

VERCOM

| **Q2 2023**

Investor presentation

September 2023



: Scale beyond

: Key investment highlights

We are one of leaders of a fast-growing segment of tech market

- Operating in a **market growing 30%+** driven by secular tailwinds
- One of the fastest growing and most profitable CPaaS companies
- Proven ability to **double the scale of operations every 2 years**

We are scaling up the business globally

- Selling services to **73,000+ customers** in **180 markets**
- Ample headroom for growth by leveraging **2m freemium clients**
- Significant **potential to grow ARPU** by exploring price advantage

We are on track to become one of tech players globally

- Ambition to reach **1m of paying customers**
- Strong focus on development of **lite services** portfolio
- Potential **new acquisitions to be considered in 2024/2025**

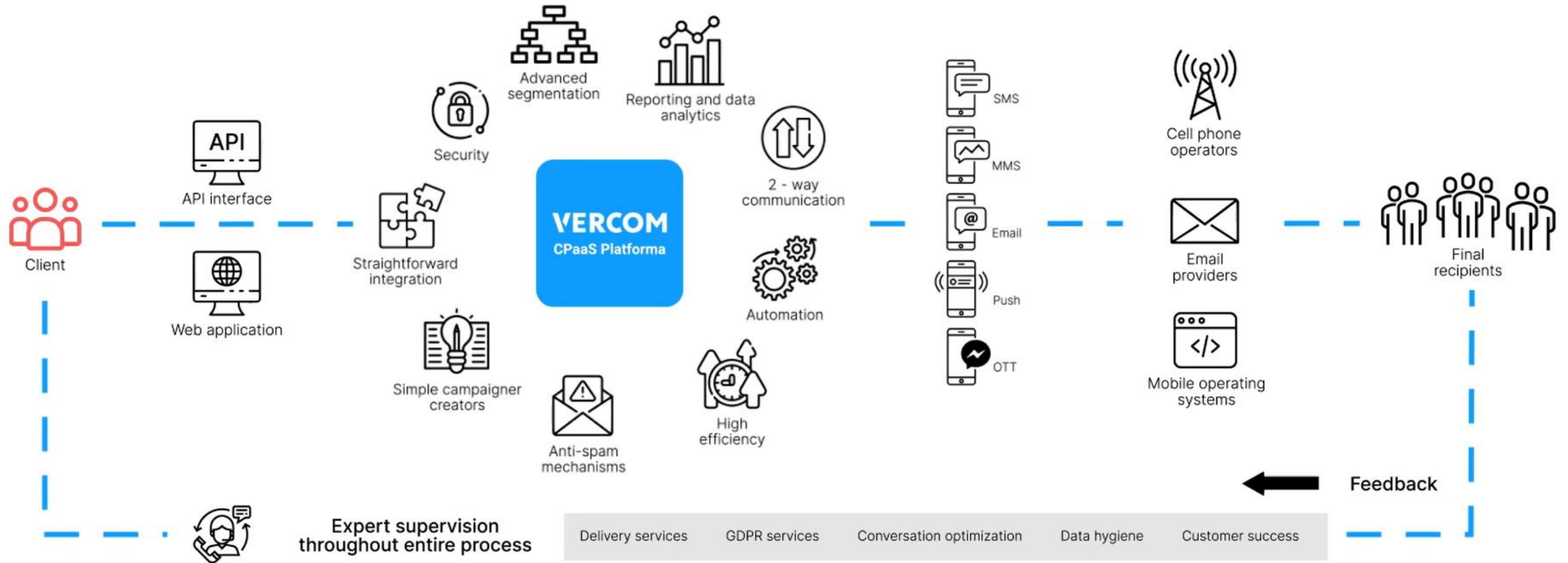
VERCOM



: Our mission is to help our clients to **reconnect with their audience** by removing communication and technological barriers



: Customer engagement platform leveraging cross-channel communication



: Our solutions are an inherent part of everyday life

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Shopping with the FAMILY card
is always a good choice.
You get 30% discount!



Your package is waiting
in parcel WAW12AP.
Pickup code 67843



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online. Go to <https://goo.lg/ak54f>
to view and manage your account.

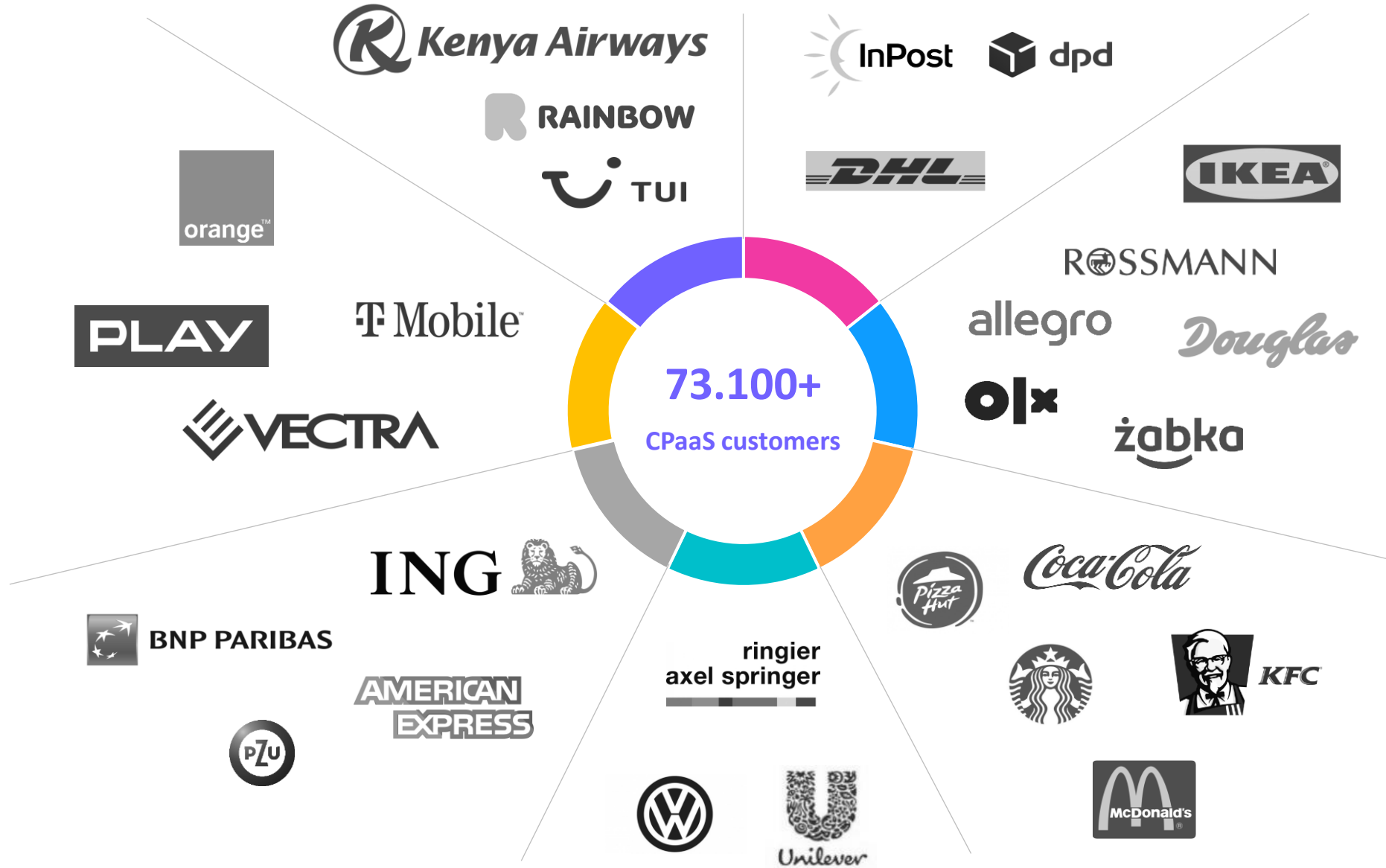


Hello, a hold has been placed on
your DHL parcel. Please review and
update your shipment information
below <https://dhl-update-id797475>

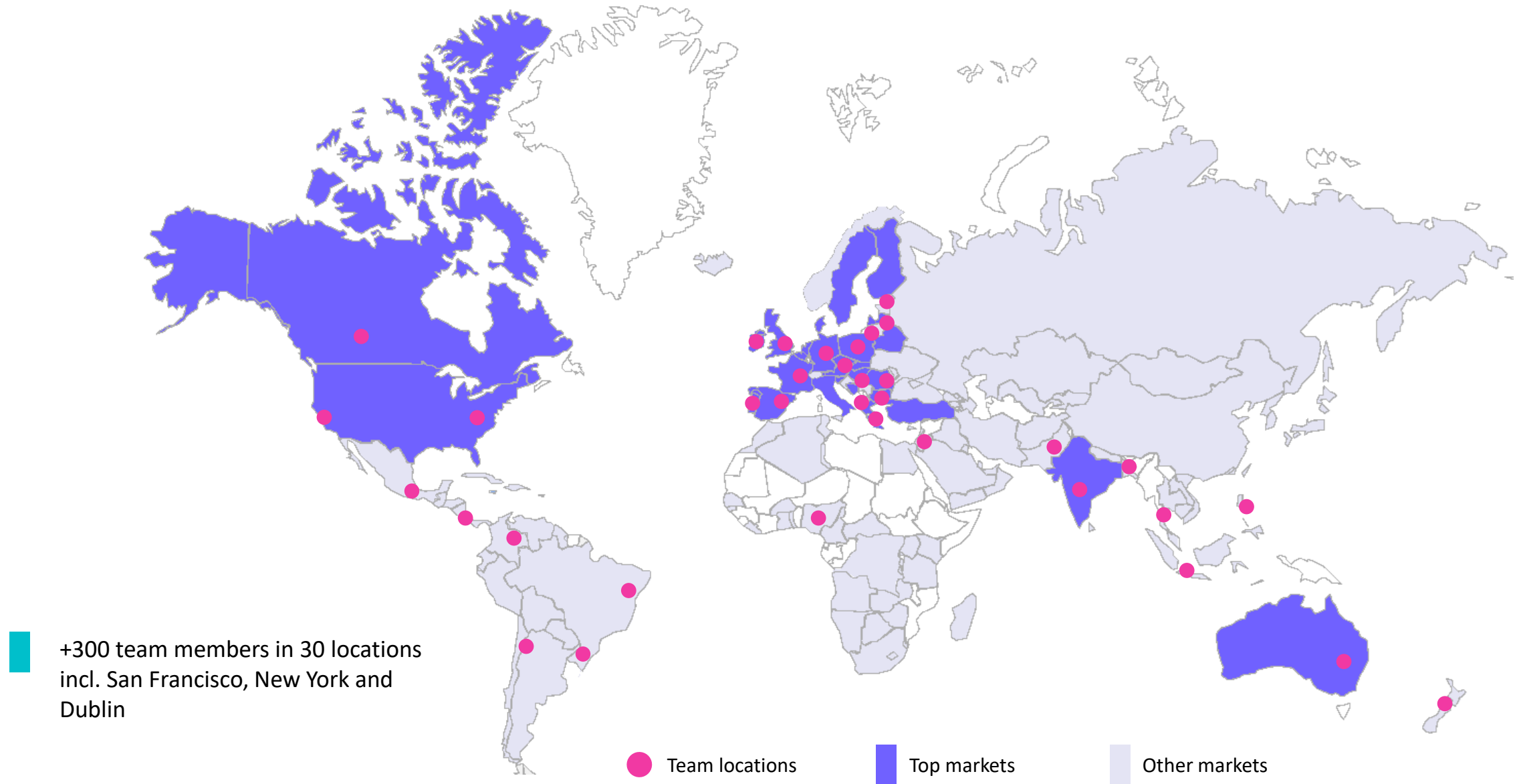


Your order #496862
has been completed
and is awaiting pickup

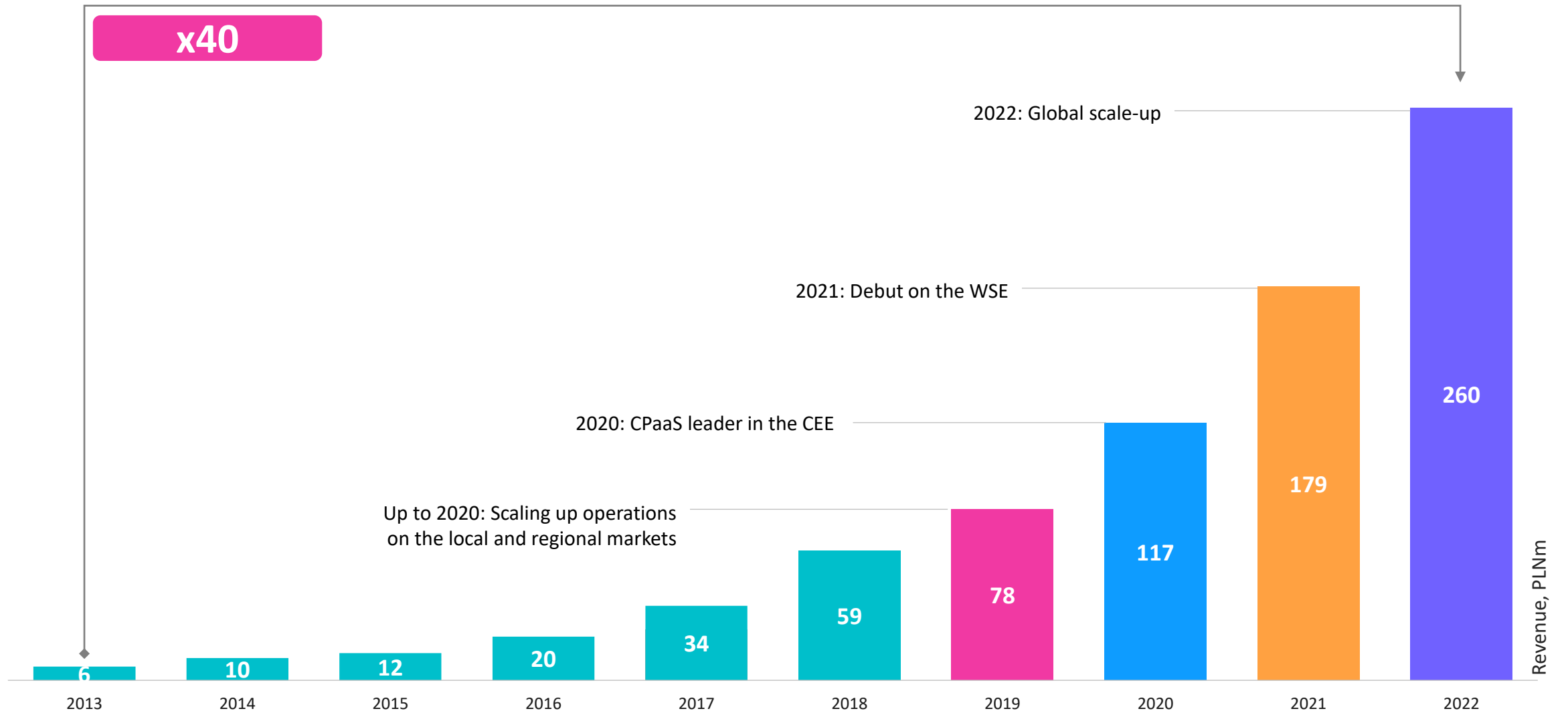
: 20 years of experience rewarded with trust of landmark partners



: Selling services to customers in 180 markets globally

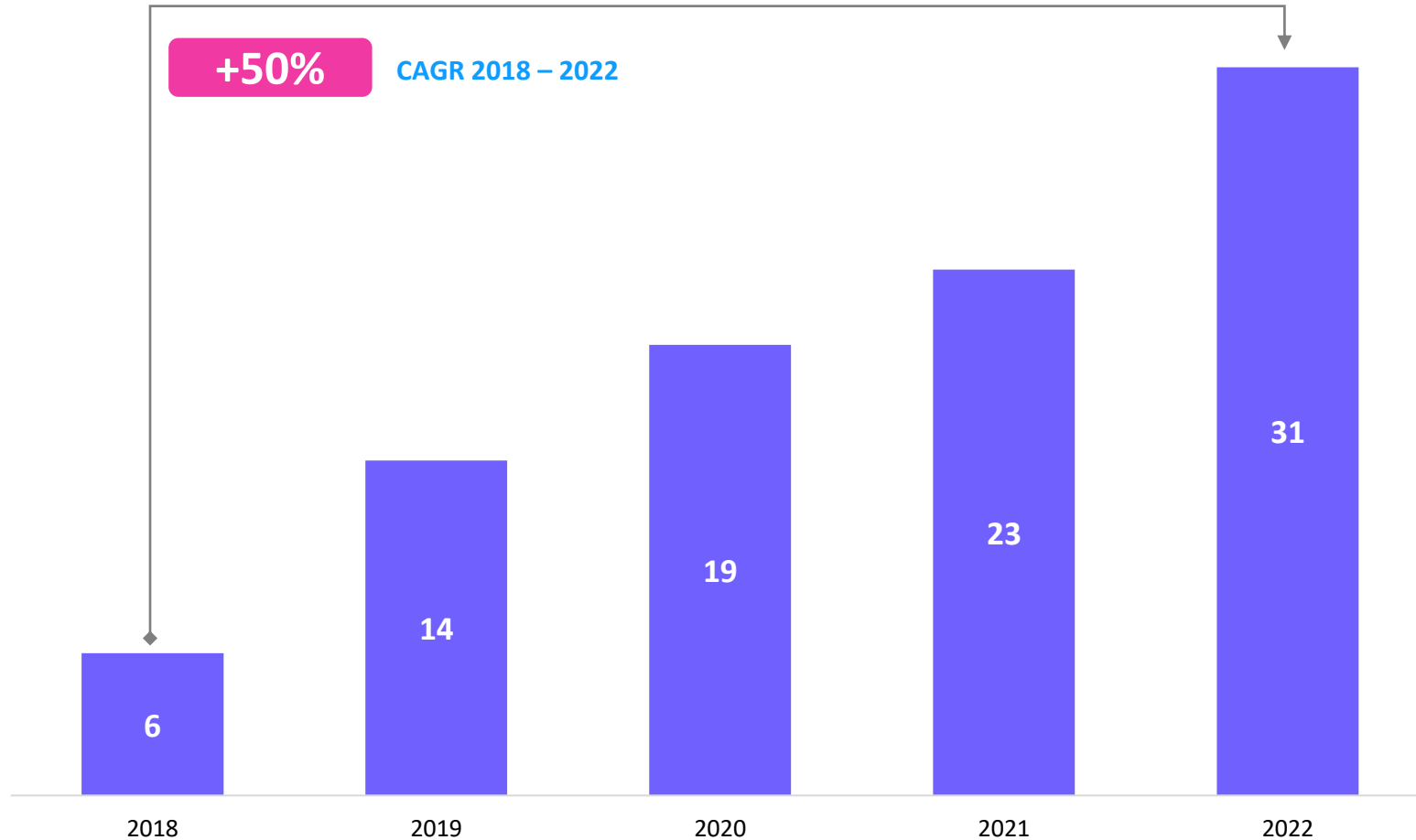


: Dynamic growth driven by organic expansion and value-accretive acquisitions



: Attractive perspective of growing dividends

Net profit (PLNm)



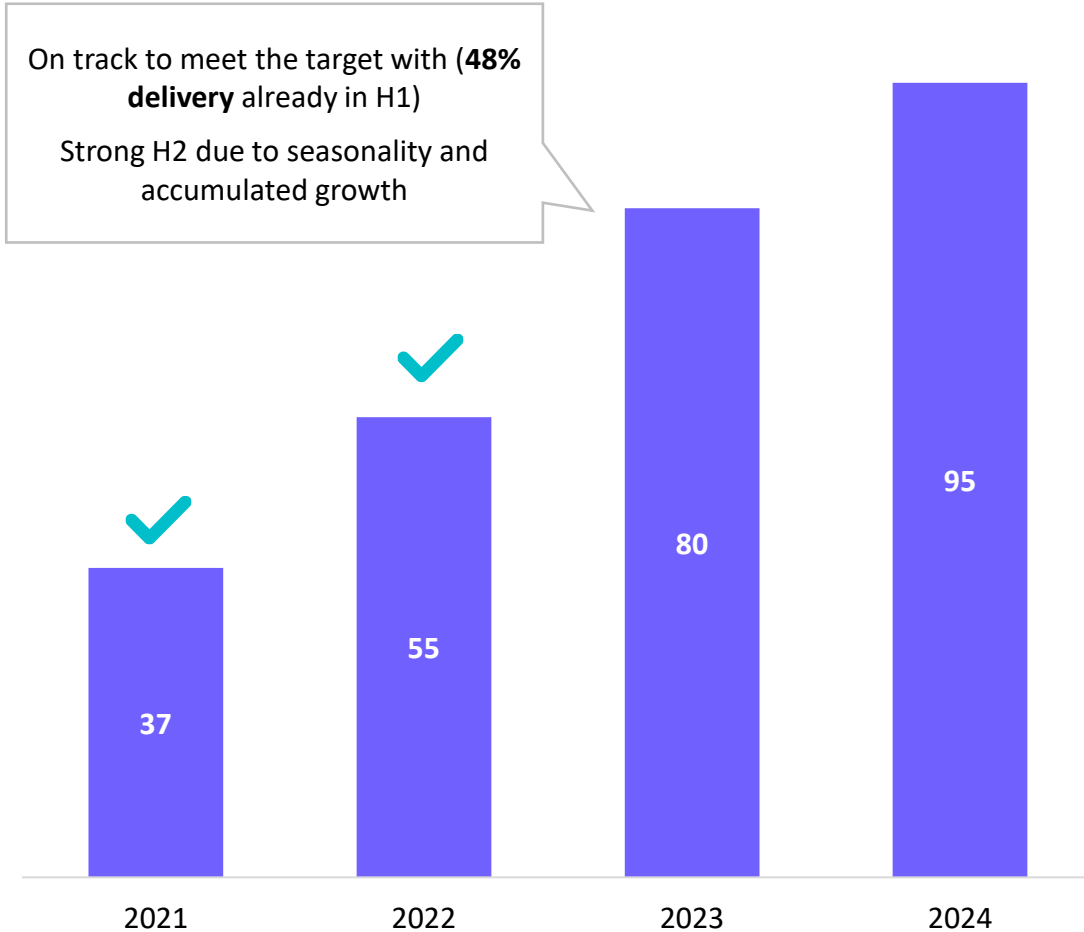
: Passing PLN 1.6bn valuation mark

Market capitalization (PLNk)

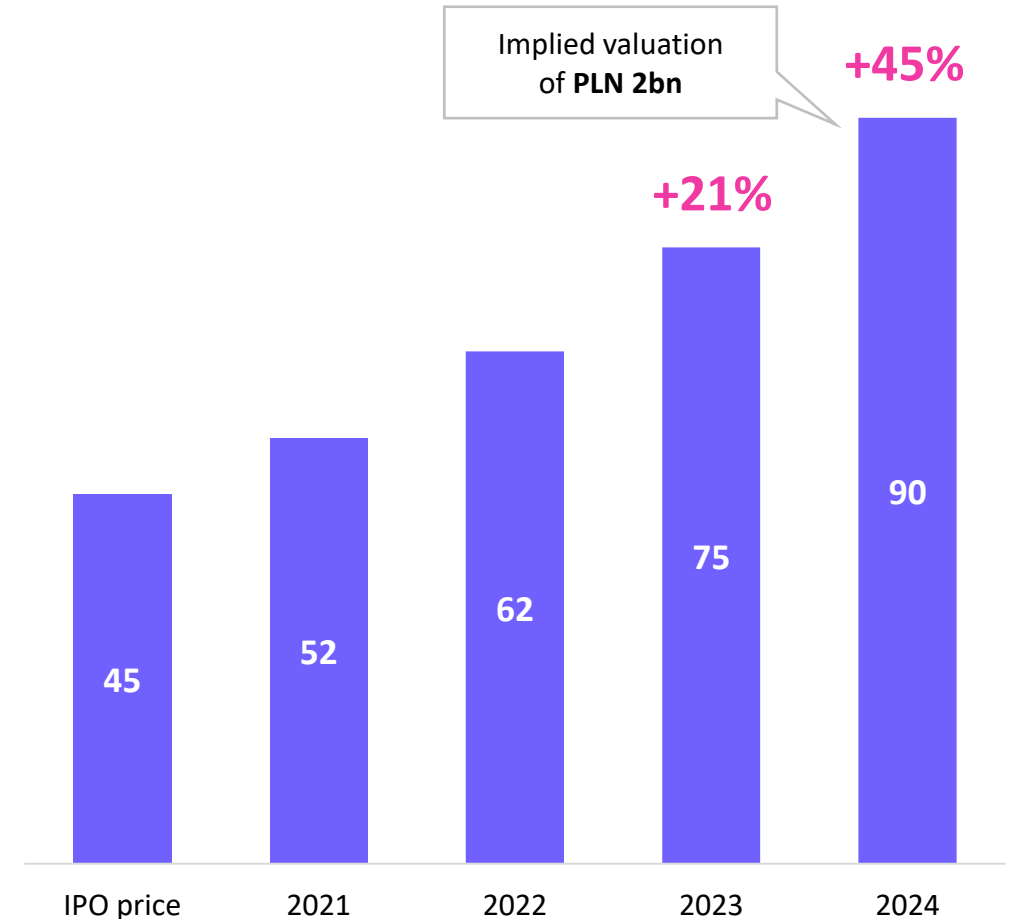


: We are on track to meet ESOP financial targets

Financial target – adjusted EBITDA (PLNm)



Market target – stock price (PLN per share)



: We continue to
grow fast while
improving product
mix



: Q2 2023 financial results

Gross profit

Increase y/y

PLN 44m

+108%

EBITDA

PLN 21m

+94%

Net income

PLN 18m

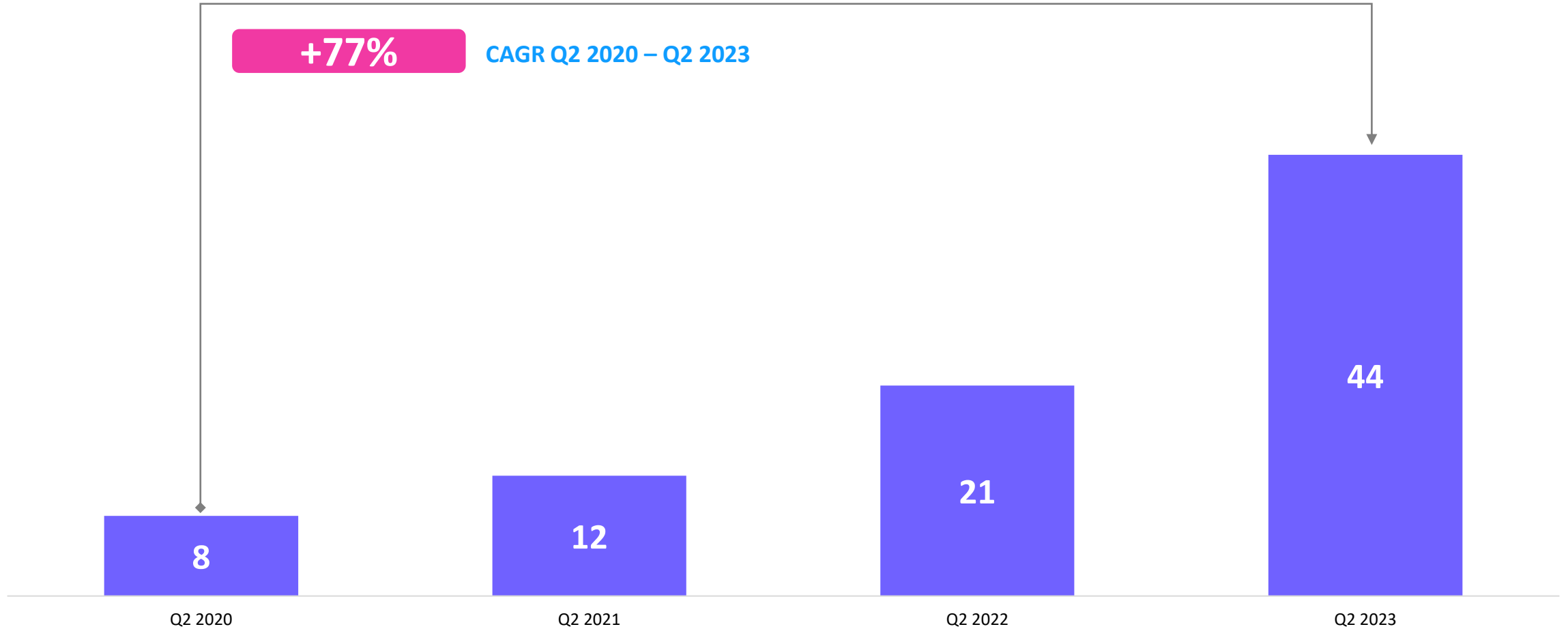
+269%

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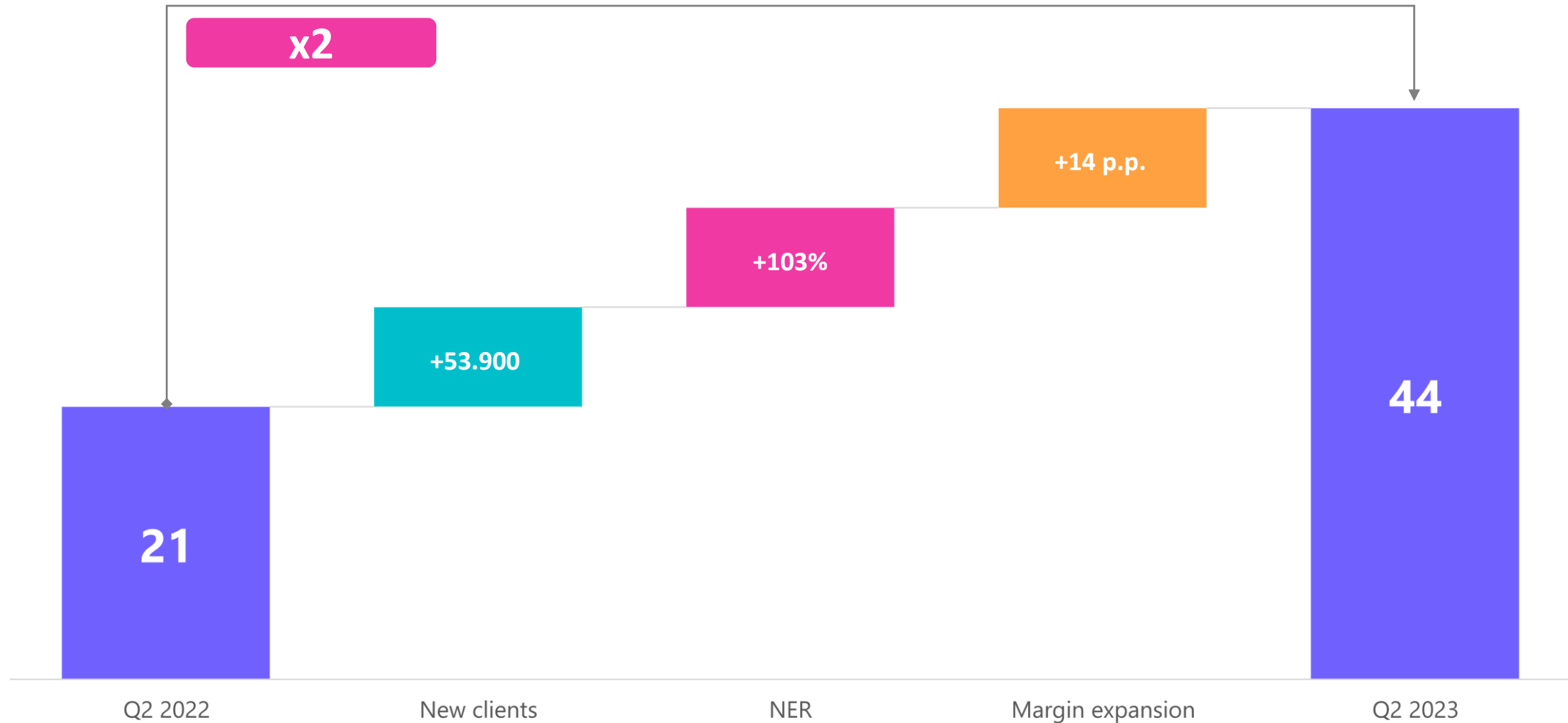
: Strong gross profit growth reflects the growing scale of operations

Gross profit (PLNm)



: Gross profit growth is driven by customer adds and margin expansion

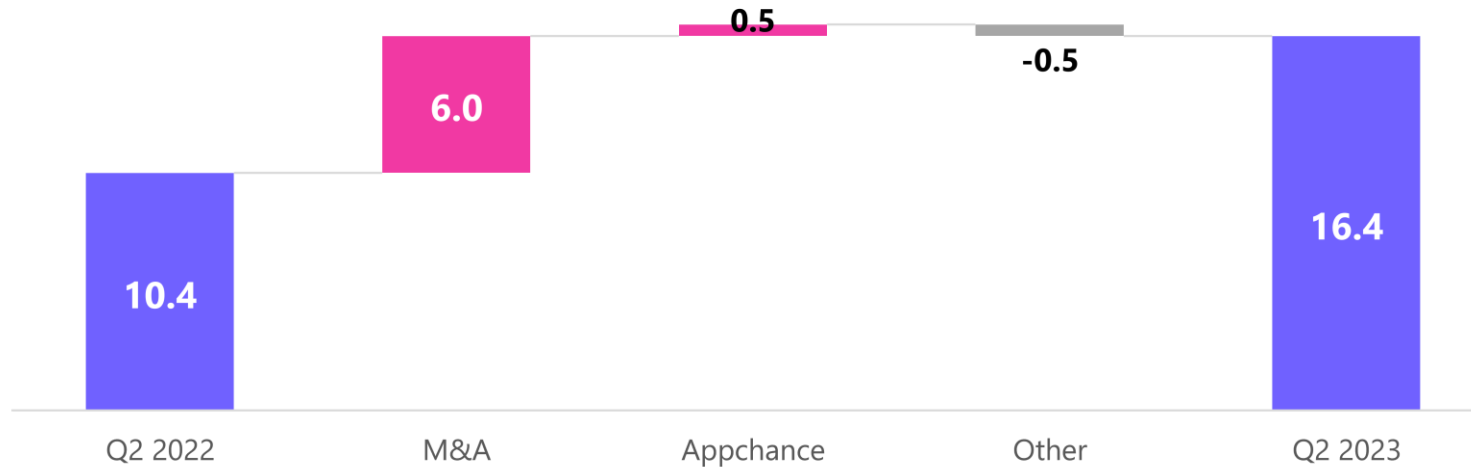
Gross profit (PLNm)



(1) NER (Net Expansion Rate) – change in revenue from retail customers generating revenue in the current and the comparative period. Applies to revenue from the CPaaS segment

: Stable SG&A cost base allows to benefit from operating leverage

General and administrative expenses (PLNm)



Note



Increase of G&A was mostly associated with the impact of acquisitions, i.e.:

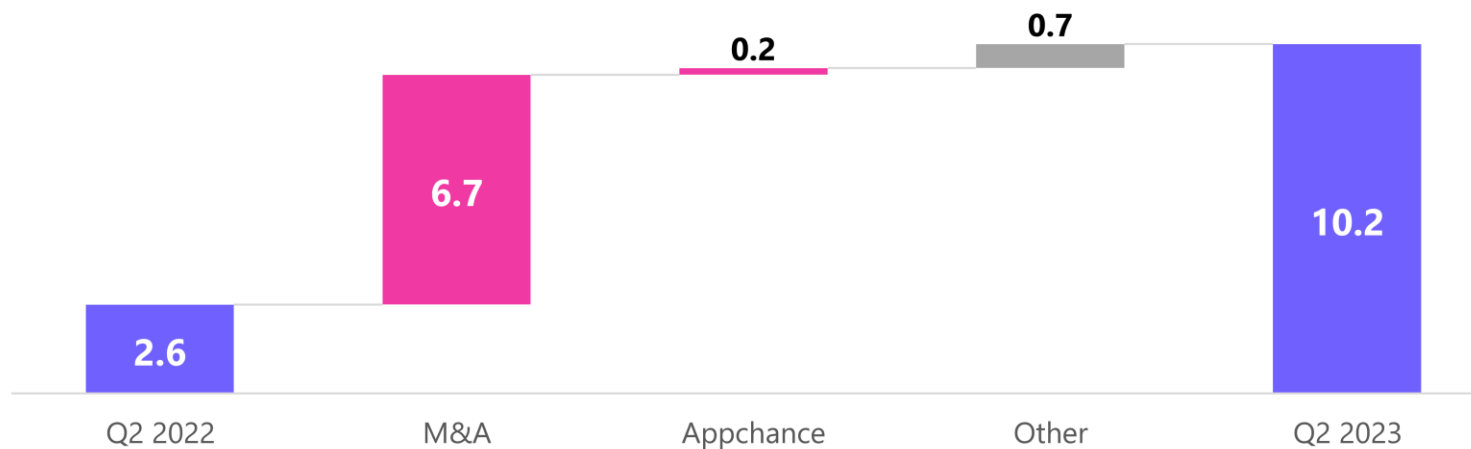
Consolidated since mid Jul-22:

- (i) MailerLite (c. PLN 4.7m)
- (ii) Oxyllion (c. PLN 1.3m)

Consolidated since May-23:

- (i) Appchance Group (c. PLN 0.4m)
- (ii) Center.AI (c. PLN 0.1m)

Sales and marketing expenses (PLNm)



Increase of sales & marketing costs was mostly associated with the impact of acquisitions, i.e.:

Consolidated since mid Jul-22:

- (i) MailerLite (c. PLN 6.7m)

Consolidated since May-23:

- (i) Appchance Group (c. PLN 0.1m)
- (ii) Center.AI (c. PLN 0.1m)

* M&A costs comprise the costs associated with acquired companies, that were not consolidated over the entire previous reporting period

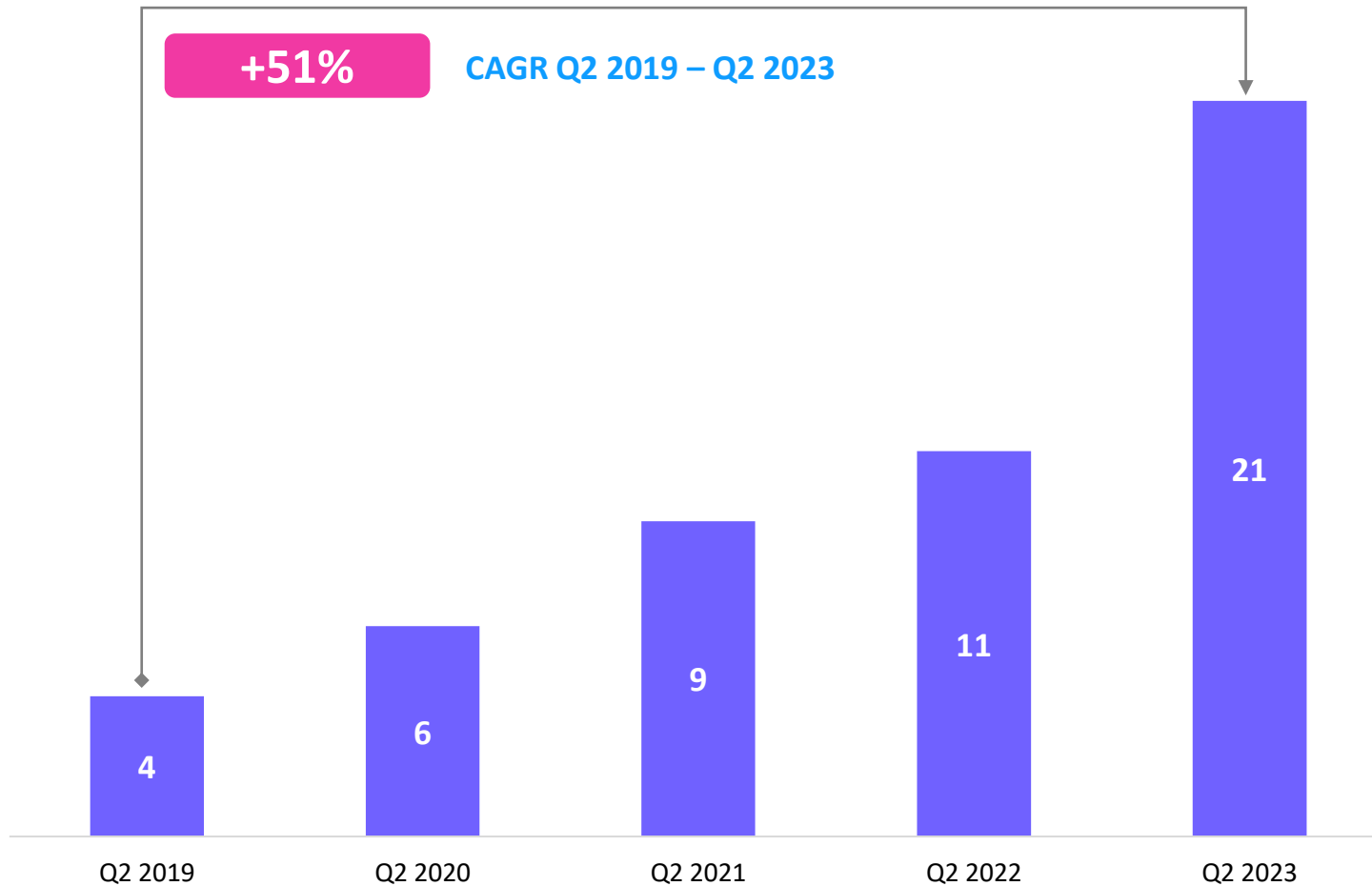
: Our cash generation capacity is benefiting from **expanding profit margins**



: Dynamic EBITDA growth in line with target growth trajectory

EBITDA (PLNm)

Note



Q2 2023 EBITDA above the Management expectations and target growth trajectory for 2023



Nearly twofold increase of EBITDA YoY to PLN 21m



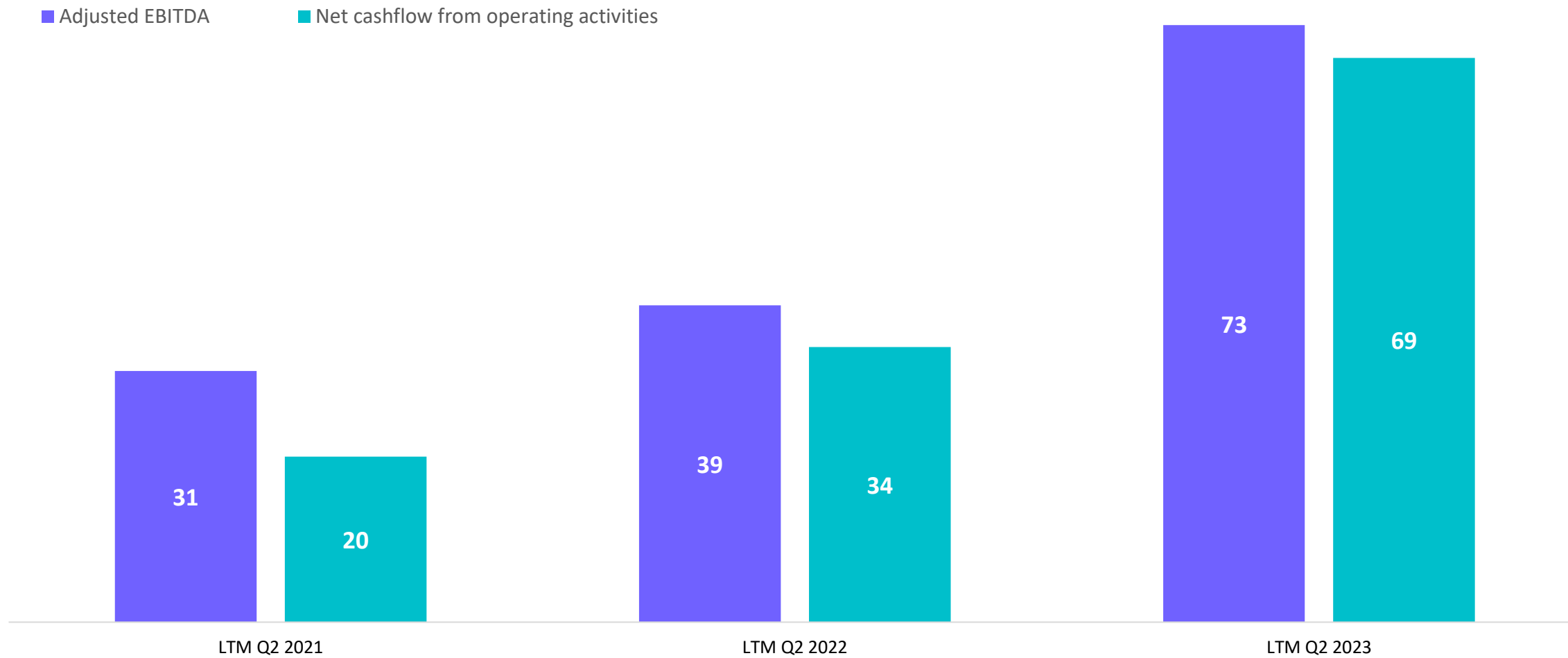
Increasing EBITDA margin amounting to c. 26% in Q2 2023



Expansion of EBITDA margin by c. 6 p.p. YoY driven by improving product mix and operating leverage

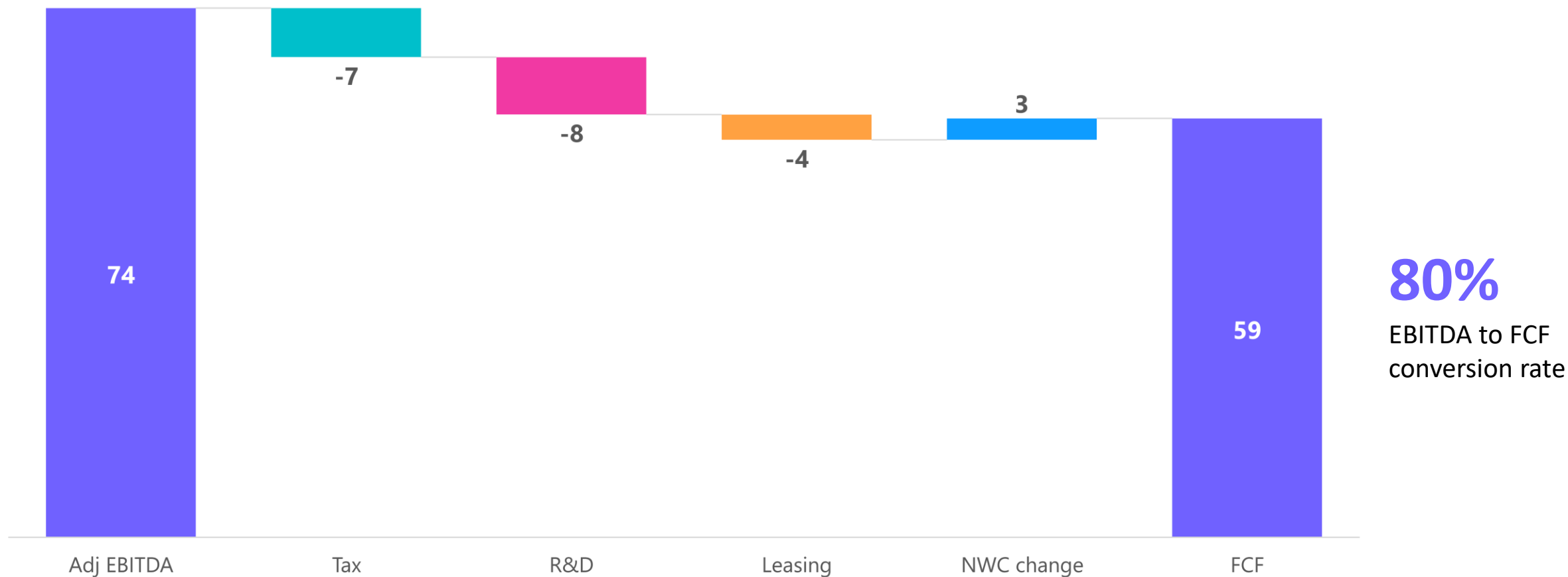
: Growing conversion rate of EBITDA into operating cash flow

Adjusted EBITDA and net cashflow from operating activities (PLNm)



: High cash generation capacity

LTM EBITDA to LTM FCF bridge (PLNm)

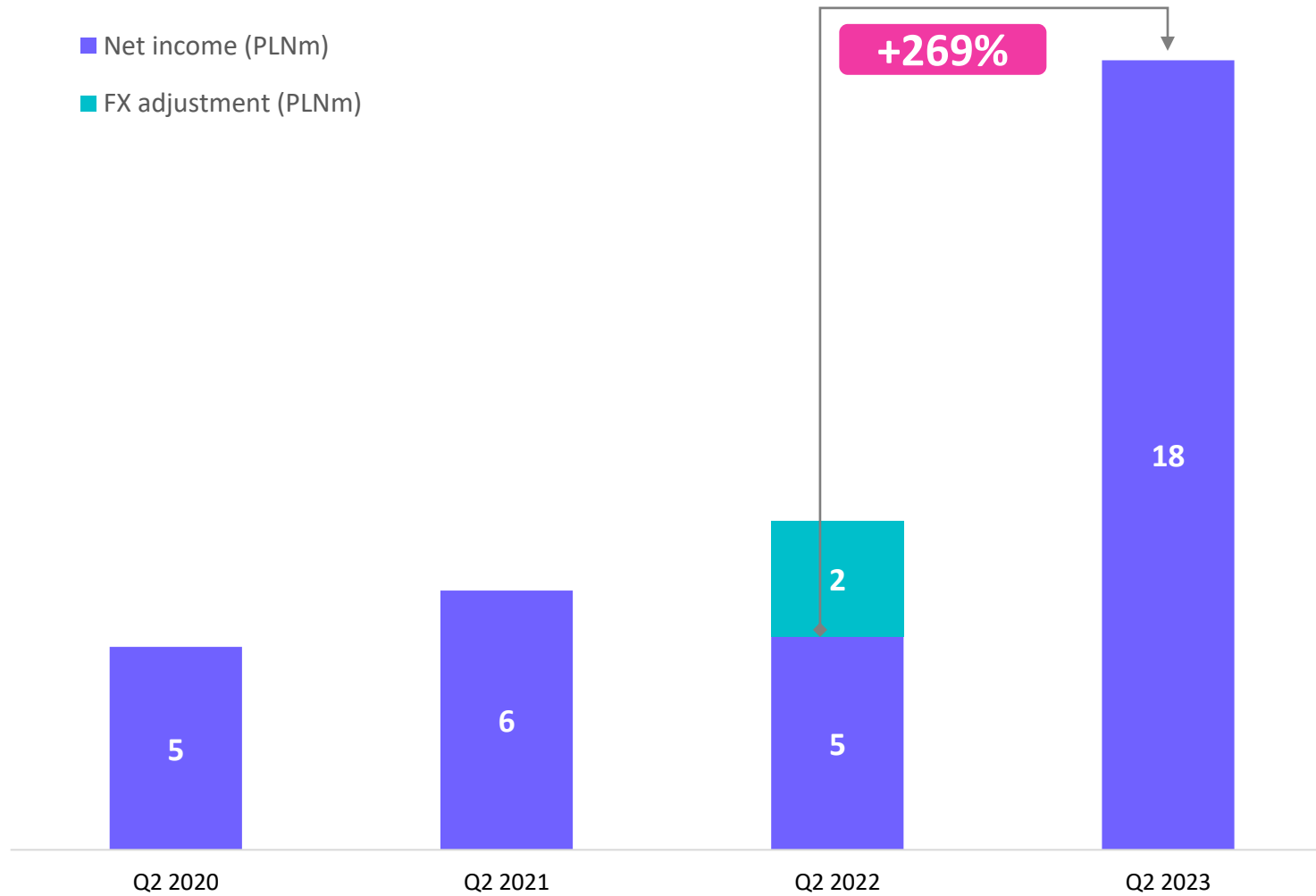


: We deliver strong net
income growth providing
**ample space for
generous dividends**

: Robust net income growth

Net profit (PLNm)

- Net income (PLNm)
- FX adjustment (PLNm)

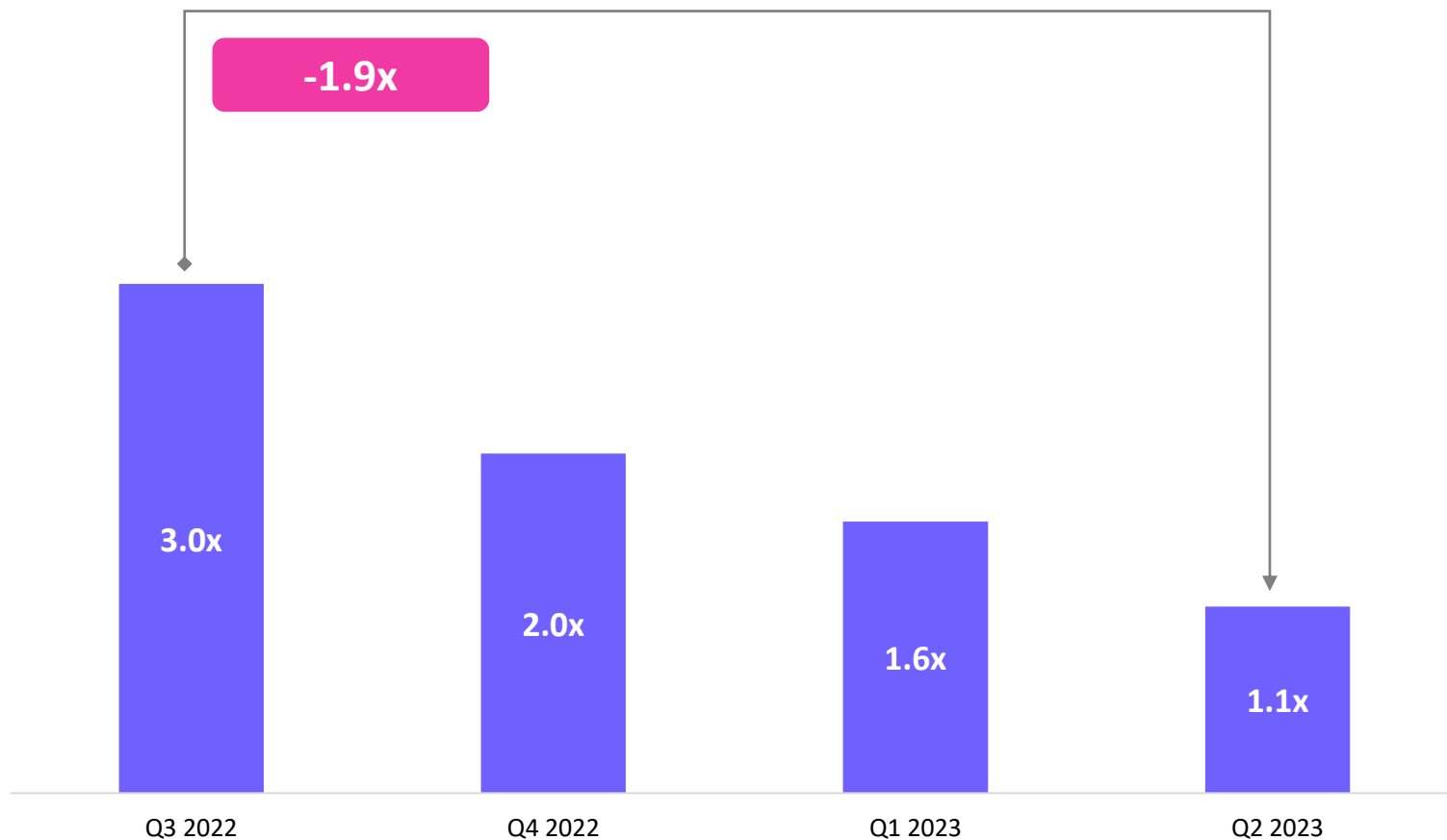


Note

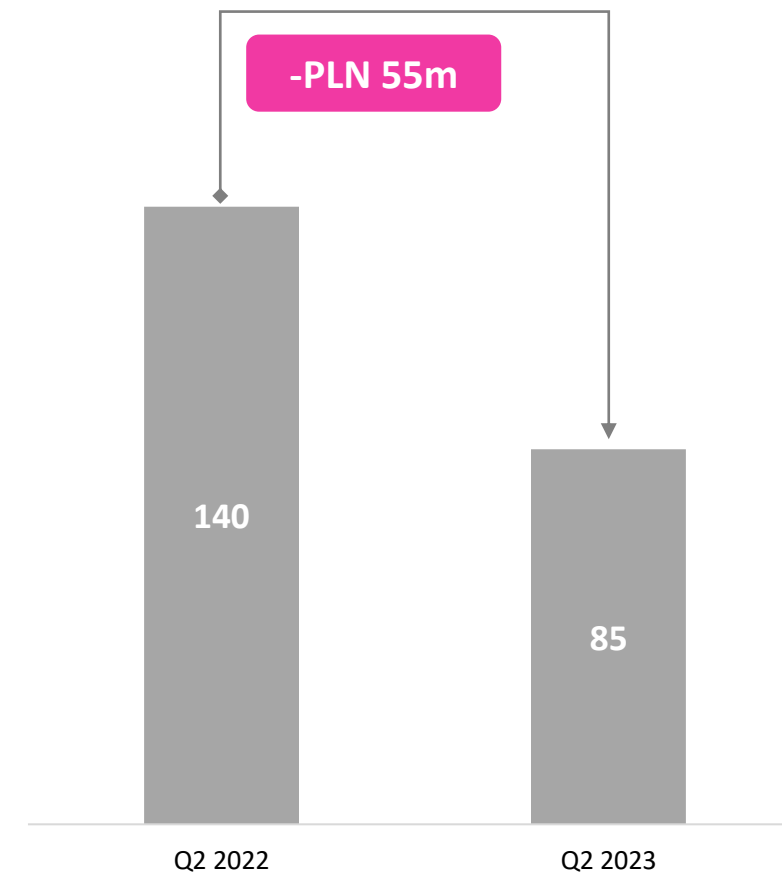
- ✓ Robust net profit growth yoy
- ✓ Net income supported by:
 - Favourable FX rates
 - Decrease in the cost of financing due to the lower credit margin resulting from gradual decrease of net debt / EBITDA
 - Expected stabilization of EURIBOR and WIBOR
 - Positive effective tax rate impact due to the decreasing level of interest payments

: Safe and decreasing level debt

Net debt / LTM EBITDA



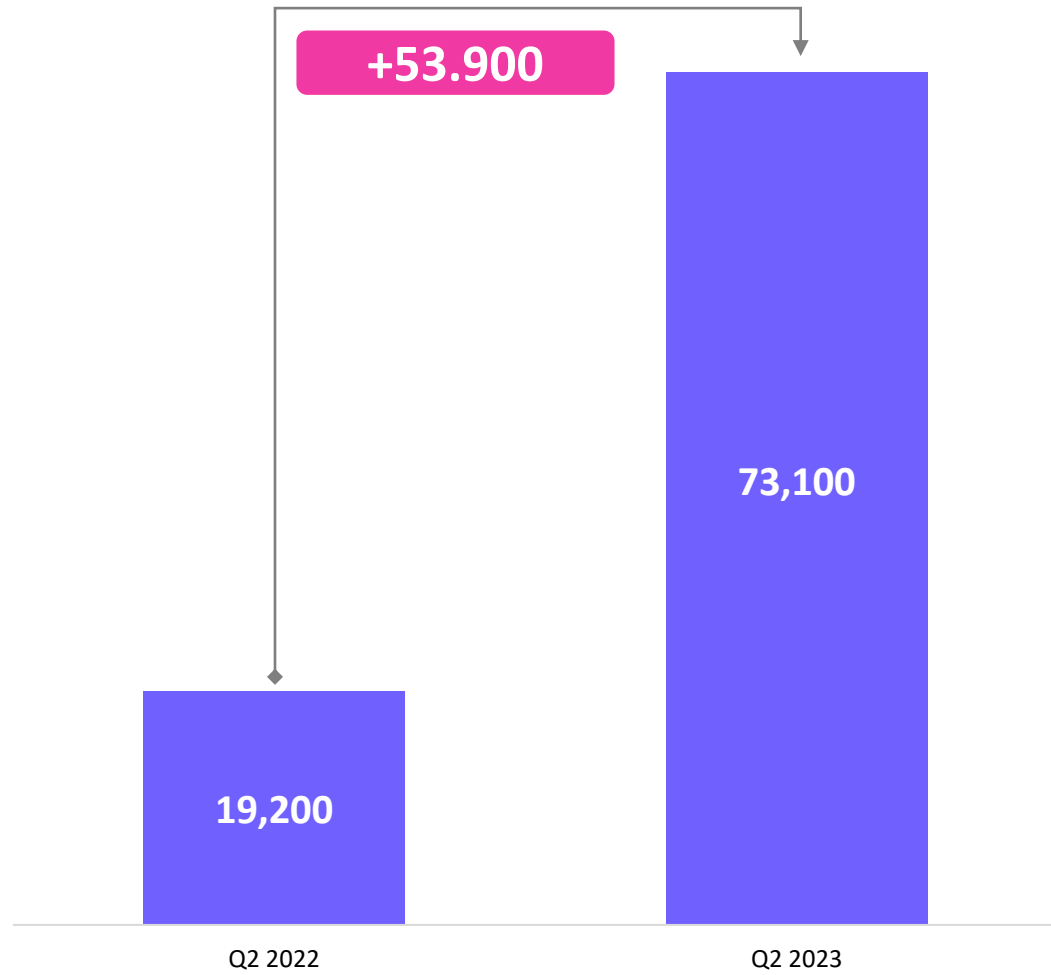
Net debt (PLNm)



: Increasing global footprint means **we are more diversified than ever before**

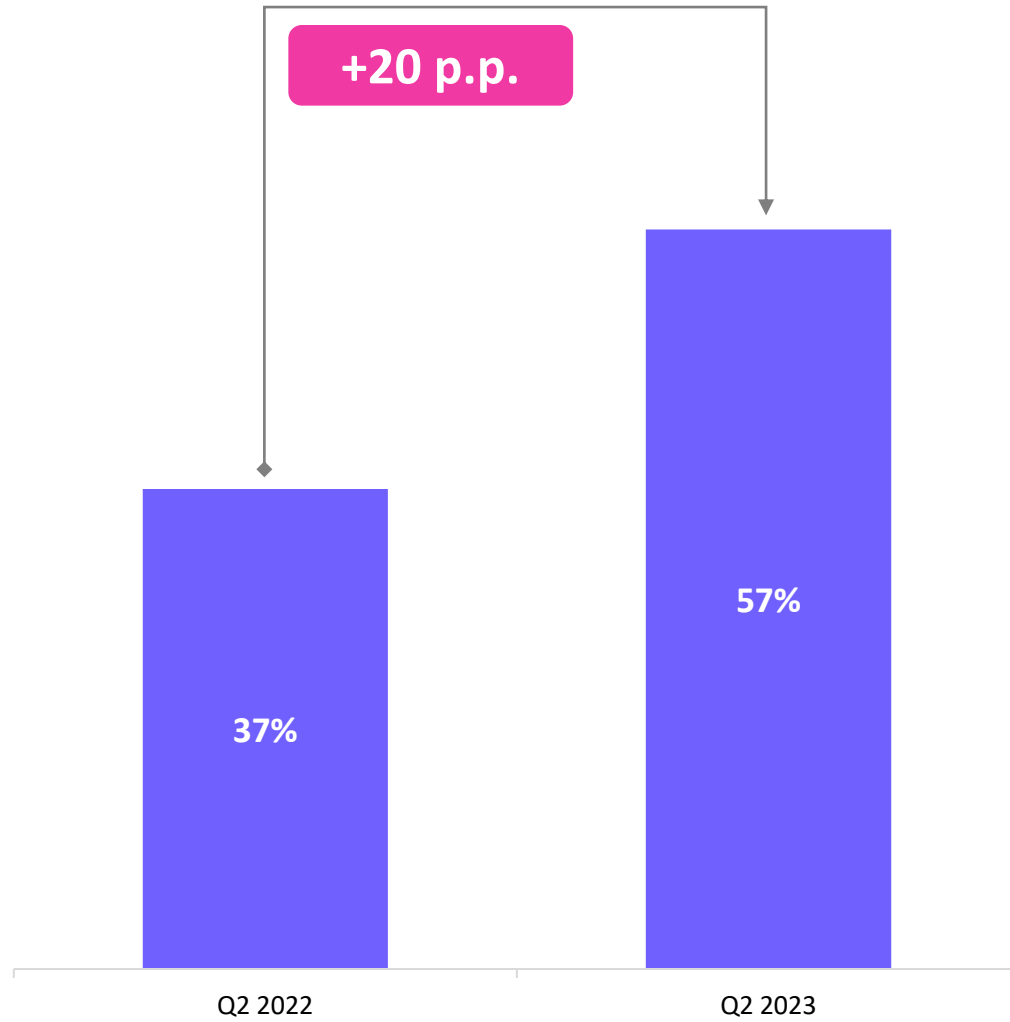
: 3x increase in the number of customers

Number of CPaaS customers



: Growing contribution of international sales

International sales as a % of CPaaS revenue



: Attractive customer structure

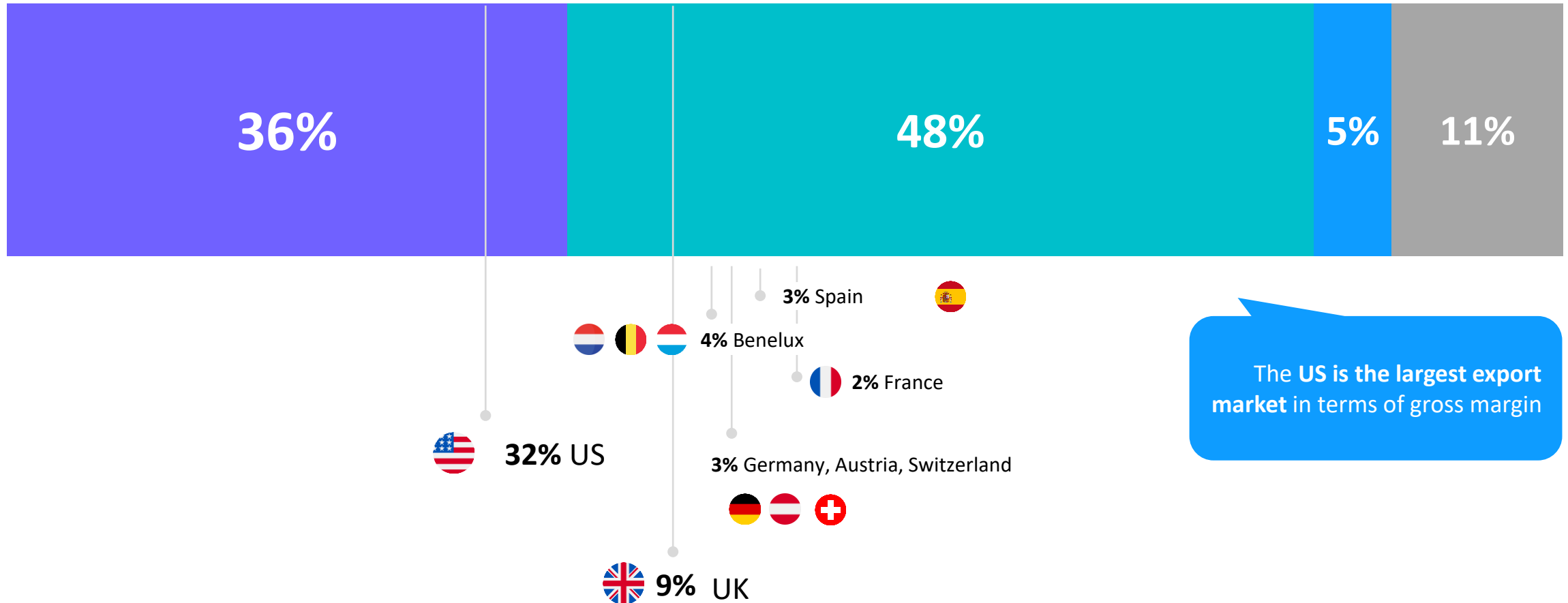
Estimated structure of gross margin generated on foreign customers in H1 2023

North America

Europe

Asia

Other



The US is the largest export market in terms of gross margin

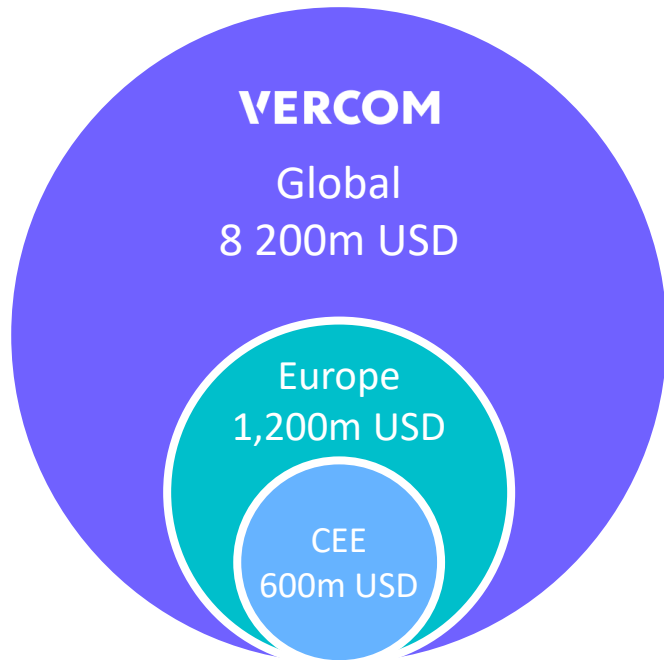
: We have secured
long-term growth
potential via **14x**
increase of TAM



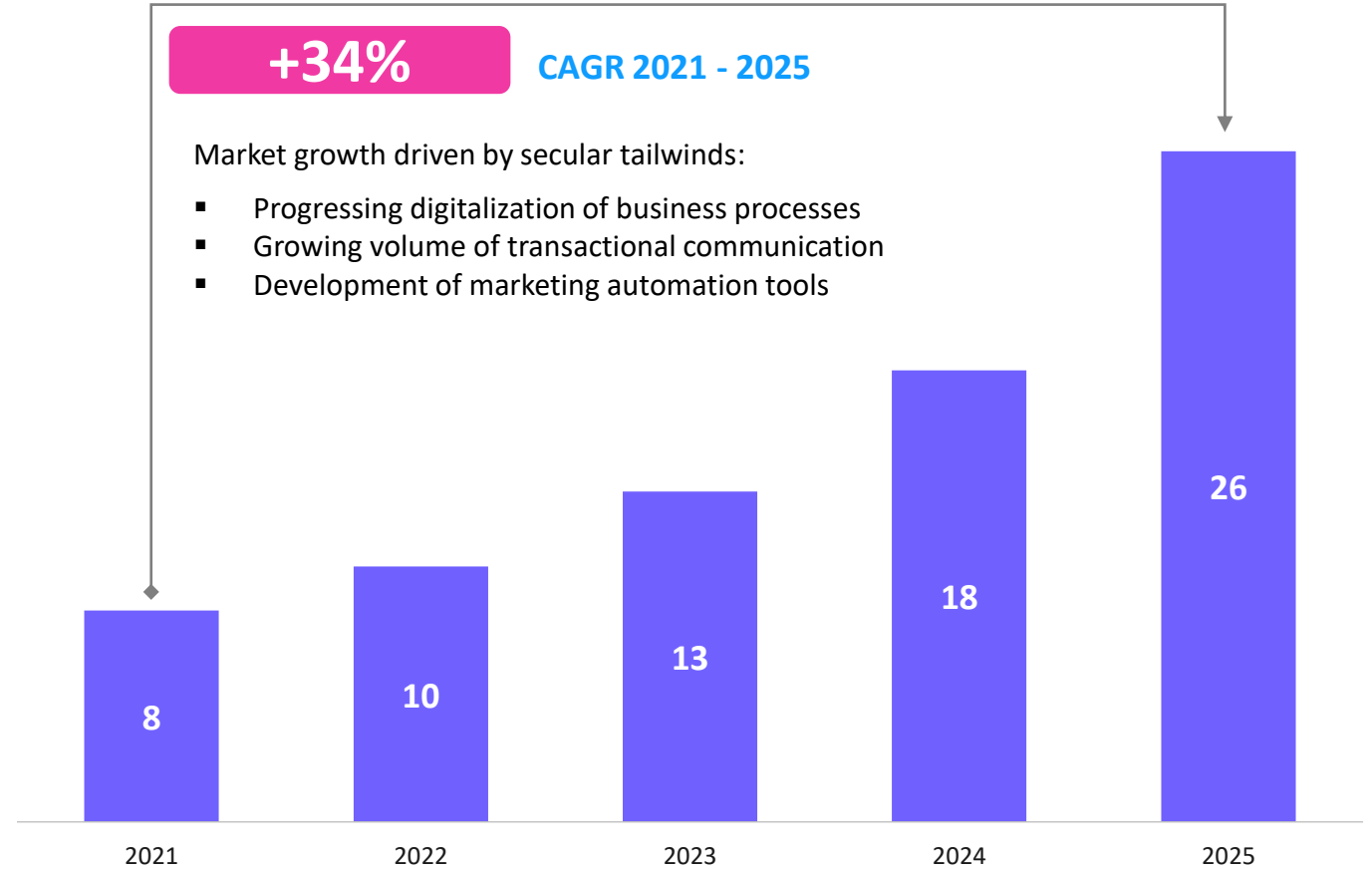
: Exponential growth of target addressable market

Target addressable market (TAM)

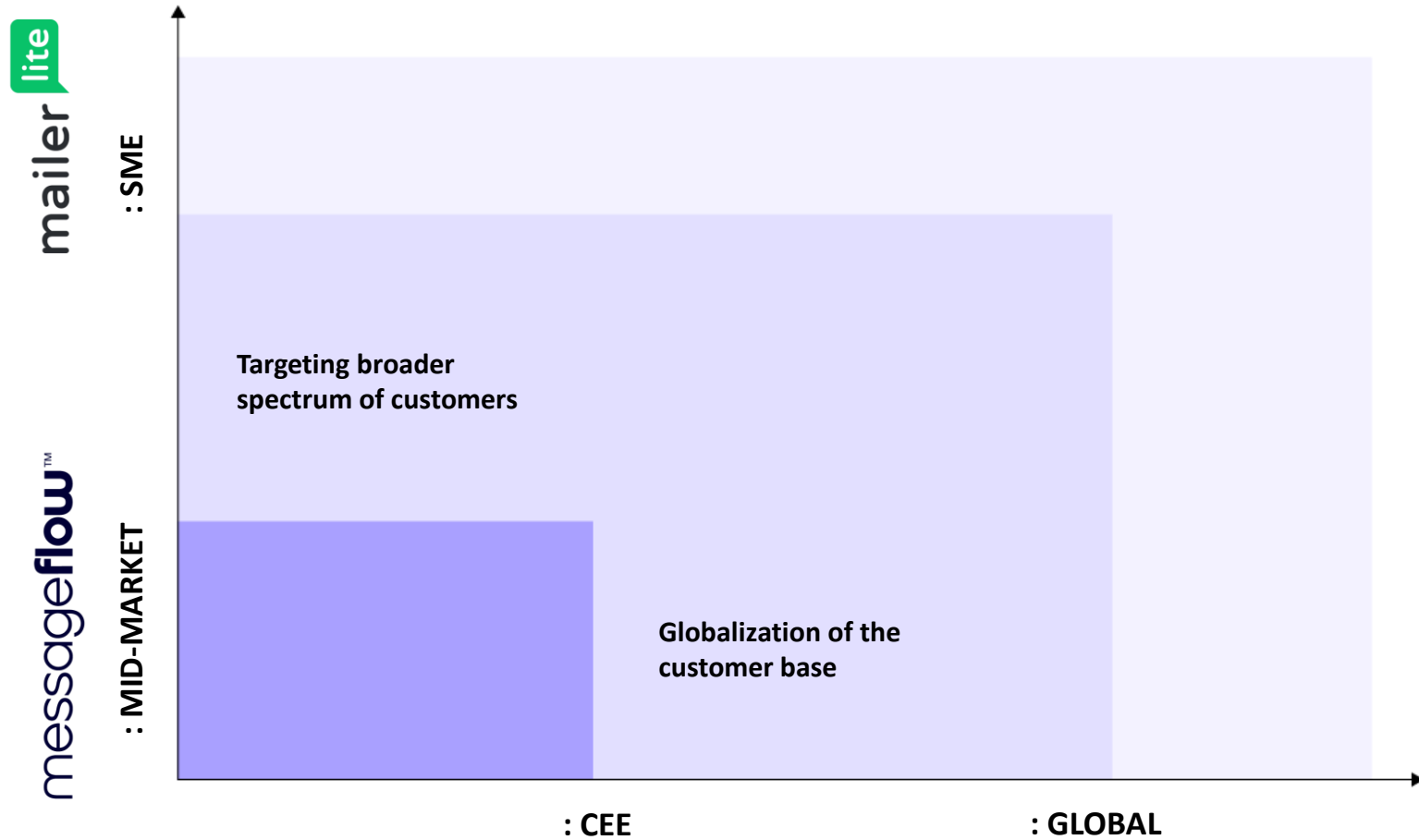
14x TAM growth



Global CPaaS market value (USDb)



: Strategic focus on increasing international presence



Growth strategy in SME segment

- ✓ Tap the tremendous potential of 2m freemium clients
- ✓ Improve monetization of paying users via new services and localizations
- ✓ Leveraging strong competitive position and brand recognition

Growth strategy in mid-market segment

- ✓ New MessageFlow platform dedicated to mid-market clients
- ✓ Continuing proven land & expand strategy
- ✓ Leveraging cross-selling potential of omnichannel (sms, email, push, OTT) product offering

: Product roadmap reflects our strategic goals for 2023-2024

 **: Solutions for Mid-market clients**



Launch of MessageFlow
to enable expansion into new geographies



New integrations with global SaaS systems



Commercial implementation of **conversational communication solutions** leveraging proprietary and 3rd party AI technology

 **: Solutions for SMBs and creators**



Multi-language support in MailerLite
Polish and Spanish localization



Integration of Freshmail with MailerLite



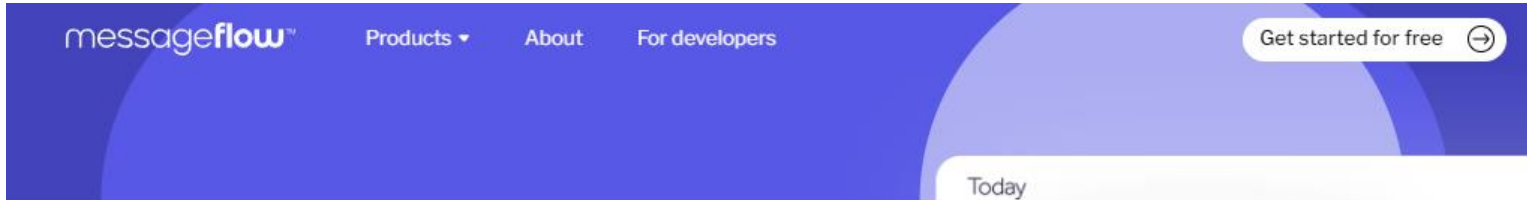
2023

2024

: Continuous
development of key
products to **drive
customer growth**



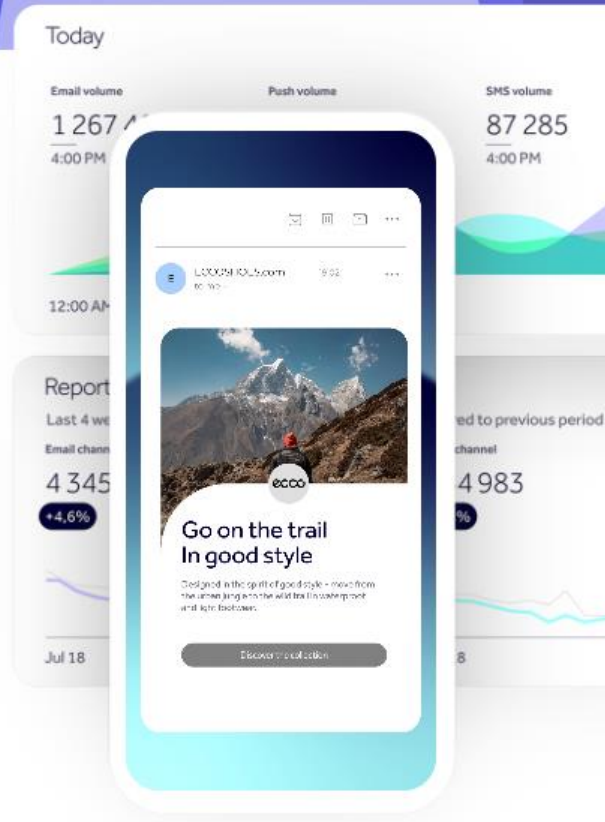
MessageFlow.com



Infrastructure for cross-channel communication

MessageFlow is your trusted expert in unlimited cross-channel communication. Level up your customer journey with our world-class solutions.

Get a demo 



One stop-shop for our enterprise customers providing access to the most advanced features and all communication channels



Dedicated suite of tools for both marketers and developers



Fresh look and new back-end to provide our customers with best-in-class user experience and ensure the highest level of security



Full-scale product launch and marketing campaign planned in Q3/Q4 2023

: MailerLite – one of the top3 global email marketing platforms for SME clients

MailerLite

The screenshot shows the MailerLite website. At the top, there is a navigation bar with the MailerLite logo and links for Features, Pricing, Gallery, Why Lite, and Resources. Below the navigation is a green banner for 'Email campaigns' with a right-pointing arrow and the text 'Create engaging, dynamic emails in minutes with our intuitive drag & drop email editor.' To the left of the banner is a white analytics dashboard with three sections: 'New' (14,046 last 30 days), 'Unsubscribed' (8,139 last 30 days), and a line chart for 'Subscribes' (126) with a date range of 2022-10-06. Below the dashboard is a section titled 'Track your results' with a right-pointing arrow and the text 'Monitor performance to find what works best for your business.' To the right of the dashboard is a large image of three women sitting on a stone ledge, smiling and looking at a laptop. The 'mag' logo is visible above the image.



Award-winning digital email marketing platform enabling SME customers to grow the audience and drive revenue



Strong focus on customer-friendly approach that removes complexity while still offering advanced features



Customer-driven development with new features people actually need (e.g. recently launched AI-powered drag&drop editor)



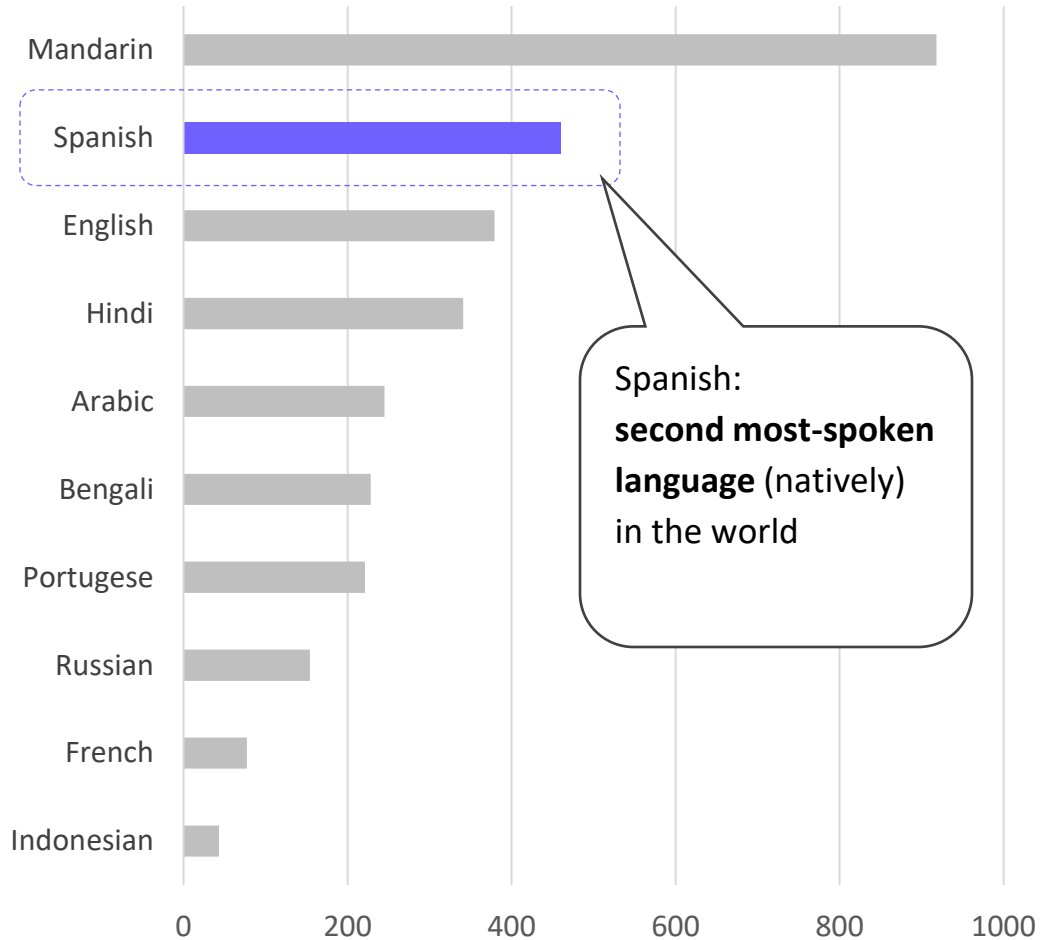
24/7 live support in English as well as Spanish and Polish (the latter added in summer 2023)



Self-service, scalable sales model with dynamically growing number of customer (2m+ freemium clients)

: Tapping new SME client pockets via new language versions of MailerLite

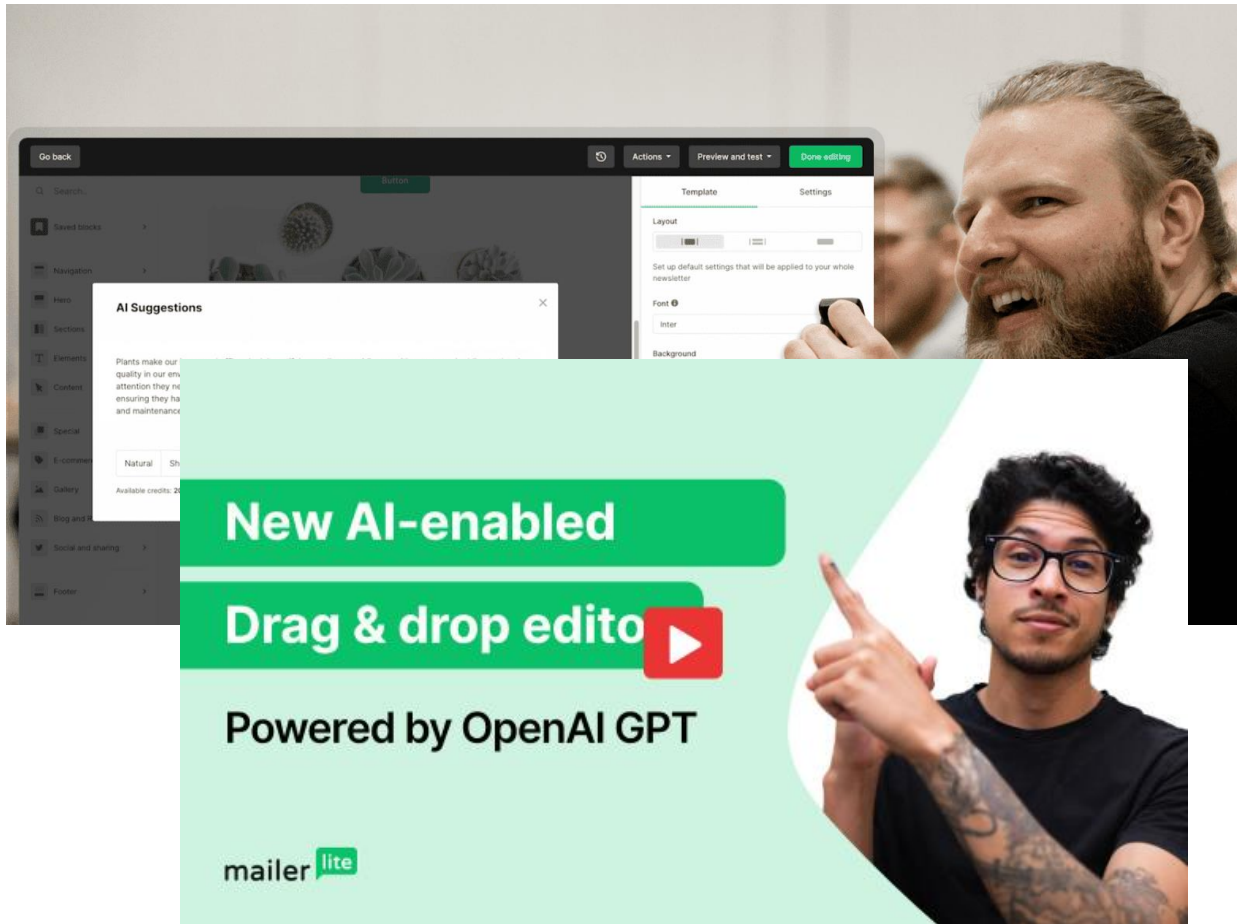
Most spoken languages (mn of speakers)



Cesar and Josue, customer support

: New AI-powered drag&drop editor in MailerLite

New AI-powered Drag & drop editor



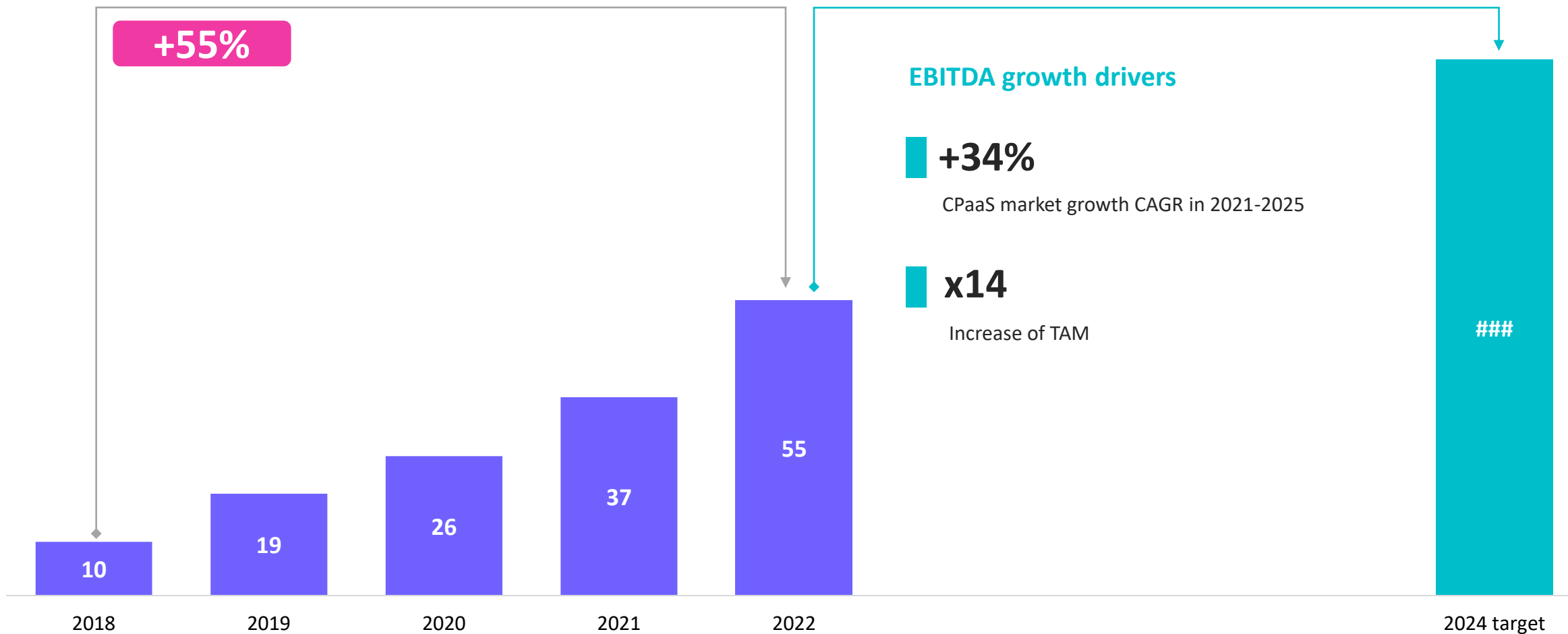
- ✓ The new Drag & drop editor leverages GPT technology to help prepare high-quality content in seconds
- ✓ Completely redesigned and full of features specifically requested by MailerLite users
- ✓ One of the key features is AI-powered email writing assistant which reduces the time required to prepare a new message
- ✓ Need to write persuasive product descriptions? Done. Want to transform your newsletter copy into a compelling story? Easy!
- ✓ Artificial intelligence can never replace human intuition, but it makes a great personal assistant to help create content faster, increase productivity, and improve message clarity

: We are **on track** to achieve our mid-term growth targets



: We are on track to maintain EBITDA growth trajectory

Adjusted EBITDA (PLNm)



: Significant upside potential

We are exploring new client pockets

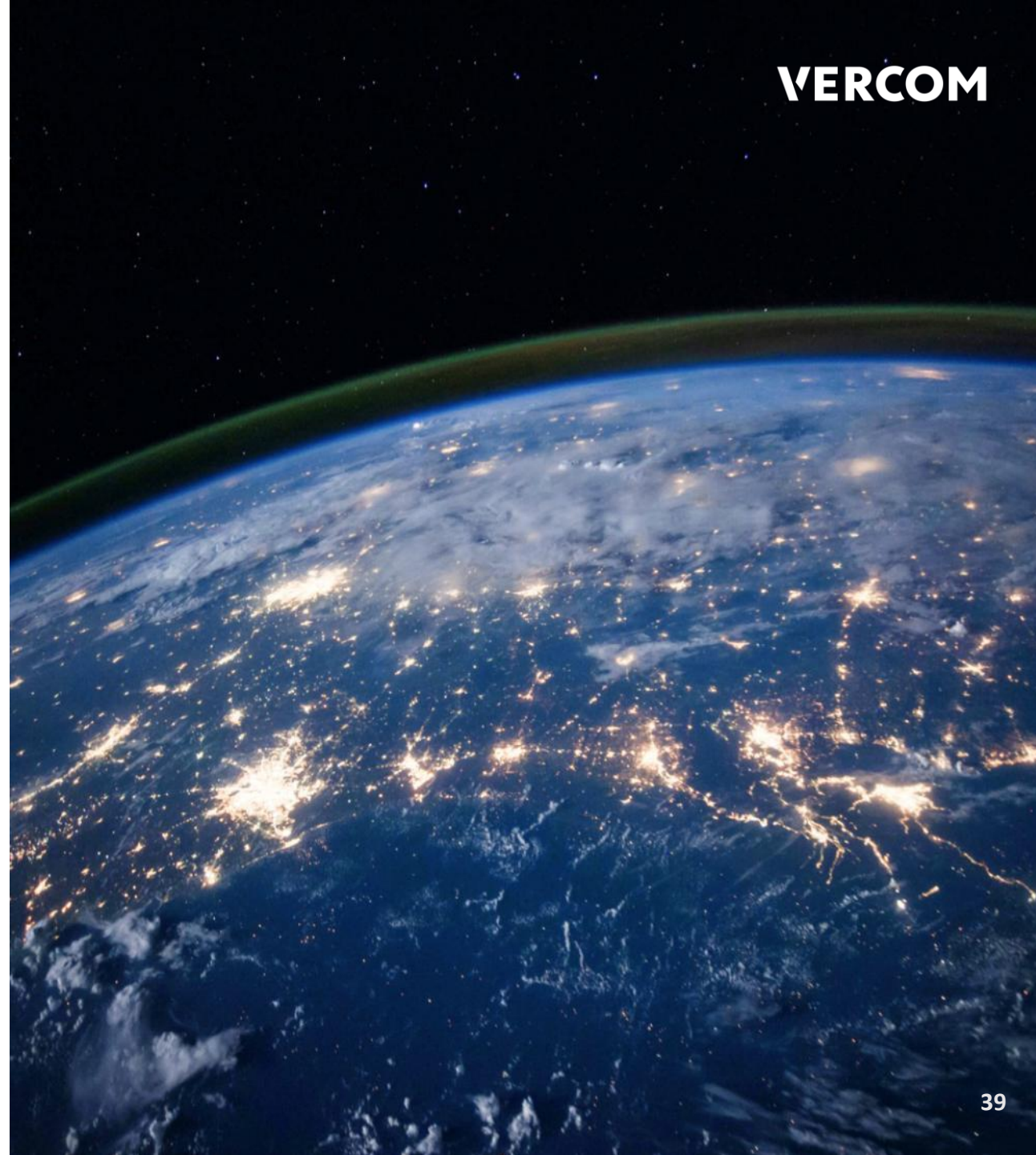
- New language versions of MailerLite aimed at SME customers
- Launch of MessageFlow – a dedicated platform for Mid-market clients
- Preparing to re-scale transactional communication services globally

We see considerable headroom to increase ARPU

- Vast pricing gap vs. key competitors
- We are working on new lite services aimed at SME customers
- New cross-selling opportunities after launch of MessageFlow

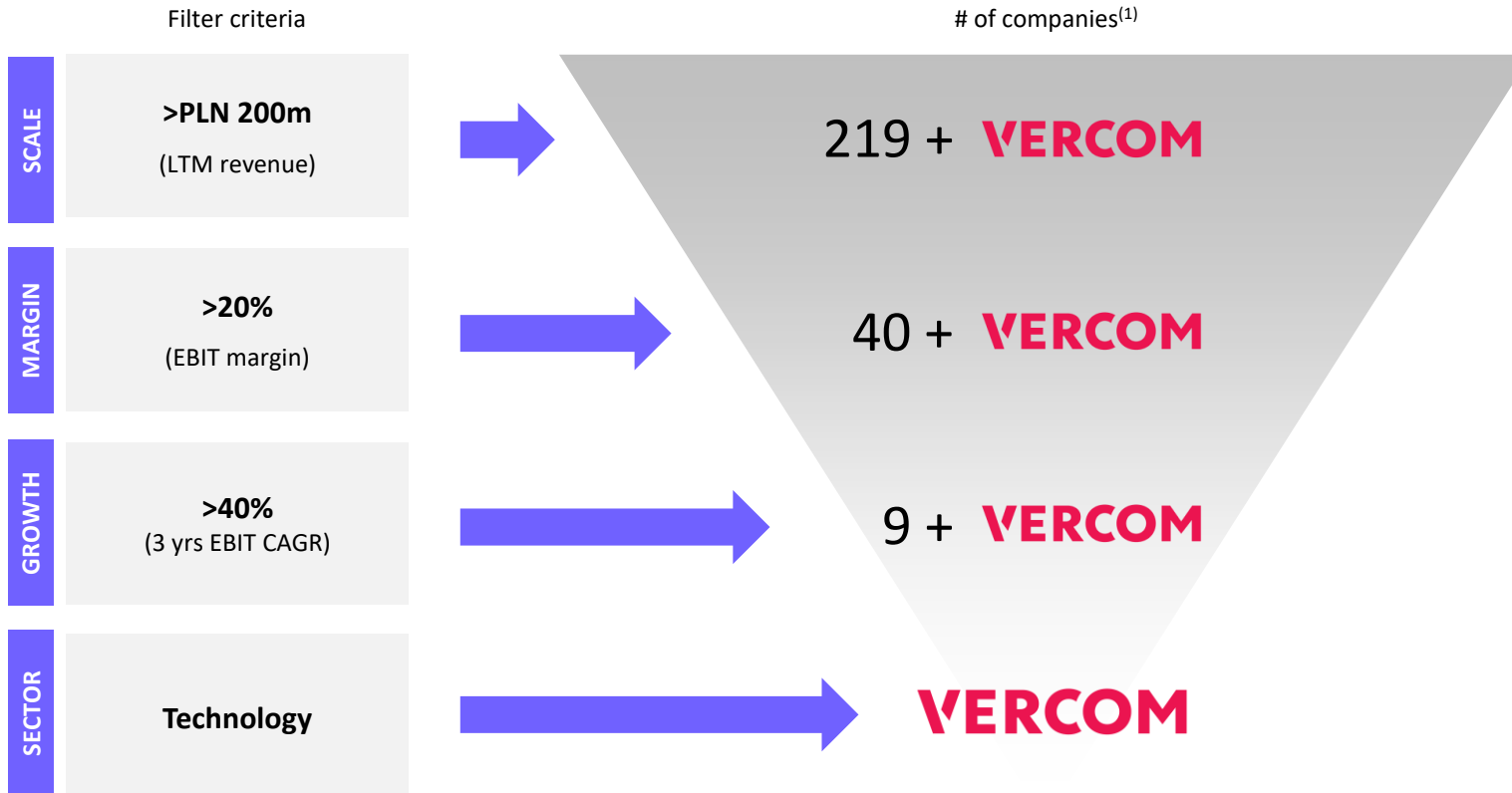
We are in a good position to re-scale the business

- Extracting synergies from M&As completed in 2021-2022
- Potential new acquisitions to be considered in 2024/2025



: Our unique business model translates into an excellent financial profile

Attractive financial profile



Unique investment proposition

Cash-generative business model

- 40x revenue growth in the last 10 years
- 90%+ EBITDA to OCF conversion

Global presence

- 73,000+ customers in 180 markets
- +55% share of international sales

Significant upside potential

- Ambition to reach 1m of paying customers
- Proven ability to combine organic growth with selective acquisitions
- Potential new acquisitions in 2024/2025

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: Q&A

