Q32022 INTERIM REPORT

All

Another piece in Acroud's transformation



Q32022 INTERIM REPORT



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- 4. The Offer
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Robert Andersson CEO

Roderick Attard CFO



Q3 Key Figures

- Revenue amounted to...... EUR 6 683 (6 448)
- EBITDA amounted to EUR 1 496 (1 258)
- Profit after tax was
- Cash flow from operating activities EUR 1082 (664)
- EBITDA in October 2022 amounted to EUR **1.1 million**



Investor Presentation Q3 2022

EUR -589 (593)



Q3 In words

- Summer with seasonal volatility.
- Affiliation: 3M in revenues (YoY +12%)
- Affiliation: "Gambling Villa" Ready for World Cup.
- Saas: Network & Subscription Models with hidden potential.
- The successful acquisition strategy.







Acquisition of Acroud Media Ltd completed



Investor Presentation Q3 2022

AGILE more opportunistic

DIVERSIFIED less dependent on SEO

GROWTH stable revenue stream

Full Year **Target Update**

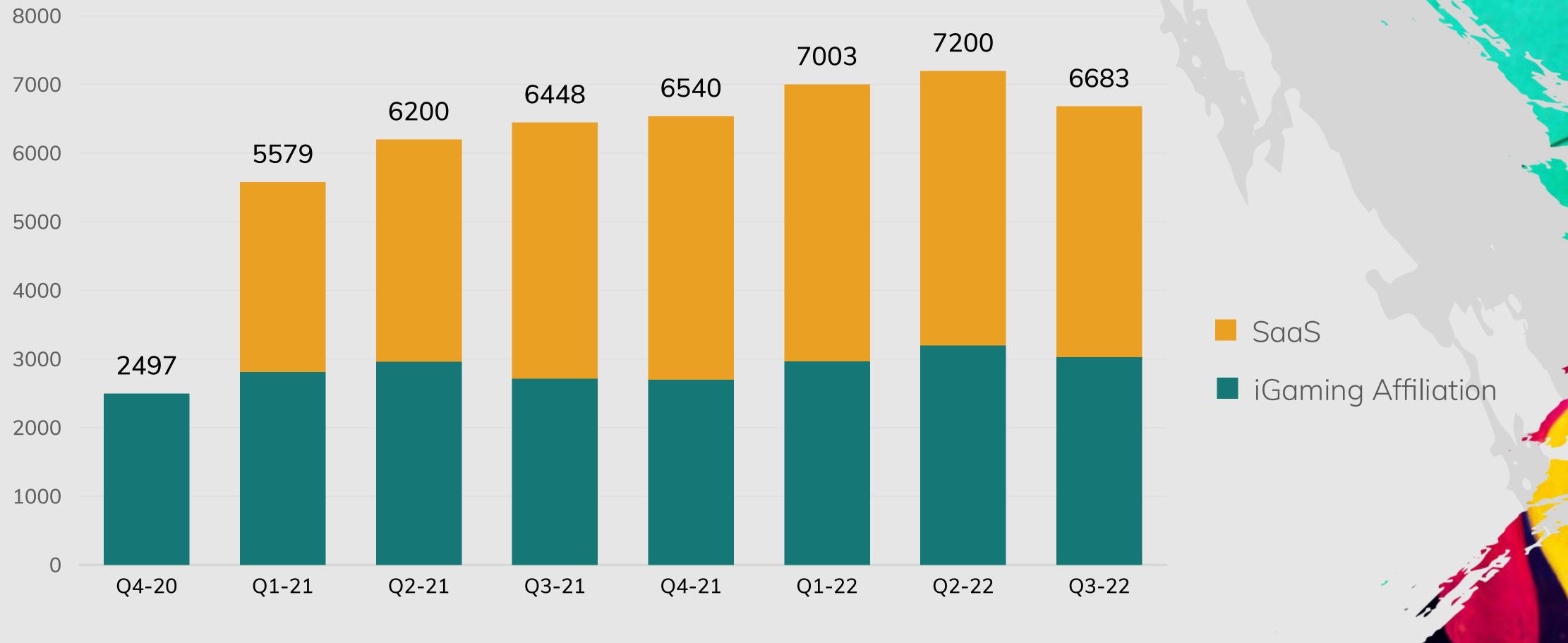


Investor Presentation Q3 2022 year-on-year growth to date +19% EBITDA

on track to generate **3-9MEUR** 2022



Group Revenue Development



1. 2









Continued development in our SEO strategy is paying off

diversified and intelligent approach to our business





Building strong relationships with our partners via large network partnerships



Investor Presentation Q3 2022

Innovative SEO



PPC + Media inhouse

tier 1, 2 and 3 GEOs at CPA/Hybrid models



Software & Technology _=





Media House Partnerships

contact us for more info (licensed operators only)



House of Brands

VS. Branded House



> matching visions

DREAM (STREAM **TRAFFIC GRID**





































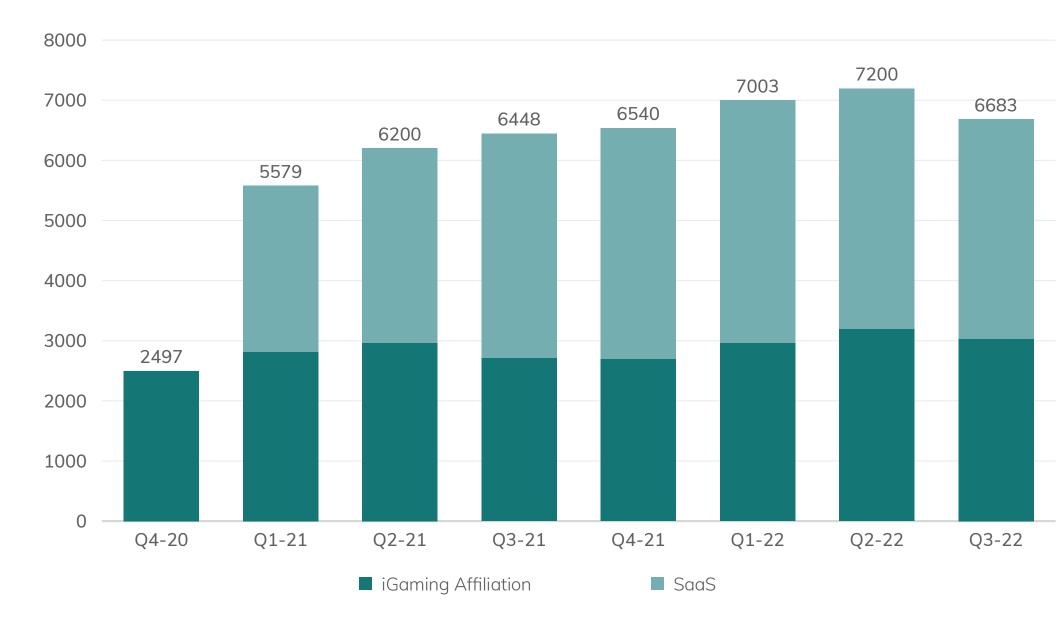


Financial Details Investor Presentation

Q3 2022



Group Revenue development



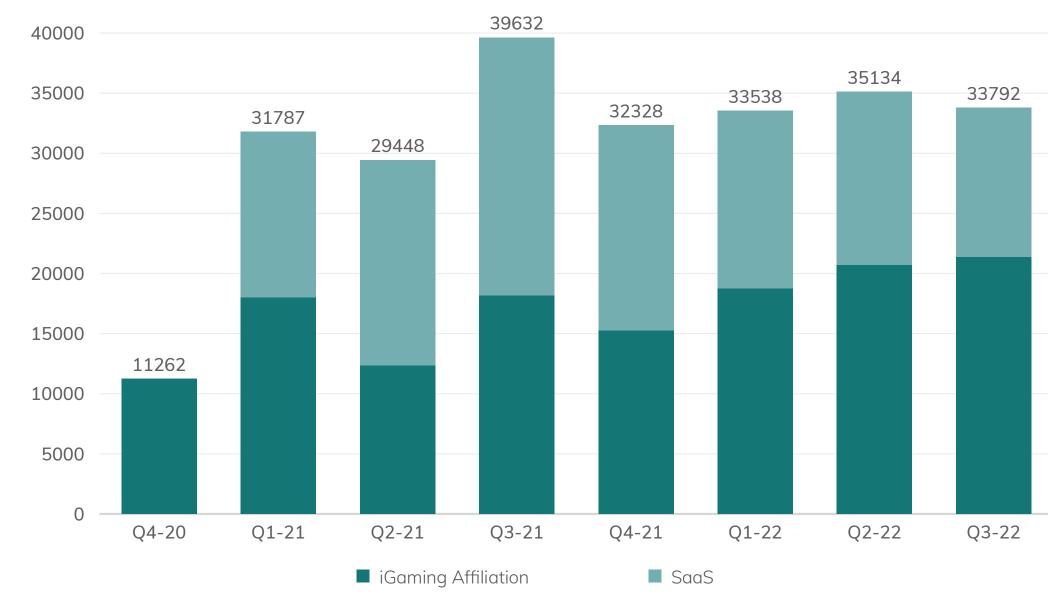
Revenue has increased year-on-year during the third quarter by 4%, from EUR6 448 thousand to EUR6 683 thousand. Excluding any FX effects, organic growth during Q3-22 amounted to 2%.

Revenues from the SaaS segment amounted to EUR 3 654 thousand while revenues from the iGaming Affiliation segment amounted to EUR 3 029 thousand.

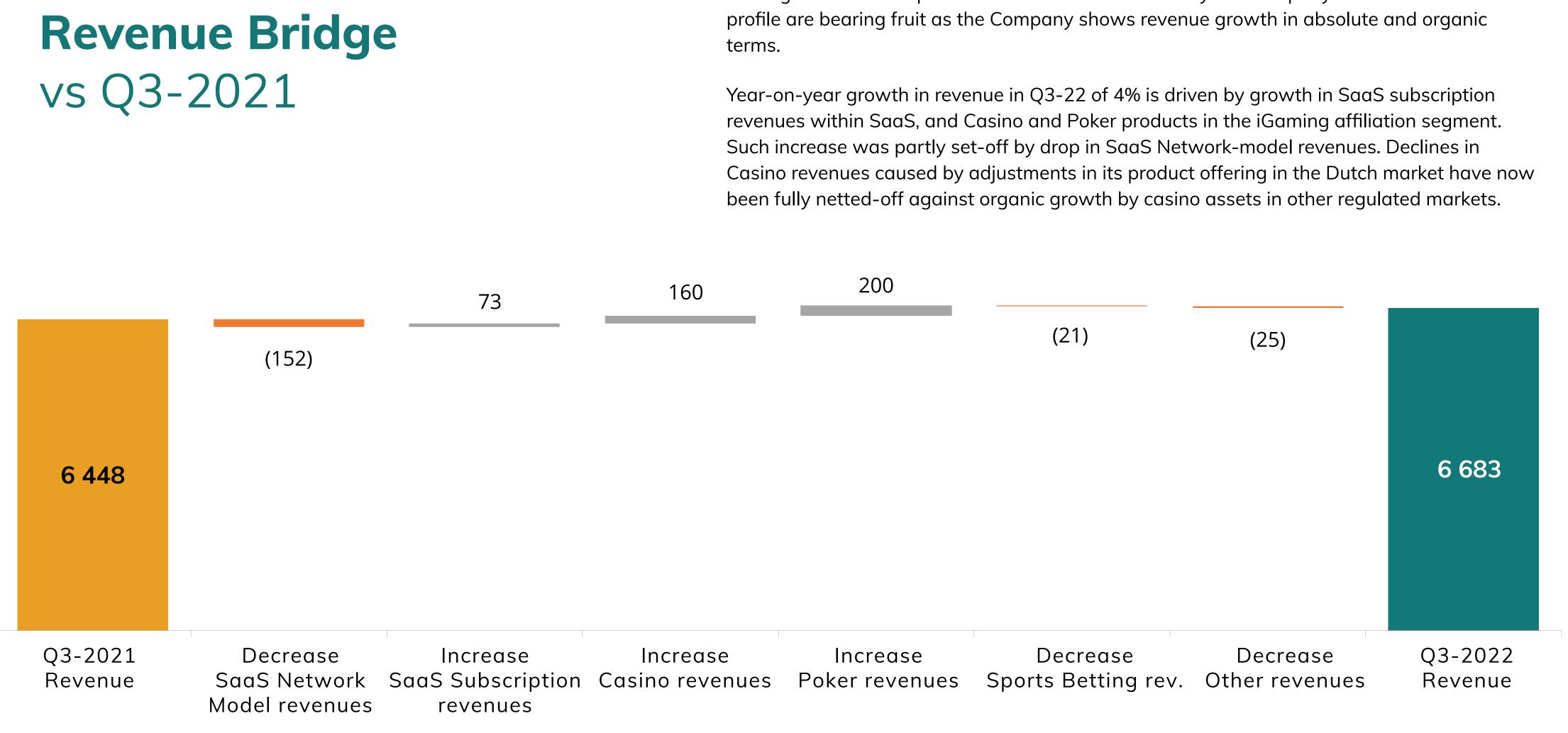


Investor Presentation Q3 2022

NDC development



Acroud keeps delivering high number of NDCs to its partners via both iGaming Affiliation and SaaS (Network Model) businesses. During Q3-22 NDCs amounted to 33 792, representing a year-on-year decline of 15%. Decline is coming from Network model in SaaS segment, set-off by growth in the iGaming affiliation business.





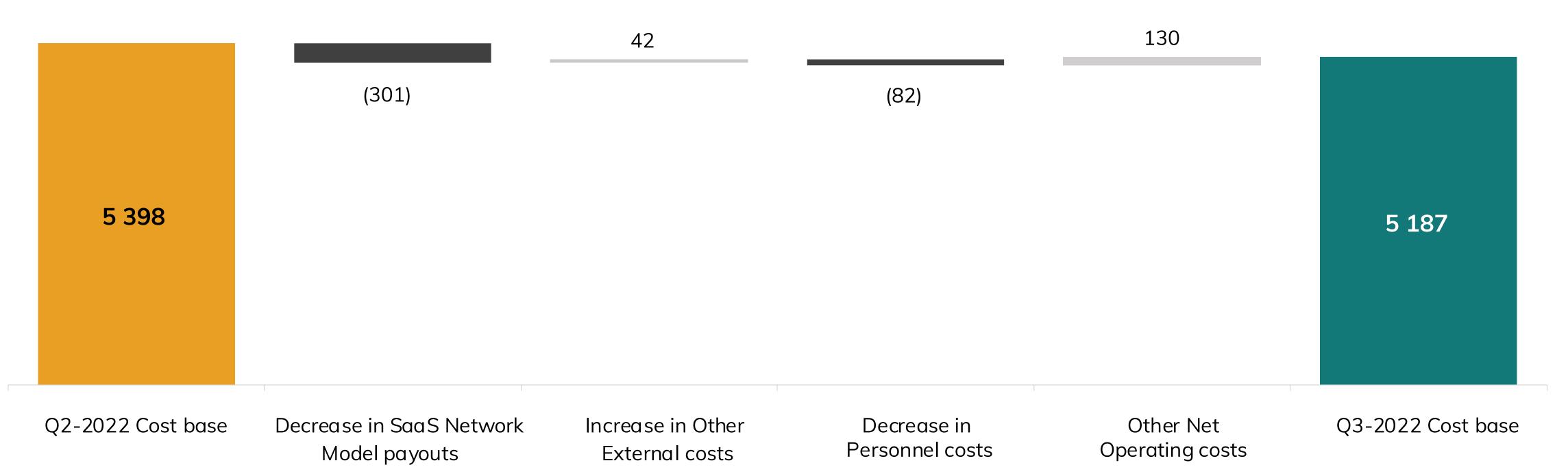
Group

Strategic decisions implemented since 2021 to diversify the Company's revenues and risk

Group Cost Bridge vs Q2-2022

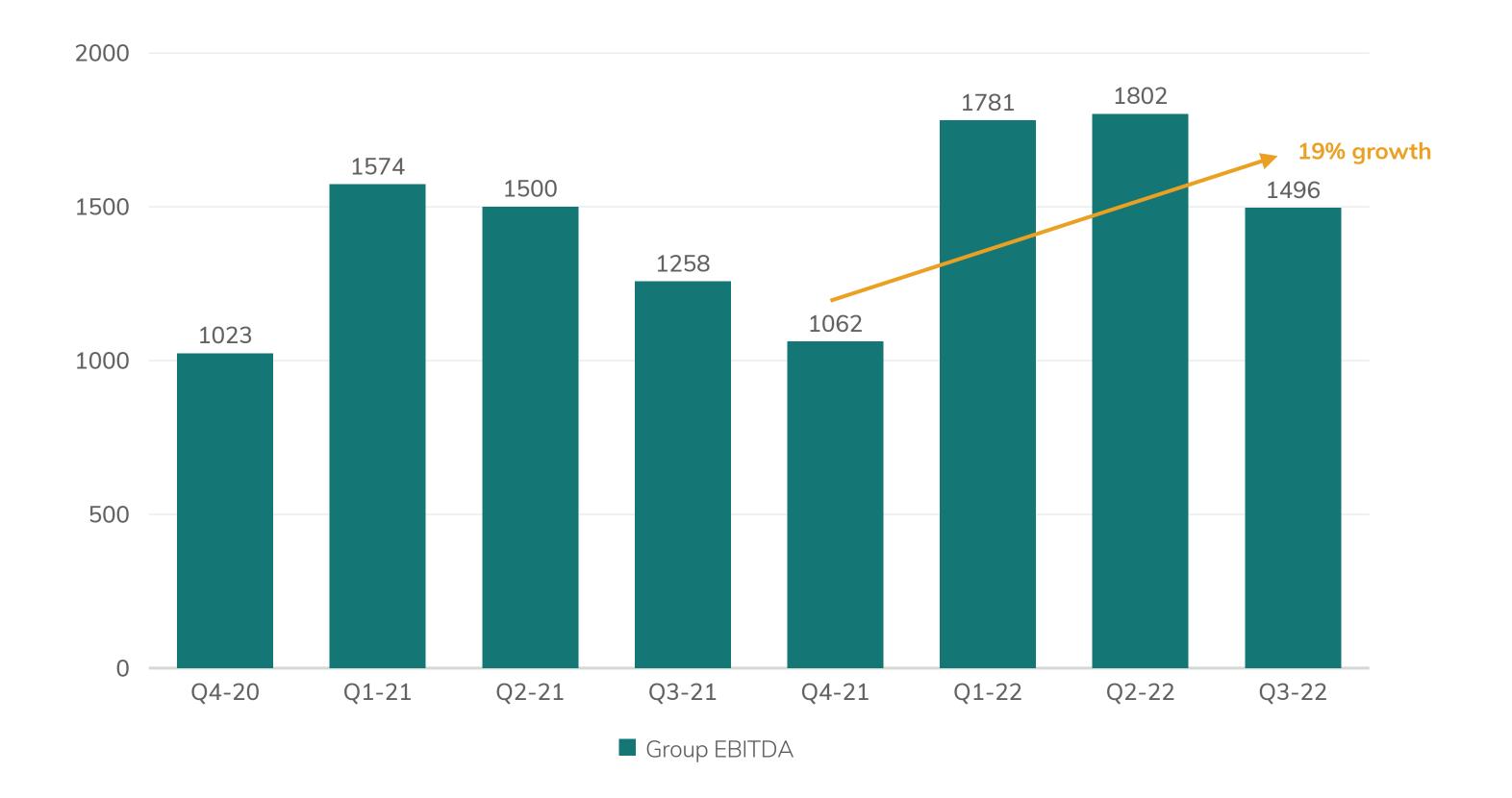
Q3-2022 operating expenses have decreased compared to Q2-2022. The decrease is driven by the decrease in payout costs to sub-affiliates in SaaS Network (driven by decrease in revenue) and personnel costs. Such declines were set-off against increase in other external costs (representing higher investments in growth initiatives) and lower capitalized work.

We will continue to focus on cost control in order to run operations with a high margin.





Group Adjusted EBITDA development





Investor Presentation Q3 2022

Investments in growth initiatives and the execution of the Efficiency plan are delivering results as Group's EBITDA in Q3-2022 increasing by 19% year-on-year to EUR 1 496 thousand, driven by revenue growth and a leaner costbase. Seasonality in revenue is main driver behind decline in EBITDA quarter-on-quarter. During Q3-2022 the Affiliation business operated at an During Q3-2022, Acroud had one-off items relating to the

EBITDA margin (excluding one-offs) of 37% while the SaaS business operated at an EBITDA margin of 15%, resulting in a blended Group EBITDA margin (excluding one-off costs) of 22%.

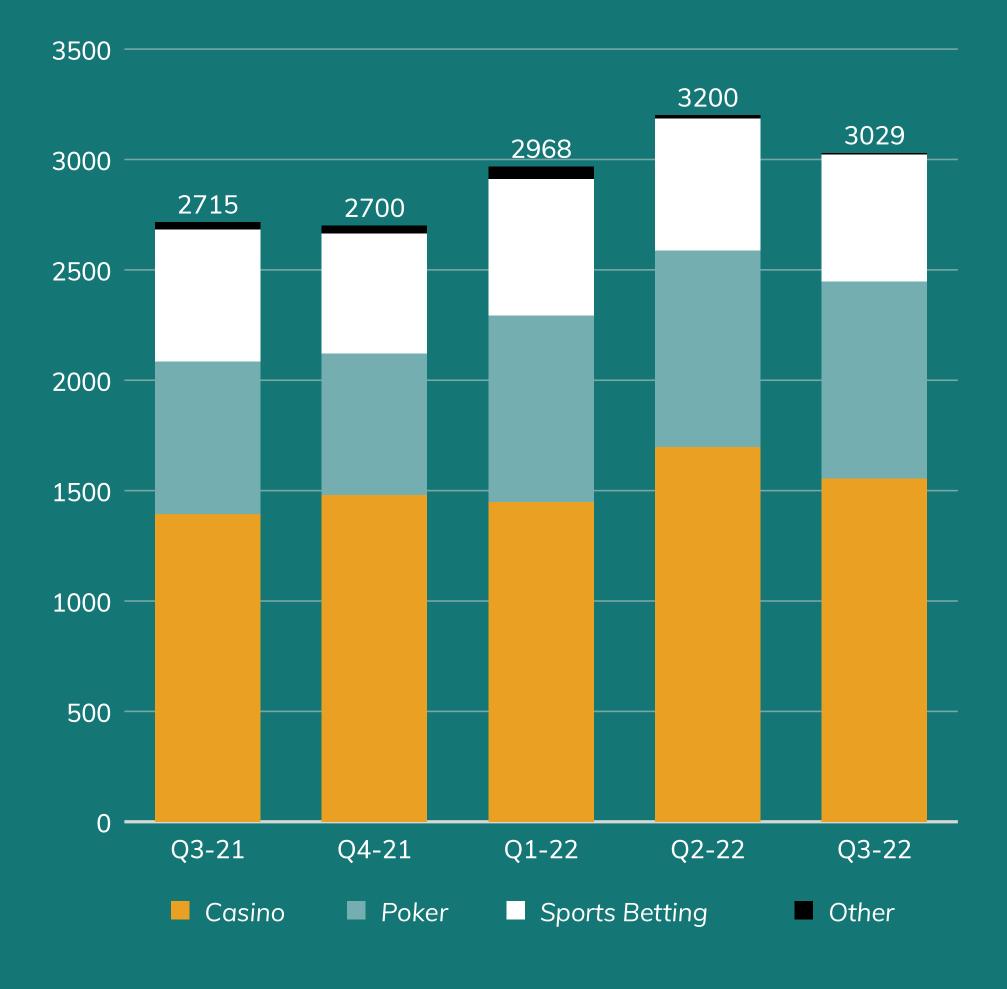
refinancing process and tax. Such adjustments did not impact Acroud's EBITDA but affected Acroud's net profit.

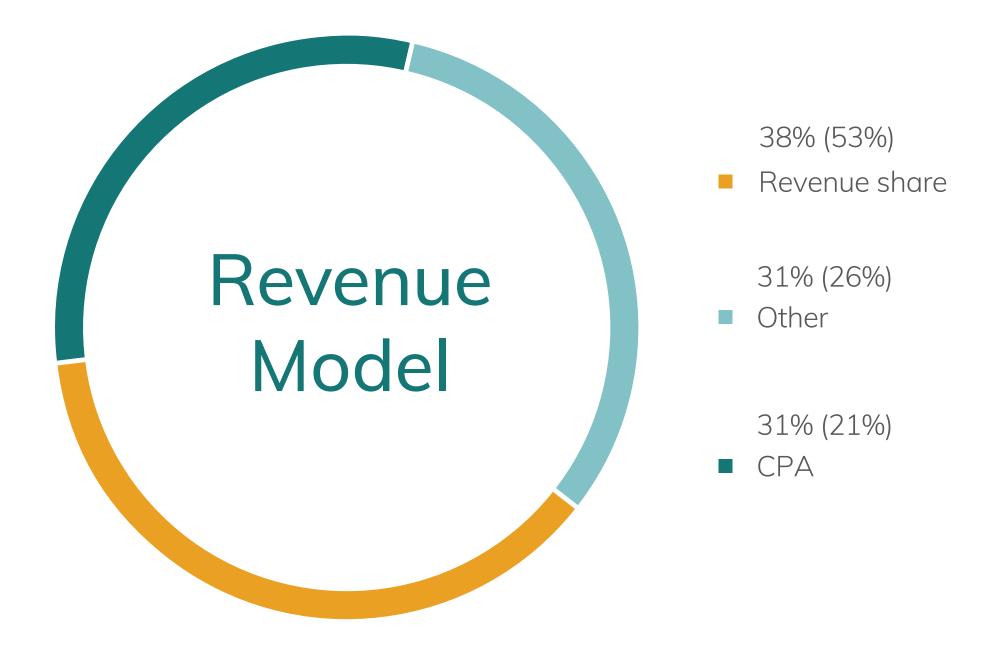
Revenue Development

iGaming Affiliation revenue in Q3 increased to EUR 3 029 (2 715) thousand, representing 12% improvement year-on-year. The Growth is driven purely by organic initiatives and growth investments implemented in regulated markets, particularly in the United Kingdom. Drop quarter-on-quarter of 5% is attributable to seasonality effects.

The turn-around in iGaming affiliation is progressing in the right track, as revenues continue to increase whilst we continue to diversify risks and traffic sources. SEO-based affiliation represented 87% of the Q3-22 iGaming affiliation revenues, while Social- and Communitybased affiliations represented 13% of the Q3-22 iGaming affiliation revenues. The acquisition of Acroud Media Ltd is another way how the iGaming affiliation revenues will be diversified.

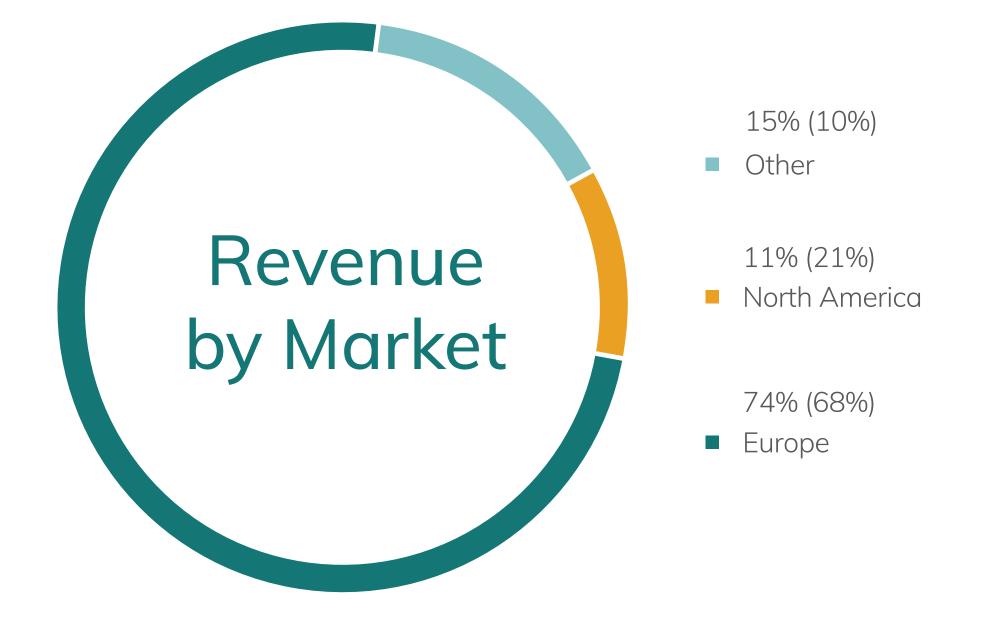






The revenue share represented 38% of total affiliation revenues (or 55% of affiliation revenues if excluding Other fees). The accelerated growth in Other revenues relates to up-sales and new marketing products we offer to our partners.

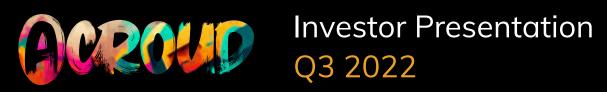


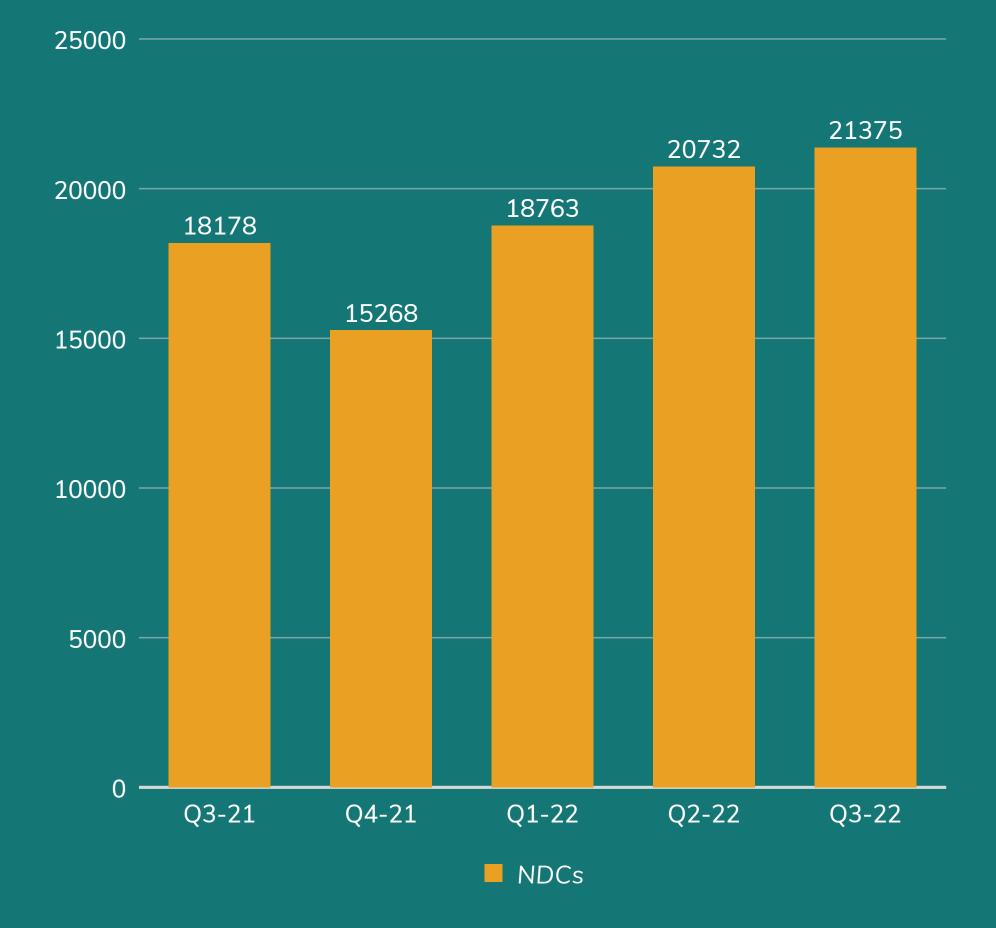


Europe continues to be our biggest success story, which in Q3-22 represented 74% of iGaming affiliation revenues. North American market, represented 11% of iGaming affiliation revenues during the third quarter.

NDCS Development

New Depositing Customers (NDC) continued to grow too reaching 21 375 NDCs in the third quarter compared with 18 178 the corresponding period the previous year. NDC levels within the iGaming Affiliation is growing driven by Sports Betting and Casino. With the acquisition of Acroud Media, NDC levels generated by the iGaming affiliation business are expected to more than double in the coming quarters.



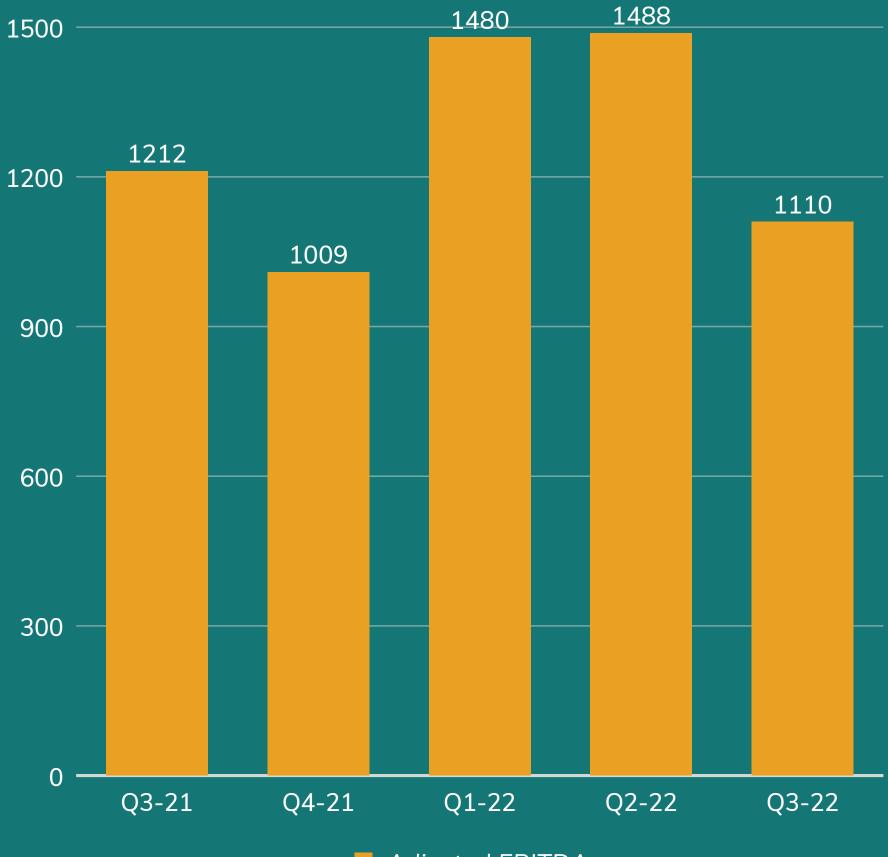


EBITA Development

EBITDA in the iGaming Affiliation segment in Q3-2022 amounted to EUR1 110, representing a drop of 8% year-onyear growth.

The iGaming affiliation segment is operating with an EBITDA margin of approximately 45-55%. EBITDA margin in Q3 2022 amounted to 37%, compared to 45% in Q3-2021 and 47% in Q2-22. Decline in EBITDA margin is driven by investments in growth initiatives in this segment.





Adjusted EBITDA

Adj. Cost Base Development

Personnel costs in iGaming affiliation has decreased by 28% year-on-year and 15% quarter-on-quarter. The increase in other external costs year-on-year (+27%) and quarter-onquarter (+5%) is driven mainly by increase in investments in growth initiatives to keep fueling the top-line growth, at the expense of short term profitability. We do so while we ensure EBITDA margin does not go below 45% in the medium-term.



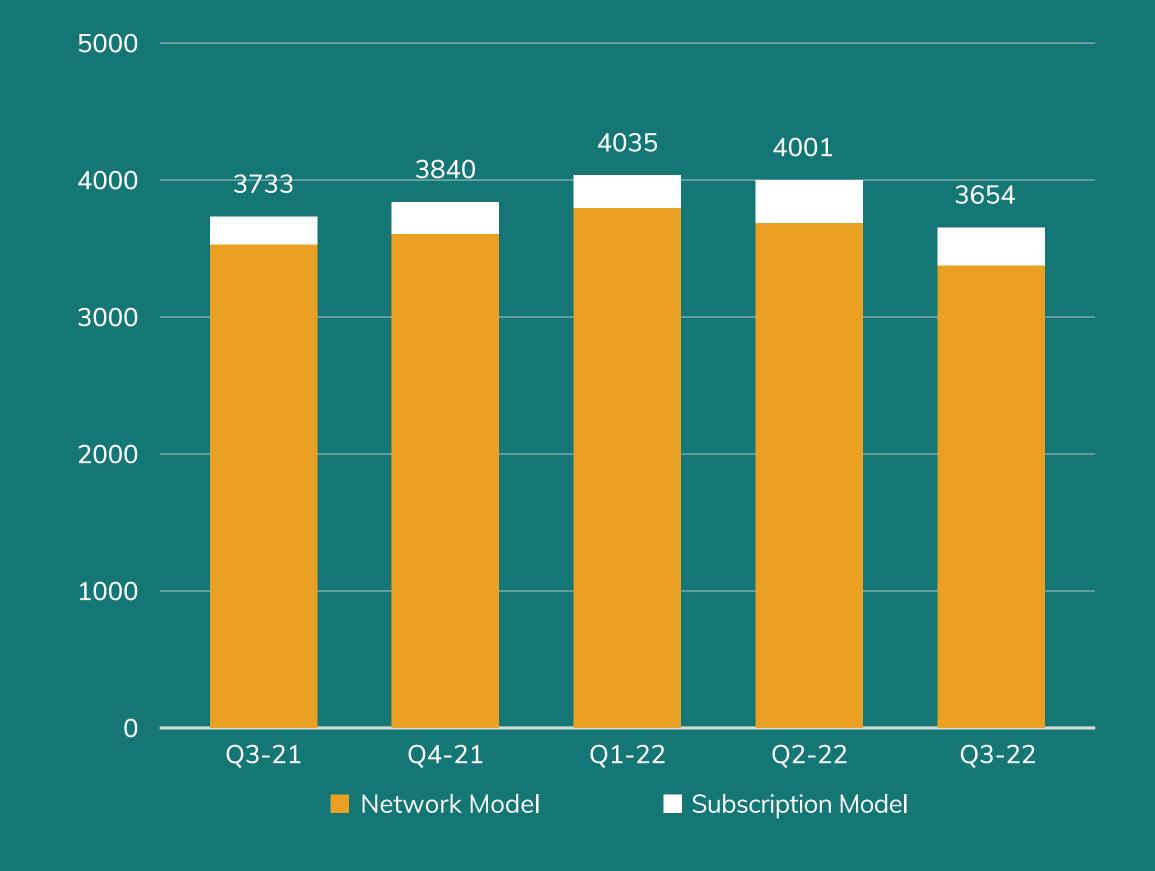


SaaS Segment

Revenue Development

SaaS segment revenues has decreased -2% year-on-year and -9% quarter-on-quarter. The decline is coming from the network model which in Q3-22 revenue amounted to EUR 3 379 thousand (representing a decrease of -4% year-on-year). Q3-22 Subscription model revenues amounted to EUR 275 thousand (representing a year-on-year growth of 36%).



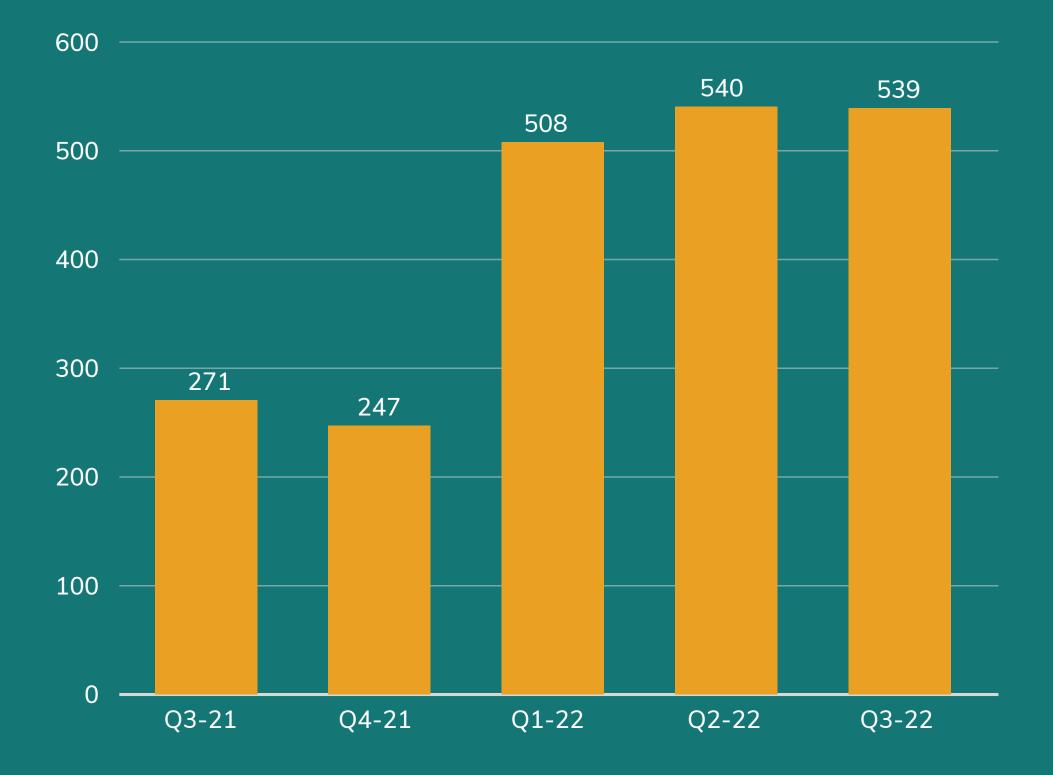


SaaS Segment

Adj. EBITDA Development

The SaaS segment continued to show high EBITDA results, increasing by 99% year-on-year. EBITDA margin has also improved, to 15% in Q3-2022. This improvement is driven by investments and growth initiatives implemented in both Subscription- and Network- models since third quarter of last year.



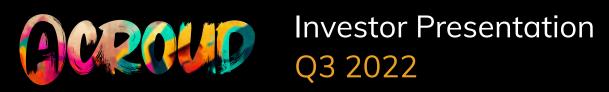


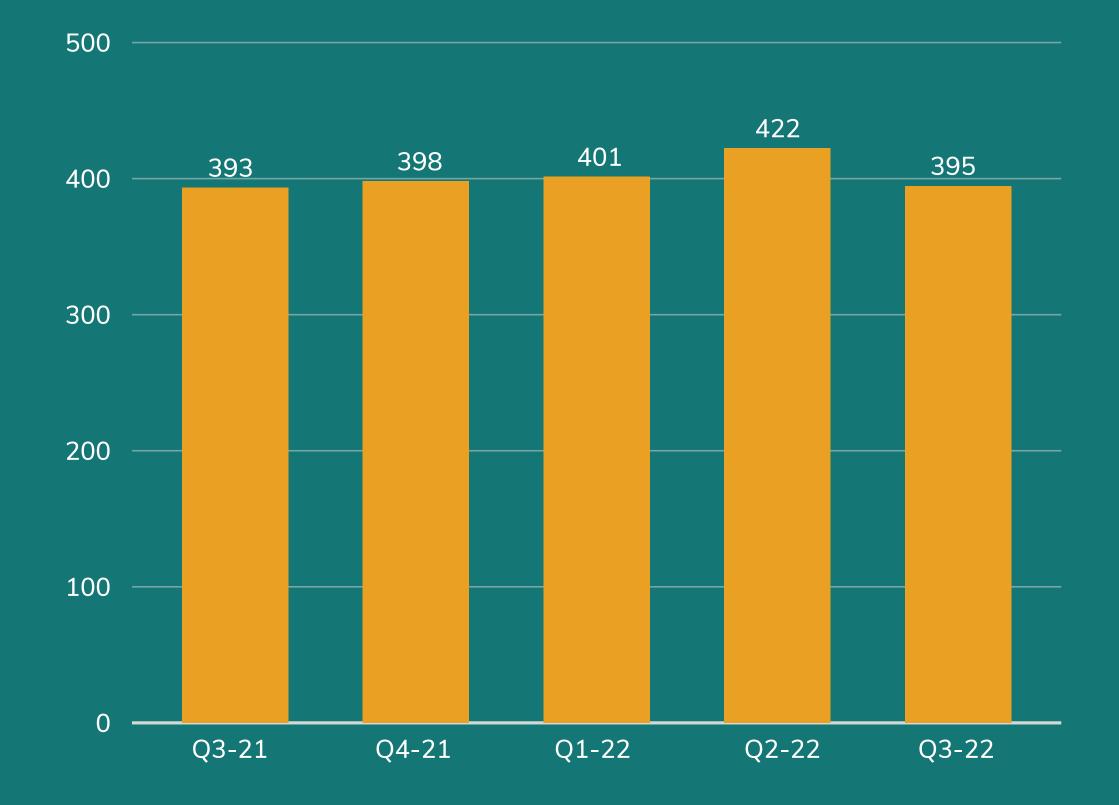
SaaS Segment

RGU Development

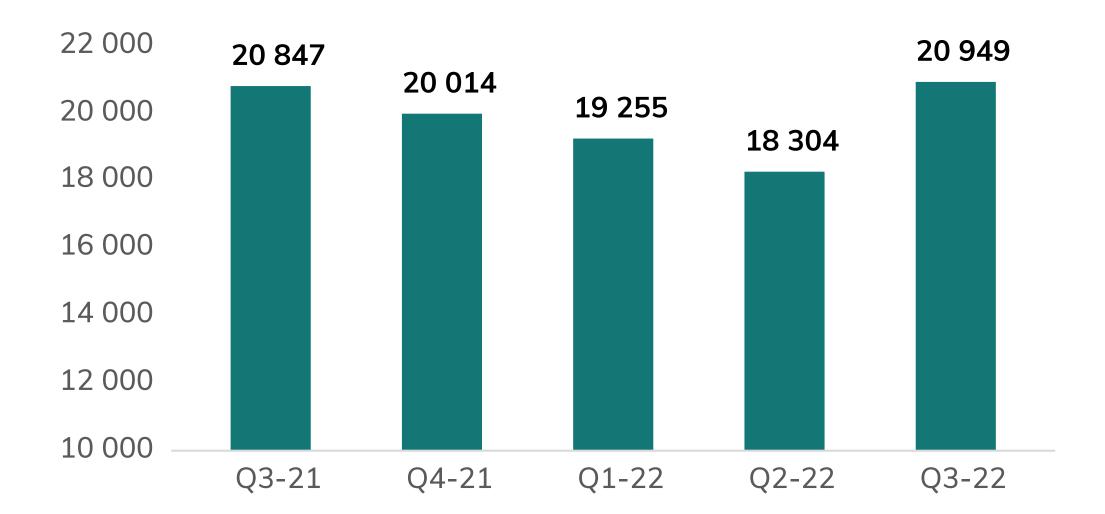
The number of RGUs (Revenue Generating Units) in SaaS in the third quarter amounted to 395 (393).

Focus coming quarters will continue to be increasing the number of customers within the subscription-based business model such as Voonix and Affhut as well as broadening Matching Visions' network via partnerships.





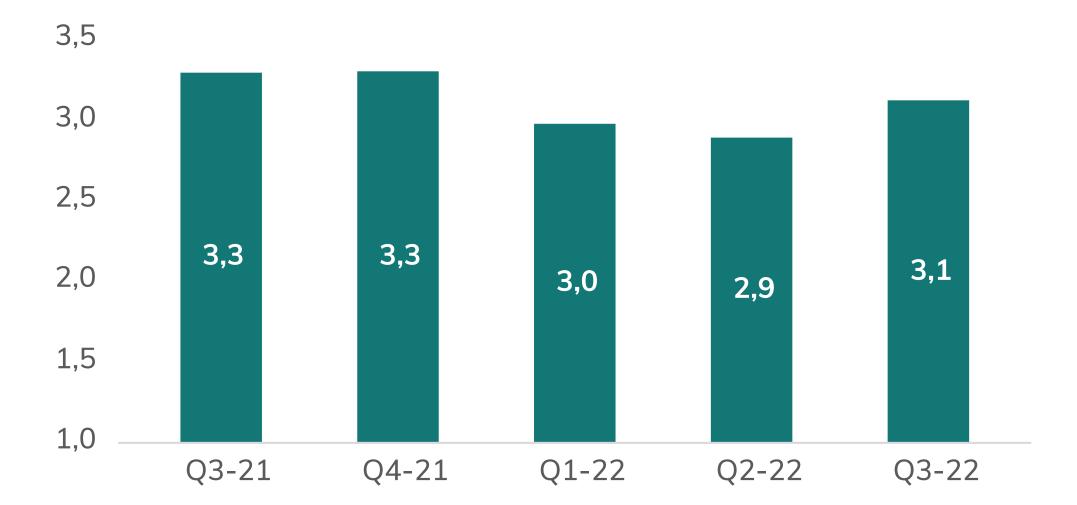
Financing & Cash Flow Gross Debt



Acroud's business model enables fast deleveraging through strong margins and high cash conversion. Our Gross Debt has increased following refinancing process – now amounting to EUR 20 949 thousand. Net Debt to EBITDA increased slightly during Q3-2022, to 3.1x. With the acquisition of Acroud Media, Net Debt to EBITDA ratio is expected to go down.



Net Debt / Adjusted EBITDA



Financial Details Cash Flow Development

EUR '000	Q3'22	Q3'21	YTD22	YTD21
EBITDA	1 496	1 258	5 547	3 857
Non cash items	(2)	25	(410)	56
Change in NWC	(362)	(53)	(869)	(321)
Tax paid	(50)	(566)	(211)	(951)
Operating CF	1 082	664	4 057	2 641
CF from investments	(1 278)	(351)	(2 843)	(4 565)
CF from financing activities	707	(972)	(1 659)	(2 954)
CF for the period	511	(659)	(445)	(4 878)
Cash conversion*	83 %	99 %	82 %	87 %
Cash position	1 798	3 216	1 798	3 216

Cash conversion during Q3-22 (83%) was higher than previous quarter (74%). Negative net working capital is expected to self adjust in Q4-22. We will keep working actively to improve working capital levels and decrease amounts receivable from debtors.

CF from financing activities in Q3-22 mainly comprised of cash inflow from the new financing (EUR 12 092), repaying the old bond including 3% redemption fee (cash outflow of EUR 10 333) and paying new bond issue cost (EUR 751 thousand).

Cash conversion represents operating cash flow reduced by capex/investments (excluding acquisitions/divestments) as a percentage of EBITDA (excluding one off items).

CF from investments in Q3-22 mainly comprise of funds advanced which were later translated in the acquisition of Acroud Media Ltd.

Closing Comments and Q&A



