Q4 and preliminary full year 2022 results
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Key messages

Delivery on 2022 targets with profitable growth outlook

Solid strategy delivery

- Delivery of 2022 targets for Revenue and Adj. EBITDA
- Q4 2022 record performance in Platform, starting to harvest benefits of scale
- Strong profitable growth outlook
- Cancellation of 95% treasury shares and increased focus on deleveraging the balance sheet

Strong financial performance

Revenue FY 2022: 453M
Adj EBITDA FY 2022: 52M
The Azerion mission

We help brands improve the way they engage with audiences

We entertain audiences

Our **mission** is to be the go-to-partner for advertisers for an easy-to-use, competitively-priced and **brand-safe** digital environment

"
Becoming the go-to-partner for advertisers for an easy-to-use, competitively priced and brand-safe digital environment

<table>
<thead>
<tr>
<th>Strategic priorities</th>
<th>Q4 proof points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ad sales</td>
<td>• Highest direct sales results across the group, demonstrating the added value of local teams working hand in hand with clients to successfully advertise to their audiences</td>
</tr>
<tr>
<td>Ad tech</td>
<td>• 50%+ reduction in cost per ad request compared to Q4/21, due to optimisation of computing resources on high-performing ads slots, increasing platform efficiency</td>
</tr>
<tr>
<td>Curated Content</td>
<td>• Expanded integration with Google’s demand-side platform, enabling Google’s Audience targeting and unlocking additional demand to Azerion’s advertising auction platform</td>
</tr>
<tr>
<td></td>
<td>• Direct integration of Azerion’s advertising platform with Amazon’s demand side platform</td>
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<tr>
<td></td>
<td>• Entered high-growth digital audio, enabling audio ad formats across the platform through the acquisition of Radionomy (Targetspot and Shoutcast)</td>
</tr>
<tr>
<td></td>
<td>• Launched new product ‘Azerion Fanzone’, improving the way sports clubs engage with their fan base in the digital space</td>
</tr>
<tr>
<td></td>
<td>• Strengthened our position in the Metaverse by creating more partnerships with brands such as DR Sports and successfully selling out a collection of 1,300 unique rooms in Habbo X.</td>
</tr>
</tbody>
</table>

- Local expert teams that help our clients achieve results
- Efficient and easy to use Platform
- Creative proprietary ad formats
- Grow exclusive publishers through monetisation services
- Expand partnerships in our casual game distribution
- Develop innovative business models connecting advertisers with targeted audiences
- Optimise our E-commerce business to strengthen relationship with advertisers
- Strengthened our position in the metaverse and offer an extended value proposition to advertisers to connect with digital audiences in innovative ways
Strong historical performance underpinning growth outlook

Revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adj. EBITDA</td>
<td>127</td>
<td>173</td>
<td>195</td>
<td>308</td>
<td>453</td>
<td>560</td>
<td>75+</td>
<td></td>
</tr>
<tr>
<td>~15% annual growth</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

Revenue split

- Direct sales: 50%
- Automated auction sales: 40%
- Advertising: 20%
- E-commerce: 80%
- Premium Games: 60%
- Platform: 40%

Value drivers

- Continued integration of past acquisitions driving synergies and efficiencies
- Increase volume of direct sales
- Increase volume of publisher monetization services
- Continuously developing new features and innovating with our technology

Strategy delivery

2018 revenue based on Dutch GAAP, not fully comparable. 2019 and 2020 audited IFRS figures. All figures in EUR million. Outlook does not include impact of material acquisitions or divestments.
Our resilient model has value drivers on both demand and supply sides.

**DEMAND**
- Advertisers
  - Direct sales
  - Automated auction sales

**SUPPLY**
- Contracted publisher
- Exclusive publisher
- Azerion’s portals

**AZERION’S PROPRIETARY FULL STACK ADTECH**
- Digital ad buying platform
- Advertising auction platform
- Publisher monetization services

**REPORTING SEGMENT**
- Advertising
  - Sale of AAA game keys
  - In-game purchases
- Platform
- Premium Games
Financial performance

**Q4/22: Delivery on 2022 targets with record Platform performance**

- **EUR 149m**
  - Revenue
  - Q4 2022
  - +18% vs Q4 2021
  - Record performance in the Platform segment, reflecting improved efficiencies and starting to harvest benefits of scale

- **EUR 22m**
  - Adj. EBITDA
  - Q4 2022
  - +15% vs Q4 2021
  - Continuous focus on integration of past acquisitions
  - Continued growth in the Platform segment at increased margins
Financial performance

Strong financial framework

- Record quarterly Adj EBITDA in Q4 2022
- Strong cash conversion supporting net debt reduction
- Focus on profitable growth and deleveraging the balance sheet in 2023

5-quarter rolling financial performance

FY historical revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>Adj. EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>27</td>
</tr>
<tr>
<td>2019</td>
<td>47</td>
</tr>
<tr>
<td>2020</td>
<td>52</td>
</tr>
<tr>
<td>2021</td>
<td>~560</td>
</tr>
<tr>
<td>2022</td>
<td>75+</td>
</tr>
<tr>
<td>2023</td>
<td>14-16%</td>
</tr>
<tr>
<td>2024</td>
<td>Adj EBITDA</td>
</tr>
<tr>
<td>2025</td>
<td>margin</td>
</tr>
</tbody>
</table>

All figures in EURm. Interest-bearing debt as per Bonds terms & conditions.
Financial performance

Platform set to harvest benefits of scale

- Advertising auction platform boosted by increased local direct sales as well as improved integration with top 10 DSPs
- Steep increase in gross revenue per ad requests, demonstrating ad efficiency and profitability, despite the continued challenging macro-economic environment

Financial performance

- Record revenue driven by acquisitions and organic growth
- Improvements in Adjusted EBITDA margins demonstrating increased platform efficiency and benefits of scale

All figures in EURm unless otherwise indicated
Premium Games integrated with wider platform strategy

- Stable average daily active users in 2022 post Covid-19
- Average revenue per daily active user increasing steadily, reflecting improvements in user engagement driven by new features and events
- Time in game per day steady at around 80 min/day

- 2021 overall positively impacted by around EUR 6 million from the successful launch of NFTs in the Habbo metaverse in September 2021
- Q4 2021 benefited from the commission related to secondary market sales of the Habbo NFTs
Continued focus on value optimisation

### Contribution margin
- Increase volume through local direct sales
- Continued migration of acquisitions to Azerion’s DSP & SSP
- Strategic commercial deals and increase publisher monetisation services
- Increased efficiency in advertising auction platform with continuous optimisation of compute resources on high-performing ads slots

### Cost management
- Ongoing integration of acquisitions
  - Hosting contracts
  - Office leases
  - Elimination of duplicate resources. E.g. functions, studios
  - Legal entity consolidation
  - Azerion branding
- Reduction in headcount of approximately 9%
- Focused investment and capex

### Organisational structure
- Reporting simplification with merger of legal entities
- Significant reduction of treasury shares
- Migrated to scalable regional sales and management model
- Centralized management of all product and technology resources
- Group wide financial KPI’s: revenue, contribution margin, Adj. EBITDA, net profit

**Expected annualised savings of over EUR 10m**

All figures in EURm unless otherwise indicated. Expected cost savings calculated versus estimated annualized costs after 2022 acquisition.
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