# AZERION GROUP N.V.

(formerly: European FinTech IPO Company 1 B.V.)

# ANNUAL REPORT FOR THE PERIOD 25 JANUARY 2021 TO 31 DECEMBER 2021

# Contents

## Report of the Management Board

This annual report includes the report of the Management Board and the Financial Statements regarding the financial year 2021 for European FinTech IPO Company 1 B.V. ("EFIC1''), which entity changed in legal form into a limited company (naamloze vennootschap) on 2 February 2022 and renamed from EFIC1 to Azerion Group N.V. as a result of a business combination between EFIC1 and Azerion Holding B.V. which completed on 1 February 2022. The legal entity EFIC1 and Azerion Holding B.V. is hereinafter also referred to as the "Company". Where in this report reference is made to EFIC1, reference is being made to the Company before the business combination. Where in this report reference is made to Azerion Group N.V., reference is being made to the Company after the business combination.

These results do not include the audited full year 2021 financial results for Azerion Holding B.V. as these financial results relate to a period before the business combination between EFIC1 and Azerion Holding B.V. was completed. As a result, the audited financial results for the full year 2021 for Azerion Holding B.V. will be published separately. The first financial results for the post business combination Azerion Group N.V. will be the interim financial results for the half year 2022.

As of 1 February 2022, the new post-business combination Management Board and the Supervisory Board of Azerion Group N.V. are acting as the management and governing bodies of the Company.

The next section of the report first discusses the general strategy of the EFIC1 and then the business combination transaction that completed on 1 February 2022.

### *Background and Strategy*

EFIC1's business acquisition strategy was broadly to identify and complete its business combination with a high-growth, technology-enabled company located in Europe or Israel, that could be an attractive opportunity for its shareholders and benefit from one or more of the following: (i) the strategic, operational, regulatory, financial, transactional, investment and/or capital markets experience of its leadership team; (ii) additional capital to support its business and growth strategy; and (iii) access to public securities markets and/or a related listing on Euronext Amsterdam. Certain non-binding criteria and guidelines for selecting and evaluating prospective target businesses were set out in the EFIC1 IPO Prospectus dated 22 March 2021 (the "Prospectus") and further discussed in the EFIC1 Shareholder Circular dated 13 December 2021 (the "Circular").

To implement its strategy, EFIC1 proactively leveraged the substantial deal sourcing capabilities of its leadership team, including their relationships with senior business leaders and entrepreneurs, venture capital, credit, growth and private equity investors, family offices, large corporations, sovereign wealth funds and the founders, boards and investors in the early and growth-stage ecosystems. EFIC1 believed that this combination of relationships, experience and expertise put it in a strong position to source an attractive target and complete a business combination. The leadership team brought an extensive network of executives from investment banking, strategic consultancy and other professional services firms to assist EFIC1 in sourcing potential business combination targets.

### *Progress and Outcome of the Activities*

As part of an intensive selection process for a suitable business combination, EFIC1's leadership team analyzed a large number of targets based on certain non-binding criteria and guidelines for selecting and evaluating prospective target businesses. Considerations relating to target companies included (but were not limited to) growth rate, track-record of revenue and EBITDA profitability (or realistic path to EBITDA profitability in the next 2-3 years), a technology-enabled business model, the commitment and motivation of the founders and/or target management team, as well as the fit with the competencies and resources that EFIC1's leadership team could bring to such a business combination, not only through providing capital market and management expertise, but also through its wider industry experience. The focus of the search was on fintech and financial services companies in the broadest sense and included cross-industry companies and use-cases, with such companies headquartered or operating in and/or having attractive business prospects located in Europe including the UK or Israel. As a result of this search and selection process, the decision was made to pursue a business combination with Azerion Holding B.V.

On 13 December 2021, EFIC1 announced its proposed business combination with Azerion Holding B.V. with completion expected on 1 February 2022.

The extraordinary general meeting of shareholders of EFIC1 (“EGM”) was convened for and took place on 31 January 2022. During the EGM, the shareholders of EFIC1 (amongst other things) approved the proposed business combination with Azerion Holding B.V. The first day of trading on Euronext Amsterdam, post completion of the business combination, of the Ordinary Shares and warrants in the Company under the new name of Azerion Group N.V. and the new ticker symbols AZRN and AZRNW respectively, was 2 February 2022.

*Management Structure and Corporate Governance*

During 2021 EFIC1 had a one-tier board structure (the “EFIC1 Board”) consisting of executive members and non-executive members (“Directors"). The executive Directors, comprised Martin Blessing as Chief Executive Officer, Benjamin Davey as Chief Investment Officer and Nicholas Aperghis as Chief Financial Officer. The non-executive Directors comprised Hélène Vletter-van Dort, the Chair, Klaas Meertens (as nominee for the HTP Sponsor), Jan Bennink and Chris Figee.

The executive Directors were responsible for the day-to-day management, which includes formulating strategies and policies and setting, executing on and achieving objectives. The non-executive Directors supervised and advised the executive Directors. Each member of the Board had a responsibility to EFIC1 to properly perform the duties assigned by each member and to act in EFIC1’s corporate interest. Under Dutch law, corporate interest extends to the interests of all stakeholders, including shareholders and holders of warrants.

At the EGM on 31 January 2022, the executive members of the EFIC1 Board, Nicholas Aperghis, Martin Blessing and Benjamin Davey resigned as executive members and Hélène Vletter-van Dort, Jan Bennink, Chris Figee and Klaas Meertens resigned as non-executive members of the EFIC1 Board. Furthermore, at the EGM, a two-tier board structure for the Company was established comprising a Supervisory Board and a Management Board. In relation to the Supervisory Board, the following structure was established and the following members were appointed to the Supervisory Board (“Supervisory Board”):

- Mr. Peter Tordoir, Chairperson
- Ms. Katrin Brökelmann (Member of Audit & Risk committee)
- Ms. Florence von Erb
- Mr. Chris Figee (Chairperson of Audit & Risk committee)
- Mr. Derk Haank (Vice-Chairperson)
- Mr. Klaas Meertens

*Powers, Responsibilities and Functioning of the Supervisory Board*

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 supports the Management Board of the Company 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 of the shareholders of the Company (the "General meeting"). 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 and assist the Management Board with advice. In the fulfilment of their duty, the members of the Supervisory Board orient themselves according to the interests of the Company and its affiliated business. In accordance with the articles of association of the Company (the "Articles of Association"), the Supervisory Board has adopted rules governing the Supervisory Board's decision-making process and working methods.

In relation to the Management Board, the following structure was established and the following members were appointed to the Management Board (“Management Board”):

- Mr. Atilla Aytekin, Co-Chief Executive Officer
- Mr. Umut Akpinar, Co-Chief Executive Officer
- Ms. Maria del Dado Alonso Sanchez, Chief Financial Officer

*Powers, Responsibilities and Functioning of the Management Board*

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.

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 interests 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.

Executive Committee

The Company has an Executive Committee that supports the members of the Management Board in the day-to-day management of the Company's business. The Executive Committee consists of the Management Board and the following additional members (“Executive Committee”):

- Mr. Sebastian Moesman, Chief Revenue Officer
- Mr. Joost Merks, Chief Investment Officer
- Mr. Benjamin Davey, Chief Strategy Officer

## Additional matters relating to Corporate Governance

*General Meeting of Shareholders*

The annual General Meeting must be held within six months after the close of each financial year. The Board may convene an extraordinary General Meeting whenever the Company's interests so require. In addition, a shareholder or group of shareholders representing in aggregate at least 10% of the issued and outstanding share capital may, pursuant to the Dutch Civil Code, Dutch law and the Articles of Association, request that a General Meeting be convened. If no General Meeting has been held within four weeks of the request, the shareholder or group of shareholders may seek an authorisation from the district court in summary proceedings to convene a General Meeting.

The convocation of a General Meeting must be published through an announcement by electronic means. Notice of a General Meeting must be given at least 42 calendar days in advance. The notice convening any General Meeting must include, among others, the agenda items, the venue and time of the General Meeting, the requirements for admission to the General Meeting, the address of the Company's website, and such other information as may be required by Dutch law. The agenda for the annual General Meeting must contain certain subjects, including the adoption of the annual accounts, the discussion of any substantial change in the corporate governance structure of the Company and the allocation of the profits, insofar as these are at the disposal of the General Meeting. Shareholders holding at least 3% of the Company's issued and outstanding share capital may request that an item be added to the agenda. Such a requests must be made in writing, must either be substantiated or include a proposal for a resolution with an explanation and must be received by the Company at least 60 calendar days in advance of the day of the General Meeting.

*The Corporate Governance Code*

The Company recognises the importance of good corporate governance, endorses the core principles of the Corporate Governance Code and is committed to following the Corporate Governance Code's best practices.

*Prior to the completion of the business combination* between the Company and Azerion Holding B.V., the Company was not involved in any activities other than relating to the search for a target company and preparation for a business combination and consequently did not comply with a number of the best practice provisions of the Corporate Governance Code.

Summarised below are the deviations of the Dutch corporate governance code provisions relating to the EFIC1 Board and its committees during 2021:

*Best Practice Provision 2.3.4: Composition of the Committees*

In deviation from provision 2.3.4 of the Dutch corporate governance code, only one of the first two members of the audit committee, being Mr Chris Figee, is independent within the meaning of provision 2.1.8 of the Dutch corporate governance code.

*Best Practice Provision 2.3.10: Secretary to the Board*

Until a Business Combination is concluded, the Board has no need for a secretary to the Board.

*Best practice provision 3.3.3: Shares held by a non-executive Director in the company on whose Board they serve should be long-term investments*

The securities of the Company held (directly or indirectly) by the non-executive Directors, are not necessarily held (on behalf of them) as long-term investments, as their investment horizon shall be determined following completion of the Business Combination. This is partly inherent to the fact that it is uncertain that the Directors will remain a Director of the Company after completion of the Business Combination. Furthermore, the Company considers the fact that the Directors' (directly or indirectly) held securities do not have a strict long-term investment horizon to be in line with market practice for SPACs.

*Best Practice Provision 4.3.3: Cancelling the Binding Nature of a Nomination*

In deviation from provision 4.3.3 of the Dutch corporate governance code, the General Meeting may only pass a resolution to cancel the binding nature of the nomination by the Board for the appointment of one executive Director by majority representing at least two-thirds of the votes cast on the Ordinary Shares and Special Shares, representing more than half of the issued capital of the Company.

*Following completion of the business combination* between the Company and Azerion Holding B.V., the Company aligned its corporate governance more closely with the best practice provisions of the Corporate Governance Code as a result whereof the Company currently only deviates from the following best practice provisions:

*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. The two co-CEOs of the Company have been appointed for an indefinite period of time, given their position as co-founders 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 is 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 Company's Long-term Incentive Plan, performance shares and the restricted shares can be sold upon vesting and share options can be exercised upon vesting. Performance shares vest after three years of granting and restricted shares vest after one year of granting. Share options vest after one year of granting. Although the Company's 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 with best practice provision 3.1.2. The Company believes that the terms of the Long-term Incentive Plan enable it to offer an attractive remuneration package which will incentivise the members of the Management Board and the Company's employees.

*Corporate Governance Statement*

The Corporate Governance Code requires companies to publish a statement regarding their approach to corporate governance and compliance with the Code. This is referred to in Article 2a of the Decree on the contents of management report ('*Besluit inhoud bestuursverslag*'), as last amended on 29 August 2017. The information required to be included in this corporate governance statement as described in articles 3, 3a and 3b of the Decree, which are incorporated by reference in this annual report, can be found in the Corporate Governance sections of this annual report.

*Major Shareholders*

Immediately after completion of the business combination the issued share capital of Azerion Group N.V. was as follows:

| Type of security | Number [1] |
|---|---:|
| Total Ordinary Shares | 181,561,748 |
| Of which shares in treasury [2] | 70,078,452 |
| **Ordinary Shares** | **111,483,296** |
| Capital Shares | 22 |
| Conditional Special Shares | 1,152,886 |
| Warrants [3] | 12,736,605 |

Notes:

1. Excluding any conditional and unconditional option rights and Founder Warrants existing at the date of the business combination, which in aggregate entitle the holders to receive up to a maximum of 24,160,245 Ordinary Shares.
2. The Ordinary Shares in treasury can be used for acquisitions, exercise of warrants and option rights and other general funding purposes.
3. The outstanding Warrants listed on Euronext Amsterdam at the date of the business combination entitle the holders to receive up to 12,736,605 Ordinary Shares.

The ownership percentages, immediately after the completion of the business combination, were as presented in the table below. These percentages may differ from the capital interest and voting rights percentages as found in the register substantial interests of the AFM, due to the specific regulatory requirements applicable to AFM notifications.

| Shareholder | % in ordinary Share capital [4] |
|---|---:|
| Principion Holding B.V. [5] | 74.3 [6] |
| Azerion Holding B.V., former depositary receipt holders | 7.5 |
| Azerion former stock appreciation rights holders | 4.0 [7] |
| Former EFIC1 converted Special Shares holders | 5.9 |
| Other shareholders | 8.3 |
| | 100.0 |

4. Excluding treasury shares as well as any conditional and unconditional option rights and Founder Warrants existing at 2 February 2022, which in aggregate entitle the holders to receive up to a maximum of 24,160,245 Ordinary Shares.
5. An entity controlled by Azerion's co-founders and co-CEOs.
6. Including shares held for settlement of future acquisition-related earn out and other obligations.
7. Excluding shares held for settlement of future acquisition-related earn out and other obligations.

### *Special Rights of Control and Limitation on Voting Rights*

The Company has not issued shares to which special rights of control are attached and there are no limitations on the voting rights attached to the Company’s Ordinary Shares.

### *Insider Trading*

The Company has an insider trading policy. It is the Company's policy that all members of the Management Board and Supervisory Board and all employees comply with applicable insider trading rules and regulations.

### *Diversity*

The Company values diversity and believes that diversity of all kinds, including by way of example only gender, age, nationality, ethnicity and education is essential to its long-term success. In this respect, the Company aims to have a balanced composition of all its corporate bodies in line with Dutch legislation and the Company's diversity policy.

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 entered into force on 1 January 2022. Pursuant to the bill, Dutch companies listed on a European regulated market must 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). Following completion of the business combination between the Company and Azerion Holding B.V., the Company's supervisory board is composed of two female members and four male members and is therefore in compliance with the gender diversity criteria of the new bill.

### *Conflicts of Interest*

The Company's Management Board and Supervisory Board rules include provisions on the procedures to be followed in the event of a conflict of interest. The Company applies a set of internal rules for related party transactions in line with applicable law and the Corporate Governance Code. Members of the Management Board and Supervisory Board must report any potential conflict of interest to the other Supervisory Board members and/or the chairman of the Supervisory Board, as applicable.

### *Remuneration*

In 2021 (i.e. before completion of the business combination between the Company and Azerion Holding B.V.), each executive director of the Company received a gross monthly fee of EUR 5,000, constituting a gross annual fee of EUR 60,000. In addition, Mr. B. Davey received a gross monthly housing expense allowance of EUR 1,050. Each non-executive director of the Company, except for Mr. K. Meertens, received a gross annual fee of EUR 10,000. Mr. K. Meertens did not receive compensation from the Company for his position as non-executive director of the Company. Further details relating to remuneration at the Company and also certain share-based payments are set out in Notes 9 and 10 of the Consolidated Financial Statements and also further explained under Note 2 thereof.

Following completion of the business combination between the Company and Azerion Holding B.V., the remuneration of each member of the Management Board may consist of a base salary, a variable annual bonus (short-term cash incentive), long-term incentive awards, pension and fringe benefits and severance arrangements. The base salary for the year ending 31 December 2022 is EUR 500,000 for Mr. A. Aytekin (co-CEO), EUR 500,000 for Mr. U. Akpinar (co-CEO) and EUR 300,000 for Ms. M. del Dado Alonso Sanchez. Each member of the Supervisory Board receives an annual fee of EUR 50,000. In addition, the chairperson of the Supervisory Board receives an additional annual fee of EUR 30,000, the chairpersons of the Audit and Risk Committee and the Selection, Appointment and Remuneration Committee receive an additional annual fee of EUR 10,000 each, and each committee member receives an additional annual fee of EUR 5,000.

## About the Company

The Company was incorporated on 25 January 2021. The Company's statutory financial year is the calendar year and its first statutory financial period is from 25 January 2021 to 31 December 2021.

Up until 1 February 2022, the Company was a private limited liability company incorporated under Dutch law (*besloten vennootschap met beperkte aansprakelijkheid*), with its statutory seat in Amsterdam, the

Netherlands. The Company was admitted to listing and trading on Euronext Amsterdam on 26 March 2021 pursuant to an initial public offering (by way of a private placement, “IPO”) in which, following the partial exercise of the overallotment option, it raised approximately EUR 382 million in gross proceeds.

*Prior to the completion of its business combination*, the Company was a special purpose acquisition company (‘’SPAC’’) formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganisation or similar business combination with or acquisition of a target business or entity of fintech companies. The Company was, and is, registered in the Netherlands under the Chamber of Commerce registration number 81697244, and during 2021 had its registered office at Herengracht 456, 1017 CA Amsterdam, the Netherlands. Prior to completion of the business combination, the Company’s Ordinary Shares and Public Warrants were separately publicly traded on the regulated market of Euronext Amsterdam under the symbols EFIC1 and EFICW respectively.

*Following completion of the business combination*, Azerion Group N.V. is a public company incorporated under Dutch law (naamloze vennootschap), with its statutory seat in Schiphol-Rijk. The first day of trading on Euronext Amsterdam, post completion of the business combination, of the Ordinary Shares and Public Warrants in the Company under the new name of Azerion Group N.V. and the new ticker symbols AZRN and AZRNW respectively, was 2 February 2022.

The Company incurred an after-tax loss of EUR 39.0 million over the period from 25 January 2021 until 31 December 2021. The Company has not recorded any operational revenues over that period. The after-tax result is mainly driven by the amount of the expenses related to share-based payments, the deferred underwriting fee, the negative interest rate payable on the escrow account and a change in the fair value of the Public and Founder Warrants and other expenses. As a result of the negative interest incurred during the reporting period, the proceeds held in the escrow account as at 31 December 2021 have decreased to EUR 381.1 million.

### *Capital Structure*

On 31 December 2021, the Company’s issued and outstanding share capital consisted of:

| | Nominal value per share | Issued share capital | Treasury shares | Issued and outstanding share capital |
|---|---|---|---|---|
| Ordinary Shares | EUR 0.01 | 38,209,815 | 146,040,100 | 184,249,915 |
| Special Shares | EUR 0.01 | 8,539,894 | 0 | 8,539,894 |
| Capital Shares | EUR 10,000 | 22 | 0 | 22 |

“Ordinary Shares” are defined as the ordinary shares in the capital of the Company with a nominal value of EUR 0.01 each. “Capital Shares” are defined as the preference shares in the capital of the Company with a nominal value of EUR 10,000 each. “Special Shares” are defined as the convertible special shares of the Company with a nominal value of EUR 0.01 each.

At completion of the IPO, following the partial exercise of the overallotment option, the Company issued 38,209,815 units for a price of EUR 10 per unit. Each unit consisted of (i) one Ordinary Share with a nominal value of EUR 0.01 per share; and (ii) one-third (1/3) public warrant that was allotted concurrently with, and for, each corresponding Ordinary Share (the “Public Warrants”). Consequently, the Company issued 38,209,815 Ordinary Shares and 12,736,605 Public Warrants in aggregate. Each of the Public Warrants is exercisable after completion of the business combination. Furthermore, the Company issued 5,256,167 founder warrants at a price of EUR 1.50 per founder warrant (the “Founder Warrants”) to EFIC1 Group Coöperatie U.A., H.T.P. Capital Partners B.V. and Mr. B. Davey (together the "Sponsors”), exercisable after completion of the business combination. Each whole Public Warrant or Founder Warrant entitles the holder thereof to exercise such warrant into an Ordinary Share at an exercise price of EUR 11.50. The Sponsors have the option to exercise the Founder Warrants on a cashless basis in which case they would receive a certain number of Ordinary Shares based on the fair market value of the Ordinary Shares without being obliged to pay cash. The Company also issued around the time of the IPO, two Capital Shares with a nominal value of EUR 10,000 and 8,539,894 Special Shares with a nominal value of EUR 0.01 to the Sponsors excluding Mr. B Davey. Finally, around the time of the IPO, EFIC1 also entered into a call option agreement with one of the Sponsors of EFIC1, Mr. B Davey, granting that sponsor a call option which irrevocably entitles him to acquire 1,012,560 (newly issued) Special Shares against an exercise price of EUR 0.01 per Special Share.

### *Escrow*

The proceeds of the EFIC1 IPO ("Proceeds") were deposited into an escrow account held by a foundation (*stichting)* on certain terms and conditions. The escrow account was subject to a negative interest rate of EONIA -5bps for the first 12 months and EONIA -10bps for the twelve months thereafter. As at 31 December 2021, the Proceeds held in the escrow account after the deduction of negative interest stood at EUR 381.1 million.

### *Costs Cover and Working Capital*

The Sponsors provided in aggregate approximately EUR 8 million to the Company to cover the costs (the "Cost Cover") for the IPO and as working capital.

### *Outlook*

The Management Board is pleased to have completed the business combination between EFIC1 and Azerion Holding B.V. The Company will continue to execute on its proven growth strategy of combining strong organic growth with value-adding acquisition opportunities. Whilst the future impact of COVID-19 on businesses and the economy remains uncertain into 2022, management believes the Company's strategy and proven ability to adapt should allow it to reasonably mitigate any potential material adverse effects. The Management Board currently observes no material adverse impact on its business from the conflict in Ukraine.

The Management Board expects the Company to benefit from the business combination and related listing which will not only give access to the capital markets, but also help raise the Company's profile amongst its customer and partner groups and talented workforce globally. Furthermore, in a consolidating and competitive market, it will help the Company stay financially flexible, whilst fuelling its business expansion, both organically and through further acquisitions.

### *Financial Developments 2021- Investments and Financing*

EFIC1 was admitted to listing and trading on Euronext Amsterdam on 26 March 2021 pursuant to an initial public offering in which, following the partial exercise of the overallotment option, it raised approximately EUR 382 million in gross proceeds from a broad range of initial investors. Summary of financial highlights for the period 25 January 2021 to 31 December 2021:

• Cash in escrow account as at 31 December 2021: EUR 381.1 million

• Operating expenses for the period, including share-based payments: EUR -30.0 million

• Finance income and expenses for the period: EUR -9.0 million

• Loss after tax for the period: EUR -39.0 million

• Shareholder's equity as at 31 December 2021: EUR EUR -22.2 million

The nature of the Company and its activities up until 31 December 2021 result in the fact that EUR 0 (zero) sales have been generated in the period 25 January to 31 December 2021. Operating expenses incurred by the Company in the period 25 January to 31 December 2021 amount to in total EUR -30.0 million including a recognition of aggregate share-based payments relating to the Sponsors' Special

Shares and Davey Call Option of EUR -16.8 million, a deferred underwriting fee of EUR -11.7 million and other general expenses of EUR -1.4 million. The share-based payment expenses are assessed at fair value and are a non-cash item. Finance income and expenses relating to the Company amounted to in total -9.0 million including effective interest on Ordinary Shares of EUR -6.7 million, interest expenses on the escrow account of EUR -1.5 million and expenses relating to a change in the fair value of the Founder Warrants of EUR -0.8 million. The Founder Warrant expense results from the recognition of the Founder Warrant as liability on the Company's statement of financial position, and related movements in the fair value of the Founder Warrants, which is expensed through the consolidated statement of profit and loss. The Founder Warrant expense is a non-cash item. Driven largely by the expenses described above, the Company incurred a loss after tax for the period 25 January to 31 December 2021 of EUR -39.0 million.

As previously discussed, given the negative interest rates for large commercial deposits currently charged by Dutch systemic banks ('systeembanken') the cash balance held in the escrow account decreased during 2021 due to negative interest incurred on the escrow account to EUR 381.1 million as at 31 December 2021. As at 31 December 2021, the aggregate of cash held in escrow and in the Company's operational bank accounts amounted to in total EUR 382.5 million.

### *Corporate Social Responsibility*

During 2021, EFIC1 included considerations relating to corporate social responsibility as part of its potential partner process. In the context of the completion of the business combination between EFIC1 and Azerion Holding B.V. on 1 February 2022, the Corporate Social Responsibility statement for the Company has been drafted to reflect a summary of principles relating to Azerion Holding B.V and the Company going forward.

The Company is committed to increasing its contribution to society and strives to promote Environmental, Social and Governance principles. The Company has committed to implementing identified key aspects of the UN's Sustainable Development Goals, as well as observing relevant guidance set out in the European Union Non-Financial Reporting Directive 2014/95/EU (EU NFRD).

The Company strives to foster a welcoming community where its employees enjoy being in the work environment, feel part of the team and know that they will be treated with dignity and respect.

To help deliver on these objectives, the Company has in place the principles and guidelines embedded in its Code of Conduct and Diversity Policies, both of which may be found on the Company's website.

### *Research and Development*

Due to the nature of EFIC1 as a special purpose acquisition company during the reporting period, it did not conduct any research and development activities, other than research related to its search for potential target businesses for a business combination.

### *Risk Management and Internal Control*

A bottom-up identification and assessment process was conducted for the first time after the closing of the IPO. The risk management and internal control activities were performed periodically by the executive Directors of EFIC1 under supervision of the non-executive Board members.

During 2021, the EFIC1 Board was aware of the central importance of a formally approved risk policy and risk appetite specifying the nature and extent of the risks acceptable to the Company and in addition, adequate internal control measures were implemented. These have been disclosed in the risk analysis table.

Risks considered to be unacceptable because of their natures or their potential financial or qualitative impacts were being mitigated by appropriate strategies. The implementation and effectiveness of the defined mitigation measures were being reviewed regularly. For that purpose, the impacts of risks were considered before and after the implementation of those mitigation measures.

The risks identified below are those considered to be the principal ones relating to EFIC1, and which may have a significant impact on the results of the Company and on its ability to achieve its strategic objectives. They may occur independently from each other or in combination. In case they occurred in combination their impact may be reinforced. Also, the Company was facing other risks than the ones mentioned here, some of them being unknown or not considered to be material.

*Internal Control System and In Control Statement*

For the year 2021, the EFIC1 Board was ultimately responsible for maintaining effective risk management, which included the Company's risk governance structure, the Company's system of internal controls and the Company's internal audit approach. The Company had in place a risk management and an internal control system in relation to its financial reporting process and the process of preparing the financial statements. The Board reviewed the effectiveness of the system of internal financial, operational and compliance controls and the risk management. The Board examined whether the system of internal controls operated effectively throughout the year and made recommendations when appropriate.

In accordance with best practice 1.4.3 of the Dutch Corporate Governance Code of December 2016, the Management Board is of the opinion that, to the best of its knowledge:

• this report provides sufficient insights into any deficiencies in the effectiveness of the internal risk and control systems; no deficiencies in the effectiveness of the internal risk and control systems have been identified;

• the internal risk management and control systems of the Company provide reasonable assurance that the financial reporting as included in the financial statements do not contain any material inaccuracies.

The Company was initially established for a period of 24 months. No matter how comprehensive a risk management and control system may be, it cannot be assumed to be exhaustive, nor can it provide certainty that it will prevent negative developments from occurring in the Company's business and business environment or that response to risk will be fully effective. The Company's risk management framework was designed to avoid or mitigate rather than to eliminate the risks associated with the accomplishment of the Company's strategic objectives. It provides reasonable assurance but not absolute assurance against material misstatement or loss. In the period 25 January to 31 December 2021, the Company has not identified any major failings in its internal risk management and control system.

On the following page, certain selected and identified risks and uncertainties for the period up until business combination are disclosed in a table. In the table the risks have been grouped by Strategic Risks, Operational Risks, Financial Risks and Compliance Risks. In the same table the corresponding risk descriptions, risk appetites, risk measures and the impact of the risk were it to arise with respect to the identified risks are also presented.

An equivalent table relating to the Strategic Risks, Operational Risks, Financial Risks and Compliance Risks of Azerion Holding B.V. will be included in its annual report and audited financial statements for the full year 2021.

| ***Risk Analysis Table***<br><br>**Type of Risks** | **Risk Description** | **Risk Appetite (low; medium; high)** | **Risk Measures** | **Impact (low; medium; high)** |
|---|---|---|---|---|
| **Strategic Risks** | The Company's shareholder return is dependent on the performance of a single target business | Medium | As the Company aims to complete the business combination with a single target business rather than with multiple target businesses, the success after the business combination will heavily depend on the performance of a single business. Therefore, as described in this report, the Company designed and implemented a structured approach to identifying and evaluating potential target businesses with a view to identifying an attractive business combination with a single target company. | High - the main consequence of this risk arising is that returns for the shareholders of the Company may be adversely affected if its business plan is not delivered, growth in the value of the target business is not achieved or if the value of the target business or any of its material assets is subsequently written down. |
| | Business Combination is likely to be formed via an acquisition of a minority stake in a target company, which could impact the Company's decision-making authority | Medium | As the remaining majority ownership of the target business will likely be held by third parties, the Company will face strategic risks as it will not obtain control over the target business. As a consequence, the Company will thoroughly investigate and conduct due diligence on the management and the holders of the remaining ownership of the target business and negotiate shareholders' agreements and/or similar agreements if deemed necessary. | Low - additional costs and time for due diligence on third parties may be required. It is understood that post business combination the Company will be led by the management of the target company and supervised by the new Supervisory Board with appropriate governance and procedures in place relating to its decision-making processes. |
| **Operational Risks** | Dependency on a select number of | Medium | The Company's dependency on a select number of individuals is mitigated by the | Low – as described in the risk measures summary, the Company has a Corporate |

| | | | | |
|---|---|---|---|---|
| | individuals | | use of a Corporate Governance Structure, Board members with a broad range of experience and where appropriate, the use of external advisers and other third parties. | Governance Structure, a Board consisting of executives and non-executives with complementary skills and a broad range of experience and where appropriate has the ability to use external advisers and other third parties. |
| **Financial Risks** | Costs exceeding cost cover and working capital | Medium | At IPO, the Sponsors committed approximately EUR 8 million to the Company to cover costs and as working capital. The leadership team made a budget for the period up until a potential business combination and periodically reviews expenditure. | Medium - a shortfall in working capital of the Company would be likely to restrict the sourcing and execution activities of the Company. |
| | Money Market risk and concentration risk relating to funds held in escrow | Low | Excluding the working capital contributed by the Sponsors, 100% of the Proceeds raised in the IPO were deposited in the escrow account. The Company entered into an escrow agreement with Intertrust B.V., a professional escrow agent and private company with corporate seat in the Netherlands to monitor and manage the escrow account. The funds held in escrow will only be released in accordance with the Escrow Agreement and are monitored and managed by Intertrust B.V. The bank account provider itself is ABN AMRO, a partly state-owned Dutch bank. | Medium - if funds were to be paid out in breach of the escrow agreement or otherwise put at risk from any potential insolvency event at the bank account provider, the impact of the risk may be medium or even high depending on the specific event in question. |
| | Price and/or value of Public Warrants, Founder Warrants | Medium | Price and/or value and related accounting movements in the securities, capital and other financial instruments of | Medium – movements in the price and/or value and related accounting movements in the securities, capital and other financial |

| | | | | |
|---|---|---|---|---|
| | and other capital and financial instruments of or in relation to the Company may be volatile<br><br>Negative interest Rates | <br><br><br><br><br>High | or in relation to the Company were and are outside the control of the Company, but are monitored and reviewed by the Company taking professional third-party advice from time to time as appropriate<br><br>The escrow account is managed by escrow agent Intertrust B.V., whilst the funds are deposited at Dutch system bank ABN AMRO, where the escrow account is charged with negative interest. The Company deliberately choose to deposit the offering Proceeds at a Dutch system bank to help mitigate risk. The Company monitors opportunities to deposit its money at system banks against better interest rates. | instruments of or in relation to the Company may have an adverse effect on the result of operations and financial position of the Company<br><br>Low - during 2021 interest rates at Dutch system banks were negative and resulted in a reduction of funds held in the escrow account as described in more detailed in the financial section of this report. |
| **Compliance Risks** | Compliance with Dutch Financial Reporting Supervision Act<br><br>Compliance with IFRS Standards | Low<br><br><br><br>Low | In addition to the experience and expertise of the Board, and the governance and management structure put in place for the Company, during 2021 the Company worked closely with professional and experienced third-party advisers with expertise in fields including:<br><br>- Compliance<br>- Communication<br>- Legal<br>- Investment Banking<br>- Tax<br>- Accounting | Medium - the impact of any of the risks arising will be dependent on the specific nature of any particular failure to comply with the relevant requirements.<br><br>Medium - the impact of any of the risks arising will be dependent on the specific nature of any particular failure to comply with the relevant requirements. |

| | | | | |
|---|---|---|---|---|
| | Third party claims | Medium | The answer above is repeated for each Compliance Risk described. | Medium - the impact of any third-party claim(s) will depend on the specific nature of any particular claim. |

## Report of the Supervisory Board

The Supervisory Board's main responsibility is to supervise and advise the Management Board on the manner in which its strategy is implemented. The Supervisory Board also focuses on the effectiveness of the Company's internal risk management and control systems and the integrity and quality of the financial reporting.

As explained in prior sections of this report, during 2021 the Company had a one-tier board structure consisting of executive Directors and non-executive Directors. At the EGM on 31 January 2022, the executive members of the EFIC1 Board, Nicholas Aperghis, Martin Blessing and Benjamin Davey resigned as members and Hélène Vletter-van Dort, Jan Bennink, Chris Figee and Klaas Meertens resigned as non-executive members of the EFIC1 Board. Furthermore, a two-tier board structure for the Company was established comprising a Supervisory Board and a Management Board.

### *Composition of the Supervisory Board*

As at the date of this Annual Report 2021, the Supervisory Board of the Company is comprised of the following members:

| Name | Age | Position | Member since | Nationality |
|---|---|---|---|---|
| Peter Tordoir | | Chairperson | 2022 | Dutch |
| Katrin Brökelmann | | Member | 2022 | German |
| Florence von Erb | | Member | 2022 | French |
| Chris Figee | | Member | 2022 | Dutch |
| Derk Haank | | Vice-Chair | 2022 | Dutch |
| Klaas Meertens | | Member | 2022 | Dutch |

Mr. Peter Tordoir is an experienced, international and results driven manager in consumer and B2B publishing. He focuses on data-based driven digital publishing models and solutions and e-commerce, particularly in the financial and marketing information services. Peter brings extensive experience in the media industry and has over 30 years of experience in various executive positions: he is former CEO of Keesing Media Group and NovaGraaf Group. He also spent 25 years at VNU Group where he held various executive positions from EVO at VNY business information in the US, to CEO of VNU Business and VNU Marketing and Information in Europe and Asia.

Ms. Katrin Brökelmann has over 20 years of industry experience as an investment professional in Private Equity and Venture Capital, supporting high-growth technology-based companies, including SMEs, in the Technology, Media, Life Sciences and Business Services. In addition to her role at Azerion, Katrin is currently Partner and Member of the Agri FoodTech Investment Committee at Praesidium, a private investment office. Katrin holds a Master in International Management and Diplom-Kffr. from ESCP Europe and a BA from Vienna University of Economics and Business. Katrin is fluent in English, French, Italian and German

Ms. Florence von Erb is the founder of Sure We Can Inc, a community-based not-for-profit in New York City recyclable container redemption center, Florence boasts an outstanding international career in finance and capital markets. Sitting as an independent member in the Supervisory Board of Klépierre, a French real estate investment trust. Florence has also been serving as an independent director of global market research firm Ipsos SA since 2014. Florence began her finance career in 1980 working at JP Morgan's Paris, London and New York offices specializing in international securities markets. She is member of the United Nations NGO Social Development Committee, the Commission on the Status of Women and the UN Family Committee. Florence graduated from HEC Paris, specializing in finance.

Mr. Chris Figee is CFO of KPN, former CFO of ASR at the time of its IPO. He held various positions at insurers Achmea and AEGON and worked at McKinsey, lastly as a Partner in the Financial Institutions Practice. He is an expert public-market CFO with a strong capital markets track-record and with extensive experience in regulated environments. He co-led the successful IPO of ASR in 2016 and drove the insurer's domestic consolidation strategy.

Mr. Derk Haank has thirty years of experience in the academic publishing and consumer media industry. He has served as Chief Executive Officer of research publisher SpringerNature and been Member of the Supervisory Council of the Dutch broadcast association AvroTros. Derk has also acted as Chief Executive Officer of Elsevier Science and sat on the Executive Board of Reed Elsevier PLC. Derk holds a degree in Economics and Business Administration from Vrije Universiteit Amsterdam and a Master's degree in Economics and Business Administration from Universiteit van Amsterdam.

Mr. Klaas Meertens is a successful investor with a career in investment banking, consulting and private equity. He is currently Managing Partner at HTP Investments and Partner at Novum Capital Partners. He worked at JP Morgan, ultimately as its Head of Investment Banking for Benelux and Switzerland as well as a member of the Investment Banking Coverage management team, and also worked at McKinsey & Co, ultimately as a Partner focused on transportation and financial institutions.

### *Evaluation*

The Supervisory Board discussed the functioning of the EFIC1 Board during the 2021 financial period and observed that prior to the completion of the business combination, the overall functioning of the EFIC1 Board was assessed positively in a process led by the then Chairwoman. The composition and functioning of the EFIC1 Board and the performance of its individual members were also positively assessed and discussed at that time.

### *Meetings and Attendance in 2021*

During 2021, the one-tier Board held 9 (nine) meetings. All Board members were present at all meetings either in person or via conference call and were held in the presence of the Board. During these meetings the ideas of the executive Board members were tested and challenged by the other members of the Board in order to ensure that decisions were reached that underpin EFIC1's strategy and objectives were aligned with the long-term value creation pursued by EFIC1. Between meetings, there was regular contact with the Board. The main topic discussed in the various contact moments was the progress of the target search and status of ongoing discussions with potential targets.

Furthermore, the Board was kept informed of EFIC1's strategic, financial, operational, legal and compliance risks, of the internal control and management systems in place and of the actions taken to manage the risks.

In addition, the Board discussed changes in regulation and applicable IFRS standards, the implications of Corporate Governance Code for EFIC1 and the preparation, evaluation and follow-up with respect to the annual General Meeting.

### *Audit Committee*

During 2021, under the Articles of Association at the time, the Company was required to have an Audit Committee, consisting of a number of individuals, who all needed to be non-executive Directors. Their number was to be determined by the Board. The members of the Audit Committee were to be appointed, suspended and dismissed by the Board. Executive Directors were not permitted to be members of the audit committee. Separate rules that governed the Audit Committee were adopted by the Board and were available on the Company's website.

The responsibilities of the Audit Committee focused on supervising the activities of the Board with respect to:

- the monitoring of the financial-accounting process and preparation of proposals to safeguard the integrity of said process;
- the monitoring of the statutory audit of the annual accounts and consolidated accounts, and in particular the process of such audit (taking into account the review of the Dutch Authority for the Financial Markets (Autoriteit Financiële Markten (AFM)) in accordance with Section 26 EU-Regulation 537/2014);
- the review and monitoring of the independence of the External Independent Auditor; and
- the adoption of a procedure for the selection of the External Independent Auditor and the nomination for appointment of the External Auditor with respect to the statutory audit of the annual accounts and consolidated accounts.

Working within the Board, the Audit Committee was furthermore charged with:

- the preparatory work for the non-executive Directors' decision-making regarding the supervision of the integrity and quality of the Company's financial reporting and the effectiveness of the Company's internal risk management and control systems. Among other things, it focused on monitoring the executive Directors with regard to:
    - relations with, and following up of comments by, the internal audit function and the External Independent Auditor;
    - the financing of the Company;
    - the application of information and communication technology (ICT), including risks relating to cyber security; and
    - the Company's tax policy.
- the preparation of meetings of the Board where the report of the Board, the annual accounts and the interim figures of the Company were to be discussed. The Audit Committee maintained regular contact with and supervised the External Independent Auditor.

During 2021, the Audit Committee comprised two members. In deviation from provision 2.3.4 of the Dutch Corporate Governance Code, only one of the first two members of the Audit Committee, being Mr. Chris Figee, was independent within the meaning of provision 2.1.8 of the Dutch Corporate Governance Code. Appointments to the Committee were made by the EFIC1 Board. The EFIC1 Board satisfied itself that the Committee's membership includes directors with recent and relevant financial experience.

The members of the Audit Committee that served during 2021 were:

1. Mr. Chris Figee (Chairperson of the Audit Committee)

2. Mr. Klaas Meertens

In 2021, the Audit Committee held two formal meetings during 2021 in addition to regular (informal) updates arranged through (video) calls.

*Audit Committee Activities*

During 2021, the main activities of the Audit Committee included the following:

- the critical review of the significant financial reporting issues in connection with the preparation of the Company's financial and related formal statements, with the assistance of reports received from the EFIC1 Board and the External Independent Auditor;
- an assessment of the scope and effectiveness of the systems established to identify, assess, manage and monitor financial and non-financial risks;
- review of the External Independent Auditor, its terms of engagement, findings of its work and at the end of the audit process reviewing its effectiveness;
- review of the independence and objectivity of the External Independent Auditor;
- review of treasury guidelines; and
- review of financing options.

*External Independent Auditor*

As from the 31 January 2022, and the completion of the business combination, PwC was appointed as the Company's external independent auditor, having previously been Deloitte up until that date (respectively referred to as the "External Independent Auditor" for the relevant periods identified). The appointment of PwC as External Independent Auditor for the Company aligned with the appointed external independent auditor for Azerion Holding B.V. The External Independent Auditor reports to the Committee on the actions taken to comply with professional and regulatory requirements and with best practice designed to ensure its independence. The performance of the External Independent Auditor is reviewed by the Audit Committee on an annual basis through a qualitative assessment of the services provided against the agreed audit plan and taking account of feedback received from management. Following this review, the Audit Committee is satisfied that the external audit process operates effectively.

## 2021 Financial Statements

The Supervisory Board members have reviewed and discussed the 2021 annual report and financial statements. The 2021 financial statements, as prepared by the Management Board, have been audited by PwC, whose independent auditor's report is included in this report, and were discussed on 26 April 2022 by the Supervisory Board members and the External Independent Auditor in the presence of the Management Board.

The Supervisory Board believes the 2021 financial statements of the Company meet all requirements for correctness and transparency. All members of the Supervisory Board and the Management Board have signed the 2021 Financial Statements pursuant to the statuary obligations under article 2:101 (2) of the Dutch Civil Code. The Management Board will present the financial statements for 2021 and its report at the scheduled annual General Meeting expected to be held in mid-to-end June 2022. The Supervisory Board recommends that the annual General Meeting adopt the 2021 Financial Statements and discharge the EFIC1 Board, the Management Board and the Supervisory Board from liability for their management and supervision in the year under review.

The members of the Supervisory Board wish to thank the Management Board and the employees and support team of the Company for their continued dedication and commitment.

On behalf of the Supervisory Board members.

Schiphol-Rijk, 29 April 2022

## Statement of Management Board's Responsibilities

The Management Board is responsible for preparing the Company's Annual Report. The Company's Annual Report comprises the Management Board Report, the Governance Report, the Company's Financial Statements and other information. The Management Board is responsible for preparing the Annual Report in accordance with applicable law and regulations. The Management Board has prepared the Annual Report in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and the relevant provisions of the Dutch Civil Code. The Management Board must not approve the Annual Report unless they are satisfied that it gives a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the Annual Report, the Management Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRS as adopted by the European Union and the relevant provisions of the Dutch Civil Code have been followed, subject to any material departures disclosed and explained in the Annual Report; and
- prepare the Annual Report on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Management Board is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose, with reasonable accuracy at any time, the financial position of the Company and enable them to ensure that the Annual Report complies with applicable law. The Management Board has assessed whether the risk assessment executed showed any material failings in the effectiveness of the Company's internal risk management and control systems. Though such systems are designed to manage and control risks, they can provide reasonable, but not absolute, assurance against material misstatements. Based on this assessment, to the best of our knowledge and belief, no material failings of the effectiveness of the Company's internal risk management and control systems occurred and the internal risk and control systems provides reasonable assurance that the 2021 financial statements do not contain any errors of material importance.
With reference to section 5.25c paragraph 2c of the Dutch Act on Supervision, each of the Directors, whose names and functions are listed in the Governance section, confirm that, to the best of their knowledge:

- the Company's financial statements and the consolidated financial statements, which have been prepared in accordance with IFRS as adopted by the European Union and the relevant provisions of the Dutch Civil Code, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- the Directors' Report gives a true and fair view on the situation on the balance sheet date, the development and performance of the business and the position of the Company of which the financial information is included in the Directors' Report and includes a description of the principal risks and uncertainties that EFIC1 faces; and
- having taken all matters considered by the Board and brought to the attention of the Board during the financial year into account, the Directors consider that the Annual Report, taken as a whole is fair, balanced and understandable. The Directors believe that the disclosures set out in the Annual Report provide the information necessary for shareholders to assess EFIC1's position, performance, business model and strategy.

After conducting a review of management analysis, the Management Board has reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Management Board considers it appropriate to adopt the going-concern basis in preparing the Annual Report.

On behalf of the Management Board of Azerion Group N.V.,

# Consolidated Financial Statements for the period 25 January to 31 December 2021

## Consolidated Statement of Profit and Loss

| In EUR'000 | Notes | 25/01/2021 to 31/12/2021 |
|---|---|---|
| Sales | | - |
| Cost of sales | | - |
| **Gross profit** | | **-** |
| | | |
| **Expenses** | | |
| Salaries and social securities | **10** | (170) |
| Share based payments (special shares and call options) | **9** | (16,755) |
| Deferred Underwriting Fee | **4** | (11,746) |
| Other expenses | **4** | (1,358) |
| **Operating expenses** | | **(30,029)** |
| | | |
| Change in fair value of founder warrants | **16** | (788) |
| Change in fair value of public warrants | **15** | - |
| Effective interest on ordinary shares | **5** | (6,688) |
| Interest expenses on escrow account | **12** | (1,528) |
| Other interest expenses | | (12) |
| **Finance income and expenses** | | **(9,017)** |
| | | |
| **Profit/ (loss) before taxes** | | (39,046) |
| Income taxes | **6** | - |
| **Profit/ (loss) for the period** | | **(39,046)** |
| | | |
| **Earnings per share (in EUR)** | **7** | |
| Basic | | -1.02 |
| Diluted | | -0.60 |

## Consolidated Statement of Comprehensive Income

| **In EUR'000** | **25/01/2021 to 31/12/2021** |
|---|---|
| Profit/ (loss) for the period | **(39,046)** |
| Other comprehensive income/ (loss) | - |
| Other comprehensive income/ (loss) that will not be reclassified to profit and loss | - |
| Other comprehensive income/ (loss) that may be reclassified to profit and loss | - |
| Total other comprehensive income/ (loss) | - |
| **Comprehensive income/ (loss) for the period** | **(39,046)** |

## Consolidated Statements of Changes in Equity

| **In EUR'000** | **Notes** | **Share capital** | **Share based payment reserve** | **Accumulated deficits** | **Result for the period** | **Total equity** |
|---|---|---|---|---|---|---|
| **Balance at incorporation - 25 January 2021** | | **0.1** | **-** | **-** | **-** | **0.1** |
| Profit/ (loss) for the period | | - | - | - | (39,046) | (39,046) |
| Other comprehensive income (loss) | | - | - | - | - | - |
| **Total comprehensive income (loss) for the period** | | **-** | **-** | **-** | **(39,046)** | **(39,046)** |
| | | | | | | |
| **Transactions with shareholders** | | | | | | |
| Conversion share capital | | -0.1 | - | - | - | -0.1 |
| Share-based payments (special shares and call op | **9** | - | 16,841 | - | - | 16,841 |
| **Closing Balance - 31 December 2021** | | **-** | **16,841** | **-** | **(39,046)** | **(22,205)** |

Note: The share capital at incorporation amounted to EUR 100 and is converted into the Ordinary Shares, which are presented as a liability.

# Consolidated Statement of Financial Position

(Before profit appropriation)

| In EUR'000 | Notes | 31/12/2021 |
|---|---|---|
| **Assets** | | |
| ***Current assets*** | | |
| Other receivables | **11** | 282 |
| Cash and cash equivalents | **12** | 382,199 |
| **Total current assets** | | **382,481** |
| **Total assets** | | **382,481** |
| **Equity** | | |
| Share based payment reserve | **9** | 16,841 |
| Result for the year | | (39,046) |
| **Total equity** | **13** | **(22,205)** |
| **Liabilities** | | |
| ***Non current liabilities*** | | |
| Ordinary shares | **14** | 373,464 |
| Capital Shares | **14** | 220 |
| Founder warrants | **15** | 8,673 |
| Public warrants | **14** | 9,552 |
| **Total non current liabilities** | | **391,909** |
| ***Current liabilities*** | | |
| Interest payable | | 177 |
| Other payables | **16** | 12,600 |
| **Total current liabilities** | | **12,777** |
| **Total liabilities** | | **404,686** |
| **Total equity and liabilities** | | **382,481** |

# Consolidated Statement of Cash Flows

| In EUR'000 | Notes | 25/01/2021 to 31/12/2021 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Net profit/ (loss) for the period | | (39,046) |
| Interest paid | | 1,363 |
| Taxes paid | | - |
| *Adjustments to reconcile profit before taxation to net cash flows:* | | |
| Interest expenses paid | | (1,363) |
| Share-based payment expenses | **9** | 16,755 |
| Fair value adjustments public warrants | **15** | - |
| Fair value adjustments founder warrants | **15** | 788 |
| Effective interest on ordinary shares | **5** | 6,688 |
| (Increase)/Decrease in working capital: | | |
| - Increase other receivables | | (282) |
| - Increase other payables | | 12,778 |
| **Net cash outflow from operating activities** | | **(2,319)** |
| | | |
| **Cash flows from financing activities** | | |
| Proceeds from issuance of units | **14** | 382,098 |
| Cost related to the issuance of units | **14** | (5,770) |
| Proceeds from the issuance of capital shares | **14** | 220 |
| Proceeds from issuance of special shares | **13** | 85 |
| Proceeds from issuance of founder warrants | **16** | 7,884 |
| **Net cash inflow from financing activities** | | **384,518** |
| | | |
| **Net increase in cash and cash equivalents** | | 382,199 |
| Cash and cash equivalents at the date of incorporation | | - |
| Effects of exchange rate changes on cash and cash equivalents | | - |
| **Cash and cash equivalents at end of the financial period** | | **382,199** |

## Notes to the Consolidated Financial Statements

### General Information

This annual report includes the report of the Management Board and the Financial Statements regarding the financial year 2021 for European FinTech IPO Company 1 B.V., which entity changed in legal form into a limited company (naamloze vennootschap) on 2 February 2022 and renamed from EFIC1 to Azerion Group N.V. as a result of a business combination between EFIC1 and Azerion Holding B.V. which completed on 1 February 2022. The legal entity EFIC1 and Azerion Holding B.V. is hereinafter also referred to as the Company. Where in this report reference is made to EFIC1, reference is being made to the Company before the business combination. Where in this report reference is made to Azerion Group N.V., reference is being made to the Company after the business combination.

These results do not include the audited full year 2021 financial results for Azerion Holding B.V. as these financial results relate to a period before the business combination between EFIC1 and Azerion Holding B.V. was completed. As a result, the audited financial results for the full year 2021 for Azerion Holding B.V. will be published separately. The first financial results for the post business combination Azerion Group N.V. will be the interim financial results for the half year 2022.

Following the resignation of the executive and non-executive members of the EFIC1 management board and the appointment of the members of the management and supervisory boards in the Extraordinary General Meeting of Shareholders on 31 January 2022, the Management Board and the Supervisory Board of Azerion Group N.V. are acting as the responsible bodies as of the 1st of February 2022 of the Company, as a result of the business combination between EFIC1 BV and Azerion Holding B.V. on that date. They are therefore the responsible bodies for the Company and the financial statements 2021.

The Company was incorporated on 25 January 2021. The Company's statutory financial year is the calendar year and its first statutory financial period is from 25 January 2021 to 31 December 2021.

Up until 1 February 2022, the Company was a private limited liability company incorporated under Dutch law (*besloten vennootschap met beperkte aansprakelijkheid*), with its statutory seat in Amsterdam, the Netherlands. The Company was admitted to listing and trading on Euronext Amsterdam on 26 March 2021 pursuant to an initial public offering (by way of a private placement, "IPO") in which, following the partial exercise of the overallotment option, it raised approximately EUR 382 million in gross proceeds.

*Prior to the completion of its business combination*, the Company was a special purpose acquisition company (''SPAC'') formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganisation or similar business combination with or acquisition of a target business or entity of fintech companies. The Company was, and is, registered in the Netherlands under the Chamber of Commerce registration number 81697244, and during 2021 had its registered office at Herengracht 456, 1017 CA Amsterdam, the Netherlands. Prior to completion of the business combination, the Company's Ordinary Shares and Public Warrants were separately publicly traded on the regulated market of Euronext Amsterdam under the symbols EFIC1 and EFICW respectively.

*Following completion of the business combination*, Azerion Group N.V. is a public company incorporated under Dutch law (naamloze vennootschap), with its statutory seat in Schiphol-Rijk, The Netherlands. The first day of trading on Euronext Amsterdam, post completion of the business combination, of the Ordinary Shares and Public Warrants in the Company under the new name of Azerion Group N.V. and the new ticker symbols AZRN and AZRNW respectively, was 2 February 2022.

To ensure that the gross proceeds of the IPO were used for no other purpose than the situations as disclosed in the going concern paragraph in this annual report, the Company entered into an escrow agreement with Intertrust Escrow and Settlements B.V., a private company with a corporate seat in Amsterdam, the Netherlands and having its address at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands, acting under its trade name Intertrust Escrow Services (the "Escrow Agent") and Stichting EFIC1 Escrow with corporate seat in Amsterdam, the Netherlands and having its corporate address at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands (the "Foundation"). Following the IPO, 100% of the gross proceeds have been transferred to the escrow account. Under the escrow agreement, the amounts held in the escrow account were generally not be released unless and until the earlier of a business combination or liquidation, as disclosed in the going concern paragraph in this annual report. The Foundation held the escrow amount on a designated bank account. These consolidated financial statements comprise the Company and the Foundation (together referred to as the “Group”).

## 1. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

### *Basis of Preparation*

These consolidated financial statements have been prepared in accordance and comply with International Financial Reporting Standards and interpretations as endorsed by the European Union, for financial years beginning 1 January 2021 and also comply with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code.

These consolidated financial statements have been prepared on a going concern basis. Following the IPO and before the completion of a business combination with a target business through a (legal) merger, share exchange, share purchase, contribution in kind, asset acquisition or combination of these methods, the Company would not engage in any operations, other than in connection with the selection, structuring and completion of a business combination. Following the IPO, the Company had 24 months to complete a business combination. The costs relating to the search for a target company and the completion of a business combination were expected to be covered by the proceeds from issuing the Founder Warrants, Special Shares and the Capital Shares.

### *Going Concern*

If EFIC1 did not complete a business combination within 24 months from the settlement date of the IPO, the Group would as soon as possible initiate a liquidation process. In the event of a liquidation, the distribution of the Group’s assets and the allocation of the liquidation surplus (if any) would be completed, after payment of the Group’s creditors and settlement of its liabilities, by the rights of the holders of the Special Shares, the Ordinary Shares and the Capital Shares and by a pre-determined order of priority as set out in the liquidation waterfall. There would be no distribution of proceeds or otherwise with respect to any of the Public Warrants or the Founder Warrants, and all such Public Warrants and Founder Warrants would automatically expire without value upon the occurrence of such liquidation. At the balance sheet date these conditions indicated the existence of a material uncertainty, which could cast significant doubt about the Group’s ability to continue as a going concern.

The (financial) risk for our ordinary shareholders was largely mitigated because the Group held EUR 382 million (less negative interest) in an escrow account, which could only be released upon meeting strict requirements. Also, the ordinary shareholders had the option to have their Ordinary Shares redeemed for cash at EUR 10.00 per share less a pro-rata share of the negative interest incurred on the escrow account prior to a proposed business combination. Furthermore, the Group had raised proceeds from the sale of the Founder Warrants, Special Shares and Capital Shares amounting to approximately EUR 8 million, which should be sufficient to cover working capital and other running costs and expenses and in any event was subject to periodic review by the management team. If no business combination was completed, the exposure of ordinary shareholders was generally limited to the negative interest incurred by the Group over the amounts held in the escrow account. In order to ensure that EFIC1 could continue to (i) meet its payment obligations (either on the basis of a direct engagement or pursuant to a cost-sharing arrangement with Azerion Holding B.V.) 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 EFIC1 for the remainder of its lifetime (i.e. up to the earlier of the Completion Date and the date of liquidation of the Group), certain affiliates of the Sponsors entered into an irrevocable funding undertaking vis-à-vis EFIC1 (‘’Sponsor Funding Undertaking’’). Pursuant to this undertaking, each of these affiliates of the Sponsors committed to provide on a pro rata basis an additional cash injection into EFIC1 (in the form of an unsecured subordinated loan, a share premium contribution on Ordinary Shares or otherwise) up to a maximum aggregate amount of EUR 2.7 million, upon the request of the EFIC1 Board and solely if and to the extent required for the abovementioned purposes. The undertaking lapsed and became no longer effective upon completion of the business combination.

On 1 February 2022, a business combination between EFIC1 and Azerion Holding B.V. was completed. With the completion of the business combination, the Company received approximately EUR 56 million of net primary cash proceeds (net of transaction costs and expenses). Further details on the transaction are set out in Note 19 Events after the Balance Sheet Date. The net primary cash proceeds, together with expected future operational cash flows and available debt facilities of the combined entity have been assessed by the Management Board and are considered to provide sufficient liquidity to the combined entity for the following 12 months. The liquidity position of the Company is further strengthened by not proposing to pay any dividends for the next 12 months.

### *Functional and Presentation Currency*

These consolidated financial statements are presented in Euro (EUR), the Group's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

### *Basis of Measurement*

Unless stated otherwise, these consolidated financial statements have been prepared on a historical cost convention.

### *Use of Judgements, Estimates and Changes to Interim Financial Statements 2021*

The preparation of these consolidated financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in applying the Group's accounting policies.

On 10 September 2021 the Group published its (unaudited) interim Financial Statements for the period ended on 30 June 2021. Given developing insights in the market practices on accounting matters for these types of companies, management decided to account for some instruments differently compared to the interim statements. These changes mainly relate to the following:

- The deferred underwriting fee of EUR 11,746 thousand is now accounted for as a liability and recognised in full in 2021 as an expense, having previously been recognised as to 75% (being the then estimated probability of successfully completing a business combination) and that amount being charged to the Ordinary Shares.

- The Special Shares and the Davey Call Option granted to related parties of the Group are now recognised as an equity-settled share-based payment and measured at grant date estimated fair value, having previously not been recognised. For the restated figures for the period to 30 June 2021, the pro rata portion of the relevant service period of 24 months was applied to allocate the expenses to the statement of profit and loss.

The restated statements of profit and loss, financial position and cash flows are as follows:

**Consolidated statement of profit and loss**

| In EUR'000 | 25/01/2021 to 30-6-2021 Restated | 25/01/2021 to 30-6-2021 As published |
|---|---|---|
| Sales | - | - |
| Cost of sales | - | - |
| **Gross profit** | **-** | **-** |
| **Expenses** | | |
| Salaries and social securities | -55 | -55 |
| Share based payments (special shares and call option) | -2,327 | - |
| Other expenses | -413 | -413 |
| **Operating expenses** | **-2,795** | **-468** |
| Change in fair value of founder warrants | 2,675 | 2,675 |
| Change in fair value of public warrants | 5,203 | 5,203 |
| Effective interest on ordinary shares | -2,519 | -2,519 |
| Interest expenses on escrow account | -507 | -507 |
| **Finance income and expenses** | **4,852** | **4,852** |
| **Profit/ (loss) before taxes** | 2,057 | 4,384 |
| Income taxes | - | - |
| **Profit/ (loss) for the period** | **2,057** | **4,384** |

**Consolidated statement of financial position**

| In EUR'000 | 30-6-2021 Restated | 30-6-2021 As published |
|---|---|---|
| **Assets** | | |
| ***current assets*** | | |
| Other receivables | 319 | 319 |
| Cash and cash equivalents | 383,658 | 383,658 |
| **Total current assets** | **383,977** | **383,977** |
| **Total assets** | **383,977** | **383,977** |
| **Equity** | | |
| Share capital increase from proceeds IPO | - | 106 |
| Share based payment reserve | 2,412 | - |
| Result for the year | 2,057 | 4,384 |
| **Total equity** | **4,469** | **4,490** |
| **Liabilities** | | |
| ***current liabilities*** | | |
| Ordinary shares | 369,294 | 360,485 |
| Capital Shares | 21 | - |
| Founder warrants | 2,681 | 2,681 |
| Public warrants | 6,878 | 6,878 |
| Interest payable | 634 | 634 |
| Other payables | - | 8,809 |
| **Total current liabilities** | **379,508** | **379,487** |
| **Total liabilities** | **379,508** | **379,487** |
| **Total equity and liabilities** | **383,977** | **383,977** |

**Consolidated statement of cash flows**

| In EUR'000 | 25/01/2021 to 30-6-2021 Restated | 25/01/2021 to 30-6-2021 As published |
|---|---|---|
| **Cash flows from operating activities** | | |
| Net profit/ (loss) for the period | 2,057 | 4,384 |
| Interest paid | 1 | - |
| Taxes paid | - | - |
| *Adjustments to reconcile profit before taxation to net cash flows:* | | |
| Interest expenses paid | (1) | - |
| Share-based payment expenses | 2,327 | - |
| Fair value adjustments public warrants | - | - |
| Fair value adjustments founder warrants | (7,878) | (7,878) |
| Effective interest on ordinary shares | 2,519 | 2,519 |
| (Increase)/Decrease in working capital: | - | 315 |
| - Increase other receivables | (319) | - |
| - Increase other payables | 634 | - |
| **Net cash outflow from operating activities** | **(660)** | **(660)** |
| **Cash flows from financing activities** | | |
| Proceeds from issuance of units | 382,098 | - |
| Issue of warrants | - | 9,558 |
| Initial classification of ordinairy shares | - | 360,485 |
| Deferred underwriting fee | - | 8,809 |
| Change in value of ordinairy shares | - | (2,519) |
| Cost related to the issuance of units | (5,770) | - |
| Proceeds from the issuance of capital shares | 20 | 20 |
| Proceeds from issuance of special shares | 85 | 85 |
| Proceeds from issuance of founder warrants | 7,884 | 7,880 |
| **Net cash inflow from financing activities** | **384,318** | **384,318** |
| **Net increase in cash and cash equivalents** | 383,658 | 383,658 |
| Cash and cash equivalents at the date of incorporation | - | - |
| Effects of exchange rate changes on cash and cash equivalents | - | - |
| **Cash and cash equivalents at end of the financial period** | **383,658** | **383,658** |

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are further disclosed in Note 2 'Critical Accounting Policies' and in the disclosure notes for the specific items. Reference is made to following disclosure notes on specific items:

■ Note 4 The accounting treatment of the deferred underwriting fee.

■Note 9 Share-based payments. The classification of the Special Shares and the rights to obtain Special Shares for Mr. B. Davey (the "Davey Call Option") as share-based payments and the determination of their fair value at the grant date.

■ Note 14 Ordinary Shares and Public Warrants. The value of the Ordinary Shares (amortised cost) and Public Warrants (fair value) at the issue date as these were jointly issued as units.

■ Note 14 The determination that the fair value of the right to acquire additional Capital Shares by the sponsors has an insignificant fair value as the exercise price approximates the fair value of the Capital Shares.

■ Note 15 The determination of the fair value of the Founder Warrants at the date of issuance and at the end of the reporting period.

### *Fair Value*

Fair value is the price that would be received for the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants at the measurement date. IFRS establishes a three-tier fair value hierarchy, prioritizing the inputs used in measuring fair value. The hierarchy prioritizes unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). These tiers include:

■ Level 1, defined as observable inputs such as quoted prices (unadjusted) for identical instruments in active markets;

■ Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable such as quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active; and

■ Level 3 is defined as unobservable inputs in which little or no market data exists, requiring an entity to develop its own assumptions, such as valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

**Overview classification per fair value instrument**

| Instrument | Level | Initial measurment | Subsequent measurement | Key assumptions and estimates |
|---|---|---|---|---|
| Ordinary shares | level 1 | Fair value less transaction costs | Amortized cost | Not applicable, active market |
| Public warrants | level 1 | Fair value | Fair value through profit and loss | Not applicable, active market |
| Founder warrants | level 3 | Fair value | Fair value through profit and loss | Volatility 40%, Probability BC 75% and Share price EUR 9.94 |

No transfers between Level 1 and Level 2 occurred.

The carrying amounts of receivables and payables approximates the fair values.

Management has used valuation models provided by an external service provider in order to estimate the fair value of the Founder Warrants, Special Shares and Davey Call Option. Management considers the assumptions used reasonable and defensible based on the methodologies applied. The key assumptions used in these models are volatility in the price of an Ordinary Share, dividend yield, interest rates, probability of a successful business combination and credit risk. In order to infer a volatility of the underlying price of an Ordinary Share, 5 to 10 years of historical price data were used from a set of 9 relevant companies and one relevant index using market data from Bloomberg L.P. The dividend yield is assumed to be 0% throughout the life of the instruments. The expected probability of a successful business combination was assumed to be 50% at 30 March 2021 and is assumed to take place within two years after inception of the instruments. Subsequently, as at 30 June 2021 management estimated the probability at 75%. Although the public announcement was made on 13 December 2021 that a potential target company was identified and a business combination with Azerion Holding B.V. was proposed to the shareholders, management considered that at the same time capital market conditions had become more negative and in particular investors had started to rotate away from technology companies. Given these considerations the Management Board estimated that the probability of a successful business combination was unchanged and therefore at 75%, reflecting both the announcement and the decline in market sentiment and investor rotation away from technology companies observed during Q4 of 2021.

The price of an Ordinary Share is estimated at EUR 9.75 at 30 March 2021 and was EUR 9.94 at 31 December 2021 based on the closing price at the last trading day of the year. Prior to the business combination, the price of an Ordinary Share is assumed to be deterministic as holders of Ordinary Shares have the right to sell these to the Company at a fixed price of EUR 10.00 less interest incurred. In the valuation models used, the credit risk is considered negligible.

Both as at 30 March 2021 and at year end a marketability discount was applied for the non-transferability of these instruments prior to the completion of a business combination. As at 30 March 2021 that discount was estimated to amount to 60%; as at 31 December 2021 the discount was estimated at 25%. Given the specific character of the Company and the instruments being considered and the lack of publicly observable data available, the estimations referred to have required qualified judgement to be applied.

It is assumed that the dilutionary impact of a business combination on the fair value of an Ordinary Share is accounted for in the price traded.

Finally, the valuation model takes interest rates from the closing mid EUR OIS ESTR swap curve and a risk-free rate, a market rate and a beta.

The fair value of Founder Warrants as at 31 December 2021 is estimated based upon a binominal tree option pricing model with weekly time steps to account for the American style early redemption feature in the Founder Warrants as well as the cap on the option payoff when the underlying share price exceeds EUR 18.00. It is also assumed that holders of the Founder Warrants do not opt for an exercise on a cashless basis prior to their redemption. The fair value of the Founder Warrants is estimated at EUR 1.65, using a price of an Ordinary Share of EUR 9.94, a probability of a successful business combination of 75%, volatility estimated at 40% and applying a transferability discount estimated at 25%.

The sensitivity tables below illustrates indicative values of the Founder Warrants reflecting changes in the input variables.

Indicative fair values of the Founder Warrants, incorporating the BC share price sensitivity as at 31 December 2021, using BC probability of 75% and **excluding** transferability discounts.

| ***Founder Warrant valuation (including BC probability) December 31, 2021*** | | | | | | |
|---|---|---|---|---|---|---|
| | Volatility | | | | | |
| Share price | 27,43% | 40,00% | 49,49% | 50,00% | 51,94% | 60,00% |
| 10,00 | 1,41 | 2,23 | 2,83 | 2,86 | 2,98 | 3,45 |
| 9,94 | 1,38 | 2,21 | 2,80 | 2,83 | 2,94 | 3,42 |
| 9,90 | 1,37 | 2,19 | 2,78 | 2,81 | 2,93 | 3,40 |
| 9,85 | 1,35 | 2,17 | 2,75 | 2,78 | 2,90 | 3,37 |
| 9,80 | 1,33 | 2,14 | 2,73 | 2,76 | 2,88 | 3,34 |
| 9,75 | 1,31 | 2,12 | 2,71 | 2,74 | 2,85 | 3,32 |

Indicative Fair value of the Founder Warrants, incorporating the BC probability sensitivity as at 31 December 2021, using a share price of EUR 9.94, and **excluding** transferability discounts.

| ***Founder Warrant valuation (including BC probability sensitivity) December 31, 2021*** | | | | | | |
|---|---|---|---|---|---|---|
| BC | Volatility | | | | | |
| Probability | 27,43% | 40,00% | 49,49% | 50,00% | 51,94% | 60,00% |
| 100% | 1,84 | 2,94 | 3,73 | 3,77 | 3,93 | 4,56 |
| 90% | 1,66 | 2,65 | 3,36 | 3,39 | 3,53 | 4,10 |
| 80% | 1,47 | 2,35 | 2,98 | 3,02 | 3,14 | 3,65 |
| 75% | 1,38 | 2,21 | 2,80 | 2,83 | 2,94 | 3,42 |
| 65% | 1,20 | 1,91 | 2,42 | 2,45 | 2,55 | 2,96 |
| 50% | 0,92 | 1,47 | 1,87 | 1,89 | 1,96 | 2,28 |

The fair value of Special Shares at grant date per 30 March 2021 is estimated at EUR 1.95 which is derived from the estimated price of an Ordinary Share of EUR 9.78 multiplied by the probability of a successful business combination of 50% and applying a transferability discount estimated at 60%.

The sensitivity table below illustrates indicative values of the Special Shares reflecting changes in the input variables.

Indicative fair values of the Special Shares, **excluding** transferability discounts

| Special Shares indicative fair values March 30, 2021 | | | | | | |
|---|---|---|---|---|---|---|
| BC Probability | Share Price | | | | | |
| | 10,00 | 9,90 | 9,80 | 9,78 | 9,75 | 9,70 |
| 80% | 8,00 | 7,92 | 7,84 | 7,82 | 7,80 | 7,76 |
| 70% | 7,00 | 6,93 | 6,86 | 6,85 | 6,83 | 6,79 |
| 60% | 6,00 | 5,94 | 5,88 | 5,87 | 5,85 | 5,82 |
| 50% | 5,00 | 4,95 | 4,90 | 4,89 | 4,88 | 4,85 |
| 40% | 4,00 | 3,96 | 3,92 | 3,91 | 3,90 | 3,88 |
| 30% | 3,00 | 2,97 | 2,94 | 2,93 | 2,93 | 2,91 |

The fair value of the Davey Call Option at grant date per 30 March 2021 is estimated at EUR 1.94 based upon a Black-Scholes-Merton option pricing model, taking into account a zero-dividend yield as a result of which the fair value approximates the American style of the instrument. The fair value thus obtained is derived from the estimated price of an Ordinary Share of EUR 9.78, multiplied by the probability of a successful business combination estimated at 50% and applying a transferability discount estimated at 60% and then reflecting the requirement to pay EUR 0.01 for each single option entitlement exercised.

The sensitivity table below illustrates indicative values of the Davey Call Option reflecting changes in the input variables.

Indicative fair values of the Davey Call Option, **excluding** transferability discounts.

| Davey Call Option indicative fair values March 30, 2021 | | | | | | |
|---|---|---|---|---|---|---|
| BC Probability | Share Price | | | | | |
| | 10,00 | 9,90 | 9,80 | 9,78 | 9,75 | 9,70 |
| 80% | 7,99 | 7,91 | 7,83 | 7,82 | 7,79 | 7,75 |
| 70% | 6,99 | 6,92 | 6,85 | 6,84 | 6,82 | 6,78 |
| 60% | 5,99 | 5,93 | 5,87 | 5,86 | 5,84 | 5,81 |
| 50% | 4,99 | 4,94 | 4,89 | 4,88 | 4,87 | 4,84 |
| 40% | 4,00 | 3,96 | 3,92 | 3,91 | 3,90 | 3,88 |
| 30% | 3,00 | 2,97 | 2,94 | 2,93 | 2,92 | 2,91 |

Level 3 recurring fair values

The following table shows a reconciliation from the starting positions to the closing balance of the Level 3 fair values.

**Level 3 reconciliation**

| **In EUR'000** | **Public Warrants** | **Founder Warrants** |
|---|---|---|
| Starting position as at 30 March 2021 | - | 7,884 |
| Initial Recognition Public Warrants | 9,552 | |
| Change in Fair Value or Founder Warrants (loss in P&L) | | 788 |
| Change in Fair Value or Public Warrants | - | |
| | **9,552** | **8,672** |

*New and Amended Standards not Adopted by the Group*

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Group.

## 2. Critical Accounting Policies

*Principles for Consolidation*

Subsidiaries are all entities over which the Company has control. The Company controls an entity where the Company is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns through its power to direct the entity's activities. Subsidiaries are fully consolidated from the date control is transferred to the Company.

For purposes of the consolidated financial statements, the Company forms a group together with the Foundation, that holds the IPO proceeds in escrow on a designated bank account.

The Company is required to consolidate the Foundation as a subsidiary based on the fact that it effectively controls the Foundation in accordance with IAS 10.7 by means of existing contractual rights in the Escrow Agreement that gives the Company the current ability to direct all the relevant activities of the Foundation, has exposure or rights, to variable returns from its involvement in the Foundation and has the ability to use its power over the Foundation to affect the amount of the returns on the Escrow Account. Therefore, the Foundation is considered a subsidiary and is included in the consolidated financial statements of the Group.

Subsidiaries are not consolidated anymore as from the date that control ceases. Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

*Cash and Cash Equivalents*

For presentation in the statement of cash flows, cash and cash equivalents provided by the Sponsors for the Cash Cover as proceeds from the issuance of Special Shares, Capital Shares and Founder Warrants includes cash on hand and on a bank account, which are subject to an insignificant risk of changes in value.

*The Escrow Account*

The escrow account is held in cash in a bank account and will not be invested in securities or assets. The Foundation that is incorporated in the Netherlands, holds legal title to the bank account. The board of the Foundation consists of two independent members.

The entity Intertrust Escrow and Settlements B.V. acts as the Escrow Agent. Pursuant to the Escrow Agreement, the amounts held in Escrow will generally not be released to the Group unless and until the occurrence of the earlier of a business combination, the repurchase of Ordinary Shares under the share repurchase agreement or in case of the liquidation of the Group under the liquidation waterfall. In no event will any shareholder be entitled to withdraw funds from the Escrow Account directly. The Foundation agreed to comply with the instructions given to it by the Escrow Agent as required to receive and disburse the Escrow Account and the interest in accordance with the Escrow Agreement. The Company and the Escrow Agent have no right or claim (including for damages) against the Foundation.

*Other Receivables*

Other receivables are recognized initially at fair value. They are subsequently measured at amortized cost using the effective interest method, less loss allowance (if any).

*Other Payables*

These amounts represent liabilities to the Group incurred before the end of the financial year which are unpaid. Other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value. And subsequent measurement at amortized cost using the effective interest method.

*Financial Instruments – General*

**Financial assets – Classification and measurement**

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI) or through profit or loss), and

- those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

**Financial assets - Recognition and derecognition**

Regular purchases and sales of financial assets are recognized on the trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or been transferred.

**Financial assets – Initial recognition**

At initial recognition the Group measures a financial asset at its fair value plus, in the case of a financial asset not carried at fair value through profit or loss, transaction costs directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

**Financial assets – Subsequent measurements**

Subsequent measurement depends on the Group's business model for managing the asset and the cash flow characteristics. All financial assets are subsequently measured at fair value. Any gain or loss arising from derecognition is recognised directly in profit or loss.

**Financial liabilities - Recognition**

Financial liabilities are recognized when the Group becomes a party to the contractual provisions of the financial instrument.

**Financial liabilities at amortized cost**

Financial liabilities at amortized cost include Ordinary Shares and other payables. These financial liabilities are initially recognized at fair value.

Subsequently, the effective interest method measures trade and other payables at amortized cost. Other payables are classified as current liabilities due to their short- term nature, except for maturities greater than 12 months after the end of the reporting period.

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include the Public Warrants and the Founder Warrants. These financial liabilities are initially recognised at fair value with subsequent changes in fair value being recognised directly in the consolidated statement of profit and loss.

**Financial liabilities – Derecognition**

The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in the consolidated statement of profit and loss.

The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

**Offsetting financial instruments**

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts. There is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The Group does not have any legally enforceable right to offset the recognized amounts in the balance sheet.

*Specific Financial Instruments – Disclosure on Treatment and Elements of Judgement*

*Special Shares*

EFIC1 had issued Special Shares to the Sponsors. Management has exercised judgement in determining whether these instruments should be treated as financial instruments or as share-based payments (IFRS 2) and concluded that the instruments are in the scope of IFRS 2 as equity-settled instruments, as, among other indicators, these are issued at a steep discount compared to Ordinary Shares in which they automatically and mandatorily convert upon a business combination and all holders of the Special Shares were members of the leadership team or otherwise personally and collectively involved to serve EFIC1's main objective to find a target and negotiate a business combination Agreement. The share-based remuneration represents the difference in the estimated fair value of the instruments issued on 30 March 2021 of EUR 1.95 and the amount paid, being the par value of a special share of EUR 0.01 each.

The grant-date fair value of equity-settled share-based payment awards granted is generally recognised as an expense, with a corresponding increase in equity, over the service period of the awards. Management has exercised judgement in determining the grant date and concluded that the grant date should be 30 March 2021 (the IPO settlement date) as this aligns with the date the fair value of the units issued to the public and as from that date onwards there is a shared understanding between all shareholders what the leadership team is to do.

At the grant date, the fair value of the Special Shares was estimated at EUR 1.95 and is to be allocated over the service period on a straight-line basis. The service period starts at the date of grant and ends at the date of a successful business combination. As at the grant date the service period of 24 months was applied, this service period was also applied for the restated figures of 30 June 2021.

As there is no market price readily available for the Special Shares, the fair value of the Special Shares is estimated using a valuation technique to estimate what the price of the Special Shares would have been on the measurement date in an arm's length transaction between knowledgeable, willing parties. The fair value factors in the effect of market conditions such as the probability of the approval of the business combination at the extra-ordinary general meeting and exclude non-market conditions such as the fact that the leadership team remains in service until a suitable target has been identified and a business combination agreement reached. As the service period is not fixed, management considered that, due to the announcement of a proposed business combination on 13 December 2021, information became available prior to the end of the reporting period, to revise the estimate of the length of the service period until the expected date of the business combination is expected. The latest estimate as of 31 December 2021, of the length of the service period from the grant date to the date the performance conditions are fulfilled, is ten months, which leads to an acceleration of the service period up to the expected business combination closing date.

The estimated fair value is allocated to the profit and loss over the service period and reported as share-based payment costs with an offset in equity. As a result, an expense of EUR 14,988 thousand is recognized in the consolidated statement of profit and loss over the period ending 31 December 2021.

*Option to Acquire Special Shares (Davey Call Option)*

The Davey Call Option is in the scope of IFRS 2, and its granting is considered a share-based payment for the services provided by him as part of EFIC1's leadership team. As the Davey Call Option entitled only rights to Special Shares, which would automatically and mandatorily convert into Ordinary Shares upon a business combination, and as at such moment the Ordinary Shares no longer have any rights under the Share Repurchase Agreement and qualify as equity, the share-based payment for Mr. Davey is equity-settled.

As there is no market price readily available for the Davey Call Option, the fair value is estimated using a valuation technique that factors in the effect of market conditions such as the probability of approval of the business combination at the Extraordinary General Meeting and excludes non-market conditions such as the fact that Mr. Davey is to remain in service until a suitable target has been identified and a business combination Agreement reached.

The Davey Call Option can be economically considered as 1,012,560 individual options with an exercise price of EUR 0.01 to a Special Share as underlying. Although the Davey Call Option has an American feature, we have used a Black-Scholes-Merton option pricing model given the assumption of a zero-dividend yield during the life of the option.

As the service period is not fixed, the Group considers if subsequent information becomes available to revise the estimate of the length of the service period until the actual outcome is known. The latest estimate as of 31 December 2021, of the length of the service period from the grant date to the date the performance conditions are fulfilled would be in the range of ten months, assuming the announcement on 13 December 2021, leads to an acceleration of the service period up to the expected business combination closing date.

The estimated fair value will be allocated to the profit and loss over the service period and reported as share-based payment costs with an offset in equity. As a result, an expense of EUR 1,768 thousand is recognized in the consolidated statement of profit and loss over the period ending 31 December 2021.

*Treasury Shares*

At the time of the IPO, EFIC1 issued 146,040,000 Ordinary Shares and 48,680,000 warrants for a total amount of EUR 1,460 thousand to two of the Sponsors, who subsequently sold and delivered these back to EFIC1 for the same amount. As at 2 February 2022, Ordinary Shares held in treasury amounted to 70,078,452.

*Capital Shares and Sponsor Call Option*

The sponsors, excluding Mr. B. Davey, each have an irrevocable right to call for 499 additional Capital Shares, 998 shares in total, against an exercise price of EUR 10,000 per share (the "Sponsor Call Option"). The Sponsor Call Option can be exercised from the date of the agreement, 25 March 2021, up to and including their tenth anniversary. The Capital Shares and the Sponsor Call Option to acquire additional Capital Shares are classified as liability instruments as a result of their terms and conditions. The initial measurement is at amortised cost, which approximates fair value at the issuance date, being EUR 10,000 for one Capital Share and close to zero for the Sponsor Call Option. Subsequently, their measurement remains at amortised cost. During the year 2021, the Sponsor Call Option was exercised in relation to 20 Capital Shares.

### *Ordinary Shares*

The initial classification and measurement of the Ordinary Shares is a financial liability, measured at fair value less transaction costs that are directly attributable to their issuance because the ordinary shareholder has the right to sell its Ordinary Shares to the Group at liquidation or prior to a proposed business combination which the Group cannot avoid at EUR 10.00 per share less negative interest incurred of EONIA -5 bps for the first 12 months from the settlement date. Ordinary shares are classified as a financial liability in accordance with IAS 32.18 until the point when this redemption feature lapses.

The initial fair value of an Ordinary Share is estimated at EUR 9.75, of which directly attributable transaction costs of EUR 5,770 thousand is deducted, being the upfront costs related to the public offering allocated between the Ordinary Shares and the Public Warrants on a relative fair value basis.

The subsequent measurement of the Ordinary Shares is amortised cost. The amortization period is initially 24 months, as this represents the theoretical maximum tenure of the liability but is accelerated following the announcement of the business combination on 13 December 2021. Amortization of these costs under the effective interest rate method represents interest expenses.

### *Public Warrants*

The Public Warrants classify as a financial liability and are initially measured at their fair value. Subsequent to initial recognition, the Public Warrants are measured at fair value, and changes therein are recognised in profit or loss.

The Public Warrants do not qualify as equity as the 'fixed-for-fixed' test in IAS 32.16(b)(ii) is not met as the conversion ratio is not fixed and various cashless settlement options exist. Hence, the Public Warrants are initially measured at their fair value, estimated at EUR 0.75 at the Settlement date. Directly attributable transaction costs are allocated to the Public Warrants on a relative fair value basis (estimated at 2.5%) and directly expensed as issuance costs. The subsequent measurement of the Public Warrants is fair value with changes reflected directly in the consolidated statement of profit and loss.

### *Founder Warrants*

The Founder Warrants are in the scope of IAS 32 as these are considered to be issued at fair value and the proceeds represent the main capital at risk used to cover the running cost of the Group. The Founder Warrants are derivatives and because of their specific redemption features, the 'fixed-for-fixed' test in IAS 32.16(b)(ii) is not met, and as a result, they classify as financial liability instruments, initially measured at fair value, estimated at EUR 1.50. Unlike the Public Warrants, Founder Warrants held by the sponsors or their permitted transferees are not redeemable by the Group without their consent and are exercisable on a cashless basis. Directly attributable transaction costs are directly expensed as issuance costs. The subsequent measurement of the Founder Warrants is fair value with changes reflected directly in the consolidated statement of profit and loss.

### *Expenses*

Expenses arising from the Group's operations are accounted for in the year incurred.

### *Finance Income and Expenses*

Finance expenses include the amortization of costs on Ordinary Shares calculated using the effective interest method. The amortization takes into account (a) the unwinding of the net present value of the redemption amount (b) the discount comprised in the detachment of the one-third warrant and (c) the directly attributable transaction costs. Also, finance expenses include interest expenses on the Company's cash and cash equivalent balances as well as interest incurred on the Escrow account held by the Foundation.

*Corporate Income Tax and VAT*

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

The Company has been registered as a VAT entity. Therefore, the net VAT on revenue and expenses is assessed and filed on a quarterly basis and any balance is included under other receivables.*Notes to the Cash Flow Statement*

The cash flow statement has been prepared using the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

Interest paid on cash and cash equivalents and taxes paid are presented as operating cash flows and the interest paid on the Escrow account as investing cash flows.

*Operating Segments*

The activities of the Company are considered to be a single operating segment under IFRS 8. Hence no further segmental disclosures are included in the financial statements.

## 3. Financial Instruments and Risk Management

### I. General

The carrying amount of the Ordinary Shares is determined based upon amortized cost calculation, using the effective interest rate method. The fair value per 31 December 2021 of Ordinary Shares is based on a Level 1 valuation using the listed market price of the Ordinary Shares at Euronext Amsterdam of EUR 9.94.

The Public Warrants initial fair value is estimated at EUR 0.75 at the settlement date of the unit. The directly attributable transaction costs related to the Public Warrants shall be directly recognized as an expense in the consolidated statement of profit or loss. The fair value per 31 December 2021 of the Public Warrants is based on a Level 1 valuation using the listed market price of these Public Warrants at Euronext Amsterdam of EUR 0.75.

### II. Risk Management

The Group's management board has the overall responsibility for establishing and overseeing the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, set appropriate risk limits and controls and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions.

*Credit Risk*

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables. The Group's credit risk mainly relates to its cash- and cash equivalents and to the Escrow account that are placed at a bank. This represents a concentration of credit risk with ABN AMRO bank. The Group determines the credit risk of cash- and cash equivalents and the funds in Escrow that are placed with this bank as low, given its (on average) A-credit rating.

*Liquidity Risk*

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's objective when managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. As at 31 December 2021, the Company has sufficient funds to pay its obligations for the next year. In order to ensure that EFIC1 could continue to (i) meet its payment obligations (either on the basis of a direct engagement or pursuant to a cost-sharing arrangement with Azerion Holding B.V.) 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 EFIC1 for the remainder of its lifetime (i.e. up to the earlier of the Completion Date and the date of liquidation of EFIC1), certain affiliates of the Sponsors entered into an irrevocable funding undertaking vis-à-vis EFIC1 (also referred to as "Sponsor Funding Commitment"). Pursuant to this undertaking, each of these affiliates of the Sponsors committed to provide on a pro rata basis an additional cash injection into EFIC1 (in the form of an unsecured subordinated loan, a share premium contribution on Ordinary Shares or otherwise) up to a maximum aggregate amount of EUR 2.7 million, upon the request of the EFIC1 Board and solely if and to the extent required for the abovementioned purposes. The undertaking lapsed and became no longer effective upon completion of the business combination.
In the following overview the estimated durations for the assets and liabilities are presented.

| (in EUR '000) | **≤ 3 months** | **between 3 and 12 months** | **Between 1 and 5 years** | **Total** |
|---|---|---|---|---|
| **Assets** | | | | |
| Other receivables | 282 | - | - | 282 |
| Cash and cash equivalents | 1,484 | - | 380,745 | 382,229 |
| **Total assets** | **1,766** | **-** | **380,745** | **382,511** |
| | | | | |
| **Liabilities** | | | | |
| Ordinary shares | - | - | 373,464 | 373,464 |
| Capital Shares | - | - | 220 | 220 |
| Founder warrants | - | - | 8,673 | 8,673 |
| Public warrants | - | - | 9,552 | 9,552 |
| Interest payable | 177 | - | - | 177 |
| Other payables | 12,600 | - | - | 12,600 |
| **Total liabilities** | **12,777** | **-** | **391,909** | **404,686** |
| | | | | |
| **Liquidity gap** | **-11,011** | **-** | **-11,164** | **-22,175** |

In relation to the identified liquidity gap, it is important to note that the Other payables mainly relate to the deferred underwriting fee that only becomes payable and is conditional upon completion of the business combination. As further described in Note 19, the completion of the business combination resulted in approximately EUR 93 million of gross total primary cash proceeds for the Company, including approximately EUR 70 million of funds from the EFIC1 escrow account (net of negative interest and after effectuation of the share repurchase arrangement) complemented by a sponsor and co-investor commitment of EUR 23.15 million. Net of transaction costs and expenses, the Company received approximately EUR 56 million of primary cash proceeds for use by the Company.

### *Market Risk*

Market risk is the risk that changes in market prices – e.g. interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Group is mainly subject to the changes in the market price of the Public Warrants and Founder Warrants as movements in the fair value of these instruments are directly recognized in profit and loss. Additionally, the Group lacks an operating history, and therefore, prospective investors have no basis on which to evaluate the Group's performance and ability to achieve its objective of completing a business combination. If the Group fails to complete a business combination within 24 months after its establishment, it will not be able to generate any revenues, which would effectively prevent the Group from paying dividends to shareholders. The trading price of the Ordinary Shares and the warrants will then materially decline, which may result in a loss on any investment in the Group. As at 1 February 2022 a successful business combination was effectuated.

### *Currency Risk*

The Group will raise its equity in Euro, but the Group may be required to pay the purchase price of the business combination in a currency other than the Euro, such as U.S. dollars, Pound Sterling or Shekel, as possible targets would be found in the areas were these currencies are used. There could be a period of several months between the completion of the offering, which will be received in Euro, and payment of the purchase price upon the completion of the business combination. During this time, the Group will be exposed to the risk of a significant depreciation in the value of the Euro against other currencies, including the currency in which the Group will pay the purchase price for the business combination, which may increase the relative costs of the business combination and may reduce investors' return on investment in the Group.

### *Interest Risk*

The Escrow account will incur negative interest, which is expected to be EONIA -5bps for the first 12 months and EONIA -10bps for the twelve months thereafter, which is deducted from the Escrow account directly as incurred. Positive interest is for the account of the Group.

## 4. Deferred Underwriting Fees and Other Expenses

The underwriters are conditionally entitled to a deferred underwriting fee. This fee is solely payable upon completion of the business combination and will be paid out of the resources available to the Company post business combination, in accordance with the terms in the underwriting agreement. The deferred underwriting fee is accounted for in full in 2021 as an expense.

The other expenses include sales expenses and general office expenses.

## 5. Effective Interest on Ordinary Shares

The IPO transaction costs of EUR 6,040 thousand are allocated pro-rata (based on respective fair values) to the Ordinary Shares and to the Public Warrants for EUR 5,770 thousand and EUR 270 thousand respectively.

The effective interest on the Ordinary Shares amounts to EUR 6,688 thousand in 2021 and is recognized in the profit and loss account. The effective interest calculation was initially based on 24 months. As of 13 December 2021, the date of announcement of the business combination, the residual is calculated based on the expected date of the business combination per 1 February 2022.

The IPO transaction costs allocated to the Public Warrants and Founder Warrants are directly recognized in the profit and loss account.

## 6. Income Taxes

The Company's tax jurisdiction is the Netherlands. Tax rebates and deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised.

The calculation of the effective tax amount for the year 2021 is as follows.

**Income taxes**

| (in EUR '000) | **2021** |
|---|---|
| Result of the year before tax | -39,046 |
| Dutch Corporate Tax rate | 25% |
| Income tax using the Dutch corporate tax rate | -9,762 |
| Derecognition of the current tax receivable as it is not expected to recover from future profits | 9,762 |
| Effective tax amount | - |

## 7. Earnings per Share

Despite the fact that Ordinary Shares are not the most subordinate class of shares, management has exercised its judgement that using the number of Ordinary Shares outstanding provides the most relevant information to the public shareholder. The basic and diluted EPS calculation has been based on the following loss attributable to ordinary shareholders and the weighted-average number of Ordinary Shares outstanding.

| **In EUR'000** | | **30/03/2021 to 31/12/2021** |
|---|---|---|
| | shares | proceeds |
| Net income (loss) attributable to ordinary shareholders (EUR) | | (39,046) |
| Outstanding number of shares for the basic earnings per share as at 30 March | 38,210 | |
| **Weighted-average number of shares outstanding for the purposes of basic earnings per share** | **38,210** | |
| Incremental ordinary shares for assumed exercise of public warrants | 12,737 | 157,971 |
| Incremental ordinary shares for assumed exercise of founder warrants | 5,256 | 60,446 |
| Incremental ordinary shares for assumed conversion of special shares | 8,540 | - |
| Incremental ordinary shares for assumed exercise of the Davey call option | 1,013 | 10 |
| **Weighted-average number of shares outstanding for the purposes of diluted earnings per share** | **65,463** | |

## 8. Number of Employees

The Company had 3 employees as at 31 December 2021.

## 9. Share-based Payments

As disclosed under the significant accounting policies section, as at 31 December 2021, the Group has accounted for share-based payment arrangements for the Special Shares and the Davey Call Option.

| **Special shares** | **25/1/2021** | **Granted** | **Forfeited** | **Exercised** | **Expired** | **31/12/2021** |
|---|---|---|---|---|---|---|
| Number of shares | - | 8,539,894 | - | - | - | 8,539,894 |
| Fair value at grant date per share | - | 1.95 | - | - | - | 1.95 |
| Total amount at grant date (in € '000) | | 16,653 | | | | |

| **Davey call option** | **25/1/2021** | **Granted** | **Forfeited** | **Exercised** | **Expired** | **31/12/2021** |
|---|---|---|---|---|---|---|
| Number of shares | - | 1,012,560 | - | - | - | 1,012,560 |
| Fair value at grant date per option | - | 1.94 | - | - | - | 1.94 |
| Total amount at grant date (in € '000) | | 1,964 | | | | |

Upon completing a business combination, the Special Shares will convert into Ordinary Shares. In the event that the Company did not complete a business combination within 24 months from the settlement date of the IPO the Group would be dissolved and liquidated. The Special Shares will not convert into Ordinary Shares upon such liquidation.

The Davey Call Option entitles only rights to Special Shares, which automatically and mandatorily convert into Ordinary Shares upon a business combination. In liquidation the Davey Call Option will lapse and cannot be exercised.

Related to these share-based payments, for Special Shares and Davey Call Option, a total expense of EUR 16,755 thousand is recognized in the statement of profit and loss over the period ending 31 December 2021. This amount is 9/10 of the grant date fair value, as a consequence of the acceleration of the vesting period.

## 10. Remuneration of the Management Board and Supervisory Board

With the exception of Mr. K. Meertens and Mr. B. Davey, all the executive and non-executive Directors of EFIC1 indirectly participated in the Company's shareholding structure through EFIC1 Group Coöperatie U.A. Mr. B. Davey participated directly. 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 EUR 40 million of EFIC1 units in the initial public offering of EFIC1 (the "EFIC1 IPO"). Mr. K. Meertens also became a non-executive Director of EFIC1.

The participations can be summarised as follows:

**Overview of Holdings of Sponsors and Leadership Team**

| | Special shares As per 25 March 2021 | | Founder warrants As per 25 March 2021 | | Capital shares As per 25 March 2021 | |
|---|---|---|---|---|---|---|
| | # | EUR | # | EUR | # | EUR |
| HTP Sponsor | 4,776,227 | 47,762 | 3,344,111 | 5,016,167 | 1.00 | 10,000 |
| Ben Davey | - | - | 434,476 | 651,714 | - | - |
| Martin Blessing | 1,012,560 | 10,126 | 434,476 | 651,714 | 0.27 | 2,700 |
| Nicholas Aperghis | 1,499,735 | 14,997 | 606,698 | 910,047 | 0.40 | 4,000 |
| Clara Streit | 210,156 | 2,102 | 73,570 | 110,355 | 0.06 | 600 |
| Hélene Vletter-van Dort | 47,762 | 478 | 16,721 | 25,082 | 0.01 | 100 |
| Jan Bennink | 47,762 | 478 | 16,721 | 25,082 | 0.01 | 100 |
| Chris Figee | 47,762 | 478 | 16,721 | 25,082 | 0.01 | 100 |
| Other (non board members) | 897,930 | 8,979 | 312,674 | 469,011 | 0.24 | 2,400 |
| **Total** | **8,539,894** | **85,399** | **5,256,168** | **7,884,252** | **2** | **20,000** |

| | Special shares As per 31 December 2021 | | Founder warrants As per 31 December 2021 | | Capital shares As per 31 December 2021 | |
|---|---|---|---|---|---|---|
| | # | EUR | # | EUR | # | EUR |
| HTP Sponsor | 4,776,227 | | 3,344,111 | 5,517,783 | 11.00 | 110,000 |
| Ben Davey | - | | 434,476 | 716,885 | - | - |
| Martin Blessing | 1,012,560 | | 434,476 | 716,885 | 0.27 | 2,700 |
| Nicholas Aperghis | 1,499,735 | | 606,698 | 1,001,052 | 3.73 | 37,333 |
| Clara Streit | 210,156 | | 73,570 | 121,391 | 0.06 | 600 |
| Hélene Vletter-van Dort | 47,762 | | 16,721 | 27,590 | 0.01 | 100 |
| Jan Bennink | 47,762 | | 16,721 | 27,590 | 0.01 | 100 |
| Chris Figee | 47,762 | | 16,721 | 27,590 | 0.01 | 100 |
| Other (non board members) | 897,930 | | 312,674 | 515,912 | 6.91 | 69,067 |
| **Total** | **8,539,894** | **-** | **5,256,168** | **8,672,677** | **22** | **220,000** |

In addition to the above, at IPO, HTP Sponsor acquired an additional 4,000,000 Ordinary Shares.

The combined overview of the compensation for the key management personnel is as follows:

**Key Management Personnel compensation**

(in EUR '000)

| | Short term benefits | Share based payment | | Founder warrants | **Total** |
|---|---|---|---|---|---|
| | | Special shares | Call option | | |
| Martin Blessing | 45 | 1,974 | - | 717 | 2,736 |
| Ben Davey | 54 | - | 1,964 | 717 | 2,735 |
| Nicholas Aperghis | 45 | 2,924 | 0 | 1,001 | 3,971 |
| **Subtotal Key Management** | **144** | **4,899** | **1,964** | **2,435** | **9,442** |
| | | | | | |
| Klaas Meertens | - | - | - | - | - |
| Clara Streit | 8 | 410 | - | 121 | 539 |
| Hélene Vletter-van Dort | 8 | 93 | - | 28 | 129 |
| Jan Bennink | 8 | 93 | - | 28 | 129 |
| Chris Figee | 8 | 93 | - | 28 | 129 |
| **Total Key managemet & Leadership Tea** | **176** | **5,588** | **1,964** | **2,639** | **10,368** |

The special shares are presented based on the grant date fair value.
The founder warrants are presented based on the fair value at year end.

## 11. Other Receivables

| **In EUR'000** | **31/12/2021** |
|---|---|
| VAT tax receivable | 247 |
| Other receivables | 35 |
| **Total** | **282** |

The fair value of the receivables approximates their carrying amounts.

## 12. Cash and Cash Equivalents

| **In EUR'000** | **31/12/2021** |
|---|---|
| Cash in Escrow account | 380,745 |
| Bank balances | 1,454 |
| **Total** | **382,199** |

The gross proceeds of the IPO have been deposited in an escrow account held by the Foundation. These amounts were to be released only under the terms of the escrow agreement between the Company, Intertrust Escrow and Settlements B.V., acting under its trade name Intertrust Escrow Services and the Foundation. The cash in the escrow account is restricted and not freely available to the Group.

The escrow account was subject to a negative interest rate of EONIA -5bps for the first 12 months and EONIA -10bps for the twelve months after that. In 2021 an amount of EUR 1,528 thousand was charged as interest expense to the consolidated statement of profit and loss.

The cash at the other bank accounts (non escrow) is freely available to the Group.

## 13. Equity

Share capital at 25 January 2021 was divided into 100 shares with a par value of EUR 1 each. These Ordinary Shares were issued and paid for the nominal value of EUR 100 in aggregate. As at 30 March

2021, 2 Capital Shares with a par value of EUR 10,000 each were issued and during 2021 an additional 20 Capital Shares were issued to the Sponsors, excluding Mr. B. Davey, for EUR 200 thousand in total.

After a private placement to qualified investors between March 22 and March 25, 2021, EFIC1 successfully completed its IPO, and at the settlement date (March 30, 2021), EFIC1 issued 38,209,815 units for EUR 10.00 each to the subscribers, of which 4,000,000 were issued to H.T.P. Capital Partners B.V., one of the Sponsors of EFIC1 and the remainder to other investors.

Each unit consisted of one Ordinary Share and one-third of a warrant. After 35 days after the first trading date, the one-third warrant was detached, and the units became separately listed as 38,209,815 Ordinary Shares and 12,736,605 Public Warrants.

Also, at the time of its IPO, EFIC1 issued 146,040,000 Ordinary Shares and 48,680,000 warrants for a total amount of EUR 1,460 thousand (EUR 0.01 each) to two of the Sponsors of EFIC1, who subsequently sold and delivered these back to EFIC1 for the same amount. As at 2 February 2022, Ordinary Shares held in treasury amounted to 70,078,452.

By means of a notarial deed of issuance a private placement was effectuated simultaneously with the IPO, to the Sponsors (H.T.P. Capital Partners B.V. and EFIC1 Group Coöperatie UA and to Mr. B. Davey in person) at the settlement date, a total of 5,256,167 Founder Warrants was placed at EUR 1.50 each, providing funds of EUR 7,884 thousand in total. Also, 8,539,894 Special Shares were issued at a price of EUR 0.01 each, providing funds of EUR 85,399 in total. These funds are the main source of the cash provided to the cost cover account used to cover the costs of the Company before a business combination.

Under Dutch law, the Group is not required to have, and does not have, an authorised share capital (maatschappelijk kapitaal), because it is a private company with limited liability.

The proposal to the General Meeting is that the 2021 loss for the period will be recognized in accumulated deficits.

## 14. Ordinary Shares, Public Warrants and Capital Shares

### Ordinary shares

At IPO, EFIC1 issued 38,209,815 Ordinary Shares and 12,736,605 Public Warrants as part of a unit for an offer price of EUR 10 per unit. One unit consisted of 1 Ordinary Share and 1/3 Public Warrant.

| **In EUR'000** | **25/01/2021 to 31/12/2021** |
|---|---|
| IPO proceeds based on sale of Units | 382,098 |
| Less: initial recognition of the public warrants | (9,552) |
| Less: transaction cost | (5,770) |
| **Carrying amount at April 2021** | **366,776** |
| Effective interest accretion | 6,688 |
| **Carrying amount per 31 December 2021** | **373,464** |

### Public Warrants

| **Instrument** | **Number** | **Initial value** | **Fair value at 31 December 2021** | **Total value at 31 December 2021** |
|---|---|---|---|---|
| Public warrants | 12,736,605 | 0.75 | 0.75 | 9,552,454 |

| **In EUR'000** | **25/01/2021 to 31/12/2021** |
|---|---|
| Initial recognition of the public warrants | 9,552 |
| Change in fair value of public warrants | - |
| **Carrying amount per 31 December 2021** | **9,552** |

Each of the Public Warrants will be exercisable after completing the business combination. The initial fair value is EUR 0.75 and the fair value at 31 December 2021 is EUR 0.75.

EFIC1 had 24 months to achieve a business combination. If EFIC1 did not successfully complete an acquisition in this period, the Group would be liquidated and the proceeds raised pursuant to the IPO would be refunded to the ordinary shareholders minus negative interest, see Going Concern paragraph in Note 1 above.

### Capital shares

Capital Shares are classified as liability instruments as a result of their terms and conditions. The initial measurement is at amortised cost, which approximates fair value at the issuance date, being EUR 10,000 for one Capital Share and close to zero for the Sponsor Call Option. Subsequently, their measurement remains at amortised cost. During the year 2021, the Sponsor Call Option was exercised in relation to 20 Capital Shares.

## 15. Founder Warrants

By means of a notarial deed of issuance a private placement was effectuated simultaneously with the IPO, to the Sponsors (H.T.P. Capital Partners B.V. and EFIC1 Group Coöperatie UA and to Mr. B. Davey in person) at the Settlement date, a total number of 5,256,167 Founder Warrants was placed at a price of EUR 1.50 each, providing funds of EUR 7,884 thousand in total. These funds are the main source of the cash provided to the cost cover account used to cover the costs of the Company prior to the business combination.

| Instrument | Number | Initial value | Fair value at 31 December 2021 | Total value at 31 December 2021 |
|---|---|---|---|---|
| Founder warrants | 5,256,167 | 1.50 | 1.65 | 8,672,676 |

| In EUR'000 | 25-1-2021 to 31/12/2021 |
|---|---|
| Initial recognition of the founder warrants | 7,884 |
| Change in fair value of founder warrants | 788 |
| **Carrying amount per 31 December 2021** | **8,673** |

## 16. Other Payables

| In EUR'000 | 31/12/2021 |
|---|---|
| Deferred Underwriting Fee | 11,746 |
| Trade payables | 809 |
| Tax payables | - |
| Other liabilities | 45 |
| **Total** | 12,600 |

The underwriters are conditionally entitled to a deferred underwriting fee. This fee is solely payable upon completion of the business combination and will be paid out of the resources available to the Company post business combination, in accordance with the terms in the underwriting agreement.

All other current liabilities fall due in less than one year. Therefore, the fair value of the current liabilities approximates the carrying amount due to its short-term character.

## 17. Contingencies and Commitments

The Sponsors had entered into the Sponsor Funding Undertaking as further disclosed in the paragraph of this report relating to Going Concern and which lapsed and became no longer effective upon completion of the business combination.

## 18. Related Party Transactions

Transactions with related parties are assumed when a relationship exists between the Group and a natural person or entity that is affiliated with the Group. This includes, amongst others, the relationship between the Group and its subsidiaries, shareholders, sponsors, directors and other key management personnel. Transactions are transfers of resources, services or obligations, regardless of whether anything has been charged. For transactions with key management personnel see note 10.

Transaction with the Sponsors:

- the charged cash remuneration to the Executive and non-Executive Directors for the services provided which amounts to approximately EUR 170 thousand, plus the monthly housing allowance to Mr. B. Davey of EUR 1,050.
- The incorporation of the Company (including the costs thereof) including the issuance of the Special Shares, the Founder Warrants, the Capital Shares and the call option to Capital Shares;
- the issuance of Ordinary Shares and Public Warrants to the Sponsors as part of the private placement; and
- the issuance of the call option to Special Shares to one of the sponsors, the Davey Call Option.

## 19. Events after the Balance Sheet Date

Prior to the proposed business combination, holders of Ordinary Shares executed their option under the share repurchase arrangement, resulting in the acquisition of 31,228 thousand Ordinary Shares by the Group and payment of EUR 310,864 thousand from the Escrow account.

In the business combination, Azerion Group N.V. obtained 100% ownership in Azerion Holding B.V. The business combination resulted in approximately EUR 93 million of gross total primary cash proceeds, including approximately EUR 70 million of funds from the EFIC1 escrow account (net of negative interest and after effectuation of the share repurchase arrangement) supplemented by an additional sponsor and co- investor commitment of EUR 23.15 million. With the completion of the business combination, Azerion Group N.V. received approximately EUR 56 million of net primary cash proceeds (net of transaction costs and expenses).

The residual balance of the Escrow account of EUR 70,325 thousand became unrestricted and was transferred from the Escrow Foundation for the free use of Azerion Group N.V. The business combination transaction is effected in The Netherlands and therefore in Euro.

As a result of the business combination the following other changes to the capital structure of Azerion Group N.V. were effectuated:

- Cancellation of 853,989 Special Shares and reclassification of 1,152,886 Special Shares into conditional Special Shares. (Conditional Special Shares are convertible into Ordinary Shares subject to additional conditions to be met within five years as of the Completion Date.) Conversion of the remaining 6,533,019 Special Shares into Ordinary Shares of Azerion Group N.V.
- Amendment of the Davey Call Option into an unconditional call option on a maximum of 628,974 Ordinary Shares and a call option on 110,996 Ordinary Shares which will solely become exercisable if the share price of Ordinary Shares equals or exceeds EUR 12.00 per share for any 20 trading days within any 30 trading-day period within a period of five years after the business combination.

■ Grant of 17,922,773 Founder Warrants to both founders of Azerion Holding B.V., subject to the same terms and conditions as the other Founder Warrants.

■ The holders of the Founder Warrants waived their right to retain the warrants in case of a call by the issuer (now Azerion Group N.V.). As a result, the terms and conditions of the Founder Warrants are now broadly equivalent to the Public Warrants.

■ Waiving of dividend and voting rights relating to Conditional Special Shares.

Payment of deferred underwriting fees and other costs in relation to the business combination for a total amount of approximately EUR 36 million.

Immediately after completion of the business combination the issued share capital of Azerion Group N.V. was as follows:

| **Type of security** | **Number [1]** |
|---|---:|
| Total Ordinary Shares | 181,561,748 |
| Of which shares in treasury [2] | 70,078,452 |
| **Ordinary Shares** | **111,483,296** |
| Capital Shares | 22 |
| Conditional Special Shares | 1,152,886 |
| Warrants [3] | 12,736,605 |

Notes:

1. Excluding any conditional and unconditional option rights and Founder Warrants existing at the date of the business combination, which in aggregate entitle the holders to receive up to a maximum of 24,160,245 Ordinary Shares.
2. The Ordinary Shares in treasury can be used for acquisitions, exercise of warrants and option rights and other general funding purposes.
3. The outstanding Warrants listed on Euronext Amsterdam at the date of the business combination entitle the holders to receive up to 12,736,605 Ordinary Shares.

The ownership percentages, immediately after the completion of the business combination, were as presented in the table below. These percentages may differ from the capital interest and voting rights percentages as found in the register substantial interests of the AFM, due to the specific regulatory requirements applicable to AFM notifications.

| **Shareholder** | **% in ordinary Share capital [4]** |
|---|---:|
| Principion Holding B.V. [5] | 74.3 [6] |
| Azerion Holding B.V., former depositary receipt holders | 7.5 |
| Azerion former stock appreciation rights holders | 4.0 [7] |
| Former EFIC1 converted Special Shares holders | 5.9 |
| Other shareholders | 8.3 |
| | 100.0 |

4. Excluding treasury shares as well as any conditional and unconditional option rights and Founder Warrants existing at 2 February 2022, which in aggregate entitle the holders to receive up to a maximum of 24,160,245 Ordinary Shares.
5. An entity controlled by Azerion's co-founders and co-CEOs.

6. Including shares held for settlement of future acquisition-related earn out and other obligations.
7. Excluding shares held for settlement of future acquisition-related earn out and other obligations.

# Company Financial Statements for the period 25 January to 31 December 2021

## Company Balance Sheet

(Before profit appropriation)

| In EUR'000 | Notes | 31/12/2021 |
|---|---|---|
| **Assets** | | |
| ***current assets*** | | |
| Other receivables | 1 | 381,027 |
| Cash and cash equivalents | | 1,454 |
| **Total current assets** | | **382,481** |
| **Total assets** | | **382,481** |
| **Equity** | | |
| Share based payment reserve | | 16,841 |
| Result for the year | | (39,046) |
| **Total equity** | 2 | **(22,205)** |
| **Liabilities** | | |
| ***current liabilities*** | | |
| Ordinary shares | | 373,464 |
| Capital Shares | | 220 |
| Founder warrants | | 8,673 |
| Public warrants | | 9,552 |
| Interest payable | | 177 |
| Other payables | | 12,600 |
| **Total current liabilities** | | **404,686** |
| **Total liabilities** | | **404,686** |
| **Total equity and liabilities** | | **382,481** |

## Company Statement of Profit and Loss

| In EUR'000 | Notes | 25/01/2021 to 31/12/2021 |
|---|---|---|
| Sales | | - |
| Cost of sales | | - |
| **Gross profit** | | **-** |
| | | |
| **Expenses** | | |
| Salaries and social securities | | (170) |
| Share based payments (special shares and call options) | | (16,755) |
| Deferred Underwriting Fee | **4** | (11,746) |
| Other expenses | | (1,358) |
| **Operating expenses** | | **(30,029)** |
| | | |
| Change in fair value of founder warrants | | (788) |
| Change in fair value of public warrants | | - |
| Effective interest on ordinary shares | | (6,688) |
| Interest expenses escrow account | | (1,528) |
| Other interest expenses | | (12) |
| **Finance income and expenses** | | **(9,017)** |
| | | |
| **Profit/ (loss) before taxes** | | (39,046) |
| Income taxes | | - |
| **Profit/ (loss) for the period** | | **(39,046)** |

*Reference is made to the notes of the consolidated financial statements as there are no differences between the Consolidated and Company Statement of Profit and Loss.*

# Notes to the Company Financial Statements

## General Information

The company financial statements are part of the consolidated financial statements of European FinTech IPO Company 1 B.V., which entity changed in legal form into a limited company (naamloze vennootschap) on 2 February 2022 and renamed from EFIC1 to Azerion Group N.V. as a result of a business combination between EFIC1 and Azerion Holding B.V. which completed on 1 February 2022.

## Basis of Preparation

The Company financial statements of Azerion Group N.V. (formerly: European FinTech IPO Company 1 B.V.) have been prepared in accordance with Part 9, Book 2 of the Dutch Civil Code. In accordance with sub 8 of article 362, Book 2 of the Dutch Civil Code, the Company financial statements are prepared based on the accounting principles of recognition, measurement and determination of profit, as applied in the consolidated financial statements. These principles also include the classification and presentation of financial instruments, being equity instruments or financial liabilities. In case no other policies are mentioned, refer to the accounting policies as described in the accounting policies in the consolidated financial statements of this Annual report.

For an appropriate interpretation, the company financial statements should be read in conjunction with the consolidated financial statements. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

The current financial year covers the period 25 January 2021 until 31 December 2021.

## 1. Other Receivables

| **In EUR'000** | **31/12/2021** |
|---|---|
| Receivable Stichting EFIC1 Escrow | 380,745 |
| VAT tax receivable | 247 |
| Other receivables | 35 |
| **Total** | **381,027** |

The gross proceeds of the IPO were deposited in an escrow account held by the Escrow Foundation. These amounts would be released only in accordance with the terms of an escrow agreement between the Company, Intertrust Escrow and Settlements B.V., acting under its trade name Intertrust Escrow Services and the Escrow Foundation. The interest amounts are treated as related party transactions.

## 2. Equity

| **In EUR'000** | **Notes** | **Share capital** | **Share based payment reserve** | **Accumulated deficits** | **Result for the period** | **Total equity** |
|---|---|---|---|---|---|---|
| **Balance at incorporation - 25 January 2021** | | **0.1** | **-** | **-** | **-** | **0.1** |
| Profit/ (loss) for the period | | - | - | - | (39,046) | (39,046) |
| Other comprehensive income (loss) | | - | - | - | - | - |
| **Total comprehensive income (loss) for the period** | | **-** | **-** | **-** | **(39,046)** | **(39,046)** |
| **Transactions with shareholders** | | | | | | |
| Conversion share capital | | -0.1 | - | - | - | -0.1 |
| Share-based payments (special shares and call op | **9** | - | 16,841 | - | - | 16,841 |
| **Closing Balance - 31 December 2021** | | **-** | **16,841** | **-** | **(39,046)** | **(22,205)** |

For further details on movements in the different components of the shareholders equity, we refer to the consolidated statement of changes in equity.

Under Dutch law, the Company is not required to have, and does not have, an authorised share capital (maatschappelijk kapitaal), because it is a private company with limited liability.

The proposal to the General Meeting is that the 2021 loss for the period will be recognized in other reserves.

### 3. Audit Fees

The Company incurred the following audit expenses. Note that part of these expenses is included in the IPO transaction costs.

| **In EUR'000** | PWC | Deloitte |
|---|---|---|
| Audit services | - | - |
| Other audit procedures | - | - |
| Non-audit services | - | 45 |
| | - | 45 |

The fees listed above relate to the services provided to the Company during 2021 by accounting firms and external independent auditors as referred to in Section 1(a) of the Dutch Accounting Firms Oversight Act (Wta). Other audit procedures relate to work done in respect of the Prospectus and half year report. Non-audit services relate to the fair value calculations for special shares (IFRS 2) and founder warrants (IAS 32).

### Authorization of the Financial Statements

The financial statements were approved by the board of directors and authorized for issue on 26 April 2022.

On behalf of Azerion Group N.V.

| Mr. U. Akpinar | Mr. A. Aytekin | Ms. D. Alonso |
|---|---|---|
| Chief Executive Officer | Chief Executive Officer | Chief Financial Officer |

## Other Information

### Provision of Articles of Association Concerning Distributions

Pursuant to the Company's Articles of Association, the Company may make distributions to the shareholders provided that the Company's shareholders' equity exceeds the sum of the called-up and paid-in capital of the Company, plus legal and statutory reserves. If the Company's adopted financial statements show a profit, the Management Board shall determine which part of the profits shall be reserved. After any such reservation of profits (as determined by the Management Board), annually, an amount equal to two per cent (2%) of the paid up part of the nominal value of the issued and outstanding Capital Shares will be distributed (pro rata) to the holders of such Capital Shares, insofar the profits in the concerning financial year are sufficient to make such a distribution. The General Meeting may only resolve on any distribution from the Company's reserves pursuant to and in accordance with a proposal to that effect by the Management Board, which proposal has been approved by the Supervisory Board.

The provisions relating to profit appropriation are included in Article 27 of the Company's Articles of Association.

# Independent auditor's report

To: the general meeting and the supervisory board of Azerion Group N.V. (formerly: European FinTech IPO Company 1 B.V.)

## Report on the financial statements for the period 25 January 2021 to 31 December 2021

### Our opinion

In our opinion:

- the consolidated financial statements of Azerion Group N.V. together with its subsidiaries ('the Group') give a true and fair view of the financial position of the Group as at 31 December 2021 and of its result and cash flows for the period from 25 January 2021 to 31 December 2021 in accordance with International Financial Reporting Standards as adopted by the European Union ('EU-IFRS') and with Part 9 of Book 2 of the Dutch Civil Code;
- the company financial statements of Azerion Group N.V. ('the Company') give a true and fair view of the financial position of the Company as at 31 December 2021 and of its result for the period from 25 January 2021 to 31 December 2021 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

#### *What we have audited*

We have audited the accompanying financial statements for the period 25 January 2021 to 31 December 2021 of Azerion Group N.V., Amsterdam. The financial statements include the consolidated financial statements of the Group and the company financial statements.

The consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2021;
- the following statements for the period from 25 January 2021 to 31 December 2021: the consolidated statement of profit and loss, the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statement of cash flows; and
- the notes, comprising significant accounting policies and other explanatory information.

The company financial statements comprise:

- the company balance sheet as at 31 December 2021;
- the company statement of profit and loss for the period from 25 January 2021 to 31 December 2021; and
- the notes, comprising the accounting policies applied and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is EU-IFRS and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code for the consolidated financial statements and Part 9 of Book 2 of the Dutch Civil Code for the company financial statements.

## *The basis for our opinion*

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section ‘Our responsibilities for the audit of the financial statements’ of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence*

We are independent of Azerion Group N.V. in accordance with the European Union Regulation on specific requirements regarding statutory audit of public-interest entities, the ‘Wet toezicht accountantsorganisaties’ (Wta, Audit firms supervision act), the ‘Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten’ (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the ‘Verordening gedrags- en beroepsregels accountants’ (VGBA, Dutch Code of Ethics).

## *Our audit approach*

We designed our audit procedures with respect to the key audit matters, fraud and going concern, and the matters resulting from that, in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in support of our opinion, like our findings and observations related to individual key audit matters, the audit approach fraud risk and the audit approach going concern was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

### *Overview and context*

Azerion Group N.V. is a Special Purpose Acquisition Company (‘SPAC’) and obtained a listing on Euronext Amsterdam on 26 March 2021 pursuant to an initial public offering in which it raised €382 million in gross proceeds (the ‘IPO-proceeds'). The Company focused on opportunities in the broadly defined financial services and financial technology sector.

Azerion Group N.V. formed a group together with Stichting EFIC 1 Escrow, a foundation that held the IPO proceeds in escrow on a designated bank account.

The listing on Euronext Amsterdam and the subsequent focus on finding a suitable target business to complete a business combination characterised the financial year 2021. This affected the determination of materiality and our audit procedures with respect to the classification and valuation of the proceeds received, as described in the section ‘Materiality’ and ‘Key audit matters’.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the management board made important judgements, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. In paragraph 1 – Summary of Significant Accounting Policies (in section - Use of Judgements, Estimates and Changes to Interim Financial Statements 2021) the Company describes the areas of judgement in applying accounting policies and the key sources of estimation uncertainty.

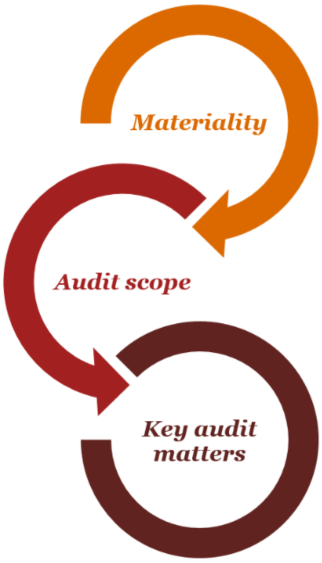
Given the significant judgement and estimation uncertainty and the related higher inherent risks of material misstatement in the classification as share-based payments of the Special Shares and the Davey Call Option, we considered this matter a key audit matter as set out in the section 'Key audit matters' of this report.

The company has also issued Ordinary Shares, Founder Warrant and Public Warrants. Given the significant judgement and estimation uncertainty and the related higher inherent risk of material misstatement in the classification of such instruments as an equity or liability instrument, we consider this matter as a key audit matter as set out in the section 'Key audit matters' of this report.

The company assessed the possible effects of climate change on its financial position, refer to section Corporate Social Responsibility in the report of the management board. We discussed the company's assessment and governance thereof with management and evaluated the potential impact on the financial position. Due to the nature of the company the expected effects of climate change are not considered to impact the key audit matters.

We ensured that the audit team included the appropriate skills and competences which are needed for the audit of a SPAC. We therefore included accounting and valuation specialists in our team.

The outline of our audit approach was as follows:




***Materiality***
- Overall materiality: €3.8 million.

***Audit scope***
- We performed a full scope audit on both Azerion Group N.V. and Stichting EFIC1 Escrow.

***Key audit matters***
- Classification as share-based payment of the Special Shares and the Davey Call Option
- Classification of the Ordinary Shares, Founder Warrants and Public Warrants as a liability

## *Materiality*
The scope of our audit is influenced by the application of materiality, which is further explained in the section 'Our responsibilities for the audit of the financial statements'.

Based on our professional judgement we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and to evaluate the effect of identified misstatements, both individually and in aggregate, on the financial statements as a whole and on our opinion.

| | |
|---|---|
| ***Overall group materiality*** | €3.8 million |
| ***Basis for determining materiality*** | We used our professional judgement to determine overall materiality. As a basis for our judgement, we used 1% of total assets. |
| ***Rationale for benchmark applied*** | We used total assets as the primary benchmark based on our analysis of the common information needs of users of the financial statements. On this basis, we believe that total assets is the most important metric for the financial performance of the Company, as total assets provides insight in the ability of the Company to repay the initial investments to its investors. |

We also take misstatements and/or possible misstatements into account that, in our judgement, are material for qualitative reasons.

We agreed with the supervisory board that we would report to them misstatements identified during our audit above €190,000 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

## *The scope of our audit*

Azerion Group N.V. is the parent company of a group of two entities. The financial information of this group is included in the consolidated financial statements of Azerion Group N.V. We tailored the scope of our audit to ensure that we provide sufficient coverage of the financial statements for us to be able to give an opinion on the financial statements as a whole. We subjected both entities to audits of their complete financial information, as those components are individually financially significant to the Group. The audit team performed all the work on both components and did not use component auditors.

## *Our audit approach to fraud risks*

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the entity and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control and how the board exercises oversight, as well as the outcomes.

We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

We asked members of the board whether they are aware of any actual or suspected fraud. They confirmed they are not aware of any actual or suspected fraud.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We identified the following fraud risks and performed the following specific procedures:

| *Identified fraud risk* | *Audit procedures and observations* |
|---|---|
| **Risk of misappropriation of assets – unauthorised payments**<br>In our audit we identified the risk for unauthorised payments made from the cash balances, given the large amount of cash received from the IPO. | We gained an understanding of and evaluated Azerion Group N.V.'s internal controls and processes with respect to payments.<br><br>We obtained and reviewed the escrow agreement between Azerion Group N.V. and Stichting EFIC1 Escrow.<br>We determined that the gross proceeds of €382 million upon listing were put on an Escrow account and can only be released under strict conditions.<br><br>Subsequently, we obtained bank confirmations from all banks where the group held bank accounts and reviewed the authorisation rights on the bank accounts. For those confirmations that included closing balances we reconciled the amounts to the closing balances as at 31 December 2021.<br><br>We selected a sample of outgoing payments and traced the payments back to the underlying invoices, verified the bank account number and assessed the business rationale of these outgoing payments as well as whether payments are allowed under the escrow agreement (if applicable).<br><br>Finally, we reconciled the closing balance of the cash and cash equivalents to the balance as included on the bank statements as at 31 December 2021.<br><br>Our procedures did not reveal any material misstatement of the information provided by management in the financial statements.<br><br>Our work did not reveal any specific indications of fraud or suspicion of fraud in respect of unauthorised payments. |
| **Risk of management override of controls**<br>Management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise | We evaluated the design and implementation of the internal control system in the processes of generating and processing journal entries and making estimates. We also paid specific attention to the access safeguards in the IT system and the possibility that these lead to violations of the segregation of duties. |

| *Identified fraud risk* | *Audit procedures and observations* |
|---|---|
| appear to be operating effectively. | |
| That is why, in all our audits, we pay attention to the risk of management override of controls in:<br>• The appropriateness of journal entries and other adjustments made in the preparation of the financial statements.<br>• Estimates.<br>• Significant transactions, if any, outside the normal course of business for the entity.<br>We paid particular attention to tendencies due to possible interests of management. | We assessed significant judgements made by management and paid specific attention to significant transactions outside the normal course of business, especially for the classification as share-based payments for the Special Shares and the Davey Call Option and the classification of the Ordinary Shares, Founders Warrants and Public Warrants. We refer to our key audit matters for further details.<br><br>We performed journal entry testing by selecting journal entries based on risk criteria such as top side entries and unusual account combinations. We conducted specific audit procedures for these entries if they had not already been tested during other audit procedures. These procedures include, amongst others, inspection of the entries to source documentation.<br><br>Our work did not reveal any specific indications of fraud or suspicion of fraud in respect of management override of controls. |

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance of laws and regulations.

## *Our audit approach to going concern*

The management board prepared the financial statements on the assumption that the entity is a going concern and that it will continue all its operations for at least 12 months from the date of preparation of the financial statements. Our procedures to evaluate management's going concern assessment included, amongst others:

- considering whether management identified events or conditions that may cast significant doubt on the entity's ability to continue as a going concern (hereafter: going concern risks);
- considering whether management's going concern assessment includes all relevant information of which we are aware as a result of our audit and inquiring with management regarding management's most important assumptions underlying their going concern assessment. Amongst others, management took into consideration the closing of the business combination with Azerion Holding B.V. as of 1 February 2022. For the going concern assumption management considered the twelve-month period of the combined business after the date of the preparation of the financial statements;
- evaluating management's current budget including cash flows for at least 12 months from the date of preparation of the financial statements taken into account current developments in the industry and all relevant information of which we are aware as a result of our audit;

- analysing whether the current and the required financing has been secured to enable the continuation of the entirety of the entity's operations, including compliance with relevant covenants;
- performing inquiries of management as to their knowledge of going concern risks beyond the period of management's assessment.

Our procedures did not result in outcomes contrary to management's assumptions and judgments used in the application of the going concern assumption.

## *Key audit matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements. We have communicated the key audit matters to the supervisory board. The key audit matters are not a comprehensive reflection of all matters identified by our audit and that we discussed. In this section, we described the key audit matters and included a summary of the audit procedures we performed on those matters.

| *Key audit matter* | *Audit procedures and observations* |
|---|---|
| ***Classification as share-based payment of the Special Shares and the Davey Call Option***<br>*Refer to note 2 - Critical Accounting Policies - subsection 'Specific Financial Instruments - Disclosure on Treatment and Elements of Judgement' and note 9 – Share-based Payments in the financial statements*<br>The company has issued Special Shares to the Sponsors and Davey Call Options to Mr. Davey at grant date per 30 March 2021. In case of a completed business combination within a period of 24 months after IPO-date, the Special Shares will convert into ordinary shares. The Davey Call Option entitles only rights to Special Shares, which automatically and mandatorily convert into ordinary shares upon a Business Combination.<br><br>The management board has applied significant judgement in determining whether the granted Special Shares and Davey Call Option fall in scope of IFRS 2 (Share-based Payment) as equity settled instruments or in scope of IAS 32 (Financial Instruments) as a debt/equity instrument. Therefore, this area is subject to higher risk of material misstatement due to fraud and error. That is why we considered the classification of the Special Shares and the Davey Call Option as share- based payment as a key audit matter.<br><br>As the Special Shares were issued against nominal value and the Davey Call option was granted with an exercise price of € 0.01, there is a gap with the fair value of those instruments on grant date. This step-up in fair value | We performed the following procedures relating to the classification of the Special Shares and Davey Call Option:<br>• We, together with our accounting specialists, evaluated and challenged the management board's assumptions and judgements on the application of IFRS 2. We determined that the Sponsor provides services to the company for finding a suitable target. Subsequently, we noted that the estimated fair value of the Special Shared and the Davey Call Option was higher than the issuing price of these instruments. Therefore, we agreed that the Special Shared and the Davey Call Option were placed under the scope of IFRS 2.<br><br>Finally, we evaluated whether the disclosures in respect of the Special Shares and the Davey Call Option was adequate.<br><br>Based on the procedures as set out above, we did not note any material exceptions and concur with management's assessment. |

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| *Key audit matter* | *Audit procedures and observations* |
|---|---|
| should be considered as a remuneration for finding a suitable target. Therefore, management concluded that the issuance of the Founder Shares and Founder Warrants falls under IFRS 2 as it consists of 'a transaction where an entity receives goods or services as part of a share-based payment arrangement' and should be classified as an equity settled instrument. | |

| *Key audit matter* | *Audit procedures and observations* |
|---|---|
| ***Classification of the Ordinary Shares, Founder Warrants and Public Warrants as a liability***<br>*Refer to note 2 Critical Accounting Policies - subsection 'Specific Financial Instruments - Disclosure on Treatment and Elements of Judgement', note 14 – Ordinary shares, Public Warrants and Capital Shares and note 15 – Founder Warrants in the financial statements*<br>The company has issued Ordinary Shares, Founder Warrants and Public Warrants.<br><br>The management board has applied significant judgement in determining whether these instruments are to be classified as equity instruments or liability instruments under IAS 32 (Financial instruments). Management also applied significant judgement to determine if the Founder Warrants fall in scope of IFRS 2 (Share-based Payment) or in scope of IAS 32 (Financial Instruments) as a debt/equity instrument. Therefore, this area is subject to higher risk of material misstatement due to fraud and error. That is why we considered the classification of Ordinary Shares, Founder Warrants and Public Warrants as a key audit matter.<br><br>The holder of Ordinary shares has the right to sell its ordinary shares to the Group prior to a proposed business combination, or if no business combination is successful at liquidation of the Group. The Group has the obligation to pay € 10.00 per share less negative interest incurred of EONIA -5bps for the first 12 months and EONIA -10bps for the twelve months after that. Due to this redemption feature management concluded that the Ordinary shares are a financial liability in accordance with IAS 32.18. | We performed the following procedures relating to the classification of the Ordinary Shares, Founder Warrants and Public Warrants:<br>• We, together with our accounting specialists, evaluated and challenged the management board's assumptions and judgements on the classification of the instruments.<br><br>We determined based on the contractual terms and conditions that the Ordinary Shares included a redemption feature, which classifies the Ordinary Shares as a liability.<br><br>We assessed management's assertion that the contractual terms and conditions that the Public Warrants did not have a fixed-to-fixed conversion ratio and therefore we concluded that these instruments have correctly been classified as a liability.<br><br>We assessed management's assertion that based on the contractual terms and conditions the 'fixed-to-fixed' test for the Founder Warrants was not met due the redemption feature of these instruments. Therefore, we concluded that these instruments were correctly classified as a liability.<br><br>Finally, we evaluated whether the disclosures in respect of the Ordinary Shares, Founder Warrants and Public Warrants was adequate.<br><br>Based on the procedures as set out above, we did not note any material exceptions and concur with management's assessment. |

| *Key audit matter* | *Audit procedures and observations* |
|---|---|
| As per management, the Public Warrants do not qualify as equity as the 'fixed-for-fixed' test in IAS 32.16(b)(ii) is not met as the conversion ratio is not fixed and various cashless settlement options exist. Therefore, management concluded that the Public Warrants classify as a financial liability.<br><br>As per management, the Founder Warrants are derivatives and because of their specific redemption features, the 'fixed-for-fixed' test in IAS 32.16(b)(ii) is not met, and as a result, management concluded that Founder Warrants classify as financial liability instruments. | |

## *Report on the other information included in the annual report*

The annual report contains other information. This includes all information in the annual report in addition to the financial statements and our auditor's report thereon.

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains all the information regarding the directors' report and the other information that is required by Part 9 of Book 2 and regarding the remuneration report required by the sections 2:135b and 2:145 subsection 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 and section 2:135b subsection 7 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the directors' report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code. Management and the supervisory board are responsible for ensuring that the remuneration report is drawn up and published in accordance with sections 2:135b and 2:145 subsection 2 of the Dutch Civil Code.

# Report on other legal and regulatory requirements and ESEF

## Our appointment

We were appointed as auditors of Azerion Group N.V. on 31 January 2022 by the supervisory board following the passing of a resolution by the shareholders at the annual meeting held on 31 January 2022.

## European Single Electronic Format (ESEF)

Azerion Group N.V. has prepared the annual report, including the financial statements, in ESEF. The requirements for this format are set out in the Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (these requirements are hereinafter referred to as: the RTS on ESEF).

In our opinion, the annual report prepared in XHTML format, including the partially marked-up consolidated financial statements, as included in the reporting package by Azerion Group N.V., complies, in all material respects, with the RTS on ESEF.

Management is responsible for preparing the annual report, including the financial statements, in accordance with the RTS on ESEF, whereby management combines the various components into a single reporting package. Our responsibility is to obtain reasonable assurance for our opinion on whether the annual report in this reporting package complies with the RTS on ESEF.

Our procedures, taking into account Alert 43 of the NBA (Royal Netherlands Institute of Chartered Accountants), included amongst others:

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the reporting package.
- Obtaining the reporting package and performing validations to determine whether the reporting package, containing the Inline XBRL instance document and the XBRL extension taxonomy files, has been prepared, in all material respects, in accordance with the technical specifications as included in the RTS on ESEF.
- Examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

## No prohibited non-audit services

To the best of our knowledge and belief, we have not provided prohibited non-audit services as referred to in Article 5(1) of the European Regulation on specific requirements regarding statutory audit of public-interest entities.

## Services rendered

The services, in addition to the audit, that we have provided to the Company and its controlled entities, for the period to which our statutory audit relates, are disclosed in the note 3. Audit Fees to the company financial statements.

## Responsibilities for the financial statements and the audit

### Responsibilities of the management board and the supervisory board for the financial statements

The management board is responsible for:

- the preparation and fair presentation of the financial statements in accordance with EU-IFRS and with Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the management board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the management board is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the management board should prepare the financial statements using the going-concern basis of accounting unless the management board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The management board should disclose events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the Company's financial reporting process.

### Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high but not absolute level of assurance, which makes it possible that we may not detect all material misstatements. Misstatements may arise due to fraud or error. They are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Amsterdam, 29 April 2022
PricewaterhouseCoopers Accountants N.V.

Original has been signed by W. Poot RA

## *Appendix to our auditor's report on the financial statements for the period 25 January 2021 to 31 December 2021 of Azerion Group N.V.*

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

### *The auditor's responsibilities for the audit of the financial statements*

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management board.
- Concluding on the appropriateness of the management board's use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.
  Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Considering our ultimate responsibility for the opinion on the consolidated financial statements, we are responsible for the direction, supervision and performance of the group audit. In this context, we have determined the nature and extent of the audit procedures for components of the Group to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole. Determining factors are the geographic structure of the Group, the significance and/or risk profile of group entities or activities, the accounting processes and controls, and the industry in which the Group operates. On this basis, we selected group entities for which an audit or review of financial information or specific balances was considered necessary.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. In this respect, we also issue an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related actions taken to eliminate threats or safeguards applied.

From the matters communicated with the supervisory board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.