

Q4 2022

Y E A R - E N D R E P O R T

ACROUD

A time of growth



ACROUD AB (PUBL) | ORG NR: 556693-7255  
+356 213237501 | info@acroud.com



# A time of growth

## Fourth quarter 2022

- Revenue amounted to EUR 10 019 (6 540) thousand, corresponding to a growth of 53% and an organic growth of -3.3%.
- EBITDA amounted to EUR 2 342 (817) thousand, increasing by 187% year-on-year. Adjusted EBITDA (before items affecting comparability) was EUR 2,492 (1 062) thousand increasing by 135% year-on-year.
- Profit after tax was EUR -20 265 (-356) thousand. Adjusted profit after tax (before items affecting comparability and currency effects) was EUR 564 (-264) thousand. Items affecting comparability include an impairment charge of EUR 18 million and an earn-out revaluation amounting to EUR 2 932 thousand.
- Earnings per share after dilution amounted to EUR -0.15 (-0.003). Adjusted earnings per share (before items affecting comparability and currency effects) was EUR 0.004 (-0.002).
- New Depositing Customers (NDC) amounted to 84,086 (32 328) increasing by 160% (187%).
- Cash flow from operating activities amounted to EUR 1 538 (642) thousand.

## Period 1 January - 31 December 2022

- Revenue amounted to EUR 30 905 (24 767) thousand, corresponding to a growth of 25% and an organic growth of 6.9%.
- EBITDA amounted to EUR 7 890 (4 676) thousand, increasing by 69% year-on-year. Adjusted EBITDA (before items affecting comparability) was EUR 7 573 (5 395) thousand, increasing by 40% year-on-year.
- Profit after tax was EUR -18 421 (719) thousand. Adjusted profit after tax (before items affecting comparability and currency effects) was EUR 1 516 (1 064) thousand. Items affecting comparability include an impairment charge of EUR 18 million and an earn-out revaluation amounting to EUR 2 932 thousand.
- Earnings per share after dilution amounted to EUR -0.141 (0.006). Adjusted earnings per share (before items affecting comparability and currency effects) was EUR 0.012 (0.008).
- New Depositing Customers (NDC) amounted to 186 550 (133 195) increasing by 40% (267%).
- Cash flow from operating activities amounted to EUR 5 596 (EUR 4 373 excluding one-off tax payment relating to acquisitions) thousand.

## Financial highlights after the quarter

- Revenue in January 2023 amounted to EUR 3.2 million, representing a year-on-year increase of 35%.

## Important events in the quarter

On 13 October 2022, Acroud (the "Company") has successfully acquired 60% shareholding in an affiliation and Media company namely, Acroud Media Ltd, for a total consideration of approximately GBP 5.1 million. The acquisition encompasses affiliation assets and technology within the iGaming Market and it is expected to contribute over EUR 9 million to the Company's revenues and over 4 million to the Company's EBITDA annually. This acquisition will be reported in the iGaming affiliation segment. For further detailed information, see note 10 in this report.

## Important events after the quarter

On 8th February 2023, Tricia Vella was appointed as Interim CFO for Acroud. Tricia has been working at Acroud since 2019 and has previously held the position of Head of Finance. She also has an audit background, having worked at PwC for seven years. The recruitment process for a permanent CFO is in progress.

Key Figures	OCT - DEC			JAN-DEC		
EUR thousands	2022	2021	Y/Y%	2022	2021	Y/Y%
Revenue	10 019	6 540	53%	30 905	24 767	25%
Revenue Growth, %	53%	162%	(109pp)	25%	113%	(88pp)
Organic Growth, %	(3.3%)	(11.1%)	7.8pp	6.9%	(12.6%)	19.5pp
EBITDA	2 342	817	187%	7 890	4 676	69%
EBITDA margin, %	23%	12%	11pp	26%	19%	7pp
Adjusted EBITDA	2 492	1 062	135%	7 573	5 395	40%
Adjusted EBITDA margin, %	25%	16%	9pp	25%	22%	3pp
Profit after tax	(20 265)	(356)	(5592%)	(18 421)	719	(2662%)
Earnings per share (after dilution)	(0.15)	(0.003)	(4900%)	(0.141)	0.006	(2450%)
Adjusted Profit after tax	564	(264)	314%	1 516	1 064	42%
Adjusted Earnings per share (after dilution)	0.004	(0.002)	300%	0.012	0.008	50%
Net Debts / Adjusted EBITDA rolling 12 months)	2.5	3.2	22%	2.5	3.2	22%
New Depositing Customers (NDCs)	84 086	32 328	160%	186 550	133 195	40%

pp = percentage points

# CEO Comments

## A time of Growth

Quarter 4 2022 marked the beginning of a new foundation for our Company, geared up for solid EBITDA growth and lower debt. During the quarter our group has delivered:

- EUR 10.0 million in revenue, representing year-on-year growth of 53%,
- EUR 2.5 million in EBITDA (excluding one-off items), representing year-on-year growth of 135%, and
- 84,086 New Depositing Customers (NDCs) to our partners, representing year-on-year growth of 160%.

### Update on New Acquisition: Acroud Media

This quarter has been the first quarter with our new Media Business, and I am happy to say it is firing on all cylinders. The growth in NDCs noted above has been mainly driven by the new Media business, which has found the right way to capitalise on the players' interest in football, during the World Cup and domestic leagues alike.

The new business comprises mainly of sport revenue driven by rev-share deals, giving us a very stable and secure long-term revenue stream. The only disadvantage with revenue share is that you can be affected by unfavourable sports results in the short-term. This happened to us towards the end of December when all favourite teams in the English Premier League won. I would lie if I said it did not annoy me. However past results show that such hits occur only a few times during a calendar year and that revenue always comes back over time. With that said I am very happy and proud that we are now one of the affiliates in the market with the most sport book revenue in its revenue mix.

### Optimizing our existing businesses

The Company's new foundation is built on a new management team, comprising of experienced leaders well known in the iGaming, Affiliation and SaaS industries. The new management team will further strengthen the cooperation between our different subsidiaries and create a smaller and optimized organization, particularly in our SEO business. This change has led to a one-off restructuring cost of EUR 98 thousand during Q4-22 but will lead to annual cost savings of EUR 660 thousand. This is to continue to adapt our SEO business to the changing landscape in our industry while gearing for growth.



## Our Strong Drive for Better Changes

Looking back over the past years, I am happy that we had the courage to act. Had we not driven change so aggressively during the past 3 years; acquiring complementary businesses and diversifying the Group's income streams and business risks, we would be in a far less favorable position today. Many of our industry peers in the "let's make casino toplist on SEO sites, and create thousands of them" are really struggling. This is the part of our business that has struggled over the last 5 years, caused by regulatory changes in Europe, but also affected by how Google views these types of assets. So as part of our prudent book-keeping we are writing down the value of those assets stemming from Net Gaming's (former name of Acroud) acquisition of Highlight Media business back in 2016. This is reflected as a one-off non-cash impairment charge of EUR 18 million during the quarter. New management has the right experience, expertise, and action plan to bring the Highlight Media business back to strong organic growth.

## Successful acquisitions

All businesses acquired since November 2020 are performing better than expected. Such transformative acquisitions have not only delivered strong revenue growth but have added to our Group valuable industry expertise and relationships which drove positive changes in the Company's profitability, operative cashflow and business risks. This success also led to a one-off adjustment to our liabilities (amounting to EUR 2.9 million) during Q4-22 to reflect the estimated earnouts relating to Power Media Group acquisition (completed in January 2021) and The Gambling Cabin (executed in April 2021). Negotiations about the exact earnout amounts and payment dates have already started and will be concluded in the coming months.

It is very positive that these companies are doing so well, and based on targets we have set internally, they will continue delivering strong growth during 2023 and in the foreseeable future. The founders and owners of these companies have committed to an active role in the Company's future. They have a two-year lock-up period on the shares they will receive as a part of the earnout payments too, which ensures stability and continuity for the Group and its owners even after earnouts are concluded.

## Future Outlook

The Media business acquisition, the formation of a new management team and the restructuring in the SEO business in Q4, backed by refinancing secured earlier this year form the foundation of the new Acroud. During 2022 we have delivered EUR 7.9 million in EBITDA (or EUR 7.6 million if one-off items are excluded) – marginally below the EUR 8 million target we had set at the beginning of the year. Net debt / EBITDA ratio has been lowered to 2.5x as of December 2022, which meets the target we have set to reach by December 2025.

This is just the beginning of a new era. I am excited and geared-up to continue taking this Company to the next levels. We have set out our business goals and plans for 2023 which will guide and push us to continue working towards the two main financial targets set: (i) 20% organic growth in EBITDA and (ii) optimize further our capital structure by lowering our net debt / EBITDA ratio and lowering our gross debt. This positive momentum, which started in Q4, puts us in the right track to deliver our financial targets in 2023 and beyond.

**Join The Ride!**



Robert Andersson  
16 February 2023

# Group development

## Revenue

Fourth quarter revenue increased by 53% year-on-year to EUR 10 019 (6 540) thousand, mainly driven by the latest acquisition, Acroud Media Ltd. Revenues in the iGaming Affiliation business amounted to EUR 6 340 (2 700) thousand. Excluding acquisition revenues for Q4 2022, revenues in the iGaming segment remained stable when compared to Q4-21. Revenue from the SaaS segment amounted to EUR 3 679 (3 840) thousand.

The number of New Depositing Customers (NDCs) in Q4-2022 delivered to our customers continued to increase, reaching 84 086 (32 328) NDCs. The 160% year-on-year growth in the NDC development is led by the iGaming affiliation including the latest acquisition. This is outweighed by a decrease in the NDCs delivered by network-based SaaS business (-9%). Excluding the acquisition, total NDCs delivered to customers increased by 3% when compared to the corresponding quarter last year.

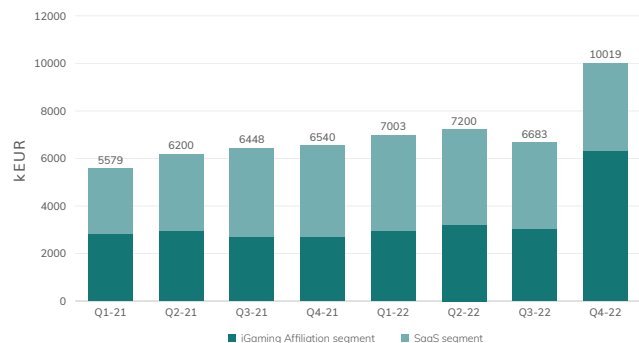
## Costs

Total operating expenses for Q4 2022 increased when compared to the same period last year and also to last quarter. This increase is attributable to the acquisition of Acroud Media Ltd. In the final quarter of 2022, personnel expenses have increased by 22% over the previous quarter as a result of the new acquisition. When compared to Q4 2021, personnel expenses decreased to 1 004 thousand compared to 1 115 thousand in Q4 2021 following the efficiency plan launched in November 2021. Other external expenses (EUR 6 599 thousand), excluding items affecting comparability, have increased year-on-year and quarter-on-quarter, driven mainly by an increase in the marketing expenditure led by the acquisition. During Q4-2022, the group restructured part of its affiliation business which led to a one-off cost amounting to EUR98 thousand but which will lead to an annual cost savings of EUR 660 thousand.

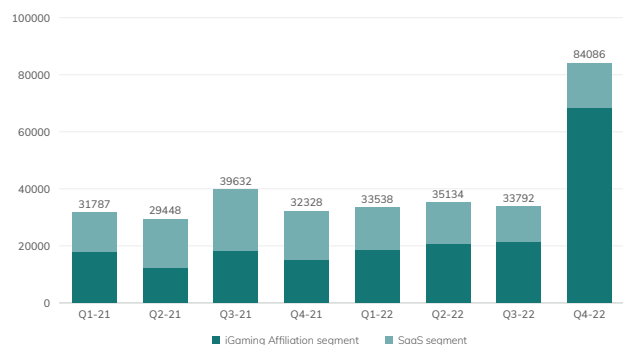
## Profitability

Operating profit before depreciation (EBITDA), excluding items affecting comparability, on a group level amounted to EUR 2 492 (1 062) thousand, resulting in an improvement of 135% year-on-year and 67% quarter-on-quarter. Such profit development is mainly led by the latest acquisition during the period. Profit after tax and the period's earnings per share after dilution in the final quarter amounted to EUR -20 265 thousand (-356) and -0.15 (-0.003) respectively. Adjusted for one-off costs relating to termination benefits, costs directly related to the new acquisition, currency effects related to the bond loan, impairment charge and fair value adjustment of estimated earnouts, the profit after tax amounted to EUR 564 (-264) thousand. Following the latest acquisition of Acroud Media Ltd, operating in the United Kingdom, the Group now operates with an effective tax rate of approximately 14-15%.

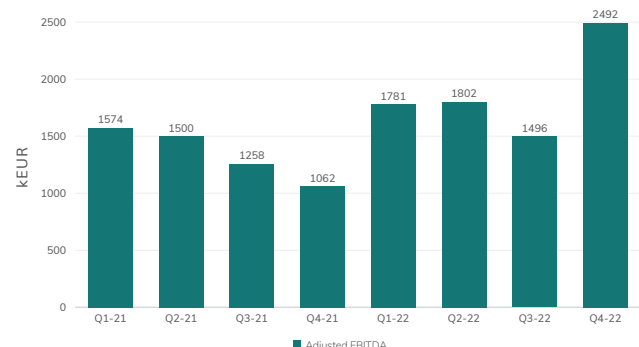
## Group Revenue Development



## Group NDCs Development



## Adjusted EBITDA Development



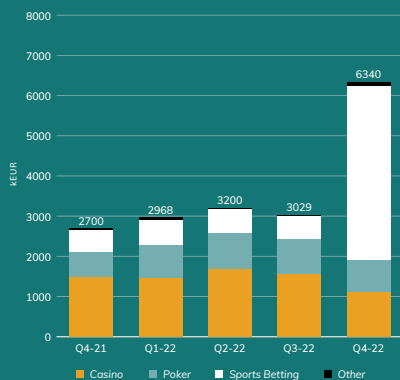
# iGaming Affiliation

iGaming Affiliation revenues during Q4 2022 amounted to EUR 6 340 (2 700) thousand, representing an increase of 135% year-on-year and 109% quarter-on-quarter. Revenue growth is mainly driven by the latest acquisition generating a total revenue of EUR 3 654 thousand during the period. Excluding the acquisition, revenue decreased quarter-on-quarter by 11% mainly attributable to a decrease in casino of 28% which was partly compensated by an increase in sports betting (18%) as a result of organic growth initiatives.

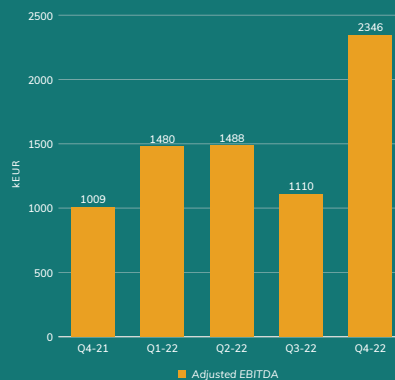
Revenue growth is happening as we continue diversifying our revenue streams and risk profile, even more so during this period with the acquisition of Acroud Media Ltd and the introduction of the paid media business. Such business is supporting Acroud's expansion into the Sports Betting vertical, adding considerable recurring Revenue Share sportsbook revenue from some of the world's most prominent Sport Book providers. This aligns with Acroud's strategic agenda of creating a lower volatility profile with more stable revenue generation and profitability. It will further solidify the Company's efforts to develop a low-risk, high-growth business as the acquired assets leverage IMBC (Intelligent Media Buying Capabilities) rather than being dependent on SEO algorithms.

As communicated in the previous quarters, another initiative executed is the strategic move to Social- and Community-based Affiliation via the acquisition and expansion of The Gambling Cabin. Social- and Community-based Affiliation generated 9% (16%) of Q4-2022 Affiliation revenues. SEO affiliation business generated 32% of Q4-22 (82% in Q4-21) affiliation revenues whereas Paid Media business generated 59% of Q4-22 (2% in Q4-21) affiliation revenues.

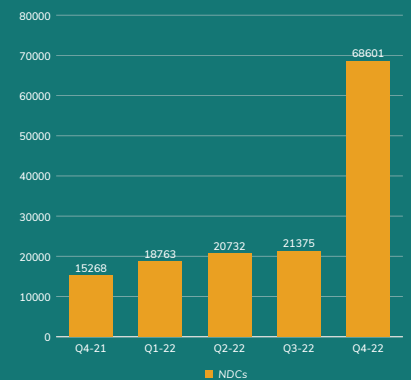
Revenue Development  
iGaming Affiliation Segment



EBITDA Development  
iGaming Affiliation Segment



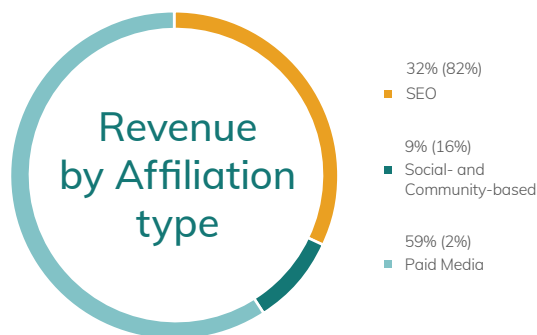
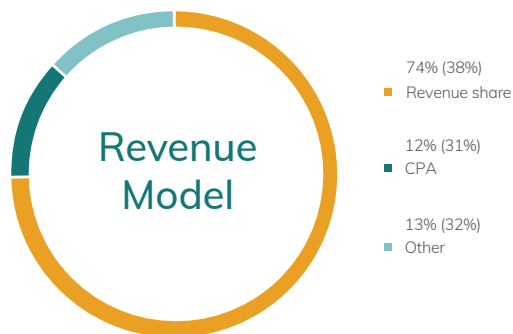
NDCs Development  
iGaming Affiliation Segment



The iGaming segment has delivered a high number of New Depositing Customers (NDCs), reaching 68 601 (15 268) NDCs during Q4-22. The acquisition on its own has generated 50 732 NDCs during the period, nonetheless there was still a 17% increase when compared to the same period last year. We see continued high NDC numbers and expect to continue growing as the underlying KPIs on our sites show positive trends especially with the latest acquisition.

Revenue derived through revenue-sharing amounted to 74% (48% in Q4 2021) mainly driven from revenue derived through revenue-sharing contributed by Acroud Media Ltd during Q4-22. Such acquisition is expected to contribute over EUR 9 million to the total Group revenue of which 80-85% is coming from revenue share deals. This is aligned with Acroud's strategic agenda of creating a lower volatility profile with more stable revenue generation and provides the Company with long-term stability.

During Q4-22 iGaming affiliation EBITDA amounted to EUR 2 209 thousand, representing an increase of 178% year-on-year and 99% when compared to the previous quarter EBITDA. EBITDA generated by the affiliation business during the quarter excluding one-off costs in relation to restructuring exercise amounts to EUR 2 346 (1 009) thousand, representing a year-on-year increase of 133%. EBITDA margin (adjusted for one-off costs) during the Q4-2022 amounted to 37% and also remained in line with previous quarter.



# SaaS

Acroud has two SaaS solutions as part of its product offering: Subscription-model and Network-model.

- The Subscription model offers pure SaaS products built specifically for other affiliates and content creators to track their operational KPIs performance with the goal of increasing their growth and profit potential.
- The Network model provides to affiliates and content creators a similar product as the Subscription model, plus access to a large pool of clients, deals and campaigns that would otherwise be out of their reach.

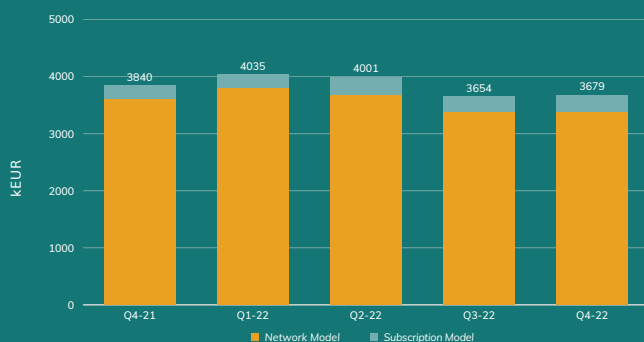
The SaaS segment registered revenues of EUR 3 679 thousand, resulting in a decline of 4% year-on-year. Revenues derived from subscription-model revenues increased by 25% compared to Q4-21, amounting to EUR 290 (232) thousand and by 5% quarter-on-quarter. We expect such organic growth to continue this year as more projects are being developed to improve Voonix in terms of features as well as product offerings.

During Q4 2022, Network-model revenues amounted to EUR 3 389 (3 608) thousand, a year-on-year drop of 6% but maintained stability quarter-on-quarter (3 379). The number of New Depositing Customers (NDCs) delivered to customers via the Network-model increased quarter-on-quarter by 25% reaching 15 485 (12 417) and decreased when compared to same period last year by 9% (17 060). The number of NDCs in the Network-model during Q4-22 was the highest for this year.

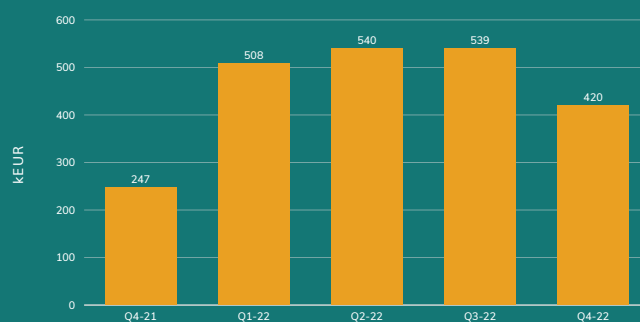
The number of Revenue Generating Units (RGUs), which measures the amount of clients serviced and billed by our SaaS segment during the final quarter amounted to 419 representing a quarter-on-quarter increase of 6% (395) and year-on-year increase of 5% (398). RGUs keep on increasing both in Subscription-model (9% Q-o-Q and 14% Y-o-Y) as well as in Network-Model's RGUs (5% Q-o-Q and 2% Y-o-Y).

EBITDA in SaaS business increased by 70% when compared to same period last year and totaled EUR 420 (247) thousand. This corresponds to an EBITDA margin of 11% (6%).

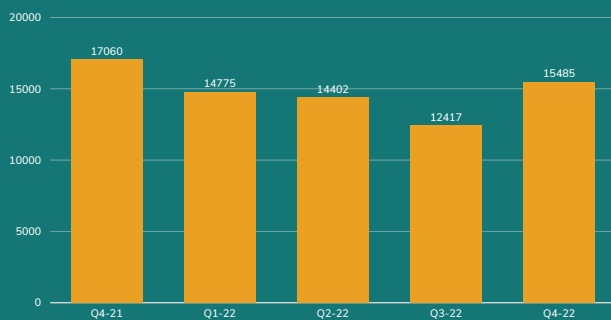
### Revenue Development SaaS Segment



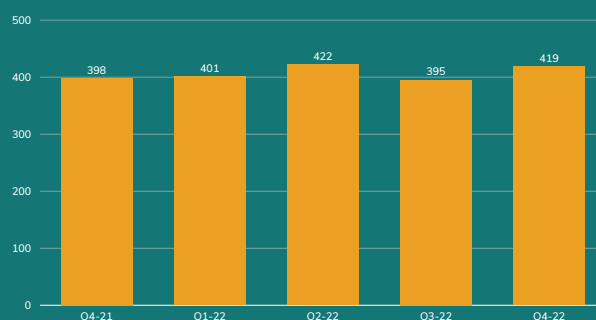
### Adjusted EBITDA Development SaaS Segment



### NDCs Development SaaS Segment



### RGUs Development SaaS Segment



# Financial position

## Cash flow and investments

Cash flow from operating activities during Q4 2022 amounted to EUR 1 841 (EUR 782) thousand, out of which EUR 303 (140) thousand were used to pay income tax. The increase is mainly related to an improved profit before tax (after adjusting for non-recurring items) when compared to Q4 2021. The Company continues to have a very low level of credit losses.

Cash flow from investing activities, apart from acquisition activities, is limited as the Company's business model is not capital-intensive, amounted to EUR -395 thousand in the fourth quarter of 2022, compared with EUR -701 thousand in Q4 2021. The lower amount in Q4 2022 is attributable to a decrease in the acquisitions of intangible assets which are mainly related to the development of our products, particularly in the iGaming business.

Cash flow from financing activities amounted to EUR -601 (-939) thousand in Q4 2022, which consisted primarily of bond interest payments of EUR -578 thousand compared to EUR -368 thousand in Q4 2021 (increase is related to a higher interest expense attributed to the new bond issue over the previous bond which was redeemed in 2022) and payments on lease liabilities of EUR 58 (-).

## Liquidity and financial position

At the end of the period, the Group's interest-bearing net debt was EUR 18 666 thousand, compared with EUR 17 812 thousand at the end of Q4 2021. The year-on-year increase in the interest-bearing net debt is mainly attributable to an increase in lease liabilities and accrued interest on the newly issued bond. Acroud's current gross debt amounts to SEK 234 million, of which the bond amounts to SEK 217 million. Converted using the closing rate, the bond loan amounts to EUR 18 912 thousand.

As of 31 December 2022, the net debt/adjusted EBITDA ratio is 2.5x. Acroud's long-term target is a maximum net interest bearing debt/ adjusted EBITDA ratio of 2.5x over time. During 2022 and beyond, the Company will continue its efforts to reduce the net debt/ EBITDA ratio.

As at end of Q4 2022, the Company had total provisions of EUR 24 882 (9 460) thousand for potential additional consideration payments in relation to acquisitions. The increase in Q4 2022 is in relation to EUR 11 965 thousand (discounted at present value) additional consideration corresponding to Media acquisition and a one-off adjustment of EUR 2 932 thousand to reflect adjustments of past acquisitions.

The bond loan outstanding at the end of the reporting period is due for payment in July 2025; it is therefore reported under non-current liabilities in the balance sheet in this interim report.

During the second quarter of 2022, Acroud has successfully placed SEK 225 million of senior secured floating rate bonds to investors in the Nordic and continental Europe and has also successfully completed early redemption of the old bond during July 2022. The translation effect of converting the bond loan and certain cash proceeds from SEK to EUR at the end of Q4 was EUR 381 (153) thousand, which positively impacted net financial items. The Company's cash and cash equivalents at the end of Q4 2022 amounted to EUR 2 416 (2 202) thousand.

The equity ratio was 30 (55) percent, and equity was EUR 24 319 (41 947) thousand on 31 December 2022. The Company conducts quarterly impairment testing to assess whether there is any goodwill impairment. As at 31 December 2022, the group recognised a one-off impairment charge of EUR 18 million relating to assets stemming from Net Gaming (former name of Acroud) acquisition of Highlight Media business back in 2016.

# Financial forecast and targets

In May 2022, the Board of Acroud has set the following 2022 financial forecast and new financial objectives for financial years 2023 - 2025:

## Forecasted EBITDA for 2022

Acroud was expected to reach between EUR 8 million and EUR 10 million in EBITDA during financial year 2022.

## Organic EBITDA growth for 2023 - 2025

Acroud's target is to continue growing EBITDA organically by, on average, 20% annually during the financial years 2023 to 2025. Acroud aims to grow its revenue organically at an efficient cost base to ensure consistent and sustainable EBITDA growth.

## Capital structure

Organic EBITDA growth is to be achieved at low financial risks. Acroud's financial target is to decrease the net-interest bearing debt/adjusted EBITDA to 2.5x or lower by December 2025.

## Dividend policy

Over the next four years, Acroud will prioritise growth through organic growth initiatives and will make optimisation of the capital structure rather than dividends its priority. The Board proposes no dividend for 2022.

## Overview of outcomes of financial targets

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

Period	% achieved of EUR 8m EBITDA target	Capital structure
Jan-Dec 2022	95%	2.5

# Other information

## 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 Growth Market since June 2018. The Group's financing is arranged in the Parent Company via a bond, which is registered on Nasdaq Stockholm's Corporate Bond list. In Q4-22, the Parent Company received dividends from subsidiaries amounting to EUR 0.7 (0.9) million.

## Relevant risks and uncertainties

Acroud is exposed to a number of business and financial risks. Risk management within the Acroud Group is aimed at identifying, controlling and reducing risks. This is achieved based on a probability and impact assessment. The risk assessment is unchanged from the risk profile presented on pages 18, 32-33 and 71-73 of the 2021 annual report.

## Seasonality

Acroud is affected by seasonal variations particularly in the iGaming Affiliation segment, with Q1 (Jan-Mar) and Q4 (Oct-Dec) revenue being somewhat stronger, while Q2 (Apr-Jun) and Q3 (Jul-Sep) are relatively weaker. The revenue seasonality follows the normal pattern for the iGaming industry.

## Share Capital

Share capital on 31 December 2022 amounted to EUR 3,450 thousand divided into 136,370,746 shares, distributed as shown below. The Company has one class of shares – A shares. Each share entitles the holder to (1) vote at the shareholders' meeting. The number of shareholders on 31 December 2022 was 1 781. During Q4-22, 6 711 409 shares were issued as a part payment for the acquisition of Acroud Media (see note 10).

An employee share option program was launched in March 2021. See note 5 for additional information.

Name	No. of shares	Ownership, %
Trottholmen AB	57,390,981	42.08%
Strategic Investment A/S (JPM Chase)	24,005,000	17.60%
RIAE Media	9,871,593	7.24%
Six Sis AG	6,870,457	5.04%
Swedishsantas Media AB	4,440,990	3.26%
Byggnadsaktiebolaget Westnia	3,104,407	2.28%
Flise Invest APS	2,799,788	2.05%
ES Aktiehandel AB	1,700,000	1.25%
Saxo Bank	1,597,089	1.17%
Avanza Pension	1,555,498	1.14%
Clearstream Banking S.A.	1,513,209	1.11%
Strunge Invest APS	1,430,308	1.05%
Trading House Scandinavia	1,176,400	0.86%
Nordnet Pensionsförsäkring AB	1,124,971	0.82%
Bank Julius Baer & Co Ltd	1,111,111	0.81%
Other shareholders	16,678,962	12.23%
<b>TOTAL</b>	<b>136,370,764</b>	<b>100.00%</b>

# Supplementary information

The Board of Directors and the CEO hereby certify that this report provides a true and fair view of the Parent Company's and the Group's operations, financial position and financial performance for the current period, and describes material risks and uncertainties faced by the Parent Company and other Group companies.

Stockholm, 16 February 2023

This interim report has not been audited or reviewed by the Company's auditors.

## BOARD AND CEO

**Henrik Kvick**  
Chairman

**Kim Mikkelsen**  
Director

**Peter Åström**  
Director

**Jonas Strömberg**  
Director

**Maria Andersson Grimaldi**  
Director

**Robert Andersson**  
President and CEO

## For further information, please contact

Robert Andersson, President and CEO  
Mobile: +356 9999 8017  
E-mail: [robert.andersson@acroud.com](mailto:robert.andersson@acroud.com)

Tricia Vella, Interim CFO  
Mobile: +356 7905 7755  
E-mail: [tricia.vella@acroud.com](mailto:tricia.vella@acroud.com)

## Forthcoming report dates

Interim report January-March 2023: 17 May 2023  
Interim report April-June 2023: 10 August 2023  
Interim report July-September 2023: 9 November  
2023 AGM: 17 May 2023

## Presentation for investors, analysts and media

A live webcast will be held on 16th February 2023 at 10.00 a.m. Swedish time.  
CEO Robert Andersson will present the report in English.  
You can follow the presentation here: <https://ir.financialhearings.com/acroud-q4-2022>.

## To join the conference call, ring:

Sweden: +46-8-5051-6386  
UK: +44-20-319-84884  
US: +1-412-317-6300, Pin code: 7327161#

The appointed Certified Adviser is FNCA Sweden AB, [info@fnca.se](mailto:info@fnca.se), +46 8 528 00 399.



# Q4 2022

## Financial

### Statements

# Financial Report

## Consolidated Statement of Comprehensive Income

Amounts in kEUR	01/10/2022 31/12/2022	01/10/2021 31/12/2021	01/01/2022 31/12/2022	01/01/2021 31/12/2021
Revenue (notes 2, 3)	10 019	6 540	30 905	24 767
<b>Total revenue</b>	<b>10 019</b>	<b>6 540</b>	<b>30 905</b>	<b>24 767</b>
Capitalised work for own account	8	305	836	1 125
Other external expenses	(6 599)	(4 981)	(20 491)	(16 937)
Personnel expenses	(1 004)	(1 115)	(3 675)	(4 458)
Other operating income	10	68	476	179
Other operating expenses	(92)	-	(161)	-
<b>EBITDA</b>	<b>2 342</b>	<b>817</b>	<b>7 890</b>	<b>4 676</b>
Depreciation/amortisation	(1 148)	(543)	(2 903)	(1 920)
Impairment of goodwill and intangible assets (note 9)	(18 000)	-	(18 000)	-
<b>Operating profit (EBIT)</b>	<b>(16 806)</b>	<b>274</b>	<b>(13 013)</b>	<b>2 756</b>
Interest and similar income	2	1	14	1
Interest and similar expenses	(1 147)	(622)	(3 805)	(2 493)
Other financial items	698	156	1 884	374
Earn out revaluation (note 9)	(2 932)	-	(2 932)	-
<b>Profit/(loss) from financial items</b>	<b>(3 379)</b>	<b>(465)</b>	<b>(4 839)</b>	<b>(2 118)</b>
<b>Profit/(loss) before tax</b>	<b>(20 185)</b>	<b>(191)</b>	<b>(17 852)</b>	<b>638</b>
Tax on profit for the period	(80)	(165)	(569)	81
<b>Profit/(loss) for the period</b>	<b>(20 265)</b>	<b>(356)</b>	<b>(18 421)</b>	<b>719</b>
<b>Earnings per share (EUR)</b>	<b>(0.150)</b>	<b>(0.003)</b>	<b>(0.141)</b>	<b>0.006</b>
<b>Earnings per share after dilution (EUR)</b>	<b>(0.150)</b>	<b>(0.003)</b>	<b>(0.141)</b>	<b>0.006</b>
<b>Other comprehensive income, income and expenses recognised directly in equity</b>				
Exchange differences on translation of foreign operations	(51)	12	(97)	21
<b>Other comprehensive income for the period</b>	<b>(51)</b>	<b>12</b>	<b>(97)</b>	<b>21</b>
<b>Total comprehensive income for the period</b>	<b>(20 316)</b>	<b>(344)</b>	<b>(18 518)</b>	<b>740</b>

# Consolidated Statement of Financial Position

Amounts in kEUR	31/12/2022	31/12/2021
<b>Assets</b>		
<b>Non-current assets</b>		
Goodwill	41 324	51 080
Other intangible assets	28 885	17 668
Right-of-use assets	652	62
Property, plant and equipment	194	135
Investment in associate	1	1
Other non-current receivables	84	95
Deferred tax assets	229	293
<b>Total non-current assets</b>	<b>71 369</b>	<b>69 334</b>
<b>Current assets</b>		
Trade receivables	3 219	1 716
Other receivables	375	685
Tax receivable	205	-
Prepayments and accrued income	2 293	2 303
Cash and cash equivalents	2 416	2 202
<b>Total current assets</b>	<b>8 508</b>	<b>6 906</b>
<b>Total assets</b>	<b>79 877</b>	<b>76 240</b>
<b>Equity and liabilities</b>		
<b>Equity</b> (note 5)	<b>24 319</b>	<b>41 947</b>
<b>Non-current liabilities</b>		
Loans and borrowings (note 6)	18 912	-
Deferred tax liabilities	4 017	1 531
Liabilities to Shareholder	378	-
Other liabilities	21 401	9 460
Lease liabilities	433	-
<b>Total non-current liabilities</b>	<b>45 141</b>	<b>10 991</b>
<b>Current liabilities</b>		
Loans and borrowings (note 6)	-	19 247
Liabilities to Shareholder	-	394
Trade Payables	151	942
Tax liabilities	944	299
Other liabilities	6 623	590
Lease liabilities	205	62
Accruals and deferred income	2 494	1 768
<b>Total current liabilities</b>	<b>10 417</b>	<b>23 302</b>
<b>Total equity and liabilities</b>	<b>79 877</b>	<b>76 240</b>

## Consolidated Statement of Changes in Equity

Amounts in kEUR	Share capital	Other paid-in capital	Reserves	Retained earnings, incl. period's earnings	Total equity
<b>Opening equity, 1 Jan 2021</b>	<b>2 883</b>	<b>20 590</b>	<b>2 664</b>	<b>10 285</b>	<b>36 422</b>
New issue of own shares	397	-	-	-	397
New issue of own shares as consideration for acquisitions	-	4 333	-	-	4 333
Share issue costs	-	(32)	-	-	(32)
Share-based payments	-	90	-	-	90
Comprehensive income for the period	-	-	19	718	737
<b>Closing equity, 31 Dec 2021</b>	<b>3 280</b>	<b>24 981</b>	<b>2 683</b>	<b>11 003</b>	<b>41 947</b>
<b>Opening equity, 1 Jan 2022</b>	<b>3 280</b>	<b>24 981</b>	<b>2 683</b>	<b>11 003</b>	<b>41 947</b>
Share-based payments	-	27	-	-	27
Dividends paid	-	-	-	(196)	(196)
Comprehensive income for the period	-	-	16	1 184	1 200
<b>Closing equity, 31 Mar 2022</b>	<b>3 280</b>	<b>25 008</b>	<b>2 699</b>	<b>11 991</b>	<b>42 978</b>
<b>Opening equity, 1 Apr 2022</b>	<b>3 280</b>	<b>25 008</b>	<b>2 699</b>	<b>11 991</b>	<b>42 978</b>
Share-based payments	-	27	-	-	27
Comprehensive income for the period	-	-	(32)	1 248	1 216
<b>Closing equity, 30 Jun 2022</b>	<b>3 280</b>	<b>25 035</b>	<b>2 667</b>	<b>13 239</b>	<b>44 221</b>
<b>Opening equity, 1 Jul 2022</b>	<b>3 280</b>	<b>25 035</b>	<b>2 667</b>	<b>13 239</b>	<b>44 221</b>
Share-based payments	-	27	-	-	27
Dividends paid	-	-	-	(147)	(147)
Comprehensive income for the period	-	-	(30)	(589)	(619)
<b>Closing equity, 30 Sep 2022</b>	<b>3 280</b>	<b>25 062</b>	<b>2 637</b>	<b>12 503</b>	<b>43 482</b>
<b>Opening equity, 1 Oct 2022</b>	<b>3 280</b>	<b>25 062</b>	<b>2 637</b>	<b>12 503</b>	<b>43 482</b>
Issue of ordinary shares as a consideration for acquisitions (note 10)	170	986	-	-	1 156
Share-based payments	-	(3)	-	-	(3)
Comprehensive income for the period	-	-	(51)	(20 265)	(20 316)
<b>Closing equity, 31 Dec 2022</b>	<b>3 450</b>	<b>26 045</b>	<b>2 586</b>	<b>(7 762)</b>	<b>24 319</b>

## Consolidated Cash Flow Statement

Amounts in kEUR	01/10/2022 31/12/2022	01/10/2021 31/12/2021	01/01/2022 31/12/2022	01/01/2021 31/12/2021
<b>Operating activities</b>				
Profit/(loss) before tax	(20 185)	(191)	(17 852)	638
<b>Adjustments for non-cash items not included in operating activities</b>				
Depreciation and amortisation of assets	1 148	543	2 903	1 920
Impairment of intangible assets	18 000	-	18 000	-
Exchange gains/(losses) on financial receivables and liabilities	(750)	(163)	(1 981)	(375)
Costs for share-based programmes	(3)	26	77	90
(Gain)/loss on sale of other assets	-	(75)	(446)	(175)
Provisions for restructuring	98	-	98	90
Earn out revaluation (note 9)	2 932	-	2 932	-
Interest and similar expenses	1 147	622	3 805	2 493
Interest and similar income	(2)	(1)	(14)	(1)
Tax paid	(303)	(140)	(514)	(1 092)
<b>Cash flow from changes in working capital</b>				
Increase (-)/Decrease (+) in operating receivables	(916)	500	(1 400)	(468)
Increase (+)/Decrease (-) in operating liabilities	372	(479)	(12)	161
<b>Cash flow from operating activities</b>	<b>1 538</b>	<b>642</b>	<b>5 596</b>	<b>3 281</b>
<b>Investing activities</b>				
Acquisition of shares in Group companies, net of cash acquired	-	(195)	(2 336)	(3 860)
Acquisition of property, plant and equipment	(22)	(27)	(173)	(57)
Acquisition of intangible assets	(655)	(868)	(2 313)	(2 339)
Sale of other assets	282	389	1 583	992
<b>Cash flow from investing activities</b>	<b>(395)</b>	<b>(701)</b>	<b>(3 239)</b>	<b>(5 264)</b>
<b>Financing activities</b>				
Proceeds from issue of bond	35	-	12 127	-
Issue expenses	-	-	(751)	(32)
Repayment of borrowings	-	(571)	(11 443)	(2 309)
Dividends paid	-	-	(343)	-
Interest paid	(578)	(368)	(1 351)	(1 552)
Interest received	-	-	9	-
Repayment of lease liabilities	(58)	-	(508)	-
<b>Cash flow from financing activities</b>	<b>(601)</b>	<b>(939)</b>	<b>(2 260)</b>	<b>(3 893)</b>
<b>Cash flow for period</b>	<b>542</b>	<b>(998)</b>	<b>97</b>	<b>(5 876)</b>
Cash & cash equivalents at beginning of period	1 798	3 216	2 202	8 114
Exchange differences	(7)	(27)	28	(89)
Reclassification to cash & cash equivalents from other current financial assets	83	11	89	53
<b>Cash &amp; cash equivalents at end of period</b>	<b>2 416</b>	<b>2 202</b>	<b>2 416</b>	<b>2 202</b>

## Income Statement – Parent Company

Amounts in kEUR	01/10/2022 31/12/2022	01/10/2021 31/12/2021	01/01/2022 31/12/2022	01/01/2021 31/12/2021
Revenue	-	16	36	64
<b>Total Revenue</b>	<b>-</b>	<b>16</b>	<b>36</b>	<b>64</b>
<b>Operating expenses</b>				
Other external expenses	(133)	(125)	(404)	(780)
Personnel expenses	(29)	(6)	(118)	(20)
Other operating expenses	(52)	-	(36)	-
Other operating income	-	2	-	3
<b>EBITDA</b>	<b>(214)</b>	<b>(113)</b>	<b>(522)</b>	<b>(733)</b>
Impairment on investment in subsidiaries	(18 000)	-	(18 000)	-
<b>Operating profit/(loss)</b>	<b>(18 214)</b>	<b>(113)</b>	<b>(18 522)</b>	<b>(733)</b>
Profit from investments in Group companies	675	910	3 337	3 550
Interest and similar expenses	(1 134)	(602)	(3 734)	(2 415)
Other financial items	698	155	1 884	382
Earn out revaluation	(2 932)	-	(2 932)	-
<b>Profit/(loss) after financial items</b>	<b>(20 907)</b>	<b>350</b>	<b>(19 967)</b>	<b>784</b>
Tax on profit for the period	205	212	205	212
<b>Profit/(loss) for the period</b>	<b>(20 702)</b>	<b>562</b>	<b>(19 762)</b>	<b>996</b>

## Balance Sheet – Parent Company

Amounts in kEUR	31/12/2022	31/12/2021
<b>Assets</b>		
Total non-current assets	52 714	52 730
Total current assets	1 396	1 225
<b>Total assets</b>	<b>54 110</b>	<b>53 955</b>
<b>Equity and liabilities</b>		
Equity	5 758	24 287
Total non-current liabilities	40 312	9 460
Total current liabilities	8 040	20 208
<b>Total equity and liabilities</b>	<b>54 110</b>	<b>53 955</b>

# Notes to the Group's interim report

## 1. Accounting policies

This interim report has been prepared in accordance with IAS 34. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, IFRS. For detailed information about the Group's accounting policies, see the notes section of the Company's Annual Report 2021 (particularly pages 43-48).

### Fair value of financial instruments

When determining the fair value of an asset or liability, the Group uses observable data as far as possible in accordance with IFRS 13. Fair value measurement is based on the fair value hierarchy, which categorises inputs into different levels. For further detailed information, refer to page 47 of the 2021 annual report.

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 of SEK 225 million which amounts to SEK 217 million (EUR 19 521 thousand based on 31 December 2022 closing rate) when issued at 95% of par. The bond is measured at amortised cost and is categorised in level 2 of the fair value hierarchy, 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 2022, 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 2022 or 2021.

## Critical Accounting Estimates

In Q4 2022, management continued to conduct impairment testing of the Company's goodwill and intangibles, broken down into four major separate CGUs. Management continually assesses the group's strategy in light of the changing environment and, as a result, projected future earnings are regularly reviewed. An impairment charge of EUR 18 million was recognised during Q4 2022. The impairment is fully emanating from the iGaming SEO Affiliation CGU, impacted mainly by the Highlight Media assets acquired in 2016. The recoverable amount is sensitive to reasonable growth assumptions and deviations from the growth plan could result in additional impairment. All other CGUs are performing well and have a healthy headroom.

During the past three years, the Group has executed three acquisitions each including a contingent liability payable in the future based on performance. As at 31 December 2022, the total amount of current and non-current liabilities in relation to these contingent liabilities amounted to EUR 24 882 thousand, payable partly in cash and partly in shares. Management assesses the carrying amount of these contingent liabilities based on the latest available information. These carrying amounts are sensitive to fluctuations in performance and the respective carrying amounts are adjusted accordingly.

## 2. Organic revenue growth

Acroud will continuously invest in the core business and new internal growth initiatives to ensure strong and sustainable organic growth. 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 - bridge Q4 2022

Amounts in kEUR

	01/10/2022 31/12/2022 Growth, %	01/10/2022 31/12/2022 Absolute Figures	01/10/2021 31/12/2021 Absolute Figures	Deviation Absolute Figures
<b>Total Growth, EUR</b>	<b>53.2%</b>	<b>10 019</b>	<b>6 540</b>	<b>3 479</b>
Adjustment for acquired and divested/discontinued operations	(55.4%)	(3 654)	(34)	(3 620)
<b>Total Growth in EUR, excluding acquired and divested/discontinued operations</b>	<b>(2.2%)</b>	<b>6 365</b>	<b>6 506</b>	<b>(141)</b>
Adjustment for constant currency	(1.1%)	-	75	(75)
<b>Total organic revenue growth</b>	<b>(3.3%)</b>	<b>6 365</b>	<b>6 581</b>	<b>(216)</b>

### Organic revenue growth - bridge Q4 2021

Amounts in kEUR

	01/10/2021 31/12/2021 Growth, %	01/10/2021 31/12/2021 Absolute Figures	01/10/2020 31/12/2020 Absolute Figures	Deviation Absolute Figures
<b>Total Growth, EUR</b>	<b>161.9%</b>	<b>6 540</b>	<b>2 497</b>	<b>4 043</b>
Adjustment for acquired and divested/discontinued operations	(171.5%)	(4 283)	-	(4 283)
<b>Total Growth in EUR, excluding acquired and divested/discontinued operations</b>	<b>(9.6%)</b>	<b>2 257</b>	<b>2 497</b>	<b>(240)</b>
Adjustment for constant currency	(1.5%)	-	43	(43)
<b>Total organic revenue growth</b>	<b>(11.1%)</b>	<b>2 257</b>	<b>2 540</b>	<b>(283)</b>

### 3. Revenue

The Group's revenue for Q4 2022 and 2021 was distributed as follows:

Amounts in kEUR	01/10/2022 31/12/2022	01/10/2021 31/12/2021	01/01/2022 31/12/2022	01/01/2021 31/12/2021
<i>Revenue by vertical within iGaming Affiliate Segment</i>				
Casino	1 122	1 482	5 826	6 208
Poker	799	639	3 424	2 721
Sports Betting	4 335	544	6 126	2 084
Other affiliation verticals	84	35	160	177
<b>Total revenue in iGaming Affiliate Segment</b>	<b>6 340</b>	<b>2 700</b>	<b>15 536</b>	<b>11 190</b>
<i>Revenue by vertical within SaaS</i>				
Network model	3 389	3 608	14 253	12 751
Subscription model	290	232	1 116	826
<b>Total revenue in SaaS</b>	<b>3 679</b>	<b>3 840</b>	<b>15 369</b>	<b>13 577</b>
<b>Total Group revenue</b>	<b>10 019</b>	<b>6 540</b>	<b>30 905</b>	<b>24 767</b>

Revenue attributable to Sweden in Q4 2022 amounted to 6% (8%). The corresponding amount for the full year 2022 was 7% (6%).

### 4. Segment reporting

Management has determined the operating segments based on the reports reviewed by the Chief Executive Officer that are used to make strategic decisions. The Chief Executive Officer is also determined to be the Chief Operating Decision Maker (CODM) as defined in IFRS 8.

The Group's operations are segregated primarily into two segments, namely iGaming Affiliation and SaaS. The following summary describes the operations in each of the Group's reportable segments:

- iGaming Affiliation segment comprises Acroud AB's underlying affiliate business containing Casino, Poker and Betting verticals. Through this segment, Acroud delivers high quality content, search engine optimisation, paid media strategies and cutting-edge technology improvements to its affiliate assets which are used to generate valuable traffic and new depositing customers to our partners.
- SaaS segment comprises Software as a Service (SaaS). Through SaaS, the Group provides a software solution enabling clients to better analyse and monetise their traffic sources. Acroud AB is also providing media creators (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 affiliation activities.

The Chief Executive Officer primarily uses a measure of adjusted earnings before interest, tax, depreciation, and amortisation (EBITDA) to assess the performance of the operating segments. However, they also receive information about the segment's revenue and assets on a monthly basis. Interest and similar income and expenses and other financial assets are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group. There were no intersegmental revenues during the year.

The amounts provided to the Chief Executive Officer with respect to total assets are measured in a manner consistent with that of the financial statements. Segment assets consist primarily of Goodwill, Other intangibles assets, Right-of-use Assets, Property, plant and equipment, other non-current receivables, trade and other receivables and cash and cash equivalents. Income tax is not considered to be a segment asset but is managed by the treasury function.

The amounts provided to the Chief Executive Officer with respect to total liabilities are measured in a manner consistent with that of the financial statements. Segment liabilities consist primarily of trade and other payables and lease liabilities. The Group's Income taxes and interest-bearing liabilities are not considered to be segment liabilities but are managed by the treasury function.

Certain assets and liabilities relating to the parent entity of the Group, Acroud AB, are deemed to be managed by the group treasury function and are therefore classified under the unallocated category. Information to prepare segment reporting on a geographical basis is not available and the costs to develop such information in time for inclusion in the report is deemed excessive.

Amounts in kEUR					Oct - Dec 2022					Oct - Dec 2021				
	iGaming Affiliation	SaaS	Unallocated	Total		iGaming Affiliation	SaaS	Unallocated	Total		iGaming Affiliation	SaaS	Unallocated	Total
Revenue	6 340	3 679	-	10 019		2 700	3 840	-	6 540		2 700	3 840	-	6 540
Other external expenses	(3 504)	(2 991)	(104)	(6 599)		(1 600)	(3 308)	(73)	(4 981)		(1 600)	(3 308)	(73)	(4 981)
Personnel expenses	(609)	(263)	(132)	(1 004)		(673)	(289)	(153)	(1 115)		(673)	(289)	(153)	(1 115)
Other operating income /(costs)	(18)	(5)	(51)	(74)		368	4	1	373		368	4	1	373
EBITDA	2 209	420	(287)	2 342		795	247	(225)	817		795	247	(225)	817
Depreciation/Amortisation	(995)	(153)	-	(1 148)		(399)	(144)	-	(543)		(399)	(144)	-	(543)
Impairment of goodwill and intangible assets	(18 000)	-	-	(18 000)		-	-	-	-		-	-	-	-
EBIT	(16 786)	267	(287)	(16 806)		396	103	(225)	274		396	103	(225)	274
Interest and similar income	-	-	2	2		-	-	1	1		-	-	1	1
Interest and similar expenses	(393)	(328)	(426)	(1 147)		-	-	(622)	(622)		-	-	(622)	(622)
Other financial assets	297	-	401	698		-	-	156	156		-	-	156	156
Earn out revaluation	(599)	(2 333)	-	(2 932)		-	-	-	-		-	-	-	-
Profit/(loss) before tax	(17 481)	(2 394)	(310)	(20 185)		396	103	(690)	(191)		396	103	(690)	(191)
Tax on profit for the period	-	-	(80)	(80)		-	-	(165)	(165)		-	-	(165)	(165)
Profit/(loss) for the period	(17 481)	(2 394)	(390)	(20 265)		396	103	(855)	(356)		396	103	(855)	(356)
Material non-cash items														
Net foreign exchange gain/(loss)	297	-	401	698		-	-	155	155		-	-	155	155
Assets and liabilities														
Segment Assets	65 923	12 866	-	78 789		62 208	12 927	-	75 135		62 208	12 927	-	75 135
Unallocated Assets	-	-	1 088	1 088		-	-	1 105	1 105		-	-	1 105	1 105
Total assets	65 923	12 866	1 088	79 877		62 208	12 927	1 105	76 240		62 208	12 927	1 105	76 240
Segment Liabilities	(20 434)	(10 168)	-	(30 602)		(4 977)	(7 627)	-	(12 604)		(4 977)	(7 627)	-	(12 604)
Unallocated Liabilities	-	-	(24 956)	(24 956)		-	-	(21 689)	(21 689)		-	-	(21 689)	(21 689)
Total Liabilities	(20 434)	(10 168)	(24 956)	(55 558)		(4 977)	(7 627)	(21 689)	(34 293)		(4 977)	(7 627)	(21 689)	(34 293)

Amounts in kEUR					Jan - Dec 2022					Jan - Dec 2021				
	iGaming Affiliation	SaaS	Unallocated	Total		iGaming Affiliation	SaaS	Unallocated	Total		iGaming Affiliation	SaaS	Unallocated	Total
Revenue	15 536	15 369	-	30 905		11 190	13 577	-	24 767					
Other external expenses	(7 876)	(12 320)	(295)	(20 491)		(4 831)	(11 459)	(647)	(16 937)					
Personnel expenses	(2 093)	(1 040)	(542)	(3 675)		(2 829)	(1 096)	(533)	(4 458)					
Other operating income /(costs)	1 188	(1)	(36)	1 151		1 219	82	3	1 304					
EBITDA	6 755	2 008	(873)	7 890		4 749	1 104	(1 177)	4 676					
Depreciation/Amortisation	(2 318)	(585)	-	(2 903)		(1 364)	(556)	-	(1 920)					
Impairment of goodwill and intangible assets	(18 000)	-	-	(18 000)		-	-	-	-					
EBIT	(13 563)	1 423	(873)	(13 013)		3 385	548	(1 177)	2 756					
Interest and similar income	-	-	14	14		-	-	1	1					
Interest and similar expenses	(393)	(328)	(3 084)	(3 805)		-	-	(2 493)	(2 493)					
Other financial assets	297-	-	1 587	1 884		-	-	374	374					
Earn out revaluation	(599)	(2 333)	-	(2 932)		-	-	-	-					
Profit/(loss) before tax	(14 258)	(1 238)	(2 356)	(17 852)		3 385	548	(3 295)	638					
Tax on profit for the period	-	-	(569)	(569)		-	-	81	81					
Profit/(loss) for the period	(14 258)	(1 238)	(2 925)	(18 421)		3 385	548	(3 214)	719					
Material non-cash items														
Net foreign exchange gain/(loss)	297	-	1 587	1 884		(9)	-	382	373					
Assets and liabilities														
Segment Assets	65 923	12 866	-	78 789		62 208	12 927	-	75 135					
Unallocated Assets	-	-	1 088	1 088		-	-	1 105	1 105					
Total assets	65 923	12 866	1 088	79 877		62 208	12 927	1 105	76 240					
Segment Liabilities	(20 434)	(10 168)	-	(30 602)		(4 977)	(7 627)	-	(12 604)					
Unallocated Liabilities	-	-	(24 956)	(24 956)		-	-	(21 689)	(21 689)					
Total Liabilities	(20 434)	(10 168)	(24 956)	(55 558)		(4 977)	(7 627)	(21 689)	(34 293)					

## 5. Share-based payments

Following a resolution during an Extraordinary General Meeting on 1 March 2021, an employee stock option program consisting of 5,600,000 employee stock options has been established for key personnel, management and senior executives in the Company and its subsidiaries. The employee stock options were issued free of charge. Each employee stock option entails a right to acquire one (1) new share in the Company during the period from 15 March 2024 to 12 April 2024.

The fair value on the grant date was calculated using the Black-Scholes valuation model. This method takes into account subscription price, share price on the grant date, term of the warrant, expected share price volatility, expected dividend yield and risk-free interest over the term of the warrant. The applied data in the Black-Scholes method was:

Subscription price:	SEK 3.25, corresponding to 120% of Acroud's volume-weighted average price for a share in the company according to Nasdaq First North Premier Growth Market official price list during the period from February 22, 2021 to March 5, 2021.
Grant date:	19 March 2021
Expiration date:	12 April 2024
Share price on the grant date:	SEK 2.70
Expected volatility in the Company's share price:	45%
Expected dividend yield:	No dividends are expected to be paid during the time up to the program's expiration date.
Risk-free interest rate:	-0.19%

The total recognised cost associated with the above share-based programme, which is settled with equity instruments, is EUR 77 thousand for 2022.

## 6. Loans and Borrowings

Borrowings consist of a bond loan amounting to SEK 225 (200) million which amounts to SEK 217 million when issued at 95% of par.

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

Amounts in kEUR	31/12/2022	31/12/2021
<b>Corporate bond</b>		
Nominal amount (2022 issued at 95% of par)	19 521	19 487
Prepaid transaction costs	(609)	(240)
<b>Carrying amount</b>	<b>18 912</b>	<b>19 247</b>

During the second quarter of 2022, Acroud has successfully placed SEK 225 million of senior secured floating rate bonds to investors in the Nordic and continental Europe. The settlement of the new bond took place on 5 July 2022. With this financing in place, Acroud is now able to keep delivering its strategic agenda and is very positive about its future.

On 18 July 2022, Acroud has redeemed its existing bonds of SEK 300 million at a redemption price of 103%. The redemption amount was paid to each person who was registered as an owner of Existing Bonds in the debt register maintained by Euroclear Sweden at the end of business day on 11 July 2022.

### 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.

## 7. Related-party transactions

There were no related party transactions that significantly affected the Company's earnings and financial position during the period. For information on related-party transactions, see note 28 of the 2021 annual report.

## 8. 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.

Amounts in kEUR	Group		Parent Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
<b>Net assets/Shares in subsidiaries pledged as collateral for bonds</b>	<b>52 514</b>	<b>49 611</b>	<b>33 637</b>	<b>31 581</b>

To provide collateral for borrowings related to the acquisition of the subsidiary HLM Malta Limited, the Parent Company has pledged shares in specific subsidiaries. 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.

## 9. 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 2021 were affected by non-recurring transformative costs in connection with acquisition processes attributable to financing activities, restructuring and currency effects.

Q1 2022 was affected by the non-recurring income of EUR 467 thousand attributable to the sale of finance affiliation assets and favourable currency effects of EUR 166 thousand attributable to financing activities. Q2 2022 was affected by favourable currency effects of EUR 660 thousand attributable to financing activities. Q3 2022 was affected by the one-off expense of EUR 709 thousand relating to the bond redemption, the amortised bond redemption fee and discount and favourable currency effects of EUR 308 thousand. Q4 2022 was effected by EUR 150 thousand attributable to termination benefits in line with the new strategy and costs incurred in acquiring Acroud Media Ltd, EUR 253 of amortised bond redemption fee and discount and favourable currency effects, EUR 18 000 one off impairment charge of the Highlight Media business and EUR 2 932 one off charge to reflect the estimated earnouts relating to Power Media Group and The Gambling Cabin.

Amounts in kEUR	01/10/2022 - 31/12/2022			01/10/2021 - 31/12/2021			01/01/2022 - 31/12/2022			01/01/2021 - 31/12/2021		
	Reported income statement	Items affecting comparability	Adjusted for items affecting comparability	Reported income statement	Items affecting comparability	Adjusted for items affecting comparability	Reported income statement	Items affecting comparability	Adjusted for items affecting comparability	Reported income statement	Items affecting comparability	Adjusted for items affecting comparability
Other external expenses	(6 599)	88	(6 511)	(4 981)	88	(4 893)	(20 491)	88	(20 403)	(16 937)	379	(16 558)
Personnel expenses	(1 004)	62	(942)	(1 115)	157	(958)	(3 675)	62	(3 613)	(4 458)	340	(4 118)
Other operating income	10	-	10	68	-	68	476	(467)	9	179	-	179
<b>EBITDA</b>	<b>2 342</b>	<b>150</b>	<b>2 492</b>	<b>817</b>	<b>245</b>	<b>1 062</b>	<b>7 890</b>	<b>(317)</b>	<b>7 573</b>	<b>4 676</b>	<b>719</b>	<b>5 395</b>
Depreciation/amortisation and impairment	(19 148)	18 000	(1 148)	(543)	-	(543)	(20 903)	18 000	(2 903)	(1 920)	-	(1 920)
<b>Operating profit (EBIT)</b>	<b>(16 806)</b>	<b>18 150</b>	<b>1 344</b>	<b>274</b>	<b>245</b>	<b>519</b>	<b>(13 013)</b>	<b>17 683</b>	<b>4 670</b>	<b>2 756</b>	<b>719</b>	<b>3 475</b>
Interest and similar expenses	(1 147)	128	(1 019)	(622)	-	(622)	(3 805)	837	(2 968)	(2 493)	-	(2 493)
Other financial items	698	(381)	317	156	(153)	3	1 884	(1 515)	369	374	(374)	-
Earn out revaluation	(2 932)	2 932	-	-	-	-	(2 932)	2 932	-	-	-	-
<b>Net profit before tax</b>	<b>(20 185)</b>	<b>20 829</b>	<b>644</b>	<b>(191)</b>	<b>92</b>	<b>(99)</b>	<b>(17 852)</b>	<b>19 937</b>	<b>2 085</b>	<b>638</b>	<b>345</b>	<b>983</b>
<b>Net profit</b>	<b>(20 265)</b>	<b>20 829</b>	<b>564</b>	<b>(356)</b>	<b>92</b>	<b>(264)</b>	<b>(18 421)</b>	<b>19 937</b>	<b>1 516</b>	<b>719</b>	<b>345</b>	<b>1 064</b>

## 10. Acquisitions : Acroud Media Ltd

On 13 October 2022, Acroud acquired 60% of the shares in Acroud Media Ltd for a purchase consideration of GBP 5.1 million. The acquisition comprises of affiliation assets and technology within the iGaming Market and has contributed EUR 3 654 thousand in revenues and EUR 1 456 thousand in EBITDA in Q4-2022 since date of acquisition.

The consideration for 60 percent of the shares in the Target Company on a cash- and debt- free basis amounts to GBP 5.1 million and is payable as follows:

- GBP 3.0 million at closing, paid GBP 2.0 million in cash (set-off via the temporary loan advanced in Q3 2022) and GBP 1 million in Acroud shares, based on the Volume Weighted Average Price on Nasdaq First North Growth Market for the 20 consecutive trading days preceding the announcement (excluding today's trading), converted to GBP using the exchange rate as determined by Riksbanken on the date 5 business days prior to the date on which consideration shares are issued. 100 percent of the Consideration Shares will be subject to a two year lock-up from today's date.;
- GBP 2.1 million in cash over a period of 18 months;
- No additional consideration is payable.

The purchase will see the Company investing GBP 1 million in shares and GBP4.1 million in cash, payable over the course of 18 months. The cash payment is expected to be financed via Acroud's existing cash and future operational cash inflow. Acroud also has a combination of call and put options to acquire the remaining 40% of the business in 2027. The call option is based on financial performance for 12 months ending 30 September 2027 with an EBITDA multiple of 5.5x. If the call option is exercised, the acquisition will be settled in cash from existing reserves (40%) and via own shares (60%). Management has determined that the combined call and put options should be accounted for in the same way as contingent consideration and has accordingly accounted for 100% of the subsidiary.

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

Purchase Consideration	GBP '000 000	EUR '000 000
Cash Settlement	4.1	4.8
Share issue and allotment	1.0	1.2
Contingent consideration (GBP 13 933 thousand , discounted at present value)	10.4	12.0
<b>Total purchase consideration</b>	<b>15.5</b>	<b>18.0</b>
Customer relationships	(13.3)	(15.5)
Deferred tax liability	2.5	2.9
Net liabilities on subsidiary balance-sheet	0.4	0.5
<b>Goodwill</b>	<b>5.1</b>	<b>5.9</b>

The valuation technique used for measuring the fair value of the assets acquired (customer relationships) is the 'Multi-period Excess Earnings'. Customer relationships will be amortised over a period of 7 years.

The fair value of the acquired assets and contingent consideration in both transactions has been measured provisionally. 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.

# Key figures and definitions

## Key figures, Group

	01/10/2022 31/12/2022	01/10/2021 31/12/2021	01/01/2022 31/12/2022	01/01/2021 31/12/2021
<b>EBITDA margin</b>	23%	12%	26%	19%
<b>Adjusted EBITDA margin</b>	25%	16%	25%	22%
<b>Operating margin</b>	(168%)	4%	(42%)	11%
<b>Revenue Growth</b>	53%	162%	25%	113%
<b>Organic growth</b>	(3.3%)	(11.1%)	7%	(13%)
<b>Equity ratio</b>	30%	55%	30%	55%
<b>Return on equity</b>	(83%)	(1%)	(44%)	2%
<b>Equity per share (EUR)</b>	0.18	0.32	0.18	0.32
<b>Number of registered shares at end of period</b>	136,370,764	129,659,355	136,370,764	129,659,355
<b>Weighted average number of shares before dilution</b>	135,495,363	129,659,355	131,130,349	127,024,404
<b>Weighted average number of shares after dilution</b>	135,495,363	129,659,355	131,130,349	127,024,404
<b>Earnings per share (after dilution)</b>	(0.150)	(0.003)	(0.141)	0.006
<b>Adjusted earnings per share (after dilution)</b>	0.004	(0.002)	0.012	0.008
<b>Market price per share at end of period (SEK)</b>	1.91	2.33	1.91	2.33
<b>EPS growth (%)</b>	(4900%)	(64%)	(2450%)	(64%)

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.

<b>CPA</b>	Cost Per Acquisition - revenue from up-front payment for each individual paying player that Acroud refers to its partners (usually the iGaming operator).
<b>EBITDA margin</b>	EBITDA in relation to revenue.
<b>Equity per share</b>	Equity divided by the number of shares outstanding.
<b>Geographical distribution of revenue</b>	Revenue per geographic market is distributed based on a combination of revenue generated by operators and the original IP addresses of leads sent to operators.
<b>iGaming Affiliation Segment</b>	Financial information relating to the iGaming affiliate business, which is made up of three major verticals: Casino, Poker and Betting.
<b>SaaS Segment</b>	Financial information relating to the SaaS business line. SaaS financial information relating to periods before acquisition date is based on proforma figures.
<b>Adjusted EBITDA</b>	Reported EBITDA, adjusted for non-recurring items in the form of restructuring costs and Earn out revaluation.
<b>Adjusted profit after tax</b>	Reported profit after tax, adjusted for non-recurring items in the form of restructuring costs, sale of assets, Earn out revaluation, refinancing, impairment and excluding currency effects related to the bond loan valuation.
<b>NDC</b>	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.
<b>Revenue Generating Units (RGUs)</b>	The number of active entities which Acroud provides services to via the SaaS segment. In Matching Visions, RGUs represent the number of active affiliate companies forming part of Acroud's network during the reporting period. In SaaS vertical, RGUs represent the number of active clients to whom subscriptions were sold during the reporting period.
<b>Organic revenue growth</b>	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.
<b>Earnings per share</b>	Profit/loss after tax divided by the average number of shares.
<b>Adjusted earnings per share</b>	Profit/loss after tax, adjusted for non-recurring items in the form of restructuring costs and Earn out revaluation divided by the average number of shares.
<b>Return on equity</b>	Profit/loss after tax divided by average equity.
<b>Operating margin</b>	Operating profit/loss as a percentage of sales.
<b>Equity ratio</b>	Equity as a percentage of total assets.
<b>Debt/equity ratio</b>	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.
<b>EPS growth</b>	Percentage increase in earnings per share (after dilution) between periods.
<b>Revenue share</b>	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 2023	17 May 2023
Interim report April - June 2023	10 August 2023
Interim report July - September 2023	9 November 2023

## Contact

For further information, please contact

Robert Andersson, President and CEO  
Mobile: +356 9999 8017  
E-mail: robert.andersson@acroud.com

Tricia Vella, Interim CFO  
Mobile: +356 7905 7755  
E-mail: tricia.vella@acroud.com

## Contact with investors

The CEO and Interim 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](mailto:info@fnca.se).

From August 2021 (Q2 21 Report) Acroud has changed reporting and company language to English. This means that onwards press releases will only be communicated in English. Interim Reports and the correlated press releases will be issued in both English and Swedish, however the English version will supersede the Swedish version.