



Q3 2023 Results Presentation

30 November 2023

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Agenda

- 01** Key messages and highlights
- 02** Integration and consolidation update
- 03** Content strategy update
- 04** Financial update
- 05** Guidance update

Speakers



Umut AKPINAR
Co-CEO



Sebastiaan MOESMAN
CRO



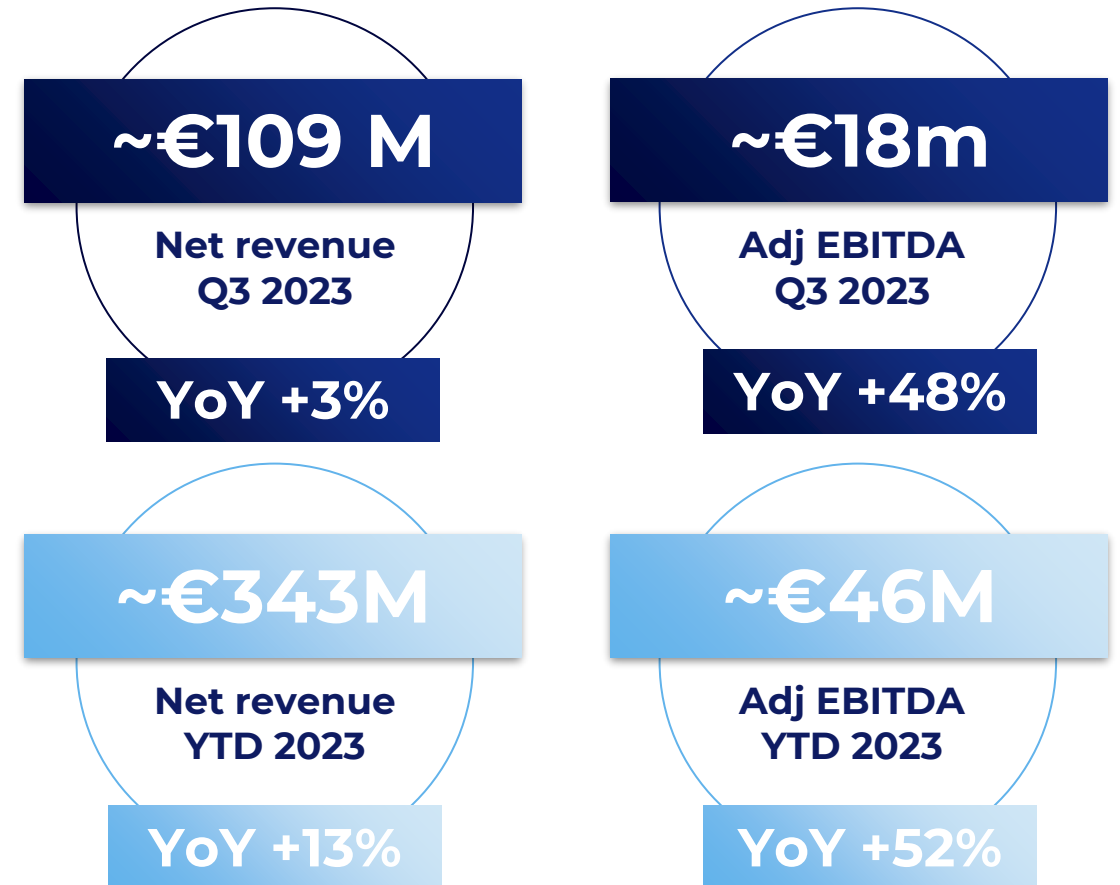
Ben DAVEY
CFO

Platform growth and improved efficiency driving profitability growth of 48% YoY

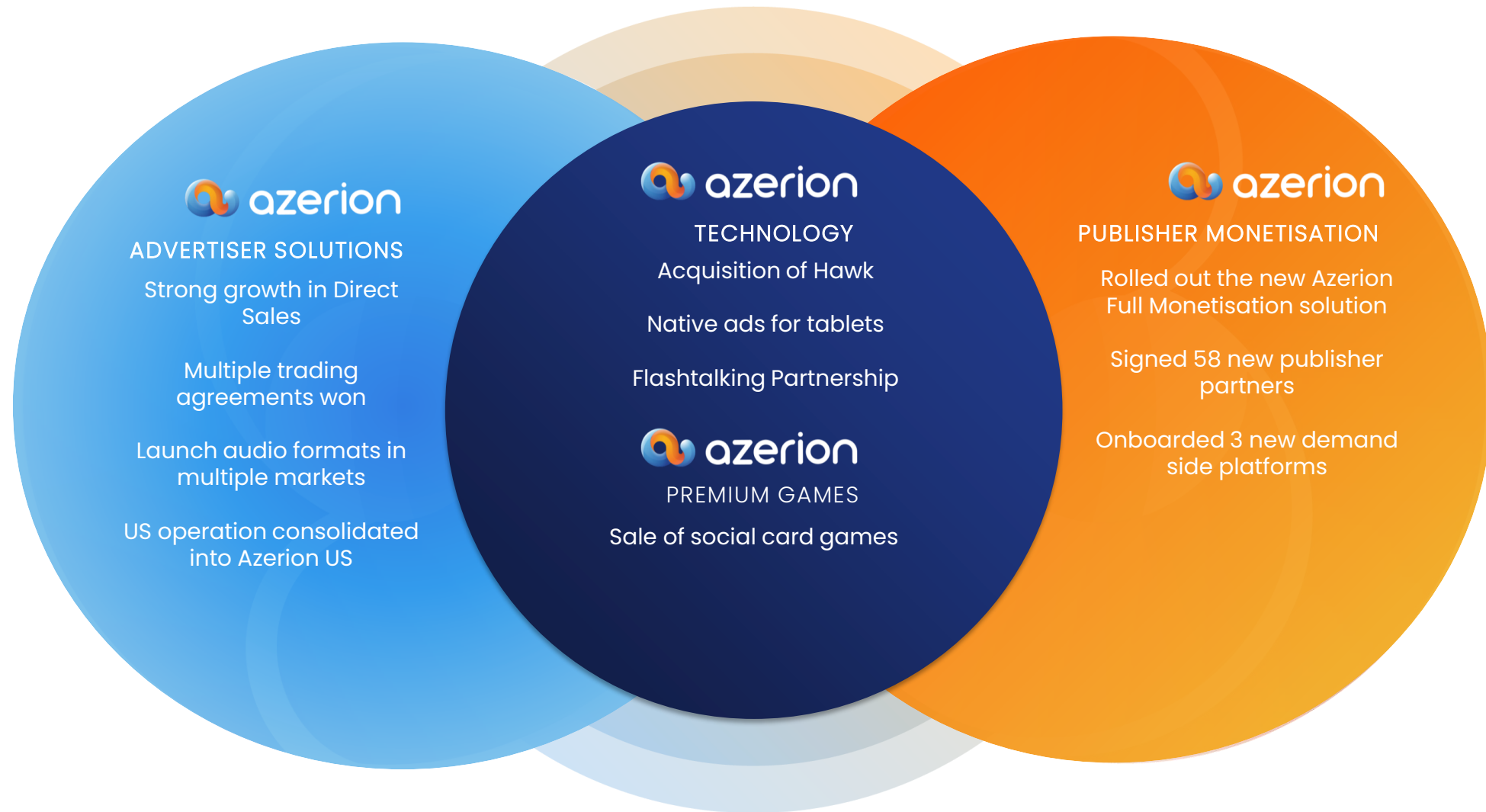
Solid strategy delivery

- Q3 Net revenue of ~€109m driven by Platform growth
 - Q3 Adjusted EBITDA of ~€18m up 48% YoY
 - YTD Q3 Net revenue of ~€343m driven by Platform growth
 - YTD Q3 Adjusted EBITDA of ~€46m up 52% YoY
 - Increase in Platform revenue and Adj. EBITDA margin YoY
 - On track to deliver over €20m of annualised cost savings*
- Completed:**
- Sale of social card game portfolio
 - Bond refinancing
 - Acquisition of Hawk, a multichannel DSP
- Confirm expected Adjusted EBITDA FY '23 of at least €75m
 - Net revenue FY 2023 now expected to be around €520m

Strong financial performance



Q3 strategic and business highlights

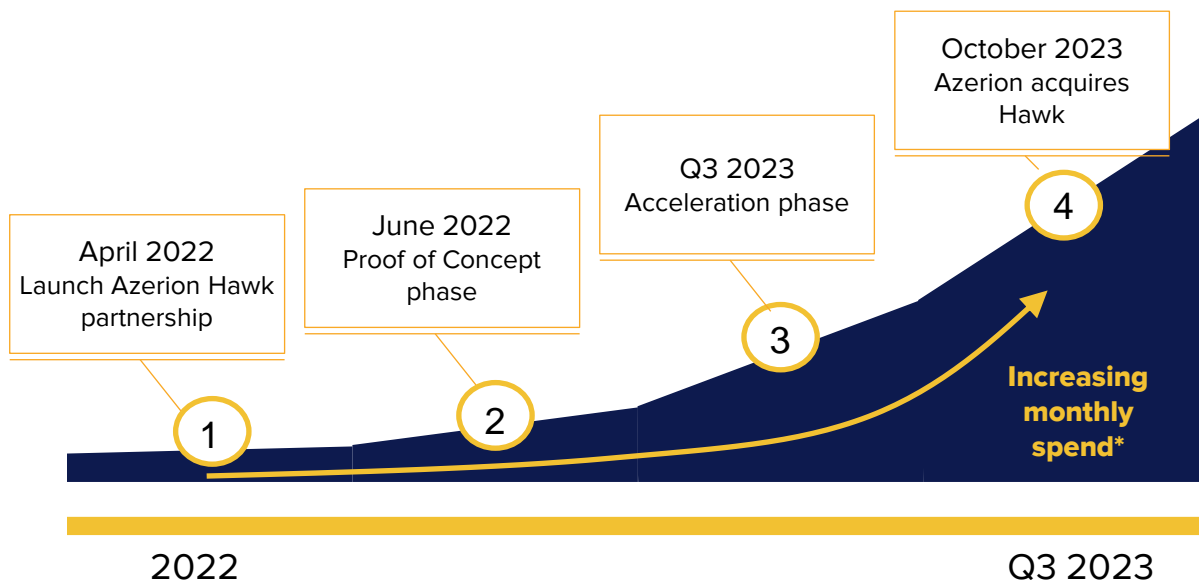


Introducing Hawk - simplifying the digital ad supply path with efficient and easy to use technology

Hawk overview

- Hawk SAS is an independent Demand Side Platform (DSP) with a managed and a self-service offering
- Hawk operates in 3 key markets for Azerion: France, Germany and the UK
- Multi-channel, multi-platform offering across mobile, desktop, audio, DOOH, CTV and in-game
- Reported net revenue FY 2022 of EUR 50m

Acquisition a natural progression after successful partnership



Rationale, expected benefits and synergies

Market

- Increases Azerion's scale and service offering in the key markets of France, Germany and the UK
- Collective ad spend of Hawk and Azerion creates opportunities for improved trading agreements

Delivery

- A single buying platform UI will harmonize current process of running campaigns and drive optimizations across supply and delivery
- Strong sales proposition in emerging ad formats: audio, DOOH and CTV













Product & Tech

- Single buying platform to simplify Azerion's offer to brands
- Opportunity to drive efficiencies across delivery, finance, product and technology

Deal Structure & Key Terms

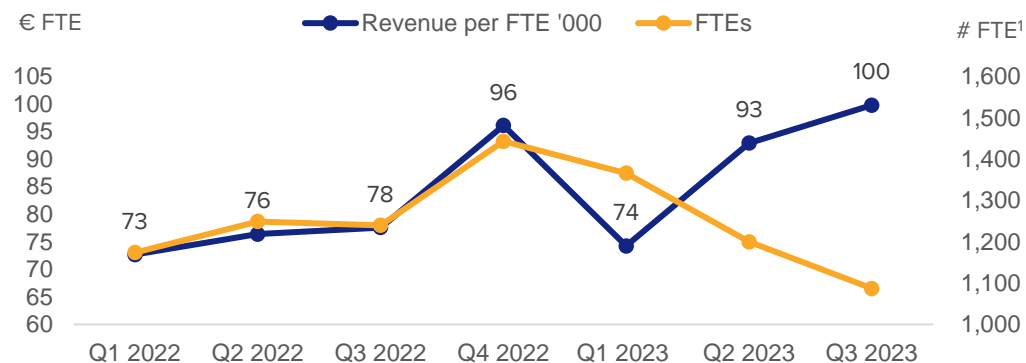
- Azerion acquired 100% of Hawk
- An upfront consideration of approximately EUR 7 million funded by Azerion from its cash resources
- Earn-out over the following 3 years subject to customary arrangements and capped at a maximum of around EUR 20 million

Majority of previously acquired firms integrated into Azerion platform

Transaction	Strategic rationale	Progress	Milestones Achieved
	<ul style="list-style-type: none"> Geographic diversity Premium agency & publisher reach 		<ul style="list-style-type: none"> Operational, technical and organisation integration of Takerate into Adplay completed
	<ul style="list-style-type: none"> Geographic diversity Publisher monetisation technology Premium agency & publisher reach 		<ul style="list-style-type: none"> Mmedia publisher portfolio integrated into Adplay
	<ul style="list-style-type: none"> Geographic diversity Diversification of ad formats Premium publisher reach 		<ul style="list-style-type: none"> Migration of Veedly and Vlyby teams into One Video Platform Commercial, operational and technical integration and launch of Azerion Germany complete (Nov 2023)
	<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"> Commercial and operational integration complete Operational management of audio product led by regional 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"> Commercial integration complete with launch of Azerion US and Azerion UK Data management platform technically integrated Into Azerion ad tech solution
	<ul style="list-style-type: none"> Centralised DSP multi-channel technology Attractive footprint in growth ad formats (CTV, Audio, DOOH) Geographic diversity 		<ul style="list-style-type: none"> Integrated tech and operational teams into Azerion organisation Initiated integration of Targetspot and Delta Projects DSP technology into Hawk's self-service single user interface

Continued progress in cost management and efficiency programmes

Revenue per FTE development



- Continued progress in the integration and consolidation of previous acquisitions, as well as ongoing cost optimisation
- Continued significant improvement in productivity with ~28% increase in Net revenue per FTE in Q3 2023 YoY

Selected examples of consolidation execution

Legal Entities



-16

Hosting Contracts



-8 LTM

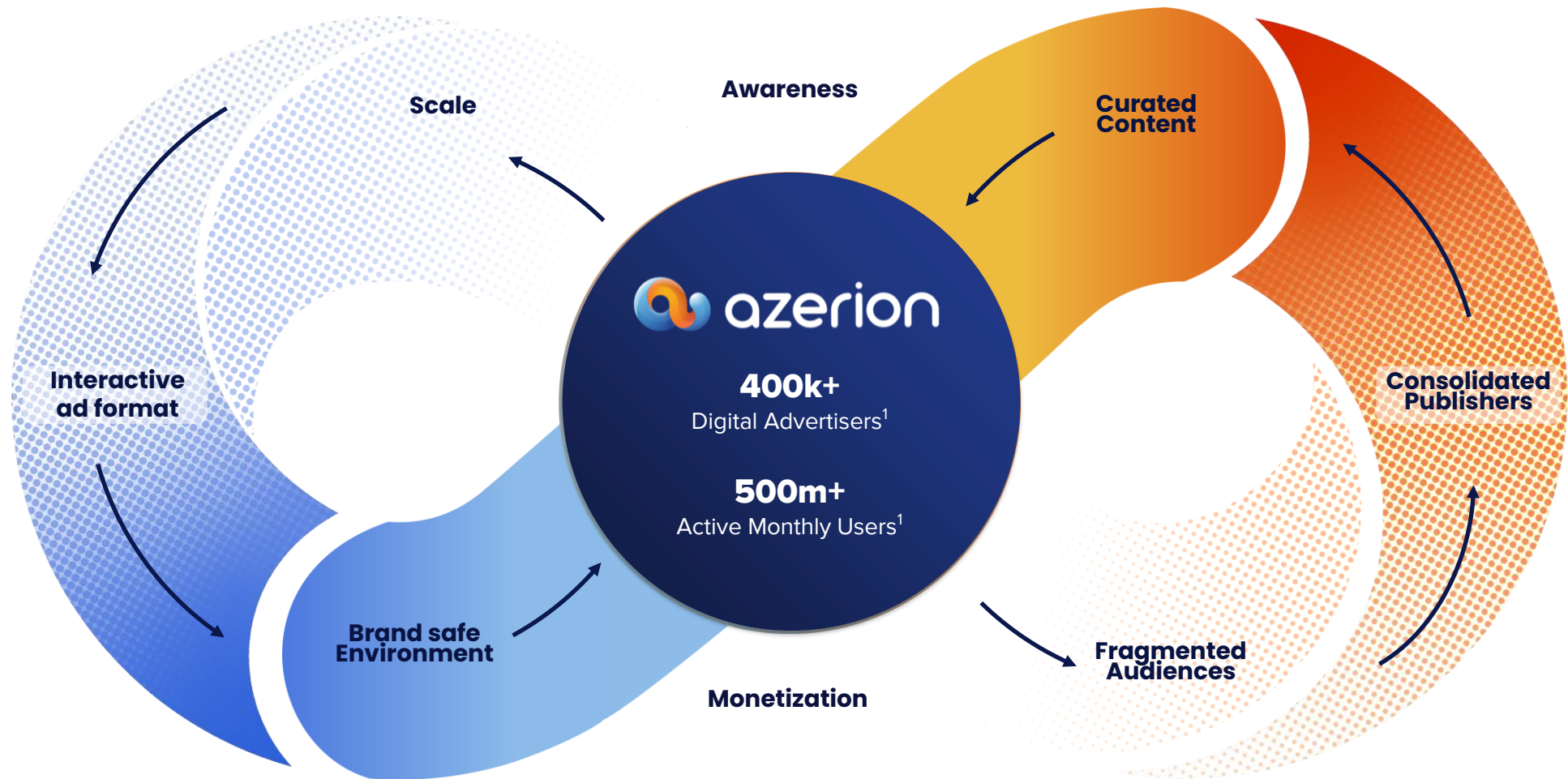
Office Leases



-22

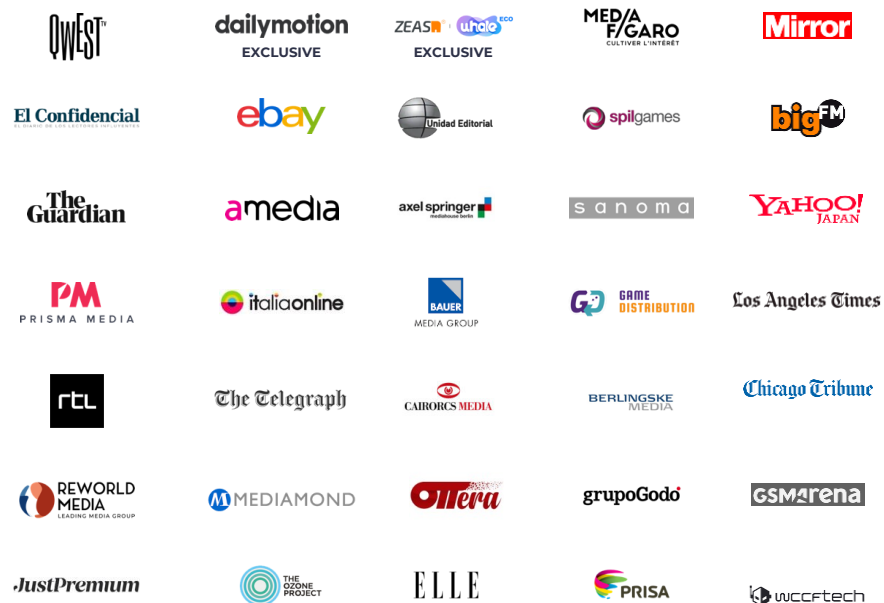
- Continued focus on operational simplification and cost optimisation leading to, for example:
 - Reduction of 16 legal entities across the Group since 1 Jan 2023
 - 8 hosting contracts consolidated to AWS in last twelve months
 - Reduction of 22 office leases since 1 Jan 2023

Consolidating fragmented audiences offering brand awareness at scale



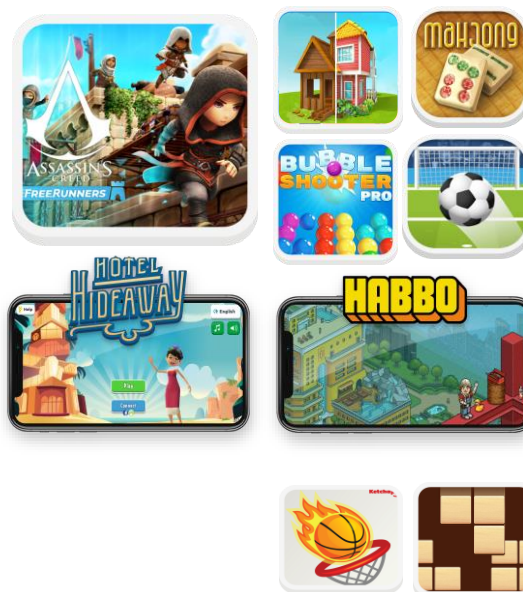
Content providing a gateway to monthly audiences of over 520 million engaged users

Digital publisher partners (General content)



>430m
monthly active users

Game content



>90m
monthly active users

E-commerce



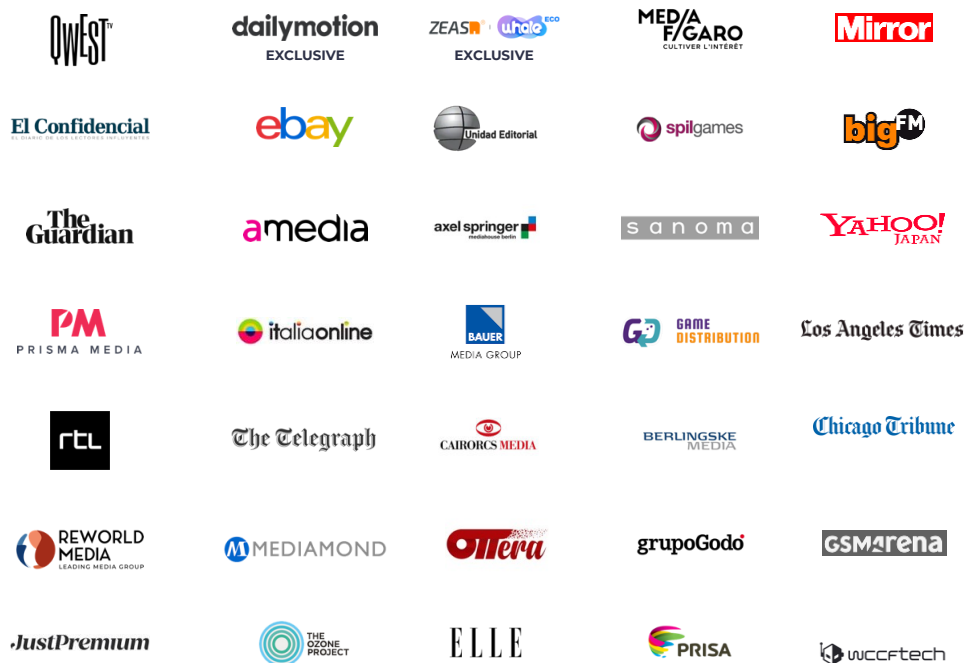
Fan Engagement



21
Sports Clubs

Providing an attractive European alternative for digital publisher monetisation

Digital publisher partners (General content)



>430m
monthly active users

Maximize ad revenue

We help publishers grow by giving them access to premium advertisers worldwide, impactful ad technology and revenue optimization tools

Technology | Advertising Sales | Programmatic demand

Expand engagement

We help publishers improve user engagement and their earnings by creating additional ad space and attention-grabbing ad formats

Content | Ad Formats | Creativity

Simplify & nurture growth

Experienced, localized support and personalized services by a team of experts come together to overcome any challenges they may face

Operations | Financial services | Local support

Portals to our portfolio of casual games developed by our game creator partners



From small game studios...

Hassle-free distribution and monetisation

90m+ users
2,2k+ game publishers
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's 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



miffy
© Mercis bv



THE SMURFS



Premium content providers



Microsoft Studios



Voodoo



Gismart
SOFTGAMES

A single access point to consumers of AAA games



B2B Digital content seller and aggregator

One of the largest AAA games catalogues

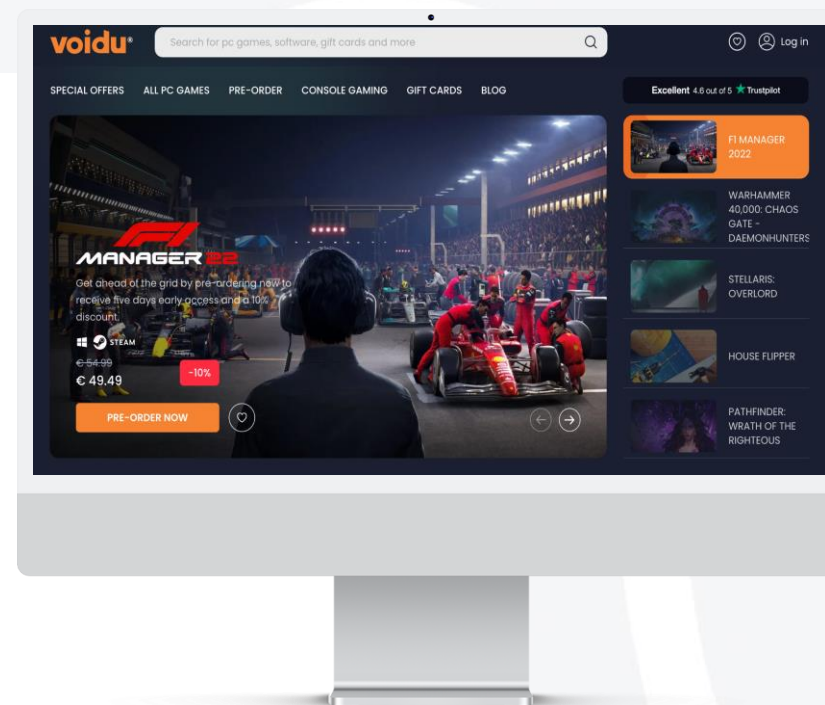
300+ retail partners.



Voidu.com an official AAA games store.

Founded in 2015, Voidu offers extensive catalogue of gaming titles (5,200+) across a wide range of genres.

2m+ individual customers from across **200+ countries**



Increasing user engagement and monetization

Digital experiences that convert fragmented audiences into engaged fans

White label centralised fan engagement platform for sports clubs:

Engage your existing fanbase

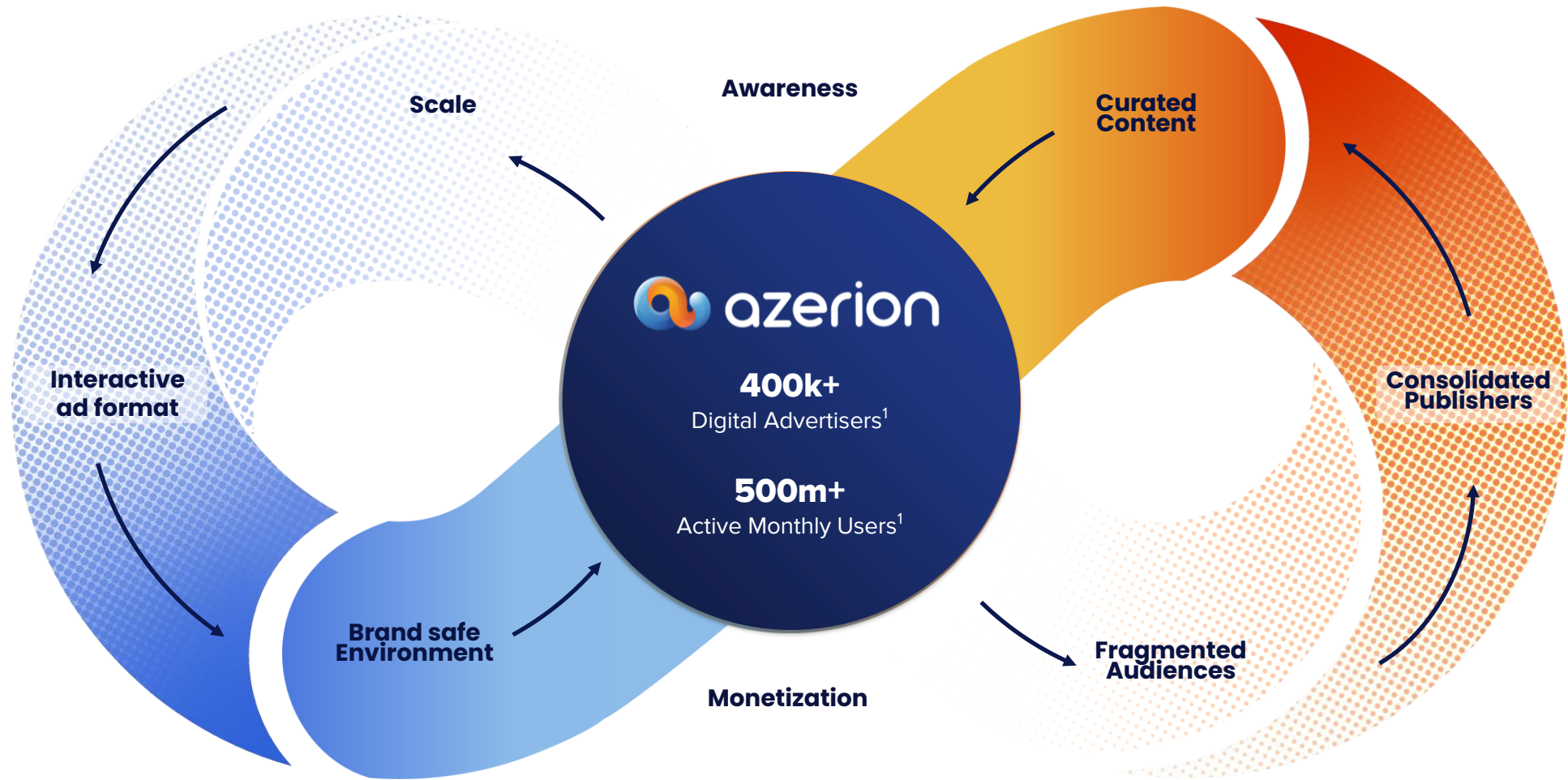
Re-activate fluid fans

Increase ticket & merchandise sales

Drive incremental revenue



Consolidating fragmented audiences offering brand awareness at scale



Improving margins within our consolidated ecosystem

Contracted publisher partners

Over 300k+ contracted game and non-game publisher partners connected to our programmatic SSP, launched in 2008

Exclusive partner relationships

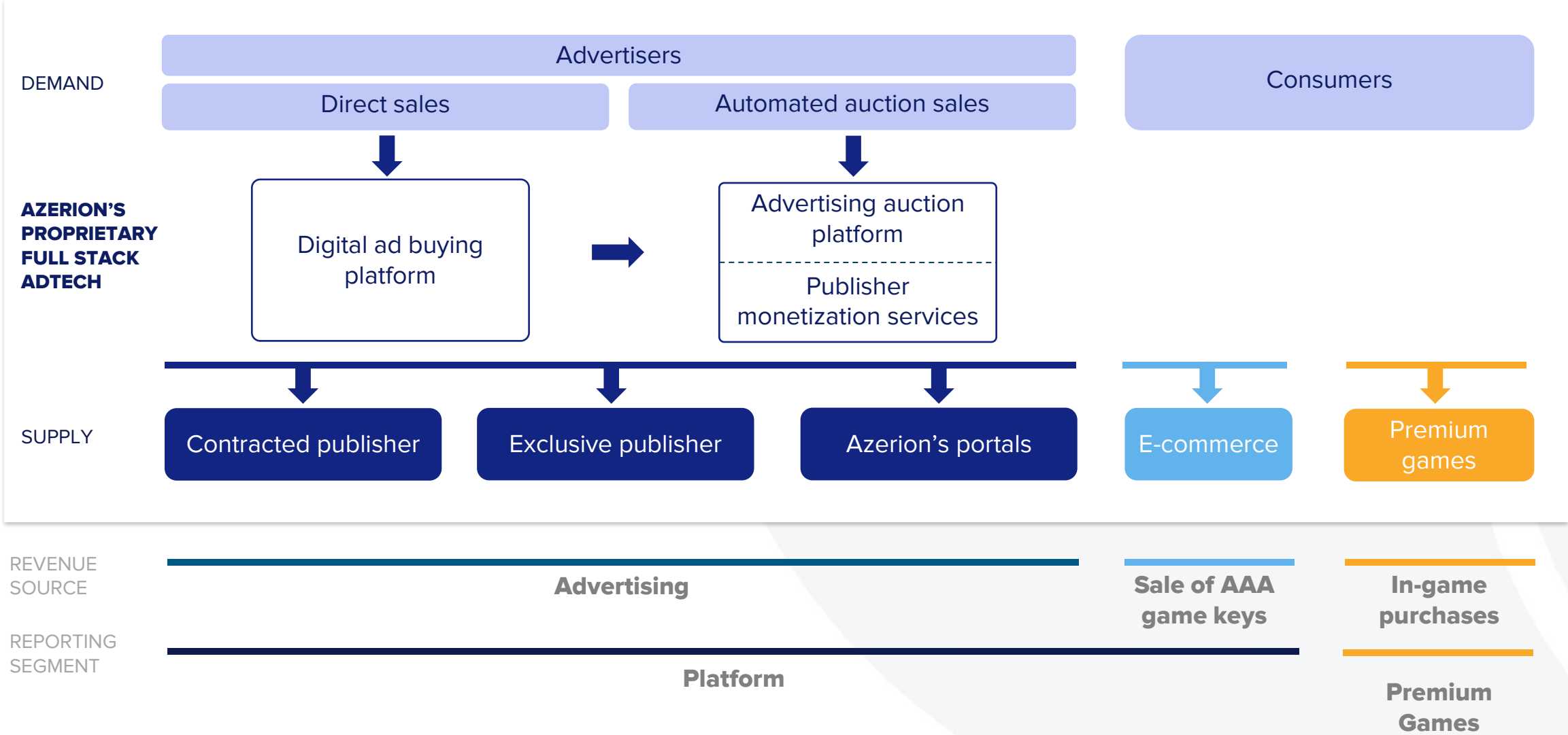
Over 10,000 exclusive publisher partners managed by local sales teams.
Content is exclusive and predominately monetised by Azerion ad formats

Content with partners

Imbedded gaming content with publisher partners to improved monetisation and retention.
Currently accessing 90m+ engaged audiences.



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



Q3 2023: Platform growth and improved efficiency driving profitability growth of ~48% YoY

~€109m

**Net revenue
Q3 2023**

+3%

vs Q3 2022

- Net revenue up approximately 3% in Q3 2023 YoY
- Mainly driven by Platform growth, particularly from Direct sales, and the integration of previous acquisitions

~€18m

**Adj. EBITDA
Q3 2023**

+48%

vs Q3 2022

- Adjusted EBITDA grew just under 48% in Q3 2023 YoY
- Significant improvement in Adjusted EBITDA margin to 16.9% Q3 2023, compared to 11.8% in Q3 2022
- Driven by increased Platform revenue and contribution from Direct sales, continued integration of previous acquisitions and ongoing cost optimisation

YTD 2023: continued revenue growth and accelerated profitability

~€343m

**Net revenue
YTD 2023**

+13%

vs YTD 2022

- Net revenue up approximately 13% YTD Q3 2023 compared to the same period last year
- Mainly driven by Platform growth, particularly from Direct sales, and the integration of previous acquisitions

~€46m

**Adj. EBITDA
YTD 2023**

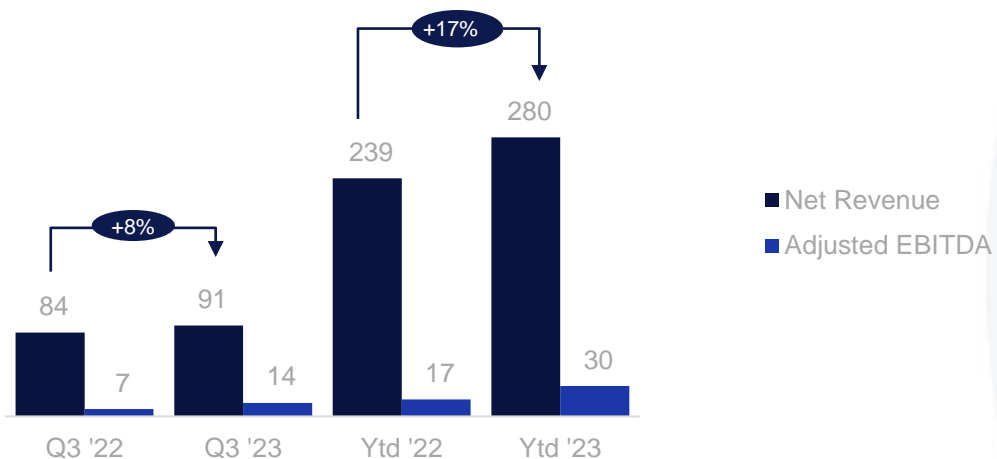
+52%

vs YTD 2022

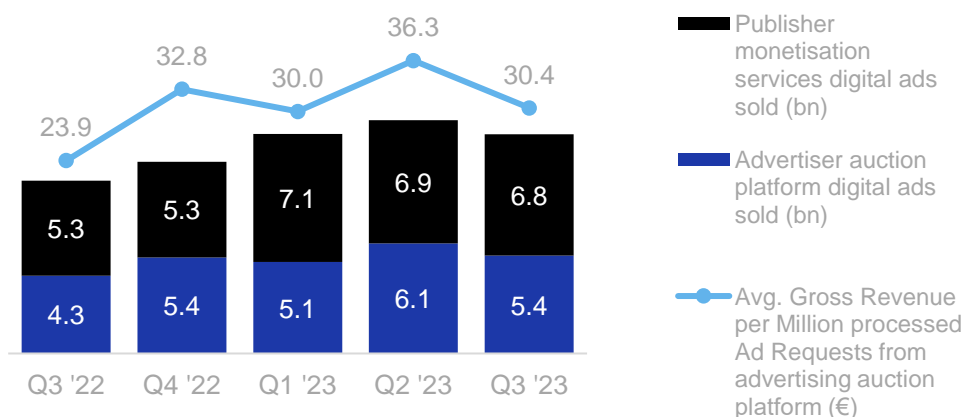
- Adjusted EBITDA grew just under 52% YTD Q3 2023 YoY
- Significant improvement in Adjusted EBITDA margin to 13.3% YTD 2023 compared to 9.9% YTD 2022
- Driven by increased Platform revenue and contribution from Direct sales, continued integration of previous acquisitions and ongoing cost optimisation

Platform – integration synergies delivering strong profitable revenue growth

Financial performance



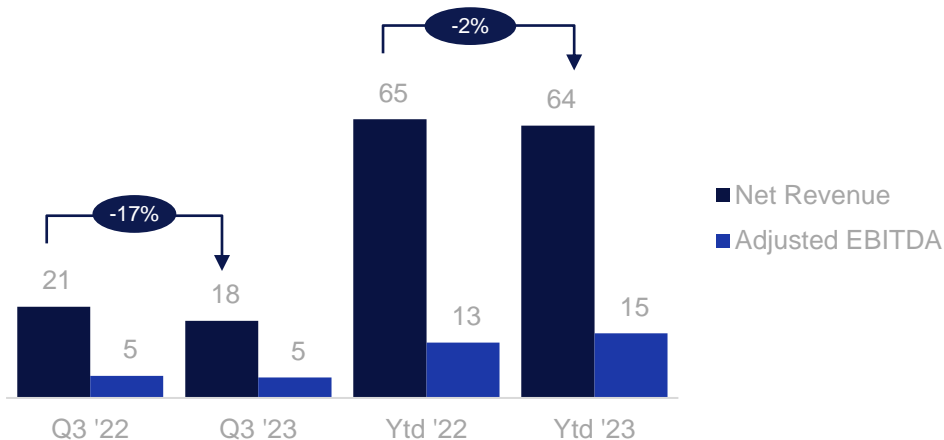
- Net revenue in Q3 2023 increased approximately 8% year on year. Net revenue YTD 2023 increased approximately 17% year on year
- Adjusted EBITDA in Q3 2023 increased approximately 88% in Q3 2023 year on year. Adjusted EBITDA YTD increased approximately 78% in 2023
- Driven primarily by increased contribution from Direct sales and the continued integration of previous acquisitions and ongoing cost optimisation

Operational performance¹

- Average digital ads sold per month increased to 12.2 bn in Q3 2023 from 9.6 bn in Q3 2022, approximately 27% increase.
- Average gross revenue per million processed ad requests grew to approximately EUR 30.4, also an increase of around 27% year on year.

Premium Games – underlying EBITDA growth post sale of social card games

Financial performance



- Net revenue in Q3 2023 down approximately 17% year on year and Net revenue YTD 2023 down approximately 2% year on year, mainly due to revenue loss from sale of social card games from end August 2023
- Adjusted EBITDA down approximately 8% in Q3 2023 year on year, mainly due to loss of contribution from the sale of social card games at end August 2023
- Remaining Premium Games portfolio (ex social cards) showing Adjusted EBITDA growth of approximately 80% in Q3 2023 as compared to Q3 2022, mainly driven by improved performance of social casino and cost optimisation

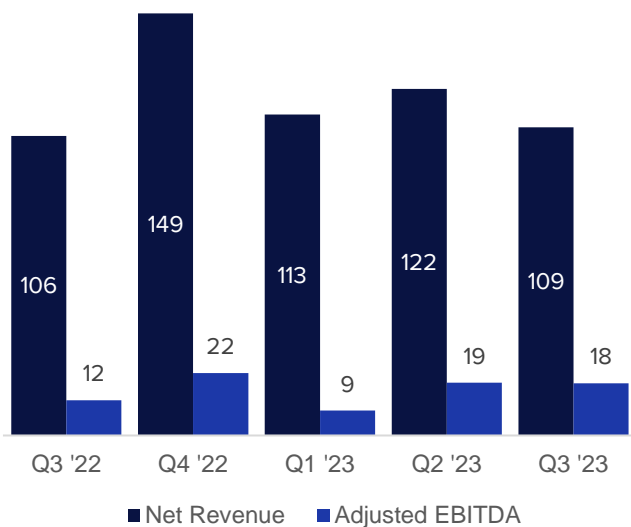
Operational performance



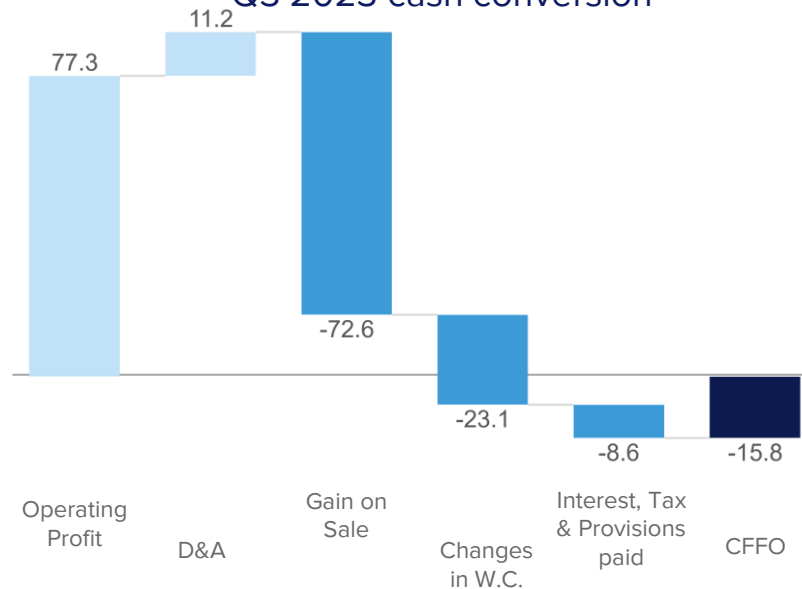
- Average time in game per day remained relatively flat in Q3 2023 as compared to Q3 2022 at 79 minutes per day
- Average Daily Active Users decreased by 18% in Q3 2023 compared to Q3 2022, mainly due to the loss of active players in September from the sale of the social card games portfolio.
- ARPDau increased by approximately 5% in Q3 2023 as compared to Q3 2022, mainly due to a stable loyal user base spending more in game.

Strong financial framework

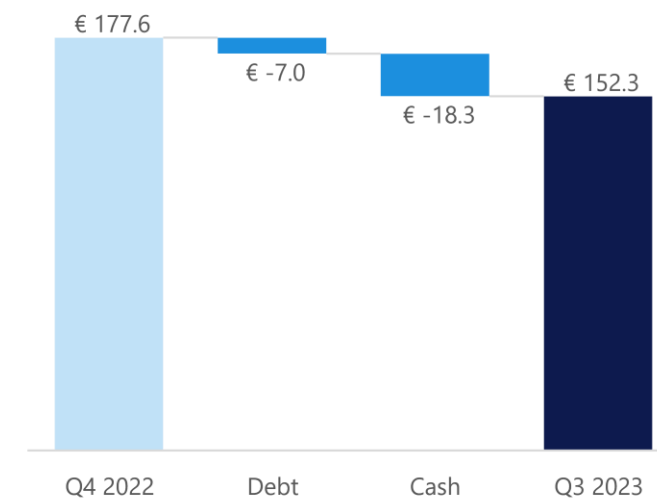
5-quarter rolling financial performance



Q3 2023 cash conversion



Q3 2023 Net interest bearing debt*



- Relatively resilient performance in Q3 and YTD 2023 with continued progress in ongoing integration and cost optimisation
- Significant improvement in Adjusted EBITDA margin to 16.9% Q3 2023 compared to 11.8% in Q3 2022, and to 13.3% YTD 2023 compared to 9.9% YTD 2022
- Continued cash generation from operating activities YTD 2023 of EUR 18.9m, after an outflow in Q3 of EUR 15.8m

Update on guidance for full year 2023

2023 FY Guidance

	FY 2022	Previous Guidance	Updated Guidance
Revenue (in €m)	+ € 453 million	~ € 540 million	~ € 520 million
Adj. EBITDA (in €m)	+ € 52 million	At least € 75 million	At least € 75 million

Medium term Guidance

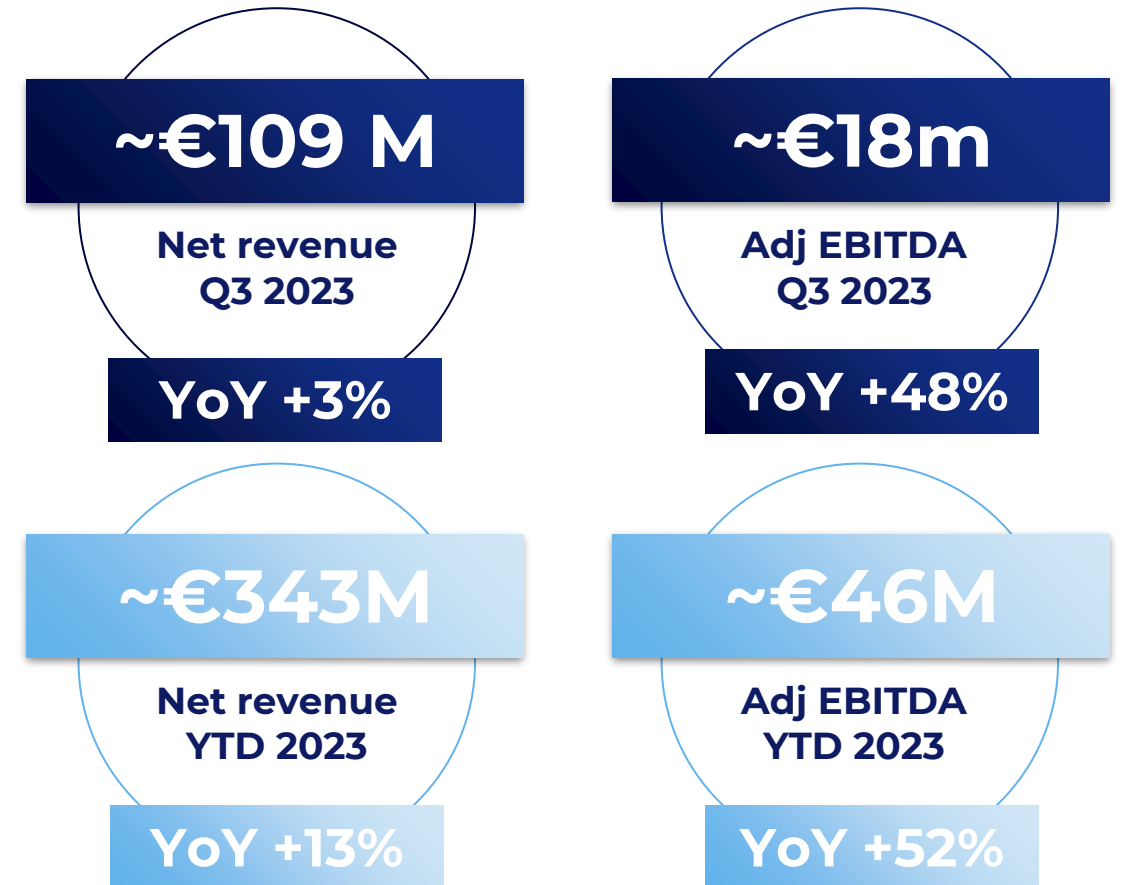
	Previous Guidance	Updated Guidance
Revenue Growth %	~ 15%	~ 15%
Adj. EBITDA Margin %	14% – 16%	14% – 16%

Platform growth and improved efficiency driving profitability growth of 48% YoY

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Q&A