

VERCOM

| **Q3 2023**

Investor presentation

November 2023



: Scale beyond

: Outstanding financial
results underpinned by
+30% organic growth

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: Q3 2023 financial results

Gross profit

PLN 47m

Organic growth y/y

+28%

EBITDA

PLN 22m

+36%

Net income

PLN 13m

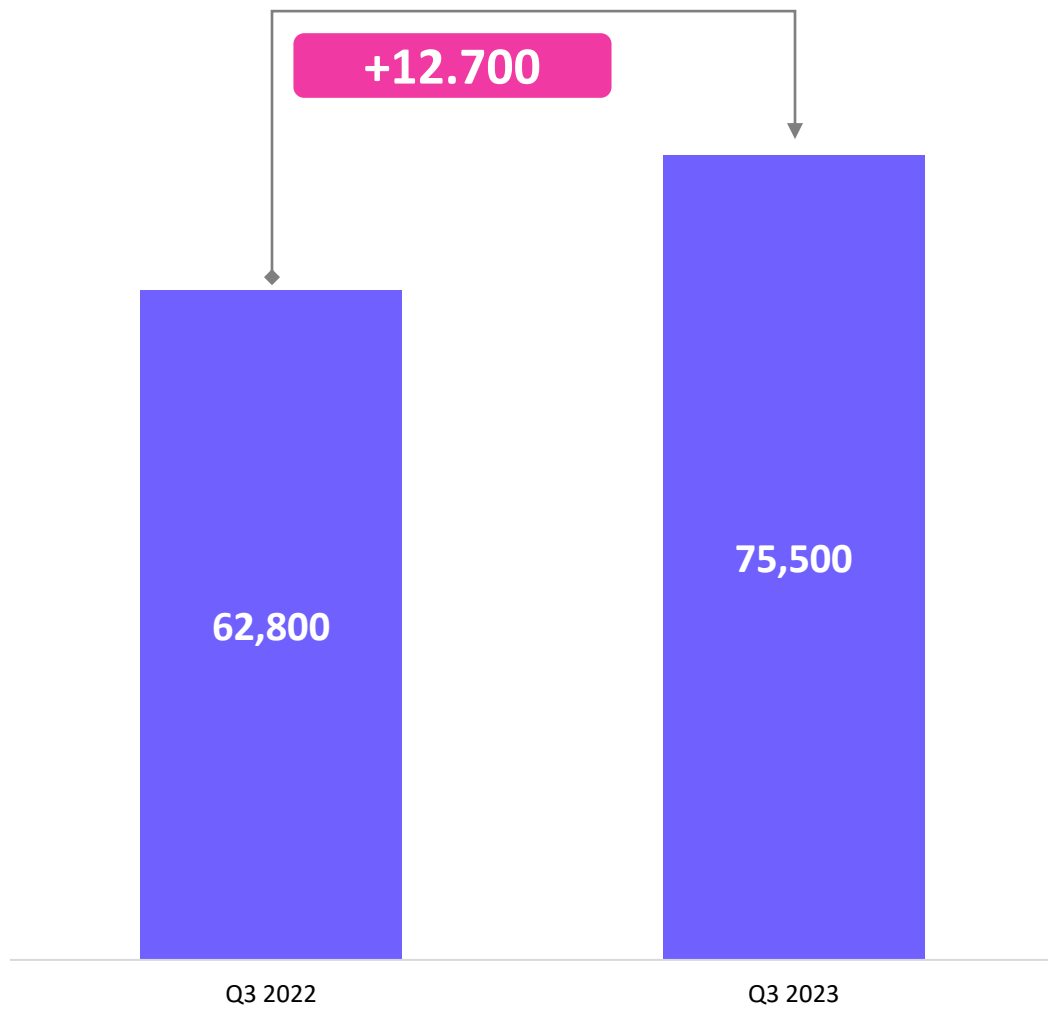
+197%

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: Growing number of paying customers

Number of paying customers



: Sale of minority stake in User.com

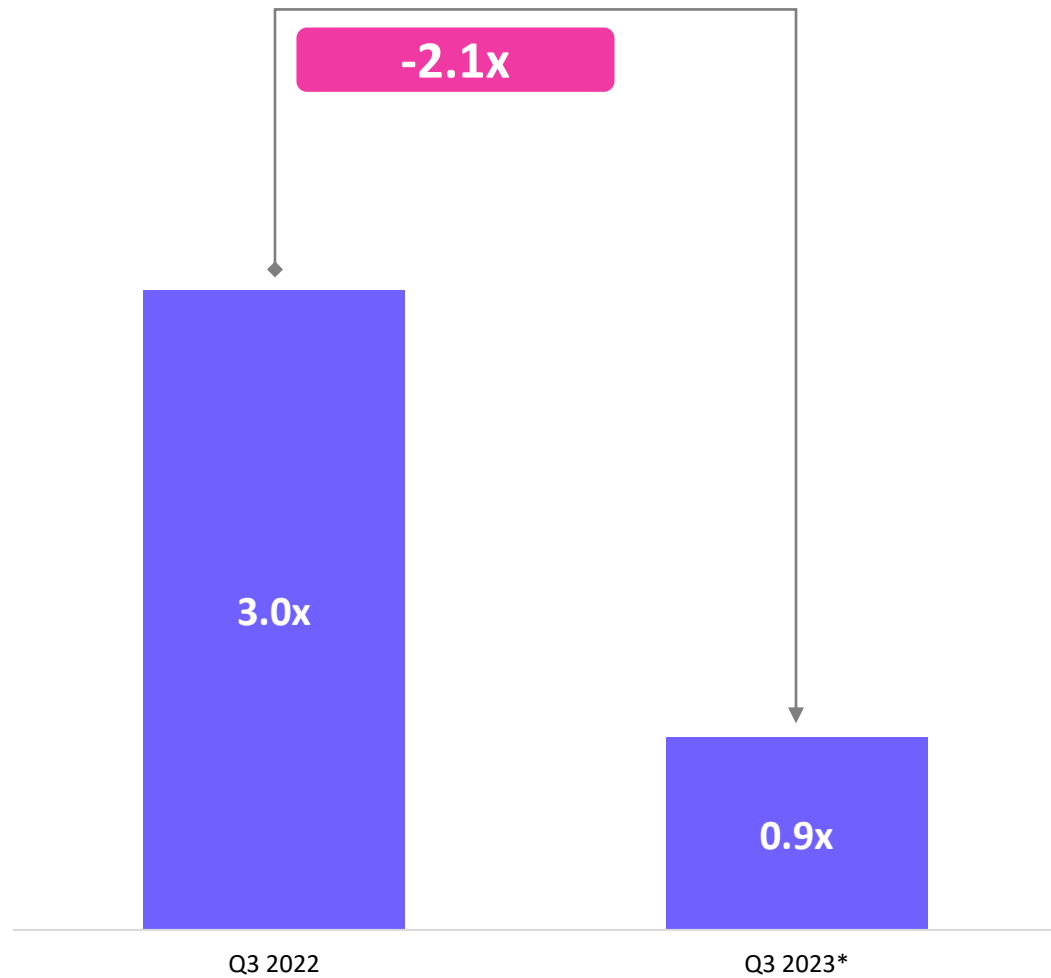
Stake sold	30.3%
Transaction value	c. PLN 24m
Capital invested	c. PLN 10m
Return on investment	ROI 144% IRR 24%

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: Decreasing level of net debt / EBITDA

Net debt / EBITDA



* Including c. PLN 24m from the sale of minority share in User.com received in October 2023



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



: 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



Your statement is ready to view
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>



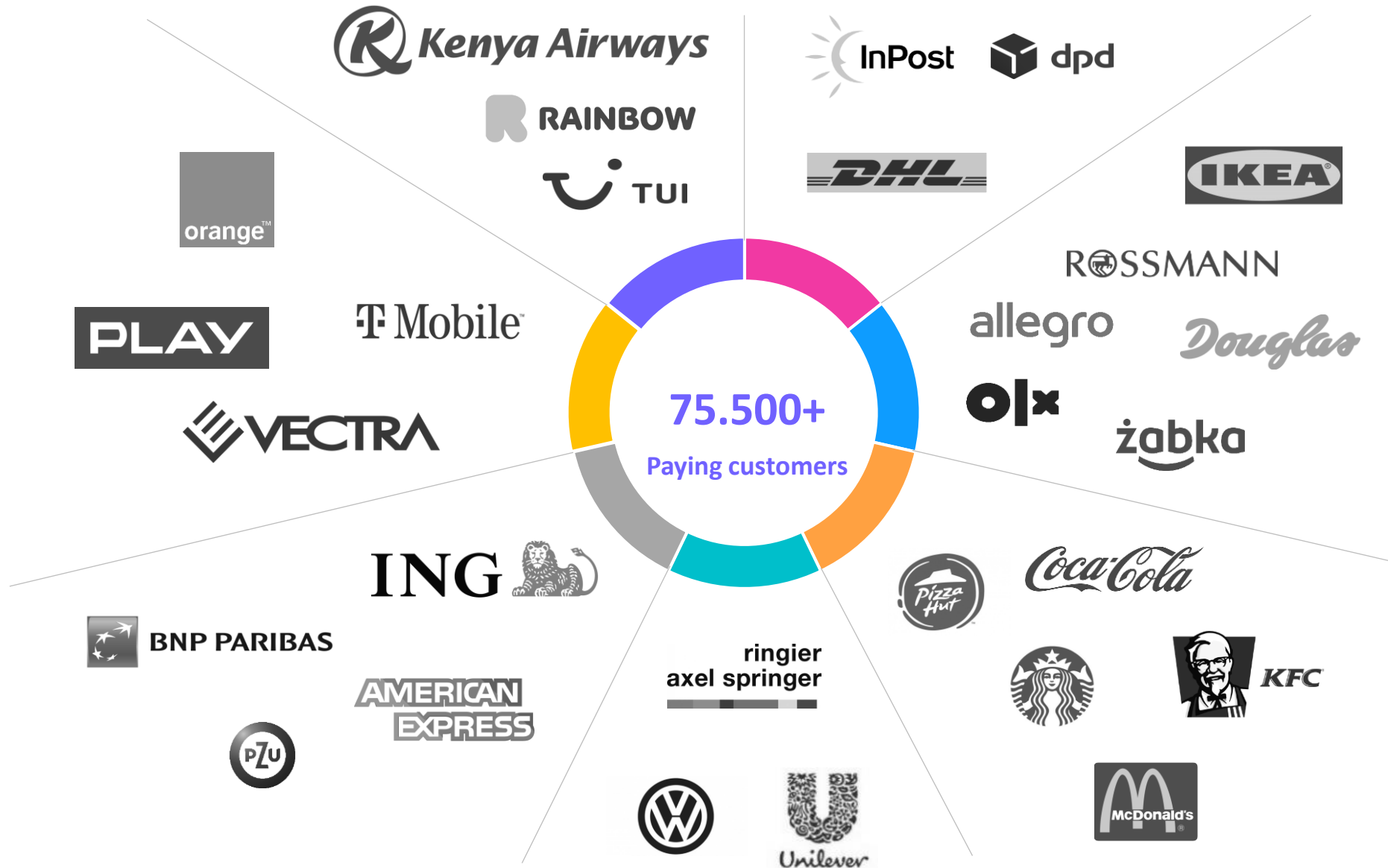
Your order #496862
has been completed
and is awaiting pickup

: Vercom customer engagement flywheel



Increasing adoption of AI features

: 20 years of experience rewarded with trust of landmark partners



: Top 3 Email Marketing Tools 2023 by Forbes

mailer **lite**

4.7 ★★★★★
Forbes ADVISOR ⓘ

BEST FOR SELLING PAID SUBSCRIPTIONS

: Scale beyond

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: One of the highest-rated email marketing platforms



4.7 (1887)



4.7 (386)



4.5 (16449)



4.5 (5736)

Capterra rating

★ 4.6

★ 4.5

★ 4.4

★ 4.3

Ease of Use

★ 4.8

★ 4.3

★ 4.1

★ 4.4

Customer Service

★ 4.5

★ 4.6

★ 4.3

★ 4.4

Features

★ 4.8

★ 4.3

★ 4.4

★ 4.2

Value for Money

\$10.00

\$20.00

\$13.00

\$50.00

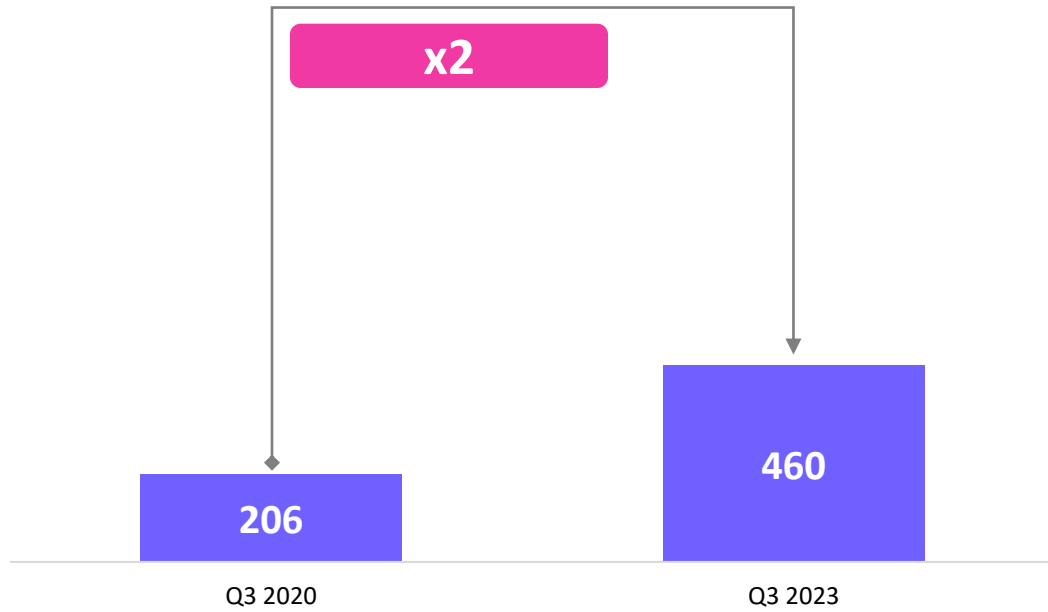
Price starting from

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

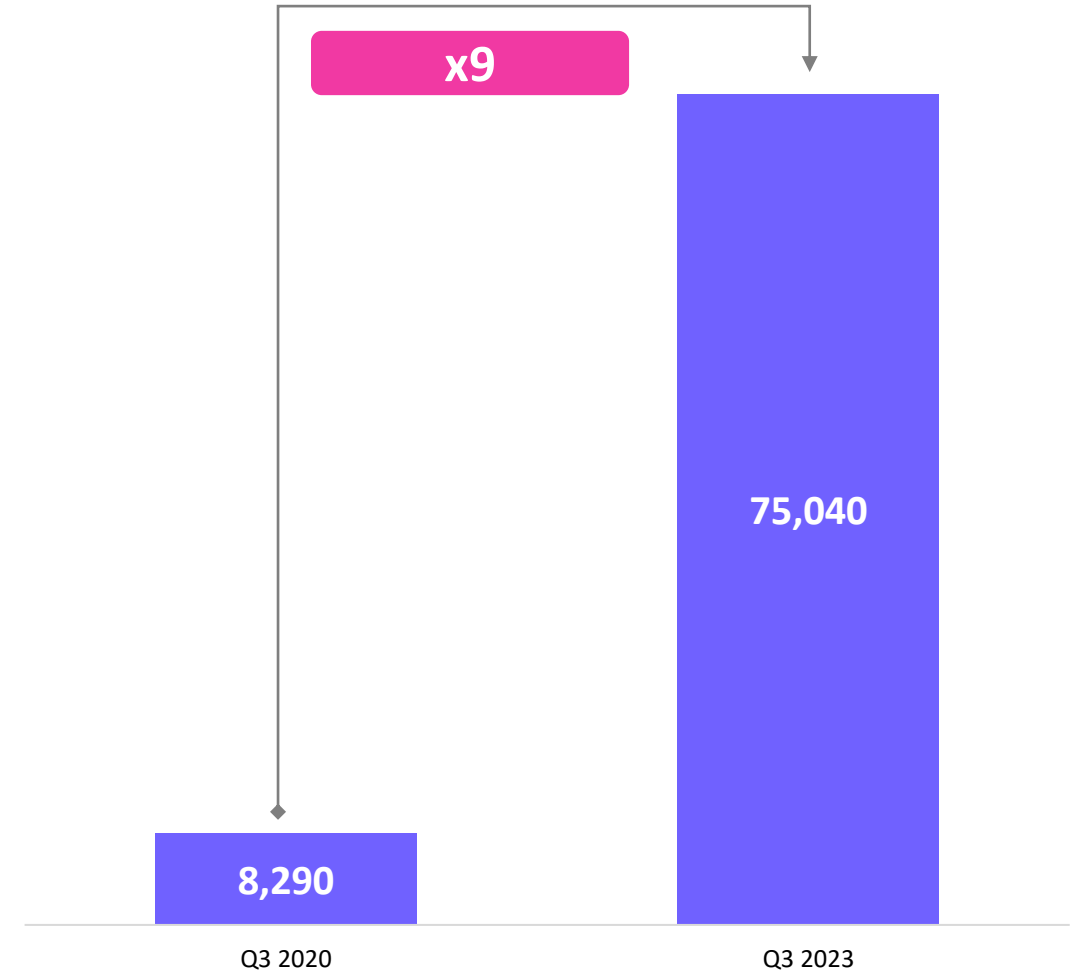


: Strategic shift towards small businesses and creators

Number of Enterprise customers

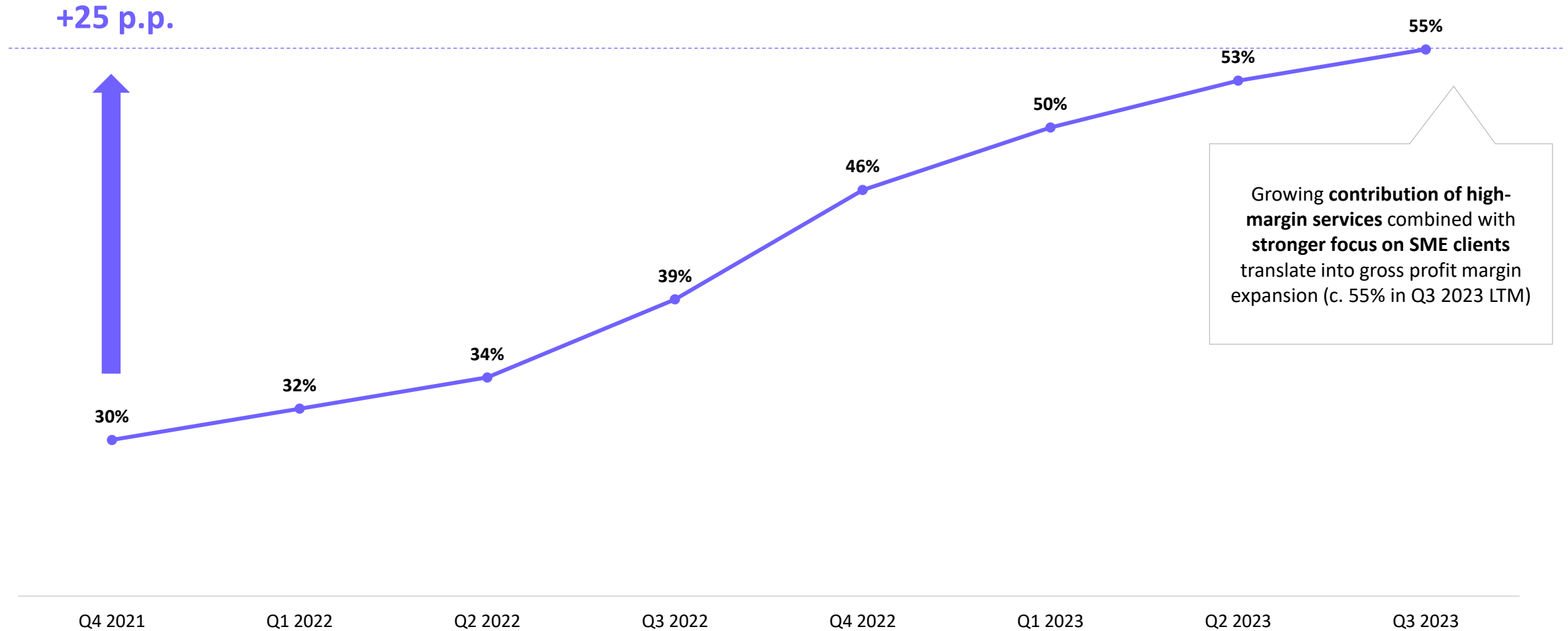


Number of SME customers

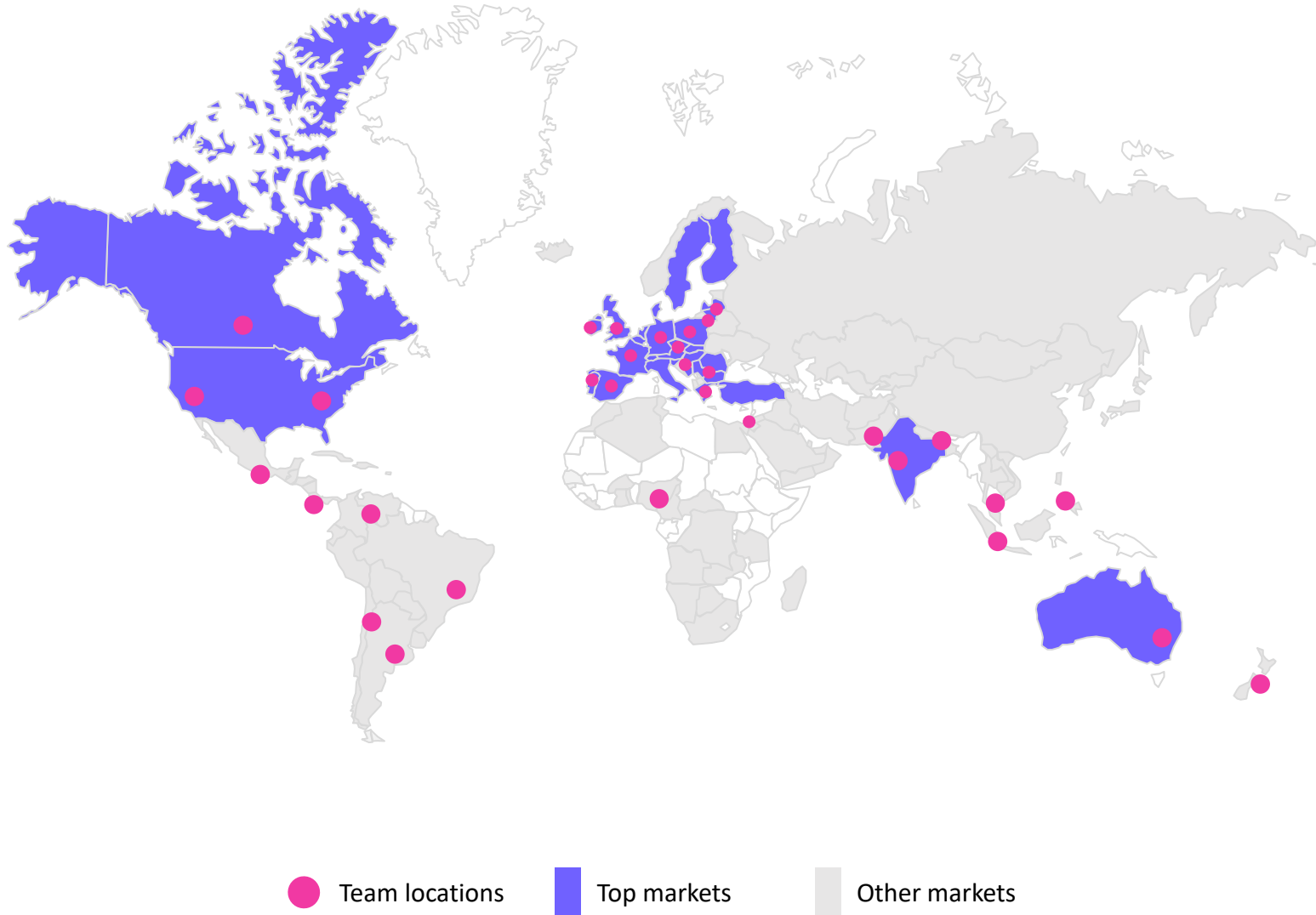


: Changes in client base and product mix drive gross profit margin expansion

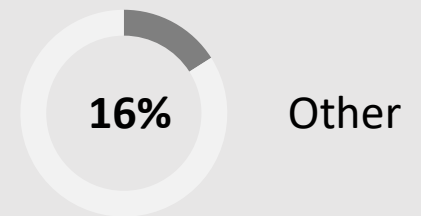
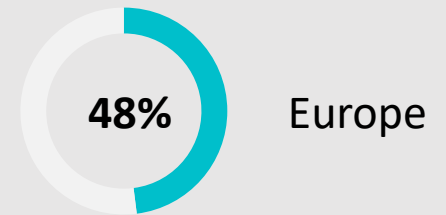
Gross profit margin LTM (%)



: Selling services to customers in 180 markets globally

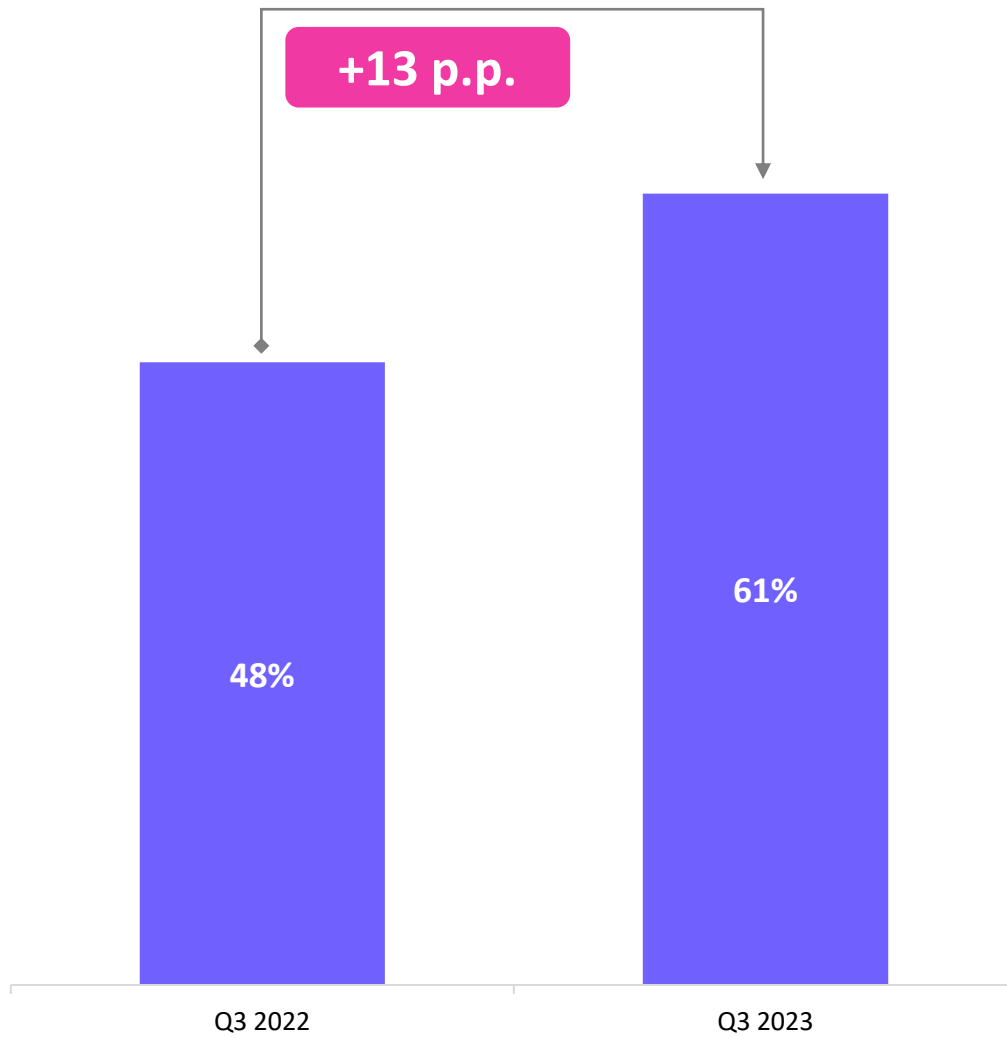


Estimated structure of gross margin from foreign customers in Q3 2023



: Growing contribution of international sales

International sales as a % of revenue



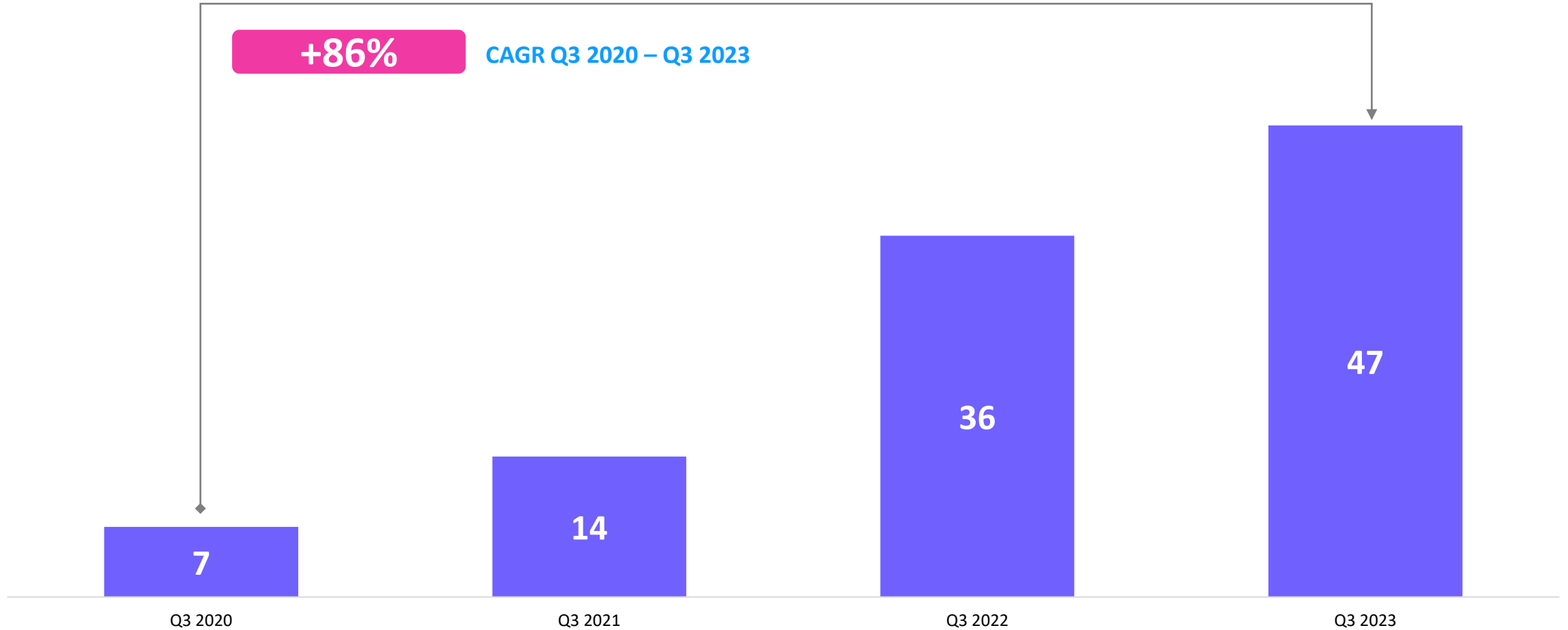
: We continue to
enjoy strong **organic
growth**

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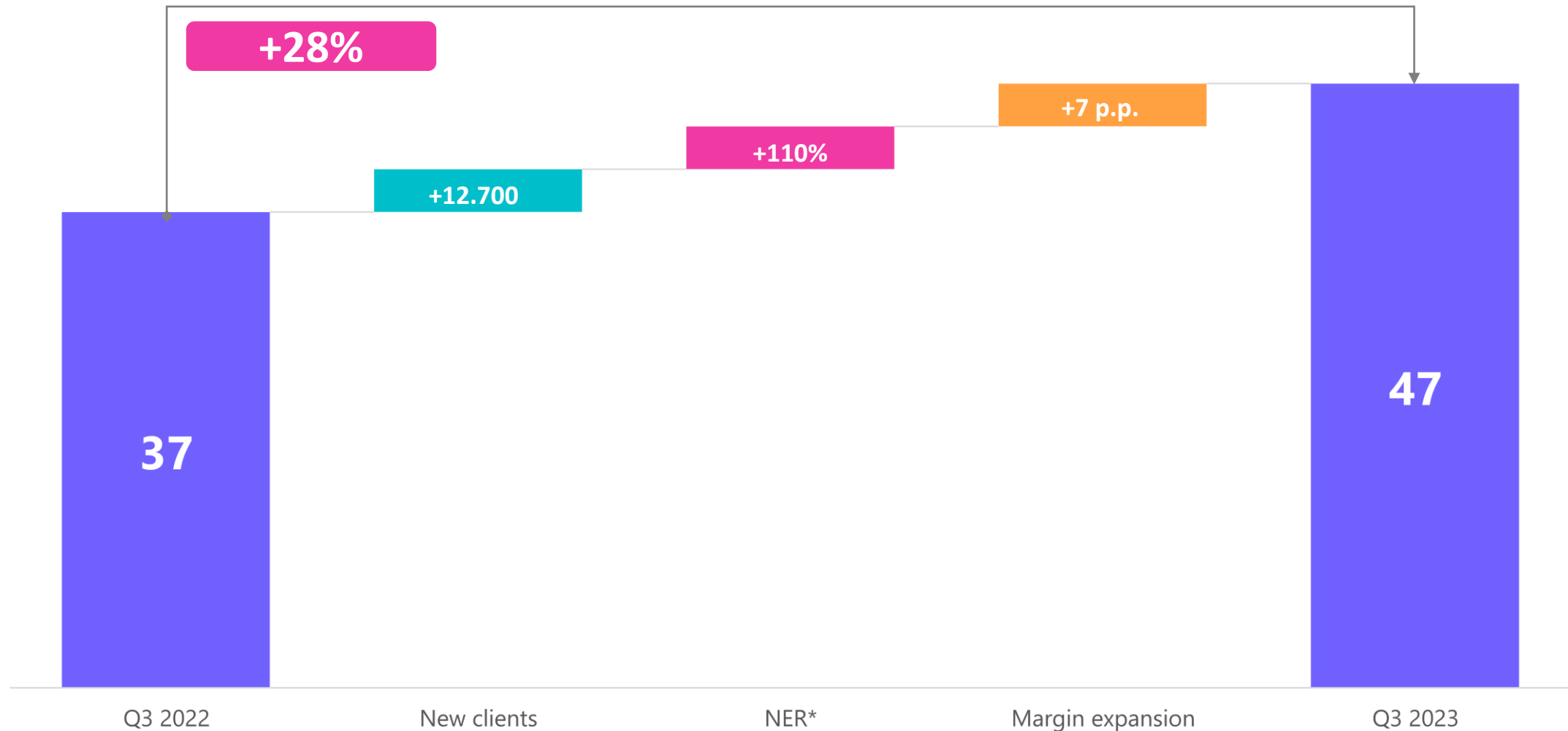
: Strong gross profit growth reflects the growing scale of operations

Gross profit (PLNm)



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

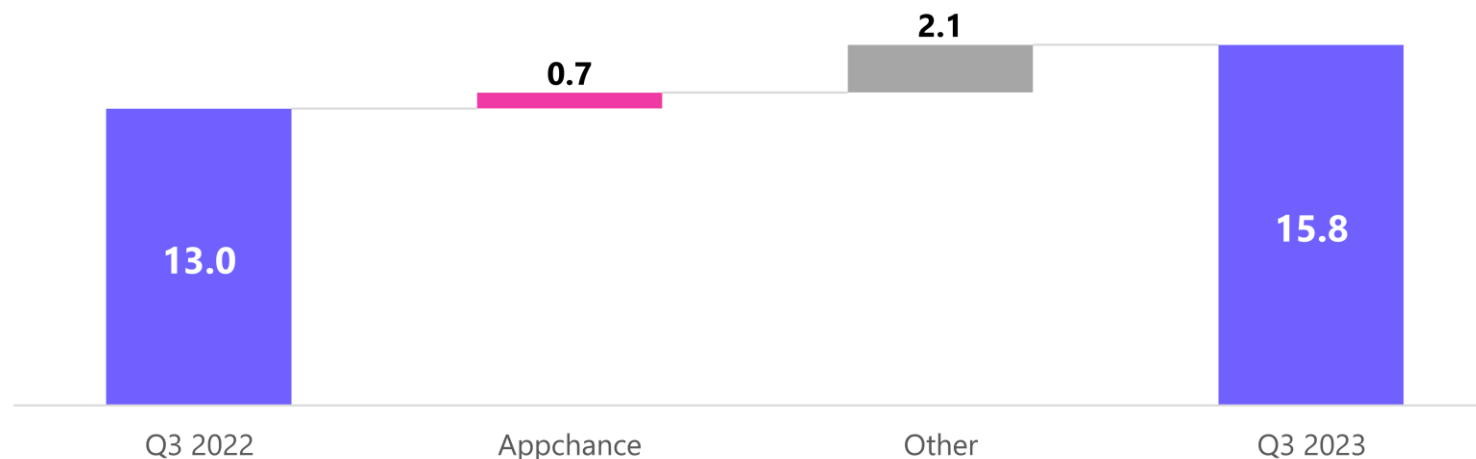
Gross profit (PLNm)



* NER (Net Expansion Rate) – change in revenue from customers generating revenue in the current and the comparative period, excl. wholesale traffic (99% for all customers)

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

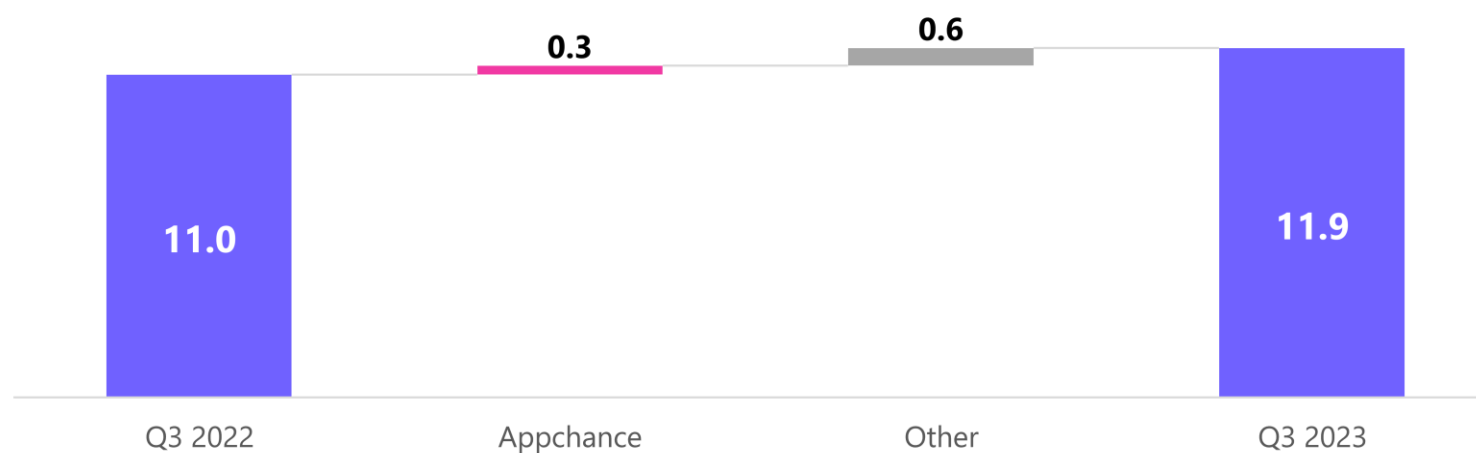
General and administrative expenses (PLNm)



Note

- ✓ Increase of G&A costs (PLN 2.1m) YoY is mostly associated with the growing scale of the business
- ✓ PLN 0.7m of G&A increase YoY was associated with the impact of Appchance Group and Center.AI consolidation (since May 2023)

Sales and marketing expenses (PLNm)



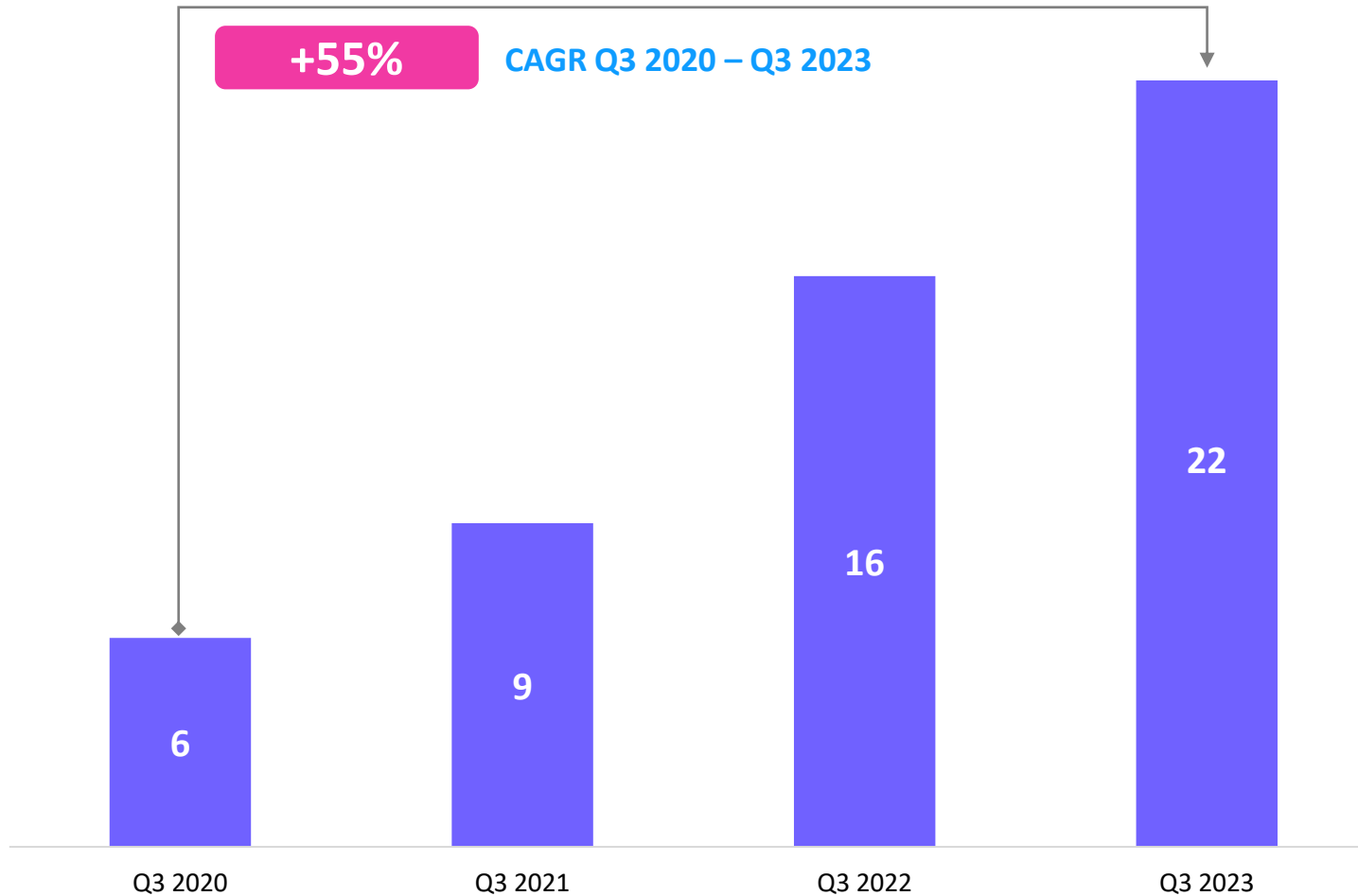
- ✓ Increase of selling and marketing costs (PLN 0.6m) YoY is mostly associated with the growing marketing budget for the international expansion
- ✓ PLN 0.3m of selling and marketing costs increase YoY was associated with the impact of Appchance Group and Center.AI consolidation (since May 2023)

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



: Dynamic EBITDA growth in line with target growth trajectory

EBITDA (PLNm)

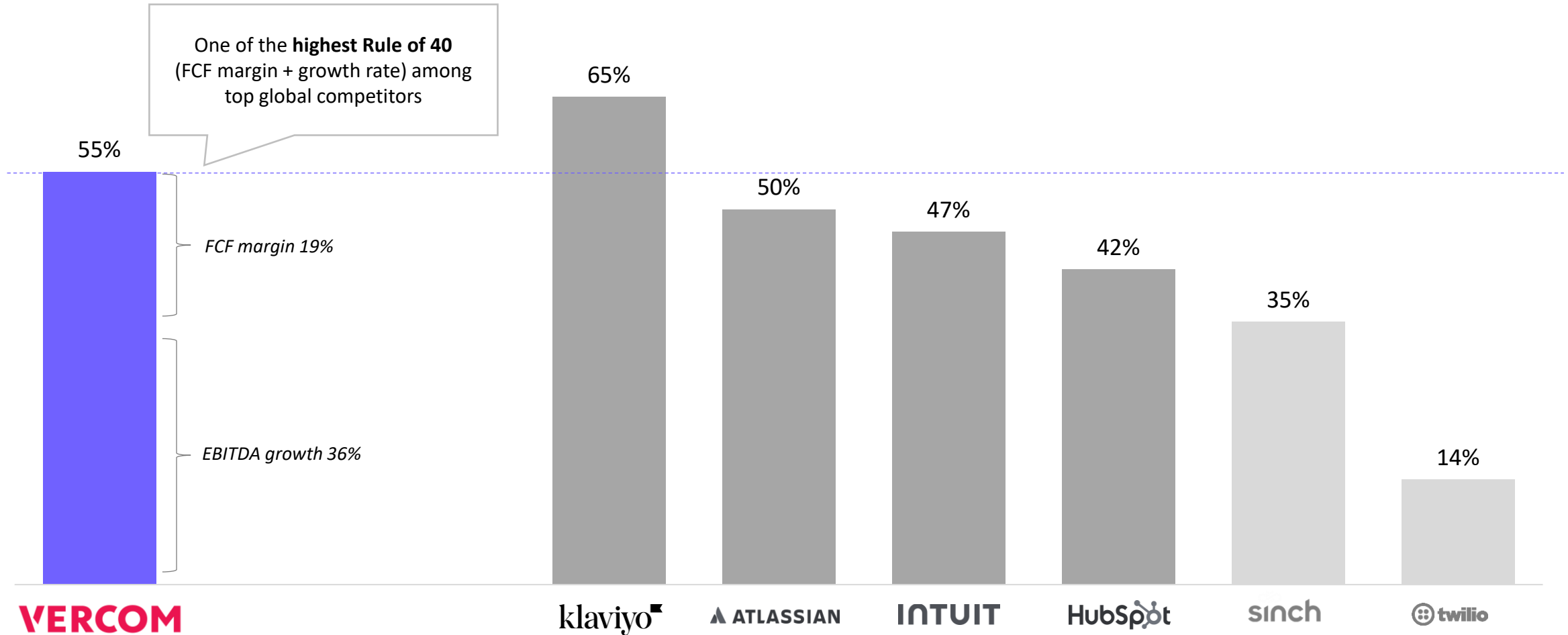


Note

- ✓ Q3 2023 EBITDA above the Management expectations and target growth trajectory for 2023
- ✓ Strong organic growth rate amounting to 36% YoY
- ✓ Increasing EBITDA margin amounting to c. 26% in Q3 2023
- ✓ Expansion of EBITDA margin by c. 5 p.p. YoY driven by improving product mix and operating leverage

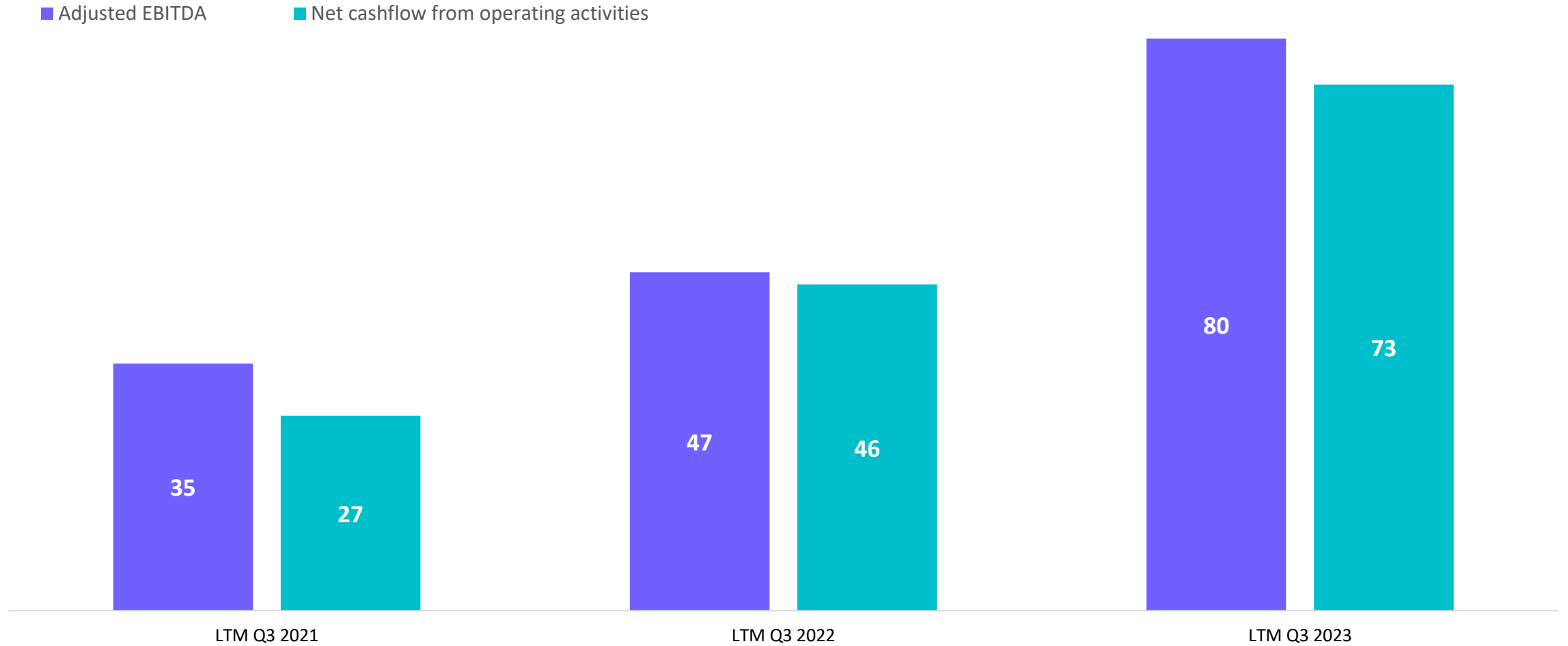
: Rule of 40 - outstanding performance vis-à-vis global SaaS peers

Rule of 40 for selected SaaS peers



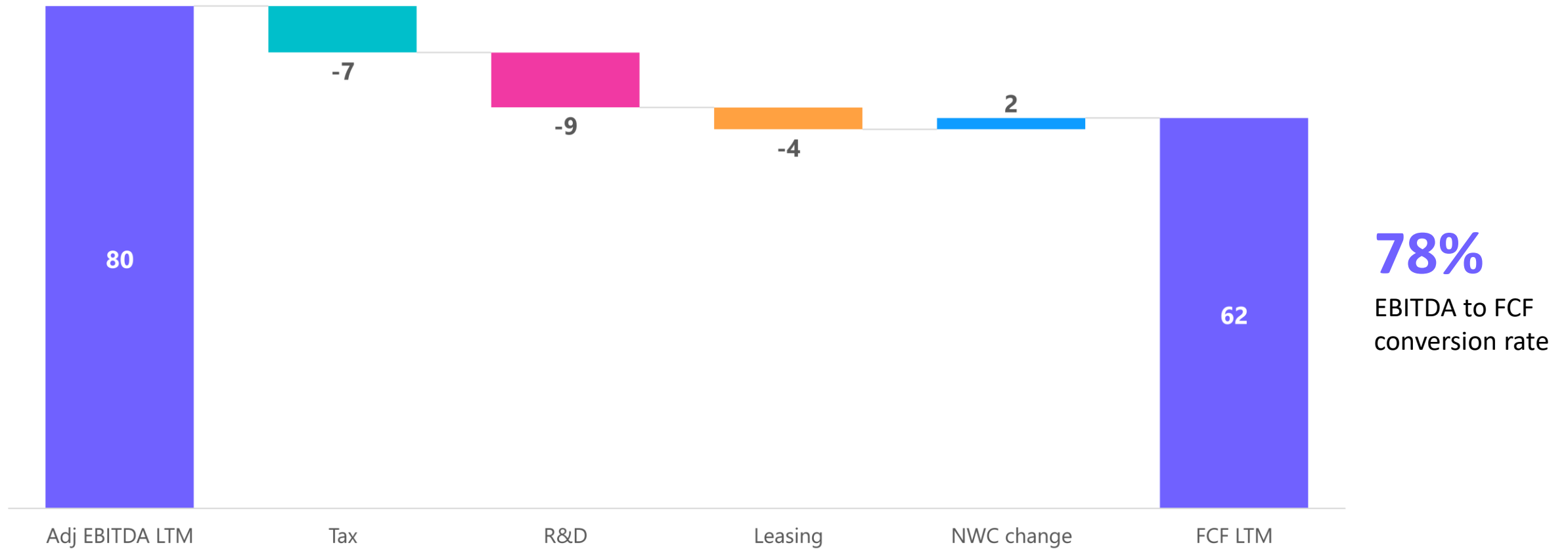
: +90% conversion rate of EBITDA into operating cash flow

Adjusted EBITDA and net cashflow from operating activities (PLNm)



: High cash generation capacity

LTM EBITDA to LTM FCF bridge (PLNm)

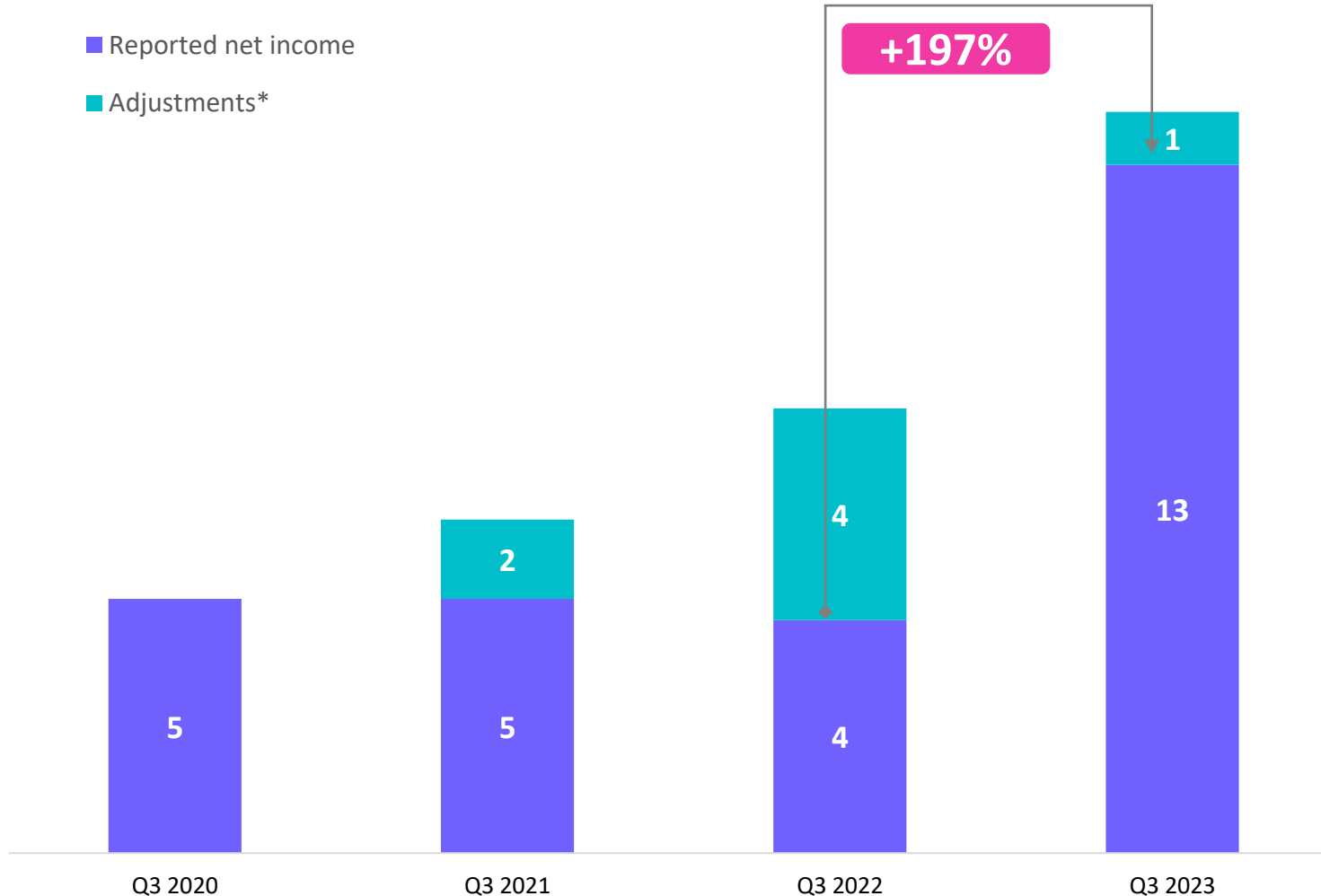


: Net income growth and decreasing leverage provide more **space for dividends** and **growth initiatives**

: Robust net income growth

Adjusted net profit (PLNm)

- Reported net income
- Adjustments*



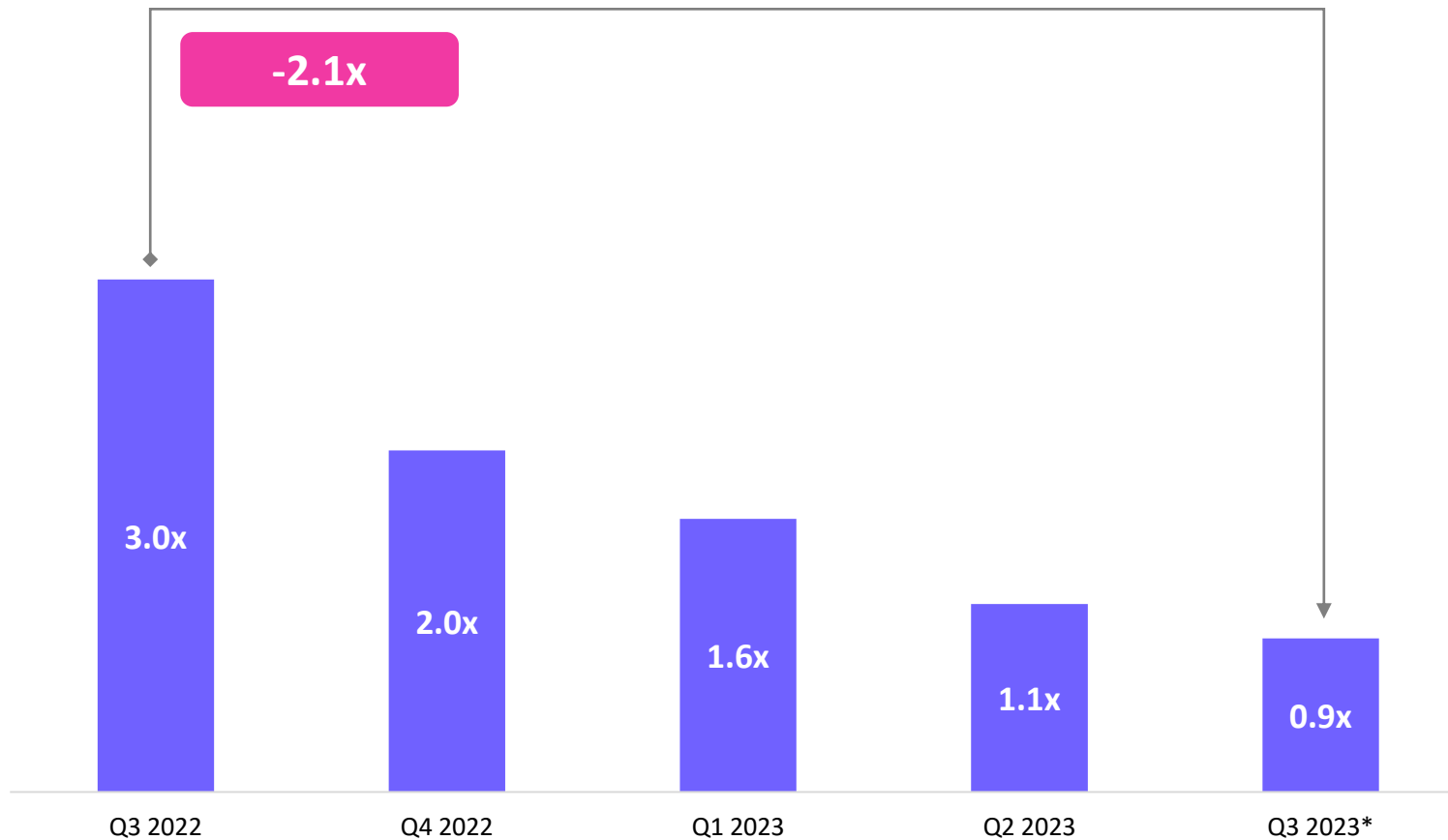
Note

- ✓ Strong reported net profit growth of 197% yoy to PLN 13m
- ✓ Reported net profit in Q3 2022 was affected by negative, non-cash FX differences in the amount of c. PLN 4m
- ✓ Net income to be supported by:
 - Expected further decrease in the cost of financing due to:
 - Planned prepayment of c. PLN 25m debt in Q4 2023
 - Lower credit margin resulting from decreasing net debt / EBITDA
 - Positive effective tax rate impact due to the decreasing level of interest payments

: Increasing headroom for potential dividends and planned acquisitions

Net debt / LTM EBITDA

Note



Safe and decreasing net debt / EBITDA, already below 1.0x



Net debt amounts to PLN 74m (incl. PLN 24m from the sale of minority share in User.com received in October 2023)



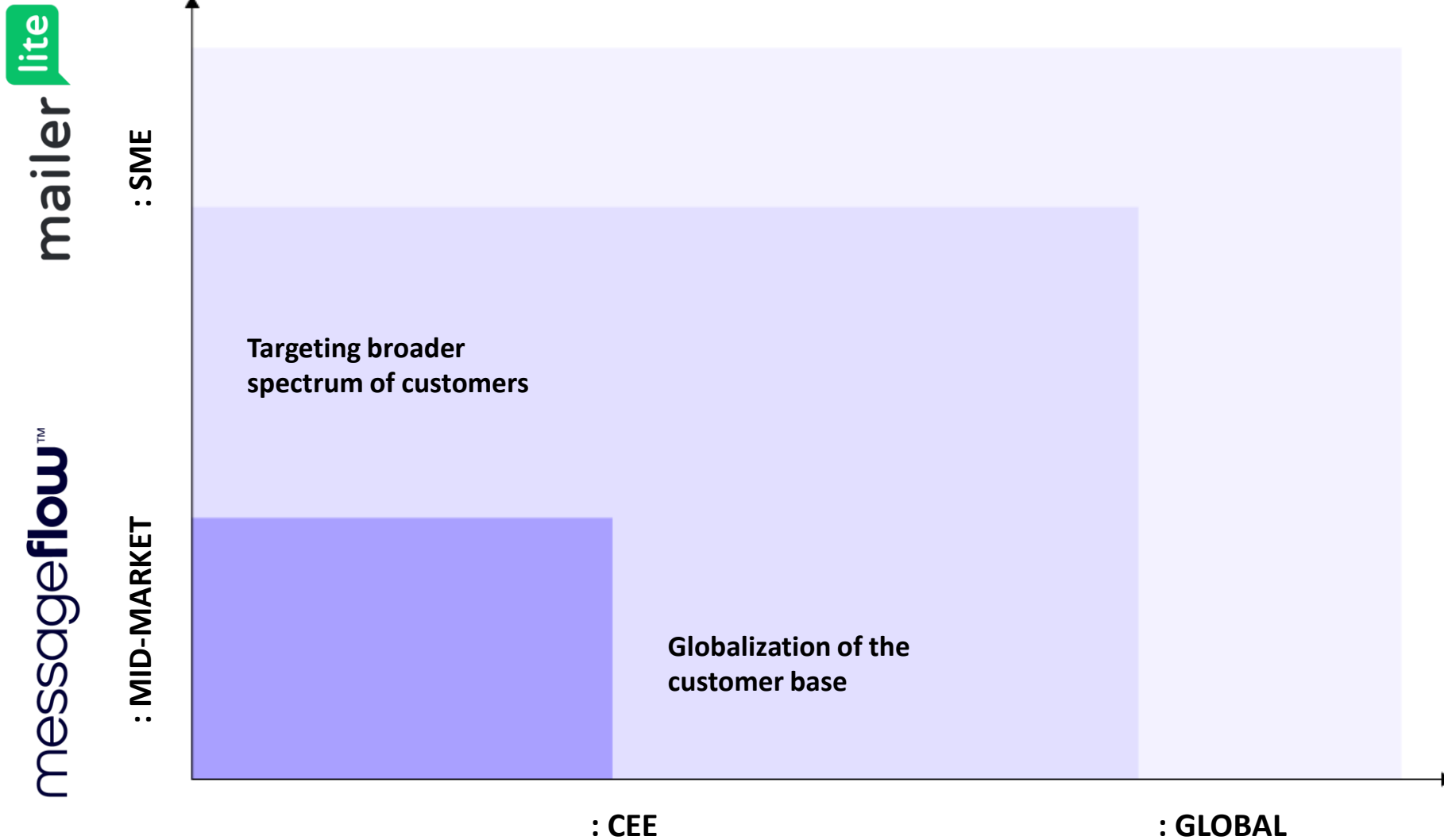
Stronger cash position means more headroom for potential dividends and planned acquisitions

* Including c. PLN 24m from the sale of minority share in User.com received in October 2023

: We are **on track** to achieve our ambitious goals



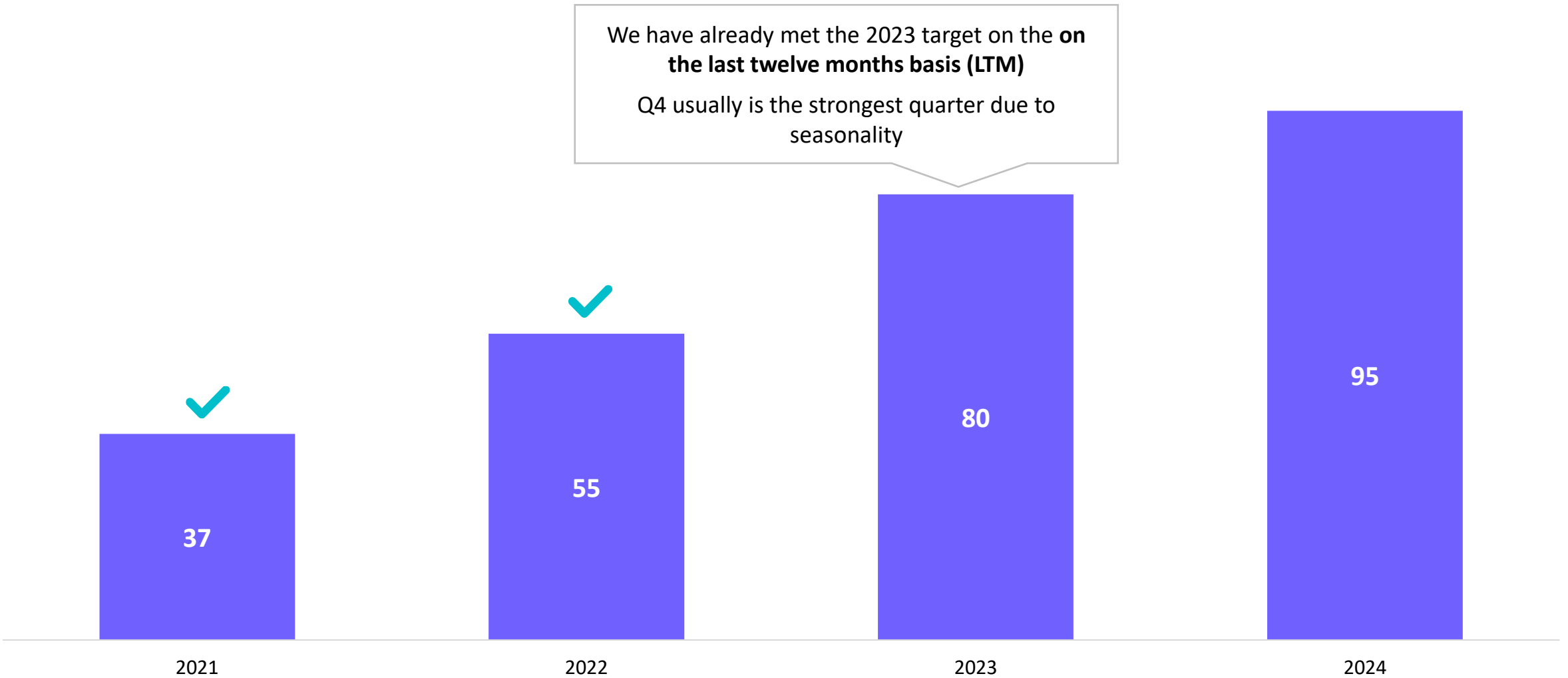
: Strategic focus on increasing international presence



↗ +1m
Long-term target:
Paying customers

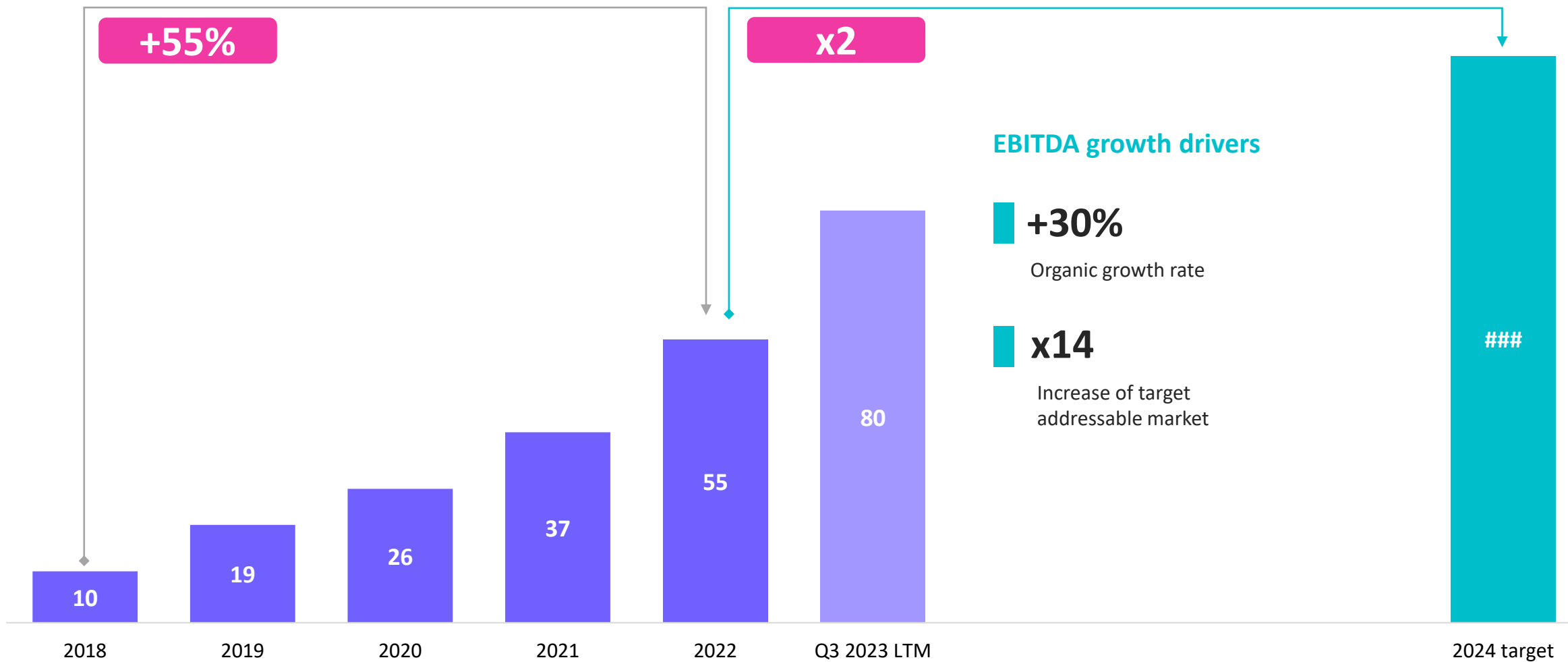
: We have already met financial target for 2023 on the LTM basis

Financial target – adjusted EBITDA (PLNm)



: We are on track to maintain EBITDA growth trajectory

Adjusted EBITDA (PLNm)



: Key takeaways from Q3 2023 results

- SME clients account for the majority of our 75,000 client base

- We stand out as one of the highest Rule of 40 companies among the leading SaaS companies with organic growth rate of more than 30% and c. 20% FCF margin

- Our profit margins are expanding across all P&L levels

- We are decreasing leverage creating more space for dividends and growth initiatives

- We are on track to achieve our ambitious goal of doubling the EBITDA every two years

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: Scale beyond

