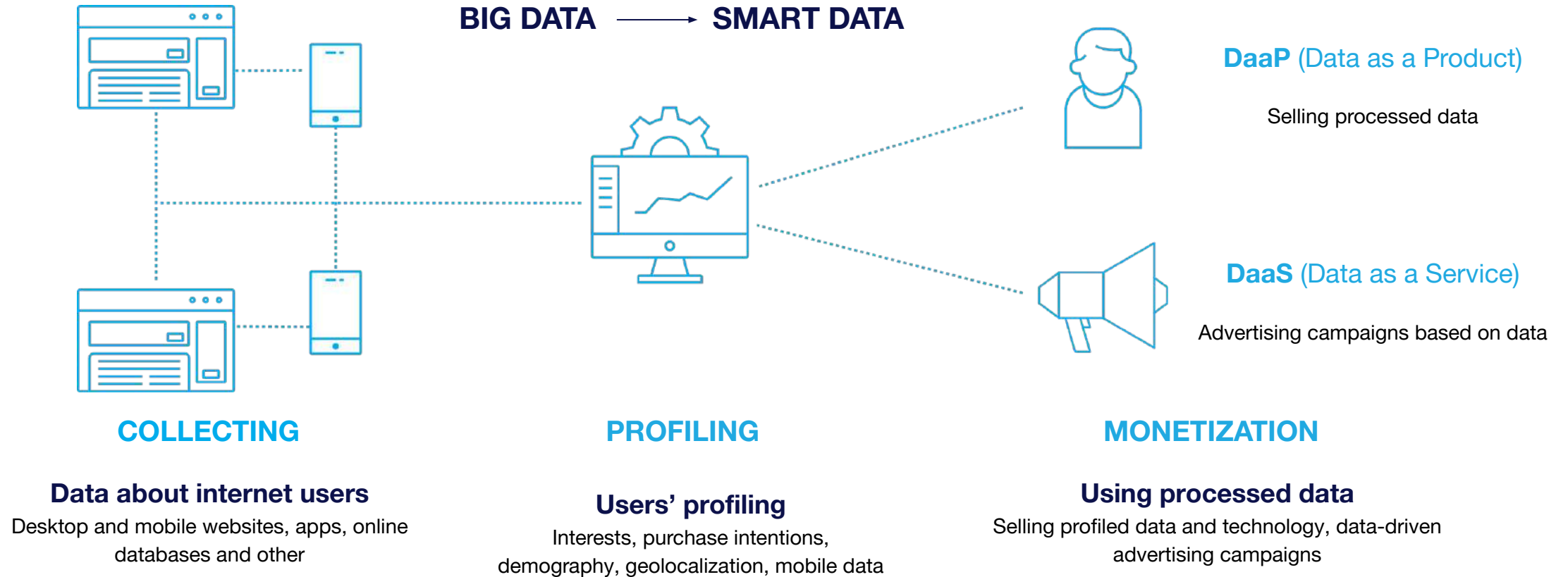
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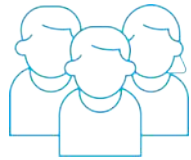
B Business model



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.

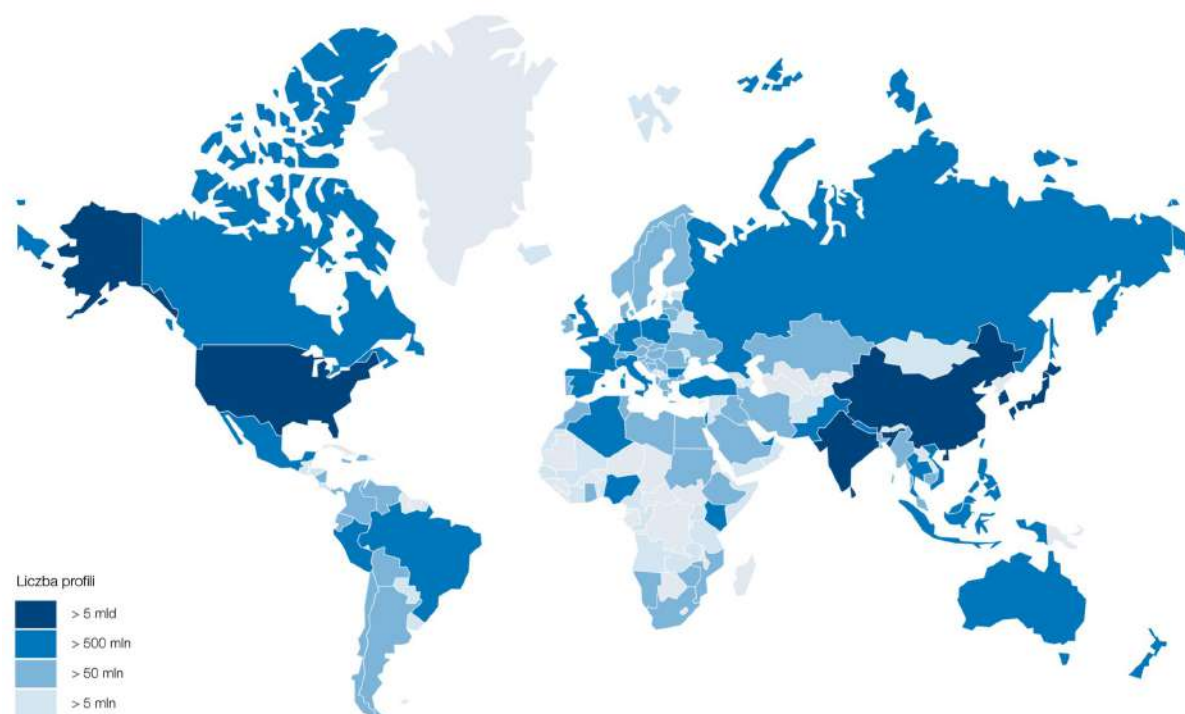


Clients can precisely plan their marketing activities due to the gained knowledge about profiles of users through DSP technology. It helps them to optimize their campaigns and reach, e.g. higher return on investment (ROI).

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 (Q3 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

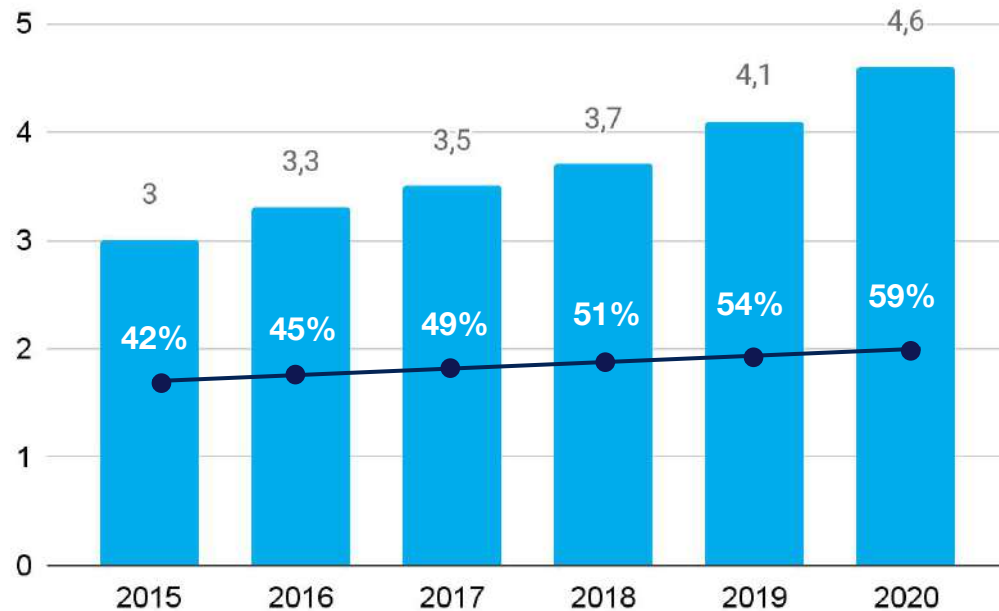
 **1000**
Europe's Fastest
Growing Companies

M Market environment



The global number of internet users is increasing

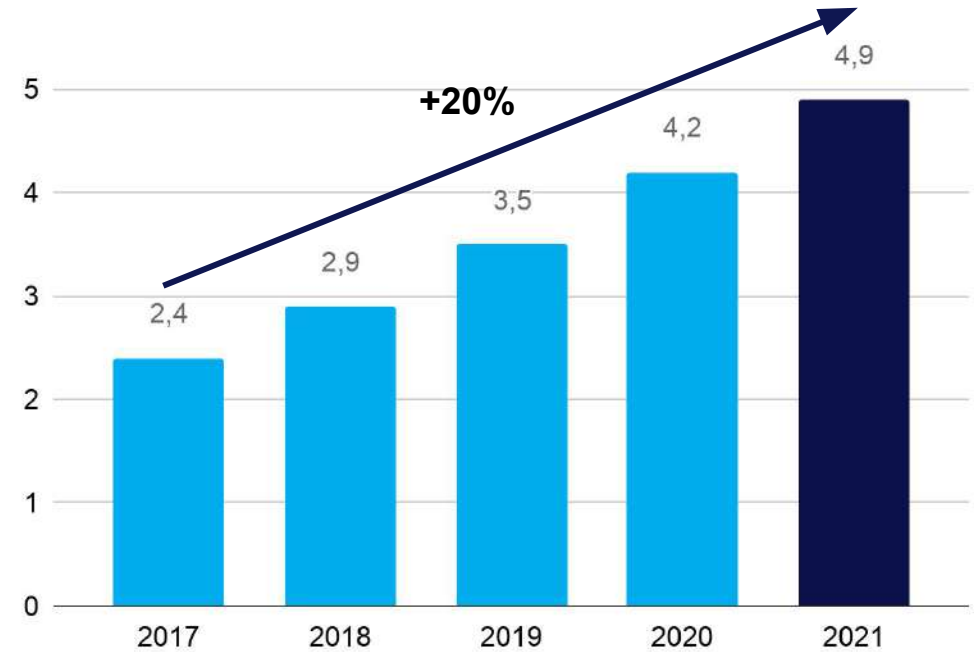
Global number of users with access to the Internet (billion)



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

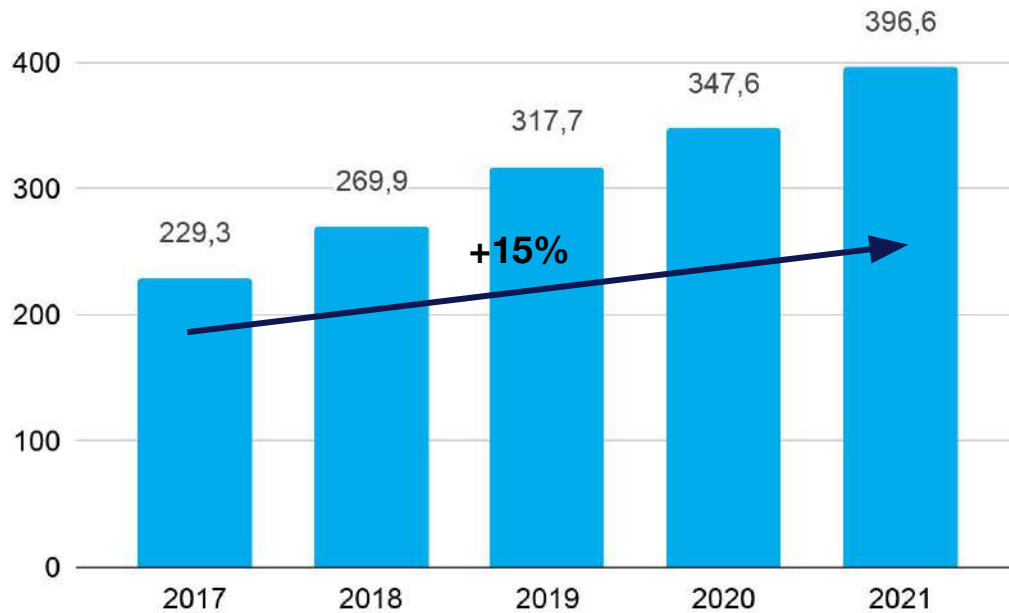
— Internet users' participation in population (%)

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

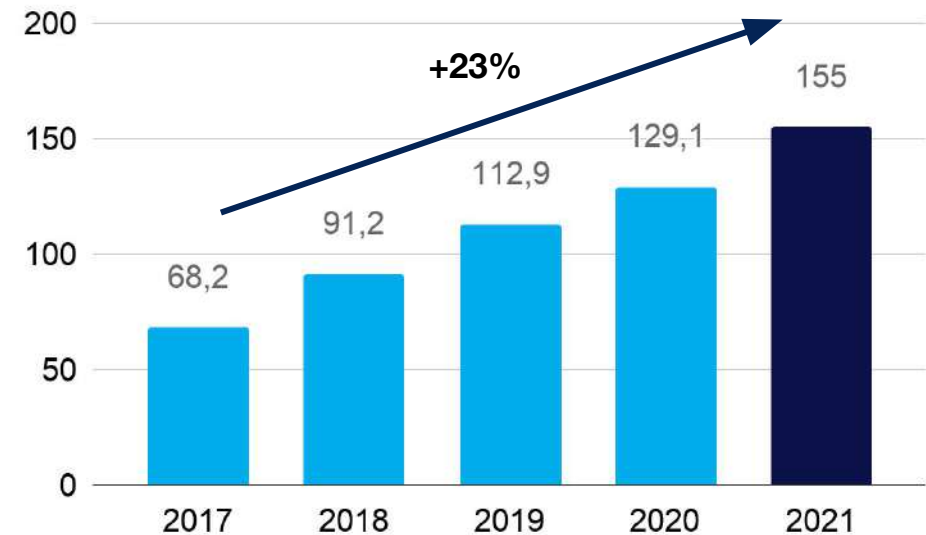


Double-digits increases for advertising online and programmatic market

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



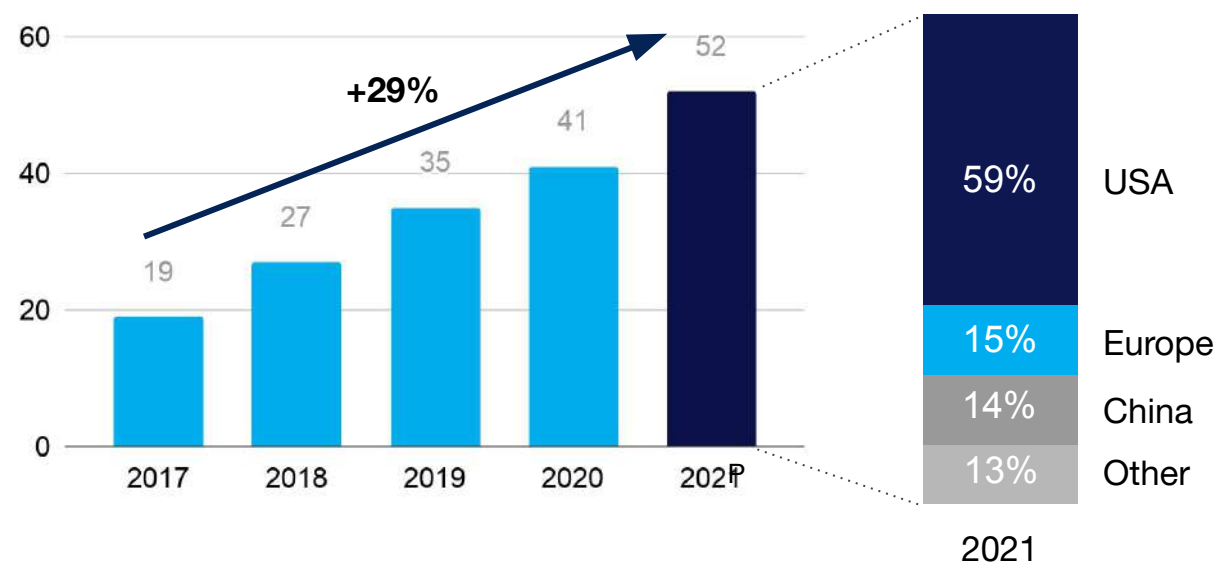
Global programmatic advertising market, CAGR (USD billion)



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.

Q3 and Q3 YTD 2021 Financial results



Q3 2021 Summary

14.4 M

PLN

Revenues

5.6 M

PLN

EBITDA

4.4 M

PLN

Net profit

+15.9%

vs Q3 2020
Revenues

+3.3 M

PLN

vs Q3 2020
EBITDA

+3.7 M

PLN

vs Q3 2020
Net profit

Q3 YTD 2021 Summary

40.8 M

PLN

Revenues

13.4 M

PLN

EBITDA

7.5 M

PLN

Net profit

24.7M

PLN

Cash

+18.7%

vs Q3 YTD 2020
Revenues

+11.0 M

PLN

vs Q3 YTD 2020
EBITDA

+8.5 M

PLN

vs Q3 YTD 2020
Net profit

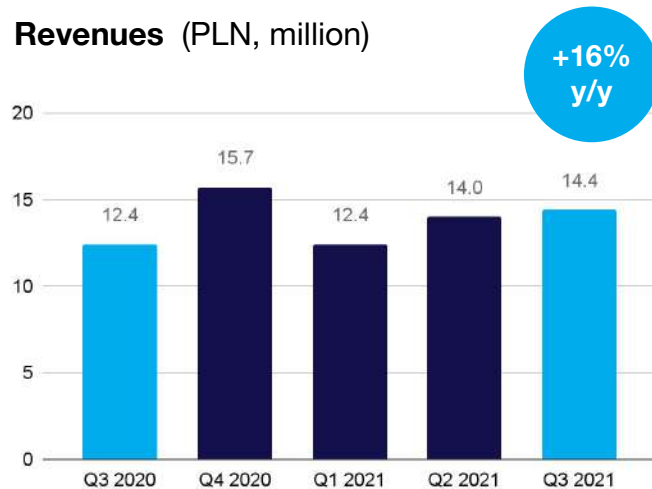
+1.6 M

PLN

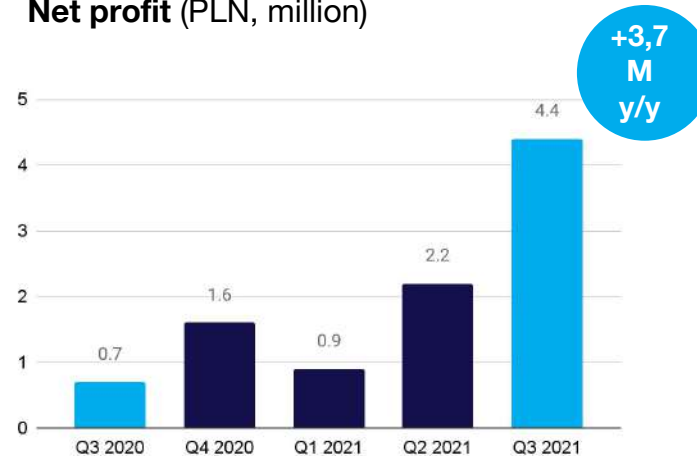
vs Q2 2021

Q3 2021: Significant increase of net profit and positive cashflow

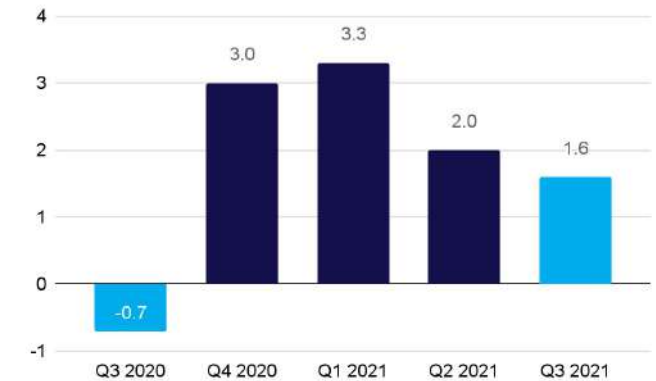
Revenues (PLN, million)



Net profit (PLN, million)



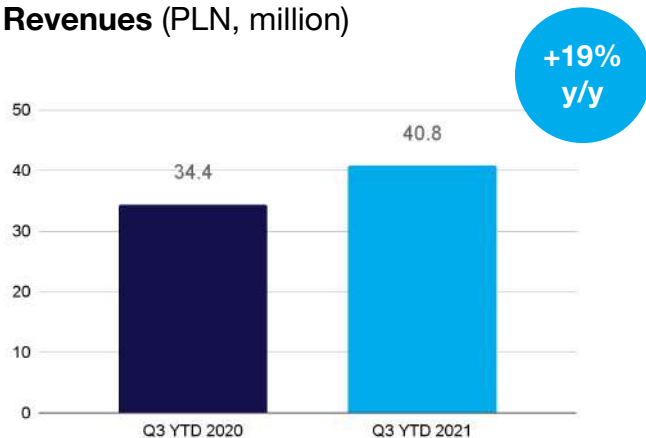
Cashflow (PLN, million)



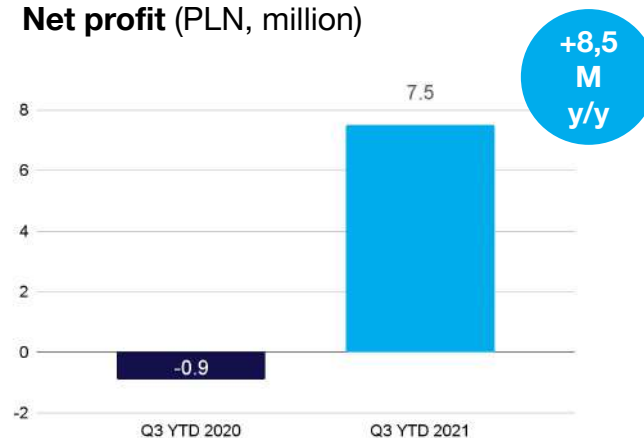
- Revenue in Q3 2021 increased y/y (increase by 16%) and q/q (increase by 3%). This is a positive result considering the seasonality of the Cloud Technologies business, which is characterized by low revenue during the summer, Q3. Maintaining the quarter-on-quarter growth trend was mostly driven by the constantly growing Data enrichment segment, which increased by 65% y/y and 14% q/q. The segment already accounts for over 45% of the Group's total sales.
- In Q3 net result of PLN 4.4 million exceeded the profit in Q4 2020 which was the best period considering a seasonality of the internet advertising market and it increased by over PLN 2 million on a q/q basis. Net profit increased by PLN 3.7 million y/y and PLN 2.2 million q/q, including impact of one-time event in the form of exemption from the obligation to repay part of the financial subsidy received within the Financial Shield in the amount of PLN 0.9 million in Q2 and PLN 1.6 million in Q3. Data enrichment segment was the biggest contributor to the high-level revenues and margin.
- Positive cashflow was noted one more time in Q3 2021, cash at the end of the period amounted to nearly PLN 25 million. In accordance with the company's strategy, the funds can be used to invest in technology development or for potential acquisitions to expand the data distribution network.

Q3 YTD 2021: Surging increase of the Company's profitability

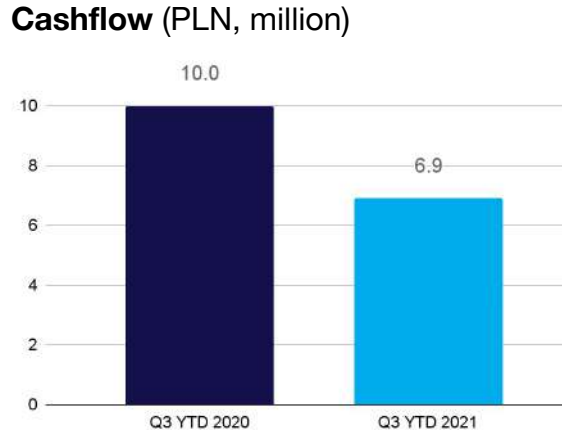
Revenues (PLN, million)



Net profit (PLN, million)



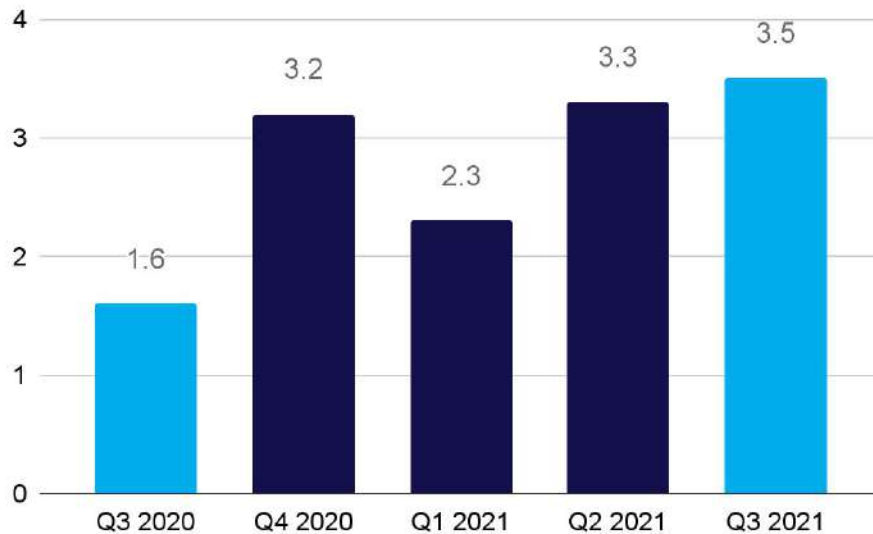
Cashflow (PLN, million)



- The Group's revenue in Q1-Q3 2021 increased by 19% y/y and amounted to over PLN 40 million. The result was mostly impacted by the Data enrichment segment, which doubled its sales and increased by 120% y/y.
- Net profit amounted to PLN 7.5 million after three quarters of this year. Excluding financial subsidies within the Financial Shield, the result amounted to PLN 5.0 million and recorded a significant increase compared to the same period last year. At the same time, adjusted net income after three quarters is already PLN 4.1 million higher than in the same period a year ago. The Company historically achieves its best results in Q4.
- Cashflow was positive after three quarters of this year and amounted to PLN 6.9 million compared to PLN 10.0 million last year, which included one-time events in the form of loans from the Polish Development Fund (PLN 3.4 million). On the other hand, operating cash flows after three quarters of 2021 were higher y/y (PLN 10.7 million vs. PLN 9.7 million).

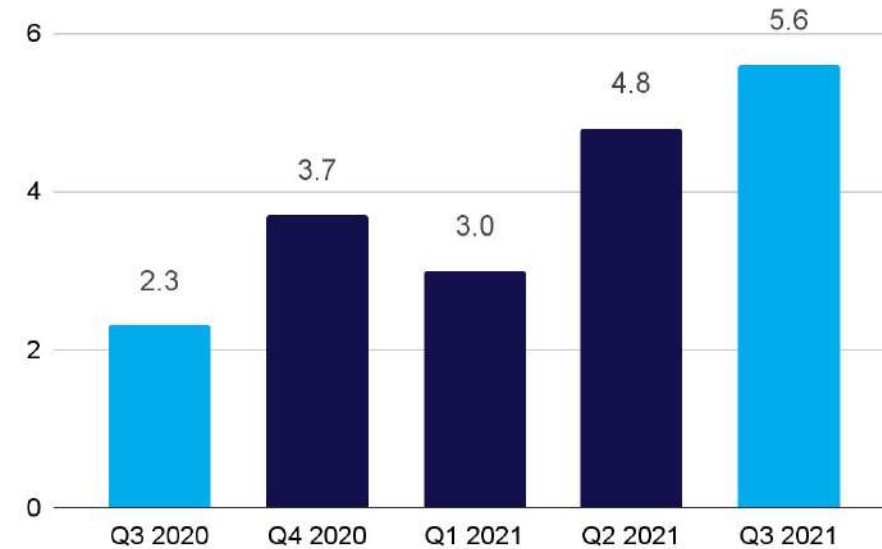
Q3 2021: Effective business model drives growth

Segments EBITDA* (PLN, million)



- Cloud Technologies' business model is diversified, scalable, and uses the effect of operating leverage, which is the most noticeable in the Data enrichment segment, where margin reaches almost 70%, translating into dynamic growth of the segments EBITDA. It recorded an increase of 117% y/y. Result of EBITDA segments in Q3 2021 is the best one in over 3 years.

EBITDA (PLN, million)

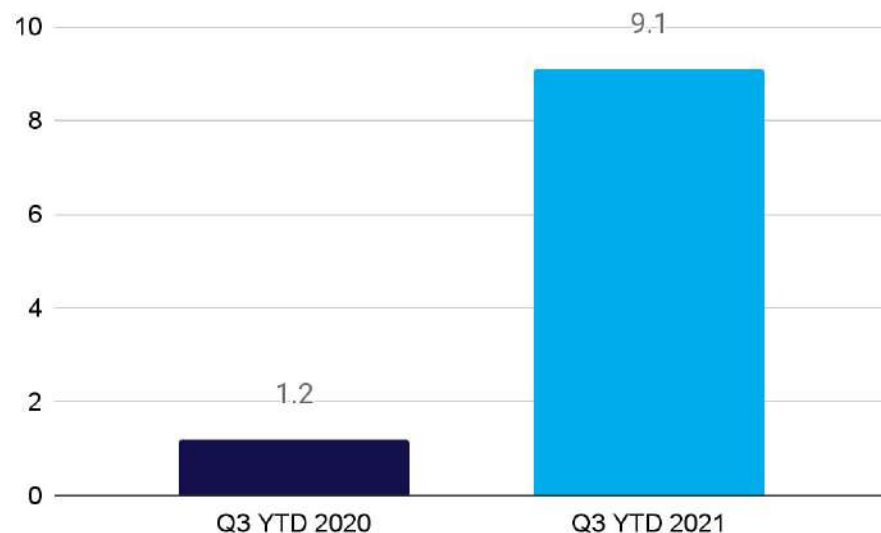


- EBITDA in Q3 amounted to PLN 5.6 million and doubled the result achieved in the comparable period of 2020. Excluding the impact of one-time events of PLN 1.6 million in Q3 and PLN 0.9 million in Q2 (redemptions within the Financial Shield), the Company recorded q/q growth despite the seasonally tougher holiday season in the digital advertising industry. In Q4, the Company should be the beneficiary of the best period of the year for the industry.

* Segments EBITDA doesn't include other operating activities and grants

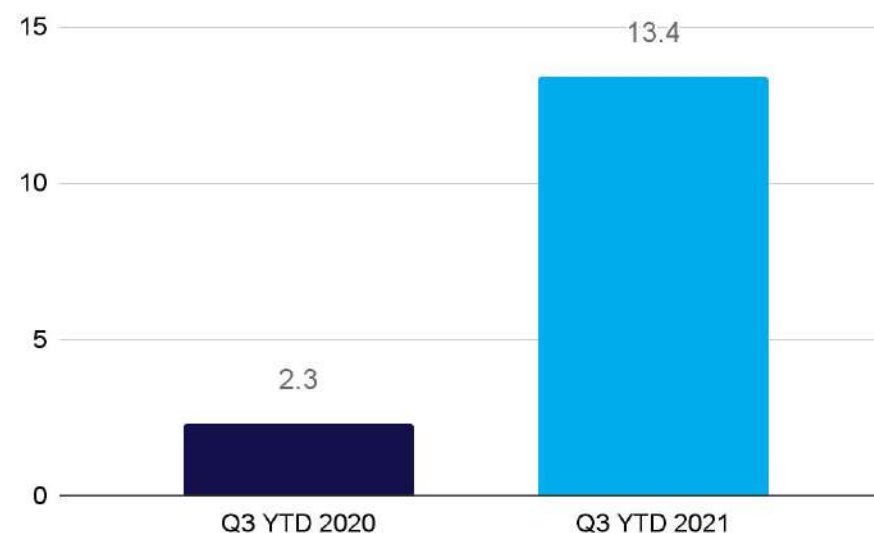
Q3 YTD 2021: Dynamic growth of the Group's EBITDA result

Segments EBITDA* (PLN, million)



- After three quarters of 2021, Group's EBITDA segments cumulatively amounted to PLN 9.1 million, which translates into a 669% y/y increase. The highest growth was noted one more time in Data enrichment segment, which was three times higher, increasing by 242% y/y. Segment EBITDA growth is not impacted by exemptions within the Financial Shield.

EBITDA (PLN, million)



- The Group's EBITDA growth exceeded 470% y/y and reached PLN 13.4 million. The result in Q2 and Q3 2021 was also positively impacted by the exemption from the obligation to repay part of the loans received from the Polish Development Fund in the amount of PLN 0.9 million and PLN 1.6 million. Excluding these one-time events, EBITDA increased nearly five times.

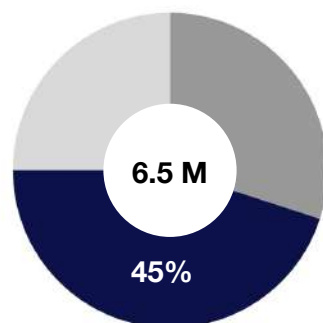
* Segments EBITDA doesn't include other operating activities and grants

Business diversification within segments

Data enrichment

Revenues Q3 2021 r.

+PLN 2.6 M r/r



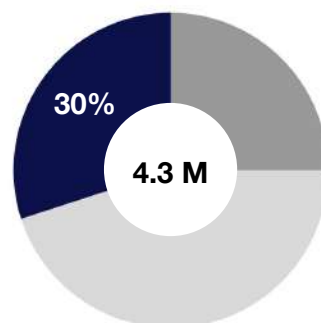
- Providing Data dedicated for targeting online advertisements.
- DMP proprietary technology for collecting, analyzing and monetizing data, offered in the SaaS model or as a licence

DATA AND TECHNOLOGY
DISTRIBUTORS

Data consulting

Revenues Q3 2021 r.

+PLN 0.6 M r/r



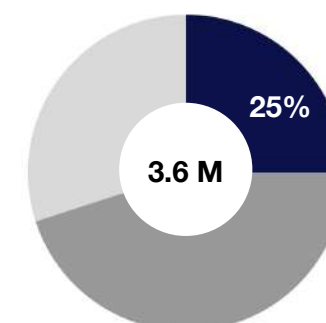
- Effective online campaigns supported by Big Data analytics.
- Performance campaigns using data.
- Conversion increase resulting from the analysis and processing of data about clients.

ADVERTISING AGENCIES, MEDIA HOUSES,
DIRECT CUSTOMERS

Data acquisition

Revenues Q3 2021 r.

-PLN 1.0 M r/r



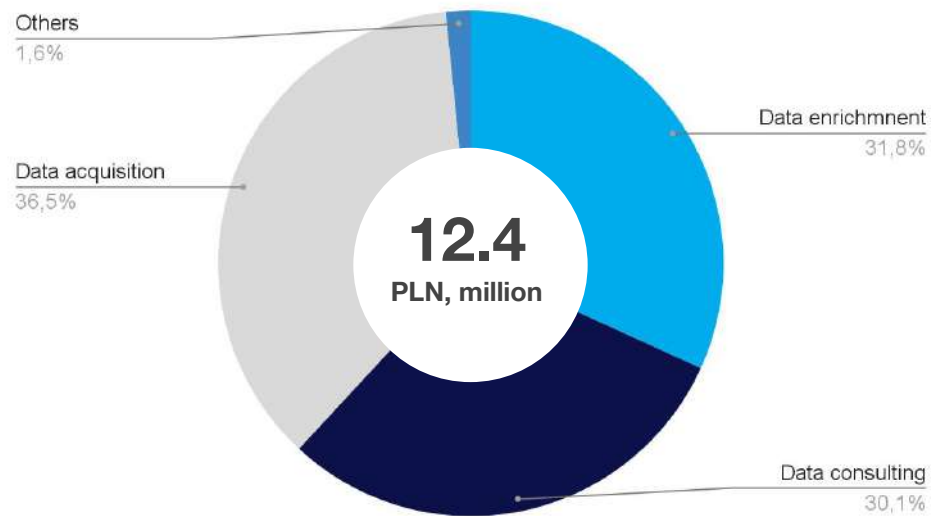
- Affiliate campaigns on global markets.
- Intermediation in wholesale (brokerage) resale advertising media in order to gather data monetized in other segments.

AFFILIATE NETWORKS, ADVERTISING SPACE
BROKERS

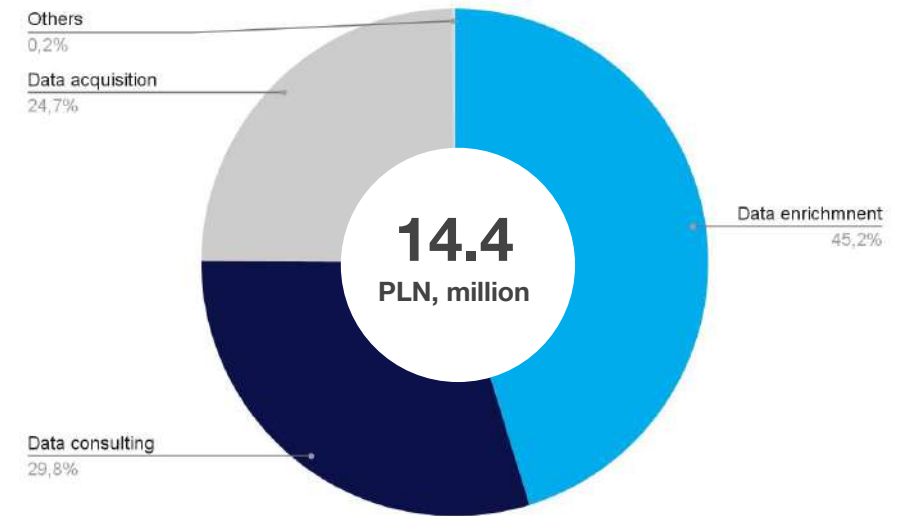
Data enrichment is growing systematically and dynamically, already accounting for nearly 50% of revenues







Q3 2020



Q3 2021



Synergies between segments (Q3 2021)

	 Data enrichment	 Data consulting	 Data acquisition	 Others
Sales to external customers	PLN 6.5 M	PLN 4.3 M	PLN 3.6 M	PLN 0.0 M
segments' EBITDA	PLN 4.4 M	PLN 0.3 M	PLN -0.5 M	PLN -0.7 M
% of EBITDA margin	67.7%	6.8%	-	-

- 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.
 Cloud Technologies data for period LTM Q3 2021.

	Country	Capitalization	2020 Sales	2020 EBITDA	2020 EV/Sales	2020 EV/EBITDA
 CloudTechnologies	PL	PLN 0.13 B	PLN 56.6 M	PLN 16.8 M	1.9x	6.4x
 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 action 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



Start-up



OnAudience
.com

International development



Focus on selling data and
technology



Cloud Technologies 1.0
2011 - 2014

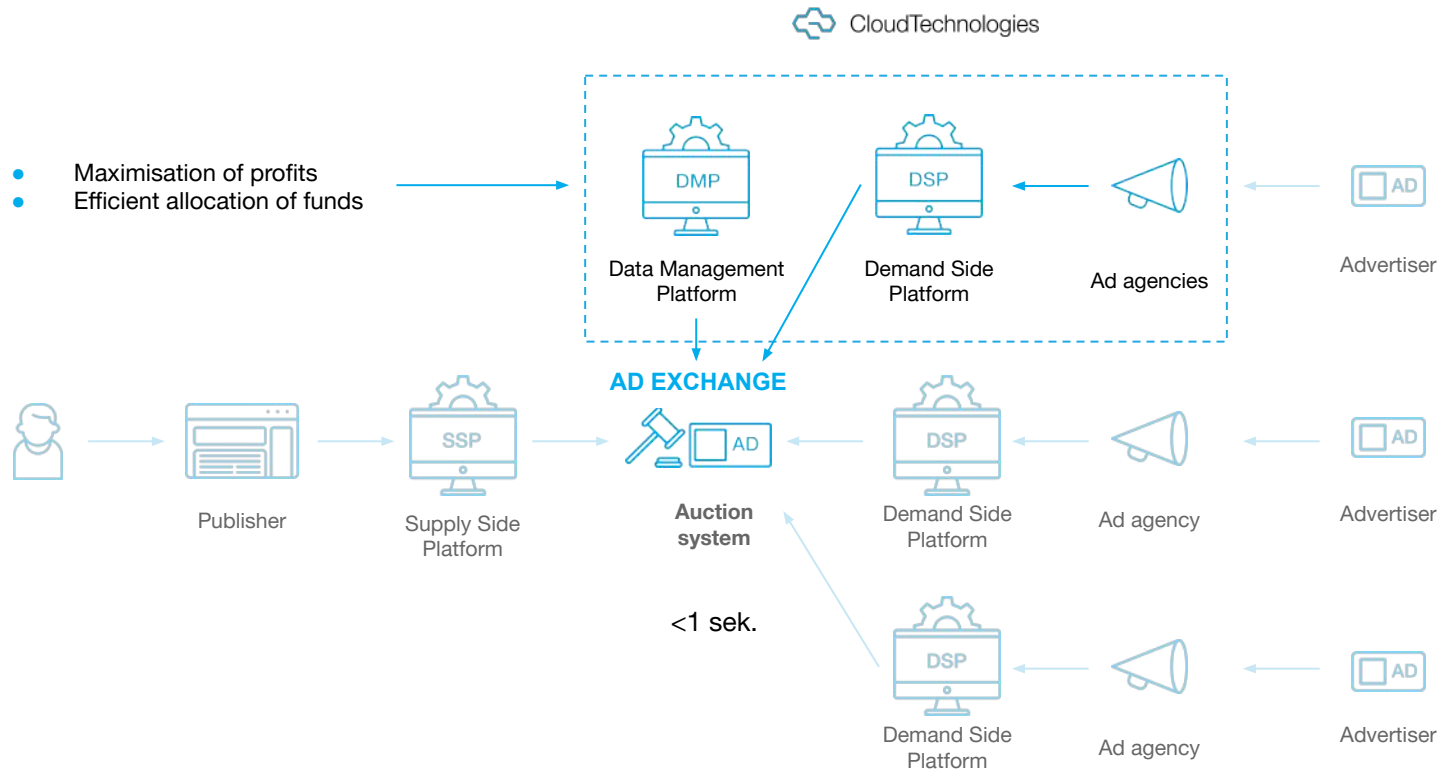


Cloud Technologies 2.0
2015 - 2018



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.

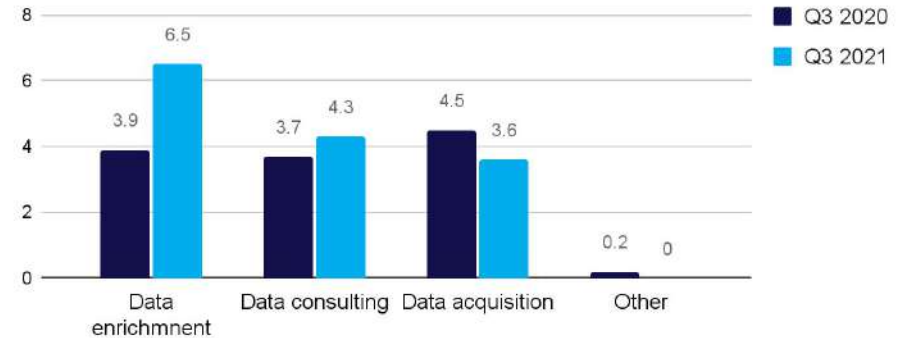
DMP – proprietary technology of Cloud Technologies is responsible for collecting and analyzing anonymous data about internet users. Subsequently, the data is segmented into audience groups that are further used for targeting.

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

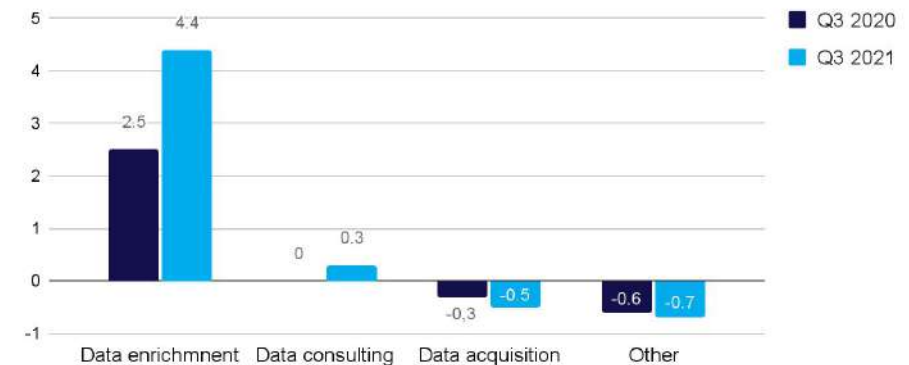
Q3 2021 segments: scalable Data enrichment segment

- **Data enrichment** one more time notes dynamic growth and considering, level of margin nearly 70%, has a meaningful impact on the Group's results. The segment is characterized by a high level of scalability and is diversified in terms of the number of clients. Additionally, EBITDA growth (78%) exceeded revenue growth (65%), due to the sale of multi-year DMP licenses.
- **Data consulting** noted an increase in sales and profitability, despite the holiday season, which has a negative impact on the activity of advertising agencies.
- 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 and is successfully used in the Data enrichment segment. Moreover, the segment also includes costs related to efforts of the commercialization of DSP technology in a newly established subsidiary in the 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.

Revenues (PLN, millions)



EBITDA segments (PLN, millions)



Q3 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 IFRS 16 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	30.09.2021	31.12.2020	30.09.2020
Fixed assets:	47.5	47.3	42.1
(a) Tangible and intangible assets	35.8	39.3	40.0
(b) Others	11.7	8.1	2.1
Current assets:	56.9	51.4	51.7
(a) Trade receivables	26.4	28.1	25.0
(b) Cash and cash equivalents	24.7	17.8	14.9
(c) Others	5.8	5.5	11.8
Total assets	104.4	98.8	93.8
Equity	74.1	64.6	57.8
Liabilities and provisions:	30.3	34.2	35.9
(a) Trade payables	2.7	4.9	3.8
(b) Interest-bearing debt	3.4	7.7	9.1
(c) Deferred incomes	22.0	20.3	20.4
(d) Others	2.2	1.4	2.6
Total liabilities	104.4	98.8	93.8

Q3 2021 Cash Flow: PLN 1.6 M increase of cash



Cash flow

Selected items in PLN million

- Increase of cash in the second quarter by PLN 1.6 M, including positive cash flow from operating activities of PLN 3.8 M.
- CAPEX for, among other things, (a) continued development of the next-generation DMP platform, (b) payment for the acquired shares in TL1, (c) investment loan, (d) car fleet replenishment.
- Negative cash flows from financial activities mainly resulting from the repayment of lease liabilities.

