



Playmaker Capital Inc.  
May 17, 2022 – First Quarter 2022 Financial Results Conference Call

**Corporate Participants**

**Jordan Gnat**  
Chief Executive Officer  
**Mike Cooke**  
Chief Financial Officer  
**Jake Cassaday**  
Chief Operating Officer

**Conference Call Participants**

**Matthew Lee**  
Canaccord Genuity  
**Rob Goff**  
Echelon Wealth Partners  
**Nicholas Cortellucci**  
M Partners  
**Gianluca Tucci**  
Haywood Securities

## **PRESENTATION**

### **Operator**

Good morning and welcome to the Playmaker Capital, Inc. First Quarter Earnings Conference Call. All participants will be in a listen-only mode. Should you need assistance please signal a conference specialist by pressing the star key followed by zero.

After today's presentation there will be an opportunity to ask questions. To ask a question you may press star then one on your telephone keypad. And to withdraw your question please press star then two. Please note this event is being recorded.

I would now like to turn the conference over to Playmakers Chief Operating Officer, Mr. Jake Cassaday. Please go ahead, sir.

### **Jake Cassaday**

Thank you. Good morning. As mentioned, I am Jake Cassaday and I'm joined today by our Chief Executive Officer Jordan Gnat and our Chief Financial Officer, Mike Cooke.

Before we begin, I'd like to remind you that today's call will include estimates and other forward-looking information from which our actual results could differ. Please review the cautionary language in yesterday's press release regarding various factors, assumptions and risks that could cause our actual results to differ. Furthermore, during this call, we will refer to certain non IFRS measures. These measures do not have any standardized meaning under IFRS. And our approach in calculating these measures may differ from that of other issuers, so these measures may not be directly comparable. Please see yesterday's press release for more information about these measures.

As a reminder, this conference call is being recorded and a replay will be available on Playmakers website. An updated investor overview presentation is also now available on the website inclusive of Q1 details discussed here.

At this time, I would like to introduce Jordan Gnat, Chief Executive Officer of Playmaker.

### **Jordan Gnat**

Thank you, Jake. Good morning, everyone. Welcome to our first quarter earnings call.

We've started 2022 the way we completed 2021. We are heads down focused on execution, and our results are a clear indication that we continue to see strong organic growth in our company and we continue to execute against our acquisition strategy. In Q1, we acquired Futmarketing, and immediately subsequent to the quarter end we acquired The Sports Drop. These two businesses bolster our strong market positions in Brazil and the US respectively.

We can already see the dividends of these acquisitions paying off. We remain focused on profitability, while continuing to invest in people and technology that will provide us the foundations for continued and sustainable organic growth and the ability to integrate new companies and verticals into our ecosystem. Our Q1 organic growth of 37% is the result of our team building on the momentum we have established and the continued collaboration and focus on realizing revenue and cost synergies that we anticipated.

With our thematic approach to building out the Playmaker ecosystem, we are constantly weighing whether we build or buy to fill identified opportunities and gaps. We feel increasingly well positioned with a strong foundation and teams we have in place to begin building opportunistically and accelerate organic growth. Playmaker delivers content to our fans, when they want it, how they want it and where they want

it. This holistic view of fans is bearing fruit and we see our advertising partners looking for multiple ways to reach our audience, and we can deliver across a multitude of channels at scale. We are a true America's one stop shop.

Our scale of audience puts us as the sixth largest digital Sports Media Group in the Americas. In the March comm score rankings, we were number one and number three in Brazil. We are a top 25 in the US and a top 10 in Canada. Our audience in Mexico, in both web and video, has been growing month over month since the start of the year, all strong indicators.

We have added two key leaders in the past several months, our head of Partnerships, Adam Seaborn and our head of Paid Media, Michael Bellom. These key central resources have already begun to work across all brands. Adam is focused on creating unique opportunities and partnerships that connect brands to our fans, but also to open up new distribution channels for our content to increase its overall monetization. Michael's leadership experience and expertise in paid media will allow us to deliver high value audience to our advertising partners.

The Playmaker bench continues to deliver positive results with revenue per 1000 sessions up over 50% across migrated properties compared to Q1 2021. We now have all of our properties migrated onto bench and look forward to continued organic growth from these assets.

We continue to have a strong pipeline for M&A and we are seeing valuations for private companies begin to become more in line with the levels that we have been able to acquire companies at. Certainly, the current public market sentiment is creating some delays, but we remain quite positive that we will be able to continue to find key assets as we have shown that can fit into our ecosystem seamlessly. With our bank financing and profitable operations, we have a strong balance sheet that will continue to give us the ability to be opportunistic.

Just a few numbers from me, the rest from Mike. Our Q1 pro forma revenue of \$5.8 million was 37% ahead of '21. And pro forma EBITDA of 1.7 was 16% ahead of 2020 and 2021. A great start to the year from our teams, and I will now hand the call over to Mike.

### **Mike Cooke**

Thanks, Jordan. Good morning and thank you for joining us today.

Yesterday, we reported our results for the quarter ended March 31 2022. Including the results of the businesses we acquired through the end of Q1 on a pro forma basis, revenue was \$5.8 million in Q1 2022 compared to \$4.2 million in Q1 2021, an increase of \$1.6 million or 37%.

We use adjusted EBITDA as a key measure of earnings. Adjusted EBITDA is intended to present the results of our operating segments, so it excludes any one time costs and head office costs incurred within our corporate segment. Pro Forma adjusted EBITDA increased to \$1.7 million in Q1 2022 from \$1.4 million in Q1 2021, an increase of \$300,000 or 16%.

On an IFRS basis, our digital media and technology services operating segments produced to combine \$5.8 million of revenue and \$1.6 million of operating income during Q1. On a consolidated basis, including our corporate segment, we produced \$5.8 million of revenue and \$700,000 of operating loss in the quarter. In Q1 of 2021, the company was in a very early stage with limited operations, and so we had no revenue and operating losses of \$100,000 in that quarter.

Turning our attention to the balance sheet, we finished Q1 with cash of \$5.1 million, and we closed a \$15 million credit facility on March 30. That credit facility strengthens our balance sheet and provides us with

flexibility to continue pursuing M&A opportunities as they arise.

I will now turn it back over to Jordan as we near the end of the call.

### **Jordan Gnat**

Thanks, Mike. As I mentioned in our year end call, 2021 was foundational and 2022 is about building on top of that foundation. Momentum is strong and the ad market remains healthy. The shift from traditional media to digital media is accelerating and the Playmaker ecosystem, an integrated collection of websites, social media followers, podcast channels and YouTube channels, is trying to capitalize on this momentum. Worldwide digital ad spending is growing at a CAGR of 13% to over \$780 billion by 2025. In the US, year-over-year digital advertising growth was 35%. And year-over-year advertising on audio, the fastest growing digital segment, grew 58%.

In LatAm, digital advertising is seeing the same trends growing 24% in the past year and 175% over the past five years.

You can see from our recent acquisitions that we are focused on audience growth in channels and geographies where we can immediately add tremendous value. We are big believers in the audio space and believe that this is an area of focus that we will look to lean into. We are seeing valuations of companies getting more reasonable and we continue to look to acquire companies that can be immediately accretive. This is why we strengthen our liquidity position with the bank financing we closed in the past quarter.

Sports betting markets continue to open. In LatAm, Brazil seems to be getting much closer to releasing its regulations. And in March, Chile introduced a bill to regulate sports betting across the country. In the US, Maryland and Ohio are in queue to launch mobile gaming this year, adding nearly 20 million more Americans to the betting pool. California has sports betting on the ballot for November. Momentum continues to be strong, and we are in a great position to continue to catch the winds in our sails.

Ralph Waldo Emerson wrote, "When it is dark enough, you can see the stars." There's turbulence in the world today and these macro factors have impacted everything in our lives. We will continue to focus on all of the things that we can control. We will stay focused on the path that we have laid out since we started this journey. The discipline that we have exhibited to date is paying off. We've acquired great companies. We've acquired profitable companies. But just as important as what we did acquire are the dozens of companies that we chose not to acquire. Some had strong growth, but did not meet all five of our criteria for an acquisition that we laid out 12 months ago being: a strategic fit to our ecosystem, financially accretive, equity and earn-out components, aligned management, and profitable or clear path to profitability. This discipline has put us in a strong position to navigate through the current conditions.

This is a marathon, not a sprint. We have the stamina and we have the team. We will continue to execute, we will continue to be disciplined and ultimately the rest will take care of itself. On behalf of the over 300 people that called Playmaker family, I want to thank our shareholders for their support.

Operator, you can now go ahead and open the line for questions.

## **QUESTIONS AND ANSWERS**

### **Operator**

Thank you. We will now begin the question and answer session. To ask a question, you may press star then one on your touchtone phone. If you're using a speakerphone, please pick up your handset before pressing the keys. And to withdraw your question, please press star then two. And at this time, we'll

pause momentarily to assemble our roster.

And the first question will come from Matthew Lee with Canaccord Genuity. Please go ahead.

**Matthew Lee**

Hi, guys, great quarter. Can we maybe talk about what you're seeing in terms of potential affiliate deals in the OSP partnerships? And maybe what you feel like you need to add in order to better position yourself to get these deals done.

**Jordan Gnat**

Thanks, Matt. Great question. So as you know, last year we did a deal with Genius to work with us on Yard Barker. That's a deal that we were quite pleased with. It was a time that they were working with us with sports betting operators for that particular asset. In the Canadian market, we have a deal with Points Bet and we see that has been a strong relationship in the Canadian market. And in Latin America, we work with sports betting operators who are all looking to capture the large audience of sports fans that we have.

As we look to this upcoming season, starting in September, it's really important that we plant our flag in affiliates. And one of the things that you will see from us is we will be in a position to be capturing a revenue source that today, to be very honest, we have not been touching, we have not got a significant amount of revenue coming from CPA pure affiliate. That's all opportunity for us. And we are going to be in a position come September to talk about how to execute on the affiliate side of the market and open up that revenue channel for us. Very exciting.

**Matthew Lee**

Right, thanks. And am I right to say that affiliate deals would be pretty high margin given that you're essentially remonetizing your current subscriber base?

**Jordan Gnat**

Yeah, we have a unique position in that we don't have to go and find audience; we have audience. So for us, when we think about affiliate revenue, it's opportunity cost. It's taking an ad that we were otherwise monetizing for a CPM and changing it for a CPA. For us, we need to be excellent at that. As you know, we've always talked about having centers of excellence and doing things as well as we possibly can on day one. We're making sure that we do the affiliate revenue the same way.

There's three ways we could do that. We could buy, we could build internally, or we could partner. And right now when you take a look at valuations, I think it's unlikely that we'll find an acquisition in the affiliate space. But it is very fair to say that we will either build or create a partnership that we'll be able to talk about ready for this football season come start of September.

**Matthew Lee**

So what capability would you need to kind of acquire, build or partner to get? I mean, like what is Playmaker missing in order to kind of get that deal done?

**Jordan Gnat**

It's an expertise. To just put up widgets and ads and expect people to convert just like that is not that simple. Lots of people try it and they don't succeed at it. You really need to know how to make sure you have the right type of ad that's going up, the right type of creative, the right team working alongside the online sports betting operator, continuously talking to their marketing department, tweaking those ads day in and day out. It is a pretty sophisticated business model. It's not like placing an ad up on a banner or on a website. It's something that we as a group, keeping in mind that we hadn't done this before and

we've looked at ways that we can possibly have the resources internally who have the experience, who know how to do this, who know how to work with the betting operators to make sure that you've got the best offers out there that are actually driving conversion. Driving clicks is one thing, but driving conversion is where you can really benefit from the CPAs.

**Matthew Lee**

All right, that's helpful. And maybe just one last one for me. On the LatAm side, you really did see a massive increase in sessions this quarter in audience. Can you even break down what's driving that and whether that type of growth is sustainable?

**Jake Cassaday**

Yeah, so a great question and good insight on what we're seeing in terms of total audience growth. And what you're seeing there is really tremendous traction in key markets, namely in Brazil. We recently published some Comm Score rankings for the country of Brazil, where we actually come in at first and third for total visits as ranked by Comm Score with ESPN in the middle, Bola VIP [ph] and [indiscernible]. So that is very intentional and concerted growth efforts in what is a very key market in Brazil.

Brazil is a newly regulating, like all of the markets in which we have strong audience from the top of Canada to the bottom of Argentina, Brazil is a newly regulated market as it pertains to sports betting. We've already begun to see momentum there from sports betting operators wanting to build awareness ahead of that regulation. And so it was a very strategic initiative for us to build up our user base, and really high levels of engagement with that country. They're passionate sports fans and they're passionate football fans, and that was a huge success for us.

As a reminder, Somos Fanaticos [ph] is a new property. So see that as organic growth in that country that's on the back of an acquisition that Playmaker football sites made just this past June. So a really good example of a playbook that we have to cultivate a highly engaged Facebook fan page and turn that into what is now the third biggest sports media property in all of Brazil.

And like I said, it's not just Brazil. We continue to see great traffic in countries like Argentina, Colombia. And heading into World Cup, each of those nations are all participating in the '22 World Cup in Qatar. So we'll continue to invest and ensure that our audience in LatAm is as healthy as ever, which I can say right now, it certainly is.

**Matthew Lee**

Alright, thanks. That's it for me. And again, great quarter.

**Jordan Gnat**

Thanks, Matt. Appreciate it.

**Operator**

The next question will come from Rob Goff with Echelon. Please go ahead, sir.

**Rob Goff**

Thank you for taking my question. Good morning, guys.

**Jordan Gnat**

Hey, Rob.

**Rob Goff**

Sticking with the focus on betting, and I know Jake made a reference to it in Brazil, could you talk to the

year-over-year growth in betting driven advertising, just as the betting platforms position themselves?

**Jordan Gnat**

Yeah, thanks, Rob. Great question. We have never broken out what we derive revenue from in each category, but we recognize this is obviously a meaningful driver in our business. So I think it's fair to say that year-over-year, the revenue we have generated from sports betting operators is up, I would say, plus or minus 50% is directionally correct. We've seen a tremendous amount of growth in that particular segment of the marketplace. A lot of it is attributed to the newly regulating markets. And the other part is that our audience growth and the focus of our audience growth in key markets has really lifted the revenue from that particular group.

**Rob Goff**

And turning to a financial question, if I could, could you talk to your plans to address the \$8.5 million of deferred and contingent considerations?

**Mike Cooke**

So one of the things we disclosed in our MD&A, since quarter we've settled \$8.25 million of our deferred contingent consideration over the course of April. We did about \$1.7 million of that was shares, the remainder was in cash, and we used \$3 million of our recently closed credit facility to cover that. The remaining contingent deferred consideration that we have on the balance sheet, we do have the option of settling about 50% of that in shares. But it's an option we have, it's not something that's required, so we'll see as we go. We do have we do have cash, we have access to capital and we've got flexibility in cash or shares.

**Rob Goff**

Thank you. Could you talk to your plans to build out the subscribers for Morning Bark and your plans for Bark Bets?

**Jake Cassaday**

Sure. So on Morning Bark, we continue to see what I would call sort of sustained growth there. It is a very healthy audience. The 372,000 people that get the newsletter every morning, 26% of readers open it. Of opens, we have a 95%-96% read completion rate. We also drive anywhere on a daily basis, anywhere from 5% to 10% of total web traffic comes from that newsletter. So it is a very healthy subscriber base.

Naturally, we would like to accelerate the growth of Morning Bark, and we've got several things in place to kind of get ourselves ready to lean into some growth strategies. Some of this had to happen sort of under the hood to give us access to the right amount of data to put strategies in place that we can actually invest in, so some of those things are in motion. I think we're happy with the growth, but like I said, naturally, we'd like to accelerate that because it is so valuable.

Bark bets, we're excited to announce just launched last week. So Bark Bet can be considered sort of like a sister newsletter to Morning Bark. The Morning Bark goes out every morning and it's a recap of last night. Bark bets is going to be sent in the early afternoon Eastern Time, and it is about getting people ready for tonight's games, and providing insight and guidance around the given markets or opportunities to bet on games taking place later in the evening.

We see a nice whitespace for this product. We see the ability to push in with really high level editorial content like Yard Barker specializes in, and also creating an accountable source for picks. Whether you're right or wrong, when you're accountable to the picks that you're putting out there in the market that's engaging content. You may choose to take side with our writers, you may choose to take the other side

of our writing writers, but at the end of the day, we want to put out engaging content.

We are just in the soft launch phase of Bark Bets. We have plans to leverage the install base that we have against our other newsletters, including Morning Bark, but also Quiz of the Day, which is another great newsletter that comes out from Yard Barker every day. So the growth plans are there. I wouldn't even say we're in the first innings, I think we're still in the parking lot, but we've got a great product and we're set to put a growth plan in place to get the subscriber base up on Bark Bets in the coming weeks here. That is a today, this week, next week priority. We're just in the launch phase.

**Rob Golf**

Okay, and you did mention I think it was a 50% yield gain where you migrated traffic onto the bench. Could you address that? And was that fully within the quarter or was that it ramped up exiting the quarter to that level?

**Jake Cassaday**

That is just referring to the months of January, February and March of '22 comparing the revenue per 1000 sessions compared to January, February and March 2021. So taking apples to apples and looking at our ability to generate revenue off the same base of sessions, that's where we're seeing that significant increase in monetization.

**Rob Goff**

Thank you.

**Jake Cassaday**

You're welcome.

**Jordan Gnat**

Thanks, Rob.

**Operator**

The next question will come from Nicholas Cortellucci with M. Partners. Please go ahead.

**Nicholas Cortellucci**

Good morning, gentlemen. Congrats on another great quarter. I wanted to ask you guys about the M&A. So, where are you guys seeing the next dollar of M&A deployed? Are you guys thinking of doubling down on Latin America or expanding more into the US, kind of like what we saw what the sports are up?

**Jordan Gnat**

I think the answer is we certainly have areas we would love to be able to lean into. Audience in the US is for sure the most valuable audience for us. We're also in the Canadian market with sports betting operators, in the Ontario market in particular, looking for more places to engage with audience. Obviously, finding more content in Canada would be good. And I look at LatAm, it would be country specific. Probably Mexico is the one country in LatAm where we would lean into looking for additional assets. It's the third largest country in the Americas. So we already have our US focus, we have our Brazilian focus. Mexico being north of 100 million people and being so adjacent to the US, focus on US sports as much as soccer, but they're very big into NFL as well.

And also when you take a look at the new League Cup coming from MLS which is going to be a new soccer tournament similar to what you have as the Euros, which will start taking place next summer, that relationship across the boundaries between Canada, US and Mexico. And then thinking about World '26 is going to grow. So I would say those three audiences are the places that we would look to acquire



audience.

In terms of category, as I mentioned on the call, audio is something that we want to lean into a little bit more. We certainly have a very strong podcast network today, but we're listening to our customers, our customers being advertisers. And advertisers are asking us, do you have more audio? We love what you're delivering. Do you have more? And, when you take a look at the growth of spending audio, it's something that the people who listen to that have very, very high engagement rates, and advertisers are willing to pay premiums for it. So if we can acquire strong audio partnerships or audio talent or audio podcasts as they exist today, then those are going to be things that we know tied to our network, we can create some great value out of.

**Nicholas Cortellucci**

Right. Okay, that makes sense. And then, what are you guys seeing in some of these newly launched regions like Ontario and Argentina in terms of viewership and monetization?

**Jordan Gnat**

I think from what we're seeing in terms of engagement, we're seeing audience engagement go up. Right? That's the most important first metric in anything, is first you got to see the people come, and then the dollars follow. And so we're certainly seeing those metrics trending in all of the right directions. It's why, as an example, why we're focusing so heavily on Brazil in the front end of this is to have that audience metric going up.

So we see engagement going up, and we think sports betting is a macro catalyst to sports engagement in general. I mentioned this on a panel a few months ago or so. When you think of the things that create engagement, and increase awareness of sport, sometimes it's not just the event itself, it's something that changes dramatically; a macro change. So I use the example of F1. F1, is the exact same car races in the exact same places that have been for 30-40 years. What changed to create F1 into this massive American/Canadian phenomenon? Really, the answer is drive to survive. It had nothing to do with F1. It was macro. Somebody changed something by creating this new engagement tool called Netflix Series that created an F1 engagement.

In the Superbowl last year, it was the second most watched Super Bowl in history. And arguably not the most engaged teams in the world. Nobody would call the Bengals and the Rams the darlings of America. Yet, they had the second most watched Super Bowl of all time. Why? Why was minutes watched in NFL up 18% year-over-year. And only reason change one year over the next, the only thing that changed – football is the exact same game, played the exact same weeks, with the exact same teams, exact same rules – all the change was sports betting. Sports betting creates engagement in general. People want to hear about it, they want to talk about it. They want to talk to their friends, and that's vernacular that they need to understand. People ask, who do you got? They ask, what are the odds?

So sports betting in general is going to continue to raise awareness of sports. We are the place you go to get your content on sports. And as long as we continue to focus on delivering authentic, strong content, we'll continue to build our audience and ultimately that delivers us revenue.

**Nicholas Cortellucci**

Absolutely. Okay. Yeah, that sounds good. Thanks for the time. Those are all my questions.

**Jordan Gnat**

Thanks, Nick.

**Jake Cassaday**

That's great. Thanks, Nick. Appreciate it.

**Operator**

Again, if you have a question, please press star then one.

The next question will come from Gianluca Tucci with Haywood Securities. Please go ahead.

**Gianluca Tucci**

Morning guys. Some technical difficulties. How are you?

**Jordan Gnat**

Oh, good. You get to a new place, you got to learn how to use a new phone.

**Gianluca Tucci**

That's right. So congrats on the quarter. I have a bit of a higher level question. So in terms of discussions into all the different customers and partners that you guys have, how are they positioning their ad budgets for the coming quarters given that the World Cup is in Q4?

**Jordan Gnat**

We have not seen any change with advertisers right now. Nobody's sitting on their wallets. They're all out continuing to do what it is that they have been planning to do. Q4 for us is obviously going to be a big quarter. World Cup is huge. As we talked about affiliate, we'll have our affiliate positioning up and running. And, we just believe that with that many more states, you're going to have an entire year of New York, entire year of Ohio, Maryland coming on, you have Ontario dipping into for the first time – Ontario just came on line in April – so now all of a sudden, you have a full year of awareness with Ontario. So we just think that there's going to continue to be a stability in that market.

World Cup is an inflection. That's one of those where something big just happens. And historically, football sites being the biggest beneficiary of World Cup from just an advertising jump perspective, every time there's been a World Cup, and you look back at football sites historically, it's been a level up. The business has just increased to a new level, and then continues to grow from there. So yeah, we certainly see that happening all through the balance of the year.

**Jake Cassaday**

But yeah, as Jordan said, Q4 is always our biggest quarter. You know, it's just as advertisers are looking to engage users, heading into Black Friday, Christmas, it's just standard in our business. With World Cup, though, there's definitely an elevation and with our integrated sales teams, both in North America and across Latin America, we are in front of groups selling packages relating to World Cup. I mean, it's obviously a huge opportunity and we are uniquely positioned to capitalize on it with such a significant base of audience that is actually reading about soccer every day on our property. So we're actively ensuring we're here to capitalize on Q4.

**Gianluca Tucci**

Okay, that's encouraging. Thanks for that. And then just on M&A, in terms of the valuations out there in the private space, have they kind of come down in sync with how the public equities have been trading? Or are operators still kind of like sticky in terms of their price ranges that they're asking?

**Jake Cassaday**

We're starting to see in sort of relatively small data. I think it always trends similarly though. If you look at historical patterns that private market valuations will lag when you see a downturn in the public markets, or an upturn for that matter. So we are starting to see a little bit of correction, I think that the companies

that were erring on the side of growth at the expense of profit, we're starting to see a little bit of a correction there. The companies that are profitable and have really strong unit economics are actually going to be favored in the economy that we're in right now. So I think you're going to see both actually an increase in some certain valuations for companies that really have profitability figured out like we do, but also for some of the companies that we're looking at, but we're certainly seeing a correction on the businesses that had higher burn rate than ones that we would be comfortable with.

And I think we're starting to see public companies reporting on their private holdings and that typically starts to send a bit of a crash in private markets, because eventually these valuations need to be written down in public markets. So it's small data, and it's early in the cycle. But I think, again, tracking historical patterns, we expect to see a bit of a correction on the private side.

### **Gianluca Tucci**

Okay, that sounds great. And I guess just lastly from us here, in terms of podcasts, and it sounds like that could be an area of growth for Playmaker, talk to me a bit about the decision to kind of proceed deeper in that particular part of the advertising market. And in terms of all of like your customer base, is it an easier, I guess, cross sell to kind of have all of the people on the platform switch over or to like download the app and is there any cost involved with that, investments?

### **Jake Cassaday**

So I think the rationale for being excited about digital audio is a few different things. So for one, we have a podcast network today that includes 12 podcasts. We've been seeing the growth, we've been seeing the interest from advertisers wanting to access that group. So we've just had firsthand data that says, hey, this is something that we want to continue to invest in.

We're also looking at a lot of macro trends. We point to some of this data in our recent Q1 deck that we just posted, that advertising share for digital audio is increasing. Big reason for this. I mean, for one, in the pandemic, we saw a significant increase in digital audio consumption and similar to have Jordan explain how our audience levels up in a World Cup here, I think what you saw is just a lot of increased awareness and adoption of podcasts and a stabilization that happened post COVID. Now with people back in commutes, and back in grocery stores, opportunities for them to passively engage with audio, we're seeing some really high engagement rates across the entire digital audio asset base.

And then, we just see, again, from an advertising perspective, there's such amazing affinity for brands within digital audio. If you're a podcast listener, if you listen to podcasts that are lifestyle or sports, I'm sure you've heard Zip Recruiter, I'm sure you've heard of a few brands that get put in front of you every single time you launch a podcast. And when those ads are read by talent, they feel very authentic. And you know, we're seeing data that suggests that the awareness that you can drive through podcast is very significant and it's allowing us to generate premium CPMs on our product on our products. So again, something that if we can scale, we think we can get our own fair share of the growth of this market and do it in a very strategic way based on the base that we already have in place.

### **Gianluca Tucci**

Okay, that sounds great, guys. Thank you very much.

### **Operator**

Again, if you have a question, please press star then one.

## **CONCLUSION**

### **Operator**

This concludes our question and answer session. I would like to turn the conference back over to Mr. Jake Cassaday for any closing remarks. Please go ahead, sir.

**Jake Cassaday**

Thanks very much. As there are no further questions that officially does conclude today's call. We, of course, thank you for your interest and continued support in Playmaker and for your participation in today's call. You may now disconnect and have a great day