

## Azerion publishes interim Q1 2024 results

### Strong growth in Platform advertising revenue driving improved profitability

#### Highlights of Q1 2024

- **31% growth in Platform advertising revenue** to €89.2 million in Q1 2024, compared to €68.0 million in Q1 2023, mainly driven by increased Direct sales and Automated auction sales and the benefits of integrating and consolidating past acquisitions, including Hawk as Azerion's single media buying platform.
- **58% increase in Hawk revenue** as compared to Q1 2023, largely due to scale benefits and efficiencies from operating within Azerion's Platform and confirming the improved value proposition and synergies generated by the acquisition.
- **Total Revenue of €119.7 million** in Q1 2024, **up 6.2%** from €112.7 million in Q1 2023, mainly driven by higher advertising spend across the Platform Segment particularly in Direct sales, the integration of past acquisitions and notwithstanding the loss of contribution from the divested social card games portfolio.
- **Adjusted EBITDA in Q1 2024 of €9.8 million**, an **increase of 12.6%** as compared to €8.7 million in Q1 2023, largely driven by increased Platform revenue from advertising, particularly in Direct sales, cost savings and efficiencies from the integration of previous acquisitions and a gain on acquisition related earn-outs and notwithstanding the loss of contribution from the social card games portfolio divested in Q3 2023.
- **Total operating expenses down 23%** in Q1 2024 as compared to Q1 2023 due to delivery of ongoing optimisation and efficiency programmes.
- **Significant progress** in advancing our **product and technology roadmap**, including continued development of Performance by Azerion, Azerion's audience and data management platform, the integration of Azerion's single media buying interface and enhanced monetisation and content development solutions.
- **Signed 42 new publishers** and **connected 5 additional SSPs** to expand our digital audiences across Europe and the Americas.
- **Expanded our market position in the Nordic markets** in April 2024 by entering into a strategic partnership with Eniro Group AB, supported by the acquisition of a minority stake, to provide digital advertising services to Eniro's 50,000 SME client base and various services related to monetisation, product and technology.

#### Selected KPIs

Financial Results - Azerion Group N.V.

in millions of €

	Q1 2024	Q1 2023	Growth
<i>Platform Segment</i>			
Advertising Platform	89.2	68.0	31.2%
AAA Game Distribution (e-commerce)	19.2	21.3	(9.9)%
Total Revenue	108.4	89.3	21.4%
Adj. EBITDA	9.0	3.6	150.0%
<i>Premium Games<sup>1)</sup></i>			
Revenue	11.3	23.5	(51.9)%
Adjusted EBITDA	0.8	5.1	(84.3)%
<i>Total Group</i>			
Revenue	119.7	112.7	6.2%
Adj. EBITDA	9.8	8.7	12.6%

<sup>1)</sup> 2023 figures for Premium Games contain results of the social cards game portfolio that was divested in Q3 2023. For detailed split of Premium Games results please refer to respective section below.

Adj. EBITDA Margin %			
<i>Platform</i>	8.3%	4.0%	
<i>Premium Games</i>	7.1%	21.7%	
<i>Total Group</i>	8.2%	7.7%	

"We aim to become a cornerstone partner for brands, agencies and publishers across Europe's digital advertising landscape and are pleased with our progress in Q1. Our advertising platform has seen strong revenue growth and improved profitability. The ongoing integration of our single media buying platform continues to improve our delivery for our advertising clients, while positioning us well for growth in premium advertising formats such as Digital Out-of-Home, Audio, and Connected TV. By streamlining operations, we have unlocked significant efficiencies that help drive our growth and enhance our service offerings and we continue to see benefits from our ongoing investment in advanced machine learning and AI. As our platform continues to scale, we also see a strong and attractive pipeline of opportunities for strategic partnerships."

- Umut Akpinar

## Financial overview

### Revenue

Revenue for the quarter amounted to € 119.7 million compared to € 112.7 million in Q1 2023, an increase of approximately 6.2%. The increase in Revenue year on year came mainly from growth in the Platform segment revenue of € 19.1 million, driven by increased advertising revenue from Direct and Automated auction sales and the integration of previous acquisitions, offset by a reduction in Revenue in Premium Games due to the sale of the social card games portfolio completed during Q3 2023 with that portfolio contributing revenue of € 11.3 million in Q1 2023 and a reduction in Revenue from AAA Game Distribution (formerly referred to as e-commerce) of € 2.1 million largely due to fewer high profile AAA game releases in Q1 2024 compared to Q1 2023.

### Earnings

The operating loss for the quarter amounted to € (5.7) million, an improvement of € 2.0 million as compared to an operating loss of € (7.7) million in Q1 2023, with the benefits of higher revenue, lower personnel costs and lower other expenses, largely offset by the higher costs of services and materials and related lower comparative margins from the change in business mix arising from sale of the social card games portfolio completed in August 2023 and the acquisition and integration of Hawk.

Adjusted EBITDA in Q1 2024 of € 9.8 million, an increase of 12.6% as compared to € 8.7 million in Q1 2023, largely driven by increased Platform revenue from advertising, particularly in Direct sales, cost savings and efficiencies from the integration of previous acquisitions and a gain on acquisition related earn-outs of € 1.6 million and notwithstanding the loss of contribution from the social card games portfolio divested in Q3 2023 with that portfolio contributing Adjusted EBITDA of € 3.5 million in Q1 2023.

### Cash flow

Cash flow from operating activities in Q1 2024 was an inflow of approximately € 1.7 million, mainly due to movements in net working capital, reflecting an increase in trade and other payables of € 4.2 million and a decrease in trade and other receivables of € 2.8 million, offset by € (4.5) million paid on bond related interest and € (1.5) paid in income tax. Cash flow from investing activities for the period was an outflow of € (9.2) million, mainly due to cash outflow on past acquisitions of subsidiaries in the amount of € (3.6) million and payments for intangibles of € (4.9) million. Cash flow from financing activities in the period amounted to an outflow of € (3.2) million, mainly due to repayment of borrowings of € (1.5) million and repayment of lease liabilities of € (1.5) million.

### Capex

Azerion capitalises development costs related to the internal development of assets, a core activity to support innovation in its platform. These costs primarily relate to developers' time devoted to the development of the platform, games and other new features. In Q1 2024 Azerion capitalised € 3.3 million, equivalent to 13.3% (Q1 2023: € 4.3 million, equivalent to 14.9%) of gross personnel costs excluding restructuring provision expense.

### Financial position and borrowing

Net interest bearing debt<sup>\*)</sup> amounted to € 158.1 million as at 31 March 2024, mainly comprising the outstanding bond loan with a nominal value of € 165 million (part of a total € 300 million framework) and lease liabilities with a balance of € 18.5 million less the cash and cash equivalents position of € 29.7 million.

<sup>\*)</sup>As defined in the Terms & Conditions of the Senior Secured Callable Floating Rate Bonds ISIN: NO0013017657. Please also refer to the Definitions section and the notes of this Interim Report for more information.

### Platform Segment

Our Platform segment includes our digital advertising activities, AAA Game Distribution (formerly referred to as e-commerce), Casual Game Distribution (being the operation and distribution of casual games) and Azerion Sports. The Platform segment generates Revenue mainly by displaying digital advertisements in both game and general content, as well as selling and distributing AAA games. Advertisers are serviced through two models: i) Direct sales, which involve a direct engagement between Azerion's commercial teams and advertisers or their agencies in the placement of digital advertisements, and ii) Automated auction sales in which advertising inventory is purchased through the open market. Platform is also integrated with parts of our Premium Games segment, leveraging inter-segment synergies.

### Selected business highlights in Q1 2024 include:

- Expanded our digital audio advertising platform offering through a strategic partnership with Acast, in which Azerion will support local advertisers and agencies in Spain, Belgium, The Netherlands, Italy and Greece to execute their audio advertising campaigns on Acast's podcast network.

- Strengthened our position to deliver premium advertising solutions in the dynamic Italian media landscape through a partnership with Money.it
- Together with the Royal Dutch Football Association ("KNVB"), Azerion Sports launched a new app for the Azerion Women's League making the league more accessible and interactive for fans and expanding Azerion's ecosystem of engaged audiences.
- Azerion Sports signed an additional two clubs to its white-label fan engagement app, now totalling 23 clubs and 228,000 app downloads by the end of Q1 2024, helping clubs engage and interact with their fan base in a consolidated platform.
- Azerion strengthened its casual games distribution portfolio during Q1 2024, adding 302 new games and 54 new publisher partners.

## Platform – Selected Financial KPIs

### Financial results - Platform

in millions of €

	Q1	Q1
	2024	2023
Advertising Platform	89.2	68.0
AAA Game Distribution (e-commerce)	19.2	21.3
Total Revenue	108.4	89.3
Operating profit / (loss)	(3.7)	(8.3)
Adjusted EBITDA	9.0	3.6
Revenue growth % - Advertising Platform	31.2%	
Revenue growth % - AAA Game Distribution	(9.9)%	
Total Revenue growth %	21.4%	
Adjusted EBITDA growth %	150.0%	
Adjusted EBITDA margin %	8.3%	4.0%

Total Platform Revenue of €108.4 million in Q1 2024, compared to €89.3 million in Q1 2023, an increase of 21.4% due to increased Revenue from the Advertising platform, offset by a decrease in Revenue from AAA game key sales in AAA Game Distribution (formerly referred to as e-commerce).

Advertising Platform Revenue of €89.2 million in Q1 2024, an increase of approximately 31% compared to €68.0 million in Q1 2023, mainly driven by increased Direct and Automated auction sales and the benefits of integrating and consolidating past acquisitions, including Hawk as Azerion's single media buying platform. Revenue in Hawk increased by 58% as compared to Q1 2023, contributing €16.4 million of Revenue in Q1 2024 as compared to pre-acquisition Revenue of €10.4 million for the same period last year, largely due to the scale benefits and efficiencies from operating within Azerion's Platform and confirming the improved value proposition and synergies generated by the acquisition.

In Q1 2024, Azerion's Direct sales contributed approximately 70% of Platform advertising revenue, as compared to approximately 65% in Q1 2023, with the balance provided by Automated auction sales. In Q1 2024, AAA Game Distribution generated Revenue of €19.2 million as compared to €21.3 million in Q1 2023, a decrease of approximately (9.9)% largely due to fewer high-profile AAA game releases in Q1 2024 compared to Q1 2023. In Q1 2024, AAA Game Distribution Revenue represented approximately 17.7% of total Platform Revenue, as compared to approximately 23.9% in Q1 2023.

Total Platform Adjusted EBITDA of €9.0 million in Q1 2024, compared to €3.6 million in Q1 2023, an increase of 150.0% largely due to growth in higher-margin Direct sales, improved spend on higher-impact ads in channels such as audio, CTV and DOOH, increased monetisation of exclusive partnerships and owned and operated content, together with ongoing consolidation and integration of previously acquired businesses and cost optimisation and a gain on acquisition related earn-outs of €1.6 million. The Adjusted EBITDA performance also reflects the successful integration of the recent Hawk acquisition.

## Advertising - Selected Operational KPIs

### Advertising - Operational KPIs<sup>1)</sup>

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
Avg. Digital Ads Sold per Month (bn)	12.2	13.0	12.2	12.9	12.0

<sup>1)</sup>The reporting of average Gross Revenue per Million Processed Ad Requests from advertising auction platform (€) has been temporarily discontinued due to the ongoing integration of operational reporting data from the acquisition of Hawk completed in Q4 2023 and a review of our selected operational KPIs for this segment more generally.

The **Average Digital Ads Sold per Month** decreased to 12.0 billion in Q1 2024 from 12.2 billion in Q1 2023, reflecting an ongoing focus on premium digital advertising formats such as DOOH, digital audio, drive to store, resulting in higher CPMs and lower digital ads sold.

The selected operational KPIs include the Hawk acquisition as of Q1 2024.

## Premium Games Segment

From Q4 2023, the Premium Games segment consists of social casino games and metaverse games. Azerion completed the sale of its

social card games portfolio to Playtika Holding Corp. on 28 August 2023 and its contribution to the Premium Games segment ceased at that date. 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. This segment aims to stimulate social interaction among players and build communities, offering an extended value proposition to advertisers and generating cross-selling opportunities with the Platform segment.

## Selected Q1 2024 business highlights

- Introduced two new sale mechanics "Fortunas wheels" and "Offer chain" into the social casino portfolio improving user monetisation.
- Habbo continued its adoption of Web3 technology with the launch of Collector Cabinets, a feature that can convert in-game items into NFTs

## Premium Games – Selected Financial KPIs

Financial results - Premium Games

in millions of €

	Q1	Q1
	2024	2023
Revenue (excluding social card games)	11.3	12.2
Social card games portfolio	-	11.3
Total Revenue	11.3	23.5
Operating profit / (loss) (excluding social card games)	(2.0)	(2.5)
Social card games portfolio	-	3.1
Total Operating profit / (loss)	(2.0)	0.6
Adjusted EBITDA (excluding social card games)	0.8	1.6
Social card games portfolio	-	3.5
Total Adjusted EBITDA	0.8	5.1
Revenue growth % (excluding social card games)	(7.4)%	
Adjusted EBITDA growth % (excluding social card games)	(50.0)%	
Adjusted EBITDA margin % (excluding social card games)	7.1%	13.1%

Revenue of € 11.3 million in Q1 2024, as compared to € 12.2 million in Q1 2023 (excluding social card games), a decrease of (7.4)%, mainly due to the sale of Woozworld to its management at the start of January 2024 (€ 0.5 million Revenue in Q1 2023) and management actions on the remaining portfolio.

Adjusted EBITDA of € 0.8 million in Q1 2024, compared to € 1.6 million in Q1 2023 (excluding social card games), a decrease of (50.0)%, mainly driven by the social casino portfolio and a shift in new-user generation to mobile in Azerion's own environment, as well as through its white label partners, which has higher growth potential over time, but also higher transaction costs as compared to web.

## Premium Games – Selected Operational KPIs

Premium Games - Operational KPIs

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
Avg. Time in Game per Day (min)	76	81	80	95	87
Avg. DAUs (thousands)	310	274	252	255	251
ARPPDAU (EUR)	0.39	0.42	0.44	0.47	0.42

- The **Average Time in Game per Day (min)** increased by 14.5% in Q1 2024 to 87 minutes per day as compared to Q1 2023 due to improved in-game sales mechanics, features and events.
- The **Average Daily Active Users (DAUs)** decreased by (19.0)% in Q1 2024 compared to Q1 2023, mainly due to lower user acquisition spend and increased focus on greater engagement with higher paying users.
- The **Average Revenue per Daily Active User (ARPPDAU)** increased by 7.7% in Q1 2024 compared to Q1 2023, due to improved spending in social casino and metaverse titles due to improved in-game sales mechanics, features and events.

Given the sale of the social cards portfolio in August 2023, the selected operational KPIs for all quarters have been revised to no longer contain results from the social card games portfolio.

## Outlook

The guidance previously provided remains unchanged:

- Revenue for full year 2024 is expected to be in the range of approximately € 540 million to € 560 million, with annual growth thereafter in the medium term expected to be approximately 10%.
- Adjusted EBITDA for full year 2024 is expected to be in the range of approximately € 75 million to € 80 million, with annual Adjusted EBITDA margin thereafter in the medium term expected to be in the range of approximately 14% to 16%.

## Other information

### Net Interest Bearing Debt

Net Interest Bearing Debt

in millions of €

	31 March 2024	31 December 2023
Total non-current indebtedness	175.1	172.0
Total current indebtedness	12.8	12.6
Total financial indebtedness	187.9	184.6
Deduct Zero interest bearing loans	(0.1)	(0.1)
Net Interest Bearing Debt	187.8	184.5
Less: Cash and cash equivalents	(29.7)	(40.3)
Net Interest Bearing Debt (Bond terms)	158.1	144.2

**References to bond terms in the table above refer to the terms as defined in the Senior Secured Callable Floating Rate Bonds ISIN: NO0013017657**

### Reconciliation of net income to Adjusted EBITDA

Reconciliation of net income to Adjusted EBITDA

in millions of €

	Q1							
	2024				2023			
	Azerion Group	Premium Games	Platform	Other	Azerion Group	Premium Games	Platform	Other
Profit / (loss) for the period	(16.3)				(12.4)			
Income Tax expense	1.9				0.9			
Profit / (loss) before tax	(14.4)				(11.5)			
Net finance costs	8.7				3.8			
Operating profit / (loss)	(5.7)	(2.0)	(3.7)	-	(7.7)	0.6	(8.4)	0.1
Depreciation, amortisation and impairment	10.4	2.5	7.9	-	10.3	3.1	7.2	-
Other	0.6	0.1	0.5	-	-	0.1	-	(0.1)
Acquisition expenses	3.8	0.1	3.7	-	2.8	-	2.8	-
Restructuring	0.7	0.1	0.6	-	3.3	1.3	2.0	-
Adjusted EBITDA	9.8	0.8	9.0	-	8.7	5.1	3.6	-

### Operating expenses

Breakdown of Operating expenses

in millions of €

	Q1	
	2024	2023
Personnel costs	(22.2)	(27.8)
Includes:		
<i>Restructuring related expenses</i>	(0.7)	(3.3)
Other expenses	(7.9)	(11.5)
Operating expenses	(30.1)	(39.3)

### Restructuring

In relation to ongoing consolidation and integration, restructuring charges in Q2 2024 are expected to be approximately €0.8 million. These costs impact the reported operating profit / loss, but are removed from Adjusted EBITDA.

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

Condensed consolidated statement of profit or loss and other comprehensive income

in millions of €

	Q1	
	2024	2023
Revenue	119.7	112.7
Costs of services and materials	(86.5)	(70.7)
Personnel costs	(22.2)	(27.8)
Depreciation	(1.8)	(1.9)
Amortisation	(8.6)	(8.4)
Other gains and losses <sup>1)</sup>	1.6	(0.1)
Other expenses	(7.9)	(11.5)
Operating profit / (loss)	(5.7)	(7.7)
Finance income	1.0	2.9
Finance costs <sup>2)</sup>	(9.7)	(6.7)
Net Finance costs	(8.7)	(3.8)
Share in profit/(loss) of joint ventures and associates	-	-
Profit / (loss) before tax	(14.4)	(11.5)
Income tax expense	(1.9)	(0.9)
Profit / (loss) for the period	(16.3)	(12.4)
Attributable to:		
Owners of the company	(16.6)	(12.5)
Non-controlling interest	0.3	0.1
Exchange difference on translation of foreign operations	(0.8)	0.1
Total other comprehensive income	(0.8)	0.1
Total comprehensive income/(loss)	(17.1)	(12.3)
Attributable to:		
Owners of the company	(17.4)	(12.2)
Non-controlling interest	0.3	(0.1)

<sup>1)</sup>Earn-out results have been reclassified from Other expenses to Other gains and losses

<sup>2)</sup>The main change Q1 2024 versus Q1 2023 comes from fair value movement on the call option related to the settlement of the shareholder loans as announced 11 December 2023.

## Condensed consolidated statement of financial position

Condensed consolidated statement of financial position

in millions of €

	31 March 2024	31 December 2023
Assets		
Non-current assets	414.1	413.6
Goodwill	187.6	187.1
Intangible assets	173.4	176.3
Property, plant and equipment	21.3	17.0
Non-current financial assets	29.5	30.8
Deferred tax asset	2.2	2.3
Investment in joint venture and associate	0.1	0.1
Current assets	224.1	238.4
Trade and other receivables	193.0	196.7
Current tax assets	1.4	1.4
Cash and cash equivalents	29.7	40.3
Total assets	638.2	652.0
Equity		
Share capital	1.2	1.2

Share premium	140.2	140.2
Treasury shares	-	-
Legal reserve	28.7	27.7
Share based payment reserve	12.8	12.7
Currency translation reserve	(2.7)	(1.9)
Other equity instruments	-	0.0
Retained earnings	(92.7)	(75.6)
Shareholders' equity	87.5	104.3
Non-controlling interest	5.5	5.3
Total equity	93.0	109.6
Liabilities		
Non-current liabilities	218.2	220.1
Borrowings	161.8	161.9
Lease liabilities	13.3	10.1
Provisions	1.6	1.6
Deferred tax liabilities	32.0	30.0
Other non-current liabilities	9.5	16.5
Current liabilities	327.0	322.3
Borrowings	7.6	8.4
Provisions	2.2	3.6
Trade payables <sup>1)</sup>	145.0	142.0
Accrued liabilities <sup>1)</sup>	103.1	112.7
Current tax liabilities	11.6	13.4
Lease liabilities	5.2	4.2
Other current liabilities <sup>1)</sup>	52.3	38.0
Total liabilities	545.2	542.4
Total equity and liabilities	638.2	652.0

<sup>1)</sup>Trade, other payables and accrued liabilities have been reclassified to Trade payables, Accrued liabilities and Other current liabilities to better reflect the reporting by nature

### Condensed consolidated statement of cash flow

Condensed consolidated statement of cash flow

In millions of €

	2024	2023
	Q1	Q1
Cash flows from operating activities		
Operating profit / (loss)	(5.7)	(7.7)
Adjustments for operating profit / (loss):		
Depreciation and amortisation & Impairments	10.4	10.3
Movements in provisions per profit and loss	0.8	3.3
Share-based payments expense	0.2	-
Other non-cash items	(3.0)	-
Changes in working capital items:		
(Increase)/Decrease in trade and other receivables	2.8	19.8
Increase (decrease) in trade payables and other payables	4.2	7.7
Utilization of provisions	(2.3)	(2.1)
Interest received	0.2	-
Interest paid	(4.5)	(4.1)
Income tax paid	(1.4)	-
Net cash provided by (used for) operating activities	1.7	27.2
Cash flows from investing activities		
Payments for property, plant and equipment	(0.3)	(0.5)

Payments for intangibles	(4.9)	(6.2)
Net cash outflow on acquisition of subsidiaries	(3.6)	(18.2)
Net cash inflow/(outflow) from sale of business	(0.4)	-
Net cash provided by (used for) investing activities	(9.2)	(24.9)
Cash flows from financing activities		
Proceeds from external borrowings	-	0.1
Repayment of external borrowings	(1.5)	(1.5)
Payment of principal portion of lease liabilities	(1.5)	(1.7)
Dividends paid to shareholders of non-controlling interests	(0.2)	-
Net cash provided by (used for) financing activities	(3.2)	(3.1)
Net increase/(decrease) in cash and cash equivalents	(10.7)	(0.8)
Effect of changes in exchange rates on cash and cash equivalents	0.1	0.2
Cash and cash equivalents at the beginning of the period	40.3	50.9
Cash and cash equivalents at the end of the period	29.7	50.3

## Definitions

**Adjusted EBITDA** represents Operating Profit / (Loss) excluding depreciation, amortisation, impairment of non-current assets, restructuring and acquisition related expenses and other items at management discretion, principally those assessed as extraordinary items or non-recurring items which are not in line with the ordinary course of business.

**Adjusted EBITDA Margin** represents Adjusted EBITDA as a percentage of Revenue.

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

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

**ARPDau** represents 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.

**Financial Indebtedness** represents as defined in the terms and conditions of the Senior Secured Callable Floating Rate Bonds ISIN: NO0013017657 any indebtedness in respect of:

- ┆ monies borrowed or raised, including Market Loans;
- ┆ the amount of any liability in respect of any Finance Leases;
- ┆ receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- ┆ any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- ┆ 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);
- ┆ 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
- ┆ (without double counting) any guarantee or other assurance against financial loss in respect of a type referred to in the above paragraphs (1)-(6).

**Net Interest Bearing Debt** as defined in the terms and conditions of the Senior Secured Callable Floating Rate Bonds ISIN: NO0013017657 means the aggregate interest bearing Financial Indebtedness less cash and cash equivalents (including any cash from a Subsequent Bond Issue standing to the credit on the Proceeds Account or another escrow arrangement for the benefit of the Bondholders) of the Group in accordance with the Accounting Principles (for the avoidance of doubt, excluding any Bonds owned by the Issuer, guarantees, 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 Group Company) as such terms are defined in the terms and conditions of the Senior Secured Callable Floating Rate Bonds ISIN: NO0013017657.

**Operating expenses** are defined as the aggregate of personnel costs and other expenses as reported in the statement of profit or loss and other comprehensive income. More details on the reporting of cost by nature can be found in the published annual financial statements of 2023.

**Operating Profit / (Loss)** represents revenue less costs of services and materials, operating expenses, depreciation and amortisation and



other gains and losses.

## **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 Group N.V. as included in this communication are required to be disclosed pursuant to the terms and conditions of the Senior Secured Callable Floating Rate Bonds ISIN: NO0013017657.

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 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 Group N.V.'s cash flow based on IFRS. Even though the non-IFRS financial measures are used by management to assess 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 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. The Company is 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 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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