



CloudTechnologies

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

November 2021

Summary Q3 2021

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

Summary Q3 YTD 2021

40.8 M

PLN

Revenues

13.4 M

PLN

EBITDA

7.5 M

PLN

Net profit

+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



Table of contents

1 | Business model

2 | Revenue diversification

3 | Q3 and Q3 YTD events

4 | Q3 and Q3 YTD 2021 Financial
results

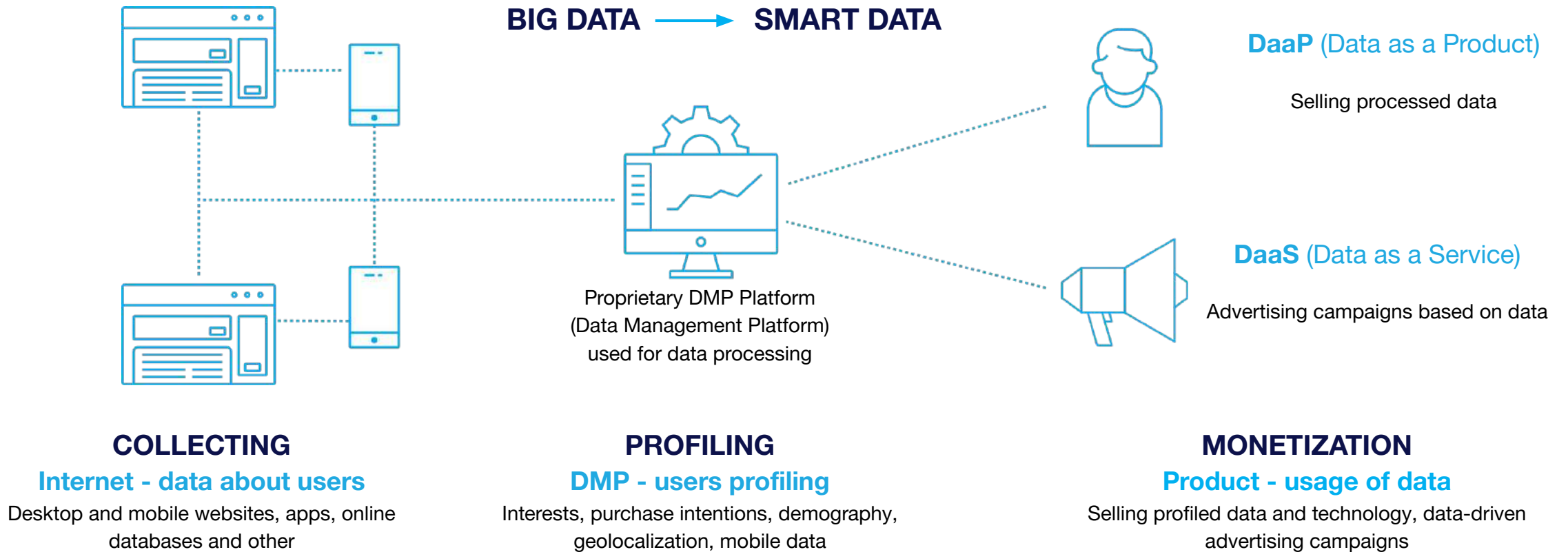
5 | Results per segment

6 | Balance Sheet

7 | Cash flow

8 | Summary

We monetize audience data

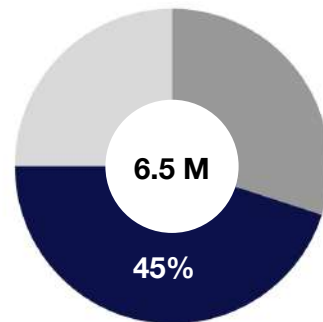


Business diversification within segments

Data enrichment

Revenues Q3 2021 r.

+PLN 2.6 M y/y



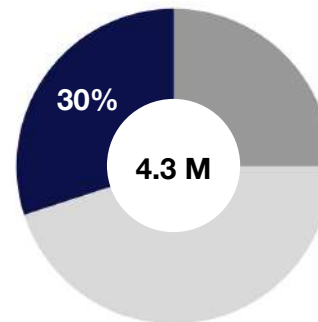
- Providing Data dedicated for targeting online advertisements.
- DMP proprietary technology for collecting, analyzing and monetizing data, offered in the SaaS model or as a licence

DATA AND TECHNOLOGY
DISTRIBUTORS

Data consulting

Revenues Q3 2021 r.

+PLN 0.6 M y/y



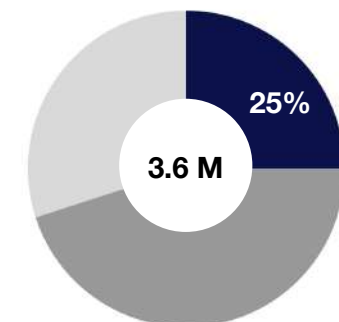
- Effective online campaigns supported by Big Data analytics.
- Performance campaigns using data.
- Conversion increase resulting from the analysis and processing of data about clients.

ADVERTISING AGENCIES, MEDIA HOUSES,
DIRECT CUSTOMERS

Data acquisition

Revenues Q3 2021 r.

-PLN 1.0 M 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 Q3: Another period of the Group's growth and the return of classic post-pandemic business seasonality

- **Data enrichment grows y/y and q/q**

Cloud Technologies' business model is based on selling data. The dynamic development of the Data Enrichment segment is a key factor behind the sales increase in the company and is responsible for almost half of generated revenues. High level of margin at 68% makes this segment the main contributor to the improvement of net results and EBITDA of the entire Group.

- **Exemption from the obligation to repay part of the support received within the Financial Shield**

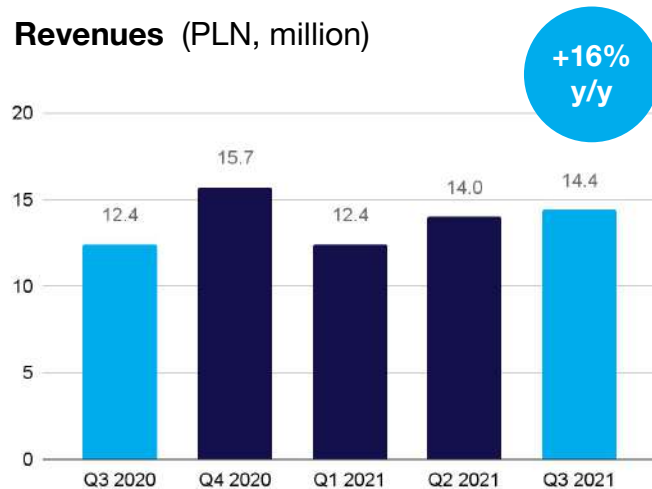
Polish Development Fund exempted Cloud Technologies from the obligation to repay part of the financial subsidy received within the Financial Shield. The exemption amounted to PLN 1.575 million. As a result of this event, the Group considered it as the other operating income.

- **Impact of COVID-19 pandemic**

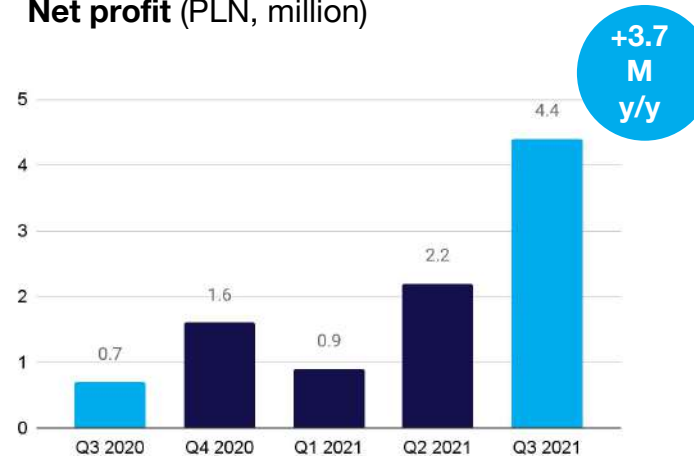
The Group belongs to one of the beneficiaries of the shift of consumer and business activities to the Internet, which translates into the increased demand for data and advertising services. The negative influence of the pandemic was recorded temporarily in the second quarter of 2020. Currently, the seasonality of Cloud Technologies' business is returning to the pre-pandemic state which is characterized by lower performance during the holiday season in Q3, and the highest sales recorded in Q4. Despite the impact of seasonality, the Group improved performance in Q3 2021 compared to Q2 2021.

Q3 2021: Significant increase of net profit and positive cashflow

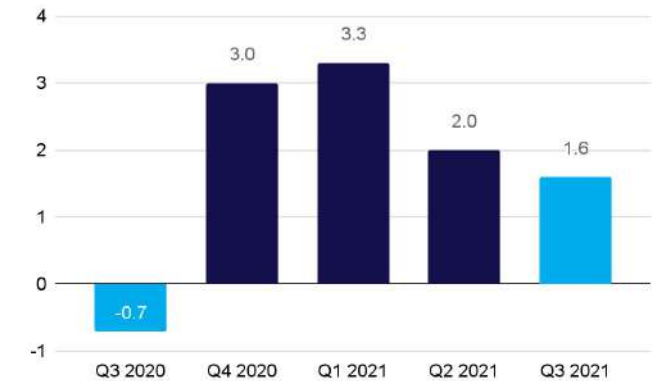
Revenues (PLN, million)



Net profit (PLN, million)



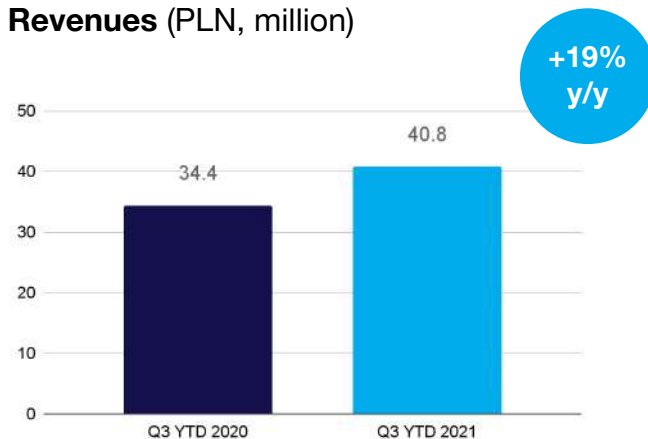
Cashflow (PLN, million)



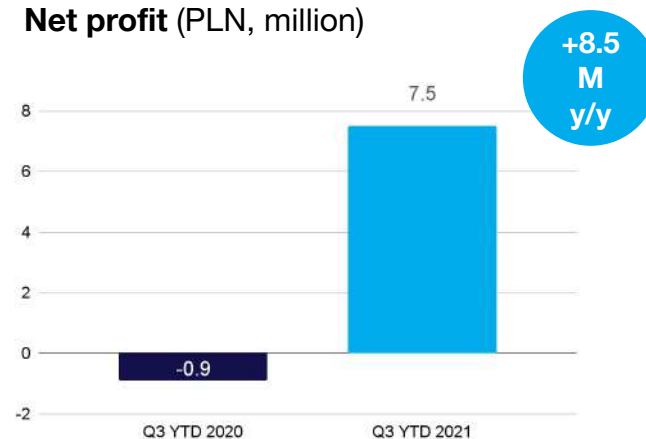
- Revenue in Q3 2021 increased y/y (increase by 16%) and q/q (increase by 3%). This is a positive result considering the seasonality of the Cloud Technologies business, which is characterized by low revenue during the summer, Q3. Maintaining the quarter-on-quarter growth trend was mostly driven by the 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

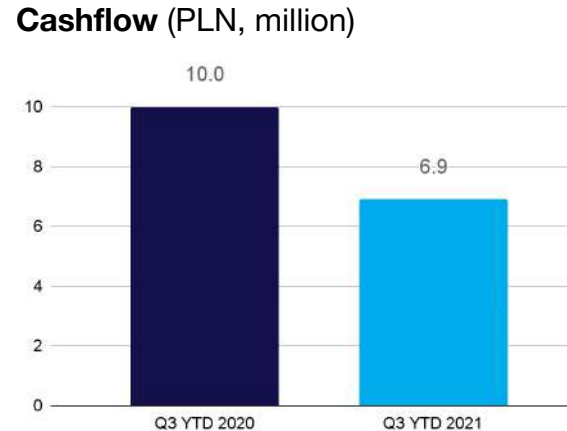
Revenues (PLN, million)



Net profit (PLN, million)



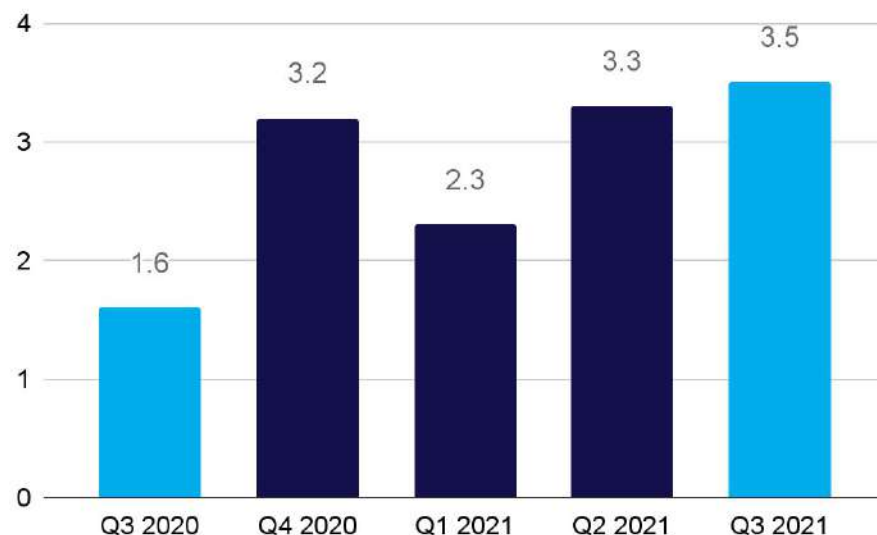
Cashflow (PLN, million)



- 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).

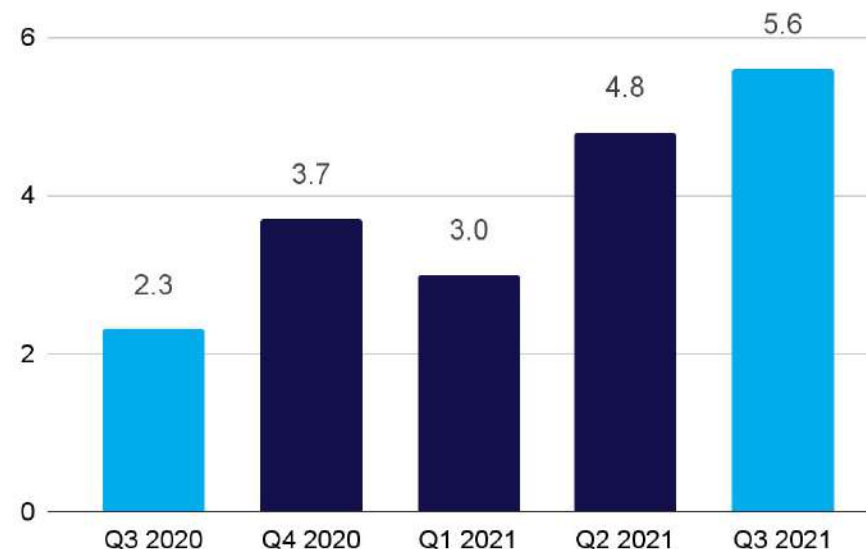
Q3 2021: Effective business model drives growth

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)

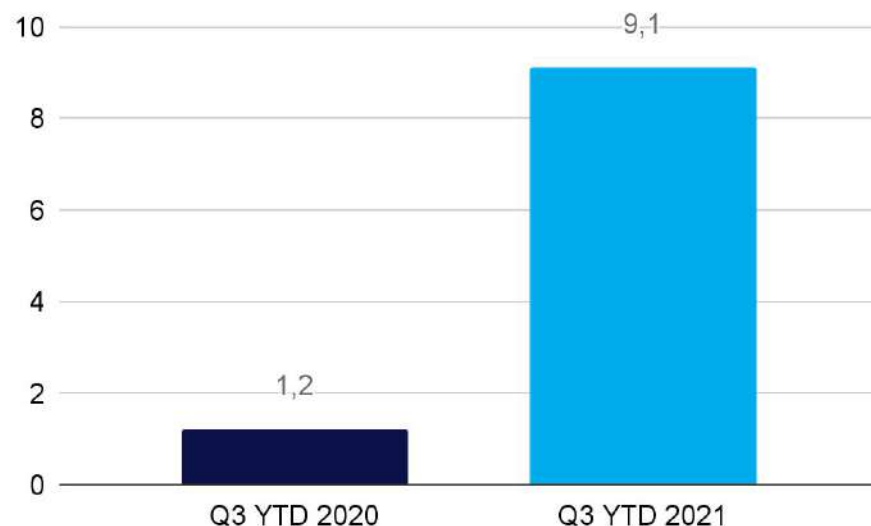


- EBITDA in Q3 amounted to PLN 5.6 million and doubled the result achieved in the comparable period of 2020. Excluding the impact of one-time events of PLN 1.6 million in Q3 and PLN 0.9 million in Q2 (redemptions within the Financial Shield), the Company recorded q/q growth despite the seasonally tougher 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

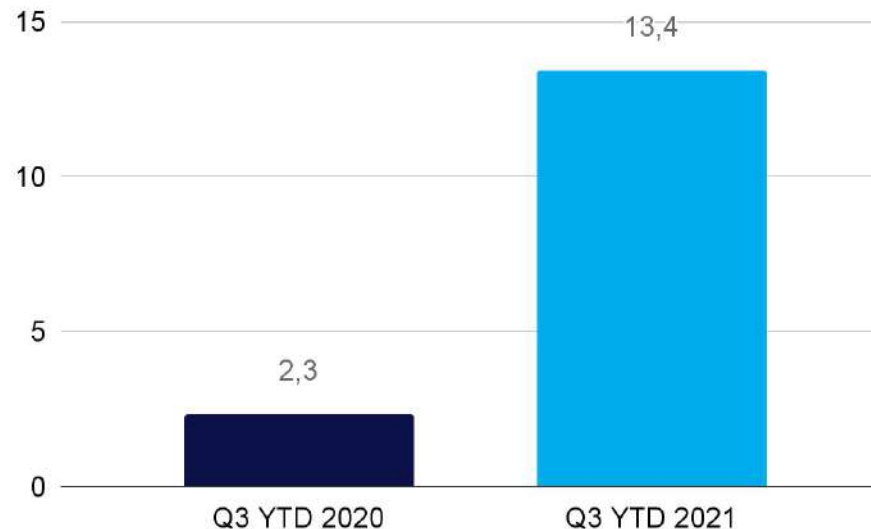
Q3 YTD 2021: Dynamic growth of the Group's EBITDA result

EBITDA segments* (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 the 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)

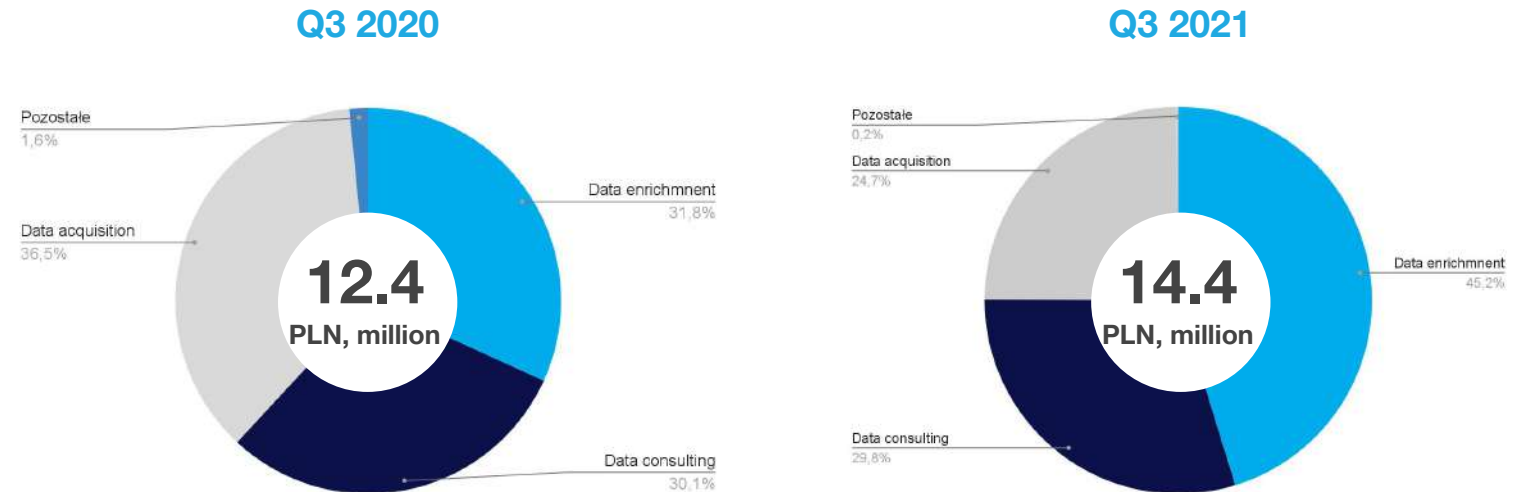


- The Group's EBITDA growth exceeded 470% y/y and reached PLN 13.4 million. The result in Q2 and Q3 2021 was also positively impacted by the exemption from the obligation to repay part of the loans received from the Polish Development Fund in the amount of PLN 0.9 million and PLN 1.6 million. Excluding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

* EBITDA segmentów operacyjnych, nie uwzględnia pozostałej działalności operacyjnej oraz dotacji

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

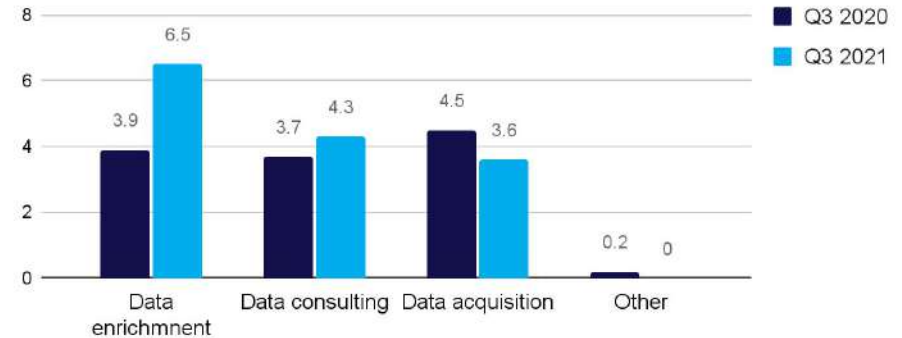
- Increase in share of segments with higher margin level (Data enrichment) at the expense of decrease in share of segments with negative margin level (Data acquisition).
- In Q3 2021, Data enrichment gained in importance generating over 45% of Group's revenues and for the third quarter in the row, recorded margin level approached 70%
- Data consulting is characterized by a fixed level of revenues but more important is profitability of this business area, which has been noted for several quarters.
- The 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.



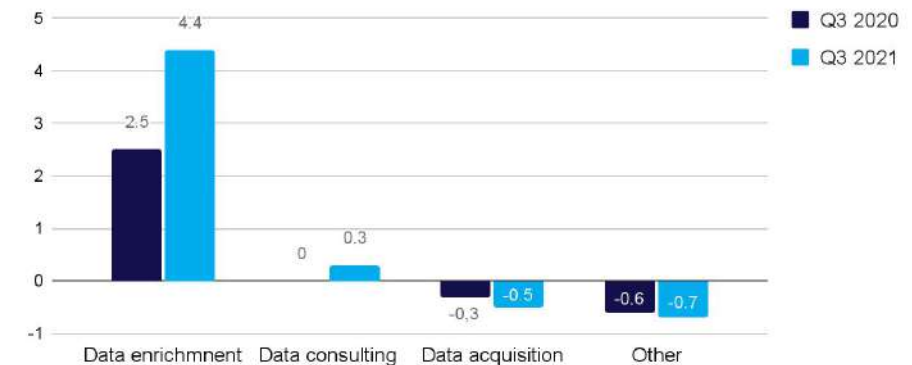
Q3 2021 segments: scalable Data enrichment segment

- **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

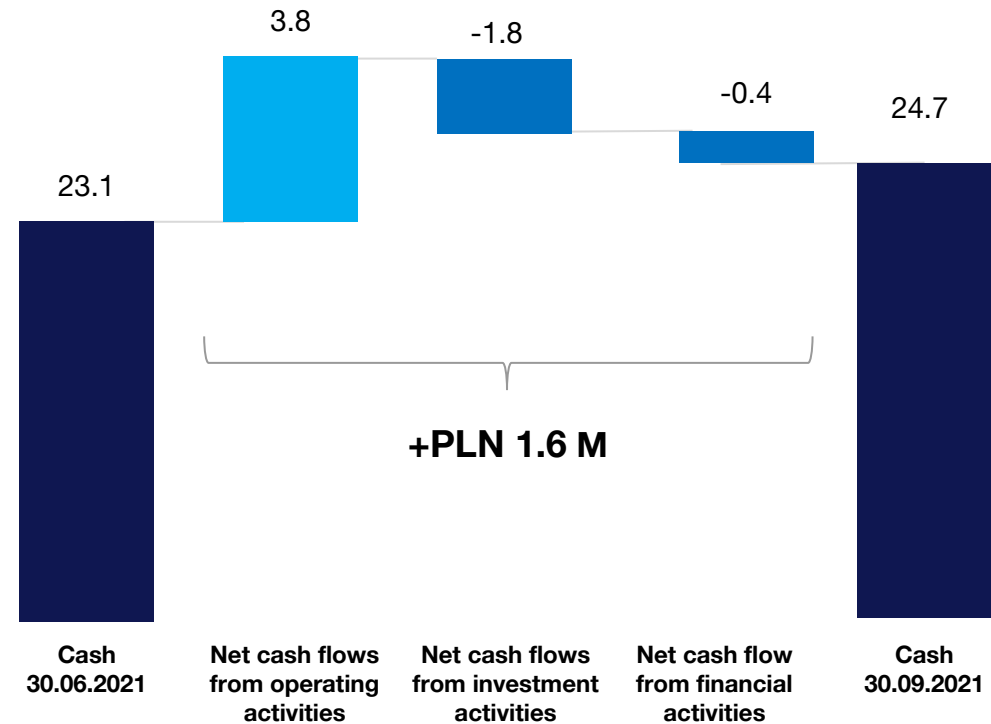
Q3 2021 Cash Flow: PLN 1.6 M increase of cash



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.



Summary



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

Thank you!

Piotr Prajsnar

Chairman of the Board

Piotr Soleniec

Member of the Board, CFO



CloudTechnologies