



## Azerion publishes Interim Unaudited Q2 and H1 2022 Results

### Resilient business model reflected in revenue and gross margin expansion

The summary provided below relates to the Q2 and H1 2022 results of Azerion Holding B.V., which is the main operational holding subsidiary of Azerion Group N.V.

#### Highlights of Q2 2022

- Net Revenue of EUR 104 million, nearly doubling Q2 2021, driven by acquisitions and organic growth.
- Adjusted EBITDA approaching EUR 12 million, up by 70% compared to Q2 2021, primarily boosted by improved net revenue and gross profit margin.
- Accelerated the integration of acquisitions, pointing to further synergies and productivity upside; increased focus on operational efficiencies and costs to strengthen our resilience.
- Partnership with ITV studios, with Love Island opening a virtual villa in Hotel Hideaway.
- Partnerships with Cyberkongs, Metaverse HQ and Metakey to increase the utility of NFTs within Habbo.
- In July, completed the acquisition of Madvertise's subsidiaries in Germany and France, bolstering in-app digital advertising capabilities.

#### Highlights of H1 2022

- Net Revenue of over EUR 198 million, more than doubling H1 2021, mainly driven by acquisitions and organic growth.
- Adjusted EBITDA approaching EUR 18 million, up by more than 83% compared to H1 2021, primarily boosted by improved net revenue and gross profit margin.

#### Selected Financial KPIs

Azerion Holding B.V. EURm	Q2 2022	2021	H1 2022	2021
Net Revenue	103.9	52.7	198.3	98.3
Gross profit	41.9	20.8	74.8	35.8
Operating expenses	(46.5)	(15.9)	(74.0)	(29.3)
Operating profit / (loss)	(16.1)	1.3	(28.1)	(1.8)
EBITDA	(7.4)	5.6	(11.3)	6.9
Adjusted EBITDA	11.7	6.9	17.6	9.6
Revenue growth %	97.1%		101.7%	
Gross profit margin %	40.3%	39.5%	37.7%	36.4%
Adjusted EBITDA growth %	69.6%		83.3%	
Adjusted EBITDA margin %	11.3%	13.1%	8.9%	9.8%

As of Q2 2022, proforma metrics are reported directly to the agent as per terms and conditions of the senior secured callable fixed rate bonds ISIN: SE0015837794.

**Co-CEO Umut Akpinar said:** "This quarter our delivery remained strong and we are increasing our focus on costs to strengthen our resilience in the evolving macroeconomic environment. At the same time, our priority remains to offer the best service and products to our customers, continuously improving our operational efficiency and excellence. With a focus on value over volume, we are also growing direct sales from our local offices to advertisers and high-grading our publisher inventory. As we accelerate the integration of acquisitions, we expect more value to be unlocked for Azerion. We remain on track to deliver at least EUR 450 million revenue this year."

**Co-CEO Atilla Aytekin said:** "In the second quarter we continued actively working on our acquisition funnel to complement our organic growth with a strong forward visible pipeline, which is demonstrated by the acquisitions we have completed so far this year. We also raised capital and will continue exploring options to fund acquisitions, including raising more equity."

#### Azerion Holding B.V. - Financial overview Q2 2022

##### Revenue

Q2 2022 Net Revenue amounted to EUR 103.9 million, compared to EUR 52.7 million in Q2 2021. This reflects higher revenue from both the Platform and Premium Games segments, driven by acquisitions and organic growth.

##### Earnings

Adjusted EBITDA was EUR 11.7 million in Q2 2022, compared to EUR 6.9 million in Q2 2021, reflecting improved net revenue and gross profit margin.

The operating loss amounted to EUR 16.1 million, which includes a charge of EUR 16.1 million related to De-SPAC expenses, compared to an operating profit of EUR 1.3 million in Q2 2021.

##### Cash flow

Cash flow from operating activities in Q2 2022 was EUR 10.9 million, excluding the impact of employee SARs related cash outflows associated with the De-SPAC transaction, which amounted to EUR 5.9 million. Including those employee SARs related cash outflows, cash

flow from operating activities was EUR 5.0 million. Cash flow from investing activities was an outflow of EUR 41.6 million, mainly due to acquisitions. Cash flow from financing activities totalled EUR 33.3 million.

## Capex

We capitalize development costs related to asset development, a core activity to support innovation in our platform. These costs primarily relate to developers' time devoted to the development of games, platforms and other new features. In Q2 2022 we capitalized EUR 4.2 million, which is equivalent to 17.0% of gross personnel costs.

## Financial position and financing

Our net interest-bearing debt<sup>1</sup> amounted to EUR 183.7 million as at 30 June 2022, mainly comprising our outstanding bond loan with a nominal value of EUR 200 million (part of an in total EUR 300 million framework) and lease liabilities with a balance of EUR 17.5 million less the cash and cash equivalents position of EUR 39.0 million.

## Azerion Holding B.V. - Segment information Q2 2022

### Platform

Our Platform segment includes casual games distribution, advertising and e-commerce, which are fully integrated through our technology. It generates revenue mainly by displaying digital advertisements in both game and non-game content, as well as selling and distributing AAA games through our e-commerce channels. Platform is also integrated with our Premium Games segment, leveraging inter-segment synergies.

### Platform – Selected Financial KPIs

EURm	Q2 2022	2021	H1 2022	2021
Net Revenue	82.0	41.4	154.6	75.6
Gross profit	30.7	14.8	53.1	24.8
Operating expenses	(26.0)	(11.3)	(46.8)	(21.0)
Operating profit / (loss)	(3.1)	1.3	(14.5)	(2.0)
EBITDA	3.0	4.3	(3.5)	4.5
Adjusted EBITDA	7.8	5.2	9.8	6.4
Revenue growth %	98.0%		104.5%	
Gross profit margin %	37.4%	35.7%	34.3%	32.8%
Adjusted EBITDA growth %	50.0%		53.1%	
Adjusted EBITDA margin %	9.5%	12.6%	6.3%	8.5%

Financial data for Q2 and H1 2021 has been revised to reflect reporting segments adopted as of Q3 2021. 2021 comparative information has been updated to include the allocation of head office costs to segments.

**Platform** Net Revenue was EUR 82.0 million in Q2 2022, an increase of 98.0% compared to Q2 2021, mainly due to acquisitions and organic growth.

Adjusted EBITDA was EUR 7.8 million in Q2 2022, increasing by 50.0% compared to Q2 2021. This reflected higher net revenue and stronger gross profit margin, mainly driven by increased direct sales from our local offices to advertisers, which accounted for approximately 47% of total Platform revenue in Q2 2022, compared to some 35% in Q2 2021.

Results also benefited from increased user engagement, with users spending more time playing casual games. In addition, we have grown our casual games distribution portfolio during Q2 2022, adding approximately 790 new titles and 36 new publisher partners.

### Advertising - Selected Operational KPIs

	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
<b>Avg. Digital Ads Sold per Month (bn)</b>	<b>8.3</b>	<b>8.8</b>	<b>9.9</b>	<b>6.1</b>	<b>5.3</b>
Advertising auction platform (bn)	3.8	3.9	4.4	3.6	3.2
Publisher monetisation services (bn)	4.5	4.9	5.5	2.5	2.1
<b>Avg. Gross Revenue per Million Ad Requests from advertising auction platform (EUR)</b>	<b>6.2</b>	<b>6.1</b>	<b>9.8</b>	<b>7.2</b>	<b>6.7</b>

- The **Average number of digital ads sold per month** (paid impressions) increased to 8.3 billion from 5.3 billion in Q2 2021, reflecting higher user engagement from our owned and operated content, as well as increased audiences for non-game content. This was partly offset by a deliberate reduction in certain impressions, driven by the continuous high-grading of our publisher inventory and margin optimisation of digital advertisements.
- The **Average gross revenue per million ad requests** was EUR 6.2 in Q2 2022, compared to EUR 6.7 in Q2 2021, showing relative stability in efficiency and profitability of our advertising auction platform, which is continuously managed for value.

### Premium Games

Our Premium Games segment includes nine game titles of social card games and metaverse, stimulating social interaction among players and building communities. The segment generates revenue mainly by offering users the ability to make in-game purchases for extra features and virtual goods to enhance their gameplay experience.

## Premium Games – Selected Financial KPIs

EURm	Q2		H1	
	2022	2021	2022	2021
Net Revenue	21.9	11.3	43.7	22.7
Gross profit	11.2	6.0	21.7	11.0
Operating expenses	(7.3)	(4.6)	(14.0)	(8.3)
Operating profit / (loss)	0.2	0.0	(0.4)	0.2
EBITDA	2.8	1.3	5.4	2.4
Adjusted EBITDA	3.9	1.7	7.8	3.2
Revenue growth %	93.8%		92.5%	
Gross profit margin %	51.1%	53.1%	49.7%	48.5%
Adjusted EBITDA growth %	129.4%		143.8%	
Adjusted EBITDA margin %	17.8%	15.0%	17.8%	14.1%

Financial data for Q2 and H1 2021 has been revised to reflect reporting segments adopted as of Q3 2021. 2021 comparative information has been updated to include the allocation of head office costs to segments.

**Premium Games** Net Revenue was EUR 21.9 million in Q2 2022, an increase of 93.8% compared to Q2 2021, primarily due to the acquisition of Whow Games and organic growth.

Adjusted EBITDA was EUR 3.9 million in Q2 2022, increasing by 129.4% compared to Q2 2021, mainly reflecting higher contributions from Governor of Poker 3, which was primarily driven by new features and events that enhanced the user gameplay experience. This was partly offset by lower average daily users.

## Premium Games – Selected Operational KPIs

	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
<b>Avg. Time in Game per Day (min)</b>	80	81	80	79	79
<b>Avg. DAUs (thousands)</b>	567	607	599	616	693
<b>Avg. ARPDAU (EUR)</b>	0.40	0.38	0.42	0.37	0.34

Note: Whow Games included for the full historical period for comparability purposes

- ▮ The **Average time in game per day** from our Premium Games players was at a similar level as in Q2 2021.
- ▮ The **Average daily active users (DAUs)** decreased by almost 18% compared to Q2 2021, reflecting the reset in the number of users post Covid-19 elevated levels, partly offset by new users in France, following a user acquisition campaign.
- ▮ The **Average revenue per daily active user (ARPDAU)** increased by over 17% compared to Q2 2021, primarily driven by new features and events that enhanced the user gameplay experience.

## Other

Reporting segment Other only contains EUR 13.2 million De-SPAC related expenses not allocated to the Platform or Premium Games segments. Those costs impact the reported operating profit/loss, but are removed from Adjusted EBITDA.

## Azerion Holding B.V. – Other information

Interest Bearing Debt (EURm)	30 June 2022	31 December 2021
Total non-current indebtedness	229.8	213.3
Total current indebtedness	10.6	11.5
<b>Total financial indebtedness</b>	<b>240.4</b>	<b>224.8</b>
Deduct Zero interest bearing loans	(0.4)	(0.7)
<b>Interest Bearing Debt</b>	<b>240.0</b>	<b>224.1</b>
Less: Cash and cash equivalents	(39.0)	(35.3)
<b>Net Interest Bearing Debt</b>	<b>201.0</b>	<b>188.8</b>
<i>Of which permitted Net Interest Bearing Debt under the bond terms</i>	<i>183.7</i>	<i>188.8</i>

## Interest Bearing Debt

References to the bond terms in the table above refer to the senior secured callable fixed rate bond ISIN: SE0015837794

Financial indebtedness increased by EUR 15.6 million from 31 December 2021, mainly due to the reclassification of subordinated convertible loans from other equity instruments to borrowings. These subordinated convertible loans include an equity redemption option of outstanding loan balances, in addition to a cash redemption option. Under the modified terms, the discretion to redeem the loans in equity or cash lies with Azerion Holdings B.V. Following the De-SPAC transaction, the loans are redeemable by issuing shares in the capital of Azerion Group N.V. Since these loans are no longer redeemable by issuing shares in the capital of Azerion Holding B.V., they have been reclassified from other equity instruments.

## Reconciliation of net income to Adjusted EBITDA

In millions of  
EUR

2022

2021

	Azerion Holding Premium				Azerion Holding Premium		
	B.V.	Games	Platform	Other	B.V.	Games	Platform
<b>Profit / (loss) for the period</b>	<b>(22.1)</b>	<b>(0.8)</b>	<b>(10.3)</b>		<b>(12.5)</b>	-	-
Income Tax expense	0.6	(0.1)	(0.1)		(0.1)	-	-
<b>Profit / (loss) before tax</b>	<b>(21.5)</b>	<b>(0.9)</b>	<b>(10.4)</b>		<b>(12.6)</b>	-	-
Net finance costs	5.4	1.1	7.6		13.9	-	-
<b>Operating profit / (loss)</b>	<b>(16.1)</b>	<b>0.2</b>	<b>(3.1)</b>	<b>(13.2)</b>	<b>1.3</b>	<b>0.0</b>	<b>1.3</b>
Depreciation & Amortization	8.7	2.6	6.1	-	4.3	1.3	3.0
<b>EBITDA</b>	<b>(7.4)</b>	<b>2.8</b>	<b>3.0</b>	<b>(13.2)</b>	<b>5.6</b>	<b>1.3</b>	<b>4.3</b>

Capital market expenses	-	-	-	-	1.0	-	-
De-SPAC related expenses	16.1	1.0	1.9	13.2	-	-	-
Other	(0.9)	0.1	(1.0)	-	0.1	0.4	0.9
Acquisition expenses	2.6	-	2.6	-	0.2	-	-
Restructuring	1.3	-	1.3	-	-	-	-
<b>Adjusted EBITDA</b>	<b>11.7</b>	<b>3.9</b>	<b>7.8</b>	<b>-</b>	<b>6.9</b>	<b>1.7</b>	<b>5.2</b>

<b>Breakdown of operating expenses</b>		<b>Q2</b>	
<i>In millions of EUR</i>		<b>2022</b>	<b>2021</b>
Personnel costs		20.4	10.3
Other expenses		26.1	5.6
<b>Operating expenses</b>		<b>46.5</b>	<b>15.9</b>
Of which:			
Platform		26.0	11.3
Premium Games		7.3	4.6
Other		13.2	-

<b>Breakdown of operating expenses</b>		<b>H1</b>	
<i>In millions of EUR</i>		<b>2022</b>	<b>2021</b>
Personnel costs		39.1	19.2
Other expenses		34.9	10.1
<b>Operating expenses</b>		<b>74.0</b>	<b>29.3</b>
Of which:			
Platform		46.8	21.0
Premium Games		14.0	8.3
Other		13.2	-

#### Reconciliation Azerion Group N.V. to Azerion Holding B.V.

Set out below is a reconciliation of the statement of financial position and the statement of profit or loss and other comprehensive income of Azerion Group N.V. and Azerion Holding B.V.

#### Reconciliation of the statement of financial position

	<b>30 June 2022</b>		
	<b>NV</b>	<b>BV</b>	<b>Variance</b>
Non-current assets	335.4	335.4	0.0
Current assets	149.9	138.6	11.3

<b>Total assets</b>	<b>485.4474.0</b>	<b>11.3</b>
Total equity	26.2 8.0	18.2
Non-current liabilities	251.8269.0	(17.3)
Current liabilities	207.3197.0	10.3
Total liabilities	459.1466.0	(6.9)
<b>Total equity and liabilities</b>	<b>485.4474.0</b>	<b>11.3</b>

Notes:

- ┆ The variance of current assets is mainly explained by EUR 9.8 million more cash and cash equivalents in Azerion Group N.V.
- ┆ The variance of total equity and related Current and Non-current liabilities are mainly explained by:
  - ┆ EUR 17.3 million shareholders loan in Azerion Group N.V. reported as other equity movement and in BV as Non-current liabilities borrowing as it can be settled with Azerion Group N.V. shares
  - ┆ EUR 5.9 million share appreciation rights in NV reported as current liabilities in BV as those may be settled with NV shares
  - ┆ The capital contributions from NV to BV reported in BV and the de-SPAC related transaction results reported in NV are offsetting each other

#### Reconciliation of the statement of profit or loss and other comprehensive income

	<b>H1 2022</b>		
	<b>NV</b>	<b>BV</b>	<b>Variance</b>
Revenue	198.3	198.3	0.0
Gross profit	74.8	74.8	0.0
Operating profit / (loss)	(137.9)	(28.1)	(109.8)
Net Finance costs	6.3	(10.9)	17.2
Income Tax expense	(1.3)	(1.3)	0.0
<b>Profit / (loss) for the period</b>	<b>(132.9)</b>	<b>(40.3)</b>	<b>(92.6)</b>
EBITDA	5.4	5.4	0.0
Adjusted EBITDA	7.8	7.8	0.0

Notes:

- ┆ The variance of operating profit / (loss) is mainly explained by EUR 107.1 million listing expense reported in Azerion Group N.V. due to the de-SPAC transaction
- ┆ The variance of Net Finance costs is mainly explained by EUR 17.2 million fair value gain reported related due a decrease in value of the warrants in Azerion Group N.V.

#### Azerion Group N.V. – Condensed consolidated unaudited financial results for the six months period ended 30 June 2022

##### Introduction

The principal activities of Azerion Group N.V. (the 'Company') and its group companies (jointly, the 'Group') are described in the Annual Report 2021 of Azerion Holding B.V. The interim financial results for the six months period ended 30 June 2022 consists of the condensed consolidated financial statements, the management report and responsibility statement by the Company's Management Board. The information in this interim financial report has not been audited or reviewed by the Company's external auditor.

##### Responsibility statement

Pursuant to section 5:25d, paragraph 2(c), of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*), the Management Board of the Company hereby declares that to the best of its knowledge:

- i. the condensed consolidated financial statements for the six-month period ended 30 June 2022 give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the entities included in the consolidation taken as a whole; and
- ii. the interim report of the Management Board for the period ended 30 June 2022 gives a fair review of the information required pursuant to article 5:25d, paragraph 8 and 9 of the Dutch Financial Supervision Act regarding the Company and the entities included in the consolidation.

Schiphol-Rijk, 31 August 2022

Management Board

Mr. U. Akpınar  
Mr. A. Aytekin

#### Management Board report half year 2022

##### Highlights of half year 2022

- Listed on Euronext Amsterdam in February 2022 through a De-SPAC transaction.
- Net Revenue of over EUR 198 million, more than doubling H1 2021, mainly driven by acquisitions and organic growth.
- Adjusted EBITDA approaching EUR 18 million, up by more than 83% compared to H1 2021, primarily boosted by improved net revenue

and gross profit margin.

- The De-SPAC transaction included a net cash inflow of EUR 60 million and a non-cash listing expense of EUR 107 million.

#### Azerion Group N.V. - Selected Financial KPIs

Azerion Group N.V.		
EURm	2022	2021
Net Revenue	198.3	98.3
Gross profit	74.8	35.8
Operating expenses	(75.3)	(29.3)
Operating profit / (loss)	(138.0)	(1.8)
EBITDA	(121.2)	6.9
Adjusted EBITDA	17.6	9.6
Revenue growth %	101.7%	
Gross profit margin %	37.7%	36.4%
Adjusted EBITDA growth %	83.3%	
Adjusted EBITDA margin %	8.9%	9.8%

#### Financial overview half year 2022

##### Revenue

Revenue for the half year amounted to EUR 198.3 million, an increase of EUR 100 million, or 101.7%, compared to H1 2021. This reflects higher revenue from both the Platform and Premium Games segments driven by acquisitions and organic growth.

##### Earnings

Azerion delivered EUR 17.6 million Adjusted EBITDA for H1 2022, compared to EUR 9.6 million in H1 2021, an increase of EUR 8.0 million.

The operating loss amounted to EUR 138.0 million compared to an operating loss of EUR 1.8 million in H1 2021. The increase in operating loss mainly related to the non-cash De-SPAC listing expense of EUR 107.1 million and EUR 27.7 million of other De-SPAC related expenses.

##### Cash flow

Our cash flow from operating activities in H1 2022 was an inflow of EUR 9.9 million (H1 2021: outflow of EUR 2.1 million), which included an outflow of EUR 7.1 million related to the early exercised employee share appreciation rights related to the De-SPAC transaction. Cash flow from investing activities was an outflow of EUR 49.8 million, which included an outflow of EUR 39.2 million related to acquisitions (H1 2021: outflow of EUR 35.9 million, which included an outflow of EUR 30.4 million related to acquisitions). Cash flow from financing activities was an inflow of EUR 53.7 million, which included a EUR 60.0 million net inflow related to the De-SPAC transaction (H1 2021: inflow of EUR 105.3 million, which included net proceeds from borrowings of EUR 119.5 million and an outflow of EUR 11.9 million related to an increase of loans to shareholders).

##### Capex

We capitalize development costs related to asset development, a core activity to support innovation in our platform. These costs primarily relate to developers' time devoted to the development of games, platforms and other new features. In H1 2022 we capitalized EUR 8.1 million, equivalent to 17.2% of gross personnel costs (H1 2021: we capitalized EUR 5.0 million, equivalent to 20.8% of gross personnel costs).

##### Acquisitions

In April 2022 we completed the acquisition of digital marketing company Infinia, bolstering our media platform capabilities, sales force and volumes in Spain and Latin America.

#### Financial position and financing

Our net interest-bearing debt amounted to EUR 173.9 million as at 30 June 2022, mainly comprising our outstanding bond loan with a nominal value of EUR 200 million (part of an in total EUR 300 million framework) and lease liabilities with a balance of EUR 17.5 million less the cash and cash equivalents position of EUR 48.8 million.

#### Segment information

##### Platform

Our Platform segment includes casual games distribution, advertising and e-commerce, which are fully integrated through our technology. It generates revenue mainly by displaying digital advertisements in both game and non-game content, as well as selling and distributing AAA games through our e-commerce channels. Platform is also integrated with our Premium Games segment, leveraging inter-segment synergies.

#### Platform – Selected Financial KPIs

H1		
EURm	2022	2021
Net Revenue	154.6	75.6
Gross profit	53.1	24.8
Operating expenses	(46.8)	(21.0)
Operating profit / (loss)	(14.5)	(2.0)
EBITDA	(3.5)	4.5
Adjusted EBITDA	9.8	6.4

Revenue growth %	104.5%	
Gross profit margin %	34.3%	32.8%
Adjusted EBITDA growth %	53.1%	
Adjusted EBITDA margin %	6.3%	8.5%

Financial data for H1 2021 has been revised to reflect reporting segments adopted as of Q3 2021  
2021 comparative information has been updated to include the allocation of head office costs to segments.

**Platform** Net Revenue was EUR 154.6 million in in the first half of 2022, compared to EUR 75.6 million in the first half of 2021, primarily driven by acquisitions and organic growth.

Adjusted EBITDA was EUR 9.8 million in the first half of 2022, compared to EUR 6.4 million in the same period a year before, mainly reflecting higher net revenue and stronger gross profit margin, driven by increased direct sales from our local offices to advertisers.

#### Premium Games

Our Premium Games segment includes nine premium game titles of social card games and metaverse, stimulating social interaction among players and building communities. The segment generates revenue mainly by offering users the ability to make in-game purchases for extra features and virtual goods to enhance their gameplay experience.

#### Premium Games – Selected Financial KPIs

H1		
EURm	2022	2021
Net Revenue	43.7	22.7
Gross profit	21.7	11.0
Operating expenses	(14.0)	(8.3)
Operating profit / (loss)	(0.4)	0.2
EBITDA	5.4	2.4
Adjusted EBITDA	7.8	3.2
Revenue growth %	92.5%	
Gross profit margin %	49.7%	48.5%
Adjusted EBITDA growth %	143.8%	
Adjusted EBITDA margin %	17.8%	14.1%

Financial data for H1 2021 has been revised to reflect reporting segments adopted as of Q3 2021  
2021 comparative information has been updated to include the allocation of head office costs to segments.

**Premium Games** Net Revenue was EUR 43.7 million in the first half of 2022, compared to EUR 22.7 million in the first half of 2021, mainly due to the acquisition of Whow Games and organic growth.

Adjusted EBITDA was EUR 7.8 million in in the first half of 2022, compared to EUR 3.2 million in the same period a year before, mainly reflecting higher net revenue.

#### Condensed consolidated statement of profit or loss and other comprehensive income

In millions of EUR		Half year	
		2022	2021
<b>Revenue</b>		<b>198.3</b>	<b>98.3</b>
	Costs of services & materials	(123.5)	(62.5)
<b>Gross profit</b>		<b>74.8</b>	<b>35.8</b>
	Personnel costs	(40.0)	(19.2)
	Depreciation	(3.2)	(2.2)
	Amortization	(13.6)	(6.6)
	Other gains and losses	(120.7)	0.5
	Other expenses	(35.3)	(10.1)
<b>Operating profit / (loss)</b>		<b>(138.0)</b>	<b>(1.8)</b>
	Finance income	18.0	1.2
	Finance costs	(11.7)	(17.1)
<b>Net Finance costs</b>		<b>6.3</b>	<b>(15.9)</b>
	Share in profit/(loss) of joint venture	-	-
<b>Profit / (loss) before tax</b>		<b>(131.7)</b>	<b>(17.7)</b>
	Income Tax expense	(1.3)	0.1
<b>Profit / (loss) for the period</b>		<b>(133.0)</b>	<b>(17.6)</b>
<b>Attributable to:</b>			
	Owners of the company	(132.8)	(17.8)

	Non-controlling interest	(0.2)	0.2
<b>Profit / (loss) for the period</b>		<b>(133.0)</b>	<b>(17.6)</b>
Exchange difference on translation of foreign operations		(1.1)	0.1
Remeasurement of net defined benefit liability		0.0	0.0
<b>Total comprehensive income for the period</b>		<b>(134.1)</b>	<b>(13.5)</b>
<b>Total comprehensive (loss) / income attributable to:</b>			
Owners of the company		(133.5)	(18.1)
Non-controlling interest		(0.6)	0.6
<b>Loss per share for losses attributable to the ordinary equity holders of the company:</b>			
Basic profit/(loss) per share (in cents)		(119)	-
Diluted profit/(loss) per share (in cents)		(119)	-

#### Condensed consolidated statement of financial position

<i>In millions of EUR</i>	<b>30 June 2022</b>	<b>31 December 2021</b>
<b>Assets</b>		
<b>Non-current assets</b>	<b>335.5</b>	<b>323.8</b>
Goodwill	130.8	123.0
Intangible assets	147.0	141.9
Property, plant and equipment	17.9	18.5
Non-current financial assets	36.5	36.1
Deferred tax asset	3.2	4.2
Investment in joint ventures	0.1	0.1
<b>Current assets</b>	<b>149.9</b>	<b>140.0</b>
Trade and other receivables	87.3	91.3
Contract assets	12.8	12.1
Current tax assets	1.0	1.3
Cash and cash equivalents	48.8	35.3
<b>Total assets</b>	<b>485.4</b>	<b>463.8</b>
<b>Equity</b>		
Shareholders' equity	<b>24.6</b>	<b>(8.6)</b>
Non-controlling interest	1.6	1.7
<b>Total equity</b>	<b>26.2</b>	<b>(6.9)</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>	<b>251.8</b>	<b>260.2</b>
Borrowings	200.0	199.0
Lease liabilities	12.7	14.3
Provisions	0.7	0.4
Employee benefits	1.0	1.0
Deferred tax liability	29.5	29.9
Other non-current liability	7.9	15.6
<b>Current liabilities</b>	<b>207.4</b>	<b>210.5</b>
Borrowings	5.8	6.8
Lease liabilities	4.8	4.7
Provisions	1.3	1.0
Trade and other payables	143.9	141.1
Other current liabilities	46.9	53.5
Contract liabilities	0.8	0.4
Current tax liabilities	3.9	3.0
<b>Total liabilities</b>	<b>459.2</b>	<b>470.7</b>
<b>Total equity and liabilities</b>	<b>485.4</b>	<b>463.8</b>

#### Condensed consolidated statement of cash flows

<i>In millions of EUR</i>	<b>2022</b>	<b>Half year 2021<sup>1</sup></b>
<b>Cash flows from operating activities</b>		
Operating profit / (loss)	(138.0)	(1.8)



<i>Adjustments for non-cash operating profit / (loss):</i>		
Depreciation and amortisation	16.8	8.8
Movement in provisions and employee benefits	1.5	1.9
Share-based payments expense	12.5	0.4
De-SPAC related expenses	14.5	-
De-SPAC listing expense	107.1	-
Other items	2.0	(0.1)
<i>Changes in working capital items:</i>		
Decrease (increase) in net receivables	8.5	1.0
Increase (decrease) in accounts payables and other payables	2.7	(9.1)
Utilization of provisions	(0.7)	-
Income tax paid	(0.5)	-
Interest paid	(9.4)	(3.2)
<b>Net cash provided by (used for) operating activities excluding employee SARs related cash outflows</b>	<b>17.0</b>	<b>(2.1)</b>
Employee SARs related cash outflows	(7.1)	-
<b>Net cash provided by (used for) operating activities including employee SARs related cash outflows</b>	<b>9.9</b>	<b>(2.1)</b>
<b>Cash flows from investing activities</b>		
Net capital expenditures	(10.6)	(5.5)
Net cash outflow on acquisition of subsidiaries	(39.2)	(30.4)
<b>Net cash provided by (used for) investing activities</b>	<b>(49.8)</b>	<b>(35.9)</b>
<b>Cash flows from financing activities</b>		
Other financing activities	(6.3)	(2.3)
Proceeds from external borrowings	-	227.5
Repayment of external borrowings	-	(100.3)
Increase in loans to related parties	-	(11.9)
Early settlement of Senior Secured Callable Floating Rate Bonds	-	(7.7)
De-SPAC related expenses	(33.2)	-
Proceeds from De-SPAC transaction	404.1	-
Settlement of De-SPAC transaction	(310.9)	-
<b>Net cash provided by (used for) financing activities</b>	<b>53.7</b>	<b>105.3</b>
Effect of changes in exchange rates on cash and cash equivalents	(0.3)	0.2
<b>Effect of exchange rate changes &amp; accounting principles</b>	<b>(0.3)</b>	<b>0.2</b>
<b>Cash flow variation</b>	<b>13.5</b>	<b>67.5</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>35.3</b>	<b>10.4</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>48.8</b>	<b>77.9</b>

<sup>1</sup>Reclassifications have been made to the cash flow statement that was previously published by Azerion Holding B.V. in H1 2021 in order to achieve a fairer presentation of the nature of the cash in and cash out flows of such period. Reference is made to the note "Reclassifications" in the notes of these condensed consolidated financial statements for further information.

#### Condensed consolidated statement of changes in equity

Half year 2022	Share capital	Share premium	Legal reserves	Share Based Payment Reserve	Currency translation reserve	Other equity instruments	Retained earnings	Attributable to parent	Non-controlling interest	Total equity
<i>In millions of EUR</i>										
<b>Balance as of 31 December 2021</b>	<b>0.0</b>	<b>0.5</b>	<b>19.6</b>	<b>1.8</b>	<b>0.6</b>	<b>34.0</b>	<b>(65.2)</b>	<b>(8.6)</b>	<b>1.7</b>	<b>(6.9)</b>
Profit/(Loss) for the period	-	-	-	-	-	-	(132.8)	(132.8)	(0.2)	(133.0)
Other comprehensive income	-	-	-	-	(1.2)	-	-	(1.2)	0.1	(1.1)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1.2)</b>	<b>-</b>	<b>(132.8)</b>	<b>(134.0)</b>	<b>(0.1)</b>	<b>(134.1)</b>
Borrowings converted to equity	-	-	-	-	-	0.4	-	0.4	-	0.4
Settlement of share-based payments	-	13.0	-	(1.8)	-	-	-	11.2	-	11.2

Settlement of Investor share appreciation rights	-	1.9	-	-	-	(1.9)	-	-	-	-
Settlement of Acquisition related share appreciation rights	-	17.1	-	-	-	(9.5)	-	7.6	-	7.6
Withholding wage taxes related to share-based payments	-	-	-	-	-	-	(7.2)	(7.2)	-	(7.2)
Reverse acquisition EFIC1 BV	0.1	28.6	-	3.7	-	-	107.1	139.5	-	139.5
Issuance of Azerion Founder Warrants	-	-	-	-	-	-	(9.9)	(9.9)	-	(9.9)
Private placement to sponsors and co-investors	-	23.1	-	-	-	-	-	23.1	-	23.1
Capital restructuring	1.0	(1.0)	-	-	-	-	-	-	-	-
Shares issued in new acquisitions	-	1.0	-	-	-	-	-	1.0	-	1.0
Issuance of Call options	-	-	-	1.5	-	-	-	1.5	-	1.5
Exercise of Call options	-	1.4	-	(1.4)	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	(0.1)	(0.1)	-	(0.1)
<b>Total transactions with owners</b>	<b>1.1</b>	<b>85.2</b>	<b>-</b>	<b>2.0</b>	<b>-</b>	<b>(11.0)</b>	<b>89.9</b>	<b>167.2</b>	<b>-</b>	<b>167.2</b>
Allocation/withdrawal legal reserves	-	-	4.0	-	-	-	(4.0)	-	-	-
<b>Balance as of 30 June 2022</b>	<b>1.1</b>	<b>85.7</b>	<b>23.6</b>	<b>3.9</b>	<b>(0.6)</b>	<b>23.0</b>	<b>(112.1)</b>	<b>24.6</b>	<b>1.6</b>	<b>26.2</b>

## Half year 2021

<i>In millions of EUR</i>	Share capital	Share premium	Legal reserves	Share Based Payment Reserve	Currency translation reserve	Other equity instruments	Retained earnings	Attributable to parent	Non-controlling interest	Total equity
<b>Balance as of 31 December 2020</b>	<b>0.0</b>	<b>0.5</b>	<b>13.8</b>	<b>0.7</b>	<b>0.3</b>	<b>31.0</b>	<b>(42.2)</b>	<b>4.1</b>	<b>2.1</b>	<b>6.2</b>
Profit/(Loss) for the period	-	-	-	-	-	-	(17.8)	(17.8)	0.2	(17.6)
Other comprehensive income	-	-	-	-	(0.3)	-	-	(0.3)	0.4	0.1
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0.3)</b>	<b>-</b>	<b>(17.8)</b>	<b>(18.1)</b>	<b>0.6</b>	<b>(17.5)</b>
Borrowings converted to equity	-	-	-	-	-	1.4	-	1.4	-	1.4
Fair value adjustment on shareholder loans	-	-	-	-	-	-	(1.4)	(1.4)	-	(1.4)
Share-based payments	-	-	-	0.4	-	-	-	0.4	-	0.4
Issuance of Acquisition related share appreciation rights	-	-	-	-	-	1.0	-	1.0	-	1.0
Other movements	-	-	-	-	-	-	(0.5)	(0.5)	-	(0.5)
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.4</b>	<b>-</b>	<b>2.4</b>	<b>(1.9)</b>	<b>0.9</b>	<b>-</b>	<b>0.9</b>
Allocation/withdrawal legal reserves	-	-	2.1	-	-	-	(2.1)	-	-	-
<b>Balance as of 30 June 2021</b>	<b>0.0</b>	<b>0.5</b>	<b>15.9</b>	<b>1.1</b>	<b>-</b>	<b>33.4</b>	<b>(64.0)</b>	<b>(13.1)</b>	<b>2.7</b>	<b>(10.4)</b>

## Notes to the unaudited condensed consolidated interim financial statements

### General information

Azerion Group N.V. (the 'Company') is a listed public company incorporated under Dutch law on 25 January 2021 and registered at 30 Boeing Avenue, 1119 PE, Schiphol-Rijk, the Netherlands. The Company's number in the Trade Register at the Chamber of Commerce is 81697244. The Company is a holding company with its main operations situated in the Netherlands.

The company was originally known as European FinTech IPO Company 1 B.V. ('EFIC1'), a Special Purpose Acquisition Company ('SPAC'). The Company was formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganisation, or similar business combination with or acquisition of a target business or entity.

The extraordinary general meeting of shareholders of EFIC1 ('EGM') was convened for and took place on 31 January 2022. During the EGM, the shareholders of EFIC1 approved (amongst other things) the proposed business combination transaction ('Transaction') with Azerion Holding B.V.

This Transaction was completed on 1 February 2022 and EFIC1 B.V. changed in legal form into a limited company (*naamloze vennootschap*) on 2 February 2022 and renamed from EFIC1 to Azerion Group N.V.

The first day of trading on Euronext Amsterdam, post completion of the Transaction, of the Ordinary Shares and warrants in the Company under the new name of Azerion Group N.V. and the new ticker symbols AZRN and AZRNW respectively, was 2 February 2022.

Where in this report reference is made to EFIC1, reference is being made to the Company before the Transaction. Where in this report reference is made to Azerion Group N.V., reference is being made to the Company after the business combination.

The comparative figures in the condensed consolidated interim financial statements being compared to the 6 months period ended 30 June 2022 are those of Azerion Holding B.V.

These condensed consolidated interim financial statements comprise the Company and its subsidiaries and entities it exercises control over (the 'Group' or 'Azerion').

## **Preparation basis**

These condensed consolidated interim financial statements were prepared in accordance with IAS 34 Interim Financial Reporting of the International Financial Reporting Standards (IFRS) as adopted by the European Union. They do not include all of the information required for a complete set of annual financial statements and should be read in conjunction with the consolidated financial statements of Azerion Holding B.V. for the year ended 31 December 2021.

The De-SPAC transaction has been accounted for as a capital reorganisation, whereby Azerion Group N.V. is treated as the acquired company and Azerion Holding B.V. as the accounting acquirer. Operations prior to the Transaction are those of Azerion Holding B.V. and the historical financial statements of Azerion Holding B.V. became the historical financial statements of the combined entity, upon the consummation of the Transaction. Accordingly, the condensed consolidated statement of other comprehensive income, the condensed balance sheet and the condensed statement of cash flows for the half year ended 30 June 2022 includes the results of Azerion Group N.V. starting from the date of completion of the Transaction.

## **Functional and presentation currency**

These condensed consolidated interim financial statements are presented in euros (EUR), which is the Company's functional currency and rounded to the nearest hundred thousand unless stated otherwise.

## **Reclassifications and restatements**

In the condensed consolidated statement of cash flows, reclassifications have been made to the cash flow statement that was previously published by Azerion Holding B.V. in H1 2021 in order to achieve a fairer presentation of the nature of the cash in and cash out flows of such period. The reclassifications mainly comprised a reclassification of EUR 12.0 million relating to the cash acquired from acquisitions from cash flow from operating activities to cash flow from investing activities (to net against the consideration paid for acquisitions), EUR 28.2 million reclassification from cash flow from financing activities to operating activities relating to deferred and contingent considerations resulting from acquisitions, a reclassification of EUR 11.5 million relating to advances on loans to related parties from cash flow from investing activities to cash flow from financing activities. In addition, there was a reclassification of approximately EUR 7.7 million associated with costs of early settlement of bonds from cash flow from operating activities to cash flow from financing activities.

In the condensed consolidated interim financial statements for Q3 2022 and Q4 2022, the Company intends to restate the comparative condensed consolidated statement of profit or loss and other comprehensive income for Q3 2021, respectively, Q4 2021 in order to align such comparative information with the audited 2021 annual report and annual financial statements of the Company.

In the condensed statement of profit or loss and other comprehensive income the non-controlling interest not attributable to the parent has been adjusted to reflect the appropriate values for Q2 and H1 2021.

## **Use of estimates and judgements**

The preparation of these condensed consolidated interim financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions, which affect the reported amounts in these condensed consolidated interim financial statements. The estimates, judgments and assumptions made in applying Azerion's accounting policies and the key sources of estimation uncertainty were the same as those described in Azerion Holding B.V.'s consolidated annual financial statements for the year ended 31 December 2021 apart from the below.

## **Special Shares and Conditional Special Shares**

In March 2021 EFIC1 issued Special Shares to its Sponsors. The Special Shares are convertible into Ordinary Shares in a business combination transaction. Management has exercised judgement in determining whether these instruments should be treated as financial instruments or as share-based payments (IFRS 2) and concluded that the instruments are in the scope of IFRS 2 as equity-settled instruments.

The (originally issued) Special Shares were fully vested on 31 January 2022, based on the considerations made in 2021, given the expectation at that moment that the transaction would take place. In the transaction the Special Shares were partly cancelled, partly converted in Ordinary Shares and partly converted into Conditional Special Shares. Management considered that the Conditional Special Shares are to be treated as a modification of the previous instruments and therefore as share based payments under IFRS 2. Based on fair value calculations before and after the modification, no amounts were recognised as additional expenses.

## **Davey Call Option**

In March 2021 EFIC1 issued Call Options to Mr. B. Davey. These Call Options are in scope of IFRS 2 and their granting is considered a share-based payment for the services provided as a member of EFIC1's leadership team. As the Davey Call Option entitled only rights to Special Shares, which would automatically and mandatorily convert into Ordinary Shares upon a business combination, and as at such moment the Ordinary Shares would no longer have any rights under the Share Repurchase Agreement and qualify as equity, as such the share-based payment is equity-settled. In 2021 the Davey Call Option was economically considered as 1,012,560 individual options with an exercise price of EUR 0.01 to a Special Share as underlying. Although the Davey Call Option has an American feature, a Black-Scholes-Merton option pricing model was used to calculate the value at grant date.

In the Transaction, 270,590 Davey Call Options were cancelled and the remaining 739,790 were split into 628,974 unconditional Call Options (convertible into Ordinary Shares) and 110,996 Call Options which will solely become exercisable if the share price of Ordinary Shares equals or exceeds EUR 12.00 per share for any 20 trading days within any 30 trading-day period within a period of five years after the business combination. The (originally issued) Davey Call Options fully vested on 31 January 2022, based on the considerations made in 2021. Management considered that the reduction of the Davey Call Options should be treated as a modification of the previous IFRS 2 instruments. Based on fair value calculations before and after the modification, no amounts were recognised as additional expenses.

## **HTP Call Option**

As a result of the Transaction, and on exactly the same terms as the Davey Call Option, the HTP Sponsor received 145,634 unconditional call options and 25,700 conditional call options which will solely become exercisable if the share price of Ordinary Shares equals or exceeds EUR 12.00 per share for any 20 trading days within any 30 trading-day period within a period of five years after the business combination. Management considered that these call options are to be treated as newly issued, fully vested equity-settled instruments under IFRS 2 – Share-based Payment. Based on fair value calculations at grant date, the full value was recognised as a share-based payment expense.

## **Capital Shares and Sponsor Call Option**

The Sponsors, excluding Mr. B. Davey, each have an irrevocable right to call for 499 additional Capital Shares, 998 shares in total, at an

exercise price of EUR 10,000 per share (the 'Sponsor Call Option'). The Sponsor Call Option can be exercised from the date of the agreement, 25 March 2021, up to and including their tenth anniversary.

The Capital Shares and the Sponsor Call Option to acquire additional Capital Shares are classified as liability instruments as a result of their terms and conditions. The initial measurement is at amortised cost, which approximates fair value at the issuance date, being EUR 10,000 for one Capital Share and close to zero for the Sponsor Call Option. Subsequently, their measurement remains at amortised cost.

## **Public Warrants**

The Public Warrants do not qualify as equity as the 'fixed-for-fixed' test in IAS 32.16(b)(ii) is not met as the conversion ratio is not fixed and various cashless settlement options exist. As a result, they classify as financial liability instruments. The Public Warrants are valued using the listed price of the Public Warrants (a Level 1 valuation methodology).

## **Founder Warrants**

The Founder Warrants are derivatives and, because of their specific redemption features, the 'fixed-for-fixed' test in IAS 32.16(b)(ii) is not met. As a result, they classify as financial liability instruments. The holders of the Founder Warrants waived their right to retain the warrants in case of a call by the issuer (now Azerion Group N.V.) against a redemption price of €0.01 per Founder Warrant in the event that the last trading price of the Ordinary Shares equals or exceeds €18.00 per Ordinary Share for any 20 trading days within a 30 consecutive trading day period. Management considered that after the closing of the Transaction, the terms and conditions of the Founder Warrants are closely comparable to the Public Warrants and concluded therefore that they should be valued using the listed price of the Public Warrants without any amendment (a Level 2 valuation methodology).

## **Azerion Founder Warrants**

On completion of the Transaction, Azerion Group N.V. issued 17,992,773 Azerion Founder Warrants to the founders of Azerion Holding B.V.

These instruments are in scope of IAS 32 as they are derivatives and, because of their specific redemption features, the 'fixed-for-fixed' test in IAS 32.16(b)(ii) is not met. As a result, they classify as financial liability instruments. Management considered that, after the closing of the Transaction, the terms and conditions of the Azerion Founder Warrants are closely comparable to the Public Warrants and concluded therefore that they should be valued using the listed price of the Public Warrants without any amendment (a Level 2 valuation methodology).

## **Significant accounting policies**

The accounting policies applied in the preparation of the condensed consolidated interim financial statements are consistent with those applied in the preparation of Azerion Holding B.V. annual consolidated financial statements for the year ended 31 December 2021 apart from the accounting policies listed below. A number of new standards are effective from 1 January 2022, but they do not have a material effect on the Company's condensed consolidated interim financial statements. The Company has not early-adopted any standard, interpretation or amendment that has been issued but is not yet effective and endorsed.

## **Accounting policy relating to Warrants**

### *Classification*

The Warrants consist of the Public Warrants, the Founder Warrants and the Azerion Founder Warrants. The Warrants are derivatives and because of their specific redemption features, the 'fixed-for-fixed' test in IAS 32.16(b)(ii) is not met. As a result, they classify as financial liability instruments.

### *Subsequent measurement*

Subsequent changes in the fair value of the Warrants are recognised directly in the consolidated statement of profit and loss.

## **Accounting policies relating to financial liabilities**

### *Derecognition*

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in the consolidated statement of profit and loss. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

## **Accounting policy relating to restructuring provisions**

The provision for restructuring mainly relates to the estimated costs of initiated restructurings, the most significant provisions are approved by the Management Board. When such restructurings require discontinuance and/or re-organization of activities, the anticipated costs are included in restructuring provisions. A liability is recognized for those costs only when the Company has a detailed formal plan for the restructuring and has raised a valid expectation with those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it. Before a provision is established, the Company recognizes any impairment loss on the assets associated with the restructuring.

## **Risk management**

The consolidated annual financial statements 2021 of Azerion Holding B.V. describes certain risk categories and risks (including risk appetite) which could have a material adverse effect on Azerion's financial position and results. Those categories and risks remain valid and should be read in conjunction with these half year financial results.

For the Financial Instruments assumed in the Transaction two risk types are relevant, Liquidity Risk and Market Risk.

## **Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's objective when managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company assesses the liquidity risk related to the warrants as limited, based on the following considerations. On exercising their warrants, the holders of the Public Warrants have to pay the exercise price to the Company. The holders of the Founder Warrants have a

cashless exercise option, and the Azerion Founder Warrants can be exercised cashlessly. The Company has sufficient shares in Treasury to meet its obligations to issue shares on exercise.

## Market Risk

Market risk is the risk that changes in market prices – e.g., 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 optimising the return.

The Company is mainly subject to changes in the market price of the Public Warrants and (Azerion) Founder Warrants as movements in the fair value of these instruments are directly recognised in profit and loss. As these instruments are directly related to the listed ordinary shares of the Company, movements in the value of the ordinary shares will have an impact on the value of these instruments.

## Seasonality

Azerion is subject to the seasonal nature of gaming and advertising spending. Historically, Azerion's results of operations and cash flows have been subject to reasonably predictable seasonality. There is no assurance that these patterns will continue to be visible in future which may impact the predictability of Azerion's operating results and financial position.

Gaming activity is usually highest during the summer and end-of-year holiday periods and advertising activity is generally highest during the winter holiday season (to reflect consumer spending). We expect these patterns to continue over the long-term but should also benefit from an increasingly scaled and diverse customer and partner base and business model over time.

## Segment information

Information reported to the Group's Chief Executive Officers (Chief Operating Decision Makers) for the purposes of resource allocation and assessment of segment performance is focused on the business activities which generate certain classes of revenue and incur certain classes of expenses. The principal business activities generate revenue through Premium Games and Platform.

Management has presented the performance measure Adjusted EBITDA because the Group's Chief Executives monitors this performance measure at a consolidated level as it is relevant for the purpose of resource allocation and assessment of segment performance.

Refer to the 'Definition' section where the meaning of Adjusted EBITDA is explained. Adjusted EBITDA is not a defined performance measure in IFRS Standards. The Group's definition of Adjusted EBITDA may not be comparable with similarly titled performance measures and disclosures by other entities.

## Reconciliation of profit/(loss) for the period to adjusted EBITDA

In millions of EUR	Half year						
	2022				2021		
	Azerion Group N.V.	Premium Games	Platform	Other	Azerion Group N.V.	Premium Games	Platform
<b>Profit / (loss) for the period</b>	<b>(133.0)</b>				<b>(17.6)</b>		
Income Tax expense	1.3				(0.1)		
<b>Profit / (loss) before tax</b>	<b>(131.7)</b>				<b>(17.7)</b>		
Net finance costs	(6.3)				15.9		
<b>Operating profit / (loss)</b>	<b>(138.0)</b>	<b>(0.4)</b>	<b>(14.5)</b>	<b>(123.1)</b>	<b>(1.8)</b>	<b>0.2</b>	<b>(2.0)</b>
Depreciation & Amortization	16.8	5.8	11.0	-	8.7	2.2	6.5
<b>EBITDA</b>	<b>(121.2)</b>	<b>5.4</b>	<b>(3.5)</b>	<b>(123.1)</b>	<b>6.9</b>	<b>2.4</b>	<b>4.5</b>
Capital market transactions	-	-	-	-	1.6	-	0.0
De-SPAC related expenses	134.9	2.4	9.4	123.1	-	-	-
Other	-	-	-	-	0.8	0.8	1.9
Acquisition expenses	2.6	-	2.6	-	0.3	-	-
Restructuring	1.3	-	1.3	-	-	-	-
<b>Adjusted EBITDA</b>	<b>17.6</b>	<b>7.8</b>	<b>9.8</b>	<b>-</b>	<b>9.6</b>	<b>3.2</b>	<b>6.4</b>

## Segment revenues

In the following tables, revenue is disaggregated by segment and primary geographical market.

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<i>In millions of EUR</i>	<b>30 June 2022</b>	<b>30 June 2021</b>
Platform	154.6	75.6
Premium Games	43.7	22.7
<b>Total revenue from contracts with customers</b>	<b>198.3</b>	<b>98.3</b>

<i>In millions of EUR</i>	<b>30 June 2022</b>	<b>30 June 2021</b>
The Netherlands	116.1	69.8
Other European countries	77.4	27.5
Non-European countries	4.8	1.0
<b>Total revenue from contracts with customers</b>	<b>198.3</b>	<b>98.3</b>

#### Segment assets

<b>Operating segments - Assets</b>	<b>30 June 2022</b>	<b>31 December 2021</b>
<i>In millions of EUR</i>		
Platform	330.4	312.0
Premium Games	102.7	111.3
<b>Total segment assets</b>	<b>433.1</b>	<b>423.3</b>
Unallocated assets	52.3	40.5
<b>Consolidated total assets</b>	<b>485.4</b>	<b>463.8</b>

For the purposes of monitoring segment performance and allocating resources between segments the Group's Chief Executives monitor the tangible, intangible and financial assets attributable to each segment. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments. The unallocated assets relate to current tax assets and non-current financial assets.

Information about Azerion's segment current assets by geographical location are detailed below:

<i>In millions of EUR</i>	<b>30 June 2022</b>	<b>31 December 2021</b>
The Netherlands	64.5	52.2
Other European countries	76.6	83.3
Non-European countries	8.8	4.5
<b>Total current assets</b>	<b>149.9</b>	<b>140.0</b>

Information about Azerion's segment non-current assets by geographical location are detailed below:

<i>In millions of EUR</i>	<b>30 June 2022</b>	<b>31 December 2021</b>
The Netherlands	104.1	104.3
Other European countries	227.2	215.1
Non-European countries	4.2	4.4
<b>Total non-current assets</b>	<b>335.5</b>	<b>323.8</b>

#### De-SPAC transaction

##### Accounting treatment

The Transaction between Azerion Group N.V. and Azerion Holding B.V. resulted in a structure in which the former shareholders of Azerion Holding B.V., although they sold a part of their ownership, retained a majority share ownership of Azerion Group N.V.

The structure of the Transaction has therefore characteristics of a 'reverse acquisition' under IFRS 3, where Azerion Holding B.V. is the accounting acquirer and Azerion Group N.V. the acquired entity for accounting purposes. However, because of the fact that Azerion Group N.V. was not a business according to IFRS 3, the principles of IFRS 3 are not directly applicable. The transaction therefore qualifies as a 'share based payment' transaction under IFRS 2.

Nevertheless, given the characteristics of the Transaction, the presentation in the (semi-annual) financial statements is, by analogy, based on the IFRS 3 principles for reverse acquisitions. That implies that the condensed consolidated financial statements are issued under the name of Azerion Group N.V. (the legal parent) but are in substance the continuation of Azerion Holding B.V. with one adjustment, which is to present the legal capital of Azerion Group N.V. As a result of the application of IFRS 3 by analogy to the transaction, and the application of the reverse acquisition guidance, Azerion Holding B.V.'s operating history and financial performance forms the basis for the comparative financial information for the combined company. The comparative financial year included herein are operations of Azerion Holding B.V. prior to the transaction.

##### Listing expense calculation

The difference in the fair value of equity instruments held by Azerion Group N.V.'s shareholders over the fair value of identifiable net assets of Azerion Group N.V. represents a service of listing of Azerion Holding B.V.'s shares and is accounted for as a share-based payment analogous to IFRS 2. In accordance, a one-time, non-cash impact of EUR 107.1 million has been recognized in 'Other gains and losses' against retained earnings.

The table below presents the specification of the Listing Expense:

<i>In millions of EUR</i>	<b>Total fair value</b>
Listed shares of EFIC1 B.V.	66.6
Special Shares	65.2
Davey Call Option	7.7

<b>Total Consideration</b>	<b>139.5</b>
<b>EFIC1 B.V. identifiable net assets</b>	<b>32.4</b>
<b>Value of IFRS 2 listing service</b>	<b>107.1</b>

The calculation of the consideration is as follows:

- ┆ 6,981,516 EFIC1 B.V. shares, after redemption, at the closing price on 1 February 2022, of EUR 9.54;
- ┆ 8,539,894 Special Shares, before changes in the transaction, at a closing price on 1 February 2022 of EUR 7.63;
- ┆ 1,012,560 Davey Call Options, before changes in the transaction, at a closing value on 1 February 2022 of EUR 7.63.

The specification of the EFIC1 B.V. Identifiable Net Assets in the Transaction is as follows:

<i>In millions of EUR</i>	
<b>Assets</b>	
<i>Trade and other receivables</i>	<i>0.3</i>
<i>Cash and cash equivalents</i>	<i>404.5</i>
<b>Total assets</b>	<b>404.8</b>
<b>Liabilities</b>	
<i>Trade and other payables</i>	<i>336.9</i>
<i>Other current liabilities</i>	<i>35.5</i>
<b>Total value of the liabilities</b>	<b>372.4</b>
<b>Identifiable Net assets</b>	<b>32.4</b>

Notes:

- ┆ *Trade and other payables* includes: an amount of EUR 310.9 million which is the redemption to the shareholders who decided not to continue as shareholders in the new combination (which amount was paid on 3 February 2022); the sponsor and co-investor commitment for an amount of EUR 23.15 million which is reclassified to equity after the completion.
- ┆ *Other current liabilities* includes the fair value of the Founder and Public Warrants, of in total EUR 23.5 million and the value of the Capital Shares of EUR 0.22 million.

#### Cash flows

The Transaction resulted in EUR 93.2 million of net cash proceeds after redemption to shareholders including EUR 70.0 million of funds from the EFIC1 escrow account (net of negative interest and after effectuation of the share repurchase arrangement) supplemented by an additional sponsor and co- investor commitment of EUR 23.15 million. These proceeds are offset by EUR 33.2 million De-SPAC related expenses paid.

#### Shares and Shareholder information.

Immediately after completion of the business combination the issued share capital of Azerion Group N.V. was as follows:

<b>Type of security</b>	<b>Number <sup>1</sup></b>
<i>Total Ordinary Shares</i>	<i>181,561,748</i>
<i>Of which shares in treasury <sup>2</sup></i>	<i>70,078,452</i>
<b>Ordinary Shares</b>	<b>111,483,296</b>
<b>Capital Shares</b>	<b>22</b>
<b>Conditional Special Shares</b>	<b>1,152,886</b>
<b>(Public) Warrants <sup>3</sup></b>	<b>12,736,605</b>

Notes:

1. Excluding any conditional and unconditional option rights and Founder Warrants existing at the date of the business combination, which in aggregate entitle the holders to receive up to a maximum of 24,160,245 Ordinary Shares.
2. The Ordinary Shares in treasury can be used for acquisitions, exercise of warrants and option rights and other general funding purposes.
3. The outstanding Warrants listed on Euronext Amsterdam at the date of the business combination entitle the holders to receive up to 12,736,605 Ordinary Shares.

The ownership percentages, immediately after the completion of the business combination, were as presented in the table below. These percentages may differ from the capital interest and voting rights percentages as found in the register of substantial interests of the AFM, due to the specific regulatory requirements applicable to AFM notifications.

<b>Shareholder</b>	<b>Ownership in shares</b>	<b>% in ordinary</b>
		<b>Share capital <sup>4</sup></b>
<i>Former investors in Azerion Holding B.V. <sup>5,6</sup></i>	82,787,492	74.3
<i>Azerion Holding B.V., former depositary receipt holders</i>	8,382,903	7.5
<i>Azerion former stock appreciation rights holders <sup>7</sup></i>	4,483,367	4
<i>Former EFIC1 converted Special Shares holders</i>	6,533,019	5.9

<i>Other shareholders</i>	9,296,516	8.3
<b>Total ordinary shares</b>	<b>111,483,296</b>	<b>100</b>

Notes:

4. Excluding treasury shares as well as any conditional and unconditional option rights and Founder Warrants existing at 2 February 2022, which in aggregate entitle the holders to receive up to a maximum of 24,160,245 Ordinary Shares.
5. An entity controlled by Azerion's co-founders and co-CEOs.
6. Including shares held for settlement of future acquisition-related earn out and other obligations.
7. Excluding shares held for settlement of future acquisition-related earn out and other obligations.

#### *Supportive transaction information*

As a result of the business combination the following other changes to the capital structure of Azerion Group N.V. were effectuated:

- ▮ The residual balance of the Escrow account of EUR 70.3 million became unrestricted and was transferred from the Escrow Foundation for the free use of Azerion Group N.V.
- ▮ Cancellation of 853,989 Special Shares and reclassification of 1,152,886 Special Shares into Conditional Special Shares. (Conditional Special Shares are convertible into Ordinary Shares subject to additional conditions to be met within five years as of the Completion Date.) Conversion of the remaining 6,533,019 Special Shares into Ordinary Shares of Azerion Group N.V.
- ▮ Waiving of dividend and voting rights relating to Conditional Special Shares.
- ▮ Amendment of the Davey Call Option into an unconditional call option on a maximum of 628,974 Ordinary Shares and a call option on 110,996 Ordinary Shares which will solely become exercisable if the share price of Ordinary Shares equals or exceeds EUR 12.00 per share for any 20 trading days within any 30 trading-day period within a period of five years after the business combination.
- ▮ Grant to HTP Sponsor of 145,634 unconditional call options and 25,700 conditional call options on same terms as the Davey Call Option.
- ▮ Grant of 17,922,773 Azerion Founder Warrants to both founders of Azerion Holding B.V., subject to the same terms and conditions as the other Founder Warrants.
- ▮ The holders of the Founder Warrants waived their right to retain the warrants in case of a call by the issuer (now Azerion Group N.V.). As a result, the terms and conditions of the Founder Warrants are now broadly equivalent to the Public Warrants.
- ▮ Payment of deferred underwriting fees and other costs in relation to the business combination for a total amount of approximately EUR 36.0 million.
- ▮ As part of the capital reorganisation Azerion Holding B.V.'s share capital was exchanged for shares in Azerion Group N.V. of EUR 956,538, being the 95.7 million shares, at a par value of EUR 0.01. This capital reorganisation was shown as an increase within share capital by EUR 955,362 from the old share capital (par value of EUR 0.01) before Closing of EUR 1,176.

#### **Acquisitions**

##### **Infinia Mobile SL**

On 4 April 2022 Azerion Holding B.V. ('Azerion') acquired 100% of the share capital of Infinia Mobile SL ('Infinia'). Infinia is a digital marketing company founded in 2015 in Spain and has offices in USA, Mexico, Peru, Colombia, Brazil and Chile. Infinia develops data management platforms which enables advertising companies to extract data based on users' habits. Through the acquisition, Azerion gains a stronger foothold in the Spanish market and expands reach in the LATAM markets.

The fair value purchase consideration for 100% shares in the capital of Infinia is EUR 16.1 million, which comprises of a cash payment at closing of EUR 6 million, deferred consideration of EUR 4.2 million, contingent consideration of EUR 4.3 million, equity payments of EUR 1 million and transaction bonuses of EUR 0.6 million.

The deferred consideration is to be paid within 12 months (EUR 2.2 million) and 24 months (EUR 2 million) respectively after the acquisition date. The fair value of the deferred consideration of EUR 4.2 million was estimated by calculating the present value of the future expected cash flows. The estimate is based on a discount rate of 1.6% and 1.9% per annum respectively. Based on the share purchase agreement, Azerion issued 112.358 Azerion Group N.V. shares from treasury at the share price of EUR 8.90 representing a total value of EUR 1.0 million.

Transaction bonuses are not subject to any contingencies and will be paid bi-annually over a period of 2 years. The fair value of the transaction bonuses of EUR 0.6 million was estimated by calculating the present value of the future expected cashflows. The estimate is based on an average discount rate of 1.6% per annum depending on the timeframe related to the transaction bonus.

The fair value of acquired assets and liabilities of Infinia has been determined. This resulted in a EUR 8.4 million net fair value of the acquired assets and liabilities and EUR 7.7 million recognized goodwill. The fair value of financial assets includes receivables with a fair value of EUR 4.9 million and a gross contractual value of EUR 5.6 million. The best estimate at the acquisition date of the contractual cash flows not to be collected is EUR 0.7 million.

Below is a summary of the fair value of the net assets acquired, including consideration paid and goodwill:

<i>In millions of EUR</i>	<b>Infinia</b>
Property, plant and equipment (excl. IFRS16)	0.1
Intangible assets	9.3
Non-current financial assets	0.0
Deferred tax assets	0.2
Trade and other receivables	5.2
Accrued income	0.6
Taxes and social security premiums (incl. pensions)	0.1
Cash and cash equivalents	2.4
External borrowings	(1.0)
External borrowings - short term	(1.3)
Deferred tax liabilities	(1.8)
Trade and other payables	(4.7)
Loans from related parties	-
Deferred income	(0.1)
Taxes and social security premiums (incl. pensions)	(0.1)



Accruals and other liabilities	(0.5)
<b>Total identifiable net assets and liabilities at fair value</b>	<b>8.4</b>
Consideration paid at closing	6.0
Cash and cash equivalents and bank overdrafts at acquired subsidiary	(2.4)
<b>Outflow of cash and cash equivalents net of cash acquired</b>	<b>3.6</b>
Consideration paid at closing	6.0
Deferred cash payment	4.2
Contingent consideration	4.3
Equity payment at fair value	1.0
Transaction bonus	0.6
<b>Total consideration transferred or to be transferred</b>	<b>16.1</b>
Minus: Total identifiable net assets and liabilities at fair value	(8.4)
<b>Goodwill</b>	<b>7.7</b>

## Cashflows from investing activities

The table below discloses the 'Acquisition of subsidiaries, net of cash' line in the statement of cashflows:

<i>In millions of EUR</i>	<b>30 June 2022</b>	<b>30 June 2021</b>
Payments, net of cash acquired	3.6	30.4
Deferred considerations paid	7.4	-
Contingent consideration paid	28.2	-
<b>Acquisition of subsidiaries, net of cash</b>	<b>39.2</b>	<b>30.4</b>

## Goodwill

Goodwill increased by EUR 7.8 million compared to 31 December 2021 mainly due to the acquisition of Infinia. Refer to the 'Acquisition of subsidiaries' section above for more information on the Infinia acquisition. Further, there is a currency translation impact of EUR 0.3 million which is set-off against an EUR 0.4 million increase which relates to additional consideration paid in relation to the Inskin acquisition.

We have reviewed the impact on Azerion's business of global macro-economic developments such as high inflation, rising interest rates and the conflict in Eastern Europe and have concluded that there has been no material deterioration in any of the key assumptions made during the last annual impairment review based on current strategy and financial projections and that there are no indicators of any impairment during the six months ended 30 June 2022. Consistent with previous financial years, a full annual impairment review will be undertaken at year-end.

## Intangible assets

Intangible assets consist of games, software, websites, client lists and trademarks. The balance increased by EUR 5.1 million compared to 31 December 2021 which is mainly due to the acquisition of Infinia (refer to the 'Acquisitions of subsidiaries' section) and additions to capitalized internal development costs totalling EUR 9.3 million and EUR 9.6 million respectively. Amortization amounting to EUR 13.6 million was recorded in the period January - June 2022. Amortization of the respective intangible assets categories were as follow: games, software and websites amounted to EUR 10.1 million, client lists amounted to EUR 2.6 million while trademarks amounted to EUR 0.9 million.

During the first half of 2022, the Group accelerated its process to integrate into the Azerion Group entities that were acquired during 2021. As part of the integration process, management determined that the Inskin and Sublime trademarks will be phased out by the end of 2022 due to the integration of these businesses into Azerion. This resulted in a re-assessment of the useful life of the Inskin and Sublime trademarks. These trademarks, which management previously intended to use for 10 years, are now expected to be used for 12 to 18 months from the acquisition date. As a result, the expected useful life of the trademarks decreased. Consequently, additional amortization of EUR 0.3 million was recorded in the 2022 interim statement of other comprehensive income. The effect of these changes on actual and expected amortization expense, included in 'amortization', is as follows:

<i>In millions of EUR</i>	<b>2022 H1</b>	<b>2022 H2</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>Later</b>
(Decrease) increase in amortization expense	0.3	1.5	(0.2)	(0.2)	(0.2)	(0.2)	(1.0)

## Property, plant & equipment

Property, plant and equipment consists of right of use assets, equipment and leasehold improvements. The balance decreased by EUR 0.6 million compared to 31 December 2022, mainly due to depreciation and disposals amounting to EUR 3.5 million, which is offset by additions to right of use assets (new office lease contracts in France and Germany) and additions to equipment amounting to EUR 1.5 million and EUR 1.2 million respectively

## Equity

### Share capital

As part of the recapitalisation, Azerion Group N.V. issued shares in exchange for the shares in Azerion Holding B.V. This capital reorganisation is shown as an increase within share capital with EUR 1.1 million from the old share capital by reducing share premium.

The total number of Ordinary Shares including and excluding Treasury Shares as at 1 February 2022 and 30 June 2022 were as follows:

	<b>Total number of Ordinary Shares</b>	<b>Number of Ordinary Shares in Treasury</b>	<b>Number of Ordinary Shares excluding Treasury</b>
As at 1 February 2022	181.561.748	70.078.452	111.483.296
Exercise of call option by HTP sponsor		(145.634)	145.634
Issued in the transaction to acquire Infinia		(112.358)	112.358
As at 30 June 2022	181.561.748	69.820.460	111.741.288

At the time of the IPO, EFIC1 issued 146,040,000 Ordinary Shares and 48,680,000 warrants for a total amount of EUR 1.5 million to two of the Sponsors, who subsequently sold these back to EFIC1 for the same amount. As at 1 February 2022, Ordinary Shares held in treasury amounted to 70,078,452.

#### **Share premium**

The obligations relating to all share appreciation rights were assumed by Azerion Group N.V. by way of a capital contribution as part of the De-SPAC transaction on 1 February 2022 which resulted in an EUR 32.1 million increase in share premium.

The Sponsors and Co-investors contributed an amount of EUR 23.2 million to the equity of the Company, of which EUR 23.1 million is in Share Premium.

#### **Legal reserves**

As at 30 June 2022, the legal reserve amounted to EUR 23.6 million (2021: EUR 15.9 million). The legal reserve comprises the amounts relating to capitalized development costs for the Group's developed technology and is not freely distributable to shareholders.

#### **Share based payment reserve**

As at 1 February 2022 Azerion Holding B.V.'s Employee Share Appreciation Rights program amounted to EUR 13.0 million (2021: EUR 1.1 million). As part of the De-SPAC transaction Azerion Group N.V. assumed all the obligations related to the Employee Share Appreciation Rights program of Azerion Holding B.V. and settled them by issuance of shares in the capital of Azerion Group N.V.

Furthermore, as part of the De-SPAC transaction on 1 February 2022, the HTP sponsor was granted 145,634 unconditional call options fair valued at EUR 9.538 each and 25,700 conditional call options valued at EUR 6.424 each. This led to the recognition of a share-based payment expense of EUR 1.6 million. On 21 March 2022 the HTP Sponsor exercised the 145,634 unconditional call options at an exercise price of EUR 0.01 per ordinary share which resulted in an EUR 1.4 million reclassification from Share-Based Payments Reserve to Share Premium.

#### **Currency translation reserve**

As at 30 June 2022 the currency translation reserve amounted to negative EUR 0.6 million (2021: EUR 0.0 million). The translation reserve comprises foreign currency differences arising from the translation of the assets and liabilities of foreign operations of Azerion Group N.V. (excluding amounts attributable to non-controlling interests).

#### **Other equity instruments**

As at 30 June 2022 other equity instruments amounted to EUR 23 million (2021: EUR 33.4 million).

##### *Subordinated convertible loans*

As at 30 June 2022 EUR 17.2 million (2021: EUR 16.4 million) loans from related parties were subordinated. These loans include an equity redemption option of outstanding loan balances, in addition to a cash redemption option. Under the modified terms, the discretion to redeem the loans in equity or cash lies with Azerion Holdings B.V. The loans are redeemable by issuing 2,376,919 shares in the issued share capital of Azerion Group N.V. (31 December 2021: 3,038 shares in the issued share capital of Azerion Holding B.V.)

##### *Investor and acquisition share appreciation rights*

As at 1 February 2022, as a result of the De-SPAC transaction investor and acquisition share appreciation rights were fully exercised.

EUR 1.9 million (2021: EUR 1.9 million) relates to share appreciation rights issued to investors. As at 1 February 2022, EUR 9.5 million (2021: EUR 9.3 million) relates to acquisition related share appreciation rights issued as part of the acquisitions that occurred during 2021 and 2020 and EUR 7.6 million in other liabilities related to the same transactions.

The share appreciation rights granted as part of acquisitions vest over periods ranging from 18 months to 5 years from grant date. Unvested rights automatically vest upon defined events such as a change in control or the listing of the group's shares on an exchange. Vested rights are exercisable by the holders after approval of Company management. Share appreciation rights issued to investors were vested at grant date and become exercisable in certain defined events. All investor rights were settled through issuing shares.

##### *Share options*

EUR 5.8 million (2021: EUR 5.8 million) relates to the issuance of share options as part of the acquisition of the remaining 49% in one of the Group's subsidiaries. Based on the share purchase agreement Azerion should settle the transaction by 31 December 2022. Azerion has the option to settle either in cash or by issuing shares.

#### **Movements in retained earnings**

As at 30 June 2022 the retained earnings amounted to EUR 112.1 million negative (2021: EUR 64.0 million negative).

EUR 132.8 million negative relates to the total comprehensive income for the half year.

EUR 4.0 million negative relates to the reclassification from retained earnings to the legal reserve.

Based on the terms and conditions of the Employee SAR program the Company paid wage taxes amounting to EUR 7.2 million on behalf of the employees upon settlement of the program. This amount is therefore deducted from equity as a net settlement of the share-based payment in accordance with IFRS2.33E-33H.

The opening balance amounts in equity, given the various components in the transaction, contains the issue of new shares, the value of the listing expense, the share-based payment reserve which is included in the retained earnings and (as a balance) the impact on share premium. The retained earnings include the listing expense (EUR 107.1 million) and the issue of the Azerion Founder Warrants (EUR 9.9 million) that are recognised as a liability. The Azerion Founder Warrants are recognized directly in retained earnings in line with the requirements of IAS 1 as it relates to a transaction with shareholders/owners.

## Provisions

### Commercial litigation

As of 31 December 2021, a provision of EUR 0.4 million was recorded relating to a dispute on the termination of a lease agreement for office spaces leased from a third party. During Q2 2022, the courts reached a verdict on the matter which resulted in a payment of EUR 0.4 million, although an appeal has been filed.

### Restructuring

As part of the process to accelerate the integration of acquired companies into Azerion Group and further realise synergies, we initiated a restructuring plan designed to streamline our business, reduce our cost structure and focus our resources on key strategic opportunities. This programme is expected in aggregate to reduce our global workforce by approximately 3%, for which aggregate charges of EUR 1.3 million have been recognised in H1, consisting primarily of employee contract termination costs. The restructuring plan was drawn up and execution commenced in H1 2022 when the provision was recognised in the financial statements. EUR 1.1 million of the provision remained as at end H1 and is expected to be utilized over the next 12 months.

### Other liabilities

Other liabilities mainly relate to warrants (Public, Founder and Azerion Founder) as well as deferred and contingent consideration liabilities relating to acquisitions in 2021 and 2022.

### Public Warrants

The Public Warrants are classified as financial liabilities and are measured at their fair value, and changes therein are recognised in profit or loss.

The Public Warrants do not qualify as equity as the 'fixed-for-fixed' test in IAS 32.16(b)(ii) is not met as the conversion ratio is not fixed and various cashless settlement options exist. The subsequent measurement of the Public Warrants is at fair value with changes reflected directly in the consolidated statement of profit and loss.

The movement in the value of the Public Warrants in the period 1 February 2022 up to 30 June 2022 is specified as follows:

	#	Price	Total value	Impact on result
Fair Value as at 1 February 2022	12.736.605	0,55	7.005.133	
Fair value on 30 June 2022	12.736.605	0,45	5.731.472	
Fair value gain				(1.273.661)

### Founder Warrants

The movement in the value of the Founder Warrants in the period 1 February 2022 to 30 June 2022 is specified as follows:

	#	Price	Total value	Impact on result
Fair value as at 1 February 2022	5.256.167	3,14	16.504.364	
Fair value gain due to the change in terms	5.256.167	0,55	2.890.892	(13.613.473)
Exercise of warrants in March 2022	5.256.167	0,45	2.365.275	
Fair value on 30 June 2022				(525.617)
Total fair value gain first half of 2022				(14.139.090)

The value as at 1 February 2022 is based on a model valuation (level 3). The impact of the change in terms is recognized after the De-SPAC transaction.

### Azerion Founder Warrants

On completion of the Transaction, Azerion Group N.V. issued 17,992,773 Founder Warrants to the founders of Azerion Holding B.V. Management considered that, after closing of the Transaction, the terms and conditions of the Azerion Founder Warrants are closely comparable to the Public Warrants and therefore concluded that they should be valued using the listed price of the Public Warrants without any amendment (a Level 2 valuation methodology).

	#	Price	Total value	Impact on result
Fair Value as at 1 February 2022	-	-	-	
Issue after the transaction	17.992.773	0,55	9.896.025	
Fair value on 30 June 2022	17.992.773	0,45	8.096.748	
Total fair value gain first half of 2022				(1.799.277)

#### Deferred and contingent consideration

During the first half of 2022, deferred consideration and contingent consideration positions amounting to EUR 35.6 million were settled in line with the share purchase agreements. The decrease in the other liabilities is offset by an increase of EUR 9.1 million due to deferred consideration and contingent consideration in line with the Infinia share purchase agreement.

#### Tax

##### Income tax expense for the period

Income tax expense is recognised at an amount determined by multiplying the profit (loss) before tax for the interim reporting period by management's best estimate of the weighted-average annual income tax rate expected for the full financial year, adjusted for the tax effect of certain items recognised in full in the interim period. As such, the effective tax rate in the interim financial statements may differ from management's estimate of the effective tax rate for the annual financial statements.

The Group's consolidated effective tax rate in respect of continuing operations for the six months ended 30 June 2022 was negative 0,9%. The main contributor to the effective tax rate deviating from the Company's tax rate is the non-recognition of available tax losses and non-deductible expenses.

#### Related party transactions

##### AgriBank PLC

On 24 June 2022, the co-CEOs of the Group completed the acquisition of an indirect majority stake in AgriHoldings plc, the holding company of AgriBank PLC, via their personal holding companies. During 2021 and 2022 certain subsidiaries in the Group have entered into non-recourse factoring agreements with AgriBank PLC. As a result of such factoring agreements, the total amount of receivables factored and derecognized is amounting to EUR 23.6 million and the related expenses recognized in operating profit/loss and finance costs in the condensed statement of other comprehensive income amounts to EUR 0.8 million for the half year ended 30 June 2022. Other receivables contain a EUR 3.9 million prepayment.

#### Subsequent events

##### Acquisition of Madvertise

Azerion and European AdTech company Madvertise signed a binding share purchase agreement subject to certain conditions on 5 July 2022 with the acquisition completed on 12 July 2022. Azerion acquired the German and French subsidiaries of Madvertise for a total consideration of EUR 11.3 million (cash and share consideration). With the acquisition of Madvertise's extensive advertising network and proprietary 'BlueStack' ad-serving and mobile monetization technology, Azerion will significantly strengthen its in-app digital offering for publishers and advertisers, as well as its presence in the French and German markets. The cash payment (combination of upfront and deferred payments) amounts to at least EUR 4.8 million, or 42% of the total consideration, while the share consideration represents up to circa EUR 6.5 million, or 58% of the total consideration, with an initial transfer of 384,614 Azerion treasury shares to the selling shareholders at closing. At the date of authorisation of the interim Financial Statements 2022, the purchase price allocation for this acquisition has not been finalised due to the short period of time between the announcement and the finalisation of the Financial Statements 2021. Consequently, no further disclosures on acquired assets and liabilities are made.

#### Equity capital raise

On 15 July 2022 Azerion announced an equity capital raise of EUR 10.5 million in the form of a private placement of existing ordinary treasury shares of Azerion, predominantly to Azerion's co-CEO's investment vehicles. The price of the private placement reflects a 5% discount to Azerion's closing share price of 13 July 2022. Azerion intends to use the net proceeds from the placement to support growth opportunities and for general corporate purposes, adding to the operating cash flows generated by the business. As a result of this private placement, Azerion will transfer to a limited group of investors a total of 1,442,307 existing ordinary shares held in treasury by Azerion for EUR 7.28 per share. The participating investors will not be subject to any lock-up arrangements.

#### Azerion Holding B.V. – Condensed consolidated unaudited Financial Results for the six-month period ended 30 June 2022

##### Introduction

The principal activities of Azerion Holding B.V. ('Azerion Holding') and its group companies (jointly, the 'Holding Group') are described in the Annual Report 2021. The interim financial results for the six months period ended 30 June 2022 consist of the condensed consolidated financial statements, the management report and responsibility statement by Azerion Holding's Management Board. The information in this interim financial report has not been audited or reviewed by Azerion Holding's external auditor.

##### Responsibility statement

Pursuant to section 5:25d, paragraph 2(c), of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*), the Management Board of Azerion Holding hereby declares that to the best of its knowledge:

- the condensed consolidated financial statements for the six-month period ended 30 June 2022 give a true and fair view of the assets, liabilities, financial position and profit or loss of Azerion Holding and the entities included in the consolidation taken as a whole; and
- the interim report of the Management Board for the period ended 30 June 2022 gives a fair review of the information required pursuant to article 5:25d, paragraph 8 and 9 of the Dutch Financial Supervision Act regarding Azerion Holding and the entities included in the consolidation.

Schiphol-Rijk, 31 August 2022

Management Board

## Management Board report

### Highlights of half year 2022

- Net Revenue of over EUR 198 million, more than doubling H1 2021, mainly driven by acquisitions and organic growth.
- Adjusted EBITDA approaching EUR 18 million, up by more than 83% compared to H1 2021, primarily boosted by improved net revenue and gross profit margin.

### Azerion Holding B.V. - Selected Financial KPIs

Azerion Holding B.V. EURm	2022	2021
Net Revenue	198.3	98.3
Gross profit	74.8	35.8
Operating expenses	(74.0)	(29.3)
Operating profit / (loss)	(28.1)	(1.8)
EBITDA	(11.3)	6.9
Adjusted EBITDA	17.6	9.6
Revenue growth %	101.7%	
Gross profit margin %	37.7%	36.4%
Adjusted EBITDA growth %	83.3%	
Adjusted EBITDA margin %	8.9%	9.8%

First half 2022 Net Revenue amounted to EUR 198.3 million, compared to EUR 98.3 million in Q2 2021. This reflects higher revenue from both the Platform and Premium Games segments, driven by acquisitions and organic growth.

Adjusted EBITDA was EUR 17.6 million in H1 2022, compared to EUR 9.6 million in H1 2021, primarily reflecting higher net revenue and gross profit margin.

The Operating loss before tax amounted to EUR 28.1 million compared to a loss of EUR 1.8 million in H1 2021. This includes a charge of EUR 16.1 million of de-SPAC related expenses

### Platform

Our Platform segment includes casual games distribution, advertising and e-commerce, which are fully integrated through our technology. It generates revenue mainly by displaying digital advertisements in both game and non-game content, as well as selling and distributing AAA games through our e-commerce channels. Platform is also integrated with our Premium Games segment, leveraging inter-segment synergies.

### Platform – Selected Financial KPIs

H1 EURm	2022	2021
Net Revenue	154.6	75.6
Gross profit	53.1	24.8
Operating expenses	(46.8)	(21.0)
Operating profit / (loss)	(14.5)	(2.0)
EBITDA	(3.5)	4.5
Adjusted EBITDA	9.8	6.4
Revenue growth %	104.5%	
Gross profit margin %	34.3%	32.8%
Adjusted EBITDA growth %	53.1%	
Adjusted EBITDA margin %	6.3%	8.5%

*Financial data for H1 2021 has been revised to reflect reporting segments adopted as of Q3 2021  
2021 comparative information has been updated to include the allocation of head office costs to segments.*

**Platform** Net Revenue was EUR 154.6 million in the first half of 2022, compared to EUR 75.6 million in the first half of 2021, primarily driven by acquisitions and organic growth.

Adjusted EBITDA was EUR 9.8 million in the first half of 2022, compared to EUR 6.4 million in the same period a year before, mainly reflecting higher revenue and gross profit margin, driven by increased direct sales from our local offices to advertisers.

### Premium Games

Our Premium Games segment includes nine game titles of social card games and metaverse, stimulating social interaction among players and building communities. The segment generates revenue mainly by offering users the ability to make in-game purchases for extra features and virtual goods to enhance their gameplay experience.

### Premium Games – Selected Financial KPIs

H1 EURm	2022	2021
Net Revenue	43.7	22.7
Gross profit	21.7	11.0

Operating expenses	(14.0)	(8.3)
Operating profit / (loss)	(0.4)	0.2
EBITDA	5.4	2.4
Adjusted EBITDA	7.8	3.2
Revenue growth %	92.5%	
Gross profit margin %	49.7%	48.5%
Adjusted EBITDA growth %	143.8%	
Adjusted EBITDA margin %	17.8%	14.1%

Financial data for H1 2021 has been revised to reflect reporting segments adopted as of Q3 2021  
2021 comparative information has been updated to include the allocation of head office costs to segments.

**Premium Games** Net Revenue was EUR 43.7 million in the first half of 2022, compared to EUR 22.7 million in the first half of 2021, mainly due to the acquisition of Whow Games and organic growth.

Adjusted EBITDA was EUR 7.8 million in the first half of 2022, compared to EUR 3.2 million in the same period a year before, mainly reflecting higher net revenue.

#### Condensed consolidated statement of profit or loss and other comprehensive income

In millions of EUR	Q2		H1	
	2022	2021	2022	2021
<b>Revenue</b>	<b>103.9</b>	<b>52.7</b>	<b>198.3</b>	<b>98.3</b>
Costs of services & materials	(62.0)	(31.9)	(123.5)	(62.5)
<b>Gross profit</b>	<b>41.9</b>	<b>20.8</b>	<b>74.8</b>	<b>35.8</b>
Personnel costs	(20.4)	(10.3)	(39.1)	(19.2)
Depreciation	(1.6)	(1.2)	(3.2)	(2.2)
Amortization	(7.1)	(3.1)	(13.6)	(6.6)
Other gains and losses	(2.8)	0.7	(12.1)	0.5
Other expenses	(26.1)	(5.6)	(34.9)	(10.1)
<b>Operating profit / (loss)</b>	<b>(16.1)</b>	<b>1.3</b>	<b>(28.1)</b>	<b>(1.8)</b>
Finance income	0.3	0.5	0.7	1.2
Finance costs	(5.7)	(14.4)	(11.6)	(17.1)
<b>Net Finance costs</b>	<b>(5.4)</b>	<b>(13.9)</b>	<b>(10.9)</b>	<b>(15.9)</b>
Share in profit/(loss) of joint venture	-	0.0	-	0.0
<b>Profit / (loss) before tax</b>	<b>(21.5)</b>	<b>(12.6)</b>	<b>(39.0)</b>	<b>(17.7)</b>
Income Tax expense	(0.6)	0.1	(1.3)	0.1
<b>Profit / (loss) for the period</b>	<b>(22.1)</b>	<b>(12.5)</b>	<b>(40.3)</b>	<b>(17.6)</b>
<b>Attributable to:</b>				
Owners of the company	(22.2)	(12.3)	(40.1)	(17.8)
Non-controlling interest	0.1	(0.2)	(0.2)	0.2
<b>Profit / (loss) for the period</b>	<b>(22.1)</b>	<b>(12.5)</b>	<b>(40.3)</b>	<b>(17.6)</b>
Exchange difference on translation of foreign operations	(0.7)	(0.5)	(1.1)	(0.1)
Remeasurement of net defined benefit liability	0.0	0.0	0.0	0.0
<b>Total comprehensive income for the period</b>	<b>(22.8)</b>	<b>(13.0)</b>	<b>(41.4)</b>	<b>(17.5)</b>
<b>Total comprehensive (loss) / income attributable to:</b>				
Owners of the company	(23.0)	(12.8)	(40.8)	(18.1)
Non-controlling interest	0.2	(0.2)	(0.6)	0.6

#### Condensed consolidated statement of financial position

In millions of EUR	30 June 2022	31 December 2021
<b>Assets</b>		
<b>Non-current assets</b>	<b>335.4</b>	<b>323.8</b>
Goodwill	130.8	123.0
Intangible assets	147.0	141.9
Property, plant and equipment	17.9	18.5

Non-current financial assets	36.5	36.1
Deferred tax asset	3.1	4.2
Investment in joint ventures	0.1	0.1
<b>Current assets</b>	<b>138.6</b>	<b>140.0</b>
Trade and other receivables	85.8	91.3
Contract assets	12.8	12.1
Current tax assets	1.0	1.3
Cash and cash equivalents	39.0	35.3
<b>Total assets</b>	<b>474.0</b>	<b>463.8</b>
<b>Equity</b>		
Shareholders' equity	<b>6.4</b>	<b>(8.6)</b>
Non-controlling interest	1.6	1.7
<b>Total equity</b>	<b>8.0</b>	<b>(6.9)</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>	<b>269.0</b>	<b>260.2</b>
Borrowings	217.2	199.0
Lease liabilities	12.7	14.3
Provisions	0.7	0.4
Employee benefits	1.0	1.0
Deferred tax liability	29.5	29.9
Other non-current liabilities	7.9	15.6
<b>Current liabilities</b>	<b>197.0</b>	<b>210.5</b>
Borrowings	5.8	6.8
Lease liabilities	4.8	4.7
Provisions	1.3	1.0
Trade and other payables	144.8	141.1
Other current liabilities	35.5	53.5
Contract liabilities	0.9	0.4
Current tax liabilities	3.9	3.0
<b>Total liabilities</b>	<b>466.0</b>	<b>470.7</b>
<b>Total equity and liabilities</b>	<b>474.0</b>	<b>463.8</b>

#### Condensed consolidated statement of cash flows

<i>In millions of EUR</i>	<b>Q2</b>		<b>H1</b>	
	<b>2022</b>	<b>2021<sup>1</sup></b>	<b>2022</b>	<b>2021<sup>1</sup></b>
<b>Cash flows from operating activities</b>				
Operating profit / (loss)	(16.1)	1.3	(28.1)	(1.8)
Adjustments for operating profit / (loss)	34.8	6.9	44.6	11.0
Changes in working capital items:				
Decrease (increase) in net receivables	(9.2)	(6.2)	11.0	1.0
Increase (decrease) in accounts payables and other payables	6.3	(0.7)	1.7	(9.1)
Utilization of provisions	(0.7)	-	(0.7)	-
Income tax paid	(0.2)	0.1	(0.5)	-
Interest paid	(4.0)	(1.1)	(9.4)	(3.2)
<b>Net cash provided by (used for) operating activities excluding employee SARs related cash outflows</b>	<b>10.9</b>	<b>0.3</b>	<b>18.6</b>	<b>(2.1)</b>
Employee SARs related cash outflows	(5.9)	-	(7.1)	-
<b>Net cash provided by (used for) operating activities including employee SARs related cash outflows</b>	<b>5.0</b>	<b>0.3</b>	<b>11.5</b>	<b>(2.1)</b>
<b>Cash flows from investing activities</b>				
Net capital expenditures	(5.1)	(2.3)	(10.6)	(5.5)
Net cash outflow on acquisition of subsidiaries	(36.5)	(30.4)	(39.2)	(30.4)
<b>Net cash provided by (used for) investing activities</b>	<b>(41.6)</b>	<b>(32.7)</b>	<b>(49.8)</b>	<b>(35.9)</b>
<b>Cash flows from financing activities</b>				
Capital contributions	53.3	-	65.5	-
De-SPAC related expenses	(16.9)	-	(16.9)	-
Other financing activities	(3.1)	(1.6)	(6.3)	(2.3)
Proceeds from external borrowings	- 200.0	-	-	227.5
Repayment of external borrowings	-(100.0)	-	-	(100.3)
Increase in loans to related parties	-(11.9)	-	-	(11.9)

Early settlement of Senior Secured Callable Floating Rate Bonds	-	(7.7)	-	(7.7)
<b>Net cash provided by (used for) financing activities</b>	<b>33.3</b>	<b>78.8</b>	<b>42.3</b>	<b>105.3</b>
			-	
Effect of changes in exchange rates on cash and cash equivalents	(0.3)	0.2	(0.3)	0.2
<b>Effect of exchange rate changes &amp; accounting principles</b>	<b>(0.3)</b>	<b>0.2</b>	<b>(0.3)</b>	<b>0.2</b>
			-	
<b>Cash flow variation</b>	<b>(3.6)</b>	<b>46.6</b>	<b>3.7</b>	<b>67.5</b>
			-	
<b>Cash and cash equivalents at the beginning of the period</b>	<b>42.6</b>	<b>31.3</b>	<b>35.3</b>	<b>10.4</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>39.0</b>	<b>77.9</b>	<b>39.0</b>	<b>77.9</b>

<sup>1</sup>Reclassifications have been made to the cash flow statement that was previously published by Azerion Holding B.V. in H1 2021 in order to achieve a fairer presentation of the nature of the cash in and cash out flows of such period. Reference is made to the note "Reclassifications" in the notes of these condensed consolidated financial statements for further information.

#### Condensed consolidated statement of changes in equity

Half year 2022	Share capital	Share premium	Legal reserves	Share Based Payment Reserve	Currency translation reserve	Other equity instruments	Retained earnings	Attributable to parent	Non-controlling interest	Total equity
<i>In millions of EUR</i>										
<b>Balance as of 31 December 2021</b>	<b>0.0</b>	<b>0.5</b>	<b>19.6</b>	<b>1.8</b>	<b>0.6</b>	<b>34.0</b>	<b>(65.2)</b>	<b>(8.6)</b>	<b>1.7</b>	<b>(6.9)</b>
Profit/(Loss) for the period	-	-	-	-	-	-	(40.1)	(40.1)	(0.2)	(40.3)
Other comprehensive income	-	-	-	-	(1.2)	-	-	(1.2)	0.1	(1.1)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1.2)</b>	<b>-</b>	<b>(40.1)</b>	<b>(41.3)</b>	<b>(0.1)</b>	<b>(41.4)</b>
Borrowings converted to equity	-	66.5	-	-	-	-	-	66.5	-	66.5
Shareholder loans reclassified to borrowings	-	-	-	-	-	0.4	-	0.4	-	0.4
Share appreciation rights classified to other current liabilities	-	-	-	-	-	(17.2)	-	(17.2)	-	(17.2)
Capital contributions	-	-	-	-	-	(5.8)	-	(5.8)	-	(5.8)
Settlement of share-based payments	-	13.0	-	(1.8)	-	-	-	11.2	-	11.2
Settlement of Investor share appreciation rights	-	1.9	-	-	-	(1.9)	-	-	-	-
Settlement of Acquisition related share appreciation rights	-	18.0	-	-	-	(9.5)	-	8.5	-	8.5
Withholding wage taxes related to share-based payments	-	-	-	-	-	-	(7.2)	(7.2)	-	(7.2)
Other movements	-	-	-	-	-	-	(0.1)	(0.1)	-	(0.1)
<b>Total transactions with owners</b>	<b>-</b>	<b>99.4</b>	<b>-</b>	<b>(1.8)</b>	<b>-</b>	<b>(34.0)</b>	<b>(7.3)</b>	<b>56.3</b>	<b>-</b>	<b>56.3</b>
Allocation/withdrawal legal reserves	-	-	4.0	-	-	-	(4.0)	-	-	-
<b>Balance as of 30 June 2022</b>	<b>0.0</b>	<b>99.9</b>	<b>23.6</b>	<b>0.0</b>	<b>(0.6)</b>	<b>0.0</b>	<b>(116.5)</b>	<b>6.4</b>	<b>1.6</b>	<b>8.0</b>

#### Half year 2021

	Share capital	Share premium	Legal reserves	Share Based Payment Reserve	Currency translation reserve	Other equity instruments	Retained earnings	Attributable to parent	Non-controlling interest	Total equity
<i>In millions of EUR</i>										
<b>Balance as of 31 December 2020</b>	<b>0.0</b>	<b>0.5</b>	<b>13.8</b>	<b>0.7</b>	<b>0.3</b>	<b>31.0</b>	<b>(42.2)</b>	<b>4.1</b>	<b>2.1</b>	<b>6.2</b>
Profit/(Loss) for the period	-	-	-	-	-	-	(17.8)	(17.8)	0.2	(17.6)
Other comprehensive income	-	-	-	-	(0.3)	-	-	(0.3)	0.4	0.1
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0.3)</b>	<b>-</b>	<b>(17.8)</b>	<b>(18.1)</b>	<b>0.6</b>	<b>(17.5)</b>
Borrowings converted to equity	-	-	-	-	-	1.4	-	1.4	-	1.4



Fair value adjustment on shareholder loans	-	-	-	-	-	-	(1.4)	(1.4)	-	(1.4)
Share-based payments	-	-	-	0.4	-	-	-	0.4	-	0.4
Issuance of Acquisition related share appreciation rights	-	-	-	-	-	1.0	-	1.0	-	1.0
Other movements	-	-	-	-	-	-	(0.5)	(0.5)	-	(0.5)
<b>Total transactions with owners</b>	-	-	-	<b>0.4</b>	-	<b>2.4</b>	<b>(1.9)</b>	<b>0.9</b>	-	<b>0.9</b>
Allocation/withdrawal legal reserves	-	-	2.1	-	-	-	(2.1)	-	-	-
<b>Balance as of 30 June 2021</b>	<b>0.0</b>	<b>0.5</b>	<b>15.9</b>	<b>1.1</b>	<b>0.0</b>	<b>33.4</b>	<b>(64.0)</b>	<b>(13.1)</b>	<b>2.7</b>	<b>(10.4)</b>

## Notes to the unaudited condensed consolidated interim financial statements

### General information

Azerion Holding B.V. ('Azerion Holding') is a private limited liability company incorporated under Dutch law on 11 November 2013 and registered at 30 Boeing Avenue, 1119 PE, Schiphol-Rijk, the Netherlands. Up until 1 February 2022, Principion Holding B.V. was the ultimate parent company of the Azerion Holding. Azerion Holding's number in the Trade Register at the Chamber of Commerce is 59272449. Azerion Holding is a holding company with its main operations situated in the Netherlands.

Azerion Holding B.V. and European FinTech IPO Company 1 B.V. ('EFIC1'), a special purpose acquisition company listed on Euronext Amsterdam, successfully completed a business combination on 1 February 2022. The business combination was announced on 13 December 2021. Amongst other matters, the business combination was approved during the Extraordinary General Meeting of Shareholders of EFIC1 on 31 January 2022.

On 1 February 2022, with the transaction completing, EFIC1 obtained 100% ownership in Azerion Holding B.V. and was changed in legal form into a limited company (*naamloze vennootschap*) on 2 February 2022 and renamed from EFIC1 to Azerion Group N.V.

### Preparation basis

These condensed consolidated interim financial statements were prepared in accordance with IAS 34 Interim Financial Reporting of the International Financial Reporting Standards (IFRS) as adopted by the European Union. They do not include all of the information required for a complete set of annual financial statements and should be read in conjunction with the consolidated financial statements of Azerion Holding B.V. as at and for the year ended 31 December 2021.

These condensed consolidated interim financial statements were authorized for issue by the Management Board on 31 August 2022.

### Functional and presentation currency

These condensed consolidated interim financial statements are presented in euros (EUR), which is Azerion Holding's functional currency and rounded to the nearest hundred thousand unless stated otherwise.

### Reclassifications and restatements

In the condensed consolidated statement of cash flows, reclassifications have been made to the cash flow statement that was previously published by Azerion Holding B.V. in H1 2021 in order to achieve a fairer presentation of the nature of the cash in and cash out flows of such period. The reclassifications mainly comprised a reclassification of EUR 12.0 million relating to the cash acquired from acquisitions from cash flow from operating activities to cash flow from investing activities (to nett against the consideration paid for acquisitions), EUR 28.2 million reclassification from cash flow from financing activities to operating activities relating to deferred and contingent considerations resulting from acquisitions, a reclassification of EUR 11.5 million relating to advances on loans to related parties from cash flow from investing activities to cash flow from financing activities. In addition, there was a reclassification of approximately EUR 7.7 million associated with costs of early settlement of bonds from cash flow from operating activities to cash flow from financing activities.

In the condensed consolidated financial statements for Q3 2022 and Q4 2022, the Company intends to restate the comparative condensed consolidated statement of profit or loss and other comprehensive income for Q3 2021, respectively, Q4 2021 in order to align such comparative information with the audited 2021 annual report and annual financial statements of the Company.

In the condensed statement of profit or loss and other comprehensive income the non-controlling interest not attributable to the parent has been adjusted to reflect the appropriate values for Q2 and H1 2021.

### Use of estimates and judgements

The preparation of these condensed consolidated interim financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions which affect the reported amounts in these condensed consolidated interim financial statements. These estimates are inherently subject to judgement and actual results could differ from those estimates. The estimates, judgments and assumptions in applying Azerion's accounting policies and the key sources of estimation uncertainty were the same as those described in Azerion's consolidated annual financial statements for the year ended 31 December 2021.

### Significant accounting policies

The accounting policies applied in the preparation of the condensed consolidated interim financial statements are consistent with those applied in the preparation of Azerion's annual consolidated financial statements for the year ended 31 December 2021 apart from the accounting policies listed below. A number of new standards are effective from 1 January 2022, but they do not have a material effect on Azerion Holding's condensed consolidated interim financial statements. Azerion Holding has not early-adopted any standard, interpretation or amendment that has been issued but is not yet effective and endorsed.

### Accounting policy relating to restructuring provisions

The provision for restructuring mainly relates to the estimated costs of initiated restructurings and are approved by the Management Board. When such restructurings require discontinuance and/or re-organization of activities, the anticipated costs are included in the restructuring provisions. A liability is recognized for those costs only when Azerion Holding has a detailed formal plan for the restructuring and has raised a valid expectation with those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it. Before a provision is established, Azerion Holding recognizes any impairment loss on the assets associated with the restructuring.

## Risk management

The consolidated annual financial statements 2021 describe certain risk categories and risks (including risk appetite) which could have a material adverse effect on Azerion's financial position and results. Those categories and risks remain valid and should be read in conjunction with these half year financial statements.

## Seasonality

Azerion is subject to the seasonal nature of gaming and advertising spending. Historically, Azerion's results of operations and cash flows have been subject to reasonably predictable seasonality. There is no assurance that these patterns will continue to be visible in future which may impact the predictability of Azerion's operating results and financial position.

Gaming activity is usually highest during the summer and end-of-year holiday periods and advertising activity is generally highest during the winter holiday season (to reflect consumer spending). We expect these patterns to continue over the long-term but should also benefit from an increasingly scaled and diverse customer and partner base and business model over time.

## Segment information

Information reported to the Group's Chief Executive Officers (Chief Operating Decision Makers) for the purposes of resource allocation and assessment of segment performance is focused on the business activities which generate certain classes of revenue and incur certain classes of expenses. The principal business activities generate revenue through Premium Games and Platform.

Management has presented the performance measure Adjusted EBITDA because the Group's Chief Executives monitor this performance measure at a consolidated level as it is relevant for the purpose of resource allocation and assessment of segment performance.

Refer to the 'Definition' section where the meaning of Adjusted EBITDA is explained. Adjusted EBITDA is not a defined performance measure in IFRS Standards. The Group's definition of Adjusted EBITDA may not be comparable with similarly titled performance measures and disclosures by other entities.

## Reconciliation of profit/(loss) for the period to Adjusted EBITDA

In millions of EUR	H1						
	2022				2021		
	Azerion Holding B.V.	Premium Games	Platform	Other	Azerion Holding B.V.	Premium Games	Platform
<b>Profit / (loss) for the period</b>	<b>(40.3)</b>				<b>(17.6)</b>		
Income Tax expense	1.3				(0.1)		
<b>Profit / (loss) before tax</b>	<b>(39.0)</b>				<b>(17.7)</b>		
Net finance costs	10.9				15.9		
<b>Operating profit / (loss)</b>	<b>(28.1)</b>	<b>(0.4)</b>	<b>(14.5)</b>	<b>(13.2)</b>	<b>(1.8)</b>	<b>0.2</b>	<b>(2.0)</b>
Depreciation & Amortization	16.8	5.8	11.0	(0.0)	8.7	2.2	6.5
<b>EBITDA</b>	<b>(11.3)</b>	<b>5.4</b>	<b>(3.5)</b>	<b>(13.2)</b>	<b>6.9</b>	<b>2.4</b>	<b>4.5</b>
				-			
De-SPAC related expenses	24.9	2.4	9.4	13.2	1.6	-	0.0
Other	-	-	-	-	0.8	0.8	1.9
Acquisition expenses	2.6	-	2.6	-	0.3	-	-
Restructuring	1.3	-	1.3	-	-	-	-
<b>Adjusted EBITDA</b>	<b>17.6</b>	<b>7.8</b>	<b>9.8</b>	<b>-</b>	<b>9.6</b>	<b>3.2</b>	<b>6.4</b>

## Segment revenues

In the following tables, revenue is disaggregated by segment and primary geographical market.

In millions of EUR	30 June 2022	30 June 2021
Platform	154.6	75.6
Premium Games	43.7	22.7
<b>Total revenue from contracts with customers</b>	<b>198.3</b>	<b>98.3</b>

In millions of EUR	30 June 2022	30 June 2021
The Netherlands	116.1	69.8
Other European countries	77.4	27.5

Non-European countries	4.8	1.0
<b>Total revenue from contracts with customers</b>	<b>198.3</b>	<b>98.3</b>

#### Segment assets

<b>Operating segments - Assets</b> <i>In millions of EUR</i>	<b>30 June 2022</b>	<b>31 December 2021</b>
Platform	330.4	312.0
Premium Games	102.7	111.3
<b>Total segment assets</b>	<b>433.1</b>	<b>423.3</b>
Unallocated assets	40.9	40.5
<b>Consolidated total assets</b>	<b>474.0</b>	<b>463.8</b>

For the purposes of monitoring segment performance and allocating resources between segments the Group's Chief Executives monitor the tangible, intangible and financial assets attributable to each segment. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments. The unallocated assets relate to current tax assets and non-current financial assets.

Information about Azerion's segment current assets by geographical location are detailed below:

<i>In millions of EUR</i>	<b>30 June 2022</b>	<b>31 December 2021</b>
The Netherlands	53.2	52.2
Other European countries	76.6	83.3
Non-European countries	8.8	4.5
<b>Total current assets</b>	<b>138.6</b>	<b>140.0</b>

Information about Azerion's segment non-current assets by geographical location are detailed below:

<i>In millions of EUR</i>	<b>30 June 2022</b>	<b>31 December 2021</b>
The Netherlands	104.1	104.3
Other European countries	227.2	215.1
Non-European countries	4.2	4.4
<b>Total non-current assets</b>	<b>335.5</b>	<b>323.8</b>

#### Acquisitions of subsidiaries

##### Infinia Mobile SL

On 4 April 2022 Azerion Holding B.V. ('Azerion') acquired 100% of the share capital of Infinia Mobile SL ('Infinia'). Infinia is a digital marketing company founded in 2015 in Spain and has offices in USA, Mexico, Peru, Colombia, Brazil and Chile. Infinia develops data management platforms which enables advertising companies to extract data based on users' habits. Through the acquisition, Azerion gains a stronger foothold in the Spanish market and expands reach in the LATAM markets.

The fair value purchase consideration for 100% shares in the capital of Infinia is EUR 16.1 million, which comprises a cash payment at closing of EUR 6 million, deferred consideration of EUR 4.2 million, contingent consideration of EUR 4.3 million, equity payments of EUR 1 million and transaction bonuses of EUR 0.6 million.

The deferred consideration is to be paid within 12 months (EUR 2.2 million) and 24 months (EUR 2 million) respectively after the acquisition date. The fair value of the deferred consideration of EUR 4.2 million was estimated by calculating the present value of the future expected cash flows. The estimate is based on a discount rate of 1.6% and 1.9% per annum respectively.

Based on the share purchase agreement, Azerion issued 112,358 Azerion Group N.V. shares from treasury at a share price of EUR 8.90, representing a total value of EUR 1.0 million. The share consideration is classified as a liability and included in the other liabilities.

Transaction bonuses are not subject to any contingencies and will be paid bi-annually over a period of 2 years. The fair value of the transaction bonuses of EUR 0.6 million was estimated by calculating the present value of the future expected cashflows. The estimate is based on an average discount rate of 1.6% per annum depending on the timeframe related to the transaction bonus.

The fair value of acquired assets and liabilities of Infinia has been determined. This resulted in a EUR 8.4 million net fair value of the acquired assets and liabilities and EUR 7.7 million recognized goodwill.

The fair value of financial assets includes receivables with a fair value of EUR 4.9 million and a gross contractual value of EUR 5.6 million. The best estimate at the acquisition date of the contractual cash flows not to be collected is EUR 0.7 million.

Below is a summary of the fair value of the net assets acquired, including consideration paid and goodwill:

<i>In millions of EUR</i>	<b>Infinia</b>
Property, plant and equipment (excl. IFRS16)	0.1
Intangible assets	9.3
Non-current financial assets	0.0
Deferred tax assets	0.2
Trade and other receivables	5.2
Accrued income	0.6
Taxes and social security premiums (incl. pensions)	0.1
Cash and cash equivalents	2.4

External borrowings	(1.0)
External borrowings - short term	(1.3)
Deferred tax liabilities	(1.8)
Trade and other payables	(4.7)
Loans from related parties	-
Deferred income	(0.1)
Taxes and social security premiums (incl. pensions)	(0.1)
Accruals and other liabilities	(0.5)
<b>Total identifiable net assets and liabilities at fair value</b>	<b>8.4</b>
Consideration paid at closing	6.0
Cash and cash equivalents and bank overdrafts at acquired subsidiary	(2.4)
<b>Outflow of cash and cash equivalents net of cash acquired</b>	<b>3.6</b>
Consideration paid at closing	6.0
Deferred cash payment	4.2
Contingent consideration	4.3
Equity payment at fair value	1.0
Transaction bonus	0.6
<b>Total consideration transferred or to be transferred</b>	<b>16.1</b>
Minus: Total identifiable net assets and liabilities at fair value	(8.4)
<b>Goodwill</b>	<b>7.7</b>

### Cashflows from investing activities

The table below discloses the 'Acquisition of subsidiaries, net of cash' line in the statement of cashflows:

<i>In millions of EUR</i>	<b>30 June 2022</b>	<b>30 June 2021</b>
Payments in 2022, net of cash acquired	3.6	30.4
Deferred considerations paid in 2022	7.4	-
Contingent consideration paid in 2022	28.2	-
<b>Acquisition of subsidiaries, net of cash</b>	<b>39.2</b>	<b>30.4</b>

### Goodwill

Goodwill increased by EUR 7.8 million compared to 31 December 2021 due to the acquisition of Infinia. Refer to the 'Acquisition of subsidiaries' section above for more information on the Infinia acquisition. Further, there is a currency translation impact of EUR 0.3 million which is set-off against an EUR 0.4 million increase which relates to additional consideration paid in relation to the Inskin acquisition.

We have reviewed the impact on Azerion's business of global macro-economic developments such as high inflation, rising interest rates and the conflict in Eastern Europe and have concluded that there has been no material deterioration in any of the key assumptions made during the last annual impairment review based on current strategy and financial projections and that there are no indicators of any impairment during the six months ended 30 June 2022. Consistent with previous financial years, a full annual impairment review will be undertaken at year-end.

### Intangible assets

Intangible assets consist of games, software, websites, client lists and trademarks. The balance increased by EUR 5.1 million compared to 31 December 2021 which is mainly due to the acquisition of Infinia (refer to the 'Acquisitions of subsidiaries' section) and additions to capitalized internal development costs totalling EUR 9.3 million and EUR 9.6 million respectively. Amortization amounting to EUR 13.6 million was recorded in the period January - June 2022. Amortization of the respective intangible assets categories were as follow: games, software and websites amounted to EUR 10.1 million, client lists amounted to EUR 2.6 million while trademarks amounted to EUR 0.9 million.

During the first half of 2022, the Group accelerated its process to integrate into the Azerion Group entities that were acquired during 2021. As part of the integration process, management determined that the Inskin and Sublime trademarks will be phased out by the end of 2022 due to the integration of these businesses into Azerion. This resulted in a re-assessment of the useful life of the Inskin and Sublime trademarks. These trademarks, which management previously intended to use for 10 years, are now expected to be used for 12 to 18 months from the acquisition date. As a result, the expected useful life of the trademarks decreased. Consequently, additional amortization of EUR 0.3 million was recorded in the 2022 interim statement of other comprehensive income. The effect of these changes on actual and expected amortization expense, included in 'amortization', is as follows:

<i>In millions of EUR</i>	<b>2022 H1</b>	<b>2022 H2</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>Later</b>
(Decrease) increase in amortization expense	0.3	1.5	(0.2)	(0.2)	(0.2)	(0.2)	(1.0)

### Property, plant & equipment

Property, plant and equipment consists of right of use assets, equipment and leasehold improvements. The balance decreased by EUR 0.6 million compared to 31 December 2022, mainly due to depreciation and disposals amounting to EUR 3.5 million, which is offset by additions to right of use assets (new office lease contracts in France and Germany) and additions to equipment amounting to EUR 1.5 million and EUR 1.2 million respectively

### Equity

#### Share Capital

As at 30 June 2022, the authorized share capital of Azerion Holdings B.V. comprised 117,563 ordinary shares with a par value of EUR 0.01 per share in total amount of EUR 1,176 (December 2021: EUR 1,176) and zero preference shares with no par value. All shares were issued and fully paid up.

### **Share premium**

As at 30 June 2022, the share premium amounted to EUR 99.9 million (2021: EUR 0.5 million). The increase in the share premium is a result of the settlement of the SARs as part of the De-SPAC amounting to EUR 32.9 million and capital contributions from Azerion Group N.V. amounting to EUR 66.5 million. The capital contributions of Azerion Group N.V. were EUR 65.5 million in cash and EUR 1.0 million in equity. The EUR 1.0 million equity contribution was for the purposes of the acquisition of Infinia.

### **Legal reserve**

As at 30 June 2022, the legal reserve amounted to EUR 23.6 million (2021: EUR 15.9 million). The legal reserve comprises the amounts relating to capitalized development costs for the Group's developed technology and is not freely distributable to shareholders.

### **Share based payment reserve**

As at 30 June 2022 the share-based payment reserve amounted to EUR nil (2021: EUR 1.1 million). The parent of the Group, which up until 1 February 2022 was Azerion Holding B.V., maintained a Share Appreciation Right (SAR) plan up to that date. The plan was initiated in 2018 and provided SARs to employees, consultants, and advisors of the Group. The plan was settled by way of a capital contribution and issuance of shares in Azerion Group N.V. as part of the De-SPAC transaction on 1 February 2022.

### **Currency translation reserve**

As at 30 June 2022 the currency translation reserve amounted to negative EUR 0.6 million (2021: EUR 0.0 million). The translation reserve comprises foreign currency differences arising from the translation of the assets and liabilities of foreign operations of Azerion Holding B.V. (excluding amounts attributable to non-controlling interests).

### **Other equity instruments**

As at 30 June 2022, other equity instruments amounted to EUR nil (2021: EUR 33.4 million).

#### *Subordinated convertible loans*

As at 30 June 2022, Azerion Holding had EUR nil million (2021: EUR 16.4 million) loans from related parties classified as other equity instruments. The subordinated convertible loans that were included in other equity instruments as of 31 December 2021 have an equity redemption option on the outstanding loan balances, in addition to a cash redemption option. Under the modified terms, the discretion to redeem the loans in equity or cash lies with Azerion Holdings B.V. As at 31 December 2021 the loans were redeemable by issuing 3,038 shares in the issued share capital of Azerion Holding B.V.

Following the De-SPAC transaction, the loans are redeemable by issuing shares in the capital of Azerion Group N.V. Since these loans are no longer redeemable by issuing shares in the capital of Azerion Holding B.V., they have been reclassified from other equity instruments to borrowings.

#### *Investor and acquisition share appreciation rights*

EUR nil (2021: EUR 11.2 million) relates to share appreciation rights issued to investors and as part of the acquisitions that occurred during 2021 and 2020.

The share appreciation rights granted as part of acquisitions vest over periods ranging from 18 months to 5 years from grant date. Unvested rights automatically vest upon defined events such as a change in control or the listing of the group's shares on an exchange. Vested rights are exercisable by the holders after approval of Azerion Holding's management.

Share appreciation rights issued to investors are vested at grant date and become exercisable in the event of certain defined exit events, which include an initial public offering of the group's shares. When exercised all investor rights shall be settled through issuing shares.

The obligations relating to all share appreciation rights were assumed by Azerion Group N.V. by way of a capital contribution and issuance of shares in Azerion Group N.V. as part of the De-SPAC transaction on 1 February 2022.

#### *Share options*

EUR nil (2021: EUR 5.8 million) relates to the issuance of share options as part of the acquisition of the remaining 49% in one of the subsidiaries of the group. Due to the De-SPAC transaction, if settled in shares, will be settled with Azerion Group N.V. shares instead of Azerion Holding B.V. shares. Since the options will no longer be settled in Azerion Holding B.V.'s own equity instruments this amount is subsequently reclassified to other current liabilities.

### **Movements in retained earnings**

As at 30 June 2022 the retained earnings amounted to EUR 116.5 million negative (2021: EUR 64.0 million negative).

EUR 40.1 million negative relates to the total comprehensive income for the half year.

EUR 4.0 million negative relates to the reclassification from retained earnings to the legal reserve.

Based on the terms and conditions of the Employee SAR program Azerion paid wage taxes amounting to EUR 7.2 million on behalf of the employees upon settlement of the program. This amount is therefore deducted from equity as a net settlement of the share-based payment in accordance with IFRS2.33E-33H.

### **Borrowings**

Borrowings increased by EUR 17.2 million from 31 December 2021 mainly due to the reclassification of the subordinated convertible loans from other equity instruments to borrowings. These subordinated convertible loans include an equity redemption option of outstanding loan balances, in addition to a cash redemption option. Under the modified terms, the discretion to redeem the loans in equity or cash lies with Azerion Holdings B.V. Following the De-SPAC transaction, the loans are redeemable by issuing shares in the capital of Azerion Group N.V.

Since these loans are no longer redeemable by issuing shares in the capital of Azerion Holding B.V., these have been reclassified from other equity instruments to borrowings.

### **Lease liabilities**

The lease liabilities decreased by EUR 1.6 million from 31 December 2021 which is mainly due to unwinding of the lease liabilities.

### **Other liabilities**

As at 30 June 2022 the other liabilities (current and non-current) amount to EUR 43.4 million (31 December 2021: EUR 69.1 million) and mainly consist of deferred consideration, contingent consideration, acquisition SARs and postponed wage taxes. During the first half of 2022, deferred- and contingent consideration positions amounting to EUR 35.6 million were settled in line with the share purchase agreements. The decrease in the other liabilities is offset by an increase of EUR 9.1 million due to deferred consideration and contingent consideration in line with the Infinia share purchase agreement. Furthermore, due to the De-SPAC transaction, share options with a value of EUR 5.8 million issued as part of an acquisition will be settled with Azerion Group N.V. shares instead of Azerion Holding B.V. shares. Since the options will no longer be settled in Azerion Holding's own equity instruments this is subsequently reclassified to other liabilities. Based on the share purchase agreement the transaction should be settled by 31 December 2022.

### **Provisions**

#### **Commercial litigation**

As of 31 December 2021, a provision of EUR 0.4 million was recorded relating to a dispute on the termination of a lease agreement for office spaces leased from a third party. During Q2 2022 the courts reached a verdict on the matter which resulted in a payment of EUR 0.4 million, although an appeal has been filed.

### **Restructuring**

As part of the process to accelerate the integration of acquired companies into Azerion Group and further realise synergies, we initiated a restructuring plan designed to streamline our business, reduce our cost structure and focus our resources on key strategic opportunities. This programme is expected in aggregate to reduce our global workforce by approximately 3%, for which aggregate charges of EUR 1.3 million have been recognised in H1, consisting primarily of employee contract termination costs. The restructuring plan was drawn up and execution commenced in H1 2022 when the provision is recognised in the financial statements. EUR 1.1 million of the provision remained as at end H1 and is expected to be utilized over the next 12 months.

### **Tax**

#### **Income tax expense for the period**

Income tax expense is recognised at an amount determined by multiplying the profit (loss) before tax for the interim reporting period by management's best estimate of the weighted-average annual income tax rate expected for the full financial year, adjusted for the tax effect of certain items recognised in full in the interim period. As such, the effective tax rate in the interim financial statements may differ from management's estimate of the effective tax rate for the annual financial statements.

The Group's consolidated effective tax rate in respect of continuing operations for the six months ended 30 June 2022 was negative 3%. The main contributor to the effective tax rate deviating from Azerion Holding's tax rate are tax losses that are not recognized of EUR 7.9 million.

### **Related party transactions**

#### **AgriBank PLC**

On 24 June 2022, the co-CEOs of the Group completed the acquisition of an indirect majority stake in AgriHoldings plc, the holding company of AgriBank PLC, via their personal holding companies. During 2021 and 2022 certain subsidiaries in the Group have entered into non-recourse factoring agreements with AgriBank PLC. As a result of such factoring agreements, the total amount of receivables factored and derecognized is amounting to EUR 23.6 million and the related expenses recognized in operating profit/loss and finance costs in the condensed statement of other comprehensive income amounts to EUR 0.8 million for the half year ended 30 June 2022. Other receivables contain a EUR 3.9 million prepayment.

### **Subsequent events**

#### **Acquisition of Madvertise**

Azerion and European AdTech company Madvertise signed a binding share purchase agreement, subject to certain conditions, on 5 July 2022 with the acquisition completed on 12 July 2022. Azerion acquired the German and French subsidiaries of Madvertise for a total consideration of EUR 11.3 million (cash and share consideration). With the acquisition of Madvertise's extensive advertising network and proprietary 'BlueStack' ad-serving and mobile monetization technology, Azerion will significantly strengthen its in-app digital offering for publishers and advertisers as well as its presence in the French and German markets. The cash payment (combination of upfront and deferred payments) amounts to at least EUR 4.8 million, or 42% of the total consideration, while the share consideration represents up to circa EUR 6.5 million, or 58% of the total consideration, with an initial transfer of 384.614 Azerion treasury shares to the selling shareholders at closing. At the date of authorisation of the interim consolidated financial statements 2022, the purchase price allocation for this acquisition has not been finalised due to the short period of time between the announcement and the finalisation of the interim consolidated financial statements 2022. Consequently, no further disclosures on acquired assets and liabilities are made.

### **Capital Contribution**

On 26 July 2022 Azerion Holding B.V. received a capital contribution of EUR 6.0 million from its parent Azerion Group N.V.

### **Definitions**

**Adjusted EBITDA** means in respect of the period the consolidated profit from ordinary activities according to the latest Financial Report(s):

- (a) before deducting any amount of tax on profits, gains or income paid or payable by any subsidiary;
- (b) before deducting any Net Finance Costs;
- (c) before taking into account any extraordinary items and any non-recurring items which are not in line with the ordinary course of

business;

- (d) before taking into account any Transaction Costs;
- (e) not including any accrued interest owing to any subsidiary;
- (f) before taking into account any unrealised gains or losses on any derivative instrument (other than any derivative instruments which are accounted for on a hedge account basis);
- (g) after adding back or deducting, as the case may be, the amount of any loss or gain against book value arising on a disposal of any asset (other than in the ordinary course of trading) and any loss or gain arising from an upward or downward revaluation of any asset; and
- (h) after adding back any amount attributable to the amortisation, depreciation or depletion of assets of any subsidiary

**Adjusted EBITDA Margin** means Adjusted EBITDA as a percentage of revenue

**Average number of digital ads sold per month** (paid impressions) represents the number of digital advertisements displayed to users of game and non-game content. The numbers reported do not include volumes from past acquisitions that are not yet fully integrated. As of this quarter, the reported numbers include the following previous acquisitions: advertising auction platform Improve Digital, as well as publisher monetisation services Headerlift, Pubgalaxy, Sublime, Inskin, Strossle and Keymobile.

**Average gross revenue per million ad requests from the advertising auction platform** is calculated by dividing gross advertising revenue by a million of advertisement requests. Not all advertisement requests are fulfilled and become an advertisement sold, therefore this metric measures our efficiency and overall profitability of the digital advertising auction platform, demonstrating that the revenue generated by the advertisements that are sold also remunerate and more than cover the costs of all the advertisement requests.

**Average time in game per day** measures how many minutes per day, on average, the players of Premium Games spend in our games. This demonstrated their engagement with the games, which generates more opportunities to grow the ARPDau.

**Average DAUs** means average daily active users, which is the number of distinct users per day averaged across the relevant period.

**ARPDau** means Average Revenue per Daily Active User, which is revenue per period divided by days in the period divided by average daily active users in that period and represents average per user in-game purchases for the period.

**Azerion Holding** means Azerion Holding B.V. and **Holding Group** means Azerion Holding and each of its subsidiaries from time to time and Holding Group Company means any of them.

**EBIT** means, in respect of the period, the consolidated profit from ordinary activities according to the latest Financial Report(s):

- (a) before deducting any amount of tax on profits, gains or income paid or payable by any member of the Group;
- (b) before deducting any Net Finance Charges

**EBITDA** means in respect of the period the consolidated profit from ordinary activities according to the latest Financial Report(s):

- (a) before deducting any amount of tax on profits, gains or income paid or payable by any subsidiary;
- (b) before deducting any Net Finance Costs;
- (c) before deducting any amount attributable to the amortisation, depreciation, or depletion of assets of any subsidiary.

**EFIC1** means European FinTech IPO Company 1 B.V.

**Financial Indebtedness** means as defined in the terms and conditions of the Senior Secured Callable Fixed Rate Bonds ISIN: SE0015837794 any indebtedness in respect of:

- (a) monies borrowed or raised, including Market Loans;
- (b) the amount of any liability in respect of any Finance Leases;
- (c) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (d) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (e) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account, provided that if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (f) any counter indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (g) (without double counting) any guarantee or other assurance against financial loss in respect of a type referred to in the above paragraphs (a)-(f).

**Gross Profit Margin** means Gross Profit as a percentage of revenue

**Gross Profit** means the profit made after subtracting all (variable) costs that are related to manufacturing of its products or services. The gross profit can be calculated by deducting the cost of goods sold (COGS) from total sales.

**Net Interest Bearing Debt** as defined in the terms and conditions of the Senior Secured Callable Fixed Rate Bonds ISIN: SE0015837794 means the aggregate interest bearing Financial Indebtedness less cash and cash equivalents of Azerion Holding B.V. and its subsidiaries from time to time in accordance with the Accounting Principles (for the avoidance of doubt, excluding any Bonds owned by the Issuer, guarantee, bank guarantees, Subordinated Loans, any claims subordinated pursuant to a subordination agreement on terms and conditions satisfactory to the Agent and interest-bearing Financial Indebtedness borrowed from any Azerion Holding Group Company) as such terms are defined in the terms and conditions of the Senior Secured Callable Fixed Rate Bonds ISIN: SE0015837794

**Operating expenses** are defined as the aggregate of personnel costs and other expenses as reported in the statement of Other comprehensive income. More details on the cost by nature reporting can be found in the published annual financial statements of 2021.

**Transaction Costs** means all fees, costs and expenses, stamp, registration and other taxes incurred by Azerion Holding or any other Holding Group Company in connection with (i) the Bond Issue, (ii) any Subsequent Bond Issue, (iii) the listing of the Bonds or any Subsequent Bonds, (iv) acquisitions, mergers and divestments of companies and (v) an Equity Listing Event, as such terms are defined in the terms and conditions of the Senior Secured Callable Fixed Rate Bonds ISIN: SE0015837794

#### **Disclaimer and Cautionary Statements**

This communication contains information that qualifies as inside information within the meaning of Article 7(1) of the EU Market Abuse

Regulation.

This communication may include forward-looking statements. All statements other than statements of historical facts are, or may be deemed to be, forward-looking statements. Forward-looking statements include, among other things, statements concerning the potential exposure of Azerion to market risks and statements expressing management's expectations, beliefs, estimates, forecasts, projections and assumptions. Words and expressions such as aims, ambition, anticipates, believes, could, estimates, expects, goals, intends, may, milestones, objectives, outlook, plans, projects, risks, schedules, seeks, should, target, will or other similar words or expressions are typically used to identify forward-looking statements. Forward-looking statements are statements of future expectations that are based on management's current expectations and assumptions and involve known and unknown risks, uncertainties and other factors that are difficult to predict and that could cause the actual results, performance or events to differ materially from future results expressed or implied by such forward-looking statements contained in this communication. Readers should not place undue reliance on forward-looking statements.

Any forward-looking statements reflect Azerion's current views and assumptions based on information currently available to Azerion's management. Forward-looking statements speak only as of the date they are made and Azerion does not assume any obligation to update or revise such statements as a result of new information, future events or other information, except as required by law.

The interim financial results of Azerion Holding B.V. as included in this communication are required to be disclosed pursuant to the terms and conditions of the Senior Secured Callable Fixed Rate Bonds ISIN: SE0015837794.

This report has not been reviewed or audited by Azerion's external auditor.

Certain financial data included in this communication consist of alternative performance measures ("non-IFRS financial measures"), including EBITDA and Adjusted EBITDA. The non-IFRS financial measures, along with comparable IFRS measures, are used by Azerion's management to evaluate the business performance and are useful to investors. They may not be comparable to similarly titled measures as presented by other companies, nor should they be considered as an alternative to the historical financial results or other indicators of Azerion Holding B.V. and Azerion Group N.V.'s cash flow based on IFRS. Even though the non-IFRS financial measures are used by management to assess Azerion Holding B.V. and Azerion Group N.V.'s financial position, financial results and liquidity and these types of measures are commonly used by investors, they have important limitations as analytical tools, and the recipients should not consider them in isolation or as a substitute for analysis of Azerion Holding B.V. and Azerion Group N.V.'s financial position or results of operations as reported under IFRS.

For all definitions and reconciliations of non-IFRS financial measures please also refer to [www.azerion.com/investors](http://www.azerion.com/investors).

This report may contain forward-looking non-IFRS financial measures. We are unable to provide a reconciliation of these forward-looking non-IFRS financial measures to the most comparable IFRS financial measures because certain information needed to reconcile those non-IFRS financial measures to the most comparable IFRS financial measures is dependent on future events some of which are outside the control of Azerion. Moreover, estimating such IFRS financial measures with the required precision necessary to provide a meaningful reconciliation is extremely difficult and could not be accomplished without unreasonable effort. Non-IFRS financial measures in respect of future periods which cannot be reconciled to the most comparable IFRS financial measure are calculated in a manner which is consistent with the accounting policies applied in Azerion Group N.V.'s and Azerion Holding B.V.'s consolidated financial statements.

This communication does not constitute an offer to sell, or a solicitation of an offer to buy, any securities or any other financial instruments.

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<sup>1</sup> As defined in section 1.1 of the Terms & Conditions of the Senior Secured Callable Fixed Rate Bonds ISIN: SE0015837794. Please also refer to the Definitions section and the notes of this Interim Report for more information.