



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

720/2023/AR

November 21, 2023

Company	LT fundamental recommendation	12M EFV (PLN)	ST market-relative bias	Analyst
Cloud Technologies	Hold	88.0	Neutral	Tomasz Rodak, CFA

Event: Monthly sales growth to key clients at +23% yoy in September 2023; monthly sales growth in August 2023 at +16% yoy (down from +27% yoy reported earlier).

Yesterday, after the market close, the Company released a monthly sales growth dynamic to key clients in September that reached +23% yoy. Additionally, Cloud Technologies informed that a monthly sales growth in August was adjusted and instead of +27% reported on October 23 it was actually +16% yoy.

Expected impact: *Negative.*

Monthly data are calculated based on US\$-denominated revenues. Given the US\$ weakening vs PLN between September 2022 and September 2023 (by 10% yoy) they imply a yoy dynamic at c.+11% for the figures denominated in PLN while we expected +30% yoy for 3Q23.

Besides, it turned out that a sales growth in August was actually lower than reported earlier: +16% vs +27%. Accounting for FX changes (the US\$ weakening vs PLN at c. 12% yoy) this implies a mere 2% yoy growth in August for the figures denominated in PLN.

This is the second strong adjustment down in a row (July dynamic down from 57% to 22%) and we believe the Company's management should change the reporting method so the risk related to adjustments was offset. The current format of data may be misleading to investors making their investment decisions based on them.

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.