



Q2 H1 2024
Results presentation

29 August 2024



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Platform growth and improved efficiency driving performance

Solid strategy delivery

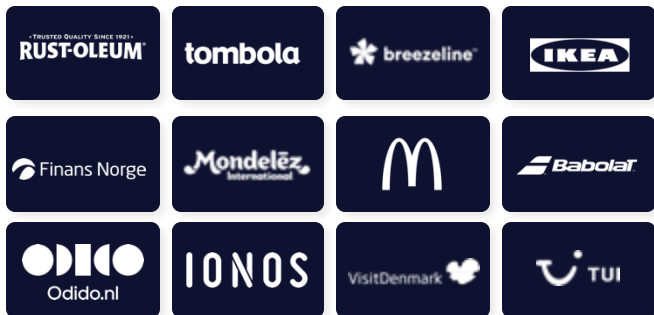
- **Q2 Total Group Revenue of €138.7m and Adjusted EBITDA of €17.5m**, representing **+24%** and **+22%** YoY growth respectively, excluding social card games¹.
- **Q2 Platform Revenue of €124.8m and Adjusted EBITDA of €14.1m**, representing **+25%** and **+6%** YoY growth respectively.
- **+28% increase in Hawk revenue** as compared to pre-acquisition performance Q2 2023
- **Total operating expenses down 13%²** in Q2 2024 as compared to Q2 2023 due to delivery of ongoing optimisation and efficiency programmes.
- **Continued progress** in advancing our product and **technology roadmap** including launch of **Azerion Edge**
- **Expanded Nordic market position** by entering into a strategic partnership with Eniro Group AB
- **Strengthened open web search intelligence** through partnership with Captify, empowering brands with cookieless activation in France and Italy in July.
- **Successfully placed Subsequent Bonds in an amount of EUR 50 million**, settled in July

Strong financial performance



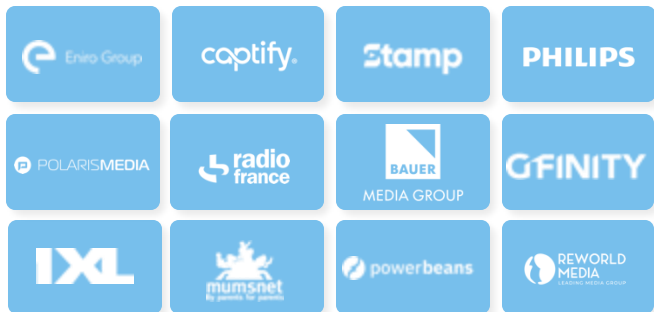
Delivered on advertising clients' campaigns, improved monetisation capabilities and expanded our engaged audience base through publisher partnerships

Selected Advertiser Campaigns Q2 2024



- **Strong second quarter by advertising platform**, driven by increased Direct and Automated auction sales delivering client campaigns across Azerion ad formats and audiences.
- **Hosted Azerion's first Annual Summit** event since Covid, bringing together over 200 thought leaders and industry participants.
- **Announced partnership with Stamp**, enabling all Azerion and Hawk DSP media agencies and advertisers across Europe to instantly access all types of CTV inventories.
- **Launched Generative AI Contextual solution in Marketplace**, a robust system that ensures accurate and reliable classification of web content, enabling more effective campaigns.
- **Signed an additional two sporting clubs** to Fanzone, Azerion's white label fan engagement app, now partnering 25 clubs in total, compared to 14 clubs in Q2 2023.
- **Added 337 new games** and **58 new publisher partners** to our casual games distribution platform.
- **In July, entered a new partnership with Captify** to accelerate the power of Search Intelligence, accelerating buyers' access to audiences derived from open web search data and empowering brands with cookieless activation in France and Italy.
- **Release of Habbo Hotel: Origins**, recreating the iconic virtual world as it existed in 2005, targeting audiences 18+ to offer a more mature and immersive experience.
- **Introduction of MyJackpot Journey**, a progression-based social casino slot game, throughout the DACH region after successful testing in the French market.

Selected Publisher Partnerships Q2 2024



Selected development highlights across our products and technology



Single media buying interface

- Embedded Azerion Edge technology into Hawk, enriching advertisers audience targeting capabilities without cookies
- Advanced identity graph integrations that drive enhanced ad spend efficiency, ensuring more precise targeting and maximizing return on investment.
- Introduce Azerion's innovative advanced formats into Hawk's campaign management tool for greater breadth of choice and enhanced advertising experience for buyers: including High Impact Rich Media, Dynamic Creative Digital Audio and Video Widgets



Publisher advertising auction platform

- Rich media video formats now support delivery through the Improve Digital Marketplace, allowing publishers to expand their inventory reach and optimize ad performance for greater monetization
- Dynamic creative optimisation integration bringing unique and localised advertising experience to digital audio.
- Expanded widget ad format in our native environment to support higher margin video advertising through Vlyby video ad platform integration.
- New higher margin rich media formats OneSkin, SyncTV & PageScroll available to entire publisher network



Full monetisation solution

- Launched Generative AI Contextual solution in Marketplace, a robust system that provides accurate and reliable classification of web content
- Integrated AI-based yield management service, resulting in double digit uplift of Azerion FMS publisher performance.
- Consolidating publishers onto OneFMS, Azerion's Full Monetisation Solution, increasing margin through greater supply path optimisation.
- Text to speech integration with publisher sites, creating new exclusive inventory and new revenue streams through built in digital audio advertisement.



Engaging content development

- Release of Habbo Hotel Origin; recreating the iconic virtual world as it existed in 2005, attracting previous high spending users to the game.
- Launch of My Jackpot Journey across core countries, Mobile and PC devices creating an interactive social journey for increased time and in game spending.

Group Q2 2024: Strong Platform growth and efficiency benefits driving profitability



- **Revenue up 24%** in Q2 2024 YoY excluding social card games¹
- Revenue increase driven by **Platform**, 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 11%** excluding social card game portfolio
- Reported **Adjusted EBITDA increased** in Q2 2024 YoY by **22%** excluding social card games¹, mainly due to:
 - improved top-line performance of both **Platform** and **Premium Games** segments,
 - cost savings and efficiencies from the integration of previous acquisitions, and
 - the successful launch of Habbo Hotel Origins.

Group H1 2024: Strong Platform growth and efficiency benefits driving profitability

€258m

Revenue
H1 2024

+21%¹

vs H1 2023

€27m

Adj. EBITDA
H1 2024

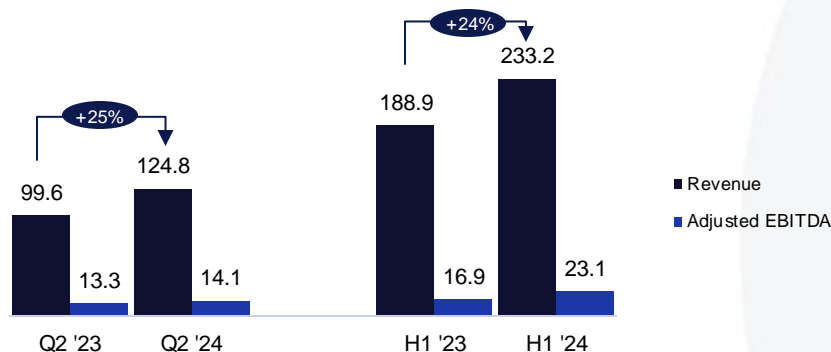
+39%¹

vs H1 2023

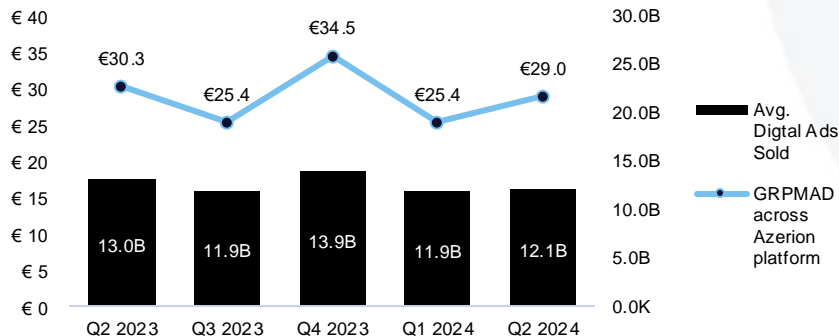
- **Revenue up 21%** in H1 2024 YoY excluding social card games¹
- Revenue increase driven by **Platform**, mainly due to:
 - increased Direct and Automated Auction sales; and
 - the benefits of integrating and consolidating past acquisitions
- **Implied total group organic revenue growth of 10%** excluding social card games¹
- **Adjusted EBITDA up 39%** in H1 2024 YoY excluding social card games¹, largely driven by:
 - Increased Platform revenue from advertising,
 - Cost savings and efficiencies from the integration of previous acquisitions; and,
 - Improved Premium Games segment performance including the successful launch of Habbo Hotel Origins release in Q2 2024

Platform – Scale and integration synergies delivering strong revenue growth

Financial performance

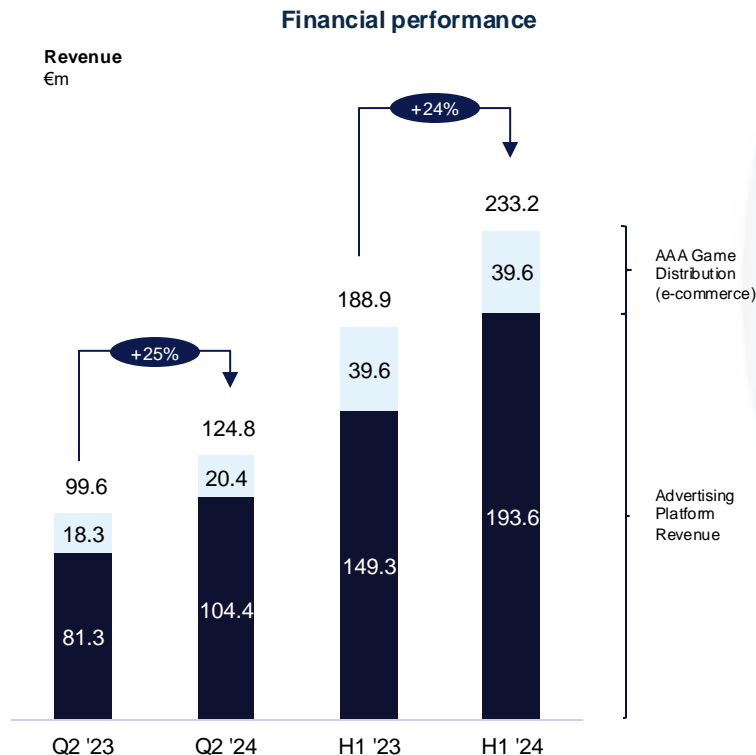


Operational performance



- **Platform revenue growth 25% in Q2 2024** largely due to increased Revenue from the Advertising Platform
 - Organic revenue growth of **11%** YoY
- **Platform revenue growth of 24% in H1 2024** largely due to increased Revenue from the Advertising Platform
 - Organic revenue growth of **10%** YoY
- **Platform Adjusted EBITDA increased by 6% in Q2 2024** due to operational efficiency efforts as well as developments of platform technology resulting in benefits of scale offset by lower-margin Revenue from Hawk.
 - Excluding effects of foreign exchange, Platform Adjusted EBITDA increased by 11.2% compared to Q2 2023.
- **Platform Adjusted EBITDA increased by 37% in H1 2024** largely due to growth over the period in higher-margin Direct sales, improved spend on premium digital advertising formats in channels such as audio, CTV and DOOH, increased monetisation of exclusive partnerships and owned and operated content, together with cost optimisation.
- **12.1 billion Average Digital Ads Sold per Month in Q2 2024** reflecting an ongoing focus on premium digital advertising formats, resulting in higher CPMs and fewer digital ads sold.
- **Avg. Gross Revenue per Million Processed Ad Requests across the Azerion Platform of € 29.0** as we continue to consolidate advertisers and publishers onto a single media buying platform.

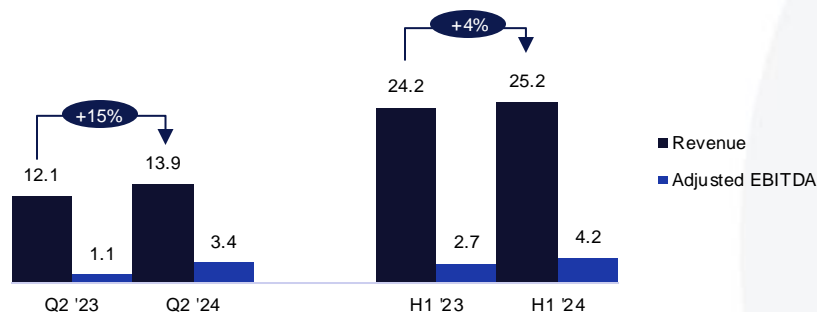
Platform – Strong Platform growth driven by advertising revenue



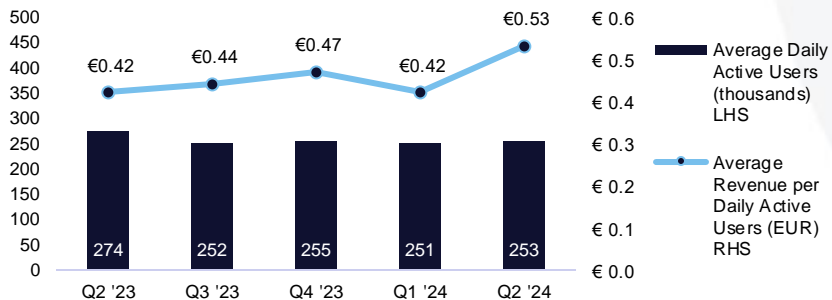
- **Platform Advertising Revenue** increased by **28%** in Q2 2024
 - **Azerion's Direct sales** contributed **70% of Platform advertising** revenue in Q2 2024, as compared to 65% in Q2 2023, with the balance provided by Automated auction sales
 - **Successful integration** of the recent **Hawk acquisition**, which contributed **€ 18.5 million** of Revenue in Q2 2024 as compared to pre-acquisition Revenue of € 14.5 million for the same period last year
- **AAA Game Distribution** (formerly referred to as e-commerce) revenue increased by **11%** in Q2 2024 largely due a stronger release schedule of AAA games compared to Q2 2023

Premium Games – improved features and events driving increased spend

Financial performance (excluding social cards¹)



Operational performance^{1,2}

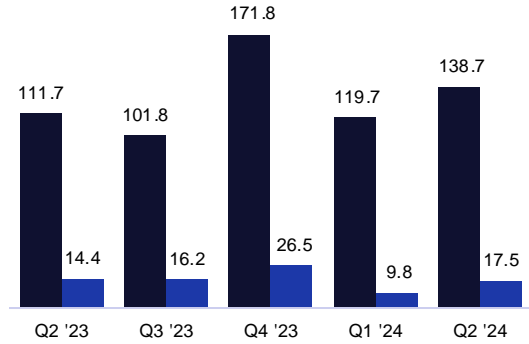


- **Premium Games revenue increase of 15% in Q2 2024** (excluding social card games) mainly driven by the increased number of paying users in social casinos due to new sale features and improved performance from metaverse titles including the release of Habbo Hotel Origins.
- **Premium Games revenue increase of 4% in H1 2024** (excluding social card games) driven in part by the factors described above and offset by reduced user acquisition spend in social casinos in Q1 2024.
- **Premium Games Adjusted EBITDA increase of 209% in Q2 2024** (excluding social card games), driven by product development across the social casino and metaverse portfolios and ongoing efficiency programmes.
- **Premium Games Adjusted EBITDA increase of 56% in H1 2024** (excluding social card games) driven by the above and partly offset by the social casino portfolio shift to new-user generation in mobile in Q1 2024 which has higher growth potential over time, but also higher transaction costs as compared to web.
- **Average time in game per day increased by 0.3% in Q2 2024 to 81 minutes** per day due to the ongoing development of new features and events in social casino and metaverse titles.
- **Average Daily Active Users has remained over 250,000** in Q2 2024 with a focus on greater engagement with higher paying users.
- **ARPPDAU increase of 26%** compared to Q2 2023 due to improved in-game sales mechanics, features and events as well as the successful launch of Habbo Hotel Origins.

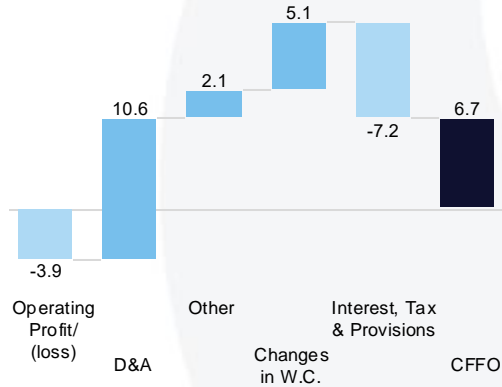
Financial Framework

5-quarter rolling financial performance
(excluding social card games)

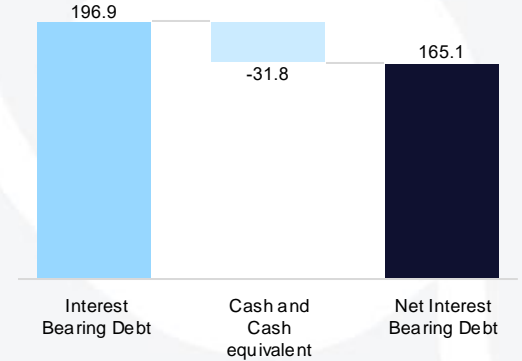
■ Revenue ■ Adjusted EBITDA



Q2 2024 CFFO



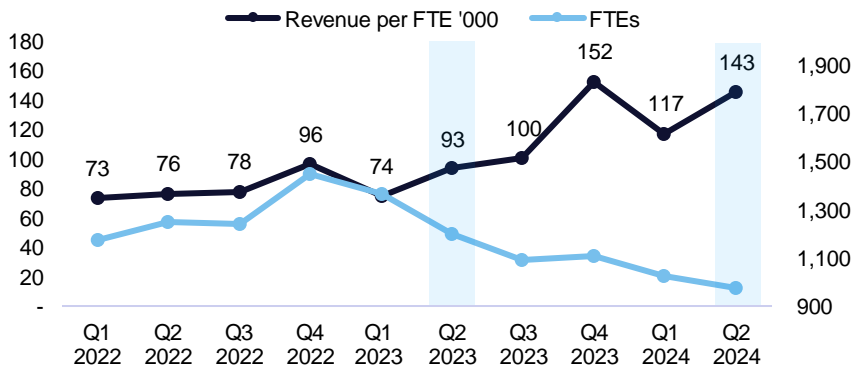
Q2 2024 Net interest bearing debt*



- Strong Revenue and Adjusted EBITDA performance in Q2 2024 (excluding social card games)
- Cashflow from operating activities Q2 2024 of € 6.7 million
- Net interest-bearing debt of € 165.1 million as at 30 June 2024

Improved revenue and cost optimisation, leading to improved performance

Revenue per FTE evolution



Selected Highlights - Progress since 1 January 2023

Legal Entities



-50¹

Hosting Contracts



9

Office Leases



-24

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 **~54% increase in Revenue per FTE** in Q2 2024, compared to Q2 2023
- Total **operating expenses down 13%** in Q2 2024 YoY (excluding the social card games portfolio divested in Q3 2023 and adjusted for a one-off settlement expense), mainly due to ongoing optimisation and efficiency programmes.
 - Down 7% in Q2 2024 including the social card games portfolio divested in Q3 2023 and without adjusting for a one-off settlement expense.
- Additional efficiency opportunities from recent partnerships with Eniro and Captify

Operational simplification and cost optimisation

Continued focus between April and August 2024 on operational simplification and cost optimisation leading to:

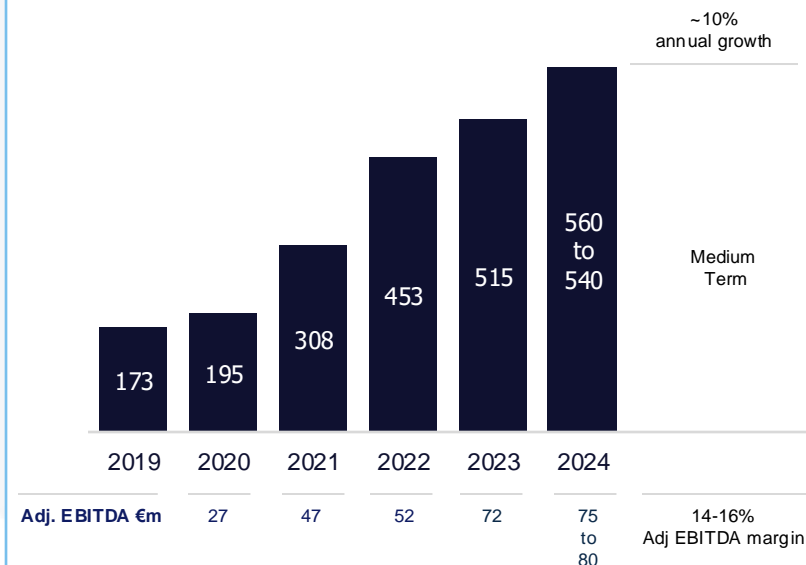
- Reduction of 10¹ legal entities across the Group
- Reduction of 1 office lease

Key Messages and Reaffirmed Guidance

Key Messages

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Reaffirming Guidance FY 2024 and Medium Term





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Q&A