

## **AZERION GROUP N.V. (FORMERLY: EUROPEAN FINTECH IPO COMPANY 1 B.V.)**

Previously, it was communicated that Azerion Group N.V. (formerly known as European FinTech IPO Company 1 B.V. or "EFIC1") (the "Company") may be considered a "passive foreign investment company" ("PFIC") for U.S. federal income tax purposes, pursuant to which shareholders of the Company that are U.S. persons (each a "Shareholder") could possibly make an election under Section 1295 of the U.S. Internal Revenue Code (the "Code"; all "section" references are to sections of the Code) to treat the Company as a Qualified Electing Fund ("QEF") for U.S. federal income tax purposes (a "QEF Election"). Upon completion of the calculations and assessment whether the Company is a PFIC, and consultation with external tax and legal advisors, it has been concluded that the Company is considered a PFIC with respect to tax year 2021.

The PFIC regime generally applies in a year when a U.S. person owns an interest in a foreign corporation that is treated as a PFIC. Section 1297(a) defines a PFIC as any foreign corporation if (1) 75 percent or more of the gross income of such corporation for the taxable year is passive income (the "income test"), or (2) the average percentage of assets held by such corporation during the taxable year which produce passive income, or which are held for the production of passive income, is at least 50 percent (the "asset test"). Upon testing, the Company was not under the mentioned thresholds for either the income test or the asset test, thus classifying it as a PFIC. Section 1298(b) provides a limited "start-up" exception, under which a foreign corporation that would otherwise be characterized as a PFIC under section 1297(a) is not treated as a PFIC for the first tax year in which it has gross income if it meets certain criteria. However the Company did not earn gross income during the tax year 2021.

This statement summarizes the reporting requirements for Shareholders related to their investment in the Company. A Form 8621, "Information Return by a Shareholder of a Passive Foreign Investment Company or Qualifying Electing Fund", must be completed by each Shareholder listed below. If you have made a QEF election with respect to your investment in this PFIC, you should be separately tracking your basis and previously taxed earnings with respect to the stock, adjusting for any QEF inclusions.

All amounts included in this file represent the total from the Company and should be multiplied by your commitment ownership in the Company, respectively. As a result of your investment in the Company, a PFIC for U.S. federal income tax purposes, you are considered to own a proportionate interest in the stock owned directly or indirectly by the Company. The Company did not hold directly or indirectly any entities that could also be considered a PFIC in 2021.

If you are a U.S. person, please contact your tax advisor with regard to your specific reporting obligations in connection with your direct investment in the Company. You may elect to treat the Company as a QEF by checking the appropriate box on Form 8621. Generally, a Shareholder making the QEF election must make the election on or before the due date, including extensions, with the filing of the Shareholder's income tax return for the first taxable year to which the QEF election would apply. The QEF election must be made in the original return for that year, or in an amended return, provided the amended return is filed on or before the election due date. If you are receiving this notice past the due date of your 2021 return, please contact your tax advisor with regard to the possibility of filing a retroactive election (see instructions for Form 8621). Once a QEF election is made, you must include in gross income a pro rata share of the Company's ordinary income and net capital gain on an annual basis regardless of distributions. If you are a Non-U.S. person with US investors, please provide this information to your investors where required, so they may properly report their income.

Separately, a Deemed Sale Election (in addition to a QEF election) may be available on a future tax return. In short, if a foreign corporation is a PFIC during a U.S. person's holding period and the U.S. person does not have a "QEF election" under section 1295 in effect with respect to its entire holding period, the U.S. person is generally subject to a special set of unfavorable "excess distribution" rules under section 1291 with respect to any gain recognized on the sale or other disposition of the PFIC stock, and certain distributions, if any, that it receives with respect to the stock. If a QEF election is filed by a U.S. person for a tax year after the first year of its holding period for the PFIC stock, the PFIC would be an "unpedigreed" QEF with respect to the U.S. person and, under the "once a PFIC, always a PFIC" principle set forth in section 1298(b)(1), the excess distribution rules will still apply.

**Please note that the information included herein does not constitute tax advice and is merely provided in order to assist Shareholders in making calculations. The United States tax laws regarding PFICs are extremely complex and Shareholders are advised to consult with their own tax advisors concerning the overall tax consequences of the ownership of shares in a PFIC under United States federal, state, local, or foreign law as well as to determine appropriate reporting obligations**

#### **Appendix**

- a. Azerion Group N.V. (formerly: European FinTech IPO Company 1 B.V.)
  - a. Address of PFIC:  
Herengracht 456  
1017 CA Amsterdam, Netherlands
  - b. Tax Year: January 25, 2021 to December 31, 2021
  - c. Tax Year of Initial Investment: 2021
  - d. Your beginning and ending ownership percentages in the PFIC is the following multiplied by your interest in Azerion Group N.V:  
Beginning: 100%  
Ending: 100%
  - e. Description of each class of outstanding shares of Azerion Group N.V. (formerly: European FinTech IPO Company 1 B.V.):
    - Ordinary Shares
    - Capital Shares
    - Conditional Special Shares
    - Warrants
  - f. Number of shares held at the end of the taxable year: To be determined by the investor
  - g. Date shares acquired during the taxable year, if applicable: Various Dates
  - h. Value of shares held at the end of the taxable year: To be determined by the investor
  - i. Your pro-rata share of ordinary earnings and net capital gain for the taxable year ended December 31, 2021 is the following multiplied by your Ending ownership percentage:  
Ordinary earnings: \$0  
Net capital gain: \$0
  - j. The amount of cash and fair value of other property distributed or deemed distributed to you during the taxable year with respect to Azerion Group N.V (formerly: European FinTech IPO Company 1 B.V.) – \$0
  - k. Azerion Group N.V. (formerly: European FinTech IPO Company 1 B.V.) will, upon receipt of a request, permit you to inspect and copy their permanent books of account, records, and such other documents as may be maintained by them that are necessary to establish that the PFIC's ordinary earnings and net capital gain, as provided in Section 1293(e) of the Code, are computed in accordance with US income tax principles, and to verify these amounts and your pro rata shares of such ordinary earnings and net capital gain.