
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20-F

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b)**
OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE**
SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended
December 31, 2025

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF**
THE SECURITIES EXCHANGE ACT OF 1934

OR

☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d)**
OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File No. 001-40504

NEXXEN INTERNATIONAL LTD.

(Exact name of registrant as specified in its charter)

Not applicable
(Translation of Registrant's name into English)

Israel
(Jurisdiction of incorporation or organization)

82 Yigal Alon Street
Tel Aviv, 6789124, Israel
+972-3-545-3900
(Address of principal executive offices)

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Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Ordinary shares, par value NIS 0.02 per share	NEXN	The Nasdaq Stock Market LLC (Global Market)

Securities registered or to be registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the Annual Report: 56,284,083 ordinary shares, par value NIS 0.02 per share (excluding Treasury Shares) as of December 31, 2025.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☐ No ☒

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or an emerging growth company.

See definition of "large accelerated filer," "accelerated filer" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☒	Non-accelerated filer ☐	Emerging growth company ☒
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If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards[†] provided pursuant to Section 13(a) of the Exchange Act. ☐

[†] The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☐	International Financial Reporting Standards as issued by the International Accounting Standards Board ☒	Other ☐
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If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow:

Item 17 ☐ Item 18 ☐

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

NEXXEN INTERNATIONAL LTD.
Form 20-F
For the Fiscal Year Ended December 31, 2025

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INTRODUCTION AND USE OF CERTAIN TERMS

We have prepared this annual report on Form 20-F (this “Form 20-F” or “Annual Report”) using a number of conventions, which you should consider when reading the information contained herein. In this Form 20-F, except where the context otherwise requires or where otherwise indicated, references to “Nexxen,” the “Company,” “we,” “us,” “our,” “our company,” “our business” and similar references refer to Nexxen International Ltd., together with its consolidated subsidiaries as a consolidated entity.

Nexxen is a flexible unified platform that helps empower durable growth across the media supply chain. Our end-to-end, video-first platform facilitates and optimizes engaging advertising campaigns for brands, media groups and content creators worldwide—enabling powerful partnerships and delivering meaningful results. Our omni-channel capabilities deliver global advertising campaigns across all formats and channels, with an expertise in video format ads on all devices (“Video”) and Connected TV (“CTV”).

Trading Structure Changes

On February 14, 2025, the Company executed a reverse split of its Ordinary Shares such that every two Ordinary Shares, par value NIS 0.01 per share, held at the time of the reverse split consolidated into one new Ordinary Share, par value NIS 0.02 per share (the “New Ordinary Shares”) to facilitate a one-to-one American Depositary Receipt (“ADR”) exchange (the “Reverse Split”). Thereafter, the Company exchanged its Nasdaq-listed ADRs for Nasdaq-listed New Ordinary Shares and terminated its ADR facility. On February 17, 2025, the Company’s AIM-listed depository interests representing the Company’s old Ordinary Shares were cancelled from admission to trading on the AIM Market of the London Stock Exchange, and on February 18, 2025, the Company’s New Ordinary Shares began trading on Nasdaq under the stock ticker “NEXN” (collectively, the “Trading Structure Changes”).

Unless stated otherwise, all references in this Annual Report to “ordinary shares”, “Ordinary Shares”, “shares” or “Shares” refer to the New Ordinary Shares after giving effect to the Trading Structure Changes, including the Reverse Split completed on February 14, 2025.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

We publish consolidated financial statements expressed in U.S. dollars. Our consolidated financial statements responsive to Item 17 of this Annual Report are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (the “IFRS”). We present our consolidated financial statements in U.S. dollars. All references in this Annual Report to “Israeli currency” and “NIS” refer to New Israeli Shekels, the terms “dollar,” “USD” or “\$” refer to U.S. dollars.

This Annual Report includes the audited consolidated financial statements of the Company as of the years ended December 31, 2025 and 2024, and for the years ended December 31, 2025, 2024, and 2023, prepared in accordance with IFRS.

Our fiscal year ends on December 31 of each year.

Throughout this Annual Report, we provide a number of key performance indicators used by our management and often used by others in our industry.

We define these key performance indicators as follows:

- CTV revenue is revenue derived from CTV devices.
- Video revenue is revenue derived from video format ads on all devices.
- Contribution ex-TAC is defined as our gross profit plus depreciation and amortization attributable to cost of revenues and cost of revenues (exclusive of depreciation and amortization) minus the performance media cost (“traffic acquisition costs” or “TAC”).
- Adjusted EBITDA is defined as total comprehensive income (loss) for the year adjusted for foreign currency translation differences for foreign operations, financing expenses (income), net, tax expenses, depreciation and amortization, stock-based compensation, restructuring, acquisition-related costs, delisting related one-time costs and other expenses, net.
- Adjusted EBITDA margin is defined as Adjusted EBITDA as a percentage of revenue.

- An active customer is defined as an advertiser, buyer, agency, trading desk or third-party demand side platform (“DSP”) that has used our platform within a trailing 365-day period.
- An active publisher is defined as a publisher or third-party supply side platform (“SSP”) that has used our platform within a trailing 365-day period.
- A unique user is defined as an unduplicated visitor to a publisher’s site connected to our platform from both direct and third-party sites in a one-month period and “unique users” is the total number of unduplicated visitors to a publisher’s site connected to our platform from both direct and third-party sites in a one-month period. When a user visits a publisher’s site that is connected to our platform, we receive the request along with a field that holds a unique ID number that identifies the source from which the request came, and as such “unique users” is a summation of unique ID numbers to produce a total of unduplicated visitors to publishers’ sites connected to our platform.
- Contribution ex-TAC retention rate is defined as Contribution ex-TAC generated in a fiscal year from the customers who were existing customers as of the last day of the previous fiscal year as a percentage of the Contribution ex-TAC generated in the previous fiscal year from the same group of customers. We consider all of our revenue to be recurring.
- Net cash is defined as cash and cash equivalents minus long term debt.

TRADEMARKS

We or our licensors have proprietary rights to trademarks, copyrights, trade names or service marks used in this Annual Report that are important to our business, many of which are registered under the applicable intellectual property laws. Solely for convenience, the trademarks, trade names and service marks referred to in this Annual Report may appear without the “®” or “™” symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent possible under applicable law, our rights or the rights of the applicable licensor to these trademarks, trade names and service marks. This Annual Report also contains trademarks, copyrights, tradenames and service marks of other companies, which are the property of their respective owners. We do not intend our use or display of other companies’ trademarks, copyrights, trade names or service marks to imply a relationship with, or endorsement or sponsorship of us by, any other companies. Each trademark, copyright, trade name, or service mark of any other company appearing in this Annual Report is the property of its respective holder.

MARKET INFORMATION

Unless otherwise indicated, information in this Annual Report concerning economic conditions, our industry, our markets, and our competitive position is based on a variety of sources, including information from independent industry analysts and publications, as well as our own estimates and research.

Our estimates are derived from publicly available information released by third-party sources, as well as data from our internal research, which we believe to be reasonable. None of the independent industry publications used in this Annual Report were prepared on our behalf.

Certain estimates of market opportunity and forecasts of market growth included in this Annual Report may prove to be inaccurate. The estimates and forecasts in this Annual Report relating to the size of our target market, market demand and adoption, capacity to address this demand and pricing may prove to be inaccurate. The addressable market we estimate may not materialize for many years, if ever, and even if the markets in which we compete meet the size estimates in this Annual Report, our business could fail to grow at similar rates, if at all.

Forecasts and other forward-looking information obtained from these sources are subject to the same qualifications and uncertainties as the other forward-looking statements in this Annual Report. See “*Risk Factors*” and “*Special Note Regarding Forward-Looking Statements and Risk Factor Summary*.”

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS AND RISK FACTOR SUMMARY

This Annual Report contains certain estimates and “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, the provisions of Section 27A of the Securities Act of 1933 (the “Securities Act”) and Section 21E of the Exchange Act of 1934 (the “Exchange Act”). Forward-looking statements include financial projections, statements of plans and objectives for future operations, statements of future economic performance, and statements of assumptions relating thereto, including, but not limited to statements regarding: market opportunity; forecasts; market growth and growth strategy; capital deployment strategy; demand; dependence on third parties such as advertisers, publishers and third-party data providers; our technology investment decisions; industry conditions; changes in technology and regulation and the impact thereof, including with respect to AI; plans with respect to our intellectual property rights; our competition; global and local economic and geopolitical forces and unrest, including the war involving the United States, Israel and Iran, the war and hostilities involving Israel, Hamas, Hezbollah, and Yemen and the Ukraine/Russia war; seasonality; dependence on our sales and support team; our positioning and strategy; digital advertising trends overall; our solutions and platform; customers; our dividend policy and our buyback program; the Trading Structure Changes we implemented, our commercial partnerships, our equity investments, working capital and the sufficiency thereof; financial metrics such as revenue, costs and expenses, including capital expenditures; legal proceedings and tax. Forward-looking statements may appear throughout this report, including without limitation, in Item 3. “*Key Information 3.D. Risk Factors*,” Item 4. “*Information on the Company*,” and Item 5. “*Operating and Financial Review and Prospects 5.A. Operating Results*.” In some cases, these forward-looking statements can be identified by words or phrases such as “may,” “might,” “will,” “could,” “would,” “should,” “expect,” “plan,” “anticipate,” “intend,” “seek,” “believe,” “estimate,” “predict,” “potential,” “continue,” “contemplate,” “possible” or the negative of these terms or similar expressions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. Forward-looking statements involve known and unknown risks, uncertainties and other risks, assumptions and factors that could cause our actual results or conditions to differ materially from our forward-looking statements include, among others, the items in the following list, which also summarizes some of our most principal risks:

- our success and revenue growth depend on adding new advertisers and publishers, effectively educating and training our existing advertisers and publishers on how to make full use of our platform and increasing usage of our platform by advertisers and publishers;
- our business depends on our access to advertising spend from a limited number of DSPs, agencies and advertisers, which may be reduced or terminated at any time;
- our business depends on our ability to maintain and expand access to valuable inventory from publishers, including our largest publishers;
- if we may fail to make the right investment decisions in our platform, or if we fail to innovate and develop new solutions that are adopted by advertisers and publishers, we may not attract and retain advertisers and publishers, which could have an adverse effect on our business, results of operations and financial condition;
- significant parts of our business depend on relationships with data providers for data sets used to deliver targeted campaigns;
- our business depends on access to data, and limitation on its collection, use or disclosure could materially harm our business;
- restrictions on “cookies,” mobile device IDs, CTV tracking, or other technologies could reduce the effectiveness of our platform and materially harm our business;
- if we fail to meet content, inventory, and brand safety standards or maintain the trust of our advertisers and publishers, our reputation and business could be harmed;
- our success depends on our ability to grow rapidly and manage that growth effectively; failure to do so could harm our business and reduce shareholder value;
- industry consolidation and increased competition could harm our business;
- the market for programmatic buying for advertising campaigns is evolving and, if this market develops slower or differently than we expect, our business, operating results and financial condition could be adversely affected;
- failure to maintain platform integrity, prevent fraud or adapt to changing consumer behavior could harm our business, reputation and operating results;

- our ability to scale our platform infrastructure to support anticipated growth and transaction volume;
- disruptions to service from our third-party data center hosting facilities and cloud computing and hosting providers could impair the delivery of our services and harm our business;
- potential liability and harm to our business based on the human factor of inputting information into our platform;
- cybersecurity risks, including impersonation and fraud schemes that exploit our brand, and any significant failure or breach of our systems, or those of our third-party vendors, could harm our business;
- any failure to protect our intellectual property rights;
- reliance on non-proprietary technology, software, products, and services;
- the overall demand for advertising and reductions in marketing spend;
- the macroeconomic conditions including potential headwinds related to inflation, high interest rates, evolving U.S. and global trade dynamics (including tariffs) and global supply chain constraints;
- the risks related to the use and development of Generative Artificial Intelligence (“AI”);
- any decreases in the use of the advertising or publishing channels that we primarily depend on, or failure to expand into emerging channels;
- if CTV advertising develops in ways that limit the delivery of ads to viewers, our business, results of operating and financial conditions could be adversely affected;
- the competitive nature of the market in which we participate;
- seasonal fluctuations or market changes in advertising activity;
- the effective growth and training of our sales and support teams;
- the war and hostilities between the United States, Israel and Iran, and between Israel and Hamas, Hezbollah, and Yemen, and other risks relating to our employees or our location in Israel;
- payment-related risks, including our ability to collect payments from advertisers;
- we are a party to a credit agreement which contains a number of covenants that may restrict our current and future operations and could adversely affect our ability to execute business needs;
- legal and regulatory constraints;
- risks relating to legal or regulatory issues; and
- other risks associated with our financial profile and our Ordinary Shares.

These risks factors are discussed in more detail in this Annual Report, including under Item 3. “*Key Information – 3.D. Risk Factors.*” The forward-looking statements in this Annual Report are only predictions. These statements are inherently uncertain, subject to risks and uncertainties, some of which cannot be predicted or quantified, and investors are cautioned not to unduly rely upon these statements. The events and circumstances reflected in our forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements.

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this Annual Report, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information.

You should read this Annual Report and the documents that we reference in this Annual Report and have been filed as exhibits to this Annual Report with the understanding that our actual future results, levels of activity, performance and achievements may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements.

The estimates and forward-looking statements contained in this Annual Report speak only as of the date of this Annual Report. Except as required by applicable law, we undertake no obligation to publicly update or revise any estimates or forward-looking statements whether as a result of new information, future events or otherwise, or to reflect the occurrence of unanticipated events.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

3.A. [RESERVED]

3.B. CAPITALIZATION AND INDEBTEDNESS

Not applicable.

3.C. REASONS FOR THE OFFER AND USE OF PROCEEDS

Not applicable.

3.D. RISK FACTORS

You should carefully consider the risks described below, together with all of the other information included in this Annual Report, in evaluating us and our ordinary shares (“Shares”). Our business, financial condition or results of operations could be materially and adversely affected by any of these risks. The trading price and value of our Shares could decline due to any of these risks, and you may lose all or part of your investment. This Annual Report also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by us described below and elsewhere in this Annual Report.

Additional risks not presently known to us or that we currently deem immaterial may also impair our business operations.

Risks Relating to Our Business

Our success and revenue growth are dependent on adding new advertisers and publishers, effectively educating and training our existing advertisers and publishers on how to make full use of our platform and increasing usage of our platform by advertisers and publishers.

Our success and sustainability are dependent on regularly adding new advertisers and publishers and increasing their usage of our platform. Our contracts and relationships with advertisers and publishers generally do not include long-term or exclusive obligations requiring them to use, maintain use or increase use of our platform. Advertisers and publishers typically have relationships with numerous providers and can use both our platform and those of our competitors without incurring significant costs or disruption. They may also choose to decrease their overall advertising spend for any reason, including if they do not believe they are receiving a sufficient return. Accordingly, we must continually work to add new advertisers and publishers to our customer base, retain our existing advertisers and publishers, increase their usage of our platform and capture a larger share of their advertising spend.

We may not be successful at educating and training advertisers and publishers, especially new ones, on how to use our platform for them to most benefit from our technology and increase their usage. If these efforts are unsuccessful or advertisers or publishers decide not to maintain or increase their usage of our platform for any other reason, or if we fail to attract new advertisers or publishers, our revenue could fail to grow or may decline, which could materially and adversely harm our business, operating results and financial condition.

Our business depends on access to advertising spend from a limited number of DSPs, agencies, and advertisers, which may be reduced or terminated at any time.

Our business depends on our ability to maintain and expand our access to advertising spend from advertisers that purchase advertising inventory through demand-side platforms (“DSPs”), as well as from agencies and direct advertisers that execute their purchases through DSPs, in order to buy impressions from our publishers. A limited number of large advertising customers may account for a significant portion of our revenue. For the year ended December 31, 2025, two buyers represent 12.1% and 11.3% of revenue. For the year ended December 31, 2024, one buyer represents 11.5% of revenue. For the year ended December 31, 2023, no individual buyer accounted for more than 10% of revenue. As of December 31, 2025, two buyers accounted for 22.6% and 10.7% of trade receivables. As of December 31, 2024, three buyers accounted for 19.1%, 12.1% and 11.2% of trade receivables. As of December 31, 2025, and December 31, 2024 no individual vendor accounted for more than 10% of trade payables.

Our master service agreements with most DSPs and other customers automatically renew for successive one-year terms but generally allow either party to terminate the agreement for convenience with 30-days' prior written notice. We expect to continue to rely on a limited number of DSPs and advertising customers for a large percentage of impressions purchased on our platform for the foreseeable future. Any disruptions in our relationships with DSPs, agencies, or advertisers could harm our business, results of operations and financial condition.

To support our future growth, we must increase the levels of use of our platform by existing DSPs, agencies, and advertisers.

However, we generally do not have minimum spending commitments from advertisers, agencies, or DSPs, meaning the level of demand available on our platform can change at any time. As a result, we cannot guarantee that we will have consistent access to a stable volume or quality of advertising spend. If an advertiser or DSP that represents a significant portion of the demand in our platform materially reduces its use of our services, our revenue and profitability could decline immediately and significantly, which could materially and adversely affect our business, results of operations and financial condition.

Our business depends on our ability to maintain and expand access to valuable inventory from publishers, including our largest publishers.

Our business depends on our access to valuable publisher inventory. We depend upon publishers, including channel partners, which aggregate large numbers of smaller publishers, to provide advertising inventory which we can offer to prospective advertisers. A relatively small number of publishers have historically accounted for a significant portion of the advertising inventory sold on our platform, as well as a significant portion of our revenue, including a relatively small number of channel partners. To support our continued growth, we will seek to add additional publishers to our platform and to expand current utilization with our existing publishers.

In general, our relationships with publishers do not contain minimum commitments. The amount, quality and cost of inventory available on our platform can change at any time, and we cannot ensure that we will have access to a consistent volume or quality of inventory at a reasonable cost, or at all. Any disruptions in our relationships with publishers or our largest channel partners could adversely affect our business, results of operations and financial condition. If we cannot retain or add individual publishers with valuable inventory, or if such publishers decide not to make their valuable inventory available on our platform, then advertisers may be less inclined to use our platform, which could adversely affect our business, results of operations and financial condition.

If we fail to make the right investment decisions in our platform, or if we fail to innovate and develop new solutions that are adopted by advertisers and publishers, we may not attract and retain advertisers and publishers, which could have an adverse effect on our business, results of operations and financial condition.

We face intense competition in the marketplace and are confronted by rapidly changing technology, evolving industry standards, consumer preferences, regulatory changes and the frequent introduction of new solutions by our competitors to which we must adapt and address. We need to continuously update our platform and the technology in which we invest and develop, including our machine learning, generative artificial intelligence and other proprietary algorithms, to attract publishers and advertisers and stay ahead of changes in technology, evolving industry standards and regulatory requirements. Our platform is complex and new solutions can require a significant investment of time and resources to develop, test, introduce, enhance, and maintain. These activities can take longer than we expect and we may not make the right decisions regarding our pursuit of these investments. New formats and channels, such as mobile header bidding and CTV, present unique challenges and our success in new formats and channels depends upon our ability to integrate them with our platform. If our mobile and video solutions, or our CTV solutions, are not widely adopted by advertisers and publishers, we may not retain advertisers and publishers. In addition, new demands from advertisers or publishers, superior offerings by competitors, changes in technology, or new industry standards or regulatory requirements could render our platform or our existing solutions less effective and require us to make unanticipated changes to our platform or business model. Furthermore, our focus on our end-to-end platform may decrease our responsiveness and agility to respond to changes or innovations specific to either our DSP or SSP solutions. Our failure to adapt to a rapidly changing market, anticipate changing demand, or attract and retain advertisers or publishers would cause our revenue or revenue growth rate to decline and adversely affect our business, results of operations and financial condition.

Significant parts of our business depend on relationships with data providers for data sets used to deliver targeted campaigns.

Our ability to deliver targeted advertising campaigns depends on our ability to acquire effective data sets, which we do through a combination of proprietary data sets as well as data sets that we purchase from third parties. If any third-party data providers decide not to make data sets available to us, decide to increase their price or place significant restrictions on the use of their data, we may not be able to replace this with our own proprietary data sets or those of other third-party providers that satisfy our requirements in a timely and cost-effective manner. In addition, some data set providers in the industry may enter into exclusivity arrangements with our competitors, which could limit our access to a meaningful supply of data and give them a competitive advantage. Any limitations on access to these third-party data sets could impair our ability to deliver effective solutions, which could adversely affect our business, results of operations and financial condition.

Our business depends on access to data, and limitations on its collection, use, or disclosure could materially harm our business.

As part of our platform, we process large volumes of data about advertising transactions, such as consumer, advertiser, and publisher preferences, ad placement, size and format, pricing, bid response, and auction outcomes. We also collect automatic content recognition (“ACR”) data that, while not identifying the individual, includes device characteristics, online browsing behavior, exposure to and interaction with advertisements, and inferential data about purchase intentions and preferences. This data is collected through our systems, pixels on publisher websites, software development kits in mobile apps and smart TVs, cookies, and other tracking technologies. Publishers, advertisers, and third-party data providers may also supply proprietary data to us.

We aggregate and analyze this data to enhance our services, improve ad pricing, placement, and delivery, and provide real-time analytics to our publishers and advertisers. Our ability to collect, use, and share this data is critical to effectiveness and value of our solutions.

However, there are technical, operational, and regulatory challenges that could limit our ability to collect or use this data. Browser and operating system changes, such as restrictions on cookies or mobile and CTV tracking, consumer opt-out tools, and publisher-imposed limits may reduce the amount or quality of data we can collect. Regulatory frameworks, including the European Union’s General Data Protection Regulation (“GDPR”), the California Consumer Privacy Act and California Privacy Rights Act (“CCPA/CPRA”), and other privacy laws globally, may impose restrictions on data collection, storage, aggregation, or use. Regulatory investigations, enforcement actions, and evolving standards in the advertising technology (“AdTech”) industry may require us to modify how we collect or use data or incur substantial costs to comply. For example, privacy frameworks such as the Interactive Advertising Bureau’s Transparency and Consent Framework (“TCF”) have been subject to scrutiny by European regulators, and the rules governing user consent for behavioral advertising continue to evolve. The application of similar consent standards to mobile and CTV ecosystems remains uncertain, and limited adoption of standardized consent mechanisms could reduce the data we can access and use in these channels.

Additionally, publishers and advertisers may place restrictions on the data we collect or use, either due to legal requirements or business considerations. Existing or new partners could limit our access to their data or determine that they cannot provide data in compliance with applicable privacy laws.

Any restrictions, limitations, or changes in technology, consumer behavior, publisher permissions, or regulations that reduce the availability or usefulness of data could impair our ability to deliver effective advertising solutions. This could materially and adversely affect our business, results of operations, and financial condition.

Restrictions on cookies, mobile device IDs, CTV tracking, or other technologies could reduce the effectiveness of our platform and materially harm our business.

Our platform relies on tracking technologies, including cookies, mobile device identifiers, CTV data collection, and other methods, to collect data that enables advertisers to make more informed decisions about bidding, pricing, and placement of advertising. These technologies do not identify consumers directly but provide information such as when a consumer views or clicks on an advertisement, uses a mobile app, or interacts with content on a smart TV, as well as device characteristics, location, and browser information. Publishers, advertisers, and data partners may also provide us with proprietary data or allow the use of their tracking technologies.

Recent and ongoing changes in technology, privacy regulations, and consumer behavior may limit our ability to use these tracking technologies effectively. For example:

- Web browsers and operating systems, such as Safari, iOS, and Chrome, are restricting the use of third-party cookies and mobile device identifiers.
- CTV and over-the-top platforms are increasingly limiting access to device-level identifiers and tracking mechanisms, and industry standards for consent and data use are still evolving.
- Privacy laws and regulations, including GDPR in the European Union, CCPA/CPRA in California, and other U.S. state and global privacy frameworks, require user consent, impose opt-out rights, and may limit the use or sharing of tracking data.

If these tracking technologies are restricted, and widely adopted alternatives are not available, our platform could lose insight into consumer activity, making advertising less precise and reducing the value of advertising placements. This could adversely affect our reporting capabilities, the effectiveness of advertising campaigns, and our revenue.

We may attempt to develop or adopt alternative methods, such as first-party data collection, probabilistic modeling, or contextual advertising, but these solutions may be time-consuming, costly, less effective, or subject to additional regulatory requirements. Any limitations on the use of cookies, mobile device IDs, CTV tracking, or other tracking technologies could materially and adversely affect our business, results of operations, and financial condition.

If we fail to meet content, inventory, and brand safety standards or maintain the trust of advertisers and publishers, our reputation and business could be harmed.

We generally do not create or control the content of advertisements or the content of the digital media inventory made available through our platform. Advertisers are responsible for the advertising content they provide, and publishers are responsible for the content of the inventory they offer. Both advertisers and publishers are highly sensitive to brand safety, content integrity and regulatory compliance associated with content they consider inappropriate, competitive, inconsistent with their brands, or illegal.

As a result, our reputation and the value of our platform depend, in part, on our ability to provide services that our advertisers and publishers trust and to comply with contractual content and inventory standards. We use third party tools and other processes to review and monitor the inventory provided by publishers to ensure compliance with our standards. However, these tools, have inherent limitations and may not always identify or prevent inventory placements that advertisers or publishers later determine to be unacceptable.

We seek to contractually prohibit misuse of our platform by agencies (and their advertiser customers) and by publishers, but we may not always be successful in achieving comprehensive protection or enforcing compliance. Despite these efforts, advertisers may inadvertently purchase inventory that they consider unsuitable for their cases, we may not be able to collect revenue from advertisers or recover amounts already paid to publishers, which could adversely affect our results of operations.

In addition, standards regarding what advertisers or publishers consider offensive, objectionable or inappropriate are constantly evolving and may vary across geographies, industries and individual customers. Our contractual arrangements and technical controls may not fully anticipate or reflect these changing expectations. Advertisers may also intentionally run campaigns that do not comply with publisher standards, attempt to use targeting practices that are illegal, unethical, or noncompliant, or seek to place advertising in jurisdictions where such advertising is restricted or where the regulatory environment is uncertain. If this occurs, publishers may limit or withdraw inventory from our platform, which could reduce available supply, damage our reputation, and adversely affect our business, operating results and financial condition.

Our success depends on our ability to grow rapidly and manage that growth effectively; failure to do so could harm our business and reduce shareholder value.

The advertising technology market is highly dynamic and competitive, and our long-term success depends on continued adoption of programmatic advertising and our ability to develop and deploy innovative technologies and solutions that address the evolving needs of advertisers and digital media property owners. To compete effectively with larger, better-capitalized competitors, we believe we must grow our business and achieve greater scale and market reach. Our ability to achieve this growth depends in significant part on the quality of our strategic vision, planning, and execution. The advertising market is evolving rapidly, and strategic decisions regarding product development, technology investments, market positioning, partnerships and acquisitions involve significant risks. If we make incorrect or untimely strategic decisions, we could lose our competitive position, customer confidence or market share, and we may not be able to recover and achieve our objectives. Sustained growth also requires access to capital and our ability to deploy capital efficiently. We must continue to invest in hiring and retaining skilled personnel, expanding and maintaining the infrastructure required to operate our platform, acquiring or integrating complementary businesses or technologies, and developing scalable sales, marketing, finance, administrative and management functions. Rapid growth, or efforts to grow, may place significant strain on our operational, financial and managerial resources and may expose weaknesses in our systems, processes and controls. If we are not able to grow at the pace we anticipate, manage growth effectively, or continue to innovate in response to market changes, the value of our business could decline and our business, results of operations and financial condition could be adversely affected.

Industry consolidation and increased competition could harm our business.

The advertising technology market is highly competitive and is undergoing significant consolidation. Larger competitors are increasingly acquiring smaller companies, expanding their product offerings, and integrating services across the value chain. The consolidation has increased, and may further increase, pricing pressure on us, as larger competitors are able to offer bundled solutions, leverage their scale, and negotiate more favorable terms with advertisers and publishers than we can.

Consolidation may also strengthen relationships between large advertisers, publishers, and dominant advertising technology platforms, making it more difficult for us to retain existing customers or attract new ones. As competitors grow in scale, they may gain greater control over critical data, advanced AI-driven targeting capabilities, or proprietary ad-serving technologies, which could place us at a competitive disadvantage.

In addition, increased competition from large, integrated players may create barriers to entry or expansion. These competitors may have greater financial resources, broader customer bases, and more comprehensive product offerings, which could limit our ability to enter new markets, invest in product innovation, or expand our services. If we are unable to compete effectively in this increasingly consolidated market, our revenues, growth prospects, and profitability could be materially adversely affected.

The market for programmatic buying for advertising campaigns is evolving. If this market develops slower or differently than we expect, our business, operating results and financial condition could be adversely affected.

We derive revenue from programmatic advertising on our end-to-end platform. We expect that programmatic advertising will continue to be our primary source of revenue for the foreseeable future and that our revenue growth will largely depend on increasing our customers' usage of our platform. While the market for programmatic advertising for desktop and mobile is relatively established, the market in other channels is still emerging, and our current and potential customers may not shift quickly enough to programmatic advertising from other buying methods, which would reduce our growth potential. If the market for programmatic advertising deteriorates or develops more slowly than we expect, it could reduce demand for our platform and our business, growth prospects and financial condition could be adversely affected.

Failure to maintain platform integrity, prevent fraud or adapt to changing consumer behavior could harm our business, reputation, and operating results.

Our business depends on the trust of advertisers, publishers, and consumers, as well as the effective operation of our platform. If we fail to maintain platform integrity, prevent fraud or respond effectively to changes in consumer behavior and technology, our business, results of operations and financial condition could be adversely affected.

We may be subject to fraudulent, deceptive or malicious activities by individuals or organizations seeking to misuse our platform, including attempts to inflate or divert advertising spend, generate fraudulent impressions or clicks, distribute malware, or compromise the systems or devices of publishers or consumers. We use proprietary technology, third-party tools and industry collaboration to detect and mitigate click fraud, malware and other malicious activity, but these measures are not foolproof. Preventing fraud is an industry-wide challenge that requires constant vigilance, and we cannot guarantee that we will be successful in all cases. Any failure to detect or prevent such activity could damage our reputation, reduce advertiser or publisher confidence, result in the loss of business, or expose us to legal claims or liability.

Our advertisers and publishers expect advertisements and inventory served through our platform to meet evolving standards related to brand safety, content appropriateness, legality, and quality. Although we use third-party tools and contractual provisions designed to enforce content and inventory standards, these tools have limitations, and we do not independently verify all advertising or publisher content. If advertisers inadvertently purchase inventory, they consider unacceptable, or if publishers believe advertising served through our platform violates their standards or applicable laws, they may reduce or terminate their use of our services, and we may be unable to collect revenue or recoup payments made to publishers.

In addition, consumers increasingly use technologies that limit the collection and use of data or the delivery of digital advertising, including cookie blocking or deletion, browser and operating system privacy controls, opt-out mechanisms, subscription-based ad-free services and ad-blocking software. Major browsers, mobile operating systems, and platforms continue to restrict third-party tracking and access to device identifiers, which may reduce the effectiveness of interest-based advertising. Because our platform relies in part on third-party data, these developments could disproportionately impact our ability to deliver targeted advertising compared to competitors with large first-party data assets. If the use of ad-blocking, opt-out or privacy-enhancing technologies continues to grow, the value and effectiveness of digital advertising could decline, adversely affecting demand for our platform.

We take steps to mitigate these risks by monitoring our platform for fraud and malware, working with advertisers and publishers to uphold content and inventory standards, and adapting our technology and practices in response to evolving privacy, regulatory and consumer expectations. However, these efforts may not fully prevent the risks described above, and any failure to maintain trust in our platform could materially harm our business, operating results, and financial condition.

We must scale our platform infrastructure to support anticipated growth and transaction volume. If we fail to do so, we may limit our ability to process inventory and we may lose revenue.

Our business depends on processing inventory in milliseconds, and we must handle an increasingly large volume of such transactions. The addition of new solutions, such as header bidding in mobile and CTV formats, support of evolving advertising formats, handling and use of increasing amounts of data, and overall growth in impressions place growing demands upon our platform infrastructure. If we are unable to grow our platform to support substantial increases in the number of transactions and in the amount of data we process, on a high-performance, cost-effective basis, our business, results of operations and financial condition could be adversely affected.

Disruptions to service from our third-party data center hosting facilities and cloud computing and hosting providers could impair the delivery of our services and harm our business.

A significant portion of our business relies upon hardware and services that are hosted, managed and controlled by third-party co-location providers for our data centers, and we are dependent on these third parties to provide continuous power, cooling, Internet connectivity and physical and technological security for our servers. In the event that these third-party providers experience any interruption in operations or cease business for any reason, or if we are unable to agree on satisfactory terms for continued hosting relationships, we would be forced to use other service providers or assume some hosting responsibilities ourselves which may come at a significant cost. Even a disruption as brief as a few minutes could have a negative impact on marketplace activities and could result in a loss of revenue. These facilities may be located in areas prone to natural disasters and may experience catastrophic events such as earthquakes, fires, floods, power loss, telecommunications failures, acts of war or terrorism, public health crises, such as the COVID-19 pandemic, and similar events. They may also be subject to break-ins, sabotage, intentional acts of vandalism, cyber-attacks and similar misconduct. Such events could cause damage to, or failure of, our systems generally, or those of the third-party cloud computing and hosting providers, which could result in disruptions to our service and adversely affect our business.

We face potential liability and harm to our business based on the human factor of inputting information into our platform.

We, or our customers, set up campaigns on our platform using a number of available variables. While our platform includes several checks and balances, it is possible for human error to result in significant over-spending. We offer a number of protections such as daily or overall spending caps, but despite these protections, the ability for overspend exists. For example, campaigns which last for a period of time can be set to pace evenly or as quickly as possible. If a customer with a high credit limit enters an incorrect daily cap with a campaign set to a rapid pace, it is possible for a campaign to accidentally go significantly over budget. While our customer contracts state that customers are responsible for media purchased through our platform, we are ultimately responsible for paying the inventory providers and we may be unable to collect when such issues occur.

We are subject to cybersecurity risks, including impersonation and fraud schemes that exploit our brand, and any significant failure or breach of our systems, or those of our third party vendors, could harm our business.

Our business depends on the secure and reliable operation of our information technology systems and those of our third-party vendors and service providers. We face ongoing cybersecurity risks, including unauthorized access, service disruptions, malware, ransomware, phishing, social engineering, and other cyber-enabled fraud.

We have also addressed incidents involving typo-squatting and brand impersonation, in which third parties used domains or digital assets similar to our name or branding. In certain instances, fraudsters misused our brand and logo in connection with “optimizer” scams intended to falsely represent that individuals were being recruited to work for us, when they were not interacting with the Company or any authorized representative. These activities did not involve unauthorized access to our core platform or customer systems, but could harm our reputation and require ongoing monitoring and enforcement efforts.

In July 2024, we experienced a cybersecurity incident in which unauthorized individuals gained access to certain systems. While we detected and contained the incident promptly, we cannot guarantee that similar incidents will not occur in the future, or that any new incidents would not have a more severe impact. Although the investigation confirmed that no customer data or financial information was compromised, we recognize the possibility that although not material, at the time, IT systems information may have been exposed. As of the date of this filing, we estimate the direct costs of responding to and remediating the cybersecurity incident to be minimal.

Cybersecurity incidents put us at risk for interruptions, outages and breaches of: operational systems, including business, financial, accounting, product development, data processing, and production processes, owned by us or our third-party vendors or suppliers; facility security systems, owned by us or our third-party vendors or suppliers; in-product technology owned by us or our third-party vendors or suppliers; the integrated software in our solutions; or personal data that we process or our third-party vendors or suppliers process on our behalf. Such cyber incidents could materially disrupt operational systems; result in loss of intellectual property, trade secrets or other proprietary or competitively sensitive information; compromise certain information of customers, employees, suppliers, drivers or others; jeopardize the security of our facilities; or affect the performance of in-product technology and the integrated software solutions. A cyber incident could be caused by disasters, insiders (through inadvertence or with malicious intent) or malicious third parties (including nation-states or nation-state supported actors) using sophisticated, targeted methods to circumvent firewalls, encryption and other security defenses, including hacking, fraud, trickery or other forms of deception. The techniques used by cyber attackers change frequently and may be difficult to detect for long periods of time. Although we maintain information technology measures designed to protect us against intellectual property theft, data breaches and other cyber incidents, such measures require constant updates and improvements, and we cannot guarantee that such measures will be adequate to detect, prevent or mitigate cyber incidents. The implementation, maintenance, segregation and improvement of these systems requires significant management time, support and cost. Moreover, there are inherent risks associated with developing, improving, expanding and updating current systems, including the disruption of our data management, procurement, production execution, finance, supply chain and sales and service processes. These risks may affect our ability to manage our data and inventory, procure parts or supplies or produce, sell, deliver and service our solutions, adequately protect our intellectual property or achieve and maintain compliance with, or realize available benefits under, applicable laws, regulations and contracts. We cannot be sure that the systems upon which we rely, including those of our third-party vendors or suppliers, will be effectively implemented, maintained or expanded as planned. If we do not successfully implement, maintain or expand these systems as planned, our operations may be disrupted, our ability to accurately and timely report our financial results could be impaired, and deficiencies may arise in our internal controls over financial reporting, which may impact our ability to certify our financial results. Moreover, our proprietary information or intellectual property could be compromised or misappropriated, and our reputation may be adversely affected. If these systems do not operate as we expect them to, we may be required to expend significant resources to make corrections or find alternative sources for performing these functions.

A significant cyber incident could impact production capability, harm our reputation, cause us to breach our contracts with other parties or subject us to regulatory actions or litigation, any of which could materially affect our business, prospects, financial condition and operating results. In addition, our insurance coverage for cyber-attacks may not be sufficient to cover all the losses we may experience as a result of a cyber incident. Any problems with our third-party cloud hosting providers, whether due to cyber security failures or other causes, could result in lengthy interruptions in our business.

Any failure to protect our intellectual property rights could negatively impact our business.

We regard the protection of our intellectual property, which includes trade secrets, copyrights, trademarks and domain names, as critical to our success. We rely on a combination of patent, trademark, copyright, trade secret laws, confidentiality procedures and contractual provisions to protect our proprietary methods and technologies, and own more than 50 patents. We generally enter into confidentiality and invention assignment agreements with our employees and contractors, and confidentiality agreements with parties with whom we conduct business in order to limit access to, and disclosure and use of, our proprietary information. However, we may not be successful in executing these agreements with every party who has access to our confidential information or contributes to the development of our intellectual property. Those agreements that we do execute may be breached, and we may not have adequate remedies for any such breach. These contractual arrangements and the other steps we have taken to protect our intellectual property may not prevent the misappropriation of our intellectual property or deter independent development of similar intellectual property by others. Breaches of the security of our solutions, databases or other resources could expose us to a risk of loss or unauthorized disclosure of information collected, stored or transmitted for, or on behalf of, advertisers or publishers, or of cookies, data stored in cookies, other user information or other proprietary or confidential information.

In addition, we register certain domain names, trademarks and service marks in the United States and in certain locations outside the United States. We also rely upon common law protection for certain marks. Any of our patents, trademarks or other intellectual property rights may be challenged by others or invalidated through administrative process or litigation. We recently rebranded our Company's various businesses under the name "Nexxen" and associated Nexxen logo, in order to further promote our unified service and product offerings and Company has invested resources in its rebranding. Our competitors and others could attempt to capitalize on our brand recognition by using domain names or business names similar to ours. Domain names and trademarks similar to ours have been registered in the United States and elsewhere. We may be unable to prevent third parties from acquiring or using domain names and other trademarks that infringe on, are similar to, or otherwise decrease the value of our brands, trademarks or service marks. Effective trade secrets, copyright, trademark, domain name and patent protection are expensive to develop and maintain, both in terms of initial and ongoing registration requirements and the costs of defending our rights. We may be required to protect our intellectual property in an increasing number of jurisdictions, a process that is expensive and may not be successful or which we may not pursue in every location. We may, over time, increase our investment in protecting our intellectual property through additional filings that could be expensive and time-consuming.

Risks Relating to the Market in Which We Operate

Reliance on non-proprietary technology, software, products, and services could harm our business.

We rely on third-party or open-source technology, software, products, and data to support critical functions of our platform, including delivering targeted advertising campaigns. Our ability to obtain and maintain these resources on commercially reasonable terms is essential to our operations. If these technologies, products, or data sets become unavailable, fail to perform as expected or are subject to terms we cannot accept, we could experience service disruptions, errors, or higher costs. Negotiating and integrating third-party technology can be complex, costly and time-consuming matters, and may require upfront commitments or ongoing fees. Any failure by a third-party provider to maintain, support, secure, or provide their technology or data could materially affect our platform, administrative processes, or other aspects of our business. Changes in costs or availability of these services could force us to find alternatives, which may cause delays, outages, or difficulties in delivering our services.

Our revenue and results of operations are highly dependent on the overall demand for advertising. Factors that affect the amount of advertising spending, such as economic downturns, inflation, supply constraints, geopolitical issues, evolving U.S. and global trade dynamics (including tariffs), and pandemics, can make it difficult to predict our revenue and could adversely affect our business, results of operations and financial condition.

Our business depends on the overall demand for advertising and on the economic health of our current and prospective advertisers. Advertisers have been impacted by challenging and evolving macroeconomic conditions, in some instances creating headwinds related to inflation, high interest rates, evolving U.S. and global trade dynamics (including tariffs), and global supply chain constraints. Our business has been and may be impacted in the future by several factors including international hostilities (such as the United States-Israel-Iran war, and the war and hostilities involving Israel, Hamas, Hezbollah, and Yemen, and the Russia-Ukraine war), inflation, interest rate fluctuations, evolving U.S. and global trade dynamics (including tariffs), pandemics and the resulting economic uncertainty in the United States and global economies. Many advertisers have also suffered and continue to do so as a result of economic downturn, inflation, interest rates, evolving U.S. and global trade policies (including tariffs), and residual impacts from the COVID-19 pandemic, including global supply chain constraints which materially impacted certain verticals. Many marketing budgets decreased their advertising spending as a response to the economic uncertainty and decline in business activity due to macroeconomic conditions which have, and may continue to have, a negative impact on our revenue and results of operations. Macroeconomic factors and uncertainty could cause advertisers to reduce their advertising budgets, and may include the following:

- adverse economic conditions, rising inflation and interest rates, and general uncertainty about an economic downturn, particularly in North America where we do most of our business including recession and depression concerns;
- instability in political or market conditions generally;
- changes in the pricing policies of publishers and competitors;
- any changes in tax treatment of advertising expenses and the deductibility thereof;
- the seasonal nature of advertising spend on digital advertising campaigns;
- changes and uncertainty in the regulatory and business environment (for example, when Apple or Google change policies for their browsers and operating systems);
- geopolitical hostilities and uncertainty within the U.S. and global political landscape which might create challenges for customers and impact advertising activities; and
- evolving U.S. and global trade dynamics (including tariffs).

Reductions in overall advertising spending as a result of these factors could make it difficult to predict our revenue and could adversely affect our business, results of operations, and financial condition.

Our global operations expose us to risks beyond our control, which could adversely affect our financial results.

We operate in 180 countries and territories, and our business is exposed to a variety of risks that are largely outside of our control. These include political unrest and regional hostilities, such as the United States-Israel-Iran war and the war and hostilities involving Israel, Hamas, Hezbollah, and Yemen, the Russia-Ukraine war, and rising tensions between China and Taiwan, as well as strikes, civil unrest, and other political events. Other factors beyond our control include natural disasters, severe weather, climate change, pandemics, or global health emergencies, disruptions to infrastructure or utilities, cyberattacks, acts of war or terrorism, and other unforeseen events. Although we cannot predict the timing or impact of such events, they could materially disrupt our operations, damage our reputation, and adversely affect our business, results of operations, and financial condition.

Health epidemics, pandemics, and other infectious disease outbreaks could adversely affect our business.

Our business and operations have been, and could in the future be adversely affected by health epidemics, pandemics, and other infectious disease outbreaks, such as the global COVID-19 pandemic.

Economic disruptions caused by such events, such as recessions, inflation, or other sustained market instability, can materially impact our customers' and potential customers' ability or willingness to spend on advertising. Because we are typically required to pay advertising inventory and data suppliers within a negotiated period of time, regardless of whether our customers pay us on time, or at all, we may not be able to renegotiate better terms. As a result, our financial condition and results of operations may be adversely impacted if the business or financial condition of advertisers and marketers is negatively affected by an infectious disease. Our business depends on the overall demand for advertising and on the economic health of advertisers and publishers that benefit from our platform. As seen during the COVID-19 pandemic, economic uncertainty or downturns can lead advertisers to reduce or pause their advertising budgets, which could decrease usage of our platform and materially harm our business, operating results and financial condition.

There are risks related to the use and development of Generative Artificial Intelligence ("AI")

The increasing adoption and regulatory scrutiny of generative AI technologies may present risks that could materially impact our business, operations, and reputation. We currently utilize or may in the future integrate generative AI technologies into certain aspects of our business, including product development, customer service, content creation, and operational efficiencies. While generative AI offers significant potential benefits, it also presents several risks including compliance with laws and regulations, intellectual property and legal liability concerns, data privacy and security risks, and ethical issues, bias, or misinformation that could arise from AI outputs. If we are unable to effectively manage these risks, our business operations, regulatory compliance, financial results, and reputation may be materially harmed.

Any decrease in the use of the advertising or publishing channels that we primarily depend on, or failure to expand into emerging channels, could adversely affect our business, results of operations and financial condition.

The future growth of our business could be constrained by the level of acceptance and expansion of emerging channels, as well as the continued use and growth of existing channels in which our capabilities are more established. Our revenue growth may depend on our ability to expand within mobile and, in particular, CTV, and we have been, and are continuing to, enhance such channels. We may not be able to accurately predict changes in overall advertiser demand for the channels in which we operate and cannot assure you that our investment in formats will correspond to any such trends. For example, we cannot predict whether the growth in demand for our CTV offering will continue. Any decrease in the use of existing channels, whether due to advertisers or publishers losing confidence in the value or effectiveness of such channels, regulatory restrictions or other causes, or any inability to further penetrate CTV or enter new and emerging advertising channels, could adversely affect our business, results of operations, and financial condition.

If CTV advertising develops in ways that limit the delivery of ads to viewers, our business, results of operations and financial condition could be adversely affected.

While online video advertising has grown rapidly, programmatic solutions for CTV are still relatively new compared to desktop and mobile video advertising. Many CTV publishers with cable or broadcast television backgrounds may have limited experience with digital advertising, and in particular programmatic advertising. For these publishers, it is extremely important to protect the quality of the viewer experience to maintain brand goodwill and ensure that online advertising efforts do not create sales channel conflicts or otherwise detract from their direct sales force. In this regard, programmatic advertising presents a number of potential challenges, including the ability to ensure that ads are brand safe, comply with business rules around competitive separation, are not overly repetitive, are played at the appropriate volume and do not cause delays in load-time of content. We believe that our platform is well-positioned to allow publishers the opportunity to achieve these goals and also reliably achieve “ad podding,” or the placement of the desired number of advertisements in commercial breaks. Although we have invested significant time and resources to build relationships with CTV publishers, establish best practices, and demonstrate the benefits of programmatic advertising, there is no assurance that CTV publishers will adopt these solutions at the pace we anticipate, or at all. If adoption is slower than expected, our business, results of operations, and financial condition could be materially affected.

The market in which we participate is intensely competitive, and we may not be able to compete successfully with our current or future competitors.

We operate in a highly competitive and rapidly changing industry. We expect competition to persist and intensify in the future, which could harm our ability to increase revenue, expand our market share, and maintain or increase profitability. New technologies and methods of buying advertising present a dynamic competitive challenge, as market participants develop and offer new products and services such as products and services utilizing generative artificial intelligence, analytics, and automated media buying and exchanges, aimed at capturing advertising spend or disrupting the digital marketing landscape. Further, our competitors have begun and will continue to offer similar products or services to those we currently offer, including our end-to-end platform, and our ability to compete effectively could be significantly compromised.

We may also face competition from new companies entering the market, including large established companies and companies that we do not yet know about or do not yet exist. For example, certain large, established DSPs within the industry have begun enacting supply path optimization (“SPO”) initiatives which could potentially reduce advertising spend on our platform or within the broader open internet. If existing or new companies develop, market or resell competitive high-value products or services that result in additional competition for advertising spend or advertising inventory, or if they acquire one of our existing competitors or form a strategic alliance with one of our competitors, our ability to compete effectively could be significantly compromised and our results of operations could be harmed.

Our current and potential competitors may have significantly more financial, technical, marketing and other resources than we have, which may allow them to devote greater resources to the development, promotion, sale and support of their products and services. They may also have more extensive advertiser bases and broader publisher relationships than we have and may be better positioned to execute on advertising conducted over certain channels, such as social media, mobile and video. Some of our competitors may have a longer operating history and greater name recognition. As a result, these competitors may be better able to respond quickly to new technologies, develop deeper advertiser relationships or offer services at lower prices. Any of these developments would make it more difficult for us to sell our platform and could result in increased pricing pressure, increased sales and marketing expense, or the loss of market share.

Seasonal fluctuations or market changes in advertising activity could have a material impact on our revenue, cash flow and operating results.

Our revenue, cash flow, operating results and other key operating and performance metrics may vary from quarter to quarter due to the seasonal nature of our customers' spending on advertising campaigns. For example, in prior years, customers tended to devote more of their advertising budgets to the fourth calendar quarter to coincide with consumer holiday spending. In contrast, the first quarter of the calendar year has typically been the weakest in terms of advertising spend. Political advertising could also cause our revenue to increase during election cycles and decrease during other periods, making it difficult to predict our revenue, cash flow and operating results, all of which could fall below our expectations. In addition, adverse economic conditions, inflation, changes in foreign exchange rates or interest rates, evolving U.S. and global trade dynamics (including tariffs), or general economic uncertainty, may cause customers to decrease their advertising spend, which could adversely affect our revenue, cash flow and operating results.

If we do not effectively grow and train our sales and support teams, we may be unable to add new customers or increase usage of our platform by our existing customers, and our business will be adversely affected.

We are substantially dependent on our sales and support teams to obtain new customers and to increase usage of our platform by our existing customers. We believe that there is significant competition for sales personnel with the skills and technical knowledge that we require. Our ability to achieve revenue growth will depend, in large part, on our success in recruiting, training, integrating and retaining sufficient numbers of sales personnel to support our growth. Due to the complexity of our platform, a significant time lag exists between the hiring date of sales and support personnel and the time when they become fully productive. Our recent and planned hires may not become productive as quickly as we expect, and we may be unable to hire or retain sufficient numbers of qualified individuals in the markets where we do business or plan to do business. If we are unable to hire and train sufficient numbers of effective sales personnel, or the sales personnel are not successful in obtaining new customers or increasing our existing customers' spend with us, our business may be adversely affected.

Risks Relating to Global Operations Including Location in Israel and Our Employees

Our long-term success depends on our ability to operate internationally, making us susceptible to risks associated with cross-border sales and operations.

We serve advertisements in 180 countries and maintain offices in North America, Europe, Asia and Australia. Our expansive global footprint subjects us to a variety of risks and burdens, including:

- the need to localize our solutions, including product customizations and adaptation for local practices and regulatory requirements;
- lack of familiarity and burdens of ongoing compliance with local laws, legal standards, regulatory requirements, tariffs, customs formalities and other barriers, including restrictions on advertising practices, regulations governing online services, restrictions on importation or shipping of specified or proscribed items, importation quotas, shopper protection laws, enforcement of intellectual property rights, laws dealing with shopper and data protection, privacy, encryption, denied parties and sanctions, and restrictions on pricing or discounts;
- heightened exposure to fraud;
- legal uncertainty in foreign countries with less developed legal systems;
- unexpected changes in regulatory requirements, taxes, trade laws, tariffs, export quotas, custom duties or customs formalities, embargoes, exchange controls, government controls or other trade restrictions;
- differing technology standards;
- difficulties in managing and staffing international operations and differing employer/employee relationships;
- fluctuations in exchange rates that may increase our foreign exchange exposure.
- potentially adverse tax consequences, variations in tax policies among countries where we conduct business, including the complexities of foreign tax laws (including value added, withholding and digital services taxes) and restrictions on the repatriation of earnings;

- increased likelihood of potential or actual violations of domestic and international anti-money laundering laws and anticorruption laws, such as the U.S. Foreign Corrupt Practices Act of 1977, as amended (the “FCPA”) and the U.K. Bribery Act 2010 (the “U.K. Bribery Act”), which correlates with the scope of our sales and operations in foreign jurisdictions and operations in certain industries, such that an increase in such operations would increase risk of non-compliance with the aforementioned laws;
- uncertain political and economic climates in foreign markets, including potential for geopolitical hostilities and war;
- managing and staffing operations over a broader geographic area with varying cultural norms and customs;
- varying levels of Internet and mobile technology adoption and infrastructure;
- reduced or varied protection for intellectual property rights in some countries; and
- new and different sources of competition.

These factors may require significant management attention and financial resources. Any negative impact from our international business efforts could adversely affect our business, results of operations and financial condition.

We depend on our executive officers and other key employees, and the loss of one or more of these employees could harm our business.

Our success depends largely upon the continued services of our executive officers and other key employees. From time to time, there may be changes in our executive management team resulting from the hiring or departure of executives, which could disrupt our business. While we have some required notice periods with a limited number of executives, we do not, generally, have employment agreements with our executive officers or other key personnel that require them to continue to work for us for any specified period and, therefore, they could terminate their employment with us at any time subject only to the notice periods prescribed by their respective executive agreements. The loss of one or more of our executive officers or key employees could harm our business.

Inability to attract and retain other highly skilled employees could harm our business.

To execute our growth plan, we must attract and retain highly qualified personnel. Competition where we maintain offices is intense, especially for engineers experienced in designing and developing software and experienced sales professionals. We have from time to time experienced, and we expect to continue to experience, difficulty in hiring and retaining employees with appropriate qualifications. Many of the companies with which we compete for experienced personnel have greater resources than we have and may attempt to recruit our highly skilled employees. In addition, certain domestic immigration laws restrict or limit our ability to recruit internationally. Any changes to Israeli, United Kingdom, European or U.S. immigration policies that restrain the flow of technical and professional talent may inhibit our ability to recruit and retain highly qualified employees. In addition, job candidates and existing employees often consider the value of the equity awards they receive in connection with their employment. If the perceived value of our equity awards declines, it may harm our ability to recruit and retain highly skilled employees.

Volatility or lack of appreciation in the price of our Shares may also affect our ability to attract and retain our key employees. Many of our senior personnel and other key employees have become, or will soon become, vested in a substantial amount of restricted stock units (“RSUs”) and performance share units (“PSUs”). Employees may be more likely to leave us if the shares they own or the shares underlying their RSUs or PSUs have significantly decreased in value relative to the original purchase price of the shares.

The impact of political, economic and military conditions in Israel, and surrounding regions, could materially and adversely affect our business.

We are incorporated under Israeli law and our principal executive offices are located in Israel. Many of our employees, including certain management members, operate from our offices located in Tel Aviv, Israel. In addition, several of our officers and one of our directors, including our Chief Executive Officer and Chief Financial Officer, are residents of Israel. Accordingly, political, economic, and military conditions in Israel and the surrounding regions may directly affect our business and operations.

In October 2023, Hamas terrorists infiltrated Israel’s southern border from the Gaza Strip and conducted a series of attacks on civilian and military targets. Following the attacks, Israel declared war against Hamas and a military campaign against the terrorist organization commenced by the Israel Defense Force (“IDF”). In addition, Hezbollah has also launched attacks against Israeli military sites and troops, and against Israeli towns, and in response to these attacks, the IDF carried out a military operation in Lebanon, including raids on territories controlled by Hezbollah in Southern Lebanon and strikes on sites belonging to Hezbollah in Lebanon. On a separate border, Israel was required to take limited preemptive military actions in Southern Syria in light of the fall of the Assad regime and the takeover of Syria by the Syrian rebels.

Further, Israel faces threats from more distant neighbors, in particular, Iran which conducted missile attacks on Israel in 2024 and 2025, has targeted cyber-attacks against Israeli entities and may be developing nuclear weapons; and the Houthi movement, which controls parts of Yemen and launched, among others, a number of attacks on Israel and marine vessels traversing the Red Sea. The Red Sea is a vital maritime route for international trade traveling to and from Israel. As a result of such disruptions, we may experience in the future delays in supplier deliveries, extended lead times, and increased cost of freight, increased insurance costs, increased purchased materials and manufacturing labor costs. The risk of ongoing supply disruptions may have adverse impact on economic conditions in Israel.

Further, many Israeli citizens are obligated to perform up to several weeks of annual military reserve duty each year. Our operations could be disrupted by such call-ups, which may include the call-up of members of our management. During the war and hostilities in Israel, the IDF has called up hundreds of thousands of its reserve forces to serve. A number of our Israeli team employees and their family members are subject to military service in the IDF and many of them were called to serve. Such disruption could materially and adversely affect our business, prospects, financial condition, and results of operations.

On February 28, 2026, Israel and the United States launched a joint attack on Iran, targeting key officials, military commanders and facilities, including the assassination of the Iran's Supreme Leader and other key officials and military commanders. Iran launched hundreds of ballistic missiles and drones against civilian targets in Israel and against U.S. military bases, civilian aviation facilities and other civilian targets in several countries in the Persian Gulf.

Military activity and hostilities continue to exist at varying levels of intensity, and the situations remain volatile, with the potential for escalation into a broader regional conflict. We continue to monitor political and military developments closely and examine the consequences for our operations, assets and financial and operational results.

The intensity and duration of Israel's military endeavors on multiple fronts are difficult to predict, as are the economic implications of the foregoing on our business and operations in particular, and on Israel's economy in general. These events may be intertwined with wider macroeconomic indications of a deterioration of Israel's economic standing, that may involve an additional downgrade in Israel's credit rating by rating agencies (such as the downgrades by Moody's, S&P and Fitch Rating agencies of the credit rating of Israel), which may have a material adverse effect on our company and its ability to effectively conduct its operations.

Our commercial insurance does not cover losses that may occur as a result of events associated with war and terrorism. Although the Israeli government currently covers the reinstatement value of direct damages that are caused by terrorist attacks or acts of war, we cannot assure you that this government coverage will be maintained or that it will sufficiently cover our potential damages. Any losses or damages incurred by us could have a material adverse effect on our business. Any armed conflicts or political instability in the region would likely negatively affect business conditions and could harm our results of operations.

Further, the State of Israel and Israeli companies have been subjected to economic boycotts. Several countries still restrict business with the State of Israel and with Israeli companies. These restrictive laws and policies may have an adverse impact on our results of operations, financial condition or the expansion of our business. A campaign of boycotts, divestment, and sanctions has been undertaken against Israel, which could also adversely affect our business. Actual or perceived political instability in Israel or any negative changes in the political environment, may individually or in the aggregate adversely affect the Israeli economy and, in turn, our business, financial condition, results of operations, and prospects.

Finally, the current elected government in Israel is pursuing certain reforms to Israel's judicial system. Certain financial, legal and commercial organizations and entities have claimed that such changes, if adopted, could adversely affect the macroeconomic condition in which we operate. At this stage, the proposed legislation has not become effective, and its scope has not been fully determined; we cannot assess the potential impacts of these changes and their likelihood on our business, prospects, financial condition, and results of operation.

Your rights and responsibilities as our shareholder will be governed by Israeli law, which may differ in some respects from the rights and responsibilities of shareholders of U.S. corporations.

We are incorporated under Israeli law. The rights and responsibilities of holders of our Shares are governed by our amended and restated articles of association and the Israeli Companies Law, 5759-1999 (the "Companies Law"). These rights and responsibilities differ in some respects from the rights and responsibilities of shareholders in typical U.S. corporations. In particular, pursuant to the Companies Law, each shareholder of an Israeli company has to act in good faith and in a customary manner in exercising his, her or its rights and fulfilling his, her or its obligations toward the Company and other shareholders and to refrain from abusing his, her or its power in the Company, including, among other things, in voting at the general meeting of shareholders, on amendments to a company's articles of association, increases in a company's authorized share capital, mergers and certain transactions requiring shareholders' approval under the Companies Law. In addition, a controlling shareholder of an Israeli company or a shareholder who knows that it possesses the power to determine the outcome of a shareholder vote or who has the power to appoint or prevent the appointment of a director or officer in the Company, or has other powers toward the Company, has a duty of fairness toward the Company. However, Israeli law does not define the substance of this duty of fairness. There is little case law available to assist in understanding the implications of these provisions that govern shareholder behavior.

Provisions of Israeli law and our amended and restated articles of association may delay, prevent, or make undesirable an acquisition of all or a significant portion of our Shares or assets.

Provisions of Israeli law and our amended and restated articles of association could have the effect of delaying or preventing a change in control and may make it more difficult for a third party to acquire us, or our shareholders to elect different individuals to our board of directors, even if doing so would be considered to be beneficial by some of our shareholders, and may limit the price that investors may be willing to pay in the future for our Shares. Among other things:

- Israeli corporate law regulates mergers and requires that a tender offer be effected when more than a specified percentage of shares in a company are purchased;
- Israeli corporate law requires special approvals for certain transactions involving directors, officers or significant shareholders and regulates other matters that may be relevant to these types of transactions;
- Israeli corporate law does not provide for shareholder action by written consent for public companies, thereby requiring all shareholder actions to be taken at a general meeting of shareholders;
- our amended and restated articles of association do not permit a director to be removed except by a vote of the holders of at least 65% of our outstanding shares entitled to vote at a general meeting of shareholders; and
- our amended and restated articles of association provide that director vacancies may be filled by our board of directors.

Furthermore, Israeli tax considerations may make potential transactions less appealing to us or to some of our shareholders whose country of residence does not have a tax treaty with Israel granting tax relief or exempting such shareholders from Israeli tax.

Our amended and restated articles of association provide that unless we consent to an alternate forum, the federal district courts of the United States shall be the exclusive forum for the resolution of any claims arising under the Securities Act of 1933, as amended (the “Securities Act”), which may limit the ability of our shareholders to initiate litigation against us or increase the cost thereof.

Our amended and restated articles of association provide that unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all such Securities Act actions, and accordingly, both state and federal courts have jurisdiction to entertain such claims. While the federal forum provision in our amended and restated articles of association does not restrict the ability of our shareholders to bring claims under the Securities Act, we recognize that it may limit shareholders’ ability to bring a claim in the judicial forum that they find favorable and may increase certain litigation costs, which may discourage the filing of claims under the Securities Act against the Company, its directors and officers. However, the enforceability of similar forum provisions (including exclusive federal forum provisions for actions, suits or proceedings asserting a cause of action arising under the Securities Act) in other companies’ organizational documents has been challenged in legal proceedings, and there is uncertainty as to whether courts would enforce the exclusive forum provisions in our amended and restated articles of association. If a court were to find the choice of forum provision contained in our amended and restated articles of association to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could materially adversely affect our business, financial condition, and results of operations. We note that investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder may have the effect of discouraging lawsuits against our directors and officers.

It may be difficult to enforce a U.S. judgment against us, our officers and directors in Israel or the United States, or to assert U.S. securities laws claims in Israel or serve process on our officers and directors.

Not all of our directors or officers are residents of the United States and most of their and our assets are located outside the United States. Service of process upon us or our non-U.S. resident directors and officers and enforcement of judgments obtained in the United States against us or our non-U.S. directors and executive officers may be difficult to obtain within the United States. We have been informed by our legal counsel in Israel that it may be difficult to assert claims under U.S. securities laws in original actions instituted in Israel or obtain a judgment based on the civil liability provisions of U.S. federal securities laws. Israeli courts may refuse to hear a claim based on a violation of U.S. securities laws against us or our non-U.S. officers and directors because Israel may not be the most appropriate forum to bring such a claim. In addition, even if an Israeli court agrees to hear a claim, it may determine that Israeli law and not U.S. law is applicable to the claim. If U.S. law is found to be applicable, the content of applicable U.S. law must be proved as a fact, which can be a time-consuming and costly process. Certain matters of procedure will also be governed by Israeli law. There is little binding case law in Israel addressing the matters described above. Israeli courts might not enforce judgments rendered outside Israel, which may make it difficult to collect on judgments rendered against us or our non-U.S. officers and directors.

Moreover, an Israeli court will not enforce a non-Israeli judgment if it was given in a state whose laws do not provide for the enforcement of judgments of Israeli courts (subject to exceptional cases), if its enforcement is likely to prejudice the sovereignty or security of the State of Israel, if it was obtained by fraud or in the absence of due process, if it is at variance with another valid judgment that was given in the same matter between the same parties, or if a suit in the same matter between the same parties was pending before a court or tribunal in Israel at the time the foreign action was brought.

Risks Relating to Our Financial Position

Our operating history makes it difficult to evaluate our business and prospects and may increase the risk associated with your investment.

Our business has evolved over time, including through several successful acquisitions such as our acquisitions of RhythmOne plc (“RhythmOne”) in 2019, Unruly Holdings Limited and Unruly Media, Inc. (collectively, “Unruly”) in 2020, SpearAd in 2021 and Amobee in 2022, such that our operating history makes it difficult to evaluate our current business and future prospects. As a result of such acquisitions, our financial results across different periods may not be directly comparable. We expect to face challenges, risks and difficulties frequently experienced by growing companies in rapidly developing industries, including those relating to:

- recruiting, integrating and retaining qualified and motivated employees, particularly engineers
- developing, maintaining and expanding relationships with publishers, agencies and advertisers;
- innovating and developing new solutions that are adopted by and meet the needs of publishers, agencies and advertisers;
- competing against companies with a larger customer base or greater financial or technical resources;
- global economic disruption and technological changes;
- further expanding our global footprint;
- managing expenses as we invest in our infrastructure and platform technology to scale our business and operate as a U.S. listed public company; and
- responding to evolving industry standards and government regulations that impact our business, particularly in the areas of data protection and consumer privacy.

If we are not successful in addressing these and other issues, our business may suffer, our revenue may decline and we may not be able to achieve further growth or sustain profitability.

We often have long sales cycles, which can result in significant time and investment between initial contact with a prospect and execution of an agreement with an advertiser or publisher, making it difficult to project when, if at all, we will obtain new advertisers or publishers, and when we will generate revenue from them.

Our sales cycle, from initial contact to contract execution and implementation, can take significant time. As part of our sales cycle, we may incur significant expenses before we generate any revenue from a prospective advertiser or publisher, if at all. We have no assurance that the substantial time and money spent on our sales efforts will generate significant revenue. If conditions in the marketplace, generally or with a specific prospective advertiser or publisher, change negatively, it is possible that we will be unable to recover any of these expenses. Our sales efforts involve educating advertisers and publishers about the use, technical capabilities and benefits of our platform. Some advertisers and publishers undertake an evaluation process that frequently involves not only our platform but also the offerings of our competitors. As a result, it is difficult to predict when we will obtain new advertisers or publishers and begin generating revenue from them. Even if our sales efforts result in obtaining a new advertiser or publisher, the advertiser or publisher controls when and to what extent it uses our platform and therefore the amount of revenue we generate, and it may not sufficiently justify the expenses incurred to acquire the advertiser or publisher and the related training support. As a result, we may not be able to add advertisers or publishers to our customer base, or generate revenue, as quickly as we may expect, which could harm our growth prospects.

We are subject to payment-related risks and, if our advertisers do not pay or dispute their invoices, our business, financial condition and operating results may be adversely affected.

Many of our contracts with advertising agencies provide that if the advertiser does not pay the agency, the agency is not liable to us, and we must seek payment solely from the advertiser, a type of arrangement called sequential liability. Contracting with these agencies, which in some cases have or may develop higher-risk credit profiles, may subject us to greater credit risk than if we were to contract directly with advertisers. This credit risk may vary depending on the nature of an advertising agency's aggregated advertiser base. We may also be involved in disputes with agencies and their marketers over the operation of our platform, the terms of our agreements or our billings for purchases made by them through our platform. When we are unable to collect or make adjustments to our bills to advertisers, we incur write-offs for bad debt, which could have a material adverse effect on our results of operations for the periods in which the write-offs occur. In the future, bad debt may exceed reserves for such contingencies and our bad debt exposure may increase over time. Any increase in write-offs for bad debt could have a materially negative effect on our business, operating results and financial condition.

Furthermore, we are generally contractually required to pay suppliers of advertising inventory and data within a negotiated period of time, regardless of whether our advertisers or publishers pay us on time, or at all. While we attempt to negotiate long payment periods with our suppliers and shorter periods with our advertisers and publishers, we are not always successful. As a result, our accounts payable are often due on shorter cycles than our accounts receivables, requiring us to remit payments from our own funds, and accept the risk of bad debt.

This payment process will increasingly consume working capital if we continue to be successful in growing our business. In addition, like many companies in our industry, we often experience slow payment by advertising agencies. In this regard, we had average days sales outstanding ("DSO") of 80 days and average days payable outstanding ("DPO") of 77 days for the year ended December 31, 2025. We compute our average DSO as of a given month end based on a weighted average of outstanding accounts receivable. Specifically, the DSO is calculated by dividing the average accounts receivable during a given period by the total value of billing revenue during the same period, and then multiplying the result by the number of days in the period being measured. We compute our DPO as of a given month end by dividing our trade payables (including accrued liabilities) by the average daily cost of media, data, other direct costs and certain operating expenses. Historically, our DSOs have fluctuated. If our DSOs increase significantly, and we are unable to borrow against these receivables on commercially acceptable terms, our working capital availability could be reduced, and as a consequence our results of operations and financial condition would be adversely impacted. We cannot assure you that as we continue to grow, our business will generate sufficient cash flow from operations to fund our working capital needs. If our cash flows are insufficient to fund our working capital requirements, we may not be able to grow at the rate we currently expect or at all.

Any future acquisitions or strategic investments could be difficult to integrate, divert the attention of management, and could disrupt our business, dilute shareholder value and adversely affect our business, results of operations and financial condition.

As part of our growth strategy, we have pursued strategic acquisitions, such as our acquisitions of RhythmOne in 2019, Unruly in 2020, SpearAd in 2021 and Amobee in 2022, and our investments in Hisense's V (formerly known as "VIDAA") platform in 2022 and 2025, and we may acquire or invest in other businesses, assets or technologies that are complementary to our business and align with our strategic goals. Any acquisition or investment may divert the attention of management and require us to use significant amounts of cash, issue dilutive equity securities or incur debt. In addition, the anticipated benefits of any acquisition or investment may not be realized, and we may be exposed to unknown risks, any of which could adversely affect our business, results of operations and financial condition, including risks arising from:

- difficulties in integrating the operations, technologies, product or service offerings, administrative systems and personnel of acquired businesses, especially if those businesses operate outside of our core competency or geographies in which we currently operate;
- ineffectiveness or incompatibility of acquired technologies or solutions;
- potential loss of key employees of the acquired business;
- inability to maintain key business relationships and reputation of the acquired business;
- diversion of management attention from other business concerns;
- litigation arising from the acquisition or the activities of the acquired business, including claims from excluded assets, terminated employees, customers, former shareholders or other third parties;
- assumption of contractual obligations that contain terms that are not beneficial to us, require us to license or waive intellectual property rights, or increase our risk of liability;
- complications in the integration of acquired businesses or diminished prospects;
- failure to generate the expected financial results and synergies related to an acquisition on a timely manner or at all;
- failure to realize returns on investments (such as our investment in V)
- failure to accurately forecast the impact of an acquisition transaction; and
- implementation or remediation of effective controls, procedures and policies for acquired businesses.

To fund future acquisitions, we may obtain additional debt financing, pay cash or issue additional Shares, which could dilute our shareholders' value or diminish our cash reserves. Borrowing to fund the Amobee acquisition resulted in increased fixed obligations and subjected us to covenants or other restrictions that can potentially limit the ability to run our business.

Our use of borrowings under our revolving credit facility could adversely affect our financial condition, liquidity, and ability to meet our obligations.

In September 2022, Nexxen Group US Holdings Inc. entered into a \$90 million senior secured term loan facility (the "Term Loan Facility") and a \$90 million senior secured revolving credit facility (the "Revolving Credit Facility"). We used the net proceeds of the Term Loan Facility and \$10 million of net proceeds of the Revolving Credit Facility to fund a portion of the purchase price of the Amobee acquisition in 2022. The loan period was 3 years from the date it was obtained. On April 9, 2024, the Company repaid its outstanding Term Loan Facility in full, together with its then outstanding Revolving Credit Facility borrowings, in the total amount of \$100 million. No early termination penalties were incurred. On May 29, 2025, the Company entered into a second amendment to the credit agreement (the "Second Amendment"), pursuant to which, among other things, the total committed Revolving Credit Facility was reduced from \$90 million to \$50 million and the maturity date of the Revolving Credit Facility was extended to September 2027. As of December 31, 2025, no amounts were outstanding under the Revolving Credit Facility.

We must pay a commitment fee on the undrawn amounts and we may draw upon from time to time to finance our operations, capital expenditures, or other corporate purposes. Our use of this Revolving Credit Facility presents several risks that could adversely impact our financial condition, liquidity, and ability to meet our obligations. First, increased borrowings under our Revolving Credit Facility could result in higher leverage, increasing our debt service obligations and reducing financial flexibility. As we draw down funds, our interest expense will rise, potentially reducing our profitability and ability to invest in growth initiatives. If interest rates increase, our cost of borrowing could rise significantly, particularly if our facility has variable interest rate provisions. Second, utilizing our Revolving Credit Facility may impact our liquidity and financial stability. If we fully utilize available credit and are unable to generate sufficient cash flow from operations, we may face liquidity constraints that could impair our ability to meet short-term obligations, repay debt, or fund necessary expenditures. Additionally, if we require further financing beyond our Revolving Credit Facility, there is no guarantee that additional funding will be available on favorable terms or at all. Third, our ability to borrow under the Revolving Credit Facility is subject to covenant compliance and lender discretion. Our credit agreement may impose financial covenants, including leverage ratios, interest coverage ratios, or other restrictions on our operations. If we fail to meet these covenants, we may be required to seek amendments or waivers from our lenders, which may not be granted. In the event of non-compliance, our lenders could accelerate repayment obligations, restrict further borrowing, or impose additional conditions, any of which could materially impact our financial position. Lastly, adverse market or economic conditions, changes in lender risk assessments, or broader disruptions in the credit markets could reduce our access to the Revolving Credit Facility. If our lenders become unwilling or unable to provide funding, we may not be able to draw down necessary funds when needed, which could negatively affect our operations and strategic initiatives.

If any of these risks materialize, our financial condition, cash flows, and ability to meet our obligations could be materially and adversely affected.

Risks Relating to Legal or Regulatory Constraints

We are subject to evolving laws, regulations, and publisher restrictions on political advertising, which could increase costs or reduce revenue.

We are subject to laws and regulations governing political advertising, including federal and state laws in the United States and national and provincial laws worldwide. These laws and regulations are evolving rapidly, and many platforms, including our publishers, may impose restrictions on receiving political advertising.

The lack of uniformity and increasing compliance requirements for political advertising, such as disclosure obligations, transparency standards, targeting restrictions, and reporting requirements, may increase our operating and compliance costs and expose us to potential regulatory liability. Changes in law or regulations, or publisher-imposed restrictions could also reduce the amount of political advertising placed through our platform, which could materially and adversely affect our business, results of operation, and financial condition.

Evolving privacy, data protection, and consumer protection laws and technical restrictions could increase costs, limit data, and harm our business.

We collect, store, process, and share data about consumers to operate our platform and deliver advertising services. Our data activities are subject to federal, state and foreign laws, regulations, industry standards, and contractual obligations. These rules are constantly evolving, and their interpretation, enforcement, and application remain uncertain.

U.S. Data Privacy and Consumer Protection Laws

In the United States, we are subject to laws and regulations such as the Federal Trade Commission Act, which prohibits “unfair” or “deceptive” practices, as well as federal and state privacy and consumer protection laws. California has enacted the California Consumer Privacy Act (“CCPA”) as amended by the California Privacy Rights Act (“CPRA”), which provide consumers with expanded rights to access, delete, and opt out of the sale or share of personal information and impose additional requirements on cross-context behavioral advertising. Similar privacy laws have been enacted in twenty states, including Colorado, Connecticut, Virginia, and Texas.

Failure to comply with U.S. laws and regulations, or changes in their interpretation, could increase compliance costs, limit access to data critical for advertising, reduce revenue, or expose us to regulatory enforcement, litigation, fines, or other penalties.

California Invasion of Privacy Act

In addition to consent and opt-out obligations under privacy and data protection laws, we face potential liability under the California Invasion of Privacy Act (“CIPA”). Plaintiffs have asserted that the use of third-party analytics, tracking technologies, cookies, and similar tools constitute “eavesdropping” or “wiretapping” under CIPA, even where such technologies are deployed to analyze consumer behavior or support advertising and marketing services. Because our platform processes data across publishers, advertisers, and consumer interactions using online tracking technologies to deliver targeted advertising, we may face CIPA claims. If CIPA claims are successfully asserted against us, we could incur material litigation costs, settlements or judgments, injunctive relief, reputational harm, and adverse impacts on our business operations.

EU, UK, and Other International Laws

In the European Economic Area (“EEA”) and the United Kingdom, we are subject to the General Data Protection Regulation (“GDPR”), UK GDPR, the ePrivacy Directive (as implemented in national laws, including the UK Privacy and Electronic Communications Regulations) and other local privacy and data protection laws. These laws impose strict requirements on the collection, processing, sharing, storage, and transfer of personal data, including obligations for transparency, data subject rights (e.g., access, deletion, and portability), breach notification, retention limits, and accountability.

In addition, the ePrivacy regime specifically regulates among other things the use of cookies and similar tracking technologies. In particular, it requires consent (subject to exceptions) for storing or accessing information on a user's device, such as through cookies, SDKs, pixels, and other tracking technologies, and imposes additional transparency and compliance obligations in relation to online tracking and behavioral advertising.

Violations of GDPR or UK GDPR can result in substantial fines, civil claims, regulatory investigations, enforcement orders, or reputational harm. Other jurisdictions, including Israel, Australia, Canada, and countries in Asia, are also strengthening privacy and data protection laws, which may impose additional compliance obligations, limit cross-border data transfers, or require data localization.

Technical and Industry Challenges

Technical changes by browsers, operating systems, mobile platforms, and CTV providers, such as restrictions on cookies, mobile device IDs, and tracking technologies, may reduce the data available to us and our advertisers. Changes in these technologies or standards could increase our costs to collect, process, or use data, or require development of less effective alternatives such as first-party or probabilistic data methods.

Self-regulatory bodies, such as the Digital Advertising Alliance, IAB, and others, impose additional requirements on data collection, usage, and disclosure. Violations of their standards could result in fines, enforcement referrals to regulatory authorities, or reputational harm.

Third-Party Dependencies

We rely on third parties, including service providers, publishers, and advertisers, to process and share data. Any failure by these parties to comply with legal or contractual obligations could expose us to liability or restrict our ability to use critical data.

Potential Impacts

Because our business depends on access to data for targeting, personalization, analytics, and advertising effectiveness, any change in applicable laws, regulations, regulatory guidance, interpretations, enforcement practices, industry standards, or technology could:

- increase compliance and operational costs;
- limit the data we can collect, use, or share, including through restrictions on tracking technologies or cross-border data transfers;
- restrict the effectiveness of our platform; or
- result in fines, enforcement actions, litigation, or reputational harm.

In the EEA, the GDPR is subject to ongoing evaluation, regulatory guidance, and potential legislative amendment, which may affect its interpretation and application. In the United Kingdom, legislation has been enacted amending aspects of the UK GDPR and related data protection laws, creating the potential for increasing divergence between the UK and EU regimes over time. While such reforms are not generally expected to impose materially more onerous obligations overall, they may alter compliance requirements, regulatory expectations, or enforcement approaches.

Evolving interpretations of concepts such as personal data, consent, legitimate interests, profiling, automated decision-making, and anonymization may further affect how we design and operate our products and services. Divergence between jurisdictions may also increase operational complexity and reduce the ability to implement uniform global compliance strategies.

As privacy and data protection laws continue to evolve worldwide, the full impact on our business remains uncertain. We may be required to expend significant resources to monitor regulatory developments, adapt our data practices, and implement organizational and technical changes within compressed timeframes. Failure to comply with applicable requirements or to adapt to these changes could materially and adversely affect our business, results of operations, and financial condition.

We rely on publishers, buyers, and data providers to obtain consumer consent, and failure to do so could result in fines, liability, or reputational harm.

We rely on publishers, buyers, and data providers, to obtain legally valid consent on our behalf to process personal data and deliver interest-based advertisements or provide required notices and opt-out mechanisms.

Because we generally do not have direct relationships with consumers, we rely on publishers, buyers, and data providers to obtain legally valid consent on our behalf to process personal data and deliver interest-based advertisements where consent is required (such as under the GDPR and UK GDPR). In jurisdictions that follow an opt-out framework, including under the CCPA and other U.S. state privacy laws, we rely on these partners to provide appropriate privacy notices, offer consumers legally required opt-out rights (including rights to opt out of the sale or sharing of personal information or targeted advertising), and to honor and communicate those opt-out signals to us in a timely manner. These partners are also responsible for implementing any notice, choice, or opt-in/opt-out mechanisms required under applicable privacy and data protection laws, including GDPR, UK GDPR, CCPA, and other U.S. state and international privacy laws, as well as evolving industry standards and browser or platform consent frameworks. If our partners fail to obtain valid consent, where required, or if legal requirements evolve in ways that make existing consents insufficient, we could be subject to fines, penalties, lawsuits, or other regulatory enforcement actions. Such failures could also damage our reputation, reduce the availability of data for our platform, and adversely affect our business, results of operations, and financial condition. In addition, our contractual agreements or insurance coverage may be inadequate to fully protect us against these claims and losses.

We generally do not have a direct relationship with consumers who view advertisements placed through our platform, so we may not be able to disclaim liabilities from such consumers through terms of use on our platform.

Advertisements on websites, applications and other digital media properties of publishers purchased through our platform are viewed by consumers visiting the publishers' digital media properties. Those publishers often have terms of use in place with their consumers that disclaim or limit their potential liabilities to consumers, or pursuant to which consumers waive rights to bring class actions against the publishers. We generally do not have terms of use in place with such consumers, so we cannot disclaim or limit potential liabilities to them through terms of use, which may expose us to greater liabilities than certain of our competitors.

We face potential liability and harm to our business based on the nature of our business and the content on our platform and we are, and may be in the future, involved in commercial disputes with counterparties with whom we do business.

Advertising often results in litigation relating to misleading or deceptive claims, copyright or trademark infringement, public performance royalties or other claims based on the nature and content of advertising that is distributed through our platform. Though we aim to contractually require advertisers to represent to us that their advertisements comply with our ad standards and our publishers' ad standards and that they have the rights necessary to serve advertisements through our platform, we do not independently verify whether we are permitted to deliver, or review the content of, such advertisements. Likewise, while we aim to contractually require publishers to represent to us that their content comply with our publisher standards and does not infringe on any third-party rights, we do not independently verify whether we are permitted to deliver, or review the content of such inventory. If any of these representations are untrue, we may be exposed to potential liability and our reputation may be damaged. While our advertisers and publishers are typically obligated to indemnify us, such indemnification may not fully cover us, or we may not be able to collect. In addition to settlement costs, we may be responsible for our own litigation costs, which can be expensive.

Operating in the advertising industry involves numerous commercial relationships, uncertain intellectual property rights, and other complexities that create heightened risks of disputes, claims, lawsuits, and investigations. For example, in 2021, we filed a lawsuit against Alphonso, Inc. ("**Alphonso**") asserting breach of contract and related claims, which we settled and dismissed in 2024 following repayment by Alphonso of \$11.3 million, including principal, interest, and legal fees. A trade secret misappropriation claim against us filed by Alphonso in 2022 was voluntarily dismissed with prejudice in 2023.

See Item 8.A. "*Consolidated Statements and Other Financial Information Legal Proceedings*" for further information. Any commercial dispute, claim, counterclaim, lawsuit or investigation, including our commercial dispute with Alphonso, has and may divert our management's attention away from our business, we have and may continue to incur significant expenses in addressing or defending any commercial dispute, claim, counterclaim or lawsuit or responding to any investigation, and we may be required to pay damage awards or settlements.

We are subject to anti-bribery, anti-corruption and similar laws and non-compliance with such laws can subject us to criminal penalties or significant fines and harm our business and reputation.

We may be subject to certain economic and trade sanctions laws and regulations, export control and import laws and regulations, including those that are administered by the U.S. Department of Treasury's Office of Foreign Assets Control, the U.S. Department of State, the U.S. Department of Commerce, the United Nations Security Council and other relevant governmental authorities.

We are also subject to the FCPA, the U.K. Bribery Act, Chapter 9 (sub-chapter 5) of the Israeli Penal Law, 5737-1977, the Israeli Prohibition on Money Laundering Law, 5760-2000 and other anti-bribery laws in countries in which we conduct our activities. These laws generally prohibit companies, their employees and third-party intermediaries from authorizing, promising, offering, providing, soliciting or accepting, directly or indirectly, improper payments or benefits to or from any person whether in the public or private sector. In addition, the FCPA's accounting provisions require us to maintain accurate books and records and a system of internal accounting controls. We have policies, procedures, systems and controls designed to promote compliance with applicable anti-corruption laws.

As we increase our global sales and business, we may engage with business partners and third-party intermediaries to market our solutions and obtain necessary permits, licenses and other regulatory approvals. In addition, we or our third-party intermediaries may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities. We can be held liable for the corrupt or other illegal activities of these third-party intermediaries, our employees, representatives, contractors, partners and agents, even if we do not authorize such activities.

Our advertisers or publishers may have consumers in countries that are subject to U.S. economic sanctions laws and regulations administered by the Office of Foreign Assets Control ("OFAC"), the Israeli Trade with the Enemy Ordinance, 1939 and sanction laws of the EU and other applicable jurisdictions, which prohibit the sale of products to embargoed jurisdictions or sanctioned parties ("Sanctioned Countries"). We have taken steps to avoid serving advertisements to consumers located in Sanctioned Countries and are implementing various control mechanisms designed to prevent unauthorized dealings with Sanctioned Countries going forward. Although we have taken precautions to prevent our solutions from being provided, deployed or used in violation of sanctions laws, due to the remote nature of our solutions and the potential for manipulation using VPNs, we cannot assure you that our policies and procedures relating to sanctions compliance will prevent any violations in the future. If we are found to be in violation of any applicable sanctions regulations, it can result in significant fines or penalties and possible incarceration for responsible employees and managers, as well as reputational harm and loss of business.

Despite our compliance efforts and activities, there can be no assurance that our employees or representatives will comply with the relevant laws and we may be held responsible. Noncompliance with anti-corruption, anti-money laundering, export control, economic and trade sanctions and other trade laws could subject us to whistleblower complaints, investigations, sanctions, settlements, prosecution, other enforcement actions, disgorgement of profits, significant fines, damages, other civil and criminal penalties or injunctions, suspension and/or debarment from contracting with certain persons, the loss of export privileges, reputational harm, adverse media coverage and other collateral consequences. If any subpoenas or investigations are initiated, or governmental or other sanctions are imposed, or if we do not prevail in any possible civil or criminal litigation, our business, financial condition and results of operations could be materially harmed. Responding to any action could result in a materially significant diversion of management's attention and resources and significant defense and compliance costs and other professional fees. In addition, regulatory authorities may seek to hold us liable for successor liability for violations committed by companies in which we invest or that we acquire. As a general matter, enforcement actions and sanctions could harm our business, financial condition and results of operations.

Risks Relating to Our Shares

The termination of the ADS facility, and delisting from AIM in February 2025, may reduce the liquidity of our shares and increase risks associated with a single Nasdaq listing.

In February, 2025, we voluntarily terminated our American Depositary Share ("ADS") facility on Nasdaq, delisted our Shares underlying depositary interests from trading on the AIM market of the London Stock Exchange, and our Shares began trading solely on the Nasdaq Global Market under the stock ticker "NEXN". We made this decision to simplify our capital structure, streamline our regulatory compliance, reduce costs, and improve trading efficiency. However, we may not realize the anticipated benefits of the termination of the ADS facility and delisting from AIM. These actions may adversely affect the liquidity of our shares, limit our investor base, and increase share price volatility (See Note 1b to our audited consolidated financial statements).

Prior to the termination and delisting, our securities traded on both AIM and Nasdaq, providing investors with multiple trading venues. The elimination of AIM trading may result in reduced trading volume on Nasdaq, either temporarily or on a sustained basis, particularly if former AIM investors are unable or unwilling to trade on a U.S. exchange. In addition, certain institutional or retail investors that previously held or acquired our shares on AIM may be restricted from holding or purchasing shares listed solely on Nasdaq due to internal investment policies, regulatory requirements, or other constraints. Any reduction in liquidity, trading volume, or investor participation, or any increase in volatility of our share price, could adversely affect the market price of our shares and our ability to raise capital in the future.

The market price and trading volume of our Shares may be volatile, and you may lose all or part of your investment.

The market price and trading volume of our Shares have fluctuated in the past and may continue to fluctuate significantly. Technology and advertising technology companies in particular have historically experienced substantial volatility in share price and trading volume. As a result of this volatility, you may not be able to sell your Shares at or above the price you paid and may lose all or part of your investment.

The market price and trading volume of our Shares may be affected by a number of factors, many of which are beyond our control, including:

- actual or anticipated fluctuations in our results of operations or revenue growth;
- variations between our financial performance and the expectations of security analysts and investors;
- announcements by us or our competitors regarding significant business developments, acquisitions, strategic relationships, changes in service providers, or expansion plans;
- the impact of global pandemics or other public health events on our operations, employees, partners, advertisers, publishers, or financial performance;
- changes in, or proposed changes to, laws or regulations to our business, or differing interpretations or enforcement of existing laws or regulations;
- changes to our pricing models or commercial terms;
- our involvement in litigation, regulatory inquiries, or enforcement actions;
- future issuances, sales, or resales of our sale of Shares or other securities;
- the initiation, modification, suspension or termination of any share repurchase program;
- general conditions in the digital advertising and technology markets;
- changes in our senior management or other key personnel;
- fluctuations in the trading volume of our Shares;
- the publication of research reports or news coverage about us, our competitors or our industry, including changes in recommendations or withdrawal of analyst coverage;
- changes in market estimates of the size, growth rate, or attractiveness of the markets in which we operate; and
- general economic, geopolitical, political, global trade, and market conditions.

Although our shares are listed on the Nasdaq Global Market, the trading volume of our shares has been relatively low. As a result, sales of a significant number of shares in the public market, or the perception that such sales could occur, could adversely affect the market price of our shares and increase volatility.

Under our equity compensation programs, our executive officers and other insiders may sell Shares from time to time, including pursuant to trading plans established in accordance with Rule 10b5-1 under the Exchange Act, and certain of our executive officers currently maintain such plans. Sales of Shares by our executive officers may not reflect their views regarding our business or future prospects; however, such sales or the perception of such sales, could nonetheless negatively affect the market price of our Shares.

In addition, the broader markets have experienced, and may continue to experience, significant price and volume volatility unrelated to the operating performance of individual companies. These market-wide fluctuations may materially and adversely impact the market price of our Shares, regardless of our actual operating results.

Historically, periods of volatility in the market price of a company's securities have often resulted in securities litigation. If we were involved in such litigation, it could result in substantial costs, divert management's attention and resources, and harm our business, financial condition and results of operations.

If we do not meet the expectations of our covering security analysts, or if analyst coverage on our company is reduced or unfavorable, the market price and trading volume of our Shares could decline.

The trading price and trading volume of our Shares depend in part on the research coverage and reports published by securities and equity research analysts who follow our company and our industry. The estimates and opinions of these analysts are based on their own assumptions, analyses, and expectations, which may differ from our own estimates or from actual results.

If our operating results fail to meet the expectations of analysts or investors, the market price of our shares could decline. In addition, if one or more analysts downgrade our shares, issue unfavorable commentary, change their recommendations, or cease to provide research coverage on our company or on our industry altogether, the market price and trading volume of our shares could decline significantly. If our operating results, growth prospects or other developments fail to meet the expectations of analysts or investors, the market price of our Shares could decline. Given our relatively limited trading volume, any reduction in analyst coverage or negative analyst commentary could have a disproportionate effect on the liquidity, volatility and market price of our shares.

We qualify as an emerging growth company and may rely on reduced disclosure requirements, which could make our Shares less attractive to investors.

We qualify as an "emerging growth company", as defined in Section 2(a) of the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). As long as we remain an emerging growth company, we are permitted to rely on certain exemptions from reporting and disclosure requirements that apply to other public companies that are not emerging growth companies. These exemptions include, among other things, presenting reduced selected financial data in our public filings and not being required to obtain an auditor attestation of our internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act. As a result, investors and shareholders may not have access to certain information that they may consider important when evaluating an investment in our Shares.

We remain an emerging growth company for up to five years following our initial public offering, although we would lose that status earlier if one of the following events occurs: (i) our annual gross revenue equals or exceeds \$1.235 billion, (ii) we issue more than \$1.0 billion in non-convertible debt securities during any three-year period, or (iii) we become a "large accelerated filer" under U.S. securities laws. Based on current expectations, we expect to cease to qualify as an emerging growth company as of December 31, 2026, which is the last day of the fiscal year following the fifth anniversary of our initial public offering on June 17, 2026. We cannot predict whether investors will find our Shares less attractive because we may rely on these reduced disclosure and reporting requirements. If some investors view our Shares as less attractive for this reason, the market price and trading volume of our Shares may be adversely affected and the market price of our Shares may be more volatile. In addition, when we cease to be an emerging growth company, we will become subject to increased disclosure, reporting and compliance requirements, which are expected to result in higher legal, accounting, and administrative costs.

As a foreign private issuer, we are subject to different reporting and disclosure requirements than U.S. domestic public companies, which may provide less information to investors.

We are a non-U.S. company and report under the Exchange Act as a foreign private issuer. As a result, we are subject to certain reporting and disclosure requirements that differ from those applicable to U.S. domestic public companies. Because we qualify as a foreign private issuer, we are exempt from several provisions of the Exchange Act that apply to U.S. domestic issuers, including:

- the rules governing the solicitation of proxies, consents or authorizations with respect to securities registered under the Exchange Act,

- the short-swing profit liability provisions of Section 16(b) of the Exchange Act, and
- the requirement to file quarterly reports on Form 10-Q containing unaudited financial and other specified information, although we are subject to Israeli laws and regulations with respect to certain of these matters and intend to furnish comparable quarterly information on Form 6-K, the information we provide may be less detailed or less frequent than the information provided by U.S. domestic public companies.

In addition, foreign private issuers are permitted to file their annual report on Form 20-F within four months after the end of each fiscal year, while U.S. domestic issuers that are accelerated filers are required to file their annual report on Form 10-K within 75 days after the end of each fiscal year and U.S. domestic issuers that are large accelerated filers are required to file their annual report on Form 10-K within 60 days after the end of each fiscal year. Foreign private issuers are also exempt from Regulation FD, which is intended to prevent issuers from making selective disclosures of material information. As a result of these exemptions and differences in reporting requirement, you may not have the same protections or access to information that shareholders of U.S. domestic public companies receive, which could make our shares less attractive to investors.

We may lose our “foreign private issuer” status in the future, which could result in significant additional costs and expenses.

As discussed above, we are a foreign private issuer, and therefore, we are not required to comply with all of the periodic disclosure and current reporting requirements of the Exchange Act. The determination of foreign private issuer status is made annually on the last business day of an issuer’s most recently completed second fiscal quarter, and, accordingly, the next determination will be made with respect to us on June 30, 2026. In the future, we would lose our foreign private issuer status if (1) more than 50% of our outstanding voting securities are owned by U.S. residents and (2) a majority of our directors or executive officers are U.S. citizens or residents, more than fifty percent (50%) of our assets are located in the United States, or our business is administered principally in the United States. The termination of our ADS facility and delisting from the AIM may increase the interest in our shares in the U.S. thereby impacting our foreign private issuer status in the future. If we lose our foreign private issuer status, we will be required to file with the SEC periodic reports and registration statements on U.S. domestic issuer forms, which are more detailed and extensive than the forms available to a foreign private issuer. We will also have to mandatorily comply with U.S. federal proxy requirements. In addition, if we cease to qualify as a foreign private issuer, we would lose our ability to rely on exemptions from certain Nasdaq corporate governance requirements that are available to foreign private issuers. As a result, we would be required to modify our corporate governance practices to comply fully with the Nasdaq requirements applicable to U.S. domestic issuers. Compliance with these additional reporting, disclosure and corporate governance requirements would result in increased legal, accounting, compliance and administrative costs and could divert management’s time and attention from operating our business, which could adversely affect our business, results of operations and financial condition.

As a foreign private issuer, we are also permitted to follow certain home country corporate governance practices, instead of Nasdaq corporate governance requirements, provided that we disclose the differences and the home country practices we follow. We may elect to follow additional home country practices in the future. As a result, our shareholders may not have the same protections afforded to shareholders of companies that are subject to all Nasdaq corporate governance requirements.

The market price of our Shares could be negatively affected by future issuances and sales of our Shares.

As of February 28, 2026, 55,720,779 Shares were outstanding. Sales by us or our shareholders of a substantial number of Shares in the public market, or the perception that these sales might occur, could cause the market price of our Shares to decline or could impair our ability to raise capital through a future sale of, or pay for acquisitions using, our equity securities.

We cannot guarantee that we will repurchase any of our Shares pursuant to our announced repurchase plan or that our repurchase plan will enhance long-term shareholder value.

We have effected several share repurchase programs over the years and since March 1, 2022, we and our subsidiaries repurchased 29,794,967 Shares, or approximately 38.45% of shares outstanding, at a cumulative cost basis of \$8.65 per share, reflecting a total investment of approximately \$258.2 million, including fees. As of December 31, 2025, we had \$7,514,986 million remaining on the current outstanding share repurchase program authorization.

Repurchases of our Shares pursuant to our repurchase plan could affect the market price of our Shares, increase volatility, or constrain liquidity. Additionally, our repurchase plan could diminish our cash reserves, which may impact our ability to finance future growth and to pursue possible future strategic opportunities and acquisitions. There is no assurance that our repurchase plan will enhance long-term shareholder value, and short-term share price fluctuations could reduce the repurchase plan’s effectiveness.

We currently enjoy local tax benefits that may be discontinued or reduced, if underlying conditions are not met.

We derive and expect to continue to derive Israeli tax benefits relating to our “Preferred Technology Enterprise” programs. To be eligible for tax benefits as a Preferred Technology Enterprise, we must continue to meet certain conditions. While we believe that we have met and continue to meet the conditions that entitled us to previously obtained Israeli tax benefits, there can be no assurance that we will in the future or that the Israeli Tax Authorities will agree.

If we fail to meet the criteria for future Israeli Preferred Technology Enterprises, our business, financial condition and results of operations could be adversely affected.

Additional tax liabilities resulting from our global operations could materially adversely affect our results of operations and financial condition.

As a global corporation, we are subject to income, non-income and transactional tax regimes in the United States, Israel and various other jurisdictions, which are unsettled and may be subject to significant change. Our effective tax rate could be materially affected by changes in tax rulings, tax laws, regulations, administrative practices, principles, applicability of special tax regimes, or changes in interpretations of existing tax laws, including changes to the global tax framework, in the jurisdictions in which we do business. Such changes could come about as a result of economic, political, and other conditions. Additionally, our effective tax rate could be affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuations of our deferred tax assets and liabilities, tax implications of acquisitions, expansion into new territories, intercompany transactions, changes in foreign currency exchange rates, changes in our share price and uncertain tax positions. Although we believe that our provision for income taxes and our tax estimates are reasonable, tax authorities may disagree with certain positions we have taken. From time to time, we are subject to income and other tax audits in various jurisdictions, the timing of which is unpredictable. While we believe we comply with applicable tax laws and have adequate balance sheet reserves related to tax positions, there can be no assurance that a governing tax authority will not have a different interpretation of the law and assess us with additional taxes, which we may dispute and litigate. If we are assessed additional taxes exceeding our tax accruals or if additional taxes are imposed on us, such additional taxes could have a material adverse effect on our results of operations and financial condition.

The Organization for Economic Co-operation and Development has proposed changes to numerous long-standing tax principles, namely, its Pillar Two framework, which imposes a global minimum corporate tax rate of 15% (measured on a country-by-country basis) on multinational groups with consolidated revenue over €750 million. Israel, as well as other jurisdictions we operate in have agreed to enact legislation to implement the global minimum tax rate. We currently are not at the threshold for being subject to the Pillar Two, but should we meet the threshold, it might increase tax complexity and uncertainty and may adversely affect our provision for income taxes, the effect which is difficult to assess at present time.

We incur increased costs as a result of operating as a public company listed in the U.S., and our management is required to devote substantial time to new compliance initiatives and corporate governance practices.

As a public company listed in the U.S., and particularly after we are no longer an emerging growth company, we will incur significant legal, accounting and other expenses. The Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and the Consumer Protection Act, the listing requirements of Nasdaq and their applicable securities rules and regulations impose various requirements on non-U.S. reporting companies, including establishment and maintenance of effective disclosure and financial controls and corporate governance practices. Our management and other personnel need to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations increase our legal and financial compliance costs and make some activities more time-consuming and costly. For example, these rules and regulations make it more difficult and more expensive for us to obtain director and officer liability insurance and make it more difficult for us to attract and retain qualified members of our board of directors.

In addition, the applicable rules and regulations are often subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices.

Because we may not pay any cash dividends on our Shares in the future, capital appreciation, if any, may be holders of Shares sole source of gains and they may never receive a return on their investment.

Our board of directors has sole discretion whether to pay dividends. If our board of directors decides to pay dividends, the form, frequency, and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our directors may deem relevant. In addition, the Companies Law, imposes restrictions on our ability to declare and pay dividends. See Item 5.B. “*Operating and Financial Review and Prospects—Liquidity and Capital Resources*” for additional information. As a result, capital appreciation, if any, on our Shares may be your sole source of gains, and you will suffer a loss on your investment if you are unable to sell your Shares at or above the price at which you purchased the Shares. See Item 8.A. “*Consolidated Statements and Other Financial Information—Policy on Dividend Distributions*.”

Exposure to foreign currency exchange rate fluctuations could negatively impact our results of operations.

While the majority of the transactions through our platform are denominated in U.S. dollars, we have transacted in foreign currencies, both for inventory and for payments by advertisers or publishers from use of our platform. We also have expenses denominated in currencies other than the U.S. dollar. Given our anticipated international growth, we expect the number of transactions in a variety of foreign currencies to continue to grow in the future. Although we currently have a program to hedge exposure to foreign currency fluctuations, the use of hedging instruments may not be available for all currencies or may not always offset losses resulting from foreign currency exchange rate fluctuations. Moreover, the use of hedging instruments can itself result in losses if we are unable to structure effective hedges with such instruments.

A small number of significant shareholders have substantial influence over matters requiring shareholder approval, which could limit your ability to influence corporate matters and delay or prevent a change of control.

A small number of shareholders beneficially own a significant percentage of our outstanding shares and are therefore able to exercise substantial influence over matters requiring shareholder approval.

As of February 28, 2026, the four largest beneficial owners of our Shares, entities and individuals affiliated with Mithaq Capital SPC, JB Capital Partners L.P., News Corporation and Toscafund Asset Management LLP, each beneficially owned more than 5% of our outstanding Shares and in the aggregate, approximately 52.3% of our Shares. As a result, these shareholders, acting individually or together, may be able to exert significant influence over our business, operations, and strategic direction and to influence the outcome of matters submitted to shareholders for approval. These matters include, among others:

- the election and composition of our board of directors, which has authority to direct our business and appoint and remove executive officers;
- The approval or rejection of mergers, consolidations, or other business combinations;
- decisions regarding future capital raising transactions; and
- amendments to our articles of association, which govern the rights attached to our Shares.

This concentration of ownership of our Shares may discourage, delay or prevent a change in control of our company, including through a proxy contest, merger, tender offer, open-market purchase of our Shares, that might otherwise provide shareholders with the opportunity to receive a premium over the then-prevailing market price of our Shares. In addition, this concentration of ownership could adversely affect the market price of our shares, limit the ability of other shareholders to influence corporate matters, or constrain trading liquidity necessary to effectively enter or exit share positions in a timely manner.

ITEM 4. INFORMATION ON THE COMPANY

4.A. HISTORY AND DEVELOPMENT OF THE COMPANY

General Corporate Information

We were incorporated as Marimedia Ltd. in 2007 in Israel under the Companies Law. We changed our name to Taptica International Ltd. in September 2015, then to Tremor International Ltd. in June 2019, and to Nexxen International Ltd., in January 2024. Our principal executive offices are located at 82 Yigal Alon Street, Tel Aviv, 6789124, Israel. Our website address is www.nexxen.com, and our telephone number is +972-3-545-3900. Information contained on, or that can be accessed through, our website does not constitute a part of this Annual Report and is not incorporated by reference herein. We have included our website address in this Annual Report solely for informational purposes.

The effective date of the registration statement (Commission File No. 333-256452) for our initial public offering of our ADSs on the Nasdaq Global Market was June 17, 2021. The offering commenced on June 17, 2021 and was closed on July 15, 2021.

On February 14, 2025, we executed the Reverse Split and voluntarily terminated our ADS facility in connection with the Trading Structure Changes.

Our SEC filings are available to you on the SEC's website at www.sec.gov, which contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The information on that website is not part of this Annual Report and is not incorporated by reference herein.

Nexxen Inc., which currently maintains an office at 661 El Camino Real, San Carlos Suite 200, California, 94070, United States of America, is our agent to receive service of process or other legal summons for purposes of any such suit, action or proceeding that may be instituted in any state or federal court in the Borough of Manhattan in the City of New York.

For information on our capital expenditures, see Item 5.B. *“Operating and Financial Review and Prospects—Liquidity and Capital Resources—Capital Expenditures”*.

4.B. BUSINESS OVERVIEW

Our Mission

Our mission is to empower full-funnel performance for advertisers, agencies, publishers, broadcasters, and others across the digital advertising ecosystem through robust, and in some cases exclusive, data and media.

Overview

Nexxen is a global flexible advertising technology platform with deep expertise in data and advanced TV that provides advertisers, agencies, digital publishers, broadcasters, and others with technology and data solutions to plan, buy, manage, sell, and measure advertising across the digital advertising supply chain. Our unified end-to-end platform, powered by data and artificial intelligence (“AI”), supports advertising workflows spanning planning, activation, optimization, monetization, and measurement across formats and devices, and is designed to drive full-funnel performance and efficiency for customers on both sides of the digital advertising ecosystem. While supporting digital advertising efforts across formats and devices, Nexxen maintains a particular focus on some of the industry's fastest-growing segments, including Connected TV (“CTV”), Video, and data-driven solutions, supported by a global team of seasoned technologists and industry experts.

We believe there is a significant market opportunity within the approximately \$792 billion global digital advertising market, which is expected to grow at a CAGR of approximately 10% through 2029, according to eMarketer. Publishers rely on advertising to support their businesses and brands, and advertisers use digital channels to reach targeted and measurable audiences to maximize effectiveness and returns. We believe the digital advertising market remains fragmented, and that our comprehensive end-to-end platform and data capabilities, along with our expertise in Video and CTV, position Nexxen competitively to increase market share over time.

We believe we are well positioned to benefit from several trends in the evolving advertising ecosystem, including: the continued proliferation of digital media consumption; growing adoption of programmatic advertising; increasing advertiser focus on premium formats such as Video and CTV; the shift of linear advertising budgets toward, and their convergence with, digital advertising budgets; the continued migration of live sports to digital environments, including CTV; increased advertiser reliance on data-driven tools and AI; and the increasing sophistication of the digital advertising landscape.

We address the digital advertising market through three core proprietary offerings: a demand-side platform (“DSP”) that advertisers use to plan, activate, and manage digital advertising campaigns; a supply-side platform (“SSP”) that digital publishers use to monetize inventory; and the Nexxen Data Platform, which integrates directly with both our DSP and SSP to drive performance. Our Data Platform leverages large-scale data sets, advanced machine learning techniques, and AI to generate audience insights and campaign recommendations. By contextualizing and synthesizing this data, the platform is designed to provide advertisers with a more comprehensive and granular view of audiences across formats and devices, which can improve campaign effectiveness and returns on advertising investments, while also supporting the optimization of digital publisher inventory monetization. By combining these three proprietary solutions with integrations across industry-leading partners, we offer an end-to-end platform that is designed to be flexible and scalable to meet our customers' needs, while enabling us to operate across a broad and growing range of digital advertising spend and verticals.

Our customers are largely comprised of both ad buyers, including brands and agencies, and digital publishers. Our platform serviced a diversified customer base of 627 active customers and 1,304 active publishers as of December 31, 2025, and served advertisements in approximately 180 countries. We generate revenue through platform fees based on either (i) a percentage of spend, (ii) flat fees or (iii) fixed CPMs (“cost per mille”) that are tailored to fit our customers’ specific utilization of our solutions.

Over the past several years, the advertising environment has been influenced by a combination of macroeconomic, geopolitical, and pandemic-related factors. In 2022 and 2023, advertisers faced challenges from rising inflation, higher interest rates, and ongoing uncertainty related to the residual effects of the COVID-19 pandemic, which in some cases led to reduced or delayed campaigns. In 2024, the industry benefitted from lower inflation, reduced interest rates, and the U.S. election cycle, contributing to stronger advertising activity, although geopolitical hostilities and broader macroeconomic uncertainty continued to impact advertiser budgets to an extent. In 2025, the advertising environment remained generally positive, but growth was constrained by: cautious and uneven consumer spending; macroeconomic and industry uncertainty; evolving U.S. trade dynamics; ongoing geopolitical hostilities; tariffs; reduced political advertising spend compared to 2024; and increased supply path optimization (“SPO”) efforts by larger industry participants.

Our Video revenue grew to \$242.0 million for the year ended December 31, 2025, from \$232.4 million for the year ended December 31, 2024, while our CTV revenue fell to \$109.4 million for the year ended December 31, 2025, from \$113.8 million for the year ended December 31, 2024. Video revenue growth in 2025 was driven largely by strength in Desktop Video and partially offset by reduced CTV and Mobile video revenue. Video revenue growth, however, was constrained by several factors that impacted the business in the second half of the year, particularly Q4 2025, including reduced spending from one large DSP customer due to its increased SPO efforts in Q4 2025, the absence of elevated political advertising spend compared to 2024, and other headwinds including evolving U.S. trade dynamics, geopolitical hostilities, and tariffs which reduced advertising spend to an extent from certain customers.

The Company generates revenues across multiple principal markets and categories of activity. Information regarding revenues by category of activity and by geographic market for the years ended December 31, 2025, 2024 and 2023 is presented in Notes 12 and 21a, respectively, to the consolidated financial statements.

Our total comprehensive income for the year ended December 31, 2025 decreased to \$27.9 million from \$35.4 million for the year ended December 31, 2024, representing a decline of 21.3%, or \$7.5 million. Our Adjusted EBITDA for the year ended December 31, 2025 increased to \$115.1 million, from \$114.6 million for the year ended December 31, 2024, reflecting a year-over-year increase of 0.5%, or \$0.6 million. Further, we had cash and cash equivalents of \$133.3 million as of December 31, 2025, and no principal long-term debt.

Our Industry

We operate in the digital advertising industry, which is a core pillar of monetizing digital properties accessible by the internet. We specialize in digital video advertising, which collectively comprised 66% of our revenue for the year ended December 31, 2025, across mobile video, desktop video, and CTV.

We believe key industry trends shaping the digital advertising market include: the continued growth of digital media consumption; the shift to programmatic advertising; increasing reliance on data-driven decision making; evolving consumer privacy and regulatory requirements; SPO; the migration of linear TV advertisers and budgets toward digital media; including CTV; live sports continuing to migrate to digital channels; the adoption of platforms that provide integrated solutions across the advertising supply chain; advances in AI; and seasonal fluctuations in advertising spend.

Continued Growth of Digital Media Consumption

Audiences continue to spend an increasing amount of time online for social, business, and purchasing activities. The COVID-19 pandemic and subsequent work-from-home and hybrid in-office dynamics contributed to lasting shifts in digital media consumption habits and the adoption of online activities traditionally conducted offline, including telehealth, food delivery, and e-commerce. As consumers spend more time online for everyday activities, we believe advertisers will increasingly allocate a larger portion of their ad budgets to digital channels. According to eMarketer, in the United States, more than a third of the day is expected to be spent on digital media consumption during 2026. This digital consumption is occurring across multiple devices, including mobile, desktop, tablets, gaming devices, and CTVs. These trends may contribute to increases in both the supply and demand of available ad impressions that can be monetized programmatically.

Shift to Programmatic Advertising

Programmatic advertising is the use of software and algorithms to match buyers and sellers of digital advertising in a real-time technology-driven marketplace. The transactions are executed in milliseconds and do not require manual labor for execution. It is becoming increasingly prominent in the digital advertising industry, as publishers and advertisers prefer that their bids/asks for digital ad inventory be completed in an easy, efficient, and automated manner. Additional advantages of programmatic advertising include enhanced audience targeting, attribution, and measurement, as well as improved customized campaign management workflow solutions. According to eMarketer, U.S. programmatic digital video ad spending is expected to increase from approximately \$118 billion in 2025 to roughly \$159 billion in 2027, at a CAGR of approximately 16%.

Data Driven Decision Making and AI

As the digital media industry grows, increased consumer engagement by audiences has generated large amounts of data and behavioral insights that can be harnessed to maximize returns on investment (“ROI”) for advertisers through effective audience targeting and measurement, and to optimize digital inventory monetization for publishers. These insights include industry-compliant anonymized data sets relating to consumer interests, preferences, and intent, as well as auction data from advertising bid requests. Technology solutions must efficiently and effectively process, analyze, and manage this growing volume of data while addressing increasing regulatory requirements and audience protection standards. AI is also becoming increasingly prevalent within the industry to enhance usability and maximize efficiency and effectiveness for advertisers and digital publishers across the advertising ecosystem.

Consumer Privacy and Regulatory Concerns

In recent years, there has been growing attention on how consumer data is being collected and used for ad targeting. Both globally and locally, new laws have been introduced to protect consumer privacy and set new standards for the digital advertising industry. Key regulations include the GDPR (General Data Protection Regulation), the UK GDPR, the ePrivacy Directive (as implemented in national laws, including the UK Privacy and Electronic Communications Regulations), California Consumer Privacy Act as amended by the California Privacy Rights Act, California Invasion of Privacy Act, the Colorado Privacy Act, the Connecticut Data Privacy Act, Florida Digital Bill of Rights, Indiana Consumer Data Protection Act, Iowa Consumer Data Protection Act, Kentucky Consumer Data Protection Act, Maryland Online Data Privacy Act, Montana Consumer Privacy Act, Nevada Privacy of Information Collected on the Internet from Consumers Act, New Jersey Data Protection Act, Oregon Consumer Privacy Act, Rhode Island Data Transparency and Privacy Protection Act, Texas Consumer Privacy Protection Act, Utah Consumer Privacy Act, Virginia Consumer Data Protection Act, and Apple’s Identifier for Advertisers. Additionally, major web browsers like Safari and Firefox have eliminated third-party cookies, and Google is moving towards a system where users must opt-in to share their data with third-party cookies. These changes require companies in the digital advertising space to constantly adapt to meet new privacy requirements.

Seasonality

In the advertising industry, companies commonly experience seasonal fluctuations in revenue. For example, many marketers allocate the largest portion of their budgets to the fourth quarter of the calendar year to coincide with increased holiday purchasing. Historically, the fourth quarter of the calendar year has reflected our highest level of advertising activity, while the first quarter has generally represented our lowest quarterly revenue due to seasonal factors. Historical seasonality may not be predictive of future results, given the potential for changes in consumer activity and advertising patterns as advertisers respond to emerging industry trends, dynamic macroeconomic conditions, global trade developments, political conditions, election cycles, major non-annual advertising events, and ongoing geopolitical hostilities. Nevertheless, we expect our revenue to continue to fluctuate based on seasonal factors that affect the advertising industry as a whole.

Our Market Opportunity

We believe that we are well positioned to capitalize on some of the fastest-growing segments of digital advertising, such as Video, including CTV, which reflected 66% of our revenue for the year ended December 31, 2025.

Global digital advertising spend is forecasted to be \$792 billion for 2025 and is expected to grow at an approximately 10% CAGR to over \$1.1 trillion in 2029. As advertisers follow audiences to emerging digital channels, digital advertising is expected to outpace the growth of total global media ad spend. Increased internet bandwidth in developing countries is expected to support this growth, and the increasing proliferation of next-generation mobile, CTV, and other on-the-go technology devices in developed countries, alongside changes in consumer content viewing habits, is driving growing video viewership. These trends are expected to contribute to increased adoption of full-screen video formats, which have historically been widely used by advertisers. We believe these long-term shifts in the industry present opportunities for companies operating in the digital advertising technology space, particularly Nexxen, given its long-standing focus on Video, CTV, robust and differentiated datasets, and AI, alongside its end-to-end platform model, which we believe may provide opportunities to capture a broader market opportunity relative to one-sided peers and competitors.

Digital Video and CTV Advertising

We address some of the fastest growing areas within digital advertising, Video and CTV, which are expected to grow at an accelerated rate compared to other formats. In the U.S., where we generate most of our revenue, the growth rates and adoption of Video and CTV are expected to be even higher. According to eMarketer, U.S. CTV ad spend is projected to grow at a CAGR of approximately 12% from 2025 to 2029, reaching roughly \$53 billion. U.S. Video ad spend is projected to grow at a CAGR of approximately 13% from 2025 to 2029, reaching roughly \$216 billion. Additionally, the number of digital video viewers worldwide is expected to reach approximately 4.5 billion by 2029.

Linear TV budgets are increasingly shifting towards digital video and CTV, driving greater demand for these premium ad formats. These market trends underpin our strategic focus on these activities, which we believe may present continued growth opportunities given the proliferation of smart TVs, the growing availability of ad-supported streaming content and providers, native Smart TV home screen advertising units becoming available programmatically, and live sports increasingly being viewed across digital environments. As linear TV and CTV continue to converge, with many linear TV broadcasters expanding their CTV footprints through digital assets such as FAST channels and streaming apps, we anticipate that advertisers, digital publishers, and broadcasters will increasingly seek platforms such as ours that can support cross-planning between linear TV, CTV, and other digital environments, which could contribute to higher levels of CTV demand on our platform over time. Finally, our robust and advanced TV data sources and capabilities offered through Nexxen Data Platform, available to customers leveraging our CTV advertising technology solutions, in many instances can support more effective targeting for advertisers across the TV landscape as well as improved ROI on CTV advertising spend, which could contribute to greater long-term CTV revenue growth opportunities.

Mobile Advertising

The number of consumers with smart phones and high-speed internet is expected to continue rising, supporting mobile advertising as a prominent channel within digital. According to eMarketer, U.S. mobile digital ad spend is projected to grow at a CAGR of approximately 10% from 2025 to 2029, reaching approximately \$336 billion. As generative AI technologies, including large language models (“LLMs”), begin to shift user attention and engagement patterns away from traditional desktop and mobile web experiences, we see potential for sizable growth within mobile in-app advertising, which may be less impacted by these changes, and we are allocating additional resources and focus to support expansion within this channel.

Our Role in the Digital Advertising Ecosystem

Advertisers and Agencies

Spending begins with advertisers, who often engage advertising agencies to help plan, execute, and manage their campaigns. To better control and optimize advertising operations, advertisers and agencies are consolidating spend with fewer, larger technology platforms that can deliver transparency, support high-quality inventory, offer data- and AI-driven campaign planning, activation, and measurement, and help generate better returns on advertising spend (“ROAS”) relative to other solutions. These advertisers and agencies access our platform through both Nexxen DSP and other third-party DSPs. We believe that our end-to-end technology platform and direct relationships with advertisers and agencies may contribute to increasing consolidation of spend on our platform over time.

Demand Side Platforms (“DSP”)

Advertisers and agencies often engage DSPs, which serve as advertising demand aggregators, to plan, execute, and manage their digital marketing campaigns across various ad formats. We offer self-service, managed-service, and hybrid options through our DSP, supporting customized, flexible, and robust campaigns. We are also integrated with other leading DSPs globally, such as The Trade Desk and Google DV360, which enables customers to transact in real-time with both our publisher clients and other external publishers.

Supply Side Platforms (“SSP”)

SSPs such as ours are designed to monetize digital inventory for publishers and app developers by enabling their content to meet the necessary software code and programmatic integration requirements. Buyers and sellers come together through our marketplace to monetize, target, and purchase available digital advertising inventory. Our platform is designed to efficiently process significant volumes of advertising bid information, providing a seamless digital experience for our customers. Traditionally, SSPs have focused exclusively on the needs of sellers in this process and have limited their interactions with buyers to the buyers’ agent, the DSP (though this dynamic has evolved recently). As buyers have sought greater control of their advertising supply chain, we have extended the capabilities of our specialized platform over recent years to serve the needs of advertisers and agencies. In addition to operating Nexxen SSP, we are integrated with other leading SSPs globally, such as Magnite and PubMatic, which allows customers to transact in real time with our advertiser and agency clients, as well as other external advertisers and agencies.

Publishers and Content Providers

Digital publishers and app developers create websites, digital content, and applications for user consumption, along with associated digital advertising space. As consumers navigate these websites and apps, individual ad impressions are delivered across various ad formats and channels. These impressions are typically sold to advertisers and agencies programmatically in real-time via a third-party technology infrastructure or SSP. Publishers and app developers rely on advertising revenue as a primary growth driver for their businesses and depend on the capabilities of these third parties to achieve optimal yield for their advertising inventory. As of December 31, 2025, we served 1,304 active publishers worldwide on our platform, consisting of 184,090 active sites and apps to which we have direct access to deliver ads for our customers.

Our Strengths

We believe the following attributes and capabilities provide us with long-term competitive advantages.

Established Expertise in Video, Including Mobile and CTV

We believe Video, including CTV and mobile video, is among the fastest growing areas of digital advertising, and Video represented 66% of our total revenue for the year ended December 31, 2025, and approximately 71% of our revenue excluding Performance (non-programmatic) activity for the year ended December 31, 2025. We were one of the first movers in the digital video advertising and CTV markets, in several cases releasing industry-first solutions, helping us gain early traction, strong customer adoption, and recognition as a leading advertising technology provider within these markets. Our platform was intentionally built as an end-to-end video campaign delivery solution and, over time, we have further enhanced our platform's Video- and CTV-focused technology and data capabilities through both organic investment and acquisitions. We intend to continue investing in, innovating, and releasing new Video-focused solutions. In 2025, we launched, to the best of our knowledge, the industry's first solution for programmatic Smart TV home screen ad activation, further strengthening our position as an innovative leader in the CTV market. We are also expanding our mobile in-app footprint and partnerships, which we believe represents a significant growth opportunity which may also help mitigate potential impacts from evolving consumer behaviors, including the increased adoption of generative AI-driven search platforms and other LLMs.

End-to-End Platform with Proprietary Technology, Data, and AI

We leverage our fully integrated, unified, end-to-end platform to help advertisers and digital publishers maximize ROI while optimizing the connection between brands, audiences, and media partners using our proprietary data sets, technology products, and suite of AI-powered solutions, which we've branded as "nexAI". We can assist customers across all stages of the campaign lifecycle including planning, activation, optimization, monetization, and measurement. We believe we have a competitive advantage through our proprietary data, robust demand and supply sources, partnerships with premium vendors, AI suite, and comprehensive solutions across the digital advertising technology supply chain. As a technology-first solution, our platform is agnostic and capable of transacting end-to-end or integrating with third-party sources to serve our customers, which we believe differentiates us, can support long-term growth, and can expand our addressable market across both sides of the digital advertising ecosystem.

Scale and Reach with Audiences, Advertisers, and Publishers

Our platform currently accommodates approximately 487 billion daily ad requests and approximately 679 million daily ad impressions on average. This significant daily volume of ad requests, data, and impressions provides scale with publishers and access to direct, and in some cases exclusive, premium advertising inventory, enabling our advertising customers to avoid intermediaries and reduce costs. Operating an end-to-end platform strongly positions us to minimize the loss of scale typically associated with two independent platforms user-syncing with each other. This advantage supports efficient and highly scalable audience-targeted buying strategies to maximize ROAS.

Nexxen Data Platform: Integrated Data, AI, Machine Learning, and Technology Drives ROI

Our proprietary Nexxen Data Platform is a flexible, fully integrated solution comprised of robust, and, in some cases, exclusive datasets that can be leveraged across campaigns, formats, and stages of the digital advertising lifecycle. The platform facilitates the entire data supply chain, including through direct data onboarding, audience targeting and sentiment analysis tools, identity solutions, audience reach extension, and measurement, providing advertisers and digital publishers with a comprehensive approach to leveraging data.

Nexxen Data Platform combines first-party data with third-party partnerships to identify, reach, and expand curated audiences, benefiting both advertiser and publisher customers. It employs AI in the form of machine learning algorithms and statistical models to aggregate and analyze vast volumes of data, contextualizing it into actionable insights that can be applied in real-time across campaigns to fuel better performance and efficiency. This integration of data and AI with our end-to-end technology is designed to drive performance for customers by optimizing media costs, improving targeting precision, and protecting against invalid traffic.

Our machine learning algorithms can process millions of requests per second to support optimization and prediction models, including invalid traffic monitoring, viewability, queries per second, bidding, and pricing. These capabilities enable us to continuously identify, build, expand, and refine audiences, helping customers achieve their key performance indicators (“KPIs”) and maximize ROI across campaigns.

Partnership with, and Investment in, V, and Programmatic Smart TV Home Screen Solution

Since 2022, Nexxen has partnered with, and invested in, V, a subsidiary of Hisense and the world’s fastest-growing major CTV operating system (“CTV OS”), powering Hisense, Toshiba, and other CTV brands. In 2025, we announced our intent to increase our total investment in V from \$25 million to \$60 million while extending and expanding our commercial partnership through at least the end of 2029 (previously through 2026). Our investment will represent an approximately 6% equity stake in V once fully deployed, of which \$45 million has been invested (\$25 million in 2022 and \$20 million in Q3 2025), with the remaining \$15 million expected to be invested in Q3 2026. We expect to generate returns on this investment over time as V executes its ambitious global growth plans, including by leveraging our most recently invested capital to expand its North American CTV footprint.

Through our commercial partnership, Nexxen has secured global automatic content recognition (“ACR”) data exclusivity and ad monetization exclusivity on V’s North American video and native display media through at least the end of 2029. Leveraging our end-to-end platform and this exclusivity, we launched what we believe to be the industry’s first solution for programmatic Smart TV home screen ad activation in 2025 on Hisense and other V-powered Smart TVs, providing access to premium, high-value placements on a rapidly-growing base of CTV home screens. To the best of our knowledge, we believe no other digital advertising technology company currently offers this capability, differentiating Nexxen, accelerating our long-term CTV revenue growth potential, and helping insulate us from SPO trends implemented by the world’s largest DSPs. We believe over time we can expand this capability beyond V-powered CTVs to other major CTV original equipment manufacturers (“CTV OEMs”).

Exclusive access to V’s global ACR data further differentiates Nexxen with robust CTV targeting and measurement solutions, which we believe can attract higher levels of CTV advertising spending to our platform by supporting performance and advertiser ROI. Additionally, we can license this ACR data to third parties, creating an additional high-margin growth trajectory we expect to capitalize on over time.

Management Team of Industry Veterans with Extensive Expertise

Our senior management team brings deep experience in the digital advertising technology industry, which we believe provides a competitive advantage. The team has a strong track record of acquiring and integrating synergistic businesses, as well as driving organic growth, which we believe positions Nexxen to continue expanding its growth and profitability.

Profitability

Historically, we have delivered strong margins relative to our peers in the advertising technology industry. For the year ended December 31, 2025, our total comprehensive income margin was 7.6% and our Adjusted EBITDA margin (as a percentage of revenue) was 31.6%, compared to our total comprehensive income margin of 9.7% and Adjusted EBITDA margin (as a percentage of revenue) of 31.3% for the year ended December 31, 2024. Our total comprehensive income margin decrease in 2025 was driven by a \$7.5 million decline in total comprehensive income, partially offset by a \$0.7 million decrease in revenue. Our Adjusted EBITDA margin increase in 2025 was driven by a \$0.6 million increase in Adjusted EBITDA and a \$0.7 million decrease in revenue. We believe we can expand our profitability and margins over time through revenue, total comprehensive income, and Contribution ex-TAC growth, improving operating leverage driven by the structural cost advantages of our end-to-end model, and efficiencies enabled by nexAI. We intend to continuously improve our cost structure and enhance our AI integrations, while our ability to sell multiple technology and data solutions across the advertising ecosystem, combined with our differentiated offerings, is expected to further support long-term growth and profitability expansion.

Our Growth Strategy

We believe that programmatic advertising is still an underpenetrated market that will experience robust growth over the next decade as ad budgets continue to shift to digital and as digital continues to shift towards programmatic execution. We intend to capitalize on these secular trends by pursuing growth opportunities that include:

Focus on Core Areas of Growth in Video, Including Mobile and CTV

CTV is one of the fastest growth formats within digital advertising, and this trend is expected to continue over the next several years, according to eMarketer. In the United States, CTV advertising spend is expected to grow at a CAGR of approximately 12% from 2025 to 2029, while digital Video advertising spend is expected to grow at a CAGR of approximately 13%, reaching roughly \$216 billion by 2029. Video (including mobile video, desktop video and CTV) advertising represented approximately 71% of our revenue without Performance (non-programmatic) activity for the year ended December 31, 2025, and remains a core strategic focus. We plan to leverage our existing expertise in Video and CTV to grow our market share and plan to introduce new, differentiated solutions to drive performance for customers. According to eMarketer, U.S. mobile digital ad spend is projected to grow at a CAGR of approximately 10% from 2025 to 2029, reaching approximately \$336 billion. As generative AI technologies, including LLMs, begin to shift user attention and engagement patterns away from traditional desktop and mobile web experiences, we see potential for sizable growth within mobile in-app advertising, which may be less impacted by these changes, and we are allocating additional resources and focus to support expansion within this channel, including through growing partnerships.

Introduce New Solutions and Capabilities, and Invest in our Technology, Data, and AI Stack

As we grow our market share and add new customers, we continue to invest in our technology, data, and AI stack and develop new innovative solutions. We are continuously focused on introducing differentiated solutions to address the rapidly evolving digital advertising market. Key areas of potential growth and investment include enhancing our proprietary data sets and capabilities within Nexxen Data Platform through AI and machine learning; expanding and strengthening our CTV advertising offerings; increasing our mobile in-app footprint and capabilities; enhancing our audience targeting capabilities; expanding our identity solutions; and broadening our global platform coverage.

We provide customers with creative alternatives to plan and execute campaigns, offering complementary scale and opportunities to enhance audience targeting strategies. For example, we offer, and will continue to enhance, contextual and other audience targeting solutions powered by content data collected through our publisher partnerships, as well as third-party solutions integrated into our ecosystem.

Industry-wide movement away from cookie-based tracking has increased demand for alternative identity solutions. We offer our own proprietary identity solutions, and maintain partnerships with, and are increasingly integrating, major alternative identifier frameworks such as IdentityLink and Unified ID 2.0. We are committed to supporting evolving privacy requirements and emerging identifier standards. We believe the industry will not converge on a single alternative to cookie-based tracking, and we are enhancing our platform to agnostically support multiple identity solutions.

Capitalize on V Partnership and Programmatic Smart TV Home Screen Ad Activation Solution

Nexxen is partnered with V, a subsidiary of Hisense and the world's fastest-growing major CTV OS, and has extended the partnership through at least the end of 2029, positioning us to benefit from the continued global expansion of V-powered Smart TVs. We intend to invest in our commercial, media, and data teams to fully capitalize on the holistic opportunity presented by this partnership.

Through this partnership, Nexxen has secured global ACR data exclusivity on V-powered CTVs and ad monetization exclusivity on V's North American video and native display media through at least the end of 2029. Leveraging our end-to-end platform and this exclusivity, we launched what we believe to be the industry's first solution for programmatic Smart TV home screen ad activation in 2025 on Hisense and other V-powered Smart TVs, providing access to differentiated, high-attention CTV ad placements commanding premium pricing. To the best of our knowledge, no other digital advertising technology company currently offers this capability, which we believe further differentiates Nexxen, creates a strong competitive moat, can attract greater CTV advertising spend to our platform, and can potentially accelerate our long-term CTV and data revenue growth opportunity. Over time, we expect to expand this programmatic Smart TV home screen ad activation solution beyond V-powered CTVs to additional CTV OEMs.

Exclusive access to V's global ACR data further strengthens our CTV audience targeting and measurement capabilities, supporting advertiser performance and ROI while providing the potential to attract higher levels of advertising spend to our platform. Additionally, we can license V's ACR data, creating an additional high-margin growth opportunity.

Expand End-to-End Enterprise Partnerships and Revenue

In addition to other areas, we are focused on expanding relationships with large enterprise self-service customers that have significant advertising budgets. As an end-to-end platform, we are uniquely positioned to support these customers across the entire advertising and data supply chain, including planning, activation, optimization, monetization, and measurement, delivering both performance and operational efficiencies. Our integrated platform enables enterprise customers to maximize audience reach, gain robust data insights, drive higher ROI, and simplify campaign execution, while simultaneously driving increased revenue and profitability for Nexxen. By facilitating both sides of the transaction, from demand via our DSP to supply via our SSP, we believe enterprise partnerships offer a disproportionate growth opportunity compared to one-sided platform competitors and can provide a degree of insulation from SPO trends being implemented by large DSPs.

Strengthen Our Relationships with Existing Customers

We are continuously enhancing functionality across our platform to attract new customers, encourage our existing customer base to allocate more of their advertising spend and inventory to our platform, and have customers adopt more solutions within our product ecosystem. As programmatic advertising adoption grows, and as brands and publishers increasingly focus on Video, CTV, data, AI, efficiency, and improved ROI, we believe we are well-positioned to both expand our customer base and generate additional revenue from existing customers.

Expand Our International Footprint and U.S. Market Share

We continue to acquire new publishers and advertisers across markets while expanding our global footprint, delivering significant demand and supply for digital ad impressions across all channels and formats. We will continue to enhance and expand third-party integrations to maintain and improve our platform's flexibility, while leveraging our technology and data stack to provide innovative solutions to new and existing customers across markets and platforms. By consistently developing new tools and products, and enhancing existing ones, we believe we can help customers maximize the value of our platform and services, accelerating our long-term growth potential.

Continue to Bolster Nexxen Data Platform's Capabilities

We leverage real-time data, AI, and machine learning to synthesize, aggregate, and contextualize vast datasets, helping our advertiser and publisher customers optimize digital ad spend and inventory management. Nexxen Data Platform was architected for flexibility, delivering impactful insights that are agnostic to format or device. By owning and operating a proprietary data platform, we can provide robust analytics, audience targeting, segmentation, reach extension, and measurement on a global scale. We continuously enhance the platform to make it seamless for customers to directly onboard first-party data, leverage identifier solutions, expand audience reach, and optimize and measure campaign effectiveness, all within a single, integrated platform. We believe this combination gives us a competitive advantage, enabling higher ROI for advertisers, optimal yield for publishers, and strong growth potential for Nexxen amid the industry's increasing focus on performance. We believe we can extend this advantage by further investing in data and AI, and introducing more data- and AI- powered solutions and capabilities, to enhance the efficacy and usability of our data to maximize results for customers, which in turn can potentially increase the advertising spend and inventory allocated to our platform.

Leverage our Industry Expertise and Target Select Acquisitions

We have a successful track record with past acquisitions and may leverage our industry experience to identify future complementary opportunities that broaden our scale and enhance our technology and data solutions. If we identify future attractive acquisition opportunities, we believe we have the expertise, leadership, and operational capability to execute strategic transactions and effectively integrate them into our platform.

Our Solution and End-to-End Technology Platform

Our Solution

Our end-to-end platform is a comprehensive software suite that supports a wide range of media types (such as Video, Smart TV native, audio, and display) and devices (including mobile devices, CTVs, streaming devices, and desktops), creating an efficient marketplace where advertisers can purchase high-quality advertising inventory from publishers at scale. Our solutions provide a number of advantages, including an advanced real-time bidding auction optimization engine, access to a global, high-quality marketplace, robust data and AI capabilities, and flexibility to execute concurrent campaign strategies designed to drive strong returns on digital advertising investments. When customers utilize our platform on an end-to-end basis, they often realize cost efficiencies and enhanced ROAS.

Our platform handles approximately 487 billion daily ad requests on average. Each ad request is processed in a fraction of a second (55ms on average) and powered by our real-time bidding engine, which leverages private servers and infrastructure in four strategically placed data centers located in the U.S., Europe, and Asia Pacific, as well as cloud resources.

Key Components of our end-to-end platform include:

- **Demand Side Platform** – We offer a self-service DSP solution that enables advertisers and their agencies to efficiently plan, activate, and manage omnichannel campaigns, optimize toward improved performance and ROI, and gain deep insights into brand engagement. Our DSP provides extensive access to premium inventory, differentiated data for audience targeting, AI, planning capabilities across formats, incrementality testing solutions, and advanced reporting and measurement. We also offer full-service or hybrid buying models for advertisers and agencies to support a broad range of business needs.
- **Data Platform** – We offer a fully integrated data platform that sits at the core of our end-to-end offering and unlocks the value of data flowing through our DSP and SSP solutions. Our data platform, referred to as “Nexxen Data Platform,” enables advertisers and publishers to directly onboard, manage, plan, activate and measure, with data from multiple (and in some case exclusive) sources to optimize performance and ROI. Nexxen Data Platform delivers actionable insights and recommendations across geographic, behavioral, consumption, demographic, and other data dimensions within a unified solution. Our data platform supports direct data onboarding, audience targeting and segmentation, sentiment analysis, reach extension, identity resolution, optimization, and measurement, and is continually enhanced through AI and machine learning. We believe an integrated data platform that can support advertisers and digital publishers across the entire data supply chain is a critical component of our marketplace, as it enables more accurate audience targeting, improved campaign optimization, and consistent data activation across channels and formats.
- **Supply Side Platform** – We offer a self-service SSP solution that enables publishers to sell their digital advertising inventory through a real-time bidding auction across all screens, including mobile devices, CTVs, streaming devices, and desktops. Our SSP provides publishers with access to robust data, differentiated demand sources, and a comprehensive product suite designed to support efficient and effective inventory management, yield optimization, deal management and revenue growth.
- **Analytics and AI (“nexAI”)** – We collect, synthesize, and analyze data across our platform using a combination of our comprehensive suite of AI-powered solutions (which we’ve branded as “nexAI”), machine learning, and deep learning technologies. These capabilities generate efficiency and actionable insights that inform bidding decisions, optimize campaign performance, and support forecasting of ad impression and auction dynamics. We believe these analytics and AI-driven capabilities enhance outcomes for both advertisers and publishers, and we expect to continue investing in these technologies to improve performance, efficiency, and scalability across our platform.
- **Nexxen Discovery** – Nexxen Discovery is an audience insight and activation product, and key component of Nexxen Data Platform. It unifies data from cross-channel sources, including our proprietary TV viewership data, and leverages first-party data to build intelligent audience profiles that are utilized across planning and activation. Powered by AI and machine learning, Nexxen Discovery provides actionable audience insights, including around sentiment analysis, interest, and brand affinity, to help customers create targeted segments, extend reach, and optimize campaigns in real time. It integrates seamlessly with our DSP and SSP to support planning, activation, and measurement across channels and inventory.
- **Nexxen Studio** – Nexxen’s in-house digital creative studio provides a range of creative solutions tailored to the needs of brands and agencies. Our comprehensive pre-flight creative testing and audience based in-flight creative optimization capabilities are enhanced through AI and fully integrated with Nexxen’s flexible, unified platform to maximize campaign performance.

DSP

Key features of our DSP include:

- Comprehensive, AI-powered, intuitive self-service interface that enables advertisers to seamlessly plan, activate, and manage campaigns with full control while streamlining daily workflows.
- Advanced machine learning algorithms that optimize toward customers' specific campaign goals, provide efficiency, and drive effective buying to meet online and offline KPIs.
- Seamless access to a variety of premium (and in some cases exclusive) data sources, including advertisers' first-party data, proprietary Nexxen data, and a wide range of specialized third-party data across verticals.
- Robust forecasting and planning tools that accurately predict reach and spend across screens, formats, and audiences, helping advertisers strategically prepare campaigns for success.
- Access to premium (and in some cases exclusive) supply from Nexxen SSP and other leading third-party SSPs.
- Programmatic buying support for Smart TV home screen native units.
- Real-time automated bidding and optimization that leverages AI to improve campaign performance dynamically.
- Comprehensive and transparent omnichannel reporting and analytics tools that allow advertisers to track campaign performance in real-time, build custom and advanced reports, and combine with other data sets for independent analysis.
- Integration with Nexxen Studio, offering creative solutions ranging from turnkey to fully customizable designed to drive performance across digital environments.
- Data and brand surveys that deliver actionable insights for advertisers to evaluate brand lift, behavioral engagement, and emotional impact.
- Comprehensive suite of brand safety solutions, including integrations with industry-leading verification partners, ensuring campaigns are executed securely and with confidence.

SSP

Key features of our SSP include:

- Comprehensive and highly intuitive self-service platform that enables publishers to easily integrate into our ecosystem, manage their digital inventory, access real-time reporting and analytics, and transact with programmatic buyers through private marketplace ("PMP") deals. Publishers also benefit from demand available directly through our proprietary DSP solution and additional demand facilitation initiatives driven by our global salesforce.
- Direct connection to Nexxen DSP, and other major leading DSPs, alongside compatibility with most AdAge top 100 brands. Our SSP delivers over 21 billion advertisements to viewers every month, optimizes content across multiple ad formats, builds effective custom audiences, and delivers strong ROI at scale.
- Omnichannel marketplace with access to 1,304 active publishers across the globe.
- Access to proprietary ACR data through our exclusive TV Intelligence product, which enhances monetization by creating comprehensive audience targeting opportunities.
- Simplified first-party data onboarding for key-value pair targeting, contextual cookie-less targeting options, and access to a variety of third-party audience data sources. Identity resolution capabilities allow publishers to connect audiences across devices and channels, providing advertisers with a closer connection to their target audiences and improving inventory monetization.

- Industry-leading forecasting analytics and data-driven yield optimization tools that maximize inventory monetization and deliver strong ROI at scale.
- Ability for publishers to customize their experience by opting out of certain ad verticals or specific advertisers, managing channel conflicts, and controlling inventory access.
- Support for all major integration types, including open real-time bidding, header-bidding solutions, and proprietary client-side solutions, such as our video player, giving publishers flexibility in how they offer inventory to advertisers.
- Curated Marketplace, a self-service or API-accessed solution for brands, publishers, media, and data companies to manage, optimize, and monetize assets with a direct path to premium publisher inventory. This product allows users to create highly targeted, high-value PMPs.
- Transparent pricing and reporting that enables publishers to see revenue performance and make data-driven decisions about their inventory.

Nexxen Data Platform

Key features of Nexxen Data Platform include:

- Integrated audience segmentation and targeting – Audience segments are generated directly within our platform using a combination of first- and third-party data, including strategic data partnerships. Advertisers and publishers can also connect and activate their own first-party data across our ecosystem to improve campaign precision.
- Advanced machine learning and AI capabilities – Our platform leverages statistical models and AI-driven analysis to uncover insights from behavioral, demographic, and contextual data, enabling advertisers and publishers to achieve stronger performance metrics, optimize targeting, and improve ROI.
- Direct onboarding and activation of first-party data – Advertisers and publishers can seamlessly and directly onboard their first-party data into Nexxen Data Platform, enabling unified reporting, reach extension, audience targeting, and advanced measurement across the entire ecosystem.
- Enhanced forecasting and analytics – The platform provides actionable insights and forecasting tools to predict audience scale, reach, and media costs. Insights can be accessed through self-service interfaces or curated by our data team to support campaign planning and PMPs.
- Identifier and measurement solutions – Our platform includes identity resolution capabilities, connecting audiences across devices and channels to enhance targeting, attribution, and measurement.
- Proprietary data assets and TV intelligence – Our expertise in collecting, packaging, and activating TV viewership data through Nexxen TV Intelligence allows advertisers to plan, activate, and measure campaigns across digital formats with retargeting and attribution benefits. Nexxen has an exclusive global ACR data partnership with V that customers can leverage in their CTV targeting and measurement efforts.
- End-to-end ecosystem integration – As part of our unified tech stack, our data platform seamlessly connects with our DSP, SSP, AI, and other tools, enabling efficient audience activation, campaign optimization, and measurement across the full advertising supply chain.

Nexxen Discovery

Key features of Nexxen Discovery include:

- Unification of disparate data across digital, TV (linear, CTV, and streaming), and social environments, combined with proprietary web-based panels and bid-stream data, to provide a clear view of audiences and enable precise, flexible targeting and reach extension.
- Utilization of AI, machine learning, and natural language processing to analyze behavioral patterns, sentiment, trends, and interests, delivering actionable insights for customers.

- Provides clients with a comprehensive set of capabilities to discover, understand, monitor, and engage their audiences across channels, supporting real-time activation based on consumer behaviors and interests.
- Enables the use of first-party data to enhance targeting, expand audience reach, and optimize campaigns across channels and inventory.
- Produces custom, transparent audience segments and smart contextual targets derived from behavioral patterns and sentiment to improve engagement, reach, and campaign performance.

Our Customers

Our customers consist largely of leading global brands and advertising agencies on the demand side, and high-quality publishers on the supply side, spanning several industries including retail, entertainment, consumer, financial services, healthcare, and others. For the year ended December 31, 2025, we had 627 active customers, including industry-leading brands and agencies such as IPG, WPP, Publicis, H/L, Yahoo!, Tinuiti, and LG.

On our demand side, brands and agencies leverage our self-service, managed-service, and hybrid DSP offerings, with integrations across the industry's major third-party DSPs. On the supply side, we service digital publishers, app developers, and self-service platform subscribers, also supported by integrations with leading third-party SSPs.

We generally contract with customers through master services agreements ("MSAs") and/or insertion orders, which govern the terms of running particular campaigns. Our MSAs typically have one-year terms that renew automatically unless terminated earlier, giving users access to our platform.

We maintain long-standing relationships with our customer base, which tend to repeatedly use our platform. This is reflected in our Contribution ex-TAC retention rate of 92% for the year ended December 31, 2025. While our Contribution ex-TAC per active customer increased in 2025, compared to 2024, our Contribution ex-TAC retention rate was impacted by our strategic decision to discontinue relationships with smaller customers that were not generating meaningful revenue or profitability for Nexxen to increase focus on supporting relationships with larger customers that have more sizable budgets to deploy. Advertising spend was also constrained to an extent due to cautious and uneven consumer spending, macroeconomic and industry uncertainty, evolving U.S. trade dynamics, ongoing geopolitical hostilities, tariffs, reduced political advertising spend, and reduced spending by one large DSP customer driven by their increased SPO efforts. Over time, we anticipate increasing our Contribution ex-TAC retention rate, supported by our ability to generate strong customer ROI through multiple integrated solutions spanning the entire digital advertising supply chain.

Our Competition

We have a number of competitors that operate in portions of our business, but few provide the full end-to-end technology solution that we offer.

We believe that our long track record and expertise in the digital advertising industry, combined with our ability to operate technology and data solutions for both sides of the advertising ecosystem through a unified data- and AI-powered platform, gives us significant advantages in platform development and a long lead over new entrants. Our platform supports the entire campaign lifecycle, from planning and activation to optimization, measurement, and monetization, enabling advertisers and publishers to maximize ROI and efficiency. We compete primarily based on the campaign performance of our platform, the breadth and capabilities of our technology, identity resolution, omnichannel reach, planning and audience tools, proprietary datasets, AI features, and advanced reporting and measurement functionalities. On the demand side, companies such as Viant Technology, Inc. and The Trade Desk, Inc. are some of our key competitors.

On the supply side, companies such as Magnite, Inc., FreeWheel Media, Inc., and PubMatic, Inc. are our main competitors, all of which compete to provide publisher inventory to advertisers.

We believe the principal competitive factors in our industry include:

- proven, robust, and differentiated self-service, managed-service, and hybrid offerings;
- omnichannel execution;
- integration and ease-of-use;
- quality, scale, and reach of digital advertising demand and inventory globally;
- first-party data and identity solutions;

- depth and breadth of relationships with brand advertisers, premium publishers, agencies, and data providers;
- full suite of viewability, measurement, verification, and brand safety offerings;
- customer support and account management;
- differentiated data, media, and demand sources;
- data efficacy and the ability to drive performance and ROI;
- ability to support customers across their workflows;
- AI, machine learning, and technology capabilities and innovation;
- flexible pricing; and
- transparency.

We believe that we compete favorably with respect to all these factors and are well positioned as a full-service, end-to-end platform catering to both advertisers and digital publishers.

Technology and Development

Our business model enables us to invest in our research and development, which has been a key driver of our growth. Our platform is highly efficient at processing and managing large, complex data sets and is used in real-time by both advertisers and digital publishers. We are committed to innovative technologies and the rapid introduction of enhanced functionalities to meet the evolving needs of our customers. We therefore expect technology and development expenses to increase as we continue to invest in our platform, particularly through investments in AI, data, and machine learning, to support higher advertising spend volumes, attract new customers, differentiate our platform, and expand in the U.S. and internationally. Our technology and development teams are based in the United States and Israel. For December 31, 2025, research and development expenses accounted for 20.9% of our operating expenses.

Sales and Marketing

As an end-to-end platform, we have highly qualified sales teams dedicated to acquiring new premium advertiser and publisher customers and expanding revenue relationships with existing customers. These teams focus on selling access to our platform through self-service, managed-service, and hybrid offerings. Our global sales and marketing team consisted of 502 employees (inclusive of all sales, marketing, and relevant support teams) as of December 31, 2025, and takes a proactive, hands-on approach to cultivating and enhancing advertiser, agency, and digital publisher relationships.

We have dedicated teams focused on post-sale support to ensure customer success. Our client success team onboards advertisers and regularly liaises with them to optimize delivery against KPIs and help achieve their goals throughout the campaign lifecycle. Our publisher operations team onboards publishers and engages directly with them to support their needs and help effectively monetize inventory.

Our Team and Culture

As part of our track record of successfully integrating acquisitions and managing a global, multi-functional organization, we pride ourselves on bringing together teams across geographies, products, and functions under one cohesive culture. We strive daily to embody innovation, commitment, collaboration, and authenticity.

Our management team fosters a transparent culture, encouraging employees to share their feedback, ideas, and suggestions through an open-door policy and internal surveys that gauge satisfaction and gather input for continuous improvement. We communicate and build relationships with external stakeholders through our marketing efforts, including digital and social media, events, public relations, direct marketing, and online advertising. Our “People & Culture” programs provide employees with volunteer opportunities in local communities, particularly focused on education and serving the underprivileged. We also regularly donate to volunteer associations.

Our employees generally have long tenure across our entities, with an average tenure of approximately seven years for our leadership team and approximately five years across all employees.

We believe we attract talented employees to our company, and sophisticated customers to our platform, largely due to our vision and commitment to leveraging cutting-edge data, technology, and AI to create solutions that help advance the digital advertising industry.

As of December 31, 2025, we had 909 employees globally.

Intellectual Property

Our success depends, in part, on our ability to protect the proprietary methods and technologies that we develop or otherwise acquire. We rely on a combination of patent, trademark, copyright, trade secret laws, confidentiality procedures and contractual provisions to protect our proprietary methods and technologies and own more than 50 patents in the United States. In 2024, we successfully rebranded our Company's various businesses under the name "Nexxen" and associated Nexxen logo to further promote our unified service and product offerings. The Company has been working on this rebranding in its public-facing assets. The Company has obtained international trademark registration for these trademarks. The Company has obtained trademark registrations in Australia, the European Union, Israel, Mexico, Singapore, the United Kingdom, China, and the United States. The Company is actively prosecuting similar trademark applications in Canada and Japan. The Company also uses and actively protects other trademarks in various jurisdictions and holds trademark registrations for the Perk mark in the United States and the Perk logo in Australia, New Zealand, India, the European Union, United Kingdom, and WIPO.

We generally enter into confidentiality and/or license agreements with our employees, consultants, vendors and advertiser customers, and we generally limit access to, and distribution of, our proprietary information. We intend to pursue additional intellectual property protection to the extent we believe it would be beneficial and cost effective.

Privacy and Data

Modern consumers use multiple platforms to learn about and purchase products and services, and consumers have come to expect a seamless experience across all channels. This challenges marketing organizations to balance the demands of consumers and the most effective advertising techniques with responsible, privacy-compliant methods of managing data internally and with advertising technology intermediaries.

In the United States, both state and federal legislation govern activities such as the collection and use of data by companies that engage in digital advertising like us. Also, because our platform reaches users throughout the world, some of our activities may also be subject to foreign laws and regulations. As we continue to expand internationally, we will be subject to additional laws and regulations, and these requirements may affect how we conduct business.

The U.S. Congress and state legislatures, along with federal regulatory authorities, have increased their attention on matters concerning the collection and use of personal data, including relating to internet-based advertising. Data privacy legislation has been introduced in the U.S. Congress, and several states, including California, Colorado, Connecticut, Utah, and Virginia have enacted comprehensive privacy legislation granting rights to consumers to enable increased control over the use of their data. These laws include a consumer's ability to restrict use of their personal data for cross-context advertising purposes. Additional state legislatures have introduced data privacy legislation. Many non-U.S. jurisdictions have also enacted or are developing laws and regulations governing the collection and use of personal data. For example, the Israeli Privacy Protection Law, 5741-1981, has been amended, with amendments now in effect that extend its reach over Israeli residents as well as personal information of foreign residents transferred to Israel, each of which provide for potentially material penalties for non-compliance.

Additionally, U.S. and foreign governments have enacted or are considering enacting legislation that could significantly restrict our ability to collect, augment, analyze, use and share data collected through cookies and similar technologies, such as by regulating the level of consumer notice and consent required before a company can employ cookies or other electronic tools to track people online. In the United States, the FTC has commenced the examination of privacy issues that arise when marketers track consumers across multiple devices, otherwise known as cross-device tracking. In addition to the requirements relating to cookies or similar technologies described in the section "*Risk Factors—Risks Relating to Legal or Regulatory Constraints—We are subject to laws and regulations related to data privacy, data protection, and information security, and consumer protection across different markets where we conduct our business, including in the United States, the EEA and the United Kingdom and industry requirements and such laws, regulations, and industry requirements are constantly evolving and changing. Our actual or perceived failure to comply with such laws and regulations could have an adverse effect on our business, results of operations and financial condition*", in the European Union and the United Kingdom, informed consent is required for the placement of a cookie or similar technologies on a user's device and for direct electronic marketing. The GDPR and UK GDPR also impose conditions for obtaining valid consent, such as a prohibition on pre-checked consents and a requirement to ensure separate consents are sought for each type of cookie or similar technology. Detailed guidance relating to these requirements has been published by the European Data Protection Board (and its predecessor, the Article 29 Working Party) as well as various supervisory authorities in the European Union and the United Kingdom. While not legally binding, such guidance reflects the position and understanding of the regulators and their approach to enforcement. Supervisory authorities in the European Union and the United Kingdom are increasingly focusing on the AdTech industry and its compliance with these requirements. Several high-profile investigations are currently underway, and a number of fines have been issued against businesses for their failure to, amongst other things, properly notify individuals of how their data is being used and to collect informed consent.

Additionally, our compliance with our privacy policy and our general consumer data privacy and security practices are subject to review by regulatory bodies such as the FTC, which may bring enforcement actions to challenge allegedly unfair and deceptive trade practices, including the violation of privacy policies and misrepresentations or material omissions therein.

Certain State Attorneys General and state privacy regulators such as the California Privacy Protection Agency (“CPPA”) in the United States may also bring enforcement actions based on comparable state laws or federal laws that permit state-level enforcement. In California, for example, the Attorney General and the CPPA may bring enforcement actions for violations of the CCPA. When we receive bid requests that include an opt-out signal, we do not “sell” or “share” personal information, as defined by the CCPA. We have also adopted the Digital Advertising Alliance CCPA Compliance Framework, which includes a technical specification to identify consumer signals to opt-out of sale of their personal information and have signed the IAB Limited Service Provider Agreement that imposes service provider obligations for certain opted-out bid requests. These IAB frameworks are designed to facilitate compliance with the CCPA although the California Attorney General’s office has not yet approved such frameworks. The CCPA sets forth high potential liabilities for data privacy violations on a per-incident basis, and the industry faces an uncertain compliance burden as our partners and publishers work to become compliant with the law. Also, the amendments to the CPPA, which became effective on January 1, 2023, impose additional data protection obligations on in scope businesses, including additional consumer rights processes and opt-outs for certain uses of sensitive data and sharing of personal data.

Since California enacted the CCPA, several states have enacted comprehensive consumer privacy laws including, but not limited to, the Colorado Privacy Act (effective July 1, 2023), the Connecticut Data Privacy Act (effective July 1, 2023), the Virginia Consumer Data Protection Act (effective January 1, 2023), and the Utah Consumer Privacy Act (effective December 31, 2023). We expect the trend of enacting new and comprehensive privacy legislation to continue not only in the United States but also around the globe.

In addition to consent and opt-out obligations under privacy and data protection laws, we face potential liability under the California Invasion of Privacy Act (“CIPA”). Plaintiffs have asserted that the use of third-party analytics, tracking technologies, cookies, and similar tools constitute “eavesdropping” or “wiretapping” under CIPA, even where such technologies are deployed to analyze consumer behavior or support advertising and marketing services. Because our platform processes data across publishers, advertisers, and consumer interactions using online tracking technologies to deliver targeted advertising, we may face CIPA claims. If CIPA claims are successfully asserted against us, we could incur material litigation costs, settlements or judgments, injunctive relief, reputational harm, and adverse impacts on our business operations.

To protect against unlawful content (advertiser and publisher), we include restrictions on content in our terms and conditions. We also utilize various technologies and processes to review publisher properties and use third party software to screen impressions we acquire through advertising exchanges.

4.C. ORGANIZATIONAL STRUCTURE

The following table sets out details of the Company's subsidiaries:

Name of company	Country of Incorporation	Ownership Percentage
Taptica Inc.	USA	100%
YuMe Inc*	USA	100%
Perk.com Canada Inc	Canada	100%
Nexxen Group LLC	USA	100%
Nexxen Group US Holdings Inc.*	USA	100%
Nexxen Holdings Ltd*	UK	100%
Nexxen Group Ltd	UK	100%
Nexxen Media Pte. Ltd. (f/k/a Unruly Media Pte. Ltd)	Singapore	100%
Nexxen Pty Ltd*	Australia	100%
Nexxen Media Japan K.K. (f/k/a Unruly Media K.K.)	Japan	100%
Nexxen Video Distribution Sdn. Bhd. (f/k/a Unmedia Video Distribution Sdn. Bhd.)	Malaysia	100%
Nexxen CTRL GmbH (f/k/a SpearAd GmbH)	Germany	100%
Nexxen Inc.*	USA	100%
Amobee Ltd	Israel	100%

* Under these companies, there are eleven (11) wholly owned subsidiaries that are inactive, liquidated or in liquidation process.

4.D. PROPERTY, PLANTS AND EQUIPMENT

Our headquarters are located in Tel Aviv, Israel where we occupy facilities totaling approximately 26,910 square feet under a lease that expires in December 2028. In addition, we have key locations in New York, New York; Los Angeles, California; San Carlos, California; San Diego, California; San Francisco, California; Chicago, Illinois; Baltimore, Maryland; Burlington, Massachusetts; Dallas, Texas; and Bellevue, Washington in the United States, as well as international locations in Canada, the United Kingdom, Japan, Singapore, Australia, and Germany. These locations support our key business functions including sales and marketing, customer support, business development, engineering, product development, and infrastructure support. We believe that our current facilities are suitable to meet our existing needs.

4A. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

You should read the following discussion and analysis of our financial condition and results of operations together with Item 4. "Information on the Company – 4B. Business Overview" and our audited consolidated financial statements and the related notes thereto appearing at the end of this Annual Report. We present our audited consolidated financial statements in USD and in accordance with International Financial Reporting Standards, or IFRS, as issued by the International Accounting Standards Board, or IASB.

You should carefully review and consider the information regarding our financial condition and results of operations set forth under Item 5. "Operating and Financial Review and Prospects" in our Annual Report on Form 20-F for the fiscal year ended December 31, 2024, filed with the Securities and Exchange Commission on March 5, 2025, for an understanding of our operating results and liquidity discussions and analysis comparing fiscal year 2024 to fiscal year 2023.

Some information included in this discussion and analysis, including statements regarding industry outlook, our expectations regarding our future performance, liquidity and capital resources and other statements regarding our plans and strategy for our business and related financing, are forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties. Please see "Special Note Regarding Forward-Looking Statements and Risk Factor Summary" in this Annual Report. You should read the "Risk Factors" section of this Annual Report for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

We maintain our books in USD, which is the Company's functional currency, and which have been rounded to the nearest thousands, except when otherwise indicated. The USD is the currency that represents the principal economic environment in which the Company operates, and we prepare our financial statements in accordance with IFRS as issued by the IASB.

5.A. OPERATING RESULTS

Overview

Nexxen is a global, flexible advertising technology platform with deep expertise in data and advanced TV that provides advertisers, agencies, digital publishers, broadcasters, and others with technology and data solutions to plan, buy, manage, sell, and measure advertising across the digital advertising supply chain. Our unified end-to-end platform, powered by data and artificial intelligence (“AI”), supports advertising workflows spanning planning, activation, optimization, monetization, and measurement across formats and devices, and is designed to drive full-funnel performance and efficiency for customers on both sides of the digital advertising ecosystem. While supporting digital advertising efforts across formats and devices, Nexxen maintains a particular focus on some of the industry’s fastest-growing segments, including Connected TV (“CTV”), Video, and data-driven solutions, supported by a global team of seasoned technologists and industry experts.

We believe there is a significant market opportunity within the approximately \$792 billion global digital advertising market, which is expected to grow at a CAGR of approximately 10% through 2029, according to eMarketer. Publishers rely on advertising to support their businesses and brands, and advertisers use digital channels to reach targeted and measurable audiences to maximize effectiveness and returns. We believe the digital advertising market remains fragmented, and that our comprehensive end-to-end platform and data capabilities, along with our expertise in Video and CTV, positions Nexxen competitively to increase market share over time.

We believe we are well positioned to benefit from several trends in the evolving advertising ecosystem, including: the continued proliferation of digital media consumption; growing adoption of programmatic advertising; increasing advertiser focus on premium formats such as Video and CTV; the shift of linear advertising budgets toward, and their convergence with, digital advertising budgets; the continued migration of live sports to digital environments, including CTV; increased advertiser reliance on data-driven tools and AI; and the increasing sophistication of the digital advertising landscape. We address the digital advertising market through three core proprietary offerings: a demand-side platform (“DSP”) that advertisers use to plan, activate, and manage digital advertising campaigns; a supply-side platform (“SSP”) that digital publishers use to monetize inventory; and the Nexxen Data Platform, which integrates directly with both our DSP and SSP to drive performance. Our Data Platform leverages large-scale data sets, advanced machine learning techniques, and AI to generate audience insights and campaign recommendations. By contextualizing and synthesizing this data, the platform is designed to provide advertisers with a more comprehensive and granular view of audiences across formats and devices, which can improve campaign effectiveness and returns on advertising investments, while also supporting the optimization of digital publisher inventory monetization. By combining these three proprietary solutions with integrations across industry-leading partners, we offer an end-to-end platform that is designed to be flexible and scalable to meet our customers’ needs, while enabling us to operate across a broad and growing range of digital advertising spend and verticals.

Our customers are largely comprised of both ad buyers, including brands and agencies, and digital publishers. Our platform serviced a diversified customer base of 627 active customers and 1,304 active publishers as of December 31, 2025, and served advertisements in approximately 180 countries. We generate revenue through platform fees based on either (i) a percentage of spend, (ii) flat fees or (iii) fixed CPMs (“cost per mille”) that are tailored to fit our customers’ specific utilization of our solutions.

Over the past several years, the advertising environment has been influenced by a combination of macroeconomic, geopolitical, and pandemic-related factors. In 2022 and 2023, advertisers faced challenges from rising inflation, higher interest rates, and ongoing uncertainty related to the residual effects of the COVID-19 pandemic, which in some cases led to reduced or delayed campaigns. In 2024, the industry benefitted from lower inflation, reduced interest rates, and the U.S. election cycle, contributing to stronger advertising activity, although geopolitical hostilities and broader macroeconomic uncertainty continued to impact advertiser budgets and spending to an extent. In 2025, the advertising environment remained generally positive, but growth was constrained by cautious and uneven consumer spending, macroeconomic and industry uncertainty, evolving U.S. and global trade dynamics, ongoing geopolitical hostilities, tariffs, reduced political advertising spend compared to 2024, and increased supply path optimization (“SPO”) efforts by larger DSPs within the industry.

On August 18, 2022, the Company completed a \$25 million investment in V (formerly known as "VIDAA"), a smart TV operating system, streaming platform, and subsidiary of Hisense, receiving a minority equity stake in V. The Company also entered a commercial partnership with V through which it gained exclusive global access to utilize and share V's automatic content recognition ("ACR") data for CTV audience targeting and measurement, and ad monetization exclusivity on V media in the U.S., U.K., Canada and Australia, both through at least the end of 2026. In August 2025, the Company entered into an additional investment, and new commercial, agreement with V. Under the additional investment agreement, the Company is expected to complete a total investment of up to \$35 million in exchange for newly issued V ordinary shares, to be made in two tranches. The first tranche, in the amount of approximately \$20 million, was completed in August 2025. The second tranche, in the amount of approximately \$15 million, is expected to be deployed in Q3 2026. Following the full deployment of the previously announced investment, the Company will have invested a total of \$60 million in V, representing an equity stake of approximately 6% of V's outstanding shares. Through the Company's new commercial agreement, which went into effect on January 1, 2026, Nexxen extended its global ACR data exclusivity with V and gained ad monetization exclusivity on V's North American video and native display media, both through at least the end of 2029.

The Company currently has no principal long-term debt. At the beginning of 2025, the Company had a \$90 million senior secured revolving credit facility (the "Revolving Credit Facility"). In May 2025, the Company announced an amendment to its Revolving Credit Facility, through which it reduced the capacity from \$90 million to \$50 million and extended its maturity to September 2027. The updated Revolving Credit Facility provides the Company with additional liquidity, which may be utilized for a variety of purposes (including future strategic investments and initiatives) alongside existing surplus cash resources.

Our Video revenue grew to \$242.0 million for the year ended December 31, 2025, from \$232.4 million for the year ended December 31, 2024, while CTV revenue fell to \$109.4 million for the year ended December 31, 2025, from \$113.8 million for the year ended December 31, 2024. Video revenue growth in 2025 was driven largely by strength in Desktop Video and partially offset by reduced CTV and Mobile video revenue. Video revenue growth, however, was constrained in the second half of the year, particularly Q4 2025, by several factors including reduced spending by one large DSP customer due to its increased SPO efforts in Q4 2025, more competitive CTV CPMs, the absence of elevated political advertising spend from the 2024 U.S. election cycle, and other headwinds including evolving U.S. trade dynamics, geopolitical hostilities, and tariffs, which impacted advertising spend to an extent from certain customers.

Our total comprehensive income for the year ended December 31, 2025, decreased to \$27.9 million from \$35.4 million for the year ended December 31, 2024, representing a decrease of 21.3%, or \$7.5 million. Our Adjusted EBITDA for the year ended December 31, 2025, increased to \$115.1 million, from \$114.6 million for the year ended December 31, 2024, reflecting a year-over-year increase of 0.5%, or \$0.6 million. Further, we had cash and cash equivalents of \$133.3 million as of December 31, 2025, and no principal long-term debt.

Our Business Model

Nexxen is a global flexible advertising technology platform with deep expertise in data and advanced TV that provides advertisers, agencies, digital publishers, broadcasters, and others with technology and data solutions to plan, buy, manage, sell, and measure advertising across the digital advertising supply chain. Our unified end-to-end platform, powered by data and artificial intelligence ("AI"), supports advertising workflows spanning planning, activation, optimization, monetization, and measurement across formats and devices, and is designed to drive full-funnel performance and efficiency for customers on both sides of the digital advertising ecosystem. While supporting digital advertising efforts across formats and devices, Nexxen maintains a particular focus on some of the industry's fastest-growing segments, including CTV, Video, and data-driven solutions, supported by a global team of seasoned technologists and industry experts.

Our end-to-end platform is a comprehensive software suite that supports a wide range of media types (such as Video, Smart TV native, audio, and display) and devices (including mobile devices, CTVs, streaming devices, and desktops), creating an efficient marketplace where advertisers can purchase high-quality advertising inventory from publishers at scale. Our solutions provide several advantages, including an advanced real-time bidding auction optimization engine, access to a global, high-quality marketplace, robust data and AI capabilities, and flexibility to execute concurrent campaign strategies designed to drive strong returns on digital advertising investments. When customers utilize our platform on an end-to-end basis, they often realize cost efficiencies, and enhanced returns on ad spend ("ROAS").

Our platform handles approximately 487 billion daily ad requests on average. Each ad request is processed in a fraction of a second (55ms on average) and powered by our real-time bidding engine, which leverages private servers and infrastructure in four strategically placed data centers located in the U.S., Europe, and Asia Pacific, as well as cloud resources.

Key Components of our platform include:

- **Demand Side Platform** – We offer a self-service DSP solution that enables advertisers and agencies to efficiently plan, activate, and manage omnichannel campaigns, optimize toward improved performance and ROI, and gain deep insights into brand engagement. Our DSP provides extensive access to premium inventory, differentiated data for audience targeting, AI, planning capabilities across formats, incrementality testing solutions, and advanced reporting and measurement. We also offer full-service or hybrid buying models for advertisers and agencies to support a broad range of business needs.
- **Data Platform** – We offer a fully integrated data platform that sits at the core of our end-to-end offering and unlocks the value of data flowing through our DSP and SSP solutions. Our data platform, referred to as “Nexxen Data Platform,” enables advertisers and publishers to directly onboard, manage, plan, activate and measure, with data from multiple (and in some case exclusive) sources to optimize performance and ROI. Nexxen Data Platform delivers actionable insights and recommendations across geographic, behavioral, consumption, demographic, and other data dimensions within a unified solution. Our data platform supports direct data onboarding, audience targeting and segmentation, sentiment analysis, reach extension, identity resolution, optimization, and measurement, and is continually enhanced through AI and machine learning. We believe an integrated data platform that can support advertisers and digital publishers across the entire data supply chain is a critical component of our marketplace, as it enables more accurate audience targeting, improved campaign optimization, and consistent data activation across channels and formats.
- **Supply Side Platform** – We offer a self-service SSP solution that enables publishers to sell their digital advertising inventory through a real-time bidding auction across all screens, including across mobile devices, CTVs, streaming devices, and desktops. Our SSP provides publishers with access to robust data, differentiated demand sources, and a comprehensive product suite designed to support efficient and effective inventory management, yield optimization, deal management and revenue growth.
- **Analytics and AI (“nexAI”)** – We collect, synthesize, and analyze data across our platform using a combination of our comprehensive suite of AI-powered solutions (which we’ve branded as “nexAI”), machine learning, and deep learning technologies. These capabilities generate efficiency and actionable insights that inform bidding decisions, optimize campaign performance, and support forecasting of ad impression and auction dynamics. We believe these analytics and AI-driven capabilities enhance outcomes for both advertisers and publishers, and we expect to continue investing in these technologies to improve platform performance, efficiency, and scalability.
- **Nexxen Discovery** – Nexxen Discovery is an audience insight and activation product, and key component of Nexxen Data Platform. It unifies data from cross-channel sources, including our proprietary TV viewership data, and leverages first-party data to build intelligent audience profiles that are utilized across planning and activation. Powered by AI and machine learning, Nexxen Discovery provides actionable audience insights, including around sentiment analysis, interest, and brand affinity, to help customers create targeted segments, extend reach, and optimize campaigns in real time. It integrates seamlessly with our DSP and SSP to support planning, activation, and measurement across channels and inventory.
- **Nexxen Studio** – Nexxen’s in-house digital creative studio provides a range of creative solutions tailored to the needs of brands and agencies. Our comprehensive pre-flight creative testing and audience based in-flight creative optimization capabilities are enhanced through AI and fully integrated with Nexxen’s flexible, unified platform to maximize campaign performance.

Key Factors Affecting Our Results of Operations

We believe our operating results are influenced by several factors, including the following:

Attract, Retain and Grow our Customer Base: Our growth in recent years has been driven by a combination of expanding existing advertiser and publisher customer usage and spending across our platform, including through greater multi-solution adoption, and adding new advertiser and publisher customers. As a result, our revenue growth depends significantly upon our ability to retain our existing advertiser and publisher customers and capture a larger amount of their advertising spend and budgets through our platform.

For the year ended December 31, 2025, we achieved gross profit per active customer (calculated as our gross profit for the period divided by our active customers for the period) of \$412,901 and Contribution ex-TAC per active customer (calculated as our Contribution ex-TAC for the period divided by our active customers for the period) of \$563,204. In comparison, for the year ended December 31, 2024, we achieved gross profit per active customer of \$393,698 and Contribution ex-TAC per active customer of \$526,035. The increases in 2025 were largely driven by increased spend consolidation and multi-solution adoption among enterprise customers. Our Contribution ex-TAC retention rate in 2025 fell to 92% compared to 102% in 2024 due largely to our strategic decision to discontinue relationships with smaller customers that were not generating meaningful revenue or profitability, to focus on supporting relationships with larger enterprise customers with more sizable budgets to deploy. We believe we are strongly positioned to increase our Contribution ex-TAC retention rate over the long-term through greater enterprise and multi-solution adoption across our end-to-end platform.

Investment in Growth: We believe that the advertising market is in the early stages of a secular shift towards digital video advertising which we have focused on for several years, and Digital Video advertising represented approximately 71% of our Programmatic revenue for the year ended December 31, 2025. We plan to invest in driving long-term growth by focusing on some of the key drivers of digital advertising growth; particularly Video and CTV. We anticipate our operating expenses will increase in the foreseeable future as we invest in platform operations, sales and marketing, and technology and development, to enhance our product functionalities, and ability to sell them, including through potential future acquisitions, deployment of more self-service and AI capabilities for both our advertiser and publisher customers, the expansion of our data relationships and data capabilities, and the addition of more ad format functionality across our platform. We believe these investments will contribute to our long-term growth, although it is uncertain whether these investments may impact our profitability in the near-term.

Growth of the Digital Video Advertising Market and Macroeconomic Factors: We expect to continue to benefit from overall adoption of digital video advertising by both advertisers and publishers. Any material change in the growth rate of digital video advertising, or rates of adoption, could affect our performance. Recent trends have indicated that advertising spend is closely tied to advertisers' financial performance and macroeconomic conditions either generally, or in one or more of the industries in which our advertisers operate, or our publishers focus. An economic downturn could adversely impact the digital advertising market and our operating results.

Our Video revenue grew to \$242.0 million for the year ended December 31, 2025, from \$232.4 million for the year ended December 31, 2024, while CTV revenue fell to \$109.4 million for the year ended December 31, 2025, from \$113.8 million for the year ended December 31, 2024. Video revenue growth in 2025 was driven largely by strength in Desktop Video and partially offset by reduced CTV and Mobile video revenue. Video revenue growth, however, was constrained by several factors impacting the business primarily in the second half of the year, particularly Q4 2025, including reduced spending by one large DSP customer due to its increased SPO efforts in Q4 2025, the absence of elevated political advertising spend from the 2024 U.S. election cycle, and other headwinds including evolving U.S. trade dynamics, geopolitical hostilities and tariffs which, to an extent, limited advertising spend from certain partners. It is possible some of the challenging conditions experienced by advertisers in 2025 could continue in 2026 which could potentially impact advertising conditions and Nexxen's future revenue growth, see *"Risk Factors—Our revenue and results of operations are highly dependent on the overall demand for advertising. Factors that affect the amount of advertising spending, such as economic downturns, inflation, supply constraints, geopolitical issues, evolving U.S. and global trade dynamics (including tariffs), and pandemics, can make it difficult to predict our revenue and could adversely affect our business, results of operations and financial condition."*

Seasonality: In the advertising industry, companies commonly experience seasonal fluctuations in revenue. For example, many marketers allocate the largest portion of their budgets to the fourth quarter of the calendar year to coincide with increased holiday purchasing. Historically, the fourth quarter has reflected our highest level of advertising activity, while the first quarter of the calendar year has generally represented our lowest quarterly revenue due to seasonal factors. Historical seasonality may not be predictive of future results, given the potential for changes in consumer activity and advertising patterns as advertisers respond to emerging industry trends, dynamic macroeconomic conditions, global trade developments, political conditions, election cycles, major advertising events that do not occur on an annual basis, and ongoing geopolitical hostilities. Nevertheless, we expect our revenue to continue to fluctuate based on seasonal factors that affect the advertising industry as a whole.

Components of Our Results of Operations

In this section, we use the following terms:

"Programmatic" refers to our core end-to-end programmatic advertising platform, which uses software and algorithms to match buyers and sellers of digital advertising in a technology-driven marketplace; transactions within our Programmatic business lines are executed in milliseconds.

“Performance” refers to our non-core, non-programmatic performance business lines consisting primarily of mobile-based solutions that help brands reach their users; revenue generated in our Performance business lines is contingent on the occurrence of performance-based metrics, such as app downloads and installations.

Revenue. Our revenue is generated from transactions where we provide a platform for the purchase and sale of digital advertising inventory. Our end-to-end platform is a comprehensive software suite that supports a wide range of media types (such as Video, Smart TV native, audio, and display) across various devices (including mobiles, CTVs, streaming devices, and desktops), creating an efficient marketplace where advertisers (buyers) are able to purchase high quality advertising inventory from publishers (sellers) at scale.

We generate revenue through fees that we charge, based on customer type, to utilize our solutions and services and upon usage and delivery.

Often, advertisers use our DSP solution in connection with access to our Data Platform for optimizing media buys from our SSP solution.

Cost of revenue (exclusive of depreciation and amortization). Cost of revenue (exclusive of depreciation and amortization) primarily consists of hosting fees and data costs for both Programmatic and Performance (non-programmatic) activities, as well as media costs for Performance (non-programmatic) activities that are directly attributable to revenue generated by the Company and generally based on revenue share arrangements with audience and content partners.

Research and development expenses. Research and development expenses consist primarily of compensation and related costs for personnel responsible for the research and development of new and existing products and services. Where required, development expenditures are capitalized in accordance with the Company’s standard internal capitalized development policy in accordance with International Accounting Standard (“IAS”) 38. All research costs are expensed when incurred.

Selling and marketing expenses. Selling and marketing expenses consist primarily of compensation and related costs for personnel engaged in customer service, sales and sales support functions, as well as advertising and promotional expenditures.

General and administrative expenses. General and administrative expenses primarily consist of compensation and related costs for personnel and include costs related to the Company’s facilities, and its finance, human resources, doubtful debts, and legal organizations, as well as fees for professional services. Professional services are principally comprised of external legal, information technology consulting and outsourcing services that are not directly related to our other operational expenses.

Depreciation and amortization. Depreciation and amortization primarily consist of depreciation of fixed assets, amortization of intangible assets, depreciation and amortization of right of use assets, and amortization on unfavorable contracts.

Other expenses, net. Other expenses, net includes losses and revaluation on sales of business units and remeasurement of net investment in a finance lease.

Financing income. Financing income primarily consists of foreign currency gains and interest income.

Financing expenses. Financing expenses primarily include exchange rate differences, interest expenses, and bank fees.

Taxation. Taxation consists primarily of income taxes related to the jurisdictions in which we conduct business. Our effective tax rate is affected by non-deductible expenses net of tax-exempt income, utilization of tax losses from prior years for which deferred taxes were not created, effect on deferred taxes at a rate different from the primary tax rate, effect of reduced tax rates on preferred loss or income, recognition of deferred taxes for tax losses and benefits from previous years for which deferred taxes were not created in the past, recognition in temporary differences for which deferred taxes are not recognized and foreign tax rate differential. As of December 31, 2025, we had tax loss carryforwards totaling \$24.5 million (2024: \$51.6 million) in operating loss, which will begin to expire in 2032; \$256.6 million (2024: \$265.9 million) in operating loss carryforwards, which can be utilized through 2074; and \$29.5 million (2024: \$29.5 million) in capital loss carry forwards from the U.S. Additionally, we had \$25.0 million (2024: \$27.8 million) in operating loss carry forwards, \$0.5 million (2024: \$2.8 million) in capital loss carryforwards from Israel; and \$20.1 million (2024: \$18.7 million) operating loss carryforwards from other international jurisdictions.

Results of Operations

The following tables set forth our results of operations in U.S. dollars and as a percentage of revenue for the years indicated.

	Year Ended December 31, 2025		Year Ended December 31, 2024	
	(In thousands)	As a % of revenue	(In thousands)	As a % of revenue
Revenue	\$ 364,780	100.0%	\$ 365,477	100.0%
Cost of revenue (exclusive of depreciation and amortization shown separately below)	54,979	15.1	61,020	16.7
Research and development	58,059	15.9	49,992	13.7
Selling and marketing	122,975	33.7	112,227	30.7
General and administrative	33,194	9.1	41,237	11.3
Depreciation and amortization	63,124	17.3	58,676	16.1
Other expenses, net	—	—	1,504	0.4
Profit from operations	32,449	8.9	40,821	11.2
Financing income	(7,010)	(1.9)	(6,657)	(1.8)
Financing expenses	2,200	0.6	8,946	2.4
Financing expenses (income), net	(4,810)	(1.3)	2,289	0.6
Profit before taxes on income	37,259	10.2	38,532	10.5
Tax expenses	12,216	3.3	3,095	0.8
Profit for the year	25,043	6.9	35,437	9.7
Foreign currency translation differences for foreign operation	2,824	0.8	(35)	—
Total comprehensive income for the year	\$ 27,867	7.6%	\$ 35,402	9.7%

Year Ended December 31, 2025 compared to Year Ended December 31, 2024

	Year Ended December 31,		Change	
	2025	2024		
	(In thousands)	(In thousands)	\$	%
<i>(in thousands, except for percentages)</i>				
Revenue	\$ 364,780	\$ 365,477	\$ (697)	(0.2)%

Revenue decreased by \$0.7 million, or 0.2%, to \$364.8 million for the year ended December 31, 2025, from \$365.5 million for the year ended December 31, 2024. The decrease was driven by a 41.1% decline in gross Performance (non-programmatic) revenue, largely offset by a 5.0% increase in programmatic revenue. Performance (non-programmatic) revenue weakness was attributable to our diminishing focus on our non-core, non-programmatic business line amid our efforts to accelerate programmatic revenue growth, which we view as our core business. Programmatic revenue growth was driven by strength across Desktop Video and data products but constrained by several factors that impacted the business in the second half of the year, particularly in Q4 2025. These factors included macroeconomic uncertainty, more competitive CPMs, spend reductions by certain customers driven by evolving U.S. trade dynamics and tariffs, the absence of political advertising spend compared to 2024, and a significant reduction in spending by one DSP customer within the Company's open marketplace ("OMP") channel as part of that customer's SPO initiatives.

Cost of revenue

	Year Ended December 31,		Change	
	2025	2024		
	(In thousands)	(In thousands)	\$	%
<i>(in thousands, except for percentages)</i>				
Cost of revenue (exclusive of depreciation and amortization)	\$ 54,979	\$ 61,020	\$ (6,041)	(9.9)%

Cost of revenue (exclusive of depreciation and amortization) decreased by \$6.0 million, or 9.9%, to \$55.0 million for the year ended December 31, 2025, from \$61.0 million for the year ended December 31, 2024. The decrease was driven primarily by a \$10.4 million decrease in Performance (non-programmatic) costs, consistent with the corresponding decline in Performance (non-programmatic) revenue, partially offset by a \$4.3 million increase related to efforts necessary to expand the Company's data capabilities and capacity as part of a strategic partnership.

Research and development expenses

	Year Ended December 31,		Change	
	2025	2024		
	(In thousands)	(In thousands)	\$	%
<i>(in thousands, except for percentages)</i>				
Research and development	\$ 58,059	\$ 49,992	\$ 8,067	16.1%

Research and development expenses increased by \$8.1 million, or 16.1%, to \$58.1 million for the year ended December 31, 2025, from \$50.0 million for the year ended December 31, 2024. The increase was primarily driven by a \$9.3 million increase in salaries and wages, reflecting higher headcount associated with AI-centric product investments focused on enhancing the Nexxen Data Platform and Discovery tool, alongside a \$2.2 million increase in share-based compensation. These increases were partially offset by a \$2.0 million increase in capitalized product innovation costs, and a \$1.5 million decrease from the elimination of an external product service consultant relationship from 2024 after bringing expertise in-house.

Selling and marketing expenses

	Year Ended December 31,		Change	
	2025 (In thousands)	2024 (In thousands)	\$	%
<i>(in thousands, except for percentages)</i>				
Selling and marketing	\$ 122,975	\$ 112,227	\$ 10,748	9.6%

Selling and marketing expenses increased by \$10.8 million, or 9.6%, to \$123.0 million for the year ended December 31, 2025, from \$112.2 million for the year ended December 31, 2024. The increase was attributable to a \$4.6 million increase related to strategic consulting services focused on brand optimization and data and dashboard analytics capabilities, a \$3.4 million increase in share-based compensation, and a \$2.7 million increase in salaries and wages.

General and administrative expenses

	Year Ended December 31,		Change	
	2025 (In thousands)	2024 (In thousands)	\$	%
<i>(in thousands, except for percentages)</i>				
General and administrative	\$ 33,194	\$ 41,237	\$ (8,043)	(19.5)%

General and administrative expenses decreased by \$8.0 million, or 19.5%, to \$33.2 million for the year ended December 31, 2025, from \$41.2 million for the year ended December 31, 2024. The decrease was primarily driven by a \$9.2 million reduction in doubtful debt expenses due to improved collections, a \$1.6 million decrease in expenses following the Company's 2025 Trading Structure Changes, and a \$0.8 million decrease in legal expenses. These decreases were partially offset by a \$2.0 million increase in salaries and wages, a \$0.5 million increase in rent expenses, and a \$1.0 million increase in share-based compensation.

Depreciation and amortization expenses

	Year Ended December 31,		Change	
	2025 (In thousands)	2024 (In thousands)	\$	%
<i>(in thousands, except for percentages)</i>				
Depreciation and amortization	\$ 63,124	\$ 58,676	\$ 4,448	7.6%

Depreciation and amortization expenses increased by \$4.5 million, or 7.6%, to \$63.1 million for the year ended December 31, 2025, from \$58.7 million for the year ended December 31, 2024. The increase was primarily driven by a \$6.6 million increase related to the reassessment of the useful life of an unfavorable contract following changes in commercial circumstances and market terms in 2024, a \$3.8 million increase in amortization of internally developed software, and a \$1.2 million increase in depreciation on lease agreements. These increases were partially offset by a \$6.4 million decrease in customer relationship amortization and a \$0.9 million decrease in server depreciation.

Other expenses, net

	Year Ended December 31,		Change	
	2025	2024		
	(In thousands)	(In thousands)	\$	%
<i>(in thousands, except for percentages)</i>				
Other expenses, net	\$ —	\$ 1,504	\$ (1,504)	(100.0)%

Other expenses, net decreased by \$1.5 million, or 100.0%, to \$0.0 million for the year ended December 31, 2025, from \$1.5 million for the year ended December 31, 2024. The decrease was due to a \$1.5 million expense recorded in 2024 related to the remeasurement of the Company's net investment in a finance lease, with no comparable expense in 2025.

Financial expenses, net

	Year Ended December 31,		Change	
	2025	2024		
	(In	(In		
	thousands)	thousands)	\$	%
<i>(in thousands, except for percentages)</i>				
Financial income	\$ (7,010)	\$ (6,657)	\$ (353)	5.3%
Financial expenses	\$ 2,200	\$ 8,946	\$ (6,746)	(75.4)%
Financial expenses (income), net	\$ (4,810)	\$ 2,289	\$ (7,099)	(310.1)%

Net financial expenses (income) decreased by \$7.1 million, or 310.1%, to \$4.8 million income for the year ended December 31, 2025, from \$2.3 million expense for the year ended December 31, 2024. The decrease was primarily driven by a \$3.3 million reduction related to foreign currency exchange rate fluctuations, a \$3.0 million decrease in interest expenses following the 2024 repayment of the loan associated with the acquisition of Amobee, a \$1.8 million benefit related to interest and linkage for prior years' tax prepayments, and a \$1.1 million hedging income. These decreases were partially offset by a \$2.2 million decline in interest income on cash and cash equivalents.

Tax expenses

	Year Ended December 31,		Change	
	2025	2024		
	(In thousands)	(In thousands)	\$	%
<i>(in thousands, except for percentages)</i>				
Tax expenses	\$ 12,216	\$ 3,095	\$ 9,121	294.7%

Tax expenses increased by \$9.1 million, or 294.7%, to \$12.2 million for the year ended December 31, 2025 from \$3.1 million for the year ended December 31, 2024. The difference between the effective tax rate in 2025 of 33% and the Israeli corporate tax rate of 23% primarily reflects the impact of taxes in foreign and state jurisdictions, non-deductible expenses, and temporary differences for exchange rate differences for which deferred taxes were not recognized. These impacts were partially offset by a utilization and recognition of losses and benefits from previous years for which deferred taxes were not created in the past, as well as differences between the measurement basis for tax purposes and financial reporting purposes (mainly related to share based compensation and research and development tax credits).

The difference between the effective tax rate in 2024 of 8% and the Israeli corporate tax rate of 23% primarily reflects the impact of taxes in foreign and state jurisdictions, differences between the measurement basis for tax purposes and financial reporting purposes (mainly related to share based compensation and research and development tax credits), temporary differences for depreciation income for which deferred taxes were not recognized and U.S. research and development tax credits from previous years. These impacts were partially offset by an assessment received in 2025 from the Israeli tax authorities for the tax years up to and including the year ended December 31, 2024, as well as non-deductible expenses.

Total comprehensive income for the year

	Year Ended December 31,		Change	
	2025	2024		
	(In thousands)	(In thousands)	\$	%
<i>(in thousands, except for percentages)</i>				
Total comprehensive income for the year	\$ 27,867	\$ 35,402	\$ (7,535)	(21.3)%
Total comprehensive income margin	7.6%	9.7%		

Total comprehensive income decreased by \$7.5 million, or 21.3%, to \$27.9 million for the year ended December 31, 2025, from \$35.4 million for the year ended December 31, 2024. The decrease was largely attributable to a \$10.4 million decline in annual profit, partially offset by a \$2.8 million fluctuation in foreign currency translation differences for foreign operations. Total comprehensive income margin decreased to 7.6% for the year ended December 31, 2025, from 9.7% for the year ended December 31, 2024. The margin decrease was driven primarily by a 294.7% increase in tax expenses offset by a 310.1% increase in financial income.

Key Performance Indicators and Other Operating Metrics

We review the following indicators to measure our performance, identify trends affecting our business, formulate business plans, and make strategic decisions. Increases or decreases in our key performance indicators may not correspond with increases or decreases in our revenue. In this section, we use the following terms:

“*Programmatic*” refers to revenue generated from our end-to-end programmatic advertising platform, which uses software and algorithms to match buyers and sellers of digital advertising in a technology-driven marketplace. Transactions in our Programmatic business lines are executed in milliseconds.

“*Performance*” refers to revenue generated from our non-core, non-programmatic performance business lines consisting primarily of mobile-based solutions that help brands reach their users. Revenue generated in our Performance (non-programmatic) business lines is contingent on the occurrence of performance-based metrics, such as app downloads and installations.

The following tables summarize the key performance indicators that we use to evaluate our business for the years presented.

Programmatic and Performance (Non-Programmatic) Revenue by Media Type and Device

The following table summarizes Programmatic and Performance (non-programmatic) revenue by selected media type and device for the years ended December 31, 2025 and 2024.

Yearly revenue matrix

(in thousands except percentages)	2025 Revenue			2024 Revenue		
	Programmatic	Performance	Group	Programmatic	Performance	Group
Video	\$ 242,040	—	\$ 242,040	\$ 232,371	—	\$ 232,371
CTV ⁽¹⁾	45%	—	45%	49%	—	49%
Mobile ⁽¹⁾	29%	—	29%	30%	—	30%
Desktop ⁽¹⁾	18%	—	18%	13%	—	13%
Other ⁽¹⁾	8%	—	8%	8%	—	8%
Display	\$ 74,771	\$ 24,153	\$ 98,924	\$ 79,057	\$ 41,011	\$ 120,068
Other ⁽²⁾	\$ 23,816	—	\$ 23,816	\$ 13,038	—	\$ 13,038
Total Group	\$ 340,627	\$ 24,153	\$ 364,780	\$ 324,466	\$ 41,011	\$ 365,477

(1) Percent of total Video revenue.

(2) “Other” revenue in 2025 includes revenue generated from ATV, data products, audio and technology licensing. Growth in “Other” revenue in 2025 was driven primarily by increased revenue from data products and technology licensing.

Selected Device – CTV

	Year Ended December 31, 2025	Year Ended December 31, 2024	% Change
Revenue (in thousands)	\$ 109,432	\$ 113,752	(3.8)%
% of Programmatic revenue	32%	35%	

CTV revenue decreased by \$4.3 million, or 3.8%, to \$109.4 million for the year ended December 31, 2025, from \$113.8 million for the year ended December 31, 2024. CTV was impacted by a variety of factors observed primarily in the second half of the year, particularly Q4 2025. Those factors included macroeconomic uncertainty, more competitive CTV CPMs, CTV advertising spend reductions by certain customers due to evolving U.S. trade dynamics and tariffs, the absence of political CTV advertising spend compared to 2024, and a significant reduction in CTV advertising spend by one DSP customer within our OMP channel, driven by that customer's SPO initiatives. We believe we remain well-positioned to grow CTV revenue over time due to our robust CTV-centric technology capabilities and differentiated CTV data and media assets, alongside growing industry adoption of programmatic CTV advertising.

Selected Media Type – Video

	Year Ended December 31, 2025	Year Ended December 31, 2024	% Change
Revenue (in thousands)	\$ 242,040	232,371	4.2%
% of Programmatic revenue	71%	72%	

Video revenue increased to \$242.0 million for the year ended December 31, 2025, from \$232.4 million for the year ended December 31, 2024. The increase was driven by growth in Desktop Video revenue, partially offset by declines in Mobile Video and CTV revenue. While overall Video revenue increased year-over-year in 2025, growth was constrained by several factors observed primarily in the second half of the year, particularly Q4 2025. Those factors included macroeconomic uncertainty, more competitive CPMs, advertising spend reductions by certain customers related to evolving U.S. trade dynamics and tariffs, the absence of political advertising spend compared to 2024, and a significant reduction in advertising spend by one DSP customer within our OMP channel, driven by that customer's SPO initiatives. We believe we remain well-positioned to grow Video revenue over time due to our strategic focus on the format, robust Video-centric technology and data capabilities, and growing adoption of programmatic Video advertising.

Other Key Financial Metrics

	Year Ended December 31,	
	2025	2024
IFRS measures		
Revenue (in thousands)	\$ 364,780	\$ 365,477
Gross profit (in thousands) ⁽¹⁾	\$ 258,889	\$ 257,085
Total comprehensive income	\$ 27,867	\$ 35,402
Total comprehensive income margin	7.6%	9.7%
Non-IFRS measures		
Contribution ex-TAC (in thousands) ⁽²⁾	\$ 353,129	\$ 343,501
Adjusted EBITDA (in thousands) ⁽³⁾	\$ 115,141	\$ 114,555
Adjusted EBITDA margin ⁽³⁾	31.6%	31.3%

- (1) Gross profit is defined as total revenue for the year adjusted for cost of revenues (exclusive of depreciation and amortization) and depreciation and amortization attributable to cost of revenue.

Gross profit is a supplemental measure of our financial performance that is not required by, or presented in the financial statements, and should not be viewed in isolation.

- (2) Contribution ex-TAC is defined as our gross profit plus depreciation and amortization attributable to cost of revenue and cost of revenue (exclusive of depreciation and amortization) minus Performance (non-programmatic) media costs (as defined below) (“traffic acquisition costs” or “TAC”), as we arrange the transfer of such costs from the supplier to the customer through the use of our platform and do not control such features prior to the customer transfer.

Contribution ex-TAC is a supplemental measure of our financial performance that is not required by, or presented in accordance with, IFRS. Contribution ex-TAC should not be considered as an alternative to gross profit as a measure of financial performance. Contribution ex-TAC is a non-IFRS financial measure and should not be viewed in isolation. We include Contribution ex-TAC in this Annual Report because we believe it is a useful measure in assessing the performance of Nexxen because it facilitates a consistent comparison against our core business without considering the impact of traffic acquisition costs related to revenue reported on a gross basis.

- (3) Adjusted EBITDA is defined as total comprehensive income for the year adjusted for foreign currency translation differences for foreign operations, financial expenses (income), net, tax expenses, depreciation and amortization, stock-based compensation expenses, delisting related one-time costs and other expenses, net. Adjusted EBITDA margin is defined as Adjusted EBITDA as a percentage of revenue in this Annual Report.

Adjusted EBITDA is a non-IFRS financial metric. Adjusted EBITDA is included in this Annual Report because it is a key metric used by management and our board of directors to assess our financial performance. Adjusted EBITDA is frequently used by analysts, investors, and other interested parties to evaluate companies in our industry. Management believes that Adjusted EBITDA is an appropriate measure of operating performance because it eliminates the impact of expenses that do not relate directly to the performance of the underlying business.

The following table reconciles Contribution ex-TAC to the most directly comparable IFRS financial performance measure, which is gross profit:

<i>(in thousands)</i>	Year Ended December 31,	
	2025	2024
Revenue	\$ 364,780	\$ 365,477
Cost of revenue (exclusive of depreciation and amortization)	(54,979)	(61,020)
Depreciation and amortization attributable to cost of revenue	(50,912)	(47,372)
Gross profit (IFRS)	258,889	257,085
Depreciation and amortization attributable to cost of revenue	50,912	47,372
Cost of revenue (exclusive of depreciation and amortization)	54,979	61,020
Performance media cost (a)	(11,651)	(21,976)
Contribution ex-TAC (Non-IFRS)	\$ 353,129	\$ 343,501

(a) Represents the costs of purchases of impressions from publishers on a cost per thousand impression basis in our Performance (non-programmatic) business lines.

The following table reconciles Adjusted EBITDA to the most directly comparable IFRS financial performance measure, which is total comprehensive income for the year:

<i>(in thousands)</i>	Year Ended December 31,	
	2025	2024
Total comprehensive income for the year	\$ 27,867	\$ 35,402
Foreign currency translation differences for foreign operation	(2,824)	35
Taxes expenses	12,216	3,095
Financial expenses (income), net	(4,810)	2,289
Depreciation and amortization	63,124	58,676
Stock-based compensation expenses	18,048	11,460
Other expenses, net	—	1,504
Delisting related one-time costs	1,520	2,094
Adjusted EBITDA	\$ 115,141	\$ 114,555

Contribution ex-TAC

Contribution ex-TAC increased by 2.8% to \$353.1 million for the year ended December 31, 2025, from \$343.5 million for the year ended December 31, 2024. Growth was driven by a 5.0% increase in Programmatic revenue, partially offset by a 34.3% decline in net Performance (non-programmatic) revenue. The Contribution ex-TAC increase was driven by strength in our programmatic business lines, fueled by increased self-service, and multi-solution, enterprise customer adoption and platform utilization, alongside Desktop Video revenue growth, and increased tech licensing and data products revenue. The increase was partially offset by several factors which impacted the business in 2025, primarily in the second half of the year, and particularly in Q4 2025. Those factors included macroeconomic uncertainty, more competitive CPMs, advertising spend reductions by certain customers related to evolving U.S. trade dynamics and tariffs, the absence of political advertising spend compared to 2024 (approximately \$10 million), and a significant reduction in advertising spend by one DSP customer within our OMP channel, driven by that customer's SPO initiatives.

Adjusted EBITDA

Adjusted EBITDA increased modestly by \$0.6 million from \$114.6 million for the year ended December 31, 2024, to \$115.1 million for the year ended December 31, 2025. The increase was driven by a \$7.1 million improvement in net financial income (following a net financial expense in 2024), \$1.5 million decrease in other expenses, net, and a \$0.6 million decrease in delisting-related one-time costs, largely offset by a \$7.5 million decrease in total comprehensive income, \$9.1 million increase in tax expenses, \$2.9 million impact from foreign currency translation differences for foreign operations, \$4.4 million increase in depreciation and amortization and \$6.6 million increase in stock-based compensation expenses.

Key Operating Metrics

	Year Ended December 31,	
	2025	2024
Active customers		
Number of active customers(1)	627	653
Gross profit per active customer (in thousands)	\$ 413	\$ 394
Contribution ex-TAC retention rate(2)	92%	102%
Active publishers		
Number of active publishers(3)	1,304	1,516
Ad impressions		
Number of ad impressions(4) (in millions)	247,764	227,990

(1) An active customer is defined as an advertiser, agency, trading desk or third-party DSP, which we have a direct relationship with, that has used our platform within a trailing 365-day period.

(2) Contribution ex-TAC retention rate is defined as Contribution ex-TAC generated in the year ended December 31, 2025 from customers that were existing customers as of December 31, 2024 as a percentage of the Contribution ex-TAC generated in the year ended December 31, 2024 from the same group of customers. Contribution ex-TAC retention rate is intended to provide an aggregated view of positive and negative changes for the same group of customers over a 12-month period, including customer attrition, customer renewal, service upgrades and service downgrades.

(3) An active publisher is defined as a publisher or third-party SSP that has used our platform within a trailing 365-day period.

(4) An ad impression refers to each time an ad is displayed within our platform.

5.B. LIQUIDITY AND CAPITAL RESOURCES

Overview

As of December 31, 2025, we had cash and cash equivalents of \$133.3 million and working capital, consisting of current operating assets less current operating liabilities, of \$75.3 million. We believe our working capital is sufficient for our present working capital requirements. Additionally, we believe our existing cash resources, ability to generate cash from operating activities and access to external financing sources, will be sufficient to support our long-term liquidity needs beyond the next 12 months, including liquidity needed for strategic initiatives and potential investments.

The following table presents the summary consolidated cash flow information for the years presented.

(in thousands)	2025	2024
	(as reported)	(as reported)
Net cash provided by operating activities	\$ 110,109	\$ 150,835
Net cash used in investing activities	(48,622)	(21,212)
Net cash used in financing activities	(117,524)	(174,744)

Net cash provided by operating activities was \$110.1 million for the year ended December 31, 2025, derived from total profit of \$25.0 million, adjusted for \$88.5 million of non-cash items, including \$63.1 million of depreciation and amortization, \$18.0 million of share-based compensation expenses, and \$12.2 million of tax expenses and a \$0.2 million remeasurement of net investment in a finance lease, partially offset by \$5.1 million of net finance income. Operating cash flow also reflected \$5.6 million of net cash used in changes in working capital and other operating activities, including a \$21.9 million decrease in accounts receivable, a \$21.3 million decrease in accounts payable, \$6.2 million of net income taxes paid, net, and \$2.4 million of net interest received, consisting of \$4.4 million of interest received and \$2.0 million of interest paid.

Net cash provided by operating activities was \$150.8 million for the year ended December 31, 2024, derived from total profit of \$35.4 million, adjusted for \$76.7 million of non-cash items, including \$58.7 million of depreciation and amortization, \$11.4 million of share-based compensation expenses, \$2.0 million of net finance expenses, \$3.1 million of tax expenses, and a \$1.5 million remeasurement of net investment in a finance lease. Additionally, there was \$38.4 million of net cash used in changes in working capital and other operating activities, including a \$14.5 million increase in accounts receivable, a \$57.7 million increase in accounts payable, \$4.8 million of net income taxes paid, net, and \$0.2 million of net interest received, consisting of \$6.6 million of interest received and \$6.4 million of interest paid.

Net cash used in investing activities

Net cash used in investing activities was \$48.6 million for the year ended December 31, 2025, primarily driven by a \$20.0 million investment in V shares, \$17.6 million related to the acquisition and capitalization of intangible assets, \$12.1 million related to the acquisition of fixed assets, and \$0.3 million related to pledged deposits. These uses of cash were partially offset by \$1.2 million of lease payment receipts and \$0.1 million of repayments on a loan to a third party.

Net cash used in investing activities was \$21.2 million for the year ended December 31, 2024, consisting primarily of \$15.8 million for the acquisition and capitalization of intangible assets and \$7.7 million for the acquisition of fixed assets, partially offset by \$0.4 million of pledged deposits, \$1.8 million of lease payment receipts, and \$0.1 million of repayments on a loan to a third party.

Net cash used in financing activities

Net cash used in financing activities was \$117.5 million for the year ended December 31, 2025, primarily driven by \$101.7 million related to the repurchase of the Company's shares and \$16.3 million related to lease repayments. These uses of cash were partially offset by \$0.4 million of proceeds from the exercise of share options.

Net cash used in financing activities was \$174.7 million for the year ended December 31, 2024, primarily driven by \$60.7 million related to the repurchase of the Company's shares, \$100 million related to the repayment of a long-term loan, and \$15.1 million related to lease repayments. These uses of cash were partially offset by \$1.1 million of proceeds from the exercise of share options.

Credit agreement

In September 2022, Nexxen Group US Holdings Inc. (f/k/a Unruly Group US Holding Inc.) entered into a \$90 million senior secured term loan facility (the "Term Loan Facility") and a \$90 million senior secured revolving credit facility with a \$15 million letter of credit sub-facility (the "Revolving Credit Facility"). The Company used the net proceeds of the Term Loan Facility and \$10 million of net proceeds of the Revolving Credit Facility to fund a portion of the cash consideration required to close its acquisition of Amobee. On April 9, 2024, the Company repaid its outstanding Term Loan Facility in full, together with its then outstanding Revolving Credit Facility borrowings, in the total amount of \$100 million. No early termination penalties were incurred. Following such repayment, the Revolving Credit Facility remained available with no amounts outstanding.

On May 29, 2025, the Company entered into a second amendment to the credit agreement (the "Second Amendment"), pursuant to which, among other things, the total committed Revolving Credit Facility was reduced from \$90 million to \$50 million and the maturity date of the Revolving Credit Facility was extended to September 2027. As of December 31, 2025, no amounts were outstanding under the Revolving Credit Facility. The Revolving Credit Facility bears interest, at the Company's discretion, at a base rate plus a margin ranging from 0.75% to 1.25% per annum or at a SOFR rate plus a margin ranging from 1.75% to 2.25% per annum, in each case plus a credit spread adjustment of 0.10% to 0.25% based on the interest period duration of the applicable borrowing, with the applicable margin determined by reference to the Company's consolidated total net leverage ratio. The Revolving Credit Facility may be borrowed, repaid, and re-borrowed until its maturity, and the Company may prepay amounts outstanding thereunder at its discretion without premium or penalty.

The Company is also obligated to pay a commitment fee on the undrawn amounts of the Revolving Credit Facility at an annual rate ranging from 0.20% to 0.35%, determined by the Company's total net leverage ratio. The Revolving Credit Facility requires compliance with various financial and non-financial covenants, including affirmative and negative covenants. The financial covenants require that the total net leverage ratio not exceed 3x and the interest coverage ratio not be less than 4x, in each case measured as of the end of each fiscal quarter. As of December 31, 2025, the Company was in compliance with all related covenants. The letter of credit sub-facility includes a fee at a rate per annum equal to the applicable margin for SOFR Loans then in effect on the daily maximum amount then available to be drawn as well as a fronting fee equal to 0.125% per annum along with other standard fees.

Nexxen Group US Holdings Inc.'s obligations under the Revolving Credit Facility is (i) jointly and severally guaranteed by Nexxen International Ltd. and certain of Nexxen International Ltd.'s direct and indirect, existing and future wholly owned restricted subsidiaries, subject to certain exceptions and (ii) secured on a first-lien basis by substantially all of the tangible and intangible assets of Nexxen Group US Holdings Inc. and the guarantors of the Revolving Credit Facility, subject to certain permitted liens and other agreed upon exceptions.

Capital Expenditures

Our capital expenditures consist primarily of purchases of hardware and software. During the years ended December 31, 2025 and 2024, our capital expenditures totaled \$31.3 million and \$22.7 million, respectively. We expect to continue making capital expenditures to support the anticipated growth of our business, which we expect to fund from our existing cash and cash equivalents.

Contractual Obligations

As of December 31, 2025 and 2024, our contractual obligations consist of leases, trade, and other payables totaling \$242,198 and \$272,289, respectively. Of these amounts, \$223,554 and \$249,432 were due within one year as of December 31, 2025 and 2024, respectively.

In addition, the Company has committed to a further equity investment in V of \$15 million, subject to the satisfaction of certain conditions precedent. The investment is expected to be completed in 2026.

5.C. RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES

Our business model enables us to invest in research and development, which has supported the growth of our business. Our platform efficiently manages large volumes of complex data and is used in real-time by both our advertiser and publisher customers. We remain committed to developing innovative technologies and rapidly introducing enhanced functionalities to meet the evolving needs of our clients. As a result, we expect technology and development expenses to increase over time as we continue to invest in our platform to accommodate higher advertising volumes and support our international expansion.

Our technology and development team is based mainly in the United States and Israel, and is comprised of 284 employees.

Research and development expenses were \$58.1 million and \$50.0 million for the years ended December 31, 2025 and 2024, respectively, and accounted for 20.9% and 19.0% of our operating expenses in 2025 and 2024, respectively. Our success depends, in part, on our ability to protect the proprietary methods and technologies that we develop or otherwise acquire. We rely on a combination of patent, trademark, copyright, trade secret laws, confidentiality procedures and contractual provisions to protect our proprietary methods and technologies and own more than 50 patents in the United States. In 2025, we successfully rebranded our Company's various businesses under the name "Nexxen" and the associated Nexxen logo, to further promote our unified service and product offerings. The Company has been working on this rebranding in its public facing assets. The Company has obtained international trademark registrations for these trademarks. The Company has obtained trademark registrations in Australia, the European Union, Israel, Mexico, Singapore, the United Kingdom, China, and the United States. The Company is actively prosecuting similar trademark applications in Canada and Japan. The Company also uses and actively protects other trademarks in various jurisdictions and holds trademark registrations for the Perk mark in the United States and the Perk logo in Australia, New Zealand, India, the European Union, the United Kingdom, and WIPO. We generally enter into confidentiality and/or license agreements with our employees, consultants, vendors and advertisers, and we generally limit access to, and distribution of, our proprietary information. We intend to pursue additional intellectual property protection to the extent we believe it would be beneficial and cost effective.

5.D. TREND INFORMATION

Advertising Ecosystem. We believe we are well positioned to benefit from several trends in the evolving advertising ecosystem, including: the continued proliferation of digital media consumption; growing adoption of programmatic advertising; increasing advertiser focus on premium formats such as Video and CTV; the shift of linear advertising budgets toward, and their convergence with, digital advertising budgets; the continued migration of live sports to digital environments, including CTV; increased advertiser reliance on data-driven tools and AI; and the increasing sophistication of the digital advertising landscape.

We address the digital advertising market through three core proprietary offerings: a demand-side platform ("DSP") that advertisers use to plan, activate, and manage digital advertising campaigns; a supply-side platform ("SSP") that digital publishers use to monetize inventory; and the Nexxen Data Platform, which integrates directly with both our DSP and SSP to drive performance. Our Data Platform leverages large-scale data sets, advanced machine learning techniques, and AI to generate audience insights and campaign recommendations. By contextualizing and synthesizing this data, the platform is designed to provide advertisers with a more comprehensive and granular view of audiences across formats and devices, which can improve campaign effectiveness and returns on advertising investments, while also supporting the optimization of digital publisher inventory monetization. By combining these three proprietary solutions with integrations across industry-leading partners, we offer an end-to-end platform that is designed to be flexible and scalable to meet our customers' needs, while enabling us to operate across a broad and growing range of digital advertising spend and verticals.

Over the past several years, the advertising environment has been influenced by a combination of macroeconomic, geopolitical, and pandemic-related factors. In 2022 and 2023, advertisers faced challenges from rising inflation, higher interest rates, and ongoing uncertainty related to the residual effects of the COVID-19 pandemic, which in some cases led to reduced or delayed campaigns. In 2024, the industry benefitted from lower inflation, reduced interest rates, and the U.S. election cycle, contributing to stronger advertising activity, although geopolitical hostilities and broader macroeconomic uncertainty continued to impact advertiser budgets and spending to an extent. In 2025, the advertising environment remained generally positive, but growth was constrained by: cautious and uneven consumer spending; macroeconomic and industry uncertainty; evolving U.S. and global trade dynamics; ongoing geopolitical hostilities; tariffs; reduced political advertising spend compared to 2024; and increased supply path optimization (“SPO”) efforts by larger DSPs within the industry. The Company believes many of these aforementioned challenges could continue to impact advertising budgets and spending in 2026, however, the Company may also benefit from non-annual major advertising events occurring in 2026, including the Winter Olympics, FIFA World Cup and U.S. mid-term election cycle.

5.E. CRITICAL ACCOUNTING ESTIMATES

Accounting Policies, Judgments and Estimates

We prepare our audited consolidated financial statements in accordance with IFRS as issued by the IASB. In preparing our audited consolidated financial statements, we make assumptions, judgments and estimates that can have a significant impact on amounts reported in our audited consolidated financial statements. We base our assumptions, judgments and estimates on historical experience and various other factors that we believe to be reasonable under the circumstances. Actual results could differ materially from these estimates under different assumptions or conditions. We regularly re-evaluate our assumptions, judgments and estimates, which are described in Note 3 to our audited consolidated financial statements included elsewhere in this Annual Report.

Recently Issued Accounting Pronouncements

A description of recently issued accounting pronouncements that may potentially impact our financial position, results of operations or cash flows is disclosed in Note 3 to our audited consolidated financial statements included elsewhere in this Annual Report.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

6.A. DIRECTORS AND SENIOR MANAGEMENT

Board of Directors and Senior Management

The following table sets forth information regarding our executive officers and directors, including their ages as of February 28, 2026:

Name	Age	Position
Executive Officers		
Ofer Druker	60	Chief Executive Officer and Director
Sagi Niri	54	Chief Financial Officer
Yaniv Carmi	44	Chief Operating Officer
Directors		
Christopher Stibbs	62	Non-Executive Chairperson
Neil Jones	59	Senior Non-Executive Director
Lisa Klinger	58	Non-Executive Director
Daniel Kerstein	53	Non-Executive Director
Rhys Summerton	49	Non-Executive Director

Directors

Christopher Stibbs. Christopher Stibbs has served as a member of our board of directors since May 2019 and as our Non-Executive Chairperson since September 2020. Mr. Stibbs has over 25 years of experience as an executive in the media industry. From July 2013 to August 2019, he served as Chief Executive of The Economist Group Ltd. (the “Economist Group”), a media company. Previously, he held a number of roles within the group including head of the Economist Intelligence Unit (the group’s B2B arm) and Chief Financial Officer. He is credited with overseeing the Economist Group’s resilience and transition through the unprecedented disruption experienced by the publishing industry over the last 15 years. Prior to this, he held positions with Pearson (NYSE:PSO), a publishing company and Incisive Media, a B2B information and events company. Mr. Stibbs is a fellow of the Associations of Chartered Accountants and Corporate Treasurers and currently serves as a non-executive director at Oxford University Press and serves as a chairman of IBA Aviation.

Neil Jones. Neil Jones has served as a member of our board of directors since 2014. Mr. Jones spent most of his executive career in the media sector leading the Finance and M&A functions of UK listed and private equity backed businesses. He was Corporate Development Director of Inizio Group Limited, the international life science services company created from the merger of UDG Healthcare plc and Huntsworth plc (“Huntsworth”) from August 2021 until July 2025. Prior to that he was Chief Operating Officer and Chief Financial Officer at Huntsworth plc from February 2016. He joined Huntsworth from ITE Group plc, the international exhibitions group, where he held the position of Chief Financial Officer from 2008 to 2016. Between 2003 and 2008, Mr. Jones was Chief Financial Officer at Tarsus Group plc, an international media company. Mr. Jones has a B.A. in Economics from the University of Manchester and completed his ACA in July 1990 with PricewaterhouseCoopers.

Lisa Klinger. Lisa Klinger has served as a member of our board of directors since April 2021. Ms. Klinger has nearly 30 years of experience in international finance. Most recently, between 2018 and 2019, Ms. Klinger served as Chief Financial Officer at Ideal Image Development Corp, an L Catterton portfolio company and the largest U.S. retail provider of nonsurgical cosmetic and aesthetic procedures. Prior to that, between 2016 and 2017, she held the role of Chief Financial and Administrative Officer at Peloton Interactive Inc., (NASDAQ:PTON), the leading connected fitness platform. Ms. Klinger's previous Chief Financial Officer roles include Vince Holding Corp. (NYSE:VNCE), a fashion apparel company and The Fresh Market, Inc., a specialty food retailer. At both companies, Ms. Klinger led go-public processes and subsequently served on the Executive Leadership team of the public entities. Ms. Klinger also held senior finance roles at Limited Brands and at Michael's Stores, Inc. where she was Senior Vice President, Finance and Treasurer, and Acting Chief Financial Officer. She currently serves on the Board of Directors and as Audit Committee Chair of Emerald Holdings, Inc. (NYSE:EEX), a leading U.S. business-to-business platform producer of trade shows, events, conferences, marketing, and B2B software solutions, since 2018, and also serves on the Board of Directors and both the Audit Committee and Compensation Committee of The Container Store Group, Inc. (NYSE:TCS), the leading specialty retailer of storage, organization products, custom closets and in-home services in North America. Ms. Klinger also served on the Board of Directors and Audit Committee of Party City Holdco, Inc. (NYSE:PRTY), a vertically integrated party goods supplier and retailer from 2015 to 2021. Ms. Klinger holds a B.S.B.A. in Finance from Bowling Green State University.

Daniel Kerstein. Daniel Kerstein has served as a member of our board of directors since December 2023. Currently, Mr. Kerstein holds the position of Managing Director, M&A, Head of Structuring Solutions and Shareholder Advisory at TD Securities. From 2011 through 2023, Mr. Kerstein held the position of Managing Director, M&A and Global Head of Activist Defense and ESG Advisory at Barclays, where he managed a global team of bankers focused on activist-shareholder defense and ESG advisory. From 2007 through 2011, Mr. Kerstein held the position of Managing Director, Global Finance at Barclays and Lehman Brothers where he led a team of structuring experts, lawyers and accountants, applying accounting, tax, regulatory and general financial expertise to address changing market and regulatory environments to create innovative financial products and strategic alternatives focused on maximizing corporate and shareholder value and improving company returns. Mr. Kerstein joined Lehman Brothers in 2003 from Merrill Lynch. From 1997 through 2003, Mr. Kerstein held the position Vice President, Corporate Finance Investment Banking at Merrill Lynch. Mr. Kerstein holds a B.A. from CUNY, Queens College and a J.D. from Harvard Law School.

Rhys Summerton. Rhys Summerton has served as a member of our board of directors since December 2023. From 2014 through the present, Mr. Summerton holds the position of Fund Manager and Investor at Milkwood Capital, a long-term, value-oriented, global investment company. During this time, Mr. Summerton has successfully promoted the value realization of a number of investments through efficient capital allocation and decision making. From 2009 to 2013, Mr. Summerton held the position of Managing Director and Global Head of Emerging Market Equity Research at Citigroup, managing the number 1 ranked research franchise. Prior to that, Mr. Summerton was a telecoms and media analyst at Citigroup and Cazenove. Mr. Summerton is a Chartered Accountant, through Ernst & Young.

Executive Officers

Ofer Druker. Ofer Druker has served as our Chief Executive Officer and as a member of our board of directors since April 2019 following the completion of the merger with RhythmOne, a digital advertising technology company. From November 2017 to April 2019, Mr. Druker served as our Executive Chairman of the Tremor Video division and was instrumental in our successful integration of Tremor Video after its acquisition in August 2017. Previously, Mr. Druker was the founder and Chief Executive Officer of Matomy Media Group Ltd. (LSE:MTMY), a data-driven advertising company (“Matomy”) until April 2017, having built Matomy from its inception in 2007 into a digital media company. Mr. Druker was responsible for leading and integrating Matomy’s most important strategic transactions, including the acquisitions of Team Internet, Media Whiz, Mobfox and Optimatic.

Sagi Niri. Sagi Niri has served as our Chief Financial Officer since March 2020. Mr. Niri previously served as a member of our board of directors from June 2020 until August 2024. Mr. Niri has over 20 years of experience in finance and leadership roles in the technology and real estate sectors. Mr. Niri previously served as Chief Executive Officer of Labs (“Labs”), and Chief Financial Officer of LabTech Investments Ltd., Labs’ parent company, which owns and manages office, retail and residential real estate in London. In addition, Mr. Niri spent over nine years at Matomy, initially as Chief Operating Officer/Chief Financial Officer and more recently as Chief Executive Officer. Mr. Niri is a member of the Institute of Certified Public Accountants in Israel and holds an M.B.A. in Finance from Manchester University and a B.A. in Corporate Finance from the College of Management in Israel.

Yaniv Carmi. Yaniv Carmi has served as our Chief Operating Officer since March 2020. Mr. Carmi previously served as a member of our board of directors from 2014 until November 2024 and as our Chief Financial Officer from January 2010 to March 2020. He is currently responsible for the delivery of our business plan and driving our growth ambitions. Mr. Carmi was instrumental in our initial public offering of our ordinary shares on AIM in 2014 and in the subsequent global expansion in operations, including significant M&A activity. He is an experienced finance professional, whose previous roles include tax and audit senior at KPMG Israel. Mr. Carmi is also a Certified Public Accountant and holds a B.A. in Economics and Accounting from Ben-Gurion University and an M.B.A. in Financial Management from Tel Aviv University.

Arrangements Concerning Election of Directors; Family Relationships

We are not a party to, and are not aware of, any arrangements pursuant to which any of our senior management members or directors was selected as such. In addition, there are no family relationships among our senior management members or directors.

6.B. COMPENSATION

Aggregate Compensation of Office Holders

The aggregate compensation, including share-based compensation, paid by us and our subsidiaries to our executive officers and executive and non-executive directors for the year ended December 31, 2025 was approximately \$9.7 million. This amount includes approximately \$0.4 million set aside or accrued to provide pension, severance, retirement or similar benefits or expenses, but does not include business travel, relocation, professional and business association dues and expenses reimbursed to office holders, and other benefits commonly reimbursed or paid by companies in Israel.

As of December 31, 2025, 380,693 RSUs and PSUs granted to our executive officers and a director were outstanding under our equity incentive plans.

Compensation Disclosure in Accordance with Israeli Law

The table below is required under applicable Israeli Law and sets forth the compensation earned by our five most highly compensated office holders during or with respect to the year ended December 31, 2025. We refer to the five individuals for whom disclosure is provided herein as our “Covered Executives.” For purposes of the table and the summary below, “compensation” includes base salary, bonuses, equity-based compensation, retirement or termination payments, and any benefits or perquisites such as car, phone and social benefits, as well as any undertaking to provide such compensation in the future.

Summary Compensation Table

Name and Principal Position ⁽²⁾	Information Regarding Covered Executives ⁽¹⁾				
	Base Salary	Benefits and Prerequisites ⁽³⁾	Variable Compensation ⁽⁴⁾	Equity-Based Compensation ⁽⁵⁾	Total
Ofer Druker, <i>Chief Executive Officer</i>	\$ 750,000	\$ 108,946	\$ 2,345,876	\$ 1,478,799	\$ 4,683,621
Yaniv Carmi, <i>Chief Operating Officer</i>	\$ 600,000	\$ 83,866	\$ 652,768	\$ 765,647	\$ 2,102,281
Sagi Niri, <i>Chief Financial Officer</i>	\$ 450,000	\$ 157,817	\$ 627,595	\$ 1,020,854	\$ 2,256,266
Karim Rayes, <i>Chief Product Officer</i>	\$ 450,000	\$ 72,979	\$ 552,076	\$ 756,399	\$ 1,831,454
Chance Johnson, <i>Chief Commercial Officer</i>	\$ 400,000	\$ 67,741	\$ 630,338	\$ 1,136,174	\$ 2,234,253

- (1) In accordance with Israeli law, all amounts reported in the table are in terms of cost to the Company, as recorded in our audited consolidated financial statements for the year ended December 31, 2025.
- (2) All current officers listed in the table are full-time employees. Cash compensation amounts denominated in currencies other than the U.S. dollar were converted into U.S. dollars at the average conversion rate for the year ended December 31, 2025.
- (3) Amounts reported in this column include benefits and perquisites, including those mandated by applicable law. Such benefits and perquisites may include, to the extent applicable to each executive, payments, contributions and/or allocations for savings funds, pension, severance, vacation, medical insurances and benefits, risk insurances (such as life, disability and accident insurances), convalescence pay, payments for Medicare and social security, tax gross-up payments and other benefits and perquisites consistent with our guidelines, regardless of whether such amounts have actually been paid to the executive.
- (4) Amounts reported in this column refer to variable compensation such as earned commissions, incentives and earned or paid bonuses as recorded in our audited consolidated financial statements for the year ended December 31, 2025.
- (5) Amounts reported in this column represent the expense recorded in our audited consolidated financial statements for the year ended December 31, 2025 with respect to equity-based compensation, reflecting also equity awards made in previous years which have vested during the current year and beyond. Assumptions and key variables used in the calculation of such amounts are described in Note 17 to our audited consolidated financial statements, which are included in this Annual Report.

Executive Officers

Chief Executive Officer and Executive Director. Ofer Druker, our Chief Executive Officer and executive director, currently receives an annual base salary of \$750,000, and he is eligible for a target annual bonus of 0% to 200% of his base salary (\$1.5 million) with an over-achievement rate capped at 150% of the target annual bonus (300% base salary), effective for fiscal years 2025, 2026 and 2027, subject to compliance with annual performance criteria to be determined by the compensation committee each year.

In 2024, our compensation committee, board of directors (without the attendance or vote of Mr. Druker) and shareholders approved granting Mr. Druker an RSU award with a target value of \$437,500 (43,750 RSUs) and a PSU award with a target grant value of \$1,312,500 (131,250 PSUs) pursuant to our Global Share Incentive Plan (2011), as amended (the “2011 Plan”). The RSU award vested in full 12 months after the date the grant was approved by the Board (August 25, 2025), and the PSU award is subject to both performance- and time-based vesting conditions; performance measurement periods of two years (27% of the PSUs) and one year (73% of the PSUs), and subject to the achievement of pre-defined Adjusted EBITDA and relative Total Shareholder Return (“TSR”) threshold, target and maximum goals set by the compensation committee. As of February 28, 2026, the first tranche of the PSUs was vested, with an achievement rate of 132% (total: 126,473 PSUs). The vesting of the remaining unvested awards shall accelerate in full in connection with a termination of employment within 3 months prior to or 12 months following the consummation of a change in control of the Company. In such an event, all outstanding equity compensation awards held by Mr. Druker at such time shall immediately vest in full, with any applicable performance conditions deemed to be achieved at target. The approval further included a new equity award termination provision, by which if Mr. Druker elects to leave (retire) at any point after January 1, 2026 by providing the board of directors at least 6 months’ prior written notice, his unvested RSUs and PSUs will continue to vest in full post-retirement and payout on the standard vesting/payout dates and based on the same payout factor (percent of target) as other participants, reasonable support for transition prior to retirement and assuming he complies with post-retirement restrictive covenants.

In 2025, our compensation committee and board of directors (without the attendance or vote of Mr. Druker) approved and on January 6, 2026, our shareholders approved granting Mr. Druker a new time-based cash award with a target value of \$437,500 and a new performance-based cash award with a target grant value of \$1,312,500. The time-based cash award shall vest in full, 12 months after the date the grant was approved by the Board (May 13, 2026), provided Mr. Druker is engaged by the Company on the vesting date, and the performance-based cash award is subject to both performance- and time-based vesting conditions; performance measurement periods of two years (41% of the performance-based cash award) and one year (59% of the performance-based cash award), and subject to the achievement of pre-defined Adjusted EBITDA and relative TSR threshold, target and maximum goals set by the compensation committee. Above-target payout can be up to 1.5x target grant (\$) value.

The cash awards are subject to “double trigger” acceleration, meaning vesting will accelerate in full upon both (1) change of control acceleration and (2) termination of employment without cause. In such event, all outstanding performance-based and time-based cash compensation awards held by the CEO at such time shall immediately vest in full, with any applicable performance conditions deemed to be achieved at target. If Mr. Druker elects to leave (retire) after January 1, 2027, and provides at least 6 months prior written notice to the Board, his unvested performance-based and time-based cash awards will continue to vest post-retirement on their regular schedule, subject to continued compliance with post-retirement restrictive covenants and reasonable transition support.

Chief Operating Officer. Yaniv Carmi, our Chief Operating Officer, has a current annual base salary of \$600,000, and he is eligible for a target annual bonus opportunity equal to 80% of his annual base salary (or \$480,000) up to a maximum payout of 150% of the target annual amount bonus for outperformance (or \$720,000), subject to compliance with annual performance criteria to be determined by the compensation committee each year. Mr. Carmi is entitled to a special bonus of £300,000 (or \$403,152) in the event of a company sale (or a pro rata portion in the case of a partial sale).

In 2024, our compensation committee and board of directors approved granting Mr. Carmi an annual grant of 91,463 RSUs and 39,199 PSUs, based on a target grant value of \$750,000 and a target vehicle mix of 70% RSUs and 30% PSUs, pursuant to our 2017 Plan (as defined below). The RSUs grant vested in full on June 30, 2025. The PSUs will vest over a period of three years, with 33.33% vesting each year subject to (i) Mr. Carmi continuing to be employed by the group on the applicable vesting date, and (ii) meeting related pre-defined one, two- and three-year Adjusted EBITDA and Relative TSR performance goals as determined by the compensation committee. As of February 28, 2026, the first tranche of the PSUs was vested, with an achievement rate of 130% (total: 16,987 PSUs). The vesting of the remaining unvested awards shall accelerate in full in connection with a termination of employment within 3 months prior to or 12 months following the consummation of a change in control of the Company. In such an event, all outstanding equity compensation awards held by Mr. Carmi at such time shall immediately vest in full, with any applicable performance conditions deemed to be achieved at target.

In 2025, our compensation committee and board of directors approved granting Mr. Carmi an annual grant of 56,540 RSUs and 24,232 PSUs, based on a target grant value of \$750,000 and a target vehicle mix of 70% RSUs and 30% PSUs, pursuant to our 2017 Plan. These RSUs grant shall vest fully one year following grant, subject to Mr. Carmi continuing to be employed by the group on the applicable vesting date. These PSUs will vest over a period of three years, with 67% vesting after two years and 33% vesting after three years, subject to (i) Mr. Carmi continuing to be employed by the group on the applicable vesting date, and (ii) meeting related pre-defined two- and three-year Adjusted EBITDA and Relative TSR performance goals, as determined by the compensation committee.

The vesting of the RSUs and PSUs shall accelerate in full in connection with a termination of employment within 3 months prior to or 12 months following the consummation of a change in control of the Company. In such an event, all outstanding equity compensation awards held by Mr. Carmi at such time shall immediately vest in full, with any applicable performance conditions deemed to be achieved at target.

Chief Financial Officer. Sagi Niri, our Chief Financial Officer, has a current annual base salary of \$450,000 and he is eligible for a target annual bonus opportunity equal to up to 100% of his annual base salary (or \$450,000) with an over-achievement rate capped at 150% of the target annual bonus (or \$675,000), subject to compliance with annual performance criteria to be determined by the compensation committee each year.

In 2024, our compensation committee and board of directors approved granting Mr. Niri an annual grant of 121,951 RSUs and 52,265 PSUs, based on a target grant value of \$1,000,000 and a target vehicle mix of 70% RSUs and 30% PSUs, pursuant to our 2011 Plan. The RSUs grant vested in full on June 30, 2025. The PSUs will vest over a period of three years, with 33.33% vesting each year subject to (i) Mr. Niri continuing to be employed by the group on the applicable vesting date, and (ii) meeting related pre-defined one, two- and three-year Adjusted EBITDA and Relative TSR performance goals as determined by the compensation committee. As of February 28, 2026, the first tranche of the PSUs was vested, with an achievement rate of 130% (total: 22,647 PSUs).

The vesting of the remaining unvested awards shall accelerate in full in connection with a termination of employment within 3 months prior to or 12 months following the consummation of a change in control of the Company. In such an event, all outstanding equity compensation awards held by Mr. Niri at such time shall immediately vest in full, with any applicable performance conditions deemed to be achieved at target.

In 2025, our compensation committee and board of directors approved granting Mr. Niri an annual grant of 75,386 RSUs and 32,309 PSUs, based on a target grant value of \$1,000,000 and a target vehicle mix of 70% RSUs and 30% PSUs, pursuant to our 2011 Plan. These RSUs grant shall vest fully one year following grant, subject to Mr. Niri continuing to be employed by the group on the applicable vesting date. These PSUs will vest over a period of three years, with 67% vesting after two years and 33% vesting after three years, subject to (i) Mr. Niri continuing to be employed by the group on the applicable vesting date, and (ii) meeting related pre-defined two- and three-year Adjusted EBITDA and Relative TSR performance goals as determined by the compensation committee.

The vesting of the RSUs and PSUs shall accelerate in full in connection with a termination of employment within 3 months prior to or 12 months following the consummation of a change in control of the Company. In such an event, all outstanding equity compensation awards held by Mr. Niri at such time shall immediately vest in full, with any applicable performance conditions deemed to be achieved at target.

In January 2025, the compensation committee and the board of directors approved a cash-based incentive opportunity, of up to \$2.2 million per year in the aggregate for the Company's executive leadership team (ELT) members (including Mr. Carmi and Mr. Niri), that vests ratably over two years (2025-2026) intended as a supplement to the annual equity awards provided, considering market competitive total annual long-term incentive award target grant values.

In February 2026, the compensation committee and the board of directors approved (x) a special retention bonus of \$250,000 for Mr. Niri payable upon the earlier of (i) January 31, 2027 subject to Mr. Niri's continued service as the Company's Chief Financial Officer through December 31, 2026, and (ii) 30 days after the date Mr. Niri ceases to serve as the Company's Chief Financial Officer, either (A) due to the Company appointing a new Chief Financial Officer to replace Mr. Niri, or (B) due to a change in control of the Company; and (y) to accelerate the vesting of Mr. Niri's RSUs and PSUs, as well as any additional equity awards granted to Mr. Niri after such date, such that any not yet vested awards, shall automatically vest on the earlier of (i) March 31, 2027, subject to Mr. Niri's continued employment as the Company's Chief Financial Officer through December 31, 2026, in which case the Company shall continue to employ Mr. Niri on the same terms and conditions from January 1, 2027 through March 31, 2027, and (ii) three month after the date Mr. Niri ceases to serve as the Company's Chief Financial Officer, either (A) due to the Company appointing a new Chief Financial Officer to replace Mr. Niri, or (B) due to a change in control of the Company.

Non-Executive Directors Compensation

Effective April 1, 2025, we pay an annual cash retainer of \$60,000 for each non-executive member of the board of directors, an annual cash retainer of \$7,500 for service on the Audit Committee, \$7,500 for service on the Compensation Committee, and \$2,500 for service on the Sustainability, Nominating and Governance (SNG) Committee. In addition, we pay an additional annual cash retainer for committee chairs of \$25,000 for the Audit Committee, \$25,000 for the Compensation Committee, and \$7,500 for the SNG Committee, as well as an annual cash retainer of \$70,000 for the non-executive Chair of the Board, and an annual incremental cash retainer of \$25,000 was approved for the Lead Independent Director (or Senior Independent Director).

In addition, following each annual general meeting at which a non-executive director is elected or reelected (commencing January 6, 2026), we also grant each non-executive director RSUs with a value of \$150,000, with a one-year vesting period, with vesting acceleration in the event of death or long-term defined disability. In connection with the annual general meeting held on January 6, 2026, each non-executive director was granted an additional equity grant on the date of the meeting, consisting of fully vested RSUs with a value of \$150,000 to compensate for 2025 (in addition to the new annual equity grant).

Equity Incentive Plans

2011 Equity Incentive Plan

We maintain the 2011 Plan, under which we may grant equity-based incentive awards to attract, motivate and retain the talent for which we compete.

The 2011 Plan is administered by our board of directors with the assistance of the compensation committee, and provides for the grant of options, restricted shares and restricted stock units.

The 2011 Plan provides for granting awards under various tax regimes, including, without limitation, in compliance with Section 102 of the Israeli Income Tax Ordinance (New Version), 5721-1961 (the “Ordinance”). Section 102 of the Ordinance allows employees, directors and officers who are not controlling shareholders and are considered Israeli residents to receive favorable tax treatment for compensation in the form of shares, restricted stock units or options, subject to the terms and conditions set forth in the Ordinance. Our non-employee service providers and controlling shareholders may only be granted awards under section 3(i) of the Ordinance, which does not provide for similar tax benefits.

2017 Equity Incentive Plan

We maintain the 2017 Plan under which we may grant equity-based incentive awards to attract, motivate and retain the talent for which we compete.

The 2017 Plan is administered by our board of directors with the assistance of the compensation committee.

The 2017 Plan provides for granting awards under various tax regimes, including, without limitation, awards granted to our United States employees or service providers, including those who are deemed to be residents of the United States for tax purposes, Section 422 of the Internal Revenue Code (the “IRC”) and Section 409A of the IRC.

The 2017 Plan provides for the grant of stock options (including incentive stock options and nonqualified stock options), restricted shares, restricted stock units, performance bonus awards, performance units and performance shares. Options granted under the 2017 Plan to our employees who are U.S. residents may qualify as “incentive stock options” within the meaning of Section 422 of the IRC, or may be non-qualified stock options.

In connection with the Reverse Split completed on February 14, 2025, the number of shares that may be delivered under each of the 2011 Plan and 2017 Plan and the number and price of shares covered by each outstanding award under the 2011 Plan and 2017 Plan, were proportionally adjusted by the board of directors to reflect the Reverse Split and the consolidation at the ratio of one New Ordinary Share for each two old ordinary shares, with any fractional share resulting from such adjustment rounded down to the nearest whole number.

On February 28, 2026, a total of 263,425 options to purchase Shares, with a weighted average exercise price of \$15.44 per share and 3,554,100 RSUs and PSUs were outstanding under the 2011 Plan and 2017 Plan, collectively. As of February 28, 2026, 3,895,969 Shares were available for future issuance under the 2011 Plan and 2017 Plan, collectively.

2025 Tender Offer for Underwater Options

In May 2025, we completed a cash tender offer to cancel certain outstanding employee stock options that had exercise prices significantly greater than the current market price of our ordinary shares, with the goal of providing eligible employees with means to realize value for these options, reduce potential future dilution and increase the number of shares available under our share incentive plans.

The offer expired on May 30, 2025. Participation was voluntary and limited to employees holding options with exercise prices of \$14.44 or \$21.52 per share. Each validly tendered option with a \$14.44 exercise price was purchased for \$2.08 per share, and each option with a \$21.52 exercise price was purchased for \$0.78 per share. A total of 95 eligible holders participated, tendering options to purchase an aggregate of 857,816 ordinary shares, and we accepted all such options for cancellation, resulting in a total cash payment of \$878,674.33, less applicable tax withholdings, to participating employees.

Our Executive Compensation Program

Below is a description of our executive compensation objectives and programs, as well as a description of the processes supporting decisions related to executive compensation by our compensation committee with respect to 2025.

Objectives and Philosophy

Our executive compensation programs are designed and administered to balance and support the achievement of near-term operational results and long-term growth goals with the ultimate objective of increasing shareholder value and retaining talent viewed as important to supporting our ongoing growth and success. The principal elements of an executive's total compensation are: base salary, annual cash bonus, and long-term equity incentives.

Nexxen's "pay for performance" philosophy regarding executive compensation intends to reward our executives for their contributions to the Company's annual, mid- and long-term performance by tying a significant portion of their total compensation to key business drivers and shareholder value. Reflecting our pay-for-performance philosophy, a significant portion of our executives' compensation could be paid out above target when results exceed performance goals, be paid out below target when results fall below performance goals, or not be paid at all if results do not achieve a threshold level of performance.

In general, we intend for the annual target total direct compensation (salary, annual incentive and long-term incentives) of our executives to be positioned within a competitive range of market median (see below for how "market" is generally defined by our compensation committee). Actual pay outcomes may vary above or below target based on actual financial and share price performance outcomes. Variations in target total direct compensation among our executives reflect differences in competitive pay for their respective roles as well as the size and complexity of their area of oversight within the business, key competencies, and individual performance.

Shareholder Engagement

We are committed to ongoing engagement with our shareholders. Our Board, the compensation committee, and our management team value the input and opinions of our shareholders. The compensation committee strives to ensure our executive compensation program supports and aligns with the interests of our long-term shareholders and adheres to our pay for performance philosophy.

Our engagement efforts take place throughout the year through meetings, telephone calls, participation in conferences, and correspondence between our board members and/or senior management and representatives of our shareholders. The feedback we receive from our investors throughout our yearly engagement efforts is considered by our compensation committee in its discussions and decision-making.

Pay Program Element	Description
Executive Pay Philosophy Focused on Market Median	The compensation committee, supported by its independent compensation consultant, reviewed target pay levels, and considered potential changes to target annual pay levels, of our executives relative to our committee-approved executive compensation philosophy. In general, we intend for the target total pay of our executives, on average, to be positioned within a competitive range of market median for comparable roles. Target total pay for our leadership team was found to be positioned between market 25th percentile and median, on average, which was primarily the result of 2025 equity awards with below median target grant values. If an annualized portion of the special 2-year cash incentive is included, target total pay for our leadership team was found to be positioned near market median, aligned with our executive compensation philosophy. Our compensation committee reviews target pay levels for our leadership team versus market, and considers if changes are appropriate, on an annual basis, taking into account market benchmarking and other external and internal factors. Over time, our intent is for the actual pay delivered to our executives to be commensurate (directionally aligned) with actual company financial performance outcomes and shareholder value creation, through an emphasis on performance-based pay.
Executive Compensation Benchmarking Peer Group (Committee decisions consider new consistent size- and industry- appropriate market data)	The compensation committee approved a peer group consisting of 12 public companies, considering input from its independent compensation consultant and management, against which it reviews benchmark comparisons for executive pay levels and pay practices. The peer group companies are all broadly similar to Nexxen in terms of size, business, operating characteristics and competition for executive talent. At 2025 year-end, Nexxen revenue and market capitalization were both positioned near peer group median (53rd and 56th percentile, respectively).

Incentive Programs and Awards for our Executives

Pay Program Element	Description
Bonus Program (pre-defined goals and potential payout leverage that encourage outperformance vs. plan)	1) Bonus program with pre-defined goals where payout can range from 0% to 150% of individual-by-individual target (\$) values; potential for above target payout is very common market practice. 2) Revenue metric weighted 65% and EBITDA metric weighted 35%.
Equity Awards (no single-trigger grants)	All equity grants included double-trigger change-in-control vesting provisions.
Performance Share Units (PSUs) (pre-defined multi-year goals that encourage outperformance vs. plan and market) (absolute and relative performance metrics) (reinforce importance of share price performance)	1) 2025 grants had multi-year performance and vesting periods (2- and 3-years), with 2-year weighting 67% and 3-year weighted 33% for all leadership team members except CEO, with pre-defined EBITDA and relative Total Shareholder Return (“TSR”) goals. The metrics were selected given the importance we place on EBITDA growth in achieving our multi-year objectives, and also to balance line-of-sight for our executives with a clear emphasis on the importance of both absolute and relative share price performance. 2) Payout may range from 0% to 150% of target share units based on actual results versus pre-defined threshold, target, and maximum performance goals. a. For EBITDA, weighted 50%, “target” payout aligns with achieving budget/Plan for the performance period. b. For relative TSR, weighted 50%, “target” payout is provided for median performance versus our executive compensation benchmarking peer group (see below for detail); maximum payout (150% of target) is provided for top quartile relative TSR metric; threshold payout (50% of target) is provided for 25th relative TSR; and no payout is provided for bottom quartile relative TSR.
Share Ownership Guideline for CEO (reinforces, internally and externally, significant level of share ownership)	We adopted a minimum CEO share ownership guideline of 6.0x base salary. Mr. Druker’s ownership exceeds this minimum expectation.

Our Equity Awards – Share Utilization

Pay Program Element	Description
Review of Share Utilization on at least Annual Basis (ongoing focus on prudent use of equity-based pay overall and to executives)	With support from its independent compensation consultant, the compensation committee reviews market benchmark data and comparisons on a regular basis, such as Nexxen’s equity burn rate relative to peer group companies. Equity burn rate, a measure of potential dilution from equity grants during a defined period of time, can be defined as the sum of shares, share units and share options granted in a given period of time, divided by ordinary shares outstanding. Nexxen’s 2024 and 2025 equity burn rate was found to be positioned near the peer group’s 25th percentile, and Nexxen’s 3-year average equity burn rate was found to be positioned below the peer group’s 25th percentile. The compensation committee also reviewed Nexxen’s equity overhang versus market, a measure of potential dilution from shares available for grant and outstanding equity grants from pay programs. Nexxen’s equity overhang was found to be positioned below the 25th percentile of the peer group companies, both during 2025 and also after approval of our recent new share request. Equity overhang can be defined as: $((\text{shares available for grant} + \text{outstanding shares/units} + \text{outstanding share options}) \div (\text{basic ordinary shares outstanding} + \text{the numerator}))$.

6.C. BOARD PRACTICES

Corporate Governance Practices; External Directors

As an Israeli company, we are subject to various corporate governance requirements under the Companies Law, including the requirement to appoint at least two external directors to the board of directors. However, pursuant to regulations promulgated under the Companies Law, companies with shares or ADSs traded on certain U.S. stock exchanges, including Nasdaq, may, subject to certain conditions, “opt out” from the Companies Law requirements to appoint external directors and related Companies Law rules concerning the composition of the audit committee and compensation committee of the board of directors (other than the gender diversification rule under the Companies Law, which requires the appointment of a director from the other gender if at the time a director is appointed all members of the board of directors are of the same gender).

In connection with the IPO, we elected to “opt out” from such requirements of the Companies Law effective upon the closing of the IPO in June 2021. Under these regulations, the exemptions from such Companies Law requirements will continue to be available to us so long as: (i) we do not have a “controlling shareholder” (as such term is defined under the Companies Law), (ii) our securities are traded on certain U.S. stock exchanges, including Nasdaq, and (iii) we comply with the director independence requirements and the audit committee and compensation committee composition requirements under U.S. laws (including applicable rules of Nasdaq) applicable to U.S. domestic issuers.

We are a “foreign private issuer” (as such term is defined in Rule 405 under the Securities Act). As a foreign private issuer, we are permitted to comply with Israeli corporate governance practices instead of the corporate governance rules of Nasdaq, provided that we disclose which requirements we are not following and the equivalent Israeli requirement.

We rely on this “foreign private issuer exemption” with respect to the quorum requirement for shareholder meetings. As permitted under the Companies Law, pursuant to our amended and restated articles of association, the quorum required for an ordinary meeting of shareholders consists of at least two shareholders present in person, by proxy or by other voting instrument in accordance with the Companies Law who hold at least 25% of the voting power of our shares (and if the meeting is adjourned for a lack of quorum, the quorum for such adjourned meeting will be, subject to certain exceptions, any number of shareholders), instead of 33-1/3% of the issued share capital as required under the corporate governance rules of Nasdaq. We otherwise comply with the rules generally applicable to U.S. domestic companies listed on Nasdaq. We may, however, in the future decide to use the “foreign private issuer exemption” and opt out of some or all of the other corporate governance rules.

Board of Directors

Under the Companies Law and our amended and restated articles of association, our business and affairs are managed under the direction of our board of directors. Our board of directors may exercise all powers and may take all actions that are not specifically granted to our shareholders or to executive management. Our Chief Executive Officer (referred to as a “general manager” under the Companies Law) is responsible for our day-to-day management. Our Chief Executive Officer is appointed by, and serves at the discretion of, our board of directors, subject to the employment agreement that we have entered into with him. All other executive officers are appointed by the Chief Executive Officer, subject to applicable corporate approvals, and are subject to the terms of any applicable employment or consulting agreements that we may enter into with them.

Under our amended and restated articles of association, the number of directors on our board of directors will be no less than four and no more than eleven directors. Our board of directors currently has six directors. At each annual general meeting of our shareholders, the election or re-election of directors following the expiration of the term of office of the directors will be for a term of office that expires on next annual general meeting following such election or re-election.

Our directors are appointed by a simple majority vote of holders of our ordinary shares, participating and voting at an annual general meeting of our shareholders, provided that (i) in the event of a contested election, the method of calculation of the votes and the manner in which the resolutions will be presented to our shareholders at the general meeting shall be determined by our board of directors in its discretion, and (ii) in the event that our board of directors does not or is unable to make a determination on such matter, then the directors will be elected by a majority of the voting power represented at the general meeting in person or by proxy and voting on the election of directors provided that if the number of nominees so elected exceeds the number of directors that are proposed by the board of directors to be elected, then as among such elected nominees the election shall be by a plurality of the votes cast. Each director holds office until the annual general meeting of our shareholders for the year in which such director’s term expires, unless the tenure of such director expires earlier pursuant to the Companies Law or unless such director is removed from office as described below.

Under our amended and restated articles of association, the approval of the holders of at least 65% of the total voting power of our shareholders is generally required to remove any of our directors from office or amend the provision requiring the approval of at least 65% of the total voting power of our shareholders to remove any of our directors from office. In addition, vacancies on our board of directors may only be filled by a vote of a simple majority of the directors then in office. A director so appointed will hold office until the next annual general meeting of our shareholders for the election of the class of directors in respect of which the vacancy was created, or in the case of a vacancy due to the number of directors being less than the maximum number of directors stated in our amended and restated articles of association, until the next annual general meeting of our shareholders for the election of the class of directors to which such director was assigned by our board of directors.

Chairperson of the Board

Our amended and restated articles of association provide that the chairperson of the board of directors is appointed by the members of the board of directors from among them. Under the Companies Law, the chief executive officer of a public company, or a relative of the chief executive officer, may not serve as the chairperson of the board of directors, and the chairperson of the board of directors, or a relative of the chairperson, may not be vested with authorities of the chief executive officer unless approved by a special majority of the company's shareholders. The shareholders' approval can be effective for a period of up to three years.

In addition, a person who is subordinated, directly or indirectly, to the chief executive officer may not serve as the chairperson of the board of directors, the chairperson of the board of directors may not be vested with authorities that are granted to persons who are subordinated to the chief executive officer and the chairperson of the board of directors may not serve in any other position in the company or in a controlled subsidiary, but may serve as a director or chairperson of a controlled subsidiary.

Director Independence

A majority of our board of directors is independent. An "independent director" is generally defined under the corporate governance rules of Nasdaq as a person, other than an executive officer of a company or any other individual having a relationship which, in the opinion of the issuer's board of directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. Our board of directors has determined that Neil Jones, Lisa Klinger, Daniel Kerstein, Christopher Stibbs and Rhys Summerton are independent under the corporate governance rules of Nasdaq.

Audit Committee

Companies Law Requirements

Under the Companies Law, the board of directors of a public company must appoint an audit committee consisting of at least three directors.

Listing Requirements

Under the corporate governance rules of Nasdaq, we are required to maintain an audit committee consisting of at least three independent directors, each of whom is financially literate and one of whom has accounting or related financial management expertise.

Our audit committee consists of Neil Jones, Daniel Kerstein and Lisa Klinger. Ms. Klinger serves as the chairperson of the audit committee. All members of our audit committee meet the requirements for financial literacy under the applicable rules and regulations of the SEC and the corporate governance rules of Nasdaq. Our board of directors has determined that Ms. Klinger is an audit committee financial expert as defined by the SEC rules and has the requisite financial experience as defined by the corporate governance rules of Nasdaq.

Our board of directors has determined that each member of our audit committee is “independent” as such term is defined in Rule 10A-3(b)(1) under the Exchange Act, which is different from the general test for independence of board and committee members.

Audit Committee Role

Our board of directors has adopted an audit committee charter setting forth the responsibilities of the audit committee, which are consistent with the Companies Law, the SEC rules and the corporate governance rules of Nasdaq and include:

- retaining and terminating our independent auditors, subject to ratification by the board of directors, and in the case of retention, to ratification by the shareholders;
- pre-approving audit and non-audit services to be provided by the independent auditors and related fees and terms;
- overseeing the accounting and financial reporting processes of our company and audits of our financial statements, the effectiveness of our internal control over financial reporting and making such reports as may be required of an audit committee under the rules and regulations promulgated under the Exchange Act;
- reviewing with management and our independent auditor our annual and quarterly financial statements prior to publication or filing (or submission, as the case may be) to the SEC;
- monitoring compliance with the Company’s Code of Ethics and Conduct, including enforcing the provisions of the Code of Ethics and Conduct and investigating any alleged breach or violation;
- recommending to the board of directors the retention and termination of the internal auditor, and the internal auditor’s engagement fees and terms, in accordance with the Companies Law as well as approving the yearly or periodic work plan proposed by the internal auditor;
- reviewing with our general counsel and/or external counsel, as deemed necessary, legal and regulatory matters that could have a material impact on the financial statements;
- identifying irregularities in our business administration by among other things, consulting with the internal auditor or with the independent auditor, and suggesting corrective measures to the board of directors;
- reviewing and discussing with management risks faced by the Company and the Company’s policies with respect to risk assessment and risk management, including ensuring that management has adequate processes in place to assess, identify cybersecurity risks and monitoring the prevention, detection, mitigation and remediation of cybersecurity incidents;
- reviewing policies and procedures with respect to transactions between the Company and officers and directors (other than transactions related to the compensation or terms of service of officers and directors), or affiliates of officers or directors, or transactions that are not in the ordinary course of the Company’s business and deciding whether to approve such acts and transactions if so required under the Companies Law;
- establishing procedures for the handling of employees’ complaints as to the management of our business and the protection to be provided to such employees; and
- reviewing and assessing the audit committee charter on an annual basis.

A copy of the audit committee charter is available to investors and others on our website at investors.nexxen.com/governance/governance-overview.

Compensation Committee

Companies Law Requirements

Under the Companies Law, the board of directors of a public company must appoint a compensation committee consisting of at least three directors.

Listing Requirements

Under the corporate governance rules of Nasdaq, we are required to maintain a compensation committee consisting of at least two independent directors.

Our compensation committee consists of Neil Jones, Lisa Klinger, and Rhys Summerton. Mr. Jones serves as chairperson of the committee. Our board of directors has determined that each member of our compensation committee is independent under the corporate governance rules of Nasdaq, including the additional independence requirements applicable to the members of a compensation committee.

Compensation Committee Role

In accordance with the Companies Law, the roles of the compensation committee are, among others, as follows:

- making recommendations to the board of directors with respect to the approval of the compensation policy for office holders;
- reviewing the implementation of the compensation policy and periodically making recommendations to the board of directors with respect to any amendments or updates of the compensation policy;
- resolving whether or not to approve arrangements with respect to the terms of office and employment of office holders; and
- exempting, under certain circumstances, transactions with our Chief Executive Officer from the approval of our shareholders.

Our board of directors has adopted a compensation committee charter setting forth the responsibilities of the committee, which are consistent with the corporate governance rules of Nasdaq and include among others:

- recommending to our board of directors for its approval a compensation policy in accordance with the requirements of the Companies Law as well as other compensation policies, incentive-based compensation plans and equity-based compensation plans, and overseeing the development and implementation of such policies and recommending to our board of directors any amendments or modifications the committee deems appropriate, including as required under the Companies Law;
- reviewing and approving the granting of options and other incentive awards to our Chief Executive Officer and other executive officers, including reviewing and approving annual corporate goals and objectives relevant to the compensation of our Chief Executive Officer and other executive officers, including evaluating their performance in light of such goals and objectives;
- approving and exempting certain transactions regarding office holders' compensation pursuant to the Companies Law;
- administering our equity-based compensation plans, including without limitation, approving the adoption of such plans, amending and interpreting such plans and the awards and agreements issued pursuant thereto, and making awards to eligible persons under the plans and determining the terms of such awards;
- administering any policy regarding the recovery of incentive-based executive compensation, including without limitation to approve the adoption of such plan, to amend and interpret the plan, and oversee the implementation and administration of such policy, unless otherwise required to be done at the full board level; and
- reviewing and assessing the compensation committee charter on an annual basis.

A copy of the compensation committee charter is available to investors and others on our website at investors.nexxen.com/governance/governance-overview.

Compensation Policy under the Companies Law

In general, under the Companies Law, a public company must have a compensation policy approved by its board of directors after receiving and considering the recommendations of the compensation committee.

The compensation policy must be based on certain considerations, include certain provisions and reference certain matters as set forth in the Companies Law. The compensation policy must serve as the basis for decisions concerning the financial terms of employment or engagement of office holders, including exculpation, insurance, indemnification or any monetary payment or obligation of payment in respect of employment or engagement. The compensation policy must be determined and later reevaluated according to certain factors, including: the advancement of the company's objectives, business plan and long-term strategy; the creation of appropriate incentives for office holders, while considering, among other things, the company's risk management policy; the size and the nature of the company's operations; and with respect to variable compensation, the contribution of the office holder towards the achievement of the company's long-term goals and the maximization of its profits, all with a long-term objective and according to the position of the office holder. The compensation policy must furthermore consider the following additional factors:

- the education, skills, experience, expertise and accomplishments of the relevant office holder;
- the office holder's position and responsibilities;
- prior compensation agreements with the office holder;
- the ratio between the cost of the terms of employment of an office holder and the cost of the employment of other employees of the company, including employees employed through contractors who provide services to the company, in particular the ratio between such cost to the average and median salary of such employees of the company, as well as the impact of disparities between them on the work relationships in the company;
- if the terms of employment include variable components — the possibility of reducing variable components at the discretion of the board of directors and the possibility of setting a limit on the value of non-cash variable equity-based components; and
- if the terms of employment include severance compensation — the term of employment or office of the office holder, the terms of the office holder's compensation during such period, the company's performance during such period, the office holder's individual contribution to the achievement of the company goals and the maximization of its profits and the circumstances under which he or she is leaving the company.

The compensation policy must also include, among other things:

- with regards to variable components:
- with the exception of office holders who report to the chief executive officer, a means of determining the variable components on the basis of long-term performance and measurable criteria; provided that the company may determine that an immaterial part of the variable components of the compensation package of an office holder shall be awarded based on non-measurable criteria, if such amount is not higher than three months' salary per annum, taking into account such office holder's contribution to the company;
- the ratio between variable and fixed components, as well as the limit of the values of variable components at the time of their payment, or in the case of equity-based compensation, at the time of grant;
- a condition under which the office holder will return to the company, according to conditions to be set forth in the compensation policy, any amounts paid as part of the office holder's terms of employment, if such amounts were paid based on information later to be discovered to be wrong, and such information was restated in the company's financial statements (this requirement is in addition to the Incentive-Based Compensation Recoupment Policy we adopted in accordance with Nasdaq rules (a copy of which is filed as an exhibit to this Annual Report on Form 20-F);
- the minimum holding or vesting period of variable equity-based components to be set in the terms of office or employment, as applicable, while taking into consideration long-term incentives; and
- a limit to retirement grants.

Our compensation policy was last amended by our compensation committee, board of directors and shareholders on December 20, 2024 and is filed as an exhibit to this Annual Report.

Sustainability, Nominating and Governance Committee

Our sustainability, nominating and governance committee consists of Neil Jones, Lisa Klinger, Daniel Kerstein, Christopher Stibbs and Rhys Summerton. Mr. Stibbs serves as chairperson of the committee. Our board of directors has adopted a sustainability, nominating and governance committee charter setting forth the responsibilities of the committee, which include:

- overseeing and assisting our board in reviewing and recommending nominees for election as directors;
- assessing the performance of the members of our board;
- establishing and maintaining effective corporate governance policies and practices, including, but not limited to, developing and recommending to our board a set of corporate governance guidelines applicable to our business;
- overseeing our policies, programs and strategies related to environmental, social and governance; and
- reviewing and assessing the sustainability, nominating and governance committee charter on an annual basis.

A copy of the sustainability, nominating and governance committee charter is available to investors and others on our website at investors.nexxen.com/governance/governance-overview.

Compensation of Directors and Executive Officers

Directors

Under the Companies Law, the compensation of our directors requires the approval of our compensation committee, the subsequent approval of the board of directors and, unless exempted under regulations promulgated under the Companies Law, the approval of the shareholders at a general meeting. We do not have any written agreement with any director providing for benefits upon the termination of such director's relationship with our Company. If the compensation of our directors is inconsistent with our stated compensation policy, then those provisions that must be included in the compensation policy according to the Companies Law must have been considered by the compensation committee and board of directors, and shareholder approval will also be required, provided that:

- at least a majority of the shares held by all shareholders who are not controlling shareholders and do not have a personal interest in such matter, present and voting at such meeting, are voted in favor of the compensation package, excluding abstentions; or
- the total number of shares of non-controlling shareholders and shareholders who do not have a personal interest in such matter voting against the compensation package does not exceed two percent (2%) of the aggregate voting rights in the Company.

Executive Officers other than the Chief Executive Officer

The Companies Law requires the approval of the compensation of a public company's executive officers (other than the chief executive officer or an executive officer who also serves as a director) in the following order: (i) the compensation committee, (ii) the company's board of directors, and (iii) if such compensation arrangement is inconsistent with the company's stated compensation policy, the company's shareholders (by a special majority vote as discussed above with respect to the approval of director compensation). However, if the shareholders of the company decline to approve a compensation arrangement with an executive officer that is inconsistent with the company's stated compensation policy, the compensation committee and board of directors may override the shareholders' decision if each of the compensation committee and the board of directors provide detailed reasons for their decision.

An amendment to an existing arrangement with an office holder (who is not a director) requires only the approval of the compensation committee, if the compensation committee determines that the amendment is not material in comparison to the existing arrangement. However, according to regulations promulgated under the Companies Law, an amendment to an existing arrangement with an office holder (who is not a director) who is subordinate to the chief executive officer shall not require the approval of the compensation committee, if (i) the amendment is approved by the chief executive officer, (ii) the company's compensation policy provides that a non-material amendment to the terms of service of an office holder (other than the chief executive officer) may be approved by the chief executive officer and (iii) the engagement terms are consistent with the company's compensation policy.

Chief Executive Officer

Under the Companies Law, the compensation of a public company's chief executive officer is required to be approved by: (i) the company's compensation committee; (ii) the company's board of directors, and (iii) the company's shareholders, provided that:

- at least a majority of the shares held by all shareholders who are not controlling shareholders and do not have a personal interest in such matter, present and voting at such meeting, are voted in favor of the compensation package, excluding abstentions; or
- the total number of shares of non-controlling shareholders and shareholders who do not have a personal interest in such matter voting against the compensation package does not exceed two percent (2%) of the aggregate voting rights in the Company.

However, if the shareholders of the company decline to approve the compensation arrangement with the chief executive officer, the compensation committee and board of directors may override the shareholders' decision if each of the compensation committee and the board of directors provide a detailed report for their decision. The approval of each of the compensation committee and the board of directors should be in accordance with the company's stated compensation policy; however, in special circumstances, they may approve compensation terms of a chief executive officer that are inconsistent with such policy provided that they have considered those provisions that must be included in the compensation policy according to the Companies Law and that shareholder approval was obtained (by a special majority vote as discussed above with respect to the approval of director compensation that is inconsistent with the compensation policy). In addition, the compensation committee may waive the shareholder approval requirement with regards to the approval of the engagement terms of a candidate for the chief executive officer position, if they determine that the compensation arrangement is consistent with the company's stated compensation policy and that the chief executive officer candidate did not have a prior business relationship with the company or a controlling shareholder of the company and that subjecting the approval of the engagement to a shareholder vote would impede the company's ability to employ the chief executive officer candidate. Such waiver does not preclude the need for approval of the compensation of a chief executive officer candidate who also serves as a member of the board of directors, and his or her compensation terms as chief executive officer must be approved in accordance with the rules applicable to approval of compensation of directors.

Approval of Related Party Transactions under Israeli Law

Fiduciary Duties of Directors and Executive Officers

The Companies Law codifies the fiduciary duties that office holders owe to a company. An office holder is defined in the Companies Law as a general manager, chief business manager, deputy general manager, vice general manager, any other person assuming the responsibilities of any of these positions regardless of such person's title, a director and any other manager directly subordinate to the general manager. Each person listed in the table above under "Board of Directors and Senior Management" is an office holder under the Companies Law.

An office holder's fiduciary duties consist of a duty of care and a duty of loyalty. The duty of care requires an office holder to act with the level of care with which a reasonable office holder in the same position would have acted under the same circumstances. The duty of care includes, among other things, a duty to use reasonable means, in light of the circumstances, to obtain:

- information on the business advisability of a given action brought for his, her or its approval or performed by virtue of his, her or its position; and
- all other important information pertaining to such action.

The duty of loyalty requires that an office holder act in good faith and in the best interests of the company, and includes, among other things, the duty to:

- refrain from any act involving a conflict of interest between the performance of his, her or its duties in the company and his, her or its other duties or personal affairs;
- refrain from any activity that is competitive with the business of the company;

- refrain from exploiting any business opportunity of the company for the purpose of gaining a personal advantage for himself, herself or itself or others; and
- disclose to the company any information or documents relating to the company's affairs which the office holder received as a result of his, her or its position as an office holder.

Under the Companies Law, a company may approve an act specified above which would otherwise constitute a breach of the office holder's fiduciary duty, provided that the office holder acted in good faith, neither the act nor its approval harms the company and the office holder discloses his, her or its personal interest a sufficient time before the approval of such act. Any such approval is subject to the terms of the Companies Law setting forth, among other things, the appropriate bodies of the company required to provide such approval and the methods of obtaining such approval.

Disclosure of Personal Interests of an Office Holder and Approval of Certain Transactions

The Companies Law requires that an office holder promptly disclose to the board of directors any personal interest that such office holder may have and all related material information known to such office holder concerning any existing or proposed transaction with the company. A personal interest includes an interest of any person in an act or transaction of a company, including a personal interest of one's relative or of a corporate body in which such person or a relative of such person is a 5% or greater shareholder, director or general manager or in which such person has the right to appoint at least one director or the general manager, but excluding a personal interest stemming solely from one's ownership of shares in the company. A personal interest includes the personal interest of a person for whom the office holder holds a voting proxy or the personal interest of the office holder with respect to the office holder's vote on behalf of a person for whom he or she holds a proxy even if such shareholder has no personal interest in the matter.

If it is determined that an office holder has a personal interest in a non-extraordinary transaction, meaning any transaction that is in the ordinary course of business, on market terms or that is not likely to have a material impact on the company's profitability, assets or liabilities, approval by the board of directors is required for the transaction unless the company's articles of association provide for a different method of approval. Any such transaction that is adverse to the company's interests may not be approved by the board of directors.

Approval first by the company's audit committee and subsequently by the board of directors is required for an extraordinary transaction (meaning any transaction that is not in the ordinary course of business, not on market terms or that is likely to have a material impact on the company's profitability, assets or liabilities) in which an office holder has a personal interest.

A director and any other office holder who has a personal interest in a transaction which is considered at a meeting of the board of directors or the audit committee may generally (unless it is with respect to a transaction which is not an extraordinary transaction) not be present at such a meeting or vote on that matter unless a majority of the directors or members of the audit committee, as applicable, have a personal interest in the matter. If a majority of the members of the audit committee or the board of directors have a personal interest in the matter, then all of the directors may participate in deliberations of the audit committee or board of directors, as applicable, with respect to such transaction and vote on the approval thereof and, in such case, shareholder approval is also required.

Certain disclosure and approval requirements apply under Israeli law to certain transactions with controlling shareholders, certain transactions in which a controlling shareholder has a personal interest and certain arrangements regarding the terms of service or employment of a controlling shareholder. For these purposes, a controlling shareholder is any shareholder that has the ability to direct the company's actions, including any shareholder holding 25% or more of the voting rights if no other shareholder owns more than 50% of the voting rights in the company. Two or more shareholders with a personal interest in the approval of the same transaction are deemed to be one shareholder for these purposes.

For a description of the approvals required under Israeli law for compensation arrangements of officers and directors, see "—Compensation of Directors and Executive Officers."

Shareholder Duties

Pursuant to the Companies Law, a shareholder has a duty to act in good faith and in a customary manner toward the company and other shareholders and to refrain from abusing his or her power with respect to the company, including, among other things, in voting at a general meeting and at shareholder class meetings with respect to the following matters:

- an amendment to the company's articles of association;
- an increase of the company's authorized share capital;

- a merger; or
- interested party transactions that require shareholder approval.

In addition, a shareholder has a general duty to refrain from discriminating against other shareholders.

Certain shareholders also have a duty of fairness toward the company. These shareholders include any controlling shareholder, any shareholder who knows that it has the power to determine the outcome of a shareholder vote and any shareholder who has the power to appoint or to prevent the appointment of an office holder of the company or exercise any other rights available to it under the company's articles of association with respect to the company. The Companies Law does not define the substance of this duty of fairness, except to state that the remedies generally available upon a breach of contract will also apply in the event of a breach of the duty of fairness.

Exculpation, Insurance and Indemnification of Office Holders

Under the Companies Law, a company may not exculpate an office holder from liability for a breach of the duty of loyalty. An Israeli company may exculpate an office holder in advance from liability to the company, in whole or in part, for damages caused to the company as a result of a breach of duty of care but only if a provision authorizing such exculpation is included in its articles of association. Our amended and restated articles of association include such a provision. An Israeli company may not exculpate a director from liability arising out of a prohibited dividend or distribution to shareholders.

An Israeli company may indemnify an office holder in respect of the following liabilities and expenses incurred for acts performed as an office holder, either in advance of an event or following an event, provided a provision authorizing such indemnification is contained in its articles of association:

- a financial liability imposed on him or her in favor of another person pursuant to a judgment, including a settlement or arbitrator's award approved by a court. However, if an undertaking to indemnify an office holder with respect to such liability is provided in advance, then such an undertaking must be limited to events which, in the opinion of the board of directors, can be foreseen based on the company's activities when the undertaking to indemnify is given, and to an amount or according to criteria determined by the board of directors as reasonable under the circumstances, and such undertaking shall detail the abovementioned events and amount or criteria;
- reasonable litigation expenses, including legal fees, incurred by the office holder (1) as a result of an investigation or proceeding instituted against him or her by an authority authorized to conduct such investigation or proceeding, provided that (i) no indictment was filed against such office holder as a result of such investigation or proceeding; and (ii) no financial liability, such as a criminal penalty, was imposed upon him or her as a substitute for the criminal proceeding as a result of such investigation or proceeding or, if such financial liability was imposed, it was imposed with respect to an offense that does not require proof of criminal intent; and (2) in connection with a monetary sanction;
- reasonable litigation expenses, including legal fees, incurred by the office holder or imposed by a court in proceedings instituted against him or her by the company, on its behalf or by a third-party or in connection with criminal proceedings in which the office holder was acquitted or as a result of a conviction for an offense that does not require proof of criminal intent; and
- expenses, including reasonable litigation expenses and legal fees, incurred by an office holder in relation to an administrative proceeding instituted against such office holder, or certain compensation payments made to an injured party imposed on an office holder by an administrative proceeding, pursuant to certain provisions of the Israeli Securities Law, 1968 (the "Israeli Securities Law").

An Israeli company may insure an office holder against the following liabilities incurred for acts performed as an office holder if and to the extent provided in the company's articles of association:

- a breach of the duty of loyalty to the company, to the extent that the office holder acted in good faith and had a reasonable basis to believe that the act would not prejudice the company;
- a breach of the duty of care to the company or to a third-party, including a breach arising out of the negligent conduct of the office holder;
- a financial liability imposed on the office holder in favor of a third-party;

- a financial liability imposed on the office holder in favor of a third-party harmed by a breach in an administrative proceeding; and
- expenses, including reasonable litigation expenses and legal fees, incurred by the office holder as a result of an administrative proceeding instituted against him or her, pursuant to certain provisions of the Israeli Securities Law.

An Israeli company may not indemnify or insure an office holder against any of the following:

- a breach of the duty of loyalty, except to the extent that the office holder acted in good faith and had a reasonable basis to believe that the act would not prejudice the company;
- a breach of the duty of care committed intentionally or recklessly, excluding a breach arising out of the negligent conduct of the office holder;
- an act or omission committed with intent to derive illegal personal benefit; or
- a fine, monetary sanction or forfeit levied against the office holder.

Under the Companies Law, exculpation, indemnification and insurance of office holders must be approved by the compensation committee and the board of directors (and, with respect to directors and the chief executive officer, by the shareholders). However, under regulations promulgated under the Companies Law, the insurance of office holders does not require shareholder approval and may be approved by only the compensation committee, if the engagement terms are determined in accordance with the company's compensation policy, which was approved by the shareholders by the same special majority required to approve a compensation policy, provided that the insurance policy is on market terms and the insurance policy is not likely to materially impact the company's profitability, assets or obligations.

Our amended and restated articles of association allow us to exculpate, indemnify and insure our office holders for any liability imposed on them as a consequence of an act (including any omission) which was performed by virtue of being an office holder. Our office holders are currently covered by a directors and officers' liability insurance policy.

We have entered into agreements with each of our directors and executive officers exculpating them in advance, to the fullest extent permitted by law, from liability to us for damages caused to us as a result of a breach of duty of care and undertaking to indemnify them to the fullest extent permitted by law. This indemnification is limited to events determined as foreseeable by the board of directors based on our activities, and to an amount or according to criteria determined by the board of directors as reasonable under the circumstances.

The maximum indemnification amount set forth in such agreements is limited to an amount equal to the higher of \$50 million and 25% of our total shareholders' equity as reflected in our most recent consolidated financial statements prior to the date on which the indemnity payment is made (other than indemnification for an offering of securities to the public, including by a shareholder in a secondary offering, in which case the maximum indemnification amount is limited to the gross proceeds raised by us and/or any selling shareholder in such public offering). The maximum amount set forth in such agreements is in addition to any amount paid (if paid) under insurance and/or by a third-party pursuant to an indemnification arrangement.

In the opinion of the SEC, indemnification of directors and office holders for liabilities arising under the Securities Act, however, is against public policy and therefore unenforceable.

Internal Auditor

Under the Companies Law, the board of directors of a public company must appoint an internal auditor based on the recommendation of the audit committee. The role of the internal auditor is, among other things, to examine whether a company's actions comply with applicable law and orderly business procedure. Under the Companies Law, the internal auditor cannot be an interested party or an office holder or a relative of an interested party or an office holder, nor may the internal auditor be the company's independent auditor or its representative. An "interested party" is defined in the Companies Law as (i) a holder of 5% or more of the issued share capital or voting power in a company, (ii) any person or entity who has the right to designate one or more directors or to designate the chief executive officer of the company or (iii) any person who serves as a director or as chief executive officer of the company. Deloitte IL & Co. serves as our internal auditor.

6.D. EMPLOYEES

As of December 31, 2025, we had 909 employees, including 556 in the United States, 219 in Tel Aviv, and 134 employees in other international locations. None of our employees are represented by labor unions or covered by collective bargaining agreements. We consider our relationship with our employees to be good.

6.E. SHARE OWNERSHIP

For information regarding the share ownership of directors and officers, see Item 7. “*Major Shareholders and Related Party Transactions—7.A. Major Shareholders.*” For information as to our equity incentive plans, see Item 6.B. “*Director, Senior Management and Employees—Compensation—Equity Incentive Plans.*”

6.F. DISCLOSURE OF REGISTRANT’S ACTION TO RECOVER ERRONEOUSLY AWARDED COMPENSATION

None.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

7.A. MAJOR SHAREHOLDERS

The following table sets forth information with respect to the beneficial ownership of our Shares as of February 28, 2026:

- each person or entity known by us to own beneficially more than 5% of our outstanding Shares;
- each of our directors, executive officers and Covered Executives individually; and
- all of our executive officers and directors as a group.

The beneficial ownership of Shares is determined in accordance with the SEC rules and generally includes any Shares over which a person exercises sole or shared voting or investment power, which includes the power to dispose of or to direct the disposition of such security. For purposes of the table below, we deem shares subject to options, RSUs or PSUs that are currently exercisable or exercisable (in the case of options) or vested (in the case of RSUs or PSUs) within 60 days of February 28, 2026 to be outstanding and to be beneficially owned by the person holding the options, RSUs, or PSUs for the purposes of computing the percentage ownership of that person but we do not treat them as outstanding for the purpose of computing the percentage ownership of any other person, except with respect to the ownership and percentage ownership of all executive officers and directors as a group.

The percentage of shares beneficially owned are based on 55,720,779 Shares outstanding as of February 28, 2026.

Unless otherwise noted below, each shareholder’s address is 82 Yigal Alon Street, Tel Aviv, 6789124, Israel.

A description of any material relationship that our principal shareholders have had with us or any of our affiliates within the past three years is included under “*Certain Relationships and Related Party Transactions.*”

**Beneficial Ownership as of
February 28, 2026**

Name of Beneficial Owner	Shares Beneficially Owned	Percent of Shares Outstanding
Principal Shareholders		
Mithaq Capital SPC ⁽¹⁾	17,326,679	31.3%
J.B Capital Partners L.P. ⁽²⁾	4,361,625	7.8%
News Corporation ⁽³⁾	4,262,661	7.7%
Toscafund Asset Management LLP ⁽⁴⁾	3,193,481	5.7%
Directors, Executive Officers and Covered Executives⁽⁵⁾		
Ofer Druker	717,916	1.3%
Sagi Niri	*	*
Yaniv Carmi	*	*
Karim Rayes	*	*
Chance Johnson	*	*
Christopher Stibbs	*	*
Neil Jones	*	*
Lisa Klinger	*	*
Daniel Kerstein	*	*
Rhys Summerton	*	*
All executive officers and directors as a group (10 persons)	1,763,025	3.2%

* Indicates ownership of less than 1%.

- (1) This information is based upon an Amendment No. 9 to Schedule 13D jointly filed by Mithaq Capital SPC (“Mithaq Capital”), Turki Saleh A. AlRajhi and Muhammad Asif Seemab with the SEC on December 29, 2025. Mithaq Capital is managed by its Board of Directors, which consists of Turki Saleh A. AlRajhi and Muhammad Asif Seemab, and the Board has exclusive authority concerning purchases, dispositions and voting of the ordinary shares. Each of Mr. AlRajhi and Mr. Seemab possesses an ownership interest in Mithaq Capital, and Mr. Seemab may share in any profits realized from Mithaq Capital’s investment in the Shares. Mithaq Capital may be deemed to beneficially own 17,326,679 Ordinary Shares of the Company and has sole voting and dispositive power with respect to the shares, while Mr. AlRaji and Mr. Seemab each have shared voting and dispositive power with respect to the shares. The principal address of Mithaq Capital is c/o Synergy, Anas Ibn Malik Road, Al Malqa, Riyadh 13521 Saudi Arabia. Pursuant to Section 333(b) of the Companies Law, Mithaq Capital may not exercise voting rights in excess of 25% of our issued and outstanding Ordinary Shares.
- (2) This information is based upon an Amendment No. 1 to a Schedule 13G jointly filed by JB Capital Partners L.P. (“JB Capital”) and Alan W. Weber with the SEC on February 9, 2026. Each of JB Capital and Mr. Weber share voting and dispositive power with respect to 4,361,625 Ordinary Shares. The principal address of JB Capital and Mr. Weber is 5 Evans Place, Armonk New York 10504.
- (3) This information is based upon an Amendment No. 7 to a Schedule 13G jointly filed by Toscafund Asset Management LLP (“Toscafund”), Toscafund Limited, Old Oaks Holdings Limited and Martin Hudes with the SEC on November 12, 2025. Toscafund is the entity for which Toscafund Limited, Old Oak Holdings and Martin Hughes may be considered a holding company or control person, as applicable, and therefore may be deemed to have beneficial ownership over 5,607,158 Shares of the Company and has shared voting and dispositive power with respect to the shares. Tosca Opportunity may be deemed to beneficially own 3,193,481 Shares and has shared voting and dispositive power with respect to the shares. The principal address of Toscafund is 5th Fl, Ferguson House, 15 Marylebone Rd, London, United Kingdom NW1 5JD. The principal address of Tosca Opportunity is Ugland House, Box 309, Grand Cayman, Cayman Islands KY1-1104.
- (4) This information is based upon a Schedule 13G filed by News Corporation with the SEC on February 11, 2022. News Corp UK & Ireland Limited and News Preferred Holdings Inc., both wholly-owned subsidiaries of News Corporation, are the record holders of the 4,262,661 Shares of the Company. News Corporation has sole voting and investment power with respect to the shares of the Company held by such subsidiaries. The principal address of News Corporation is 1211 Avenue of the Americas, New York, New York 10036.
- (5) Includes Covered Executives in accordance with Israeli law and the Exchange Act.

7.B. RELATED PARTY TRANSACTIONS

Our policy is to enter into transactions with related parties on terms that, on the whole, are no more or less favorable than those available from unaffiliated third parties. Based on our experience in the business sectors in which we operate and the terms of our transactions with unaffiliated third parties, we believe that all of the transactions described below met this policy standard at the time they occurred

The following is a description of our related party transactions since January 1, 2025.

Agreements with Directors and Officers

Employment Agreements

We have entered into written employment agreements with each of our executive officers. See Item 6. “*Directors, Senior Management and Employees.*”

Equity Incentive Awards

Since our inception, we have granted to our executive officers and certain of our directors restricted stock units, performance share units and options to purchase our Shares. See Item 6. “*Directors, Senior Management and Employees.*”

Exculpation, Indemnification and Insurance

Our amended and restated articles of association permit us to exculpate, indemnify and insure certain of our office holders to the fullest extent permitted by the Companies Law. We have entered into agreements with each of our directors and executive officers exculpating them in advance, to the fullest extent permitted by law, from liability to us for damages caused to us as a result of a breach of duty of care and undertaking to indemnify them to the fullest extent permitted by law. See Item 6. “*Directors, Senior Management and Employees.*”

Rights of Appointment

Our current board of directors consists of six directors. We are not a party to, and are not aware of, any voting agreements among our shareholders.

Related Party Transaction Policy

Our board of directors has adopted a written related party transaction policy to set forth the policies and procedures for the review and approval or ratification of related person transactions. This policy covers, with certain exceptions set forth in Item 404 of Regulation S-K under the Securities Act, any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships, in which we were or are to be a participant, where the amount involved exceeds \$120,000 and a related person had or will have a direct or indirect material interest, including, without limitation, purchases of goods or services by or from the related person or entities in which the related person has a material interest, indebtedness, guarantees of indebtedness and employment by us of a related person.

7.C. INTERESTS OF EXPERTS AND COUNSEL

Not applicable.

ITEM 8. FINANCIAL INFORMATION

8.A. CONSOLIDATED STATEMENTS AND OTHER FINANCIAL INFORMATION

Consolidated Financial Statements

We have appended our audited consolidated financial statements at the end of this Annual Report, starting at page F-4, as part of this Annual Report.

Legal Proceedings

We may, from time to time, be party to legal or regulatory proceedings arising in the ordinary course of business. Defending any such legal proceedings is costly and can impose a significant burden on management and employees. The results of any current or future litigation cannot be predicted with certainty, and regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources, and other factors.

On May 18, 2021, we filed a complaint against Alphonso in the Supreme Court of the State of New York, County of New York, asserting claims for breach of contract, tortious interference with business relations, intentional interference with contractual relations, unjust enrichment, and conversion. The lawsuit arose out of Alphonso's breach of a Strategic Partnership Agreement and an Advance Payment Obligation and Security Agreement (the "Security Agreement") with us, and LG Electronics Inc.'s ("LG") tortious interference with the Company's contractual relationships and business relations and related misconduct. On February 28, 2024, the Company entered into a settlement and release agreement with Alphonso and LG and the parties agreed to dismiss the Alphonso Lawsuit.

On June 21, 2022, Alphonso filed a complaint against the Company in the United States District Court for the Northern District of California, asserting claims for misappropriation of trade secrets under federal and state law. On October 11, 2023, Alphonso dismissed its claims in the lawsuit with prejudice.

Policy on Dividend Distributions

We do not anticipate paying any dividends in the foreseeable future. We currently intend to retain future earnings, if any, to finance operations and expand our business. Our board of directors has sole discretion whether to pay dividends. If our board of directors decides to pay dividends, the form, frequency and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our directors may deem relevant.

The Companies Law imposes restrictions on our ability to declare and pay dividends. Pursuant to the Companies Law, the distribution amount is limited to the greater of retained earnings or earnings generated over the previous two years, according to our then last reviewed or audited financial statements (less the amount of previously distributed dividends, if not reduced from the earnings), provided that the end of the period to which the financial statements relate is not more than six months prior to the date of the distribution. If we do not meet such criteria, then we may distribute dividends only with court approval. In each case, we are only permitted to distribute a dividend if our board of directors and, if applicable, the court determines that there is no reasonable concern that payment of the dividend will prevent us from satisfying our existing and foreseeable obligations as they become due.

8.B. SIGNIFICANT CHANGES

No significant changes have occurred since December 31, 2025, except as otherwise disclosed in this Annual Report.

ITEM 9. THE OFFER AND LISTING

9.A. OFFER AND LISTING DETAILS

Our Shares have been listed on the Nasdaq Global Market under the symbol "NEXN" since February 18, 2025.

As of February 28, 2026, the last reported sale price of our Shares on the Nasdaq Global Market was \$6.44 per Ordinary Share.

9.B. PLAN OF DISTRIBUTION

Not applicable.

9.C. MARKETS

See Item 9.A. "Offer and Listing Details."

9.D. SELLING SHAREHOLDERS

Not applicable.

9.E. DILUTION

Not applicable.

9.F. EXPENSES OF THE ISSUE

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

10.A. SHARE CAPITAL

Not applicable.

10.B. MEMORANDUM AND ARTICLES OF ASSOCIATION

Our authorized share capital of the Company is NIS 5,000,000, divided into 250,000,000 ordinary shares with a par value of NIS 0.02 per share, of which 55,720,779 shares are issued and outstanding as of February 28, 2026, and 45,150,804 shares are held in treasury.

A copy of our amended and restated articles of association is attached as Exhibit 1.1 to this Annual Report on Form 20-F. The information called for by this item is set forth in Exhibit 2.1 to this Annual Report on Form 20-F and is incorporated herein by reference.

10.C. MATERIAL CONTRACTS

Summaries of the following material contracts and amendments to these contracts are included in this Annual Report in the places indicated.

Material Contract	Location in This Annual Report
Global Share Incentive Plan (2011), as amended	Item 6.B. <i>Directors, Senior Management and Employees – Compensation Equity Incentive Plans.</i>
2017 Equity Incentive Plan, as amended	Item 6.B. <i>Directors, Senior Management and Employees – Compensation Equity Incentive Plans.</i>
Compensation Policy	Item 6.C. <i>Directors, Senior Management and Employees Board Practices – Compensation Policy under the Companies Law.</i>
Form of Indemnification Agreement	Item 6.C. <i>Directors, Senior Management and Employees – Board Practices – Exculpation, Insurance and Indemnification of Office Holders.</i>
Credit Agreement	Item 5.B. <i>Liquidity and Capital Resources</i>

10.D. EXCHANGE CONTROLS

There are currently no Israeli currency control restrictions on remittances of dividends on our Shares, proceeds from the sale of our Shares or interest or other payments to non-residents of Israel, except for shareholders who are subjects of countries that are, have been, or will be, in a state of war with Israel.

10.E. TAXATION

The following discussion of Israeli and United States tax consequences is not intended to constitute a complete analysis of all tax consequences relating to the acquisition, ownership and disposition of our Shares. You should consult your own tax advisor concerning the tax consequences of your particular situation, as well as any tax consequences that may arise under the laws of any state, local, foreign or other taxing jurisdiction.

Israeli Tax Considerations

The following is a summary of the general corporate Israeli tax laws applicable to us. This section also contains a discussion of material Israeli tax consequences relating to the ownership and disposition of our Shares. This summary does not discuss all aspects of the Israeli tax law that may be relevant to a particular investor in light of his or her personal investment circumstances or to some types of investors subject to special treatment under Israeli law. To the extent that the discussion is based on new tax legislation that has not yet been subject to judicial or administrative interpretation, we cannot assure you that the appropriate tax authorities or the courts will accept the views expressed in this discussion. The discussion below is subject to change, including due to amendments under Israeli law or changes to the applicable judicial or administrative interpretations of Israeli law, which change could affect the tax consequences described below. The discussion should not be construed as legal or professional tax advice and does not cover all possible tax considerations.

General Corporate Tax Structure in Israel

Israeli companies are generally subject to Corporate Income Tax (CIT) on taxable income, including capital gains, at the rate of 23% for 2024 and 2025. Nevertheless, as elaborated below, the Israeli Law for the Encouragement of Capital Investments-1959 provides tax benefits for Israeli enterprises meeting certain requirements and criteria. In our context, the Company's enterprise may be eligible to the "Preferred Technological Enterprise" and the "Special Preferred Technological Enterprise" regime, that provides a reduced CIT rate of 12% and 6% respectively on eligible income.

Foreign Exchange Regulations

We are permitted to measure our Israeli taxable income in U.S. dollars pursuant to regulations published by the Israeli Minister of Finance, which provide the conditions for doing so. We believe that we meet, and will continue to meet, the necessary conditions and as such, we measure our results for tax purposes based on the U.S. dollar/NIS exchange rate on December 31 of the relevant tax year.

Tax Benefits and Grants for Research and Development

Israeli tax law allows, under specified conditions, a tax deduction for expenditures, including capital expenditures, related to scientific research and development for the year in which they are incurred. Expenditures are deemed related to scientific research and development projects, if:

- the expenditures are approved by the relevant Israeli government ministry, determined by the field of research;
- the research and development must be for the promotion of the company; and
- the research and development are carried out by or on behalf of the company seeking such tax deduction.

The amount of such deductible expenses is reduced by the sum of any funds received through government grants for the finance of such scientific research and development projects. Under these research and development deduction rules, no deduction is allowed for any expense invested in an asset depreciable under the general depreciation rules of the Israeli Income Tax Ordinance (New Version), 5721-1961. Expenditures that do not qualify for this special deduction are deductible in equal amounts over three years.

From time to time, we may apply to the Israel Innovation Authority for approval to allow a tax deduction for all research and development expenses during the year incurred. There can be no assurance that such request will be granted. If we will not be able to deduct research and development expenses during the year of the payment, we will be able to deduct research and development expenses during a period of three years commencing in the year of the payment of such expenses.

Digital Services Tax

The Company constantly examines the potential applicability of the digital services tax legislation on its activities in the various jurisdictions. In addition, the Company studies the Organization for Economic Co-operation and Development (OECD) Pillar I and Pillar II publications and their effect on the Company.

Israeli Law for the Encouragement of Capital Investments, 1959, as amended

The Law for the Encouragement of Capital Investments (the “Investments Law”) provides tax benefits for Israeli companies meeting certain requirements and criteria. The Investment Law has undergone certain amendments and reforms in recent years.

The Israeli parliament enacted a reform to the Investment Law, effective as of January 2011, according to which, a flat rate tax applies to companies eligible for the “Preferred Enterprise” status. In order to be eligible for Preferred Enterprise status, a company must meet minimum requirements to establish that it contributes to the country’s economic growth and is a competitive factor for the gross domestic product.

In December 22, 2016, an Amendment to the Investments Law was enacted and, effective January 1, 2017, added new tax benefit tracks for a “Preferred Technological Enterprise” and a “Special Preferred Technological Enterprise” that awards reduced tax rates to a technological industrial enterprise for the purpose of encouraging activity relating to the development of qualifying intangible assets. This amendment introduced the “Nexus Principles” based on OECD guidelines as part of the Base Erosion and Profit Shifting (BEPS) project, which govern the tax regime applicable to the Company from the 2017 tax year.

Benefits under the “Preferred Technology Enterprise” regime include:

- A reduced corporate tax rate of 12% (or 7.5% in Development Area A) on qualifying income from eligible intellectual property (“Preferred Technology Income”), subject to conditions, including a minimal amount or ratio of annual R&D expenditures and R&D employees, and having at least 25% of annual income derived from export;

- A 12% capital gains tax rate on the sale of preferred intangible assets to foreign affiliated enterprise, provided that the asset was initially purchased from a foreign resident at an amount of NIS 200 million or more; and
- A 20% withholding tax rate for dividends paid from Preferred Technology Income (with an exemption from such withholding tax applying to dividends paid to an Israeli company). Such rate may be reduced to 4% on dividends paid to a foreign resident company, in case at least 90% of the company's shares are held directly by, one or more, foreign entities, subject to valid certificate from the Israel Tax Authority.

These rates may be further reduced by applicable double tax treaties, subject to the receipt in advance of a valid certificate from the Israel Tax Authority.

The effective tax rate applying to our Preferred Technology Enterprise is calculated based on the Nexus Principles, considering eligible and ineligible R&D expenses incurred by us, as prescribed in the Regulations. Income from sources other than the Preferred Technology Income are taxable at regular corporate tax rates of 23% for 2023, 2024 and 2025.

Full details regarding our Preferred and Preferred Technology Enterprises may be found in Note 4 of our consolidated financial statements.

Law for the Encouragement of Industry (Taxes), 1969

The Law for the Encouragement of Industry (Taxes), 1969, generally referred to as the Industry Encouragement Law, provides several tax benefits for "Industry Companies." The Industry Encouragement Law defines an "Industrial Company" as a company resident in Israel, of which 90% or more of its income in any tax year, other than income from defense loans, is derived from an "Industrial Enterprise" owned by it and located in Israel. An "Industrial Enterprise" is defined as an enterprise whose principal activity in a given tax year is industrial production. We currently qualify as an Industrial Company within the meaning of the Industry Encouragement Law.

The following corporate tax benefits, among others, are available to Industrial Companies:

- Amortization over an eight-year period of the cost of purchased know-how and patents and rights to use a patent and know-how which are used for the development or advancement of the company;
- Under limited conditions, an election to file consolidated tax returns with related Israeli Industrial Companies; and
- Expenses related to a public offering are deductible in equal amounts over a three-year period.

Eligibility for benefits under the Industry Encouragement Law is not contingent upon the approval of any governmental authority. The Israeli tax authorities may determine that we do not qualify as an Industrial Company, which could entail our loss of the benefits that relate to this status. There can be no assurance that we will continue to qualify as an Industrial Company or that the benefits described above will be available in the future.

The Company approached the Israeli Tax Authority and received on December 31, 2025 a renewal of the Tax Ruling regarding the Industrial Enterprise and Preferred Technological Enterprise, for the eligibility of the benefits under the Investment Law. The Tax Ruling is effective for the years 2023-2027.

Capital Gains Tax on Sales of Our Shares

Taxation of Non-Israeli Resident Shareholders

Israeli capital gains tax is imposed on the disposition of capital assets by a non-Israeli resident if those assets (i) are located in Israel; (ii) are shares or a right to shares in an Israeli resident corporation; or (iii) represent, directly or indirectly, rights to assets located in Israel, unless a tax treaty between Israel and the seller's country of residence provides otherwise. The Israeli tax law distinguishes between "Real Capital Gain" and "Inflationary Surplus." Inflationary Surplus is a portion of the total capital gain which is equivalent to the increase in the relevant asset's price that is attributable to the increase in the Israeli Consumer Price Index or, in certain circumstances, a foreign currency exchange rate, between the date of purchase and the date of disposition. Inflationary Surplus is currently not subject to tax in Israel. Real Capital Gain is the excess of the total capital gain over the Inflationary Surplus. Generally, Real Capital Gain accrued by individuals on the sale of our Shares will be taxed at the rate of 25%. However, if the shareholder is a "substantial shareholder" at the time of sale or at any time during the preceding 12-month period, such gain will be taxed at the rate of 30%. A "substantial shareholder" is generally a person who alone or together with such person's relative or another person who collaborates with such person on a permanent basis, holds, directly or indirectly, at least 10% of any of the "means of control" of the corporation. "Means of control" generally include the right to vote, receive profits, nominate a director or an executive officer, receive assets upon liquidation, or order someone who holds any of the aforesaid rights how to act, regardless of the source of such right. Real Capital Gain derived by corporations will be generally subject to a corporate tax rate of 23% (in 2025).

A non-Israeli resident who derives capital gains from the sale of shares of an Israeli resident company, that were purchased after the company was listed for trading on a recognized stock exchange outside of Israel will be exempt from Israeli capital gains tax so long as the shares were not held through a permanent establishment that the non-Israeli resident maintains in Israel. However, non-Israeli corporations will not be entitled to the foregoing exemption if Israeli residents (i) have a controlling interest of more than 25% in any of the means of control of such non-Israeli corporation; or (ii) are the beneficiaries of, or are entitled to, 25% or more of the revenues or profits of such non-Israeli corporation, whether directly or indirectly. Such exemption is also not applicable to a person whose gains from selling or disposing the shares are deemed to be business income.

Additionally, a sale of securities by a non-Israeli resident may be exempt from Israeli capital gains tax under the provisions of an applicable tax treaty. For example, under the tax treaty between the Government of the United States of America and the Government of the State of Israel with respect to Taxes on Income, as amended (the “United States-Israel Tax Treaty”), the sale, exchange or other disposition of shares by a shareholder who is a United States resident (for purposes of the treaty) holding the shares as a capital asset and is entitled to claim the benefits afforded to such a resident by the United States-Israel Tax Treaty (a “Treaty U.S. Resident”) is generally exempt from Israeli capital gains tax unless: (i) the capital gain arising from such sale, exchange or disposition is attributed to real estate located in Israel; (ii) the capital gain arising from such sale, exchange or disposition is attributed to royalties; (iii) the capital gain arising from the such sale, exchange or disposition is attributed to a permanent establishment in Israel, under certain terms; (iv) such Treaty U.S. Resident holds, directly or indirectly, shares representing 10% or more of the voting capital during any part of the 12-month period preceding the disposition, subject to certain conditions; or (v) such Treaty U.S. Resident is an individual and was present in Israel for 183 days or more during the relevant taxable year. In any such case, the sale, exchange or disposition of such shares would be subject to Israeli tax, to the extent applicable. However, under the United States-Israel Tax Treaty, a Treaty U.S. Resident may be permitted to claim a credit for the Israeli tax against the U.S. federal income tax imposed with respect to the sale, exchange or disposition of the shares, subject to the limitations under U.S. laws applicable to foreign tax credits. The United States-Israel Tax Treaty does not provide such credit against any U.S. state or local taxes.

Regardless of whether non-Israeli shareholders may be liable for Israeli capital gains tax on the sale of our Shares, the payment of the consideration for such sale may be subject to withholding of Israeli tax at source and holders of our Shares may be required to demonstrate that they are exempt from tax on their capital gains in order to avoid withholding at source at the time of sale. Specifically, the Israel Tax Authority may require shareholders who are not liable for Israeli capital gains tax on such a sale to sign declarations in forms specified by the Israel Tax Authority, provide documents (including, for example, a certificate of residency) or obtain a specific exemption from the Israel Tax Authority to confirm their status as non-Israeli residents (and, in the absence of such declarations or exemptions, the Israel Tax Authority may require the purchaser of the Shares to withhold tax at source).

A tax return must be filed by January 31 and July 31 for sales made in the last six months of the preceding year or the first six months of the current year. If all tax due was withheld at source, filing is not required if the income was not generated from business in Israel, the taxpayer has no other taxable income in Israel and is not obligated to pay surtax. Capital gains must also be reported on the annual income tax return.

Taxation of Israeli Resident Shareholders

An Israeli resident corporation that derives capital gains from the sale of shares in an Israeli resident company that were purchased after the company was listed for trading on a stock exchange outside of Israel will generally be subject to tax on the real capital gains generated on such sale at the corporate tax rate of 23%. An Israeli resident individual will generally be subject to capital gain tax at the rate of 25%. However, if the individual shareholder claims deduction of interest expenditures or is a “substantial shareholder” at the time of the sale or at any time during the preceding 12-months period, such gain will be taxed at the rate of 30%. A “substantial shareholder” is generally a person who alone or together with such person’s relative or another person who collaborates with such person on a permanent basis, holds, directly or indirectly, at least 10% of any of the “means of control” of the corporation. “Means of control” generally include the right to vote, receive profits, nominate a director or an executive officer, receive assets upon liquidation, or order someone who holds any of the aforesaid rights how to act, regardless of the source of such right. Individual holders dealing in securities in Israel for whom the income from the sale of securities is considered “business income” as defined in section 2(1) of the Tax Ordinance are taxed at the marginal tax rates applicable to business income (up to 47% in 2025). Individuals who are subject to tax in Israel are also subject to an additional income surtax (as described below). For this purpose, taxable income will include taxable capital gains from the sale of our shares and taxable income from dividend distributions. Certain Israeli institutions who are exempt from tax under section 9(2) or section 129(a)(1) of the Tax Ordinance (such as exempt trust fund, pension fund) may be exempt from capital gains tax from the sale of the shares.

Taxation of Dividends Paid on our Shares

Taxation of Non-Israeli Shareholders

Non-Israeli residents (whether individuals or corporations) are generally subject to Israeli income tax on the receipt of dividends paid on our Shares at the rate of 25%, or 20% if the dividend is distributed from income attributed to a Preferred Enterprise or a Preferred Technological Enterprise, which tax will be withheld at source, unless relief is provided in an applicable tax treaty between Israel and the shareholder's country of residence. If the shareholder is a "substantial shareholder" at the time of receiving the dividend or at any time during the preceding 12-month period, the applicable tax rate will be 30%. Such dividends are generally subject to Israeli withholding tax at a rate of 25% if the shares are registered with a nominee company (whether the recipient is a substantial shareholder or not).

A reduced tax rate may be provided under an applicable tax treaty. Under the United States-Israel Tax Treaty, the maximum rate of tax withheld at source in Israel on dividends paid to a holder of our Shares, who is a Treaty U.S. Resident, is 25%. Generally, the maximum rate of withholding tax on dividends that are paid to a United States corporation holding 10% or more of the outstanding voting capital throughout the tax year in which the dividend is distributed, as well as during the previous tax year, is 12.5%, provided that not more than 25% of the gross income for such preceding year consists of certain types of dividends and interest. The 12.5% rate is applicable only to dividends from regular income and not from Preferred Enterprise, or Preferred Technological Enterprise income. If conditions are met, dividends from these Enterprises are subject to a 15% withholding tax.

Non-resident individuals or corporations with dividend income from Israel, from which tax was withheld, are generally exempt from filing tax returns in Israel if the income was not derived from a business conducted in Israel, they have no other taxable income in Israel, and they are not subject to income surtax.

Taxation of Israeli Shareholders

An Israeli resident individual is generally subject to Israeli income tax on the receipt of dividends at the rate of 25%. With respect to a person who is a "substantial shareholder" at the time of receiving the dividend or at any time during the preceding 12-months period, the applicable tax rate is 30%. Such dividends are generally subject to Israeli withholding tax at a rate of 25%, if the shares are registered with a nominee company (whether the recipient is a substantial shareholder or not), and 20% if the dividend is distributed from income attributed to a Preferred Enterprise or a Preferred Technological Enterprise (see more details below). If the recipient of the dividend is an Israeli resident corporation such dividend income will be exempt from tax provided the income from which such dividend is distributed was derived or accrued within Israel and was received directly or indirectly from another corporation that is liable to Israeli corporate tax. An exempt trust fund, pension fund or other entity that is exempt from tax under section 9(2) or section 129C(a)(1) of the Israeli Tax Ordinance is exempt from tax on dividend.

Surtax. Subject to the provisions of an applicable tax treaty, individuals who are subject to tax in Israel (whether such individual is an Israeli resident or non-Israeli resident) are also subject to an additional tax at a rate of 3% on annual income (including, but not limited to, dividends, interest and capital gain) exceeding NIS 721,560 for 2025, which amount is linked to the annual change in the Israeli consumer price index. Additionally, effective from January 1, 2025, an additional surtax of 2% will apply exclusively to annual capital income (including from dividend distribution) exceeding NIS 721,560.

Estate and Gift Tax. Israeli law presently does not impose estate taxes. Gift tax may be applicable in certain cases.

U.S. Federal Income Tax Considerations

The following is a summary of material United States federal income tax considerations generally applicable to United States Holders (as defined below) of our Shares. This summary deals only with our Shares held as capital assets within the meaning of Section 1221 of the U.S. Internal Revenue Code of 1986, as amended, (the "Code"). This summary also does not address the tax consequences that may be relevant to holders in special tax situations including, without limitation: dealers in securities, traders that elect to use a mark-to-market method of accounting, holders that own our Shares as part of a "straddle," "hedge," "conversion transaction," or other integrated investment, banks or other financial institutions, individual retirement accounts and other tax-deferred accounts, insurance companies, tax-exempt organizations, United States expatriates, holders whose functional currency is not the U.S. dollar, holders that are real estate investment trusts or regulated investment companies, grantor trusts, holders subject to special tax accounting rules as a result of any item of gross income with respect to our Shares being taken into account in an applicable financial statement, holders which are entities or arrangements treated as partnerships, S-corporations or other pass-through entities for United States federal income tax purposes, holders who acquired Shares pursuant to the exercise of any employee share option or otherwise as compensation or holders that directly, indirectly, or constructively own 10% or more of the total voting power or value of our outstanding stock.

This summary is based upon the Code, existing final, temporary and proposed regulations thereunder, judicial decisions and published positions of the Internal Revenue Service (the "IRS") and the U.S.-Israel income tax treaty in effect as of the date of this annual report, all of which are subject to change at any time (including changes in interpretation), possibly with retroactive effect, in a manner that could adversely affect a U.S. holder.

No ruling will be requested from the Internal Revenue Service, or IRS, regarding the tax consequences described herein, and there can be no assurance that the IRS will agree with the discussion set out below. This summary does not address all U.S. federal income tax matters that may be relevant to a particular prospective holder or all tax considerations that may be relevant with respect to an investment in our Shares, including the U.S. federal estate, gift, or alternative minimum tax consequences, or any state, local or non-U.S. tax consequences, of the acquisition, ownership and disposition of our Shares.

As used herein, the term "United States Holder" means a beneficial owner of our Shares that is, for U.S. federal income tax purposes, (i) an individual who is a citizen or resident of the United States; (ii) a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States or any political subdivision thereof; (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a trust (a) that is subject to the supervision of a court within the United States and the control of one or more "United States persons" as defined in Internal Revenue Code Section 7701(a)(30), or (b) that has a valid election in effect under applicable United States Treasury Regulations to be treated as a "United States person."

If an entity or arrangement treated as a partnership for United States federal income tax purposes acquires our Shares, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. Partners of a partnership considering an investment in our Shares should consult their tax advisors regarding the United States federal income tax consequences of acquiring, owning, and disposing of our Shares.

THE SUMMARY OF UNITED STATES FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL CURRENT OR PROSPECTIVE INVESTORS SHOULD CONSULT THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF OWNING AND DISPOSING OF OUR SHARES, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL AND NON-U.S. TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

Dividends

Subject to the discussion below under "*Passive Foreign Investment Company*," the amount of dividends paid to a U.S. Holder of our Shares, before reduction for any Israeli taxes withheld therefrom, generally will be taxable as dividend income from foreign sources to the extent paid out of our current or accumulated earnings and profits (as determined for U.S. federal income tax purposes). Distributions in excess of earnings and profits are generally treated as a non-taxable return of capital to the extent of the U.S. Holder's adjusted tax basis in those Shares and thereafter as capital gain. We do not maintain calculations of our earnings and profits under U.S. federal tax principles. Therefore, U.S. Holders should expect that a distribution will generally be treated as a dividend even if that distribution would otherwise be treated as a non-taxable return of capital or as capital gain under the rules described above. In addition to the income tax on dividends discussed above, certain non-corporate U.S. holders will also be subject to the 3.8% tax on dividends as discussed below under "Net Investment Income Tax". A U.S. holder that is a corporation will not be eligible for any dividends received deduction, except as provided by Sections 245 and 245A of the Code. The amount of any distribution paid in foreign currency will be equal to the U.S. dollar value of such currency, translated at the spot rate of exchange on the date such distribution is included in the U.S. Holder's income, regardless of whether the payment is in fact converted into U.S. dollars at that time. If not converted, the U.S. holder will have a basis in the foreign currency equal to its U.S. dollar value on the receipt date, with any subsequent gain or loss treated as ordinary income or loss.

Dividends paid on our Shares generally will constitute "foreign source income" for purposes of the foreign tax credit. Israeli withholding tax (if any) paid on dividends on our Shares, at the rate provided by the U.S.-Israel Tax Treaty, may subject to limitations and conditions, be treated as foreign income tax eligible for credit against holder's U.S. federal income tax liability or, at holder's election, eligible for deduction in computing holder's U.S. federal taxable income. If a refund of the tax withheld is available under the laws of the state of Israel or under the U.S.-Israel Tax Treaty, the amount of tax withheld that is refundable will not be eligible for such credit against a U.S. Holder's U.S. federal income tax liability (and will not be eligible for the deduction against U.S. federal taxable income). If the dividends are taxed as "qualified dividend income," as discussed below, the amount of the dividend taken into account for purposes of calculating the foreign tax credit limitation will generally be limited to the gross amount of the dividend, multiplied by the reduced rate applicable to the qualified dividend income, divided by the highest rate of tax normally applicable to dividends. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, any dividends distributed by us with respect to Shares will generally constitute "passive category income."

The rules governing the treatment of foreign taxes imposed on a U.S. Holder and foreign tax credits are complex, and U.S. Holders should consult their tax advisors about the impact of these rules in their particular situations.

Dividends received by certain non-corporate U.S. Holders (including individuals) may be “qualified dividend income,” which is taxed at the lower capital gain rate of 20%, provided that (i) either our Shares are readily tradable on an established securities market in the United States or we are eligible for benefits under a comprehensive United States income tax treaty that includes an exchange of information program and which the United States Treasury Department has determined is satisfactory for these purposes; (ii) we are neither a PFIC (as discussed below) nor treated as such with respect to the U.S. Holder for either our taxable year in which the dividend is paid or our preceding taxable year; (iii) the U.S. Holder satisfies certain holding period and other requirements; and (iv) the U.S. Holder is not under an obligation to make related payments with respect to positions in substantially similar or related property. In this regard, shares generally are considered to be readily tradable on an established securities market in the United States if they are listed on the Nasdaq, as is the case with our Shares. U.S. Holders should consult their tax advisors regarding the availability of the reduced tax rate on dividends paid with respect to our Shares.

Disposition of Shares

Subject to the discussion below under “*Passive Foreign Investment Company*,” a U.S. Holder generally will recognize capital gain or loss for U.S. federal income tax purposes on the sale or other taxable disposition of our Shares equal to the difference, if any, between the amount realized and the U.S. Holder’s adjusted tax basis in those Shares. A U.S. Holder’s initial tax basis in shares generally will equal the cost of such shares. If any foreign tax is imposed on the sale, exchange or other disposition of our Shares, a U.S. Holder’s amount realized will include the gross amount of the proceeds of the disposition before deduction of the tax. In general, capital gains recognized by a non-corporate U.S. Holder, including an individual, are treated as long term capital gain and subject to a lower tax rate (currently up to 20%) if U.S. Holder’s holding period in our Shares exceeds one year. The deductibility of capital losses is subject to limitations. Additionally, certain non-corporate U.S. holders may be subject to a 3.8% tax on net gains as discussed below under “Net Investment Income Tax” Any such gain or loss generally will be treated as United States source income or loss for purposes of the foreign tax credit. Because gain for the sale or other taxable disposition of our Shares will be treated as United States source income, and you may use foreign tax credits against only the portion of United States federal income tax liability that is attributed to foreign source income in the same category, your ability to utilize a foreign tax credit with respect to any foreign tax imposed on any such sale or other taxable disposition, may be significantly limited. In addition, if you are eligible for the benefit of the U.S.-Israel Tax Treaty and pay Israeli tax in excess of the amount applicable to you under such convention or if the Israeli tax paid is refundable, you will not be able to claim any foreign tax credit or deduction with respect to such excess Israeli tax. You should consult your tax advisor as to whether the Israeli tax on gains may be creditable or deductible in light of your particular circumstances and your ability to apply the provisions of the U.S.-Israel Tax Treaty.

If the consideration received upon the sale or other taxable disposition of our Shares is paid in foreign currency, the amount realized will be the U.S. dollar value of the payment received, translated at the spot rate of exchange on the date of taxable disposition. If our Shares are treated as traded on an established securities market, a cash basis U.S. Holder and an accrual basis U.S. Holder who has made a special election (which must be applied consistently from year to year and cannot be changed without the consent of the IRS) will determine the U.S. dollar value of the amount realized in foreign currency by translating the amount received at the spot rate of exchange on the settlement date of the taxable disposition. An accrual basis U.S. Holder that does not make the special election will recognize exchange gain or loss to the extent attributable to the difference between the exchange rates on the date of the taxable disposition and the settlement date, and such exchange gain or loss generally will constitute ordinary income or loss.

Net Investment Income Tax

Certain U.S. holders that are individuals, estates or trusts are required to pay an additional 3.8% tax on all or a portion of their “net investment income,” which includes dividends and net gains from the sale or other dispositions of shares.

Passive Foreign Investment Company

We would be a PFIC for any taxable year if, after the application of certain look-through rules, either: (i) 75% or more of our gross income for such year is “passive income” (as defined in the relevant provisions of the Internal Revenue Code), or (ii) 50% or more of the value of our assets (determined on the basis of a quarterly average) during such year is attributable to assets that produce or are held for the production of passive income. Passive income generally includes, among other things, rents, dividends, interest, royalties, gains from the disposition of passive assets and gains from commodities and securities transactions. For purposes of this test, we will be treated as owning a proportionate share of the assets and earning a proportionate share of the income of any other corporation of which we own, directly or indirectly, 25% or more (by value) of the stock.

Based on the current and anticipated composition of our income, assets and operations we do not expect to be treated as a PFIC for the current taxable year or in the foreseeable future. However, whether we are a PFIC is a factual determination that must be made annually after the close of each taxable year. This determination will depend on, among other things, the composition of the Company’s income and assets, as well as the market value of our Shares and assets, which may fluctuate significantly. In addition, it is possible that the IRS may take a contrary position with respect to our determination in any particular year. Therefore, there can be no assurance that we will not be classified as a PFIC for the current taxable year or any future taxable year.

Certain adverse U.S. federal income tax consequences could apply to a U.S. Holder if we are treated as a PFIC for any taxable year during which such U.S. Holder holds our Shares. Under the PFIC rules, if we were considered a PFIC at any time that a U.S. Holder holds our Shares, we would continue to be treated as a PFIC with respect to such Holder’s investment unless (i) we cease to be a PFIC; and (ii) the U.S. Holder has made a “deemed sale” election under the PFIC rules. If such election is made, a U.S. Holder will be deemed to have sold our Shares at their fair market value on the last day of our last taxable year in which we were a PFIC, and any gain from the deemed sale would be subject to the rules described in the second following paragraph. After the deemed sale election, so long as we do not become a PFIC in a subsequent taxable year, the Shares with respect to which such election was made will not be treated as shares in a PFIC.

U.S. Holders should consult their tax advisors as to the possibility and consequences of making a deemed sale election if we are (or were to become) and then cease to be a PFIC, and such election becomes available.

If we are a PFIC for any taxable year that a U.S. Holder holds our Shares, unless the U.S. Holder makes one of the elections described below, any gain recognized by the U.S. Holder on a sale or other disposition of our Shares would be allocated pro-rata over the U.S. Holder’s holding period for the Shares. The amounts allocated to the taxable year of the sale or other disposition and to any year before we became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or the highest rate in effect for corporations, as appropriate, for that taxable year, and an interest charge would be imposed. Further, to the extent that any distribution received by a U.S. Holder on our Shares exceeds 125% of the average of the annual distributions on the Shares received during the preceding three years or the U.S. Holder’s holding period, whichever is shorter, that distribution would be subject to taxation in the same manner as gain on the sale or other disposition of our Shares if we were a PFIC, described above. If we are treated as a PFIC with respect to a U.S. Holder for any taxable year, the U.S. Holder will be deemed to own shares in any of the foreign entities in which we may hold equity interests that also are PFICs, or lower-tier PFICs.

Certain elections may be available that would result in alternative treatments (such as mark-to-market treatment or treatment as a qualified electing fund (“QEF”)) of our Shares if we are considered a PFIC. However, we do not expect to furnish U.S. Holders of our Shares with the tax information necessary to enable a U.S. Holder to make a QEF election. In addition, an election for mark-to-market treatment is unlikely to be available to mitigate any adverse tax consequences with respect to a subsidiary that is also a PFIC. If we are considered a PFIC, a U.S. Holder will also be subject to annual information reporting requirements. U.S. Holders should consult their tax advisors about the potential application of the PFIC rules to an investment in our Shares and the potential consequences related thereto.

United States Holders should consult their tax advisors regarding whether we are a PFIC as well as the potential U.S. federal income tax consequences of holding and disposing of our Shares if we are or become classified as a PFIC, including the possibility of making a mark-to-market election in their particular circumstances.

Information Reporting and Backup Withholding

Distributions on our Shares and proceeds from the sale or other taxable disposition of our Shares may be subject to information reporting to the IRS and possible backup withholding. Backup withholding will not apply, however, to a United States Holder who furnishes a correct taxpayer identification number and certifies that it is not subject to backup withholding or that is otherwise exempt from backup withholding. United States Holders that are required to establish their exempt status generally must provide such certification on IRS Form W-9.

Backup withholding is not an additional tax. Rather, any amount withheld under the backup withholding rules will be refundable or creditable against the U.S. Holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS. U.S. Holders should consult their tax advisors regarding the application of the United States information reporting and backup withholding rules.

Foreign Financial Asset Reporting

Certain U.S. Holders are required to report their holdings of certain foreign financial assets, including our Shares, on IRS Form 8938 (Statement of Specified Foreign Financial Assets) if the aggregate value of all of these assets exceeds certain threshold amounts, subject to certain exceptions (including an exception for Shares held in accounts maintained by certain financial institutions). Penalties can apply if U.S. Holders fail to satisfy such reporting requirements. U.S. Holders should consult their tax advisors regarding the application of these reporting requirements on the ownership and disposition of our Shares.

10.F. DIVIDENDS AND PAYING AGENTS

Not applicable.

10.G. STATEMENT BY EXPERTS

Not applicable.

10.H. DOCUMENTS ON DISPLAY

Any statement in this Annual Report about any of our contracts or other documents is not necessarily complete. If the contract or document is filed as an exhibit to this Annual Report, the contract or document is deemed to modify the description contained in this Annual Report. You must review the exhibits themselves for a complete description of the contract or document.

We are subject to the informational requirements of the Exchange Act. Accordingly, we are required to file reports and other information with the SEC, including annual reports on Form 20-F and periodic reports on Form 6-K. The SEC maintains an Internet website that contains reports and other information about issuers, like us, that file electronically with the SEC. The address of that website is www.sec.gov. In addition, copies of all information and documents pertaining to press releases, media conferences, investor updates and presentations at analyst and investor presentation conferences can be downloaded from our website www.nexxen.com. The information contained on our website is not a part of this Form 20-F.

As a foreign private issuer, we are exempt under the Exchange Act from, among other things, the rules prescribing the furnishing and content of proxy statements, and our executive officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we are not required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act. However, we furnish or make available to our shareholders certain reports including Annual Reports on Form 20-F, periodic reports on Form 6-K and other information, with the SEC pursuant to the rules and regulations of the SEC that apply to foreign private issuers.

10.I. SUBSIDIARY INFORMATION

Not applicable.

10.J. ANNUAL REPORT TO SECURITY HOLDERS

The Company intends to submit any annual report provided to security holders in electronic format as an exhibit to a periodic report on Form 6-K.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily a result of foreign currency exchange rates and interest rates, which are discussed in detail below. See Note 18e and 18f of our audited consolidated financial statements for further information about market risk sensitivity.

Interest rate risk

We believe that we have no significant exposure to interest rate risk as we have no significant long-term loans. However, our future interest income may fall short of expectations due to changes in market interest rates.

Foreign currency exchange risk

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of us and our subsidiaries at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate on that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortized cost in foreign currency translated at the exchange rate as of the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate on the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate on the date of the transaction.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to U.S. dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to U.S. dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognized in other comprehensive income and are presented in equity.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

12.A. DEBT SECURITIES

Not applicable.

12.B. WARRANTS AND RIGHTS

Not applicable.

12.C. OTHER SECURITIES

Not applicable.

12.D. AMERICAN DEPOSITARY SHARES

Not applicable.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

For information regarding material modifications to the rights of our security holders, see Item 9.A. *“Offer and Listing Details.”*

ITEM 15. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act that are designed to ensure that information required to be disclosed in the Company’s reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosures. Any controls and procedures can provide only reasonable assurance of achieving the desired objectives of the disclosure controls and procedures. Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2025. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 2025, our disclosure controls and procedures were effective.

Management’s Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Internal control over financial reporting is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act as a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, and includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the audited consolidated financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect material misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Our management conducted an assessment of the effectiveness of our internal control over financial reporting based on the criteria set forth in “Internal Control – Integrated Framework (2013)” issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, our management concluded that, as of December 31, 2025, our internal control over financial reporting was effective.

This Annual Report does not include an attestation report of our registered public accounting regarding internal control over financial reporting firm because we are currently an emerging growth company in accordance with the Exchange Act.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the period covered by this Annual Report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 16. [RESERVED]**16.A. AUDIT COMMITTEE FINANCIAL EXPERT**

Our board of directors has determined that Lisa Klinger qualifies as an “audit committee financial expert”, as defined by the rules of the SEC and has the requisite financial experience defined by the Nasdaq rules. In addition, Ms. Klinger is independent as such term is defined in Rule 10A-3(b)(1) under the Exchange Act and under the listing standards of the Nasdaq Global Market. See Item 6. “*Directors, Senior Management and Employees—6.C. Board Practices*” of this Annual Report.

16.B. CODE OF ETHICS

We have adopted a Code of Ethics and Conduct that applies to all our employees, officers and directors, including our principal executive, principal financial and principal accounting officers. Our Code of Ethics and Conduct addresses, among other things, competition and fair dealing, conflicts of interest, financial matters and external reporting, company funds and assets, confidentiality and corporate opportunity requirements and the process for reporting violations of the Code of Ethics and Conduct, employee misconduct, conflicts of interest or other violations. A copy of the code is delivered to every employee of the Company and all of its subsidiaries and is available to investors and others on our website at investors.nexxen.com/governance/governance-overview or by contacting our investor relations department. Our Code of Ethics and Conduct is intended to meet the definition of “code of ethics” under Item 16.B. of Form 20-F.

16.C. PRINCIPAL ACCOUNTANT FEES AND SERVICES***Fees***

Somekh Chaikin, a member firm of KPMG International (“KPMG”), located in Tel Aviv, Israel (PCAOB ID No. 1057), has served as our independent registered public accounting firm for the fiscal years ended December 31, 2025 and 2024. The following are KPMG fees for professional services in each of the respective years:

	Year Ended December 31,	
	2025	2024
	(in thousands)	
Audit fees ⁽¹⁾	741	816
Audit-related fees ⁽²⁾	—	—
Tax fees ⁽³⁾	124	148
All other fees ⁽⁴⁾	—	—
Total	865	964

- (1) “Audit fees” are the aggregate fees billed for professional services rendered for the audit of our annual financial statements or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements.
- (2) “Audit-related fees” are the aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and are not reported under audit fees. These fees primarily consist of accounting consultations regarding the accounting treatment of matters that occur in the regular course of business, implications of new accounting pronouncements and other accounting issues that occur from time to time.
- (3) “Tax fees” are the aggregate fees billed for professional services rendered for tax compliance, tax advice, and tax planning. These fees primarily consist of charges for professional services related to tax compliance, tax advice, and tax planning. Tax fees can encompass assistance with tax return preparation, tax audits, and consultations on tax-related matters.
- (4) “All other fees” are the aggregate fees billed for products and services provided, other than the services reported under audit fees, audit-related fees, and tax fees.

Pre-Approval Policies and Procedures

The advance approval of our audit committee or members thereof, to whom approval authority has been delegated, is required for all audit and non-audit services provided by our auditors. All the services were pre-approved to the extent required.

Our audit committee has adopted a pre-approval policy for the engagement of our independent accountant to perform certain audit and non-audit services. Pursuant to this policy, which is designed to assure that such engagements do not impair the independence of our auditors, the audit committee pre-approves annually a catalog of specific audit and non-audit services in the categories of audit service, audit-related service and tax services that may be performed by our independent accountants.

16.D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES.

Not applicable.

16.E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS.

We have effected several share repurchase programs over the years. From March 1, 2022, when we launched a series of share repurchase programs, through December 31, 2025, we and our subsidiaries repurchased 29,794,967 Shares, or 38.45% of shares outstanding, reflecting a total investment of \$258.2 million.

Our current outstanding share repurchase program is for the repurchase of \$20.0 million of Shares, which commenced on September 19, 2025 and is scheduled to continue until the earlier of March 19, 2026 or completion. As of December 31, 2025, we had \$7.5 million remaining on the repurchase program authorization.

Until the AIM-delisting on February 14, 2025, our share repurchases were effected on the AIM Market, and beginning February 18, 2025 the share repurchases are effected on Nasdaq. All share repurchases are made in accordance with all applicable securities laws and regulations.

On November 20, 2025, we publicly announced an additional share repurchase program authorizing the repurchase of up to \$40.0 million of Shares. The new repurchase plan is expected to commence upon completion of the ongoing existing repurchase plan.

The table below provides detailed information.

Period	Total Number of Ordinary Shares Purchased	Average Price Paid per Ordinary Share	Total Number of Ordinary Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Approximate Dollar Value that May Yet be Purchased under the Plans or Programs (1)
January 1 – January 31	1,060,678	\$ 9.91	1,060,678	\$ 27,827,281
February 1 – February 28	1,107,268	\$ 9.35	1,107,268	\$ 17,447,993
March 1 – March 31	1,498,918	\$ 7.96	1,498,918	\$ 5,479,185
April 1 – April 30	1,877,280	\$ 8.74	1,877,280	\$ 39,027,629
May 1 – May 31	1,260,000	\$ 11.30	1,260,000	\$ 24,769,347
June 1 – June 30	800,000	\$ 10.45	800,000	\$ 16,389,723
July 1 – July 31	880,000	\$ 10.41	880,000	\$ 7,214,691
August 1 – August 31	460,000	\$ 9.82	460,000	\$ 2,688,457
September 1 – September 30	456,215	\$ 9.59	456,215	\$ 18,305,514
October 1 – October 31	517,500	\$ 8.58	517,500	\$ 13,854,082
November 1 – November 30	427,500	\$ 7.11	427,500	\$ 10,806,077
December 1 – December 31	495,000	\$ 6.63	495,000	\$ 7,514,986
Total	10,840,359	\$ 9.30	10,840,359	\$ —

(1) The repurchase program of \$50.0 million which was publicly announced on October 17, 2024, commenced on November 19, 2024 and was completed on April 9, 2025. The repurchase program of \$50.0 million which was publicly announced on March 4, 2025, commenced on April 9, 2025 and was completed on September 18, 2025. The repurchase program of \$20.0 million which was publicly announced on August 15, 2025, commenced on September 19, 2025 and will end at the earlier of March 19, 2026 or completion.

16.F. CHANGE IN REGISTRANT’S CERTIFYING ACCOUNTANT

None.

16.G. CORPORATE GOVERNANCE

As a foreign private issuer, we are permitted to comply with Israeli corporate governance practices instead of the Nasdaq Stock Market requirements, *provided that* we disclose those Nasdaq Stock Market requirements with which we do not comply and the equivalent Israeli requirement that we follow instead.

We rely on this “foreign private issuer exemption” with respect to the quorum requirement for shareholder meetings. As permitted under the Companies Law, pursuant to our amended and restated articles of association, the quorum required for an ordinary meeting of shareholders consists of at least two shareholders present in person, by proxy or by other voting instrument in accordance with the Companies Law who hold at least 25% of the voting power of our shares (and if the meeting is adjourned for a lack of quorum, the quorum for such adjourned meeting will be, subject to certain exceptions, any number of shareholders), instead of 33-1/3% of the issued share capital as required under the corporate governance rules of Nasdaq. We otherwise comply with the rules generally applicable to U.S. domestic companies listed on Nasdaq. We may, however, in the future decide to use the “foreign private issuer exemption” and opt out of some or all of the other corporate governance rules.

See Item 6. “*Directors, Senior Management and Employees—6C. Board Practices.*”

16.H. MINE SAFETY DISCLOSURE

Not applicable.

16.I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

16.J. INSIDER TRADING POLICIES

We have adopted a written insider trading policy governing the purchase, sale, and other dispositions of our securities by directors, senior management, and employees that are reasonably designed to promote compliance with applicable insider trading laws, rules and regulations, and any listing standards applicable to us. In addition, with regard to the Company trading in its own securities, it is our policy to comply with the U.S. federal securities laws and the applicable exchange listing requirements.

A copy of the Insider Trading Policy, as amended on March 3, 2026, is filed as Exhibit 11.1 to this Annual Report.

16.K. CYBERSECURITY

Risk Management and Strategy

We have established policies and processes for assessing, identifying, and managing material risks from cybersecurity threats, and have integrated these processes into our overall risk management systems and processes. We routinely assess material risks from cybersecurity threats, including any potential unauthorized occurrence on or conducted through our information systems that may result in adverse effects on the confidentiality, integrity, or availability of our information systems or any information residing therein. We conduct quarterly risk assessments to identify cybersecurity threats, as well as assessments in the event of a material change in our business practices that may affect information systems, products, services, and our broader enterprise IT environment. These risk assessments include identification of reasonably foreseeable internal and external risks, the likelihood and potential damage that could result from such risks, and the sufficiency of existing policies, procedures, systems, and safeguards in place to manage such risks.

Following these risk assessments, we design, implement, and maintain reasonable safeguards to minimize identified risks; reasonably address any identified gaps in existing safeguards; and regularly monitor the effectiveness of our safeguards.

Our overall risk management system includes:

- a security team principally responsible for managing (1) our cybersecurity risk assessment processes, (2) our security controls, and (3) our response to cybersecurity incidents;
- policies, standards and processes based upon National Institute of Standards and Technology (“NIST”), the International Organization for Standardization and other applicable industry standards;
- regular assessments and deployment technical safeguards to improve the protection of our information systems;

- the use of external service providers, where appropriate, to assess, test or otherwise assist with aspects of our security controls;
- cybersecurity awareness training of our employees, incident response personnel, and senior management;
- a cybersecurity incident response plan that includes procedures for responding to cybersecurity incidents; and
- entering into agreements with our third-party service providers that require them to implement and maintain appropriate security measures, consistent with all applicable laws, to implement and maintain reasonable security measures in connection with their work with us, and to promptly report any suspected breach of its security measures that may affect our Company.

We continue to make investments to enhance the protection of our information technology systems and our business from cybersecurity incidents, including maintaining a cybersecurity insurance policy.

For additional information regarding whether any risks from cybersecurity threats, including as a result of any previous cybersecurity incidents, have materially affected or are reasonably likely to materially affect our company, including our business strategy, results of operations, or financial condition, please refer to Item 3.D. “*Risk Factors*” in this Annual Report on Form 20-F, including the risk factor entitled “*We are subject to cybersecurity risks, including impersonation and fraud schemes that exploit our brand, and any significant failure or breach of our systems, or those of our third party vendors, could harm our business.*”

Governance

Our board of directors, with the assistance of the audit committee, oversees the Company’s cybersecurity programs and strategies.

The audit committee, in collaboration with senior management, oversees the Company’s guidelines and policies with respect to risk assessment and risk management, including risk exposures related to information security, cybersecurity and data protection, and the steps management has taken to monitor and control such exposures.

Our Chief Technology Officer (“CTO”), who reports to our Chief Executive Officer, is primarily responsible for the assessment and management our material risks from cybersecurity threats. Our CTO oversees our cybersecurity policies, processes, and response strategies, including those described in “Risk Management and Strategy” above. Our security team, which reports to the CTO, maintains our security incident response plan and manages day-to-day incident identification, assessment and management, leads our overall cybersecurity risk management program, including ongoing assessments of system vulnerabilities and mitigation efforts, and continuously updates our CTO on such matters. Our security team includes members that have been involved in cybersecurity for approximately 20 years, with project experience relating to SOC-2, ISO 27001, NIST Cyber Security Framework, SOX, GDPR, Business Continuity Planning, Disaster Recovery Planning, Incident Response Planning. Our CTO escalates cybersecurity incidents to other members of the Company’s leadership, as appropriate, including our Chief Financial Officer and Chief Legal Officer. The security team provides regular briefings to the audit committee regarding the Company’s cybersecurity risks and activities, including any recent cybersecurity incidents and related responses, cybersecurity systems testing, and activities of third parties.

PART III

ITEM 17. FINANCIAL STATEMENTS

We have provided the financial statement information required by this Item 17 in, and pursuant to Item 18, such disclosure which is incorporated by reference herein.

ITEM 18. FINANCIAL STATEMENTS

Please refer to the financial statements filed as part of this Annual Report beginning on page F-1.

ITEM 19. EXHIBITS

See exhibit index incorporated herein by reference.

Exhibit No.	Description
<u>1.1</u>	<u>Amended and Restated Articles of Association of the Registrant (incorporated by reference to Exhibit 1.1 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2024 (File No. 001-40504), filed with the SEC on March 5, 2025).</u>
<u>2.1</u>	<u>Description of the Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934 as of February 18, 2025 (incorporated herein by reference the Registrant's Registration Statement on Form 8-A/A (File No. 001-40504), filed with the SEC on February 18, 2025).</u>
<u>4.1</u>	<u>Form of Indemnification Agreement (incorporated herein by reference to Exhibit 10.1 to the Registrant's Registration Statement on Form F-1 (File No. 333-256452), filed with the SEC on May 25, 2021).</u>
<u>4.2</u>	<u>Nexxen International Ltd. Global Share Incentive Plan (2011), as amended (incorporated herein by reference to Exhibit 4.2 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2024 (File No. 001-40504), filed with the SEC on March 5, 2025).</u>
<u>4.3</u>	<u>Nexxen International Ltd. 2017 Equity Incentive Plan, as amended (incorporated herein by reference to Exhibit 4.3 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2024 (File No. 001-40504), filed with the SEC on March 5, 2025).</u>
<u>4.4</u>	<u>Amendment No. 6 to Nexxen International Ltd. 2017 Equity Incentive Plan, dated January 6, 2026.</u>
<u>4.5</u>	<u>Remuneration Policy for Directors and Executives (incorporated by reference to Exhibit 4.4 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2024 (File No. 001-40504), filed with the SEC on March 5, 2025).</u>
<u>4.6*</u>	<u>Credit Agreement, dated as of September 12, 2022, by and among Nexxen Group US Holdings Inc. (f/k/a Unruly Group US Holding Inc.), Nexxen Holdings Ltd (f/k/a Unruly Holdings Limited), Nexxen International Ltd., Royal Bank of Canada, and other Lenders and L/C Issuers party thereto (incorporated herein by reference to Exhibit 4.6 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2022 (File No. 001-40504), filed with the SEC on March 7, 2023).</u>
<u>4.7*</u>	<u>First Amendment to Credit Agreement, dated as of April 9, 2024, by and among Nexxen Group US Holdings Inc. (f/k/a Unruly Group US Holdings Inc.), Nexxen Holdings Ltd. (f/k/a Unruly Holdings Limited), Nexxen International Ltd., Royal Bank of Canada and other Lenders and L/C Issuers party thereto.</u>
<u>4.8*</u>	<u>Second Amendment to Credit Agreement, dated as of May 29, 2025, by and among Nexxen Group US Holdings Inc. (f/k/a Unruly Group US Holding Inc.), Nexxen Holdings Ltd (f/k/a Unruly Holdings Limited), Nexxen International Ltd., Royal Bank of Canada and other Lenders and L/C Issuers party thereto.</u>
<u>8.1</u>	<u>List of Subsidiaries of the Registrant.</u>
<u>11.1</u>	<u>Insider Trading Policy.</u>
<u>12.1</u>	<u>Certificate of Chief Executive Officer pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a) as adopted pursuant to §302 of the Sarbanes-Oxley Act of 2002.</u>
<u>12.2</u>	<u>Certificate of Chief Financial Officer pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a) as adopted pursuant to §302 of the Sarbanes-Oxley Act of 2002.</u>
<u>13.1</u>	<u>Certificate of Chief Executive Officer pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, furnished herewith.</u>
<u>13.2</u>	<u>Certificate of Chief Financial Officer pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, furnished herewith.</u>
<u>15.1</u>	<u>Consent of Somekh Chaikin, a member firm of KPMG International, an independent registered public accounting firm.</u>
<u>97.1</u>	<u>Incentive-Based Compensation Recoupment Policy (incorporated herein by reference to Exhibit 97.1 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2023 (File No. 001-40504), filed with the SEC on March 6, 2024).</u>
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	XBRL Taxonomy Definition Linkbase Document.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (the cover page iXBRL tags are embedded within the Inline XBRL document).

* The schedules and exhibits to this agreement have been omitted pursuant to Instructions as to Exhibits to Form 20-F. A copy of any omitted schedule and/or exhibit will be furnished to the SEC upon request.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this Annual Report on its behalf.

NEXXEN INTERNATIONAL LTD.

By: /s/ Ofer Druker

Ofer Druker
Chief Executive Officer

By: /s/ Sagi Niri

Sagi Niri
Chief Financial Officer

Date: March 4, 2026

**NEXXEN INTERNATIONAL LTD.
AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2025**

NEXXEN INTERNATIONAL LTD.
AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2025

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Somekh Chaikin
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Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
Nexxen International Ltd.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of Nexxen International Ltd. (and subsidiaries) (the Company) as of December 31, 2025 and 2024, and the related consolidated statements of operation and other comprehensive income (loss), changes in equity, and cash flows for each of the years in the three-year period ended December 31, 2025 and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2025, in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Somekh Chaikin

Member Firm of KPMG International

We have served as the Company's auditor since 2014.

Tel-Aviv, Israel
March 4, 2026

KPMG Somekh Chaikin, an Israeli partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

NEXXEN INTERNATIONAL LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		December 31	
		2025	2024
		USD thousands	
	Note		
ASSETS:			
Cash and cash equivalents	10	133,308	187,068
Trade receivables, net	8	196,101	217,960
Other receivables	8	6,116	4,579
Current tax assets		1,809	3,373
TOTAL CURRENT ASSETS		337,334	412,980
Fixed assets, net	5	18,033	15,727
Right-of-use assets	6	27,005	31,500
Intangible assets, net	7	318,376	336,768
Deferred tax assets	4	9,407	17,800
Investment in shares	18	45,000	25,000
Other long-term assets		918	738
TOTAL NON-CURRENT ASSETS		418,739	427,533
TOTAL ASSETS		756,073	840,513
Liabilities and shareholders' equity			
LIABILITIES:			
Current maturities of lease liabilities	6	13,287	14,340
Trade payables	9	207,020	228,514
Other payables	9	41,282	38,526
Current tax liabilities		441	4,677
TOTAL CURRENT LIABILITIES		262,030	286,057
Employee benefits		213	300
Long-term lease liabilities	6	18,644	22,857
Deferred tax liabilities	4	515	445
TOTAL NON-CURRENT LIABILITIES		19,372	23,602
TOTAL LIABILITIES		281,402	309,659
SHAREHOLDERS' EQUITY:		15	
Share capital		324	377
Share premium		278,510	362,507
Accumulated comprehensive income (loss)		348	(2,476)
Retained earnings		195,489	170,446
TOTAL SHAREHOLDERS' EQUITY		474,671	530,854
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		756,073	840,513

Chairman of the Board of Directors

CEO

CFO

Date of approval of the financial statements: March 4, 2026.

The accompanying notes are an integral part of these consolidated financial statements.

NEXXEN INTERNATIONAL LTD.
CONSOLIDATED STATEMENTS OF OPERATION AND OTHER COMPREHENSIVE INCOME (LOSS)

	Note	Year ended December 31		
		2025	2024	2023
		USD thousands		
Revenues	12	364,780	365,477	331,993
Cost of Revenues (Exclusive of depreciation and amortization shown separately below)	13	54,979	61,020	62,270
Research and development expenses		58,059	49,992	49,684
Selling and marketing expenses		122,975	112,227	105,914
General and administrative expenses	14	33,194	41,237	51,051
Depreciation and amortization		63,124	58,676	78,285
Other expenses, net		-	1,504	1,765
Total operating costs		277,352	263,636	286,699
Operating Profit (loss)		32,449	40,821	(16,976)
Financing income		(7,010)	(6,657)	(8,192)
Financing expenses		2,200	8,946	10,200
Financing expenses (income), net		(4,810)	2,289	2,008
Profit (loss) before taxes on income		37,259	38,532	(18,984)
Tax expenses	4	12,216	3,095	2,503
Profit (loss) for the year		25,043	35,437	(21,487)
Other comprehensive income (loss) items:				
Foreign currency translation differences for foreign operations		2,824	(35)	2,126
Foreign currency translation for subsidiary sold reclassified to profit and loss		-	-	1,234
Total other comprehensive income (loss) for the year		2,824	(35)	3,360
Total comprehensive income (loss) for the year		27,867	35,402	(18,127)
Earnings per share				
Basic earnings (loss) per share (in USD)	16	0.42	0.51	(0.30)
Diluted earnings (loss) per share (in USD)	16	0.41	0.51	(0.30)

The accompanying notes are an integral part of these consolidated financial statements.

NEXXEN INTERNATIONAL LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	<u>Share capital</u>	<u>Share premium</u>	<u>Accumulated comprehensive income (loss) USD thousands</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance as of January 1, 2023	413	400,507	(5,801)	156,496	551,615
Total comprehensive income (loss) for the year					
Loss for the year	-	-	-	(21,487)	(21,487)
Other comprehensive income:					
Foreign currency translation	-	-	2,126	-	2,126
Foreign currency translation for subsidiary sold	-	-	1,234	-	1,234
Total comprehensive income (loss) for the year	-	-	3,360	(21,487)	(18,127)
Transactions with owners, recognized directly in equity					
Own shares acquired	(8)	(9,306)	-	-	(9,314)
Share based compensation	-	19,141	-	-	19,141
Exercise of share options	12	221	-	-	233
Balance as of December 31, 2023	417	410,563	(2,441)	135,009	543,548
	<u>Share capital</u>	<u>Share premium</u>	<u>Accumulated comprehensive income (loss) USD thousands</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance as of January 1, 2024	417	410,563	(2,441)	135,009	543,548
Total comprehensive income (loss) for the year					
Profit for the year	-	-	-	35,437	35,437
Other comprehensive loss:					
Foreign currency translation	-	-	(35)	-	(35)
Total comprehensive income (loss) for the year	-	-	(35)	35,437	35,402
Transactions with owners, recognized directly in equity					
Own shares acquired	(49)	(61,690)	-	-	(61,739)
Share based compensation	-	12,510	-	-	12,510
Exercise of share options	9	1,124	-	-	1,133
Balance as of December 31, 2024	377	362,507	(2,476)	170,446	530,854

The accompanying notes are an integral part of these consolidated financial statements.

NEXXEN INTERNATIONAL LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	<u>Share capital</u>	<u>Share premium</u>	<u>Accumulated comprehensive income (loss) USD thousands</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance as of January 1, 2025	377	362,507	(2,476)	170,446	530,854
Total comprehensive income for the year					
Profit for the year	-	-	-	25,043	25,043
Other comprehensive income:					
Foreign currency translation	-	-	2,824	-	2,824
Total comprehensive income for the year	-	-	2,824	25,043	27,867
Transactions with owners, recognized directly in equity					
Own shares acquired	(62)	(100,784)	-	-	(100,846)
Share based compensation	-	16,353	-	-	16,353
Exercise of share options	9	434	-	-	443
Balance as of December 31, 2025	324	278,510	348	195,489	474,671

The accompanying notes are an integral part of these consolidated financial statements.

NEXXEN INTERNATIONAL LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31		
	2025	2024	2023
	USD thousands		
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit (loss) for the year	25,043	35,437	(21,487)
Adjustments for:			
Depreciation and amortization	63,124	58,676	78,285
Net financing expense (income)	(5,082)	1,965	1,699
Loss from disposals of fixed and intangible assets	-	-	2
Loss (income) on leases modification	(151)	10	119
Loss and revaluation on sale of business unit	-	16	1,765
Remeasurement of net investment in a finance lease	195	1,488	-
Share-based compensation and restricted shares	18,048	11,460	19,169
Tax expense	12,216	3,095	2,503
Change in trade and other receivables	21,931	(14,458)	30,603
Change in trade and other payables	(21,311)	57,671	(43,077)
Change in employee benefits	(103)	63	(1)
Income taxes received	5,225	704	352
Income taxes paid	(11,417)	(5,512)	(8,721)
Interest received	4,416	6,595	8,016
Interest paid	(2,025)	(6,375)	(8,486)
Net cash provided by operating activities	110,109	150,835	60,741
CASH FLOWS FROM INVESTING ACTIVITIES			
Change in pledged deposits, net	(276)	390	1,498
Payments on finance lease receivable	1,246	1,824	1,112
Repayment of debt investment	103	95	51
Acquisition of fixed assets	(12,118)	(7,742)	(4,495)
Acquisition and capitalization of intangible assets	(17,577)	(15,779)	(15,126)
Investment in shares	(20,000)	-	-
Net cash used in investing activities	(48,622)	(21,212)	(16,960)
CASH FLOWS FROM FINANCING ACTIVITIES			
Acquisition of own shares	(101,702)	(60,735)	(9,518)
Proceeds from exercise of share options	443	1,133	233
Leases repayment	(16,265)	(15,142)	(17,262)
Repayment of long-term debt	-	(100,000)	-
Net cash used in financing activities	(117,524)	(174,744)	(26,547)
Net increase (decrease) in cash and cash equivalents	(56,037)	(45,121)	17,234
CASH AND CASH EQUIVALENTS AS OF THE BEGINNING OF YEAR	187,068	234,308	217,500
EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH AND CASH EQUIVALENTS	2,277	(2,119)	(426)
CASH AND CASH EQUIVALENTS AS OF THE END OF YEAR	133,308	187,068	234,308

The accompanying notes are an integral part of these consolidated financial statements.

NEXXEN INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: GENERAL

a. Reporting entity:

Nexxen International Ltd. (the “Company” or “Nexxen International”), formerly known as Tremor International Ltd., was incorporated in Israel under the laws of the State of Israel on March 20, 2007. The address of the registered office is 82 Yigal Alon Street Tel-Aviv, 6789124, Israel.

The consolidated financial statements include Nexxen International Ltd. And its subsidiaries (the “Group”).

Nexxen International is a global Company offering a unified data-driven end-to-end software platform (the “Platform”) that supports a wide range of media types (e.g., video, display, etc.) and devices (e.g., mobile, Connected TVs, streaming devices, desktop, etc.), creating an efficient marketplace where advertisers (buyers) are able to purchase high quality advertising inventory from publishers (sellers) in real-time and at scale. Nexxen International’s technology stack is comprised of a Demand Side Platform (“DSP”), Supply-Side Platform (“SSP”), Ad Server, and Data Management Platform (“DMP”) including audience insight and activation platform (“Discovery”), empowering customers on both the buy- and sell-sides of the ecosystem to leverage a full suite of data-driven planning and technology solutions to achieve greater efficiency, effectiveness, and outcomes in their advertising efforts. The Company’s DSP solution is delivered mainly through wholly owned subsidiary Nexxen Inc. and is designed to assist customers in a self-managed or full-service capacity to plan and execute digital marketing campaigns in real-time across various ad formats. The Company’s SSP solution (delivered through Nexxen Group LLC) is designed to monetize digital inventory for publishers by enabling their content to have the necessary code and requirements for programmatic advertising integration, and provides access to significant amounts of data and unique demand to drive more effective inventory management and revenue optimization. The Company’s “DMP” integrates both its DSP and SSP solutions, enabling advertisers and publishers to use data from various sources, including web, social media, Connected TV and linear TV, and mobile devices, to optimize results of their advertising campaigns. Nexxen International is headquartered in Israel and maintains offices throughout the U.S., Canada, EMEA and Asia-Pacific.

b. Material events during the reporting period:

During the reporting period, the Company made significant changes to its capital structure and listing arrangements. Until February 14, 2025, the Company’s securities were dual listed (i) the Ordinary Shares, par value NIS 0.01 per share (“Ordinary Shares”) of the Company were listed on the AIM Market of the London Stock Exchange and (ii) the American Depositary Shares (“ADSS”), each of which represented two Ordinary Shares of the Company, represented by the American Depositary Receipts (“ADR”) were listed on the Nasdaq Capital Market. On December 20, 2024 the shareholders approved a change of the Company’s Nasdaq-listed ADRs for Nasdaq-listed Ordinary Shares and terminated the ADR facility by conducting a Reverse Stock Split (the “Reverse Split”) of the Company’s Ordinary Shares at a two-for-one ratio which allow a one-to-one exchange from ADRs to Ordinary Shares and delisting from the AIM to trade solely on the Nasdaq in the U.S. and the change in par value from NIS 0.01 par value to NIS 0.02 par value. The reverse stock split was completed on February 14, 2025.

**NEXXEN INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 1: GENERAL (Cont.)

b. Material events during the reporting period (Cont.):

All share and per ordinary share amounts included in the consolidated financial statements, including (i) issued and paid-in share capital, (ii) the exercise prices of stock options (iii) fair value per share and stock unit, (iv) the number of stock options, restricted stock units and performance share units underlying the Company's outstanding equity awards and incentive plans, and (v) the earnings (loss) per share, have been retrospectively adjusted to give effect to the Reverse Split for all periods presented.

1) In August 2025, the Company entered into a definitive agreement to renew and expand its long-term strategic partnership with V (formerly known as "VIDAA"), and Programmatic smart TV Home Screen Solution. Under the updated agreement, the Company extended its exclusive access to V's automatic content recognition ("ACR") data and obtained exclusive advertising monetization rights on V media in North America through at least 2029. In connection with the expanded partnership, the Company completed an additional investment of USD 20 million in V during 2025. In addition, the Company committed to a further equity investment of USD 15 million, subject to the satisfaction of certain conditions precedent, which is expected to be completed in 2026. See note 18.

c. Definitions:

In these financial statements –

The Company	-	Nexxen International Ltd.
The Group	-	Nexxen International Ltd. and its subsidiaries.
Subsidiaries	-	Companies, the financial statements of which are fully consolidated, directly, or indirectly, with the financial statements of the Company such as Nexxen Group LLC, Nexxen Holdings Limited, Nexxen Inc.
Related party	-	As defined by IAS 24, "Related Party Disclosures".

NOTE 2: BASIS OF PREPARATION

a. Statement of compliance:

The consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

The consolidated financial statements were authorized for issue by the Company's Board of Directors on March 3, 2026.

NEXXEN INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2: BASIS OF PREPARATION (Cont.)

b. Functional and presentation currency:

These consolidated financial statements are presented in US Dollars (USD), which is the Company's functional currency, and have been rounded to the nearest thousand, except when otherwise indicated. The USD is the currency that represents the principal economic environment in which the Company operates.

c. Basis of measurement:

The consolidated financial statements have been prepared on a historical cost basis except for the following assets and liabilities:

- Deferred and current tax assets and liabilities
- Provisions
- Derivatives
- Investment in shares

For further information regarding the measurement of these assets and liabilities see Note 3 regarding material accounting policies.

d. Use of estimates and judgments:

The preparation of financial statements in conformity with IFRS requires management of the Group to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of accounting estimates used in the preparation of the Group's financial statements requires management of the Group to make assumptions regarding circumstances and events that involve considerable uncertainty. Management of the Group prepares estimates on the basis of past experience, various facts, external circumstances, and reasonable assumptions according to the pertinent circumstances of each estimate.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about assumptions made by the Group with respect to the future and other reasons for uncertainty with respect to estimates that have a significant risk of resulting in a material adjustment to carrying amounts of assets and liabilities in the next financial year are included in Note 7, on intangible assets, with respect to the accounting of software development capitalization and impairment testing for goodwill, in Note 4, on Income Tax, with respect to uncertain tax position and in Note 18 on investments in shares.

NEXXEN INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2: BASIS OF PREPARATION (Cont.)

e. Determination of fair value:

Preparation of the financial statements requires the Group to determine the fair value of certain assets and liabilities. When determining the fair value of an asset or liability, the Group uses observable market data as much as possible. There are three levels of fair value measurements in the fair value hierarchy that are based on the data used in the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3: inputs that are not based on observable market data (unobservable inputs).

Further information about the assumptions that were used to determine fair value is included in the following notes:

- Note 17, on share-based compensation;
- Note 18, on financial instruments.

NOTE 3: MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently for all periods presented in these consolidated financial statements and have been applied consistently by the Group.

a. Financial instruments:

1) Non-derivative financial assets

The Company's non-derivative financial assets, which are measured at amortized cost, mainly consist of accounts receivable which are held to collect and deposits. Accounts receivable represent amounts owed by customers resulting from business transactions, and they are recognized at their original invoiced values, adjusted for expected credit losses. Loss rates are based on historical collection experience, while taking into consideration current customer information, collection history, and other relevant data at each reporting period.

The Company's non-derivative financial assets, which are measured at fair value through profit and loss, consist of investment in shares. Net gains and losses are recognized in consolidated statements of operations and other comprehensive income (loss), financing income/expenses.

2) Non-derivative financial liabilities

The Company's non-derivative financial liabilities mainly include trade and other payables and loan, all measured at amortized cost.

3) Treasury shares:

When share capital recognized as equity is repurchased by the Company, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as a deduction in Share Premium.

NEXXEN INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3: MATERIAL ACCOUNTING POLICIES (Cont.)

b. Fixed Assets:

Fixed assets are measured at cost less accumulated depreciation. The cost of fixed assets includes expenditure that is directly attributable to the acquisition of the asset. Depreciation is provided on all property and equipment at rates calculated to write each asset down to its residual value (assumed to be nil), using the straight-line method, over its expected useful life as follows:

	<u>Years</u>
Computers and servers	3-5
Office furniture and equipment	3-17
Leasehold improvements	The shorter of the lease term and the useful life

c. Intangible assets:

1) Software development:

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in profit or loss when incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group has the intention and sufficient resources to complete development and to use or sell the asset. The expenditure capitalized in respect of development activities includes the cost of direct labor costs that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognized in profit or loss as incurred.

2) Goodwill:

The Group has identified its entire operation as a single cash generating unit (CGU). The Company conducts an annual assessment of goodwill impairment on an annual basis, at year end. According to management assessment as of December 31, 2025, no impairment in respect to goodwill has been recorded. See note 7.

3) Amortization:

Internally generated intangible assets, such as software development costs, are not systematically amortized as long as they are not available for use, i.e., they are not yet on site or in working condition for their intended use. Goodwill is not systematically amortized as well but is tested for impairment at least once a year.

Amortization is recognized in the statements of operation and other comprehensive income (loss) on a straight-line basis over the estimated useful lives of the intangible assets from the date they are available for use.

The estimated useful lives for the current and comparative periods are as follows:

Software (developed and acquired)	3 years
Customer relationships	5-6 years
Technology	3-5.25 years

NEXXEN INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3: MATERIAL ACCOUNTING POLICIES (Cont.)

d. Share Based Compensation:

Compensation expense related to stock options, restricted stock units and performance share units. The Group's share-based compensation plan is measured and recognized in the consolidated financial statements based on the fair value of the awards granted. The fair value of each option award is estimated on the grant date using the Black-Scholes option-pricing model. Stock-based compensation expense related to stock options, restricted stocks and performance share is recognized over the requisite service periods of the awards.

Determining the fair value of stock options awards requires judgment. The Company's use of the Black-Scholes option pricing model requires the input of subjective assumptions. The assumptions used in the Company's option-pricing model represent management's best estimates. These estimates involve inherent uncertainties and the application of management's judgment.

These assumptions and estimates are as follows:

Risk-Free Interest Rate. The risk-free interest rate is based on the yields of U.S. Treasury securities with maturities approximating the expected term of the awards.

Expected Term. The expected term of an award is calculated based on the vesting date and the expiration date of the award.

Volatility. The Company determined the price volatility based on daily price observations over a period equivalent to the expected term of the award.

Dividend Yield. The dividend yield assumption is based on the Company's history and current expectations of dividend payouts.

Fair Value of Common Stock. The fair value of common stock is based on the closing price of the Company's common stock on the grant date.

e. Employee benefits:

1) **Post-employment benefits:**

The Group's main post-employment benefit plan is under section 14 to the Severance Pay Law ("Section 14") for the Israeli employees and under section 401K for US employees, which is accounted for as a contribution plan. In addition, for certain employees, the Group has an additional immaterial plan that is accounted for as a defined benefit plan. These plans are usually financed by deposits with insurance companies or with funds managed by a trustee.

2) **Short-term benefits:**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided or upon the actual absence of the employee when the benefit is not accumulated (such as maternity leave).

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. The employee benefits are classified, for measurement purposes, as short-term benefits or as other long-term benefits depending on when the Group expects the benefits to be wholly settled.

NEXXEN INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3: MATERIAL ACCOUNTING POLICIES (Cont.)

f. Revenue recognition:

The Group generates revenue from transactions where it provides access to a Platform for the purchase and sale of digital advertising inventory. Its customers are both ad buyers, including brands and agencies, and digital publishers.

The Group generates revenue through Platform fees that are tailored to fit the customer's specific utilization of its solutions and include: (i) a percentage of spend, (ii) flat fees and (iii) fixed costs per mille ("CPM"). CPM refers to a payment option in which customers pay a price for every 1,000 impressions an advertisement receives.

The Company maintains agreements with each publisher and buyer in the form of written service agreements, which set out the terms of the relationship, including payment terms and access to the Group's Platforms.

Publishers provide digital advertising inventory to the Group's Platform in the form of advertising requests, or ad request. When the Group receives ad requests from a publisher, it send bid requests to buyers, which enable buyers to bid on sellers' digital advertising inventory according to a predefined set of parameters (e.g., demographics, intent, location, etc.). Winning bids create advertising, or paid impressions, for the publisher to present to the buyers.

The Group generates revenue from its Programmatic and Performance activities. Programmatic revenue is derived from the end-to-end platform of programmatic advertising, which uses software and algorithms to match buyers and sellers of digital advertising in a technology-driven marketplace, including licenses for data tools. Performance revenue is derived from non-core activities, consisting mainly of mobile-based activities that help brands reach their users.

The Company concluded that its Programmatic activity (i) does not have manual control over the process, (ii) the Company is not primarily responsible for fulfillment, (iii) the Company has no inventory risk and (iv) the Company obtains only momentary a title to the advertising space offered via the end-to-end platform.

As a result, the Group reports its Programmatic business, tech stack, features, business models and activity as an agent and therefore presented revenue from Programmatic on a net basis.

For the Performance activity the Company is the primary obligor to provide the services and, as such, revenue is presented on a gross basis.

Management is focused on driving growth with the Programmatic activity through the end-to-end platform, while the Performance activity is declining over time.

The Group estimates and records reduction to revenue for volume discounts based on expected volume during the incentive term.

The Group generally invoices buyers at the end of each month for the full purchase price of ad impressions monetized in that month. Accounts receivables are recorded at the amount of gross billings for the amount it is responsible to collect and accounts payable are recorded at the net amount payable to publishers. Accordingly, both accounts receivable and accounts payable appear large in relation to revenue reported on a net basis.

**NEXXEN INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 3: MATERIAL ACCOUNTING POLICIES (Cont.)

g. Classification of expenses

Cost of revenue

Cost of revenue (exclusive of depreciation and amortization) primarily consists of hosting fees and data costs for both Programmatic and Performance activities, as well as media costs for Performance activities that are directly attributable to revenue generated by the Company and generally based on the revenue share arrangements with audience and content partners. See Note 13.

Research and development

Research and development expenses consist primarily of compensation and related costs for personnel responsible for the research and development of new and existing products and services. Where required, development expenditures are capitalized in accordance with the Company's standard internal capitalized development policy in accordance with IAS 38 (also see Note 3c(1)). All research costs are expensed when incurred.

Selling and marketing

Selling and marketing expenses consist primarily of compensation and related costs for personnel engaged in customer service, sales, and sales support functions, as well as advertising and promotional expenditures.

General and administrative

General and administrative expenses consist primarily of compensation and related costs for personnel, and include costs related to the Company's facilities, finance, human resources, doubtful debts, legal organizations and fees for professional services. Professional services are principally comprised of external legal, public company expenses and information technology consulting and outsourcing services that are not directly related to other operational expenses.

NEXXEN INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3: MATERIAL ACCOUNTING POLICIES (Cont.)

h. Financing income and expenses:

Financing income and expense mainly comprises foreign currencies gain and losses due to exchange rate differences, interest, hedging and bank fees.

Generally, foreign currency differences from a monetary item receivable from or payable to a foreign operation, including foreign operations that are subsidiaries, are recognized in profit or loss in the consolidated financial statements.

Foreign exchange gains and losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognized in other comprehensive income (loss), and are presented within equity as part of the currency translation reserve.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either financing income or financing expenses depending on whether foreign currency movements are in a net gain or net loss position.

i. Taxes on income

The Company operates in multiple tax jurisdictions.

Offset of deferred tax assets and liabilities

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

Uncertain tax positions

A provision for uncertain tax positions, including additional tax and interest expenses, is recognized when it is more likely than not that the Group will have to use its economic resources to pay the obligation.

NOTE 3: MATERIAL ACCOUNTING POLICIES (Cont.)

j. Leases:

Leased assets and lease liabilities

Contracts that award the Group control over the use of a leased asset for a period of time in exchange for consideration, are accounted for as leases. Upon initial recognition, the Group recognizes a liability at the present value of the balance of future lease payments (these payments do not include certain variable lease payments), and concurrently recognizes a right-of-use asset at the same amount of the lease liability, adjusted for any prepaid or accrued lease payments or provision for impairment, plus initial direct costs incurred in respect of the lease.

Since the interest rate implicit in the Group's leases is not readily determinable, the incremental borrowing rate of the lessee is used.

Variable lease payments

Variable lease payments that depend on an index or a rate are initially measured using the index or rate existing at the commencement of the lease and are included in the measurement of the lease liability. When the cash flow of future lease payments change as the result of a change in an index or a rate, the balance of the liability is adjusted against the right-of-use asset.

Depreciation of right-of-use assets

After lease commencement, a right-of-use asset is measured on a cost basis less accumulated depreciation and accumulated impairment losses and is adjusted for re-measurements of the lease liability. Depreciation is calculated on a straight-line basis over the useful life or contractual lease period, whichever earlier, as follows:

☐ Buildings 1-8.5 years

☐ Data centers 1-5.5 years

k. New standards, amendments to standards and interpretations not yet adopted:

IFRS 18 'Presentation and Disclosure in Financial Statements'

In April 2024, the IASB issued IFRS 18 - Presentation and Disclosure in Financial Statements, which introduces new concepts relating to: (i) the structure of the statement of profit or loss, (ii) required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (management-defined performance measures), and (iii) enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. The standard is effective on or after January 1, 2027. The Company is evaluating the potential impact from the adoption of this standard. The Company does not expect early adoption of this standard.

NEXXEN INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3: MATERIAL ACCOUNTING POLICIES (Cont.)

k. New standards, amendments to standards and interpretations not yet adopted: (Cont.)

Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures

On May 30, 2024, IASB has issued amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures, which clarifies the classification of financial assets with environmental, social and corporate governance (ESG) and similar features, derecognition of financial liability settled through electronic payment systems and also introduces additional disclosure requirements to enhance transparency for investors regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The effective date for adoption of this amendment is annual reporting periods beginning on or after January 1, 2026, although early adoption is permitted. The Company has assessed the implications of the amendments on its financial statements and concluded that the adoption of the amendments is not expected to have a material impact in its financial statements.

NOTE 4: INCOME TAX

a. Details regarding the tax environment of the Israeli companies:

1) Corporate tax rate

Taxable income of the Israeli companies is subject to the Israeli corporate tax at the rate of 23% in the years 2025, 2024 and 2023.

2) Benefits under the Law for the Encouragement of Capital Investments (Investment Law)

The Company's operations in Israel are eligible for benefit of Industrial Enterprise and Preferred Technological Enterprise. Such statuses and related benefits do not require confirmation from the ITA. However, the Company has applied for and received Tax Rulings confirming the Company meets the requirements for such statuses, the most recent one received on December 31, 2025 and effective through December 31, 2027. Preferred technological income that meets the conditions required in the law, will be subject to a reduced Israeli corporate tax rate of 12%.

NEXXEN INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4: INCOME TAX (Cont.)

a. Details regarding the tax environment of the Israeli companies: (Cont.)

3) Carryforward losses in Israel

As of December 31, 2025, the net operating loss carryforwards ("NOLs") are approximately USD 25 million (2024: USD 27.8 million), and the Capital Loss carryforward is approximately USD 0.5 million (2024: USD 2.8 million). The losses carryforward can be utilized indefinitely under Israeli tax laws.

b. Details regarding the tax environment of the non-Israeli companies:

Non-Israeli subsidiaries are taxed according to the tax laws in their countries of residence as reported in their statutory financial statement prepared under local accounting regulations.

1) International operations outside of the US

As of December 31, 2025, the NOLs are approximately USD 20.1 million (2024: USD 18.7 million).

2) US operations

The Group submits a US federal consolidated tax return for all of its US incorporated entities.

The Company has incurred NOLs for U.S. federal income tax purposes. The utilization of these NOL carryforwards may be subject to an annual limitation under Section 382 of the Internal Revenue Code due to ownership changes that have occurred or may occur in the future. As a result, a portion of the Company's NOLs may expire unused.

Deferred tax assets related to U.S. net operating loss carryforwards have not been fully recognized, as their utilization is subject to limitations under Section 382 of the Internal Revenue Code following ownership changes, and management cannot conclude that realization is probable.

On July 4, 2025, the U.S. government enacted the One Big Beautiful Bill Act ("OBBA"), which made permanent and modified certain provisions of the Tax Cuts and Jobs Act that was signed into law on December 22, 2017, and introduced additional changes to U.S. federal corporate taxation.

In accordance with IAS 12, the Group recognized the effects of the enacted tax law changes in the period in which the legislation was enacted. The impact of the OBBA primarily relates to the remeasurement of deferred tax assets and liabilities, based on the tax rates and provisions expected to apply when the underlying temporary differences reverse.

NEXXEN INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4: INCOME TAX (Cont.)

b. Details regarding the tax environment of the non-Israeli companies: (Cont.)

The OBBB preserved the U.S. federal corporate income tax rate at 21%, reinstated full expensing of domestic research and experimental expenditures, restored 100% bonus depreciation for qualifying property, and modified limitations on interest deductibility under Section 163(j). Certain international tax provisions, including those related to GILTI and FDII, were also amended, with varying effective dates.

As of December 31, 2025, the U.S. federal NOLs carryforwards attributable to prior acquisitions amounted to approximately USD 24.5 million (2024: USD 51.6 million) which will expire in 2032, and an additional approximately USD 256.6 million (2024: USD 265.9 million), available for utilization through 2074.

As of December 31, 2025, the Capital Loss carryforward is approximately USD 29.5 million (2024: USD 29.5 million). Capital losses can be carried back for three years, and forward for five years, and can be subject to several restrictions.

c. Composition of income tax benefit:

	Year ended December 31		
	2025	2024	2023
	USD thousands		
Current tax expense (income)			
Current year	4,443	5,596	(2,331)
Previous year	-	2,282	-
	<u>4,443</u>	<u>7,878</u>	<u>(2,331)</u>
Deferred tax expense (income)			
Creation and reversal of temporary differences	7,773	(4,783)	4,834
	<u>12,216</u>	<u>3,095</u>	<u>2,503</u>

The following are the domestic and foreign components of the Group's income taxes:

	Year ended December 31		
	2025	2024	2023
	USD thousands		
Domestic	(173)	4,935	(5,352)
US	11,355	(1,214)	8,712
International	<u>1,034</u>	<u>(626)</u>	<u>(857)</u>
Tax expenses	<u>12,216</u>	<u>3,095</u>	<u>2,503</u>

NEXXEN INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4: INCOME TAX (Cont.)

d. Reconciliation between the theoretical tax on the pre-tax profit (loss) and the tax expense:

	Year ended December 31		
	2025	2024	2023
	USD thousands		
Profit (Loss) before taxes on income	37,259	38,532	(18,984)
Tax calculated according to the Company's domestic tax rate	23%	23%	23%
Tax using the Company's domestic tax rate	8,570	8,862	(4,366)
Additional tax (tax saving) in respect of:			
Non-deductible expenses net of non- taxable income (*)	962	575	3,329
Difference between measurement basis of income/expenses for tax purposes and measurement basis of income/expenses for financial reporting purposes	(215)	(2,337)	-
Effect of reduced tax rate in Israel for Preferred Enterprise status	(815)	1,394	4,963
Differences in previous tax assessments	-	2,282	-
Recognition of previously unrecognized tax losses and benefits	(1,922)	(4,224)	(4,942)
Change in temporary differences for which deferred taxes are not recognized	378	(1,411)	656
Effect of different tax rates in foreign jurisdictions	5,258	(2,046)	2,863
Tax expenses	12,216	3,095	2,503
Effective income tax rate	33%	8%	(13%)

(*) including non- deductible share-based compensation expenses.

NEXXEN INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4: INCOME TAX (Cont.)

e. Deferred tax assets and liabilities:

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities are presented below:

	Intangible Assets and R&D expenses	Employees Compensation	Carryforward Losses	Fixed Assets	Doubtful Debts	Other	Total
	USD thousands						
Balance of deferred tax asset (liability) as of January 1, 2024	(12,129)	3,348	15,932	(808)	3,295	2,001	11,639
Changes recognized in profit or Loss	1,938	2,166	(588)	772	650	(155)	4,783
Changes recognized in equity	48	1,021	(125)	(3)	(5)	(3)	933
Balance of deferred tax asset (liability) as of December 31, 2024	(10,143)	6,535	15,219	(39)	3,940	1,843	17,355
Changes recognized in profit or Loss	(2,410)	226	623	(3,405)	(2,247)	(560)	(7,773)
Changes recognized in equity	(80)	(768)	128	22	3	5	(690)
Balance of deferred tax asset (liability) as of December 31, 2025	(12,633)	5,993	15,970	(3,422)	1,696	1,288	8,892

As of each reporting date, the Company's management considers new evidence, both positive and negative, that could impact management's view with regard to future realization of deferred tax assets.

f. Uncertain tax positions:

As of December 31, 2025, and 2024, the Company has gross unrecognized tax benefits of approximately USD 4,166 thousand and USD 6,260 thousand, respectively. The Company classifies liabilities for unrecognized tax benefits in current tax.

g. Tax assessment:

The tax assessments of the Company in Israel through (and including) 2022 is considered to be final.

U.S. federal income tax returns filed by the Company's U.S. subsidiaries for the tax years up to and including 2020 are no longer subject to general audit. 2021 tax returns are no longer subject to general audit, with the exception of an amendment that was made and which is subject to examination within the relevant statute of limitations from the date of the amendment. To the extent the Company or its subsidiaries generated net operating losses or tax credits in closed tax years, future use of the net operating loss or tax credit carry forward balance would be subject to examination within the relevant statute of limitations for the year in which it was utilized.

NEXXEN INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5: FIXED ASSETS, NET

	Computers and Servers	Office furniture and equipment	Leasehold improvements	Total
	USD thousands			
Cost				
Balance as of January 1, 2024	41,925	750	1,768	44,443
Exchange rate differences	(10)	(7)	-	(17)
Additions *	6,113	54	306	6,473
Disposals	(1,009)	(102)	(459)	(1,570)
Balance as of December 31, 2024	47,019	695	1,615	49,329
Exchange rate differences	41	-	-	41
Additions *	13,339	297	104	13,740
Disposals	(1,859)	(77)	-	(1,936)
Balance as of December 31, 2025	58,540	915	1,719	61,174
Accumulated Depreciation				
Balance as of January 1, 2024	21,645	434	963	23,042
Exchange rate differences	(3)	(7)	(1)	(11)
Disposals	(1,009)	(102)	(459)	(1,570)
Additions	11,815	117	209	12,141
Balance as of December 31, 2024	32,448	442	712	33,602
Exchange rate differences	34	-	-	34
Disposals	(1,859)	(77)	-	(1,936)
Additions	11,007	133	301	11,441
Balance as of December 31, 2025	41,630	498	1,013	43,141
Carrying amounts				
As of December 31, 2025	16,910	417	706	18,033
As of December 31, 2024	14,571	253	903	15,727

* As of December 31, 2025, USD 2,361 thousand additions have not been paid (2024: USD 739 thousand).

NEXXEN INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6: LEASES

a. Leases in which the Group is the lessee:

The Group applies IFRS 16, Leases. The Group has lease agreements with respect to the following items:

- Offices;
- Data centers.

1) Information regarding material lease agreements:

- a) The Group leases offices mainly in the United States of America (US), Israel, Canada and UK with contractual original lease periods ending between the years 2026 and 2031 from several lessors.

A lease liability in the amount of USD 20,149 thousand and USD 20,878 thousand as of December 31, 2025, and December 31, 2024, respectively, and right-of-use asset in the amount of USD 14,951 thousand and USD 13,612 thousand as of December 31, 2025, and December 31, 2024, respectively have been recognized in the statement of financial position in respect of leases of offices.

- b) The Group leases data center and related network infrastructure with contractual original lease periods ending between the years 2026 and 2028. The Group did not assume renewals in determination of the lease term unless the renewals are deemed to be reasonably assured at lease commencement.

A lease liability in the amount of USD 11,782 thousand and USD 16,319 thousand as of December 31, 2025, and December 31, 2024, respectively, and right-of-use asset in the amount of USD 10,822 thousand and USD 15,215 thousand as of December 31, 2025, and December 31, 2024, respectively have been recognized in the statement of financial position in respect of data centers.

2) Lease liability:

Maturity analysis of the Group's lease payments:

	December 31	
	2025	2024
	USD thousands	
Less than one year (0-1)	14,475	15,830
One to five years (1-5)	19,761	25,152
More than five years (5+)	151	-
Total	34,387	40,982

NEXXEN INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6: LEASES (Cont.)

a. Leases in which the Group is the lessee (Cont.):

3) Right-of-use assets - Composition:

	<u>Offices</u>	<u>Data center</u>	<u>Total</u>
	<u>USD thousands</u>		
Balance as of January 1, 2024	11,027	14,888	25,915
Depreciation and amortization on right-of-use assets	(5,417)	(7,026)	(12,443)
Additions	7,257	6,910	14,167
Lease modifications	1,000	789	1,789
Terminations	(259)	(346)	(605)
Exchange rate differences	4	-	4
Balance as of December 31, 2024	13,612	15,215	28,827
Depreciation and amortization on right-of-use assets	(6,063)	(7,548)	(13,611)
Additions	7,979	4,339	12,318
Lease modifications	(21)	(806)	(827)
Terminations	(675)	(378)	(1,053)
Exchange rate differences	119	-	119
Balance as of December 31, 2025	14,951	10,822	25,773

4) Amounts recognized in statement of operation:

	<u>Year ended December 31</u>		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
	<u>USD thousands</u>		
Interest expenses on lease liability	(1,703)	(1,860)	(1,885)
Depreciation and amortization of right-of-use assets	(13,611)	(12,443)	(15,001)
Income (loss) recognized in profit or loss	151	(10)	(119)
Total	(15,163)	(14,313)	(17,005)

5) Amounts recognized in the statement of cash flows:

	<u>Year ended December 31</u>		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
	<u>USD thousands</u>		
Cash outflow for leases	(17,968)	(17,002)	(19,147)

NEXXEN INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6: LEASES (Cont.)

b. Leases in which the Group is a lessor:

- 1) Information regarding material lease agreements:

The Group subleases offices at the US for periods expiring in 2027.

In May 2024, one of the Company's subtenants in the U.S. decided not to extend its sublease agreement. As a result, the Company remeasured its net investment in financing lease receivable and recorded a loss of USD 1,488 thousand in other expenses.

- 2) Net investment in the lease:

Presented hereunder is the movement in the net investment in the lease:

	Offices	
	Year ended	
	December 31	
	2025	2024
	USD thousands	
Balance as of January 1,	2,673	5,985
Sublease receipts	(1,246)	(1,824)
Remeasurement of net investment in a finance lease	(195)	(1,488)
Balance as of December 31,	1,232	2,673

- 3) Maturity analysis of net investment in finance leases:

	Year ended	
	December 31	
	2025	2024
	USD thousands	
Less than one year (0-1)	884	1,438
One to five years (1-5)	348	1,235
Total net investment in the lease as of December 31,	1,232	2,673

NEXXEN INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6: LEASES (Cont.)

b. Leases in which the Group is a lessor (Cont.):

- 4) Amounts recognized in statement of operation:

	Offices		
	Year ended December 31		
	2025	2024	2023
	USD thousands		
Loss from measurement of net investment in a finance lease	(195)	(1,488)	-
Financing income on the net investment in the lease	103	208	221
Total	(92)	(1,280)	221

NOTE 7: INTANGIBLE ASSETS, NET

	<u>Software</u>	<u>Customer relationships</u>	<u>Technology</u>	<u>Goodwill</u>	<u>Total</u>
	USD thousands				
Cost					
Balance as of January 1, 2024	47,388	74,039	133,749	246,352	501,528
Exchange rate differences	(68)	(139)	(380)	(526)	(1,113)
Additions	16,218	-	-	-	16,218
Disposals	(3,397)	-	-	-	(3,397)
Balance as of December 31, 2024	60,141	73,900	133,369	245,826	513,236
Exchange rate differences	141	688	882	1,806	3,517
Additions	17,577	-	-	-	17,577
Balance as of December 31, 2025	77,859	74,588	134,251	247,632	534,330
Amortization					
Balance as of January 1, 2024	27,583	45,120	66,825	-	139,528
Exchange rate differences	(49)	(146)	(214)	-	(409)
Additions	10,903	11,523	18,320	-	40,746
Disposals	(3,397)	-	-	-	(3,397)
Balance as of December 31, 2024	35,040	56,497	84,931	-	176,468
Exchange rate differences	111	688	615	-	1,414
Additions	14,595	5,102	18,375	-	38,072
Balance as of December 31, 2025	49,746	62,287	103,921	-	215,954
Carrying amounts					
As of December 31, 2025	28,113	12,301	30,330	247,632	318,376
As of December 31, 2024	25,101	17,403	48,438	245,826	336,768

NEXXEN INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7: INTANGIBLE ASSETS, NET (Cont.)

Capitalized development costs

Development costs capitalized in the period amounted to USD 17,427 thousand (2024: USD 15,366 thousand) and were classified under software.

Impairment testing for intangible assets

The Company's qualitative assessment as of December 31, 2025, and December 31, 2024, did not indicate that it is more likely than not that the recoverable amount of its intangible assets, and other long-lived assets is less than their aggregate carrying amount.

As of December 31, 2025, the estimated recoverable amount based on Company's market value was lower than the carrying amount, and therefore the recoverable amount was estimated based on value in use and was determined by discounting the future cash flows. The estimated value in use was higher than the carrying amount of its net assets and therefore there was no need for impairment.

Key assumptions used in the calculation of recoverable amounts are as of December 31, 2025:

Post-tax discount rate	14% (WACC)
Terminal value growth rate	3%

The cash flow projections include specific estimates for 5 years and a terminal value growth rate thereafter. EBITDA growth rate is expressed as the annual growth rate in the initial 5 years of the plans used for impairment testing and has been mainly based on past experience and management expectations.

As of December 31, 2024, the recoverable amount based on Company's fair value estimated according to quoted price of the Company's ordinary shares was higher than the carrying amount, and therefore there was no need for impairment.

NOTE 8: TRADE AND OTHER RECEIVABLES

	December 31	
	2025	2024
	USD thousands	
Trade receivables:		
Trade receivables	205,092	236,462
Allowance for expected credit losses	(8,991)	(18,502)
Trade receivables, net	<u>196,101</u>	<u>217,960</u>
Other receivables:		
Prepaid expenses	3,882	2,936
Institutions	463	773
Pledged deposits	449	525
Other	<u>1,322</u>	<u>345</u>
	<u>6,116</u>	<u>4,579</u>

NEXXEN INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9: TRADE AND OTHER PAYABLES

	December 31	
	2025	2024
	USD thousands	
Trade payables	207,020	228,514
Other payables:		
Contract liabilities	10,723	11,546
Wages, salaries and related expenses	24,630	21,003
Provision for vacation	2,472	1,934
Institutions	1,178	864
Interest to pay	69	77
Pledged deposits	13	296
Others	2,197	2,806
	<u>41,282</u>	<u>38,526</u>

NOTE 10: CASH AND CASH EQUIVALENTS

	December 31	
	2025	2024
	USD thousands	
Cash	77,999	87,199
Bank deposits and money market funds	55,309	99,869
Cash and cash equivalents	<u>133,308</u>	<u>187,068</u>

As of December 31, 2025 and December 31, 2024, the cash and cash equivalents bear interest in rates up to 3.25%, and 4.25%, respectively.

The Group's exposure to credit, and currency risks are disclosed in Note 18 on financial instruments.

NOTE 11: LONG-TERM DEBT

In September 2022, Nexxen Group US Holdings Inc. entered into a USD 90 million senior secured term loan facility (the Term Loan Facility) and a USD 90 million senior secured revolving credit facility (the Revolving Credit Facility and, together with the Term Loan Facility, collectively, the Credit Facilities). The Company used the net proceeds of the Term Loan Facility and USD 10 million of net proceeds of the Revolving Credit Facility. The loan period was 3 years from the date it was obtained.

On April 9, 2024, the Company repaid its outstanding long-term debt, in the total amount of USD 100 million. No early termination penalties were incurred.

On May 29, 2025, the Company amended its revolving credit arrangements and transitioned to a reduced senior secured revolving credit facility in an aggregate amount of USD 50 million and the maturity date was extended to September 2027 (the "Amended Revolving Credit Facility"). As of December 31, 2025, no amounts were drawn under the Amended Revolving Credit Facility and it remains available in its entirety.

NEXXEN INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 11: LONG-TERM DEBT (Cont.)

The Company is obligated to pay a commitment fee on the undrawn amounts of the Revolving Credit Facility at an annual rate, determined by the Company's total net leverage ratio, on a quarterly basis, and agency fees in a fixed amount. The Revolving Credit Facility requires compliance with various financial and non-financial covenants, including affirmative and negative covenants. The financial covenants require that the total net leverage ratio not exceed 3x and the interest coverage ratio not be less than 4x, in each case measured as of the end of each fiscal quarter. As of December 31, 2025, the Company is in compliance with all related covenants.

Nexxen Group US Holdings Inc.'s obligations under the Revolving Credit Facility is (i) jointly and severally guaranteed by the Company and certain of the Company's direct and indirect, existing and future wholly owned restricted subsidiaries (as defined in the Credit Facility), subject to certain exceptions and (ii) secured on a first-lien basis by substantially all of the tangible and intangible assets of Nexxen Group US Holdings Inc. and the guarantors of the Revolving Credit Facility, subject to certain permitted liens and other agreed upon exceptions.

During the year ended December 31, 2025, December 31, 2024 and December 31, 2023 the Company recognized interest expenses in the amounts of USD 315 thousand, USD 2,278 thousand and USD 6,854 thousand, respectively. Total interest paid during the year ended December 31, 2025, December 31, 2024, and December 31, 2023, were USD 322 thousand, USD 3,959 thousand, and USD 6,601 thousand, respectively.

NOTE 12: REVENUES

	Year ended December 31		
	2025	2024	2023
	USD thousands		
Programmatic	340,627	324,466	299,005
Performance	24,153	41,011	32,988
	<u>364,780</u>	<u>365,477</u>	<u>331,993</u>

For the year ending December 31, 2025, two buyers represent 12.1% and 11.3% of revenue. For the year ended December 31, 2024, one buyer represents 11.5% of revenue. For the year ending December 31, 2023, no individual buyer accounted for more than 10% of revenue.

NOTE 13: COST OF REVENUES

	Year ended December 31		
	2025	2024	2023
	USD thousands		
Programmatic	43,250	38,942	44,385
Performance	11,729	22,078	17,885
Cost of Revenues	<u>54,979</u>	<u>61,020</u>	<u>62,270</u>

NEXXEN INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 14: GENERAL AND ADMINISTRATIVE EXPENSES

	Year ended December 31		
	2025	2024	2023
	USD thousands		
Wages, salaries and related expenses	25,599	23,419	21,835
Share base payments	5,334	4,314	12,121
Rent and office maintenance	2,035	1,667	2,432
Professional expenses	7,094	9,935	7,686
Doubtful debts	(7,704)	1,516	4,337
Acquisition costs	-	-	171
Other expenses	836	386	2,469
	<u>33,194</u>	<u>41,237</u>	<u>51,051</u>

NOTE 15: SHAREHOLDERS' EQUITY

Reverse Spilt and Change in par value

On December 20, 2024, the shareholders approved a change of the Company's Nasdaq-listed ADRs for Nasdaq-listed Ordinary Shares and terminated the ADR facility as well as a reverse stock split and change in the par value of the Ordinary Shares. As such, prior period share amounts have been retroactively adjusted to reflect the two-for-one ratio Reverse Split and the changes in par value from NIS 0.01 to NIS 0.02 effected on February 14, 2025. See also Note 1b for details.

Issued and paid-in share capital

	Ordinary Shares	
	2025	2024
	Number of shares	
Balance as of January 1	65,562,670	73,081,005
Own shares repurchased by the Group	(10,840,359)	(9,137,532)
Share based compensation	1,561,772	1,619,197
Issued and paid-in share capital as of December 31	<u>56,284,083</u>	<u>65,562,670</u>
Authorized share capital	<u>250,000,000</u>	<u>250,000,000</u>

Rights attached to share

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Own shares acquisition

On May 7, 2024, the Company launched a USD 50 million Ordinary Share repurchase program. The repurchase program commenced on May 7, 2024, and was completed on November 1, 2024.

On November 19, 2024, the Company launched a USD 50 million Ordinary Share repurchase program. The repurchase program commenced on November 19, 2024, and was completed on April 9, 2025.

On April 9, 2025, the Company launched a USD 50 million Ordinary Share repurchase program. The repurchase program commenced on April 9, 2025, and was completed on September 18, 2025.

NEXXEN INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 15: SHAREHOLDERS' EQUITY (Cont.)

On September 19, 2025, the Company launched a USD 20 million Ordinary Share repurchase program. The repurchase program commenced on September 19, 2025, and will continue until the earlier of March 19, 2026, or until it will be completed.

During 2025 and 2024, the Company repurchased 10,840,359 and 9,137,532 ordinary shares in aggregate amount of USD 100.8 and USD 61.7 million, respectively, which were financed by existing cash resources. As of December 31, 2025, USD 148 thousand of the repurchases amount have not been paid yet (2024: USD 1 million).

On November 20, 2025, our board of directors authorized an additional share repurchase program authorizing the repurchase of up to USD 40 million of Shares. The new repurchase plan will commence upon completion of the ongoing existing repurchase plan.

NOTE 16: EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share

The calculation of basic earnings (loss) per share as for the year ending December 31, 2025, 2024 and 2023 was based on the profit (loss) for the year divided by a weighted average number of ordinary shares outstanding, calculated as follows:

Profit (loss) for the year:

	Year ended December 31		
	2025	2024	2023
	USD thousands		
Profit (loss) for the year	25,043	35,437	(21,487)

Weighted average number of ordinary shares:

	Year ended December 31		
	2025	2024	2023
	Shares of NIS 0.02 par value		
Weighted average number of ordinary shares used to calculate basic earnings (loss) per share as at December 31	59,776,574	68,989,845	71,794,594
Basic earnings (loss) per share (in USD)	0.42	0.51	(0.30)

NEXXEN INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 16: EARNINGS (LOSS) PER SHARE (Cont.)

Diluted earnings (loss) per share

The calculation of diluted earnings (loss) per share as of December 31, 2025, 2024 and 2023 was based on profit (loss) for the year divided by a weighted average number of shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

Weighted average number of ordinary shares (diluted):

	Year ended December 31		
	2025	2024	2023
	Shares of NIS 0.02 par value		
Weighted average number of ordinary shares used to calculate basic earnings per share	59,776,574	68,989,845	71,794,594
Effect of share options on issue	1,286,984	1,098,564	-
Weighted average number of ordinary shares used to calculate diluted earnings per share	61,063,558	70,088,409	71,794,594
Diluted earnings (loss) per share (in USD)	0.41	0.51	(0.30)

At December 31, 2025, 2,688 thousand share options, RSUs and PSUs (in 2024 and 2023: 3,088 thousand and 3,374 thousand, respectively) were excluded from the diluted weighted average number of ordinary shares calculation as their effect would have been anti-dilutive.

NOTE 17: SHARE-BASED COMPENSATION ARRANGEMENTS

a. Share-based compensation plan:

The terms and conditions related to the grants of the share-based compensation plan are as follows:

- All the share-based compensation that were granted are non-marketable.
- Until February 14, 2025, all share-based compensation are to be settled by physical delivery of ADS. Starting February 18, 2025, all share-based compensation are to be settled by physical delivery of Ordinary Shares.
- Awards Vesting conditions are based on a service period of between 0.5-4 years.
- As of December 31, 2025, 1,631,192 Shares were available for future issuance under the Company's equity incentive plans.

b. Stock Options:

The number of share options is as follows:

	Number of options		Weighted average exercise price	
	2025	2024	2025	2024
	(Thousands)		(USD)	
Outstanding of 1 January	1,368	1,852	17.83	15.82
Forfeited during the year	(992)	(211)	20.07	17.93
Exercised during the year	(113)	(273)	3.92	4.15
Outstanding of December 31	263	1,368	15.37	17.83
Exercisable of December 31	251	1,027		

The total expense recognized in the year ended December 31, 2025, with respect to the options granted to employees, amounted to approximately USD 308 thousand (2024: USD 912 thousand).

NEXXEN INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 17: SHARE-BASED COMPENSATION ARRANGEMENTS (Cont.)

c. Restricted Stock Units:

During 2025 and 2024, the Group granted 2,534,753 and 2,454,034 Restricted Stock Units (RSUs) to its executive officers and employees, respectively.

The number of restricted stock units is as follows:

	Number of RSU's		Weighted-Average Grant Date Fair Value	
	2025	2024	2025	2024
	(Thousands)		USD	
Outstanding at 1 January	2,437	1,046	6.08	15.20
Forfeited during the year	(413)	(158)	6.92	6.37
Exercised during the year	(1,334)	(905)	7.21	14.65
Granted during the year	2,535	2,454	8.45	5.37
Outstanding at December 31	3,225	2,437	7.37	6.08

The total expense recognized in the year ended December 31, 2025, with respect to the RSUs granted to employees, amounted to approximately USD 15,099 thousand (2024: USD 8,543 thousand).

d. Performance Share Units:

During 2025 and 2024, the Group granted 246,849 and 381,447 Performance Share Units (PSUs) to its executive officers, respectively.

The number of performance share units is as follows:

	Number of PSU's		Weighted-Average Grant Date Fair Value	
	2025	2024	2025	2024
	(Thousands)		USD	
Outstanding at January 1	381	476	7.69	16.48
Forfeited during the year	(26)	-	7.44	-
Exercised during the year	(116)	(476)	6.26	16.48
Granted during the year	247	381	8.34	7.69
Outstanding at December 31	486	381	8.37	7.69

The vesting of the PSUs is subject to continuous employment and compliance with the Adjusted EBITDA and Relative TSR performance goals as determined by the Company's Remuneration Committee and the Company's Board of Directors.

The total expense recognized in the year ended December 31, 2025, with respect to the PSUs granted to employees, amounted to approximately USD 2,641 thousand (2024: USD 2,005 thousand).

NEXXEN INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 17: SHARE-BASED COMPENSATION ARRANGEMENTS (Cont.)

- e. **Expense recognized in the statement of operation and other comprehensive income is as follows:**

	Year ended December 31		
	2025	2024	2023
	USD thousands		
Selling and marketing	7,614	4,216	3,740
Research and development	5,100	2,930	3,308
General and administrative	5,334	4,314	12,121
	<u>18,048</u>	<u>11,460</u>	<u>19,169</u>

NOTE 18: FINANCIAL INSTRUMENTS

- a. **Overview:**

The Group has exposure to the following risks from its use of financial instruments:

- ☐ Credit risk
- ☐ Liquidity risk
- ☐ Market risk

This note presents quantitative and qualitative information about the Group's exposure to each of the above risks, and the Group's objectives, policies and processes for measuring and managing risk.

In order to manage these risks and as described hereunder, the Group executes transactions in derivative financial instruments. Presented hereunder is the composition of the derivatives:

	December 31	
	2025	2024
	USD thousands	
Derivatives presented under current assets		
Forward exchange contracts used for hedging	1,178	40
Total	<u>1,178</u>	<u>40</u>

- b. **Risk management framework:**

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board is responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management of standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

NEXXEN INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 18: FINANCIAL INSTRUMENTS (Cont.)

c. Credit risk:

The Group's credit risk arises from the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The carrying amount of financial assets represents the maximum credit exposure.

The maximum exposure to credit risk at the reporting date was as follows:

	December 31	
	2025	2024
	USD thousands	
Cash and cash equivalents	133,308	187,068
Trade receivables, net (a)	196,101	217,960
Other receivables	1,771	870
Long term deposit	918	738
	<u>332,098</u>	<u>406,636</u>

- (a) At December 31, 2025, the Group included provision for doubtful debts in the amount of USD 8,991 thousand (December 31, 2024: USD 18,502 thousand) in respect of collective impairment provision and specific debtors that their collectability is in doubt.

As of December 31, 2025, two buyers accounted for 22.6% and 10.7% of trade receivables. As of December 31, 2024, three buyers accounted for 19.1%, 12.1% and 11.2% of trade receivables.

	Allowance for Doubtful debts	
	2025	2024
	USD thousands	
Balance at January 1	18,502	17,423
Allowance for doubtful debts expenses (income)	(7,593)	1,678
Write-off	(1,976)	(358)
Exchange rate difference	58	(241)
Balance at December 31	<u>8,991</u>	<u>18,502</u>

d. Liquidity risk:

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

As of December 31, 2025, and December 31, 2024, the Group's contractual obligation of financial liability is in respect of leases, trade, and other payables in the amount of USD 242,198 thousand and USD 272,289 thousand, respectively.

The contractual maturity of the financial liability that is less than one year is in the amount of USD 223,554 thousand and USD 249,432 thousand for December 31, 2025, and December 31, 2024, respectively.

NOTE 18: FINANCIAL INSTRUMENTS (Cont.)

e. Market risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates, the CPI, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

At December 31, 2025, USD 7,228 thousand are held in NIS, USD 1,962 thousand are held in AUD, USD 1,874 thousand are held in CAD, USD 1,271 thousand are held in SGD, USD 1,160 thousand are held in EUR, USD 243 thousand are held in GBP, USD 221 thousand are held in JPY, USD 238 thousand are held in other currencies and the remainder held in USD.

As of December 31, 2025, and December 31, 2024, no individual vendor accounted for more than 10% of trade payables.

Currency risk

The Group is not exposed to currency risk on sales and purchases that are denominated in a currency other than the respective functional currency of the Group, the USD. The principal currencies in which these transactions are denominated are GBP, NIS, EURO, CAD, SGD, MYR, AUD and JPY. As of December 31, 2025, 11% the cash and cash equivalents balance is held in currencies other than the functional currency of the Group.

At any point in time, the Group aims to match the amounts of its assets and liabilities in the same currency in order to hedge the exposure to changes in currency.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

f. Sensitivity analysis:

Exchange rates:

A change as of December 31 in the exchange rates of the following currencies against the USD, as indicated below, would have affected the measurement of financial instruments denominated in a foreign currency and would have increased (decreased) profit or loss and equity by the amounts shown below (after tax). This analysis is based on foreign currency exchange rate that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted sales and purchases.

NEXXEN INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 18: FINANCIAL INSTRUMENTS (Cont.)

NIS/USD	2025		2024	
	+10%	-10%	+10%	-10%
	USD thousands			
Profit / (Loss)	566	(566)	454	(454)
Increase / (Decrease) in Shareholders' Equity	567	(567)	455	(455)

Interest:

The Group has a cash flow benefit due to its variable interest rate on cash and cash equivalents. A 5% increase in the interest rate would result in an income and an increase in shareholders' equity of USD 4.4 million.

g. Level 3 financial instruments carried at fair value

On August 18, 2022, the Company completed a USD 25 million investment in V, a smart TV operating system, streaming platform, and a subsidiary of Hisense, pursuant to which 422,412 ordinary shares were issued to the Company. On August 7, 2025, the Company completed a USD 20 million additional investment in V, pursuant to which 337,041 additional ordinary shares were issued to the Company. As of the reporting date, the Company holds an aggregate of 759,453 ordinary shares in V. In addition, pursuant to the relevant agreement, the Company committed to an additional equity investment, subject to the satisfaction of certain conditions precedent, which is expected to be completed in 2026 and, accordingly, is not reflected in the Company's ownership interest as of the reporting date.

NEXXEN INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 18: FINANCIAL INSTRUMENTS (Cont.)

g. Level 3 financial instruments carried at fair value (Cont.)

The investment in shares is a financial asset measured at fair value through profit or loss under level 3.

	2025	2024
	USD thousands	
Financial assets measured at fair value:		
Investment in shares:		
Fair value as of January 1,	25,000	25,000
Current year investments	20,000	-
Fair value as of December 31,	45,000	25,000

Valuation processes used by the Company

The fair value of non-marketable shares is determined by external valuer on an annual basis.

The principal unobservable inputs are as follows:

- The estimated royalties from App share and remote-control button which is based on the expected increase in market share.
- The average operating profit margin which is based on the stage of research and development.
- The discount rate, which is based on the risk-free rate for 10-year debentures issued by the government in the relevant market, adjusted for a risk premium to reflect both the risk of investing in equities, the systematic risk of company and entity specific risk to the extent not already reflected in the cash flows.

Key assumptions used in the calculation of recoverable amounts are as of December 31, 2025:

Post-tax discount rate	11.5% (WACC)
Terminal value growth rate	3.25%

NOTE 19: RELATED PARTIES

Compensation and benefits to key management personnel

Executive officers also participate in the Company's share-based compensation plan. For further information see Note 17 regarding share-based compensation.

Compensation and benefits to key management personnel (including executive and non-executive directors) that provide services to the Company and its subsidiaries:

	Year ended December 31		
	2025	2024	2023
	USD thousands		
Share-based compensation	3,265	3,648	11,527
Other compensation and benefits	6,457	6,357	3,988
Total	9,722	10,005	15,515

**NEXXEN INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 20: SUBSIDIARIES

Details in respect of subsidiaries:

Presented hereunder is a list of the Group's subsidiaries:

<u>Name of company</u>	Principal location of the Company's activity	The Group's ownership interest in the subsidiary for the year ended December 31	
		2025	2024
Taptica Inc	USA	100%	100%
YuMe Inc*	USA	100%	100%
Perk.com Canada Inc	Canada	100%	100%
R1 Demand LLC	USA	**	100%
Nexxen Group LLC	USA	100%	100%
Nexxen Group US Holdings Inc. *	USA	100%	100%
Nexxen Holdings Ltd *	UK	100%	100%
Nexxen Group Ltd	UK	100%	100%
Nexxen Media Pte Ltd	Singapore	100%	100%
Nexxen Pty Ltd *	Australia	100%	100%
Nexxen Media Japan K.K.	Japan	100%	100%
Nexxen Video Distribution Sdn Bhd	Malaysia	100%	100%
Nexxen CTRL GmbH	Germany	100%	100%
Nexxen Inc.	USA	100%	100%
Amobee International Inc	USA	**	100%
Amobee Ltd	Israel	100%	100%

* Under these companies, there are nine (9) wholly owned subsidiaries that are inactive, liquidated or in liquidation process.

** The subsidiaries are in liquidation process or merged into other fully owned subsidiaries of the Company.

NEXXEN INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 21: OPERATING SEGMENTS

The Group has a single reportable segment as a provider of marketing services.

Geographical information

a. Revenue

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of consumers.

	Year ended December 31		
	2025	2024	2023
	USD thousands		
United States	334,446	333,661	303,954
Rest of America	3,705	5,262	7,826
APAC	9,685	11,442	6,537
EMEA	16,944	15,112	13,676
Total	364,780	365,477	331,993

b. Non-Current Assets

In presenting information based on geographical segments, non-current assets segments are based on the geographical location of the non-current assets*.

	Year ended December 31	
	2025	2024
	USD thousands	
United States	62,252	74,409
Israel	296,640	305,010
APAC	1,354	1,170
EMEA	3,168	3,406
Total	363,414	383,995

* Other than Deferred tax assets, Investment in shares and Other long-term assets. As of December 31, 2025 and 2024, Intangible assets, net, which are non-related to a specific geographic area, in the total amount of USD 248 million and USD 246 million, respectively, are presented as part of the parent company, which is located in Israel.

NOTE 22: SUBSEQUENT EVENTS

On January 6, 2026, at the Company's annual general meeting, the shareholders approved an updated compensation structure for the Board of Directors, including annual cash retainers for board members and committee service, as well as additional retainers for committee chairs, the non-executive Chair of the Board, and the Lead Independent Director. In addition, an annual equity retainer of RSUs with a value of USD 150,000 was approved for each non-executive director, granted on January 7, 2026, with a one-year vesting period. Additionally, each non-executive director was granted an additional equity grant on the date of the Meeting, consisting of fully vested RSUs with a value of USD 150,000 to compensate for 2025.

**Amendment No. 6 to Nexxen International Ltd.
2017 Equity Incentive Plan
Dated January 6, 2026**

Effective as of January 6, 2026, the Nexxen International Ltd. 2017 Equity Incentive Plan, as amended April 15, 2019, April 30, 2021, December 27, 2023, December 20, 2024 and February 14, 2025 (the “*Plan*”), is hereby amended as follows (the “*Amendment*”):

1. The first sentence of Section 3(a) of the Plan, shall be amended as follows:

“Subject to the provisions of Section 14 of the Plan, the maximum aggregate number of Shares that may be issued under the Plan is
16,680,349 ~~14,880,349~~ Shares.”

2. Except as explicitly amended by this Amendment, all other terms of the Plan shall remain in full force and effect.
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FIRST AMENDMENT TO CREDIT AGREEMENT

THIS FIRST AMENDMENT TO CREDIT AGREEMENT, dated as of April 9, 2024 (including Exhibit A attached hereto, this “First Amendment”), among Nexxen Group US Holdings Inc (f/k/a Unruly Group US Holding Inc.), a Delaware corporation (the “Borrower”), NEXXEN HOLDINGS LTD (f/k/a Unruly Holdings Limited), a private limited company organized under the laws of the United Kingdom (“Holdings”), Nexxen International Ltd. (f/k/a Tremor International Ltd.), a company organized under the laws of the State of Israel (the “Parent”), the Guarantors party hereto, each lender from time to time party hereto (collectively, the “Lenders” and individually, each a “Lender”), each L/C Issuer party hereto and Royal Bank of Canada (“RBC”), as Administrative Agent and Collateral Agent. Capitalized terms used but not defined herein shall have the respective meanings assigned to such terms in the Credit Agreement (as modified hereby).

RECITALS:

WHEREAS, reference is hereby made to that certain Credit Agreement, dated as of September 12, 2022 (as amended, restated, amended and restated, supplemented and/or otherwise modified from time to time prior to the First Amendment Effective Date referred to below, the “Credit Agreement”), among, inter alios, the Borrower, Holdings, the Parent, each Lender party thereto, each L/C Issuer party thereto and RBC as Administrative Agent and Collateral Agent; and

WHEREAS, pursuant to Section 10.01 of the Credit Agreement, the Loan Parties and the Lenders party hereto constituting not less than the Required Lenders agree to amend certain provisions of the Credit Agreement as set forth herein, in each case subject to the terms and conditions hereof;

NOW, THEREFORE, in consideration of the premises and agreements, provisions and covenants herein contained, the parties hereto agree as follows:

A. Amendments to Credit Agreement; Waiver of Breakage Costs. Effective as of the First Amendment Effective Date, and subject to the terms and conditions set forth herein, the Credit Agreement is hereby amended to incorporate the changes reflected in the redlined version of the Credit Agreement attached hereto as Exhibit A to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in Exhibit A attached hereto. By executing this Amendment, each Lender party hereto hereby waives any amount otherwise due to such Lender under Section 3.06 in connection with the payment of the Initial Term Loans contemplated hereby.

B. Conditions Precedent. This First Amendment shall become effective as of the first date (the “First Amendment Effective Date”) when each of the conditions set forth in this Section B shall have been satisfied:

1. The Administrative Agent shall have received duly executed counterparts hereof that, when taken together, bear the signatures of (a) the Borrower, (b) Holdings, (c) the Parent, (d) the Administrative Agent and (e) the Required Lenders.

2. The Borrower shall have (a) paid all fees and other amounts earned, due and payable to the Agents pursuant to any agreements or arrangements pursuant to which the Borrower has agreed to compensate any Agent in connection with the transactions contemplated by this First Amendment and (b) to the extent invoiced at least two Business Days prior to the First Amendment Effective Date, reimbursed or paid all reasonable and documented out-of-pocket expenses in connection with this First Amendment and any other reasonable and documented out-of-pocket expenses of the Agents, including the reasonable fees, charges and disbursements of counsel for the Agents as required to be paid or reimbursed pursuant to the Credit Agreement.

3. No Default or Event of Default shall have occurred and be continuing (both immediately before and immediately after giving effect to this First Amendment and the transactions contemplated by this First Amendment).

4. The Administrative Agent shall have received a certificate, dated as of the First Amendment Effective Date and executed by a Responsible Officer of the Borrower, certifying (a) that the condition in Section B.3. above has been satisfied on such date and (b) as to the accuracy (with respect to clauses (i), (ii) and (iii) of Section C.1. of this First Amendment, in all material respects) of the matters set forth in Section C.1. of this First Amendment.

5. The Borrower shall have paid in full the aggregate principal amount of all Initial Term Loans outstanding as of the First Amendment Effective Date, together with all accrued and unpaid interest thereon and all other amounts required pursuant to the terms of the Credit Agreement (as modified hereby).

6. The Administrative Agent shall have received, on or prior to the First Amendment Effective Date, all documentation and other information with respect to the Loan Parties that is requested by the Administrative Agent or a Lender party hereto and is required by regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including the PATRIOT Act and the Beneficial Ownership Regulation, in each case, to the extent reasonably requested in writing at least 5 Business Days prior to the First Amendment Effective Date by the Administrative Agent or any Lender party hereto.

C. Other Terms.

1. **Loan Party Representations and Warranties.** By execution of this First Amendment, each Loan Party party hereto hereby represents and warrants, on behalf of itself and its respective Subsidiaries that are Loan Parties, that as of the First Amendment Effective Date:

- (i) such Loan Party party hereto has the corporate or other organizational power and authority to execute and deliver this First Amendment and carry out the terms and provisions of this First Amendment and the Credit Agreement and the other Loan Documents (in each case, as modified hereby) and has taken all necessary corporate or other organizational action to authorize the execution and delivery of this First Amendment and performance of this First Amendment and the Credit Agreement and the other Loan Documents (in each case, as modified hereby);
- (ii) such Loan Party party hereto has duly executed and delivered this First Amendment and each of this First Amendment and the Credit Agreement and the other Loan Documents (in each case, as modified hereby) constitutes the legal, valid and binding obligation of such Loan Party enforceable in accordance with its terms, subject to the Legal Reservations;
- (iii) the representations and warranties of each such Loan Party contained in Article V of the Credit Agreement and in the other Loan Documents (in each case, as modified hereby) are true and correct in all material respects (or, for any representation and warranty already qualified by materiality, in all respects) on and as of the First Amendment Effective Date to the same extent as though made on and as of the First Amendment Effective Date, except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects (or, for any representation and warranty already qualified by materiality, in all respects) on and as of such earlier date; and
- (iv) no Default or Event of Default has occurred and is continuing or would result from the consummation of the transactions contemplated hereby.

2. **Amendment, Modification and Waiver.** This First Amendment may not be amended, modified or waived except by an instrument or instruments in writing signed and delivered in accordance with the provisions of Section 10.01 of the Credit Agreement.

3. **Entire Agreement.** This First Amendment, the Credit Agreement (as modified hereby) and the other Loan Documents constitute the entire agreement among the parties with respect to the subject matter hereof and thereof and supersede all other prior agreements and understandings, both written and verbal, among the parties or any of them with respect to the subject matter hereof.

4. **GOVERNING LAW.** THIS FIRST AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

5. **Severability.** Any term or provision of this First Amendment which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this First Amendment or affecting the validity or enforceability of any of the terms or provisions of this First Amendment in any other jurisdiction. If any provision of this First Amendment is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as would be enforceable.

6. **Counterparts.** This First Amendment may be executed in one or more counterparts (and by different parties hereto in different counterparts), each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Delivery by fax or other electronic transmission of an executed counterpart of a signature page to this First Amendment shall be effective as delivery of an original executed counterpart of this First Amendment and the words “execution,” “execute,” “signed,” “signature,” and words of like import in or related to any document to be signed in connection with this First Amendment shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Administrative Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act. The Administrative Agent may, in its discretion, require that any such documents and signatures executed electronically or delivered by fax or other electronic transmission be confirmed by a manually-signed original thereof; *provided* that the failure to request or deliver the same shall not limit the effectiveness of any document or signature executed electronically or delivered by fax or other electronic transmission.

7. **Submission to Jurisdiction.** Each party hereto irrevocably and unconditionally:

- a. submits for itself and its property in any legal action or proceeding relating to this First Amendment and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the exclusive general jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York sitting in the Borough of Manhattan and appellate courts from any thereof;
- b. consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;
- c. agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Person at such address of which the Administrative Agent shall have been notified pursuant to Section 10.02 of the Credit Agreement;
- d. agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction;
- e. waives, to the maximum extent not prohibited by applicable law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section C.7, any special, exemplary, punitive or consequential damages; and
- f. agrees that a final judgment in any action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable law.

8. Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES (TO THE EXTENT PERMITTED BY APPLICABLE LAW) TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS FIRST AMENDMENT AND FOR ANY COUNTERCLAIM THEREIN.

9. Reaffirmation. By executing and delivering a counterpart hereof, (i) each Loan Party hereto, on behalf of itself and its respective Subsidiaries that are Loan Parties hereby agrees that, as of the First Amendment Effective Date and after giving effect to this First Amendment and the transactions contemplated hereby, all Obligations of the Borrower that remain after the prepayment of the term loan contemplated hereby shall be guaranteed pursuant to the Guaranty in accordance with the terms and provisions thereof and shall be secured pursuant to the Collateral Documents in accordance with the terms and provisions thereof; (ii) each Loan Party hereto, on behalf of itself and its respective Subsidiaries that are Loan Parties that, hereby (A) agrees that, notwithstanding the effectiveness of this First Amendment, as of the First Amendment Effective Date and after giving effect thereto, the Collateral Documents continue to be in full force and effect, (B) agrees that, as of the First Amendment Effective Date and after giving effect to this First Amendment and the transactions contemplated hereby, all of the Liens and security interests created and arising under each Collateral Document to which it is a party remain in full force and effect on a continuous basis, and the perfected status and priority of each such Lien and security interest continues in full force and effect on a continuous basis, unimpaired, uninterrupted and undischarged, as collateral security for its Obligations under the Loan Documents (as modified hereby) to which it is a party, in each case, to the extent provided in, and subject to the limitations and qualifications set forth in, such Loan Documents (as modified hereby) and (C) affirms and confirms all of its obligations and liabilities under the Credit Agreement and each other Loan Document (as modified hereby) to which it is a party, in each case after giving effect to this First Amendment and the transactions contemplated hereby, including its guarantee of the Obligations and the pledge of and/or grant of a security interest in its assets as Collateral pursuant to the Collateral Documents to which it is a party to secure such Obligations, all as provided in the Collateral Documents, and acknowledges and agrees that, as of the First Amendment Effective Date, such obligations, liabilities, guarantee, pledge and grant continue in full force and effect in respect of, and to secure, such Obligations under the Credit Agreement and the other Loan Documents, in each case after giving effect to this First Amendment and the transactions contemplated hereby; and (iii) each Loan Party hereto, on behalf of itself and its respective Subsidiaries that are Loan Parties, hereby agrees that nothing in the Credit Agreement, this First Amendment or any other Loan Document shall be deemed to require the consent of such Loan Party to any future amendment to the Credit Agreement (as modified hereby).

10. Miscellaneous. This First Amendment shall constitute a Loan Document for all purposes of the Credit Agreement and the other Loan Documents (in each case, as modified hereby). Except as specifically modified by this First Amendment, (i) the Credit Agreement and the other Loan Documents shall remain in full force and effect and (ii) the execution, delivery and performance of this First Amendment shall not constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of any Agent or Lender under, the Credit Agreement or any of the other Loan Documents.

[SIGNATURES APPEAR ON THE FOLLOWING PAGES]

IN WITNESS WHEREOF, each of the undersigned has caused its duly authorized officer to execute and deliver this First Amendment as of the date first set forth above.

NEXXEN GROUP US HOLDINGS INC.,
as the Borrower

By: /s/ Sagi Niri
Name: Sagi Niri
Title: Chief Financial Officer

By: /s/ Amy Rothstein
Name: Amy Rothstein
Title: Chief Legal Officer

NEXXEN HOLDINGS LTD,
as Holdings

By: /s/ Sagi Niri
Name: Sagi Niri
Title: Chief Financial Officer

By: /s/ Amy Rothstein
Name: Amy Rothstein
Title: Chief Legal Officer

NEXXEN INTERNATIONAL LTD.,
as the Parent

By: /s/ Sagi Niri
Name: Sagi Niri
Title: Chief Financial Officer

By: /s/ Amy Rothstein
Name: Amy Rothstein
Title: Chief Legal Officer

ROYAL BANK OF CANADA,
as Administrative Agent and Collateral Agent

By: /s/ Annie Lee
Name: Annie Lee
Title: Associate Director, Agency Services

ROYAL BANK OF CANADA,
as an L/C Issuer and a Lender

By: /s/ Jessica Li
Name: Jessica Li
Title: Authorized Signatory

HSBC BANK USA, N.A.,
as an L/C Issuer and a Lender

By: /s/ Mackenzie Wood
Name: Mackenzie Wood
Title: Senior Vice President #23666

FIRST CITIZENS BANK & TRUST COMPANY (successor by purchase
to the Federal Deposit Insurance Corporation as Receiver for Silicon Valley
Bridge Bank, N.A. (as successor to Silicon Valley Bank)), as an L/C Issuer
and a Lender

By: /s/ Jaime Mariano
Name: Jaime Mariano
Title: Managing Director

GOLDMAN SACHS BANK USA,
as an L/C Issuer and a Lender

By: /s/ Priyankush Goswami
Name: Priyankush Goswami
Title: Authorized Signatory

[Signature Page to Nexxen – First Amendment]

EXHIBIT A

[Credit Agreement]



SECOND AMENDMENT TO CREDIT AGREEMENT

THIS SECOND AMENDMENT TO CREDIT AGREEMENT, dated as of May 29, 2025 (including Exhibit A attached hereto, this “Second Amendment”), among Nexxen Group US Holdings Inc (f/k/a Unruly Group US Holding Inc.), a Delaware corporation (the “Borrower”), NEXXEN HOLDINGS LTD (f/k/a Unruly Holdings Limited), a private limited company organized under the laws of England and Wales (“Holdings”), Nexxen International Ltd. (f/k/a Tremor International Ltd.), a company organized under the laws of the State of Israel (the “Parent”), the other Guarantors party hereto, each lender from time to time party hereto (collectively, the “Lenders” and individually, each a “Lender”), each L/C Issuer party hereto and Royal Bank of Canada (“RBC”), as Administrative Agent and Collateral Agent. Capitalized terms used but not defined herein shall have the respective meanings assigned to such terms in the Credit Agreement (as modified hereby).

RECITALS:

WHEREAS, reference is hereby made to that certain Credit Agreement, dated as of September 12, 2022 (as amended, restated, amended and restated, supplemented and/or otherwise modified from time to time prior to the Second Amendment Effective Date referred to below, the “Credit Agreement”), among, inter alios, the Borrower, Holdings, the Parent, each Lender party thereto, each L/C Issuer party thereto and RBC as Administrative Agent and Collateral Agent; and

WHEREAS, pursuant to Section 10.01 of the Credit Agreement, the Loan Parties and the Lenders agree to amend certain provisions of the Credit Agreement as set forth herein, in each case subject to the terms and conditions hereof;

NOW, THEREFORE, in consideration of the premises and agreements, provisions and covenants herein contained, the parties hereto agree as follows:

A. Amendments to Credit Agreement and Schedules to the Credit Agreement; Specified Commitment Terminations. Effective as of the Second Amendment Effective Date, and subject to the terms and conditions set forth herein:

1. The Credit Agreement is hereby amended to incorporate the changes reflected in the redlined version of the Credit Agreement attached hereto as Exhibit A to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in Exhibit A attached hereto.

2. The Revolving Credit Commitments in effect immediately prior to giving effect to this Second Amendment on the Second Amendment Effective Date are hereby terminated as follows (and in the following order): (i) the existing Revolving Credit Commitments held by Goldman Sachs Bank USA are hereby terminated in their entirety (and, for the avoidance of doubt, immediately upon giving effect to such termination, Goldman Sachs Bank USA shall not be a Lender or an L/C Issuer (with such termination constituting the resignation of Goldman Sachs Bank USA as an L/C Issuer with immediate effect notwithstanding anything to the contrary in Section 10.07(l) of the Credit Agreement)), (ii) the existing Revolving Credit Commitments held by Royal Bank of Canada are hereby terminated in an aggregate amount equal to \$2,500,000, (iii) the existing Revolving Credit commitments held by HSBC Bank USA, N.A. are hereby terminated in an aggregate amount equal to \$12,500,000 and (iv) the existing Revolving Credit Commitments held by First-Citizens Bank & Trust Company are hereby terminated in an aggregate amount equal to \$10,000,000 (the terminations described in this Section A.2, the “Specified Commitment Terminations”).

3. The Bank of Nova Scotia is hereby appointed as an L/C Issuer under the Credit Agreement and the other Loan Documents with the portion of the Letter of Credit Sublimit specified in Exhibit B attached hereto, The Bank of Nova Scotia hereby accepts such appointment, and each of the Borrower and the Administrative Agent consent to such appointment. For the avoidance of doubt, each of the Borrower, the Administrative Agent and each L/C Issuer (including The Bank of Nova Scotia) hereby consent to each of Citibank, N.A. and The Bank of Nova Scotia being a Revolving Credit Lender.

4. Schedule 1.01(c) to the Credit Agreement is hereby amended and restated in its entirety as set forth in Exhibit B attached hereto.

5. The portion of Schedule 2.01 to the Credit Agreement entitled “Revolving Credit Commitment” is hereby amended and restated in its entirety (for the avoidance of doubt, after giving effect to the Specified Commitment Terminations) as set forth in Exhibit B attached hereto.

B. Conditions Precedent. This Second Amendment shall become effective as of the first date (the “Second Amendment Effective Date”) when each of the conditions set forth in this Section B shall have been satisfied:

1. The Administrative Agent shall have received duly executed counterparts hereof that, when taken together, bear the signatures of (a) the Borrower, (b) Holdings, (c) the Parent, (d) each other Guarantor, (e) the Administrative Agent and the Collateral Agent and (f) each Lender and each L/C Issuer.

2. The Borrower shall have (a) paid all fees and other amounts earned, due and payable to the Agents pursuant to any agreements or arrangements pursuant to which the Borrower has agreed to compensate any Agent in connection with the transactions contemplated by this Second Amendment and (b) to the extent invoiced at least two Business Days prior to the Second Amendment Effective Date, reimbursed or paid all reasonable and documented out-of-pocket expenses in connection with this Second Amendment and any other reasonable and documented out-of-pocket expenses of the Agents, including the reasonable fees, charges and disbursements of counsel for the Agents as required to be paid or reimbursed pursuant to the Credit Agreement.

3. No Default or Event of Default shall have occurred and be continuing on the Second Amendment Effective Date (both immediately before and immediately after giving effect to this Second Amendment and the transactions contemplated by this Second Amendment).

4. The Administrative Agent shall have received a certificate, dated as of the Second Amendment Effective Date and executed by a Responsible Officer of the Borrower, certifying (a) that the condition in Section B.3, above has been satisfied on such date and (b) as to the accuracy (with respect to clauses (i) and (ii) of Section C.1, of this Second Amendment, in all material respects) of the matters set forth in Section C.1, of this Second Amendment.

5. Other than in relation to Parent, Holdings and each UK Subsidiary Guarantor, the Administrative Agent shall have received (x) a certificate of good standing (or equivalent, to the extent applicable in the relevant jurisdiction) with respect to each Loan Party from the Secretary of State (or equivalent official) of the State of such Loan Party’s organization and (y) a certificate executed by a Responsible Officer of the Borrower, dated the Second Amendment Effective Date, attaching (i) a true and complete copy of the certificate of incorporation (or other applicable charter document) of each Loan Party, including all amendments thereto, as in effect on the Second Amendment Effective Date, certified as of a recent date by the Secretary of State (or analogous official) of the jurisdiction of its organization, that has not been amended since the date of the last amendment thereto shown on the certificate of good standing (or equivalent, to the extent applicable) furnished pursuant to clause (x) above, (ii) a true and complete copy of the by-laws (or other applicable operating agreements) of each Loan Party as in effect on the Second Amendment Effective Date and (iii) a true and complete copy of resolutions duly adopted or written consents duly executed by the board of directors (or equivalent governing body or any committee thereof) of each Loan Party authorizing the execution, delivery and performance of this Second Amendment, the Credit Agreement and the other Loan Documents (in each case, as modified hereby) and certifying that such resolutions or written consents have not been modified, rescinded or amended and are in full force and effect. Notwithstanding the foregoing, the conditions set forth in clauses (y)(i) and (y)(ii) of the immediately preceding sentence may be satisfied by a certification of a Responsible Officer of the Borrower certifying that there have been no changes to the applicable Organization Documents referred to in clauses (y)(i) and (y)(ii) in the immediately preceding sentence since the versions thereof previously delivered to the Administrative Agent.

6. In relation to Holdings and each UK Subsidiary Guarantor, the Administrative Agent shall have received a certificate from each of Holdings and each UK Subsidiary Guarantor (signed by a director), dated the Second Amendment Effective Date, attaching (i) a true and complete copy of its certificate of incorporation, including any certificates of change of name, as in effect on the Second Amendment Effective Date, (ii) a true and complete copy of its articles of association as in effect on the Second Amendment Effective Date and (iii) a true and complete copy of resolutions duly adopted or written consents duly executed by its board of directors authorizing the execution, delivery and performance of this Second Amendment, the performance of the Credit Agreement and the other Loan Documents (in each case, as modified hereby) and certifying that such resolutions or written consents have not been modified, rescinded or amended and are in full force and effect.

7. In relation to Parent, the Administrative Agent shall have received a certificate signed by an authorized signatory of the Parent dated the Second Amendment Effective Date, attaching (i) a true and complete copy of its certificate of incorporation, including any certificates of change of name, as in effect on the Second Amendment Effective Date, (ii) a true and complete copy of its articles of association as in effect on the Second Amendment Effective Date, (iii) a true and complete copy of its directors registry, as in effect on the Second Amendment Effective Date, (iv) an up to date extract from a search against Parent at the Israeli Companies Registrar, evidencing that (x) it is not registered by the Israeli Companies Registrar as a "company in breach" ("*hevrah meferah*") and (y) there is no outstanding Lien over its assets other than as permitted under the Loan Documents, (v) true and complete copy of a resolution of its board of directors authorizing the execution, delivery and performance of this Second Amendment, the performance of the Credit Agreement and the other Loan Documents (in each case, as modified hereby), certifying that such resolutions or written consents have not been modified, rescinded or amended and are in full force and effect, and certifying, pursuant to sections 256(d) and 282 of the Israeli Companies Law, that all approvals, as required under the Israeli Companies Law (including, without limitation, to the extent applicable, under sections 256, 270-272 and Section 277 thereof) and its Organization Documents, have been duly obtained for the transactions contemplated by this Second Amendment and each Loan Document to which it is a party, (vi) attaching a specimen of the signature of the person(s) authorized by the resolution referred to in (iv) above, and (vii) certifying that each copy document relating to it specified in this Section B.7 is correct, complete and in full force and effect as at the Second Amendment Effective Date.

8. The Administrative Agent shall have received a solvency certificate executed by the chief financial officer (or similar officer) of the Parent substantially in the form of Exhibit G attached to the Credit Agreement (with appropriate adjustments to reflect the transactions contemplated hereby).

9. The Administrative Agent shall have received a legal opinion of (a) Pillsbury Winthrop Shaw Pittman LLP, New York counsel to the Loan Parties, (b) Naschitz Brandes Amir, Israeli counsel to the Loan Parties and (c) White & Case LLP, English counsel to the Lenders, in each case, addressed to the Administrative Agent, the Collateral Agent, each Lender and each L/C Issuer and in form and substance reasonably satisfactory to the Administrative Agent.

10. The Administrative Agent shall have received, for the ratable benefit of the Lenders party hereto, an upfront fee in an amount equal to 0.05% of the aggregate outstanding Revolving Credit Commitments on the Second Amendment Effective Date (immediately after giving effect to this Second Amendment and the transactions contemplated hereby (including the Specified Commitment Terminations)).

11. On the Second Amendment Effective Date, the Borrower shall have paid in full all accrued and unpaid (a) interest on all outstanding Revolving Credit Loans, if any, (b) Commitment Fees and (c) fees pursuant to Section 2.03(h) of the Credit Agreement, if any, in each case, accrued up to but not including the Second Amendment Effective Date and irrespective of whether such accrued amounts are otherwise then due and payable by the terms of the Credit Agreement.

12. The Administrative Agent shall have received, on or prior to the Second Amendment Effective Date, all documentation and other information with respect to the Loan Parties that is requested by the Administrative Agent or a Lender party hereto and is required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the PATRIOT Act and the Beneficial Ownership Regulation, in each case, to the extent reasonably requested in writing at least 5 Business Days prior to the Second Amendment Effective Date by the Administrative Agent or any Lender party hereto.

C. Other Terms.

Loan Party Representations and Warranties. By execution of this Second Amendment, each Loan Party party hereto hereby represents and warrants, on behalf of itself and its respective Subsidiaries that are Loan Parties, that as of the Second Amendment Effective Date:

- (i) such Loan Party party hereto has the corporate or other organizational power and authority to execute and deliver this Second Amendment and carry out the terms and provisions of this Second Amendment and the Credit Agreement and the other Loan Documents (in each case, as modified hereby) and has taken all necessary corporate or other organizational action to authorize the execution and delivery of this Second Amendment and performance of this Second Amendment and the Credit Agreement and the other Loan Documents (in each case, as modified hereby);
- (ii) such Loan Party party hereto has duly executed and delivered this Second Amendment and each of this Second Amendment and the Credit Agreement and the other Loan Documents (in each case, as modified hereby) constitutes the legal, valid and binding obligation of such Loan Party enforceable in accordance with its terms, subject to the Legal Reservations;
- (iii) the representations and warranties of each such Loan Party contained in Article V of the Credit Agreement and in the other Loan Documents (in each case, as modified hereby) are true and correct in all material respects (or, for any representation and warranty already qualified by materiality, in all respects) on and as of the Second Amendment Effective Date to the same extent as though made on and as of the Second Amendment Effective Date, except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects (or, for any representation and warranty already qualified by materiality, in all respects) on and as of such earlier date; and

- (iv) no Default or Event of Default has occurred and is continuing or would result from the consummation of the transactions contemplated hereby.

Amendment, Modification and Waiver. This Second Amendment may not be amended, modified or waived except by an instrument or instruments in writing signed and delivered in accordance with the provisions of Section 10.01 of the Credit Agreement.

Entire Agreement. This Second Amendment, the Credit Agreement (as modified hereby) and the other Loan Documents constitute the entire agreement among the parties with respect to the subject matter hereof and thereof and supersede all other prior agreements and understandings, both written and verbal, among the parties or any of them with respect to the subject matter hereof.

GOVERNING LAW. THIS SECOND AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

Severability. Any term or provision of this Second Amendment which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Second Amendment or affecting the validity or enforceability of any of the terms or provisions of this Second Amendment in any other jurisdiction. If any provision of this Second Amendment is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as would be enforceable.

Counterparts. This Second Amendment may be executed in one or more counterparts (and by different parties hereto in different counterparts), each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Delivery by fax or other electronic transmission of an executed counterpart of a signature page to this Second Amendment shall be effective as delivery of an original executed counterpart of this Second Amendment and the words “execution,” “execute,” “signed,” “signature,” and words of like import in or related to any document to be signed in connection with this Second Amendment shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Administrative Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act. The Administrative Agent may, in its discretion, require that any such documents and signatures executed electronically or delivered by fax or other electronic transmission be confirmed by a manually-signed original thereof; *provided* that the failure to request or deliver the same shall not limit the effectiveness of any document or signature executed electronically or delivered by fax or other electronic transmission.

7. Submission to Jurisdiction. Each party hereto irrevocably and unconditionally:

- a. submits for itself and its property in any legal action or proceeding relating to this Second Amendment and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the exclusive general jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York sitting in the Borough of Manhattan and appellate courts from any thereof;
- b. consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;
- c. agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Person at such address of which the Administrative Agent shall have been notified pursuant to Section 10.02 of the Credit Agreement;
- d. agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction;
- e. waives, to the maximum extent not prohibited by applicable law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section C.7, any special, exemplary, punitive or consequential damages; and
- f. agrees that a final judgment in any action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable law.

8. Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES (TO THE EXTENT PERMITTED BY APPLICABLE LAW) TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS SECOND AMENDMENT AND FOR ANY COUNTERCLAIM THEREIN.

9. Reaffirmation. By executing and delivering a counterpart hereof, (i) each Loan Party hereto, on behalf of itself and its respective Subsidiaries that are Loan Parties hereby agrees that, as of the Second Amendment Effective Date and after giving effect to this Second Amendment and the transactions contemplated hereby, all Obligations of the Borrower shall be guaranteed pursuant to the Guaranty in accordance with the terms and provisions thereof and shall be secured pursuant to the Collateral Documents in accordance with the terms and provisions thereof; (ii) each Loan Party hereto, on behalf of itself and its respective Subsidiaries that are Loan Parties that, hereby (A) agrees that, notwithstanding the effectiveness of this Second Amendment, as of the Second Amendment Effective Date and after giving effect thereto, the Collateral Documents continue to be in full force and effect, (B) agrees that, as of the Second Amendment Effective Date and after giving effect to this Second Amendment and the transactions contemplated hereby, all of the Liens and security interests created and arising under each Collateral Document to which it is a party remain in full force and effect on a continuous basis, and the perfected status and priority of each such Lien and security interest continues in full force and effect on a continuous basis, unimpaired, uninterrupted and undischarged, as collateral security for its Obligations under the Loan Documents (as modified hereby) to which it is a party, in each case, to the extent provided in, and subject to the limitations and qualifications set forth in, such Loan Documents (as modified hereby) and (C) affirms and confirms all of its obligations and liabilities under the Credit Agreement and each other Loan Document (as modified hereby) to which it is a party, in each case after giving effect to this Second Amendment and the transactions contemplated hereby, including its guarantee of the Obligations and the pledge of and/or grant of a security interest in its assets as Collateral pursuant to the Collateral Documents to which it is a party to secure such Obligations, all as provided in the Collateral Documents, and acknowledges and agrees that, as of the Second Amendment Effective Date, such obligations, liabilities, guarantee, pledge and grant continue in full force and effect in respect of, and to secure, such Obligations under the Credit Agreement and the other Loan Documents, in each case after giving effect to this Second Amendment and the transactions contemplated hereby; and (iii) each Loan Party hereto, on behalf of itself and its respective Subsidiaries that are Loan Parties, hereby agrees that nothing in the Credit Agreement, this Second Amendment or any other Loan Document shall be deemed to require the consent of such Loan Party to any future amendment to the Credit Agreement (as modified hereby).

10. Miscellaneous. This Second Amendment shall constitute a Loan Document for all purposes of the Credit Agreement and the other Loan Documents (in each case, as modified hereby). Except as specifically modified by this Second Amendment, (i) the Credit Agreement and the other Loan Documents shall remain in full force and effect and (ii) the execution, delivery and performance of this Second Amendment shall not constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of any Agent or Lender under, the Credit Agreement or any of the other Loan Documents.

11. Joint Lead Arranger and Joint Bookrunning Manager. Pursuant to that certain Engagement Letter (the “Engagement Letter”), dated as of April 24, 2025, between Royal Bank of Canada and the Borrower, (i) RBC Capital Markets¹ (“RBCCM”) was appointed as lead arranger and bookrunning manager with respect to the transactions contemplated thereby and hereby and (ii) the Borrower may appoint additional lead arrangers and bookrunning managers with respect to the transactions contemplated thereby and hereby with the consent of RBCCM. The Borrower hereby appoints The Bank of Nova Scotia to act as a joint lead arranger and joint bookrunning manager with respect to the transactions contemplated by the Engagement Letter and hereby and RBCCM hereby agrees to such appointments (subject to the terms of the Engagement Letter).

[SIGNATURES APPEAR ON THE FOLLOWING PAGES]

¹ RBC Capital Markets is a brand name for the capital markets businesses of Royal Bank of Canada and its affiliates.

IN WITNESS WHEREOF, each of the undersigned has caused its duly authorized officer to execute and deliver this Second Amendment as of the date first set forth above.

NEXXEN GROUP US HOLDINGS INC., as the Borrower

By: /s/ Amy Rothstein
Name: Amy Rothstein
Title: Chief Legal Officer
By: /s/ Sagi Niri
Name: Sagi Niri
Title: Chief Financial Officer

NEXXEN HOLDINGS LTD, as Holdings

By: /s/ Amy Rothstein
Name: Amy Rothstein
Title: Chief Legal Officer
By: /s/ Sagi Niri
Name: Sagi Niri
Title: Chief Financial Officer

NEXXEN INTERNATIONAL LTD., as the Parent

By: /s/ Amy Rothstein
Name: Amy Rothstein
Title: Chief Legal Officer
By: /s/ Sagi Niri
Name: Sagi Niri
Title: Chief Financial Officer

NEXXEN GROUP LTD, as a Guarantor

By: /s/ Amy Rothstein
Name: Amy Rothstein
Title: Chief Legal Officer
By: /s/ Sagi Niri
Name: Sagi Niri
Title: Chief Financial Officer

RIDEMAND, LLC, as a Guarantor

By: /s/ Amy Rothstein
Name: Amy Rothstein
Title: Chief Legal Officer
By: /s/ Sagi Niri
Name: Sagi Niri
Title: Chief Financial Officer

NEXXEN GROUP LLC, as a Guarantor

By: /s/ Amy Rothstein
Name: Amy Rothstein
Title: Chief Legal Officer
By: /s/ Sagi Niri
Name: Sagi Niri
Title: Chief Financial Officer

YUME, INC., as a Guarantor

By: /s/ Amy Rothstein
Name: Amy Rothstein
Title: Chief Legal Officer
By: /s/ Sagi Niri
Name: Sagi Niri
Title: Chief Financial Officer

TAPTICA, INC., as a Guarantor

By: /s/ Amy Rothstein
Name: Amy Rothstein
Title: Chief Legal Officer
By: /s/ Sagi Niri
Name: Sagi Niri
Title: Chief Financial Officer

NEXXEN, INC, as a Guarantor

By: /s/ Amy Rothstein
Name: Amy Rothstein
Title: Chief Legal Officer
By: /s/ Sagi Niri
Name: Sagi Niri
Title: Chief Financial Officer

AMOBEE INTERNATIONAL, INC., as a Guarantor

By: /s/ Amy Rothstein

Name: Amy Rothstein
Title: Chief Legal Officer

By: /s/ Sagi Niri

Name: Sagi Niri
Title: Chief Financial Officer

ROYAL BANK OF CANADA, as Administrative Agent and Collateral Agent

By: /s/ Anastasiya Andrushchyshyn

Name: Anastasiya Andrushchyshyn
Title: Manager, Agency Services

ROYAL BANK OF CANADA, as an L/C Issuer and a Lender

By: /s/ Jessica Li

Name: Jessica Li
Title: Authorized Signatory

HSBC BANK USA, N.A., as a Lender

By: /s/ Mackenzie Wood

Name: Mackenzie Wood

Title: Senior Vice President #23666

FIRST-CITIZENS BANK & TRUST COMPANY (successor by purchase to the Federal Deposit Insurance Corporation as Receiver for Silicon Valley Bridge Bank, N.A. (as successor to Silicon Valley Bank)), as an L/C Issuer and a Lender

By: /s/ Jaime Mariano

Name: Jaime Mariano

Title: Managing Director

THE BANK OF NOVA SCOTIA, as an L/C Issuer and a Lender

By: /s/ Yvonne Bai

Name: Yvonne Bai

Title: Director

CITIBANK, N.A., as a Lender

By: /s/ Thad Garrison

Name: Thad Garrison

Title: Director/VP - Citibank

EXHIBIT A

[Credit Agreement]

EXHIBIT B

[Amended Schedules to Credit Agreement]

LIST OF SUBSIDIARIES OF NEXXEN INTERNATIONAL LTD.

The following table sets out details of the Company's subsidiaries:

Name of company	Country of Incorporation	Ownership Percentage
Taptica Inc.	USA	100%
YuMe Inc*	USA	100%
Perk.com Canada Inc	Canada	100%
Nexxen Group LLC	USA	100%
Nexxen Group US Holdings Inc.*	USA	100%
Nexxen Holdings Ltd*	UK	100%
Nexxen Group Ltd	UK	100%
Nexxen Media Pte. Ltd. (f/k/a Unruly Media Pte. Ltd)*	Singapore	100%
Nexxen Pty Ltd*	Australia	100%
Nexxen Media Japan K.K. (f/k/a Unruly Media K.K.)	Japan	100%
Nexxen Video Distribution Sdn. Bhd. (f/k/a Unmedia Video Distribution Sdn. Bhd.)	Malaysia	100%
Nexxen CTRL GmbH (f/k/a SpearAd GmbH)	Germany	100%
Nexxen Inc.*	USA	100%
Amobee Ltd	Israel	100%

* Under these companies, there are eleven (11) wholly owned subsidiaries that are inactive, liquidated or in liquidation process.

**NEXXEN INTERNATIONAL LTD.****Insider Trading Compliance Policy**

U.S. federal securities laws prohibit trading in the securities of a company while in possession of material nonpublic information and providing material nonpublic information to others so that they can trade. Violating such laws can undermine investor trust, harm our company's reputation, and result in your dismissal from Nexxen International Ltd. (together with its subsidiaries, the "**Company**") or even serious criminal and civil charges against you and the Company.

The Company's securities are traded on the Nasdaq Stock Market LLC ("**Nasdaq**"). This Insider Trading Policy (this "**Policy**") outlines your responsibilities to avoid insider trading and other offences under U.S. federal securities laws and implements certain procedures to help you avoid even the appearance of insider trading. Directors and senior managers of the Company must continue to comply with the Company's share dealing policy with regards to their proposed dealings.

I. Summary

Preventing insider trading is necessary to comply with U.S. federal securities laws and to preserve the reputation and integrity of the Company. "Insider trading" occurs when any person purchases or sells a security while in possession of material nonpublic information relating to the security.

Insider trading is a crime. In the U.S. context, criminal penalties for violating insider trading laws include imprisonment and fines of up to \$5 million for individuals and \$25 million for corporations. Insider trading is also prohibited by this Policy, and violation of this Policy may result in Company-imposed sanctions, including removal or dismissal for cause.

II. Applicability

This Policy applies to the Company, all officers, directors, and employees of the Company, Family Members (as defined below) and Controlled Entities (as defined below). The Company may determine that this Policy applies to additional persons with access to material nonpublic information, such as contractors or consultants. For the purposes of this Policy, "**Family Members**" are relatives and any other person living in the same household, and any other person who does not live in your household but whose transactions are directed by you or are subject to your influence or control. "**Controlled Entities**" includes any entities that any such individuals influence or control, including but not limited to, a trust, partnership or corporation, and transactions by such entities should be treated for the purposes of this Policy and applicable securities laws as if they were for your own account.

References in this Policy to “you” (as well as general references to directors, officers, and employees of the Company) should also be understood to include any Family Members and Controlled Entities. As someone subject to this Policy, you are responsible for ensuring that your Family Members and Controlled Entities comply with this Policy.

This Policy applies to all trading or other transactions in the Company’s securities, whether or not issued by the Company. This Policy extends to all activities within and outside your Company duties. Every officer, director, and employee must review this Policy.

Questions regarding the Policy should be directed to the Company’s Compliance Officer. For purposes of this Policy, the “**Compliance Officer**” shall be the Company’s Chief Legal Officer or, if unavailable or conflicted, the Chief Financial Officer or such other person as the Board of Directors may designate from time to time.

Actions taken by the Company, the Compliance Officer, or any other Company personnel do not constitute legal advice, nor do they insulate you from the consequences of noncompliance with this Policy.

III. **Statement of Policies Prohibiting Insider Trading**

It is the Company’s policy that no officer, director, or employee (or any other person or entity designated as subject to this Policy) may purchase or sell any type of security while in possession of material nonpublic information relating to the security or the issuer of such security, whether the issuer of such security is the Company or any other company.

These prohibitions do not apply to:

- purchases of the Company’s securities from the Company or sales of the Company’s securities to the Company;
- exercises of stock options or other equity awards or the surrender of shares to the Company in payment of the exercise price or in satisfaction of any tax withholding obligations in a manner permitted by the applicable equity award agreement, or vesting of equity-based awards that, in each case, do not involve a market sale of the Company’s securities (the “**cashless exercise**” of a Company stock option through a broker *does* involve a market sale of the Company’s securities, and therefore would not qualify under this exception);
- *bona fide* gifts of the Company’s securities, provided, that such gifts are pre-cleared in advance pursuant to this Policy and the person giving the gift does not know or have reason to believe that the recipient intends to sell the securities while the donor is in possession of material nonpublic information about the Company; or
- purchases or sales of the Company’s securities made pursuant to any binding contract, specific instruction or written plan entered into while the purchaser or seller, as applicable, was unaware of any material nonpublic information and which contract, instruction, or plan (i) meets all requirements of the affirmative defense provided by Rule 10b5-1 (“**Rule 10b5-1**”) promulgated under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), (ii) was pre-cleared in advance pursuant to this Policy, and (iii) has not been amended or modified in any respect after such initial pre-clearance without such amendment or modification being pre-cleared in advance pursuant to this Policy. For more information about Rule 10b5-1 trading plans, see Section VII below.

From time to time, events will occur that are material to the Company and cause certain officers, directors, or employees to be in possession of material nonpublic information. When that happens, the Company will recommend that those in possession of the material nonpublic information suspend all trading in the Company's securities until the information is no longer material or has been publicly disclosed. When such event-specific blackout periods occur, those subject to it will be notified by the Company. The event-specific blackout period will not be announced to those not subject to it, and those subject to it or otherwise aware of it should not disclose it to others.

Even if the Company has not notified you that you are subject to an event-specific blackout period, if you are aware of material nonpublic information about the Company, you should not trade in Company securities. Any failure by the Company to designate you as subject to an event-specific blackout period, or to notify you of such designation, does not relieve you of your obligation not to trade in the Company's securities while possessing material nonpublic information.

No officer, director, or employee shall directly or indirectly communicate (or "*tip*") material nonpublic information to anyone outside the Company (except where permitted by law). In addition, no one who, in the course of rendering services to the Company, learns of material nonpublic information about another company (including the Company's customers, suppliers or partners), may (a) trade in that company's securities; (b) disclose material nonpublic information about such other company to anyone; (c) trade in the securities of an entity other than such other company based upon material nonpublic information about such other company or about our Company; or (d) give anyone trading advice about such other public company, until such information becomes public or is no longer material.

Additionally, in some instances, you may be invested in, or may consider investing in, mutual, exchange-traded or other funds that are also invested in the Company's securities. You should not trade in these funds while in possession of material nonpublic information about the Company if such information would also constitute material nonpublic information about the fund. These decisions will require a facts and circumstances analysis, and the Company reminds you that it is your responsibility to avoid any transaction that could be viewed as improper. If you are uncertain whether a transaction in such a fund could be viewed as trading on material nonpublic information, you must consult the Compliance Officer in advance.

IV. Explanation of Insider Trading

"Insider trading" refers to the purchase or sale of a security while in possession of material nonpublic information relating to the security or the Company.

"Securities" includes stocks, publicly traded or quoted shares, bonds, notes, debentures, options, warrants, and other convertible securities, as well as derivative or financial instruments.

"Purchase" and **"sale"** are defined broadly under the federal securities law. **"Purchase"** includes not only the actual purchase of a security, but any contract to purchase or otherwise acquire a security. **"Sale"** includes not only the actual sale of a security, but any contract to sell or otherwise dispose of a security. These definitions extend to a broad range of transactions, including conventional cash-for-stock transactions, conversions, the exercise of stock options, and acquisitions and exercises of warrants or puts, calls, or other derivative securities.

A. **What Facts Are Material or Amount to Material Information?**

The materiality of a fact depends upon the circumstances. A fact is considered “**material**” if there is a substantial likelihood that a reasonable investor would consider it important in making a decision to buy, sell, or hold a security, or any securities of any other company as to which the person receives information not available to investors generally. Material information can be positive or negative and can relate to virtually any aspect of a company’s business or to any type of security, debt, or equity. Also, information that something is likely to happen in the future—or even just that it may happen—could be deemed material information.

Examples of material information include (but are not limited to) information about corporate earnings and financial and operating results or earnings forecasts; possible mergers, acquisitions, tender offers, or dispositions; changes in dividend policies or the declaration of a share split or reverse share split or share repurchase plan; major new products or product developments; important business developments such as major contract awards or cancellations, developments regarding strategic collaborators, or the status of regulatory submissions; management or control changes; significant borrowing or financing developments, including pending public sales or offerings of debt or equity securities; changes in management; defaults on borrowings; impending bankruptcy, restructuring or financial liquidity problems; cybersecurity or data security incidents or risks; and significant litigation or regulatory actions. Moreover, material information does not have to be related to a company’s business. For example, the contents of a forthcoming newspaper column that is expected to affect the market price of a security can be material information.

Questions regarding material information should be directed to the Compliance Officer. **A good rule of thumb: When in doubt, do not trade.**

B. **What is Nonpublic Information?**

Information is “**nonpublic**” if it is not available to the public. In order for information to be considered public, it must be widely disseminated in a manner making it generally available to investors, through a Regulatory Information Service, newswire services such as Dow Jones, Reuters, Bloomberg, Business Wire, The Wall Street Journal, Associated Press, or United Press International; broadcasts on widely available radio or television programs; publication in a widely available newspaper, magazine, or news website; a Regulation FD-compliant conference call; or public disclosure documents filed with the U.S. Securities and Exchange Commission (the “**SEC**”) that are available on the SEC’s website. Note that speeches, television or radio appearances, magazine articles and website postings may not be sufficient disclosure to make the information public.

In addition, even after a public announcement, a reasonable period of time must lapse in order for the market to react to the information. The SEC has stated that what constitutes a reasonable time depends on the circumstances of the dissemination. Generally, as a rule of thumb, one should allow at least two full trading days following publication as a reasonable waiting period before such information is deemed to be public. For purposes of this Policy, a “**trading day**” is a day on which U.S. national stock exchanges are open for trading.

C. **Who is an Insider?**

“**Insiders**” include officers, directors, and any employees of a company, or anyone else who has material nonpublic or inside information about a company. Insiders have independent fiduciary duties to their company and its shareholders not to trade on material nonpublic information relating to the Company’s securities. Insiders may not trade in the Company’s securities while in possession of material nonpublic information relating to the Company, nor may they tip such information to anyone outside the Company (except in accordance with the Company’s policies regarding the protection or authorized external disclosure of Company information) or to anyone within the Company other than on a “need-to-know” basis.

D. **Trading by Persons Other Than Insiders**

Insiders may be liable for communicating or tipping material nonpublic information to a third party (“**Tippee**”), and insider trading violations are not limited to trading or tipping by insiders. Persons other than insiders can also be liable for insider trading, including Tippees who trade on material nonpublic information tipped to them or individuals who trade on material nonpublic information that has been misappropriated. Insiders may be held liable for tipping even if they receive no personal benefit from tipping and even if no close personal relationship exists between them and the Tippee.

Tippees inherit an insider’s duties and are liable for trading on material nonpublic information illegally tipped to them by an insider. Similarly, just as insiders are liable for the insider trading of their Tippees, so are Tippees who pass the information along to others who trade. In other words, a Tippee’s liability for insider trading is no different from that of an insider. Tippees can obtain material nonpublic information by receiving overt tips from others or through, among other things, conversations at social, business, or other gatherings.

E. **Penalties for Engaging in Insider Trading**

Penalties for trading on or tipping material nonpublic information can extend significantly beyond any profits made or losses avoided, both for individuals engaging in such unlawful conduct and their employers. The SEC and Department of Justice have made the civil and criminal prosecution of insider trading violations a top priority. Enforcement remedies available to the government or private plaintiffs under the federal securities laws include:

- SEC administrative sanctions;
- securities industry self-regulatory organization sanctions;
- civil injunctions;
- damage awards to private plaintiffs;

- disgorgement of all profits;
- civil fines for the violator of up to three times the amount of profit gained or loss avoided;
- civil fines for the employer or other controlling person of a violator (i.e., where the violator is an employee or other controlled person) of up to the greater of \$1 million (subject to adjustment for inflation) or three times the amount of profit gained or loss avoided by the violator;
- criminal fines for individual violators of up to \$5 million (\$25 million for an entity); and
- jail sentences of up to 20 years (30 years in certain circumstances).

In addition, insider trading could result in serious sanctions by the Company, including dismissal. Insider trading violations are not limited to violations of the federal securities laws. Other federal and state civil or criminal laws, such as the laws prohibiting mail and wire fraud and the Racketeer Influenced and Corrupt Organizations Act (RICO), may also be violated in connection with insider trading.

F. Size of Transaction and Reason for Transaction Do Not Matter

The size of the transaction or the amount of profit received does not have to be significant to result in prosecution. The SEC has the ability to monitor even the smallest trades and performs routine market surveillance. Brokers or dealers are required by law to inform the SEC of any possible violations by people who may have material nonpublic information. The SEC aggressively investigates even small insider trading violations.

G. 20/20 Hindsight

If your securities transactions become the subject of scrutiny, they will be viewed after-the-fact with the benefit of hindsight. As a result, before engaging in any transaction you should carefully consider how regulators and others might view your transaction in hindsight.

H. Transactions of U.S. Residents.

The same restrictions apply regardless of whether you are a resident within the United States.

V. Statement of Procedures to Prevent Insider Trading

The following procedures have been established, and will be maintained and enforced, by the Company to prevent insider trading.

A. Blackout Periods

The period during which the Company prepares quarterly financials is a sensitive time for insider trading purposes, as Company personnel may be more likely to possess, or be presumed to possess, material nonpublic information. To avoid the appearance of impropriety and assist Company personnel in planning transactions in the Company's securities for appropriate times, **no officer, director, or employee shall purchase or sell any security of the Company during the period beginning at 11:59 p.m. ET on the 14th calendar day before the end of any fiscal quarter of the Company and ending upon completion of the second full trading day after the public release of earnings data for such fiscal quarter or during any other trading suspension period declared by the Company.** For example, if the Company's fourth fiscal quarter ends on December 31, the corresponding blackout period would begin at 11:59 p.m., ET, on December 17 and end at the close of trading (generally, 4:01 p.m., ET) on the second full trading day after the public release of earnings data for such fiscal quarter.

Exceptions to the blackout period policy may be approved only by the Company's Chief Legal Officer or Chief Financial Officer or, in the case of exceptions for directors, the Board of Directors or Audit Committee.

From time to time, other types of material nonpublic information regarding the Company (such as negotiation of mergers, acquisitions or dispositions, investigation and assessment of cybersecurity incidents or new product developments) may be pending and not be publicly disclosed. While such material nonpublic information is pending, the Company, through the Board of Directors or the Chief

Legal Officer or Chief Financial Officer may recommend that officers, directors, employees, or others suspend trading in the Company's securities because of developments that have not yet been disclosed to the public. Subject to the exceptions noted above, all those affected should not trade in the Company's securities while the suspension is in effect, and should not disclose to others that the Company has suspended trading.

Section 306(a) of the Sarbanes-Oxley Act of 2002 and Regulation BTR prohibit directors and officers from directly or indirectly, purchasing, selling or otherwise acquiring or transferring any equity security of the company when a company pension plan has instituted a blackout period prohibiting plan participants and beneficiaries in the plan from engaging in transactions involving the Company's securities. These prohibitions apply only if the securities acquired or disposed of by the director or executive officer were acquired in connection with his or her service or employment as a director or executive officer. Section 306(a) of the Sarbanes-Oxley Act of 2002 also requires the Company to notify its directors and executive officers, as well as the SEC, of an impending blackout period on a timely basis.

If the Company is required to impose a "pension fund black-out period" under Regulation BTR, each director and executive officer shall not, directly or indirectly sell, purchase or otherwise transfer during such black-out period any equity securities of the Company acquired in connection with his or her service as a director or officer of the Company, except as permitted by Regulation BTR.

B. Pre-Clearance of Trades of Company Securities

To provide assistance in preventing inadvertent violations and avoiding even the appearance of an improper transaction (which could result, for example, where an individual engages in a trade while unaware of a pending major development), all directors and officers, and certain employees of the Company in a position to have access to material non-public information so designated on a preclearance list attached as Schedule 1 (as amended from time to time), which currently includes all employees ("**Pre-Determined Insiders**") and the Family Members and Controlled Entities of such persons, must obtain pre-clearance in writing from our Compliance Officer of all transactions in Company securities (e.g., acquisitions, dispositions, transfers, gifts, etc.). For purposes of this paragraph, any venture capital fund or other entity that engages in the investment of securities in the ordinary course of its business (e.g., an investment fund or partnership) other than for an employee, officer or a director's own account, if such entity has established its own insider trading controls and procedures in compliance with applicable securities laws, shall not constitute a "Controlled Entity." Unless a transaction is pursuant to a Trading Plan (as defined below), you must submit a written request for pre-clearance of a transaction no later than two business days before the proposed date of execution of the transaction unless you obtain a waiver from the Audit Committee of the Board of Directors. The Company shall record the date such request is received and the date each request is approved or rejected. Unless revoked, a grant of permission will normally remain valid until the close of trading five (5) business days following the day on which it was granted. If the transaction does not occur during such five-day period, the pre-clearance must be renewed by the applicant after five business days to be valid. At this time, all individuals have been designated as Pre-Determined Insiders. You will be notified if at a later date the Company determines that this pre-clearance policy is not applicable to you and the Company will maintain a list of all Pre-Determined Insiders.

Pre-clearance does not relieve anyone of their responsibility under SEC rules. All individuals, whether subject to pre-clearance or not, are responsible for adherence to this Policy, including, but not limited to: not tipping or trading on insider information; not trading during trading blackout periods; not trading for two full trading days after earnings announcements or other significant Company announcements; and not trading in securities on a short-term basis. If you are in doubt of whether or not pre-clearance is required, you should inquire with our Compliance Officer or obtain pre-clearance as a cautionary measure.

C. Post-Termination Transactions

This Policy continues to apply to transactions in the Company's securities even after termination of service to the Company. If you are in possession of material nonpublic information when your service terminates, you may not engage in any of the activities prohibited by this Policy until that information has become public or is no longer material, and if your service with the Company is terminated during a blackout period you will continue to be subject to trade restrictions until the end of the applicable blackout period during which his or her services were terminated.

D. Information Relating to the Company

1. Access to Information

Access to material nonpublic information about the Company, including the Company's business, earnings, or prospects, should be limited to officers, directors, and employees of the Company on a "need-to-know" basis. In addition, such information should not be communicated to anyone outside the Company under any circumstances (except in accordance with the Company's policies regarding the protection or authorized external disclosure of Company information) or to anyone within the Company on any other than "need-to-know" basis.

In communicating material nonpublic information to employees of the Company, all officers, directors, and employees must take care to emphasize the need for confidential treatment of such information and adherence to the Company's policies with regard to confidential information.

2. Inquiries From Third Parties

Inquiries from third parties, such as industry analysts or members of the media, about the Company should be directed to the attention of the: Chief Legal Officer at legal@nexxen.com.

VI. **Additional Prohibited Transactions**

The Company has determined that there is a heightened legal risk and/or the appearance of improper or inappropriate conduct if the persons subject to this Policy engage in certain types of transactions. Therefore, officers, directors, and employees shall comply with the following policies with respect to certain transactions in the Company securities:

A. **Short Sales**

Short sales of the Company's securities evidence an expectation on the part of the seller that the securities will decline in value, and therefore signal to the market that the seller has no confidence in the Company or its short-term prospects. In addition, short sales may reduce the seller's incentive to improve the Company's performance. For these reasons, short sales of the Company's securities are prohibited by this Policy.

B. **Publicly Traded Options**

A transaction in options is, in effect, a bet on the short-term movement of the Company's shares and therefore creates the appearance that an officer, director, or employee is trading based on material nonpublic information. Transactions in options may also focus an officer's, director's, or employee's attention on short-term performance at the expense of the Company's long-term objectives. Accordingly, transactions in puts, calls, or other derivative securities involving the Company's equity securities, on an exchange or in any other organized market, are prohibited by this Policy.

C. **Hedging or Monetization Transactions**

Certain forms of hedging or monetization transactions, such as zero-cost collars and forward sale contracts, allow an officer, director, or employee to lock in much of the value of his or her share holdings, often in exchange for all or part of the potential for upside appreciation in the shares. Such transactions allow the officer, director, or employee to continue to own the covered securities, but without the full risks and rewards of ownership. When that occurs, the officer, director, or employee may no longer have the same objectives as the Company's other shareholders. Therefore, the Company strongly discourages you from engaging in such transactions. Any person wishing to enter into such an arrangement must first submit the proposed transaction for approval by the Compliance Officer. Any request for pre-clearance of a hedging or similar arrangement must be submitted to the Compliance Officer at least two weeks prior to the proposed execution of documents evidencing the proposed transaction and must set forth a justification for the proposed transaction.

D. Purchases of the Company’s Securities on Margin; Pledging the Company’s Securities to Secure Margin or Other Loans

Purchasing on margin means borrowing from a brokerage firm, bank, or other entity in order to purchase the Company’s securities (other than in connection with a cashless exercise of stock options under the Company’s equity plans). Margin purchases of the Company’s securities are prohibited by this Policy. Pledging the Company’s securities as collateral to secure loans is also prohibited. This prohibition means, among other things, that you cannot hold the Company’s securities in a “margin account” (which would allow you to borrow against your holdings to buy securities).

E. Director and Executive Officer Cashless Exercises

The Company will not arrange with brokers to administer cashless exercises on behalf of directors and executive officers of the Company. Directors and executive officers of the Company may use the cashless exercise feature of their equity awards only if (i) the director or officer retains a broker independently of the Company, (ii) the Company’s involvement is limited to confirming that it will deliver the shares promptly upon payment of the exercise price, (iii) the director or officer uses a cashless exercise arrangement (to be settled per the required or standard settlement cycle), in which the Company agrees to deliver shares against the payment of the purchase price on the same day the sale of the shares underlying the equity award settles and (iv) the director or officer otherwise complies with this Policy. Under such cashless exercises, a broker, the issuer and the issuer’s transfer agent work together to make all transactions settle simultaneously. This approach is to avoid any inference that the Company has “extended credit” in the form of a personal loan to the director or executive officer.

Questions about cashless exercises should be directed to the Compliance Officer.

F. Standing Orders

A standing order placed with a broker to sell or purchase Company securities at a specified price leaves the security-holder with no control over the timing of the transaction. Standing orders are prohibited during any quarterly blackout period or event-specific blackout period applicable to the individual. A transaction pursuant to a standing order, which does not meet the standards of a Trading Plan (as defined below) approved in compliance with this Policy, executed by the broker when the individual subject to this Policy is aware of material non-public information about the Company, may result in unlawful insider trading. Other than in connection with Trading Plan under this Policy, entry into or fulfillment of a standing order is prohibited whenever an individual subject to this Policy is in possession of material nonpublic information about the Company (including during a closed period or quarterly blackout period for persons subject to the blackout restrictions of this Policy or ad hoc black-out period for those insiders subject to such procedures). All standing orders must be of limited duration, cancelable, and in the case of a person subject to the blackout restrictions of this Policy or a person subject to an ad hoc black-out period, must be immediately canceled upon commencement of quarterly black-out or ad hoc black-out period, as applicable.

VII. Rule 10b5-1 Trading Plans

Trades in the Company's securities that are executed pursuant to an approved Rule 10b5-1 trading plan (a "**Trading Plan**") are not subject to the prohibition on trading on the basis of material non-public information contained in this Policy or to the restrictions set forth above relating to preclearance procedures and blackout periods. Rule 10b5-1 under the Exchange ("**Rule 10b5-1**") provides an affirmative defense from insider trading liability under the federal securities laws for a Trading Plan that meets the requirements of Rule 10b5-1.

As required by Rule 10b5-1, any director or officer adopting a Trading Plan must include a written representation certifying that, at the time of adoption, modification or termination of the Trading Plan, the director or officer (i) is not aware of any material nonpublic information about the Company and (ii) is adopting, modifying or terminating the Trading Plan in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b5-1.

You may not adopt more than one Trading Plan at a time. Trading Plans are to be implemented only during open windows and when the party entering into it is not aware of any material non-public information about the Company and must otherwise comply with applicable SEC rules and regulations. Any Trading Plan must be approved in writing in advance by our Company Secretary, Compliance Officer or such other person as the Board of Directors may designate from time to time and the adoption or termination of such plan will be subject to applicable SEC rules regarding disclosure thereof and may otherwise be publicly announced by the Company.

Any Trading Plan adopted by a director or executive officer shall be subject to a cooling-off period that complies with Rule 10b5-1, which currently requires that trading may not commence until the later of (i) 90 days following adoption of the Trading Plan or (ii) two business days following the filing of the Company's Form 20-F or Form 6-K disclosing the Company's financial results for the fiscal quarter in which the Trading Plan was adopted, subject to a maximum cooling-off period of 120 days.

Unless otherwise determined by the Board, the Company requires all executive officers and directors conduct transactions involving the company's securities exclusively under a Trading Plan.

Revocation or amendment of a Trading Plan is strongly discouraged. An insider may only revoke his or her Trading Plan as may be permitted by the terms of the insider's Trading Plan and current SEC requirements. Revocation is effected upon written notice to the broker, and prior written notice should also be provided to the Chief Legal Officer. If the insider terminates their Trading Plan, any new Trading Plan would be subject to the applicable SEC-mandated "cooling off" period and any other restrictions then in effect by the SEC. Under certain circumstances, a Trading Plan *must* be revoked. This may include circumstances such as the announcement of a merger or the occurrence of an event that would cause the transaction either to violate the law or to have an adverse effect on the Company. The Chief Legal Officer or Compliance Officer or administrator of the Company's share plans is authorized to notify the broker in such circumstances, thereby insulating the insider in the event of revocation. Effectiveness of any revocation or amendment of a Trading Plan will be upon written notice to the broker, subject to the prior review and approval of the Chief Legal Officer or Compliance Officer. Any modification of a Trading Plan that changes the amount, price or timing of the purchase or sale of the Company's securities underlying the Trading Plan will be deemed to be the same as terminating the Trading Plan and entering into a new Trading Plan. As a result, the process for a Trading Plan modification is the same as the process for initially adopting the Trading Plan, including being subject to a new "cooling-off" period. You should note that revocation of a Trading Plan can result in the loss of an affirmative defense for past or future transactions under a Trading Plan. You should consult with your own legal counsel before deciding to revoke a Trading Plan.

Although non-discretionary Trading Plans are preferred, discretionary Trading Plans, where the discretion or control over trading is transferred to a broker, are permitted if pre-approved by the Compliance Officer.

The Company reserves the right to publicly announce, or respond to inquiries from the media regarding, the implementation of Trading Plans or the execution of transactions made under a Trading Plan. The Company also reserves the right, from time to time, to suspend, discontinue, or otherwise prohibit transactions under a Trading Plan if the Compliance Officer or the Board of Directors, in its discretion, determines that such suspension, discontinuation, or other prohibition is in the best interests of the Company. Transactions prohibited under this Policy, including short sales and hedging transactions, may not be carried out through a Trading Plan.

Compliance of a Trading Plan with the terms of Rule 10b5-1 and the execution of transactions pursuant to the Trading Plan are the sole responsibility of the person initiating the Trading Plan, and none of the Company, the Compliance Officer, or the Company's other employees assume any liability for any delay in reviewing and/or refusing a Trading Plan submitted for approval nor the legality or consequences relating to a person entering into or trading under a Trading Plan.

If, during the last fiscal quarter, any director or officer has adopted or terminated a Trading Plan or a pre-arranged trading plan that does not qualify as a Rule 10b5-1 plan (including modifications to any such plans), the Company will provide a description of the material terms of such plans, including the name and title of the director or officer, date of the adoption or termination, duration, and aggregate number of shares to be sold or purchased. The Company is not required to disclose the price at which trades are authorized to be made under the Trading Plan. On a yearly basis, the Company is required to disclose (in its Form 20-F and in any proxy statements) whether it has adopted any insider trading-related policies and procedures governing the purchase, sale or other disposition of their securities by directors, officers, employees or the Company itself and, if not, to explain why that is the case. A copy of such policies and procedures must be filed as an exhibit to its Form 20-F.

All Trading Plans must be entered into, operated, and complied with in good faith throughout their duration. Any action taken to undermine or manipulate the operation of a Trading Plan may invalidate the affirmative defense under Rule 10b5-1.

VIII. **Company Transactions**

Transactions by the Company in the Company's securities, such as repurchases of the Company's shares, must comply with applicable securities laws.

IX. **Execution and Return of Certification of Compliance**

After reading this Policy, all officers, directors, and employees should execute and return to the Company's Compliance Officer the Certification of Compliance form attached hereto as "Attachment A."

Adopted: June 17,
2021

Amended: March
5, 2024

Amended: March
4, 2025

Amended: March
3, 2026

Schedule I

Individuals Subject to Preclearance Requirement

All Employees

All Directors

Certification of Compliance with the Insider Trading Policy FORM

Return by [] [insert return deadline]

To:

From:

Re: Insider Trading Compliance Policy of Nexxen International Ltd.

I have received, reviewed, and understand the above-referenced Insider Trading Policy and undertake, as a condition to my present and continued employment, to comply fully with the policies and procedures contained therein.

I hereby certify, to the best of my knowledge, that up to the date hereof while employed with Nexxen International Ltd. or any of its affiliates, I will comply and have complied fully with all policies and procedures set forth in the above-referenced Insider Trading Policy.

Signature

Date

**PRINCIPAL EXECUTIVE OFFICER'S CERTIFICATION
PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Ofer Druker, certify that:

1. I have reviewed this Annual Report on Form 20-F of Nexxen International Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in registrant's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 4, 2026

By: /s/ Ofer Druker
Ofer Druker
Chief Executive Officer
(Principal Executive Officer)

**PRINCIPAL FINANCIAL OFFICER'S CERTIFICATION
PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Sagi Niri, certify that:

1. I have reviewed this Annual Report on Form 20-F of Nexxen International Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in registrant's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 4, 2026

By: /s/ Sagi Niri
Sagi Niri
Chief Financial Officer
(Principal Financial and Accounting Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The certification set forth below is being submitted in connection with the Annual Report on Form 20-F of Nexxen International Ltd. (the “Company”) for the year ended December 31, 2025 (the “Report”) for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) and Section 1350 of Chapter 63 of Title 18 of the United States Code.

I, Ofer Druker, Chief Executive Officer, certify that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 4, 2026

By: /s/ Ofer Druker
Ofer Druker
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The certification set forth below is being submitted in connection with the Annual Report on Form 20-F of Nexxen International Ltd. (the “Company”) for the year ended December 31, 2025 (the “Report”) for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) and Section 1350 of Chapter 63 of Title 18 of the United States Code.

I, Sagi Niri, Chief Financial Officer, certify that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 4, 2026

By: /s/ Sagi Niri
Sagi Niri
Chief Financial Officer
(Principal Financial and Accounting Officer)

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statements (No. 333-258731, 333-277709 and 333-285552) on Form S-8 of our report dated March 4, 2026, with respect to the consolidated financial statements of Nexxen International Ltd.

/s/ Somekh Chaikin

Somekh Chaikin

Member Firm of KPMG International

Tel Aviv, Israel

March 4, 2026
