



Intensive change management

during the quarter

SECOND QUARTER 2020

- Revenue amounted to EUR 3,567 (3,497) thousand.
- EBITDA amounted to EUR 1,499 (2,024) thousand. Adjusted EBITDA (before items affecting comparability) was EUR 2,058 (2,024) thousand.
- Profit after tax was EUR -1,144 (1,242) thousand. Adjusted profit after tax (before items affecting comparability and currency effects) was EUR 1,297 (717) thousand.
- Earnings per share after dilution amounted to EUR -0.015 (0.016). Adjusted earnings per share (before items affecting comparability and currency effects) was EUR 0.017 (0.009).
- New Depositing Customers (NDC) increased by 8% (-29%).
- Cash flow from operating activities amounted to EUR 2,442 (1,983) thousand.

FIRST SIX MONTHS 2020

- Revenue amounted to EUR 6,757 (7,550) thousand.
- EBITDA amounted to EUR 3,239 (4,577) thousand. Adjusted EBITDA (before items affecting comparability) was EUR 3,798 (4,577) thousand.
- Profit after tax was EUR 1,614 (3,183) thousand. Adjusted profit after tax (before items affecting comparability and currency effects) was EUR 2,736 (2,210) thousand.
- Earnings per share after dilution amounted to EUR 0.021 (0.042). Adjusted earnings per share (before items affecting comparability and currency effects) was EUR 0.036 (0.029).
- New Depositing Customers (NDC) declined by -5% (-22%).
- Cash flow from operating activities amounted to EUR 4,067 (4,824) thousand.





Acroud AB (publ)
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SIGNIFICANT EVENTS IN THE QUARTER

- In April, the Company applied for bondholders' approval concerning certain changes to the terms of the Company's outstanding senior secured bond.
- In May, it was announced that a qualified majority had voted in favour of the proposed changes to the bond terms for the outstanding senior secured bond. The changes included an extension of the bond's maturity to September 2022, with a retained interest rate of 7.25%.
- In May, the Company issued an update on the results for Q2 2020 as the new CEO conducted a strategic review of the Company's operations. This has created a clearer operational organisation with clearer processes and areas of responsibility, and a focus on fewer products, while at the same time the Company has recruited more operational expertise to drive future growth.
- Acroud made further repurchases of the Company's own corporate bonds on the market, corresponding to a nominal amount of SEK 3.0 million. Including the previously communicated repurchases of SEK 122 million, Acroud's bond repurchases amount to SEK 125 million.

SIGNIFICANT EVENTS AFTER THE QUARTER

- The Company adapted and took measures to create a strong long-term position in the Dutch market. The measures involved an adjustment of the product offering to ensure compatibility with the rules in the Dutch market until the new gambling act enters into force in the first quarter of 2021. Although the adjustment will have a negative impact on revenue in the short term, the measures are a long-term investment to ensure a strong position and sustainable development for the Dutch operations over time.
- Net Gaming Europe was renamed Acroud. The name change was part of the extensive change management work initiated when Robert Andersson took over as CEO, which involves an intensified focus on organic growth and entrepreneurship. In connection with the name change, the Company has also changed its ticker symbol on Nasdaq to "ACROUD" with effect from 17 July.

KEY FIGURES		APR-JUN			JAN-JUN	
kEUR	2020	2019	Y/Y%	2020	2019	Y/Y%
Revenue	3 567	3 497	2 %	6 757	7 550	-11 %
Organic growth, %	2 %	-27 %	+29 p.e	-11 %	-20 %	+9 p.e
EBITDA	1 499	2 024	-26 %	3 239	4 577	-29 %
EBITDA margin, %	42 %	58 %	-16 p.e	48 %	61 %	-13 p.e
Adjusted EBITDA	2 058	2 024	2 %	3 799	4 577	-17 %
Adjusted EBITDA margin, %	58 %	58 %	- p.e	56 %	61 %	-5 p.e
Profit after tax	-1 144	1 242	e/t	1 614	3 183	-49 %
Earnings per share (after dilution)	-0,015	0,016	e/t	0.021	0,042	-49 %
Adjusted profit after tax	1 297	717	81 %	2 736	2 210	24 %
Adjusted earnings per share (after dilution)	0,017	0,009	81 %	0.036	0.029	24 %
Net debt/EBITDA (rolling 12 mth)	2.8	2,1	-	2.8	2,1	-
NDC growth, %	8 %	-29 %	+37 p.e	-5 %	-22 %	+17 p.e

pp = percentage point



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It feels good that we have been able to see an increased pace and flexibility within the organisation during what must in many ways still be seen as a challenging time for the whole world. Looking specifically at our industry, Sports betting has been a major challenge. Looking at the last quarter, revenue was EUR 3,567 thousand and EBITDA was EUR 1,499 thousand, having been affected by one-off costs of EUR 550 thousand during the quarter. We are growing sequentially, while development is relatively "flat" compared with the previous year. Our focus on exploiting the Company's potential in the form of employees, customers, end users, brands and geographical markets, as we move forward at high speed, will bring growth over time. One thing that has become clear to me during my fist half year is that the Company has had a lack of focus, with people trying to achieve too many things at the same time, which makes it difficult to produce something really good. This has now changed and we are allocating more resources to a smaller number of focus areas.

The second quarter can be said to have been marked by intensive change management where restructuring, refinancing and a change of name for the business have been carried out at a rapid pace to create conditions for future success and growth. As I wrote in my previous CEO's Comments, the focus is on building a fast and effective company with a strong organisation permeated by entrepreneurial spirit and a growth focus. And I can say that during Q2 we have delivered on this. We have carried out a skills exchange where we have appointed

new top expertise primarily in operations, closed the Swedish office, brought the companies together under one name, strengthened the capital structure and discontinued non-priority brands. All of this has resulted in items affecting comparability (one-off costs) of just over EUR 550 thousand, and will bring annual cost savings of just over EUR 300 thousand, while at the same time we have created a much stronger and forward-looking company adapted for growth over time.

In July, we decided to take rapid action to create the best possible long-term starting point for participating in the Dutch market as quickly as possible. The measures involve an adjustment of the product offering to ensure compatibility with the rules in the Dutch market until the new gambling act enters into force in the first quarter of 2021. The adjustment in the Netherlands will have a negative impact on revenue in the short term. We see the measures as a long-term investment to ensure a strong and sustainable position over time for our operations in the soon to be regulated Dutch market.

The sharp increase in traffic within poker and casino from March to May has slowed down since mid-June and normalised to a level similar to that before COVID-19. All in all, we therefore expect the third and fourth quarters to be more challenging.

Our conviction is that we have identified the challenges and created action programmes to optimise the Company's future development.



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USA status

We see an increased focus on the fastest growing brands within the Company and during Q2 we intensified our focus on the North American market and appointed an operational team dedicated to this market. We also see an increased traffic flow in North America and we have intensified work on licence applications in most of the new states, which are currently being processed. These include, for example, Pennsylvania, Indiana, West Virginia, Michigan and Colorado. Although competition in the North American market has increased over the last year, we can see that, with the right focus and the right team, we will be able to create a growth journey with both new and existing brands as more states "open up".

One company, one future

The logic behind the complete change of name to Acroud is simple and has been part of the extensive change management that has taken place. The business has previously been conducted under several names, creating a lack of clarity and inefficiency both internally and externally, which struck me immediately when I took over as CEO. In Sweden and on the stock exchange, the Company was known as Net Gaming, while in the industry and globally, it was called Highlight Media. From there, it was a natural step to quickly and vigorously implement both a name change and a reorganisation in order to give the Company a fresh start under a brand new name under which we can gather, thereby also obtaining a common communication platform. A real fresh start, quite simply. This became Acroud, and is most easily described through our manifesto:

We are a challenger on a quest.

We are adapting and we are here to disrupt and claim what hasn't been claimed.

We are here for the challenge, for the joy, for the pride of giving people guidance in their everyday life and supporting brands building their crowds.

We are here for the **challenge** because that's our motto on how to enable synergies between people and brands.

We are here for the **joy** because that's our motto on how to attract and nurture existing and future talent.

We are here for the **pride** because that's our motto on how to build confidence and long-lasting relationships.

We are a challenger on a quest, and our journey has just begun.

We are Acroud. Join the ride.

We are working to strengthen the Company's capital structure

In order to create conditions for future Growth and free up capital for operating activities, continuous optimisation of the Company's capital structure is a top priority.

A milestone in this work was reached in May, when a qualified majority of bondholders voted in favour of proposed changes to the bond terms, including extending the maturity date by two years to September 2022 – a message of strength which enables us to concentrate on the business. As a further part of the optimisation of our capital structure, we have repurchased the Company's own bonds on the market in 2019 and in March 2020. Repurchases were made at a corresponding nominal amount of SEK 67 million in 2019, with a further SEK 55 million in March 2020 and SEK 3 million in Q2 2020. We will continue to review the Company's capital structure and optimise it ahead of our growth journey.

"We now continue writing an important new chapter in the Company's history."

We now continue writing an important new chapter in the Company's history, in which those of us who are lucky enough to work here will join forces to build a stronger, more profitable and more fun company, which will benefit all our customers, end users, suppliers and, of course, you as shareholders.

Join The Ride

Robert Andersson
President and CEO



The Group's development

QUARTER APR-JUN 2020

Revenue

Revenue for Q2 increased to EUR 3,567 (3,497) thousand, as a result of positive organic growth of 2%. Sequential growth from Q1 2020 amounted to 12%.

The revenue level for Q2 2020 compared with Q2 2019 and Q1 2020 has been positively affected as we have seen an increasing traffic flow, primarily within Casino and Poker, partly driven by the COVID-19 situation globally.

Growth in New Depositing Customers (NDC) followed the same trend as revenue, increasing by 8% compared with the corresponding period the previous year.

94% of Acroud's revenue was generated from the Casino and Poker verticals in Q2 2020. The two verticals showed stable development, with a positive trend in demand for casino and poker traffic, driven by, among other things, Pokerlistings.com.

Acroud currently has limited exposure to sports betting and only 4% of the Company's total revenue was generated from the vertical in Q2 2020. The Company therefore expects a limited effect from the many cancelled sports events globally.

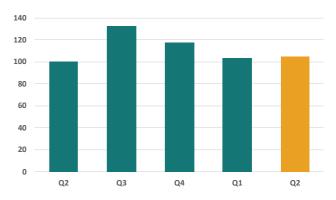
Acroud also expects some of the sports betting revenue that would have been realised in the first half of 2020 to be postponed to the second half of 2020 or to 2021, depending on when and whether the postponed events are re-timetabled. Direct costs related to the Sports betting vertical are relatively low and there are only a few employees currently working directly with Sports betting assets.

We see over time that we will have a positive high share of revenue within our betting vertical, which contributes positively to our revenue diversification. The growth in Sports betting over the last year is driven both by the initiatives we have launched and

Revenue Development



NDC-development, indexed



The chart shows an index of NDC development over time. NDC stands for new depositing customer, i.e. a newly depositing customer that Acroud has referred to one of its customers. The charts above do not show absolute figures, but a percentage development from index 100 in Q2 2019.

refinement of the MaxFreeBets domains acquired in July 2019.

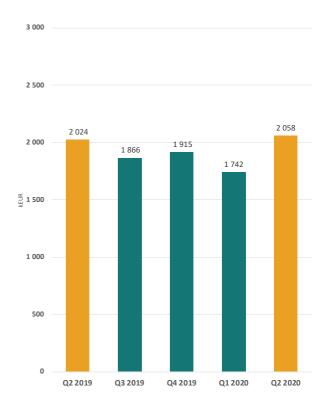
Since the previous year, we have also seen our position with strong domains in the North American market strengthening as more states are regulated, and we see a strong sequential increase in the traffic flow compared with Q1 2020.

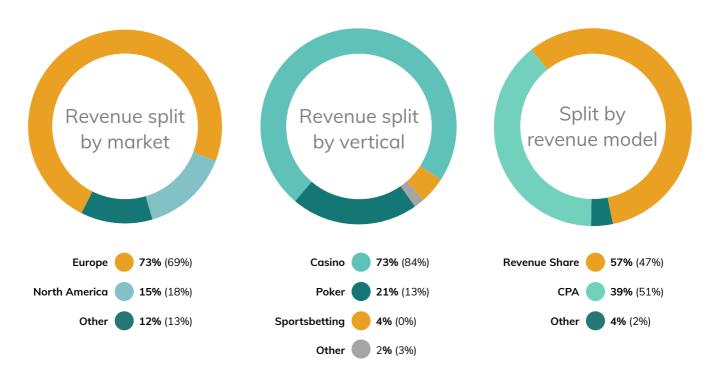


However, during Q2 2020, revenue in North America declined compared with Q2 in the previous year due to increasingly intense competition in North America, while revenue in Europe increased through growth in betting. The North American market remains attractive to us, with the ongoing wave of regulation which is expected to create one of the world's largest markets over time. Several initiatives have been taken to strengthen our position in the North American market, including Pokerlistings.com's recent launch of a separate sports betting and casino section, and the launch of a social gaming offering at the end of the quarter, which we expect to produce results going forward.

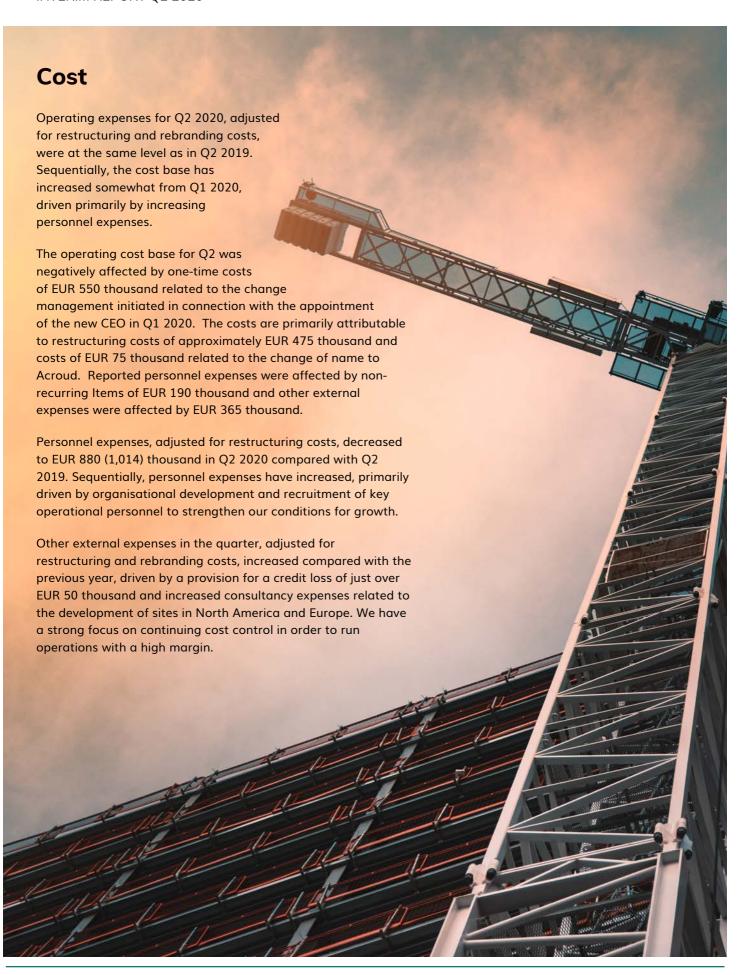
The transition to an increased percentage for revenue share has stabilised at about 50-60% of the Company's revenue, which has an adverse effect on revenue in the short term, but strengthens our growth and stability in the long term. During Q2, we have seen a continuing transition from CPA to revenue share compared with the previous year, and the percentage is now 57% (47%) of total revenue.

Adjusted EBITDA-development











Depreciation/amortisation, impairment and net financial items

The Company's depreciation/amortisation and impairment in Q2 2020 increased to EUR 658 (169) thousand, driven by non-recurring restructuring costs, as the Company decided to recognise an impairment loss of EUR 503 thousand on assets related to the PokerLoco brand, which will not be included in the new growth strategy adopted in 2020, focusing on fewer products.

Acroud's net financial items for Q2 2020 amounted to EUR -1 929 thousand, compared with EUR -526 thousand for the same period the previous year. Net financial items in Q2 2020 were negatively affected by currency effects of EUR -1,139 (525) thousand related to loan financing and cash proceeds, which were denominated in SEK. In parallel, refinancing of the business has been successfully secured in Q2, also resulting in non-recurring items of approximately EUR 240 thousand related to a consent fee, charged to net financial items.

As a result of the strong cash position, the Company repurchased bonds with a nominal value corresponding to SEK 3 million during Q2 2020. Finance income of EUR 16 thousand related to bond repurchasing in 2020 was generated during the quarter.

Earnings

Operating profit before depreciation (EBITDA) was EUR 1,499 (2,024) thousand. Adjusted EBITDA increased by 2% to EUR 2,058 (2,024) thousand. The adjusted EBITDA margin was stable compared with Q2 2019 at just over 58%.

Profit after tax declined to EUR -1,144 (1,242) thousand and the period's earnings per share after dilution amounted to EUR -0.015 (0.016). Profit after tax, adjusted for non-recurring items and currency effects related to the bond, amounted to EUR 1,297 (717) thousand and the period's earnings per share after dilution amounted to EUR 0.017 (0.009).





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Financial position

Cash flow and investments

Cash flow from operating activities during Q2 amounted to EUR 2,442 thousand, compared with EUR 1,983 thousand in Q2 2019. The increase is primarily related to positive working capital development compared with Q2 2019. Working capital development was positively affected by improved cash management and a tax refund of EUR 110 thousand in Q2. The Company continues to have a very low level of credit losses.

Cash flow from investing activities, which, apart from acquisition activities, is limited as the Company's business model is not capital-intensive, amounted to EUR -258 thousand, compared with EUR 34 thousand in Q2 2019. Investments (acquisition of intangible assets) in Q2 2020 were mainly related to website development for expansion into the North American and European markets.

Cash flow from financing activities amounted to EUR -1,849 (-676) thousand in Q2 and consisted primarily of interest of EUR -448 (-656) thousand paid on the bond, non-recurring items of EUR -1,058 (0) thousand related to extension of the bond and proceeds of EUR -273 (0) thousand related to repurchases of the Company's own bonds.

Liquidity and financial position

The Group's interest-bearing net debt amounted to EUR 21,259 thousand at the end of the period compared with EUR 23,589 thousand at the end of Q2 2019. Acroud's current gross debt amounts to SEK 257.6 million, of which the bond amounts to SEK 250 million. Converted using the closing rate, the bond loan amounts to EUR 23,821 thousand. As of 30 June 2020, the net debt/EBITDA ratio is 2.8. Acroud's long-term target is a maximum net debt/EBITDA ratio of 2.0 over time. During 2020 and beyond, the Company will continue its efforts to reduce the net debt/EBITDA ratio.

At 30 June 2020, the Company has a total provision of EUR 596 thousand to cover any additional consideration related to completed acquisitions of domains. The bond loan outstanding at 30 June 2020 is due for payment in September 2022 and is therefore reported under current liabilities in the balance sheet in this interim report.

The translation effect of converting the bond loan and cash proceeds from SEK to EUR was EUR -1,139 thousand at the end of Q2, which had a negative impact on net financial items. The Company's cash and cash equivalents at the end of Q2 2020 amounted to EUR 3,291 (12,816) thousand.



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INTERIM REPORT 02 2020

In May, certain changes were made to the terms of the outstanding senior secured bond. The changes included an extension of the bond's maturity to September 2022, with a retained interest rate of 7.25%.

The equity ratio was 51 (40) percent and equity was EUR 27,604 (24,338) thousand at 30 June 2020. The Company conducts quarterly impairment testing to assess whether there is any goodwill impairment. Impairment testing conducted in June 2020 did not identify any goodwill impairment.





Financial targets

The Board of Acroud has defined the following financial targets and objectives:

EPS growth

Acroud's target is average annual EPS growth of at least 20% over time. Growth in earnings per share is the overall financial objective. It is Acroud's assessment that strong growth in earnings per share is the best measure for shareholder value over time.

Organic revenue growth

Acroud's long-term target is annual organic revenue growth in the range of 15 to 25%. Acroud will continuously invest in the core business and new internal growth initiatives to ensure strong and sustainable organic growth. The time when growth initiatives bear fruit may vary, which means that organic growth may fluctuate over time. The Company's definition of organic growth is based on net sales compared with the previous period, excluding acquisitions (last 12 months) and divestments, and exchange rate movements.

Capital structure

Acroud's financial target is a maximum net debt/EBITDA ratio of 2.0 over time. Acroud will conduct operations at low financial risk over time by maintaining low net debt. The Board is entitled to derogate from this objective during periods when this is considered best for the Company and for shareholder value.

Dividend policy

Over the next three years, Acroud will prioritise growth through organic growth initiatives and will make optimisation of the capital structure rather than dividends its priority. At the AGM on 25 June 2020, it was decided that no dividend would be paid for the financial year 2019.

Overview of outcomes of financial targets

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

Period	EPS growth	Organic revenue growth	Capital structure
Apr-jun 2020	e/t	2 %	2.8
Jan-jun 2020	-49 %	-11 %	2.8



Other information

The share

On 30 June 2018, Acroud (publ) was listed on Nasdaq First North Growth Market, Stockholm (ACROUD).

Share capital

On 30 June 2020, share capital amounted to EUR 1,913 thousand, divided into 75,604,487 shares. The Company has one class of shares – A shares. Each share entitles the holder to (1) vote at the shareholders' meeting. On 30 June 2020, the number of shareholders was 2,190.

During the quarter, 250,000 warrants and 300,000 employee share options related to senior executives from previous years' option programmes were cancelled. See note 4 for detailed information.

Shareholder structure

The total number of shares in the Company on 30 June 2020 was 75,604,487, distributed as shown below.

Name	No. of shares	Ownership, %
Trottholmen AB	47 572 382	62,92 %
Strategic Investment AF (JPM Chase)	10 863 931	14,37 %
Avanza Pension	1 939 731	2,57 %
Credit Suisse	1 111 111	1,47 %
JRS Asset Management	826 546	1,09 %
Stefan Mahlstein	794 333	1,05 %
Leoville AS	569 853	0,75 %
ES Aktiehandel	500 000	0,66 %
SEB AB Oslo Branch	463 902	0,61 %
UBS Switzerland AG	447 590	0,59 %
Other shareholders	10 515 108	13,92 %
TOTAL	75 604 487	100,00 %



Parent Company

Acroud AB is the ultimate holding company in the Group (hereinafter referred to as the "the Company" or "the Parent Company") and was registered in Sweden on 14 December 2005. The Company's shares have been listed on Nasdaq First North Growth Market since June 2018. The Company generates revenue via internal Group services in IT, marketing, financial services and management. The Group's financing is arranged in the Parent Company via a bond, which is registered on Nasdaq Stockholm's Corporate Bond list. In 2020, the Parent Company received dividends from subsidiaries amounting to EUR 5.0 (5.7) million.

Relevant risks and uncertainties

Acroud is exposed to a number of business and financial risks. The business risks can be divided into strategic, operational and legal risks. Financial risks are related to factors such as exchange rates, interest rates, liquidity and credit. 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 30, 45-47 and 78-79 of the 2019 annual report. The Parent Company's risks and uncertainties are indirectly the same as for the Group.

Outlook

Acroud is not making any forecasts.

Seasonality

Acroud is affected by seasonal variations, with Q1 (Jan-March) 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. Acroud has a relatively fixed cost base and a scalable platform, which means that the EBITDA margin is somewhat higher in Q1 (Jan-Mar) and Q4 (Oct-Dec).





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.

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

Stockholm, 13 August 2020

BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

Henrik Kvick	Jonas Bertilsson	Peter Åström
Chairman	Board member	Board member
Fredrik Rüdén	Kim Mikkelsen	Robert Andersson
Board member	Board member	President and CEO

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Forthcoming report dates

Interim report January-September 2020: 12 November 2020

Presentation for investors, analysts and media

A live webcast will be held on 13 August 2020 at 10.00 a.m. Swedish time. CEO Robert Andersson and CFO Gustav Vadenbring will present the report in English. You can follow the presentation here https://tv.streamfabriken.com/acroud-q2-2020

To join the conference, call:

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The appointed Certified Adviser is FNCA Sweden AB, info@fnca.se, +46.852800399.

This information is information that Acroud AB (publ) is required to disclose under the EU Market Abuse Regulation. The information was provided by the contact person above for publication on 13 August 2020 at 08.00 CET.



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21.88 8.24 18.69 9.62 18.75 1.36 51.88 8.24 18.69 9.62 18.75 1.36 51.88 8.24 18.69 9.62 18.75 1.36 51.88 8.24 18.69 9.62 18.75 9.62 18.75 9.62 18.75 9.62	+140.04 +180.98 +122.56 +140.98 +122.56 +140.98 +140.98 +140.98 +140.98 +140.94 +140.04	-3.36 -0.21 -6.87 -9.45 -3.36 -0.21 -6.87 -9.45 -3.36 -9.45 -3.36	8.87 18.51 21 78.18.51 7.02.52 7.18.87 18.51 7.02.52 7.18.87 18.87 18.54 7.02.52 7.18.87 18.77 18.87 1
18.69 8.27 18.69 a.62	+122.56	-9.45	1.54
	1 1 '		7.02
FINIANSC	180.98	-0.21	4.75
REPORTS	+/40.41	-6.87	8.87
78.69 0.27	+122.56	-9.45	1.54
18.75 3.02	+140.04	-3.36	7 02

Consolidated Statement of Comprehensive Income

	01/04/2020	01/04/2019	01/01/2020	01/01/2019
Amounts in EUR thousands	30/06/2020	30/06/2019	30/06/2020	30/06/2019
Revenue notes 2, 3	3 567	3 497	6 757	7 550
Total revenue	3 567	3 497	6 757	7 550
Capitalised work for own account	280	166	483	273
Other external expenses	-1 263	-735	-1 989	-1 343
Personnel expenses	-1 070	-1 014	-1 993	-1 997
Other operating income	17	127	17	127
Other operating expenses	-32	-17	-36	-33
EBITDA	1 499	2 024	3 239	4 577
Depreciation/amortisation and impairment	-658	-169	-809	-355
Operating profit (EBIT)	841	1 855	2 430	4 222
Profit/loss from financial items				
Interest and similar income	16	-	584	-
Interest and similar expenses	-786	-723	-1 438	-1 479
Impairment of financial assets	-	-331	-	-331
Other financial items	-1 159	528	177	986
Profit/loss from financial items	-1 929	-526	-677	-824
Profit/loss before tax	-1 088	1 329	1 753	3 398
Tax on profit for the year	-56	-87	-139	-215
Profit/loss for the period	-1 144	1 242	1 614	3 183
Earnings per share (EUR)	-0,015	0,016	0,021	0,042
Earnings per share after dilution (EUR)	-0,015	0,016	0,021	0,042
Other comprehensive income, income and expenses recognised directly in equity				
Exchange differences on translation of foreign operations	-8	-6	-2	8
Other comprehensive income for the year	-8	-6	-2	8
Total comprehensive income for the period	-1 152	1 236	1 612	3 191



Consolidated Statement of Financial Position

Amounts in EUR thousands	30/06/2020	30/06/2019	31/12/2019
Assets			
Non-current assets			
Goodwill	42 856	42 856	42 856
Other intangible assets	4 766	2 714	5 005
Right-of-use assets	290	465	366
Property, plant and equipment	188	231	193
Other non-current receivables	111	121	116
Deferred tax assets	49	320	156
Total non-current assets	48 260	46 707	48 692
Current assets			
Trade receivables	1 468	1 256	1 559
Other receivables	634	583	750
Prepayments and accrued income	191	131	167
Cash and cash equivalents	3 291	12 816	6 771
Total current assets	5 584	14 786	9 247
Total assets	53 844	61 493	57 939
Equity and liabilities Equity note 4	27 604	24 338	26 062
Non-communa Barbattata			
Non-current liabilities	22,002	25.074	
Borrowing note 5	22 902	35 074	-
Deferred tax liabilities	33	-	-
Lease liabilities Total non-current liabilities and provisions	23 087	295 35 369	213 213
Current liabilities			
Borrowing note 5	-	-	29 276
Trade payables	480	174	266
Liabilities to Parent Company	362	345	356
Other liabilities	1 228	654	1 156
Lease liabilities	140	151	152
Accruals and deferred income	943	462	458
Total current liabilities	3 153	1 786	31 664
Total equity and liabilities	53 844	61 493	57 939



Consolidated Statement of Changes in Equity

Amounts in EUR thousands	Share capital	Other paid-in capital	Reserves	Retained earnings incl. year's earnings	Total equity
Opening equity, 1 Jan 2019	1 913	12 424	2 688	4 095	21 120
Share-based payments	-	21	-	-	21
Option proceeds received	-	17	-	-	17
Repayment of option proceeds	-	-42	-	-	-42
Comprehensive income for the period	-	-	12	4 934	4 946
Closing equity, 31 Dec 2019	1 913	12 420	2 700	9 029	26 062
Opening equity, 1 Jan 2020	1 913	12 420	2 700	9 029	26 062
Share-based payments	-	-25	-	-	-25
Comprehensive income for the period	-	-	6	2 759	2 765
Closing equity, 31 Mar 2020	1 913	12 395	2 706	11 788	28 802
Opening equity, 1 Apr 2020	1 913	12 395	2 706	11 788	28 802
Share-based payments	-	-46	-	-	-46
Comprehensive income for the period	-	-	-8	-1 144	-1 152
Closing equity, 30 Jun 2020	1 913	12 349	2 698	10 644	27 604



Consolidated Cash Flow Statement

	01/04/2020	01/04/2019	01/01/2020	01/01/2019
Amounts in EUR thousands	30/06/2020	30/06/2019	30/06/2020	30/06/2019
Operating activities				
Profit/loss before tax	-1 088	1 329	1 753	3 398
Adjustments for non-cash items not included in operating activities				
- Depreciation and amortisation of assets	658	169	809	355
- Exchange gains/losses on financial receivables and liabilities	1,159	-528	-177	-986
- Costs for share-based programmes	-28	5	-52	10
- Gain/loss on sale of other assets	-	-105	-	-104
- Impairment of financial assets	-	331	-	331
- Provisions for Restructuring	415	-	415	-
Interest and similar expenses	786	723	1 438	1 479
Interest and similar income	-16	-	-584	-
Cash flow from changes in working capital				
Increase (-)/Decrease (+) in operating receivables	335	-47	160	712
Increase (+)/Decrease (-) in operating liabilities	221	106	305	-371
Cash flow from operating activities	2 442	1 983	4 067	4 824
Investing activities				
Acquisition of property, plant and equipment	-24	-7	-32	-47
Acquisition of intangible assets	-387	-242	-596	-438
Sale of other assets	153	283	156	283
Cash flow from investing activities	-258	34	-472	-202
Financing activities				
Received and repaid option proceeds	-17	17	-17	17
Issue expenses	-1 058	-	-1 058	-
Repayment of borrowings	-273	-	-4 734	-
Interest paid	-448	-656	-969	-1 306
Repayment of lease liabilities	-53	-37	-98	-90
Cash flow from financing activities	-1 849	-676	-6 876	-1 379
Cash flow for period	335	1 341	-3 281	3 243
Cash & cash equivalents at beginning of period	2 886	12 027	6 771	10 094
Exchange differences	106	-33	-199	-2
Reclassification from cash & cash equivalents to other current financial assets	-36	-519	0	-519
Cash & cash equivalents at end of period	3 291	12 816	3 291	12 816



Income Statement – Parent Company

	01/04/2020	01/04/2019	01/01/2020	01/01/2019
Amounts in EUR thousands	30/06/2020	30/06/2019	30/06/2020	30/06/2019
Revenue	130	46	269	117
Total revenue	130	46	269	117
Operating expenses				
Other external expenses	-156	-107	-250	-196
Personnel expenses	-221	-97	-363	-151
Other operating expenses	-20	-	-11	-
Other operating income	1	1	1	2
EBITDA	-266	-157	-354	-228
Depreciation/amortisation		-4	-	-8
Operating profit/loss	-266	-161	-354	-236
Profit/loss from financial items				
Profit/loss from investments in Group companies	4 000	5 700	5 000	5 700
Other interest and similar income	27	-	604	23
Interest and similar expenses	-777	-724	-1 421	-1 467
Other financial items	-1 160	531	186	989
Profit/loss after financial items	1 824	5 346	4 015	5 009
Tax on profit for the year		-	-	
Profit for the year	1 824	5 346	4 015	5 009

Balance Sheet – Parent Company

Amounts in EUR thousands	30/06/2020	30/06/2019	31/12/2019
Assets			
Total non-current assets	31 581	31 603	31 581
Total current assets	4 448	11 272	6 640
Total assets	36 029	42 875	38 221
Equity and liabilities			
Equity	11 670	7 185	7 726
Total non-current liabilities	22 902	35 079	-
Total current liabilities – note 4	1 457	611	30 495
Total equity and liabilities	36 029	42 875	38 221



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 accounting policies, see pages 56-60 of the Company's 2019 annual report and the notes in the report https://www.acroud.com/en/annualreport2019.

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 detailed information, see page 59 of the 2019 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 250 million, which is measured at amortised cost. The bond corresponds to EUR 22,902 thousand using the closing rate on 30 June 2020. The bond's fair value measurement is classified as level 2 and is based on listings with brokers. Similar contracts are traded in an active market, and the rates reflect actual transactions for comparable instruments.

At 30 June 2020, the Company did not have any other financial instruments categorised in level 2 of the fair value hierarchy.

On 1 July 2019, the Group acquired affiliate assets, which were primarily focused on the UK market. The Group acquired the assets for an initial consideration and a subsequent contingent consideration based on fulfilment of a minimum level of performance during a certain period. The present value of the contingent consideration was EUR 596 thousand at 30 June 2020. This is presented under "Other liabilities" in the consolidated statement of financial position and is classified under Level 3 of the fair value measurement hierarchy.

There were no transfers between levels during the first half of 2020 or in 2019.

2. Organic revenue growth

Acroud's long-term target is organic revenue growth in the range of 15 to 25%. Acroud will continuously invest in the core business and new internal growth initiatives to ensure strong and sustainable organic growth. The time when growth initiatives bear fruit may vary, which means that organic growth may fluctuate over time. 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.



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Organic revenue growth - bridge Q2 2020

Amounts in EUR thousands	01/04/2020 30/06/2020 Growth, %	01/04/2020 30/06/2020 Absolute figures	01/04/2019 30/06/2019 Absolute figures	Deviation Absolute figures
Total growth, EUR	2,0 %	3,567	3,497	70
Adjustment acquired and divested/discontinued operations	0.0%	-	-	-
Total growth in EUR, excl. acquisitions and discontinued operations	2,0 %	3,567	3,497	70
Adjustment for constant currency	-0,5 %	-	17	-17
Total organic sales growth	1,5 %	3,567	3,514	53

Organic revenue growth - bridge Q2 2019

Amounts in EUR thousands	01/04/2019 30/06/2019 Growth, %	01/04/2019 30/06/2019 Absolute figures	01/04/2018 30/06/2018 Absolute figures	Deviation Absolute figures
Total growth, EUR	-23,9 %	3,497	4,597	-1,100
Adjustment acquired and divested/discontinued operations	-2,5 %	-157	-58	-99
Total growth in EUR, excl. acquisitions and discontinued operations	-26,4 %	3,340	4,540	-1,200
Adjustment for constant currency	-0,7%	-	46	-46
Total organic sales growth	-27,2 %	3,340	4,586	-1,246

3. Revenue

The Group's revenue for Q2 2020 and the financial year ended 31 December 2019 was distributed as follows:

Amounts in EUR thousands	01/04/2020 30/06/2020	01/04/2019 30/06/2019	01/01/2020 30/06/2020	01/01/2019 30/06/2019
Revenue by vertical				
Casino	2,602	2,948	4,893	6,395
Poker	747	466	1,335	990
Sports betting	157	17	420	22
Other verticals	61	66	109	143
Total revenue	3,567	3,497	6,757	7,550

Revenue attributable to Sweden in Q2 2020 amounted to 1% (2%).

The corresponding amount for the full year 2019 was 2% (4%).



4. Share-based payments

In Q2 2020, 300,000 employee share options and 250,000 warrants attributable to 2017 and 2019 were forfeited and the previously reported cost of the employee share options was reversed. This means that the total reported cost associated with the above share-based programme, which is settled with equity instruments, is EUR -27 (5) thousand for Q2 2020. The corresponding cash flow for the full year 2019 amounted to EUR 21 (12) thousand. The cost also includes the cost of social security contributions.

For share-based remuneration for 2017, 2018 and 2019, see note 15 on page 68 of the 2019 Annual Report.

At the 2020 AGM, it was decided to establish a share option programme for key personnel in the Company's subsidiaries ("Employee Share Option Programme"). A maximum of 2,500,000 employee share options may be issued and shall be offered to employees of the Company's subsidiaries, subject to the employees not being tax residents in Sweden, in accordance with the following allocation: The Company's CEO shall receive a maximum of 750,000 employee share options, three (3) members of executive management shall each receive a maximum of 250,000 employee share options and ten (10) key employees shall each receive a maximum of 100,000 employee share options. The Company's Board shall decide on the allotment within the aforementioned limits.

Each share option entitles the holder to acquire one (1) new share in the Company at an exercise price corresponding to 150 percent of the volume-weighted average price for the Company's shares in the period 26 June 2020 to 9 July 2020 according to Nasdaq First North Growth Market's official price list. The share options may be exercised to acquire shares during the period 15 July 2023 to 15 August 2023.

In order to deliver shares in accordance with the Employee Share Option Programme, the AGM resolved to issue a maximum of 2,500,000 warrants of series 2020/2023. In what is a derogation from shareholders' preferential rights, the right to subscribe for the warrants shall accrue to the Company's wholly owned subsidiary Rock Intention Malta Ltd. The meeting granted approval for the subsidiary to transfer the warrants free of charge to participants in the Employee Share Option Programme.

If all warrants are exercised, the Company's share capital will increase by approximately EUR 63,246, divided into 2,500,000 shares (subject to recalculation of the number of shares under the option terms and conditions), corresponding to dilution of approximately 3.3 percent of the number of outstanding shares and votes in the Company on the day of the notice of the AGM.

5. Borrowing

Borrowing consists of a bond loan amounting to SEK 250 (375) million. In Q4 2019, bonds were repurchased on the market at a nominal amount of SEK 67 million and in 2020, further bonds were repurchased at a nominal amount of SEK 58 million.

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



Market value	20,725	36,068	28,230
Carrying amount	22,902	35,074	29,276
Prepaid transaction costs	-919	-426	-207
Nominal amount	23,821	35,500	29,483
Corporate bond			
Amounts in EUR	30/06/2020	30/06/2019	31/12/2019

The bond matures in September 2022 and was listed for institutional trading on Nasdaq Stockholm's Corporate Bonds List on 7 November 2017. The bond has a variable interest rate of Stibor 3m + 7.25 %.

In May 2020, the bondholders voted for an extension of the bond to September 2022 by written procedure, thereby accepting a two-year extension of the bond.

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.

6. Related-party transactions

There were no related party transactions that significantly affected the Company's earnings and financial position during the period. For information on related-party transactions, see note 29 of the 2019 annual report.

7. Pledged assets and contingent liabilities

Pledged assets and contingent liabilities are possible obligations that arise from past events and whose existence is confirmed only by the occurrence or non-occurrence of one or more uncertain future events outside the Group's control, or when there is an obligation arising from past events which is not recognised as a liability or provision because it is not probable that an outflow of resources will be required to settle the obligation or the amount cannot be measured with sufficient reliability.

	Group		Parent Com	pany
Amounts in EUR thousands	30/06/2020	30/06/2019	30/06/2020	30/06/2019
Net assets/Shares in subsidiaries pledged	47 590	49 413	31 581	31 581

To provide collateral for borrowing related to the acquisition of the subsidiary HLM Malta Limited, the Parent Company has pledged all shares in the acquired subsidiary. 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.



8. 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. Earnings for 2020 include restructuring costs and costs of EUR 559 thousand related to the change of name to Acroud. Earnings for 2020 also include an impairment loss of EUR 503 thousand on the PokerLoco brand and financial costs related to a consent fee in connection with the refinancing of the bond loan. Q2 2020 was negatively affected by currency effects of EUR 1,139 thousand related to loan financing and cash proceeds, which are denominated in SEK. In Q2 2019, earnings were instead positively affected by corresponding currency effects of EUR 525 thousand.

	2020-04-01 2020-06-30	2020-04-01 2020-06-30	2020-04-01 2020-06-30	2019-04-01 2019-06-30	2019-04-01 2019-06-30	2019-04-01 2019-06-30	2020-01-01 2020-06-30	2020-01-01 2020-06-30	2020-01-01 2020-06-30	2019-01-01 2019-06-30	2019-01-01 2019-06-30	2019-01-01 2019-06-30
Amounts in EUR thousands	Reported Income Statement	One-off items affecting comparability	Results adjusted for recurring items	Reported Income Statement	One-off items affecting comparability	Results adjusted for recurring items	Reported Income Statement	One-off items affecting comparability	Results adjusted for recurring items	Reported Income Statement	One-off items affecting comparability	adjusted for
Other external expenses	-1 263	367	-896	-735	=	-735	-1 989	367	-1 622	-1 343	=	1 343
Personnel expenses	-1 070	192	-878	-1 014	-	-1 014	-1 993	192	-1 801	-1 997	-	-1 977
EBITDA	1 499	559	2 058	2 024	-	2 024	3 239	559	3 799	4 577	-	4 577
Depreciation/amortisation and impairment	-658	503	-155	-169	-	-169	-809	503	-306	-355	-	355
Operating profit (EBIT)	841	1 062	1 903	1 855	-	1 855	2 430	1 062	3 492	4 222	-	4 222
Interest and similar expenses	-786	240	-546	-723	-	-723	-1 438	240	-1 198	-1 479	-	-1 479
Other financial items	-1 159	1 139	-20	528	-525	3	177	-180	-3	986	-973	13
Net profit before tax	-1 088	2 441	1 353	1 329	-525	804	1 753	1 122	2 875	3 398	-973	2 425
Net profit	-1 144	2 441	1 297	1 242	-525	717	1 614	1 122	2 736	3 183	-973	2 210

9. Events after the end of the period

The Company adapted and took measures to create a strong long-term position in the Dutch market. The measures involved an adjustment of the product offering to ensure compatibility with the rules in the Dutch market until the new gambling act enters into force in the first quarter of 2021. Although the adjustment will have a negative impact on revenue in the short term, the measures are a long-term investment to ensure a strong position and sustainable development for the Dutch operations over time.

Net Gaming Europe was renamed Acroud. The name change was part of the extensive change management initiated when Robert Andersson took over as CEO, which involves an intensified focus on organic growth and entrepreneurship. In connection with the name change, the Company has also changed its ticker symbol on Nasdaq to "ACROUD" with effect from 17 July.

The Annual General Meeting was held by postal vote on Thursday 25 June 2020.



Key figures and definitions

Key figures, Group

	01/04/2020 30/06/2020	01/04/2019 30/06/2019	01/01/2020 30/06/2020	01/01/2019 30/06/2019
EBITDA margin	42 %	58 %	48 %	61 %
Adjusted EBITDA margin	58 %	58 %	56 %	61 %
Operating margin	24 %	53 %	36 %	56 %
Organic growth	2 %	-27 %	-11 %	-20 %
Equity ratio	51 %	40 %	51 %	40 %
Return on equity	-4 %	5 %	6 %	13 %
Equity per share	0,37	0,32	0,37	0,28
Number of registered shares at end of period	75 604 487	75 604 487	75 604 487	75 604 487
Weighted average number of shares before dilution	75 604 487	75 604 487	75 604 487	75 604 487
Weighted average number of shares after dilution	75 604 487	75 604 487	75 604 487	75 604 487
Earnings per share (after dilution)	-0,015	0,016	0,021	0,042
Adjusted earnings per share (after dilution)	0.017	0.009	0.036	0.029
Market price per share at end of period (SEK)	3,39	4,17	3,39	4,17
EPS growth (%)	e/t	-43 %	-49 %	-28 %

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.



СРА	Cost Per Acquisition - revenue from "up-front payment" for each individual paying player that Acroud refers to its partners (usually the iGaming operator)
EBITDA margin	EBITDA in relation to revenue
Equity per share	Equity divided by the number of shares outstanding.
Geographical distribution of revenue	Revenue per geographic market is distributed based on the original IP addresses of generated leads.
Adjusted EBITDA	Reported EBITDA, adjusted for non-recurring items in the form of restructuring costs and costs attributable to the change of name to Acroud.
Adjusted profit after tax	Reported profit after tax, adjusted for non-recurring items in the form of restructuring costs and costs attributable to the change of name to Acroud, refinancing and excluding currency effects related to the bond loan valuation.
NDC	The number of new customers making their first deposit with an iGaming (poker, casino, bingo, sports betting) operator. NDCs for the financial vertical are not included.
Organic revenue growth	Revenue from affiliate operations compared with the previous period, excluding acquisitions and divestments (last 12 months), in accordance with IFRS 3, and exchange rate movements
Earnings per share	Profit/loss after tax 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/EBITDA 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.

