

AONIC® AB (PUBL)
INTERIM REPORT



AONIC INTERIM REPORT - Q2, 2024

Strong performance in Tech with sustained investments in Games

Financial highlights

- Revenue of €40.6m (€19.5m) in the period.
- EBIT of €-1.3m (€-0.781m) in the period.
- Profit for the period of €-2.7m (€-5.5m).
- Adjusted EBITDA of €8.7m (€5.4m).
- Adjusted EBITDA margin of 21%.
- Cash and cash equivalents of €21.2m in the period.

€125M

LTM REVENUES

13

OFFICES

€28M

LTM ADJUSTED EBITDA

+600

EMPLOYEES (HEADCOUNT)

Financial overview	2024	2023	2024	2023	2024	2023
<i>KEUR</i>	Q2	Q2	6M	6M	LTM	LTM
Revenue	40 563	19 489	77 540	39 804	125 265	87 529
User acquisition costs	-15 295	-5 664	-26 745	-11 703	-42 332	-27 289
EBIT	-1 338	-781	-512	-2 212	-7 784	-9 484
Adjusted EBIT	6 596	4 714	15 699	8 691	21 786	14 778
Adjusted EBITDA	8 681	5 438	19 513	9 997	28 459	18 943
Profit or loss for the period	-2 747	-5 491	-7 460	-7 261	-10 925	-10 726
Undiluted earnings per share, ordinary	-0.0013	-0.0034	-0.0034	-0.0043	-0.0054	-0.0063
Diluted earnings per share, ordinary	-0.0013	-0.0034	-0.0034	-0.0043	-0.0054	-0.0063
Cash and cash equivalents	21 173	11 633	21 173	11 633	21 173	27 608
Net debt	47 495	-11 293	47 495	-11 293	47 495	37 047



COMMENTS ON THE QUARTER

Aonic continued to demonstrate resilience and growth momentum with 10% growth quarter-over-quarter. The Tech segment remains a key driver of growth and profitability, with revenue increasing by 23% QoQ and 152% since the same quarter last year. Adjusted EBITDA in Tech grew by 12% quarter-over-quarter to €9.5 million. However, the Games segment weighed on overall profitability as planned investments continue.

Our vertically integrated user acquisition channel continues to drive growth in Tech, and we are pleased to see our business being recognized and utilized by leading global mobile publishers. As the business expands, marketplace-like dynamics strengthen, attracting both higher quality users and mobile publishers, creating a flywheel of positive effects. Today, we hold a unique position in the high LTV user acquisition market. Acquiring high LTV users for games is a core capability within the gaming industry, and we are pleased with our progress in establishing ourselves as a leading player in this area.

We reiterate that our growth in Tech is largely driven by data-driven product improvements in our vertically integrated user acquisition channel, along with geographical expansion. This growth is enabled by our past investments in enhancing our analytical infrastructure and organization. We continue to execute our roadmap to expand geographically and roll out product improvements.

While our Games segment showed weaker performance than in Q1, this was entirely driven by performance from our investment verticals - VR and PC/Console. nDreams, which comprises our VR development activities, continued to show some variability in revenue across quarters, with a weaker performance in Q2 compared to a strong Q1. Importantly, our mobile vertical in the Games segment grew double digits quarter-over-quarter with improved profitability. We have several mobile games currently in soft launch with the potential to contribute to further growth in the upcoming quarters.

In short, we continue on our positive trajectory.



SIGNIFICANT EVENTS

- An Extraordinary General Meeting was held on 1 April 2024, where Bastian Bubel resigned from the Board and Florian Egler was elected as the new Chairman of the Board. Both are representing the same shareholder.
- Annual report for 2023 was published on April 26.
- Annual General Meeting was held on April 29. The meeting resolved to adopt the financial statements and annual report for 2023.

After reporting period

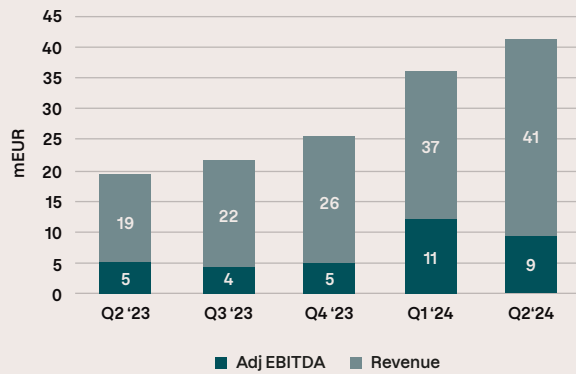
- Contingent consideration was paid out to founders of TutoToons, amounting to €6.8m whereof €3.85m was paid in equity. Another €4.4m is expected to be paid in cash during the year.



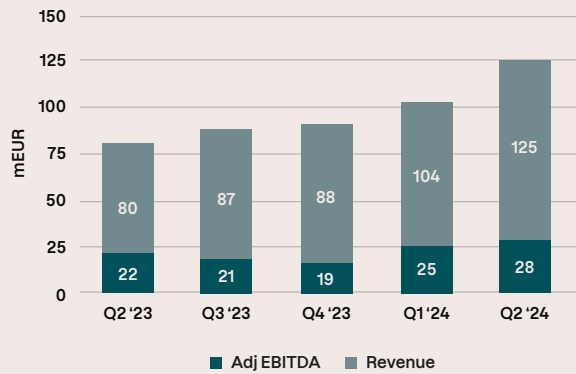
GROUP PERFORMANCE

Revenue increased from €80.5m in Q2 2023 to €125.3m in Q2 2024 on LTM basis, representing a 56 % growth. Adjusted EBITDA reached €28.5m in Q2 2024 on LTM basis, up from €22.5m in the same period last year. The sequential quarterly growth of 10 % in Q2 was driven entirely by organic growth. Organic growth was driven by the Tech segment, maintaining a robust growth trajectory. The growth is made possible by earlier investments enabling product improvements and geographical rollout. Aonic continues to invest cash from its cash generating Tech segment and mobile business into its expansion portfolio of new games, which continues to exert pressure on profitability and cash flow in the short term until the games are released from 2025 onwards.

QUARTERLY



LTM



LTM development kEUR	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2
Revenue	80 467	87 046	87 529	104 190	125 265
QoQ growth		8%	1%	19%	20%
User acquisition costs	-23 576	-27 234	-27 289	-32 701	-42 332
% of Revenue	-29%	-31%	-31%	-31%	-34%
Adjusted EBITDA	22 482	20 583	18 943	25 215	28 459
% of Revenue	28%	24%	22%	24%	23%
Operating profit (EBIT)	-4 838	-7 749	-9 484	-7 226	-7 784
% of Revenue	-6%	-9%	-11%	-7%	-6%

Quarterly sequential development kEUR	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2
Revenue	19 489	21 739	25 986	36 977	40 563
QoQ growth		12%	20%	42%	10%
User acquisition costs	-5 664	-7 056	-8 530	-11 451	-15 295
% of Revenue	-29%	-32%	-33%	-31%	-38%
Adjusted EBITDA	5 438	4 021	4 924	10 832	8 681
% of Revenue	28%	18%	19%	29%	21%
Operating profit (EBIT)	-781	-2 747	-4 525	827	-1 338
% of Revenue	-4%	-13%	-17%	2%	-3%



GROUP PERFORMANCE

Investments

Aonic continues to invest in its expansion portfolio of games, with a total of €7 949k in capitalised development expenditure in Q2, up from €7 888k from the preceding quarter. Close to €5m was invested in the expansion portfolio of box title games, while a significant portion was invested into mobile titles with expected release date in 2024. Less than 5% of capitalised development expenditure was related to the Tech segment.

Cash flow from investing activities amounted to €-8 106k in the quarter, mostly driven by investments in intangible assets.

Financing

Cash flow from operations amounted to €3 131k for the quarter. Changes in working capital contributed €-2 632k, driven by the growth in Tech segment and working capital changes in PC/Console vertical.

Significant risks and uncertainties

Aonic, as a global entity, faces diverse strategic, financial, market, and operational risks. This includes risks related market conditions, commercial uncertainties (e.g. new product launches, changes in consumer behaviour), regulatory, tax, and public perception risks. Additionally, there are strategic and financial risks linked to acquisitions, credit, and funding. Operational risks encompass distribution channels, technical developments, and cybersecurity. The risks are described in more detail in the latest Annual Report. No new significant risks have arisen during the quarter.

Parent

Group management functions, group wide services and the publishing business Megabit are provided via the parent company. Revenue amounted to €0k (€0k) in the quarter and profit for the period amounted to €-2 805k (€-4 306k).



KEY PERFORMANCE INDICATORS AND SEGMENT INFORMATION

Aonic operates with two segments: Games and Tech. The Games category consists of the verticals Mobile, PC/console and VR.

Games segment:

Aonic's Games segment specializes in multi-platform game development for mobile, PC, console, and VR, leveraging both proprietary and third-party intellectual properties. Supported by an in-house publishing platform and an extensive brand network, the Games segment generates revenue through diverse channels, including advertising, in-app purchases, subscriptions, game passes, royalties, contract development, and game sales.

Investments within the Games segment are strategically allocated to a compelling pipeline of games, slated for release across various platforms. A significant focus of current capital investment is dedicated to PC/console/VR games in the expansion portfolio. The launch of these games will effectively introduce a novel revenue stream, and represents a significant upside potential for the entire group, primarily from 2025 onwards.

Key expected growth drivers in the Games segment include:

1. **Release of box titles from expansion portfolio:** Launching PC/console/VR games through Megabit and nDreams publishing labels.
2. **Strong pipeline of releases and improvements in mobile portfolio:** Ongoing work to enhance and expand our portfolio of mobile games.

Tech segment:

The Tech segment is focused on delivering software and technology services related to the video gaming industry. Notably, we have an AI-based mediation tool designed to optimize advertisement inventory sales. Additionally, our Tech segment operates a vertically integrated user acquisition channel, leveraging proprietary publishing sources and engaging campaigns to test and play games. This strategy enhances user acquisition for advertisers, utilizing rewards-based incentives as an affiliate marketing platform for mobile gaming publishers, ultimately improving the efficiency of driving game growth.

Key expected growth drivers in the Tech segment include:

1. **Rollout of product improvement roadmap:** An initiative aimed at substantially enhancing our product offerings through a systematic rollout of improvements leveraged by newly established infrastructure.
2. **International expansion:** We continue to rollout our user acquisition channel globally.
3. **Other initiatives with profitable growth potential:** Pursuing other initiatives that, if successful, have the potential to contribute significantly to profitable growth in the Tech segment.



KEY PERFORMANCE INDICATORS AND SEGMENT INFORMATION

Games kEUR	2024 Q2	2023 Q2	2024 6M	2023 6M	2024 LTM	2023 12M
Revenue	10 782	7 675	23 495	14 701	43 687	35 021
Direct costs of revenue	-1 131	-774	-2 482	-1 357	-4 780	-3 644
% of Revenue	-10%	-10%	-11%	-9%	-11%	-10%
User acquisition costs	-1 804	-1 289	-3 312	-2 210	-7 021	-5 918
% of Revenue	-17%	-17%	-14%	-15%	-16%	-17%
Personnel costs	-10 531	-5 046	-20 848	-10 061	-34 889	-24 102
% of Revenue	-98%	-66%	-89%	-68%	-80%	-69%
Operating profit (EBIT)	-7 633	-987	-11 787	-2 324	-17 566	-8 104
% of Revenue	-71%	-13%	-50%	-16%	-40%	-23%
Adjusted EBITDA	-377	2 510	2 393	4 517	6 459	8 584
% of Revenue	-3%	33%	10%	31%	15%	25%

Revenue in Games amounted to €10.8m (€7.7m) in the quarter, and €43.7 in revenues on LTM basis. Operating profit amounted to €-7.6m (€-0.99m) in the quarter and €-17.6m on LTM basis. Adjusted EBITDA amounted to €-0.38m (€2.5m) in Q2 and €6.5m on LTM basis in Games. The increase in LTM revenues compared to last year is driven by acquisition of nDreams and double digit growth on mobile. However, the transition of contracted revenue to internal IP development has notably dampened both revenue and profitability. Aonic continues to focus on its internal game development in order to build up a large pipeline of new games to be published by Megabit, Aonic's publishing arm. The shift towards internal game development is an investment which has a short-term opportunity cost in terms of revenue and profitability.

Tech kEUR	2024 Q2	2023 Q2	2024 6M	2023 6M	2024 LTM	2023 12M
Revenue	29 781	11 814	54 045	25 103	81 451	52 508
Direct costs of revenue	-4 242	-1 882	-7 915	-5 434	-12 650	-10 169
% of Revenue	-14%	-16%	-15%	-22%	-16%	-19%
User acquisition costs	-13 491	-4 375	-23 433	-9 493	-35 311	-21 371
% of Revenue	-45%	-37%	-43%	-38%	-43%	-41%
Personnel costs	-2 226	-1 676	-4 186	-3 204	-7 834	-6 852
% of Revenue	-7%	-14%	-8%	-13%	-10%	-13%
Operating profit (EBIT)	6 703	794	12 133	885	11 714	467
% of Revenue	23%	7%	22%	4%	14%	1%
Adjusted EBITDA	9 453	3 419	17 886	6 128	23 345	11 588
% of Revenue	32%	29%	33%	24%	29%	22%

Tech generated €29.8m (€11.8m) in revenues in Q2, and €81.5m on LTM basis. Operating profit amounted to €6.7m (€0.8m) in the quarter and €11.7m on LTM basis. Adjusted EBITDA amounted to €9.5m (€3.4m) in Q2 and €23.3m (€11.6m) on LTM basis. We are continually refining our services and products in the Tech segment, while also expanding our geographical footprint and marketing efforts. As our business scales, we gain greater benefits from network effects, linking high-value users with top-tier games. This enhanced performance is also reflected in a more diverse and less concentrated customer base, highlighting the widespread appeal and effectiveness of our solutions.



FORWARD-LOOKING STATEMENTS

Any forward-looking statements in this report apply only at the time of announcement of the report and are subject to change without notice. Since forward-looking statements involve both known and unknown risks and uncertainties, actual results may differ materially from the information set forth in the forward-looking information. Such risks and uncertainties include but are not limited to general business, economic, competitive, technological, and legal uncertainties and/or risks.

ACCOUNTING POLICIES

This Interim Report for the Aonic Group is prepared in accordance with IAS 34 Interim Financial Reporting, as well as applicable stipulations in the Annual Accounts Act. The Interim report for the Parent Company is prepared in accordance with chapter 9 Interim report in the Annual Accounts Act. The accounting policies and basis of calculation applied are the same as those described in the Consolidated Financial Statements for the year ended 2023 as presented on the April 26, 2024.

USE OF JUDGEMENTS AND ESTIMATES

In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty were similar to those described in the Consolidated Financial Statements for the year ended 2023, as presented on the April 26, 2024. These relate to contingent consideration and put options over NCI, impairment test of goodwill and intangible assets, and purchase price allocations. In addition, significant judgements and estimates are made in relation to taxes.



CONSOLIDATED STATEMENT OF PROFIT AND LOSS

Consolidated Statement of Profit and Loss <i>KEUR</i>		2024	2023	2024	2023	2024	2023
	Notes	Q2	Q2	6M	6M	LTM	12M
Revenue		40 563	19 489	77 540	39 804	125 265	87 529
Other operating income		262	599	374	641	665	931
Own work capitalised		7 018	2 888	14 177	5 370	23 632	14 825
Direct costs of revenue		-5 364	-2 656	-10 384	-6 791	-17 467	-13 873
User acquisition costs		-15 295	-5 664	-26 745	-11 703	-42 332	-27 289
Personnel costs		-12 853	-6 769	-25 252	-13 356	-43 238	-31 342
Other external expenses		-5 445	-2 440	-9 990	-3 902	-16 704	-10 615
Other operating expenses		-205	-8	-207	-67	-1 363	-1 223
Items affecting comparability	2	-0	-67	-330	-104	-986	-760
Depreciation		-602	-385	-1 271	-660	-2 217	-1 606
Amortisation excluding PPA items		-1 464	-357	-2 543	-685	-4 418	-2 559
Amortisation of PPA items		-7 953	-5 408	-15 880	-10 760	-28 622	-23 502
Operating profit		-1 338	-781	-512	-2 212	-7 784	-9 484
Profit or loss from associated companies		67	-1 023	107	-659	-1 555	-2 321
Financial income	3	356	299	663	998	10 366	10 246
Financial expenses	3	-3 963	-4 008	-7 917	-5 770	-11 888	-9 287
Profit or loss before tax		-4 878	-5 513	-7 658	-7 644	-10 860	-10 846
Income tax expense		2 132	22	198	383	-65	120
Profit or loss for the period		-2 747	-5 491	-7 460	-7 261	-10 925	-10 726
Attributed to							
Owners of the parent company		-2 299	-4 953	-6 259	-6 204	-9 814	-9 759
Non- controlling interest		-447	-538	-1 201	-1 057	-1 112	-967



STATEMENT OF COMPREHENSIVE INCOME

Statement of Comprehensive Income <i>KEUR</i>	2024 Q2	2023 Q2	2024 6M	2023 6M	2024 LTM	2023 12M
Profit or loss for the period	-2 747	-5 491	-7 460	-7 261	-10 925	-10 726
Other comprehensive income						
Items that may be reclassified to profit or loss in subsequent periods (net of tax)						
Currency translation differences	1 674	2 163	4 752	1 401	2 150	-1 202
Total other comprehensive income for the period, net of tax	1 674	2 163	4 752	1 401	2 150	-1 202
Total comprehensive income for the period, net of tax	-1 072	-3 327	-2 708	-5 860	-3 058	-11 928
Attributed to						
Comprehensive income for the period - parent company	-812	-2 863	-2 109	-4 107	-10 041	-12 038
Comprehensive income for the period - non-controlling interest	-260	-464	-598	-1 753	1 265	110



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Consolidated statement of financial position				
<i>KEUR</i>	Notes	2024-06-30	2023-06-30	2023-12-31
<i>Non-current assets</i>				
Goodwill		231 051	150 681	227 876
Acquisition related intangible assets		103 863	79 039	117 880
Other intangible assets		31 100	9 151	17 491
Property, plant and equipment		1 932	670	1 967
Right-of-use assets		5 499	4 055	6 944
Participations in associates	6	1 049	28 397	-0
Deferred tax assets		2 290	108	2 017
Other non-current financial assets		723	15 935	696
Total non-current assets		377 506	288 036	374 870
<i>Current assets</i>				
Work in progress		108	636	116
Accounts receivable		25 127	15 760	18 253
Other current receivables		15 152	4 706	11 051
Cash and cash equivalents		21 173	11 633	27 608
Total current assets		61 560	32 735	57 028
Total assets		439 066	320 771	431 898
<i>Equity</i>				
Share Capital		60	14	60
Share premium		241 841	205 657	241 825
Reserves		-543	-315	-4 692
Retained earnings		-24 343	-16 988	-18 084
Equity attributable to parent company shareholders		217 015	188 367	219 109
Equity attributable to non-controlling interest		19 887	19 350	20 485
Total equity		236 902	207 717	239 594
<i>Non-current liabilities</i>				
Bonds	4	68 123	-	64 215
Shareholder loans	4	35 286	50 505	34 699
Contingent consideration and NCI put liabilities	5	15 108	6 120	13 143
Long-term lease liabilities		4 947	3 151	5 501
Deferred tax liabilities		31 184	25 552	35 914
Other long-term liabilities		50	-	43
Total non-current liabilities		154 698	85 327	153 516
<i>Current liabilities</i>				
Liabilities to credit institutions		504	302	397
Short-term lease liabilities		1 935	1 216	1 976
Trade payables and other payables		21 823	10 222	17 283
Contingent consideration and NCI put liabilities, current	5	10 960	10 087	10 761
Tax liabilities		9 524	3 897	5 558
Deferred revenue		2 720	2 004	2 813
Total current liabilities		47 466	27 727	38 788
Total liabilities		202 164	113 054	192 304
Total equity & liabilities		439 066	320 771	431 898



STATEMENT OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity <i>KEUR</i>	Share capital	Other paid in capital	Reserves	Retained earnings	Equity parent shareholders	Non-controlling interest	Total equity
Opening balance 2023	69 502	7 398	-551	-159	76 191	-	76 191
Profit or loss for the period				-9 300	-9 300	-1 670	-10 969
Other comprehensive income for the period, net of tax			236	-	236	-3 114	-2 878
Total comprehensive income for the year	-	-	236	-9 300	-9 064	-4 784	-13 848
Transaction with owners							
Share issues and equity contributions	-69 489	198 258	-	878	129 648	-374	129 274
Recognition of put option over NCI				-8 408	-8 408		-8 408
Acquisition of subsidiaries with non-controlling interests						24 508	24 508
Closing balance 2023-06-30	14	205 657	-315	-16 988	188 367	19 350	207 717
Opening balance 2024	60	241 825	-4 692	-18 084	219 109	20 485	239 594
Profit or loss for the period				-6 259	-6 259	-1 201	-7 460
Other comprehensive income for the period, net of tax			4 150	-	4 150	603	4 752
Total comprehensive income for the year			4 150	-6 259	-2 109	-598	-2 708
Transaction with owners							
Share issues and equity contributions	-	16	-	-	16	-	16
Closing balance 2024-06-30	60	241 841	-543	-24 343	217 015	19 887	236 902



CONSOLIDATED CASH FLOW STATEMENT

Consolidated Cash Flow Statement kEUR	2024 Q2	2023 Q2	2024 6M	2023 6M	2024 LTM	2023 12M
<i>Operating activities</i>						
Profit or loss before tax	-4 878	-5 513	-7 658	-7 644	-10 860	-10 846
Adjustment for non-cash items	11 292	10 645	22 087	16 862	34 514	29 289
Income taxes paid	-650	-366	-769	-41	-4 234	-3 506
Cash flow from operations before working capital	5 763	4 767	13 661	9 177	19 420	14 937
Change in working capital receivables	-3 809	731	-10 378	-377	-8 700	1 301
Change in working capital liabilities	1 177	671	3 473	-1 640	4 621	-492
Changes in working capital	-2 632	1 402	-6 905	-2 017	-4 079	809
Cash flow from operations	3 131	6 169	6 756	7 160	15 342	15 746
<i>Investing activities</i>						
Acquisition of subsidiaries	-	-2 306	-	-2 182	-49 597	-51 779
Acquisition of intangible fixed assets	-7 949	-3 038	-15 838	-5 728	-26 074	-15 964
Acquisition of tangible fixed assets	-124	-263	-373	-347	-823	-797
Acquisition of associates	-	-	-600	-	-	-
Acquisition of financial fixed assets	-33	-15 248	-27	-15 430	-617	-15 420
Cash flow from investing activities	-8 106	-20 855	-16 838	-23 687	-77 111	-83 961
<i>Financing activities</i>						
Share issue	-	-	-	-	-	-
Equity contribution	-	-	16	-	23 011	22 996
Repayment of lease liability	-5	-105	-404	-289	-842	-727
Proceeds from borrowings	79	22 798	3 867	23 209	66 520	85 862
Repayment of Borrowings	6	-8 572	-20	-12 000	-17 643	-29 624
New increase/decrease bank overdraft facility	-	-	-	-	-	-
Cash flow from financing activities	81	14 120	3 459	10 920	71 047	78 508
Cash flow from the period	-4 895	-566	-6 624	-5 608	9 277	10 293
Cash & cash equivalents at the beginning of period	26 001	12 359	27 608	17 394	11 633	17 394
Cash flow from the period	-4 895	-566	-6 624	-5 608	9 277	10 293
Effect of movements in currency rates on cash held	67	-160	188	-153	262	-79
Cash & cash equivalents at the end of period	21 173	11 633	21 173	11 633	21 173	27 608



NOTE 1 - SEGMENTS

Profit and loss <i>KEUR</i>	2024 Q2	2023 Q2	2024 6M	2023 6M	2024 12M	2023 12M
<i>Games</i>						
Revenue, external	10 782	7 675	23 495	14 701	43 687	35 021
Revenue, internal	11	-	36	-	62	27
Operating profit	-7 633	-987	-11 787	-2 324	-17 566	-8 104
Adjusted EBITDA	-377	2 510	2 393	4 517	6 459	8 584
<i>Tech</i>						
Revenue, external	29 781	11 814	54 045	25 103	81 451	52 508
Revenue, internal	44	14	80	14	129	63
Operating profit	6 703	794	12 133	885	11 714	467
Adjusted EBITDA	9 453	3 419	17 886	6 128	23 345	11 588
<i>Other - eliminations</i>						
Revenue, external	-	-	-	-	63	-
Revenue, internal	-55	-14	-116	-14	-191	-89
Operating profit	-408	-587	-857	-772	-1 932	-1 847
Adjusted EBITDA	-395	-491	-765	-649	-1 345	-1 229
<i>Group</i>						
Revenue, external	40 563	19 489	77 540	39 804	125 265	87 529
Revenue, internal	-	-	-	-	-	-
Operating profit	-1 338	-781	-512	-2 212	-7 784	-9 484
Adjusted EBITDA	8 681	5 438	19 513	9 997	28 459	18 943

Other mainly represents costs on HQ level in the parent company, such as transaction costs and costs for group management. It also contains certain group eliminations.

NOTE 2 - ITEMS AFFECTING COMPARABILITY

Items affecting comparability <i>KEUR</i>	2024 Q2	2023 Q2	2024 6M	2023 6M	2024 LTM	2023 12M
Legal costs - acquisition related	-	-155	-135	-132	-468	-465
Consultant and other - acquisition related	-	19	-1	-21	36	16
Other external services - IAC	-	69	-68	49	-283	-166
Other	-	-	-127	-	-272	-145
Items affecting comparability	-	-67	-330	-104	-986	-760

**NOTE 3 - FINANCIAL ITEMS**

Financial income and expense, net <i>kEUR</i>	2024 Q2	2023 Q2	2024 6M	2023 6M	2024 LTM	2023 12M
Interest income	16	33	73	57	197	180
Interest expenses on bonds	-2 470	-	-4 902	-	-6 793	-1 890
Interest expense, other	-470	-326	-943	-468	-1 563	-1 088
Interest expense from discounting of contingent considerations	-324	-230	-789	-457	-1 146	-814
Net interest	-3 247	-523	-6 561	-868	-9 305	-3 612
Exchange rate gains	346	267	608	434	1 597	1 126
Exchange rate losses	-376	-251	-667	-676	-1 754	-360
Net exchange rate differences	-30	16	-59	-242	-157	765
Change in FV of contingent consideration/NCI put	-329	-3 202	-632	-3 663	-2 035	-5 065
Gain from shares in associates	-	-	-	-	9 869	9 869
Gain/loss from financial assets	-	-	-1	-	106	107
Other financial items	-329	-3 202	-633	-3 663	7 940	4 911
Net financial items	-3 607	-3 709	-7 254	-4 773	-1 522	2 064
<i>- of which</i>						
Financial income	356	299	663	998	9 734	6 217
Financial expenses	-3 963	-4 008	-7 917	-5 770	-11 255	-4 153

NOTE 4 – BORROWINGS

The bonds with a carrying value of €68.1m, measured at amortised cost, has a fair value of €71m as of 2023-12-31. The total nominal amount of the bonds is €70m, of which none are held by Aonic AB. The bonds are secured by first priority pledges over the shares in certain (material) group companies and security over certain material intragroup loans from the issuer to a subsidiary.

The shareholder loan has a fixed interest rate and is measured at amortised cost with a carrying value at €35 286k. The fair market value of the loan is estimated to €32m.

**NOTE 5 - FINANCIAL LIABILITIES MEASURED AT FAIR VALUE**

All financial liabilities are measured at amortised cost, except contingent considerations and liabilities related to put options over NCI, which are measured at fair value through profit and loss. The valuation technique adopted is using level 3 inputs, which are unobservable inputs.

Financial instruments, level 3 <i>KEUR</i>	2024-06-30	2023-06-30	2023-12-31
Opening balance, 1 January	23 904	18 373	18 373
Business combination/Associate	342	2 690	10 232
Interest expenses from discounting	789	457	814
Settlement/payment of liability	-	-8 916	-10 211
Revaluation of fair value	632	3 663	5 065
Exchange rate differences reported in profit and loss	305	-60	-315
Translation differences	97	-	-55
Closing carrying amount end of period	26 068	16 207	23 904

NOTE 6 – PARTICIPATIONS IN ASSOCIATES

Participations in Associates <i>KEUR</i>	2024-06-30	2023-06-30	2023-12-31
Opening carrying amount, 1 January	-	26 685	26 685
Acquisition of associate	942	1 437	-
Share of Profit for the year	107	-659	-2 321
Reclassification to wholly owned subsidiary	-	-	-25 907
Translation differences	-	934	1 542
Closing carrying amount end of period	1 049	28 397	-

NOTE 7 - SHARE DATA

Earnings per share <i>KEUR</i>	2024	2023	2024	2023	2024	2023
	Q2	Q2	6M	6M	LTM	12M
<i>Average number of shares (in millions)</i>						
Ordinary shares, undiluted	1 820	1 456	1 820	1 456	1 820	1 555
Ordinary shares, diluted	1 820	1 456	1 820	1 456	1 820	1 555
Net profit attributable to parent company's shareholders	-2 299	-4 953	-6 259	-6 204	-9 814	-9 759
<i>Earnings per share (parent company's shareholder)</i>						
Undiluted, EUR/share, Ordinary	-0.0013	-0.0034	-0.0034	-0.0043	-0.0054	-0.0063
Diluted, EUR/share, Ordinary	-0.0013	-0.0034	-0.0034	-0.0043	-0.0054	-0.0063



NOTE 8 - RELATED PARTY TRANSACTIONS

Aonic AB has an outstanding loan from one of its indirect shareholders, Active Ownership Fund SICAV-FIS SCS of €35.3m, as of end of the period.

No transactions between Aonic and related parties that have materially affected the Group's financial position and earnings took place during the period.

**NOTE 9 - RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES**

Alternative Performance Measures <i>kEUR</i>	2024 Q2	2023 Q2	2024 6M	2023 6M	2024 LTM	2023 12M
Revenue	40 563	19 489	77 540	39 804	125 265	87 529
Direct costs of revenue	-5 364	-2 656	-10 384	-6 791	-17 467	-13 873
Gross profit	35 199	16 832	67 156	33 014	107 798	73 655
Gross profit margin, %	87%	86%	87%	83%	86%	84%
Operating profit (EBIT)	-1 338	-781	-512	-2 212	-7 784	-9 484
Depreciation	602	385	1 271	660	2 217	1 606
Amortisation excluding PPA items	1 464	357	2 543	685	4 418	2 559
Amortisation of PPA items	7 953	5 408	15 880	10 760	28 622	23 502
EBITDA	8 681	5 370	19 183	9 893	27 473	18 183
Operating profit (EBIT)	-1 338	-781	-512	-2 212	-7 784	-9 484
Items affecting comparability	0	67	330	104	986	760
Acquisition-related amortisation	7 953	5 408	15 880	10 760	28 622	23 502
Adjusted EBIT	6 615	4 695	15 699	8 652	21 824	14 777
Depreciation	602	385	1 271	660	2 217	1 606
Amortisation excl. acquisition related	1 464	357	2 543	685	4 418	2 559
Adjusted EBITDA	8 681	5 438	19 513	9 997	28 459	18 943
Cash flow from operations	3 131	6 169	6 756	7 160	15 342	15 746
Maintenance capex	-2 039	-1 391	-3 238	-2 652	-6 898	-6 313
Free cash flow	1 091	4 778	3 518	4 508	8 443	9 433
Items affecting comparability	0	67	330	104	986	760
Adjusted free cash flow	1 092	4 845	3 848	4 612	9 429	10 193
Cash conversion ratio	13%	89%	20%	46%	33%	54%
Interest bearing debt (to credit institutions)	68 667	341	68 667	341	68 667	64 655
Cash and cash equivalents	-21 173	-11 633	-21 173	-11 633	-21 173	-27 608
Net debt	47 495	-11 293	47 495	-11 293	47 495	37 047

**PARENT COMPANY STATEMENT OF PROFIT AND LOSS,
CONDENSED**

Parent Company Statement of Profit and loss <i>KEUR</i>	2024 Q2	2023 Q2	2024 6M	2023 6M
Revenue	-	-	-	-
Other operating income	72	533	85	532
<i>Operating expenses</i>				
Personnel costs	-96	-47	-219	-92
Other external expenses	-488	-916	-1 015	-1 023
Other operating expenses	-74	-2	-89	-37
Operating profit	-585	-432	-1 238	-620
<i>Result from financial items</i>				
Financial income	916	5 165	6 574	5 227
Financial expenses	-3 135	-426	-6 196	-751
Profit or loss before tax	-2 805	4 306	-860	3 856
Income tax expense	-	-	-	-
Profit or loss for the period	-2 805	4 306	-860	3 856



PARENT COMPANY BALANCE SHEET, CONDENSED

Balance sheet, condensed, parent company KEUR	2024-06-30	2023-06-30	2023-12-31
<i>Non-current assets</i>			
Other intangible assets	2 600	-	1 529
Participations in group companies	315 206	210 101	314 631
Participations in associates and joint ventures	-	30 005	-
Other financial assets	31 276	23 009	13 956
Total non-current assets	349 082	263 115	330 116
<i>Current assets</i>			
Other current receivables	3 108	669	526
Cash and cash equivalents	2 595	1 876	13 656
Total current assets	5 703	2 545	14 183
Total assets	354 785	265 660	344 298
Total equity			
	216 293	193 239	217 153
<i>Provisions</i>			
Other provisions	16 501	16 207	15 728
Total provisions	16 501	16 207	15 728
<i>Non-current liabilities</i>			
Non-current liabilities to group companies	18 301	3 507	10 385
Bonds	68 123	-	64 215
Shareholder loans	35 286	50 844	34 699
Deferred tax liabilities	-	-	-
Other long-term liabilities	121 710	54 351	109 300
<i>Current liabilities</i>			
Trade payables and other payables	74	1 874	1 817
Other current liabilities	207	-11	300
Total current liabilities	281	1 863	2 117
Total liabilities	138 492	72 421	127 145



DEFINITIONS

Gross profit

Profitability after deducting Direct costs of revenue from revenue. Useful to net contribution after costs directly associated with revenue.

Gross profit margin

Gross profit divided by revenue.

EBIT (Earnings Before Interest and Taxes)

Operating profit which comprises earnings before interest and tax.

Adjusted EBIT

Earnings Before Interest, Taxes, adjusted for IAC (Items affecting comparability), and amortisation of PPA. Useful to see the underlying operating profit of the business.

EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortisation)

A measure of a company's operating performance that excludes interest, taxes, depreciation, and amortisation expenses.

Items affecting comparability – IAC

Refers to items which do not form an integral part of the fundamental business performance. This includes costs associated with mergers and acquisitions (M&A transaction costs), costs linked to events of alterations in the business structure or lines of operation, capital gains/losses, impairments, changes in provision for long-term incentive program and other items with the character of affecting comparability, such as material items distorting the fundamental business performance. Items affecting comparability is useful for comprehending the group's development on a like-for-like basis.

Adjusted EBITDA

An EBITDA measure which does not include the impact of IAC. Useful to see the underlying operating profit of the business, and may be useful in various contexts pertaining to financing and valuation.

EBITDA margin

EBITDA divided by revenue.

Maintenance capex

Capitalised development expenditure in revenue generating assets (ready to use assets, as opposed to non-revenue generating and incomplete assets, that have yet to commence amortisation).

Free cash flow

Cash flow from operations after deduction of investment in revenue generating intangible assets. Useful to understand the underlying cash flow generation from the core business.

Adjusted free cash flow

Free cash flow with IAC added back. Useful to see the underlying cash flow generation, adjusted for any distorting IAC (such as acquisition costs).

Cash conversion ratio

Adjusted free cash flow divided by Adjusted EBITDA, which is useful in order to understand to what extent Adjusted EBITDA converts to cash. Adjusted figures are used to remove the impact from IAC.

Net debt

Interest-bearing liabilities minus cash and cash equivalents. Contingent consideration, NCI put liabilities and leases (office leases) are not considered interest-bearing in this context.



BUSINESS DESCRIPTION

Aonic is a dynamic and innovative business that operates across all platforms of PC, console, VR and mobile. We believe audiences are growing together so that cross-platform expertise will be indispensable in the future while the diversification across devices provides financial robustness to our group. We also operate across the entire value chain, from publishing to development and gametech services.

This unlocks significant synergies as the success of a game is not dependent on its production quality alone anymore, but the commercial strength in publishing, monetizing and the ability to launch games across various platforms and devices. We operate with two segments: Games and Tech. The games segment consists of the verticals mobile, PC/console and VR. The Tech segment consists of the vertical User Networks and is focused on delivering software and technology services related to the video gaming industry. Notably, we have an AI-based mediation tool designed to optimize advertisement inventory sales. Additionally, our Tech segment operates a vertically integrated user acquisition channel, leveraging proprietary publishing sources.

We foster a highly collaborative and synergetic network across our businesses that empowers each team to accelerate growth. Our vision is to create the "best home" for video gaming studios and gametech providers, where knowledge sharing, creativity, and growth are the driving forces behind our success. At Aonic, we believe in providing an infrastructure that elevates our businesses to the next level, enabling them to develop and deliver world-class games and technology.

We are committed to providing the right environment and support to our businesses so that they can achieve their full potential. Our culture of collaboration, decency, and transparency is at the heart of our approach, and it is what enables us to empower creativity and innovation. We need to ensure our people can unfold their potential. By building a network of teams and providing them with the necessary support, infrastructure, and resources, we are making the small mighty.

Aonic footprint

Aonic consist of 10 businesses across Europe and North America covering more than 600 employees (including associated companies). Aonic's 10 businesses have also allowed the group to diversify its revenue streams and reduce its dependence on any single business model, device or product. Going forward, Aonic will continue to pursue both organic and acquisitive growth, building on the platform that has been established through these strategic acquisitions. By maintaining a focus on collaboration, transparency, and synergies across its businesses, Aonic is well positioned to capitalize on new opportunities and deliver long-term value for its studios, clients, stakeholders and the ever-increasing number of players out there.



SIGNATURES

The Board of Directors offer their assurance that this interim report for the quarter gives a true and fair view of the Group's and parent company's operations, financial position and results of operations and describes the significant risks and uncertainties facing the Group and the parent company.

Board of directors
Stockholm, 2024-07-26

Florian Egler
Chairman

Paul Schempp
Board Member

Fredrik Iversen
Board Member

The information was submitted for publication at 09:00 CET on July 26, 2024. This report has not been reviewed by the company's auditor, KPMG.



FURTHER INFORMATION

For more information, please contact:

Paul Schempp
CEO
paul.schempp@aonic.co

or

Fredrik Iversen
CFO
fredrik.iversen@aonic.co

www.aonic.co