2022

ANNUAL REPORT

Solid Foundation for Growth

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Solid Foundation for Growth

– Robert Andersson, CEO

Contents

A diversified Affiliate

Acroud is a fast-moving challenger in the space of iGaming Affiliation and B2B SaaS Solutions.

Along with its core affiliate business, which contains multiple comparison and news sites under strong digital brands in multiple verticals, Acroud develops and offers SaaS (Software as a Service) solutions within the affiliate industry while our media buying vertical constantly finds innovative ways to monetize bought media and new forms of advertising based on data driven information.

Acroud was established in 2003 with a simple idea to make it easier for users to find, compare and choose the right digital services and, in the years since, it has become a top global player in lead generation within the iGaming industry.

Following past successful acquisitions, many talented industry experts have joined Acroud's journey, leading the organization towards a SaaS and data driven Affiliation company.

Fiercely independent and fully integrated, we are a strong team of brilliant minds with offices in Malta, Denmark, United Kingdom and Sweden. Driven by the sustainable growth and profitability of our partners, our mission is to connect People, Content Creators (Youtubers, Streamers, Affiliates) and Businesses.

Acroud has been listed on the Nasdaq First North Premier Growth Market under the ticker symbol ACROUD since June 2018.

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 & affiliation industry

Business segments

Affiliate Segment

Strong digital brands with quality content in traditional verticals.

Search Engine Optimisation (SEO) Affiliation
Acroud operates multiple comparison and news sites under strong digital brands and delivers high-quality content, search engine optimisation and cutting-edge technology to affiliate assets to maintain strong keyword rankings.

Social- and Community-based Affiliation
As demand for influencers increase, Acroud now has a strong community following our trusted team of ambassadors, called The Gambling Cabin. Continuously adapting to consumer behaviour and digital environment trends, Acroud has started referring players to operators via streaming, podcasting and social media platforms.

Media Buying business
As the world is quickly changing, SEO has its limitations as it can take time to reach the desired positions in the search algorithm. Buying media in smart cost effective way, gives us a revenue stream that is not dependent on google algorithms. This is a very fast moving industry, and this is the fastest possible tool to react to it.

SaaS Segment

Industry leading technology, data collection tools and powerful access to better deals.

Within the SaaS (Software as a Service) segment, we develop and provide B2B software solutions to other affiliates and increase their growth and profit with our technology base.

Our software technology gives content creators access to a large client base and campaigns pool that would otherwise be out of their reach.

Our diverse offer

Innovative SEO
Continued development in our SEO strategy is paying off

PPC + Media inhouse
Tier 1, 2 and 3 GEOs at CPA/Hybrid models

Software & Technology

Advertising Networks
Building strong relationships with our partners via large network partnerships

Media House Partnerships
contact us for more info (licensed operators only)

2022 in summary

Q1 2022

• In March 2022 Acroud has divested its finance affiliation assets for USD 575 thousand. The divestment aligns with the Company's strategy to be the preferred digital affiliation partner within the iGaming market. The total consideration of USD 575 thousand represents a multiple of approximately 5.2x annual EBDITA, based on the last twelve months.

Q2 2022

• Acroud has successfully placed SEK 225 million of senior secured floating rate bonds to investors in Europe.

• Acroud communicates revised financial targets with increased focus on organic EBITDA growth.

Q3 2022

• In July 2022 Acroud issued senior secured bonds 2022/2025 in the total amount of SEK 225 million (ISIN SE0017562481). In August 2022, in accordance with the terms and conditions, Acroud bonds were admitted for trading on the corporate bond list at Nasdaq Stockholm, and the first day of trading at Nasdaq Stockholm was on 23 August 2022. On 18 July 2022, Acroud has redeemed early its existing bonds of SEK 300 million.

Q4 2022

• On 13 October 2022, Acroud 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.

Events after the year

• On 10 March 2023, Tricia Vella was appointed as 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 in a big-4 auditing firm for seven years.

2022 in summary

€ 30.9m

Revenue 2022
+25%

€ 7 573k

Adjusted EBITDA 2022
+40%

25%

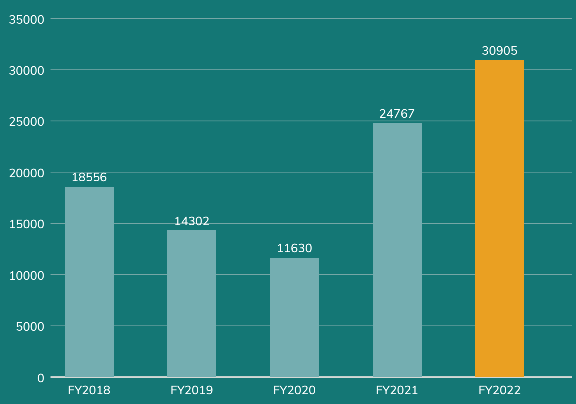
Adjusted EBITDA Margin 2022
+3pp

Key Figures

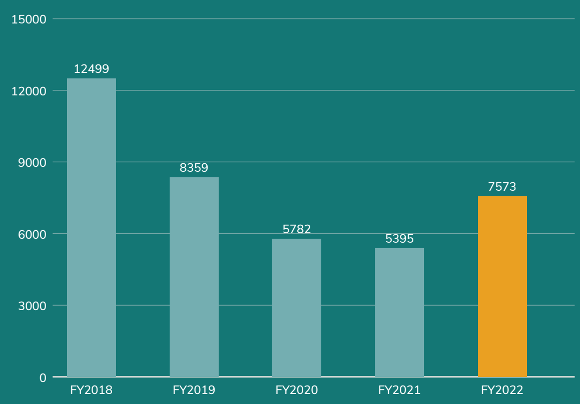
Amounts in kEUR	JAN - DEC 2022	2021	Y/Y%
Revenue	30 905	24 767	25%
Revenue Growth, %	25%	113%	(88pp)
Organic Growth, %	7.0%	(12.6%)	19.6pp
EBITDA	7 890	4 676	69%
EBITDA margin, %	26%	19%	7pp
Adjusted EBITDA	7 573	5 395	40%
Adjusted EBITDA margin, %	25%	22%	3pp
Profit after tax	(18 421)	718	(2662%)
Earnings per share (after dilution)	(0.101)	0.006	(1783%)
Adjusted Profit after tax	1 516	1 063	43%
Adjusted Earnings per share (after dilution)	0.008	0.008	-
Net Debts / Adjusted EBITDA rolling 12 months	2.5	3.2	22%
New Depositing Customers (NDCs)	186 550	133 195	40%

%p = percentage points

Revenue FY 2018 - FY 2022



Adjusted EBITDA FY 2018 - FY 2022



CEO Comments

Solid Foundation for Growth

2022 was undoubtedly a dynamic year with continued transformation along the strategic path that we set out before us. It's almost hard to believe how far we've come and how much we've accomplished within the scope of only twelve months. I am proud with both evident, and sometimes less visible steps taken throughout our organization this year.

Acroud has transformed from a conventional player with comparison sites into a robust iGaming ecosystem offering both Affiliation services and B2B SaaS solutions within the Media and Marketing space. This strategic remodeling has established our new solid structure to create a lower volatility business profile with more stable revenues and higher profitability.

With a leaner and more agile team, the concentrated competence of our collected assets, and cost base we have now in place, I'm excited to see that we have reached the desirable foundation to accelerate revenue growth.

The Media Business Acquisition, the formation of a new Management Team and the restructuring of our SEO Business, backed by refinancing secured earlier this year makes the outlook for 2023 and 2024 exceedingly exciting.

Refinancing Secured

The most significant event during 2022 was refinancing of the Company's bond loan. In a period with very uncertain market conditions, we have successfully placed SEK 225 million of senior secured floating rate bonds to investors in Europe. Proceeds from the transaction have been predominantly used to redeem the Company's outstanding SEK 300 million bonds. Moreover, securing the refinancing gives us momentum to continue to develop Acroud with a focus on profitable organic growth and keep delivering on our strategic agenda.

Another vital milestone - Acroud Media Ltd.

Shortly after the end of Q3 2022, we entered into a purchase agreement to acquire 60% shares in an Affiliation and Media company, Acroud Media Ltd, which comprises affiliation assets and technology within the iGaming market.

Moving forward, the deal will support Acroud's expansion into the Sports Betting space, adding significant recurring sportsbook revenue from some of the world's most prominent Sports Book providers. It will also guarantee the delivery of a high number of NDCs (New Depositing Customers), doubling the Group's NDC intake numbers.

Successful Acquisition Strategy

All businesses acquired since 2020 are performing better than expected. Such transformative acquisitions have not only delivered strong revenue growth but have added to our Group's valuable industry expertise and relationships which drove positive changes in the Group's profitability, operative cashflow and business risks.

Another strength of the acquired businesses is that revenue is not dependent on Searh Engine Optimisation (SEO) and search algorithms' results. Search engines like Google are updated from time to time, impacting sites' performance driven by SEO: sometimes the effect is negligible, sometimes positive, sometimes negative. This is one of the biggest operational risks in SEO affiliation business. These acquisitions have truly transformed Acroud from 100% driven by SEO to a diversified business model including community-based and social media affiliation (The Gambling Cabin), paid media affiliation (Acroud Media) and SaaS Products.

When reflecting on the past few years, I could not be more satisfied with our successful acquisition strategy as well as the subsequent integration into Acroud Group. All entities are performing in line with, or better than our initial expectations.

New Financial Targets

With a leaner business and more diversified risks, the next natural step for Acroud was to set new financial targets.
Acroud's new priorities are sustainable growth, profitability and shareholders' value generated by a robust capital structure.
With such a frame in mind, we forecasted to generate EUR 8 million to EUR 10 million in EBITDA in 2022 with the objective to continue growing EBITDA further organically by on average 20% a year during financial years 2023 - 2025. Operations will be conducted at low financial risk, with a Net Debt to EBITDA ratio below 2.5x.

Future Outlook

The Media business acquisition, the formation of a new management team and the restructuring in the SEO business in the fourth quarter, 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 our ambitious EUR 8 - 10 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.

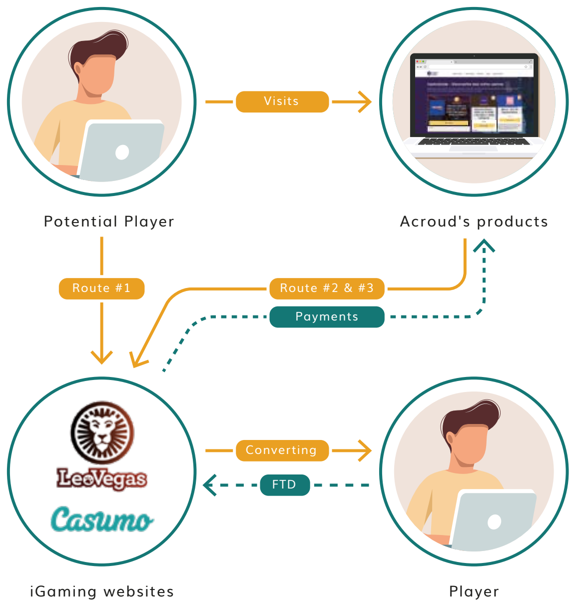
This is just the beginning of a new era. I am determined to push this Group to the next level. We have set out our business goals and plans for 2023 which will guide and push us to continue working towards the two main financial targets set: (i) 20% organic growth in EBITDA and (ii) optimize further our capital structure by lowering our net debt / EBITDA ratio and lowering our gross debt. This positive momentum, which started in the last quarter of 2022, puts us in the right track to deliver our financial targets in 2023 and beyond.

Enjoy The Ride!

Robert Andersson
April 13, 2023

iGaming Affiliation

Acroud is an affiliate Marketing business which focuses on offering products and brands that attract followers and visitors to our partners (iGaming operators). Through usability, functionality and engaging content, we entertain, guide and inspire players to make better choices and, in return, providing our partners with high quality leads. We are dedicated to expand this segment by staying up-to-date with consumer behaviour and digital trends.



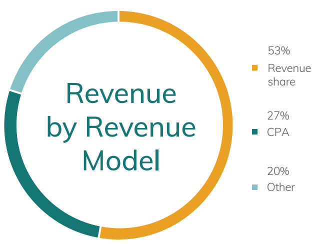
iGaming Affiliation Revenue model
The iGaming Affiliation segment's revenue model is performance-based and works on the basis that a user, i.e. the end consumer, has made a deposit and started playing with one of Acroud's partners – the iGaming Operators. The revenue is based on the type of partnership agreement and it is divided into three main revenue models:

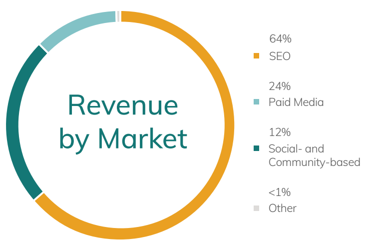
Cost per acquisition (CPA)
One-time fee earned for each player referred

Revenue share
Operators pay a share of revenue generated on each player

Other income
Marketing fees, banner fees and commission partnerships

Building a diversified-risk platform
The Affiliate segment has moved away from being too dependent on traditional SEO websites, to a business with more diversified revenue streams which provides lower risk profile for the Group.





Business Models

The iGaming affiliation is Acroud's underlying core business where the Group generates new leads in three ways:

Search Engine Optimisation (SEO) Affiliation
- Prominent global affiliate partner for online casino, poker and sports betting operators.
- Creates unique content that attracts, informs, and engages visitors through search engine optimisation.
- Provides users with player opportunities to participate through Acroud's portfolio of specialist media websites worldwide.
- Generates qualified leads for its partner platform operators, resulting in value creation for all parties involved.

Social and Community based Affiliation
- The Gambling Cabin have established themselves as the biggest content provider for sports betting in Sweden.
- Focusing on new media, streaming and podcasts within the iGaming industry.
- The brand is focused on rich content, product quality, live streams, podcasts, betting tools, as well as personalized experiences.
- The business model is to provide the community with value, knowledge and entertainment. Such content is produced by experienced personalities who are trusted by a large and loyal follower base and is published across a diversified set of channels (Streams, Podcast, Websites, Social Media).
- 2022 was very successful and crowned with extensive coverage of the World Cup. This business is well established in Sweden and is a premium partner with the largest brands in Sweden.

Media Business
- Lead generation through Paid Media and social media advertising.
- Gives a placement in the market that allows us to be much more agile and react to quicker trends.
- Adapts to new market regulations much quicker than with our other businesses.
- Focuses on Emerging Markets giving the business a greater foothold and allowing for data driven SEO launches.
- Drives growth in new and emerging markets whilst also continuing to drive revenue in the mature markets.

SaaS Segment

Within the software focused arm of our segments, Acroud seeks to provide B2B clients with software solutions that empower their ability to operate within the iGaming space. Through our technology stack, we offer affiliates an industry leading business intelligence tool, a well-rounded network solution as well as comprehensive access to the iGaming market through a unified business solution.

Business Concept

The SaaS segment has only one goal in mind - to make the daily lives of our B2B clients easier by offering industry leading software products. As a testament to this segment's belief in their product portfolio, no client partnering with the Acroud SaaS segment will ever find themselves tied to lengthy and complicated contracts but is instead offered absolute transparency and flexibility to build a software environment that supports their ability to navigate the industry. Throughout the years, the SaaS segment has continuously grown its reach within the iGaming space and is today considered a trusted partner to thousands of industry professionals.

SaaS at its finest

Through our subscription business we provide clients with two essential software tools. Voonix, our flagship business intelligence product, aims to offer iGaming affiliates a complete 360-degree overview of their business. Instead of logging into potentially hundreds of platforms, Voonix clients can overview all their affiliate activity from our easy-to-use software platform, saving them a multitude of man-hours and mitigating the risk of human errors in reporting. They are furthermore offered a range of tools within the software suite that allow them to better track the results of A/B testing, estimate their various campaign values, understand the value of their traffic sources, and ease the workload of their finance department.

The AffHut network software

While the Voonix product is aimed at making the lives of the individual iGaming affiliates easier, our AffHut network solution is targeted towards businesses that wish to operate an iGaming affiliate network. AffHut is one of the only comprehensive network platform solutions, tailormade for iGaming, that is available to the broad market. Through AffHut, clients can seamlessly set up and manage iGaming campaigns for third party clients, while having full control over client accounts, invoicing and payments, campaign material and much more in one seamlessly integrated software solution.

The SaaS segment is continuously being on the forefront of the industry in developing new and innovative tools for its suit of software products, thereby maintaining their market leading position.

Network offering

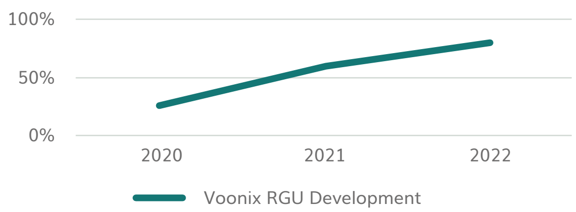
Through our software solutions we offer affiliates the luxury of doing all their business through a single point of entry. Instead of having to go through tens if not hundreds of iGaming operators for deals and content, the affiliate can get everything they need through our network. With just a single login, affiliates can gain instant access to over 200 iGaming campaigns, fully equipped with graphical and textual content and start promoting their favourite operators in a matter of hours. They will also enjoy having a single point of contact for all their campaign needs and they will receive their monthly commission in one easy on-time payment, instead of having to chase payments from a multitude of partners. By partnering up with Matching Visions, the individual affiliate can also benefit from the collective bargaining power that comes with being part of a larger group of affiliates, all working through the same network.

SaaS Subscription Model

SaaS Network Model

Voonix is on a stable growth journey

Revenue Generating Units (RGUs) represent the number of businesses serviced. During the past 3 years, RGUs showed consistent growth in the SaaS subscription model (growth of 20% - 34% annually), guaranteeing revenue growth in SaaS in 2022 and going forward.



On route to bring iGaming campaigns to the mainstream affiliate market

Through our network, we strive to bring iGaming campaigns to conventional affiliate networks. Having unique contacts and negotiation skills, the segment seeks to make campaigns from operators available to affiliate networks that don't have iGaming as their first priority. Since the iGaming industry is notoriously hard to manage from a network perspective, many conventional affiliate networks give up on offering their clients iGaming campaigns. By using Traffic Grid as an intermediary, these networks can obtain partnerships with iGaming operators at competitive prices and with fewer administrative burdens.

Synergies and Growth

Since January 2021, Acroud has repositioned itself from a single business line targeting few markets, to a software-based business model with diversified business risk. Our growth in coming periods are driven through the addition of our Media buying business and the implementation of new initiatives as well as from effective collaboration and synergies between the different business areas. We have also realized that while building a strong team, we allow and encourage our subsidiaries to create their own identity and the way of working which is best suited for them. This distinguishes us from our competitors in the 'One Group' strategy.
We remain a crowd (Acroud) of many great companies.

Growth via new initiatives

iGaming Affiliation

- Keep investing in and improving our SEO techniques

  Media buying business which allows us to be agile and fast in our response to markets and events
- Further expansion of The Gambling Cabin into other strategic markets and verticals
- Partnership with Media Houses

SaaS – Network model

- Growing our reach, organically and through partnerships with other networks
- Growing revenue through additional and better fixed fee deals
- Growing within the streaming niche

SaaS – Subscription Model

- Expanding on product offering to retain existing clients while attracting new ones, especially larger companies
- Creating commercial partnerships with clients

CHINESE WALLS

Total Growth

- Joint efforts in approaching iGaming operators, offering with a wide portfolio of services and a guaranteed delivery of high number of NDCs. Joining forces puts us in a better situation to negotiate and optimise existing and new deals
- The increased traffic volumes within the group creates a substantial statistical foundation which assists the business intelligence teams in the group to make more accurate decisions on which partners to promote in different geographical markets
- Help each other to learn about and onboard new iGaming brands launched on the market
- Utilizing our own software across the company for best in class data collection and Business intelligence

iGaming Affiliation | **SaaS – Network model**

Growth via synergies

Acroud's strategic approach to ESG

Responsible gambling lies at the core of Acroud's operating model

OVERALL STRATEGY

• Acroud strives for continuous improvements with clear goals in order to promote sustainable development.

• To act in an ethically correct manner is top priority at Acroud.

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

REDUCED ENVIRONMENTAL IMPACT

• Although Acroud's environmental impact is limited as an online company, Acroud is committed to act in a climate-smart way.

• Own established "Green-Team" continuously working on developing new environmental-friendly initiatives.

- Minimizing travel
- Effective waste management
- Minimizing plastic
- Tree planting initiative

RESPONSIBLE GAMING

- Determined to ensure responsible gambling
- No operations in prohibited markets
- High standards for business partners

"It is Acroud's ambition to help players become more aware of the risk of gambling addiction"

Responsible gambling at Acroud:

• 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.

• Acroud makes sure it abides by the regulatory requirements in the different jurisdictions: promote licensed operators only, makes sure marketing material published are in line with laws and regulators and obtain any licenses needed to operate (e.g. US).

• Majority of Acroud's brands for customer generation are certified by responsible gaming organisations such as: eCOGRA (eCommerce Online Gaming Regulation and Assurance), IGC (Interactive Gaming Counsel) and NCPG (National Council on Problem Gambling).

Financial Targets

Acroud's financial targets constitute a long-term ambition that the Board and Management consider to be reasonable for the Company. In May 2022, the Board of Acroud has defined the following 2022 financial targets 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. 76 - 95% of the EUR 8 - 10 million target has been reached during the period January to December 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.

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.

Key trends on the global gaming market and our response

Trend	Response
Continued importance of sports betting	Acroud AB has invested significantly in Sports Betting in 2022 through its acquisition of Acroud Media Ltd.
Growing importance of rich content in service offering	Acroud AB continues to invest in search engine optimisation and also in expanding and improving content offerings of its core brands.
Acceleration of the shift from physical retail to online, further supported by the effects of the pandemic	As an online affiliate, Acroud AB will not go through this shift but will benefit from the growth in online sports betting and casino.
Building meaningful strategic partnerships	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.
Regulatory changes in core markets	Acroud AB works with compliant operators in regulated markets. Short term impacts are inevitable during market regulations, but we continue to ensure positive growth trends in regulated markets once a sufficient number of operators are granted licences.
Acceleration of mobile-first focus and capability	Our brands are built on platforms to maximise the experience for mobile users. We will continue investing in technology to ensure that we optimise interactions for mobile users.
Continuation of M&A trends	Acroud AB complements organic growth with acquisitions. In 2021, Acroud AB has acquired PMG Group, an industry leading SaaS providers and TheGambling Cabin, fast growing player in streaming and software solutions. In 2022, Acroud AB has acquired Acroud Media Ltd, an affiliation and Media Company.

The Share

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

Trading Volume and Share Price during 2022

The share 's market value fell by 18 percent during 2022. The highest closing price was SEK 2.62 on 5 January 2022 and the lowest was SEK 1.68 on 7 March 2022. In total, 18 million shares were traded at a total value of approximately SEK 36 million. The average volume for the year was 71,858 shares per trading day.

Share capital

Share capital on 31 December 2022 amounted to EUR 3 450 (EUR 3 280) thousand divided into 136 370 764 (129 659 355) shares. During 2022, the Company has issued 6 711 409 shares in part-settlement of one acquisitions done in October 2022 (Acroud Media). The Company has one class of shares– A shares. Each share entitles the holder to (1) vote at the shareholders' meeting.

Bond

During the second quarter of 2022, Acroud has successfully placed SEK 225 million of senior secured floating rate bonds to investors in Europe. The settlement of the new bond took place on 5 July 2022.

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.

Share Options

In March 2021, 5 600 000 share options were granted to key employees. Share option program will run for three years until March 2024.

Ownership structure

The number of shareholders on 31 December 2022 was 1 781 (1 992), with the 15 largest shareholders owning 88% of the issues share capital as at 31 December 2022.

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%
TOTAL	**136,370,764**	**100.00%**

Risk Management

Like any other business, Acroud´s operations carry different business risks. 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 focus on the most significant risks that the Group faces which include operational, strategic, legal and financial (namely credit, liquidity and market risks) 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.

OPERATIONAL RISK

The risk that revenues or expenses are impacted due to internal or external operational factors.

The affiliate business is dependent on search engines like Google, Bing and Yahoo! which could in the future implement strategies that make it more difficult for Acroud to operate. This may in turn impact the Group's profitability, thus potentially leading to affected assets' valuation being impaired. To mitigate this risk, the Company continuously invests to expand its business in different regulated markets and hence diversify its exposure to different search engines.

During 2022 the Company has executed one major acquisition which has reduced significantly its operational risk. With the acquisition of Acroud Media, the iGaming affiliation business has introduced a new revenue stream i.e. paid media. This strategic move has created a new company with less exposure to SEO reliance. The Company does not have inventory or onerous contracts with suppliers.

LEGAL RISK

Risk arising as a result of changes in laws and regulations in the markets where our customers are operating.

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. Enactment of new regulations or changes to existing regulations in markets where Acroud 's customers operate might affect Acroud's revenues and the underlying assets value. The majority of Acroud's revenues as well as its growth initiatives are derived from regulated markets. Additionally the customer base is sufficiently diverse to mitigate this risk.

CREDIT RISK

Exposure to a possible financial loss if a counter-party (principally debtors and financial institutions) fails to meet its contractual obligations.

Credit risk is regularly monitored by the Finance team, who assesses the credit quality of its customers and makes sure credit risk is well managed and mitigated. Cash and cash equivalents are held with different reputable financial institutions in Sweden, UK, Malta and Denmark.

LIQUIDITY RISK

Risk of difficulties in obtaining funding in time, resulting in the Company's inability to settle obligations when they fall due.

Through rolling liquidity forecasts, the Finance team makes sure that the Company always has sufficient liquidity to meet its liabilities when due. During 2022, the Group has successfully secured its refinancing process by placing SEK 225 million of senior secured floating rate bonds to investors in Europe.

MARKET RISK

Exposure to changes in market prices, such as interest and foreign exchange rates.

The majority of the Group's customers are billed in Euro, with the remaining customers billed in large currencies, mainly US Dollar and British Pound. Most of the costs are in EUR, GBP and USD which create a natural hedge. Other billed currencies include SEK and Bitcoin. Acroud has policies in place so that these currencies are converted to EUR within a short period of time to minimise exchange rate impacts.

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.

Meet the Board of Directors

Henrik Kvick
Chairman of the Board
Chairman since 2012

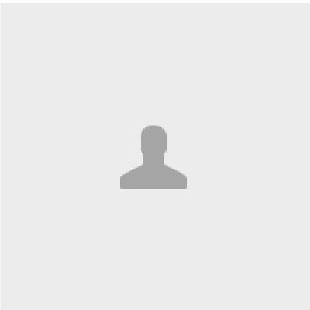
Born: 1977 **Education**: M.Sc. in Industrial Engineering from Linköping University **Other current assignments**: Chairman at Trottholmen AB, Chairman at NetJobs Group AB, Deputy board member at PFK Invest AB **Previous assignments**: Chairman at Speqta AB (publ), Board member at Tradedoubler AB (publ) and Entraction Holding AB(publ), CEO at NetJobs Group AB (publ) **Independent in relation to the company and the company management**: Yes **Independent in relation to the company´s main owners**: No **Holding as at 13 April 2023**: 57 390 981 shares

Kim Mikkelsen
Board member, Chairman of Audit Committee
Board member since 2020

Born: 1968 **Education**: HD Finance, CPH Business School **Other current assignments**: CIO and majority shareholder of Strategic Investments, Board member at Nord Insuretech Group **Previous assignments**: Bikuben Bank, Swiss Bank, Greenwich Capital, SEB, Nordic Asset Management **Independent in relation to the company and the company management**: Yes **Independent in relation to the company´s main owners**: No **Holding as at 13 April 2023**: 24 005 000 shares

Peter Åström
Board member, Chairman of Remuneration Committee
Board member since 2019

Born: 1966 **Education**: Master of Science in Business Administration, Umeå University **Other current assignments**: Own consulting business **Previous assignments**: CEO and Director at Entraction AB, Deputy Director at Kama Net AB, EBC – Executive Board Consulting AB, Nordic Leisure Incentive AB, Score 24 AB, Lifland Gaming AB, Mediarevolution Nu AB, Baltic Gaming AB **Independent in relation to the company and the company management**: Yes **Independent in relation to the company´s main owners**: Yes **Holding as at 13 April 2023**: -



Jonas Strömberg
Board member
Board member since 2021

Born: 1981 **Education**: Master Degree of Science in Business Administration and Economics, Bachelor Degree of Social Science with a Major in Economics, Stockholm University School of Business **Other current assignments**: Investment Manager at Erik Selin Fastigheter AB, Board member at Carlsson & Norén Asset Management och Dignisa **Previous assignments**: – **Independent in relation to the company and the company management**: Yes **Independent in relation to the company´s main owners**: Yes **Holding as at 13 April 2023**: 58 000 privately-owned

Maria Andersson Grimaldi
Board member
Board member since 2021

Born: 1968 **Education**: Graduate Brand and Marketing Economist **Other current assignments**: Executive Business Advisor & Investor, Chairmwomen Fall Damage AB, Director of the board M.O.B.A Network **Previous assignments**: President, CEO Bublar Group (publ), CEO Computer Game Industry **Independent in relation to the company and the company management**: Yes **Independent in relation to the company´s main owners**: Yes **Holding as at 13 April 2023**: -

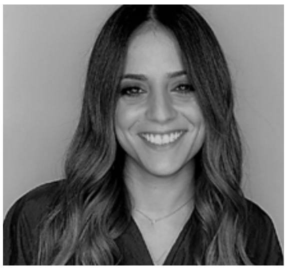
Meet the Executive Management

Robert Andersson
CEO

Number of shares in the company: 1 066 500

Number of stock options: 950 000

Robert Andersson is 45 years of age and has a Computer Science degree 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.



Tricia Vella
CFO

Number of shares in the company: -

Number of stock options: 150 000

Tricia Vella is 33 years old, has 7 years of experience working in a big-4 auditing firm and 3+ years of experience within the iGaming industry, and holds a Bachelor's degree in Accountancy from the University of Malta. She gained knowledge and industry experience over the years working as an Audit Manager in the same big-4 auditing firm. She joined Acroud as the Financial Controller in August 2019 and has since worked her way up within the company. Tricia previously held the position of Head of Finance and was promoted to her current role in March 2023.

Agne Galvelyte
Head of Legal and Compliance

Number of shares in the company: -

Number of stock options: 200 000

Agne Galvelyte is 30 years old and has a double Master's degree in European and International Business law with a focus on AML measures and prevention of BEPS. Joining the iGaming industry five years ago, Agne started her journey with Matching Visions as Head of Legal and Compliance, thereafter joining Acroud at the beginning of 2021 and the Management team of Acroud in early 2022.

Prior to her journey with the iGaming industry, she worked within the commercial law sector for 4+ years.

Morten Marcussen
Managing Director
As a Service Segment

Number of shares in the company: 2 799 278

Number of stock options: -

Morten has 8+ years experience within the Gaming 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 focuses on business development in different areas of Acroud.

Gary Gillies
Managing Director
Affiliation Segment

Number of shares in the company: 11 833 247

Number of stock options: 375 000

Gary Gillies is 42 years old with 10+ years in the iGaming industry and has a master's degree in Security and Intelligence. After several years in the Military, his focus was on building several affiliate businesses from scratch, and has succeeded multiple times in selling his companies to three of the most significant share-listed companies in the Igaming industry. Gary has a management position within the group but is also very hands-on with the latest SEO and Paid media techniques.

Corporate Governance Report 2022

Introduction

Acroud AB (publ) ("Acroud" or the "Company") is listed on Nasdaq First North Premier Growth Market Stockholm. Corporate governance represents a set of systems, principles and processes by which the Company is governed in a diligent and efficient manner and is creating good conditions for active and efficient ownership, while safeguarding the required balance of applicable responsibilities. Acroud is committed to maintaining a high standard of corporate governance in complying with the Swedish Code of Corporate Governance. Acroud's corporate governance 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. This corporate governance report summarises the Group's corporate governance practices that were in place throughout the financial year ended 31 December 2022, in both the Company Acroud AB and the Group.

Principles of corporate governance

Acroud applies statutory, regulatory rules and the Code. Acroud additionally applies good practices and aims to apply the Code even in more meticulous and comprehensive manner than it is established by the current regulators. 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

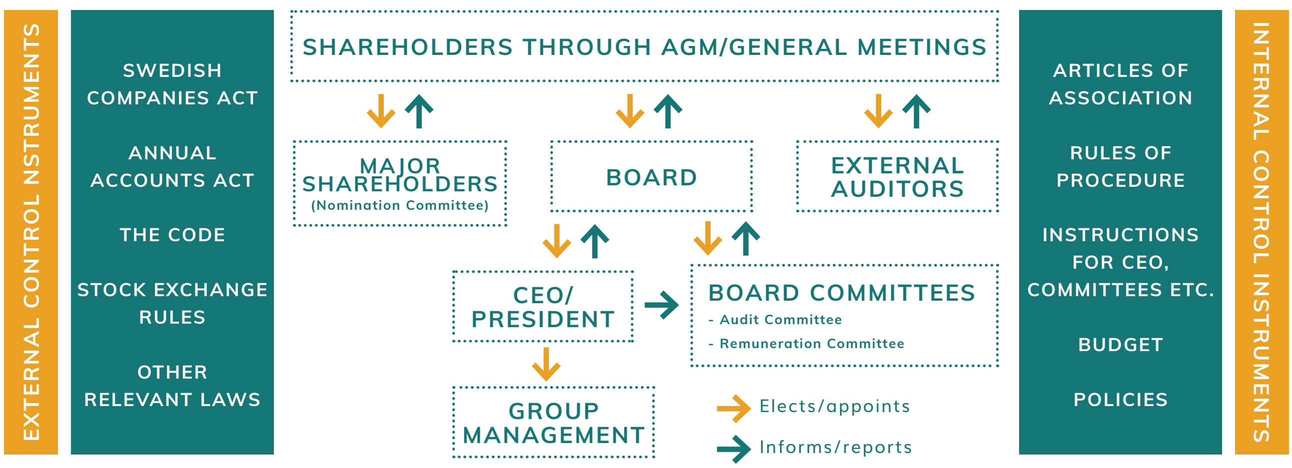
The Board of Directors is ultimately responsible for the Company's organisation and the management of its affairs. Supervision is exercised by authorities and their appointed bodies, partly through the Company's diligent reporting to the said authorities and also through own regular controls that are established through various tools. 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. The above mentioned policies are evaluated and updated to maintain their complete relevancy to ensure functioning corporate governance and promote the right corporate culture.

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 1 781 (1 992) shareholders as at 31 December 2022.

At 31 December 2022, share capital amounted to EUR 3 450 (EUR 3 280) thousand divided into 136 370 764 (129 659 355) shares. The fifteen largest owners had a total holding corresponding to 87.8 (87.1) percent of issued share capital. The Company has one class of shares – A shares. Each share entitles the holder to (1) vote at the shareholders' meeting.

During 2022 an employee share option program that has been adopted in 2021 has been amended allowing new employees obtain options within the Employee Stock Option Program 2021/2024. More details about the share, shareholders and related information can be found in note 15 of this report.

Shareholders' meeting

The shareholders' meeting is Acroud AB's highest decision making body and assembly to exercise influence.
The Annual General Meeting is held in Stockholm within six months from the end of the financial year. The AGM's mandatory duties includes 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 for their 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 auditors presented their audit to the AGM in the form of the published audit report of the work during the last year. The 2022 AGM made the following decisions:

- The annual report and the audit report for the company and the group regarding the financial year 2021, which had been available for more than three weeks before the meeting, were presented to the meeting.
- Resolution on adopting the income statement and the balance sheet and consolidated income statement and the consolidated balance sheet was adopted.
- The meeting resolved, that no dividend shall be paid for the financial year 2021 and that the funds at disposal of the meeting shall be balanced in a new account.
- The meeting resolved to discharge the directors of the board and the CEO from liability for the 2021 financial year.
- The meeting resolved that a fee of SEK 160,000 will be paid to each of the members of the board of directors who are not employed by the company. To the chairman of the remuneration or audit committee, a fee of SEK 40,000 shall be paid. Members of the remuneration or audit committee shall receive a fee of SEK 20,000. Remuneration to the auditors shall be paid according to approved account.
- The meeting resolved on the re-election of Henrik Kvick, Peter Åström, Kim Mikkelsen, Maria Andersson Grimaldi and Jonas Strömberg as directors of the board. Henrik Kvick was re-elected as chairman of the board.
- Meeting resolved to re-elect the accounting firm Öhrlings PricewaterhouseCoopers AB as auditor for the period until the end of the next annual general meeting. It was noted that Öhrlings PricewaterhouseCoopers AB has stated that the authorised public accountant Aleksander Lyckow will continue as auditor-in charge.
- Has adopted the resolution on Employee Stock Option Program.
- It was decided that annual general meeting authorises the board to resolve on issue of new shares, with or without preferential rights for the company's shareholders, on one or more occasions during the period up to the next annual general meeting.

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 2022 meeting, Öhrlings PricewaterhouseCoopers AB, with authorised public accountant Aleksander Lyckow as auditor in charge, was elected as auditor for the period up to and including the 2023 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. As auditor to Acroud and subsidiaries, Öhrlings PricewaterhouseCoopers AB is obliged to review its independence before deciding to also provide other services. Fees paid to Öhrlings PricewaterhouseCoopers are disclosed in note 8 of the annual report.

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 2022, Acroud AB's Board, which was appointed by the 2022 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 2022 AGM elected five directors, in line with the proposal of the major shareholders.

The composition of the Board in 2022 and directors' fees for 2022 and 2021 are shown in the table in note 9. For further information and details of directors' current assignments, see the Board presentation on page 17.

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. All directors are considered independent of the Company´s main owners, except for Henrik Kvick and Kim Mikkelsen.

The CEO is not a member of the Board but is co-opted to all board meetings, apart from meetings when the evaluation of the work of the Board and the CEO is 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 19 May 2022, 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 2022.

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 decision-making 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.

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 2022 meeting resolved that a fee of SEK 160,000 will be paid to each of the members of the board of directors who are not employed by the company. To the chairman of the remuneration or audit committee, a fee of SEK 40,000 shall be paid. Members of the remuneration or audit committee shall receive a fee of SEK 20,000. Remuneration to the auditors shall be paid according to approved account.

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 three 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 regards 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 non- auditing 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 2022 AGM, the Committee has consisted of Kim Mikkelsen, Henrik Kvick, and Jonas Strömberg. Kim Mikkelsen is Chairman of the Committee. The Audit Committee held four meetings in 2022 and the Board received minutes from the meetings. The auditors were present at two 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 Group 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 2022 AGM, the Remuneration Committee has consisted of Peter Åström, Henrik Kvick and Maria Grimaldi Andersson. Peter Åström is Chairman of the Committee. The Committee held two meetings in 2022. 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

Newly implemented Group Management constellation has continued its work and has consisted of six individuals: CEO, CFO, Managing Director iGaming Affiliation Segment, Managing Director SaaS Segment, Head of Communications (resigned during 2022) and Head of Legal and Compliance. Information about the CEO and Group management is presented on page 18 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 2022 Annual General Meeting, see the Company's website www.acroud.com under Corporate Governance/Articles of Association.

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 Group's employees. During the risk reviews, Acroud identifies areas where there is increased risk exposure.

Control activities

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, 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 month 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 follow-up, as well as the way in which the business is organised.

The main tasks of Group management and the Group'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 auditor in charge 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)

Auditor's Statement on the Corporate Governance Report

This is a literal translation of the Swedish original report included in RevR 16.

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

Engagement and responsibility

It is the board of directors who is responsible for the corporate governance statement for the year 2022 on pages 19–24 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

My examination has been conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that my examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. I believe that the examination has provided me with sufficient basis for my opinions.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm, april 13, 2023
Öhrlings PricewaterhouseCoopers AB

Aleksander Lyckow
Auktoriserad revisor

Board of Directors' Report

For the Financial Year 2022

The Board of Directors of Acroud AB ("the Company" or "the Parent"), corporate identity number 556693-7255, hereby submit the annual accounts and consolidated financial statements for the financial year ended 31 December 2022. Acroud has its registered office in Stockholm, Sweden, at the address BOX 7385, SE-103 91 Stockholm. "Acroud" or "the Group" are used throughout this annual report when describing the Group's operations. The Group's operating activities are primarily within its subsidiaries based in Malta, Sweden, Denmark and United Kingdom.

Principal Activities

Acroud operates two business segments: iGaming Affiliation business and business-to-business ("B2B") SaaS solutions.

Acroud's role within the iGaming Affiliation segment is to link iGaming operators with iGaming players. Acroud attracts iGaming players primarily through search engine optimisation (SEO) and online streaming, and then channel these players to iGaming operators. Acroud owns and operates multiple digital brands focusing on user- friendliness, clear user value and high-quality content in several different languages. The content on the websites is written by professional writers, and it is regularly updated to provide end-consumers with the most relevant information and latest news to make an informed assessment of which operator ticks best their preferences. Acroud's portfolio of affiliate websites range from renowned brands as well as relatively-new growing websites. During 2022, Acroud has expanded its iGaming Affiliation segment with Paid Media business through the acquisition of Acroud Media. The paid media business provides Acroud with additional channels of traffic and access to new markets. Within the SaaS business line, Acroud delivers B2B solutions to various entities in the iGaming industry. Voonix is a pure SaaS solution, comprising of an effective data collection tool built specifically to report all necessary data affiliate companies need. Voonix is used by many affiliate entities, from small companies to large players on the market. Via Matching Visions and Traffic Grid, Acroud connects iGaming operators with traffic sources, mainly affiliate entities. Matching Visions has a very big network within the industry, making it an established and reputable brand in the market.

Market Development

Market data shows that the iGaming online revenue has seen steady growth during 2022, reaching €38.2 billion Gross Gaming Revenue (GGR), an increase of 8% when compared to 2021. The online gaming market, in which Acroud operates, represented 35% of the total gaming market in 2022 – an increase of 8% above 2021, with the remaining 65% belonging to the land-based gambling. Acroud has adapted to market developments and user needs in order to continue building a scalable business model for organic growth.

All online operators have a need for visibility in new or existing markets, guaranteeing a strong demand for traditional and innovative digital marketing in the foreseeable future, including Acroud's affiliation products. With this, demand for supporting B2B solutions like Voonix, Matching Visions and Traffic Grid will also increase – thus enabling Acroud to capitalise on same growth in different segments.

Business Review 2022

Financial year 2022 has been a significant year for Acroud where it took bold steps to diversify its business risk, strengthen its market presence and optimise its operations and cost base. The Group has further diversified its revenue streams through its investment in Acroud Media business which mainly comprises of sports revenue. The acquisition has accelerated revenue growth and has strengthened the Group's product portfolio by adding paid media business. 2022 has also marked a beginning of a new foundation which is built on a new management team, who have valuable industry expertise and relationships that will drive positive changes in the Group's profitability.

During the second quarter of 2022, Acroud has successfully placed SEK 225 million of senior secured floating rate bonds to investors in Europe and is now in a more stable position to keep delivering its strategic agenda.

The group has acquired several assets and businesses in the past years and has embedded several different revenue streams, thus lowering significantly its business risk and is now well positioned for future organic growth, with a focus on scaling the current brand portfolio whilst also preparing for new future markets.

Financial Results

Revenue

Group revenues during the financial year ending 31 December 2022 amounted to EUR 30 905 thousand – an increase of 25% over the revenues of EUR 24 767 thousand reported in financial year 2021. The increase in turnover was registered across both segments with the highest increase being experienced in the iGaming affiliation segment (+39%), mainly driven by the latest acquisition, Acroud Media Ltd. Revenue in the SaaS segment has also increased by 13% in 2022 when compared to 2021. Organic growth amounted to 7.0% driven by aforementioned post-acquisition increases. Across its products, Acroud has delivered 186 550 NDCs to its clients during 2022. This represents a 40% year-on-year increase, putting Acroud as one of the few companies able to deliver high volume of good quality NDCs in the market.

Costs
Total operating expenses, including items affecting comparability and an impairment charge on intangible assets, amounted to EUR 43 918 (EUR 22 011). Items affecting comparability were EUR 17 683 thousand and consisted of an impairment charge of EUR 18 000 thousand on intangible assets in Q4 2022 relating to the old Highlight Media business, EUR 467 thousand attributable to the sale of finance affiliation assets, EUR 150 thousand termination benefits. Total operating expenses excluding items affecting comparability amounted to EUR 26 235 (EUR 21 292). This movement is mainly coming from an increase of 21% in Other external expenses, driven by the latest acquisition of Acroud Media Ltd, predominantly paid media costs. The increase in operating expenses driven by the new acquisition were partly offset by a decrease of 18% in personnel expenses following the efficiency plan launched in November 2021.

Profitability
The Group's EBIDTA for 2022 (after excluding one-off items) amounted to EUR 7 573 which represents an increase of 40% over 2021's Adjusted EBIDTA of EUR 5 395. In line with the increases in Revenue and Operating expenses, this increase is mainly driven by the latest acquisition of Acroud Media Ltd.

During 2022, the Affiliation and SaaS businesses operated with an EBITDA margin (after excluding one-off items) of 41% and 13% respectively, resulting in a blended Group EBITDA margin (excluding one-off costs) of 25%. This represents an increase in the EBIDTA margin of 3% over 2021.

Adjusted Profit after tax (after excluding the one off items) increased by 43% to EUR 1 516 (EUR 1 063) thousand and adjusted earnings per share after dilution amounted to EUR 0.008 (EUR 0.008).

Cash Flows
Cash flow from operating activities for the full year 2022 amounted to EUR 6 110 (EUR 4 373) thousand, out of which EUR 514 (EUR 1 092) were used to pay income tax.

Cash flow from investing activities amounted to EUR -3 239 (EUR -5 264) thousand, mainly representing the portion of the purchase price of acquired businesses paid in cash. Acquisition of property, plant and equipment totalled EUR 173 thousand whereas acquisition of intangible assets (net of disposals) amounted to EUR 730 thousand.

Cash flow from financing activities during 2022 amounted to EUR -2 260 (EUR-3 893) thousand. This was mainly driven from the redemption and subsequent refinancing of the group's senior secured bonds, payment of lease liabilities and dividends.

Liquidity and financial position
The Group's interest-bearing net debt at the end of the year was EUR 18 666 thousand, compared with EUR 17 812 thousand at the end of 2021. 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 at 31 December 2022, the net debt/ adjusted EBITDA ratio is 2.5x. The Group will continue its efforts to reduce the net debt/ EBITDA ratio in line with its financial targets.

As at 31 December 2022, the Company had total provisions of EUR 24 882 (EUR 9 460) thousand related to potential additional consideration payments in relation to acquisitions.

The outstanding bond loan secured in Q2 of 2022 is due for payment in July 2025 and is therefore reported under non-current liabilities in the balance sheet in this report.

The Company's cash and cash equivalents at the end of 2022 amounted to EUR 2 416 (EUR 2 202) 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 2022 resulted in 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. The equity ratio was 30 (55) percent and equity was EUR 24 319 (EUR 41 947) thousand at 31 December 2022.

The Parent Company
Acroud AB, Sweden, is the ultimate holding company of the Group. It was registered in Sweden on 14 December 2005 and is listed on Nasdaq First North Premier Growth. In 2022, the main purpose of the parent company was that of receiving dividend income from the main operating companies of the group.
The Group's financing is also arranged in the Parent Company through a bond.

During the year ended 31 December 2022, dividend income amounted to EUR 3 337 thousand (EUR 3 550). Interest and similar expenses amounted to EUR 3 734 thousand (EUR 2 415), increase mainly pertaining to an increase in the interest rate of the new bond together with discount and redemption effects of the new bond. Other financial items which mainly comprise currency effect on the bond amounted to EUR 1 884 thousand (EUR 382). During 2022, Acroud AB had also a one-off expense on the fair value revaluation of the earn-outs amounting to EUR 2 932 thousand.

Total company's assets amount to EUR 54 110 thousand (EUR 53 955). Total liabilities were EUR 48 352 thousand (EUR 29 668). Equity was EUR 5 758 thousand (EUR 24 287).
The main movement in equity related to the impairment charge of EUR 18 million during Q4 2022.

2023 and beyond

Acroud operates in a large global market that is expected to continue to grow for a long time to come. Continued investments are expected during 2023 to continue improve our affiliate and SaaS products and to invest in organic expansion projects.

Important Events After The End Of The Period

On 10th March 2023, Tricia Vella was appointed as 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 in a Big-4 auditing firm for seven years.

Employees

The average number of employees in the Group was 66 (78). The gender distribution was 26 (29) women and 40 (49) men. Expressed as a percentage, women accounted for 39 (37) percent of the total number of employees, while men accounted for 61 (63) percent. Almost all employees work on full-time basis.

Including contracted consultants, Acroud's personnel during 2022 amounted to approximately 101 (108). Acroud's personnel are based in four different offices in Sweden, Denmark, United Kingdom and Malta. The offices in Malta and United Kingdom accommodate the main part of the management team, writers, developers, designers, SEO specialists and affiliate mangers, while the Voonix team is based in central Copenhagen and TheGambling Cabin is based in Sweden.

Significant Risks And Uncertainties

Operational and strategic risks

Risks associated with high reliance on search engines

In the iGaming affiliation segment, the Group relies on generating search traffic to its digital marketing websites to attract 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 on search engines. When Google, Bing, Yahoo! or similar search engines introduce new algorithms or issue penalties 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. The Group generally operates with low SEO risk and the most recent penalty was incurred in 2014.

During the past years, the Group has executed acquisitions which has reduced significantly its operational risk. This has been further strengthened in 2022, through the acquisition of Acroud Media which has lessened the group's exposure to SEO while creating a more robust revenue platform for future growth. Acroud's affiliation business has relatively low market entry barriers, meaning that competitors are continuously arriving. With the past and current acquisitions, Acroud started offering more dynamic content and SaaS solutions, which have significantly higher entry barriers than traditional affiliate sites whilst increased accessibility to new markets through its paid media business.

Legal and regulatory risks

Political decisions, licence requirements and future legislation

New legislations or changes to existing regulations targeting the iGaming industry could have an adverse effect on the Group's operations and ability to generate revenue. Such changes can impact the Group's operations either directly (for example the introduction of a licensing system for affiliate companies) or indirectly (for example more stringent consumer protection legislation which impacts iGaming operators' ability to generate revenue, which in turn would impact the Group's revenues).

The Group conducts its operations in several countries. 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.

Legal Disputes And Proceedings

This risk refers to the costs that Acroud may incur in pursuing various legal proceedings. During 2022, 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.

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 Group's operations and ultimately its ability to continue operations. During 2022 Acroud secured the refinancing of senior secured bonds redeemable in July 2025.

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.
- Market risk is the risk that arises from negative changes in exchange rates and interest rates.

Further details can be found in note 30 to these financial statements. Moreover the Board notes that if any of the Group's assets does not perform in line with expectations (in terms of profitability), such low-performing assets might need to be impaired, partially or in full.

Other Areas

Remuneration of Senior executives

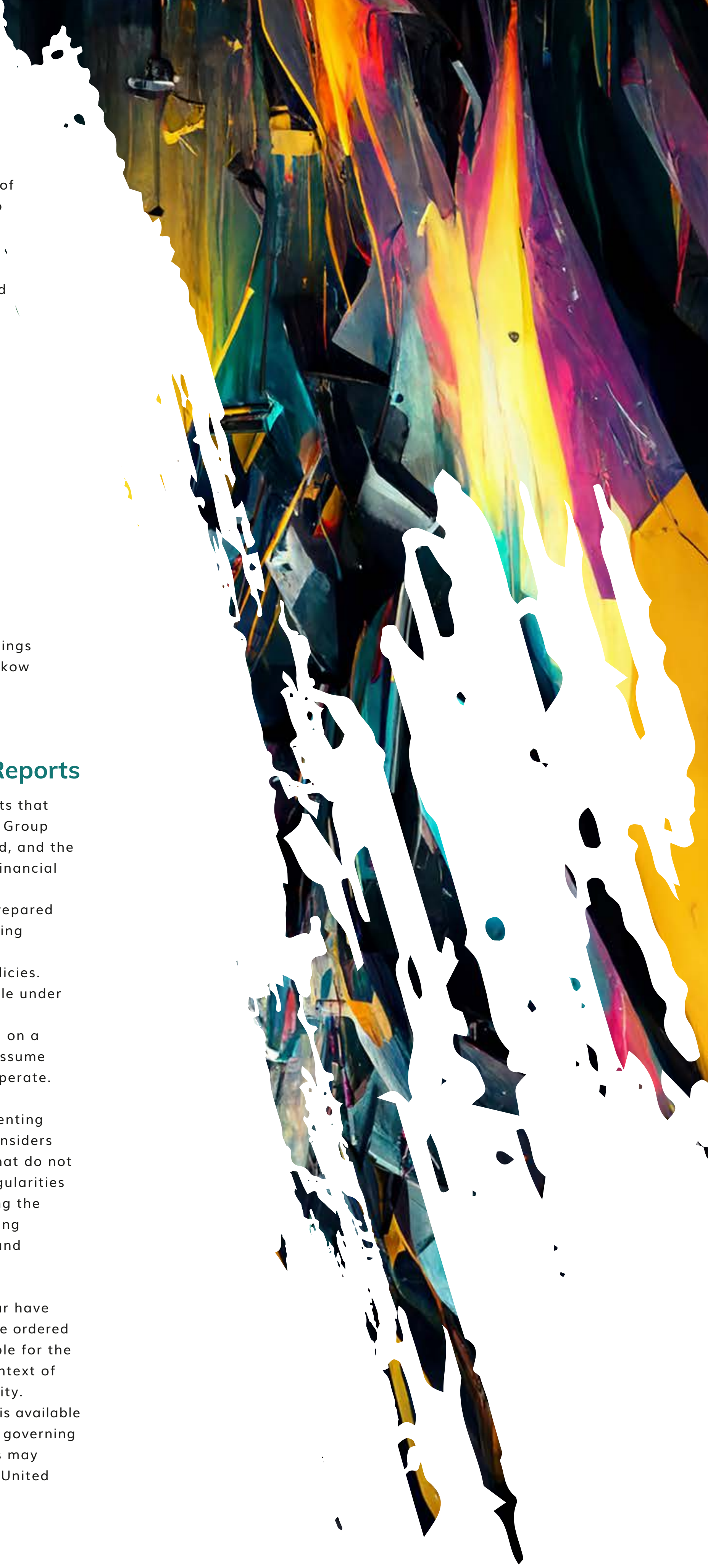
The Board's proposed guidelines on remuneration of senior executives essentially mean that salaries and other terms of employment will be at market levels. Group Management are not entitled to receive variable remuneration and bonuses in addition to the fixed basic salary. No senior executives are entitled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

Shares and ownership structure

Acroud's ownership structure at 31 December 2022 comprised the major shareholders Trottholmen AB (42.08 percent) and Strategic Investment A/S (JPM Chase) (17.60 percent). The remaining shareholders had an ownership share of less than 8 percent. The number of shareholders at 31 December 2022 was approximately 1 781 and the number of shares in the Company was 136,370,764.

Annual General Meeting

The Annual General Meeting ("AGM") for 2022 is planned to be held at 14:00 on 17 May 2023 at Advokatfirman Lindahl KB, Nybrogatan 17, 114 39 Stockholm, Sweden.



Dividend
In accordance with the financial targets, the Board of Directors has proposed to the AGM for 2022 that no dividends will be paid.

Proposed appropriation of profits
The Company's Board proposes that the unrestricted equity of EUR 2 307 818 (EUR 21 007 026) available to the AGM be carried forward.

Board of Directors
At the end of 2022, the Board consisted of:

- Henrik Kvick (Chairman)
- Kim Mikkelsen
- Peter Åström
- Jonas Strömberg
- Maria Andersson Grimaldi

The Group's CFO, Tricia Vella, was co-opted to the Board as secretary.

Auditors
The AGM in 2022 decided to re-appoint auditor Öhrlings PricewaterhouseCoopers (PwC), with Aleksander Lyckow as chief auditor.

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 2022 financial year have been included in this 2022 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, United Kindgom, Malta and Denmark.

2022 Financial

Statements

Financial Report

Consolidated Statement of Comprehensive Income

Amounts in kEUR	Notes	2022	2021
Revenue	3	30 905	24 767
Total revenue		**30 905**	**24 767**
Capitalised work for own account	5	836	1 125
Other external expenses	6	-20 491	-16 937
Personnel expenses	9	-3 675	-4 458
Other operating income	3	476	179
Other operating expenses	6	-161	-
EBITDA		**7 890**	**4 676**
Depreciation and amortisation	7, 16, 18	-2 903	-1 920
Impairment of goodwill and intangible assets	17, 18	-18 000	-
Operating profit (EBIT)		**- 13 013**	**2 756**
Interest and similar income	11	14	1
Interest and similar expenses	12	-3 805	-2 493
Other financial items	33	1 884	373
Earn-out revaluation	30	-2 932	-
Profit/(loss) from financial items		**-4 839**	**-2 119**
Profit/(loss) before tax		**-17 852**	**637**
Tax on profit/(loss) for the year	13	-569	81
Profit/(loss) for the year		**-18 421**	**718**
Earnings per share (EUR)	14	-0.141	0.006
Earnings per share after dilution (EUR)	14	-0.101	0.006
Other comprehensive income, income and expenses recognised directly in equity			
Exchange differences on translation of foreign operations		-97	19
Other comprehensive income for the year		-97	19
Total comprehensive income for the year		**-18 518**	**737**

Consolidated Statement of Financial Position

Amounts in kEUR	Notes	31/12/2022	31/12/2021
Assets			
Non-current assets			
Goodwill	17	41 324	51 080
Other intangible assets	18	28 885	17 668
Right-of-use assets	7	652	62
Property, plant and equipment	16	194	135
Investment in associate		1	1
Other non-current receivables		84	95
Deferred tax assets	13	229	293
Total non-current assets		**71 369**	**69 334**
Current assets			
Trade receivables		3 219	1 716
Other receivables		375	685
Tax receivable		205	-
Prepayments and accrued income	21	2 293	2 303
Cash and cash equivalents	22	2 416	2 202
Total current assets		**8 508**	**6 906**
Total assets		**79 877**	**76 240**
Equity and liabilities			
Equity			
Share capital	23	3 450	3 280
Other paid-in capital		26 044	24 981
Reserves		2 586	2 683
Retained earnings, incl. profit/(loss) for the year		-7 761	11 003
Total equity		**24 319**	**41 947**
Non-current liabilities			
Loans and borrowings	24	18 912	-
Liabilities to shareholder	28	378	-
Deferred tax liabilities	13	4 017	1 531
Other liabilities	30	21 401	9 460
Lease liabilities	7	433	-
Total non-current liabilities		**45 141**	**10 991**
Current liabilities			
Loans and borrowings	24	-	19 247
Trade payables		151	942
Liabilities to shareholder	28	-	394
Tax liabilities		944	299
Other liabilities	30	6 623	590
Lease liabilities	7	205	62
Accruals and deferred income	25	2 494	1 768
Total current liabilities		**10 417**	**23 302**
Total equity and liabilities		**79 877**	**76 240**

Consolidated Statement of Changes in Equity

Amounts in kEUR	Notes	Share capital	Other paid-in capital	Reserves	Retained earnings, incl. year's earnings	Total equity
Opening equity, 1 Jan 2021		**2 883**	**20 590**	**2 664**	**10 285**	**36 422**
Transactions with owners:						
- New issue of own shares	23	397	-	-	-	397
- New issue of own shares as a consideration for acquisitions	23	-	4 333	-	-	4 333
- Share issue costs		-	-32	-	-	-32
- Share-based payments - value of employee benefits	15	-	90	-	-	90
Profit for the year		-	-	-	718	718
Other Comprehensive income for the year		-	-	19	-	19
Closing equity, 31 Dec 2021		**3 280**	**24 981**	**2 683**	**11 003**	**41 947**
Opening equity, 1 Jan 2022		**3 280**	**24 981**	**2 683**	**11 003**	**41 947**
Transactions with owners:						
- New issue of own shares as a consideration for acquisitions	23	170	986	-	-	1 156
- Share-based payments - value of employee benefits	15	-	77	-	-	77
- Dividends		-	-	-	-343	-343
Loss for the year		-	-	-	-18 421	-18 421
Other Comprehensive income for the year		-	-	-97	-	-97
Closing equity, 31 Dec 2022		**3 450**	**26 044**	**2 586**	**-7 761**	**24 319**

Consolidated Cash Flow Statement

Amounts in kEUR	Notes	2022	2021
Operating activities			
Profit/(loss) before tax		-17 852	637
Adjustments for non-cash items not included in operating activities			
- Depreciation and amortisation of assets	7, 16, 18	2 903	1 920
- Impairment of goodwill and intangible assets	17,18	18 000	-
- Exchange (gains)/losses on financial receivables and liabilities		-1 981	-375
- Costs for share-based programmes	15	77	90
- (Gain)/loss on sale of other assets		-446	-175
- Provisions for restructuring		98	90
- Earn-out revaluation	30	2 932	-
Interest and similar expenses	12	3 805	2 493
Interest and similar income	11	-14	-1
Tax paid		-514	-1 092
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in operating receivables		-1 400	-468
Increase (+)/Decrease (-) in operating liabilities		-12	162
Cash flow from operating activities		**5 596**	**3 281**
Investing activities			
Acquisition of shares in Group companies, net of cash acquired		-2 336	-3 860
Acquisition of property, plant and equipment	16	-173	-72
Acquisition of intangible assets	18	-2 313	-2 324
Proceeds from sale of other assets		1 583	992
Cash flow from investing activities		**-3 239**	**-5 264**
Financing activities			
Proceeds from issue of own shares	24	12,127	-
Issue expenses		-751	-32
Dividends paid		-343	-
Repayment of borrowings		-11 443	-2 309
Interest paid		-1 351	-1 552
Interest received		9	-
Repayment of lease liabilities	7	-508	-
Cash flow from financing activities		**-2 260**	**-3 893**
Cash flow for the year		**97**	**-5 876**
Cash & cash equivalents at beginning of year		2 202	8 114
Exchange differences		28	-89
Reclassification to cash & cash equivalents from other current financial assets		89	53
Cash & cash equivalents at end of year	22	**2 416**	**2 202**

Income Statement – Parent Company

Amounts in kEUR	Notes	2022	2021
Revenue	3	36	64
Total Revenue		**36**	**64**
Other external expenses	6	-404	-682
Personnel expenses	9	-118	-118
Other operating expenses	6	-36	-
Other operating income		-	3
EBITDA		**-522**	**-733**
Impairment on investment in subsidiaries	19	-18 000	-
Operating profit/(loss) (EBIT)		**-18 522**	**-733**
Profit/(loss) from investments in Group companies	10	3 337	3 550
Interest and similar expenses	12	-3 734	-2 415
Other financial items	33	1 884	382
Earn-out revaluation	30	-2 932	-
Profit/(loss) after financial items		**-19 967**	**784**
Tax on profit/(loss) for the year	13	205	212
Profit/(loss) for the year		**-19 762**	**996**

Balance Sheet – Parent Company

Amounts in kEUR	Notes	31/12/2022	31/12/2021
Assets			
Non-current assets			
Investments in Group companies	19	52 714	52 730
Total non-current assets		**52 714**	**52 730**
Current assets			
Receivables from Group companies	20	324	200
Other receivables		-	236
Prepayments and accrued income	21	36	28
Tax receivable		418	-
Cash and cash equivalents	22	618	761
Total current assets		**1 396**	**1 225**
Total assets		**54 110**	**53 955**

Balance Sheet – Parent Company

Amounts in kEUR	Notes	31/12/2022	31/12/2021
Equity and liabilities			
Equity			
Restricted equity			
Share capital	23	3 450	3 280
		3 450	3 280
Unrestricted equity			
Share premium reserve		26 044	24 981
Retained earnings		-3 974	-4 970
Results for the year		-19 762	996
		2 308	21 007
Total equity		**5 758**	**24 287**
Non-current liabilities			
Loans and borrowings	24	18 912	-
Liabilities to shareholder	28	378	-
Other liabilities	30	21,400	9 460
Total non-current liabilities		**40 690**	**9 460**
Current liabilities			
Loans and borrowings	24	-	19 247
Trade payables		9	15
Liabilities to shareholder	28	-	394
Liabilities to Group Companies	20	1 046	341
Other liabilities	30	5 908	-
Accruals and deferred income	25	699	211
Total current liabilities		**7 662**	**20 208**
Total equity and liabilities		**54 110**	**53 955**

Statement of Changes in Equity – Parent Company

Amounts in kEUR	Notes	Share capital	Share premium reserve	Retained earnings, incl. year's earnings	Total equity
Parent Company					
Opening equity, 1 Jan 2021		**2 883**	**20 590**	**-4 970**	**18 503**
Transactions with owners:					
- New issue of own shares	23	397	-	-	397
- New issue of own shares as a consideration for acquisitions	23	-	4 333	-	4 333
- Share issue costs		-	-32	-	-32
- Share-based payments - value of employee benefits	15	-	90	-	90
Profit for the year		-	-	996	996
Closing equity, 31 Dec 2021		**3 280**	**24 981**	**-3 974**	**24 287**
Opening equity, 1 Jan 2022		**3 280**	**24 981**	**-3 974**	**24 287**
Transactions with owners:					
- New issue of own shares as a consideration for acquisitions	23	170	986	-	1 156
- Share-based payments - value of employee benefits	15	-	77	-	77
Loss for the year		-	-	-19 762	-19 762
Closing equity, 31 Dec 2022		**3 450**	**26 044**	**-23 736**	**5 758**

Cash Flow Statement – Parent Company

Amounts in kEUR	Notes	2022	2021
Operating activities			
Profit/(loss) before tax		-19 967	784
Adjustments for non-cash items not included in operating activities			
- Dividends from subsidiaries	10	-3 337	-3 550
- Impairment on investment in subsidiaries	19	18 000	-
- Net foreign exchange (gains)/losses	33	-1 884	-382
- Capitalised costs		-	90
- Earn-out revaluation	30	2 932	-
- Interest and other similar expense	12	3 734	2 415
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in operating receivables		-6	-13
Increase (+)/Decrease (-) in operating liabilities		747	110
Cash flow from operating activities		**219**	**-546**
Investing activities			
Acquisition of interests in Group companies, net of cash acquired		-2 336	-5 832
Cash flow from investing activities		**-2 336**	**-5 832**
Financing activities			
Proceeds from issue of bond	24	12 127	-
Issue expenses		-751	-32
Interest paid		-1 324	-1 549
Repayment of borrowings		-11 443	-2 310
Dividend from Group companies	10	3 337	3 550
Cash flow from financing activities		**1 946**	**-341**
Cash flow for the year		**-171**	**-6 719**
Cash & cash equivalents at beginning of year		761	7 563
Exchange differences		28	-83
Cash & cash equivalents at end of year	22	**618**	**761**

Notes with accounting policies and comments

Amounts in EUR thousands unless otherwise stated

NOTE 1 • General information

Acroud 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 Nasdaq 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, paid media and software solutions.

The Group's financial statements comprise the Company's and its subsidiaries' (collectively referred to as "the Group"). Details about the Group's composition are disclosed in Note 19 to these financial statements. All amounts in the notes are in EUR thousands unless otherwise stated.

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 historical cost method, except for contingent consideration balances presented within 'other payables' that are measured at fair value.

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 with IFRS.

Organic revenue growth
Organic revenue growth is an important APM that the Group follows on an ongoing basis. 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 2022

Amounts in kEUR	01/01/2022 31/12/2022 Growth, %	01/01/2022 31/12/2022 Absolute Figures	01/01/2021 31/12/2021 Absolute Figures	Deviation Absolute Figures
Total Growth, EUR	**24.8%**	**30 905**	**24 767**	**6 138**
Adjustment for acquired and divested/discontinued operations	-16.2%	-4 121	-111	-4 010
Total growth in EUR, excluding acquired and divested/discontinued operations	**8.6%**	**26 784**	**24 656**	**2 128**
Adjustment for constant currency	-1.6%	-	375	-375
Total organic revenue growth	**7%**	**26 784**	**25 031**	**1 753**

Organic revenue growth - full year 2021

Amounts in kEUR	01/01/2021 31/12/2021 Growth, %	01/01/2021 31/12/2021 Absolute Figures	01/01/2020 31/12/2020 Absolute Figures	Deviation Absolute Figures
Total Growth, EUR	**113.0%**	**24 767**	**11 630**	**13 137**
Adjustment for acquired and divested/discontinued operations	-126.6%	-14 727	-	-14 727
Total growth in EUR, excluding acquired and divested/discontinued operations	**-13.6%**	**10 040**	**11 630**	**-1 590**
Adjustment for constant currency	1%	-	(140)	140
Total organic revenue growth	**-12.6%**	**10 040**	**11 490**	**-1 450**

New and amended accounting policies

New accounting policies

A number of new standards are effective from 1 January 2022 but they do not have a material effect on the Group'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, but are mandatory for the Group's accounting policies for its financial periods beginning after the period ended 31 December 2022. The Group 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 Group's financial statements in the period of initial application.

Measurement and presentation

The Parent Company's functional currency is Euro, which is also the presentation currency for the Parent Company and the Group. Unless otherwise stated, all figures are rounded to the nearest thousand.

Assets are presented as current assets if they are expected to be sold, or are intended for sale or consumption, during the Group'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 presented as current liabilities if they are expected to be settled during the Group'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 Group 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.

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.

The Group applies the acquisition method of accounting when it acquires control over a business. Under the acquisition method, the Group recognises the acquired identifiable assets and the liabilities it assumes as a result of the acquisition, and measures them at their acquisition-date fair value. The difference between the fair value of the consideration paid for the acquisition, and the acquisition-date fair value of the net assets acquired is recognised as a goodwill asset; goodwill is separately presented in the balance sheet. If the difference is negative, respresenting a bargain purchase, the difference is recognised as income in the income statement. Acquisition-related costs are recognised as an expense when incurred.

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 other than to the extent that they were previously recorded as an impairment charge on the transferred asset.

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

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 a separately-acquired intangible asset includes a contingent consideration element, the asset's cost also includes an estimate of the purchase-date fair value of that contingent consideration element. Liabilities for contingent consideration are remeasured at each reporting date using updated estimates regarding the probable outcome for the contingent consideration; any changes in the carrying amount of the liability attributable to changes in estimates are reported in the statement of financial position as an adjustment of the value of the intangible asset. 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.

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.

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

Goodwill arises on the acquisition of businesses and is the amount by which the purchase consideration (including any NCI, if applicable) exceeds the acquisition-date fair value of the identifiable net assets acquired. Goodwill, intangible assets with an indefinite useful life, and intangible assets that are not yet available for use are not amortised, and are tested for impairment annually; they are measured at cost less accumulated impairment losses. Any impairment charge on goodwill is recognised as an expense and is not reversed. 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.

Any gains or losses on the loss of control over a subsidiary include the carrying amount of any goodwill relating to the divested subsidiary.

Acquired intangible assets are classified into domains, players databases and other intangible assets. Other intangible assets primarily include capitalised development costs. The estimated useful lives are as follows:

- Domains: indefinite useful life
- Players Databases: 3 months - 5 years
- 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.

Foreign currency

Foreign currency receivables and liabilities
Monetary assets and liabilities, including receivables and payables, that are denominated in a currency other than the respective Group entity's functional currency, are translated into functional currency at the closing spot rate of exchange at each reporting date. Foreign exchange gains and losses arising on translation are recognised in profit or loss.

Translation of foreign operations
Operations with a functional currency other than EUR are translated to EUR using the current method, which means that assets and liabilities are translated at the closing spot rate of exchange at each reporting date, while income statement items are translated at the average rate of exchange for the period. Exchange differences arising on translation into the Group's presentation currency of EUR are recognised directly in equity and reported in other comprehensive income; they are presented within 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 expenses.

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 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 19.5 million at 31 December 2022, 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 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.

On 20 January 2021, the Group acquired 100 percent of the shares in Power Media Group for an initial purchase consideration and a subsequent contingent consideration based on performance during a certain future period. On 31 December 2022, the present value of the contingent consideration was EUR 8 725 (EUR 6 064) 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.

On 15 April 2021, the Group acquired 100 percent of the shares in Swedishsantas AB, also known as TheGamblinCabin for an initial purchase consideration and a subsequent contingent consideration based on performance during a certain future period. On 31 December 2022, the present value of the contingent consideration was EUR 3 484 (EUR 2 728) 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.

On 13 October 2022, the Group acquired Acroud Media Ltd for an initial purchase consideration and a subsequent contingent consideration based on performance during a certain future period. On 31 December 2022, the present value of the contingent consideration was EUR 11 965 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.

Contingent consideration arising from the above transactions is presented under "Other liabilities" in the statement of financial position and is classified under Level 3 of the fair value measurement hierarchy. The following table analyses the movements in liabilities (comprising contingent consideration) classified as Level 3 within the fair value hierarchy:

Amounts in kEUR	2022	2021
At 1 January	9 460	635
Additions during the year	12 261	8 430
Amounts recognised in profit or loss:		
- Changes in estimates	2 932	-
- FX Movement	(295)	-
- Interest charge	524	395
At 31 December	**24 882**	**9 460**

The interest charge is presented within the statement of comprehensive income within 'Interest and similar expenses'; all other amounts recognised in profit or loss are presented within 'Earn-out revaluation' and 'Other financial items'. All amounts recognised in profit or loss relate to contingent liabilities that are still outstanding at 31 December 2022.

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. Judgements 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, measurement of intangible assets acquired in acquisitions and the determination of the Parent Company's interest in subsidiaries for which there exist options on shares not currently held by the Group. In addition to this, the valuation of additional purchase costs is also an area that is subject to management's estimates and judgments. For further information in these areas see note 30.

Parent Company's interest in subsidiaries
The Group includes subsidiaries for which the Parent Company's ownership interest is less than 100%, but for which there are options over the remaining shares. Judgements made in respect of the measurement of these subsidiaries are disclosed in note 19.

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 analysisis 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 2023.

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

Amounts in kEUR	2022	2021
Affiliate operations	15 536	11 190
SaaS	15 369	13 577
Total revenue	**30 905**	**24 767**
Revenue distribution by vertical within iGaming Affiliate Segment		
Casino	5 826	6 208
Poker	3 424	2 721
Sports Betting	6 126	2 084
Other affiliation verticals	160	177
Total iGaming affiliation revenue	**15 536**	**11 190**
Revenue distribution by vertical within SaaS Segment		
Network model	14 253	12 751
Subscription model	1 116	826
Total SaaS Segment Revenue	**15 369**	**13 577**

Revenue from Sweden in 2022 accounted for 7% (6%) of revenue for the financial year. The ten largest customers in 2022 accounted for approximately 38% (36%) 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 year.

Other operating income
Other Operating income mainly consists of gains on the sale of assets during the year.

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 year.

Information about intra-Group purchases and sales

Amounts in kEUR	2022	2021
Parent Company's sales of services to Group companies	36	64
Purchases of services from Group companies	-75	-51

NOTE 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 I-Gaming Affiliation and SaaS. The following summary describes the operations in each of the Group's reportable segments:

• I-Gaming 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 business 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 taxes 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.

Revenues from one customer of the Group represents 10.2% of the Group's total revenues.

Amounts in kEUR

	Jan - Dec 2022				Jan - Dec 2021			
	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 and 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	-	-	373	373
Earn-out revaluation	-599	-2 333	-	-2 932	-	-	-	-
Profit/(loss) before tax	**-14 258**	**-1 238**	**-2 356**	**-17 852**	**3 385**	**548**	**-3 296**	**637**
Tax on profit/(loss) for the year	-	-	-569	-569	-	-	81	81
Profit/(loss) for the year	**-14 258**	**-1 238**	**-2 925**	**-18 421**	**3 385**	**548**	**-3 215**	**718**
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**

NOTE 5 • Capitalised work for own account

The Company conducts continuous development of its own sites. Development work has been lessened in 2022, mainly as a result of the completion of CAS (Centralised Affiliate System) which was heavily invested upon in 2021. This, together with the development of our own sites has resulted in total capitalised work for own account of EUR 836 (EUR 1 125) thousand.

	Group		Parent Company	
Amounts in kEUR	2022	2021	2022	2021
Capitalised work for own account	**836**	**1 125**	**-**	**-**

NOTE 6 • Other expenses

The Group's and the Company's other expenses consist of the following:

	Group		Parent Company	
Amounts in kEUR	2022	2021	2022	2021
Marketing expenses	3 141	1 502	-	30
Consulting expenses	3 351	2 395	10	123
Information and communication expenses	647	340	–	–
Audit fees	180	140	39	20
Costs for premises	287	274	1	3
Payouts to sub-affiliates	11 682	10 783	–	–
Other external expenses	1 364	1 503	390	506
Total	**20 652**	**16 937**	**440**	**682**

NOTE 7 • 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.

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 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	
Amounts in kEUR	2022	2021
Balance at beginning of the year	62	214
Additions to right-of-use assets	747	-
Depreciation for the year	-157	-152
Balance at 31 December	**652**	**62**
Leases under IFRS 16		
Interest, lease liabilities	32	43

NOTE 8 • Auditors' fees and remuneration

The following fees were paid to auditors for audits and other statutory reviews, and for advisory services and other assistance arising from observations during the audit.

	Group		Parent Company	
Amounts in kEUR	2022	2021	2022	2021
Audit services, PWC	180	140	39	34
Total	**180**	**140**	**39**	**34**

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.

NOTE 9 • Employees, salaries, benefits and social security contributions

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

Average number of employees

	2022	Female	2021	Female
Parent Company				
Sweden	–	–	–	–
Subsidiaries				
Malta	43	22	61	27
Denmark	8	1	8	1
United Kingdom	3	1	-	-
Sweden	12	2	9	1
Group total	**66**	**26**	**78**	**29**

Management

	2022	Female	2021	Female
The following were the senior executives in employment as at year-end:				
Parent Company				
Board and CEO	6	1	6	1
Group				
Board and CEO	6	1	6	1
Other senior executives	4	1	6	1

Salaries, employee benefits and social security contributions

	Salaries & benefits		Social security contributions	
Amounts in kEUR	2022	2021	2022	2021
Parent Company	95	95	23	23
Subsidiaries	3 273	4 113	284	409
(of which capitalised)	(60)	(328)	(6)	(21)
Group Total	**3 368**	**4 208**	**307**	**432**
(of which capitalized)	**(60)**	**(328)**	**(6)**	**(21)**

Salaries and benefits (Board, Other senior executives and Other employees)

	2022			2021		
Amounts in kEUR	Parent Company	Subsidiaries	Total	Parent Company	Subsidiaries	Total
Board and CEO	95	277	372	95	277	372
Other Senior executives	-	297	297	-	634	634
Other employees	-	2 699	2 699	-	3 202	3 202
Total	**95**	**3 273**	**3 368**	**95**	**4 113**	**4 208**

Remuneration of the Board
2022 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 4 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 17-18.

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 2022	Basic salary/Fees	Variable remuneration	Share-based payments	Pension cost	Total
Henrik Kvick (Chairman)	19	-	-	-	19
Jonas Stromberg (Board Member)	19	-	-	-	19
Maria Andersson Grimaldi (Board Member)	19	-	-	-	19
Peter Åström (Board Member)	19	-	-	-	19
Kim Mikkelsen (Board Member)	19	-	-	-	19
Robert Andersson (CEO)	277	-	-	-	277
Other senior executives	297	-	-	-	297
Total remuneration of Senior Executives	**669**	-	-	-	**669**

Remuneration of Senior Executives during 2021	Basic salary/Fees	Variable remuneration	Share-based payments	Pension cost	Total
Henrik Kvick (Chairman)	19	-	-	-	19
Jonas Stromberg (Board Member)	19	-	-	-	19
Maria Andersson Grimaldi (Board Member as from 21 Apr 2021)	19	-	-	-	19
Peter Åström (Board Member)	19	-	-	-	19
Kim Mikkelsen (Board Member)	19	-	-	-	19
Robert Andersson (CEO)	277	-	-	-	277
Other senior executives	634	-	-	-	634
Total remuneration of Senior Executives	**1 006**	-	-	-	**1 006**

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 10 • Profit/(loss) from investments in group companies

Amounts in kEUR	2022	2021
Parent Company		
Dividends from subsidiaries	3 337	3 550
Total	**3 337**	**3 550**

NOTE 11 • Interest and similar Income

	Group		Parent Company	
Amounts in kEUR	2022	2021	2022	2021
Finance income	14	1	–	–
Total	**14**	**1**	**–**	**–**

NOTE 12 • Interest and similar Expenses

	Group		Parent Company	
Amounts in kEUR	2022	2021	2022	2021
Interest expenses, shareholder	15	16	15	16
Interest expenses on Borrowings	1 809	1 547	1 809	1 547
Interest expenses, other	1 981	930	1 910	852
Total	**3 805**	**2 493**	**3 734**	**2 415**

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 not 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 year
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

	Group		Parent Company	
Amounts in kEUR	2022	2021	2022	2021
Current tax	953	379	-205	-212
Deferred tax	-384	-460	–	–
Tax on profit/(loss) for the year	**569**	**-81**	**-205**	**-212**
Current tax				
Profit before tax	-17 852	637	-19 967	784
Tax at the current rate 20,6% (20,6%)	-3 678	131	-4 113	162
Tax effect of:				
Difference in tax rates in foreign operations	-10	-356	–	–
Non-taxable income	-7	–	-687	-731
Non-deductible expenses	4 914	546	4 987	300
Movement in unrecognised deferred tax asset	-191	276	-191	276
Adjustment to opening current tax	-139	-340	–	–
Temporary differences on amortisation of intangibles	-321	-331	–	–
Tax refund from foreign authorities	–	–	-205	-212
Other	1	-7	4	-7
Tax expense	**569**	**-81**	**-205**	**-212**
Deferred tax				
(Decrease)/increase in deferred tax assets	64	-367	–	–
(Decrease)/increase in deferred tax liabilities	-448	-93	–	–
Tax expense, deferred tax	**-384**	**-460**	**–**	**–**

Changes in deferred tax are distributed as follows

Amounts in kEUR	2022	2021
Deferred tax assets		
Carrying amount at beginning of year	293	20
Current year profits for which no deferred tax is recognised	-	-94
Net change for the year in the income statement	-64	367
Carrying amount at end of year	**229**	**293**
Deferred tax assets relate to		
Unused tax losses	229	293
Total deferred tax assets	**229**	**293**
Deferred tax liabilities		
Carrying amount at beginning of year	-1 531	-104
Acquired in business combinations	-2 934	-1 520
Net change for the year in the income statement	448	93
Carrying amount at end of year	**-4 017**	**-1 531**
Deferred tax liabilities are attributable to		
Property, plant and equipment	97	3
Intangible assets	-4 178	-1 570
Provision for bad debts	63	55
Unrealised exchange differences	1	-19
Total deferred tax liabilities	**-4 017**	**-1 531**

The Parent Company has saved accumulated loss carryforwards of EUR 13 008 (EUR 15 615) thousand at 31 December 2022. The Group has saved accumulated loss carryforwards of EUR 18 194 (EUR 22 904) 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 5 percent and 22 percent in the case of Voonix ApS. 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 or a group to be treated as a single taxpayer under the 'Consolidated Group (Income Tax) Rules, Malta's effective tax rate is 5%. However, following the latest acquisition of Acroud Media Ltd and the existence of a permanent establishment of one of the subsidiaries, both of which are operating in the United Kingdom, the Group operates with an effective rate of approximately 14 - 15% (2021: 5%).

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 and from the future contracted earn-outs partly payable in shares.

Amounts in kEUR	2022	2021
Group		
Earnings per share before dilution		
Profit attributable to shareholders of the Parent	-18 421	718
Number of registered shares on reporting date	136,370,764	129 659 355
Weighted average number of shares before dilution	131,130,349	127 024 404
Weighted average number of shares after dilution	181,551,986	127 024 404
Earnings per share before dilution	-0.141	0.006
Earnings per share after dilution	-0.101	0.006
Adjusted earnings per share before dilution	0.012	0.008
Adjusted earnings per share after dilution	0.008	0.008

The options granted in 2021, 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 2022. Further information about the options can be found in note 15.

NOTE 15 • Share-based payments

Following a resolution during an Extraordinary General Meeting on 1 March 2021, an employee stock option program has been established for key personnel, management and senior executives in the Company and its subsidiaries. The award scheme has a service vesting condition of 3 years A total of 5,600,000 employee stock options have been issued to senior executives, management and other key persons employed by 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.

For the full year 2022, the earnings impact of the share-based payments is EUR -77 (-90) thousand.

Number of options	Group		Parent Company	
Amounts in kEUR	2022	2021	2022	2021
Outstanding at the beginning of the year	5 600 000	-	5 600 000	-
Granted during year	-	5 600 000	-	5 600 000
Forfeited during the year	(1 275 000)	-	(1 275 000)	-
Total oustanding at the end of year	**4 325 000**	**5 600 000**	**4 325 000**	**5 600 000**
Exercisable at the end of the year	**-**	**-**	**-**	**-**
Weighted average exercise price per option	3,25	3,25	3,25	3,25
Remaining weighted average contract period (years) for outstanding options.	1,28	2,28	1,28	2,28

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	2022			2021		
Amounts in kEUR	Office equipment	IT equipment	Total	Office equipment	IT equipment	Total
Accumulated cost						
Opening balance	344	352	696	329	295	624
Investment	100	75	175	4	37	41
Disposals	-	-5	-5	-	-	-
Retirements	-302	-250	-552	-	-	-
Acquisitions through business combinations	-	-	-	11	20	31
Closing balance	**142**	**172**	**314**	**344**	**352**	**696**
Accumulated depreciation						
Opening balance	-267	-294	-561	-224	-257	-481
Charge for the year	-72	-44	-116	-	-	-
Disposals	-	5	5	-	-	-
Retirements	302	250	552	-43	-37	-80
Closing balance	**-37**	**-83**	**-120**	**-267**	**-294**	**-561**
Carrying amount at end of year	**105**	**89**	**194**	**77**	**58**	**135**

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.

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 sale.

The Acroud AB Group (the "Group") Goodwill represents four separate cash-generating units.

Amounts in kEUR	2022	2021
Group		
Accumulated cost		
Opening balance	51 080	42 856
Investment	5 890	8 224
Impairment	-15 646	-
Closing balance	**41 324**	**51 080**

The addition to goodwill during 2022 arose on the acquisition of Acroud Media Limited; further details on this acquisition are disclosed in note 27.

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 on intangible assets (including goodwill) of EUR 18 million was recognised during Q4 2022. The impairment is fully emanating from the iGaming SEO Affiliation CGU, impacted mainly by the the decrease in performance of the Highlight Media assets acquired in 2016. All other CGUs are performing well and have a healthy headroom.

The carrying amount of the iGaming Affiliation SEO CGU is EUR 35 783 thousand. A summary of the allocation of goodwill and of intangible assets with an indefinite useful life is presented below:

Amounts in kEUR	**The Gambling Cabin**	**iGaming affiliation**	**SaaS**	**Total**
2022				
Goodwill	2 853	33 100	5 371	41 324
Trademark lists (note 18)	565	-	1 675	2 240
Domains (note 18)	-	2 683	-	2 683
Total	**3 418**	**35 783**	**7 046**	**46 247**
2021				
Goodwill	2 853	42 856	5 371	51 080
Trademark lists (note 18)	565	-	1 675	2 240
Domains (note 18)	-	4 999	-	4 999
Total	**3 418**	**47 855**	**7 046**	**58 319**

The recoverable amount for all CGUs represents their value in use.

Value in use assumptions
The recoverable amount is sensitive to reasonable growth assumptions and deviations from growth plan could result in an additional impairment. The recoverable amount has been calculated by reference to cash flow projections that the actual return from operations in 2022 and an estimate for the years 2023-2027 (2021: the years 2022-2026). Assumptions were made when assessing future cash flows, and are mainly related to sales growth, operating margin, growth rate and discount rate. The assumptions of annual growth for 2023 varied between -6.5% to 13%, annual growth for 2024 varied between 5% and 15% and assumption of annual growth of 5% for 2025 onwards, which 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 2.0% (2021: 1.8%) has been applied.

Sensitivity analysis - The Gambling Cabin and SaaS CGUs
Management has determined that reasonably possible changes in the key assumptions used in the calculation of the recoverable amount of these CGUs would not cause their carrying amounts to exceed their recoverable amounts.

NOTE 18 • Other Intangible assets

Capitalised development costs
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 Group's intention to complete the intangible asset and use or sell it;
- the Group has the ability to use or sell the intangible asset;
- the Group 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.

Impairment of property, plant & equipment and intangible assets excluding 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 flows 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.

Amounts in kEUR	Trademark lists	Player databases	Software domains & other IP	Assets under construction	Total
2022					
Accumulated cost					
Opening balance	2 240	9 996	7 841	794	20 871
Transfers from/to AUC	–	–	1 372	-1 372	–
Investment	–	388	1 148	810	2 346
Acquisitions through business combinations	–	15 027	–	–	15 027
Disposals	–	-50	-1 609	–	-1 659
Closing balance	**2 240**	**25 361**	**8 752**	**232**	**36 585**
Accumulated amortisation					
Opening balance	–	-2 205	-998	–	-3 203
Amortisation for the year	–	-1 983	-647	–	-2 630
Release of amortisation upon disposal	–	50	437	–	487
Impairment	–	–	-2 354	–	-2 354
Closing balance	**-**	**-4 138**	**-3 562**	**–**	**-7 700**
Carrying amount at end of year	**2 240**	**21 223**	**5 190**	**232**	**28 885**
2021					
Accumulated cost					
Opening balance	–	1 564	6 376	969	8 909
Transfers from/to AUC	–	–	1 476	-1 476	–
Investment	–	–	99	1 301	1 400
Acquisitions through business combinations	2 240	8 432	–	–	10 672
Disposals	–	–	-110	–	-110
Closing balance	**2 240**	**9 996**	**7 841**	**794**	**20 871**
Accumulated amortisation					
Opening balance	–	-874	-643	–	-1 517
Amortisation for the year	–	-1 331	-355	–	-1 686
Closing balance	**–**	**-2 205**	**-998**	**–**	**-3 203**
Carrying amount at end of year	**2 240**	**7 791**	**6 843**	**794**	**17 668**

Trademarks and capitalised development costs
The carrying amounts of trademarks are mainly attributable to the acquisitions of Power Media Group and The Gambling Cabin in 2021.

Capitalised development costs - Assets under construction
The Group conducts continuous development of its own sites. Development work has been lessened in 2022 resulting in capitalised work for own account of EUR 836 (EUR 1 125) thousand. EUR 1 372 (EUR 1 476) 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 Acroud Media Ltd in 2022, Power Media Group and The Gambling Cabin in 2021, Acroud Sports Ltd in 2020, MaxFreeBets in 2019, Webwiser in 2018 and Magnum Media in 2017. Webwiser, Magnum Media, Power Media Group, The Gambling Cabin and Acroud Media Ltd have been recognised in accordance with IFRS 3 Business Combinations whereas Acroud Sports Ltd and MaxFreeBets 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 domain rights have an indefinite useful life. This 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.

NOTE 19 • Investments in group companies

Parent Company

Amounts in kEUR	2022	2021
Accumulated cost		
Opening cost	52 730	33 898
Investment in subsidiaries during the year	17 984	18 922
Movement in Profit and Loss for the year	-18 000	-90
Closing cost	**52 714**	**52 730**
Carrying amount at end of year	**52 714**	**52 730**

As at 31 December 2022, an impairment charge on intangible assets (including goodwill) of EUR 18 million was recognised.

Specification of Parent Company's and Group's holdings of shares in Group companies

Amounts in kEUR	2022	2021
Carrying amount subsidiaries of Acroud AB		
PokerLoco Malta Limited	1	1
HLM Malta Limited	13 580	31 580
Acroud Sports Limited	2 227	2 227
Matching Visions Ltd	7 332	7 332
Traffic Grid Ltd	1 386	1 386
Voonix ApS	2 360	2 360
Swedishsantas AB	7 844	7 844
Acroud Media Ltd	17 984	–
Total	**52 714**	**52 730**

Subsidiaries	Reg'd Office	Company's reg n°	Percentage of Shares and votes	N° of Shares	Equity
Subsidiaries of Acroud AB					
PokerLoco Malta Limited (in dissolution)	Malta	C 51645	100%	1 200	248
HLM Malta Limited	Malta	C 75337	100%	1 165	9 809
Acroud Sports Limited	Malta	C 97253	51%	1 020	2 878
FTT LLC	USA	7953662	100%	n/a	–
Swedish Santas AB	Sweden	559167-3503	100%	1 000	1 217
Matching Visions Ltd	Malta	C 79010	100%	1 200	665
Voonix ApS	Denmark	32353630	100%	50 000	519
Traffic Grid Ltd	Malta	C 90872	100%	1 200	54
Acroud Media Ltd	United Kingdom	14184155	60%	100	7 300
Subsidiaries of HLM Malta Limited					
Rock Intention Malta Limited	Malta	C 49286	100%	14 000	5 902

In the case of both Acroud Sports Ltd and Acroud Media Ltd, Acroud has a combination of a hold call and a written put option to acquire the remaining interest in these subsidiaries. Management considers the combined hold call and written put options to represent synthetic forward contract that will be executed in the future and has determined that the economic substance of the arrangement is that the combined call and put options should be accounted for as a contingent consideration and that Acroud should consolidate 100% of the net assets and transactions of these subsidiaries without recognising a non-controlling interest.

NOTE 20 • Balances with subsidiaries

Amounts in kEUR	2022	2021
Receivables due within 1 year		
HLM Malta Limited	-	5
Acroud Sports Limited	221	194
Acroud Media Ltd	100	-
PokerLoco Malta Limited	3	1
Total current receivables from subsidiaries	**324**	**200**

Balances due from subsidiaries are unsecured, interest free, and have no fixed date for repayment.

Payables due within 1 year		
Rock Intention Malta Limited	40	46
Voonix ApS	310	-
The Gambling Cabin	696	295
Total current payables to subsidiaries	**1 046**	**341**

As at 31 December 2022 balances due to subsidiaries amounting to EUR 827 (EUR 46) thousand are unsecured, interest free, and have no fixed date for repayment. Balances due to subsidiaries amounting to EUR 210 (EUR 293) thousand are unsecured, have no fixed date for repayment and carry a fixed interest rate. Accrued interest on such loans amount to Eur 9 (EUR 2) thousand as at 31 December 2022.

NOTE 21 • Prepayments and accrued income

	Group		Parent Company	
Amounts in kEUR	2022	2021	2022	2021
Prepaid rental and lease payments	112	92	–	–
Other prepayments	1 069	369	36	28
Accrued Income	1 112	1 842	–	–
Total	**2 293**	**2 303**	**36**	**28**

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	
Amounts in kEUR	2022	2021	2022	2021
Cash and bank balances*	1 808	1 608	618	761
Bank accounts with payment service providers	608	594	–	–
Total	**2 416**	**2 202**	**618**	**761**

*EUR 356 (445) thousand consists of restricted funds including deposits from customers. These funds are not included in the Group's cash and cash equivalents.

NOTE 23 • Share capital and other components of equity

The following table reconciles the number of shares outstanding at the beginning and at the end of the year. The shares issued during 2021 represent an additional 8,000,000 and 7,709,202 shares issued as part settlement of the prior years' acquisitions of Power Media Group and TheGambling Cabin respectively; the shares issued during 2022 represent part settlement for the acquisition of Acroud Media Ltd (see note 27).

	2022	2021
Shares outstanding at 1 January	129 659 355	113 950 153
Shares issued during the year	6 711 409	15 709 202
Shares outstanding at 31 December	**136 370 764**	**129 659 355**

All outstanding shares have a par value of Euro 0.025298. 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 and share-based payments.

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

Parent Company		
Amounts in kEUR	2022	2021
Number of registered shares on reporting date	136 370 764	129 659 355
Share capital (EUR) on reporting date	3 449 936	3 280 148

NOTE 24 • Loans and borrowings

The carrying amount of borrowings is as follows:

	Group and Parent Company	
Amounts in kEUR	2022	2021
Nominal amount of bonds issued	19 521	19 487
Unamortised discount and transaction costs	-609	-240
Carrying amount	**18 912**	**19 247**

The key terms of outstanding bonds as at 31 December are set out below:

						Carrying amount (Group and Company)	
Currency	**Nominal amount**	**Issuance date**	**Maturity date**	**Key terms**	**Interest**	**2022**	**2021**
SEK	375 000 000	14 September 2017	14 September 2022	Senior secured callable	3m STIBOR (floored at 0 bps) + 725 bps p.a.	-	19 487
SEK	225 000 000	5 July 2022	5 July 2025	Senior secured callable	3m STIBOR (floored at 50 bps) + 950 bps p.a.	19 521	-

Acroud recognises loan liabilities when it becomes a party to the contractual obligations, and initially measure them at fair value less transaction costs. They are subsequently measured at amortised cost. Amortised cost is calculated based on the effective interest method at initial recognition; under this method, premiums and discounts and direct issue costs are amortised over the term of the liability.

In July 2022, Acroud early redeemed the bonds having a maturity date of 14 September 2022; bondholders were given the option to redeem their bonds through a cash settlement, or to roll forward their existing bonds (inclusive of accrued interest and redemption fee) into the new bonds issued by Acroud. This resulted in an amount of SEK 85 247 thousand, equivalent to EUR 7 891 thousand, being rolled over from the old bonds to the new bonds. Details about the changes in outstanding bonds are set out below:

• Acroud successfully placed SEK 225 million senior secured callable floating rate bonds to investors in Europe in the second quarter of 2022. The bonds were issued at 95% of their nominal value, and settlement took place on 5 July 2022. The bond was admitted to trading on the Nasdaq Stockholm exchange.

• On 18 July 2022, Acroud completed the early redemption of its existing bonds of SEK 300 million (SEK 75 million were amortised on the market until 18 July 2022) at a redemption price of 103% to each bondholder who was registered as an owner of bonds in the debt register maintained by Euroclear Sweden at the end of business day on 11 July 2022.

A reconciliation of all the movements in borrowings is disclosed in note 31.

NOTE 25 • Accruals and deferred income

Amounts in kEUR	Group		Parent Company	
	2022	2021	2022	2021
Accrued salaries and security contributions	392	191	84	94
Accrued interest expenses	545	71	545	71
Accrued audit fees	137	135	35	20
Accrued fees	50	40	35	26
Accrued payouts to sub-affiliates	1 092	1 139	–	–
Other accruals	278	192	–	–
Total	**2 494**	**1 768**	**699**	**211**

NOTE 26 • Pledged assets

Pledged assets 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	
	2022	2021	2022	2021
Net assets/Shares in subsidiaries pledged as collateral for bonds	52 514	49 611	33 637	31 581

To provide collateral for borrowings related to the acquisition of the subsidiary of 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.

NOTE 27 • Business combinations

The Group accounts for business combinations using the acquisition method in accordance with IFRS 3.

The purchase consideration for a business combination is measured at the acquisition-date 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
- previously-held equity interests in the acquired subsidiary.

Shares issued by the Group as consideration for a business combination are not subsequently remeasured.

The identifiable acquired assets and liabilities assumed 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 sharebased 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 Share-based 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 each acquisition, i.e. on a transaction by transaction basis, the Group determines whether any non-controlling interests in the acquiree are to be recognised at fair value or at the non-controlling interests' proportionate share of the carrying amount of the acquiree's identifiable net assets.

For business combinations where the aggregate 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.

Contingent consideration is initially measured at its acquisition-date fair value. Changes in the fair value of contingent consideration that is classified as a liability and that results 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; they are adjusted retrospectively with a corresponding adjustment to 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. Acquisition-related expenses are recognised in the income statement when they arise.

Acquisition of Acroud Media Ltd

Acroud acquired control over Acroud Media Ltd on 13 October 2022 through the acquisition of 60% of the shares in the company on a cash- and debt-free basis. The acquired business comprises of affiliation assets and technology within the iGaming Market, and will support Acroud's expansion into the Sports Betting space, adding significant recurring (Revenue Share) sportsbook revenue from some of the world's most prominent Sports Book providers. The acquisition aligns with Acroud's strategic agenda of creating a lower volatility profile with more stable revenue generation and profitability, and it will further solidify Acroud'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.

The consideration for the acquisition comprises:

- GBP 3.0 million at acquisition date, payable 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 Adjusted Price on Nasdaq First North Growth Market for the 20 consecutive trading days preceding the announcement (excluding 13 October 2022'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; and
- GBP 2.1 million in cash with a deferred settlement period that spans a period of 18 months from the date of completion. Management has determined that the effect of discounting the deferred consideration to present value was not material.

The shares issued as part of the consideration are subject to a two year lock-up from acquisition date, and the cash payment has been financed via Acroud's existing cash and future operational cash inflow.

Additionally, Acroud also has a combination of a held call and a written put option to acquire the remaining 40% of the business in 2027; other than in the case of early exercise of the call option that management has determined to represent protective rights held by Acroud to manage execution risk of the counterparty, the held call option and written put option are executable on identical terms that are based on a 5.5 multiple of Acroud Media Ltd's EBITDA for the 12 months ending 30 September 2027. Management has determined that the combined held call and written put options represent a synthetic forward contract that will be executed in 2027, as either Acroud or the sellers will have an economic incentive to exercise their option. It has accordingly determined that the economic substance of the arrangement is that the combined call and put options should be accounted for as contingent consideration, and that Acroud should consolidate 100% of the net assets and transactions of Acroud Media Ltd without recognising a non-controlling interest. When either one of the options is exercised, 40% of the consideration in contractually required to be settled in cash (which is expected to be from existing reserves), with the remaining 60% of the consideration to be settled via own shares.

Details of the fair value of the purchase consideration, and of the acquired assets and liabilities by significant class of asset or liability, are disclosed below:

Purchase Consideration	GBP '000 000	EUR '000 000
Cash consideration	4.1	4.8
Share issued	1.0	1.2
Contingent consideration (GBP 13 933 thousand, discounted at present value)	10.4	12.0
Total fair value of purchase consideration	**15.5**	**18.0**
Customer relationships	13.3	15.5
Deferred tax liability	(2.5)	(2.9)
Other net liabilities, in aggregate	(0.4)	(0.5)
Total fair value of acquired identifiable net assets	**10.4**	**12.1**
Goodwill	**5.1**	**5.9**

Acroud used the 'Multi-period Excess Earnings' valuation technique for measuring the fair value of the assets acquired (customer relationships); external valuers were engaged to assist with this valuation. The goodwill represents expected synergies from combining Acroud Media Ltd into the Acroud portfolio, together with the anticipation of non-contracted future growth and profitability.

Subsequent to the acquisition, customer relationships are being amortised over a period of 7 years. The acquired business has contributed EUR 3 654 thousand in revenues and EUR 1 456 thousand in EBITDA in Q4 2022 since the date of acquisition.

NOTE 28 • Related-party transactions

Salaries and benefits to Board members and the CEO are shown in note 9. 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 shareholder and Board member. The loan carries a market interest rate. Accrued interest as of the balance sheet date amounts to SEK 2 199 thousand. Converted to Euro using the exchange rate as at balance sheet date, the debt including accrued interest, amounts to EUR 378k.

Related party transactions

Parent Company		
Amounts in kEUR	2022	2021
Sale of services to Group companies	36	64
Interest expenses to other related parties	-35	-18
Liabilities to shareholder	378	394

NOTE 29 • Financial instruments

Group 31/12/2022

Amount in kEUR	Financial assets at amortised cost	Financial liabilities at amortised cost	Total carrying amount
Investment in associate	1	-	1
Other non-current receivables	84	-	84
Trade receivables	3 219	-	3 219
Other current receivables	375	-	375
Accrued income	1 111	-	1 111
Cash and cash equivalents	2 416	-	2 416
Total	**7 206**	-	**7 206**
Loans and Borrowings	-	18 912	18 912
Trade payables	-	151	151
Liabilities to shareholder	-	378	378
Other non-current liabilities	-	21 401	21 401
Other current liabilities	-	6 623	6 623
Lease Liabilities	-	638	638
Accrued expenses	-	2 494	2 494
Total	-	**50 597**	**50 597**

Group 31/12/2021

Amount in kEUR	Financial assets at amortised cost	Financial liabilities at amortised cost	Total carrying amount
Investment in associate	1	-	1
Other non-current receivables	95	-	95
Trade receivables	1 716	-	1 716
Other current receivables	2 161	-	2 161
Accrued income	1 298	-	1 298
Cash and cash equivalents	2 202	-	2 202
Total	**7 473**	-	**7 473**
Loans and Borrowings	-	19 247	19 247
Trade payables	-	942	942
Liabilities to shareholder	-	394	394
Other liabilities	-	10 050	10 050
Lease Liabilities	-	62	62
Accrued expenses	-	1 768	1 768
Total	-	**32 463**	**32 463**

Parent Company 31/12/2022

Amount in kEUR	Financial assets at amortised cost	Financial liabilities at amortised cost	Total carrying amount
Current receivables from Group companies	324	-	324
Cash and cash equivalents	618	-	618
Total	**942**	-	**942**
Loans and Borrowings	-	18 912	18 912
Trade payables	-	9	9
Liabilities to shareholder	-	378	378
Liabilities to Group Companies	-	1 046	1 046
Other non-current liabilities	-	21 400	21 400
Other current liabilities	-	5 908	5 908
Accrued expenses	-	699	699
Total	-	**48 352**	**48 352**

Parent Company 31/12/2021

Amount in kEUR	Financial assets at amortised cost	Financial liabilities at amortised cost	Total carrying amount
Current receivables from Group companies	200	-	200
Other receivables	236	-	236
Cash and cash equivalents	761	-	761
Total	**1 197**	-	**1 197**
Loans and Borrowings	-	19 247	19 247
Trade payables	-	15	15
Liabilities to shareholder	-	394	394
Liabilities to Group Companies	-	341	341
Other liabilities	-	9 460	9 460
Accrued expenses	-	211	211
Total	-	**29 668**	**29 668**

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. Moreover, 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).

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		1,0666		11,1218
Trade receivables	257	241	1 227	110
Cash and bank balances	14	13	10 690	961
Borrowing	–	–	-219 113	-19 701
Currency exposure, net	**271**	**254**	**-207 196**	**-18 630**

	GBP 000	Carrying amount EUR '000	DKK 000	Carrying amount EUR '000
Closing rate		0,88693		7,4365
Trade receivables	978	1 103	912	123
Cash and bank balances	180	203	853	115
Currency exposure, net	**1 158**	**1 306**	**1 765**	**238**

The net currency exposure in USD at 31 December 2022 is USD 271 thousand, corresponding to EUR 254 thousand. A 5 percent change in the USD/EUR exchange rate at 31 December 2022 would decrease/increase the Group's reported assets by EUR 12 thousand, with a corresponding effect on the Group's equity. The net currency exposure in SEK at 31 December 2022 is SEK (207 196) thousand, corresponding to EUR (18 630) thousand. A 5 percent change in the SEK/EUR exchange rate at 31 December 2022 would decrease/increase the Group's reported assets by EUR 887 thousand, with a corresponding effect on the Group's equity.

The net currency exposure in GBP at 31 December 2022 is GBP 1 158 thousand, corresponding to EUR 1 306 thousand. A 5 percent change in the GBP/EUR exchange rate at 31 December 2022 would decrease/increase the Group's reported assets by EUR 62 thousand, with a corresponding effect on the Group's equity.The net currency exposure in DKK at 31 December 2022 is DKK 1 765 thousand, corresponding to EUR 238 thousand. A 5 percent change in the DKK/EUR exchange rate at 31 December 2022 would decrease/increase the Group's reported assets by EUR 12 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 2022 - Amounts in kEUR	Within 1 year	1-2 years	2-3 years	Total
Unsecured bonds	545	–	18 912	19 457
Liabilities to shareholder	–	–	576	576
Lease liabilities	230	241	216	687
Trade payables	151	–	–	151
Other liabilities and accrued expenses	9 117	7 984	13 417	30 518
Total	**10 043**	**8 225**	**33 121**	**51 389**

Other liabilities include an amount of EUR 24 882 thousand in relation to subsequent contingent considerations of the acquired shares in Acroud Sports Ltd, Power Media Group, TheGamblingCabin and Acroud Media Ltd based on performance during future periods. During the year ending 31 December 2022, Acroud AB had also an expense on the fair value revaluation of the earn-outs amounting to EUR 2 932 thousand.

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.

At 31 December 2022, the Group's and the Parent Company's interest-bearing liabilities excluding accrued interest amounted to EUR 19.7 (19.7) 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 197 (197) 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 +/- 197 (197) 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 receivables.

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:

Amounts in kEUR	2022	2021
Cash and cash equivalents	2 416	2 202
Trade receivables	3 219	1 716
Other receivables	375	2 161
Other non-current receivables	84	95
Total	**6 094**	**6 174**

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 credit ratings and GDP growth in the country in which each customer operates. On this basis, the loss allowance for the Group at 31 December 2022 was determined by applying an expected loss level ranging from 0.5% to 12% on gross receivables at the same date, resulting in a loss allowance of EUR 60 thousand (2021: EUR 63 thousand) for the Group.

The Group's cash & cash equivalents are primarily kept in stable financial institutions with high credit ratings.
The Group'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

Amount in kEUR	Bond including accrued interest	Loan from parent company including accrued interest	Lease liabilities	Total
Opening balance, 1 January 2021	**21 674**	**387**	**214**	**22 275**
Cash flow from financing activities[1]	-2 310	–	–	-2 310
Payment of lease liabilities	–	–	-195	-195
Effect of exchange rate gain/loss[2]	-451	7	–	-444
Amortisation of issuance costs	413	–	–	413
Other changes[3]	-8	–	43	35
Closing balance, 31 December 2021	**19 318**	**394**	**62**	**19 774**

Group

Amount in kEUR	Bond including accrued interest	Loan from parent company including accrued interest	Lease liabilities	Total
Opening balance, 1 January 2022	**19 318**	**394**	**62**	**19 774**
Cash flow from financing activities[1]	-1 111	–	–	-1 111
Redemption of bond loan	-10 032	–	–	-10 032
Proceeds from issue of new bond	12 361	–	–	12 361
Bond issue costs	-751	–	–	-751
Amortised discount and redemption fee	315	–	–	315
Additions of lease liabilities	–	–	747	747
Payment of lease liabilities	–	–	-203	-203
Effect of exchange rate gain/loss[2]	-1 466	-31	–	-1 497
Amortisation of issuance costs	349	–	–	349
Other changes[3]	474	15	32	521
Closing balance, 31 December 2022	**19 457**	**378**	**638**	**20 473**

[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.

[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 609) and accrued interest (EUR 545) amounts to EUR 19,521.

NOTE 32 • Appropriation of the company's profits

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

Amounts in EUR

Share premium reserve	26 043 972
Retained earnings	-3 973 906
Profit/(loss) for the year	-19 762 248
Total	**2 307 818**

The Board proposes that the amount at the disposal of the AGM, EUR 2,307,818 be carried forward.

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

Results in 2022 were affected by EUR 467 thousand of non-recurring income attributable to the sale of finance affiliation assets, EUR 150 thousand attributable to termination benefits in line with the new strategy and costs incurred in acquiring Acroud Media Ltd, EUR 18 000 thousand one off impairment charge of the Highlight Media business, EUR 2 932 thousand one off charge to reflect the estimated earnouts relating to Power Media Group and The Gambling Cabin, EUR 837 thousand one off expenses in relation to the bond redemption as well as amortised bond redemption fee and discount and EUR 1 515 thousand of favourable currency effects.

	01/01/2022 31/12/2022	01/01/2022 31/12/2022	01/01/2022 31/12/2022	01/01/2021 31/12/2021	01/01/2021 31/12/2021	01/01/2021 31/12/2021
Amount in kEUR	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	-20 491	88	-20 403	-16 937	379	-16 558
Personnel expenses	-3 675	62	-3 613	-4 458	340	-4 118
Other operating income	476	-467	9	179	–	179
EBITDA	**7 890**	**-317**	**7 573**	**4 676**	**719**	**5 395**
Depreciation/amortisation and impairment	-20 903	18 000	-2 903	-1 920	–	-1 920
Operating profit (EBIT)	**-13 013**	**17 683**	**4 670**	**2 756**	**719**	**3 475**
Interest and similar expenses	-3 805	837	-2 968	-2 493	–	-2 493
Other financial items	1 884	-1 515	369	373	-373	–
Earn-out revaluation	-2 932	2 932	-			
Net profit before tax	**-17 852**	**19 937**	**2 085**	**637**	**345**	**982**
Net profit	**-18 421**	**19 937**	**1 516**	**718**	**345**	**1 063**

NOTE 34 • Important events after the reporting date

On 10 March 2023, Tricia Vella was appointed as 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 in a big-4 auditing firm for seven years.

NOTE 35 • Comparative Information

Certain comparative figures disclosed in the main components of this annual report have been reclassified to conform to the current year presentation.

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 17 May 2023.

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, 13 April 2023

Henrik Kvick
Chairman

Jonas Stromberg
Board Member

Maria Andersson Grimaldi
Board Member

Peter Åström
Board Member

Kim Mikkelsen
Board Member

Robert Andersson
President and CEO

Our audit report was submitted on 13 April 2023
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 2022. The annual accounts and consolidated accounts of the company are included on pages 26-72 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 2022 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 2022 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

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. 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.

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. In addition to the conditions described in the section Significant uncertainty factor regarding the going concern assumption, we have determined that the conditions we describe below are the particularly important areas that we will communicate in this report.

Key Audit Matter	How our audit addressed the key audit matter
Valuation of Goodwill Goodwill amounts to EUR 41.3 million at year-end, corresponding to 52% of total assets. Information on the company's goodwill valuation can be found in Note 17 on pages 56 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 no further need for impairment in addition to that reported below fiscal year 2022 exists.	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 1-24 and 77-79.

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 2022 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.

The auditor's examination of the ESEF report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we)have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Acroud AB (publ) for the financial year 2022.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for Opinions

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Acroud AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled my our ethical responsibilities in accordance with these requirements.

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

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 Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report has been marked with iXBRL in accordance with what follows from the Esef regulation.

Öhrlings PricewaterhouseCoopers AB, was appointed Acroud AB (Publ)'s auditor by the general meeting on May 19 2022 and has been the company's auditor since 21 May 2019.

Stockholm 13 April 2023
Öhrlings PricewaterhouseCoopers AB

Aleksander Lyckow
Authorized Public Accountant

Key figures and definitions

Key figures, Group

	01/01/2022 31/12/2022	01/01/2021 31/12/2021
EBITDA margin	26%	19%
Adjusted EBITDA margin	25%	22%
Operating margin	(42%)	11%
Organic growth	7%	(13%)
Equity ratio	30%	55%
Return on equity	(44%)	2%
Equity per share (EUR)	0.18	0.32
Number of registered shares at end of year	136 370 764	129 659 355
Weighted average number of shares before dilution	131 130 349	127 024 404
Weighted average number of shares after dilution	181 551 986	127 024 404
Earnings per share (after dilution)	(0.101)	0.006
Adjusted earnings per share (after dilution)	0.008	0.008
Market price per share at end of year (SEK)	1.91	2.33
EPS growth (%)	(1 783%)	(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.

CPA	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 a combination of revenue generated by operators and the original IP addresses of leads sent to operators.
iGaming Affiliation Segment	Financial information relating to the iGaming affiliate business, which is made up of three major verticals: Casino, Poker and Betting.
SaaS Segment	Financial information relating to the SaaS business line. SaaS financial information relating to periods before acquisition date is based on proforma figures.
Adjusted EBITDA	Reported EBITDA, adjusted for non-recurring items in the form of restructuring costs and Earn out revaluation.
Adjusted profit after tax	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.
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.
Revenue Generating Units (RGUs)	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.
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.
Adjusted earnings per share	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.
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 2023	17 May 2023
Interim report April - June 2023	10 August 2023
Interim report July - September 2023	9 November 2023
2023 AGM	
2023 AGM	17 May 2023

Contact

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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.

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.