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2020 in brief

KEY EVENTS DURING THE YEAR Q1-Q4

2020 has been an eventful year for Acroud characterized by the transformation of the business to a "new forward leaning" company and a challenger on the market. A summary of the most important events during each quarter 2020 is shown below.

Q1

February – Robert Andersson was appointed as new President and CEO. The purpose of the change was to create better conditions for Acroud to return to growth while maintaining profitability and to generate shareholder value in the short and long term.

March – Strengthening the financial position through further repurchases of the Company's own corporate bonds on the market, corresponding to a nominal amount of SEK 55 million (app. EUR 5.5 million).

March - Acroud provided an update on results for Q1 2020 from the impact of COVID-19 and decided to postpone the AGM and publication of the annual report.

Q2

April - The new CEO conducted a strategic review of the Company's operations and the business transformation process was initiated transforming the old Net Gaming to the new Acroud.

May – The financial position was strengthened through refinancing where a qualified majority of the bondholders voted in favour of the proposed changes to the bond terms. The changes included an extension of the bond's maturity to September 2022, with a retained interest rate of 7.25%.

June – First phase of business transformation where operations were restructured, parts of the business centralized to Malta and a CCO recruited to build up a Key Account Team. The restructuring created a clearer operational organisation with clearer processes and areas of responsibility, and a focus on fewer products, while at the same time the Company recruited more operational expertise to drive future growth.

Q3

July – The Company adapted and took measures to create a strong long-term position in the Dutch market. The measures involved an adjustment of the product offering to ensure compatibility with the rules in the Dutch market until the new gambling act enters into force in 2021. Although the adjustment will have a negative impact on revenue in the short term, the measures are a long-term investment to ensure a strong position and sustainable development for the Dutch operations over time.

July - Net Gaming Europe was renamed to Acroud. The name change was part of the extensive change management work initiated when Robert Andersson took over as CEO. In connection with the name change, the Company changed its ticker symbol on Nasdaq to "ACROUD".

August - The Company was awarded licences in the American states of West Virginia, Colorado, Indiana and Iowa. This was in-line with the Company's growth strategy and expansion plan for the USA, with gradual roll-outs in new states.

September – Management and Board drew up a new growth strategy with the aim of ensuring a more proactive response to future growth and acquisition opportunities.

Q4

October - The Company's board decided to accelerate the implementation of the growth strategy with the aim of responding more proactively to future growth and acquisition opportunities. The Company intensified the acquisition focus and its two largest shareholders backed the growth strategy.

November - Acroud carried out a private placement comprising 35,294,118 shares at a price of SEK 2.55 per share, corresponding to approximately SEK 90 million (app. EUR 9 million) in allocated demand. The issue enabled the Company to implement the growth strategy and act quickly when attractive acquisition opportunities arise. At the same time, the Company's financial position was strengthened.

November – The first acquisition was completed where the assets in RIAE Media were acquired. RIAE Media is a fast-growing lead generation business within Sports Betting, well positioned for emerging markets such as Latin America, Africa and Asia. The acquisition accelerates the Company's growth in strategic focus areas such as Sports Betting and Emerging Markets.

November – A letter of intent was signed, this time for the acquisition of PMG Group, in order to strengthen its strategic position on the market and develop SaaS and BaaS business offerings. PMG is a fast-growing company, predominantly active in the European market with the affiliate network Matching Visions and the iGaming campaign broker Traffic Grid, but is also an industry-leading SaaS service provider with Voonix. The acquisition was finalized in January 2021.

December – Second phase of the business transformation and restructuring where operations were further reshaped and further strengthening of the Poker vertical through recruitment of senior resources such as Event and Outreach Manager. The development of The Festival Series.

December - The Company was granted a licence to operate in Michigan, which was regulated in January 2021, and includes Sports Betting, Casino and Poker.





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Investment Case

Acroud operates in a market that has historically shown long-term, stable growth. The outlook for iGaming appears positive and is expected to continue to show good, sustainable growth for many years to come. In addition Acroud has also entered the market for SaaS and BaaS solutions which also appears to have a bright future.

Strong market position in growth sector

Acroud has a strong position within iGaming Affiliation and is one of the leading companies in the sector. According to H2GC, the industry is expected to show global annual growth of 10 percent in the period 2021-2026. We have established long-term and strong customer relationships during more than 15 years in the industry, which gives us a head start against many of our competitors and the market as a whole.

Unique position on the market with SaaS and BaaS solutions

Acroud are operating two segments iGaming Affiliation and ...As a Service. We are unique on the market being able to offer SaaS ("Software as a Service") and BaaS ("Business as a Service") solutions via our...As a Service segment. The SaaS and BaaS business is fast growing and we are moving in a high pace developing this part of the business, which has significantly higher entry barriers and high shareholder value.

Management team and Board with long experience

Both Acroud's Management team and its Board have broad experience from developing iGaming Affiliation and high-growth companies. During 2020 a strong team has been formed. The CEO Robert Andersson has a solid track record from the industry and from developing growth companies in a high pace generating shareholder value. Through the recent acquisitions and recruitments some strong and experienced individuals in the industry have joined the ride.

Scalable business model

We have a scalable business model, which enables us to quickly and easily expand existing or new brands to new geographic markets or expand into new verticals. We have a unique own developed proprietary technical platform ("CAS"), allowing us to quickly develop our products and our offering to end consumers. This enables us to further scale our operations and achieve high margins and strong cash flow.

Operations excellence

With over 15 years of experience and knowledge of SEO and highquality content for our digital brands within our iGaming Affiliation segment, we reduce the underlying SEO risk while increasing user value. In most cases, our users find our websites through search engines. For many years, we have gathered experience and knowledge of what our users want, which means that we develop our brands according to the user's actual needs and expectations.

Fast-growing Sports Betting vertical

Sports Betting accounts for about 50 percent of iGaming's total global revenue. Acroud still generates the majority of its revenue from Casino and, to a lesser extent, also from Poker within the iGaming Affiliation segment. Acroud launched a Sports Betting vertical in 2018 and the vertical has been further developed in 2019-2020. Through the acquisition of RIAE Media in Q420 we have significantly strengthened the Sports Betting and we are prepared for rapid growth in Europe as well as in the US. The aim of the vertical expansion to Sports Betting is to add further long-term organic growth to our already existing operations.

Strong position in North America

Since the foundation of PokerListings.com in 2003, the Company has built many years of experience and knowledge of the US market. In 2020 we have increased our focus and formed a strong US team simultaneously as we have ensured that we can operate in 12 states via business certificates and licenses. PokerListings.com is a very strong brand and also helps drive traffic to non-Poker verticals. With other strong brands such as Casinoguide.com, CompareCasino.com and SportsBettingGuide.com it will drive the growth over time in the US.

Financially flexible and prepared

Acroud's operations will be conducted at low financial risk over time by continuously reducing net debt and maintaining good liquidity. Prioritising a good financial position and strong liquidity gives the Company flexibility and ensures it is ready to grasp opportunities and deal with future challenges.





CEO Report

Who is this challenger called Acroud? And which quest are we on? To answer these fundamental questions, let us look back and reflect before we look to the future.

It has now been just a year since I had the privilege to be appointed CEO of Acroud, and we started the journey to create "the Media House of The Future". This year has been a very eventful year to say the least, especially on a global level as everyone is aware. But let's focus on the Company. The Company has, in high speed, transformed from its old mindset towards being an entrepreneurial forward leaning company. It is now "A crowd" of brilliant minds and a company with a unique position on the market. The year has been characterized by intense change management work where we have rebuilt the company in rapid pace including secured refinancing, raised new capital, changed the company name to Acroud, built a strong team with profound industry experience, executed strategic acquisitions. Consequently, there has been a major shift in strategy to be more offensive, creating a company prepared for strong future growth.

Trend shifts in the fourth quarter...

Financially 2020 has been a challenging year where revenues and margins have decreased much related to regulative effects, and it is also an effect of the historical strategy. When starting as CEO I expected it to take around 12 months before we would see some initial fruits of the change management work. Therefore it is extra gratifying to see the current trend shifts at the end of the fourth quarter such as:

- NDC levels are increasing quarter on quarter more than doubling, in part driven by acquisitions
- REVENUE increasing 5% quarter on quarter reaching 2,497 kEUR
- ADJUSTED EBITDA increasing 7% quarter on quarter reaching 1,023 kEUR

We can be proud of this progress, even though in all honesty, it does not matter in grand scheme as the financial figures are just "a captured moment in time" that is behind us already. Remember "better is only temporary", because tomorrow we will be better than today.

If we look at the last quarter and the period up until now, it becomes far more exciting as this has been an especially eventful quarter, in which many pieces of the Acroud puzzle have fallen into place.

Pieces in the puzzle falling into place...

During the last quarters a new more offensive growth strategy has been implemented to build the platform for growth and creating a unique company on the market.

We raised 90 MSEK with a new share issue strengthening our balance sheet and enabling us to create the new position on the market through strategic acquisitions. In connection with the new share issue we also welcomed several new investors to Acroud making us even stronger. With parts of the funds we completed the acquisition of the companies in the Power Media Group ("PMG") and the assets in RIAE Media.

RIAE Media and the Power Media Group are transformative acquisitions being important pieces in the puzzle turning Acroud into something new. Acroud's vision is to create value and enable content creators (for instance bloggers, youtubers, affiliates, etc.) to monetize on their work with new tools and new business.



To clarify this in the best possible way. Media and information is created and consumed, as well as monetized in fast, new and ever changing ways. Therefore, we have a vision to build "The Media House of The Future", which in fact is a vision we will never reach even if we do things right because as I said, better is only temporary. Consequently we enable businesses to thrive and acquire consumers through entertaining and trustworthy content. Through the acquisitions we have transformed to a more diversified company with several different revenue streams. In fact we have created a company adapted for strong growth with significantly lower risk profile than earlier. Through RIAE Media we have strengthened our Sports Betting vertical and gained traction on both Emerging Markets and the US. Through Power Media Group we get profound industry knowledge and a strong team with totally new revenue streams and products.

Looking to the future, we still have some pieces of the puzzle to put in place via additional acquisitions and continued development of the underlying business, which is something we are currently working on. However, the pieces are falling into place as I would like to give a flavor of what we are creating below.

At your service...built on three strategic pillars.

The new Acroud that is being created is based on three strategic pillars creating growth and value for the shareholders.

The first Pillar – Affiliate Business. This is our underlying affiliate business containing the Poker, Sports Betting and Casino verticals. In the affiliate business we operate websites generating traffic for the operators. We are providing content and we can through the acquisition of PMG utilize the SaaS and BaaS solutions to increase the underlying growth and profitability in the affiliate business. In other words there are significant synergies within this field.

The second Pillar – SaaS Business. There is a lot buzz around "Software as a Service" (SaaS) and through the acquisition of the assets in PMG we are from this year also a SaaS company. But we are also more than that. Let me explain. In line with our vision of providing a way for "content creators" to better monetize their work, we now offer two sets of software solutions, one being Voonix which is an industry leading data collection tool on the affiliate market. The other being Affhut, allowing whoever wants to build and create their own network of content creators.

The third Pillar – BaaS Business. We can now also offer what we would like to call "Business as a Service" (BaaS), which is Matching Visions. Matching Visions gives the media creators (for instance bloggers, youtubers, affiliates, etc.) access to a much larger client base, unique software and business terms, otherwise out of their reach. Predominantly this currently means that thousands of smaller iGaming affiliates around the world come together, via Matching Visions, to provide traffic and new players for online gaming operators. In other words Matching Visions makes life easier for both operators and affiliates. Simply put, Business as a Service.

Going forward we will, through horizontal expansion, expand our BaaS and SaaS offerings outside the iGaming industry. There are huge potential and upsides down the line in this field.

Continued expansion in the US

We continue on the track with focus on the US market reaching 20% of revenues in North America in the fourth quarter. We see increased traffic driven by the Poker vertical simultaneously as we have gained licenses in large states such as Virginia, Illinois, Tennessee, Michigan and Pennsylvania.

Some of our sites are gaining traction and are ranking well in the fourth quarter leading to larger opportunities to grow organically within Sports Betting, Casino and Poker. We are currently evaluating our different growth initiatives in the US to find the balance between organic growth, partnerships with Media Houses and executing ongoing strategic acquisitions.

Back to land-based gaming events, why?

The logic behind facilitating gaming events is clear. We strengthen our position within Poker, Casino games and competitive Sports Betting, we create buzz and a lot of high quality content, which will help our flagships, such as Pokerlistings.com and CompareCasino. com to grow even further. We also assess that the gaming events will generate positive EBITDA already from the first event besides from all other synergies which are generated.

The first stop for our The Festival Series - thefestival.com - will be in Tallinn in June 2021, depending on the COVID-situation. This is the first in a series of poker & casino events facilitated by Acroud in amazing cities worldwide. It combines the best of poker, casino and sportsbook - all in one scene. Our first stop will introduce competitive roulette & blackjack tournaments alongside various poker formats our players know and love.

Entering the streaming market with full force and signed LOI

We are entering the streaming market building a new brand that will be our new streaming network. This will unite the iGaming streaming community "under one roof" and offer an "all-inone service" to any streamer looking to grow their channel.

We have teamed up with some big international streamers and this together with unrivalled technology and industry knowledge will be a "Game Changer" for Acroud. The streamer business will be rolled out during the first quarter of 2021. It's natural for us to start the roll-out within iGaming, but we are looking forward to bringing this business to other verticals such as e-sports.

We are fully convinced that streaming and rich content is a vital part of the future development of our industry and many other verticals within the media sector. The classic "affiliate comparisons sites" still have their target audience, however this type of rich and dynamic content reaches beyond that. In line with this market development we have just also signed a LOI to acquire a European based media company ("The Target"). The Target owns and operates some of the Europe's best video channels within Sports Betting, Poker and Horse Racing. The Target also develops SaaS solutions within Sports Betting which makes them a "strategic fit" to Acroud and an important piece in the puzzle. In addition, the Target has shown a solid growth track record simultaneously as we see many synergies in sight.

In Summary, the pieces in the Acroud puzzle are falling in place to build "The Media House of The Future" and we are prepared for solid growth. You can expect us to continue to keep our rapid pace, invest wisely and challenge the status quo. As we all know the only constant in life is change.

So...

Join The Ride

Robert Andersson Malta



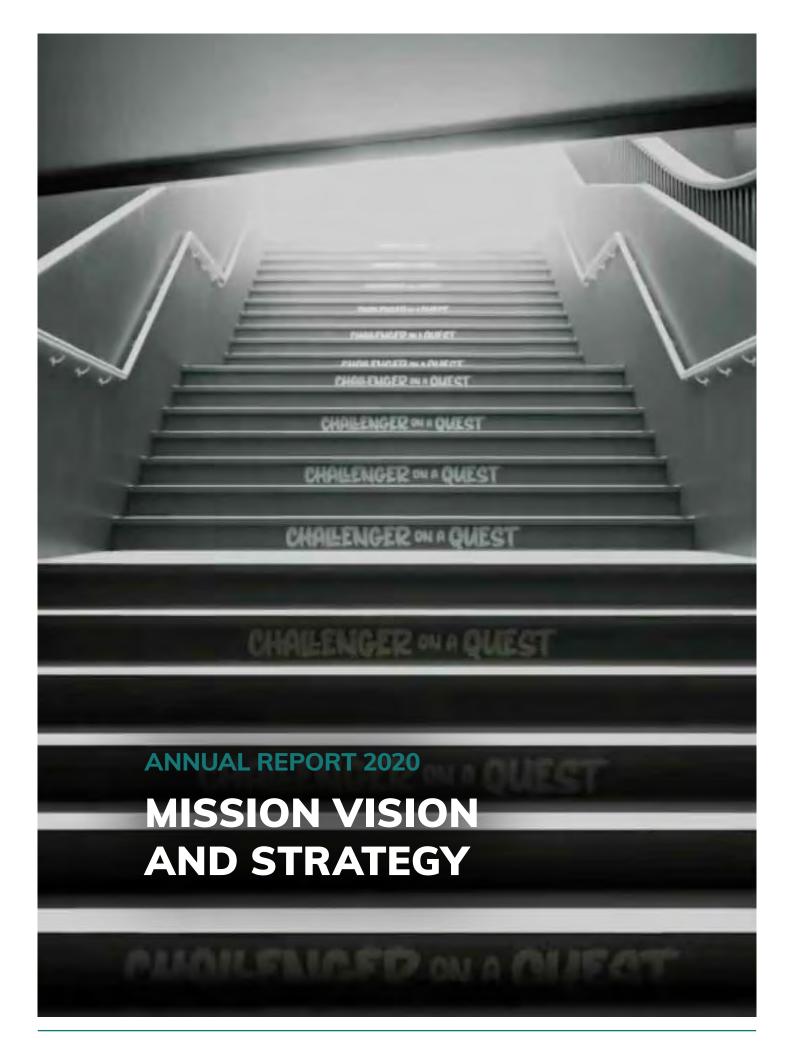
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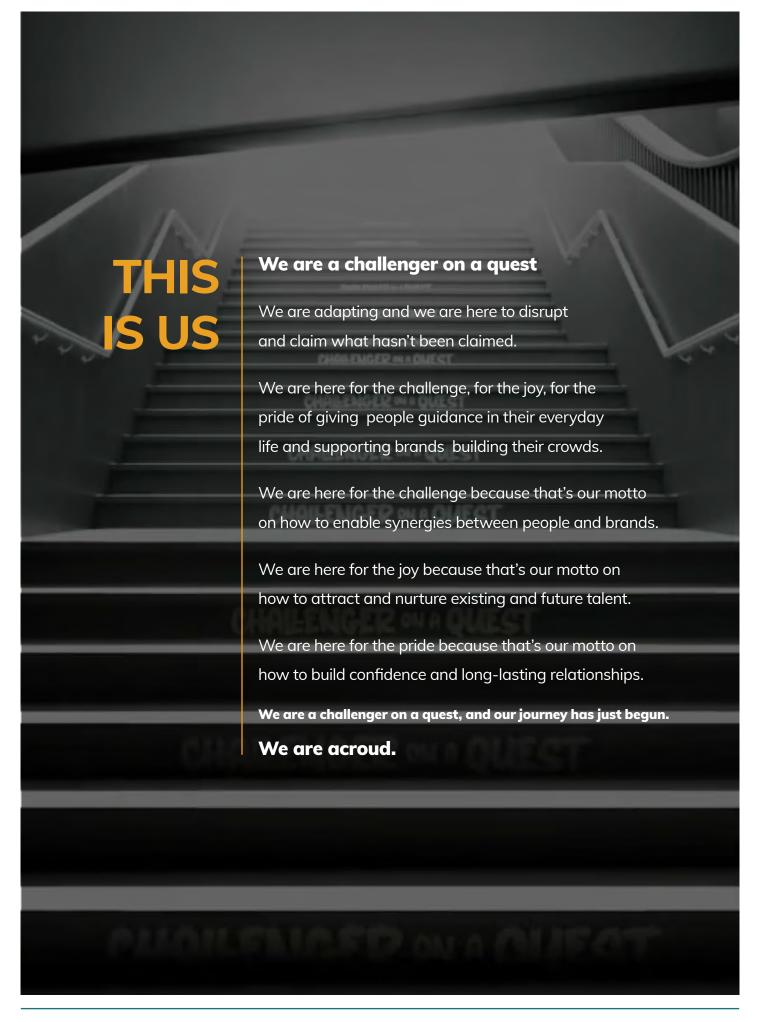
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Mission

Why we exist

Connecting people, content creators and businesses

Vision

Our ideal state

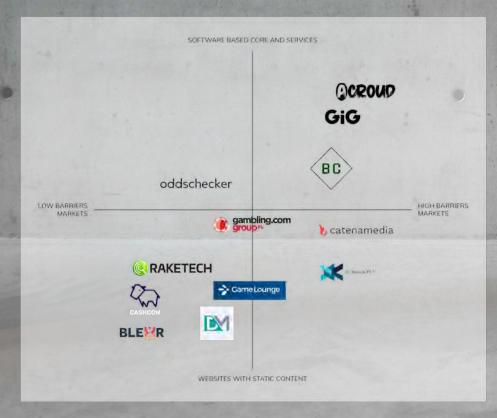
To be the Media House of The Future Goal

The target

To create the best ecosystem within media and affiliation industry

Positioning Strategy

Acroud Management and Board of Directors have worked focused on developing the Company's mission, vision, strategy and business concept during the year. In September 2020 a new more forward leaning strategy was implemented.



Our strategy and tactic is to position us "up to the right" in the competitive landscape on the market which means moving away from websites with static content to more software based core and services.



A T E G I

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Geographical

Expansion

The same success principals that Acroud has deployed in European markets have now been aimed at Emerging Markets and North America. We aim to deliver high quality brands within a relatively short throughput time, via our innovative delivery method. By doing so, we position our brands and software early on which ensures the success of our strategic plan.

Diversification of

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Revenue Streams

To build up a long term diversification of revenue sources and model will make the Company less sensitive to changes in any industry or any regulation. Building strategic stability and sustainability in our revenue base reduces the overall risk profile of the Company

STRATEGICAL PLAN

Verticals

Core and Beyond

Acroud's core assets include strong positioned affiliate brands which will benefit from the acceleration of trends through the pandemic, i.e. decline of retail and increase of online. Acroud is positioned to capitalise on such trends with a strong operational team which delivers high quality content, search engine optimisation and cutting-edge technology improvements. In addition, our product offering expanded to new and exciting verticals which will accelerate our strategic growth plan more rapidly.

....As a Service

Company

Acroud has diversified its business at the beginning of 2021 as part of the acquisition of PMG Group. The SaaS contracts generate a long-term sustainable revenue stream. Our aim is to solidify this new position and find the ultimate synergies between our new and core assets and become the leading service company in the industry



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TRATEG

U.S.

Roll-out

key personnel. Following a cost-efficient and innovative delivery method for new US facing products, we aim to have sites live in all regulated states and verticals during 2021. This in conjunction with our approved licenses makes it possible for us to operate in 12 states in the US, enables us to achieve the desired growth in the US.

Rich content

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Streaming

Acroud will have an opportunistic approach and mindset to invest and build new streams of revenue. Such new ways include live streaming and social media influence. The goal is to diversify the acquisition and organic conversion of FTDs.

Execution of this strategy will be done by M&A and creation of our own high value content.

TACTICAL PLAN

Systematic

M&A

We will keep having an opportunistic approach to M&A and continue to evaluate cases, however we will not be as aggressive as before and focus on growth of our base portfolio and the already executed/announced

Keep



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Financial Targets

Financially flexible and prepared

Acroud's operations will be conducted at low financial risk over time by continuously reducing net debt and maintaining good liquidity. Prioritising a good financial position and strong liquidity gives the Company flexibility and ensures it is ready to grasp opportunities and deal with future challenges.

The Company's operational risk profile has improved significantly in 2020 through:

Revenue diversification

- Implementation of new revenue models such as fixed fees and banner fees comprising +10% of revenues in Q420.
- Increased proportion of revenue share with our partners stabilizing around 60-65% in 2020.

Market diversification

 Reduced dependence on individual geographic markets through expansion in North America in combination with acquisitions of RIAE Media and Power Media Group.

Product diversification

 Expanded number of products and verticals, such as expansion within the Sports Betting vertical and acquisition of Power Media Group launching SaaS and BaaS business solutions.

Operational objectives with reduced operational risk

Acroud's Board of Directors have decided that the operations will be conducted at low operational risk. We develop digital services and products that create user value. This gives us returning users and customers, which in turn reduces operational risk. The Company's growth initiatives are primarily focused on regulated, or soon to be regulated, markets. In addition Acroud's operations are data and process driven, which creates predictability, good control and reduced key employee dependency.





Our financial targets

Acroud's financial targets constitute a long- term ambition that the Board and Management consider to be reasonable for the Company.

The Board has defined the following financial targets:

EPS growth

Acroud's target is average annual EPS growth of at least 20 percent over time. Earnings per share growth is the overall financial target and Acroud believes that this is the best way to measure shareholder value over time.

Organic revenue growth

Acroud's long-term target is organic revenue growth in the range of 15 to 25 percent. Acroud will continuously invest in the core business and new internal growth initiatives to ensure strong and sustainable organic growth. The time when growth initiatives bear fruit may vary, which means that organic growth may fluctuate over time.

Acroud's definition of organic growth is based on net sales compared with the previous period, excluding acquisitions in accordance with IFRS 3 (in the last 12 months), divestments and exchange rate movements.

Capital structure

Acroud's long-term target is a Net debt/EBITDA ratio of no more than 2.0. The Company's operations will be conducted over time with low net debt and therefore low financial risk. The Board has the right to deviate from this target during periods if it is considered favourable for both Company and shareholder value.

Dividend

Over the next few years, Acroud will prioritise lower net debt, good liquidity and internal growth investments above dividends.

Historically, the Company has also made a number of successful acquisitions which have been integrated into the proprietary scalable platform, thereby contributing to underlying growth and earnings capacity. We will continue to have an opportunistic approach to M&A and evaluate new cases. However, primary focus will be on organic growth of our base portfolio, integration and the already executed / announced transactions.

Key Assumptions

The iGaming market is expected to continue to grow at an average annual growth rate of 10 percent in the period 2021-2025. The share for online gambling (iGaming) is currently about 12 percent and is expected to increase to 15 percent by 2023. Acroud sees a continuation of sustainable underlying growth in the iGaming market

Sports Betting currently accounts for about 50 percent of the iGaming market. In 2020, Acroud strengthened its position within Sports Betting through the development of underlying operations and the acquisition of RIAE Media, and in the long term expects to be able to generate higher growth than the average for the overall iGaming market from this vertical.

In the US, more and more states are moving towards re-regulation and Sports Betting is now also permitted. Acroud has had assets in the American market since 2003, and we will be able to capitalise on these and new brands as an increasing number of states allow iGaming.

Acroud is currently a leading player in the affiliate segment and has many years of relationships with our partners. Acroud expects to maintain these partnerships and enter into new ones as more players establish themselves in the market.

Acroud expects that competition among affiliate companies will remain relatively unchanged, as continuing consolidation of the market is offset by the arrival of new players. However, the Company believes that there will be a shift in market shares in favour of large players like Acroud.

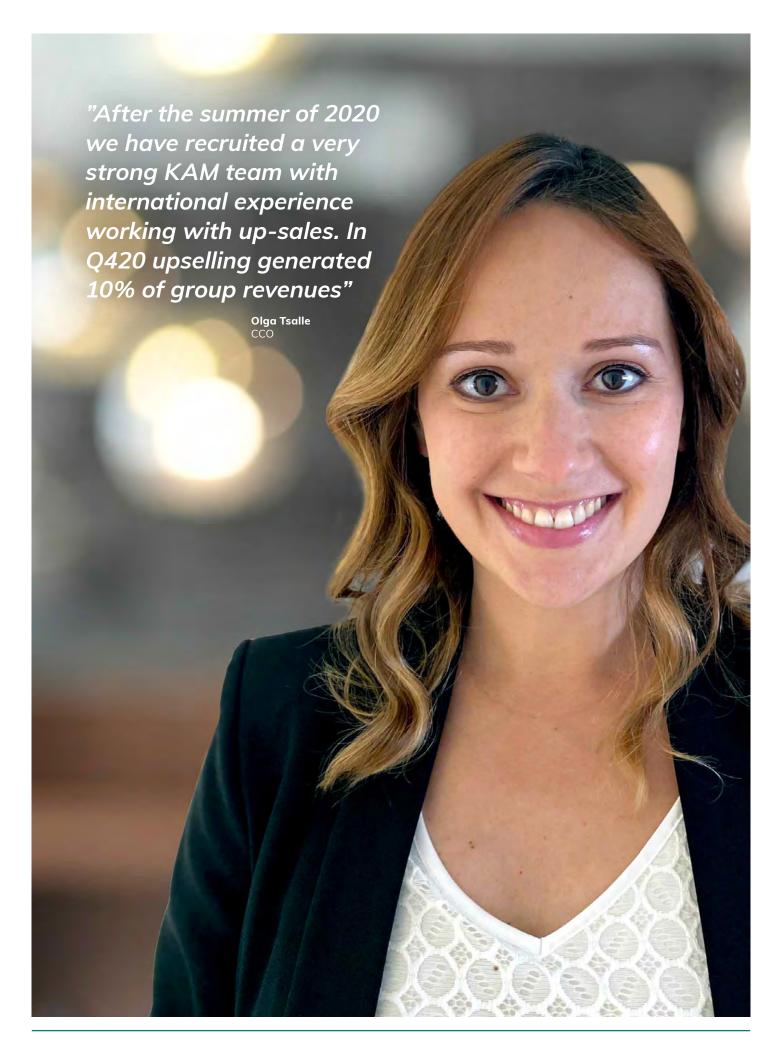
In the preparation of the long-term financial targets, the Company has not taken into account any significant negative effects as a result of material changes in, but not limited to, the following areas;

- The regulatory climate, laws and regulations to which the Company, the iGaming affiliate market, the Company's partners and the broad iGaming market are subject.
- Our partners' (operators) views on the use of affiliates in acquiring customers.
- Existing political, fiscal, market and/or economic conditions, and the administrative, regulatory or tax-related treatment of the Group.











Segments and Business Areas

ACROUD 3 GROWTH PILLARS

Acroud's strategy and future growth plans is based on the three growth pillars Affiliate Business, BaaS Business and SaaS Business.



The 1st Pillar

Affiliate Business

This is our underlying affiliate business containing the traditional verticals; Poker, Sports Betting and Casino. Acroud delivers high quality content, search engine optimisation and cutting-edge technology improvements to its core affiliate assets to maintain strong keyword rankings. Complementing this with utilisation of our SaaS and BaaS solutions to increase the underlying growth and profitability in the affiliate business.

Key Growth Drivers

Centralised system and finish migration into new platform. Synergies with Matching Visions and Acroud Sports to improve output at lower cost.

More niched and targeted SEO approach with new workflows in the group companies leading to higher SEO value for less investment.

Project Upsell - Synergies between Acroud business areas to move fixed fees up towards 10-15% of Group revenues.

Regulated Markets Re Entry. Dutch market to open up in 2021 and utilise operational assets with new acquired network and PPC options.

US expansion and Roll Out including roll out of new sites in regulated states.

The 2nd Pillar

SaaS Business

Through the acquisition of PMG Acroud has now become a SaaS (Software as a Service) company as well. In line with our vision of providing a way for "content creators" to better monetise their work, we now offer two sets of software solutions. (1) Voonix which is an industry leading data collection tool in the affiliate market and (2) Affhut, facilitating the possibility to users who want to build and create their own network of content creators.

Key Growth Drivers

Increase Voonix' monthly recurring revenue by increasing client base. Voonix is the market leader and is continuously adding clients to the recurring revenue stream.

Project "Voonix Premium Operator" -Providing operators the opportunity of communicating with the affiliate clients creating additional revenue streams.

Project "Content" – Creating additional revenue streams through the offering of automatic feed-based content to affiliates from Gaming Software Providers.

New segments - Move the Voonix product into high growth market such as financial and mainstream affiliation.

Voonix Compliance – Offer affiliates the opportunity of storing and sharing KYC documents and allowing the affiliates to store, manage and E-sign marketing insertion orders through the Voonix system. The creation of the Voonix Compliance project will cement the Company's position as the market leader within affiliate SAAS products while further limiting client churn and creating growth opportunities.

The 3rd Pillar

BaaS Business

We now offer "Business as a Service" (BaaS). Matching Visions provide media creators (for instance website affiliates, bloggers, Youtubers etc.) access to a large pool of gaming campaigns that would otherwise be out of their reach, unique software and a single payment/contact for all affiliate activities. Thousands of smaller iGaming affiliates around the world come together, via Matching Visions, to provide traffic and new players for online gaming operators. Matching Visions operate as a union and collective bargaining organization for this group and is truly, as their slogan suggest, an affiliate's best friend.

Key Growth Drivers

Project Stream - New source of revenue from gaming streamers with high upside potential on NDC delivery.

Acroud Regions - Setup Matching Visions in every large region of the world with partners and share profit. No large investments needed and a business model based on a win-win commercial set up.

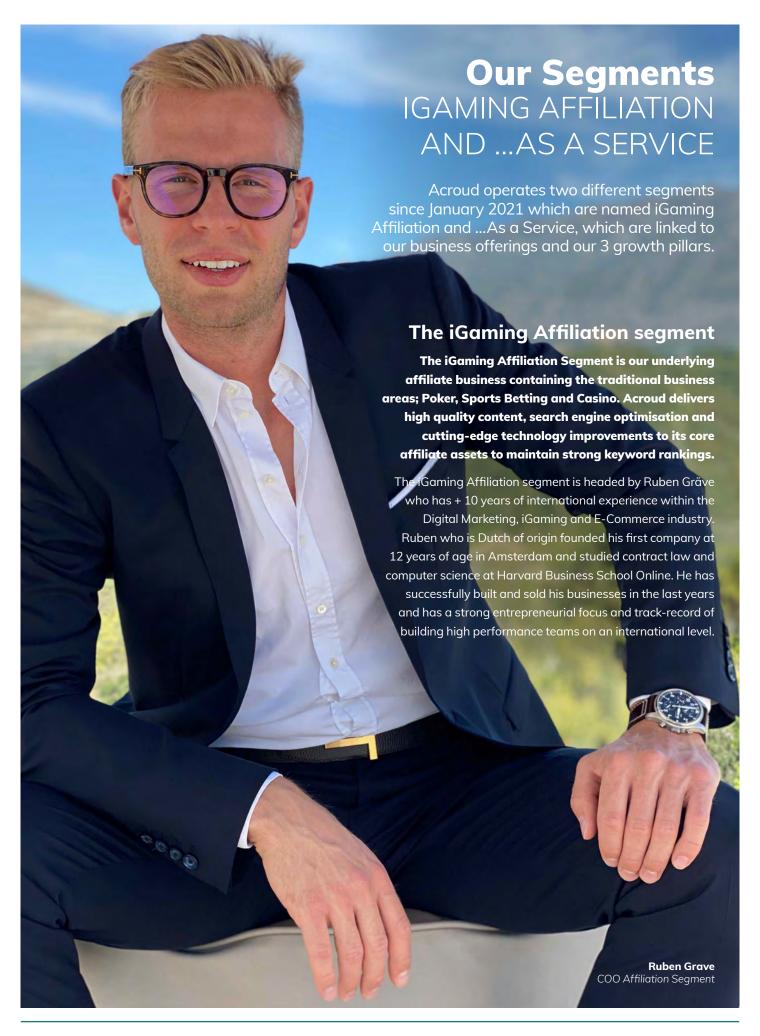
Acroud Sports Service - Utilise Acroud Group's assets to boost growth within the Sports Betting vertical. Using Affhut, external sportsdata and Matching Vision to accelerate growth.



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The ... As a Service segment

The ...As a Service segment comprises our "Business as a Service" (BaaS) and "Software as a Service" (SaaS) business solutions, which are our second and third growth pillars. In the ...As a Service Segment we offer our customers various software solutions and we give media creators (for instance bloggers, Youtubers, affiliates, etc.) access to a much larger client base, unique software and business terms, otherwise out of their reach.

The ...As a Service segment is headed by Morten Marcussen who has +8 years experience within the iGaming industry and has +20 years experience in business development online. He has a Master of Science in Economics and Business Administration MSc with a focus on Design and communication management. Morten has since 2018 been the CEO of Voonix, but also focus on business development in different areas of Acroud.

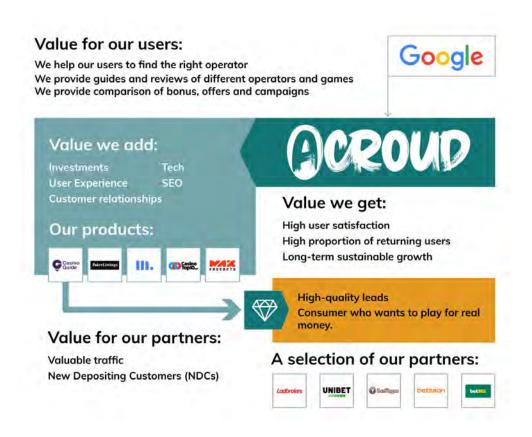


The iGaming Affiliation segment

The iGaming Affiliation Segment is our underlying affiliate business containing the traditional business areas; Poker, Sports Betting and Casino. Acroud delivers high quality content, search engine optimisation and cutting-edge technology improvements to its core affiliate assets to maintain strong keyword rankings.

How we create value

In the iGaming Affiliation segment Acroud creates value at several levels, mainly for our users (players), our partners (gaming operators) and, of course, our shareholders.



Value for iGaming players

Acroud helps players, i.e. iGaming's end consumers, to find the right casino or poker room, or to find odds within a specific sport. With reviews of the various iGaming operators combined with gaming guides, rules and playing tips, we guide and inspire our users to make the right choices.

Value for our partners

Acroud operates strong digital brands enabling us to offer our partners, i.e. the iGaming operators, new end consumers with high player value.

We add resources for a stronger end product

Acroud adds resources such as capital, but also technology, customer relationships, SEO expertise and, particularly important, user value to strengthen our services and brands. This leads to satisfied users and more returning users, which in turn brings long- term, sustainable growth for us and our partners.

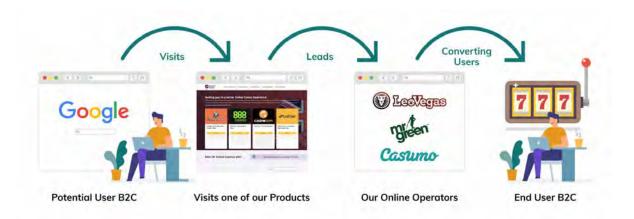


iGaming Affiliation business model

BUSINESS CONCEPT

Strong, digital brands with quality content

The iGaming Affiliation business concept is to own, operate and develop high-quality digital brands for the purpose of guiding end consumers to our partners (iGaming operators). Acroud earns money by guiding users of our brands to one of our partners. As soon as these users make a deposit with the iGaming operator, Acroud is paid (see the revenue model section below).



Revenue model

Acroud iGaming Affiliation segment's revenue model is performance-based and works on the basis that a user, i.e. the end consumer, has made a deposit and started playing with one of Acroud's partners – the iGaming operators. The revenue is based on the type of customer agreement entered into with the partner and the market in question. Acroud iGaming Affiliation segment has three main revenue models.

CPA - Cost per acquisition

Revenue model based on a fixed amount that is obtained when a new user that Acroud refers to an iGaming operator makes their first deposit with the operator. This is a form of prepayment that Acroud receives and it is invoiced to our partners monthly.

Revenue Share

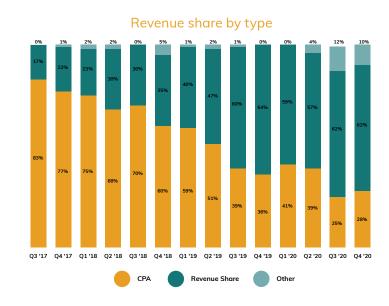
Revenue model based on Acroud obtaining a proportion of the iGaming operator's net revenue from end consumers. Net revenue consists of gross revenue generated by the end consumer less bonuses, transaction costs and other direct costs such as gaming duties. For end consumers where Acroud has a revshare agreement, revenue goes to Acroud as long as the end consumer remains active with the iGaming operator, i.e. over the entire customer life cycle. In some cases, Acroud generates revenue from both CPA and Revenue share, referred to as a hybrid revenue model.

Other income (Fixed fees / Banner fees / etc)

In 2020 a Key Account Team has been appointed, including a Chief Commercial Officer. This has resulted in the implementation of new revenue streams, generating revenue from flat fees, banner fees etc., which accounted for just over 10% of Q420 revenue, compared with 0% for the same period the previous year.

Strategic shift in revenue model

During 2017-2020, the Board and Management implemented a strategic initiative involving a transition from CPA to revenue share. During 2020, we have seen a continuing stabilisation of the percentage of revenue share at 60-65%. The transition to an increased percentage for revenue share strengthens our growth over time and gives the Company long-term stability. The graph shows the strategic shift between 2017 and 2020.







iGaming Affiliation Our Brands

In iGaming Affiliation we focus on our existing assets, but we are also launching new strong brands as CompareCasino.com in November 2020.

We are step by step building a strong portfolio of Poker, Casino and Sports Betting brands within the iGaming Affiliation segment...





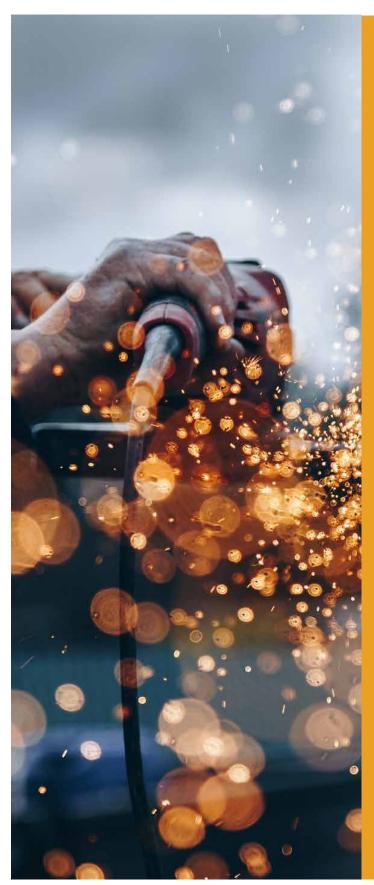






iGaming Affiliation Our Verticals

BUSINESS AREAS



Acroud operates 3 verticals (business areas) within the iGaming **Affiliation segment**

Casino







Sports Betting





Poker **P**•kerListings

Other mortgageloan.

Acroud currently also has other smaller verticals, including Bingo, eSports and Finance. These are run where Acroud believes there is future potential.



iGaming Affiliation Acroud Sports

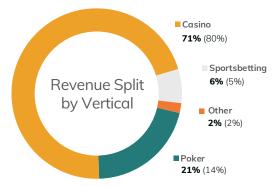
Acroud Sports, meaning the Sports
Betting vertical, is headed by Gary Gillies
who has + 20 years of international
experience within the Digital Marketing,
SEO, iGaming and Sports Betting.
Gary has successfully built and sold
businesses last years and has a strong
entrepreneurial focus and track-record
of generating growth on affiliate sites.

About Acroud Sports

We have intensified our focus on Sports Betting and US roll out simultaneously as we have recruited experienced professionals to execute our growth plans. In November 2020 the Sports Betting assets in RIAE Media was acquired, which together with assets as MaxFreeBets and SportsBettingGuide.com form the foundation in Acroud Sports.

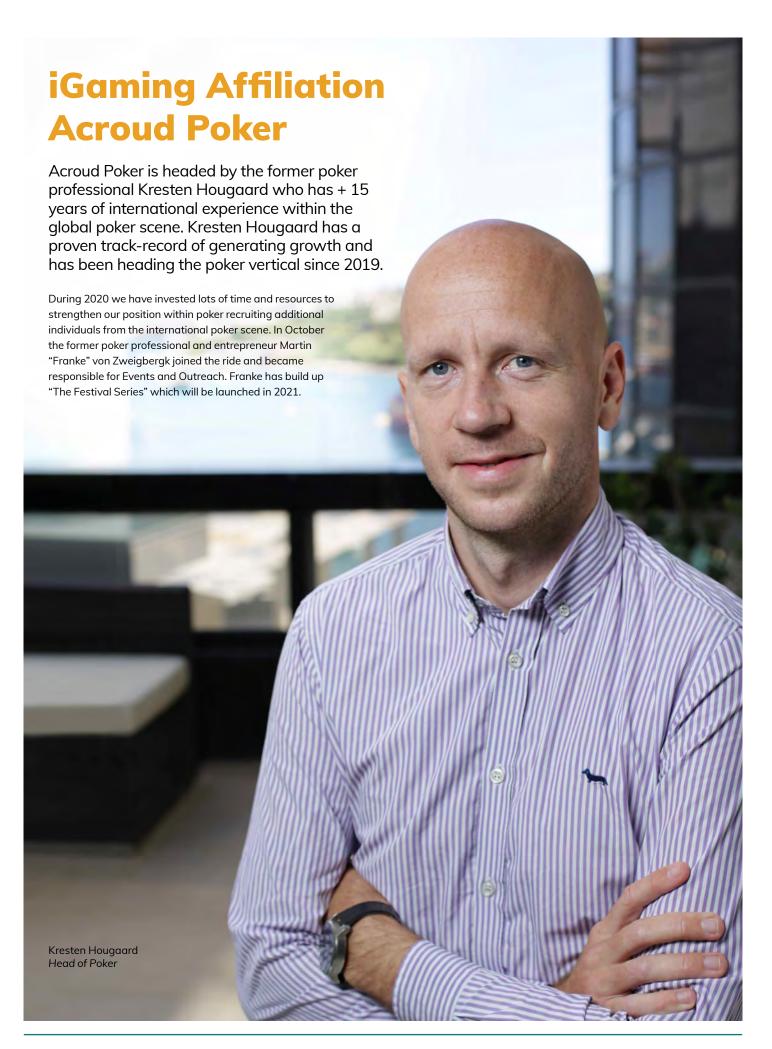
Our aim is to grow the Sports Betting vertical into a fully automated GEO targeted Predictions/Tool which is scalable and can grow without increasing personnel costs significantly. This will allow us to scale up faster against our competition at low cost level. The Predictions/Tool will create a front face for Bookmakers and revenue growth, thereby creating significant shareholder value.

The Sports Betting vertical has been negatively impacted by the COVID-19 during 2020, but we see a strong recovery on the market simultaneously as our product offering is being strengthened in a rapid pace.

















What is the Festival?

- A global first! There is no other live event that combines competitive Poker, Sports Betting and Casino games
- Vibe, friendships, competitions, travel experience, real world
- Profitable from day 1
- A content machine deluxe

Game plan

- Tallinn 7-13th of June, 2021
- Bratislava 20-26th of September 2021
- Covid Contingency
- 2022 to expect 2 events in Europe and 1 in the America's to reach new clients

How do we do it?

- Through own existing channels promote the event and online partners of the event = NDCs
- Creation of new channels to capture and maintain a loyal follower base = Brandbuilding
- Collaboration with perceived competitors to increase reach (Hendonmob, PokerNews, etc. are all getting on-board and will cover the events before, during and after) = Trust
- Cooperation with our operators through their existing
 player data base. When an operator becomes a partner
 with The Festival Series, they ensure a strong ROI with
 our help, through Festival unique offers to their own player
 network. Using content produced by Acroud and through
 The Festival Series brand, the operators can recruit
 new players, activate existing players and, of course,
 extend their brand to a larger customer base = Reach
- The Business model of The Festival and easy partnerships for online operators means that all their other affiliates can and will use The Festival oriented campaigns to increase their NDC's and thus promoting our brand as a side effect = Extended Reach



iGaming Affiliation US Roll out

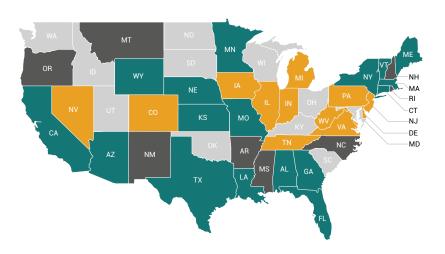
We continue on the track with focus on the US market within our iGaming Affiliation Segment. We are seeing increased traffic driven by the Poker vertical while we have recently been awarded licenses in large states such as Michigan, Pennsylvania, Illinois, Tennessee and Virginia.

Some of our sites are gaining traction and are ranking well leading to larger opportunities to grow organically within Sports Betting, Casino and Poker. We are currently evaluating our different growth initiatives in the US to find the right balance between organic growth, partnerships with Media Houses and executing possible strategic acquisitions.

personnel for our US team. Maximising our cost-efficient and innovative delivery method for new US facing products.



U.S. Map - Legislative Overview



Acroud's **Gaming Licenses**

- Colorado
- Michigan New Jersey
- Pennsylvania Tennessee
- Virginia West Virginia Delaware
- 10. Illinois 11. Iowa 12. Nevada

States Where Legislation is Pending

- Alabama Arizona California Connecticut Florida Georgia Kansas

- 7. Kansas 8. Louisiana 9. Maine 10. Maryland 11. Massachusetts 12. Minnesota 13. Missouri 14. Nebraska 15. New York 16. Texas 17. Vermont 18. Wyoming

States Where Sports Betting is Legal but **Restriction on Marketing Affiliates**

- Arkansas (Retail sports betting only)

- Arkansas (Retail sports betting only)
 Mississippi (Retail sports betting only)
 Montana (Retail sports betting only)
 Montana (Retail sports betting only)
 New Hampshire (Online sports betting only)
 New Mexico (Retail sports betting only)
 North Carolina (Tribal casinos only)
 Oregon (Online sports betting operated by the Lottery)
 Rhode Island (Online sports nub y the Lottery)
 Washington D.C. (Online sports betting run by the Lottery)

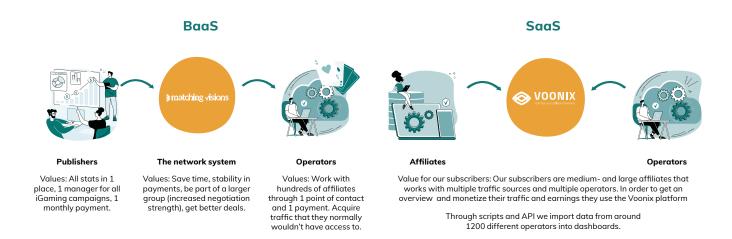


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The ... As a Service segment

The ...As a Service segment comprises our SaaS and BaaS business solutions comprising the three business areas; Matching Visions, Traffic Grid and Voonix. The ...As a Service segment was acquired after the year end 2020 from PMG Group.



How We Create Value (SaaS)

In our SaaS division we are providing a business solution enabling clients to better analyse and monetise their traffic sources. We offer two sets of software solutions. (1) Voonix which is an industry leading business intelligence tool tailored for the affiliate market; and (2) Affhut, a software solution facilitating a technical framework befitting clients who want to build and create their own network of content creators.

How We Create Value (BaaS)

We now offer "Business as a Service" (BaaS). Matching Visions provide media creators (for instance website affiliates, bloggers, Youtubers etc.) access to a large pool of gaming campaigns that would otherwise be out of their reach, unique software and a single payment/contact for all affiliate activities. Thousands of smaller iGaming affiliates around the world come together, via Matching Visions, to provide traffic and new players for online gaming operators. Matching Visions operate as a union and collective bargaining organization for this group and is truly, as their slogan suggest, an affiliates best friend.

Value for our clients

The Acroud ... As a Service segment deliver a very tangible value in form of a piece of software that empower the client to make decisions, manage their business and lighten their workload in an intuitive and effective way.

Value for our partners

Operators are serviced with a direct tie to a larger pool of traffic sources through one single contact. Instead of having to navigate hundreds of affiliates one to one, operators can reach a sizeable group of affiliates through only one partnership, hence saving time and resources,

We add clear values throughout the supply chain

From business intelligence to delivering players to the operators, the Acroud ...As a Service segment provide a clear, measurable and direct value to affiliates and operators alike. We shorten the road to success on both sides of the equation through intelligent software solutions and a strong network.



...As a Service business model

BUSINESS CONCEPT

Intelligence software solutions that solve unique challenges

The ...As a Service business concept seek to empower industry participants with quality developed software solutions that strike at the heart of a specific client need. The business unit is built up around a concept of immediate transparency and simplicity. Clients are not forced into lengthy and complicated contracts but are presented with a unique and affordable solution that solves a very specific challenge. This trade concept coupled with an innate understanding of the needs within the industry has created a scalable and low-churn business unit.

Revenue model

Acroud ...As a Service has two main business models. The SaaS solutions are build up around a subscription based business model where clients pay a fixed monthly fee to license the software. In the BaaS unit we aim to deliver a service to clients where the business model is depending on client delivery to partners, i.e. gaming operators. As a result, the ... As a service segment with four different revenue models.

SaaS solutions

Within the realm of SaaS solutions, we are providing B2B software solutions at a monthly service charge. The software solutions are self-serving and after training the client is fully capable of operating the solution without assistance from the SaaS team. Depending on scope and needs the clients pay accordingly. The client not bound by an subscription contracts but can always cancel a subscription with a month's notice. The extremely low churn/cancellation rates within the SaaS department are a testament to the quality of the products – not the lengths of the service contracts.

BaaS Solutions

Within our BaaS business we are working on a commission like other iGaming affiliates, but conventional affiliates rely on their own traffic and content to generate end consumers for the operators. Consequently, our BaaS business is as a "service organ" to other Affiliates from where we in turn take a commission.

Thousands of iGaming affiliates are signed up to our product and can through our unique software solution obtain unique campaigns and content negotiated and developed by the BaaS unit. Instead of working with potentially hundreds of gaming operators the clients (affiliates) work only with Acroud.

They have one point of contact and they get all their commission in one easy monthly payment. By being a part of the Acroud BaaS family they do not only lighten their workload but also enjoy the strength in numbers that comes along with being part of a larger network of affiliates. They get unique deals, unique promotions and a service that is second to none. The BaaS business unit negotiate commission levels with the operators and obtain a percentage of the commission as profit after pay-out to the affiliate. The commission is structured around these three main pillars.

CPA - Cost per acquisition

Revenue model based on a fixed amount that is obtained when a new referred customer to an iGaming operator completes their first deposit. This one-off commission model is invoiced monthly.

Revenue Share

The Revenue share model consists of a long-term obligation for the operator to pay a portion of the operator's net revenue from end consumers. Net revenue consists of gross revenue generated by the end consumer less bonuses, transaction costs and other direct costs such as gaming duties. For end consumers where a revenue share agreement is in place, revenue is paid on a "lifetime basis", meaning that as long as the end consumer remains active with the iGaming operator, a monthly commission will be paid. In some cases, revenue is generated from both CPA and Revenue share at the same time, typically referred to as a hybrid model.

Fixed fees / Listing fees

In some instances the operator will be charged a fixed fee for being part of the BaaS units network. This fixed fee is always paid on top of any revenue share, CPA or hybrid payment.





...As a Service and our Brands

SaaS business and brands

With our technology base in place our main goal is to increase growth and profits by focusing on market expansion and product development. Our main brands within the SaaS business are Voonix and Affhut.

Our product development strategy is to give our current clients an even better product by developing related services to them that will increase their loyalty and our revenues while minimising the churn rate.

Our market expansion strategy is to use our existing technology to expand to new markets and verticals and thereby growing the number of potential clients and revenue.

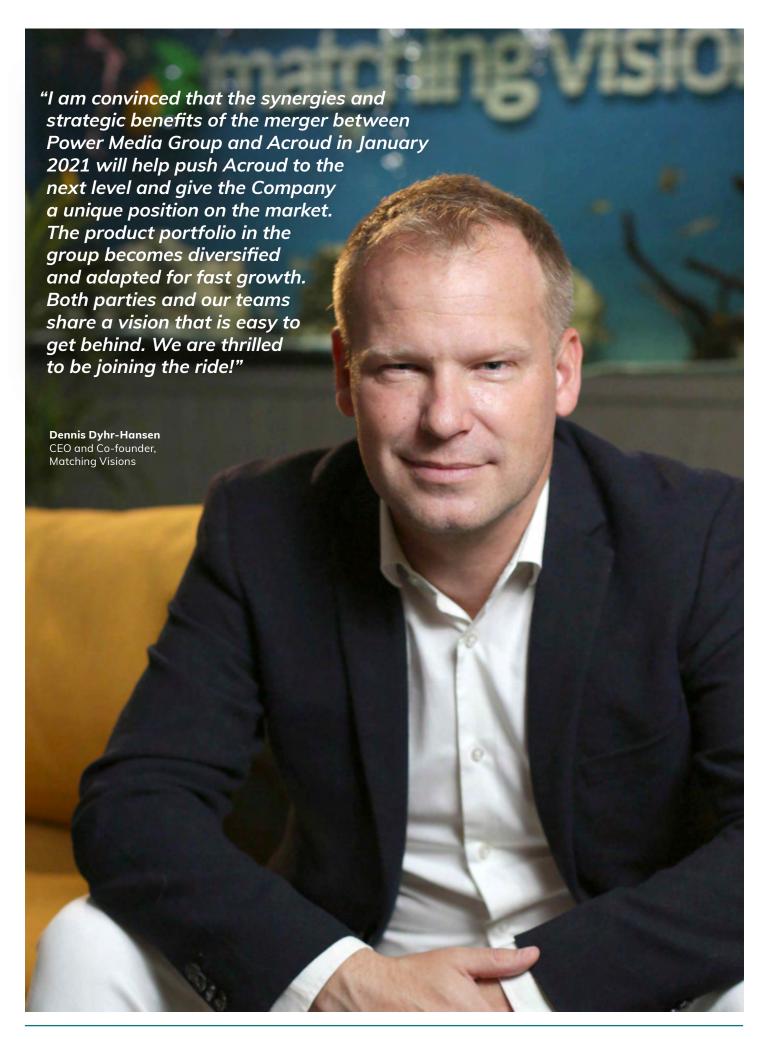
BaaS business and brands

The strategy in the BaaS segment is to focus on a market expansion strategy where we use our technology advantages to customise services that serve the specific needs for certain niches. Our main brands within BaaS business are Traffic Grid, Matching Visions and Dream.Stream.

Through a focused niche strategy Acroud will build and offer a network service within sports, streaming and global affiliation. Each of these markets have low entry barriers when our technological advantages are introduced.









The Market

The iGaming market

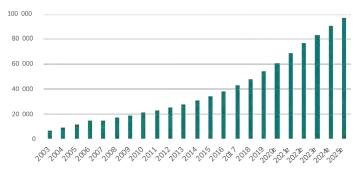
Acroud works within the iGaming market, which means that it is important to follow global trends in online gambling.

– iGaming. H2GC estimates the value of the global iGaming market at EUR 69.6 billion in 2021. In the years 2021-2025, the overall iGaming market is expected grow by 10 percent annually. However, in the short-term in 2021, there is great uncertainty (Covid-19 effect) about Sports Betting, which affects the development of the total market. (Source: H2GC and own estimate).

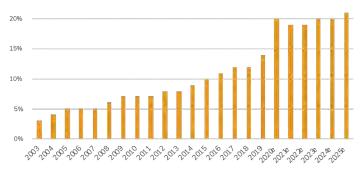
Acroud estimates that about 40 percent of all end users within iGaming are generated to the operators through affiliate sites. Direct costs in the form of player bonuses, commission, licence fees to gaming providers, gaming duties etc. are deducted from the iGaming operators' gross revenue. Acroud normally receives half of the iGaming operator's remaining net revenue.

According to H2GC, the European iGaming market totalled EUR 32,6 billion in 2020, estimated 35.2 billion in 2021 and is expected to show annual growth of 8-9 percent in the period up to 2025. The underlying reasons for the iGaming market's long-term, sustainable growth, which we have been seeing for many years, include various technological advances. Access to the Internet not only via desktop computers, but also using mobile phones and other portable devices, has driven the development of iGaming. This ease of access combined with increasing online payment solutions, as more countries re-regulate their gaming markets, has given end consumers an increased feeling of security in online gaming.

Global iGaming Market



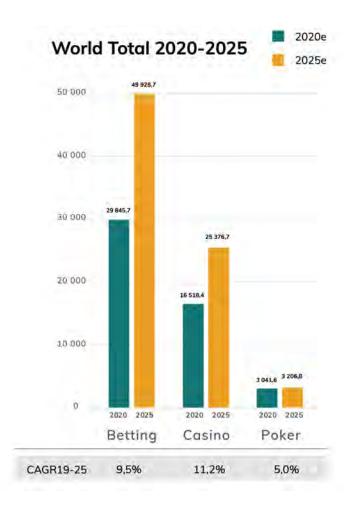
Online Share of Total Market



*Source H2GC







We see the following key trends on the global gaming market

- Continued importance of Sports Betting
- The growth of the importance of Rich Content
- The acceleration of the shift from retail to online through effects of the pandemic
- Building meaningful strategic partnerships
- Regulatory changes in core markets
- Acceleration of mobile-first focus and capability
- Continuation of M&A trends

iGaming Market Breakdown





Europe

Europe is Acroud's largest market and the Company's revenue from affiliate operations in Europe accounted for 67% percent of revenue in 2020. Acroud sees good opportunities to grow within both iGaming Affiliation and As a Service segments in the European iGaming market and will continue to invest money and resources in these segments. The market for iGaming in both Europe and globally is currently changing with the introduction of new laws and regulations in different countries. New gaming legislation came into force in Sweden on 1 January 2019, after several years of debate and discussion.

Italy introduced stricter rules for gaming marketing in mid-2019, Germany introduced new laws and regulation in October 2020 and The Dutch market will open up in Q3 2021 as a fully regulated market. Many other countries already have gaming legislation in place and other countries appear to be moving towards re-regulation of iGaming.

Acroud welcomes the trend of more and more countries moving towards a re-regulation of iGaming. In the short term, this may have a negative effect on Acroud's finances, but in the longer term, Acroud's management has a positive view on this, as the size of a gaming market tends to increase further after regulation has entered into force.

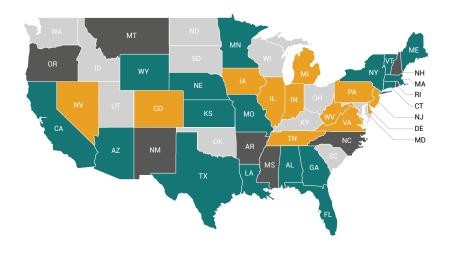
North America

Acroud's second largest geographic market is North America, with the United States accounting for the majority of the total revenue. In 2018, the Supreme Court of the United overturned the PASPA Act of 1992 and Sports Betting is therefore permitted, provided a state decides on local regulation. Acroud sees this as positive, as more states now appear to be moving towards full or partial regulation of iGaming. Delaware, Pennsylvania, Nevada, Colorado, Tennessee, Illinois, Virginia, West Virginia, Michigan, Iowa and New Jersey and more states are expected to follow.

Acroud has a business certificate or licence in all mentioned states and is consequently allowed to operate in these states. H2GC predicts that during 2022-2023, Massachusetts, Arizona, Texas, California and New York will allow online gaming. As Acroud expects the majority of the states to have iGaming regulation in place by 2023, the Company is now focusing investments in this market, in order to strengthen the market position. The Company has brands such as PokerListings.com, SportsBettingGuide.com, CasinoTop10.net, CompareCasino.com and CasinoGuide.com there in combination with local brands for selected states. The North American iGaming market amounted to EUR 7.5 billion in 2020 and estimated 9.6 billion in 2021 according to H2GC and is expected to grow 21% up until 2025 (source: H2GC and own estimate).

Europe				North America			
	€m 2020e	€m 2025e	CAGR19-25		€m 2020e	€m 2025e	CAGR19-25
Betting	11 220,2	18 927,3	7,2 %	Betting	2 003,0	5 503,9	20,0 %
Casino	10 323,2	13 946,0	8,1 %	Casino	2 705,2	6 590,3	27,0 %
Poker	1 848,9	1 699,9	3,7 %	Poker	476,5	636,2	7,7 %

U.S. Map - Legislative Overview



Acroud's **Gaming Licenses**

- Colorado
- Michigan New Jersey Pennsylvania
- Tennessee Virginia West Virginia Delaware Illinois

States Where Legislation is Pending

- Arizona California
- Connecticut Florida

- 5. Florida
 6. Georgia
 7. Kansas
 8. Louisiana
 9. Maine
 10. Maryland
 11. Massachusett
 12. Minnesota
 13. Missouri
 14. Nebraska
 15. New York
 16. Texas
 17. Vermont

States Where Sports Betting is Legal but Restriction on Marketing Affiliates

- Arkansas (Retail sports betting only

 - Arkarisas (retail sports Detting only)
 Mississippi (Retail sports betting only)
 Montana (Retail sports betting only)
 New Hampshire (Online sports betting operated by the Lottery)
 New Mexico (Retail sports betting only)

 - North Carolina (Tribal casinos only)
 Oregon (Online sports betting operated by the Lottery)
 Rhode Island (Online sports run by the Lottery)
 Washington D.C. (Online sports betting run by the Lottery)



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Inspirational working environment

Acroud offers its employees a working environment in fresh and pleasant premises. We work actively for a healthy and stimulating working environment with a good work-life balance. Our personnel is relatively young and we constantly invest in developing our motivated employees and strengthening our corporate culture. For us health is central and we encourage our employees to live a healthy and active life with lots of physical exercise via Acroud Sports. Amongst others our football team Acroud Anacondas plays regularly in the Malta Pentasia iGaming league, Our Padel team plays in the Enteractive league and our cross fit team participate in the Grid-races on Malta. We offer a number of employee benefits, such as health insurance and gym passes, as well as flexible working conditions with the opportunity to work from home if needed. We enjoy socialising and celebrating our successes together. The Company therefore also organises regular staff events, and the spouse/partner and children of employees are also sometimes also invited to them.

"We are here for the joy because that's our motto on how to attract and nurture existing and future talent"





Our Core Values

Attracting and recruiting talent

Acroud is a growth company and we work actively to recruit and retain staff in competition with other companies. We strive to attract and recruit talented individuals with the potential to become key individuals in a team that will take the Company to new heights. Success places high demands on our own organisation and our motto is business first. We therefore strive to be responsive, but also to share our different experiences.

We work with individually tailored skills development based on each employee's needs and interests. Employees receive in-house training, but we sometimes also use external resources to further develop our organisation. We have dedicated employees who are evaluated regularly and we also conduct periodic employee satisfaction surveys which also allow respondents to contribute new ideas and views. Employees are encouraged to take responsibility for their own development, while the managers are responsible for developing their teams to perform at the highest level

VALUE I MIND

Business First

Efficient Focus

VALUE | SENSE

Fearless Thinking

Courageous Challenger VALUE | ACT

Leap Forward

Determined Leader

Diversified workforce is a strength

Acroud welcomes diversity and believes that a diversified workforce enriches the Company and creates a good dynamic among its employees. The Group's 74 employees comprise about 30 nationalities and the proportion of women is circa 45% which increased from 35% last year. Acroud's number of employees including contracted consultants is approximately 95. Women occupy 15 percent of the Group's management positions.





Acroud's sustainability strategy and goals are based on the Company's vision, business concept and values of a long-term approach, development and reliability. Our work on CSR (social responsibility) is based on employee participation. Our sustainability work is based on a number of focus areas that give clear prioritisation and better effects from our initiatives.

- Economically sustainable development and business approach
- Attractive and responsible employer
- Responsible relationships and anti-corruption
- Reduced environmental impact

Economically sustainable development and business approach

Acroud contributes both directly and indirectly to the communities in which the Company operates, and we have a responsibility to create growth and profitability for our stakeholders. The goal is to increase the value of the Company over time, thereby ensuring sustainable development and a long-term return for shareholders. Acroud contributes to economic development in society, both by our services helping users to make the right choices in a complex iGaming world and by offering jobs.

Attractive and responsible employer

At Acroud, employee well-being and safety are highly valued. For us to be a sustainable and successful company, our employees must be happy and able to develop at their workplace. We offer our employees a working environment in fresh and pleasant premises and we work actively for a good work-life balance. We want the working environment to promote productivity, creativity and cooperation. We advocate equal conditions for our employees and job applicants and we have zero tolerance for any form of discrimination. This includes equal pay for equal work and equal work opportunities regardless of gender and background. We want an even distribution of men and women as well as people with different cultures and backgrounds throughout the organisation and all its levels.



Responsible relationships and anti-corruption

Acroud strives to act in an ethically correct manner and to maintain responsible relationships with all the Company's stakeholders. Responsible relationships also mean active work towards a high level of customer confidentiality and information security. We strive to be transparent to our customers and employees in terms of what data we collect, how we use it, who we share it with and how we protect it. We also inform them about their rights regarding personal data and always encourage them to contact us if they have any questions. We do not accept improper benefits, undue influence and other forms of corruption. In order to conduct our business in a longterm, profitable and sustainable manner, we must act both within the framework of the law and in an ethically and morally defensible way. As a leading affiliate player in iGaming, we understand the importance of responsible gaming. We follow best practices and operate in accordance with the advertising rules and national legislation where our products are marketed.

Reduced environmental impact

For us at Acroud, it is also important to protect the environment and the climate, which, of course, also applies to our own business. Since our business is mainly online, we have a relatively small environmental footprint. Still, we act with consideration for the world's scarce resources and have clear goals for how we as a company and individuals can contribute to affecting the environment as little as possible. Acroud has its own "Green Team" consisting of employees who work continuously on sustainability and making sure the Company has an environmental-friendly profile by promoting various green initiatives; for example, minimising travel and encouraging online meetings instead, minimising consumption of plastic products, effective separation of office waste, participating in tree planting in Malta and ensuring that the Company acts in a climate smart way. We are committed to continuous improvements in our environmental work and to reducing our carbon footprint.





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Page

Responsible **Gaming**

Gaming responsibility issues are among the most important areas of Acroud's sustainability work and are crucial to maintaining the trust of customers, employees, authorities and investors.

- We are determined to ensure that players gamble responsibly
- We work to ensure that players have the right legal age to gamble
- We have ongoing dialogue with our business partners, the operators, and evaluate them to ensure that they also operate with responsible gaming, follow practices and advertising rules and work in line with our values

For some people, gambling can cause personal, financial, social and/or health-related problems. It is Acroud's ambition to help players become more aware of the risk of gambling addiction. One way we do this is by spreading knowledge about the importance of responsible online gaming and what it means. We strive to follow the practices and advertising rules for responsible gaming and national legislation in all of our markets. We have also improved our communication about responsible gaming and added more relevant information on this on our sites.

The majority of our brands for customer generation are certified by responsible gaming organisations, including eCOGRA, IGC (Interactive Gaming Council) and NCPG (National Council on Problem Gaming).

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Help is Available for Problem Gambling

Visit the Gamblers Anonymous Web site to find help in your local area. Problem Gambling Helpline US & Canada

1-800-522-4700

Problem Gambling Helpline UK

In the UK, the National Gambling Helpline provides confidential advice, information and emotional support to anyone who feels they might be suffering from problem

A free helpline is available from 8 am to midnight, 7 days a week on 0808 8020 133.

The GamCare NetUne is an online text ichat service where you can talk to an Adviser by typing via smartphone, tablet, laptop or desktop PC.

0808 8020 133

Trained GamCare Advisers are there to listen and encourage you to talk about your concerns if you feel there are underlying issues which drive you to gamble the Advise can out you in touch with a counselor or GamCare practitioner either face-to-face, online or over the phone.

Treatment services are free and available to anyone across England, Scotland and Wales aged 16 and over



PekerListings Play Poker

- Customer-Led Deposit Limits let you control the amount you deposit into your account.
 Self-Exclusion Tools you can set a period of time in which you are not able to log in to your account.

Protect Minors from Problem Gambling

- You must be at least 18 years old to gamble, or the legal gambling age where you live. This age varies from country to country, but it is defined as the age at which a person enters into full adut legal rights and responsibilities. This age is not necessarily the age of majority or voting age, so please do your research to see if you are of the right age before playing real-money poker. Protect minors by keeping your logn and passived information safe. Use child protection software that enables you to restrict gaming Web sites. Do not use the "save password" option on login screens.

Do I Have a Gambling Problem?

- If you're wondering if you have a gambling problem, ask yourself if you have any of these signs of problem gambling:

 1. Did you ever lose time from work or school due to gambling?

 2. Has gambling ever made your home life unhappy?

 - 3. Did gambling affect your reputation?

 - 3. Did gambling affect your reputation?
 4. Have you ever fest remorse after gambling?
 5. Did you ever fest remorse after gambling?
 6. Did you ever gamble to get money with which to pay debts or otherwise solive financial difficulties?
 6. Did gambling cause a decrease in your amblition or efficiency?
 7. After long did you feet you must return as soon as possible and win back your losses?
 8. After a win did you have a strong urge to return and win more?
 9. Did you often gamble until your last doller was gone?
 10. Did you ever borrow to finance your gambling?
 11. Have you ever sold anything to finance gambling?
 12. Was your visit cast to yes "ambling" for normal expenditures?

 - 11. Havis you seer soid anything to finance gambling?

 12. Were you reutant to use "gambling money," for normal expenditures?

 13. Did gambling make you careless of the welfare of yourself or your family?

 14. Did you ever gamble to excape worry, trouble, boredom or ioneliness?

 16. Have you seer gambled to excape worry, trouble, boredom or ioneliness?

 16. Have you seer committed, or considered committing, an illegal act to finance gambling?

 17. Did gambling cause you to have difficulty in resepting?

 18. Do arguments, disappointments or frustrations create within you an urge to gamble?

 19. Did you ever have an urge to celebrate any good fortune by a few hours of gambling?

 20. Have you ever considered self effectution or suicide as a result of your gambling?

"It is Acroud's ambition to help players become more aware of the risk of gambling addiction. One way we do this is by spreading knowledge about the importance of responsible online gaming and what it involves."



Acroud AB (publ) Page

The Share

Acroud AB (publ) was admitted to trading on Nasdaq First North Premier Growth Market, Stockholm, on 27 June 2018. The shares were previously traded on AktieTorget. In connection with the name change, the Company also changed its Nasdaq ticker symbol from "NETG" to "ACROUD", effective from 17 July 2020.

Analyst coverage Acroud AB
ABG Sundal Collier
Erik Moberg
erik.moberg@abgsc.se

Share performance during 2020

2020 has had a challenging year financially, with many players in the sector seeing their share performance adversely affected by regulatory effects, notably in Europe, and by Covid19 outbreak. Acroud is no exception. The share fell by 24.7 percent in 2020, while the total OMX Stockholm PI index rose by 12.9 percent. The highest closing price was SEK 4.90 on 24 January 2020 and the lowest was SEK 2.13 on 17 March 2020.

Trading volume

In total, 29 million shares were traded at a total value of approximately SEK 93 million. The average volume for the year was 115,248 shares per trading day.

Share capital

At 31 December 2019, share capital amounted to EUR 1,913 thousand divided into 75,604,487 shares. In November 2020, the Company completed a directed share issue of 35,294,118 new shares corresponding to approximately SEK 90 million in allocated demand. It also issued an additional 3,051,548 shares in part-settlement for the acquisition within Sports Betting executed on 17 November 2020. The share capital as at 31 December 2020 amounted to EUR 2,883 thousand divided into 113,950,153 shares.

The Company has one (1) class of shares – A shares. Each share entitles the holder to one (1) vote at the shareholders' meeting. At 31 December 2020, the number of shareholders was 2,224.

Following the change of presentation currency on 1 January 2019, share capital was converted to Euro, amounting to EUR 1,912,678.10.

Bond

Acroud issued a bond in autumn 2017, which was listed on 7 November 2017 for institutional trading on Nasdaq Stockholm's Corporate Bonds List under the bond ticker symbol NETGAM002. Following the name change, the Company updated its Nasdaq Bond ticker symbol to "ACROUD 02".

In May 2020, the bondholders voted in favour of extending the bond to September 2022 by written procedure, thereby accepting a two-year extension of the bond. The bond has a variable interest rate of Stibor 3m +7.25 percent.

In order to optimise the Company's capital structure and to create shareholder value, during 2019 and 2020 the Company made repurchases of its own corporate bonds on the market, corresponding to a nominal amount of SEK 67 million and SEK 84.8 million. This implies that Acroud's total bond repurchasing in 2019 and 2020 was SEK 151.8 million.

Ownership structure

The number of shareholders on 31 December 2020 was 2,224 and the number of shares in the Company was 113,950,153, as shown below

Name	No. of Shares	Ownership, %	
Trottholmen AB	57,390,981	50.36%	
Strategic Investment A/S (JPM Chase)	17,701,468	15.53%	
Avanza Pension	5,628,976	4.94%	
Byggnadsaktiebolaget Westnia	3,104,407	2.72%	
RIAE Media	3,073,291	2.70%	
House of K Investment AB	1,822,520	1.60%	
ES Aktiehandel AB	1,672,350	1.47%	
Clearstream Banking S.A.	1,507,000	1.32%	
Nordnet Pensionsförsäkring AB	1,220,081	1.07%	
Trading House Scandinavia	1,176,400	1.03%	
Credit Suisse S.A.	1,111,111	0.98%	
Robert Andersson	1,000,000	0.88%	
Adrian Nelje	963,555	0.85%	
Euroclear Bank S.A.	784,300	0.69%	
Henric Stenholm	784,300	0.69%	
Other	15,009,413	13.17%	
TOTAL	113,950,153	100.00%	



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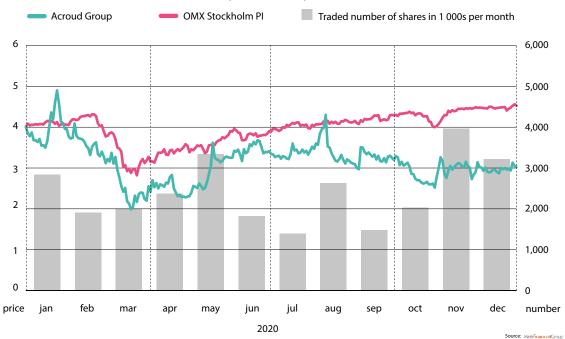
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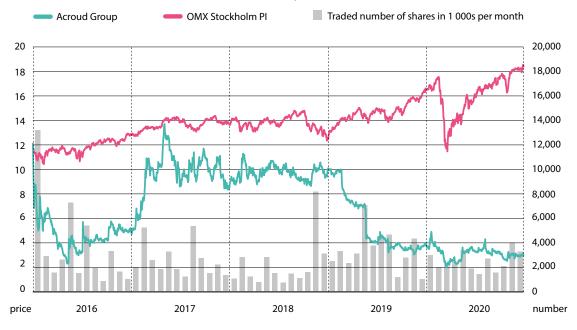
Dividend

Over the next few years, Acroud will prioritise net debt reduction, good liquidity and internal growth investments above dividends. The Board of Directors has therefore proposed that no dividend be paid for the 2020 financial year.

Share price development, 2020



Share Price development 2016-2020



iource: WebfinancialGroup



Acroud Risk Management

Acroud's business operations are associated with risks in various ways. Well-balanced risk management can lead to new opportunities, and ultimately create value for shareholders, while risks that are not managed properly can result in damage and losses.

The Board and Group management work constantly on risk management, with a focus on the most significant risks that the Group faces, which include strategic, operational, financial and legal risks. Fulfilment of Acroud's goals associated with the business plan can be affected by strategic, operational, legal and financial-related risks in both a short and long-term perspective. The Board and Group management work continuously to identify new risks and to minimise risk exposure.

Since 2019, risk management work has intensified and a risk management model under the COSO framework was implemented. The Board has issued a corporate governance report for the 2020 financial year, with an associated risk management analysis in accordance with the Swedish Corporate Governance Code. See the separate corporate governance report on pages [48-53].

Financial risks

The Group's exposure to financial risks includes currency risk, liquidity risk, interest rate risk, and counterparty and credit risk. Financial risk management is coordinated through the Parent Company, from which the Group's financing is arranged, and monitored on an ongoing basis by management and the Board. See note 30 for detailed information on financial risk management.

Operational risks

Operational risk is the risk of revenue or costs being affected by internal or external operational factors. Operational risks arise due to the fact that the Group's operations are dependent on its current operational capacity. 2020 operations were dependent on the ability to maintain an effective capacity in search engine optimisation. In the future, search engines like Google, Bing and Yahoo! may implement strategies that make it more difficult for the Group to function. However, this risk is mitigated by Acroud's 15-year knowledge and experience in the affiliate industry.

Through the acquisition of PMG Group in January 2021, the Group has recently introduced a new business stream in its operational portfolio: ...As a Service segment. This vertical diversification lowers the Group's operational risks attributable to, and dependency on, the iGaming affiliate business.

The majority of the Group's customers are operating in the online gambling industry (representing 98% of the Group's revenue). The online gambling industry may be affected by general economic and consumer trends outside the Group's and its operators' control. One example is COVID-19 outbreak during 2020, which caused disruption to businesses and economic activity. The Group noted that Casino and Poker traffic during 2020 increased, while Sports Betting traffic slowed down only for those months when sports events were cancelled or postponed. Given the inherent uncertainties, it is difficult to ascertain the impact of COVID-19 on the Group in 2021, or to provide a quantitative estimate of this impact. Management has however considered the potential impact, based on the known circumstances as at the date of reporting, and their assessment of potential future developments. In other respects, the Group has a low operational risk as there are no inventories or burdensome, long-term agreements with suppliers or partners.

Strategic risks

Strategic risks are mainly derived from factors outside Acroud's own operations and relate to risks in the form of changed strategic conditions. In addition, Acroud is affected by relatively low market entry barriers, which means that competitors are continuously arriving, which affects the market specifically within the iGaming affiliation industry. Through the acquisitions of RIAE Media and PMG Acroud move "up to the right" in the competitive landscape, offering more dynamic content and SaaS solutions, which have significantly higher entry barriers than "plain affiliate sites".

Legal risks

Although the Group does not conduct any online gaming operations, it is dependent on the online gaming industry, where the majority of customers are active. The laws and regulations concerning the online gaming industry are complex, constantly changing and in many cases subject to uncertainty. In many countries, online betting is prohibited and/or restricted. If coercive measures or other legislative actions are taken against any of the online gaming companies that are customers of the Group, whether this happens now or in the future, the Group's revenue flow from such customers could be adversely affected. Furthermore, the relevant authority could also argue that similar measures should be taken against third parties promoting the activities of the online gaming company, including the Group. Consequently, such events, including future legislative and regulatory changes, could have a material adverse effect on the Group's operations, financial position and operating profit. To reduce this risk, the Group conducts operations in both regulated and unregulated markets, and gradually diversifies its customer base, market presence and its product offerings (via the introduction of As a Service business line as from 2021).







Corporate Governance Report 2020

The page references in this document refer to Acroud's 2020 Annual Report.

Introduction

Corporate governance in Acroud AB (publ) ("Acroud") is based on the articles of association, the Swedish Companies Act, Nasdaq Stockholm's Rules for Issuers, the Swedish Corporate Governance Code (available at www.bolagsstyrning.se) ("the Code") and other applicable laws and rules. The Code forms part of the self-regulation of the Swedish corporate sector and is based on the comply or explain mechanism. This means that companies are not obliged to comply with every rule in the Code, but must openly report every deviation, describe the alternative solution they have chosen and explain their reasons for doing so. This corporate governance report relates to both the Parent Company Acroud AB and the Group.

Principles of corporate governance

Acroud applies statutory or other regulatory rules and the Code. The Company complies with the Code's rules apart from deviations regarding the Nomination Committee (see below).

Corporate governance structure

At the AGM/shareholders' meeting, the shareholders make the decisions and set the guidelines that form the basis for Acroud's corporate governance. The organisational chart below summarises how corporate governance is organised in Acroud.

Control Instruments

The external control instruments that provide the framework for corporate governance within Acroud include the Companies Act, the Annual Accounts Act, Stock Exchange rules, the Code and other relevant laws. Foreign subsidiaries apply the laws and regulations that apply in their own country, but also ensure that the Group's guidelines for governance and control are followed.

The Board of Directors is ultimately responsible for the Company's organisation and the management of its affairs. Supervision is exercised by authorities and their appointed bodies, partly through the Company's reporting to them and partly through their own regular controls.

Internal control instruments include the articles of association adopted by the shareholders' meeting, the Board's rules of procedure, the CEO's instructions, the Board's committees and financial reporting. In addition, there are financial and quantitative targets, budgets, reports, policies, values and codes of conduct. The policies adopted by the Board are the code of conduct, financial policy, communication policy, responsible gaming policy, authorisation policy and insider policy.

The CEO decides on the crisis management policy, IT security policy and work environment policy, which are communicated to the Board. There are also other governance documents drawn up by the CEO or persons appointed by the CEO.

Division of responsibilities

Shareholders exercise their influence over Acroud AB at the shareholders' meeting, which is the Company's highest decision-making body, while responsibility for the Company's organisation and management of its affairs rests with the Board and the CEO in accordance with Swedish Companies Act, other laws and regulations, applicable rules for listed companies, the articles of association and the Board's internal control instruments.

CORPORATE GOVERNANCE STRUCTURE





The share and shareholders

According to Euroclear Sweden's share register Acroud had 2,224 shareholders at 31 December 2020.

The fifteen largest owners had a total holding corresponding to 86.8 percent of share capital. At 31 December 2020, share capital amounted to EUR 2,883 thousand divided into 113,950,153 shares. The Company has one class of shares – A shares. Each share entitles the holder to (1) vote at the shareholders' meeting.

During 2020, 600,000 employee share options expired and 250,000 warrants were repurchased. In addition, the Company has no employee share options or warrants outstanding at the end of the year. A new broader employee share option program of 5,600,000 options has been implemented during March 2021. More details about the share, shareholders and related information can be found on pages 44-45. Information is also available on the Company's website.

Shareholders' meeting

The shareholders' meeting is Acroud AB's highest decision-making body. The Annual General Meeting, held in Stockholm within six months of the end of the financial year, deals with the adoption of the income statements and balance sheets, the dividend, discharging of Board members and the CEO from liability, election of the Board, Board fees, the appointment of an auditor if relevant, auditors' fees, statutory matters, guidelines on remuneration of senior executives, and any other business from the Board and shareholders.

All shareholders registered in the share register on the specified record date, and who have provided timely notification of their intention to attend, are entitled to participate in the meeting and vote the total number of shares held. Shareholders may be represented by proxy. To be eligible to attend and exercise voting rights at the shareholders' meeting, shareholders who have registered their shares in the name of a nominee must temporarily re-register the shares in their own name as prescribed in the notice convening the meeting. The 2020 AGM was post phoned and held on 25th June by postal voting due to the global COVID-19 situation. The financial statements for the Group and Parent Company and the related audit reports were presented in the meeting material.

The auditors presented their audit to the AGM in the form of the published audit report of the work during the last year. The 2020 AGM made the following decisions:

- The presented income statements and balance sheets were adopted, and Board members and the CEO were discharged from responsibility for the 2019 financial year.
- Board fees were set at SEK 160,000 for each non- executive Board member. Fees for the Chairman of the Remuneration and Chairman of the Audit Committee were set at SEK 40,000, while fees for each member of these committees were set at SEK 20,000. Auditors' fees are to be paid on approved account.
- Henrik Kvick, Jonas Bertilsson, Fredrik Rüdén and Peter Åström were re-elected to the Board, and Kim Mikkelsen were newly elected. Henrik Kvick was re-elected as Chairman. The auditing firm Öhrlings PricewaterhouseCoopers AB was appointed as auditor, with Aleksander Lyckow as chief auditor.
- The Board was authorised to decide to issue up to sixty million new shares. The share issue may be in cash, provided new shares are paid for in kind or by set-off, or otherwise in accordance with Chapter 13, section 5, first paragraph (6)
- of the Companies Act. The issue may be conducted with a derogation from shareholders' preferential rights. The authorisation may be exercised on one or more occasions in the period up to the next Annual General Meeting. The purpose of the authorisation is to strengthen the Company's cash in a time-effective way or to facilitate acquisitions for which payment is in cash or with own shares.

- Guidelines regarding remuneration to the CEO and other members of the executive management were adopted.
- New articles of association of the Company including name change to Acroud AB was adopted.
- The meeting resolved, in accordance with the proposal of the board of directors, to (A) implement a stock option program of not more than 2,500,000 stock options for senior executives and key personnel to the Company's subsidiary and (B) to issue not more than 2,500,000 warrants to Company subsidiary Rock Intention Malta Ltd and to approve transfers of the warrants to participants in the stock option program.

Notice of AGMs and any EGMs should be given by announcement in Post and Inrikes Tidningar and on the Company's website. When the notice has been published, information to this effect shall be announced in Dagens Nyheter. Notice of the AGM and any EGM convened to consider amendment of the articles of association must be made no earlier than six weeks and no later than four weeks before the meeting.

Nomination Committee

In view of the composition of the shareholders, a nomination committee has not been considered necessary. Proposals for the election of the Chairman at the AGM, the election of the Board and, where applicable, the auditors, and proposals for the remuneration of Board members and the auditors are therefore submitted by the Company's major shareholder and presented in the notice of the AGM and on the Company's website. This is therefore a derogation from the Code's rules regarding a nomination committee.

Auditors

Acroud's auditors are elected at the AGM. At the 2020 meeting, Öhrlings PricewaterhouseCoopers AB, with authorised public accountant Aleksander Lyckow as chief auditor, was elected as auditor for the period up to and including the 2021 AGM.

Acroud's articles of association do not contain any term of office for the auditor. This means that the election of an auditor in Acroud takes place annually in accordance with the Companies Act. The audit is reported to shareholders in the form of an audit report, which constitutes a recommendation to shareholders prior to their decisions at the AGM on the adoption of the income statement and balance sheet for the Parent Company and the Group, the appropriation of the Parent Company's profit and whether to discharge Board members and the CEO from liability. The work includes control of compliance with the articles of association, the Companies Act, the Annual Accounts Act and International Financial Reporting Standards (IFRS), issues regarding valuation of items in the balance sheet, follow-up of material accounting processes, as well as governance and financial control.

The Company's auditor attends at least one Board meeting or Audit Committee meeting each year. The auditors have been present at most of the Audit Committee meetings.

In addition to the audit assignment, the Company has consulted Öhrlings PricewaterhouseCoopers on matters primarily concerning tax management and work related to new share issue. Fees paid to Öhrlings PricewaterhouseCoopers are shown on page 84. As auditor to Acroud and subsidiaries, Öhrlings PricewaterhouseCoopers AB is obliged to review its independence before deciding to also provide other services. Fees to the audit firm for 2020 are shown in note 7 of the annual report.



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The Board and its work

Composition of the Board

According to the articles of association, the Company's Board shall consist of three to ten directors with a maximum of ten deputies elected by the AGM for the period until the end of the next AGM. During 2020, Acroud AB's Board, which was appointed by the 2020 AGM, consisted of five directors.

As mentioned, the Company's major shareholders submit proposals for, among other things, the election of the Board. The Board must have a composition that is appropriate to the Company's operations and phase of development, with directors having diversity and breadth of qualifications, experience and background.

The 2020 AGM elected five directors, in line with the proposal of the major shareholders.

The composition of the Board in 2020 and directors' fees for 2020 and 2019 are shown in the table in note 8. For further information and details of directors' current assignments, see the Board presentation on page 55-56.

Independence of the Board

According to the Code, the majority of the directors elected by the shareholders' meeting must be independent of the Company and its executive management and at least two of these directors must also be independent of the Company's major shareholders.

All directors are considered independent of the Company and its management, with the exception of former CEO Marcus Teilman (in his capacity as CEO).

All directors are considered independent in relation to the Company's main owners, with the exception of Henrik Kvick and Kim Mikkelsen.

After the change of CEO to Robert Andersson in February 2020, the CEO is no longer a member of the Board but is co-opted to all board meetings, apart from meetings with evaluation of the work of the Board and the CEO on the agenda. Other Company employees also attend in a reporting capacity as needed. The Company's CFO is Board secretary. Acroud's Board of Directors is therefore assessed as compliant with the Code's requirements on independence.

Evaluation of the Board's work

To ensure quality in the work of the Board and identify any needs for additional skills and experience, the Chairman of the Board conducts an annual evaluation of the Board's work, in accordance with the Board's rules of procedure.

The Chairman has had individual discussions with each Board member in order to obtain an idea of Board members' views on how Board work is conducted and what measures could make it more efficient. The results of the evaluation have been discussed jointly by the Board. The purpose is to develop the work of the Board and to provide major shareholders with relevant decision-support material before the AGM..

Tasks and responsibilities of the Board

The Board oversees the CEO's work through continuous monitoring of operations during the year and is responsible for ensuring that the organisation, management and guidelines for managing the Company's affairs are appropriately structured. The Board also ensures that there is satisfactory internal control, with system support in place for monitoring the business and its risks, and compliance with laws, regulations and internal guidelines. The Board is also responsible for developing and reviewing the Company's strategies through plans and goals, decisions on acquisitions and disposals of operations, major investments, the appointment and remuneration of management, and regular monitoring of operations during the year. The Board also adopts budgets and annual financial statements.

The Board's rules of procedure

The Board of Directors adopts annual written rules of procedure which govern the work of the Board and division of tasks among directors, the decision-making process within the Board, the Board's meeting schedule, the Chairman's duties and instructions for financial reporting. The Board's rules of procedure also include special CEO instructions with regard to the division of work between the Board and the CEO.

The inaugural Board meeting is held immediately after the AGM or immediately after any EGM at which a new Board is elected. At Acroud's inaugural Board meeting on 25 June 2020, members of the Board committees were appointed and the above-mentioned rules of procedure were adopted. In addition to the inaugural meeting, the Board holds at least six regular meetings per year, with additional meetings when the Chairman considers it appropriate or within 14 days of a request for a meeting from a director or the CEO. Thirteen Board meetings were held in 2020. The work of the Board follows a pre-established plan with certain fixed decision points during the financial year:

- In January/February, the Board deals with the year-end report, the Board's recommendation regarding a dividend and any supplement to the budget and business plan. The Board also evaluates its working methods and decisionmaking procedures and considers improvements to them.
- In March/April the public annual report is dealt with. The Company's auditors report on observations made during the audit. The Board also deals with remuneration issues.
- The quarterly results are dealt with in May, August and November.
- In June, the Company's strategy, goals and investment plans are reviewed.
- In November, the business plan for the coming year is dealt with, which will form the basis for the preparation of the annual budget in December. The business plan is based on the cornerstones of a defined strategy.
- In December, the Board deals with preparations for the year- end accounts, and approval of the budget and business plan for the coming year.

Other business is dealt with based on the nature of the business in question. On one occasion during the year, the Board deals with the evaluation of the CEO's work, with no member of executive management present. The Board also approves any significant assignments the CEO has outside the Company. Attendance at the year's Board meetings was exceptionally good. The Group's CFO attends Board meetings and is also Board secretary. Other executives attend Board meetings in a reporting capacity for special matters or when otherwise deemed appropriate.

The Board's control of financial reporting

The Board monitors the quality of financial reporting through instructions in this regard and through instructions to the CEO. The CEO, together with the CFO, is tasked with reviewing and ensuring the quality of all external financial reporting, including year-end reports, interim reports, annual reports, press releases with financial content and presentation material in connection with meetings with the media, owners and financial institutions. The Board's Audit Committee helps to ensure that correct, high-quality financial reporting is prepared, finally approved by the Board and communicated. The Board receives monthly financial reports and each Board meeting deals with the financial situation of the Company and the Group.



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The Board also deals with interim reports and annual reports. To ensure that the Board's information needs are met, the Company's auditors, in addition to the Audit Committee, also report to the Board on their observations from the audit and their assessment of the Company's internal control each year. At least once a year, the Company's auditors report to the Board on whether the Company has ensured efficient accounting, administration and financial control, after which the Board engages in dialogue with the auditors, not in the presence of the CEO or any other member of executive management

Remuneration of the Board

Remuneration of Board members elected by the shareholders' meeting is decided by the meeting following a proposal from the Company's largest shareholders. The 2020 AGM adopted total Board fees, payable from the 2020 AGM to the 2021 AGM, of SEK 1,000,000, distributed as follows: SEK 160,000 to the Chairman and SEK 160,000 to each of the other members elected by the AGM. The Chairman of the Audit Committee and Chairman of the Remuneration Committee receive an additional fee of SEK 40,000, while members of these committees receive an extra fee of SEK 20,000.

The Board's committees

The Board has full knowledge of, and responsibility for, all matters on which it has to make decisions. Work was conducted in two committees appointed by the Board during the year: the Audit Committee and the Remuneration Committee.

Audit Committee

The Committee consists of at least four representatives of the Board. Its preparatory tasks include:

- Preparing the Board's work on quality assurance of the Company's financial reporting.
- Monitoring and making recommendations and proposals to ensure the reliability of reporting with regard to the efficiency of the Company's internal controls and risk management.
- Assisting in the procurement of audit services and the preparation of the election and remuneration of auditors.
- Reviewing the scope and focus of the audit assignment.
- Preparing audit issues and evaluating the audit work
- Establishing guidelines for the procurement of permitted nonauditing services from the Company's auditor and, if applicable, approving such services in accordance with guidelines.
- Following up and assessing the application of current accounting principles and the introduction of new accounting principles and other accounting requirements prescribed in legislation, generally accepted accounting principles and applicable stock exchange rules.

The Company's chief auditor and representatives of the audit firm are co-opted to the majority of meetings. Where appropriate, senior executives are co-opted. Since the 2020 AGM, the Committee has consisted of Fredrik Rüdén, Henrik Kvick, Kim Mikkelsen and Jonas Bertilsson. Fredrik Rüdén is Chairman of the Committee. The Audit Committee held four meetings in 2020 and the Board received minutes from the meetings. The auditors were present at three of the Audit Committee meetings.

Remuneration Committee

The Committee may consist of any number of representatives of the Board. The main tasks of the Committee are to prepare the Board's decisions on matters concerning remuneration principles, remuneration and other terms of employment for executive management, as well as current general remuneration structures and remuneration levels in the Company.

Remuneration of the CEO and principles for remuneration of Company management are decided by the Board.

Remuneration of other senior executives is decided by the Remuneration Committee within the framework established by the Board and the AGM.

Since the 2020 AGM, the Remuneration Committee has consisted of Peter Åström, Henrik Kvick, Kim Mikkelsen and Jonas Bertilsson. Peter Åström is Chairman of the Committee. The Committee held two meetings in 2020. No minutes were documented but the Board received oral updates from the Remuneration Committee at the board meetings.

CEO/President

In accordance with the rules of the Swedish Companies Act and other legislation, the CEO is responsible for managing the Company's day-to-day business according to the Board's guidelines and instructions, and taking the measures necessary to ensure that the Company's accounting is managed in a satisfactory manner. The CEO must also ensure that the Board continuously receives the information it needs to monitor the Company's and the Group's financial situation, position and development in a satisfactory way and otherwise fulfil its reporting obligations regarding financial conditions.

The Company's CEO manages the business within the framework established by the Board in the special CEO instructions. The instructions include the CEO's responsibility for the day-to-day business and matters that always require a Board decision or notification to the Board, and the CEO's responsibility for financial reporting to the Board.

In consultation with the Chairman, the CEO produces information and decision-support material prior to Board meetings, presents the points of business and explains proposals for decision. The Board continuously evaluates the CEO's work.

Group Management

The CEO leads the work of Group management and makes decisions in consultation with other members of the management team, which in 2020 consisted of the CEO and four other individuals: the CFO, COO, CTO and CCO. From February 2021 a new Group Management constellation has been implemented consisting of seven individuals; CEO, CFO, CTO, CCO, CBDO, COO iGaming Affiliation Segment and Managing Director As a Service Segment. Information about the CEO and Group management is presented on page 57-58 of the annual report. Group management conducts regular operational reviews led by the CEO

Articles of Association

The articles of association specify the nature of the Company's operations, the number of Board members and auditors, the procedure for issuing notice of the general meeting, business to be dealt with at the meeting and where the meeting will be held. For the current articles of association, which were adopted by the 2020 Annual General Meeting, see the Company's website www. acoud.com under Corporate Governance/Articles of Association.



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Information

The Company's information to shareholders and other stakeholders is communicated through the annual report, year-end and interim reports, press releases and the Company's website, www.acroud.com. The website also contains information on corporate governance. The Company's information disclosure follows an information policy adopted by the Board.

Acroud's system for internal control and risk management in connection with financial reporting

In accordance with the Swedish Companies Act and the Code, the Board is responsible for internal control. The Annual Accounts Act states that the corporate governance report must contain information on the main elements of the Company's system for internal control and risk management in connection with financial reporting.

Acroud's internal control structure is predominantly based on the COSO model according to which reviews and assessments are conducted in the areas of control environment, information and communication, risk assessment, control activities and follow-up.

Control environment

The Board of Directors has drawn up a number of governing documents for the Company's internal control and governance, including the Board's rules of procedure and instructions for the CEO and the Board's committees, and reporting instructions, all of which aim to ensure a clear division of roles and responsibilities. Financial information is reported through a Group-wide reporting system. The CEO and Group management are responsible for maintaining an effective control environment and for the ongoing work on internal control and risk management, and they report to the Board in accordance with established procedures.

Managers at various levels in the Company have the same responsibility within their respective areas of responsibility and in turn report to Group management.

Information and communication

Internal information and external communication are regulated at an overall level by an information policy. Internal communication between Board and management takes place through management's regular information meetings. Another important communication channel is the Company's intranet, which enables all employees to obtain access to up-to-date information. Internal policies, guidelines, instructions and corresponding documents that govern and support the business are published on the intranet.

Risk assessment

Acroud continuously updates its risk analysis for the assessment of risks that may lead to errors in financial reporting. This is mainly done by Group management in dialogue with the Company's employees. During the risk reviews, Acroud identifies areas where there is increased risk exposure.

Control activities

Monthly financial reports are prepared for all companies within the Group together with consolidated financial reports. These form the basis for ongoing financial monitoring and governance of operating activities. The CEO and operational managers participate in these control activities and special analysis is made of traffic flow, leads, NDCs, conversion, profitability per site, cost control, investments and cash flow. The Company holds weekly financial function meetings which the CFO, Head of Finance, Financial Controller and Business Controller attend. At these meetings, particular emphasis is placed on following up any problems and ensuring accurate financial reporting. Forecasts for the full year are updated at least every forth months for all Group companies.

Through the Audit Committee, the Board monitors the reliability of the financial reporting, evaluates recommendations for improvement and deals with issues related to the identified risks. The Audit Committee presents regular oral reports to the Board and makes recommendations on matters that require a decision from the Board. The control environment is created through shared values, corporate culture, rules and policies, communication and followup, as well as the way in which the business is organised.

The main tasks of Group management and the Company's financial function are to implement, further develop and maintain the Group's control routines and to conduct internal control analyses of business-critical issues. Acroud's auditors examine the financial information for the third quarter and the annual accounts. The auditors also examine a selection of controls and processes each year, and report identified areas of improvement to Group management and the Board. The chief auditor also attends most Audit Committee meetings

Follow-up

The Company continuously evaluates internal control over financial reporting and the efficiency of reporting to the Board. This is mainly done by asking questions and obtaining information about the financial function's work. The Board receives quarterly reports with financial results, and monthly reports including management's comments on business operations. The financial situation is dealt with at every ordinary Board meeting.

The Company's auditor attends Audit Committee meetings on two occasions during the year and reports on observations about the Company's internal routines and control system. Members then have the opportunity to ask questions. The Board assesses significant risk areas and evaluates internal control on an annual basis.

Internal Audit

The Company has a simple legal and operational structure and developed governance and internal control systems. The Board follows up the Company's assessment of internal control in various ways, including close dialogue with the Company's auditors. On the basis of what is stated above, the Board has decided not to have a special internal audit function.

Further information available at www.acroud.com

- Articles of Association
- Information from previous annual general meetings (notice, minutes, decisions, CEO presentation)
- Information about the nomination committee/majority owner
- Corporate Governance Report (included in the annual report for each year)



Acroud AB (publ)
Org Nr: 556693-7255

Auditor's Statement on the Corporate Governance Report

To the Annual General Meeting of Acroud AB (publ), reg. no. 556693-7255

Engagement and responsibility

The Board is responsible for the 2020 Corporate Governance Report on pages 48-52, and for ensuring that it is prepared in accordance with the Annual Accounts Act.

Focus and scope of the examination

Our examination was conducted in accordance with FAR's statement RevU 16 'The auditor's examination of the corporate governance report'. This means that our examination is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. We believe that our examination has provided us with sufficient basis for our opinion.

Opinion

A corporate governance report has been prepared. Disclosures in accordance with chapter 6, section 6, second paragraph (2-6) of the Annual Accounts Act and chapter 7, section 31, second paragraph, of the same Act are consistent with the annual accounts and consolidated financial statements and are in accordance with the Annual Accounts Act.

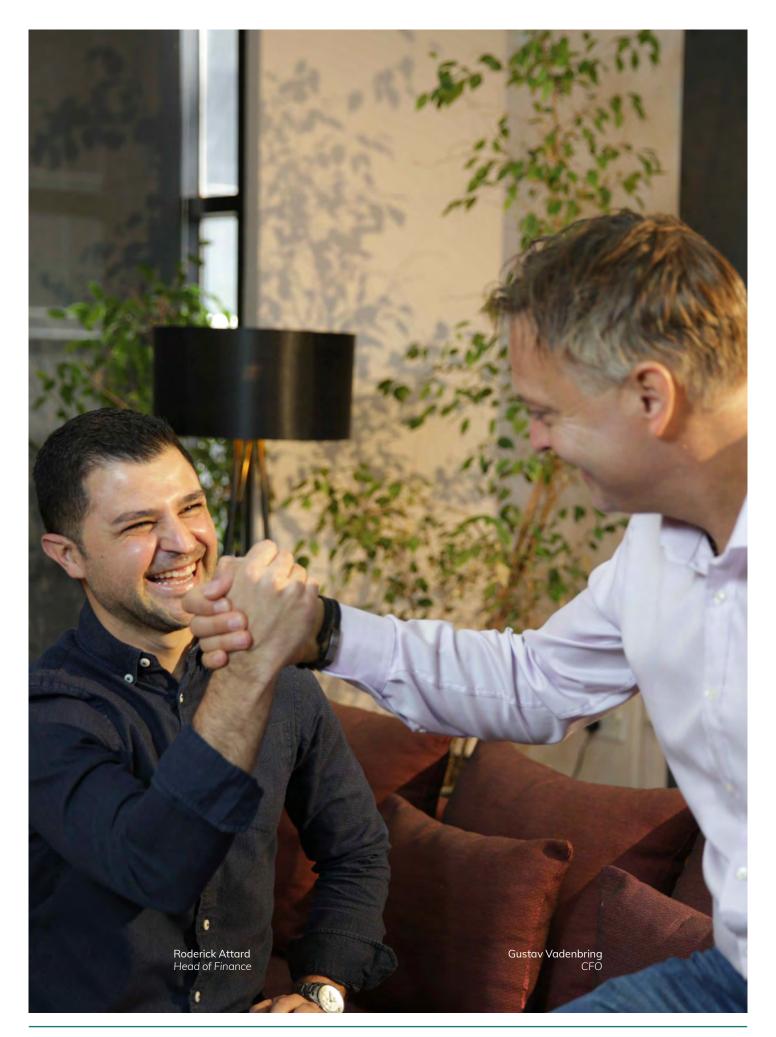
Stockholm, 14 April 2021

Öhrlings PricewaterhouseCoopers AB

Aleksander Lyckow

AUTHORISED PUBLIC ACCOUNTANT







Board of Directors Overview



Henrik Kvick Chairman of the Board

Chairman since 2012

Number of shares in the company: 57 390 981

Education: M.Sc. in Industrial Engineering from Linköping Univeristy Main current assignment: CEO at the investment firm Trottholmen AB

Other current assignments/positions: Chairman, Trottholmen AB • Chairman, Acroud AB • Chairman, ${\sf NetJobs\ Group\ AB\bullet Board\ member, IFK\ Norrk\"{o}ping\bullet Board\ member, Aktiebolaget\ Norrk\"{o}pings\ Idrottspark}}$

• Deputy board member, KFK Invest AB • Deputy board member, PFK Invest AB

Previous assignments/positions: Chairman, Speqta AB (publ), 2012-2017 • Board member, Tradedoubler AB (publ), 2015-2016 • Board member, Entraction Holding AB(publ), 2010-2011 • CEO, NetJobs Group AB (publ),

Independent in relation to the company and the company management: Yes

Independent in relation to the company's main owners: $\ensuremath{\text{No}}$

Holding: 57 390 981 number of shares

Henrik Kvick, is the founder and CEO of the investment company Trottholmen AB. As an entrepreneur and investor Henrik has more than 15 years experience from founding, developing and divesting several listed companies within iGaming and on-line media such as Entraction Holding AB, MOB Networks AB, Speqta AB, Fram Skandinavien AB, NetJobs AB and Tradedoubler AB. Henrik has an M.Sc. in Industrial Engineering from Linköping University. For additional information press picture.



Kim Mikkelsen **Board** member

Board member since 2020

Number of shares in the company: 18 497 456 – 12 March 2021

Education: HD Finance – CPH Business School 1991-1994

Main current assignment: Kim is the CIO and majority shareholder of Strategic Investments (listed on the Danish Stock Exchange).

Other current assignments/positions: CIO and majority shareholder of Strategic Investments

• Board member Nord Insuretech group – Stockholm Stock Exchange

Previous assignments/positions:

Independent in relation to the company and the company management: Yes

Independent in relation to the company's main owners: No

Holding: Strategic Investments is ACROUD's second-largest shareholder,

with 18 497 456 | Strategic Investments per 12 March 2021

Kim Mikkelsen is the CIO and majority shareholder of Strategic Investments (listed on the Danish Stock Exchange). During his career, Kim has held various leading positions, with a focus on banking and finance. These include Bikuben Bank (1989-1994), Swiss Bank and Greenwich Capital in London (19941999), SEB (1999-2002), majority shareholder of Nordic Asset Management (2003-2009) and Strategic Capital/ Investments (since 2009). Current directorships is in Storm Real Estate on the Oslo Stock Exchange.



Peter Åström Board member, Chairman of Remuneration Committee

Board member since 2019

Number of shares in the company: -

Education: Master of Science in Business Administration, Umeå University

Main current assignment: Own consulting business

Other current assignments/positions: Director, ENLABS AB • Director, Kama Net AB

• Deputy Director, Score 24 AB • Director, EBC – Executive Board Consulting AB • Director, Nordic Leisure Incentive AB • CEO and Deputy Director, Baltic Gaming AB • Deputy Director, Lifland Gaming AB

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• Deputy Director, Mediarevolution Nu AB

Previous assignments/positions:

Independent in relation to the company and the company management: Yes

Independent in relation to the company's main owners: Yes

Holdina:

Peter $\mbox{\normalfont\AA} str\mbox{\normalfont\o} has vast experience from the gaming industry in various operative roles. He has$ served as CEO of Enlabs AB and as CEO of Entraction AB. Other roles include CEO Scanditoy AB, Alga AB, Hierta Venture and SVD Venture, Manager, Aftonbladet Nya Medier, Assistant Publishing Manager, Bonnier DataMedia, and Country Manager, EF Språkresor.



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Jonas Bertilsson Board member

Board member since 2016

Number of shares in the company: 437 749 number of shares

Born: 1980

 $\textbf{Education} : \textbf{M.Sc.} \ in \ \textbf{Economics} \ \textbf{and} \ \textbf{Business} \ \textbf{Administration} \ from \ \textbf{the} \ \textbf{Stockholm} \ \textbf{School} \ \textbf{of} \ \textbf{Economics}$

Main current assignment: COO and Head of M&A at N-O-D, Network Of Design

Other current assignments/positions: Board member, M.O.B.A. Network AB • Board member, Nordic e trade AB • Board member, AB Rugosa Invest

Previous assignments/positions: Board member, Global Gaming Group • Board member, Pema Sweden AB • Board member, Bed Factory Holding AB • Board member, Mengus Stockholm 2005 AB • Board member, Mengus Stockholm 2011 AB

Independent in relation to the company and the company management: Yes

Independent in relation to the company's main owners: Yes

Holding: 437 749 number of shares

Jonas Bertilsson is currently COO and Head of M&A at N-O-D, Network Of Design. During his career, Jonas has held various leading positions, focusing on M&A, finance and business development. These include Investment Banking at Carnegie, M&A at Addnode Group, Investment Manager at Varenne and Partner and Co-CIO at Elementa Management.



Fredrik Rüdén Board member, Chairman of Audit Committee

Board member since 2019

Number of shares in the company: 150 000 number of shares

Born: 1970

Education: Master of Science in Business Administration, Mälardalen University,

Bachelor of Laws, Mälardalen University

Main current assignment: Fredrik is currently CFO at Sanolium AB/Cambio Other current assignments/positions: Board member and Chairman of

Audit Committee at Leo Vegas Group (publ)

Previous assignments/positions: -

Independent in relation to the company and the company management: Yes

Independent in relation to the company's main owners: Yes

 $\textbf{Holding}: 150\,000\,\text{number of shares}$

Fredrik Rüdén has vast experience from the gaming industry and held various leading positions during his career, primarily in finance, including Betsson AB (CFO), Teligent AB (CFO) Hallvard Leröy AS (CFO) and Investment AB Kinnevik (Group Financial Controller). Fredrik is currently CFO at Cambio and before that he run his own consultancy business, specializing in management and corporate finance. He is also board member and Chairman of Audit Committee at Leo Vegas Group (publ).



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Management Overview



Robert Andersson CEO

Number of shares in the company: $1\,070\,000$

Number of stock options: $1\,000\,000$

Robert Andersson is 44 years of age and has a Computer Science graduation from Stockholm University and Griffith University. He has long experience in creating shareholder value and developing growth companies in iGaming and the media industry. Before joining Acroud, Robert was CEO of Enlabs and Catena Media, which he built up and developed, turning them from small companies with a few employees into large established listed companies. Robert joined Acroud in February 2020.



Gustav Vadenbring CFO

Number of shares in the company: $110\,000$

Number of stock options: $500\,000$

Gustav Vadenbring is 46 years of age and holds a Master of Science in Business Administration and Corporate Finance from Lund University and University of Tübingen. Gustav has 13+ years of experience within Audit and M&A from Arthur Andersen/Deloitte and joined the Company from his position as Senior Industrial and Business Analyst in SEB's International Credit Analysis department. Prior to that, he was CFO of Actic Group for over five years. Gustav joined Acroud in August 2018.



Morten Marcussen Managing Director As a Service Segment

Number of shares in the company: Estimated 2 $846\,061$

Number of stock options: -

Morten has +8 years experience within the Gaming industry and has +20 years experience in Business development online. He is Master of Science in Economics and Business Administration MSc with a focus on Design and communication management. Morten has since 2018 been the CEO of Voonix, but also focus on business development in different areas of Acroud.



Ruben Gräve COO Affiliation Segment

Number of shares in the company: $35\,000$

Number of stock options: $325\,000$

Ruben Gräve is 27 years old and has +10 years of international experience within the Digital Marketing, iGaming and E-Commerce industry. Ruben who is Dutch of origin founded his first company at 12 years of age in Amsterdam and studied contract law and computer science at Harvard Business School Online. He has successfully built and sold his businesses in the last years and has a strong entrepreneurial focus and track-record of building high performance teams on an international level. Ruben joined Acroud in September 2014 and has held various positions in the organisation. He was promoted to his current role in Acroud in February 2021.



Erik Gjerde Chief Business Development Officer

Number of shares in the company: -

 $\textbf{Number of stock options: } 325\,000$

Erik Gjerde has studied marketing and communication at the Norwegian School of Management. Erik joined Acroud in 2011 and held various positions in the organisation. He has previous held positions within online marketing, online business development, software development and has been chief operating officer. Erik was appointed as Chief Business Development Officer of Acroud in February 2021.



Clinton Cutajar CTO

Number of shares in the company: $17\,700$

Number of stock options: 325 000

Clinton Cutajar holds an M.Sc. in Information Security from the University of London and a B.Sc. in Computer Science and Artificial Intelligence from the University of Malta. His most recent role was at Catena Media, where he was Head of Tech Operations, in charge of operations, integration of M&A's and IT architecture. Clinton joined Acroud in September 2018.



Olga Tsalle CCO

Number of shares in the company: $50\,450$

Number of stock options: 325 000

Olga Tsalle is 35 years old and has +15 years of experience from different senior positions within international sales organisations. She has been active in the iGaming industry +8 years most recently positioned in South Africa and Malta. Before joining Acroud, Olga was as an Affiliate and Marketing Team Manager at Aspire Global. Olga is highly skilled in affiliation marketing, is highly target driven with a strong focus on ROI. Olga joined Acroud in July 2020 and is part of the Management team.

Acroud AB (publ)
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Board of Directors' Report

FOR THE FINANCIAL YEAR 2020

The Board of Directors of Acroud AB ("the Company", "the Parent Company" or "Acroud"), corporate identity number 556693-7255, hereby submit the annual accounts and consolidated financial statements for the financial year 2020. Acroud has its head office and registered office in Stockholm, Sweden, at the address BOX 7385, SE-103 91 Stockholm. The Group also has subsidiaries in Malta and in Denmark from January 2021. "Acroud" or "the Group" are used throughout this annual report when describing the Group's operations. The Group's operations primarily comprise the business based in Stockholm and the operating activities based in Malta. From January 2021 the Company also has an office in Copenhagen, Denmark.

Main Business

During 2020 Acroud has been operating one segment named iGaming Affiliation. In connection with the acquisition of the Power Media Group ("PMG") in January 2021 the business offering has been expanded to SaaS (Software as a Service) and BaaS (Business as a Service) business solutions forming a second segment. Consequently, from January 2021 Acroud operate two segments named iGaming Affiliation and ...As a Service. The Board of Director's report 2020 mainly relates to the iGaming Affiliation segment which was operated during 2020.

Acroud's main business in 2020, comprising the iGaming Affiliation segment, is to attract users (end consumers), primarily through search engine optimisation (SEO), and then channel these users to online and mobile customers, i.e. iGaming operators. Acroud owns and operates over 20 digital brands focusing on user- friendliness, clear user value and high-quality content in several different languages. Many of these websites have top rankings in the search results in the various search engines, e.g. Google. In this way, Acroud attracts high- quality traffic from potential end consumers. The content of the websites is written by professional writers, and is regularly updated to provide end consumers with the most relevant information and latest news to make their own assessment of which operator they want to use.

Business Review

2020 has been an eventful year for Acroud characterized by a transformation of the business to a "new forward leaning" company and a challenger on the market. The Company has, in high speed, transformed from its old mindset towards being an entrepreneurial forward leaning company. It is now "A crowd" of brilliant minds and a company with a unique position on the market. The year has been characterized by intense change management work where we have rebuilt the Company in rapid pace including secured refinancing, raised new capital, changed the Company's name to Acroud, built a strong team with profound industry experience, executed strategic acquisitions. Consequently, there has been a major shift in strategy to be more offensive, creating a company prepared for strong future growth

In February Robert Andersson, who has a long track record from developing fast growing companies in the industry, was appointed as new President and CEO. The purpose of the change was to create better conditions for Acroud to return to growth while maintaining profitability and to generate shareholder value in the short and long term. A strategic review of the Company's operations was carried out

and the business transformation process was initiated transforming the old Net Gaming to the new Acroud in the second quarter of the year.

An important step in the change management work was to strengthen the financial position of the Company through the refinancing of the business which was done in May 2020 resulting in the maturity date of the outstanding senior secured bond was extended to September 2022.

Prior to the refinancing the Company repurchased own corporate bonds on the market, corresponding to a nominal amount of SEK 55 million (app. EUR 5.5 million) in March to strengthening the financial position.

In June 2020 the first phase of business transformation was executed where operations were restructured, parts of business centralized to Malta and a CCO recruited to build up a Key Account Team. The restructuring created a clearer operational organisation with clearer processes and areas of responsibility, a focus on fewer products, while at the same time the Company recruited more operational expertise to drive future growth.

A natural step in the business transformation was to rename the old Net Gaming Europe to Acroud during the summer 2020.

After the name change the Management and the Board drew up a new growth strategy with the aim of ensuring a more proactive response to future growth and acquisition opportunities. The new growth strategy with the aim of responding more proactively to future growth and acquisition opportunities was implemented in the fourth quarter 2020. The Company also strengthened the financial position of the company and intensified the acquisition focus and its two largest shareholders backed the growth strategy.

In November Acroud carried out a private placement comprising 35,294,118 shares at a price of SEK 2.55 per share, corresponding to approximately SEK 90 million (app. EUR 9 million) in allocated demand. The issue enabled the Company to implement the growth strategy and act quickly when attractive acquisition opportunities arise. At the same time, the Company's financial position was strengthened and app SEK 15 million (EUR 1.5 million) was used to repurchase bonds.

The first acquisition was completed in the fourth quarter 2020 when the assets in RIAE Media was acquired. RIAE Media is a fast-growing lead generation business within Sports Betting, well positioned for emerging markets such as Latin America, Africa and Asia. The acquisition accelerates the Company's growth in strategic focus areas such as Sports Betting and Emerging Markets.

In November a letter of intent was signed, this time for the acquisition of PMG Group, in order to strengthen the strategic position on the market and develop SaaS and BaaS business offering. PMG is a fast-growing company, predominantly active in the European market with the affiliate network Matching Visions and the iGaming campaign broker Traffic Grid, but is also an industry-leading SaaS service provider with Voonix. The acquisition was finalized in January 2021.

Through the acquisitions Acroud has transformed itself to a more diversified company with several different revenue streams. In fact the Company has been transformed and adapted for strong growth with significantly lower risk profile than earlier. Through RIAE Media Acroud has strengthened the Sports Betting vertical and gained traction on both Emerging Markets and the US. Through Power Media Group Acroud get profound industry knowledge and a strong team with totally new revenue streams and products.

At the end of the year the second phase in business transformation and restructuring was initiated, where operations were further reshaped. In addition the Poker vertical was strengthened through the recruitment of senior resources such as Event and Outreach Manager simultaneously as the development of The Festival Series was initiated.



In summary, 2020 has been a challenging year financially for many players in the industry, including Acroud, which have been affected by regulatory effects in the European market and the global COVID-19 situation. In July Acroud adapted and took measures to create a strong long-term position in the Dutch market which explains the main part of the revenue decrease in 2020. The measures involved an adjustment of the product offering to ensure compatibility with the rules in the Dutch market until the new gambling act enters into force in 2021. Although the adjustment will have a negative impact on revenue in the short term, the measures are a long-term investment to ensure a strong position and sustainable development for the Dutch operations over time. Despite the fact that Acroud has reduced its revenues in 2020, the Company has managed to maintain a strong operating margin thanks to the flexible and scalable cost base the Company has, which shows the strength of the Company's business model and the scalable platform.

Looking to the future, we still have some pieces of the puzzle to put in place via additional acquisitions and continued development of the underlying business, which is something we are currently working on. Having said that, the pieces are falling into place.

Market Development

Market development for Poker, Sports Betting and on-line Casino, in which Acroud conducts operations, has shown strong growth in recent years and the market is forecasting strong growth over the next five years. It is Acroud's assessment that the demand for customer-qenerating companies and affiliate companies will increase as a result.

In Acroud's core markets, iGaming is growing faster than land-based gaming. Both new online casino operators and old brands in new markets have a need for visibility.

Together, they drive the growth of the affiliate market through increased investments in digital marketing. In the fragmented affiliate market, there are only a handful of players able to generate a significant number of new depositing customers (NDCs) for the operators. The largest competitors operate in the same geographic markets as Acroud and there appears to be a continuing trend of launches of new Poker, Sports Betting and Casino brands primarily through affiliate marketing. This creates opportunities for geographical expansion, both organically and through acquisitions. The financial vertical shares many features with iGaming, such as the revenue model and a similar behaviour pattern as in online Poker, Sports Betting and Casino.

Information About The Impact Of Covid-19

Due to the current COVID-19 situation and after postponements and cancellations of sport events globally in the second quarter 2020, the Company provided an update on Q1 2020 with a summary of the potential short-term effects of COVID-19. At the same time, the Company also decided to postpone the Annual General Meeting to 25 June 2020 and the publication of the Annual Report to 30 April 2020.

Approximately 90% of Acroud's iGaming Affiliation revenue was generated from the Casino and Poker verticals in Q1 2020, prior to COVID-19 outbreak. The two verticals developed well in 2020, disregarding regulatory effects, with increasing traffic, and no negative effect can be seen after the COVID-19 outbreak. Consequently, demand for casino and poker traffic has showed a positive trend 2020 which is expected to continue during 2021. Acroud has had limited exposure to Sports Betting historically as only 9% of the Company's total revenue was generated from the vertical in Q1 2020 prior to the COVID-19 outbreak. The Company therefore expects a limited effect from the many cancelled sports events globally. Acroud also expects some of the Sports Betting revenue that would have been realised in the first half of 2020 to be postponed to 2021, depending on when and whether the postponed events are re-timetabled. Direct costs related to the Sports Betting vertical are relatively low and there are only a few employees currently working directly with Sports Betting assets.

The health and safety of employees and partners is of the highest priority for Acroud. The Company has been following the government's advice in each jurisdiction and has adopted a contingency plan during 2020 to minimise any disruptions to operations and to ensure the safety of both Acroud's employees and partners. Employees are able to work from home and physical meetings have been replaced with virtual alternatives. The Company's productivity has remained intact and the Company has not experienced any damage to its operational operations to date.

Results

Revenue

Revenue for the full year 2020 fell by 19 percent to EUR 11,630 (14,302) thousand. Revenue for the full year 2020 has been affected by regulatory effects and the fact that the recovery for Sports Betting proceeded somewhat more slowly than expected. The Company has adjusted the product offering to ensure compatibility with the rules in the Dutch market, which has had a negative effect of 19 percent on revenue.

Costs

During 2020, a reallocation of the Company's costs was conducted in connection with the reorganisation and efficiency measures. There has been a shift in costs from support costs to marketing costs such as content on our sites in order to drive traffic and improve rankings.

At the same time, the organisation has been reshaped to a more sales-driven organisation with fewer employees.

Costs adjusted for items affecting comparability for the full year 2020 increased by 5 percent compared with 2019. The increase is a result of higher external expenses, primarily driven by marketing costs.

Personnel expenses adjusted for items affecting comparability have declined to EUR 3,468 (3,719) thousand, driven by a smaller number of employees in connection with the efficiency programmes.

Earning

Operating profit before depreciation (EBITDA) declined to EUR 5,492 (8,357) thousand. EBITDA excluding items affecting comparability was EUR 5,782 (8,357) thousand. The EBITDA margin excluding items affecting comparability fell to 50 (58) percent, which is an effect of reduced revenue, while the cost base increased slightly, primarily within marketing costs.

The Company's net financial items amounted to EUR -2,805 (-2,316) thousand. Interest expenses showed a gradual decline of 27% during the year, falling from EUR -2,532 thousand to EUR -1,842 thousand, reflecting the reduction in borrowing. At the same time, net financial items for the full year were negatively affected by currency effects of EUR - 703 thousand related to loan financing, which is denominated in SEK. In 2019, net financial items were positively affected by currency effects of EUR 715 thousand.

The Company's continuing strong cash conversion enabled the Company to repurchase own bonds and make bond repayments at a nominal value of SEK 85 million, which resulted in the generation of finance income of EUR 584 thousand in 2020.

During the year, the Company also reduced its tax expenses, which amounted to EUR -276 (-380) thousand in 2020.

Profit after tax declined to EUR 1,256 (4,934) thousand and earnings per share after dilution declined to EUR 0.016 (0.065). Excluding items affecting comparability, profit after tax amounted to EUR 2,992 (4,219) thousand and earnings per share after dilution amounted to EUR 0.038 (0.056)



Cash and Cash Flow

Cash flow from operating activities

Cash flow from operating activities for the full year 2020 amounted to EUR 5,765 (8,157) thousand.

Working capital development has resulted in a positive cash flow of EUR 148 (-122) thousand, driven by decrease in trade receivables as revenue has declined.

Cash flow from investing activities, which, apart from acquisition activities, is limited as the Company's business model is not capital-intensive, amounted to EUR -2,294 (-2,193) thousand. Investments in 2020 were primarily related to the purchase consideration for the assets of RIAE Media (EUR 699 thousand), settlement of the additional consideration for MaxFreeBets (EUR 600 thousand) and investments in intangible assets. Other investments (acquisition of intangible assets) in 2020 were mainly related to website development for expansion into the North American and European markets. Cash flow from investing activities for 2019 was mainly related to the purchase consideration of EUR 1,626 thousand related to the acquisition of domains in MaxFreeBets.

Cash flow from financing activities

Cash flow from financing activities for the full year 2020 amounted to EUR -2,084 (-8,694) thousand. Cash and cash equivalents from the issue of own shares amounted to EUR 8,850 (0) thousand and issue expenses related to the refinancing during the first half of the year and the new share issue in the second half of the year amounted to EUR -1,616 (0) thousand. In 2020, repurchases of own bonds amounted to EUR -6,136 (-5,959) thousand and bond loan repayments amounted to EUR -1,178 (0) thousand. Interest paid on the bond loan during 2020 has decreased to EUR -1,828 (-2,565) thousand.

Liquidity and financial position

The Group's interest-bearing net debt at the end of the period was EUR 14,831 thousand, compared with EUR 23,522 thousand at the end of 2019. Acroud's current gross debt amounts to SEK 230.1 million, of which the bond amounts to SEK 223.3 million (excluding the bond repurchases of SEK 151.8 million in Q4 2019 and 2020). Converted using the closing rate, the bond loan amounts to EUR 21,595 thousand. At 31 December 2020, the net debt/adjusted EBITDA ratio amounted to 2.6x. Acroud's long-term target is a maximum net debt/EBITDA ratio of 2.0x over time. During 2021 and beyond, the Company will continue its efforts to reduce the net debt/EBITDA ratio.

At 31 December 2020, the Company has a total provision of EUR 635 (576) thousand to cover any potential additional consideration related to completed acquisitions of domains.

The bond loan outstanding at 31 December 2020 is due for payment in September 2022 and is therefore reported under non-current liabilities in the balance sheet in this report. In May, certain changes were made to the terms of the outstanding senior secured bond. The changes included an extension of the bond's maturity to September 2022, with a retained interest rate of 7.25%.

The translation effect of converting the bond loan and certain cash proceeds from SEK to EUR at the end of the year amounted to EUR 703 thousand, which had a negative impact on net financial items. The Company's cash and cash equivalents at the end of 2020 amounted to EUR 8,114 (6,771) thousand.

Research And Development

The Company conducts continuous development of internal infrastructures such as BI systems, ERP systems and its own sites. Development work has been intensified in 2020, with both CAS (Centralised Affiliate System), Navision (ERP system) and BI system (Qlik Sense) being built, which together with the development of our own sites has resulted in total capitalised work for own account of EUR 1 031 (565) thousand.

Equity

Based on the future outlook and financing options, the Board considers it appropriate to prepare financial statements on a going concern basis. The Company conducts quarterly impairment testing to assess whether there is any goodwill impairment. The impairment testing at the end of December 2020 did not identify any goodwill impairment. The equity ratio was 60 (45) percent and equity was EUR 36,422 (26,062) thousand at 31 December 2020, corresponding to EUR 0.32 (0.34) per share after dilution.

Significant Events In 2020

2020 has been an eventful year for Acroud characterized by the transformation of the business to a "new forward leaning" company and a challenger on the market. A summary of the most important events during each quarter 2020 is shown below.

First quarter (Q120)

February – Robert Andersson was appointed as new President and CEO. The purpose of the change was to create better conditions for Acroud to return to growth while maintaining profitability and to generate shareholder value in the short and long term.

March – strengthening the financial position through further repurchases of the Company's own corporate bonds on the market, corresponding to a nominal amount of SEK 55 million (app. EUR 5.5 million).

March - Acroud provided an update on results for Q1 2020 and the impact of COVID-19 and decided to postpone the AGM and publication of the annual report.

Second quarter (Q220)

April - the new CEO conducted a strategic review of the Company's operations and the business transformation process was initiated transforming the old Net Gaming to the new Acroud.

May – the financial position was strengthened through refinancing where a qualified majority of the bondholders voted in favour of the proposed changes to the bond terms. The changes included an extension of the bond's maturity to September 2022, with a retained interest rate of 7.25%.

June – first phase of business transformation where operations were restructured and parts of business centralized and a CCO was recruited to build up a Key Account Team. The restructuring created a clearer operational organisation with clearer processes and areas of responsibility, a focus on fewer products, while at the same time the Company recruited more operational expertise to drive future growth.

Third quarter (Q320)

July - The Company adapted and took measures to create a strong long-term position in the Dutch market. The measures involved an adjustment of the product offering to ensure compatibility with the rules in the Dutch market until the new gambling act enters into force in 2021. Although the adjustment will have a negative impact on revenue in the short term, the measures are a long-term investment to ensure a strong position and sustainable development for the Dutch operations over time.

July - Net Gaming Europe was renamed Acroud. The name change was part of the extensive change management work initiated when Robert Andersson took over as CEO. In connection with the name change, the Company changed its ticker symbol on Nasdaq to "ACROUD".

August - The Company was awarded licences in the American states of West Virginia, Colorado, Indiana and Iowa. This was in-line with Company's growth strategy and expansion plan for the USA, with gradual roll-outs in new states.

September – The Management and the Board drew up a new growth strategy with the aim of ensuring a more proactive response to future growth and acquisition opportunities.



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Fourth quarter (Q420)

October - The Company's board decided to accelerate the implementation of the growth strategy with the aim of responding more proactively to future growth and acquisition opportunities. The Company intensified the acquisition focus and its two largest shareholders backed the growth strategy.

November - Acroud carried out a private placement comprising 35,294,118 shares at a price of SEK 2.55 per share, corresponding to approximately SEK 90 million (app. EUR 9 million) in allocated demand. The issue enables the Company to implement the growth strategy and act quickly when attractive acquisition opportunities arise. At the same time, the Company's financial position was strengthened.

November – the first acquisition was completed where the assets in RIAE Media were acquired. RIAE Media is a fast-growing lead generation business within Sports Betting, well positioned for Emerging Markets such as Latin America, Africa and Asia. The acquisition accelerates the Company's growth in strategic focus areas such as Sports Betting and Emerging Markets.

November – a letter of intent is signed, this time for the acquisition of PMG Group, in order to strengthen its strategic position on the market and develop SaaS and BaaS business offering. PMG is a fast-growing company, predominantly active in the European market with the affiliate network Matching Visions and the iGaming campaign broker Traffic Grid, but is also an industry-leading SaaS service provider with Voonix. The acquisition was finalized in January 2021.

December – the second phase of business transformation and restructuring was initiated where operations were further reshaped. The Poker vertical was strengthened through recruitment of a senior resources such as Event and Outreach Manager simultaneously as the development of The Festival Series was initiated.

December - the Company was granted a licence to operate in Michigan, which was regulated in January 2021, and includes Sports Betting, Casino and Poker.

Significant Events After The End Of The Period

Acquisition of Power Media Group

Acroud acquired the assets of Power Media Group, consisting of Voonix, Matching Visions and Traffic Grid, in order to strengthen its strategic position in the market. The target companies are fast-growing companies, mainly in the European market with the affiliate network Matching Visions and the performance marketing company Traffic Grid, but are also an industry-leading SaaS service provider with Voonix. During 2020, the target companies generated revenue of EUR 9.6 million and EBITDA of EUR 0.9 million.

New organization and strengthened group management

In February, in connection with the acquisition of Power Media Group, a new organizational structure was implemented to operate and monitor the business more efficiently. Two segments were formed iGaming Affiliation and ...As a Service. In connection with the new organization was implemented the management group was reshaped and strengthened where Ruben Gräve was appointed COO for the iGaming Affiliation segment and Morten Marcussen appointed as Managing Director for the ...As a Service segment. Erik Gjerde was appointed as CBDO handling business development of the group and CFO Gustav Vadenbring was appointed Deputy CEO.

Additional licenses awarded in the US

In the first quarter of 2021, the Company obtained licences to operate in Pennsylvania, Illinois, Virginia and Tennessee which are already a regulated States. At the same time, Michigan, where Acroud already has a licence, was regulated, which means that Acroud can run Sports Betting, Casino and Poker affiliate operations in Michigan and Pennsylvania.

EGM and launch of share option program for employees

After the end of the period, the Company has convened an EGM in order to launch a comprehensive share option programme for employees. The employee share option covers 28 employees and run for three years until March 2024. The EGM was held on 1 March 2021.

LOI signed for acquisition of European-based media company within Sports Betting

In March the Company signed another letter of intent for the acquisition of a European-based media company within Sports Betting ("the target company"). The target company is a fast-growing company that offers both a software-based "gaming tips" service and highly popular streaming channels within Sports Betting, Poker and Horse Racing. The target company has a clear strategic fit with Acroud, whereby we strengthen our software offering (SaaS), while adding some of the most popular media channels, YouTube and Twitch, to our offering. The target company generated annual sales of approximately EUR 1.4-1.5 million, based on the 9-month period Q3 20-Q1 21, with an EBITDA margin of about 60%, resulting in annual EBITDA of EUR 0.9-1.0 million. The agreement includes a total initial purchase consideration of approximately EUR 5.0 million on a cash and debt-free basis, and an additional consideration which is contingent on EBITDA in 2023. The acquisition is still conditional on a final board approval and that the parties enter into a final purchase agreement. The goal is for the transaction to be completed in the first half of 2021. The purchase price is planned to be settled 50% in cash and 50% in newly issued shares in the Company.

Employees

The average number of employees in the Group was 61 (67). The gender distribution was 26 (25) women and 35 (42) men. Expressed as a percentage, women accounted for 43 (37) percent of the total number of employees, while men accounted for 57 (63) percent.

The majority of employees are full-time. Acroud's number of employees including contracted consultants is approximately 75.

After the acquisitions of RIAE Media and Power Media Group, Acroud has 74 employees and 20 contracted consultants based in three different offices in Copenhagen and Malta. The offices in Malta accommodate the main part of the management team, writers, developers, website promoters, SEO specialists and designers, while the Voonix team is based in central Copenhagen.

Outlook

Acroud operates in a large global market that is expected to continue to grow for a long time to come. For an optimal focus of time and resources, Acroud has identified three clear growth pillars and included these in the Company's growth plan.



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ACROUD'S THREE **GROWTH PILLARS:**

Growth Pillar 1: Affiliate Business

This is Acroud's underlying affiliate business containing the traditional verticals; Poker, Sports Betting and Casino. Acroud delivers high quality content, search engine optimisation and cutting-edge technology improvements to its core affiliate assets to maintain strong keyword rankings. Complementing this with utilisation of our SaaS and BaaS solutions to increase the underlying growth and profitability in the affiliate business.

Key Growth Drivers

- Centralised system and finish migration into a new platform. Synergies with Matching Visions and Acroud Sports to improve output at lower cost.
- More niched and targeted SEO approach with new workflows creating more SEO value for less investment.
- Project Upsell Synergies between business areas to move fixed fee up towards 10-15% of Group Revenue.
- Regulated Markets Re Entry. The Dutch market is expected to open up in 2021 and utilise operational assets with new acquired network and PPC options.
- US expansion and Roll Out including roll out of new sites in regulated states.

Growth Pillar 2: SaaS Business (Software as a Service)

Through the acquisition of Power Media Group, Acroud has become a SaaS (Software as a Service) provider as well. In line with our vision of providing a way for "content creators" to better monetise their work, Acroud offers two sets of software solutions. (1) Voonix which is an industry leading data collection tool in the affiliate market and (2) Affhut, facilitating the possibility to users who want to build and create their own network of content creators.

Key Growth Drivers

- Increase Voonix' monthly recurring revenue by increasing client base. Voonix is the market leader and is continuously adding clients to the recurring revenue stream.
- Project "Voonix Premium Operator" Providing operators the opportunity of communicating with the affiliate clients creating additional revenue streams.
- Project "Content" Creating additional revenue streams through the offering of automatic feed-based content to affiliates from Gaming Software Providers.
- New seaments Move the Voonix product into high growth market such as financial and mainstream affiliation.
- Voonix Compliance Offer affiliates the opportunity of storing and sharing KYC documents and allowing the affiliates to store, manage and E-sign marketing insertion orders through the Voonix system.
- Voonix Compliance project will cement the Company's position as the market leader within affiliate SAAS products while further limiting client churn and creating growth opportunities.

Growth Pillar 3: BaaS Business (Business as a Service)

Through the acquisition of Power Media Group Acroud offers "Business as a Service" (BaaS) solutions. Matching Visions provide media creators (for instance website affiliates, bloggers, Youtubers etc.)

access to a large pool of gaming campaigns that would otherwise be out of their reach, unique software and a single payment/contact for all affiliate activities. Thousands of smaller iGaming affiliates around the world come together, via Matchina Visions, to provide traffic and new players for online gaming operators. Matching Visions operate as a union and collective bargaining organization for this group and is truly, as their slogan suggest, an affiliate's best friend.

Key Growth Drivers

- Project Stream New source of revenue from gaming streamers with high upside potential on NDC delivery.
- Acroud Regions Setup Matching Visions in every large region of the world with partners and share profit. No large investments needed and a business model based on a win-win commercial set up.
- Acroud Sports Service Utilise Acroud Group's assets to boost growth within the Sports Betting vertical. Using Affhut, external sportsdata and Matching Vision to accelerate growth.
- PPC/Paid Media Explore and assess risk of buying hybrid NDCs on CPA levels from larger PPC experts.

Financial Targets

The Board of Acroud presented new financial targets in a press release on 11 September 2018. The financial targets continue in the future and are as follows for a period of 2-3 years.

- Annual EPS growth of at least 20 percent over time.
- Annual organic growth of 15-25 percent
- Maximum net debt/EBITDA ratio of 2.0 over time.

No dividend is planned in the next three years. The priority instead will be growth investments such as internal growth projects and a stronger capital structure. Acroud is not providing any forecasts in this report.

Summary Of Financial Target Outcomes, 31 December 2020

The table below shows the outcomes of the defined financial targets:

Period	EPS growth	Organic revenue growth	Capital structure
Jan-dec	-76%	18%	2.6

Parent Company

Acroud AB is the ultimate holding company in the Group (hereinafter referred to as the "the Company" or "the Parent Company") and was registered in Sweden on 14 December 2005. The Company's shares have been listed on Nasdaq First North Premier Growth Market since June 2018. The Company generates revenue via internal Group services in IT, marketing, financial services and management. The Group's financing is arranged in the Parent Company via a bond, which is registered on Nasdaq Stockholm's Corporate Bond List. In 2020, the Parent Company received dividends from subsidiaries amounting to EUR 5.0 (7.8) million.

HLM Malta Limited (under name change to Acroud Limited)

Profit before tax for 2020 amounted to EUR 4.978 (8.917) thousand. Profit after tax was EUR 4,978 (8,917) thousand. Equity amounted to EUR 10,460 (10,482) thousand at the end of 2020. The company received dividends from subsidiaries amounting to EUR 5,000 (8,500) thousand in 2020. The company paid dividends of EUR 5,000 (7,800) thousand to the Parent Company.



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Mortgage Loan Directory and Information LCC

Profit before tax for 2020 amounted to EUR 66 (67) thousand. Profit after tax was EUR 66 (67) thousand. Equity amounted to EUR 380 (793) thousand at the end of 2020.

Rock intention Malta Ltd

Profit before tax for 2020 amounted to EUR 5,371 (7,630) thousand. Profit after tax was EUR 3,441 (4,976) thousand. Equity amounted to EUR 9,024 (10,583) thousand at the end of 2020. The company paid dividends of EUR 5,000 (8,500) thousand to HLM Malta.

FTT LLC

FTT is a newly started company in 2020 for future US expansion. The company is currently dormant; hence the company did not generate any profit before or after tax during 2020.

PokerLoco Malta Ltd

Profit before tax for 2020 amounted to EUR -536 (-139) thousand. Profit after tax was EUR -536 (-139) thousand. Equity amounted to EUR 295 (831) thousand at the end of 2020.

For information about group companies acquired after the year-end closing please refer to note 27.

Significant Risks And Uncertainties

Legal and regulatory risks

Political decisions, licence requirements and future legislation

The Group conducts its operations in several countries, with a focus on Europe and North America. An international presence can involve situations that give rise to compliance risks as the Group must observe different regulatory systems across a number of jurisdictions in relation to, for example, tax laws, marketing laws and consumer protection laws. This risk is mainly associated with laws and regulations that specifically apply to gaming operations and activities, such as affiliate marketing. Gaming operations are strictly regulated by law in most jurisdictions, either by a state monopoly or by a licensing system. This applies whether the games are offered online (iGaming) or are land-based.

Acroud acts as an affiliate in the iGaming industry, which is not currently a regulated business area in most jurisdictions (apart from, e.g. Romania and certain states in the US), but the Company is still dependent on iGaming operators that are subject to regulations. This means that the Group's operations are to a large extent affected by political decisions and new legislation – both directly and indirectly. The legal situation for online gaming is constantly changing in different national markets.

For example, a new gaming regulation came into force in Sweden in 2019, introducing a mandatory licensing system for private operators, aimed at increasing consumer protection. New regulations have also been introduced recently in certain European markets such as the UK, Germany, Spain, Switzerland, the Netherlands, Italy and France. Although the regulations do not apply to the Group's operations (apart from its operations in Romania and certain states in the US, as mentioned above), the Group's business model is dependent on the ability of its customers, the iGaming operators, to generate revenue, which in turn is dependent on the operators' ability to act in different markets and comply with applicable laws. In the Swedish market for instance, this means that, from 1 January 2019, a gaming licence must be obtained and retained in order to continue operations.

In countries where online gaming is considered illegal under national law, national authorities have traditionally only targeted iGaming operators and, in some cases, service providers (mainly providers of games, payment solutions and internet services) to restrict residents' access to online gaming services.

However, in some cases, EU member states have targeted other verticals in the industry, including affiliate marketing companies similar to Acroud.

In addition, EU legislation directly applicable to online gaming services and the marketing of such services is currently limited. The EU aims to strengthen consumer protection in relation to online gaming by, for example, issuing recommendations to member states. There are examples of these self-regulatory measures in connection with online

gaming marketing at national level in some EU countries. There is a risk that new interpretations and changes to existing gaming laws and regulations in Europe and the rest of the world, in combination with future case law from both national and international courts, will have a direct or indirect adverse effect on the Group's operations. Proposed reforms may include changes in the introduction of national licensing systems, changes to marketing legislation and more stringent consumer protection legislation, which could have an adverse effect on the Group's operations and ability to generate revenue.

Operational and strategic risks

The Group is dependent on iGaming operators

The Group's revenues are highly dependent on the ability of its customers, the iGaming operators, to attract and entertain online players on their iGaming platforms. This also applies to the general popularity of iGaming, including user trends and preferences, such as whether the iGaming operators have popular games or are able to offer certain preferred services. In addition, the gaming industry is the subject of much debate and is entirely dependent on social acceptance. If the iGaming operators are unable to attract and entertain online players because they cannot offer the games in demand or if there is a general reduction in social acceptance of gaming, this could result in lower activity for the iGaming operators, which in turn would lead to lower revenue for the Group.

Risks associated with high reliance on search engines

The Group relies on generating search traffic to its various websites to obtain end customers. This is achieved by, among other things, the use of search engine optimisation (SEO). SEO is the collective term for different methods used to ensure that a certain website is ranked as highly as possible when an internet user searches for specific keywords using search engines. The Group relies on maintaining effective SEO. The Group therefore needs to offer websites with high-quality content that are ranked highly in search engine results, such as results on Google, Bing or Yahoo! When Google, Bing, Yahoo! or similar search engines introduce new algorithms that affect website rankings in their search engine results, there is a risk that the Group will need to revise its online marketing strategies and adapt its websites to make them compatible with the changes created by the new algorithms. Some of the algorithmic updates affect search engine results significantly.

There is also a risk that Google, Bing, Yahoo! or similar search engines will issue warnings or penalties in the form of lower rankings for websites that strategically circumvent the algorithms. If the Group fails to maintain effective SEO and to adapt its websites and marketing to new algorithms, this could adversely affect the Group's business and its ability to attract visitors to its websites. The Group generally operates with low SEO risk and the most recent penalty was incurred in 2014.

Trademarks and domain names

The Groups iGaming Affiliation segment currently offers its affiliate marketing services through a number of websites that are of particular importance to the business, such as Pokerlistings, CasinoTop10 and CasinoGuide. Trademarks and domain names are important parts of the Group's business as they are fundamental to attracting online players. These players can in turn be referred to iGaming operators and become paying customers, thereby generating revenue for Acroud.

Should one or more of the trademarks or domain names used in the Group's operations not be owned or controlled by the Group, there is a risk that the future use of the domain names will not be properly secured and that the Group will lose access to important domains in the future. There is also a further risk that competitors or other third parties will unlawfully seek to use or infringe the Group's intellectual property rights, and a risk of a third party asserting and acquiring better rights to intellectual property rights used by the Group.

Should the Group lose access to important domains, trademarks or other intellectual property rights, or should such an intellectual property right be subject to dispute, this could have a detrimental effect on the Group's ability to generate revenue from the parts of its business that are associated with or dependent on the intellectual property right in question. The Company employs a Domain & Trademark specialist and a Legal & Compliance Officer who continuously monitors developments in this area and is also responsible for ongoing renewals of domains and trademarks.



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Refinancing risk/Liquidity risk

Current investments and existing debt, such as the bonds, will eventually need to be refinanced by arranging new market loans, issuing new debt instruments or issuing new equity. Access to new or additional financing is dependent on various factors, such as market conditions, the Group's credit rating and general access to credit in the financial markets. Some of these factors and conditions are beyond the Group's control and may change rapidly. There is a risk that the Group will not manage to obtain sufficient financing at favourable terms or to obtain financing at all. This, in turn, could have a material adverse effect on the Company's operations and ultimately its ability to continue operations.

Refinancing of the business was carried out in April 2020, when the largest bondholders (43.1 percent) voted for an extension of the bond loan to September 2022 by written procedure. In addition a new share issue was carried out in November 2020 where new capital was raised and the balance sheet was further strengthened. The risk profile of the Company has been improved in 2020 and the aim of the Company is to operate with low financial and operational risk.

In addition to the above risks, the Board considers that the financial risks identified below are relevant to the Group.

- Credit risk is the risk of customers failing to pay for services provided.
- Currency risk is the risk that arises from negative changes in exchange rates and interest rates.

Further details can be found in note 28.

Legal Disputes And Proceedings

This type of risk refers to the costs that Acroud may incur in pursuing various legal proceedings, as well as the costs of independent parties. At year end, Acroud was not involved in any disputes where a counterparty has a demand on Acroud that affected or will affect the Company's position in any significant way. In 2020 Acroud had one legal proceeding resulting in the Company received a net compensation of EUR 409 thousand in Q420.

Other Areas

Remuneration of Senior executives

The Board's proposed guidelines on remuneration of senior executives essentially mean that salaries and other terms of employment will be at market levels. Group Management are not entitled to receive variable remuneration and bonuses in addition to the fixed basic salary. No senior executives are entitled to severance pay exceeding 6 months salary.

Shares and ownership structure

Acroud's ownership structure at 31 December 2020 comprised the major shareholders Trottholmen AB (50.4 percent) and Strategic Investment A/S (JPM Chase) (15.5 percent). The remaining shareholders had an ownership share of less than 5 percent. The number of shareholders at 31 December 2020 was approximately 2,224 and the number of shares in the Company was 113,950,153.

Annual General Meeting

The Annual General Meeting for 2020 is due to be held by postal voting, due to the global COVID-19 situation, on 20 May 2021.

Dividend

In accordance with the financial targets, the Board of Directors has proposed to the AGM for 2020 held 20 May 2021.

Proposed appropriation of profits

The Company's Board proposes that the unrestricted equity of EUR 15,621,710 (5,813,673) available to the AGM be carried forward.

Board of Directors

At the end of 2020, the Board consisted of:

- Henrik Kvick (Chairman)
- Kim Mikkelsen
- Peter Åström
- Fredrik Rüdén
- Jonas Bertilsson

The Group's CFO, Gustav Vadenbring, is co-opted to the Board as secretary. In the first quarter of 2020, Marcus Teilman left his position as CEO and President, and also resigned from the Board at his own request.

Auditors

The AGM in 2020 decided to change auditor to Öhrlings PricewaterhouseCoopers (PwC), with Aleksander Lyckow as chief auditor. During 2020 PwC has audited all companies in the Group.

Statement On The Board's Responsibility For The Financial Reports

The Board of Directors shall prepare financial reports that give a true and fair view of financial position of the Group and the Company at the end of each financial period, and the income statement for this period. In preparing the financial reports, the Board is responsible for:

- Ensuring that the financial reports have been prepared in accordance with International Financial Reporting
- Standards (IFRS) as adopted by the EU.
- Selecting and applying adequate accounting policies.
- Making accounting estimates that are reasonable under the circumstances.
- Ensuring that the financial reports are prepared on a going concern basis provided there is reason to assume that the Group or the Company will continue to operate.

The Board is also responsible for designing, implementing and maintaining internal controls that the Board considers necessary for the preparation of financial reports that do not contain material misstatement, whether due to irregularities or error. The Board is also responsible for protecting the Group's and the Company's assets, and thereby taking appropriate measures to prevent and detect fraud and other deviations.

Acroud's financial reports for the 2020 financial year have been included in this 2020 annual report, which can be ordered from the Company's website. The Board is responsible for the content and integrity of the annual report in the context of its responsibility for the website's control and security. The information published on the Company's website is available in other countries and jurisdictions where legislation governing the preparation and distribution of financial reports may differ from the requirements or practice in Sweden and Malta.



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51.36 51.36 51.88 51.88 51.88 8.24 78.69 9.62 18.75 1.36	+740.21 +122.56 +140.04 +180.98 +140.04 +180.98 +740.21 +122.56 +140.04 +122.56	-9.45 -9.45 -0.21 -6.87 -9.45 -0.21 -6.87 -9.45 -0.21 -6.87 -9.45 -0.21 -6.87 -9.45	8.87 1.54 7.02
18.75 9.02	+140.04	-3.36	7.02
51 36	180.98	-0.21	4.75
51.30 21.88 5.56 21.88 0.24	+740.21	-6.87	8.87
70 69 0.2	100 56	0 15	4 .

Consolidated Statement of Comprehensive Income

Amounts in EUR thousands	Notes	2020	2019
Revenue	2,3	11 630	14 302
Total revenue	-	11 630	14 302
Capitalised work for own account	4	1 031	565
Other external expenses	5	-3 908	-2 864
Personnel expenses	8	-3 689	-3 719
Other operating income		510	122
Other operating expenses		-82	-49
EBITDA		5 492	8 357
Depreciation and amortisation	6, 16, 18	-1 155	-727
Operating profit/loss (EBIT)		4 337	7 630
Profit/(loss) from financial items			
Financial income	10	584	306
Financial expenses	11	-2 660	-2 999
Impairment of financial assets	12	-	-331
Other financial items		-729	708
Profit/(loss) from financial items		-2 805	-2 316
Profit/(loss) before tax		1 532	5 314
Tax on profit/loss for the year	13	-276	-380
Profit/(loss) for the year	·	1 256	4 934
Earnings per share (EUR)	14	0.016	0.065
Earnings per share after dilution (EUR)	14	0.016	0.065
Other comprehensive income, income and expenses recognised directly in e	equity		
Exchange differences on translation of foreign operations		-36	13
Other comprehensive income for the year		-36	13
Total comprehensive income for the year		1 220	4 947



Consolidated Statement of Financial Position

Amounts in EUR thousands	Notes	2020/12/31	2019/12/31
Assets			
Assets			
Non-current assets			
Goodwill	17	42 856	42 856
Other intangible assets	18	7 392	5 005
Right-of-use assets	6	214	366
Property, plant and equipment	16	143	193
Other non-current receivables		106	116
Deferred tax assets	13	20	156
Total non-current assets		50 731	48 692
Current assets			
Trade receivables		1 496	1 559
Other receivables		589	750
Prepayments and accrued income	21	131	167
Cash and cash equivalents	22	8 114	6 771
Total current assets		10 330	9 247
Total assets		61 061	57 939



Consolidated Statement of Financial Position

Amounts in EUR thousands	Notes	2020/12/31	2019/12/31
Equity and liabilities			
Equity			
Share capital	23	2 883	1 913
Other paid-in capital		20 590	12 420
Reserves		2 664	2 700
Retained earnings, incl. profit/loss for the year		10 285	9 029
Total equity		36 422	26 062
Non-current liabilities	24	24.505	
Loans and borrowings	24	21 595	-
Liabilities to Parent Company	28	387	=
Deferred tax liabilities	13	104	-
Lease liabilities	6	62	213
Total non-current liabilities		22 148	213
Current liabilities			
Loans and borrowings	24	-	29 276
Trade payables		336	266
Liabilities to Parent Company	28	-	356
Tax liabilities		68	-
Other liabilities		1 077	1 156
Lease liabilities	6	151	152
Accruals and deferred income	25	859	458
Total current liabilities		2 491	31 664
Total equity and liabilities		61 061	57 939



Consolidated Statement of Changes in Equity

Amounts in EUR thousands	Notes	Share Capital	Other Paid-in Capital	Reserves	Retained earnings incl. year's earnings	Total Equity
Opening equity, 1 Jan 2019		1 913	12 424	2 688	4 095	21 120
Share-based payments	15	-	21	-	-	21
Option proceeds received	15	=	17	=	=	17
Repayment of option proceeds		_	-42	-	-	-42
Comprehensive income for the year		-	-	12	4 934	4 946
Closing equity, 31 Dec 2019		1 913	12 420	2 700	9 029	26 062
Opening equity, 1 Jan 2020		1 913	12 420	2 700	9 029	26 062
New issue of own shares	23	893	7 931	-	-	8 824
New issue of own shares as payment for acquisitions	23	77	821	-	=	898
New share issue expenses		-	-511	-	=	-511
Share-based payments	15	-	-71	-	-	-71
Comprehensive income for the year		-	-	-36	1 256	1 220
Closing equity, 31 Dec 2020		2 883	20 590	2 664	10 285	36 422

Conditional shareholder contribution from principal owner Trottholmen AB amounts to SEK 5,000 (5,000) thousand. The principal owner is entitled to receive repayment of this conditional shareholder contribution in the future under certain conditions



Consolidated Cash Flow Statement

Amounts in EUR thousands	Notes	2020	2019
Operating activities			
Profit before tax		1 532	5 314
Adjustments for non-cash items and items not included in operating activities		1332	3314
- Depreciation and amortisation of assets	6, 16, 18	1 155	727
- Exchange gains/losses on financial receivables and liabilities	0, 10, 10	729	-708
- Costs for share-based programmes	15	-53	21
- Gain/loss on sale of other assets	10	-41	-99
- Impairment of financial assets	12	_	331
- Provisions for restructuring	12	219	_
Financial Expenses	11	2 660	2 999
Financial Income	10	-584	-306
Thanca income	10	-304	-500
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in operating receivables		177	272
Increase (+)/Decrease (-) in operating liabilities		-29	-394
Cash flow from operating activities		5 765	8 157
Investing activities			
- Acquisition of interests in Group companies		-2	=
Acquisition of property, plant and equipment	16	-26	-49
Acquisition of intangible assets	18	-2 266	-2 144
Cash flow from investing activities	_	-2 294	-2 193
Financing activities			
Proceeds from issue of own shares	23	8 850	-
Issue expenses		-1 616	_
' Received and repaid option proceeds		-17	-23
Repayment of borrowings		-7 352	-5 959
Interest paid	24	-1 850	-2 583
' Repayment of lease liabilities	6	-99	-129
Cash flow from financing activities	_	-2 084	-8 694
Cash flow for period		1 387	-2 730
Cash & cash equivalents at beginning of period		6 771	10 094
Exchange differences		-108	-30
Reclassification from cash & cash equivalents to other current financial assets		64	-563
Cash & cash equivalents at end of period		8 114	6 771



Income Statement – Parent Company

Amounts in EUR thousands	Notes	2020	2019
Revenue	3	352	532
Total revenue		352	532
Operating expenses			
Other external expenses	5	-564	-445
Personnel expenses	8	-403	-417
Other operating expenses		-24	=
Other operating income		1	4
EBITDA		-638	-326
Depreciation and amortisation			-11
Operating profit/(loss) (EBIT)		-638	-337
Profit/(loss) from financial items			
Profit from investments in Group companies	9	5 000	7 800
Financial income	10	617	376
Financial Expenses	11	-2 627	-2 976
Other financial items		-714	718
Profit after financial items		1 638	5 581
Tax on profit/(loss) for the year	13	_	_
Profit for the year	10	1 638	5 581

Balance Sheet – Parent Company

Amounts in EUR thousands	Notes	2020/12/31	2019/12/31
Assets			
Non-current assets			
Investments in Group companies	19	33 898	31 581
Non-current receivables from Group companies	20	-	-
Total non-current assets		33 898	31 581
Current assets			
Receivables from Group companies	20	51	889
Other receivables		51	24
Prepayments and accrued income	21	21	26
Cash and cash equivalents	22	7 563	5 701
Total current assets		7 686	6 640
Total assets		41 584	38 221



Balance Sheet – Parent Company

Amounts in EUR thousands	Notes	2020/12/31	2019/12/31
Equity and liabilities			
Equity			
Restricted equity			
Share capital	23	2 883	1 913
		2 883	1 913
Unrestricted equity			
Share premium reserve		20 590	12 420
Retained earnings		-6 607	-12 188
Results for the year		1 638	5 581
		15 621	5 813
Total equity		18 504	7 726
Non-current liabilities			
Loans and borrowings	24	21 595	-
Liabilities to Parent Company	28	387	-
Total non-current liabilities		21 982	-
Current liabilities			
Loans and borrowings	24	-	29 276
Trade payables		19	14
Liabilities to Parent Company	28	-	356
Other liabilities		635	600
Accruals and deferred income	25	444	249
Total current liabilities		1 098	30 495
Total equity and liabilities		41 584	38 221



Statement of Changes in Equity – Parent Company

Amounts in EUR thousands	Note	Share Capital	Share premium reserve	Retained earnings incl.year's earnings	Total equity
Opening equity, 1 Jan 2019		1 913	12 424	-12 188	2 149
Share-based payments	15	_	21	_	21
Option proceeds received	15	-	17	-	17
Repayment of option proceeds		-	-42	-	-42
Comprehensive income for the year		-	_	5 581	5 581
Closing equity, 31 Dec 2019		1 913	12 420	-6 607	7 726
Opening equity, 1 Jan 2020		1 913	12 420	-6 607	7 726
New issue of own shares	23	893	7 931	_	8 824
New issue of own shares as payment for acquisitions	23	77	821	-	898
New share issue expenses		-	-511	-	-511
Share-based payments	15	-	-71	-	-71
Comprehensive income for the year		-	-	1 638	1 638
Closing equity, 31 Dec 2020		2 883	20 590	-4 969	18 504

Conditional shareholder contribution from principal owner Trottholmen AB amounts to SEK 5,000 (5,000) thousand.

The principal owner is entitled to receive repayment of this conditional shareholder contribution in the future under certain conditions



Cash Flow Statement – Parent Company

Amounts in EUR thousands	Notes	2020	2019
Operating activities			
Profit before tax		1 638	5 581
Adjustments for non-cash items and items not included in operating activities			
- Dividends from subsidiaries	9	-5 000	-7 800
- Expenses related to equity settled share based payments		-7	6
- Net foreign exchange gains/losses		714	-718
- Adjusting for one-off expenses		91	=
- Depreciation		-	11
- Financial Expense	11	2 627	2 976
- Financial Income	10	-617	-377
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in operating receivables		405	-329
Increase (+)/Decrease (-) in operating liabilities		-24	10
Cash flow from operating activities		-173	-640
Investing activities			
Acquisition of interests in Group companies		-2	_
Acquisition of intangible assets		-1 307	-1 626
Proceeds from sale of intangible assets		_	2 182
Cash flow from investing activities		-1 309	556
Financing activities			
Proceeds from the issue of own shares	23	8 850	_
Payment for share and bond issue costs	25	-1 616	_
Proceeds from the issue of warrants		-17	-23
Interest paid		-1 850	-2 565
Interest from Group companies		24	38
Proceeds from borrowings		_	-12
Repayment of borrowings		-7 352	-5 959
Repayment of loans from Group companies		-7 JJZ -	1 200
Dividend from Group companies		5 400	7 830
Cash flow from financing activities		3 439	509
Cash flow for period		1 957	425
Cash & cash equivalents at beginning of period		5 701	5 300
Exchange differences		-95	-24
Cash & cash equivalents at end of period	22	7 563	5 701



Notes with accounting policies and comments

Amounts in EUR thousands unless otherwise stated

NOTE 1 General information

Acroud AB, formerly Net Gaming Europe AB (hereinafter referred to as "the Company" or "the Parent Company"), 556693-7255, is a Swedish public company with its registered office in Stockholm. The Company is the ultimate holding company in the Group. It was registered in Sweden on 14 December 2005 and was listed on Nasdag First North Growth Premier in June 2018.

The Company generates revenue via internal Group services in IT, marketing, financial services and management. The Group's financing is also arranged in the Parent Company via a bond, which is registered on Nasdaq Stockholm's Corporate Bond List. Acroud AB's subsidiaries conduct online affiliate operations.

The Group's financial statements comprise the Company's and its subsidiaries' (collectively referred to as "the Group"). All amounts in the notes are in EUR thousands unless otherwise stated. The Company changed its presentation currency from SEK to EUR on 1 January 2019 and this has been applied for the first time for the 2019 financial year. The change in the presentation currency represents a change of accounting policy, which has been applied retrospectively in accordance with the requirements of IAS 8.

NOTE 2 Accounting and valuation principles

General accounting policies

The consolidated financial statements have been prepared in accordance with the Annual Accounts Act, RFR 1 Supplementary Accounting Rules for Groups, International Financial Reporting Standards (IFRS) as adopted by the EU, and IFRIC Interpretations. The consolidated annual financial statements have been prepared in accordance with the acquisition method.

The Parent Company's annual financial statements have been prepared in accordance with the Annual Accounts Act and RFR 2 Accounting for Legal Entities. RFR 2 requires the Parent Company as a legal entity to prepare financial statements in accordance with International Financial Reporting Standards (IFRS) and statements adopted by the EU to the extent allowed within the framework of the Annual Accounts Act, and taking into account the relationship between accounting profit and tax.

The difference between the Parent Company's financial statements and the consolidated financial statements is essentially the presentation of the income statement and balance sheet statements, which complies with the presentation specified by the Annual Accounts Act.

Alternative performance measures

The annual report shows key figures that the Company and other stakeholders use when evaluating the Group's financial performance, which are not expressly defined in IFRS. All key figures not defined in IFRS (i.e. key figures in addition to Revenue, Earnings per share and Profit for the year) are referred to as alternative performance measures (APMs). These measures provide management and investors with important information for analysing trends in the Company's business operations. The APMs are intended to supplement the financial key figures presented in accordance

Organic revenue growth

Organic revenue growth is an important APM that the Company follows on an ongoing basis, as Acroud has a long-term target of organic revenue growth in the range of 15 to 25 percent. Acroud will continuously invest in the core business and new internal growth initiatives to ensure strong and sustainable organic growth. The time when growth initiatives bear fruit may vary, which means that organic growth may fluctuate over time

The definition of organic revenue growth varies in the sector. Acroud's definition of organic growth is based on net sales compared with the previous period, excluding acquisitions in accordance with IFRS 3 (in the last 12 months), divestments and exchange rate movements.

ORGANIC REVENUE GROWTH - FULL YEAR 2020

Amounts in EUR thousands	1/1/2020 12/31/2020 Growth, %	1/1/2020 12/31/2020 Absolute figures	1/1/2019 12/31/2019 Absolute figures	Deviation Absolute figures
Total growth, EUR	-18,7%	11 630	14 302	-2 672
Adjustment acquired and divested/discontinued operations	0,0%	-	-	-
Total growth in EUR, excl. acquisitions and discontinued operations	-18,7%	11 630	14 302	-2 672
Adjustment for constant currency	0,4%	-	-74	74
Total organic sales growth	-18.3%	11 630	14 228	-2 598



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ORGANIC REVENUE GROWTH - FULL YEAR 2019

Amounts in EUR thousands	1/1/2019 12/31/2019 Growth, %	1/1/2019 12/31/2019 Absolute figures	1/1/2018 12/31/2018 Absolute figures	Deviation Absolute figures
Total growth, EUR	-22,9%	14 302	18 556	-4 254
Adjustment acquired and divested/discontinued operations	-1,4%	-334	-92	-242
Total growth in EUR, excl. acquisitions and discontinued operations	-24,4%	13 968	18 464	-4 496
Adjustment for constant currency	-0,8%	-	206	-206
Total organic sales growth	-25,2%	13 968	18 670	-4 702

New and amended accounting policies

New accounting policies

A number of new standards are effective from 1 January 2020 but they do not have a material effect on the Company's financial statements. Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation for issue of these financial statements, that are mandatory for the Company's accounting policies beginning after 31 December 2020. The Company has not early adopted these revisions to the requirements of IFRSs as adopted by the EU and the Company's directors are of the opinion that there are no requirements that will have possible significant impact on the Company's financial statements in the period of initial application.

Measurement and classification

The Parent Company's functional currency is Euro, which is also the presentation currency for the Parent Company and the Group. The Company changed its presentation currency from SEK to EUR with effect from 1 January 2019. The change in presentation currency represents a change in accounting policy, which has been applied retrospectively in accordance with the requirements of IAS 8. Unless otherwise stated, all figures are rounded to the nearest thousand.

Assets are classified as current assets if they are expected to be sold, or are intended for sale or consumption, during the Company's normal business cycle, they are held primarily for trading purposes, they are expected to be realised within twelve months of the reporting date or they consist of cash and cash equivalents. All other assets are classified as non-current assets.

Liabilities are classified as current liabilities if they are expected to be settled during the Company's normal business cycle, they are held primarily for trading purposes, they are expected to be settled within twelve months of the balance sheet date or the Company does not have an unconditional right to defer All other liabilities are classified as non-current.

Basis of consolidation

The consolidated financial statements comprise the Parent Company and companies in which the Parent Company directly or indirectly holds more than half of the votes or over which it otherwise has control.

The consolidated annual financial statements have been prepared in accordance with the acquisition method. The acquisition method means that the Parent Company indirectly acquires the subsidiary's assets and assumes its liabilities. The difference between the cost of the shares and the acquisition-date fair value of the net assets acquired represents the cost of goodwill, which is recognised as an asset in the balance sheet. If the difference is negative, the difference is recognised as revenue in the income statement. Acquisition-related costs are recognised as an expense when

Subsidiaries are all companies over which the Group has control. The Group has control when it has exposure or rights to variable returns from its holding in an entity and the ability to affect those returns through power over the entity. In normal cases, control is obtained when Acroud holds more than 50 percent of the votes.

Subsidiaries are consolidated from the date on which the Group obtains control. They are de-consolidated from the date on which control ceases. Subsidiaries' income, expenses, assets and liabilities are included in the consolidated financial statements from the date when control is obtained until the date when it ceases. Intragroup receivables and liabilities, income and expense, and unrealised gains or losses arising from intragroup transactions are eliminated in full when preparing the consolidated financial statements. Unrealised losses are also eliminated unless the loss is wholly or partly included in the value of previous impairment of the transferred asset.

Subsidiaries' accounting policies have been changed where necessary to ensure consistency with the Group's accounting policies.



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Acquisitions of companies and assets

The Group's acquisitions are accounted for using the acquisition method and in accordance with IFRS 3. Acquisitions of assets are reported under Goodwill and other intangible assets, regardless of whether the acquisition consists of equity instruments or other assets. The purchase consideration for the acquisition of a subsidiary consists of the fair values of:

- assets transferred;
- liabilities incurred by the Group to former owners,
- shares issued by the Group,
- assets and liabilities that result from a contingent consideration agreement, and
- previous equity interests in the acquired subsidiary.

Identifiable acquired assets, assumed liabilities and assumed contingent liabilities in a business combination are, with few exceptions, initially measured at the acquisition-date fair value. For each acquisition, i.e. on a transaction by transaction basis, the Group determines whether non-controlling interests in the acquiree are to be recognised at fair value or at the NCI's proportionate share of the carrying amount of the acquiree's identifiable net assets. Goodwill is measured as the difference between the aggregate of:

- the value of the consideration transferred,
- the amount of any non-controlling interest in the acquiree,
- the acquisition-date fair value of the previously-held equity interest in the acquiree, and
- the fair value of identifiable acquired net assets.

If the difference above is negative, the resulting gain is recognised as a bargain purchase in profit or loss. The Group accounts for business combinations using the acquisition method from the date on which control is transferred to the Group. For further information regarding the accounting for acquisitions of companies and assets, see notes 17-19 and 27.

Goodwill and other intangible assets

An intangible asset is recognised if it is probable that the future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably. Separately acquired intangible assets are reported at cost. The cost of a separately acquired intangible asset consists of its purchase price and any expenses directly attributable to completing the asset for its intended use.

When the purchase price of an intangible asset includes a contingent consideration, the cost is determined based on the acquisition-date fair value of the contingent consideration. Any subsequent changes in the estimates regarding the probable outcome for the contingent consideration are reported in the statement of financial position as an adjustment of the value of the intangible asset and the contingent consideration liability. The purchase price of intangible assets where the consideration consists of equity instruments is the fair value of the equity instruments issued by the Group in connection with the transaction.

Expenditure on the development of websites and IT infrastructures is capitalised within Intangible assets according to nature in line with IAS38 and, where relevant, SIC-32. When development is completed, the cost of the asset is transferred from Asset Under Construction to Intangible assets. Assets under Construction are not amortised until the asset is complete.

Goodwill arises on the acquisition of subsidiaries and is the amount by which the purchase consideration exceeds the acquisition-date fair value of the identifiable net assets acquired. Goodwill and intangible assets with an indefinite useful life are tested for impairment annually and are recognised at cost less accumulated impairment losses. Any goodwill impairment is recognised as an expense and is not reversed. Gains or losses on the disposal of a subsidiary include the carrying amount of any goodwill relating to the divested subsidiary. For impairment testing, goodwill acquired in a business combination is allocated to cash-generating units or groups of cash generating units that are expected to benefit from synergies arising from the acquisition.

Acquired intangible assets are distributed among domains, players databases and other intangible assets. The estimated useful lives are as follows:

- Domains: indefinite useful life
- Players Databases: 3 months 5years
- Other intangible assets: 4-5 years

Other intangible assets are derecognised upon disposal or when no future economic benefits are expected from their use or disposal. Gains or losses arising from the derecognition of intangible assets are recognised in profit or loss and comprise the difference between any disposal proceeds and the carrying amount. Subsequent costs are only capitalised if they increase the future economic benefits associated with the specific asset to which they relate. All other expenses are reported in the profit or loss when they arise.



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Foreign currency

Foreign currency receivables and liabilities

Foreign currency receivables and liabilities are measured at the closing rate. Foreign exchange gains and losses arising on translation are recognised in the income statement.

Translation of foreign operations

Operations with a functional currency other than EUR are translated to EUR using the current method, which means that assets, provisions and liabilities are translated at the closing rate, while income statement items are translated at the average rate. Exchange differences arising on translation are classified as equity and transferred to the Group's translation reserve.

Other operating expenses

Costs of secondary activities in ordinary operations relating to operating receivables and operating liabilities are reported as other operating

Financial Instruments

A financial asset or liability is recognised in the balance sheet when the Group becomes a party to the contractual provisions of the instrument. A financial asset is derecognised in the balance sheet when the contractual rights to receive the cash flows from the asset cease, are settled or the Group relinquishes control over them. A financial liability or part of a financial liability is derecognised in the balance sheet when the obligation specified in the contract is discharged or extinguished in another manner. Financial instruments recognised under assets in the statement of financial position include cash & cash equivalents, trade receivables and other current receivables. Liabilities include trade payables, other current liabilities and loan liabilities.

Classification and measurement

Financial assets are classified based on the business model within which the relevant asset is held and the asset's cash flow characteristics. If the financial asset is held within a business model whose objective is to collect contractual cash flows (hold to collect) and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, the asset is measured at amortised cost. If the business model's objectives can instead be achieved by both collecting contractual cash flows and selling financial assets (hold to collect and sell), and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, the asset is measured at fair value through OCI. For all other business models (other) whose objective is speculation, holding for trading or where the cash flow characteristics exclude other business models, measurement is at fair value through profit or loss.

Financial liabilities are recognised at amortised cost using the effective interest method or at fair value through profit or loss. Loans and other financial liabilities, e.g. trade payables, are included in the category financial liabilities at amortised cost.

Impairment

The Group recognises a loss allowance for expected credit losses on financial assets measured at amortised cost. At each reporting date, the Group reports the change in expected credit losses since initial recognition. For all financial assets, the Group measures the loss allowance at an amount equal to the 12-month expected credit losses. A loss allowance for full lifetime expected credit losses is recognised for a financial instrument if the credit risk of that financial instrument has increased significantly since initial recognition (the general model).

The purpose of the credit impairment requirements is to report lifetime expected credit losses for all financial instruments for which the credit risk has increased significantly since initial recognition. The assessment is made either individually or collectively and considers all reasonable and supportable information, including forward-looking information. The Group's measurement of expected credit losses from a financial instrument reflects an unbiased and probability-weighted amount that is determined by evaluating the range of possible outcomes, as well as incorporating the time value of money, and reasonable and supportable information about current conditions and forecasts of future financial conditions.

Under the 'simplified' approach, the Group recognises full lifetime expected losses for its trade receivables and contract assets. Equity instruments are not covered by the impairment rules.

Fair value of financial instruments

When determining the fair value of an asset or liability, the Group uses observable data as far as possible. Fair value measurement is based on the fair value hierarchy, which categorises inputs into different levels as follows:

- Level 1: inputs that are quoted prices in active markets for similar instruments
- Level 2: inputs other than quoted market prices in Level 1 that are directly or indirectly observable market data
- Level 3: inputs that are not observable in the market

The Group has a framework for fair value measurement and reporting to the Group's CFO. Measurement is conducted regularly to analyse significant unobservable inputs and adjustments in values. If third-party data is used in the measurement, the Company assesses whether it meets IFRS requirements, and which fair value hierarchy level it will be categorised in.

The following items are measured at amortised cost, with their carrying amounts being a reasonable approximation of their fair values due to their short-term nature: trade receivables, other receivables, cash and cash equivalents, trade payables and other liabilities. In addition, the Company has a bond loan, measured at amortised cost, of EUR 21.6 million at 31 December 2020, for which the fair value is classified as level 2 and the fair value measurement based on listings with brokers. Similar contracts are traded in an active market, and the rates reflect actual transactions for comparable instruments.

At 31 December 2020, the Company did not have any other financial instruments categorised in level 2 of the fair value hierarchy. There were no transfers between levels during 2020.

On 17 November 2020, the Group acquired affiliate assets, primarily focusing on Sports Betting and well positioned for Emerging Markets such as Latin America, Africa and Asia. The Group acquired the assets for an initial consideration and a subsequent contingent consideration based on



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performance during a certain future period. On 31 December 2020, the present value of the contingent consideration was EUR 635 thousand. This is presented under "Other liabilities" in the statement of financial position and is classified under Level 3 of the fair value measurement hierarchy.

Offsetting financial assets and liabilities

A financial asset and a financial liability may be offset and the net amount presented in the statement of financial position when, and only when, there is a legally enforceable right to offset the recognised amounts; and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Judgements and accounting estimates

The Group's financial reports are partly based on assumptions and estimates in connection with the preparation of the Group's financial statements. ludgements and estimates are based on historical experience and other assumptions, which result in decisions on the value of an asset or liability that cannot be otherwise determined. The actual outcome may differ from these estimates. The estimates and judgements are reviewed continuously and are based on historical experience and other factors, including expectations of future events considered reasonable under the prevailing circumstances.

The areas involving a high degree of assessments that are complex, or where the assumptions and estimates are significant, mainly concern assumptions and estimates for impairment testing of goodwill and other intangible assets with indefinite useful lives and measurement of intangible assets acquired in acquisitions.

Measurement of intangible assets acquired in acquisitions

The Group assesses the fair value of intangible assets acquired in acquisitions on the basis of best estimate and analysis. Such assets include players databases and domain rights. The assessments are based on the Group's industry experience and knowledge, and on recognised comparison data from the industry. The measurement is presented in an acquisition analysis, which is preliminary until finally adopted. A preliminary acquisition analysis is drawn up as soon as the required information about assets and liabilities at the acquisition date is obtained, but no later than one year from the acquisition date. If the fair value has to be remeasured within a 12-month period, this may result in the fair value differing from its initial value.

Goodwill impairment testing

When calculating a cash-generating unit's recoverable amount as part of the Group's impairment testing, assumptions about future conditions and estimates of different key parameters are made. Such assessments always include some uncertainty. Should actual outcomes deviate from those expected for a specific period during testing, expected future cash flows may need to be remeasured, which may result in impairment.

The Parent Company's accounting policies

The Parent Company applies the same policies as the Group, apart from where the Parent Company's financial statements are prepared in accordance with RFR 2 Accounting for Legal Entities and Statements from the Financial Reporting Board.

Differences between the Group's and the Parent Company's accounting policies are due to limitations that the Annual Accounts Act places on application of IFRS standards in the Parent Company, and the taxation rules that allow different accounting for legal entities than for the Group.

The main differences between the Group's and the Parent Company's accounting policies are set out below. The accounting policies described have been applied consistently to all periods presented in the Parent Company's financial statements.

Classification and presentation

The Parent Company's income statement and balance sheet have been prepared in accordance with the format described in the Swedish Annual Accounts Act. The main difference from IAS 1 Presentation of Financial Statements, which is applied when preparing the consolidated financial statements, concerns the reporting of financial items and equity.

Subsidiaries

In the Parent Company, shares in subsidiaries are recognised at cost less any impairment.

Financial instruments

The Parent Company applies the exception in RFR 2, which means that the rules on financial instruments in IFRS 9 are not applied in the Parent Company as a legal entity. In the Parent Company, financial non-current assets are measured at cost less impairment and financial current assets are measured at the lower of cost and net realisable value.

Classification of restricted and unrestricted equity

In the Parent Company's balance sheet, equity is divided into restricted and unrestricted equity in accordance with the Annual Accounts Act.

RFR 2 amendments not yet effective

The Parent Company has not yet started to apply the new and amended standards and interpretations that have been issued but are effective for annual periods beginning on or after 1 January 2021



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Note 3 Revenue from contracts with customers

IFRS 15 introduces a five-step model for revenue recognition which is based on when the control of a product or service is transferred to the customer. The core principle is that an entity recognises revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. IFRS 15 introduces a five-step model:

- Step 1. Identify the contract with a customer
- Step 2. Identify the different performance obligations
- Step 3. Determine the transaction price
- Step 4. Allocate the transaction price to the different performance obligations
- Step 5. Recognise revenue when the performance obligation is satisfied

Revenue is recognised based on the amount stated in a contract with a customer and does not include any amounts collected on behalf of a third party. The Group's revenue comes mainly from affiliate operations. For revenue within affiliate operations, Acroud has identified that contracts with the gaming operator (the customer) contain a distinct performance obligation, namely referral of players to the gaming operator. Revenue is mainly generated based on two different payment models, or a combination of the two.

The majority of the revenue is generated from a revenue share model, which means that Acroud and the gaming operator share the net gaming revenue that the player generates with the operator. The Group's consideration for referring a player to the operator is therefore not known at the point in time when the performance obligation is satisfied, but is based on future variable consideration. IFRS 15 requires the amount of variable consideration to be estimated and recognised as revenue to the extent that it is highly probable that any change to the estimate will not result in a significant revenue reversal in the future. It is Acroud's assessment that there is very great uncertainty associated with trying to estimate future net gaming revenue based on player referrals to operators, and there would therefore be a high risk of future reversals. Acroud receives monthly information on the month's net gaming revenue and Acroud's share of the revshare model. According to Acroud's assessment, it is not until this point in time that the uncertainty regarding the size of the revenue can be considered resolved, and revenue is therefore recognised at this time, i.e. to the extent that the revenue can be determined with sufficient precision.

CPA revenue corresponds to a fixed amount for each individual player that Acroud refers to a gaming operator and who has made a purchase/ engaged in gaming. With CPA, the size of revenue is determinable at the point in time when Acroud's performance obligation has been satisfied, i.e. when the player first engages in gaming with the operator, and it is at this point that the revenue is recognised.

The Parent Company's revenue comes mainly from intragroup services provided. Revenue is recognised net of VAT and discounts. Services sold consist of consulting revenue from IT, marketing, financial services and management.

The Group reports all revenue at a point in time for the following main categories.

Revenue by category	2020	2019
Affiliate operations	11 630	14 302
Total revenue	11 630	14 302
Revenue distribution by vertical (Affiliate)	2020	2019
Casino	8 234	11 433
Poker	2 428	1 936
Sports Betting	750	682
Other verticals	218	251
Total revenue	11 630	14 302

Revenue from Sweden in 2020 accounted for 2 percent (2019: 2 percent) of revenue for the financial year.

The ten largest customers in 2020 accounted for approximately 53 percent (2019: 49 percent) of the total revenue.

There are no significant contract assets or contract liabilities to disclose, and none of the revenue recognised during the year relates to performance obligations satisfied during previous periods. No transaction price has been allocated to the unsatisfied (or partly satisfied) performance obligations at the end of the reporting period.



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Other operating income

Revenue from secondary activities within ordinary operations, mainly consisting of gains on the sale of rights not recognised in the consolidated balance sheet, are reported under other operating income.

Parent Company

The Parent Company recognises all revenue at a point in time. The Parent Company's revenue comes mainly from intragroup services provided.

There are no significant contract assets or contract liabilities to disclose, and none of the revenue recognised during the year relates to performance obligations satisfied during previous periods.

No transaction price has been allocated to the unsatisfied performance obligations at the end of the reporting period.

Information about intra-Group purchases and sales	2020	2019
Parent Company's sales of services to Group companies	352	532
Purchases of services from Group companies	(47)	(21)

Note 4 Capitalised work for own account

The Company conducts continuous development of its own sites. Development work has been intensified in 2020, with both CAS (Centralised Affiliate System) and BI system (Qlik Sense) being built, which together with the development of our own sites has resulted in total capitalised work for own account of EUR 1031 (565) thousand.

	Grou	ıp	Pare Comp	
Amounts in EUR thousands	2020	2019	2020	2019
Capitalised work for own account	1 031	565	_	=

Note 5 Other external expenses

	Group		Par Com _l	
Amounts in EUR thousands	2020	2019	2020	2019
Marketing expenses	1 193	672	-	_
Consulting expenses	1 135	911	=	_
Information and communication expenses	277	283	=	-
Audit fees	90	103	34	52
Costs for premises	87	93	-	-
Other external expenses	1 126	802	530	393
	3 908	2 864	564	445



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Note 6 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a certain period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the IFRS 16 definition of a lease. This policy is applied to contacts entered into, on or after 1 January 2019.

The Group as a lessee

On commencement or amendment of a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price. However, for property leases, the Group has elected not to separate non-lease components and instead accounts for lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability on commencement of the lease. The right-of-use asset is initially measured at cost, which comprises the amount of the initial measurement of the lease liability adjusted for any lease payments made on or before the commencement date, any direct costs incurred and an estimate of costs of dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required, less any lease incentives received.

The right-of-use asset is subsequently depreciated on a straight-line basis over the lease term, unless the lease transfers ownership of the underlying asset to the Group at the end of the lease term or the cost of the right-of-use asset reflects the Group's intention to exercise a purchase option. If this is the case, the right-of-use asset is depreciated over the useful life of the underlying asset, which is determined on the same basis as for property, plant and equipment. In addition, the value of the right-of-use asset is periodically reduced to reflect any impairment and adjusted for any remeasurement of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Group's incremental borrowing rate is used. The Group normally uses its incremental borrowing rate as the discount rate. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and then making some adjustments to reflect the terms and conditions of the lease and the type of asset held under the lease.

Lease payments that are included in the measurement of the lease liability are as follows:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts are expected to be payable under a residual value guarantee; and
- the exercise price of a purchase option that the Group is reasonably certain to exercise, lease payments during a possible extension period if the Group is reasonably certain to exercise an extension option and payments of penalties for terminating the lease, unless the Group is reasonably certain not to exercise a termination option.

The lease liability is measured at amortised cost using the effective interest method, and is remeasured if there is a change in future lease payments resulting from a change in an index or rate, if there is a change in the Group's estimate of the amounts expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset. If the carrying amount of the right-of-use asset is reduced to zero, any remaining amount is recognised in profit or loss. The Group presents right-of-use assets that do not meet the definition of investment property in "Property, plant and equipment" and corresponding lease liabilities in "Borrowing" in the statement of financial position.

Right-of-use assets

Right-of-use assets refer to office leases

	Group Right-of-use assets
2020	2019
366	238
-	296
-152	-168
214	366
2020	2019
33	24
	366 - -152 214 2020



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Note 7 Auditors' fees and remuneration

The following fees were paid to auditors and audit firms for audits and other statutory reviews, for advisory services and other assistance arising from observations during the audit. Fees were also paid for other independent advisory services and Other assignments as follows:

		Group		Parent Company
Amounts in EUR thousands	2020	2019	2020	2019
Audit services, PWC	89	76	33	26
Other assignments, PWC	1	24	1	24
Audit services, other companies	=	3	=	3
	90	103	34	53

The item 'audit services' refers to the auditor's remuneration for the statutory audit. The services comprise examination of the annual accounts and consolidated financial statements, accounting records and administration of the business by the CEO and Board, and include fees for advisory services relating to the audit.

Note 8 Employees, salaries, benefits and social security contributions

Employee benefits in the form of salaries, bonuses, paid holiday, paid sick leave and pensions are recognised as they are earned.

Average number (of employees
------------------	--------------

Average number of employees				
	2020	Female	2019	Female
Parent Company				
	2		â	
Sweden	3	-	3	-
Subsidiaries				
Malta	58	26	64	25
Group total	61	26	67	25
Management				
Number of senior executives	2020	Female	2019	Female
The following were the senior executives in employment as at year-end:				
Parent Company				
Board and CEO	6	-	5	-
Group				
Board and CEO	6	-	5	-
Other senior executives	4	1	4	-
Salaries, employee benefits and social security contributions				

	Salaries and	benefits	Social security co	ontributions
	2020	2019	2020	2019
Parent Company	376	372	111	112
Subsidiaries	2 895	2 888	280	306
(of which capitalised)	(595)	(250)	(53)	(30)
Group total	3 271	3 260	391	418
(of which capitalised)	(595)	(250)	(53)	(30)



		2020			2019	
	Parent Company	Subsidiaries	Total	Parent Company	Subsidiaries	Total
Board and CEO	233	247	480	215	113	328
Other Senior executives	59	567	626	61	478	539
Other employees	84	2 081	2 165	96	2 297	2 393
Total	376	2 895	3 271	372	2 888	3 260

Remuneration of the Board

2020 AGM adopted Board fees to be set at SEK 160,000 for each non-executive Board member. Fees for the Chairman of the Remuneration or the Audit Committee were set at SEK 40,000, while fees for each member of the Remuneration or Audit Committee were set at SEK 20,000. The fee is paid in arrears after the Annual General Meeting has been held.

Remuneration of other senior executives, including Board members in subsidiaries

The AGM adopted the following remuneration policy for senior executives. Remuneration of the CEO and other senior executives may consist of basic salary, other benefits, pension, financial instruments etc. 'Other senior executives' refers to the 5 persons who together with the CEO constitute Group management, and Board members of subsidiaries. A presentation of the Board and Management can be found on page 55-58.

Other benefits to the CEO and other senior executives relate to share based payments and are paid as of the total remuneration. No pension benefits or variable remuneration are payable.

Remuneration of Senior Executives during 2020	Basic salary/Fees	Variable remuneration	Share-based payments	Pension cost	Total
Henrik Kvick (Chairman)	19	0	0	0	19
Jonas Bertilsson (Board Member)	19	0	0	0	19
Fredrik Rüden (Board Member)	19	0	0	0	19
Peter Åström (Board Member)	19	0	0	0	19
Kim Mikkelsen (Board Member as from 25 Jun 20)	14	0	0	0	14
Marcus Teilman (Board Member until 13 Mar 20, CEO until 20 Feb 20)	143	0	0	0	143
Robert Andersson (CEO as from 21 Feb 20)	247	0	0	0	247
Other senior executives	626	0	0	0	626
Total remuneration of Senior Executives	1 106	0	0	0	1 106

Remuneration of Senior Executives during 2019	Basic salary/Fees	Variable remuneration	Share-based payments	Pension cost	Total
Henrik Kvick (Chairman)	19	0	0	0	19
Jonas Bertilsson (Board Member)	19	0	0	0	19
Fredrik Rüden (Board Member from 23 May 2019)	14	0	0	0	14
Peter Åström (Board Member from 23 May 2019)	14	0	0	0	14
Tobias Fagerlund (Board Member until 22 May 2019)	5	0	0	0	5
Jonas Söderquist (Board Member until 22 May 2019)	5	0	0	0	5
Marcus Teilman (Board Member, CEO)	241	0	11	0	252
Other senior executives	528	0	11	0	539
Total remuneration of Senior Executives	845	0	22	0	867

Notice period and severance pay

The CEO has a contract regarding the notice period when notice is given by the Company, which states that the maximum notice period is 6 months, with remuneration and an obligation to work. There is no severance pay in addition to salary during the notice period.



Note 9 Profit/(loss) from investments in group companies

	2020	2019
Parent Company		
Dividends from subsidiaries	5 000	7 800
	5 000	7 800

Note 10 Financial Income

	Group			Parent Company	
	2020	2019	2020	2019	
Finance income	584	306	584	305	
Finance income, Group companies		=	33	71	
	584	306	617	376	

Note 11 Financial Expenses

	Group			Parent Company
	2020	2019	2020	2019
Interest expenses, Parent Company	15	14	15	14
Interest expenses on Borrowings	1 842	2 532	1 842	2 532
Interest expenses, other	67	29	34	6
Financing costs for borrowings	736	424	736	424
	2 660	2 999	2 627	2 976

Note 12 Impairment of financial assets

	Group			Parent Company	
	2020	2019	2020	2019	
Impairment of financial assets		-331	-	<u>-</u> _	
	_	-331	_	=	

The Group recognises a loss allowance for expected credit losses on financial assets measured at amortised cost At each reporting date, the Group reports the change in expected credit losses since initial recognition.



Note 13 Tax

Tax expense represents the sum of current tax and deferred tax.

Current tax

Current tax is calculated based on taxable profit for the period. Taxable profit differs from the reported result in the income statement as it has been adjusted for non-taxable income and non-deductible expenses, and for income and expenses that are taxable or deductible in other periods. The Group's current tax is calculated using tax rates that have been enacted on the reporting date.

Deferred tax

Deferred tax is recognised on temporary differences arising between the carrying amount of assets and liabilities in the financial statements and their tax bases used to calculate taxable profit. Deferred tax is accounted for using the balance-sheet liability method.

Deferred tax liabilities are recognised on virtually all taxable temporary differences and deferred tax assets are recognised for virtually all deductible temporary differences to the extent that it is probable that the amounts can be used against future taxable profit. Deferred tax liabilities and assets are not recognised if the temporary difference is attributable to goodwill or it arises from initial recognition of an asset or liability in a transaction other than a business combination which at the time of the transaction affects neither accounting profit nor taxable profit.

Deferred tax liabilities are recognised on taxable temporary differences attributable to investments in subsidiaries, apart from in cases where the Group can control the timing of the reversal of the temporary differences and it is probable that any such reversal will occur in the foreseeable future. The deferred tax assets that are attributable to deductible temporary differences for such investments are only recognised to the extent that it is probable that the amounts can be used against future taxable profit and it is probable that this will take place in the foreseeable future.

The carrying amount of deferred tax assets is tested at each reporting date and is reduced to the extent that it is no longer probable that there will be sufficient taxable profit against which the amounts can be used, fully or in part. Deferred tax is calculated using the tax rates that are expected to apply for the period in which the asset is recovered or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset when they relate to income tax charged by the same tax authority and when the Group intends to settle the tax on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the income statement, apart from when the tax is attributable to transactions recognised in OCI or directly in equity, in which case the tax is also recognised in OCI or directly in equity. In the case of current and deferred tax arising from the reporting of business combinations, the tax effect shall be reported in the acquisition analysis.

Tax recognised in income statement	Gi	oup	Paren	t Company
Amounts in EUR thousands	2020	2019	2020	2019
Current tax	36	=	=	=
Deferred tax	240	380	_	-
Tax on profit/loss for the year	276	380	-	_
Current tax				
Profit before tax	1 532	5 314	1 638	5 581
Tax at the current rate 21,4% (21.4%)	328	1 137	350	1 194
Tax effect of:				
Difference in tax rates in foreign operations	-904	-1 244	=	=
Non-taxable income	=	-	-1 070	-1 669
Non-deductible expenses	401	480	297	430
Deductible expense not posted in profit and loss	-114	-	-114	-
Tax income not posted in profit and loss	4	13	4	13
Losses increasing accumulated loss carryforwards but not reported as assets	523	38	533	32
Adjustment to opening deferred tax	38	-44	-	_
Tax expense	276	380	-	-
Deferred tax				
Increase/decrease in deferred tax assets	136	380	_	_
Decrease/increase in deferred tax liabilities	104	-	-	_
Tax expense, deferred tax	240	380	-	-



Amounts in EUR thousands	2020	2019
Deferred tax assets		
Carrying amount at beginning of year	156	536
Net change for the period in the income statement	-136	-380
Carrying amount at end of year	20	156
Deferred tax assets relate to		
Unused tax losses	20	156
Total deferred tax assets	20	156
Deferred tax liabilities		
Amounts in EUR thousands	2020	2019
Carrying amount at beginning of year		_
of which reversed against deferred tax assets		
Net change for the period in the income statement	-104	-
Carrying amount at end of year	-104	-
Deferred tax liabilities are attributable to		
Property, plant and equipment	2	-
Intangible assets	-148	-
Provision for bad debts	62	-
Unrealised exchange differences	20	
Total deferred tax liabilities	-104	-

The Parent Company has saved accumulated loss carryforwards of EUR 15,106 (12,039) thousand at 31/12/2020. The Group has saved accumulated loss carryforwards of EUR 23,645 (22,521) thousand. The loss carryforwards continue indefinitely.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available. Calculation of the value of the deferred tax assets is based on estimates of the extent to which loss carryforwards can be utilised against expected taxable income for the next five financial years. For the subsidiaries in Malta, the value of the deferred tax assets is calculated at the current tax rate of 35 percent. For the Parent Company, the assessment is that it will not be possible to use the loss carryforwards due to uncertainty about when sufficient taxable profit will be generated in the future. No deferred tax assets associated with the loss carryforwards are therefore reported for the Parent Company. At the end of each reporting period, the deferred tax assets are tested for impairment.

As, under certain conditions, the Maltese tax system provides the opportunity for tax refunds corresponding to 6/7th of the tax paid, it is the Group's assessment that the effective tax rate at Group level is 5 percent.



Note 14 Earnings per share

The calculation of earnings per share is based on the Group's profit for the year and the weighted average number of shares outstanding during the year. Earnings per share after dilution is calculated by adjusting the average number of shares for the effect of all options that give rise to dilution. The potential dilutive effect of the Group's shares arises from employee share options.

	2020	2019
Earnings per share before dilution Profit attributable to shareholders of the Parent	1 256	4 934
Number of registered shares on reporting date	113 950 153	75 604 487
Weighted average number of shares before dilution	79 386 525	75 604 487
Weighted average number of shares after dilution	79 386 525	75 604 487
Earnings per share before dilution	0.016	0.065
Earnings per share after dilution	0.016	0.065
Adjusted earnings per share after dilution	0.038	0.056

In the comparable figures for 2019 options granted to employees have been treated as potential ordinary shares. The options have not been included in the calculation of earnings per share before dilution. They are included in the determination of earnings per share after dilution to the extent that they give rise to a dilutive effect. The options granted in 2017 and the options granted in 2019, have not been included in the calculation of earnings per share after dilution as these instruments do not give rise to any dilutive effect for the financial year ended 31 December 2019. As of 31 December 2020 no options are outstanding. Further information about the options can be found in note 15.



Note 15 Share-based payments

As of 31 December 2020 no options are outstanding.

At the 2020 AGM, it was decided to establish a share option programme for key employees in the Company's subsidiaries (Employee Share Option Programme). Under the programme, a maximum of 2,500,000 employee share options would be issued and offered to employees of the Company's subsidiaries, subject to the employees not being tax residents in Sweden, in accordance with the following allocation: The Company's CEO would receive a maximum of 750,000 employee share options, three (3) members of executive management would each receive a maximum of 250,000 employee share options and ten (10) key employees would each receive a maximum of 100,000 employee share options. The Company's Board would decide on the allotment within the aforementioned limits. Each share option would entitle the holder to acquire one (1) new share in the Company at an exercise price corresponding to 150 percent of the volume-weighted average price for the Company's shares in the period 26 June 2020 to 9 July 2020 according to Nasdaq First North Growth Market's official price list. The holders would be able to exercise the share options to acquire shares during the period 15 July 2023 to 15 August 2023. The vesting period for the employees would be 15 July 2020 to 15 August 2023.

However, as a result of restrictions due to the ongoing pandemic, allotment of the options could not be completed and no option agreements were entered into with the employees. As the intended participants have not been informed of their inclusion in the employee share option programme and the allotment of the number of options to each participant has not been determined, the conditions for the employee share option programme cannot be considered fulfilled. No grant date was ever established. As stated in IFRS 2, the grant date may occur after the Company starts to recognise employee benefit expenses related to the programme. As the employees have not been aware of their inclusion in the employee share option programme and of all the significant terms and conditions of the programme, they cannot be considered to have started providing services under the employee share option programme. Consequently, the employee share option programme costs of EUR 10 thousand that were recognised during Q3 have been reversed in Q4, as the criteria to start recognising costs from the programme have not been met.

During 2020, 600,000 employee share options expired and 250,000 warrants were repurchased.

For the full year 2020, the earnings impact of the share based payments is EUR +53 (-21) thousand. The cost also includes the cost of social security contributions.

No of options	2020	2019	2020	2019
Outstanding at the beginning of the year	850 000	850 000	850 000	850 000
Granting during year	-	250 000	-	250 000
Forfeited during year	-600 000	-	-600 000	-
Repurchased during year	-250 000	-250 000	-250 000	-250 000
Exercised during year	-	-	-	
Total outstanding at the end of year	=	850 000	=	850 000
Weighted exercise price per option	-	11,93	-	11,93
Remaining weighted average contract period				
(years) for outstanding options.	_	1,39	_	1,39

After the end of the period, the Company has convened an EGM in order to launch a broader share option programme for employees. The employee share option will cover 28 employees and will run for three years until March 2024. For information about the new program can be found in Note 34.



Note 16 Property, plant and equipment

Items of property, plant and equipment are recognised at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be used, and estimated expenses for dismantling and removing the asset and restoring the location. Subsequent costs are included in the carrying amount of the asset or reported as a separate asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs for repairs and subsequent costs are recognised in the income statement in the period in which they arise.

Depreciation of property, plant and equipment is expensed so that the asset's cost of acquisition, less any residual value at the end of its useful life, is depreciated on a straight-line basis over its estimated useful life. Depreciation begins when the item of property, plant and equipment is available for use. The estimated useful lives of categories of property, plant and equipment for current and comparative periods are as follows:

IT equipment 3-5 years

Office equipment 3-10 years

Estimated useful lives, residual values and depreciation methods are reviewed at least at the end of each accounting period, and the effects of any changes in assessments are reported prospectively.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the retirement or disposal of an asset consists of the difference between any net income on disposal of the asset and its carrying amount, recognised in profit or loss in the period in which the asset is derecognised.

Group		2020 2019			2019	
	Office	IT		Office	IT	
Amount in EUR thousands	equipment	Equipment	Total	equipment	Equipment	Total
Accumulated cost						
Opening balance	329	269	598	305	245	550
Investment		26	26	24	24	48
Closing balance	329	295	624	329	269	598
Accumulated depreciation						
Opening balance	-181	-224	-405	-136	-190	-326
Depreciation for the year	-43	-33	-76	-45	-34	-79
Closing balance	-224	-257	-481	-181	-224	-405
Carrying amount at end of period	105	38	143	148	45	193



Note 17 Goodwill

Goodwill arising in the preparation of the consolidated financial statements represents the difference between the cost of acquisition and the Group's share of the fair value of an acquired subsidiary's identifiable assets and liabilities on the acquisition date. On acquisition, goodwill is initially recognised at cost and is subsequently measured at cost less any accumulated impairment. When testing for impairment, goodwill is allocated to the cash-generating units that are expected to benefit from the acquisition.

The Group's goodwill is solely related to HLM Malta and its subsidiaries' services, which represent a cash-generating unit.

A cash-generating unit to which goodwill has been allocated is tested annually for impairment, or more frequently if there is an indication that the cash-generating unit is impaired.

If the recoverable amount of a cash-generating unit is lower than its carrying amount, the impairment is first allocated to the carrying amount of goodwill allocated to the cash-generating unit and subsequently to other assets, based on the carrying amount of each asset in the cash-generating unit. Internal and external factors are taken into account in the calculations. The calculations use cash flow projections based on budgets defined by management for the next five years. Any goodwill impairment is recognised as an expense immediately and is not reversed.

When a cash-generating unit is sold, any goodwill allocated to the cash-generating unit is included in the calculation of the capital gain or loss on the

Amounts in EUR thousands	2020	2019
Accumulated cost		
Opening balance	42 856	42 856
Investment	_	_
Closing balance	42 856	42 856

The Board conducted goodwill impairment testing at 31 December 2020. It is the Board's assessment that the carrying amount of EUR 42,856 thousand is recoverable. The recoverable amount of goodwill, which has been determined by calculating the value in use, exceeds the carrying amount by a good margin. The recoverable amount has been calculated by reference to cash flow projections that reflect the actual return from operations in 2020 and an estimate for the years 2021-2025 (2019: the years 2020-2024), with a conservative assumption of annual growth of 5 (4.5) percent. This corresponds to the Group's long-term assumption of inflation and the market's long-term growth. In the model, a terminal growth rate of 1.8 (1.8) percent, has been applied.

Assumptions are made when assessing future cash flows, and are mainly related to sales growth, operating margin, growth rate and discount rate. A sensitivity analysis has been prepared for each of the following key assumptions individually while assuming all other assumptions remain constant (not on a combined basis). A decline of 2 percent in the assumed operating margin (with other variables constant), an increase of 2 percent in the discount rate (with other variables constant) and a perpetual growth rate of 0 percent (with other variables constant) would not cause the carrying amount to exceed the value in use.

The projected cash flows have been discounted at a pre-tax discount rate of 13.6 percent.

Note 18 Other intangible assets

Assets under construction

Internally and externally generated intangible assets derived from the Group's development work on new and existing digital brands are only reported if the following conditions are met:

- it is technically feasible to complete the intangible asset and use or sell it;
- it is the Company's intention to complete the intangible asset and use or sell it;
- the Company has the ability to use or sell the intangible asset;
- the Company shows how the intangible asset will generate probable future economic benefits;
- adequate technical, financial and other resources are available to complete the development and to use or sell the intangible asset; and
- the expenses attributable to the intangible asset during its development can be reliably calculated.

During the development of internally and externally generated intangible assets, capitalised costs are classified as Assets under Construction. If it is not possible to report any internally generated intangible asset, development costs are recognised as an expense in the period in which they arise. Expenditure on the development of websites and IT infrastructures is capitalised within Intangible assets according to nature in line with IAS38 and, where relevant, SIC-32. When development is completed, the cost of the asset is transferred from Asset Under Construction to Intangible assets. Assets under Construction are not amortised until the asset is complete.

Domains and Players Databases

Acquired intangible assets are reported in accordance with IFRS 3 and classified as domains and players databases. See note 27 Business combinations for more information.



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Impairment of property, plant & equipment and intangible assets excl. goodwill

At each reporting date, the Group analyses the carrying amounts of property, plant & equipment and intangible assets to determine whether there is any indication that these assets have declined in value. If this is the case, the asset's recoverable amount is calculated in order to determine the value of any write-down. Where it is not possible to calculate the recoverable amount for an individual asset, the Group calculates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet ready for use are tested annually for impairment, or when there is an indication of impairment.

The recoverable amount is the higher of fair value less costs to sell and value in use. When measuring value in use, estimated future cash flow are discounted to present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks associated with the asset.

If the recoverable amount of an asset (or cash-generating unit) is determined to be lower than the carrying amount, the carrying amount of the asset (or the cash-generating unit) is written down to the recoverable amount. An impairment loss is immediately recognised as an expense in the income statement.

When an impairment is subsequently reversed, the carrying amount of the asset (cash-generating unit) increases to the remeasured recoverable amount, but the increased carrying amount may not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in previous years. A reversal of an impairment loss is recognised directly in the income statement.

	Trademark	Player	Software, domains &	Assets under	
Amounts in EUR thousands	lists	Databases	other IP	construction	Total
2020					
Accumulated cost					
Opening balance	503	1 515	3 417	663	6 098
Transfers from/to AUC	-	-	725	-725	-
Investment	=	49	2 513	1 031	3 593
Impairment loss	-503	-	_	-	-503
Disposals			-279		-279
Closing balance	-	1 564	6 376	969	8 909
Accumulated amortisation					
Opening balance	_	-567	-526	_	-1 093
Amortisation for the year		-307	-117		-424
Closing balance	-	-874	-643	-	-1 517
Carrying amount at end of period	-	690	5 733	969	7 392
2019					
Accumulated cost					
Opening balance	503	1 457	855	482	3 297
Transfers from/to AUC	-	-	384	-384	-
Investment	-	58	2 435	565	3 058
Disposals			-257	-	-257
Closing balance	503	1 515	3 417	663	6 098
Accumulated amortisation					
Opening balance	-	-265	-349	-	-614
Amortisation for the year		-302	-177	=	-479
Closing balance	=	-567	-526	=	-1 093
Carrying amount at end of period	503	948	2 891	663	5 005



Trademarks and capitalised development costs

The carrying amounts of trademarks are attributable to the affiliate business of PokerLoco Malta, which operates the sites pokerloco.com and casinoloco.com During 2020, a new growth strategy was adopted whereby the group was focusing on fewer products. As a result of this, the Pokerloco brand trademark has been fully impaired in 2020.

Capitalised development costs - Assets under construction

The Company conducts continuous development of its own sites. Development work has been intensified in 2020, resulting in capitalised work for own account of EUR 1031 (565) thousand. EUR 725 (384) thousand represents projects which were completed during the year and hence were transferred to Software, Domains & other IP and started to be amortised during the year.

Domain rights and Players Databases

Domains, software development costs and players databases are attributable to the acquisitions of RIAE Media in 2020, MaxFreeBets in 2019, Webwiser in 2018 and Magnum Media in 2017. Webwiser and Magnum Media have been recognised in accordance with IFRS 3 Business Combinations. Additions in 2020 and 2019 are attributable to the acquisition of RIAE Media and MaxFreeBets respectively, which have been recognised in accordance with IAS 38 Intangible Assets. The acquired Players databases are amortised on a straight-line basis as per Group's policy (note 2).

The Group has historically amortised domain rights based on an estimated useful life of 8 years. During the first quarter of 2019, Acroud reviewed the estimated useful life of domain rights and concluded that they have an indefinite useful life. This conclusion is based on the assessment that, with ongoing maintenance and protection of the right, there is no foreseeable limit to the period over which it can used, and an indefinite useful life is therefore considered a better reflection of its actual use. See note 27 Business combinations for more information.

Acquisition of RIAE Media's assets

In November 2020, Acroud AB acquired ten growth sites which, together with Acroud's existing Sports Betting sites, will form the backbone of the Company's Sports Betting vertical. Acroud paid EUR 1.6 million in combination of cash and Acroud shares for 51% of the assets and has secured a combination of call options (maturing at the end of 2023 or 2025) and put options (maturing at the end of 2025) for the remaining 49% of the assets. Acroud has therefore concluded that, in practice, it can already control 100% of the acquired assets.

The original purchase consideration was settled from existing reserves (about 40%) and through the issue of own shares (about 60%). The contingent consideration (EUR 635k on 31 December 2020), corresponding to the best estimate of the future and expected consideration to be paid no later than 5 years, will also be settled in cash (40%) and through a new issue of shares in Acroud AB (60%)

The acquisition has been reported as an asset acquisition, i.e. in accordance with IAS 38 rather than IFRS 3. This means that the acquired assets in the form of domains, capitalised software development costs and customer databases have initially been recognised at cost of acquisition. Estimated useful lives for the acquired assets are as follows: domains (indefinite useful life), capitalised software development costs (5 years) and customer databases (3 months).

Acquisition of MaxFreeBets

In July 2019, Acroud AB acquired the domains and players databases of MaxFreeBets.co.uk in the regulated UK gaming market, which have been accounted for in accordance with IAS 38. Acroud AB paid EUR 1.6 million in initial consideration in July 2019 and €0.6 million additional consideration in July 2020. The acquisition has been settled in cash from existing cash resources.



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Note 19 Investments in group companies

Parent Company Amounts in EUR thousands				2020		2019
Accumulated cost						
Opening cost				31 581		31 586
Investment in subsidiaries during the year				2 317		-
Exchange rate changes				-		-5
Closing cost				33 898		31 581
Accumulated impairment						
Opening accumulated impairment				=		-2 831
Reversal of impairment				-		2 831
Closing accumulated impairment				-		-
Carrying amount at end of period				33 898		31 581
can, ying amount at one of ponou				35 555		01001
Specification of Parent Company's and Group	's holdings of share:	s in Group compani	es			
Carrying amount subsidiaries of Acroud AB				2020		2019
PokerLoco Malta Limited				1		1
HLM Malta Limited				31 580		31 580
Acroud Sports Limited				2 227		
FTT LLC				=		_
Capitalised costs incurred in acquisitions				90		-
·				33 898		31 581
		Company's	Percentage of			Profit for
Subsidiaries	Reg'd Office	reg.no	Shares and votes	No of Shares	Equity	the year
Subsidiaries of Acroud AB						
Delical con Maléa Limite d	Malta	C E1C4E	100%	1 200	295	F3C
PokerLoco Malta Limited	Malta	C 51645 C 75337	100%	1 165		-536 4 978
HLM Malta Limited	Malta		100%		10 460	
Acroud Sports Limited	Malta USA	C 97253	51%	1 020	2 243	16
FTT LLC	USA	7953662	100%	n/a	_	_
Subsidiaries of HLM Malta Limited						
Rock Intention Malta Limited	Malta	C 49286	100%	14 000		
Mortgage Loan Directory and Information LLC	USA	4942378	100%	n/a		

As at 31 December 2020 and 31 December 2019, the Directors reviewed the cost of investment in subsidiary for impairment, and based on the current profits and the plans for the foreseeable future, they are confident that no provisions for impairment were deemed necessary.



Note 20 Receivables from group companies

	2020	2019
Receivables due within 1 year		
HLM Malta Limited	24	784
Rock Intention Malta Limited	16	86
Acroud Sports Limited	9	=
PokerLoco Malta Limited	2	19
Total current receivables from Group companies	51	889

Note 21 Prepayments and accrued income

		Group		Parent Company
	2020	2019	2020	2019
Prepaid rental and lease payments	26	50	=	6
Other prepayments	105	21	21	20
Accrued interest	-	96	-	-
	131	167	21	26

Note 22 Cash and cash equivalents

Cash and cash equivalents consist of cash, demand deposits with banks, payment service providers and similar institutions, and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

	Group		Parent Company	
	2020	2019	2020	2019
Cash and bank balances*	8 030	6 762	7 563	5 701
Bank accounts with payment service providers	84	9	=	=
	8 114	6 771	7 563	5 701

^{*}EUR 498 (563) thousand consists of restricted funds including deposits from customers and pledged assets in subsidiaries. These funds are not included in the Group's cash and cash equivalents.

Note 23 Share capital

In November 2020 the Company has completed a directed share issue of 35,294,118 shares at a price of SEK 2.55 per share (the "Share Issue") amounting to approximately SEK 90 million in allocated demand. Also in November 2020, the Company issued an additional 3,051,548 shares as part settlement of acquisition cost of RIAE Media's assets (see note 18).

Share capital on 31 December 2020 consists of 113,950,153 shares (31 December 2019: 75,604,487) with a par value of Euro 0.0252985. Transaction costs directly attributable to the issue of new shares or options are recognised in equity, net of tax, as a deduction from the issue proceeds.

Other paid-in capital includes premiums paid in connection with new share issues net of issue expenses, proceeds received from warrant issues and the equity component of the issued convertible debenture

Reserves refer to exchange differences when translating foreign operations into Euro, which are reported in other comprehensive income.

Parent Company	2020	2019
Number of registered shares on reporting date	113 950 153	75 604 487
Share capital (EUR) on reporting date	2 882 765	1 913 050



Note 24 Loans and borrowings

The carrying amount and market value of the bond are as follows:

		Group		Parent Company
Amounts in EUR thousands	2020	2019	2020	2019
Liabilities due for payment more than five years after the reporting date				
Nominal amount	22 258	29 483	22 258	29 483
Prepaid transaction costs	-663	-207	-663	-207
Difference between nominal value and amortised cost				
Carrying amount	21 595	29 276	21 595	29 276
Market value	18 919	28 230	18 919	28 230

Borrowing consists of a bond loan amounting to SEK 223 (308) million. In 2019 bonds were repurchased on the market at a nominal amount of SEK 67 million. Further bonds have been repurchased during 2020 at a nominal amount of SEK 58 million. Bond loan repayments of SEK 12.125 were made during 2020. During Q4, SEK 14,625 million of outstanding bonds were repurchased through the issue of 5,820,759 shares in a private placement in November 2020.

The bond matures in September 2022 and was listed for institutional trading on Nasdaq Stockholm's Corporate Bonds List on 7 November 2017. The bond has a variable interest rate of Stibor 3m + 7.25%.

In May 2020, the bondholders voted for an extension of the bond to September 2022 by written procedure, thereby accepting a two-year extension of the bond.

Bond transaction costs

Acroud recognises loan liabilities initially at fair value, after transaction costs, and thereafter at amortised cost. Amortised cost is calculated based on the effective interest method used at initial recognition. This means that premiums and discounts and direct issue costs are amortised over the term of the liability.

Note 25 Accruals and deferred income

		Group		Parent Company
	2020	2019	2020	2019
Accrued salaries and security contributions	259	211	100	97
Accrued interest expenses	79	89	79	89
Accrued audit fees and consultancy fees	35	12	=	=
Accrued fees	17	2	-	-
Other accruals	469	144	265	63
	859	458	444	249



Note 26 Pledged assets and contingent liabilities

Pledged assets and contingent liabilities are possible obligations that arise from past events and whose existence is confirmed only by the occurrence or non-occurrence of one or more uncertain future events outside the Group's control, or when there is an obligation arising from past events which is not recognised as a liability or provision because it is not probable that an outflow of resources will be required to settle the obligation or the amount cannot be measured with sufficient reliability.

	Group		Parent Company	
	2020	2019	2020	2019
Shares in subsidiaries pledged as collateral for bonds	49 596	49 956	31 581	31 581

"The Parent Company has pledged the Company's entire shares in the subsidiary HLM Malta Limited as collateral for the payment of all outstanding amounts for the bond loan, including accrued interest and any costs.

For the Parent Company, the value of the pledged shares comprises the cost, while for the Group the value comprises total net assets, which would disappear from the Group if the subsidiary shares were foreclosed."

Note 27 Business combinations

Subsidiaries are accounted for using the acquisition method. The purchase consideration for a business combination is measured at the acquisition-date fair value, which is calculated as the sum of the acquisition-date fair values of assets given, liabilities incurred or assumed and equity instruments issued in exchange for control of the acquiree. Acquisition-related expenses are recognised in the income statement when they arise.

The purchase consideration also includes the acquisition-date fair value of the assets or liabilities that result from a contingent consideration agreement. Changes in the fair value of contingent consideration, which result from additional information obtained after the acquisition date about facts and circumstances that existed on the acquisition date, qualify as adjustments during the valuation period and are adjusted retrospectively, with a corresponding adjustment of goodwill. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is reported in equity. All other changes in the fair value of contingent consideration are recognised in profit or loss.

The identifiable acquired assets and assumed liabilities are recognised at the acquisition-date fair value, with the following exceptions:

- Deferred tax assets or liabilities, and liabilities or assets related to the acquiree's employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits.
- Liabilities or equity instruments attributable to the acquiree's share based payment awards or to the replacement of the acquiree's share-based
 payment awards with share-based payment awards of the acquirer are measured on the acquisition date in accordance with IFRS 2 Sharebased Payment.
- Assets (or disposal group) classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

For business combinations where the total of the purchase consideration transferred, any non-controlling interests, and the acquisition-date fair value of the acquirer's previous equity interest in the acquiree, exceeds the acquisition-date fair value of identifiable net assets, the difference is reported as goodwill in the statement of financial position. If the difference is negative, this is recognised as a bargain purchase gain in the income statement after a review of the difference.

For each business combination, previous non-controlling interests in the acquiree are measured either at fair value or at the value of the NCI's proportionate share of the acquiree's identifiable net assets.

The Group has not entered into any business combination transactions during 2020.

Acquisition of Power Media Group

On 20 January 2021, Acroud acquired 100% of the shares in Voonix ApS, Matching Visions Ltd and Traffic Grid for an initial purchase consideration of EUR 4.8 million, plus a potential additional consideration. The acquired companies are fast-growing and predominantly active in the European market with the affiliate network Matching Visions and the iGaming campaign broker Traffic Grid, but are also an industry-leading SaaS service provider with Voonix. During 2020, the acquired operations generated revenue of EUR 9.6 million and EBITDA of EUR 0.9 million.

The initial consideration for 100 percent of the shares in the acquired operations on a cash and debt-free basis amounts to EUR 4.8 million and was paid on the acquisition date. EUR 2.4 million of the initial consideration was paid with 8,000,000 ordinary shares, based on the volume-weighted average share price ("VWAP") on Nasdaq First North Growth Market for the 20 consecutive trading days preceding the acquisition announcement, corresponding to SEK 2.99 per Acroud share (EUR 0.30 per share). The remaining EUR 2.4 million of the initial consideration was paid in cash.

The additional consideration that may be required is contingent on the future financial performance of Voonix ApS, Matching Visions Ltd and Traffic Grid Ltd. The contingent consideration, 50 percent of which will be settled in newly issued shares and the remainder in cash, is calculated on future EBT based on a multiple of 7.5 times EBT growth from the financial year 2020 and 2022. The price of the contingent consideration shares will correspond to the VWAP for the Acroud share on Nasdaq First North Growth Market for the 20 consecutive trading days preceding the date of issue of the contingent consideration shares. The maximum additional consideration payable is EUR 16 million.

50 percent of the shares that may potentially need to be issued in connection with the conditional consideration will be subject to a one-year lock-up and 50 percent to a two-year lock-up from the acquisition date.



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Details of the fair value of the acquired assets and liabilities and the contingent consideration are disclosed below:

Purchase consideration	On acquisition EUR'000 000
Cash settlement (gross of cash and debt items)	2,7
Share issue and allotment	2,4
Contingent consideration, discounted at present value	5,7
Total purchase consideration	10,9
Trademarks	(1,7)
Developed technology	(1,3)
Customer relationships	(2,3)
Deferred tax liability	0,4
Net assets on subsidiaries' on-balance-sheet	(0,7)
Goodwill	5,3

The valuation techniques used for measuring the fair value of the assets acquired on a provisional basis is as follows:

Assets acquired	Methodology
Trademarks	Relief-from-Royalty
Developed technology	Relief-from-Royalty
Customer relationships	Multi-period Excess Earnings

The fair value of the acquired assets and contingent consideration has been measured provisionally, pending completion of a thorough valuation of the acquired business. If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, the accounting for the acquisition will be revised accordingly in line with IFRS 3.

Note 28 Related-party transactions

Salaries and benefits to Board members and the CEO are shown in note 8. The Parent Company has a related party relationship with its subsidiaries and their subsidiaries, see notes 3, 19 and 20.

Services sold between the Parent Company and subsidiaries relate to IT, marketing, financial services and management services. Transactions with related parties are priced at market terms. No services have been provided free of charge.

Since the financial year 2014, Acroud AB has a loan liability of SEK 2,000 thousand to its main shareholder Trottholmen AB, of which the entity's chairman Henrik Kvick is owner and Board member. The loan carries a market interest rate. Accrued interest as of the balance sheet date amounts to SEK 1 879 thousand. Converted to Euro using the exchange rate as at balance sheet date, the debt including accrued interest, amounts to EUR 387k.

Related party transactions

Parent Company	2020	2019
Sale of services to Group companies	352	532
Finance income from Group companies	33	71
Interest expenses to other related parties	-15	-14
Receivables from Group companies	51	889
Carrying amount of receivables from	51	889
Group companies		
Liabilities to Parent Company	-387	-356



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Note 29 Financial instruments

Group 31/12/2020	Financial assets at		Financial liabilities	Financial liabilities	Non-financial	Total carrying
Amount in EUR thousands	amortised cost	Non-financial assets	at fair value	at amortised cost	liabilities	amount
Property, plant and equipment	-	143	-	-	-	143
Right-of-use assets	-	214	-	-	-	214
Goodwill	-	42 856	-	-	-	42 856
Other intangible assets	-	7 392	-	-	-	7 392
Other non-current receivables	106	-	-	-	-	106
Deferred tax assets	-	20	-	-	-	20
Trade receivables	1 496	-	-	-	-	1 496
Other current receivables	589	-	-	-	-	589
Prepayments and accrued income	-	131	-	-	-	131
Cash and cash equivalents	8 114	-	=	-	-	8 114
Total	10 305	50 756	-	-	-	61 061
Loans and Borrowings	-	-	-	21 595	-	21 595
Deferred tax liability	-	-	-	-	104	104
Trade payables	-	-	-	336	-	336
Liabilities to Parent Company	-	-	-	387	-	387
Other liabilities	-	-	-	1 077	-	1 077
Lease Liabilities	-	-	-	213	-	213
Tax liability	-	-	-	68	-	68
Accrued expenses	-	-	-	859	-	859
Total	-	-	-	24 535	104	24 639
Group 31/12/2019						
Group 31/12/2019	Financial assets at		Financial liabilities	Financial liabilities	Non-financial	Total carrying
Amount in EUR thousands		Non-financial assets	Financial liabilities at fair value	Financial liabilities at amortised cost	Non-financial liabilities	amount
Amount in EUR thousands Property, plant and equipment		193				amount 193
Amount in EUR thousands Property, plant and equipment Right-of-use assets		193 366				193 366
Amount in EUR thousands Property, plant and equipment Right-of-use assets Goodwill		193 366 42 856				amount 193 366 42 856
Amount in EUR thousands Property, plant and equipment Right-of-use assets		193 366				193 366
Amount in EUR thousands Property, plant and equipment Right-of-use assets Goodwill		193 366 42 856				amount 193 366 42 856 5 005 116
Amount in EUR thousands Property, plant and equipment Right-of-use assets Goodwill Other intangible assets Other non-current receivables Deferred tax assets	amortised cost 116	193 366 42 856				amount 193 366 42,856 5,005 116 156
Amount in EUR thousands Property, plant and equipment Right-of-use assets Goodwill Other intangible assets Other non-current receivables Deferred tax assets Trade receivables	amortised cost 116 - 1559	193 366 42 856 5 005				amount 193 366 42,856 5,005 116 156
Amount in EUR thousands Property, plant and equipment Right-of-use assets Goodwill Other intangible assets Other non-current receivables Deferred tax assets Trade receivables Other current receivables	amortised cost 116	193 366 42 856 5 005 - 156				amount 193 366 42,856 5,005 116 156 1,559 750
Amount in EUR thousands Property, plant and equipment Right-of-use assets Goodwill Other intangible assets Other non-current receivables Deferred tax assets Trade receivables	amortised cost 116 - 1559	193 366 42 856 5 005				amount 193 366 42,856 5,005 116 156 1,559 750 167
Amount in EUR thousands Property, plant and equipment Right-of-use assets Goodwill Other intangible assets Other non-current receivables Deferred tax assets Trade receivables Other current receivables	amortised cost 116 - 1559	193 366 42 856 5 005 - 156				amount 193 366 42,856 5,005 116 156 1,559 750
Amount in EUR thousands Property, plant and equipment Right-of-use assets Goodwill Other intangible assets Other non-current receivables Deferred tax assets Trade receivables Other current receivables Prepayments and accrued income	amortised cost 116 - 1 559 750	193 366 42 856 5 005 - 156		at amortised cost		amount 193 366 42 856 5 005 116 156 1 559 750 167
Amount in EUR thousands Property, plant and equipment Right-of-use assets Goodwill Other intangible assets Other non-current receivables Deferred tax assets Trade receivables Other current receivables Prepayments and accrued income Cash and cash equivalents	amortised cost 116 - 1 559 750 - 6 771	193 366 42 856 5 005 - 156 - - 167		at amortised cost		amount 193 366 42 856 5 005 116 156 1 559 750 167
Amount in EUR thousands Property, plant and equipment Right-of-use assets Goodwill Other intangible assets Other non-current receivables Deferred tax assets Trade receivables Other current receivables Prepayments and accrued income Cash and cash equivalents Total	amortised cost 116 - 1 559 750 - 6 771	193 366 42 856 5 005 - 156 - - 167		at amortised cost		amount 193 366 42 856 5 005 116 156 1 559 750 167 6 771 57 939
Amount in EUR thousands Property, plant and equipment Right-of-use assets Goodwill Other intangible assets Other non-current receivables Deferred tax assets Trade receivables Other current receivables Prepayments and accrued income Cash and cash equivalents Total Loans and Borrowings	amortised cost 116 - 1 559 750 - 6 771	193 366 42 856 5 005 - 156 - - 167		at amortised cost		mount 193 366 42 856 5 005 116 156 1 559 750 167 6 771 57 939
Amount in EUR thousands Property, plant and equipment Right-of-use assets Goodwill Other intangible assets Other non-current receivables Deferred tax assets Trade receivables Other current receivables Prepayments and accrued income Cash and cash equivalents Total Loans and Borrowings Trade payables	amortised cost 116 - 1 559 750 - 6 771	193 366 42 856 5 005 - 156 - - 167		at amortised cost		amount 193 366 42 856 5 005 116 156 1 559 750 167 6 771 57 939 29 276 266

458

31 877



Accrued expenses

Total

458

31 877

Daylord Commun. 21/12/2020						
Parent Company 31/12/2020 Amount in EUR thousands	Financial assets at amortised cost	Non-financial assets	Financial liabilities at fair value	Financial liabilities at amortised cost	Non-financial liabilities	Total carrying amount
Investments in Group companies	-	33 898	-	-	-	33 898
Current receivables from Group companies	51					51
Other receivables	51	-	-	-	-	51
	51	-	-	-	-	
Prepayments and accrued income		21	-	-	-	21
Cash and cash equivalents	7 563	-	-	-	-	7 563
Total	7 665	33 919		-	-	41 584
Loans and Borrowings	-	-	-	21 595	-	21 595
Trade payables	-	-	-	19	-	19
Liabilities to Parent Company	-	-	-	387	-	387
Other current liabilities	-	-	-	635	-	635
Accruals and deferred income	-	-	-	444	-	444
Total	-	-	-	23 080	-	23 080
Parent Company 31/12/2019						
Amount in EUR thousands	Financial assets at	Non-financial assets	Financial liabilities at fair value	Financial liabilities at amortised cost	Non-financial liabilities	Total carrying amount
Investments in Group companies	-	31 581	-	-	-	31 581
Current receivables from		31 301				31301
Group companies	889	-	-	-	-	889
Other receivables	24	-	-	-	-	24
Prepayments and accrued income	-	26	-	-	-	26
Cash and cash equivalents	5 701	-	-	-	-	5 701
Total	6 614	31 607	-	-	-	38 221
Loans and Borrowings	-	-	-	29 276	-	29 276
Trade payables	-	-	-	14	-	14
Liabilities to Parent Company	-	-	-	356	-	356
Other current liabilities	-	-	-	600	-	600
Accruals and deferred income				249		249

30 495



Total

30 495

Note 30 Financial risks

The Board and the Group strive to minimise the Group's risk exposure. This note describes the Group's exposure to financial risks and how these may affect the Group's future financial position. The Group's exposure to financial risks includes currency risk, liquidity risk, interest rate risk, and counterparty and credit risk. Financial risk management is coordinated through the Parent Company, from which the Group's financing is arranged.

Currency risks

The Group's international operations mean that the Company is exposed to currency risks, primarily linked to the USD, and the Group's financing is arranged in SEK. The Group does not enter into forward contracts or hedging to protect itself against currency exposure, which means that exchange rate changes can have a negative and a positive impact on the Group's financial position and earnings. The Group's equity is also affected by exchange rate changes when subsidiaries' earnings, assets and liabilities are translated to EUR (translation effects).

Acroud significantly reduced its currency exposure by changing the presentation currency from SEK to EUR with effect from 1 January 2019. The Group's key balance sheet items on the reporting date are listed below in the original currency.

	USD 000	Carrying amount EUR '000	SEK 000	Carrying amount EUR '000
Closing rate		1,1234		10,0301
Intangible assets	45	40	-	-
Deferred tax assets	391	348	-	-
Trade receivables	574	511	-	=
Cash and bank balances	147	131	59 076	5 890
Borrowing	-	-	-216 600	-21 595
Currency exposure, net	1 157	1 030	-157 524	-15 705

The net currency exposure in USD at 31 December 2020 is USD 1,157 thousand, corresponding to EUR 1,030 thousand. A 5 percent change in the USD/EUR exchange rate at 31 December 2020 would decrease/increase the Group's reported assets by EUR 48 thousand, with a corresponding effect on the Group's equity. The net currency exposure in SEK at 31 December 2020 is SEK 158 million, corresponding to EUR 15,705 thousand. A 5 percent change in the SEK/EUR exchange rate at 31 December 2020 would decrease/increase the Group's reported assets by EUR 758 thousand, with a corresponding effect on the Group's equity.

Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to discharge their future financial obligations when they fall due for payment. Prudent liquidity risk management means that the Group holds sufficient liquid funds and financing opportunities for the business. Liquidity risk is monitored at Group level by ensuring that sufficient funds are available to each subsidiary in the Group. The Group's financial liabilities are classified below according to the time remaining until the contractual due date.

The amounts shown are the contractual undiscounted cash flows.

31 December 2020	Within 1 year	1-2 years	2-3 years	Total
Amounts in EUR thousands				
Unsecured bonds	=	22 258	=	22 258
Lease liabilities	151	62	=	213
Tax liabilities	=	68	=	68
Trade payables	336	=	=	336
Other current liabilities and accrued expenses	2 391	-	=	2 391
	2 878	22 388	=	25 266

As the business model allows a high cash generation of 85-90 percent, the Company's debt level is rapidly declining.

Capital risk management

The Group's objective for capital risk management is to ensure the Group is able to continue operations for the purpose of generating returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure in order to reduce capital costs and allow sufficient financing for the expansion of operations.

To maintain or adjust the capital structure, the Group's shareholders have the opportunity, at general meetings, to decide on dividends to shareholders or transfers to shareholders by redeeming or issuing new shares. The Group may also sell assets to maintain or adjust the capital structure.

The Group monitors the capital risk by regularly calculating and reporting net debt, and comparing it with prior periods and targets defined by the Board and associated with covenants for bond loans.



Interest rate risk

The Group's exposure to interest rate risk is primarily attributable to the bonds issued with variable interest rates. Other financial assets and liabilities are normally interest-free if settled when due. The Group continuously monitors interest rate risk and believes it is not significant in view of the relatively low debt/equity ratio due to the revenue generated from acquisitions and operating activities.

At 31 December 2020, the Group's and the Parent Company's interest-bearing liabilities excluding accrued interest amounted to EUR 21.6 (29.3) million. The nominal value was EUR 22.3 (29.5) million. An increase of one percentage point in the interest rate would increase the Group's and the Parent Company's interest expenses by EUR 223 (296) thousand, all other things being equal. A decline of one percentage point would result in a corresponding decline. Equity would also be affected by approximately EUR +/- 223 (296) thousand.

Counterparty risk and credit risk

Credit risk is the risk of financial loss for the Group if a customer or counterparty to a financial instrument fails to discharge its contractual obligations, and is mainly associated with the Group's trade receivable.

The carrying amount of financial assets represents the maximum credit exposure. The Group limits its exposure to credit risk from trade receivables by regularly evaluating customers' creditworthiness with the help of market knowledge, past experience and cooperation.

The Group's financial transactions give rise to credit risk in relation to financial counterparties. The table below shows credit risks for cash and cash equivalents and other receivables:

Total	10 305	9 196
Other non-current receivables	106	116
Other receivables	589	750
Trade receivables	1 496	1 559
Cash and cash equivalents	8 114	6 771
Amounts in EUR thousands	2020	2019

The Group's exposure to credit risk is mainly affected by the specific characteristics of each customer. However, management also considers factors that may affect the credit risk for its customer base, including solvency risk associated with the industry and the country where the customers operate. The Group does not require collateral for trade and other receivables. The Group does not have trade receivables for which compensation for losses is not reported due to collateral. The Group uses a provision matrix with a fixed provision rate to measure expected credit losses on trade receivables from individual customers, which are very many, but with small balances.

Loss levels are calculated using the roll rate method, based on the probability that a receivable will flow through several levels until write-off. Roll rates are calculated separately for exposures in different segments based on the following common characteristics for credit risks – geographical region and market potential where the customer operates. Expected losses are based on established credit losses over the last three years.

These losses are multiplied by scale factors to reflect differences between geographical regions and market potential where the customer operates.

Scale factors are based on actual and forecast credit ratings, GDP growth, the inflation rate and unemployment in the country in which each customer operates.

On this basis, the loss allowance for the Group at 31 December 2020 was determined by applying an expected loss level ranging from 0.5% to 9% on gross receivables at the same date, resulting in a loss allowance of EUR 65 thousand (2019: EUR 51 thousand) for the Group.

The Company's cash & cash equivalents are primarily kept in stable financial institutions with high credit ratings, such as Swedbank and MeDirect. The Company's credit risk is therefore considered immaterial.



Note 31 Reconciliation of liabilities from financing activities

The table below presents the year's change in the Group's liabilities associated with financing of the business. The table includes current and non-current liabilities. The opening and closing balances include the liability for accrued interest.

Group - Amounts in EUR thousands	Bond including accrued interest	Convertible debentures	Loan from parent company including accrued interest	Lease liabilities	Contingent consideration liability	Total
Opening balance, 1 January 2019	36 002	16	347	238	-	36 603
Cash flow from financing activities ¹	-5 951	-	-	-	-	-5 951
Acquisition of intangibles	-	-	-	-	556	556
Effect of exchange rate gain/loss²	-743	-	-5	-	-	-748
Change in amortised cost	395	-	-	-	-	395
Financial income repurchased bonds	-305	-	-	-	-	-305
Other changes³	-33	-16	14	127	20	112
Closing balance, 31 December 2019	29 365	-	356	365	576	30 662

Group- Amounts in EUR thousands	Bond	Convertible debentures	Loan from parent company including accrued interest	Lease liabilities	Contingent consideration liability	Total
Opening balance, 1 January 2020	29 365	-	356	365	576	30 662
Cash flow from financing activities ¹	-7 314	-	-	-	-	-7 314
Acquisition of intangibles	-	-	-	-	625	625
Payment of contingent consideration	-	-	-	-	-600	-600
Amortisation of lease liabilities	-	-	-	-99	-	-99
Effect of exchange rate gain/loss²	633	-	16	-	-	649
Change in amortised cost	-416	-	-	-	-	-416
Financial income repurchased bonds	-584	-	-	-	-	-584
Other changes³	-10	-	15	-53	34	-14
Closing balance, 31 December 2020	21 674	-	387	213	635	22 909

¹ Cash flow from financing is the net of the year's new loans and loan repayments, see the cash flow statement for gross accounting of the item.

Note 32 Appropriation of the Company profits

The Parent Company's unrestricted equity at the disposal of the AGM

Amounts in EUR

Share premium reserve	20 591 744
Retained earnings	-6 607 169
Profit/loss for the year	1 637 135
	15 621 710

The Board proposes that the amount at the disposal of the AGM for fiscal year 2020, EUR 15,621,710, be carried forward.



² Non-cash movements in financing activities.

³ Other changes include accrued interest and payments.

⁴ The bond loan excluding capitalized set-up fees (EUR 663) and accrued interest (EUR 79) amounts to EUR 22,258

⁵ Liabilities relating to additional purchase consideration are reported within other liabilities in the balance sheet.

Note 33 Non-recurring items

The table below shows extracts from the Consolidated Statement of Comprehensive Income and how it has been affected by non-recurring items. Results for 2020 were primarily affected by transformative non-recurring costs related to restructuring the Company and preparing it for future growth. Non-recurring costs include restructuring costs, costs related to the new strategic direction with a change of name to Acroud, acquisition costs and issue expenses. These non-recurring costs amount to EUR 699 thousand in total. Results for 2020 also include non-recurring income in the form of compensation of EUR409 thousand received by the Company in Q4 in connection with a dispute.

Results for 2020 also include an impairment loss of EUR 503 thousand on the PokerLoco brand and financial costs related to a consent fee of EUR 240 thousand in connection with the bond loan refinancing. Currency effects attributable to Financing activities of EUR -703 thousand also had an adverse impact on 2020 results.

	1/1/2020 12/31/2020	1/1/2020 12/31/2020	1/1/2020 12/31/2020	1/1/2019 12/31/2019	1/1/2019 12/31/2019	1/1/2019 12/31/2019
Amounts in EUR thousands	Reported Consolidated income statement	Items affecting comparability	Adjusted for items affecting comparability	Reported Consolidated income statement	Items affecting comparability	Adjusted for items affecting comparability
Other external expenses	-3 908	478	-3 430	-2 864	-	-2 864
Personnel expenses	-3 689	221	-3 468	-3 719	-	-3 719
Other operating income	510	-409	101	122	-	122
EBITDA	5 492	290	5 782	8 357	-	8 357
Depreciation/amortisation and impairment	-1 155	503	-652	-727	-	-727
Operating profit (EBIT)	4 337	793	5 130	7 630	-	7 630
Interest and similar income	584		584	306	-	306
Interest and similar expenses	-2 660	240	-2 420	-2 999	-	-2 999
Other financial items	-729	703	-26	708	-715	-7
Net profit before tax	1 532	1736	3 268	5 314	-715	4 599
Net profit	1 256	1 736	2 992	4 934	-715	4 219



Note 34 Significant events after the reporting date

Acroud acquired the assets of Power Media Group, consisting of Voonix, Matching Visions and Traffic Grid, in order to strengthen its strategic position in the market. The acquired companies are fast-growing and predominantly active in the European market with the affiliate network Matching Visions and the iGaming campaign broker Traffic Grid, but are also an industry-leading SaaS service provider with Voonix. During 2020, the target companies generated revenue of EUR 9.6 million and EBITDA of EUR 0.9 million.

After the end of the period, the Company obtained a licence to operate in Pennsylvania, West Virginia, Illinois, Virginia and Tennessee. At the same time, Michigan, where Acroud already has a licence, was regulated, which means that Acroud can run Sports Betting, Casino and Poker affiliate operations.

After the end of the period, the Company held an Extraordinary General Meeting on March 1, 2021. The AGM resolved to establish an employee stock option program for key personnel, management and senior executives in the Company and its subsidiaries. A maximum of 5,600,000 employee stock options may be issued and must be offered to senior executives (six people), management (eight people) and other key persons employed by the Company and its subsidiaries (approximately 16 persons), provided that the employees do not have tax domicile in Sweden and / or not covered by Swedish social insurance. The employee stock options are issued free of charge. Each employee stock option shall entail a right to acquire one (1) new share in the Company at an exercise price corresponding to 120 percent of the volume-weighted average price for a share in the company according to Nasdag First North Premier Growth Market official price list during the period from on February 22, 2021 to March 5, 2021. The employee stock options can be used for acquisition of shares during the period from March 15, 2024 to April 12, 2024. In order to enable the delivery of shares according to the employee stock option program, the meeting resolved to issue a maximum of 5.600.000 warrants of series 2021/2024. Right to sign the warrants shall, with deviation from the shareholders' preferential rights, accrue to the company's wholly owned subsidiary Rock Intention Malta Ltd. The meeting decided to approve that the subsidiary passes on the warrants free of charge to participants in the Employee Warrant Program. Upon full exercise of the warrants, the company's share capital increases by approximately EUR 141,671.45 divided into 5 600 000 shares (subject to possible recalculation of the number of shares according to the option terms), which corresponds to one dilution of approximately 4.4 percent of the number of outstanding shares and votes in the company per day of the notice. Employee stock option program 2021/2024 is expected to cause an accounting cost, which is calculated preliminarily amount to approximately SEK 4 million and is accrued over the vesting period, as well as some limited costs in the form of fees to external advisers and administration of the program.

After the end of the period, the Company has signed another letter of intent for the acquisition of a European-based media company within Sports Betting ("the target company"). The target company is a fast-growing company that offers both a software-based "gaming tips" service and highly popular streaming channels within Sports Betting, Poker and Horse Racing. The target company has a clear strategic fit with Acroud, whereby we strengthen our software offering (SaaS), while adding some of the most popular media channels, YouTube and Twitch, to our offering. The target company generated annual sales of approximately EUR 1.4-1.5 million, based on the 9-month period Q3 20-Q1 21, with an EBITDA margin of about 60%, resulting in annual EBITDA of EUR 0.9-1.0 million. The agreement includes a total initial purchase consideration of approximately EUR 5.0 million on a cash and debt-free basis, and an additional consideration which is contingent on EBITDA in 2023. The acquisition is still conditional on a final board approval and that the parties enter into a final purchase agreement. The goal is for the transaction to be completed in the first half of 2021. The purchase price is planned to be settled 50% in cash and 50% in newly issued shares in the Company.



Signature by the Board

The Parent Company's and the Group's income statements and balance sheets will be submitted to the Annual General Meeting for preliminary adoption on 20 May 2021.

The Board of Directors hereby certify that the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and give a true and fair view of the Group's financial position and performance. The Parent Company's financial statements have been prepared in accordance with generally accepted accounting principles and provide a true and fair view of the Parent Company's financial performance and position.

The Corporate Governance Report and The Board of Directors' Report for the Group and the Parent Company provide a fair overview of the development of the Group and the Parent Company's operations, financial position and performance and describes material risks and uncertainties faced by the Parent Company and Group companies.

Stockholm, 14 April 2021

Henrik Kvick CHAIRMAN Kim Mikkelsen BOARD MEMBER Fredrik Rüden BOARD MEMBER

Peter Åström BOARD MEMBER Jonas Bertilsson BOARD MEMBER

Our audit report was submitted on 14 April 2021 Öhrlings PricewaterhouseCoopers AB

Aleksander Lyckow AUTHORISED PUBLIC ACCOUNTANT



Auditor's report

Unofficial translation

To the general meeting of the shareholders of Acroud AB(publ), corporate identity number 556693-7255

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Acroud AB (publ) for the year 2020. The annual accounts and consolidated accounts of the company are included on pages 59-107 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2020 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2020 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

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

Our audit approach

Overview



- Overall group materiality: €138,000, which represents approx. 2,5% of EBITDA
- Our audit provides a high level of coverage of the Group where we basically cover external revenues and earnings in full.
- Valuation of Goowill

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

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

Overall Group Materiality	€138,000
How we determined it	2,5% of EBITDA
Motivering av valet av väsentlighetstal	Acroud is a result-focused business. Income before tax is therefore considered a relevant starting point for our materiality assessment. We have agreed with the Audit Committee that we will report inaccuracies in excess of 14 KEUR identified during our audit and any errors in that amount, if in our opinion they are justified for qualitative reasons.



Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Key Audit Matter

How our audit addressed the key audit matter

Valuation of Goodwill

Goodwill amounts to EUR 42.8 million at year-end, corresponding to 70% of total assets. Information on the company's goodwill valuation can be found in Note 17 on page 92 of the annual report.

An assessment is required annually to determine whether goodwill and intangible assets that have an indefinite useful life should continue to be reported or if any impairment is required. In the management's estimation, the Group is a cash-flow-generating unit and as a whole has been the basis for the impairment test.

The test aims to test the goodwill value, ie whether the book value of the tested asset exceeds its recoverable amount or not. The calculation of the impairment test is based on management's estimates and assumptions about the future with respect to, for example, revenues, margins and discount rates. A development that deviates negatively from the assumptions included in the test may result in a need for impairment.

The impairment test prepared by Acroud shows that there is no need for impairment.

The most significant review efforts we have implemented include:

- Review of Acroud's impairment test model to assess mathematical correctness and reasonableness in assumptions made.
- To check on a sampling basis that the data included in the impairment test is in accordance with Acroud's established and approved budgets.
- Conducting sensitivity analyzes where the effects of changes in assumptions and judgments are analyzed to identify when and to what extent changes in them result in a need for impairment.
- Review that disclosure requirements in accordance with IAS 36 Impairments have been submitted to the annual report.

Information other than the annual accounts and the consolidated accounts

This document also contains information other than the annual report and the consolidated accounts and is found on pages 1-58 and 111-113.

Our statement regarding the annual report and the consolidated accounts does not include this information and we do not make a statement confirming this other information.

In connection with our audit of the annual accounts and consolidated accounts, it is our responsibility to read the information identified above and consider whether the information is substantially inconsistent with the annual report and the consolidated accounts. In this review, we also take into account the knowledge we have otherwise obtained during the audit and assess whether the information in the rest appears to contain material errors.

If, based on the work done on this information, we conclude that the other information contains a material inaccuracy, we are obliged to report it. We have nothing to report in that regard.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.



Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of Acroud AB (publ) for the year 2020 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Director's and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group' equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www. revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Öhrlings PricewaterhouseCoopers AB, was appointed Acroud AB(publ), auditor by the Annual General Meeting on June 25, 2020 and has been the company's auditor since May 23, 2019.

Stockholm 14 April 2021

Öhrlings PricewaterhouseCoopers AB

Aleksander Lyckow Authorized Public Accountant



Key figures and definitions

Key figures, Group

	2020-01-01 2020-12-31	2019-01-01 2019-12-31
EBITDA margin	47%	58%
Adjusted EBITDA margin	50%	58%
Operating margin	37%	53%
Organic growth	-18%	-25%
Equity ratio	60%	45%
Return on equity	4%	21%
Equity per share (EUR)	0.32	0.34
Number of registered shares at end of period	113,950,153	75,604,487
Weighted average number of shares before dilution	79,386,525	75,604,487
Weighted average number of shares after dilution	79,386,525	75,604,487
Earnings per share (after dilution)	0.016	0.065
Adjusted earnings per share (after dilution)	0.038	0.056
Market price per share at end of period (SEK)	3.02	4.01
EPS growth (%)	-76%	-39%

Acroud presents certain alternative performance measures (APMs) in addition to the conventional financial ratios defined by IFRS, in order to achieve better understanding of the development of operations and the Group's financial status. However, the APMs should not be regarded as a substitute for the key ratios required under IFRS. The reconciliation is presented in the tables in the annual report and should be read in connection with the definitions below.

Cost Per Acquisition - revenue from up-front payment for each individual paying player that Acroud refers to its partners (usually the iGaming operator).

EBITDA margin	EBITDA in relation to revenue.
Equity per share	Equity divided by the number of shares outstanding.
Geographical distribution of revenue	Revenue per geographic market is distributed based on the original IP addresses of generated leads.
Adjusted EBITDA	Reported EBITDA, adjusted for non-recurring items in the form of restructuring costs and costs attributable to the change of name to Acroud.
Adjusted profit after tax	Reported profit after tax, adjusted for non-recurring items in the form of restructuring costs and costs attributable to the change of name to Acroud, refinancing and excluding currency effects related to the bond loan valuation.
NDC	The number of new customers making their first deposit with an iGaming (poker, casino, bingo, sports betting) operator. NDCs for the financial vertical are not included.
Organic revenue growth	Revenue from affiliate operations compared with the previous period, excluding acquisitions and divestments in accordance with IFRS 3 (last 12 months) and exchange rate movements.
Earnings per share	Profit/loss after tax divided by the average number of shares.
Return on equity	Profit/loss after tax divided by average equity.
Operating margin	Operating profit/loss as a percentage of sales.
Equity ratio	Equity as a percentage of total assets.
Debt/equity ratio	Interest-bearing liabilities including accrued interest related to loan financing, convertibles, lease liabilities, excluding any additional consideration, and less cash, in relation to LTM EBITDA.
EPS growth	Percentage increase in earnings per share (after dilution) between periods.
Revenue share	Revenue derived from "revenue share", which means that Acroud and the iGaming operator share the net gaming revenue that the player generates with the operator.



Information for Shareholders

FINANCIAL CALENDAR

Reports

Interim report January-March 2021:

20 May 2021

Interim report April-June 2021:

12 August 2021

Interim report July-September 2021:

11 November 2021

2021 AGM

2021 AGM

20 May 2021

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CONTACT WITH INVESTORS

The CEO and CFO are responsible for providing shareholders, investors, analysts and the media with relevant information. During the year, Acroud participated in a number of capital market activities. The Company also held regular analyst meetings.

Financial reports, press releases and other information are available from the publication date on Acroud website: http://www.acroud.com/investor-relations/. It is also possible to subscribe to press releases and reports on the website. Printed copies of the annual report are sent on request.

CERTIFIED ADVISOR

The appointed Certified Adviser is FNCA Sweden AB, info@fnca.se, +46 8 528 00 399.

Acroud's annual report is published in Swedish and in an English translated version. In the event of differences between the versions, the Swedish version shall take precedence over the English version.



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