

This report is prepared for the Warsaw Stock Exchange SA within the framework of the Analytical Coverage Support Program 4.0.

395/2024/AR/May 27, 2025

Company	LT fundamental recommendation	12M EFV (PLN)	ST market-relative bias	Analyst
Cloud Technologies	Buy	62.0	Overweight	Tomasz Rodak, CFA

Event: 1Q25 results released – below our expectations.

Yesterday, after the market close, Cloud Technologies released 1Q25 financial results featuring EBITDA at PLN 4.9 million (down 27% yoy) which was 24% below our expectations, mainly due to higher costs of media and data sales.

1Q25 revenues at PLN 10.7 million (down 2% yoy) were 6% below our forecast on the back of slightly lower revenues of the Company's both business segments; the main Data sales segment delivered flat yoy revenues, while the Other activities segment witnessed huge revenue declines (down 100% yoy) because of the Company's withdrawal from other activities except Data Sales (though no adverse impact on EBITDA).

Quarterly OPEX stood at PLN 10.2 million, 9% ahead of our expectations due to higher costs of media and data sales. The Company explained that albeit the purchase costs of media and data had grown by PLN 1.1 million in 1Q25, this growth was temporary and depending on actual business needs costs would fluctuate in the coming quarters. The Company hopes that carried out investments should allow for a revenue dynamic rebound in the next quarters.

Our commentary: Costs of a media and data purchase were PLN 1 million higher than we expected which led to a lower EBITDA, though it seems that these elevated costs should be considered as a one-off.

The Company's other operating activities generated PLN +0.5 million which was slightly above our forecast at PLN +0.4 million. Ultimately, **adj EBITDA at PLN 4.9 million (down 27% yoy) was 24% lower than we expected due to higher costs of media and data sales (by PLN 1 million) and lower revenues (by PLN 0.6 million).**

1Q25 net financial result reached PLN -1.2 million that was below our forecast at PLN +0.1 million **due to recognized material negative FX differences which we didn't assume.**

In result, the Company's net profit reached only PLN 0.5 million, 81% below our expectations.

OCF at PLN 3.3 million were down 39% yoy.

Cloud Technologies: 1Q25 results vs expectations

IFRS consolidated (PLN million)	1Q25E		Results vs forecasts				
	1Q25A	(DM BOŚ)	(DM BOŚ SA)	4Q24	1Q24	qoq chg	yoy chg
Revenues, including:	10.7	11.4	→	12.4	11.0	-13%	-2%
Data sales	10.7	11.3	→	12.1	10.7	-11%	0%
Other activity	0.0	0.2	↓	0.3	0.3	-100%	-100%
OPEX including:	10.2	9.3	→	9.7	8.7	5%	16%
Cost of media and data	2.2	1.2	↑↑	1.3	1.1	70%	94%
Other costs	8.0	8.1	→	8.4	7.6	-4%	5%
EBITDA	4.4	6.0	↓↓	6.9	6.3	-35%	-30%
adj EBITDA	4.9	6.4	↓↓	7.3	6.7	-33%	-27%
EBIT	1.1	2.5	↓↓	3.4	2.8	-68%	-62%
adj EBIT	1.6	3.0	↓↓	3.9	3.3	-60%	-52%
Net profit	0.1	2.3	↓↓	5.0	2.5	-99%	-97%
Adj net profit	0.5	2.7	↓↓	5.4	3.0	-90%	-82%

* adjusted profits exclude the incentive share-based program impact (c. PLN 0.6 million per quarter)
Source: Company, DM BOŚ

Expected impact: 1Q25 financial results of Cloud Technologies are significantly lower than our expectations due to higher costs of media and data sales (a one-off) and slightly lower revenues. At the same time the Company recognized high negative FX differences which additionally depressed its net profit. This makes us expect at least slightly negative reaction of investors. Nevertheless, **it's worth noting that most of the negative surprise stems from non-recurring events (a high level of costs and FX differences)** and we like the gradual improvement of monthly revenue dynamics (9% in February, 5% in March) after a demand dropped because of the liquidation of Oracle Advertising in 4Q24 (-6%/-1%/+2%/+ 2% in October/ November/ December/ January).

The report is not a recommendation within the meaning of Commission Delegated Regulation (EU) 2016/958 of 9 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for technical arrangements for objective presentation of investment recommendations or other information recommending or suggesting an investment strategy and for disclosure of particular interests or indications of conflicts of interest.