

Continued growth and delivery on M&A pipeline

Highlights of Q3 2022

- Revenue of almost EUR 106 million, compared to EUR 84 million in Q3 2021, mainly driven by strong growth in the Platform segment.
- Adjusted EBITDA of over EUR 12 million, down by 30% compared to Q3 2021, primarily due to lower contributions from the Premium Games segment, with Q3 2021 positively impacted by the successful launch of the Habbo NFT project, which impacts comparability versus Q3 2022.
- Completed acquisitions of Madvertise, Vlyby, Takerate and other asset deals, boosting our offerings to advertisers and publishers.
- Launched the new Habbo app on Android and iOS.
- Expanded integration with Google's demand-side platform, enabling Google's Audience targeting, unlocking additional volumes to Azerion's advertising auction platform Improve Digital.
- In October and November, completed the acquisitions of [M]media, Hybrid Theory and Adplay, strengthening capabilities and global footprint.
- In November, won the Digital Media Owner Award, surveyed by the Institute of Practitioners in Advertising in the UK, achieving the highest score in the history of the survey.
- In November, announced the results of an independent survey on attention measurement, revealing that Azerion's proprietary digital advertising formats can drive up to 20x higher attention compared to standard formats.

Selected Financial KPIs

Financial results (EURm)	Q3		YTD	
	2022	2021 ¹⁾	2022	2021 ¹⁾
Azerion Holding B.V.				
Revenue	105.5	83.5	303.8	181.7
Gross profit	38.5	34.7	113.2	70.5
Operating expenses	(28.2)	(19.6)	(102.2)	(48.8)
Operating profit / (loss)	0.2	4.7	(28.0)	2.9
EBITDA	9.7	14.0	(1.7)	21.0
Adjusted EBITDA	12.4	17.7	30.0	27.3
Revenue growth, %	26.3%		67.2%	
Gross profit margin %	36.5%	41.6%	37.3%	38.8%
Adjusted EBITDA growth %	-29.9%		9.9%	
Adjusted EBITDA margin, %	11.8%	21.2%	9.9%	15.0%

¹⁾ 2021 financial data has been updated to reflect the allocation of head office costs to segments and 2021 audit adjustments. Refer to the "Other information" section for more information.

Co-CEO Umut Akpınar said:

"I am pleased with our continued growth on the top line, while increasing the focus on costs and improving efficiencies across our platform. We are on track to deliver at least EUR 450 million revenue this year and we will continue integrating our acquisitions and building volumes in our higher-margin products. In Q3 2021 we had a very successful sale of NFTs in our Habbo metaverse, which makes the numbers less comparable on a year-to-year basis."



Co-CEO Atilla Aytekin said:

"This quarter we announced a number of acquisitions that add valuable capabilities to our offerings to advertisers, publishers and consumers. With a focus on profitability, we will expedite integration and related synergies and remain ready to capture opportunities in this market under consolidation. We are also excited to be hosting our first Strategy Deep Dive with the market to share insights into our organic and inorganic growth strategy."

Financial overview

Revenue

Revenue for the quarter amounted to EUR 105.5 million, an increase of EUR 22.0 million, or 26.3%, compared to Q3 2021, boosted by Platform, partly offset by lower revenue from Premium Games.

Earnings

We delivered EUR 12.4 million adjusted EBITDA for the quarter compared to EUR 17.7 million in Q3 2021, a decrease of EUR 5.3 million, mainly due to lower contributions from Premium Games and the NFT pilot successfully executed in Q3 2021.

The operating profit amounted to EUR 0.2 million, compared to a profit of EUR 4.7 million in Q3 2021, primarily reflecting the lower contributions from Premium Games and the NFT pilot successfully executed in Q3 2021.

Cash flow

Our cash flow from operating activities in Q3 2022 was an inflow of EUR 2.8 million. Cash flow from investing activities was an outflow of EUR 11.2 million, due to capital expenditures and acquisitions. Cash flow from financing activities totalled an inflow of EUR 13.7 million.

Capex

We capitalize development costs related to asset development, a core activity to support innovation in our platform. These costs primarily relate to developers' time devoted to the development of games, platforms, and other new features. In Q3 2022 we capitalized EUR 4.1 million, equivalent to 17.7% of gross personnel costs.

Financial position and financing

Our net interest-bearing debt* amounted to EUR 179.1 million as at 30 September 2022, mainly comprising our outstanding bond loan with a nominal value of EUR 200.0 million (part of an in total EUR 300.0 million framework) and lease liabilities with a balance of EUR 17.9 million less the cash and cash equivalents position of EUR 44.1 million.

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

Segment information

Platform

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

Platform – Selected Financial KPIs

Financial results (EURm)	Q3		YTD	
	2022	2021 ¹⁾	2022	2021 ¹⁾
Revenue	84.2	57.5	238.8	133.1
Gross profit	27.4	19.3	80.4	44.1
Operating expenses	(20.5)	(12.0)	(67.2)	(33.0)
Operating profit / (loss)	0.6	1.5	(14.0)	(0.4)
EBITDA	7.1	6.0	3.7	10.6
Adjusted EBITDA	8.2	8.4	18.0	14.8
Revenue growth, %	46.4%		79.4%	
Gross profit margin %	32.5%	33.6%	33.7%	33.1%
Adjusted EBITDA growth %	-2.4%		21.6%	
Adjusted EBITDA margin, %	9.7%	14.6%	7.5%	11.1%

¹⁾ 2021 financial data has been updated to reflect the allocation of head office costs to segments and 2021 audit adjustments. Refer to the "Other information" section for more information.

Platform Revenue was EUR 84.2 million in Q3 2022, an increase of 46.4% compared to Q3 2021, mainly due to acquisitions as well as organic growth.

Adjusted EBITDA was EUR 8.2 million in Q3 2022, decreasing by 2.4% compared to Q3 2021. Higher net revenue was offset by lower gross profit margin, mainly driven by market conditions, and increased operating expenses compared to Q3 2021, primarily driven by acquisitions and ongoing investments in the platform.

Results benefited from increased user engagement levels, with users spending more time playing casual games, as well as enhanced monetisation across the portfolio. In addition, we have grown our casual games distribution portfolio during Q3 2022, adding approximately 452 new titles and 415 new publisher partners.

Advertising - Selected Operational KPIs

	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
Avg. Digital Ads Sold per Month (bn)	6.9	10.9	9.9	9.5	9.6
<i>Advertising auction platform (bn)</i>	3.7	4.5	4.1	4.3	4.3
<i>Publisher monetisation services (bn)</i>	3.2	6.4	5.8	5.2	5.3
Avg. Gross Revenue per Million Accepted Ad Requests from advertising auction platform (EUR)	9.9	12.9	8.6	9.1	11.2

- The **Average number of digital ads sold per month** (paid impressions) increased to 9.6 billion from 6.9 billion in Q3 2021, reflecting significant growth in our advertising business.
- The **Average gross revenue per million accepted ad requests** was EUR 11.2 in Q3 2022, compared to EUR 9.9 in Q3 2021, demonstrating our ability to manage our advertising auction platform efficiently and profitably, even against the backdrop of challenging macro-economic environment.

The numbers reported in the selected operational KPIs do not include volumes from past acquisitions that are not yet fully integrated. As of this quarter, the reported numbers include the following previous acquisitions: advertising auction platforms Improve Digital, Admoove, Delta Projects and Infinia, as well as publisher monetisation services Headerlift, Pubgalaxy, Sublime, Inskin, Strossle, Keymobile, Madvertise and Quantum.

Average gross revenue per million ad requests has been revised to exclude ad requests that are rejected by our platform without generating any costs. As a result this KPI has been renamed as Average gross revenue per million accepted ad requests.

Premium Games

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

Premium Games – Selected Financial KPIs

Financial results (EURm)	Q3		YTD	
	2022	2021 ¹⁾	2022	2021 ¹⁾
Premium Games				
Revenue	21.3	26.0	65.0	48.6
Gross profit	11.1	15.4	32.8	26.4
Operating expenses	(7.6)	(7.6)	(21.6)	(15.8)
Operating profit / (loss)	0.7	3.2	0.3	3.4
EBITDA	3.6	8.0	8.9	10.4
Adjusted EBITDA	4.2	9.2	12.0	12.4
Revenue growth, %	-18.1%		33.7%	
Gross profit margin %	52.1%	59.2%	50.5%	54.3%
Adjusted EBITDA growth %	-54.3%		-3.2%	
Adjusted EBITDA margin, %	19.7%	35.4%	18.5%	25.5%

¹⁾ 2021 financial data has been updated to reflect the allocation of head office costs to segments and 2021 audit adjustments. Refer to the "Other information" section for more information.

Premium Games Revenue was EUR 21.3 million in Q3 2022, a decrease of 18.1% compared to Q3 2021. Revenue in Q3 2021 was positively impacted by the successful launch of the Habbo NFT project, impacting comparability versus Q3 2022. Excluding this impact, Revenue was at a similar level as in Q3 2021, primarily driven by increased average revenue per daily user, partly offset by a decline in the average number of daily users.

Adjusted EBITDA was EUR 4.2 million in Q3 2022, a decrease of 54.3% compared to Q3 2021. The high margin NFT activities were a significant contributor to the Adjusted EBITDA in Q3 2021, affecting comparability. Excluding this impact, Adjusted EBITDA reflected higher operating expenses, partly offset by slightly improved gross profit margin.

Premium Games – Selected Operational KPIs

	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
Avg. Time in Game per Day (min)	79	80	81	80	80
Avg. DAUs (thousands)	616	599	607	567	556
Avg. ARPDAU (EUR)	0.37	0.42	0.38	0.40	0.42

- The **Average time in game per day** from our Premium Games players remained at a similar level as in Q3 2021.
- The **Average daily active users (DAUs)** decreased by almost 10% compared to Q3 2021, reflecting a normalisation of Covid-19-induced elevated levels of users, partly offset by an inflow of new users in France, following our user acquisition campaign.
- The **Average revenue per daily active user (ARPDAU)** increased by over 13% compared to Q3 2021, primarily driven by new features and events that enhanced the user gameplay experience, including for example the Love Island/ITV Studios partnership in Hotel Hideaway.

Outlook

On track to deliver Revenue of at least EUR 450 million for the full financial year 2022, with Adjusted EBITDA expected to be over EUR 50 million.

Other information

Interest Bearing Debt

Interest Bearing Debt in millions of EUR	30 September 2022	31 December 2021
Total non-current indebtedness	227.9	213.3
Total current indebtedness	10.6	11.5
Total financial indebtedness	238.5	224.8
Deduct Zero interest bearing loans	(0.3)	(0.7)
Interest Bearing Debt	238.2	224.1
Less: Cash and cash equivalents	(44.1)	(35.3)
Net Interest Bearing Debt	194.1	188.8
Of which permitted Net Interest Bearing Debt under the bond terms	179.1	188.8

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

Financial indebtedness increased by EUR 13.7 million from 31 December 2021, mainly due to the reclassification of subordinated convertible loans from other equity instruments to borrowings. These subordinated convertible loans include an equity redemption option of outstanding loan balances, in addition to a cash redemption option. Under the modified terms, the discretion to redeem the loans in equity or cash lies with Azerion Holding B.V. Following the de-SPAC transaction, the loans are redeemable by issuing shares in the capital of Azerion Group N.V. Since these loans are no longer redeemable by issuing shares in the capital of Azerion Holding B.V., they have been reclassified from other equity instruments.

Reconciliation of net income to Adjusted EBITDA

Reconciliation of net income to Adjusted EBITDA in millions of EUR	Q3						
	2022				2021		
	Azerion Holding B.V.	Premium Games	Platform	Other	Azerion Holding B.V.	Premium Games	Platform
Profit / (loss) for the period	(4.3)				2.4		
Income Tax expense	1.1				0.1		
Profit / (loss) before tax	(3.2)				2.5		
Net finance costs	3.4				2.2		
Operating profit / (loss)	0.2	0.7	0.6	(1.1)	4.7	3.2	1.5
Depreciation & Amortization	9.5	2.9	6.5	0.1	9.3	4.8	4.5
EBITDA	9.7	3.6	7.1	(1.0)	14.0	8.0	6.0
Capital markets	-	-	-	-	0.9	-	-
De-SPAC related expenses ¹⁾	0.3	0.1	-	0.2	-	-	-
Other	0.9	0.1	0.0	0.8	2.3	1.0	2.3
Acquisition expenses	1.4	0.2	1.2	-	0.5	0.2	0.1
Restructuring	0.1	0.2	(0.1)	0.0	-	-	-
Adjusted EBITDA	12.4	4.2	8.2	-	17.7	9.2	8.4

1) The De-SPAC related expenses relate to costs incurred on the legal merger of Azerion Holding B.V. and Azerion Group N.V. Refer to the "Background information: Azerion Holding B.V. and Azerion Group N.V." section for further information.

Breakdown of operating expenses in millions of EUR	Q3		YTD	
	2022	2021	2022	2021
Personnel costs	19.1	11.8	58.1	31.0
Other expenses	9.1	7.8	44.1	17.8
Operating expenses	28.2	19.6	102.2	48.8
Of which:				
<i>Platform</i>	20.5	12.0	67.2	33.0
<i>Premium Games</i>	7.6	7.6	21.6	15.8

Updated quarters Q3 and Q4 2021 to reflect audit adjustments included in Annual Report 2021

The Annual Report included updated financial statements as compared to the preliminary unaudited financial results full year 2021 published on 28 February 2022. The updates to the figures are mainly associated with acquisition accounting, following the completion of the acquisition audits, as well as the accounting treatment of the business combination with European FinTech IPO Company 1 (EFIC1) that was completed on 1 February 2022, tax and the refinancing of the Company's bonds in 2021.

The updated financial statements mainly impacted the results of the periods Q3 and Q4 of 2021. The table below summarizes the impacts in these quarters in the condensed statement of profit or loss and other comprehensive income and reflects quarterly figures aligned to the full year figures published in the Annual Report 2021.

The comparative figures in the tables in this press release are reflecting the impacts summarised below.

In millions of EUR	Q3 2021 impact			Q4 2021 impact			FY 2021 impact		
	Platform	Premium Games	Total	Platform	Premium Games	Total	Platform	Premium Games	Total
Costs of services & materials	(1.1)	-	(1.1)	(0.7)	1.5	0.8	(1.8)	1.5	(0.3)
Gross profit	(1.1)	-	(1.1)	(0.7)	1.5	0.8	(1.8)	1.5	(0.3)
Personnel costs	0.4	0.2	0.6	0.6	0.2	0.8	1.0	0.4	1.4
Depreciation	-	-	-	0.9	0.9	1.8	0.9	0.9	1.8
Amortization	-	(1.9)	(1.9)	0.1	(1.9)	(1.8)	0.1	(3.8)	(3.7)
Impairment of non-current assets	-	-	-	(0.9)	(0.9)	(1.8)	(0.9)	(0.9)	(1.8)
Other gains and losses	0.2	-	0.2	(4.2)	(2.5)	(6.7)	(4.0)	(2.5)	(6.5)
Other expenses	0.2	(0.2)	-	(0.7)	0.3	(0.4)	(0.5)	0.1	(0.4)
Operating profit / (loss)	(0.3)	(1.9)	(2.2)	(4.9)	(2.4)	(7.3)	(5.2)	(4.3)	(9.5)
Finance income			(0.1)			(0.1)	-	-	(0.2)
Finance costs			-			(0.4)			(0.4)
Income Tax expense	-	-	0.5	-	-	0.2	-	-	0.7
Profit / (loss) for the year	-	-	(1.8)	-	-	(7.6)	-	-	(9.4)
EBITDA	(0.3)	-	(0.3)	(5.1)	(0.5)	(5.6)	(5.4)	(0.5)	(5.9)
Adjustments	0.6	-	0.6	5.1	0.8	5.9	5.7	0.8	6.5
Adjusted EBITDA	0.3	-	0.3	-	0.3	0.3	0.3	0.3	0.6

Background information: Azerion Holding B.V. and Azerion Group N.V.

Azerion Holding B.V. is the main holding subsidiary of Azerion Group N.V., formerly known as EFIC1. The Azerion Holding B.V. Interim Unaudited Financial Results Q3 2022 are released as required by the terms and conditions of the listed Senior Secured Callable Fixed Rate Bonds (ISIN: SE0015837794).

Azerion Group N.V.'s main assets are the shares it holds in Azerion Holding B.V. and it does not have any material operational activities. Consequently, the Q3 2022 financial results of Azerion Holding B.V. as included in this communication are a reasonably reliable proxy for the Q3 2022 financial results of Azerion Group N.V., except that:

- Current assets is EUR 1.1 million higher due to prepayments on insurance costs.
- Borrowings is EUR 15.0 million lower due to subordinated loans that are included in equity in Azerion Group N.V. as the loans can be settled with Azerion Group N.V. shares.
- Other liabilities is EUR 11.8 million higher mainly relating to a) Azerion Group N.V. warrants amounting to EUR 17.8 million recognized in Azerion Group N.V. and b) an offset in share options amounting to EUR 5.8 million recorded as equity in Azerion Group N.V. as those may be settled with Azerion Group N.V. shares. It should be noted that the counterparty in question claims that Azerion has breached the relevant SPA and disputes the right of Azerion to settle in shares. The dispute is likely to be subject to arbitration.
- In addition to the items impacting equity as mentioned above, the Azerion Group N.V. equity is EUR 10.5 million higher due to the issuance of treasury shares during Q3 2022, which also resulted in an EUR 10.5 million higher cash inflow from financing activities.
- Net finance costs is EUR 1.7 million higher due to a fair value loss related to an increase in the fair value of the Azerion Group N.V. warrants.

Legal merger

On 28 October 2022 Azerion announced the successful completion of the written procedure requesting bondholders to approve the legal merger of the parent company Azerion Group N.V. and Azerion Holding B.V., with the main objective of simplifying and streamlining Azerion's financial reporting and other communications to the market. A written procedure, initiated on 30 September 2022, relating to Azerion Holding B.V.'s senior secured bonds with ISIN SE0015837794, requested certain waivers and amendments to the terms and conditions of the bonds, including approval of the proposed legal merger of the parent company Azerion Group N.V. and Azerion Holding B.V. A sufficient number of bondholders participated in the written procedure in order to form a quorum, and a requisite majority of the bondholders voted in favour to approve the amendments. The amendments will become effective as soon as possible via an amendment and restatement agreement and the satisfaction of certain conditions precedent. Azerion intends to execute this legal merger on 31 December 2022 and publish one set of consolidated financial statements for 2022 for Azerion Group N.V., which will be the surviving entity.

Condensed consolidated statement of profit or loss and other comprehensive income

<i>In millions of EUR</i>	Q3		YTD	
	2022	2021	2022	2021
Revenue	105.5	83.5	303.8	181.7
Costs of services & materials	(67.0)	(48.8)	(190.6)	(111.2)
Gross profit	38.5	34.7	113.2	70.5
Personnel costs	(19.1)	(11.8)	(58.1)	(31.0)
Depreciation	(1.7)	(4.1)	(4.9)	(6.3)
Amortization	(7.8)	(5.2)	(21.4)	(11.8)
Other gains and losses	(0.6)	(1.1)	(12.7)	(0.7)
Other expenses	(9.1)	(7.8)	(44.1)	(17.8)
Operating profit / (loss)	0.2	4.7	(28.0)	2.9
Finance income	0.2	(0.1)	0.9	1.1
Finance costs	(3.6)	(2.1)	(15.2)	(19.2)
Net Finance costs	(3.4)	(2.2)	(14.3)	(18.1)
Profit / (loss) before tax	(3.2)	2.5	(42.3)	(15.2)
Income Tax expense	(1.1)	(0.1)	(2.4)	(0.1)
Profit / (loss) for the period	(4.3)	2.4	(44.7)	(15.3)
<i>Attributable to:</i>				
Owners of the company	(4.2)	2.2	(44.5)	(15.3)
Non-controlling interest	(0.1)	0.2	(0.2)	0.0
Profit / (loss) for the period	(4.3)	2.4	(44.7)	(15.3)
Exchange difference on translation of foreign operations	-	(0.3)	(1.3)	0.1
Remeasurement of net defined benefit liability	-	-	-	-
Total comprehensive income for the period	(4.3)	2.1	(46.0)	(15.2)
<i>Total comprehensive (loss) / income attributable to:</i>				
Owners of the company	(4.3)	1.9	(45.9)	(14.8)
Non-controlling interest	-	0.2	(0.1)	(0.4)

Condensed consolidated statement of financial position

<i>In millions of EUR</i>	30 September 2022	31 December 2021
Assets		
Non-current assets	364.6	323.8
Goodwill	147.3	123.0
Intangible assets	157.5	141.9
Property, plant and equipment	18.8	18.5
Non-current financial assets	36.9	36.1
Deferred tax asset	4.0	4.2
Investment in joint ventures	0.1	0.1
Current assets	158.1	140.0
Trade and other receivables	93.8	91.3
Contract assets	19.1	12.1
Current tax assets	1.1	1.3
Cash and cash equivalents	44.1	35.3
Total assets	522.7	463.8
Equity		
Shareholders' equity	22.7	(8.6)
Non-controlling interest	1.6	1.7
Total equity	24.3	(6.9)
Liabilities		
Non-current liabilities	270.9	260.2
Borrowings	214.4	199.0
Lease liabilities	13.5	14.3
Provisions	1.0	0.4
Employee benefits	1.1	1.0
Deferred tax liability	32.6	29.9
Other non-current liability	8.3	15.6
Current liabilities	227.5	210.5
Borrowings	6.2	6.8
Lease liabilities	4.4	4.7
Provisions	0.9	1.0
Trade and other payables	170.2	141.1
Other current liabilities	40.6	53.5
Contract liabilities	0.5	0.4
Current tax liabilities	4.7	3.0
Total liabilities	498.4	470.7
Total equity and liabilities	522.7	463.8

Condensed consolidated statement of cash flows

<i>In millions of EUR</i>	Q3		YTD	
	2022	2021	2022	2021
Cash flows from operating activities				
Operating profit / (loss)	0.2	4.7	(28.0)	2.9
Adjustments for operating profit / (loss)	8.3	12.1	52.9	23.1
Changes in working capital items:				
Decrease (increase) in net receivables	(16.9)	3.5	(5.9)	4.5
Increase (decrease) in accounts payables and other payables	17.5	(29.0)	19.1	(38.1)
Utilization of provisions	(0.9)	-	(1.6)	-
Income tax paid	(0.7)	(0.2)	(1.2)	(0.2)
Interest paid	(4.6)	(2.1)	(14.0)	(5.3)
Net cash provided by (used for) operating activities excluding employee SARs related cash outflows	2.9	(11.0)	21.3	(13.1)
Employee SARs related cash outflows	(0.1)	-	(7.2)	-
Net cash provided by (used for) operating activities including employee SARs related cash outflows	2.8	(11.0)	14.1	(13.1)
Cash flows from investing activities				
Net capital expenditures	(5.0)	(5.7)	(15.6)	(11.2)
Net cash outflow on acquisition of subsidiaries	(6.2)	(8.2)	(45.4)	(38.6)
Net cash provided by (used for) investing activities	(11.2)	(13.9)	(61.0)	(49.8)
Cash flows from financing activities				
Capital contributions	15.0	-	80.5	-
De-SPAC related expenses	(0.4)	-	(17.3)	-
Other financing activities	(0.9)	(1.2)	(7.0)	(3.5)
Proceeds from external borrowings	-	-	-	227.5
Repayment of external borrowings	-	(10.3)	-	(110.6)
Increase in loans to related parties	-	-	-	(11.9)
Early settlement of Senior Secured Callable Floating Rate Bonds	-	-	-	(7.7)
Net cash provided by (used for) financing activities	13.7	(11.5)	56.2	93.8
Effect of changes in exchange rates on cash and cash equivalents	(0.2)	(0.3)	(0.5)	(0.1)
Effect of exchange rate changes & accounting principles	(0.2)	(0.3)	(0.5)	(0.1)
Cash flow variation	5.1	(36.7)	8.8	30.8
Cash and cash equivalents at the beginning of the period	39.0	77.9	35.3	10.4
Cash and cash equivalents at the end of the period	44.1	41.2	44.1	41.2

Definitions

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

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

Adjusted EBITDA Margin means Adjusted EBITDA as a percentage of revenue

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

Average gross revenue per million accepted ad requests from the advertising auction platform is calculated by dividing gross advertising revenue by a million of advertisement requests. Not all advertisement requests are processed and become eligible to be fulfilled as an advertisement sold, therefore this metric measures our efficiency and overall profitability of the digital advertising auction platform, demonstrating that the revenue generated by the advertisements that are sold also remunerate and more than cover the costs of all the advertisement requests. As of this quarter we take into account the filtering (optimising) to better show our ongoing efforts to lower the costs of revenue.

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

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

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

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

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

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

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

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

EFIC1 means European FinTech IPO Company 1 B.V.

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

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

Gross Profit Margin means Gross Profit as a percentage of revenue

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

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

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

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

Disclaimer and Cautionary Statements

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

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

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

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

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

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

For all definitions and reconciliations of non-IFRS financial measures please also refer to www.azerion.com/investors.

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

This is a joint communication of Azerion Holding B.V. and Azerion Group N.V. comprising Azerion Holding B.V.'s Interim Unaudited Financial Results Q3 2022

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

Contact

Investor Relations: ir@azerion.com

Media relations: press@azerion.com