



Nexxen Fourth Quarter 2023 Earnings Call

March 6, 2024

Introduction to Speakers & Safe Harbor Statement

This presentation has been prepared by Nexxen International Ltd. (the "Company" or "Nexxen"). This presentation and the accompanying oral presentation contain forward-looking statements. These statements may relate to, but are not limited to: statements regarding anticipated financial results for full year 2024 and beyond; anticipated benefits of Nexxen's strategic transactions and commercial partnerships; anticipated features and benefits of Nexxen's products and service offerings; Nexxen's positioning for accelerated growth and continued future growth in both the US and international markets in 2024 and beyond; Nexxen's medium- to long-term prospects; management's belief that Nexxen is well-positioned to benefit from future industry growth trends and Company-specific catalysts; the Company's expectations with respect to Video revenue; the potential negative impact of ongoing macroeconomic headwinds and uncertainty that have limited advertising activity and the anticipation that these challenges could continue to have an impact for the remainder of 2024 and beyond; the Company's plans with respect to its cash reserves and its intent to not undertake any major acquisitions in the near-term; its continued focus in 2024 on expanding its base of end-to-end customers, growing data licensing revenue and expanding its streaming, TV, and agency partnerships to drive growth and increased profitability; the expectation of launching its TV Intelligence solution in additional major international markets in 2024, enhancing and expanding the Company's international CTV growth opportunity; the anticipated benefits from the Company's investment in VIDAA and its enhanced strategic relationship with Hisense; the anticipated benefits of the rebranding of the Tremor group to Nexxen, and the Company's plans with respect thereto, as well as any other statements related to Nexxen's future financial results and operating performance. These statements are neither promises nor guarantees but involve known and unknown risks, uncertainties and other important factors that may cause Nexxen's actual results, performance or achievements to be materially different from its expectations expressed or implied by the forward-looking statements, including, but not limited to, the following: negative global economic conditions; global conflicts and war, including the current terrorist attacks by Hamas, and the war and hostilities between Israel and Hamas and Israel and Hezbollah, and how those conditions may adversely impact Nexxen's business, customers, and the markets in which Nexxen competes; changes in industry trends; the risk that Nexxen will not realize the anticipated benefits of its acquisition of Amobee and strategic investment in VIDAA; and, other negative developments in Nexxen's business or unfavourable legislative or regulatory developments. Nexxen cautions you not to place undue reliance on these forward-looking statements. For a more detailed discussion of these factors, and other factors that could cause actual results to vary materially, interested parties should review the risk factors listed in the Company's most recent Annual Report on Form 20-F, filed with the U.S. Securities and Exchange Commission (www.sec.gov) on March 7, 2023. Any forward-looking statements made by Nexxen in this presentation speak only as of the date of this presentation, and Nexxen does not intend to update these forward-looking statements after the date of this presentation, except as required by law.

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 (Loss), and Non-IFRS Diluted Earnings (Loss) 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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Nexxen Tech Platform and Industry Overview



KARIM RAYES
Chief Product Officer

The Digital Advertising Industry is Evolving and Nexxen is Prepared

Data privacy regulation changes are creating challenges for advertisers seeking to reach target audiences and **driving shifts from buying media exclusively to buying against audiences**



These challenges play into Nexxen's strengths as our platform enables advertisers and agencies to **reach the right audiences, at the right time, in the right place, regardless of where they consume content**, through access to **high quality media and robust data**

NEXXEN WELL-POSITIONED FOR THE SHIFT

-  In-house data platform
-  Significant audience segment data
-  Substantial 1st party data and customer footprint
-  Strong third-party data provider relationships
-  Nexxen Discovery
-  Robust retargeting capabilities

Nexxen's State-of-the-Art **Video, CTV, and Data-Focused Tech** Stack

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UNRULY



Through the acquisitions Nexxen has made, and the R&D investment by those companies prior to our acquisitions, as well as the investments the Company has made integrating those companies, we estimate that **~\$1 billion dollars of total R&D investment has gone into the creation and unification of our platform**

All acquisitions **now fully integrated into Nexxen ecosystem**

Nexxen's Significant Data Scale & Customer Footprint Positions the Company for Long-Term Market Share Gains

>199 Billion Daily Ad Requests

~50 Million US Households for TV Viewership Data

~225,000 Active Sites or Apps Where Ads can be Shown

>85% of Campaigns Data-Enabled

>1,000 Advertiser & Agency Customers

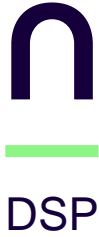
>1,600 Publishers

>65 Third-Party Data Partners

~39% of All Campaigns Using Proprietary Nexxen Data

Nexxen's massive data scale and customer footprint provides significant advantages for customers and strongly positions company for the evolving data privacy regulation landscape

Completed Amobee Integration Made Our Platform's Already Powerful Value Proposition Even Stronger



DSP



CROSS-PLATFORM PLANNER



NEXXEN DISCOVERY



Amobee's DSP capabilities **strengthened Nexxen DSP's self-service capabilities** and brought lower funnel performance tools necessary to bring performance-related CTV products to market

Amobee acquisition **brought linear planning capabilities to combine with Nexxen's pre-existing CTV planning** capabilities to create a first-to-market solution to holistically plan across linear TV and digital

Combines first-party audience data with web, social media, and TV data to identify and target the right users at the right time while serving as an important component for **Nexxen's cookie deprecation preparedness strategy**

Where Others in the Industry View Identity and Privacy Regulation Changes as a Challenge, Nexxen Views it as an Opportunity



Significant 1st Party Data
and Customer Footprint



DSP & SSP Share Same Person
& Household Identity Graph



Strong Third-Party Data
Partnerships



In-House Data
Platform



Contextual Targeting
Products & Partnerships
(Nexxen Discovery + Others)



High CTV Exposure
(Cookie-less)



Building Nexxen Unified
Identity Solution



Partnered with Major Universal ID
Solutions (UID 2.0 / RampID / etc.)



Earlier Adopter of
Google's Privacy Sandbox



Direct Publisher
Integrations

2024 Product Focuses & Strategy



SELF-SERVICE ENTERPRISE

Enhancing and expanding **self-service enterprise capabilities** to increase self-service customer base



INNOVATION

Innovation, including leveraging **A.I. and machine learning** to speed up development times, improve algorithms, and enhance audience and activation tools



PRODUCTS / TECH / DATA

Continuous focus on enhancing **products, tech capabilities, and data footprint** to improve our customers' results and experiences



ACR DATA MONETIZATION

Enhancing **ACR data capabilities** to expand ACR data monetization

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Rebrand Complete

TREMOR
INTERNATIONAL

 **TREMOR VIDEO**

UNRULY

 **AMOBEE**

Better highlights holistic value proposition of tech stack, opening the door to larger multi-solution deals over time



Expanding CTV, Streaming
and Data Relationships to
Enhance Offerings and Drive
Significant Partnerships with
Major TV Players & Agencies

Favorable **Settlement Agreement** and **Multi-Year Partnership** with Alphonso & LG Electronics

Settled long-standing dispute and litigation with Alphonso Inc. and LG Electronics Inc. through settlement agreement and long-term strategic partnership

Partnership grants Nexxen access to monetize some of LG's premium CTV inventory and Alphonso will adopt Nexxen Discovery

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Nexxen now holds strong relationships **with the major CTV OEMs**

Partnered with TCL & Taiv



Expanded strategic partnership with TCL beyond granting customers access to **CTV supply in the TCL channel to also exclusively sell TCL's native display inventory** as a preferred supply partner

Partnered with CTV Out-of-Home advertising group, TAIV, to deliver immersive high impact ad experiences for customers by **reaching audiences on screens in U.S. sports bars and restaurants**



Significantly Enhanced and Expanded TV Intelligence Data Footprint Through Exclusive PeerLogix Partnership and Continued Growth by VIDAA; Now Offering TV Intelligence Solution Outside the U.S.



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PEERLOGIX

Enhanced and expanded TV Intelligence data with scaled premium on-the-go streaming content viewership data through exclusive **partnership with PeerLogix**

Launched TV Viewership Audiences offering in U.K. in Q4 2023, driving notable customer adoption, with further growth expected in 2024

Nexxen expects to **expand TV Intelligence offering** to additional international markets in 2024

VIDAA surpassed >25 million Connected TVs in market in 2023, and already crossed >26 million in 2024



VIDAA Investment Enabling Diversification into Data Licensing Revenue Streams, Reflecting an Exciting Growth Opportunity



Pre-existing DSP and SSP revenue more vulnerable to shocks in advertising demand



New data licensing revenue less vulnerable to advertising demand shocks

Nexxen Discovery Creating Opportunities Around 2024 U.S. Election Cycle

Nexxen Discovery has been adopted by key industry partners and is generating **significant interest from political advertisers and agencies** ahead of 2024 U.S. election cycle



> \$12 billion

Estimated to be spent on U.S. political ad spending in 2024 with record-setting year expected for political TV ad spending*

* According to eMarketer data

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Q4 and FY 2023 Business Wins



+111

Added 111 new actively-spending first-time **advertiser customers** across food and beverage, automotive, entertainment, and finance verticals as well as others during Q4 2023 (+334 for FY 2023)



+14

Added 14 new **enterprise self-service advertiser** customers and 3 new independent agencies leveraging Nexxen in a self-service capacity in Q4 2023



+89

Added 89 new **supply partners** including 78 in the U.S. in Q4 2023 across CTV, broadcast TV, mobile, and mobile gaming publishers (+372, including 327 in the U.S., for FY 2023)



Financial Overview & Summary

Financial results for the three and twelve months ended December 31, 2023, and the three months ended December 31, 2022, reflect the combined financial performance of Nexxen and Amobee while financial results for the twelve months ended December 31, 2022 include Amobee contribution only from September 12, 2022 through December 31, 2022.

Key Financial Highlights

**Achieved FY 2023
Contribution ex-TAC
and Adjusted EBITDA
above the midpoints
of the Company's
latest guidance**

	Q4 2023	FY 2023
Contribution ex-TAC	\$90.5 M (-12% Y/o/Y)	\$314.2 M (+1% Y/o/Y)
Programmatic Revenue	\$86.0 M (-9% Y/o/Y)	\$299.0 M (+9% Y/o/Y)
CTV Revenue	\$19.9 M (-40% Y/o/Y)	\$85.5 M (-12% Y/o/Y)
CTV Revenue as a % of Programmatic Revenue	23%	29%
Video Revenue as a % of Programmatic Revenue	67%	69%
Adjusted EBITDA	\$32.0 M	\$83.2 M
Adjusted EBITDA Margin*	35%	26%

- Adjusted EBITDA Margins shown on slide as a percentage of Contribution ex-TAC*
- Contribution ex-TAC weakness driven by combination of factors including: challenging macroeconomic conditions disproportionately impacting highest-spending small- and mid-sized agency customers (driving reducing budgets, demand, and spending); shifts towards lower cost programmatic solutions; notable declines in Company's non-core non-programmatic performance-related business lines; and, strategic shift towards self-service enterprise Contribution ex-TAC which comes at lower take rate
- Video and CTV revenue weakness driven by challenging macroeconomic conditions which drove select high-spending agency customers into lower cost options such as Display as well as lower cost options within Video such as Desktop and Mobile, as opposed to premium options such as CTV

Cash Position, Cash Flow, and EPS

\$134.3 M

Net Cash Balance
(as of 12/31/23)

\$43.6 M

Net Cash From Operating
Activities (Q4 2023)

\$80 M

Undrawn & Remaining on
Revolving Credit Facility

\$0.10

Non-IFRS Diluted EPS
(Q4 2023)

Nexxen doesn't plan any major acquisitions in the near-term and intends to leverage its cash resources for ongoing business needs, investments in internal strategic growth and innovation initiatives, and ongoing and potential future share repurchase programs

Launched New \$20 Million **Ordinary Share Repurchase Program** in December 2023

- **Invested \$565,714 (£446,139) in Q4 2023**, purchasing 221,506 Ordinary shares
- **If shares remain at** what the Board believes **reflect discounted valuation levels**, and if the Company remains cash generative (as it currently anticipates), **the Company will consider launching further share repurchase programs** after completing the current ongoing program



Current \$20 M Ordinary share repurchase program runs through the earlier of June 18, 2024 or completion – whichever comes first

Financial Guidance

\$340 – \$345 M

FY 2024 Contribution ex-TAC

~\$100 M

FY 2024 Adjusted EBITDA

90%

2024 Programmatic Revenue as
a % of FY 2024 Revenue



- Company anticipates FY 2024 R&D and sales & marketing expenses to reflect similar percentages of Contribution ex-TAC to full year 2023, and for G&A and depreciation & amortization to decrease as percentages of Contribution ex-TAC compared to FY 2023
- Company anticipates CTV revenue growth and Adjusted EBITDA Margin expansion in FY 2024 vs. FY 2023 and increased diversification into rapidly-scaling revenue streams such as data licensing and audio

2023 Accomplishments Position Nexxen Strongly for Accelerated Growth in 2024 and Beyond

- ✓ **Completed integration of Amobee** — enhancing platform's self-service DSP and TV planning capabilities while growing U.S. and international customer base
- ✓ **Rebranded to Nexxen** — better positioning Company with customers and investors
- ✓ **Created and unified one of the most advanced and data rich platforms in ad tech** — a byproduct of ~\$1 billion in total R&D investment
- ✓ **Expanded and enhanced CTV and data partnership roster** — partnering with the major CTV OEMs
- ✓ **Diversified into new data licensing and other revenue streams** — expected to further scale in 2024



Achievements in 2023 strongly position Company to land and expand with customers, grow Contribution ex-TAC and market share, expand profitability, and fuel investment in innovation and share repurchases in 2024, particularly as advertising conditions potentially improve and customers seek to increase spending within video, CTV, and data

Thank You!



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Appendix

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

	Three months ended December 31			Twelve months ended December 31		
	2023	2022	%	2023	2022	%
<i>(\$ in thousands)</i>						
Revenues	95,916	107,697	(11%)	331,993	335,250	(1%)
Cost of revenues (exclusive of depreciation and amortization)	(17,886)	(17,265)		(62,270)	(60,745)	
Depreciation and amortization attributable to Cost of Revenues	(13,682)	(11,810)		(50,825)	(25,367)	
Gross profit (IFRS)	64,348	78,622	(18%)	218,898	249,138	(12%)
Depreciation and amortization attributable to Cost of Revenues	13,682	11,810		50,825	25,367	
Cost of revenues (exclusive of depreciation and amortization)	17,886	17,265		62,270	60,745	
Performance media cost	(5,392)	(4,695)		(17,810)	(25,524)	
Contribution ex-TAC (Non-IFRS)	90,524	103,002	(12%)	314,183	309,726	1%

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

	Three months ended December 31			Twelve months ended December 31		
	2023	2022	%	2023	2022	%
<i>(\$ in thousands)</i>						
Total comprehensive income (loss)	5,341	9,796	(45%)	(18,127)	16,238	(212%)
Foreign currency translation differences for foreign operation	(2,114)	(4,735)		(2,126)	6,499	
Foreign currency translation for subsidiary sold reclassified to profit and loss	-	-		(1,234)	-	
Tax expenses	6,487	5,040		2,503	19,688	
Financial expense (income), net	(105)	717		2,008	2,327	
Depreciation and amortization	21,047	17,184		78,285	42,700	
Stock-based compensation	1,386	7,986		19,169	50,505	
Acquisition related costs	-	93		171	6,085	
Restructuring	-	307		796	307	
Other expense	-	540		1,765	540	
Adjusted EBITDA	32,042	36,928	(13%)	83,210	144,889	(43%)

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

	Three months ended December 31			Twelve months ended December 31		
	2023	2022	%	2023	2022	%
<i>(\$ in thousands)</i>						
Net Income (loss)	3,227	5,061	(36%)	(21,487)	22,737	(195%)
Acquisition related costs	-	93		171	6,085	
Amortization of acquired intangibles	14,931	8,496		42,952	20,768	
Restructuring	-	307		796	307	
Stock-based compensation expense	1,386	7,986		19,169	50,505	
Other expense	-	540		1,765	540	
Tax effect of Non-IFRS adjustments ⁽¹⁾	(5,086)	(262)		(11,153)	(9,130)	
Non-IFRS Income	14,458	22,221	(35%)	32,213	91,812	(65%)
Weighted average shares outstanding—diluted (in millions) ⁽²⁾	147.5	147.6		145.2	153.1	
Non-IFRS diluted Earnings Per Share (in USD)	0.10	0.15	(35%)	0.22	0.60	(63%)

(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 per share