

**VERCOM**

| **Q1 2024**

Investor presentation

21 May 2024



**: Scale beyond**

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: Highly successful 3 years on WSE

LTM EBITDA

**28 → 91**

**x3**

Team members

**100 → 400**

**x4**

Customers

**11,400 → 85,100**

**x8**

Addressable market

**CEE → Global**

**x14**

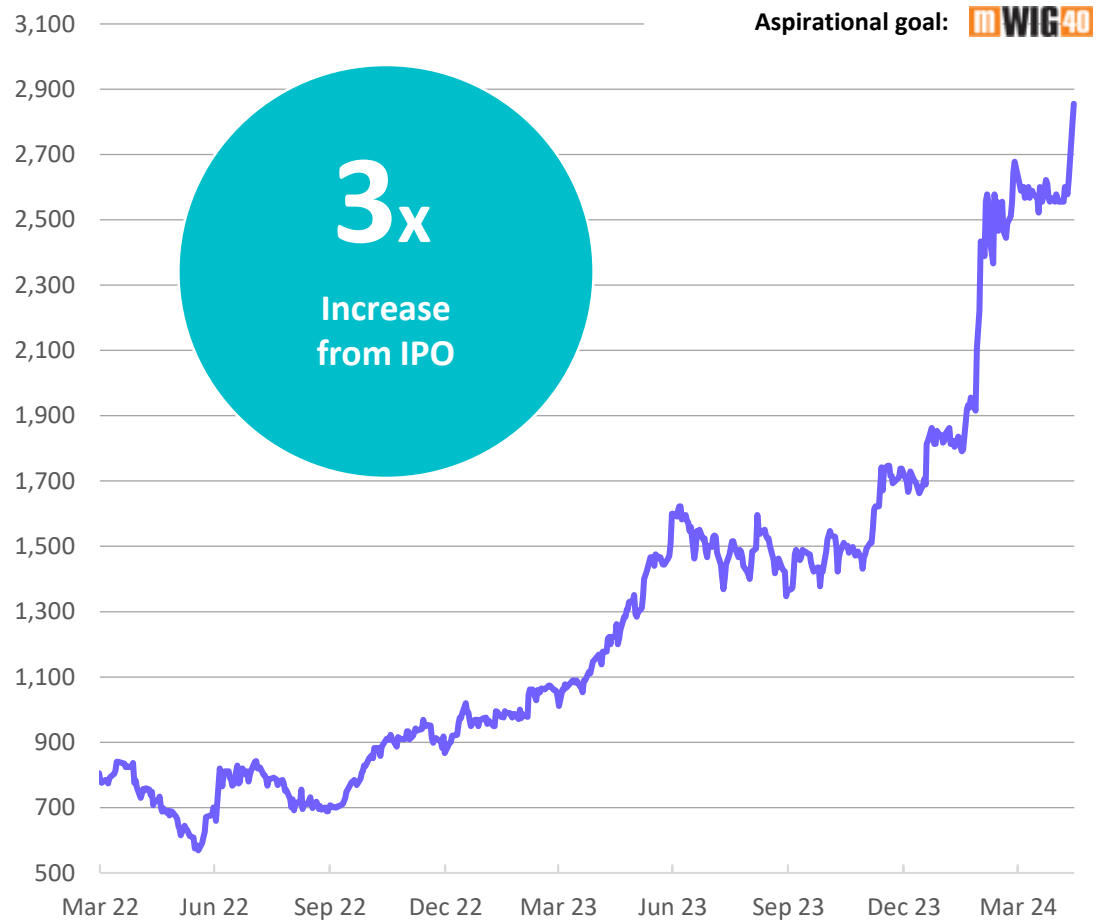
IPO → Today

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## : Growing aspiration to join mWIG40 index

Market capitalization (PLNk)



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: Outstanding financial  
results underpinned by  
**+30% organic growth**

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: Q1 2024 financial results

Gross profit

**PLN 51m**

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Organic growth y/y

**+26%**

Adj. EBITDA

**PLN 23m**

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**+33%**

Net income

**PLN 16m**

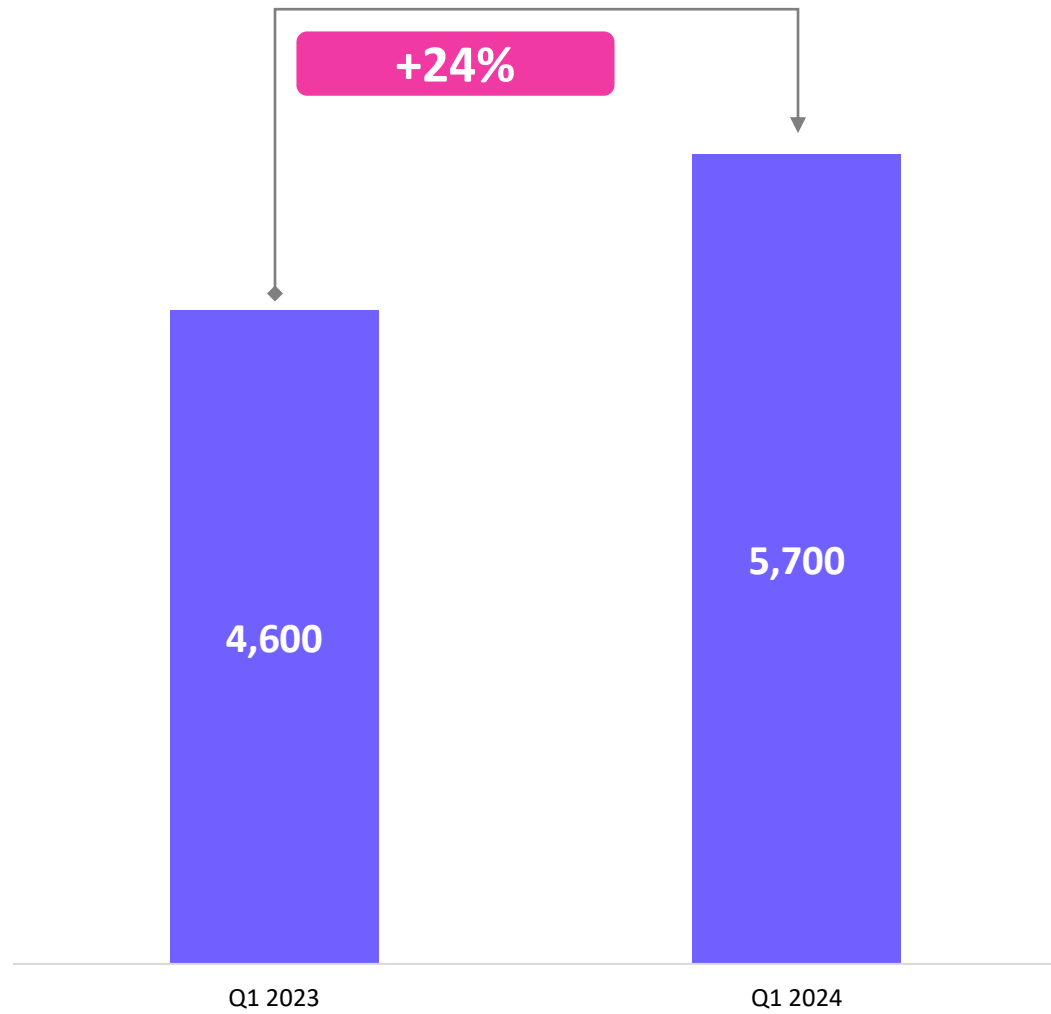
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**+72%**



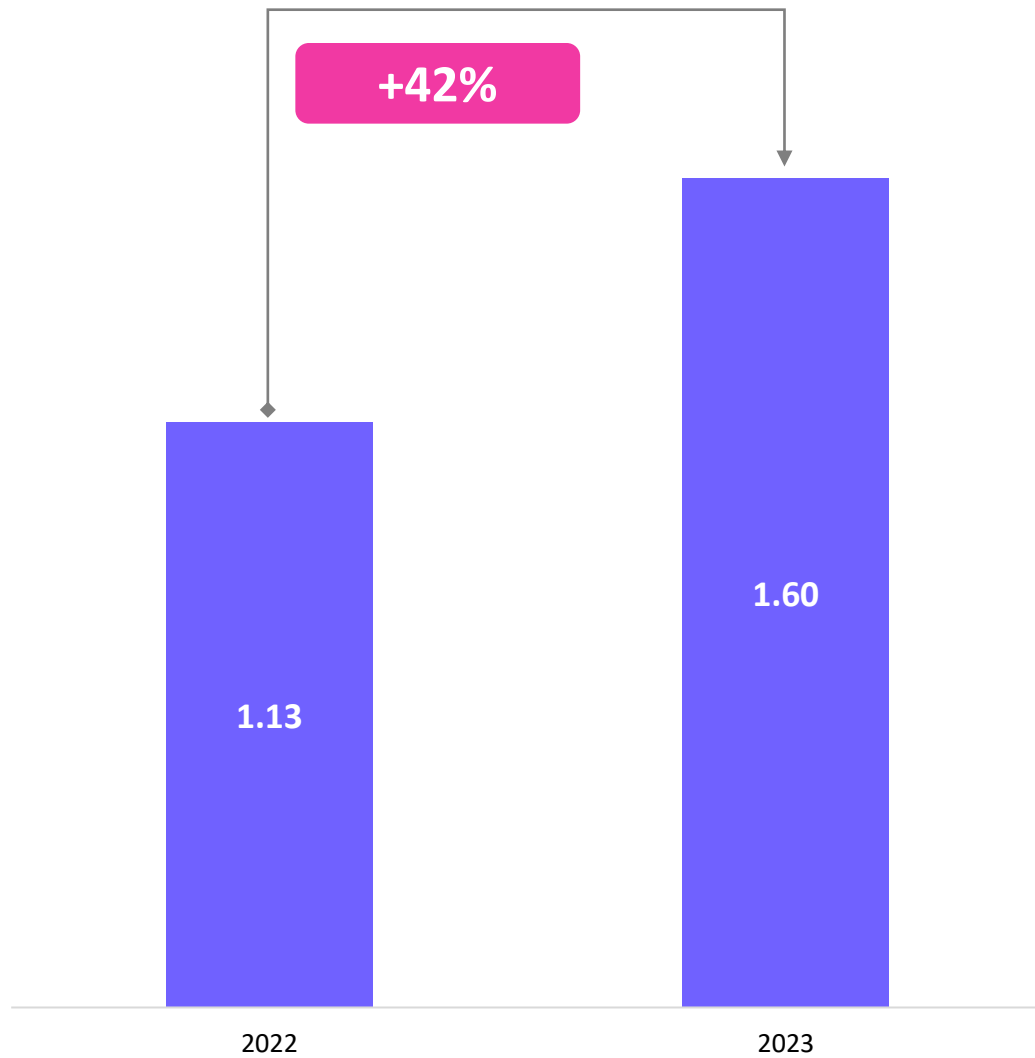
## : 5,700 net customer adds in Q1 2024

Number of new customers



## : Record dividend payout from 2023 net profit

Dividend per share (PLN)

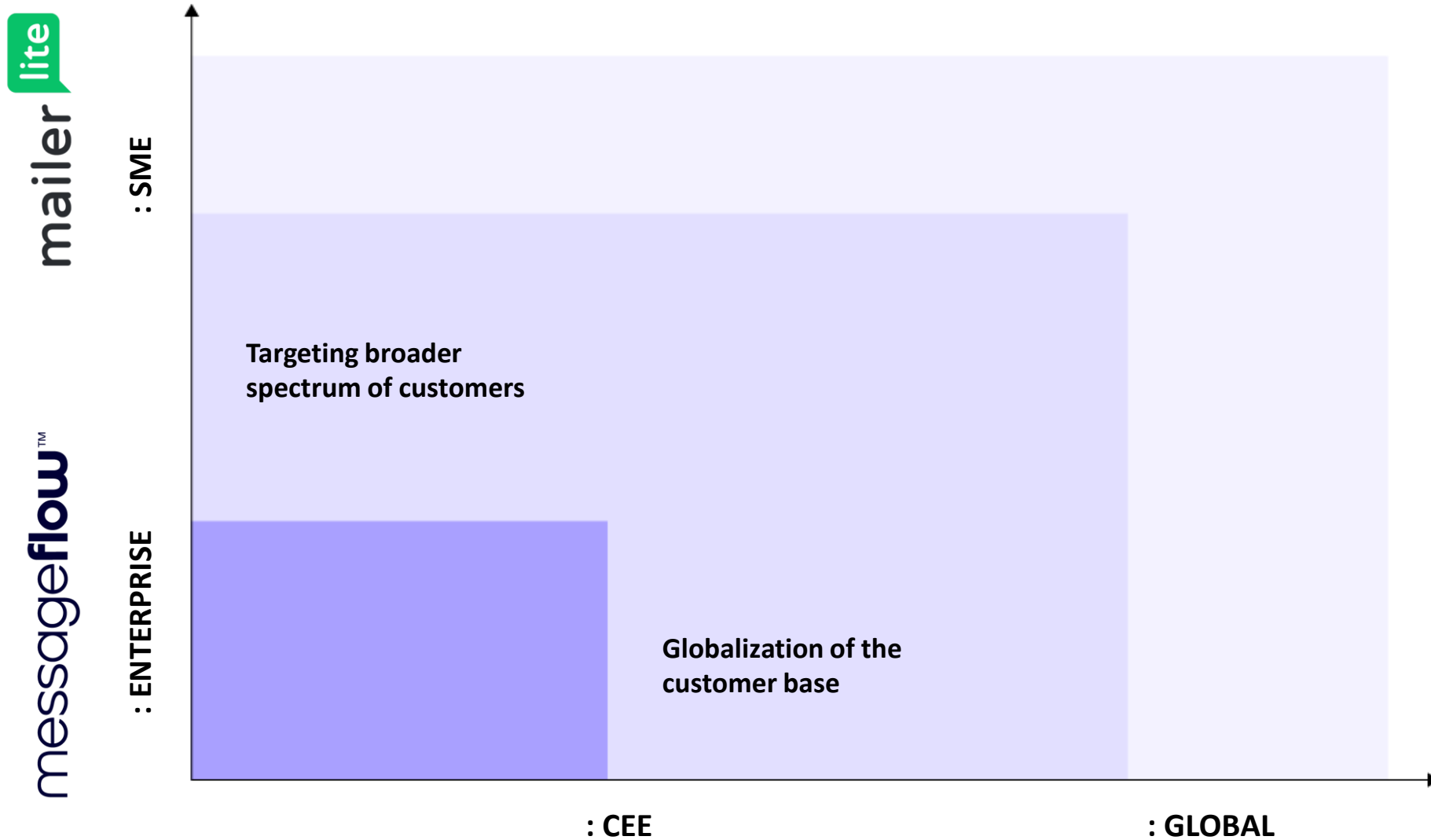




: Strategic focus on SME clients drives global expansion



: Strong focus on scalability to further grow international presence

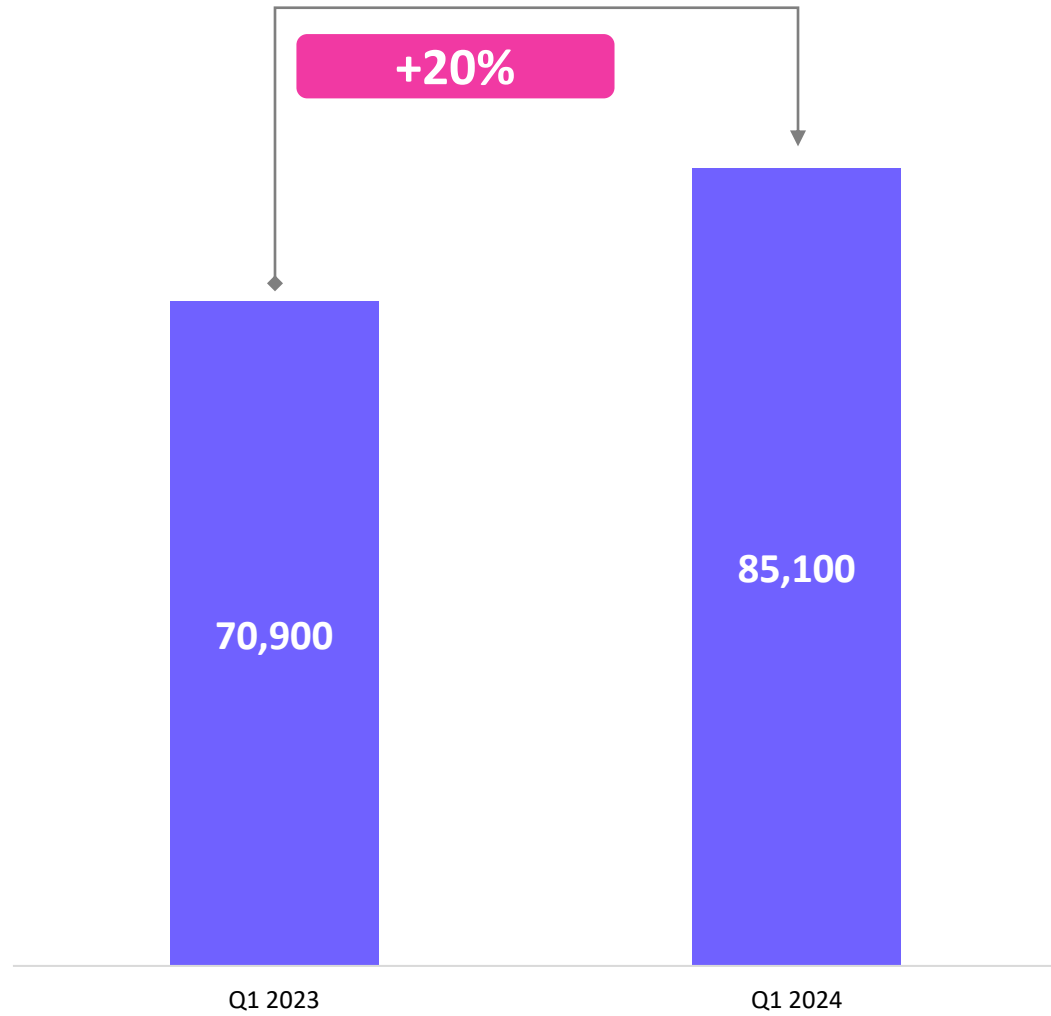


+1m

Long-term target:  
Paying customers

## : 20% YoY customer base growth

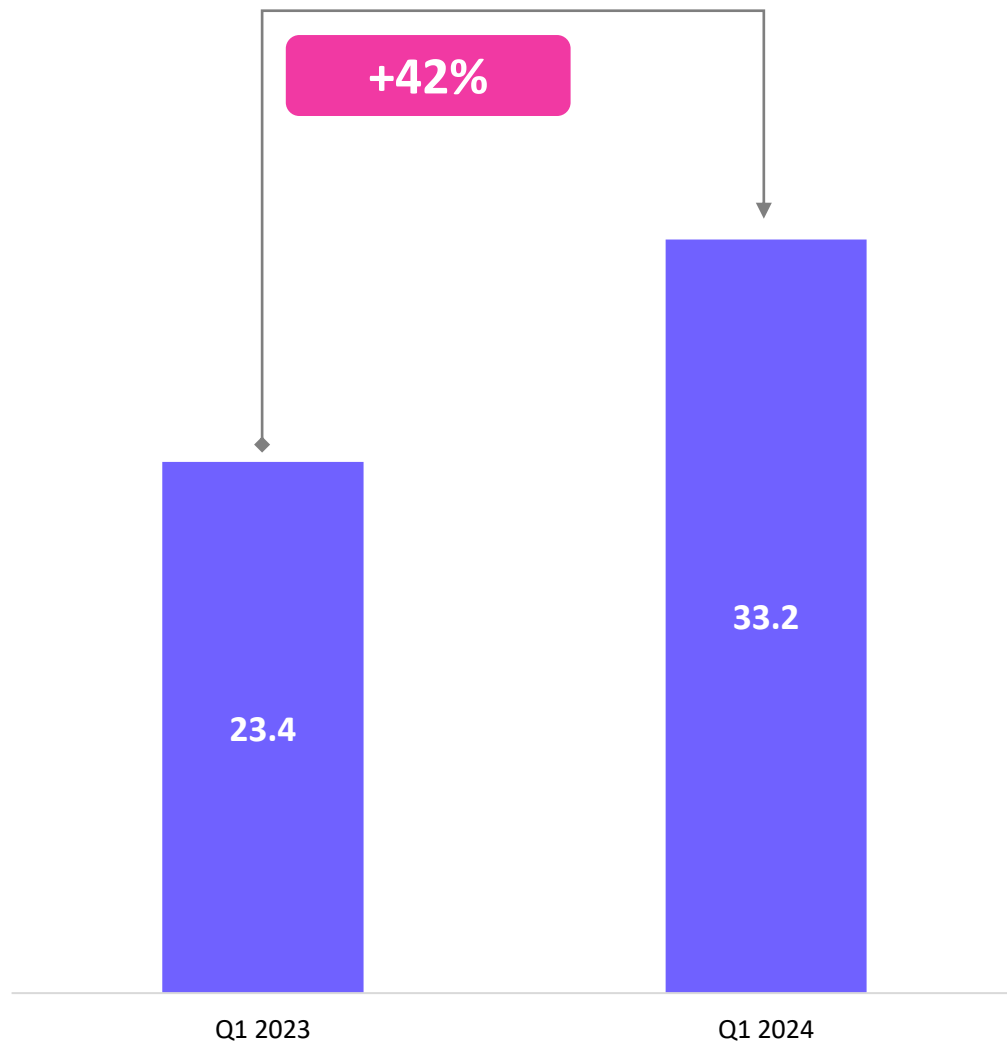
Total number of customers



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## : Growing international sales

Sales to foreign customers\* (PLNm)

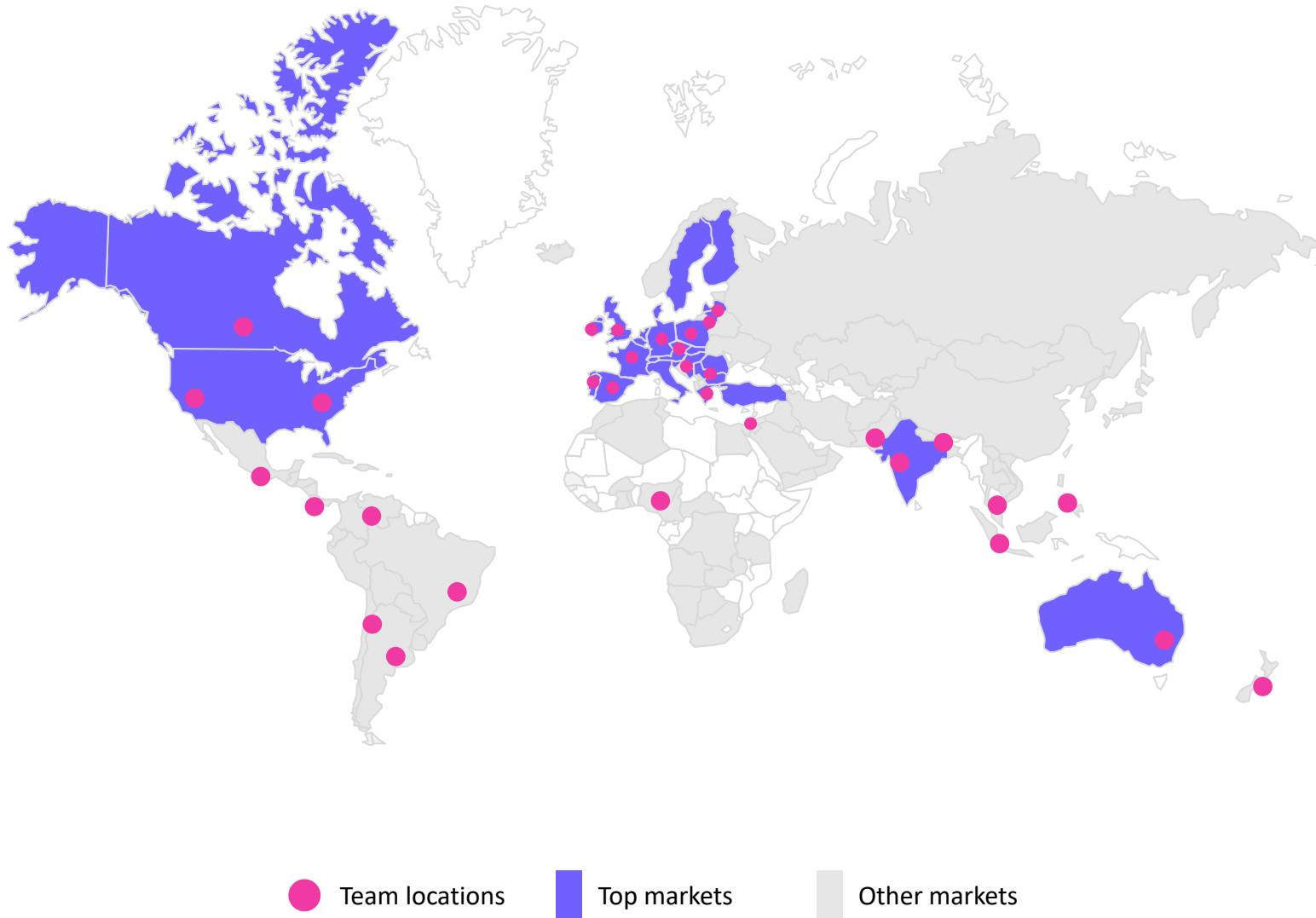


\* Outside of Poland and Czech Republic

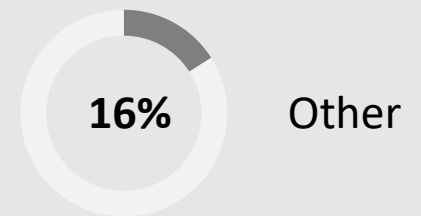
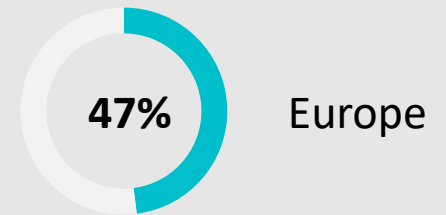
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## : Selling services to customers in 180 markets globally



Estimated structure of gross margin from foreign customers in 2023

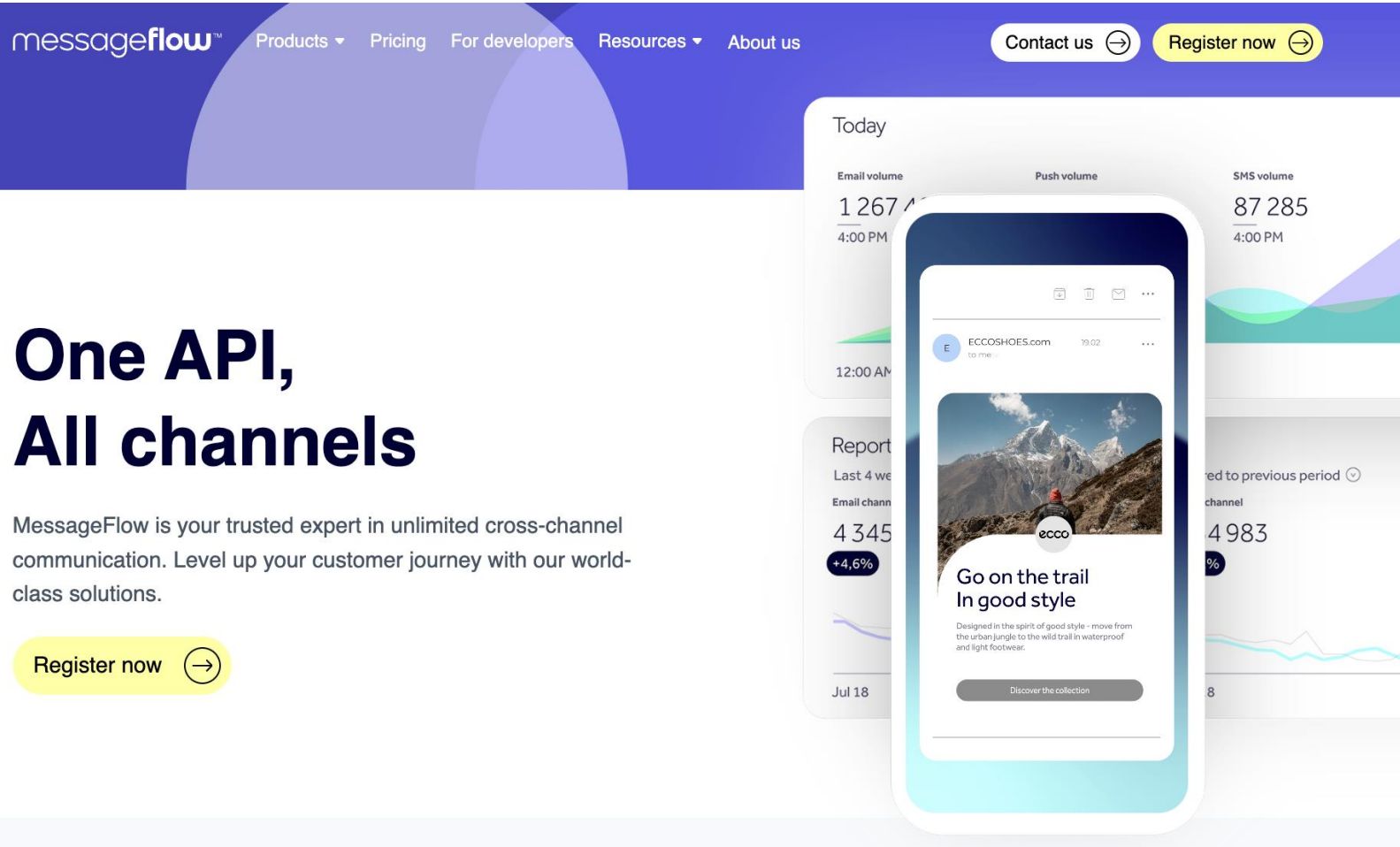


: Strong pick-up in the Enterprise segment driven by **improved consumer sentiment**

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MessageFlow – the new platform aimed enterprise clients



# One API, All channels

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

Register now →

- ✓ One stop-shop for our mid-market 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
- ✓ MessageFlow was commercially launched in Q4
- ✓ Migration of selected customers from the existing Vercom platforms is already in progress

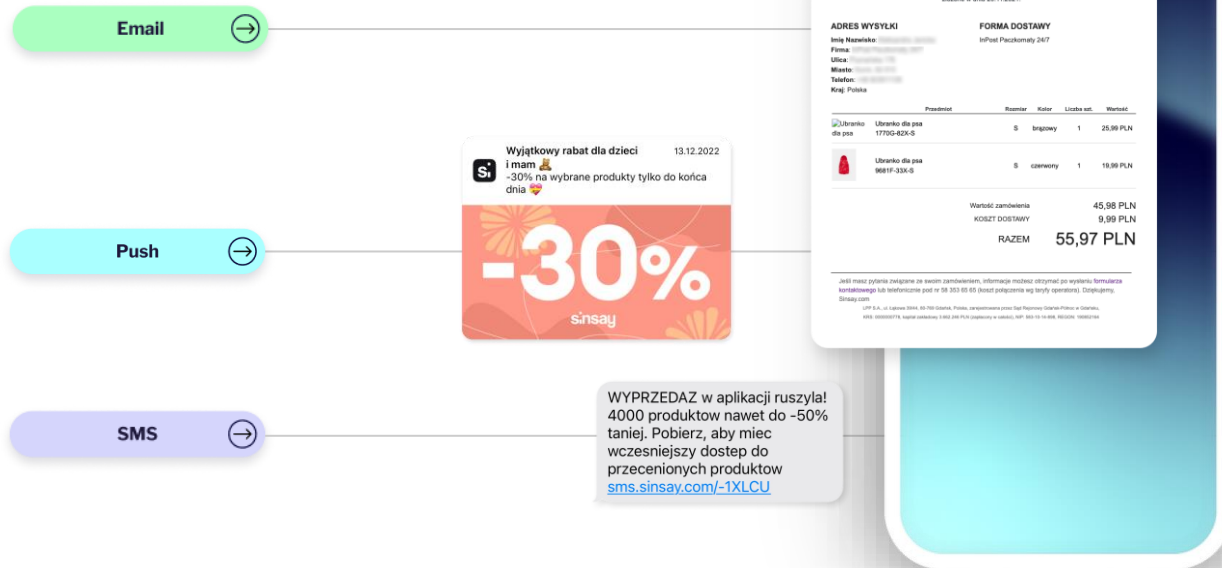
: 20 years of experience rewarded with trust of landmark partners





# : New platform drives acquisition of new high-calibre clients

## LPP: case study



## LPP

Largest fashion company in Central and Eastern Europe

### Solutions:

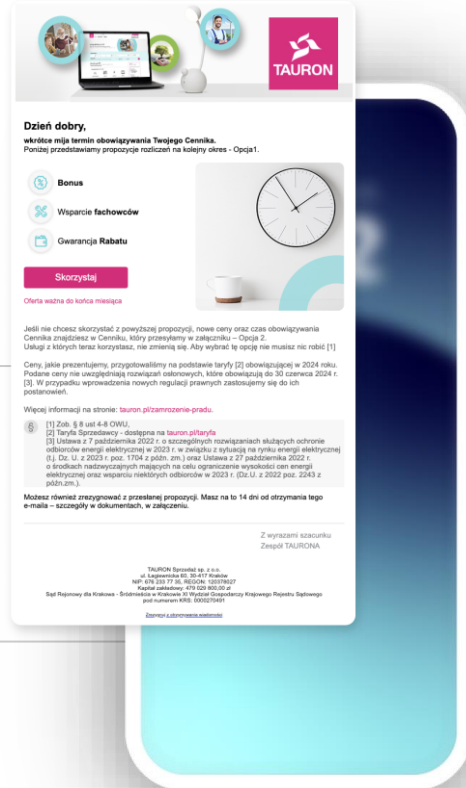
- One-stop-shop solution for transactional and marketing communication
- Millions of Push/Email/SMS messages sent for all 5 LPP fashion brands in 39 European countries
- Integration with multiple customer systems for better and smarter personalisation

# TAURON: case study

Email →

SMS →

1.12 zmienia się warunki Twojej umowy na prąd! Sprawdź email, który do Ciebie wysłaliśmy. Poinformuj nas o swojej decyzji. Szczegóły znajdziesz w emailu.



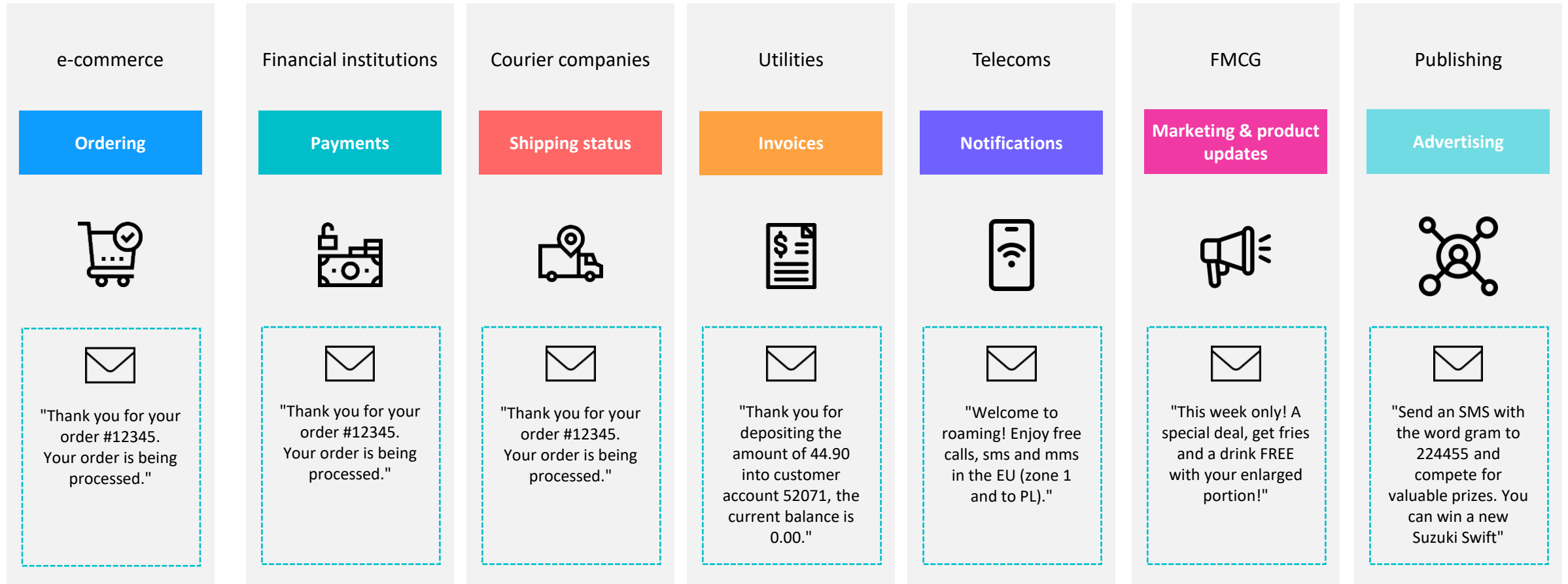
A provider of electricity for homes and businesses

## Solutions:

- Transfer of transactional and marketing communication to the MessageFlow platform and integration of communication channels
- Maximum level of communication security
- Highest deliverability of Email and SMS messages for millions of customers in Poland

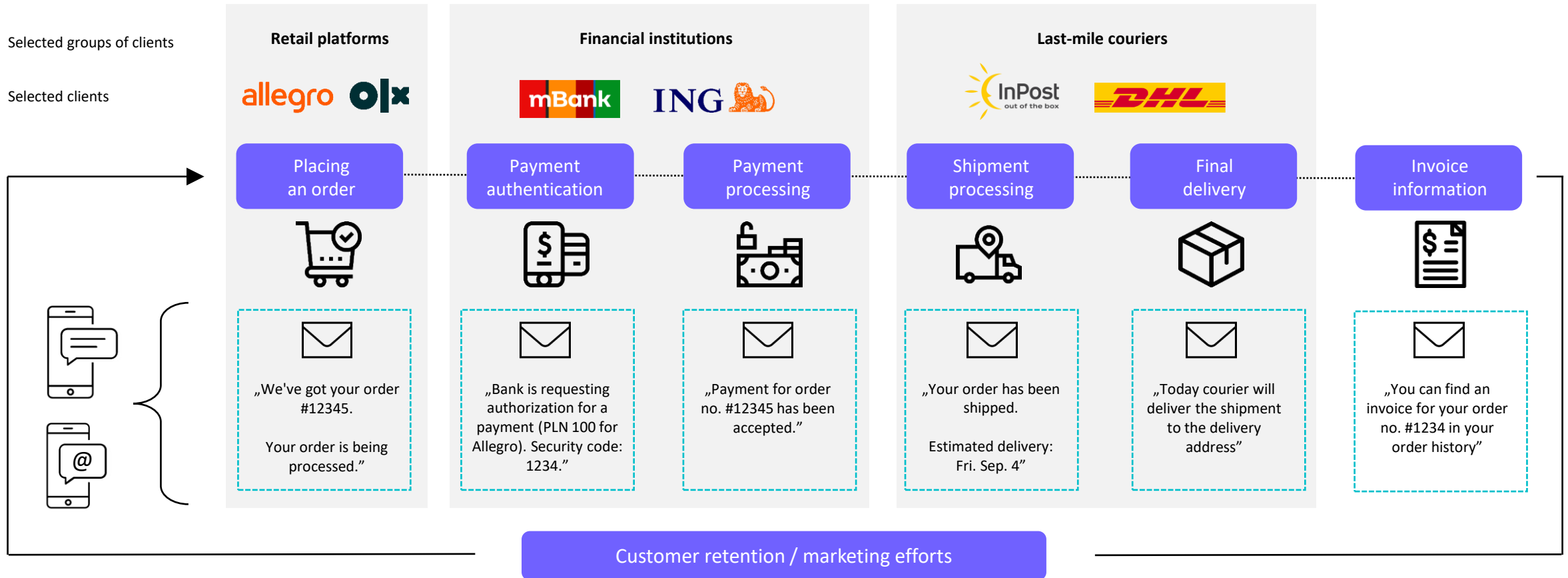
# : We are benefiting from the improving consumer sentiment

✓ Improving consumer sentiment **drives the number of online interactions across all market sectors**



# : Acceleration of the e-commerce supports messaging volume

✓ Every e-commerce transaction **generates multiple messages**, acting as a powerful revenue multiplier

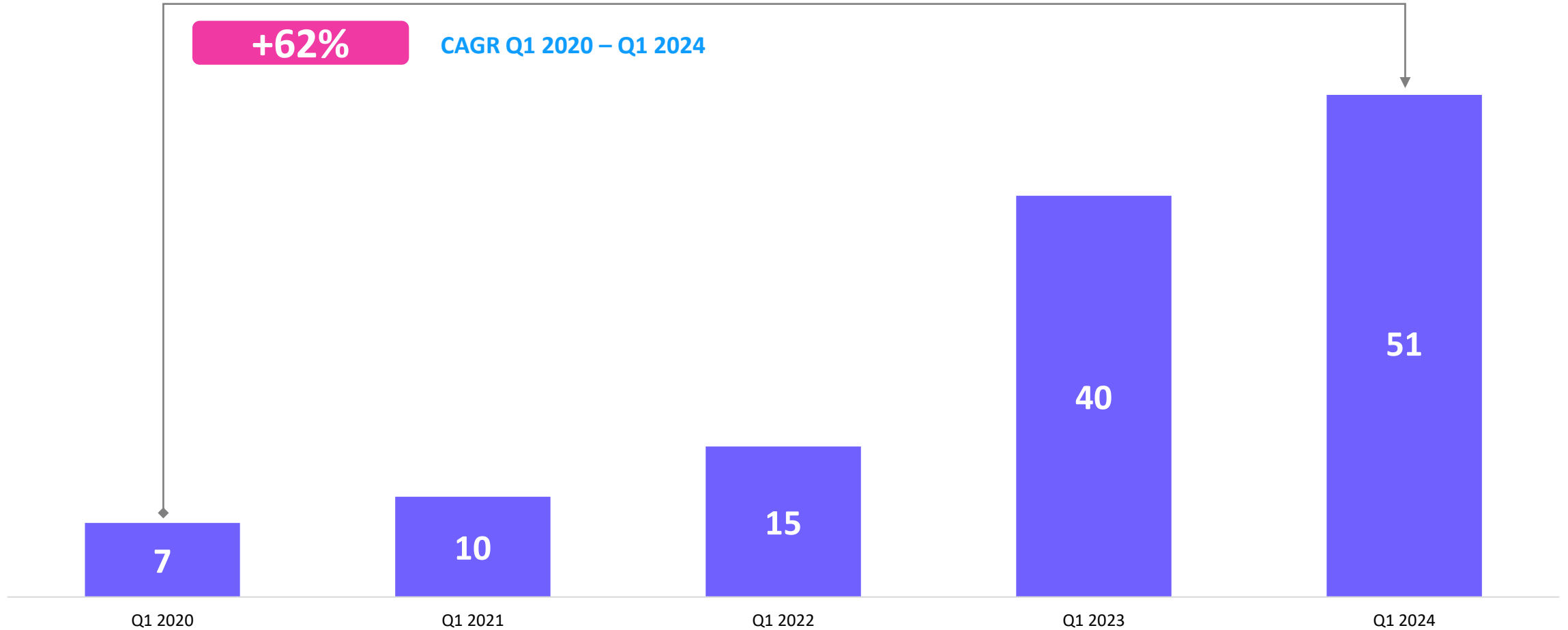


**: Healthy growth  
structure driven by  
customer adds and  
cross-selling**



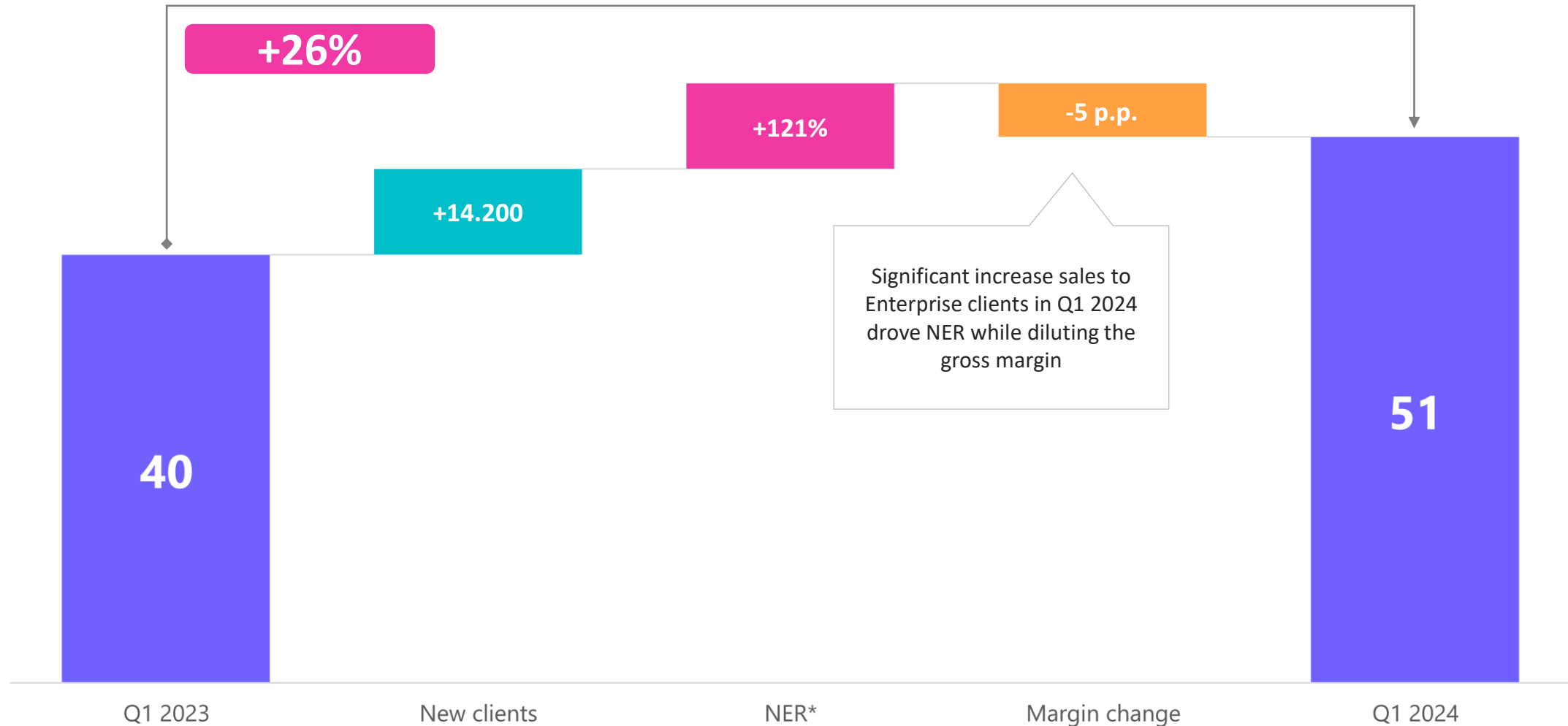
# : Strong gross profit growth reflects the growing scale of operations

Gross profit (PLNm)



# : Gross profit growth driven by customer adds and cross-selling of services

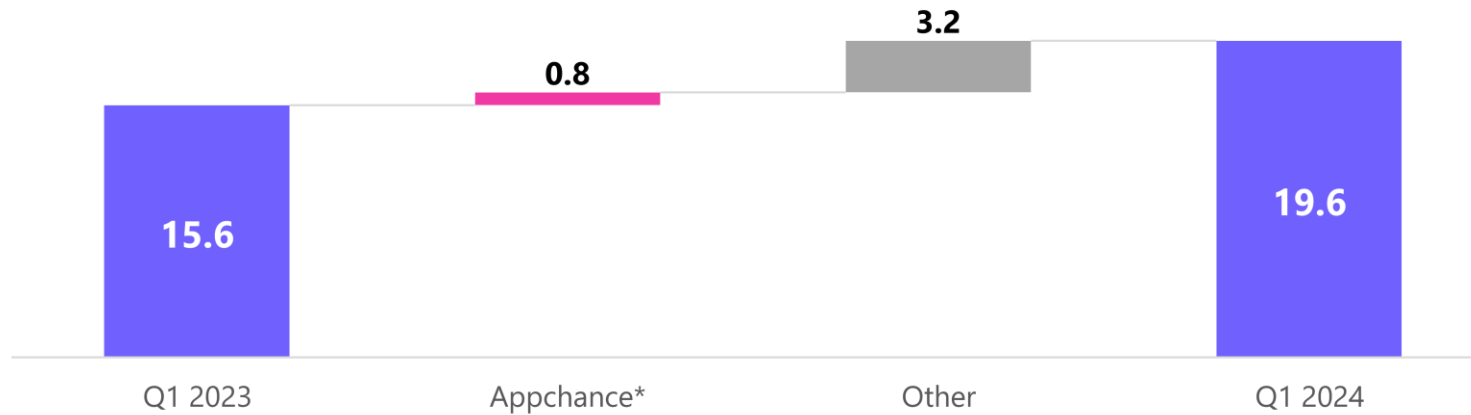
Gross profit (PLNm)



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

## : Increase in SG&A cost base reflects the growing scale of the business

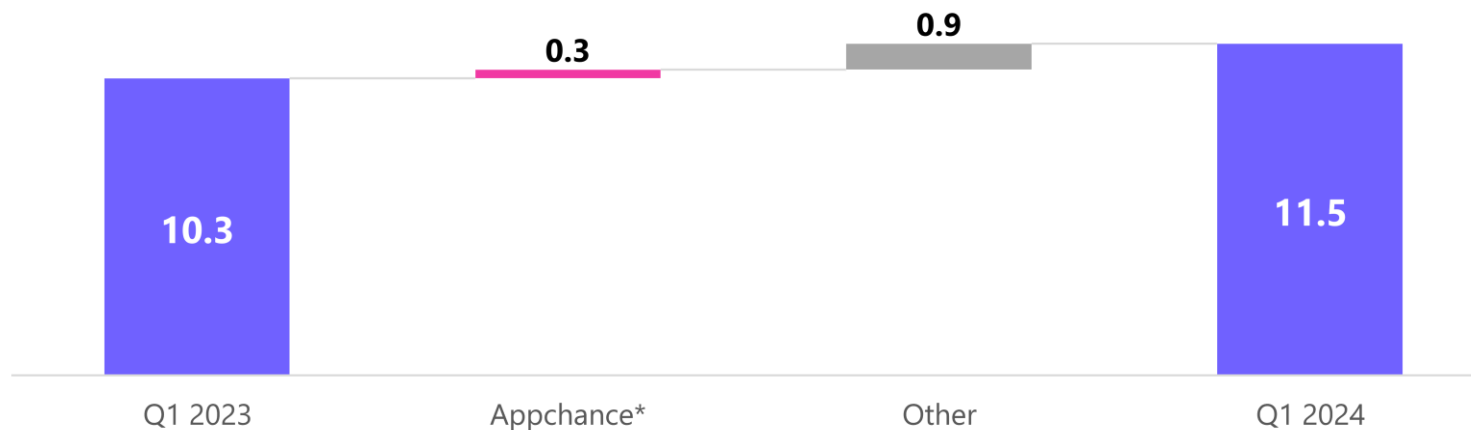
### General and administrative expenses (PLNm)



### Note

- ✓ The increase of G&A costs is mostly associated with the growing scale of the business (PLN 3.2m)
- ✓ PLN 0.8m of G&A increase YoY was associated with the consolidation of Appchance (since May 2023)

### Sales and marketing expenses (PLNm)



- ✓ Increase of selling and marketing costs is mostly associated with the increased marketing budget (PLN 0.9m)
- ✓ PLN 0.3m of G&A increase YoY was associated with the consolidation of Appchance (since May 2023)

\* Appchance is fully consolidated since May 2023



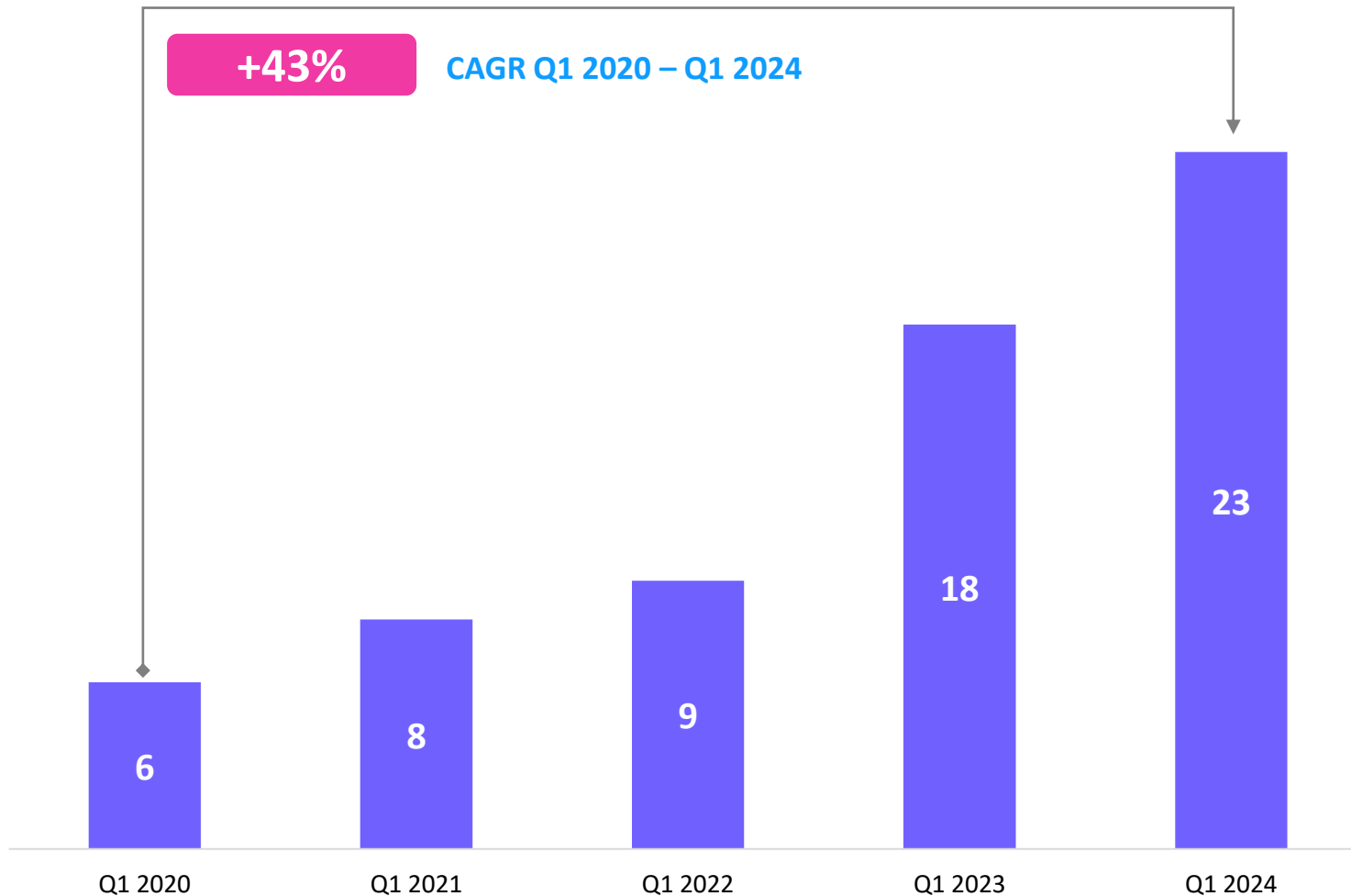
**: Growing contribution of SaaS services drives cash conversion**



## : Dynamic EBITDA growth in line with target growth trajectory

Adjusted EBITDA (PLNm)

Note



Q1 2024 EBITDA in line with target growth trajectory for 2024



Strong organic growth rate amounting to 33% YoY



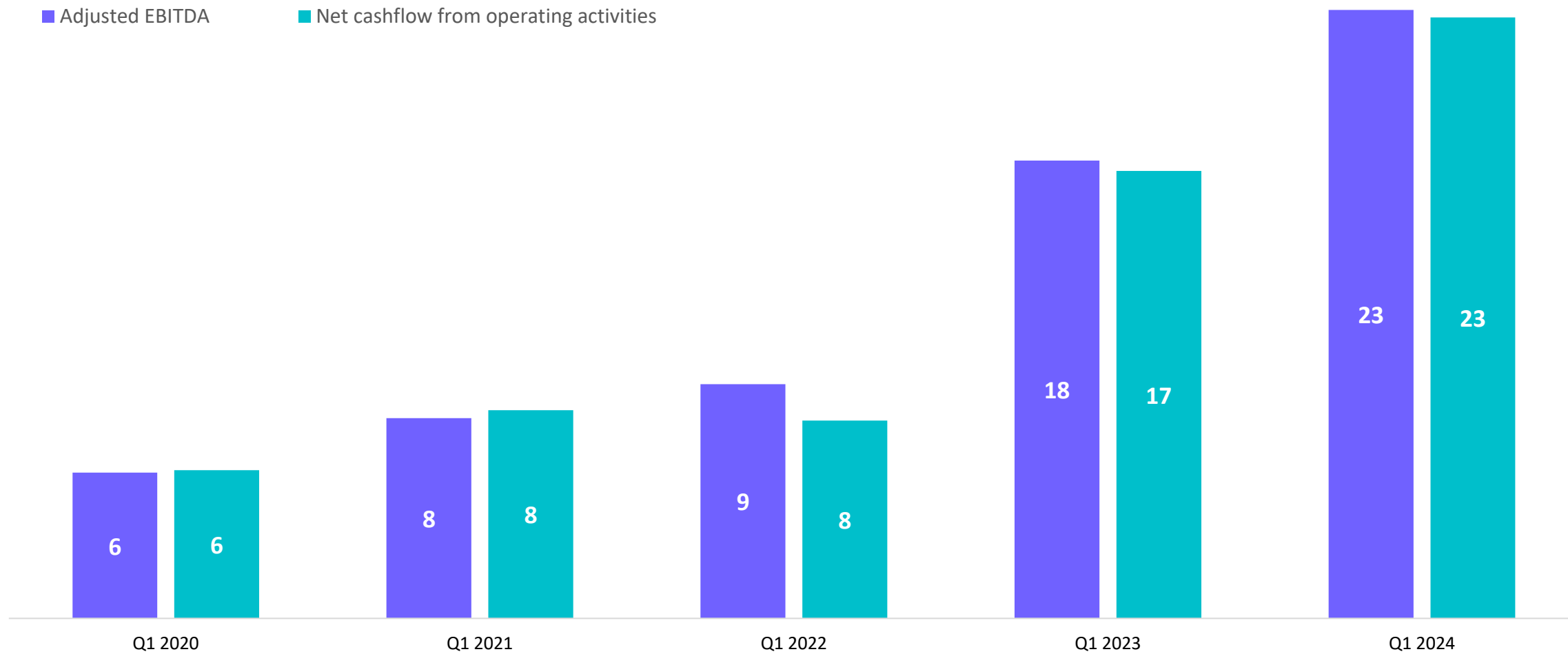
Decreasing seasonality resulting from the growing contribution of subscription-based SaaS services



c. 1 p.p. decrease in EBITDA margin resulting from the significant increase of sales to Enterprise clients in Q1 2024

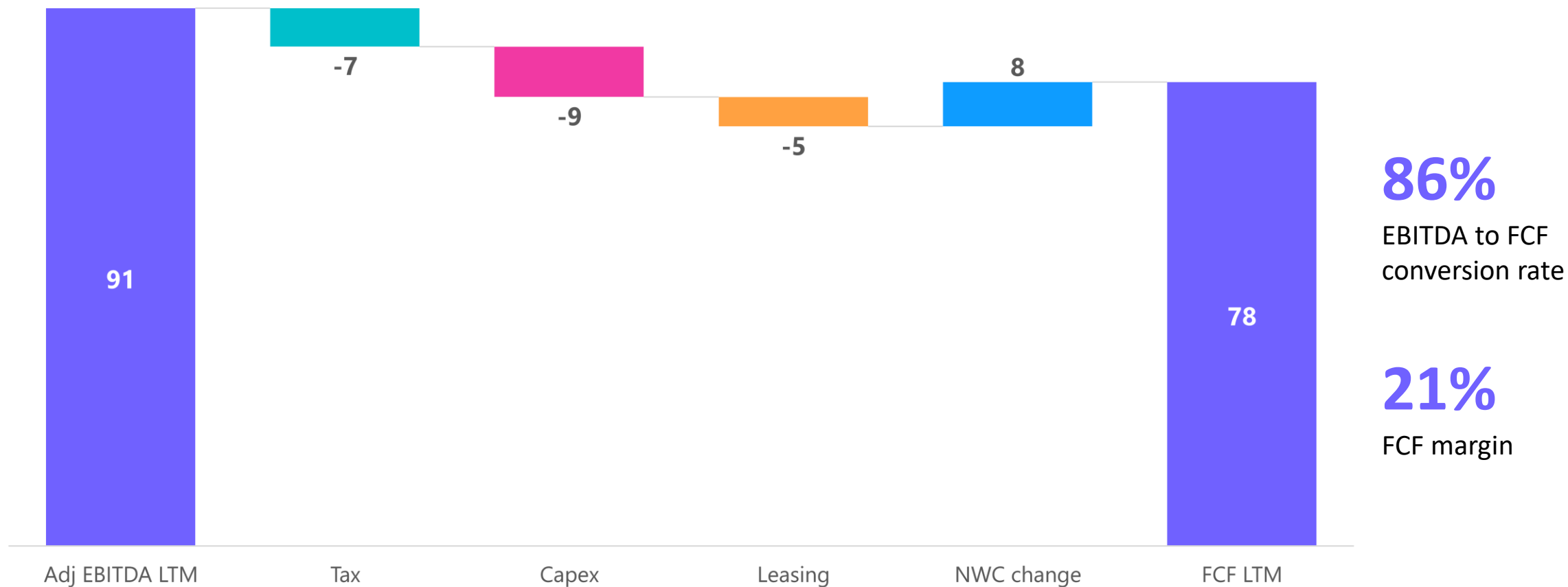
## : High conversion rate of EBITDA into operating cash flow

Adjusted EBITDA and net cashflow from operating activities (PLNm)



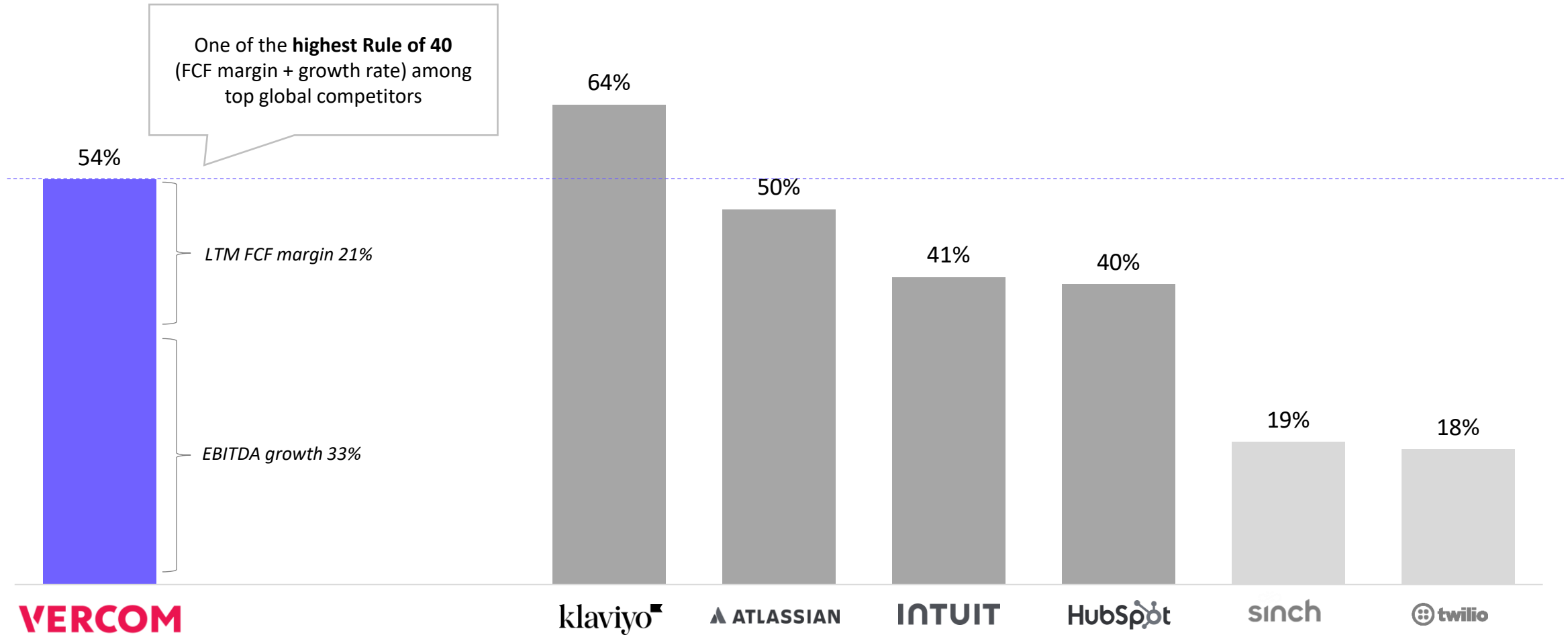
# : High cash generation capacity

LTM EBITDA to LTM FCF bridge (PLNm)



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

Rule of 40 for selected SaaS peers



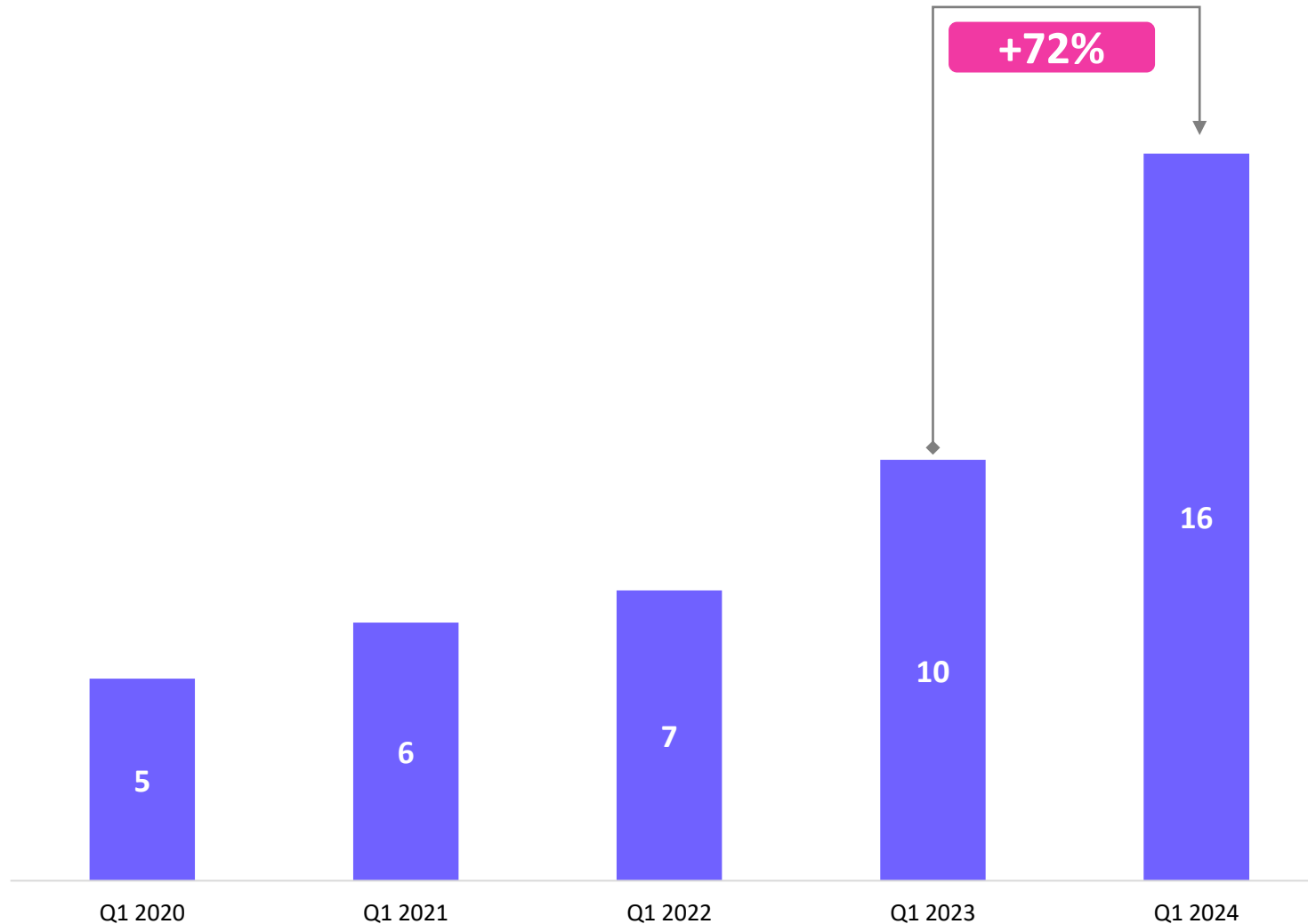
: Dynamic net income  
growth supported by  
decreasing leverage



## : Strong net income growth driven by operating leverage and lower financing costs

Net profit (PLNm)

Note



Robust net profit growth of 72% yoy



Growing net profit margin amounting to c. 16% in Q1 2024



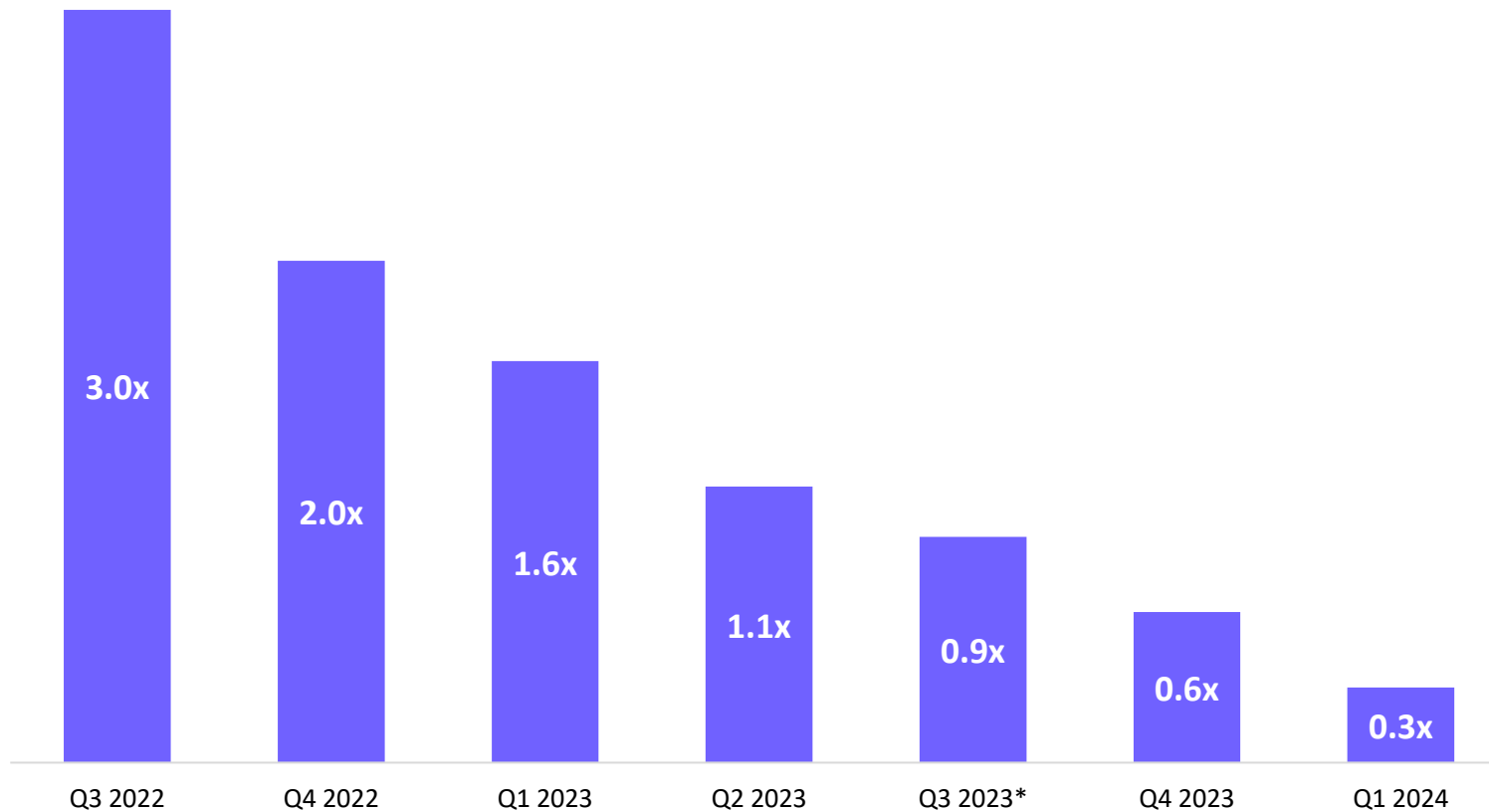
Net income supported by:

- Lower financing costs due to:
  - Prepayment of c. PLN 25m debt in Q4 2023
  - Lower credit margin resulting from decreasing net debt / EBITDA
- Positive tax rate impact due to:
  - The decreasing level of interest payments
  - Tax reliefs resulting from increased R&D capex

## : We expect to have positive net cash position in 2024

Net debt / LTM EBITDA

Note



Safe and decreasing net debt / EBITDA (c. 0.3x) with a view to have positive net cash in 2024



Net debt currently amounts to just PLN 27m



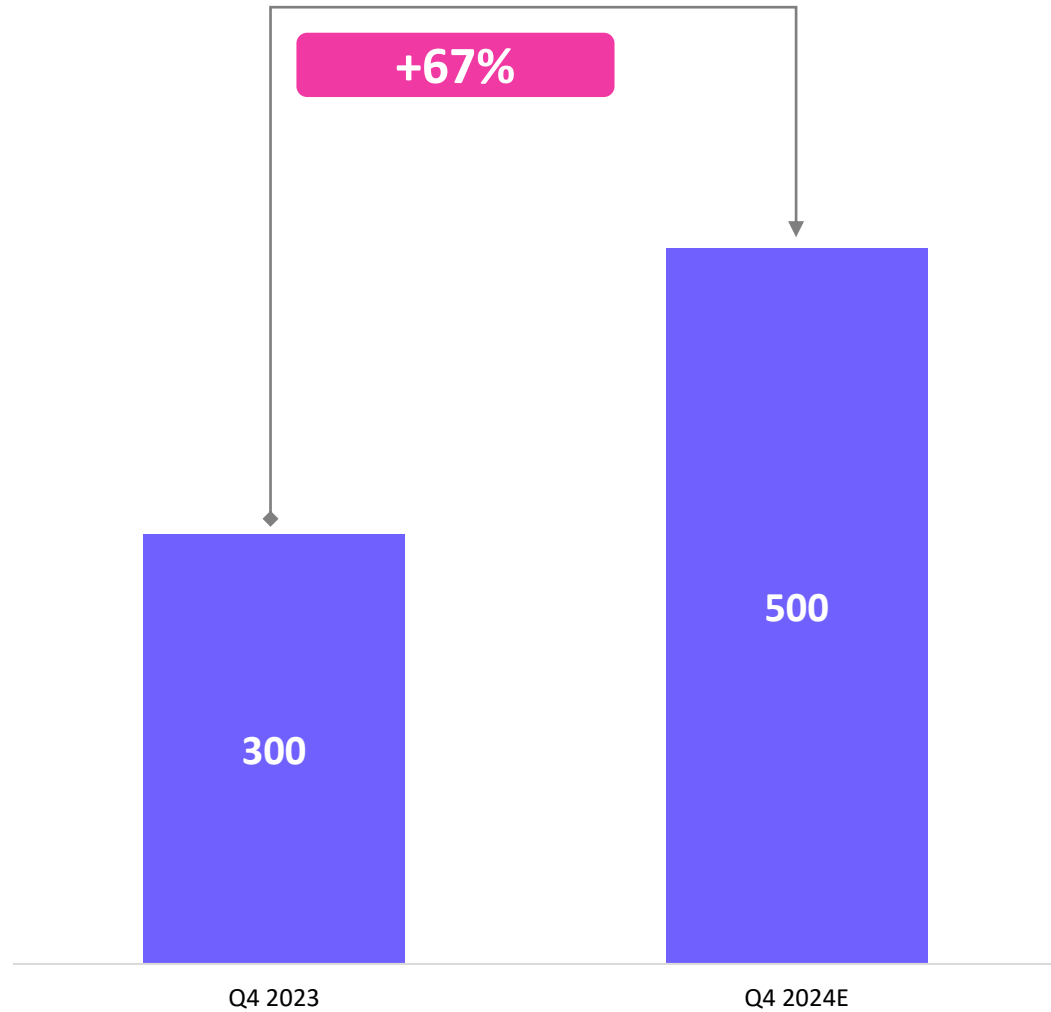
Stronger cash position means more headroom for potential dividends and growth initiatives

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



## : Increasing headroom for potential acquisitions

Estimated M&A potential\* (PLNm)



\* Assuming nil net debt by the end of 2024 and ability to achieve target EBITDA level

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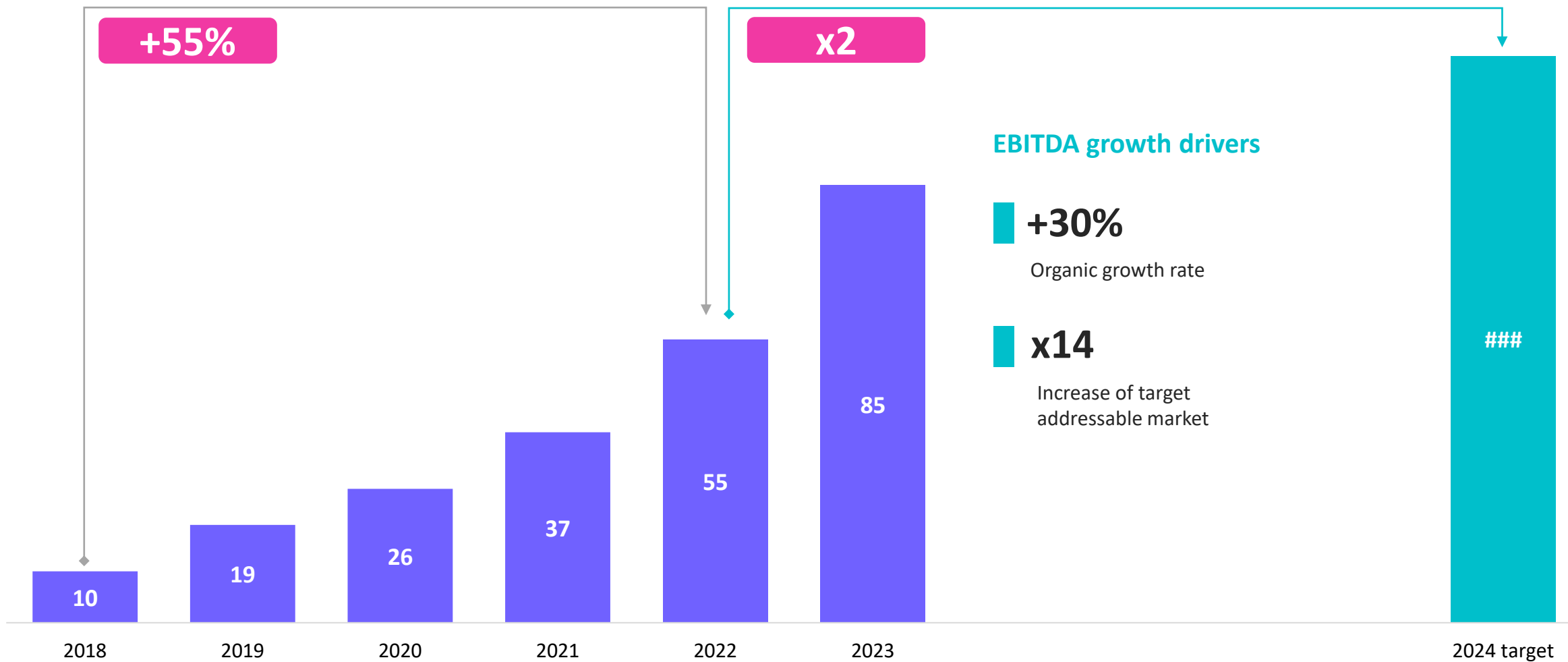


: We are **on track** to achieve our ambitious goals



# : We are on track to achieve 2024 growth target

Adjusted EBITDA (PLNm)



## : Key takeaways from Q1 2024 results

- Q1 results **in line with target growth trajectory** for 2024
- Strong organic growth rate of c. 33% while maintaining c. 20%+ FCF margin – it means we boast **one of the highest Rule of 40 benchmark among leading SaaS companies**
- **Healthy growth structure** driven by net customer adds (c. 20% YoY, 5,700 in Q1 alone) and effective cross-selling of services supported by the migration of clients to the new MessageFlow platform
- **72% net income growth** driven by operating leverage and lower financing costs bodes well for future dividend potential
- Decreasing net debt / EBITDA (c. 0.3x) combined with growing cash flows are expected to **increase our financing capacity to PLN 500m** by the end of 2024



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**: Scale beyond**

