



Nexxen Second Quarter 2024 Earnings Call

August 22, 2024

Introduction to Speakers & Safe Harbor Statement

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In addition to financial information presented in accordance with the International Financial Reporting Standards ("IFRS"), this presentation includes certain non-IFRS financial measures, including, but not limited to, Contribution ex-TAC, Adjusted EBITDA, Adjusted EBITDA Margin, Non-IFRS Net Income, and Non-IFRS Diluted Earnings per share. These non-IFRS financial measures are not intended to be considered in isolation from, as substitutes for, or as superior to, the corresponding financial measures prepared in accordance with IFRS. You are encouraged to evaluate these adjustments and review the reconciliation of these non-IFRS financial measures to their most comparable IFRS measures, and the reasons we consider them appropriate. It is important to note that the particular items we exclude from, or include in, our non-IFRS financial measures may differ from the items excluded from, or included in, similar non-IFRS financial measures used by other companies. See IFRS / Non-IFRS Reconciliation tables included in the appendix of this presentation for: "Revenue to Contribution ex-TAC," "Total Comprehensive Income (Loss) to Adjusted EBITDA," and "Net Income (Loss) to Non-IFRS Net Income".

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Record Q2 Results

IMPROVED EXECUTION

In Q2 Nexxen benefitted from significantly improved execution while taking important steps to strengthen its platform and sales and marketing efforts

REBRAND TO NEXXEN

Our rebrand is driving greater recognition and fueling a better understanding of how Nexxen addresses the industry's biggest challenges, including maximizing the value of data to generate better results and returns for customers



Record Q2

Contribution ex-TAC

Record Q2

Programmatic Revenue

Record Q2

CTV Revenue

+27% Y/o/Y Adjusted

EBITDA Growth in Q2 2024



TREMOR
INTERNATIONAL



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Nexxen Data Platform & Unified Identity Graph Launch Driving New Partnerships and Revenue Opportunities




PARTNER ASSETS










ONBOARD FIRST-PARTY DATA


CLEAN ROOM


DIRECT UPLOAD

CREATE AUDIENCES, UNLOCK INSIGHTS, ENRICH DATA, AND MAXIMIZE REACH

  
CONTEXTUAL UNIFIED GRAPH TV INTELLIGENCE

   
3P DISCOVERY ID RESOLUTION ACR

ACTIVATE


SSP


DSP

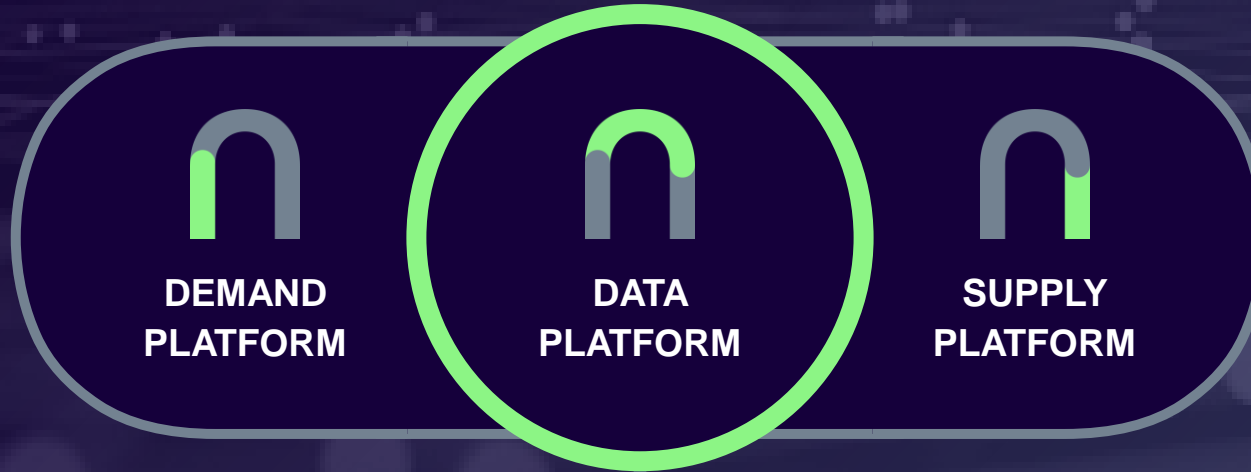
MEASURE EFFECTIVENESS



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STAGWELL



Stagwell adopted Nexxen as its data and AdTech partner in Q2

The partnership is expected to enhance Stagwell's customers' results, and drive increased revenue opportunities for both companies over time

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Media by United Airlines

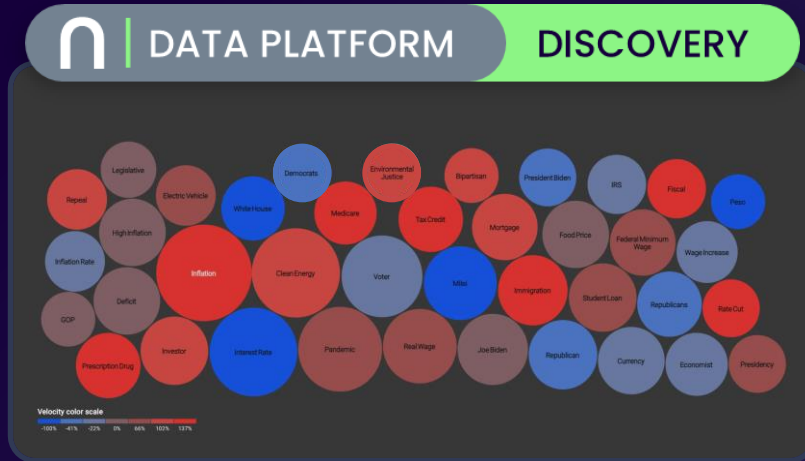
The launch of Nexxen Data Platform led Kinective Media, United Airlines' commerce media network, to select Nexxen as its **first-to-market audience extension partner, unlocking a new revenue growth opportunity in commerce media** for Nexxen



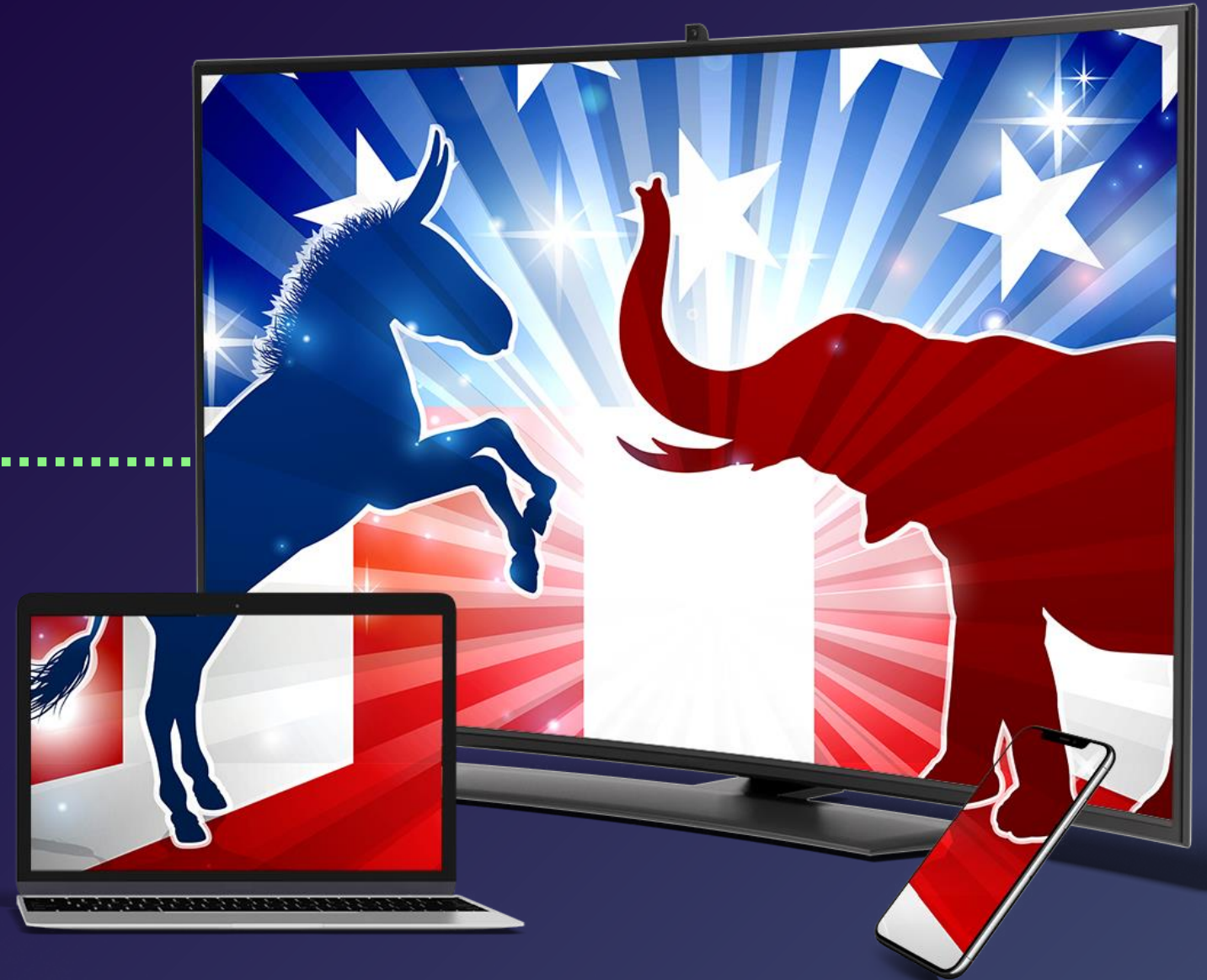


Nexxen and The Trade Desk entered into a global ACR data licensing partnership in which Nexxen's exclusive ACR data segments have been made available on The Trade Desk's self-service platform for activation in the U.S., U.K., Canada, and Australia

2024 U.S. Election Opportunities



Nexxen's recently released **data-driven tools for political advertisers** are enabling them to gain deeper campaign insights and expand audience reach, positioning Nexxen and its customers to capitalize on the U.S. election cycle



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Q2 2024 Business Wins

+86

New actively
spending first-time
advertiser customers

+16

New enterprise
self-service customers

+78

New global supply
partners (+74 in US)



Enhanced Sales Execution



Nexxen Data Platform Launch



New & Scaling Partnerships



Innovation and GenAI Focus



Nexxen Ready to Capitalize on Long-Term Growth Opportunity



Q2 2024 Financial Results

Generated **record Q2 Contribution ex-TAC, programmatic revenue, and CTV revenue, while expanding Adjusted EBITDA by 27% y/o/y** in Q2 2024

\$83.1 M

Record Q2
Contribution ex-TAC
(+4% y/o/y)

\$78.6 M

Record Q2
Programmatic
Revenue (+3% y/o/y)

\$28.2 M

Record Q2 CTV
Revenue
(+14% y/o/y)

\$26.8M

Adjusted EBITDA
(+27% y/o/y)

32%

Adjusted EBITDA
Margin*

74%

Video Revenue as a % of
Programmatic Revenue

*As % of Contribution ex-TAC

Cash Flow, Liquidity, and EPS

\$20.9 M

Q2 2024 Net Cash from Operating
Activities (+76% Y/o/Y)

\$151.9 M

Net Cash as of 06/30/2024

\$0.09

Q2 2024 Non-IFRS Diluted
Earnings Per Ordinary Share

- Fully repaid outstanding ~\$100 million long-term debt in Q2 2024
- \$90 million undrawn and remaining on Nexxen's revolving credit facility

Nexxen's Share Repurchase Programs

- Completed **\$20 million** Ordinary Share repurchase program & launched new **\$50 million** program in Q2 2024
- Repurchased **~2.5M** Ordinary Shares in Q2 2024
- Repurchased **~28.3M** Ordinary Shares from March 1, 2022 through June 30, 2024 (**~18.3% of shares outstanding**)



Reaffirming Full Year 2024 Guidance

\$340 – \$345 M

FY 2024 Contribution ex-TAC

~\$100 M

Adjusted EBITDA

90%

2024 Programmatic Revenue
as a % of FY 2024 Revenue

- Anticipating CTV revenue acceleration with y/o/y growth expected in Q3, Q4, H2, and FY 2024
- Expecting data licensing revenue growth in full year 2024 vs. full year 2023 with further acceleration anticipated in 2025
- The Company anticipates Adjusted EBITDA and Adjusted EBITDA Margins will be higher in Q3, Q4, H2, and FY 2024 than in the prior year periods
- The Company expects Generative AI to be a primary product investment focus in 2025 and anticipates boosting its sales and marketing investments to further its commercial traction





Better Execution and Momentum Post-Rebrand



Commerce Media Partnership Opportunities



Unified Full Stack Approach



Data Licensing Opportunities



Nexxen Data Platform Launch



New & Scaling Partnerships



Nexxen **positioned for sustainable long-term growth and expanded profitability** and to **realize its vision of becoming the industry's go-to strategic AdTech and data partner**

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Thank You!



Appendix

IFRS / Non-IFRS Reconciliation: Revenue to Contribution ex-TAC

	Three months ended June 30			Six months ended June 30		
	2024	2023	%	2024	2023	%
<i>(\$ in thousands)</i>						
Revenue	88,577	84,246	5%	163,009	155,983	5%
Cost of revenue (exclusive of depreciation and amortization)	(15,557)	(14,604)		(30,095)	(30,701)	
Depreciation and amortization attributable to Cost of Revenue	(11,449)	(12,489)		(23,215)	(24,416)	
Gross profit (IFRS)	61,571	57,153	8%	109,699	100,866	9%
Depreciation and amortization attributable to Cost of Revenue	11,449	12,489		23,215	24,416	
Cost of revenue (exclusive of depreciation and amortization)	15,557	14,604		30,095	30,701	
Performance media cost	(5,449)	(3,994)		(10,199)	(8,875)	
Contribution ex-TAC (Non-IFRS)	83,128	80,252	4%	152,810	147,108	4%

IFRS / Non-IFRS Reconciliation: Total Comprehensive Income (Loss) to Adjusted EBITDA

	Three months ended June 30			Six months ended June 30		
	2024	2023	%	2024	2023	%
<i>(\$ in thousands)</i>						
Total comprehensive income (loss)	2,924	(3,616)	181%	(4,362)	(20,905)	79%
Foreign currency translation differences for foreign operation	(8)	(759)		404	(1,379)	
Foreign currency translation for subsidiary sold reclassified to profit and loss	-	(1,234)		-	(1,234)	
Tax expenses (benefit)	2,350	(4,601)		2,125	(1,140)	
Financial expenses, net	1,091	2,254		1,636	1,496	
Depreciation and amortization	15,504	19,933		31,297	36,922	
Stock-based compensation expenses	3,444	6,495		6,078	13,569	
Restructuring	-	796		-	796	
Other expenses	1,488	1,765		1,488	1,765	
Adjusted EBITDA	26,793	21,033	27%	38,666	29,890	29%

IFRS / Non-IFRS Reconciliation: Net Income (Loss) to Non-IFRS Net Income

	Three months ended June 30			Six months ended June 30		
	2024	2023	%	2024	2023	%
<i>(\$ in thousands)</i>						
Net Income (loss)	2,916	(5,609)	152%	(3,958)	(23,518)	83%
Amortization of acquired intangibles	7,042	10,214		14,099	17,857	
Restructuring	-	796		-	796	
Stock-based compensation expenses	3,444	6,495		6,078	13,569	
Other expenses	1,488	1,765		1,488	1,765	
Tax effect of Non-IFRS adjustments ⁽¹⁾	(2,306)	(4,312)		(3,951)	(6,132)	
Non-IFRS Income	12,584	9,349	35%	13,756	4,337	217%
Weighted average shares outstanding—diluted (in millions) ⁽²⁾	142.1	144.9		143.3	145.0	
Non-IFRS diluted Earnings Per Share (in USD)	0.09	0.06	37%	0.10	0.03	221%

(1) Non-IFRS income includes the estimated tax impact from the expense items reconciling between net income (loss) and non-IFRS income

(2) Non-IFRS earnings per share is computed using the same weighted-average number of shares that are used to compute IFRS earnings (loss) per share