



azerion

Q1 2023 results

May 31 2023

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Consolidation and integration leading to resilient revenue growth and increased profitability

Solid strategy delivery

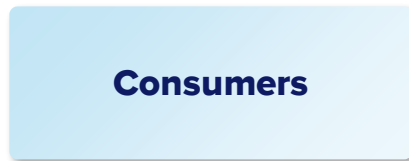
- Successfully progressed consolidation and integration of previous acquisitions
- Resilient growth in Platform and Premium Games segments
- Upgraded annualised cost savings expectations to at least €15m from at least €10m (excluding any effects from foreign exchange)*
- Reaffirm full year 2023 guidance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

Strong financial performance

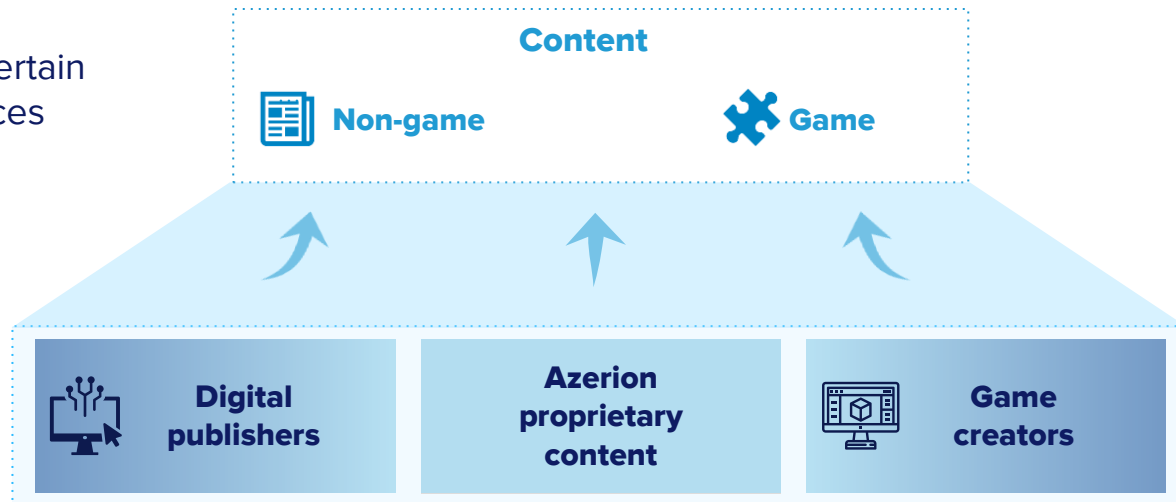


The Azerion mission

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

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.

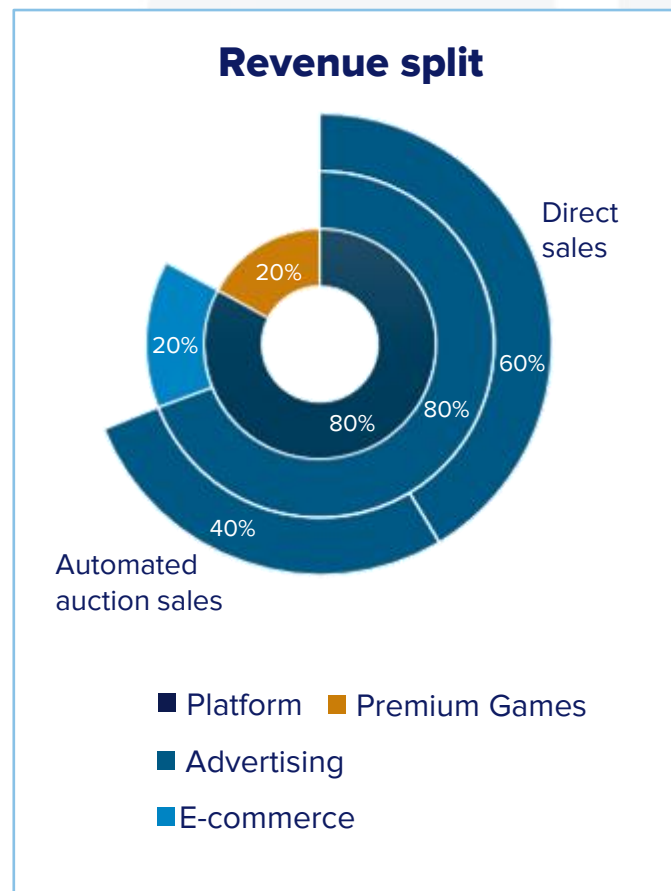
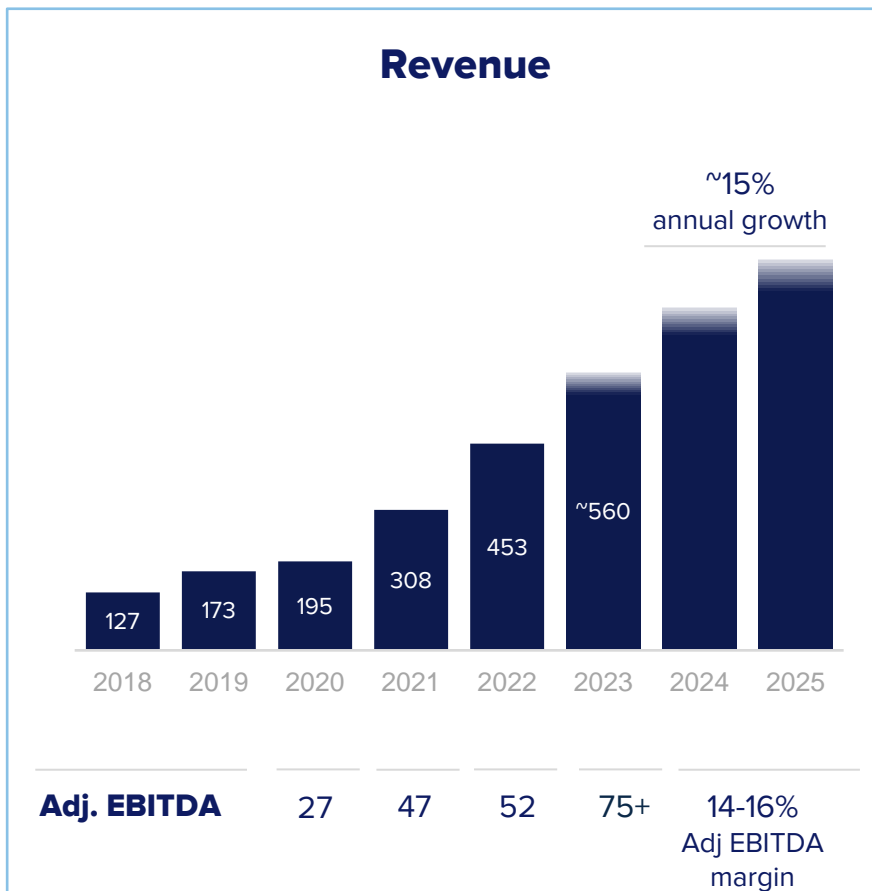
- Expanded brand licensing partnerships with Smiley World, Mattel and L.O.L. Surprise! O.M.G. Fashion House to create engaging in-game branded content in Hotel Hideaway, Habbo and Wooworld.

Focus on integration; Strategic M&A powering growth

Transaction	Strategic rationale	Integration process	Integrated & Anticipated Organic Growth
	<ul style="list-style-type: none"> Geographic diversity into LATAM & US Spanish speaking market DMP focused on improving customer advertising campaigns through digital activation Premium publisher reach 		<ul style="list-style-type: none"> 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.
	<ul style="list-style-type: none"> Diversification of publisher monetisation services Premium publisher reach Geographic diversity 		<ul style="list-style-type: none"> Cross & up sell opportunities in the French, German & Italian market Enhanced publisher monetization on mobile platforms Bespoke consultancy for design agencies for mobile & web
	<ul style="list-style-type: none"> Geographic diversity Diversification of ad formats Premium publisher reach 		<ul style="list-style-type: none"> Optimisation of digital video ad formats and integration with Azerion owned content provided by Zoomin. Cross sell opportunities into DACH region and Azerion countries
	<ul style="list-style-type: none"> Diversification of publisher monetisation services Exclusive premium publisher reach Established local sales team 		<ul style="list-style-type: none"> Access to high margin exclusive publisher content Integration of publisher and advertiser solution teams
	<ul style="list-style-type: none"> Extend advertising performance management Geographic diversity into the US & UK Advertiser, Agencies, Publisher reach 		<ul style="list-style-type: none"> 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
	<ul style="list-style-type: none"> Entry into digital audio advertising Geographic diversity into the US & UK Diversification of ad formats Premium advertiser & publisher reach 		<ul style="list-style-type: none"> 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)
	<ul style="list-style-type: none"> Geographic diversity Publisher monetisation technology Premium agency & publisher reach 		<ul style="list-style-type: none"> Expansion into digital out-of-home High impact video ad formats Expand owned content into Italian market

+Monolith, Takerate & Adverline

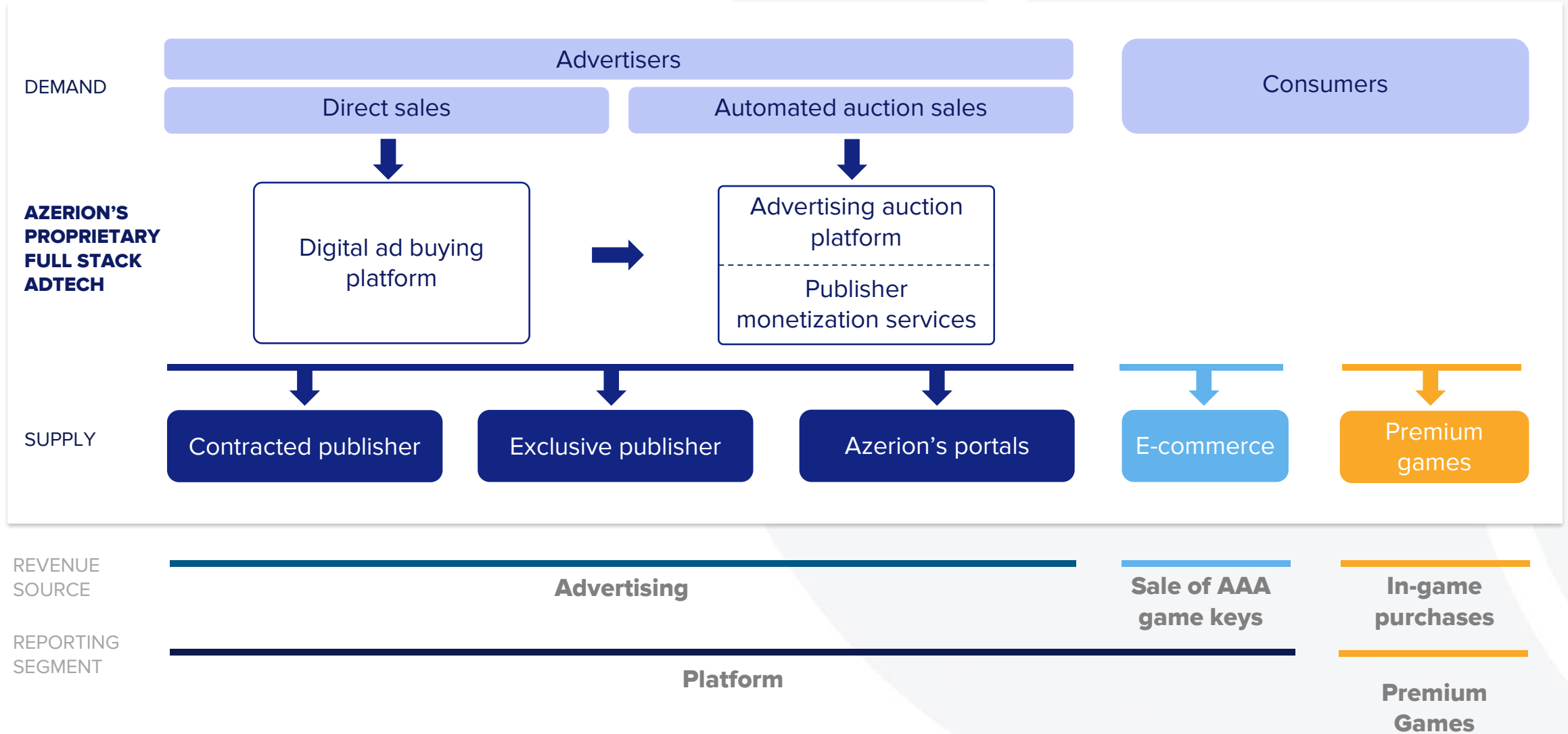
Strong historical performance underpinning growth outlook



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 resilient model has value drivers on both demand and supply sides



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

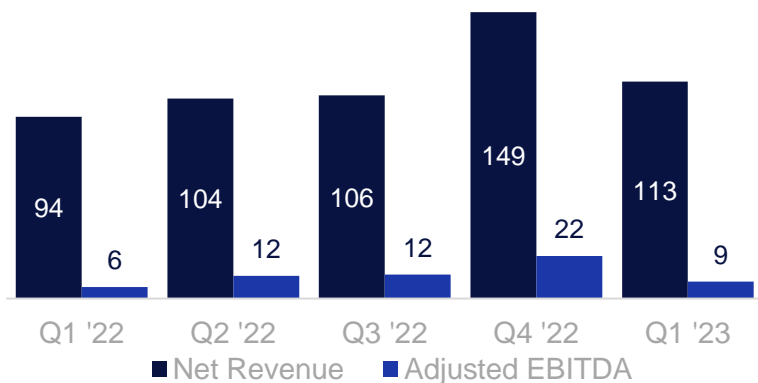
+47.5%

vs Q1 2022

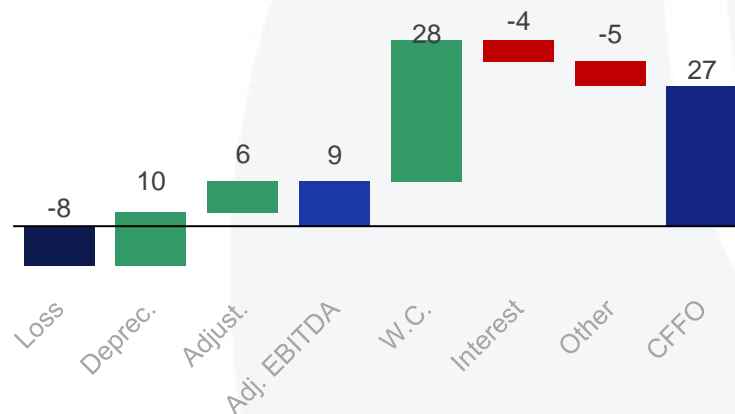
- Value optimisation reducing costs of operations
- Focused allocation of resources to drive scale and margin growth in platform

Strong financial framework

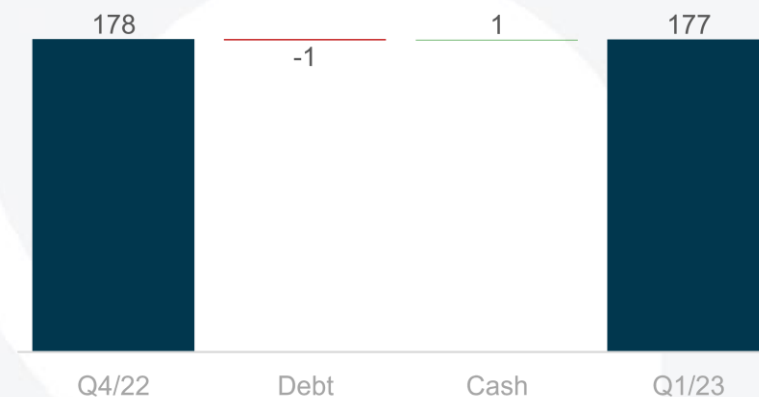
5-quarter rolling financial performance



Q1/23 cash conversion



Q1/23 net debt

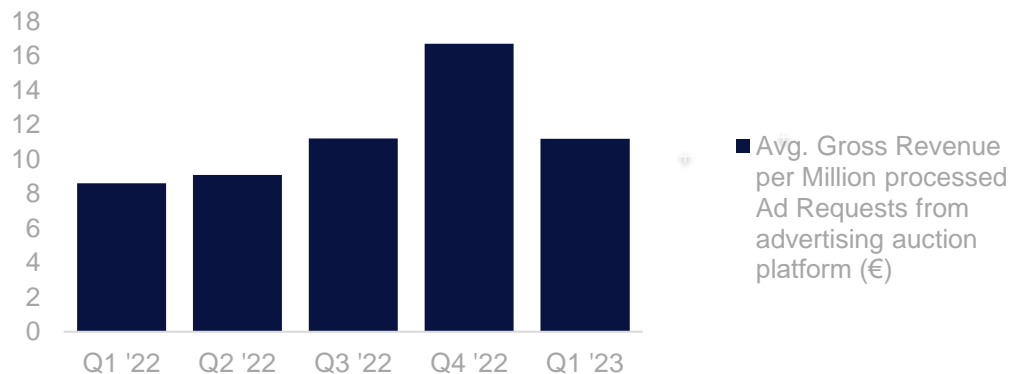


- Record first quarter performance in absolute revenue and Adj. EBITDA in Q1 2023
- Cash flow conversion driven by changes in working capital
- Focus on financial robustness of the company deleveraging the balance sheet in 2023

Financial performance

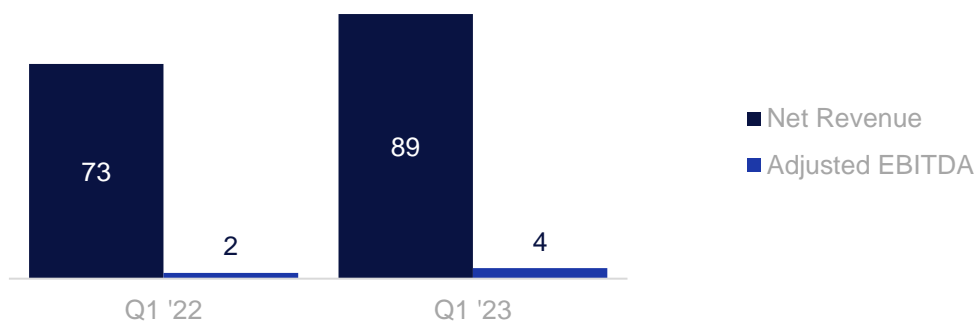
Platform leveraging integrations delivering resilient growth

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

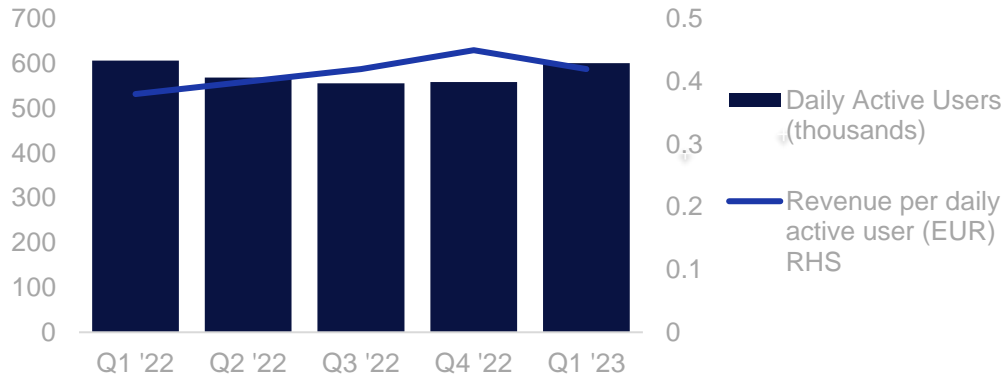


- Combination of organic and inorganic revenue growth in challenging macro environment
- Consolidation of operations reducing operational cost accelerating Adj. EBITDA growth

Financial performance

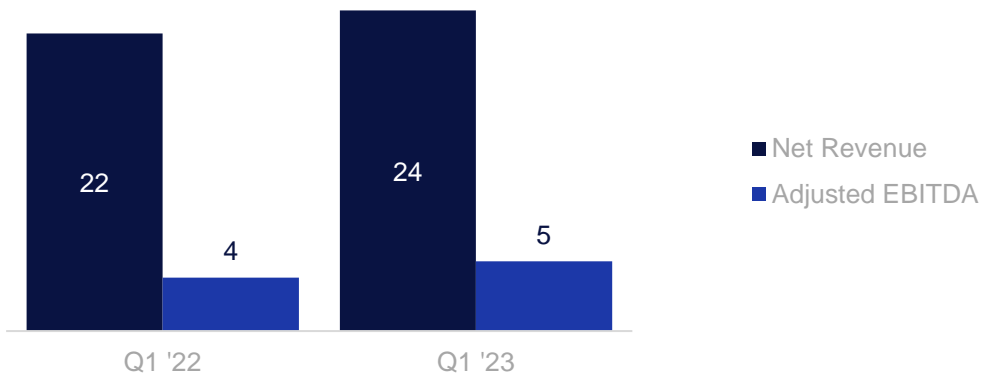
Premium Games allocating resources towards profitable growth

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.

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Strong financial performance





azerion



Q&A



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Azerion Investor Relations

www.azerion.com