



Interim Report

Q4 FY
2024

Strong Platform performance driving profitability



Highlights of FY and Q4 2024

Our FY 2024 performance reflects the year long **focus on efficiency and profitability** driven by continued investment in the advertising platform:

- **FY 2024 Revenues up 13%** from € 486.7 million¹ to € 551.2 million
- **FY 2024 Adjusted EBITDA up 21% YoY** from € 62.2 million¹ to € 75.1 million

Specifically in Q4 2024, we focused on driving synergies and eliminating redundant costs in the advertising platform:

- **Q4 2024 Adjusted EBITDA up 14% YoY** from € 26.4 million to € 30.1 million
- **Core segment Platform outperformed the group** with Adjusted EBITDA up **15%** from € 22.8 million in Q4 2023 to € 26.2 million in Q4 2024
- Maintained **Q4 2024 Revenues at € 168 million (-2%)** while integrating and reorganising 2022 and 2023 acquisitions in order to phase out low margin revenues and focus on increased profitability

At the same time we used the last quarter to **strengthen our position** through new partnerships, acquisitions and further financing:

- **Signed 90 new publishers** and **connected 3 additional SSPs and DSPs** to expand our digital audiences across Europe and the Americas and further integrated our publisher monetisation tool OneFMS across regions.
- Finalised the **acquisition of Goldbach Austria GmbH**, one of the foremost digital and linear advertising brokers in the DACH region providing Azerion with additional digital out of home footprint and an annual revenue run rate of over € 20 million.
- Entered new **partnerships with Produpress in Belgium and Moneytizer in France** to enrich the unique content and audiences that we make available for brands and agencies.
- Successfully completed the placement of **additional bonds** for an amount of **€ 50 million** under Azerion's existing Senior Secured Callable Floating Rate Bond framework of € 300 million.

In addition, we further invested in **our platform's multi-cloud infrastructure and AI capabilities**:

- Added **Huawei** as cloud partner alongside AWS and Google in our Azerion multi-cloud setup reducing our reliance on single cloud vendors and decreasing our total cost of ownership.
- Migration of **Eniro** to the Azerion multi-cloud bringing them higher quality, lower latency service and annual cost savings of over € 1.5 million once fully implemented.
- Deployed our latest version of **AI enhanced creative performance benchmark and outcome intelligence tools** helping our advertisers and our operators to better understand which ads work best for various audiences in different circumstances and allowing for machine optimisation of campaigns.

¹ (excluding the divested social card games portfolio)

Selected KPIs

Financial Results – Azerion Group N.V.

in millions of €

	Q4 2024	Q4 2023	Growth	FY 2024	FY 2023	Growth
Platform Segment						
Advertising Platform	126.3	126.0	0%	412.3	348.6	18%
AAA Game Distribution (e-commerce)	26.9	31.7	(15)%	85.0	88.8	(4)%
Revenue	153.2	157.7	(3)%	497.3	437.4	14%
Operating profit / (loss)	7.2	5.6	29%	(1.7)	(2.0)	(15)%
Adj. EBITDA	26.2	22.8	15%	62.4	53.2	17%
Premium Games Segment¹						
Revenue	14.8	14.1	5%	53.9	77.6	(31)%
Operating profit / (loss)	(0.1)	0.5	(120)%	(0.7)	74.8	(101)%
Adj EBITDA	3.9	3.6	8%	12.7	18.7	(32)%
Group (excluding social card games)						
Revenue	168.0	171.8	(2)%	551.2	486.7	13%
Operating profit / (loss)	7.1	6.1	16%	(2.4)	(8.2)	(71)%
Adj. EBITDA	30.1	26.4	14%	75.1	62.2	21%
Group (including social card games)						
Revenue	168.0	171.8	(2)%	551.2	515.0	7%
Operating profit / (loss)	7.1	6.1	16%	(2.4)	72.8	(103)%
Adj. EBITDA	30.1	26.4	14%	75.1	71.9	5%

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

	Q4 2024	Q4 2023	FY 2024	FY 2023
Adj. EBITDA Margin %				
Platform	17%	15%	13%	12%
Premium Games	26%	26%	24%	24%
Group (excluding social card games)	18%	15%	14%	13%
Group	18%	15%	14%	14%

Message from the CEO



Q4 was a strong quarter for us, marked by a clear focus on profitability. By maintaining operational discipline and executing on our strategic priorities, we successfully met our full-year 2024 guidance. This achievement reflects our commitment to sustainable growth and value creation for our shareholders.

Throughout the year, we have dedicated significant time and resources to building an ecosystem that truly supports European publishers. Our platform empowers them to create engaging content, monetize effectively, and manage their resources with greater predictability. By fostering a high-performance environment, we are enabling European publishers to thrive in an increasingly competitive digital landscape by giving them a truly European choice.

Looking ahead, we continue to see AI as a major opportunity to drive further innovation and efficiency. Managing over 250,000 auctions per second gives us a unique vantage point to leverage data at scale. We have developed generative AI advertising solutions that enhance campaign performance, while our latest AI-powered creative performance benchmarks and outcome intelligence tools are delivering valuable insights to our partners. These advancements position us at the forefront of AI-driven advertising, helping our customers achieve better results with greater precision thanks to a long history of machine learning at the core of our platform.

At the same time, we also see an increasing number of opportunities to accelerate our growth through strategic partnerships and acquisitions. We have built a strong pipeline of actionable opportunities and are well-positioned to execute on them. Stay tuned to hear more about our expansion through partnerships throughout this year, alongside the continued deployment of our AI platform.

- Umut Akpınar

Financial overview

Revenue

Q4 2024

Revenue for the quarter amounted to € 168.0 million, down (2.2)% from € 171.8 million in Q4 2023, mainly driven by lower consumer spending in AAA game distribution.

FY 2024

Revenue for FY 2024 amounted to € 551.2 million, up 13.3% from € 486.7 million in FY 2023 excluding the social card games portfolio divested in Q3 2023, mainly driven by higher advertising spend across the Platform Segment, particularly in Direct Sales and the integration of past acquisitions.

Revenue was up 7.0% from € 515.0 million in FY 2023 including the revenue from the social card games portfolio of € 28.3 million in FY 2023.

Earnings

Q4 2024

Adjusted EBITDA for the quarter was € 30.1 million compared to € 26.4 million in Q4 2023, an increase of 14.0% driven by improved performance in both Platform and Premium Games segments. Platform increase was largely due to the mix of Advertising Platform Revenue, increased share of Direct Sales and an increasingly efficient delivery operation. The Premium Games result was driven by the ongoing strong performance of Habbo Hotel Origins and product development across social casino and other metaverse titles, as well as further consolidation and integration efforts resulting in improved operational performance.

The operating profit for the quarter amounted to € 7.1 million, compared to a profit of € 6.1 million in Q4 2023, mainly due to the successful integration of acquisitions and the subsequent synergies and cost reductions that were realised in the Platform segment.

FY 2024

Adjusted EBITDA in FY 2024 was € 75.1 million compared to € 62.2 million in FY 2023 excluding the divested social card games portfolio, an increase of 20.7% driven by higher advertising spend across the Platform Segment and improved performance of Premium Games, specifically metaverse titles due to the release and ongoing strong performance of Habbo Hotel Origins and product development across the social casino titles, plus efficiencies from the integration of previous acquisitions..

Adjusted EBITDA in FY 2024 was up 4.5% from € 71.9 million in FY 2023 including the contribution from the social card games portfolio of € 9.7 million in FY 2023.

The operating loss in FY 2024 amounted to € (2.4) million, compared to € (8.2) million in FY 2023 (excluding gain on the sale and the result of the social card games portfolio of € 81.0 million), driven by increased Platform revenue and contribution from Direct sales, improved performance of Premium Games, specifically metaverse titles due to the release and ongoing success of Habbo Hotel Origins and product development across the social casino titles plus efficiencies from optimisation and consolidation efforts, and notwithstanding the one-off increase in operating expenses related to the settlement of a commercial dispute and renegotiation of contingent consideration terms for one of the acquisitions.

Cash flow

Q4 2024

Cash flow from operating activities in Q4 2024 was an inflow of € 10.0 million, mainly due to strong operating profit after cancellation of non-cash items of € 22.5 million, offset by movements in net working capital reflecting an increase in trade and other payables of € 4.9 million and an increase in trade and other receivables of € (7.6) million, net € (8.3) million paid in interest and € (1.2) million paid in income tax.

Cash flow from investing activities was an outflow of € (18.2) million, due to payments for tangible and intangible assets of € (6.5) million and net cash outflow on acquisition of subsidiaries of € (11.7) million.

Cash flow from financing activities was an inflow of € 31.5 million, mainly due to net proceeds in the amount of € 34.5 million (net of transaction costs) from additional bonds placed under the existing Senior Secured Callable Floating Rate Bond framework offset by repayments of external borrowings and the principal portion of lease liabilities amounting in total to € (3.0) million.

FY 2024

Cash flow from operating activities in FY 2024 was an inflow of € 7.0 million, mainly due to strong operating profit after cancellation of non-cash items of € 52.6 million, offset by movements in net working capital reflecting a decrease in trade and other payables of € (32.5) million and a decrease in trade and other receivables of € 19.9 million, utilisation of provisions of € (3.1) million, net € (25.7) million paid on interest and € (4.2) million paid in income tax.

Cash flow from investing activities was an outflow of € (36.8) million, mainly due to payments for tangible and intangible assets of € (20.8) million and net cash outflow on acquisition of subsidiaries of € (27.7) million, partly offset by the receipt of net deferred consideration for the sale of social card games portfolio in amount of € 11.2 million.

Cash flow from financing activities was an inflow of € 80.9 million, mainly due to net proceeds in the amount of € 92.1 million (net of transaction costs), consisting of € 82.7 million from additional bonds placed under the existing Senior Secured Callable Floating Rate Bond framework and a Revolving Credit Facility of € 9.4 million, offset by repayments of external borrowings and the principal portion of lease liabilities amounting in total to € (11.0) million.

Capex

Azerion capitalises development costs related to the internal development of assets, a core activity to support innovation in its platform. These costs primarily relate to developers' time devoted to the development of the platform, games and other new features. In Q4 2024 Azerion capitalised € 4.8 million, equivalent to 19.2% (Q4 2023: € 3.4 million, equivalent to 12.4%) of gross personnel costs excluding restructuring provision expense. In FY 2024 Azerion capitalised € 16.2 million, equivalent to 16.0% (FY 2023: € 17.5 million, equivalent of 16.2%) of gross personnel costs excluding restructuring provision expense.

Financial position and borrowing

Net interest-bearing debt* amounted to € 203.8 million as at 31 December 2024, mainly comprising the outstanding bond loan with a nominal value of € 265 million (part of a total € 300 million framework) and lease liabilities with a balance of € 19.4 million less the cash and cash equivalents position of € 90.6 million.

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

Platform Segment

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

Selected business highlights in Q4 2024 include:

- Azerion rated as the leading advertising network in France by Médiamétrie in collaboration with NetRatings.
- 90 new publishers signed and launched including tuttocampo.it and allermedia.se providing greater reach for digital advertising.
- Eniro has deployed our Full Monetisation Solution which we are continuing to roll out across all our regions, including Italy in Q4 2024.
- Azerion Intelligence launched enabling new demographic segments in the Azerion DMP.
- Azerion DMP is now integrated with Magnite and OpenX SSPs and our audiences for CTV are available via Pubmatic SSP.
- Launched Smart AI Curation in the Azerion Marketplace further improving the ability to create custom audiences.
- Azerion Casual Games Distribution expanded its reach in Q4 by onboarding 40 new publishers, including third-party channels such as Samsung Instant Plays. By the end of the quarter, its casual games portfolio exceeded 21,000 titles, demonstrating steady year-over-year growth

Platform – Selected Financial KPIs

Financial results - Platform

In millions of €

	Q4 2024	Q4 2023	FY 2024	FY 2023
Advertising Platform	126.3	126.0	412.3	348.6
AAA Game Distribution (formerly e-commerce)	26.9	31.7	85.0	88.8
Total Revenue	153.2	157.7	497.3	437.4
Operating profit / (loss)	7.2	5.6	(1.7)	(2.0)
Adj. EBITDA	26.2	22.8	62.4	53.2
Revenue growth % - Advertising Platform	0.2%		18.3%	
Revenue growth % - AAA Game Distribution	(15.1%)		(4.3%)	
Total Revenue growth %	(2.9%)		13.7%	
Adjusted EBITDA growth / (decrease) %	14.9%		17.3%	
Adjusted EBITDA margin %	17.1%	14.5%	12.5%	12.2%

Total Platform Revenue of € 153.2 million in Q4 2024, compared to € 157.7 million in Q4 2023, a decrease of (2.9)% mainly due to lower revenues in our AAA Game distribution. Total Platform Revenue of € 497.3 million in FY 2024, an increase of 13.7% compared to € 437.4 million in FY 2023, mainly due to growth in advertising revenue from Direct sales.

Advertising Platform Revenue of € 126.3 million in Q4 2024, almost flat compared to the € 126.0 million in Q4 2023, mostly the result of an offset between growth in the direct business and the integration of revenues from acquired businesses. In Q4 2024, Azerion's Direct sales contributed approximately 70% of Platform advertising

revenue, with the balance provided by Automated auction sales. FY 2024 Advertising Platform Revenue came to € 412.3 million, up 18.3% compared to € 348.6 m in 2023.

In Q4 2024, AAA Game Distribution generated Revenue of € 26.9 million as compared to € 31.7 million in Q4 2023, a decrease of approximately (15.1)% due to fewer high-profile AAA game releases in Q4 2024 (for example Concord™ by PlayStation didn't get the consumer traction Sony expected and was subsequently pulled from 3rd party distribution) and optimising towards profitability rather than revenue which meant that the business sold smaller but higher margin titles. In Q4 2024, AAA Game Distribution Revenue represented 17.6% of total Platform Revenue, as compared to 20.1% in Q4 2023.

Total Platform Operating Profit of € 7.2 million in Q4 2024, compared to € 5.6 million in Q4 2023, a significant increase of 28.6% largely due to the successful integration of acquisitions and the subsequent synergies and cost reductions that were realised. Total Platform Operating Loss of € (1.7) million in FY 2024, compared to € (2.0) million in FY 2023, an improvement largely due the aforementioned results of our efforts to integrate acquisitions, create synergies and reduce costs throughout the year.

Total Platform Adjusted EBITDA of € 26.2 million in Q4 2024, compared to € 22.8 million in Q4 2023, an increase of 14.9% largely due to the mix of Advertising Platform Revenue, increased share of Direct Sales and an increasingly efficient delivery operation. Total Platform Adjusted EBITDA of € 62.4 million in FY 2024, compared to € 53.2 million in FY 2023, an increase of 17.3% mainly as a result of growth in advertising revenue from Direct sales and the integration of previous acquisitions.

Advertising – Selected Operational KPIs

Advertising – Operational KPIs

	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Avg. Digital Ads Sold per Month (bn)	13.9	11.9	12.1	12.6	14.1
Avg. Gross Revenue per Million Processed Ad Requests across the Azerion Platform (EUR)¹	34.5	25.4	29.0	23.4	24.3

¹ Average gross revenue per million processed ad requests across Azerion Platform is calculated by dividing gross advertising revenue (processed by Azerion's advertising auction and monetisation platforms) by a million advertisement requests processed by Azerion's advertising auction and monetisation platforms.

Note: Both Advertising Operational KPIs now include data relating to the Hawk acquisition as of Q4 2023.

The **Average Digital Ads sold per Month** increased to 14.1 billion in Q4 2024 from 13.9 billion in Q4 2023, an increase of 1.4%, reflecting the Platform's demand side growth due to the integration of past acquisitions and the consolidation of Azerion's monetisation technology into a single scalable media buying platform.

The **Average Gross Revenue per Million Processed Ad Requests** across the Azerion Platform in Q4 2024 was € 24.3, compared to € 34.5 in Q4 2023, a decline year on year as we onboarded several high volume but relatively low revenue publishing partners in Q4 2024.

Premium Games Segment

Since the end of Q3 2023, the Premium Games segment has consisted of social casino games and metaverse games. Azerion completed the sale of its social card games portfolio to Playtika Holding Corp. on 28 August 2023 and its contribution to the Premium Games segment ceased at that date. The segment generates revenue mainly by offering users the ability to make in-game purchases for extra features and virtual goods to enhance their gameplay experience. This segment aims to stimulate social interaction among players and build communities, offering an extended value proposition to advertisers and generating cross-selling opportunities with the Platform segment.

Selected Q4 2024 business highlights

- Habbo Origins revenue has continued to progress several months after its release demonstrating solid long term potential and we have released new features such as Boom, a new game within Habbo Origins, which is intended to increase user engagement.
- New releases and packages for players of our Social Casino games such as dynamic bet sizes, bet roulette and Holiday themed collections.

Premium Games – Selected Financial KPIs

Financial results – Premium Games

In millions of €

	Q4 2024	Q4 2023	FY 2024	FY 2023
Revenue (excluding social card games)	14.8	14.1	53.9	49.3
Social card games portfolio	-	-	-	28.3
Total Revenue	14.8	14.1	53.9	77.6
Operating profit / (loss) (excluding social card games)	(0.1)	0.5	(0.7)	(6.2)
Social card games portfolio	-	-	-	81.0
Total Operating profit / (loss)	(0.1)	0.5	(0.7)	74.8
Adjusted EBITDA (excluding social card games)	3.9	3.6	12.7	9.0
Social card games portfolio	-	-	-	9.7
Total Adjusted EBITDA	3.9	3.6	12.7	18.7
Revenue growth % (excluding social card games)	5.0%	-	9.3%	-
Adjusted EBITDA growth % (excluding social card games)	8.3%	-	41.1%	-
Adjusted EBITDA margin % (excluding social card games)	26.4%	25.5%	23.6%	18.3%

Revenue of € 14.8 million in Q4 2024, as compared to € 14.1 million in Q4 2023, an increase of 5.0%, mainly driven by the increased number of paying users in metaverse titles due to the ongoing strong performance of Habbo Hotel Origins combined with new Social Casinos sale features, improved discount strategies and increased partner user acquisition spend. Revenue was € 53.9 million in FY 2024, as compared to € 49.3 million in FY 2023 (excluding social card games), an increase of 9.3%, driven by social casino and metaverse performance and the factors previously described for Q4 2024, partly offset by the sale of Wooworld at the start of January 2024 (totaling € 1.7 million Revenue in FY 2023).

Adjusted EBITDA of € 3.9 million in Q4 2024, compared to € 3.6 million in Q4 2023, an increase of 8.3%, mainly driven by improved performance from metaverse titles due to the ongoing strong performance of Habbo Hotel Origins, consolidation and integration efforts resulting in improved operational performance and product development across the social casino and other metaverse titles. Adjusted EBITDA of € 12.7 million in FY 2024, as compared to € 9.0 million (excluding social card games), an increase of 41.1% compared to FY 2023 reflecting the increased performance of our metaverse titles due to the launch of Habbo Hotel origins, consolidation and integration efforts resulting in improved operational performance and product development across the social casino and other metaverse titles offset by the shift in new user generation to mobile in Azerion's social casino environment which has higher growth potential over time, but also higher transaction costs as compared to web.

Operating Loss of € (0.1) million in Q4 2024, compared to Operating Profit of € 0.5 million in Q4 2023, mainly driven by end of year adjustments in depreciation and amortisation.

Operating Loss of € (0.7) million in FY 2024, compared to € (6.2) million in FY 2023 (excluding social card games), an improvement once again reflecting the developments described for Adjusted EBITDA above.

Premium Games – Selected Operational KPIs

Premium Games – Operational KPIs

	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Avg. Time in Game per Day (min)	95.0	87.0	81.0	84.7	89.3
Avg. DAUs (thousands)	255.4	251.2	252.9	239.4	227.4
Avg. ARPDAU (EUR)	0.47	0.42	0.53	0.57	0.59

- The **Average Time in Game per Day (min)** decreased by (6)% in Q4 2024 to 89.3 minutes per day as compared to 95.0 minutes per day in Q4 2023 due to slightly shorter average game time in the newly released Habbo Origins title compared with the rest of the metaverse games.
- The **Average Daily Active Users (DAUs)** decreased by (11)% in Q4 2024 to 227.4 compared to Q4 2023 of 255.4, mainly due to lower user acquisition spend and increased focus on greater engagement with higher paying users.
- The **Average Revenue per Daily Active User (ARPDAU)** increased by 26% in Q4 2024 to € 0.59 compared to Q4 2023 of € 0.47, driven by improved in-game sales mechanics in social casino, features and events.

Outlook

With our Full Year 2024 Net Revenue at € 551 million, the closing of several partnerships in the last months of the year, our subsequent bond issue in December, and the opportunities we see for the coming year, our Full Year 2025 Net Revenue is expected to be in the range of approximately € 600 million to € 650 million, with annual growth thereafter in the medium term expected to be approximately 10%.

Adjusted EBITDA for full year 2025 is expected to be at least approximately € 85 million, with annual Adjusted EBITDA margin thereafter in the medium term expected to be in the range of approximately 14% to 16% through further integrations, synergies and scale effects.

Other information

Interest-bearing debt

Interest-bearing debt

in millions of €

	31 December 2024	31 December 2023
Total non-current indebtedness	268.7	172.0
Total current indebtedness	25.9	12.6
Total financial indebtedness	294.6	184.6
Deduct Zero interest-bearing loans	(0.2)	(0.1)
Interest-bearing debt	294.4	184.5
Less: Cash and cash equivalents	(90.6)	(40.3)
Net Interest-bearing debt (Bond terms)	203.8	144.2

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

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

Reconciliation of Profit / (loss) for the period to Adjusted EBITDA - Q4

in millions of €

	Q4							
	2024				2023			
	Azerion Group	Premium Games	Platform	Other	Azerion Group	Premium Games	Platform	Other
Profit / (loss) for the period	3.3				(7.2)			
Income Tax expense	(6.7)				(2.4)			
Profit / (loss) before tax	(3.4)				(9.6)			
Net finance costs	11.0				15.7			
Share in profit/(loss) of associate	(0.5)				-			
Operating profit / (loss)	7.1	(0.1)	7.2	-	6.1	0.5	5.6	-
Depreciation & Amortisation	15.5	3.6	11.9	-	13.9	3.3	10.6	-
Share in profit/(loss) of associate	0.5	-	0.5	-	-	-	-	-
Other	4.1	1.2	2.9	-	1.7	(0.2)	1.9	-
Acquisition expenses ¹	2.8	(0.9)	3.7	-	3.9	(0.1)	4.0	-
Restructuring	0.1	0.1	-	-	0.8	0.1	0.7	-
Adjusted EBITDA	30.1	3.9	26.2	-	26.4	3.6	22.8	-

¹ In the past, all changes to the fair value of liabilities for contingent considerations were adjusted out of EBITDA on the basis that these impacts were acquisition related. Management has decided to cease these adjustments where the consideration is contingent upon the achievement of financial targets, because these changes in fair value are offsetting opposite movements already included in the operational performance of the acquired entity. This change has been applied prospectively.

Reconciliation of Profit / (loss) for the period to Adjusted EBITDA - FY
in millions of €

	FY							
	2024				2023			
	Azerion Group	Premium Games	Platform	Other	Azerion Group	Premium Games	Platform	Other
Profit / (loss) for the period	(35.4)				25.1			
Income Tax expense	(6.0)				19.0			
Profit / (loss) before tax	(41.4)				44.1			
Net finance costs	39.5				28.7			
Share in profit/(loss) of associate	(0.5)				-			
Operating profit / (loss)	(2.4)	(0.7)	(1.7)	-	72.8	74.8	(2.0)	-
Depreciation & Amortisation	47.8	11.5	36.3	-	46.4	12.9	33.5	-
Share in profit/(loss) of associate	0.5	-	0.5	-	-	-	-	-
Social card games portfolio	-	-	-	-	(72.6)	(72.6)	-	-
Other	5.7	1.5	4.2	-	3.2	0.7	2.5	-
Acquisition expenses ¹	22.2	-	22.2	-	14.4	1.1	13.3	-
Restructuring	1.3	0.4	0.9	-	7.7	1.8	5.9	-
Adjusted EBITDA	75.1	12.7	62.4	-	71.9	18.7	53.2	-

¹ In the past, all changes to the fair value of liabilities for contingent considerations were adjusted out of EBITDA on the basis that these impacts were acquisition related. Management has decided to cease these adjustments where the consideration is contingent upon the achievement of financial targets, because these changes in fair value are offsetting opposite movements already included in the operational performance of the acquired entity. This change has been applied prospectively.

Additional notes:

Acquisition expenses for FY 2024 include € 7.7 million relating to:

- € 4.8 million in Q2 2024 on one-off settlement of a commercial dispute and contingent consideration fair value loss (non-operational performance target) relating to a previous acquisition
- € 2.9 million in Q3 2024 on renegotiation of contingent consideration terms for one of the acquisitions.

Operating expenses

Breakdown of Operating expenses
in millions of €

	Q4		FY	
	2024	2023	2024	2023
Personnel costs	(20.2)	(24.9)	(86.2)	(98.5)
Includes:				
Restructuring related expenses	(0.1)	(0.8)	(1.3)	(7.7)
Acquisition related one-off items	-	-	(1.7)	-
Other expenses	(12.5)	(8.7)	(40.7)	(37.3)
Includes:				
One-off settlement expenses	-	-	(3.0)	-
Operating expenses	(32.7)	(33.6)	(126.9)	(135.8)

Condensed consolidated statement of profit or loss and other comprehensive income

Condensed consolidated statement of profit or loss and other comprehensive income

In millions of €

	Q4		FY	
	2024	2023	2024	2023
Revenue	168.0	171.8	551.2	515.0
Costs of services and materials	(112.4)	(117.9)	(377.4)	(332.3)
Personnel costs	(20.2)	(24.9)	(86.2)	(98.5)
Depreciation	(3.0)	(2.2)	(9.0)	(8.1)
Amortisation	(12.5)	(11.7)	(38.8)	(38.3)
Other gains and losses ¹	(0.3)	(0.3)	(1.5)	72.3
Other expenses	(12.5)	(8.7)	(40.7)	(37.3)
Operating profit / (loss)	7.1	6.1	(2.4)	72.8
Finance income	3.1	1.0	7.0	8.5
Finance costs	(14.1)	(16.7)	(46.5)	(37.2)
Net Finance costs	(11.0)	(15.7)	(39.5)	(28.7)
Share in profit/(loss) of associate	0.5	-	0.5	-
Profit / (loss) before tax	(3.4)	(9.6)	(41.4)	44.1
Income tax expense	6.7	2.4	6.0	(19.0)
Profit / (loss) for the period	3.3	(7.2)	(35.4)	25.1
Attributable to:				
Owners of the company	3.3	(7.9)	(36.7)	23.7
Non-controlling interest	-	0.7	1.3	1.4
Exchange difference on translation of foreign operations	(0.3)	(0.3)	1.0	(0.6)
Financial assets fair value through OCI	0.0	-	(0.8)	-
Total other comprehensive income	(0.3)	(0.3)	0.2	(0.6)
Total comprehensive income/(loss)	3.0	(7.5)	(35.2)	24.5
Attributable to:				
Owners of the company	3.0	(8.2)	(36.5)	23.1
Non-controlling interest	-	0.7	1.3	1.4

¹ Earn-out results have been reclassified from Other expenses to Other gains and losses

Condensed consolidated statement of financial position

Condensed consolidated statement of financial position
in millions of €

	31 December 2024	31 December 2023
Assets		
Non-current assets	409.2	413.6
Property, plant and equipment	24.3	17.0
Goodwill	192.6	187.1
Intangible assets	167.0	176.3
Non-current financial assets	4.9	30.8
Deferred tax asset	7.6	2.3
Investment in joint venture and associate	12.8	0.1
Current assets	299.6	238.4
Trade and other receivables	208.4	196.7
Current tax assets	0.6	1.4
Cash and cash equivalents	90.6	40.3
Total assets	708.8	652.0
Equity		
Share capital	1.2	1.2
Share premium	143.6	140.2
Legal reserve	33.2	27.7
Share based payment reserve	12.6	12.7
Currency translation reserve	(1.0)	(1.9)
Fair value through OCI	(0.8)	-
Retained earnings	(117.1)	(75.6)
Shareholders' equity	71.7	104.3
Non-controlling interest	6.2	5.3
Total equity	77.9	109.6
Liabilities		
Non-current liabilities	310.9	220.1
Borrowings	256.0	161.9
Lease liabilities	12.7	10.1
Provisions	1.6	1.6
Deferred tax liability	25.3	30.0
Other non-current liability	15.3	16.5
Current liabilities	320.0	322.3
Borrowings	19.2	8.4
Provisions	2.2	3.6
Trade payables	136.9	142.0
Accrued liabilities	97.5	112.7
Current tax liabilities	14.0	13.4
Lease liabilities	6.7	4.2
Other current liabilities	43.5	38.0
Total liabilities	630.9	542.4
Total equity and liabilities	708.8	652.0

Condensed consolidated statement of cash flow

Condensed consolidated statement of cash flow

In millions of €

	Q4	Q4	FY	FY
	2024	2023	2024	2023
Cash flows from operating activities				
Operating profit / (loss)	7.1	6.1	(2.4)	72.8
Adjustments for operating profit / (loss):				
Depreciation and amortisation & Impairments	15.5	13.9	47.8	46.4
Movements in provisions per profit and loss	(0.1)	0.9	1.1	8.8
Gain on sale of social card game portfolio	-	-	-	(72.6)
Loss on sale of subsidiaries	-	0.1	-	0.1
Share-based payments expense	-	0.1	0.4	0.8
Adjustment for acquisitions and disposals presented under investing activities	-	-	5.7	(2.9)
Changes in working capital items:				
(Increase)/Decrease in trade and other receivables	(7.6)	(6.4)	19.9	12.2
Increase (decrease) in trade payables and other payables	4.9	25.0	(32.5)	14.8
Utilisation of provisions	(0.3)	(3.1)	(3.1)	(9.9)
Interest received	0.2	0.3	1.1	0.3
Interest paid	(8.5)	(3.2)	(26.8)	(17.2)
Income tax paid	(1.2)	(2.7)	(4.2)	(3.7)
Net cash provided by (used for) operating activities	10.0	31.0	7.0	49.9
Cash flows from investing activities				
Payments for property, plant and equipment	(0.3)	(0.1)	(0.8)	(1.5)
Payments for intangibles	(6.2)	(3.7)	(20.0)	(23.3)
Net cash outflow on acquisition of subsidiaries	(11.7)	(10.8)	(27.7)	(43.9)
Net cash inflow/(outflow) from sale of business	-	-	11.2	66.0
Distributions from equity method investees	-	-	0.5	-
Net cash outflow on acquisition of securities and equity investments	-	-	-	(2.6)
Net cash provided by (used for) investing activities	(18.2)	(14.6)	(36.8)	(5.3)
Cash flows from financing activities				
Proceeds from external borrowings	34.5	162.6	92.1	163.1
Repayment of external borrowings	(0.1)	(200.7)	(3.3)	(204.3)
Payment of principal portion of lease liabilities	(2.9)	(1.8)	(7.7)	(6.8)
Early cancelation of lease liability	-	-	-	(1.5)
Dividends paid to shareholders of non-controlling interests	-	-	(0.2)	(0.4)
Costs related to the issuance of new bond	-	(3.5)	-	(3.5)
Fees and costs related to the redemption of the old bond	-	(1.5)	-	(1.5)
Other inflows (outflows) from financing activities	-	(0.5)	-	(0.5)
Net cash provided by (used for) financing activities	31.5	(45.4)	80.9	(55.4)
Net increase/(decrease) in cash and cash equivalents	23.3	(29.0)	51.1	(10.8)
Effect of changes in exchange rates on cash and cash equivalents	(1.0)	0.1	(0.8)	0.2
Cash and cash equivalents at the beginning of the period	68.3	69.2	40.3	50.9
Cash and cash equivalents at the end of the period	90.6	40.3	90.6	40.3

Definitions

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

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

Average gross revenue per million processed ad requests across Azerion Platform is calculated by dividing gross advertising revenue (processed by Azerion's advertising auction and monetisation platforms) by a million advertisement requests processed by Azerion's advertising auction and monetisation platforms.

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

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

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

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

1. monies borrowed or raised, including Market Loans;
2. the amount of any liability in respect of any Finance Leases;
3. receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
4. any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
5. 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);
6. 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
7. (without double counting) any guarantee or other assurance against financial loss in respect of a type referred to in the above paragraphs (1)-(6).

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

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

Operating Profit / (Loss) represents revenue less costs of services and materials, operating expenses, depreciation and amortisation and other gains and losses.

Disclaimer and Cautionary Statements

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

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

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

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

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

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

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

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

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

Contact

Investor Relations: ir@azerion.com

Media relations: press@azerion.com