



Q4 2023

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

Overview

A mixed quarter
full of activity



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A mixed quarter full of activity

FOURTH QUARTER 2023

- Revenue amounted to **EUR 9 905** (10 019) thousand, which remained in line with the previous year.
- Adjusted EBITDA (before items affecting comparability) was **EUR 1 405** (2 492) thousand decreasing by 44% year-on-year and increasing 20% quarter-on-quarter. EBITDA amounted to EUR 1 810 (2 342) thousand, decreasing by 23% year-on-year and increasing by 92% quarter-on-quarter.
- Profit after tax was **EUR -8 008** (-20 265) thousand. Adjusted profit after tax (before items affecting comparability and currency effects) was EUR -409 (564) thousand. Items affecting comparability include an impairment charge of EUR 7.2 million.
- Earnings per share after dilution amounted to **EUR -0.046** (-0.15). Adjusted earnings per share (before items affecting comparability and currency effects) was EUR -0.002 (0.004).
- New Depositing Customers (NDC) amounted to **45 627** (84 086) decreasing by 46%.
- Cash flow from operating activities amounted to **EUR 688** (1 538) thousand.

FULL YEAR 2023

- Revenue amounted to an all-time high of **EUR 39 354** (30 905) thousand, corresponding to a growth of 27% and an organic revenue growth of -14.6%.
- Adjusted EBITDA (before items affecting comparability) was **EUR 6 335** (7 573) thousand, decreasing by 16% year-on-year. EBITDA amounted to EUR 5 457 (7 890) thousand, decreasing by 31% year-on-year.
- Profit after tax was **EUR -31 205** (- 18 421) thousand. Adjusted profit after tax (before items affecting comparability and currency effects) was EUR -2 272 (1 516) thousand. Items affecting comparability include an impairment charge of EUR 27.2 million.
- Earnings per share after dilution amounted to **EUR -0.206** (-0.141). Adjusted earnings per share (before items affecting comparability and currency effects) was EUR -0.015 (0.012).
- New Depositing Customers (NDC) amounted to an all-time high of **327 921** (186 550) increasing by 76%.
- Cash flow from operating activities amounted to **EUR 4 240** (5 596) thousand.
- The Board of Directors proposes that no dividend will be paid for the financial year 2023.

IMPORTANT EVENTS IN THE QUARTER

As communicated in Q3 2023 report, on 24 October 2023, Andrzej Mieszkowicz was appointed as CFO for Acroud with effect from 1 November 2023, and is now part of group management. In the past 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.

During the period, the Board of directors of Acroud has in accordance with the Written Procedure (summarised in the Company's press release dated 7 June 2023 and approved on 27 June 2023), resolved to carry out an intra-group restructuring in relation to Acroud Sports Limited and Acroud Media Ltd which is composed of the following 2 steps:

1. On 30 November 2023, Acroud Media Ltd acquired 100% of the ordinary share capital of Acroud Sports Limited from Acroud AB and RIAE Media Ltd in exchange for consideration shares such that Acroud Media Ltd is now the sole shareholder entity of Acroud Sports Limited.
2. On 31 December 2023, Acroud Sports Limited transferred the trade and assets of its UK branch to Acroud Media Ltd in exchange for an interest-free intercompany loan note.

Pursuant to step 2 above, the intention is to proceed with a solvent liquidation of Acroud Sports Limited.

The scope of this intra-group restructuring is in order to optimise the Group's cost base by way of creating leaner and more efficient structure, which is expected to strengthen the Group's cash flow generation going forward.

IMPORTANT EVENTS AFTER THE QUARTER

After the quarter, we also divested all our poker-related assets. This strategic move was made in light of poker's declining popularity following its initial surge during the COVID-19 pandemic, as well as the SEO challenges.

KEY FIGURES

	OCT -DEC			JAN-DEC		
EUR thousands	2023	2022	Y/Y%	2023	2022	Y/Y%
Revenue	9 905	10 019	(1%)	39 354	30 905	27%
Revenue Growth, %	(1%)	53%	(54pp)	27%	25%	2pp
Organic Revenue Growth, %	(0.6%)	(3.3%)	2.7pp	(14.6%)	6.9%	(21.5pp)
EBITDA	1 810	2 342	(23%)	5 457	7 890	(31%)
EBITDA margin, %	18%	23%	(5pp)	14%	26%	(12pp)
Adjusted EBITDA	1 405	2 492	(44%)	6 335	7 573	(16%)
Adjusted EBITDA margin, %	14%	25%	(11pp)	16%	25%	(9pp)
Profit after tax	(8 008)	(20 265)	60%	(31 205)	(18 421)	(69%)
Earnings per share (after dilution)	(0.046)	(0.15)	69%	(0.206)	(0.141)	(46%)
Adjusted Profit after tax	(409)	564	(173%)	(2 272)	1 516	(250%)
Adjusted Earnings per share (after dilution)	(0.002)	0.004	(150%)	(0.015)	0.012	(225%)
Net Debt / Adjusted EBITDA rolling 12 months)	2.5	2.5	0%	2.5	2.5	0%
New Depositing Customers (NDCs)	45 627	84 086	(46%)	327 921	186 550	76%
Organic EBITDA Growth	(43%)	135%	(178pp)	(62%)	32%	(94pp)

pp = percentage points

CEO Comments

A mixed quarter full of activity

During the fourth quarter, Acroud AB has continued to take clear steps towards strategic goals, reflecting our commitment to sustainable growth and value creation for our shareholders.

Strategic Progress

Our decision to diversify the business three years ago has proven to be correct. Considering the challenges traditional SEO business faces, due to changing search engine algorithms and the increased introduction of AI technology, Acroud has successfully adapted its business model. Today, our core business consists of media buying, media partnerships, SaaS solutions through our platform Voonix, the Affiliate network Matching Visions, and our streaming operation The Gambling Cabin. We have also chosen to outsource our traditional SEO business, enabling improved margins and innovation through external partners.

Regarding the acquired business within media, there are still challenges, especially when it comes to forecasting, as it is an extremely dynamic business very dependent on sports results. However, during Q1, we will make the final instalment payment for the acquisition. And when we sum up all parts of this deal, we will have paid less than 2x EBITDA for our share of the company. This has thus been one of the best deals we've made.

Another strategic change that was made during Q4 was to shift focus to a different type of NDC that has higher value, and naturally, a higher acquisition cost as well. Moving forward, we want to have a good mix of different NDCs, hence we will be able to see these variations in the future.

Divestment of Poker

After the quarter, we have also divested all our poker-related assets. Poker has been a declining product for us, taking both focus and resources to try to slow the decline. This strategic action was taken against the backdrop of poker's decreasing popularity after its initial increase during the COVID-19 pandemic, and the aforementioned SEO challenges.

Organizational Changes

We are pleased to welcome Andrzej Mieszkowicz as our new CFO. With an impressive background in financial management for technology and growth companies, and specifically within the iGaming sector, Andrzej has already proven to be a valuable asset for Acroud.



His experiences from leading positions at companies such as Cherry AB Group, The Mill Adventure, and Lady Luck Games further strengthen our team and contribute to our continued pursuit of efficiency and profitability.

In conclusion, Acroud now consists of a collection of companies with deep passion and strong incentives to drive success and create value. We look forward to continuing our journey towards increased profitability and strengthened shareholder value.

Join The Ride!

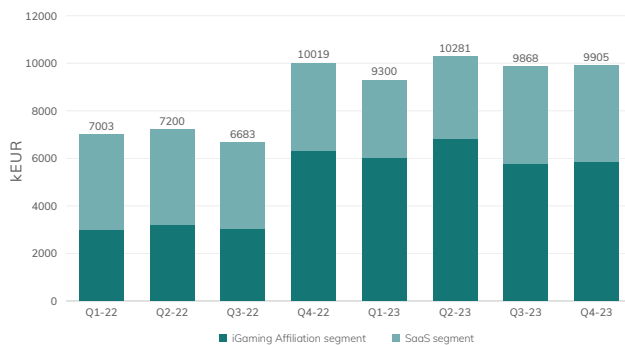
Robert Andersson
February 22, 2024

GROUP DEVELOPMENT

Revenue

Revenue for Q4 2023 remained very much in line with both Q3 2023 and Q4 2022 and amounted to EUR 9 905 (Q3 2023: EUR 9 868 and Q4 2022: EUR 10 019) thousand. Revenues in the iGaming Affiliation business accounted for 59% (63%) of total revenue and revenues in the SaaS Segment accounted for 41% (37%) of total revenue. The number of New Depositing Customers (NDCs) in Q4-2023 delivered to our customers amounted to 45 627. This represents a decrease of 37% from the 72 270 NDCs of Q3-2023. This decrease in the NDCs is arising mainly from reduced spend on the traditional paid Media model and a shift to a more sustained method of user Acquisition (SEO/Media Partnerships). NDCs delivered by network-based SaaS business amounted to 16 882 (15 485) and have increased 9% year-on-year.

Group Revenue Development



Costs

Total operating expenses for Q4 2023, including items effecting comparability, totalled EUR 8 095 thousand compared to EUR 7 677 thousand in same quarter previous year. Personnel costs increased when compared to the same quarter last year, amounting to EUR 1 632 (1 004) thousand. The increase in personnel costs is mainly attributable to year-end bonuses and a shift of some consultants into payroll contracts. When compared to Q3 2023, personnel expenses, including items affecting comparability, have increased by 46% from EUR 1 120 thousand in Q3 2023 to EUR 1 632 thousand in Q4 2023. When excluding items effecting comparability, the increase in personnel expenses goes down to 44%.

Other external expenses (EUR 6 816 thousand), excluding items affecting comparability, have increased year-on-year by 5%. When compared to Q3 2023, other external expenses have decreased by 9%. For a detailed explanation of the quarter's items affecting comparability, kindly refer to note 9 – Non-recurring items.

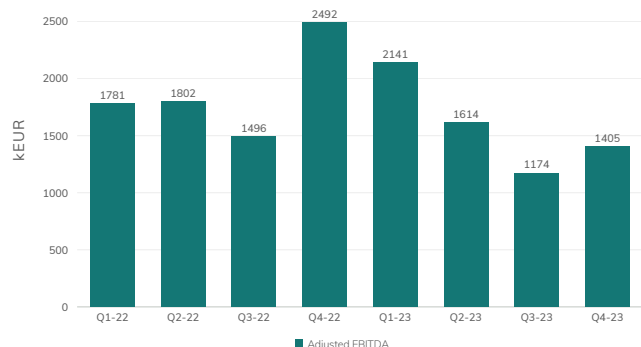
Profitability

Adjusted earnings before interest, tax, depreciation and amortisation (EBITDA) on a group level totalled EUR 1 405 (EUR 2 492) thousand, resulting in an increase of 20% over Q3 2023. This increase is mainly a result of a decrease in paid media costs and SAAS network payouts in Q4 2023, partly set off by an increase in personnel expenses.

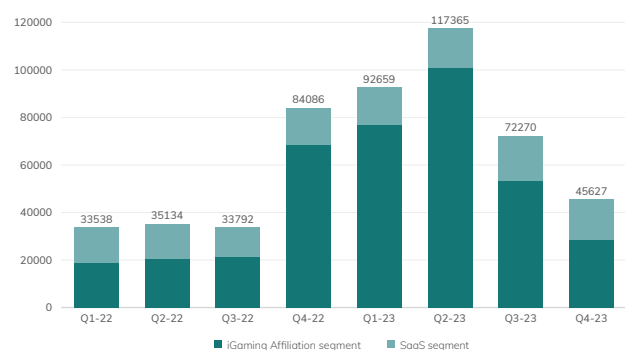
Profit after tax in the fourth quarter amounted to EUR -8 008 thousand (-20 265 thousand). Adjusted for one-off costs mentioned in note 9 (including but not limited to an impairment of goodwill), the profit after tax amounted to EUR -409 (564) thousand. The decrease is a result of a lower EBITDA in the current quarter.

Earnings per share (EPS) before and after dilution amounts to -0.046 (-0.150). Adjusted EPS after dilution amounts to -0.002 (0.004). Following the acquisition of Acroud Media Ltd, operating in the United Kingdom, the Group now operates with an effective tax rate of approximately 22%.

Adjusted EBITDA Development



Group NDCs Development



iGaming Affiliation

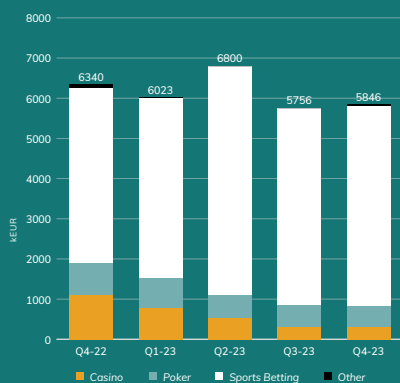
Q4 2023 iGaming Affiliation revenues amounted to EUR 5 846 (6 340) thousand, representing an increase of 2% quarter-on-quarter yet a decrease of 8% year-on-year, mainly arising from a decline in the poker (-37%) and casino (-71%) verticals, partially set off by an increase in the sports betting revenue (+15%) over Q4 2022.

The group continues diversifying its 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 7% (9%) of Q4-2023 Affiliation revenues. SEO affiliation business generated 20% of Q4-23 (32%) affiliation revenues whereas Paid Media business generated 73% of Q4-23 (59%) affiliation revenues being mainly from Acroud Media Ltd.



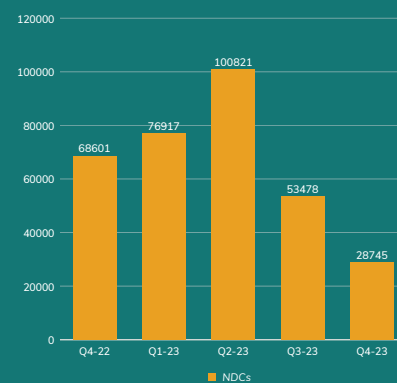
Revenue Development
iGaming Affiliation Segment



Adjusted EBITDA Development
iGaming Affiliation Segment



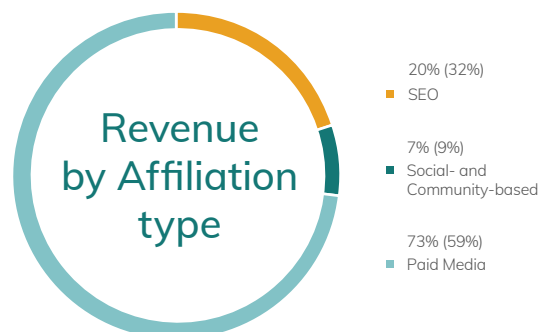
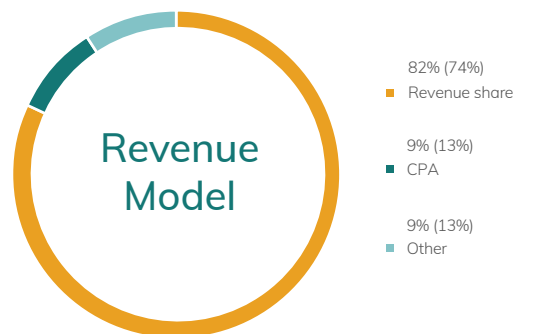
NDCs Development
iGaming Affiliation Segment



The number of New Depositing Customers (NDCs) in the iGaming segment were 28 745 (68 601) during Q4-23. Acroud Media Ltd on its own has generated 84% of the total NDCs during the period. This decrease in the NDCs is arising mainly from reduced spend on the traditional paid Media model and a shift to a more sustained method of user Acquisition (SEO/Media Partnerships).

Q4-23 revenue derived through revenue-sharing amounted to 82% (74%) mainly driven from revenue derived through revenue-sharing contributed by Acroud Media Ltd during the period. This year, Acroud Media Ltd contributed over EUR 17 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 1 307 thousand, representing a decrease of 5% quarter-on-quarter and 44% when compared to the previous year EBITDA. EBITDA margin (adjusted for one-off costs) during the Q4-2023 amounted to 22%.



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.

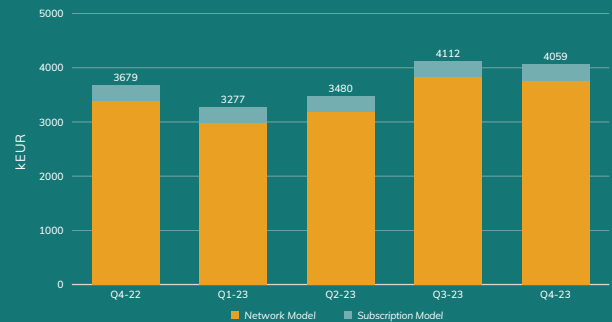
The SaaS segment registered revenues of EUR 4 059 (EUR 3 679) thousand, resulting in an increase of 10% year-on-year and consistent with Q3 2023. Revenues derived from subscription-model amounted to EUR 310 (EUR 290) thousand, resulting in year-on-year increase of 7% and quarter-on-quarter increase of 12%. Network model revenues amounted to EUR 3 749 (EUR 3 389) thousand which represents a quarter-on-quarter decrease of 2% but a year-on-year increase of 11%.

The number of New Depositing Customers (NDCs) delivered to customers via the Network-model decreased quarter-on-quarter by 10%, amounting to 16 882, however increased when compared to the same period last year by 9% (15 485). The consistently high levels of NDCs in the SaaS Segment are expected to translate into revenue increases in the coming quarters.

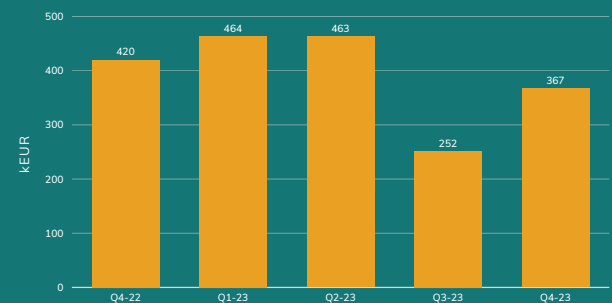
The number of Revenue Generating Units (RGUs), which measures the amount of clients serviced and billed by our SaaS segment during Q4 2023 remained in line with last quarter amounting to 436 and increased year-on-year by 4% (419).

EBITDA in the SaaS business amounted to EUR 367 (EUR 420) thousand which represents a quarter-on-quarter increase of 46% from the EBITDA of EUR 252 thousand reported in Q3 2023.

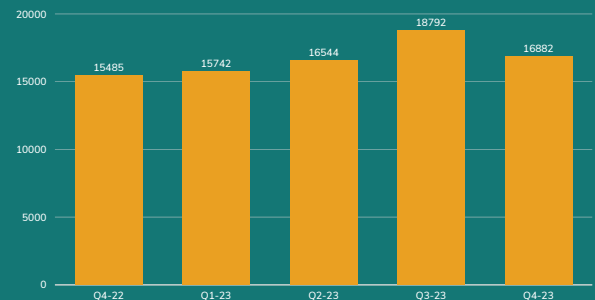
Revenue Development SaaS Segment



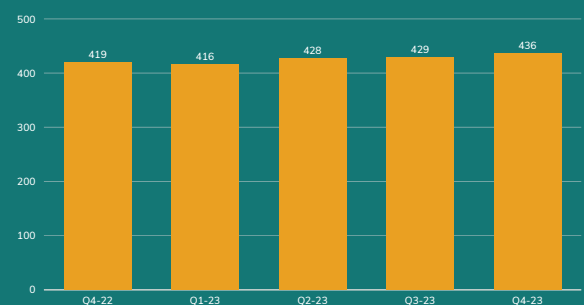
Adjusted EBITDA Development SaaS Segment



NDCs Development SaaS Segment



RGUs Development SaaS Segment



Financial position

CASH FLOW AND INVESTMENTS

Cash flow from operating activities during Q4 2023 amounted to EUR 688 (1 538) thousand, out of which EUR 192 thousand were in relation to tax payments while EUR 362 thousand related to a tax refund (in Q4 2022, EUR 303 thousand was used to pay income tax). The decrease is mainly related to a decrease in EBITDA and a temporary negative working capital when compared to Q4 2022.

Cash flow from investing activities amounted to EUR 1 832 thousand in the fourth quarter of 2023, compared with EUR -395 thousand in Q4 2022. The higher amount in Q4 2023 is attributable to the advance payment (EUR 1 859 thousand) received in relation to the sale of poker assets partly set off by the earnout payments of EUR 108 thousand in relation to The Gambling Cabin. A more detailed explanation of the aforementioned sale can be found in the "important events after the quarter", page 3 of this report.

Cash flow from financing activities amounted to EUR -1 037 (-601) thousand in Q4 2023, which consisted primarily of bond interest payments of EUR -596 thousand compared to EUR -578 thousand in Q4 2022. During this period, cash flow from financing activities were affected by EUR -390 (nil) thousand of dividend payments to minority shareholder and payments on lease liabilities of EUR -53 (-58) thousand.

LIQUIDITY AND FINANCIAL POSITION

At the end of the period, the Group's interest-bearing net debt was EUR 15 589 thousand, (EUR 18 666 thousand). 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 Q3 2023 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 a decrease in lease liabilities (EUR 476 thousand) and an increase in cash and cash equivalents (EUR 734 thousand) when compared to the same quarter last year. Acroud's current gross debt amounts to SEK 208 million, of which the bond amounts to SEK 200 million. Converted using the closing rate, the bond loan amounts to EUR 17 661 thousand.

As of 31 December 2023, the net debt/adjusted EBITDA ratio is 2.5x which is in line with 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 Q4 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 2 982 (24 882) thousand. The main movement when compared to the same quarter last year is in relation to the earnout payments in relation to PMG Group, The Gambling Cabin and Acroud Media Ltd as well as the promissory notes issued to the sellers of PMG group. More detailed information about the movement in provisions can be found in the "Important events in the quarter" on page 3 of Q3 2023 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 as at Q4 2023 was EUR -681 (381) thousand, which impacted net financial items. The Company's cash and cash equivalents at the end of Q4 2023 amounted to EUR 3 150 (2 416) thousand.

The equity ratio was 35 (30) percent, and equity was EUR 17 376 (24 319) thousand on 31 December 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 Q4 2023 resulted in a further impairment of EUR 7.2 million in relation to the same assets.

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-Dec 2023	-62%	2.5

Other information

Parent Company

Acroud AB is the ultimate holding company in the Group (hereinafter referred to as the "the Company" or "the Parent Company") and was registered in Sweden on 14 December 2005. The Company's shares have been listed on Nasdaq First North 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 Q4-23, 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 31 December 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 31 December 2023 was 1 605. 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%
JP Morgan Chase Bank	38 996 581	22.59%
Six Sis AG	20 504 071	11.88%
SMD Group Limited	6 841 981	3.96%
IBKR Financial Services AG	4 928 546	2.86%
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	1 403 974	0.81%
Trading House Scandinavia	1 176 400	0.68%
Saxo Bank	1 119 744	0.65%
Bank Julius Baer & Co Ltd	1 111 111	0.64%
SEB AB, Luxembourg Branch	1 066 500	0.62%
Other shareholders	14 595 951	8.46%
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, 22 February 2024

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

BOARD AND CEO

Peter Åström Chairman	Staffan Dahl Director	Richard Gale Director	Kim Mikkelsen Director	Robert Andersson President and CEO
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Andrzej Mieszkowicz, CFO
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E-mail: andrzej.mieszkowicz@acroud.com

Forthcoming report dates

Interim report January - March 2024	23 May 2024
Interim report April - June 2024	22 August 2024
Interim report July - September 2024	21 November 2024
2024 AGM:	23 May 2024

Presentation for investors, analysts and media

A live webcast will be held on 22nd February 2024 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-q4-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 50048817#

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



Q4 2023

Financial

Statements

Financial report

Consolidated Statement of Comprehensive Income

Amounts in kEUR	01/10/2023 31/12/2023	01/10/2022 31/12/2022	01/01/2023 31/12/2023	01/01/2022 31/12/2022
Revenue (notes 2, 3)	9 905	10 019	39 354	30 905
Total revenue	9 905	10 019	39 354	30 905
Capitalised work for own account	-	8	7	836
Other external expenses	(6 365)	(6 599)	(28 733)	(20 491)
Personnel expenses	(1 632)	(1 004)	(4 906)	(3 675)
Other operating income	-	10	-	476
Other operating expenses	(98)	(92)	(265)	(161)
EBITDA	1 810	2 342	5 457	7 890
Depreciation/amortisation	(1 066)	(1 148)	(4 671)	(2 903)
Impairment of goodwill and intangible assets (note 9)	(7 210)	(18 000)	(27 210)	(18 000)
Operating profit/(loss) (EBIT)	(6 466)	(16 806)	(26 424)	(13 013)
Interest and similar income	2	2	9	14
Interest and similar expenses	(785)	(1 147)	(3 909)	(3 805)
Other financial items	(776)	698	(483)	1 884
Earn out revaluation	-	(2 932)	5	(2 932)
Profit/(loss) from financial items	(1 559)	(3 379)	(4 378)	(4 839)
Profit/(loss) before tax	(8 025)	(20 185)	(30 802)	(17 852)
Tax on profit for the period	17	(80)	(403)	(569)
Profit/(loss) for the period	(8 008)	(20 265)	(31 205)	(18 421)
Earnings per share (EUR)	(0.046)	(0.150)	(0.206)	(0.141)
Earnings per share after dilution (EUR)	(0.046)	(0.150)	(0.206)	(0.141)
Other comprehensive income, income and expenses recognised directly in equity				
Exchange differences on translation of foreign operations	135	(51)	(21)	(97)
Other comprehensive income for the period	135	(51)	(21)	(97)
Total comprehensive income for the period	(7 873)	(20 316)	(31 226)	(18 518)
Profits attributable to:				
Owners of the Company	(8 388)	(20 265)	(31 714)	(18 421)
Non-controlling interests	380	-	509	-
	(8 008)	(20 265)	(31 205)	(18 421)
Total comprehensive income attributable to:				
Owners of the Company	(8 285)	(20 316)	(31 706)	18 518
Non-controlling interests	412	-	480	-
	(7 873)	(20 316)	(31 226)	18 518

Consolidated Statement of Financial Position

Amounts in kEUR	31/12/2023	31/12/2022
Assets		
Non-current assets		
Goodwill	14 114	41 324
Other intangible assets	24 478	28 885
Right-of-use assets	271	652
Property, plant and equipment	82	194
Investment in associate	1	1
Other non-current receivables	-	84
Deferred tax assets	301	229
Total non-current assets	39 247	71 369
Current assets		
Trade receivables	3 153	3 219
Other receivables	2 140	375
Tax receivable	80	205
Prepayments and accrued income	2 235	2 293
Cash and cash equivalents	3 150	2 416
Total current assets	10 758	8 508
Total assets	50 005	79 877
Equity and liabilities		
Equity (note 5)	17 376	24 319
Non-current liabilities		
Loans and borrowings (note 6)	17 661	18 912
Deferred tax liabilities	3 229	4 017
Liabilities to Shareholder	-	378
Other liabilities	2 306	21 401
Lease liabilities	188	433
Total non-current liabilities	23 384	45 141
Current liabilities		
Trade Payables	820	151
Tax liabilities	1 673	944
Other liabilities	4 310	6 623
Lease liabilities	96	205
Accruals and deferred income	2 346	2 494
Total current liabilities	9 245	10 417
Total equity and liabilities	50 005	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)
Profit/(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)

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 Oct 2023	3 528	32 125	2 554	5 067	(32 259)	11 015	14 606	25 621
Transactions with owners:								
- Share-based payments - value of employee benefits	-	18	-	-	-	18	-	18
- Dividends	-	-	-	-	(390)	(390)	-	(390)
Profit/(Loss) for the period	-	-	-	-	(8 388)	(8 388)	380	(8 008)
Other Comprehensive income/(loss) for the period	-	-	103	-	-	103	32	135
Closing equity, 31 Dec 2023	3 528	32 143	2 657	5 067	(41 037)	2 358	15 018	17 376

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. During the last quarter of 2023, a profit amounting to EUR 380 thousand and income of EUR 32 thousand was allocated to the NCI.

Consolidated Cash Flow Statement

Amounts in kEUR	01/10/2023 31/12/2023	01/10/2022 31/12/2022	01/01/2023 31/12/2023	01/01/2022 31/12/2022
Operating activities				
Profit/(loss) before tax	(8 025)	(20 185)	(30 802)	(17 852)
Adjustments for non-cash items not included in operating activities				
Depreciation and amortisation of assets	1 066	1 148	4 671	2 903
Impairment of goodwill and intangible assets (note 9)	7 210	18 000	27 210	18 000
Exchange gains/(losses) on financial receivables and liabilities	912	(750)	460	(1 981)
Costs for share-based programmes	18	(3)	81	77
(Gain)/loss on sale of other assets	-	-	(20)	(446)
Provisions for restructuring	-	98	-	98
Earn out revaluation	-	2 932	(5)	2 932
Interest and similar expenses	785	1 147	3 909	3 805
Interest and similar income	(2)	(2)	(9)	(14)
Tax paid	170	(303)	(407)	(514)
Cash flow from changes in working capital				
Increase (-)/Decrease (+) in operating receivables	(1 178)	(916)	(904)	(1 400)
Increase (+)/Decrease (-) in operating liabilities	(268)	372	56	(12)
Cash flow from operating activities	688	1 538	4 240	5 596
Investing activities				
Acquisition of shares in Group companies, net of cash acquired	-	-	-	(2 336)
Payments on acquisitions	-	-	(897)	-
Acquisition of property, plant and equipment	(6)	(22)	(38)	(173)
Acquisition of intangible assets	(1 744)	(655)	(2 229)	(2 313)
Proceeds from sale of investments	-	-	410	-
Repayment of contingent considerations	(108)	-	(2 715)	-
Payment of borrowings	-	-	-	-
Proceeds from sale of other assets	3 690	282	4 189	1 583
Cash flow from investing activities	1 832	(395)	(1 280)	(3 239)
Financing activities				
Proceeds from issue of shares	-	-	1 874	-
Proceeds from issue of bond	-	35	-	12 127
Issue expenses	-	-	-	(751)
Repayment of borrowings	-	-	-	(11 443)
Dividends paid	(390)	-	(1 500)	(343)
Interest paid	(596)	(578)	(2 443)	(1 351)
Interest received	2	-	9	9
Repayment of lease liabilities	(53)	(58)	(195)	(508)
Cash flow from financing activities	(1 037)	(601)	(2 255)	(2 260)
Cash flow for period	1 483	542	705	97
Cash & cash equivalents at beginning of period	1 624	1 798	2 416	2 202
Exchange differences	27	(7)	-	28
Reclassification to cash & cash equivalents from other current financial assets	16	83	29	89
Cash & cash equivalents at end of period	3 150	2 416	3 150	2 416

Income Statement – Parent Company

Amounts in kEUR	01/01/2023	01/01/2022
	31/12/2023	31/12/2022
Revenue	-	36
Total Revenue	-	36
Operating expenses		
Other external expenses	(1 012)	(404)
Personnel expenses	(106)	(118)
Other operating expenses	-	(36)
Other operating income	9	-
Total Operating expenses	(1 109)	(522)
Effect of liquidation	246	-
Fair value movement on derivatives	717	-
Impairment of investment in subsidiary	(8 820)	(18 000)
Operating profit/(loss)	(8 966)	(18 522)
Profit from investments in Group companies	10 312	3 337
Interest and similar expenses	(3 457)	(3 734)
Other financial items	103	1 884
Earn out revaluation	-	(2 932)
Profit/(loss) after financial items	(2 008)	(19 967)
Tax on profit for the period	24	205
Profit/(loss) for the period	(1 984)	(19 762)

Balance Sheet – Parent Company

Amounts in kEUR	31/12/2023	31/12/2022
Assets		
Total non-current assets	36 293	52 714
Total current assets	3 113	1 396
Total assets	39 406	54 110
Equity and liabilities		
Equity	9 951	5 758
Total non-current liabilities	25 026	40 690
Total current liabilities	4 429	7 662
Total equity and liabilities	39 406	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 200 million (EUR 17 986 thousand based on 31 December 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 31 December 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 Q4 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. An impairment charge of EUR 7.2 million was recognised during Q4 2023. The impairment is fully emanating from the iGaming SEO Affiliation CGU, impacted by a drop in performance of the Highlight Media assets acquired in 2016.

The recoverable amount is sensitive to reasonable growth assumptions and deviations from the growth plan could result in additional impairment. 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%. Impairment goodwill test indicated a low headroom for The Gambling Cabin CGU, which is sensitive to changes in the assumptions.

2. Organic revenue growth

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

Organic revenue growth - bridge Q4 2023

Amounts in kEUR

	01/10/2023 31/12/2023 Growth, %	01/10/2023 31/12/2023 Absolute Figures	01/10/2022 31/12/2022 Absolute Figures	Deviation Absolute Figures
Total Growth, EUR	(1.1%)	9 905	10 019	(114)
Adjustment for acquired and divested/discontinued operations	(0.0%)	-	-	-
Total Growth in EUR, excluding acquired and divested/discontinued operations	(1.1%)	9 905	10 019	(114)
Adjustment for constant currency	0.5%	-	(49)	49
Total organic revenue growth	(0.6%)	9 905	9 970	(65)

Organic revenue growth - bridge Q4 2022

Amounts in kEUR

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

3. Revenue

The Group's revenue for Q4 2023 and 2022 was distributed as follows:

Amounts in kEUR	01/10/2023 31/12/2023	01/10/2022 31/12/2022	01/01/2023 31/12/2023	01/01/2022 31/12/2022
<i>Revenue by vertical within iGaming Affiliate Segment</i>				
Casino	326	1 122	1 943	5 826
Poker	505	799	2 401	3 424
Sports Betting	4 984	4 335	20 047	6 126
Other affiliation verticals	31	84	35	160
Total revenue in iGaming Affiliate Segment	5 846	6 340	24 426	15 536
<i>Revenue by vertical within SaaS Segment</i>				
Network model	3 749	3 389	13 765	14 253
Subscription model	310	290	1 163	1 116
Total revenue in SaaS Segment	4 059	3 679	14 928	15 369
Total Group revenue	9 905	10 019	39 354	30 905

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					Oct - Dec 2023				Oct - Dec 2022			
	iGaming Affiliation	SaaS	Unallocated	Total		iGaming Affiliation	SaaS	Unallocated	Total			
External revenues	5 846	4 430	-	10 276		6 340	3 679	-	10 019			
Inter-segment revenue	-	(371)	-	(371)		-	-	-	-			
Segment revenue	5 846	4 059	-	9 905		6 340	3 679	-	10 019			
Other external expenses	(2 901)	(3 331)	(133)	(6 365)		(3 504)	(2 991)	(9104)	(6 599)			
Personnel expenses	(1 122)	(353)	(157)	(1 632)		(609)	(263)	(132)	(1 004)			
Other operating income /(costs)	(111)	(8)	21	(98)		(18)	(5)	(51)	(74)			
EBITDA	1 712	367	(269)	1 810		2 209	420	(287)	2 342			
Depreciation/Amortisation	(906)	(160)	-	(1 066)		(995)	(153)	-	(1 148)			
Impairment of goodwill and intangible assets	(7 210)	-	-	(7 210)		(18 000)	-	-	(18 000)			
EBIT	(6 404)	207	(269)	(6 466)		(16 786)	267	(287)	(16 806)			
Interest and similar income	9	-	(7)	2		-	-	2	2			
Interest and similar expenses	-	-	(785)	(785)		(393)	(328)	(426)	(1 147)			
Other financial assets	(101)	-	(675)	(776)		297	-	401	698			
Earn out revaluation	-	-	-	-		(599)	(2 333)	-	(2 932)			
Profit/(loss) before tax	(6 496)	207	(1 736)	(8 025)		(17 481)	(2 394)	(310)	(20 185)			
Tax on profit for the period	-	-	17	17		-	-	(80)	(80)			
Profit/(loss) for the period	(6 496)	207	(1 719)	(8 008)		(17 481)	(2 394)	(390)	(20 265)			
Material non-cash items												
Net foreign exchange gain/(loss)	(101)	-	(675)	(776)		297	-	401	698			
Assets and liabilities												
Segment Assets	35 960	12 129	-	48 089		65 923	12 866	-	78 789			
Unallocated Assets	-	-	1 916	1 916		-	-	1 088	1 088			
Total assets	35 960	12 129	1 916	50 005		65 923	12 866	1 088	79 877			
Additions to non-current assets	1 747	3	-	1 750		676	1	-	677			
Segment Liabilities	(3 748)	(5 518)	-	(9 266)		(20 434)	(10 168)	-	(30 602)			
Unallocated Liabilities	-	-	(23 363)	(23 363)		-	-	(24 956)	(24 956)			
Total Liabilities	(3 748)	(5 518)	(23 363)	(32 629)		(20 434)	(10 168)	(24 956)	(55 558)			

Amounts in kEUR					Jan - Dec 2023					Jan - Dec 2022				
	iGaming Affiliation	SaaS	Unallocated	Total		iGaming Affiliation	SaaS	Unallocated	Total					
External revenues	24 426	16 245	-	40 671	15 536	15 369	-	30 905						
Inter-segment revenue	-	(1 317)	-	(1 317)	-	-	-	-						
Segment revenue	24 426	14 928	-	39 354	15 536	15 369	-	30 905						
Other external expenses	(15 717)	(12 101)	(915)	(28 733)	(7 876)	(12 320)	(295)	(20 491)						
Personnel expenses	(3 017)	(1 263)	(626)	(4 906)	(2 093)	(1 040)	(542)	(3 675)						
Other operating income /(costs)	(245)	(20)	7	(258)	1 188	(1)	(36)	1 151						
EBITDA	5 447	1 544	(1 534)	5 457	6 755	2 088	(873)	7 890						
Depreciation/Amortisation	(4 033)	(638)	-	(4 671)	(2 318)	(585)	-	(2 903)						
Impairment of goodwill and intangible assets	(27 210)	-	-	(27 210)	(18 000)	-	-	(18 000)						
EBIT	(25 796)	906	(1 534)	(26 424)	(13 563)	1 423	(873)	(13 013)						
Interest and similar income	9	-	-	9	-	-	14	14						
Interest and similar expenses	(485)	-	(3 424)	(3 909)	(393)	(328)	(3 084)	(3 805)						
Other financial assets	(587)	1	103	(483)	297	-	1 587	1 884						
Earn out revaluation	280	(275)	-	5	(599)	(2 333)	-	(2 932)						
Profit/(loss) before tax	(26 579)	632	(4 855)	(30 802)	(14 258)	(1 238)	(2 356)	(17 852)						
Tax on profit for the period	-	-	(403)	(403)	-	-	(569)	(569)						
Profit/(loss) for the period	(26 579)	632	(5 258)	(31 205)	(14 258)	(1 238)	(2 925)	(18 421)						
Material non-cash items														
Net foreign exchange gain/(loss)	(587)	1	103	(483)	297	-	1 587	1 884						
Assets and liabilities														
Segment Assets	35 960	12 129	-	48 089	65 923	12 866	-	78 789						
Unallocated Assets	-	-	1 916	1 916	-	-	1 088	1 088						
Total assets	35 960	12 129	1 916	50 005	65 923	12 866	1 088	79 877						
Additions to non-current assets	2 259	8	-	2 267	2 474	12	-	2 486						
Segment Liabilities	(3 748)	(5 518)	-	(9 266)	(20 434)	(10 168)	-	(30 602)						
Unallocated Liabilities	-	-	(23 363)	(23 363)	-	-	(24 956)	(24 956)						
Total Liabilities	(3 748)	(5 518)	(23 363)	(32 629)	(20 434)	(10 168)	(24 956)	(55 558)						

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 Q4 2023, the earnings impact of the share-based payments is EUR 18 thousand.

Number of options	Group and Parent Company	
	31/12/2023	31/12/2022
Amounts in kEUR		
Outstanding at the beginning of the period	4 325 000	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	4 325 000
Exercisable at the end of the period	-	-
Weighted average exercise price per option	3,25	3,25
Remaining weighted average contract period (years) for outstanding options	0,25	1,28

6. Loans and Borrowings

Borrowings consist of a bond loan amounting to SEK 220 (225) million which amounts to SEK 200 million when issued at 95% of par.

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

Amounts in kEUR	31/12/2023	31/12/2022
Corporate bond		
Nominal amount (issued at 95% of par)	17 986	19 521
Prepaid transaction costs	(325)	(609)
Carrying amount	17 661	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 Q3 2023, SEK 25 million of bonds were converted into equity.

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 31 December 2023 owns 40.51% of the issued shares, in turn owned by Henrik Kwick.

2. Related party relationships, transactions and balances

The value of transactions with companies outside the Group that are considered to be related parties are presented below:

Amounts in kEUR	01/10/2023 - 31/12/2023			
	Rock Intention Malta Limited	Acroud Sports Limited	Matching Visions Limited	Acroud Media Limited
Sale of services	-	-	-	-80
Purchase of services	-	-	-	-591
Consultancy fees	18	9	60	35
Total	18	9	60	-636

Amounts in kEUR	01/01/2023 - 31/12/2023			
	Rock Intention Malta Limited	Acroud Sports Limited	Matching Visions Limited	Acroud Media Limited
Sale of services	-	-	-	-
Purchase of services	-	-	-	119
Consultancy fees	375	35	100	138
Total	375	35	100	257

Related party balances outstanding as at the end of the year are as follows:

Amounts in kEUR	01/01/2023 - 31/12/2023			
	Rock Intention Malta Limited	Acroud Sports Limited	Matching Visions Limited	Acroud Media Limited
RIAE Media Ltd	-	-3	-	721
Total	-	-3	-	721

Please find below a detailed description of the above:

- Transactions with key management personnel include a recurring amount of EUR 9k per month starting November 2023 and there is no outstanding balance as at year-end.
- Consultancy fees recorded in Matching Visions Limited are payable to PMG Group ApS (company owned by the ex owners of acquired PMG companies) amounting to EUR 20k on a monthly basis starting August 2023 and there is no outstanding balance as at year-end.
- The remaining consultancy fees recorded in Acroud Sports Limited, Rock Intention Malta Limited and Acroud Media Limited are payable to RIAE Media Ltd (company owned by the minority shareholder and director of Acroud Media Ltd) for operational and managerial work done in the Group companies. No more consultancy fees will be recorded in 2024 in this respect and the outstanding balance as at year-end in this regard is EUR 3k with Acroud Sports Limited.
- During 2023, Acroud Media Limited entered into a marketing agreement with RIAE Media Ltd in relation to a racing club syndicate, however, this agreement was terminated as at year-end and hence, the related-revenue and expenditure recorded was indeed reversed. Any amounts paid to RIAE Media Ltd in this regard are to be reimbursed to the Company and hence included in the outstanding balance as at year-end.
- One-off transaction fees amounting to GBP 500k in relation to the acquisition of Acroud Media Limited were reversed during the year and such amount is left outstanding as at year-end with RIAE Media Ltd.
- During the year, Acroud Media Limited entered into an advertising collaboration agreement with RIAE Media Ltd where the latter provided and outsourced services from third parties to the Company in accordance to the Company's marketing needs. As at year-end this agreement was terminated and no outstanding balance exists in this regard.

Also, amounts related to points 4 and 5 are disclosed in note 9 Non-recurring items. Related parties transactions are being reviewed and more information may be provided in the Annual Report.

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	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Net assets/Shares in subsidiaries pledged as collateral for bonds	29 569	52 514	33 511	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 Q3 2023, shares in Acroud Media Limited were added to the pledged assets whilst during this period, shares in Acroud Sports Limited were released from 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 Q3 2023 report and EUR 891 thousand of amortised bond redemption fee and discount and currency effects. Results in Q4 2023 were affected by a EUR 7.21 million one-off impairment charge of the Highlight Media business, EUR 21 thousand attributable to termination benefits, one-off costs of EUR 78 thousand and EUR 14 thousand relating to the Malta office move and the intra-group restructuring respectively. During this quarter, one-off income of EUR 538 thousand in relation to the acquisition of Acroud Media Ltd was reported as well as EUR 814 thousand of amortised bond redemption fee and discount and currency effects.

Amounts in kEUR	01/10/2023 - 31/12/2023			01/10/2022 - 31/12/2022			01/01/2023 - 31/12/2023			01/01/2022 - 31/12/2022		
	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	(6 365)	(451)	(6 816)	(6 599)	88	(6 511)	(28 733)	710	(28 023)	(20 491)	88	(20 403)
Personnel expenses	(1 632)	21	(1 611)	(1 004)	62	(942)	(4 906)	106	(4 800)	(3 675)	62	(3 613)
Other operating income	-	-	-	10	-	10	-	-	-	476	(467)	9
Other operating expenses	(98)	25	(73)	(92)	-	(92)	(265)	62	(203)	(161)	-	(161)
EBITDA	1 810	(405)	1 405	2 342	150	2 492	5 457	878	6 335	7 890	(317)	7 573
Depreciation/amortisation and impairment	(8 276)	7 210	(1 066)	(19 148)	18 000	(1 148)	(31 881)	27 210	(4 671)	(20 903)	18 000	(2 903)
Operating profit/(loss) (EBIT)	(6 466)	6 805	339	(16 806)	18 150	1 344	(26 424)	28 088	1 664	(13 013)	17 683	4 670
Interest and similar expenses	(785)	113	(672)	(1 147)	128	(1 019)	(3 909)	842	(3 067)	(3 805)	837	(2 968)
Other financial items	(776)	681	(95)	698	(381)	317	(483)	8	(475)	1 884	(1 515)	369
Earn out revaluation	-	-	-	(2 932)	2 932	-	5	(5)	-	(2 932)	2 932	-
Net profit/(loss) before tax	(8 025)	7 599	(426)	(20 185)	20 829	644	(30 802)	28 933	(1 869)	(17 852)	19 937	2 085
Net profit/(loss)	(8 008)	7 599	(409)	(20 265)	20 829	564	(31 205)	28 933	(2 272)	(18 421)	19 937	1 516

Key figures and definitions

Key figures, Group

	01/10/2023 31/12/2023	01/10/2022 31/12/2022	01/01/2023 31/12/2023	01/01/2022 31/12/2022
EBITDA margin	18%	23%	14%	26%
Adjusted EBITDA margin	14%	25%	16%	25%
Operating margin	(65%)	(168%)	(67%)	(42%)
Revenue Growth	(1%)	53%	27%	25%
Organic revenue growth	(0.6%)	(3.3%)	(14.6%)	7%
Equity ratio	35%	30%	35%	30%
Return on equity	(46%)	(83%)	(180%)	(44%)
Equity per share (EUR)	0.10	0.18	0.10	0.18
Number of registered shares at end of period	172,612,188	136,370,764	172,612,188	136,370,764
Weighted average number of shares before dilution	172,612,188	135,495,363	151,363,791	131,130,349
Weighted average number of shares after dilution	182,743,767	135,495,363	161,495,370	131,130,349
Earnings per share (after dilution)	(0.046)	(0.150)	(0.206)	(0.141)
Adjusted earnings per share (after dilution)	(0.002)	0.004	(0.015)	0.012
Market price per share at end of period (SEK)	1.90	1.91	1.90	1.91
EPS growth (%)	69%	(4900%)	(47%)	(2450%)
Organic EBITDA Growth	(43%)	135%	(62%)	32%

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

Interim report January - March 2024
Interim report April - June 2024
Interim report July - September 2024
2024 AGM

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

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.

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.