



azerion

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**Becoming the go-to-partner for advertisers in the digital environment**

easy-to-use

|

competitively priced

|

brand-safe

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

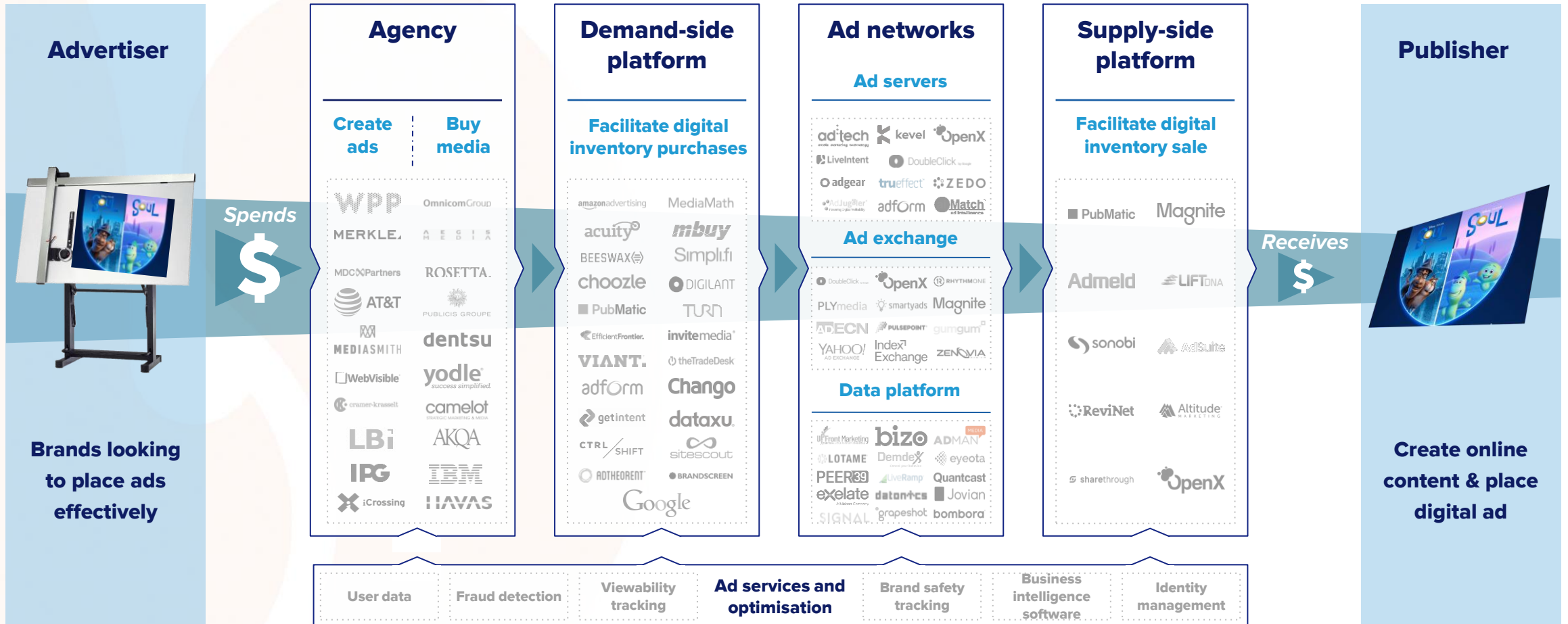


# Internet users

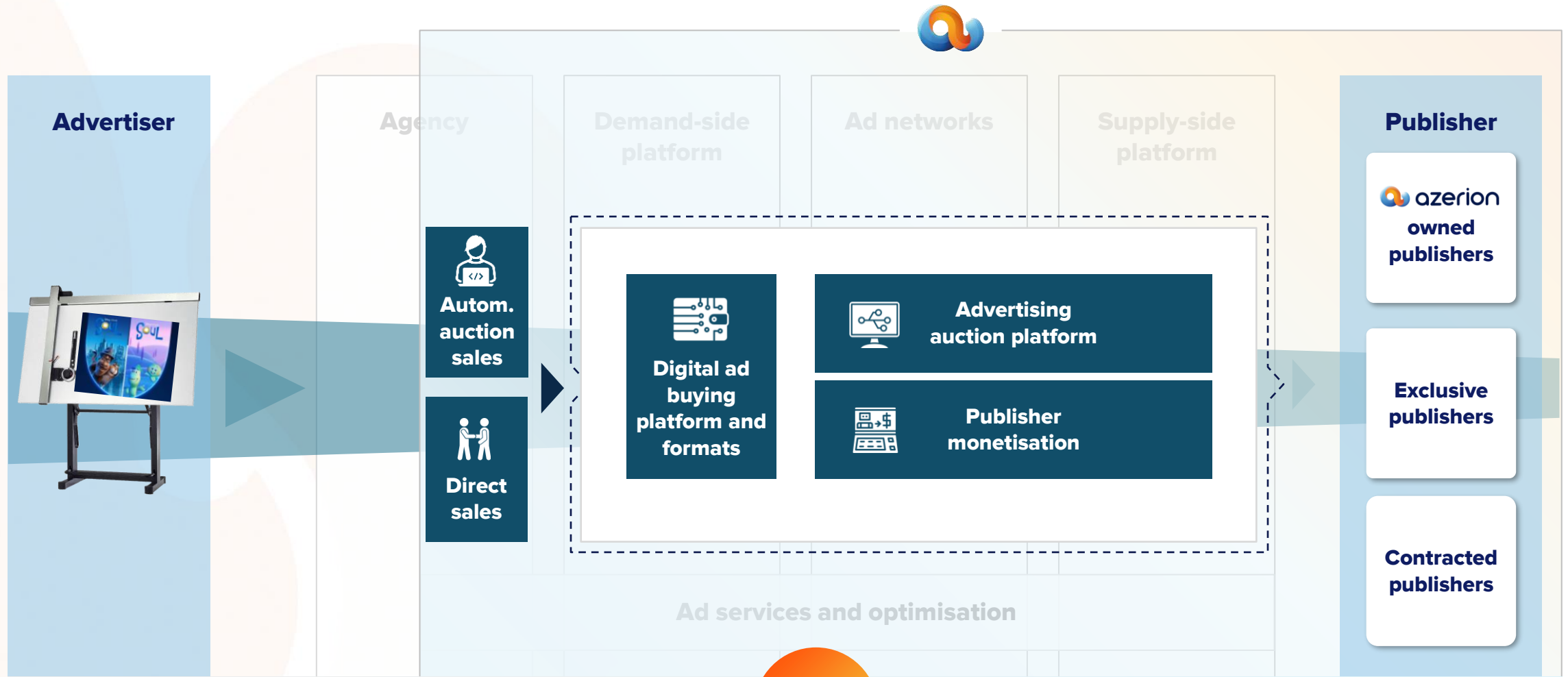
Digital advertising



# Fragmented digital advertising landscape creates inefficiencies



# Our integrated model optimises the advertising value chain



Supporting advertisers to reach audiences in a simple, cost-effective and brand-safe way

Supporting publishers to maximise revenue and user engagement

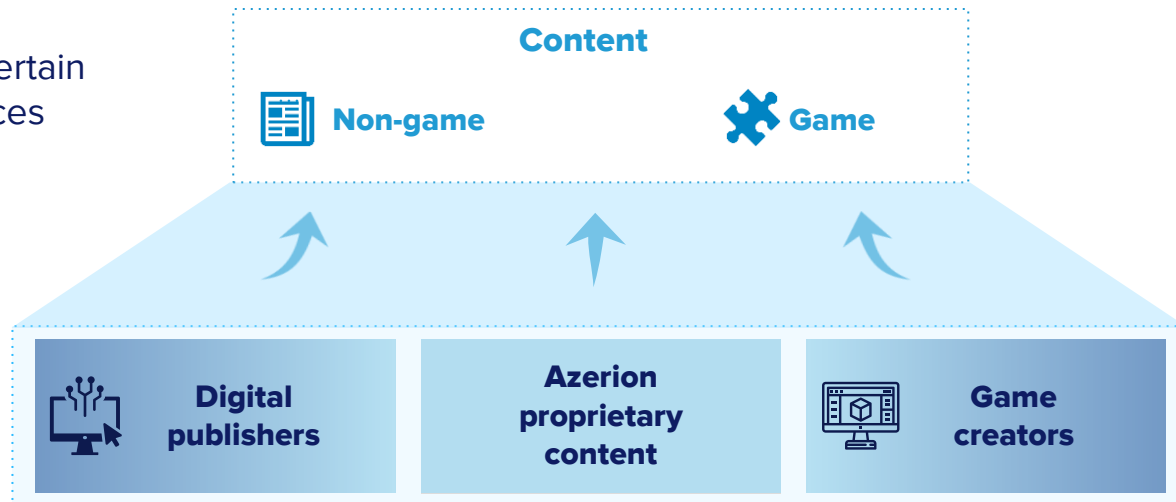
# The Azerion mission

We help brands improve the way they engage with audiences

Advertisers

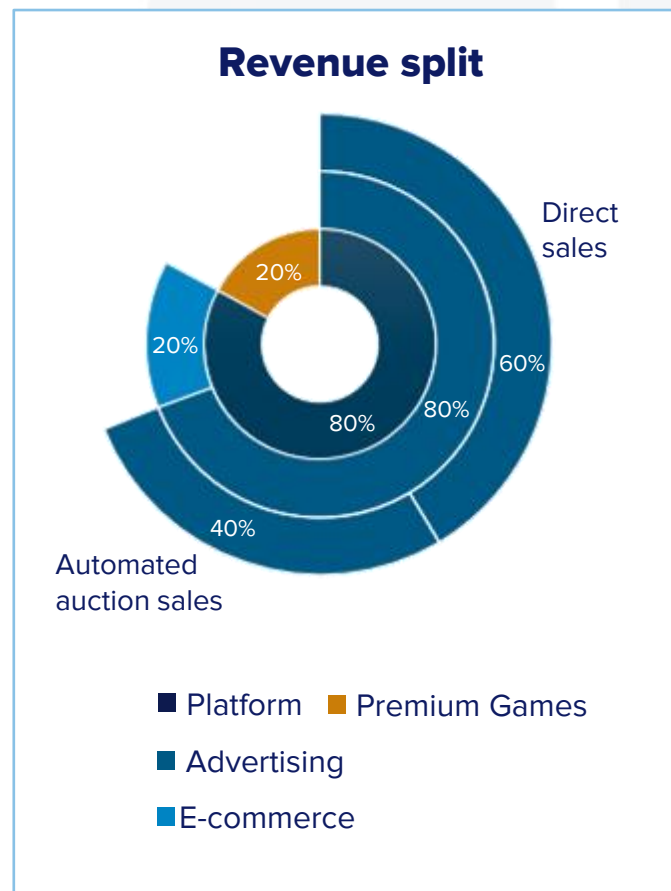
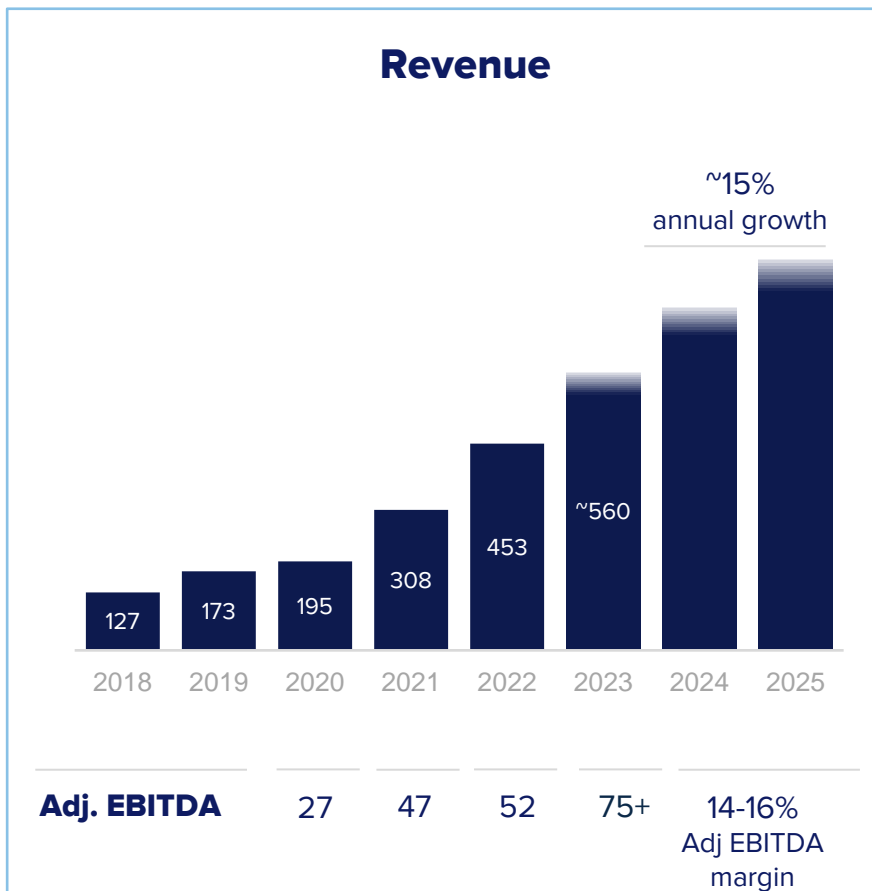
Consumers

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 ”

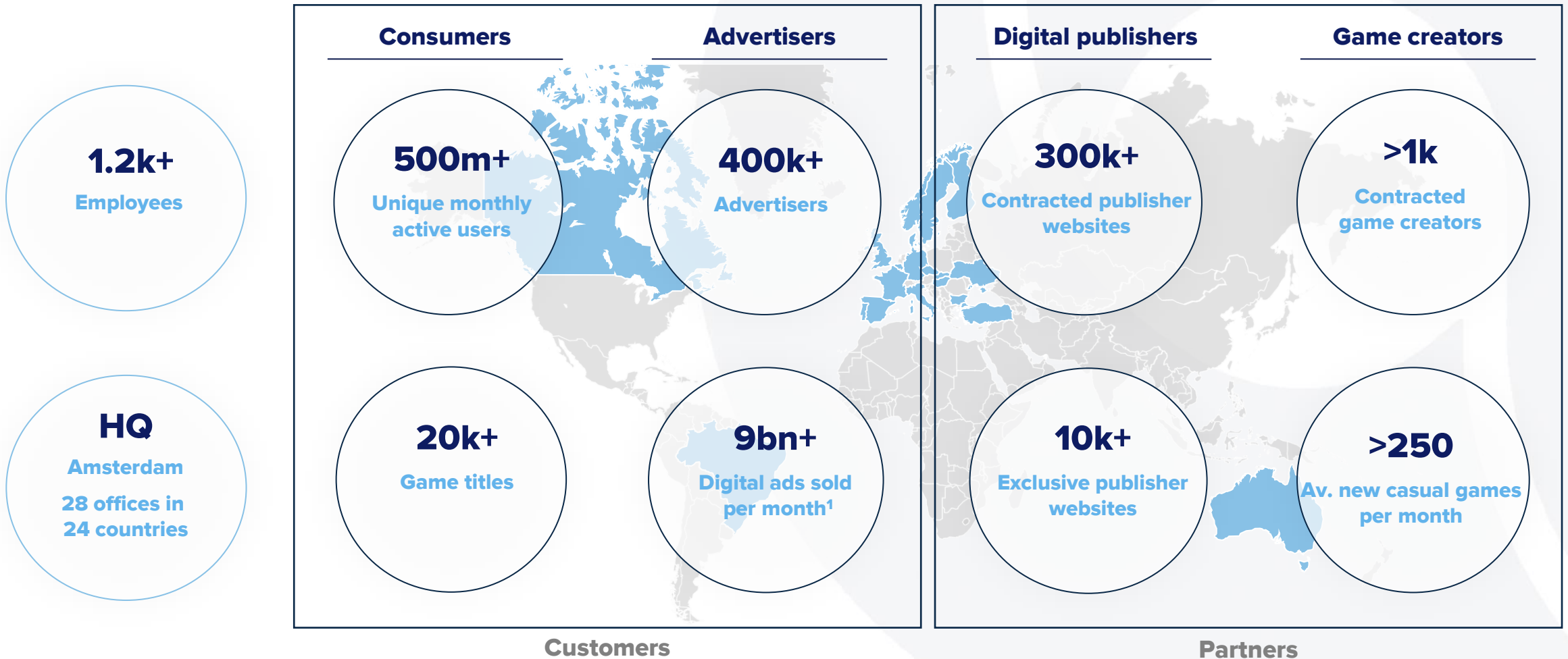
# Strong historical performance underpinning growth outlook



### 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 scalable platform provides access to a global, diverse and engaged audience, connecting publishers and game creators to advertisers

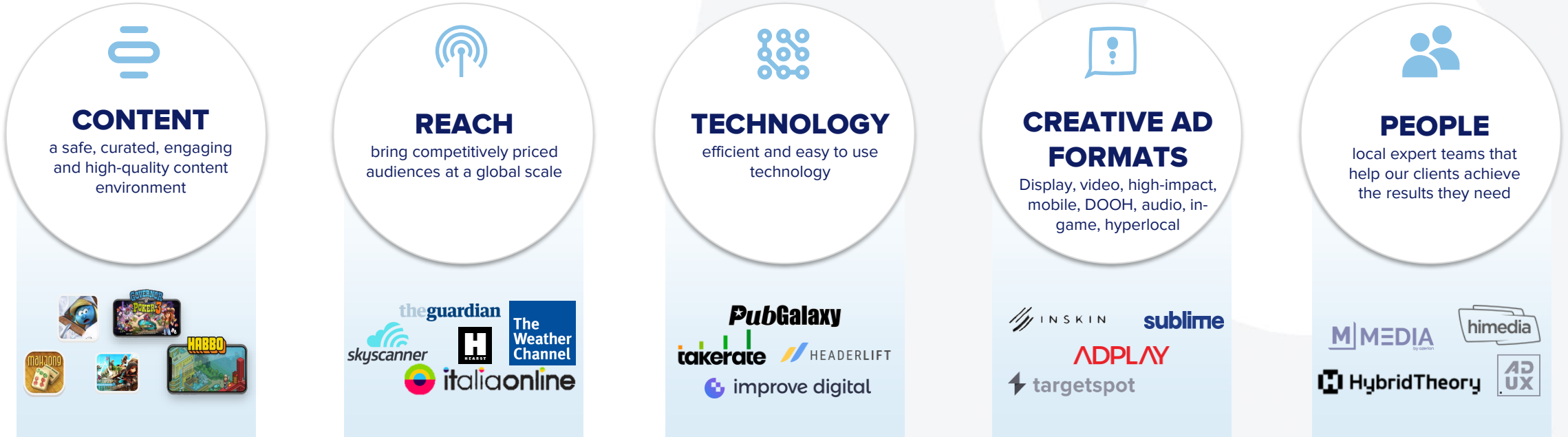


Data as of September 2022. (1) Average number of paid impressions served per month.

Value proposition to advertisers

# One service, five core elements of value for our clients

We are constantly growing our existing business and products and adding new capabilities through acquisitions and partnerships

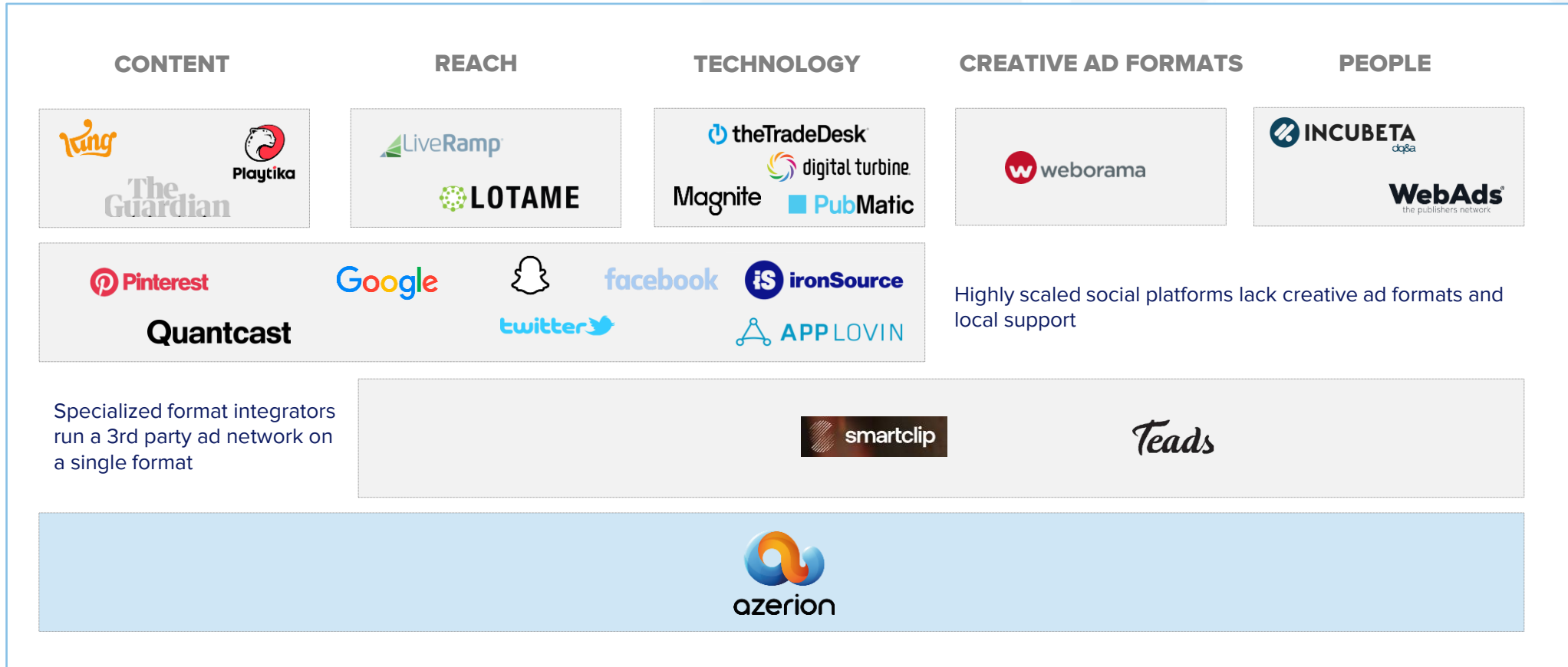




Value proposition to advertisers

# Azerion wraps all five in one offer

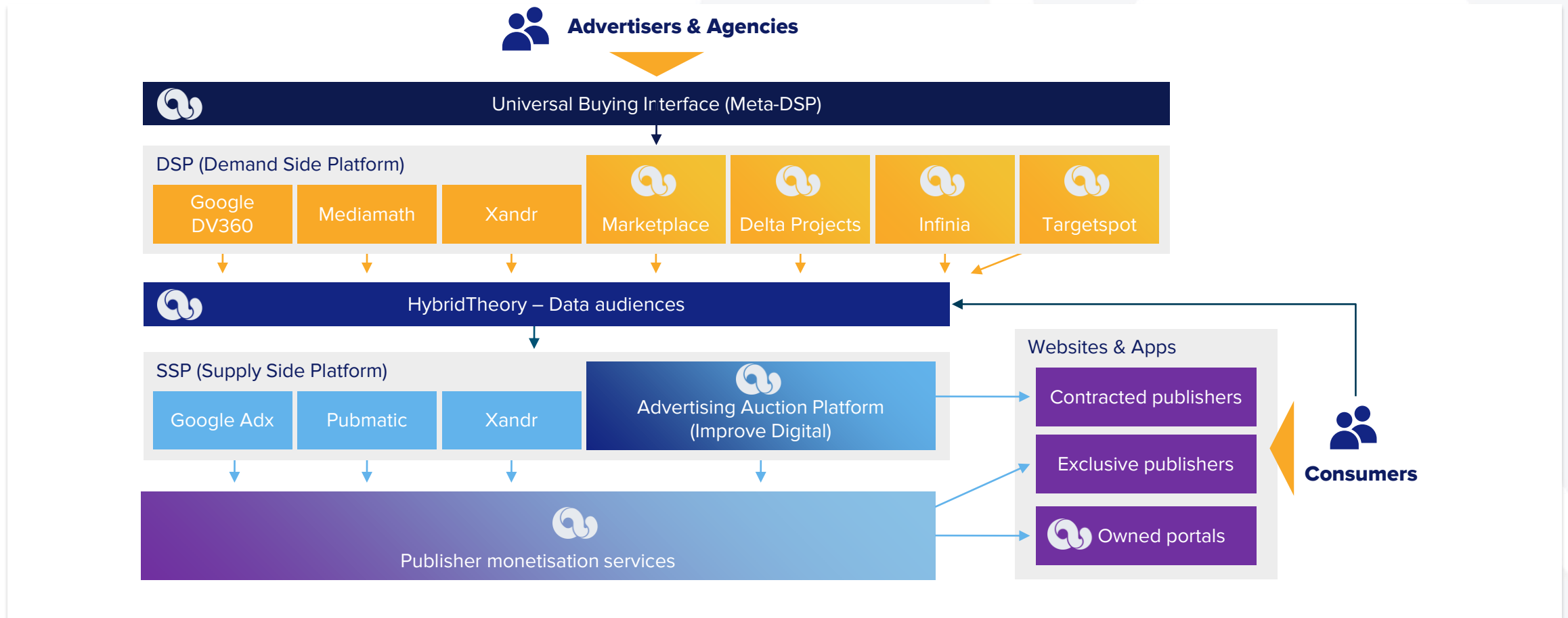
Offering an integrated solution brings advertisers more value but we don't see companies taking the vertical integration as far as Azerion.



Value proposition to advertisers

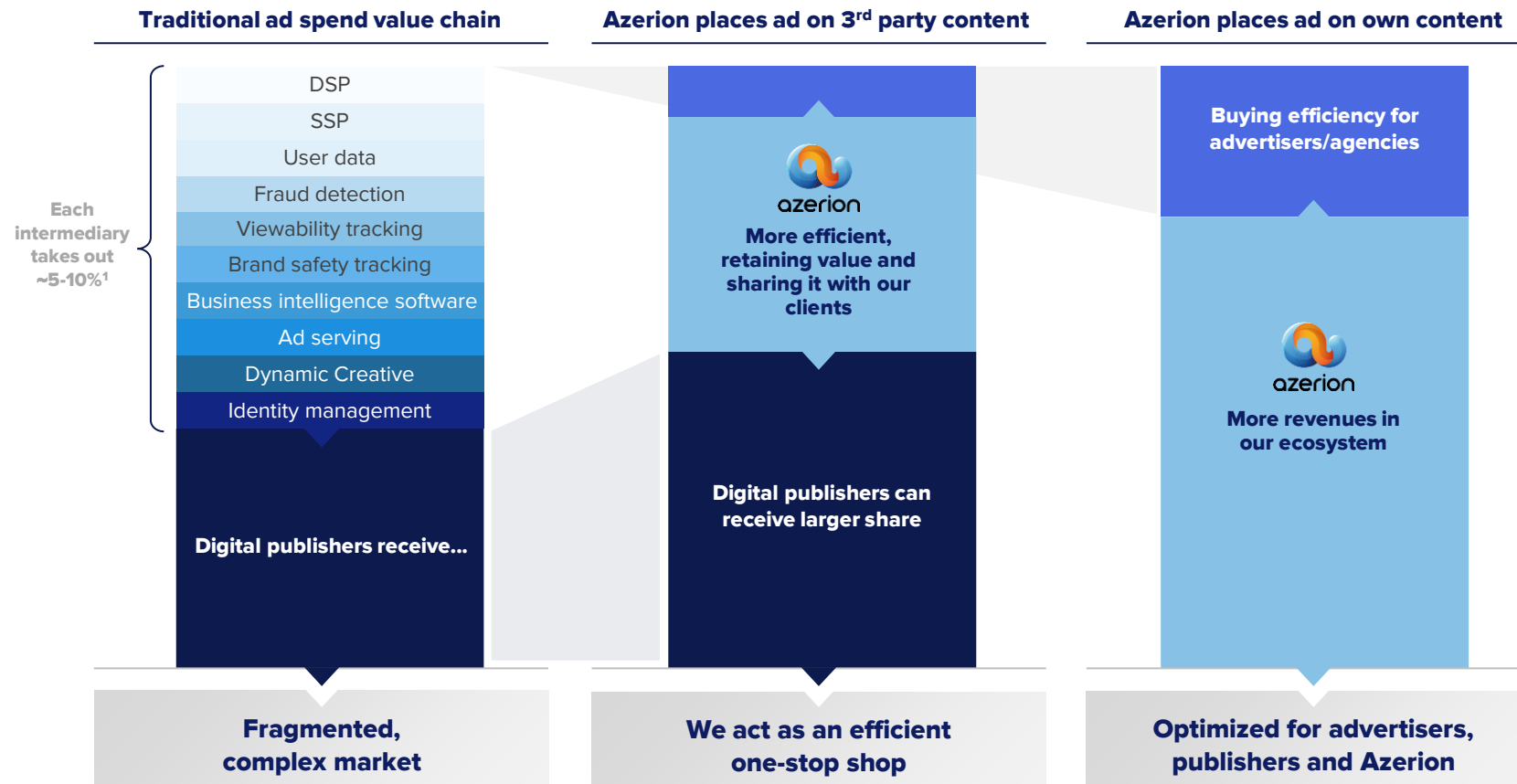
# Efficient and easy to use technology

We own all the components needed to successfully run digital advertising campaigns and our open platform allows easy integration with external validation, data and inventory providers.



# Vertical integration maximizes efficiency for all parties

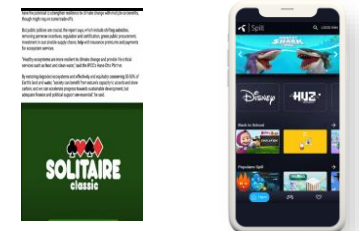
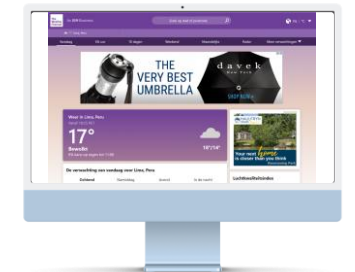
## Illustrative allocation of highly intermediated ad spend vs. Azerion's model



# Partner with digital publishers offering a wide range of monetisation service

Digital publishers is any company who interacts with its customers digitally - for example through online content, portals, news and videos

	Azerion offerings	Contracted publishers	Exclusive publishers
Ad sales EU	Help digital publishers access advertisers	✓	✓
High reach global demand	Azerion's proprietary advertising auction platform	✓	✓
Standard ad formats	Combination of market standard formats (IAB)	✓	✓
Support	Self-service ticket system	✓	✓
Special formats	Azerion's proprietary ad formats		✓
Priority in ad sales EU	Direct access to Azerion unique demand		✓
Contextual targeting	Azerion's proprietary technology (cookieless)		✓
Game-as-a-service	White-label and game widget solutions, increasing audience engagement and ad space		✓
Inventory optimization	Management of advertising on existing digital inventory to maximize publisher revenue		✓
Premium support	Full support from account manager and technical team, including recommendations on website developments and new rules/trends on the advertisement market.		✓



# Our audiences seek engaging content

## DIGITAL



Device agnostic  
- Desktop  
- Mobile

Platform agnostic  
- Web  
- App

## ENTERTAINING



Engaging

Fun

Gamified

## QUALITY



Fast and reliable technology

Safe

Trust

## FREE



Free to use

Freemium

Developing content and engaging audiences

# We reach over 500m monthly active users with brand-safe content



**REACH**

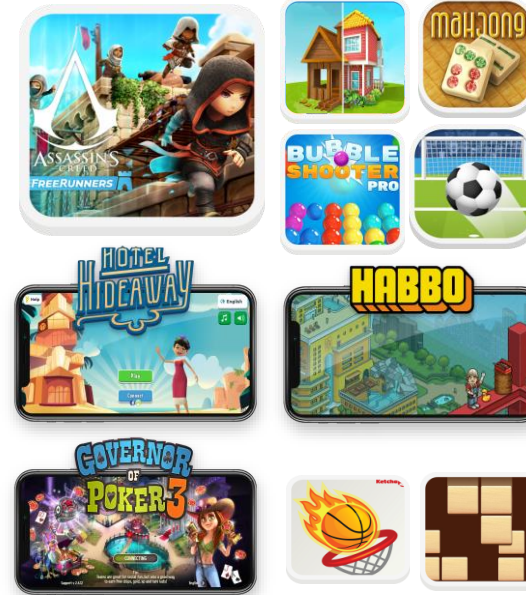
Without enough of the right people at the right time in the right place, advertising cannot work

## Non-game content



**>400m**  
monthly active users

## Game content



**>100m**  
monthly active users

## E-commerce



# Our highly diversified and engaging free to play game content

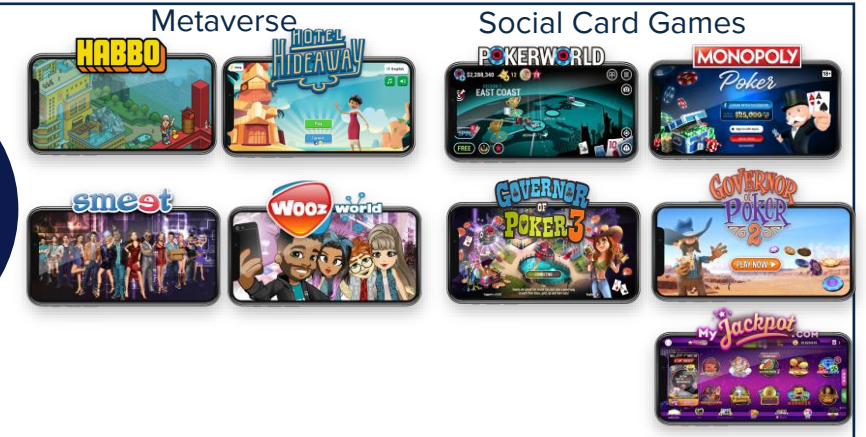
Thousands of **Casual Games** monetized through advertisement



Average  
18 min/day

Spent by  
consumers  
playing our  
Casual Games  
(mobile)

Nine **Premium Games** monetized through in-game purchase



Metaverse

Social Card Games

Partnership with **1k+** game creators adding  
**>250** Average new casual games per month

**Owned** and operated content,  
with proprietary technology and data

**20k+**  
Game titles

**4.8k+**  
Game portals

**>100m**  
Premium  
and Casual  
Game  
audiences

# GameDistribution offers unparalleled value proposition to the whole spectrum of game creators on the web



## From small game studios...

### Hassle-free distribution and monetisation

100m+ users  
4.8k+ portals  
400k+ advertisers  
Azerion's integrated advertising technology

### Competitive and flexible model

Revenue share model  
Device agnostic  
Platform agnostic



## ... to large AAA game developers

### Convert successful AAA titles into free to play

GameDistribution's expertise in building engaging free to play casual games  
GameDistribution leading position for distribution and monetization on the web

### Unlock new revenue streams

Access to new audiences with free to play casual titles  
Unlock new revenue streams with digital advertising

Licensed brands



Exclusive Titles





# Operating the whole supply chain with E-Commerce



## Digital content seller and aggregator

One of the largest AAA games catalogues  
300+ retail partners

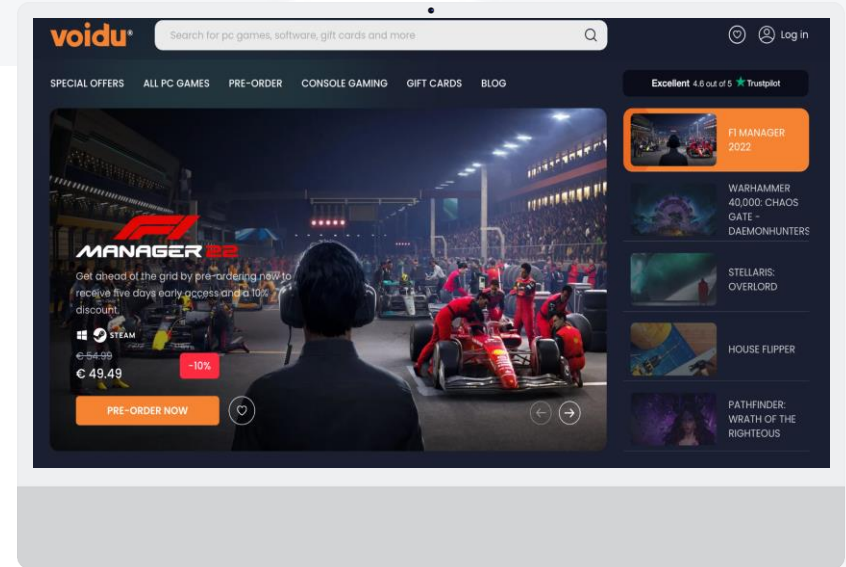
**100+ game creators**



## AAA and PC games store

5,200+ gaming titles across a wide  
range of genres

**10m+ game keys sold** per year  
across **200+ countries**



**Increasing user  
engagement and  
monetization**

# Innovating in the Metaverse and digital collectibles

## Frontrunners in the Metaverse

- 4 metaverse communities with millions of users
- Partnership with advertisers for in-game branding and sale of virtual items

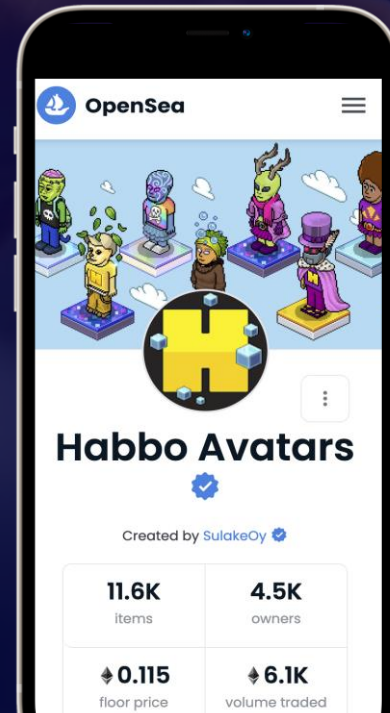
Hotel Hideaway opens a **virtual Love Island villa** with **ITV Studios**, with **3m visits** and avg time spent of **52 min per visitor** in the first 30 days



## Innovating with digital collectibles

- Solid expertise in developing, distributing and monetizing NFTs
- Use of NFTs to create playable digital collectibles and enhance user game play experience in Azerion's metaverse

Expanding into Web3.0, unlocking collaborations with Metakey, Metaverse HQ, CyberKongz, Coolcats



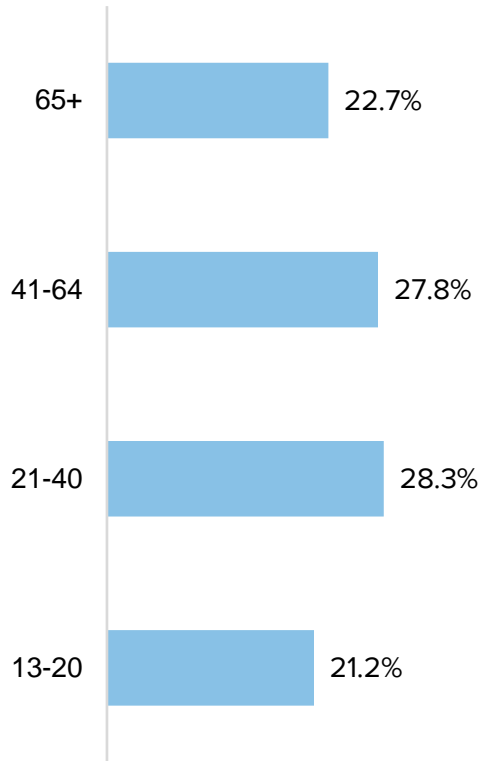
## Emerging opportunities

- Azerion as a trusted partner of key brands that want to expand into metaverse and digital collectibles
- Potential cross-selling opportunities within Azerion's platform

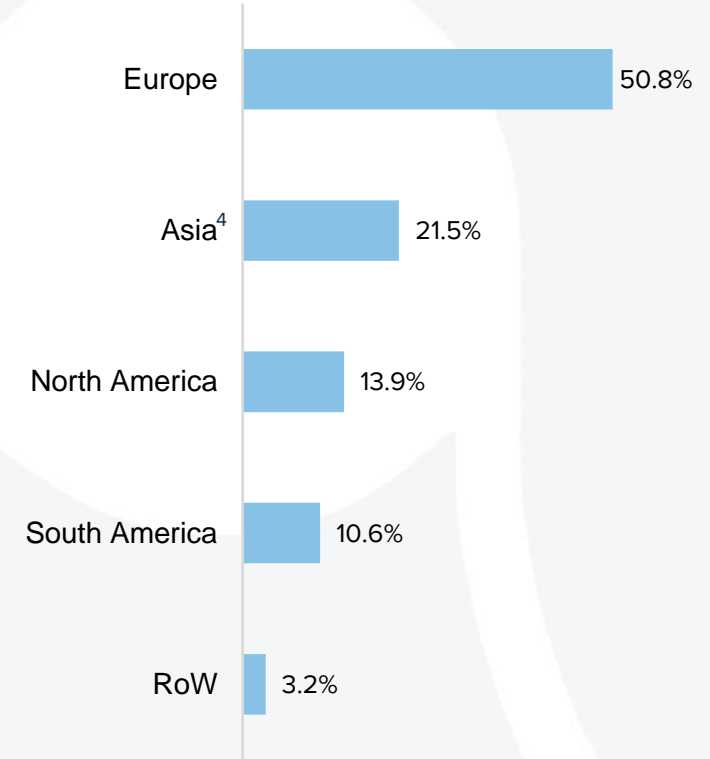


# Our game content appeals to all ages, nationalities and interests

## What age groups play our games?<sup>1</sup>

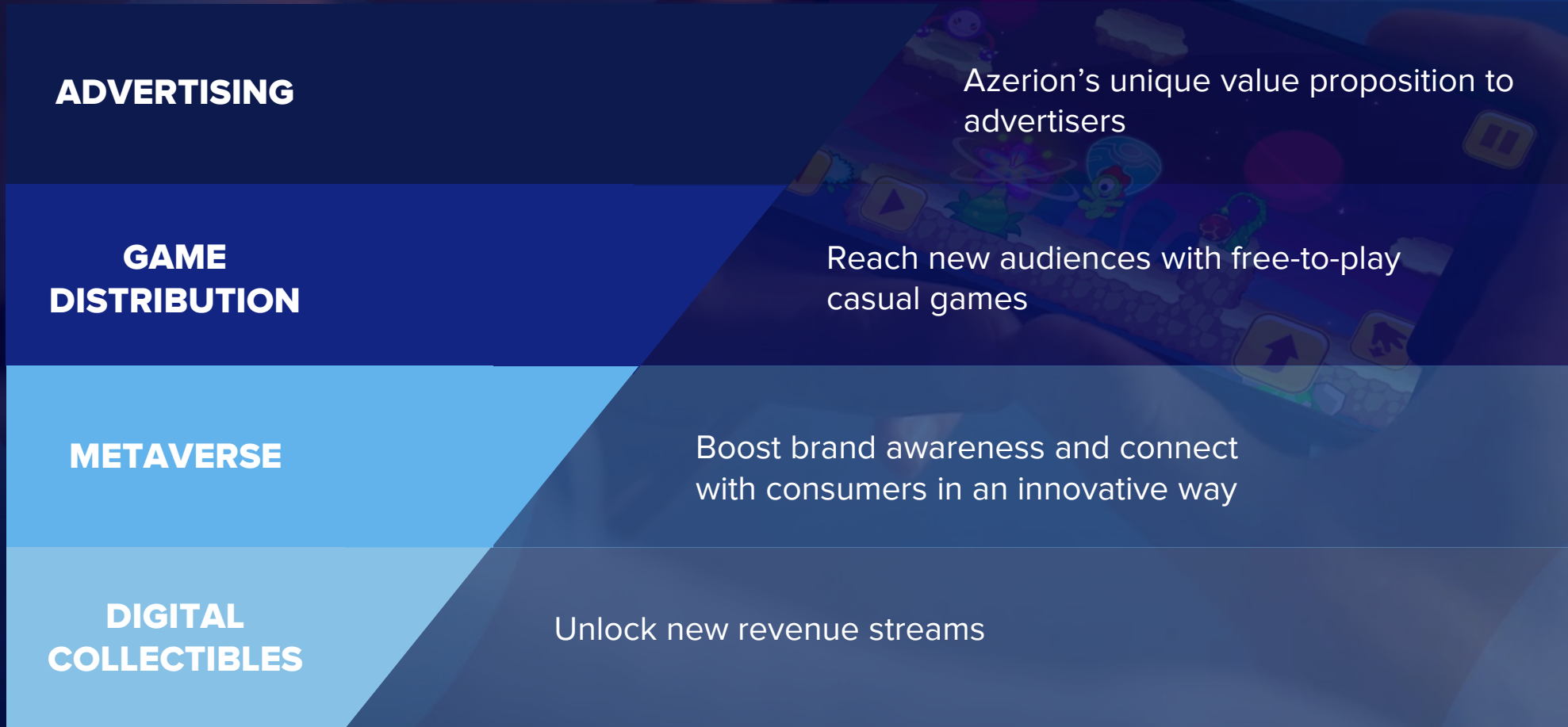


## Where do our players play?<sup>2</sup>



(1) Age distribution of Casual Games only, measured over Q3 2020 – Q1 2021. Sourced from Nielsen Digital Ad Ratings. (2) Location of players, as of Q4 2021, for entire portfolio (Casual and Premium Games). Sum of gameplays for the whole quarter. (3) Average number of gameplays per month over Q4 2021. Gender split based on Casual Games. Sourced from Nielsen Digital Ad Ratings. Premium Games have 53% of male players and 47% of female players. Note that gender split is an estimation as this data is not registered. It is based on estimates from the Google analytics and Facebook pages. (4) Top 5 Asian countries are Vietnam (58m gameplays in Q4 2021), India (30m), Indonesia (29m), Thailand (28m), Philippines (24m).

# Extended value proposition to advertisers - a global entertainment and media partner



# Consolidation and integration leading to resilient revenue growth and increased profitability

## Solid strategy delivery

- **Successfully progressed consolidation and integration of previous acquisitions**
- **Resilient growth in Platform and Premium Games segments**
- **Upgraded annualised cost savings expectations to at least €15m from at least €10m (excluding any effects from foreign exchange)\***
- **Reaffirm full year 2023 guidance of at least €75m Adj. EBITDA and around €560m Net revenue**

## Strong financial performance



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















## Strategic priorities

Ad sales	Local expert teams that help our clients achieve results
Ad tech	Creative proprietary ad formats Efficient and easy to use Platform
Curated Content	Publisher monetisation services Partnerships and high-margin titles in casual game distribution Innovative business models to bring audiences together Optimise our E-commerce business to strengthen relationship with advertisers
Premium Games	Strengthen our position in the metaverse and offer an extended value proposition to advertisers to connect with digital audiences in innovative ways

## Q1 proof points

- Grew presence in the US and Latin America, providing increased local support and expertise to advertisers across the globe.
- Launch of Performance by Azerion, enriching campaigns across all features and platforms, driving increased performance across the full advertisement funnel.
- Roll out of proprietary ad format Oneskin, an integrated rich media native product that creates a highly scalable feature on the Azerion Platform.
- Cost per million ad request decreased by 52% in Q1 2023 compared to Q1 2022 due to further platform optimisation and benefits of scale.
- Signed 50 new exclusive publishers to further extend our platform supply footprint, reaching larger audiences.
- Growth of puzzle and word games portfolio, increasing the reach of high-margin and mature audiences. We launched 473 new games to expand the reach in target markets.
  
- Expanded brand licensing partnerships with Smiley World, Mattel and L.O.L. Surprise! O.M.G. Fashion House to create engaging in-game branded content in Hotel Hideaway, Habbo and Wooworld.

# Focus on integration; Strategic M&A powering growth

Transaction	Strategic rationale	Integration process	Integrated & Anticipated Organic Growth
	<ul style="list-style-type: none"> <li>Geographic diversity into LATAM &amp; Spanish speaking market</li> <li>DMP focused on improving customer advertising campaigns through digital activation</li> <li>Premium publisher reach</li> </ul>		<ul style="list-style-type: none"> <li>Cross sell opportunities</li> <li>Imbed ad performance management across all products</li> <li>Migration of campaigns onto Azerion SSP (cost optimisation)</li> <li>Ability to target and track our own Azerion specific audiences.</li> </ul>
	<ul style="list-style-type: none"> <li>Diversification of publisher monetisation services</li> <li>Premium publisher reach</li> <li>Geographic diversity</li> </ul>		<ul style="list-style-type: none"> <li>Cross &amp; up sell opportunities in the French, German &amp; Italian market</li> <li>Enhanced publisher monetization on mobile platforms</li> <li>Bespoke consultancy for design agencies for mobile &amp; web</li> </ul>
	<ul style="list-style-type: none"> <li>Geographic diversity</li> <li>Diversification of ad formats</li> <li>Premium publisher reach</li> </ul>		<ul style="list-style-type: none"> <li>Optimisation of digital video ad formats and integration with Azerion owned content provided by Zoomin.</li> <li>Cross sell opportunities into DACH region and Azerion countries</li> </ul>
	<ul style="list-style-type: none"> <li>Diversification of publisher monetisation services</li> <li>Exclusive premium publisher reach</li> <li>Established local sales team</li> </ul>		<ul style="list-style-type: none"> <li>Access to high margin exclusive publisher content</li> <li>Integration of publisher and advertiser solution teams</li> </ul>
	<ul style="list-style-type: none"> <li>Extended advertising performance management</li> <li>Geographic diversity into the US &amp; UK</li> <li>Advertiser, Agencies, Publisher reach</li> </ul>		<ul style="list-style-type: none"> <li>Imbed ad performance management across all products</li> <li>Ability to target and track our own Azerion specific audiences.</li> <li>Larger campaign acquisition and up selling opportunity due to extended product offering in new markets</li> </ul>
	<ul style="list-style-type: none"> <li>Entry into digital audio advertising</li> <li>Geographic diversity into the US &amp; UK</li> <li>Diversification of ad formats</li> <li>Premium advertiser &amp; publisher reach</li> </ul>		<ul style="list-style-type: none"> <li>New ad format to offer advertisers whilst inheriting established relationship with audio publishers</li> <li>Cross sell opportunities in Europe and North America</li> <li>Enhanced publisher monetisation and delivery through owned content (Shoutcast)</li> </ul>
	<ul style="list-style-type: none"> <li>Geographic diversity</li> <li>Publisher monetisation technology</li> <li>Premium agency &amp; publisher reach</li> </ul>		<ul style="list-style-type: none"> <li>Expansion into digital out-of-home</li> <li>High impact video ad formats</li> <li>Expand owned content into Italian market</li> </ul>

+Monolith, Takerate & Adverline

## Q1/23: Resilient Platform and Premium Games performance driving growth

**EUR 113m**

Revenue  
Q1 2023

**+19.4%**

vs Q1 2022

- Benefits of recent acquisitions increasing top line growth

**EUR 9m**

Adj. EBITDA  
Q1 2023

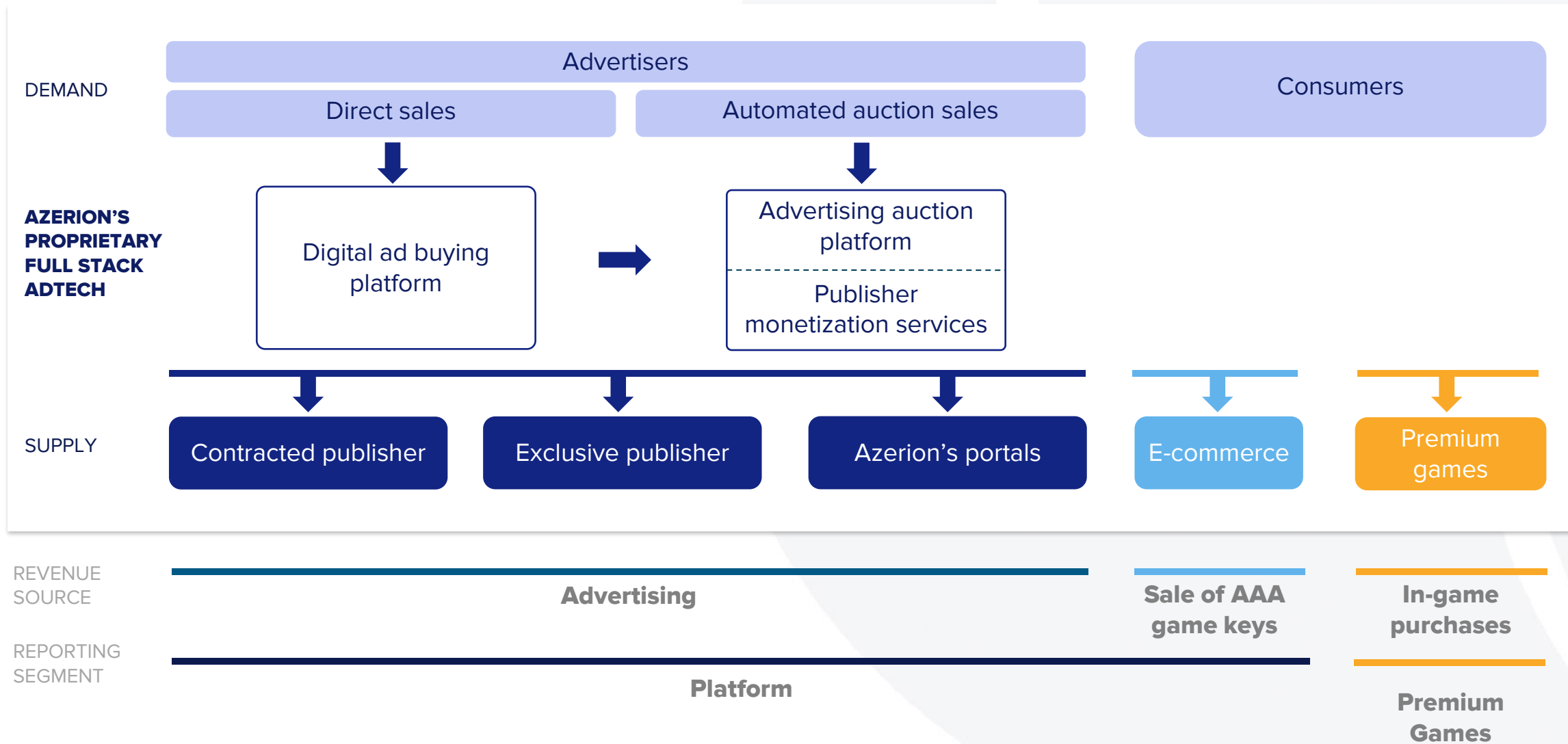
**+47.5%**

vs Q1 2022

- Value optimisation reducing costs of operations
- Focused allocation of resources to high margin and profitable businesses



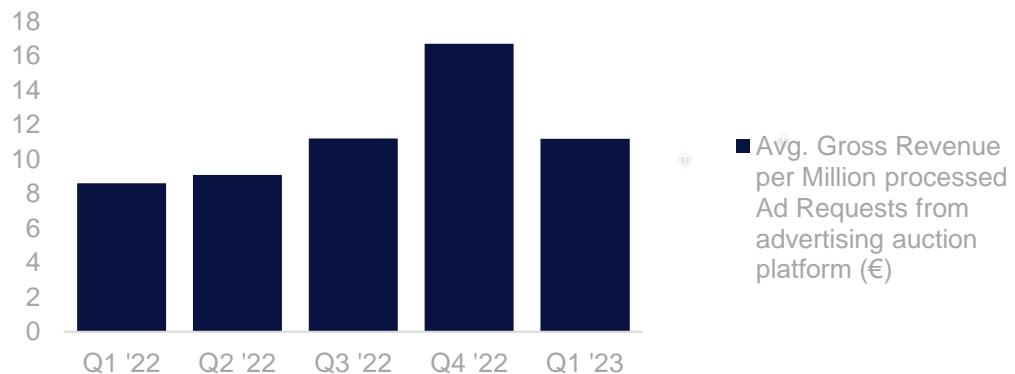
# Our resilient model has value drivers on both demand and supply sides



## Financial performance

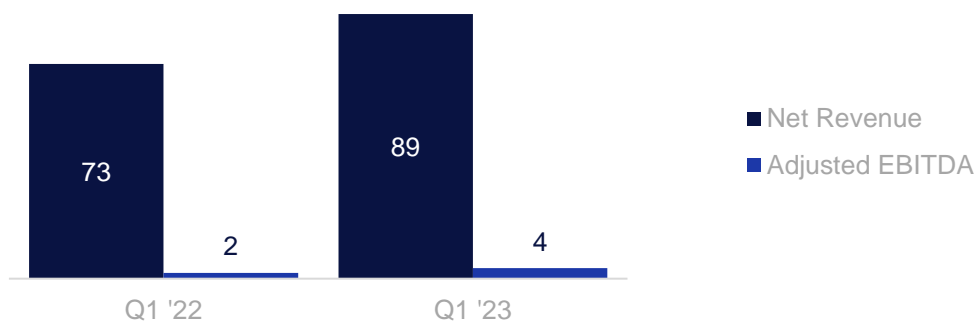
# Platform leveraging integrations delivering resilient growth

### Operational performance



- Enhanced cross sales opportunities through newly acquired technologies and sales teams delivering revenue diversification.
- Gross revenue per processed ad request increasing due to higher publisher monetization and RTB optimization rejecting less profitable ad campaigns.

### Financial performance

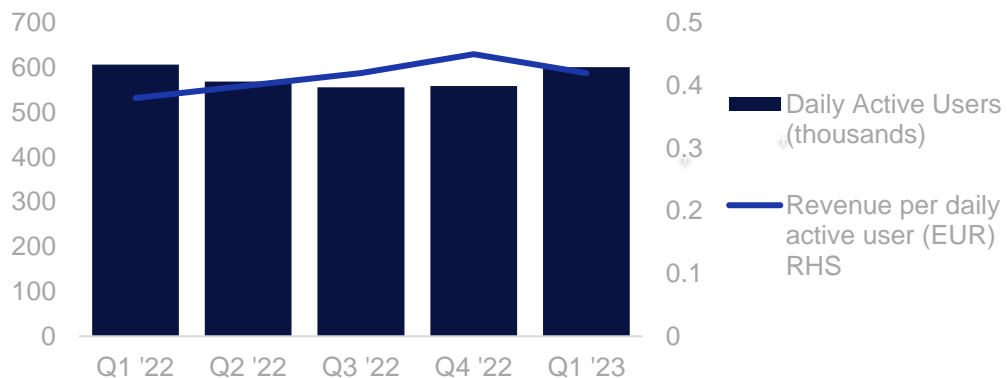


- Combination of organic and inorganic revenue growth in challenging macro environment
- Consolidation of operations reducing operational cost accelerating Adj. EBITDA growth

Financial performance

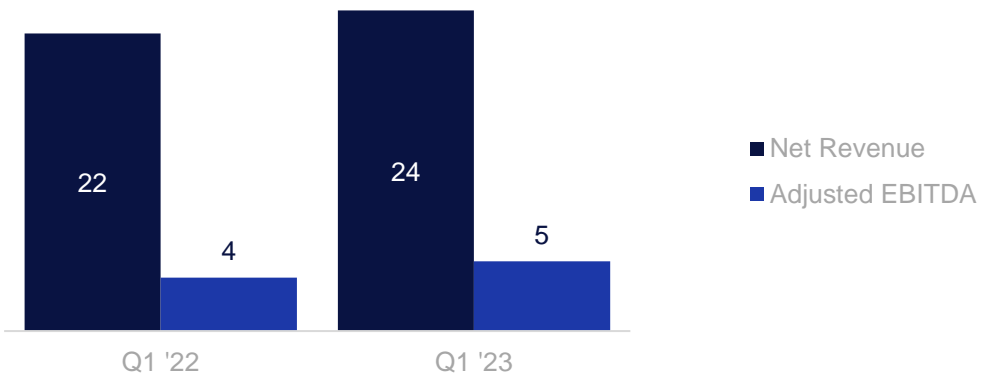
# Premium Games allocating resources towards profitable growth

Operational performance



- Focus on user acquisition leading to increased average daily active users, subsequently increasing ARPDAU.
- Improvements in user engagement driven by new features and events increased monetisation of mature users
- Time in game per day grew more than 6% compared to previous quarter

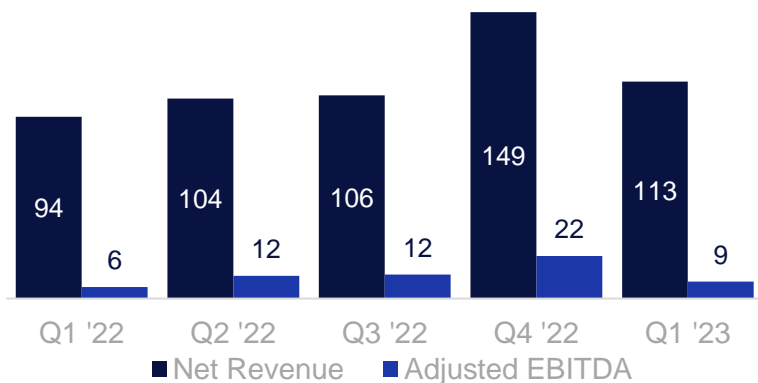
Financial performance



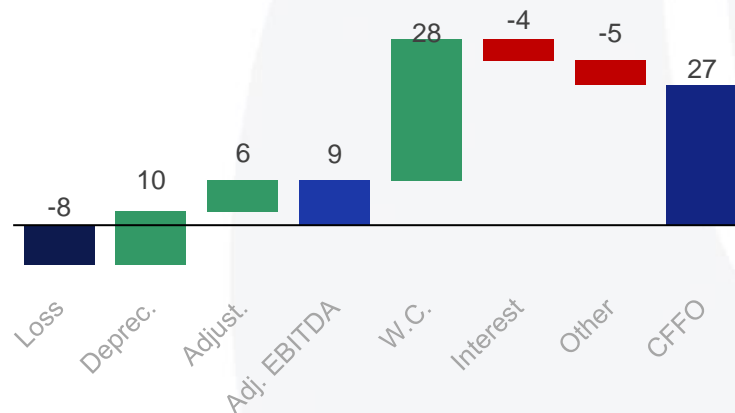
- Social Card Games, Governor of Poker 3 and Monopoly Poker performing strongly, expanding new features and content for users to further grow and monetise the games' communities.
- Lower capital expenditure in Metaverse has offset reduced user activity and spending.

# Strong financial framework

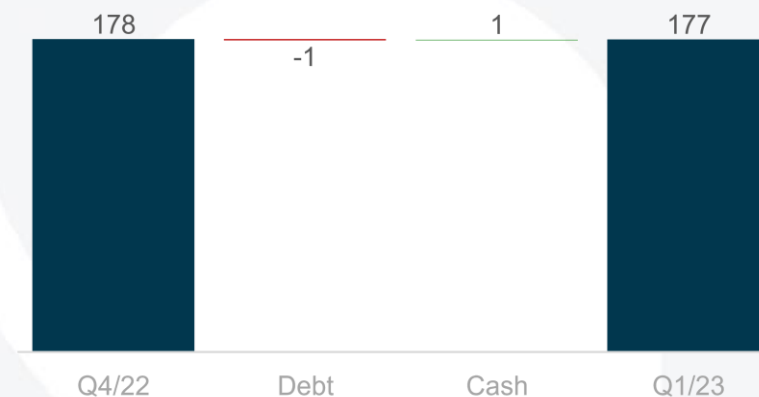
5-quarter rolling financial performance



Q1/23 cash conversion



Q1/23 net debt



- Record first quarter performance in absolute revenue and Adj. EBITDA in Q1 2023
- Cash flow conversion driven by changes in working capital
- Focus on financial robustness of the company deleveraging the balance sheet in 2023

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[IR@azerion.com](mailto:IR@azerion.com)

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