



Q3 2023

I N T E R I M R E P O R T

ACROUD

Stronger balance sheet,
reduced debt and
improved cash-flows



ACROUD AB (PUBL) | ORG NR: 556693-7255
+356 9999 6019 | info@acroud.com

Stronger balance sheet, reduced debt and improved cash-flows

Third quarter 2023

- Revenue amounted to **EUR 9 868** (6 683) thousand, corresponding to a growth of 48% and an organic revenue growth of -16.5%.
- Adjusted EBITDA (before items affecting comparability) was **EUR 1 175** (1 496) thousand decreasing by 21% year-on-year. EBITDA amounted to EUR 945 (1 496) thousand, decreasing by 37% year-on-year.
- Profit after tax was **EUR -1 874** (-589) thousand. Adjusted profit after tax (before items affecting comparability and currency effects) was EUR -753 (-188) thousand.
- Earnings per share after dilution amounted to **EUR -0.012** (-0.005). Adjusted earnings per share (before items affecting comparability and currency effects) was EUR -0.005 (-0.001).
- New Depositing Customers (NDC) amounted to **72 270** (33 792) increasing by 114%.
- Cash flow from operating activities amounted to **EUR 875** (1 082) thousand.

First nine months 2023

- Revenue amounted to an all-time high of **EUR 29 449** (20 886) thousand, corresponding to a growth of 41% and an organic revenue growth of -21.7%.
- Adjusted EBITDA (before items affecting comparability) was **EUR 4 930** (5 080) thousand, decreasing by 3% year-on-year. EBITDA amounted to EUR 3 647 (5 547) thousand, decreasing by 34% year-on-year.
- Profit after tax was **EUR -23 199** (1 843) thousand. Adjusted profit after tax (before items affecting comparability and currency effects) was EUR -1 865 (951) thousand. Items affecting comparability include an impairment charge of EUR 20 million.
- Earnings per share after dilution amounted to **EUR -0.161** (0.014). Adjusted earnings per share (before items affecting comparability and currency effects) was EUR -0.013 (0.007).
- New Depositing Customers (NDC) amounted to an all-time high of **282 294** (102 464) increasing by 176%.
- Cash flow from operating activities amounted to **EUR 3 550** (4 057) thousand.

Important events in the quarter

- On 13 July 2023, Acroud AB agreed to sell and transfer to RIAE Media Ltd, 9 shares corresponding to 9% of all the issued and outstanding shares in Acroud Media Ltd. The purchase price for the shares is EUR 1.1 million which will be paid in cash no later than 30 November 2023.

The shares were transferred from Acroud AB to RIAE Media Ltd on 1st August 2023. On the same date, Acroud AB has entered into an amendment of the shareholders agreement so that the Put Option of the original shareholders agreement was removed with effect from 1st August 2023.

- On 3rd August 2023, Acroud AB (Acroud) entered into an agreement with PMG Group A/S, SMD Group Ltd and Double Down Media Ltd as sellers regarding Acroud's previous purchase of Voonix ApS, Matching Visions Ltd and Traffic Grid Ltd in order to settle EUR 4 million of the total earn-out payment of EUR 9 million by way of cash payment of EUR 2.25 million and a debt-to-equity swap of EUR 1.75 million paid by way of a directed set-off issue of shares in Acroud.

On the same date, Acroud has issued promissory notes to the sellers in respect to the remaining debt of EUR 5 million. Acroud is granting the sellers a right to purchase, and the sellers is granting Acroud a right to sell, 40% of the total number of shares of Voonix ApS, Matching Visions Ltd and Traffic Grid Ltd with payment by way of set-off against the promissory notes. The sellers may exercise the right to purchase and Acroud may exercise the right to sell only after Acroud has redeemed its outstanding bond loan 2022/2025 in full.

- On 3rd August 2023, the board of directors of Acroud has in accordance with the Written Procedure resolved to carry out a directed new issue of 36,241,424 shares for a total consideration amount of approx. SEK 71.6 million.

The subscription of shares in the directed new share issue is made against payment in cash, in-kind or through set-off as further detailed below:

1. 11,139,240 shares issued to Trottholmen AB and Strategic Investment A/S against payment in cash of in total SEK 22 million.
2. 10,284,594 shares issued to PMG Group A/S, SMD Group Ltd and Double Down Media LTD against payment by way of set-off against earn-out claims amounting to in total EUR 1,750,000 under a share purchase agreement entered into with Acroud and the subscribers.
3. 2,159,363 shares issued to Trottholmen AB against payment by way of set-off against a shareholder loan of approx. SEK 4.3 million.
4. 12,658,227 shares issued to Trottholmen AB and Strategic Investment A/S against payment in-kind consisting of Bonds amounting to in total SEK 25 million.

- On 28 September 2023, Acroud announced the resignation of Tricia Vella from Chief Financial Officer.

Key figures

	JUL - SEP			JAN-SEP			LTM	
EUR thousands	2023	2022	Y/Y%	2023	2022	Y/Y%	Sep-23	Y/Y%
Revenue	9 868	6 683	48%	29 449	20 886	41%	39 468	44%
Revenue Growth, %	48%	4%	44pp	41%	15%	26pp	44%	12pp
Organic Revenue Growth, %	(16.5%)	2.1%	(18.6pp)	(21.7%)	10.6%	(32.3pp)	(17.3%)	(27.9pp)
EBITDA	945	1 496	(37%)	3 647	5 547	(34%)	5 990	(6%)
EBITDA margin, %	10%	22%	(12pp)	12%	27%	(15pp)	15%	(8pp)
Adjusted EBITDA	1 175	1 496	(21%)	4 930	5 080	(3%)	7 422	21%
Adjusted EBITDA margin, %	12%	22%	(10pp)	17%	24%	(7pp)	19%	(3pp)
Profit after tax	(1 874)	(589)	(218%)	(23 199)	1 843	(1 359%)	(43 464)	(3 025%)
Earnings per share (after dilution)	(0.012)	(0.005)	(140%)	(0.161)	0.014	(1 250%)	(0.283)	(2 673%)
Adjusted Profit after tax	(753)	(188)	(301%)	(1 865)	951	(296%)	(1 301)	(290%)
Adjusted Earnings per share (after dilution)	(0.005)	(0.001)	(400%)	(0.013)	0.007	(286%)	(0.008)	(260%)
Net Debt / Adjusted EBITDA rolling 12 months)	2.2	3.1	(29%)	2.2	3.1	(29%)	2.2	(29%)
New Depositing Customers (NDCs)	72 270	33 792	114%	282 294	102 464	176%	366 380	172%
Organic EBITDA Growth	(89%)	19%	(108pp)	(69%)	7%	(76pp)	(57%)	(56pp)

pp = percentage points

CEO Comments

Stronger balance sheet, reduced debt and improved cash-flows

Quarter 3 has been a challenging quarter with a lot of changes within the organisation that have taken their toll. During the quarter our group has delivered:

- EUR 9.9 million in revenue, representing year-on-year growth of 48%,
- EUR 1.2 million in EBITDA (excluding one-off items), representing year-on-year decline of 21%, and
- 72,270 New Depositing Customers (NDCs) to our partners, representing year-on-year growth of 114%.

The results in quarter 3 are disappointing but it was, however, expected for us. Our results are also affected by sports results which had a major negative impact in September where many favorites won. Having said this, the underlying Key Performance Indicators continue to show strength.

The major changes we have made in the company have now settled in quarter 3. Contradictory to the seasons, Acroud is now heading towards brighter times in the last quarter of the year. A good result in October is in line with what we communicated in the last report. That is, our work will start to bear fruit in Quarter 4.

Thanks to the hard, preparatory work during quarter 2, we have now been able to conclude these transactions during this quarter, which has led to Acroud reducing its bond loan by SEK 25 million, contingent considerations reduced from 25.8M EUR to 3.7M EUR and liabilities to shareholder reduced to NIL when compared to last quarter. We have also reduced the short-term cash outflow from just over 6.8 MEUR to 600 thousand EUR.

We have also taken further cost savings this time at the group level, where we now focused on streamlining our finance function to improve cost control within the various business operations.

After the end of the quarter, Tricia, our CFO, decided to move on in her career. And I thank her for her efforts, but I am very pleased to welcome Andrzej to Acroud as the group's new CFO.



Andrzej Mieszkowicz has extensive experience in leading finance departments within technology and high-growth companies. For the past six years, he has worked for companies in the iGaming industry, such as Cherry AB Group, The Mill Adventure, and recently as CFO for the publicly traded Lady Luck Games. Andrzej has a Master's degree in International Business from the University of Economics in Prague, is a qualified ACCA member, and has an authorized CPA title. I am sure he will contribute positively to both the company's culture but also our structure and forward spirit.

We now consist of a group of companies, where all staff have both the passion and clear incentives to drive their respective companies successfully and contribute to Acroud's improved profitability and increased shareholder value.

Join The Ride!

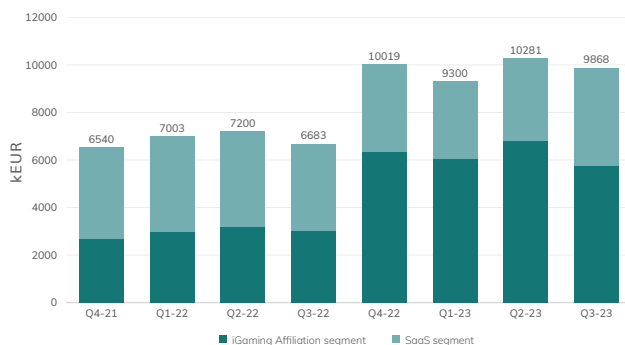
Robert Andersson
November 9, 2023

Group development

Revenue

Revenue for Q3 2023 amounted to EUR 9 868 (6 683) thousand, an increase of 48% when compared to Q3 2022. This increase is mainly driven by the revenue of the acquisition of Acroud Media in Q4 2022. Revenues in the iGaming Affiliation business accounted for 58% (45%) of total revenue and revenues in the SaaS Segment accounted for 42% (55%) of total revenue. The number of New Depositing Customers (NDCs) in Q3-2023 delivered to our customers amounted to 72 270 (33 792) NDCs. The 114% year-on-year growth in the NDC development is led by the iGaming affiliation including the latest acquisition. NDCs delivered by network-based SaaS business have increased 51% year-on-year and 14% quarter-on-quarter.

Group Revenue Development



Costs

Total operating expenses for Q3 2023, including items effecting comparability, totalled EUR 8 923 thousand compared to EUR 5 211 thousand in same quarter previous year. The increase is mainly attributable to an increase in paid media costs in relation to the acquisition of Acroud Media Ltd in Q4 2022. Personnel costs increased when compared to the same quarter last year, amounting to EUR 1 120 (820) thousand. The increase in personnel costs is also attributable to the new acquisition. When compared to Q2 2023, personnel expenses, including items affecting comparability, have decreased by 4% from EUR 1 165 thousand in Q2 2023 to EUR 1 120 thousand in Q3 2023. However, if we exclude items effecting comparability, personnel expenses have increased by 3% from EUR 1 090 thousand in Q2 2023 to EUR 1 120 thousand in Q3 2023. This increase is mainly attributable to the Media business.

Other external expenses (EUR 7 505 thousand), excluding items affecting comparability, have increased year-on-year due to the introduction of significant paid media costs led by the acquisition. When compared to Q2 2023, other external expenses have remained very much in line, in fact in Q3 2023, other external expenses, excluding items affecting comparability, only decreased by 1%. Items affecting comparability in Q3 2023 were related to EUR 230 thousand one-off expenses incurred in relation to the Written Procedure under the outstanding bond loan as mentioned in the important events during the quarter on page 3 of this report and EUR 891 thousand of amortised bond redemption fee and discount and currency effects.

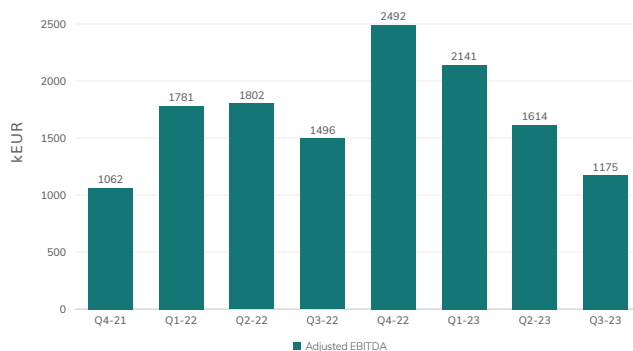
Profitability

Adjusted earnings before interest, tax, depreciation and amortisation (EBITDA) on a group level totalled EUR 1 175 (1 496) thousand, resulting in a decrease of 21% year-on-year. This decrease is mainly a result of an increase in costs in Q3 2023 in order to improve revenue growth in the Paid Media business. Quarter-on-quarter adjusted EBITDA also decreased by 27%, mainly coming from a decline in the iGaming affiliation revenue as a result of a low season in sports.

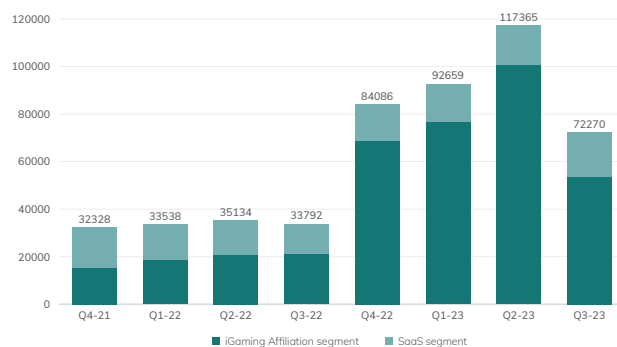
Profit after tax in the third quarter amounted to EUR -1 874 thousand (-589). Adjusted for one-off costs mentioned above, the profit after tax amounted to EUR -753 (-188) thousand. The decrease is a result of a lower EBITDA and higher amortisation costs.

Earnings per share (EPS) after dilution amounts to -0.012 (-0.005). Adjusted EPS after dilution amounts to -0.005 (0.001). Following the acquisition of Acroud Media Ltd, operating in the United Kingdom, the Group now operates with an effective tax rate of approximately 20%.

Adjusted EBITDA Development



Group NDCs Development



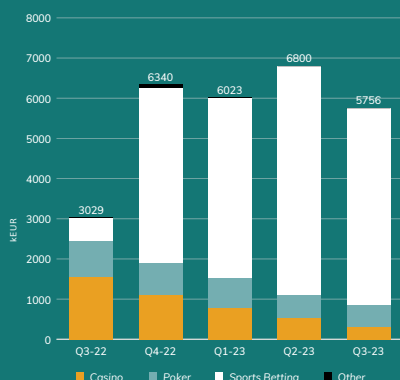
iGaming Affiliation

Q3 2023 iGaming Affiliation revenues amounted to EUR 5 756 (3 029) thousand, representing an increase of 90% year-on-year yet a decline of 15% quarter-on-quarter as a result of the low season in sports. The annual revenue growth is mainly driven by the latest acquisition generating a total revenue of EUR 4 345 thousand during this quarter.

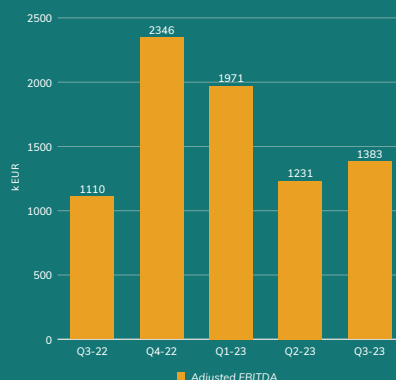
Revenue growth is persisting as we continue diversifying our revenue streams and risk profile, even more so with the acquisition of Acroud Media Ltd and the introduction of the paid media business as well as media partnerships. Such business is supporting Acroud's expansion into the Sports Betting vertical,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

Social- and Community-based Affiliation (The Gambling Cabin) generated 4% (13%) of Q3-2023 Affiliation revenues. SEO affiliation business generated 21% of Q3-23 (83% in Q3-22) affiliation revenues whereas Paid Media business generated 75% of Q3-23 (4% in Q3-22) affiliation revenues being mainly the acquisition of Acroud Media Ltd.

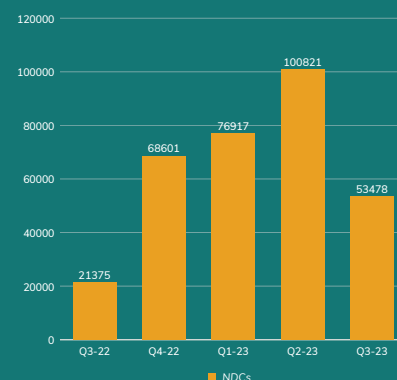
Revenue Development
iGaming Affiliation Segment



Adjusted EBITDA Development
iGaming Affiliation Segment



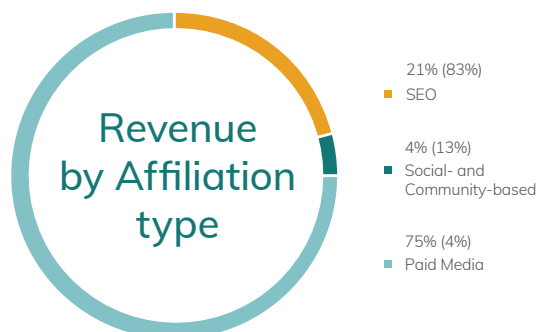
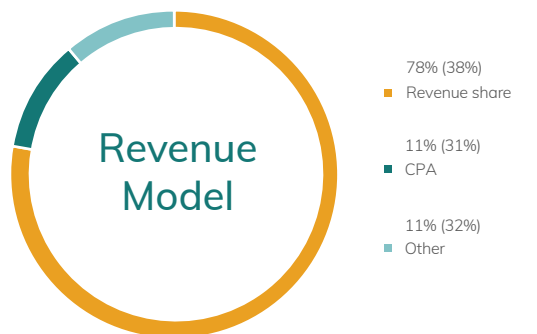
NDCs Development
iGaming Affiliation Segment



The number of New Depositing Customers (NDCs) in the iGaming segment reached 53 478 (21 375) during Q3-23. The acquisition on its own has generated 89% of the total NDCs during the period. We expect these to continue growing as the underlying KPIs on our sites show positive trends especially with the latest acquisition as well as the peak sports season in the coming months.

Q3-23 revenue derived through revenue-sharing amounted to 78% (38% in Q3 2022) mainly driven from revenue derived through revenue-sharing contributed by Acroud Media Ltd during the period. This year such acquisition has already contributed over EUR 13 million to the total Group revenue of which 80-85% is coming from revenue share deals. This is aligned with Acroud's strategic agenda of creating a lower volatility profile with more stable revenue generation and provides the Company with long-term stability.

iGaming affiliation adjusted EBITDA during the quarter amounted to EUR 1 383 thousand, representing an increase of 25% year-on-year and 12% when compared to the previous quarter EBITDA. EBITDA margin (adjusted for one-off costs) during the Q3-2023 amounted to 24%.



SaaS

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

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

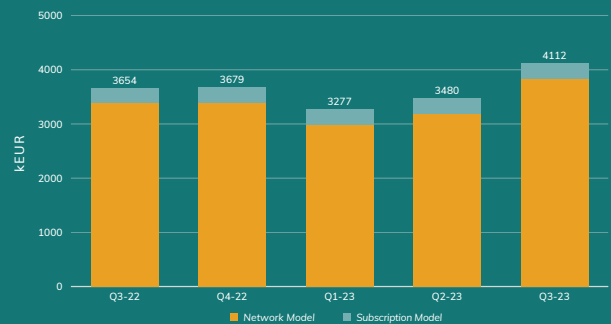
The SaaS segment registered revenues of EUR 4 112 thousand, resulting in an increase of 13% year-on-year and an increase of 18% over Q2 2023. Revenues derived from subscription-model amounted to EUR 277 thousand and remained in line both year-on-year and quarter-on-quarter. Network model revenues amounted to EUR 3 835 which represents a quarter-on-quarter increase of 20% and a year-on-year increase of 13%.

The number of New Depositing Customers (NDCs) delivered to customers via the Network-model increased quarter-on-quarter by 14% reaching 18 792 and increased as well as when compared to the same period last year by 51% (12 417). The consistent increases in NDCs in the SaaS Segment are expected to translate into revenue increases in the coming quarters.

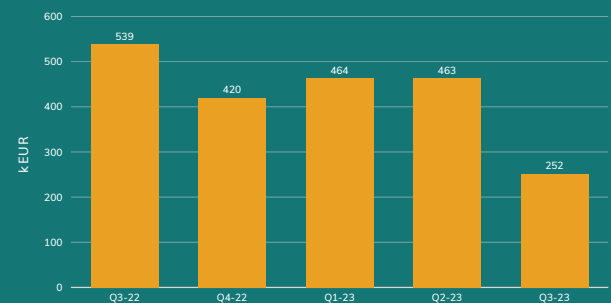
The number of Revenue Generating Units (RGUs), which measures the amount of clients serviced and billed by our SaaS segment during Q3 2023 remained in line with last quarter amounting to 429, yet increased year-on-year by 9%.

EBITDA in the SaaS business amounted to EUR 252 thousand which represents a quarter-on-quarter decrease of 46% from the EBITDA of EUR 463 thousand reported in Q2 2023.

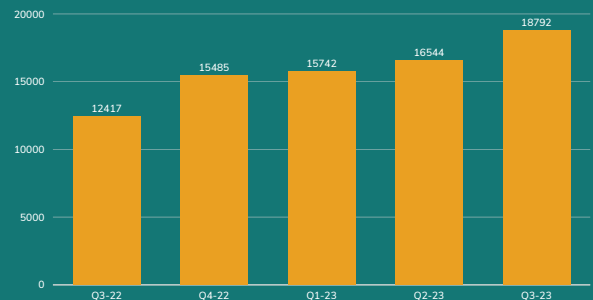
Revenue Development SaaS Segment



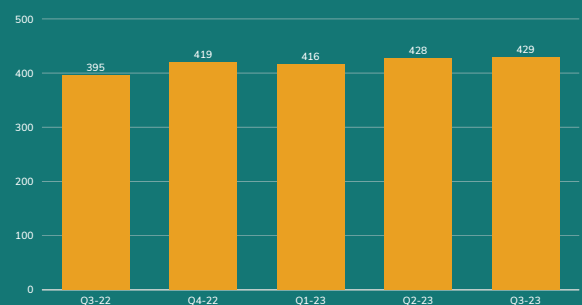
Adjusted EBITDA Development SaaS Segment



NDCs Development SaaS Segment



RGUs Development SaaS Segment



Financial position

Cash flow and investments

Cash flow from operating activities during Q3 2023 amounted to EUR 926 (EUR 1 132) thousand, out of which EUR 51 (50) thousand were used to pay income tax. The decrease is mainly related to a decrease in EBITDA when compared to Q3 2022, partially compensated by an improved working capital.

Cash flow from investing activities amounted to EUR -3 056 thousand in the third quarter of 2023, compared with EUR -1 278 thousand in Q3 2022. The higher amount in Q3 2023 is attributable to the earnout payments made in relation to PMG group and The Gambling Cabin which amounted to EUR 2 607 thousand as well as a payment of EUR 897 thousand in relation to the acquisition of the Affiliation and Media company executed in October 2022. This is partially netted off by proceeds of EUR 410 thousand from the sale of 9% shareholding in Acroud Media Ltd to RIAE Media Ltd. In Q3 2023 there was also a decrease in the acquisitions of intangible assets which are mainly related to the development of our products, particularly in the iGaming business, when compared to the same quarter last year. Moreover, payments of borrowings amounting to EUR 1 101 thousand were also made in Q3 2022 as a result of the refinancing which took place in July 2022. For a more detailed explanation of the cash flow from investing activities, refer to "Important events in the quarter" on page 3 of this report.

Cash flow from financing activities amounted to EUR 716 (EUR 707) thousand in Q3 2023, which consisted primarily of bond interest payments of EUR -644 thousand compared to EUR -89 thousand in Q3 2022 (Q3 2022 had an abnormally low interest payment due to the redemption of the old bond in July 2022). During this period, cash flow from financing activities were affected by EUR -506 (EUR -147) thousand of dividend payments to minority shareholder and payments on lease liabilities of EUR -14 (EUR -69) thousand. Furthermore, proceeds from share issues amounting to EUR 1 874 thousand affected positively the cashflow during Q3 2023 as explained in detail in "Important events in the quarter" on page 3 of this report.

Lastly, in Q3 2022, cash flow from financing activities also included EUR 12 092 thousand proceeds from bond issue, partly set off by repayment of borrowings and issue expenses amounting to EUR -10 333 thousand and EUR -751 thousand respectively.

Liquidity and financial position

At the end of the period, the Group's interest-bearing net debt was EUR 16 630 thousand, compared with EUR 19 151 thousand at the end of Q3 2022. The year-on-year movement in the interest-bearing net debt is mainly attributable to a decrease in the carrying amount of the bond as a result of the bond to equity conversion of SEK 25 million as explained in the "Important events in the quarter", page 3 of this report. Moreover, the shareholder loan liability was also converted to equity which further decreased the Group's net debt position. Finally, the group's net debt was affected by an increase in lease liabilities (EUR 200 thousand) and a decrease in cash and cash equivalents (EUR 174 thousand) when compared to the same quarter last year. Acroud's current gross debt amounts to SEK 211 million, of which the bond amounts to SEK 198 million. Converted using the closing rate, the bond loan amounts to EUR 16 834 thousand.

As of 30 September 2023, the net debt/adjusted EBITDA ratio is 2.2x which is already lower than Acroud's long-term target of a maximum net interest bearing debt / adjusted EBITDA ratio of 2.5x over time. During 2023 and beyond, the Company will continue its efforts to maintain this net debt / EBITDA ratio.

As at end of Q3 2023, the Company no longer had contingent consideration liabilities in relation to past acquisitions as these were either partially paid, converted to definite liabilities or released. As at the end of this quarter, total definite liabilities amounted to EUR 2 997 (9 853) thousand. The main movement when compared to the same quarter last year is in relation to the earnout payments in relation to PMG Group and The Gambling Cabin as well as the promissory notes issued to the sellers of PMG group. More detailed information about the movement in provisions during the quarter can be found in "Important events in the quarter" on page 3 of this report.

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

During the second quarter of 2022, Acroud has successfully placed SEK 225 million of senior secured floating rate bonds to investors in Europe and has also successfully completed early redemption of the old bond during July 2022. Moreover, during Q3 2023, Acroud has successfully converted SEK 25 million of bonds to equity. The translation effect of converting the bond loan and certain cash proceeds from SEK to EUR at the end of Q3 2023 was EUR -412 (308) thousand, which impacted net financial items. The Company's cash and cash equivalents at the end of Q3 2023 amounted to EUR 1 624 (1 798) thousand.

The equity ratio was 46 (56) percent, and equity was EUR 25 621 (43 482) thousand on 30 September 2023. The Company conducts quarterly impairment testing to assess whether there is any goodwill impairment. In Q2 2023, the group recognised a one-off impairment charge of EUR 20 million relating to assets stemming from Net Gaming (former name of Acroud) acquisition of Highlight Media business back in 2016 which explains the decrease in equity when compared to Q3 2022. Impairment testing during Q3 2023 did not result in further impairment.

Financial forecast & targets

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

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

Acroud will prioritise growth through organic growth initiatives and will make optimisation of the capital structure rather than dividends its priority.

Overview of outcomes of financial targets

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

Period	Organic EBITDA Growth	Capital structure (rolling 12 months)
Jan-Sep 2023	-69%	2.2

Other information

Parent Company

Acroud AB is the ultimate holding company in the Group (hereinafter referred to as the “the Company” or “the Parent Company”) and was registered in Sweden on 14 December 2005. The Company's shares have been listed on Nasdaq First North Premier Growth Market since June 2018. The Group's financing is arranged in the Parent Company via a bond, which is registered on Nasdaq Stockholm's Corporate Bond list. In Q3-23, the Parent Company received dividends from subsidiaries amounting to EUR 1.3 (0.7) million.

Relevant risks and uncertainties

Acroud is exposed to a number of business and financial risks. Risk management within the Acroud Group is aimed at identifying, controlling and reducing risks. This is achieved based on a probability and impact assessment. The risk assessment is unchanged from the risk profile presented on pages 16, 28 and 66-68 of the 2022 annual report.

Seasonality

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

Share Capital

Share capital on 30 September 2023 amounted to EUR 3 528 thousand divided into 172 612 188 shares, distributed as shown below. The Company has one class of shares – A shares. Each share entitles the holder to (1) vote at the shareholders' meeting. The number of shareholders on 30 September 2023 was 1 645. An employee share option program was launched in March 2021. See note 5 for additional information.

Name	No. of shares	Ownership, %
Trottholmen AB	69 930 090	40.51%
Strategic Investment A/S (JPM Chase)	37 990 000	22.01%
Six Sis AG	19 243 073	11.15%
SMD Group Limited	6 841 981	3.96%
RIAE Media Ltd	6 017 870	3.49%
PMG Group	4 066 199	2.36%
Byggnadsaktiebolaget Westnia	3 104 407	1.80%
Flise Invest APS	2 049 788	1.19%
Gary Gillies	1 716 845	0.99%
Avanza Pension	1 457 576	0.84%
Swedishsantas Media AB	1 440 631	0.83%
Trading House Scandinavia	1 176 400	0.68%
Saxo Bank	1 132 231	0.66%
Bank Julius Baer & Co Ltd	1 111 111	0.64%
Robert Andersson	1 066 500	0.62%
Other shareholders	14 267 486	8.27%
TOTAL	172 612 188	100.00%

Supplementary information

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

Stockholm, 9 November 2023

This interim report has been reviewed by the Company's auditors.

BOARD AND CEO

Peter Åström
Chairman

Staffan Dahl
Director

Richard Gale
Director

Robert Andersson
President and CEO

For further information, please contact

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

Andrzej Mieszkowicz, CFO
Mobile: +356 9911 2090
E-mail: andrzej.mieszkowicz@acroud.com

Forthcoming report dates

Year-end report January - December 2023
Interim report January - March 2024
Interim report April - June 2024
Interim report July - September 2024
2024 AGM:

22 February 2024
23 May 2024
22 August 2024
21 November 2024
23 May 2024

Presentation for investors, analysts and media

A live webcast will be held on 9th November 2023 at 10.00 a.m. Swedish time.
CEO Robert Andersson and CFO Andrzej Mieszkowicz will present the report in English.
You can follow the presentation here: <https://ir.financialhearings.com/acroud-q3-report-2023>.

To join the conference call:

Sweden: +46 8 525 07003
UK: +44 20 7043 5048
US: +1 (774) 450-9900

Then insert Conference ID 5002623#

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



Q3 2023

Financial

Statements

Financial report

Consolidated Statement of Comprehensive Income

Amounts in kEUR	01/07/2023 30/09/2023	01/07/2022 30/09/2022	01/01/2023 30/09/2023	01/01/2022 30/09/2022
Revenue (notes 2, 3)	9 868	6 683	29 449	20 886
Total revenue	9 868	6 683	29 449	20 886
Capitalised work for own account	-	111	7	828
Other external expenses	(7 735)	(4 502)	(22 368)	(13 892)
Personnel expenses	(1 120)	(820)	(3 274)	(2 670)
Other operating income	-	24	-	466
Other operating expenses	(68)	-	(167)	(71)
EBITDA	945	1 496	3 647	5 547
Depreciation/amortisation	(1 280)	(571)	(3 606)	(1 755)
Impairment of goodwill (note 9)	-	-	(20 000)	-
Operating profit/(loss) (EBIT)	(335)	925	(19 959)	3 792
Interest and similar income	2	4	6	12
Interest and similar expenses	(983)	(1 493)	(3 124)	(2 658)
Other financial items	(469)	317	293	1 186
Earn out revaluation (note 9)	-	-	5	-
Profit/(loss) from financial items	(1 450)	(1 172)	(2 820)	(1 460)
Profit/(loss) before tax	(1 785)	(247)	(22 779)	2 332
Tax on profit for the period	(89)	(342)	(420)	(489)
Profit/(loss) for the period	(1 874)	(589)	(23 199)	1 843
Earnings per share (EUR)	(0.012)	(0.005)	(0.161)	0.014
Earnings per share after dilution (EUR)	(0.012)	(0.005)	(0.161)	0.014
Other comprehensive income, income and expenses recognised directly in equity				
Exchange differences on translation of foreign operations	(100)	(30)	(157)	(45)
Other comprehensive income for the period	(100)	(30)	(157)	(45)
Total comprehensive income for the period	(1 974)	(619)	(23 356)	1 798
Profits attributable to :				
Owners of the Company	(2 003)	(589)	(23 328)	1 843
Non-controlling interests	129	-	129	-
	(1 874)	(589)	(23 199)	1 843
Total comprehensive income attributable to :				
Owners of the Company	(2 041)	(619)	(23 423)	1 798
Non-controlling interests	67	-	67	-
	(1 974)	(619)	(23 356)	1 798

Consolidated Statement of Financial Position

Amounts in kEUR	30/09/2023	30/09/2022	31/12/2022
Assets			
Non-current assets			
Goodwill	21 324	51 080	41 324
Other intangible assets	25 509	16 879	28 885
Right-of-use assets	485	306	652
Property, plant and equipment	172	195	194
Investment in associate	1	1	1
Other non-current receivables	15	86	84
Deferred tax assets	229	275	229
Total non-current assets	47 735	68 822	71 369
Current assets			
Trade receivables	2 539	2 421	3 219
Other receivables	1 355	3 139	375
Tax receivable	205	-	205
Prepayments and accrued income	2 440	1 971	2 293
Cash and cash equivalents	1 624	1 798	2 416
Total current assets	8 163	9 329	8 508
Total assets	55 898	78 151	79 877
Equity and liabilities			
Equity (note 5)	25 621	43 482	24 319
Non-current liabilities			
Loans and borrowings (note 6)	16 834	19 102	18 912
Deferred tax liabilities	3 443	1 415	4 017
Liabilities to Shareholder	-	382	378
Other liabilities	2 381	7 043	21 401
Lease liabilities	280	172	433
Total non-current liabilities	22 938	28 114	45 141
Current liabilities			
Trade Payables	880	419	151
Tax liabilities	1 360	675	944
Other liabilities	2 485	3 376	6 623
Lease liabilities	218	126	205
Accruals and deferred income	2 396	1 959	2 494
Total current liabilities	7 339	6 555	10 417
Total equity and liabilities	55 898	78 151	79 877

Consolidated Statement of Changes in Equity

Amounts in kEUR	Share capital	Other paid-in capital	Reserves	Other Reserve	Retained earnings, incl. period's earnings	Total	Non-controlling interest	Total equity
Opening equity, 1 Jan 2022	3 280	24 981	2 683	-	11 003	41 947	-	41 947
Transactions with owners:								
- New issue of own shares as consideration for acquisitions	170	986	-	-	-	1 156	-	1 156
- Share-based payments - value of employee benefits	-	77	-	-	-	77	-	77
- Dividends	-	-	-	-	(343)	(343)	-	(343)
Loss for the year	-	-	-	-	(18 421)	(18 421)	-	(18 421)
Other Comprehensive income/ (loss) for the year	-	-	(97)	-	-	(97)	-	(97)
Closing equity, 31 Dec 2022	3 450	26 044	2 586	-	(7 761)	24 319	-	24 319
Opening equity, 1 Jan 2023	3 450	26 044	2 586	-	(7 761)	24 319	-	24 319
Transactions with owners:								
- Share-based payments - value of employee benefits	-	23	-	-	-	23	-	23
- Dividends	-	-	-	-	(501)	(501)	-	(501)
Loss for the period	-	-	-	-	(67)	(67)	-	(67)
Other Comprehensive income/ (loss) for the period	-	-	(8)	-	-	(8)	-	(8)
Closing equity, 31 Mar 2023	3 450	26 067	2 578	-	(8 329)	23 766	-	23 766
Opening equity, 1 Apr 2023	3 450	26 067	2 578	-	(8 329)	23 766	-	23 766
Transactions with owners:								
- Share-based payments - value of employee benefits	-	21	-	-	-	21	-	21
- Dividends	-	-	-	-	(100)	(100)	-	(100)
Loss for the period	-	-	-	-	(21 258)	(21 258)	-	(21 258)
Other Comprehensive income/ (loss) for the period	-	-	(49)	-	-	(49)	-	(49)
Closing equity, 30 June 2023	3 450	26 088	2 529	-	(29 687)	2 380	-	2 380
Opening equity, 1 Jul 2023	3 450	26 088	2 529	-	(29 687)	2 380	-	2 380
Transactions with owners:								
- Issue of own shares	24	1 850	-	-	-	1 874	-	1 874
- Issue of own shares as consideration for acquisitions	22	1 708	-	-	-	1 730	-	1 730
- Issue of own shares as consideration for convertible debt	32	2 460	-	-	-	2 492	-	2 492
- Transfer between reserves	-	-	63	-	(63)	-	-	-
- Share-based payments - value of employee benefits	-	19	-	-	-	19	-	19
- Dividends	-	-	-	-	(506)	(506)	-	(506)
Loss for the period	-	-	-	-	(2 003)	(2 003)	129	(1 874)
Other Comprehensive income/ (loss) for the period	-	-	(38)	-	-	(38)	(62)	(100)
Acquisition of NCI without a change in control	-	-	-	5 067	-	5 067	14 539	19 606
Closing equity, 30 Sep 2023	3 528	32 125	2 554	5 067	(32 259)	11 015	14 606	25 621

Consolidated Statement of Changes in Equity (continued)

In August 2023, a recognition of non-controlling interest ("NCI") without change in control, amounting to EUR 14 539 thousand was recorded relating to the following ownership interests:

1. 49% interest in Acroud Media Limited ("AML")
2. 49% interest in Acroud Sports Limited ("ASL")
3. 40% interest in Power Media Group ("PMG")

The other reserve of EUR 5 million represents the difference between the de-recognition of the contingent consideration financial liabilities for AML, ASL and PMG and the recognition of the NCI for the latter mentioned entities. As from August 2023, a share of profits/(losses) as well as the other comprehensive income/(loss) for the period is allocated to the NCI which amounted to a profit EUR 129 thousand and a loss of EUR 62 thousand respectively for August to September.

Consolidated Cash Flow Statement

Amounts in kEUR	01/07/2023 30/09/2023	01/07/2022 30/09/2022	01/01/2023 30/09/2023	01/01/2022 30/09/2022
Operating activities				
Profit/(loss) before tax	(1 785)	(247)	(22 779)	2 332
Adjustments for non-cash items not included in operating activities				
Depreciation and amortisation of assets	1 280	571	3 606	1 755
Impairment of goodwill (note 9)	-	-	20 000	-
Exchange gains/(losses) on financial receivables and liabilities	367	(346)	(453)	(1 230)
Costs for share-based programmes	19	27	63	80
(Gain)/loss on sale of other assets	(20)	-	(20)	(446)
Earn out revaluation (note 9)	-	-	(5)	-
Interest and similar expenses	983	1 493	3 124	2 658
Interest and similar income	(2)	(4)	(6)	(12)
Tax paid	(51)	(50)	(577)	(211)
Cash flow from changes in working capital				
Increase (-)/Decrease (+) in operating receivables	322	(271)	274	(484)
Increase (+)/Decrease (-) in operating liabilities	(238)	(91)	323	(385)
Cash flow from operating activities	875	1 082	3 550	4 057
Investing activities				
Payments on acquisitions	(897)	-	(897)	-
Acquisition of property, plant and equipment	(10)	(65)	(32)	(151)
Acquisition of intangible assets	(158)	(402)	(485)	(1 619)
Proceeds from sale of investments	410	-	410	-
Repayment of contingent considerations	(2 607)	-	(2 607)	-
Payment of borrowings	-	(1 101)	-	(2 375)
Proceeds from sale of other assets	206	290	499	1 302
Cash flow from investing activities	(3 056)	(1 278)	(3 112)	(2 843)
Financing activities				
Proceeds from issue of shares	1 874	-	1 874	-
Proceeds from issue of bond	-	12 092	-	12 092
Issue expenses	-	(751)	-	(751)
Repayment of borrowings	-	(10 333)	-	(11 443)
Dividends paid	(506)	(147)	(1 107)	(343)
Interest paid	(644)	(89)	(1 847)	(773)
Interest received	6	4	6	9
Repayment of lease liabilities	(14)	(69)	(142)	(450)
Cash flow from financing activities	716	707	(1 216)	(1 659)
Cash flow for period	(1 465)	511	(778)	(445)
Cash & cash equivalents at beginning of period	3 065	1 240	2 416	2 202
Exchange differences	17	62	(27)	35
Reclassification to cash & cash equivalents from other current financial assets	7	(15)	13	6
Cash & cash equivalents at end of period	1 624	1 798	1 624	1 798

Income Statement – Parent Company

Amounts in kEUR	01/01/2023	01/01/2022
	30/09/2023	30/09/2022
Revenue	-	36
Total Revenue	-	36
Operating expenses		
Other external expenses	(869)	(272)
Personnel expenses	(71)	(89)
Other operating expenses	-	-
Other operating income	(12)	17
Total Operating expenses	(952)	(308)
Effect of liquidation	246	-
Impairment of investment in subsidiary	(4 100)	-
Operating profit/(loss)	(4 806)	(308)
Profit from investments in Group companies	9 160	2 662
Interest and similar expenses	(2 688)	(2 600)
Other financial items	778	1 186
Profit/(loss) after financial items	2 444	940
Tax on profit for the period	-	-
Profit/(loss) for the period	2 444	940

Balance Sheet – Parent Company

Amounts in kEUR	30/09/2023	30/09/2022	31/12/2022
Assets			
Total non-current assets	39 265	52 730	52 714
Total current assets	2 445	3 858	1 396
Total assets	41 710	56 588	54 110
Equity and liabilities			
Equity	14 361	25 306	5 758
Total non-current liabilities	23 221	7 043	40 690
Total current liabilities	4 128	24 239	7 662
Total equity and liabilities	41 710	56 588	54 110

Notes to the Group's interim report

1. Accounting policies

This interim report has been prepared in accordance with IAS 34. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, IFRS. For detailed information about the Group's accounting policies, see note 2 of the Company's Annual Report 2022.

Fair value of financial instruments

When determining the fair value of an asset or liability, the Group uses observable data as far as possible in accordance with IFRS 13. Fair value measurement is based on the fair value hierarchy, which categorises inputs into different levels. For further detailed information, refer to page 43 of the 2022 annual report.

The following items are measured at amortised cost, with their carrying amounts being a reasonable approximation of their fair values due to their short-term nature: trade receivables, other receivables, cash and cash equivalents, trade payables and other liabilities. In addition, the Company has a bond loan of SEK 200 million which amounts to SEK 198 million (EUR 17 198 thousand based on 30 September 2023 closing rate) when issued at 95% of par. The bond is measured at amortised cost and is categorised in level 2 of the fair value hierarchy, based on listings with brokers. Similar contracts are traded in an active market, and the rates reflect actual transactions for comparable instruments.

At 30 September 2023, 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 2023 or 2022.

Critical Accounting Estimates

In Q3 2023, 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. The recoverable amount is sensitive to reasonable growth assumptions and deviations from the growth plan could result in additional impairment. The impairment assessment illustrates an increase of 4-9% in the assumed operating margin over a period of 5 years and a perpetual growth rate of 2% across all CGUs. The projected cashflows have been discounted at a pre-tax rate of 15%.

2. Organic revenue growth

Acroud will continuously invest in the core business and new internal growth initiatives to ensure strong and sustainable organic growth. Acroud's definition of organic growth is based on net sales compared with the previous period, excluding acquisitions in accordance with IFRS 3 (in the last 12 months), divestments and exchange rate movements.

Organic revenue growth - bridge Q3 2023

Amounts in kEUR

	01/07/2023 30/09/2023 Growth, %	01/07/2023 30/09/2023 Absolute Figures	01/07/2022 30/09/2022 Absolute Figures	Deviation Absolute Figures
Total Growth, EUR	47.7%	9 868	6 683	3 185
Adjustment for acquired and divested/discontinued operations	(65%)	(4 345)	(2)	(4 343)
Total Growth in EUR, excluding acquired and divested/discontinued operations	(17.3%)	5 523	6 681	(1 158)
Adjustment for constant currency	0.8%	-	(64)	64
Total organic revenue growth	(16.5%)	5 523	6 617	(1 094)

Organic revenue growth - bridge Q3 2022

Amounts in kEUR

	01/07/2022 30/09/2022 Growth, %	01/07/2022 30/09/2022 Absolute Figures	01/07/2021 30/09/2021 Absolute Figures	Deviation Absolute Figures
Total Growth, EUR	3.6%	6 683	6 448	235
Adjustment for acquired and divested/discontinued operations	0.6%	-	(33)	33
Total Growth in EUR, excluding acquired and divested/discontinued operations	4.2%	6 683	6 415	268
Adjustment for constant currency	(2.1%)	-	130	(130)
Total organic revenue growth	2.1%	6 683	6 545	138

3. Revenue

The Group's revenue for Q3 2023 and 2022 was distributed as follows:

Amounts in kEUR	01/07/2023 30/09/2023	01/07/2022 30/09/2022	01/01/2023 30/09/2023	01/01/2022 30/09/2022
<i>Revenue by vertical within iGaming Affiliate Segment</i>				
Casino	306	1 555	1 617	4 704
Poker	562	891	1 896	2 625
Sports Betting	4 888	577	15 063	1 791
Other affiliation verticals	-	6	4	77
Total revenue in iGaming Affiliate Segment	5 756	3 029	18 580	9 197
<i>Revenue by vertical within SaaS Segment</i>				
Network model	3 835	3 379	10 016	10 863
Subscription model	277	275	853	826
Total revenue in SaaS Segment	4 112	3 654	10 869	11 689
Total Group revenue	9 868	6 683	29 449	20 886

4. Segment reporting

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

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

- iGaming Affiliation segment comprises Acroud AB's underlying affiliate business containing Casino, Poker and Betting verticals. Through this segment, Acroud delivers high quality content, search engine optimisation, paid media strategies and cutting-edge technology improvements to its affiliate assets which are used to generate valuable traffic and new depositing customers to our partners.
- SaaS segment comprises Software as a Service (SaaS). Through SaaS, the Group provides a software solution enabling clients to better analyse and monetise their traffic sources. Acroud AB is also providing media creators (website affiliates, bloggers, Youtubers etc...) access to a large pool of gaming campaigns that would otherwise be out of their reach, unique software and a single payment/contact for all affiliation activities.

The Chief Executive Officer primarily uses a measure of adjusted earnings before interest, tax, depreciation, and amortisation (EBITDA) to assess the performance of the operating segments. However, they also receive information about the segment's revenue and assets on a monthly basis. Interest and similar income and expenses and other financial assets are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group.

The amounts provided to the Chief Executive Officer with respect to total assets and total liabilities 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; segment liabilities consist primarily of trade and other payables and lease liabilities. Income tax assets and liabilities and interest-bearing liabilities are not allocated to segments as they are managed by the treasury function.

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

Amounts in kEUR					Jul - Sep 2023					Jul - Sep 2022				
	iGaming Affiliation	SaaS	Unallocated	Total		iGaming Affiliation	SaaS	Unallocated	Total					
External revenues	5 756	4 350	-	10 106	3 029	3 654	-	6 683						
Inter-segment revenue	-	(238)	-	(238)	-	-	-	-						
Segment revenue	5 756	4 112	-	9 868	3 029	3 654	-	6 683						
Other external expenses	(3 685)	(3 543)	(507)	(7 735)	(1 575)	(2 859)	(68)	(4 502)						
Personnel expenses	(655)	(314)	(151)	(1 120)	(430)	(254)	(136)	(820)						
Other operating income /(costs)	(45)	(3)	(20)	(68)	86	(2)	51	135						
EBITDA	1 371	252	(678)	945	1 110	539	(153)	1 496						
Depreciation/Amortisation	(1 120)	(160)	-	(1 280)	(431)	(140)	-	(571)						
EBIT	251	92	(678)	(335)	679	399	(153)	925						
Interest and similar income	-	-	2	2	-	-	4	4						
Interest and similar expenses	-	-	(983)	(983)	-	-	(1 493)	(1 493)						
Other financial assets	(76)	-	(393)	(469)	-	-	317	317						
Profit/(loss) before tax	175	92	(2 052)	(1 785)	679	399	(1 325)	(247)						
Tax on profit for the period	-	-	(89)	(89)	-	-	(342)	(342)						
Profit/(loss) for the period	175	92	(2 141)	(1 874)	679	399	(1 667)	(589)						
Material non-cash items														
Net foreign exchange gain/(loss)	(76)	-	(393)	(469)	(4)	-	321	317						
Assets and liabilities														
Segment Assets	41 768	12 170	-	53 938	63 966	12 911	-	76 877						
Unallocated Assets	-	-	1 960	1 960	-	-	1 274	1 274						
Total assets	41 768	12 170	1 960	55 898	63 966	12 911	1 274	78 151						
Additions to non-current assets	165	3	-	168	467	-	-	467						
Segment Liabilities	(6 333)	(1 451)	-	(7 784)	(4 986)	(7 506)	-	(12 492)						
Unallocated Liabilities	-	-	(22 493)	(22 493)	-	-	(22 177)	(22 177)						
Total Liabilities	(6 333)	(1 451)	(22 493)	(30 277)	(4 986)	(7 506)	(22 177)	(34 669)						

Amounts in kEUR					Jan - Sep 2023					Jan - Sep 2022				
	iGaming Affiliation	SaaS	Unallocated	Total		iGaming Affiliation	SaaS	Unallocated	Total					
External revenues	18 580	11 815	-	30 395	9 197	11 689	-	20 886						
Inter-segment revenue	-	(946)	-	(946)	-	-	-	-						
Segment revenue	18 580	10 869	-	29 449	9 197	11 689	-	20 886						
Other external expenses	(12 816)	(8 770)	(782)	(22 368)	(4 372)	(9 329)	(191)	(13 892)						
Personnel expenses	(1 895)	(910)	(469)	(3 274)	(1 483)	(776)	(411)	(2 670)						
Other operating income /(costs)	(135)	(12)	(13)	(160)	1 204	3	16	1 223						
EBITDA	3 734	1 177	(1 264)	3 647	4 546	1 587	(586)	5 547						
Depreciation/Amortisation	(3 127)	(479)	-	(3 606)	(1 323)	(432)	-	(1 755)						
Impairment of goodwill	(20 000)	-	-	(20 000)	-	-	-	-						
EBIT	(19 393)	698	(1 264)	(19 959)	3 223	1 155	(586)	3 792						
Interest and similar income	-	-	6	6	-	-	12	12						
Interest and similar expenses	(485)	-	(2 639)	(3 124)	-	-	(2 658)	(2 658)						
Other financial assets	(485)	1	777	293	-	-	1 186	1 186						
Earn out revaluation	280	(275)	-	5	-	-	-	-						
Profit/(loss) before tax	(20 083)	424	(3 120)	(22 779)	3 223	1 155	(2 046)	2 332						
Tax on profit for the period	-	-	(420)	(420)	-	-	(489)	(489)						
Profit/(loss) for the period	(20 083)	424	(3 540)	(23 199)	3 223	1 155	(2 535)	1 843						
Material non-cash items														
Net foreign exchange gain/(loss)	(485)	1	777	293	-	-	1 186	1 186						
Assets and liabilities														
Segment Assets	41 768	12 170	-	53 938	63 966	12 911	-	76 877						
Unallocated Assets	-	-	1 960	1 960	-	-	1 274	1 274						
Total assets	41 768	12 170	1 960	55 898	63 966	12 911	1 274	78 151						
Additions to non-current assets	512	5	-	517	1 759	11	-	1 770						
Segment Liabilities	(6 333)	(1 451)	-	(7 784)	(4 986)	(7 506)	-	(12 492)						
Unallocated Liabilities	-	-	(22 493)	(22 493)	-	-	(22 177)	(22 177)						
Total Liabilities	(6 333)	(1 451)	(22 493)	(30 277)	(4 986)	(7 506)	(22 177)	(34 669)						

5. 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 Q3 2023, the earnings impact of the share-based payments is EUR 19 thousand.

Number of options	Group and Parent Company		
	30/09/2023	30/09/2022	31/12/2022
Amounts in kEUR			
Outstanding at the beginning of the period	4 325 000	5 600 000	5 600 000
Granted during the period	-	-	-
Forfeited during the period	(675 664)	-	(1 275 000)
Total outstanding at the end of the period	3 649 336	5 600 000	4 325 000
Exercisable at the end of the period	-	-	-
Weighted average exercise price per option	3,25	3,25	3,25
Remaining weighted average contract period (years) for outstanding options	0,5	1.5	1,28

6. Loans and Borrowings

Borrowings consist of a bond loan amounting to SEK 220 (225) million which amounts to SEK 198 million when issued at 95% of par.

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

Amounts in kEUR	30/09/2023	30/09/2022	31/12/2022
Corporate bond			
Nominal amount (issued at 95% of par)	17 198	19 786	19 521
Prepaid transaction costs	(364)	(684)	(609)
Carrying amount	16 834	19 102	18 912

The bond matures in July 2025 and was listed for institutional trading on Nasdaq Stockholm's Corporate Bonds list on 5 July 2022. The bond has a variable interest rate of Stibor 3m + 9.5%. During the period, SEK 25 million of bonds were converted into equity, as explained in "Important events in the quarter" on page 3 of this report.

Bond transaction costs

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

7. Related-party transactions

1. Parent and ultimate controlling party

Acroud AB is the ultimate holding company in the Group (hereinafter referred to as "the Company" or "the Parent Company") and was registered in Sweden on 14 December 2005. The Company's shares have been listed on Nasdaq First North Premier Growth Market since June 2018. The Company is registered in Sweden with address is PO Box 7385, Stockholm, SE-103 91. The largest shareholder of Acroud AB is Trottholmen AB which as at 30 September 2023 owns 40.51% of the issued shares, in turn owned by Henrik Kvick.

2. Related party relationships, transactions and balances

The directors consider fellow group companies to be related parties in view of the fact that they are ultimately controlled by the same parties. The transactions that took place during the year are as follows:

Amounts in kEUR	01/07/2023 - 30/09/2023			
	Rock Intention Malta Limited	Acroud Sports Limited	Matching Visions Limited	Acroud Media Limited
Sale of services	-	-	-	80
Purchase of services	-	-	-	280
Consultancy fees	-	9	40	35
Total	-	9	40	395

Amounts in kEUR	01/01/2023 - 30/09/2023			
	Rock Intention Malta Limited	Acroud Sports Limited	Matching Visions Limited	Acroud Media Limited
Sale of services	-	-	-	80
Purchase of services	-	-	-	709
Consultancy fees	356	26	40	103
Total	356	26	40	892

8. 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	
	30/09/2023	31/12/2022	30/09/2023	31/12/2022
Net assets/Shares in subsidiaries pledged as collateral for bonds	39 493	52 514	39 265	34 729

To provide collateral for borrowings related to the acquisition of the subsidiary HLM Malta Limited, the Parent Company has pledged shares in specific subsidiaries. For the Parent Company, the value of the pledged shares comprises the cost, while for the Group the value comprises total net assets, which would disappear from the Group if the subsidiary shares were foreclosed. During this period, shares in Acroud Media Limited were added to the pledged assets.

9. Non-recurring items

The table below shows extracts from the Consolidated Statement of Comprehensive Income and how it has been affected by non-recurring items.

Results 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.

Results in Q1 2023 were affected by EUR 10 thousand attributable to termination benefits, EUR 17 thousand attributable to one-off expenses incurred in relation to the acquisition of Acroud Media Ltd and EUR 141 thousand of amortised bond redemption fee and discount and favourable currency effects. Q2 2023 was affected by EUR 20 million one-off impairment charge of the Highlight Media business, EUR 297 thousand relating to termination benefits, EUR 417 thousand in linkbuilding as a result of a change in accounting estimate, EUR 275 thousand one-off expenses incurred in relation to the Written Procedure under the outstanding bond loan, EUR 5 thousand one-off charge to reflect the final earnouts relating to Power Media Group and The Gambling Cabin and EUR 657 thousand of amortised bond redemption fee and discount and favourable currency effects. Results in Q3 were affected by another EUR 230 thousand one-off expenses incurred in relation to the Written Procedure under the outstanding bond loan as mentioned in the important events during the quarter on page 3 of this report and EUR 891 thousand of amortised bond redemption fee and discount and currency effects.

Amounts in kEUR	01/07/2023 - 30/09/2023			01/07/2022 - 30/09/2022			01/01/2023 - 30/09/2023			01/01/2022 - 30/09/2022		
	Reported income statement	Items affecting comparability	Adjusted for items affecting comparability	Reported income statement	Items affecting comparability	Adjusted for items affecting comparability	Reported income statement	Items affecting comparability	Adjusted for items affecting comparability	Reported income statement	Items affecting comparability	Adjusted for items affecting comparability
Other external expenses	(7 735)	230	(7 505)	(4 502)	-	(4 502)	(22 368)	1 161	(21 207)	(13 892)	-	(13 892)
Personnel expenses	(1 120)	-	(1 120)	(820)	-	(820)	(3 274)	85	(3 189)	(2 670)	-	(2 670)
Other operating income	-	-	-	24	-	24	-	-	-	466	(467)	(1)
Other operating expenses	(68)	-	(68)	-	-	-	(167)	37	(130)	-	-	-
EBITDA	945	230	1 175	1 496	-	1 496	3 647	1 283	4 930	5 547	(467)	5 080
Depreciation/amortisation and impairment	(1 280)	-	(1 280)	(571)	-	(571)	(23 606)	20 000	(3 606)	(1 755)	-	(1 755)
Operating profit/(loss) (EBIT)	(335)	230	(105)	925	-	925	(19 959)	21 283	1 324	3 792	(467)	3 325
Interest and similar expenses	(983)	479	(504)	(1 493)	709	(784)	(3 124)	729	(2 395)	(2 658)	709	(1 949)
Other financial items	(469)	412	(57)	317	(308)	9	293	(673)	(380)	1 186	(1 134)	52
Earn out revaluation	-	-	-	-	-	-	5	(5)	-	-	-	-
Net profit/(loss) before tax	(1 785)	1 121	(664)	(247)	401	154	(22 779)	21 334	(1 445)	2 332	(892)	1 440
Net profit/(loss)	(1 874)	1 121	(753)	(589)	401	(188)	(23 199)	21 334	(1 865)	1 843	(892)	951

10. Events after the quarter

On 24 October 2023, Andrzej Mieszkowicz was appointed as CFO for Acroud with effect from 1 November 2023, and will form part of group management. He has a strong experience in leading finance of technology and high-growth companies. In his recent 6 years he worked for iGaming industry companies such as Cherry AB Group, The Mill Adventure and recently as a CFO of stock-listed Lady Luck Games. Andrzej has a Master's degree in International Business from the University of Economics in Prague, is a qualified ACCA member and warranted CPA.

Key figures and definitions

Key figures, Group

	01/07/2023 30/09/2023	01/07/2022 30/09/2022	01/01/2023 30/09/2023	01/01/2022 30/09/2022
EBITDA margin	10%	22%	12%	27%
Adjusted EBITDA margin	12%	22%	17%	24%
Operating margin	(3%)	14%	(68%)	18%
Revenue Growth	48%	4%	41%	15%
Organic revenue growth	(16.5%)	2.1%	(21.7%)	10.6%
Equity ratio	46%	56%	46%	56%
Return on equity	(7%)	(1%)	(91%)	4%
Equity per share (EUR)	0.15	0.34	0.15	0.34
Number of registered shares at end of period	172,612,188	129,659,355	172,612,188	129,659,355
Weighted average number of shares before dilution	159,612,547	129,659,355	144,203,160	129,659,355
Weighted average number of shares after dilution	170,936,076	129,659,355	155,526,689	129,659,355
Earnings per share (after dilution)	(0.012)	(0.005)	(0.161)	0.014
Adjusted earnings per share (after dilution)	(0.005)	(0.001)	(0.013)	0.007
Market price per share at end of period (SEK)	1.7	1.83	1.7	1.83
EPS growth (%)	140%	199%	(1 250%)	67%
Organic EBITDA Growth	(89%)	19%	(69%)	7%

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.
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 as explained in note 9.
Adjusted profit after tax	Reported profit after tax, adjusted for non-recurring items as explained in note 9.
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 as explained in note 9 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.
Organic EBITDA Growth	Organic EBITDA growth is defined as growth in EBITDA adjusted for non-recurring items as explained in note 9.

Information for Shareholders

Financial calendar

Reports

Year-end report January - December 2023
Interim report January - March 2024
Interim report April - June 2024
Interim report July - September 2024
2024 AGM

22 February 2024
23 May 2024
22 August 2024
21 November 2024
23 May 2024

Contact

For further information, please contact

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

Andrzej Mieszkowicz, CFO
Mobile: +356 9911 2090
E-mail: andrzej.mieszkowicz@acroud.com

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.

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