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## **Annual General Meeting**

Azerion Group N.V.

June 15 2023

# Supervisory & Management Board

## Supervisory Board



**Peter Tordoir**  
Independent Member and Chair of the supervisory board and member of the selection appointment and remuneration committee



**Derk Haank**  
Independent member and vice-chair of the supervisory board and chair of the selection appointment and remuneration committee



**Klaas Meertens**  
Non-independent member of the supervisory board



**Chris Figee**  
Independent member of the supervisory board and the chair of the audit committee



**Florence van Erb**  
Independent member of the supervisory board



**Katrin Brökelmann**  
Independent member of the supervisory board and member of the audit and risk committee

## Management Board



**Umut Akinpar**  
Co-Founderr and Co-Chief Executive Officer (Co-CEO)

# Executive Committee

## Executive Committee



**Umut Akinpar**  
Co-Founderr and Co-Chief Executive Officer  
(Co-CEO)



**Ben Davey**  
Chief Financial Officer (CFO)



**Sebastiaan Moesman**  
Chief Revenue Officer (CRO)

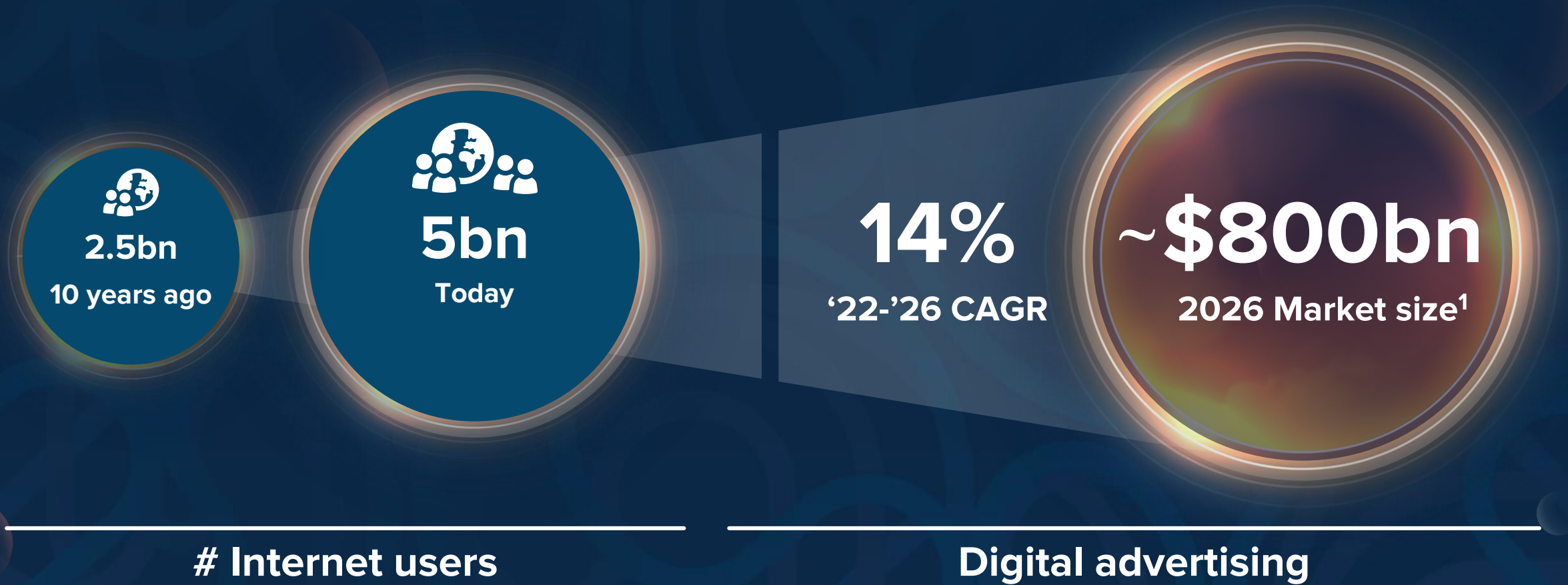


**Joost Merks**  
Chief Investment Officer (CIO)

# Agenda

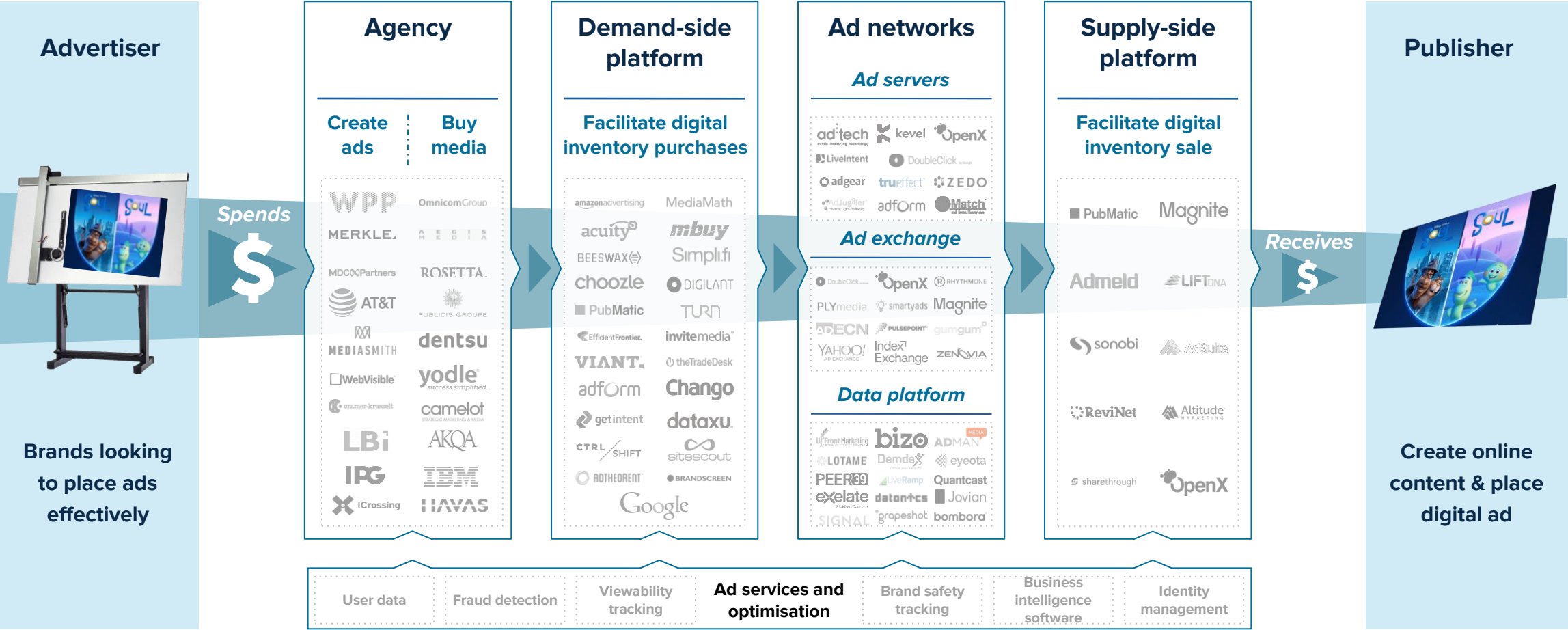
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## Digital advertising is growing fast, as audiences move to digital

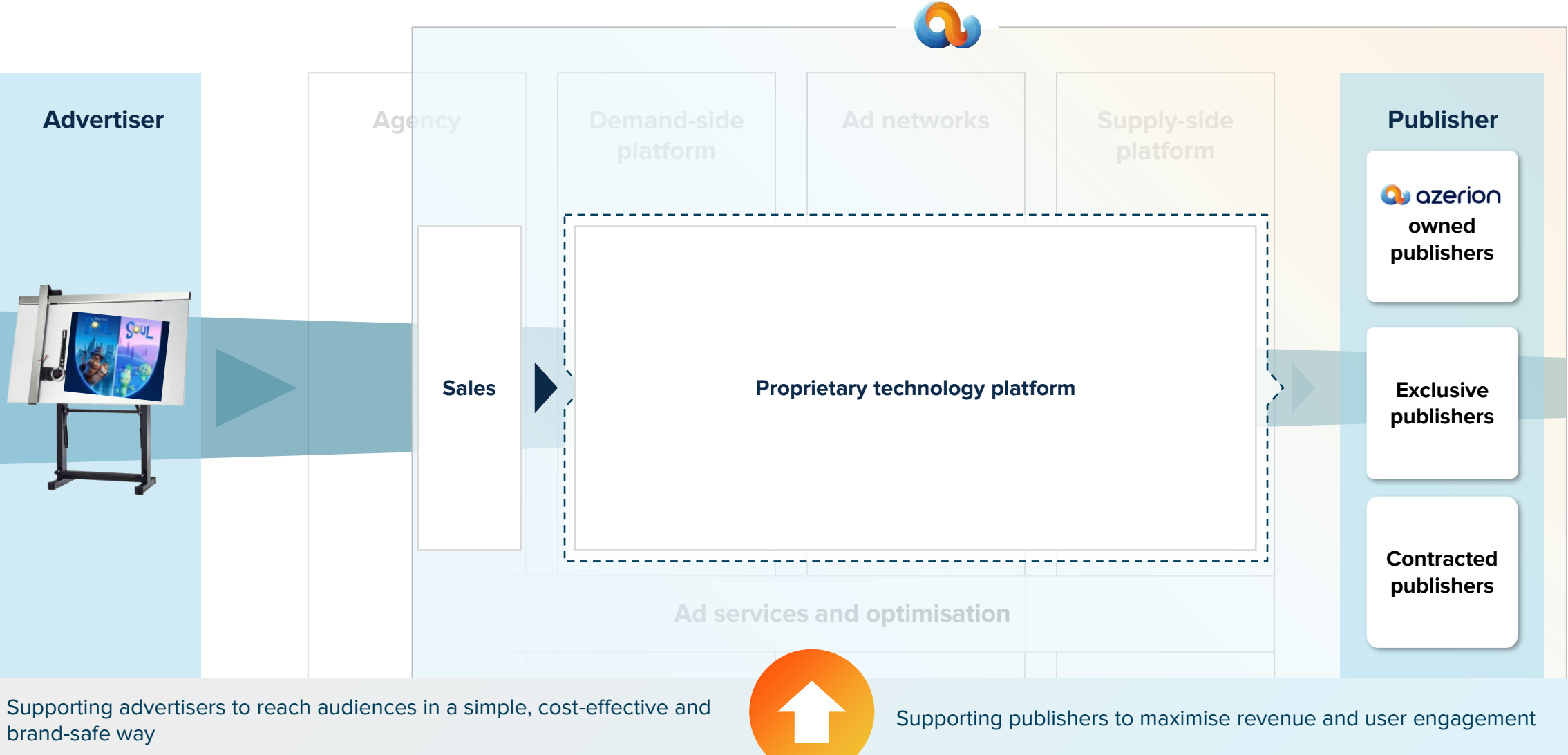




# Fragmented digital advertising landscape creates inefficiencies



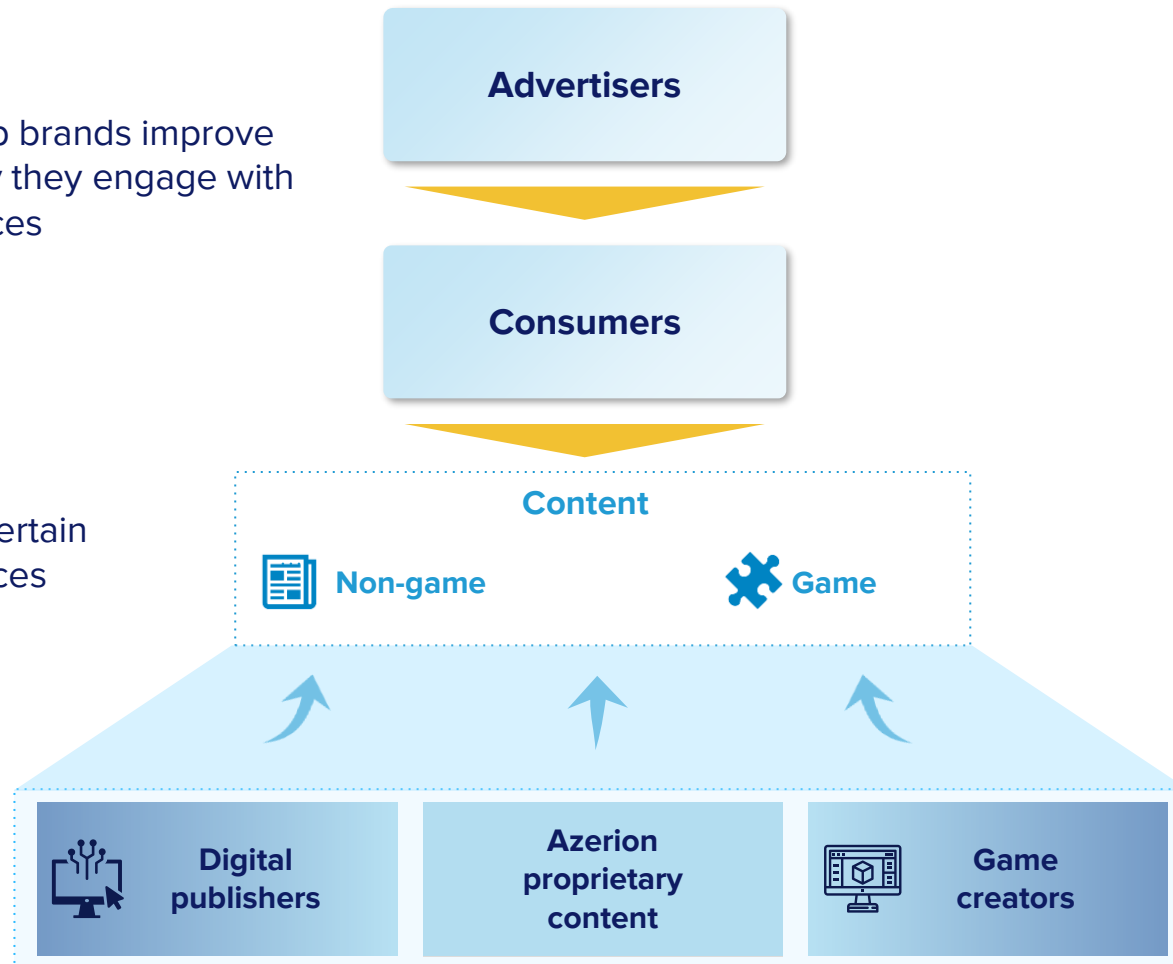
# Our integrated model optimises the advertising value chain



## 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 ”



## Our value proposition to advertisers



We offer digital advertising **results as a single service.**

We provide globally scaled audiences to advertisers in an easy and affordable way and in a safe, highly engaging, fun and quality content environment.

We have local teams and expertise to help advertisers find and execute creative ways to really make an impact through advertising.

## There are specialists in our industry, focusing on a particular vertical

Specializing in a single area, companies can maximize their added value on a particular product or service, but they can never take ownership of an advertisers' overall success

Integrating all the elements of the digital advertising stack can be costly not only because of the cost of the components but also because of the internal teams and operations needed to run the environment



## 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

**453M**

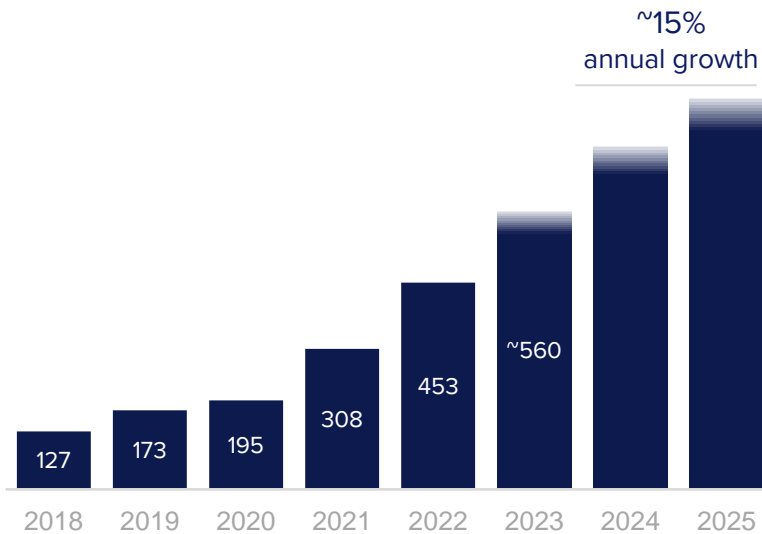
**Revenue  
FY 2022**

**52M**

**Adj EBITDA  
FY 2022**

# Strong historical performance underpinning growth outlook

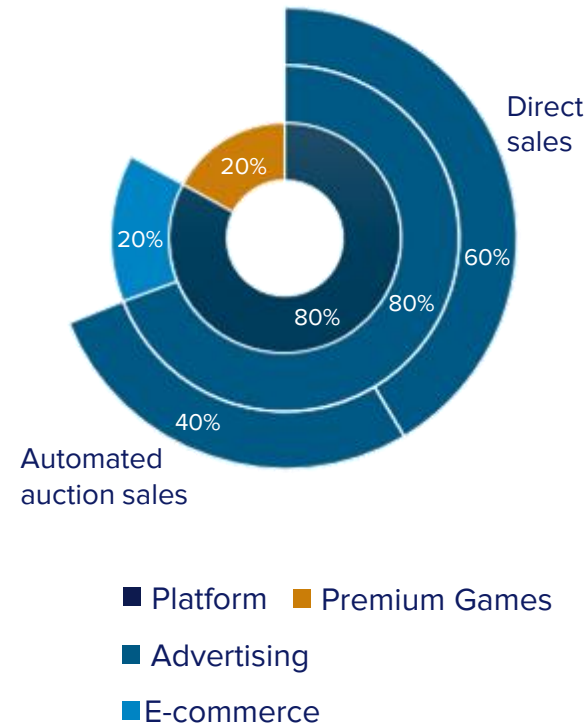
## Revenue



### Adj. EBITDA

27	47	52	75+	14-16% Adj EBITDA margin
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## Revenue split



## Value drivers



Continued integration of past acquisitions driving synergies and efficiencies



Increase volume of direct sales

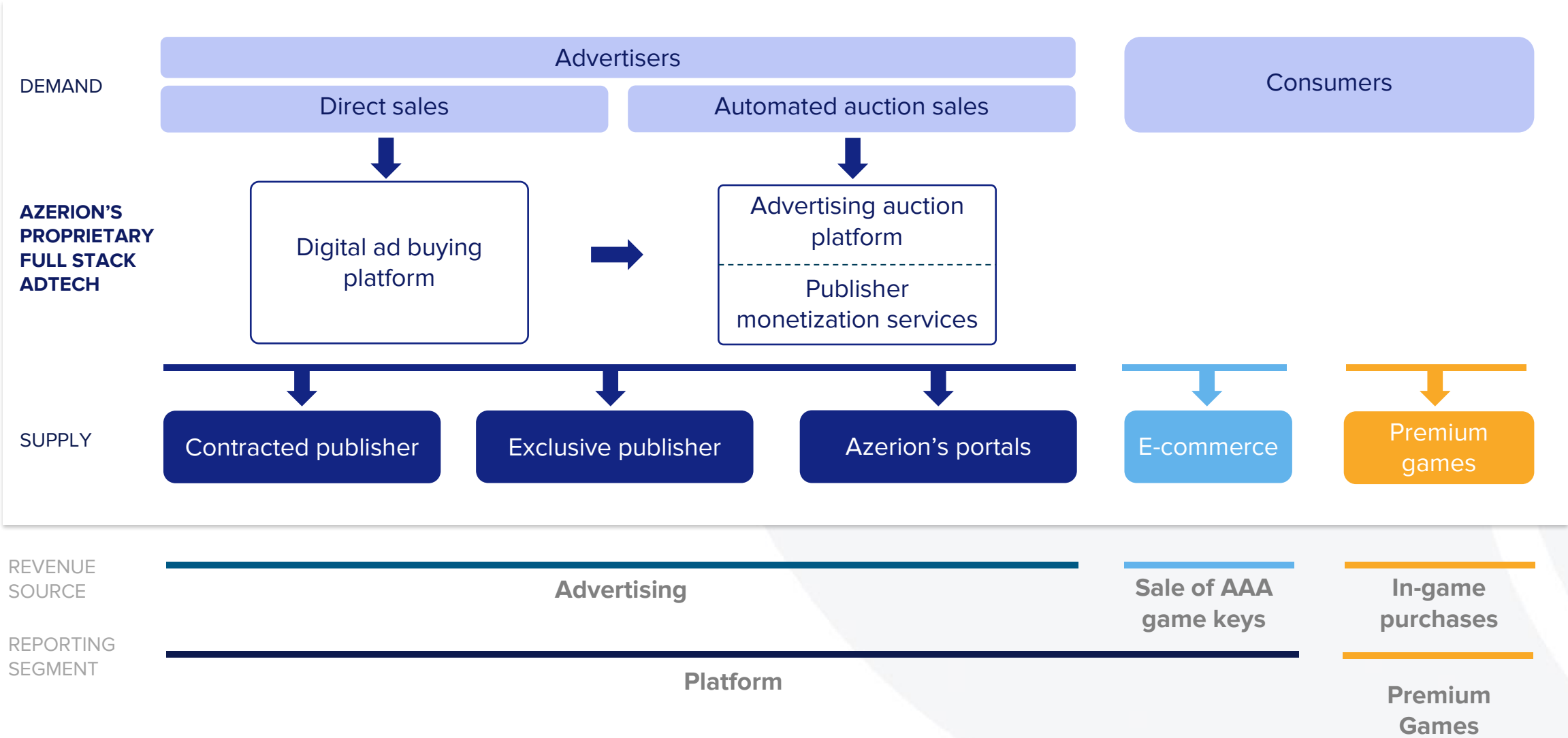


Increase volume of publisher monetization services



Continuously developing new features and innovating with our technology

# Our resilient model has value drivers on both demand and supply sides



## 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%**

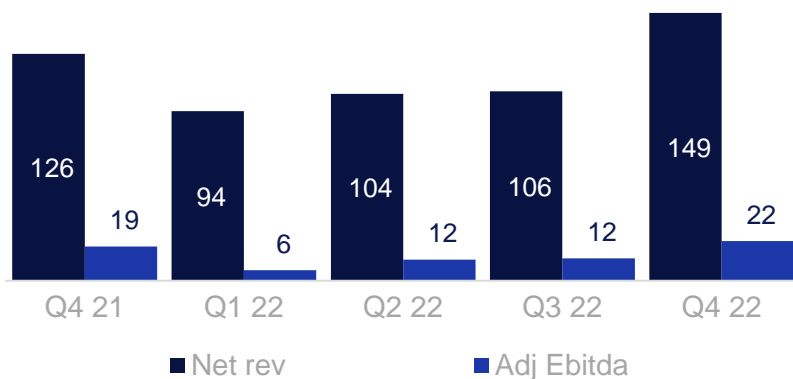
**vs Q4 2021**

- Continuous focus on integration of past acquisitions
- Continued growth in the Platform segment at increased margins

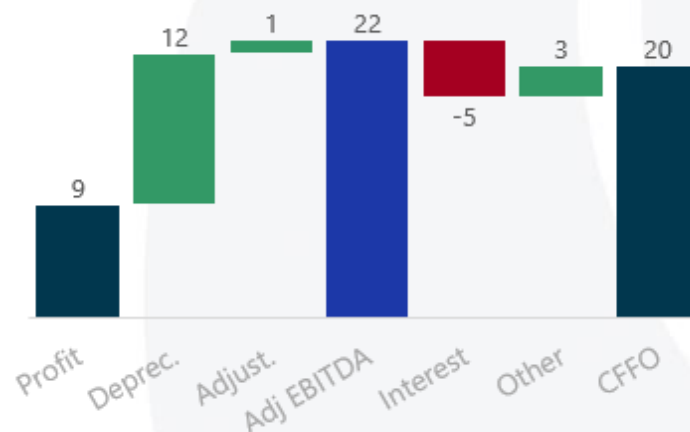


# Strong financial framework

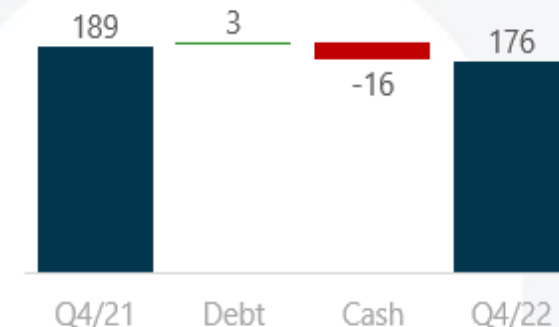
5-quarter rolling financial performance



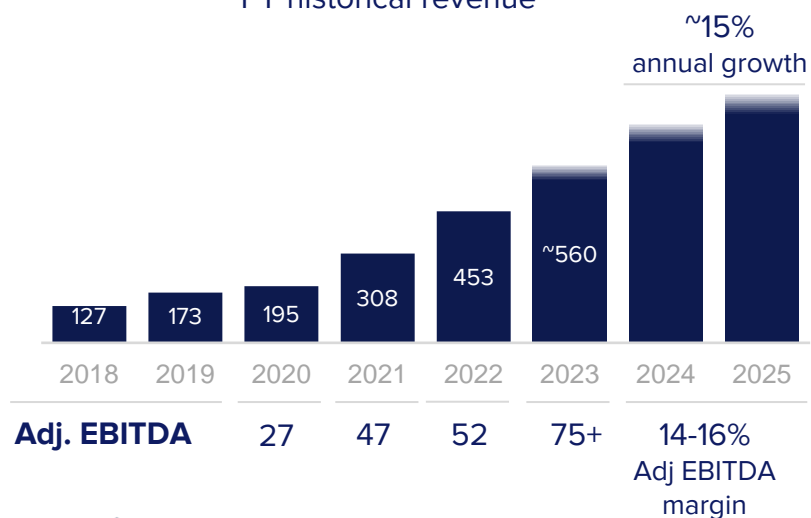
Q4/22 cash conversion



Q4/22 net debt

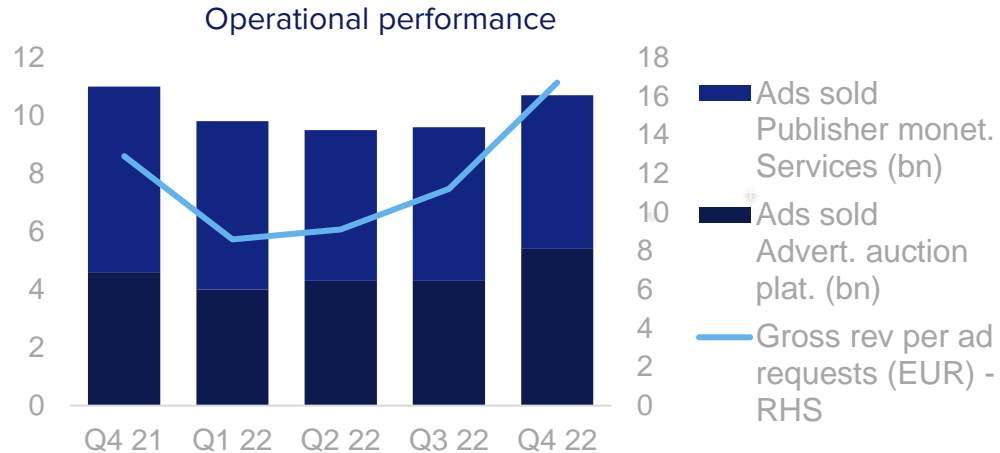


FY historical revenue



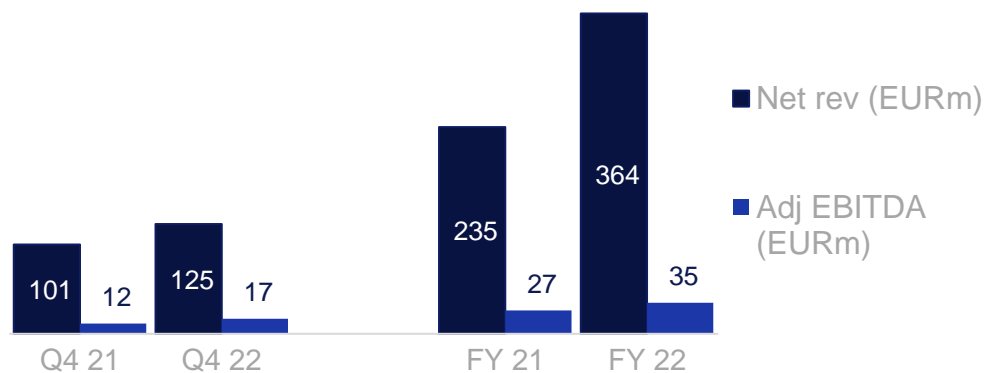
- Record quarterly Adj EBITDA in Q4 2022
- Strong cash conversion supporting net debt reduction
- Focus on profitable growth and deleveraging the balance sheet in 2023

## Platform set to harvest benefits of scale



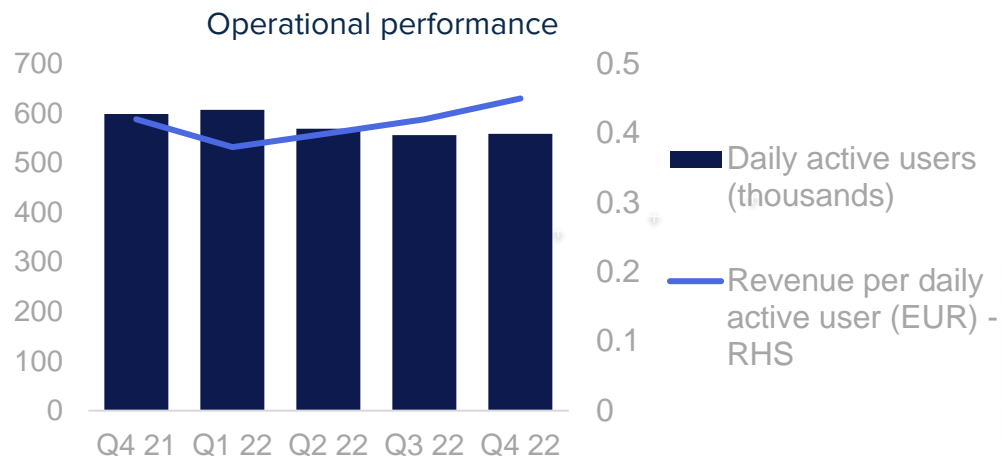
- Advertising auction platform boosted by increased local direct sales as well as improved integration with top 10 DSPs
- Steep increase in gross revenue per ad requests, demonstrating ad efficiency and profitability, despite the continued challenging macro-economic environment

### Financial performance



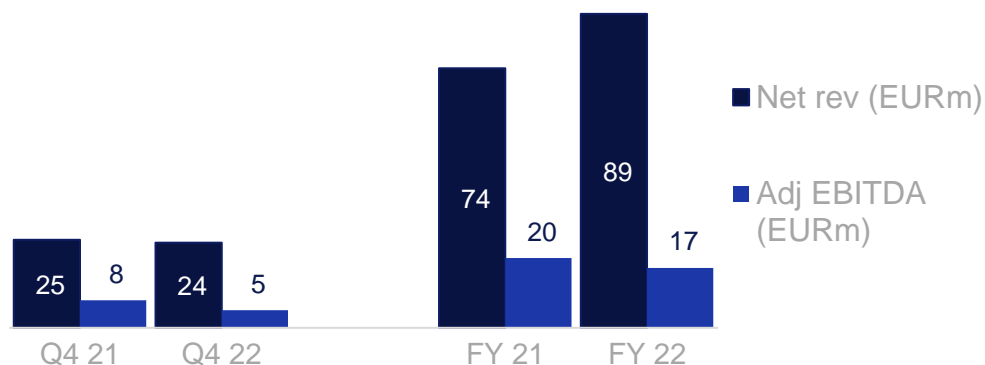
- Record revenue driven by acquisitions and organic growth
- Improvements in Adjusted EBITDA margins demonstrating increased platform efficiency and benefits of scale

# 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

## Financial performance



- 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

Financial performance

# Continued focus on value optimisation



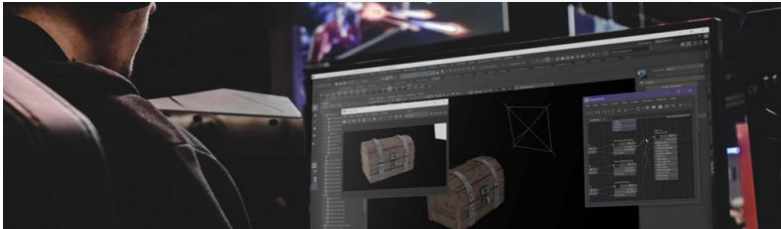
## Contribution margin

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**

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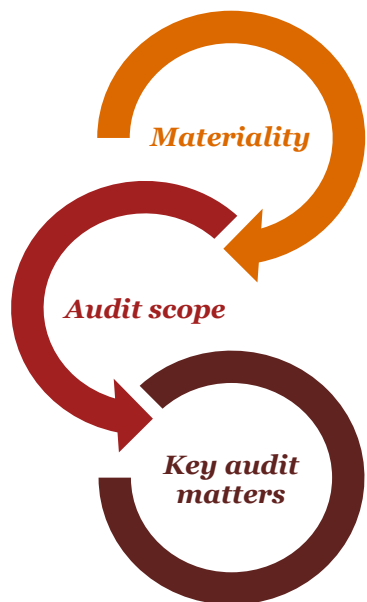
Adj EBITDA  
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## We issued an unqualified opinion with regard to the 2022 Financial Statements.



- Materiality of € 4.5 million, based on total revenues.
- Coverage of our audit procedures:
  - 86% of consolidated revenue
  - 86% of consolidated total assets
- Site visits were conducted to 5 components in Germany, the UK, Finland and France
- Key Audit Matters in 2022:
  - Accounting for the De-SPAC transaction
  - Impairment assessment of goodwill

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