Q1 2023 results
May 31 2023
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Consolidation and integration leading to resilient revenue growth and increased profitability

**Key messages**

- 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

**Solid strategy delivery**

**Strong financial performance**

- Revenue Q1 2023: 113M
- Adj EBITDA Q1 2023: 9M

* The expected savings are compared to the January 2023 baseline.
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.”
### Strategy delivery

**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>Q1 proof points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ad sales</td>
<td>• Grew presence in the US and Latin America, providing increased local support and expertise to advertisers across the globe.</td>
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<td></td>
<td>• Launch of Performance by Azerion, enriching campaigns across all features and platforms, driving increased performance across the full advertisement funnel.</td>
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<td></td>
<td>• Roll out of proprietary ad format Oneskin, an integrated rich media native product that creates a highly scalable feature on the Azerion Platform.</td>
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<td></td>
<td>• Cost per million ad request decreased by 52% in Q1 2023 compared to Q1 2022 due to further platform optimisation and benefits of scale.</td>
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<tr>
<td></td>
<td>• Signed 50 new exclusive publishers to further extend our platform supply footprint, reaching larger audiences.</td>
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<tr>
<td></td>
<td>• 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.</td>
</tr>
<tr>
<td>Ad tech</td>
<td>• 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 Woozworld.</td>
</tr>
<tr>
<td>Curated Content</td>
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<tr>
<td>Publisher monetisation services</td>
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<tr>
<td>Innovative business models to bring audiences together</td>
<td></td>
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<tr>
<td>Optimise our E-commerce business to strengthen relationship with advertisers</td>
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<tr>
<td>Premium Games</td>
<td></td>
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<tr>
<td>Strengthen our position in the metaverse and offer an extended value proposition to advertisers to connect with digital audiences in innovative ways</td>
<td></td>
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</tbody>
</table>
### Focus on integration; Strategic M&A powering growth

<table>
<thead>
<tr>
<th>Transaction</th>
<th>Strategic rationale</th>
<th>Integration process</th>
<th>Integrated &amp; Anticipated Organic Growth</th>
</tr>
</thead>
</table>
| Infiniti    | • Geographic diversity into LATAM & US Spanish speaking market  
  • DMP focused on improving customer advertising campaigns through digital activation  
  • Premium publisher reach | • Cross sell opportunities  
  • Imbed ad performance management across all products | • Cross sell opportunities  
  • Imbed ad performance management across all products  
  • Migration of campaigns onto Azerion SSP (cost optimisation)  
  • Ability to target and track our own Azerion specific audiences. |
| madvertise  | • Diversification of publisher monetisation services  
  • Premium publisher reach  
  • Geographic diversity | • Cross & up sell opportunities in the French, German & Italian market  
  • Enhanced publisher monetization on mobile platforms  
  • Bespoke consultancy for design agencies for mobile & web | • Optimisation of digital video ad formats and integration with Azerion owned content provided by Zoomin.  
  • Cross sell opportunities into DACH region and Azerion countries |
| Vlyby       | • Geographic diversity  
  • Diversification of ad formats  
  • Premium publisher reach | • Access to high margin exclusive publisher content  
  • Integration of publisher and advertiser solution teams | • Imbed ad performance management across all products  
  • Ability to target and track our own Azerion specific audiences.  
  • Larger campaign acquisition and up selling opportunity due to extended product offering in new markets |
| Media       | • Diversification of publisher monetisation services  
  • Exclusive premium publisher reach  
  • Established local sales team | • New ad format to offer advertisers whilst inheriting established relationship with audio publishers  
  • Cross sell opportunities in Europe and North America  
  • Enhanced publisher monetisation and delivery through owned content (Shoutcast) | • Expansion into digital out-of-home  
  • High impact video ad formats  
  • Expand owned content into Italian market |
| HybridTheory| • Extend advertising performance management  
  • Geographic diversity into the US & UK  
  • Advertiser, Agencies, Publisher reach | • Entry into digital audio advertising  
  • Geographic diversity into the US & UK  
  • Diversification of ad formats  
  • Premium advertiser & publisher reach | +Monolith, Takerate & Adverline |
Strategy delivery

Strong historical performance underpinning growth outlook

Revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
<th>Adj. EBITDA</th>
<th>Adj EBITDA margin</th>
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<tbody>
<tr>
<td>2018</td>
<td>127</td>
<td>27</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>173</td>
<td>47</td>
<td>14-16%</td>
</tr>
<tr>
<td>2020</td>
<td>195</td>
<td>52</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>308</td>
<td>75+</td>
<td>14-16%</td>
</tr>
<tr>
<td>2022</td>
<td>453</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2023</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2024</td>
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<tr>
<td>2025</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

Revenue split

- Revenue split by category:
  - Direct sales: 60%
  - Advertising: 20%
  - Premium Games: 20%
  - Automated auction sales: 80%
  - E-commerce: 80%
  - 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

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
- E-commerce
- Premium games

**Azerion’s proprietary full stack ADTECH**
- Digital ad buying platform
- Advertising auction platform
  - Publisher monetization services

**Revenue source**
- Advertising
- Sale of AAA game keys
- In-game purchases

**Reporting segment**
- Platform
- Premium Games
Q1/23: Resilient Platform and Premium Games performance driving growth

- Benefits of recent acquisitions increasing top line growth

EUR 113m
Revenue Q1 2023
+19.4%
vs Q1 2022

EUR 9m
Adj. EBITDA Q1 2023
+47.5%
vs Q1 2022

- Value optimisation reducing costs of operations
- Focused allocation of resources to drive scale and margin growth in platform
Financial performance

Strong financial framework

- 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

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

Combination of organic and inorganic revenue growth in challenging macro environment

Consolidation of operations reducing operational cost accelerating Adj. EBITDA growth
Premium Games allocating resources towards profitable growth

- 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.

- 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.
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Key messages

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