

VERCOM

| Q2 2024

Investor presentation

2 September 2024



: Scale beyond

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: Profitable growth  
continued in Q2 2024

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: Q2 2024 financial results

Gross profit

PLN 54m

Organic growth y/y

**+24%**

Adj. EBITDA

PLN 27m

**+30%**

FX-adj. net income

PLN 19m

**+37%**

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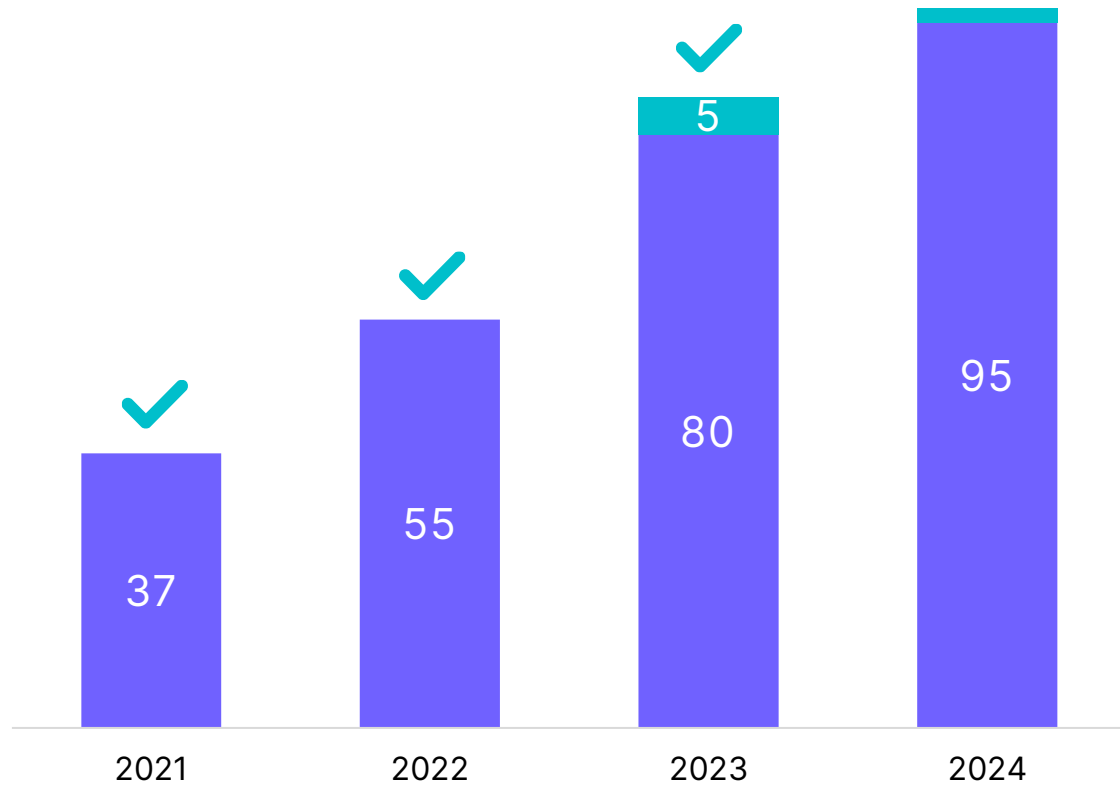




: LTM EBITDA already above 2024 ESOP target

ESOP financial target – adjusted EBITDA (PLNm)

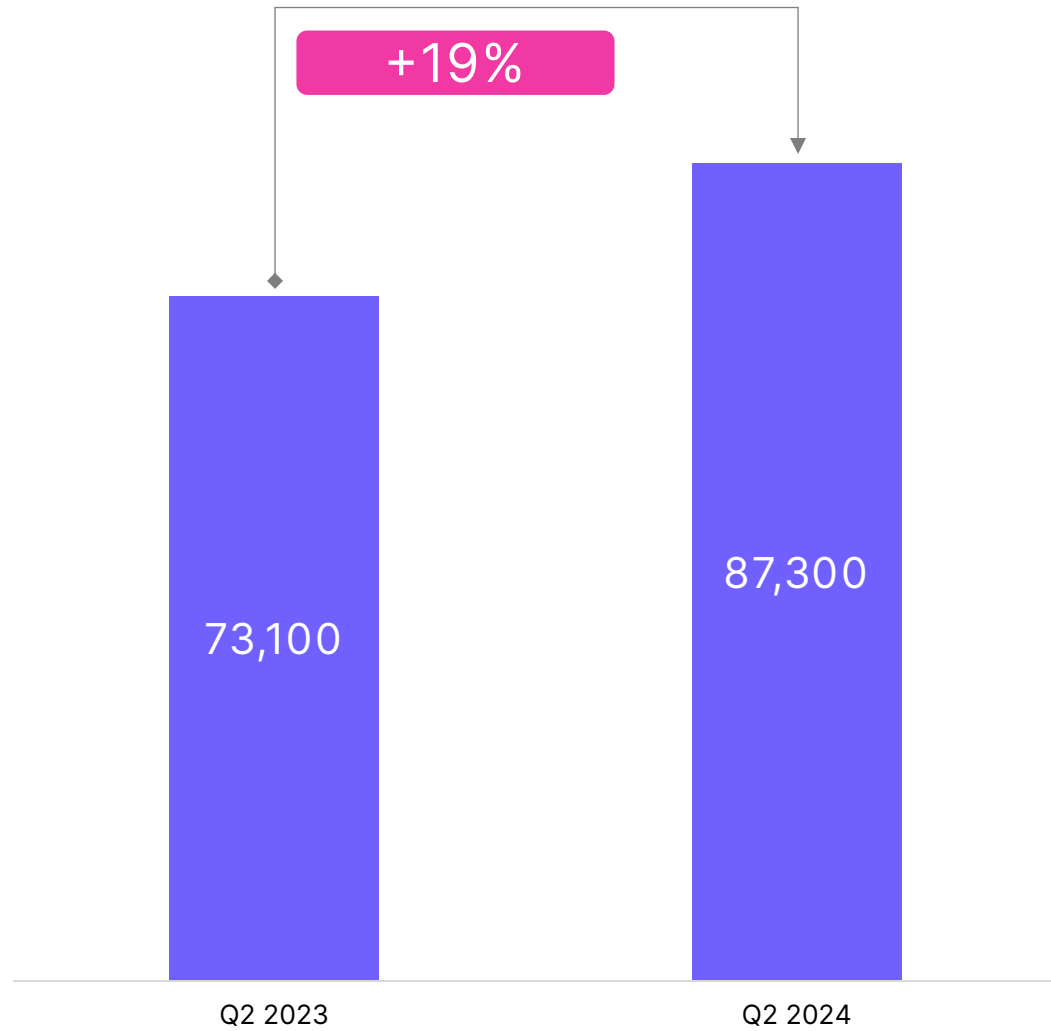
LTM EBITDA already +PLN 2m above the 2024 ESOP target





: 19% YoY customer base growth

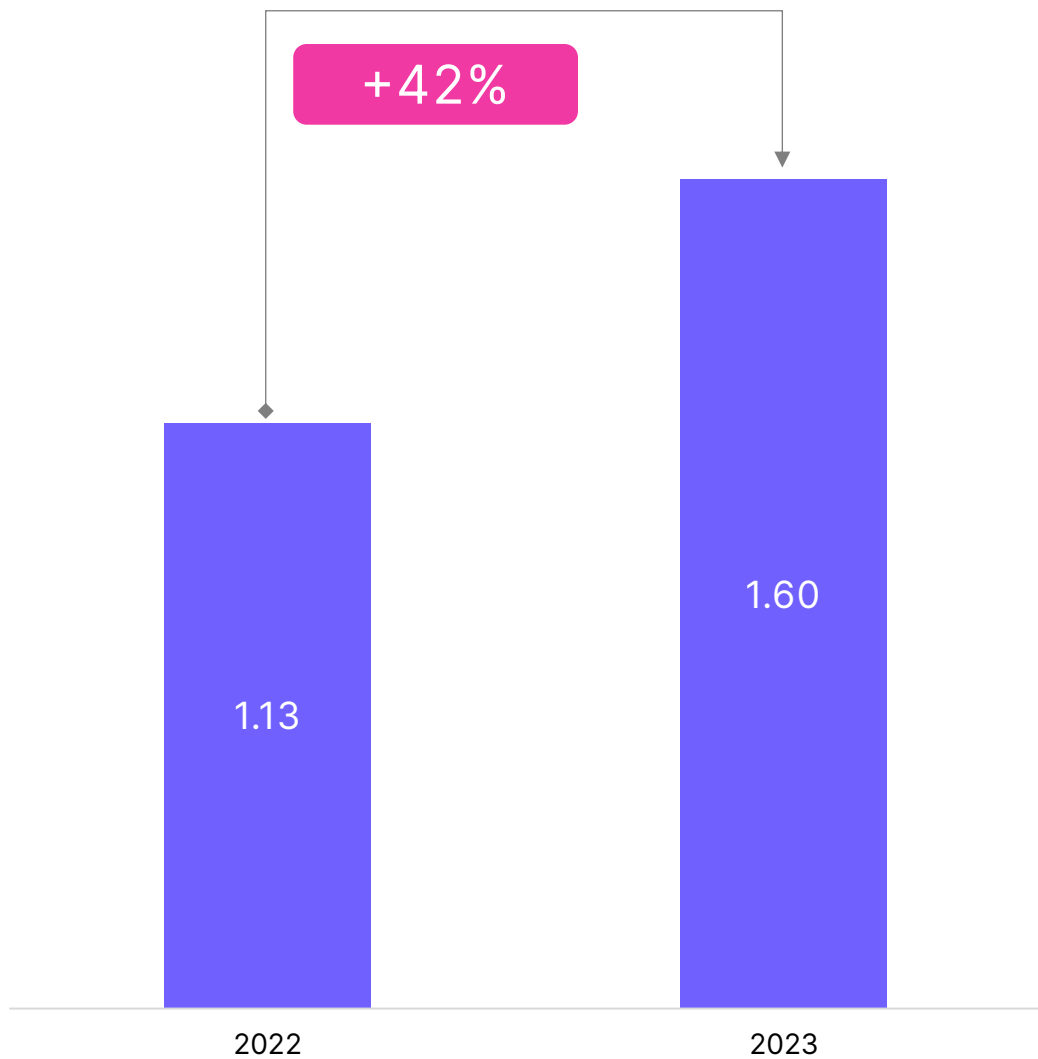
Total number of customers





: Record dividend payout from 2023 net profit

Dividend per share (PLN)





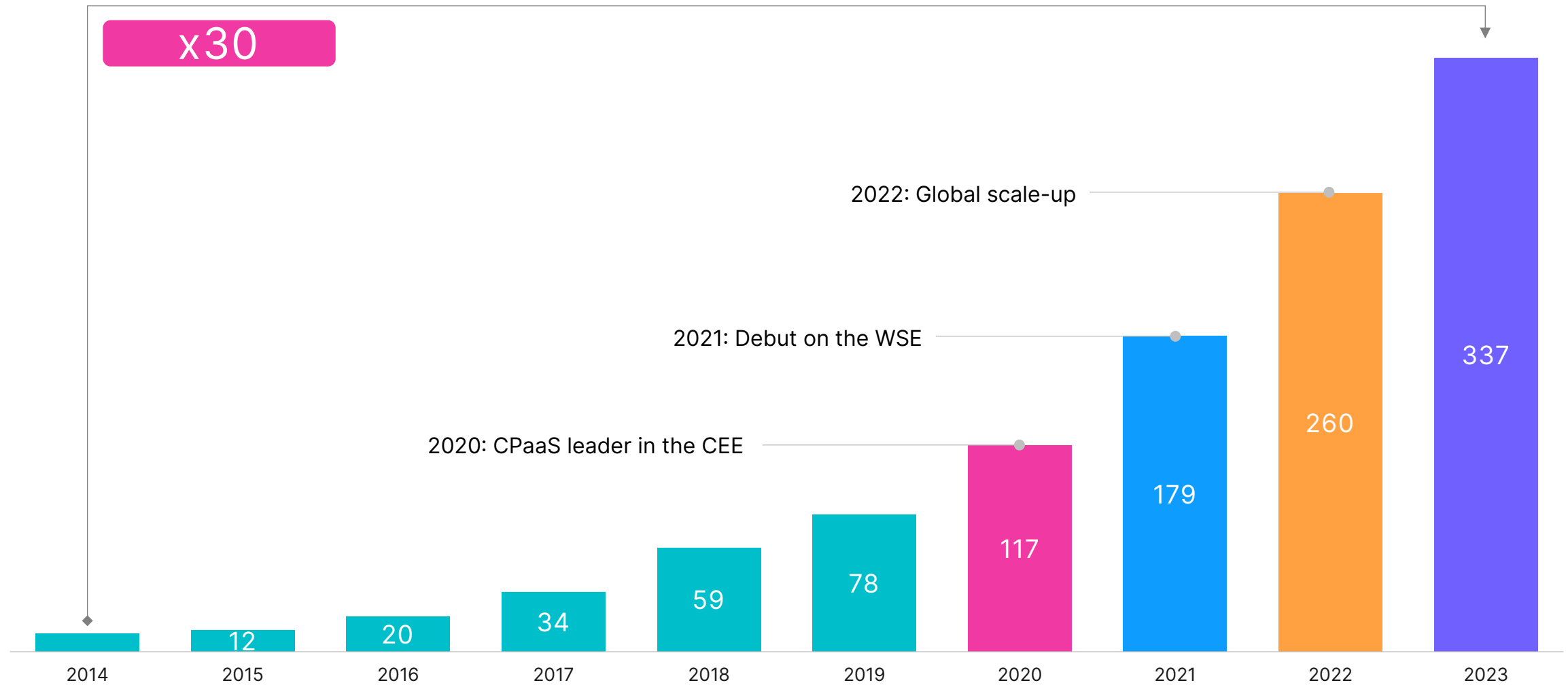
: We are a fast-growing  
SaaS company





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

Revenue (PLNm)





: 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

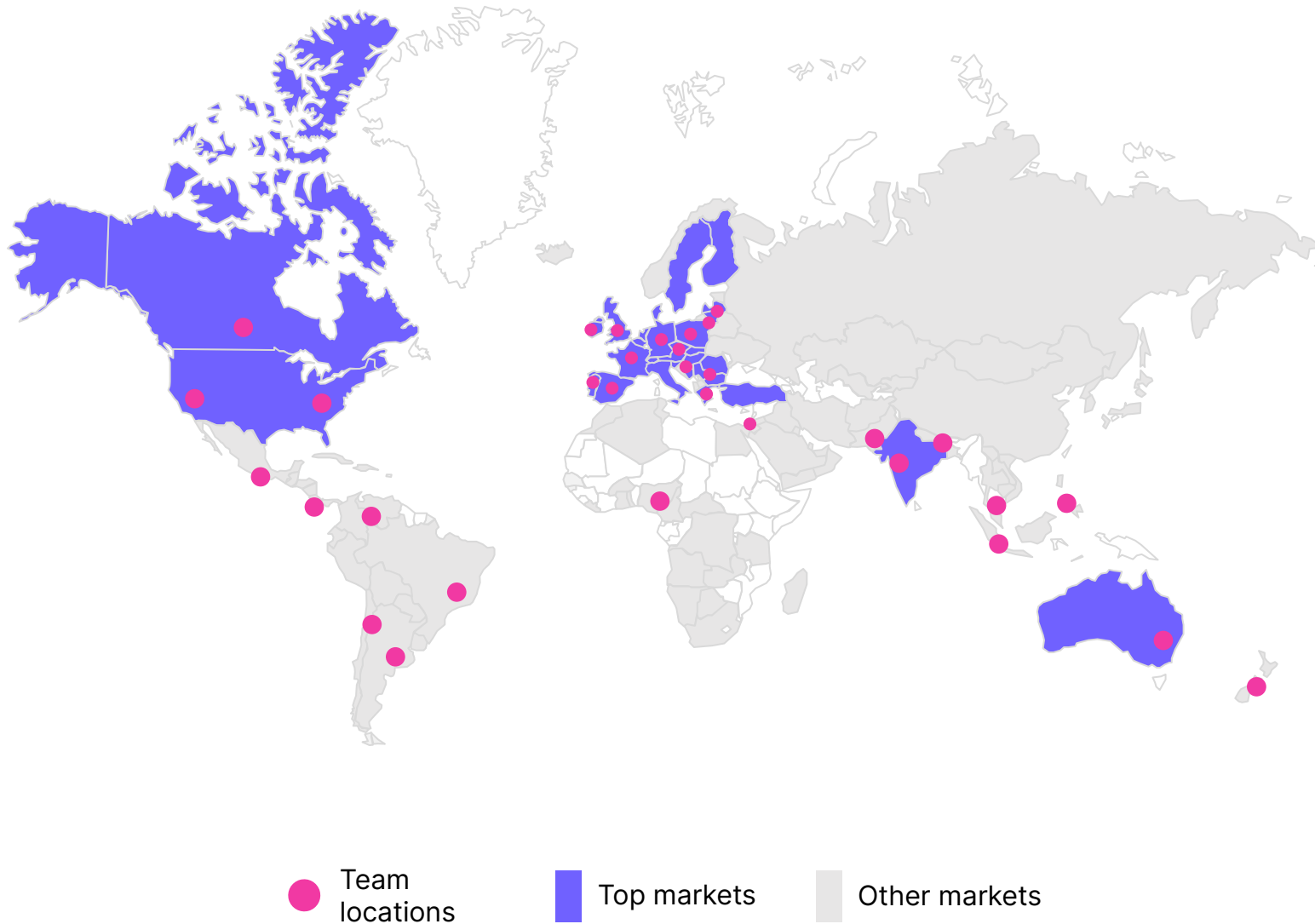


: 20 years of experience rewarded with trust of landmark partners

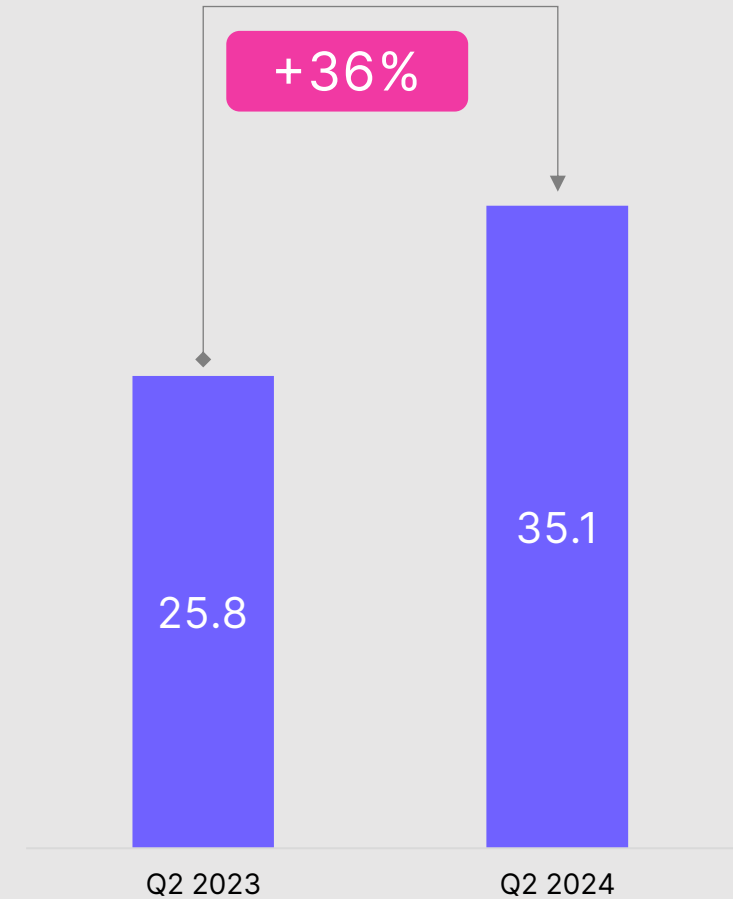




: Selling services to customers in 180 markets globally



Sales to foreign customers\* (PLNm)



\* Outside of Poland and Czech Republic

: Growth in the Enterprise segment accelerated by new cross-sell opportunities

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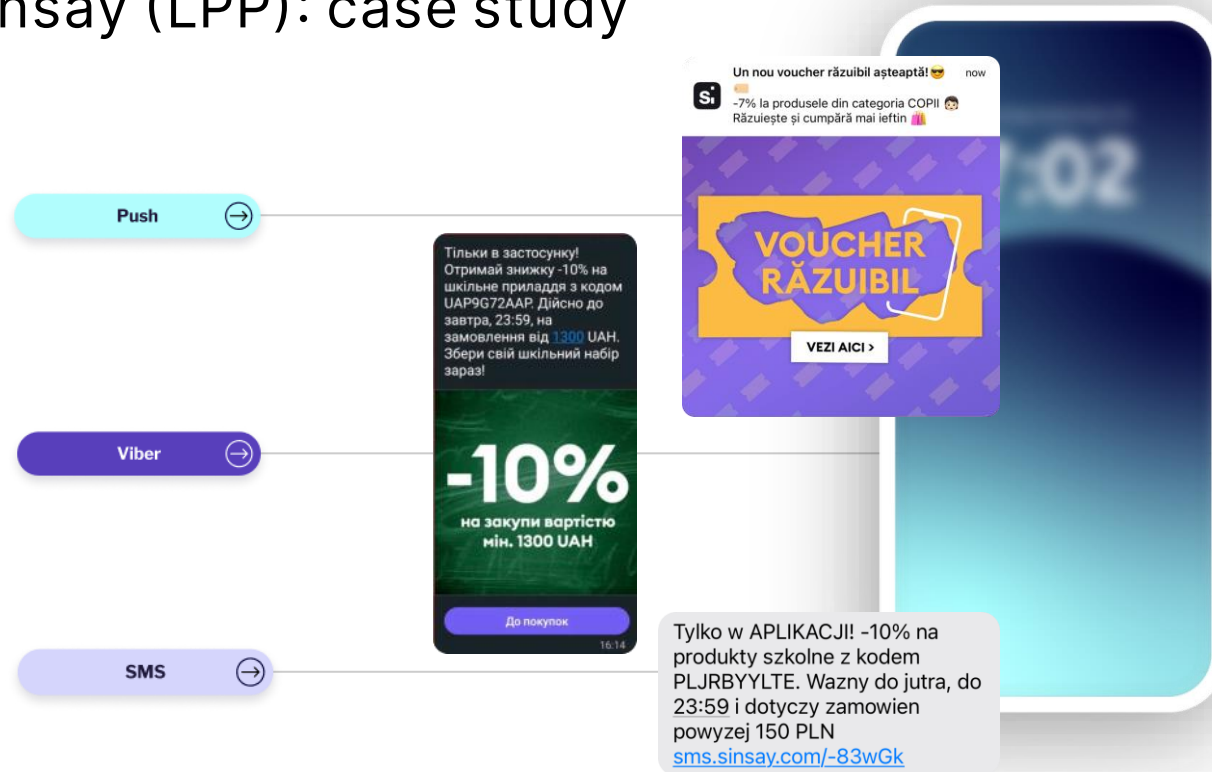


# : Vercom customer engagement flywheel



Increasing adoption of AI features

## Sinsay (LPP): case study



# sinsay

Fastest-growing LPP brand

We are expanding co-operation:

- The client has been using our solutions for transactional and marketing communication through SMS, EMAIL, and PUSH channels across all 39 markets
- Due to the need to deepen customer loyalty and deliver messages to diverse audience groups, it was decided to implement communication using OTT messengers
- The first commercial sends demonstrated the high effectiveness of the OTT channel, including Viber, for recipients in Ukraine, Bulgaria, Croatia, and Serbia.



: Viber is a highly effective communication channel complementary to SMS

Cost-effective way to reach the audience from Ukraine

91%

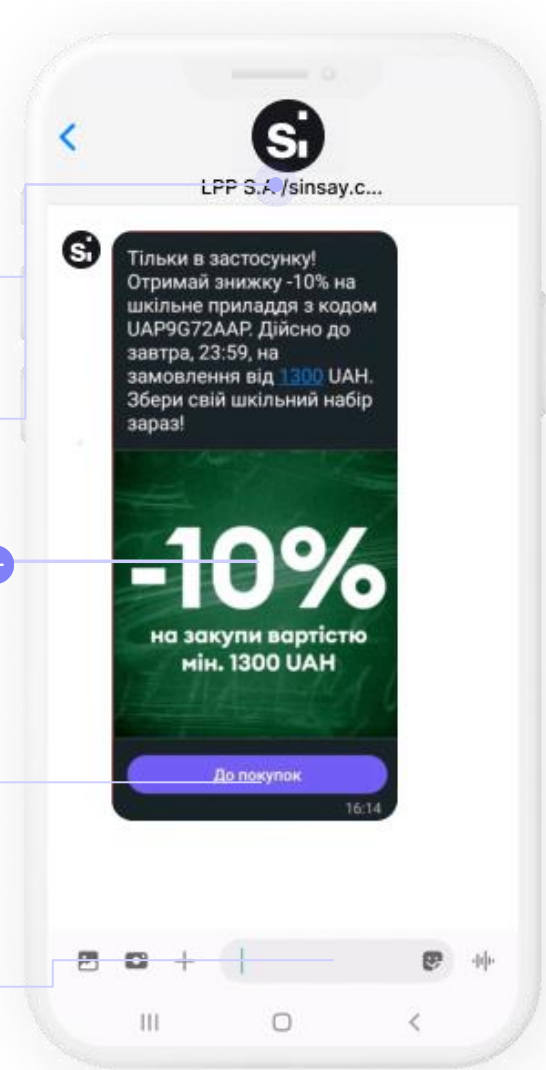
Coverage (for Ukraine)

56%

Average open rate (messages opened / messages sent)

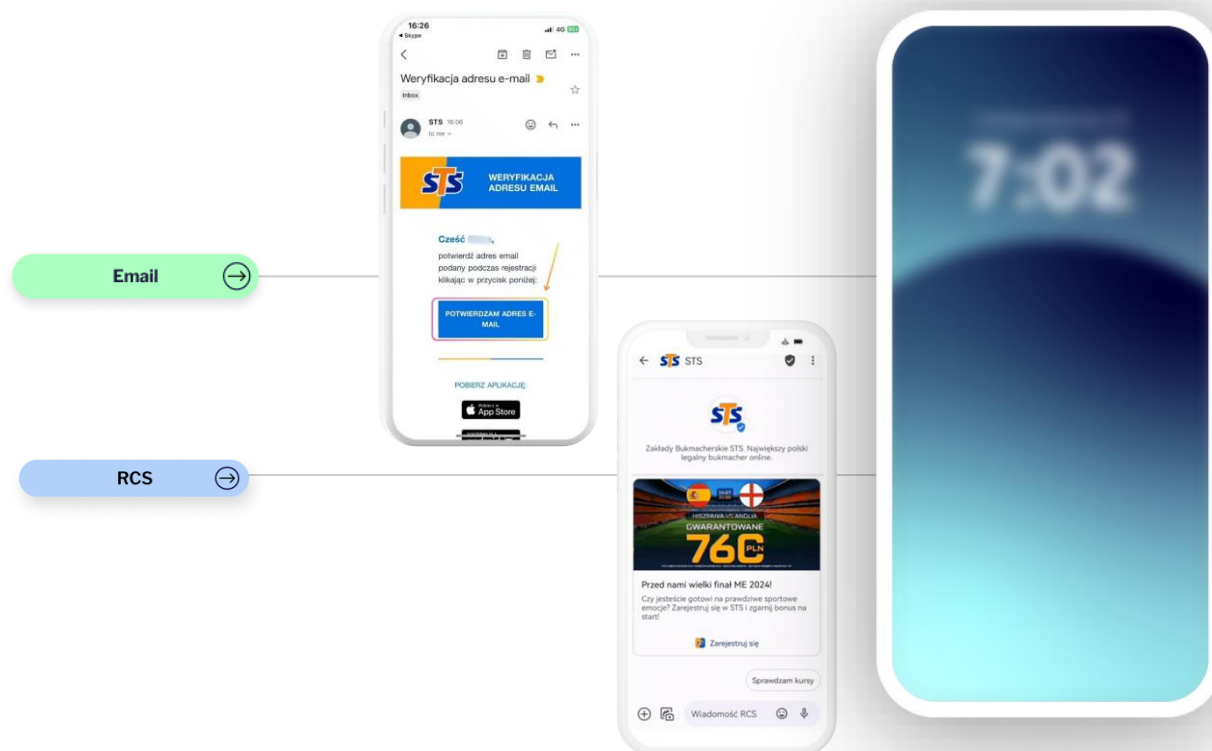
Viber (OTT) features

- 🔗 Branding: logo, brand description
- 📄 Name: LPP S.A / sinsay.com
- 🗨️ Text limit: up to 1000 characters
- 🖼️ Graphics: jpg, png, gif
- 🔗 CTA button: redirecting to www
- 💬 Chat: Real-time chat with sales



# : Implementation of the OTT (RCS) communication by STS

## STS: case study



STS is a leading sports betting company in Poland

### Expanding co-operation:

- The client has been using our solutions for transactional and marketing communication via EMAIL
- Due to the need to increase the engagement of target audience, it was decided to implement communication using OTT channel (RCS)
- The RCS channel proved highly effective for STS as it increased customer engagement and it became part of the standard communication workflow



# : RCS allows to engage the audience more effectively than traditional SMS

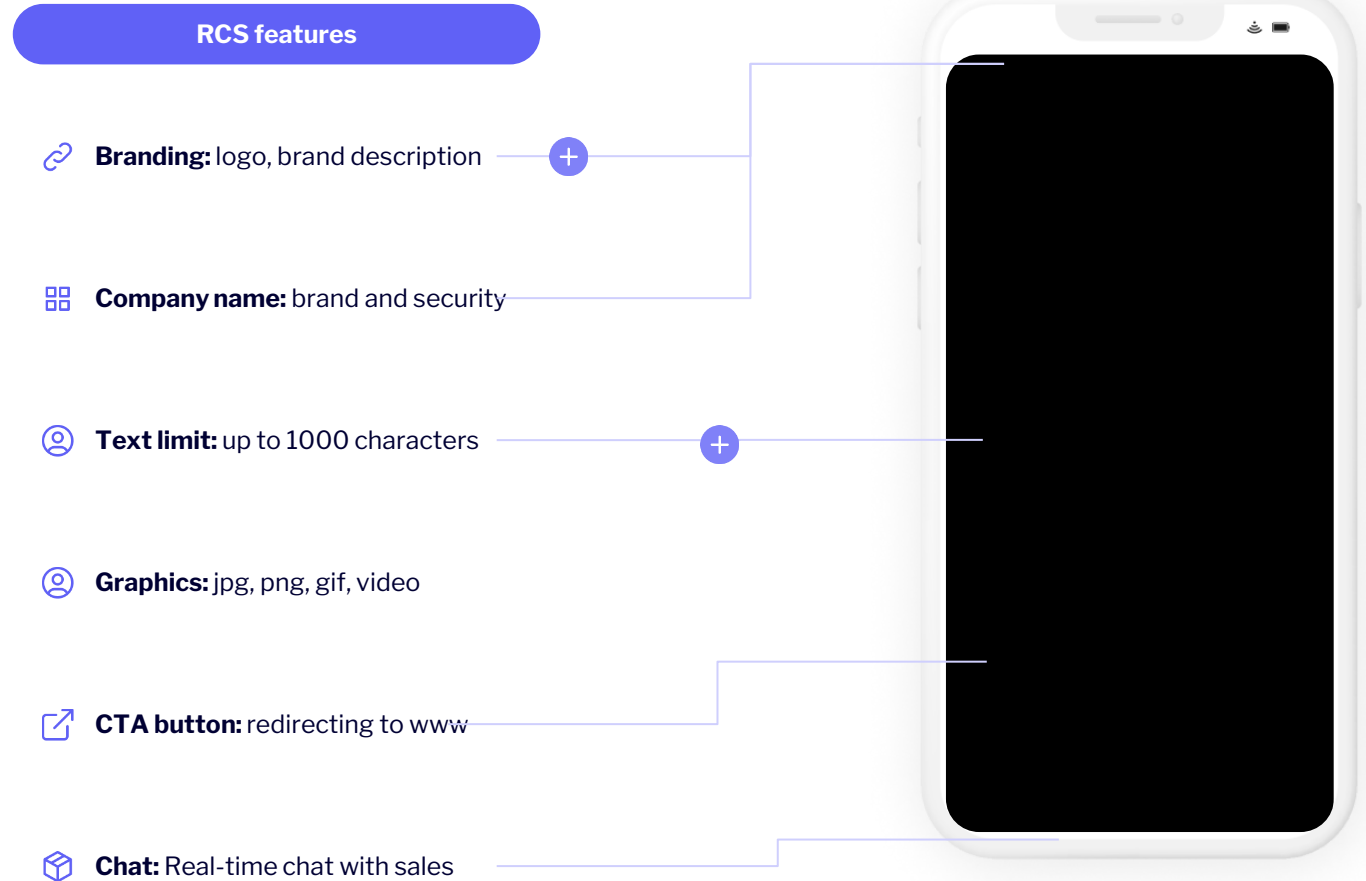
We observe a growing interest in RCS with 10+ implementations completed

50%

Coverage  
(for Poland)

10+

# of implementations  
(commercial and test)



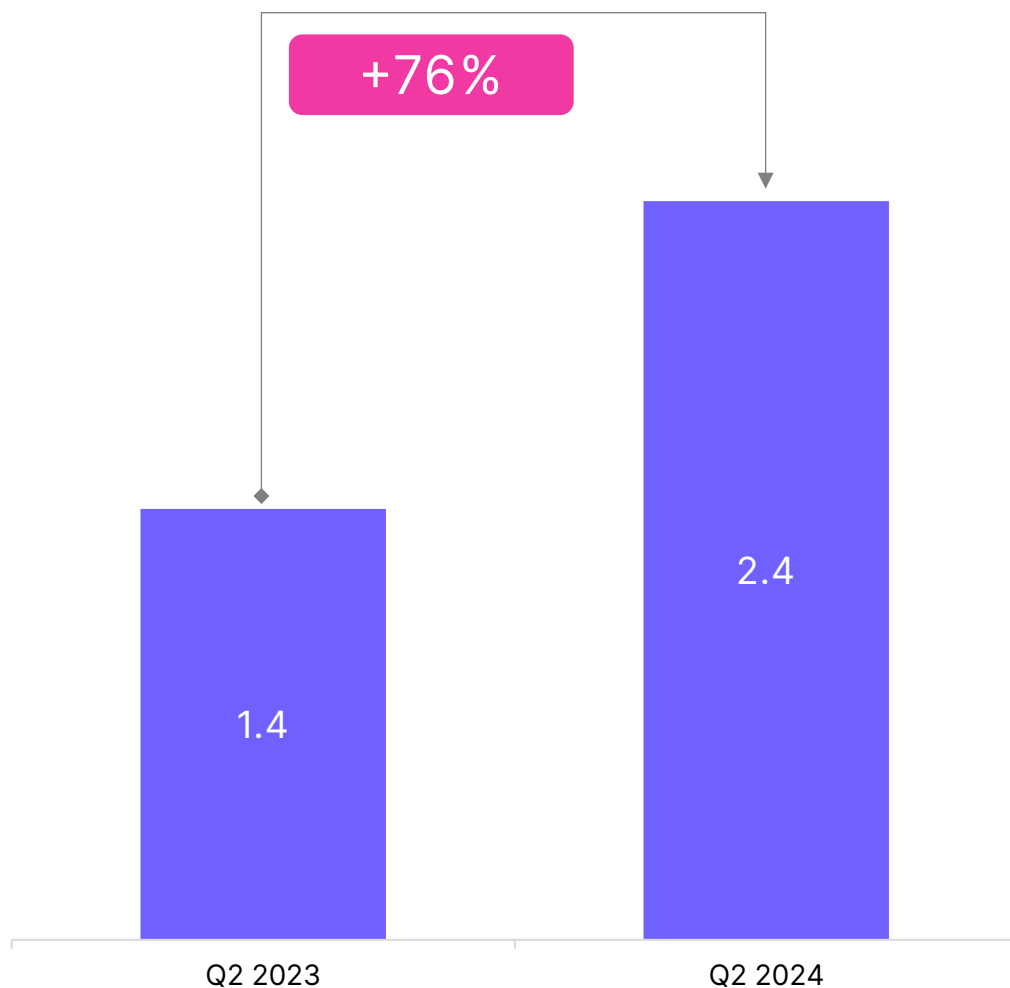
: SME product innovation  
focused on seamless  
integration of AI features





## : We are increasing R&D capex to accelerate integration of AI features

### R&D investment (PLNm)



### Key areas of AI development

- ✓ Abuse prevention:  
Automatic assessment of client content allowing better protection of the platform and reputation of the infrastructure (i.e. quality of IP addresses)
- ✓ Content generation:  
Development of a range of tools helping customers to speed up and automate content creation for their newsletters and landing pages
- ✓ User engagement:  
Development of customer-specific model which collects historical performance data to select the best sending window for each individual subscriber in the platform

# : Introducing AI driven landing page generator

## 1 Provide background information

Company or organisation name

Nikola Milojevic

What industry are you in?

Author

Describe your desired landing page (recommended)

I want you to create a landing page for my new book called "A Galaxy Far Away" which is a sci-fi drama.

Select up to 3 landing page goals. This helps the AI generate a landing page that aligns with your goal. (max.3)

<input type="checkbox"/> Capture subscribers	<input type="checkbox"/> Showcase work	<input checked="" type="checkbox"/> Event promotion
<input type="checkbox"/> Launch product	<input type="checkbox"/> Collect feedback	<input type="checkbox"/> Educational resources
<input type="checkbox"/> Special offer	<input type="checkbox"/> Sell memberships	<input type="checkbox"/> Brand awareness
<input type="checkbox"/> Sell digital product	<input type="checkbox"/> Contact us	<input type="checkbox"/> Other

## 2 Choose preferred style

Writing style

Natural

Playful

Professional

Friendly

Informative

Select your desired design style

Minimalist

Clean and simple with a focus on whitespace.

Modern

Innovative layouts and typography.

Bold

Vibrant and eye-catching with bright colors.

Creative

Unconventional layouts and elements.

Corporate

With a clean layout and corporate colors.

Vintage

Retro-inspired with vintage typography.

Elegant

Sophisticated with a focus on luxury and refinement.

Futuristic

Futuristic design with modern digital trends.

Theme colors



Generate with AI



Use my brand styles

You can always modify your landing content and styles after its been generated.

## 3 Generate landing page

**Discover Captivating Narratives**

Embark on a literary adventure that blurs the lines between reality and fiction.

[Start Journey](#) [Join the Celebration](#)

- Embrace literary magic
- Engage with like-minded enthusiasts

**Join Us at Unmissable Events**

Explore awe-inspiring realms of literature while connecting with fellow aficionados.

[Learn More](#) [Meet Others](#)

Sep 28th / 6:00 PM  
**Exquisite Book Reading**  
Immerse yourself in the eloquent words of talented authors  
[RSVP →](#)

Oct 7th / 5:30 PM  
**Creative Writing Webinar**  
Unleash your creativity under expert guidance  
[RSVP →](#)

Oct 18th / 3:00 PM  
**Reading & Tea Party**



# : Introducing AI driven email content creator

## 1 Choose your tone of voice

### AI Suggestions ✕

This monthly digest aims to keep you updated on industry news, tips and tricks, and exclusive offers. From the latest news in technology to the best practices for career development, our team of experts is committed to providing you with valuable insights.

**Insert**

Natural	Title	Tech newsletter introduction...
😊 Natural		
😄 Catchy		
😎 Professional		
👉 Persuasive		

## 2 Select what kind of content you want

### AI Suggestions ✕

Thanks for joining our newsletter! As a special gift for new subscribers we want to offer you 15% off your first purchase. Click the link below to shop now!

**Insert**

Natural	CTA	A 15% new subscriber discount...
Title		
Short paragraph		
Long paragraph		
Call-to-action		

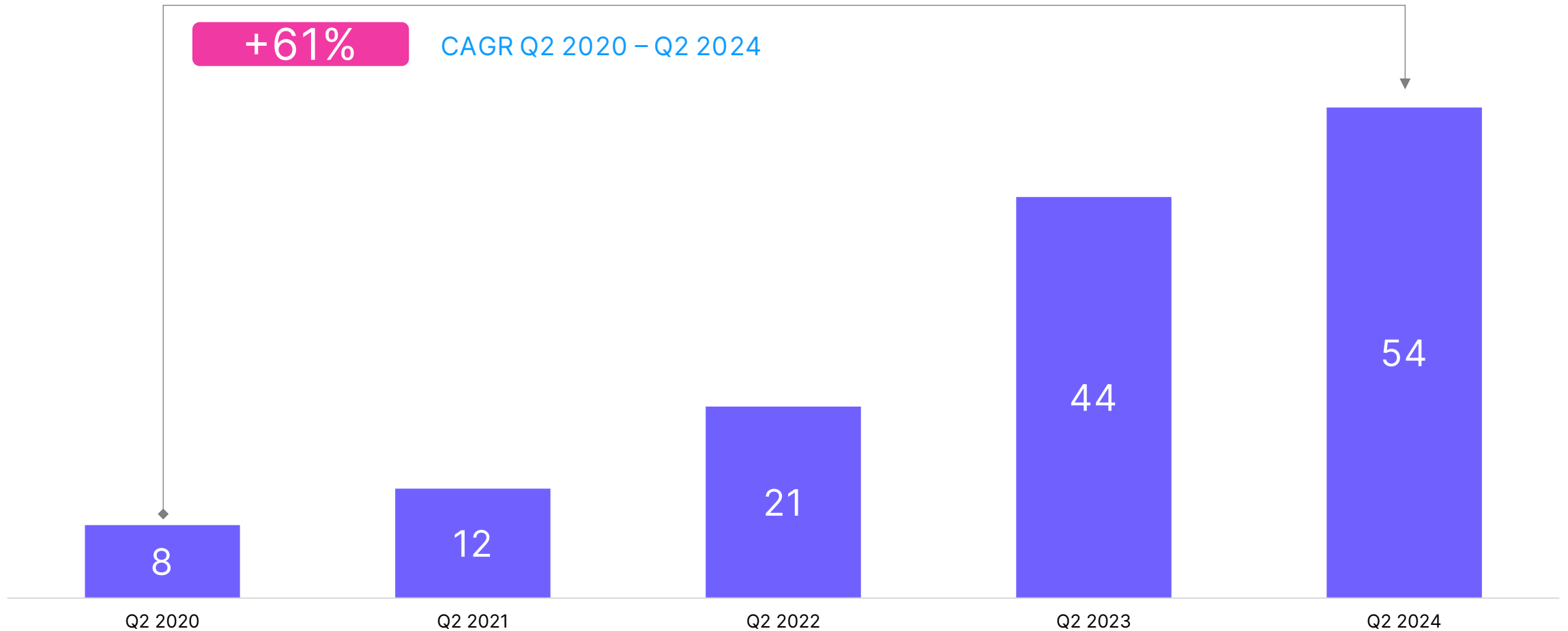
: Healthy growth structure driven by customer adds and cross-selling





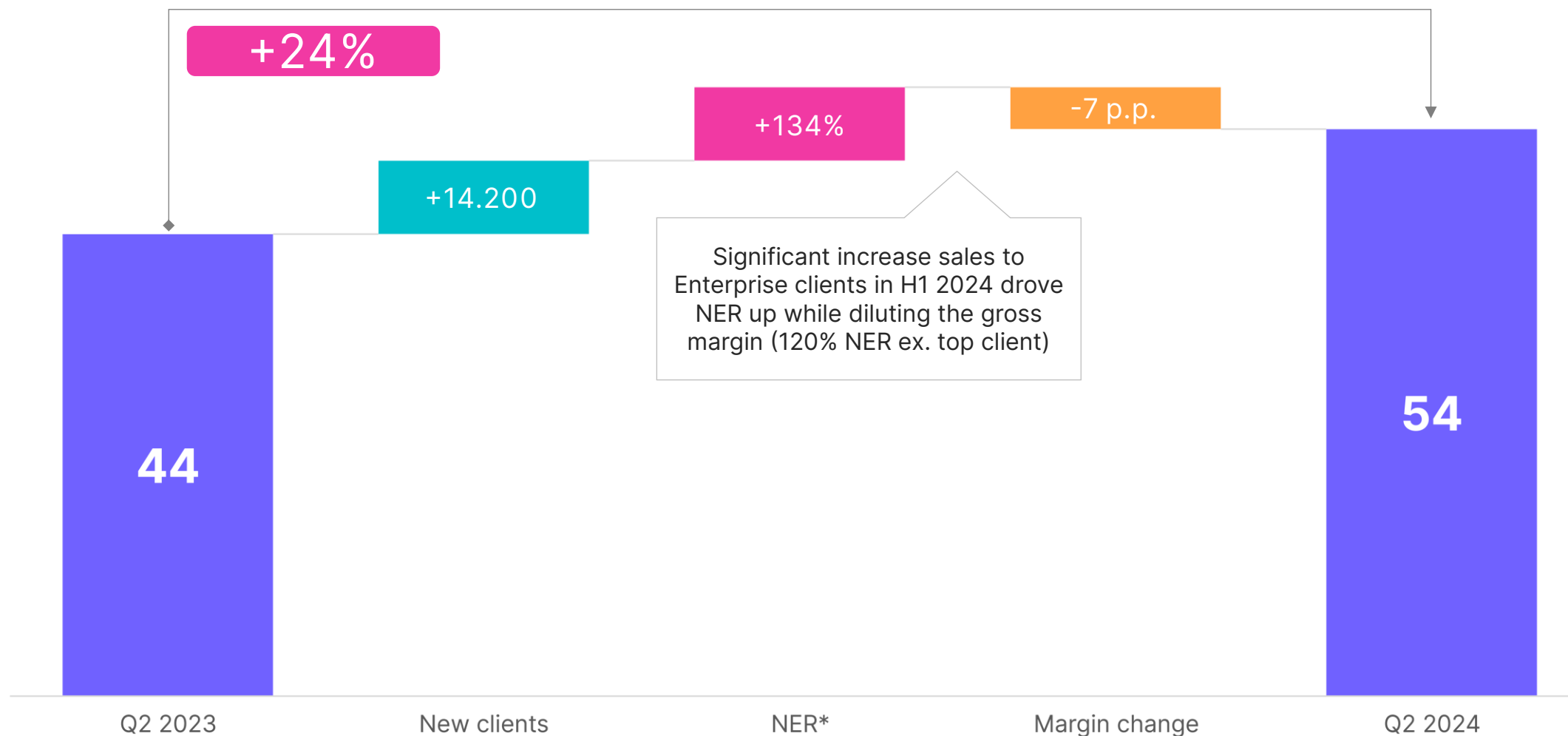
: Strong gross profit growth reflects the growing scale of operations

Gross profit (PLNm)



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

Gross profit (PLNm)

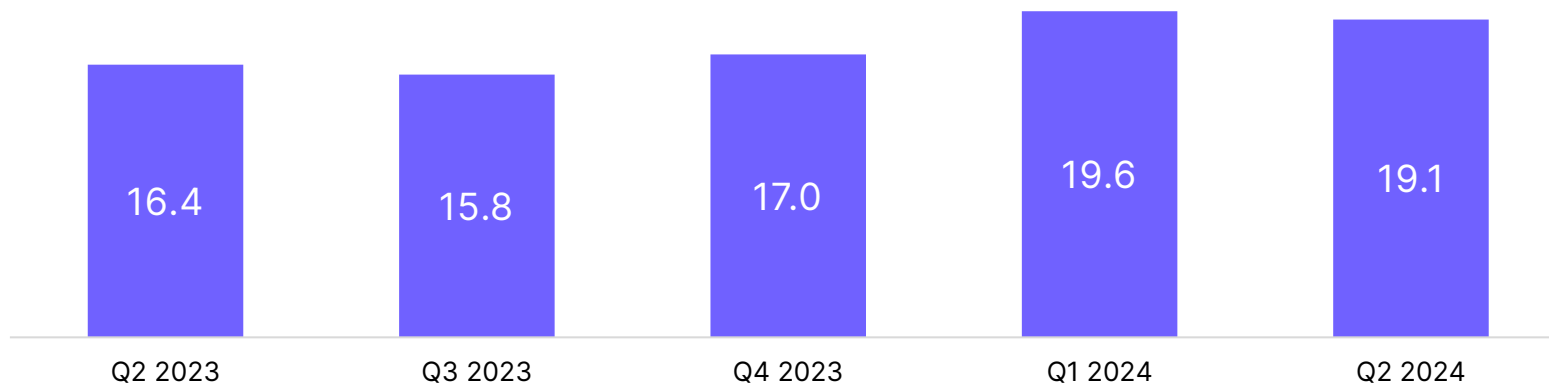


\* NER (Net Expansion Rate) – change in revenue from customers generating revenue in the current and the comparative period, excl. wholesale traffic



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

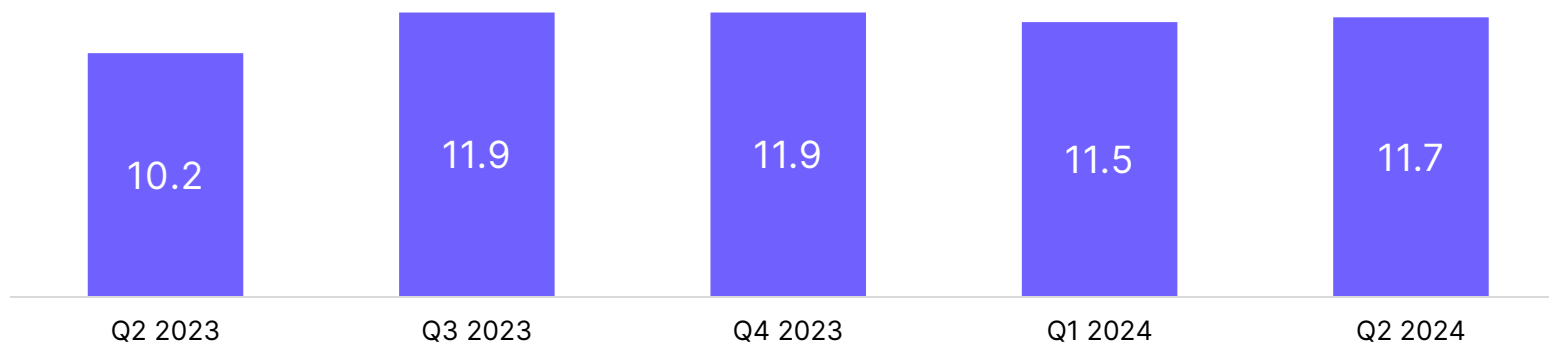
### General and administrative expenses (PLNm)



### Note

- ✓ The increase of G&A costs is mostly associated with the growing scale of the business (PLN 2.7m YoY)

### Sales and marketing expenses (PLNm)

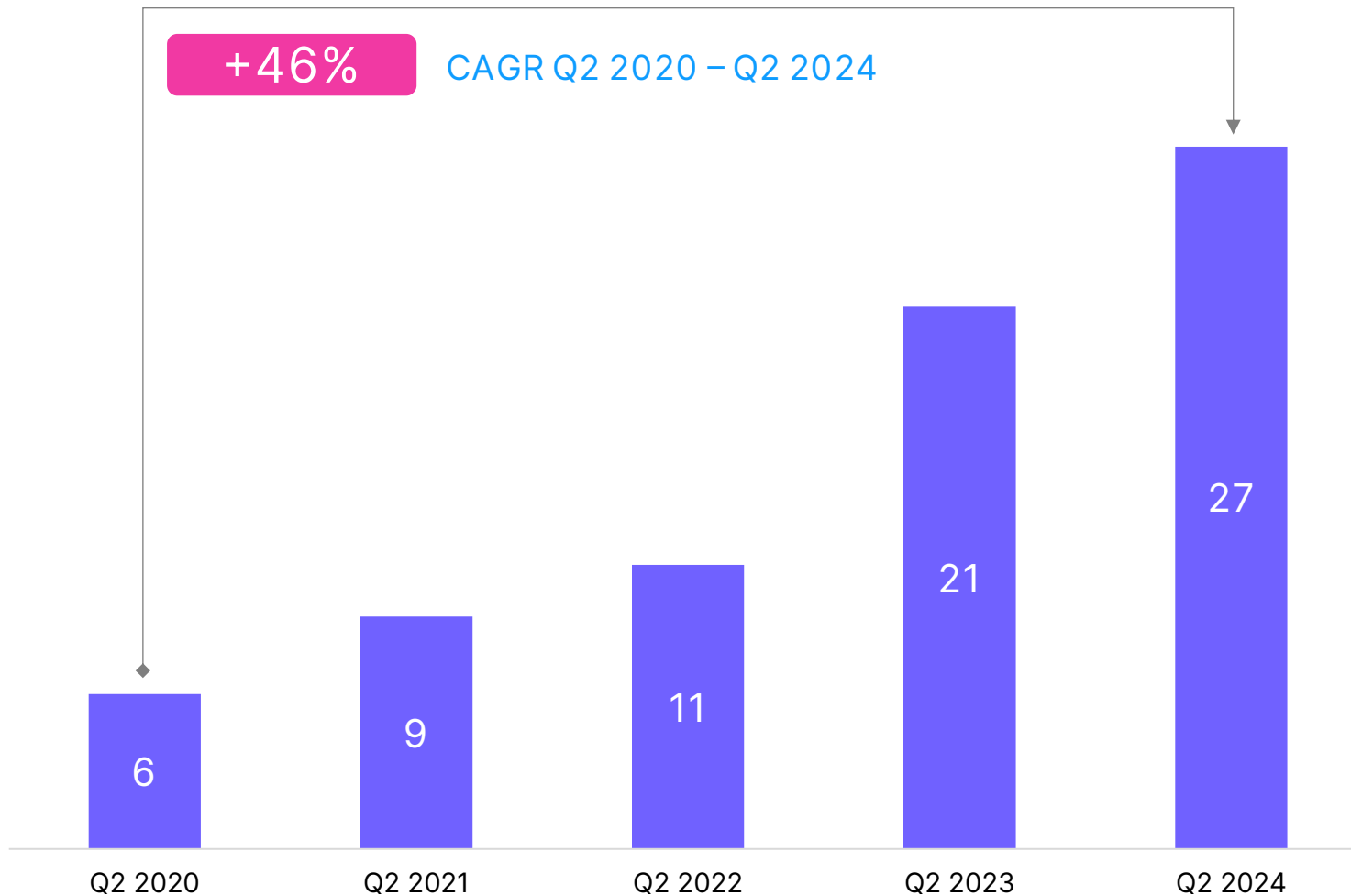


- ✓ Increase of selling and marketing costs is mostly associated with the increased marketing budget in Q3 2023 (PLN 1.4m YoY)

# : Dynamic EBITDA growth in line with target growth trajectory for 2024

## Adjusted EBITDA (PLNm)

## Note



- ✓ Q2 2024 EBITDA in line with target growth trajectory for 2024
- ✓ Strong organic growth rate amounting to 30% YoY
- ✓ c. 2 p.p. decrease in EBITDA margin resulting from the significant increase of sales to Enterprise clients (+43% YoY total revenue growth in Q2 2024)

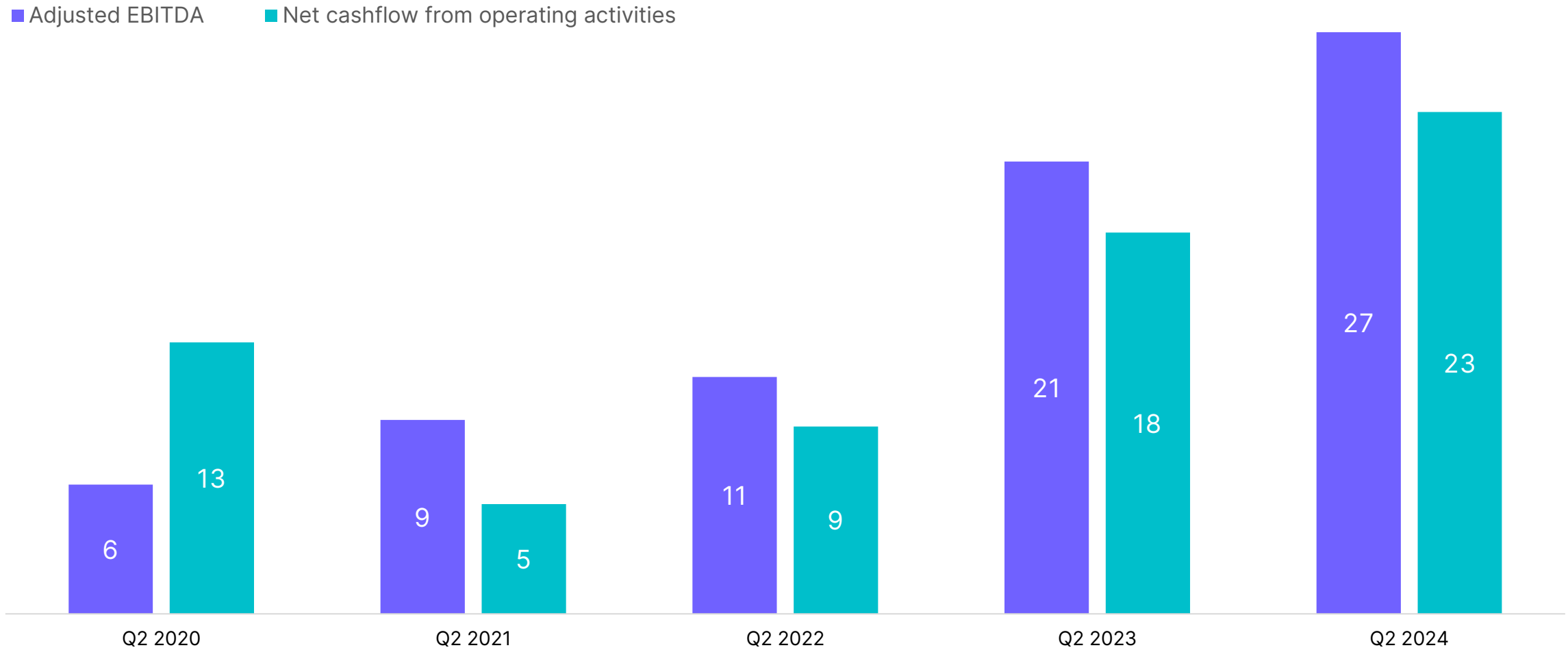
: Strong cash  
generation capacity  
proven by increasing  
free cash flow





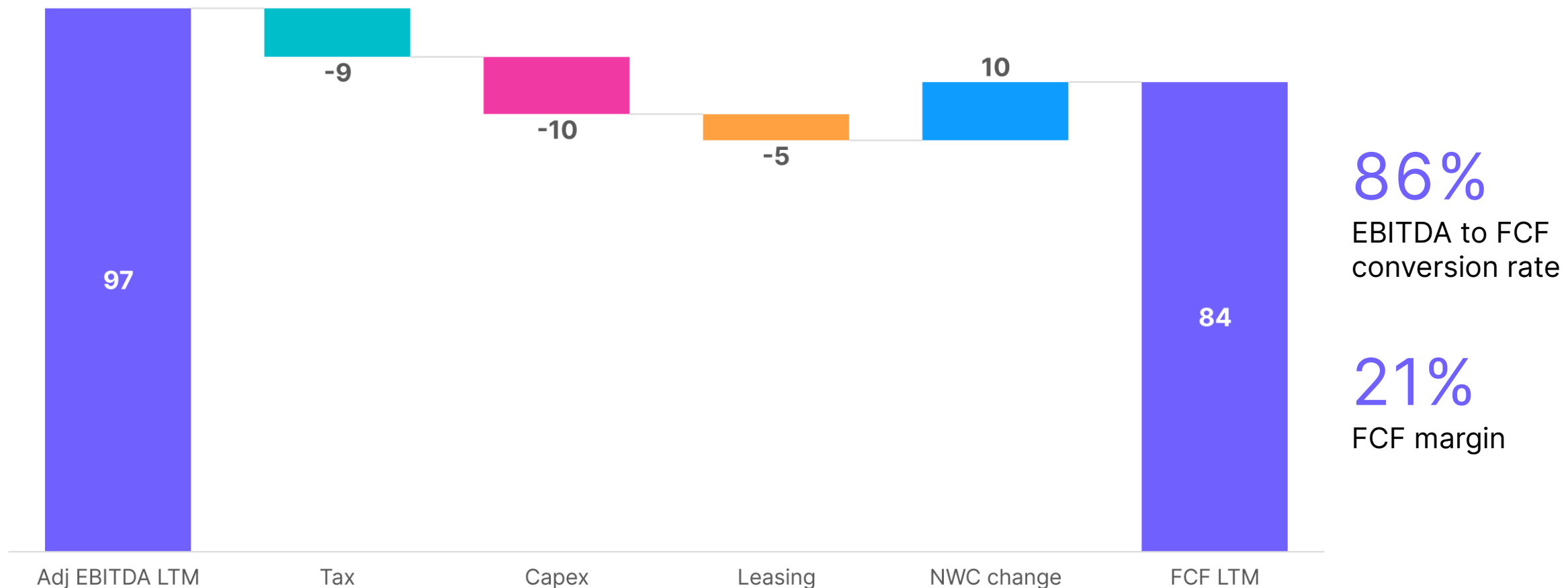
# : High conversion rate of EBITDA into operating cash flow

Adjusted EBITDA and net cashflow from operating activities (PLNm)



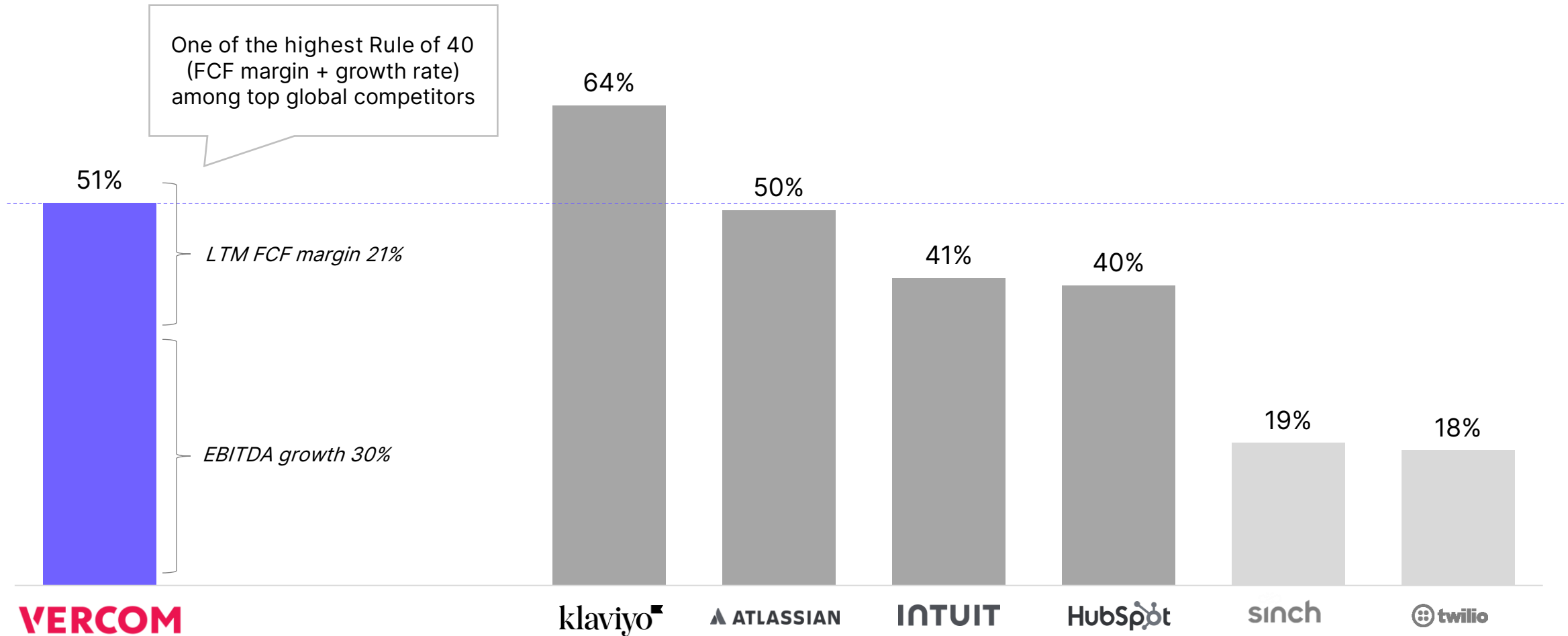
: Strong cash generation capacity undeprinned by 20%+ FCF margin

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



Source: finbox.com, accessed on 17/05/2024

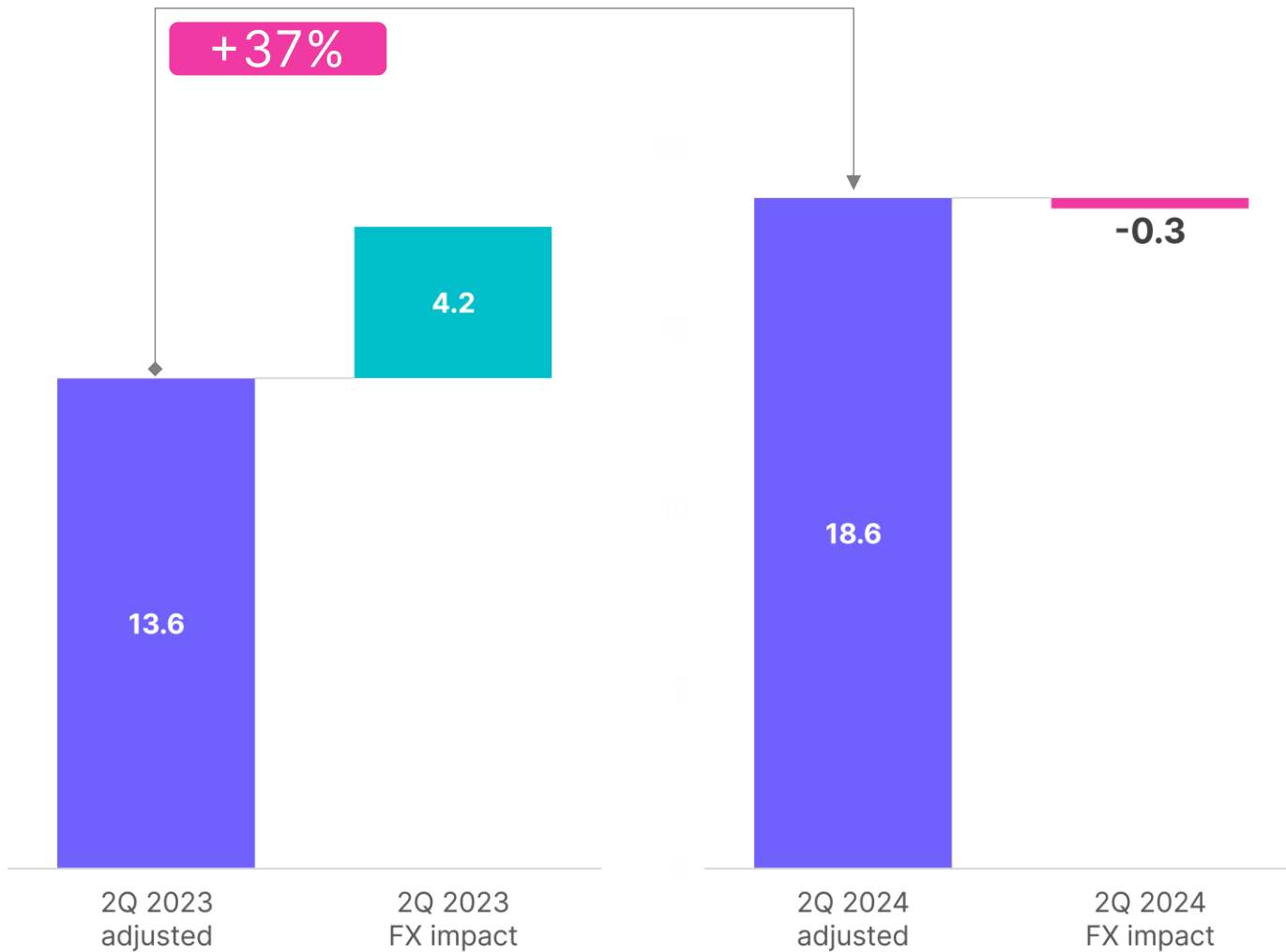


: Net income growth supported by decreasing leverage



# : Net income growth supported by decreasing leverage

FX-adjusted net profit (PLNm)

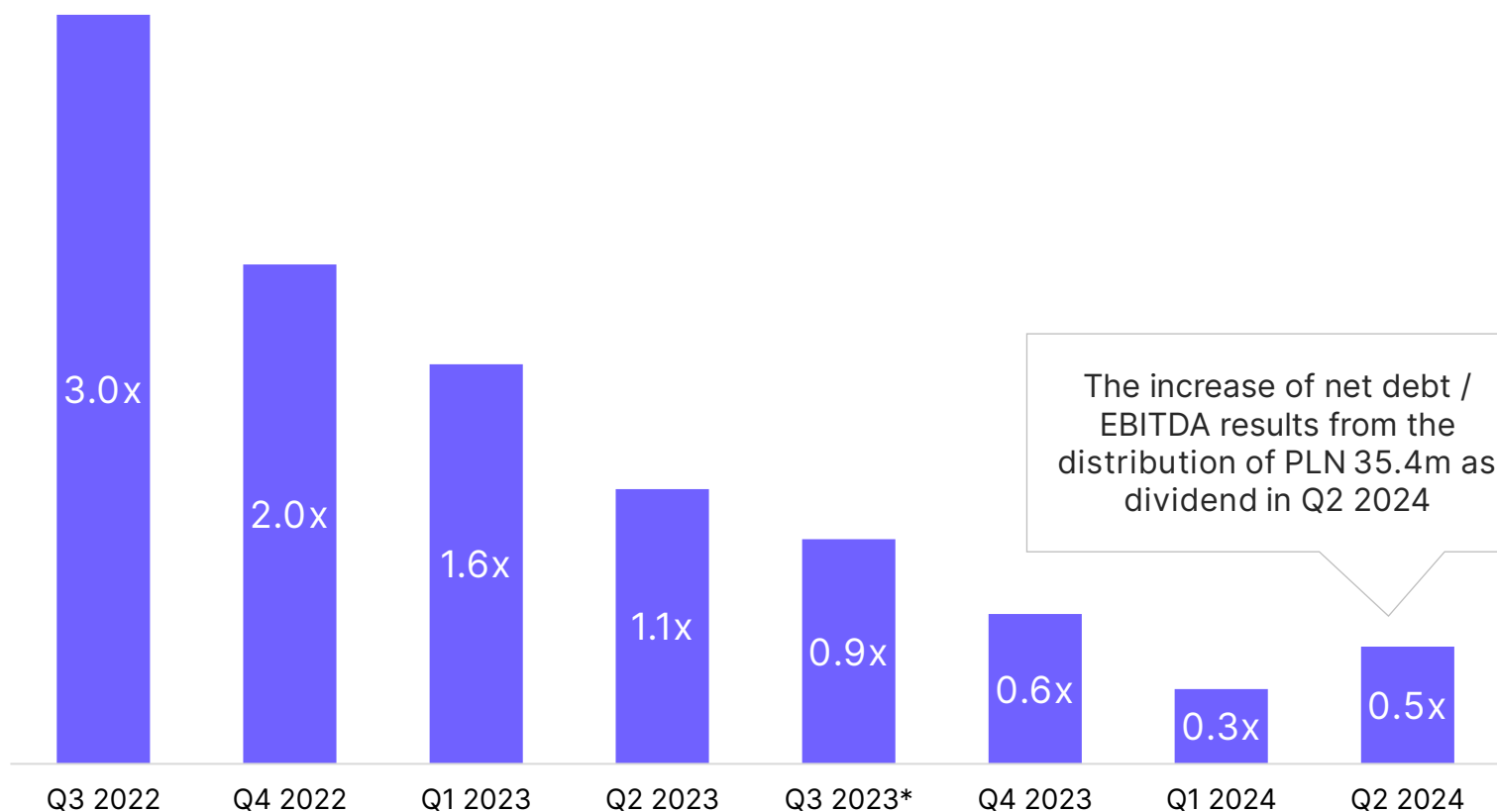


Note

- ✓ FX-adjusted net profit growth of 37% yoy
- ✓ Net income supported by:
  - Operating leverage
  - Decreasing financing costs
  - 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 by the end of the year

Net debt / LTM EBITDA



Note

- ✓ Net debt currently amounts to just PLN 45m
- ✓ Decreasing net debt / EBITDA (c. 0.5x) trend affected by PLN 35m dividend distribution
- ✓ Healthy balance sheet structure means plenty of headroom for potential dividends and growth initiatives

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



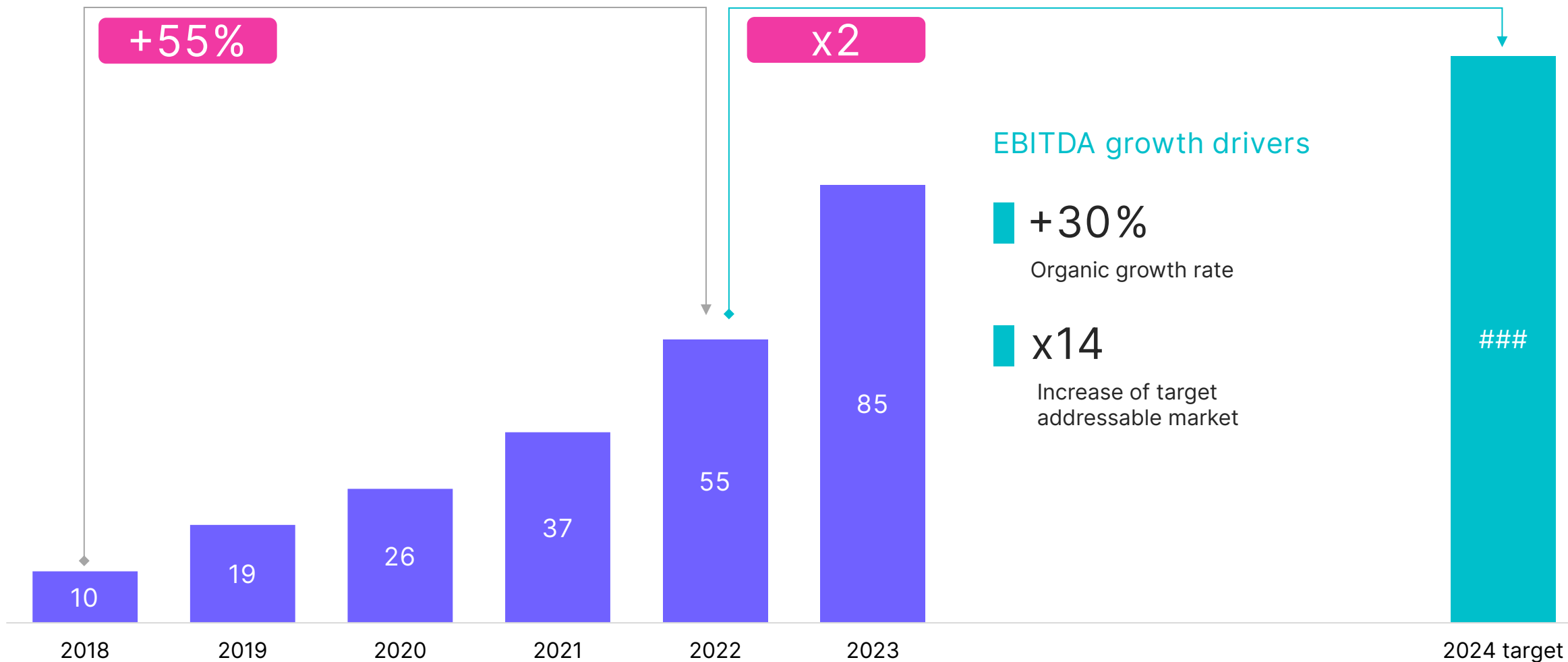
: We are on track to  
achieve our  
ambitious goals

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: We are on track to achieve 2024 growth target

Adjusted EBITDA (PLNm)





## : Key takeaways from Q2 2024 results

- Continued profitable growth (adj. EBITDA +30% YoY), in line with target growth trajectory for 2024
- Healthy growth structure driven by net customer adds (c. 19% YoY) and effective cross-selling of services to Enterprise clients (NER +120% excluding top customer)
- Increasing demand for OTT communication among Enterprise clients, including implementation of Viber by LPP and RCS by STS
- Accelerated adoption of generative AI for SME clients for even smarter, more personalized brand interactions
- +37% YoY FX-adjusted net income growth driven by operating leverage and lower financing costs implies growing dividend potential and more space for growth initiatives





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**: Scale beyond**

