This document is a circular and a convocation (the "Circular") relating to the definitive agreement European FinTech IPO Company 1 B.V. (the "Company" or "EFIC1") has entered into with Azerion Holding B.V. and the Selling Shareholders (as defined below) (the "Business Combination Agreement") pursuant to which the Company will acquire 100% of the issued and outstanding share capital of Azerion Holding B.V. (the "Business Combination") by way of execution of a notarial deed of transfer for that purpose.

This Circular is not a prospectus for the purposes of Regulation (EU) No. 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended and thus has not been approved by, or filed with, the Netherlands Authority for the Financial Markets (Stichting Autoriteit Financiële Markten) (the "AFM"). This Circular does not constitute or form part of any offer or invitation to purchase, otherwise acquire or subscribe for, or any solicitation of any offer to purchase, otherwise acquire or subscribe for, any security.

The convocation, including the agenda for the Company’s extraordinary general meeting of the Shareholders of EFIC1, which will be held virtually on 31 January 2022 at 10 a.m. CET (the "EGM"), is set out in section 3 of this document (the "Convocation"), and the explanatory notes to the agenda are set out in section 4 of this document. The agenda and explanatory notes thereto constitute an integral part of this Convocation.

This Circular, including the Convocation, is published electronically and in English only (with the exception of the First Amendment AoA and Second Amendment AoA, which will also be provided in Dutch).

This Circular is dated 13 December 2021
# TABLE OF CONTENTS

1. EXPECTED TIMETABLE OF PRINCIPAL EVENTS ................................................................. 1
2. LETTER TO SHAREHOLDERS ......................................................................................... 2
3. CONVOCATION AND AGENDA FOR EXTRAORDINARY GENERAL MEETING .................. 4
4. EXPLANATORY NOTES TO THE AGENDA FOR THE EXTRAORDINARY GENERAL MEETING .................................................. 8
5. BACKGROUND TO, AND RATIONALE FOR, THE BUSINESS COMBINATION .................. 19
6. BUSINESS COMBINATION ......................................................................................... 25
7. RISK FACTORS ............................................................................................................. 69
8. AZERION’S BUSINESS .................................................................................................. 96
9. CURRENT SHAREHOLDING STRUCTURE OF AZERION ............................................... 112
10. FINANCIAL INFORMATION OF AZERION .................................................................. 113
11. OTHER IMPORTANT INFORMATION .......................................................................... 127
12. DEFINED TERMS ....................................................................................................... 130
1. EXPECTED TIMETABLE OF PRINCIPAL EVENTS

<table>
<thead>
<tr>
<th>Event</th>
<th>Date (Time)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registration Date (record date for voting)</td>
<td>3 January 2022, at 5:30 p.m. CET</td>
</tr>
<tr>
<td>Repurchase period starts</td>
<td>4 January 2022, at 9:00 a.m. CET</td>
</tr>
<tr>
<td>Deadline for (i) registration for the EGM and (ii) submitting electronic voting instructions or proxies</td>
<td>24 January 2022, at 5:30 p.m. CET</td>
</tr>
<tr>
<td>Repurchase period ends</td>
<td>27 January 2022, at noon CET</td>
</tr>
<tr>
<td>Deadline for submitting questions regarding EGM agenda items</td>
<td>28 January 2022, at 10:00 a.m. CET</td>
</tr>
<tr>
<td>EGM</td>
<td>31 January 2022, at 10:00 a.m. CET</td>
</tr>
<tr>
<td>Repurchase of Ordinary Shares under the Share Repurchase Arrangement</td>
<td>31 January 2022</td>
</tr>
<tr>
<td>Completion of Business Combination</td>
<td>1 February 2022</td>
</tr>
<tr>
<td>Appointment of Management Board and Supervisory Board members becomes effective</td>
<td>1 February 2022</td>
</tr>
<tr>
<td>Payment of consideration for repurchased Ordinary Shares</td>
<td>2 February 2022</td>
</tr>
<tr>
<td>Conversion into an N.V</td>
<td>2 February 2022</td>
</tr>
<tr>
<td>Start trading Ordinary Shares and Warrants under the name Azerion Group N.V.</td>
<td>2 February 2022</td>
</tr>
<tr>
<td>Long Stop Date</td>
<td>1 March 2022</td>
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</tbody>
</table>

The dates and times given are based on the Company’s current expectations and may be subject to change. Any revised dates and/or times will be notified to the Shareholders, by way of a press release published on the Company's website (www.efic1.com).
2. LETTER TO SHAREHOLDERS

Dear Shareholder,

On behalf of the Company, we are pleased to invite you to the EGM which is to be held virtually on 31 January 2022 at 10 a.m. CET and to provide you with this Circular. This meeting will also be considered a meeting of the holders of a particular class of shares for approval of the proposed resolutions by such holders of a particular class (to the extent required) as described under "Convocation and Agenda for Extraordinary General Meeting".

The purpose of this Circular is to ensure that the shareholders of the Company (the "Shareholders") are adequately informed of the facts and circumstances relevant to the proposals on the agenda for the EGM. This should enable the Shareholders (to the extent they have voting rights in the general meeting) to vote on the proposed resolutions, including amongst others, to (i) approve the Business Combination; (ii) appoint the members of the Management Board and the Supervisory Board; (iii) adopt the remuneration policy for the Management Board and Supervisory Board; and (iv) resolve upon and authorise the amendments to the articles of association of the Company.

After careful consideration, the current one tier board of EFIC1 (the "EFIC1 Board") considers that the terms and conditions of the Business Combination Agreement and the transactions contemplated thereby, including the Business Combination, to be in the best interest of the Company and its stakeholders, including the Shareholders, for the reasons set out under "Background to, and rationale for, the Business Combination - EFIC1's reasons for the Business Combination". The EFIC1 Board unanimously recommends the Business Combination Agreement and the Business Combination to you and since we cannot complete without the General Meeting’s approval of the Business Combination (as described under "Business Combination – Principal terms of the Business Combination - Conditions to Completion"), recommends that you vote in favour of the Business Combination, including the transactions contemplated by the Business Combination Agreement, and the other resolutions proposed for adoption at the EGM.

The Business Combination will allow the Shareholders to become investors in Azerion, a high-growth digital entertainment and media company with significant and diverse revenue streams, EBITDA profitability and strong cash conversion\(^1\). The EFIC1 Board and Azerion believe that the Business Combination will provide for a strong complementary partnership that will accelerate future value creation. The Business Combination will provide Azerion with increased financial flexibility to pursue attractive acquisitions and invest in organic growth initiatives, as well as general corporate purposes (see section "Background to, and rationale for, the Business Combination - Azerion's reasons for the Business Combination").

As part of the Business Combination, the Company will pay the Selling Shareholders a cash consideration and a share consideration (as described under "Business Combination - Consideration to the Selling Shareholders in the Business Combination and Waterfall").

In addition, the Company and Azerion entered into subscription arrangements with certain investors (including certain Sponsors or certain affiliates of the Sponsors) (jointly the "Sponsors & Co-Investors") substantially concurrently with the execution of the Business Combination Agreement, pursuant to which such investors will purchase an aggregate of 2,315,000 Ordinary Shares for a purchase price of €10.00 per Ordinary Share and an aggregate purchase price of €23,150,000 (the "Sponsors & Co-Investors Commitment").

The key deal terms for the proposed Business Combination include\(^2\):

- Pre-money equity value of Azerion of approximately €1,074 million;
- Up to €313 million to be made available to Azerion to fund investments in Azerion's growth by pursuing attractive acquisitions and investing in organic growth initiatives, as well as general corporate purposes;
- Chris Figee and Klaas Meertens, currently non-executive members of the EFIC1 Board, will both join the post-Business Combination Supervisory Board; and
- Ben Davey, currently executive member of the EFIC1 Board, will join the post-Business Combination Executive Committee.

After Completion and the conversion into an N.V., the Company is to be named Azerion Group N.V.

Although we hope that the Shareholders will remain shareholders post Business Combination, we are also providing Shareholders with the opportunity to have part or all of their Ordinary Shares repurchased subject to Completion (as described under "Business Combination - Description of the Transaction - Share repurchase arrangement") even if they vote in favour of the Business Combination in accordance with the timeline set out in the section titled "Expected Timetable of Principal Events".

This Circular provides detailed information on the proposed Business Combination and on a number of related matters. It begins with the convocation of the EGM and the agenda items and explanatory notes thereto, to be considered and voted upon at the EGM. It continues with a description of the background to and rationale for the Business Combination, followed by a more detailed description of the Business

\(^1\) Cash conversion is defined as (Adjusted EBITDA-Capex) / Adjusted EBITDA. M&A investment excluded.

\(^2\) Based on a scenario in which no Ordinary Shares are repurchased from the Shareholders as further described under "Business Combination – Description of the Transaction - Share repurchase arrangement".

2
Combination. Thereafter, this Circular sets out the risk factors and a detailed description of Azerion's business, its current shareholding structure and certain financial information.

We encourage you to read this Circular and the additional documentation referred to in it carefully. We hope you will agree with the recommendation of the EFIC1 Board to approve the Business Combination, including the transactions contemplated by the Business Combination Agreement, and the other resolutions proposed for adoption at the EGM.

We value and thank you for your continued support and look forward to welcoming you to our EGM on 31 January 2022, which will be held virtually in light of the ongoing developments related to the COVID-19 pandemic and to protect the health of all participants.

Yours sincerely,

The EFIC1 Board
3. CONVOCATION AND AGENDA FOR EXTRAORDINARY GENERAL MEETING

The EGM will be held virtually on 31 January 2022 at 10.00 a.m. CET.

In connection with COVID-19 and the protection of the health of all participants in the EGM, the EFIC1 Board hereby convenes a virtual EGM in accordance with the temporary law regarding COVID-19 (Tijdelijke wet COVID-19 Justitie en Veiligheid). This means that no Shareholders or visitors can attend the EGM in person but can only participate virtually. The Shareholders have the opportunity to ask (i) questions prior to the EGM by submitting questions up to 72 hours before the EGM and (ii) follow-up questions during the EGM (for more information, see the section titled “Asking Questions before and during the EGM”).

The temporary law relating to COVID-19 currently allows the EGM to be held entirely virtually. It is expected that this will still be possible on the day of the EGM. Only in the event that the temporary law with regard to COVID-19 no longer allows fully virtual meetings on the day of the EGM, the Company will notify the Shareholders as soon as possible by way of a press release published on the Company’s website (www.efic1.com) that the EGM will be held in hybrid form instead of entirely virtually.

The EFIC1 Board has decided that this Circular, including the Convocation, shall only be communicated to the Shareholders electronically.

### 3.1. Agenda

1. Opening;

2. The proposed Business Combination:
   a. Presentation on the proposed Business Combination (discussion item);
   b. Entering into and approval of the Business Combination in accordance with article 19 of the current articles of association of the Company, including the transactions contemplated by the Business Combination Agreement (voting item);

3. Re-structure of the Company as per the Business Combination (voting item);
   a. Cancellation of Ordinary Shares repurchased by the Company under the Share Repurchase Arrangement;
   b. First amendment of the current articles of association of the Company (the "First Amendment AoA"), including the authorisation of each member of the EFIC1 Board and each civil law notary practising with Stibbe N.V. and any prospective civil law notary acting under his or her supervision to execute the notarial deed containing the First Amendment AoA;
   c. Cancellation of 853,989 (10%) Special Shares without repayment, effective upon the day following Business Combination;
   d. Conversion of the Company's legal form to that of a limited company (naamloze vennootschap) and second amendment of the articles of association of the Company (the "Second Amendment AoA"), including the authorisation of each member of the Management Board and each civil law notary practising with Stibbe N.V. and any prospective civil law notary acting under his or her supervision to execute the notarial deed containing the Second Amendment AoA, to be executed the day following Business Combination;

4. The board structure of the Company as per the Business Combination:
   a. Appointments of members of the Management Board (voting item): i) Appointment of Atilla Aytekin as member of the Management Board, subject to and effective as per the moment of execution of the notarial deed containing the First Amendment AoA;
      ii) Appointment of Umut Akpinar as member of the Management Board, subject to and effective as per the moment of execution of the notarial deed containing the First Amendment AoA;
      iii) Appointment of Maria del Dado Alonso Sanchez as member of the Management Board, subject to and effective as per the moment of execution of the notarial deed containing the First Amendment AoA;
   b. Appointments of members of the Supervisory Board (voting item):
i) Appointment of Peter Tordoir as member of the Supervisory Board, subject to and effective as per the moment of execution of the notarial deed containing the First Amendment AoA;

ii) Appointment of Derk Haank as member of the Supervisory Board, subject to and effective as per the moment of execution of the notarial deed containing the First Amendment AoA;

iii) Appointment of Klaas Meertens as member of the Supervisory Board, subject to and effective as per the moment of execution of the notarial deed containing the First Amendment AoA;

iv) Appointment of Chris Figee as member of the Supervisory Board, subject to and effective as per the moment of execution of the notarial deed containing the First Amendment AoA;

v) Appointment of Florence von Erb as member of the Supervisory Board, subject to and effective as per the moment of execution of the notarial deed containing the First Amendment AoA;

vi) Appointment of Katrin Brökelmann as member of the Supervisory Board, subject to and effective as per the moment of execution of the notarial deed containing the First Amendment AoA;

c) Acceptance of the resignation of Nicholas Aperghis, Martin Blessing and Benjamin Davey as current executive members of the EFIC1 Board and the resignation of Hélène Vletter-van Dort, Jan Bennink, Chris Figee and Klaas Meertens as current non-executive members of the EFIC1 Board effective as per the moment immediately following the execution of the notarial deed containing the First Amendment AoA (informative item);

5) The remuneration policies of the Company as per the Business Combination:

   (a) Adoption of the remuneration policy for the Management Board, subject to and effective upon the execution of the notarial deed containing the First Amendment AoA (voting item);

   (b) Adoption of the remuneration policy for the Supervisory Board, subject to and effective upon the execution of the notarial deed containing the First Amendment AoA (voting item);

6) Other remuneration related items of the Company as per the Business Combination (voting item):

   (a) Determine compensation of the members of the Supervisory Board subject to and effective upon the execution of the notarial deed containing the First Amendment AoA;

   (b) Approval of the main terms and conditions of a long-term incentive plan (the "LTIP");

7) Accounting of the Company as per the Business Combination (voting item):

   (a) To appoint and instruct PwC as auditor to audit the annual accounts over the financial year 2021 and financial year 2022, subject to Completion;

   (b) To withdraw the appointment of Deloitte as auditor of the Company to audit the annual accounts over the financial year 2021, subject to Completion;

   (c) To have the management report (bestuursverslag) of the Company and the annual accounts of the Company over the financial year 2021 and the following financial years drawn up in the English language;

8) Authorisations of the Management Board to repurchase Shares (voting item):

   (a) Authorisation of the Management Board to repurchase Ordinary Shares in the share capital of the Company, subject to the Second Amendment AoA becoming effective;

   (b) Authorisation of the Management Board to repurchase Capital Shares with repayment, subject to the Second Amendment AoA becoming effective;
Cancellation of Shares (voting item)

(a) Cancellation of Capital Shares after their repurchase; and

(b) Cancellation of a maximum of 1,152,886 (13.5%) Conditional Special Shares without repayment;

Closing.

The proposals included in agenda items (3) – (9) are subject to the adoption by the General Meeting of the proposal under agenda item (2)(b).

The above matters are more fully described in this Circular. We urge you to carefully read this Circular in its entirety. The EFIC1 Board decided to combine certain resolutions as one singular voting item in the EGM, as these resolutions are closely related. Furthermore, it is noted that, to the extent necessary, it will be at the discretion of the EFIC1 Board to withdraw one or more proposals from the agenda in order to facilitate the adoption of the other proposals.

After careful consideration, the EFIC1 Board has approved the Business Combination and unanimously recommends that the Shareholders vote: "FOR" approval of the Business Combination, including the transactions contemplated by the Business Combination Agreement, and "FOR" all other proposals presented to the Shareholders in this Circular. When you consider the EFIC1 Board's recommendation of these proposals, you should keep in mind that the members of the EFIC1 Board have interests in the Business Combination that may conflict with your interests as a shareholder. Please see the sections titled "Background to, and rationale for, the Business Combination" and "The Business Combination" for additional information. In addition, you should read the section titled "Risk Factors" for a discussion of the risks you should consider in evaluating the proposed Business Combination and how it may affect you.

3.2. Registration Date

Holders of Ordinary Shares and Special Shares (i.e. Shares with voting rights in the EGM) will be entitled to attend and vote at the EGM and holders of Capital Shares (i.e. Shares without voting rights in the EGM) will be entitled to attend the EGM, provided these Shareholders (i) are registered as a Shareholder on 3 January 2022 at 5.30 p.m. CET, after processing of all settlements on that date (the "Registration Date") in one of the registers mentioned below, and (ii) have submitted their application to attend the EGM in accordance with the procedure as set out in the paragraph below.

The EFIC1 Board has designated as registers, in each case as at the Registration Date: (i) for the Ordinary Shares held through Euroclear Nederland: the administrations of the banks and brokers which are intermediaries (intermediairs) of Euroclear Nederland within the meaning of the Dutch Securities Giro Transfer Act (Wet giraal effectenverkeer); and (ii) for Shares held by persons registered in the Company's shareholders register: the Company's shareholders register at the Company's office in Amsterdam (see the section titled "Registration for the EGM" of this Circular).

3.3. Registration for the EGM

A Shareholder who wishes to participate in the EGM is required to register within the registration period (i) via ABN AMRO Bank N.V. (Corporate Broking & Issuer Services) ("ABN AMRO") at www.abnamro.com/evoting, (ii) via the intermediary in whose administration the Shareholder is registered as a shareholder of the Company, (iii) by sending an email for such purpose to EGM@efic1.com, or (iv) for holders of Shares who are registered in the Company's shareholders register (except for Ordinary Shares held by Euroclear Nederland pursuant to the shareholders register), in the manner as communicated to them by the Company. Option (i) and (ii) only apply if the Shareholder concerned exercises its voting rights electronically in accordance with the procedure set out below (see "— Proxies with voting instructions") in which case the Shareholder shall automatically be registered for the EGM and receive a link to the webcast. The registration period starts on 3 January 2022 and ends on 24 January 2022 at 5:30 p.m. CET.

Please note that, for verification and authentication purposes, certain information of the Shareholders must be provided upon registration. A Shareholder must provide, or ensure that the intermediary can provide on its behalf, the full address details, email address, securities account number (if applicable) and mobile phone number of the relevant ultimate beneficial owner of the Shares. Such information must be provided to ABN AMRO in order for them to efficiently verify such Shareholder's interest at the Registration Date and provide access to the EGM.

No later than 12:30 p.m. CET on 25 January 2022, (for option (i) and (ii) above) the intermediaries must provide an electronic statement to ABN AMRO via www.abnamro.com/intermediary stating the number of Ordinary Shares held through Euroclear at the Registration Date by each relevant Shareholder and the number of such Ordinary Shares which have been applied for registration or (for option (iii) above) the respective Shareholder must provide a confirmation from the intermediary on the number of Ordinary Shares held by the Shareholder as attachment to his registration email. ABN AMRO will send Shareholders a proof of registration directly or via the relevant intermediary.
3.4. Proxies with voting instructions

Once registered in accordance with the procedure set out above (see "Registration for the EGM"), to the extent applicable, a Shareholder can exercise its voting rights electronically by giving a proxy with voting instructions via [www.abnamro.com/evoting](http://www.abnamro.com/evoting) to the civil law notary (notaris) Jan Bouwen de Snaijer of Hogan Lovells International LLP in Amsterdam and any prospective civil law notary acting under his supervision (the "HL Notary") no later than 24 January 2022 at 5:30 p.m. CET.

To the extent a Shareholder has the right to vote at the EGM, such Shareholder can also give a proxy with voting instructions to the HL Notary by using a written proxy form including voting instructions, and sending such form to the HL Notary, email chantalle.schoegje@hoganlovells.com, no later than 24 January 2022 at 5:30 p.m. CET. Such a proxy form is available on [www.efic1.com](http://www.efic1.com). This proxy form can also be used if a Shareholder is unable to give its voting instruction through [www.abnamro.com/evoting](http://www.abnamro.com/evoting).

In respect of the Ordinary Shares held through Euroclear Nederland, the number of Ordinary Shares held by the relevant Shareholder on the Registration Date must be confirmed, either by the intermediary issuing a statement via [www.abnamro.com/intermediary](http://www.abnamro.com/intermediary) or by the Shareholder by providing a confirmation from the intermediary to such extent as an attachment to the proxy form.

For the avoidance of doubt, it shall not be possible for Shareholders to vote during the EGM.

3.5. Virtual attendance by webcast and chat

The Company believes that a virtual meeting is the most prudent in view of the ongoing COVID-19 pandemic and considering the current guidelines of the Dutch government regarding the COVID-19 pandemic. Therefore, the Company only offers Shareholders the possibility to attend the EGM via a webcast.

Shareholders who have registered themselves to attend the EGM will receive a confirmation email containing procedure for attending the EGM via the webcast. Shareholders can access the webcast on their smartphone, tablet, laptop or PC, unless an intermediary of a Shareholder does not enable online participation. For more information regarding the webcast, please refer to the Company's FAQs for a virtual general meeting. This document can be consulted at [www.efic1.com](http://www.efic1.com) or can be obtained by sending an email to EGM@efic1.com.

When attending the EGM via the webcast, it cannot be guaranteed that there will not be an interruption of internet connection. However, such an interruption will not affect a Shareholder's opportunity to cast its vote, because all votes must be submitted prior to the EGM as described above (see the section titled "Proxies with voting instructions" of this Circular).

3.6. Asking questions before and during the EGM

Shareholders who have registered for the EGM are invited to submit their questions relating to agenda items prior the EGM by sending an email to EGM@efic1.com. Questions can be submitted until 10:00 a.m. CET on 28 January 2022. The Company aims to address these questions during the EGM. Where possible, the questions received by the Company may be combined, so they can be discussed in an efficient manner.

Shareholders who submitted questions prior to the EGM in accordance with the procedure described above, also have the possibility to ask follow-up questions in writing via the webcast during the EGM. The chair of the EGM, who is responsible for the orderly and efficient conduct of the meeting, may take measures to ensure such order, such as limiting the number of questions and combining questions (thematically or otherwise). The questions received in advance will be answered first and, subject to limitations as decided upon by the chair, will be followed by any follow-up questions submitted in writing via the webcast.
4. EXPLANATORY NOTES TO THE AGENDA FOR THE EXTRAORDINARY GENERAL MEETING

4.1. Agenda item (2): The proposed Business Combination

(a) Agenda item (2)(a): Presentation on the proposed Business Combination (discussion item) and agenda item (2)(b): Entering into and approval of the Business Combination in accordance with article 19 of the current articles of association of the Company, including the transactions contemplated by the Business Combination Agreement (voting item)

After careful consideration, the EFIC1 Board has approved the Business Combination and unanimously recommends that the Shareholders, and therefore proposes to the General Meeting, to vote "FOR" approval of the Business Combination, including the transactions contemplated by the Business Combination Agreement, and "FOR" all other proposals presented to the Shareholders in this Circular. Please see "Background to, and rationale for, the Business Combination" and "The Business Combination" for additional information.

When you consider the EFIC1 Board's recommendation of these proposals, you should keep in mind that the members of the EFIC1 Board have interests in the Business Combination that may conflict with your interests as a shareholder. In addition, you should read the section titled "Risk Factors" for a discussion of the risks you should consider in evaluating the proposed Business Combination and how it may affect you.

The proposals included in agenda items (3) – (9) are subject to the adoption by the General Meeting of the proposal under this agenda item (2)(b).

4.2. Agenda item (3): Re-structure of the Company as per the Business Combination (voting item)

It has been agreed as part of the Business Combination that the capital and governance structure of EFIC1 will change, which change amongst other things comprises the amendment of the articles of association of the Company, repurchase and cancellation of certain Shares and the conversion of the Company into a limited company (naamloze vennootschap). As these proposals are a part of the Completion, these agenda items will be considered one single voting item at the EGM.

(a) Agenda item (3)(a): Cancellation of Ordinary Shares repurchased by the Company under the Share Repurchase Arrangement

Following the Share Repurchase Arrangement as described in the EFIC1 IPO Prospectus under the section titled "Repurchase of Ordinary Shares" and in this Circular under "Share repurchase arrangement", the EFIC1 Board may resolve (i) within one month following repurchase, to place any or all of the Ordinary Shares repurchased by the Company with existing Shareholders or with third parties seeking to obtain Ordinary Shares or (ii) to cancel any or all of the Ordinary Shares repurchased by the Company. In accordance with these terms, the EFIC1 Board shall ultimately on the date of the EGM resolve to option (i), (ii) or a combination of (i) and (ii) (the "Allocation Resolution").

The EFIC1 Board proposes to the General Meeting to resolve to cancel all Ordinary Shares that (a) shall be repurchased under the Share Repurchase Arrangement in accordance with the terms set out under "Share repurchase arrangement", but (b) will not be placed with existing Shareholders or with third parties seeking to obtain Ordinary Shares in accordance with option (i) above, immediately following Completion.

The purpose of this capital reduction is to comply with the provisions of the EFIC1 IPO Prospectus. Considering (a) Ordinary Shares repurchased under the Share Repurchase Arrangement that will not be placed in accordance with option (i) above pursuant to the Allocation Resolution, will probably not be placed with anyone else within one month and (b) the legal restrictions to cancel Shares that will apply to the Company after its conversion into a limited company (naamloze vennootschap), cancellation of these Ordinary Shares that will not be placed with existing Shareholders or with third parties pursuant to the Allocation Resolution, while the Company is a B.V. is the most effective way to comply with the EFIC1 IPO Prospectus.

The cancellation of the relevant Ordinary Shares shall become effective immediately after Completion (notwithstanding that the repurchase itself will be effective on the date of the EGM).

(b) Agenda item (3)(b): First Amendment AoA, including the authorisation of each member of the EFIC1 Board and each civil law notary practising with Stibbe N.V. and any prospective civil law notary acting under his or her supervision to execute the notarial deed containing the First Amendment AoA

The EFIC1 Board proposes to the General Meeting to resolve to adopt the First Amendment AoA.

The main items of the First Amendment AoA are to:

8
• change the Company’s name into Azerion Group B.V.;

• adopt the capital structure (as described under “Business Combination – Description of Securities”); and

• adopt the two tier board governance structure (as described under “Business Combination – Corporate Governance”) and provide for a certain attribution of powers originally attributed to the EFIC1 Board to the Management Board and Supervisory Board, such as the Supervisory Boards’ right to (a) approve a resolution of the Management Board to i) issue Shares and restrict or limit pre-emptive rights in relation thereto, or ii) acquire Shares in the share capital of the Company or iii) make interim distributions to Shareholders, (b) make a proposal for appointment of members of the Management Board and (c) determine the remuneration of each member of the Management Board with due observance of the remuneration policy as adopted by the General Meeting, which remuneration policy may be amended by a resolution of the General Meeting adopted with an absolute majority of the votes cast (same applies to the remuneration policy of the Supervisory Board).

Certain transitional clauses are included in the notarial deed containing the First Amendment AoA including the following:

• to uphold the provisions applicable to the type of transferable rights referred to as 'Warrants' in the deed of amendment of the articles of association of the Company executed on 30 March 2021 and as issued to holders of Ordinary Shares as of such date until the First Amendment AoA provided that no new Warrants (within the meaning of the articles of association of the Company dated 30 March 2021) can be issued that qualify as Warrants on the basis of and in accordance with the articles of association of the Company executed on 30 March 2021, for a period of five years;

• to describe the share capital structure for the Special Shares and the provisions applicable to the Special Shares in their respective form, being first (i) the 10% of the Special Shares to be cancelled and subsequently (ii) the 13.5% of the Special Shares continuing in the form of Conditional Special Shares in accordance with the articles of association of the Company. Both changes in the share capital structure as described in (i) and (ii) of the previous sentence shall become effective in accordance with and pursuant to the EFIC1 Board Resolution also including the exact effective time (hereinafter the “Special Shares Initial Changes”). The provisions applicable to the Conditional Special Shares as per the Special Shares Initial Changes becoming effective, are similar to the current provisions for Special Shares, with the exception that the Company cannot issue new Special Shares and the holders of Special Shares do not have pre-emptive rights in relation to issuances of Ordinary Shares – see "Business Combination – Corporate Governance"; and

• the appointment of the members of the (first) Management Board and Supervisory Board.

The proposed First Amendment AoA is available at www.efic1.com, in the Dutch language with an (unofficial) English translation.

This proposal includes the proposals that (i) the meeting of holders of shares of a particular class, approves the proposal in that capacity, to the extent required, by voting in favour of the proposal on the Shares held by such Shareholders, and (ii) each member of the EFIC1 Board, as well as each civil law notary, prospective civil law notary and person acting under the supervision of one of the civil law notaries of Stibbe N.V. in Amsterdam, shall be authorised to execute the notarial deed containing the First Amendment AoA and to undertake all other activities the authorised person deems necessary or useful in connection with the First Amendment AoA. This EGM is also considered to be the meeting of holders of a particular class. By voting in favour of the proposed First Amendment AoA in the General Meeting, the aforementioned proposals are considered to be voted in favour in a meeting of holders of such particular class as well.

(c) Agenda item (3)(c): Cancellation of 853,989 (10%) Special Shares without repayment, effective upon the day following Business Combination

It has been agreed as part of the Business Combination that 10% of the Special Shares held in aggregate by each of EFIC1 Cooperative U.A. ("EFIC1 Cooperative") and HTP Sponsor held at that time will be forfeited by way of cancellation without repayment. The reason for the cancellation of these shares is to comply with the overall commercial agreement between EFIC1 and the Selling Shareholders.

The EFIC1 Board proposes to the General Meeting to resolve to cancel 853,989 Special Shares, numbered S1 up to and including S376,367 and S4,089,721 up to and including S4,567,342, without repayment, effective as per the moment the Special Shares Initial Changes become effective (the day following Business Combination at 0:01 am CET). The holders of these Special Shares have consented to such cancellation.

(d) Agenda item (3)(d): Conversion of the Company’s legal form to that of a limited company (naamloze vennootschap) and second Amendment AoA, including the authorisation of each member of the Management Board and each civil law notary practising with Stibbe N.V. and any prospective civil law notary acting under his or her supervision to execute the notarial deed containing the Second Amendment AoA, to be executed the day following Business Completion

The EFIC1 Board proposes to the General Meeting to resolve to convert the legal form of the Company from that of a private company with limited liability (besloten vennootschap met beperkte aansprakelijkheid) to that of a limited company (naamloze vennootschap)
within two days after the Business Combination. As part of the conversion of the Company’s legal form, the EFIC1 Board proposes to the General Meeting to amend the articles of association and to resolve to adopt the Second Amendment AoA.

The main items of the Second Amendment AoA are to:

- adopt the articles of association to the form of a limited company \textit{(naamloze vennootschap)} (including name change to Azerion Group N.V.);
- introduce certain mandatory capital protective provisions, such as the introduction of an authorised share capital, the obligation to pay the nominal value upon issuance of new Shares (without prejudice to 2:80(2) DCC), the limitation to acquire Shares in the capital of the Company up to 50% of its issued capital and the ability to make distributions or repayments to Shareholders. The Company may make distributions or acquire its own shares (for consideration) in accordance with Dutch law, only to the extent that the Company's Shareholders' equity exceeds the sum of the paid-in and called-up capital and the reserves which must be maintained pursuant to Dutch law; and
- change and grant certain authorities:
  - Shares shall be issued pursuant to a resolution of the General Meeting, or pursuant to a resolution of the Management Board if designated thereto by the General Meeting for a period not exceeding five years, subject to the prior approval of the Supervisory Board, unless the articles of association determine otherwise. The same principle applies to the authority to limit or exclude pre-emptive rights. New Capital Shares may only be issued under existing rights to acquire Capital Shares. The Management Board is designated to issue Ordinary Shares and Capital Shares and to exclude or limit the pre-emptive rights in relation thereto, each time with approval of the Supervisory Board, subject to and including:
    - for a period up to the annual general meeting held in the financial year 2024, the Management Board is irrevocably designated and authorised to, with the prior approval of the Supervisory Board, issue Ordinary Shares or grant rights to subscribe for Ordinary Shares up to twenty per cent (20%) of the issued Ordinary Shares as of the date of issuance, and to exclude or limit pre-emptive rights in relation thereto;
    - for a period up to the annual general meeting held in the financial year 2024, the Management Board is irrevocably designated and authorised to, with the prior approval of the Supervisory Board, issue Ordinary Shares or grant rights to subscribe for Ordinary Shares up to 2.5% of the issued Ordinary Shares as of the date of issuance, in connection with any long-term incentive plan(s) as described under "Business Combination – Corporate Governance – Long-Term Incentive Plan", and to exclude or limit pre-emptive rights in relation thereto; and
    - for the avoidance of doubt, and only to facilitate effecting the arrangements relating to the Capital Shares (see "Business Combination – Description of Securities") should previous underlying resolutions turn out invalid, the Management Board is irrevocably designated and authorised for a period up to the annual general meeting held in the financial year 2024 to, with the prior approval of the Supervisory Board, to issue Capital Shares, but only under existing rights to acquire Capital Shares. Holders of Special Shares, Capital Shares and Ordinary Shares do not have pre-emptive rights in relation to an issuance of these Capital Shares;
  - subject to the authorisation by the General Meeting and subject to Dutch law, and after prior approval of the Supervisory Board, the Management Board may resolve the Company to acquire fully paid-up Shares in its own capital for consideration; and
    - the provisional clauses in relation to the Conditional Special Shares and the Warrants as described under paragraph (3)(b), will be upheld in the deed of Second Amendment AoA and a transitional clause for the Capital Shares is included – see "Business Combination – Corporate Governance" for a period, respectively, up to the moment the last of the Conditional Special Shares is converted, cancelled or otherwise terminated, for period of five years as of the Second Amendment AoA and/or once the last of the Capital Shares is converted, cancelled or otherwise terminated respectively, in accordance with the provisions of the Articles of Association.

The proposed Second Amendment AoA is available at www.efic1.com, in the Dutch language with an (unofficial) English translation. This proposal includes the proposals that (i) the meeting of holders of shares of a particular class, approve the proposal in that capacity, to the extent required, by voting in favour of the proposal on the Shares held by such Shareholders, and that (ii) each member of the Management Board, as well as each civil law notary, prospective civil law notary and person acting under the supervision of one of the civil law notaries of Stibbe N.V. in Amsterdam, shall be authorised to execute the notarial deed containing the Second Amendment AoA and to undertake all other activities the authorised person deems necessary or useful in connection with the Second Amendment AoA. This EGM is also considered to be the meeting of holders of a particular class. By voting in favour of the proposed Second Amendment AoA, the aforementioned proposals are considered to be voted in favour in a meeting of holders of such particular class as well.
4.3. **Agenda item (4): The board structure of the Company as per the Business Combination**

It has been agreed as part of the Business Combination that the board structure of EFIC1 will change from a one tier board to a two tier board effective as per the execution of the deed containing the First Amendment AoA (see agenda item (3)(b)).

(a) **Agenda item (4)(a) Appointments of members of the Management Board (voting item)**

As the EFIC1 Board is of the opinion that the Management Board will perform best in the proposed composition, all appointments together will be considered a single voting item on the agenda.

(i) **Agenda item (4)(a)i): Appointment of Atilla Aytekin as member of the Management Board, subject to and effective as per the moment of execution of the notarial deed containing the First Amendment AoA**

The EFIC1 Board proposes to the General Meeting to resolve that Atilla Aytekin is appointed as member of the Management Board for an indefinite period, such appointment is conditional upon and effective as per the moment of execution of the notarial deed containing the First Amendment AoA in accordance with and pursuant to provisional clause in the notarial deed containing the First Amendment AoA.

The personal details of Atilla Aytekin and the reasons for his proposed appointment are as follows:

- **Name:** Atilla Aytekin
- **Age:** 51
- **Nationality:** Dutch
- **Current position:** co-Chief Executive Officer of Azerion
- **Previous positions:** Owner of ATRA Company, General Manager and Pre-Sales Consultant and Trainer of BAAN Business Systems Turkey A.S. and Consultant at Ten Ham Informatiesystemen
- **Other (board) positions:** co-CEO of Orangegames, Chairman of Dutch Dream Foundation, co-CEO of Triodor Software
- **Motivation:** Atilla Aytekin is the founder and CEO of Azerion and has been a serial entrepreneur for more than 20 years. He has an entrepreneurial drive within technology and digital ecosystems. As such, he is both the founder and acquirer of many technological and digital companies

(ii) **Agenda item (4)(a)ii): Appointment of Umut Akpinar as member of the Management Board, subject to and effective as per the moment of execution of the notarial deed containing the First Amendment AoA**

The EFIC1 Board proposes to the General Meeting to resolve that Umut Akpinar is appointed as member of the Management Board for an indefinite period, such appointment is conditional upon and effective as per the moment of execution of the notarial deed containing the First Amendment AoA in accordance with and pursuant to provisional clause in the notarial deed containing the First Amendment AoA.

The personal details of Umut Akpinar and the reasons for his nomination are as follows:

- **Name:** Umut Akpinar
- **Age:** 49
- **Nationality:** Dutch
- **Current position:** co-Chief Executive Officer of Azerion
- **Previous positions:** Engineer at Philips Business Communications and Researcher at IRCTR
- **Other (board) positions:** co-CEO of Orangegames and co-CEO of Triodor Software
- **Motivation:** Umut Akpinar is the Founder and CEO of Azerion and has been a serial entrepreneur for more than 20 years. He has an entrepreneurial drive within technology and digital ecosystems. As such, he is both the founder and acquirer of many technological and digital companies

To the extent necessary, this EGM is also considered to be the meeting of holders of a particular class. By voting in favour of the proposed appointment of Atilla Aytekin in the General Meeting, the aforementioned proposal is considered to be voted in favour in a meeting of holders of such particular class as well.
(iii) Agenda item (4)(a)iii): Appointment of Maria del Dado Alonso Sanchez as member of the Management Board, subject to and effective as per the moment of execution of the notarial deed containing the First Amendment AoA

The EFIC1 Board proposes to the General Meeting to resolve that Maria del Dado Alonso Sanchez is appointed as member of the Management Board for a 4-year term, which term shall ultimately lapse immediately after the day of the first annual general meeting (jaarlijkse algemene vergadering) to be held during the fourth year after the year of her appointment, such appointment is conditional upon and effective as per the moment of execution of the notarial deed containing the First Amendment AoA in accordance with and pursuant to provisional clause in the notarial deed containing the First Amendment AoA.

The personal details of Maria del Dado Alonso Sanchez and the reasons for her proposed appointment are as follows:

Name: Maria del Dado Alonso Sanchez
Age: 49
Nationality: Spanish
Current position: Chief Financial Officer of Azerion
Previous positions: Global Finance director at OLX/Naspers, CFO at C&A the Netherlands, various executive roles at Amazon and Siemens
Other (board) positions: Member of the IMA Global Board of Directors
Motivation: Maria del Dado Alonso Sanchez is currently CFO of Azerion and has over 20 years of financial experience from various global corporations

To the extent necessary, this EGM is also considered to be the meeting of holders of a particular class. By voting in favour of the proposed appointment of Maria del Dado Alonso Sanchez the General Meeting, the aforementioned proposal is considered to be voted in favour in a meeting of holders of such particular class as well.

(b) Agenda item (4)(b): Appointments of members of the Supervisory Board (voting item)

As the EFIC1 Board is of the opinion that the Supervisory Board will perform best in the proposed composition, all appointments together will be considered a single voting item on the agenda.

In connection with the Dutch bill regarding more balanced gender composition in the management and supervisory boards of large public and private companies (Evenwichtiger verhouding van zetels tussen mannen en vrouwen in het bestuur en de raden van commissarissen van grote naamloze en besloten vennootschappen), it is noted that if as a result of an unforeseen situation, one or more of the prospective members of the Supervisory Board has withdrawn his/her availability, it will be at the discretion of the EFIC1 Board to withdraw one or more proposals from the agenda in order to avoid invalid appointments. The Company will provide any information on potential withdrawals in the proposed appointments by way of a press release published on the Company's website (www.efic1.com) upon its earliest convenience after becoming aware of a required withdrawal.

(i) Agenda item (4)(b)i): Appointment of Peter Tordoir as member of the Supervisory Board, subject to and effective as per the moment of execution of the notarial deed containing the First Amendment AoA

The EFIC1 Board proposes to the General Meeting to resolve that Peter Tordoir is appointed as member of the Supervisory Board for a 4-year term, which term shall ultimately lapse immediately after the day of the first annual general meeting (jaarlijkse algemene vergadering) to be held during the fourth year after the year of his appointment, such appointment is conditional upon and effective as per the moment of execution of the notarial deed containing the First Amendment AoA in accordance with and pursuant to provisional clause in the notarial deed containing the First Amendment AoA.

The personal details of Peter Tordoir and the reasons for his proposed appointment are as follows:

Name: Peter Tordoir
Age: 69
Nationality: Dutch
Current position: Vice-chairperson of the Dutch Red Cross
Previous positions: CEO at Keessing Media Group and NovaGraaf Group; held various executive positions at VNU Group (from EVP at VNU Business Information in the US, to CEO of VNU Business and VNU Marketing & Information in Europe and Asia), various other non-executive positions
Other (board) positions: No
Holder of shares in the Company

Motivation:

Independent / Non-independent:

(ii) Agenda item (4)(b)ii): Appointment of Derk Haank as member of the Supervisory Board, subject to and effective as per the moment of execution of the notarial deed containing the First Amendment AoA

The EFIC1 Board proposes to the General Meeting to resolve that Derk Haank is appointed as member of the Supervisory Board for a 4-year term, which term shall ultimately lapse immediately after the day of the first annual general meeting (jaarlijkse algemene vergadering) to be held during the fourth year after the year of his appointment, such appointment is conditional upon and effective as per the moment of execution of the notarial deed containing the First Amendment AoA, in accordance with and pursuant to provisional clause in the notarial deed containing the First Amendment AoA.

The personal details of Derk Haank and the reasons for his proposed appointment are as follows:

Name: Derk Haank
Age: 68
Nationality: Dutch
Current position: Chairperson of Ebusco Holding N.V. and TomTom
Previous positions: Supervisory board member of KPN, SPI Technologies, Vattenfall and Albelli; CEO of Springer Nature; CEO of Elsevier; board member of ReedElsevier and CEO of Misset
Other (board) positions: Chairperson of the board of the Dutch Media Federation
Holder of shares in the Company: No
Motivation: Derk Haank brings extensive experience in corporate governance and the consumer media industry
Independent / Non-independent: Independent

(iii) Agenda item (4)(b)iii): Appointment of Klaas Meertens as member of the Supervisory Board, subject to and effective as per the moment of execution of the notarial deed containing the First Amendment AoA

The EFIC1 Board proposes to the General Meeting to resolve that Klaas Meertens is appointed as member of the Supervisory Board for a 2-year term, which term shall ultimately lapse immediately after the day of the first annual general meeting (jaarlijkse algemene vergadering) to be held during the second year after the year of his appointment, such appointment is conditional upon and effective as per the moment of execution of the notarial deed containing the First Amendment AoA, in accordance with and pursuant to provisional clause in the notarial deed containing the First Amendment AoA.

The personal details of Klaas Meertens and the reasons for his proposed appointment are as follows:

Name: Klaas Meertens
Age: 64
Nationality: Dutch
Current position: Managing partner of HTP and a non-executive partner of Novum Capital Partners
Previous positions: Partner of McKinsey & Co and managing director of J.P. Morgan
Other (board) positions: Non-executive director and member of the Audit Committee of EFIC1 and a supervisory board member of Knaus Tabbert AG
Holder of shares in the Company: Yes, by virtue of being one of HTP Sponsor (as defined below)'s shareholders (as further described in "Business Combination – Description of Securities – Pre and immediately following the Business Combination Shareholding Structure")
Motivation: Klaas Meertens brings extensive experience in corporate governance and an extensive track-record as an active investor acquiring, managing and divesting companies with a compelling value/growth proposition
Independent / Non-independent: Non-Independent
(iv) **Agenda item (4)(b)iv): Appointment of Chris Figee as member of the Supervisory Board, subject to and effective as per the moment of execution of the notarial deed containing the First Amendment AoA**

The EFIC1 Board proposes to the General Meeting to resolve that Chris Figee is appointed as member of the Supervisory Board for a 3-year term, which term shall ultimately lapse immediately after the day of the first annual general meeting (jaarlijkse algemene vergadering) to be held during the third year after the year of his appointment, such appointment is conditional upon and effective as per the moment of execution of the notarial deed containing the First Amendment AoA, in accordance with and pursuant to provisional clause in the notarial deed containing the First Amendment AoA.

The personal details of Chris Figee and the reasons for his proposed appointment are as follows:

- **Name:** Chris Figee
- **Age:** 49
- **Nationality:** Dutch
- **Current position:** Chief Financial Officer and member of the Executive Board of KPN
- **Previous positions:** Portfolio manager in fixed income of AEGON Life Insurance Company; partner in the European Insurance & Asset Management Practice of McKinsey & Co; Director Strategy & Performance Management and Director of Group Finance of Achmea Holding N.V.; Chief Financial Officer of a.s.r. Nederland N.V. (a.s.r.) (the former Dutch insurance business of the Fortis Group)
- **Holder of shares in the Company:** Yes (as further described in "Business Combination – Description of Securities – Pre and immediately following the Business Combination Shareholding Structure")
- **Motivation:** Chris Figee brings extensive experience as CFO of publicly listed companies, including IPOs. This background, and his strong focus on capital markets interactions, will be valuable as chairperson of the Audit Committee. Business wise, Chris brings tangible experience in financial services and (tele-) communications / digital services industries
- **Independent / Non-independent:** Independent

(v) **Agenda item (4)(b)v): Appointment of Florence von Erb as member of the Supervisory Board, subject to and effective as per the moment of execution of the notarial deed containing the First Amendment AoA**

The EFIC1 Board proposes to the General Meeting to resolve that Florence von Erb is appointed as member of the Supervisory Board for a 2-year term, which term shall ultimately lapse immediately after the day of the first annual general meeting (jaarlijkse algemene vergadering) to be held during the second year after the year of her appointment, such appointment is conditional upon and effective as per the moment of execution of the notarial deed containing the First Amendment AoA, in accordance with and pursuant to provisional clause in the notarial deed containing the First Amendment AoA.

The personal details of Florence von Erb and the reasons for her proposed appointment are as follows:

- **Name:** Florence von Erb
- **Age:** 62
- **Nationality:** French
- **Current position:** Independent member of the boards of Ipsos SA and Klépierre
- **Previous positions:** Banker for JP Morgan; Adair Capital Managing Director, President and Board Chair of MMM International (NGO), Founder of New York not-for profit “Sure We Can”
- **Other (board) positions:** IPSOS, (Non-Executive director and CSR Committee President) Klépierre (Member of the Supervisory Board and Audit and Sustainable Development Committees)
- **Holder of shares in the Company:** No
- **Motivation:** Florence von Erb brings extensive experience of European public company boards, particularly in the market research/media sector. Her dedication to sustainability, climate change and social impact causes are essential to the ESG guidance of companies
Independent / Non-independent:

Independent

(vi) Agenda item (4)(b)(vi): Appointment of Katrin Brökelmann as member of the Supervisory Board, subject to and effective as per the moment of execution of the notarial deed containing the First Amendment AoA

The EFIC1 Board proposes to the General Meeting to resolve that Katrin Brökelmann is appointed as member of the Supervisory Board for a 3-year term, which term shall ultimately lapse immediately after the day of the first annual general meeting (jaarlijkse algemene vergadering) to be held during the third year after the year of her appointment, such appointment is conditional upon and effective as per the moment of execution of the notarial deed containing the First Amendment AoA, in accordance with and pursuant to provisional clause in the notarial deed containing the First Amendment AoA.

The personal details of Katrin Brökelmann and the reasons for her proposed appointment are as follows:

Name: Katrin Brökelmann
Age: 52
Nationality: German
Current position: Partner of Praesidium SGR and the Praesidium Agri-FoodTech Fund
Previous positions: Consultant at McKinsey & Co, Co-founder of a media startup, Investment Director and Head of TMT DACH Growth Capital at 3i, Co-founder of PINOVA Capital, Partner Triago
Other (board) positions: None
Motivation: Katrin Brökelmann brings extensive experience in supporting entrepreneurs and managers of high-growth technology-based companies in their growth trajectory, particularly in the technology and media sectors, where she held various board positions in privately owned companies in the past.

Independent / Non-independent: Independent

(c) Agenda item (4)(c): Acceptance of the resignation of Nicholas Aperghis, Martin Blessing and Benjamin Davey as executive members of the EFIC1 Board and of Hélène Vletter-van Dort, Jan Bennink, Chris Figee and Klaas Meertens as non-executive members of the EFIC1 Board, effective as per the moment immediately following the execution of the notarial deed containing the First Amendment AoA (informative item)

The resignation of members Nicholas Aperghis, Martin Blessing and Benjamin Davey as executive members of the EFIC1 Board and Hélène Vletter-van Dort, Jan Bennink, Chris Figee and Klaas Meertens as non-executive members of the EFIC1 Board are each conditional upon and effective as per the moment immediately following the execution of the notarial deed containing the First Amendment AoA.

The General Meeting shall be requested to resolve on the discharge of the executive EFIC1 Board members and non-executive EFIC1 Board members as part of the future general meeting of the Company to be convened for the purposes of (either solely or amongst other agenda items) approving the annual accounts of the Company for the financial year 2021, ending on 31 December 2021.

4.4. Agenda item (5): The remuneration policies of the Company as per the Business Combination

As part of the Business Combination, the board structure of EFIC1 changes from a one-tier board to a two-tier board effective as per the execution of the deed containing the First Amendment AoA, and in connection herewith it is proposed to adopt a new remuneration policy for the Management Board and the Supervisory Board.

(a) Agenda item (5)(a): Adoption of the remuneration policy for the Management Board, subject to and effective upon the execution of the notarial deed containing the First Amendment AoA (voting item)

The EFIC1 Board elaborated on the contents of the remuneration policy and proposes to the General Meeting to adopt the remuneration policy of the Management Board as included in the meeting documents and as published on the Company's website (www.efic1.com), subject to adoption of agenda item (4)(a), and as described under "Business Combination – Corporate Governance – Management Board Remuneration". This resolution requires a three fourths majority of the votes cast and is therefore dealt with as a separate voting item on the agenda.
(b) Agenda item (5)(b): Adoption of the remuneration policy for the Supervisory Board, subject to and effective upon the execution of the notarial deed containing the First Amendment AoA (voting item)

The EFIC1 Board elaborated on the contents of the remuneration policy and proposes to the General Meeting to adopt the remuneration policy of the Supervisory Board as included in the meeting documents and as published on the Company’s website (www.efic1.com), subject to adoption of agenda item (4)(b), and as described under “Business Combination – Corporate Governance – Supervisory Board Remuneration”. This resolution requires a three fourths majority of the votes cast and is therefore dealt with as a separate voting item on the agenda.

4.5. Agenda item (6): Other remuneration related items of the Company as per the Business Combination (voting item)

As per the moment that EFIC1 has a supervisory board, it is required to determine the compensation for the members of the Supervisory Board. As part of the Business Combination, the Company intends to implement the LTIP. Agenda items on these remuneration matters will be considered a single voting item and agenda item (6)(a) is subject to adoption of agenda item (4)(b).

(a) Agenda item (6)(a): Determine compensation of the members of the Supervisory Board subject to and effective upon the execution of the notarial deed containing the First Amendment AoA

The EFIC1 Board proposes to the General Meeting to resolve to determine that each member of the Supervisory Board will receive an annual fee of €50,000 for his/her services as of the date of his/her appointment. In addition, the EFIC1 Board proposes to the General Meeting to adopt a resolution to determine that the chairperson of the Supervisory Board will receive an additional annual fee of €30,000, the chairpersons of each of the committees will receive an additional annual fee of €10,000 each, and each committee member will receive an additional annual fee of €5,000.

(b) Agenda item (6)(b): Approval of the main terms and conditions of the LTIP

The EFIC1 Board proposes to the General Meeting to resolve to approve the terms and conditions of the LTIP as further set out under “Business Combination – Corporate Governance – Management Board Remuneration”.

4.6. Agenda item (7): Accounting of the Company as per the Business Combination (voting item)

PwC currently acts as auditor for Azerion and as such the audit committee and the EFIC1 Board deems it best if PwC acts as auditor for the Company, subject to Completion. As the Company is considered acting in an international business environment, it is more suitable to have the management report (bestuursverslag) of the Company and the annual accounts of the Company drawn up in the English language. As all these items on the agenda are closely related, the EFIC1 Board presents these as a single voting item.

(a) Agenda item (7)(a): To appoint and instruct PwC as auditor to audit the annual accounts over the financial year 2021 and financial year 2022, subject to Completion

The recommendation of the audit committee contained PwC and Deloitte as two choices for the audit engagement and the audit committee expressed a duly justified preference for PwC, considering also the better alignment, and continuity for future reviews and audits. The EFIC1 Board follows this preference and wishes to propose to appoint and instruct PwC as auditor to audit the annual accounts for the financial years 2021 and 2022.

PwC currently acts as auditor for Azerion and as such the audit committee and the EFIC1 Board deems it best if PwC acts as auditor for the Company, subject to Completion. In order to best facilitate the audit processes and other reviews for the future, the EFIC1 Board proposes to the General Meeting to resolve to appoint PwC to audit the annual accounts for the financial years 2021 and 2022, subject to Completion.

(b) Agenda item (7)(b): To withdraw the appointment of Deloitte as auditor to audit the annual accounts over the financial year 2021, subject to Completion

Subject to appointment of PwC as auditor to audit the annual accounts for the financial year 2021, and subject to Completion, the EFIC1 Board proposes to the General Meeting to resolve to withdraw the appointment of Deloitte as auditor to audit the annual accounts for the financial year 2021.
There are well-founded reasons for this revocation of the appointment of Deloitte as auditor, considering the better alignment, and continuity for future reviews and audits by PwC due to its role as auditor of Azerion for the past years. Deloitte indicated that it will accept this revocation for such reason.

(c) Agenda item (7)(c): To have the management report (bestuursverslag) of the Company and the annual accounts of the Company over the financial year 2021 and the following financial years drawn up in the English language

The EFIC1 Board proposes to the General Meeting to resolve to draw up the management report (bestuursverslag) of the Company and the annual accounts of the Company over the financial year 2021 and the following financial years in the English language. As the Company is considered acting in an international business environment, it is more suitable to have the management report (bestuursverslag) of the Company and the annual accounts of the Company drawn up in the English language.

4.7. Agenda item (8): Authorisations to the Management Board to repurchase Shares (voting item)

In order to maintain flexibility for the Management Board in the share capital structure of the Company after the conversion of the Company into a limited company (naamloze vennootschap), the EFIC1 Board proposes to grant certain authorisations to the Management Board to repurchase Shares in this agenda item as one voting item.

(a) Agenda item (8)(a): Authorisation of the Management Board to repurchase Ordinary Shares in the share capital of the Company, subject to the Second Amendment AoA becoming effective

The EFIC1 Board proposes to the General Meeting to grant the Management Board the authority to, with prior approval of the Supervisory Board, repurchase Ordinary Shares in the capital of the Company, under the conditions set forth in the next paragraph.

The General Meeting authorises the Management Board, effective as per the moment immediately following the execution of the notarial deed containing the Second Amendment AoA, to repurchase Ordinary Shares on the stock exchange or otherwise, for a period of 18 months as from the moment immediately following the execution of the notarial deed containing the Second Amendment AoA, or until such date on which the General Meeting revokes or extends the authorisation, if earlier, with prior approval of the Supervisory Board. Following that repurchase, the Company will not hold more shares in treasury than at maximum 10% of the issued and outstanding capital in aggregate. The repurchase may be effected at a price of at least €0.01 and a maximum of 110% of the stock exchange price. Stock exchange price means: the average of the highest quoted price for each share on the five consecutive trading days immediately preceding the date of repurchase, according to the Official Price List of Euronext Amsterdam. This price range enables the Company to adequately repurchase its own shares, also in volatile market conditions.

(b) Agenda item (8)(b): Authorisation of the Management Board to repurchase Capital Shares with repayment, subject to the Second Amendment AoA becoming effective

The Company has granted a put option to each holder of Capital Shares to repurchase their Capital Shares at nominal value per Capital Share, at the request of such holder of Capital Shares, under certain conditions. Holders of Capital Shares may request the Company to repurchase one or more of their Capital Shares, issued and outstanding from time to time in the share capital of the Company, if these conditions are met.

As the repurchase of these Capital Shares might occur after the conversion of the Company into an N.V., the EFIC1 Board proposes to the General Meeting to resolve to authorise the Management Board for a period of 18 months as from the moment immediately following the execution of the notarial deed containing the Second Amendment AoA, to repurchase Capital Shares in accordance with the provisions of the articles of association (Second Amendment AoA) and of Dutch law. The aforementioned authorisation of the Management Board is granted for all of the issued and outstanding Capital Shares from time to time, with a repurchase price of the nominal value, being €10,000 per Capital Share.

4.8. Agenda item (9): Cancellation of Shares (voting item)

The EFIC1 Board proposes to the General Meeting to resolve to certain cancellations of Shares, as per the terms of the Business Combination. As these subjects all relate to the cancellation of Shares, the EFIC1 Board will consider these agenda items as one voting item.

(a) Agenda item (9)(a): Cancellation of Capital Shares after their repurchase
The EFIC1 Board proposes to the General Meeting to resolve to cancel all Capital Shares outstanding from time to time, in one or more tranches, each immediately after the repurchase by the Company with repayment in accordance with (i) agenda item (8)(b) and (ii) completion of the requirements for cancellation under Dutch N.V. laws applicable at that time. Should cancellation immediately after the repurchase not be allowed under Dutch mandatory laws, then the cancellation becomes effective immediately as per such moment when Dutch mandatory laws does allow such cancellation, provided the requirements for cancellation under Dutch N.V. laws have been complied with.

(b) Agenda item (9)(b): Cancellation of a maximum of 1,152,886 (13.5%) Conditional Special Shares without repayment

It has been agreed as part of the Business Combination that 13.5% of the Special Shares held by each of EFIC1 Cooperative and HTP Sponsor at that time will remain existing in the form of Conditional Special Shares, numbered S3,255,573 up to and including S3,763,667 and S8,221,157 up to and including S8,865,947 as described in the First Amendment AoA and the Second Amendment AoA. These Conditional Special Shares will convert into Ordinary Shares if the conditions for conversion set out under “Description of Securities - Special Shares and Conditional Special Shares” have been met and in accordance with the provisions as referred to in the Second Amendment AoA.

The EFIC1 Board proposes to the General Meeting to resolve to cancel that number of the Conditional Special Shares that have not been converted into Ordinary Shares, without repayment, after five years have lapsed as of Business Combination, which cancellation becomes effective after completing the requirements for cancellation under Dutch N.V. laws applicable at that time. The holders of these Special Shares have consented to such cancellation.
5. BACKGROUND TO, AND RATIONALE FOR, THE BUSINESS COMBINATION

5.1. BACKGROUND TO THE BUSINESS COMBINATION

EFIC1 is a special purpose acquisition company (a 'SPAC') incorporated on 25 January 2021 under the laws of the Netherlands. EFIC1 has been created for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganisation or similar business combination with or acquisition of an operating business or entity. EFIC1 focuses on opportunities in the broadly defined financial services and financial technology sectors and aims to complete a business combination with a suitable partner that operates or is headquartered in Europe, including the United Kingdom, or Israel.

EFIC1 has been launched by Martin Blessing, Ben Davey, Nicholas Aperghis and Klaas Meertens. H.T.P. Investments B.V. ("HTP"), a Dutch investment company owned by Klaas Meertens and Wim de Pundert, has invested as a cornerstone investor through H.T.P. Capital Partners B.V. ("HTP Sponsor") (by way of a private placement), purchasing €40 million of EFIC1 units in the initial public offering of EFIC1 (the "EFIC1 IPO"). In the EFIC1 IPO, each unit comprised one ordinary share and one-third of a public market warrant, and both are currently separately listed on Euronext Amsterdam as one share and one warrant. EFIC1 successfully completed the EFIC1 IPO and, following the partial exercise of the overallocation option, raised approximately €382 million. Ordinary Shares and public market warrants are listed on the Euronext Amsterdam as of 26 March 2021 (trading under the symbols: EFIC1 and EFICW, respectively).

EFIC1’s leadership team comprises executive directors: Martin Blessing (Chief Executive Officer), Ben Davey (Chief Investment Officer) and Nicholas Aperghis (Chief Financial Officer); non-executive directors: Hélène Vletter-van Dort (Chair/Independent Non-Executive Director), Klaas Meertens (Non-Executive Director, Managing Partner of HTP), Jan Bennink (Independent Non-Executive Director) and Chris Figege (Independent Non-Executive Director); and an operating partner: Clara Streit.

Azerion operates a high-growth, EBITDA profitable digital entertainment and media platform. Azerion is a content, technology and data company, serving consumers, advertisers, digital publishers and game creators globally. Azerion is engaged in a number of interrelated operating activities such as developing, publishing, distributing and operating online social and casual games and digital entertainment, as well as technology solutions to automate the purchase and sale of digital advertising inventory for advertisers and digital publishers (see section headed "Azerion’s Business").

Further to EFIC1’s objective to identify an attractive candidate for a business combination, and Azerion's desire to raise additional capital to grow its business and become a publicly traded company at Euronext Amsterdam, EFIC1 and Azerion started discussions on a potential business combination.

The proposed Business Combination is the result of an extensive search by EFIC1 for a potential transaction utilising the global network of EFIC1’s leadership team. In the process that led to identifying Azerion as an attractive business combination opportunity, EFIC1’s leadership team evaluated a number of different potential business combination targets and, in connection with such evaluation, EFIC1 entered into several non-disclosure agreements with respect to potential business combination targets, other than Azerion.

On 20 April 2021, EFIC1 and Azerion entered into a non-disclosure agreement and started initial discussions on a potential business combination.

On 2 July 2021, Azerion provided the representatives of EFIC1 with access to an online data room for purposes of EFIC1 conducting business, technology, financial, tax and legal due diligence with respect to Azerion.

Between 2 July 2021 and the date of the execution of the Business Combination Agreement, EFIC1 conducted business, technology, financial, tax and legal due diligence with respect to Azerion.

On 1 August 2021, EFIC1 and Azerion entered into, and executed, a non-binding letter of intent (the "Letter of Intent"), which included certain core elements of the Business Combination, including, inter alia, the Sponsors & Co-Investors Commitment. After the execution of the Letter of Intent, EFIC1 and Azerion entered into negotiations of the Business Combination Agreement.

Between 22 October 2021 and 10 December 2021, EFIC1 and Azerion jointly conducted investor presentations as part of a market sounding process with existing and potentially prospective shareholders.

On 13 December 2021, certain investors, including certain Sponsors or certain affiliates of the Sponsors, executed definitive documentation with respect to the Sponsors & Co-Investors Commitment, which provided for binding subscriptions to purchase an aggregate of 2,315,000 Ordinary Shares at €10.00 per Ordinary Share, resulting in a total amount of €23,150,000. In addition, EFIC1, Azerion and the Selling Shareholders entered into the Business Combination Agreement pursuant to which the Company will acquire 100% of the issued and outstanding share capital of Azerion, subject to certain conditions precedent being fulfilled as described under "Business Combination - Principal Terms of the Business Combination". The terms of the Business Combination Agreement are the result of extensive negotiations among the representatives of EFIC1 and Azerion.

On 13 December 2021, EFIC1 and Azerion jointly and publicly announced by way of a joint press release the Sponsors & Co-Investors Commitment and the signing of the Business Combination Agreement.
In addition to this Circular, other relevant documents available to Shareholders include (i) the presentation used in the Sponsors & Co-Investors Commitment process (as further described in "Business Combination – Description of the Transaction – Sponsors & Co-Investors Commitment") (the "Investor Presentation"), which is available at www.efic1.com, and (ii) the EFIC1 IPO prospectus dated 22 March 2021 (the "EFIC1 IPO Prospectus"), which is available at www.efic1.com and www.afm.com.

5.2. RATIONALE FOR THE BUSINESS COMBINATION

EFIC1’s rationale for the Business Combination

The EFIC1 Board believes that the proposed Business Combination is an attractive opportunity for the Shareholders to become investors in a high-growth digital entertainment and media company with significant and diverse revenue streams, EBITDA profitability and strong cash generation.

After careful consideration, the EFIC1 Board has unanimously (i) concluded that the terms and conditions of the Business Combination Agreement and the transactions contemplated thereby, including the Business Combination are in the best interest of the Company and its stakeholders, including the Shareholders and (ii) decided to recommend that the General Meeting votes in favour of the approval of the Business Combination including the transactions contemplated by the Business Combination Agreement, and the other resolutions proposed for adoption at the EGM.

In arriving at its conclusions, the EFIC1 Board considered and evaluated a number of factors, including, but not limited to, the factors discussed below. In light of the complexity of those factors, the EFIC1 Board considered these factors as a whole and did not consider it practicable to, nor did it attempt to, quantify or otherwise assign relative weights to the specific factors it took into account in reaching its decision. In addition, individual members of the EFIC1 Board may have given different weight to different factors. In evaluating the transaction with Azerion, the EFIC1 Board also consulted its legal counsel, financial, tax and accounting advisors and other industry-related and technology advisors. The explanation of the Company’s reasons for the Business Combination and all other information presented in this section may be forward-looking in nature and, therefore, should be read in light of this fact and should not be relied on.

Before reaching its decision, the EFIC1 Board reviewed the results of the due diligence review conducted by its management, employees of the Sponsors and their affiliates and their respective external expert advisors, which included:

- numerous meetings and calls with the management team and advisors of Azerion regarding its business, operations and forecasts;
- review of material contracts, material liabilities and other material matters;
- review of industry, technology, financial, tax, accounting and legal due diligence materials prepared by professional advisors;
- discussions with Azerion's management, its legal counsel, accounting and financial advisors;
- review of historical financial performance of Azerion (including audited and unaudited financials) and management projections for the business;
- review of Azerion's capital structure furnished to us by the management of Azerion on a standalone basis pre-transaction and on an illustrative pro forma basis giving effect to the transactions as contemplated by the Business Combination;
- financial and valuation analyses of Azerion; and
- discussions with industry and technology experts.

The EFIC1 Board considered a number of factors pertaining to the Business Combination as generally supporting its recommendation to enter into the Business Combination Agreement and the transactions contemplated thereby, including but not limited to, the following material factors:

- **Large total addressable market (TAM):** Azerion sits at the heart of two converging trends – the continued rise of digital gaming, and digital advertising, as advertisers follow audiences who are increasingly embracing digital games as the fastest growing form of entertainment. Together, these two markets have a combined revenue of over €600bn and are expected to grow at more than c.10% in the period from 2020 to 2023 (source: eMarketer, Newzoo Global Games Market report 2021);

- **Attractive, scalable and technology-driven business model:** Azerion presents an attractive opportunity to invest in a high-growth profitable digital entertainment and media company with an integrated technology platform operating at the heart of two converging trends – the continued rise of digital gaming and digital advertising. Azerion is already operating at significant scale serving its gaming and digital content, advertising and distribution technology and related data services to over 425 million consumers\(^1\), approximately

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\(^1\) Total number of unique monthly users that are reached through all products of Azerion, including through its digital publisher network, in September 2021.
Significant barriers to entry and economies of scale: Azerion has developed a business model with significant barriers to entry based on the scale of its platform across its customer and partner groups identified above, its multiple revenue streams, diversified proprietary content strategy, its integrated advertising and distribution technology, its platform data-generation and related services, as well as its localised sales, execution and service capabilities. The Azerion business model benefits from significant network effects and is expected to continue to scale strongly over time;

- **Entrepreneurial, founder-led management team:** Azerion is led and majority owned by a team of visionary founders and highly experienced industry thought-leaders and entrepreneurs. The co-CEOs and co-founders, Atilla Aytekin and Umut Akpinar, have worked successfully together as serial entrepreneurs for over 20 years with a focus on technology and data-led business models and have built-up around them a strong team of business line and operational leaders;

- **High-growth, increasingly profitable with strong cash conversion:** Azerion is a high-growth and increasingly profitable company with a targeted revenue CAGR from the year ended 31 December 2018 to the year ending 31 December 2022 of over 37%\(^5\), an Adjusted EBITDA margin in 2020 of 14%\(^5\) (2018: 6%\(^5\)) and a cash conversion rate of approximately 54% in 2020\(^6\);

- **Continued expected top-line growth and EBITDA margin expansion:** Azerion expects continued strong top-line growth with a 2021 revenue target of at least €290 million on a reported basis, implying a pro forma 2021 revenue target\(^7\) of at least €355 million (giving full year effect for acquisitions completed in 2021). For the year ending 31 December 2022, Azerion has an organic revenue target of at least €450 million on a reported basis (i.e. based on its end of 2021 perimeter and before any potential further acquisitions in 2022). In the mid-term, Azerion expects its organic revenue growth percentage to trend to the low twenties. In the short-term, Azerion expects its Adjusted EBITDA margin to gently accelerate non-linearly to the high teens and over the mid-term to increase to low-to-mid-twenties percent;

- **Significant upside potential from future M&A:** Azerion considers M&A a core part of its growth strategy and it has an extensive multi-year M&A track record, capturing revenue and cost synergies from effectively integrating acquisitions over time following an internally developed integration playbook. The Business Combination will allow the platform to accelerate scale with the majority of primary proceeds expected to be invested in its strong and visible future M&A pipeline;

- **Compelling valuation:** The Business Combination with Azerion is being proposed at a fully distributed enterprise valuation of €1,300 million. This is equivalent to a multiple of less than 2.9x 2022E revenues. The EFIC1 Board believes that the suggested valuation is compelling when considered against comparable peers and a range of customary valuation methodologies, implying an opportunity for incremental shareholder returns from a potential re-rating over time. It should also be noted that in the forward guidance being presented in relation to Azerion, no incremental value has been attributed to future M&A in 2022 and beyond, representing, we believe, further significant potential upside for the Azerion investment case (see "Risk Factors - Shareholders will experience immediate dilution as a consequence of, among other transactions, the issuance of Ordinary Shares for the Sponsors & Co-Investors Commitment and the conversion of Special Shares into Ordinary Shares. Having a minority share position may reduce the influence that the Company's current Shareholders have on the management of the Company" for calculation of the post-money equity value);

- **Continued Ownership by Azerion co-founders and co-CEOs:** The EFIC1 Board has noted and considered positive that under the terms of the proposed Business Combination, pre-transaction shareholders of Azerion would continue to own approximately 65.5% of the Ordinary Shares, with Principion, an entity controlled by Azerion's co-founders and co-CEOs, owning approximately 55.4% of the Ordinary Shares following the Business Combination assuming no repurchases and including €23,150,000 of the Sponsors & Co-Investors proceeds at a purchase price of €10.00 per share;

- **Involvement of the Sponsors & Co-Investors:** The EFIC1 Board also considered that the Subscription Agreements of the Sponsors & Co-Investors to invest €23,150,000 in the combined business at closing at €10.00 per share as supportive of the valuation being ascribed to, and future prospects of, the combined business;

- **Due Diligence:** The EFIC1 Board reviewed the due diligence examinations of Azerion conducted by EFIC1 and its expert advisors, and related discussions between EFIC1 and such advisors with Azerion's management in connection therewith; and

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300,000 individual advertisers\(^4\), over 550 digital publishers\(^3\) and over 850 game creator partners\(^6\). The Azerion business model benefits from significant network effects and is expected to continue to scale strongly over time;

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[^4]: Average monthly number of advertisers placing >1 ad in Q2 2021.
[^5]: Adjusted EBITDA-Capex)/ Adjusted EBITDA. M&A investment excluded. IFRS figures.
[^6]: Reported in Dutch GAAP.
[^7]: Cash conversion is defined as: (Adjusted EBITDA-Capex) / Adjusted EBITDA. M&A investment excluded. IFRS figures.
[^11]: Giving full year effect to the following acquisitions: Genba Digital, Whow Games, Strossle, Delta Projects, Admeen, Sublime, Keymobile, PubGalaxy and Inskin, as if these acquisitions had occurred as of 1 January of the year.
- **Terms of the Transaction:** The EFIC1 Board reviewed and considered the terms of the Business Combination Agreement and the related agreements, including the parties’ conditions to their respective obligations to complete the transactions contemplated therein and their ability to terminate the agreement. Please see "Business Combination – General description of the Business Combination Agreement" for a more detailed description of the terms and conditions of these agreements.

The EFIC1 Board also considered a variety of uncertainties and risks and other potentially negative factors concerning the Business Combination as described more fully in the section entitled "Risk Factors". In addition, the EFIC1 Board also considered a variety of uncertainties, risks and other potentially negative reasons relevant to the Business Combination, including the following:

- **Shareholder Vote:** The risk that the Shareholders may object to and challenge the Business Combination and take action that may prevent or delay the Completion, including to vote down the proposals at the General Meeting;
- **Closing Conditions:** The fact that Completion is conditional on the satisfaction of certain closing conditions (as further described in "Business Combination – Principal Terms of the Business Combination – Conditions to Completion") that are not within EFIC1's control;
- **Repurchases:** The risk that current Shareholders would exercise their repurchase rights, thereby reducing the amount of cash available in the Escrow Account and, therefore, increasing the probability that the Funding Condition would not be met;
- **Fees and Expenses:** The fees and expenses associated with completing the Business Combination as well as those to be borne in the event that the Business Combination does not complete;
- **Liquidation:** The risks and costs to EFIC1 if the Business Combination is not completed, including the risk of diverting management focus and resources from other businesses combination opportunities, which could result in EFIC1 being unable to effect a business combination within the completion window which would require EFIC1 to liquidate;
- **Litigation:** The possibility of litigation challenging the Business Combination could indefinitely postpone Completion;
- **No New Popular Online Games:** If Azerion fails to acquire, develop, distribute or otherwise introduce new popular online games and successfully extend the life of its existing popular online games and grow the consumer base of, and encourage continued user engagement with those games, it may not be able to compete effectively in the online gaming industry;
- **Competition:** The online gaming industry is highly competitive and Azerion also competes with other forms of leisure activities. Similarly, the advertising, digital advertising and online ecommerce and distribution markets are all highly competitive;
- **Macroeconomic Risks:** Macroeconomic uncertainty, including the potential impact of the COVID-19 pandemic, and the effects they could have on the combined company's revenues and financial performance;
- **Azerion Integration Risks:** Azerion may be unable to successfully integrate or achieve the expected benefits from past or future acquisitions and undertaking acquisitions increases the risk profile of its business;
- **Strategic Plans may not be Achieved:** An inability to raise capital in the future could affect Azerion's ability to execute its strategic plans;
- **Failure to Adjust to Technology Developments:** Azerion's inability to anticipate and adapt its online games, AdTech, distribution and business models to emerging technologies could have an adverse effect on Azerion's business and financial conditions;
- **Azerion Reliance on Third-Party Content Owners:** If Azerion fails to maintain good relationships with a sufficient number of owners of popular content, the number of gaming and other content downloads through its distribution platform will decrease and its business and financial conditions will be materially affected;
- **Failure to Attract and Maintain User Base:** If Azerion is not able to attract and maintain a sufficient user base, advertisers may not be interested in purchasing in-game advertisement on its games, which could adversely affect Azerion's revenues;
- **Azerion Reliance on Third-Party Platforms:** If Azerion fails to maintain good relationships with the third-party platforms which distribute its premium and casual games or interact with its AdTech, sales or distribution technologies or if its revenue-sharing agreements are changed to Azerion's detriment, its business and financial conditions will be materially affected;
- **Application of Various Laws and Regulations:** Azerion's obligation to comply with continuously evolving various laws and regulations such as those relating to privacy, global data protection, information security, consumer protection and protection of minors' regulations could result in Azerion incurring additional costs and liabilities. In addition, changes to and different interpretation of such laws and regulations could have a negative impact on Azerion's business;
- **Disruption of its Technology Platform:** despite implementing network security measures, Azerion's servers and any third-party servers that Azerion uses may be vulnerable to computer viruses, distributed denial of service attacks, phishing, spurious spam attacks, malware and similar disruptions from unauthorised tampering with, or cyber-attacks on, such computer systems, which could have a negative impact on Azerion's business;
• **Restriction by Third-party Platforms:** third-party platforms' restriction or ban against Azerion from providing its digital advertising services (following unfavourable changes to their policies and terms of services, or violation of such policies and terms by Azerion) could have an adverse effect on Azerion's business and financial conditions;

• **Failure to Respond to New Trends in the Digital Advertising Industry:** Azerion's failure to innovate, adapt and respond timely and effectively to rapidly changing technologies and new trends in the digital advertising industry could result in its products and services becoming less competitive or obsolete; and

• **Other Risks:** Various other risks associated with the Business Combination, the business of EFIC1 and the business of Azerion described in the section titled "Risk Factors".

The EFIC1 Board concluded that the potential benefits that it expects EFIC1 to achieve as a result of the Business Combination outweighed the potential risks and uncertainties associated with the Business Combination. Accordingly, the EFIC1 Board determined that the Business Combination and the Business Combination Agreement are in the best interest of the Company and its stakeholders, including the Shareholders.

**Azerion’s rationale for the Business Combination**

Azerion believes that the Business Combination will provide for a strong complementary partnership that will accelerate future value creation. Azerion believes partnering with EFIC1 offers it the best opportunity to unlock value and EFIC1’s team is the right team to partner with to deliver on that opportunity. There are clearly identified business areas where the EFIC1 team can support Azerion, including: (i) the evaluation and execution of bigger, value-accretive acquisitions; (ii) the development of further cross-industry strategic partnerships; and (iii) the evaluation and execution of new platform products and services such as non-fungible tokens (NFTs), loyalty, rewards and selected financial services for the ecosystem economy.

Azerion expects the listing to create a new long-term shareholder base as well as liquidity for its shareholders. The Business Combination and listing also aim to permit Azerion to incentivise the existing and future management team and senior staff, and to continue to attract high calibre individuals, by way of awards of listed Ordinary Shares, aligning their interests with the interests of Azerion's shareholders.

The Business Combination will also provide Azerion with additional capital. After deduction of the fees and expenses of the Business Combination, Azerion expects to use the remainder of the proceeds, which are expected to be up to €313 million, assuming no repurchases and including €23,150,000 of the Sponsors & Co-Investors proceeds at a purchase price of €10.00 per share, to fund investments in Azerion's growth by pursuing accretive acquisitions and investing in organic growth initiatives, as well as general corporate purposes.

5.3. **TARGET BUSINESS PROFILE**

The EFIC1 IPO Prospectus sets out on pages 68 and 69 certain non-binding criteria and guidelines for selecting and evaluating prospective target businesses, which we refer to as the "target business profile". This section of this Circular explains how the proposed Business Combination aligns with the target business profile.

For ease of reference, an extract from pages 68 and 69 of the EFIC1 IPO Prospectus is set out below:

"Consistent with its strategy, the Company has identified the following general criteria and guidelines to evaluate prospective target businesses. The Company may, however, decide to enter into its Business Combination with a target business that does not meet all or any of these criteria and guidelines. However, the Company currently intends to partner, merge with or acquire a business that satisfies one or more of the below criteria:

• in the Financial Services and/or FinTech sector with an equity valuation above €1.0 billion;
• headquartered or operating in and/or have attractive business prospects located in Europe (including the UK) or Israel;
• can benefit from the Company's industry relationships, its expertise and insights and/or access to public investors;
• close to or at an inflection point, such as those requiring additional management expertise, capital and/or innovation (e.g. to develop new products or services), improvement of financial performance, access to new clients and/or segments, growth through a Business Combination or have other significant embedded and/or expansion opportunities;
• exhibits under-recognised value or other characteristics that the Company believes could be better presented to the market based on its company-specific analysis and due diligence (which may include, among other things, a review and analysis of the company's capital structure, quality of earnings, potential for operational improvements, corporate governance, customers, material contracts, and industry background and trends);
• offer attractive risk-adjusted equity returns for the Shareholders, taking into account: (i) the potential for organic growth; (ii) the ability to accelerate growth, including through follow-on acquisitions and/or other inorganic activity; and/or (iii) the prospects
for creating value through other value creation initiatives. These and other potential upsides will be weighed against any identified downside risks;

- be ready, or with the Company’s support should be ready, to operate under the scrutiny of public markets, with strong management, and adequate corporate governance and reporting policies in place and are likely to be well received by public investors; and

- in addition, the Company expects to evaluate targets in related industries that can use their technology or other unique characteristics to drive growth, meaningful operational improvements, efficiency gains, or enhance strategic positions of companies in the Financial Services and/or FinTech sectors.

The general criteria and guidelines that the Company are likely to consider are indicative and are not intended to be exhaustive. Any evaluation relating to the merits of a particular acquisition are likely to be based, to the extent relevant, on some or all of the above factors as well as other considerations deemed relevant to the Company’s business objectives by the EFIC1 Board. A selected target may not have all of the above characteristics. For reasons of transparency, the Company elects to disclose the target business profile as set out above. Such disclosure is without prejudice to the fact that the Company explicitly retains the flexibility to propose to its Ordinary Shareholders a Business Combination with a target business that does not meet one or more of the criteria. The Company may structure the acquisition of the targets in its Business Combination through various structures and ownership percentages.”

As discussed further above, the EFIC1 Board believes that the proposed Business Combination is a highly attractive opportunity for the Shareholders to become investors in a high-growth digital entertainment and media company with significant and diverse revenue streams, EBITDA profitability and strong cash conversion12. In this context, the EFIC1 Board also believes that Azerion is a strong fit with the general criteria and guidelines set out in the EFIC1 IPO Prospectus:

- Azerion is headquartered, operating and has attractive business prospects in Europe;

- The Business Combination with Azerion is being proposed at a fully distributed enterprise valuation of €1,300 million, implying a post-money equity value for Azerion pro forma the proposed Business Combination of approximately €1,387 million (assuming no repurchases and including €23,150,000 of the Sponsors & Co-Investors proceeds at a purchase price of €10.00 per share)(see "Risk Factors - Shareholders will experience immediate dilution as a consequence of, among other transactions, the issuance of Ordinary Shares for the Sponsors & Co-Investors Commitment and the conversion of Special Shares into Ordinary Shares. Having a minority share position may reduce the influence that the Company’s current Shareholders have on the management of the Company” for calculation of the post-money equity value);

- Azerion represents a business combination partner operating an integrated platform at scale across a number of industries where it can use its data, technologies and other related business model characteristics to drive growth, efficiency gains, and potential strategic opportunities or partnerships, including in selected financial services and wider related FinTech segments;

- In the context of the proposed Business Combination, we believe Azerion can benefit from EFIC1’s industry relationships, its expertise and insights and access to public investors;

- We believe Azerion is close to or at an inflection point in its development with significant expansion opportunities. Both we and Azerion believe that it will benefit post Business Combination from the proposed involvement of our current Non-Executive Directors, Chris Figee and Klaas Meertens, on the Supervisory Board, and from our current Chief Investment Officer, Ben Davey, joining the Executive Committee as Chief Strategy Officer;

- The EFIC1 Board believes that Azerion should offer attractive risk-adjusted equity returns for the Shareholders taking into account, amongst other things: (i) the potential for organic growth at Azerion; (ii) the ability of Azerion to accelerate growth, including through follow-on acquisitions and/or other inorganic activity; and (iii) the prospects for creating value through other value creation initiatives. In reaching this judgment, the EFIC1 Board has weighed up these and other potential upsides against a number of identified downside risks; and

- The EFIC1 Board and the Azerion management team believe that working together, Azerion is ready to operate as a publicly listed company.

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12 Cash conversion is defined as: (Adjusted EBITDA-Capex) / Adjusted EBITDA. M&A investment excluded. IFRS figures.
6. BUSINESS COMBINATION

6.1. PRINCIPAL TERMS OF THE BUSINESS COMBINATION

General description of the Business Combination Agreement

On 13 December 2021, Principion Holding B.V. ("Principion") and Stichting Administratiekantoor Azerion Holding acting on behalf and for the account of the Azerion DR Holders (the "STAK" and together with Principion, the "Selling Shareholders"), Azerion and EFIC1 entered into the Business Combination Agreement, pursuant to which EFIC1 will acquire 100% of the issued and outstanding share capital of Azerion (the "Azerion Shares") from the Selling Shareholders.

Completion is expected to take place on 1 February 2022, or such other date to be agreed between EFIC1, the Selling Shareholders and Azerion, (the "Completion Date") after satisfaction or waiver of the closing conditions in accordance with the Business Combination Agreement (see "– Conditions to Completion"). On the Completion Date, a Dutch civil law notary will execute a notarial deed of transfer of the Azerion Shares from the Selling Shareholders to EFIC1.

Consideration to the Selling Shareholders in the Business Combination and Waterfall

Subject to the terms and conditions of the Business Combination Agreement, the total aggregate consideration to be paid by EFIC1 to the Selling Shareholders in connection with the Business Combination and to the SAR Holders for the net settlement of their SARs (after applicable wage taxes and social security contributions) (see "– Description of the Transaction – Settlement of Azerion’s SAR Plans") will be:

(i) an aggregate number of Ordinary Shares equal to (a) the pre-money equity value of €1,074 million less the Transaction Expenses, currently estimated at €42 million, less the Cash Consideration, less the EFIC1 Sponsor Promote of €73 million (after forfeiture of 10% of the Special Shares held by each of EFIC1 Cooperative and HTP Sponsor and excluding the 13.5% Special Shares that will be reclassified as Conditional Special Shares, as well as the call option held by Ben Davey in respect of a maximum of 136,696 Ordinary Shares), and less the amount required to cover applicable wage taxes and social security contributions that are due in connection with the settlement of Azerion's SAR Plans which, because Azerion on the date of this Circular does not have a firm estimate of the relevant amount, are for illustrative purposes in this Circular deemed to be zero (but are expected to be in the range of €3 million to €6 million and will be finally determined prior to Completion), divided by (b) €10 (the "Share Consideration"); and

(ii) a cash amount of up to €50 million (the "Cash Consideration").

The total amount of the Cash Consideration will depend on the amount of cash available in the Escrow Account together with the proceeds from the Sponsors & Co-Investors Commitment (together, the "Available Proceeds"), after giving effect to items (i) through (iii) of the Waterfall (as defined below). Assuming no shares are submitted under the Share Repurchase Arrangement (defined below), the Cash Consideration will amount to €50 million. Based on the pre-money equity value of €1,074 million, assuming no repurchases under the Share Repurchase Arrangement and including €23,150,000 of the Sponsors & Co-Investors proceeds at a purchase price of €10.00 per share, the Selling Shareholders and the SAR Holders (see "– Description of the Transaction – Settlement of Azerion's SAR Plans") will receive an aggregate number of approximately 90.9 million Ordinary Shares, representing 65.5% of the issued and outstanding Ordinary Shares upon Completion.

On the Completion Date EFIC1 will allocate primary proceeds to the Combined Group of up to €150 million, subject to the shares submitted under the Share Repurchase Arrangement, and, potentially, a second allocation of primary proceeds subject to the Available Proceeds after giving effect to items (i) through (iv) of the Waterfall. The primary proceeds will primarily be used by the Combined Group for M&A, operational and growth initiatives and general corporate purposes.

The order of payment of the Available Proceeds will be as follows (the "Waterfall"):

(i) settlement of EFIC1’s obligations in connection with the share repurchases under the Share Repurchase Arrangement;

(ii) payment of the Transaction Expenses (estimated at €42 million);

(iii) allocation of primary proceeds to the Combined Group, until €150 million of primary proceeds have been allocated (subject to the amount of cash available);

(iv) payment of Cash Consideration, until €50 million of Cash Consideration has been paid (subject to the amount of cash available); and

(v) the balance remaining after items (i) to (iv) will be allocated as further primary proceeds to the Combined Group.

Representations and Warranties

Under the Business Combination Agreement, Azerion provides customary representations and warranties to EFIC1 relating to, among other things: information supplied for this Circular; financial statements; working capital; no material adverse change; corporate organisation; share capital; corporate power; authorisation; arm's length transactions; the STAK's legal ownership of Azerion Shares (for the benefit and account
of the Azerion DR Holders); compliance with applicable law and regulations; consents and authorisations; indebtedness; insolvency; material contracts; tax matters; litigation; insurance; pension schemes; absence of employment disputes; intellectual property; real and personal property; environmental laws and absence of unlawful transactions.

Principion provides customary representations and warranties to EFIC1 relating to, among other things: corporate organisation; ownership of Azerion Shares; information supplied for this Circular; arrangements with Azerion; authority of Principion; absence of bankruptcy; compliance with laws and regulations; consents and authorisations and absence of unlawful transactions.

EFIC1 provides customary representations and warranties to Azerion and Principion relating to, among other things: corporate organisation; authorisation; no governmental approval required; litigation; enforceability of the Sponsors & Co-Investors Commitment subscription agreements; absence of breaches; information supplied for this Circular; capitalisation and EFIC1’s share capital.

**Conditions to Completion**

The respective obligations of each of EFIC1, the Selling Shareholders and Azerion to effect Completion are subject to the satisfaction, or written waiver by EFIC1, Principion and Azerion of the following conditions at or prior to Completion:

(i) that the General Meeting has duly approved and adopted all matters submitted for approval and adoption at the EGM under agenda item (2) “The proposed Business Combination”, (3) “Re-structure of the Company as per the Business Combination” and 4(a) “Appointments of members of the Management Board”;

(ii) that no governmental authority having jurisdiction over any party to the Business Combination Agreement shall have issued any order, decree, ruling, injunction or other action restraining, enjoining or otherwise prohibiting Completion and no law or regulations shall have been adopted that makes Completion, or the transactions contemplated by the Subscription Agreements (as defined below) illegal or otherwise prohibited;

(iii) that as at Completion (i) there is no suspension of trading in the Ordinary Shares on Euronext Amsterdam; and (ii) there is no general suspension of trading in securities admitted to trading on Euronext Amsterdam, the London Stock Exchange, Nasdaq National Market or the New York Stock Exchange (other than the suspension of trading of specific securities admitted to trading on such exchanges only); and

(iv) that ABN AMRO has completed the relevant filings to ensure that the Treasury Shares will be included in the trading line for the Ordinary Shares as of the Completion Date.

The obligation of EFIC1 to effect Completion is subject to the satisfaction, or written waiver by EFIC1, of the following conditions at or prior to Completion:

(i) Azerion’s fundamental warranties (being representations and warranties on corporate organisation, share capital, corporate power and authorisation) are true and correct;

(ii) Azerion’s warranties that are not fundamental warranties are true and correct, except for such violation, breach or default that has not resulted, and would not reasonably be expected to result, in a Material Adverse Change (as defined below);

(iii) Principion’s warranties are true and correct;

(iv) Azerion has performed or complied with all obligations required to be performed or complied with by it under the Business Combination Agreement at or prior to Completion, except for such non-performance or non-compliance that has not resulted, and would not reasonably be expected to result, in a Material Adverse Change;

(v) nothing has occurred which has resulted, or may reasonably be expected to result since the signing of the Business Combination Agreement in a Material Adverse Change;

(vi) Azerion shall have delivered a written representation confirming (a) that SAR Holders representing at least 90% of the outstanding SARs have signed an irrevocable undertaking confirming, for each such SAR Holder, that such SAR Holder (A) agrees with the principles of the proposed SAR settlement, including the number of Ordinary Shares allocated to such SAR Holder, (B) undertakes to cooperate with the effectuation of the proposed SAR settlement (in the manner as described under “– Description of the Transaction – Settlement of Azerion’s SAR Plans”), (C) agrees to the lock-up as described under “– Lock up Undertakings” and (D) waives any further compensation which may arise by virtue of its SAR holding; and (b) the maximum aggregate liability for the SAR settlement and the number of Ordinary Shares such liability represents shall not exceed €61,157,840 (representing 6,115,784 Ordinary Shares or less); and

(vii) no material breach has occurred under the Bonds which would allow bondholders to accelerate the principal amount and interest outstanding under the Bonds or is reasonably likely to result in an acceleration and mandatory repayment of the Bonds.

The obligation of Principion and Azerion to effect Completion is subject to the satisfaction, or written waiver by Principion and Azerion, of the following conditions at or prior to Completion:
Lock-up Undertakings

Principion, the STAK, the Azerion DR Holders and SAR Holders

On or before the Completion Date, Principion and the STAK will enter into lock-up arrangements reflecting that they will not, and Azerion will procure that the Azerion DR Holders and the holders of at least 90% of the SARs enter into lock-up agreements reflecting that they will not, prior to 360 calendar days from the Completion Date (or, for a limited group of SAR Holders that are not employees, at least 180 calendar days from the Completion Date) (i) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of any Ordinary Shares or any securities convertible into or exercisable or exchangeable for Ordinary Shares; (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Ordinary Shares, whether any such transaction is to be settled by delivery of Ordinary Shares or such other securities, in cash or otherwise; or (iii) publicly announce an intention to effect any of the transactions described in (i) and (ii) above.

These lock-up arrangements in respect of Principion, the STAK, the Azerion DR Holders and the SAR Holders shall not apply to (i) accepting a general offer made to all the holders of Shares in accordance with the Dutch Financial Supervision Act on terms treating all such holders alike and that has become or been declared unconditional in all respects by the Management Board and Supervisory Board, or by the provision of an irrevocable undertaking to accept such an offer; (ii) the sale, transfer or other disposal of Ordinary Shares as required in the context of a sell-to-cover arrangement to cover tax liabilities pursuant to any employees’ share and incentive scheme of the Group; (iii) the transfer of Ordinary Shares to an affiliate, provided that a similar lock-up undertaking will be agreed with such person; (iv) for Principion, the sale, transfer or other disposal of Ordinary Shares to any of its direct or indirect shareholders, provided that a similar lock-up undertaking will be agreed with such persons and such persons adhere to the BCA and assume a pro rata proportion of Principion’s liability thereunder; (v) for the STAK, the transfer of Ordinary Shares to the Azerion DR Holders shortly after Completion, provided that each such Azerion DR Holder has entered into a lock-up arrangement; and (vi) where required by any relevant court or regulatory authority. Furthermore, the Company may after the prior written approval of the Supervisory Board and the Capital Market Advisers, at any time and without prior public notice, waive in writing the lock-up restrictions of Principion, the STAK, the Azerion DR Holders and/or the SAR Holders described above.

Sponsors

The Sponsors have entered into lock-up arrangements as described in the EFIC1 IPO Prospectus and they will also enter into similar lock-up arrangements on or before the Completion Date. Pursuant to such lock-up arrangements the Sponsors have agreed or will agree that (i) the Special Shares, Conditional Special Shares, the (amended) Davey Call Option (and the Ordinary Shares received pursuant to the amended Davey Call Option) and Ordinary Shares received as a result of the conversion of the Special Shares or Conditional Special Shares, or the exercise of the (amended) Davey Call Option are not transferable, assignable or saleable until the earlier to occur of: (a) one year after Completion or (b) after Completion, if the closing share price of the Ordinary Share on Euronext Amsterdam equals or exceeds €12.00 per share (as adjusted for stock splits, stock dividends, reorganisations, recapitalisations and the like) for any 20 trading days within any 30-trading day period commencing at least 150 calendar days following Completion and (ii) the Founder Warrants are not transferable, assignable or saleable until 30 calendar days from Completion.

A separate lock-up undertaking applies in respect of (i) the Ordinary Shares acquired by HTP Sponsor in the EFIC1 IPO, which shall not be transferable, assignable or saleable until 180 calendar days following Completion and (ii) the Warrants acquired by HTP Sponsor in the EFIC1 IPO, which shall not be transferable, assignable or saleable until 30 calendar days following Completion. No lock-up applies to the Ordinary Shares acquired by direct or indirect shareholders of HTP Sponsor and members of EFIC1 Cooperative in their own capacities through the Sponsors & Co-Investors Commitment.

The lock-up arrangements in respect of the Sponsors are subject to certain exceptions such as a transfer to officers or directors of the Company, to any affiliates of the Sponsors and in certain other circumstances as set out in the EFIC1 IPO Prospectus. Furthermore, the Company may after the prior written approval of the Supervisory Board and the underwriter of the EFIC1 IPO, at any time and without prior public notice, waive in writing the lock-up restrictions of the Sponsors described above.

Material Adverse Change

Under the Business Combination Agreement, certain representations and warranties of Azerion are qualified in whole or in part by materiality thresholds. In addition, certain representations and warranties of Azerion are qualified in whole or in part by a material adverse change standard.
for purposes of determining whether a breach of such representations and warranties has occurred. Pursuant to the Business Combination Agreement, material adverse change means any event, change, effect, development, state of facts, condition, circumstance or occurrence that has, or would reasonably be expected to have, a material adverse effect on the business, assets, liabilities (including contingent liabilities), financial condition or results of operations of Azerion, taken as a whole, or the ability of Azerion to comply with its obligations under the Business Combination Agreement; provided, however, that, any change arising out of any of the following shall not be such a material adverse change or be taken into account in determining whether such a material adverse change has occurred or would reasonably be expected to occur:

(i) any change in general Dutch, European or global economic conditions;
(ii) any change in the general conditions of the industries in which any company within the Azerion group operates;
(iii) any change in general regulatory, legislative, political or social conditions or in securities, credit, financial, debt or other capital markets, in each case, in any jurisdiction;
(iv) any change in applicable law or IFRS (or authoritative interpretations thereof) after the date hereof;
(v) any change in geopolitical conditions, the outbreak or escalation of hostilities, any acts of war, sabotage or terrorism, or any escalation or worsening of any such acts of war, sabotage or terrorism;
(vi) natural disasters, earthquakes, floods, hurricanes, or other acts of nature (including epidemics, pandemics and disease outbreaks, including COVID-19); or
(vii) the public announcement or anticipated Completion of the Business Combination, or Azerion having performed or complied with its obligations under the Business Combination Agreement.

provided, however, that any event, change, effect, development, state of facts, condition or occurrence referred to in the foregoing clauses (i)-(vii) may be a material adverse change and may be taken into account in determining whether a material adverse change has occurred or whether a material adverse change would reasonably be expected to occur, in each case, to the extent that such fact, circumstance, occurrence, effect, development, change or condition has a disproportionate adverse effect on the Azerion group taken as a whole, relative to the adverse effects thereof on other companies operating in the industries in which the Azerion group operates (a "Material Adverse Change").

Covenants and undertakings of the Parties
The parties to the Business Combination Agreement have made certain undertakings and covenants under the Business Combination Agreement towards each other, including the following:

Covenants and Undertakings made by the Sponsors
On the date of the EGM, the Sponsors collectively have approximately 28.4% of the voting rights by owning certain outstanding Ordinary Shares and Special Shares. The Sponsors have agreed to exercise the voting rights attached to the Shares that they own or control, to vote in favour of the Business Combination in the EGM, regardless of how the other Shareholders vote, and to ensure that their votes are counted as present in accordance with any procedures applicable to the EGM.

Covenants and Undertakings made by EFIC1
EFIC1 shall as soon as reasonably practicable publish the following documentation relating to the EGM (i) the EGM convocation notice; (ii) this Circular; (iii) the Investor Presentation; (iv) the proxy form as described under "Proxies with voting instructions"; (v) the First Amendment AoA; (vi) the Second Amendment AoA; (vii) the remuneration policy of the Management Board; (viii) the remuneration policy of the Supervisory Board; (ix) the EFIC1 IPO Prospectus; and (x) the 2020 Financial Statements (together, the "EGM Materials"), and convene the EGM in accordance with applicable law and the articles of association of EFIC1. The contents and publication of the EGM Materials are subject to prior approval of Azerion, which approval shall not be unreasonably withheld.

Voting Undertakings and Repurchase Waivers
EFIC1 shall use reasonable efforts to enter into commitment letters with Ordinary Shareholders to vote in favour of the Business Combination in the EGM and to waive their right to have any Ordinary Shares held by them repurchased by the Company under the Share Repurchase Arrangement.
EFIC1 undertakes to use its best efforts to ensure that ABN AMRO completes the relevant filings as soon as possible to ensure that the Treasury Shares will be included in the trading line for the Ordinary Shares as of the Completion Date.

Consent matters of EFIC1

During the period from the date of the Business Combination Agreement until Completion, EFIC1 shall not, without the prior written consent of Principion and Azerion, such consent not to be unreasonably withheld or delayed, subject to certain customary exceptions, and except as contemplated in connection with the Business Combination and the Sponsors & Co-Investors Commitment:

(i) amend its articles of association;
(ii) reclassify, split, consolidate, repay, recapitalise, purchase or redeem any of its own shares;
(iii) issue any shares, securities convertible into shares or any instrument that gives its holder the right to acquire or subscribe for shares;
(iv) declare or pay any dividends or other distributions (in cash or in kind);
(v) grant any security (including guarantees and joint liability undertakings), give any indemnity or other assurance for the benefit of any third party;
(vi) merge or consolidate with any other person or business;
(vii) borrow any amount or incur any indebtedness or other liability in excess of an aggregate amount of EUR 2,000,000;
(viii) make any loan in excess of an aggregate amount of EUR 2,000,000;
(ix) acquire or dispose of, or grant or extend any option to acquire or dispose of, (a) any shares or other equity interest in any company, or (b) any business;
(x) initiate, waive or settle any material claim or dispute;
(xi) change its residence for Tax purposes; or
(xii) agree or commit to do any of the foregoing.

Sponsors & Co-Investors Commitment Subscription Agreements

EFIC1 shall use its reasonable efforts to consummate the Sponsors & Co-Investors Commitment on the terms and subject to the conditions of the Subscription Agreements (as defined below), including using reasonable efforts (a) to maintain in effect and enforce the Subscription Agreements; and (b) to satisfy in all material respects on a timely basis all conditions precedent to the Sponsors & Co-Investors Commitment within its control. EFIC1 shall not terminate, or amend or waive any material terms of, the Subscription Agreements, in any manner materially adverse to Azerion or Principion, without Principion's and Azerion's prior written consent (not to be unreasonably withheld, delayed or conditioned). EFIC1 shall as soon as reasonably practicable provide written notice to Azerion and Principion (i) of any material breach or default by any party to any Subscription Agreement known to EFIC1; and (ii) of the receipt of any written notice or other written communication from any Sponsors & Co-Investors with respect to any actual or claimed expiration, lapse, withdrawal, breach, default, termination or repudiation by any party to any Subscription Agreement or any material provisions of any Subscription Agreement.

EFIC1 share structure

EFIC1 shall procure that on or prior to Completion:

(i) HTP Sponsor and EFIC1 Cooperative enter into a written instrument pursuant to which they commit to (a) cooperate with the cancellation of 853,989 Special Shares held by them; (b) cooperate with the reclassification of 1,152,886 Special Shares held by them into Conditional Special Shares; (c) not exercise their voting rights with respect to the Capital Shares and the Conditional Special Shares, as described in "Description of Securities- Special arrangements for Conditional Special Shares and Capital Shares held by EFIC1 Cooperative and HTP Sponsor"; (iv) waive their dividends on the Conditional Special Shares;
(ii) the holders of the Founder Warrants agree, subject to Completion, to waive their rights to retain the Founder Warrants after EFIC1 has elected to call the Founder Warrants 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, in line with the Warrants that were offered in the EFIC1 IPO as part of the units;
(iii) the Davey Call Option is amended into the following two call options: (i) a call option on a maximum of 774,608 Ordinary Shares and (ii) a call option on a maximum of 136,696 Ordinary Shares, which will solely become exercisable if, following Completion, the closing price of the Ordinary Shares on Euronext Amsterdam equals or exceeds €12.00 for any 20 trading days within any consecutive 30-trading day period within a period of five years as of the day of Completion, to become effective at Completion; and
(iv) the relationship agreement between EFIC1, HTP Sponsor, EFIC1 Cooperative, Ben Davey and certain other individuals dated 26 March 2021 is terminated effective at Completion; and
(v) the Capital Shares call option agreements between EFIC1 and EFIC1 Cooperative and EFIC1 and HTP Sponsor respectively are amended to (a) cap each call option to acquire additional Capital Shares and (b) to surrender the remaining call options effective upon 1 April 2022.

**Azerion Founder Warrants**

Upon Completion, EFIC1 shall grant 17,992,773 warrants in respect of Ordinary Shares (the "Azerion Founder Warrants") in total to Atilla Aytekin and Umut Akpinar or their personal holding companies, as the case may be. See "— Description of the Transaction — Azerion Founder Warrants".

**Covenants and Undertakings made by Azerion**

**Bonds**

Azerion shall use its best efforts to:

(i) complete the listing of the Bonds on Nasdaq Stockholm before 31 December 2021;
(ii) comply in all material respects with the terms of the Bonds; and
(iii) in the event Azerion has committed a breach under the Bonds, to remedy such breach as soon as reasonably practicable and obtain any required waivers of such breach.

Azerion shall obtain the prior written consent of EFIC1 prior to paying any fees in respect of the Bonds (whether as consideration for obtaining a waiver under the Bonds or otherwise), save for any fees payable pursuant to an agreement entered into with third parties prior to execution of the Business Combination Agreement.

**Cooperation Azerion DR Holders**

Azerion shall procure that (i) all authorisations, approvals and consents from the Azerion DR Holders or other requirements for the sale and transfer of the Azerion Shares held by the STAK prior to Completion (the "STAK Azerion Shares") are obtained before Completion; and (ii) each of the Azerion DR Holders shall instruct and authorise the STAK to: (a) upon the end of administration of the STAK Azerion Shares, hold the STAK Azerion Shares on behalf and for the account of the Azerion DR Holders and transfer the STAK Azerion Shares to EFIC1 upon Completion; and (b) receive the Azerion DR Holder's pro rata portion of the Cash Consideration and the Share Consideration, on behalf of such Azerion DR Holder, under the obligation for the STAK to transfer these pro rata portions of the Cash Consideration Amount and the Share Consideration to the respective Azerion DR Holders in proportion to their entitlement.

**AdUX Waiver**

Azerion undertakes at its own expense to use all reasonable efforts to obtain a written waiver for the requirement to submit a mandatory tender offer for the acquisition of the remaining shares in the issued share capital of AdUX S.A. ("AdUX") (the "AdUX Waiver") from the French regulator (Autorité des marchés financiers) (the "AMF"). Azerion shall promptly provide EFIC1 and Principion with copies of all relevant correspondence with the AMF pertaining to the AdUX Waiver and shall consult with EFIC1 on any relevant responses.

**Conduct of business before Completion**

During the period from the date of the Business Combination Agreement until Completion, Azerion shall use its best efforts to procure that it (i) carries on its business, in all material respects, as a going concern in the ordinary course consistent with past practice; and (ii) preserves its present business organisations, lines of business and its relationships with customers, suppliers and other third parties in all material respects consistent with past practice.

**Consent matters of the Selling Shareholders and Azerion**

During the period from the date of the Business Combination Agreement until Completion, (a) the Selling Shareholders shall procure, to the extent of their rights in Azerion, that Azerion shall not, and (b) Azerion shall not, and shall procure that its group companies shall not, without the prior written consent of EFIC1, such consent not to be unreasonably withheld or delayed, subject to certain customary exceptions:

(i) pass any shareholders resolutions, including relating to any alteration to its articles of association;
(ii) reclassify, split, consolidate, repay, recapitalise, cancel, purchase or redeem any of its own shares or loan capital;

30
(iii) issue any shares or loan capital, securities convertible into shares or loan capital or any instrument that gives its holder the right to acquire or subscribe for shares or loan capital, other than the grant of new SARs up to such number that would bring the maximum number of SARs on the Completion Date to 8,010;
(iv) declare or pay any dividends or other distributions (in cash or in kind);
(v) grant any security, give any indemnity or other assurance for the benefit of any third party other than in the ordinary and usual course of business;
(vi) merge or consolidate with any other person or business, or undertake any demerger or similar corporate transaction;
(vii) borrow any amount or incur any indebtedness or other liability in excess of €2,000,000;
(viii) make any loan in excess of €2,000,000;
(ix) acquire or dispose of, or grant or extend any option to acquire or dispose of, (a) any shares or other equity interest in any company, or (b) any business;
(x) initiate, waive or settle any material claim or dispute other than in the ordinary and usual course of business;
(xi) change its accounting reference date;
(xii) make any change to the accounting practices and policies by reference to which its accounts are drawn up;
(xiii) remove or appoint its auditors;
(xiv) change its residence for tax purposes;
(xv) enter into any agreement, arrangement or transaction with Principion or the shareholders of Principion or any person controlled by them; and
(xvi) agree to commit do any of the foregoing.

Auditor of the Group

Upon Completion, the auditor of the Group shall be PwC, and Azerion and Principion shall use their reasonable efforts to cooperate with EFIC1 in procuring the appointment of PwC as auditor for the Company.

Conflicts of interest in respect of the Business Combination Agreement

The members of the Management Board shall be deemed to have a personal conflict of interest with respect to (i) any claim or potential claim of EFIC1 against Principion as a result of a breach of a warranty provided by Principion or any other obligation of Principion under the Business Combination Agreement; (ii) any claim or potential claim of EFIC1 against Azerion as a result of a breach of a warranty provided by Azerion or any other obligation of Azerion under the Business Combination Agreement; or (iii) any breach of a warranty provided by EFIC1 or any other obligation of EFIC1 under the Business Combination Agreement. In the event of any such conflict of interest in respect of the Business Combination Agreement, any relevant resolution of EFIC1 with respect to the matter giving rise to the conflict of interest shall be adopted by the Supervisory Board and the chairperson of the Supervisory Board and the chairperson of the Audit and Risk Committee shall be jointly authorised to represent EFIC1 with respect to the matter giving rise to the conflict of interest.

Termination

If the conditions to Completion as set out under “– Conditions to Completion” have not been satisfied or waived in accordance with the Business Combination Agreement or Completion has otherwise not occurred by 1 March 2022, or such later date as may be agreed in writing between EFIC1, Principion and Azerion, the Business Combination Agreement will automatically terminate.

Furthermore, if one of EFIC1, Principion or the STAK does not comply with their respective Completion obligations on the Completion Date in any material respect, the non-defaulting party may terminate the Business Combination Agreement, subject to Completion having first been deferred for a period of 20 Business Days and the parties to the Business Combination Agreement having used best efforts to complete any outstanding obligations to effect Completion during that period.

Expenses

In the event that Completion occurs the costs and expenses of EFIC1 and Azerion in relation to the Business Combination Agreement, which includes a corporate broking success fee (equal to an amount of €100,000) to ABN AMRO, will be paid out of the net proceeds from the Sponsors & Co-Investors Commitment. See also “– Consideration to the Selling Shareholders in the Business Combination and Waterfall.”

If Completion does not occur by 1 March 2022 and the Business Combination Agreement is terminated then (i) expenses related to the Sponsors & Co-Investors Commitment shall be 50% for the account of EFIC1 and 50% for the account of Azerion, provided that EFIC1 shall seek
Azerion’s prior approval before committing, after the date of the Business Combination Agreement, to any such costs or expenses in excess of €20,000; (ii) the expenses incurred by EFIC1 (or for which EFIC1 would otherwise be liable) in connection with the due diligence reports prepared in connection with the Business Combination will be borne by Azerion; (iii) expenses incurred by EFIC1 from EFIC1’s legal counsel will be borne by EFIC1; and (iv) all other expenses incurred in connection with the preparation of the Sponsors & Co-Investors Commitment or the Business Combination by the parties to the Business Combination Agreement, including EFIC1 and Azerion, shall be borne by the party that incurred such expenses.

Amendments

The Business Combination Agreement may only be amended by written agreement between the parties to the Business Combination Agreement.

Governing Law and Dispute Resolution

The Business Combination Agreement is governed by the laws of the Netherlands. All disputes arising in connection with the Business Combination Agreement shall be settled in accordance with the arbitration rules of the Netherlands Arbitration Institute. The place of arbitration will be Amsterdam, the Netherlands. The arbitral tribunal will consist of three arbitrators. The language of the arbitral proceedings will be English.

6.2. DESCRIPTION OF THE TRANSACTION

Structure of the Business Combination

Pursuant to the Business Combination Agreement, the Company will acquire 100% of the Azerion Shares from the Selling Shareholders against payment of the Cash Consideration and the Share Consideration. Upon Completion (and after implementation of the repurchase of Ordinary Shares under the Share Repurchase Arrangement), Principion and the STAK (with obligation to transfer the consideration to the Azerion DR Holders) will become Shareholders. The following overview shows the key highlights of the Business Combination, including the sources and uses for funding of the Business Combination, assuming no repurchases under the Share Repurchase Arrangement:

### Key Transaction Highlights

<table>
<thead>
<tr>
<th>Headline Valuation</th>
<th>Implied Sources &amp; Uses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enterprise Value</td>
<td>Existing Azerion shareholders Roll-Over Equity</td>
</tr>
<tr>
<td>2022E Revenue</td>
<td>Cash in Escrow Account</td>
</tr>
<tr>
<td>Pro-Forma Equity Value</td>
<td>Sponsors &amp; Co-Investors Commitment</td>
</tr>
<tr>
<td>Value to current Azerion shareholders</td>
<td>Total</td>
</tr>
<tr>
<td>Azerion shareholders ownership</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financing Details</th>
<th>Uses</th>
</tr>
</thead>
<tbody>
<tr>
<td>SPAC Size</td>
<td>Existing Azerion shareholders Roll-Over Equity</td>
</tr>
<tr>
<td>Sponsors &amp; Co-Investors Commitment Size</td>
<td>Primary Proceeds for Growth</td>
</tr>
<tr>
<td>Primary Proceeds</td>
<td>Secondary Proceeds</td>
</tr>
<tr>
<td>Secondary Proceeds</td>
<td>Transaction Expenses</td>
</tr>
<tr>
<td>Net Debt &amp; Other Adjustments Pre-Deal</td>
<td>Total</td>
</tr>
<tr>
<td>Net Cash Post Transaction</td>
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</tr>
</tbody>
</table>

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<tr>
<th>Pro-Forma Ownership</th>
<th>Value €</th>
</tr>
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<tbody>
<tr>
<td>Existing Azerion shareholders Roll-Over Equity</td>
<td>66%</td>
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<tr>
<td>Shares to SPAC Shareholders</td>
<td>28%</td>
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<tr>
<td>Shares to Sponsors &amp; Co-Investors</td>
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</tr>
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<td>Shares to Sponsors</td>
<td>5%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
</tr>
</tbody>
</table>

(1) Total value including Cash Consideration. (2) Total shareholder ownership of the Selling Shareholders and SAR Holders post-Business Combination. (3) Any repurchases under the Share Repurchase Arrangement will impact first the quantum of Cash Consideration and second the amount allocated to the Company as primary proceeds. See the section titled “Consideration to the Selling Shareholders in the Business Combination and Waterfall”. (4) Calculated as pre-money equity value to
Selling Shareholders and SAR Holders of €1.074m less the following: cash to the Selling Shareholders and SAR Holders, as applicable, the EFIC1 Sponsor Promote and Transaction Expenses and applicable wage taxes and social security contributions in connection with the settlement of Azerion’s SAR Plans which for illustrative purposes in this overview are deemed to be zero (but are expected to be in the range of €3 million to €6 million and will be finally determined prior to Completion). (5) Assumes no repurchases under the Share Repurchase Arrangement and gross of negative interest. (6) 2,315,000 Ordinary Shares at a purchase price of €10.00 per share. (7) Estimated total transaction expenses (including negative interest) for both Azerion and EFIC1. (8) Net of other adjustments. (9) Illustrative €10 share price, assuming no repurchase under the Share Repurchase Arrangement and including a Sponsors & Co-Investors Commitment of €23,150,000 at a purchase price of €10.00 per Ordinary Share. This table does not reflect the existence (post-Business Combination) of a number of Capital Shares that do carry voting rights and a nominal entitlement to dividends. These Capital Shares are held by EFIC1 Cooperative and HTP Sponsor, who will enter into a voting agreement with the Company, effectively resulting in an undertaking not to exercise the voting rights attached to these Capital Shares as described in “Description of the Securities - Special arrangements for Conditional Special Shares and Capital Shares held by EFIC1 Cooperative and HTP Sponsor”. (10) As part of the Business Combination, the Sponsors have agreed, subject to closing of the Business Combination, (i) to forfeit 10% of the Special Shares, (ii) to reclassify 15% of the remaining (i.e. non-forfeited) Special Shares into Conditional Special Shares, and (iii) to waive their rights to retain the Founder Warrants after EFIC1 has elected to call the Founder Warrants 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, in line with the Warrants that were offered in the EFIC1 IPO as part of the units. (11) This number does not include 1,289,581 Conditional Special Shares (which for ease of reference includes the conditional call option on Ordinary Shares granted to Ben Davey on similar terms as the Conditional Special Shares). EFIC1 Cooperative and HTP Sponsor shall waive the voting and dividend rights attached to the Conditional Special Shares until the moment these Conditional Special Shares convert into Ordinary Shares.

Sponsors & Co-Investors Commitment

In connection with the execution of the Business Combination Agreement, the Company and Azerion entered into subscription agreements with the Sponsors & Co-Investors for the Sponsors & Co-Investors Commitment (the "Subscription Agreements"), pursuant to which the Sponsors & Co-Investors agreed to subscribe for and purchase, and the Company agreed to issue and sell to the Sponsors & Co-Investors, an aggregate of 2,315,000 Ordinary Shares (the "Sponsors & Co-Investors Shares") for a purchase price of €10.00 per Sponsors & Co-Investors Commitment Share and an aggregate purchase price of €23,150,000, in the Sponsors & Co-Investors Commitment. In the Sponsors & Co-Investors Commitment, Sponsors & Co-Investors subscribed to acquire and purchase Sponsors & Co-Investors Shares for a purchase price of €10.00 per Sponsors & Co-Investors Share as compared to the EFIC1 IPO, where investors purchased units (containing one Ordinary Share and one-third of one Warrant) for €18.00 per public unit.

The completion of the issuance of the Sponsors & Co-Investors Shares pursuant to the Subscription Agreements will take place substantially concurrently with Completion and is contingent upon, among other customary closing conditions, the subsequent Completion. The purpose of the Sponsors & Co-Investors Commitment is to raise additional capital for use by the Combined Group following Completion. The Sponsors & Co-Investors Shares are identical to the Ordinary Shares and, in addition, they have not been registered under the U.S. Securities Act in reliance upon the exemption provided in Regulation D of the U.S. Securities Act. The Sponsors & Co-Investors Shares will be freely tradeable immediately post-Business Combination.

Share repurchase arrangement

The Company will repurchase Ordinary Shares held by the Shareholders that so wish (the "Redeeming Shareholders"). The arrangements set out in this paragraph are referred to as the "Share Repurchase Arrangement". The Company has committed to adhere to the Share Repurchase Arrangement in a resolution of the EFIC1 Board taken prior to the date of the EFIC1 IPO Prospectus. For the avoidance of doubt, a Shareholder can vote on its Ordinary Shares at the EGM irrespective of whether it has elected to exercise its rights to have such Ordinary Shares repurchased under the Share Repurchase Arrangement.

The repurchase of Ordinary Shares submitted for repurchase under the Share Repurchase Arrangement by the Redeeming Shareholders before the end of the acceptance period becomes unconditional if and when the General Meeting resolves to approve the Business Combination at the EGM, after which the EFIC1 Board shall resolve on the date of the EGM to repurchase these Ordinary Shares (the "Repurchase Effective Moment"). Immediately after the General Meeting's resolution to approve the Business Combination and the subsequent resolution of the EFIC1 Board to repurchase the Ordinary Shares submitted for repurchase under the Share Repurchase Arrangement by the Redeeming Shareholders before the end of the acceptance period becomes effective, the repurchase price becomes due and payable.

Gross Repurchase Price and Acceptance Period

The gross repurchase price of an Ordinary Share under the Share Repurchase Arrangement is equal to a pro rata share of funds in the Escrow Account as determined by the EFIC1 Board three Business Days prior to the EGM, which is expected to be €9.95 per Ordinary Share, being the repurchase price per Ordinary Share minus any negative interest incurred (which is estimated to be €1.71 million) in respect of the amount paid up on each such Ordinary Share in the Escrow Account up to and including the release date of the funds from the Escrow Account. However, the final repurchase price is subject to the actual negative interest paid. The acceptance period for the repurchase of Ordinary Shares under the Share Repurchase Arrangement starts at 9 a.m. CET on 4 January 2022 (i.e. one Business Day after the Registration Date) and ends at noon CET on 27 January 2022. Financial Intermediaries (as defined below) can determine that this deadline ends at any time prior to this deadline and will communicate this deviating timeline to their customers without EFIC1 involvement. The repurchase of Ordinary Shares under the Share Repurchase Arrangement is anticipated to take place on the date of the EGM. By submitting their Ordinary Shares for repurchase under the Share Repurchase Arrangement during the abovementioned acceptance period, Redeeming Shareholders accept (aanvaarden) the offer (aanbod) of the Company to repurchase such Ordinary Shares. The repurchase of Ordinary Shares under the Share Repurchase
Arrangement becomes unconditional upon the Repurchase Effective Moment. The Redeeming Shareholders will receive the gross repurchase price within two Business Days after Completion from their bank or stockbroker (the “Financial Intermediary”). The Company can only repurchase Ordinary Shares to the extent allowed under Dutch law and repurchases will be made in accordance with Dutch law.

**Transfer Details**

The Redeeming Shareholders must instruct their Financial Intermediary ultimately before noon CET on 27 January 2022 or at any earlier deadline communicated by the Financial Intermediary. The Financial Intermediary must submit their instruction for the Share Repurchase Arrangement electronically through the system of Euroclear Nederland via MT565 SWIFT message or Easyway before noon CET on 27 January 2022. By doing so the Financial Intermediary must clearly state the name and address of the Redeeming Shareholders to ABN AMRO. As soon as it has been indicated in the Euroclear system that a Shareholder wants to use the option of having its Ordinary Shares repurchased, these Ordinary Shares will be blocked and can no longer be traded on Euronext Amsterdam or otherwise transferred.

**Cancellation or Placement of Ordinary Shares Repurchased**

In accordance with the EFIC1 IPO Prospectus, the EFIC1 Board may resolve: (i) within one month following repurchase, to place any or all of the Ordinary Shares repurchased by the Company under the Share Repurchase Arrangement with existing Shareholders or with third parties seeking to obtain Ordinary Shares; or (ii) to cancel any or all the Ordinary Shares repurchased by the Company under the Share Repurchase Arrangement. In accordance with these terms, the EFIC1 Board shall ultimately on the date of the EGM resolve to option (i), (ii) or a combination of (i) and (ii). The EFIC1 Board proposes to cancel all Ordinary Shares that (a) shall be repurchased under the Share Repurchase Arrangement, but (b) will not be placed with existing Shareholders or with third parties seeking to obtain Ordinary Shares in accordance with option (i) above immediately following Completion, as further described in the proposal of EGM agenda item (3)(a).

**No Lock-up provisions**

At the start of the acceptance period for the repurchase of Ordinary Shares, the Shareholders will cease to be bound by any remaining lock-up undertaking with respect to their Ordinary Shares. Accordingly, each Shareholder will be entitled to transfer such Ordinary Shares to any third party, including to another Shareholder or to the Sponsors within the meaning of the EFIC1 IPO Prospectus. For the avoidance of doubt, the repurchase of the Ordinary Shares does not trigger the repurchase of the Warrants held by such Shareholder (if any). Accordingly, the Redeeming Shareholders retain all rights to any Warrants that they may hold at the time of repurchase.

HTP Sponsor (i.e. the only Sponsor holding Ordinary Shares at the date hereof), has agreed to waive its right to have any Ordinary Shares held by it repurchased by the Company under the Share Repurchase Arrangement.

**TAX MATTERS ARE COMPLICATED, AND THE TAX CONSEQUENCES OF EXERCISING YOUR RIGHT TO SEEK A REPURCHASE WILL DEPEND ON THE FACTS OF YOUR OWN SITUATION. YOU SHOULD CONSULT YOUR OWN TAX ADVISOR AS TO THE SPECIFIC TAX CONSEQUENCES OF THE EXERCISE OF THIS RIGHT TO YOU IN YOUR PARTICULAR CIRCUMSTANCES.**

**Azerion Founder Warrants**

In addition, in connection with the Business Combination Agreement, Atilla Aytekin and Umut Akpinar, or their personal holding companies, as the case may be, will receive 17,992,773 Azerion Founder Warrants in total.

The Azerion Founder Warrants can be exercised during the exercise period, which starts 30 days after Completion and ends at the close of trading on Euronext Amsterdam on the first Business Day after the future anniversary of the Completion Date. During the exercise period each Azerion Founder Warrant entitles the holder to subscribe for one Ordinary Share for the exercise price of €11.50. The Azerion Founder Warrants can only be exercised on a cashless basis. In a cashless exercise, no cash will be paid but the Azerion Founder Warrant will convert into such number of Ordinary Shares as equals the quotient obtained by dividing (x) the product of the number of Ordinary Shares underlying the Azerion Founder Warrants, multiplied by the excess of the fair market value over the exercise price by (y) the fair market value. For these purposes, the fair market value shall mean the average closing price on Euronext Amsterdam of the Ordinary Shares for the 10 trading days ending on the third trading day prior to the date on which the exercise notice in respect of any Azerion Founder Warrants is sent to the Company. The Azerion Founder Warrants are subject to mandatory redemption by the Company, in whole but not in part, at any time during the exercise period, at a redemption price of €0.01 per Azerion Founder Warrant if, and only if, at any time 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 ending three Business Days before the Company sends the notice of redemption. The Azerion Founder Warrant holders may exercise their Azerion Founder Warrants prior to the scheduled redemption date. The exercised Azerion Founder Warrants shall not be redeemed in such case.

**Settlement of Azerion’s SAR Plans**

Azerion has stock appreciation rights plans in place for its employees, certain M&A partners and certain investors, pursuant to which participants have been awarded SARs. See “– Corporate Governance – Current Azerion incentive plans”.
On the Completion Date, all outstanding vested and unvested SARs will be settled in (depositary receipts for) Ordinary Shares and, for SAR Holders that are Azerion employees, a portion will be settled in cash (mainly to cover applicable wage taxes and social security contributions). The majority of the Ordinary Shares to be issued or transferred for the benefit of SAR Holders as settlement of their SARs will be administered by a Stichting Administratiekantoor for the SAR Holders (the “SAR STAK”) by issuing depositary receipts for Ordinary Shares to the SAR Holders in the proportions corresponding to their SAR entitlements, taking into account any cash settlement. The SARs of a limited number of SAR Holders, including the SARs held by the co-CEOs through their personal holdings, will be settled directly in Ordinary Shares.

The total number of outstanding SARs on the Completion Date is expected to be 8,010. Assuming no cash settlement, these would be settled in 6.1 million (depositary receipts for) Ordinary Shares, representing 4.4% of the issued and outstanding Ordinary Shares upon Completion. See “– Description of Securities – Pre and immediately following the Business Combination Shareholding Structure”. Due to the partial cash settlement of a portion of the SARs, the actual number of (depositary receipts for) Ordinary Shares held by SAR Holders upon Completion will be lower.

**Repayment of the Principion Loan**

On 17 March 2020, Azerion, as lender, and Principion, as borrower, entered into the Principion Loan for an amount of €24.7 million (see “– Related Party Transactions – Loan Agreements with related parties – Loan from Azerion to Principion”). On 30 June 2021, the outstanding principal amount under the Principion Loan including accrued interest was €31,410,486.19. Pursuant to the Business Combination Agreement, Principion will use its portion of the Cash Consideration to repay the Principion Loan in full upon Completion. If Principion’s portion of the Cash Consideration is not sufficient to fully repay the Principion Loan, Principion will repay the Principion Loan in part and repay the remaining outstanding amount under the Principion Loan from the proceeds from any further secondary sale of its Ordinary Shares following Completion and subject to its lock-up period of 360 days from the Completion Date.

**Accounting treatment of the Business Combination**

Within the Business Combination, the working assumption is that Azerion is expected to be the accounting acquirer based on a preliminary analysis of the relevant facts and circumstances. The distribution of the shareholding amongst parties as well as the composition of the governance structure are important elements in that analysis. As EFIC1 has a limited value of assets and liabilities, the consolidated financial statements will consist of the assets and liabilities of Azerion.

**Pro forma balance sheet of the Business Combination**

The tables below provide an unaudited pro forma consolidated balance sheet as of 30 June 2021, on an actual basis including the adjustments marked (A) through (H) as set out below, to illustrate the effects of the Business Combination.

The information set out in the tables below is derived from the unaudited management accounts of EFIC1 and of Azerion as at 30 June 2021. The unaudited management accounts of Azerion as at 30 June 2021 have been prepared with proper care and attention and by applying and adopting policies, principles, bases, conventions, rules, practices, techniques, methods and procedures materially consistent with those employed in preparing the 2020 Financial Statements, except that these management accounts do not take into account the adjustments that were made for the year ended 31 December 2020 in connection with the audit process of the 2020 Financial Statements and the first-time adoption of IFRS, of which the material adjustments related to goodwill and corresponding shareholders’ equity for an aggregate amount of approximately €10 million mainly make up the impact.

The accounting for the Business Combination as included in the pro forma balance sheet should be considered illustrative, as the accounting treatment for the Business Combination still needs to be finalized.

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**Table:**

<table>
<thead>
<tr>
<th>EFIC1 30 June 202114</th>
<th>Azerion 30 June 202115</th>
<th>No Repurchase Scenario</th>
<th>Maximum Repurchase Scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td>(all amounts in EUR k)</td>
<td></td>
<td>Pro Forma (Adjustment)</td>
<td>Pro Forma Consolidated</td>
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<tr>
<td>Intangible fixed assets</td>
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<td>207,000</td>
<td>207,000</td>
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<tr>
<td>Tangible fixed assets</td>
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<td>19,700</td>
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<td>Financial fixed assets</td>
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<tr>
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<td>270,400</td>
<td>(31,410)16</td>
<td>238,990</td>
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<td>Current assets</td>
<td>319</td>
<td>83,600</td>
<td>83,919</td>
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</table>

13 As part of the Business Combination, the LTIP is introduced which is assumed to have no impact on the pro forma financials of the Business Combination on day 1.
14 EFIC1 30 June 2021 financials based on the 2021 H1 report.
15 Azerion 30 June 2021 financials based on the 2021 Q2 bond report.

35
<table>
<thead>
<tr>
<th>Cash and cash equivalents</th>
<th>383,659</th>
<th>77,900</th>
<th>23,150&lt;sup&gt;A&lt;/sup&gt;</th>
<th>424,358</th>
<th>23,150&lt;sup&gt;A&lt;/sup&gt;</th>
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<tr>
<th>Total assets</th>
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<th>431,900</th>
<th>(68,651)</th>
<th>747,226</th>
<th>(231,899)</th>
<th>583,978</th>
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</table>

<table>
<thead>
<tr>
<th>Non-current liabilities&lt;sup&gt;16&lt;/sup&gt;</th>
<th>378,853</th>
<th>228,400</th>
<th>(360,485)&lt;sup&gt;E&lt;/sup&gt;</th>
<th>9,176&lt;sup&gt;H&lt;/sup&gt;</th>
<th>(8,809)&lt;sup&gt;C&lt;/sup&gt;</th>
<th>247,135</th>
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<thead>
<tr>
<th>Current liabilities</th>
<th>634</th>
<th>188,400</th>
<th>-</th>
<th>189,034</th>
<th>-</th>
<th>189,034</th>
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</thead>
</table>

<table>
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<tr>
<th>Equity&lt;sup&gt;17&lt;/sup&gt;</th>
<th>4,490</th>
<th>15,100</th>
<th>360,485&lt;sup&gt;E&lt;/sup&gt;</th>
<th>23,150&lt;sup&gt;A&lt;/sup&gt;</th>
<th>200&lt;sup&gt;F&lt;/sup&gt;</th>
<th>147,809</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Total equity and liabilities</th>
<th>383,977</th>
<th>431,900</th>
<th>(68,651)</th>
<th>747,226</th>
<th>(231,899)</th>
<th>583,978</th>
</tr>
</thead>
</table>

Adjustments to the Pro Forma Consolidated Financial Information

The pro forma adjustments are based on preliminary estimates and assumptions that are subject to change. The following adjustments have been reflected in the pro forma consolidated statement of the financial position<sup>18</sup>:

(A) To reflect proceeds of €23,150,000 from the issuance and sale of 2,315,000 Ordinary Shares at €10.00 per share in the Sponsors & Co-Investors Commitment pursuant to the terms of the Subscription Agreements, increasing cash and cash equivalents by €23,150,000, with a corresponding increase to the shareholders’ equity of the Business Combination.

(B) On the Completion Date, the Company will pay the Cash Consideration (an amount of up to €50 million to the Selling Shareholders), subject to the amount of cash available in the Escrow Account together with the proceeds from the Sponsors & Co-Investors Commitment, after giving effect to the share repurchases under the Share Repurchase Arrangement, with a corresponding decrease to the shareholders’ equity of the Business Combination. In the 'No Repurchase Scenario' the amount available for the Cash Consideration is €50 million. In the 'Maximum Repurchase Scenario' the amount available for the Cash Consideration is ca. €8 million<sup>19</sup).

Pursuant to the Business Combination Agreement, Principion will use its portion of the Cash Consideration to repay the Principion Loan in full upon Completion. If Principion's portion of the Cash Consideration is not sufficient to fully repay the Principion Loan, Principion will repay the Principion Loan in part and repay the remaining outstanding amount under the Principion Loan from the proceeds from

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<sup>16</sup> As per EFIC1's accounting principles, all warrants are accounted for as non-current liabilities. For the purposes of this analysis the accounting principle is upheld, however, in future, this may be subject to review by the auditor of the Company.

<sup>17</sup> Equity position includes the following adjustments with respect to the Special Shares: (1) Adjustment for 10% forfeiture of Special Shares as 10% of the Special Shares held by HTP Sponsor and EFIC1 Cooperative will be "forfeited by way of cancellation without repayment". The nominal value of the Special Shares that will be forfeited will be added to the reserves of the Company. (2) 13.5% of the Special Shares held by HTP Sponsor and EFIC1 Cooperative will be converted into Conditional Special Shares without any impact on the book equity position.(3) Conversion of the remaining 76.5% of Specials Shares held by HTP Sponsor and EFIC1 Cooperative into Ordinary Shares without any impact on the book equity position is assumed.

<sup>18</sup> The Business Combination is not expected to impact the assets and liabilities profile of either EFIC1 or Azerion, amongst others, our analysis assumes that there would be no mandatory offer for the remaining outstanding shares in AdUX and no accelerated repayment of any working capital items, factoring or other similar agreements.

<sup>19</sup> In 'Maximum Repurchase Scenario', the minimum cash condition under the Business Combination Agreement of €200 million will still be met, assuming the Sponsors & Co-Investors Commitment of €23,150,000. After deducting the Transaction Expenses, estimated at ca. €42 million, €150 million will be used as primary proceeds for the Company, with the remaining €8 million being available for Cash Consideration to the Selling Shareholders.
any further secondary sale of its Ordinary Shares following Completion and subject to its lock-up period of 360 days from the Completion Date.

In the 'No Repurchase Scenario' part of the Cash Consideration will be used to repay the Principion Loan in full upon Completion (ca. €31.4 million as per 30 June 2021, including accrued interest). In the 'Maximum Repurchase Scenario' the total Cash Consideration of ca. €8 million will be used to repay part of the Principion Loan. In this scenario, Principion will repay the remaining outstanding amount under the Principion Loan from the proceeds from any further secondary sale of its Ordinary Shares following Completion and subject to its lock-up period of 360 days from the Completion Date.

(C) Reflects the payment of deferred underwriting fee of ca. €11.7 million incurred in connection with the EFIC1 IPO. As per 30 June 2021 an amount of ca. €8.8 million of deferred underwriting fee was accounted for as a probability of successfully completing a business combination was estimated to be 75% and therefore the deferred underwriting fee of ca. €8.8 million was charged to the Ordinary Shares (instead of the full amount of ca. €11.7 million).

(D) Reflects the payment of Transaction Expenses (excluding the deferred underwriting fee) of ca. €30.3 million of estimated and incremental transaction costs incurred in connection with the Business Combination resulting in a decrease to cash and cash equivalents and shareholders' equity. Note this item excludes the deferred underwriting fee shown separately under point (C) above.

(E) Reclassification of 38,209,815 Ordinary Shares at €10.00 per share net of Warrants and Founder Warrants of ca. €9.6 million and deferred underwriting fees, to the shareholders' equity of the Business Combination. This reclassification includes a 100% deferred underwriting fee payment and does not include any amendments to other valuation assumptions in the book value of equity of EFIC1 (i.e., amortisation towards the present value of the redemption values).

(F) Up until 1 April 2022, the holders of one or more Capital Share(s) are entitled to call additional Capital Shares at a nominal value, up to an additional 489 capital shares each. For the purpose of this analysis, this adjustment reflects 10 additional Capital Shares each for both the existing holders of the Capital Shares resulting in an increase to cash and cash equivalents of €0.2 million and a corresponding increase in shareholders' equity.

(G) Under the 'Maximum Repurchase Scenario', it is assumed that the public Shareholders exercise their repurchase rights under the Share Repurchase Arrangement, resulting in a reduction of cash and cash equivalents of ca. €205 million and a corresponding decrease in shareholders' equity.

(H) In connection with the Business Combination, upon Completion, the Company shall grant 17,992,773 Azerion Founder Warrants in respect of Ordinary Shares to Atilla Aytekin and Umut Akpinar, or their personal holding companies, as the case may be. The Azerion Founder Warrants will be accounted for similarly to the Founder Warrants of EFIC1 at a fair value of 51 cent per Founder Warrant as per 30 June 2021 resulting in an increase of the non-current liabilities of ca. €9.2 million and a corresponding decrease of shareholders' equity for both the 'No Repurchase Scenario' and the 'Maximum Repurchase Scenario'.

Capitalisation and indebtedness of EFIC1

The tables below set out the Company's capitalisation and indebtedness as of 30 June 2021, on an actual basis including adjustments marked (A) through (H) as made to the pro forma balance sheet to illustrate the effects of the Business Combination.

The information set out in the tables below is derived from the unaudited management accounts of EFIC1 and of Azerion as at 30 June 2021. The unaudited management accounts of Azerion as at 30 June 2021 have been prepared with proper care and attention and by applying and adopting policies, principles, bases, conventions, rules, practices, techniques, methods and procedures materially consistent with those employed in preparing the 2020 Financial Statements, except that these management accounts do not take into account the adjustments that were made for the year ended 31 December 2020 in connection with the audit process of the 2020 Financial Statements and the first-time adoption of IFRS, of which the material adjustments related to goodwill and corresponding shareholders' equity for an aggregate amount of approximately €10 million mainly make up the impact.

The accounting for the Business Combination as included in the pro forma balance sheet should be considered illustrative, as the accounting treatment for the Business Combination still needs to be finalized.

**Capitalisation**

<table>
<thead>
<tr>
<th>(all amounts in EUR k)</th>
<th>EFIC1 30 June 202120</th>
<th>Azerion 30 June</th>
<th>No Repurchase Scenario</th>
<th>Maximum Repurchase Scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pro Forma (Adjustment)</td>
<td>Pro Forma Consolidated</td>
<td>Pro Forma (Adjustment)</td>
<td>Pro Forma Consolidated</td>
</tr>
</tbody>
</table>

20 EFIC1 30 June 2021 financials based on the 2021 H1 report.
The following table shows the pro forma indebtedness of the Business Combination as of 30 June 2021.

**Indebtedness**

<table>
<thead>
<tr>
<th></th>
<th>EFIC1</th>
<th>Azerion</th>
<th>No Repurchase Scenario</th>
<th>Maximum Repurchase Scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>(all amounts in EUR k)</strong></td>
<td><strong>30 June 2021</strong></td>
<td><strong>30 June 2021</strong></td>
<td><strong>Pro Forma (Adjustment)</strong></td>
<td><strong>Pro Forma Consolidated</strong></td>
</tr>
<tr>
<td><strong>Cash and cash equivalents</strong></td>
<td>383,659</td>
<td>77,900</td>
<td>(37,240)</td>
<td>424,318</td>
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<tr>
<td><strong>Current financial debt</strong></td>
<td>-</td>
<td>14,800</td>
<td>-</td>
<td>14,800</td>
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<tr>
<td><strong>Net current financial indebtedness</strong></td>
<td>(383,659)</td>
<td>(63,100)</td>
<td>37,240</td>
<td>(409,518)</td>
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<tr>
<td><strong>Non-current financial debt</strong></td>
<td>-</td>
<td>215,700</td>
<td>-</td>
<td>215,700</td>
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<tr>
<td><strong>Instruments related to EFIC1</strong></td>
<td>378,853</td>
<td>-</td>
<td>(360,118)</td>
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<td><strong>Non-current financial indebtedness</strong></td>
<td>378,853</td>
<td>215,700</td>
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<td><strong>Total financial indebtedness</strong></td>
<td>(4,805)</td>
<td>152,600</td>
<td>(322,878)</td>
<td>(175,084)</td>
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</table>

EFIC1 does not have any indirect and contingent indebtedness.

Since 30 June 2021, the date of the 2021 H1 unaudited management accounts of EFIC1, there has not been a material change in the EFIC1 information included in the tables above.

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2. EFIC1 30 June 2021 financials based on the 2021 H1 report.
4. Relates to Ordinary Shares, Founder Warrants, Public Warrants and deferred underwriting fees of EFIC1 as per 30 June 2021.
5. For the calculation of interest bearing debt for the purpose of the bond reporting please see calculation in the 2021 Q2 bond report of Azerion. Accrued interest and zero interest bearing loans as included in the interest bearing debt calculation in 2021 Q2 bond report of Azerion are excluded in the total financial indebtedness.
6. Expenses of EFIC1 due diligence exercise on Azerion and negative interest are included in the transaction expense adjustment.
 Undertaking by certain members of the Sponsors to cover transactions costs in connection with the Business Combination

In order to ensure that the Company can continue to (i) meet its payment obligations (either on the basis of a direct engagement or pursuant to a cost-sharing arrangement with Azerion) in respect of the various legal, financial, tax and accounting advisors that have been retained in connection with the evaluation, negotiation and execution of the Business Combination and (ii) cover the estimated day to day operational expenses of the Company for the remainder of its lifetime (i.e. up to the earlier of the Completion Date and the date of liquidation of the Company), certain affiliates of the Sponsors have entered into an irrevocable funding undertaking vis-à-vis the Company. Pursuant to this undertaking, each of these affiliates of the Sponsors committed to provide on a pro rata basis an additional cash injection into the Company (in the form of an unsecured subordinated loan, a share premium contribution on Ordinary Shares or otherwise) up to a maximum aggregate amount of €2.7 million, upon the request of the EFIC1 Board and solely if and to the extent required for the abovementioned purposes. As at the date of this Circular and on the basis of currently available information, the EFIC1 Board believes that the aforementioned maximum aggregate amount of €2.7 million to be sufficient for these purposes. In the event that the Business Combination is not completed by 1 March 2022, it is likely that the Company will require these affiliates of the Sponsors to grant an unsecured subordinated loan, make an additional cash injection or take any other necessary actions. In no event shall such unsecured subordinated loan, additional cash injection or other necessary action result in any dilution for the existing holders of Ordinary Shares.

AdUX

Azerion Tech Holding B.V., a 100% subsidiary of Azerion, holds an interest of 54.95% in the issued and outstanding share capital of AdUX which is listed on Euronext Paris and Euronext Amsterdam. As a result of the Business Combination, the Company will indirectly hold more than 30% of the share capital and voting rights of AdUX. Under applicable French law this requires the Company to make a mandatory tender offer for all the shares in AdUX. Azerion and EFIC1 have already been in contact with the internal services of the AMF and will very soon officially file a request to obtain an exemption for EFIC1 from the mandatory filing of a tender offer for the shares in AdUX with the AMF. Azerion believes that the AMF will grant this exemption and that the Company will not be required to make a mandatory tender offer on AdUX. Azerion expects the AMF to announce that it will grant this exemption shortly after publication of the Circular.

However, if this exemption is not granted after Completion, the Company will be under an obligation to file a mandatory tender offer for the 45.05% of the shares in AdUX it does not already indirectly hold. The market capitalisation of AdUX was €12.7 million at 10 December 2021. The share price of AdUX is subject to fluctuation and could increase, which could increase the potential capital outlay for the Company in connection with making such mandatory tender offer.

6.3. CORPORATE GOVERNANCE

General

Set out below is an overview of relevant information concerning the Management Board, Supervisory Board and the Company’s employees on Completion. It includes an overview of certain significant provisions of Dutch corporate law as in effect on the date of this Circular, the articles of association of the Company as they shall read immediately after the Second Amendment AoA (the “Articles of Association”), the Management Board Rules and the Supervisory Board Rules (both as defined below) as these will be in effect immediately after Completion.

This overview does not purport to give a complete overview and should be read in conjunction with the Articles of Association and the relevant provisions of Dutch corporate law. This overview does not constitute legal advice regarding these matters and should not be considered as such. The full text of the Articles of Association is available in Dutch and English at the Company’s business address during regular business hours. The Articles of Association are also available in Dutch and English on www.efic1.com.

Management Structure

After Completion, the Company will have a two-tier board structure consisting of the Management Board and the Supervisory Board. The Management Board is the executive body (bestuur) and is responsible for the day-to-day management of the Company, which includes, among other things, formulating the Company’s strategies and policies and setting and achieving its objectives. The Supervisory Board (raad van commissarissen) supervises and advises the Management Board. The Management Board and the Supervisory Board are jointly responsible for the corporate governance structure of the Company.

At the Completion Date, the provisions of Dutch law, which are commonly referred to as the ‘large company regime’ (structuurregime), do not apply to the Company. The Company may meet the requirements of the ‘large company regime’ in the future, which may have an impact on the governance described below.

Management Board

Powers, responsibilities and functioning

The Management Board is responsible for the management of the Company’s operations, as well as the operations of the Company under the supervision of the Supervisory Board. The Management Board’s responsibilities include, among other things, setting the Company’s
management agenda, developing a view on long-term value creation by the Company, enhancing the performance of the Company, developing a strategy, identifying, analysing and managing the risks associated with the Company's strategy and activities and establishing and implementing internal procedures, which safeguard that all relevant information is known to the Management Board and Supervisory Board in a timely manner. The Management Board may perform all acts necessary or useful for achieving the Company's corporate purposes, except for those expressly attributed to the General Meeting or the Supervisory Board as a matter of Dutch law or pursuant to the Articles of Association (see “– Management Board – Decision-making”).

Pursuant to the Articles of Association and the Management Board Rules, the Management Board may delegate duties to individual members of the Management Board. The resolution to establish such allocation of duties must be taken unanimously in a meeting where all members of the Management Board are represented and requires the prior approval of the Supervisory Board. In fulfilling their responsibilities, the members of the Management Board must act in the interest of the Company and the business it operates, taking into consideration the relevant interests of the Company's employees, shareholders, lenders, customers, suppliers and other stakeholders.

The Management Board as a whole is authorised to represent the Company. Additionally, two members of the Management Board acting jointly are authorised to represent the Company. Pursuant to the Articles of Association, the Management Board is authorised to grant one or more persons, whether or not in the Company's employ, a power of attorney or other form of continuing authority to represent the Company or to grant one or more persons such titles as it sees fit, within the limits of the specific delegated powers provided to them in the power of attorney.

Management Board Rules

In accordance with the Articles of Association, the Management Board may adopt rules governing, among other things, the Management Board's decision-making process and working methods (the "Management Board Rules"). The resolution of the Management Board to establish these rules and any amendment thereto requires the prior approval of the Supervisory Board. The Management Board Rules describe the duties, tasks, composition, procedures and decision-making of the Management Board. The Management Board Rules are available on the Company's website (www.efic1.com).

Composition, Appointment, Dismissal and Suspension

The Articles of Association provide that the number of members of the Management Board shall be determined by the Supervisory Board upon the proposal of the Management Board, but must at all times consist of a minimum of two members. Following Completion, the Management Board will consist of three members.

The General Meeting may appoint a member of the Management Board by resolution adopted with at least two thirds of the votes cast representing more than half of the issued share capital. A resolution of the General Meeting to appoint a member of the Management Board pursuant to and in accordance with a proposal thereto made by the Supervisory Board can be adopted with an absolute majority of the votes cast. A second meeting as referred to in section 2:120 paragraph 3 of the Dutch Civil Code cannot be convened.

The General Meeting may at any time suspend or dismiss a member of the Management Board. A resolution to suspend or dismiss a member of the Management Board requires a two thirds majority of the votes cast, representing at least half of the issued share capital. A resolution for suspension or dismissal of a member of the Management Board pursuant to a proposal thereto by Supervisory Board, can be adopted by the General Meeting by an absolute majority of the votes cast. A second meeting as referred to in section 2:120 paragraph 3 of the Dutch Civil Code cannot be convened. In addition, a member of the Management Board may be suspended by the Supervisory Board at any time. A suspension by the Supervisory Board can be ended by the General Meeting at any time and automatically lapses if the General Meeting does not resolve to dismiss such member of the Management Board within three months from the date of such suspension.

Decision-making

Pursuant to the Articles of Association and the Management Board Rules, resolutions of the Management Board are adopted by an absolute majority of the votes cast. Each member of the Management Board has one vote. In the event the Management Board consists of two members and their votes are tied, the Supervisory Board shall decide on the matter.

In the event the Management Board consists of at least three members, and the votes are tied, the chief executive officer, or the chief executive officers jointly, shall have a casting vote. If the chief executive officers have a joint casting vote and they are not able to come to an agreement on the joint casting vote, the Supervisory Board shall decide on the matter.

The Management Board may also adopt resolutions without convening a meeting, provided that all members of the Management Board entitled to vote have been consulted and none of them have raised an objection to adopt resolutions in this manner. The adoption of resolutions outside a meeting must be reported at the following meeting.

Dutch law provides that resolutions of the Management Board involving a significant change of identity or character of the Company or its business are subject to the approval of the General Meeting. Such changes include:

- the transfer of all or a substantial portion of the business and/or assets of the Company to a third party;
• entering into or terminating a long-term cooperation between the Company or a subsidiary (dochtermaatschappij) and another legal entity or company or as a fully liable partner in a limited partnership or general partnership, if such cooperation or termination thereof is of fundamental importance for the Company; and

• the Company or a subsidiary (dochtermaatschappij) acquiring or disposing a participation in the capital of a company if the value of such participation is at least one-third of the sum of its assets according to the Company's consolidated balance sheet and explanatory notes set out in the last adopted annual accounts of the Company.

In addition, certain resolutions of the Management Board identified in the Management Board Rules require the prior approval of the Supervisory Board.

In each of the above-mentioned situations, the absence of approval from the Supervisory Board or the General Meeting does not affect the authority of the Management Board or its members to represent the Company.

Members of the Management Board

As of Completion, the Management Board will be composed of the following members:

<table>
<thead>
<tr>
<th>Name</th>
<th>Age</th>
<th>Position</th>
<th>Member since/from</th>
<th>Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atilla Aytekin</td>
<td>51</td>
<td>Co-Chief Executive Officer</td>
<td>2014</td>
<td>Indefinite</td>
</tr>
<tr>
<td>Umut Akpinar</td>
<td>49</td>
<td>Co-Chief Executive Officer</td>
<td>2014</td>
<td>Indefinite</td>
</tr>
<tr>
<td>Maria del Dado Alonso Sanchez</td>
<td>48</td>
<td>Chief Financial Officer</td>
<td>2019</td>
<td>4 years</td>
</tr>
</tbody>
</table>

Mr. Aytekin (born 1969 in Turkey, Dutch) is one of the founders and the co-CEO of Azerion. He is a graduate of the Tilburg University, where he studied information economics. He has over 20 years of experience as an entrepreneur, in particular in the fields of technology and digital ecosystems. He is founder of several technological and digital companies like Triodor Software and Orangegames. In addition, Mr. Aytekin wrote the book 'Atilla's Dutch Dream' and he is one of the founders of the Dutch Dream Foundation, helping entrepreneurs achieving their dreams.

Mr. Akpinar (born 1972 in Turkey, Dutch) is one of the founders and the co-CEO of Azerion. After graduating at Delft University (Radar Technology) and a short business career he became an entrepreneur. He has over 20 years of experience as entrepreneur and founded many technological and digital companies including Triodor Software and Orangegames. Mr. Akpinar was involved at many stages of growth companies, including start-ups, grown up companies and scale-up companies. In addition, he is a social entrepreneur. He is one of the founders of the Dutch Dream Foundation, helping entrepreneurs achieving their dreams.

Ms. Del Dado Alonso Sanchez (born 1973 in Spain, Spanish) is the CFO of Azerion. She has over 20 years of experience at global corporations. She has a master's degree in law, business administration and IT management. Ms. Del Dado Alonso Sanchez has worked as global finance director at Naspers, as CFO at C&A NL and she has also worked in various executive roles at Amazon and Siemens. She is currently member of the IMA Global board of directors.

Executive Committee

The Company has an executive committee (the "Executive Committee") that supports the members of the Management Board in the day-to-day management of the Group’s business. As of Completion, the Executive Committee consists of the members of the Management Board and the following additional members:

<table>
<thead>
<tr>
<th>Name</th>
<th>Age</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sebastian Moesman</td>
<td>49</td>
<td>Chief Revenue Officer</td>
</tr>
<tr>
<td>Joost Merks</td>
<td>39</td>
<td>Chief Investment Officer</td>
</tr>
<tr>
<td>Ben Davey</td>
<td>49</td>
<td>Chief Strategy Officer</td>
</tr>
</tbody>
</table>

Mr. Moesman (born 1972 in the Netherlands, Dutch) is currently Chief Revenue Officer of Azerion. He is also CEO of Improve Digital. He has over 20 years of experience as media expert and professional. Mr. Moesman is former global COO of GroupM Connect and founder of Reddion, which has been sold to WPP.

Mr. Merks (born 1982 in the Netherlands, Dutch) is currently the Chief Investment Officer of Azerion where he is actively involved in the growth of the business globally. He is founder of Yoki, which merged with Azerion in 2015. Mr. Merks has over 12 years of experience as an M&A specialist and entrepreneur.
Mr. Davey (born 1972 in the United Kingdom, British) is the Chief Investment Officer of EFIC1 and has agreed to become the Chief Strategy Officer of Azerion post-Completion. Mr. Davey studied Jurisprudence at the University of Oxford and has over 26 years of professional experience in law and financial services, having worked as a Chancery Barrister in London and then for NM Rothschild & Sons Limited (now Rothschild & Co) as an M&A and advisory banker working across the leisure, gaming, consumer and real estate sectors, before moving to its financial institutions group, Barclays Capital where he helped to build out the Financial Institutions team for its investment banking division across EMEA, Barclays' Investment Bank as Chief Strategy Officer, then Barclays PLC as Group Head of Strategy and most recently prior to EFIC1 as the founder and Chief Executive Officer of Barclays Ventures focused on the identification, development and scaling of new technology and data-led business models and business lines. The role included the expansion and integration of its Eagle Labs and Rise early and growth-stage co-working and incubator ecosystems, the development and launch of potential new business lines including in the fields of GameTech and Esports and selected strategic minority investments.

**Supervisory Board**

**Powers, responsibilities and functioning**

The Supervisory Board is responsible for the supervision of the policy of the Management Board and the general course of affairs in the Company and the business it operates. The Supervisory Board shall support the Management Board with its advice.

The Supervisory Board supervises the manner in which the Management Board implements the long-term value creation strategy of the Company and the general course of affairs in the Company and its affiliated business. The Supervisory Board is accountable for these matters to the General Meeting. The Supervisory Board also provides advice to the Management Board. In performing their duties, the members of the Supervisory Board are required to focus on the effectiveness of the Company's internal risk management and control systems and the integrity and quality of the financial reporting. The members of the Supervisory Board assist the Management Board with advice. In the fulfilment of their duty, the members of the Supervisory Board shall orient themselves according to the interests of the Company and its affiliated business.

**Supervisory Board Rules**

In accordance with the Articles of Association, the Supervisory Board has adopted rules governing the Supervisory Board's decision-making process and working methods (the "Supervisory Board Rules"). The Supervisory Board Rules describe the duties, tasks, composition, procedures and decision-making of the Supervisory Board. The Supervisory Board Rules are available on the Company's website (www.efic1.com).

**Composition, Appointment, Dismissal and Suspension**

The Articles of Association provide that the Supervisory Board must consist of a minimum of three members, which number is determined by the Supervisory Board.

The General Meeting may appoint a member of the Supervisory Board by resolution adopted with at least two thirds of the votes cast representing more than half of the issued share capital. A resolution of the General Meeting to appoint a member of the Supervisory Board pursuant to and in accordance with a proposal thereto made by the Supervisory Board, with due observance of the profile for the size and composition of the Supervisory Board as adopted by the Supervisory Board from time to time, can be adopted with an absolute majority of the votes cast. A second meeting as referred to in section 2:120 paragraph 3 of the Dutch Civil Code cannot be convened.

The Supervisory Board appoints one of its members as chairperson. The Supervisory Board may appoint one of the members of the Supervisory Board as vice-chairperson of the Supervisory Board.

A Supervisory Board member may at any time be suspended or dismissed by the General Meeting. A resolution for suspension or dismissal of a member of the Supervisory Board requires a majority of two-third of the votes cast representing at least half of the issued capital. A resolution for suspension or dismissal of a member of the Supervisory Board pursuant to and in accordance with a proposal thereto by the Supervisory Board, can only be adopted by the General Meeting by an absolute majority of the votes cast. A second meeting as referred to in section 2:120 paragraph 3 of the Dutch Civil Code cannot be convened.

**Term of appointment**

In line with the Dutch Corporate Governance Code, a Supervisory Board member may be reappointed for a period of four years and then subsequently again for a period of two years, whose appointment may be extended by at most an additional two years. For a reappointment after an eight-year period, reasons must be provided in the report of the Supervisory Board. Supervisory Board members shall retire periodically in accordance with a retirement schedule to be drawn up by the Supervisory Board in order to avoid, as far as possible, a situation in which many Supervisory Board members retire at the same time.
**Decision-making**

The Supervisory Board adopts resolutions by an absolute majority of the votes cast. Blank votes, invalid votes and abstentions shall be considered as not cast. Each member of the Supervisory Board may cast one vote. In the event of a tie of votes, the chairperson of the Supervisory Board shall have the casting vote.

The Supervisory Board may also adopt resolutions without convening a meeting, provided that all members of the Supervisory Board entitled to vote have been consulted and none of them have raised an objection to adopt resolutions in this manner. The adoption of resolutions outside a meeting must be reported at the following meeting.

**Supervisory Board members**

As of Completion, the Supervisory Board will be composed of the following members:

<table>
<thead>
<tr>
<th>Name</th>
<th>Age</th>
<th>Position</th>
<th>Committee</th>
<th>Member since/from</th>
<th>Independent / Non-Independent</th>
<th>Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peter Tordoir</td>
<td>69</td>
<td>Chairperson of the Supervisory Board</td>
<td>Selection, Appointment and Remuneration Committee</td>
<td>Completion</td>
<td>Independent</td>
<td>4 years</td>
</tr>
<tr>
<td>Derk Haank</td>
<td>68</td>
<td>Member of the Supervisory Board</td>
<td>Selection, Appointment and Remuneration Committee</td>
<td>Completion</td>
<td>Independent</td>
<td>4 years</td>
</tr>
<tr>
<td>Klaas Meertens</td>
<td>64</td>
<td>Member of the Supervisory Board</td>
<td>n/a</td>
<td>Completion</td>
<td>Non-Independent</td>
<td>2 years</td>
</tr>
<tr>
<td>Chris Figeé</td>
<td>49</td>
<td>Member of the Supervisory Board</td>
<td>Audit and Risk Committee</td>
<td>Completion</td>
<td>Independent</td>
<td>3 years</td>
</tr>
<tr>
<td>Florence von Erb</td>
<td>62</td>
<td>Member of the Supervisory Board</td>
<td>n/a</td>
<td>Completion</td>
<td>Independent</td>
<td>2 years</td>
</tr>
<tr>
<td>Katrin Brökelmann</td>
<td>52</td>
<td>Member of the Supervisory Board</td>
<td>Audit and Risk Committee</td>
<td>Completion</td>
<td>Independent</td>
<td>3 years</td>
</tr>
</tbody>
</table>

Mr. Tordoir (born 1952 in the Netherlands, Dutch) is the former CEO of Keesing Media Group, a puzzle and brainentertainment company in Europe, and at NovaGraaf Group, a company active in IP services. In addition, he spent 25 years at VNU Group, a globally operating exhibition company, where he held various executive positions (e.g. executive vice-president at VNU Business Information in the U.S. and CEO of VNU Business and VNU Marketing & Information in Europe and Asia). Mr. Tordoir is currently also vice-chairperson of the Dutch Red Cross and he has held various non-executive positions.

Mr. Haank (born 1953 in the Netherlands, Dutch) has 31 years of experience as CEO and board member. He is the former CEO of SpringerNature, an academic publishing company, and a former executive board member of RELX. In addition, he is former vice-chairperson of KPN, and has held board positions at Nuon, MSD Nederland, Albelli, and SPI Technologies. Mr. Haank is currently chairperson of the supervisory board of TomTom, Ebusco Holding N.V. and chairperson of the board of the Dutch Publisher Association.

Mr. Meertens (born 1957 in the Netherlands, Dutch) is currently one of the non-executive directors of EFIC1; he is also one of the two architects of EFIC1 and is representing the anchor investor, HTP Sponsor, on the board. He is also a managing partner of HTP, a supervisory board member of Knaus Tabbert AG and a non-executive partner of Novum Capital Partners. He studied Physics at the University of Utrecht (BSc) and Management at the Interfaculteit Delft. As part of his MSc, he also spent one semester at the Wharton School of the University of Pennsylvania. Mr. Meertens has over 37 years of experience in the financial institutions sector, having worked for J.P. Morgan as managing director and McKinsey & Co as partner. Mr. Meertens has an extensive track-record as an active investor acquiring, managing and divesting companies with a compelling value/growth proposition.

Mr. Figeé (born 1972 in the Netherlands, Dutch) is currently one of the independent non-executive directors and chairperson of the Audit Committee of EFIC1. He is currently Chief Financial Officer and member of the Executive Board of KPN. He graduated cum laude MSc in Financial Economics from the University of Groningen in 1995, studied risk management for financial institutions at Stanford University and is also an EFFAS certified Investment Analyst. He has over 26 years of experience in the financial institutions sector, having worked for AEGON Life Insurance Company as portfolio manager in fixed income, McKinsey & Co as partner in the European Insurance & Asset Management Practice, Achmea Holding N.V. as Director Strategy & Performance Management and Director of Group Finance and for a.s.r.
Nederland N.V. (a.s.r.) (the former Dutch insurance business of the Fortis Group) as Chief Financial Officer. Mr. Figee also serves as a member of the Supervisory Board of UNICEF NL and is member of the Economic Board Zuid Holland. He has also been member of the supervisory board of DSI, the Dutch ESMA Accreditation Agency and HTC/ArboNed, a leading Dutch player in the disability services and occupational health area.

Ms. von Erb (born 1959 in France, French) is currently independent member of the board of Ipsos SA and of the board of Klépierre. She is a graduate of HEC Paris, with a finance degree. She has 25 years of experience in the financial institutions sector, having worked as banker for JP Morgan in Paris, London and New York. Ms. von Erb has also been former charity co-founder of Sure We Can and President of MMMI. She serves as a member of United Nations NGO Social Development Committee and the UN NGO Commission on the Status of Women.

Ms. Brökelmann (born 1969 in Germany, German) is currently a partner of Praesidium SGR and the Praesidium Agri-FoodTech Fund. She graduated from ESCP Europe (Paris, London, Berlin) with an MSc, as well as a dual German and French degree in business, specialising in finance and marketing. She previously studied business and economics (BSc) at Vienna University of Business and Economics. Ms. Brökelmann has over 25 years of experience in the financial institutions sector, of which over 20 investing and managing participations in high-growth technology-based companies, having co-founded PINOVA Capital and worked for 3i in Germany and Switzerland as well as Triago in Paris. Ms. Brökelmann has served on several non-executive boards of privately held companies, mostly in the technology and media sectors. She started her career in the German financial institutions practice of McKinsey & Co.

Supervisory Board Committees

The Supervisory Board will have an audit and risk committee (the "Audit and Risk Committee") and a selection, appointment and remuneration committee (the "Selection, Appointment and Remuneration Committee").

The function of these committees is to assist the decision-making of the Supervisory Board.

Audit and Risk Committee

The Audit and Risk Committee assists the Supervisory Board in monitoring the Company's systems of internal controls, the quality and integrity of the Company's financial reporting process and the content of its financial statements and reports, and in assessing and mitigating the Company business and financial risks.

The Audit and Risk Committee assists the Supervisory Board by advising on matters, such as the Company's policy on tax planning, the financing of the Company, the compliance by the Company with applicable laws and regulations, the Company's disclosure of financial information, including the Company's accounting principles, the recommendation for the appointment of the Company's external auditor to the General Meeting, the recommendations from the Company's external auditor, and the review of the internal risk management and control systems and IT and business continuity safeguards of the Company.

The roles and responsibilities of the Audit and Risk Committee as well as the composition and the manner in which it discharges its duties are set out in the charter of the Audit and Risk Committee. The Audit and Risk Committee will meet as often as circumstances dictate but, in any event, at least four times per year.

The members of the Audit and Risk Committee will be Chris Figee (Chairperson) and Katrin Brökelmann.

Selection, Appointment and Remuneration Committee

The role and responsibility of the Selection, Appointment and Remuneration Committee as well as the composition thereof and the manner in which they discharge their respective duties are set out in the charter of the Selection, Appointment and Remuneration Committee.

The members of the Selection, Appointment and Remuneration Committee will be Derk Haan (Chairperson) and Peter Tordoir.

Within the scope of the remuneration policy adopted by the General Meeting, the Selection, Appointment and Remuneration Committee advises the Supervisory Board on the remuneration of the individual members of the Management Board and monitors its remuneration policy. The Selection, Appointment and Remuneration Committee will review and recommend policies relating to the remuneration of the members of the Management Board and Supervisory Board.

Furthermore, the Selection, Appointment and Remuneration Committee advises the Supervisory Board on the selection criteria and appointment procedures for members of the Management Board and the Supervisory Board as well as the proposals for appointments and reappointments and the assessment of the functioning of individual members of the Management Board and Supervisory Board.

Management Board Remuneration

The remuneration of the members of the Management Board is determined by the Supervisory Board, with due observance of the remuneration policy as adopted by the General Meeting. With respect to arrangements for members of the Management Board in the form of Ordinary Shares or rights to acquire Ordinary Shares, the Supervisory Board submits a proposal to the General Meeting for approval.
The remuneration policy aims to attract, reward and retain highly qualified members of the Management Board and provide and motivate them with a balanced and competitive remuneration that is focused on sustainable results and is aligned with the long-term strategy of the Company. Given the business model and the structure of the Company, the remuneration is focused on performance-based elements, in particular long-term incentives.

Pursuant to the remuneration policy, the remuneration of the members of the Management Board may consist of:

- a fixed base salary;
- a variable annual bonus (short term cash incentive);
- a long-term variable incentive;
- pension and fringe benefits; and
- severance arrangements.

**Remuneration components**

**Base salary**

The base salary of the members of the Management Board aims to reflect the responsibility and scope of their role, taking into account their level of seniority and experience. The base salary for each member of the Management Board is a fixed cash compensation paid on a monthly basis. In light of the Company's remuneration philosophy to have a remuneration package for the members of the Management Board that is more heavily weighted towards performance-based elements, the base salary is targeted to be at or below the median level of executives with similar roles in comparable companies.

The base salary will be reviewed by the Supervisory Board on an annual basis or where there is a change in position or responsibility, taking into account individual performance and degree of individual responsibility, the general operational performance of the Company, as well as the economic environment and sustainable development of the Company.

**Variable annual bonus**

The members of the Management Board are eligible to receive an annual bonus subject to the achievement of certain pre-determined financial, strategic and operational performance measures, supporting the overall focus on long-term value creation of the Company. The annual bonus is 60-80% of the annual base salary and is capped at 200% of the target award level in the event of above target performance. For the year 2022 the target annual bonus is 70%. The achievement of targets and pay-out levels will be reported in the annual remuneration report.

**Long-term incentive**

The members of the Management Board are eligible for long-term incentive awards as further set out under "Long-Term Incentive Plan". The maximum number of shares or rights to subscribe for shares that can be awarded to the Management Board as long-term incentive is 1.5 million. The applicable split for the long-term incentive awards for the members of the Management board is as follows: (i) 50-60% Performance Shares (as defined below); (ii) 20% restricted shares; and (iii) 20-30% share options.

The annual on-target grant value for the LTIP is set at 60% of base salary.

Members of the Management Board are encouraged (i) to hold shares in the Company for at least five years after they are granted, subject to earlier retirement, resignation or termination, and (ii) not to exercise any share options during the first three years after they are awarded, in both cases excluding a sale, transfer, disposal or exercise required in the context of a sell-to-cover arrangement to cover tax liabilities of the relevant member of the Management Board in relation to his or her LTIP participation.

**Pension and fringe benefits**

The members of the Management Board may be given the opportunity to participate in a personal pension scheme. Furthermore, the members of the Management Board are entitled to certain customary fringe benefits such as expense allowances, reimbursements of costs, a company car, a mobile phone and reasonable tax advice and support or allowances in lieu of such benefits. Where appropriate, the Company may meet certain costs relating relocations of members of the Management Board and (if necessary) expatriate benefits.
Severance agreements and severance arrangements

Any severance payment for members of the Management Board will not exceed one annual base salary. See also "- Service Agreements and Severance Agreements".

Remuneration of the Management Board

The expected individual remuneration of each member of the Management Board for the year ending 31 December 2022 will be as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Base Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atilla Aytekin</td>
<td>€500,000</td>
</tr>
<tr>
<td>Umut Akpinar</td>
<td>€500,000</td>
</tr>
<tr>
<td>Maria del Dado Alonso Sanchez</td>
<td>€300,000</td>
</tr>
</tbody>
</table>

Supervisory Board Remuneration

The General Meeting determines the remuneration of the members of the Supervisory Board on the proposal of the Supervisory Board, with due observance of the remuneration policy as adopted by the General Meeting.

The remuneration for the Supervisory Board is proposed to the General Meeting as per agenda item (6)(a) and the explanation thereto. Members of the Supervisory Board are also eligible to receive reimbursement of reasonable expenses incurred undertaking their duties, including any applicable taxes. The members of the Supervisory Board are not eligible for an annual cash bonus or any other type of variable remuneration linked to the financial results of the Company.

Shareholding Information

It is envisaged that, upon Completion, assuming that no Ordinary Shares are repurchased under the Share Repurchase Arrangement and taking into account the reclassification of 13.5% of the Special Shares into Conditional Special Shares, Principion will hold approximately 55.4% of the Ordinary Shares. Arman Ozan Beheer B.V., a holding company controlled by Atilla Aytekin, and MeDu Beheer B.V., a holding company controlled by Umut Akpinar, each hold 36.25% of the issued and outstanding ordinary shares in Principion.

Peter Tordoir was a minority investor in the early years of Azerion. At the date of this Circular he still holds 216.2 SARs. It is envisaged that, upon Completion, Peter Tordoir will receive approximately 165,085 Ordinary Shares in exchange for the SARs he holds (see "- Settlement of Azerion’s SAR Plans").

In addition, it is also anticipated that, upon Completion, assuming that no Ordinary Shares are repurchased under the Share Repurchase Arrangement and taking into account the reclassification of 13.5% of the Special Shares into Conditional Special Shares:

- Chris Figee will hold 0.03% of the Ordinary Shares, 0.56% of the Conditional Special Shares and 0.07% of the Founder Warrants and the Azerion Founder Warrants combined;
- HTP Sponsor (Klaas Meertens being one of the shareholders) will hold 6.24% of the Ordinary Shares, 55.93% of the Conditional Special Shares, 10.47% of the Warrants and 14.38% of the Founder Warrants and the Azerion Founder Warrants combined; and
- the Davey Call Option will be amended into two call options (see "- Special Shares and Conditional Special Shares") and Ben Davey will hold 1.87% of the Founder Warrants and the Azerion Founder Warrants combined.

These levels of ownership assume (a) that no Ordinary Shares are elected to be repurchased under the Share Repurchase Arrangement in connection with the Business Combination and (b) that the Company issues 2,315,000 Ordinary Shares to the Sponsors & Co-Investors in connection with the Sponsors & Co-Investors Commitment. The aforementioned ownership percentages with respect to the Company do not take into account the Warrants and the Founder Warrants that will remain outstanding immediately following the Business Combination. If the actual facts are different from these assumptions, the above levels of ownership will be different. See also "Risk Factors – Shareholders will experience immediate dilution as a consequence of, among other transactions, the issuance of Ordinary Shares for the Sponsors & Co-Investors Commitment and the conversion of Special Shares into Ordinary Shares. Having a minority share position may reduce the influence that the Company’s current Shareholders have on the management of the Company."

Service Agreements and Severance Agreements

Each member of the Management Board has entered into a service agreement. The service agreements provide for a maximum severance of one annual fixed base salary if the member of the Management Board is not re-appointed or otherwise terminated by the Company (for any
reason other than urgent cause within the meaning of article 7:678 of the Dutch Civil Code (dringende reden)), in accordance with the Dutch Corporate Governance Code.

The members of the Supervisory Board do not have employment, service or severance agreements with the Group.

Board Conflicts of Interest

Under Dutch law, a member of the Management Board or Supervisory Board who has a personal conflict of interest must in principle abstain from participating in the deliberation and the decision-making process with respect to the relevant matter. Such a conflict of interest in any event exists if in the situation at hand the member of the Management Board is deemed to be unable to serve the interests of the company and the business connected with it with the required level of integrity and objectivity. If any such member was nevertheless involved in the decision-making process, then such decision may be nullified.

Pursuant to the Management Board Rules and the Supervisory Board Rules, any member of the Management Board or the Supervisory Board shall report any actual or potential conflict of interest to the chairperson of the Supervisory Board as soon as practicable and shall provide all information relevant to the actual or potential conflict. If the chairperson of the Supervisory Board has an actual or potential conflict of interest, he or she should report this to the vice-chairperson of the Supervisory Board, or if there is no vice-chairperson, to the entire Supervisory Board.

All transactions in which there is a conflict of interests with members of the Management Board or the Supervisory Board must be concluded on terms that are customary in the sector or industry concerned and approved by the Supervisory Board. A member of the Management Board may not participate in the discussions and decision making with respect to a matter in relation to which he or she has a direct or indirect personal conflict of interest. In such event, the other members of the Management Board shall be authorised to adopt the resolution, but this resolution is subject to prior approval of the Supervisory Board. If all members of the Management Board have a conflict of interest, the resolution shall be adopted by the Supervisory Board. See "Business Combination Agreement – Principal terms of the Business Combination - Conflicts of interest in respect of the Business Combination Agreement" for a description of the applicable rules in the event of any such conflict of interest in respect of the Business Combination Agreement. In addition, if a member of the Management Board does not comply with the provisions on conflicts of interest, the resolution concerned is subject to nullification (verniegbaar). A member of the Supervisory Board may not participate in the deliberations and the decision-making process within the Supervisory Board if it concerns a subject in which this member of the Supervisory Board has a direct or indirect personal interest which conflicts with the interest of the Company and the business it operates. In such event, the other members of the Supervisory Board shall be authorised to adopt the resolution. If all members of the Supervisory Board have a conflict of interest as referred to above, the resolution shall be adopted by the Supervisory Board, irrespective of the conflict of interest.

As a general rule, the existence of an actual or potential conflict of interest does not affect the authority to represent the Company, as described under “– Management Board – Powers, responsibilities and functioning” above. Furthermore, as a general rule, agreements and transactions entered into by a company cannot be annulled on the grounds that a decision of its management board was adopted with the participation of conflicted members of the Management Board. However, under certain circumstances, a company may annul such an agreement or transaction if the counterparty misused the relevant conflict of interest.

Related Party Transactions

The Management Board Rules and the Supervisory Board Rules provide for rules on related party transactions in accordance with Dutch law. Related party transactions include transactions between the Group and "related parties" as defined in the Management Board Rules and Supervisory Board Rules (including, a legal entity who legally or beneficially holds at least 10% of the shares in the Company from time to time and any parties qualifying as such in accordance with IFRS (IAS 24 (Related Party Disclosures))). The related party transaction rules provide for procedures for members of the Management Board and Supervisory Board to notify a potential related party transaction. Each extraordinary material related party transaction requires the approval of the Supervisory Board. Any member of the Management Board or Supervisory Board who is involved in an extraordinary material related party transaction cannot participate in the deliberations or decision-making with respect to the related party transaction concerned.

Potential Conflicts of Interest and Other Information

See “– Related Party Transactions” for a description of Azerion’s related party transactions.

In addition, certain members of the Management Board, the Supervisory Board and the Executive Committee will directly or indirectly hold Ordinary Shares. Furthermore, Klaas Meertens has been designated as member of the Supervisory Board by HTP Sponsor.

The Company, other than as described in "Business Combination – Principal terms of the Business Combination - Conflicts of interest in respect of the Business Combination Agreement", is not aware of any other circumstance that may lead to a potential conflict of interest between the private interests or other duties of members of the Management Board and the private interests or other duties of members of the Supervisory Board vis-à-vis the Company's interests. There is no family relationship between any members of the Management Board or Supervisory Board.

With respect to each of the members of the Management Board and Supervisory Board, the Company is not aware of (i) any convictions in relation to fraudulent offences in the last five years; (ii) any bankruptcies, receiverships or liquidations of any entities in which such member held any office, directorship or senior management position in the last five years; or (iii) any official public incriminations or sanctions of such
member by statutory or regulatory authorities (including designated professional bodies), or disqualifications by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

**Directors’ Indemnification and Insurance**

Under Dutch law, members of the Management Board and Supervisory Board may be liable to Company for damages in the event of improper or negligent performance of their duties. They may be jointly and severally liable for damages to Company and to third parties for infringement of the Articles of Association or of certain provisions of the Dutch Civil Code. In certain circumstances, they may also incur additional specific civil and criminal liabilities. Members of the Management Board, members of the Supervisory Board and certain other officers of the Company and certain subsidiaries are insured under an insurance policy against damages resulting from their conduct when acting in their capacities as such members or officers.

The Articles of Association, the service agreements of the members of the Management Board and the appointment letters of the members of the Supervisory Board provide for an indemnity for the former executive and non-executive members of the EFIC1 Board and for the members of the Management Board and Supervisory Board. To the fullest extent authorised by applicable law, including but not limited to Dutch law, every person who is or formerly was a member of the EFIC1 Board, Management Board or the Supervisory Board or an officer of the Company (including any members of board of directors, or executive committee, the management board or officers of the Company and/or Group Company) shall be indemnified and held harmless out of the assets of the Company against all costs, expense, liability, loss, damages and claims (including attorneys’ fees, judgments, fines or penalties and amounts paid in settlement) reasonably incurred or suffered by such member in connection with any action, suit or proceeding by reason of the fact that he or she is or was a member of the EFIC1 Board, Management Board or Supervisory Board or an officer of the Company, regardless of whether the claim relates to personal damages or damages incurred by third parties. The indemnification does not apply in case of personal fraud, wilful recklessness or wilful misconduct, or if the former executive or non-executive member of the EFIC1 Board, Management Board or Supervisory Board is personally liable for a violation of criminal law or to the extent any related costs and losses have been reimbursed or paid to such person under any applicable insurance policy.

**Diversity**

On 28 September 2021, a bill (Wetsvoorstel inzake Evenwichtiger man vrouw verhouding in de top van het bedrijfsleven) introducing stricter gender equality requirements for members of supervisory boards was adopted by the Dutch Senate (Eerste Kamer der Staten Generaal). The bill will enter into force on 1 January 2022. Once the bill enters into force, Dutch companies listed on a European regulated market will have to comply with a quota of at least one-third for both female members and male members on supervisory boards (if the number of members is not divisible by three, the one-third requirement is based on the next rounded up number). For as long as the supervisory board is not 'gender balanced' under this rule, a board nominee from the overrepresented gender cannot be appointed, unless it concerns the reappointment of a member of the supervisory board within the first eight years after the year of that supervisory board member's first appointment. A new appointment not in accordance with the one-third quota will be regarded as null and void (nietig). As a result, the person in question will not become a member of the supervisory board of the company. The Company will be compliant with these rules as of Completion, as the Supervisory Board will be composed of two female members and four male members as of Completion. If one or more of the nominee members for the Supervisory Board set out under agenda items (4)(b)(i) - (4)(b)(vi) withdraw their availability in the period between the Convocation and the execution of the notarial deed containing the First Amendment AOA resulting in a composition of the Supervisory Board not in alignment with the Dutch bill, it will be at the discretion of the EFIC1 Board to withdraw one or more proposals from the agenda in order to avoid invalid appointments. The Company will provide any information on potential withdrawals in the proposed appointments on its website (www.efic1.com) upon its earliest convenience after becoming aware of a required change. The Company shall take the steps necessary in order to have a definitive arrangement made as soon as possible (e.g. convocation of a new general meeting to appoint other nominee members of the Supervisory Board in accordance with the bill).

**Current Azerion incentive plans**

Azerion has stock appreciation rights plans in place for its employees, certain M&A partners and certain investors (the “SAR Plans”). Under the SAR Plans, participants have been awarded SARs (each holder of one or more SARs, a "SAR Holder"). One SAR can be exercised for one Azerion Share or for the value of one Azerion Share in cash, as the case may be, subject to certain vesting conditions, which, in the case of Azerion employees, include certain performance criteria. The outstanding SARs will be settled upon Completion, see “— Description of the Transaction – Settlement of Azerion’s SAR Plans”.

Certain senior managers of Azerion (the “Azerion DR Holders”) hold in aggregate 10,920 depositary receipts for Azerion Shares (representing 9.29% of Azerion's issued share capital), which are administered by the STAK. Pursuant to the Business Combination Agreement, the Azerion Shares held by the STAK underlying these depositary receipts will be sold and transferred to the Company upon Completion and the corresponding depositary receipts will be cancelled, see “Business Combination – Description of the Transaction – Structure of the Business Combination”.

48
Long-Term Incentive Plan

The Company intends to implement the LTIP, which is aimed to align the interests of the members of the Management Board and the employees of the Company with those of the long-term shareholders and which provide an incentive for longer term commitment and retention of the Management Board and the employees. The LTIP furthermore serves as a retention tool for critical talent.

Under the LTIP the members of the Management Board and certain employees are eligible to receive (i) Performance Shares (as defined below); (ii) restricted shares; and (iii) share options.

The LTIP is administered and executed by (and at the discretion of) (i) the Supervisory Board with respect to the Management Board and (i) the Management Board with respect to other eligible employees. Its main features are as follows:

- 50-60% of the LTIP consists of performance shares ("Performance Shares"). The vesting of Performance Shares is conditional upon the achievement of performance conditions measured over a period of three financial years. This performance is measured using two performance measures: revenue and Adjusted EBITDA, with each measure having an equal weighting of 50%. The pay-out scaling for the Performance Shares is between 0 and 200%.

- 20-30% of the LTIP consist of restricted shares, which are awarded in an annual granting cycle. The restricted shares will be subject to phased vesting at one third per year over a three-year period.

- 10-30% of the LTIP consists of share options, which are awarded in an annual granting cycle. The share options will be subject to phased vesting at one third per year over a three-year period. Share options can be exercised immediately upon vesting. The exercise price is equal to the average closing price of the Ordinary Shares on the regulated market operated by Euronext Amsterdam in the 15 – 30 trading days before (i) the date the share option is granted; or (ii) or such other date as determined by the Supervisory Board.

Dutch Corporate Governance Code

The Dutch Corporate Governance Code applies to the Company as the Company has its registered office in the Netherlands and its Ordinary Shares are listed on Euronext Amsterdam.

The Dutch Corporate Governance Code is based on a 'comply or explain' principle. Accordingly, companies are required to disclose in their management report whether or not they are complying with the various best practice provisions of the Dutch Corporate Governance Code that are addressed to the management board and, if applicable, the supervisory board of the company. If a company deviates from a best practice provision in the Dutch Corporate Governance Code, the reason for such deviation must be properly explained in its management report.

The Company acknowledges the importance of good corporate governance. The Company agrees with the general approach and with the majority of the provisions of the Dutch Corporate Governance Code. However, considering its interests and the interest of its stakeholders, the Company deviates from a limited number of best practice provisions.

The best practice provisions of the Dutch Corporate Governance Code the Company expects not to comply with following Completion are:

**Best practice provision 2.2.1 (appointment and reappointment period management board members)**

The Company does not comply with best practice provision 2.2.1, which provides that all members of the Management Board are appointed for a maximum period of four years and reappointed for a term of not more than four years at a time. Atilla Aytekin and Umut Akpinar will be appointed for an indefinite period of time, given their current position as co-CEO and co-founder of the Azerion business.

**Best practice provision 2.3.2 (establishment of committees)**

The Company does not comply with best practice provision 2.3.2, which provides that if there are more than four Supervisory Board members, the Supervisory Board shall appoint an audit committee, a remuneration committee and a selection and appointment committee. The Company deviates from this best practice provision as it will only have an Audit and Risk committee and a Selection, Appointment and Remuneration Committee. The Company believes that in light of the size of the Supervisory Board, it would be more efficient to have two committees and combine the functions and the responsibilities of the remuneration committee and the selection and appointment committee in one committee, the Selection, Appointment and Remuneration Committee.

**Best practice provision 3.1.2. (Remuneration Policy)**

The Company does not comply with best practice provision 3.1.2 sub (vi) and (vii), which provide that shares awarded to members of the Management Board should be held for at least five years after they are awarded and that members of the Management Board should not be able to exercise share options awarded to them during the first three years after they are awarded. Under the terms of the LTIP the Performance Shares and the restricted shares can be sold upon vesting and the share options can be exercised upon vesting. Performance Shares will vest after three years as of granting and restricted shares will vest after one year as of granting. Share options will vest after one year as of granting.
Although the remuneration policy provides that members of the Management Board are encouraged to comply with best practice provision 3.1.2., there is no strict prohibition to ensure compliance therewith. The Company believes that the set-up of the LTIP will provide it with more flexibility and enables it to offer an attractive remuneration package which will incentivise the members of the Management Board and its employees.

6.4. DESCRIPTION OF SECURITIES

The following summary of the material terms of the Company’s securities following the Business Combination is not intended to be a complete summary of the rights and preference of such securities. We have only described these rights and preference of such securities to the extent they are affected by the Business Combination. We urge you to read the section of the EFIC1 IPO Prospectus titled “Description of Securities”.

Special Shares and Conditional Special Shares

As part of the Business Combination, the Sponsors have agreed, subject to Completion and effective as per the day after Completion on 00:01 a.m. CET (i) to forfeit 10% of the Special Shares by way of cancellation without repayment and (ii) to maintain 15% of the remaining (i.e. non-forfeited) Special Shares outstanding as Conditional Special Shares, which Conditional Special Shares shall exist and are convertible into Ordinary Shares in accordance with the provisions of the Articles of Association and subject to the condition that the closing share price of the Ordinary Shares on Euronext Amsterdam equals or exceeds €12.00 for any 20 trading days within any consecutive 30-trading day period within a period of five years as of the Completion Date. Should this condition not been met after five years, these (or such number remaining at that time) Conditional Special Shares will be cancelled as per such date. Please see “- Description of Securities- Special arrangements for Conditional Special Shares and Capital Shares held by EFIC1 Cooperative and HTP Sponsor” for more information on the voting and profit rights attached to the (Conditional) Special Shares.

Capital Shares

As at the date of this Circular, each of EFIC1 Cooperative and HTP Sponsor owns 11 Capital Shares. As of the conversion of the Company into an N.V., the Capital Shares will carry one million votes per Capital Share and holders of Capital Shares are annually entitled to 2% of the nominal value (€10,000 per Capital Share) of the Capital Shares held by them, in accordance with the provisions of the Articles of Association. EFIC1 Cooperative and HTP Sponsor will agree not to exercise their voting rights and grant a right of pledge on their Capital Shares in favour of Azerion Holding B.V. and transfer all voting rights attached to the Capital Shares to Azerion Holding B.V. (as pledgee), effectively resulting in the situation that the voting rights attached to these Capital Shares cannot be exercised in the general meeting of the Company (see “- Special arrangements for Conditional Special Shares and Capital Shares held by EFIC1 Cooperative and HTP Sponsor”).

Up until and including 1 April 2022, EFIC1 Cooperative and HTP Sponsor are entitled to call additional Capital Shares at nominal value, up to an additional 489 Capital Shares for each holder of Capital Shares, provided certain conditions are met. The authorised capital of the Company provides for an authorised share capital of 100 Capital Shares (in total). Should the call option to the Capital Shares be exercised above such number of Capital Shares, an amendment of the Articles of Association is required, which is to be resolved by the General Meeting.

Special arrangements for Conditional Special Shares and Capital Shares held by EFIC1 Cooperative and HTP Sponsor

Under a special arrangement to be entered into with the Company, each of EFIC1 Cooperative and HTP Sponsor will (a) irrevocably waive its right to any distributions declared by the Company on their Conditional Special Shares and (b) undertake not to exercise the voting rights attached to their Conditional Special Shares in the General Meeting, unless their votes are required to meet a voting majority to validly adopt a resolution of the General Meeting; in which case, they shall exercise all voting rights attached to the Conditional Special Shares, and of those votes that Shareholder shall cast a percentage of positive and negative votes proportionate to the percentage of votes in favour and votes against the relevant proposal proportionate to the percentage of votes in favour and votes against cast on all Ordinary Shares in the capital of the Company in relation to that proposal. EFIC1 Cooperative and HTP Sponsor will grant an irrevocable and continuing power of attorney to the chairperson of the Supervisory Board and any other independent member of the Supervisory Board from time to time to act on behalf of the relevant Shareholder with regard to exercising these voting rights.

The Company will furthermore grant a put option to each of EFIC1 Cooperative and HTP Sponsor to sell and transfer its Capital Shares at nominal value to the Company. Upon exercise of such put option (in part or in whole), the Company will cancel the relevant Capital Shares, as further determined by the Management Board and proposed to the General Meeting under agenda item 9(a), and to the extent allowed under mandatory law. EFIC1 Cooperative will only be able to exercise the aforementioned put option after it has first offered the Capital Shares that it intends to sell and transfer to the Company, to HTP Sponsor at nominal value. EFIC1 Cooperative and HTP Sponsor are only entitled to transfer their Capital Shares to their affiliates, each other and to the Company.

After the First Amendment AoA, the articles of association of the Company will include provisions applicable to the (Conditional) Special Shares similar to the current provisions for the Special Shares (see “Explanatory Notes to Agenda (3)(b): “First Amendment AoA”), which will remain applicable after the Second Amendment AoA.
Ben Davey Option Rights

Subject to Completion occurring on or before the 1 March 2022, Ben Davey shall have the following call options, as of Completion: (i) a call option on a maximum of 774,608 Ordinary Shares and (ii) a call option on a maximum of 136,696 Ordinary Shares, which will solely become exercisable if, following Completion, the closing price of the Ordinary Shares on Euronext Amsterdam equals or exceeds €12.00 for any 20 trading days within any consecutive 30-trading day period within a period of five years as of the day of Completion.

Founder Warrants

As part of the Business Combination, Ben Davey, EFIC1 Cooperative and HTP Sponsor have entered into a Founder Warrants Amendment Agreement with EFIC1 and have agreed, subject to Completion, to waive their rights to retain the Founder Warrants after EFIC1 has elected to call the Founder Warrants 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 Shares for any trading days within a 30 consecutive trading day period, in line with the Warrants that were offered in the EFIC1 IPO as part of the units.

Pre and immediately following the Business Combination Shareholding Structure

The following tables include details of the securities in the following scenarios: (i) pre-Business Combination; (ii) immediately following the Business Combination (no repurchase); and (iii) immediately following the Business Combination (maximum repurchase).

Pre Business Combination

<table>
<thead>
<tr>
<th>Name</th>
<th>Special Shares</th>
<th>Founder Warrants</th>
<th>Capital Shares</th>
<th>Ordinary Shares</th>
<th>Warrants</th>
</tr>
</thead>
<tbody>
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<td></td>
<td>#</td>
<td>%</td>
<td>#</td>
<td>%</td>
<td>#</td>
</tr>
<tr>
<td>Martin Blessing</td>
<td>1,012,560</td>
<td>10.6%</td>
<td>434,476</td>
<td>8.3%</td>
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<td>Nicholas Aperghis</td>
<td>1,499,735</td>
<td>15.7%</td>
<td>606,698</td>
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<td>Clara Streit</td>
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<td>Hélène Vletter-Van Dort</td>
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<tr>
<td>Jan Bennink</td>
<td>47,762</td>
<td>0.5%</td>
<td>16,721</td>
<td>0.3%</td>
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<tr>
<td>Chris Fijee</td>
<td>47,762</td>
<td>0.5%</td>
<td>16,721</td>
<td>0.3%</td>
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<tr>
<td>Other</td>
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<tr>
<td>Ben Davey¹</td>
<td>1,012,560</td>
<td>10.6%</td>
<td>434,476</td>
<td>8.3%</td>
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<td>Principion</td>
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<td>Azerion DR Holders</td>
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<td>SAR Holders</td>
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<td>Other Shareholders</td>
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<td></td>
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<td>100.0%</td>
</tr>
</tbody>
</table>

¹ Davey Call Option which irrevocably (onheeropelijk) entitles him to acquire 1,012,560 Special Shares against an exercise price of €0.01 per Special Share and with a call option period from the date of the relevant call option agreement up to and including the tenth anniversary from that date, which will as of Completion be amended into the following two call options: (i) a call option on a maximum of 774,608 Ordinary Shares and (ii) a call option on a maximum of 136,696 Ordinary Shares, which will solely become exercisable if, following Completion, the closing price of the Ordinary Shares on Euronext Amsterdam equals or exceeds €12.00 for any 20 trading days within any consecutive 30-trading day period within a period of five years as of the day of Completion.
No Repurchase

Immediately After Business Combination

<table>
<thead>
<tr>
<th>Name</th>
<th>Conditional Special Shares</th>
<th>Founder Warrants</th>
<th>Capital Shares</th>
<th>Ordinary Shares</th>
<th>Warrants</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#  %</td>
<td>#  %</td>
<td>#  %</td>
<td>#  %</td>
<td>#  %</td>
</tr>
<tr>
<td>Martin Blessing</td>
<td>136,696 11.9%</td>
<td>434,476 1.9%</td>
<td>-</td>
<td>774,608 0.6%</td>
<td>-</td>
</tr>
<tr>
<td>Nicholas Aperghis</td>
<td>202,464 17.6%</td>
<td>606,698 2.6%</td>
<td>-</td>
<td>1,147,297 0.8%</td>
<td>-</td>
</tr>
<tr>
<td>Clara Streit</td>
<td>28,371 2.5%</td>
<td>73,570 0.3%</td>
<td>-</td>
<td>160,769 0.1%</td>
<td>-</td>
</tr>
<tr>
<td>Hélène Vletter-Van Dort</td>
<td>6,448 0.6%</td>
<td>16,721 0.1%</td>
<td>-</td>
<td>36,538 0.0%</td>
<td>-</td>
</tr>
<tr>
<td>Jan Bennink</td>
<td>6,448 0.6%</td>
<td>16,721 0.1%</td>
<td>-</td>
<td>36,538 0.0%</td>
<td>-</td>
</tr>
<tr>
<td>Chris Figuee</td>
<td>6,448 0.6%</td>
<td>16,721 0.1%</td>
<td>-</td>
<td>36,538 0.0%</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>121,221 10.5%</td>
<td>312,674 1.3%</td>
<td>-</td>
<td>686,916 0.5%</td>
<td>-</td>
</tr>
<tr>
<td>EFIC1 Cooperative</td>
<td>508,095 44.1%</td>
<td>1,477,581 6.4%</td>
<td>11 50.0%</td>
<td>2,879,205 2.1%</td>
<td>-</td>
</tr>
<tr>
<td>HTP Sponsor</td>
<td>644,791 55.9%</td>
<td>3,344,111 14.4%</td>
<td>11 50.0%</td>
<td>7,653,814 5.5%</td>
<td>1,333,333 10.5%</td>
</tr>
<tr>
<td>Ben Davey</td>
<td>-</td>
<td>434,476 1.9%</td>
<td>-</td>
<td>774,608 0.6%</td>
<td>-</td>
</tr>
<tr>
<td>Nicholas Aperghis</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>25,000 0.0%</td>
<td>-</td>
</tr>
<tr>
<td>Ben Davey</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>25,000 0.0%</td>
<td>-</td>
</tr>
<tr>
<td>Jan Bennink</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>50,000 0.0%</td>
<td>-</td>
</tr>
<tr>
<td>Wim de Pundert</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,000,000 0.7%</td>
<td>-</td>
</tr>
<tr>
<td>Clara Streit</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>35,000 0.0%</td>
<td>-</td>
</tr>
<tr>
<td>Hélène Vletter-Van Dort</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>15,000 0.0%</td>
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<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>25,000 0.0%</td>
<td>-</td>
</tr>
<tr>
<td>Sponsors &amp; Co-Investors</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,315,000 1.7%</td>
<td>-</td>
</tr>
<tr>
<td>Principion</td>
<td>-</td>
<td>17,992,773 77.4%</td>
<td>-</td>
<td>76,888,348 55.4%</td>
<td>-</td>
</tr>
<tr>
<td>Azerion DR Holders</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7,873,191 5.7%</td>
<td>-</td>
</tr>
<tr>
<td>SAR Holders</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6,115,784 4.4%</td>
<td>-</td>
</tr>
<tr>
<td>Azerion</td>
<td>-</td>
<td>17,992,773 77.4%</td>
<td>-</td>
<td>90,877,323 65.5%</td>
<td>-</td>
</tr>
<tr>
<td>Other Shareholders</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>34,209,815 24.7%</td>
<td>11,403,272 89.5%</td>
</tr>
<tr>
<td>Total</td>
<td>1,152,886 100.0%</td>
<td>23,248,941 100.0%</td>
<td>22 100.0%</td>
<td>138,709,766 100.0%</td>
<td>12,736,605 100.0%</td>
</tr>
</tbody>
</table>

1 This figure (i) assumes Ben Davey’s (amended) call option on a maximum of 774,608 Ordinary Shares will have been exercised immediately following Completion, which however may not be the case, and (ii) excludes Ben Davey’s call option on a maximum of 136,696 Ordinary Shares, which will solely become exercisable if, following Completion, the closing price of the Ordinary Shares on Euronext Amsterdam equals or exceeds €12.00 for any 20 trading days within any consecutive 30-trading day period within a period of five years as of the day of Completion.

2 EFIC1 Cooperative.

3 HTP Sponsor.

4 The 17,992,773 Azerion Founder Warrants in total are only awarded to the two co-CEO’s, Atilla Aytekin and Umut Akpinar, or their personal holding companies, as the case may be.

5 The shareholdings of Principion, the Azerion DR Holders and the SAR Holders reflected above assume no cash settlement of the SARs. Due to the partial cash settlement of a portion of the SARs, the allocation of Ordinary Shares among Principion, the Azerion DR Holders and the SAR Holders will differ.

6 The majority of the SAR Holders will hold depositary receipts for Ordinary Shares, administered by the SAR STAK.

Maximum Repurchase

Immediately After Business Combination

<table>
<thead>
<tr>
<th>Name</th>
<th>Conditional Special Shares</th>
<th>Founder Warrants</th>
<th>Capital Shares</th>
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<td></td>
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<td>-</td>
<td>774,608 0.6%</td>
<td>-</td>
</tr>
</tbody>
</table>

27 The allocation of Special Shares, or rights thereto, among the Sponsors will be finally determined after the publication of this Circular but before the Completion Date. For the avoidance of doubt, any reallocation among the Sponsors will not affect the overall number of outstanding Special Shares, or rights thereto, or, following the Completion, the number of outstanding Ordinary Shares, or rights thereto, or Conditional Special Shares.

52
Obligations of the Shareholders to Disclose Holdings

From the moment that EFIC1 is converted into an N.V., the Shareholders may be subject to notification obligations under the Dutch Financial Supervision Act and the Regulation (EU) No. 236/2012. Pursuant to chapter 5.3 of the Dutch Financial Supervision Act, upon the Company converting into an N.V., any person who, directly or indirectly, acquires or disposes of an actual or potential capital interest and/or voting rights in the Company must immediately give notice to the AFM of such acquisition or disposal, by means of a standard form, if, as a result of such acquisition or disposal, the percentage of capital interest and/or voting rights held by such person reaches, exceeds or falls below the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%. In addition, any person whose capital interest and/or voting rights reaches, exceeds or falls below one of the abovementioned thresholds due to a change in the Company's outstanding share capital or in the votes that can be cast on the Shares, as notified to the AFM by the Company, should notify the AFM no later than on the fourth trading day after the AFM has published the Company's notification of the change in the outstanding share capital or in the votes that can be cast on the Shares.

Each person holding an interest in the Company's share capital or voting rights of 3% or more at the time of the Company converting into an N.V. must immediately provide notice to the AFM. In addition, any person whose capital interest and/or voting rights reaches, exceeds or falls below one of the abovementioned thresholds due to a change in the Company's outstanding share capital or in the votes that can be cast on the Shares, as notified to the AFM by the Company, should notify the AFM no later than on the fourth trading day after the AFM has published the Company's notification of the change in the outstanding share capital or in the votes that can be cast on the Shares.

1 This figure assumes (i) Ben Davey's (amended) call option on a maximum of 774,608 Ordinary Shares will have been exercised immediately following Completion, which however may not be the case, and (ii) excludes Ben Davey's call option on a maximum of 136,696 Ordinary Shares, which will solely become exercisable if, following Completion, the closing price of the Ordinary Shares on Euronext Amsterdam equals or exceeds €12.00 for any 20 trading days within any consecutive 30-trading day period within a period of five years as of the day of Completion.

2 EFIC1 Cooperative.

3 HTP Sponsor.

4 The 17,992,773 Azerion Founder Warrants in total are only awarded to the two co-CEO's, Atilla Aytekin and Umut Akpinar, or their personal holding companies, as the case may be.

5 The 17,992,773 Azerion Founder Warrants in total are only awarded to the two co-CEO's, Atilla Aytekin and Umut Akpinar, or their personal holding companies, as the case may be.

6 The shareholdings of Principion, the Azerion DR Holders and the SAR Holders reflected above assume no cash settlement of the SARs. Due to the partial cash settlement of a portion of the SARs, the allocation of Ordinary Shares among Principion, the Azerion DR Holders and the SAR Holders will differ.

7 The majority of the SAR Holders will hold depositary receipts for Ordinary Shares, administered by the SAR STARK.
voting rights, must notify the AFM of the changes within four trading days after the date on which the holder knows or should have known that his or her interest reaches or crosses a relevant threshold.

For the purpose of calculating the percentage of capital interest and/or voting rights, the following interests must, inter alia, be taken into account: (i) shares and/or voting rights directly held (or acquired or disposed of) by any person; (ii) shares and/or voting rights held (or acquired or disposed of) by such person’s controlled entities; (iii) voting rights held (or acquired or disposed of) by a third party for such person’s account or by a third party with whom such person has concluded an oral or written voting agreement; (iv) voting rights acquired pursuant to an agreement providing for a temporary transfer of voting rights in consideration for a payment; (v) shares and/or voting rights which such person, or any controlled entity or third party referred to above, may acquire pursuant to any option or other right to acquire shares and/or the attached voting rights; (vi) shares that determine the value of certain cash settled financial instruments such as contracts for difference and total return swaps; (vii) shares that must be acquired upon exercise of a put option by a counterparty; (viii) shares that are the subject of another contract creating an economic position similar to a direct or indirect holding in those shares; and (ix) the Capital Shares will carry one million votes per Capital Share.

Controlled entities (within the meaning of the Dutch Financial Supervision Act) do not themselves have notification obligations under the Dutch Financial Supervision Act as their direct and indirect interests are attributed to their (ultimate) parent. If a person who has a 3% or larger interest in the Company’s share capital or voting rights ceases to be a controlled entity it must immediately notify the AFM, and all notification obligations under the Dutch Financial Supervision Act will become applicable to such former controlled entity.

Special attribution rules apply to the attribution of shares and/or voting rights which are part of the property of a partnership or other form of joint ownership. A holder of a pledge or right of usufruct in respect of shares can also be subject to notification obligations, if such person has, or can acquire, the right to vote on the shares. The acquisition of (conditional) voting rights by a pledgee or beneficial owner may also trigger notification obligations as if the pledgee or beneficial owner were the legal holder of the shares and/or voting rights.

For the same purpose, the following instruments qualify as ‘shares’: (i) shares; (ii) depositary receipts for shares (or negotiable instruments similar to such receipts); (iii) negotiable instruments for acquiring the instruments under (i) or (ii) (such as convertible bonds); and (iv) options for acquiring the instruments under (i) or (ii).

Furthermore, when calculating the percentage of capital interest, a person is also considered to be in possession of shares if (i) such person holds a financial instrument the value of which is (in part) determined by the value of the shares or any distributions associated therewith and which does not entitle such person to acquire any shares; (ii) such person may be obliged to purchase shares on the basis of an option; or (iii) such person has concluded another contract whereby such person acquires an economic interest comparable to that of holding a share.

Under the Dutch Financial Supervision Act, the Company has filed a report with the AFM promptly after the date of listing of the Shares, setting out the issued and outstanding share capital and voting rights. In addition, the Company is required to notify the AFM promptly of any change of 1% or more in the Company’s issued and outstanding share capital or voting rights since the previous notification. The AFM must be notified of other changes in the Company’s issued and outstanding share capital or voting rights within eight days after the end of the quarter in which the change occurred. The AFM will publish all the Company’s notifications regarding the issued and outstanding share capital and voting rights in a public register.

Short Positions

Any natural or legal person holding a net short position equal to or exceeding 0.2% of the issued share capital of a company whose financial instruments are admitted to trading on a trading venue in the Netherlands is required to notify such position to the AFM. Each subsequent increase of this position by 0.1% above 0.2% must also be notified. Each net short position equal to or exceeding 0.5% of the issued share capital of a company whose financial instruments are admitted to trading on a trading venue in the Netherlands and any subsequent increase of that position by 0.1% will be made public by the AFM. To calculate whether a natural person or legal person has a net short position, his or her short positions and long positions must be set off. A short transaction in a share can only be contracted if a reasonable case can be made that the shares sold can actually be delivered, which requires confirmation of a third party that the shares have been located. The notification shall be made no later than 15:30 CET on the following trading day.

Any natural or legal person holding a gross short position in relation to the issued share capital of a company whose financial instruments are admitted to trading on a trading venue in the Netherlands that reaches, exceeds or falls below any one of the following thresholds: 3%, 5%, 10 %, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%, must immediately give written notice to the AFM.

If a person’s gross short position reaches, exceeds or falls below one of the above mentioned thresholds as a result of a change in the Company's issued share capital, such person is required to make a notification not later than the fourth trading day after the AFM has published the Company's notification in the public register of the AFM. The Shareholders are advised to consult with their own legal advisors to determine whether the gross short selling notification obligation applies to them.

Obligations of members of the Management or Supervisory Board to Disclose Holdings

Pursuant to the Dutch Financial Supervision Act, each member of the Management Board and Supervisory Board must notify the AFM: (i) immediately following conversion of the Company into an N.V. of the number of Shares he/she holds and the number of votes he/she is entitled
to cast in respect of the Company's issued share capital; and (ii) subsequently, of each change in the number of Shares or options he/she holds and of each change in the number of votes he/she is entitled to cast in respect of the Company's issued share capital, immediately after the relevant change. If a member of the Management Board or Supervisory Board has notified a transaction to the AFM under the Dutch Financial Supervision Act as described under "Obligations to Disclose Holdings — Obligations of Shareholders to Disclose Holdings" above, such notification is sufficient for purposes of the Dutch FSA as described in this paragraph.

Furthermore, pursuant to the Market Abuse Directive (2014/57/EU) as implemented in Dutch law and Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, which entered into force on 3 July 2016 (the "Market Abuse Regulation") persons discharging managerial responsibilities (each a "PDMR") must notify the AFM and the Company of any transactions conducted for their own account relating to Shares or any debt instruments of the Company or to derivatives or other financial instruments linked thereto.

PDMRs within the meaning of the Market Abuse Regulation include: (i) members of the Management Board and Supervisory Board, or (ii) members of the senior management of the Company who have regular access to inside information relating directly or indirectly to the Company and the authority to take managerial decisions affecting the future developments and business prospects of the Company. PDMRs must notify the Company and the AFM by means of a standard form of any transactions conducted for his or her own account relating to the Shares or debt instruments of the Company or derivatives or other financial instruments linked thereto.

In addition, pursuant to the Market Abuse Regulation and the regulations promulgated thereunder, certain persons who are closely associated with PDMRs, are also required to notify the AFM and the Company of any transactions conducted for their own account relating to Shares or any debt instruments of the Company or to derivatives or other financial instruments linked thereto. The Market Abuse Regulation and the regulations promulgated thereunder cover, inter alia, the following categories of persons: (i) the spouse or any partner considered by national law as equivalent to the spouse; (ii) dependent children; (iii) other relatives who have shared the same household for at least one year at the relevant transaction date; and (iv) any legal person, trust or partnership, the managerial responsibilities of which are discharged by a person discharging managerial responsibilities or by a person referred to under (i), (ii) or (iii) above, which is directly or indirectly controlled by such a person, which is set up for the benefit of such a person, or the economic interest of which are substantially equivalent to those of such a person.

These notification obligations under the Market Abuse Regulation apply when the total amount of the transactions conducted by a PDMR or a person closely associated to a PDMR reaches or exceeds the threshold of €5,000 within a calendar year (calculated without netting). The transactions carried out by a PDMR and by a closely associated person should not be aggregated. The first transaction reaching or exceeding the threshold must be notified as set out above. The notifications pursuant to the Market Abuse Regulation described above must be made to the AFM and the Company no later than the third business day following the relevant transaction date. Notwithstanding the foregoing, members of the Management Board and Supervisory Board need to notify the AFM of each change in the number of Shares that they hold and of each change in the number of votes they are entitled to cast in respect of the Company's issued share capital, immediately after the relevant change.

**Market Abuse Rules**

The regulatory framework on market abuse is set out in the Market Abuse Regulation which is directly applicable in the Netherlands.

The Market Abuse Regulation provides for specific rules that intend to prevent market abuse, such as the prohibitions on insider trading, divulging inside information and tipping, and market manipulation. The Company is subject to the Market Abuse Regulation, and non-compliance with these rules may lead to criminal fines, administrative fines, imprisonment or other sanctions.

The Market Abuse Regulation may restrict the Company's ability to buy back its Shares. In certain circumstances, investors can also be subject to the Market Abuse Regulation.

**Public registry**

The AFM keeps a public register of all notifications made pursuant to these disclosure obligations and publishes any notification received.

**Non-compliance**

Non-compliance with the notification obligations under the Market Abuse Regulation and the Dutch Financial Supervision Act, set out in the paragraphs above, is an economic offence (economisch delict) and could lead to the imposition of criminal fines, administrative fines, imprisonment or other sanctions. The AFM may impose administrative penalties or a cease-and-desist order under penalty for non-compliance. If criminal charges are pressed, the AFM is no longer allowed to impose administrative penalties and vice versa, the AFM is no longer allowed to seek criminal prosecution if administrative penalties have been imposed. Furthermore, a civil court can impose measures against any person who fails to notify or incorrectly notifies the AFM of matters required to be correctly notified. A claim requiring that such measures be imposed must be instituted by the Company and/or one or more Shareholders who alone or together with others represent(s) at least 3% of the Company's issued share capital or are able to exercise at least 3% of the voting rights. The measures that the civil court may impose, include:

- an order requiring the person violating the disclosure obligations under the Dutch Financial Supervision Act to make appropriate disclosure;

55
• suspension of the voting rights in respect of such person's shares for a period of up to three years as determined by the court;
• voiding of a resolution adopted by the general meeting, if the court determines that the resolution would not have been adopted but for the exercise of the voting rights of the person who is obliged to notify, or suspension of a resolution until the court makes a decision on such voiding, and;
• an order to the person violating the disclosure obligations under the Dutch Financial Supervision Act to refrain, during a period of up to five years as determined by the court, from acquiring the shares and/or voting rights in the shares.

Identity of the Shareholders and distribution of information

The Company may, in accordance with Chapter 3A of the Dutch Securities Giro Transfer Act, request Euroclear Nederland, admitted institutions, intermediaries, institutions abroad, and managers of investment institutions, to provide certain information on the identity of the Shareholders. Such request may be made at any time. No information will be given on Shareholders with an interest of less than 0.5% of the Company's issued share capital. A Shareholder who, individually or together with other Shareholders, holds an interest of at least 10% of the Company's issued share capital may request the Company to establish the identity of the Shareholders. This request may only be made in writing during a period of 60 days until (and not including) the 42nd day before the day on which the General Meeting will be held.

If a request as referred to in the previous paragraph has been made by either the Company or a Shareholder, the Shareholders who, individually or with other Shareholders, hold Shares that represent at least 1% of the issued and outstanding share capital or a market value of at least €250,000, may request the Company to disseminate information that is prepared by them in connection with an agenda item for a General Meeting. The Company can only refuse disseminating such information, (i) if received less than seven business days prior to the General Meeting, (ii) if the information gives or could give an incorrect or misleading signal or (iii) if, in light of the nature of the information, the Company cannot reasonably be required to disseminate it.

6.5. RELATED PARTY TRANSACTIONS

Relationship Agreement

The Company, Principion and HTP Sponsor will enter into a relationship agreement (the "Relationship Agreement"), which will become effective on Completion. The Relationship Agreement contains certain provisions regarding the relationship between the Company, Principion and HTP Sponsor after Completion. Below is an overview of the main elements of the Relationship Agreement.

Relationship between the Company and the parties to the Relationship Agreement

The Relationship Agreement provides that the Management Board and the Supervisory Board shall not propose any resolution to the Shareholders, which would, if passed, remove, restrict or reduce any of the rights of Principion and HTP Sponsor set out in the Relationship Agreement. Principion and HTP Sponsor have agreed that they undertake that the voting rights on the Ordinary Shares directly or indirectly held by them shall not be exercised (i) to procure anything, such as an amendment of the Articles of Association or the Management Board Rules, which would be inconsistent with any of the provisions of the Relationship Agreement and (ii) to prejudice the Company's status as a listed company on Euronext Amsterdam or its suitability for listing after Completion.

Composition of the Management Board

The Relationship Agreement provides that the number of members of the Management Board shall be determined by the Supervisory Board in accordance with a proposal to that effect of the Management Board. The Management Board can only resolve to make such proposal in a meeting of the Management Board where at least two members of the Management Board (not including any temporary replacements appointed by the Supervisory Board) are present or represented. The Relationship Agreement also provides that, for as long as Atilla Aytekin and Umut Akpinar are members of the Management Board, they shall each have the title of co-CEO.

Composition of the Supervisory Board

The Company, Principion and HTP Sponsor have agreed that the Supervisory Board shall consist of a majority of members who shall qualify as "independent" within the meaning of the Dutch Corporate Governance Code, and that the chairperson shall at all times be a member who qualifies as independent. The Supervisory Board will be composed in accordance with the profile drawn up for the members of the Supervisory Board.

As from Completion, Principion shall have the right to designate two persons for proposal by the Supervisory Board as Supervisory Board members and to designate replacements for such Supervisory Board members. Persons designated by Principion will not need to be independent within the meaning of the Dutch Corporate Governance Code. Principion shall only designate persons that meet the profile of the Supervisory Board.

Principion's right to designate will expire depending on its percentage of shareholding as follows:
• if Principion directly or indirectly holds less than 20% of the aggregate issued and outstanding Ordinary Shares, Principion has the right to designate one person for proposal by the Supervisory Board as Supervisory Board member; and

• if Principion directly or indirectly holds less than 10% of the aggregate issued and outstanding Ordinary Shares, Principion shall not have the right to designate any persons for proposal by the Supervisory Board as Supervisory Board member.

Upon the shareholding in the Company of Principion falling below these thresholds, Principion shall procure the resignation of the relevant Supervisory Board member within ten Business Days after such occurrence, unless the chairperson of the Supervisory Board requests Principion before expiry of this period in writing to maintain its Supervisory Board member for a certain period of time and Principion consents to such extension.

Composition of the Supervisory Board Committees

The Relationship Agreement provides that the Supervisory Board will have an audit and risk committee and a selection, appointment and remuneration committee. In addition, the Company, Principion and HTP Sponsor have agreed that:

• each of the committees shall consist of at least two members;

• Principion has the right to have at least one Supervisory Board member proposed by Principion on each Supervisory Board committee as long as Principion has the right to designate at least one Supervisory Board member pursuant to the Relationship Agreement; and

• the chairperson of the audit committee and of the selection, appointment and remuneration committee shall at all times be a member who qualifies as an independent Supervisory Board member.

Orderly Market Arrangements

Pursuant to the Relationship Agreement, each of Principion and HTP Sponsor acknowledges and agrees that any transfer by them of any Ordinary Shares (other than required to complete the Business Combination) shall be carried out in an orderly market manner and in a manner otherwise advisable having regard prevailing market conditions and demand, so as to avoid, to the extent possible, a negative impact on the price of the Shares as a result of such transfer.

Fully Marketed Offering

Upon written request by Principion, the Company undertakes with regard to an offering of Ordinary Shares by Principion, which entails the Company's involvement in the form of a management road show and/or the preparation of a prospectus (a "Fully Marketed Offering") relating to 20% or more of the Ordinary Shares to provide such cooperation and assistance to Principion and any of their advisers with such information as may reasonably be requested in connection with the preparation of a Fully Marketed Offering and to a reasonable extent make available members of its senior management, representatives and advisers to participate in due diligence and/or marketing sessions in relation to the Fully Marketed Offering as well as other meetings with Principion and potential investors. The obligation of the Company to provide cooperation as set out above is limited to one Fully Market Offering per 12 months period.

The Company is also entitled to delay the cooperation and the Fully Marketed Offering for a reasonable blackout period, with a maximum of 60 trading days after commencement of the blackout period, if the Management Board determines that such cooperation and Fully Marketed Offering could materially interfere with a bona fide business or financing transaction of the Company or is reasonably likely to require premature disclosure of information, the premature disclosure of which could materially and adversely affect the Company.

Accelerated Book Build Offers or Block Trades

In the event of a sale of (all or part of) the Ordinary Shares by either Principion or HTP Sponsor other than by way of a Fully Marketed Offering, the Company agrees, subject to the restrictions provided under the Dutch Financial Supervision Act, the Market Abuse Regulation and other applicable law, to facilitate such sale by providing reasonable access to the Management Board and providing an opportunity to perform a limited due diligence investigation by or on behalf of (i) a bookrunner or coordinator engaged for a sale of more than 10% or more of the Ordinary Shares or (ii) a bona fide, creditworthy potential purchaser of 10% or more of the Ordinary Shares (if and to the extent requested by Principion or HTP Sponsor). Such due diligence may, but is not required to include, amongst others, a due diligence call with the Management Board.

Information sharing

The Relationship Agreement provides that the Company, to the extent not prohibited by law or regulations including the Market Abuse Regulation, shall provide or procure that each of Principion and HTP Sponsor are promptly provided with all such information in respect of any group company of Azerion necessary in order for each of Principion and HTP Sponsor respectively to complete any tax return, compilation or filing as required by applicable law, comply with any financial reporting, audit and other legal and regulatory obligations which apply to Principion and HTP Sponsor as required by applicable law or satisfy its accounting, financial control and/or fund or investor reporting
requirements. The Company is not obligated to disclose inside information to the extent that such disclosure would violate the Market Abuse Regulation or other applicable law.

The Relationship Agreement contains provisions to the effect that each of Principion and HTP Sponsor are obliged to treat all information provided to it as confidential, subject to certain exceptions as provided for in the Relationship Agreement, and to comply with all applicable laws and regulations to the use of such information, including the requirements under the Market Abuse Regulation.

Tag-Along

Subject to any restrictions pursuant to the Market Abuse Regulation, HTP Sponsor and its affiliates shall have the right, but not an obligation, to participate (on a pro rata basis) in certain qualified transfers which Principion or any entity that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with Atilla Aytekin, Umut Akpinar or them jointly (each a "Founder Vehicle") ultimately controlled by Atilla Aytekin, Umut Akpinar or them jointly intend to undertake and also transfer a pro rata portion of its Ordinary Shares in such qualified transfer on the same terms and conditions. Such portion shall be equal to the proportion the Ordinary Shares offered in such a transfer represent when compared to all issued and outstanding Ordinary Shares held by Principion or Founder Vehicle, as applicable, whereby in the event two or more Founder Vehicles are involved in a qualified transfer and such Founder Vehicles do not intend to divest the same proportion of the Ordinary Shares held by each of such Founder Vehicles, the tag-along right of HTP Sponsor and its affiliates shall relate to the higher of these proportions.

With respect to Principion, a qualified transfer is a transfer of 7% or more of the Ordinary Shares (with the exception of any excluded transfer). With respect to a Founder Vehicle a qualified transfer is a transfer of 7% or more of the Ordinary Shares held by one of such entities or a transfer of 20% or more of the Ordinary Shares held by such entities jointly, in each case with the exception of any excluded transfer.

An excluded transfer under the Relationship Agreement is a transfer by Principion or an entity ultimately controlled by Atilla Aytekin or Umut Akpinar to (i) an entity which ultimately control, or is controlled or is under common control by Principion, (ii) Salih Cosgun or to an entity controlled by Salih Cosgun, or (iii) a blood relative up to the second degree or spouse or registered partner of Atilla Aytekin, Umut Akpinar or Yerhan Erbas.

The tag-along right shall expire on the later of (i) the third anniversary of the date of the Relationship Agreement and (ii) the date when HTP Sponsor and/or its affiliates jointly cease to hold at least 3 million Ordinary Shares.

Termination

The Relationship Agreement shall terminate with immediate effect upon:

- the Ordinary Shares ceasing to be listed on Euronext Amsterdam; and
- mutual written consent of the parties.

The rights and obligations of Principion under the Relationship Agreement shall terminate with immediate effect upon Principion ceasing to own or control, directly or indirectly, more than 5% of the outstanding Ordinary Shares.

The rights and obligations of HTP Sponsor under the Relationship Agreement shall terminate with immediate effect upon HTP Sponsor ceasing to own or control, directly or indirectly, more than 3% of the outstanding share capital of the Company.

In addition, each of Principion and HTP Sponsor may terminate the Relationship Agreement in respect of itself with immediate effect by written notice to the Company on or at any time after:

- the Company passing a resolution for its winding up or a court of competent jurisdiction making an order for the Company's winding up or dissolution;
- the commencement of any legal proceedings in relation to a suspension of payments or bankruptcy of the Company, unless such proceedings are frivolous or vexatious and are discharged, stayed or dismissed within 60 calendar days of commencement; or
- the Company makes an arrangement or composition with its creditors generally or making an application to a court of competent jurisdiction for protection from its creditors generally.

Governing law

The Relationship Agreement is governed by the laws of the Netherlands.
Loan agreements with related parties

Loans from Principion to Azerion

In the period from December 2016 to February 2019, Azerion, as borrower, and Principion, as lender, entered into eleven subordinated loan agreements, on substantially similar terms (the "Shareholder Loans") with interest rates between 3% and 10% per year and maturity dates between 1 and 5 years from the date of the loan agreement. As at 30 June 2021, the outstanding amount (including accrued interests) under the Shareholder Loans was €15,839,509.

In the event of a change of control of Azerion, the outstanding amounts under the Shareholder Loans will become immediately due and payable. To the extent the Business Combination qualifies as a change of control under the Shareholder Loans, Azerion and Principion will agree upon a waiver prior to Completion. In addition, the agreements contain additional prepayment obligations, following which the outstanding amounts under the loan agreements will become immediately due and payable, such as the non-performance, untimely performance or improper performance of any obligation arising out of the loan agreements or an event of insolvency, suspension of payments or liquidation regarding Azerion. The Shareholder Loans are subordinated to the obligations of Azerion under the Bonds, and repayment of the Shareholder Loans is therefore restricted.

Loan from Azerion to Principion

In accordance with the terms and conditions of Azerion's 2020 Bonds, a portion of the proceeds from the 2020 Bonds could be used to repurchase shares in the capital of Azerion held by shareholders other than Principion, which repurchase could be made by Azerion directly or by Principion facilitated by a loan from Azerion to Principion. On 17 March 2020, Azerion, as lender, and Principion, as borrower, entered into a loan agreement for an amount of €24.7 million (the "Principion Loan"), to facilitate the buy-out of a group of minority shareholders of Azerion.

The Principion Loan has an interest rate of 4.0% per year and a maturity date of 31 March 2025. The Principion Loan will in principle be repaid in one instalment at the maturity date, but Principion can elect to fully or partially repay the outstanding amount under the Principion Loan at any time prior to the maturity date. In the event of a transfer of a substantial part of the assets of Principion, the outstanding amount (including interest) under the Principion Loan becomes immediately due and payable. As at 30 June 2021, the outstanding amount under the Principion Loan was €31,410,486.19.

The Principion Loan is expected to be repaid in connection with the Business Combination, see "– Description of the Transaction – Repayment of the Principion Loan".

Share sale agreements with related parties

During the periods under review, Azerion entered into the following share sale agreements with related parties:

- On 30 December 2020, the Company, as purchaser, and certain parties as sellers entered into an agreement for the sale and purchase of the entire issued and outstanding shares in the capital of Triodor Holding B.V. The sellers are ultimately controlled by the founders of Azerion, who are each indirect shareholders of Principion and as such indirect shareholders of Azerion. See also "Azerion’s Business – Material Agreements";

- On 7 June 2020, Azerion Games en Content Holding B.V., as seller, and Antlia Investments B.V. as purchaser entered into a deed for the sale and purchase of the entire issued and outstanding share capital of Gembly B.V. The purchaser is ultimately controlled by one of the founders of Azerion, who is an indirect shareholder of Principion and as such an indirect shareholder of Azerion;

- On 9 June 2020, Yoki Network Holding B.V. sold the entire issued and outstanding shares in the capital of Azerion Digital B.V. (formerly HUZ B.V.) to Principion for a purchase price of €100,000; and

- On 30 June 2020, AdUX as seller and Antlia Investments B.V. as purchaser entered into an agreement for the sale and purchase of the entire issued and outstanding share capital of AdMoove Sweden AB. The purchaser is ultimately controlled by one of the founders of Azerion, who is an indirect shareholder of Principion and as such an indirect shareholder of Azerion.

Lease arrangements with related parties

Azerion leases its offices at Beechavenue 132 and at Boeingavenue 30 in Schiphol-Rijk, the Netherlands, from companies controlled by Umut Akpinar and Atilla Aytekin. The lease agreements are for a period of three years, ending on 14 November 2022, and five years, ending on 30 April 2026, respectively, but will continue for consecutive five-year periods unless terminated by one of the parties. The rent charged for the lease of these office spaces is in line with market conditions and will be indexed on an annual basis in accordance with the monthly price index figure according to the consumer price index (CPI) as published by Statistics Netherlands (het Centraal Bureau voor de Statistiek).
Factoring arrangements with related parties
See “Financial Information of Azerion – Operating and Financial Review – Indebtedness – Factoring Arrangements” for a description of certain factoring agreements that Azerion entered into with a party that is expected to become a related party.

6.6. DIVIDEND POLICY

Given the strong return profile of the Company's M&A strategy, its primary use of cash for the short to medium term will be investments in Azerion's growth by pursuing accretive acquisitions, organic growth initiatives and general corporate purposes. The Company does not anticipate paying any dividends in the short to medium term. The Company will consider the opportunity to pay a dividend in the long-term while maintaining financial flexibility to invest in its growth both organically and inorganically.

The Company's intentions in relation to dividend payments are subject to a number of assumptions, risks and uncertainties, many of which are beyond its control. Please see "Risk Factors – The Company relies on its operating subsidiaries to provide it with funds necessary to meet its financial obligations and its ability to pay dividends or make other distributions may be constrained.". Furthermore, the Company's dividend policy is subject to change as the Management Board will revisit its dividend policy from time to time.

6.7. TAXATION

The income received from the Ordinary Shares or Warrants may be impacted by applicable tax legislation, in particular by the tax legislation of the country of residence of the relevant Shareholder or Warrant holder. The discussions below summarise the relevant tax consequences under Dutch law (as the Company or, following Completion, the Combined Group is resident in the Netherlands for tax purposes) and certain federal tax considerations under U.S. law. The tax position of the Shareholders and the Warrant Holders can be adversely impacted by the number of the Ordinary Shares, Warrants, Founder Warrants, Azerion Founder Warrants, Capital Shares, Special Shares and Conditional Special Shares outstanding at any given time as well as dilution following exercise of the Warrants, Founder Warrants, Azerion Founder Warrants, Capital Shares, Special Shares and Conditional Special Shares and any shares granted in the Company that the shareholders of Azerion obtain as consideration for the Business Combination. Please see "Risk Factors – The number of Ordinary Shares and Warrants outstanding at any given time may fluctuate substantially, which could lead to adverse tax consequences for the holders thereof." The Shareholders and/or the Warrant Holders should consult their own tax advisors on the possible tax consequences of the acquisition, ownership and transfer of Ordinary Shares or Warrants, and in particular the specific tax consequences in relation to the Business Combination.

Taxation in the Netherlands
The following summary outlines certain principal Dutch tax consequences of the acquisition, holding, redemption and disposal of the Ordinary Shares or Warrants, but does not purport to be a comprehensive description of all Dutch tax considerations that may be relevant. For purposes of Dutch tax law, a holder of Ordinary Shares or Warrants may include an individual or entity who does not have the legal title of these Ordinary Shares or Warrants, but to whom nevertheless the Ordinary Shares or Warrants or the income thereof is attributed based on specific statutory provisions or on the basis of such individual or entity having an interest in the Ordinary Shares or Warrants or the income thereof. This summary is intended as general information only and each Shareholder and/or Warrant Holder should consult a professional tax adviser with respect to the tax consequences of the acquisition, holding, redemption and disposal of the Ordinary Shares or Warrants.

This summary is based on tax legislation, published case law, treaties, regulations and published policy, in each case as in force as of the date of this Circular, and it does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

This summary does not address the Dutch corporate and individual income tax consequences for:

a) investment institutions (fiscale beleggingsinstellingen);

b) pension funds, exempt investment institutions (vrijgestelde beleggingsinstellingen) or other Dutch tax resident entities that are not subject to or exempt from Dutch corporate income tax;

c) corporate Shareholders which qualify for the participation exemption (deelnemingsvrijstelling) or would qualify for the participation exemption had the corporate Shareholders been resident in the Netherlands or which qualify for participation credit (deelnemingsverrekening). Generally speaking, a shareholding is considered to qualify as a participation for the participation exemption or participation credit if it represents an interest of 5% or more of the nominal paid-up share capital;

d) Shareholders or Warrant Holders holding a substantial interest (aanmerkelijk belang) or deemed substantial interest (fictief aanmerkelijk belang) in the Company (and following Completion, in the Combined Group) and Shareholders or Warrant Holders of whom a certain related person holds a substantial interest in the Company (and following Completion, in the Combined Group).

Generally speaking, a substantial interest in an entity arises if a person, alone or, where such person is an individual, together with his or her partner (statutorily defined term), directly or indirectly, holds or is deemed to hold (i) an interest of 5% or more of the total
issued capital of the entity or 5% or more of the issued capital of a certain class of shares of the entity (e.g. of the Ordinary Shares or Conditional Special Shares, respectively), (ii) rights to acquire, directly or indirectly, such interest (e.g. the Warrants, the Founder Warrants or the Azerion Founder Warrants, respectively) or (iii) certain profit-sharing rights in the entity;

c) persons to whom the Ordinary Shares or Warrants and the income therefrom are attributed based on the separated private assets (afgezonderd particulier vermogen) provisions of the Dutch Income Tax Act 2001 (Wet inkomstenbelasting 2001);

d) entities which are a resident of Aruba, Curaçao or Sint Maarten and that have an enterprise which is carried on through a permanent establishment or a permanent representative on Bonaire, Sint Eustatius or Saba and the Ordinary Shares are attributable to such permanent establishment or permanent representative;

e) Shareholders or Warrant Holders which are not considered the beneficial owner (uiteindelijk gerechtigde) of these Ordinary Shares or Warrants or the benefits derived from or realised in respect of these Ordinary Shares or Warrants; and

h) individuals to whom the Ordinary Shares or Warrants or the income there from are attributable to employment activities which are taxed as employment income in the Netherlands.

Where this summary refers to the Netherlands, such reference is restricted to the part of the Kingdom of the Netherlands that is situated in Europe and the legislation applicable in that part of the Kingdom. In addition, any reference hereafter made to a double taxation convention concluded by the Netherlands includes the Tax Regulation for the Kingdom of the Netherlands (Belastingregeling voor het Koninkrijk), the Tax Regulation Netherlands-Curacao (Belastingregeling Nederland-Curaçao), the Tax Regulation Netherlands Sint Maarten (Belastingregeling Nederland Sint Maarten) and the Tax Regulation for the country of the Netherlands (Belastingregeling voor het land Nederland).

Dividend Withholding Tax

Withholding Requirement

The Company is required to withhold 15% Dutch dividend withholding tax in respect of dividends paid on the Ordinary Shares. Generally, Dutch dividend withholding tax will not be borne by the Company, but will be withheld from the gross dividends paid on the Ordinary Shares. In the Dutch Dividend Withholding Tax Act 1965 (Wet op de dividendbelasting 1965), dividends are defined as the proceeds from shares, which include:

a) direct or indirect distributions of profit, regardless of their name or form;

b) liquidation proceeds, proceeds on redemption of the Ordinary Shares and, as a rule, the consideration for the repurchase of the Ordinary Shares by the Company in excess of its average paid-in capital recognised for Dutch dividend withholding tax purposes, unless a particular statutory exemption applies;

c) the nominal value of the Ordinary Shares issued to a holder of the Ordinary Shares or an increase of the nominal value of the Ordinary Shares, insofar as the (increase in the) nominal value of the Ordinary Shares is not funded out of the Company's paid-in capital as recognised for Dutch dividend withholding tax purposes; and

d) partial repayments of paid-in capital recognised for Dutch dividend withholding tax purposes, if and to the extent there are qualifying profits (zuivere winst), unless the General Meeting has resolved in advance to make such repayment and provided that the nominal value of the Ordinary Shares concerned has been reduced by an equal amount by way of an amendment of the articles of association of the Company and the paid-in capital is recognised as capital for Dutch dividend withholding tax purposes. The term "qualifying profits" includes anticipated profits that are yet to be realised.

Based on currently published legislation and case-law it cannot be ruled out that the tax treatment described above in limbs a)-d) applies mutatis mutandis to the Warrants. However, the issuance of Ordinary Shares pursuant to the exercise of the Warrants and payment of an Exercise Price at least equal to the nominal value of such Ordinary Shares, should not give rise to Dutch dividend withholding tax.

For developments and risks in relation to the introduction of a Dutch conditional withholding tax on dividends as per 1 January 2024 in addition to the existing Dutch dividend withholding tax regime, see "Risk Factors – Risks Relating to Taxation - Dividends distributed on the Ordinary Shares are currently subject to Dutch withholding tax and, in addition, dividends that are paid to certain related parties in low-taxed jurisdictions might in the future become subject to an additional Dutch withholding tax".

Shareholder Resident in the Netherlands

A Shareholder who or which is, or is deemed to be, a resident of the Netherlands for tax purposes can generally credit Dutch dividend withholding tax against his Dutch personal income tax or its Dutch corporate income tax liability and is generally entitled to a refund of Dutch
dividend withholding tax exceeding his aggregate Dutch personal income tax or its Dutch corporate income tax liability (in respect of the latter, however, please see below), provided certain conditions are met, unless such holder of Ordinary Shares is not considered to be the beneficial owner of the dividends.

Pursuant to Dutch domestic tax law, a Shareholder who is the recipient of dividends (the "Recipient") will in any case not be considered the beneficial owner of these dividends for Dutch dividend withholding tax purposes if:

- as a consequence of a combination of transactions, a person or entity other than the Recipient wholly or partly, directly or indirectly, benefits from the dividends;
- such other person or legal entity would:
  - as opposed to the Recipient, not be entitled to an exemption from dividend withholding tax; or
  - in comparison to the Recipient, to a lesser extent be entitled to a credit, reduction or refund of dividend withholding tax; and
- such other person or legal entity has, directly or indirectly, retained or acquired a similar interest in the Ordinary Shares ("Dividend Stripping").

On Budget Day 2021, the Dutch government issued a law proposal that if approved by parliament introduces a limitation to the credit of Dutch dividend withholding tax against the Dutch corporate income tax liability. If enacted this would mean that the Dutch dividend withholding tax would going forward only be creditable against the Dutch corporate income tax payable. To the extent that Dutch dividend withholding tax would exceed the aggregate Dutch corporate income tax liability, such Dutch dividend withholding tax would no longer be refunded but carried forward to future years possibly leading to a credit in such future year where sufficient Dutch corporate income tax payable is available.

**Shareholder not Resident in the Netherlands**

With respect to a Shareholder who or which is not and is not deemed to be a resident of the Netherlands for purposes of Dutch taxation and who or which is considered to be a resident of a country other than the Netherlands under the provisions of a double taxation convention the Netherlands has concluded with such country, the following may apply. Such Shareholder may, depending on his specific circumstances and the terms of and subject to compliance with the procedures for claiming benefits under such double taxation convention and subject to any principal purpose test and/or anti-abuse provision, be eligible for a full or partial exemption from or a reduction or refund of Dutch dividend withholding tax provided such holder is entitled to the benefits of such double taxation convention.

The concept of Dividend Stripping, described above, will also be applied to determine whether a Shareholder may be eligible for a full or partial exemption from or a reduction or refund of Dutch dividend withholding tax, as set out in both preceding paragraphs.

**Corporate and Individual Income Tax**

**Residents of the Netherlands**

If a Shareholder or Warrant Holder is a resident of the Netherlands or deemed to be a resident of the Netherlands for Dutch corporate income tax purposes and is fully subject to Dutch corporate income tax or is only subject to Dutch corporate income tax in respect of an enterprise to which the Ordinary Shares or Warrants are attributable, income derived from the Ordinary Shares and gains realised upon the redemption or disposal of the Ordinary Shares or Warrants are generally taxable in the Netherlands at a rate of 15% for the first EUR 245,000 of the taxable amount and a rate of 25% (2021 rate) for the taxable amount exceeding EUR 245,000.

If an individual is a resident of the Netherlands or deemed to be a resident of the Netherlands for Dutch individual income tax purposes, income derived from the Ordinary Shares and gains realised upon the redemption or disposal of the Ordinary Shares or Warrants are taxable at the progressive rates up to a maximum rate of 49.50% (rate for 2021) under the Dutch Income Tax Act 2001, if:

- the individual is an entrepreneur (ondernemer) and has an enterprise to which the Ordinary Shares or Warrants are attributable or the individual has, other than as an entrepreneur or a shareholder, a co-entitlement to the net worth of an enterprise (medegerechtigde), to which enterprise the Ordinary Shares or Warrants are attributable; or
- such income or gains qualify as income from miscellaneous activities (resultaat uit overige werkzaamheden), which includes activities with respect to the Ordinary Shares or Warrants that exceed regular, active portfolio management (normaal, actief vermogensbeheer).

If both conditions above do not apply to the Shareholder or Warrant Holder, taxable income with regard to the Ordinary Shares or Warrants must be determined on the basis of a deemed return on savings and investments (sparen en beleggen), rather than on the basis of income actually received or gains actually realised. This deemed return on savings and investments is fixed at a percentage of the individual's yield basis (rendementsgrondslag) at the beginning of the calendar year (1 January), insofar as the individual's yield basis exceeds a statutory threshold (heffingvrij vermogen). The individual's yield basis is determined as the fair market value of certain qualifying assets held by the individual.
less the fair market value of certain qualifying liabilities on 1 January. The fair market value of the Ordinary Shares and the Warrants will be included as an asset in the individual’s yield basis. The deemed return percentage to be applied to the yield basis increases progressively from 1.898% to 5.69% (rates for 2021) depending on the amount of the yield basis. The deemed return on savings and investments is taxed at a rate of 31% (rate for 2021).

**Non-residents of the Netherlands**

If a person is neither a resident of the Netherlands nor is deemed to be a resident of the Netherlands for Dutch corporate or individual income tax purposes, such person is not liable to Dutch income tax in respect of income derived from the Ordinary Shares and gains realised upon the redemption or disposal of the Ordinary Shares or Warrants, unless:

- the person is not an individual and such person (1) has an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative that is taxable in the Netherlands to which permanent establishment or a permanent representative the Ordinary Shares or Warrants are attributable, or (2) is, other than by way of securities, entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, which is effectively managed in the Netherlands and to which enterprise the Ordinary Shares or Warrants are attributable.

This income is subject to Dutch corporate income tax at a rate of 15% for the first €245,000 of the taxable amount and a rate of 25% (2021 rate) for the taxable amount exceeding €245,000.

- the person is an individual and such individual (1) has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative that is taxable in the Netherlands to which permanent establishment or permanent representative the Ordinary Shares or Warrants are attributable, or (2) realises income or gains with respect to the Ordinary Shares or Warrants that qualify as income from miscellaneous activities in the Netherlands which include activities with respect to the Ordinary Shares or Warrants that exceed regular, active portfolio management, or (3) is, other than by way of securities, entitled to a share in the profits of an enterprise that is effectively managed in the Netherlands and to which enterprise the Ordinary Shares or Warrants are attributable.

Income derived from the Ordinary Shares or Warrants as specified under (1) and (2) by an individual is subject to individual income tax at progressive rates up to a maximum rate of 49.50% (rate for 2021). Income derived from a share in the profits of an enterprise as specified under (3) that is not already included under (1) or (2) will be taxed on the basis of a deemed return on savings and investments (as described above under “Residents of the Netherlands”).

**Gift and Inheritance tax**

Dutch gift or inheritance taxes will not be levied on the occasion of the transfer of the Ordinary Shares or Warrants by way of gift by, or on the death of, a Shareholder or Warrant Holder, unless:

- the Shareholder or Warrant Holder is, or is deemed to be, resident in the Netherlands for the purpose of the relevant provisions at the time of the gift or his or her death;

- the transfer is construed as an inheritance or gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in the Netherlands for the purpose of the relevant provisions;

- such holder dies while being a resident or deemed resident of the Netherlands within 180 days after the date of a gift of the Ordinary Shares or Warrants; or

- the gift is made under a condition precedent and such holder is or is deemed to be resident in the Netherlands at the time the condition is fulfilled.

**Value Added Tax**

In general, no value added tax will arise in respect of payments in consideration for the issue of the Ordinary Shares or Warrants or in respect of a cash payment made under the Ordinary Shares or Warrants in respect of a transfer of the Ordinary Shares or Warrants.

**Other Taxes and Duties**

No registration tax, customs duty, transfer tax, stamp duty, capital tax or any other similar documentary tax or duty will be payable in the Netherlands by a holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the Ordinary Shares or Warrants.
Certain U.S. Federal Tax Considerations

The following overview describes certain U.S. federal income tax consequences of owning and disposing of Ordinary Shares. This overview applies only to a "U.S. holder" (as defined below) of Ordinary Shares that acquires the Ordinary Shares and holds the Ordinary Shares as a capital asset for U.S. federal income tax purposes (generally, property held for investment).

This overview does not discuss all of the aspects of U.S. federal income taxation that may be relevant to a U.S. holder in light of its particular investment or other circumstances. In addition, this overview does not address special U.S. federal income tax rules that may be applicable to certain U.S. Holders, such as:

- dealers in securities or currencies;
- traders in securities;
- persons that are subject to the mark-to-market accounting rules;
- persons whose functional currency is not the U.S. dollar;
- persons holding Ordinary Shares as part of a conversion, constructive sale, wash sale or other integrated transaction or a hedge, straddle or synthetic security;
- persons subject to the alternative minimum tax;
- expatriates or former long-term residents of the U.S.;
- financial institutions or financial service entities;
- insurance companies;
- controlled foreign corporations, passive foreign investment companies, real estate investment trusts and regulated investment companies and shareholders of such corporations;
- entities that are tax-exempt for U.S. federal income tax purposes and retirement plans, individual retirement accounts and tax-deferred accounts;
- governments or agencies or instrumentalities thereof;
- pass-through entities, including U.S. corporations and entities or arrangements classified as partnerships for U.S. federal income tax purposes, and beneficial owners of pass-through entities;
- persons holding Ordinary Shares in connection with a trade or business, permanent establishment or fixed base outside the United States; or
- persons who own (directly or through attribution) 10% or more of the equity interests in the Company by vote or value.

In addition, this overview only addresses U.S. federal income tax consequences, and does not address other U.S. federal tax consequences, including, for example, estate or gift tax consequences. This overview also does not address any U.S. state or local or non-U.S. income or other tax consequences.

If an entity or arrangement classified as a partnership for U.S. federal income tax purposes owns Ordinary Shares, the U.S. federal income tax treatment of a partner in the partnership generally will depend on the status of the partner and the activities of the partnership. Entities or arrangements classified as partnerships for U.S. federal income tax purposes and partners in such partnerships should consult their own tax advisors regarding the U.S. federal income tax consequences of owning and disposing of Ordinary Shares.

This overview is based on U.S. federal income tax law, including the Internal Revenue Code of 1986, as amended, or the Code, Treasury regulations promulgated under the Code, administrative rulings and judicial authority, all as of the date of this Circular. Subsequent developments in U.S. federal income tax law, including changes in law or differing interpretations, which may be applied retroactively, could have a material effect on the U.S. federal income tax consequences of owning and disposing of Ordinary Shares as set forth in this overview. There cannot be any assurance that the Internal Revenue Service, or the IRS, will not challenge one or more of the tax consequences described in this overview, and we have not obtained, nor do we intend to obtain, any ruling from the IRS or opinion of counsel with respect to the tax consequences of the ownership or disposition of Ordinary Shares. Before purchasing Ordinary Shares, a U.S. holder should consult its own tax advisor regarding the particular U.S. federal, state and local and non-U.S. income and other tax consequences of owning and disposing of the Shares that may be applicable to it.

EACH HOLDER SHOULD CONSULT ITS OWN TAX ADVISOR WITH RESPECT TO THE PARTICULAR TAX CONSEQUENCES TO SUCH HOLDER OF THE OWNERSHIP AND DISPOSITION OF ORDINARY SHARES, INCLUDING THE EFFECTS OF U.S. FEDERAL, STATE AND LOCAL AND NON-U.S. TAX LAWS.

In this overview, a "U.S. holder" is a beneficial owner of Ordinary Shares that is for U.S. federal income tax purposes:
• an individual who is a citizen or resident of the United States;
• a corporation (or other entity that is treated as a corporation for U.S. federal income tax purposes) created or organised (or treated as created or organised) in, or under the laws of, the United States, any state thereof or the District of Columbia;
• an estate, the income of which is subject to U.S. federal income taxation regardless of the source of that income; or
• a trust, if (1) a U.S. court is able to exercise primary supervision over the trust's administration and one or more "United States persons" (within the meaning of the Code) has the authority to control all of the trust's substantial decisions, or (2) the trust has a valid election in effect under applicable Treasury regulations to be treated as a "United States person."

U.S. holders that use an accrual method of accounting for U.S. federal income tax purposes are generally required to include certain amounts in income no later than the time such amounts are reflected on certain applicable financial statements. The application of this rule may require the accrual of income earlier than would be the case under the general U.S. federal income tax rules described below. U.S. holders that use an accrual method of accounting for U.S. federal income tax purposes should consult with their tax advisors regarding the potential applicability of this rule to their particular situation. The remainder of this overview does not address the application of the foregoing rule.

Distributions on the Ordinary Shares

Subject to the discussion of the PFIC rules below, distributions of cash or property on the Ordinary Shares (other than certain pro rata distributions of Ordinary Shares) will generally be treated as a dividend for U.S. federal income tax purposes to the extent the distribution is paid out of the Company's current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Distributions in excess of the Company's current or accumulated earnings and profits will be treated first as a non-taxable return of capital to the extent of the U.S. holder's tax basis in the Ordinary Shares and thereafter as capital gain, which will be either long-term or short-term capital gain depending upon whether the U.S. holder held the Ordinary Shares for more than one year. Because the Company does not expect to determine its earnings and profits on the basis of U.S. federal income tax principles, any distribution paid by the Company will generally be reported as a dividend.

Dividends received by a U.S. holder on the Ordinary Shares (including the amount of any Dutch taxes withheld) will generally be taxed as ordinary income for U.S. federal income tax purposes. Subject to applicable limitations, dividends paid to U.S. holders that are individuals, trusts or estates may be "qualified dividend income" taxable at a preferential rate applicable to long-term capital gains. Long-term capital gains of non-corporate U.S. holders are subject to U.S. federal income tax at preferential rates under current law. "Qualified dividend income" will arise only if (i) the Ordinary Shares are readily tradable on an established securities market in the United States or (ii) if the Company is eligible for the benefits of an applicable income tax treaty, in each case provided that the Company is not treated as a PFIC in the taxable year in which the dividend was paid or in any previous year and certain other requirements are met. U.S. holders that are individuals, trusts or estates should consult their tax advisors regarding the availability of the preferential rate and any limitations that may apply in their particular circumstances. Dividends received on the Ordinary Shares will be taxable to U.S. holders that are corporations at regular income tax rates and, because the Company is not a U.S. corporation, such dividends will not be eligible for the dividends-received deduction in respect of dividends received from other corporations.

Distributions on the Ordinary Shares will be paid in Euro. A U.S. holder that receives a distribution in Euro will be treated as receiving a distribution in an amount equal to the U.S. dollar value of such Euro on the date that such distribution is actually or constructively received by the U.S. holder, determined by reference to the spot rate of exchange on such date, regardless of whether the payment is in fact converted into U.S. dollars at that time. The U.S. holder would have a tax basis in the Euro received equal to its U.S. dollar value determined by reference to the spot rate of exchange on the date of receipt. If the Euro is converted into U.S. dollars at the spot rate of exchange in effect on the date of receipt, a U.S. holder generally should not be required to recognise foreign currency gain or loss in respect of the dividend. Gain or loss, if any, realised on the sale or other taxable disposition of such Euro at a different rate generally would be U.S. source ordinary income or loss.

Dividends received on the Ordinary Shares will be treated as foreign source income and will generally be "passive category income" for purposes of computing allowable foreign tax credits for U.S. foreign tax credit purposes. Subject to applicable limitations, some of which vary depending upon the U.S. holder's circumstances, Dutch income taxes withheld from distributions at a rate not exceeding any applicable rate under the income tax treaty between the Netherlands and the United States or domestic Dutch tax law will be creditable against the U.S. holder's U.S. federal income tax liability. Dutch withholding taxes will not be eligible for credit against the U.S. holder's U.S. federal income tax liability to the extent they are refundable under the double taxation treaty or domestic Dutch tax law. See sections "Taxation — Taxation in the Netherlands — Dividend Withholding Tax" for a discussion on how to obtain reduced Dutch tax rates. The rules governing foreign tax credits are complex, and U.S. holders should consult their tax advisors regarding the creditability of foreign taxes in their particular circumstances. In lieu of claiming a foreign tax credit, a U.S. holder may elect to deduct foreign taxes, including Dutch taxes, in computing its taxable income, subject to applicable limitations. An election to deduct foreign taxes instead of claiming foreign tax credits applies to all foreign taxes paid or accrued in the relevant taxable year.

65
Sale or Other Taxable Disposition of Ordinary Shares

Subject to the discussion of the PFIC rules below, a U.S. holder generally will recognise capital gain or loss upon a sale or other taxable disposition of the Ordinary Shares in an amount equal to the difference between the amount realised (generally, the sum of the amount of cash and the fair market value of any property received) by the U.S. holder from such sale or other taxable disposition and the U.S. holder's tax basis in such Ordinary Shares. A U.S. holder's initial tax basis in an Ordinary Share generally will be the U.S. holder's purchase price for such Ordinary Share and that tax basis will be reduced (but not below zero) by the amount of any distributions on such Share that are treated as non-taxable returns of capital (as discussed under “– Distributions on the Ordinary Shares” above). A U.S. holder's gain or loss on the sale or other taxable disposition of Ordinary Shares will generally be treated as U.S. source income or loss for U.S. foreign tax credit purposes and, other than in the case of foreign currency gain or loss, will generally be treated as long-term or short-term capital gain or loss depending on whether the U.S. holder's holding period is greater than one year at the time of the sale or other taxable disposition. Long-term capital gains of non-corporate U.S. holders are subject to U.S. federal income tax at preferential rates under current law. The deductibility of capital losses is subject to limitations. In addition, a 3.8% tax may apply to certain investment income. See “– Medicare Tax” below.

If a U.S. holder uses Euro to purchase Ordinary Shares, the purchase price of such Ordinary Shares will be the U.S. dollar value of the Euro purchase price determined by reference to the spot rate of exchange on the date of purchase. However, if the Ordinary Shares are treated as traded on an established securities market and the U.S. holder is either a cash basis taxpayer or an accrual basis taxpayer who has made a special election, such U.S. holder will determine the U.S. dollar value of the cost of such Ordinary Shares by translating the amount paid at the spot rate of exchange on the settlement date of the purchase. If an accrual basis U.S. holder does not make this election, the U.S. holder will determine the U.S. dollar value of the cost of such Ordinary Shares by translating the amount paid at the spot rate of exchange on the date of the purchase and generally will recognise foreign currency gain or loss (generally treated as ordinary income or loss) equal to the difference, if any, between the U.S. dollar value of the cost of such Ordinary Shares based on the spot rates of exchange in effect on the date of purchase and the settlement date.

If the consideration a U.S. holder receives for Ordinary Shares is paid in Euro, the U.S. holder's amount realised will be the U.S. dollar value of the Euro amount received determined by reference to the spot rate of exchange on the date of the sale or other taxable disposition. However, if the Ordinary Shares are treated as traded on an “established securities market” and the U.S. holder is either a cash basis taxpayer or an accrual basis taxpayer that has made a special election (which must be applied consistently from year to year and cannot be changed without the consent of the IRS), the U.S. holder will determine the U.S. dollar value of the amount realised by translating the amount received in Euro into U.S. dollars at the spot rate of exchange on the settlement date of the sale. If an accrual basis U.S. holder does not make this election, such U.S. holder will determine the U.S. dollar value of the amount realised by translating the amount received in Euro into U.S. dollars at the spot rate of exchange on the date of the sale or other taxable disposition. A U.S. holder that determines the U.S. dollar value of the amount realised by translating the amount received in Euro into U.S. dollars at the spot rate of exchange on the date of the sale or other taxable disposition will generally recognise foreign currency gain or loss (generally treated as ordinary income or loss) equal to the difference, if any, between the U.S. dollar value of the amount realised based on the spot rate of exchange in effect on that date and the spot rate of exchange in effect on the settlement date.

If the consideration a U.S. holder receives for the Ordinary Shares is paid in Euro, the U.S. holder will have a tax basis in the Euro received equal to the U.S. dollar value of the Euro on the date of receipt. If the Euro received is converted into U.S. dollars at the spot rate of exchange in effect on the date of receipt, a U.S. holder generally should not be required to recognise foreign currency gain or loss. Gain or loss, if any, realised on the sale or other taxable disposition of such non-U.S. currency at a different rate generally will be U.S. source ordinary income or loss.

Medicare Tax

U.S. holders that are individuals, estates or trusts and whose income exceeds certain thresholds generally are subject to a 3.8% tax on all or a portion of their net investment income, which will generally include their dividend income and net gains from the disposition of Ordinary Shares. A U.S. holder that is an individual, estate or trust is encouraged to consult its tax advisors regarding the applicability of this additional tax to its income and gains in respect of any investment in Ordinary Shares.

Passive Foreign Investment Company Rules

Definition of a PFIC

In general, the Company will be a PFIC with respect to a U.S. holder if, for any taxable year in which such holder held Ordinary Shares, either: (i) at least 75% of the Company's gross income for such taxable year consists of passive income (e.g., dividends, interest and capital gains, and rents or royalties derived other than in the active conduct of a business); or (ii) at least 50% of the Company's assets in a taxable year (generally determined based on fair market value and averaged quarterly over the year) are held for the production of, or produce, passive income. For purposes of determining whether the Company is a PFIC, the Company will be treated as earning and owning its proportionate share of the income and assets, respectively, of any subsidiary corporation in which the Company owns at least 25% of the value of the subsidiary's stock.
For purposes of these rules, interest income earned by a corporation would be considered to be passive income and cash held by a corporation would be considered to be a passive asset.

Pursuant to a "start-up" exception, a corporation will not be a PFIC for the first taxable year the corporation has gross income, if (1) no predecessor of the foreign corporation was a PFIC; (2) the corporation satisfies the IRS that it will not be a PFIC for either of the first two taxable years following the start-up year; and (3) the corporation is not in fact a PFIC for either of those years.

PFIC Status of the Company

The Company expects that the "start-up" exception would be available. This expectation is based on the current and expected (1) completion of the Company's acquisition of a European headquartered operating company in the broadly defined Financial Services and FinTech sectors (or any other industry sector or geographic region) in the fiscal year of the Company's formation (it's "start-up" year) and (2) composition of the Company's and the targeted operating company's combined income and assets and the value of the Company's and the targeted operating company's combined assets. The Company does not expect to be a PFIC for its "start-up" year, and for either of the first two taxable years following the "start-up" year. However, because PFIC status is based on income, assets and activities for the entire taxable year, it is not possible to determine PFIC status of the Company for any taxable year until after the close of the taxable year. Consequently, it is also not possible to determine whether the "start-up" exception will be available to the Company with respect to any taxable year including its first taxable year. Accordingly, there can be no assurance that the Company will not be considered a PFIC for any taxable year.

The determination of whether the Company is a PFIC for any taxable year is a fact-intensive determination that can only be made after the end of each year, and will depend on the composition of the Company's income and assets and the value of the Company's assets from time to time (including the value of the Company's goodwill, which will generally be determined in part by reference to the market price of the ordinary shares, which may fluctuate considerably). The composition of the Company's income and assets is also affected by the spending of the cash the Company raises in any offering or financing transaction. Because the value of the Company's goodwill will generally be determined by reference to the Company's market capitalisation, the Company could become a PFIC for any taxable year if the price of the Ordinary Shares declines significantly while the Company holds a substantial amount of cash and financial investments. In addition, the application of the PFIC rules is subject to some uncertainties and the proper characterisation of certain items of the Company's income and assets may not be entirely clear.

Application of PFIC Rules to the Ordinary Shares

If (i) the Company were a PFIC for any taxable year (or portion thereof) that is included in the holding period of a U.S. holder and (ii) in the case of Ordinary shares, the U.S. holder did not make a timely and effective QEF election for the Company's first taxable year as a PFIC in which the U.S. holder held (or was deemed to hold) Ordinary Shares (such taxable year as it relates to each U.S. holder, the "First PFIC Holding Year") or a "mark-to-market" election, each as described below under "QEF Election and Mark-to-Market Election," then such holder will generally be subject to special rules (the "Default PFIC Regime") with respect to:

- any gain recognised by the U.S. holder on the sale or other disposition of its Ordinary Shares; and
- any "excess distribution" made to the U.S. holder (generally, any distributions to such U.S. holder during a taxable year of the U.S. holder that are greater than 125% of the average annual distributions received by such U.S. Holder in respect of Ordinary Shares during the three preceding taxable years of such U.S. holder or, if shorter, such U.S. holder's holding period for such shares).

Under the Default PFIC Regime:

- the U.S. holder's gain or excess distribution will be allocated rateably over the U.S. holder's holding period for its shares;
- the amount of gain allocated to the U.S. holder's taxable year in which the U.S. holder recognised the gain or received the excess distribution, or to the period in the U.S. Holder's holding period before the first day of the first taxable year in which the Company is a PFIC, will be taxed as ordinary income;
- the amount of gain allocated to other taxable years (or portions thereof) of the U.S. holder and included in such U.S. holder's holding period will be taxed at the highest tax rate in effect for that year and applicable to the U.S. holder; and
- an additional tax equal to the interest charge generally applicable to underpayments of tax will be imposed on the U.S. holder in respect of the tax attributable to each such other taxable year of such U.S. holder.

ALL U.S. HOLDERS ARE URGED TO CONSULT THEIR TAX ADVISORS REGARDING THE EFFECTS ON THE OWNERSHIP OR DISPOSITION OF ORDINARY SHARES, INCLUDING THE IMPACT OF ANY PROPOSED OR FINAL TREASURY REGULATIONS.

QEF Election and Mark-to-Market Election

In general, if the Company is determined to be a PFIC, a U.S. holder may avoid the Default PFIC Regime with respect to its Ordinary Shares by making a timely and effective "qualified electing fund" election under Section 1295 of the Code (a "QEF Election") for such holder's First
PFIC Holding Year. In order to comply with the requirements of a QEF election with respect to Ordinary Shares, a U.S. holder must receive certain information from the Company.

If the Company determines that it is a PFIC for any taxable year, it will endeavour to provide U.S. Holders a PFIC Annual Information Statement with respect to the Company and any Lower-tier PFIC to enable them to make the QEF Elections, but there is no assurance that the Company will timely provide this information. There is also no assurance that the Company will have timely knowledge of its status as a PFIC, that the information that the Company provides will be adequate to allow U.S. Holders to make a QEF Election, or that, if the Company is a PFIC after Completion, the Company will continue to provide this information in future years. In addition, the Company may not hold a controlling interest in any Lower-tier PFIC and thus there can be no assurance that it will be able to cause the Lower-tier PFIC to provide any information necessary to make a valid QEF Election with respect to that company, in which case U.S. Holders may be subject to the general PFIC rules with respect to the Lower-tier PFIC notwithstanding their QEF Election with respect to the Company. U.S. Holders should consult their own tax advisors as to the advisability of, consequences of, and procedures for making, a QEF Election.

A U.S. Holder may make a separate election to defer the payment of taxes on undistributed income inclusions under the rules for PFICs for which a QEF Election has been made, but if deferred, any such taxes will be subject to an interest charge. If such U.S. Holder is not a corporation, any such interest paid will be treated as “personal interest,” which is not deductible.

Alternatively, if a U.S. holder, at the close of its taxable year, owns (or is deemed to own) shares in a PFIC that are treated as marketable shares, the U.S. holder may make a mark-to-market election with respect to such shares for such taxable year. If the U.S. holder makes a valid mark-to-market election for such holder's First PFIC Holding Year, such holder will generally not be subject to the Default PFIC Regime in respect to its Ordinary Shares as long as such shares continue to be treated as marketable shares. Instead, in general, the U.S. holder will include as ordinary income for each year that the Company is treated as a PFIC the excess, if any, of the fair market value of its Ordinary Shares at the end of its taxable year over the adjusted basis in its Ordinary Shares. The U.S. holder also will be allowed to take an ordinary loss in respect of the excess, if any, of the adjusted basis of its Ordinary Shares over the fair market value of its Ordinary Shares at the end of its taxable year (but only to the extent of the net amount of previously included income as a result of the mark-to-market election). The U.S. holder's basis in its Ordinary Shares will be adjusted to reflect any such income or loss amounts, and any further gain recognised on a sale or other taxable disposition of the Ordinary Shares in a taxable year in which the Company is treated as a PFIC will be treated as ordinary income. Special tax rules may also apply if a U.S. holder makes a mark-to-market election for a taxable year after such holder's First PFIC Holding Year.

In the case of Ordinary Shares, the mark-to-market election is available only for stock that is regularly traded on a foreign securities exchange that is regulated or supervised by a governmental authority of the country in which the market is located and which has certain characteristics prescribed in U.S. Treasury Regulations. U.S. holders should consult their own tax advisors regarding the availability and tax consequences of a mark-to-market election in respect to Ordinary Shares under their particular circumstances.

If the Company is a PFIC and, at any time, has a foreign subsidiary that is classified as a PFIC, U.S. holders would generally be deemed to own a portion of the shares of such lower-tier PFIC, and generally could incur liability for the deferred tax and interest charge described above if the Company receives a distribution from, or disposes of all or part of the Company's interest in, the lower-tier PFIC or the U.S. holders otherwise were deemed to have disposed of an interest in the lower-tier PFIC. A mark-to-market election generally would not be available with respect to such lower-tier PFIC. U.S. holders are urged to consult their own tax advisors regarding the tax issues raised by lower-tier PFICs.

A U.S. holder that owns (or is deemed to own) shares in a PFIC during any taxable year of the U.S. holder, may have to file an IRS Form 8621 (whether or not a QEF or market-to-market election is made) with such U.S. holder's U.S. federal income tax return and provide such other information as may be required by the U.S. Treasury Department. The rules dealing with PFICs and with the QEF and mark-to-market elections are very complex and are affected by various factors in addition to those described above. Accordingly, U.S. holders of Ordinary Shares should consult their own tax advisors concerning the application of the PFIC rules to the Company's Ordinary Shares securities under their particular circumstances.

THE RULES DEALING WITH PFICs ARE VERY COMPLEX AND ARE IMPACTED BY VARIOUS FACTORS IN ADDITION TO THOSE DESCRIBED ABOVE. ALL U.S. HOLDERS ARE URGED TO CONSULT THEIR TAX ADVISORS REGARDING THE CONSEQUENCES TO THEM OF THE PFIC RULES, INCLUDING, WITHOUT LIMITATION, WHETHER A QEF ELECTION, A MARK-TO-MARKET ELECTION OR ANY OTHER ELECTION IS AVAILABLE AND THE CONSEQUENCES TO THEM OF ANY SUCH ELECTION AND THE IMPACT OF ANY PROPOSED OR FINAL PFIC TREASURY REGULATIONS.

Information Reporting and Backup Withholding

Payments of dividends and sales proceeds from the disposition of Ordinary Shares made to a U.S. holder may be subject to information reporting requirements. Such payments may be subject to backup withholding tax in the case of a U.S. holder that fails to comply with applicable certification requirements. A U.S. holder generally may certify its compliance with the backup withholding rules on IRS Form W-9. Certain U.S. holders are exempt from information reporting requirements and backup withholding tax, but may be required to properly certify their exempt status.

Backup withholding tax is not an additional tax. A U.S. holder generally may obtain a credit of any amounts withheld against such U.S. holder's liability for U.S. federal income tax (and obtain a refund of any amounts withheld in excess of such liability) by timely filing a U.S. federal income tax return with the IRS.
Certain Additional Reporting Requirements

Individual U.S. holders (and to the extent specified in applicable Treasury regulations, certain U.S. holders that are entities) that hold “specified foreign financial assets,” whose aggregate value exceeds $75,000 at any time during the taxable year or $50,000 on the last day of the taxable year (or such higher amounts as prescribed by applicable Treasury regulations) are required to file a report on IRS Form 8938 with information relating to the assets for each such taxable year. Specified foreign financial assets would include, among other things, Ordinary Shares, unless the Ordinary Shares are held in an account maintained by a U.S. financial institution. Substantial penalties apply to any failure to timely file IRS Form 8938. Additionally, in the event a U.S. holder that is required to file IRS Form 8938 does not file such form, the statute of limitations on the assessment and collection of U.S. federal income taxes of such holder for the related tax year may not close until three years after the date that the required information is filed. U.S. holders should consult their own tax advisors regarding their reporting obligations with respect to specified foreign financial assets.
Prior to voting on the Resolutions, Shareholders should carefully consider all the uncertainties and risks referred to or described below, together with the other information that is included or incorporated by reference in this Circular, including but not limited to those risk factors discussed in the section “Risk Factors” in the EFIC1 IPO Prospectus (in particular the risk factors that relate to the potential situation in which the Business Combination would not be completed).

The occurrence of any of the events or circumstances described in the below risk factors, individually or together with other circumstances, could have a material adverse effect on the Company’s, or following completion on the Combined Group’s, business, financial condition, results of operations and prospects. The trading price of the Ordinary Shares and/or the Warrants could decline and a Shareholder might lose part or all of its investment upon the occurrence of any such event.

All of these risk factors and events are contingencies that may or may not occur. The Company or, following Completion, the Combined Group, may face a number of these risks described below simultaneously and some risks described below may be interdependent. Although the most material risk factors have been presented first within each category, the order in which the remaining risks are presented is not necessarily an indication of the likelihood of the risks actually materialising, of the potential significance of the risks or of the scope of any potential negative impact to the Company’s or following Completion on the Combined Group’s business, financial condition, results of operations and prospects. While the risk factors below have been divided into categories, some risk factors could belong in more than one category and Shareholders should carefully consider all of the risk factors set out in this section.

Although the Company believes that the risks and uncertainties described below are the material risks and uncertainties concerning the Company’s, or following Completion, the Combined Group’s, business and industry, and the Ordinary Shares and/or the Warrants, they are not the only risks and uncertainties relating to the Company, following Completion, the Combined Group, and the Ordinary Shares and/or the Warrants. Other risks, events, facts or circumstances not presently known to the Company or that the Company currently deems to be immaterial could, individually or cumulatively, prove to be important and may have a significant negative impact on the Company’s, or following Completion, the Combined Group’s, business, financial condition, results of operations and prospects.

**RISKS RELATING TO THE TRANSACTION**

1. **The Sponsors have agreed to vote in favour of the Business Combination, regardless of how the other Shareholders vote.**

   In connection with the Business Combination, the Sponsors have each agreed to vote their Ordinary Shares and Special Shares in favour of the Business Combination. On the date of the Business Combination EGM, the Sponsors collectively have approximately 28.4% of the voting rights by owning certain outstanding Ordinary Shares and Special Shares. Accordingly, it is more likely that the necessary Shareholder approval for the Business Combination will be received than would be the case if the Sponsors agreed to vote their Ordinary Shares and Special Shares in accordance with the majority of the votes cast by the other Shareholders.

2. **The implementation of the Business Combination is subject to satisfaction or waiver, where applicable of a number of conditions.**

   Even if the Business Combination Agreement is approved by the Shareholders, specified conditions must be satisfied or waived before the parties to the Business Combination Agreement are obligated to complete the Business Combination. For a list of the material closing conditions contained in the Business Combination Agreement, see “The Business Combination – Principal Terms of the Business Combination”. EFIC1 and Azerion may not satisfy all of the completion conditions in the Business Combination Agreement. If the completion conditions are not satisfied or waived, the Business Combination will not occur, or will be delayed pending later satisfaction or waiver, and such delay may cause EFIC1 and Azerion to each lose some or all of the intended benefits of the Business Combination.

3. **The EFIC1 Board did not obtain a third-party valuation or fairness opinion in determining whether or not to proceed with the Business Combination.**

   The EFIC1 Board did not obtain a third-party valuation or fairness opinion in connection with its determination to recommend the Business Combination. In analysing the Business Combination, the EFIC1 Board conducted due diligence on Azerion. The EFIC1 Board also consulted with Azerion’s management and legal counsel, financial advisors and other advisors and considered a number of factors, uncertainties and risks. Although the EFIC1 Board undertook analyses of the business and financial conditions and prospects of Azerion in making its determination regarding the fairness of the terms of the Business Combination, there can be no assurance that an independent analysis would arrive at the same conclusion. The EFIC1 Board relied upon its own substantial business experience and the expertise of its individual members in the areas of mergers and acquisitions, and finance and in evaluating the operating and financial merits of companies from a wide range of industries, and
concluded that their experience and expertise, together with the experience and expertise of EFIC1’s financial advisor, enabled them to determine the value range of Azerion and whether the terms of the Business Combination are fair to the Shareholders.

Accordingly, there is a risk that the EFIC1 Board may be incorrect in its assessment of the Business Combination or the value of Azerion and, as a result, the terms may not be fair from a financial point of view to the Shareholders. As a result, there can be no assurance that Shareholders will receive the value of their investment upon disposition thereof. The lack of a third-party valuation or fairness opinion may also lead an increased number of Shareholders to vote against the proposed Business Combination or demand repurchase of their shares for cash, which could potentially impact EFIC1’s ability to complete the Business Combination.

4. **The ability of the Shareholders to exercise repurchase rights with respect to a large number of Ordinary Shares could increase the probability that the Business Combination would be unsuccessful.**

Completion is conditional upon the aggregate of the funds in the EFIC1 Escrow Account plus the Sponsors & Co-Investors Commitment Amount reaching a minimum amount of €200 million at Completion, after giving effect to repurchases, which condition can be waived by Azerion on a discretionary basis up to one Business Day before the EGM. The waiver of the minimum cash condition would not trigger a new General Meeting nor a new opportunity for Shareholders to redeem their Ordinary Shares. It is unknown how many Shareholders will ultimately exercise their repurchase rights in connection with the Share Repurchase Arrangement. As such, the Business Combination is structured, in part, based on the expectation of the Company (and those of the other parties to the Business Combination Agreement) as to the number of Ordinary Shares that will be submitted for repurchase. In the event that Shareholders exercise repurchase rights with respect to a number of Ordinary Shares such that this condition is not met, the Company may need to seek to arrange for additional third party financing to be able to satisfy the condition. Raising such additional financing may involve dilutive equity issuances or the incurrence of indebtedness at higher than desirable levels. Alternatively, Azerion and Principion may waive this condition, resulting in decreased market liquidity of the Ordinary Shares.

If too many of the Shareholders submit their Ordinary Shares for repurchase under the Share Repurchase Arrangement and additional third-party financing is not available to the Company, there is an increased probability that the Business Combination will be unsuccessful. If the Business Combination is unsuccessful, Shareholders will not receive the pro rata portion of the funds in the Escrow Account until the Company liquidates the Escrow Account. If Shareholders are in need of immediate liquidity, they could attempt to sell their Ordinary Shares in the open market; however, at such time the Company's Ordinary Shares may trade at a discount to the pro rata amount per Ordinary Share in the Escrow Account. In either situation, Shareholders may suffer a material loss on their investment or lose the benefit of funds expected in connection with repurchase until the Liquidation or until such Shareholders are able to sell their Ordinary Shares in the open market.

5. **Since the Sponsors and the members of the EFIC1 Board have interests that are different, or in addition to (and which may conflict with), the interests of the Shareholders, a conflict of interest may have existed in determining whether the Business Combination with Azerion is appropriate. Such interests include that the Sponsors and the members of the EFIC1 Board will lose their entire investment with), the interests of the Shareholders, a conflict of interest may have existed in determining whether the Business Combination with Azerion is appropriate. Such interests include that the Sponsors and the members of the EFIC1 Board will lose their entire investment in the Ordinary Shares if a business combination is not completed, and that the Sponsors will benefit from the completion of a business combination and may be incentivised to complete the Business Combination, even if it is with a less favourable target company or on less favourable terms to Shareholders, rather than liquidate EFIC1.**

When Shareholders are considering the recommendation of the EFIC1 Board in favour of approval of the Business Combination proposal, Shareholders should keep in mind that the Sponsors and the members of the EFIC1 Board have interests in such proposal that are different from, or in addition to (which may conflict with), those of the Shareholders and the Warrant Holders generally. The EFIC1 Board is aware of and considered these interests, among other matters, in evaluating and negotiating the Business Combination Agreement and in recommending to EFIC1’s Shareholders that they vote in favour of the proposals presented at the EGM, including the Business Combination proposal. Shareholders should take these interests into account in deciding whether to approve the proposals presented at the EGM, including the Business Combination proposal.

The foregoing interests, and those set forth in more detail below, present a risk that the Sponsors and its affiliates will benefit from the completion of a business combination, including in a manner that may not be aligned with the Shareholders – as such, the Sponsors may be incentivised to complete an acquisition of a less favourable target company or on terms less favourable to Shareholders rather than liquidate. These interests include, among other things, the interests listed in the table below:

**No Repurchase**

**Immediately After Business Combination**

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<tr>
<th>Name</th>
<th>Conditional Special Shares</th>
<th>Founder Warrants</th>
<th>Capital Shares</th>
<th>Ordinary Shares</th>
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<td>#</td>
<td>%</td>
<td>#</td>
</tr>
<tr>
<td>Martin Blessing</td>
<td>136,696</td>
<td>11.9%</td>
<td>434,476</td>
<td>1.9%</td>
<td>774,608</td>
</tr>
<tr>
<td>Nicholas Aperghis</td>
<td>202,464</td>
<td>17.6%</td>
<td>606,698</td>
<td>2.6%</td>
<td>1,147,297</td>
</tr>
<tr>
<td>Clara Streit</td>
<td>28,371</td>
<td>2.5%</td>
<td>73,570</td>
<td>0.3%</td>
<td>160,769</td>
</tr>
</tbody>
</table>
Since the Sponsors and the members of the EFIC1 Board have interests that are different, or in addition to their financial or personal interests, a conflict of interest may have existed in determining whether the Business Combination Agreement was appropriate. Such events could arise because of changes in Azerion's business, a request by Azerion to undertake actions that require EFIC1's consent under the Business Combination Agreement or the occurrence of other events that would have a material adverse effect on Azerion's business and would entitle EFIC1 to terminate the Business Combination Agreement. The personal and financial interests of the Sponsors as well as one or more members of the EFIC1 Board may have influenced their motivation in identifying and selecting Azerion as a business combination target, completing a business combination with Azerion and influencing the operation of the business following the Business Combination. In considering the recommendations of the EFIC1 Board to vote for the proposals, Shareholders should consider these interests.

6. The exercise of discretion by the members of the EFIC1 Board in agreeing to changes in the terms of the Business Combination or waivers of conditions may result in a conflict of interest when determining whether such changes to the terms of the Business Combination or waivers of conditions are appropriate and in the Shareholders' best interest.

Prior to Completion, events may occur that, pursuant to the Business Combination Agreement, would require EFIC1 to agree to amend the Business Combination Agreement, to consent to certain actions intended or proposed to be taken by Azerion or to waive rights that EFIC1 has under the Business Combination Agreement. Such events could arise because of changes in Azerion's business, a request by Azerion to undertake actions that require EFIC1's consent under the Business Combination Agreement or the occurrence of other events that would have a material adverse effect on Azerion's business and would entitle EFIC1 to terminate the Business Combination Agreement. In any such circumstances, it would be at EFIC1's discretion, acting through its Board, to agree to any such amendment of the Business Combination to grant its consent to such a request or waive any such rights. The existence of financial or personal interests of one or more of the members of the EFIC1 Board described in “Since the Sponsors and the members of the EFIC1 Board have interests that are different, or in addition to (and which may conflict with), the interests of the Shareholders, a conflict of interest may have existed in determining whether the Business

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| EFIC1 Cooperative | 508,095 | 44.1% | 1,477,581 | 6.4% | 11 | 50.0% | 2,879,205 | 2.1% | - | - |

| HTP Sponsor | 644,791 | 55.9% | 3,344,111 | 14.4% | 11 | 50.0% | 7,653,814 | 5.5% | 1,333,333 | 10.5% |

| Ben Davey | - | - | 434,476 | 1.9% | - | - | 774,608 | 0.6% | - | - |

| Martin Blessing | - | - | - | - | - | - | 100,000 | 0.1% | - | - |

| Nicholas Aperghis | - | - | - | - | - | - | 25,000 | 0.0% | - | - |

| Ben Davey | - | - | - | - | - | - | 25,000 | 0.0% | - | - |

| Jan Bennink | - | - | - | - | - | - | 50,000 | 0.0% | - | - |

| Wim de Pundert | - | - | - | - | - | - | 1,000,000 | 0.7% | - | - |

| Clara Streit | - | - | - | - | - | - | 35,000 | 0.0% | - | - |

| Hélène Vletter-Van | - | - | - | - | - | - | 15,000 | 0.0% | - | - |

| Dort | - | - | - | - | - | - | 25,000 | 0.0% | - | - |

| Other Investors | - | - | - | - | - | - | 1,040,000 | 0.7% | - | - |

| Sponsors & Co-Investors | - | - | - | - | - | - | 2,315,000 | 1.7% | - | - |

| Princion | - | - | 17,992,773 | 77.4% | - | - | 76,888,348 | 55.4% | - | - |

| Azerion DR Holders | - | - | - | - | - | - | 7,873,191 | 5.7% | - | - |

| SAR Holders | - | - | - | - | - | - | 6,115,784 | 4.4% | - | - |

| Azerion | - | - | 17,992,773 | 77.4% | - | - | 90,877,323 | 65.5% | - | - |

| Other Shareholders | - | - | - | - | - | - | 34,209,815 | 24.7% | 11,403,272 | 89.5% |

**Total** | 1,152,886 | 100.0% | 23,248,941 | 100.0% | 22 | 100.0% | 138,709,766 | 100.0% | 12,736,605 | 100.0%
Combination with Azerion is appropriate. Such interests include that the Sponsors and the members of the EFIC1 Board will lose their entire investment in the Ordinary Shares if a business combination is not completed, and that the Sponsors will benefit from the completion of a business combination and may be incentivised to complete the Business Combination, even if it is with a less favourable target company or on less favourable terms to Shareholders, rather than liquidate EFIC1." may result in a conflict of interest on the part of such member between what he, she or they may believe is best for EFIC1, its Shareholders and Warrant Holders and what he, she or they may believe is best for himself, herself or themselves in determining whether or not to take the requested action or waive rights. As of the date of this Circular, EFIC1 does not foresee that there will be any such amendments, changes or waivers that EFIC1 would be likely to make. While certain changes could be made without further Shareholder approval, EFIC1 intends to circulate a new or amended Circular if changes in the terms of the Business Combination or waivers of conditions have a material impact on the position of the Shareholders and Warrant Holders.

7. Chris Figee and Klaas Meertens have negotiated to remain with the Company after the Business Combination by serving as members of the Supervisory Board. These agreements provide for them to receive compensation following the Business Combination and as a result, may have caused them to have conflicts of interest in determining whether a particular proposed Business Combination is the most advantageous.

Chris Figee and Klaas Meertens have negotiated to remain with the Company after the Business Combination by serving as members of the Supervisory Board. In addition, Ben Davey will serve as a member of the executive committee of the Company. See "Business Combination – Corporate Governance". The negotiations have taken place simultaneously with the negotiation of the Business Combination and provide for such individuals to receive compensation in line with market standard in the form of cash payments and securities or other forms of consideration in exchange for services they render to it after Completion. The main terms of these remuneration packages have been agreed as of the date of this Circular. The personal and financial interests of such members of the EFIC1 Board may have influenced their decisions in identifying and selecting Azerion as a target business. Although the Company believes the ability of such individuals to negotiate individual agreements will not be a significant determining factor in the decision to proceed with the Business Combination, there is a risk that such individual considerations have given rise to a conflict of interest on the part of the members of the EFIC1 Board in their decision to proceed with the Business Combination.

8. EFIC1 and Azerion will incur significant transaction-related costs in connection with the Business Combination.

EFIC1 and Azerion have both incurred and expect to incur significant costs in connection with completing the Business Combination. Certain transaction expenses incurred in connection with the Business Combination, including legal, financial, accounting, tax, consulting, investment banking and other fees, expenses and costs, will be for the account of, or paid by, the party incurring such fees, expenses and costs, or otherwise paid by the Company following the Completion. Furthermore, certain additional transaction-related costs will be for the account of the Company if the Business Combination would fail. Certain affiliates of the Sponsors have entered into an irrevocable undertaking vis-à-vis the Company pursuant to which they have committed to contribute an aggregate maximum amount of €2.7 million to the Company, upon request of the EFIC1 Board, to cover transaction expenses incurred in connection with the Business Combination. EFIC1 and Azerion may also incur unanticipated costs associated with the Business Combination and these unanticipated costs may have an adverse impact on the results of operations of the Company following Completion. EFIC1 and Azerion cannot provide assurance that the benefits of the Business Combination will offset the incremental transaction costs in the near term, if at all. EFIC1 and Azerion currently estimate that transaction expenses will be approximately €42 million.

9. The diligence performed by EFIC1 in connection with Business Combination may not have revealed all relevant issues and liabilities.

If EFIC1’s due diligence investigation of Azerion’s business was inadequate, then following the Business Combination Shareholders and Warrant Holders could lose some or all of their investment. Even though EFIC1 conducted a due diligence investigation with the assistance of external advisors of Azerion's business, EFIC1 cannot be sure that this diligence uncovered all material issues that may be present inside Azerion's business, or that it would be possible to uncover all material issues through a customary amount of due diligence, or that factors outside Azerion's business and outside of its control will not later arise.

Whilst conducting due diligence and assessing a potential acquisition, EFIC1 was required to rely on information provided by Azerion, third party investigations and public sources. EFIC1 relied on this information for the evaluation of Azerion's business model and for the formation of the estimates and projections of potential future performance underlying its decision to enter into the Business Combination. There can be no assurance, however, that the due diligence undertaken with respect to Azerion has revealed all relevant facts that may be necessary to fully and accurately evaluate Azerion, which evaluation includes a fair determination of the consideration payable by EFIC1 in connection with the Business Combination, or to formulate a business strategy. Furthermore, the information provided during the due diligence may have been incomplete, inadequate or inaccurate information or EFIC1 may have misunderstood information. If EFIC1 was provided with incomplete, inadequate, incorrect or if it misunderstood information, its assumptions and estimates relating to the merits, risks and opportunities of the Business Combination may be inaccurate. In addition, if the due diligence investigation has failed to correctly identify material issues and liabilities that may be present in Azerion, or if EFIC1 considers such material risks to be commercially acceptable relative to the opportunity, and EFIC1 proceeds with the Business Combination, the Company may subsequently incur substantial impairment charges or other losses effectively meaning that EFIC1 has overpaid for Azerion.
In addition, following Completion, the Company may be subject to significant, previously undisclosed liabilities of a target business that were not identified during due diligence and which could contribute to poor operational performance, undermine any attempt to restructure, operate and/or grow the target business in line with the Company's business plan and may materially and adversely affect Azerion's business, financial condition and results of operations.

10. **The Warrants are subject to mandatory redemption and therefore the Company may redeem a holder's unexpired Warrants prior to their exercise at a time that is disadvantageous to the Warrant Holder.**

The Warrants are subject to mandatory redemption by the Company, in whole but not in part, at any time during the Warrant Exercise Period, which starts 30 days after Completion, at a redemption price of €0.01 per Public Warrant if, and only if, at any time the closing 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 ending three Business Days before the Company sends the notice of redemption. In addition, the Company may redeem the outstanding Warrants at any time after they become exercisable and prior to their expiration, at a price of €0.10 per Public Warrant upon a minimum of 30 days' prior written notice of redemption; provided that the closing price of the Ordinary Shares for any 20 trading days within a 30 consecutive trading day period ending three Business Days before the Company sends the notice of redemption, equals or exceeds €10.00 per share (as adjusted for adjustments to the number of Ordinary Shares issuable upon exercise or the Warrant Exercise Price); provided that certain other conditions are met, including that holders will be able to exercise their Warrants prior to redemption for a number of Ordinary Shares determined based on the redemption date and the fair market value of the Ordinary Shares. The net value received upon exercise of the Warrants (1) may be less than the value the holders would have received if they had exercised their Warrants at a later time where the underlying Ordinary Share price is higher; and (2) may not compensate the holders for the value of the Warrants, including because the number of Ordinary Shares received is capped at 0.361 Ordinary Share per Public Warrant (subject to adjustment) irrespective of the remaining life of the Warrants. None of the Founder Warrants will be redeemable by the Company so long as such Founder Warrants are held by a Sponsor or any Permitted Transferees except with such holder's consent. In particular, a holder of Founder Warrants may elect to have its Founder Warrants redeemed on a cashless basis concurrently with, and on the same terms as, a redemption of Warrants based on the right of the Company to redeem Warrants as described in this paragraph. Following the notice of redemption, which will be published a minimum of 30 calendar days' prior to the redemption, mandatory redemption of the outstanding Warrants could effectively force a Warrant Holder (i) to exercise its Warrants and pay the Warrant Exercise Price at a time when it may be disadvantageous for the Warrant Holder to do so; (ii) to sell its Warrants at the then-current market price when he or she might otherwise wish to hold its Warrants; or (iii) to accept the above redemption price which, at the time the outstanding Warrants are called for redemption, is likely to be substantially less than the market value of such Warrants.

11. **If the Business Combination is not completed, potential target businesses may have leverage over the Company in negotiating a business combination and the Company’s ability and financial resources to conduct due diligence on a business combination as the Company approaches its dissolution deadline may decrease, which could undermine the Company’s ability to complete a business combination on terms that would produce value for the Shareholders and the Warrant Holders.**

Any potential target business with which the Company enters into negotiations concerning a business combination will be aware that the Company must complete an initial business combination by 30 March 2023. Consequently, if the Company is unable to complete this Business Combination, a potential target may obtain leverage over the Company in negotiating a business combination, knowing that the Company may be unable to complete a business combination with another target business by 30 March 2023. This risk will increase as EFIC1 gets closer to the timeframe described above. In addition, the Company may have limited time and less financial resources to conduct due diligence and may enter into a business combination on terms that the Company would have rejected upon a more comprehensive investigation.

12. **Because of the limited resources of EFIC1 and the significant competition for business combination opportunities, if the Business Combination is not completed, it may be more difficult for EFIC1 to complete a business combination. If EFIC1 has not completed a business combination within the required time period, Shareholders will receive less than €10.00 per share, due to i.a. the negative interest paid on the Escrow Account (which is effectively borne by the Shareholder on a pro rata basis), on repurchase of their shares, and the Warrants will expire worthless.**

EFIC1 has encountered and expects to encounter intense competition from other entities having a similar business objective, including private investors (which may be individuals or investment partnerships), other special purpose acquisition companies and other entities, domestic and international, competing for the types of businesses EFIC1 intends to acquire. Many of these individuals and entities are well-established and have extensive experience in identifying and effecting, directly or indirectly, acquisitions of companies operating in or providing services to various industries. Many of these competitors possess similar or greater technical, human and other resources more local industry knowledge than EFIC1 does and EFIC1’s financial resources are relatively limited when contrasted with those of many of these competitors. While EFIC1 believes there are numerous target businesses it could potentially acquire, should the Business Combination fail, its ability to compete with respect to the acquisition of certain target businesses that are sizable is limited by the available financial resources, which will be further decreased as a result of (i) the transaction-related costs incurred by EFIC1 in connection with the evaluation, negotiation and effectuation of the Business Combination as well as the additional transaction-related costs that will be for the account of the Company if the Business Combination would fail; and (ii) the negative interest that the Company will need to continue to pay on the proceeds in the Escrow Account if the Business Combination would fail. Such negative interest is effectively borne by all Shareholders on a pro rata basis. This inherent competitive limitation gives others an advantage in pursuing the acquisition of certain target businesses. Furthermore, EFIC1 is obligated to
offer Shareholders the right to have their shares repurchased for cash at the time of a business combination in conjunction with a Shareholder vote. Target companies will be aware that this may reduce the resources available to EFIC1 for the business combination. Any of these obligations may place EFIC1 at a competitive disadvantage in successfully negotiating and effectuating a business combination. If EFIC1 has not completed a business combination within the required time period, Shareholders will receive less than €10.00 per share, due to inter alia, the negative interest paid on the funds held in the Escrow Account (which is effectively borne by the Shareholders on a pro rata basis) and the Warrants will expire worthless.

13. **Because Azerion will become a publicly-traded company through the Business Combination rather than through an initial public offering, the scope of due diligence conducted will be different than that conducted by an underwriting syndicate in an initial public offering.**

Because Azerion will become a publicly-traded company through the Business Combination by means of completing the Business Combination rather than by means of a traditional initial public offering, there is no independent third-party underwriting syndicate selling the Ordinary Shares, and, accordingly, the Shareholders will not have the benefit of an independent review and investigation of the type normally performed.

Since EFIC1 is already a publicly-traded company, no underwriting syndicate has been engaged. The Sponsors have an inherent conflict as they will lose their investment in the Ordinary Shares if a business combination is not completed. While EFIC1 conducted a due diligence review and investigation on Azerion, it is not necessarily the same level of due diligence undertaken by an underwriting syndicate in a traditional initial public offering and, therefore, it may not have uncovered facts that would be important to a potential investor, resulting in an heightened risk of an incorrect valuation of the business or material misstatements or omissions in this document.

Moreover, the Shareholders will not benefit from additional roles of the underwriting syndicate in a traditional initial public offering, such as the book-building process, which helps inform efficient price discovery, and underwriter support to help stabilize the public price of the new issuance immediately after listing. The lack of such support in connection with the Ordinary Shares could result in greater potential for errors, diminished investor demand, inefficiencies in pricing and a more volatile public price for the Ordinary Shares during the period immediately following the Completion.

**RISKS RELATING TO AZERION'S BUSINESS FOLLOWING THE BUSINESS COMBINATION**

14. **If Azerion fails to acquire, develop, distribute or introduce new popular online games and successfully extend the life of its existing popular online games and grow the user base of, and encourage continued user engagement with those games, it will not be able to compete effectively in the online gaming industry.**

The online gaming industry is a highly competitive, fluid environment where user preferences for online games are difficult to predict. Azerion's future success depends not only on the popularity of its existing online games portfolio but also on its ability to develop, acquire or license and distribute popular online games, thereby expanding or maintaining its portfolio with games in a variety of genres that are in line with market trends and user preferences. Acquiring existing games with an established user base is a key element of Azerion's strategy to develop its portfolio of games, particularly its premium games portfolio. See “Azerion's Business – Premium Gaming”. Consequently, Azerion is in part dependent on the availability of sufficiently popular games to acquire or license. Acquiring or licensing sufficiently popular games, developing successful new games and enhancing existing games can be challenging and requires a deep understanding of the online gaming industry in the markets where Azerion's games are published and an ability to timely anticipate and effectively respond to the game user's changing interests and preferences. A significant portion of Azerion's portfolio involves the acquiring, developing, publishing and continued servicing of "free-to-play" ("F2P") games that users download and spend time and money playing. Successfully monetising such games is difficult and requires that Azerion delivers valuable and entertaining player experiences that a sufficient number of players will pay for or that Azerion is able to otherwise sufficiently monetise its games (for example, by serving in-game advertising through its advertising). The success of Azerion's games depends, in part, on unpredictable and volatile factors beyond its control including consumer preferences, the popularity and availability of competing games, new technology, mobile devices and operating systems and the popularity and availability of other entertainment experiences. If Azerion is not able to successfully respond to these factors, this may adversely affect its business, financial condition and results of operations.

Successfully extending the lifespan of games in Azerion's portfolio requires their continued improvement and timely updates of new features and functionalities that not only appeal to new and existing users but also improves the games' overall user loyalty. The extent to which Azerion can successfully maintain and increase the popularity of its online games depends on its ability to anticipate general market trends in the online gaming industry as well as the specific preferences of its games users. In the year ended 31 December 2020, a significant part of the revenue of Azerion's premium gaming segment is generated by the four most popular games of its premium games portfolio, which consists of nine titles in total. Given the unpredictable nature of the popularity of online games, there can be no assurance that the popularity of, and revenue generated by, these four games will not decline. In the year ended 31 December 2020, revenue from Azerion's other premium games, including any newly acquired or developed games, may not be sufficient to offset any such decline in the revenue generated by its four most popular premium games. In addition, in the course of operating Azerion's online games, certain game features may periodically be introduced, changed or removed. Unexpected technical, operational, deployment, programming or other problems could delay or prevent the introduction of new features and game updates, which could result in a loss of, or delay in revenues or cause damage to Azerion's reputation and brand. If any of the new features is introduced with defects, errors or failures, Azerion could experience decreased sales, loss of end users and damage to its reputation and brand. Azerion cannot guarantee that the introduction, change or removal of any game feature will be well received by its games.
users, who may decide to reduce or eliminate their playing time in response to any such introduction, change or removal. As a result, any introduction, change or removal of game features may adversely impact the popularity or lifespan of Azerion's games. As part of its strategy to grow the user base of its existing premium games, Azerion incurs costs to attract users to play its games through marketing campaigns and other efforts. There can be no assurance that these user acquisition costs will result in more users playing Azerion's premium games or more revenue generated by its premium games. In addition, Azerion seeks to encourage users of its F2P casual games to start using its premium games where it generates higher average revenue per user. See "Azerion's Business – Azerion's Business Model." However, there can be no assurance that Azerion's premium games will be perceived to be sufficiently attractive by users of its casual games to start playing its premium games and make in-game purchases. If Azerion is unsuccessful in attracting new users to its premium games, this may materially and adversely affect its business, financial condition and results of operations.

Due to the rapidly evolving nature of the online gaming industry, Azerion cannot estimate with certainty the total lifespan of any of its games. Changes in the overall market trends in the online gaming industry or in users' preferences could alter the lifespan of Azerion's games or even cause its users to stop playing some or all of its games altogether. New games, or new versions of games introduced to the market, including Azerion's own games, may attract game users away from its existing games and shrink the user base of its existing games, regardless of its attempts to extend the life of its existing games. The popularity of some of Azerion's games, such as Habbo (one of Azerion's premium gaming titles) and other games built around an online community, depends in part on network effects, the value of which diminishes if and when the user base shrinks. In addition, new online programming technologies and the discontinuation of existing technologies that Azerion relies on for its games, could render its online games less appealing to users or could render its games obsolete. For instance, on 1 February 2020, Adobe Flash was discontinued across the Internet and replaced by HTML5. The change, which was first announced in 2017, required Azerion to redevelop a number of its gaming titles, including Habbo, in HTML 5. There can be no assurance that Azerion will be able to respond adequately and timely to any future technological or other changes. Any failure to successfully extend the life of Azerion's existing popular online games, to encourage continued user engagement with those games or to adequately and timely respond to technology and other changes in the online gaming industry may materially and adversely affect Azerion's business, financial condition and results of operations.

15. Any failure to adjust to changes in technology, development platforms, mobile devices or operating models in the online gaming industry will have an adverse effect on Azerion's business, financial condition and results of operations.

Technology in the online gaming industry develops rapidly. Azerion's future success depends on its ability to recognise the adoption rates of new and emerging technologies and correctly distinguish between technological turning points and temporary, short-lived trends. Azerion must continually anticipate and adapt its online games, marketing models, distribution channels and business models to emerging technologies and distribution platforms in order to attract and retain users, generate revenue and stay competitive. Implementing new technologies and operational, marketing or business models often requires substantial financial investment and other resources such as management attention. See for example the discontinuation of Adobe Flash, "– If Azerion fails to acquire, develop, distribute or introduce new popular online games and successfully extend the life of its existing popular online games and grow the user base of, and encourage continued user engagement with those games, it will not be able to compete effectively in the online gaming industry." If the implementation of such changes does not achieve commercial success, Azerion may not recover its investment. Accordingly, if Azerion fails to successfully adjust to changes in technologies, development platforms, mobile devices or operating models in the online gaming industry, its business, financial condition and results of operations may be materially and adversely affected.

16. Azerion relies on third-party content owners to continue to allow it to offer users access to sufficiently attractive gaming and other content on its distribution platforms.

The success of Azerion's distribution platforms, such as GameDistribution, Voidu and Genba, is dependent on its ability to offer users and business partners sufficiently attractive gaming and other content owned by third parties through its distribution platforms. See "Azerion's Business – Sales platforms." Any unfavourable changes in the revenue-sharing arrangements with such third-party content owners may materially impact Azerion's revenue and profitability. Disputes with third-party content owners, such as disputes relating to intellectual property rights, including licensing agreements, revenue-sharing arrangements and billing issues, may also arise from time to time and Azerion cannot guarantee that it will be able to resolve such disputes in a timely manner or at all. Any failure on Azerion's part to maintain good relationships with a sufficient number of owners of popular content could cause the number of gaming and other content downloads through its distribution platforms to decrease, which may have a material adverse effect on its business, financial condition and results of operations. See also "Failure to obtain, maintain, protect or enforce Azerion's intellectual property rights could harm its business, financial condition and results of operation."

17. Azerion's ability to successfully attract in-game advertisers depends on its ability to attract and maintain a sufficient user base, maintain sufficient advertising inventory and otherwise offer an advertising model that improves engagement whilst retaining users.

A portion of Azerion's revenue comes from the sale of in-game advertisements. If Azerion is unable to attract and maintain a sufficient user base or otherwise fail to offer attractive in-game advertising models, advertisers may not be interested in purchasing in-game advertisements in its games, which could adversely affect its revenue from in-game advertising. Conversely, if Azerion's advertising inventory is sold out and the demand exceeds the supply, this limits its ability to generate further revenue from in-game advertising, in particular during peak hours and in key geographies. Further, a full inventory may divert advertisers from allocating their advertising spending to other parties thereby depriving
Azerion of potential future in-game advertising revenue. Any of these risks could materially and adversely affect Azerion's business, financial condition and results of operations. See also “— If Azerion fails to acquire, develop, distribute or introduce new popular online games and successfully extend the life of its existing popular online games and grow the user base of, and encourage continued user engagement with those games, it will not be able to compete effectively in the online gaming industry.”

18. Azerion relies in part on third-party platforms to distribute its premium games and collect payments from users. If Azerion fails to maintain its relationships with these platforms or if Azerion's revenue-sharing arrangements with these platforms change to its detriment, its business, financial condition and results of operations may be materially and adversely affected.

In addition to its owned and operated distribution channels, Azerion publishes its premium games predominantly through the Apple iOS app store and Google Play and other application stores and platforms owned and operated by third parties. Azerion relies on the interoperability of its platform with these third-party platforms and for these third parties to promote and distribute its games, provide certain user services and, in some instances, process payments from users. Azerion is subject to these third parties' standard terms and conditions for game owners, which govern the promotion, distribution and operation of games and other applications on their platforms. If Azerion violates or if a platform provider believes that Azerion has violated its terms and conditions, the particular platform provider may discontinue or limit its access to that platform, which could harm its business. Azerion's business could also be harmed if these platforms decline in popularity with user, modify their discovery mechanisms for games, the communication channels available to game owners, their terms of service or other policies such as distribution fees, introduce caps on users' in-game spending, modify how they label free-to-play games or adjust their payment methods for in-game purchases. Furthermore, a few of these third-party platforms dominate the application distribution channels. Any changes in the revenue-sharing arrangements that Azerion has with any of the major third-party application distribution platforms may materially impact its revenue and profitability. In addition, changes in the credit period or the settlement cycle terms of these third-party platforms may materially and adversely affect Azerion's cash flows. A platform provider may also make other changes that impact access to, and use of, its platform. Such terms and policy changes may decrease the visibility or availability of Azerion's games or otherwise impact its ability to monetise the games. Disputes with third-party platforms or third-parties operating on such platforms, such as disputes relating to intellectual property rights, distribution fee arrangements and billing issues, may also arise from time to time and Azerion cannot assure that it will be able to resolve such disputes in a timely manner or at all. If Azerion's access to a major third-party platform is restricted for any reason, Azerion may not be able to find a replacement in a timely manner, or at all, and the distribution of its games may be adversely affected. Any failure on Azerion's part to maintain good relationships with a sufficient number of popular platforms for the distribution of its games could cause the number of Azerion's game downloads or the number of users of its games to decrease, which may have a material adverse effect on Azerion's business, financial condition and results of operations.

19. Regulation restricting access to Azerion's online games, or action by governments to restrict access to Azerion's online games in their countries could materially and adversely affect Azerion's business, financial condition and results of operations.

Azerion's online games could be blocked or restricted in some countries for various regulatory or other reasons. Although Azerion's games do not consist of betting actual money, they may sometimes fall under a definition of gambling in certain jurisdictions. For example, due to regulatory restrictions under local gambling laws, Azerion has had to disable in-game purchases for Governor of Poker, one of its premium games titles, in Belgium and had to delay the release of Monopoly Poker, one of its premium games titles, on Steam, a gaming distribution platform, in Washington State in the United States. Furthermore, as at the date of this Circular, the local URL's for myjackpot.com, a website through which social casino games are offered, are blacklisted in Poland, Belgium and Russia. The laws that apply to the determination as to whether a game is subject to gambling laws and licensing requirements are subject to interpretation and evolving. There is a risk that existing or future laws in the jurisdictions where Azerion operates may be interpreted in a manner that is not consistent with its current practices, which could have an adverse impact on its business, financial condition and results of operations. Given the increased regulatory activity relating to online gaming and the development of regulatory bodies, it is possible that governments or regulatory bodies of one or more jurisdictions may seek to limit access to any of Azerion's online games in their territory, or impose other restrictions that may affect the availability of Azerion's games or certain features of its games indefinitely or for extended periods of time. An example of such restriction is the newly adopted legislation in China which limits the time that persons under 18 can play online games per day. The Chinese online gaming market is currently not deemed to be material for Azerion's business. See also “— Azerion is subject to various privacy, global data protection, information security, consumer protection and protection of minors regulations, which are continuously evolving and could result in additional costs and liabilities.” Any such restrictions or any determination by a government or regulatory body that Azerion's online games do not comply with its laws and regulations could have a material adverse effect on Azerion's business, financial condition and results of operations.

20. A shift of market power among publishers, intermediaries and advertisers may result in a decrease in the margins.

Azerion generates part of its revenue by matching third-party publishers' advertisement inventory with demand from advertising companies. See "Azerion's Business — Proprietary advertising network": Azerion receives a portion of the payment that advertisers pay for placing advertisements into the apps or onto the websites of publishers. Azerion is therefore focused on maximising its revenue after advertising inventory acquisition costs. Azerion experiences and expects to continue to experience, increased competition for advertising inventory purchased on a programmatic basis. Changes in the advertising network value chain, where programmatic buying reduces the intermediaries' importance or where other new models emerge, may result in a decrease in Azerion's margins, which may materially and adversely affect its
business, financial condition and results of operations. A decrease in Azerion’s margins may also result from a consolidation of publishers, advertisers or intermediaries along the value-chain as such shifting buying power across the industry. If publishers decide not to make advertising inventory available to Azerion as a result of consolidation or otherwise decide to decrease the share of revenue Azerion receives, then its overall revenue could decline and its cost of acquiring inventory could increase. If for any other reason there is a shift in the buying power among the publishers, other intermediaries and the advertisers respectively, this could have a material adverse effect on Azerion's business, financial condition and results of operations.

21. In connection with acquisitions, Azerion may have acquired and may in the future acquire actual or potential liabilities.

Since Azerion’s inception, growth through acquisitions has been a key element of its strategy, resulting in a large number of acquisitions. See "Azerion’s Business – M&A Pipeline”). Azerion expects to continue to expand its business through acquisitions. Azerion may have acquired and continue to acquire actual or potential liabilities in connection with such acquisitions, including tort claims, claims, fines or penalties as a result of breach of applicable laws or regulations, breach of contract claims, claims for breach of fiduciary duties, employment and intellectual property rights related claims, data protection violations, cyber and information security vulnerabilities or tax liabilities. The tax, legal and other due diligence that Azerion performs on acquisition candidates is generally limited due to the size or nature of the businesses of the acquisition candidates and the number of acquisitions that Azerion seeks to complete simultaneously at any given time. Although acquisition agreements may include indemnities in Azerion’s favour, these indemnities might not always be enforceable, might expire, might be limited in scope or amount or Azerion may have disputes with the sellers regarding their enforceability or scope. If any acquired liabilities are not adequately covered by an applicable and enforceable indemnity, keep well, guarantee or similar agreement from a creditworthy counterparty, Azerion will be exposed to these liabilities. Such liabilities, if they materialise, could have a material adverse effect on Azerion’s business, financial condition and result of operations.

22. Azerion is subject to various privacy, global data protection, information security, consumer protection and protection of minors regulations, which are continuously evolving and could result in additional costs and liabilities.

Azerion’s gaming and digital advertising operations involve the handling of large amounts of data. For this reason, Azerion is subject to a variety of national and international laws, directives, regulations, policies and other legal obligations, including those that apply to the collection, use, retention, protection, disclosure, transfer and other processing of personal data, and security of information, including, but not limited to, the EU’s General Data Protection Regulation (”GDPR”), as transposed into the UK domestic laws, the UK Data Protection Act, the Personal Information Protection and Electronic Documents Act in Canada, the Children Online Privacy Protection Act (”COPPA”) and the California Consumer Privacy Act (the “CCPA”). Laws such as these give rise to an increasingly complex set of compliance obligations on Azerion. These data protection rules continue to evolve and may result in ever-increasing regulatory and public scrutiny and escalating levels of enforcement and sanctions and increased costs of compliance. Azerion cannot yet determine the impact such future laws, regulations and standards will have on its business.

Although Azerion endeavours to comply with these rules, it may at times fail to do so. For example, it is possible that these obligations may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or Azerion’s practices. It is also possible that new laws, policies, legal obligations or industry codes of conduct may be passed, or existing laws, policies, legal obligations or industry codes of conduct may be interpreted in such a way that could prevent Azerion from being able to offer services to citizens of a certain jurisdiction or may make it costlier or more difficult for it to do so. Any such non-compliance can subject Azerion to potential governmental action or third-party claims. It may also negatively impact Azerion’s reputation, which could result in diminished user base. Azerion has in the past received four enquiries from supervisory authorities with respect to its compliance with data protection laws. Two of these enquiries came from self-regulating authorities as a result of monitoring activities. The other two enquiries followed from user complaints with the Finnish Office of the Data Protection Ombudsman. As of the date of this Circular, these enquiries have not led to any fines or other measures, but Azerion is waiting for a final decision in one of the cases with the Finish authority. Azerion cannot guarantee that any future enquiries will not result in any fines or other measures.

Furthermore, recent legal developments in Europe have created complexity and uncertainty regarding transfers of personal data from the European Economic Area to the United States. On 16 July 2020, in a case known as Schrems II, the Court of Justice of the EU invalidated the EU-US Privacy Shield Framework under which personal data could be transferred from the European Economic Area to US entities who had self-certified under the Privacy Shield scheme, due to concerns about the US legal framework related to governmental access to data, including the US Foreign Intelligence Surveillance Act’s Section 702. These recent developments require Azerion to review and amend the legal mechanisms by which Azerion makes or receive personal data transfers to the recipients in countries outside of the European Economic Area. Azerion could suffer additional costs, complaints and/or regulatory investigations or fines, or if it is otherwise unable to transfer personal data between and among countries and regions in which it operates, which could affect the manner in which Azerion provides its services. Azerion’s business efficiencies and economies of scale depend on generally uniform solution offerings and uniform treatment of customers across all jurisdictions in which Azerion operates. Compliance requirements that vary significantly from jurisdiction to jurisdiction impose added costs on Azerion’s business and can increase liability for compliance deficiencies.

Any compromise of security that results in the unauthorised release or transfer of personally identifiable information or other data of users and other individuals, any actual or alleged failure by Azerion to comply with applicable policies and terms of service, applicable data protection and privacy laws, or the adoption of new data privacy laws that affect Azerion may result in governmental investigations and enforcement
actions, litigation or public statements against Azerion by consumer advocacy groups and, as a result, could have a material adverse effect on its business, financial condition and results of operation.

23. Azerion may be unable to successfully integrate or achieve the expected benefits from past or future acquisitions and undertaking acquisitions increases the risk profile of its business.

Azerion may not achieve the competitive advantage, revenue growth, cost savings, synergies or other benefits that it expected or expects to achieve from past or future acquisitions. Azerion cannot guarantee that the ongoing integration of acquired operations or the integration of any future acquisitions will generate benefits to it that are sufficient to justify the expenses it incurred or will incur in completing such acquisitions. For example, Azerion's international acquisitions involve risks related to integration of operations across different cultures and languages, currency risks and the particular economic, political and regulatory risks associated with specific countries, as well as competition laws and regulations. Furthermore, acquisitions and investments can involve additional risks, such as risks of inaccurate assumptions about revenue, costs, liabilities, including contingent liabilities, amortisation expenses, restructuring charges, expected synergies and the costs of equity or debt financing, lack of management control over the newly acquired business and failures to successfully integrate the operational, IT, compliance and other systems of the newly acquired business with those of Azerion's business. In addition, undertaking acquisitions and investments is costly and diverts management and other resources from running Azerion's day-to-day business and may have negative effects on business initiatives and strategies from the changes and potential disruption that may follow the acquisition. For example, challenges arising from acquisition and their unsuccessful integration include:

- declining employee morale and retention issues resulting from changes in compensation, or changes in management, reporting relationships, or future prospects;
- the inefficiencies and lack of control arising from delayed integration or not implemented operations, systems, technologies, products and personnel of each acquired company;
- the difficulty in successfully evaluating and utilising the acquired products, technology or personnel;
- the difficulty in accurately forecasting and accounting for the financial impact of an acquisition transaction, including accounting charges and integrating and reporting results for acquired companies that have not historically followed any of the adopted accounting standards;
- under purchase accounting, Azerion may be required to write off deferred revenue which may impair its ability to recognise revenue that would have otherwise been recognisable which may impact its financial performance or that of the acquired company; and
- the need to transition operations, third-party developers and players onto Azerion's existing or new platforms and the potential loss of, or harm to, Azerion's relationships with employees, advertisers, players and other suppliers as a result of integration of new businesses.

Future acquisitions could also result in potentially dilutive issuances of Azerion's equity securities, including its Ordinary Shares, or the incurrence of debt, contingent liabilities, amortisation expenses or acquired in-process research and development expenses, any of which could harm Azerion's business, financial condition and results of operations. Future acquisitions may also require Azerion to obtain additional financing, which may not be available on favourable terms or at all, see “Azerion's inability to raise capital could affect its ability to execute its strategic plans.” These risks, if they materialise, could have a material adverse effect on Azerion's business, financial condition and results of operations.

24. Azerion may fail to identify or acquire suitable acquisition candidates or investment opportunities or make unsuitable acquisitions, which may lead to the potential impairment of acquired intangible assets and goodwill or could otherwise impair its ability to achieve its strategic growth objectives, including its financial targets and objectives.

The execution of Azerion's M&A strategy requires the continued pursuit of acquisitions and is dependent on Azerion's ability to identify and acquire suitable acquisition candidates at a sufficiently attractive valuation, or at all. Azerion cannot guarantee that it will be able to identify and acquire, on reasonable terms, or at all, suitable acquisition candidates or that it will be able to obtain the necessary funding on acceptable terms, or at all, to finance any of those potential acquisitions, which may lead to the overpayment for acquisitions and the potential impairment of intangible assets and goodwill acquired in the acquisitions or to the requirement to pay contingent consideration in excess of the initial fair value, which may become payable at a time when Azerion does not have sufficient cash available to pay such consideration. In addition, even where Azerion is able to complete an acquisition, it cannot guarantee that such acquired entity, business or asset will perform in line with its assumptions or expectations or otherwise complement its business or strategy. Failure to identify or acquire suitable candidates or the acquisition of unsuitable candidates could impair Azerion's ability to achieve its strategic growth objectives, including its financial targets and objectives. See also “Azerion may fail to successfully implement its strategy or achieve any or all of the financial targets and objectives included in this Circular. Furthermore, failure to successfully execute its M&A strategy could potentially put Azerion at a competitive disadvantage with respect to scale, resources and its ability to grow its user base. Finally, compliance with antitrust laws or other rules and regulations may delay proposed acquisitions or investments or prevent Azerion from closing acquisitions or investments in the manner proposed,
or at all. Each of these risks, should they materialise, could limit Azerion's potential to further grow its business and have a material adverse effect on its business, financial condition and results of operations.

25. **Azerion does not have long-term agreements with advertisers or with publishers.**

Azerion's contracts with advertisers and publishers generally do not provide for any minimum volumes and may be terminated with relatively short or no notice period at all, and without penalty. In addition, these agreements typically do not restrict publishers or advertisers from entering into agreements with other companies, including Azerion's competitors. Advertisers' and publishers' needs and plans can change quickly, and advertisers and publishers may reduce volumes or terminate their arrangements with Azerion for a variety of reasons, including dissatisfaction with its products and services, a reduction in its advertising inventory, competitiveness of its pricing and payment terms, ability to tailor products, new offerings by or strategic relationships with its competitors, or declining general economic conditions. As a result, Azerion has limited visibility as to its future advertising revenue streams. Azerion cannot guarantee that advertisers and publishers will continue to use its products and services or that it will be able to replace, in a timely or effective manner, departing customers with new customers that generate comparable revenue. There is no guarantee that Azerion's current advertisers and publishers will continue to obtain its products and services on commercially acceptable terms, or at all. Azerion may not be able to replace advertisers and publishers who decrease or terminate the use of its products and services with new advertisers and publishers that spend similarly on its platform. This could materially and adversely affect Azerion's business, financial condition and results of operations.

26. **Azerion relies on a certain number of large advertisers and publishers.**

In the year ended 31 December 2020, Azerion's top 20 publishers (measured by revenue) accounted for 39.5% of the advertiser spend generated by Improve Digital, Azerion's main programmatic advertisement platform within the monetisation platform segment, and its top 20 advertisers (measured by revenue) accounted for 17.2% of the advertiser spend generated by Improve Digital. Consequently, the retention of Azerion's main advertisers and publishers is important to its results of operations. There is a limited number of large media advertisers and demand side platforms in the digital advertising market, and it could be difficult for Azerion to replace revenue loss from significant advertisers or publishers whose relationships with Azerion diminish or terminate. Azerion's top three demand side platforms, Google's DV360, Appnexus and Criteo, accounted for 68.5% of the total advertiser spend of Azerion's monetisation platform segment over the year ended 31 December 2020. Loss of revenue from significant advertisers or demand side platforms or failure to collect accounts receivable, whether as a result of advertiser payment default, contract termination, or other factors, or significant reductions in inventory, could materially and adversely affect Azerion's business, financial condition and results of operations.

27. **Azerion is subject to risks related to accepting cryptocurrencies as a form of payment in NFT transactions.**

In September 2021, Azerion launched a pilot in which it released its first line of non-fungible tokens (NFTs). The NFT feature unique randomly generated avatars using the artwork of one of Azerion's premium games that digital collectors can purchase. Azerion uses Ethereum as a basis for payment for the NFTs and it is not possible to purchase the NFTs in-game. Although Azerion deems this first line of NFTs to be a pilot project, Azerion may in the future launch additional lines of NFTs and accept Ether or other cryptocurrencies from digital collectors as a form of payment in its NFT transactions. Cryptocurrencies are not considered legal tender or backed by any government and have experienced price volatility, technological glitches and various law enforcement and regulatory interventions. The use of cryptocurrency, such as Ether, has been prohibited or effectively prohibited in some countries. If Azerion fails to comply with any prohibitions that may be applicable to them, Azerion could face regulatory or other enforcement actions and potential fines and other consequences. Cryptocurrencies have in the past and may in the future experience periods of extreme volatility. Fluctuations in the value of any cryptocurrencies that Azerion accepts or holds at any time or failure by Azerion to convert any such cryptocurrencies into an official currency, such as Euro or USD, at the exchange rate that Azerion expected to realise when accepting the cryptocurrency or at all, may have a material adverse effect on Azerion's business, financial condition and results of operations. In addition, there is substantial uncertainty regarding the future legal and regulatory requirements relating to cryptocurrency or transactions utilising cryptocurrency, such as NFT transactions. For instance, governments may in the near future curtail or outlaw the acquisition, use or redemption of cryptocurrencies or restrict generating revenue through NFT transactions. In such case, accepting payment in, ownership of, holding or trading in cryptocurrencies may then be considered illegal and subject to sanction. These uncertainties, as well as future accounting and tax developments, or other requirements relating to cryptocurrency and NFT transactions, could have a material adverse effect on Azerion's business, financial condition and results of operations.

28. **Azerion's ability to collect and use data from various sources could be restricted.**

The optimal performance of Azerion's algorithms and data engines depends on the data that Azerion collects from multiple sources, which it uses for user profiles and develop and refine its algorithms and data engines. Azerion's ability to collect and use these types of data is limited by a number of factors, including:

- user choices, including the blocking or deletion of cookies or modifications to privacy settings; See "Blocking or deletion of cookies or other modifications to privacy settings on PCs and mobile devices including the development of ad blocking technologies could restrict or impair Azerion's data collection and the effectiveness of its products and services;";
decisions by third-party platforms. See "– Third-party platforms may restrict or ban Azerion from providing its digital advertising services."

decisions by advertisers or third parties that Azerion has data collaboration arrangements with, to restrict its ability to collect data from them. See "– Azerion does not control all information technology systems over which it provides its products and services."

changes in browser or mobile device functionality and settings, and other new technologies, such as ad blockers, which could make it easier for users to prevent the placement of cookies or other tracking technologies. See "– Blocking or deletion of cookies or other modifications to privacy settings on PCs and mobile devices including the development of ad blocking technologies could restrict or impair Azerion’s data collection and the effectiveness of its products and services."

new developments in law, regulations and industry standards on privacy and data protection regimes, including increased visibility of consent mechanisms as a result of these legal, regulatory or industry developments;

the failure of Azerion’s network or software systems, or the network or software systems of advertisers or publishers;

Azerion’s inability to grow a user base in new industries and geographic markets in order to obtain the critical mass of data necessary for Azerion’s algorithms and data engines to perform optimally in these new industries and geographies; and

interruptions, failures or defects in Azerion’s data collection, analysis and storage systems. See "– Azerion may be subject to breaches of its information technology systems, including security breaches and improper access to or disclosure of its data or user data, which could materially adversely affect its reputation and its results of operations and financial position and expose it to liability claims."

Any of the above described limitations on Azerion’s ability to collect and use data could materially impair the optimal performance of its algorithms and data engines as well as the efficiency of its products and services, which could make Azerion’s platform less attractive to advertisers and result in damages to its reputation, a decline of its market share and adversely affect its business, financial condition and results of operations.

29. Blocking or deletion of cookies or other modifications to privacy settings on PCs and mobile devices including the development of ad blocking technologies could restrict or impair Azerion's data collection and the effectiveness of its products and services.

In advertising, technologies, including the placement of cookies and other identifiers, are used to help advertisers choose whether to bid on, and how to price an advertisement at a certain location, at a certain time, for a certain user. Cookies may easily be deleted or blocked by internet users. Commonly used internet browsers (such as Chrome, Firefox, Edge and Safari) allow internet users to modify their browser settings to prevent cookies from being accepted by their browsers. Most browsers also support temporary privacy modes that allow the user to suspend, with a single click, the placement of new cookies or reading or updates of existing cookies. Internet users can also delete cookies from their computers at any time. Further, certain web browsers and operating systems currently block or are planning to block some or all third-party cookies by default. Firefox and Safari have recently blocked third-party cookies and Google Chrome is scheduled to block third-party cookies in 2023. If web browsers block, or internet users reject or delete cookies, fewer of Azerion's cookies or its advertisers' cookies may be set in browsers or accessible in mobile devices, which could adversely affect Azerion's data collection and hence the effectiveness of its products and services. The blocking or deletion of cookies could materially and adversely affect Azerion's business, financial condition and results of operations. See also "– Third-party platforms may restrict or ban Azerion from providing its digital advertising services."

In addition, technologies have been developed, and will likely continue to be developed, that can block the display of advertisements ("ad blocking"). Existing ad blocking technologies that have not been effective on Azerion’s advertisements may become effective as Azerion makes certain changes to its advertisements, and new ad blocking technologies may be developed. More users may choose to use technologies that block or obscure the display of Azerion’s advertisements if Azerion is unable to successfully balance the placement of its advertisements, or if users’ attitudes toward advertisements become more negative. Further, regardless of their effectiveness, ad blockers may generate concern regarding the health of the digital advertising industry, which could reduce the value of digital advertising and harm Azerion's business, financial condition and results of operations. Aside from blocking or deleting cookies and the introduction or improvement of ad blocking technologies, other modifications to privacy settings on PCs and mobile devices could limit or restrict Azerion's ability to collect and analyse data, which would result in client departure and reputation damages, and materially and adversely affect its business, financial condition and results of operations.

30. If Azerion cannot retain its management team and other key employees, it may not be able to manage its operations successfully and pursue its strategic objectives.

Azerion depends on its ability to recruit, retain and motivate high quality senior management and other personnel with experience in fields including gaming, advertising, technology and data. In particular, Azerion is dependent on the continued involvement of the members of the Management Board and its senior management, many of whom have significant entrepreneurial experience or have experience in the gaming, technology or online advertising sectors. The loss of any of the members of the Management Board or Azerion's senior management or a significant diminution in their contribution to Azerion's business could adversely affect its ability to continue to operate its business and pursue its strategic objectives.
As Azerion continues to grow, there can be no assurance that it will be able to attract and retain the qualified personnel needed to maintain its competitive position in its markets. Competition for suitably qualified employees is intense and could further intensify; in particular with respect to personnel that has experience with marketing, technology, data science, game development and online advertising. If Azerion does not succeed in attracting, hiring and integrating qualified personnel, or retaining and motivating existing personnel, it may be unable to grow effectively, which could have a material adverse effect on its business, financial condition and results of operations.

31. **If Azerion fails to innovate, adapt and respond timely and effectively to rapidly changing technologies and new trends in the digital advertising industry, its products and services may become less competitive or obsolete.**

Azerion's future success will depend on Azerion's ability to continuously innovate, enhance and broaden its products and services to meet evolving advertising needs and address technological advancements and new trends in online advertising. Azerion may not be able to timely identify, and respond to, these new trends. The design of mobile devices, operating systems and web browsers is controlled by third parties with which Azerion does not have any formal relationship. These parties frequently introduce, new mobile devices, and from time to time they may introduce new operating systems or modify existing ones. Furthermore, self-regulating initiatives, such as the Interactive Advertising Bureau Europe, occasionally publish industry standards that may have an impact on Azerion's operations. If Azerion fails to innovate or adapt its products and services so that they are compatible with these mobile devices, operating systems or industry standards, which in turn require that Azerion maintains adequate research and development personnel and resources, its products and services may become less competitive or obsolete. In addition, any new product or service that Azerion develops may not receive wide acceptance as it anticipated. Any of these events could materially and adversely affect Azerion's business, financial condition and results of operations.

32. **Azerion is subject to a variety of laws and regulations globally. Changes in the laws and regulations that Azerion is subject to, including those relating to online gaming, could have a negative effect on its business.**

As a company with global operations in the online gaming and digital advertisement market, Azerion must comply with the various laws and regulations of the jurisdictions in which it operates. As the gaming industry is evolving, many regulations related to games and advertising are also evolving and could be interpreted in ways that could adversely affect Azerion's business. Furthermore, the laws and regulations affecting Azerion vary by jurisdiction and may be inconsistent with one another, imposing conflicting or uncertain restrictions.

The adoption and enforcement of legislation or self-regulation by the industry that restricts the marketing, content, business operating model, or sales of Azerion's products in countries in which Azerion does business may harm the sales of its products. The growth and development of electronic commerce and virtual goods have prompted and may in the future prompt calls for more stringent consumer protection laws, stricter enforcement of such laws, or more stringent mobile app store platform policies, that may impose additional burdens or limitations on the operations of companies such as Azerion, conducting business through the Internet and mobile devices. Furthermore, Azerion is subject to laws and regulations related to protection of minors, consumer privacy, accessibility, gambling, advertising, taxation, payments, intellectual property, distribution, and antitrust, among others. These laws and regulations are evolving and could be interpreted in ways that could harm Azerion's business or expose Azerion to liability. In addition, there are ongoing academic, political and regulatory discussions in the United States, Europe, Australia, Brazil and other jurisdictions regarding whether certain game genres, such as social casino, or certain game mechanics, such as "loot boxes", should be subject to a higher level or different type of regulation than other game genres or mechanics to protect consumers, in particular minors and persons susceptible to addiction, and, if so, what such regulation should include. New regulations, which may vary significantly across jurisdictions and which Azerion may be required to comply with, could require that these game mechanics be modified or removed from games, increase the costs of operating its games, impact player engagement and monetisation or otherwise harm its business performance. It is difficult to predict how existing or new laws may be applied to these or similar game mechanics. If Azerion becomes liable under these laws or regulations, it could be directly harmed, and it may be forced to implement new measures to reduce its exposure to this liability. This may require Azerion to expend substantial resources or to modify its games, which would harm its business, financial condition and results of operations.

There are forthcoming European legislative proposals, particularly with respect to the processing of personal data in the context of cookies and similar technologies, electronic communications and marketing. In the EU and the United Kingdom, regulators are increasingly focusing on compliance with requirements in the online behavioural advertising ecosystem, and current national laws that implement the EU Directive on privacy and electronic communications (the **ePrivacy Directive**) are highly likely to be replaced by an EU regulation known as the ePrivacy Regulation, which would foresee more stringent enforcement actions, including fines. In the EU and the United Kingdom, a user's informed consent is required for the placement and analysis of certain types of cookies or similar technologies on a user's mobile device, such as those used in the context of personalised advertising. The GDPR also imposes conditions on obtaining valid consent, such as a prohibition on pre-checked consents, offering the possibility to easily withdraw consent and ensure that the purposes for which consent is sought are clearly explained. If third-party cookies are placed for which consent is required, the GDPR requires that the relevant third parties are disclosed to the data subject. While the text of the ePrivacy Regulation is still under development, a recent decision of the Court of Justice of the EU and regulators' recent guidance are driving increased attention to cookies and tracking technologies. Enforcement by regulators of the strict approach in recent guidance could lead to substantial costs, require significant systems changes, limit the effectiveness of Azerion’s marketing activities, adversely affect its margins, increase costs and subject it to additional liabilities. Regulation of cookies and similar technologies, and any decline of cookies or similar online tracking technologies as a means to target users or offer personalised content, may lead to broader restrictions and impairments on Azerion's marketing and personalisation activities and may negatively impact its business, financial condition
and results of operations. See also “– Blocking or deletion of cookies or other modifications to privacy settings on PCs and mobile devices including the development of ad blocking technologies could restrict or impair Azerion’s data collection and the effectiveness of its products and services.”

In addition, existing or new laws and government regulations regarding the marketing of in-app purchases (including maximum amounts or onerous refund procedures), regulation of currency, banking institutions, virtual currencies (such as crypto currencies), non-fungible tokens (NFTs) and money laundering may be interpreted to cover virtual goods or goods, which could among others require changes to Azerion’s software, to virtual goods marketing and to the time of availability of offers. Such changes could lead to increased software development costs, lower revenues as well as changes to in-app advertising and in-app purchases. It is possible that Azerion’s interpretations or practices might in some respects fail to comply with any applicable legislation or deviate from the interpretations of the relevant authorities of relevant laws. This may not only lead to legal proceedings, government-imposed fines, or monetary penalties and other sanction, but may also harm Azerion’s reputation, all of which could have a material adverse effect on its business, financial condition and results of operations.

33. Azerion cannot guarantee that its efforts to innovate and explore new areas of operations would be successful or bring positive financial impact.

In addition to its existing businesses, Azerion continues to invest significant resources in product and technology improvements and exploring new products, services and technologies to cater to the rapidly changing user demands and trends in the online gaming and advertising industry. However, the success of new products and services depends on a number of factors including the quality of Azerion’s products or services, the acceptance by the targeted users and Azerion’s assessment of market demands and trends. Furthermore, Azerion’s competitors are constantly developing innovations, on both mobile devices and personal computers, to enhance users’ online experience in areas that Azerion currently operates or areas that it wishes to expand its operations into. As a result, Azerion’s efforts to continually innovate and explore new growth strategies and introduce new products and services to attract more users to its games and advertisers to its services, may not be successful. This could materially and adversely affect Azerion’s business, financial condition and results of operations.

In addition, Azerion uses distributors and digital distribution platforms, which enable publishers, developers and distributors of games to distribute their games directly to users. See “Azerion’s Business – Proprietary advertising network – Sales platforms.” If the agreements with Azerion’s distributors are terminated or Azerion is not successful in renewing them on favourable terms, this could have a material adverse effect on its business, financial condition and results of operations.

34. Azerion does not control all information technology systems over which it provides its products and services.

The functioning of Azerion’s products and services on mobile devices and operating systems is dependent on the reliability of its network operators and carriers who maintain sophisticated and complex mobile networks, as well as its ability to deliver advertisements on those networks at prices that enable Azerion to realise a profit.

Mobile networks could fail for a variety of reasons, including new technology incompatibility, degradation of network performance under the strain of too many users using the network, general failure from natural disasters or political or regulatory shut-down. Individuals and groups who develop and deploy viruses, worms and other malicious software programmes could also attack mobile networks and the mobile devices that run on those networks. See also “– Azerion may be subject to breaches of its information technology systems, including security breaches and improper access to or disclosure of its data or user data, which could materially adversely affect its reputation and its results of operations and financial position and expose it to liability claims.” Any actual or perceived security threat to mobile devices or any mobile network could lead existing and potential users to reduce or refrain from mobile usage or from responding to the products or services offered by Azerion’s advertisers. If the network of a network operator should fail for any reason, Azerion would not be able to effectively provide its products or services to its advertisers through that network. This in turn could materially and adversely affect Azerion’s business, financial condition and results of operations.

Mobile carriers and network operators may also increase restrictions on the amounts or types of data that can be transmitted over their networks, change their pricing plans or increase the prices for the usage of data. If a network carrier were to restrict amounts of data that can be delivered on that carrier’s network or change pricing plans, block advertisements on their networks, or otherwise control the content that may be downloaded to a mobile device that operates on the network, it could negatively affect Azerion’s pricing practices and inhibit its ability to deliver targeted advertising to that carrier’s users. If the prices for the usage of data would be increased, it would become more expensive for users to gain access to Azerion’s products or services, which could negatively impact its user base. Any such restriction or alteration could materially adversely affect Azerion’s business, financial condition and results of operation.

35. Azerion tracks certain performance metrics with internal and third-party tools and do not independently verify such metrics. Certain of Azerion’s performance metrics are subject to inherent challenges in measurement, and real or perceived inaccuracies in such metrics may harm its reputation and adversely affect its business.

Azerion tracks certain performance metrics, including gameplays and digital advertisements that has been sold. Azerion’s performance metrics tools have a number of limitations and its methodologies for tracing these metrics may change over time, which could result in unexpected changes to its metrics, including the metrics Azerion reports. If the internal tools Azerion uses to track these metrics undercount or over count
performance or contain algorithm or other technical errors, the data it reports may not be accurate. In addition, limitations or errors with respect to how Azerion measures data (or the data Azerion measures) may affect its understanding of certain details of its business, which could affect its longer-term strategies. Furthermore, users, advertisers, developers or other business partners may perceive Azerion's performance metrics as unreliable or inaccurate. If Azerion's performance metrics are not accurate representations of its business, if Azerion discovers material inaccuracies in its metrics or if the metrics it relies on to track its performance do not provide an accurate measurement of its business, Azerion's reputation may be harmed and its business, financial condition and results of operations may be materially and adversely affected.

36. Azerion has a limited history of operating its business at its current scale, which makes it difficult to predict whether it will be able to successfully manage its growth and meet internal or external expectations of future performance.

Since Azerion’s inception, growth through acquisitions has been a key element of its strategy, as a result of which Azerion has completed a large number of acquisitions, including in the six-month period ended 30 June 2021. See “Azerion's Business – History”. As a result, Azerion has experienced significant organic growth and growth through acquisitions and it aims to continue to grow in both of these ways. “Azerion’s Business – Azerion’s Strategy.” Although Azerion has experienced substantial revenue growth in recent years, including in the six month period ended 30 June 2021, it has not as of yet been able to show substantial revenue on a continuous basis and it may not be able to sustain this rate of growth or maintain its current revenue levels. In addition, because Azerion has a limited history of operating the business at its current scale, it may be difficult to effectively assess its future revenue. Furthermore, the growth that Azerion has experienced and any future growth that it may realise have posed and will continue to pose risks and challenges to it that are frequently experienced by growing companies in rapidly developing industries, including risks related to its ability to:

- develop and offer a competitive platform that meets its users’, publishers' and advertisers' changing needs;
- scale its business efficiently to keep pace with the demand for its products and services;
- respond to evolving industry standards and government regulations that impact its business;
- maintain its current, and develop new, strategic relationships;
- expanding and integrating the acquisitions into its platform;
- implementing an enhanced audit and internal control framework to support operations or establishing sufficiently robust compliance and risk management procedures;
- prevent or mitigate failures or breaches of security; and
- finding and training suitable personnel on an operational level, including qualified IT and compliance personnel.

Azerion cannot assure that it will be successful in addressing these and other challenges it may face in the future. If Azerion is unable to do so, this could have a material adverse effect on its business, financial condition and result of operations.

37. Azerion may fail to successfully implement its strategy or achieve any or all of the financial targets and objectives included in this Circular.

Azerion has set for itself a number of financial targets and objectives, which are described in “Azerion's Business – Financial Objectives and targets”. Azerion’s ability to achieve these financial targets and objectives depends on its ability to successfully execute its strategy and on the accuracy of a number of assumptions upon which they are based. These assumptions involve factors that are substantially or entirely beyond its control and are subject to known and unknown risks, including the risks described in this section, uncertainties and other factors that may result in Azerion’s inability to achieve its financial targets and objectives. In particular, Azerion's ability to successfully implement its strategy and achieve its financial objectives may be impacted by factors such as general economic and business conditions and competition in its industry, all of which are outside of Azerion’s control. Consequently, these financial targets and objectives are not a representation, guarantee or otherwise a commitment that Azerion will achieve any of these financial targets or objectives for any particular fiscal year or reporting period. If one or more of the assumptions that Azerion has made in determining its strategy or setting its financial targets and objectives is inaccurate, or if any or all of the risks described in this “Risk Factors” section were to occur, Azerion may be unable to implement its strategy or achieve one or more of its financial targets and objectives.

38. Azerion's business could be harmed by any significant disruption of its technology platform.

Azerion's business, reputation, and ability to attract, retain, and serve its users is dependent upon the reliable performance of its products, including the underlying technical infrastructure. Azerion’s technical infrastructure may not be adequately designed with sufficient reliability and redundancy to avoid performance delays or outages that could be harmful to its business. Furthermore, Azerion’s systems and the systems of third party service providers are vulnerable to damage or interruption from natural disasters, power losses, telecommunications failures, terrorist attacks, acts of war, human errors, break-ins and similar events. In addition, despite implementing network security measures, Azerion’s servers and any third party servers that Azerion uses may be vulnerable to computer viruses, distributed denial of service attacks, phishing, spurious spam attacks, malware and similar disruptions from unauthorised tampering with, or cyber-attacks on, such computer systems. In the
occurrence of any of these events, Azerion may be unable to continue its operations and may endure system interruptions, reputational harm, delays in application development, lengthy interruptions in its services, breaches of data security and loss of critical data such as user, customer and billing data as well as intellectual property rights, software versions or other relevant data regarding operations. If any games or other products are unavailable when users attempt to access them, or do not function as quickly as expected, users may not use them as often in the future, or at all. This could materially and adversely affect Azerion's business, financial condition and results of operations.

39. Failure to obtain, maintain, protect or enforce Azerion's intellectual property rights could harm its business, financial condition and results of operation.

Azerion's most important intellectual property rights relate to the copyrights, tradenames and trademarks with respect to its premium games. See also "Azerion's Business – Intellectual Property"). Azerion may not be successful in the implementation of its intellectual property rights registration strategies. Azerion may be unable to secure intellectual property rights in a timely manner or at all, which could limit its ability to protect the relevant intellectual property rights from competitors.

Azerion's competitors or other third parties could, lawfully or unlawfully, seek to use or infringe its intellectual property rights or claim that Azerion infringes their intellectual property rights. There is a risk that Azerion allegedly or actually infringes the intellectual property rights of others in regard to its games, technology or other content. In the future, Azerion could face legal action based on alleged infringement or unauthorised use of intellectual property rights (for example patents, trademarks or business or trade secret) or claims that Azerion must acquire licenses to software needed for operation. These disputes can be costly and could require Azerion to pay significant damages and could limit its ability to use certain technologies in the future. Even if Azerion is able to license the allegedly infringed or similar technology or games, licensing fees could be substantial and the terms of these licenses could be burdensome, which might adversely affect its results of operation. Azerion might also incur substantial expenses in defending against third-party infringement claims, regardless of their merit.

In addition to the intellectual property created or acquired by Azerion, Azerion makes extensive use of third-party provided intellectual property in its games. For example, Azerion enters into license agreements with third parties for (i) the purchase of casual games and game development and maintenance services as outsourced services; and (ii) the distribution of games and other content on its sales platform and game distribution portals. Part of the technology of one of Azerion's premium games, myjackpot.com, is also licensed to Azerion by third parties. Any of Azerion's licensors could decide not to renew Azerion's existing license or not to license additional intellectual property and instead license to Azerion's competitors or develop and publish its own mobile games or other applications, competing with Azerion in the marketplace. Many of these licensors already develop games for other platforms, and may have significant experience and development resources available to them should they decide to compete with Azerion. This could increase competition and have a material adverse effect on Azerion's business, financial condition and operating results if these third parties unlawfully seek to utilise Azerion's intellectual property rights, and on the other hand, expose Azerion to potential litigation regarding third-party intellectual property rights.

Any of the above could have a material adverse effect on Azerion's business, financial condition and results of operations.

40. Azerion may be subject to breaches of its information technology systems, including security breaches and improper access to or disclosure of its data or user data, which could materially adversely affect its reputation and its results of operations and financial position and expose it to liability claims.

Azerion's systems transmit and store its users' confidential and private information, including names, user IDs and passwords, and payment or transaction related information. Any compromise of the security of Azerion's information technology systems could result in improper disclosure of personal information and other data which could expose Azerion to liability claims and could materially adversely affect its reputation. Hackers develop and deploy viruses, worms, and other malicious software programs to attack websites or other online and mobile devices and gain access to networks and data centres. As a result, its platform and the personal data Azerion stores and that of the businesses it has acquired in the past have been subject to attempts of improper access and will continue to be subject to such attempts in the future. Azerion anticipates that these threats will continue to grow in scope and complexity over time. While Azerion believes that it has taken adequate steps to protect the personal data and the confidential information that it has access to, these security measures cannot provide absolute security. As a result it faces security threats from malicious third parties that could obtain unauthorised access to its systems and networks. Azerion believes that it will be required to continue to expend significant resources on system security, data encryption, and other security measures to protect its systems and data.

Any unauthorised or inadvertent access to, or an actual or perceived security breach could result in an actual or perceived loss of, or unauthorised access to, Azerion's data, regulatory investigations and orders, litigation, indemnity obligations, damages, penalties, fines, and other costs in connection with actual and alleged contractual breaches, violations of applicable laws and regulations, and other liabilities. Any such incident could also materially adversely affect Azerion's reputation and harm its business, financial condition and results of operations.

41. Azerion may not be able to maintain the required level of insurance coverage on acceptable terms or at an acceptable cost and its insurance coverage may not adequately cover all losses.

Azerion believes that it maintains insurance customary for businesses of its size and type. However, Azerion may not be able to maintain insurance on acceptable terms in the future or to maintain a level of insurance that would provide adequate coverage against potential third-
party liability, health and safety and other claims. An increase in the number of general claims or claims against Azerion in particular may cause the costs of insurance for the industry as a whole or Azerion in particular to rise and comprehensive insurance coverage may become more difficult to attain. Moreover, any loss incurred could exceed policy limits and policy payments made to Azerion may not be made on a timely basis.

Any increase in the cost of insurance in the market may depress Azerion’s profit margins and the event that a loss incurred exceeds policy limits, is not timely paid or its insurance is not adequate could have a material adverse effect on its business, financial condition and results of operations.

42. Azerion's algorithms and data engines for assessing and predicting potential user interaction with advertising content may be flawed or ineffective.

Azerion’s ability to attract advertisers to its platform is significantly dependent on its ability to effectively assess and predict user interest in, and interaction with, relevant advertising content. Azerion's algorithms and data engines aggregate and analyse data to improve its services, specifically with regard to the placement, pricing and planning of advertisements. The data Azerion collects may not be relevant to all industries and for certain industries Azerion may not have sufficient user data to ensure that its algorithms and data engines would work effectively. Furthermore, Azerion generally does not verify the data it gathers, and such data may be inaccurate. Even if such data is accurate, it may become irrelevant or outdated and thus may not reflect a user's genuine interest or accurately predict his or her interaction with a given advertisement. A user's interest and behaviour pattern may change or they may have already completed a transaction and no longer be interested in the advertisement. Furthermore, Azerion expects to experience significant growth in the amount of data it processes as it continues to develop new products and services to meet evolving and growing advertiser demands. As the amount of processed data and variables increases, the calculations that Azerion's proprietary algorithms and data engines need to process become increasingly complex and the likelihood of any defect or error increases. To the extent Azerion's proprietary algorithms and data engines fail to accurately assess or predict a user's interest in, and interaction with, the relevant advertisement or experience errors or defects, Azerion's platform may become less attractive to advertisers, which may materially and adversely affect its business, financial condition and results of operations.

43. The digital advertising market is highly fragmented and intensely competitive and digital advertising businesses face competitive pressure from well-established internet companies, advertising agencies and traditional media.

The digital advertising market is highly competitive, fragmented and rapidly changing. With the introduction of new technologies and the influx of new entrants, Azerion expects competition to intensify, which could harm its ability to increase revenue and to maintain or increase its margins.

In addition, Azerion’s monetisation platform segment faces competitive pressure from large and well-established internet companies, such as Google, Facebook and Amazon, which have established a strong and broad presence across the digital advertising ecosystem and have significantly more financial, technical, marketing and other resources, more extensive client base, and longer operating histories and greater brand recognition than Azerion does. These companies have access to user information by virtue of their popular user-oriented websites and mobile apps, and have the technology designed for use in conjunction with the types of user information collected from their websites and mobile apps. These companies may also leverage their positions to make changes to their systems, platforms, exchanges, networks or other products or services that could materially and adversely affect Azerion’s business, financial condition and results of operations.

Azerion’s monetisation platform segment also faces competition from advertisement agencies, who may have their own relationships with publishers and can directly connect advertisers with such publishers. Furthermore, Azerion’s monetisation platform segment competes with traditional media, including direct marketing, television, radio, cable and print advertising companies.

44. Azerion depends on its ability to continue to access sufficient advertising inventory.

Azerion’s monetisation platform segment depends to a certain extent on access to advertising inventory controlled by publishers. In particular, Azerion relies on continued access to premium advertisement inventory in high-quality and brand-safe environments, viewable to users across multiple screens. In most instances, publishers can change the amount of inventory they make available to Azerion at any time. Publishers may also demand a higher revenue share at which they offer inventory to Azerion, or they may elect to make advertising space available to Azerion’s competitors. A change of the revenue share paid to publishers could significantly negatively affect Azerion's revenue. In addition, publishers may place significant restrictions on Azerion’s use of advertising inventory. These restrictions may prohibit ads from specific advertisers or specific industries, or they could restrict the use of specified creative content or format. Publishers may also use a fee-based or subscription-based business model to generate revenue from their content, in lieu of or to reduce their reliance on advertisements. As a result, Azerion may have limited visibility to its future access to ad inventory, especially premium ad inventory and inventory in international markets. In addition, many publishers sell a portion of their advertising inventory directly to advertisers, and publishers may seek to do so increasingly in the future. If that were to occur, Azerion may have fewer opportunities to provide its advertiser customers access to inventory, which would have a material and adverse effect on Azerion's business, financial condition and results of operations.
45. Third-party platforms may restrict or ban Azerion from providing its digital advertising services.

Azerion is subject to the standard policies and terms of service of third-party platforms, such as web browsers and providers of app ecosystems (e.g. the Apple iOS app store and Google Play). These platforms are continuously introducing changes to their policies and terms of services. Each platform provider has broad discretion to change and interpret its terms of service and other policies with respect to developers. These changes may be unfavourable to Azerion, and may include restrictions or bans of Azerion’s digital advertising services, changes to its fee structure, additions of fees associated with access to and use of its platform, changes in how the personal information of its users is made available to application developers on the platform, limitations on the use of personal information for advertising purposes, or restrictions on how users can share information with their friends on or across platforms. For example, in 2020, iOS14 was introduced by Apple. iOS14 requires a user's consent to track the activity of that user through multiple apps or to access the users' mobile device's identifier for advertising. This change, known as Apple's AppTracking Transparency framework, went into effect in late April 2021, with the release of iOS 14.5 and has made it more difficult to effectively target advertisements at specific types of users which has had an adverse effect on revenue generated from advertisements. Google has announced that it plans to introduce a similar tracking transparency policy. Furthermore, multiple third-party platforms have recently, or have announced that they will in the near future, block the placement of third-party cookies on their internet browsers and mobile devices, such as Firefox, Safari, Android and Chrome. If users do not elect to participate in functionality that supports the delivery of targeted advertising on their devices, the ability to deliver effective advertising campaigns on behalf of Azerion's advertisers could suffer. See “Blocking or deletion of cookies or other modifications to privacy settings on PCs and mobile devices including the development of ad blocking technologies could restrict or impair Azerion’s data collection and the effectiveness of its products and services.” Although Azerion monitors the main third-party platforms to stay informed about any such upcoming changes and continuously evaluate how these changes may affect its business, in order to avoid or minimise its possible impact, Azerion cannot exclude that any such restrictions or bans could seriously obstruct the delivery of advertisements to users which could have a material adverse effect on its business, financial condition and results of operations.

If Azerion violates, or a platform provider believes Azerion has violated, its policies or terms of service (or if there is any change or deterioration in Azerion's relationship with these platform providers), that platform provider could limit or discontinue Azerion's access to the platform. A platform provider could also limit or discontinue Azerion's access to the platform if it establishes more favourable relationships with one or more of Azerion's competitors or it determines that Azerion is a competitor. Any limit or discontinuation of Azerion's access to any platform could have a material adverse effect on Azerion's business, financial condition and results of operations.

Azerion also relies on the continued popularity, customer adoption, the interoperability with and functionality of third-party platforms. In the past, some of these platform providers have been unavailable for short periods of time or experienced issues with their in-app purchasing functionality. If either of these events recurs on a prolonged, or even short-term, basis or other similar issues arise, this may have a material adverse effect on Azerion's business, financial condition and results of operations.

46. The business model of Azerion’s premium games depends on users making in-game purchases, and the perceived value of virtual goods sold in its games is highly dependent on how Azerion manages its online game revenue and pricing models.

Azerion’s premium gaming segment primarily generates revenue from users making in-game purchases while playing a game. Users purchase virtual goods in Azerion’s premium games because of the perceived value of those virtual goods. This value is dependent on the relative ease of securing an equivalent good via non-paid means within the game. The perceived value of these virtual goods can be impacted by various actions that Azerion takes in the games, such as offering discounts for virtual goods, giving away virtual goods in promotions or providing easier non-paid means to secure these virtual goods. Unrelated third parties have developed, and may continue to develop, "cheats" or guides that enable users to exploit vulnerabilities or advance in Azerion's games, obtain unfair advantages, or other types of hacks, which could reduce users' willingness to pay for in-game virtual goods. These programs and practices may undermine the integrity of games and harm the experiences of players who play fairly. If Azerion fails to respond to the illicit efforts of third parties to gain unfair advantage in games through cheats or other fraudulent activity in a timely and effective manner, the popularity of its premium games may decline and its reputation may be damaged. These cheats could result in lost revenue from Azerion's premium games, disrupt its in-game economies, divert time from its personnel, increase costs of developing technological measures to combat these programs and activities, increase Azerion's customer service costs needed to respond to dissatisfied players, and lead to legal claims. In addition, if Azerion fails to manage its game economies properly, users may be less likely to spend money in the games, which could have a material adverse effect on its business, financial condition and results of operations.

47. The online gaming industry is competitive and Azerion also competes with other forms of leisure activities.

Azerion faces significant competition from other players in the online gaming industry. Azerion's competition in the online gaming industry includes competitors that have greater resources for developing or acquiring games than Azerion does, may be able to incorporate their own strong brands and assets into their games, have a more diversified set of revenue sources than Azerion does or may be less severely affected by changes in consumer preferences, regulations or other developments that may impact its industry. In addition, as Azerion expands its global operations and gaming offerings, it increasingly faces competition from online game developers and distributors who have primarily focused on specific international markets. Azerion increasingly competes with high-profile companies with significant online presences with new and expanded game offerings such as Apple, Google and Microsoft and may compete with other large companies that to-date have not actively
focused on online and social games, such as Amazon and Facebook, who may decide to develop online and social games or partner with other developers of such games. Increased competition may adversely affect Azerion's business, financial condition and results of operations.

In addition, Azerion's online games face competition for the time and attention of users from other forms of leisure activities, such as offline activities, personal computer and console games, television, movies and the Internet. Some of these activities may be perceived to be more affordable or more desirable options for users than online games. Some forms of leisure activities with which online gaming potentially competes were negatively impacted by COVID-19 in 2020 and 2021 and may garner increasing time and attention from users as COVID-19-related restrictions are eased. See “– General economic, market and political conditions, and the impact that COVID-19 has on such conditions, may affect Azerion's business, financial condition and results of operations.” A negative shift in the perception of the online gaming industry by the public could adversely affect the size, demographics, engagement or loyalty of Azerion's user base and result in decreased revenue or slower user growth rates, which could materially and adversely affect its business, financial condition and results of operations.

48. Incidents of crimes or inappropriate behaviour related to Azerion's online games, or to online games in general, may result in negative publicity or governmental investigations or regulations that may have a material and adverse impact on its business, financial condition and results of operations.

Incidents of crimes related to online games, the use of online games for illicit, illegal or objectionable purposes including by users acting under false or unauthentic identities, or theft of virtual items between users in games, even when not directly related to Azerion's online games may negatively affect its reputation. Azerion may also fail to respond adequately and timely to such incidents occurring in its online games or other user or regulatory concerns with respect to its online games. Azerion has in the past, in particular in its premium social games such as Habbo and Hotel Hideaway, had incidents of users acting under false or unauthentic identities approaching other users with illicit or inappropriate purposes. The occurrence of any such incidents, or any failure on Azerion's part to respond adequately and timely to such incidents, may negatively affect its reputation and the popularity of its online games. It may also lead to governmental investigations, expose Azerion to litigation from its users and in extreme situations, it may need to remove such game from its portfolio. In addition, Azerion's ability to identify and adequately respond to such incidents in a timely manner may decrease as the number of games Azerion offers and the number of users that engage with its games grows. Any such incident may therefore result in a material adverse effect on Azerion's business, financial condition and results of operations. Such failure to act may have a material adverse effect on its business, financial condition and results of operations.

49. Azerion primarily relies, and expects to continue to rely, on Amazon Web Services to deliver Azerion's offerings to users on Azerion's platform.

Azerion's technology infrastructure is critical to the performance of its platform and to the satisfaction of its users, advertisers and publishers, as well as its corporate functions. Azerion's platform systems run on a complex distributed system, what is commonly known as cloud computing. Azerion owns, operates and maintains elements of this system, but significant elements of this system are operated by third parties that it does not control and which would require significant time and expense to replace. Azerion expects this dependence on third parties to continue. In particular, a significant portion of Azerion's game traffic, data storage, data processing and other computing services and systems is hosted by Amazon Web Services (“AWS”). AWS provides Azerion with computing and storage capacity pursuant to an “at will” agreement that continues until terminated by either party. Any failure, disruption or interference with and any price increases of Azerion's use of hosted cloud computing services and systems provided by third parties, like AWS, may adversely impact Azerion's business, financial condition and results of operations. In addition, in the event that any of Azerion's agreements with these third-party service providers, including its agreement with AWS, are terminated, Azerion may experience significant costs or downtime in connection with the transfer to, or the addition of, new hosting or cloud computing providers. Although alternative providers could potentially host Azerion's platform on a substantially similar basis, any transition is expected to be disruptive and Azerion could incur significant costs in connection with any such transition, which could have a material adverse effect on its business, financial condition and results of operations.

50. General economic, market and political conditions, and the impact that COVID-19 has on such conditions, may affect Azerion's business, financial condition and results of operations.

The performance of Azerion's business is subject to general economic, market and political conditions and their impact on levels of spending by its users and advertisers. Economic recessions have had, and are expected to continue to have, material adverse consequences across all Azerion's business segments, in particular its monetisation platform segment. Furthermore, Azerion's monetisation platform segment depends on the overall demand for advertising and on the economic health of advertisers and users that may utilise its platform. Economic downturns or unstable market conditions may cause advertisers to decrease their advertising budgets, which could reduce spending through Azerion's platform. In addition, Azerion's premium gaming segment primarily generates revenue from users making in-game purchases while playing a game. An economic downturn could have a negative effect on Azerion's premium game users' economic position and reduce their spending on in-game purchases. Any adverse changes in general market, economic and political conditions may reduce demand for online advertisements and may reduce Azerion's users' disposable income, which may have a material adverse effect on Azerion's business, financial condition and results of operations.

In December 2019, COVID-19 emerged and has since, starting in the first few months of 2020, extensively impacted the global health and economic environment. While the online gaming industry has generally seen increased user engagement in games since the start of the pandemic relative to historical trends, such activity is likely at least partly the result of stay-at-home orders that have been enacted in various jurisdictions,
Azerion is subject to the seasonal nature of gaming and advertising spending. In Azerion's gaming business user activity has generally been the highest in the summer and winter holiday periods. More particularly, social games are popular during the Halloween period and summer season, whilst poker games tend to be popular around Black Friday and the Christmas holiday period. The holidays in autumn and winter have in general been more favourable for Azerion's gaming business. During the period from Black Friday through the Christmas Holidays, revenue in Azerion's monetisation platform segment has also tended to be higher since advertisers generally allocate the largest portion of their budgets to the fourth quarter of the calendar year to coincide with the expected increased holiday purchasing. Historically, the fourth quarter of the year has therefore reflected Azerion's highest activity. However, this seasonality effect is not visible in Azerion's results for the years ended 31 December 2020 and 2019 as a result of the impact of lockdown measures in connection with COVID-19 on the results in the year ended 31 December 2020 and as a result of the timing of the acquisitions completed in the year ended 31 December 2019.

Assuming that the effects of the COVID-19 pandemic and the countermeasures aiming to control it substantially diminish over the near to medium term, Azerion expects its business will again become subject to these historical seasonality effects. However, there is no assurance that historical patterns of seasonality will reassert themselves. It is possible that new patterns of seasonality could emerge. These patterns may not be as easily discernible or predictable as in the past. If this occurs, decisions made by various parties, including EFIC1 as well as holders of the Ordinary Shares following the Business Combination, may prove incorrect if based on historical patterns of seasonality. Given the seasonality of Azerion's historical results, the disruption of this pattern by the COVID-19 pandemic and the possible emergence of new, different patterns of seasonality, annualising Azerion's results of any given period will generally not be a reliable proxy for full year results. Furthermore, assuming the re-emergence of historical patterns of seasonality, events or circumstances that adversely affect Azerion's business during the second half of the year would be likely to have a disproportionately adverse effect on its results of operations for the full year. See "Financial Information of Azerion - Operating and Financial Review – Key Factors Affecting Azerion's Business and Results of Operations – Seasonality".

Azerion will face additional administrative and operational requirements as a result of the listing. Following the Business Combination, Azerion will be subject to the legal requirements for Dutch public companies admitted to trading on Euronext Amsterdam. These requirements include the production and publication of annual and periodic financial reports and other public disclosures, regular calls with securities and industry analysts and other required disclosures. The accounting, controlling, legal or other corporate administrative functions of Azerion may not be capable of responding to these additional requirements without difficulties and inefficiencies, and Azerion may incur significant additional expenditures to improve its central functions and internal controls and/or be exposed to legal, regulatory or civil costs or penalties. Furthermore, the preparation, convening and conduct of General Meetings and the regular communications with Shareholders and potential investors will entail greater expenses. Management will need to devote time to these additional requirements that it could otherwise devote to other aspects of managing Azerion's operations, and these additional requirements could also substantially increase time commitments and costs for the accounting, controlling and legal departments and other administrative functions. Any inability to manage the additional demands as a result of the listing, as well as the costs resulting therefrom, may harm Azerion's business, results of operations and financial condition.

Azerion's inability to raise capital could affect its ability to execute its strategic plans. Acquisitions are a key element of Azerion's strategy. Azerion may not generate sufficient cash flow to finance such acquisitions, and consequently may require access to external sources of capital. Limitations on Azerion's access to capital, including on its ability to issue additional debt or equity, could result from events or causes beyond its control, and could include, among other factors, decreases in its creditworthiness or profitability, increases in interest rates, increases in the risk premium generally required by investors, decreases in the availability of credit or the tightening of terms required by lenders. Any limitations on Azerion's access to capital on satisfactory terms or at all, could reduce its liquidity and ability to make cash distributions and would impair its ability to execute its strategy, which could materially and adversely affect Azerion's business, financial condition and results of operation. See also “Failure to comply with the covenants, repayment programs, or other obligations contained in the terms and conditions of Azerion's Bonds could result in an event of default, which could result in an acceleration of the final maturity date of the Bonds and enforcement of security rights provided in connection with the Bonds.”
54. Any pro forma financial information which will be presented in this document is subject to certain significant assumptions and limitations.

The Circular includes certain pro forma financial information of Azerion. Any such pro forma financial information includes the results of operations and financial condition of certain businesses Azerion acquired during the year ending 31 December 2021 for the period presented in the pro forma financial information even though it did own or control such acquired businesses for any of the duration of that period and Azerion would not have been permitted under IFRS to consolidate the results of such acquired businesses in any historical financial statements. As a result, any pro forma financial information may not reflect what Azerion’s actual results of operations and financial condition would have been had its recent acquisitions been a part of its Group for the period presented in the pro forma financial information. Any pro forma financial information has been prepared for illustrative purposes only, is subject to significant assumptions and limitations, and does not represent Azerion’s actual financial position or results and may not be indicative of its future operating performance.

55. Failure to comply with the covenants, repayment programs, or other obligations contained in the terms and conditions of Azerion’s Bonds could result in an event of default, which could result in an acceleration of the final maturity date of the Bonds and enforcement of security rights provided in connection with the Bonds.

Azerion has incurred substantial indebtedness. As of 30 June 2021, the outstanding amount under Azerion's €300 million senior secured fixed rate bonds (the "Bonds") was €200 million. See “Financial Information of Azerion – Operating and Financial Review – Indebtedness – Bonds” for more information on the Bonds. Any limitations on Azerion's ability to secure external financing or refinance existing financing obligations could limit its liquidity, its financial flexibility or its cash flows and affect Azerion's ability to execute its strategic plans, which could have a material adverse effect on its business, results of operations and financial condition.

The terms and conditions of its Bonds (the "Bond T&Cs") contain certain covenants and undertakings. These restrict or limit, among other things, Azerion's ability to incur additional indebtedness, to create security over it assets, to pay dividends or make other distributions, to repurchase or redeem shares, to repay, or pay interest on, any subordinated loans, including the shareholder loans from Principio to Azerion, to grant loans to third parties outside of the Group or outside the ordinary course of business, to dispose of assets if this has a material adverse effect on the Group, to merge or consolidate with other entities if this has a material adverse effect on the Group, and to enter into transactions with any person other than on arm's length terms (in each case subject to a number of exceptions and qualifications). Although Azerion is currently in compliance with all of its undertakings and covenants under the Bond T&Cs, if there were an event of default under the Bonds that is not cured or waived in accordance with the Bond T&Cs, the agent of the Bonds could, and must if requested by holders of Bonds representing at least 50% of the aggregate nominal amount outstanding under the Bonds, (i) accelerate the final maturity date of the Bonds by declaring all amounts outstanding under the Bonds due and payable immediately and (ii) exercise its rights under the Bond documentation, including but not limited to enforcement of any security provided in connection with the Bonds, such as rights of pledge over the shares in certain material Group companies. Events of default under the Bond T&Cs include, but are not limited to, non-payment under the Bonds, failure to comply with a maintenance test, failure to comply with the obligations under the Bond documentation (including the Bond T&Cs) which is subject to a remedy period of 20 Business Days, cross defaults under other financial indebtedness, or insolvency of a subsidiary. The maintenance test under the Bond T&Cs requires Azerion to maintain a leverage ratio of net interest bearing debt to EBITDA equal to or less than 4.50. Upon an acceleration or the final maturity date of the Bonds, there can be no assurance that Azerion will be able to refinance the outstanding indebtedness under the Bonds in full or that its assets and cash flows would be sufficient to repay the outstanding indebtedness under the Bonds in full and allow it to continue to make the other payments that it is obliged to make, which would materially impair Azerion's ability to run its business, could result in insolvency proceedings or reorganisation and could result in Shareholders losing all or a significant portion of their investment. Furthermore, under the Bond T&Cs, Azerion has the possibility to redeem all outstanding Bonds before the final maturity date. However, there is a risk that the market value of the Bonds will be higher than the early redemption amount and it may not be possible for bondholders to reinvest such proceeds at an effective interest rate as high as the interest rate on the Bonds. It is possible that Azerion, in the event of a mandatory prepayment, will not have sufficient funds to carry out the required redemption of Bonds. Furthermore, there is no guarantee that Azerion will continue to be able to meet its debt service obligations under the Bonds.

Any inability to meet Azerion's debt service obligations could result in insolvency proceedings or a debt or other restructuring and could result in Shareholders losing all or a significant portion of their investment. Any failure to repay or refinance the outstanding debt under Azerion's Bonds when due could have a material adverse effect on its business, financial condition and results of operations.

56. Exchange rate fluctuations may affect Azerion’s financial condition and results of operations.

Most of Azerion's revenue is in Euros. However, due to the international nature of Azerion's business, a portion of its revenue and expenses are denominated in currencies other than Euro. Fluctuations in exchange rates between the Euro and the other currencies with which Azerion does business could have a material adverse effect on its business, financial condition and results of operations.

57. The Company relies on its operating subsidiaries to provide it with funds necessary to meet its financial obligations and its ability to pay dividends or make other distributions may be constrained.

The Company is a holding company with no material, direct business operations. The Company’s principal assets are its direct and indirect equity interests in Azerion operating subsidiaries. As a result, the Company will be dependent on these sources to generate the funds necessary
to meet its financial obligations, including the payment of dividends. The ability of the Company, Azerion or its subsidiaries to make such distributions and other payments depends on their earnings and may be subject to contractual or statutory limitations, such as limitations potentially imposed by the financing facilities of Azerion's subsidiaries or the legal requirement to have distributable profit or distributable reserves. For example, as long as the Bonds are outstanding, Azerion is restricted from paying dividends, making other distributions, redeeming or repurchasing shares or reducing its share capital, repaying subordinated loans including the shareholder loans from Principion to Azerion. As an equity investor in Azerion or its subsidiaries, the Company's right to receive assets upon a subsidiary's liquidation or reorganisation will be effectively subordinated to the claims of such subsidiary's creditors. To the extent that the Company is recognised as a creditor of a subsidiary, Azerion's claims may still be subordinated to any security interest in or other lien on such subsidiary's assets and to any of its debt or other obligations that are senior to the Company's claims.

As of Completion, the payment of future dividends on Ordinary Shares, if any, and the amounts thereof, depends on a number of factors, including, among others, the amount of distributable profits and reserves, Azerion's earnings, level of profitability and financial conditions, capital requirements, applicable restrictions on the payment of dividend under Dutch law, capital expenditure and investment plans, financial covenants, ratio of debt to equity, any credit ratings, applicable restrictions on the payment of dividends under applicable laws as well as contractual restrictions, the level of dividends paid by other comparable listed companies, general economic and market conditions and such other factors as the Management Board may deem relevant from time to time. There can be no assurance that the abovementioned factors will allow adherence to Azerion's dividend policy, or any payment of dividends. In particular, Azerion's ability to pay dividends may be impaired if any of the risks described in this section "Risk Factors" were to occur. As a result, Azerion's ability to pay dividends in the future may be limited and Azerion's dividend policy may change. See "Business Combination – Dividend Policy".

58. Related party transactions may create potential conflicts of interest.

Azerion and certain of its subsidiaries are party to lease agreements, financing arrangements and certain other arrangements which may be considered related party transactions with Principion, indirect shareholders of Azerion or other related parties. Azerion leases part of its real estate, including several of its most important offices in the Netherlands, from companies controlled by certain indirect shareholders of Azerion. In addition, Azerion is party to certain loan agreements with Principion, where Azerion acts as a lender to Principion and as a borrower from Principion. Furthermore, the co-CEOs (as defined below) of Azerion, are in the process of acquiring an indirect majority stake in AgriBank PLC whereas certain subsidiaries of Azerion are party to factoring agreements with AgriBank PLC. These related party transactions imply that these related parties may act in multiple capacities, which could potentially create conflicts of interest. For example, conflicts may arise in connection with negotiations or re-negotiation of these leases or financing arrangements, in which case certain of these related parties may have an incentive to require higher lease or interest payments or impose strict or onerous terms or conditions on Azerion or its subsidiaries. See "Business Combination – Corporate Governance – Related Party Transactions" and "Business Combination – Corporate Governance – Potential Conflicts of Interest and Other Information".

RISKS RELATING TO HOLDING THE SHARES FOLLOWING THE BUSINESS COMBINATION

59. Following the Business Combination, Principion will be in a position to exert substantial influence over the Company. The interests pursued by Principion could differ from the interests of the other Shareholders.

Following the Business Combination, Principion is expected to be the majority holder of Ordinary Shares and is expected to hold 55.4% of the Ordinary Shares (following Completion, assuming no repurchases, including €23,150,000 of Sponsors & Co-Investors proceeds at a purchase price of €10.00 per share and taking into account the reclassification of 15% of the remaining Special Shares as Conditional Special Shares on the day following Completion at 00:01 a.m. CET). Consequently, Principion will as of Completion be in a position to exert substantial influence in the General Meeting and, consequently, on matters decided by the General Meeting. As of Completion, Principion may furthermore be able to make certain key decisions without the support of any of the other Shareholders and will be in a position to significantly influence the operations, proposals for, nominations and appointments of members of the Supervisory Board and changes to the articles of association of the Company. More generally, Principion may be able to significantly influence the strategy and growth of the Company. Principion may delay, postpone or prevent transactions that might be advantageous for other Shareholders. See "Business Combination – Corporate Governance – Related Party Transactions – Relationship Agreement" for a description of certain arrangements regarding the relationship between the Company and Principion and the Sponsors.

On the date of this Circular, Atilla Aytekin and Umut Akpinar, who are the chief executive officers ("CEO" or "co-CEOs") of Azerion and will be the co-CEOs of the Company following Completion, hold the majority of the shares in Principion. Principion may have interests that are different than, or conflict with, those of the other Shareholders. In addition, Atilla Aytekin and Umut Akpinar may, in the future, own businesses that directly compete with the Company.

60. The price of the Ordinary Shares and the Warrants may be volatile and affected by a number of factors, some of which are beyond the control of the Company.

The stock markets in general have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. Any one of the following factors, among others, may cause a substantial decline in the markets in which Azerion operates: general economic conditions, geopolitical conditions, including war, acts of terrorism and other man-made or natural disasters, financial regulatory
reforms, political or regulatory developments in the EU, the United States and other jurisdictions, changes in earnings estimates by stock market analysts and other events and factors beyond the control of the Company. These factors, and the factors described elsewhere in this section, could adversely affect the trading price of the Ordinary Shares and the Warrants.

61. Shareholders may not be able to participate in future equity offerings with pre-emptive rights.

The Company may undertake future equity offerings with or without pre-emptive rights. In case of equity offerings with pre-emptive rights, Shareholders in certain jurisdictions may not be entitled to exercise such rights unless the rights and the related shares are registered or qualified for sale under the relevant legislation or regulatory framework in such jurisdictions. Certain of the Shareholders outside the Netherlands may not be able to exercise pre-emptive rights unless local securities laws have been complied with. In addition, the Company may restrict the pre-emptive rights of all of the Shareholders in connection with certain equity offerings. Shareholders may suffer dilution of their shareholding should they not be permitted to participate in future equity offerings with pre-emptive rights. The General Meeting is requested to authorise the Management Board for a period of 18 months as from Completion to restrict or exclude pre-emptive rights in relation to certain issuances of Ordinary Shares. See “Convocation of Extraordinary General Meeting”.

62. Future sales or the possibility of future sales of a substantial number of the Ordinary Shares could have an adverse effect on the price of the Ordinary Shares and dilute the interests of the Shareholders.

Following Completion, Principion will be the largest Shareholder and will hold 55.4% of the Ordinary Shares immediately following Completion, assuming no repurchases, including €23,150,000 of Sponsors & Co-Investors proceeds at a purchase price of €10.00 per share and taking into account the reclassification of 15% of the remaining Special Shares as Conditional Special Shares. Principion may reduce its holding of the Ordinary Shares and sell a substantial number of its Ordinary Shares in the public market, including under certain circumstances during its Lock-Up Period (as defined in “Business Combination – Principal Terms of the Business Combination - Lock-up Undertakings”). In addition, future sales of the Ordinary Shares could be made by other Shareholders (including HTP Sponsor and EFIC1 Cooperative) or through a capital increase undertaken by the Company to obtain additional working capital, to fund capital expenditures, acquisitions or for other purposes. A sale of a substantial number of the Ordinary Shares, or the perception that such sale could occur, could adversely affect the market price of the Ordinary Shares, as well as impede the Company's ability to raise capital through an issuance of equity securities in the future. In addition, future sales of Ordinary Shares undertaken the Company could dilute the shareholding interests of the Shareholders.

63. The ability of Shareholders to bring actions or enforce judgments against the Company or members of the Management Board and Supervisory Board may be limited.

The ability of Shareholders in countries other than the Netherlands to bring an action against the Company may be limited. The Company is currently a private company with limited liability and will as of Completion be a public company with limited liability incorporated under the laws of the Netherlands. The rights of Shareholders are governed by Dutch law and by the Articles of Association. These rights may differ from the rights of Shareholders in other jurisdictions. It may be difficult for a Shareholder in a country other than the Netherlands to prevail in a claim against the Company or to enforce liabilities predicated upon the laws of jurisdictions other than the Netherlands.

A Shareholder in a country other than the Netherlands may not be able to enforce a judgment against some or all of the members of the Management Board and Supervisory Board. As of the date of Completion, with exception of one member of the Supervisory Board, all members of the Management Board and Supervisory Board are citizens or residents of countries other than the United States. Most of the assets of such persons are located outside the United States. Consequently, it may not be possible for such Shareholder to effect service of process upon members of the Management Board and Supervisory Board within such Shareholder's country of residence, or to enforce against members of the Management Board and Supervisory Board judgments of courts of such Shareholder's country of residence based on civil liabilities under that country's securities laws. There can be no assurance that a Shareholder will be able to enforce any judgment in civil and commercial matters or any judgments against the members of the Management Board and Supervisory Board who are residents of countries other than those in which the judgment is made. In addition, Dutch and other courts may not impose civil liability on members of the Management Board and Supervisory Board in any original action based solely on foreign securities laws brought against the Company or members of the Management Board and Supervisory Board in a court of competent jurisdiction in the Netherlands or other countries.

64. If securities or industry analysts do not publish or cease to publish research reports on Azerion’s business, or adversely change or make negative recommendations regarding the Ordinary Shares and/or the Warrants, or if the Company may become subject of “short-selling attacks", the market price and trading volume of the Ordinary Shares and the Warrants could decline.

Whether there is an active trading market for the Ordinary Shares and the Warrants will be influenced by, among other things, the availability and recommendations of research reports covering Azerion's business. EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II") requires research to be priced and charged separately from execution. As a result of MiFID II, it is possible that research coverage will be reduced in general, and that remaining coverage will be more focused on certain companies, industries or geographic markets. This may negatively affect the coverage by research analysts of Azerion's business. If one or more research analysts ceases to cover Azerion's business or fails to regularly publish reports on Azerion's business, the Company could lose visibility in the financial markets, which could cause the market price or trading volume of the Ordinary Shares and the Warrants to decline. In addition, if research analysts do not make
positive recommendations regarding the Ordinary Shares and/or the Warrants, or if negative research is published on the industry or geographic markets Azerion serves, the price and trading volume of the Ordinary Shares and the Warrants could decline. This would also likely be the case if the Company were to become subject of short selling measures performed by certain investors who are geared towards short-term profit and could cause sudden price declines, which can undermine investor confidence and depress the market value of the Ordinary Shares and make it more difficult for the Company to raise capital and hence to (re)finance acquisitions of target companies.

65. An active and liquid trading market for the Ordinary Shares may not develop, the market price may be volatile and investors may suffer a loss.

Prior to the Business Combination, there has not been a public market for the shares of Azerion. The Company cannot predict the extent to which an active market for the Ordinary Shares will develop or be sustained after the completion of the Offering or how the development of such a market might affect the market price for the Ordinary Shares. The market price of the Ordinary Shares could be subject to significant fluctuation. An illiquid market for the Ordinary Shares may result in lower trading prices and increased volatility, which could adversely affect the value of an investment in the Ordinary Shares, may cause the Ordinary Shares to trade at a lower price than the investor paid to purchase the Ordinary Shares and may make it difficult for investors to sell any Ordinary Shares held by them at or above the price paid for such Ordinary Shares or at all.

66. The Company’s issuance of additional Ordinary Shares will dilute all Shareholders.

The Company may issue additional Ordinary Shares in the future that will result in dilution to all other Shareholders. The Company expects to grant equity awards to certain of its employees and directors under a long term incentive plan. See "Business Combination – Corporate Governance – Long Term Incentive Plan". The Company may also raise capital through equity financings in the future. As part of the Company’s strategy, the Company may issue equity securities for purposes of financing acquisitions. Any such issuances of additional Ordinary Shares may cause Shareholders to experience significant dilution of their ownership interests and the per share value of the Ordinary Shares to decline.

67. Shareholders will experience immediate dilution as a consequence of, among other transactions, the issuance of Ordinary Shares for the Sponsors & Co-Investors Commitment and the conversion of Special Shares into Ordinary Shares. Having a minority share position may reduce the influence that the Company’s current Shareholders have on the management of the Company.

The issuance of a significant number of shares of Ordinary Shares in the Sponsors & Co-Investors Commitment and the conversion of Special Shares into Ordinary Shares, will dilute the equity interests of the Company’s existing Shareholders and may adversely affect prevailing market prices for its Ordinary Shares and/or Warrants.

It is anticipated that, upon the Completion, assuming that no Ordinary Shares are repurchased under the Share Repurchase Arrangement and taking into account the fact that 13.5% of the Special Shares remain outstanding as Conditional Special Shares: (1) EFIC1’s public Shareholders will own approximately 27.5% of the issued and outstanding Ordinary Shares; (2) the Sponsors & Co-Investors will own approximately 1.7% of the issued and outstanding Ordinary Shares; (3) the Sponsors will own approximately 5.3% of the issued and outstanding Ordinary Shares; and (4) Azerion’s shareholders will own approximately 65.5% of the issued and outstanding Ordinary Shares. These levels of ownership assume (a) that no Ordinary Shares are elected to be repurchased under the Share Repurchase Arrangement in connection with the Business Combination and (b) that the Company issues 2,315,000 Ordinary Shares to the Sponsors & Co-Investors in connection with the Sponsors & Co-Investors Commitment. The aforementioned ownership percentages with respect to the Company do not take into account the Warrants and Founder Warrants that will remain outstanding immediately following the Business Combination. If the actual facts are different from these assumptions, the above levels of ownership will be different.

The table below shows the post-Completion shareholdings in the Company and the calculation of the post-money equity value:

<table>
<thead>
<tr>
<th>Calculation of Individual Share Holdings</th>
<th>Value (€m)</th>
<th>Shares (#m)</th>
<th>Holding (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enterprise Value</td>
<td>1,300</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(-) Net Debt</td>
<td>(226)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pre-Money Equity Value</td>
<td>1,074</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(-) Secondary/ Cash to Selling Shareholders</td>
<td>(50)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(-) EFIC1 Sponsor Promote</td>
<td>(73)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(-) Fees &amp; Expenses</td>
<td>(42)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Roll-Over Equity to Existing Shareholders</td>
<td>909</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SPAC Shareholders</td>
<td>382</td>
<td>38.2</td>
<td>27.5%</td>
</tr>
</tbody>
</table>

The numbers contained in this section are based on a “no repurchase” scenario.
68. The outstanding Warrants, Founder Warrants and Azerion Founder Warrants will become exercisable in the future, which may increase the number of Ordinary Shares and result in further dilution for the holders of Ordinary Shares.

The Warrants, the Founder Warrants and the Azerion Founder Warrants will become exercisable in the Warrant Exercise Period, which begins 30 days after Completion. If all outstanding Warrants, Founder Warrants and Azerion Founder Warrants are exercised, the Company's share capital would increase by 35,985,546 Ordinary Shares, diluting the holders of Ordinary Shares. Alternatively, holders of Ordinary Shares who would not exercise their Warrants or who would sell their Warrants could experience an additional dilution resulting from the exercise of Warrants, Founder Warrants and Azerion Founder Warrants.

69. Even if the Business Combination is completed, the Warrants may never be in the money, and they may expire worthless.

If the Business Combination is completed, the outstanding Warrants to purchase an aggregate of approximately 12,736,605 Ordinary Shares will become exercisable in the exercise period, which begins 30 days after the Completion. The exercise price of the Warrants is €11.50 per Ordinary Share, subject to certain adjustments, which exceeds the market price of the Ordinary Shares, which was €9.70 per Ordinary Share based on the closing price on 10 December 2021. The Warrants will expire in case of (i) redemption of the Warrants, (ii) Liquidation, (iii) or any regular liquidation of the Company. The terms of the Warrants may furthermore be amended in a manner that may be adverse to the holders if holders of at least 50% of the then outstanding Warrants approve of such amendment. There can be no assurance that the Warrants will ever be in the money prior to their expiration and, as such, the Warrants may expire worthless.

70. There is no guarantee that a Shareholder's decision whether to have its shares repurchased for a pro rata portion of the Escrow Account will put the Shareholder in a better future economic position.

EFIC1 can give no assurance as to the price at which a Shareholder may be able to sell its Ordinary Shares in the future following the Completion or any alternative business combination. Certain events following the completion of any initial business combination, including the Business Combination, may cause an increase in the Company's share price, and may result in a lower value realized upon repurchase than a Shareholder might realize in the future had the Shareholder not have its Ordinary Shares repurchased. Similarly, if a Shareholder does not have its Ordinary Shares repurchased, the Shareholder will bear the risk of ownership of the Ordinary Shares after Completion, and there can be no assurance that a Shareholder can sell its Ordinary Shares in the future for a greater amount than the repurchase price. A Shareholder should consult the Shareholder's own tax and/or financial advisor for assistance on how this may affect such Shareholder's individual situation.

RISKS RELATING TO TAXATION

Tax Risks relating to the Business Combination

71. The Business Combination may result in adverse tax, regulatory or other consequences for Shareholders and Warrant Holders which may differ for individual Shareholders and Warrant Holders depending on their status and residence.

It is possible that any transaction structure determined necessary by the Company to complete the Business Combination may have adverse tax, regulatory or other consequences for Shareholders and Warrant Holders which may differ depending on their individual status and residence.

Tax Risk relating to holding Ordinary Shares and/or Warrants following the Business Combination

72. Shareholders and Warrant Holders may suffer adverse tax consequences in connection with acquiring, owning and disposing of the Company's Ordinary Shares and/or Warrants.

The tax consequences connected with acquiring, owning and disposing of the Company's Ordinary Shares and/or Warrants may differ depending on a Shareholder's or Warrant Holder's particular circumstances including, without limitation, where it is tax resident. Such tax consequences could be materially adverse to Shareholders and/or Warrant Holders and they should seek their own tax advice about the tax consequences in connection with acquiring, owning and disposing of the Ordinary Shares and/or Warrants.

73. There can be no assurance that the Company will be able to make returns in a tax-efficient manner for the Shareholders and/or the Warrant Holders.

Taxes may be imposed with respect to any of the Company's assets, income, profits, gains, repurchases or distributions in the Netherlands and/or any other jurisdiction, which may impact the net returns to the Shareholders and/or Warrant Holders. For instance, income from other jurisdictions may be reduced by irrecoverable foreign withholding or other local taxes and this may reduce any net return derived from a shareholding in the Company. Any changes in laws or tax authority practices could also adversely affect such returns to the Shareholders and/or
The number of Ordinary Shares and Warrants outstanding at any given time may fluctuate substantially, which could lead to adverse tax consequences for the holders thereof.

The number of Ordinary Shares and Warrants outstanding at any given time may fluctuate and such fluctuations may be substantial. These fluctuations (including dilution) may for example be caused by exercise of Warrants or Founder Warrants into Ordinary Shares, conversion of Special Shares into Ordinary Shares and/or Conditional Special Shares in connection with the Business Combination, the issuance of Capital Shares, the repurchase of Ordinary Shares in accordance with the Share Repurchase Arrangement and any issuances of Ordinary Shares or other equity or equity-linked securities of the Company to the Sponsors & Co-Investors or shareholders of Azerion in connection with the Business Combination. Consequently, the interest held by Shareholders and/or Warrant Holders in the Company could rise above or fall below certain thresholds relevant for tax purposes (e.g. the threshold relevant in respect of the Dutch substantial interest rules or in respect of the Dutch participation exemption). The tax consequences thereof could be material and Shareholders and/or Warrant Holders should therefore seek their own tax advice about the tax consequences in connection with the acquisition, holding, redemption and disposal of the Ordinary Shares and/or Warrants.

74. Dividends distributed on the Ordinary Shares are currently subject to Dutch withholding tax and, in addition, dividends that are paid to certain related parties in low-taxed jurisdictions might in the future become subject to an additional Dutch withholding tax.

Dividends paid on the Ordinary Shares are currently, in principle, subject to Dutch dividend withholding tax at a rate of 15% under the Dutch Dividend Withholding Tax Act (Wet op de dividendebelasting 1965), unless a domestic exemption or treaty exemption applies. Liquidation proceeds, proceeds of redemption of Ordinary Shares, or proceeds of the repurchase of the Ordinary Shares by the Company or one of its subsidiaries or other affiliated entities are in principle also subject to Dutch dividend withholding tax to the extent such proceeds exceed the average paid-in capital of those Ordinary Shares as recognized for Dutch dividend withholding tax purposes.

On 11 November 2021, a new law relating to the introduction of a Dutch conditional withholding tax on dividends as per 1 January 2024 (Wet invoering conditionele bronbelasting op dividenden) (the “New Law”) is published. The New Law is currently in force but will only enter into effect as of 1 January 2024. The New Law introduces an additional withholding tax on dividends paid by a Dutch resident entity (such as the Company) or by a non-Dutch resident entity which has a permanent establishment in the Netherlands to which the payment is allocated, in the event that such entity is related (geliend) to the entity entitled to such payment (woordeelgerechtigde) and such related recipient entity (i) is resident in a low tax jurisdiction (laagbelastende juridiciteit) or (ii) has a permanent establishment in such low tax jurisdiction to which the dividend payment is allocated. A jurisdiction would qualify as a low tax jurisdiction for purposes of the conditional withholding tax on dividends if it would be listed in an annually updated ministerial decree published by the Dutch government containing jurisdictions (a) with a profit tax rate of less than 9% or (b) included on the EU list of non-cooperative jurisdictions in the preceding year. In case neither situation (i) or (ii) above applies to the related recipient entity, the additional withholding tax on dividends would under the New Law nevertheless apply in case of certain situations that are perceived to be abusive and in certain situations involving hybrid entities.

A holder of Ordinary Shares that is an entity would be related (geliend) to the Company for purposes of the additional Dutch withholding tax on dividends if (i) such holder of Ordinary Shares (alone or together with other entities forming a cooperating group) would directly or indirectly have a qualifying interest in the Company or if (ii) a third party (alone or together with other entities forming a cooperating group) would directly or indirectly have a qualifying interest in both the holder of Ordinary Shares as well as the Company. An interest in an entity (such as the Company) would be considered a ‘qualifying interest’ if directly or indirectly the influence in the decision making would be such that the decisions of that entity and thus its activities can be determined. Consequently, an interest would for purposes of the additional Dutch withholding tax on dividend in any case be qualifying if it represents more than 50% of the statutory voting rights in an entity.

The additional Dutch withholding tax on dividends would enter into effect as of 1 January 2024 and would be levied at a rate equal to the highest Dutch corporate income tax rate (25% in 2021) at the time of the dividend payment. Simultaneously, the current regular Dutch dividend withholding tax regime is anticipated to remain in place. Consequently, a holder of Ordinary Shares meeting the conditions set out above could under circumstances become subject to both such additional withholding tax and the regular Dutch dividend withholding tax regime. The Proposal stipulates in this respect that if the regular dividend withholding tax and the additional withholding tax on dividends would cumulate, the amount of the additional withholding tax to be withheld from the dividends would be reduced by the amount of regular dividend withholding tax levied. Nevertheless, dividends paid on the Ordinary Shares to holders thereof that meet the conditions described above could under circumstances become subject to Dutch withholding taxes at the highest Dutch corporate income tax rate (currently 25%) as of 1 January 2024, as a result of which such certain holders would receive lower after-tax dividends as of that date.
Tax Risks relating to Azerion

76. Changes in tax laws, regulations and treaties, changes in the interpretation and enforcement thereof, and the introduction of new tax laws or regulations with or without retroactive effect could have a material adverse effect on Azerion.

The tax laws and regulations in – and the tax treaties concluded by – the various jurisdictions in which Azerion operates may be subject to change, and there may be changes in interpretation and enforcement of such tax laws, regulations or treaties. Consequently, tax laws, regulations or treaties and the interpretation and enforcement thereof may be modified in an adverse manner and tax rates to which Azerion is subject may increase, as a result of which it may face increases in taxes payable.

In addition, new tax laws, regulations or treaties may be introduced or entered into by the competent authorities with or without retroactive effect. For example, digital services taxes have recently been unilaterally implemented and/or are being considered by various jurisdictions. Initiatives to introduce such digital services taxes are also being considered at supranational level (such as at the level of the EU). Furthermore, as of the date of this Circular over 130 jurisdictions have endorsed initiatives of the Organisation for Economic Cooperation and Development that aim to address the tax challenges arising from the digitalisation of the economy. As a result of the introduction of new tax laws or regulations (including, but not limited to, digital services taxes and other initiatives), Azerion may also face increases in taxes payable.

Any increase in taxes payable could increase Azerion's effective tax rate and cost of operations, and could thus have a material adverse effect on its business, results of operations, cash flow and financial condition.

77. Azerion conducts business in multiple jurisdictions and is exposed to the tax laws of such jurisdictions, including the risks in connection with challenges to its tax position or adverse outcomes of tax audits.

Azerion is subject to a large number of different tax laws and regulations in the various jurisdictions in which it operates and this large number may increase further as its business expands into new jurisdictions. These laws and regulations are complex and are subject to varying interpretations. The combined effect of the application of these laws and regulations, including the application or disapplication of tax treaties of one or more of these jurisdictions and their interpretation by the relevant tax authorities, could, under certain circumstances, produce contradictory results. Azerion often relies and will continue to rely on generally available interpretations of these tax laws and regulations to determine the existence, scope and level of its liability to tax in the jurisdictions in which it operates. Also, Azerion takes and will take, positions in the course of its business with respect to various tax matters. There is no assurance that the tax authorities in the Netherlands or any other jurisdiction will agree with Azerion's application and interpretation of these laws and regulations or with the positions taken by it. In addition, tax authorities in the various jurisdictions in which Azerion operates currently periodically examine it and its subsidiaries. Following tax audits for periods not previously reviewed, Azerion may become required to pay additional taxes plus accrued interest and penalties. Furthermore, Azerion may be subject to penalties if tax authorities consider it has not complied with applicable reporting obligations. If its application and interpretation of tax laws and regulations or its tax positions are challenged or tax audits are performed by the relevant tax authorities, the additional taxes or other sums that Azerion may become required to pay as a result thereof could increase its effective tax rate and cost of operations, and could thus have a material adverse effect on its business, results of operations, cash flow and financial condition.

78. Transfer pricing adjustments may adversely affect our corporate income tax expense.

Many of the jurisdictions in which we conduct business have detailed transfer pricing rules, which require contemporaneous documentation establishing that all transactions with (non-resident) related parties are priced in accordance with arm's length pricing principles. Tax authorities in these jurisdictions could challenge our transfer pricing policies and/or the arm's length nature of one or more specific transactions. Consequently, tax authorities could adjust the tax treatment of related expenses and income.

International transfer pricing is an area of taxation that depends heavily on the underlying facts and circumstances and generally involves a significant degree of judgment. If any tax authority were to be successful in challenging our transfer pricing policies, we may be liable for significant additional taxes, penalties and interest related thereto, which may have a significant impact on our results of operations and financial condition.

79. The Company may be a passive foreign investment company, or "PFIC," which could result in adverse US federal income tax consequences to US investors.

If the Company is a PFIC for any taxable year (or portion thereof) that is included in the holding period of a US Holder of Ordinary Shares, the US Holder may be subject to adverse US federal income tax consequences and may be subject to additional reporting requirements. Following the Business Combination for US federal income tax purposes, and for the taxable year that includes the Business Combination and subsequent taxable years, the asset and income tests will be applied based on the assets and activities of the combined businesses of companies included in the Business Combination. Based on the anticipated income and assets of the combined businesses of companies included in the Business Combination, it is expected that the Company generally would not meet the asset or income test in periods following the Business Combination. However, because PFIC status is based on income, assets and activities for the entire taxable year, it is not possible to determine PFIC status of the Company for any taxable year until after the close of the taxable year. Accordingly, there can be no assurance that the Company will not be considered a PFIC for any taxable year.
US Holders are urged to consult their own tax advisors regarding the possible application of the PFIC rules to holders of Company Ordinary Shares.
8. AZERION'S BUSINESS

Overview
Azerion operates a high-growth, profitable digital entertainment and media platform. It is a content-driven technology and data company, serving consumers, advertisers, digital publishers, and game creators globally. Established in 2014 as a digital social and casual gaming company, in recent years Azerion has expanded further along the user engagement value chain into integrated advertising technology. Azerion is engaged in a number of interrelated operating activities including providing technology solutions to automate the purchase and sale of digital advertising inventory for advertisers, publishers and game creators as well as developing, publishing, distributing and operating online social and casual games and digital content.

As audiences continue to transition to digital forms of entertainment, gaming has established itself as one of the most engaging forms of content, driving advertisers into the ecosystem. Azerion's owned and operated content reaches millions of highly engaged users globally and captures advertising spend across its platform and also generates revenues through in-game purchases through its premium games. By leveraging the platform, Azerion also receives a share of revenue generated through the placing of advertisements on the inventory of its digital publisher partners and a share of the advertisement revenue generated by the content of its game creator partners.

As at 30 June 2021, Azerion had a portfolio that consisted of more than 16,000 game titles and more than 230,000 active domains (websites and apps) where more than one paid impression was shown in September 2021. As at the date of this Circular, Azerion has nine titles in its premium games portfolio, defined as games where users make purchases directly in-game. Azerion has worked with more than 300,000 individual advertisers globally and the number of digital publishers with whom Azerion had more than one transaction in June 2021 was over 550. During the month of September 2021, Azerion reached an audience of over 425 million unique monthly active users across all its products, including through its digital publisher network and during the three months ended 30 June 2021 Azerion sold on average 3.2 billion digital advertisements on a monthly basis. As of June 2021, Azerion had partnerships with over 850 game creators and published on average approximately 130 new games per month in the three months ended 30 June 2021.

Azerion was founded in 2014 with 45 employees. On 30 September 2021, Azerion had over 1,000 employees, across its 26 offices in 18 countries. Azerion believes that its employees are key to the success of its business as they maintain and develop its relationships with consumers, advertisers, digital publishers and game creators and also maintain and develop its proprietary technology platform, which is key to the operation of its business. Azerion is committed to promoting diversity and inclusion within its workforce.

Azerion has experienced significant growth since its inception through organic initiatives and M&A transactions, with over 40 acquisitions completed since 2015. For the year ended 31 December 2018, Azerion generated a reported revenue of €127 million based on Dutch GAAP. For the year ending 31 December 2021, Azerion's reported revenue is expected to amount to at least €290 million, implying a revenue of at least €355 million in the same year when giving full year effect to the following acquisitions: Genba Digital, Whow Games, Strossle, Delta Projects, Admeen, Sublme, Keymobile, PubGalaxy and Inskin, as if these acquisitions had occurred as of 1 January of the year. For the year ending 31 December 2022 revenue is expected to amount to at least €450 million (not taking into account any potential acquisitions in 2022) and is targeted to grow at a CAGR of more than 37% over the period from the year ended 31 December 2018 to the year ended 31 December 2022. In addition, Azerion's Adjusted EBITDA margin amounted to approximately 14% over the year ended 31 December 2020 and its Adjusted EBITDA has grown approximately 76% over the period from the year ended 31 December 2019 compared to the year ended 31 December 2020.

History
In 2014, Atilla Aytekin and Umut Akpinar, Azerion’s co-CEOs, founded digital social and casual gaming company Orange Games, the predecessor to Azerion. Over the years Azerion has experienced significant growth, organically and through acquisitions. In 2016, Azerion expanded into content e-commerce with the acquisition of Voidu, a business-to-consumer digital content distribution platform. With the acquisition of Sulake in 2018, the owner of premium games titles such as Habbo and Hotel Hideaway, Azerion expanded its premium games titles. In 2018, Azerion entered the digital advertising space through the acquisition of Improve Digital, a European programmatic advertisement company, after which the combined group was renamed to Azerion. In 2021, Azerion completed nine acquisitions. Azerion strongly believes that these acquisitions further strengthen its synergistic ecosystem, creating further scale benefits, adding to growth and margin expansion. See also the section headed “– Azerion's Business Model”.

Azerion’s Business Model
Azerion considers its platform to be at the centre of the global digital gaming and digital advertising ecosystem by providing consumers with a scaled, diverse and engaging free to play digital gaming experience, and by solving critical challenges for advertisers, digital publishers and game creators.

The diagram below shows a visualisation of Azerion’s ecosystem and how Azerion monetises these customer and partner groups. Content, data and technology are at the core of Azerion’s ecosystem. There are four broad groups that engage with Azerion’s ecosystem: (1) consumers; (2) advertisers; (3) digital publishers; and (4) game creators. The operations and solutions that Azerion offers to the various groups that interact within its ecosystem generate strong complementary network effects. Firstly, Azerion's owned and operated content attracts a large number of
consumers, that function as audiences for advertisers, and some consumers also make in-game purchases in Azerion's premium games. As a result, Azerion's advertisers benefit from Azerion's integrated platform, providing access to a global, scaled and engaged audience base. Advertisers generate revenue for Azerion by spending on advertisements across Azerion's platform. In addition, Azerion partly uses its advertising inventory to promote its own games, thereby reducing user acquisition costs, whilst increasing the consumer base for its owned games. Thirdly, Azerion provides branded and white-label gaming-as-a-service, AdTech, sales and full-service turnkey solutions to its digital publishers in return for which Azerion receives a share of the advertising spend across this inventory, in addition to, in certain circumstances, a share of the subscription revenue generated by the digital publisher partner. Digital publishers benefit from and contribute to the content, user and distribution scale of the Azerion platform, enhancing the platform network effects. Lastly, Azerion offers a platform to its game creators' partners to innovate, distribute, optimise and monetise their games, for which Azerion receives a share of the advertising revenue generated through the content of the game creators. As partners to Azerion, the game creators fuel Azerion's platform with new and updated content, which in turn helps retain existing users, attracts further users and sustains and increases user engagement.

Azerion generates revenue in two principal ways, firstly through advertising spend across its platform and secondly through in-game purchases across its premium games (approximately 22% of 2020 reported revenue), with additional revenue coming from AAA game distribution.

Consumers

Azerion seeks to offer a highly engaging, safe and reliable online social gaming and digital entertainment platform to its consumers globally, which is underpinned by its proprietary technology and data. As at 30 June 2021, Azerion’s platform operated nine premium games and more than 16,000 F2P casual games. In the three months ended 30 June 2021, Azerion published on average approximately 130 new games per month (mix of external and internal content) through its casual distribution channel. In addition, as of 30 June 2021, Azerion hosted over 2,000 individual registered active game portals (with over 3,000 registered portals as at the same date).

On average Azerion had approximately 334 million unique game plays per month over Q2 2021. Azerion’s audiences are highly diversified across all demographics. Out of its casual gaming consumer base, an estimated 63% is female and 32% is male, with the balance of 5% undisclosed. In addition, approximately 21.2% of Azerion’s consumer base for its casual games is between the ages of 13 to 20, approximately 28.3% is between the ages of 21 to 40, approximately 27.8% is between the ages of 41 to 64 and approximately 22.7% is 65 or above. Furthermore, approximately 47.0% of Azerion’s game consumer base is located in Europe, approximately 22.1% is located in Asia, approximately 13.6% is located in North America and approximately 13.0% is located in South America (source: Nielsen Digital Ad Ratings).

Through its premium, casual and social games Azerion offers its users diversified social experiences and content. Azerion reached an audience of over 425 million active users over the month of September 2021 across all its products, including through its digital publisher network. On average, over the three months ended 30 June 2021, the consumers of Azerion’s casual games spent approximately 11 minutes per day playing
casual games and the consumers of Azerion’s premium games spent on average approximately 80 minutes per day playing Azerion’s premium games. This large and loyal consumer base generates valuable views, data and insights for Azerion’s ecosystem. This is evidenced by the fact that Azerion sold 3.2 billion digital advertisements per month over the three months ended 30 June 2021 and Azerion reached approximately 80 million active users through its gaming content and approximately 350 million unique active users through its digital publisher advertising network over the month September 2021.

Advertisers

Azerion now works with over 300,000 individual advertisers and agencies on average per month (average number of advertisers placing more than one advertisement in the three months ended 30 June 2021), including names such as Coca-Cola, Renault, Disney, McDonalds, the Crown Commercial Service, WPP, IPG and Omnicom Group.

Azerion believes that it provides its advertisers with a more comprehensive proposition than its competitors, offering both AdTech services, audience segmentation, curated, brand-safe content and country-level sales and campaign management, allowing Azerion to capture a larger share of the advertising value chain. Azerion’s one-stop-shop solution allows advertisers to deploy advertising spend on Azerion’s owned and third-party inventory, creating buyer efficiencies for advertisers and agencies whilst securing higher revenue yields for digital publishers, maximising efficiency for all parties involved through Azerion’s ecosystem.

Simultaneously, Azerion provides its advertisers with verified, brand-safe inventory with engaged audiences at significant scale. The end-to-end services Azerion offers to its advertisers cover both technical and local support, as its technology enables an easy and safe way to reach consumers through advertising and its local teams can take ownership of the entire digital advertising process. Azerion seamlessly integrates and leverages technology such as machine learning, audience recognition and fraud detection, enabling Azerion to deliver accuracy, safety and automation of its services to its advertisers.

Digital Publishers

Azerion, through Improve Digital, has existing partnerships with over 550 digital publishers, including established media companies, newspapers, gaming platforms and e-commerce platforms, such as Microsoft Bing, Telenor and ItaliaOnline. Azerion reached approximately 350 million unique active users through its digital publisher network over the month September 2021. To its digital publishers, Azerion offers programmatic advertising solutions and access to a vast advertiser base. With its programmatic advertising solutions, Azerion enables automated buying of advertising inventory through real-time bidding enabling digital publishers to optimally monetise their content.

Azerion provides its digital publishers with three potential solutions:

- **AdTech and sales.** Through these services Azerion helps digital publishers to access advertisers with their existing content, benefitting from Azerion’s scale and advertiser relationships.
- **Gaming-as-a-Service.** Through these services Azerion provides digital publishers with branded and white-label solutions, with curated access to a catalogue of over 16,000 game titles and exclusive content, increasing audience engagement.
- **Full-service turnkey solutions.** Through the provision of AdTech, sales and gaming content as a full-service turnkey solution, Azerion manages advertising on digital publishers’ existing digital inventory, thereby helping digital publishers maximise their revenue from their existing audiences, and increases the engagement of the digital publishers’ audiences through the introduction of new game content.

Game Creators

Azerion works with a number of small but also leading global game creators including Nintendo, Microsoft Studios, Hasbro and Ubisoft Nano. Azerion enables game creators to distribute their games by connecting a large and diverse consumer base to the content developed by the game creators, whilst ensuring compliance with privacy and data, laws and frameworks. In addition, Azerion helps game creators innovate and optimise their games by providing them with data and key insights and works together with game creators to generate new content, features and services, in order to maintain the attractiveness of content and increase user engagement and advertisement impressions. Furthermore, Azerion enables game creators to monetise their games, by facilitating in-game purchases and by optimising games for advertising. Through these efforts, Azerion received on average over 400 new game proposals over the six months ended 30 June 2021 and published on average approximately 130 new games per month (mix of external and internal content) through its casual distribution channel in the three months ended 30 June 2021. Azerion also had over 3,900 game titles available for consumers to buy on Azerion’s digital game sales platforms as of 30 June 2021.

Key elements of Azerion’s business
At the heart of converging trends

Azerion operates at the intersection of the global digital gaming and digital advertising markets, both of which, Azerion believes, present large markets with significant opportunities for future growth. The digital gaming market reaches an estimated over 3 billion players globally in 2021, of which approximately 2.8 billion play on mobile, and its overall revenue is expected to grow at a CAGR of approximately 5% in the period from 2020 to 2023 to approximately $205 billion in 2023. The overall revenue of the global digital advertising market is expected to grow at a CAGR of 16% in the period from 2020 to 2023 to approximately $586 billion. The weighted average growth in the period from 2020 to 2023 for digital gaming market and the digital advertising market is expected to be more than 10% (source: eMarketer, Newzoo Global Games Market report 2021).

Azerion believes that there are various drivers that will structurally promote additional growth in both of the markets in which it operates. As part of the continued transition to digital forms of entertainment, Azerion believes that there has been a long-term, structural shift from other forms of entertainment to digital gaming which is strengthened by the increased penetration of mobile devices globally, decreasing cost of data and continuous enhancement in mobile technology. Digital gaming has therefore become one of the biggest and fastest growing forms of entertainment. In the digital advertising market, a similar shift can be seen from advertising on traditional channels to advertising through digital formats, with programmatic advertising gaining market share over time.

Azerion believes that it is well positioned to capitalise on the growth opportunities of these markets due to its unique proposition that encompasses both the digital gaming and the digital advertising markets, whilst addressing the demands of increased regulation and protective measures relating to data. Azerion's approximate 80 million monthly active users on its gaming portals in September 2021 provide them with strong first-party data which acts as a competitive advantage in a potentially cookie-less or reduced cookie world and privacy-conscious environment. In addition, data privacy is becoming more complex with increased regulatory constraints and different legislations across geographies, making it difficult for digital publishers to accurately target their audiences. Azerion’s AdTech solutions are compliant with the GDPR. Moreover, Azerion is continuing to invest in, and develop, innovative technology solutions that will allow, for example, contextual-based targeting and other solutions to accommodate potential privacy changes relating to consumer data.

High barriers to entry based on a platform of scale coupled with multiple revenue streams

Azerion operates a business model that consists of various interrelated activities, providing significant synergies and generating strong network effects. Through its integrated platform, Azerion offers a comprehensive proposition to consumers, advertisers, digital publishers and game creators, being vertically integrated and thereby maximising efficiency for all parties. Furthermore, through its integrated platform services, Azerion is able to capture a larger part of the advertising value chain. Azerion considers its business model to be underpinned and accelerated by a series of flywheel effects: its global consumer base enjoys highly engaging content providing an attractive, scale digital audience for advertisers; Azerion provides a one-stop-shop for those digital advertisers, capturing advertising spend across the platform; in turn, digital publishers attracted by the scale of Azerion’s advertiser network, integrated advertising technology and/or extensive portfolio of gaming content join the platform as partners providing Azerion with additional advertising inventory and an extended digital audience generating additional revenue and creating further scale; lastly, the game creators, attracted by the scale of Azerion’s user base and distribution capabilities, as well as Azerion’s advertiser network and integrated advertising technology, join the platform as partners thereby continue to fuel Azerion’s platform with new and updated game content, helping to drive existing audience retention, sustain or increase user engagement, help attract new users and generating further revenue opportunities.

Across its platform, during the month of September 2021, Azerion reached an audience of over 425 million monthly active users across all of its products, including through its digital publisher network, generating significant amounts of data. Azerion can leverage this data to optimise user experience, driving user engagement and acquisition. For example, Azerion can leverage the insights from its premium games to optimise user acquisition costs across the platform. The data collected from other business activities in turn helps to optimise the functioning of its premium games. Furthermore, its business model has allowed Azerion to create a synergistic ecosystem in which it can monetise the interaction of its consumer base with its network of online content, encouraging the long tail of its global consumer base towards more engaging and more valuable interactions with Azerion. See also the section headed "Azerion's Business Model".

In addition, Azerion has an in-house creative and development team of approximately 100 people (as at 30 June 2021) that creates and develops new content, features and services. These capabilities support a wider drive to build strategic partnerships across the platform with, for example, Habbo and Hotel Hideaway, two of Azerion’s community games, having entered into partnerships with brands such as Michael Kors, Coca-Cola, Bratz and Nintendo and with music companies such as Warner Music Group, Sony Music and Universal Music Group. Moreover, in September 2021, Habbo launched its first sale of Non-Fungible Tokens ("NFTs"). See also the section headed “– The Platform – Premium Games - Habbo”. This type of initiative creates greater user engagement, attracts new audiences and generates new revenue opportunities.

Entrepreneurial, founder-led and highly experienced management team

Azerion’s business is led by an entrepreneurial and visionary founder management team with complementary skill sets and experience across fields including technology, data, advertising digital entertainment and gaming. The management team has demonstrated its ability to successfully implement and execute Azerion's strategy and realise organic, and acquisition-based inorganic growth, with more than 40 acquisitions completed since 2015. They have proven that they are capable of achieving synergies by integrating the acquired businesses in Azerion's ecosystem and at the same time retaining key senior managers and key employees of the acquired businesses through, among other things, ensuring a welcoming and challenging workplace and enabling them to participate in Azerion's stock appreciation plan. Azerion's
management team is supported by a skilled team of senior managers, with experience in gaming, advertising, technology, data, legal and finance. Azerion's management team is committed to transforming the digital entertainment and digital advertising environments and focuses on promoting a culture of entrepreneurship and on building longstanding and valuable relationships with advertisers and advertising agencies, digital publishers and game creators and providing engaging experiences for Azerion's users. Following Completion, the current management team is expected to remain in place and certain members of the team will continue to hold equity in Azerion, which is expected to incentivise them to continue their commitment to create long-term value for Azerion's stakeholders whilst being a listed company.

**High-growth, increasingly profitable with strong cash conversion**

Azerion operates a resilient and diversified business model, which is characterised and evidenced by revenue growth, EBITDA profitability and positive cash flow.

Azerion's revenue growth is evidenced by an increase in reported revenue from €127 million over the year ended 31 December 2018 to €195 million over the year ended 31 December 2020. Azerion's revenue is targeted to be over €355 million in the year ended 31 December 2021 on a pro forma basis giving full year effect for the following acquisitions: Genba Digital, Whow Games, Strossle, Delta Projects, Admeen, Sublime, Keymobile, PubGalaxy and Inskin, as if these acquisitions had occurred as of 1 January 2021. For the year ended 31 December 2022 revenue is targeted to be at least €450 million, excluding any potential M&A in 2022, resulting in a targeted CAGR of approximately 37% for the period 2018 to 2022 (the numbers for the year ending 31 December 2018 are based on Dutch GAAP and are therefore not fully comparable with the numbers over the years ending 31 December 2019 and 31 December 2020, which are based on IFRS). The main drivers for Azerion's targeted margin expansion include operating leverage as the business continues to scale, more advertising revenue passing through Azerion's own inventory, platform synergies, optimised user acquisition and the delivery of synergies from completed M&A. Azerion's Adjusted EBITDA increased from approximately €8 million for the year ended 31 December 2018 to approximately €26 million for the year ended 31 December 2020. Azerion's Adjusted EBITDA margin grew from approximately 6% for the year ended 31 December 2018 to approximately 14% for the year ended 31 December 2020. The Adjusted EBITDA margin is targeted to gently accelerate non-linearly as a percentage to the high teens in the short-term and low-to-mid 20s in the mid-term. Azerion's cash conversion (defined as (Adjusted EBITDA-Capex)/Adjusted EBITDA) and excluding any M&A investment) for the year ended 31 December 2020 was approximately 54%.

It is targeted that, excluding all the acquisitions completed by Azerion in 2021, Azerion's revenue for the year ending 31 December 2021 should amount to more than €230 million. This implies organic revenue growth for Azerion's platform as per its end of 2020 perimeter of approximately 18% compared to the reported revenue over the year ended 31 December 2020. Taking Azerion's underlying business perimeter as of 31 December 2017, and excluding any acquisitions made thereafter, Azerion's revenue base has grown organically at a CAGR of approximately 47% from the year ended 31 December 2018 to the year ending 31 December 2021. The reasons for Azerion's growth in the years 2018 to 2020 were (i) organic growth and (ii) building the platform through acquiring, restructuring and integrating acquired companies, mostly sales and technology companies, while increasing EBITDA margin and reducing unprofitable revenue.

**Strategic M&A drives platform growth**

By acquiring more than 40 businesses across the platform over the past six years, Azerion has demonstrated its ability to successfully identify, execute and integrate acquisitions. Between 2014, the year of Azerion's incorporation, and 2015, Azerion expanded its gaming portfolio by acquiring various gaming companies, including Youda Games, spele.nl and Tibaco. In 2016 and 2017 Azerion expanded into the digital games distribution industry, by acquiring Voidu and Game Distribution. In 2018, Azerion expanded its digital advertising offering, by acquiring Improve Digital. In addition, Azerion acquired Sulake and HyvesGames in 2018, which facilitated its geographic expansion and added premium game content and additional development capabilities. In 2019, Azerion acquired a stake in Woozworld, SpilGames and AdUX. Finally, in 2021 Azerion acquired Genba Digital, Whow Games, Delta Projects, Strossle, Admeen, PubGalaxy, Inskin, Keymobile and Sublime, representing additions to both Azerion's digital gaming content and its advertising and distribution platform.

Azerion has instituted acquisition and integration procedures, which are aimed at (i) identifying and assessing targets, driven by a business need (ii) identifying potential risks associated with a target's business or client portfolio, (iii) successfully executing on acquisition candidates and (iv) integrating acquired businesses. Azerion reviews potential acquisition candidates through a predefined framework of investment criteria and business characteristics, allowing it to identify the candidates' suitability efficiently. If at any stage of the acquisition process Azerion is not convinced that a particular target meets its standards or criteria, it does not proceed with the acquisition.

At a high level, Azerion pursues acquisitions that (i) improve the breadth, depth and/or quality of its digital gaming content, and/or (ii) add to the demand side of its advertising network, and/or (iii) complement its geographic focus, technology platform and/or consumer base; and/or (iv) increase and expand its consumer base and data volumes; and/or (v) facilitate margin expansion; and/or (vi) allow Azerion to retain the existing management of the target company. Azerion has proven its ability to successfully integrate acquired companies within its ecosystem, which is evidenced for example by the acquisitions of Improve Digital and Sulake.

Once Azerion has completed an acquisition, it seeks to integrate the acquired business in its ecosystem in order to promote profitable organic growth of the target company and maximise its synergy potential. To this effect, in structuring and integrating its acquisitions, Azerion aims to retain the key individuals within, and the key relationships of the acquired business. There remain ample opportunities for further consolidation across the industries in which Azerion operates, in particular since these industries are still characterised by a relatively high degree of fragmentation. Azerion believes its strong track record of successfully executing and integrating acquisitions provides it with a strong position to participate in and benefit from further consolidation.
Azerion’s Strategy

Azerion’s strategy is to continue its strong revenue and profitability growth in 2022 and onwards, which it will seek to achieve through a combination of organic growth opportunities and value accretive acquisitions. Azerion believes that its integrated platform and strong acquisition track record will enable it to execute and accelerate its buy-and-build strategy across its ecosystem. Azerion has identified four main drivers of continued growth: (i) structural market growth; (ii) platform growth; (iii) M&A pipeline; and (iv) platform synergies.

Structural market growth

Azerion believes it is well positioned to benefit from the anticipated future structural growth in the digital gaming and digital advertising markets. The weighted average growth in the period from 2020 to 2023 for the digital gaming market and the digital advertising market is expected to be more than 10% (source: eMarketer, Newzoo Global Games Market report 2021).

Platform growth

Azerion’s organic growth strategy is centred around a number of drivers to increase organic growth in 2022 and onwards. These include, amongst others:

Grow user base

- Develop existing games further and launch new game titles;
- Increase and optimise user acquisition and spend; and
- Enter into new strategic partnerships with digital publishers.

Grow wallet share

- Expand existing partnerships and build new strategic partnerships with agencies and advertisers;
- Scale-up data analytics and customer relationship management for advertisers, digital publishers and game creators;
- Expand advertising formats that provide high impact brand experiences; and
- Expand geographically by introducing sales teams in selected new geographies.

M&A Pipeline

Azerion aims to strengthen its market position, increase its market share, and expand and complement its product and services offering by pursuing selective and value enhancing acquisitions. Azerion has demonstrated its ability to identify, execute and integrate acquisitions in the digital gaming and digital advertising markets, with more than 40 acquisitions over the past six years. During 2021 Azerion’s total M&A spend (with the exception of the consolidation of Talpa) amounted to approximately €139 million, of which less than 50% was paid in cash upfront. It is expected that the nine acquisitions completed in the year ending 31 December 2021 will contribute at least €125 million in revenue (excluding synergies) and at least €20 million in adjusted EBITDA (excluding synergies) over the full year ending 31 December 2021 if full year effect would be given to these acquisitions. M&A will continue to be a core part of Azerion’s strategy moving forward with a focus on adding to its quality content, expanding the demand side of its advertising network, geographic expansion, margin improvement and synergy potential across its digital gaming and digital advertising ecosystem. For its gaming business, Azerion mainly focuses on companies with a large community in popular genres to further diversify and enlarge its current portfolio. For the digital advertising business, Azerion plans to target companies with substantial owned and operated content and/or a large, pre-existing gaming community, in which Azerion will be able to integrate its digital advertising products. In addition, the focus for the digital advertising platform includes companies that bring certain technological capabilities and AdTech or advertising sales houses with strong local country presence which would give access to new advertisers and digital publishers and enable Azerion to increase the networks touch points with global advertising budgets. In general, Azerion is focused on businesses that bring increased volumes to drive margins, market share and user reach and bring further technological capabilities. Azerion currently has a visible pipeline of 7-10 potential acquisition targets, with a broad range of annual revenue per potential acquisition candidate up to approximately €130 million at the upper end of the range.

Platform synergies

Azerion is focused on realising platform synergies and capturing network effects, including delivering the synergies available from the nine acquisitions that were completed in 2021. Azerion realises platform synergies in a number of different ways, including through content, its advertising sales capabilities and technology. Firstly, Azerion realises synergies through its content by enhanced distribution and generating an increased return on investment on user acquisition, which leads to an increase in revenue and gross margin. Secondly, Azerion realises operational synergies through its advertising sales teams generating synergies through Azerion’s proprietary technology and content. This leads to an increase in its gross margin. Lastly, Azerion realises synergies through its technology, for example, by generating operational leverage with shared services, office space, back office capabilities, hosting and development resources, which leads to an increase in EBITDA margin.

Financial objectives and targets
Assuming normal macro-economic conditions and market circumstances and no material changes to the current regulatory and tax framework of Azerion's business or the markets in which it is active, Azerion aims to achieve the following financial targets and objectives:

**Revenue**
- For the full year ending 31 December 2021, Azerion targets revenue of at least €290 million on a reported basis, implying a pro forma revenue of at least €355 million giving full year effect for the following acquisitions: Genba Digital, Whow Games, Strossle, Delta Projects, Admeen, Sublime, Keymobile, PubGalaxy and Inskin, as if these acquisitions had occurred as of 1 January 2021.
- For the year ending 31 December 2022, Azerion targets revenue of at least €450 million on a reported basis (not including any potential M&A in 2022).
- In the mid-term, Azerion targets an organic revenue growth percentage trending to low twenties.

**Adjusted EBITDA margin**
- In the short-term, Azerion aims to gently accelerate non-linearly its Adjusted EBITDA margin to the high teens.
- In the mid-term, Azerion aims to increase its Adjusted EBITDA margin to low-to-mid-twenties.

These financial targets and objectives should not be read as indicating that Azerion represents, guarantees or otherwise commits to achieve any of these financial targets or objectives for any particular fiscal year or reporting period. These financial targets and objectives should not be regarded as forecasts, estimates or expected results or otherwise as a representation, guarantee or commitment by Azerion or any other person that it will achieve these financial targets and objectives in any financial year or reporting period. Azerion's ability to meet these targets and objectives is based upon the assumption that it will be successful in executing its strategy and, furthermore, on its current beliefs, assumptions, intentions and current expectations and projections regarding future developments, market opportunity, market growth, events and trends, taking into account the information currently available to it. These beliefs, assumptions, intentions and expectations can change as a result of possible events or factors, many of which will be beyond Azerion's control and are currently unknown to it. If any such change occurs, Azerion's business, financial condition, liquidity, results of operations, anticipated growth, strategies or opportunities may vary materially from those expressed in, or suggested by, the financial targets and objectives. Important events and factors that could cause such change include, but are not limited to:
- changes in the general economic and political conditions in the countries in which Azerion operates, including, for example, consumer confidence and spending, online advertising spending, employment rates, interest rates and inflation;
- the execution of Azerion's strategy, including its M&A strategy, as well as any changes to such strategy;
- the realisation of any expected benefits of any future acquisitions that Azerion undertakes;
- the regulatory environment in countries where Azerion operates;
- the implementation of new or amended tax or accounting rules and standards; and
- increased competition in the countries or markets in which Azerion operates.

Except as specifically set out above, Azerion has not defined and does not intend to define by reference to any specific periods the terms "short-term" or "mid-term", and the financial targets and objectives should not be read as indicating that Azerion represents or otherwise commits to achieve any of these metrics or objectives for any particular fiscal year or reporting period.

Azerion does not undertake to provide or publish any revised financial targets and objectives to reflect events or circumstances arising after the date of this Circular or to reflect events or circumstances existing at the date of this Circular but that have not been taken into account by it in connection with its financial targets and objectives.

Investors should read (i) the risk factors included under "Risk Factors"; and (ii) those factors discussed in the section "Risk Factors" in EFIC1's prospectus dated 22 March 2021 for a more complete discussion of the factors that could affect Azerion's future performance and Azerion ability to meet its financial targets and objectives.
**Proprietary advertising network**

Azerion operates its own proprietary advertising platform which connects advertisers to digital advertising opportunities across all digital media channels globally and aims to cater for all the needs of all participants within its ecosystem. Azerion offers advertisers highly engaged digital audiences within brand-safe content. Azerion offers digital publishers the possibility to generate and optimise revenue from their audiences and provides game creators with access to advertisers and digital audiences.

Azerion offers both (i) traditional advertisement sales; and (ii) programmatic advertisement solutions. The majority of Azerion's advertising revenue over the year ended 31 December 2020 was generated by programmatic advertisements.

With its programmatic advertisement solutions Azerion enables automated buying of advertising inventory through real-time bidding. Real-time bidding is a method of purchasing advertising inventory whereby requests for individual users are released to all demand sources in an auction that can occur in less than 100 milliseconds, which is approximately the time that it takes to load a webpage. Through its data driven algorithms, Azerion is able to offer high performance to advertisers by ensuring targeted advertising within brand-safe content, maximising return on advertising spend. Azerion provides an integrated, end-to-end solution for the digital advertising supply chain by connecting its proprietary technology, including a sell-side platform, called Improve Digital, a data management platform called Delta DMP and a demand-side platform, called Improve Digital Marketplace, with third party technologies to enhance and verify the performance of the platform, including but not limited to data management platform, Lotame, ad verification technologies like Integral Ad Science, MOAT and White Ops and audience verification like Nielsen DAR.

For the traditional advertisement sales, Azerion connects advertisers, or their agencies, to digital publishers.

Azerion generates revenue from advertising placed within content on its platform. Azerion has a team of experts dedicated to this advertising technology to enable digital publishers and advertisers to execute on their respective strategic agendas.

**Premium Games**

Azerion's operates nine premium game titles, defined as where it generates revenue mainly by offering users the ability to make in-game purchases for extra features and virtual goods, to enhance their gameplay experience. The aim of the premium games is to stimulate social interaction among players by encouraging sharing, competing and cooperating with other players, as well as forming new, and strengthening existing, social bonds and networks as part of the games' mechanisms of achievement. The premium games can be divided broadly into community games and poker games. Azerion's premium games are predominantly played on mobile devices, except for Habbo and MyJackpot.com, which are mostly played through web-based portals and platforms.

Azerion believes that its ability to develop its premium games portfolio with minimal cannibalisation of users, thereby increasing the total number of users across its premium games franchise, has been instrumental to its growth in the premium games market. Each of Azerion's premium games contributes to its revenue, and diversification of its revenue among its premium games.

**Premium Community Games**

**Habbo**

Habbo is a pixel-art world where users interact in a shared real time environment. Users are offered opportunities to interact through in-game activities such as quizzes, competitions, games and challenges. Habbo uses different types of currencies, soft, regular and hard. Soft currency can be collected through achievements and time spent. Regular currency can be collected through, amongst other options, in-game purchases, trading and gifts. Hard currency can be collected through in-game purchases. Habbo can be played through computers and smartphones. Almost all users are acquired through organic growth. User acquisition is also generated through marketing and advertising. In-game security is ensured by, amongst others, AI based and manual moderation, privacy settings and reporting tools. In September 2021, Azerion launched a pilot in which it released its first line of NFTs. The NFT feature unique randomly generated avatars using the artwork of Habbo that digital collectors can purchase. Azerion uses Ether as a basis for payment for the NFTs. The 10,000 avatars were all sold via an auction, within an hour for an average of 0.21 Ether (ca. €600 per avatar). The NFTs create a continuous revenue stream of 5% commission on each follow-on trade.
Hotel Hideaway

Hotel Hideaway is a social online 3D role playing game. The game takes place in a hotel, in which users can take on various activities. The game revolves around expressing yourself through customising your in-game avatar and room. Hotel Hideaway uses coins and diamonds as currency. Coins are easier to collect and can be used to buy basic in-game features. Diamonds are difficult to collect and can be used to buy premium and rare in-game features. The game monetises through users making in-app purchases for in-game clothes, furniture and other features. In addition, Hotel Hideaway monetises through displaying video ads. The target audience of the game is between ages 17 to 25.

Woozworld

Woozworld is a virtual social platform in which users design their own avatars (woozen) and online spaces, socialise with other users, build virtual businesses, attend live events and organise activities in an online platform. Woozworld uses a soft currency, Beex, and a hard currency, Wooz. Users are able to trade virtual goods or sell them in a marketplace in exchange for the soft currency. In addition, users can spend the currencies in a virtual good catalogue. The main source of monetisation are purchases of the hard currency and VIP purchases. In addition, Woozworld monetises through displaying ads. Woozworld is available through computers and smartphones via Apple, Google and Amazon App Store. Its most important geographical areas are North America and South America. New users are mainly acquired through organic growth, but also through publishing partnerships.

Smeet

Smeet is a F2P browser-based 3D social game. Within Smeet, users can discover a diverse number of 3D virtual worlds where users can meet new people and experience adventures. The objective of the game is for users to collect Fame Points and move up levels to expand their in-game world. Users can create their own 3D avatars, design 3D hangouts, chat, play games and share music and videos with others. The game monetises through users purchasing a virtual currency named Smeet coins. There are regular and frequent updates to Smeet. Users can download Smeet on their computer.

Premium Poker Games

Monopoly Poker

Monopoly Poker is a F2P multiplayer poker game, combined with elements of the Monopoly brand. Users can play in three different formats; Cash Games, Spin & Play or Sit & Go Tournaments. To improve engagement by users of Monopoly Poker, the game facilitates an in-game chat and the possibility to form teams within the game. Chips are the currency used in Monopoly Poker. Users can make in-game purchases to buy chips or wait to collect free chips every four hours. In-game purchases is Azerion's sole source of monetisation of the game. Hasbro, the owner of the Monopoly brand, does not allow for in-game advertisement. Monopoly Poker is available on Android, iOS and Steam. The target audience of Monopoly Poker is between ages 18 to 44.
Governor of Poker 3

Governor of Poker 3 ("GoP3") is a F2P multiplayer poker game in a wild-west theme. The game includes progression mechanics to level-up and unlock new areas of the game. GoP3 offers its users the opportunity to interact with each other by becoming in-game friends, using in-game chats and forming teams and taking on challenges as a team. Chips are the main currency used in GoP3. Users can buy chips, gold, spins, keys and piggy tokens through in-game purchases. In addition, users can become a member of GoP3 through in-app purchases, by which they will receive chips on a daily basis and access to membership benefits. Users can also choose to earn chips by watching ads. The users cannot receive cash by playing the game, nor is it allowed to trade inside or outside the game. GoP3 is available on Google Play, iOS, Huawei, Kindle, Steam, Facebook and Web. The target audience of GoP3 is between ages 18 and 60+.

Governor of Poker 2

Governor of Poker 2 ("GoP2") is a F2P offline single-player poker game in a wild-west theme. Users learn to play poker and play against AI to become the Governor of Texas. Users do not have to be connected to internet to play GoP2. The game includes progression mechanics to level-up and unlock new areas of the game. Chips are the main currency used in GoP2. Users can earn chips by winning poker games or buy chips through in-game purchase. Users can purchase in-game credits and tokens. The users cannot receive cash by playing the game, nor is it allowed to trade inside or outside the game. GoP2 is available on Google Play, iOS and users can download it on their computer.

Poker World

Pokerworld is a F2P offline single-player poker game with the objective to become a pro poker player and play in Las Vegas. Users play against a computer-generated player. Users do not have to be connected to the internet to play Pokerworld. Chips are the main currency used in the game. Users get free chips every day and can buy in-game credits such as chips and tokens through in-game purchases. The users cannot receive cash by playing the game, nor is it allowed to trade inside or outside the game. Pokerworld is available on Google Play and iOS.

MyJackpot.com

MyJackpot.com is a F2P online casino game. The game is an online portal in which users can play slots and casino games. Users progress through the games as they unlock more slots and features while playing. Chips are the main currency used in myJackpot.com. Chips can be earned by winning games, logging in through a social media-platform, spinning the wheel of chance every two hours, logging in daily, inviting friends or watching in-game advertisements. Users can purchase in-game chips, credits and tokens through in-game purchases. The more chips a user purchases, the larger the discount he or she will receive on the chip purchase. The users cannot receive cash by playing the game, nor is it allowed to trade inside or outside the game.

Casual games

Through its casual games and F2P portals Azerion offers casual games targeted at a wide, mass-market global audience for mainly PC and mobile users. Casual games generally have an easy-to-understand gameplay with a user interface facilitating short gaming sessions. Although Azerion owns some of the casual games that it offers to its users, most of the casual games that Azerion offers are owned by third parties, with
whom Azerion entered into various licensing agreements. F2P portals are web-based platforms through which casual and other F2P games are made available to users. Azerion operates a number of F2P portals offering users access to F2P casual games. Azerion also develops F2P portals for third parties, such as TCA, Reach Plc, SBT and Big FM. As of September 2021, Azerion had more than 2,000 active registered F2P game portals. Azerion’s casual games and F2P portals business primarily generate revenue from advertisers paying for access to the users of those games and portals. On its own F2P game portals Azerion shares the revenue generated from advertisements with the content owners to the extent it does not own the content through which the advertisements are communicated to users. On the F2P game portals that Azerion develops for third parties, Azerion shares the revenue generated from advertisements with the F2P operator and the content owners to the extent it does not own the content through which the advertisements are communicated to users. On a small portion of the gaming portals that Azerion develops for third parties, users pay a subscription fee for access to the platform which is shared among the third party, the content owners (to the extent Azerion does not own the content through which the advertisements are communicated to consumers) and Azerion.

**Game Distribution**

Game Distribution is a business-to-business platform for high-quality games targeted at a wide, mass-market audience. Game Distribution helps game developers and other content owners to monetise their games by connecting them with game publishers who can distribute the games to users. Game publishers form the link between the game developers and game users, marketing games to the gaming community and putting those games on the market for users to play. The games offered through Game Distribution primarily comprise casual games for PC and mobile. Game Distribution generates revenue predominantly from advertisers paying for access to the users of the games distributed through Game Distribution and, to a lesser extent, from users making in-game purchases. Revenue generated by Game Distribution is shared among the content owners, publishers and Azerion.

**Sales platforms**

Azerion’s sales platforms, Voidu and Genba Digital, enable digital content owners to distribute their games and software content online both to users and to games and software retailers. Azerion’s sales platforms focus on selling digital access to triple-A games. Voidu is a digital business-to-consumer distribution platform enabling publishers, developers and distributors of games to distribute their games directly to users. Voidu has an extensive catalogue of gaming titles across a wide range of genres for console, PC and mobile devices. It generates revenue from selling games directly to consumers and shares that revenue with the content owners. Genba is a business-to-business digital logistics platform connecting games and software content owners with sales channels around the world. Genba works with publishers distributing games and software products to multiple regions through a network of retailers. Genba generates revenue from selling content through its platform in business-to-business sales and shares that revenue with the content owners.

**Azerion’s Technology Organisation**

Azerion operates a centralised cloud-native technology organisation that enables its proprietary products and services to run smoothly and that minimises the risk of any downtime. It is designed and set-up to provide an optimised user experience, while ensuring high availability, security and scalability. In 2018, Azerion started migrating to a single hosting platform, AWS, for Azerion’s game traffic, data storage, data processing and other computing services and systems. Moving towards using managed services from AWS - such as relational databases, elastic map reduction and auto scaling of instant fleets - provides Azerion with ease of development, deployment, high security and scalability. Additionally, moving towards only one hosting platform ensures that unified group policies and security standards can easily be maintained throughout the entire technology organisation, which also is more cost-efficient, as Azerion benefits from economies of scale through its large volume consumption, whilst also reducing the requirement to train its employees in multiple systems. Furthermore, using cloud computing ensures that Azerion’s critical data is properly replicated and backed-up, so that it can be restored easily in case of any outages or disruptions.

Azerion has a broad offering of products and services. Its core of the software for these products and services is proprietary. As at the date of this Circular, Azerion has more than 140 different accounts on AWS for these products and services. Access to accounts is limited to persons within Azerion’s organisation to a highly granular level to ensure security and compliance with applicable data protection laws and regulations.

Azerion’s technology platform was developed with a view to support its growth, both organically and through acquisitions. Each company that Azerion acquires, whether it already has a cloud infrastructure or works with proprietary hosting, is migrated to AWS. This approach ensures that the entire organisation operates on the same system, is subject to the group policies and is part of the billing and reporting cycle.

As at the date of this Circular, Azerion’s Tech & Security department comprises an internal team dedicated to maintaining the security and availability of its platform and to the integration of acquired businesses and platforms. Azerion closely cooperates with AWS to continue to enhance its platform’s deployment efficiency, e.g. by organising workshops to train its developers on new technologies such as Kubernetes and containerisation and prototyping sessions to apply machine learning in its digital advertising products. Furthermore, AWS provides Azerion with 24/7 access to a dedicated support team, that responds under 15 minutes in case of any business-critical issues. Azerion regularly performs internal and external penetration tests and work together with its Data Protection Officer’s (“DPO”) office (as defined below) to train its employees to ensure compliance with data protection laws and regulations.
Azerion manages its IP-portfolio in-house and monitors infringements by third parties of its key intellectual property rights. In addition, Azerion relies on the protection of copyright under article 7 of the Dutch Copyrights Act ("Auteurswet") and "Azerion has a license for the use of the Monopoly brand for its premium game 'Monopoly Poker'. Additionally, Azerion has more than 16,000 casual game titles. The intellectual property of the majority of those titles is licensed to Azerion by third parties. Azerion also owns an extensive domain name portfolio which mostly relate to Azerion's Key Trademarks.

Azerion considers the copyrights relating to certain of its premium games and its sell-side platform to be material to its business. Azerion relies on the protection of copyright under article 7 of the Dutch Copyrights Act ("Auteurswet") and, where applicable, the employee contracts for the games that Azerion has developed or acquired. Azerion seeks to obtain the rights to work product made by its employees through their employment agreements as well as the rights to results of work made by its independent contractors through invention assignment agreements. Azerion manages its IP-portfolio in-house and monitors infringements by third parties of its key intellectual property rights. In addition, Azerion
has outside counsel assisting it with making assessments of any such infringements by third parties and assisting us, where necessary, with enforcing its intellectual property rights.

**Employees**

Azerion believes that its employees are key to the success of its business, critical to maintaining and developing its relationships with consumers, advertisers, digital publishers and game creators and critical to its technology platform's continued maintenance and development. As at 30 September 2021, Azerion had more than 1000 employees, taking into account the employees of the companies acquired in the first nine months of the year ending 31 December 2021.

As at 30 June 2021, Azerion had 972 employees representing 857 FTEs (not taking into account the acquisitions undertaken in the year ending 31 December 2021). The table below shows the number of employees and FTEs as at the dates indicated:

<table>
<thead>
<tr>
<th></th>
<th>30 June 2021</th>
<th>31 December 2020</th>
<th>31 December 2019</th>
<th>31 December 2018</th>
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<tr>
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<td>Employees</td>
<td>FTEs</td>
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<td>145</td>
<td>132.1</td>
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<tr>
<td>Creative</td>
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<td>87.8</td>
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<td>25.4</td>
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<tr>
<td>Development &amp; Engineering</td>
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<td>202.8</td>
<td>204</td>
<td>189.8</td>
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<td>66.6</td>
<td>61</td>
<td>53.3</td>
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<tr>
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<td>15</td>
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<tr>
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<td>27</td>
<td>26.6</td>
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<tr>
<td>Operations</td>
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<tr>
<td>Services</td>
<td>59</td>
<td>49.5</td>
<td>61</td>
<td>53.2</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>972</strong></td>
<td><strong>857.6</strong></td>
<td><strong>788</strong></td>
<td><strong>728.9</strong></td>
</tr>
</tbody>
</table>

As a result of Azerion's strategy to grow its business through acquisitions, the growth of the workforce has historically predominantly been driven by on-boarding employees from the targets that Azerion acquired. Following the completion of an acquisition, Azerion looks for internal mobility opportunities for the newly on-boarded employees of the acquired company and fill open vacancies at the acquired company with internal applicants where possible.

Azerion's workforce decreased in 2020, from 830 employees as at 31 December 2019 to 788 as at 31 December 2020. This decrease was partly the result of Azerion's efforts to integrate the companies that it acquired in 2018 and 2019 and realise cost synergies as a result, including human resources cost synergies, in those integration processes as well as its efforts to reduce costs generally, including human resources costs, in light of the uncertainties caused by the COVID-19 pandemic, and partly the result of not completing any material acquisitions in 2020.

Azerion's in-house recruitment team seeks to recruit for these positions in creative ways, but also in more traditional ways such as through job fairs at universities. Azerion seeks to attract employees by offering an interesting and enjoyable work culture and by organising office activities and offering other secondary benefits. Azerion has a pro-active internship program, where it encourages teams to open up internship positions as it believes that internships provide a good opportunity to recruit new hires for its teams.

Azerion takes great pride in the diversity of its workforce. As at 30 June 2021, Azerion's employees represented 57 nationalities spread over 18 countries. In addition, Azerion's workforce comprises approximately 64% men and 36% women. Azerion is committed to allocating dedicated time to its employees for partaking in voluntary work, increase digital inclusion amongst the elderly and connecting young people with in-house professionals in coaching sessions. Moreover, Azerion strives to offer a safe and healthy work environment across all subsidiaries and offices by, for example, offering vegetarian options in all campus restaurants and offering free sports classes in its gyms. Azerion actively engages in projects aiming to reduce segregation and encourages employees to take part in its volunteering activities.

During the periods under review, Azerion's employee absenteeism rate has on average been less than 1% in the Netherlands. Azerion measures absenteeism by taking the number of unplanned absence days reported in a given period of time, divide it by the total number of working days in the period and multiply the result by 100. Azerion's employee absenteeism rate is below the average rate of 4.75% in 2020 and 4.40% in 2019 in the Netherlands (source: Centraal Bureau voor de Statistiek (Dutch Central Office for Statistics)). In addition, Azerion's employee turnover rate is approximately 13% per year. Azerion believes that both the employee absenteeism and employee turnover rates are indicators that it takes great care of its employees and offer an enjoyable and safe working environment. Azerion has a zero-tolerance policy with respect to corruption and employs strict arm's length policies with respect to all transactions entered into by Azerion.
Azerion operates an annual performance and appraisal cycle supported by guidelines for key performance indicators aimed at monitoring the development of its employees. Azerion has an incentive plan aimed at incentivising its employees to perform well and participate in the success of its business.

As of the date of this Circular, Azerion does not have a works council or other employee representative body in place, but it intends to install a works council after Completion.

**Environment, Social and Governance**

Azerion is committed to increasing its contribution to society and it strives to promote Environmental, Social and Governance ("ESG") principles.

Azerion has committed to implementing the UN's Sustainable Development Goals. As part of its ESG related efforts and this commitment, Azerion has adopted internal guidelines aimed at reducing its environmental footprint with the objective to becoming carbon neutral in the next five years. It has initiated central measurements of its carbon footprint, enabling close monitoring of ongoing processes. Azerion launched climate awareness campaigns to inspire its employees to adopt a circular economy. It offers all the employees that work at the headquarters of Azerion free public transport options and the lease car fleet has to a large extent been expanded with electrical vehicles. Azerion has introduced food waste prevention programs across all its main offices. Furthermore, the co-CEO's of Azerion planted thousands of cherry trees in 2019 and 2020, as part of their carbon emissions reduction drive. Sustainability is a key selection criterion for working with suppliers for Azerion. It was a significant factor in selecting AWS as hosting platform, and Azerion intends to use it as a core criterion for supplier selection going forward.

As part of its recent Habbo Hotel NFT project, Azerion has committed to go beyond carbon neutrality through a partnership with Offstera, meaning that 200% of the carbon emissions produces in the minting process of the NFTs will be offset through various environmental programs.

Educational responsibility and contributing to society have been a core value since Azerion's incorporation. Azerion has established a partnership with the Dutch Dream Foundation, supporting young adults with non-western backgrounds to become entrepreneurs. Azerion is committed to making the internet more appropriate for young users; Sulake, one of Azerion's subsidiaries, has joined the Youth Pledge for a Better Internet, which pledged to make information on applications and services they use on the internet more age appropriate and informative for children and young people. User integrity is of high importance to Azerion. It does not sell any user data or information to third parties and it strictly follows the GDPR and other relevant data protection regulations. During the COVID-19 pandemic, Azerion initiated a player donation through its premium game, Governor of Poker 3, to the WHO and made a company contribution as well. Azerion furthermore has developed a range of cohesion and inclusion initiatives in Hotel Hideaway, including celebrating International Friendship day, Pride month and a virtual concert of LGBTQ+ advocate Trixie Mattel.

Diversity and inclusion are an integral part of Azerion's history and Azerion is committed to continue to foster an inclusive culture that encourages and supports the diversity of its employees. As at 30 June 2021, Azerion employees have 57 different nationalities, 36% of Azerion's employees were female and 64% male. Although Azerion believes the gender diversity in its workforce is more balanced than the gaming industry's average, Azerion is committed to further increase gender diversity at Azerion. Azerion promotes a zero-tolerance policy towards corruption. In addition, Azerion has established a partnership with NL Cares, mobilising individuals and groups to support Azerion's community through volunteer work, and the Climate Neutral Group.

**Real Estate**

Azerion does not own any real estate. All of Azerion's offices are located on leased premises.

**Insurance**

Azerion maintains a comprehensive insurance portfolio for its business and operations. Azerion obtains insurance either in the form of group insurance policies or individual insurance policies, in each case to cover identified risks and meet applicable legal requirements. Azerion's insurance cover includes professional indemnity insurance, D&O insurance and employer liability insurance.

Azerion believes that it maintains insurance coverage in a manner consistent with customary practice in its industry. Azerion reviews its insurance portfolio on a regular basis to optimise its insurance structure taking into account, amongst other things, the insurance market conditions and the expansion of its business.

Azerion provides directors' and officers' liability insurance for all members of the Management Board and Supervisory Board, as well as certain other persons within its Group. See "Business Combination – Corporate Governance – Directors' Indemnification and Insurance".

**Material Agreements**

In addition to the agreements referred to in "Financial Information of Azerion – Operating and Financial Review – Indebtedness" and "Business Combination – Related Party Transactions" Azerion has entered into the following material agreements between 1 January 2019 and the date
of this Circular that are material, not in the ordinary course of business, and contain provisions under which it has an obligation or entitlement that is material to it as of the date of this Circular.

On 15 January 2019, Azerion Holding B.V. as purchaser and AdUX and AD Services Global 2013 S.L. as sellers entered into an agreement for the sale and purchase of the entire issued and outstanding share capital of Hi Media Espana Publicidad Online S.L.

On 14 June 2019, Azerion Holding B.V. as purchaser and Kollam B.V. and Ledin B.V. as sellers entered into a deed of sale and transfer of 5% of the shares in the capital of Spil Games Group B.V.

On 3 October 2019, Azerion Holding B.V. as purchaser and Andreas Stietzel as seller entered into an agreement for the sale and purchase of 55% of the issued and outstanding share capital of HiMedia Deutschland AG.

On 10 October 2019, Azerion Holding B.V. and AdUX as seller entered into an agreement for the sale and purchase of the remaining 45% of the issued and outstanding share capital of HiMedia Deutschland AG.

On 7 February 2020, Azerion Holding B.V. as purchaser and Kollam B.V., Ledin B.V., and Animals in the City B.V. as sellers entered into an agreement for the sale and purchase of the remaining 95% shares in the capital of Spil Games Group B.V.

On 4 December 2020, Azerion Holding B.V. as purchaser and Elisa Corporation as seller entered into a sale and purchase agreement (the “SPA”), providing for the sale and purchase of 49% of the issued and outstanding share capital of Sulake Oy, a Finnish social games studio. Azerion Holding B.V. had already acquired 51% of the shares in Sulake Oy on 17 May 2018. Under the terms of the SPA, an amount of €5,750,000 of the purchase price remained outstanding to be settled ultimately on 31 December 2022. The SPA provides for three options for the settlement of the remaining €5,750,000: (i) if the Azerion Shares are listed on a stock exchange, payment will be made in kind consisting of such number of Azerion Shares representing a value of €5,750,000 based on the market value of Azerion Shares ("Option 1"); (ii) if the Azerion Shares are not listed on a stock exchange, payment will be made in kind consisting of such number of Azerion Shares representing a value of €5,750,000 based on a fixed valuation of Azerion of €650,000,000 ("Option 2"); or (iii) payment in cash ("Option 3"). Although the SPA is unclear in this respect, Azerion may be obliged to settle the remaining part of the purchase price in cash or shares within one month from Completion, unless otherwise agreed with the seller.

On 30 December 2020, Azerion Holding B.V. and Arman Ozan Beheer B.V., MeDu Beheer B.V., BeKoNi Holding B.V. and HIKO Holding B.V. as sellers entered into an agreement for the sale and purchase of the entire issued and outstanding shares in the capital of Triodor Holding B.V.

On 18 May 2021, Azerion Games en Content Holding B.V. as purchaser and 29 sellers entered into a sale and purchase agreement, providing for the sale and purchase of the entire issued and outstanding share capital of Delta Projects AB, a company operating in the field of the commercial sale of advertising and of tools, platforms and systems, software as a service, software and licenses for programmatic advertising.

On 18 June 2021, Azerion Games en Content Holding B.V. as purchaser and thirteen sellers entered into a sale and purchase agreement, providing for the sale and purchase of the entire issued and outstanding shares in the capital of Whow Games GmbH, a company engaged in the field of development, distribution and publishing of mobile, computer, video, multimedia and browser-based social casino type games (i.e., games in which users cannot wager real money to gain pay-outs).

On 30 June 2021, Azerion Tech Holding B.V. as purchaser and the shareholders as sellers entered into a sale and purchase agreement, providing for the sale and purchase of the entire issued and outstanding share capital of Strossle International AB, a contextual and native advertising specialist.

On 31 August 2021, Azerion Tech Holding B.V. as purchaser and fourteen shareholders as sellers entered into a share purchase agreement, providing for the sale and purchase of the entire issued and outstanding share capital of Sublime Skinz Labs SAS, a company active in the commercial sale of multidevice rich media advertising formats.

On 16 October 2021, Azerion Tech Holding B.V. as purchaser and thirteen sellers entered into a share purchase agreement, providing for the sale and purchase of the shares in the issued and outstanding share capital of Inskin Media Ltd., a British advertising technology company creating and delivering creative advertising formats including video advertising. Delivery of the shares took place in tranches. As of 19 November 2021, Azerion Tech Holding B.V. holds the entire issued and outstanding share capital of Inskin Media Ltd.

Legal and Arbitration Proceedings

Other than as disclosed below, Azerion is not, nor has it been during the 12 months preceding the date of this Circular, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which it is aware) that may
have, or have had in the recent past, significant effects on its financial position or profitability. No provisions have been formed for threatened or pending proceedings described in this section.

**Myjackpot.com**

Azerion has been subject to inquiries from, and litigation with, various gambling regulators in connection with myjackpot.com, a website through which social casino games are offered of Whow Games GmbH ("Whow Games"), a subsidiary acquired by Azerion in June 2021. The relevant authorities in France, Dusseldorf, Hamburg, Portugal and Italy have completed their inquiries without any further actions after Azerion successfully argued that the relevant games do not qualify as gambling under the respective local laws.

In June 2019, the Minister of Justice in Poland blacklisted Whow Games' domain names jackpot.pl and www.jackpot.nl, arguing that the games qualify as gambling because the chips that are given or won in Whow Games' social casino games constitute a price with monetary value. In June 2019, Whow Games filed an objection with the Polish Minister of Finance to get the domain name removed from the blacklist, which objection was rejected in July 2019. In August 2019, Whow Games challenged the Minister of Finance's decision, which was rejected by the Polish Administrative Court in February 2020. In May 2020, Whow Games lodged a cassation appeal with the Polish Supreme Court against the judgment of the Polish Administrative Court. As of the date of this Circular, a ruling of the Polish Supreme Court is pending.

In October 2020, the Russian Federal Service for Supervision of Communications, Information, Technology and Mass Media blacklisted Whow Games' domain name www.myjackpot.com/ru, arguing that it considers the games offered on the website to be gambling. Azerion is considering whether to start legal proceedings to challenge this decision.

The relevant authority in Belgium, the Gaming Commission, deems Whow Games' social casinos to constitute gambling. Azerion has appealed against the decision of the Belgian Gaming Commission, but has decided not to initiate formal proceedings and is no longer offering these games in Belgium.

As of the date of this Circular, the local URL's for myjackpot are blacklisted in Poland, Russia and Belgium and are not currently operative in those jurisdictions, pending the outcome of the outstanding proceedings. Azerion does not consider this to have a material impact on its revenue or financial position.

**Group Structure**

Azerion is a holding company with no material, direct business operations. The main assets of Azerion are the interests it directly or indirectly holds in its various subsidiaries. The Azerion group consists of a large number of entities. The following entities are Azerion's material subsidiaries:

<table>
<thead>
<tr>
<th>Name</th>
<th>Corporate Seat</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>AdUX</td>
<td>France</td>
<td>54.95%</td>
</tr>
<tr>
<td>Azerion IP B.V.</td>
<td>Netherlands</td>
<td>100%</td>
</tr>
<tr>
<td>Azerion Publisher Services B.V.</td>
<td>Netherlands</td>
<td>100%</td>
</tr>
<tr>
<td>Azerion Technology B.V.</td>
<td>Netherlands</td>
<td>100%</td>
</tr>
<tr>
<td>Delta Project AB</td>
<td>Sweden</td>
<td>100%</td>
</tr>
<tr>
<td>Genba Digital Limited</td>
<td>United Kingdom</td>
<td>100%</td>
</tr>
<tr>
<td>Hi-Media Deutschland AG</td>
<td>Germany</td>
<td>100%</td>
</tr>
<tr>
<td>Inskin Media Limited</td>
<td>United Kingdom</td>
<td>100%</td>
</tr>
<tr>
<td>SPIL GAMES Group B.V.</td>
<td>Netherlands</td>
<td>100%</td>
</tr>
<tr>
<td>Strossle AB</td>
<td>Sweden</td>
<td>100%</td>
</tr>
<tr>
<td>Sublime Skinz Labs SAS</td>
<td>France</td>
<td>100%</td>
</tr>
<tr>
<td>Sulake Oy</td>
<td>Finland</td>
<td>100%</td>
</tr>
<tr>
<td>Voidu B.V.</td>
<td>Netherlands</td>
<td>100%</td>
</tr>
<tr>
<td>Whow Games GmbH</td>
<td>Germany</td>
<td>100%</td>
</tr>
<tr>
<td>Yoki Network Holding B.V.</td>
<td>Netherlands</td>
<td>100%</td>
</tr>
<tr>
<td>Youda Games Holding B.V.</td>
<td>Netherlands</td>
<td>100%</td>
</tr>
</tbody>
</table>
9. CURRENT SHAREHOLDING STRUCTURE OF AZERION

Issued Share Capital

As at the date of this Circular and immediately prior to Completion, the issued share capital of Azerion Holding B.V. consists of 117,563 ordinary shares with a nominal value of €0.01 each. All issued ordinary shares are fully paid-up and are subject to, and have been issued under, the laws of the Netherlands.

Current Shareholders

As at the date of this Circular, the shareholders of Azerion Holding B.V. are, and immediately prior to Completion will be:

<table>
<thead>
<tr>
<th>Ordinary shares in the capital of Azerion Holding B.V.</th>
<th>Number</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principion(^{(2)})------------------------------------</td>
<td>106,643</td>
<td>90.71%</td>
</tr>
<tr>
<td>STAK(^{(3)})------------------------------------------</td>
<td>10,920</td>
<td>9.29%</td>
</tr>
<tr>
<td>Total issued share capital------------------------------</td>
<td>117,563</td>
<td>100%</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Excluding 8,010 SARs that are expected to be outstanding on the Completion Date. Each SAR can be exercised for (the value of) one Azerion Share. All outstanding SARs will be settled in a combination of (depositary receipts for) Ordinary Shares and cash, see "Business Combination – Description of the Transaction – Settlement of Azerion's SAR Plans".

\(^{(2)}\) The current shareholders of Principion are Arman Ozan Beheer B.V. (ultimately controlled by Atilla Aytekin) which holds 36.25% of the ordinary shares, MeDu Beheer B.V. (ultimately controlled by Umut Akpinar) which holds 36.25% of the ordinary shares, BeKoNi Holding B.V. (ultimately controlled by Yerhan Erbas) which holds 20% of the ordinary shares, and Hiko Holding B.V. (ultimately controlled by Salih Cosgun) which holds 7.5% of the ordinary shares.

\(^{(3)}\) The STAK has issued depositary receipts for the Azerion Shares it holds to the Azerion DR Holders.
10. FINANCIAL INFORMATION OF AZERION

This section contains, among other things, information derived from the audited historical consolidated financial information of Azerion Holding B.V. as at and for the year ended 31 December 2020 with comparatives for the year ended 31 December 2019, prepared in accordance with IFRS (the "2020 Financial Statements"). The 2020 Financial Statements can be found on Azerion’s website: https://azerion-investors.com/reports/.

10.1. SELECTED CONSOLIDATED FINANCIAL INFORMATION

Presented below is selected consolidated financial information of Azerion Holding B.V. derived from the 2020 Financial Statements.

The selected consolidated financial information may not contain all of the information that is important to the Shareholders and, accordingly, should be read in conjunction with (i) the information contained in "Business Combination – Description of the Transaction – Capitalisation and Indebtedness of the Company" and "– Operating and Financial Review"; and (ii) the 2020 Financial Statements, the accompanying notes thereto and the auditor's report thereon.

Selected Consolidated Income Statement Data (in accordance with IFRS)

<table>
<thead>
<tr>
<th>Year ended 31 December</th>
<th>2020 (IFRS)</th>
<th>2019 (IFRS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>195.1</td>
<td>172.6</td>
</tr>
<tr>
<td>Costs of services and materials</td>
<td>(125.1)</td>
<td>(118.3)</td>
</tr>
<tr>
<td>Personnel costs</td>
<td>(32.7)</td>
<td>(28.9)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(2.9)</td>
<td>(2.5)</td>
</tr>
<tr>
<td>Amortisation</td>
<td>(10.5)</td>
<td>(6.2)</td>
</tr>
<tr>
<td>Impairment of non-current assets</td>
<td>(4.7)</td>
<td>-</td>
</tr>
<tr>
<td>Other gains and losses</td>
<td>1.5</td>
<td>2.4</td>
</tr>
<tr>
<td>Other expenses</td>
<td>(16.9)</td>
<td>(17.0)</td>
</tr>
<tr>
<td>Operating profit / (loss)</td>
<td>3.8</td>
<td>2.0</td>
</tr>
<tr>
<td>Finance income</td>
<td>1.6</td>
<td>0.6</td>
</tr>
<tr>
<td>Finance costs</td>
<td>(10.7)</td>
<td>(6.5)</td>
</tr>
<tr>
<td>Net finance costs</td>
<td>(9.1)</td>
<td>(5.8)</td>
</tr>
<tr>
<td>Share in profit / (loss) of joint venture</td>
<td>(0.2)</td>
<td>-</td>
</tr>
<tr>
<td>Share in profit / (loss) of participating interest</td>
<td>-</td>
<td>0.5</td>
</tr>
<tr>
<td>Profit / (loss) before tax</td>
<td>(5.4)</td>
<td>(3.3)</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>-</td>
<td>(0.7)</td>
</tr>
<tr>
<td>Profit / (loss) for the year</td>
<td>(5.4)</td>
<td>(4.0)</td>
</tr>
</tbody>
</table>

Selected Consolidated Statement of Financial Position (in accordance with IFRS)

<table>
<thead>
<tr>
<th>As of 31 December 2020 (IFRS)</th>
<th>As of 31 December 2019 (IFRS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current assets</td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>7.0</td>
</tr>
<tr>
<td>Intangible assets (including goodwill)</td>
<td>94.9</td>
</tr>
<tr>
<td>Non-current financial assets</td>
<td>17.7</td>
</tr>
<tr>
<td>Deferred tax asset</td>
<td>2.4</td>
</tr>
</tbody>
</table>
The following table sets out Azerion’s financial performance and certain operating results for the periods indicated.

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31 December</th>
<th>Six months ended 30 June</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
<td>2019</td>
</tr>
<tr>
<td></td>
<td>(in € millions)</td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>195.1</td>
<td>172.6</td>
</tr>
<tr>
<td>Costs of services and materials</td>
<td>(125.1)</td>
<td>(118.3)</td>
</tr>
<tr>
<td>Gross profit</td>
<td>70.0</td>
<td>54.3</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(48.1)</td>
<td>(43.6)</td>
</tr>
</tbody>
</table>
Overview

Azerion operates a high-growth, profitable digital entertainment and media platform. It is a content-driven, technology and data company, serving consumers, advertisers, digital publishers, and game creators globally. Established in 2014 as a digital social and casual gaming company, in recent years Azerion has expanded further along the user engagement value chain into integrated advertising technology. Azerion is engaged in a number of interrelated operating activities including providing technology solutions to automate the purchase and sale of digital advertising inventory for advertisers, publishers and game creators as well as developing, publishing, distributing and operating online social and casual games and digital content.

As audiences continue to transition to digital forms of entertainment, gaming has established itself as one of the most engaging forms of content, driving advertisers into the ecosystem. Azerion's owned and operated content reaches millions of highly engaged users globally and captures advertising spend across its platform and also generates revenues through in-game purchases through its premium games. By leveraging the platform, Azerion also receives a share of revenue generated through the placing of advertisements on the inventory of its digital publisher partners and a share of the advertisement revenue generated by the content of its game creator partners.

As at 30 June 2021, Azerion had a portfolio that consisted of more than 16,000 game titles and more than 230,000 active domains (websites and apps) where more than one paid impression was shown in September 2021. As at the date of this Circular, Azerion has nine titles in its premium games portfolio, defined as games where users make purchases directly in-game. Azerion has worked with more than 300,000 individual advertisers globally and the number of digital publishers with whom Azerion had more than one transaction in June 2021 was over 550. During the month of September 2021, Azerion reached an audience of over 425 million unique monthly active users across all its products and during the three months ended 30 June 2021 Azerion sold on average 3.2 billion digital advertisements on a monthly basis. As of June 2021, Azerion had partnerships with over 850 game creators and published on average approximately 130 new games per month in the three months ended 30 June 2021.

10.2. OPERATING AND FINANCIAL REVIEW

The following is a discussion of Azerion's results of operations and financial condition as at and for the six months ended 30 June 2021 with financial information for the six months ended 30 June 2020 as a comparative and for the year ended 31 December 2020 with financial information for the year ended 31 December 2019 as a comparative (collectively, the "periods under review"). This discussion should be read in conjunction with the selected historical financial information included in “Financial Information of Azerion – Selected Consolidated Financial Information” as well as with the 2020 Financial Statements which have been audited by PwC. The following discussion of Azerion's results of operations and financial condition should be read in conjunction with "Azerion's Business". The Shareholders should read the entire Circular and not just rely on the information set out below.

The following discussion of Azerion's results of operations and financial condition contains forward-looking statements that involve risks and uncertainties. Azerion's actual results could differ materially from those that are discussed in these forward-looking statements. The Shareholders should read "Other Important Information – Information Regarding Forward-Looking Statements" for a discussion of the risks and uncertainties related to those statements. The Shareholders should also read "Risk Factors" for a discussion of certain factors that may affect Azerion's business, financial condition and results of operations.

Adjusted EBITDA

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>21.9(1)</td>
<td>10.7(2)</td>
<td>6.4(3)</td>
<td>7.2(4)</td>
</tr>
<tr>
<td>Adjustments(5)</td>
<td>4.6</td>
<td>4.4</td>
<td>3.2</td>
<td>2.5</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>26.5</td>
<td>15.1</td>
<td>9.6</td>
<td>9.7</td>
</tr>
</tbody>
</table>

(1) This includes 'other gains and losses' which for the year ended 31 December 2020 consisted of a €1.5 million gain primarily related to foreign exchange related items. See also note 30.2 of the 2020 Financial Statements.
(2) This includes 'other gains and losses' which for the year ended 31 December 2019 consisted of a €2.4 million gain primarily related to foreign exchange related items. See also note 30.2 of the 2020 Financial Statements.
(3) This does not include 'other gains and losses' which for the six months ended 30 June 2021 consisted of a €0.9 million gain primarily related to foreign exchange related items.
(4) This does not include 'other gains and losses' which for the six months ended 30 June 2020 were zero.
(5) Adjustments are made for any non-recurring costs that, as a result of their one-off nature, make Azerion's EBITDA difficult to compare over the years. Consequently, Azerion's management considers that EBITDA needs to be adjusted for these non-recurring items. Typical examples of these non-recurring items are costs incurred in relation to acquisitions, refinancing, capital markets, severance and restructuring.

The table above presents certain non-IFRS financial measures on a consolidated basis. A more elaborate description on the limitations of non-IFRS measures and the definitions of the non-IFRS measures presented above are set out below in "Operating and Financial Review – Non-IFRS Financial Measures".

IFRS Financial Measures

The table above presents certain non-IFRS financial measures on a consolidated basis. A more elaborate description on the limitations of non-IFRS measures and the definitions of the non-IFRS measures presented above are set out below in "Operating and Financial Review – Non-IFRS Financial Measures".

Any adjustments following from the audit of the 2020 Financial Statements are not included.
Azerion was founded in 2014 with 45 employees. On 30 September 2021, Azerion had over 1,000 employees, across its 26 offices in 18 countries. Azerion believes that its employees are key to the success of its business as they maintain and develop its relationships with consumers, advertisers, digital publishers and game creators and also maintain and develop its proprietary technology platform, which is key to the operation of its business. Azerion is committed to promoting diversity and inclusion within its workforce.

**Basis of Presentation**

The 2020 Financial Statements have been prepared in accordance with IFRS as adopted by the EU. Azerion has adopted “First-time Adoption of International Financial Reporting Standards” (IFRS 1) in the 2020 Financial Statements as at and for the year ended 31 December 2020 with financial information for the year ended 31 December 2019 as a comparative. These are the first consolidated financial statements that Azerion has prepared in accordance with IFRS, with 1 January 2019 as the date of transition. Information about the use of mandatory exceptions in IFRS 1 applied in the conversion from Dutch GAAP to IFRS and the reconciliation of Dutch GAAP to IFRS required by IFRS 1 are presented in note 31 to the 2020 Financial Statements. As Azerion transitioned from Dutch GAAP to IFRS accounting from 1 January 2019, no IFRS financial information is available for the period before the year ended 31 December 2019.

Unless otherwise stated, (i) the financial information for the years ended 31 December 2020 and 2019 included in this operating and financial review is based on the 2020 Financial Statements prepared in accordance with IFRS; and (ii) the financial information for the six months ended 30 June 2021 and 2020 included in this operating and financial review is based on the management accounts of Azerion prepared in accordance with IFRS. Some tables in this operating and financial review present certain non-IFRS measures or alternative performance measures (i.e. measures not defined under IFRS). These non-IFRS measures are key figures used by the Management Board to monitor the performance of Azerion.

For further information on the preparation of the financial information included in this Circular, see “Financial Information of Azerion”. For information on the accounting treatment of the Business Combination, see “Business Combination – Description of the Transaction – Structure of the Business Combination”.

**Key Factors Affecting Azerion’s Business and Results of Operations**

The following factors have contributed significantly to the development of Azerion’s business and results of operations during the periods under review and are reasonably likely to have a material effect on its business and results of operations in the future.

**Growth through acquisitions**

Since its incorporation in the year 2014, Azerion has pursued a buy-and-build acquisition strategy to expand its geographic focus, further develop its platforms and advertising capabilities, enter new advertising segments, streamline its supply chain, on-board new gaming users and benefit from economies of scale in respect of its IT infrastructure and hosting expenses. Its acquisition strategy has helped Azerion grow to a critical size, in terms of its gaming catalogue and advertisement platforms, which (i) offers the opportunity to enhance the synergies that it can achieve between its premium games and its platform business; (ii) gives it access to those advertisers, media agencies and gaming distribution partners that only tend to work with business partners of a certain critical size; and (iii) is expected to give it a stronger negotiation position towards advertisers and other business partners. Azerion expects to continue to pursue attractive mergers and acquisitions, where appropriate, to expand or strengthen its technology platform, consumer base, data volumes and geographic reach. During the periods under review, acquisitions have led to a growth in Azerion’s gaming portfolio and advertisement platforms, which increased its total revenue.

During the periods under review, Azerion completed a number of notable acquisitions:

- In December 2020 (consolidated from 1 January 2021) Azerion acquired Triodor, an international software development company.
- In May 2021 (consolidated from 1 May 2021), Azerion acquired Genba Digital, a B2B gaming distribution company.
- In June 2021 (consolidated from 1 July 2021) Azerion acquired WHOW Games, a German gaming developer and digital publisher of online free-to-play social games.
- In June 2021 (consolidated from 1 July 2021) Azerion acquired Delta Projects, a Swedish programmatic advertising company.
- In June 2021 (consolidated from 1 July 2021) Azerion acquired Strossle International AB, a contextual and native advertising specialist.

In 2020, Azerion also completed the acquisitions of SpilGames (a Dutch gaming company specialised in developing mobile and online games and content for audiences worldwide, of which Azerion acquired the mobile gaming division in 2019 and the remaining business in 2020) and Collective (a UK-based digital advertising and publisher solutions business).

In 2019, Azerion completed the acquisitions of HiMedia (a provider of digital advertising and digital publishing services in Germany), AdPulse (a company specialised in targeted digital advertising), Semilo (a Dutch digital media and content marketing specialist), Woozworld (a casual free-to-play multi-player game), Zoom.in (a Dutch media company focused on video content), Rocabee (a developer of customised gaming solutions) and Quantum (a provider of native advertising solutions in which Azerion acquired a majority stake through AdUX in 2019 and the
remaining stake in 2020) and a participation in AdUX (a company specialised in digital advertising solutions), as a result of which Azerion came to hold 54.95% of AdUX. The share capital of AdUX was listed on Euronext Paris on 30 December 2019 and subsequently on Euronext Amsterdam on 4 September 2020. As at 30 June 2021, Azerion holds 54.95% of the issued and outstanding share capital of AdUX.

See also note 28 of the 2020 Financial Statements for a description of the acquisitions made in the years ended 31 December 2020 and 2019.

In general, following any acquisition, Azerion's results of operations are impacted by the results of the newly acquired business, debt incurred to acquire the business or the issuance of new shares or other forms of equity, if any, and expenditures made in connection with the acquisition and to integrate the newly acquired business into its business. When seeking to integrate and improve a newly acquired business, Azerion generally looks to several key areas: (i) reviewing current service and product offerings, supply chains and prices and seeking to improve operational processes and cost structures to achieve satisfactory operating margins; (ii) implementing organisational changes to bring the acquired business in line with Group-wide standards; (iii) exploring ways to create synergies and benefit from economies of scale, including bringing the marketing and advertisement spend of newly acquired gaming businesses in house; (iv) switching newly acquired advertising businesses to its advertising technology stack; (v) sharing knowledge and experience and implementing Group-wide best practices; and (vi) leveraging its ability to raise financing.

The acquisitions and many of these integration measures require expenditure by Azerion. During the periods under review, Azerion incurred acquisition and integration related transaction costs of €0.6 million in the six months ended 30 June 2021, €2.2 million in the year ended 31 December 2020 and €2.2 million in the year ended 31 December 2019, which primarily included costs with respect to advisor fees, employee redundancies, registration charges and other administrative expenses relating to the reorganisation of newly acquired businesses.

In connection with acquisitions, Azerion recognised significant goodwill. The carrying amount as of 31 December 2020 was €12,175,824 for the gaming business combined and €40,914,871 for the monetisation platform. Goodwill is not amortised but tested at least on an annual basis for impairment. Any goodwill arising on the acquisition of a foreign operation is treated as an asset of the foreign operation.

In the periods under review, Azerion's results of operations have been significantly impacted by these acquisitions. During the period from 1 January 2019 to 31 December 2020, Azerion has undertaken several projects to phase out loss making customers inherited as part of former acquisitions (in particular Improve Digital). Azerion was able to shift the strategy away from unprofitable digital publishers and restructured the company, by (i) stop cooperating with external developers and hosting platforms which were replaced by internal solutions, and (ii) successfully implemented stricter debt and working capital management rules, whilst also reducing large outstanding liabilities in both the year ended 31 December 2019 and in the year ended 31 December 2020.

**Organic Growth**

In addition to Azerion's growth through acquisitions (see "Growth through acquisitions" above), its results of operations are also significantly impacted by the organic growth of its business. During the period from 1 January 2018 to 31 December 2020, approximately 47% of Azerion's total revenue growth was attributable to organic growth. During the periods under review, the organic growth of its business was mainly affected by three factors, namely by the synergies its platform generates, the digitisation of the online gaming and advertisement industry and the impact of COVID-19.

**Platform synergies**

During the periods under review, the growth of Azerion's business has been amplified by the synergy benefits of its growing and expanding platform of products and services in the gaming and advertisement markets. Azerion's large consumer base has enabled Azerion to create a platform with a strong interplay between all elements, yielding synergies for its overall business. For example, Azerion's platform can benefit from cross-selling and cross-promotion synergies because its platform covers a broad offering along the gaming and advertising value chain. Azerion's advertising network uses the reach of its gaming community for advertisement purposes and utilises the user data that is being collected in its gaming business, which enables Azerion's advertising network to target its advertisements more effectively. Azerion deploys its advertising network to promote the games in its portfolio to increase the number of users of its games, which in turn increases the revenue generated by these games and expands its network of users that Azerion can reach with its advertisements. See "Azerion's Business – Azerion's Key Strengths" for a more detailed discussion of Azerion's business model. As Azerion's business grows, whether through acquisitions or organically, the synergy benefits of its platform are expected to grow as well, which should in turn drive further growth.

**Digitisation**

The organic growth of Azerion's business has in part been driven by the increased digitisation of society which is characterised by a growing part of the global population having access to broadband internet, increased mobile penetration and evolving business and operating models as a result of the efficiencies offered by digital technology. This trend of digitisation has driven, and is expected to continue to drive, the growth of the online gaming market and mobile advertising industry.

The growth of the online gaming market has resulted, and is expected to continue to result, in increased gaming sales, driven by increased consumer spending on games in app stores and in-game content purchases. Popular games often have loyal and engaged users who are willing to purchase extra content, features or virtual goods for an enhanced gameplay experience, which can generate a stable source of income for
game owners. Revenue in Azerion's premium gaming business grows if Azerion can attract new users to its games and intensify the loyalty and engagement of existing users of the games in its portfolio by promoting or improving those games.

An example of the digitisation of the advertisement market that is expected to affect Azerion's results of operations is the overall adoption of programmatic advertising in the advertising market. Programmatic advertisement solutions enable automated buying of advertising inventory through real-time bidding. Real-time bidding is a method of purchasing advertising inventory whereby impressions for individual users are released to all demand sources in an auction that occurs in about 100 milliseconds, which is approximately the time that it takes to load a webpage. Azerion operates a proprietary advertisement platform that utilises programmatic advertisement solutions to enable automated buying of advertising inventory through real-time bidding. Besides Google, Xandr, Amazon and Facebook, Azerion is one of the very few participants in the advertisement market able to deploy and control a full platform that utilises programmatic advertisement tools. Therefore, Azerion expects a further increase of the programmatic advertising penetration in the advertising market to benefit its results of operation.

The trend of digitisation creates certain synergies and efficiencies to Azerion's business and operations. An example of such digitisation trend is the integrated and inherent role that data analytics fulfils on Azerion's platform. Azerion harnesses the user data it collects across its entire platform, which provides it with sophisticated data-driven targeting capabilities and allows it to further improve its users' gameplay experience. The user data Azerion collects also comprises metrics that measure the effectiveness of its targeted advertisements, such as the click through rate once an advertisement has been targeted. These metrics allow Azerion to assess and further improve the targeting capabilities of its platform.

The digitisation factors above have an effect on market spending on online advertising and consumer spending on online gaming, and thus on Azerion's results of operations. As Azerion's revenue mainly comes from earnings on advertisement and in-game purchasing by users, its growth and profitability are dependent upon its ability to optimise its consumer base and increase advertisers' marketing spend on its platform and increase users' in-game purchases.

General economic conditions and COVID-19

General economic conditions have an effect on market spending on online advertising and consumer spending on online gaming, and thus on Azerion's results of operations. The COVID-19 pandemic has had an effect on Azerion's business. In general, the COVID-19 pandemic and the related lockdown measures caused a surge in the time people spend online and boosted the growth of the online gaming market. Although the easing of lockdown measures somewhat slowed down the growth in Azerion's gaming business during the second half of the year ended 31 December 2020, revenue remained strong throughout second half of the year ended 31 December 2020. However, the COVID-19 pandemic negatively impacted global spending on advertisements, which led to lower revenues in Azerion's advertisement business in the year ended 31 December 2020 compared to the previous year. Easing of lockdown measures during the second half of the year ended 31 December 2020 resulted in the start of the recovery of global advertising spending albeit it remains below pre-pandemic levels. Because of these effects of the COVID-19 pandemic, the revenue mix has favoured the in-game purchases in Azerion's gaming business. Azerion's gaming business revenue increased by €27.1 million, or 41.9%, to €91.6 million in the year ended 31 December 2020 from €64.5 million in the year ended 31 December 2019. Azerion's advertisement business revenue decreased by €4.6 million, or 4.3%, to €103.5 million in the year ended 31 December 2020 from €108.1 million in the year ended 31 December 2019. As a result, Azerion's overall revenue on a consolidated level increased by 13.0%, or €22.5 million, to €195.1 million in the year ended 31 December 2020 from €172.6 million in the year ended 31 December 2019.

Costs of operating Azerion's business

The main costs that Azerion incurs in operating its business are reflected in the following line items included in the income statement of the 2020 Financial Statements: (i) costs of services and materials, which include, inter alia, website expenses and hosting fees; (ii) personnel costs, which include wages and salaries and social charges relating to its employees; and (iii) other expenses, which include, inter alia, costs related to accommodation, impair on trade receivables and professional services.

Costs of services and materials increased by €0.7 million to €62.5 million for the six months ended 30 June 2021, from €61.8 million for the six months ended 30 June 2020 and, for the year ended 31 December 2020, increased by €6.8 million, to €125.1 million, from €118.3 million for the year ended 31 December 2019. Azerion's costs of services and materials have, therefore, declined as a percentage of revenue, representing 64.1% for the year ended 31 December 2020 compared to 68.6% for the year ended 31 December 2019.

Personnel costs increased by €3.8 million to €32.7 million in the year ended 31 December 2020 from €28.9 million in the year ended 31 December 2019. This increase was largely driven by the growth of Azerion's business, the impact of acquisitions and the need to hire additional personnel to support this growth. While Azerion's personnel costs increased in absolute terms in the years ended 31 December 2020 and 2019, its personnel costs as a percentage of revenue remained relatively stable, representing 16.8% for the year ended 31 December 2020 and 16.8% for the year ended 31 December 2019 as well.

Other expenses remained relatively stable between the years ended 31 December 2020 and 2019. The change was €0.2 million to €16.9 million in the year ended 31 December 2020 from €17.0 million in the year ended 31 December 2019. Azerion's other expenses decreased as a percentage of revenue in the years ended 31 December 2020 and 2019, representing 8.6% for the year ended 31 December 2020 and 9.9% for the year ended 31 December 2019.
In April 2021, Azerion issued Bonds (as defined in "— Indebtedness – Bonds") for an amount of €200 million, refinancing an existing €100 million bond. The Bonds are expected to be listed on the regulated market of NASDAQ Stockholm on or before 31 December 2021. Azerion intends to use the net proceeds of the Bonds after the refinancing of the 2020 Bonds (as defined in "— Indebtedness – Bonds") primarily to finance acquisitions. As of 30 June 2021, part of the proceeds of the Bonds has been used to finance four acquisitions in the six months ended 30 June 2021. See "— Growth through acquisitions". The Bonds carry a fixed interest rate of 7.25% per year. As a result of the higher amount outstanding under the Bonds compared to the 2020 Bonds, the total interest expenses Azerion incurs on the Bonds are higher than the interest expenses it incurred on the 2020 Bonds, despite the lower interest rates. These higher interest expenses will impact Azerion's financial results going forward. See "— Indebtedness – Bonds" for more information on the Bonds.

Seasonality
Historically, Azerion's results of operations and cash flows have been subject to predictable seasonality. In Azerion's gaming business, user activity is generally the highest in the summer and winter holiday periods. More particularly, social games are popular during the Halloween period and summer season, whilst poker games tend to be popular around Black Friday and the Christmas holiday period. The holidays in autumn and winter are in general more favourable for revenue generated by Azerion's premium games. During the period from Black Friday through the Christmas Holidays, revenue generated by Azerion's advertisement business also tends to be higher since advertisers generally allocate the largest portion of their budgets to the fourth quarter of the calendar year to coincide with the expected increased holiday purchasing. Historically, the fourth quarter of the year therefore reflects Azerion's highest activity. As a result of this seasonality, Azerion generally expects to generate a substantial part of its revenue in the fourth quarter of the year. However, this seasonality effect is not visible in Azerion's results for the years ended 31 December 2020 and 2019 as a result of the impact of lockdown measures in connection with COVID-19 on its results in the year ended 31 December 2020 and as a result of the timing of the acquisitions completed in the year ended 31 December 2019. Although the seasonality effect described above has not been apparent in its results of the last two years, Azerion expects its business to be subject to these historical seasonality effects going forward.

Description of Key Line Items
The following descriptions of key line items pertain to Azerion's financial information and which are discussed in the comparison section of this operating and financial review for the years ended 31 December 2020 and 31 December 2019 and for the six months ended 30 June 2021 and 30 June 2020.

Revenue
Revenue includes income from Azerion's operating activities, such as sale of content in its premium games as well as sale of advertisements on its platform.

Azerion measures revenue based on the consideration specified in a contract with a customer, for example an advertiser. In general, revenue is recognised when Azerion transfers control over a good or service to a customer. In case of an advertising deal, revenue is recognised based on the nature of the transaction. If Azerion sells a bundle of ad impressions, revenue is recognised based on the number of completed ad impressions or clicks or leads in proportion to the transaction price of the bundle. If Azerion sells advertisements based on clicks or actions by the user, revenue is recognised at the moment the user clicks on, or performs an action, based on the ad impression. If Azerion sells a unit of its ad inventory, revenue is recognised based on the part of time that has lapsed it agreed to display the ad in proportion to the transaction price of this ad inventory unit.

In case of sales in the virtual world of gaming, Azerion distinguishes three types of transactions: sale of (virtual) consumables, sale of (virtual) durables and sale of memberships. Consumables are virtual goods that are used immediately upon purchase or at a certain point in time after purchase (such as in-game currency, bonus health or other one-off extras). Durables are virtual goods that are used by the customer for a period of time after purchase (such as virtual clothing, furniture or pets). Azerion recognises revenue for the sale of consumables at the moment the consumable is transferred. For the sale of durables revenue is recognised over time, depending on the consumption period of the customer. Revenue for the sale of memberships is recognised evenly over the membership period.

Costs of services and materials
Costs of services and materials includes website expenses, advertising and email routing costs, hosting fees, micropayment bank charges, IT equipment and related costs, advertising billings and other direct costs. Costs of services and materials also includes the portion of revenue that Azerion shares with third parties such as content owners, digital publishers and platform owners pursuant to revenue-sharing arrangements.

Operating expenses
Operating expenses comprises the following line items (i) personnel costs; and (ii) other expenses, which includes, inter alia, travel and representation costs, selling expenses, management fees, expenses for professional services, insurance costs, transition costs and other costs. For a more elaborate description of these line items, see the 2020 Financial Statements.
Non-IFRS Financial Measures

This Circular contains certain non-IFRS financial measures, or alternative performance measures, including, among others gross profit, EBITDA and Adjusted EBITDA. Although certain of this data has been extracted or derived from the 2020 Financial Statements contained in this Circular, this data, nor assumptions underlying this data, have not been audited or reviewed by the independent statutory auditors. These non-IFRS financial measures are not recognised measures of financial performance, financial condition or liquidity under IFRS, but are measures used by management to monitor the underlying performance of Azerion’s business and operations. These non-IFRS financial measures may not be indicative of Azerion’s historical operating results, nor are such measures meant to be predictive of Azerion’s future results. Azerion presents these non-IFRS financial measures because it considers them an important supplemental measure of Azerion’s performance and believes that they and similar measures are widely used in the industry in which Azerion operates as a means of evaluating a company’s operating performance, financial condition and liquidity. However, not all companies calculate non-IFRS financial measures in the same manner or on a consistent basis. As a result, these measures may not be comparable to measures used by other companies under the same or similar names. Accordingly, undue reliance should not be placed on the non-IFRS financial measures contained in this Circular and they should not be considered as a substitute for profit for the year, cash flow, expenses or other financial measures computed in accordance with IFRS.

The non-IFRS financial measures have limitations as analytical tools. The Shareholders are encouraged to evaluate any adjustments to IFRS measures and the reasons the management considers them appropriate for supplemental analysis. Because of these limitations, as well as further limitations discussed above, the non-IFRS financial measures presented should not be considered in isolation or as a substitute for performance measures calculated in accordance with IFRS. Each of the non-IFRS financial measures is described below.

- Gross Profit is defined as revenue minus costs of services and materials.

  Azerion considers Gross Profit to be a useful metric for evaluating its operating performance as it facilitates a comparison of its operating results from period to period by removing the impact of general costs in addition to removing the impact of its capital structure, asset base and tax consequences.

- EBITDA is defined as operating profit / loss excluding depreciation, amortisation and impairment of non-current assets.

  Azerion considers EBITDA to be a useful metric for evaluating its operating performance as it facilitates a comparison of its core operating results from period to period by removing the impact of, among other things, its capital structure, asset base and tax consequences.

- Adjusted EBITDA is defined as EBITDA before certain specific non-recurring costs.

  Azerion considers Adjusted EBITDA to be a useful metric for evaluating its operating performance as it facilitates a comparison of its core operating results from period to period by removing the impact of, among other things, its capital structure, asset base, certain non-recurring costs and tax consequences.

Results of Operations

The following table sets out Azerion’s financial performance and certain operating results for the periods indicated.

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31 December</th>
<th></th>
<th>Six months ended 30 June</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
<td>2019</td>
<td>2021&lt;sup&gt;*&lt;/sup&gt;</td>
<td>2020&lt;sup&gt;+&lt;/sup&gt;</td>
</tr>
<tr>
<td>Revenue</td>
<td>195.1</td>
<td>172.6</td>
<td>98.3</td>
<td>97.2</td>
</tr>
<tr>
<td>Costs of services and materials</td>
<td>(125.1)</td>
<td>(118.3)</td>
<td>(62.5)</td>
<td>(61.8)</td>
</tr>
<tr>
<td>Gross profit</td>
<td>70.0</td>
<td>54.3</td>
<td>35.8</td>
<td>35.4</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(48.1)</td>
<td>(43.6)</td>
<td>(29.4)</td>
<td>(28.2)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>21.9&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>10.7&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>6.4&lt;sup&gt;(3)&lt;/sup&gt;</td>
<td>7.2&lt;sup&gt;(4)&lt;/sup&gt;</td>
</tr>
<tr>
<td>Adjustments&lt;sup&gt;(5)&lt;/sup&gt;</td>
<td>4.6</td>
<td>4.4</td>
<td>3.2</td>
<td>2.5</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>26.5</td>
<td>15.1</td>
<td>9.6</td>
<td>9.7</td>
</tr>
</tbody>
</table>

<sup>*</sup> Any adjustments following from the audit of the 2020 Financial Statements are not included.

<sup>(1)</sup> This includes ‘other gains and losses’ which for the year ended 31 December 2020 consisted of a €1.5 million gain primarily related to foreign exchange related items. See also note 30.2 of the 2020 Financial Statements.

<sup>(2)</sup> This includes ‘other gains and losses’ which for the year ended 31 December 2019 consisted of a €2.4 million gain primarily related to foreign exchange related items. See also note 30.2 of the 2020 Financial Statements.
Comparison of Results of Operations for the Six Months Ended 30 June 2021 and 2020

The following discussion sets out Azerion’s financial performance and certain operating results for the six months ended 30 June 2021 and 2020.

**Revenue**
Revenue remained relatively stable between the six months ended 30 June 2021 and 2020. The change was €1.1 million, or 1.1%, to €98.3 million for the six months ended 30 June 2021, from €97.2 million for the six months ended 30 June 2020.

**Costs of services and materials**
Costs of services and materials increased by €0.7 million, or 1.1%, to €62.5 million for the six months ended 30 June 2021, from €61.8 million for the six months ended 30 June 2020. This increase was primarily the result of Azerion’s increased revenue since the costs of sales are directly related to generating revenue.

**Gross Profit**
Gross Profit remained relatively stable between the six months ended 30 June 2021 and 2020. The change was €0.4 million, or 1.1%, to €35.8 million for the six months ended 30 June 2021, from €35.4 million for the six months ended 30 June 2020.

**Operating expenses**
Operating expenses increased by €1.2 million, or 4.2%, to €29.4 million for the six months ended 30 June 2021, from €28.2 million for the six months ended 30 June 2020. This increase was primarily driven by an increase in personnel costs as a result of adding additional employees to Azerion’s consolidated payroll to further professionalise Azerion’s organisation and to support its future growth.

**EBITDA**
EBITDA decreased by €0.8 million, or 10.9%, to €6.4 million for the six months ended 30 June 2021, from €7.2 million for the six months ended 30 June 2020. This decrease was primarily the result of the increase in operating expenses as described above.

**Adjusted EBITDA**
Adjusted EBITDA remained relatively stable between the six months ended 30 June 2021 and 2020. The change was €0.1 million, or 0.5%, to €9.6 million for the six months ended 30 June 2021 from €9.7 million for the six months ended 30 June 2020. For the six months ended 30 June 2021 and 2020, the adjustments made by management were €3.2 million and €2.5 million, respectively, and consisted primarily of non-recurring costs related to the acquisitions Azerion completed in those periods, and costs related to capital markets, severance and reorganisation.

Comparison of Results of Operations for the Years Ended 31 December 2020 and 2019

The following discussion sets out Azerion’s financial performance and certain operating results for the years ended 31 December 2020 and 2019.

**Revenue**
Revenue increased by €22.5 million, or 13.0%, to €195.1 million for the year ended 31 December 2020, from €172.6 million for the year ended 31 December 2019. This increase was primarily driven by the growth in Azerion’s gaming business as people spent more time playing online games as a result of COVID-19 measures, which was partially offset by a decrease in revenue generated in Azerion’s advertisement business due to an overall drop in advertising spending as a result of the COVID-19 pandemic. In addition, Azerion completed a number of acquisitions in the year ended 31 December 2020, which were consolidated and contributed €12.1 million in aggregate to its revenue over the period. The largest of these acquisitions, Triodor, was completed on 30 December 2020 and therefore did not have a significant impact on Azerion’s revenue in the year ended 31 December 2020. For a more detailed discussion of Azerion’s acquisitions see “Growth through acquisitions” above.

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(3) This does not include ‘other gains and losses’ which for the six months ended 30 June 2021 consisted of a €0.9 million gain primarily related to foreign exchange related items.
(4) This does not include ‘other gains and losses’ which for the six months ended 30 June 2020 were zero.
(5) Adjustments are made for any non-recurring costs that, as a result of their one-off nature, make Azerion’s EBITDA difficult to compare over the years. Consequently, Azerion’s management considers that EBITDA needs to be adjusted for these non-recurring items. Typical examples of these non-recurring items are costs incurred in relation to acquisitions, refinancing, capital markets, severance and restructuring.

The table above presents certain non-IFRS financial measures on a consolidated basis. A more elaborate description on the limitations of non-IFRS measures and the definitions of the non-IFRS measures presented above are set out below in “Operating and Financial Review – Non-IFRS Financial Measures”.

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123
Costs of services and materials

Costs of services and materials increased by €6.8 million, or 5.7%, to €125.1 million for the year ended 31 December 2020, from €118.3 million for the year ended 31 December 2019. This increase was primarily driven by the growth of Azerion's gaming business on its platform and the full year impact of the acquisitions Azerion completed in the year ended 31 December 2019. The increase was partially offset by the decrease in revenue in Azerion's advertisement business.

Gross Profit

Gross Profit increased by €15.7 million, or 28.8%, to €70.0 million for the year ended 31 December 2020, from €54.3 million for the year ended 31 December 2019, as a result of the stronger increase of Azerion's revenue compared to the increase of Azerion's costs of sales driven by operational efficiencies Azerion managed to achieve such as centralising its hosting contracts which lowered Azerion's payable hosting fees.

Operating expenses

Operating expenses increased by €4.5 million, or 10.2%, to €48.1 million for the year ended 31 December 2020, from €43.6 million for the year ended 31 December 2019. This increase was primarily driven by an increase in Azerion's personnel costs as a result of adding additional employees to Azerion's consolidated payroll. This increase was partially off-set by an improvement in overall cost efficiency in this line item in the year ended 31 December 2020 compared to the year ended 31 December 2019.

EBITDA

EBITDA increased by €11.2 million, or 104.7%, to €21.9 million for the year ended 31 December 2020, from €10.7 million for the year ended 31 December 2019. This increase was primarily driven by an increase in revenue generated by Azerion's gaming business and the successful integration in its platform of the businesses it acquired. This increase in revenue in Azerion's gaming business was primarily driven by users spending more time online as a result of lockdown measures and by the introduction of new products and features in Azerion's existing games.

Adjusted EBITDA

Adjusted EBITDA increased by €11.4 million, or 75.5%, to €26.5 million for the year ended 31 December 2020, from €15.1 million for the year ended 31 December 2019, as a result of the factors described above. For the years ended 31 December 2020 and 2019, the adjustments made by management were €4.6 million and €4.4 million, respectively, and consisted mainly of non-recurring costs related to the acquisitions that Azerion completed in those periods and severance and reorganisation related costs.

Liquidity and Capital Resources

Azerion's principal sources of liquidity have been cash flow from operating activities and proceeds from loans and borrowings. Azerion's primary liquidity and capital resource needs are to finance working capital, capital expenditures and acquisitions.

Indebtedness

The following table provides an overview of Azerion's borrowings and total financial debt as at the end of the periods indicated.

<table>
<thead>
<tr>
<th></th>
<th>As at 31 December</th>
<th>As at 30 June</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
<td>2019</td>
</tr>
<tr>
<td>Borrowings</td>
<td>€83.5</td>
<td>€64.8</td>
</tr>
<tr>
<td>Lease liabilities</td>
<td>€6.2</td>
<td>€6.3</td>
</tr>
<tr>
<td>Total Financial Debt</td>
<td>€89.1</td>
<td>€71.1</td>
</tr>
</tbody>
</table>

*These interim numbers do not take into account the adjustments that were made for the year ended 31 December 2020 in connection with the audit process of the 2020 Financial Statements and the first-time adoption of IFRS.

Bonds

During the periods under review, Azerion has in part relied on bond issuances for external debt financing. In June 2019, Azerion issued bonds for an aggregate amount of €25 million. On 17 March 2020 Azerion issued bonds for an amount of €60 million with a floating interest rate of EURIBOR plus 8.5% per year (the "2020 Bonds"), refinancing the then outstanding €25 million bonds. On 28 April 2021, Azerion completed the issuance of the Bonds, refinancing the then outstanding amount of €100 million of the 2020 Bonds.

The Bonds are governed by the Bond T&Cs. The Bonds are expected to be listed on the regulated market of NASDAQ Stockholm on or before 31 December 2021. As of 30 June 2021, a portion of the net proceeds of the Bonds has been used to redeem the 2020 Bonds, and a portion of the proceeds of the Bonds has been used to finance four acquisitions in the six months ended 30 June 2021 (see " – Key Factors Affecting Azerion's Business and Results of Operation – Growth Through Acquisitions"). Azerion intends to use the remainder of the net proceeds of the
Bonds primarily to finance acquisitions. As at 30 June 2021, Azerion had an amount of €198.4 million outstanding under the Bonds. Azerion can issue additional Bonds under the Bond T&Cs for a maximum nominal amount of €100 million subject to an incurrence test (as described below), up to a total nominal amount of the Bonds of €300 million.

The maturity date of the Bonds is 28 April 2024 and the Bonds carry a fixed interest rate of 7.25% per year. Nordic Trustee & Agency AB is the agent in respect of the Bonds. The Bonds are secured by a security package established in favour of Nordic Trustee & Agency AB acting as security agent, consisting of security interests customary for this type of transaction and including, amongst others, pledges over the shares in certain material Group companies, pledges over material intra-group loans and shareholder loans and a pledge over an escrow account holding certain amounts reserved for future acquisitions. The obligations of Azerion under the Bonds are guaranteed by certain material subsidiaries of Azerion.

The Bond T&Cs allow for early redemption by Azerion for a redemption price including a premium. Early redemption within 18 months from the date of issuance is subject to a redemption price of 103.625% of the nominal outstanding amount and payment of any remaining interest payments up to and including 18 months from the date of issuance. Early redemption within 24, 30 or 36 months from the date of issuance is subject to a redemption price of 103.625%, 102.175% or 100.725% of the nominal outstanding amount, respectively, and payment of accrued but unpaid interest.

Each bondholder has the right to request mandatory repurchase of some or all of its Bonds in case of (i) a change of control, defined as an event whereby one or more persons other than the Selling Shareholder (or one of its affiliates) acquires control over Azerion by either controlling more than 50% of the shares of Azerion or by having the right to appoint or remove a majority of the members of the Management Board; or (ii) a delisting event, defined as the delisting of Azerion's shares from a regulated market or trading in Azerion's shares on the regulated market being suspended for a period of fifteen consecutive business days. Such mandatory repurchase is made against a repurchase price of 101% of the nominal outstanding amount and payment of accrued but unpaid interest.

The Bond T&Cs contain a number of customary positive and negative undertakings, including (i) a negative pledge over any assets of Azerion and its subsidiaries, subject to certain exceptions; (ii) restrictions on the Group's ability to incur indebtedness, subject to certain exceptions of permitted debt, including indebtedness meeting an incurrence test (as described below) or indebtedness incurred under a working capital facility or under factoring arrangements or government support loans subject to certain limitations; (iii) restrictions on the Group's ability to effect the disposal of assets, subject to certain exceptions including any disposal that does not have a material adverse effect; (iv) restrictions on the ability of Azerion to pay dividends, make other distributions, redeem or repurchase shares or reduce its share capital and repay subordinated loans such as the Shareholder Loans; and (v) certain financial undertakings. The financial undertakings are:

(i) a maintenance test, which requires Azerion to maintain a leverage ratio of net interest bearing debt to EBITDA (the "Leverage Ratio") equal to or less than 4.50x. Failure to meet the maintenance test results in an event of default under the Bonds, unless the failure has been cured within 30 business days;

(ii) an incurrence test in order to be able to incur certain financial indebtedness, which requires (i) Azerion to maintain a maximum Leverage Ratio of (a) 3:1 for the period up to 18 months from the first issue date of the Bonds, being 28 April 2021; and (b) 2.5:1 for the period from 18 months from the first issue date of the Bonds to the final maturity date, and that (ii) no event of default is continuing or occurring upon the incurrence of financial indebtedness; and

(iii) a distribution test in order to be able to make certain restricted payments such as dividend distributions, which requires (i) Azerion to maintain a maximum Leverage Ratio equal to or less than 2.5x and that (ii) no event of default is continuing or occurring upon the making of the restricted payment.

In case of any event of default under the Bond T&Cs which, if subject to a remedy period is not remedied within such period, the agent is entitled to declare all, but not some only, of the outstanding Bonds due and payable and to exercise any security provided in connection with the Bonds.

The Bond T&Cs contain an undertaking for Azerion to use best efforts to ensure that the Bonds are listed on a regulated market within 60 days from the date of issuance of the Bonds, with a remedy period of 20 business days. This remedy period lapsed on 23 July 2021 without the Bonds being listed on a regulated market. On 22 July 2021, Azerion sought approval from the bondholders to waive the breach of this undertaking and to amend the Bond T&Cs to extend the deadline for the listing to 31 December 2021. Azerion announced successful completion of the waiver procedure on 27 August 2021. As compensation for this waiver, the bondholders were granted a consent fee for an amount of 0.25% of the nominal amount of each Bond as calculated based on the aggregate principal amount held by each bondholder. The consent fees were settled on 15 September 2021.

The Bond T&Cs contained an undertaking for Azerion to publish its 2020 Financial Statements no later than 31 October 2021. As a result of the first-time adoption of IFRS in the 2020 Financial Statements together with the acquisitions that Azerion completed in the year ended 31 December 2020, Azerion did not meet this deadline under the Bonds. On 26 November 2021, the remedy period for this breach under the Bond T&Cs expired and, consequently, the delay qualified as event of default under the Bond T&Cs. On 6 December 2021, Azerion published its 2020 Financial Statements and thereby the event of default was immediately remedied and no further or other event of default is outstanding under the Bonds.
**Factoring arrangements**

Certain subsidiaries of Azerion have entered into agreements with AgriBank PLC ("AgriBank") for undisclosed non-recourse factoring, pursuant to which the Azerion subsidiaries can sell trade receivables to AgriBank up to a facility limit of €1.5 million per company. On 30 September 2021, Improve Digital B.V. entered into a new factoring arrangement with AgriBank in addition to the already outstanding factoring agreements with the other Azerion subsidiaries up to a facility limit of €10.0 million. Atilla Aytekin and Umut Akpinar, the Co-CEOs of Azerion, are in the process of acquiring an indirect majority stake in AgriBank through their personal holdings, pursuant to which the factoring agreements with AgriBank will become related party transactions.

In the event of a change of control that AgriBank deems to be material, AgriBank may, among other things, terminate the agreement, increase the factoring fee by 5% or require the relevant Azerion subsidiary to repurchase of any outstanding receivables. To the extent that the transaction qualifies as a change of control under the factoring agreements, the Azerion subsidiaries will inform AgriBank and request a waiver.

**Working Capital Statement**

Azerion believes that the working capital available to it is sufficient for its present requirements, that is for at least the next twelve months following the date of this Circular.

**Contractual Obligations and Commitments**

Azerion has certain contractual obligations and commitments relating to trade and other payables, lease liabilities, employee benefits, payables to related parties and external borrowings. The following table provides an overview of Azerion's main contractual obligations and commitments.

<table>
<thead>
<tr>
<th></th>
<th>Within the next 12 months</th>
<th>Between 1 and 5 years</th>
<th>Beyond 5 years</th>
<th>Total (in € million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade and other payables</td>
<td>91.7</td>
<td>-</td>
<td>-</td>
<td>91.7</td>
</tr>
<tr>
<td>Lease liabilities</td>
<td>2.6</td>
<td>5.8</td>
<td>1.7</td>
<td>10.1</td>
</tr>
<tr>
<td>Borrowings</td>
<td>8.7</td>
<td>82.1</td>
<td>-</td>
<td>90.8</td>
</tr>
<tr>
<td><strong>Total exposure</strong></td>
<td><strong>103.1</strong></td>
<td><strong>87.8</strong></td>
<td><strong>1.7</strong></td>
<td><strong>192.6</strong></td>
</tr>
</tbody>
</table>

For a more comprehensive overview of Azerion's contractual obligations and commitments, see note 26.4 of the 2020 Financial Statements.

**Capital Expenditure**

Azerion defines capital expenditure on internal development as the cost of internal resources (mostly labour) spent to create intangible assets as presented in its consolidated statement of financial position and consolidated statement of cash flows. The following table summarises the distribution of Azerion's capital expenditure on internal development across its main three categories for the years ended 31 December 2020 and 2019.

<table>
<thead>
<tr>
<th></th>
<th>2020 (in € million)</th>
<th>2019 (in € million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Games and software</td>
<td>8.0</td>
<td>6.4</td>
</tr>
<tr>
<td>Website</td>
<td>4.1</td>
<td>2.1</td>
</tr>
<tr>
<td><strong>Capital expenditure on internal development</strong></td>
<td><strong>12.1</strong></td>
<td><strong>8.5</strong></td>
</tr>
</tbody>
</table>

Azerion's capital expenditure on internal development is included in note 5 regarding intangible assets of its 2020 Financial Statements.

**Contingent and other Off-Balance Sheet Liabilities**

Azerion is the head of the fiscal unity for the corporate income tax and value added tax of the Group. As such, all members of the fiscal unity are jointly and severally liable for the payment of the corporate income tax and value added tax due by any member of the fiscal unity.

Azerion's off balance sheet commitments are included in note 43 of its 2020 Financial Statements.
Financial Risk Management

Overview
Its business activities expose Azerion to a variety of financial risks. The Management Board identifies and evaluates the financial risks based on principles for overall risk management. Azerion's overall risk management program seeks to minimise potential adverse effects on its financial performance. The Management Board is of the opinion that Azerion's exposure to financial risks is limited. A summary of the main financial risks that Azerion is exposed to is provided below and also presented in note 26 of the 2020 Financial Statements. Azerion's exposure to financial risks is monitored as a part of the daily management of its business.

Market Risk
Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, affect Azerion's financial performance or the value of its financial assets.

Azerion's functional currency is the Euro. Azerion faces currency risks related to transactions carried out in the currencies other than its functional currency, mainly in U.S. Dollar, Swedish Krona and British Pound. Azerion has not entered into transactions designed to hedge against the foreign currency risks. For an overview of Azerion's exposure to foreign currencies, see note 26.1 of the 2020 Financial Statements.

Azerion's main interest rate risk arises from its long-term borrowings (i.e. the Bonds, see "-- Indebtedness -- Bonds" above) with variable interest rates, which expose it to cash flow interest rate risks. Azerion's variable interest rates have not been hedged.

Credit Risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract. Azerion is exposed to credit risk primarily from cash at bank and trade and other receivables. Azerion considers its credit risk to be minimal, because (i) the majority of the cash at bank and deposits are held with high credit quality financial institutions with a credit rating of A or higher and (ii) Azerion mitigates the credit risk in its trade and other receivables by imposing credit limits on its debtors on post-paid terms and regularly assessing its credit risk relating to costumers. The compliance with these credit limits is monitored regularly by the Management Board.

Azerion relies on a limited number of third parties to provide payment processing services (payment service providers) to collect amounts due from end-users. Payment service providers are financial institutions or credit card companies that Azerion believes are of high credit quality. Azerion does business with a large number of customers around the world. Azerion has established strict internal guidelines and policies to determine the expected credit loss on trade receivables. Azerion assesses on a case-by-case basis whether there are any facts or circumstances that may cause receivables to be impaired. These facts or circumstances include, amongst others, any historical collectability issues, expected future collectability issues due to the nature of trade receivables and current economic market conditions. Azerion makes provisions when there is objective evidence that Azerion will not be able to collect a trade receivable. Changes to the outstanding provision on the balance sheet are recognised in the statement of profit or loss in the line item other gains and losses.

Liquidity Risk
Liquidity risk includes the risk of a shortage of funds and the risk that Azerion will encounter difficulty in meeting its obligations associated with its financial liabilities. Azerion's approach is to manage liquidity as to ensure, to the best of its abilities, that it will meet its financial obligations when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation.

Azerion manages its liquidity risk by maintaining sufficient cash and committed credit facilities by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of its financial assets and liabilities. For an overview of Azerion's outstanding financial liabilities and their remaining period to maturity based on the contractual maturity date, see note 26.4 of the 2020 Financial Statements.

Capital Risk
Azerion manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to its shareholders through the optimisation of the debt and equity balance on its statement of financial position. Azerion's overall strategy remains unchanged from the year ended 31 December 2019 and is that Azerion targets to show a significant improvement year on year in its net debt-to-equity ratio.

Azerion's capital structure consists of net debt (long and short-term borrowings and lease liabilities minus cash and cash equivalents) and equity of the Group (comprising issued capital, reserves, retained earnings and non-controlling interests).

Azerion's risk management committee reviews the capital structure on a semi-annual basis. As part of their review, the committee considers the cost of capital and the risks associated with each class of capital. For an overview of Azerion's net debt-to-equity ratios, see note 26.5 of the 2020 Financial Statements.
Critical Accounting Policies

An overview of Azerion's accounting policies is presented in note 3 of the 2020 Financial Statements. Unless otherwise indicated, the financial information included in the 2020 Financial Statements has been prepared in accordance with IFRS. See "Financial Information of Azerion".

The preparation of financial statements requires the Management Board to make a number of estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities, of turnover and expenses and the disclosure of contingent assets and liabilities. All assumptions, expectations and forecasts used as a basis for certain estimates within the financial statements represent good faith assessments of Azerion's future performance for which the Management Board believes there is a reasonable basis. These estimates and assumptions represent Azerion's view at the times they are made, and only then. They involve risks, uncertainties and other factors that could cause Azerion's actual future results, performance and achievements to differ materially from those forecasted.

The estimates and assumptions that may have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below.

Business combinations and goodwill

Azerion accounts for business combinations using the acquisition method as at the acquisition date, which is the date in which control is transferred to Azerion. At the acquisition date, the identifiable assets acquired, the liabilities and contingent liabilities assumed are recognised on Azerion's balance sheet at their fair value at the acquisition date. Azerion recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition related costs are recognised in the statement of profit and loss insofar these costs do not relate to the issuance of debt or equity instruments.

Goodwill is measured as the excess of the sum of the consideration transferred and the fair value of the acquirer's previously held equity interest in the target company and the amount of any non-controlling interest in the target company measured in accordance with IFRS over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

Azerion does not amortise goodwill, but it reviews the goodwill on its balance sheet for impairment at least annually, or more frequently when Azerion has an indication of impairment. An impairment loss recognised for goodwill is not reversed in a subsequent period. In case of divestment of a business, Azerion includes the attributable amount of goodwill in the determination of the profit or loss on disposal.

Intangible Assets

Azerion's expenditures on research are recognised in Azerion's statement of profit and loss within the line item other expenses and personnel costs as incurred. Expenditures on development are capitalised if based on the Management Board's judgement the expenditure can be measured reliably, the product or process is technically and commercially feasible to develop, future economic benefits are probable, Azerion has sufficient resources to complete the development and it intends to use or sell the asset. In determining the amounts to be capitalised, the Management Board makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. If the development expenditure does not meet the aforementioned capitalisation criteria, Azerion recognises these expenditures on the statement of profit and loss as incurred. Development costs previously recognised as an expense are not capitalised as an asset in a subsequent period. Subsequent to initial recognition, development expenditure is measured at cost less accumulate amortisation and any accumulated impairment losses. Amortisation of the capitalised asset begins when development is complete and the asset is available for use. During the period of development, the capitalised asset is tested for impairment annually.

Azerion also capitalises other intangible assets (such as games and software, trademarks, patents and brands) that have finite useful lives and are measured at cost less accumulated amortisation and any accumulated impairment losses. The cost of a separately acquired intangible asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and any directly attributable cost of preparing the asset for its intended use.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss. An overview of the estimated useful lives for current and comparative periods can be found in Azerion's 2020 Financial Statements. Amortisation methods and useful lives and are reviewed at each reporting date and adjusted if appropriate.
11. OTHER IMPORTANT INFORMATION

General

NO OFFERING IS BEING MADE TO ANY PERSON IN ANY JURISDICTION. THIS CIRCULAR MAY NOT BE USED FOR, OR IN CONNECTION WITH, AND DOES NOT CONSTITUTE, OR FORM PART, AN OFFER BY, OR INVITATION BY OR ON BEHALF OF, THE COMPANY OR ANY REPRESENTATIVE OF THE COMPANY, TO PURCHASE ANY SECURITIES, OR THE SOLICITATION TO BUY SECURITIES BY ANY PERSON IN ANY JURISDICTION. NO ACTION HAS BEEN OR WILL BE TAKEN IN ANY JURISDICTION BY THE COMPANY THAT WOULD PERMIT AN OFFERING OF THE ORDINARY SHARES OR POSSESSION OR DISTRIBUTION OF A PROSPECTUS IN ANY JURISDICTION.

In particular, the Ordinary Shares to be issued in connection with the Business Combination have not been and will not be registered under the U.S. Securities Act and may not be offered or sold in the U.S. absent registration or an applicable exemption from the registration requirements of the U.S. Securities Act.

The Company does not undertake to update this Circular unless required pursuant to applicable law and regulation, and therefore the Shareholders should not assume that the information in this Circular is accurate as at any date other than the date of this Circular. The Company, however, reserves the right to amend this Circular. Should the Company do so, it will make such amendment available through its website (www.efic1.com). No person is or has been authorised to give any information or to make any representation in connection with the Business Combination, other than as contained in this Circular. If any information or representation not contained in this Circular is given or made, the information or representation must not be relied upon as having been authorised by the Company or its directors or any of their respective affiliates or representatives.

Any person (including, without limitation, custodians, nominees and trustees) who may have a contractual or legal obligation or may otherwise intend to forward this document to any jurisdiction outside the Netherlands should seek appropriate advice before taking any action. The distribution of this Circular and any accompanying documents into jurisdictions other than the Netherlands may be restricted by law. Any person not in the Netherlands into whose possession this Circular and any accompanying documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. The Company does not accept any responsibility for any violation by any persons of any of such restrictions.

This Circular is governed by Dutch law and must be read and interpreted in accordance therewith. Any dispute arising in connection with this Circular will be subject to the exclusive jurisdiction of the competent court in Amsterdam, the Netherlands.

Information Regarding Forward-Looking Statements

Certain statements in this Circular other than statements of historical facts are forward-looking statements. In particular, this Circular contains forward-looking statements under the following headings: "Risk Factors", "Business Combination - Dividend Policy", "Azerion's Business" and "Financial Information of Azerion - Operating and Financial Review", regarding the Company's strategy, targets, expectations, objectives, future plans and other future events or prospects are forward-looking statements. These forward-looking statements are based on the Company's current beliefs and projections and on information currently available to us. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the Company's control and all of which are based on its current beliefs and expectations about future events. Forward-looking statements are typically identified by the use of forward-looking terminology such as "believe", "expect", "may", "will", "seek", "would", "could", "should", "intend", "estimate", "plan", "assume", "predict", "anticipate", "annualised", "goal", "target", "potential", "continue", "hope", "objective", "position", "project", "risk" or "aim" or the highlights or negatives thereof or other variations thereof or comparable terminology, or by discussions of the Company's strategy, short-term and mid-term objectives and future plans that involve risks and uncertainties.

Forward-looking statements involve inherent risks and uncertainties and speak only as of the date they are made. Except as required by applicable law, the Company does not undertake and it expressly disclaims any duty to update or revise publicly any forward-looking statement in this Circular; whether as a result of new information, future events or otherwise. Such forward-looking statements are based on current beliefs, assumptions, expectations, estimates and projections of the members of the Management Board and the Company's management of, public statements made by it, present and future business strategies and the environment in which the Company will operate in the future. By their nature, they are subject to known and unknown risks and uncertainties, which could cause the Company's actual results and future events to differ materially from those implied or expressed by forward-looking statements. Risks and uncertainties that could cause actual results to vary materially from those anticipated in the forward-looking statements included in this Circular include those described under "Risk Factors".

Although the Company believes the expectations reflected in such forward-looking statements are reasonable, forward-looking statements are based on the opinions, assumptions and estimates of the members of its Management Board and its management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors.

The Shareholders are advised to read "Risk Factors", "Business Combination - Dividend Policy", "Azerion's Business" and "Financial Information of Azerion - Operating and Financial Review" for a more complete discussion of the factors that could affect the Company's future
performance and the industry in which Azerion, and after Completion the Company, operates. Should one or more of these risks or uncertainties materialise, or should any of the assumptions underlying the above or other factors prove to be incorrect, the Company's actual results of operations or future financial condition could differ materially from those described herein as currently anticipated, believed, estimated or expected. In light of the risks, uncertainties and assumptions underlying the above factors, the forward-looking events described in this Circular may not occur or be realised. Additional risks not known to the Company or that the Company does not currently consider material could also cause the forward-looking events discussed in this Circular not to occur.

Rounding and negative amounts

Certain figures in this Circular, including financial data, have been rounded. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an exact arithmetic aggregation of the figures which precede them. In tables, negative amounts are shown between parentheses. Otherwise, negative amounts are shown by "-" or "negative" before the amount.

In preparing the financial information included in this Circular, most numerical figures are presented in millions of Euro. For the convenience of the reader of this Circular, certain numerical figures in this Circular are rounded to one decimal point. Accordingly, figures shown for the same category presented in different tables may vary slightly, and figures shown as totals in certain tables may not be an exact arithmetic aggregation of the figures which precede them.

The percentages (for example as a percentage of revenue or costs and period-on-period percentage changes) presented in the textual financial disclosure in this Circular are derived directly from the financial information included elsewhere in this Circular. Such percentages may be computed on the numerical figures expressed in millions of Euro, rounded to the nearest hundred thousand. Therefore, such percentages are not calculated on the basis of the financial information in the textual disclosure that has been subjected to rounding adjustments in this Circular.

Currency

In this Circular, unless otherwise indicated: all references to the "EU" are to the European Union; all references to "Euro" or "€" are to the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty on the functioning of the European Community, as amended from time to time; all references to the "United States" or the "US" are to the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia; all references to "USD", "US dollars" or "$" are to the lawful currency of the United States.

Market and Industry Data

All references to market share, market data, industry statistics and industry forecasts in this Circular consist of estimates compiled by industry professionals, competitors, organisations or analysts, of publicly available information or of the Company's and Azerion's own assessment of Azerion's sales and markets.

This Circular contains statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to Azerion's business and markets. The market, economic and industry data have primarily been derived and extrapolated from reports prepared by Newzoo and eMarketer. Although the Company believes that these sources are reliable, the Company does not have access to the information, methodology and other bases for such information and has not independently verified the information. The information in this Circular that has been sourced from third parties has been accurately reproduced with reference to these sources in the relevant paragraphs and, as far as the Company is aware and able to ascertain from the information published by that third party, no facts have been omitted that would render the reproduced information provided inaccurate or misleading.

Industry publications and market studies generally state that their information is obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on a number of significant assumptions. Where third-party information has been sourced in this Circular, the source of such information has been identified.

In this Circular, certain statements are made regarding Azerion's competitive and market position. The Company and Azerion believe these statements to be true, based on market data and industry statistics, but it has not independently verified the information. The Company and Azerion cannot guarantee that a third party using different methods to assemble, analyse or compute market data or public disclosure from competitors would obtain or generate the same results. In addition, Azerion's competitors may define their markets and their own relative positions in these markets differently than Azerion does and may also define various components of their business and operating results in a manner which makes such figures non-comparable with its figures.

Available information

The following documents (or copies thereof) may be obtained free of charge from our website www.efic1.com:

- this Circular;
- the proxy form including voting instructions;
• the EFIC1 IPO Prospectus;
• the Investor Presentation;
• the First Amendment AoA;
• the Second Amendment AoA;
• the Remuneration Policy of the Management Board and the Supervisory Board; and
• the FAQ for a virtual EGM.

Definitions
In this Circular, the "Company" refers to European FinTech IPO Company 1 B.V. (which will be renamed Azerion Group N.V. shortly after Completion) prior to and/or after giving effect to the Business Combination, as the context may require. "Azerion" refers to Azerion Holding B.V. prior to giving effect to the Business Combination and, where appropriate, its subsidiaries as defined in Section 2:24b of the Dutch Civil Code.

Certain other terms used in this Circular are defined in "Defined Terms".
12. DEFINED TERMS

The following list of defined terms is not intended to be an exhaustive list of definitions, but provides a list of the key defined terms used in this Circular.

ABN AMRO
ABN AMRO Bank N.V.

Adjusted EBITDA
EBITDA before certain specific non-recurring costs selected by Azerion's management

AdUX
AdUX S.A.

AdUX Waiver
a written waiver for the requirement to submit a mandatory tender offer for the acquisition of the remaining shares in the issued share capital of AdUX

AFM
the Netherlands Authority for the Financial Markets (Stichting Autoriteit Financiële Markten)

AgriBank
AgriBank PLC

AMF
the French regulator (Autorité des marchés financiers)

Articles of Association
the articles of association (statuten) of the Company as they shall read following the execution of the notarial deed containing the Second Amendment AoA

Audit and Risk Committee
the audit and risk committee of the Supervisory Board

AWS
Amazon Web Services

Azerion
Azerion Holding B.V. and, where appropriate, its subsidiaries as defined in Section 2:24b of the Dutch Civil Code

Azerion DR Holders
holders of depositary receipts for Azerion Shares, administered by the STAK

Azerion Founder Warrants
the warrants awarded to Atilla Aytekin and Umut Akpinar in connection with the Business Combination Agreement

Azerion Shares
the issued and outstanding share capital of Azerion

Bonds
the 2021 senior secured fixed rate bonds of Azerion

Bonds T&Cs
terms and conditions of the Bonds

Business Combination
the acquisition by the Company of 100% of the issued and outstanding share capital of Azerion Holding B.V.

Business Combination Agreement
the agreement between the Company, the Selling Shareholders and Azerion Holding B.V. in connection with the Business Combination

Business Day
a day (other than a Saturday or Sunday) on which banks in the Netherlands and Euronext Amsterdam are generally open for normal business

Capital Market Advisers
Citigroup Global Markets Europe AG, Credit Suisse Bank (Europe), S.A., Jefferies GmbH and Jefferies International Limited

Capital Shares
the preference shares in the capital of the Company with a nominal value of €10,000 each

Cash Consideration
the cash consideration, consisting of a cash amount of up to €50 million, to be received by the Selling Shareholders in connection with the Business Combination
CCPA  the California Consumer Privacy Act

CEO or co-CEO  chief executive officer of Azerion

CET  Central European Time

Circular  this document

Combined Group or Group  the Company and its subsidiaries as defined in Section 2:24b of the Dutch Civil Code upon Completion

Company  European FinTech IPO Company 1 B.V., which will be renamed Azerion Group N.V. two business days after Completion

Completion  completion of the Business Combination

Completion Date  the date of Completion, 1 February 2022, or such other date to be agreed between EFIC1, the Selling Shareholders and Azerion

Conditional Special Shares  15% of the remaining (i.e., non-forfeited) Special Shares that are convertible into Ordinary Shares subject to the conditions described in "Business Combination – Description of the Securities - Special Shares and Conditional Special Shares", with a nominal value of €0.01 each

Convocation  means the notice of the EGM set out in section 3 (Convocation of Extraordinary General Meeting) of this Circular, including the agenda for the EGM

COPPA  the Children Online Privacy Protection Act

CPRA  the California Privacy Rights Act

Davey Call Option  Ben Davey's call option which irrevocably (onherroepelijk) entitles him to acquire 1,012,560 Special Shares against an exercise price of €0.01 per Special Share and with a call option period from the date of the relevant call option agreement up to and including the tenth anniversary from that date, which will as of Completion be amended into the following two call options: (i) a call option on a maximum of 774,608 Ordinary Shares and (ii) a call option on a maximum of 136,696 Ordinary Shares, which will solely become exercisable if, following Completion, the closing price of the Ordinary Shares on Euronext Amsterdam equals or exceeds €12.00 for any 20 trading days within any consecutive 30-trading day period within a period of five years as of the day of Completion

Deloitte  Deloitte Accountants B.V.

DPO  Data Protection Officer

Dutch Corporate Governance Code  the Dutch corporate governance code

Dutch GAAP  Dutch Generally Accepted Accounting Principles

EBITDA  operating profit / loss excluding depreciation, amortisation and impairment of non-current assets

EFIC1  European FinTech IPO Company 1 B.V

EFIC1 Board  the current one tier board (raad van bestuur) of EFIC1

EFIC1 Cooperative  EFIC1 Group Coöperatie U.A.
EFIC1 IPO the IPO of EFIC1 (by way of private placement) of 26 March 2021
EFIC1 IPO Prospectus the prospectus that was published in connection with the EFIC1 IPO dated 22 March 2021
EFIC1 Sponsor Promote an amount of approximately €73 million, representing the Special Shares held by the Sponsors that will be converted into Ordinary Shares at Completion and the call option held by Ben Davey on a maximum of 774,608 Ordinary Shares
EGM extraordinary general meeting of the Shareholders of EFIC1, which will be held virtually on 31 January 2022 at 10 a.m. CET
ePrivacy Directive the EU Directive on privacy and electronic communications
Escrow Account an escrow account which is held by Stichting EFIC1 Escrow with Intertrust Escrow and Settlements B.V. acting as the escrow agent
ESG Environmental, Social and Governance
EU the European Union
EURIBOR Euro Interbank Offered Rate
Euro or € the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty on the functioning of the European Community, as amended from time to time
Euronext Amsterdam the regulated market operated by Euronext Amsterdam N.V.
Executive Committee the executive committee that supports the members of the Management Board in the day-to-day management of the Group's business.
F2P free-to-play
First Amendment AoA the first deed of amendment of the articles of association of the Company intended to be executed on the Completion Date
Founder Warrants the founder warrants purchased by the Sponsors in a private placement that occurred simultaneously with the completion of the EFIC1 IPO
FTEs full time employee equivalents
GDPR the EU's General Data Protection Regulation
General Meeting the general meeting of the Shareholders of the Company
GoP2 Governor of Poker 2
GoP3 Governor of Poker 3
HL Notary Jan Bouwen de Snaijer of Hogan Lovells International LLP and any prospective civil law notary acting under his supervision
HTP H.T.P. Investments B.V.
HTP Sponsor H.T.P. Capital Partners B.V., a company controlled by HTP
IFRS International Financial Reporting Standards as adopted by the EU
<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Independent Supervisory Board Member</strong></td>
<td>any member of the Supervisory Board that qualifies as independent within the meaning of 2.1.8. of the Dutch Corporate Governance Code</td>
</tr>
<tr>
<td><strong>Investor Presentation</strong></td>
<td>the presentation used in the Sponsors &amp; Co-Investors Commitment process</td>
</tr>
<tr>
<td><strong>Liquidation</strong></td>
<td>Company adopting a resolution to (i) dissolve and liquidate the Company and (ii) to delist the Ordinary Shares and Warrants</td>
</tr>
<tr>
<td><strong>LTIP</strong></td>
<td>long-term incentive plan</td>
</tr>
<tr>
<td><strong>Management Board</strong></td>
<td>the management board (raad van bestuur) of the Company following the execution of the notarial deed containing the First Amendment AoA</td>
</tr>
<tr>
<td><strong>Management Board Rules</strong></td>
<td>the rules adopted by the Management Board governing the Management Board's principles and best practices</td>
</tr>
<tr>
<td><strong>MiFID II</strong></td>
<td>EU Directive 2014/65/EU on markets in financial instruments</td>
</tr>
<tr>
<td><strong>NFTs</strong></td>
<td>Non-Fungible Tokens</td>
</tr>
<tr>
<td><strong>Ordinary Shares</strong></td>
<td>the ordinary shares in the capital of the Company with a nominal value of €0.01 each</td>
</tr>
<tr>
<td><strong>PDMR</strong></td>
<td>persons discharging managerial responsibilities</td>
</tr>
<tr>
<td><strong>Permitted Transferee</strong></td>
<td>as defined in the EFIC1 IPO Prospectus</td>
</tr>
<tr>
<td><strong>PFIC</strong></td>
<td>passive foreign investment company</td>
</tr>
<tr>
<td><strong>Principion</strong></td>
<td>Principion Holding B.V.</td>
</tr>
<tr>
<td><strong>PwC</strong></td>
<td>PricewaterhouseCoopers Accountants N.V.</td>
</tr>
<tr>
<td><strong>QEF Election</strong></td>
<td>“qualified electing fund” election under Section 1295 of the Code</td>
</tr>
<tr>
<td><strong>Recipient</strong></td>
<td>a Shareholder who is the recipient of dividends</td>
</tr>
<tr>
<td><strong>Redeeming Shareholders</strong></td>
<td>Shareholders that wish to have their Ordinary Shares repurchased by the Company</td>
</tr>
<tr>
<td><strong>Registration Date</strong></td>
<td>3 January 2022 at 5.30 p.m. CET</td>
</tr>
<tr>
<td><strong>Relationship Agreement</strong></td>
<td>the relationship agreement dated on or about Completion between the Company, Principion and HTP Sponsor</td>
</tr>
<tr>
<td><strong>SAR</strong></td>
<td>stock appreciation rights</td>
</tr>
<tr>
<td><strong>SAR Holder</strong></td>
<td>each holder of one or more SARs</td>
</tr>
<tr>
<td><strong>SAR Plans</strong></td>
<td>stock appreciation rights plans</td>
</tr>
<tr>
<td><strong>SAR STAK</strong></td>
<td>Stichting Administratiekantoor that will hold the Ordinary Shares on behalf of the SAR holders</td>
</tr>
<tr>
<td><strong>Second Amendment AoA</strong></td>
<td>the second deed of amendment of the articles of association of the Company intended to be executed one Business Day after Completion</td>
</tr>
</tbody>
</table>
Selection, Appointment and Remuneration Committee

the selection, appointment and remuneration committee of the Supervisory Board

Selling Shareholders

Principion and STAK

Share Repurchase Arrangement

the share repurchase arrangement as described under "Business Combination - Description of the Transaction – Share Repurchase Arrangement"

Shareholder

any holder of Shares at any time

Shares

the shares of the Company, including the Ordinary Shares, the Capital Shares, the Special Shares (up to Completion) and the Conditional Special Shares (after Completion)

Special Shares

the convertible special shares of the Company with a nominal value of €0.01 each

Sponsors

EFIC1 Cooperative, Ben Davey and HTP Sponsor

Sponsors & Co-Investors

investors that entered into the Subscription Agreements for the Sponsors & Co-Investors Commitment

Sponsors & Co-Investors Commitment Amount

amount raised in the Sponsors & Co-Investors Commitment

Sponsors & Co-Investors Commitment

the private investment in public equity in connection with the Business Combination

Subscription Agreements

subscription agreements between the Company, Azerion and the Sponsors & Co-Investors

STAK

Stichting Administratiekantoor Azerion Holding, as administrative office and holder of shares in the capital of Azerion Holding B.V. for the benefit and account of the Azerion DR Holders;

Supervisory Board

the supervisory board (raad van commissarissen) of the Company following the execution of the notarial deed containing the First Amendment AoA

Supervisory Board Rules

the rules adopted by the Supervisory Board governing the Supervisory Board's principles and best practices

Transaction Expenses

all fees, costs and expenses (including legal, financial, accounting, tax, consulting, investment banking and negative interest accrued on the Escrow Account) for both Azerion and the Company in relation to the Business Combination and the Sponsors & Co-Investors Commitment, but excluding any fees, costs and expenses of the legal counsel to the Company in respect of the Sponsors & Co-Investors Commitment

Treasury Shares

means the Ordinary Shares held in treasury by the Company

United States or US

the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia

US Holder

means a beneficial owner of the Warrants or Ordinary Shares who or that is, for U.S. federal income tax purposes (a) an individual who is a citizen or resident of the United States; (b) a corporation created in, or organised under the laws of the United States or any state thereof, including the District of Columbia; (c) an estate the income of which is subject to U.S. federal income tax regardless of its source; or (d) a trust if such trust has validly elected to be treated as a U.S. person for U.S. federal income tax purposes or if (1) a U.S. court can exercise primary supervision over the trust's administration and (2) one or more U.S. persons are authorised to control all substantial decisions of the trust

USD, U.S. dollars or $ US dollars, the lawful currency of the United States

U.S. Securities Act

US Securities Act of 1933, as amended
<table>
<thead>
<tr>
<th><strong>Warrant Exercise Period</strong></th>
<th>exercise period of the Warrants as described in the EFIC1 IPO Prospectus</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Warrant Exercise Price</strong></td>
<td>exercise price per Warrant or Founder Warrant as described in the EFIC1 IPO Prospectus</td>
</tr>
<tr>
<td><strong>Warrant Holder</strong></td>
<td>a holder of one or more Warrant(s)</td>
</tr>
<tr>
<td><strong>Warrants</strong></td>
<td>the warrants (other than Founder Warrants and Azerion Founder Warrants) in respect of Ordinary Shares</td>
</tr>
<tr>
<td><strong>Whow Games</strong></td>
<td>Whow Games GmbH</td>
</tr>
<tr>
<td><strong>2020 Financial Statements</strong></td>
<td>the audited historical consolidated financial information of Azerion as at and for the year ended 31 December 2020, prepared in accordance with IFRS, with financial information for the year ended 31 December 2019 as a comparative</td>
</tr>
<tr>
<td><strong>2020 Bonds</strong></td>
<td>the Azerion bonds for an amount of €60 million with a floating interest rate of EURIBOR plus 8.5% per year</td>
</tr>
</tbody>
</table>