



Q1 2024 **Results presentation**

30 May 2024



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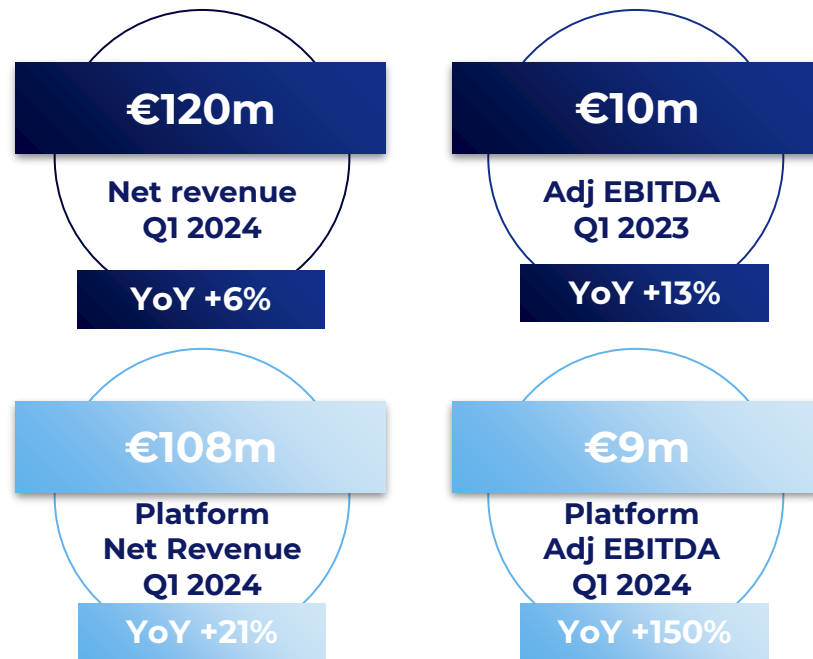
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Strong growth in Platform advertising revenue driving improved profitability

Solid strategy delivery

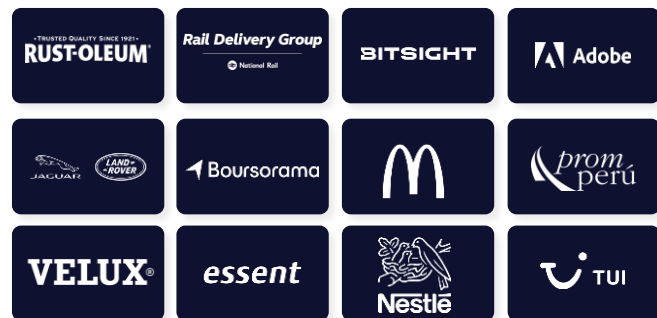
- **Q1 Total Group Revenue of ~€120m and Adjusted EBITDA of ~€10m**, representing approximately 6% and 13% YoY growth respectively.
- **Q1 Platform Revenue of ~€108m and Adjusted EBITDA of ~€9m**, representing approximately 21% and 150% YoY growth respectively.
- **58% increase in Hawk revenue** as compared to Q1 2023
- **Total operating expenses down 23%** Q1 2024 as compared to Q1 2023 due to delivery of ongoing optimisation and efficiency programmes
- **Significant progress** in advancing our **product and technology**
- **Signed 42 new publishers** and **connected 5 additional SSPs** to expand our digital audiences across Europe and the Americas
- **Expanded our market position in the Nordic markets** in April 2024 by entering into a strategic partnership with Eniro Group AB

Strong financial performance

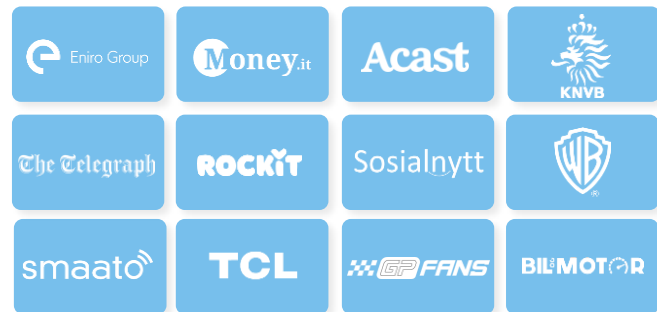


Delivered on advertising clients' campaigns, improved monetisation capabilities and expanded our engaged audience base through publisher partnerships

Selected Advertiser Campaigns Q1 2024



Selected Publisher Partnerships Q1 2024



- **Strongest ever first quarter by advertising platform**, driven by increased Direct and Automated auction sales delivering client campaigns across Azerion ad formats and audiences.
- Signed **42 new publishers and connected 5 additional SSPs** to expand Azerion's digital audience supply across Europe and the Americas adding new opportunities across different channels and devices
- **Strengthened commitment** to delivering premium advertising solutions in Italy through partnership with Money.it
- **Expanded digital audio advertising platform** offering through a strategic partnership with Acast
- **Launched a new app** for the Azerion Women's League collectively with the Royal Dutch Football Association ("KNVB")
- **Signed an additional two sporting clubs** to Fanzone, Azerion's white label fan engagement app, now totalling 23 clubs and approximately 228,000 downloads as at end Q1 2024
- **Added approximately 302 new games and 54 new publisher partners** to our casual games distribution platform.
- **Introduced two new sale mechanics** "Fortunas wheels" and "Offer chain" into our Social Casino portfolio improving user monetisation.
- Habbo takes next innovative step into Web3 through the **launch of Collector Cabinets**, feature that can convert in-game items into NFTs

Selected development highlights across our products and technology



Single media buying interface

End-to-end advertising campaign management solution for brands and agencies

Azerion's integrated omnichannel solution offering digital audio, CTV, DOOH, web and other non-emerging ad formats from previous acquisitions..

Unified digital advertisement booking & delivery

Improved algorithms for Dynamic Creative Optimisation



Publisher advertising auction platform

Azerion's monetisation platform connecting content creators with premium demand partners worldwide

Machine learning supply path optimisation tool

Azerion Edge, our First-Party data solution for contextual and behavioural embedded seller defined audiences targeting in a cookieless environment

Performance by Azerion audience data enabled across all products



Full monetisation solution

Localised full monetization solution for publishers, operated by Azerion's expert ad delivery teams

Integrated AI-based yield management for publishers

Unified proprietary advanced header bidding platform

Expanded Programmatic guaranteed support



Engaging content development

Consolidating fragmented digital audiences through engaging and brand safe content

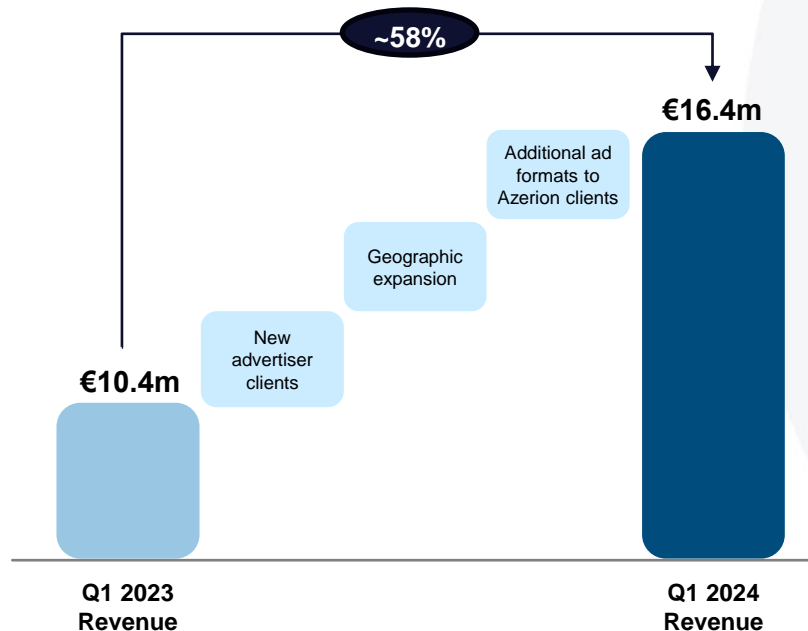
Create new monetisation opportunities across portfolio of Premium and Casual Games

Expand Azerion Fanzone's already consolidated audiences of 23 sporting clubs

Harnessing of Generative AI to create unique content and campaigns within our Metaverse games

Azerion integrates Hawk DSP resulting in strong revenue growth and profitability

Hawk financial performance post integration



Revenue and profitability drivers

Revenue

New Advertiser clients

Onboarding of Azerion brand and agency clients onto Hawk DSP (single media buying interface)

Geographic expansion

Roll out across Azerion locations in which Hawk previously was not present.

Additional ad formats

Integrate Azerion ad formats and data management tools providing brands and advertisers greater campaign management and efficiencies in a one-stop-shop

Profitability

Margin improvement

Driven by lower execution costs and economies of scale

Operational benefits

Lower overhead and fixed costs, improved campaign management efficiencies

Data management efficiencies

Migration of Hawk's data centre to Azerion's highly scalable cloud-based solution

Azerion continues expansion in the Nordics gaining access to over 50,000 SME businesses and 10 million unique visitors through the strategic investment in Eniro

Eniro overview



- An online publisher, search business and provider of digital marketing services (white and yellow pages)
- Provides products and services that help entrepreneurs to be present and visible on the internet, with a client base of approximately 50,000 SME businesses in Sweden, Norway, Denmark, and Finland.
- Eniro has 5 search websites in the Nordics with approximately 10 million unique visitors per month.

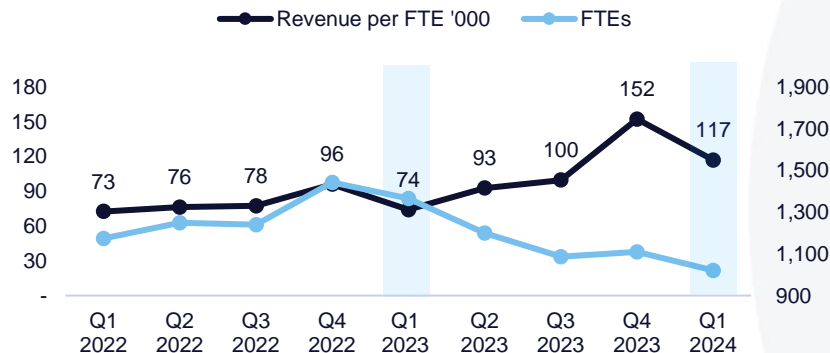
Rationale, expected benefits and synergies

- **Market consolidation:** Strengthens Azerion's digital advertising market position across Denmark, Finland, Norway and Sweden.
- **Advertiser access:** Eniro's client base of approximately 50,000 SME businesses gain access to Azerion's extended digital marketing solutions, formats and channels.
- **Audience reach:** Azerion gains access to approximately 10 million unique visitors per month through Eniro's five search websites.
- **Monetisation efficiencies:** leveraging Azerion's expertise in digital advertising delivery to help Eniro optimise its operations
- **Technical integration:** closely cooperating across product development and technology, introducing a cloud-based solution to Eniro and realising mutually beneficial economies of scale.



Continued cost optimisation and operating efficiency, leading to improved performance

Revenue per FTE evolution



Consolidation and integration

- Continued progress in the integration and consolidation of previous acquisitions, as well as ongoing cost optimisation.
- Continued significant improvement in productivity with approximately ~58% increase in Revenue per FTE in Q1 2023 YoY
- Total operating expenses down 23% from €39.3 million in Q1 2023 to €30.1 million in Q1 2024

Selected Highlights - Progress in Q1 2024

Legal Entities



-14

Hosting Contracts



0

Office Leases



-1

Operational simplification and cost optimisation

Continued focus on operational simplification and cost optimisation leading to, for example since 1 Jan 2023:

- Reduction of 39 legal entities across the Group
- 9 hosting contracts consolidated to AWS
- Reduction of 23 office leases

Q1 2024: Strong growth in Platform advertising revenue driving improved profitability

€120m

Net revenue
Q1 2024

+6%

vs Q1 2023

€10m

Adj. EBITDA Q1
2024

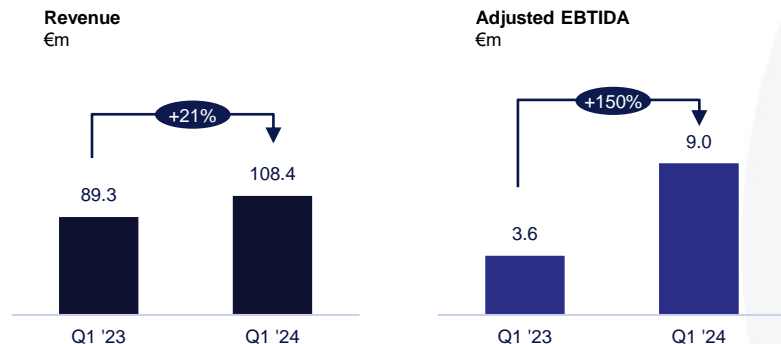
+13%

vs Q1 2023

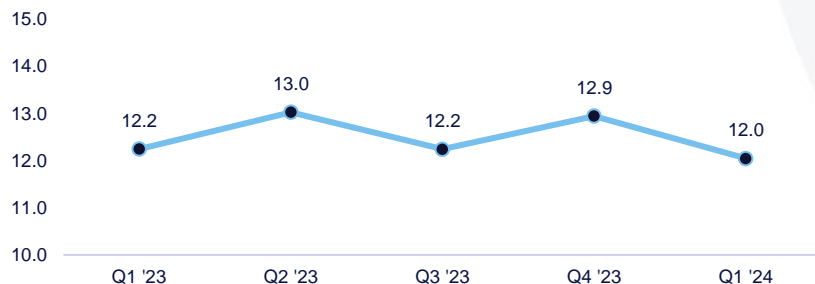
- **Revenue up** approximately 6% in Q1 2024 YoY
- Revenue increase driven by **Platform segment**, mainly due to:
 - increased Direct and Automated auction sales; and
 - the benefits of integrating and consolidating past acquisitions, including Hawk as Azerion's single media buying platform
- Implied total group organic revenue growth of approximately 7.6% excluding social card game portfolio
- **Adjusted EBITDA grew** by approximately 13% in Q1 2024 YoY, largely driven by increased Platform advertising revenue from Direct sales and Automated auction sales, cost savings and efficiencies from the integration of previous acquisitions and a gain on acquisition related earn-outs
- **Adjusted EBITDA margin** improved to 8.2% Q1 2024 as compared to 7.7% in Q1 2023

Platform – Scale and integration synergies delivering strong profitable revenue growth

Financial performance



Operational performance – Digital Ads Sold¹

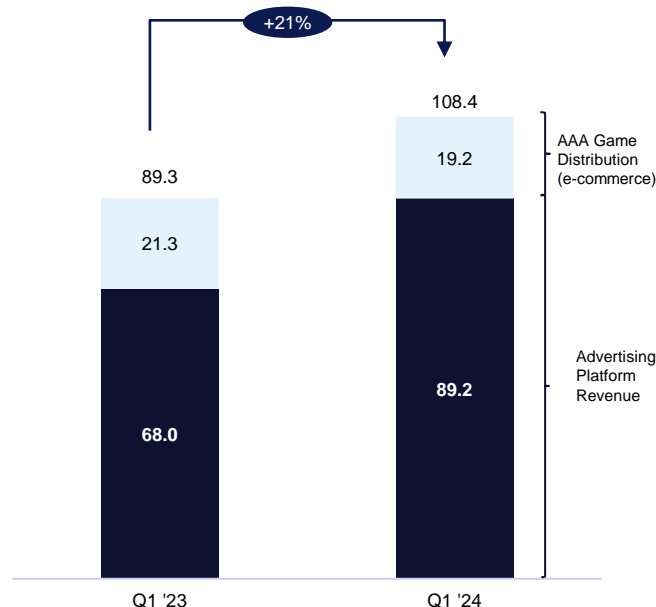


- **Net revenue of € 108.4 million in Q1 2024**, compared to € 89.3 million in Q1 2023, an increase of 21.4%, due to increased Revenue from the Advertising platform, offset by a decrease in Revenue from AAA Game Distribution (formerly referred to as e-commerce)
- **Adjusted EBITDA increased** to approximately € 9.0 million, compared to € 3.6 million Q1 2023, an increase of 150.0% largely due to growth in higher-margin Direct sales, improved spend on higher-impact ads, increased monetisation of exclusive partnerships, ongoing consolidation and integration and cost optimisation efforts and a gain on acquisition related earn-outs of €1.6 million
- Implied organic revenue growth in advertising revenue of approximately 15.9%
- Implied organic revenue growth in Platform revenue of approximately 9.7%
- **Average Digital Ads Sold per Month decreased to 12.0 billion in Q1 2024** from **12.2 billion in Q1 2023**, reflecting an ongoing focus on premium digital advertising formats such as DOOH, digital audio, drive to store, resulting in higher CPMs and fewer digital ads sold.

Platform – Strong Platform growth driven by advertising revenue

Financial performance

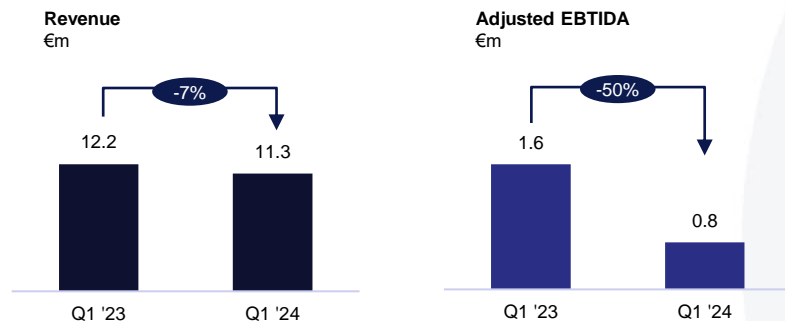
Revenue
€m



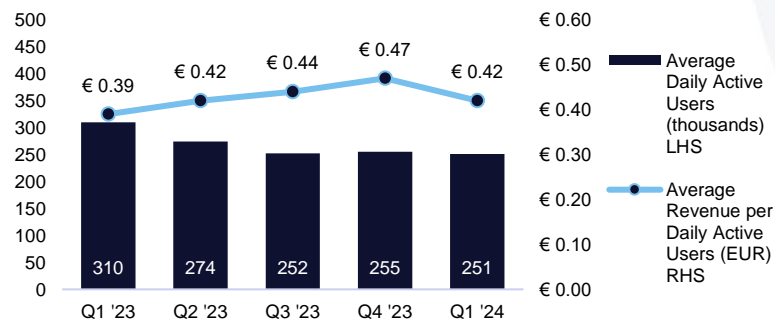
- In Q1 2024, **Platform Advertising Revenue** was **€ 89.2 million** an increase of approximately **+31%** compared to Q1 2023 of € 68.0 million
- In Q1 2024, **Azerion's Direct sales** contributed approximately **70% of Platform advertising** revenue, as compared to approximately 65% in Q1 2023, with the balance provided by Automated auction sales
- **Successful integration** of the recent **Hawk acquisition**, which contributed **€ 16.4 million** of Revenue in Q1 2024 as compared to pre-acquisition Revenue of **€ 10.4 million** for the same period last year
- In Q1 2024, our **AAA Game Distribution** business (formerly referred to as e-commerce) generated Revenue of **€ 19.2 million** as compared to €21.3 million in Q1 2023, a decrease of approximately 9.9% largely due to fewer high-profile AAA game releases in Q1 2024 compared to Q1 2023
- **AAA Game Distribution** Revenue represented approximately **17.7%** of total Platform Revenue, as compared to approximately 23.9% in Q1 2023

Premium Games – improved features and events driving increased player engagement

Financial performance (excluding social cards¹)



Operational performance^{1,2}

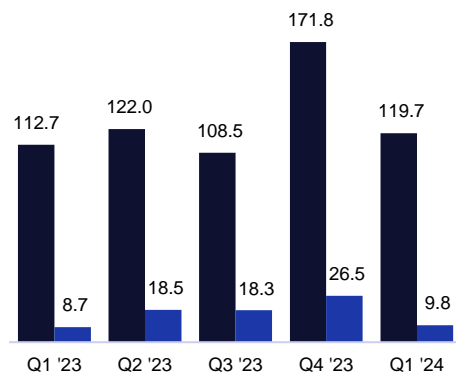


- **Revenue of € 11.3 million** in Q1 2024, as compared to € 12.2 million in Q1 2023 (excluding social card games), a decrease of (7.4)%, mainly due to the sale of Wooworld to its management at the start of January 2024 (€ 0.5 million revenue in Q1 2023) and management actions on the remaining portfolio
- **Adjusted EBITDA of € 0.8 million in Q1 2024**, compared to € 1.6 million in Q1 2023 (excluding social card games), a decrease of (50.0)%, mainly driven by the social casino portfolio and a shift in new-user generation to mobile in Azerion's own environment, as well as through its white label partners, which has higher growth potential over time, but also higher transaction costs as compared to web
- **Average time in game per day increased** by 14.5% in Q1 2024 to 87 minutes per day as compared to Q1 2023 due to improved in-game sales mechanics, features and events
- **Average Daily Active Users decreased** by (19.0)% in Q1 2024 compared to Q1 2023, mainly due to lower user acquisition spend and increased focus on greater engagement with higher paying users
- **ARPDau increased** by 7.7% in Q1 2024 compared to Q1 2023, due to improved spending in social casino and metaverse titles due to improved in-game sales mechanics, features and events

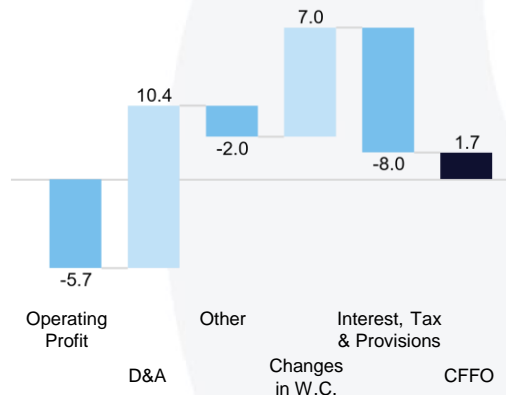
Financial Framework

5-quarter rolling financial performance

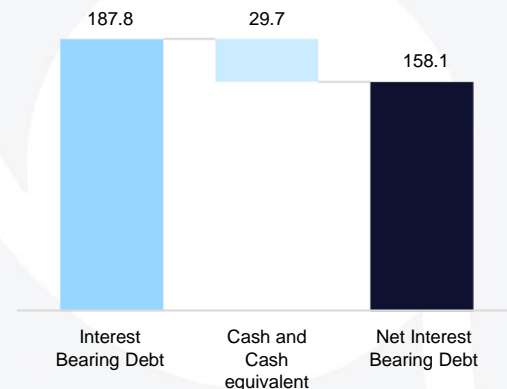
■ Revenue ■ Adjusted EBITDA



Q1 2024 CFFO

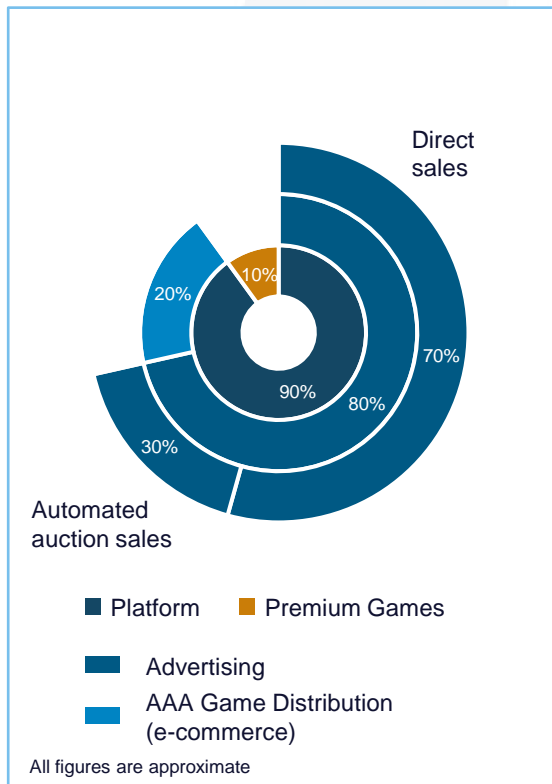
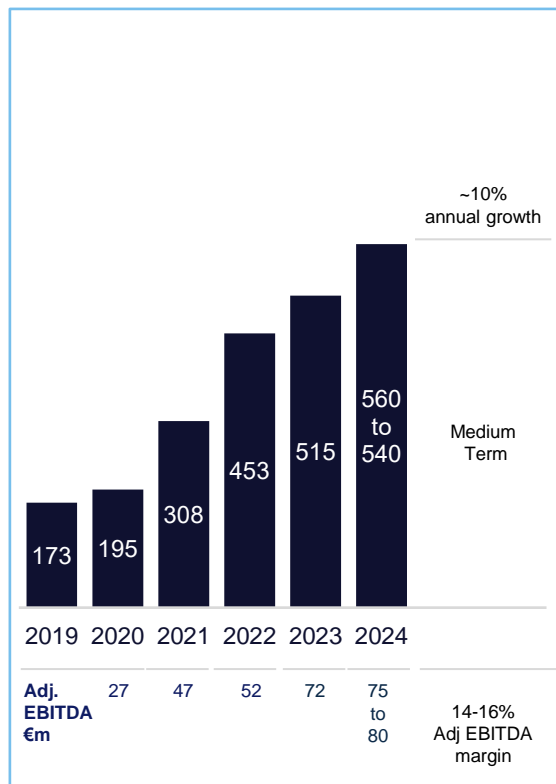


Q1 2024 Net interest bearing debt*



- Strong Revenue and Adjusted EBITDA performance in Q1 2024
- Cashflow from operating activities Q1 2024 of € 1.7 million
- Net interest-bearing debt of € 158.1 million as at 31 March 2024

Strong historical performance underpinning growth outlook for 2024 and beyond



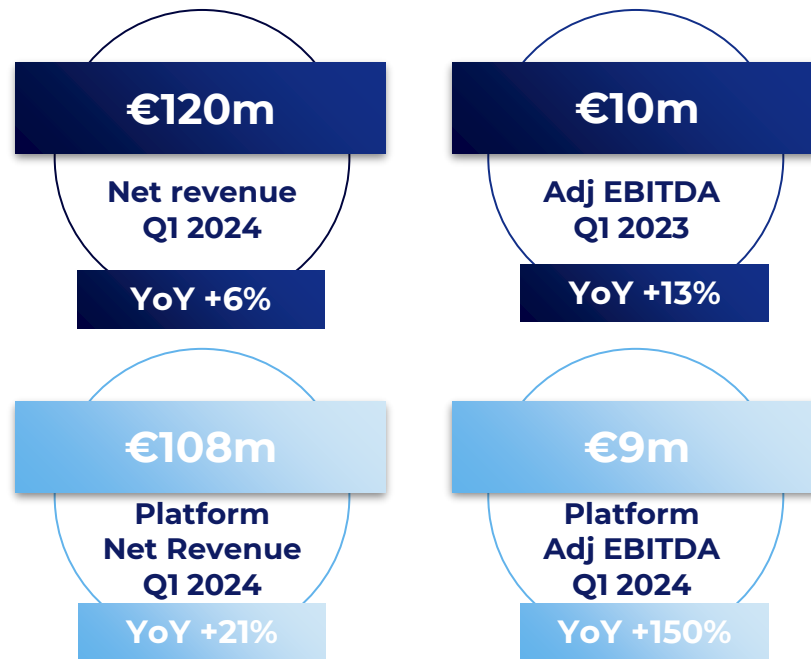
- Continued integration of past acquisitions driving synergies and efficiencies
- Increase volume of advertising sales
- Increase volume of publisher monetization services
- Continuously developing new features and innovating with our technology

Strong growth in Platform advertising revenue driving improved profitability

Solid strategy delivery

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Strong financial performance





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Q&A